

Basic Corporate Data

Basic Corporate Data

| | |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Name | Nomura Real Estate Holdings, Inc. |
| Head Office | Shinjuku Nomura Building, 1-26-2 Nishi-Shinjuku, Shinjuku, Tokyo 163-0566, Japan |
| Business Overview | The Nomura Real Estate Group's main business comprises Residential Development Business, Leasing Business, Investment Management Business, Property Brokerage & CRE Business, Property & Facility Management Business Please refer to the link for details. |
| Activity Area | Japan, the U.K., China, Thailand, Vietnam, Philippines and Singapore |
| Capital | ¥117,822,180,050 (as of March 31, 2020) |
| Number of Employees | 7,176 (as of March 31, 2020 on a consolidated basis) |
| Suppliers | Main clients include design companies, construction companies and specialized service providers |
| Number of Group Companies | 67 affiliated companies (40 consolidated subsidiaries and 27 affiliated companies accounted for by the equity method) |

*The following changes were made to the above data in fiscal 2019 in relation to organization structure, ownership, and scale.

- NF Power Service Co., Ltd. ceased being a consolidated subsidiary because part of the shares was transferred.
- Acquired all shares in ZEN PLAZA CO., LTD. and made it a significant subsidiary.
- Acquired shares owned by non-controlling shareholders of NREG TOSHIBA BUILDING Co., Ltd. and made it a wholly owned subsidiary.

Also changed the corporate name to Nomura Real Estate Building Co., Ltd.

- Carried out a merger between Nomura Real Estate Partners Co., Ltd. (surviving company) and NREG TOSHIBA FUDOSAN FACILITIES Co., Ltd. (disappearing company).

Financial Status

on a consolidated basis

Revenue from Operation



Ordinary Profit



Net Income



Total Assets/Net Assets



Environment

Upgrades to environmental management

Fiscal 2019 performance against the set targets was as set forth below.

* Unless otherwise indicated, the reporting scope is the Group.

Acquisition rate of ISO 14001

Acquisition rate of Green Building Environmental Certification

| Company name | Name of branches/offices | Certification organization | Certification acquisition date |
|---------------------------------------|--------------------------|--------------------------------------------|--------------------------------|
| Nomura Real Estate Partners Co., Ltd. | Yokohama Office | Japan Quality Assurance Organization (JQA) | March 5, 2004 (JQA - EM3815) |

Acquisition of Green Building Environmental Certification

Acquisition rate of Green Building Environmental Certification

| Type | FY 2017 | FY 2018 | FY 2019 |
|------------------------------------------------------------------------------------------------------|---------|---------|---------|
| Acquisition rate by business properties for sale (including new development and pending application) | 100% | 100% | 100% |

List of Environmental Certifications Acquired (FY 2019)

| Certification Name | Property |
|----------------------------------|------------------------------------------------------------------------------------------------------------------|
| DBJ Green Building Certification | 【Office Buildings】 PMO Kanda Manseibashi* PMO Gotanda PMO Nishi-Shinjuku* H'O Nihonbashi Kobuna-cho* |
| | 【Retail Facilities】 GEMS Yokohama GEMS Sakae GEMS Shin-Yokohama MEFULL Chayamachi ENOTOKI |

| | | |
|--|------------------------|---------------------------------------------------------------------------------------------------------------------------|
| | 【Logistics facilities】 | Landport Kawaguchi Landport Ome II Landport Atsugi Aikawamachi Landport Higashi-Narashino Landport Narashino* |
|--|------------------------|---------------------------------------------------------------------------------------------------------------------------|

* Application is pending as of the end of September 2020.

Acquisition of Environmental Certification on Energy Performance at the Commercial Real Estate Business Unit

Acquisition of energy rating

| Type | FY 2018 | FY 2019 |
|-----------------------------------|-----------------|------------------------------------------------------------------------------|
| Number of certifications acquired | Nine properties | 14 properties (including four properties for which applications are pending) |

| Certification Name | Property |
|-------------------------------------------------------------|---------------|
| BELS (Building-Housing Energy-efficient Labeling System) | Same as above |

[Upgrades to environmental management](#)

Environmental Compliance

In fiscal 2019, the Group did not commit any violations of environmental laws and regulations (including pollution and water use) in the manufacture, sale, or management of its products and services.

The Group also did not receive any external indications of violations.

[Upgrades to environmental management](#)

Responding to climate change

Fiscal 2019 performance against the set targets was as set forth below.

