

Three-Way Roundtable Discussion with the Chairman of the Board and Directors

The Chairman of the Board, the Supervisor of Management Division, and the former Chair of the Advisory Committee Relating to Nominations and Compensation discuss the roles that the Board of Directors should fill and what corporate governance should look like.



Eiji Kutsukake

Chairman of the Board and Director

Makoto Haga

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

Tetsu Takahashi

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

Roles the Board of Directors Should Fill and Ideal Membership Composition

Kutsukake: In the real estate industry, amid significant changes in the business environment, medium- to long-term initiatives for the next five to ten years are important. Accordingly, the Board of Directors must look at the big picture because the overarching direction of the Group's business and vision are important. I consider Board of Directors meetings a place for mutually confirming how the Group should expand. The Board of Directors must be a body in which individual directors are free to discuss topics from their various viewpoints while tapping into internal and external expertise and know how even as they diligently monitor the direction the Group is taking.

I believe it is my role as Chairman of the Board to foster a truly effective environment where not only do many various opinions emerge from free and active discussions, but also where those opinions steadily reach those on the executive side of the business and steer all of us in a beneficial direction.

Haga: I think the Board of Directors should be a body that determines whether the Company is appropriately taking the risks that it should take on a Company-wide level.

Both executive and non-executive directors engage in lively debate on whether proposals are based on objective, logical, and ethical decisions and whether the process is appropriate. As a result, an optimally balanced business portfolio is being built, which I believe is the central role required of the Board.

Takahashi: The Board of Directors basically has two roles: making important business decisions and monitoring the execution of business. With regard to which aspect should be emphasized, I think that there is a wide range of variation in terms of possible business models and business structures.

Because the Company is a holding company, an entity that encompasses various subsidiaries, I believe the Board of Directors should focus more on governance (monitoring oversight) rather than getting bogged down in the minutiae of individual decisions in each business.

Of course, because business decisions can significantly impact a given business's performance, we must be very careful with each decision. I believe it is important for the Company's Board of Directors to figure out and realize what the optimal balance is.

Kutsukake: From the perspective of balance, the composition of the Board members is also important.

Regarding the ideal membership composition, I acknowledge that ideally directors who have various skills would demonstrate each of



their skills as shown in a skill matrix. Up to June 2024, there was an issue of a temporary lack of an external director who has the experience and skills in top management. At the General Meeting of Shareholders in June 2024, we welcomed Mr. Yamashita, who has experience in top management, on board as a director, achieving an exceptionally well-balanced membership composition.

In the near future, I think we will need more members experienced in managing exposure and operating business overseas because the overseas business will be a major growth driver for the Company.

Takahashi: At the most recent General Meeting of Shareholders, the Board added Mr. Yamashita, who left an impressive legacy at Ricoh Co., Ltd. of overcoming challenging times, and Ms. Suemura, who brings specialized expertise in accounting. I believe the Board members now all have a wide range of experiences and skills, including its existing members: Mr. Mogi, who has experience as a CFO at a general trading company; Mr. Takakura, who is an expert in human capital management; Ms. Miyakawa, who is well-versed in accounting like Ms. Suemura; and myself, an attorney.

In the near term, the Advisory Committee Relating to Nominations and Compensation has a duty to continue selecting as director candidates human resources who have the necessary qualifications and who can bring new points of view that will enhance the Company's corporate value while maintaining the existing membership composition.

As Mr. Kutsukake said, we need to consider people who have more experience in overseas markets or who can bring a perspective unlike that of most Japanese people. Because Mr. Yamashita himself has over two decades of experience overseas, I think he will be able to provide advice that is especially helpful to the Company.

CEO Succession Plan

Haga: For the Company's succession plan, we more clearly defined the requirements for CEO, COO, CFO, Supervisor of Management Division, and other positions and added a mechanism to continually monitor candidates. We have put in place a responsive system that enables the selection of the people optimal for the environment of any particular time by nurturing many potential candidates.

Takahashi: In the succession plan, it is very important to assess whether the specific details and procedures of the succession maintain fairness, whether there is any arbitrariness, and whether the resulting conclusion is optimal.

Looking back on the selection of Mr. Arai, who became CEO in April 2023, the qualifications the Company expects in a CEO were identified as leadership, industry experience, an ambitious attitude, and the ability to build relationships with stakeholders. We conducted quantitative evaluations of multiple candidates and evaluated them in ways that could be clearly explained. Based on the evaluations, we conducted surveys, including interviews of the candidates and other relevant persons, and multiple discussions were held by the Committee Relating to Nominations and Compensation—more than half the membership of which comprises external directors—before reaching a conclusion. We also held meetings with candidates who were not chosen to provide feedback. We discussed what they could do going forward to

enhance their qualities, which had been somewhat lacking at that point in time. I believe the Advisory Committee Relating to Nominations and Compensation plays an important role in ensuring that every individual can contribute to the Company.

Although the system is clear and balanced, if we want to further improve it, we will need to continue developing each candidate from a continuity perspective.

Kutsukake: Over the past year, the Advisory Committee Relating to Nominations and Compensation has further deepened discussion related to the CEO succession plan. Going forward, to ensure the succession plan is effective, I consider my role to be enhancing discussions at meetings of the Advisory Committee Relating to Nominations and Compensation and the Board of Directors.

Mid- to Long-term Business Plan to Be Formulated in Spring 2025

Kutsukake: Mr. Haga and I have experience formulating three Mid- to Long-term Business Plans to date. In Japan recently, many companies often end up obsessing over numbers when they formulate such plans, and this has been mocked as the so-called “medium-term plan disease.” However, amid unprecedented changes in the environment, the purpose of formulating a long plan that spans the medium to long term is holding multiple discussions with directors and executive officers to align opinions, drafting plans with a sense of urgency and speed, and executing various strategies to achieve the plan. Then, after formulating a plan, it is important how directors monitor progress of the Mid- to Long-term Business plan and to balance execution and governance.

Haga: Because the real estate industry is a long-term business, it is important to formulate plans from a forward-looking perspective. Customer needs have significantly changed since the pandemic, particularly with regard to needs related to home life and work. We first need to determine what kind of value we can provide to meet those needs and what kind of role the Nomura Real Estate Group fills.

Another subject we should focus on in the near future is the need to assume interest rate hikes will continue in the business environment going forward—a major departure from the status quo of low interest rates that make it easy to operate in the real estate industry.

Looking at the environment for the overseas business, which is a growth driver, we will need to think about more meticulous market

environment analyses and business allocation, given the highly volatile interest rates, inflation, and exchange rates.

In addition, we need to more thoroughly discuss what the real estate industry will look like in two to three decades at Board of Directors meetings and put in place a process for incorporating these ideas into meticulous plans.

We should prepare multiple scenarios and clearly determine their passive and dynamically active aspects, such as which scenario has the highest probability and whether there is any room for taking action ourselves rather than just passively accepting interest rate hikes.

Considering the trend of inflation, when implementing strategies to raise our top line, we need to reform the mindsets of all employees. It is most important to further leverage our own strengths to confidently raise sale prices and rents.

Takahashi: I think the Company's shareholders become shareholders based on their trust that top management will achieve planned mid- to long-term profit targets. The real estate industry is sensitive to changes in various economic conditions due to some urban redevelopment projects spanning more than a decade. On the other hand, considering forecasts for the next two to three years, a characteristic of this business is that it is relatively easy to forecast operating results.

Accordingly, as Mr. Kutsukake said, I think it is important for the Company to clearly state where it wants to be in the next decade.

Disclosing business profit targets is obviously important, but so is imagining how, 10 years from now, employees will relate to the Company and how relationships with stakeholders will deepen and contribute to society. In these ways, I would like to ensure the plan includes the story of the Company's future.

Kutsukake: It is not enough for the Board of Directors to just formulate a Mid- to Long-term Business Plan. Rather, it is very important for them to confirm current conditions with executive officers with the intention of backcasting and asking whether we will achieve our vision for the next three to five years.

The ideal governance for realizing the vision of “Be a ‘Life & Time Developer,’ as Never Seen Before”

Takahashi: To realize the 2030 vision, we need to aim to go beyond providing tangible real estate to create new value. We should provide all manner of intangible services related all facets of life from a new



perspective. I look forward to initiatives that have social significance and make contributions. Top management, including directors and executive officers, need to understand this and hold multiple discussions regarding the management issues this topic raises.

Haga: To provide society with products and services that realize “Be a ‘Life & Time Developer,’ as Never Seen Before,” the Board of Directors and the Company will need to change to achieve its vision. We will be able to flexibly, dynamically build a business portfolio by providing business proposals adapted to the market environment from the executive side and holding discussions at Board of Directors meetings. That is the ideal form of governance.

I realize my own role is to clarify the Company's future position, prepare multiple scenarios on how to reach that position, and lay the groundwork for discussions at Board of Directors meetings.

Kutsukake: The Company achieved record-breaking profit in the fiscal year ended March 2024, but its competitors are also consistently making progress. We must not think the “record-breaking profit” means the Company has become a “good company” and we are lucky to be a part of this. I think the each director will need to take ownership of the vision “Be a ‘Life & Time Developer,’ as Never Seen Before” and strive to ensure the Group makes the Company's future appealing to both investors and employees. To this end, it is important that the Board fulfill its role to enhance corporate value through governance.

DIALOGUE

External Directors' Roundtable Discussion

Three external directors reflect on discussions held at Board meetings in FY2024/3 and share expertise- and experience-informed thoughts on the Overseas Business Unit's growth strategies, key points of human capital management, and the realization of management that is conscious of the cost of capital and stock price as well as on their involvement in the Board of Directors.

Assessment of FY2024/3 Results and Growth Drivers Going Forward

Mogi: FY2024/3 results were strong as evidenced by our achieving record high profit in FY2024/3 and our share price reaching a record high in May 2024 (as of September 2024). Shareholders and investors have also lauded these achievements. However, the capital markets have already moved on to asking about our outlook on profit growth in the next fiscal year and beyond. Speaking of which, in the real estate business, securing land for development is of the utmost importance to achieving profit growth.

Miyakawa: One characteristic of the real estate industry is that the cost of sales, including constructions costs, are set several years in advance, so the emergence of the effects of increases are delayed. Going forward, as material prices and labor costs further increase, I think the issue will be how much profit we can secure. In addition, looking back on discussions at Board of Directors meetings over the last year, a key theme of discussion was the response to delays in construction and sales progress in some projects for the overseas business. Regarding the overseas business, which is a growth driver of the Group, I recognize a major issue is how to conduct monitoring.

Takakura: As evidenced by questions at the general meeting of shareholders, there is a high level of interest in what our next steps should be for achieving profit growth moving ahead.

The Board of Directors is regularly holding multifaceted discussions based on the experience and expertise of its members in connection with developing current businesses and creating new future businesses.

Although the Overseas Business Unit's results for FY2024/3 were



stark, in light of its future potential, there has been no change in our position on the unit as a promising growth driver.

We external directors regularly tour overseas business sites, and it was very impressive to see the local employees working hard to harness the accumulated know-how of the Group to achieve future growth. On the other hand, because there are many variables in the overseas business and unexpected events can occur, our management ability is often severely tested. The overseas business certainly has many elements that make it difficult to determine how much profit contribution is possible in the near future, the Board needs to make decisions on a wide range of matters.

Mogi: Although our overseas business enjoys large profit margins, the risks are significant. When risks materialize, it is vital for the overseas business to determine how to minimize losses and how to ensure that profit trends upward while minimizing any downward movement.

Speaking as one who comes from a general trading company background, in terms of distance as well as business practices the differences between Southeast Asian countries and Japan are small. I believe that to become rooted in the local culture you need to abandon the mindset that you are operating in an overseas region and work under the assumption that the business fields are not so different from those found in Japan's various regions, just with somewhat different words and rules. It is important to have the mindset that it is not so different from taking a flight from Tokyo to another area in Japan if you have a few hours to spare.

