

Be a “Life & Time Developer,” as never seen before



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Composition of the Integrated Report 2023

To achieve the Group Vision, “New Value, Real Value,” the Nomura Real Estate Group upholds the Nomura Real Estate Group 2030 Vision and the Sustainability Policy and takes steps to deliver sustainable growth by integrating sustainability into its business.

We divided the Integrated Report 2023 into the following sections:

Introduction

Our Vision (To be)

Our Current Strengths and Core (Strengths)

Our Challenges and Strategies (Actions)

The Foundation of Our Activities (Base)

Data, etc.

This structure outlines the Company's efforts to enhance corporate value in an easy-to-understand way.

Editorial policy

This report is published in order to foster understanding and serve as a tool for a deeper dialogue among shareholders, investors, and other stakeholders of the Nomura Real Estate Group. It explains the Group's approaches, strategies, and specific measures toward the creation of mid- to long-term value (social value and economic value) by taking the external environment into consideration and linking financial and non-financial information.

In this report, we endeavor to explain the stability of the Group's value creation efforts. To this end, we reveal the Group's current strengths and core, its strategies for realizing high profit growth and high asset and capital efficiency as outlined in the Mid- to Long-term Business Plan, progress made on these strategies, and its vision.

The editing and layout of this report follow such guidelines as the International Integrated Reporting Framework of the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation 2.0 of the Ministry of Economy, Trade and Industry. In addition, feedback and requests raised during dialogues with investors have been also incorporated.

■ Referenced guidelines

- Global Reporting Initiative (GRI), GRI Standards
- ISO 26000—Guidance on Social Responsibility
- The IFRS Foundation, Integrated Reporting Framework
- The Ministry of Economy, Trade and Industry, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation 2.0

■ Period covered by the report

From April 1, 2022 to March 31, 2023 (Fiscal year ended March 31, 2023)

Information on activities or outlooks from times prior to and following this period may also be mentioned.

■ Scope of the report

Nomura Real Estate Holdings, Inc. and Nomura Real Estate Group companies

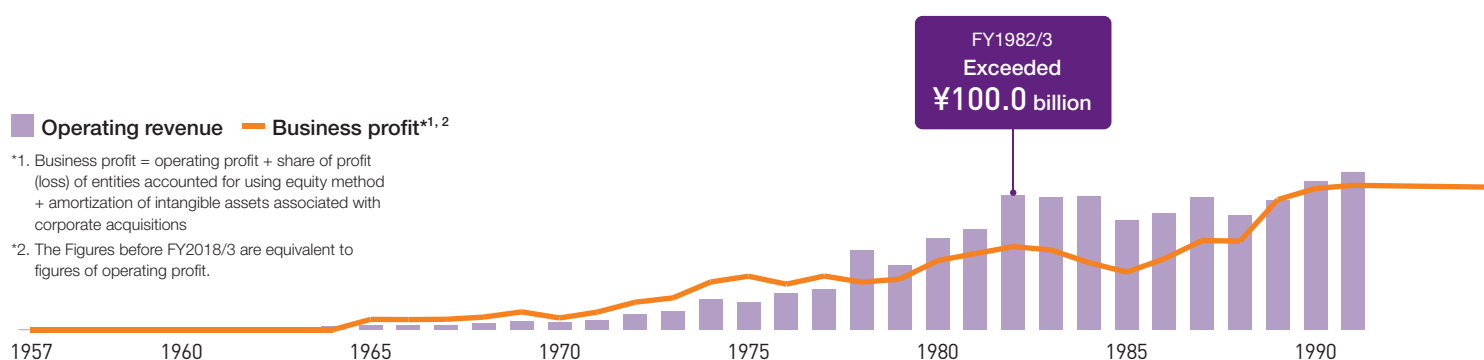
■ Forward-looking statements

This report contains forward-looking statements about the future plans, strategies, and performance of Nomura Real Estate Holdings, Inc. These forward-looking statements are not historical facts.

Rather, they are estimates, forecasts, and projections based on information currently available to the Company and are subject to a number of risks and uncertainties, which include economic trends, intensification of competition in the real estate industry, legal and taxation systems, and other regulations. As such, actual results may differ from those projected.

History of the Nomura Real Estate Group

We have been able to achieve business growth amid changing times by anticipating the needs of customers and society. Our past initiatives have created value in the present day and into the future.



1957–1990

High economic growth period—Bubble economy

1991–2002

Bubble burst—Recession in the 1990's

Entered into the residential development business to solve the housing shortage during the postwar reconstruction period.

In 1957, the Company was established as an asset management company for Nomura Securities when the latter constructed its new head office building. In 1961, the Company entered the residential development business with the aim of tackling the housing shortage, which was a key social issue during the postwar reconstruction period. In 1963, the Company advanced into the condominium development business and firmly established its position as a major private real estate developer. While steadily expanding our office building business, in 1978, we developed Shinjuku Nomura Building, a skyscraper that still serves as our head office to this day.



1957
Spun off from Nomura Securities and launched real estate business focused on the leasing and management of office buildings



1961
Launched real estate development business with development of the Kajiwarayama residential area in Kanagawa



1963
Launched condominium development business with the construction of Co-op Takenomaru in Kanagawa



1978
Completed construction of Shinjuku Nomura Building, moved the Company's Head Office from Nihonbashi to Shinjuku

Overcoming financial crisis by concentrating business resources on the residential business.

When the bubble burst, the economy and the real estate market conditions rapidly deteriorated. The Group overcame the crisis by grasping the resurgence of residential needs in urban centers due to falling land prices and concentrated its business resources on the condominium business. In 1999, the Company was an early adopter of IT, launching the real estate information website "nomu.com." In 2002, we announced "PROUD," an integrated brand of housing and related services under which we have continued to create products and services, leading to a strength for the Company.



Completion: 1990 and onward
Yokohama Business Park (YBP), one of the largest business developments undertaken by the Company alone as a private company, completed

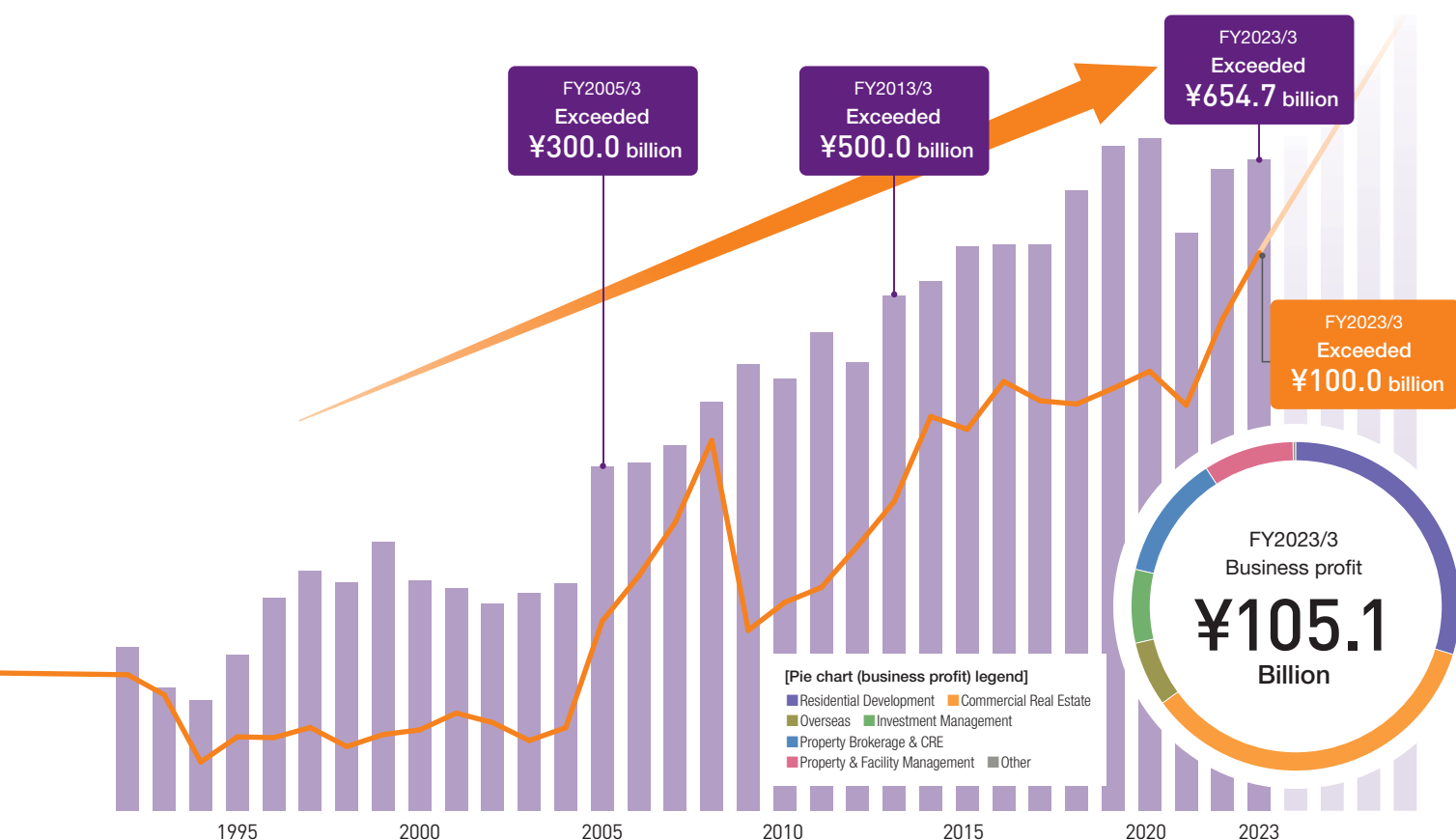
ネットで住みかえ ノムコム
nomu.com

1999
Launched the real estate information website "nomu.com"



2002
Launched "PROUD" as an integrated brand of housing and related services
Completed construction of PROUD Kugayama (2003)

PROUD



2003–2010

Economic recovery—
Global financial crisis

2011–2022

Great East Japan Earthquake—
Advancements in globalization

2023–

The post COVID-19 era

Accelerating growth through M&A, and development of characteristic brands.

In October 2006, the Company was listed on the First Section of the Tokyo Stock Exchange (now the TSE Prime Market). We increased our financing capabilities from capital markets and significantly expanded the Leasing business through the M&A of NREG Toshiba Building (merged into Nomura Real Estate in April 2022). We also developed a string of characteristic asset brands, including PMO (with which we created a new market of medium-sized high-grade offices), and Landport (logistics facilities with advanced and high functionality, created through early-stage market entry and development based on investor needs).



Nomura Real Estate Holdings was listed on the First Section of the Tokyo Stock Exchange



Completed construction of Landport Atsugi



Completed construction of PMO Nihonbashi Honcho



NREG TOSHIBA BUILDING joined the Group

Initiatives to build cities that connect today with tomorrow's possibilities in Japan and overseas.

We are working on several projects through which we are demonstrating the Group's expertise. One is Shibaura Project, a large-scale, mixed-use development (South Tower: completion scheduled for February 2025; North Tower: completion scheduled for FY2031/3). Under this project, we will develop a total floor space of approximately 550,000 m², the largest in the Group's history. Moreover, the overseas expansion of our expertise cultivated in Japan has accelerated, especially in the cities of rapidly growing ASEAN countries. Meanwhile, in OKUTAMA TOWN, Tokyo, we own approximately 130 ha of forest. With this forest as a basis, we have launched new initiatives aimed at realizing low-carbon buildings via the use of wood materials even as we strive to maintain and restore forest functions. Looking ahead, we will strive to build cities—dynamic stages that connect today with tomorrow's possibilities—at home and abroad in a way that accurately meets people's needs.

MASTER FUND



2015

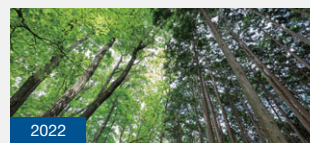
Established "Nomura Real Estate Master Fund" through the merger of 3 REITs

FNG

Federal Land NRE Global

2022

Established Federal Land NRE Global (FNG), a joint venture company in the Philippines



2022

Launched the Mori no Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo)

Nomura Real Asset Investment

2023

Nomura Real Asset Investment Corporation launched a fund management business



2025

Scheduled completion of Shibaura Project (South Tower)

Overview of the Nomura Real Estate Group

The Nomura Real Estate Group is engaged in a diverse range of businesses from real estate development to the provision of relevant services.

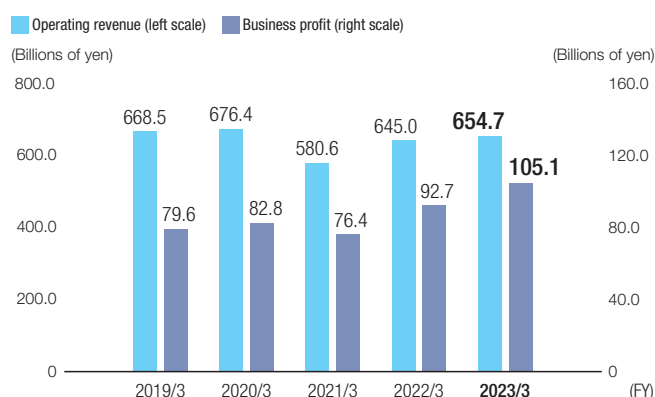
Review of the Fiscal Year Ended March 2023

In the fiscal year ended March 31, 2023, the Group's business profit*¹ and profit attributable to owners of parent amounted to ¥105.1 billion and ¥64.5 billion, respectively, with both achieving record highs.

Operating revenue	¥654.7 billion	Dividend per share	¥120.00	Total assets	¥2,110.6 billion
Business profit* ¹	¥105.1 billion	Total return ratio	47.6%	Shareholders' equity ratio	31.0%
Profit attributable to owners of parent	¥64.5 billion	ROA	5.1%	CO ₂ emissions reduction (compared to FY2020/3)	
EPS	¥365.26	ROE	10.1%	Scope 1 & 2	98,000 t-CO ₂ (approx. 35% reduction)
				Scope 3	1,868,000 t-CO ₂ (approx. 41% reduction)

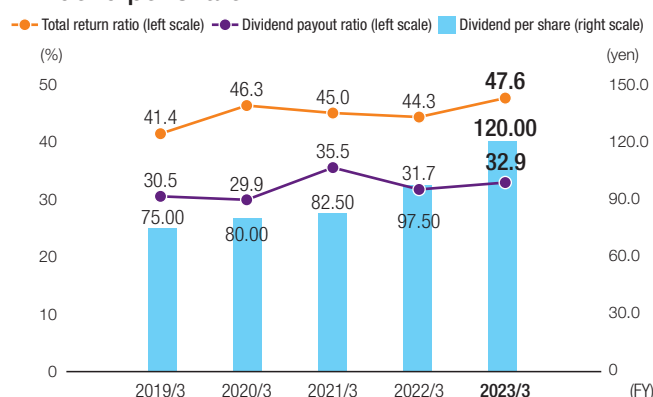
Trend in Each Indicator

Operating revenue / Business profit



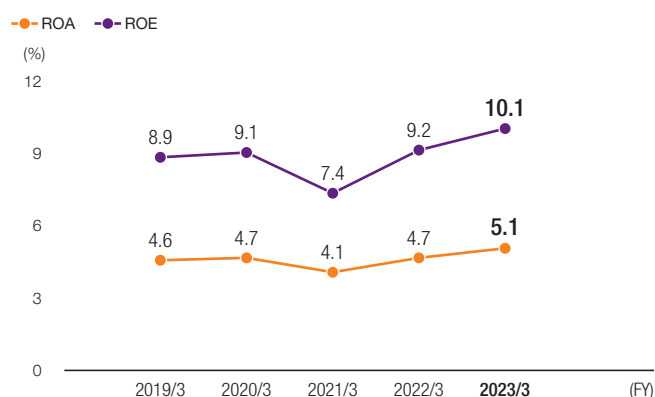
Business profit totaled ¥105.1 billion, up ¥12.4 billion (13.4%) year on year, hitting a record high.

Total return ratio / Dividend payout ratio / Dividend per share



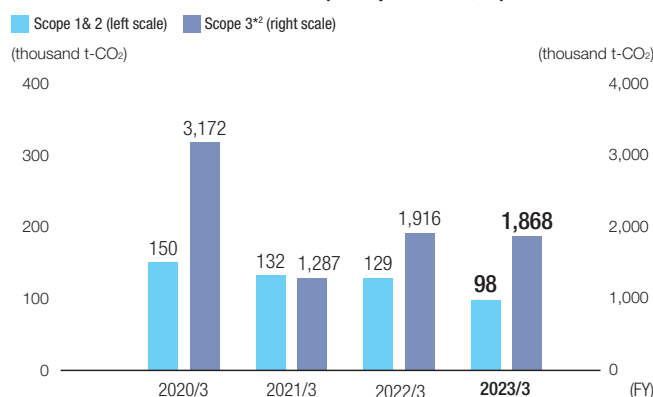
We achieved an 11th consecutive annual increase in cash dividends, based on growth in profit and expansion in the dividend payout ratio. Moreover, the total return ratio amounted to 47.6%, enabling us to live up to our shareholder return policy as stipulated under the Mid- to Long-term Business Plan ([▶ p. 34](#)).

ROA / ROE



Our ROA and ROE came to 5.1% and 10.1%, respectively, achieving our targets under the Mid- to Long-term Business Plan ([▶ p. 34](#)).

CO₂ emissions reduction (Scope 1 & 2, 3)



We have identified a target of reducing the volume of CO₂ emissions by 35% ([▶ p. 45](#)) by March 31, 2031, compared with the level recorded in the fiscal year ended March 31, 2020. Accordingly, we are promoting a variety of decarbonization initiatives.

*1 Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

*2 Total of Category 1 and 11 emissions from Group facilities certified under SBT

Note: See pp. 90-91 for formulas for each indicator.

Overview by Business Unit

The Nomura Real Estate Group mainly operates in the Development Sector, in which it creates value through real estate development, and the Service & Management Sector, in which it creates value through the provision of real estate-related services, with a total of six business units supporting these two sectors.

	Business unit overview	Major business asset components ^{*3}	Major brands, etc.
Development Sector	Residential Development Business Unit <ul style="list-style-type: none"> Development and sale of condominiums and detached housing Development, leasing and sale of rental housing Development and management of senior housing Internet advertising 	<ul style="list-style-type: none"> Land bank in the domestic housing sales business: approx. ¥1,770.0 billion (equivalent to approx. 22,380 units) Number of Nomura Real Estate Group Customer Club members: approx. 152,000 Level of participation in residential redevelopment projects: Industry-leading^{*4} 	
	Commercial Real Estate Business Unit <ul style="list-style-type: none"> Development, leasing, sales, and entrusted management of office building, logistics facility, retail facility, etc. Fitness club operations Development, leasing, and management of hotels Planning and management of construction work, etc. 	<ul style="list-style-type: none"> Net lettable area (offices and retail facilities): approx. 697,000 m² Number of tenants: more than 2,000 companies^{*5} Number of H'T offices and their members: 248 offices/ approx. 3,600 companies, approx. 400,000 members Number of MEGALOS fitness clubs and their members: 37 clubs/ approx. 114,000 members 	
	Overseas Business Unit <ul style="list-style-type: none"> Development and sale of housing mainly in Southeast Asia and China Development, leasing, etc., of office buildings and serviced apartments, primarily in Southeast Asia, China, the U.K. and the U.S. 	<ul style="list-style-type: none"> Number of housing sale projects the Group participated in/total project cost (our share): 31/ approx. ¥560.0 billion Number of leasing projects, etc., the Group participated in/total project cost (our share): 12/ approx. ¥70.0 billion 	
Service & Management Sector	Investment Management Business Unit <ul style="list-style-type: none"> Investment management services, including listed and private real estate investment trusts (REITs) and private funds Investment management services, including real estate securitization products 	<ul style="list-style-type: none"> Assets under management (AUM): approx. ¥1.9 trillion Number of institutional investors through domestic asset management (excluding listed REIT): 296 Institutions Asset management know-how: Accumulated over the course of more than 20 years 	
	Property Brokerage & CRE Business Unit <ul style="list-style-type: none"> Real estate brokerage and consulting Real estate information website operation Insurance agency, etc. 	<ul style="list-style-type: none"> Number of retail branches: 88^{*6} Number of middle offices: 11^{*6} Number of wholesale offices: 9^{*6} Number of nomu.com members: approx. 263,000 Number of partner financial institutions, including Nomura Securities and regional financial institutions: 112 	
	Property & Facility Management Business Unit <ul style="list-style-type: none"> Operation and management of and contract work for condominiums, office buildings, etc. Renovation business Local cooling and heat supply business; solar power business Entrusted cleaning of office buildings 	<ul style="list-style-type: none"> Number of housing units under management: approx. 189,000 units Number of buildings under management: 782 units Licensed Representatives of Condominium Management Company: 616 Building environment and health management engineers: 571 	

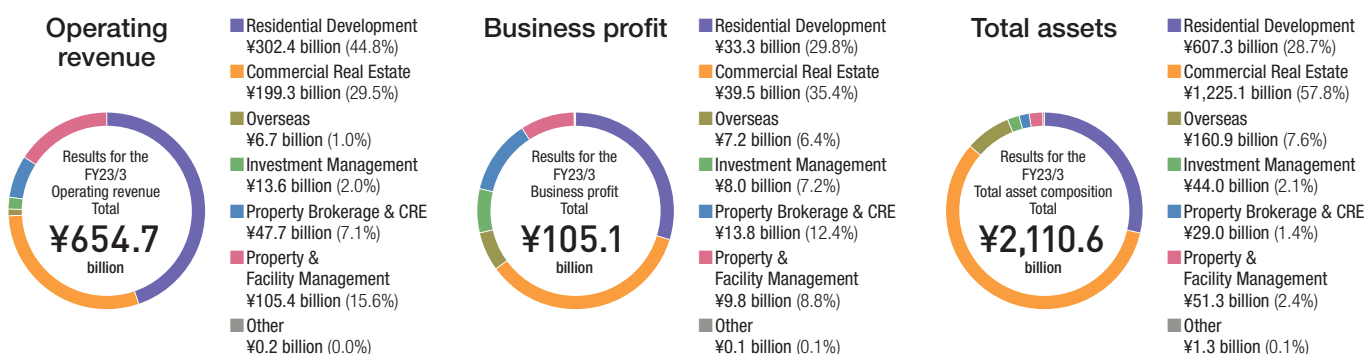
^{*3} Data are for the fiscal year ended March 2023 or as of March 31, 2023, except for the number of nomu.com members, which is as of January 31, 2023.

^{*4} Source: Based on in-house research

^{*5} Total number of tenants occupying properties that the Group owns and conducts property management.

^{*6} In cases where an entity is operating multiple businesses, the number of branches and offices are calculated on the basis of each business.

Revenue Composition by Business Unit^{*7}



^{*7} The composition ratio is calculated based on the simple sum of each item and rounded to the first decimal place, so the total may not add up to 100%. In addition, the total displayed in the center of the pie chart includes intersegment adjustments, so it differs from the total sales, business profit or total assets of each Business Unit.

CEO Message



I will fulfill my role as CEO with the aim of realizing the vision of “Be a ‘Life & Time Developer,’ as Never Seen Before”

Satoshi Arai

President and Representative Director,
Group CEO

My Thoughts on Being CEO and My Role

I became Group CEO of Nomura Real Estate Holdings in April 2023. I joined Nomura Securities in 1988 and, after spending 34 years in the financial industry, joined the Nomura Real Estate Group in April 2022. About half the time I spent at Nomura Securities, I was engaged in offering a variety of proposals to a wide range of customers, including individuals, corporations, and financial institutions. The other half of my time was spent on the creation of new products and working in such fields as human resources, sales planning, and corporate planning. I intend to leverage the knowledge and experience I have cultivated to date to help realize the Group's vision.

Since becoming Group CEO, I have been strongly conscious of creating an environment in which each employee can work comfortably and continue to take on new challenges. This is in line with the Group's action guidelines of “Working with vigor and achieving wellness” and “Always being a challenger.” I was also keenly aware of this at my previous company, where I was in a position of managing many employees as the head of the retail division. For

example, when providing some instructions to a branch, I tried to visit the branch and strove to foster communication with many employees directly, rather than contacting them through the head of the branch. In addition, when informing employees and management of the organization's policies, I create the messages myself and put thought into stating them in my own words. I will continue to maintain this kind of mindset and approach in the Nomura Real Estate Group.

My experience at Nomura Securities has made me aware that corporate and individual customers, including high net worth people, have a wide variety of needs, not just for financial products but for real estate. For such customers, the Group provides real estate-related services, as well as asset management services. The Group engages in wide-ranging collaboration with Nomura Securities. Going forward, I intend to strengthen this alliance as well as deepen collaboration in new fields. I believe this is one type of added value enabled by my becoming the Group's CEO.

Many of the executive officers of the Group have a wealth of experience related to real estate, and the external directors offer deep insights in a variety of industries, and I have more than 30 years of experience in the financial

industry. I intend to continue contributing to deeper, more sophisticated discussions and management decisions at the Group's Board of Directors, Management Committee, and various committees.

Our Vision (To be)

Nomura Real Estate Group Vision for 2030

In April 2022, the Group released the Nomura Real Estate Group Vision for 2030, "Be a 'Life & Time Developer,' as never seen before." This encompasses our medium- to long-term vision and the strong ambition of each employee aiming to achieve this vision.

"Life" and "time" each have various meanings. Life refers not only to daily life; it can be interpreted in many different ways to mean life force, lifetime, or vitality among other things. Time refers to not only duration, it can mean the passage of time, time periods, eras, free time, and more. Conventional developers focus solely on the tangible aspects of buildings like housing and office buildings. We, however, aim to be a new type of developer, one that not only develops excellent tangible products but also many of the intangible aspects comprising people's Life and Time.

The Group not only develops housing, offices, logistics facilities, retail facilities, hotels and other properties but also manages, sells these properties and provides investment opportunities for them. So you could say the Group already provides various kinds of Life and Time. However, because the Life and Time that customers expect going forward will continue to become more advanced and diverse, we must aim to truly "Be a Life & Time Developer, as never seen before."

Therefore, I call on everyone in the Group to evolve every day by thinking about what kind of Life and Time they want to provide and by realizing those goals. The evolution of every officer and employee will spur a transformation of the overall organization and, in turn, enable the evolution of the Group into a form as never seen before. In this way, we will continue steadily realizing our vision.

Mid- to Long-term Business Plan / Promotion of Sustainability and DX

The specific strategies aimed at realizing this vision have been outlined in the Mid- to Long-term Business Plan covering the fiscal year ended March 2023 through the year ending March 2031. The plan lays out targets for promoting sustainability and DX in addition to the key strategies for the further expansion of the domestic real estate development business, high profit growth in the Service & Management Sector, and the steady growth of overseas business (▶ p.34).

Regarding sustainability, in the Sustainability Policy "Earth Pride," we show the direction the Group and its employees should head toward 2050 (▶ p.13). To achieve this policy, we also established five priority issues (materiality) that should be addressed by 2030 (▶ p.13). I think this policy should be something that employees can achieve as part of their own goals, not just something imposed on them by the Company. We will regularly revise KPIs to enable each employee to carry out this policy through business (▶ pp.40-41, 46-47).

The promotion of DX will be key to the Group's growth. We simultaneously view changes in the business environment caused by the evolution of digital technologies as opportunities leading to the expansion of new business fields and as risks that could make our existing business model obsolete. Through the use of digital technologies, we will continue providing new products and services that enrich customers' Life and Time while enhancing the productivity of existing businesses.

The Company's Competitive Advantages

Our Approach to Connect Closely with Individuals

To realize our vision, each of our businesses needs solid competitive advantages. The Group's competitive advantages can be expressed in four phrases (▶ pp.16–19), but at their root is our approach of connecting closely with individuals. This means that the mindset of striving to create quality products for customers and providing better services to customers has become engrained throughout the entire Group.

For example, there are more than 300 first-class licensed architects in the Group (as of April 1, 2023). Employees well versed in manufacturing, including quality assurance, architecture technology, and marketing, engaged in active and lively discussion with general contractors and design offices. This approach has helped PROUD secure the No. 1 spot among condominium brands for 16 consecutive years.* We leveraged the wide array of insights cultivated when building up the PROUD

brand in the development of other assets and have created unique brands with excellent quality, such as PMO medium-sized high-grade offices, Landport logistics facilities, and GEMS retail facilities.

In addition, with the aim of fostering a corporate culture of continually taking on new challenges and strengthening Group alliances, the Group started the Nomura Real Estate Group Awards in 2016. At the most recent ceremony, over 100 of excellent initiatives were submitted, and particularly excellent ones were honored with an award. As one example, spurred on by this award, Nomura Real Estate Partners (Property & Facility Management Business Unit) is continuing to enhance measures addressing the social issue of condominium renovations. This case demonstrates that each Group company, including those in the Service & Management Sector, is striving to build long-lasting relationships with customers on the front lines of each of their businesses.

The Group's employees have a professional mindset



that drives them to strive to provide genuinely good real estate-related services and further enhance the added

value. This is, in fact, the true source of the Company's competitive advantages.

*Calculated by the Group based on the Condominium Brand Survey conducted by Nikkei, Inc. The calculation of the number of years in which PROUD has achieved the No. 1 spots is based on multiple evaluation categories in which it received the most top marks compared with other brands.

Business Strategies Going Forward

Progress in the Mid- to Long-term Business Plan

The Mid- to Long-term Business Plan (the "Plan") was formulated based on the Company's aforementioned vision and competitive advantages. In the fiscal year ended March 2023, the first year of the Plan, we made steady progress. As the new CEO, I intend to promote business based on the strategies and measures of the Plan.

Focusing on Phase I (from the fiscal year ended March 2023 to the fiscal year ending March 2025) of the Plan, we have mostly completed planned acquisitions of land

for development opportunity, in the Residential Development, Commercial Real Estate, and Overseas Business Units. And, regarding Phase II (from the fiscal year ending March 2026 to the fiscal year ending March 2028), we have already seized business opportunities up to the midway point. Basically, up to the first half of Phase II, we have already secured our profit plans in each Business Unit.

Of these, the most significant growth is most expected in the Commercial Real Estate Business Unit. With the completion of the Shibaura Project (South Tower to be



completed in February 2025, North Tower to be completed in the fiscal year ending March 2031), the largest mixed-use development project in the Group's history, we will add an excellent, large-scale asset to our portfolio. I think that there will be a notable expansion in the variety of options available to us, such as new investment opportunities, thanks to the strengthened business foundation this will bring.

Looking back on the evolution of the Group's business portfolio, in response to deteriorating economic conditions in the early 2000s following the collapse of the bubble, we rode out the crisis by consolidating our management resources into the condominium business and launched the PROUD brand. We then acquired NREG Toshiba Building in 2008 and strove to expand the leasing business. Since then, we have focused on growth in the Development Sector, for example, we have leveraged the acquired company's assets to enhance the Commercial Real Estate Business Unit and resumed the overseas business in 2014. At the same time, we have expanded the Service & Management Sector, which is expected to see stable growth, through the launch of Nomura Real Estate Master Fund in 2015, the expansion of the asset management business, and the steady growth of the Property Brokerage & CRE Business Unit and the Property & Facility Management Business Unit.

As a result of this precise selection and concentration, our current business portfolio is in good shape and each business unit is able to not only stably generate profit but

also steadily expand profit. In addition, the balance sheet has remained sound, and we are aware that this situation enables investment in new growth opportunities while keeping an eye on changes in the business environment. I believe my mission as CEO is to steadily realize growth as laid out in the Mid- to Long-term Business Plan.

Addressing Changes in the Business Environment

Compared with April 2022, when the Mid- to Long-term Business Plan was formulated, the business environment surrounding the Company has changed considerably. For example, raw material and fuel costs have risen due to the protracted Ukraine conflict, interest rates have increased around the world, and inflation has begun to take a firm hold in Japan. Amid such significant changes, we will continue to carefully assess the investment plans of each business unit, making revisions as necessary to ensure the steady growth outlined in the Mid- to Long-term Business Plan. In addition, we will keep an eye on the changes and stay ready to seize business opportunities amid this uncertain business environment. For example, we are seeking to expand business in the U.S. and European real estate markets, where real estate prices have fallen significantly, and to secure inorganic growth opportunities through strategic investment in companies that are able to demonstrate synergy with the Company, whether in Japan or overseas.

To All Our Stakeholders

As I stated at the beginning of my message, my role is to continue creating and expanding the value of the Group by fostering an environment in which employees can work comfortably, take on new challenges, and tap their full potential. I will continue striving to ensure that our stakeholders—including customers and all our shareholders as well as officers and employees and their families—are happy by leveraging the Group's strong competitive

advantages to create added value.

Moreover, I will continue working hard to enhance communication to ensure all stakeholders, especially our shareholders and investors, recognize the Group's outstanding value creation power.

I would like to thank everyone for their continued support of the Group as it aims to evolve into a Life & Time Developer, as never seen before.

The Vision of the Nomura Real Estate Group

In line with our Group Vision “New Value, Real Value,” we aim to realize sustainable growth and, to this end, have established the Nomura Real Estate Group 2030 Vision, “Be a ‘Life & Time Developer,’ as never seen before,” and “Earth Pride,” our Sustainability Policy (vision of 2050). In addition, we have formulated financial targets, priority issues (materiality), and key performance indicators (KPIs) for 2030 (the fiscal year ending March 2031).

Our Group Vision

New Value, Real Value

Mid- to Long-term Business Plan



Nomura Real Estate Group 2030 Vision

Be a “Life & Time Developer,” as never seen before

Nomura Real Estate Group has always connected closely with customers’ lives and times through real estate development and real estate-related services.

Now, as we confront various social issues, as well as diversified lifestyles and values, we must change ourselves.

To enrich people’s respective lives and every moment of their time

we will transform ourselves into a “Life & Time Developer” that creates new, significant values on a global scale.

FY 2031/3 Targets

Mid- to Long-term Business Plan Financial targets

Profit	Asset and capital efficiency	Shareholder returns
Business profit:	ROA:	Dividend payout ratio:
¥180.0 billion or more	5% or more	40% level
	ROE:	
	10% or more	

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.

Promotion of Sustainability



Sustainability Policy (vision of 2050)

Earth Pride

Pursuing humanity

We strive to answer the deep questions of human existence and well-being in a world where technology is increasingly progressing and being integrated into our lives.

By providing an inclusive living environment where people support and connect with each other, we contribute to the creation of a society where no one will be left behind.

Maintaining harmony with nature

Our aim is to achieve true harmony with our natural environment for our future children and healthy ecosystems by reconsidering how human economic activities should operate.

While carefully conserving the Earth's finite resources, we improve the relationship between nature and humans.

Building the future together

The ambition we have is to create unprecedented value from diverse organizations and people working together to overcome boundaries.

We are continuously challenging ourselves with novel ideas of living, business and working styles for an innovative society where all people with various backgrounds and values can build on their strengths.

Priority issues (materiality)

Climate change and natural environment



Decarbonization



Biodiversity



Circular design

Society and employees



Diversity & inclusion



Human rights

KPIs relative to our achievements in addressing priority issues

Climate change and natural environment

Reduction of CO₂ emissions (Compared to FY20/3)

Scopes 1 & 2: **35%** Scope 3: **35%**
Reduce by

Society and employees

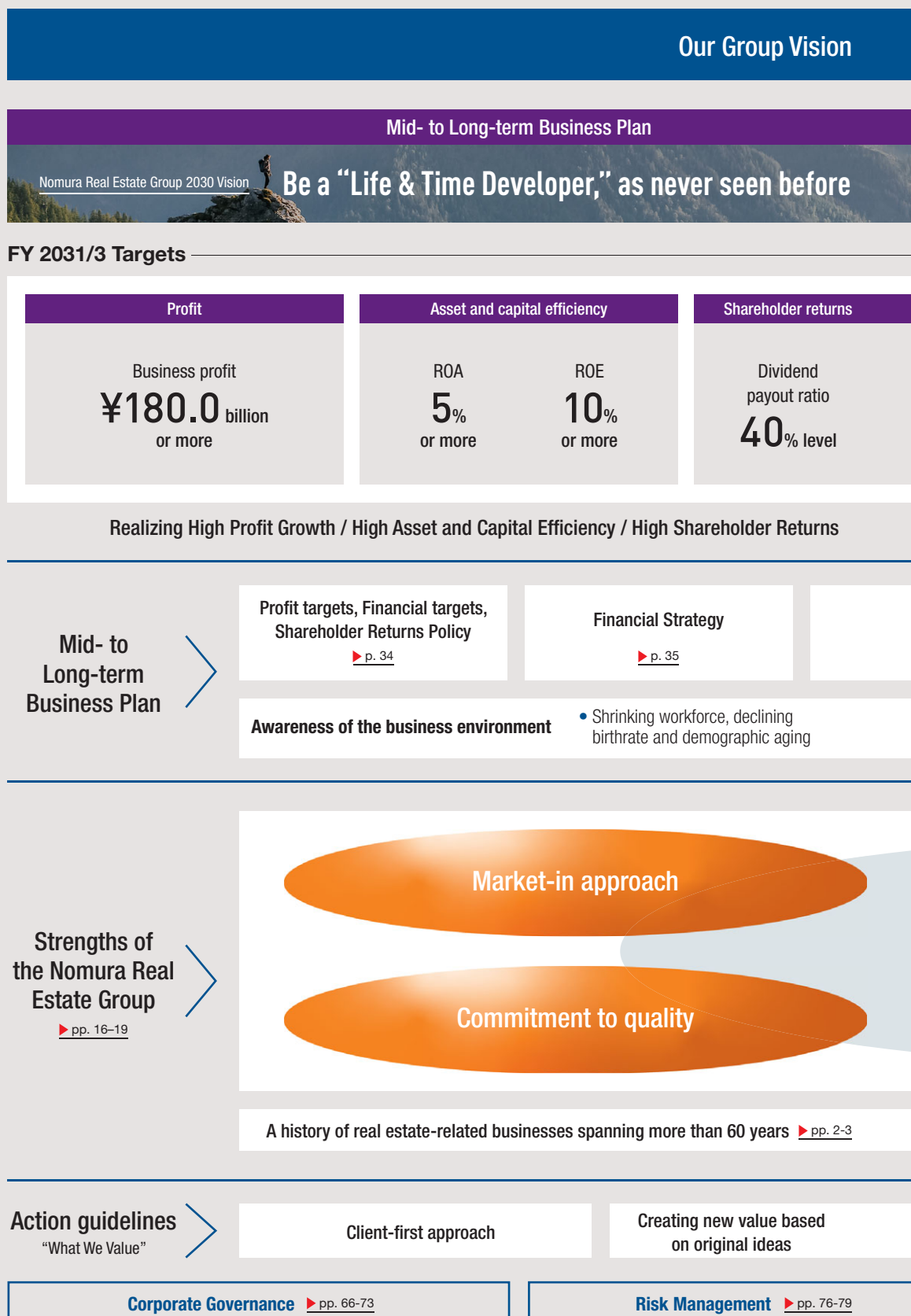
Female manager and junior manager ratio: **20%**

Childcare leave utilization rate by men and women: **100%**

Click here to see our materiality determination process <https://www.nomura-re-hd.co.jp/english/sustainability/theme/process.html>

Value Creation Process

The Group will continue to realize high growth and high shareholder returns through the achievement of the Mid- to Long-term Business Plan based on the strengths it has amassed. By realizing high asset and capital efficiency and by promoting sustainability initiatives, we aim to realize the Nomura Real Estate Group 2030 Vision and Sustainability Policy, as well as the Group Vision.



