

Sustainability Report 2022



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Top Message (the Sustainability Committee Chairman)



President and Representative Director,
Group CEO,
Sustainability Committee Chairman,
Nomura Real Estate Holdings, Inc.

Eiji Kutsukake

Sustainability Policy “Earth Pride”

The Group regards changes in the management and business environment that include such globally shared issues as climate change, increasing severity of disasters, and diversification of people’s values as new opportunities for growth.

To utilize these opportunities, we formulated the Sustainability Policy “Earth Pride” as our vision of 2050 based on the belief that we must clarify our direction as a Group and ensure that each and every employee firmly shares our long-term direction. This policy is integrated with our Group Vision of “New Value, Real Value” and the Nomura Real Estate Group 2030 Vision of “Be a ‘Life & Time Developer,’ as never seen before,” and it is positioned as a guideline that indicates the path we should take. Additionally, a major feature of the policy is its format that focuses on people as a means of sustainability unique to the Company.

The Sustainability Policy is based on three themes consisting of “Pursuing humanity,” “Maintaining harmony with nature,” and “Building the future together.” To achieve these goals, we have identified five priority issues (materiality) that should be addressed by 2030. These consist of “diversity and inclusion,” “human rights,” “decarbonization,” “biodiversity,” and “circular design.” To track our progress on these priority issues, we will also set and promote key performance indicators (KPIs).

Society and Employees

The Group regards “Society and Employees” as the basis for promoting sustainability through “co-creation” across organizations and business sectors. First, in terms of “diversity and inclusion,” we have set 20% for the female manager and junior manager ratio by 2030 as one of the KPIs and also established the Wellness and D&I Promotion Committee in April 2022.

Regarding “human rights,” in the fiscal year ending March 2022, along with the formulation of the Group Human Rights Policy and surveys for human rights due diligence, we held full-scale interviews with business partners regarding the status of their compliance with the Company’s procurement guidelines. In the fiscal year ending March 2023, we are proceeding with the implementation of human rights due diligence and will work with even stronger determination to address human rights issues.

Climate Change and Natural Environment

Turning to “Climate Change and Natural Environment,” the Group has long been working on environmental initiatives as an important management issue. In the future as well, we will promote various initiatives to achieve SBT certification targets and the RE100 targets to achieve the Japanese government’s goal of “the realization of carbon neutrality by 2050.”

Specifically, in addition to accelerating initiatives for decarbonization such as ZEH (net zero energy house) and ZEB (net zero energy building), we will promote other measures that include generating renewable energy using the rooftops of the Landport logistics facilities and those of PROUD SEASON detached housings while reducing CO₂ emissions at construction sites in cooperation with suppliers. Moreover, to ensure that management has an even greater sense of ownership in decarbonization initiatives, in the fiscal year ending March 2023, we introduced a system design that links executive compensation with the attainment level of the Building Energy-efficiency Index (BEI), an indicator of the energy-saving performance of buildings. To instill our Sustainability Policy, I believe it is important to instill our Group Vision in the hearts and minds of each and every officer and employee, as well as in our business policies as we promote various initiatives.

In Closing

We signed the UN Global Compact in 2019 and have clearly set our “directions we intend to pursue” on various time axes, such as the Nomura Real Estate Group 2030 Vision, a new plan, and the Sustainability Policy. In the future as well, we will aim to raise corporate value and contribute to a sustainable society by achieving these goals.

I would like to ask all of our stakeholders for their continued support and expectations as we move toward a new stage.



The Nomura Real Estate Group's Stance on Sustainability

In April 2020, the Group established the Sustainability Management Department to strengthen and promote its sustainability activities. In addition, after reviewing the meeting system, we established the Sustainability Committee in April 2020, and it has been chaired since April 2021 by the president and Group CEO of Nomura Real Estate Holdings. The committee checks progress on the initiatives for sustainability policies and the objectives and deliberates and makes decisions on activity plans. In fiscal 2021, it discussed the Group's Sustainability Policy, response to climate change, and Human Rights Policy. The results are reported to the Board of Directors and the Management Committee four times a year before being reflected in management plans and business activities.

The Sustainability Committee met five times in fiscal 2021, while the Sustainability Subcommittee, a group set up to stimulate internal discussion, the Environmental Subcommittee, and the Human Rights Subcommittee had 33 meetings in total. The Sustainability Management Department continues to promote the Group's sustainability activities and to improve each of them through PDCA cycles.

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The Nomura Real Estate Group's Stance on Sustainability

[Sustainability Management](#)



Learn about the Group's management structure and policies.

[Materiality Determination Process](#)



Learn about the process used for formulating the Group's material issues as of March 31, 2022.

[Dialogue with Stakeholders](#)



Learn about the Group's engagement with stakeholders.

[Business and Sustainability](#)



Learn about the Group's responses to stakeholder expectations and social issues in relation to each of its business activities.

