

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?

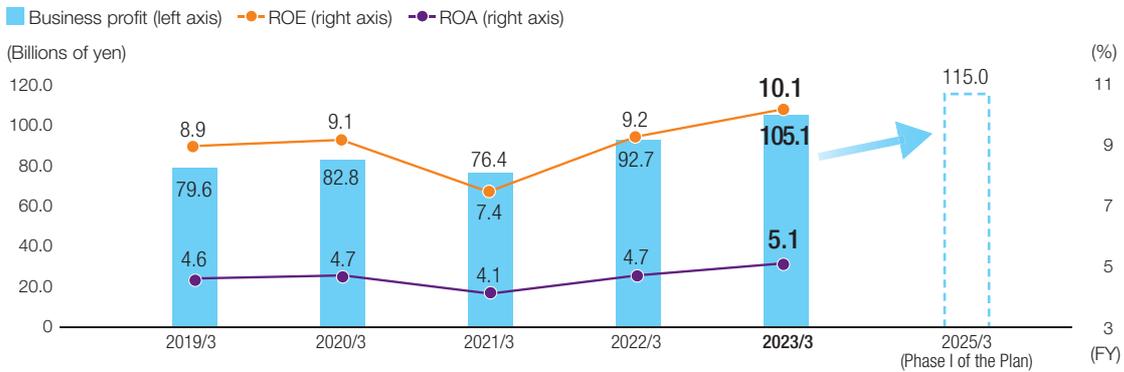
Under the Plan, we made “high profit growth, and high asset and capital efficiency” a key theme and stated that we will strive for high shareholder returns. We set the following specific quantitative targets (Phase I: from the fiscal year ended March 2023 to the fiscal year ending March 2025): an annual 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.

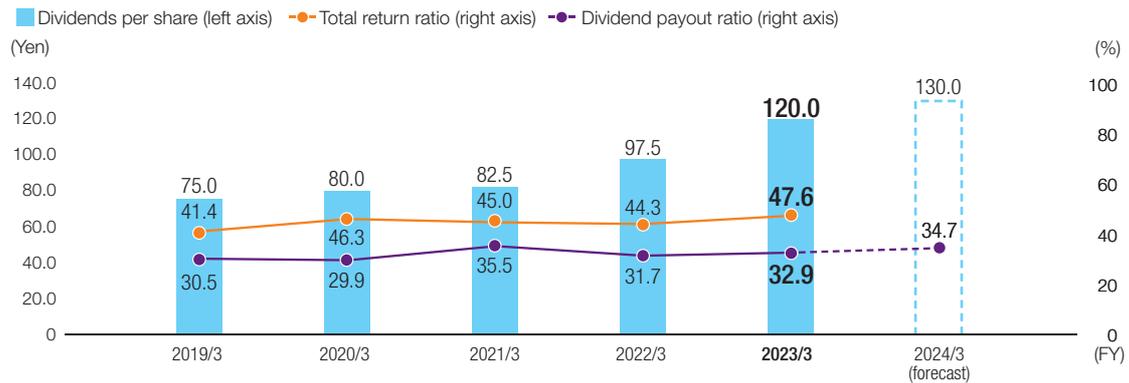
Business Profit, ROE and ROA



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



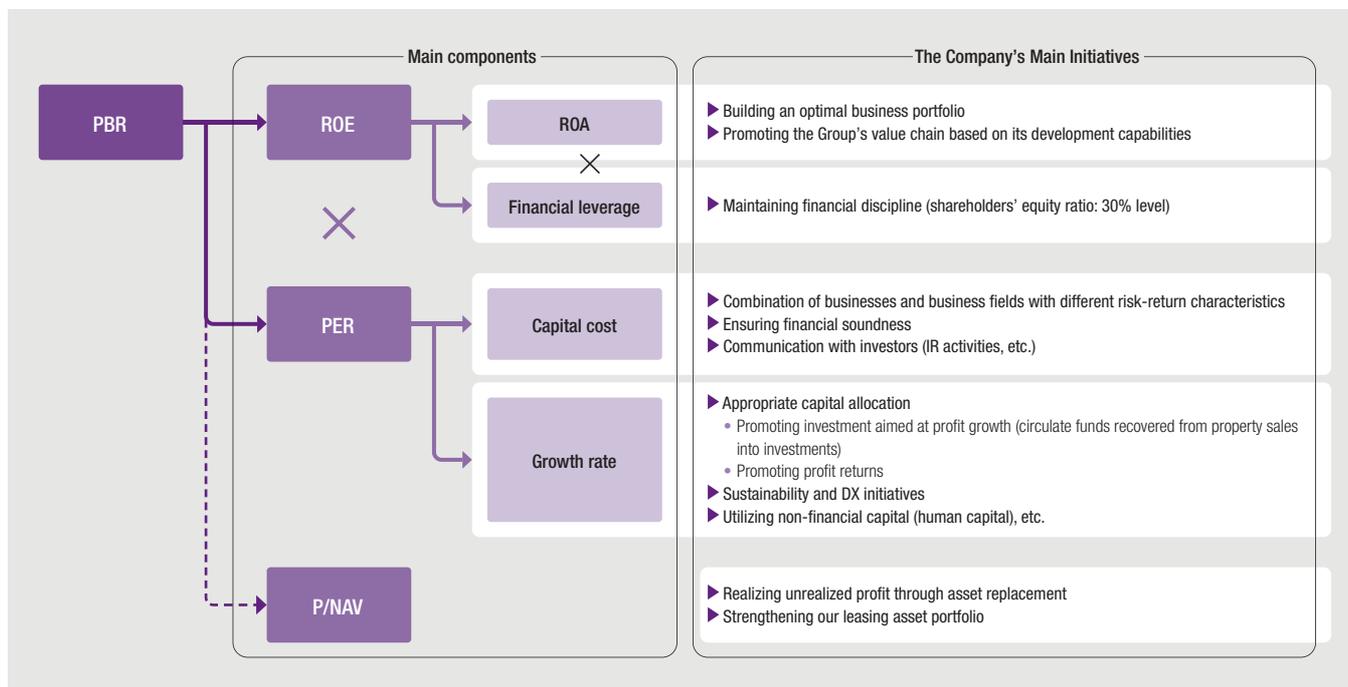
Q. The Tokyo Stock Exchange announced it would encourage the companies listed on the Prime Market to take action aimed at implementing management that is conscious of the cost of capital and stock price. From the perspective of stock price, how would you assess the evaluation of the Company by the stock 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.