“New Value, Real Value”

Promotion of sustainability

Sustainability Policy (vision of 2050)

Earth Pride

Climate change and natural environment

• Priority issues (materiality) for 2030



Decarbonization



Biodiversity



Circular design

• Key performance indicators (KPIs)

Reduction of CO₂ emissions
(Compared to FY2020/3)Scope 1 & 2:
Reduce by

35%

Scope 3:
Reduce by

35%

Society and employees

• Priority issues (materiality) for 2030



Diversity & inclusion



Human rights

• Key performance indicators (KPIs)

Female manager and
junior manager ratio

20%

Childcare leave
utilization rate by
men and women

100%

Implementation of sustainability activities through business

DX Strategy

▶ pp. 36-37

Human Resources Strategy

▶ pp. 38-39

Sustainability Strategy

▶ pp. 40-47

Strategies by Business Unit

▶ pp. 48-59

Strategic investments

• Diversification of lifestyles and workstyles

• Evolution of digital technology

• Heightened awareness of sustainability, etc.

**Our approach to connect
closely with individuals,
that is established in the Group**

**Business collaboration and
value creation within the Group**

**Open-minded approach to
new ideas and businesses**

Business assets ▶ pp. 20-21

Always being a challenger

Acknowledging our growth with society

Working with vigor and achieving wellness

Internal Controls, Compliance ▶ p. 80

Information Disclosure ▶ pp. 80-81

Strengths of the Nomura Real Estate Group

The strengths based on “our approach to connect closely with individuals,” that is established in the Group, comprise a market-in approach; business collaboration and value creation within the Group; commitment to quality; and open-minded approach to new ideas and businesses. These strengths are demonstrated by our real estate development and real estate-related services businesses.

Market-in approach

Develop real estate, provide real estate-related services, and implement sustainability initiatives based on the needs of customers and markets

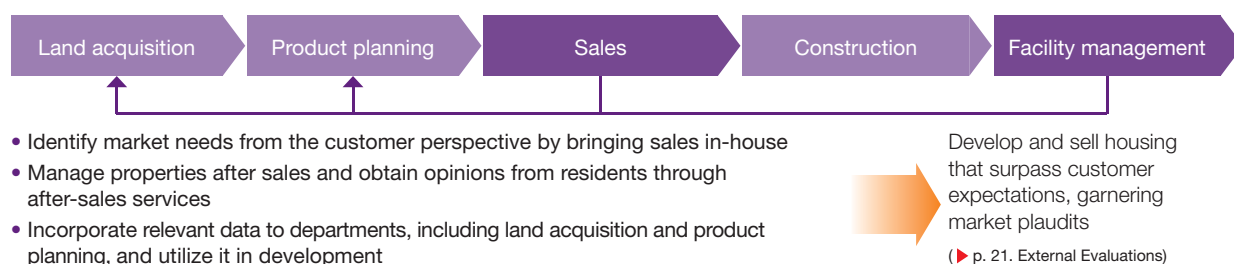
It has been 20 years since the launch of the PROUD series, Nomura Real Estate Development’s residential brand. Since then, our employees, the operators of the business, have been the primary force working to bring sales activities in-house. Specifically, the business operator employees identify market needs from direct engagement with customers and swiftly incorporate this data into land acquisitions and product planning.

The competitive advantages of such practices are laterally rolled out across the organization, with the representative example being the application of the above approach of the residential business to PMO, medium-sized high-grade office. While striving lease properties to tenants, the leasing team soon realized that there was a lack of properties that were meeting customer needs or market expectations. We therefore created product concepts with both the land acquisition team and the product planning team to better capitalize on this opening in the market.

A specific example demonstrating our strengths

A market needs-based integrated development, sales, and management system in the residential business

Main business processes in the residential business



PMO, medium-sized high-grade office, was developed in light of social issues and tenant needs

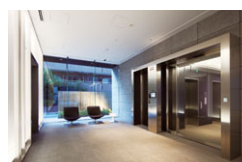
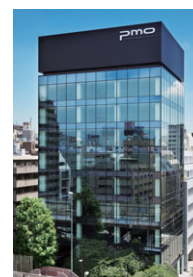
Social issues and tenant needs

- Small and medium-sized buildings built to outdated earthquake-resistant designs need to be rebuilt (social issue)
- There are few high-quality small and medium-sized buildings. (social issue)
- Companies want to rent buildings with functions similar to and as high-quality as those of high-performance large-scale buildings. (need)
- Companies want to rent entire floors to ensure security. (need)

Development of PMO

- Medium size, but with the same functionality, comfort and design as large-scale buildings
- Highly independent designs that assume single-tenant occupancy for each floor in principle
- Use of a robust structure, ensuring a stable business environment for tenants
- Offering unique services, such as seminars and social events for tenants

▶ **Create new added value by addressing social issues and tenant needs**



PMO Nihonbashi Honcho

Business collaboration and value creation within the Group

Create new value through the value chain within the Group

Reflecting our high added value development capabilities, we do not focus on owning leasing assets and instead secure shareholder returns by realizing unrealized gains through sales. This revolving business model is a major pillar of the Group's growth.

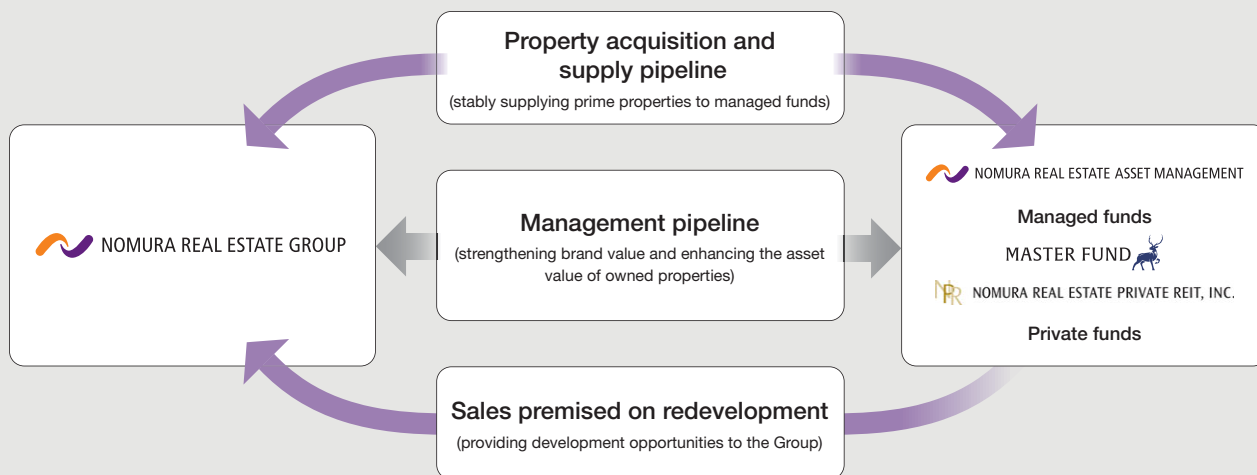
Our circulating leasing value chain realizes mutual growth for the Group as well as REITs and funds managed by the Group. The leasing value chain plays a major role in this business model and could be called a major strength. We stably supply prime properties developed by the Group to managed funds, and the Group is able to acquire and increase the value of properties owned by the funds. By sharing management know-how, we help enhance the asset value of properties.

A specific example demonstrating our strengths

The Leasing Value Chain that realizes the mutual growth of the Group and the Group REITs, etc.

Leasing Value Chain

- Enhancing Group-wide value (maintaining and strengthening developed property brands, enhancing asset value)
- Mutual growth through the acquisition and sale of developed properties



Main profitable real estate the Group develops and sells

PROUD FLAT

pmo
PREMIUM MIDSIZE OFFICE

H1O
HUMAN FIRST OFFICE

GEMS

MEFULL

LandPORT

SoCoLa

Record of the Group's sales to REITs and private funds (cumulative)

86
properties

¥478.7
billion



Commitment to quality

Commit to the quality of real estate development and services we provide

The Group has many first-class licensed architects in-house (304 as of April 1, 2023) and has put in place a high-quality manufacturing system over many years, establishing an in-house licensed first-class architect office and offices specializing in quality management, product planning, and after-sales services. We have demonstrated our commitment to quality in various different ways, such as being the first in the industry to create housing complex structure design standards and applying them to condominiums the Group supplies across Japan.

This attitude is true of not just our real estate development but also our real estate-related services. Our ongoing steady provision of high-quality services in the management of condominiums have garnered us the No. 1 spot in condominium management ratings* for 14 consecutive years.

Utilizing the strengths we have cultivated in Japan, we are bringing to bear the Group's unique value creation in the overseas business.

A specific example demonstrating our strengths

Expanding the commitment to quality cultivated in Japan to overseas markets

Quality management in Japan

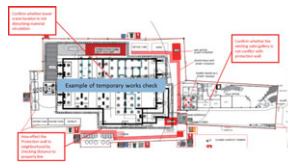
- Implementing thorough inspection systems for structures, construction, and equipment through the quality management office, an expert group comprising architects holding first-class licenses and others
- Completing design standards and a manual compiling the expert knowledge gained over more than 60 years to share and pass down experiences and know-how



Design standards and a manual

Overseas initiatives

- Based on know-how cultivated in Japan, we undertake Design KAIZEN* and Workplace KAIZEN, which help enhance design quality and avoid construction defects
* Improvement, refinement
- These efforts significantly improve customer evaluation and help gain the trust of the local partner companies with which we pursue overseas business, leading to greater business opportunities



Our commitment to ensuring the quality of products and services, by pursuing such issues as supervision, design, and comfort in construction processes, has led to plaudits from external sources

(▶ p. 21 External Evaluations)



PROUD CITY Kichijoji



Nomura Real Estate Otemachi North Building



PROUD SEASON Seijo Court



Received the Good Design Award for the 21st consecutive year



Condominium management rating No. 1 for 14th consecutive year*

* "SumaiSurfin" Property Management Company Customer Satisfaction Survey ranking

Open-minded approach to new ideas and businesses

Continue challenges by expanding the areas of value creation to a wider range of asset types and services in Japan and overseas

The Group entered the residential development business with the aim of addressing the social issue of the post-war housing shortage and has continued striving to address changes in the business environment and take on various businesses.

We entered the real estate fund business early on and have steadily expanded our assets and services, including shared offices and serviced offices adapted to workstyle changes, restaurant buildings that bring together unique restauranteurs, hotels, fitness sites, and logistics facilities.

Our in-house systems, including the award system the Nomura Real Estate Group Award, which supports new endeavors, and the new business idea incubation system NEXPLORER, significantly help nourish the spirit of ambition that is engrained in the Group.

A specific example demonstrating our strengths

Diversifying offices, such as H¹T and H¹O

Due to diversifying workstyles, office formats are changing. With an eye on the evolving workstyles of this new era, we offer a diverse office portfolio achieved through the development of H¹T and H¹O in addition to traditional large-scale offices and the medium-sized high-grade office brand PMO.

Changes in the business environment

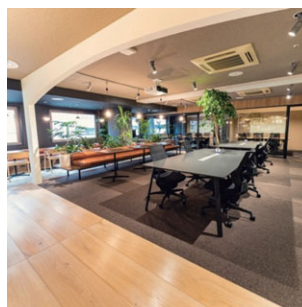
- Diversifying workstyles (accelerating since the pandemic)
- Development of ICT
- Changes in the value placed on offices
- Technological revolution of AI and IoT



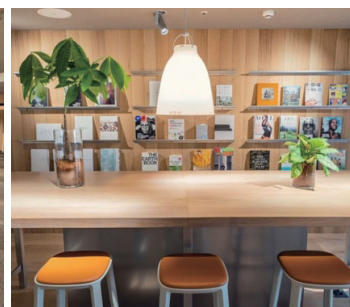
Providing diverse workplaces

H¹T

- Highly convenient, comfortable shared offices that serve as the third workplace after home and work sites
- With diverse seating arrangements and spaces, they are easily adapted to suit the user's purpose

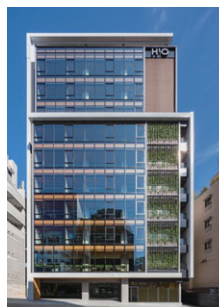


H¹T Shinjuku West Exit

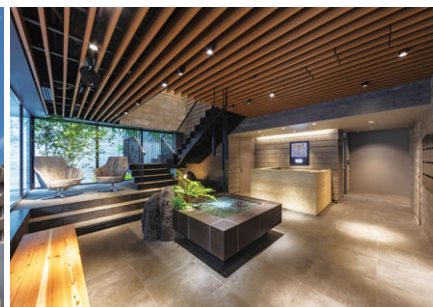


H¹O

- Small offices that ensure high security and comfort with a full suite of common facilities
- In addition to visitor reception services, individual room management is possible using IoT



H¹O Shibuya Jinnan



Key Components of Business Assets Supporting Our Strengths

The Nomura Real Estate Group's hard-earned strengths are clearly shown in the robustness of its business assets.



Financial capital

Shareholders' equity ratio:	31.0%	D/E ratio:	1.7 times
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Manufactured capital

Land bank in the domestic housing sales business:	approx. ¥ 1.7 trillion	Land bank in the overseas business (total project cost (our share)):	approx. ¥ 630.0 billion
Land bank in the domestic properties for sale business:	approx. ¥ 920.0 billion	Assets under management (AUM):	approx. ¥ 1.9 trillion
Net lettable area (office and retail facilities):	approx. 697,000 m ²	Number of housing under management:	approx. 189,000 units



Human capital

Number of Consolidated employees:	7,695	Number of in-house first-class licensed architects:	304
Female employee ratio:	33.0%	Female manager and junior manager ratio* ¹ :	13.9%



Intellectual capital, natural capital, etc.

Expertise in real estate development:	More than 60 years	Expertise in asset management:	More than 20 years
Superior product planning and design capabilities enabling us to receive the Good Design Award for 21st consecutive year and earn other commendations		Level of participation in residential redevelopment projects:	Industry-leading* ²



Customer base

Number of Nomura Real Estate Group Customer Club members:	approx. 152,000	Number of MEGALOS members:	approx. 114,000
Number of tenants:	More than 2,000 companies* ³	Number of institutional investors through domestic asset management (excluding listed REITs):	296
Number of H'T members:	approx. 400,000	Number of nomu.com members:	approx. 263,000

Note: Data are for the fiscal year ended March 2023 or as of March 31, 2023. Notwithstanding the foregoing, the number of first-class licensed architects and the number of nomu.com members are as of April 1, 2023 and January 31, 2023, respectively.

*¹ Female manager and junior manager ratio = (The number of women in managerial positions + The number of female managerial candidates) / (The overall number of managerial positions + The overall number of managerial candidates)

*² Source: Based on in-house research

*³ The total number of tenants occupying properties that the Group owns and conducts property management for.

Creation of financial and non-financial value backed by business assets

Financial data

Operating revenue: **¥654.7** billion

Business profit: **¥105.1** billion

ROA: **5.1%**

ROE: **10.1%**

Total return ratio: **47.6%**

Note: Data are for the fiscal year ended March 2023 or as of March 31, 2023
* Total of Category 1 and 11 emissions from Group facilities certified under SBT

Non-financial data

Cumulative number of housing units supplied: approx. **185,000** units

Cumulative number of properties developed for sale

Rental housing: **132** units

Offices: **81** units

Retail facilities: **38** units

Logistics facilities: **47** units

Cumulative number of Leasing Value Chain transactions:

Sales to REITs and private funds: **86** properties
¥478.7 billion

Progress in reduction of CO₂ emissions:

Scope 1 & 2: Reduced by approx. **35%** (Compared to FY20/3)

Scope 3*: Reduced by approx. **41%** (Compared to FY20/3)

External Evaluations

The Nomura Real Estate Group's activities give it a strength highly appreciated by various stakeholders.

ESG ratings: Included in all the six ESG stock indices adopted by the GPIF for domestic stock investment

2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



Condominium brand

No. 1 for 16th
consecutive year*1

PROUD

Rate of receiving environmental
certification in the properties
developed for sale
(Commercial Real Estate)

Business Unit: **100%***2

Credit ratings*3

JCR: **A+** / R&I: **A**

GRESB rating for Group
REITs*4

5 Star, Sector Leader

Annual number of users of a real estate
brokerage company website

More than **7 million** for
the 7th consecutive year*5

ネットで住みかえ ノムコム
nomu.com

Condominium management rating

No. 1 for the
14th consecutive year*6



Received the
Good Design Award for the
21st consecutive year



*1 We counted the number of years in which PROUD ranked first among competitor brands in the highest number of evaluation categories in the Condominium Brand Survey conducted by Nikkei, Inc.

*2 Including those scheduled to be received

*3 as of the end of August 2023

*4 Based on the 2022 GRESB Real Estate Assessment. We were named Sector Leader in this assessment, with our listed and private REITs commended in "Asia Comprehensive Category (listed)" and the "Asia Comprehensive Category (listed and unlisted)," respectively.

*5 Calculated by the Nomura Real Estate Group using Google Analytics (universal analytics property). Calculation period: January 1, 2016 to December 31, 2022

*6 Ranking based on "SumaiSurfin" Property Management Company Customer Satisfaction Survey

COO Message



With a focus on the front lines, I will implement strategies and lay a foundation aimed at achieving the Mid- to Long-term Business Plan.

Daisaku Matsuo

Executive Vice President and Representative Director
Group COO

President and Representative Director of Nomura Real Estate Development

Review of the Fiscal Year Ended March 2023 and My Mission as COO

The fiscal year ended March 2023 was the first year of the Mid- to Long-term Business Plan (the “Plan”), which runs until the fiscal year ending March 2031. We got off to a solid start this year, with business profit* surpassing our forecast and hitting a record high ¥105.1 billion.

The business environment has been changing rapidly in recent years. It is important to separate emotions from short-term performance trends and maintain a focus on the front lines of each of the Group’s real estate development projects and services. Based on this belief, over the last year I have compiled important raw data behind our financial results, such as employee opinions and changes in customer trends, at various front lines.

From this experience, I was able to confirm the solidity of the market environment underpinning our current financial results. In particular, I confirmed the strength of demand in the housing sales market in Japan, the robustness of the investment appetite for profitable real estate (mainly from institutional investors), and the vitality of transactions for existing condominiums.

At the same time, I can see that the front lines of many

businesses are really feeling the impact of factors that range from changes in workstyles and lifestyles attributable to the pandemic and the advancement of DX to price hikes of raw material and fuel prices due to the prolonged conflict in Ukraine since February 2022 while facing continually increasing human resource expenses. For instance, the leasing business, including that for offices, is confronting rising utility costs and the hotel business is finding difficulty in ensuring sufficient staffing to meet the recovery in inbound travel.

As the COO, I consider it my mission to promote strategies with a frontline perspective and build a foundation to support these strategies. I intend to continue working hard to fulfill my mission with the aim of first achieving ¥115.0 billion in business profit by the end of Phase I of the Plan (the fiscal year ending March 2025) and then seizing business opportunities to achieve the profit plans for Phases II and III.

* Business profit = Operating profit + Equity in earnings of affiliates +
Amortization of intangible fixed assets arising from corporate acquisitions

Business Environment Forecast and the Company's Strategies

Domestic Real Estate Development Sector (Residential Development and Commercial Real Estate)

Regarding the Residential Development Business Unit, although the Japanese market cannot escape the impact of a declining birthrate and aging population over the long term, we expect continued stable robust demand over the medium term due to such factors as an increase in dual-income households, a rise in household income attributable to higher wages, and low home loan interest rates.

On the other hand, the Bank of Japan loosened its yield curve control in July 2023. Based on the concern that this will affect mortgage interest rates and the fact that construction costs are on an upward trend, I consider it necessary to provide a more diverse product lineup and create products supported by customers more than ever before to continue ensuring sufficient profitability going forward.

Currently, with an eye on our target to record 4,000 to 5,000 housing units a year, we have almost acquired land for development planned to be completed during Phase I and are working to acquire land for Phases II and III. Our policy is to seize business opportunities in part by expanding our existing product lineup, provide super high-end properties for high net worth individuals, undertake proposal-based mixed-use development projects, and effectively utilize public real estate and land held by educational institutions.

Similarly, in the Commercial Real Estate Business Unit, we are focusing on securing opportunities to maximize profitability as we head into Phases II and III amid rising construction costs. The following is a quick look at the environments of and our strategies for each sector.

The office market has continued to normalize since the pandemic has settled down, and the trend of expanding and moving offices among companies has gradually become more active. Amid this environment, the Company will continue offering a combined office portfolio strategy featuring the PMO, H¹O, and H¹T brands. Regarding the logistics facilities market, we expect the market to grow going forward and the need for highly functional logistics facilities to expand as e-commerce further advances despite having the characteristic that it is easily affected by rising construction costs due to its higher ratio of building costs to total project costs compared with other sectors. Our policy is to step up acquisitions of land, not just through open bids but also by applying our expertise and comprehensive strengths as a developer in such areas as land readjustment on farmland. Due to a recovery in inbound demand, the operations of hotels and retail facilities

are improving, and we intend to gradually restore the speed of new development.

The Group's strength is developing highly marketable assets in every sector with a focus on the needs of those who actually use our properties. Every employee strives to promote business with an awareness of this strength.

In addition, in the Shibaura Project, which is the Group's largest ever, we will utilize our accumulated expertise and know-how. We will continue aiming to undertake completely new urban development with an approach that considers various perspectives, such as realizing sustainability and addressing recent changes in workstyles and lifestyles.

New Challenges to Seizing Business Opportunities

To seize business opportunities amid a tough competitive environment, the Company employs a strategy that takes advantage of its expertise and comprehensive strength as a developer. The representative examples are redevelopment, rebuilding condominiums, utilization of public facilities and land, and collaboration with educational institutions.

As for redevelopment and rebuilding condominiums, developers support redevelopment and work to reach agreements with the landowners of existing property while also securing profit by acquiring and selling newly created units. The Group established the Development Planning Division specialized in legal redevelopment in 2014 and currently boasts an industry leading number of initiatives in this business area. From Phase II onward, we will continue to further expand the ratio of these businesses that account for the profit recorded by the housing sales business.

In addition, in 2022, we established a division to search for development opportunities in such new fields as MICE facilities and hotel residences in addition to seizing development opportunities through the effective use of aging public facilities and unused public land as well as buildings and land held by educational institutions as the birthrate declines and population ages.

(▶ P.60-61 Special Feature: Solving Social Issues through Urban Redevelopment and the Effective Use of Public Real Estate)

In initiatives involving the redevelopment and development of public land, it is essential to possess capabilities to solve social issues through development, for example, by enhancing the convenience of and increasing the disaster resilience of urban areas. Exercising its strength in area management, the Group helps to increase the value of



urban areas by stimulating local communities while creating highly convenient urban areas that incorporate residential, retail, and senior residence properties. In particular, we have received praise for our strength in area management led by local residents, a track record we built up through such projects as the KAMEIDO PROJECT (constructed in 2022), PROUD CITY Hiyoshi (constructed in 2020), and Funabashi Morino City (constructed in 2014).

Regional governments that are under pressure to revitalize regional economies are showing significant interest in these initiatives. Our track record with these efforts will be an instrumental advantage when expanding business moving ahead.

Overseas Business Unit

Since restarting the overseas business with our entry into the housing sales business in Southeast Asia in 2014, we have worked hard to search for and build relationships of trust with local partners with whom we can mutually prosper. As a result, in the fiscal year ended March 2023, strong profit contributions began (business profit: ¥7.2 billion).

To build trust with partner companies, the Group provides added value in the form of know-how cultivated in Japan, going beyond being just a simple provider of funding.

These efforts have resulted in relationships with partners we can trust in each country in which we operate. In Thailand, since 2017, we have worked on over 20 joint development projects with ORIGIN PROPERTY PUBLIC. In

Vietnam, we have continually worked on joint development projects with Vinhomes, which is the country's largest developer, and two other companies. In the Philippines, we founded Federal Land NRE Global, Inc. jointly with Federal Land, a real estate company and a member of GT Capital Holdings, a large local financial group, and we plan to invest a total of more than ¥700.0 billion over the next 30 years.

In addition, we are expanding our property sales business in developed countries. In London, the United Kingdom, we are promoting an office renovation project, and in Portland, the United States, we began developing rental housing.

Through the combination of the property sales business and housing sales, we plan to increase the business profit share of the overseas business within the Company as a whole to 15% or more by the fiscal year ending March 2031.

Service & Management Sector

(Investment Management Business Unit / Property Brokerage & CRE Business Unit / Property & Facility Management Business Unit)

The growth in the three business units of the aforementioned Development Sector (Residential Development Business Unit, Commercial Real Estate Business Unit, and Overseas Business Unit) will significantly contribute to growing profit and seizing business opportunities for the three business units of the Service & Management Sector.

Achieving growth through the synergy of these two sectors is an important strategy in the Plan.



In the Investment Management Business Unit, we manage the funds of various different investor types, such as listed REIT, private REIT, and private funds, and have built a system to enable us to continue to stably acquire properties externally even as market conditions change. In addition, in August 2022, we founded Nomura Real Asset Investment Co., Ltd. jointly with Nomura Holdings, Inc. We aim to achieve further profit growth by leveraging the Group's real estate management know-how and Nomura Holdings' customer base.

In the Property Brokerage & CRE Business Unit, the markets are currently very active for the retail, middle, and wholesale businesses. We plan for significant growth in the middle business, which handles real estate sales brokerage for small and midsize companies, business owners, some individual investors, and high net worth individuals, as the size of its market is expected to continue to grow going forward.

In the Property & Facility Management Business Unit, management stock is expected to steadily increase due to its having been commissioned to handle the property and facility management of each asset developed by the Residential Development and Commercial Real Estate Business Units. In addition, we provide highly competitive construction proposals, such as "re:Premium," a scheme that extends the cycle of large-scale repair work for condominiums. In this way, we have extended the life of buildings, which has become a social issue.

These three Business Units constitute a labor-intensive business model with few owned assets. We will continue realizing profit growth by utilizing DX to enhance productivity, for example, the online provision data by the Property Brokerage & CRE Business Unit and the provision of management services via smartphones by the Property & Facility Management Business.

Building a Foundation to Realize Our Strategies

Human Capital Management

Strengthening human capital management is indispensable to realizing high profit growth as laid out in the Plan.

To achieve this goal, we have put together a Group-wide task force and are working to build a new human resources strategy with the plan of disclosing it from the next

fiscal year. In advance of that, I will explain what I value in human capital management.

In recent years, with the increasingly quickly expanding market for recruiting and dispatching personnel, I think the Company should aim to be a workplace where employees want to work and want to collaborate with excellent external personnel, rather than a place where employees just feel trapped in a job. To this end, it is important that the Company remain attractive for every employee by providing a workplace that enables each person to thrive in line with their own characteristics as well as in terms of salary and other compensation.

The Group encourages employees to grow and gain a wide range of expertise through experiences in various real estate businesses. We are working to stimulate the organization to enable all grades of employees, including middle and senior managers, not just new hires, to thrive and feel highly motivated to work.

(▶ P.38–39 Human Resources Strategy)

Promoting Our Sustainability Strategy

We established five priority issues (materiality) and KPIs in April 2022 in line with the idea that the Group's sustainable growth and contributing to a sustainable society are inextricably linked.

With the aim of realizing decarbonization, one of the

priority issues, we set a new target of realizing carbon neutrality for Group-wide Scope 1, 2, and 3 emissions by 2050. We are therefore taking such measures as enhancing the energy efficiency of condominiums and office buildings and installing solar power equipment at logistics facilities and in detached housing. Regarding the other priority issues as well, we set specific KPIs and are conducting various activities to achieve them.

(▶ P.40–47 Sustainability Strategy)

Promoting Our DX Strategy

DX initiatives will be key to achieving the evolution and transformation of value creation approaches and methods as laid out in the Plan. We are therefore emphasizing the recruitment and development of DX personnel. Through the recent recruitment of employees from other industries, we have acquired expertise and know-how that had previously not existed within the Group. In addition, regarding our current human resources, we are conducting Company-wide DX training and have increased our baseline knowledge. Through these efforts, we are establishing a foundation for promoting our DX strategy, and specific initiatives are proceeding apace on the front lines of each business.

(▶ P.36–37 DX Strategy)

To Our Stakeholders

Every employee will need to flexibly adapt to changes and take swift action to realize our goal of “Be a ‘Life & Time Developer,’ as never seen before” and achieve the profit goals of the Plan. I believe it is crucial to improve the environment and to develop and place human resources in order to foster a challenging corporate culture across the Group.

The representative initiative for this is the moving of the Group's head office functions to the Shibaura Project in 2025. By consolidating the Group's head office functions in Shibaura, which enables the realization of new workstyles, we will encourage the creation of innovation and accelerate the maximization of synergy and the desire to find and

undertake new businesses. We will also work to establish a multipronged human resources system that enables diverse personnel to cultivate their unique strengths, grow, and thrive. On the occasion of the move to Shibaura, we will continue further accelerating growth to realize “Be a Life & Time Developer, as never seen before.”

Going forward, the Group will evolve and transform value creation approaches and methods amid a ceaselessly changing environment. Over the long term, we will continue providing new value as never seen before by us or by customers. In closing, I would like to express our sincere appreciation to our stakeholders for their ongoing support.

We aim to optimize both sides of the balance sheet in order to achieve “high profit growth, and high asset and capital efficiency.”

Toshihide Tsukasaki

Executive Officer, Group CFO

**Q. You became Group CFO in April 2023.
Could you introduce yourself?**

Certainly. In April 2023, I became Group CFO. I joined Nomura Real Estate in 1991 and have gained experience on both the business side and the corporate side.

On the business side, I have participated in development, leasing, management, and other fields, mainly for office buildings, and also engaged in development for properties for sales, including logistics facilities and rental housing, as well as in the hotel business. On the corporate side, I served as the general manager of the Corporate Planning Department. As an executive officer in charge of the Finance & Accounting Department and the Finance Department, I was dedicated to formulating the Mid- to Long-term Business Plan (the “Plan”), which

was released in April 2022.

It is crucial for the Group to work hard to optimize both sides of the balance sheet as we aim to achieve growth through various real estate development projects and the provision of related services. As Group CFO, I will leverage the experience I have cultivated in both business and corporate matters in our ongoing efforts to realize “high profit growth, and high asset and capital efficiency,” which is a key theme of the Plan.



Q. Could you give us a review of the fiscal year ended March 2023, the first year of the Plan?

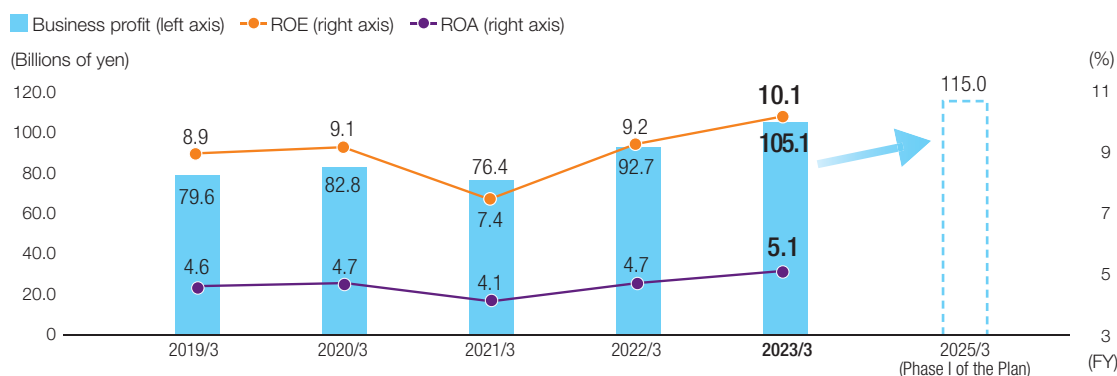
Under the Plan, we made “high profit growth, and high asset and capital efficiency” a key theme and stated that we will strive for high shareholder returns. We set the following specific quantitative targets (Phase I: from the fiscal year ended March 2023 to the fiscal year ending March 2025): an annual average growth rate of 8%, an ROA of a 4.5% level, an ROE of a 9% level, and a total return ratio of between 40% and 50%.

In the fiscal year ended March 2023, we achieved operating revenue of ¥654.7 billion, business profit of ¥105.1 billion, and profit attributable to owners of parent of ¥64.5 billion. Thus, we significantly exceeded the initial business forecasts made at the start of the fiscal year and

achieved record high profits. It is a pleasure that we got off to a great start in the first year of the Plan. Compared with the fiscal year ended March 2022, business profit grew 13.4% and profit attributable to owners of parent increased 16.6%, enabling us to keep a close eye on firmly achieving the profit targets in Phase I of the Plan.

In addition, reflecting ongoing expansion in investment, total assets grew to around ¥2.1 trillion as of the fiscal year-end, and we achieved an ROA of 5.1% and an ROE of 10.1%, exceeding all Phase I targets. These results are indicative of our success in steadily promoting business that has high asset and capital efficiency.

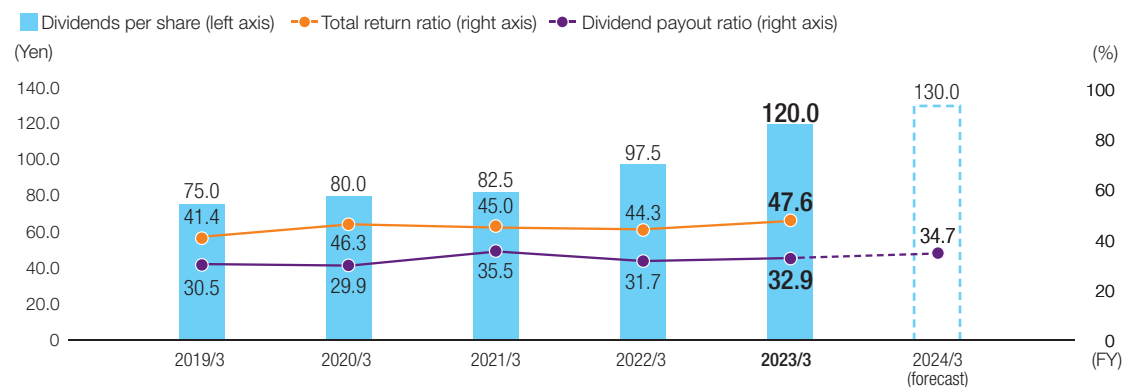
Business Profit, ROE and ROA



Annual dividends were raised ¥10.0 from the forecast at the beginning of the fiscal year to ¥120.0, increasing for an 11th consecutive year. Including the effect of the acquisition of treasury shares equivalent to ¥9.5 billion,

our total return ratio amounted to 47.6% and our dividend payout ratio amounted to 32.9%. I believe this demonstrates high shareholder returns in line with profit growth.

Shareholder Returns



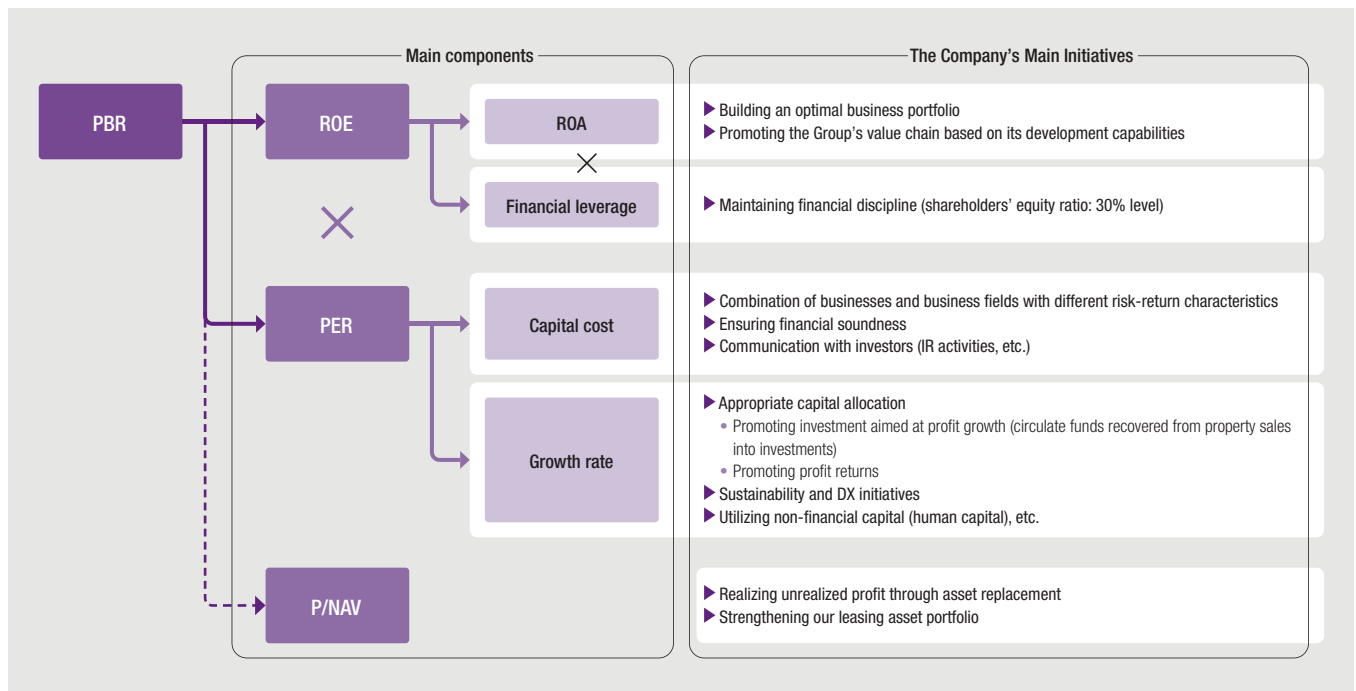
Q. The Tokyo Stock Exchange announced it would encourage the companies listed on the Prime Market to take action aimed at implementing management that is conscious of the cost of capital and stock price. From the perspective of stock price, how would you assess the evaluation of the Company by the stock market? Could you tell us what kind of initiatives you are thinking about as CFO?

