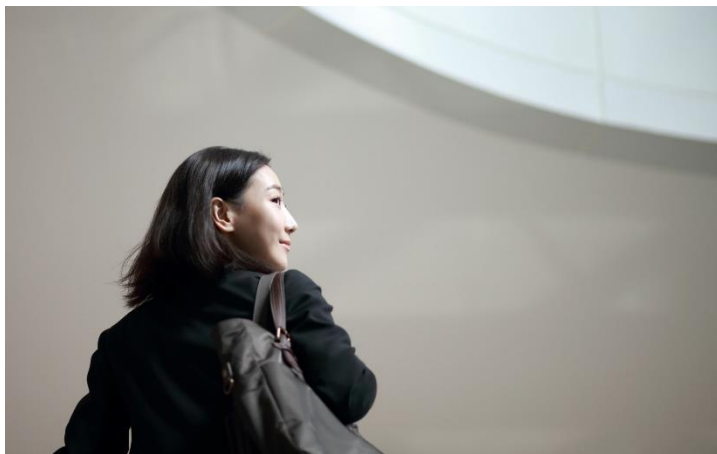


April 26, 2022

# Life & Time Developer

Mid- to Long-term Business Plan

(from FY23/3 to FY31/3)



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

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

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

To enrich people’s respective lives and every moment of their time, we will transform ourselves into a “Life & Time Developer” that creates new, significant values on a global scale.



# AGENDA

## PART 1

### Overall Concept

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1. Awareness of the Business Environment
2. Overall Concept
3. Evolution and Transformation of Value Creation
4. Financial Targets
5. Sustainability

## PART 2

### Growth Targeted in the Plan

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1. Growth Targeted in the Plan
2. Financial Strategy
3. Profit Plan
4. Shareholder Returns Policy

## PART 3

### Measures Accelerating Growth

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1. DX Promotion
2. Human Resources Utilization
3. Strategic Investment

## PART 4

### Strategies by Business Unit

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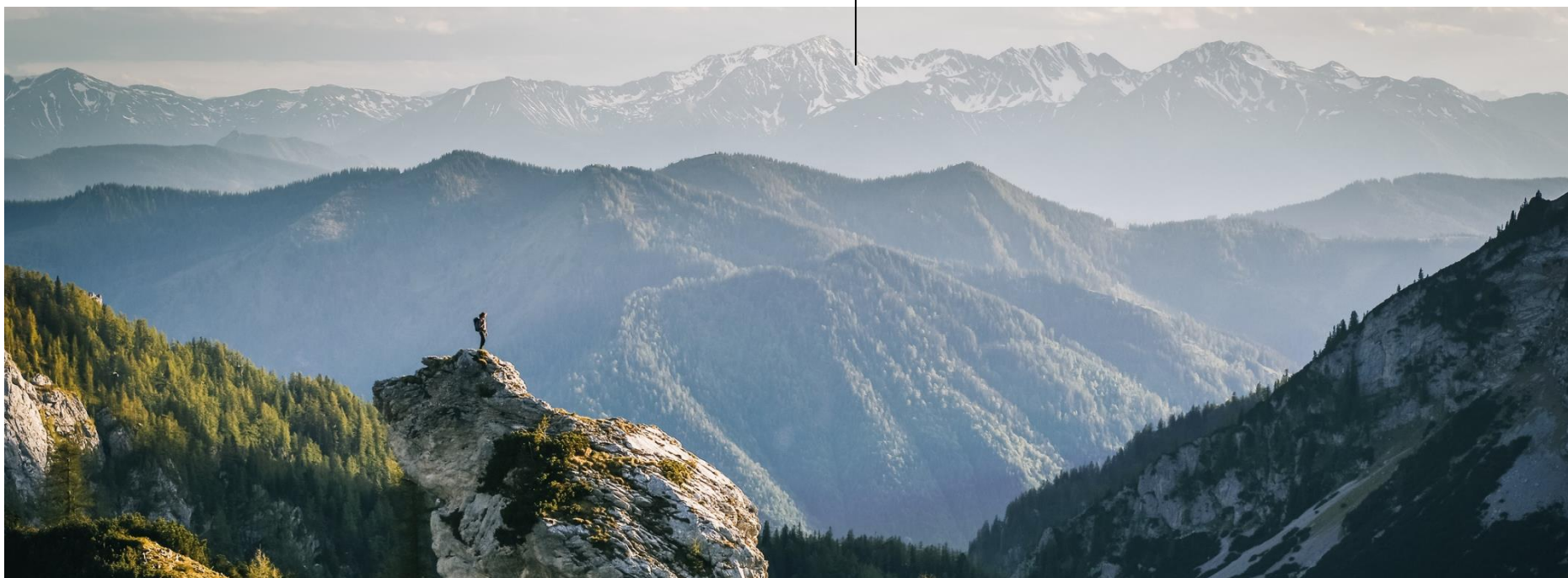
1. Residential Development Business Unit
2. Commercial Real Estate Business Unit
3. Investment Management Business Unit
4. Property Brokerage & CRE Business Unit
5. Property & Facility Management Business Unit
6. Overseas Business Unit



# PART 1

## Overall Concept

1. Awareness of the Business Environment
2. Overall Concept
3. Evolution and Transformation of Value Creation
4. Financial Targets
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# 1. Awareness of the Business Environment

Achieved profit and financial targets set forth in Phase I of the previous Mid- to Long-Term Business Plan.  
On the other hand, the business environment surrounding the Group is becoming increasingly complex and uncertain.

## Business environment in focus

Response in the era with and after COVID-19

Advances in shrinking workforce, declining birthrate and aging of society

Diversification of lifestyles and work styles

Intensification of competition to obtain human resources

Accelerated evolution of digital technology

Increase in reconstruction needs such as aging of buildings

Changes in values on ownership and real place

Climate change and increased severity of disasters

Heightened awareness of sustainability

Increased geopolitical risks

Development of emerging economies

Increased volatility risk in the financial environment

**The new Mid- to Long-Term Business Plan** is formulated  
to achieve sustained high profit growth in a changing business environment

## 2. Overall Concept

- (1) Evolve and transform approaches and methods of value creation to realize 2030 Vision of “Be a “Life & Time Developer,” as never seen before”.
- (2) Realize high profit growth, and high asset and capital efficiency. Achieve both high shareholder returns and high growth.
- (3) Promote sustainability by viewing “the Group’s sustainable growth” and “contribution to a sustainable society” as an integral part.

(The Group management structure chart)

<Our Group Vision>

### “New Value, Real Value”

#### Mid- to Long-term Business Plan

<Nomura Real Estate Group 2030 Vision>  
**Be a “Life & Time Developer,”  
as never seen before**

#### Evolve and transform value creation

DX

Unique value creation  
based on our  
development capability

Sustainability

#### <Priority themes>

**Realize high profit growth,  
and high asset and capital efficiency**

#### <Business strategy for growth>

- Further expansion of domestic real estate development business
- High profit growth in Service & Management Sector
- Steady growth of overseas business

#### Promotion of Sustainability

#### <Sustainability Policy>

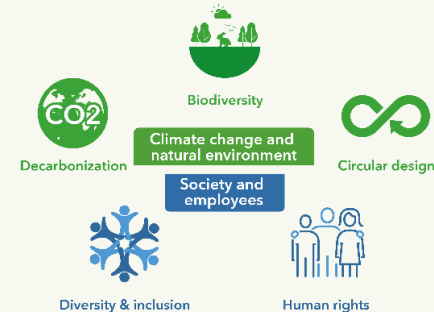
### Earth Pride

Pursuing humanity

Maintaining harmony  
with nature

Building the future  
together

#### Priority issue for 2030 (Materiality)



### 3. Evolution and Transformation of Value Creation

Evolve and transform approaches and methods of value creation to realize “Be a “Life & Time Developer,” as never seen before”.

Nomura Real Estate Group 2030 Vision

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

### Evolve and transform value creation approaches and methods

We will create new, significant values  
to enrich people’s respective lives and every moment of their time.

#### Value creation through DX

Accumulate and analyze data through utilizing digital technology for customer contacts. Strengthen product capabilities and improve service quality to provide new services with high efficiency and convenience.

#### Unique value creation based on our development capability

Based on our approach to connect closely with individuals:  
(1) Build continuous and diverse customer contacts through business collaboration and value chain within the Group  
(2) Develop brands across a wide range of asset types  
(3) Provide new value in response to diversifying lifestyles and values domestically and internationally by leveraging our commitment to quality in terms of tangible and intangible aspects

#### Value creation incorporating sustainability

Position Diversity & inclusion, Human rights, Decarbonization, Biodiversity and Circular design as the priority issues to promote Group’s sustainability, and implement them in our business activities

## 4. Financial Targets

Realize high profit growth, and high asset and capital efficiency. Achieve both high shareholder returns and high growth.