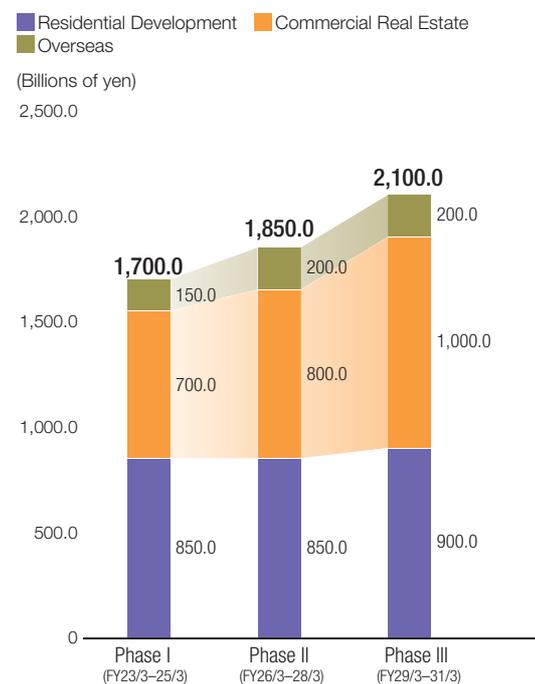
Q. What is your policy on capital allocation?

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



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.”

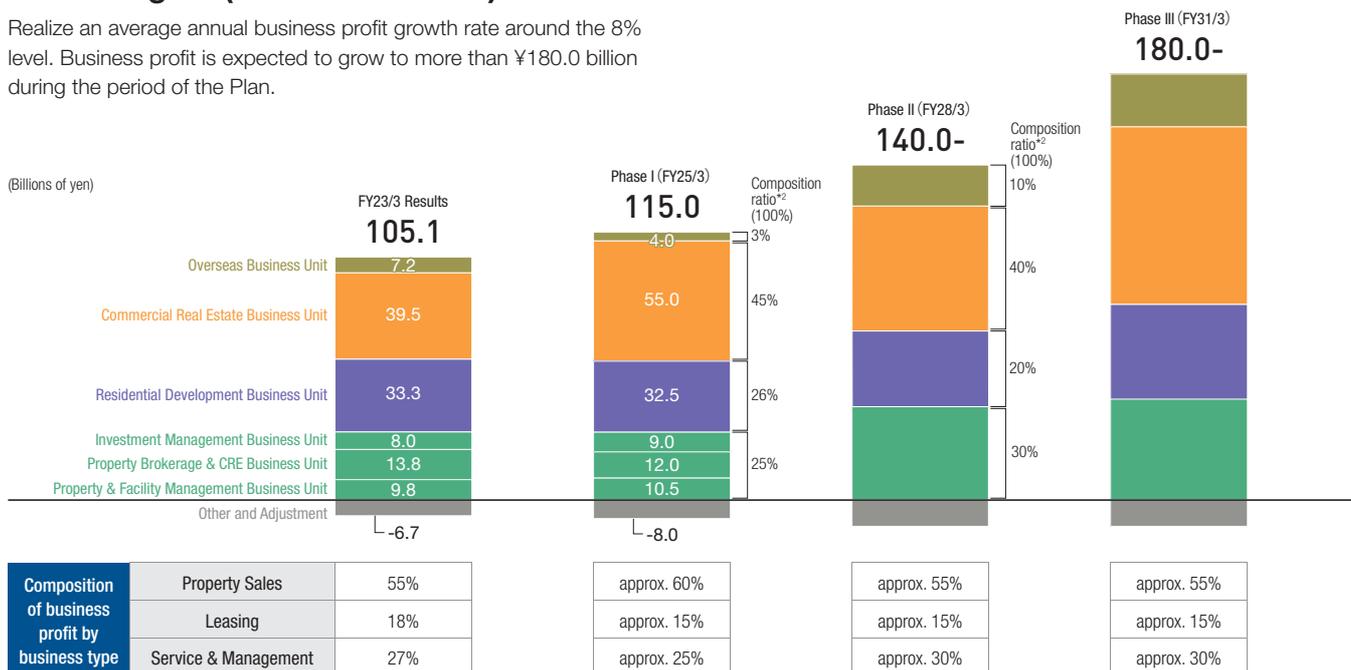
In addition, the Group formulates and executes long-term business plans by taking into account the characteristics of its real estate business, which has a long business period. At the same time, in principle the Group flexibly reviews the plans every three years to reflect changes in the external environment.