[Special Feature Archives](#)



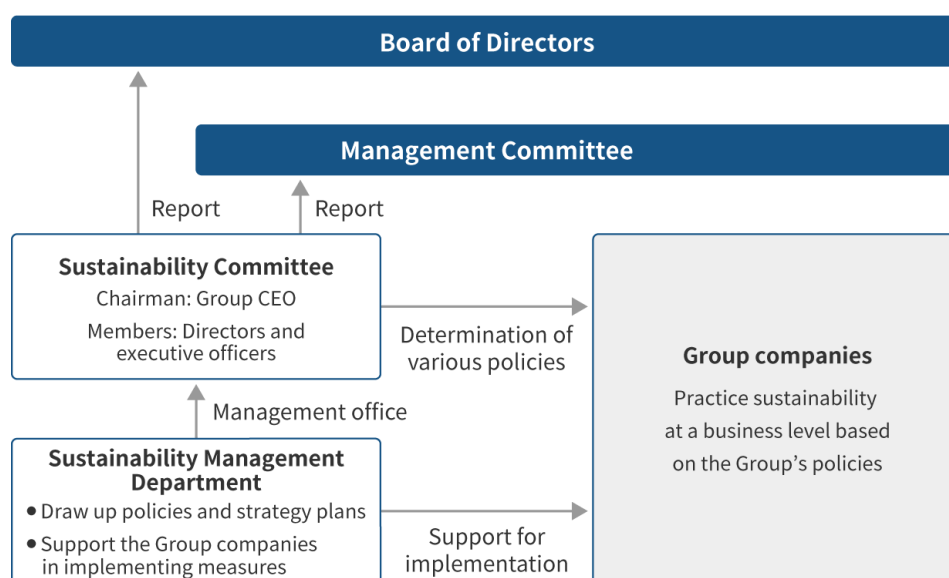
Find articles featured in the Group's past sustainability Reports.

Sustainability Management

Sustainability Management and Sustainability Policies and Objectives

In April 2020, the Group established the Sustainability Management Department to strengthen and promote its sustainability activities. In addition, after reviewing the meeting system, we established the Sustainability Committee in April 2020, and it has been chaired since April 2021 by the president and Group CEO of Nomura Real Estate Holdings. The committee checks progress on the initiatives for sustainability policies and the objectives and deliberates and makes decisions on activity plans. In fiscal 2021, it discussed the Group's Sustainability Policy, response to climate change, and Human Rights Policy. The results are reported to the Board of Directors and the Management Committee four times a year before being reflected in management plans and business activities.

The Sustainability Committee met five times in fiscal 2021, while the Sustainability Subcommittee, a group set up to stimulate internal discussion, the Environmental Subcommittee, and the Human Rights Subcommittee had 33 meetings in total. The Sustainability Management Department continues to promote the Group's sustainability activities and to improve each of them through PDCA cycles.



Group's Vision of 2050 "Sustainability Policy," Priority Issues (materiality) by 2030, and KPIs

Sustainability Policy(Group's Vision of 2050)



Pursuing humanity

We strive to answer the deep questions of human existence and well-being in a world where technology is increasingly progressing and being integrated into our lives.

By providing an inclusive living environment where people support and connect with each other, we contribute to the creation of a society where no one will be left behind.

Maintaining harmony with nature






Our aim is to achieve true harmony with our natural environment for our future children and healthy ecosystems by reconsidering how human economic activities should operate.

While carefully conserving the Earth's finite resources, we improve the relationship between nature and humans.

Building the future together

The ambition we have is to create unprecedented value from diverse organizations and people working together to overcome boundaries. We are continuously challenging ourselves with novel ideas of living, business and working styles for an innovative society where all people with various backgrounds and values can build on their strengths.

Priority Issues (materiality) by 2030

	Materiality	KPI
Society and employees	 Diversity and inclusion	Provision of products and services with inclusive design ^{*1}
		Procurement guideline survey implementation rate: 80%
		Creation of a human rights due diligence system
		Childcare leave utilization rate by men and women: 100%
	 Human rights	Female manager and junior manager ratio: 20%
		Percentage of implementation of one-on-one meetings: 100%
		Percentage of participation in human rights training: 100%
Climate change and natural environment	 Decarbonization	Reduce CO ₂ emissions by 35% compared to 2020/03
		Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards
		Develop timber-based buildings: Carbon storage 10,000 t-CO ₂ per year
	 Biodiversity	Obtain biodiversity certification
		Initiatives to promote building longevity: Full implementation of the Group's voluntary standards
	 Circular design	Promote waste reduction and increase recycling rate: Reduction of industrial wastes by 20%

^{*1} A design process that involves people with diverse backgrounds, values and challenges

Reflecting Sustainability and Other Non-Financial Factors in Director Compensation

The Group requires that directors have a strong awareness of the need to adapt to changes in society and the needs of times under their selection criteria. From the fiscal year ending on March 31, 2023, the policy for deciding the details of the compensation, etc. for every director, excluding Audit & Supervisory Committee members, will be revised, and performance indicators that pertain to bonuses, which are monetary compensations, and the calculation method of such bonuses will consider non-financial indicators (e.g., sustainability factors). The aim is to raise awareness of sustainability among the directors. For the fiscal year ending on March 31, 2023, the non-financial indicators to be evaluated are the energy performance indicators. These are applicable to the Executive Officers or above of all Group companies.