Miyakawa: For studies on overseas business, we are also holding hearings given by accounting auditors on how to collect data and figures as well as on the opinions of local audit firms. In FY2024/3, when there was an impairment loss related to a UK subsidiary of the Investment Management Business Unit, I realized our data updates were delayed. I felt it was necessary to not just passively receive data from local subsidiaries but to take the initiative in acquiring data important to risk management. Improvements need to be made moving forward.

Management for businesses that operate globally needs to be firmly rooted in local regions. During the pandemic, telephone and online communication became central, but it was and remains difficult to determine whether there are any potential business risks without visiting local sites. Visiting and experiencing the local area helps people realize how the culture and practices are different from those of Japan and facilitates the promotion of diversity.



Chiharu Takakura

Director (External)

Yoshio Mogi

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

Akiko Miyakawa

Director (Audit & Supervisory
Committee Member)

The key to human capital management is the depth of its bench of candidates

Takakura: The Company's development to date has focused on individual customers searching for homes and corporate customers who use office and other buildings as tenants. The commercialization of customer needs by drawing out insights from each side of our business helped form the source of our competitive advantage. Similarly, the overseas business needs to develop human resources capable of commercializing customer needs from a forward-looking perspective. This will take time, and young employees with potential need to be sent overseas in the early stages of their careers to polish their skills. This is because human resources who can lead the overseas business will not just miraculously appear.

Once, when I was researching the keys to human resource development at Japanese companies, I found that the people in top management of companies competing in the global market all worked overseas just before they turned 30 years old. Being unable to easily communicate as they would in Japan and launching a career in an unfamiliar place from scratch really tests one's capabilities.

Mogi: If you are younger when you go overseas, it is easier to laugh off small failures, so I would advise the Board to provide more overseas experience to young employees. In addition, if the Company is to focus on its overseas business, I would advise stationing officers overseas as well.

It has been about 10 years since the Company restarted its overseas

business, and it is not that easy to expand business in just one decade. In addition, while building business is important, it is also crucial to form human relations. To this end, building human relationships with local key persons is essential.

Takakura: I have been involved in global management for over 20 years, and what was needed then was the ability to view the world from a bird's-eye perspective. I have pointed out at Board meetings how the Company's viewpoint is Tokyo-based. As Mr. Mogi said, if the Company runs a business rooted in another Asian country, it should not only recruit local staff but also provide opportunities for ambitious Japanese human resources to take on new challenges.

The key to globalization is optimally allocating the management resources of people, things, and money and evolving businesses. Because the speed of change is often rapid, business development scenarios can also rapidly change. Basically, it is important to set up a situation where there is a deep bench that offers diverse human resources to draw from.

At the Company's Board meetings, we have begun discussing what kind of human resource portfolio we should have and how to promote human capital management.

Miyakawa: Because the Company operates a wide range of businesses, it is important to develop generalists in the human resources portfolio through personnel rotation. Even so, specialists are still needed in each field, so maintaining an ideal balance between the two is crucial.

Takakura: Touching on the idea that we need a deep bench,



European and U.S. companies heavily focus on the strength of their global benches.

To date, the Company has been able to grow by first drawing up strategies and then assigning human resources capable of carrying out those strategies. However, in an environment of heightened uncertainty and unforeseen events, an organization with homogenous human resources will be unable to respond to a broad range of strategies, even if the strategic scope is expanded, because there will be a shortage of individuals capable of adapting to and executing those strategies.

Avoiding this outcome depends on how well the bench is stocked with diverse human resources. The term diversity in Japan often focuses on female empowerment, but diversity in this instance is in reference to diverse values, viewpoints, and skills. I believe stacking the bench with diverse human resources will enable the creation of strategies that can be implemented in uncertain times.

At present, we are at the stage where the Group's major policies for human resource strategies have been set, so we need to deepen our discussions on ways of strengthening our human resources and promoting diversity within our bench through specific human resource measures moving forward.

Working to realize management that is conscious of the cost of capital and stock price

Miyakawa: The Board has held multiple discussions this past year about whether each proposal is really worth undertaking.

Regarding matters discussed by the Board and Management Committee, we are carefully monitoring whether they meet IRR or other standards and what kind of effect they will ultimately have on ROE. Conversely, if there is a project we should pursue to improve our brand power, I think Board meetings are the right place to advocate for that option.

I think that what it means for the Board of Directors to be effective, as in governance that is effective, is that each director is fulfilling the

roles expected of them and they are carefully monitoring each other. In that case, I think the Board of Directors should not only avoid risk but also take appropriate risks and make rational decisions. In short, I think it is the role of the Board to support stepping on the gas when everyone else is pumping the brakes.

Mogi: Regarding management that is conscious of the cost of capital and stock price, the management team is working hard with a strong awareness. What I want to remain keenly aware of is that because the Company's performance is good, it has been highly evaluated by the capital market, as has its share price. I believe that companies that are in the red are ultimately not highly evaluated. For that reason, I would like the Board of Directors to regularly discuss the profitability of individual projects.

If we steadily increase profit and build up shareholders' equity, even if there are some ups and downs, the share price will naturally rise in proportion to the accumulated shareholders' equity.

Although promoting IR and engaging in other activities to ensure that people better understand the Company is a necessary part of our share price measures, our top priority is to secure profit. Accordingly, we need to thoroughly discuss how to allocate the people, things, and money within the overseas business and what to target.

Takakura: Management that is conscious of the cost of capital and stock price is a very broad theme that should be debated along with sustainability management. If a framework cannot earn profit, it will not prevail over companies on the global stage or even last very long domestically.

I believe that overseas business is one of the growth drivers, but speed will be even more necessary going forward. It is important to seriously manage risks, but we need to boldly take on new endeavors without fear of failure to compete on a global scale.

In addition, as demonstrated by our vision of "Be a 'Life & Time Developer,' as never seen before," the Company's corporate value does not end with building up tangible real estate assets. I firmly believe that improvements in corporate value will emerge from a mindset focused on added value going forward coupled with an acute awareness of changing workstyles and living environments as we navigate the next decade or two.



Greetings from Newly Appointed External Directors



Yoshinori Yamashita
External Director
(Chair of the Advisory Committee Relating to Nominations and Compensation)

In June 2024, I became an external director of the Company and the chair of the Advisory Committee Relating to Nominations and Compensation. When I was appointed, I felt there was overlap between the values embraced by the Company and Ricoh Co., Ltd., where I have been working to date. In particular, I felt that the two share the corporate vision of creating a better tomorrow through business and action guidelines, including a client-first approach. Based on these shared universal values, I believe I can leverage my experience to date to contribute to the Company.

Over my many years in management, I have been part of the leadership team during business transformations undergone by a global manufacturer and service provider. Specifically, I implemented initiatives prioritizing social demands in the fields of corporate governance, sustainability, DX, and more. Leveraging my expertise to date, I will continue to contribute to discussions at Board meetings. In addition, as the chair of the Advisory Committee Relating to Nominations and Compensation, I am working to firmly ensure the safety, independence, and objectivity of the nomination and compensation processes as well as to consider agenda items and continually improve processes and systems.

Since its founding, the Nomura Real Estate Group has continued to grow through business transformation. I regard recent major environmental changes as opportunities for future growth and intend to fulfill my duty as an external director so that we can achieve another major jump in growth.



Aogi Suemura
Director
(Audit & Supervisory Committee Member)

In June 2024, I became an external director of the Company. As a certified public accountant, I was in charge of many audits of real estate funds and real estate related companies at an audit firm. I also worked in accounting associated with real estate for a business company. My selection was based on these work experiences in the real estate field and my affinity for this industry, and I consider it a great honor.

The mission of independent external directors is to utilize their steadily cultivated expertise to monitor the management of companies as an advocate for various stakeholders, including minor shareholders, from an ESG perspective. At the same time, members of the Audit & Supervisory Committee Members play the role of auditing the business execution of directors from an independent standpoint. In my experience as an external director and Audit & Supervisory Committee Member to date, I have striven to fulfill my occupational duties with an awareness of thorough independence rooted in objective and critical perspectives.

Real estate developers bear a major responsibility to society and are expected to help develop communities and enhance the quality of life.

To meet these expectations, the Nomura Real Estate Group needs make progress on environmentally and socially conscious growth strategies and maintain solid governance to realize the continual enhancement of corporate value going forward. With the aim of helping foster high-quality, highly transparent corporate governance at the Group, I will continue focusing on various measures and providing frank opinions.

Corporate Governance

Overview of corporate governance

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

Basic concept of our corporate governance →p. 72	Improvement of the effectiveness of the Board of Directors →p. 79
Characteristics of our corporate governance system →p. 73	Strategic shareholdings policy →p. 79
Corporate governance system →p. 74	Compensation for directors →p. 80
Diversity of directors →p. 76	Risk management →p. 82

Status of compliance with the Corporate Governance Code

The Company complies with all principles set forth in the Corporate Governance Code.

Basic concept of our corporate governance

The Company believes that it must be governed in a way that continuously maximizes the Group's value over the long term, while giving consideration to the interests of shareholders and all other stakeholders of the Company. It aims to enhance the earnings power of the entire Group, while carrying out its duties as a holding company to manage and supervise the business activities of its subsidiaries. Also, it endeavors to build a more transparent management system in accordance with the Basic Corporate Governance Policy formulated in 2015.

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

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

Characteristics of our corporate governance system

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

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

Our efforts to reinforce corporate governance

(FY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Organization	● Introduced an executive officer system to separate the business execution function from the management and supervisory functions												
	● Established the Management Committee to help strengthen Group management systems												
	● Transitioned to a company with an Audit & Supervisory Committee												
	● Established the Advisory Committee Relating to Nominations and Compensation ● Appointed an external director as the Chairman of the Advisory Committee Relating to Nominations and Compensation												
Directors (No.)	6*	5	5*	8	13			12	13	12*	11	13	
External (No.)	0	1	2	5					4	6			
Independent external (No.)	0	1	4	5					4	6			
Female (No.)	0	1		2			1	2	1	2	3		
The assessment of effectiveness	● Began conducting an assessment of the effectiveness of the Board of Directors												
	● Began utilizing a third-party evaluation organization												
Compensation	● Raised the maximum number of share acquisition rights used for stock options to increase the performance-based compensation ratio in order to share more interests with shareholders ● Implemented performance-based share compensation												
Other	● Partially transferred authority from the Board of Directors to the Management Committee to speed up business execution												
	● Formulated the Basic Corporate Governance Policy												
	● Disclosed reasons for appointment of directors ● Reorganized and restructured items, systems, and divisions/departments for risk management in order to strengthen the risk management system												