•Scope 1 and 2

(Unit: t-CO₂)

| Scope 1 | Scope 2 | Scope 1+2 |
|---------|---------|-----------|
| 23,627 | 126,960 | 150,588 |

•Scope 3

(Unit: t-CO₂)

| Category | GHG (CO ₂) emissions performance |
|-------------------------------------------------------------------------------|----------------------------------------------|
| 1. Products and services purchased | 969,704 |
| 2. Capital goods | 71,164 |
| 3. Fuel- and energy-related activities that are not included in Scope 1 and 2 | 27,473 |
| 4. Transportation and delivery (upstream) | 4,081 |
| 5. Waste generated by businesses | 6,858 |
| 6. Business trips | 1,421 |
| 7. Employers' commuting | 2,395 |
| 8. Lease assets (upstream) | - |
| 9. Transportation and delivery (downstream) | - |
| 10. Processing of products sold | - |
| 11. Use of products sold | 2,203,005 |
| 12. Disposal of products sold | 62,603 |
| 13. Lease assets (downstream) | 19,011 |
| 14. Franchise | - |
| 15. Investments | - |
| Total | 3,367,714 |

* Calculation for Category 8 is included in Scope 1 and 2.

* Categories with no figures indicate that emission sources do not exist.

* Scope: Scope of calculation and reporting on the amount of CO₂ emissions by a company

Scope 1: Direct emissions such as fuel combustion

Scope 2: Indirect emissions resulting from the use of electricity or heat purchased by the Company

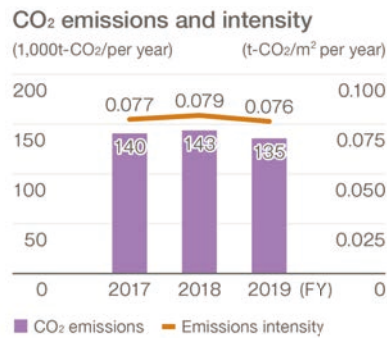
Scope 3: Indirect emissions other than those in Scope 1 and 2

GHG (CO₂) emissions performance (properties subject to reporting under the Act on the Rational Use of Energy)

| | FY 2017 | FY 2018 | FY 2019 |
|----------------------------------------------------------------------------------|---------|---------|---------|
| Total GHG (CO₂) emissions (thousand t-CO₂/year) | 140 | 143 | 134 |
| Reduction rate (compared with FY 2013) | -14.4% | -12.2% | -15.6% |
| Emissions intensity (t-CO₂/m² per year) | 0.077 | 0.079 | 0.076 |

* For the calculation of the emissions intensity, the GHG (CO₂) emissions are divided by the gross floor area of a property subject to reporting under the Act on the Rational Use of Energy (property subject to reporting on energy saving).

* Following the above, the emissions intensity for FY 2017 and FY 2018 have also been revised.

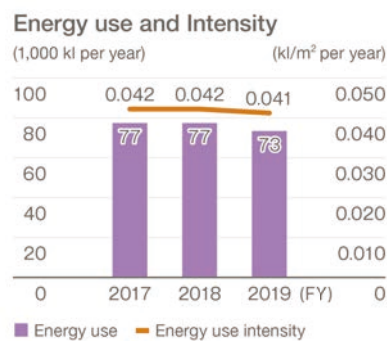


Energy usage performance (properties subject to reporting under the Act on the Rational Use of Energy)

| | FY 2017 | FY 2018 | FY 2019 |
|---------------------------------------------------------|---------|---------|---------|
| Energy use (1,000 kl per year) | 77 | 77 | 73 |
| Energy use intensity (kl/m² per year) | 0.042 | 0.042 | 0.041 |

* For the calculation of the energy use intensity, the energy use is divided by the gross floor area of a property subject to reporting under the Act on the Rational Use of Energy (property subject to reporting on energy saving).

* Following the above, the energy use intensity for FY 2017 and FY 2018 have also been revised.



Promote solar power generation

| | FY 2017 | FY 2018 | FY 2019 |
|-----------------------------------------------------------------------------------------------|---------|---------|---------|
| Solar power generating facility installation rate at Landport logistics facilities (%) | 92.3 | 92.9 | 94.7 |
| Electric power generated at Landport logistics facilities (million kWh/year) | 11.55 | 12.081 | 15.194 |

[☐ Responding to climate change](#)

Effective utilization of water resources

Fiscal 2019 performance against the set targets was as set forth below.