The Company has realized management that ensures both profit growth and shareholder returns achieving high asset and capital efficiency with the awareness of the cost of capital and stock price, since long before the Tokyo Stock Exchange's announcement. However, the Company's stock price has been stuck below a price-to-

book ratio (PBR) of 1 times (as of July 2023). As CFO, I intend to continue promoting initiatives with an awareness of the cost of capital and stock price while emphasizing communication with shareholders and market players.

Again, although you can break down PBR into ROE x PER, real estate developers who own a certain level of

Initiatives aimed at enhancing corporate value and market valuation



assets need to consider net asset value (NAV) adjusted for unrealized gains.

Now, let us talk about how to promote initiatives aimed at lifting these indicators. For ROE, which is ROA x financial leverage, realizing a high ROA by building an optimal business portfolio and promoting the Group's value chain is key. It means we are not simply stepping up the leverage. Compared with REITs, which have low cost of capital because their main business is leasing, real estate developers whose main business is development have a relatively high cost of capital. We recognize the Company's cost of capital is around 7% to 8%. Aiming to create value exceeding the cost of capital, the Company not only records value created through development as unrealized gains but also promotes initiatives to realize unrealized gains. Basically, the aim of these efforts is to accelerate business turnover by selling off developed properties. Moreover, regarding leasing assets owned by the Company as non-current assets, the Company will maintain initiatives to continue returning unrealized gains to shareholders as realized gains while replacing some assets from the perspective of controlling overall asset volume and strengthening our leasing asset portfolio. We believe this will be effective in raising up the NAV valuation.

Moreover, aiming to enhance ROA, we will strive to further expand the Service & Management Business, mainly by acquiring fee income without using assets.

We will highlight the value created through development

by selling off developed properties. We will keep working hard to further promote the Group's value chain, wherein we expand fee-based income through the provision of related services while maintaining contact between assets and customers after development, as the Company's characteristic business model.

▶ [p.35 Overview of the Mid- to Long-term Business Plan \(FY2023/3–2031/3\) \(Business portfolio strategy\)](#)

Next, aiming to enhance PER, we need to lower the cost of capital and raise the expected growth rate to enable to generally draw them out from the following formulas.

$$PER = \frac{1}{r - g}$$

r: Cost of Capital g: Growth Rate

Regarding lowering the cost of capital, we aim to further reduce the cost in part by ensuring financial stability and fostering communication with investors while balancing businesses with different risk-return characteristics and thereby enhancing the stability of profit.

Regarding the growth rate, implementing the strategies of the Plan will be important, but growth investments through appropriate capital allocation will be indispensable to raising the expected growth rate. Going forward, it

goes without saying that realizing ongoing profit growth while maintaining an ROE above the cost of capital is at the root of our policy.

Q. What is your policy on capital allocation?

The Company aims to achieve both growth investments and shareholder returns, and the source of funds mainly comprises cash flow gained through business activities and cash flow procured through financing. By circulating funding with an axis in the property sales business, it is possible to allocate recovered funding to investments and returns. In addition, against the backdrop of a stable financial foundation, there is ample room to procure funding through financing.

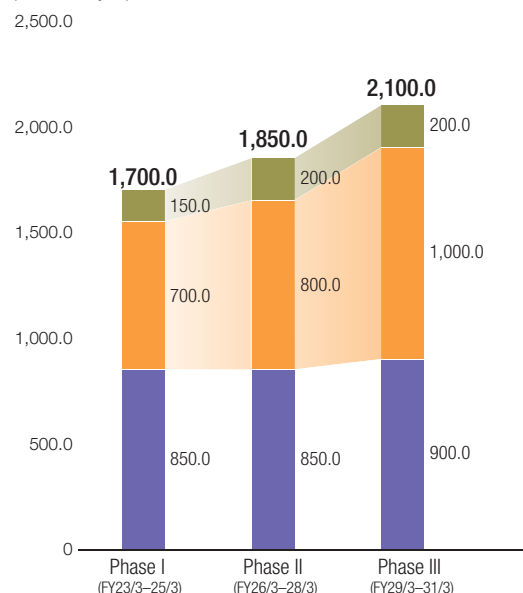
Based on funding acquired through business activities, our shareholder returns policy is, during Phase I of the Plan, to achieve a total return ratio of between 40% and 50% and, with an eye on Phase II and beyond, to incrementally increase the dividend payout ratio to a 40% level. Our intention is to continue providing shareholder returns in line with this policy.

In addition, with the aim of realizing high profit growth, we will continue expanding investment. As seen in the investment plan in the Plan shown at right, we will continue expanding investment in the Commercial Real Estate Business Unit and Overseas Business Unit and proactively carrying out strategic investment, including M&A aimed at realizing inorganic growth.

Investment Plan in the Mid- to Long-term Business Plan

■ Residential Development ■ Commercial Real Estate ■ Overseas

(Billions of yen)



Q. Since the formulation of the Mid- to Long-term Business Plan, interest rates in Japan and overseas have been changing. Could you tell us about your financing policy?

Based on the characteristics of the real estate development business over the medium to long term, with financing centered on long-term funding as a foundation, the Company prepared for the risk of rising interest rates by increasing our ratio of fixed interest rates and working to spread out the amount repaid (amount amortized) by fiscal year. Through these efforts, the impact of rising interest payments due to current interest rate volatility is limited.

Regarding the expansion of the overseas business,

because our basic stance is to use funding procured in Japan for overseas investments, the recent rapid increase in interest rates overseas has not had much of a direct impact. We use some investment capital as a hedge to address the risk of exchange rate volatility. These costs are continuing to rise, and we need to pay attention to how we optimize the balance between exchange rate volatility risks and costs.

We expect the uncertain financial environment to persist

moving forward, so to achieve profit growth in line with the Plan, we will need to steadily procure the necessary amount of funding while holding down costs as we work to expand investment, mainly in the development business.

Going forward, while there will be no change in our policy of fixing interest rates, especially for long-term funding, we will continue striving to control procurement costs by working to diversify procurement routes and methods. Regarding procurement routes, we increased the number of partner financial institutions from 55, during the latest four-year period when I was in charge of the Finance Department, up to 74 (as of March 31, 2023). We will continue further expanding this number, including

corporate bond procurement. As for procurement methods, we will more proactively procure funding from multiple types of sustainable financing. Because nearly 90% of the amount procured in the fiscal year ended March 2023 was obtained through these methods, the balance of sustainable finance expanded to over ¥200.0 billion. In addition, I intend to procure an additional ¥500.0 billion for the following five-year period.

Moreover, the Company's bond issuance rating was raised by two domestic credit rating agencies in August 2023. We believe this improvement in the evaluation of our credit rating will help reduce credit costs for procurement and further strengthen our funding procurement capability.

Q. Finally, could you tell us about your commitment as Group CFO?

I believe my role as CFO is to achieve “high profit growth, and high asset and capital efficiency,” to implement high shareholder returns, to clearly communicate the Company's initiatives to all shareholders and investors through daily IR activities, and to foster communication with everyone.

To realize the Nomura Real Estate Group Vision for 2030

to “Be a ‘Life & Time Developer,’ as never seen before,” I will continue aiming to realize performance surpassing the expectations of shareholders and investors. I will continue giving my all to foster communication with all our stakeholders and enhance the Company's corporate value.



Overview of the Mid- to Long-term Business Plan (FY2023/3 - FY2031/3)

In line with the Mid- to Long-term Business Plan formulated in April 2022, the Nomura Real Estate Group aims to achieve high profit growth and high asset and capital efficiency. To this end, we are promoting a diverse range of strategic initiatives, including key business strategies for growth focused on the “Further expansion of domestic real estate development business,” “High profit growth in the Service & Management Sector,” and “Steady growth of overseas business.”

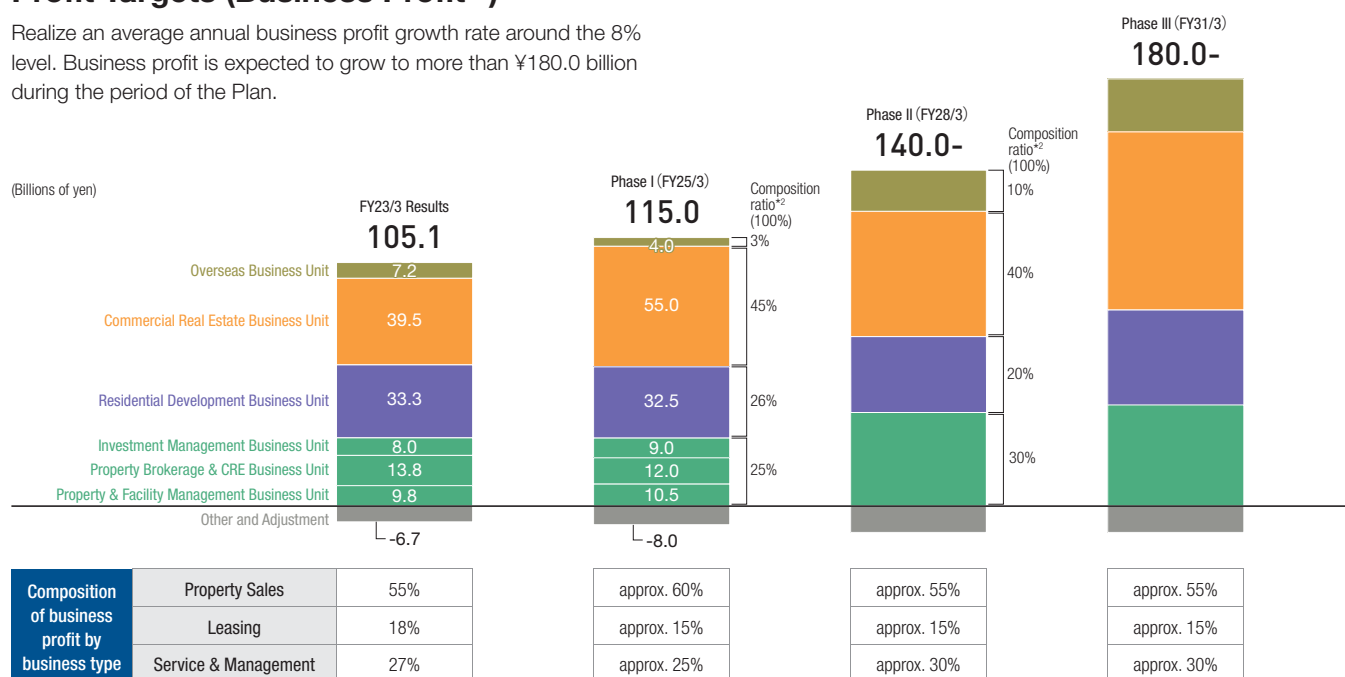
In addition, the Group formulates and executes long-term business plans by taking into account the characteristics of its real estate business, which has a long business period. At the same time, in principle the Group flexibly reviews the plans every three years to reflect changes in the external environment.

Overview of Each Strategy Aimed at Achieving the Goals of the Plan

Business strategy <ul style="list-style-type: none"> • Further expansion of domestic real estate development business • High profit growth in the Service & Management Sector • Steady growth of overseas business 	Financial Strategy <ul style="list-style-type: none"> Business portfolio strategy Leasing asset portfolio strategy Investment and Recovery Strategy <p>▶ p. 35</p>	DX Strategy <p>▶ pp. 36-37</p> Human Resources Strategy <p>▶ pp. 38-39</p>	Sustainability Strategy <ul style="list-style-type: none"> Climate Change and Natural Environment Society and Employees <p>▶ pp. 40-47</p>	Strategies by Business Unit <ul style="list-style-type: none"> Residential Development Commercial Real Estate Overseas Investment Management Property Brokerage & CRE Property & Facility Management <p>▶ pp. 48-59</p>	Strategic investments <p>Further accelerate our corporate growth through strategic investments centered on the Service & Management Sector as well as fields related to digital technologies and overseas real estate</p>
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Profit Targets (Business Profit*1)

Realize an average annual business profit growth rate around the 8% level. Business profit is expected to grow to more than ¥180.0 billion during the period of the Plan.



*1 Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

*2 Calculate the profit ratio of each division after excluding other and adjustment amounts from the business profit forecast.

Financial Targets

- Pursue higher asset and capital efficiency

	Phase I	Phase II	Phase III
ROA *3	4.5% level	5% level	5% or more
ROE *4	9% level	10% level	10% or more

*3 ROA = business profit / (average) total assets during the period

*4 ROE = profit attributable to owners of parent / (average) shareholders' equity during the period

Shareholder Returns Policy

- Ensure high shareholder returns

	Phase I	Phase II	Phase III
Shareholder returns policy	Total return ratio: 40-50%	Dividend payout ratio: 40% level	

Financial Strategy

Business portfolio strategy

Plan					
<ul style="list-style-type: none"> • Leverage the characteristics of each business to achieve a business portfolio that combines profit growth as well as high asset and capital efficiency • Achieve a business profit growth rate around the 8% level through business expansion and profitability improvement powered by intragroup business collaboration and the value chain, starting with leveraging our development capabilities • Aim for an ROA of 5% or more by taking advantage of a combination of businesses with differing profit structures and risks 					
Business type	Property Sales Business		Service & Management Business		Leasing Business
Business characteristics	Overseas property sales	Domestic property sales	Property brokerage & CRE	Investment management / Property & facility management	Leasing
Investment risks	Medium to high	Medium	Low	Low	Medium
Earnings fluctuation risks	High	Medium	Medium to low	Low	Low
ROA target	ROA (medium)		ROA (high)		ROA (low)
	By improving profitability, this business will achieve a high level of ROA even when expanding investment.		Aim for stable revenue (low risk of revenue fluctuation) with ROA of 5% or more through profit growth in the service & management business and the improvement of the leasing asset portfolio's profit rate.		

Business profit
(Billions of yen)

Business Unit	FY22/3 Results	FY23/3 Results
Overseas Business Unit	0.2	7.2
Commercial Real Estate Business Unit	38.5	39.5
Residential Development Business Unit	32.5	33.3
Investment Management Business Unit	7.8	8.0
Property Brokerage & CRE Business Unit	11.7	13.8
Property & Facility Management Business Unit	9.2	9.8
Other and Adjustment	-7.4	-6.7
Total	92.7	105.1

ROA of each business unit

Business Unit	ROA
Overseas Business Unit	4.5%
Commercial Real Estate Business Unit	3.2%
Residential Development Business Unit	5.5%
Investment Management Business Unit	18.4%
Property Brokerage & CRE Business Unit	47.5%
Property & Facility Management Business Unit	19.2%
Other	11.2%
Total	5.1%

Leasing asset portfolio strategy

Plan

- Realize unrealized profit by selling properties that are relatively inferior properties in terms of medium- to long-term competitiveness
- Improve leasing asset portfolio quality by increasing the proportion of highly competitive properties via redevelopment and reconstruction
- Optimally time the sale of selected redeveloped or reconstructed properties

Property for sale

Sale

Leasing property held

Investment and recovery

Appropriately timed property replacement

Redevelopment and rebuilding Maintaining and improving asset value

Sale

Realization of unrealized gain through property sales

Realization of unrealized gain through property sales

Highly competitive properties (after redevelopment and reconstruction)

Appropriately timed property replacement

Results (FY2023/3)

- Recorded gross profit of ¥29.3 billion through property sales (Commercial Real Estate Business Unit)
- Posted an extraordinary gain of ¥6.8 billion through the sale of non-current assets
- Transferred a portion of non-current assets to inventories, with an eye to divesting them over the medium to long term (the balance-sheet amount of transferred assets is approximately ¥15.0 billion as of March 31, 2023)
- Promoted Shibaura Project and Nihonbashi 1-chome Central District Redevelopment

Investment and recovery strategy

Plan				
<ul style="list-style-type: none"> Expanded net investment even as we maintained ROA and ROE to secure high profit growth 				
(Billions of yen)				
	Phase I (FY23/3 – FY25/3)	Phase II (FY26/3 – FY28/3)	Phase III (FY29/3 – FY31/3)	Total
Residential Development				
Investment	850.0	850.0	900.0	2,600.0
Recovery	800.0	850.0	900.0	2,550.0
Commercial Real Estate				
Investment	700.0	800.0	1,000.0	2,500.0
Recovery	450.0	700.0	850.0	2,000.0
Overseas				
Investment	150.0	200.0	200.0	550.0
Recovery	50.0	150.0	200.0	400.0
Total				
Investment	1,700.0	1,850.0	2,100.0	5,650.0
Recovery	1,300.0	1,700.0	1,950.0	4,950.0
Net investment	400.0	150.0	150.0	700.0

Results (FY2023/3)	
<ul style="list-style-type: none"> Invested ¥143.0 billion in the first year, making steady progress under our net investment plan, which sets aside a total of ¥400.0 billion for Phase I 	
	(Billions of yen)
	Results (FY2023/3)
Residential Development	
Investment	270.0
Recovery	213.0
Commercial Real Estate	
Investment	139.0
Recovery	91.0
Overseas	
Investment	51.0
Recovery	13.0
Total	
Investment	460.0
Recovery	317.0
Net investment	143.0

* Figures in the table are rounded to the nearest ¥50.0 billion

DX Strategy

DX initiatives are key to the expansion and improvement of value creation and to the realization of “Be a ‘Life & Time Developer,’ as never seen before.” We will link strategic investments and initiatives unique to the Group with new value creation while focusing on business sectors in which we can leverage our strengths.

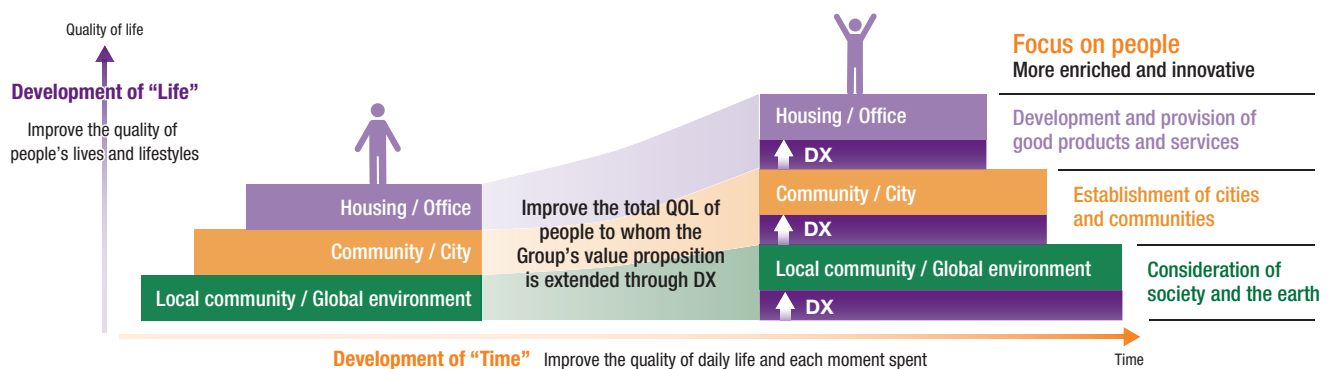
Overview of our DX strategy

Value proposition targeted in our DX strategy (Realization of the Digital Dream)

At the core of our DX strategy is “our approach to connect closely with individuals,” which places an emphasis on each individual person. We aim to harness this approach to develop and provide products and services that contribute to the improvement of customers’ quality of life (QOL). The Company uses the phrase “Realization of the Digital Dream” to express DX-driven value creation.

Improvement of Quality of Life (QOL)

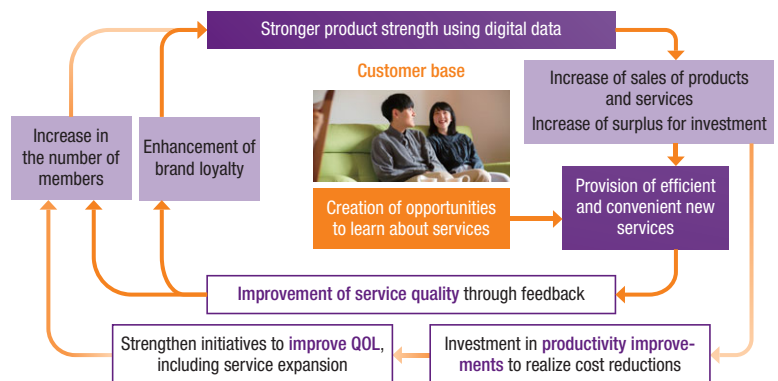
To improve QOL, we place emphasis on the following two aspects: Life (human’s respective lives) and Time (every moment of their time). We aim to provide new products and services by stepping up our development efforts with a further focus on people through DX.



Establishment of a DX strategy platform

We will aim to establish a platform that utilizes digital data by building on one of the Group’s strengths, its customer base. From a user’s perspective, the platform will also contribute to the improvement of people’s QOL, as various products and services will be available from one touch point.

A platform service built on the Group’s customer base



Promotion system

As a subordinate organization of the Management Committee, we have established a DX Strategy Committee, which discusses investment plans, such as establishing policies and plans regarding the promotion of DX, improving the ICT environment, and preparing the ICT base. In promoting our DX strategy, specific issues are addressed at meetings of the Group DX Council and Subcommittee and regular meetings of various working groups.




Investment plan

The Group is focusing on improving the QOL of customers using DX and improving productivity by revising various work processes and introducing systems. In addition, digital security is becoming increasingly important, and, recognizing this, the Group plans to invest a total of ¥130.0 billion in DX and ICT over the nine-year period of the Mid- to Long-term Business Plan. (Cumulative total over nine years: ¥60.0 billion in DX, ¥70.0 billion in ICT.) As for progress up to the second year, we plan to invest around ¥20.0 billion in DX and ICT and are simultaneously strengthening our efforts to hire and develop DX human resources.

DX investment themes and progress

Regarding DX investment, our policy is to concentrate funding and human capital in areas where we can best leverage the Group's advantages. Aiming to meet the diversifying needs of customers and assign our limited human resources to higher value-added operations, we select targets for investment aligned with our DX strategy, looking to establish foundations that will help enhance the productivity of our operations and to promote initiatives related to developing and providing products and services that help customers enhance their QOL. In addition, we are currently carrying out pilot testing to assess the progress of these and other initiatives that have already begun providing services. We are already seeing the effects of the construction of a common cloud platform for the Group and the in-house development of prototype systems. In addition, regarding the progress of DX, we confirm the status of investment and the progress of processes under each theme through the DX Strategy Committee every month.

Main investment themes and specific examples

Development and provision of products and services	<p>Services that we have begun providing</p> <ul style="list-style-type: none"> • WiITAP (an app for condominium residents) • NOMURA no KURASUMA (a general services website related to living and housing) • NOMURA WORK-LIFE PLUS (a service for employees of office building tenant companies), etc. <p>Pilot testing under way</p> <ul style="list-style-type: none"> • Robot delivery (automated delivery of products purchased at stores within the area around PROUD CITY Hiyoshi) • Techrum inter-company co-creation program (verification of the effects of distribution automation and operations) • Digital platform for shared offices, etc. 	 <p>Website of NOMURA no KURASUMA</p>
Enhancing the productivity of operations	<p>Already in use</p> <ul style="list-style-type: none"> • Construction of a common cloud platform for the Group <p>Pilot testing under way</p> <ul style="list-style-type: none"> • Switching to smart services for the management of condominium and office building • Utilizing cleaning robots inside office buildings • Brokerage and CRE proposals utilizing AI • Utilizing digital technologies at the Group's new head office (Shibaura Project) 	 <p>Use of automated meter reading using image analysis in office building management</p>  <p>Test of workstyles using DX in the new head office</p>


DX Initiatives: WORK-LIFE PLUS

NOMURA WORK-LIFE PLUS is a platform hosting various services that address a wide range of issues facing companies and workers. We provide services mainly aimed at employees of tenant companies and people who work at office buildings developed by the Group. Through value propositions that affect tangible aspects, namely office building development, and intangible aspects, we aim to be a strong partner for companies and workers.

Value propositions affecting the tangible (workplace) and intangible (services for workers)

	<p>WORK with +</p> <p>Realizing diverse workstyles</p> <p>1 Flexible work</p> <ul style="list-style-type: none"> ■ Satellite-type shared office ■ Office concierge ■ Space and supplies reservation management ■ Virtual offices, etc. <p>Solving business issues</p> <p>2 Business solutions</p> <ul style="list-style-type: none"> ■ Building-related functions ■ Work concierge ■ Corporate real estate concierge ■ Operation support, etc. 	<p>LIFE with +</p> <p>Encouraging skill enhancement</p> <p>3 Skilling</p> <ul style="list-style-type: none"> ■ Business seminars ■ Business videos ■ Human resource training ■ Social events, etc. <p>Support for physical and mental health</p> <p>4 Wellness</p> <ul style="list-style-type: none"> ■ Life concierge ■ Fitness gym ■ Fitness videos ■ Family events, etc.
	 	 

Highlights of utilizing digital technology

	<p>1 Service close at hand for every person:</p>	<p>The service can be accessed at any time anywhere from a computer or smartphone</p>
	<p>2 Flexible service expansion:</p>	<p>High-priority services can be steadily added to and quickly expanded</p>
	<p>3 Service improvement using data analysis:</p>	<p>Based on the movement of users, existing functions can be improved and new functions can be developed</p>

Human Resources Strategy

The Group promotes Wellness Management to ensure that all of its executives and employees are in good physical and mental health and can work energetically, which is key to sustainable corporate growth.

It also seeks to become a company where employees are happy and continue to take on challenges through a cycle of nurturing a diverse and active workforce and securing human resources in growth areas.

Moreover, we have established the Group Human Capital Strategy Task Force. This body is currently engaged in ongoing, cross-sectional discussions involving all Group companies. Going forward, we plan to disclose the task force's conclusions, which will, in turn, inform both short- and long-term human resource strategies to be undertaken by the Group.

Realize employee that can continue

Success of diverse human resources

Realize wellness, with each employee working with vigor

- Grow into a corporate group that contributes to growth and is rewarding for employees
- Cultivate management personnel and leadership personnel that draw out the diverse capabilities of each employee
- Introduce re-skilling, in which each employee voluntarily develops his or her own potential

Promote diversity and inclusion to enable a diverse workforce

- Establish a working environment that maximizes the potential of diverse personnel with a variety of backgrounds and values such as women, seniors, LGBTQ individuals, people with disabilities, and foreign nationals through the promotion of diversity management training
- Support work/life balance that encompasses childbirth, child-care, nursing care, injury and illness and raise awareness of the need to shorten working hours

Promoting health and productivity management on a Group-wide basis

We employ monitoring to assess the status of wellness measures promoted across the Group. This provides us with insights into presenteeism, absenteeism, and lifestyle habit trends, helping us identify various issues. Also, as part of specific measures aimed at addressing issues associated with exercise and dietary habits, in FY2023/3 we introduced app-assisted walking events.

Preparing a handbook featuring insights on women's health issues

On a regular basis, we provide training to all officers and employees to help them gain literacy regarding women's health issues. We have also prepared a handbook summarizing basic knowledge on this subject and distributed it to Group officers and employees. This handbook helps them accurately address such issues while enabling them to reflect on the content of training.



Introducing the "F Leave" system

The "F Leave" system grants special leave on a monthly basis for female employees who feel ill due to specifically female health issues. This system has been introduced by some Group companies, including Nomura Real Estate Development. In addition, we have expanded the criteria upon which "F leave" is granted to include unwellness due to infertility treatment or menopausal symptoms in addition to menstrual discomfort.

Practicing innovative workstyles on a trial basis in anticipation of the relocation of the Group head office

Through our head office relocation project, we aim to realize employee happiness and become a company that can continue to take on challenges. We will establish and deploy systems and operational rules in stages so as to realize flexible ways of working.



Monitoring improvements in the work environment

We will deliberate and determine the establishment of action plans, setting of targets, identification of issues, and formulation of improvement measures on working hours and annual paid leave rates at each Group company, and we will monitor the progress and management of said plans and targets. The results will be reported to the Board of Directors and reflected in management plans and business activities.

Implementing training aimed at promoting D&I

We strive to create a working environment that empowers diverse human resources to succeed. To this end, we hold seminars aimed at facilitating understanding of nursing care while providing training to instill robust literacy regarding members of the LGBTQ community.

Improving employee engagement

We conduct the "Nomura Real Estate Group Sustainability, Wellness, and D&I Awareness Survey" under the banner of "Your Voice Creates New Value, Real Value." This survey is aimed at ensuring that top management has a shared recognition of good points of, and issues pertaining to, the Company and each workplace, based on input from Group employees regarding their daily perception of these matters. Survey results are thus utilized to create an even better workplace. Looking ahead, we will conduct similar initiatives to visualize the status of employee satisfaction among members of our Group workforce and their drive to make spontaneous contributions. By doing so, we will plan measures to address universal issues confronting Group members and otherwise push ahead further with the creation of synergies.

happiness and become a company to take on challenges

Human resources retention in growth areas

The starting point for growth is retaining and fostering human resources in the Development Sector

- Strengthen recruitment to obtain personnel with a high level of expertise in multi-use properties, redevelopment, and architecture
- Distribute resources to growth areas through personnel exchanges within the Group
- Cultivate global personnel
- Recruit and train foreign nationals in countries where the Group operates

Strengthening focus areas of the Service & Management Sector through personnel allocation

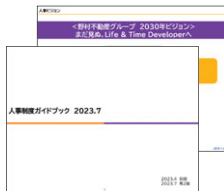
- Improve productivity through the acquisition and cultivation of the Group's DX personnel
- Allocate retained personnel to focus areas

Focus areas	Investment management	Property Brokerage & CRE	Property & Facility Management
	Private funds business	Middle business*	Construction ordered business

* Real estate brokerage for small and medium-sized companies, business owners, some individual investors, and high net worth individuals

Introduction of a multi-track personnel system

A multi-track personnel system has been introduced by some Group companies tasked with core functions supporting each business unit, including Nomura Real Estate Development, Nomura Real Estate Solutions, and Nomura Real Estate Partners. This move is intended to enable individuals and the organization to continue to take on challenges by empowering diverse workers to develop their respective strengths, achieve growth, and play active roles in the workplace. To this end, the system takes into account the duties undertaken by each individual and provides evaluations to officers and employees based on their job functions.



Globalizing our human resources

We have positioned the overseas business as a growth driver supporting the execution of the Mid- to Long-term Business Plan. Accordingly, we are striving to secure a robust pool of global human resources as well as locally hiring and training foreign nationals. As of June 2023, approximately 150 Group employees operate in overseas bases. We expect the number of such employees to grow going forward.

In FY2023/3, we launched the "Overseas Knowledge Exchange Program," under which locally hired employees and foreign students serving as interns participate in such events as tours of our frontline business sites in Japan and abroad. By doing so, we strive to facilitate interactions between Japanese employees and their colleagues of different nationalities and backgrounds so that they help one another gain fresh insights, raise their technical capabilities, and understand each other's local customs.



The hiring and development of DX human resources

As we aim to realize an innovative mode of value creation driven by digital transformation (DX), we promote the hiring of mid-career human resources equipped with extensive expertise in DX-related fields. At the same time, we proactively train existing employees to help them acquire a robust mindset regarding the promotion of DX by, for example, streaming video content under the title "Digital Dream Learning."

Provision of training programs

In addition to providing training programs designed by each Group company, we implement Group-wide, level-specific training programs designed in accordance with in-house job qualifications held by recipients. By doing so, we aim to enable each Group employee to maintain a robust sense of professionalism and leverage their strengths in their areas of specialty in the course of their duties.

Also, Nomura Real Estate Development provides its employees with "Career Training" to enable each individual to autonomously develop their careers. This training involves a once every decade career history review, providing employees with opportunities to reshape their future career plans.

Introduction of the Human Resources Development Meeting



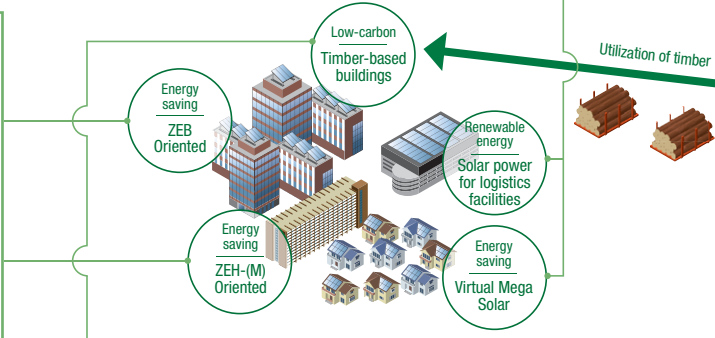

In conjunction with the recent revision of its personnel system, Nomura Real Estate Development has introduced the Human Resources Development Meeting. This provides a framework for facilitating discussions involving the entire frontline organization to determine short-term missions to be assigned and medium- to long-term training policies to be enforced in light of each employee's personal strengths and career orientation. In these ways, Nomura Real Estate Development holds company-wide deliberations on the succession of key positions.

Human resource development at the Property Brokerage & CRE Business Unit

Human resources serve as the most profound factor that sets our services apart from others in the real estate brokerage business. Therefore, human resources are of utmost importance as a component of our management capital. For us to secure sustainable growth, the enhancement of human capital is particularly important. In the retail business, we deliver proposals on property brokerage transactions to individual customers. Accordingly, we appoint seasoned employees who play key roles in the front line of this business to responsibly educate and give guidance to new graduates as part of our training programs. By doing so, we ensure that the former group of employees can fully pass down their experience and know-how to the latter. Although this may seem to place a substantial burden on frontline employees, it has been revealed that these training programs enable new graduates to swiftly grow into active workforce members while improving their retention. Moreover, individuals responsible for providing education often experience personal growth themselves. As such, training programs in place at the Property Brokerage & CRE Business Unit greatly help enhance our human capital.

Sustainability Strategy (Climate Change and Natural Environment)

The Group recognizes climate change, natural resource depletion, and ecosystem destruction as important social issues. We are therefore contributing to the realization of a sustainable society through environmentally friendly buildings and urban development, including initiatives for an energy-efficient and low-carbon society. We also continue to 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.

Climate Change and	
Priority issues (materiality)/ targets	<p>Contribution to the urgent global issue of reducing CO₂ emissions,</p> <div>  Decarbonization </div> <p>Initiatives in “energy saving,” “low-carbon business,” and “shift to renewable energy” SBT: 35% reduction in Scopes 1 & 2, and 3 by FY31/3 compared to FY20/3</p>
	<ul style="list-style-type: none"> CO₂ emissions: reduce by 35%*1 Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards Develop timber-based buildings: Carbon storage amount: 10,000 t-CO₂/year*2 <p>*1 Results are provided on page 45.</p>
Key performance indicators (KPIs) for achieving the targets	
Initiatives of the Group	<div> <p>Achieved net-zero CO₂ emissions for the entire district covered by the Shibaura Project, a large-scale, mixed-use development</p> <ul style="list-style-type: none"> By achieving various energy-saving initiatives, the South Tower office space is slated to receive ZEB-oriented certification (as of September 2023) We plan to introduce solar power and carbon-neutral city gas through the Group's energy business and other sources.  </div> <div> <p>Renewable energy</p> <p>Joined the RE100 initiative in January 2022</p> <ul style="list-style-type: none"> We plan to introduce renewable energy in all leasing properties in Japan, including tenant portions, up to the fiscal year ending March 2024. <p>Nomura Real Estate Development leads Japan's first Virtual Mega Solar power system for detached housing in the Tokyo Metropolitan Area</p> <ul style="list-style-type: none"> In the Tokyo Metropolitan Area, which does not have much unused area, we are promoting a Virtual Mega Solar power system, which will introduce solar power on par with a mega solar power plant (total output of 1,000 kW) to detached housing (around 300 units annually).  </div> <div> <p>Energy saving</p> <p>Promote development of ZEH/ZEB-oriented standard buildings</p> <ul style="list-style-type: none"> We formulated a long-term road map aimed at achieve ZEH- and ZEB-oriented standards by 2030, ZEH for the Residential Development Business Unit and ZEB for the Commercial Real Estate Business Unit. In addition, we link officer remuneration to levels of achievement for each fiscal year. We also promote ZEH for detached housing. We aim to increase ZEH detached housing, which accounted for 25% of the total in the fiscal year ended March 2023, to over 50% by the fiscal year ending March 2026. </div> <div> <p>Low-carbon</p> <p>Switch to timber-based properties</p> <ul style="list-style-type: none"> Proactively using timber, which is a low-carbon material, in the construction of residences and offices Making it a policy to use wood for the stand-alone common buildings of condominiums Promoting the R&D of wooden building materials that contribute to carbon storage in buildings  <p>PROUD CITY Kichijoji</p> <div> <ul style="list-style-type: none"> Using timber cut under the Integrated Forest Management Project in Tokyo in the Company's business and storing carbon (Estimated cumulative savings of 11,000 t-CO₂/30 year) Striving to use domestic timber totaling 10,000 m³ over five years </div> </div>

Natural Environment

biodiversity preservation and realization of a circular society that contributes to CO₂ reduction



Biodiversity

By restoring the forest cycle in Japan, contribute to CO₂ absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity



Circular design

Contribute to a decarbonized society and a circular economy through urban development and service provision that focus on assuring longer property lives, recycling, and resource sharing

- Obtain biodiversity certification

- Initiatives to promote building longevity:

Implementation rate of the Company's own standards: 100%*2

- Promote waste reduction and increase recycling rate:

Rate of reducing industrial waste: 20%*2

*2 We plan to disclose results for this item in the next fiscal year after calculating the amount for the fiscal year ending March 2024.

Building a new economic cycle that connects cities and nature

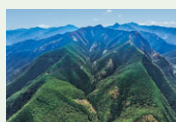
- We have implemented a cycle of planting trees, nurturing them, and harvesting them. Harvested trees are turned into materials and the timber is used in urban areas. In this way, we create a new economic cycle in the space between urban and mountainous areas.
- For the Integrated Forest Management Project in Tokyo, the Company collaborates with multiple co-creation partners, including the Tokyo Forestry Union, local material processors, and building materials manufacturers. Together we utilize Tokyo's forest resources and promote growing sustainable forests for local production and local consumption.