### Business Profit

► Realize annual average profit growth rate of **8% level**

	Phase I (FY 23/3 - FY 25/3)	Phase II (FY 26/3 - FY 28/3)	Phase III (FY 29/3 - FY 31/3)
<b>Business Profit</b>	<b>¥115.0</b> bn (FY 25/3)	<b>¥140.0</b> bn or more (FY 28/3)	<b>¥180.0</b> bn or more (FY 31/3)
Annual average business profit growth rate	<b>8% level</b>		

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

### ROA/ROE

► Pursuit of high asset and capital efficiency

	Phase I	Phase II	Phase III
<b>ROA</b>	<b>4.5% level</b>	<b>5% level</b>	<b>5% or more</b>
<b>ROE</b>	<b>9% level</b>	<b>10% level</b>	<b>10% or more</b>

\* ROA = Business profit / Average assets during the FY

### Shareholder Returns Policy

► Implement high shareholder returns

	Phase I	Phase II	Phase III
<b>Shareholders returns policy</b>	Total return ratio of <b>40-50%</b>	Payout ratio at <b>40%</b> level	



## 5. Sustainability

Establish sustainability policy (vision of 2050). Set materiality as a priority issue to 2030.

Promote sustainability by viewing “the Group’s sustainable growth” and “contribution to sustainable society ” as an integral part.

### Sustainability Policy

# Earth Pride

Pursuing humanity

Maintaining harmony with nature

Building the future together

### Priority issue for 2030 (Materiality)

Society and employees		Climate change and natural environment		
Diversity & inclusion	Human rights	Decarbonization	Biodiversity	Circular design

### Targets and Initiatives in the Group

#### <Strengthening promotion foundation>

- Respect for the human rights of our employees and all people involved in our business
- Engagement with business partners based on the Nomura Real Estate Group Human Rights Policy
- Create an organization in which diverse personnel with a variety of backgrounds and values can demonstrate their abilities
- Initiatives aimed at co-creation of diverse organizations and human resources within and outside the company
- Establish the Wellness and D&I Management Committee (Chair: Group CEO)
- Establish the D&I Management Sect. in the Human Resources Development Dept. as the dedicated management organization

#### <Reduction of total CO2 emissions by 2030 (Science Based Target : 35% reduction)>

- Improve energy conservation performance in new buildings (ZEH/ZEB Oriented standards)
- Implement renewable energy solar power plants in our development properties to achieve RE100 (detached housing, Landport, etc.)
- Initiatives for carbon neutrality through urban development such as Shibaura 1-chome Project
- Promote use of low-carbon materials (timber-based buildings, etc.)
- Initiatives to conserve biodiversity and absorb carbon dioxide through greening of urban areas and forest circulation activities, etc.
- Further efforts to develop products and services to realize a circular economy (building longevity, waste reduction and recycling, etc.) such as “Attractive 30” for extending the cycle of large-scale repair work.

# PART 2

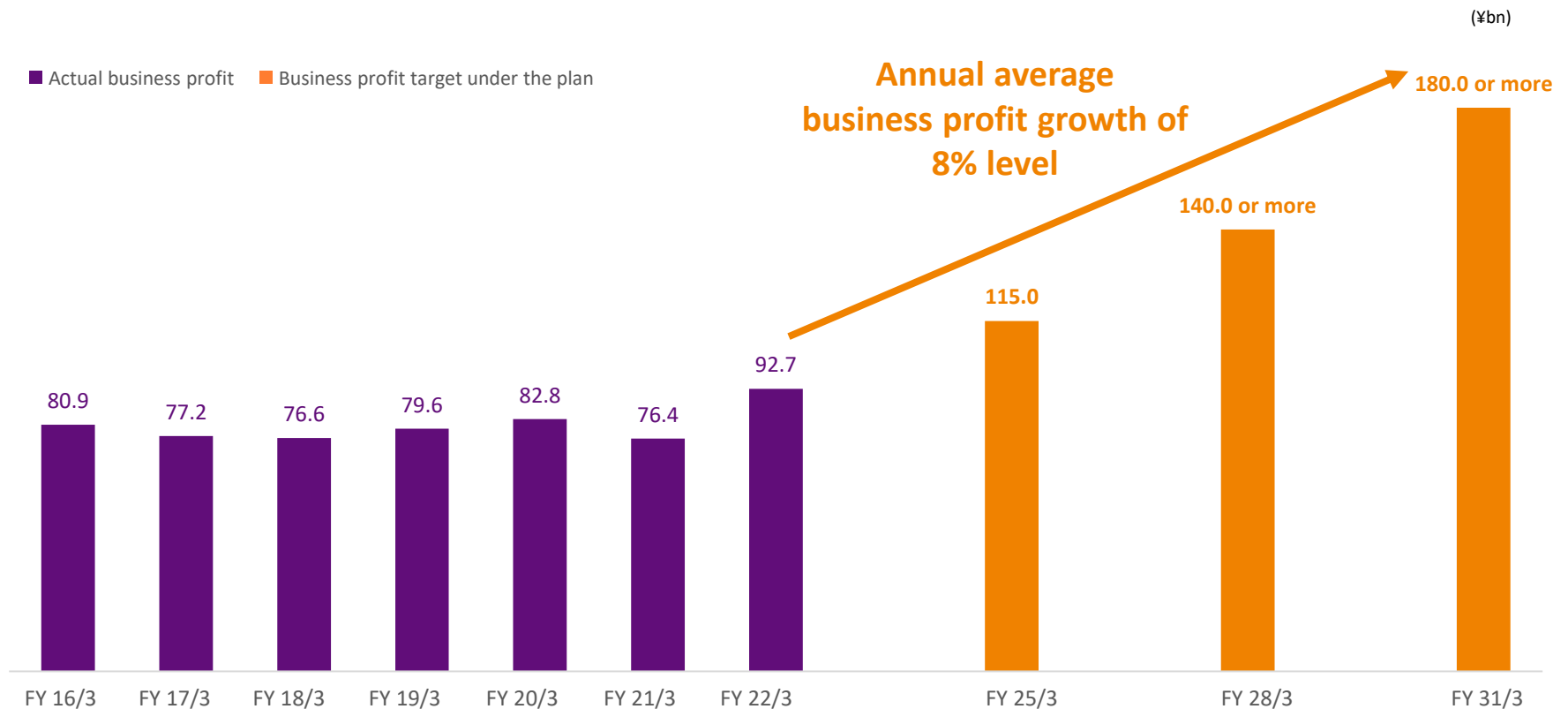
## Growth Targeted in the Plan

1. Growth Targeted in the Plan
2. Financial Strategy
3. Profit Plan
4. Shareholder Returns Policy



# 1. Growth Targeted in the Plan

Realize annual average business profit growth rate of 8% level.



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

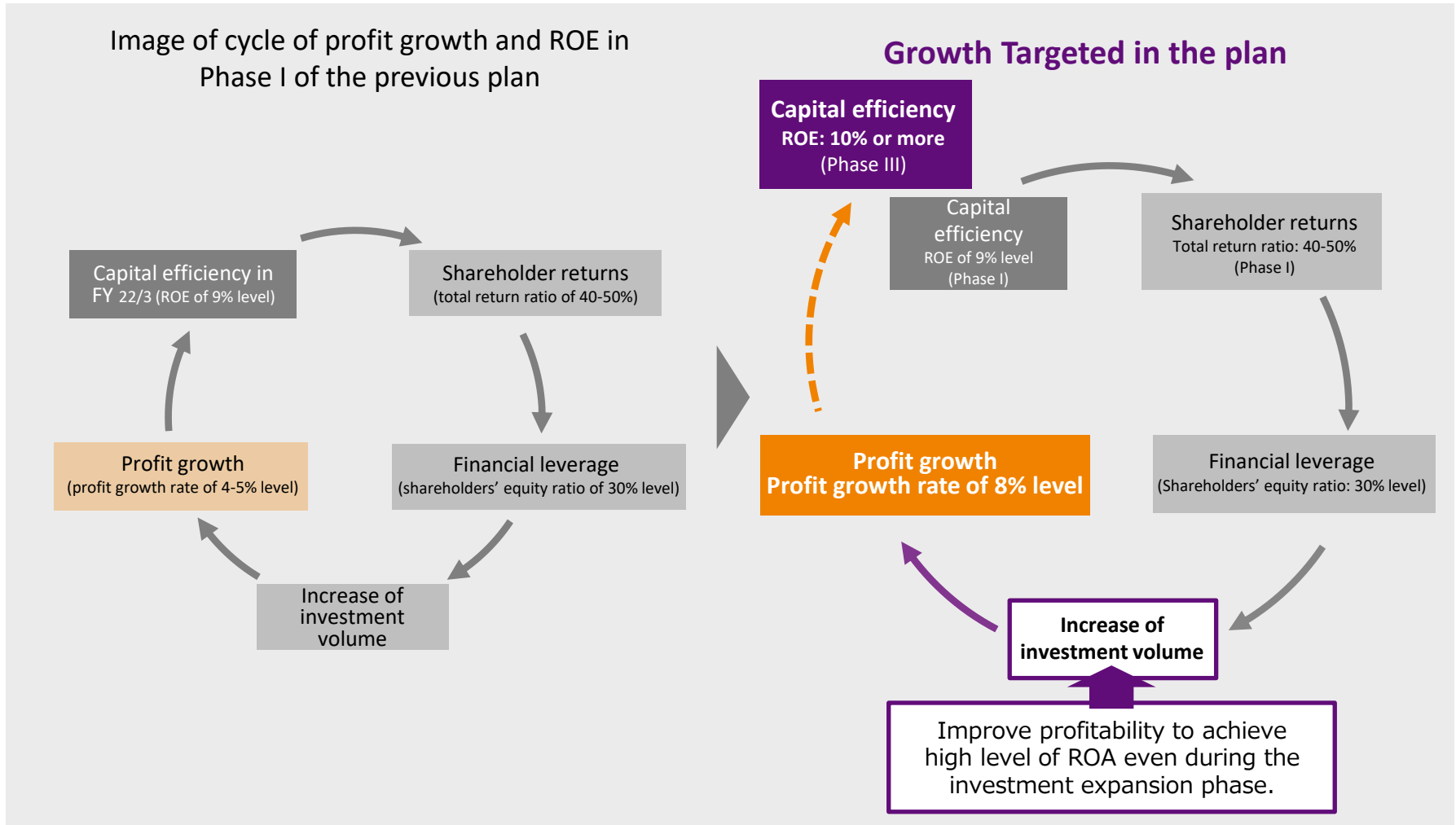
\* Operating profit until FY 18/3, business profit from FY 19/3