Water use performance

Water use

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------------------------------------------------------------------|---------|---------|---------|---------|
| Total use (thousand m³/year) | 1,838 | 1,949 | 2,027 | 1,914 |
| Water use intensity (m³/m² per year) | 1.33 | 1.27 | 1.31 | 1.16 |

Volume of water intake (by type)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------------------------------------------------------------------------------|---------|---------|---------|---------|
| Clean water and industrial water use (thousand m³/year) | 1,649 | 1,766 | 1,850 | 1,748 |
| Surface water (lakes and rivers, etc.) | 0 | 0 | 0 | 0 |
| Groundwater | 189 | 183 | 176 | 167 |
| Total volume of water intake (thousand m³/year) | 1,838 | 1,949 | 2,027 | 1,914 |

* Environmental data covers facilities subject to reporting under the Act on the Rational Use of Energy (in the 2019 fiscal year, 200 facilities with a total of 1,770,088 m²). Facilities subject to reporting change from year to year. Data concerning waste volume and water use, however, covers only some facilities. (Water use: 160 facilities with 1,654,941 m²)

[Effective utilization of water resources](#)

Consideration for biodiversity

Fiscal 2019 performance against the set targets was as set forth below.

* Unless otherwise indicated, the reporting scope is the Group.

Promote the use of domestic / certified lumber

The Group established the Nomura Real Estate Group CSR Procurement Guidelines, which prescribe the sustainable use of resources and methods of use of wood materials.

Acquisition of Biodiversity Certification (ABINC/JHEP/SEGES)

Number of Biodiversity Certifications Acquired

| | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------------------------------------------|--------------|--------------|---------|
| Number of Certifications Acquired for Newly Developed Properties | 4 properties | 2 properties | None |

[□ Consideration for biodiversity](#)

Appropriate utilization of resources and pollution control

Fiscal 2019 performance against the set targets was as set forth below.

Waste discharge performance

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--------------------------------------------------------|---------|---------|---------|---------|
| Waste discharge (tons per year) | 5,887 | 6,060 | 6,832 | 6,594 |
| Discharge intensity (kg/m² per year) | 4.685 | 4.343 | 4.867 | 5,159 |

* Environmental data covers facilities subject to reporting under the Act on the Rational Use of Energy (in the 2019 fiscal year, 200 facilities with a total of 1,770,088 m²).

However, data concerning waste volume covers only some facilities.

(Waste volume: 121 facilities with 1,278,147 m²)

[□ Appropriate utilization of resources and pollution control](#)

Employment Data

Employment Data

Number of Employees

(As of March 31 in each fiscal year)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|----------------------------------|---------|---------|---------|---------|
| Employees | 6,728 | 6,931 | 7,317 | 7,250 |
| Male | 4,804 | 4,869 | 5,066 | 5,031 |
| Female | 1,924 | 2,062 | 2,251 | 2,219 |
| Female employee ratio (%) | 28.60 | 29.75 | 30.76 | 30.61 |
| Permanent employees | 6,006 | 6,173 | 7,061 | 6,974 |
| Temporary employees | 722 | 758 | 256 | 276 |
| Permanent employees (%) | 89.30 | 89.10 | 96.50 | 96.19 |

* The number of employees includes persons dispatched to outside the Group, and excludes persons dispatched to the Group from outside.

New Graduate Career-Track Employees and Female Employment Ratio

(Joined company on April 1)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|------------------------------------|---------|---------|---------|---------|
| New graduate employees | 247 | 256 | 258 | 306 |
| Male | 166 | 168 | 163 | 169 |
| Female | 81 | 88 | 95 | 137 |
| Female employment ratio (%) | 32.79 | 34.38 | 36.82 | 44.77 |

Improved safety/security in design and construction

Fiscal 2019 performance against the set targets was as set forth below.

Comply with Design and Construction Standards and Quality Manuals

The Group has established and complies with the Design and Construction Standards and the Quality Manuals in the Residential Development Business Unit (PROUD and OHANA condominiums, PROUD SEASON detached housing, PROUD FLAT Rental housing) and in the Commercial Real Estate Business Unit (PMO (Premium Midsize Office) and H'O office buildings, H'T shared offices, GEMS Retail facilities, Landport logistics facilities, NOHGA HOTEL).

| | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|---------|---------|
| Compliance with Design and Construction Standards and Quality Manuals in the Residential Development Business Unit (%) | 100% | 100% | 100% |
| Compliance with Design and Construction Standards and Quality Manuals in the Commercial Real Estate Business Unit (%) | Formulation of Design and Construction Standards and Quality Manuals | 100% | 100% |

[☐ Improved safety/security in design and construction](#)

Responses to Safety Issues

To ensure the safety of customers, if there is a violation of the Building Standards Act, Fire Service Act, other applicable laws and regulations, or the internal quality standards, necessary responses will be implemented rapidly.