Mori wo Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo) in Okutama Town, Tokyo



Forests owned by the Group

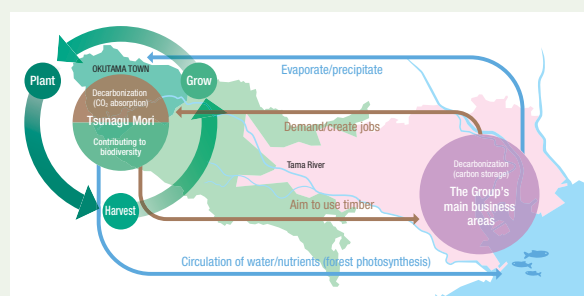
- Concluded a land rights establishment agreement for owning around 130 ha of forests over 30 years
- Regarding sustainable forest management, we acquired SGEN forest management (FM) certification and PEFC certification, a mutual international certification system



- Formulate ecosystem surveys and conservation plans and promote the conservation of natural woods and endangered organisms
- Certified as an advanced 100 area on Japan's Ministry of the Environment's Natural Harmony Website

Concluded an agreement with Japan's Ministry of Agriculture, Forestry and Fisheries and timber trading companies to encourage the use of timber for buildings

- Building a supply chain that can stably supply domestic timber



Promote building longevity

- Our Attractive 30 service adopts highly durable materials and construction methods for new construction
- Our re:Premium and re:Premium Duo services significantly extend the cycle of large-scale repair work performed on our condominiums

- These initiatives have enabled the cycle of large-scale repair work to be extended from the typical 12 years to 16 to 18 years.

大規模修繕のコスト低減に向けて。

アトラクティブ30

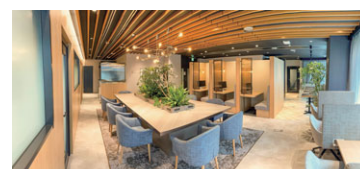
re:Premium

リ・プレミアム

Sharing

- Under the H¹T brand, the Company operates satellite-type shared offices that provide a comfortable space for workers to use as needed. By reducing travel times and improving productivity, the offices contribute to the reduction of CO₂ emissions and the realization of a circular society.

H¹T
HUMAN FIRST TIME



Roadmap to Decarbonization

Initiatives for decarbonization are a major pillar of the Group's sustainability strategy (climate change and natural environment). While adhering to the principles of the TCFD, SBT, and RE100, we collaborate with outside companies and focus on unique initiatives as a real estate developer.

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. They also joined the TCFD Consortium, an organization for supportive companies in Japan. Disclosures based on the TCFD recommendations are presented on pages 42 (Sustainability governance) to 45 (Indicators and targets).

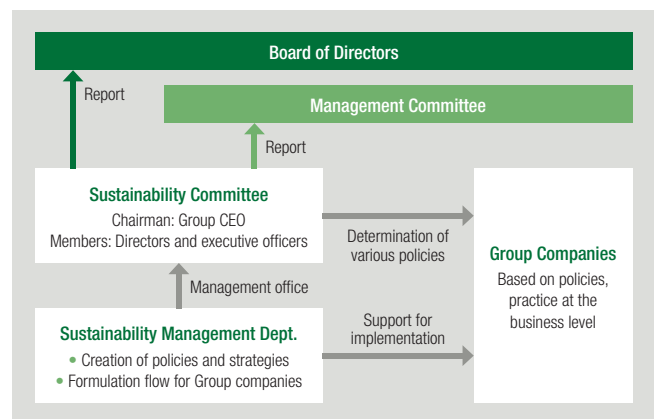


1 Sustainability governance

Supervision by the Board of Directors

The Sustainability Committee deliberates Group-wide policies and targets related to the promotion of sustainability, including climate change. The committee meets at least three times a year to study climate change-related risks and opportunities and to consider and monitor the Group's GHG reduction targets. In addition, the content of its deliberations is reported to the Board of Directors and the Management Committee at least once semiannually as a general rule. In the event that there are important matters for Group management, they are reported to the Board of Directors and the Management Committee as appropriate.

Sustainability governance structure



Role of top management

The Representative Director, President, and Group CEO of Nomura Real Estate Holdings serves as Chairman of the Sustainability Committee and promotes action on sustainability and climate change across the entire Group. The Group CEO is the chief officer on the executive side of the Board of Directors and the Management Committee, makes optimal decisions to realize long-term growth for the Company, including action on sustainability and climate change

issues, and is responsible for important related executive operations.

Furthermore, to respond to climate change while also raising awareness among directors and other management team members of Group companies, the Group has incorporated BEI (building energy efficiency index) figures as a non-financial performance indicator into the performance indicators used to calculate officer remuneration, starting from the fiscal year ending March 2023.

2 Strategy

Upon considering climate change response strategies, the Group conducted a qualitative scenario analysis based on the IPCC Sixth Assessment Report and the details of the Paris Agreement. In the

analysis, we examine the risks and opportunities that may be presented to the Group as a result of climate change and consider and implement strategies and policies that capture such risks and opportunities.

Scope of the analysis

The analysis covers all businesses of the Group, including the Residential Development Business Unit (development and sale of condominiums and detached housing), the Commercial Real Estate Business Unit (development, leasing, and sale of office buildings, retail facilities, logistics facilities, and hotels), the Overseas Business Unit (development of real estate overseas), the Investment Management

Business Unit (management of REITs and private funds), the Property Brokerage & CRE Business Unit (real estate brokerage), and the Property & Facility Management Business Unit (real estate management) and Other.

The scope of calculation of GHG emissions includes all of Scope 1, 2, and 3 emissions generated by the Group.

Setting out scenarios: Expanding disclosure to the “1.5°C scenario”

In the scenario analysis, the Group has begun disclosing data in line with the “2°C scenario,” in 2022 assuming the achievement of the Paris Agreement goals and the realization of a decarbonized society. We now also disclose data in line with the “1.5°C scenario” to further expand our disclosure of quantitative data. The “4°C scenario,” a model in which climate change countermeasures do not make sufficient progress and the severity of natural disasters increases as a result, is also considered. The documents listed on the right were the main











materials referred to in configuring each scenario. Moreover, in this report, we disclose effects in line with the “1.5°C scenario” and “4°C scenario.”

- United Nations IPCC Fifth Assessment Report (2014), “Representative Concentration Pathways (RCP) 2.6” and “Representative Concentration Pathways (RCP) 8.5”
- United Nations IPCC Sixth Assessment Report (2021)
- IEA World Energy Outlook 2020, “Sustainable Development Scenarios (SDS)” and “Stated Policies Scenario (STEPS)”

Disclosure items	Content disclosed as of September 30, 2022	Content disclosed as of September 30, 2023
Scenario setting	Scenario 2°C/4°C	Scenario 1.5°C/2°C/4°C
Qualitative analysis	Analysis of both risks and opportunities	Analysis of risks and opportunities separately
Quantitative analysis	Implementation of quantitative analysis of some scenarios	Implementation of quantitative analysis of all scenarios
Financial impact degree setting	Disclosure of the financial impact of only some items	Disclosure of the financial impact of each item (Expressing the degree of impact as small, medium, or large)
Timeline setting	Assumptions up to 2030	Assumptions up to 2050 (Expressing the duration of impact as short, medium, or long)

Note: Details of the content disclosed as of September 30, 2023 are presented on page 44.

Results of scenario analysis

Qualitative analysis				Quantitative analysis			
Our recognition	Category		Items	1.5°C		4°C	
	Large category	Small category		Degree of impact	Duration	Degree of impact	Duration
Risks	Transition risks	 Policies and regulations	Increase in construction costs to meet ZEH/ZEB standards	Small	Medium to long	None	None
			Increase in the carbon tax imposed on the Company's own emissions (Scopes 1 & 2)	Small	Medium to long	Small	Short
		 Market	Rise in the burden of carbon tax in development costs (Scope 3 Category 1)	Medium	Medium to long	Small	Short
			Investments in energy-efficient equipment	Small	Medium to long	None	None
		 Reputational	Loss on annual leases of non-ZEB properties	Medium	Medium	None	None
	Physical risks	 Technical	Change in reliability of businesses and products	—	—	—	—
		 Acute	Increase in losses due to intensifying wind and water damage (floods)	Small	Long	Small	Long
		 Chronic	Damage from rising sea levels (floods)	Small	Long	Medium	Long
			Damage from rising temperatures (extremely hot days, on which the temperature rises above 35°C)	Small	Long	Small	Long
Opportunities	Transition opportunities	 Policy and regulatory	Enhancement of subsidy systems, including for energy-saving technologies, ZEBs, and ZEHs	—	—	—	—
		 Market	Solar power earnings	Small	—	Small	—
		 Reputational	Increase in ZEB property sales earnings	Medium	Medium	None	None
			Increase in ZEH property sales	Large	Medium	None	None
		 Technical	Changes in the reliability of business and products	—	—	—	—
			Decrease in funding procurement costs due to a reduction in CO ₂	Small	Short	Small	Short
			Decrease in heating costs due to higher energy-efficient performance	Small	Medium	Small	Medium

Note: A bar (—) is used for some items that are currently difficult to quantify.

Financial impact Degree of impact standard setting	Degree of impact setting		Degree of impact on consolidated business profit	FY2023/3 Results (amount/year)
	Large		10%—	¥10.5 billion—
	Medium		5%—10%	¥5.2—¥10.5 billion
	Small		—5%	—¥5.2 billion

Timeline setting	Duration of impact setting		Forecast period
	Short term		—2025
	Medium term		—2030
	Long term		—2050

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

The Board of Directors and the Management Committee manages and supervises sustainability-related risks, including climate change, and the Sustainability Committee, which is under the Management Committee, deliberates said risks as appropriate.

In addition, each Business Unit manages individual matters related to their businesses, such as business planning and product planning. Specifically, they survey and assess each individual risk related to the

market (affecting customer companies and consumers) as well as laws and regulations (such as for construction and real estate), and reflect them as appropriate in plans for businesses and products. Of the matters considered by each Business Unit, ones that significantly impact the entire Group are reported as appropriate to the Board of Directors, Management Committee, Sustainability Committee, or Risk Management Committee depending on the content.

4. Indicators and targets

The Group acquired SBT certification in 2020 and also joined RE100 in January 2022. "Indicators and targets" have been set according to these certifications and the GHG protocol.



Indicators concerning total greenhouse gas (GHG) emissions

		Scope 1 & 2	Scope 3 ^{*1}
Long-term target	Total GHG (CO ₂) emissions by FY2051/3	Achieve carbon neutrality	
Medium- to long-term target	Total GHG (CO ₂) emissions by FY2031/3 compared to FY2020/3	Reduce by 35%	Reduce by 35%
Short-term target	Total GHG (CO ₂) emissions by FY2026/3 compared to FY2020/3	Reduce by 15%	Reduce by 15%

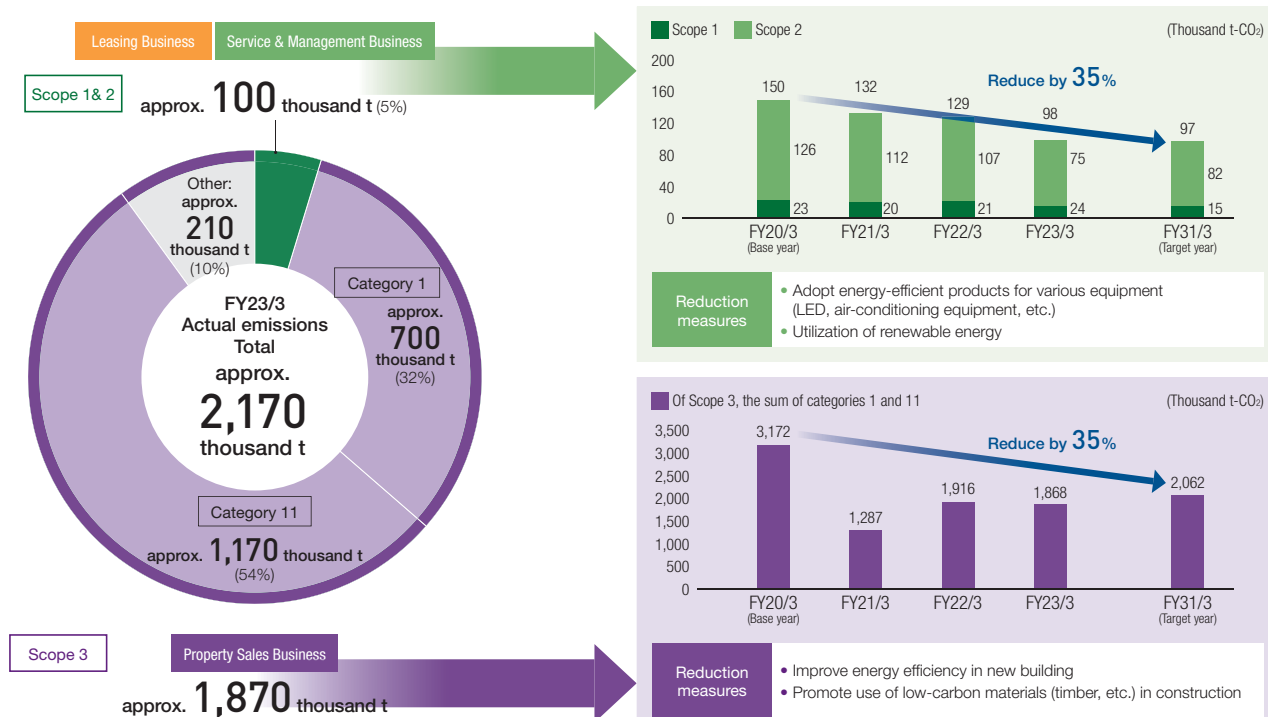
^{*1} Applicable to categories 1 and 11



Indicators concerning renewable energy

		Scope 1 & 2	Scope 3 ^{*1}
Medium- to long-term target	Electricity consumed by the entire Group by 2050	100% derived from renewable energy	—
Short-term target	Electricity consumed by all rental properties ^{*2} Nomura Real Estate Development owns in Japan by FY2024/3	100% derived from renewable energy	—


^{*2} Excludes rental assets (including portions used by tenants) for which Nomura Real Estate Development has a direct electricity contract with a power company, assets sectionalized or shared between Nomura Real Estate Development and another party, assets subject to sale or demolition, and the common areas of some rental housing.



(The sum of categories 1 and 11, which are subject to SBT certification)
Moreover, all Scope 3 emissions (the sum of categories 1 to 15)
are approx. 2,070 thousand t.

Sustainability Strategy (Society and Employees)

As a corporate organization that links people and communities to the future, the Group aims to realize lifestyles suited to people with diverse backgrounds and values. In all of its business activities, the Group respects the dignity and basic human rights of all people and promotes sustainability for co-creation that transcends organizations and business categories by setting diversity & inclusion and human rights as priority issues.

Society and	
Priority issues (materiality)/ targets	Strengthening the foundation for promoting sustainability for “co-creation”
	<div>  <div> Diversity & inclusion <p>Create an organization that enables diverse workers, including women and foreign nationals, with various backgrounds and values to make meaningful contributions</p> </div> </div>
Key performance indicators (KPIs) for achieving the targets	<ul style="list-style-type: none"> Female manager and junior manager ratio: 20% Childcare leave utilization rate by men and women: 100% Providing products and services with inclusive design^{*1} Percentage of implementation of one-on-one meetings: 100% <p>^{*1} A method of creating value as never seen before by gaining new realizations through the participation of people with diverse backgrounds and values in the process of creating products and services</p>
Initiatives of the Group	Roadmap for promoting diversity & inclusion (D&I) <div> <div> Step I (FY23/3 and FY24/3) <div> Raise diversity and inclusion awareness Foster a corporate culture in which employees respect one another's differences and feel accepted themselves </div> </div> <div> Step II (FY25/3 and FY26/3) <div> Routinely incorporate diversity and inclusion into business activities Diverse organizations and people work together and continue challenges themselves </div> </div> <div> Step III (FY27/3 to FY31/3) <div> Develop a culture of innovation Create new value </div> </div> </div> <p>Foundation: Flexible ways of working, wellness of mind and body, psychological sense of safety</p> <div> <div> Specific measures (excerpt) <ul style="list-style-type: none"> Diversity and inclusion training for all Group employees Measures to encourage men to take childcare leave Awareness survey targeting Group employees A framework for inclusive design initiatives </div> <div> Key goals for Step I <ol style="list-style-type: none"> (1) Achieve annual paid leave acquisition targets (2) Achieve 100% childcare leave utilization rate by men and women </div> </div>
	Progress of key performance indicators (KPIs) (FY2023/3) <div> <div> Initiatives for female managers and junior managers Manager and junior manager ratio^{*3} 13.9% <ul style="list-style-type: none"> Held networking events in FY2023/3 for the Group's female officers, managers, and junior managers Will continue working to continually hire and promote people at all Group companies in FY2024/3 <p>^{*3} Female manager and junior manager ratio = (Number of female managers + Number of female candidates for managerial positions) ÷ (Number of all managers + Number of all candidates for managerial positions)</p> </div> <div> Initiatives related to childcare leave for men and women Utilization rate 64% <ul style="list-style-type: none"> Held seminars for all managers and positions at or above executive officer in the Group (13 Group companies joined the Iku-Boss Corporate Alliance) Eight Group companies made childcare leave for birth (post-birth father childcare leave) paid </div> </div> <div> <div> Initiatives related to products and designs with inclusive designs <p>We launched a hands-on workshop for inclusive design. To incorporate them into businesses, we will continue promoting these activities at all Group companies in FY2024/3.</p> </div> <div> One-on-one meetings Percentage of implementation 83% <p>We consider dialogue highly important to foster an inclusive workplace. We also conducted training to enhance dialogue skills for officers.</p> </div> </div>

employees

that transcends organizations and business categories



Human rights

Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner

- Creation of human rights due diligence system

- Percentage of participation in human rights training: 100%*2

- Procurement guideline survey implementation rate: 80%

*2 We plan to disclose results in the following fiscal year after calculating the results for this item for the fiscal year ending March 2024

Human rights due diligence roadmap



Progress of key performance indicators (KPIs) (FY2023/3)

Built a human due diligence system (promoted the following initiatives for the four priority issues)

Wellness and human rights of employees

- Implemented various measures, especially through the Wellness and D&I Management Committee
- Implemented various measures aimed at achieving targets for the utilization of paid leave days

Overseas business and non-Japanese workers

- Incorporated human rights elements into project evaluation criteria in the overseas business
- Created human rights check lists

Human rights in the supply chain

- Created and distributed a hearing sheet for suppliers to use in determining the employment status of non-Japanese technical interns

Remedial measures

- Reformed the internal reporting system for workers at overseas bases and announced the reforms
- Conducted a GAP analysis of matters required as a general rule under guidance

Engagement with the Group's Procurement Guidelines

FY2019/3-	FY2021/3	FY2022/3	FY2023/3
Efforts to raise awareness of the Group's Procurement Guidelines Since the disclosure of the guidelines in 2018, the Group has conducted awareness-raising activities targeting around 4,600 companies.	Engagement activities with 10 business partners	Expand the targets of engagement companies	Review of the Group's Procurement Guidelines Further expand the targets of engagement companies
	1. Total transaction value*4	Approx. ¥237.0 billion	Approx. ¥280.0 billion
	2. Companies that were sent surveys	Approx. 200	Approx. 300
	3. Companies that returned surveys	89 (approx. ¥90.0 billion)	154 (approx. ¥143.0 billion)
	4. Implementation rate (3./1.)	37%	51%
	5. Number of direct interviews held	10	10

*4 The total transaction value is the annual transaction value with the Group's major companies.

Increase awareness of the guidelines, mainly among new business partners

Main revision items

- Clarified the scope of application (including indirect suppliers)
- Formally wrote down our assurance for freedom of association and collective bargaining rights
- Formally wrote down our response to maximum working hours
- Formally wrote down that we will prevent payroll deductions beyond what is legally required
- Posting the helpline specifically for suppliers (reporting help desk)

Progress of key performance indicators (KPIs) (FY23/3)

Procurement guideline survey

implementation rate: **51%**

Of companies that responded to the survey, we conducted engagement with multiple companies under the guidance of external consulting companies.

Strategies by Business Unit



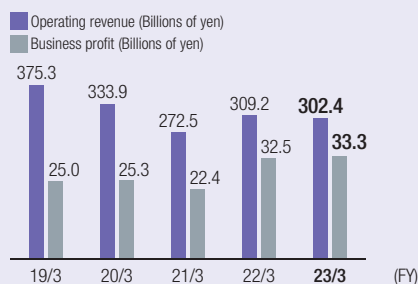
Residential Development Business Unit



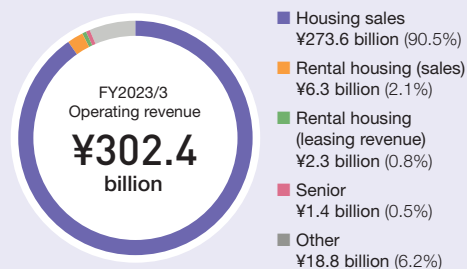
Major Group companies

Nomura Real Estate Development/Nomura Real Estate Wellness/PRIME X/
First Living Assistance

Operating Revenue and Business Profit



Operating Revenue Composition



Business assets (As of March 31, 2023)

- Land bank in the domestic housing sales business: **approx. ¥1,770.0 billion (equivalent to 22,380 units)**
- Number of Nomura Real Estate Group Customer Club members: **approx. 152,000**
- Level of participation in residential redevelopment projects: **Industry-leading***

* Source: Based on in-house research

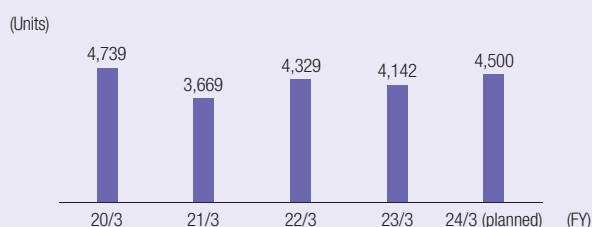
Competitive advantages

- Product planning capability generated by integrated development, sales, and management system
- Solid customer base, highly value-added services and development capability tailored to diverse customer needs
- Expertise in urban-type compact town, redevelopment, and rebuilding projects

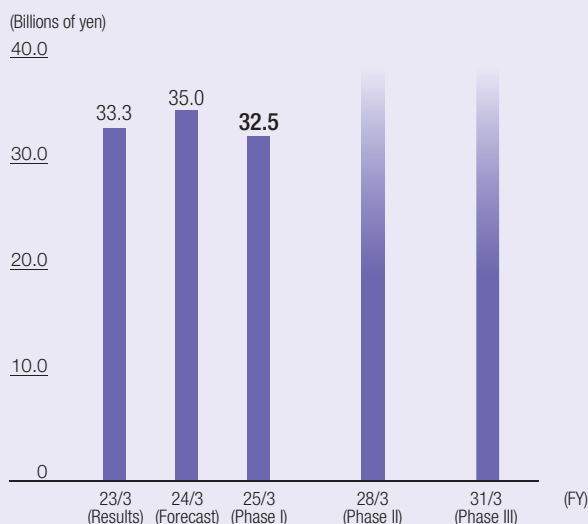
Business strategy

- Deepen and evolve PROUD in the housing sale business (stable supply of 4,000 to 5,000 units per year)
- Strengthen efforts in redevelopment and reconstruction projects
- Response to diversifying needs
- Monetization of non-asset business

Trend in the number of housing units sold



Financial targets (Business Profit)



Main Businesses

Domestic housing sales

- Development and sale of condominiums and detached housing

PROUD



PROUD Motoyoyogicho

PROUD
SEASON

PROUD SEASON Seijo Court

OHANA



OHANA Nakaurawa

Rental housing

- Development, leasing and sale of rental housing

PROUD
FLAT

PROUD FLAT Ryogoku South

Senior and other

- Development and management of senior housing
- Internet advertising
- Services aimed at providing assistance to customers concerning their homes arrangements

OUKAS



OUKAS Setagaya Sengawa

Specific initiatives and policies based on business strategies

1. Deepen and evolve PROUD in the housing sale business (stable supply of 4,000 to 5,000 units per year)

We are implementing a variety of initiatives to strengthen our business foundations and further improve our housing sales business, including the PROUD brand, with the aim of ensuring a stable housing supply.

- Initiatives to enhance productivity via the establishment of PROUD Galleries and PROUD Lounges, both of which serve as comprehensive condominium presentation facilities, in the Tokyo metropolitan area and elsewhere (a total of eight such facilities were opened in the Tokyo metropolitan area and Nagoya)
- Practice innovative sales methods powered by digital technologies and online contact points with customers



PROUD Gallery Shinjuku

2. Strengthen efforts in redevelopment and reconstruction projects

While the conditions for land acquisition continue to be difficult, the land bank for the period up to FY2026/3 is already secured. Looking ahead, we will continue implementing land acquisition that leverages our track record and know-how.

- Taking an active approach to redevelopment and rebuilding projects often in good locations despite the long period required for each project
 - Delivering proposals related to the effective utilization of land owned by administrative agencies, public benefit corporations, educational institutions, etc.
 - Product planning focused on high-end properties in urban areas
- We will stably supply 4,000 to 5,000 housing units per year, seizing business opportunities by combining the aforementioned initiatives.

PROUD TOWER Kameido Cross
(photo on the right)

3. Response to diversifying needs

In the aftermath of the COVID-19 pandemic, people's value systems and housing needs changed significantly on the back of evolving lifestyle trends, including a growing number of single-person households and dual-income households.

- Condominium and rental housing product planning aligned with the changing times, for example, delivering a diverse range of compact floor plans and installing charging facilities at a growing number of properties in anticipation of the popu-

larization of EVs

- Initiatives to provide a variety of services to help lengthen healthy life expectancy in senior housing
- Expansion of the renovation business (purchase and resale of condominium unit ownership) and the supply of detached housing in urban areas

We will promote the initiatives described above to accommodate the evolving business environment and diversifying customer needs.

EV charging facilities
(the photo is a sample image)

4. Monetization of non-asset business

In addition to operating the housing sale business, a major pillar of this business unit, we strive to deliver various services leveraging the extensive customer base we have built up over the years.

- Providing various services employing "NOMURA no KURASUMA," a platform offered by the Nomura Real Estate Group to support businesses and services related to living and dwelling
- Commissioned services, including those associated with maintenance and repair in response to requests from residents of condominiums provided by the Company

We are proactively delivering these services.

Main Initiatives to Achieve Materialities



<Decarbonization>

- Maintain ZEH-oriented standards in new housings
- Introduce solar panels at detached housing for sale
- Achieve reductions in CO₂ emissions from condominiums via the introduction of "Yukai-full"



<Biodiversity>

- Utilize domestically produced wood materials



<Circular design>

- Initiatives to create new condominiums with longer lives and higher durability



Commercial Real Estate Business Unit



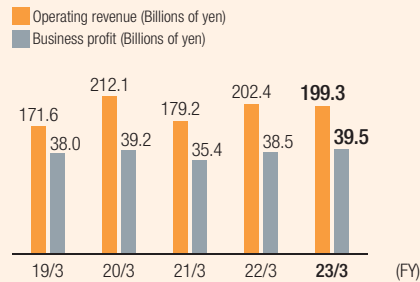
Hiroshi Kurokawa

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

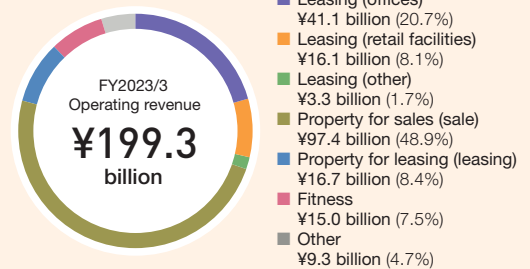
Major Group companies

Nomura Real Estate Development/Nomura Real Estate Life & Sports/
Nomura Real Estate Retail Properties/Nomura Real Estate Hotels

Operating Revenue and Business Profit



Operating Revenue Composition



Business assets (As of March 31, 2023)

- Net lettable area (office and retail facilities):
approx. 697,000 m²
- Number of tenants:
More than 2,000 companies*
- Number of H¹T offices and their members:
**248 offices/approx. 3,600 companies,
approx. 400,000 members**
- Number of MEGALOS fitness clubs and
their members:
37 clubs/approx. 114,000 members

* Total number of tenants occupying properties that the Group owns and conducts property management for

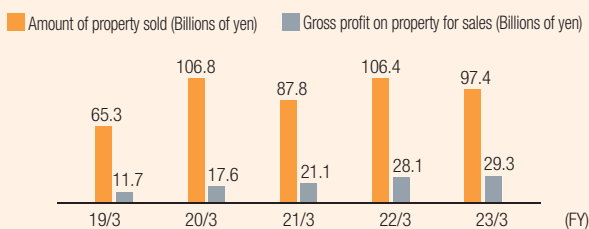
Competitive advantages

- Track record for developing diverse asset types
- Asset brands (PMO, GEMS, Landport, etc.) based on the market-in approach
- Leasing value chain supported by collaboration with the Investment Management Business Unit
▶ p.17
- Promotion of major large-scale development projects in central Tokyo, including Shibaura Project and Nihonbashi 1-chome Central District Redevelopment

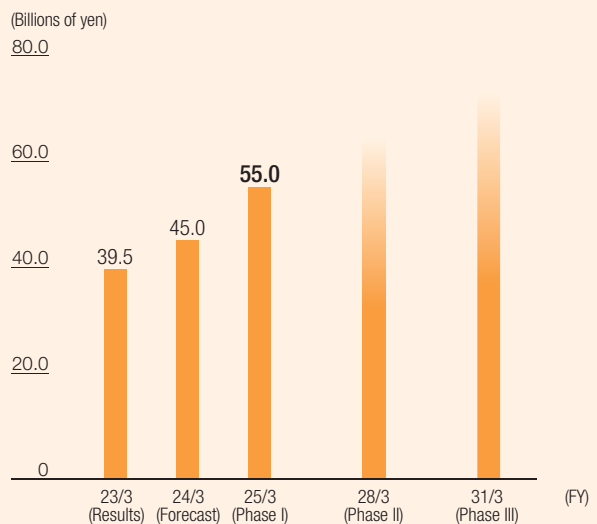
Business strategy

1. Evolution of value creation linking environmental changes to business opportunities
2. Realization of unrealized profit and the strengthening of the leasing property portfolio through strategic asset replacement
3. Contribution to a sustainable society and creation of new products/services utilizing digital technology

Trend in amount of property sold and gross profit on property for sales



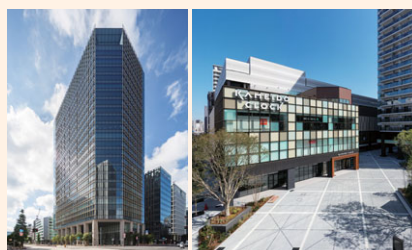
Financial targets (Business Profit)



Main Businesses

Leasing

- Development and leasing of office buildings, retail facilities, etc.



TOKYO TORANOMON GLOBAL SQUARE

KAMEIDO CLOCK

Property for sales

- Development, leasing, and sale of office buildings, retail facilities, logistics facilities, etc.



PMO Tamachi III

Landport Tama

Fitness, hotels, etc.

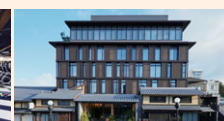
- Fitness club operations
- Development, leasing, and management of hotels
- Planning and management of construction work

MEGALOS



MEGALOS Machida

NOHGA HOTEL



NOHGA HOTEL KIYOMIZU KYOTO

Specific initiatives and policies based on business strategies

1. Evolution of value creation linking environmental changes to business opportunities

We plan and develop highly competitive products by accurately assessing changes in the environment.

- **Offices:** PMO, which has successfully developed the market for sought-after medium-sized high-grade buildings; H¹O, which meets needs for small offices reflecting a growing number of startups, etc.; and H¹T, which accommodates the diversification of working styles
- **Logistics facilities:** Landport, which meets needs for highly functional facilities on the back of the growing popularization of e-commerce
- **Hotels:** NOHGA HOTEL, which offers lifestyle-oriented hotels to accommodate growing inbound tourism demand
- **Retail facilities:** GEMS, MEFULL and SOCOLA, all of which comprise facilities aimed at meeting diverse needs

web to address various issues they confront, including labor shortages and growing needs for diverse workstyle options, etc.

- **Logistics facilities:** Installation of solar panels on facility rooftops; the promotion of Techrum, a program for facilitating co-creation among corporations, with the aim of optimizing logistics operations through the effective use of automation equipment, etc.

TOPIC

Shibaura Project

The Shibaura Project proposes TOKYO WORKation, a new way of working while experiencing the sky, sea, and greenery in the urban center using the unique location of the Shibaura area facing Tokyo Bay.

▶ p. 88



2. Realization of unrealized profit and the strengthening of the leasing property portfolio through strategic asset replacement

To develop a good quality leasing asset portfolio, we strategically replace our leasing assets. Funds recovered through these endeavors, along with development profit and unrealized profit acquired, are reinvested in real estate development projects. We thus aim to realize both high asset efficiency and sustainable growth.

3. Contribution to a sustainable society and creation of new products/services utilizing digital technology

We promote initiatives to address social issues (e.g., decarbonization and issues surrounding the logistics industry) and to meet diversifying needs.

- **Offices:** Reduction of CO₂ emissions via the development of office buildings that comprise wooden hybrid structures for a portion of the main structural columns and beams; the provision of NOMURA WORK-LIFE PLUS, a service platform that can be used by tenants via the

H¹O Aoyama

Main Initiatives to Achieve Materialities



<Decarbonization>

- Maintain ZEB-oriented standards in new buildings
- Utilize renewable energy in leasing assets
- Reduce CO₂ emissions in the course of construction via the use of wooden materials



<Biodiversity>

- Contribute to the preservation of forest cycles via the use of wooden materials



<Circular design>

- Reduce waste by, for example, abolishing the individual packaging of amenities offered at hotels operated by the Group



Overseas Business Unit



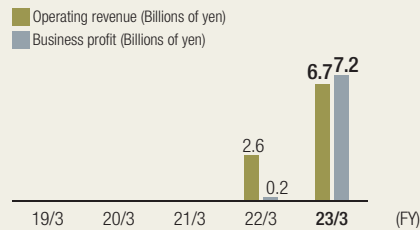
Masato Yamauchi

Executive Officer,
Business Unit Manager of Overseas
Business Unit, in charge of Overseas
Business

Major Group companies

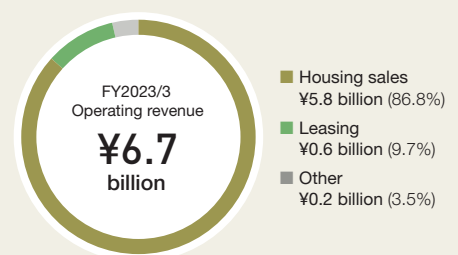
Nomura Real Estate Development/ZEN PLAZA/Beijing shokai Nomura Real Estate Management/
NOMURA REAL ESTATE ASIA/NOMURA REAL ESTATE (THAILAND)/
NOMURA REAL ESTATE VIETNAM/NOMURA REAL ESTATE CONSULTING (SHANGHAI)

Operating Revenue and Business Profit



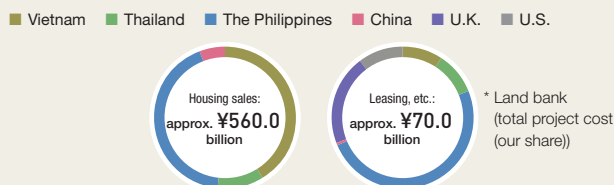
From FY23/3, the Overseas Business Unit was newly established, and the Overseas Business Division of Nomura Real Estate Development and overseas subsidiaries, etc., which had been classified under the "Other," have been reclassified under this business unit. Due to this change, figures listed for FY22/3 have been retroactively adjusted.

Operating Revenue Composition



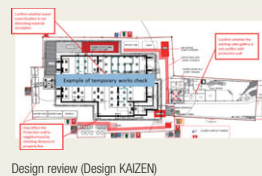
Business assets (As of March 31, 2023)

- Number of housing sale projects the Group participated in/total project cost (our share):
31/approx. ¥560.0 billion
- Number of leasing projects the Group participated in/total project cost (our share):
12/approx. ¥70.0 billion



Competitive advantages

- Development track record and know-how accumulated over the course of more than 60 years in Japan
- Commitment to ensuring manufacturing quality as well as robust product planning and improvement capabilities



Design review (Design KAIZEN)



Onsite patrols (Workplace KAIZEN)

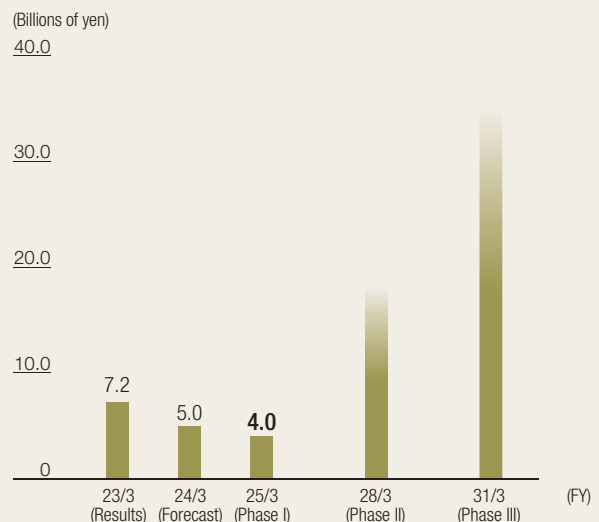
Business strategy

- Secure stable growth for the housing sales business in Asian countries, which boast remarkable growth
- Strengthen initiatives related to the property sales business centered on the U.K. and the U.S.
- Enable Federal Land NRE Global, Inc. (FNG), a joint venture founded in the Philippines, to achieve constant business expansion

Four projects in which FNG decided to invest

Project name	Location	Residence	Gross floor area	Commencement of construction
Mandaluyong	Manila	Approx. 4,700 units	Approx. 67,000 m ²	From 2024 onward
Metro Park	Manila	Approx. 1,600 units	Approx. 37,000 m ²	From 2024 onward
Cavite	Suburbs of Manila	Approx. 42,000 units	Approx. 763,000 m ²	From 2025 onward
Cebu	Cebu	Approx. 940 units	Approx. 18,000 m ²	From 2025 onward

Financial targets (Business profit)



Main Businesses

Housing sales

- Vietnam: Grand Park 2nd and 3rd period project (Ho Chi Minh City), Ecopark (Hanoi), etc.
- Thailand: Park Thonglor and Park Origin Ratchathewi (both in Bangkok), etc.
- China: Changzhou I and II (Changzhou City), etc.
- The Philippines: Manila BGC Sunshine Fort Residential Building, Mandaluyong and Metro Park (all in Manila), etc.