# 1. Growth Targeted in the Plan

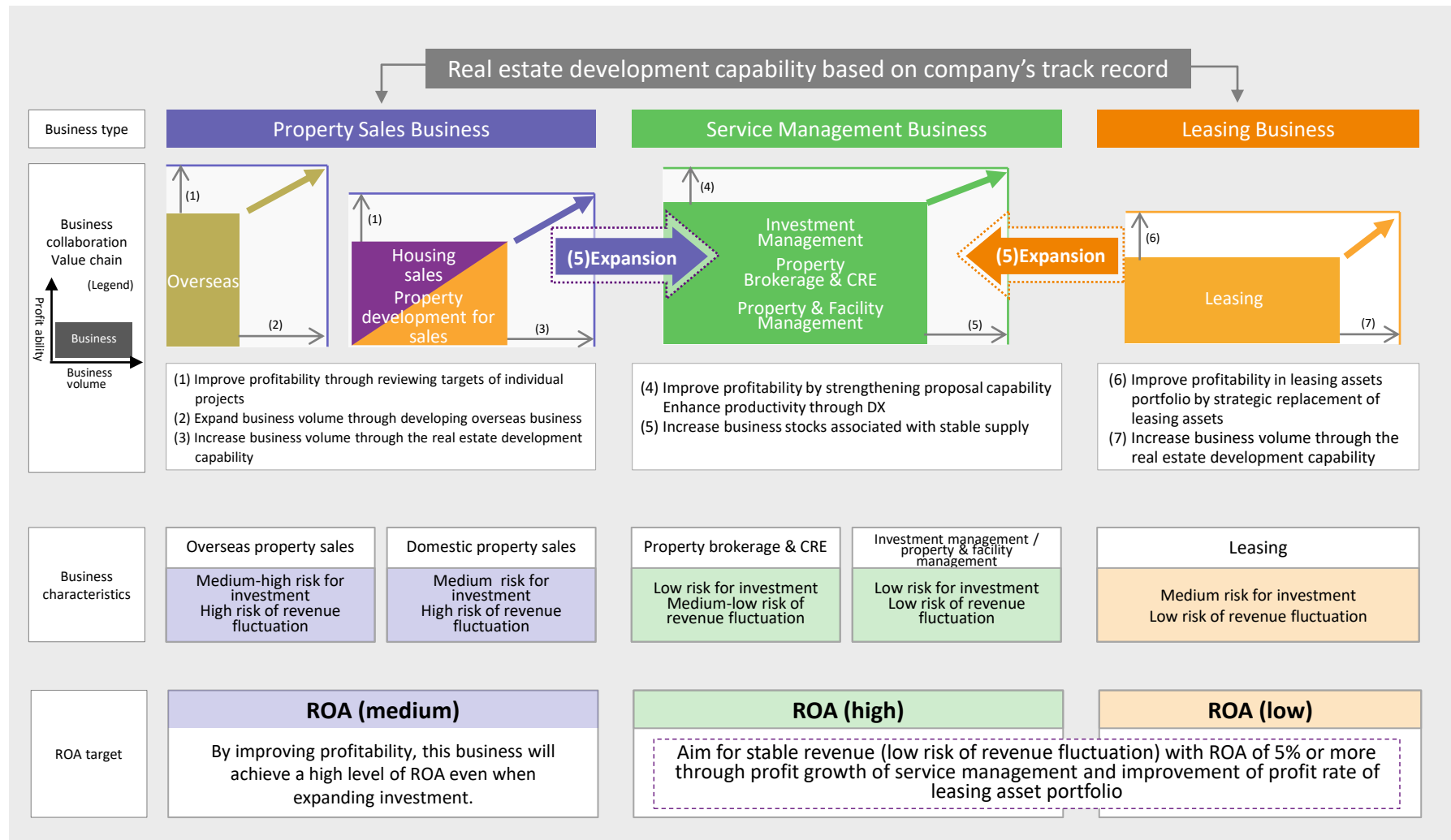
Achieve both high shareholder returns and high profit growth of 8% level.





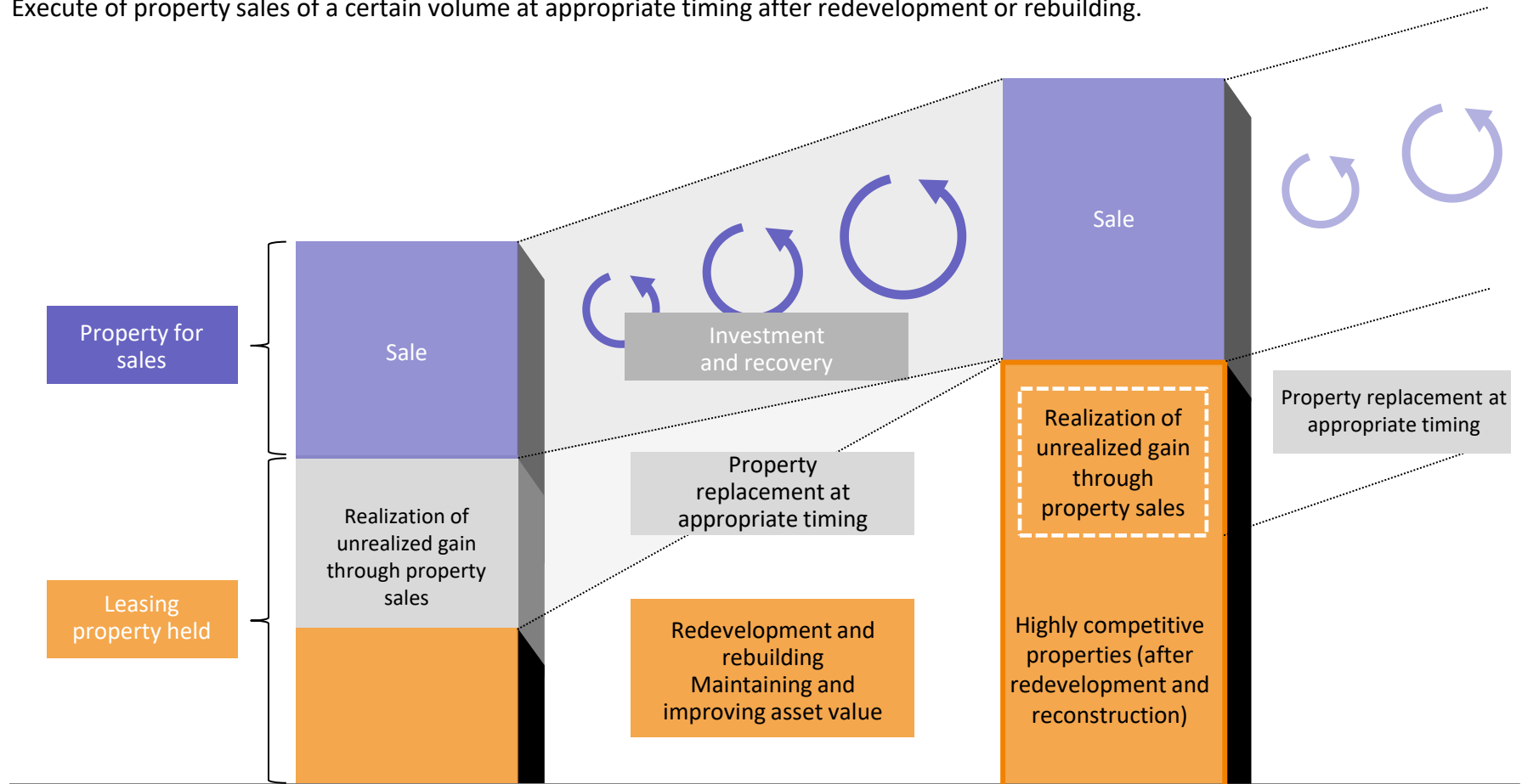
## 2. Financial Strategy (1) Business Portfolio Strategy

Realize business expansion and increasing profitability through business collaboration and value chain within the Group originating from development capability.  
Aim for ROA of 5% or more through combination of businesses with different revenue structure and risk.