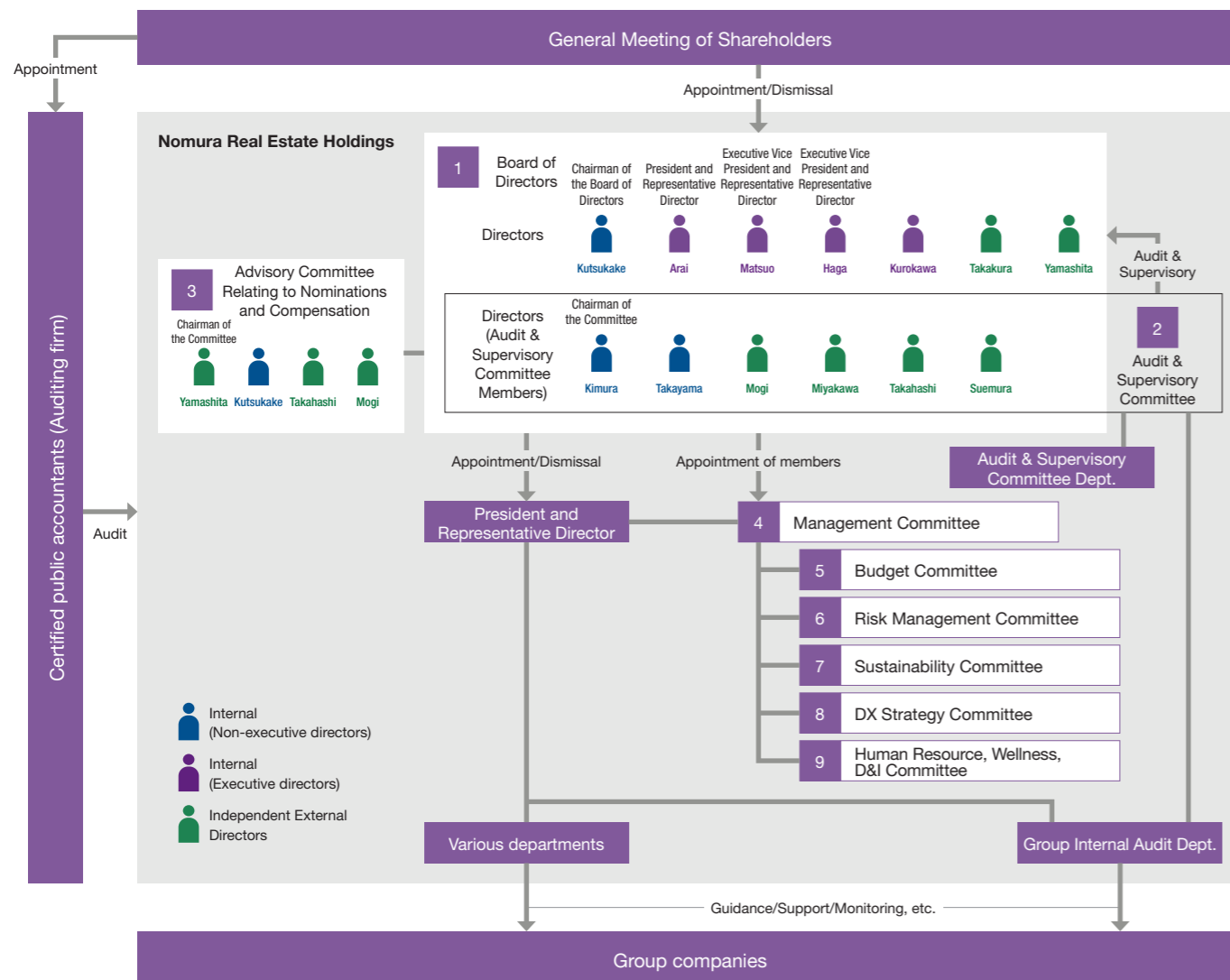
*Reduction due to resignation or retirement during the period is not stated.

Corporate governance system

Characteristics of the Group's governance system

- Company with an Audit & Supervisory Committee
- A non-executive Director being the Chairman of the Board of Directors
- Out of 13 directors, six being independent external directors
- Established the Advisory Committee Relating to Nominations and Compensation
- An independent external director being the Chairman of the Advisory Committee Relating to Nominations and Compensation
- Independent external directors being the majority of the members of the Audit & Supervisory Committee and the Advisory Committee Relating to Nominations and Compensation

Chart of Corporate Governance System



Group governance

As a holding company, the Company manages its Group companies under various regulations, such as Regulations regarding Group Organizational Management and Group Internal Audit. In addition, its directors (excluding those who serve as Audit & Supervisory Committee Members) and executive officers also hold the post of director, etc., in major Group companies, while directors who serve as Audit & Supervisory Committee Members also act as Audit & Supervisory Board Members in major Group companies to strengthen Group management. Furthermore, the Company has built systems for risk management, compliance, and internal audits within the Company itself and the entire Group, with the Board of Directors regularly receiving reports on each of the systems, for an effective monitoring of Group management.

1 The Board of Directors

Held 13 times during FY24/3

Roles of the Board of Directors

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

Composition of the Board of Directors

The Company's Board of Directors comprises seven directors (excluding directors who serve as Audit & Supervisory Committee Members) (of which two are external directors) and six directors who serve as Audit & Supervisory Committee Members (of which four are external directors). The Company appoints diverse directors with various knowledge, experience, and skills in order to ensure the necessary balance and diversity as a holding company that manages companies that conduct business in a wide array of areas. In order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, six of the 13 directors are independent external directors.

Roles of Independent External Directors

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

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

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

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

2 The Audit & Supervisory Committee

Held 12 times during FY24/3

Roles of Audit & Supervisory Committee

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

Composition of the Audit & Supervisory Committee

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

Main initiatives taken by the Audit & Supervisory Committee

Main matters on the agenda at the meetings of the Audit & Supervisory Committee include providing consent for the nomination of directors who act as Audit & Supervisory Committee Members, drawing up audit plans, providing consent for the internal audit plan submitted by the Group Internal Audit Dept., the preparation of audit reports, the reappointment/replacement of the Accounting Auditor based on assessments of its performance, providing consent for compensation for the Accounting Auditor, and deciding on the appointment and

compensation, etc., of the directors except for Audit & Supervisory Committee Members. The full-time Audit & Supervisory Committee Members attend important meetings of the Company and request reports from operating divisions as necessary to gather information on the Company's business execution status.

3 The Advisory Committee Relating to Nominations and Compensation

Held 7 times during FY24/3

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

4 Management Committee

Held 46 times during FY24/3

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

5 Budget Committee

Held 9 times during FY24/3

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

6 Risk Management Committee

Held 7 times during FY24/3

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

7 Sustainability Committee

Held 3 times during FY24/3

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

8 DX Strategy Committee

Held 12 times during FY24/3

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

9 Human Resource, Wellness, D&I Committee

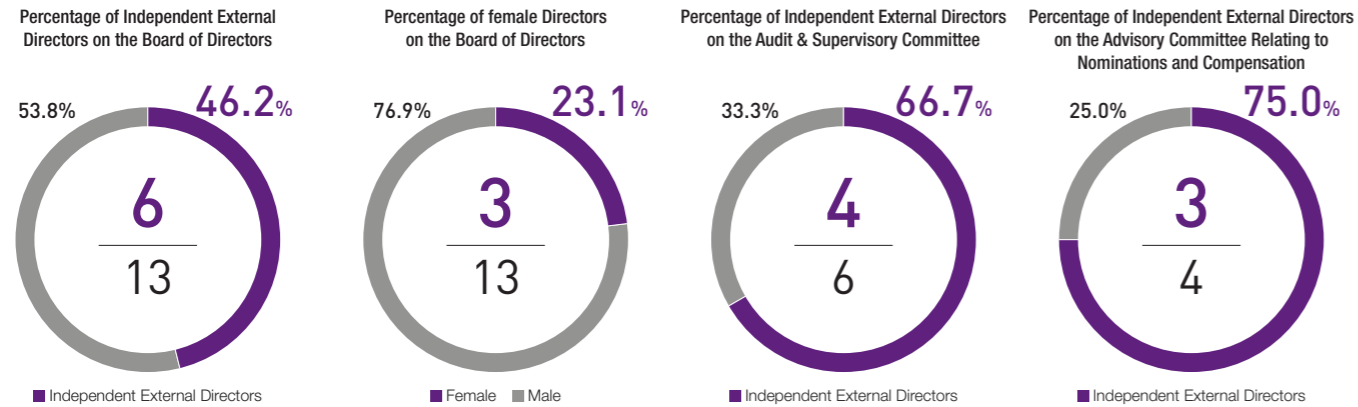
Held 2 times during FY24/3

Under the Management Committee, the Committee discusses matters regarding Group-wide HR issues, the optimal placement of best-suited personnel in each Group company (in terms of placement, promotion, development, and recruitment), and the establishment of work environments (in terms of wellness and D&I) with the purpose of promoting human capital strategies aligned with business strategies.

Diversity of directors

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

Composition of the Board of Directors and Committees



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

Name	Position/Responsibilities	Executive/External/Independent/New	Term of office ^{*1}	Gender	Attendance rate at meetings of Board of Directors (upper row) and Audit & Supervisory Committee (bottom row) (number of meetings)	Audit & Supervisory Committee Members ^{*2}	Advisory Committee Relating to Nominations and Compensation Members ^{*2}
Eiji Kutsukake	Chair and Director	Non-executive	10	Male	100% (13/13)		○
Satoshi Arai	President and Representative Director, and Executive Officer Group CEO	Executive	2	Male	100% (13/13)		
Daisaku Matsuo	Executive Vice President, Representative Director, and Executive Officer Group COO	Executive	3	Male	100% (13/13)		
Makoto Haga	Executive Vice President, Representative Director, and Executive Officer	Executive	7	Male	100% (13/13)		
Hiroshi Kurokawa	Director and Executive Officer	Executive	3	Male	100% (13/13)		
Chiharu Takakura	Director	Non-executive External Independent	1	Female	100% (10/10) ^{*3}		
Yoshinori Yamashita	Director	Non-executive External Independent New	-	Male	(Assumed on June 21, 2024)		◎
Hiroyuki Kimura	Director (Audit & Supervisory Committee Member) (Full-time)	Non-executive	3	Male	100% (13/13) 100% (12/12)	◎	
Yasushi Takayama	Director (Audit & Supervisory Committee Member) (Full-time)	Non-executive	5	Male	100% (13/13) 100% (12/12)	○	
Yoshio Mogi	Director (Audit & Supervisory Committee Member)	Non-executive External Independent	5	Male	100% (13/13) 100% (12/12)	○	○
Akiko Miyakawa	Director (Audit & Supervisory Committee Member)	Non-executive External Independent	5	Female	100% (13/13) 100% (12/12)	○	
Tetsu Takahashi	Director (Audit & Supervisory Committee Member)	Non-executive External Independent	4	Male	100% (13/13) 100% (12/12)	○	○
Aogi Suemura	Director (Audit & Supervisory Committee Member)	Non-executive External Independent New	-	Female	(Assumed on June 21, 2024)	○	

*1 Term of office as director as of June 21, 2024 *2 ◎: Committee Chairman *3 Number of meetings held in the fiscal year ended March 31, 2024 since assuming the position of director on June 23, 2023

Reasons for the appointment of external directors

Name	Reasons for the appointment
Chiharu Takakura	Chiharu Takakura has great knowledge and experience and profound insights into human resources strategy and development, including the promotion of human capital management, acquired during her many years executing business in important roles in the human resources division of a global company as well as participating on specialist committees for a governmental agency. She has been selected as an external director because it is expected that by leveraging her skills and experience she will contribute to the strengthening of the supervisory function of the Board of Directors and corporate governance systems, and fair and transparent management.
Yoshinori Yamashita	Yoshinori Yamashita has great knowledge and experience and profound insights concerning corporate management, acquired through his many years working as a corporate manager. He has been selected as an external director because it is expected that his extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure as well as to enhancing fair and transparent management.
Yoshio Mogi	Yoshio Mogi has great knowledge, experience and extensive insights concerning corporate management acquired through his many years working as a corporate manager. As an external director, he has been selected as an Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure as well as to enhancing the auditing structure.
Akiko Miyakawa	Akiko Miyakawa has great knowledge, experience and extensive insights as an expert at accounting and auditing acquired through her many years working as a Certified Public Accountant. As an external officer, she has been selected as an Audit & Supervisory Committee Member because it is expected that her extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure as well as to enhancing the auditing structure, although she has no previous experience of direct involvement in the management of a company other than as an external officer.
Tetsu Takahashi	Tetsu Takahashi has great knowledge, experience and extensive insights as a legal expert acquired through his many years working as a lawyer. He has never in the past been directly involved in the management of a company except as an external officer. However, he has been selected as an external director and as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge as a representative of a law firm and an external director and outside audit & supervisory board member of other companies will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure as well as to enhancing the auditing structure.
Aogi Suemura	Aogi Suemura is an expert at accounting and auditing and has great knowledge, experience and extensive insights acquired through her many years working as a Certified Public Accountant. She has been selected as an external director as Audit & Supervisory Committee Member because it is expected that her extensive experience and knowledge as a Certified Public Accountant, external director, and external Audit & Supervisory Committee Member will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure as well as to enhancing the auditing structure, although she has no previous experience of direct involvement in the management of a company other than as an external officer.