Park Thonglor (Thailand)



Ecopark (Vietnam)



Manila BGC Sunshine Fort Residential Building, (the Philippines)

Leasing, etc.

- Offices: Sun Wah Tower and Zen Plaza (Vietnam), Beijing Fortune Building (China), 127 Charing Cross Road (U.K.)
- Retail facilities: Manila BGC Sunshine Fort Retail Building (the Philippines)
- Service apartments: Staybridge Thonglor and Staybridge Sukhumvit 24 (Thailand)
- Mixed-use facilities: Mandaluyong and Metro Park, etc., (the Philippines), Press Block Project (U.S.)



Manila BGC Sunshine Fort Retail Building (the Philippines)



127 Charing Cross Road (U.K.)



Sukhumvit 24 (Thailand)

Specific initiatives and policies based on business strategies

1. Secure stable growth for the housing sales business in Asian countries, which boast remarkable growth

In the Asian region, where growth is burgeoning, demand for high-quality housing has become even stronger due to economic development and the resulting increase in income. These market conditions will enable us to fully leverage our development know-how accumulated over the course of more than 60 years in Japan.

- **Vietnam:** With a collaboration involving multiple local partners under way, we became a participant in the Grand Park 2nd period, which envisions the construction of more than 10,000 housing units, and other major projects.
- **Thailand:** With Origin Property, our local partner, we operate a joint venture business that boasts a cumulative total number of housing units sold surpassing 10,000 in October 2022.
- **China:** Staying alert to changes in the business environment, we promote existing businesses in Changzhou and the acquisition of new projects.

While selecting excellent local partners in each country, we will strive to cultivate favorable relations, develop a solid governance structure, and acquire stable business opportunities, thereby achieving further growth.



Grand Park 2nd period (Vietnam)

development project encompassing rental housing, offices, and retail facilities in Portland. Looking ahead, we will take an even more proactive approach to investment in the property sales business.



Press Block Project (U.S.)

3. Enable FNG, a joint venture founded in the Philippines, to achieve constant business expansion

We have established the joint venture FNG in tandem with Federal Land, a real estate company under the umbrella of GT Capital Group, a major conglomerate in the Philippines.

This move is aimed at securing our ongoing involvement in local projects. FNG has already decided to handle four projects with a combined project cost of approximately ¥770.0 billion (of this, our share amounts to approximately ¥260.0 billion). We anticipate that FNG will grow into a profit contributor from Phase III (which will begin in FY2029/3) of the Mid- to Long-term Business Plan onward. We have thus positioned this joint venture as a key entity enabling us to achieve major growth in the overseas business.



Mandaluyong Project (The Philippines)

2. Strengthen initiatives related to the property sales business centered on the U.K. and the U.S.

Applying a medium- to long-term perspective, we will strengthen initiatives related to the property sales business in developed countries. Specifically, in the U.K., we are playing a part in the expansion and renovation of existing office building located in London's central district. Meanwhile, in the U.S., we are engaged in a mixed-use devel-

Main Initiatives to Achieve Materialities



<Human rights>

- Advocate for human rights in collaboration with suppliers while asking them to comply with our procurement guidelines



<Diversity & inclusion>

- Empower global human resources to take key positions while hiring locals at overseas subsidiaries



Investment Management Business Unit



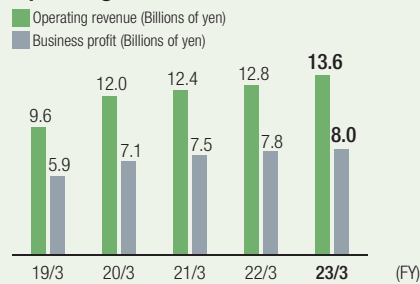
Koki Miura

Executive Officer,
Business Unit Manager of Investment
Management Business Unit

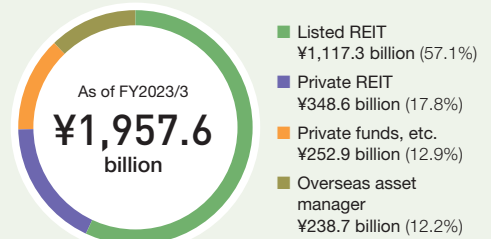
Major Group companies

Nomura Real Estate Asset Management/Lothbury
Investment Management/Nomura Real Asset Investment

Operating Revenue and Business Profit



Composition of assets under management



Business assets (As of March 31, 2023)

- Assets under management (AUM): **approx. ¥1,957.6 billion**
- Number of institutional investors through domestic asset management (excluding listed REIT): **296 institutions**
- Asset management know-how: Accumulated over the course of more than **20 years**

Competitive advantages

- Business growth model based on the Leasing Value Chain [▶ p.17](#)
- Relationships built with institutional investors over many years of accumulating asset management experience
- Product development capabilities that meet the needs of investors

Structure of the Leasing Value Chain



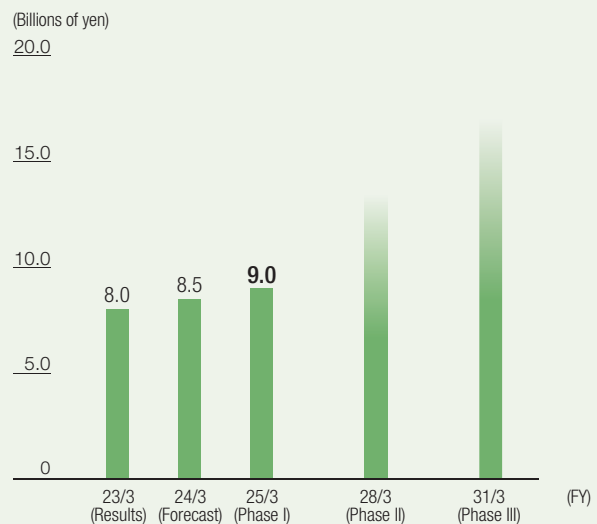
Business strategy

- Secure stable growth for the REIT business by taking advantage of the Leasing Value Chain
- Strengthen the private fund business with an eye to accommodating burgeoning needs for alternative investment vehicles
- Seize business opportunities in new fields (e.g., winning new investors and expanding into new sectors) through collaboration with the Nomura Group



Nomura Real Asset Investment is a joint venture established by Nomura Holdings and Nomura Real Estate Holdings, having launched its fund management business in April 2023.

Financial targets (Business profit)



Main Businesses

REIT

Nomura Real Estate Master Fund, Inc.

- A comprehensive listed REIT, the largest of its kind in Japan
- Managing a portfolio consisting mainly of office buildings, retail facilities, logistics facilities, and rental housing, the total value of which exceeds ¥1 trillion

MASTER FUND 

Nomura Real Estate Private REIT, Inc.

- Japan's first comprehensive private REIT
- Managing a portfolio consisting mainly of office buildings, retail facilities, logistics facilities, and rental housing, with the total value of which exceeds ¥300.0 billion

 NOMURA REAL ESTATE PRIVATE REIT, INC.

Private funds

- Taking full advantage of our experience in various fund schemes and sectors to formulate and manage private real estate funds tailored to accommodate needs among institutional investors

Overseas

Lothbury Property Trust

- Formed a capital alliance with Lothbury, a U.K.-based asset manager, in 2018 to meet investor needs for overseas real estate investment

LOTHBURY Investment Management

Specific initiatives and policies based on business strategies

1. Secure stable growth for the REIT business by taking advantage of the Leasing Value Chain

Listed and private REITs constitute mainstay operations of this business unit. We are taking full advantage of the Leasing Value Chain, a strength of the Nomura Real Estate Group, to pursue external growth in these operations. For example, Nomura Real Estate Master Fund (NMF) acquired properties worth approximately ¥12.6 billion, including logistics facilities and office buildings developed by Nomura Real Estate Development, in FY2023/3. During the fiscal year, there were limited opportunities to acquire properties through public offerings due to low unit price trends in the REIT market. Nevertheless, NMF succeeded in these acquisitions through the sale of properties whose competitiveness had declined and the use of cash at hand. Meanwhile, in the same fiscal year, Nomura Real Estate Private REIT (NPR) acquired properties worth approximately ¥39.8 billion from Nomura Real Estate Development through offerings, etc. These accomplishments helped us achieve stable growth in both listed and private REITs.

Looking ahead, we will acquire excellent and competitive properties via the use of our sponsor pipeline while constantly acquiring properties from external sources. Leveraging the unique features of comprehensive REITs, we will promote the replacement of our portfolio to secure an optimal combination of differing asset types while selecting the best options for acquisition and fundraising methods in light of the business environment.

Cumulative number of Leasing Value Chain transactions
(as of March 31, 2023)

Sales of properties from Nomura Real Estate Development to listed and private REITs as well as private funds

86 properties/ ¥478.7 billion

institutional investors. Building on these relationships, we are endeavoring to formulate private funds consisting of land of logistics facility to meet diversifying investment needs while still handling traditional asset types, such as office buildings and rental housing. Furthermore, our plan for FY2024/3 calls for formulating a new private fund aimed at strengthening the Leasing Value Chain. We will continue to strengthen the private fund business via, for example, the formulation of new products and the enhancement of product lineups.

3. Seize business opportunities in new fields (e.g., winning new investors and expanding into new sectors) through collaboration with the Nomura Group

Nomura Real Asset Investment, a joint venture we have established in tandem with Nomura Holdings, launched a fund management business in April 2023 after completing necessary procedures, such as license registration. Currently, this joint venture is tasked with managing private real estate funds and its AUM totals more than ¥90.0 billion (as of June 30, 2023). It aims to secure an AUM between ¥700.0 billion and ¥1 trillion in the future by promoting the development of its investor base, which includes wealthy individuals and overseas investors, and the enhancement of its investment products through the commercialization of novel asset classes.

In addition, the business unit is engaged in overseas operations, such as a collaboration involving U.K.-based Lothbury, while striving to develop an even more extensive global network.

Main Initiatives to Achieve Materialities



<Decarbonization>

- Reduce the volume of energy consumption and CO₂ emissions attributable to properties managed by funds

2. Strengthen the private fund business with an eye to accommodating burgeoning needs for alternative investment vehicles

To accommodate investors' burgeoning need for alternative investment vehicles, we are strengthening our private fund business. The assets under management (AUM) as of March 31, 2023 totaled ¥252.9 billion, an increase of ¥56.5 billion from March 31, 2022. To date, this business unit has nurtured solid relationships of trust with

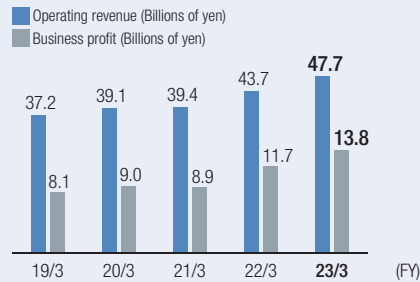
Property Brokerage & CRE Business Unit



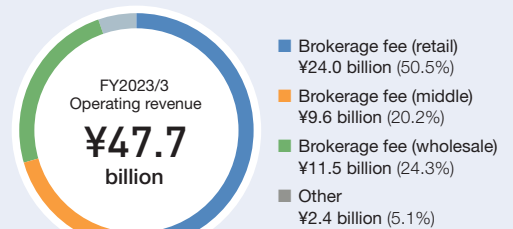
Major Group companies

Nomura Real Estate Solutions/NOMURA REAL ESTATE HONG KONG/Tokio Property Services

Operating Revenue and Business Profit



Operating Revenue Composition



Business assets (As of March 31, 2023)

- Number of retail branches: **88**
 - Number of middle offices: **11**
 - Number of wholesale offices: **9**
- Note: In cases where an entity is operating multiple businesses, the number of branches and offices is calculated on the basis of each business.
- Number of nomu.com members: **approx. 263,000** (as of January 31, 2023)
 - Number of partner financial institutions, including Nomura Securities and regional financial institutions: **112**

Strengths

- Possessing advanced digital technology
- High customer satisfaction rating in the retail business
- Partnerships with Nomura Securities and regional financial institutions

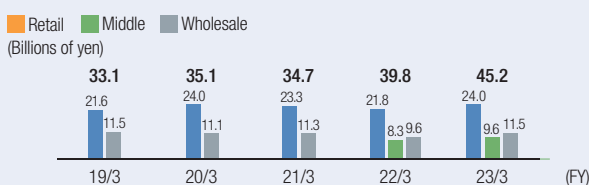


The nomu.com website

Business strategies

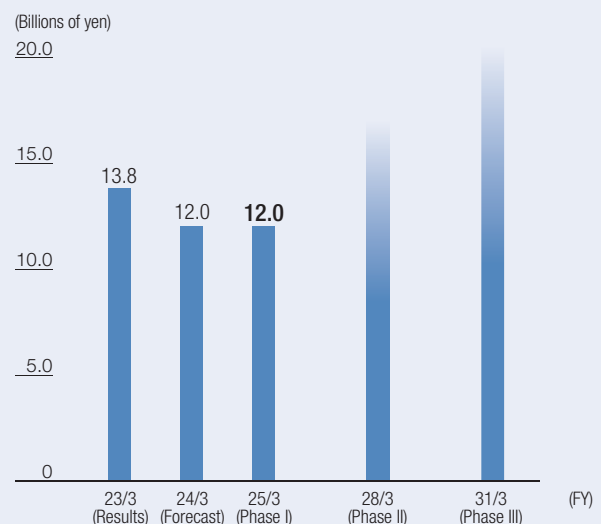
1. Expansion of stable revenue base capturing strong demand in the retail business
2. Meeting various needs through collaboration with the Nomura Group, financial institutions, and others in the middle business
3. Promotion of CRE proposals and capturing the investment needs of funds based on our customer base in the wholesale business

Fees



From FY23/3, we changed from the two business segments of retail and wholesale to the three segments of retail, middle, and wholesale. In line with this change, we retroactively revised the breakdown of fees for FY22/3 for presentation purposes.

Financial targets (business profit)



Main Businesses

Retail

- We operate 88 stores under the “Nomura no chukai + (PLUS)” and REALIA brands in the Tokyo metropolitan area, Kansai, and Chubu regions.
- We provide the best solutions, mainly to individual customers, through high-quality services closely attuned to local conditions.



Middle

- We precisely identify the real estate sales needs of small and midsize companies, business owners, individual investors, and others and provide solutions that exceed expectations.



Wholesale

- We serve as a comprehensive help desk for Nomura Real Estate and Group companies and create new value for customers' real estate.
- We will fully leverage our total capabilities based on our multifaceted businesses to provide a wide range of solutions.



Specific initiatives and policies based on business strategies

1. Expansion of stable revenue base capturing strong demand in the retail business

Since the pandemic, the need for housing is greater than ever before, and the pre-owned real estate market is continually expanding. Currently, we are steadily expanding transaction value in the retail business by accurately assessing sales trends among customers in city centers. We will continue to promote systems to centralize data on high-value city center properties centered on the service brand REALIA, which meets needs for buying and selling high-value real estate in city center areas. Moreover, we will strengthen organizational retail sales systems to meet diverse customer needs and continue working to expand the stable earnings base of the retail business through the enhancement of customer satisfaction in part by enhancing convenience of the real estate data site nomu.com.



2. Meeting various needs through collaboration with the Nomura Group, financial institutions, and others in the middle business

We have positioned the middle business as a new growth sector in the Business Unit. In light of the increase in real estate transaction needs related to inheritance and business succession, we are strengthening the real estate brokerage business for small and midsize companies, individual investors, and high net worth individuals. We are strengthening proposals to meet various real estate-related needs while collaborating with 112 financial institutions and other companies (as of March 31, 2023). These efforts are connected to our accomplishments, and there has been an increase in fees for forming agreements for sales brokerage projects thanks to introductions from partner financial institutions. Going forward, we will work to seize business opportunities and strengthen collaboration with

licensors, financial institutions, and the Nomura Group, including Nomura Securities.

3. Promotion of CRE proposals and capturing the investment needs of funds based on our customer base in the wholesale business

Seizing the increase in the off-balance sheet needs of business companies, we will work to expand the wholesale business based on the customer base we have cultivated to date. Specifically, we will work to acquire projects and expand opportunities for CRE proposals in part by offering proposals that utilize our know-how in construction and construction management and by building relationships with customer companies partnered with the Nomura Real Estate Group and Nomura Securities.

In addition, Japan has currently reopened to people from overseas, leading to a ramping up of overseas investors investing in real estate in Japan. In addition, alternative investment needs from institutional investors are seeing ongoing expansion in Japan.

We will continue working to seize new business opportunities by providing customers with high-quality services that we have cultivated in each of the retail, middle, and wholesale businesses in a one-stop manner.

Main Initiatives to Achieve Materialities



<Circular design>

- Encourage the utilization of idle properties through brokerage transactions
- Effective use of real estate stock



Property & Facility Management Business Unit



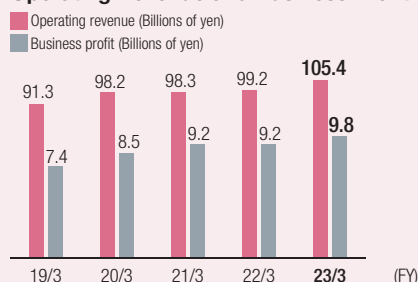
Kazuhiro Toida

Executive Officer,
Business Unit Manager of Property &
Facility Management Business Unit

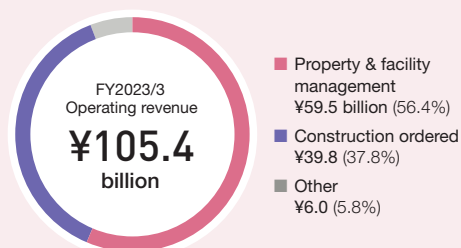
Major Group companies

Nomura Real Estate Partners/Nomura Real Estate Heating and Cooling Supply/Nomura Real Estate Amenity Service

Operating Revenue and Business Profit



Operating Revenue Composition



Business assets (As of March 31, 2023)

- Number of housing units under management: **approx. 189,000 units**
- Number of buildings under management: **782 units**
- Licensed Representatives of Condominium Management Company: **616**
- Building environment and health management engineers: **571**

Competitive advantages

- Stable supply of properties from other Business Units through Group collaboration
- High level of external evaluation for management quality
- Competitive construction proposal capacity, including scheme for extending large-scale repair works cycle

Schemes for extending large-scale repair works cycle

re:Premium

re:Premium Duo

Business strategies

1. Ensure high quality and save labor in property and facility management
2. Combine our technical capabilities, proposal capabilities, and data storage and analysis in construction ordered
3. Develop and roll out competitive products and services to meet customer needs

Kanri-roid

Building management app

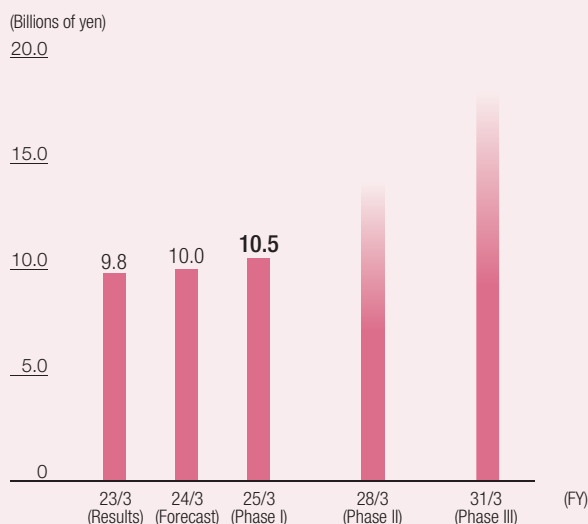


Will TAP

An app for residents of condominiums



Financial targets (business profit)



Main Businesses

Property & facility management

- Condominium management business handling around 189,000 residences
- Building management business handling 782 office buildings and other properties
- Property management proposing and implementing optimal operation strategies for properties on behalf of the owners
- Public-private partnership (PPP) business mainly managing and operating public facilities



Construction ordered

- In our renewal construction business, we propose optimal construction and repair plans suited to each building by leveraging data collected from many different sources and our accumulated know-how.
- In our remodeling business, we remodel condominiums, remodel detached houses, and renovate properties.



Specific initiatives and policies based on business strategies

1. Ensure high quality and save labor in property and facility management

In the property & facility management business, we need personnel overflowing with hospitality to swiftly provide high-quality services finely attuned to customers. For example, we set up a training center with condominium facilities for practice to develop management and engineering professionals and work hard to construct a foundation for providing high-quality services.

In addition, as it is becoming more difficult to secure personnel, it is important to improve operational processes using digital technologies. In the Mid- to Long-term Business Plan, we plan for DX investment totaling several billion yen. To this end, we launched such specific initiatives as beginning to develop systems to manage the conclusion and dissolution of parking lot contracts and support the operations of managers on the front lines of condominium management. We will create more time for improving operations and continue working to increase quality and save labor more than ever before.

Our high-quality services lead to customer praise

→ Ranked **1st** for **14** consecutive years
in the SumaiSurfin Management Company Satisfaction
Survey 2022



Center for Housing Renovation and
Dispute Settlement Support.



3. Develop and roll out competitive products and services to meet customer needs

Nomura Real Estate Partners developed re:Premium and re:Premium Duo, which are products that extend the cycle for large-scale repair work. The company also developed a system that extend the period for construction using a new, unique defect insurance aimed at management unions that lack repair funds during the construction period. This delays the start time of large-scale repair work due in part to preliminary surveys and, during that time, increases the soundness of repair funds. This system was certified as a condominium stock life extension model project, which is supported by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

Going forward, we will continually work to consider and develop products and services aimed at repair and renewal construction that helps increase the value of buildings.

2. Combine our technical capabilities, proposal capabilities, and data storage and analysis in construction ordered

We have accumulated a track record in large-scale repair construction, mainly for condominiums and office buildings. We are working to maintain and enhance property values by leveraging our accumulated technical capabilities and know-how.

In the fiscal year ended March 2022, we conducted renovation construction for the shared sewer pipes of Coop Nomura Higashi Rokugo (Ohta-ku, Tokyo, built by Nomura Real Estate in 1982), which is managed by Nomura Real Estate Partners. This effort aimed to completely replace the sewer pipes of common areas, which were of varying types, with plastic pipes, thereby reducing the lifecycle cost. These initiatives are lauded for extending the life of existing condominiums, leading to receiving the President Award at the 39th Housing Renovation Contest, hosted by the

Main Initiatives to Achieve Materialities



<Decarbonization>

- Saving energy by installing high-performance equipment in renewal and renovation construction



<Circular design>

- Extend the life of and enhancing the resilience of buildings by introducing re:Premium and re:Premium DUO



<Society and employees>

- The Mi-Ra-I Project is a reform of the organizational culture to realize rewarding work environments and respect independent thought and opinions



Special Feature

Solving Social Issues through Urban Redevelopment and the Effective Use of Public Real Estate

In the real estate industry in Japan, the competition for land acquisition remains tough due to the decrease in land suitable for real estate development. On the other hand, real estate-related social issues, such as the aging of existing buildings and obsolescence of public facilities, are expected to increase.

The Company made the further expansion of the domestic real estate development business one of its key strategies aimed at achieving the Mid- to Long-term Business Plan (the “Plan”). To this end, we intend to solve social issues through urban redevelopment, the rebuilding of condominiums, and the effective use of public real estate, thereby providing further added value to stakeholders.

Social Issue: Aging and obsolescence of buildings and public facilities

Social issues expected to increase going forward

- Reconstruction accompanying the aging of existing buildings and redevelopment aimed at solving problems associated with neighborhoods of densely packed wooden houses
- Replacing deteriorating public facilities
- Increase in corporate need for asset disposition and utilizing the facilities of universities and other institutions

Real estate business environment

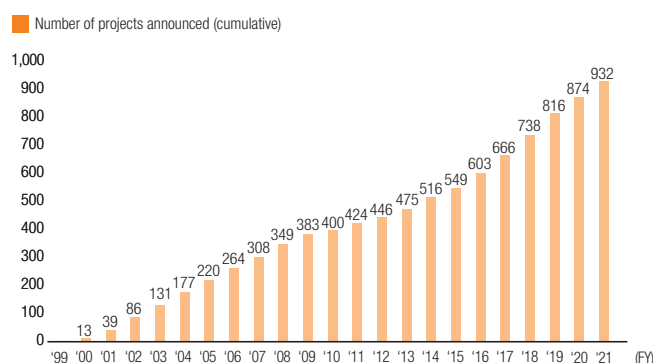
- Decrease in land suitable for real estate development, especially in the Tokyo metropolitan area
- Intensifying competition among real estate companies

As the business environment surrounding the real estate industry changes, social demand for urban redevelopment and reconstruction is expanding against a backdrop of aging buildings and increasing obsolescence of urban facilities.

In addition, there has been an increase in instances where private funding and know-how have been used in the construction and management of public facilities. Offering local governments proposals for making more effective use of public real estate is an effective way to seize business opportunities going forward. In addition, in line with a falling birth rate, aging population, and changing industrial landscape, we expect an increase in corporate need for asset disposition as well as the utilization of land and facilities held by universities and other institutions.

We will continue providing further added value related to buildings and cities to a wide range of stakeholders.

Number of projects utilizing private funding to develop or manage public facilities



Created by the Company based on Japan's Cabinet Office's presentation material entitled "Number of PFI Projects"
 Note: Private Finance Initiatives (PFI): A method of using private funding, business capabilities, and technical capabilities for constructing, maintaining, managing, and running public facilities

The Company's solutions to issues: Forming specialized organizations and fully utilizing accumulated know-how

Development Planning Division and Business Creation Division

Methods to solve issues

- Urban redevelopment
- Rebuilding of condominiums
- Development following the effective use and replacement of public real estate
- Utilization of land of national universities and industry-academia collaboration

Accumulated know-how

- Diverse development menu
- Capabilities to coordinate the desires of multiple affiliated parties, such as landowners and local governments
- Ability to promote business over the long term

In April 2022, we established the new Business Creation Division in Nomura Real Estate as an organization that specially uncovers new demand rising in recent years, such as development related to aging public facilities, mixed-use public area, school and medical company facilities and land, and PFIs. We will build medium- to long-term relationships with companies, local governments, and universities, promote business, and work to develop new halls, arenas, and other properties. In addition, we promote the cultivation of businesses in new fields, such as next-generation mobilities, the environment, and energy.

Alongside the Development Planning Division, which has undertaken many urban redevelopment projects, mainly in Tokyo, we propose developments that address social issues and link them to the creation of new business opportunities.

Case 1

Redevelopment of aging public facilities

Nakano Station New North Exit Station-Front Area Redevelopment

Urban development incorporating the area's unique, diverse culture and passing down the DNA of Nakano Sun Plaza

This is a large-scale mixed-use redevelopment project on a premises covering over 2 ha located at the Nakano Station North Exit. As the representative of the seven companies involved in the project, Nomura Real Estate is promoting discussions with local govern-

ments and landowners. We will ensure that the functions of Nakano Sun Plaza, which has a symbolic presence in Nakano-ku, are passed down and promote urban development that stimulates lifestyles, industries, and social events driven by culture.



Note: Illustration of expected completed building (future changes are possible)

Location: Nakano-ku, Tokyo

Access: One-minute walk from Nakano Station

Land area: Around 2.3 ha

Main use: Halls, offices, residences, retail facilities, hotels, and area management facilities

Construction completion: Fiscal year ending March 2030 (plan)

Case 2

Utilizing the land and facilities of universities and other institutions

Tokyo Medical and Dental University Etchujima District Land Use Project

Working to maintain and boost health, urban development that helps enhance QOL

The Tokyo Medical and Dental University solicited bids for this project in August 2022. Nomura Real Estate was selected as a business collaborator, and a basic agreement was concluded between the two parties.

The project aims to effectively utilize land owned by the university in Etchujima 1-chome, Koto-ku, Tokyo. We will conduct a study focused on urban development that enables multiple generations to communicate and create plans for condominiums, senior residences, retail facilities, and medical and daycare facilities as well

as facilities for local collaboration and socializing.

We promote studies aimed at realizing initiatives for the industry-academia alliance while collaborating with both parties.

Business concept**Total Healthcare for All Generations**

Efforts to prevent disease and promote health for all generations, and urban development to help enhance QOL

General business plan**Nomura Real Estate**

Provide external customers with condominiums, senior residences, and more in prime locations

Develop condominiums and senior residences on land owned by Tokyo Medical and Dental University

Through this industry-academia alliance, we will continue to implement initiatives that help enhance people's QOL.

**National University
Tokyo Medical and
Dental University**

Establish related facilities while still owning the land

Realizing attractive urban development through an industry-academia alliance

External Directors' Roundtable Discussion

DIALOGUE

Three external directors talk about their assessment of the Group's governance, the effectiveness of Board of Directors meetings, and the process for selecting a new chairman and president.



Yoshio Mogi

Director (Audit & Supervisory Committee Member)
Member of the Advisory Committee Relating to
Nominations and Compensation



Discussions at Board of Directors Meetings in the Fiscal Year Ended March 2023

Takahashi Because this was the first year of the new Mid- to Long-term Business Plan (the “plan”), I recognize that the first priority was to achieve and exceed performance forecasts. I feel that the Company got off to a start appropriate for the first year by exceeding performance forecasts and achieving record-high profit.

At Board of Directors meetings, although sincere discussions are still being held, discussions tend to be focused on individual projects because the Board of Directors has the duty to decide on important proposals. The Company fully recognizes this issue and is working hard to enhance effectiveness of the Board of Directors while utilizing opportunities besides Board meetings, including holding opinion exchange meetings to discuss such themes as Company-wide targets and medium- to long-term strategies as well as inviting external lecturers for director training to deepen knowledge of timely themes.

A primary example of what was discussed at Board of Directors meetings in the previous fiscal year, ended March 2023, is the capital and business alliance with YARUKI Switch Group Holdings Co., Ltd. Considering the Group's business expansion to date, some directors were initially dubious about the alliance with said company, which is involved in the education business. But after many discussions were held at Board meetings from various perspectives, we ultimately arrived at the decision that we should go through with this alliance. I want to take on more new challenges like this.

Mogi With a very strong business performance, the Overseas Business Unit grew the most despite still being small monetarily speaking. Going forward from this fiscal year, ending March 2024, I am really looking forward to how the overseas business will continue to grow.

At the same time, because risks are rising around the world, I think we need to further enhance discussions in the current fiscal year about how we can increase the effectiveness of risk management and compliance assurance in the overseas business. Careful attention will need to be paid to these efforts because it is inherently difficult to monitor the overseas business from within Japan.

If the strong performance continues like it is now, it could be interpreted that there are few errors being made; however, in other words, it could also be a concern that there are few new challenging endeavors. I think we should always maintain the mindset that errors will not be made if more new challenges are not undertaken.

Miyakawa It has been four full years since I became a director. The atmosphere at Board meetings fosters dialogue, and I strive to

communicate points and observations from my own unique perspective distinct from everyone else.

In this fiscal year, regarding business resource allocation to each Business Unit, the main theme of discussion was how to progress with selection and concentration. In addition, the Board held quite a few discussions on diversity and inclusion, the utilization of human resources, and wellness.

Amid these circumstances, I have continued to give my opinion based on my expertise as a certified public accountant, but I also strive to speak from my perspective as a woman and as a regular member of society.

The Composition of the Board of Directors

Miyakawa I believe that the current composition of the Board of Directors is balanced and really good. I was the only woman on the Board in the fiscal year ended March 31, 2023, but with the addition of Ms. Takakura in June 2023, there are now two, and I strongly applaud this. Because Ms. Takakura is well versed in matters related to human resources, I look forward to having deeper discussions on human capital at Board meetings. In addition, in the near future, I think more women will need to be promoted to director from within the Company.

Takahashi I look forward to Ms. Takakura's advice from her broad perspective, on such subjects as employee compensation and development. I think every employee has worked hard to help gain trust from customers and build up the Company's brand power. I would like to hear her indicate places that need improvement, including the work environment, in order to fully utilize employees' capabilities.

Mogi From the perspective of supplementing the current functions of the Board of Directors, I believe people with experience in top management will likely be necessary. I, myself, have previously worked as a vice president and can say that the wealth of experience gained and the scale of responsibility borne by members of top management are different than for those in other positions. From its higher vantage point, top management can view the future from a much broader perspective, and their experience and expertise should provide major revelations for the Board of Directors.

Regarding the addition of Ms. Takakura, I look forward to her comments related to the necessity of recruiting foreign nationals, especially managers, as well as enhancing the process after they join the Company. This is because, from the perspective of diversity on



Akiko Miyakawa

Director
(Audit & Supervisory Committee Member)



Tetsu Takahashi

Director (Audit & Supervisory Committee Member)
Chair of the Advisory Committee Relating to
Nominations and Compensation

the Board of Directors, I think thorough discussion is needed regarding the necessity of appointing not only women, of course, but also foreign nationals going forward.

Enhancing the Effectiveness of the Board of Directors

Miyakawa A board of directors that just quietly approves proposals after someone gives an explanation cannot be said to be highly effective. It is important that the Board hold extensive and thorough discussions after receiving a variety of opinions, including dissenting ones, then gain consensus on the direction that should be taken. The Board currently holds discussions after making thorough preparations by utilizing opinion exchange meetings, which director Takahashi mentioned. I think it is safe to say this current situation is highly effective.

Mogi From a similar perspective, I also think controlled conflict is necessary. For example, when deliberating a real estate development project, discussions are participated in by not only directors who have been working at Nomura Real Estate since graduating from university, but also us, the external directors. And, sometimes, the opinions expressed clearly state we should strongly step on the brakes. To steadily maintain this situation, I think it is important that there be diversity in the expertise and experience of directors.

Takahashi The word effectiveness is actually abstract. Does it mean that very lively discussions are held? Or that even when a proposal is repeatedly rejected, it gets proposed again? Or that proposals are continuously accepted? Considering that the Board of Directors is the final step in the Company's decision-making process, I think it is important how discussions are enhanced before getting to that final stage. As an external director, it is crucial that I see what executive-side directors overlook and reconfirm it through thorough discussion. It could also sometimes be necessary even after that confirmation to give encouragement to executive-side directors.

To fully leverage those kinds of functions and enhance the effectiveness of the Board of Directors, I believe it is indispensable to enhance the quality of each director, of course, but also the diversity of Board members, by seeking out individuals possessing management experience and experts in various fields.

Striving to Achieve Win-Win Relationships with Major Shareholders

Takahashi One of the characteristics of the Company's governance is the presence of Nomura Holdings as a major shareholder, and I am aware that, in light of this fact, protecting the profit of minority shareholders is a very important issue. This perspective must always be kept in mind during discussions at Board of Directors meetings. Fair decisions should be made that are fully accepted by minority shareholders, and highly transparent disclosure must be assured regarding those decisions.

However, the connection between the real estate and securities industries has become increasingly strong recently. In particular, in the Company's investment management business and property brokerage & CRE business, we can achieve strong synergy with Nomura Holdings. Thinking carefully about whether the Group is fully utilizing this synergy will contribute to the overall profit of shareholders, including minority shareholders.

Mogi Even though the Company is young, it being around 17 years since its listing on the stock exchange, its business results have significantly grown. The real estate business has grown closer to the financial world, and I think the Company is capable of more fully utilizing the fact that Nomura Holdings, which has a major presence in finance, is a major shareholder. Ideally, the Company's top management would lead this effort. The environment is already in place to build a win-win relationship.

Miyakawa In the previous fiscal year, the Company and Nomura Holdings jointly established Nomura Real Asset Investment. I supported the establishment of the joint company upon confirming that both companies could create synergy, that there are stories enabling the mutual enhancement of corporate value, and that fair procedures are in place. I think an important role for us external directors is to continue to monitor this relationship.

Selection Process of the New Management Structure

Takahashi With people from the major shareholder serving as chair and president, there were various discussions held on how governance would function. I understand that we should always maintain this kind of perspective.

Speaking as the chair of the Advisory Committee Relating to Nominations and Compensation, who submits candidates, we did not

select the new management because they are from our major shareholders. At meetings of this Committee and the Board of Directors, decisions on the selection of a new chair and president were reached in the course of serious discussion for pursuing the ideal structure for realizing the Mid- to Long-term Business Plan.

CEO Arai, who assumed the position of president in April 2023, listens carefully to the various opinions and assessments of each business unit, and I feel he aims to base his opinions on thorough rational discussion. For each proposal, I would like to make progress toward finding good judgments through these kinds of highly detailed discussions.

Mogi The profit of a major shareholder was not prioritized at the time of the selection of the new CEO.

The Advisory Committee Relating to Nominations and Compensation held individual interviews and considered documents for multiple candidates, held multiple discussions, and evaluated such items as ambitious spirit and negotiating ability. The committee selected CEO Arai, who was highly evaluated on many of the items.

I look forward to seeing how he assesses and controls risks while leveraging his financial and market knowledge cultivated in the securities industry. I also look forward to the sense of balance and to his management utilizing the negotiating ability he refined with his extensive sales experience.

Takahashi CEO Arai became a director of the Company in June 2022 and was selected as CEO about a year later. I mostly focused on his qualities to achieve the Mid- to Long-term Business Plan in addition to my impression of him during that one-year period. CEOs do not decide everything by themselves. It is important that they have the ability to bring together opinions from across the Company and form a consensus. The current selection was arrived at in light of the perspective that CEO Arai excels in communicating externally as pointed out by Mr. Mogi.

The Advisory Committee Relating to Nominations and Compensation ensures that its discussions are fair, that the candidates have no conflicts of interest, and that it transparently reports to the Board of Directors, then the Board selects the candidate. This process is very important. Keeping this in mind, the committee also strives to reach an agreement after exploring arguments as meticulously as possible.

Miyakawa The one thing I was concerned about was how employees might feel about the CEO being from a major shareholder. From actual conversations I have had with multiple employees, there were many opinions about how qualified as a business person a candidate should be, it does not matter to them where the candidate may come

from, and I think that kind of feeling is really important.

Takahashi Even if a new CEO needs to be selected going forward, I firmly believe that there is consensus as a company that all of the candidates' qualities, capabilities, and experiences will be considered and the most appropriate person will be selected.

Expectations for the Sustainable Growth of the Nomura Real Estate Group

Miyakawa I expect the Group to venture into new business fields and start something new. Beyond that, I think the Group likely has a very big future. The Group will make money with its core businesses, which constitute its current golden goose, while steadily nurturing future ones. I think it will be important to adeptly achieve balance.

Takahashi The long-term vision has already been released, and I recognize that the entire Company is working together to achieve it.

That is important too, but what I am focusing on is the operating results of the current fiscal year. The operating results for the first year of the plan indicated we were off to a great start, and the results thus far for this second year are also good. I have high expectations that the results will continue like this.