In fiscal 2019, there were no significant safety-related violations of relevant laws and regulations or internal standards.

[☐ Improved safety/security in design and construction](#)

Improved quality of safety/security in operation and management

Fiscal 2019 performance against the set targets was as set forth below.

Enhance Quality Control and Improve After-sales Service

| | FY 2017 | FY 2018 | FY 2019 |
|---------------------------------------------------------------------------------------------------------------|---------|---------|---------|
| Rate of conformance with Building Management Quality Assessment Guidelines at managed properties*1 (%) | 85 | 86 | —*2 |
| Sign-up rate for NEXT PASS 10 | 82 | 80 | 77 |

*1 Conformance rate: We extracted several properties and conducted a survey on the number of conforming items in the assessment items listed in the guidelines.

*2 In fiscal 2019, the conformance rate survey was not conducted in order to help contain the spread of the novel coronavirus pandemic.

The next survey is scheduled to be conducted in fiscal 2020.

☐ [Improved quality of safety/security in operation and management](#)

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☐ [Improved quality of safety/security in operation and management](#)

Initiatives for longer life and increased durability

Fiscal 2019 performance against the set targets was as set forth below.

Provide products and services with long lifespans and high durability

In addition to promoting the re:Premium service, the Attractive30 service was launched in fiscal 2018.

| | FY 2017 | FY 2018 | FY 2019 |
|--------------------------------------------------------------------------------------|---------|---------|---------|
| Number of completed properties that offer the re:Premium service (properties) | 7 | 5 | 17 |

* As a result of review of the data, the number of completed properties was revised for FY 2017 and FY 2018.

☐ [Initiatives for longer life and increased durability](#)

Safety and security in disasters

Fiscal 2019 performance against the set targets was as set forth below.

* Unless otherwise indicated, the reporting scope is the Group.

Expansion and Enhancement of Disaster Preparedness and Security Countermeasures

| | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|
| Disaster preparedness drill implementation rates at managed properties (%) | 85 | 94 | 93 |
| Number of facilities, etc. that can take in persons who are unable to return home during a disaster (properties) | 3 | 7 | 8 |

Taking in Victims During a Disaster

The Shinjuku Nomura Building (Shinjuku-ku, Tokyo), Nihonbashi Muromachi Nomura Building (Chuo-ku, Tokyo), Yokohama Business Park (Yokohama City, Kanagawa Prefecture) and Kojimachi Millennium Garden (Chiyoda-ku, Tokyo), which are owned by the Group and its funds (unit ownership), as well as four Megalos stores (Soka, Hachioji, Kichijoji, Machida) operated by the Group, have been designated as temporary living accommodations for those who are unable to return home during a disaster. They will take in such individuals if a disaster occurs.

[Safety and security in disasters](#)

Society/Community

Care for and activation of communities

Fiscal 2019 performance against the set targets was as set forth below.

* Unless otherwise indicated, the reporting scope is the Group.

Expand and improve plans and designs that revitalize communities

| | FY 2017 | FY 2018 | FY 2019 |
|--|---------|---------|---------|
|--|---------|---------|---------|

| | | | |
|-------------------------------------------------------------------------------------------------------------------|---|---|---|
| Newly constructed residential properties with facilities that contribute to local communities (properties) | 4 | 3 | 6 |
|-------------------------------------------------------------------------------------------------------------------|---|---|---|

Initiatives in Operation and Management that Support Community Revitalization

| | FY 2017 | FY 2018 | FY 2019 |
|--------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| Number of pre-occupancy housewarming events held at residential properties (events) | 40 | 56 | 27 |
| Number of community social events, etc. held at offices, commercial facilities and retail premises (events) | 129 | 153 | 138 |

 [Care for and activation of communities](#)

Society/Health and Well-being

[Response to aging population and diversity and support for health](#)

Fiscal 2019 performance against the set targets was as set forth below.