Initiatives to Support and Improve the Skills of Directors

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

	Specific initiatives	Number of sessions (FY 2024/3)
Training provided by guest lecturers from outside the Company	In the fiscal year ended March 2024, we invited outside experts to hold study sessions for directors and executive officers, with "The Most Important Points to Be Considered to Promote Diversity & Inclusion" as a key topic	1
Tour of the Company's properties	To deepen understanding of the Group's wide-ranging business operations, we provide regular opportunities for external directors to tour the Company's properties.	1

Director skills matrix

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

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

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

Definition of skills

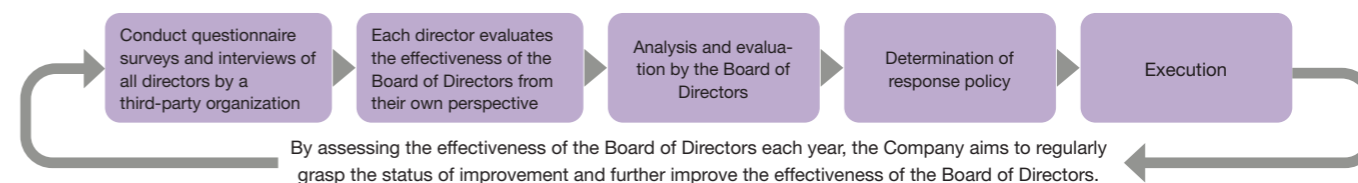
The Board of Directors comprises various directors with the wide range of knowledge, experience, and capabilities needed to ensure the balance and diversity necessary for a holding company that manages companies engaging in businesses in many different fields.

Reason for selecting each skill

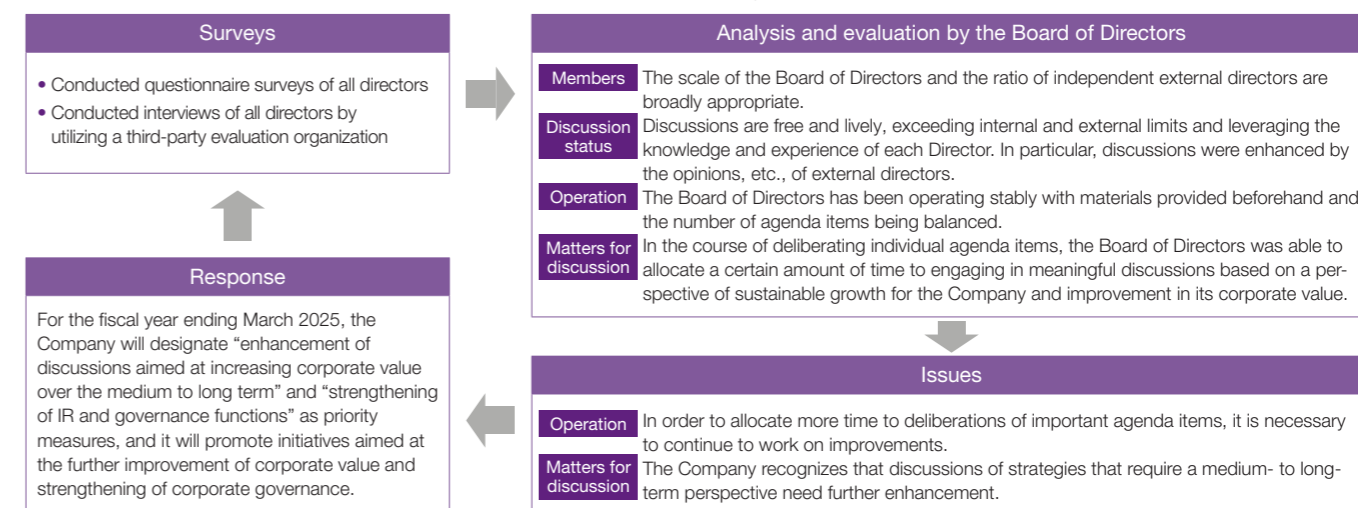
Skill	Reason for selection
Corporate management	We believe knowledge and experience related to general corporate management are essential to the formulation and execution of medium- to long-term management strategies amid major changes in the business environment.
Finance/Accounting	We believe knowledge and experience in finance and accounting are essential to ensuring accurate financial reporting, a resilient financial foundation, the promotion of growth investments, and the strengthening shareholder returns.
Legal/Compliance	We believe knowledge and experience in legal matters and compliance are essential to ensuring that risk management based on laws and compliance form the foundation for the pursuit of sustainable growth.
Real estate/Construction	We believe a wealth of knowledge and experience related to real estate and construction are essential to the realization of unique value creation based on the company's development capabilities as laid out in its Mid- to Long-term Business Plan.
Overseas Business	We believe business experience overseas and knowledge related to overseas lifestyles, cultures, and environments are essential to the promotion and supervision of overseas business, which is positioned as a growth field.
ICT/Digital	We believe knowledge and experience in the ICT and digital fields are essential to the utilization of digital technologies to create new value and enhance business productivity.
Sustainability/D&I	We believe that knowledge and experience related to sustainability and personnel strategies are essential to the realization of the Company's sustainability policies as well as the creation and promotion of personnel strategies.

Improvement of the effectiveness of the Board of Directors

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



Details of the assessment of effectiveness of the Board of Directors in the fiscal year ended March 2024 are as follows:



Main discussions of the Board of Directors

The Company's Board of Directors engages in deeper discussions. The main decisions, reports, and discussions during the fiscal year ended March 2024 were as follows.

Categories	Main themes
Business strategy	<ul style="list-style-type: none"> Annual budget, policy for shareholder returns, fund procurement (borrowings, bonds, etc.) Financial results Investor trends/IR strategy Business Unit strategy
Corporate governance	<ul style="list-style-type: none"> Evaluating the effectiveness of the Board of Directors Policy for responding to Audit & Supervisory Committee audit findings Advisory matters to Advisory Committee Relating to Nominations and Compensation
Risk management/Compliance/Audits	<ul style="list-style-type: none"> Asset risk management Management of investment risks and external risks Report of Risk Management Committee

Strategic shareholdings policy

The Group's strategic shareholdings policy is that such shareholdings can contribute to the improvement of the Group's corporate value from a comprehensive perspective, such as by strengthening business relationships with business partners and strategic business alliances. The basic policy is that the Board of Directors annually verifies the rationality of the Group's continuous holding of shares of listed companies held for purposes other than pure investment (strategic shareholding) and, based on that verification, it sells off shares with low rationality for holding in consideration of the market environment. As of the fiscal year ended March 2024, the Company had no strategic shareholdings.

Strategic shareholding possession status

0
(zero)

Compensation for Directors

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

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

Basic Policy

- Compensation for directors is linked to the Mid- to Long-term Business Plan, etc., in order to provide sufficient incentive for the sustainable improvement of corporate value, and the Company's basic policy in deciding compensation for each director entails providing an appropriate level of compensation according to the individual's role and position as a director.
- The operation and revision of the compensation plan for directors and the amount of compensation for directors are determined by the Board of Directors based on the deliberations of the Advisory Committee Relating to Nominations and Compensation and the opinions it submits to the Board of Directors.
- In reviewing the appropriateness of the compensation level and the content of the share-based compensation plan, the Company takes into consideration such factors as the scale of the Company and business characteristics, obtaining advice from an external compensation consultant as necessary.
- Compensation for directors concurrently serving as executive officers consists of "base compensation," "bonuses," and "share-based compensation," so that it works as a clear incentive to improve performance not only for the short-term, but also for the medium- to long-term.
- Compensation for the Chairman of the Board of Directors and external directors (excluding Audit & Supervisory Committee Members) is made up of "base compensation" and a "restricted shares ("RS") portion of share-based compensation," taking into account the sharing of interests with shareholders, as these individuals are responsible for supervising the execution of business from an objective standpoint and also for enhancing long-term corporate value.
- Compensation for Part-time Internal Directors consists only of "base compensation" due to their role of supervising the business execution from an objective standpoint.

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

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

Categories of compensation for directors

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

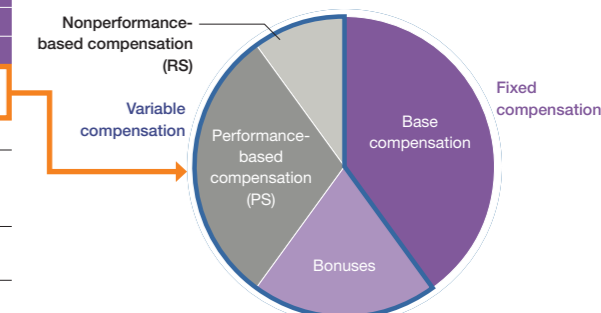
Current State of Compensation for Directors

Categories of compensation for directors

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

Directors' compensation ratio (images)

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



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

Director categories	Total amount of compensation, etc. (millions of yen)	Total amount of compensation, etc., by type (millions of yen)				Number of directors applicable
		Base compensation	Bonuses (Performance-based compensation, etc.)	Share-based compensation (Non-monetary compensation, etc.)		
				Performance-based compensation	Non-performance-based compensation	
Directors (excluding directors who also serve as Audit & Supervisory Committee Members) (excluding external directors)	707	279	144	196	86	6
Directors (Audit & Supervisory Committee Members) (excluding external directors)	102	102	-	-	-	2
External directors	66	63	-	-	3	4
Total	875	445	144	196	89	12

Notes:

- The number of directors (excluding directors who also serve as Audit & Supervisory Committee Members) (excluding external directors) is five as of the end of the fiscal year ended March 2024. The discrepancy in the "number of directors applicable" column above is due to the inclusion of one person who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2023.
- The number of directors (who also serve as Audit & Supervisory Committee Members) (excluding external directors) is two as of the end of the fiscal year ended March 2024.
- The number of external directors is four as of the end of the fiscal year ended March 2024.
- Compensation amounts for directors are based on the amounts the Company recorded as compensation and other expenses for the fiscal year ended March 2024, regardless of whether or not they were paid during that fiscal year. The amount paid in the "Bonuses (Performance-based compensation, etc.)" column above does not include the difference (¥13 million) between the reserve for directors' bonuses for the fiscal year ended March 2023 for five directors (excluding directors who also serve as Audit & Supervisory Committee members and external directors) and the amount of bonuses paid in the fiscal year ended March 2024. With respect to the performance-linked portion of stock-based compensation, etc., there was a difference (¥4 million) in the fiscal year ended March 2024 between the amount recorded as expenses in prior years as the number of points granted to two directors (excluding directors who also serve as Audit & Supervisory Committee members and external directors) and the amount paid as a result of the delivery of shares, etc., during the fiscal year ended March 31, 2024. The difference is not included in the amount paid in the "Share-based compensation (Non-monetary compensation, etc.)" column above.
- Compensation ("base compensation" and "bonuses") for directors has been set as no greater than ¥550 million per year for directors (excluding directors who also serve as Audit & Supervisory Committee Members) according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2018. At the time of the resolution, the number of directors (excluding directors who also serve as Audit & Supervisory Committee Members) was eight (of which two were external directors). Furthermore, compensation for directors (who also serve as Audit & Supervisory Committee Members) is limited to up to ¥170 million per year according to a resolution at the Ordinary General Meeting of Shareholders held on June 23, 2020. The number of directors who also serve as Audit & Supervisory Committee Members at the time of the resolution was six (including four external directors). In accordance with the resolution of the Ordinary General Meeting of Shareholders held on June 21, 2024, the maximum amount of remuneration for directors (Audit & Supervisory Board Members) was revised to ¥180 million per year, and number of directors who also serve as Audit & Supervisory Committee Members at the time of the resolution was six (including four external directors).
- Aside from compensation for directors as shown in 4. above, the Company introduced a performance-based share compensation plan. In accordance with the resolution at the Ordinary General Meeting of Shareholders held on June 24, 2022, regarding the applicable period of three fiscal years beginning from the fiscal year ending March 31, 2023 (or, in the case of a period extension, each of the subsequent three fiscal years), the Company's contribution to a trust as compensation for directors (excluding directors who also serve as Audit & Supervisory Committee Members) is limited to no more than ¥1,650 million and 672,000 shares (of which the limit per external director is ¥9.9 million and 4,030 shares for each of the three fiscal years), and, at the time of the resolution, the number of directors subject to the plan (excluding directors who also serve as Audit & Supervisory Committee Members) was seven.
- With respect to performance-based compensation, the details of the performance indicators that pertain to monetary bonuses, the calculation method of such bonuses, and the reasons for selecting these indicators are as stated in the Basic Policy on the previous page. The actual results that pertain to performance indicators are as presented in the table below.