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 Business portfolio strategy Leasing asset portfolio strategy Investment and Recovery Strategy ▶ p. 35	DX Strategy ▶ pp. 36-37 Human Resources Strategy ▶ pp. 38-39	Sustainability Strategy Climate Change and Natural Environment Society and Employees ▶ pp. 40-47	Strategies by Business Unit Residential Development Commercial Real Estate Overseas Investment Management Property Brokerage & CRE Property & Facility Management ▶ pp. 48-59	Strategic investments 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
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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					
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.		

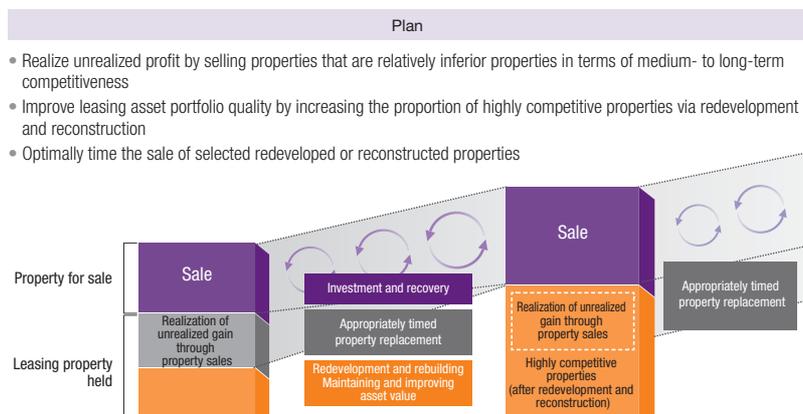
- Leverage the characteristics of each business to achieve a business portfolio that combines profit growth as well as high asset and capital efficiency
- Achieve a business profit growth rate around the 8% level through business expansion and profitability improvement powered by intragroup business 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

Results (FY2023/3)	
Business profit (Billions of yen)	105.1
Overseas Business Unit	92.7
Commercial Real Estate Business Unit	38.5
Residential Development Business Unit	32.5
Investment Management Business Unit	7.8
Property Brokerage & CRE Business Unit	11.7
Property & Facility Management Business Unit	9.2
Other and Adjustment	-7.4
	7.2
	39.5
	33.3
	8.0
	13.8
	9.8
	-6.7

ROA of each business unit

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



- 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

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				
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

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

Results (FY2023/3)	
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

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.

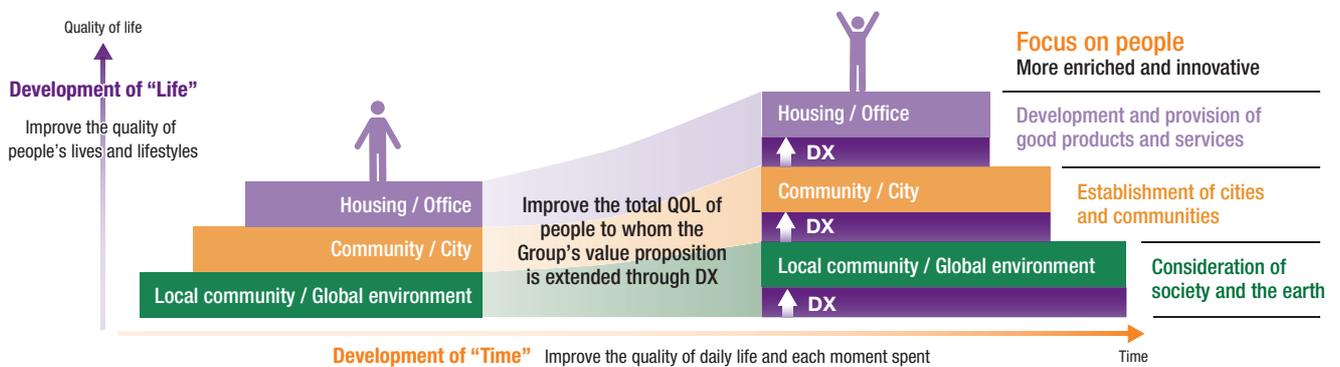
Overview of our DX strategy

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)

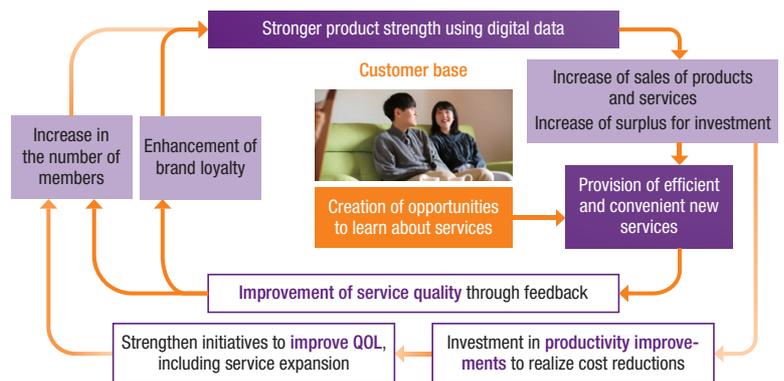
To improve QOL, we place emphasis on the following two aspects: Life (human’s respective lives) and Time (every moment of their time). We aim to provide new products and services by stepping up our development efforts with a further focus on people through DX.