## 2. Financial Strategy (2) Leasing Asset Portfolio Strategy

Realize of a certain amount of unrealized gain through the sale of properties with relatively low competitiveness in the mid to long term.  
Improve leasing asset portfolio due to an increase in highly competitive properties by redevelopment and rebuilding.  
Execute of property sales of a certain volume at appropriate timing after redevelopment or rebuilding.



## 2. Financial Strategy (3) Investment and Recovery Strategy

Expanding net investment as well as maintaining and improving ROA and ROE for high profit growth.

Units: billion yen

	Phase I (FY 23/3 - FY 25/3)	Phase II (FY 26/3 - FY 28/3)	Phase III (FY 29/3 - FY 31/3)	Total
<b>Residential Development</b>				
Investment	850	850	900	2,600
Recovery	800	850	900	2,550
<b>Commercial Real Estate</b>				
Investment	700	800	1,000	2,500
Recovery	450	700	850	2,000
<b>Overseas</b>				
Investment	150	200	200	550
Recovery	50	150	200	400
<b>Total</b>				
Investment	1,700	1,850	2,100	5,650
Recovery	1,300	1,700	1,950	4,950
<b>Net investment</b>				
	400	150	150	700

\*Figures in the table are rounded to the nearest of 50.0 billion yen.

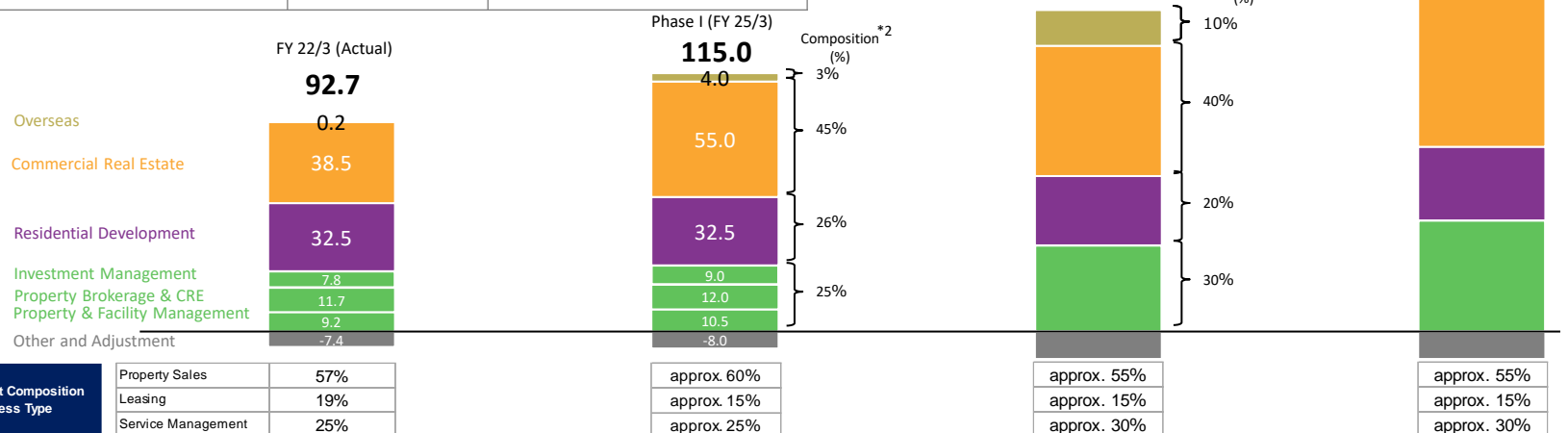
### 3. Profit Plan (1) Profit Target

- Further expansion of domestic real estate development business (Residential Development, Commercial Real Estate)
- High profit growth of Service & Management Sector (Investment Management, Property Brokerage & CRE, Property & Facility Management)
- Steady growth of overseas business

Financial Targets	FY 22/3	Phase I	Phase II	Phase III
<b>Business Profit</b> <sup>*1</sup>	¥92.7 bn	<b>¥115.0bn</b> (FY 25/3)	<b>¥140.0 bn or more</b> (FY 28/3)	<b>¥180.0 bn or more</b> (FY 31/3)
<b>ROA/ROE</b>	4.7% / 9.2%	4.5% level / 9% level	5% level / 10% level	5% or more / 10% or more

#### Business Profit by Business Unit (¥bn)

Domestic real estate development business	Residential Development Business Unit	32.5	32.5
	Commercial Real Estate Business Unit	38.5	55.0
Service & Management Sector	Investment Management Business Unit	7.8	9.0
	Property Brokerage & CRE Business Unit	11.7	12.0
	Property & Facility Management Business Unit	9.2	10.5
Overseas Business Unit		0.2	4.0
Other and Adjustment		-7.4	-8.0



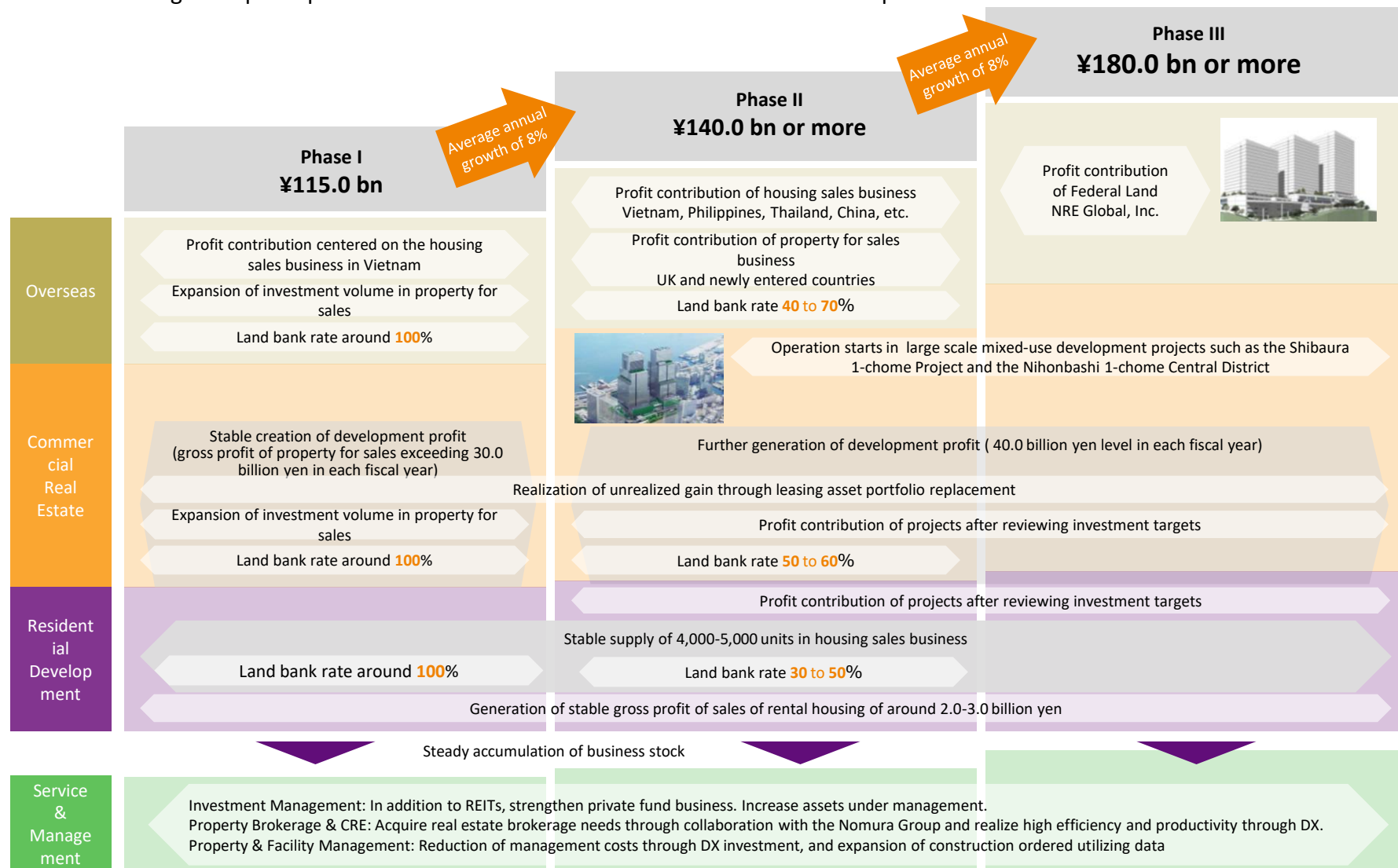
\*1. Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

\*2. Percentage of each Business Unit's profit is calculated based on the projected business profit, excluding other and adjustments.