 [Please click here for details on officers' compensation plan.](#)

Materiality determination process

Determination Process for Sustainability Policy, Priority Issues (Materiality), and Key Performance Indicators (KPIs)



STEP1. Examine long-term social issues extensively

Social issues were broadly identified using international guidelines such as ISO 26000, the GRI Standards and SASB, and information from ESG external assessment questionnaires and external consulting firms as references. Social issues that are closely related to the Group's business were selected after extensively examining their long-term future outlook, including global environmental and social issues and technological trends.

STEP2. Identify key themes for the Group

Based on the social issues identified in STEP 1, workshops were held for the Group's young and mid-career employees (183 participants) to gather opinions as to "What kind of value should be provided in 2050?" and "How do you want the company to be viewed in 2050?". Twelve items were identified in these workshops, then additional workshops were held for the Group's management (general managers, senior managers, etc., 214 participants) to score the 12 items.

Twelve Items Identified

Contribute to a circular economy	Contribute to a decarbonized society	Maintain harmony with the natural environment
Provide healthy and comfortable lifestyles	Develop smart cities	Promote secure and safe urban development
Make unique contribution to regional revitalization	Pursue happiness and dignity for future society	Implement co-creation and open innovation in society
Contribute to diversity and inclusion	Cultivate creativity and sensitivity	Develop rules and standards for market creation

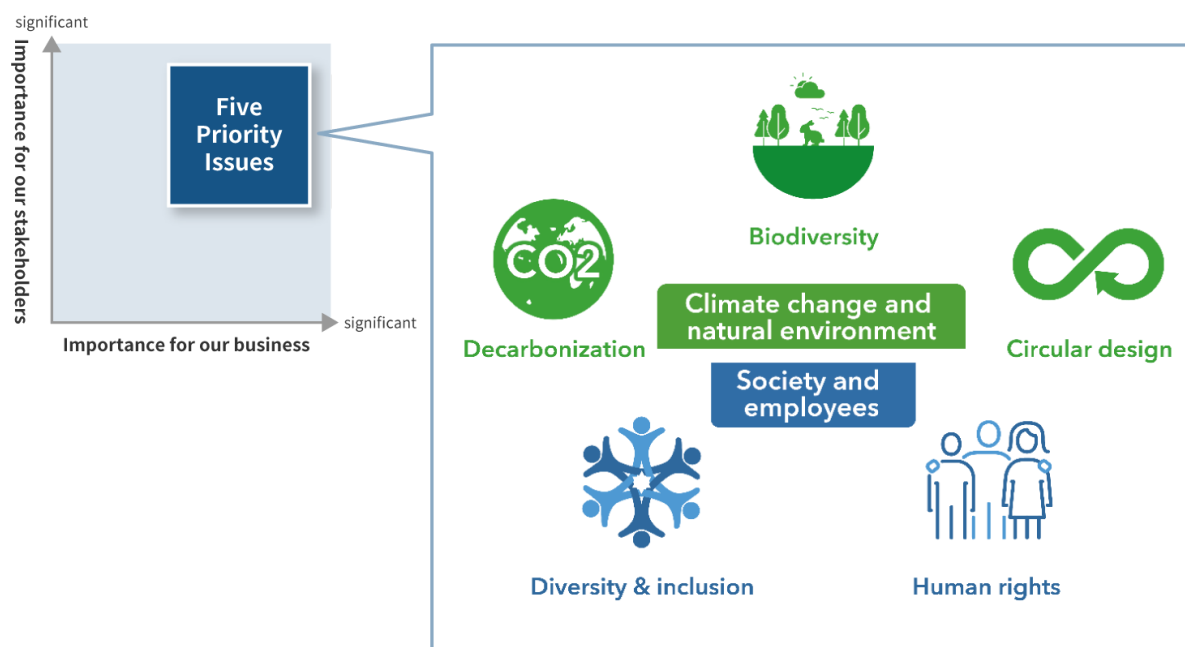
STEP3. Identify key items for stakeholders

We asked 41 stakeholders, including sustainability professionals, institutional investors, business partners, and customers, to score the 12 items identified based on what they expect from the Group and which issues they believe the Group should focus on, and we collected their opinions.

Stakeholders involved	Number
Sustainability experts	10
Institutional investors	5
Financial institution	3
Customers (tenant companies)	3
Customers (condominium residents)	4
Business partners (construction companies, design offices)	5
Business partners (academic institutions in R&D)	4
Business partners (consulting firms)	2
JV partner	1
Prospective employees	3
Employee union	1
Total	41

STEP4. Formulate a sustainability policy and three key themes and finalize priority issues (materiality)

After evaluating the scoring results of Steps 2 and 3, we distributed a questionnaire for the management level employees (20 participants). After further discussions at several Sustainability Committee meetings (chairperson: the president and Group CEO of Nomura Real Estate Holdings), we finalized the Sustainability Policy (the Group's vision of 2050), the three key themes, and the priority issues (Materiality) for 2030, and reported to the Board of Directors.