Promoting Barrier Free/Universal Design

The Group developed real estate in compliance with laws and regulations such as the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc. as well as Design and Construction Standards and Quality Manuals.

Support health and promote increases in healthy lifespan

Senior housing with support services

| | FY 2017 | FY 2018 | FY 2019 |
|-----------------------------------------------------------------------------|----------------|----------------|----------------|
| Development results of senior housing with support services* (units) | 125 | 125 | 382 |

* Cumulative units completed

 [Response to aging population and diversity and support for health](#)

Improved customer satisfaction and well-being

Fiscal 2019 performance against the set targets was as set forth below.

* Unless otherwise indicated, the reporting scope is the Group.

Improve Communication to Raise Customer Satisfaction

In fiscal 2019, the following questionnaires were conducted:

【Residential Development Business Unit】

- Livability Satisfaction Survey
- After-Contract Survey
- After-Delivery Survey
- After-Sales Services Survey
- Leased Condominium Residents Survey

【Commercial Real Estate Business Unit】

- Tenant Company Satisfaction Survey
- Fitness Satisfaction Survey

【Property & Facility Management Business Unit】

- Condominium Board of Directors Survey

【Property Brokerage Business Unit】

- Contracting Party Satisfaction Survey

Results of a Customer Satisfaction Survey Conducted Independently by Each Business Company

* Figures in brackets indicate survey response rates (%)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------------------------------------------------------------|----------|----------|----------|----------|
| Livability Satisfaction Survey one year after residents take up occupancy of PROUD | 3.9 (30) | 3.9 (36) | 3.9 (25) | 3.9 (36) |
| After-Delivery Survey on new housing | — | — | — | 3.8 (33) |
| Questionnaires for residents in leased condominiums (PROUD FLAT) | — | — | — | 4.2 (41) |
| Questionnaires for residents in office buildings (PMO) | — | — | 4.1 (24) | 4.2 (46) |
| Questionnaires on fitness satisfaction | — | — | 3.4 | 3.4 |

* Above results are all disclosed based on a five-point scale.

* As the Fitness Satisfaction Survey was not conducted using a form of customer questionnaire, a response rate is not indicated.

【Reference: External Evaluation】

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-----------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|
| Nikkei Condominium Brand Questionnaires* | No1 | No1 | No1 | No1 |
| ORICON Customer Satisfaction Survey on new condominiums Tokyo metropolitan area after-sales follow-up | No1 | No1 | No1 | No1 |
| SANKEI LIVING SHIMBUN's Women Research: Fitness Club Satisfaction selected by women | — | — | — | No1 |
| ORICON Customer Satisfaction Survey on real estate brokerage (Sale: detached housing / Purchase: condominiums) | No1 | No1 | No1 | No1 |
| SumaiSurfin: Management Company Satisfaction Survey Ranking | No1 | No1 | No1 | No1 |

* Indicates that the ranking given for most of the 10 question items in the questionnaire was first place.

Improvements in Well-being

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|------------------------------------------------------|---------|---------|---------|---------|
| Number of Good Design Awards Won (properties) | 3 | 8 | 9 | 12 |

☐ [Improved customer satisfaction and well-being](#)

Society / Human Resources

Health and Safety of Employees

Fiscal 2019 performance against the set targets was as set forth below.

Prevent Overwork

| Items | | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|------------------------------------------------------------------|----|---------|---------|---------|---------|
| Average statutory overtime work (per person: hours/month) | *1 | 24.46 | 19.66 | 14.07 | 13.51 |
| | *2 | — | — | 12.1 | 10.45 |

Encourage employees to take paid vacation time

| Items | | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------------------------|----|---------|---------|---------|---------|
| Paid vacation time use rate (%) | *1 | — | — | 47.31 | 61.19 |
| | *2 | 58.62 | 59.55 | 54.93 | 62.62 |

Prevent industrial accidents

| Items | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-----------------------------------------------------------------------------|---------|---------|---------|---------|
| Number of employee occupational accidents resulting in death (accidents) *1 | 0 | 1 | 0 | 0 |
| Absentee rate (%) *1 | — | 0.38 | 0.37 | 0.29 |
| Number of contractor occupational accidents resulting in death (accidents) | — | — | — | 0 |

Lost time injury frequency rate (LTIFR)

| Items | FY 2017 | FY 2018 | FY 2019 |
|--------------------------------------------|---------|---------|---------|
| Lost time injury frequency rate (LTIFR) *3 | — | 0*2 | 1.29 |
| Lost time injury rate (LTIR) *4 | — | 0 | 0.60 |