	Business profit	Period-over-period change
Fiscal year ended March 31, 2024	¥113,665 million	+8.1%

- With respect to the performance-based compensation, the details of the performance indicators that pertain to share-based compensation, etc., the calculation method of such share-based compensation, etc., and the reasons for selecting these indicators are as stated in the Basic Policy stated on the previous page. The ranges of performance indicators were decided as presented in the tables below.

(This range covers the three-year period beginning with the fiscal year ended March 2022 through the fiscal year ended March 2024)

	Ranges	Results
The achievement-linked coefficient	0%–200%	143.0%
Business profit	¥83,300 million–¥116,700 million	¥113,665 million
ROE	6.5%–12.5%	10.1%

- Non-monetary compensation, etc., consists of the Company's shares, etc., and the conditions, etc., for the delivery are as stated on the previous page.
- Based on a resolution of the Board of Directors, the specific amounts of monetary base compensation and bonuses that are to be paid for the execution of the recipients' duties in the fiscal year ended March 2024, have been determined by Satoshi Arai, who serves as President and Representative Director. The reason for this delegation to the President and Representative Director is that the Company has judged the President and Representative Director to be the appropriate authority for conduct the individual evaluation of each director while considering the performance of the Company overall. The payment level is deliberated by the Advisory Committee Relating to Nominations and Compensation, which submits its findings for the appropriate exercise of decision authority delegated to the President and Representative Director.

Risk Management

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

For more detailed information, see our Financial Report. <https://www.nomura-re-hd.co.jp/english/ir/pdf/FR2024.pdf>

Basic Policy for Risk Management

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

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

Important risks needing to be managed among main risks

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

Risk Management Structure

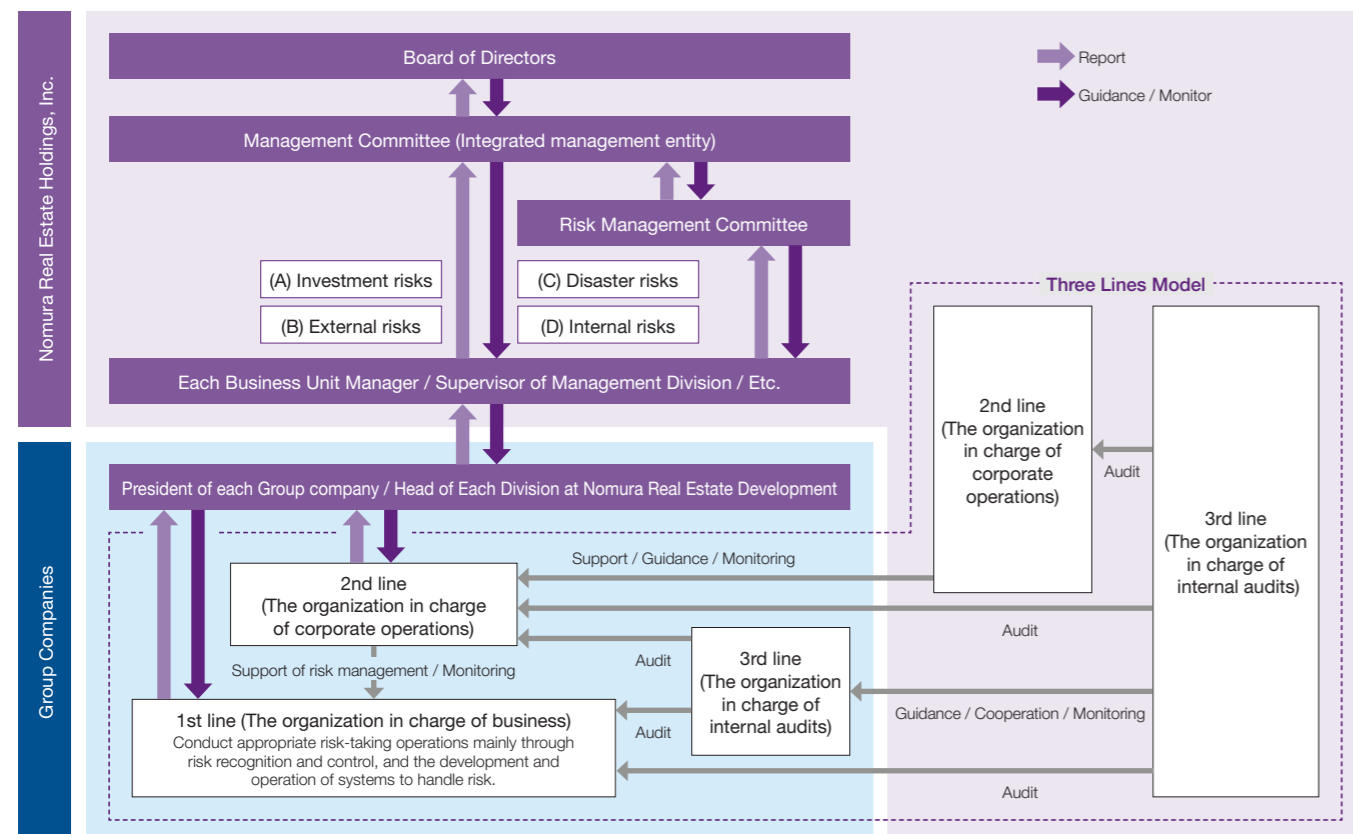
To discuss various risks related to Group management, the Company has delegated the Management Committee as the integrated risk management entity and operates a system for regularly monitoring, evaluating, and analyzing the state of main risks, providing necessary guidance and advice to each business unit and Group company, and regularly reporting details to the Board of Directors.

The Management Committee, which is the integrated management body, directly monitors “A: Investment risk” and “B: External risk,” while the Risk Management Committee, established as a subordinate organization of the

Management Committee, conducts regular monitoring, evaluation and analysis of “C: Disaster risk” and “D: Internal risk” and these committees discuss basic response policies regarding risk prevention, response when risk occurs, and prevention of recurrence after risk occurs. Moreover, we established the Group Risk Meeting consisting of directors and executive officers of each Group company appointed by the chairman of the Risk Management Committee to share risk information and response policies within the Group. With regard to risk management, each Business Unit manager will supervise the risk management of their affiliated business unit and report on the situation to the Management Committee or Risk Management Committee as necessary. Concurrently, the president of each Group company (the head of each division at Nomura Real Estate Development Co., Ltd.) is responsible for reporting risk management matters to the Business Unit Manager in a timely and appropriate manner.

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

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



Details of main risks

The following are the main risks that management recognizes as having the potential to significantly influence the financial position, business performance and cash flows of the company and the consolidated subsidiaries. Among these main risks, the Company has selected several risks requiring particular attention during the fiscal year ending March 2025, in consideration of factors such as the

magnitude of the potential impact on its businesses and the external environment. Matters concerning the future and the recognition of risks in the text are as determined by the Group as of the end of the fiscal year ended March 2024. The following, however, does not include all risks. Risks that are unpredictable or deemed insignificant at this point in time may impact on businesses in the future.

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

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

Risks to which we pay special attention

Risk categories	Main risk items
(A) Investment risks	<ul style="list-style-type: none"> • Risk of inability to secure the expected business volume and making it difficult to secure the expected business volume and achieve the profit growth projected in the Mid- to Long-term Business Plan due to intensifying competition for land acquisition, etc. • Risk of a deterioration in business profit from new construction due to higher costs and longer construction times than originally forecasted in project plans and budgets as well as restrictions on work orders from general contractors, etc. • Risk of profitability deterioration and delays in anticipated project schedule due to changes in economic conditions regarding projects with long-term project time frames and large investment budgets, such as redevelopment projects
(B) External risks	<ul style="list-style-type: none"> • Risks arising from the impacts of sales prices for housing, properties developed for sale as well as sale prices of asset replacement properties due to changes in Japan’s real estate market and financial conditions • Risk arising from deterioration in profitability and delay in profit recovery timing in overseas business due to deterioration in economies and real estate markets, deterioration in the financial condition of general contractors and JV partners, and other factors in countries overseas • Risk of a reduced competitive advantage of the Company’s businesses due to delays in response to changes in lifestyles and values, response to accelerating advances in digital technology, and response to sustainability and human resources, etc.
(C) Disaster risks	<ul style="list-style-type: none"> • Risk of inability to continue business due to increasingly intense natural disasters such as earthquakes, typhoons, and torrential rains
(D) Internal risks	<ul style="list-style-type: none"> • Risk due to inadequate design and construction in the real estate development business • Risk due to delay in preparing and engraving personnel systems to secure diverse human resources and enable human resources to continue playing an active role • Risk due to information leak by cyberattack or system failure, impact on business continuity, and incurrence and expansion of damage, etc. • Risk of violating laws and regulations and hindering the realization of smooth transactions with counterparties due to delays in strengthening the transaction system to realize the passing on of appropriate price rises to customers in light of rising material prices, energy costs, among other costs.

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

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

Risk	1) Risks associated with real estate investment
Risk details	• Risk that the Group’s business performance, etc., may be affected as a result of delays in the timing of sales recording and deterioration of profitability due to unexpected discovery of soil pollution, delays in obtaining permits and licenses, occurrence of additional construction work, restrictions on work orders from general contractors, protracted construction periods, and increases in construction and energy expenses.
Main initiatives	Decisions on the real estate investment/development business are made at the meetings such as the Management Committee or the Board of Directors of the Company or of Group companies upon identifying, analyzing and evaluating risk in advance and considering risk taking or risk avoidance policies. Regarding the risk of an increase in construction expenses, the Company includes a certain amount of additional costs when acquiring land for development and carries out other measures. The Board of Directors and Management Committee regularly monitor construction cost trends and impacts from rising construction costs. Following the acquisition of land for development, the department in charge of the business ascertains the risk of any schedule delay and the state of construction costs. Should an especially important event occur, after deliberation by the Management Committee or the Board of Directors of the Company or Group companies when necessary, the department shall respond to the issues. In addition, for businesses that are in progress and completed, the progress of each business is monitored, and the results are reviewed so that issues and trends, etc., for each business type are grasped and analyzed.
Risk	2) Risks associated with strategic investment (M&A) and new businesses
Risk details	• Risk that the Group’s financial position and business performance, etc., may be affected if the Group fails to achieve profit growth or synergy expected by the target companies in which it invests in strategic investments (M&A). • Risk that the Group’s financial position and business performance may be affected due to the inability to execute business according to original plans or achieve synergies with Group companies in new businesses and investments in new asset types.
Main initiatives	In executing strategic investment (M&A), factors such as the synergies with the Group’s existing businesses, and business plans, financial details and contract-related matters of targeted companies shall be carefully examined and considered and strategic investment (M&A) shall be implemented when it is determined that this will contribute to the Group’s business results in the future. In addition, after the M&A is executed, the Board of Directors or the Management Committee shall regularly monitor the status of the integration process between the target company and the Group, management issues, and response policies. In considering new businesses, the Company carefully investigates and examines the synergies with the Group’s existing businesses as well as business plans. A new business is commenced when judgement is made that it will contribute to the business performance of the Group in the future. After entering a new business, its performance is regularly monitored, and if deemed necessary to make modifications or a re-start, it will put to deliberation by Management Committee or the Board of Directors of the Company or Group companies.