### 3. Profit Plan (2) Profit Growth Roadmap

Achieve the targets of profit plan in Phase I with sufficient land stocks. Aim to realize profits from Phase II.



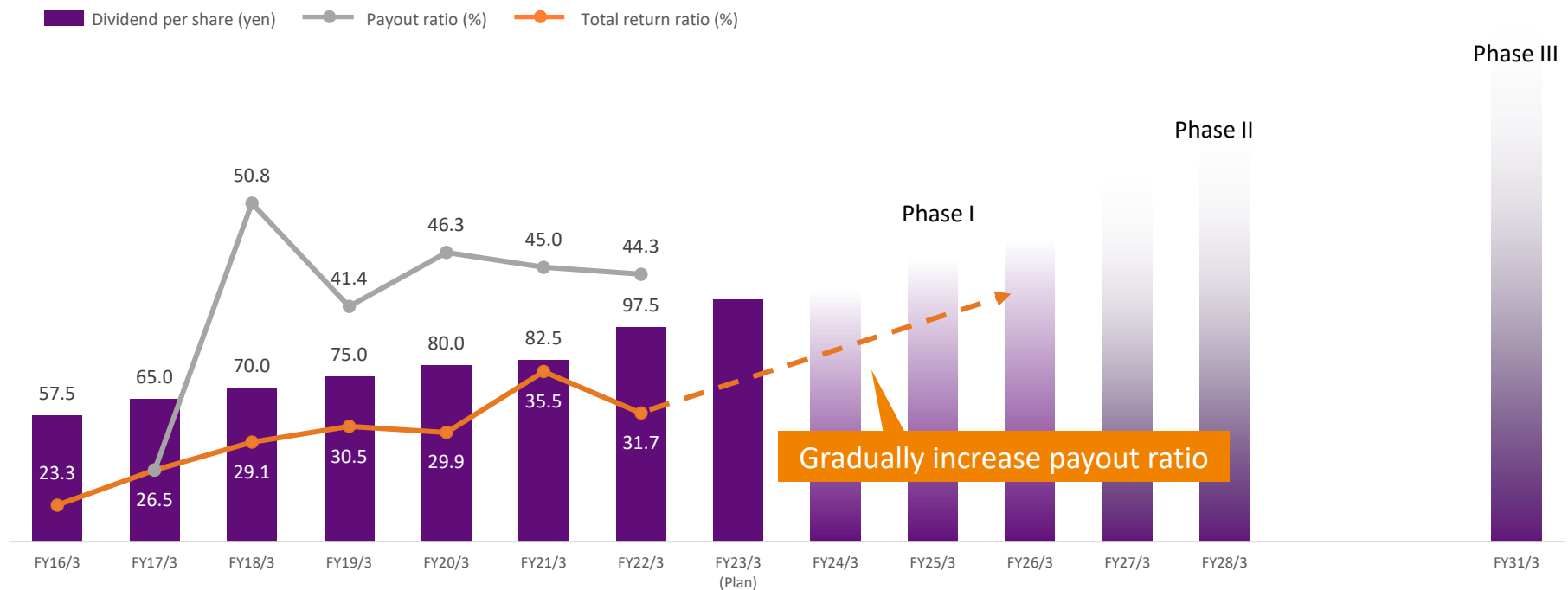
## 4. Shareholder Returns Policy

### Shareholder Returns Policy

Return the results of high profit growth to shareholders. Increase payout ratio toward Phase II.

Phase I (FY 23/3 - FY 25/3)
Total return ratio of 40-50%

Phase II/III (FY 26/3 - FY 31/3)
Payout ratio at 40% level



# PART 3

## Measures Accelerating Growth

1. DX Promotion
2. Human Resources Utilization
3. Strategic Investment



# 1. DX Promotion

Utilize digital technology to create new value.

## 1) Invest in areas utilizing the Company's strengths

- Promote investment in areas utilizing strengths such as the platform service utilizing the Company's customer base.
- Seek areas capable of exhibiting strengths through an R&D approach

## 2) Respond with a view to changes in society

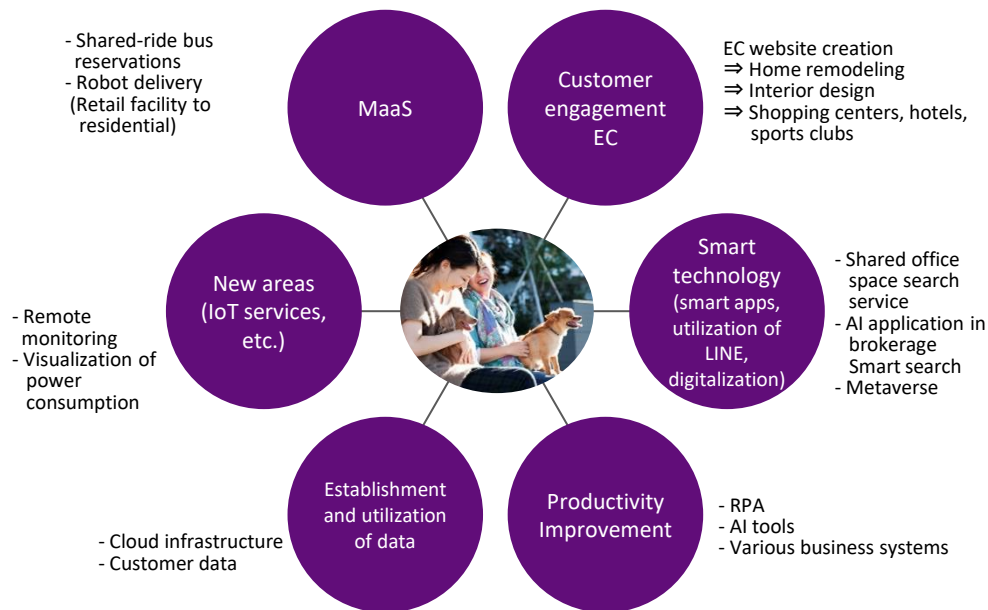
- Respond to essential themes to address in the trend of digitalization in society (MaaS as an extension of services related to housing, expansion into e-commerce, etc.)
- Promote productivity improvement in each business through digital technology



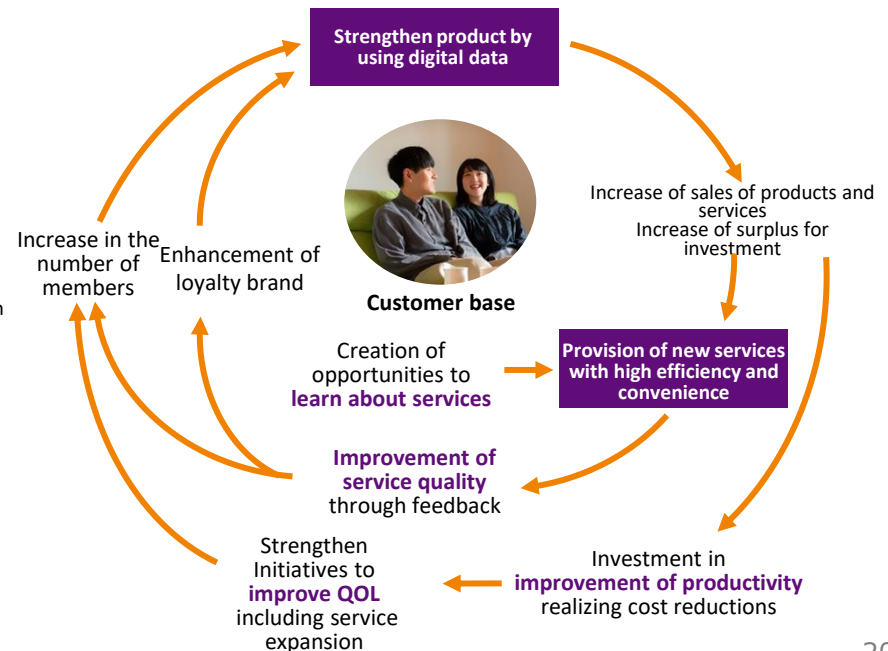
## Value creation through the utilization of digital technology (realization of digital dream)

- Contribute to everyday QOL of customers through the provision of services centered on "people"
- Accumulate and analyze data from customer base, and continue to improve and enhance products and services
- Contribute to growth of each business through improvement of productivity