*1 The Group's performance

*2 Nomura Real Estate Development performance (excluding contractors)

*3 (Number of occupational accidents resulting in lost days/Total work time) x 1,000,000

*4 (Number of fatalities and lost-days injured persons/Total work time) x 1,000,000 (excluding contractors)

Health and Safety of Employees

Responses to Incidents

In 2017, the Nomura Real Estate Development Head Office and four regional offices (Kansai Branch, Nagoya Branch, Sendai Branch, and Fukuoka Branch) received a recommendation for corrective action and guidance from the Labor Standards Inspection Offices with jurisdiction regarding the discretionary work system for planning work that applied to some employees.

We take this matter extremely seriously and are conducting comprehensive labor-management and taking measures to improve workplace environments so that this type of incident does not occur again. Nomura Real Estate Development is implementing the following measures for appropriate labor management and improving workplace environments.

1. Comply thoroughly with laws and regulations.
 2. Top management and directors share issues with employees, and strive to establish relationships of trust and improve workplace environments.
 3. Implement the following measures to ensure health:
 - (1) Raise awareness of health issues of officers and employees
 - (2) Officers and supervisors thoroughly monitor the health condition of employees
 - (3) Further improve systems for health consultation and medical checkups
- Each Group company confirms their situation and continues to promote efforts to improve the situation in fiscal 2019 and thereafter.

For further details, refer to the following.

- ☐ [Appropriate Labor management and Measures for Improving Workplace Environments \(Japanese only\)](#)
- ☐ [Health and Safety of Employees](#)

Promotion of Diversity

Fiscal 2019 performance against the set targets was as set forth below.

* Unless otherwise indicated, the reporting scope is the Group.

Promote empowerment of women

| Item | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|----------------------------------------|---------|---------|---------|---------|---------|
| Female employee ratio (%) | 27.74 | 28.60 | 29.75 | 30.76 | 30.61 |
| Female manager ratio (%) | 4.81 | 5.38 | 5.45 | 5.58 | 6.14 |
| Female junior manager ratio (%) | — | 14.8 | 15.08 | 16.07 | 15.87 |

Promote diverse work styles

| Item | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--------------------------------------------------------|---------|---------|---------|---------|----------|
| Childcare Leave Takers (Men) (persons) | 139 (0) | 119 (2) | 148 (3) | 178 (6) | 253 (10) |
| Rate of reinstatement after childcare leave (%) | — | — | 92.59 | 91.46 | 92.08 |

| | | | | | |
|--------------------------------------------|---|---|---|---|---|
| Nursing Care Leave Takers (persons) | 1 | 2 | 4 | 4 | 7 |
|--------------------------------------------|---|---|---|---|---|

Hire and utilize diverse human resources

| Item | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--------------------------------------------------------------|---------|---------|---------|---------|---------|
| Number of foreign employees (persons)*1 | — | 7 | 14 | 16 | 114 |
| Rate of employment of persons with disabilities (%)*2 | 1.85 | 1.97 | 1.90 | 1.96 | 2.02 |

*1 The number of foreign employees does not include the number of foreign technical intern trainees employed.

*2 The rates of employment of persons with disabilities for fiscal 2017 and thereafter are as of June 1 of the following fiscal year. Other rates are as of April 1 of the following fiscal year.

The rate covers Group companies subject to the Employment Rate System for Persons with Disabilities.

Promotion of Diversity

Creation of fair and rewarding workplaces

Fiscal 2019 performance against the set targets was as set forth below.

Improvement in employee satisfaction

Nomura Real Estate Development: Results of Employee Satisfaction Survey

| Item | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| Employee satisfaction level (5-point scale) | 3.81 | 3.81 | 4.03* | 4.05 |
| Number of responses/number of eligible employees (persons) | 1,648/1,738 | 1,930/2,028 | 2,013/2,066 | 2,067/2,113 |
| Response rate (%) | 94.8 | 95.1 | 97.4 | 97.8 |

Beginning from fiscal 2018, "Satisfaction with the workplace" is used as the reference index.

Turnover rates

| Item | FY 2017 | FY 2018 | FY 2019 |
|------|---------|---------|---------|
|------|---------|---------|---------|

| | | | |
|------------------------------------------------|------|------|------|
| Turnover rates (total)(%)* | 3.85 | 3.99 | 5.13 |
| Male (%) | 3.57 | 2.49 | 4.69 |
| Female (%) | 4.46 | 6.57 | 5.99 |
| Turnover rates for personal reasons (%) | 3.40 | 3.54 | 4.43 |

* Turnover rates include number of employees retired at mandatory retirement age.