Diversity and inclusion

Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ The sustainable growth of the Company depends upon creating an environment in which a workforce with diverse backgrounds and values can accept and respect each other and everyone can demonstrate their abilities to the fullest.
The Group's approach	○ As a corporate group that connects people, towns, and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected.

Human rights

Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ Interest and expectations for human rights are high, internally and externally, and they must be addressed as part of corporate activities. If not taken seriously, the Group's very existence is not viable. ○ The Group can sustain itself only if everyone involved in its business respects each other.
The Group's approach	○ We respect people's dignity and basic human rights throughout our business activities and pursue co-creation initiatives that transcend organizations and business models.

Decarbonization






Stakeholders	○ Employees, suppliers, customers, local communities
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Priority reasons	<ul style="list-style-type: none"> ○ The Group's businesses make extensive use of natural resources and energy, so environmental issues affect its business continuity. ○ Environmental issues affect not only the Group's businesses but also the lives and businesses of its stakeholders.
The Group's approach	<ul style="list-style-type: none"> ○ Through urban development and providing products and services that leverage property development and property-related services, the Company will play its part in addressing climate change, as a shared international concern, with the three main focuses of energy conservation, low-carbon buildings, and use of renewable energy.
Biodiversity	
Stakeholders	<ul style="list-style-type: none"> ○ Employees, suppliers, customers, local communities
Priority reasons	<ul style="list-style-type: none"> ○ This can contribute to the realization of a decarbonized society as well as the preservation of the natural environment.
The Group's approach	<ul style="list-style-type: none"> ○ We will promote initiatives such as the restoration of forest cycles through the use of domestic timber.
Circular design	
Stakeholders	<ul style="list-style-type: none"> ○ Employees, suppliers, customers, local communities
Priority reasons	<ul style="list-style-type: none"> ○ Initiatives such as incorporating mechanisms that promote resource recycling into the designs of products/services or producing less waste by extending the life of the product itself can contribute to the realization of a decarbonized society.
The Group's approach	<ul style="list-style-type: none"> ○ We will contribute to the realization of a sustainable society through promoting environmentally sound urban development and service provision including the appropriate use of resources, which also helps reduce CO₂ emissions. ○ We will promote appropriate environmental management and comply with environmental laws and regulations.

STEP5. Set key performance indicators (KPIs) for priority issues (Materiality)

Based on the new mid- to long-term business plan, as well as international frameworks and policy trends such as the GRI Standards, the Sustainability Committee deliberated on and finalized the KPIs for priority issues (Materiality) identified in Step 4 and reported to the Board of Directors.

Achievements and Progress on Priority Issues and KPIs

Priority issues	KPIs	Achievements and progress
 Diversity & inclusion  Human rights	Female manager and junior manager ratio: 20%	Promoting active participation by women ☐ Diversity and inclusion
	Childcare leave utilization rate by men and women: 100%	Supporting childcare and nursing care ☐ Diversity and inclusion
	Procurement guideline survey implementation rate: 80%	Compliance with the procurement guidelines ☐ Improved supplier management
	Creation of a human rights due diligence system	Creation of a human rights due diligence system ☐ Human rights
	Percentage of participation in human rights training: 100%	100% participation rate in human rights training ☐ Human rights
	Provision of products and services with inclusive design*	Promoting inclusive and universal design ☐ Diversity and inclusion
	Percentage of implementation of one-on-one meetings: 100%	Enhancing cultivation of human capital ☐ Diversity and inclusion
 Decarbonization  Biodiversity  Circular design	CO ₂ emissions reduce by 35% (compared to fiscal 2019)	Reducing CO ₂ emissions ☐ Decarbonization
	Energy conservation performance indicators in new buildings Maintain ZEH/ZEB-oriented standards	Acquiring of advanced environmental management certification (DBJ Green Building, LEED, CASBEE, BELS, etc.) ☐ Environmental management
	Develop timber-based buildings	Promoting use of domestic/certified timber ☐ Biodiversity
	Obtain biodiversity certification	Number of biodiversity certifications (ABINC / JHEP / SEGES) acquired ☐ Biodiversity
	Initiatives to promote building longevity	Provisioning products and services with long lifespans and high durability ☐ Circular design
	Promote waste reduction and increase the recycling rate	Reducing waste discharge ☐ Circular design

* Design process involving people with diverse backgrounds, values, and challenges

Dialogue with Stakeholders

Approach and Policies

We serve a wide range of stakeholders through the Group's products and services, and our mission is to operate the organization sustainably. Our responsibility, therefore, is to achieve the SDGs and resolve social and environmental issues that could pose risks to the Group's business. We enhance our communication with stakeholders to listen and respond better to requests and expectations from all of them, and we strive to earn their trust toward co-creating shared value.

Overview of Stakeholder Engagement

The Group's main stakeholders are customers, employees, suppliers, investors, sustainability experts (including experts in socially responsible investment, environmental issues), and NPOs/NGOs (e.g., environmental, community, architecture). We are committed to engaging in good-faith communications and building trusting relationships with them. Opinions received through these interactions are reported to the Sustainability Committee and the Wellness and D&I Management Committee, which are chaired by the Group CEO.

