

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”

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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 **35%** Reduce by **35%**

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>