The average tenure of employees*

| Item | FY2019 |
|--------------------------------------------------------|---------------|
| The average tenure of employees (total) (years) | 12.40 |
| Male (years) | 14.71 |
| Female (years) | 8.42 |

* Nomura Real Estate Development performance

[☐ Creation of fair and rewarding workplaces](#)

Responses to Legal and Other Violations

In 2017, the Nomura Real Estate Development Head Office and four regional offices (Kansai Branch, Nagoya Branch, Sendai Branch, and Fukuoka Branch) received a recommendation for corrective action and guidance from the Labor Standards Inspection Offices with jurisdiction regarding the discretionary work system for planning work that applied to some employees.

We take this matter extremely seriously and are conducting comprehensive labor-management and taking measures to improve workplace environments so that this type of incident does not occur again. We will continuously promote measures to improve workplace environments in fiscal 2018 and thereafter. For further details, refer to the following.

For further details, refer to the following.

- [☐ Appropriate Labor Management and Measures for Improving Workplace Environments \(Japanese only\)](#)
- [☐ Health and Safety of Employees](#)
- [☐ Creation of fair and rewarding workplaces](#)

Improvements to human capital

Fiscal 2019 performance against the set targets was as set forth below.

* Unless otherwise indicated, the reporting scope is the Group.

Training Participation Performance*1

| Items | FY 2019 |
|------------------------------------------------------------|-------------|
| Training hours per employee*2 (hours) | 12.65 |
| Total training hours*2 (hours) | 24,969 |
| Training expense per employee (yen) | 80,393 |
| Total training expense (yen) | 158,690,000 |
| Return on investment in employees' skill development*3 (%) | 2.81 |

*1. Performance for Nomura Real Estate Holdings and Nomura Real Estate Development

*2. Covers only mandatory training and does not include open and selective training or e-learning courses.

*3. Calculated using the following formula: Return on investment in employees' skill development = Turnover rates/Total training expense (100 million yen).

Group-wide Training Performance

| | Training title | Subject ranks | Number of implementing companies (companies) |
|---|-------------------------------------------|--------------------------------|----------------------------------------------|
| 1 | New employee introductory training | Newly-hired employees | 8 |
| 2 | New employee follow-up training | New employees | 8 |
| 3 | Second-year training | Employees in their second year | 7 |
| 4 | Third-year training | Employees in their third year | 7 |
| 6 | Problem solving skills training | Managerial employee class | 8 |
| 7 | Newly-appointed managerial employees | Managerial employees | 8 |
| 8 | Newly-appointed division manager training | Division managers | 5 |
| 9 | Newly-appointed manager training | Managers | 4 |

Human Rights Training

Click [here](#) for more information on human rights training provided to employees

[Improvements to human capital](#)

Supplier safety

Fiscal 2019 performance against the set targets was as set forth below.

| Items | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|
| Number of companies attending the Supplier Council Meeting on Health & Safety and the Supplier Conference on Safety (companies) | 191 | 188 | 198 | 198 |

Incidents of Violations by Suppliers

In fiscal 2019, with regard to ensuring supplier safety, which the CSR Committee (currently the Sustainability Committee) monitors, there were no significant incidents of violations of laws and regulations.

 [Supplier safety](#)

Contributions to Local Communities and Society

Expenditures for Contributions to Local Communities and Society

* Unless otherwise indicated, the reporting scope is the Group.

“Expenditures for Contributions to Local Communities and Society”

| | FY 2017 | FY 2018 | 2FY 2019 |
|-------------------------------------------|---------|---------|----------|
| Cash donations *1 (thousand yen) | 10,000 | 10,000 | 10,000 |
| Management costs *2 (thousand yen) | 72,410 | 68,490 | 64,580 |
| Total amount (thousand yen) | 82,410 | 78,490 | 74,580 |

*1 For cash donations, the support money paid to the Japanese Para-Sports Association (JPSA) is disclosed.

*2 With regard to management costs, expenses for various events held at facilities owned by the Group with the aim of contributing to local communities, etc. are disclosed.