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

Risk	3) Risks associated with market changes
Risk details	• Risk that the Group’s financial position and business performance, etc., may be affected by trends of competitors, the emergence of innovative new entrants, changes in economic, political, and social conditions, and the emergence of geopolitical risks, and the occurrence of disasters, etc., which may lead to changes in the business environment and market conditions.
Main initiatives	The Group regularly updates its awareness of the external environment of each business and works to ascertain impacts on business results, monitor the progress of business and improve precision. When making investment decisions in the real estate investment/development business, our basic policy is to understand and forecast the current and future market conditions and confirm past market trends and curb to a certain extent the impact from changes in market conditions. Moreover, we formulate an investment budget upon undertaking risk assessment to ensure a certain level of soundness regarding our financial position even if market conditions change rapidly.

Risk	4) Risks caused by changes in economic conditions
Risk details	<ul style="list-style-type: none"> • Risk that the Group's financial position and business performance, etc., may be affected by a decline in customers' purchase appetite in the housing sales business, a decline in the rent level of office buildings, etc., or an increase in the vacancy rate due to domestic and overseas economic recessions. • Risk that the Group's financial position and business performance, etc., may be affected by an increase in the Group's financing costs, a decline in customer desire to purchase in the housing sales business due to higher housing loan interest rates, resulting from a rise in market interest rates, or a decline in asset prices owing to a rise in cap rates. • Risk that the Group's financial position and business performance, etc., may be affected by fluctuations in the amounts of investment and collection translated into yen and fluctuations in assets and liabilities denominated in foreign currencies on the consolidated financial statements due to fluctuations in exchange rates. • Risk that the Group's financial position and business performance, etc., may be affected by deterioration in the profitability of overseas businesses and delays in the timing of collecting profits due to deterioration in the financial condition of general contractors and JV partners in overseas countries, etc.
Main initiatives	<p>Regarding changes in economic conditions, the Group regularly updates its awareness of the external environment and works to ascertain impacts on business results.</p> <p>In our funding through borrowings, we respond to the risk of rises in short-term interest rates by using mainly long-term and fixed-rate borrowings.</p> <p>In the real estate investment and development business, we make investment decisions that limit the impact to a certain extent even in the event of a decline in asset prices due to a decline in rents and a rise in cap rates.</p> <p>For foreign exchange fluctuation risk, we have established a foreign exchange hedging policy that considers the types of businesses we undertake overseas and we operate in accordance with this policy.</p> <p>In addition, with regard to the status of general contractors and JV partners in overseas business, in addition to regular monitoring by 1st line, we regularly confirm and deliberate on events that affect our business and their responses through the Overseas Business Risk Committee etc., and deliberate at the Management Committee or the Board of Directors of the Company or Group companies as necessary</p>

Highlights

Risk management structure that supports overseas business expansion

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

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

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

Risk Management System in the Overseas Business



Operation Policies for Overseas Business Risk Committee

- **Operation**
We regularly collect, analyze, and share information between the 1st, 1.5, and 2nd lines regarding the macro environment of each country and the state of progress of each business. Matters confirmed as risks and issues that especially require attention are reported to this committee.
- **Deliberation themes**
We identify individual risk matters and issues that require stronger responses for each country and business and deliberate response measures
- **Report to the Board of Directors and Management Committee**
Report the content of discussions at this committee, individual risk items, and response measures

- Main deliberation items in FY2024/3**
- Progress of the condominium sales market and housing sales business in Vietnam
 - Trends in China's economy and market as well as real estate market conditions
 - The financial position of general contractors in Vietnam and Thailand
 - The environment of the rental housing development business in the United Kingdom
 - Progress of the rental housing development business in the United States

Risk	5) Risks caused by changes in political/social conditions/systems (laws, tax systems, accounting, others)
Risk details	<ul style="list-style-type: none"> • Risk that the Group's financial position and business performance, etc., may be affected by rising construction and energy expenses, the occurrence of delays in business schedule, etc., due to disruptions in the foreign exchange market, energy market, and supply chain in the event of changes to the political and social situations, such as the emergence of geopolitical risks. • In overseas business, risk that the Group's financial position and business performance, etc., may be affected due to obstacles to promote business in case there are changes in political and social situations that have been unexpected at the beginning of conducting business in each country, as there are risks specific to each country's political and social situations. • Risk that the Group's financial position and business performance, etc., may be affected as a result of the occurrence of new obligations and expenses in case there are changes in various types of laws and regulations in Japan and overseas applicable to each of the Group's businesses or other laws and regulations become applicable due to an expansion in the business scope in the future. • Risk that the Group's financial position and business performance, etc., may be affected as a result of increased costs for acquiring, holding, and selling assets, a decline in customer desire to purchase, a shift in corporate facility strategy, and revision of investment plans in the case of changes to various tax systems and accounting systems in Japan and overseas that have an impact on the real estate business. • Risk that business activities may be restricted, for example, trade with customers could be suspended, and the Group's brand value may deteriorate if it fails to appropriately respond to human rights issues in the value chain.
Main initiatives	<p>We collect and analyze information on trends in political and social situations, various laws and regulations, tax systems and accounting systems in Japan and overseas from industry groups, external experts, business partners, and consider responses at each of the Company's respective organizations on the "2nd line" and discuss those matters expected to have a significant impact at the Board of Directors or the Management Committee depending on the details.</p> <p>In overseas business in particular, we seek the knowledge of external experts regarding the forecast of the future political and social situations as well as applicable laws, regulations and tax laws when starting a business overseas, and after starting a business we regularly confirm the state of changes to the political and social situations as well as important related laws and regulations that have an impact on business strategy, revenue and expenditures, and progress in countries where we do business through the Overseas Business Risk Committee, etc. In the case that there are any changes, discussions are carried out at the Board of Directors or the Management Committee upon evaluating the impact and discussing response policies.</p> <p>Regarding human rights, the Sustainability Committee, which is chaired by the President and Executive Officer (Group CEO), formulates policies in line with the Nomura Real Estate Group Human Rights Policy, confirms the status of progress toward each target, and deliberates action plans. In addition, the subordinate Human Rights Subcommittee builds and operates human rights due diligence processes based on the Guidelines Related to Business and Human Rights.</p>
Risk	6) Risks from lagging behind innovation and changes in the social structure related to business
Risk details	<ul style="list-style-type: none"> • Risk that the Group's financial position and business performance, etc., may be affected by a decline in the competitive advantage of the Company's products and services if there are delays in responding to changes in the social structure and changes in the industrial structure resulting from rapid technological innovation and the emergence of innovative new participants. • Risk that difficulties in securing human resources due to the declining birthrate and aging population will limit the Company's ability to develop products and services. • Risk that the Group's financial position and business performance, etc., may be affected by a decline in the competitive advantage of the Company's products and services if there are delays in responding to changes in demands related to the customer environment, energy conservation, and disaster prevention resulting from the implementation and strengthening of greenhouse gas reduction regulations, etc., and technologies related to high environmental performance and energy performance.
Main initiatives	<p>In the midst of a changing business environment, the Group has been creating new and highly unique value for society and customers by leveraging its strengths, such as real estate development capabilities based on the "market-in" approach and a commitment to quality in urban development and real estate-related services.</p> <p>Drawing on these strengths, in order to respond to changes in social and industrial structure and the growing awareness of society and customers toward sustainability, we have established the DX & Innovation Management Dept. and the Sustainability Management Dept., which are responsible for the research and development of new business fields, planning, and the promotion of innovation creation, digital strategies, and initiatives for sustainability, etc.</p> <p>We have also established the "Innovation Promotion System," which allows the employees of each Group company to cooperate beyond the boundaries of their daily work to develop innovative human resources and promote the exploration of new fields of business, with the DX & Innovation Management Dept. serving as the secretariat.</p> <p>In addition, through the provision of corporate venture capital, the Company is collaborating with the startups that it has taken stakes in, which possess innovative technologies and services, continuing to provide services that utilize these digital technologies. Regarding the creation of a corporate culture that encourages the creation of value and the strengthening of collaboration within the Group, we established the Nomura Real Estate Group Awards, an internal award system with the Corporate Communications Department as the secretariat.</p> <p>Furthermore, in response to the difficulty of securing human resources, we are working to improve operational efficiency and conserve labor by utilizing digital technology. We are placing, promoting, developing, and securing human resources to ensure the optimal placement of personnel and are implementing wellness and diversity and inclusion measures to foster optimal environments.</p>

(C) Disaster risks: Risk generated by disasters that have a large impact on customers and business continuity

Risk	7) Risks caused by disasters (earthquakes, typhoons, floods, tsunamis, volcanic eruptions, major fires, epidemics of infectious diseases, etc.) that have a major impact on customers and business continuity
Risk details	<ul style="list-style-type: none"> • Risk of the Group being unable to continue as a business due to difficulty securing the personnel needed to ensure continued viability because of threats to the lives and health of the Group's employees and officers posed by such disasters as large earthquakes, storms, and flood damage, and infectious disease epidemics. • Risk of compromised safety and security of customers using properties sold rented, or managed by the Group due to damage caused by disasters, including large earthquakes, storms and flood damage.
Main initiatives	<p>The Group recognizes that the frequency of disasters has increased, and this is an important social issue. Based on discussions with government and disaster preparedness experts, we are working to ensure safety and security in the event a disaster occurs. We engage in disaster preparedness activities to ensure that, if a disaster occurs, its impact is minimized and the Group and its employees are able to continue business and their normal lives. We have formulated a business continuity action plan (BCP) in the event of a disaster.</p> <p>In preparing for an earthquake, and storm and flood damage, under the BCP we have determined an emergency chain of command, assigned duties to ensure business continuity, and established a system to minimize the impact of disasters. Once per year we hold Disaster Task Force Establishment Drills to ensure the prescribed details are effective, ensuring the safety of executives and employees and establishing a chain of command system, so that we are prepared for restoring business after an emergency. Concerning infectious diseases, based on the Group's response results to novel coronavirus infections (COVID-19), we have formulated a BCP for infectious diseases that summarizes responses according to the infection situation (establishment of a chain of command system, selection of core businesses for business continuity, the formulation of common rules for infection prevention, etc.) from the time of infection confirmation to the spread of new infectious diseases in preparation for the emergence of new infectious diseases in the future. We have also formulated a BCP that stipulates initial responses and foreign evacuation standards in response to various geopolitical risks, terrorism, and disasters not only in Japan but also overseas.</p> <p>Regarding earthquakes, fires, storms, floods, and other sudden accidents, we have set up regulations for responses to torrential rains and flooding, formulated a disaster response manual, and created a disaster preparedness guidebook for distribution to residents, management associations, tenants, and facility users in the properties we own to ensure their safety and bring them peace of mind when a disaster occurs.</p>