Major Stakeholders	Reasons for Selection
Customers	The trust of customers is essential for the Group to promote sustainable business activities. The Group is committed to listening to customers and meeting their expectations.
Employees	Employees are the basis of all business activities. The Group recognizes that having employees engage in their work with enthusiasm and in good physical and mental health is a source of growth for the Group's business activities and for the employees themselves.
Suppliers	All of the Group's business activities are supported by suppliers, and it recognizes the importance of creating healthy and pleasant working environments for all suppliers.
Investors	The Group recognizes that the understanding and trust of its shareholders and investors is essential for conducting sustainable business activities. It will promote appropriate information disclosure and communication.
Sustainability experts (e.g., socially responsible investment, environmental issues)	The Group recognizes that understanding and grasping social issues and responding to their demands is essential for conducting sustainable business activities. It will seriously consider their opinions and promote responsible corporate activities and appropriate information disclosure.

NPOs and NGOs (on environment, community, architecture, etc.)

The Group's business activities are inseparable from the local communities in which it operates, and it recognizes the importance of ongoing dialogue with NPOs and NGOs to build relationships of trust with local communities.

 Means for Dialogue	 Main Issues Raised	 Responses
Customers		
<ul style="list-style-type: none"> • Explanation of products and services (as needed) • Opinion exchange (as needed) • Questionnaires (12 times a year)^{※1} • Installation of special counters 	<ul style="list-style-type: none"> • Revitalize communities and improve the image among residents of neighboring communities • Give consideration to ecosystems and select highly sustainable materials 	<ul style="list-style-type: none"> • Revitalization of communities based on the BE UNITED initiative • Acquisition of biodiversity certification • Proactive use of domestic/certified lumber • Incorporation of questionnaire results in operations and services
Employees		
<ul style="list-style-type: none"> • Interview with the Human Resources Division and supervisors • Labor-management talks (four times a year)^{※2} • Group/Company newsletters (four times a year)^{※3} 	<ul style="list-style-type: none"> • Revitalize communities to give rise to new services and businesses • Provide healthcare facilities and comfortable spaces for the growing number of senior citizens 	<ul style="list-style-type: none"> • Revitalization of communities based on the BE UNITED initiative • Promotion of barrier free/universal design • Reinforcement of business targeting senior citizens
Suppliers		
<ul style="list-style-type: none"> • Opinion-sharing on the Procurement Guidelines (once a year) • Safety Conference (once a year) 	<ul style="list-style-type: none"> • Safety and security are the foundation of real estate as social infrastructure • Community development initiatives accompanied by health and well-being initiatives 	<ul style="list-style-type: none"> • Observance of the Design and Construction Standards and the Quality Manual • Observance of the Building Management Quality Assessment Guidelines • Deeper imprinting of the Procurement Guidelines
Shareholders and Investors		
<ul style="list-style-type: none"> • General shareholder meeting (once a year) • IR meeting (340 times a year)^{※4} • ESG meeting (20 times a year) • Reports (once a year) 	<ul style="list-style-type: none"> • Safe and secure real estate is a need of society and customers • Develop vibrant communities 	<ul style="list-style-type: none"> • Provision of Nomura Real Estate's facilities for disaster victims • Observance of the Design and Construction Standards and the Quality Manual • Revitalization of communities based on the BE UNITED initiative
Sustainability professionals (e.g., socially responsible investment, environmental issues)		
<ul style="list-style-type: none"> • Third-party opinions (once a year) • Questionnaires (once a year) 	<ul style="list-style-type: none"> • Seek both environmental and economic performance • Nomura Real Estate's focus on safety and security will further raise corporate value 	<ul style="list-style-type: none"> • Enhancement and promotion of the structure and activities for sustainability management • Enhancement of financial and non-financial KPIs
NPOs and NGOs (on environment, community, architecture, etc.)		

<ul style="list-style-type: none"> • Opinion exchange • Questionnaires 	<ul style="list-style-type: none"> • Expecting initiatives for senior citizens' households to be implemented as the number of senior citizens increases • Environmental impact from building construction and demolition activities is significant 	<ul style="list-style-type: none"> • Reinforcement of the business targeting senior citizens • Design development for revitalizing communities • Use of materials with high durability and equally durable methods for new construction, and prolongation of the large-scale repair work cycle
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※1 For details, please see Safety Quality from Design to Management ([Result 3-1: Safety and security in design and construction](#)).

※2 Number of collective bargaining sessions held for Nomura Real Estate Development.