 [Contributions to Local Communities and Society](#)

Governance

Corporate governance

FY2019 Conference Results

| Types of Meetings | Number of meetings held |
|---------------------------------------------------------------------------|-------------------------|
| Board of Directors | 16 |
| Audit & Supervisory Committee | 13 |
| Management Committee | 41 |
| CSR Committee (Current Sustainability Committee)/ CSR Promotion Committee | 5 |
| Risk Management Committee and Group Risk Meeting | 12 |

* Scope of report: Nomura Real Estate Holdings

Attendance rate at meetings of the Board of Directors and the Audit & Supervisory Committee

| | Fiscal Year ended March 2018 | Fiscal Year ended March 2019 | Fiscal Year ended March 2020 |
|------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Board of Directors* (%) | 98.6 | 100 | 99.0 |
| of which external directors (%) | 96.8 | 100 | 97.5 |
| Audit & Supervisory Committee (%) | 98.3 | 100 | 100 |
| Of which external directors who serve as Audit & Supervisory Committee Members (%) | 97.2 | 100 | 100 |

* In the fiscal year ended March 2018, the number of times that some directors withheld attendance at the Board of Directors meeting based on the purpose of Article 369, Paragraph 2 of the Companies Act is excluded.

Attendance of External Directors at meetings of the Board of Directors and the Audit & Supervisory Committee held in the fiscal year ended March 2020

| Name | Board of Directors | Audit & Supervisory Committee |
|------------------|--------------------------------------|-------------------------------------|
| Satoko Shinohara | Attended 15 out of 16 meetings held | — |
| Tetsuro Higashi | Attended 13 out of 13 meetings held* | — |
| Akira Ono | Attended 15 out of 16 meetings held | Attended 13 out of 13 meetings held |
| Yoshio Mogi | Attended 13 out of 13 meetings held* | Attended 9 out of 9 meetings held* |
| Akiko Miyakawa | Attended 13 out of 13 meetings held* | Attended 9 out of 10 meetings held* |

* The meetings of the Board of Directors and the Audit & Supervisory Committee held after they were appointed as a Director or Audit & Supervisory Committee Member on June 25, 2019 are included.

[Corporate governance](#)

Compliance

Compliance

Compliance Hour:

Distributed online every other month.

In fiscal 2019, the attendance rate for the entire Group was 99.9%.

Compliance Training:

Group training for different professional ranks.

In fiscal 2019, training was conducted 33 times.

[Compliance](#)

Anti-Corruption and Anti-Bribery Measures

In fiscal 2019, there were no significant legal violations, fines or penalties related to corruption or bribery.

[Compliance](#)

Risk management

Risk Management Committee and Group Risk Liaison Committee meetings held

| Items | FY 2018 | FY 2019 |
|-------------------------|---------|---------|
| Number of meetings held | 12 | 12 |

Implementation of safety confirmation drills (four times a year)

| Items | FY 2018 | FY 2019 |
|-------------------|---------|---------|
| Response rate (%) | 100 | 100 |

[Risk management](#)

Human rights

In fiscal 2019, human rights training was conducted a total of 8 times throughout the Group, with 4,434 persons attending.

Training Conducted

| Training Type | Target Participants | Participation rate* (%) | Human rights topics covered |
|---------------------------------------------------------------|--------------------------------------|-----------------------------|-------------------------------|
| Group-wide training | | | |
| Group training for new employees | New employees | 100 (248 / 248 persons) | Solving assimilation problems |
| Group-wide training for newly-appointed Group managers | Newly-appointed managers | 100 (170 / 170 persons) | Solving assimilation problems |
| Training for new career-track employees | Mid-career hires | 100 (79 / 79 persons) | Preventing harassment |
| Nomura Real Estate Development | | | |
| Human Rights Training | Newly-appointed leaders | 89 (40 / 45 persons) | Preventing harassment |
| Human Rights Training | New employees | 100 (52 / 52 persons) | Preventing harassment |
| Nomura Real Estate Life & Sports | | | |
| Human Rights Training | Newly-hired recent graduates | 100 (36 / 36 persons) | Preventing harassment |
| Human Rights Training | Newly-appointed managerial employees | 100 (24 / 24 persons) | Preventing harassment |
| Human Rights Training | All employees and part-time workers | 100 (1,922 / 1,922 persons) | Preventing harassment |

*Participants/Target Participants

[Human rights](#)

Improved supplier management

The Nomura Real Estate Group requests that all suppliers comply with the CSR Procurement Guidelines.

[Improved supplier management](#)