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

<p>Development and provision of products and services</p>	<p>Services that we have begun providing</p> <ul style="list-style-type: none"> • WillTAP (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>
<p>Enhancing the productivity of operations</p>	<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.
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Highlights of utilizing digital technology

	<table border="1"> <tbody> <tr> <td data-bbox="526 1874 574 1930">1</td> <td data-bbox="582 1874 877 1930">Service close at hand for every person:</td> <td data-bbox="885 1874 1396 1930">The service can be accessed at any time anywhere from a computer for smartphone</td> </tr> <tr> <td data-bbox="526 1942 574 1998">2</td> <td data-bbox="582 1942 877 1998">Flexible service expansion:</td> <td data-bbox="885 1942 1396 1998">High-priority services can be steadily added to and quickly expanded</td> </tr> <tr> <td data-bbox="526 2009 574 2065">3</td> <td data-bbox="582 2009 877 2065">Service improvement using data analysis:</td> <td data-bbox="885 2009 1396 2065">Based on the movement of users, existing functions can be improved and new functions can be developed</td> </tr> </tbody> </table>	1	Service close at hand for every person:	The service can be accessed at any time anywhere from a computer for smartphone	2	Flexible service expansion:	High-priority services can be steadily added to and quickly expanded	3	Service improvement using data analysis:	Based on the movement of users, existing functions can be improved and new functions can be developed
1	Service close at hand for every person:	The service can be accessed at any time anywhere from a computer for smartphone								
2	Flexible service expansion:	High-priority services can be steadily added to and quickly expanded								
3	Service improvement using data analysis:	Based on the movement of users, existing functions can be improved and new functions can be developed								

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.

Examples of initiatives

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	
<p>Priority issues (materiality)/ targets</p>	<p>Contribution to the urgent global issue of reducing CO₂ emissions,</p> <div style="display: flex; align-items: center; justify-content: center;"> <h2 style="margin: 0;">Decarbonization</h2> </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>
<p>Key performance indicators (KPIs) for achieving the targets</p>	<ul style="list-style-type: none"> <li style="width: 33%; margin-right: 3%; margin-bottom: 10px;">• CO₂ emissions: reduce by 35%*1 <li style="width: 33%; margin-right: 3%; margin-bottom: 10px;">• Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards <li style="width: 33%; margin-bottom: 10px;">• Develop timber-based buildings: Carbon storage amount: 10,000 t-CO₂/year*2 <p><small>*1 Results are provided on page 45.</small></p>
<p>Initiatives of the Group</p>	<div style="display: flex; flex-direction: column;"> <div style="border: 1px solid #008000; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center; background-color: #008000; color: white; padding: 5px;">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 style="border: 1px solid #008000; padding: 10px; margin-bottom: 10px;"> <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 style="border: 1px solid #008000; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center; background-color: #008000; color: white; padding: 5px;">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 style="border: 1px solid #008000; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center; background-color: #008000; color: white; padding: 5px;">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 style="font-size: small; text-align: center;">PROUD CITY Kichijoji</p> </div> <div style="border: 1px solid #008000; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center; background-color: #008000; color: white; padding: 5px;">Low-carbon Timber-based buildings</p> <p style="text-align: right; font-size: small;">Utilization of timber</p> </div> <div style="border: 1px solid #008000; padding: 10px;"> <p style="text-align: center; background-color: #008000; color: white; padding: 5px;">Low-carbon</p> <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



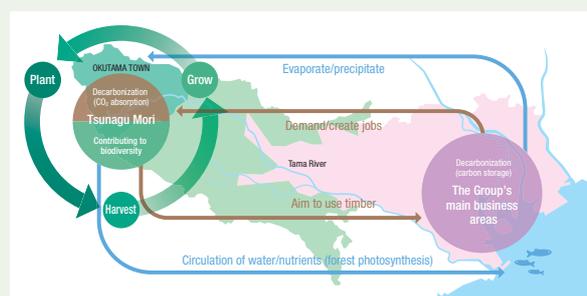
- Concluded a land rights establishment agreement for owning around 130 ha of forests over 30 years
- Regarding sustainable forest management, we acquired SGEN forest management (FM) certification and PEFC certification, a mutual international certification system



- 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).