The most important matter is that each business unit clearly achieves the business targets they set for themselves, so I intend to continue monitoring the situation and expressing my opinions.

The real estate business is generally thought to be limited to horizontal expansion in its business field, but, going forward, as companies evolve and transform, it is important to create new value from a completely new perspective that looks beyond existing businesses. The younger generation of employees should believe that they especially need to maintain that mindset, or else companies will not change.

I want the Company to value challenges as well as innovative, forward-looking, and diverse creativity and expansion over the long term. I feel the current corporate culture is still rather conservative. I would like everyone to break out of their shells with the aim of becoming a company unlike any seen before.

Mogi I especially would like the younger generation of employees to have a sense of urgency. As Japan's population declines, the Company, which is in the real estate business, needs to always be thinking about what it will do for the future. Over the last few years, the business has appeared to be stabilizing, but the operating results could deteriorate in a flash if there is not a sense of urgency. I intend to carefully monitor whether that sense of urgency has been instilled and connected to behavior.



Message from the Chairman of the Board of Directors

The Company changed its management structure in April 2023, and Satoshi Arai became President, Representative Director, and Group CEO, and I became Chair and Director. When I assumed this position, I was charged with the mission of contributing to sustainable growth in corporate value in part by leveraging my eight years of experience as CEO to supervise the Board of Directors and strengthen governance as chairman.

To sustainably grow corporate value, it is imperative that we build a structure that is capable of addressing the various issues the Group faces. From my time as CEO, this is something that I have consistently held to be true, and over the years I have taken part in implementing such various measures as introducing a business unit management structure, establishing the Advisory Committee Relating to Nominations and Compensation, introducing a performance-based share-based compensation system and evaluations based on sustainability-related indices, and formulating succession plans for CEOs and others.

In addition, as third-party organizations have confirmed, free and lively discussions take place at the Company's Board of Directors meetings. In particular, in the process of formulating the Nomura Real Estate Group Vision for 2030, Mid- to Long-term Business Plan, and Sustainability Policy, which were announced in April 2022, we held many discussions that bridged in-house and external boundaries and reflected varied input in their content.

To realize these goals going forward amid the major current changes in the business environment, deeper discussion will be needed at Board of Directors meetings. To realize our vision, "Be a 'Life & Time Developer,' as never seen before," I intend to continue working to help enhance long-term corporate value as chairman of the Board of Directors.



Eiji Kutsukake

Chairman of the Board of Directors
(Chair and Director)

Greetings on My Appointment as an External Director

In June 2023, I became an external director of the Company. My background is in developing human capital management at companies employing people of diverse nationalities, such as domestic and overseas drug manufacturers. Through this work, I was always aware that spaces for life and work were essential to ensuring that people are able to enjoy vibrant lives. The products and services provided by the Group not only create spaces, they simultaneously create connections with communities and shape the time that people spend there. I believe they have very important value for society as a whole in the future.

In addition, the level of attention being paid to human capital is currently on the rise. I recognize that uniform policies across multiple companies is not sufficient. To continue fully drawing out the value of human resources, it is important to engage in dialogue that considers the Group's unique perspective. I intend to continue proactively stating my opinions at Board of Directors meetings and leveraging my executive experience and insight from the human resources department. I also aim to continue monitoring operational execution while keeping a close eye on in-house systems.



Chiharu Takakura

External Director

Chiharu Takakura has great knowledge and experience and profound insights into human resources strategy and development acquired during her many years executing business in important roles in the human resources division of a global company, as well as participating on specialist committees for a governmental agency. She has been an external director since June 2023.

Corporate Governance

Overview of corporate governance

This report provides details of the Company's corporate governance system.

Basic concept of our corporate governance ▶ p. 66	Improvement of the effectiveness of the Board of Directors ▶ p. 72
Characteristics of our corporate governance system ▶ p. 67	Strategic shareholdings policy ▶ p. 73
Corporate governance system ▶ p. 68	Compensation for directors ▶ p. 74
Diversity of directors ▶ p. 70	Risk management ▶ p. 76

Status of compliance with the Corporate Governance Code

The Company complies with all principles set forth in the Corporate Governance Code. As of March 31, 2022, it did not comply with the Supplementary Principle 4.1.3. (Proper Supervision of Successor Plans for CEO, etc.) of the Corporate Governance Code and provided reasons for doing so. However, in FY2023/3, the Company positioned this subject as an important matter requiring consultation with the Advisory Committee Relating to Nominations and Compensation. Said committee has deliberated on this subject and reviewed a portion of its standards for the selection of executives and the process for such selection. Based on this review, the Company decided to comply with this supplementary principle.

Basic concept of our corporate governance

The Company believes that it must be governed in a way that continuously maximizes the Group's value over the long term, while giving consideration to the interests of shareholders and all other stakeholders of the Company. It aims to enhance the earnings power of the entire Group, while carrying out its duties as a holding company in managing and supervising the business activities of its subsidiaries. Also, it endeavors 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 further strengthen the supervisory functions of the Board of Directors 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 established the Advisory Committee Relating to Nominations and Compensation in 2016. Appointing 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 ensure fair and highly transparent management function. At the same time, by establishing the risk management system, compliance system, and internal audit system, the Company ensures the effectiveness of supervision by the Board of Directors over the directors' execution of duties and the executive officers' business operations by having regular reports submitted to the Board of Directors about 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 in order to enhance the execution function and thereby reinforcing the management of the Group. Each executive officer selected by the Board of Directors is delegated 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

(FY)	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Organization	• Introduced an executive officer system to separate the business execution function from the management and supervisory functions											
			• Established the Management Committee to help strengthen Group management systems									
				• Transitioned to a company with an Audit & Supervisory Committee								
					• Established the Advisory Committee Relating to Nominations and Compensation							
					• Appointed an external director as a Chairman of the Advisory Committee Relating to Nominations and Compensation							
Directors (No.)	6*	5	5*	8	13			12	13	12*		11
External (No.)	0		1	2	5						4	
Independent external (No.)	0		1		4		5				4	
Female (No.)	0			1				2	1	2	1	2
The assessment of effectiveness					• Began conducting an assessment of the effectiveness of the Board of Directors							
							• Began utilizing a third-party evaluation organization					
Compensation	• Raised the maximum number of share acquisition rights used for stock options to increase the performance-based compensation ratio in order to share more interests with shareholders						• Implemented performance-based share compensation					
Others				• Partially transferred authority from the Board of Directors to the Management Committee to speed up business execution								
					• Formulated the Basic Corporate Governance Policy							
						• Disclosed reasons for appointment of directors						
	• Reorganized and restructured items, systems, and divisions/departments for risk management in order to strengthen the risk management system											

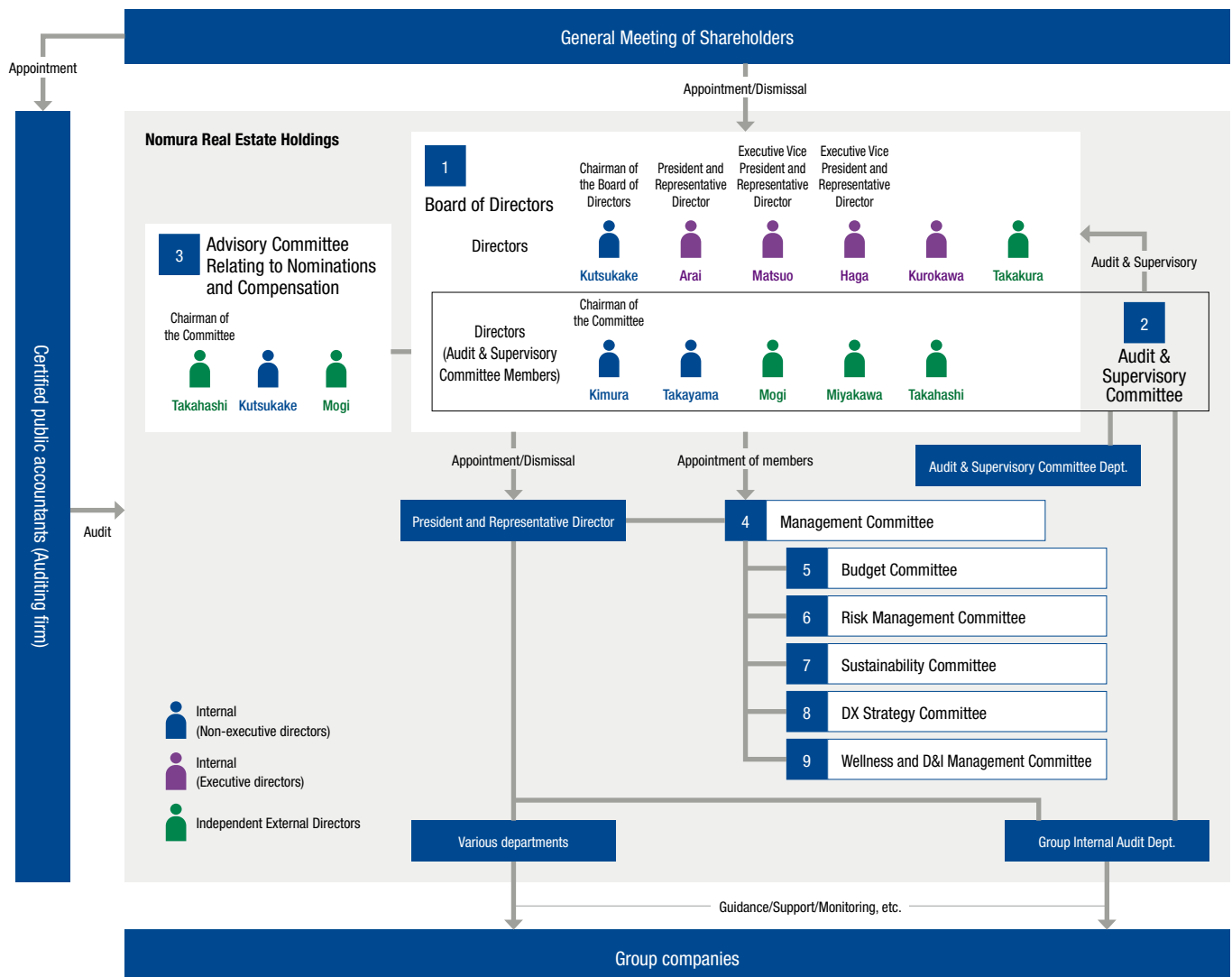
*Reduction due to resignation or retirement during the period is not stated.

Corporate governance system

Characteristics of the Group's governance system

- Company with an Audit & Supervisory Committee
- A non-executive Director being the Chairman of the Board of Directors
- Out of 11 directors, four being independent external directors
- Established the Advisory Committee Relating to Nominations and Compensation
- An independent external director being the Chairman of the Advisory Committee Relating to Nominations and Compensation
- Independent external directors being the majority of the members of the Audit & Supervisory Committee and the Advisory Committee Relating to Nominations and Compensation

Chart of Corporate Governance System



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., in major Group companies, or directors who serve as Audit & Supervisory Committee Members also act as Audit & Supervisory Board Members in major Group companies to strengthen 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.

1 The Board of DirectorsHeld **15** times during FY23/3**Roles of the Board of Directors**

The Board of Directors bears responsibility for achieving the sustainable growth of the Company and working to maximize long-term corporate value through the realization of effective corporate governance for all shareholders. 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 six directors (excluding directors who serve as Audit & Supervisory Committee Members) (of which one is an external director) 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 a wide array of areas. In order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, four of the 11 directors are independent external directors.

Roles of Independent External Directors

In order to strengthen the supervisory function of the Board of Directors and achieve fair and highly transparent management, one independent external director (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 the improvement of 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 criteria for determining the impartiality of independent external directors, in addition to the independence standards for "Independent Directors" set out by the Tokyo Stock Exchange.

• **Criteria for Determining Impartiality of Independent External Directors: Article 14 of the Basic Corporate Governance Policy**
<https://www.nomura-re-hd.co.jp/english/company/pdf/cgpolicy.pdf>

2 The Audit & Supervisory CommitteeHeld **12** times during FY23/3**Roles of Audit & Supervisory Committee**

The Audit & Supervisory Committee performs audits utilizing the Company's internal control system. We have developed a system through which the Committee receives periodic reports on the implementation status of internal audits and their 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 status, 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 the Audit & Supervisory Committee

Main matters on the agenda at the meetings of the Audit & Supervisory Committee include providing consent for the nomination of directors who act as Audit & Supervisory Committee Members, drawing up audit plans, providing consent for the internal audit plan submitted by the Group Internal Audit Dept.,

the preparation of audit reports, the reappointment/replacement of the Accounting Auditor based on assessments of its performance, providing consent for compensation for the Accounting Auditor, and deciding on the 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 reports from operating divisions as necessary to gather information on the Company's business execution status.

3 The Advisory Committee Relating to Nominations and CompensationHeld **9** times during FY23/3

The Company established the Advisory Committee Relating to Nominations and Compensation, as an advisory body to the Board of Directors, of which the majority of the members comprises independent external directors, to strengthen the objectivity, independence, and accountability of functions of the Board of Directors in relation to the nomination and compensation of the directors and executive officers. Currently, the Advisory Committee Relating to Nominations and Compensation consists of three members, of whom two are independent external directors. An independent external director is the Chairman of the Advisory Committee Relating to Nominations and Compensation. The Committee discusses such matters as those relating to the nomination and compensation of directors and executive officers, succession plans for these positions and training policies, and reports the outcome to the Board of Directors.

4 Management CommitteeHeld **47** times during FY23/3

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

5 Budget CommitteeHeld **10** times during FY23/3

Under the Management Committee, for the compilation of budgets, preparation of the Mid- to Long-term Business Plan, and other matters, the Committee discusses the planning, execution, and other matters regarding budgets and the Mid- to Long-term Business Plan.

6 Risk Management CommitteeHeld **7** times during FY23/3

Under the Management Committee, with the aim of securing the continuity and stable development of business through the practice of risk management, the Committee discusses matters in connection with internal controls, risks in the Group's management and other matters.

7 Sustainability CommitteeHeld **3** times during FY23/3

Under the Management Committee, the Committee discusses matters on the promotion of sustainability and other items for the purpose of establishing policies and plans, managing results, deepening Group employees' understanding, and disclosing various information regarding the promotion of sustainability.

8 DX Strategy CommitteeHeld **13** times during FY23/3

Under the Management Committee, the Committee discusses matters regarding DX strategy and investment plans for preparing the ICT base and establishing information systems with the aim of establishing policies and plans regarding the promotion of DX, improving the ICT environment, and realizing its effective use.

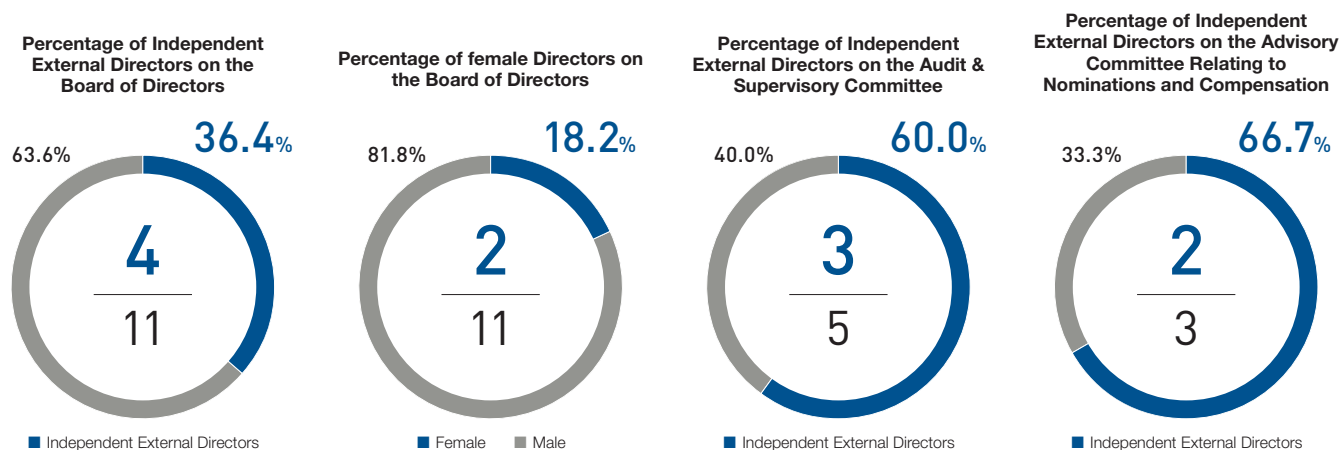
9 Wellness and D&I Management CommitteeHeld **3** times during FY23/3

Under the Management Committee, the Committee discusses the formation of mid- to long-term goals and various concrete implementation measures related to promoting wellness, workstyle reforms, the empowerment of women, and the utilization and active participation of the Group's diverse human resources in order to maintain sound, comfortable workplace environments in which people can work with vigor and achieve wellness, and also to formulate human resource development policies and to promote internal environment development for ensuring diversity.

Diversity of directors

Based on Basic Corporate Governance Policy, the Group has a policy of appointing and nominating a diverse range of people with a variety of knowledge, experience, and skills as senior management.

Composition of the Board of Directors and Committees



Positions and roles, attributes, attendance, etc., of directors

Name	Position/Responsibilities	Executive/External/ Independent/New	Term of office* ¹	Gender	Attendance rate at meetings of Board of Directors (upper row) and Audit & Supervisory Committee (bottom row) (number of meetings)	Audit & Supervisory Committee Members* ²	Advisory Committee Relating to Nominations and Compensation Members* ²
Eiji Kutsukake	Chair and Director	Non-executive	9	Male	100% (15/15)		○
Satoshi Arai	President and Representative Director, and Executive Officer Group CEO	Executive	1	Male	100% (10/10* ³)		
Daisaku Matsuo	Executive Vice President, Representative Director, and Executive Officer Group COO	Executive	2	Male	100% (15/15)		
Makoto Haga	Executive Vice President, Representative Director, and Executive Officer	Executive	6	Male	100% (15/15)		
Hiroshi Kurokawa	Director and Executive Officer	Executive	2	Male	100% (15/15)		
Chiharu Takakura	Director	Non-executive Independent External New	—	Female	(Assumed on June 23, 2023)		
Hiroyuki Kimura	Director (Audit & Supervisory Committee Member) (Full-time)	Non-executive	2	Male	100% (15/15) 100% (12/12)	◎	
Yasushi Takayama	Director (Audit & Supervisory Committee Member) (Full-time)	Non-executive	4	Male	100% (15/15) 100% (12/12)	○	
Yoshio Mogi	Director (Audit & Supervisory Committee Member)	Non-executive Independent External	4	Male	100% (15/15) 100% (12/12)	○	○
Akiko Miyakawa	Director (Audit & Supervisory Committee Member)	Non-executive Independent External	4	Female	100% (15/15) 100% (12/12)	○	
Tetsu Takahashi	Director (Audit & Supervisory Committee Member)	Non-executive Independent External	3	Male	100% (15/15) 100% (12/12)	○	◎

*¹ Term of office as director as of June 23, 2023

*² ◎: Committee Chairman

*³ Number of meetings held in the fiscal year ended March 31, 2023 since assuming the position of director on June 24, 2022

Director skills matrix

The fields in which the Group expects directors are as follows:

Name	Fields of expectation for directors						
	Corporate management	Finance/Accounting	Legal/Compliance	Real estate/Construction	Overseas Business	ICT/Digital	Sustainability/D&I
Eiji Kutsukake	●	●		●			
Satoshi Arai	●	●				●	●
Daisaku Matsuo	●			●	●		●
Makoto Haga	●	●		●		●	
Hiroshi Kurokawa	●	●		●		●	
Chiharu Takakura	●				●		●
Hirofumi Kimura	●	●		●			
Yasushi Takayama		●	●		●		●
Yoshio Mogi	●	●			●		
Akiko Miyakawa		●			●		
Tetsu Takahashi	●		●				

*The above table does not represent the total knowledge and experience, etc., of each director.

Reasons for the appointment of external directors

Name	Reasons for the appointment
Chiharu Takakura	Chiharu Takakura has great knowledge and experience and profound insights into human resources strategy and development, acquired during her many years executing business in important roles in the human resources division of a global company as well as participating on specialist committees for a governmental agency. She has been selected as an external director because it is expected that by leveraging her skills and experience she will contribute to the promotion of human capital management, the strengthening of the supervisory function of the Board of Directors and corporate governance systems, and fair and transparent management.
Yoshio Mogi	Yoshio Mogi has great knowledge, experience and extensive 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	Akiko Miyakawa has great knowledge, experience and extensive 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 director.
Tetsu Takahashi	Tetsu Takahashi has great knowledge, experience and extensive insights as a legal expert acquired through his many years working as a lawyer. He has never in the past been directly involved in the management of a company except as an external director. However, he has been selected as an external director and as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge as a representative of a law firm and an external 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.

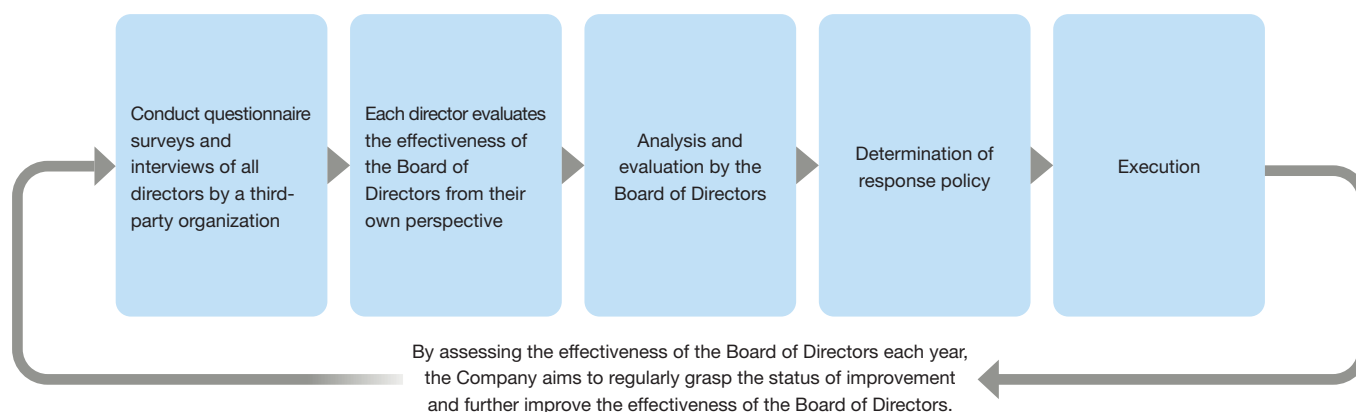
Initiatives to Support and Improve the Skills of Directors

The Company actively provides training based on its group vision and management strategies. The Company also regularly provides opportunities for all directors to receive training from guest lecturers from outside the Company to improve their knowledge of topics such as corporate governance and DX. Also, when external directors assume office, they are provided with an explanation regarding topics such as the Group's history, business framework, and business model, to deepen their understanding of said topics. After the external directors' tenures begin, in addition to ensuring regular opportunities for training, the Company also provides opportunities for them to tour the Company's properties. In addition, in order to facilitate smooth deliberations, materials for the Board of Directors meetings are provided in advance, and, if necessary, briefings are held prior to the meeting.

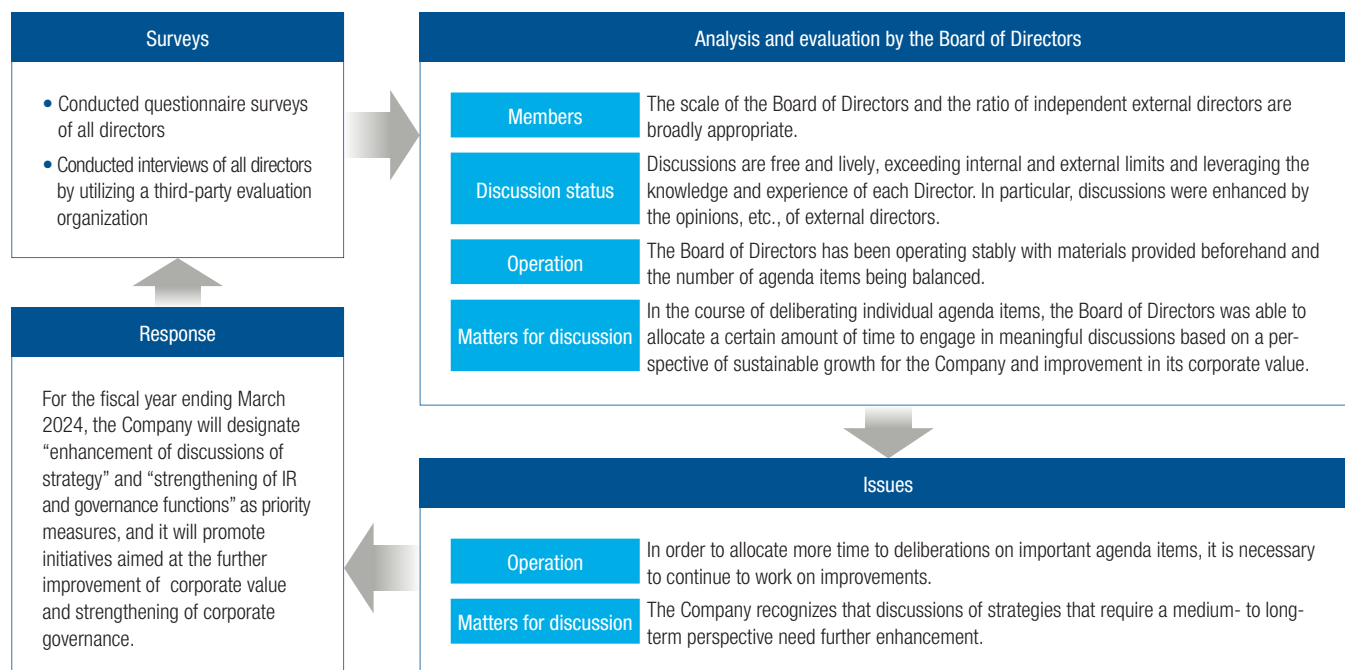
Specific initiatives		Number of sessions (FY 2023/3)
Training from guest lecturers from the outside the Company	In the fiscal year ended March 2023, we invited outside experts to hold study sessions for directors and executive officers, with "The Most Important Points to Be Considered to Promote Diversity & Inclusion" as a key topic.	1
Tour of the Company's properties	To deepen understanding of the Group's wide-ranging business operations, we provide regular opportunities for external directors to tour the Company's business properties.	1

Improvement of the effectiveness of the Board of Directors

For the continuous improvement of the effectiveness of the Board of Directors, the Company performs a cycle of assessment of the effectiveness of the Board of Directors, and the Board of Directors determines and implements response policies based on the assessment results.



Details of the assessment of effectiveness of the Board of Directors in the fiscal year ended March 2023 are as follows:



Main discussions of the Board of Directors

The Company's Board of Directors engages in deeper discussions. The main decisions, reports, and discussions during the fiscal year ended March 2023 were as follows.

Categories	Main themes	
Business strategy	<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 • Examination of M&A 	<ul style="list-style-type: none"> • Promotion of D&I • Digital strategy • Promotion of sustainability • Promotion of wellness management • Human resources strategy
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"> • 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 risks and external risks • Report of Risk Management Committee 	<ul style="list-style-type: none"> • Overseas Business monitoring report • Formulation of the annual compliance program • Formulation of the group internal audit plan and the report on the results

Strategic shareholding policy

The Group's strategic shareholding policy is that it contributes to the improvement of the Group's corporate value from a comprehensive perspective such as strengthening business relationships with business partners and strategic business alliances.

The basic policy is that the Board of Directors annually verifies the rationality of the Group's continuous holding of shares of listed companies held for purposes other than pure investment (strategic shareholding) and, based on that verification, it sells off shares with low rationality for holding in consideration of the market environment. As of the fiscal year ended March 2023, the Company had no strategic shareholdings.

Strategic shareholding possession status

0

(zero)

Compensation for Directors

The policy for deciding the details of compensation for directors, etc.

The Board of Directors of the Company has resolved the policy for deciding the details of compensation, etc., for each individual Director, excluding Audit & Supervisory Committee Members. In addition, the Company has established the Advisory Committee Relating to Nominations and Compensation, the majority of whose members are independent external directors, and, based on the deliberations of this Committee and the opinions it has submitted to the Board of Directors, the Board of Directors has resolved the operation, etc., of the compensation plan for the directors.

Basic Policy

- (1) Compensation for directors is linked to the Mid- to Long-term Business Plan, etc., in order to provide sufficient incentive for the sustainable improvement of corporate value, and the Company's basic policy in deciding compensation for each director entails providing an appropriate level of compensation according to the individual's role and position as a director.
- (2) The 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 deliberations of the Advisory Committee Relating to Nominations and Compensation and the opinions it submits 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 into consideration such factors as the scale of the Company and business characteristics, after obtaining advice from an external compensation consultant as necessary.
- (4) Compensation for directors concurrently serving as executive officers consists of "base compensation," "bonuses," 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 mid- to long-term.
- (5) Compensation for the Chairman of the Board of Directors and external directors (excluding Audit & Supervisory Committee Members) 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, as these individuals are responsible for supervising the execution of business from an objective standpoint and also for enhancing long-term corporate value.
- (6) Compensation for Part-time Internal Directors consists only of "base compensation" due to their role of supervising the business execution from an objective standpoint.

Policy for determining ratios of each type of compensation for individual directors

- (1) Ratios of compensation for directors and executive officers are determined in accordance with the Basic Policy, items (2) and (4).
- (2) Ratios of compensation for the Chairman of the Board of Directors and external directors are determined in accordance with the Basic Policy, items (2) and (5).
- (3) Compensation for Part-time Internal Directors consists only of base compensation, in accordance with the Basic Policy, items (2) and (6).

Categories of compensation of directors

Compensation categories		Determination policy for each type of compensation	Evaluation criteria
Fixed compensation	Base compensation	Determined according to the role and position as a director.	Granted according to roles and positions
Variable compensation	Bonuses	Determined according to the Company's business performance, such as consolidated business profit, and evaluation of individuals. Said evaluations are made in light of the implementation progress of single-year and mid- to long-term initiatives, for which achievements are difficult to measure based only on financial results.	<ul style="list-style-type: none"> • The Company's business performance, such as consolidated business profit • Implementation status of single-year measures and mid- to long-term measures, etc. • Evaluation based on non-financial indicators (sustainability factors, BEI, etc.)
	Share-based compensation (PS)	Performance-sharing ("PS") is adopted as performance-based compensation, providing an incentive for the enhancement of mid- to long-term performance. Implementation, through the delivery or payment of the Company's shares and/or an amount equivalent to the proceeds of converting the Company's shares into cash, occurs three years after the commencement of the relevant business year.	Performance-linked evaluation after 3 years (Evaluation index: Business profit, ROE)
	Share-based compensation (RS)	Restricted shares ("RS") is adopted as non-performance-based compensation, providing an incentive for long-term contributions and enhancing corporate value. Implementation is delayed until the individual's retirement as an officer.	Granted based on position (increasing compensation due to rising stocks)

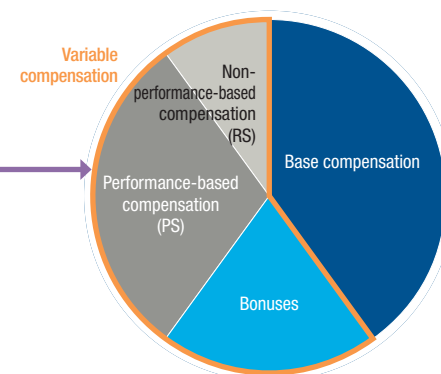
Categories of compensation of directors

	Fixed compensation		Variable compensation	
	Base compensation	Bonuses	Share-based compensation	
			PS*	RS*
Directors concurrently serving as executive officers	○	○	○	○
Chair and Director	○	—	—	○
External directors (excluding Audit & Supervisory Committee Members)	○	—	—	○
Directors (Audit & Supervisory Committee Members)	○	—	—	—

* PS: Performance-sharing (performance-based compensation) / RS: Restricted shares (non-performance-based compensation)

Directors' compensation ratio (images)

Note: Assuming 100% variable compensation payment of the basic amount set by the Group



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

Director categories	Total amount of compensation, etc. (millions of yen)	Total amount of compensation, etc., by type (millions of yen)				Number of directors applicable
		Base compensation	Bonuses (Performance-based compensation , 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)	661	295	151	120	94	6
Directors (Audit & Supervisory Committee Members) (excluding external directors)	102	102	—	—	—	2
External directors	61	61	—	—	—	4
Total	825	459	151	120	94	12

Notes

- The number of directors (excluding directors who also serve as Audit & Supervisory Committee Members) (excluding external directors) is six as of the end of the fiscal year ended March 2023.
- The number of directors (who also serve as Audit & Supervisory Committee Members) (excluding external directors) is two as of the end of the fiscal year ended March 2023.
- The number of external directors is three as of the end of the fiscal year ended March 2023. The difference with the number of directors applicable shown above is due to the inclusion of one director who retired on December 31, 2022.
- The compensation ("base compensation" and "bonuses") of directors has been set as no greater than ¥550 million per year for directors (excluding directors who also serve as Audit & Supervisory Committee Members) according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2018. At the time of the resolution, the number of directors (excluding directors who also serve as Audit & Supervisory Committee Members) was eight (of which two were external directors). Furthermore, the compensation of directors (who also serve as 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 who also serve as Audit & Supervisory Committee Members at the time of the resolution was six (including four external directors). The compensation of directors is shown as the amount recorded by the Company as an expense during the fiscal year ended March 2023 regardless of whether it was paid during the fiscal year ended March 2023.
- Aside from the compensation of directors shown in 4. above, the Company introduced a performance-based share compensation plan. In accordance with the resolution at the Ordinary General Meeting of Shareholders held on June 24, 2022, regarding the applicable period of three fiscal years beginning from the fiscal year ending March 31, 2023 (or, in the case of a period extension, each of the subsequent three fiscal years), the Company's contribution to a trust as compensation for directors (excluding directors who also serve as Audit & Supervisory Committee Members) is limited to no more than ¥1,650 million and 672,000 shares (of which the limit per external director is ¥9.9 million and 4,030 shares for each of the three fiscal years), and, at the time of the resolution, the number of directors subject to the plan (excluding directors who also serve as Audit & Supervisory Committee Members) was seven.
- With respect to performance-based compensation, the details of the performance indicators that pertain to monetary bonuses, the calculation method of such bonuses, and the reasons for selecting these indicators are as stated in the Basic Policy on the previous page. The actual results that pertain to performance indicators are as presented in the table below.

	Business profit	Period-over-period change
Fiscal year ended March 31, 2023	¥105,172 million	+13.4%

- With respect to the performance-based compensation, the details of 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 on the previous page. The ranges of performance indicators were decided as presented in the tables below.

(This range covers the three-year period beginning with the fiscal year ended March 2020 through the fiscal year ended March 2022)

	Ranges	Results
The achievement-linked coefficient	0%-200%	127.0%
Business profit	¥70,800 million-¥99,200 million	¥92,765 million
ROE	6.5%-12.5%	9.2%

(This range covers the three-year period beginning with the fiscal year ended March 2021 through the fiscal year ended March 2023)

	Ranges	Results
The achievement-linked coefficient	0%-200%	192.0%
Business profit	¥66,600 million-¥93,400 million	¥105,172 million
ROE	4.5%-10.5%	10.1%

- Non-monetary compensation, etc., consists of the Company's shares, etc., and the conditions, etc., for the delivery are as stated in the previous page.
- Based on a resolution of the Board of Directors, the amounts of monetary base compensation that is to be paid for the execution of the recipients' duties in the fiscal year ended March 2023, have been determined by Eiji Kutsukake, who had served as President and Representative Director until March 31, 2023 and currently serves as Chair and Director. Based on the same resolution, bonuses that are to be paid for the execution of the recipients' duties in said fiscal year have been determined by Satoshi Arai, who assumed the office of President and Representative Director on April 1, 2023. 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 the 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.

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.

For more detailed information, see our Financial Report. <https://www.nomura-re-hd.co.jp/english/ir/pdf/FR2023.pdf>

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 entity 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.