### Investment themes



### Platform service utilizing the Company's customer base

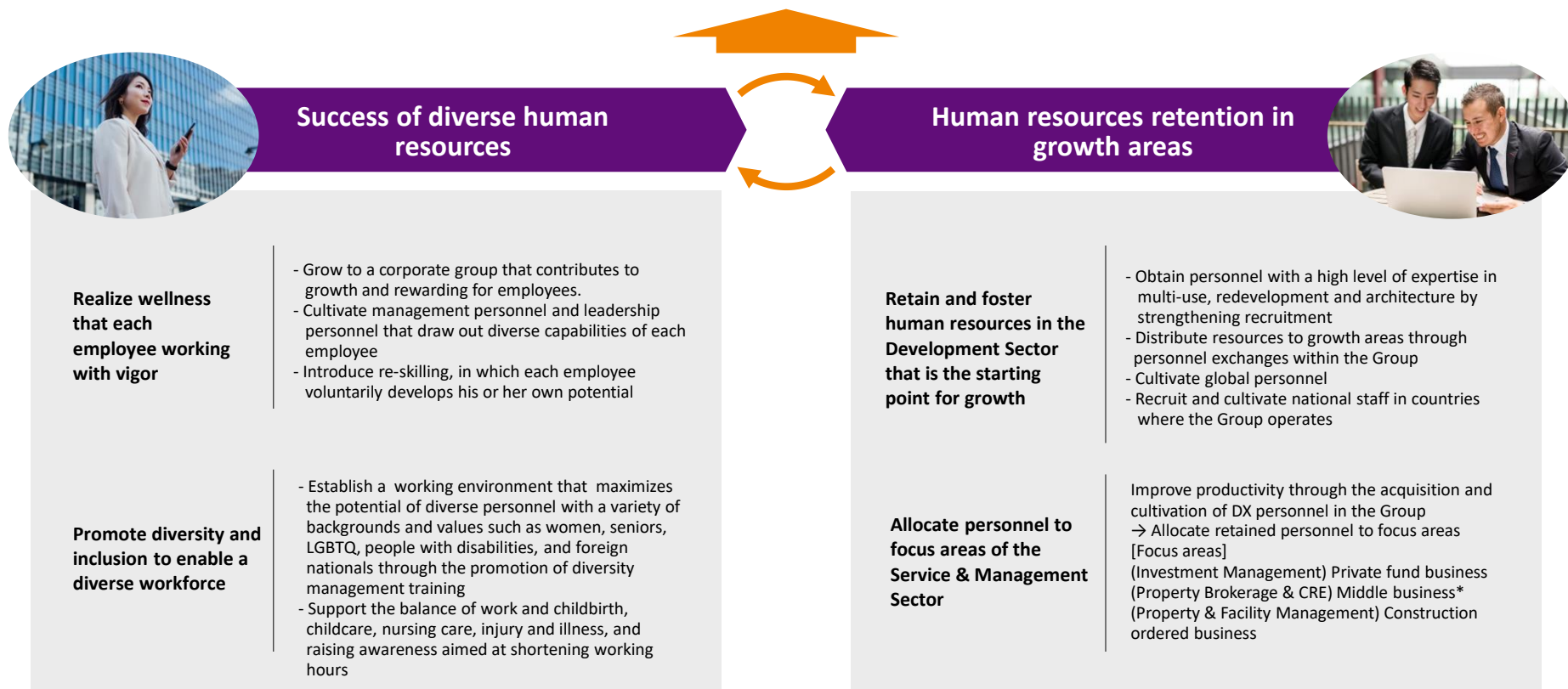




## 2. Human Resources Utilization

Realize a company that continues to provide satisfaction to employees and embrace challenges through the cycle of “success of diverse human resources” and “human resources retention in growth areas”.

**Realization of a company that continues to provide satisfaction to employees and embrace challenges**



\* Real estate brokerage for small and midsize companies, business owners, some individual investors and high net worth individuals

### 3. Strategic Investment

Further accelerate the growth speed through the execution of strategic investment.

#### Investment targets



Service & Management Sector



Digital area



Overseas real estate



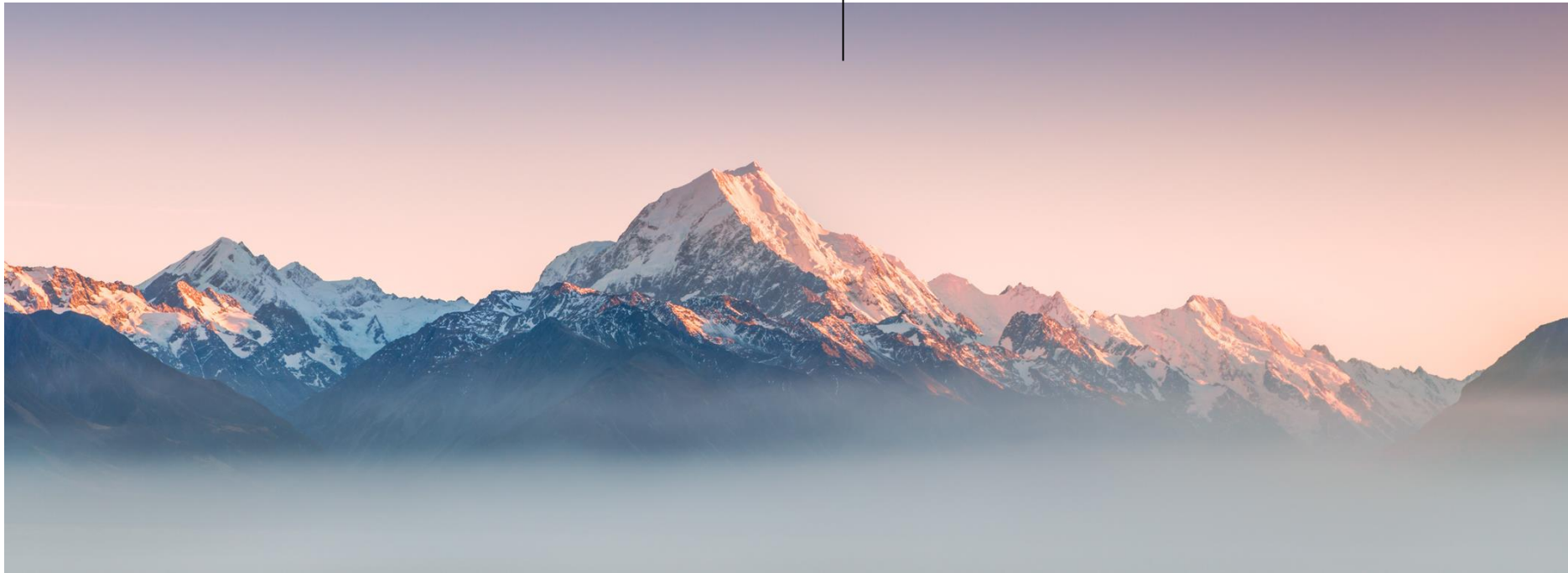
#### Accelerate growth speed

- Expand business opportunities and develop business into new areas
- Acquire external expertise and resources to response to changes in the social environment and diversification of customer needs
- Accelerate growth of existing business through the synergy creation

# PART 4

## Strategies by Business Unit

1. Residential Development Business Unit
2. Commercial Real Estate Business Unit
3. Investment Management Business Unit
4. Property Brokerage & CRE Business Unit
5. Property & Facility Management Business Unit
6. Overseas Business Unit



# 1. Residential Development Business Unit

Contribute to the environment and society, as well as create new value by providing housings.

## Business environment in focus

Changes in market size due to declining birthrate and aging population

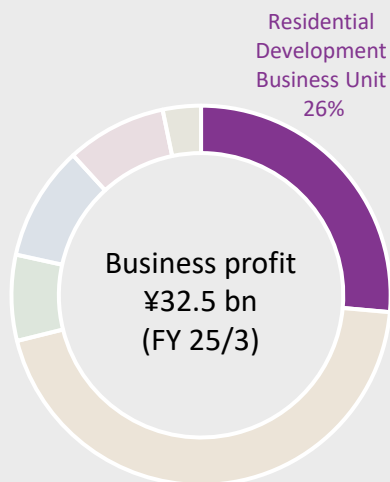
Changing lifestyles, diversification of housing needs

Heightened awareness of sustainability and carbon neutrality

Social needs for redevelopment and reconstruction such as the regional activation, aging buildings, and solving districts crowded with wood-frame housings

General application of business methods utilizing digital technology

## Financial targets (Phase I)



## Growth strategy

Deepen and evolve PROUD in housing sales business  
(Stable supply of 4,000 to 5,000 units)

PROUD



Jingumae 6-chome Project



Nishiazabu 3-chome Redevelopment

Response to diversifying needs

OHANA PROUD SEASON PROUD FLAT OUKAS

Strengthen efforts in redevelopment and reconstruction projects  
Business profit ratio: approx. 20% level



PROUD TOWER Higashi-Ikebukuro Station Arena

Monetization of non-asset business

**Building a platform for providing living and housing services**

Digital utilization for services in collaboration with Property & Facility Management Business Unit.

## Continuous customer support structure

**Sustainability**  
Competitive advantage in ten years  
X  
**DX promotion**  
Means promoting value creation

**Provide sustainable products and services**  
Longer service life and environmental performance (ZEH Oriented standards, etc.)  
/Reduction of total CO2 emissions

**Transform sales methods utilizing digital technology**  
Interact customers digitally, optimize and improve productivity of sales activities

**Utilize digital technologies in product planning and quality management**  
Smart locks, health tech, etc.



## 2. Commercial Real Estate Business Unit

Create value rooted in market changes and each customer's usages, as well as realize development profit.