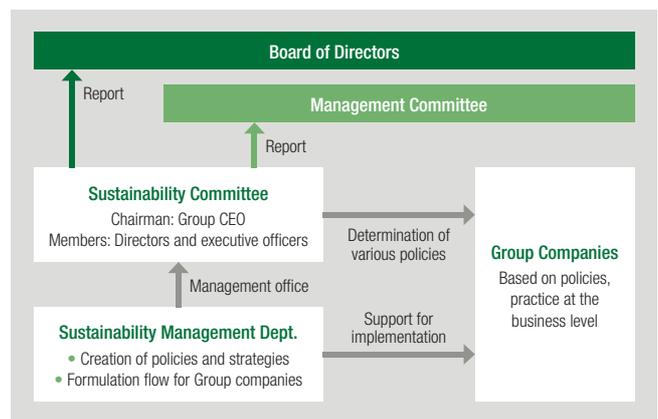


1 Sustainability governance

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
	 Technical	Change in reliability of businesses and products	—	—	—	—	
	Physical risks	 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.

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

	Duration of impact setting	Forecast period
Timeline setting	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.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Indicators concerning total greenhouse gas (GHG) emissions

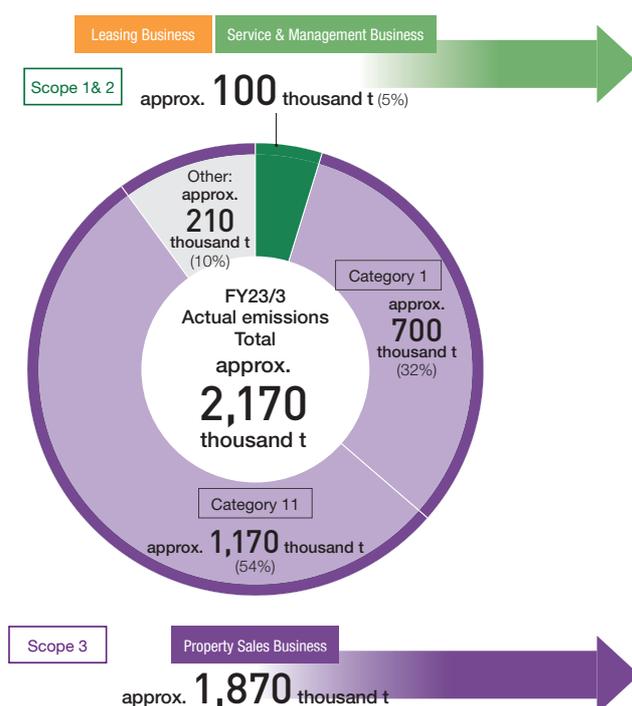
		Scope 1 & 2	Scope 3 ^{*1}
Long-term target	Total GHG (CO ₂) emissions by FY2051/3	Achieve carbon neutrality	
Medium- to long-term target	Total GHG (CO ₂) emissions by FY2031/3 compared to FY2020/3	Reduce by 35%	Reduce by 35%
Short-term target	Total GHG (CO ₂) emissions by FY2026/3 compared to FY2020/3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

*1 Applicable to categories 1 and 11

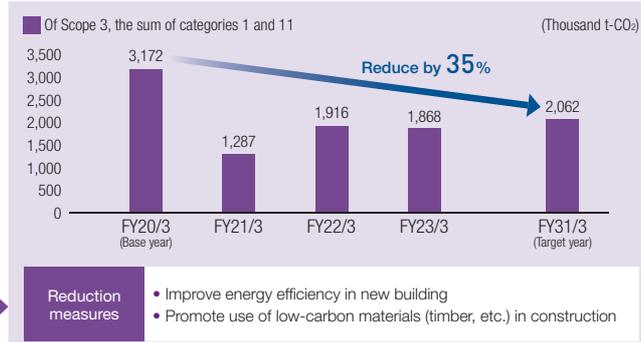
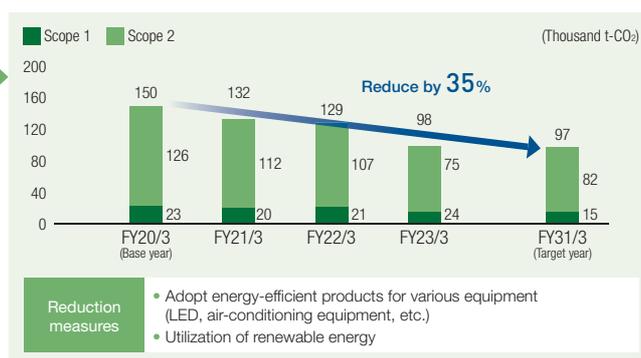
Indicators concerning renewable energy