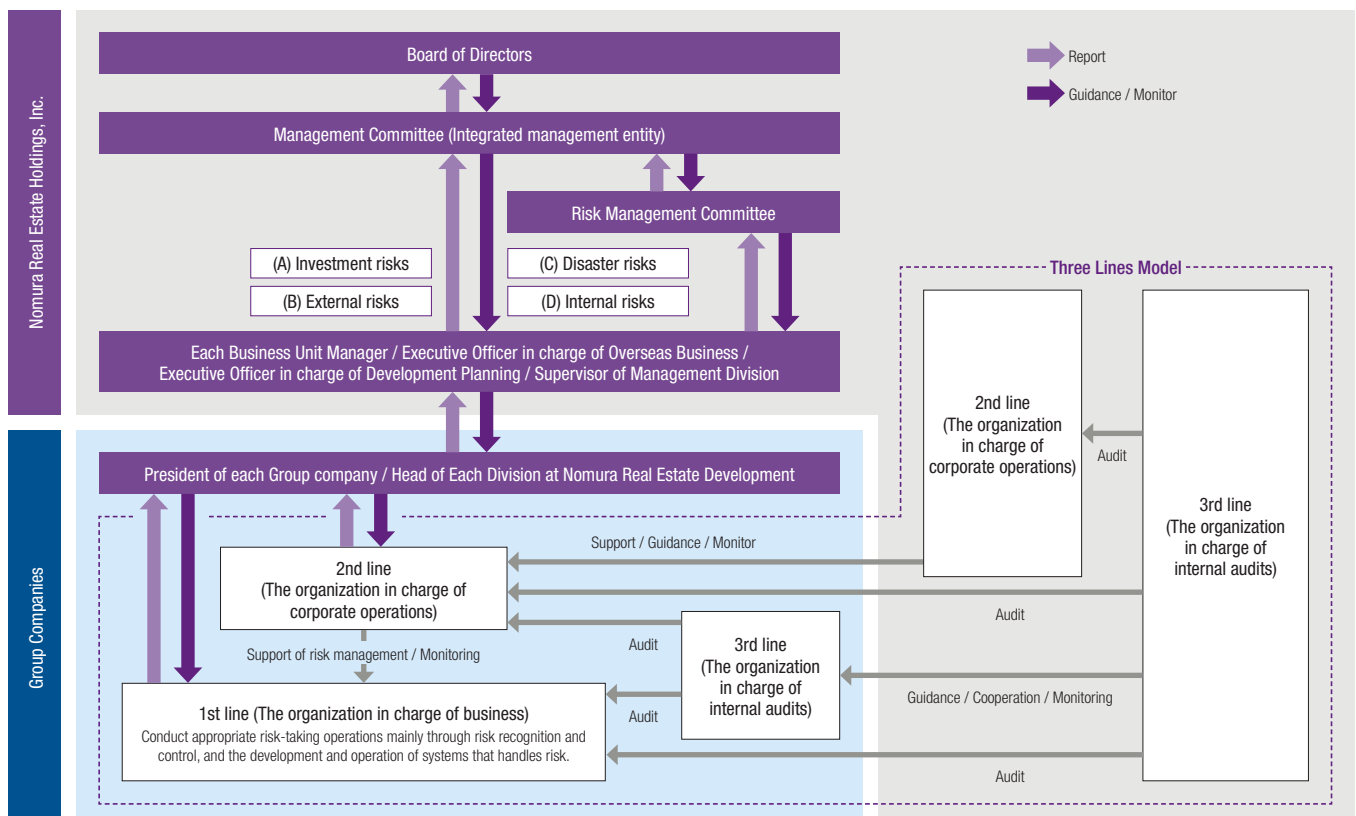
“A: Investment risk” and “B: External risk,” while the Risk Management

Committee, established as a subordinate organization 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 chairman 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) is 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 chairman 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 2024, 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 2023. 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 risks	Risks related to individual investments (real estate investments, strategic investments (M&A), etc.)	1) Risks associated with real estate investment
		2) Risks associated with strategic investment (M&A) and new businesses
(B) External risks	Risks related to external factors influencing business	3) Risks associated with market changes
		4) Risks generated by changes in economic conditions
		5) Risks generated by changes in political/social conditions/systems (laws and regulations, tax systems, accounting, others)
		6) Risks due to lagging behind in innovation and changes in the structure of society related to the business
(C) Disaster risks	Risks generated by disasters that have a large impact on customers and business continuity	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
(D) Internal risks	Operational risks occurring at the Company and each group company	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

Risks to which we pay special attention

Risk categories	Main risk items
(A) Investment risks	<ul style="list-style-type: none"> • Risk of inability to secure the expected business volume and making it difficult to secure the expected business volume and achieve the profit growth projected in the Mid- to Long-term Business Plan due to intensifying competition for land acquisition, etc. • Risk that the Company will not earn the expected profits due to an increase in construction expenses caused by soaring materials prices, delays in construction periods, soaring energy procurement costs, etc. • Risk of profitability deterioration and delays in anticipated project schedule due to changes in economic conditions regarding projects with long-term project timeframes and large investment budgets, such as redevelopment projects
(B) External risks	<ul style="list-style-type: none"> • Risks arising from the impacts of prices for housing sales, property sales, as well as sale prices of asset replacement properties, due to changes in Japan's real estate market and financial conditions • Risk arising from deterioration in profitability and delay in profit recovery timing in overseas business due to deterioration in economies and real estate markets, deterioration in the financial condition of general contractors and JV partners, and other factors in countries overseas • Risk of a reduced competitive advantage of the Company's businesses due to delays in response to changes in lifestyles and values, response to accelerating advances in digital technology, and response to sustainability and human resources, etc.
(C) Disaster risks	<ul style="list-style-type: none"> • Risk of inability to continue business due to increasingly severe natural disasters such as earthquakes, typhoons, and torrential rains
(D) Internal risks	<ul style="list-style-type: none"> • Risk due to inadequate design and construction in the real estate development business • Risk due to delay in preparing personnel systems to secure diverse human resources and enable human resources to continue playing an active role • Risk due to information leak by cyberattack, impact on business continuity, and incurrence and expansion of damage, etc. • Risk of violating laws and regulations and hindering the realization of smooth transactions with counterparties due to delays in strengthening the transaction system to realize the passing of appropriate price on to customers in light of rising material prices, energy costs, among other costs.

The details of each major risk item and main initiatives are as follows.

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

Risk	1) Risks associated with real estate investment
Risk details	<ul style="list-style-type: none"> • Risk that the Group's business performance, etc. may be affected as a result of delays in the timing of sales recording and deterioration of profitability due to unexpected discovery of soil pollution, delays in obtaining permits and licenses, occurrence of additional construction work, and increases in construction and energy expenses.
Main initiatives	<p>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. Regarding the risk of an increase in construction expenses, the Company includes a certain amount of additional costs when acquiring land for development and carries out other measures.</p> <p>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 important event occur, after deliberation by the Management Committee or the Board of Directors of the Company or group companies when necessary, the department shall respond to the issues.</p> <p>In addition, for businesses that are in progress and completed, the progress of each business is monitored, and the results are reviewed so that issues and trends, etc., for each business type are grasped and analyzed.</p>
Risk	2) Risks associated with strategic investment (M&A) and new businesses
Risk details	<ul style="list-style-type: none"> • Risk that the Group's financial position and business performance, etc. may be affected if the Group fails to achieve profit growth or synergy expected by the target companies in which it invests in strategic investments (M&A). • Risk that the Group's financial position and business performance may be affected due to the inability to execute business according to original plans or achieve synergies with group companies in new businesses and investments in new asset types.
Main initiatives	<p>In executing strategic investment (M&A), factors such as the synergies with the Group's existing businesses, and business plans, financial details and contract-related matters of targeted companies shall be carefully examined and considered and strategic investment (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.</p> <p>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 Management Committee or the Board of Directors of the Company or group companies.</p>

(B) External risks: Risks related to external factors influencing business

Risk	3) Risks associated with market changes
Risk details	<ul style="list-style-type: none"> • Risk that the Group's financial position and business performance, etc. may be affected by trends of competitors, the emergence of innovative new entrants, changes in economic, political, and social conditions, and the emergence of geopolitical risks, and the occurrence of disasters, etc., which may lead to changes in the business environment and market conditions.
Main initiatives	<p>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.</p> <p>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.</p> <p>Moreover, we formulate an investment budget upon undertaking risk assessment to ensure a certain level of soundness regarding our financial position even if market conditions change rapidly.</p>

Risk Management

Risk items	4) Risks caused by changes in economic conditions
Risk details	<ul style="list-style-type: none"> • Risk that the Group's financial position and business performance, etc. may be affected by a decline in customers' purchase appetite in the housing sales business, a decline in the rent level of office buildings, etc., and an increase in the vacancy rate due to domestic and overseas economic recessions. • Risk that the Group's financial position and business performance, etc. may be affected by an increase in the Group's financing costs, a decline in customer desire to purchase in the housing sales business due to higher housing loan interest rates, resulting from a rise in market interest rates, and a decline in asset prices owing to a rise in cap rates. • Risk that the Group's financial position and business performance, etc. may be affected by fluctuations in the amounts of investment and collection translated into yen and fluctuations in assets and liabilities denominated in foreign currencies on the consolidated financial statements, due to fluctuations in exchange rates. • Risk that the Group's financial position and business performance, etc. may be affected by deterioration in the profitability of overseas businesses and delays in the timing of collecting profits due to deterioration in the financial condition of general contractors and JV partners in overseas countries, etc.
Main initiatives	<p>Regarding changes in economic conditions, the Group regularly updates its awareness of the external environment and works to ascertain impacts on business results.</p> <p>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.</p> <p>In the real estate investment and development business, we make investment decisions that limit the impact to a certain extent even in the event of a decline in asset prices due to a decline in rents and a rise in cap rates.</p> <p>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.</p> <p>In addition, with regard to the status of general contractors and JV partners in overseas business, in addition to regular monitoring by the front line, we regularly confirm and deliberate on events that affect our business and their responses through the Overseas Business Risk Committee (the name has changed from the Overseas Business Monitoring Committee), etc., and deliberate at the Management Committee or the Board of Directors of the Company or group companies as necessary.</p>

Highlights

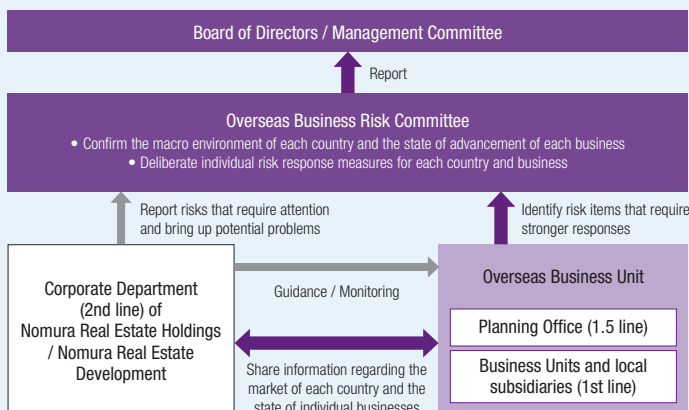
Risk management structure that supports overseas business expansion

In the current Mid- to Long-term Business Plan, the Company is aiming to expand its Overseas Business profit ratio to 15% of total business profit by the fiscal year ending March 31, 2031.

Planning to develop a more effective risk management system, the Company established the Overseas Business Monitoring Committee in April 2020 and has been monitoring the status of businesses overseas.

In light of the expansion in the amount invested and the number of countries invested in, with the aim of more carefully assessing risk events by country and strengthening our responses to them, we started holding meetings of the Overseas Business Risk Committee (formerly named the Overseas Business Monitoring Committee) in May 2023 and are working hard to further enhance our risk management system.

Risk Management System in the Overseas Business



Operation Policies for Overseas Business Risk Committee

• Operation

We regularly collect, analyze, and share information between the 1st, 1.5, and 2nd lines regarding the macro environment of each country and the state of progress of each business.

Matters confirmed as risks and issues that especially require attention are reported to this committee.

• Deliberation themes

We identify individual risk matters and issues that require stronger responses for each country and business and deliberate response measures

• Report to the Board of Directors and Management Committee

Report the content of discussions at this committee, individual risk items, and response measures

Main deliberation items in FY2023/3

- Progress of the housing sales business in Vietnam
- The housing sales market in Vietnam
- The financial position of general contractors in Thailand and Vietnam
- The environment of the rental housing development business in the United States

Risk items	5) Risks caused by changes in political/social conditions/systems (laws, tax systems, accounting, others)
Risk details	<ul style="list-style-type: none"> • Risk that the Group's financial position and business performance, etc. may be affected by rising construction and energy expenses, the occurrence of delays in business schedule, etc., due to disruptions in the foreign exchange market, energy market, and supply chain in the event of changes to the political and social situations, such as the emergence of geopolitical risks, such as Russia's invasion of Ukraine. • In overseas business, risk that the Group's financial position and business performance, etc. may be affected due to obstacles to promote business in case there are changes in political and social situations that have been unexpected at the beginning of conducting business in each country, as there are risks specific to each country's political and social situations. • Risk that the Group's financial position and business performance, etc. may be affected as a result of the occurrence of new obligations and expenses in case there are changes in various types of laws and regulations in Japan and overseas applicable to each of the Group's businesses or other laws and regulations become applicable due to an expansion in the business scope in the future. • Risk that the Group's financial position and business performance, etc. may be affected as a result of 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 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.
Main initiatives	<p>We collect and analyze information on trends in political and social situations, various laws and regulations, tax systems and accounting systems in Japan and overseas 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.</p> <p>In overseas business in particular, we seek the knowledge of external experts regarding the forecast of the future political and social situations as well as applicable laws, regulations and tax laws when starting a business overseas, and after starting a business we regularly confirm the state of changes to the political and social situations as well as important related laws and regulations that have an impact on business strategy, revenue and expenditures, and progress in countries where we do business through the Overseas Business Risk Committee, etc. In the case that 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.</p>

Risk items	6) Risks from lagging behind innovation and changes in the social structure related to the business
Risk details	<ul style="list-style-type: none"> • Risk that the Group's financial position and business performance, etc. may be affected by a decline in the competitive advantage of the Company's products and services if there are delays in responding to changes in the social structure and changes in the industrial structure resulting from rapid technological innovation and the emergence of innovative new participants. • Risk that difficulties in securing human resources due to the declining birthrate and aging population will limit the Company's ability to develop products and services. • Risk that the Group's financial position and business performance, etc., may be affected by a decline in the competitive advantage of the Company's products and services if there are delays in responding to changes in demands related to the customer environment, energy conservation and disaster prevention resulting from the implementation and strengthening of greenhouse gas reduction regulations, etc., and technologies related to high environmental performance and energy performance.
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.</p> <p>Drawing on these strengths, in order to respond to changes in social and industrial structure and the growing awareness of society and customers toward sustainability, we have established the DX & Innovation Management Dept. and the Sustainability Management Dept., which are responsible for the research and development of new business fields, planning, and promotion of innovation creation, digital strategies, as well as initiatives for sustainability, etc.</p> <p>We have also established the "Business Idea Proposal System," which allows employees of each Group company to propose new businesses, etc., beyond the boundaries of their daily work to promote the commercialization of new businesses and new products and services, with the DX & Innovation Management Dept. serving as the secretariat.</p> <p>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, continuing to provide services that utilize these digital technologies.</p> <p>Furthermore, in response to the difficulty of securing human resources, we are working to improve operational efficiency and conserve labor by utilizing digital technology.</p>

Introduction	Our Vision (To be)	Our Current Strengths and Core (Strengths)	Our Challenges and Strategies (Actions)	The Foundation of Our Activities (Base)	Data, etc.
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(C) Disaster risks: Risk generated by disasters that have a large impact on customers and business continuity

Risk items	7) Risks 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	<ul style="list-style-type: none"> • Risk of loss of earnings, such as 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 caused by disasters, including large earthquakes, storms and flood damage, and infectious disease epidemics. • Risk of delay of earnings caused by issues, such as 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 caused by disasters, including large earthquakes, storms and flood damage, and infectious disease epidemics.
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 action plan (BCP) in the event of a disaster.</p> <p>In preparing for an earthquake, and storm and flood damage, under the BCP we have determined an emergency chain of command, assigned duties to ensure business continuity, and established a system to minimize the impact of disasters. Once per year we hold Disaster Task Force Establishment Drills to ensure the prescribed details are effective, ensuring the safety of executives and employees and establishing a chain of command system, so that we are prepared for restoring business after an emergency. Concerning infectious diseases, based on the Group's response results to novel coronavirus infections (COVID-19), we have formulated a BCP for infectious diseases that summarizes responses according to the infection situation (establishment of a chain of command system, selection of core businesses for business continuity, formulation of common rules for infection prevention, etc.) from the time of infection confirmation to the spread of new infectious diseases in preparation for the emergence of new infectious diseases in the future. We have also formulated a BCP that stipulates preparations and initial responses to disasters not only in Japan but also 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>

(D) Internal risk: Operational risks occurring at the Company and each group company

Risk items	8) Risks of the violation of laws and ordinances
Risk details	<ul style="list-style-type: none"> • Risk that the business performance may be affected by violation of the Real Estate Brokerage Act, the Building Standards Act, the Financial Instruments and Exchange Act, Companies Act, Act on the Protection of Personal Information, Antimonopoly Act, Subcontract Act, and other related laws and regulations, resulting in loss of credibility and the imposition of administrative penalties and fines, etc.
Main initiatives	<p>The Group has formulated the Nomura Real Estate Group Code of Action for executives and employees to comply with laws and regulations and internal rules, and act with higher ethical standards, and it also has provided education on an ongoing basis.</p> <p>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 the status of compliance. Concerning the Antimonopoly Act, etc., in order to realize an appropriate passing of price increases on to customers that takes into account increases in material prices, energy costs, etc., we are working to strengthen our trading system by formulating business rules according to the business characteristics and the scale of each Group company's business, creating manuals, and conducting training. In addition, regarding the inappropriate entertainment of foreign public officials and other civil servants, the Company has established regulations, etc. The Company is implementing regular training for executives, employees and overseas local hires related to overseas businesses.</p>
Risk items	9) Risks of quality defect
Risk details	<ul style="list-style-type: none"> • Risk that the business performance may be affected by the loss of trust, unexpected costs and delays in development plans and operation plans due to management deficiencies such as design and construction defects, etc. in the real estate development business or in the case of a management deficiency in the properties for leasing or under management.
Main initiatives	<p>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 creditability and technical capabilities, the Group prescribed the Design and Construction Standards (structure, construction, equipment, and electrical), the Quality Manuals, etc. and ensure thorough compliance from the parties while also checking the state of construction and carrying out quality inspections as the ordering party (However, in joint ventures with other companies and redevelopment projects led by redevelopment associations, different methods may be adopted depending on the business form.) 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.</p>
Risk items	10) Risks of occurrence of information system crisis
Risk details	<ul style="list-style-type: none"> • Risk that the Group's business performance, etc. may be affected as a result of the delays in the Group's sales activities and business processing and the loss of credibility, and the resulting decrease in sales and damage compensation costs in the unlikely case the Company's information 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.
Main initiatives	<p>In a situation where we are actively promoting DX initiatives to realize business transformation and sustainable growth using the Internet and cloud services, ensuring information security is becoming more critical than ever. We have installed security systems that block unauthorized access from the Internet, scan information terminals for viruses, and detect the behavior of malware, bots, and other intruders to prevent unauthorized transmission if they enter. In addition, alerts from these systems are monitored to ensure that the ICT environment is prepared for cyber-attacks and information leaks. Also, security checks are conducted prior to the use of cloud services to ensure that they are used safely.</p> <p>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 information security enlightenment to our employees, protect the rights and interests of our customers and ensure the stable operation of an ICT environment within the Group.</p> <p>In addition, the Company has cyber insurance in preparation for an unlikely accident such as an information leakage.</p>
Risk items	11) Risks of inadequate responses to matters related to human resources
Risk details	<ul style="list-style-type: none"> • Risk that long working hours damage the health of employees in the event that the working hours of Group employees are not properly ascertained. • Risk that the Group's business performance, etc. may be affected as a result of the outflow of the Group's human resources, the loss of trust, and the imposition of fines in case 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. • Risk that 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) may result in the Group being unable to secure the necessary personnel, or the inability of secured personnel to continue working, leading to a decline in corporate competitiveness. • In terms of personnel and labor management at overseas bases, risk of administrative sanctions by government authorities for introducing or operating a system that violates local labor laws and customs, risk of losing know-how due to the retirement of local employees, and 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	<p>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.</p> <p>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 addition, some group companies, such as Nomura Real Estate Development, have partially implemented paid leave for male employees' birth childcare leave and introduced an accumulated paid leave system.</p> <p>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.</p> <p>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.</p> <p>The Group established the Wellness and D&I Management Committee, which is chaired by the President and Executive Officer (Group CEO), in order to integrally promote wellness, work-style reforms and the ensuring of diverse human resources, and the Wellness and D&I Management Sect. in the Group Human Resources Development Dept. as the dedicated organization for the promotion of diversity & inclusion. From this fiscal year, we have formulated and announced the Group's D&I promotion policy and medium- and short-term promotion roadmap to determine the "D&I awareness development period" as Step 1 until the fiscal year ending March 2024, and set key goals of "(1) Achieving the target for taking annual paid leave and (2) Achieving the 100% rate of the childcare leave rate for male and female employees."</p>
Risk items	12) Risks of occurrence of fraud and negligence
Risk details	<ul style="list-style-type: none"> • Risk that the business performance may be affected as a result of the loss of credibility and the resulting decrease in sales and damage compensation costs due to fraud perpetrated by executives and employees, information leakage due to improper management, and operational negligence.
Main initiatives	<p>Group executives and employees comply with laws and regulations as well as with the internal rules, etc. established by each company of the 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 training sessions to executives and employees.</p> <p>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, with the "Nomura Real Estate Group Risk Helpline," an internal whistleblowing system shared by all Group companies, the Company has set up internal and external contact points for reporting wrongdoing and seeking advice on how to proceed, and has developed and implemented systems based on the Whistleblower Protection Act.</p>

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.

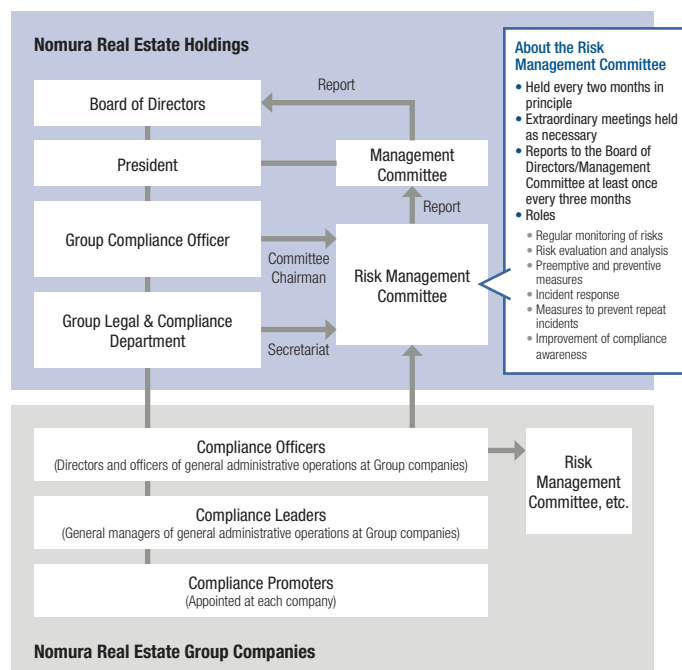
Furthermore, based on our priority of collecting information regarding risks, the Company has set up the Nomura Real Estate Group Helpline as a point of contact for internal reporting by Group employees. The Company imposes a confidentiality obligation on employees who are involved in the helpline business 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/sustainability/base/compliance.html>

Compliance system

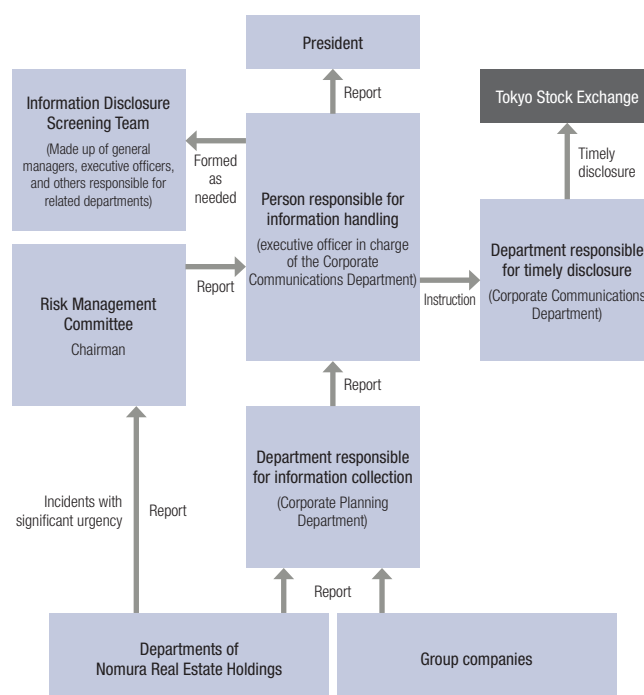


Appropriate information disclosure and transparency

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 information requiring timely disclosure, the Information Disclosure Screening Team, which is 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.

Timely disclosure system



Shareholder engagement

Based on its policies regarding the development of systems and the implementation of initiatives to facilitate shareholder dialogue, the Company conducts proactive and constructive engagement with shareholders. 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.

Current status of investor relations activities

To attract more shareholders and prospective investors, the IR Section of the Corporate Communications Department plays a central role in enhancing understanding of the Group's business activities and growth strategy through direct and indirect communications with both institutional and individual investors.

To deepen the understanding of a wide range of investors about the Company's business and management strategies, we actively participate in online briefings and IR fairs via the Internet.



An online briefing for individual investors



Major IR activities during FY23/3

IR activities for institutional investors	Number of times held
Financial results briefings (Including Conference calls on financial results announcement days)	4
Business briefings for analysts and investors	1
Meetings with analysts and investors (including the following meetings)	396
Conferences organized by securities companies	11
CEO small meeting	1
CFO small meeting	1
ESG meetings	19
IR activities for individual investors	Number of times held
Conferences for individual investors	1
Online briefing	1

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

Japanese <https://www.nomura-re-hd.co.jp/ir/>

English <https://www.nomura-re-hd.co.jp/english/ir/>

Directors and Executive Officers (As of June 23, 2023)

Directors

Eiji Kutsukake



Date of Birth: September 12, 1960

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

Number of shares held: 25,200*

Non-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 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.
Apr. 2017 Chair and Representative Director of Nomura Real Estate Development Co., Ltd.
Apr. 2023 Chair and Director of Nomura Real Estate Holdings, Inc. (present)
Director of Nomura Real Estate Development Co., Ltd. (present)

Satoshi Arai



Date of Birth: June 3, 1965

President and Representative
Director, and Chief Executive Officer
Group CEO

Number of shares held: 7,300*

Executive

Apr. 1988 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)
Apr. 2011 Senior Managing Director of Nomura Securities Co., Ltd.
Apr. 2014 Senior Corporate Managing Director of Nomura Securities Co., Ltd.
Apr. 2017 Senior Managing Director of Nomura Holdings, Inc.
Executive Managing Director and Executive Vice President of
Nomura Securities Co., Ltd.
Apr. 2018 Senior Managing Director of Nomura Holdings, Inc.
Supervisor of Management Division
Apr. 2019 Representative Director and Deputy President of Nomura Securities
Co., Ltd.
Apr. 2022 Advisor of Nomura Real Estate Holdings, Inc.
Director of Nomura Real Estate Development Co., Ltd.
Jun. 2022 Executive Vice President and Director of Nomura Real Estate
Holdings, Inc.
Apr. 2023 President and Representative Director, Chief Executive Officer, and
Group CEO of Nomura Real Estate Holdings, Inc. (present)
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, and
Executive Officer
Group COO

Number of shares held: 24,200*

Executive

Apr. 1988 Joined 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.
Business Unit Manager of Residential Development Business Unit
Director and Senior Managing Executive Officer of Nomura Real
Estate Development Co., Ltd.
Apr. 2021 Executive Vice President of Nomura Real Estate Holdings, Inc.
President and Representative Director, and Chief Executive Officer
of Nomura Real Estate Development Co., Ltd. (present)
Jun. 2021 Executive Vice President and Representative Director, and
Executive Officer of Nomura Real Estate Holdings, Inc. (present)
Apr. 2022 Executive Vice President and Representative Director, Executive
Officer, and Group COO of Nomura Real Estate Holdings, Inc. (present)

Hiroyuki Kimura



Date of Birth: March 30, 1962

Director (Audit & Supervisory
Committee Member)
Chair of Audit & Supervisory
Committee

Number of shares held: 26,400*

Non-executive

Apr. 1984 Joined Nomura Real Estate Development Co., Ltd.
Apr. 2009 Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2009 Director of Nomura Real Estate Holdings, Inc.
Apr. 2010 Director of Nomura Real Estate Asset Management Co., Ltd. (cur-
rently, 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.
Apr. 2014 Executive Officer and CFO of Nomura Real Estate Holdings, Inc.
Jun. 2014 Director, Executive Officer, and CFO of Nomura Real Estate
Holdings, Inc.
Apr. 2017 Director, Executive Officer, and Group CFO 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 Advisor of Nomura Real Estate Holdings, Inc.
Audit & Supervisory Board Member of Nomura Real Estate
Development Co., Ltd. (present)
Jun. 2021 Director (Audit & Supervisory Committee Member) of Nomura Real
Estate Holdings, Inc. (present)

Yasushi Takayama



Date of Birth: February 1, 1964

Director (Audit & Supervisory
Committee Member)

Number of shares held: —*

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 Advisor of Nomura Real Estate Holdings, Inc.
Audit & Supervisory Board Member of Nomura Real Estate
Development Co., Ltd. (present)
Jun. 2019 Director (Audit & Supervisory Committee Member) of Nomura Real
Estate Holdings, Inc. (present)
Audit & Supervisory Board Member of Nomura Real Estate Asset
Management Co., Ltd. (present)

Yoshio Mogi



Date of Birth: April 10, 1952

Director (Audit & Supervisory
Committee Member)
Advisory Committee Relating to
Nominations and Compensation
Member

Number of shares held: —*

Non-executive **External Director**
Independent Director

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)

Executive officers (excluding those who are concurrently serving as directors)

Shigeyuki Yamamoto

In charge of Development Planning

Kenichi Maeda

In charge of Property Brokerage & CRE Business Unit

Koki Miura

In charge of Investment Management Business Unit

Haruhiko Nakamura

In charge of Residential Development Business Unit

Yukio Ichihara

In charge of Internal audit and Compliance, Group Internal
Audit Dept., Group Legal & Compliance Dept., ICT
Management Dept., Group Corporate Administration Dept.,
Secretariat,

Motomi Uki

In charge of Group Human Resources Dept., Group
Human Resources Development Dept.

Takayuki Kaji

In charge of Business Creation

Toshihide Tsukasaki

Group CFO
In charge of Investor Relations, Finance & Accounting
Dept., Finance Dept.

Makoto Haga



Date of Birth: June 22, 1966

Executive Vice President and
Representative Director, and
Executive Officer
Supervisor of Management Division

Number of shares held: 31,800*

Executive

Apr. 1989 Joined Nomura Real Estate Development Co., Ltd.
Oct. 2011 Director of Nomura Real Estate Asset 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 Executive Officer of Nomura Real Estate Holdings, Inc.
Supervisor of Management Division
Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2017 Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Supervisor of Management Division
Apr. 2019 Director, Executive Officer, and Group CFO of Nomura Real Estate Holdings, Inc.
Supervisor of Management Division
Apr. 2020 Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2021 Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Business Unit Manager of Commercial Real Estate Business Unit
Apr. 2023 Executive Vice President and Representative Director, and Executive Officer of Nomura Real Estate Holdings, Inc.
Supervisor of Management Division (present)
Executive Vice President and Representative Director, and Executive Officer of Nomura Real Estate Development Co., Ltd. (present)

Hiroshi Kurokawa



Date of Birth: February 2, 1968

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

Number of shares held: 10,200*

Executive

Apr. 1990 Joined Nomura Real Estate Development 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.
Apr. 2017 Executive Officer of Nomura Real Estate Holdings, Inc.
Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2020 Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2021 Executive Officer and Group CFO of Nomura Real Estate Holdings, Inc.
Supervisor of Management Division
Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (present)
Jun. 2021 Director, Executive Officer, and Group CFO of Nomura Real Estate Holdings, Inc.
Supervisor of Management Division
Apr. 2023 Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Business Unit Manager of Commercial Real Estate Business Unit (present)

Chiharu Takakura



Date of Birth: December 22, 1959

Director

Number of shares held: —*

Non-executive **External Director**
Independent Director
Newly appointed

Apr. 1983 Joined Economic Affairs Bureau of Ministry of Agriculture, Forestry and Fisheries
Aug. 1993 Joined Sanwa Research Institute Corp.
Jul. 1999 Joined Pfizer Japan Inc.
Oct. 2006 Joined Novartis Pharma K.K.
Oct. 2013 Managing Executive Officer of Nihon Tetra Pak K.K.
Jul. 2014 Corporate Fellow and General Manager of Global Human Resources Dept. of Ajinomoto Co., Inc.
Apr. 2020 Joined ROHTO Pharmaceutical Co., Inc.
Jun. 2020 Director of ROHTO Pharmaceutical Co., Ltd.
Jun. 2021 Outside Audit and Supervisory Board Member of NGK SPARK PLUG Co., Ltd. (currently, Nittera Co., Ltd.)
Mar. 2022 Director and Chief Human Resource Officer (CHRO) of ROHTO Pharmaceutical Co., Ltd.
Jun. 2022 Outside Director of NGK SPARK PLUG Co., Ltd. (currently, Nittera Co., Ltd.) (present)
Jun. 2023 External Director of Nomura Real Estate Holdings, Inc. (present)

Akiko Miyakawa



Date of Birth: October 18, 1955

Director (Audit & Supervisory
Committee Member)

Number of shares held: —*

Non-executive **External Director**
Independent Director

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)
Chair of Advisory Committee Relating
to Nominations and Compensation

Number of shares held: —*

Non-executive **External Director**
Independent Director

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 Director of McDonald's Holdings Company (Japan), Ltd.
External Director of McDonald's Company (Japan), Ltd.
Jun. 2007 Outside Audit & Supervisory Board Member of Gro-Bels Co., Ltd.
Oct. 2007 Outside Audit & Supervisory Board Member of Bit-Isle Inc. (currently, Equinix, Inc.)
Jan. 2012 Outside Audit & Supervisory Board Member of Boox Co., Ltd. (currently, eBook Initiative Japan Co., Ltd.)
Feb. 2012 Outside Audit & Supervisory Board Member of ZOOM CORPORATION
Jun. 2015 Outside Director (Audit and Supervisory Committee Member) of ZOOM CORPORATION
Oct. 2016 Outside Audit & Supervisory Board Member of eBook Initiative Japan Co., Ltd.
Jun. 2020 External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)
Dec. 2020 Executive Partner of ITN Partners (present)
Mar. 2022 External Director of McDonald's Holdings Company (Japan), Ltd. (present)

* As of March 31, 2023

Note: Chiharu Takakura, Yoshio Mogi, Akiko Miyakawa, and Tetsu Takahashi are external directors as prescribed in Article 2, Item 15 of the Companies Act.

Tetsumi Yoshimura

In charge of Quality Management and Architectural Design

Kazuhiro Toida

In charge of Property & Facility Management Business Unit

Masato Yamauchi

In charge of Overseas Business Unit, Overseas Business

Joji Yamada

In charge of Corporate Planning Dept., Group Head Office
Relocation Planning Dept., DX & Innovation Planning Dept.

Katsuya Tanaka

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

Naoko Usami

In charge of Group Diversity and Inclusion Management,
General Manager of Group Human Resources
Development Dept.

Main Asset Brands

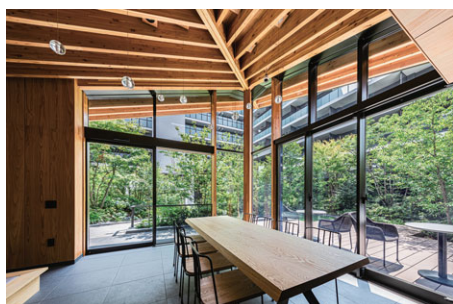
Residential business

PROUD

PROUD

A condominium brand aimed at helping each customer pursue their unique lifestyles, PROUD boasts leading-edge facilities that provide superior comfort as well as beautiful design, with each property situated in a select locations.

Cumulative number of housing units supplied:
approx. 77,000 units*^{1, 2}



PROUD Nerima Nakamurahashi Marks (common space)



PROUD Motoyoyogicho

PROUD SEASON

PROUD SEASON

Detached housing based on the concept of "creating housing that will endure as the heritage of people, towns and times"

Cumulative number of housing units supplied:
approx. 8,000 units*¹



PROUD SEASON Seijo Court

*1. As of March 31, 2023 (number of developed properties includes plans)

*2. Cumulative number of PROUD condominiums and detached housing units supplied

PROUD FLAT

PROUD FLAT

Rental housing with renowned quality made possible by the Group's abundant know-how

Cumulative number of developed properties:
132 properties*¹



PROUD FLAT Nakano (common space)



PROUD FLAT Ryogoku South

OUKAS

OUKAS

Health promoting senior rental housing developed under the concept of residences that facilitate enjoying the time of one's life

Cumulative number of developed properties:
11 properties*¹



OUKAS Setagaya Sengawa

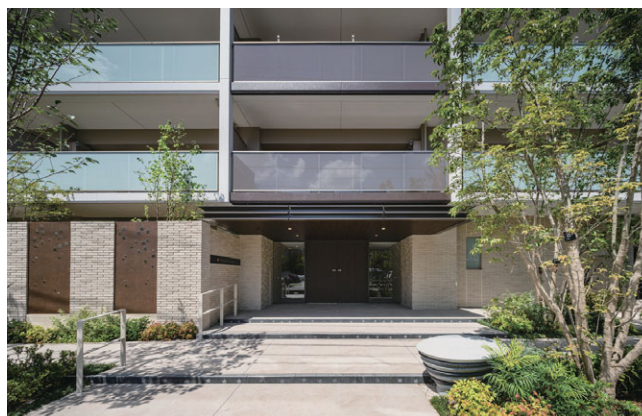


OHANA

OHANA

Suburban-type condominiums developed under the concept of "delivering high-quality housing to as many customers as possible"

Cumulative number of housing units supplied:
approx. 5,000 units*¹



OHANA Nakaurawa

Commercial Real Estate Development Business

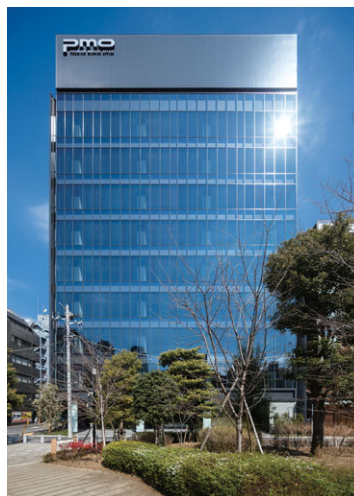
Office



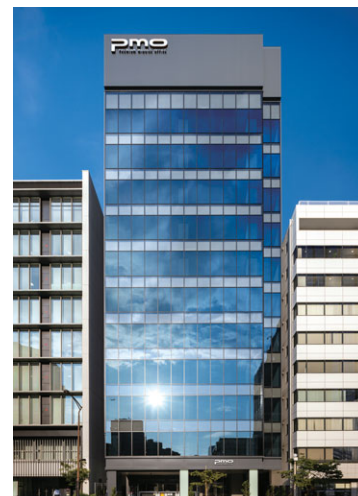
PMO

Medium-scale office building similar in quality and specifications to large-scale office buildings

Cumulative number of developed properties: 72 properties*



PMO Nishishinbashi



PMO Tamachi IV



H1O

Small office with services to meet the needs of workers in a small team

Cumulative number of developed properties: 18 properties* (including types that are incorporated into larger developed property's floors)



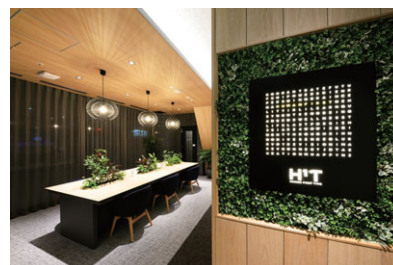
H1O Aoyama



H1T

Satellite-type shared office that accommodates needs associated with more diverse and efficient workstyles

Number of bases: 248 branches* (including affiliated offices)



H1T Ikebukuro West Exit

Logistics facilities



Landport

Logistics facility with advanced and high functionality

Cumulative number of developed properties: 47 properties*



Landport Tama

* Cumulative number of developed properties (including plans) and number of bases are as of March 31, 2023

Retail facilities



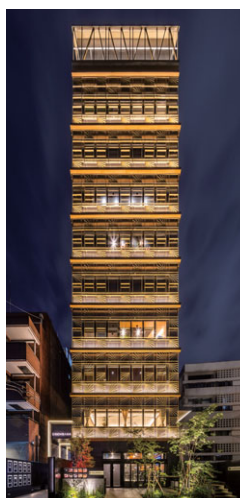
GEMS

Urban retail facility that mainly features one restaurant on each floor

Cumulative number of developed properties: 22 properties*



GEMS Tamachi



GEMS Roppongi



GEMS Kawasaki



SOCOLA

Neighborhood retail facility that integrates grocery supermarkets, merchandise sales, restaurants, and service stores

Cumulative number of developed properties: 7 properties*



SOCOLA Hiyoishi



SOCOLA Minami Gyotoku



MEFULL

Urban retail facility mainly focusing on service industries

Cumulative number of developed properties: 8 properties*



MEFULL Tamachi

Hotel

NOHGA HOTEL

NOHGA HOTEL

Hotel with the concept of “creating memorable experiences through close links with the local community”

Cumulative number of developed properties: 3 properties*



NOHGA HOTEL KIYOMIZU KYOTO



Main Development Projects

Large-scale, Mixed-use Redevelopment Project

Shibaura Project*3

We are promoting the construction of the Twin Towers as a reconstruction project for the Hamamatsucho Building (Toshiba Building). It is a large-scale, mixed-use development covering an area totaling around 47,000 m² with a gross floor area of around 550,000 m².