### Business environment in focus

Changes in customer values  
Emphasis on the individual,  
The community, health,  
and the value of time

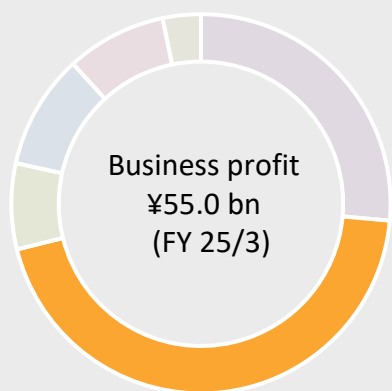
Heightened awareness of  
sustainability and carbon  
neutrality

Changes in employees'  
awareness of work styles

Changes in purchase structure  
due to e-commerce and  
diversification of sales  
channels

Heightened needs for logistics  
hubs due to acceleration of e-  
commerce

### Financial targets (Phase I)



Commercial  
Real Estate  
Business Unit  
45%

### Growth strategy

Evolution and transformation of value creation linking  
environmental changes to business opportunities

#### Facilitate changes in work styles

Office portfolio



**pmo**  
PREMIUM MIDSIZE OFFICE  
**H1O**  
HUMAN FIRST OFFICE  
**H1T**  
HUMAN FIRST T.MG

TOKYO TORANOMON GLOBAL SQUARE

Improve customer engagement  
by providing services for  
workers

**Transformation  
of value  
creation  
Promotion of  
large-scale  
development**  
Nihonbashi 1-  
chome Central  
District  
Redevelopment



**Investment expansion in social  
infrastructure**  
Highly functional logistics facilities,  
data centers

Realize development profit and unrealized profit  
(Gross profit of property for sales: Phase I over ¥30.0 bn,  
from Phase II ¥40.0 bn level)

#### Acceleration of leasing value chain model

Expansion of investment volume in brand  
assets, Review of investment targets



#### Strategic asset replacement

Realization of unrealized gain, strengthening  
leasing asset portfolio

### Formulation of competitive asset and services

Contribution to a sustainable society

**Switching electricity to  
renewable electricity for all  
leasing properties**

**Standardization of ZEB  
Oriented criteria**

Build new services utilizing digital  
technologies such as H1T and retail  
properties

## 2. Commercial Real Estate Business Unit: Shibaura 1-chome Project

We will create a new future for people and society in this city open to the sky, the sea, and the world,. We will start a new Tokyo.



- A new work style **TOKYO WORKation**
- Large-scale mixed-use development with gross floor area of approx. **550,000 m<sup>2</sup>** (Office, retail facility, hotel, housing)
- Urban development utilizing **waterfront location**
- Effectively **zero** CO<sub>2</sub> emissions for the entire district



Location: 1-1-1 Shibaura, Minato-ku, Tokyo  
Size: S Tower: 43 floors above ground, 3 basement floors, approx. 235 m  
N Tower: 45 floors above ground, 3 basement floors, approx. 235 m  
Land area: approx. 40,000 m<sup>2</sup>  
Gross floor area: approx. 550,000 m<sup>2</sup>  
Main use: office, retail facility, hotel, housing  
Start of construction: October 2021 (S Tower), FY 28/3 (N Tower)  
Completion of construction: FY 25/3 (S Tower), FY 31/3 (N Tower)  
Main participating companies: Nomura Real Estate Holdings, East Japan Railway

### 3. Investment Management Business Unit

Utilize the leasing value chain to become Japan's largest real estate investment company that is most trusted by investors in terms of both quality and quantity.

#### Business environment in focus

Expansion of ESG investment

From traditional investment to alternative investment

Expansion of investment target sectors  
(data centers, infrastructure sector, etc.)

Globalization of real estate investment management

#### Financial targets (Phase I)

Investment Management Business Unit 7%

Business profit  
¥9.0 bn  
(FY 25/3)

#### Growth strategy

Sponsor (Nomura Real Estate Group)

Utilization of leasing value chain

REIT business

Private fund business

New areas

Expansion of assets under management

Core business to strengthen revenue base

Capturing abundant alternative investment needs

Development of new investor base and expansion of business areas

Maximize the leasing value chain

Expansion of product lineup meeting diverse investor needs  
(hotels, healthcare, data centers, etc.)

Product development through collaboration with the Nomura Group, research in new investment target sectors, M&A of overseas asset managers

MASTER FUND

NOMURA REAL ESTATE PRIVATE REIT, INC.

LOTHBURY Investment Management

Enhancing fund operation capabilities

Sustainability initiatives

Promoting response to climate change as the industry's top runner  
(Reduction of energy use and CO<sub>2</sub> emissions)

DX promotion

Expansion of operations and improvement of productivity with a view to diversification



## 4. Property Brokerage & CRE Business Unit

Become a professional group that is No. 1 in customer satisfaction and No. 1 in productivity by providing one-stop support for real estate demands and promoting DX.

### Business environment in focus

Continuous expansion of the used real estate market

Increase of real estate needs due to inheritance and business succession

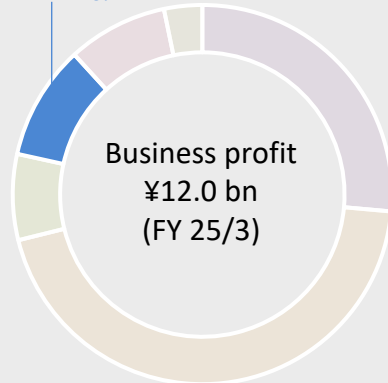
Increase of off-balance sheet needs of general business corporations

Increase in alternative investment needs of institutional investors

Intensification of service competition among major companies  
Rise of IT startups

### Financial targets (Phase I)

Property Brokerage & CRE Business Unit  
10%



### Growth strategy

#### Retail business<sup>\*1</sup>

Expansion of stable revenue base capturing strong demand

#### Middle business<sup>\*2</sup>

Capturing needs related to M&A, business succession and inheritance needs through collaboration with financial institutions and licensors

#### Wholesale business<sup>\*3</sup>

Promotion of CRE proposals based on customer base, capturing investment needs of funds

← Provide comprehensive services →

Individuals with actual demands

Individual investors

Small- and medium-sized enterprises

Business owners

Investment funds

Large corporations

#### Common strategy

- Strengthen collaboration with the Nomura Group to meet real estate brokerage needs
- High efficiency and productivity utilizing digital technology
- Creation of a positive cycle of improvement of employee and customer satisfaction

Improvement of productivity and customer satisfaction through DX promotion

Utilization of digital technology

ネットで住みかえ ノムコム®

**nomu.com**

Promotion of digital contracting  
Formulation of new sales methods

Establishment of systems to improve productivity  
(Promotion of DX and BPO)

\*1 : Real estate brokerage business for individuals \*2 : Real estate brokerage business for small and midsize companies, business owners, some individual investors and high net worth individuals \*3 : Real estate brokerage business for large corporations, funds and overseas investors



# 5. Property & Facility Management Business Unit

By utilizing digital technology, achieving both the provision of high-quality products and services, as well as labor saving. Pursuing customer satisfaction and competitive advantage.

## Business environment in focus

Evolution of digital technology

Changes in lifestyles and work styles  
Diversification of resident attributes

Shrinking workforce  
Declining birthrate and aging of society

Aging of buildings  
Increase of smart buildings  
Obsolescence of existing buildings

Frequent occurrence of disasters  
Strengthening of resilience

## Financial targets (Phase I)

Property & Facility  
Management Business  
Unit 9%

Business profit  
¥10.5 bn  
(FY 25/3)

## Growth strategy

### Property and facility management

- Achieving both high quality and labor saving
- Use of digital technology in services collaborated with the Residential Development Business Unit (Expansion of new areas into services providing individual support)
- Development of new products meeting customer needs

### Construction ordered

- Development and deployment of competitive products such as re:Premium
- Proposals for construction combining technological capability and proposal capability with data of customer characteristics

re:Premium  
リ・プレミアム

## Transformation into a new business model utilizing digital technology

### Improvement of productivity through DX promotion

Standardization of operations through business process reform  
Injection surplus time and human resources into customer service

### Provision of services with high added value

Use of digital technology for customer contacts  
Improvement of service quality through accumulation and analysis of data

### Strengths of the Property & Facility Management Business Unit

High quality service with hospitality  
Technological capability and proposal capability meeting customer needs  
Branding power of No. 1 customer satisfaction

### DX promotion

Business process reform  
Improvement of convenience  
Utilization of data

## 6. Overseas Business Unit

Utilize the expertise and knowledge developed in Japan to enrich housing, people's lifestyles and time in other countries.