		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	<div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;"> <h3 style="margin: 0;">Strengthening the foundation for promoting sustainability for “co-creation”</h3> </div> <div style="display: flex; align-items: center;"> <div> <h2 style="margin: 0;">Diversity & inclusion</h2> <p style="margin: 0;">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	<div style="display: flex; justify-content: space-between;"> <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 style="font-size: small; margin-top: 5px;">*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> </div>				
Initiatives of the Group	<h3 style="margin: 0;">Roadmap for promoting diversity & inclusion (D&I)</h3> <div style="display: flex; justify-content: space-around; margin-bottom: 10px;"> <div style="text-align: center;"> <p style="font-size: small;">Step I (FY23/3 and FY24/3)</p> <div style="background-color: #d9e1f2; padding: 10px; border: 1px solid #ccc;"> <p style="margin: 0;">Raise diversity and inclusion awareness</p> <p style="font-size: x-small; margin: 0;">Foster a corporate culture in which employees respect one another's differences and feel accepted themselves</p> </div> </div> <div style="text-align: center;"> <p style="font-size: small;">Step II (FY25/3 and FY26/3)</p> <div style="background-color: #d9e1f2; padding: 10px; border: 1px solid #ccc;"> <p style="margin: 0;">Routinely incorporate diversity and inclusion into business activities</p> <p style="font-size: x-small; margin: 0;">Diverse organizations and people work together and continue challenges themselves</p> </div> </div> <div style="text-align: center;"> <p style="font-size: small;">Step III (FY27/3 to FY31/3)</p> <div style="background-color: #0056b3; color: white; padding: 10px; border: 1px solid #ccc;"> <p style="margin: 0;">Develop a culture of innovation</p> <p style="font-size: x-small; margin: 0;">Create new value</p> </div> </div> </div> <div style="background-color: #92d050; padding: 5px; text-align: center; margin-bottom: 10px; font-size: small;"> Foundation: Flexible ways of working, wellness of mind and body, psychological sense of safety </div> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 60%;"> <p style="font-size: small; margin: 0;">Specific measures (excerpt)</p> <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 style="width: 30%; border: 2px solid #92d050; padding: 10px; margin-left: 10px;"> <p style="font-size: small; margin: 0;">Key goals for Step I</p> <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>				
	<h3 style="margin: 0;">Progress of key performance indicators (KPIs) (FY2023/3)</h3> <table border="1" style="width: 100%; border-collapse: collapse; font-size: small;"> <tr> <td style="width: 50%; padding: 5px;"> <p style="margin: 0;">Initiatives for female managers and junior managers</p> <p style="margin: 0;">Manager and junior manager ratio*³ 13.9%</p> <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 style="font-size: x-small; margin-top: 5px;">*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> </td> <td style="width: 50%; padding: 5px;"> <p style="margin: 0;">Initiatives related to childcare leave for men and women</p> <p style="margin: 0;">Utilization rate 64%</p> <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 </td> </tr> <tr> <td style="padding: 5px;"> <p style="margin: 0;">Initiatives related to products and designs with inclusive designs</p> <p style="margin: 0; font-size: x-small;">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> </td> <td style="padding: 5px;"> <p style="margin: 0;">One-on-one meetings</p> <p style="margin: 0;">Percentage of implementation 83%</p> <p style="margin: 0; font-size: x-small;">We consider dialogue highly important to foster an inclusive workplace. We also conducted training to enhance dialogue skills for officers.</p> </td> </tr> </table>	<p style="margin: 0;">Initiatives for female managers and junior managers</p> <p style="margin: 0;">Manager and junior manager ratio*³ 13.9%</p> <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 style="font-size: x-small; margin-top: 5px;">*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>	<p style="margin: 0;">Initiatives related to childcare leave for men and women</p> <p style="margin: 0;">Utilization rate 64%</p> <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 	<p style="margin: 0;">Initiatives related to products and designs with inclusive designs</p> <p style="margin: 0; font-size: x-small;">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>	<p style="margin: 0;">One-on-one meetings</p> <p style="margin: 0;">Percentage of implementation 83%</p> <p style="margin: 0; font-size: x-small;">We consider dialogue highly important to foster an inclusive workplace. We also conducted training to enhance dialogue skills for officers.</p>
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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	Approx. ¥280.0 billion
2. Companies that were sent surveys		Approx. 200	Approx. 300	Approx. 300
3. Companies that returned surveys		89 (approx. ¥90.0 billion)	154 (approx. ¥143.0 billion)	154 (approx. ¥143.0 billion)
4. Implementation rate (3./1.)		37%	51%	51%
5. Number of direct interviews held		10	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



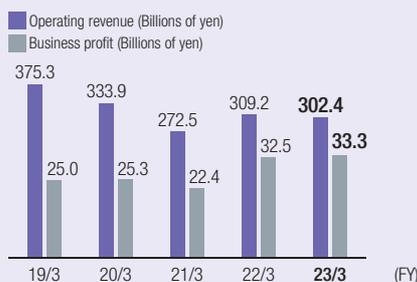
Residential Development Business Unit



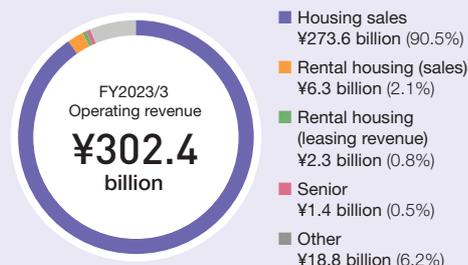
Major Group companies

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

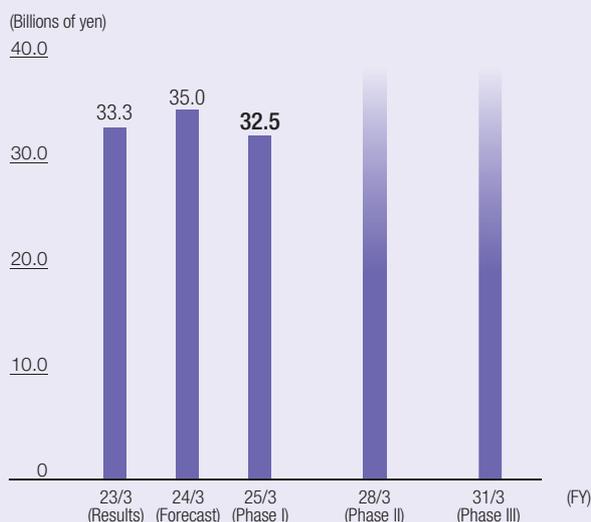
Business strategy

1. Deepen and evolve PROUD in the housing sale business (stable supply of 4,000 to 5,000 units per year)
2. Strengthen efforts in redevelopment and reconstruction projects
3. Response to diversifying needs
4. 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