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

Risk	8) Risks of the violation of laws and ordinances
Risk details	<ul style="list-style-type: none"> • Risk that business performance may be affected by a violation of the Real Estate Brokerage Act, the Building Standards Act, the Financial Instruments and Exchange Act, Companies Act, Act on the Protection of Personal Information, Antimonopoly Act, Subcontract Act, or other related law or regulation, resulting in loss of credibility and the imposition of administrative penalties and fines, etc.
Main initiatives	<p>The Group has formulated the Nomura Real Estate Group Code of Action for executives and employees to comply with laws and regulations and internal rules, and act with higher ethical standards, and it has also provided education on an ongoing basis.</p> <p>For primary laws such as the Real Estate Brokerage Act, we formulate a business work flow specific to each law to ensure legal compliance, ensure a thorough awareness through training and on-the-job training (OJT), and implement regular voluntary inspections for the status of compliance. Concerning the Antimonopoly Act, etc., in order to realize an appropriate passing of price increases on to customers that takes into account increases in material prices, energy costs, etc., we are working to strengthen our legal and regulatory compliance system by formulating business rules according to the business characteristics and the scale of each Group company's business, creating manuals, and conducting training. In addition, regarding the inappropriate entertainment of foreign public officials and other civil servants, the Company has established regulations, etc. The Company is implementing regular training for executives, employees and overseas local hires related to overseas businesses.</p>

Risk	9) Risks of quality defects
Risk details	<ul style="list-style-type: none"> • Risk that the business performance may be affected by the loss of trust, unexpected costs, or delays in development plans and operation plans due to management deficiencies such as design and construction defects, etc., in the real estate development business or in the case of a management deficiency in the properties for leasing or under management.
Main initiatives	<p>In the real estate development business, to secure quality in design and construction upon placing an order for the design and construction work of a building with a third party who has a certain level of credit-ability and technical capabilities, the Group adheres to the Design and Construction Standards (structure, construction, equipment, and electrical), and the Quality Manuals, etc., and ensures the thorough compliance of the parties while also checking the state of construction and carrying out quality inspections as the ordering party. (However, in joint ventures with other companies and redevelopment projects led by redevelopment associations, different methods may be adopted depending on the business form.) Regarding leased and managed properties, we will prepare business standard documents related to property management and safety and temporary construction guidelines for repair work as we undertake business. We will also provide property insurance for damages in the unlikely event of a deficiency or accident.</p>

Risk	10) Risks of occurrence of information system crisis
Risk details	<ul style="list-style-type: none"> • Risk that the Group's business performance, etc., may be affected as a result of the delays in the Group's sales activities and business processing and the loss of credibility, and the resulting decrease in sales and damage compensation costs in the unlikely case the Company's information system cannot be used normally or in case personal information is leaked to the outside due to unexpected circumstances such as cyberattacks, unauthorized access, or system failure.
Main initiatives	<p>In a situation where we are actively promoting DX initiatives to realize business transformation and sustainable growth using the Internet and cloud services, ensuring information security is becoming more critical than ever. We have installed security systems that block unauthorized access from the Internet, scan information terminals for viruses, and detect the behavior of malware, bots, and other intruders to prevent unauthorized transmission if they enter. In addition, alerts from these systems are monitored to ensure that the ICT environment is prepared for cyber-attacks and information leaks. Also, security checks are conducted prior to the use of cloud services to ensure that they are used safely.</p> <p>To ensure business continuity after a system failure, we monitor the operational status of our networks and systems and are continually striving to establish and expand measures to rapidly restore and substitute operations in case there is a failure.</p> <p>The Company is also striving to comply with relevant laws and regulations for personal information and to ensure proper handling of this information. Moreover, with the aim of realizing the organized management of information and maintaining and improving security levels within the Group, we adhere to the Information Security Regulations and the Information Handling Guidelines, regularly provide information security enlightenment to our employees, protect the rights and interests of our customers, and ensure the stable operation of an ICT environment within the Group.</p> <p>In addition, the Company has cyber insurance in preparation for an unlikely accident such as an information leakage.</p>

Risk	11) Risks of inadequate responses to matters related to human resources
Risk details	<ul style="list-style-type: none"> • Risk that long working hours damage the health of employees in the event that the working hours of Group employees are not properly ascertained. • Risk that the Group's business performance, etc., may be affected as a result of the outflow of the Group's human resources, the loss of trust, and the imposition of fines in case we receive administrative sanctions from government authorities because our personnel system and its operation do not comply with labor standards and related laws and regulations. • Risk that delays in the establishment of a labor environment that takes in a diverse range of human resources (employees that work short hours mainly due to childcare and nursing, sexual minorities, people with disabilities, seniors, foreign nationals, and others) may result in the Group being unable to secure the necessary personnel, or the inability of secured personnel to continue working, leading to a decline in corporate competitiveness. • In terms of personnel and labor management at overseas bases, risk of administrative sanctions by government authorities for introducing or operating a system that violates local labor laws and customs, risk of losing know-how due to the retirement of local employees, and risk that the health of employees will be damaged due to the lack of systems to provide appropriate support for living in a foreign country
Main initiatives	<p>The Group adheres to working with vigor and achieving wellness as its action guideline. The Group aims to provide wellness management so that all its executives and employees can carry out their work energetically and in good physical and mental health, which leads to sustainable corporate growth.</p> <p>Along with introducing various systems, including recommendations to take paid leave, the promotion of teleworking, and a program for taking time off or working shorter hours for childcare and nursing and to build a labor environment conducive for a diverse workforce, we are working to improve the level of understanding related to diversity among executives and employees through regular training sessions. In addition, some Group companies, such as Nomura Real Estate Development, have partially implemented paid leave for male employees' birth childcare leave and introduced an accumulated paid leave system.</p> <p>In order to properly grasp working hours, we have introduced an attendance management system to manage it, and especially for long working hours, we regularly monitor the situation. Furthermore, the compliance of our personnel system and its operation is regularly verified by outside experts to prevent the emergence of risks.</p> <p>Moreover, overseas there are local laws, cultures, and customs. Therefore, we utilize the knowledge of external experts to build personnel/labor systems, establish consultation desks for staff stationed overseas, and provide services to help the staff find, and provide support for visits to, medical institutions.</p> <p>The Group established the Human Resources, Wellness and D&I Management Committee, which is chaired by the President and Executive Officer (Group CEO), in order to integrally promote wellness, work-style reforms and the ensuring of diverse human resources, and the Wellness and D&I Management Sect. in the Group Human Resources Development Dept. as the dedicated organization for the promotion of diversity & inclusion. In the fiscal year ended March 2024, we formulated and announced the Group's D&I promotion policy and medium- and short-term promotion road map and established the period up to the fiscal year ending March 2025 as Step I to develop D&I awareness.</p> <p>With the period from the fiscal year ending March 2026 as Step II, we will continue working to develop D&I awareness with the aim of fostering a culture that incorporates D&I into business activities. We set the key goals of (1) Promoting D&I to start new workstyles at the Group's new head office and (2) Enhancing recognition of inclusive design and continually promoting hands-on experience. In addition, in the fiscal year ending March 2025, to ensure human capital management in alignment with management and human resource strategies, we established the Human Capital Task Force, which includes each company of the Nomura Real Estate Group, to discuss policies on human capital management.</p>

Risk	12) Risks of occurrence of fraud and negligence
Risk details	<ul style="list-style-type: none"> • Risk that the business performance may be affected as a result of the loss of credibility and the resulting decrease in sales and damage compensation costs due to fraud perpetrated by executives and employees, information leakage due to improper management, and operational negligence.
Main initiatives	<p>Group executives and employees comply with laws and regulations as well as with the internal rules, etc., established by each company of the Group. Furthermore, we have established the Nomura Real Estate Group Code of Ethics with the aim of acting in accordance with even higher ethical standards, and we continuously provide education and training sessions to executives and employees.</p> <p>In addition, the Company has established a system to enhance the effectiveness of compliance activities in each workplace by assigning a compliance promotion officer to each department, office and branch of the Company and Group companies. Furthermore, with the "Nomura Real Estate Group Risk Helpline," an internal whistleblowing system shared by all Group companies, the Company has set up internal and external contact points for reporting wrongdoing and seeking advice on how to proceed, and has developed and implemented systems based on the Whistleblower Protection Act.</p>

Internal Controls, Compliance/Information Disclosure

Compliance system

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

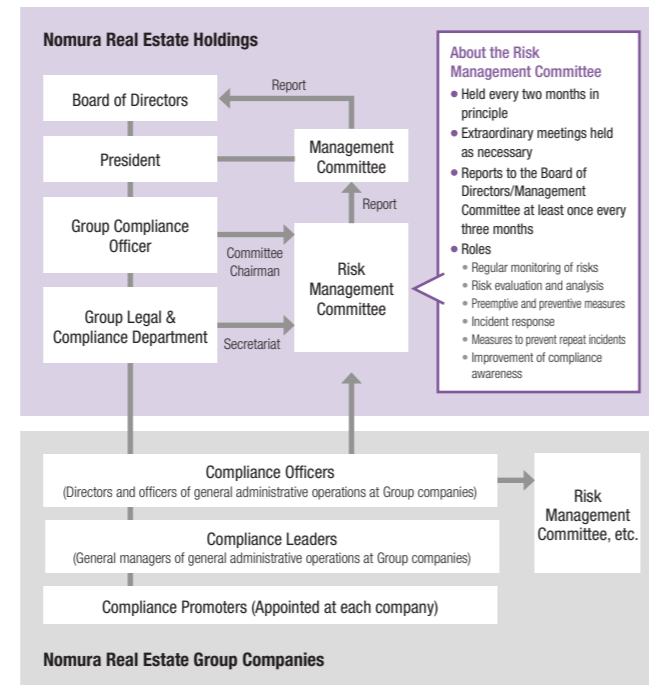
Furthermore, based on our priority of collecting information regarding risks, the Company has set up the Nomura Real Estate Group Helpline as a point of contact for internal reporting by Group employees. The Company imposes a confidentiality obligation on employees who are involved in the helpline business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

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

The Nomura Real Estate Group Code of Action

<https://www.nomura-re-hd.co.jp/english/sustainability/base/compliance.html>

Compliance system



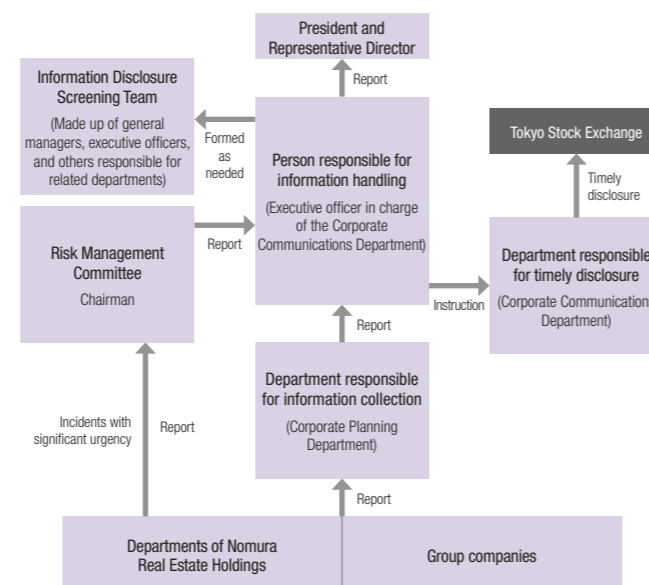
Appropriate information disclosure and transparency

The Company strives to disclose information about the Group's management strategy, financial condition, risk management, and internal control system, etc., in a fair, timely, and appropriate manner based on the provisions of the Companies Act and the Financial Instruments and Exchange Act as well as this chart explaining other laws and the listing rules of the Tokyo Stock Exchange. Specifically, as our timely disclosure system indicates, the person responsible for information handling (executive officer in charge of the Corporate Communications Department) collects information about the Company through the Department responsible for information collection (Corporate Planning Department).

As for information requiring timely disclosure, the Information Disclosure Screening Team, which is made up of general managers, executive officers, and others responsible in related departments, will screen the matter and report the results to the President and Representative Director. Company information found to require timely disclosure will be disclosed in a timely manner by the Department responsible for timely disclosure (Corporate Communications Department) at the instruction of the person responsible for information handling (executive officer in charge of the Corporate Communications Department).