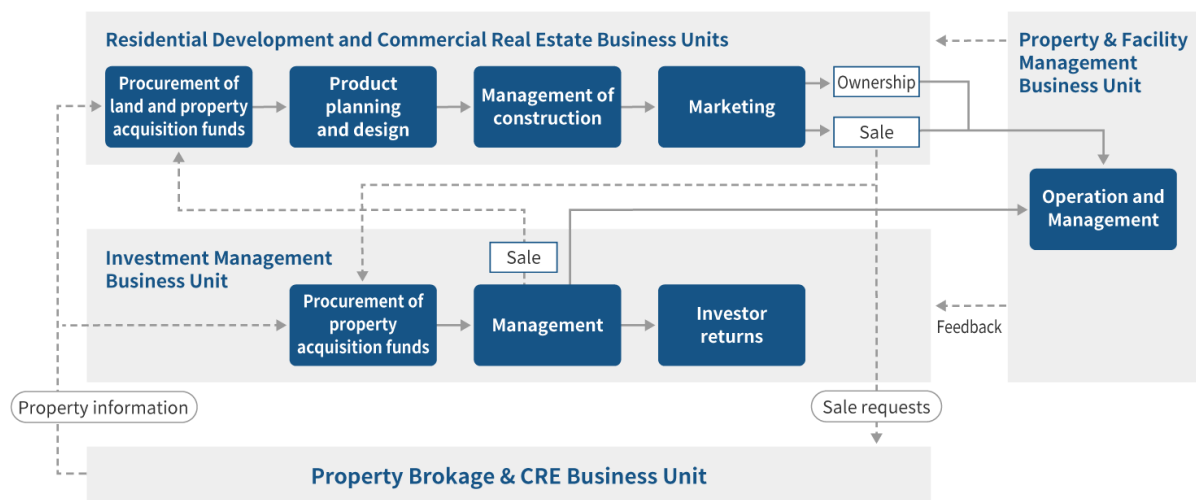
※3 Number of times the Group's internal newsletter (booklet) is published.

※4 Excludes conferences organized by securities companies, small meetings, IR fairs for individual investors, and online information sessions.

Business and Sustainability

Through its business activities, the Nomura Real Estate Group addresses social issues that require consideration. It meets the expectations of stakeholders and implements Sustainability initiatives.

Business Activities of the Nomura Real Estate Group



Business Activities	Main Activities	Major Stakeholders	Response to Major Social Issues
Acquisition of land and properties, and capital procurement	<ul style="list-style-type: none"> Investigation of properties Real estate appraisal Environmental assessment Negotiation and bidding Contract execution Capital procurement etc. 	<ul style="list-style-type: none"> Sellers Brokers Financial institutions Investors Real estate appraisers Employees etc. 	<ul style="list-style-type: none"> Care for and Revitalization of Communities Supply Chain Management Addressing Environmental Pollutants
Planning and designing products	<ul style="list-style-type: none"> Administration of questionnaires to customers and local communities Planning of products Design etc. 	<ul style="list-style-type: none"> Customers Local communities NPO Design companies Government Agencies Employees etc. 	<ul style="list-style-type: none"> Environmental Management Safety Quality from Design to Management Circular Design Safety and Security in Disasters Care for and Revitalization of Communities Diversity and Inclusion Supply Chain Management







Business Activities	Main Activities	Major Stakeholders	Response to Major Social Issues
Managing construction	<ul style="list-style-type: none"> • Supervising construction • Quality control • Cost management • Briefings for local residents etc. 	<ul style="list-style-type: none"> • Customers • Local communities • Construction companies • Employees etc. 	<ul style="list-style-type: none"> • Decarbonization • Circular Design • Biodiversity • Safety Quality from Design to Management • Safety and Security in Disasters • Care for and Revitalization of Communities • Supply Chain Management
Sales and tenant recruiting	<ul style="list-style-type: none"> • Marketing • Preparing website and pamphlets • Advertising • Offering explanations of material matters • Contract execution etc. 	<ul style="list-style-type: none"> • Customers • Local communities • NPO • Judicial scriveners • Employees etc. 	<ul style="list-style-type: none"> • Diversity and Inclusion • Safety Quality from Design to Management
Investments and investor returns	<ul style="list-style-type: none"> • Fund formation • Property management • Asset management etc. 	<ul style="list-style-type: none"> • Investors • Customers • Financial institutions • Property management companies • Local communities • Employees etc. 	<ul style="list-style-type: none"> • Environmental Management • Decarbonization • Circular Design • Safety Quality from Design to Management • Safety and Security in Disasters • Care for and Revitalization of Communities • Supply Chain Management
Operations and management	<ul style="list-style-type: none"> • Property management • Asset management • Management and repair works, operation of sports clubs and elderly housing with supportive services etc. 	<ul style="list-style-type: none"> • Customers • Local communities • Business owners • Service providers • Construction companies • Employees etc. 	<ul style="list-style-type: none"> • Decarbonization • Circular Design • Safety Quality from Design to Management • Safety and Security in Disasters • Care for and Revitalization of Communities • Response to Aging Population and Diversity and Support for Health • Supplier Safety • Supply Chain Management

Business Activities	Main Activities	Major Stakeholders	Response to Major Social Issues
Brokerage and CRE	<ul style="list-style-type: none"> Investigation of properties Real estate appraisal Environmental assessment Offering explanations of material matters Contract execution etc. 	<ul style="list-style-type: none"> Customers Brokers Financial institutions Real estate appraisers Judicial scriveners Employees etc. 	<ul style="list-style-type: none"> Care for and Revitalization of Communities Response to Aging Population and Diversity and Support for Health Improved Customer Satisfaction and Comfort

Our response to social issues relating to society and employees and governance serves as the basis of our promotion foundation for sustainability and therefore affects all of the Group's business activities.