EV charging facilities
(the photo is a sample image)

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

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



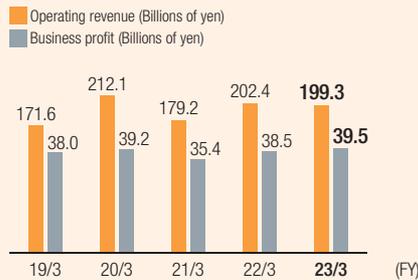
Hiroshi Kurokawa

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

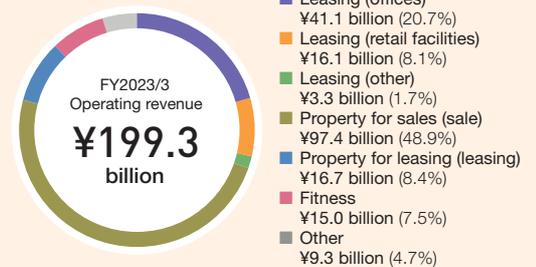
Major Group companies

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

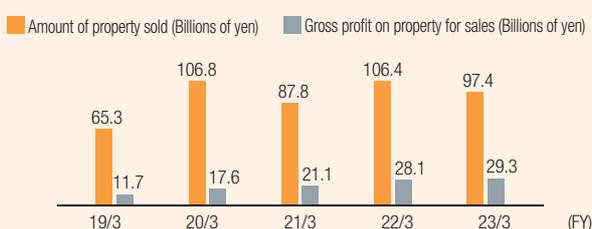
Competitive advantages

- 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

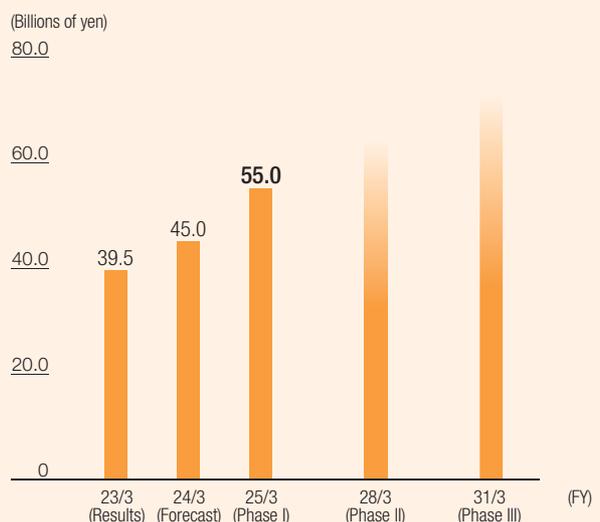
Business strategy

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 Machida

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



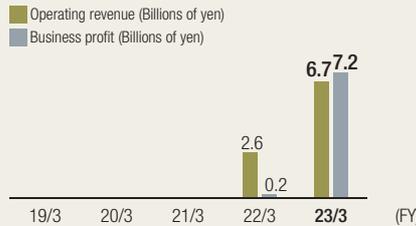
Masato Yamauchi

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



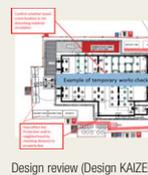
Business assets (As of March 31, 2023)

- 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)

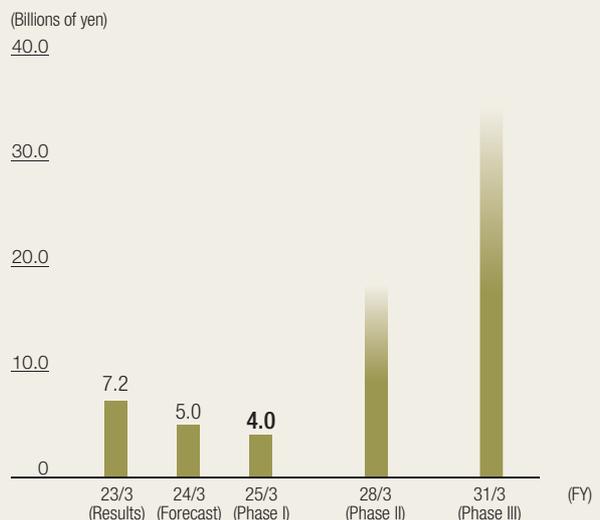
Business strategy

- 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)

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-

opment 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)