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

Timely disclosure system



Shareholder engagement

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

The director in charge of investor relations (the Group CFO) takes the lead in engaging with shareholders, while the Investor Relations Section of the Corporate Communications Department supports these efforts. At the financial results briefings, the Group CEO explains business results and future strategies.

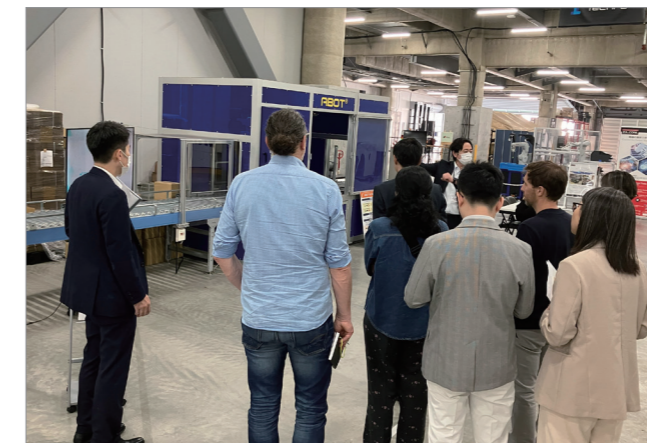
The Investor Relations Section meets with internal departments and shares information on a daily basis to gather information and promote engagement with shareholders. The director in charge of investor relations reports the views and concerns of shareholders found in the course of this engagement to the executive management team and regularly reports to the Board of Directors, which discusses this information.

We established Regulations Concerning the Prevention of Insider Trading to ensure the fairness of information disclosures and prevent leakages of information that could affect our stock price. We manage insider information appropriately according to these regulations, and a silent period was also established.

Current status of investor relations activities

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

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



Holding tours of logistics facilities for institutional investors

Major IR activities during FY24/3

IR activities for institutional investors	Number of times held
Financial results briefings (Including Conference calls on financial results announcement days)	4
Property tours	5
Business briefings for analysts and investors	3
Meetings with analysts and investors (including the following meetings)	437
Conferences organized by securities companies	10
CEO small meeting	1
ESG meetings	18
IR activities for individual investors	Number of times held
Conferences for individual investors	1

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

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

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

Directors and Executive Officers

(As of June 21, 2024)

Directors

Eiji Kutsukake Non-executive




Date of Birth: September 12, 1960

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

Number of shares held: 51,000*

Apr. 1984 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)
Apr. 2007 Executive Managing Director of Nomura Securities Co., Ltd.
Oct. 2008 Senior Managing Director of Nomura Securities Co., Ltd.
Apr. 2009 Senior Corporate Managing Director of Nomura Securities Co., Ltd.
Apr. 2011 Senior Corporate Managing Director of Nomura Holdings, Inc.
Apr. 2012 Executive Managing Director of Nomura Holdings, Inc.
Apr. 2013 Director and Deputy President of Nomura Securities Co., Ltd.
Apr. 2014 Advisor of Nomura Real Estate Holdings, Inc.
Jun. 2014 Representative Director and Executive Vice President of Nomura Real Estate Holdings, Inc.
Jun. 2015 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2017 Chair and Representative Director of Nomura Real Estate Development Co., Ltd.
Apr. 2023 Chair and Director of Nomura Real Estate Holdings, Inc. (present)
Director of Nomura Real Estate Development Co., Ltd. (present)

Satoshi Arai Executive



Date of Birth: June 3, 1965

President and Representative Director, and Chief Executive Officer
Group CEO

Number of shares held: 7,600*

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

Daisaku Matsuo Executive




Date of Birth: October 18, 1964

Executive Vice President and Representative Director, and Executive Officer
Group COO

Number of shares held: 23,500*

Apr. 1988 Joined Nomura Real Estate Development Co., Ltd.
Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2018 Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2021 Executive Vice President of Nomura Real Estate Holdings, Inc.
Jun. 2021 Executive Vice President and Representative Director, and Executive Officer of Nomura Real Estate Holdings, Inc. (present)
Apr. 2022 Executive Vice President and Representative Director, Executive Officer, and Group COO of Nomura Real Estate Holdings, Inc. (present)

Makoto Haga Executive



Date of Birth: June 22, 1966

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

Number of shares held: 28,100*

Apr. 1989 Joined Nomura Real Estate Development Co., Ltd.
Oct. 2011 Director of Nomura Real Estate Asset Management Co., Ltd.
Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd.
May 2012 Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2017 Executive Officer of Nomura Real Estate Holdings, Inc.
Jun. 2017 Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2019 Director, Executive Officer, and Group CFO of Nomura Real Estate Holdings, Inc.
Apr. 2020 Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2021 Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2023 Executive Vice President and Representative Director, and Executive Officer of Nomura Real Estate Holdings, Inc. (present)

Hiroshi Kurokawa Executive




Date of Birth: February 2, 1968

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

Number of shares held: 13,700*

Apr. 1990 Joined Nomura Real Estate Development Co., Ltd.
Apr. 2013 Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2015 Representative Director and Senior Managing Executive Officer of Nomura Real Estate Asset Management Co., Ltd.
Apr. 2017 Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2020 Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2021 Executive Officer and Group CFO of Nomura Real Estate Holdings, Inc.
Jun. 2021 Director, Executive Officer, and Group CFO of Nomura Real Estate Holdings, Inc.
Apr. 2023 Director and Executive Officer of Nomura Real Estate Holdings, Inc. (present)

Chiharu Takakura Non-executive External Director Independent Director



Date of Birth: December 22, 1959

Director

Number of shares held: —*

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

Yoshinori Yamashita Non-executive External Director Independent Director Newly appointed



Date of Birth: August 22, 1957

President and Representative Chair of Advisory Committee Relating to Nominations and Compensation

Number of shares held: —*

Mar. 1980 Joined Ricoh Company, Ltd.
Apr. 2008 President of Ricoh Electronics, Inc.
Apr. 2010 Group Executive Officer of Ricoh Company, Ltd.
Apr. 2011 Corporate Senior Vice President of Ricoh Company, Ltd.
Jun. 2012 Director and Corporate Executive Vice President of Ricoh Company, Ltd.
Jun. 2016 Deputy President of Ricoh Company, Ltd.
Apr. 2017 Representative Director and President of Ricoh Company, Ltd.
Apr. 2021 Vice Chairperson of Japan Association of Corporate Executives (present)
Apr. 2023 Representative Director and Chairperson of Ricoh Company, Ltd. (present)
Jun. 2024 External Director of Nomura Real Estate Holdings, Inc. (present)

Hiroyuki Kimura Non-executive



Date of Birth: March 30, 1962

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

Number of shares held: 33,800*

Apr. 1984 Joined Nomura Real Estate Development Co., Ltd.
Apr. 2009 Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2009 Director of Nomura Real Estate Holdings, Inc.
Apr. 2010 Director of Nomura Real Estate Asset Management Co., Ltd. (currently, Nomura Real Estate Asset Management Co., Ltd.)
Oct. 2011 Managing Director of Nomura Real Estate Asset Management Co., Ltd.
May 2012 Executive Officer of Nomura Real Estate Holdings, Inc.
Jun. 2012 Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2013 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2013 Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2014 Executive Officer and CFO of Nomura Real Estate Holdings, Inc.
Apr. 2017 Director, Executive Officer, and Group CFO of Nomura Real Estate Holdings, Inc.
Apr. 2019 Director of Nomura Real Estate Holdings, Inc.
Apr. 2021 Advisor of Nomura Real Estate Holdings, Inc.
Jun. 2021 Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)

Yasushi Takayama Non-executive



Date of Birth: February 1, 1964

Director (Audit & Supervisory Committee Member)

Number of shares held: —*

Apr. 1988 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)
Jun. 2011 Director, Nomura Financial Products & Services, Inc.
Oct. 2012 Managing Director and General Counsel of Nomura Securities International, Inc. (New York)
Sep. 2013 Managing Director and General Counsel of Nomura Holding America Inc.
Apr. 2015 Senior Managing Director and Chief Legal Officer of Nomura Holdings, Inc.
Jun. 2016 Outside Director of Japan Securities Depository Center, Incorporated
Apr. 2019 Advisor of Nomura Real Estate Holdings, Inc.
Jun. 2019 Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)
Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. (present)

Yoshio Mogi Non-executive External Director Independent Director



Date of Birth: April 10, 1952

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

Number of shares held: —*

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

Akiko Miyakawa Non-executive External Director Independent Director



Date of Birth: October 18, 1955

Director (Audit & Supervisory Committee Member)

Number of shares held: —*

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

Tetsu Takahashi Non-executive External Director Independent Director



Date of Birth: October 24, 1956

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

Number of shares held: —*

Apr. 1986 Registered with Tokyo Bar Association
Joined Miyakezaka Law Offices
Jul. 2003 Representative Partner of KASUMIGASEKI PARTNERS LAW OFFICE
Mar. 2006 Outside Audit & Supervisory Board Member of Apple Japan Co., Ltd.
Mar. 2007 External Director of McDonald's Holdings Company (Japan), Ltd.
External Director of McDonald's Company (Japan), Ltd.
Jun. 2007 Outside Audit & Supervisory Board Member of Gro-Bels Co., Ltd.
Oct. 2007 Outside Audit & Supervisory Board Member of Bit-Isle Inc. (currently, Equinox, Inc.)
Jan. 2012 Outside Audit & Supervisory Board Member of Box Co., Ltd. (currently, eBook Initiative Japan Co., Ltd.)
Feb. 2012 Outside Audit & Supervisory Board Member of ZOOM CORPORATION
Jun. 2015 Outside Director (Audit and Supervisory Committee Member) of ZOOM CORPORATION
Oct. 2016 Outside Audit & Supervisory Board Member of eBook Initiative Japan Co., Ltd.
Jun. 2020 External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)
Dec. 2020 Executive Partner of ITN Partners (present)
Mar. 2022 External Director of McDonald's Holdings Company (Japan), Ltd. (present)

Aogi Suemura Non-executive External Director Independent Director Newly appointed



Date of Birth: December 10, 1959

Director (Audit & Supervisory Committee Member)

Number of shares held: —*

Oct. 1992 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)
Aug. 1999 Joined GOLDCREST Co., Ltd.
Jan. 2002 Joined Sumitomo Shoji Financial Management Co., Ltd.
Nov. 2004 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
Jun. 2008 Partner of Deloitte Touche Tohmatsu
Jan. 2022 Representative of Aogi Suemura Certified Public Accountant Firm (present)
Jun. 2022 Outside Director (Audit & Supervisory Committee Member) of RIKEN TECHNOS CORPORATION (present)
Mar. 2023 Outside Audit & Supervisory Board Member of Nippon Denko Co., Ltd. (present)
Mar. 2024 Outside Director (Audit & Supervisory Board Member) of Nippon Denko Co., Ltd. (present)
Jun. 2024 External Director of Nomura Real Estate Holdings, Inc. (present)

Executive officers

(excluding those who are concurrently serving as directors)

Shigeyuki Yamamoto
In charge of Development Planning

Kenichi Maeda
Business Unit Manager of Property Brokerage & CRE Business Unit

Haruhiko Nakamura
Business Unit Manager of Residential Development Business Unit

Tetsumi Yoshimura
In charge of Quality Management and Architectural Design

Kazuhiro Toida
Business Unit Manager of Property & Facility Management Business Unit

Masaomi Katayama
Business Unit Manager of Investment Management Business Unit

Eiji Enomoto
Chief of DX Promotion

Masato Yamauchi
Business Unit Manager of Overseas Business Unit

Yukio Ichihara
In charge of Internal audit and Compliance, ICT Management Dept., Group Corporate Administration Dept., Secretariat

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

Takayuki Kaji
In charge of Business Creation

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

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

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

Naoko Usami
In charge of Group Diversity and Inclusion Management and Group Human Resources Development Dept.

Yuichi Masuda
In charge of Group Internal Audit Dept., Group Legal & Compliance Dept.,

* As of March 31, 2024

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