Provision of Sustainable Products and Services

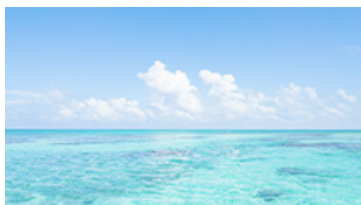
We deliver sustainable products and services that help society overcome challenges.

	Priority Issues (Materiality)	Products and Services
Society and employees	 Diversity and inclusion	 Received the Bronze award in the Pride Index, which evaluates corporate LGBTQ initiatives
		 Revitalization of communities based on the BE UNITED Initiative  News Release (Japanese only)
	 Human rights	 Swimming classes for children from local nurseries, kindergartens, and primary schools  News Release (Japanese only)
		 Development of "OUKAS", the Health-conscious Senior Rental Housing with the Aim of Extending Healthy Lifespans  News Release (Japanese only)
		 Promoting increases in healthy lifespan through the Fitness Business  News Release (Japanese only)

	Priority Issues (Materiality)	Products and Services
Climate change and natural environment	 Decarbonization	 Development of timber-based buildings  News Release (Initiatives of Residential Development Business) (Japanese only)  News Release (Initiatives of Commercial Real Estate Business) (Japanese only)
		 Proactive use of wood materials made in Japan  News Release (Japanese only)
	 Biodiversity	 Promoting the use of wood products in hotel businesses  News Release (Japanese only)
		 Promoting the use of renewable energy in detached houses for sale  News Release (Japanese only)
	 Circular design	 Promoting the use of renewable energy in logistics facilities  News Release (Japanese only)
		 Provision of re:Premium, a service designed to extend the large-scale repair cycle to 16 to 18 years  News Release (Japanese only)
		 Announcement of Attractive 30, a service designed to lengthen the cycle of largescale repair work for condominiums and provide long-lasting safety and security  News Release (Japanese only)

Special Feature Archives

FY2021



Response to the Task Force on Climate-related Financial Disclosures (TCFD)

Measures taken in response to the Task Force on Climate-related Financial Disclosures (TCFD)

FY2020



Response to COVID-19

Measures taken in response to COVID-19



Sustainability Policy (the Group's vision of 2050)

The Nomura Real Estate Group established its sustainability policy “Earth Pride,” which describes its vision of 2050.

Under our Group vision “New Value, Real Value,” the Group has been promoting its business activities through the collaboration of real estate development and real estate-related services. The sustainability policy is our commitment to the Earth—to make it a planet we can be proud of toward the future, specifically 2050—when conducting our corporate activities. The concept of Earth Pride is based on the three themes that the Group values: pursuing humanity, maintaining harmony with nature, and building the future together.

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Earth Pride



Pursuing humanity

We strive to answer the deep questions of human existence and well-being in a world where technology is increasingly progressing and being integrated into our lives. By providing an inclusive living environment where people support and connect with each other, we contribute to the creation of a society where no one will be left behind.



Maintaining harmony with nature

Our aim is to achieve true harmony with our natural environment for our future children and healthy ecosystems by reconsidering how human economic activities should operate. While carefully conserving the Earth's finite resources, we improve the relationship between nature and humans.



Building the future together

The ambition we have is to create unprecedented value from diverse organizations and people working together to overcome boundaries. We are continuously challenging ourselves with novel ideas of living, business and working styles for an innovative society where all people with various backgrounds and values can build on their strengths.

The aspirations behind our Sustainability Policy (vision of 2050)

If we viewed the Earth as a single living organism, each of us would be the individual cells that make up the whole.

The way we spend our days and the numerous buildings we have created continue to affect that larger life.

That is why we want our daily activities to connect the Earth with a better environment.



The Nomura Real Estate Group began discussing its Sustainability Policy (vision of 2050) in August 2020.

We asked ourselves: What can we do to play our part?

By gathering, unraveling, and reconstructing the voices of various stakeholders, from young employees and managers within the Company to those outside of it, we reexamined how we can contribute through our business for the sake of humankind, nature, and the future.