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



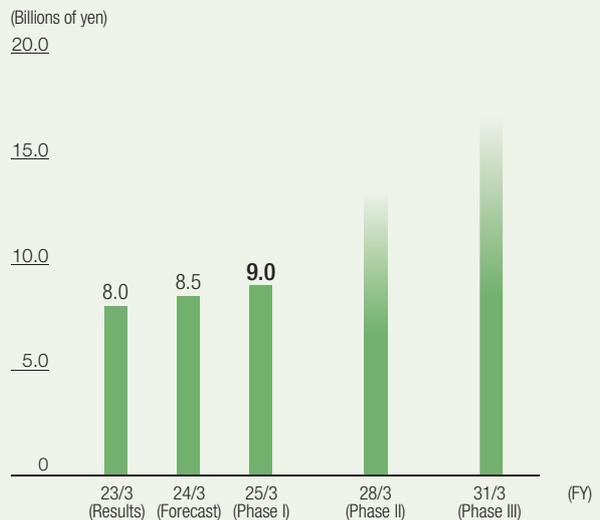
Business strategy

- 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

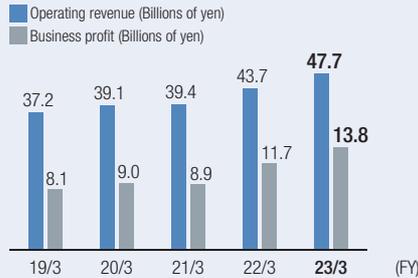


Kenichi Maeda
Executive Officer,
Business Unit Manager of Property Brokerage
& CRE Business Unit

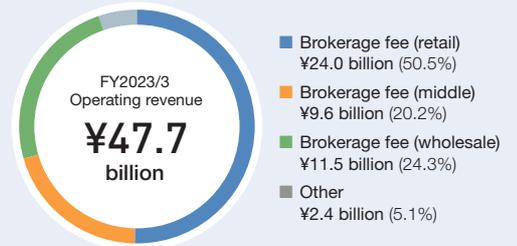
Major Group companies

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

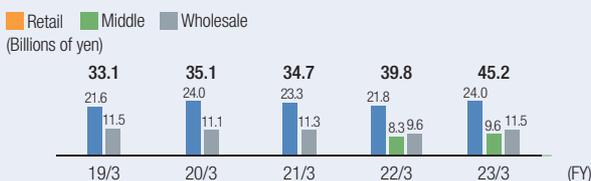


The nomu.com website

Business strategies

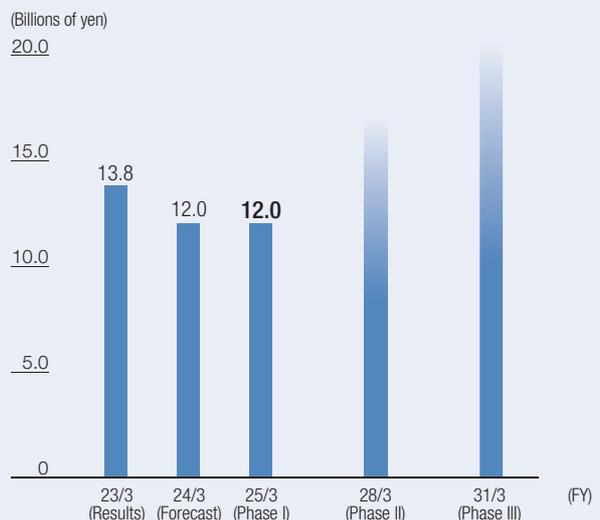
1. Expansion of stable revenue base capturing strong demand in the retail business
2. Meeting various needs through collaboration with the Nomura Group, financial institutions, and others in the middle business
3. Promotion of CRE proposals and capturing the investment needs of funds based on our customer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

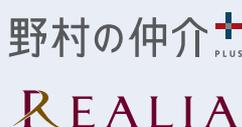
Financial targets (business profit)



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



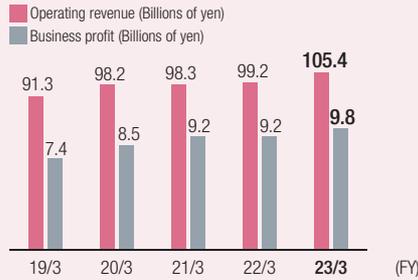
Kazuhiro Toida

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

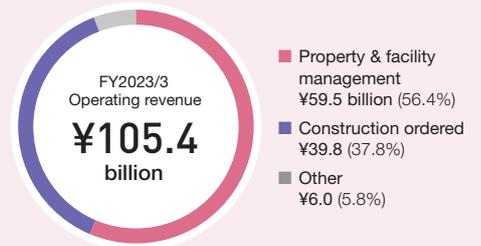
Major Group companies

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

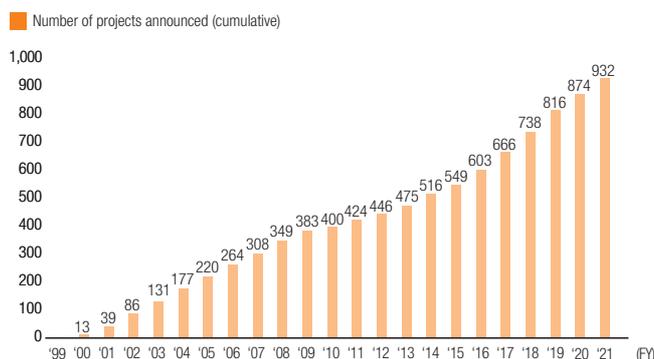
- Decrease in land suitable for real estate development, especially in the Tokyo metropolitan area
- Intensifying competition among real estate companies

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