We propose TOKYO WORKation,*1 a new way of working while experiencing the sky, sea, and greenery in the urban center featuring the unique location of the Shibaura area facing Tokyo Bay.

In addition, the Company decided to move the head offices*2 of each Group company to the South Tower. Aiming to realize the key theme of “high profit growth, and high asset and capital efficiency” in the Mid- to Long-term Business Plan, we will foster an organizational culture more challenging than ever before and realize new workstyles.

Location:	Minato-ku, Tokyo
District area:	approx. 47,000 m ²
Gross floor area:	approx. 550,000 m ²
Major uses:	Office, retail, hotel, shared residence, parking lot, etc.
Number of floors:	South Tower, 43F above ground, 3F below ground North Tower, 45F above ground, 3F below ground
Scheduled for completion:	South Tower Feb. 2025, North Tower FY31/3
Business entities:	Nomura Real Estate Development East Japan Railway Company



Nihonbashi 1-chome Central District Category 1 Urban Redevelopment*3

Scheduled for completion:	FY26/3
Major uses:	Office, retail facility, hotel, residence, conference venue
Gross floor area:	approx. 380,300m ²



Nakano Station Shin North Exit Station-Front Area Redevelopment*3

Scheduled for completion:	FY30/3
Major uses:	Halls, office, residence, retail facility, hotel, area management facilities
Gross floor area:	approx. 298,000m ²



Okayama City Ekimae-cho 1-chome 2, 3, 4 District Redevelopment*3

Scheduled for completion:	FY26/3
Major uses:	Residence, retail facility, office, hotel, hall
Gross floor area:	approx. 84,300m ²



*1. Workstyles that help enhance performance and employee engagement thanks to the option to select one's workplace from among office areas, hotels, retail facilities, surrounding outside spaces, and other locations that promote individual wellbeing

*2. Companies subject to the move are still under consideration

*3. Joint venture project

Overseas Business

Asia

Grand Park 2nd period*³ Ho Chi Minh City, Vietnam

Completion: 2022

Major use: Residence

Total units: approx. 11,000



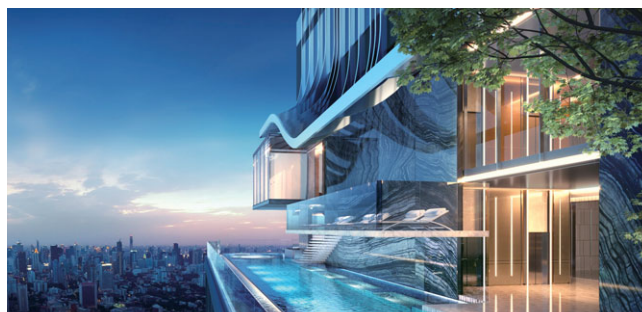
Sunshine Fort*³ Manila, Philippines

Scheduled for completion: Residence 2023 and onward
Retail facility 2022
Major uses: Residence, retail facility
Total units: approx. 1,400
Retail facility
Rental floor area: approx. 17,000m²



Park Origin Thonglor*³ Bangkok, Thailand

Completion: 2022
Major use: Residence
Total units: approx. 1,180



U.K. and U.S.

127 Charing Cross Road London, U.K.

Schedule for completion of renovation work: 2024
Major uses: Office, store
Gross floor area: approx. 5,200m²



Press Block Project*³ Portland, U.S.

Scheduled for completion: 2025
Major uses: Rental housing, retail, office
Number of rental housing units: 341
Rental floor area for retail and office
Retail facilities: approx. 1,113m²
Offices: approx. 1,840m²



11-year Financial Data

	FY13/3	FY14/3	FY15/3	FY16/3	FY17/3
Statements of Income / Balance Sheets / Statements of Cash Flows (Millions of yen):					
Operating revenue	517,740	532,016	567,159	569,545	569,680
Operating profit	58,308	74,307	71,894	80,912	77,271
Business profit* ¹	—	—	—	—	—
Ordinary profit	45,806	64,058	63,681	72,679	68,952
Profit attributable to owners of parent	19,357	26,844	38,441	47,182	47,005
Total assets	1,369,949	1,313,887	1,369,226	1,485,449	1,593,093
Current assets	535,103	496,978	549,300	608,779	684,306
Inventories	369,667	349,167	429,764	496,910	570,888
Equity investments	29,578	7,128	6,316	819	2,567
Non-current assets	834,845	816,909	819,926	876,670	908,786
Total net assets	398,276	418,697	461,031	456,408	493,813
Interest-bearing debt	669,268	617,583	616,700	721,900	810,100
Cash flows from operating activities	89,295	83,535	23,837	13,258	(31,889)
Cash flows from investing activities	(2,588)	(20,191)	(32,476)	(59,714)	(54,558)
Cash flows from financing activities	(94,666)	(57,858)	(8,983)	53,637	76,575
Capital investment* ²	18,963	21,938	38,871	50,367	61,300
Per Share Data (Yen):					
Profit attributable to owners of parent	101.61	140.70	201.28	246.42	245.10
Net assets	1,764.05	1,863.12	2,061.86	2,320.84	2,508.73
NAV* ³	1,885	1,997	2,299	2,708	3,063
Annual dividends	30.00	35.00	45.00	57.50	65.00
Share Information (Shares):					
Number of shares issued at the end of period (including treasury shares)	190,595,500	190,906,800	191,119,700	191,679,601	191,877,801
Treasury shares at the end of period* ⁴	1,125	1,206	1,206	1,508	1,709
Management Benchmarks:					
Operating profit ratio (%)	11.3	14.0	12.7	14.2	13.6
ROA* ⁵ (%)	4.5	5.6	5.5	5.8	5.1
ROE* ⁶ (%)	5.9	7.8	10.3	11.2	10.1
Shareholders' equity ratio	24.5	27.1	28.8	29.9	30.2
Unrealized profit* ⁷ (billions of yen)	37.2	41.2	70.2	110.9	153.9
D/E ratio (times)	2.0	1.7	1.6	1.6	1.7
EBITDA* ⁸ (billions of yen)	61.0	72.8	82.1	94.8	93.7
Debt to EBITDA ratio* ⁸ (times)	11.0	8.5	7.5	7.6	8.6
Total return ratio* ⁹ (%)	29.5	24.9	22.4	23.3	26.5
Dividend payout ratio* ¹⁰ (%)	29.5	24.9	22.4	23.3	26.5
Stock Index (at the end of each period):					
Share price (yen)	2,084	1,970	2,166	2,080	1,774
PER (times)	20.9	15.0	14.2	9.9	7.9
PBR (times)	1.2	1.1	1.1	0.9	0.7
Total shareholder return (TSR)* ¹¹	—	—	—	—	—

*1 Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

*2 Capital investment represents the amount shown for "Purchase of property, plant and equipment and intangible assets" in the Consolidated Statements of Cash Flows.

*3 NAV per share = (shareholders' equity + unrealized gains (after deduction of tax)) / the number of shares issued at the end of period (excluding treasury shares), Unrealized gains (after deduction of tax) = Unrealized gains × (1-effective tax rate)

*4 Treasury shares at the end of period includes shares held by the executive compensation BIP (Board Incentive Plan) trust and shares held by the ESOP (Employee Stock Ownership Plan) trust for granting stock for employees.

*5 ROA = business profit / average assets during the fiscal year Before FY17/3: ROA = (operating income + non-operating income) / average assets during the fiscal year

*6 ROE = profit attributable to owners of parent / shareholders' equity (average over the fiscal year)

	Introduction	Our Vision (To be)	Our Current Strengths and Core (Strengths)	Our Challenges and Strategies (Actions)	The Foundation of Our Activities (Base)	Data, etc.	
	FY18/3	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY24/3 (forecast)*12
	623,762	668,510	676,495	580,660	645,049	654,735	750,000
	76,660	79,162	81,905	76,333	91,210	99,598	103,000
	—	79,623	82,833	76,448	92,765	105,172	109,000
	68,033	69,323	73,077	65,965	82,557	94,121	94,000
	46,029	45,873	48,886	42,198	55,312	64,520	65,000
	1,673,099	1,759,455	1,801,273	1,921,306	2,040,506	2,110,693	—
	717,635	849,528	906,726	1,043,321	1,126,802	1,182,306	—
	592,996	636,925	714,734	875,520	894,229	999,125	—
	9,612	18,066	30,983	28,770	33,871	32,320	—
	955,464	909,926	894,547	877,985	913,703	928,387	—
	514,982	541,562	565,120	586,350	621,398	655,737	—
	877,800	914,000	870,000	1,008,500	1,022,735	1,121,548	—
	21,498	89,964	56,618	(63,504)	52,793	(42,809)	—
	(51,637)	(46,699)	(30,490)	(55,789)	(46,277)	(62,896)	—
	43,787	13,723	(66,821)	112,376	(9,619)	65,675	—
	71,665	20,824	20,363	45,665	36,618	44,064	—
	240.89	245.99	267.21	232.53	307.81	365.26	374.27
	2,664.70	2,854.21	3,031.15	3,229.80	3,478.14	3,756.30	—
	3,333	3,630	3,833	4,035	4,442	4,764	—
	70.00	75.00	80.00	82.50	97.50	120.00	130.00
	192,155,201	192,373,101	192,875,301	193,099,001	182,604,637	182,938,437	—
	3,956,956	7,821,664	11,367,181	12,490,613	4,704,422	9,015,395	—
	12.3	11.8	12.1	13.1	14.1	15.2	—
	4.7	4.6	4.7	4.1	4.7	5.1	—
	9.4	8.9	9.1	7.4	9.2	10.1	—
	30.0	29.9	30.5	30.4	30.3	31.0	—
	181.9	206.3	209.6	209.6	247.0	252.5	—
	1.8	1.7	1.6	1.7	1.7	1.7	—
	93.8	93.3	101.6	91.8	108.9	118.9	—
	9.4	9.8	8.6	11.0	9.4	9.4	—
	50.8	41.4	46.3	45.0	44.3	47.6	—
	29.1	30.5	29.9	35.5	31.7	32.9	34.7
	2,512	2,125	1,755	2,665	2,933	2,930	—
	10.7	8.5	6.9	12.0	10.2	8.5	—
	1.0	0.8	0.6	0.9	0.9	0.8	—
	—	87.6	76.0	115.5	130.1	134.8	—

* 7 Unrealized profit = fair value of real estate for rent at the end of the fiscal year – balance of real estate for rent at the end of the fiscal year

* 8 EBITDA = profit before income taxes + interest expenses + depreciation, Debt to EBITDA ratio = interest bearing debt / EBITDA

* 9 Total return ratio = (dividend per share + share buyback per share) / EPS

*10 Dividend payout ratio = dividend per share / EPS

*11 Total shareholder return (TSR) = (stock price as of the end of the fiscal year + accumulated dividend per share from FY19/3 to FY23/3) / stock price as of the end of FY18/3

*12 Forecasts as of July 27, 2023

Business Unit Information

(millions of yen)

Operating Revenue	FY20/3	FY21/3	FY22/3 *1, 2, 3	FY23/3
Residential Development	333,966	272,577	309,225	302,480
Housing sales (Japan)	294,376	247,609	284,015	273,662
Rental housing (sales)*4	17,931	5,035	4,120	6,300
Rental housing (leasing revenue)*4	1,070	925	1,501	2,303
Senior	451	651	998	1,403
Other	20,136	18,355	18,590	18,811
Commercial Real Estate	212,133	179,227	202,460	199,309
Leasing (offices)	48,562	47,411	45,666	41,191
Leasing (retail facilities)	12,910	11,018	12,302	16,195
Leasing (other)	8,375	5,776	4,131	3,323
Property for sales (sale)*5	106,816	87,846	106,451	97,471
Property for sales (leasing)*5	7,037	11,239	13,977	16,786
Fitness	15,757	11,509	13,624	15,040
Other	12,674	4,426	6,306	9,301
Overseas	—	—	2,628	6,770
Housing sales	—	—	1,785	5,876
Leasing	—	—	692	657
Other	—	—	150	235
Investment Management	12,059	12,456	12,804	13,632
Property Brokerage & CRE	39,110	39,436	43,762	47,700
Brokerage fee (retail)*3	24,017	23,334	21,825	24,071
Brokerage fee (middle)*3	—	—	8,326	9,613
Brokerage fee (wholesale)*3	11,138	11,384	9,681	11,571
Other	3,954	4,717	3,929	2,442
Property & Facility Management	98,274	98,384	99,230	105,474
Property & facility management	55,530	56,783	58,264	59,502
Construction ordered	37,327	35,863	35,215	39,875
Other	5,417	5,737	5,750	6,096
Adjustments (elimination or corporate)	1,143	2,070	126	282
Total	(20,193)	(23,492)	(25,188)	(20,913)
Operating Profit	676,495	580,660	645,049	654,735

Operating Profit

(millions of yen)

Residential Development	25,351	22,421	32,519	33,323
Commercial Real Estate	38,941	35,138	38,286	39,231
Overseas	—	—	(512)	2,414
Investment Management	6,853	7,296	7,515	7,796
Property Brokerage & CRE	9,097	8,962	11,713	13,785
Property & Facility Management	8,474	9,089	9,114	9,816
Other	(1,267)	(789)	(199)	147
Adjustments (elimination or corporate)	(5,545)	(5,776)	(7,227)	(6,917)
Total	81,905	76,333	91,210	99,598

Business Profit**6

(millions of yen)

Residential Development	25,339	22,404	32,550	33,333
Commercial Real Estate	39,247	35,469	38,590	39,529
Overseas	—	—	291	7,288
Investment Management	7,149	7,587	7,836	8,089
Property Brokerage & CRE	9,088	8,976	11,716	13,822
Property & Facility Management	8,566	9,281	9,205	9,878
Other	(1,012)	(1,495)	(199)	147
Adjustments (elimination or corporate)	(5,545)	(5,776)	(7,227)	(6,917)
Total	82,833	76,448	92,765	105,172

*1 From FY23/3, the Overseas Business Unit was newly established, and the Overseas Business Division of Nomura Real Estate Development and overseas subsidiaries, etc., which had been classified under the "Other," have been reclassified under this business unit. Due to this change, the figures listed for FY22/3 have been retroactively adjusted.

*2 As of April 1, 2022, Nomura Real Estate Development and Nomura Real Estate Building were merged (with Nomura Real Estate Development as the surviving company), and the breakdown of operating revenue in the Commercial Real Estate Business Unit was changed. Due to this change, the figures listed for FY22/3 have been retroactively adjusted.

*3 From FY23/3, the breakdown of operating revenue in the Property Brokerage & CRE Business Unit was changed. Thus, figures listed for FY22/3 onward reflect this change. The breakdown is as follows: Retail: Real estate brokerage business for individuals; Middle: Real estate brokerage business for small and medium-sized enterprises, business owners, some individual investors and high net worth individuals; Wholesale: Real estate brokerage business for large corporations, funds and overseas investors

(millions of yen)

Assets	FY20/3	FY21/3	FY22/3 *1, 2	FY23/3
Residential Development	457,505	505,976	514,546	607,382
Commercial Real Estate	1,112,664	1,160,805	1,204,549	1,225,125
Overseas	—	—	117,010	160,942
Investment Management	43,053	42,868	43,220	44,064
Property Brokerage & CRE	19,240	25,201	35,787	29,088
Property & Facility Management	47,106	50,095	48,881	51,368
Other	61,730	89,237	777	1,324
Adjustments (elimination or corporate)	59,972	47,122	75,733	(8,602)
Total	1,801,273	1,921,306	2,040,506	2,110,693

Inventories

(millions of yen)

Residential Development	401,119	463,944	458,049	514,774
Commercial Real Estate	314,297	412,862	436,810	485,188
Overseas	—	—	—	—
Investment Management	—	—	—	—
Property Brokerage & CRE	—	—	—	—
Property & Facility Management	69	44	69	377
Other	11	11	11	11
Adjustments (elimination or corporate)	(762)	(1,342)	(712)	(1,225)
Total	714,734	875,520	894,229	999,125

Return on Assets (ROA)*7

(%)

Residential Development	5.5	4.4	6.3	5.5
Commercial Real Estate	3.5	3.1	3.2	3.2
Overseas	—	—	0.2	4.5
Investment Management	16.6	17.7	18.1	18.4
Property Brokerage & CRE	47.2	35.6	32.7	47.5
Property & Facility Management	18.2	18.5	18.8	19.2
Other	—	—	—	11.2
Total ROA*8	4.7	4.1	4.7	5.1

Key Results	FY20/3	FY21/3	FY22/3 *1, 2	FY23/3
Residential Development				
Housing sales (units)	4,739	3,669	4,329	4,142
Gross profit ratio of housing sales (%)	20.4	22.6	23.6	25.6
Completed housing inventories at the end of the fiscal year (released for sale) (units)	321	239	130	222
Completed housing inventories at the end of the fiscal year (unreleased) (units)	187	182	253	199
Commercial Real Estate				
Net lettable area at the end of the fiscal year (offices, retail facilities) (m2)*9	915,311	829,670	790,776	697,085
Vacancy rate at the end of the fiscal year (offices, retail facilities) (%)*9	4.0	4.9	5.9	4.8
Number of MEGALOS members at the end of the fiscal year	143,663	111,425	110,608	114,914
Investment Management				
Assets under management at the end of the fiscal year (millions of yen)	1,798,583	1,815,646	1,948,071	1,957,676
Property Brokerage & CRE				
Brokerage: Number of transactions	9,515	9,322	10,081	9,985
Brokerage: Transaction value (millions of yen)	872,337	893,423	964,882	1,060,313
Property & Facility Management				
Buildings under management at the end of the fiscal year (buildings)	786	788	772	782
Housing under management at the end of the fiscal year (units)	182,259	183,162	186,549	189,574

*4 Rental housing refers to properties developed for the real estate investment market.

*5 Property for sales refers to properties such as office building, retail facility and logistic facility developed for the real estate investment market.

*6 Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization expenses of intangible assets associated with corporate acquisitions.

*7 ROA of each business unit = business profit / total assets at the end of the fiscal year.

*8 Total ROA = business profit / average assets during the fiscal year.

*9 As of April 1, 2022, Nomura Real Estate Development and Nomura Real Estate Building were merged (with Nomura Real Estate Development as the surviving company), and a partial revision was made to the method used to calculate the net lettable area and the vacancy rate in Commercial Real Estate Business Unit. The figures listed reflect this change.

ESG Data

	FY21/3	FY22/3	FY23/3
E Environment			
Environmental management			
Environmental certification acquisition rate for newly built property for sales (excluding rental housing)* ¹	100%	100%	100%
Number of environmental certifications acquired for newly built property for sales (excluding rental housing)* ¹	15	15	13
Response to climate change			
Total CO ₂ emissions	1,588,269 t-CO ₂	2,297,026 t-CO ₂	2,173,921 t-CO ₂
Scope 1, 2	132,206 t-CO ₂	129,056 t-CO ₂	98,280 t-CO ₂
Scope 3	1,456,063 t-CO ₂	2,167,970 t-CO ₂	2,075,641 t-CO ₂
Energy use* ²	381,817 MWh per year	379,428 MWh per year	382,231 MWh per year
Energy use intensity* ²	0.184 MWh/m ² per year	0.182 MWh/m ² per year	0.186 MWh/m ² per year
Solar power generated at Landport logistics facilities	21,926 thousand kWh per year	22,801 thousand kWh per year	22,356 MWh per year
Efficient use of water resources			
Total water use* ²	1,698 thousand m ³ per year	1,920 thousand m ³ per year	2,040 thousand m ³ per year
Water use intensity* ²	0.81 m ³ /m ² per year	0.93 m ³ /m ² per year	0.99 m ³ /m ² per year
Appropriate resource use and pollution prevention			
Total waste discharge* ²	5,112 t per year	7,213 t per year	11,188 t per year
Waste discharge intensity* ²	3.047 kg/m ² per year	3.504 kg/m ² per year	5.453 kg/m ² per year

S Social			
Employment / Human resources			
Number of employees* ³	7,390	7,548	7,695
Female employee ratio* ⁴	31.8%	32.5%	33.0%
Number of new graduate hires	274	264	292
Female new graduate hires ratio	42.0%	39.8%	39.4%
Female manager and junior manager ratio* ⁵	11.2%	11.7%	13.9%
Average years of service* ⁴	10.4	10.5	10.8
Male* ⁴	11.5	11.7	12.1
Female* ⁴	7.9	8.1	8.2
Number of foreign national employees* ⁶	140	303	311
Rate of employment of persons with disabilities* ⁷	2.05%	2.33%	2.31%
Health and productivity management			
Average work time over statutory working hours (hours per person/month)	9.99	13.73	11.03
Rate of acquisition of paid leave	56.14%	62.11%	68.43%
Number of work-related injuries resulting in death	0	0	0
Absentee rate* ⁸	0.41%	0.45%	0.40%

FY21/3

FY22/3

FY23/3

S Social

Utilizing and improving human resources

Rate of acquisition of childcare leave ^{*9}	—	96.20%	64.54%
Rate among men	—	15.80%	38.58%
Rate of reinstatement after childcare leave ratio	96.20%	92.90%	98.81%
Male	100%	100%	100%
Female	95.00%	90.60%	98.10%
Family care leave takers	6	5	8
Investment in training cost per employee ^{*10}	¥70,462	¥47,936	¥51,612
Training hours per employee ^{*10, 11}	9.87	4.21	3.79

Others

Group employee awareness survey response rate ^{*12}	97.80%	93.00%	92.37%
Employee workplace engagement ^{*13}	3.96	3.97	3.87
Average employee compensation ^{*14}	¥10,116,985	¥10,177,382	¥10,339,925
Percentage of implementation of 1-on-1 meetings	—	84%	83%
Procurement guideline survey implementation rate ^{*15}	—	37%	51%

G Governance

Number of Directors ^{*16}	13	12	12
Independent External Directors ^{*16}	5	5	4
Female Directors ^{*16}	1	2	1
Number of the Board of Directors meetings	15	21	15
Average attendance rate of all Directors	100%	99.6%	99.4%
Average attendance rate of Independent External Directors	100%	99.0%	98.2%
Number of Audit & Supervisory Committee meetings	14	12	12
Average attendance rate of Audit & Supervisory Committee Members	100%	100%	100%
Average attendance rate of Independent External Directors (Audit & Supervisory Committee Members)	100%	100%	100%

^{*1} Includes properties scheduled to be acquired during FY2024/3.

^{*2} Boundaries for items that are subject to aggregation, such as energy consumption, total water use, total waste emissions, etc., vary. See the Sustainability Report for more information.

^{*3} Excludes employees seconded from the Group (the Company and its consolidated subsidiaries) to outside the Group, and includes those seconded from outside the Group to the Group.

^{*4} Includes employees seconded from the Group (the Company and its consolidated subsidiaries) to outside the Group. The calculation is based on 7,996 consolidated employees, excluding those seconded from outside the Group to the Group.

^{*5} Number of female managers + Number of female candidates for managerial positions / Number of all managers + Number of all candidates for managerial positions

^{*6} Number of foreign national employees does not include foreign technical interns.

^{*7} Rate of employment of persons with disabilities for each period is as of June of the following fiscal year. The scope covered includes Group companies that are subject to the Act on Employment Promotion, etc. of Persons with Disabilities.

^{*8} Absentee rate = total days of absence / (scheduled working days × number of employees)

^{*9} From FY2023/3, the method for disclosure has been changed to secure conformity with a calculation formula for information disclosure via securities reports as stipulated under guidelines issued by the Ministry of Health, Labour and Welfare, which has made it mandatory to announce the status of childcare leave utilization.

^{*10} From FY2022/3, the figures have been changed from Nomura Real Estate Development on a non-consolidated basis to those for the entire Group.

^{*11} Covers only mandatory training and does not include open and selective training or e-learning courses.

^{*12} Figures for FY2021/3 and FY2022/3 represent the response rate to employee satisfaction surveys undertaken by Nomura Real Estate Development on a non-consolidated basis. Figures for FY2023/3 represent the response rate to the awareness survey targeting all Nomura Real Estate Group employees. (The scope of employees surveyed has been expanded from approximately 2,000 to approximately 7,000.)

^{*13} Figures for FY2021/3 and FY2022/3 represent the "employee satisfaction level" assessed via employee satisfaction surveys undertaken by Nomura Real Estate Development on a non-consolidated basis. Figures for FY2023/3 represent "employee workplace engagement" assessed via an awareness survey targeting all Nomura Real Estate Group employees.

^{*14} Average of data for Nomura Real Estate Holdings employees.
Number of employees: 261 in FY21/3, 283 in FY22/3, 283 in FY23/3

^{*15} The denominator is the volume of transactions involving our Group companies, and the numerator is the total volume of transactions with companies that responded to the procurement guideline survey (both calculated on a purchase price basis).

^{*16} Decrease in personnel due to resignation during the term is not stated.

List of Group Companies (As of July 31, 2023)

Company name	Established	Overview of Businesses	Website
Nomura Real Estate Holdings	2004	Management of the operation of group businesses through holding stocks and management instruction	https://www.nomura-re-hd.co.jp/english/
Nomura Real Estate Development	1957	Condominium sales, detached housing sales, investment and development, building leasing business, architectural design, asset management, etc.	https://www.nomura-re.co.jp/english/
Nomura Real Estate Asset Management	2003	Investment management business, type II financial instruments business, investment advisory and agency, real estate trading, etc.	https://www.nre-am.co.jp/english/
Nomura Real Estate Solutions	2000	Real estate brokerage for individuals and corporates, insurance agency, bank agency, real estate information website operation	https://www.nomura-solutions.co.jp/english/
Nomura Real Estate Partners	1977	Facility management for buildings and condominiums, architectural and interior design, property management, cleaning, insurance agency, renovation	https://www.nomura-pt.co.jp/ (Japanese only)
Nomura Real Estate Life & Sports	1989	Planning and management of sports clubs and consulting, sales and rental of sports items, etc.	https://www.megalos.co.jp/ (Japanese only)
Nomura Real Estate Heating and Cooling Supply	1987	Supply of heating / solar power sales business	—
Nomura Real Estate Retail Properties	1968	Project management of retail facilities, including commercial surveys, demand forecasts, market research, business planning, operational planning, and merchandising, property management of retail facilities	https://www.nomura-rp.co.jp/ (Japanese only)
Nomura Real Estate Wellness	2015	Development planning and management of senior housings and related services	https://www.nomura-re-wn.co.jp/ (Japanese only)
Nomura Real Estate Hotels	2017	Planning, operation, and management of hotels	https://www.nomura-hotels.co.jp/ (Japanese only)
Nomura Real Estate Amenity Service	1990	Building and condominium cleaning, sales of consumable	—
PRIME X	2006	Internet advertising agency, creative business, marketing business	https://www.prime-x.co.jp/ (Japanese only)
First Living Assistance	2017	Home/living assistance service	http://www.f-la.co.jp/ (Japanese only)
Lothbury Investment Management	2010	Asset management business in the United Kingdom	https://www.lothburyim.com/
ZEN PLAZA	1995	Ownership and operation business of ZEN PLAZA	https://zenplaza.com.vn/
Beijing shokai Nomura Real Estate Management	2018	Operation and management of Beijing Fortune Building	—
Tokio Property Services	1983	Brokerage for trading and leasing of housing, offices, and factories based in Singapore	https://www.tokioproperty.com.sg/en
NOMURA REAL ESTATE ASIA	2015	Exploring real estate development opportunities, market research, and building relationships with partner companies in Southeast Asia	—
NOMURA REAL ESTATE HONG KONG	2016	Support services for investment to real estate in Japan from foreign investors, building relationships with local corporations and investors, exploring business opportunities	—
NOMURA REAL ESTATE (THAILAND)	2019	Investment in local business, market surveys, identification of new projects and partner corporations, building business relationships with and monitoring of local partner companies, and provision of support for Group companies and businesses	—
NOMURA REAL ESTATE VIETNAM	2019	Local market surveys identification of new projects and partner corporations, building business relationships with and monitoring of local partner companies, and provision of support for Group companies and businesses	—
NOMURA REAL ESTATE CONSULTING (SHANGHAI)	2021	Consulting services for real estate, information consulting services, construction project management services	—

* Some Group companies have been merged and renamed after their inauguration.

External Evaluations

Inclusion in ESG indices

The ESG indices adopted by GPIF (Government Pension Investment Fund)

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Selected for MSCI Japan ESG Select Leaders Index, a wide-ranging index (1)

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Selected for MSCI Japan Empowering Women (WIN) Select Index, a thematic index (1)



Selected for FTSE Blossom Japan Index, a wide-ranging index (1)



Selected for FTSE Blossom Japan Sector Relative Index, a wide-ranging index (1)



Selected for S&P/JPX Carbon Efficient Index, a thematic/ environmental index in the ESG indices (1)



Selected for Morningstar Japan ex-REIT Gender Diversity Tilt Index, a thematic index (1)



Selected as the FTSE4 Good Index Series, a representative index for ESG investment (1)



Selected as the Sompo Sustainability Index uniquely set by Sompo Asset Management (1)

Commendations on social activities



Selected for Health and Productivity Management Award 2023 (1, 2, 3, 6, 7, 8, 10)



Awarded Silver in PRIDE Index (1, 2, 3)



Awarded Bronze in PRIDE Index (6, 7)



Received Good Design Award 2022 for 5 items. The Group received this award for the 21st consecutive year (2)

Signatures on initiatives



Signed the United Nations Global Compact (1)



Signed the Principles for Responsible Investment (3, 9)



Joined "Renewable Energy 100%" (1)



Approved by the Science Based Targets (SBT) initiative (1, 3)



Agreed to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (1, 3)



Joined the Japan Climate Initiative (3)



Signed the Financial Action Principles for the Formation of a Sustainable Society (the 21st Century Principles of Financial Action) (3)



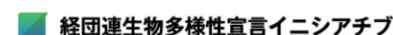
Member of the UK Green Building Council (GBC) (9)



Joined the "Task Force for Nature-related Financial Disclosures" forum (1)



Joined "the 30by30 Alliance for Biodiversity" (1)



Agreed to the Declaration of Biodiversity by Keidanren (1)

Commendations on environmental activities



Received a 5-star rating for real estate (4, 5) and the level A rating in the disclosure evaluation (1, 4) of the GRESB, which is an annual benchmark for considering ESG in the real estate sector.



CDP Climate Change A-Rated and selected as a "Supplier Engagement Leader" (1)



エコアクション21
認証番号0012949

Acquired and registered Eco-ACTION 21 (Environmental Management System) certification (4)*

* Became the first Japanese Real Estate Investment Trust (J-REIT) to acquire and register this certification



エコアクション21
認証番号0013469

Acquired and registered Eco-ACTION 21 (Environmental Management System) certification (5)*

* Became the first private REIT to acquire and register this certification

Selected / Concerned / Award-winning companies

- 1: Nomura Real Estate Holdings, Inc.
- 2: Nomura Real Estate Development Co., Ltd.
- 3: Nomura Real Estate Asset Management Co., Ltd.
- 4: Nomura Real Estate Master Fund, Inc.
- 5: Nomura Real Estate Private REIT Inc.
- 6: Nomura Real Estate Solutions Co., Ltd.
- 7: Nomura Real Estate Partners Co., Ltd.
- 8: Nomura Real Estate Life & Sports Co., Ltd.
- 9: Lothbury Investment Management Limited
- 10: PRIME X Co., Ltd.

Note: The inclusion of Nomura Real Estate Holdings, Inc. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Nomura Real Estate Holdings, Inc. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Corporate Information (As of March 31, 2023)

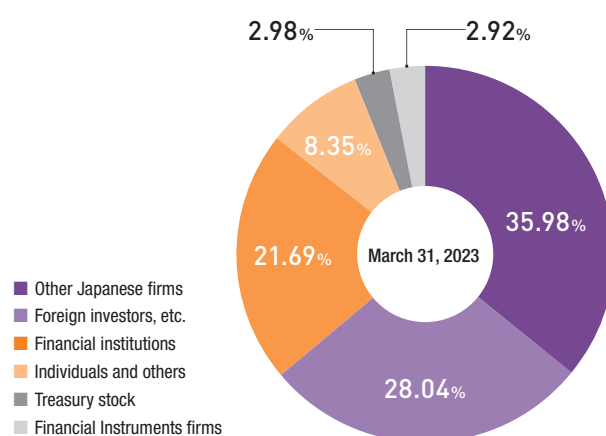
Corporate data

Corporate name:	Nomura Real Estate Holdings, Inc.
Representative:	Satoshi Arai, President and Representative Director
Head office:	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0566, Japan
Date of establishment:	June 1, 2004
Number of employees:	7,695 (consolidated)
Fiscal year:	From April 1 to March 31
General meeting of shareholders:	June

Share information

Capital:	¥119,054,000,000
Number of authorized shares:	450,000,000 shares
Number of shares issued:	182,938,437 shares (including 5,462,338 treasury shares) <small>* The number of treasury shares above does not include 2,976,697 shares held by the executive compensation BIP (Board Incentive Plan) trust and 576,360 shares held by the ESOP (Employee Stock Ownership Plan) trust for granting stock for employees.</small>
Listed market:	Tokyo Stock Exchange Prime Market
Minimum trading unit:	100 shares
Number of shareholders:	28,457

Composition of shareholdings



Major shareholders (top 10)

Shareholders' name	No. of shares held	Shareholding ratio (%)
Nomura Holdings, Inc.	64,777,500	36.49
The Master Trust Bank of Japan, Ltd. (Trust account)	21,274,800	11.98
Custody Bank of Japan, Ltd. (Trust account)	11,191,400	6.30
Nomura Real Estate Holdings Employee Shareholding Association	3,055,181	1.72
The Master Trust Bank of Japan, Ltd. (BIP (Board Incentive Plan) trust account 76272)	2,976,697	1.67
STATE STREET BANK WEST CLIENT - TREATY 505234	2,245,384	1.26
SSBTC CLIENT OMNIBUS ACCOUNT	1,841,551	1.03
JPMorgan Securities Japan Co., Ltd.	1,618,877	0.91
JP MORGAN CHASE BANK 385781	1,486,476	0.83
THE BANK OF NEW YORK MELLON 140044	1,475,607	0.83

*1 Although the Company holds 5,462,338 treasury shares, it is excluded from the list of major shareholders above.

*2 The shareholding ratio is calculated after deducting the above treasury stock (5,462,338 shares).

Total shareholder return*1, 2

	2019/3	2020/3	2021/3	2022/3	2023/3
Nomura Real Estate Holdings	87.6%	76.0%	115.5%	130.1%	134.8%
TOPIX (Including dividends)	95.0%	85.9%	122.1%	124.6%	131.8%

*1 Total shareholder return is the overall yield for shareholders that takes into account both capital gains and dividends. It is calculated in accordance with the formula prescribed by the Cabinet Office Ordinances.

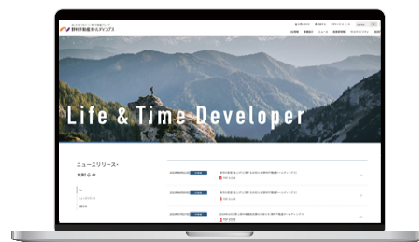
*2 Total shareholder return is calculated at fiscal year-ends, starting from the year beginning April 1, 2018, as if the investment was made at the closing stock price at March 31, 2018.

Information disclosure on the website

Additional information can be found on our website.

Website

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



Financial information

Non-financial information

Integrated Report

https://www.nomura-re-hd.co.jp/english/ir_library/annualreport.html



• Investor relations

<https://www.nomura-re-hd.co.jp/english/ir/>

Management policy

Financial information

IR library

Stock information



• Company information

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



• Business overview

<https://www.nomura-re-hd.co.jp/english/service/>



• Sustainability

<https://www.nomura-re-hd.co.jp/english/sustainability/>



• Sustainability Report (PDF)

<https://www.nomura-re-hd.co.jp/english/sustainability/download/index.html>



Publication of Integrated Report 2023 (Guaranteed by the Director in Charge)

I would like to express our gratitude to our investors and other stakeholders for your consistent support and cooperation.

The Group launched a new management structure in April 2023 with Mr. Kutsukake becoming Chair and Director, and Mr. Arai becoming Group CEO. In this report, Mr. Arai expresses his thoughts as the new CEO in the CEO message, and, in the COO message and CFO interview, we announce strategies aimed at realizing the “high profit growth, and high asset and capital efficiency” as targeted in the Mid- to Long-term Business Plan and progress made so far.

Through this report, I hope all readers gain a deeper understanding of the strengths and foundations the Group has built up to date, the strategies and issues addressed mainly in the Mid- to Long-term Business Plan, and the Group’s vision.

As the Group CFO and executive officer in charge of investor relations responsible for compiling this integrated report, I hereby declare the

legitimacy of its compilation process and the accuracy of the content.

The Group will continue striving to expand its disclosure and enhance transparency while holding dialogues with all our stakeholders in an effort to further improve the report. We look forward to receiving your frank opinions.

I would like to conclude by taking this opportunity to express our appreciation to all the readers of this report and to all those who have helped compile and issue it.

Executive Officer, Group CFO
Toshihide Tsukasaki

塚崎 敏英

Nomura Real Estate Holdings, Inc.

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URL: <http://www.nomura-re-hd.co.jp/english>