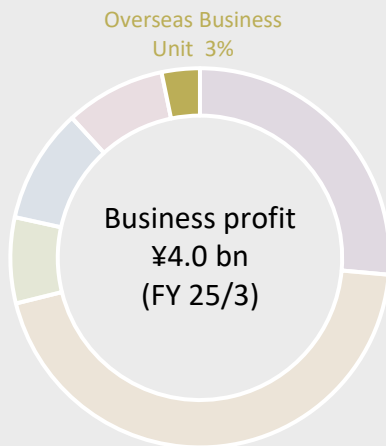
### Business environment in focus

Further growth of the Asian housing market

Heightened expectations in the resolution of social issues through township development

Increased liquidity of the commercial property sales market

### Financial targets (Phase I)



### Growth strategy

Housing sales business / commercial property sales business  
Expand both business volume and quickly establish a revenue base  
Aim for 15% or more of business profit to be generated from overseas business (Phase III)

#### KAIZEN activities

Initiatives to improve quality through consortiums with Japanese and local companies

#### Structure for maximizing value

Optimal operation according to customer needs, customs and the construction environment in each country

#### Introduction of advance technology

Utilization of venture capital, smart city initiatives

#### Housing research and study

Joint research with local universities

#### Know-how and expertise cultivated in Japan

Our coherent approach to connect closely with each customer regardless of business content

Knowledge and expertise of housing sales business and commercial property sales business

#### Business promotion foundation

Consolidation of business promotion functions in local offices  
Collaboration with local partner companies

Formulation of governance systems  
Monitoring through overseas monitoring meetings



# APPENDIX

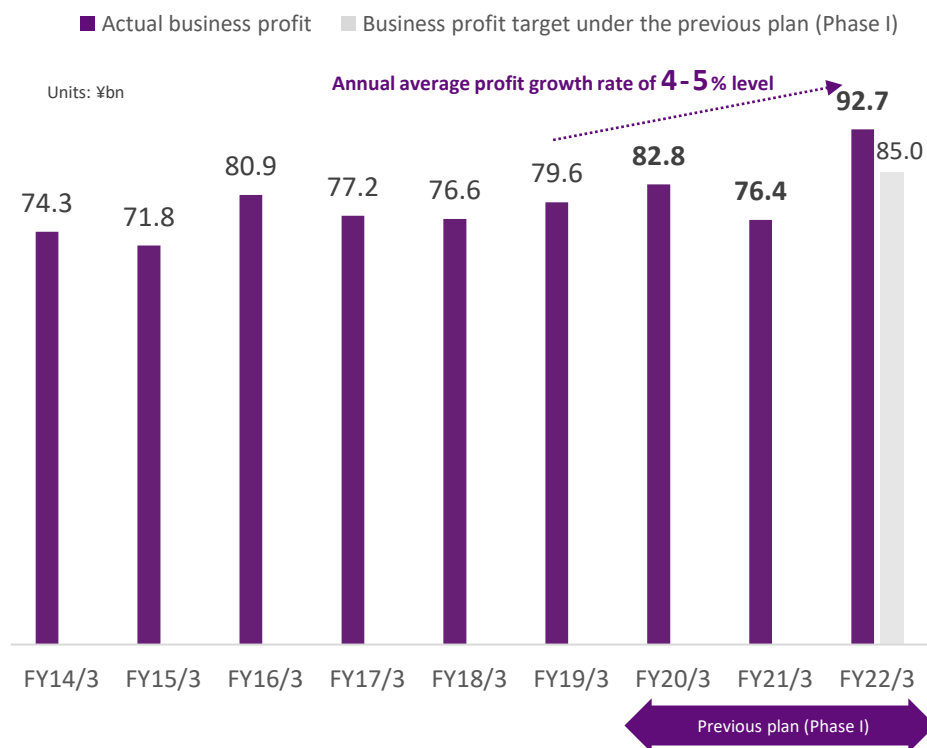
Reflection on the Previous  
Mid- to Long-term Business Plan (Phase I)



# Reflection on the Previous Mid- to Long-term Business Plan (Phase I)

Business profit was 92.7 billion yen in FY22/3, exceeding the profit target of 85.0 billion yen and marking the highest profit on record.

## Profit Plan



	FY 22/3 Result	FY 22/3 Previous plan	Change
Residential Development Business Unit	32.5	30.0	2.5
Commercial Real Estate Business Unit	38.5	33.0	5.5
Service & Management Sector	28.7	28.0	0.7
Investment Management Business Unit	7.8	9.0	-1.1
Property Brokerage & CRE Business Unit	11.7	11.0	0.7
Property & Facility Management Business Unit	9.2	8.0	1.2
Overseas	0.2	-	0.2
Other and Adjustment	-7.4	-6.0	-1.4
<b>Business profit</b>	<b>92.7</b>	<b>85.0</b>	<b>7.7</b>

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

\* Operating profit until FY 18/3, business profit from FY 19/3

\* The figures for the previous plan are before reclassification of the Overseas business.



# Reflection on the Previous Mid- to Long-term Business Plan (Phase I)

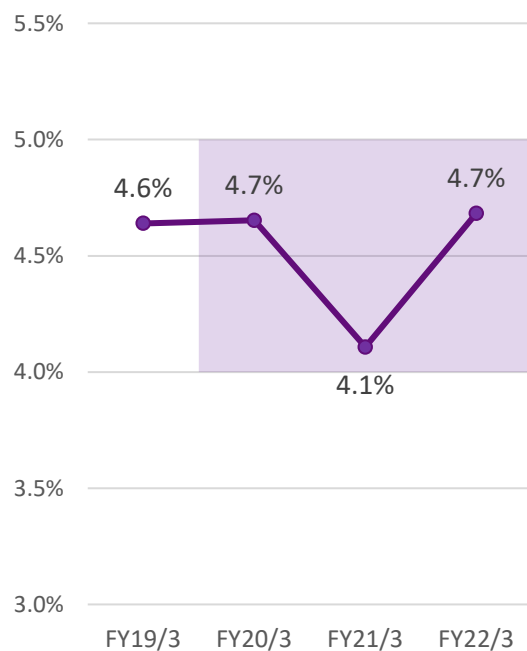
Although ROA and ROE declined due to a drop in profit caused by COVID-19, targets were generally achieved. Implemented steady increases in dividends and purchase of treasury shares, achieving the target total return ratio.

## Financial and Capital Policy (Phase I)

### Asset efficiency

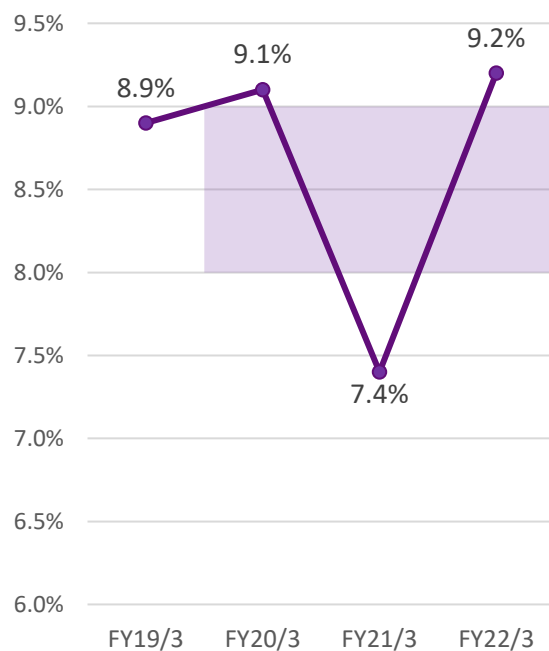
ROA\*: around **4-5%**

\*ROA = Business profit / Average assets during the FY



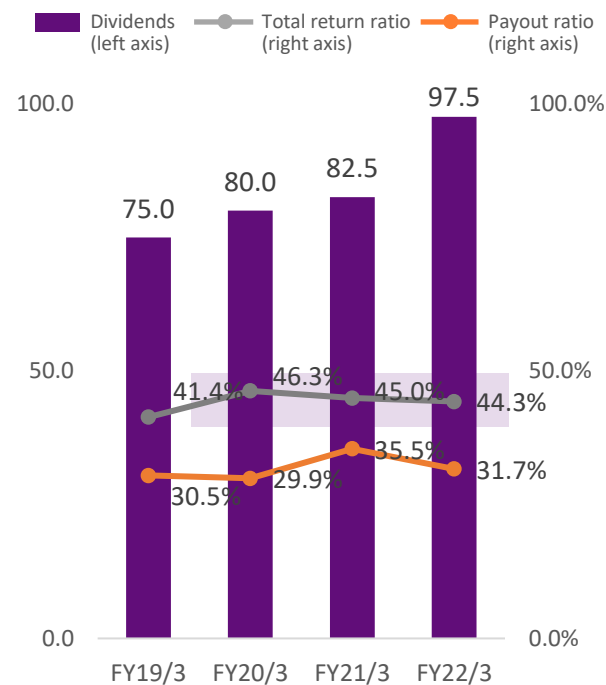
### Capital efficiency

ROE: around **8-9%**



### Shareholder returns

Total return ratio: around **40-50%**





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### IR contact point

Nomura Real Estate Holdings, Inc.

Corporate Communication Dept.

TEL: +81-3-3348-8117

[nrehd-ir@nomura-re.co.jp](mailto:nrehd-ir@nomura-re.co.jp)

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