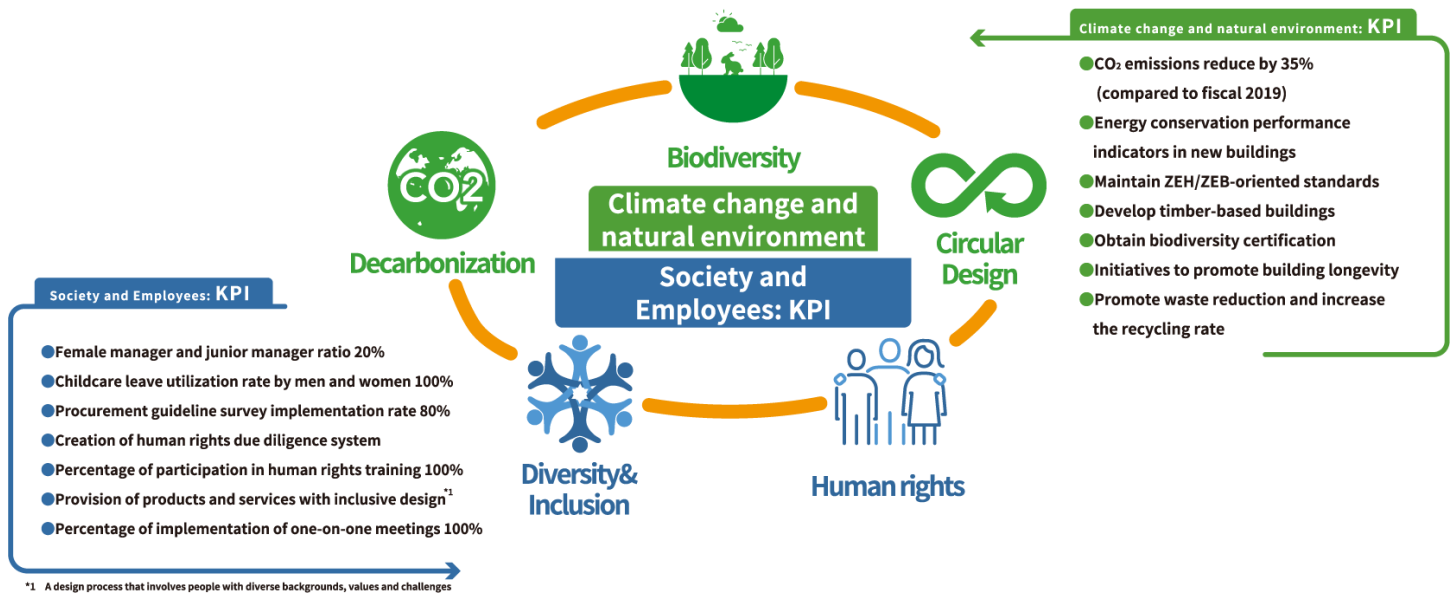


The reason we exist is to be a company that values people and creates new value.

We will keep this aspiration close to our hearts as we place people at the center and pioneer the future. Furthermore, we will pass on to the next generation the Earth that we have proudly inherited from our predecessors.

Priority issues for 2030 (materiality)

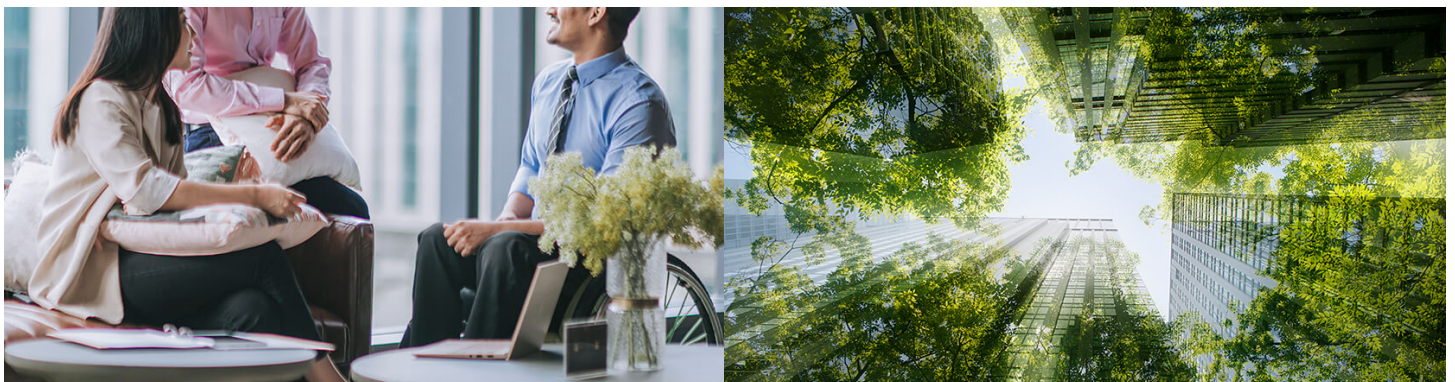
The Group identified five themes, namely Diversity and inclusion, Human rights, Decarbonization, Biodiversity, and Circular design, as the priority issues it should address by 2030.



Aspirations behind our materiality (priority issues for 2030)

We will squarely address and give shape to issues concerning “society and employees” and “climate change and natural environment” to realize the three themes of our Sustainability Policy: “Pursuing humanity,” “Maintaining harmony with nature” and “Building the future together.”

We will do this in a way that is unique to the Nomura Real Estate Group.



First, as the foundation of our efforts, we will create a daily environment based on an awareness of Diversity and inclusion and Human rights for everyone who shares the same environment, in which every individual is respected, recognized, accepted, and utilized.

On this basis, we will achieve decarbonization, biodiversity, and circular design through our business of providing homes and offices, as well as commercial, hotel, and logistics facilities, and related services, to realize the healthy global environment that we all desire today.

Additionally, we will continue to take on the challenge of creating a prosperous future in which all these elements are united.

Process for Formulating the Sustainability Policy

The Group started the discussions to formulate its Sustainability Policy (vision of 2050) and identification of priority issues (materiality) for 2030 in August 2020.

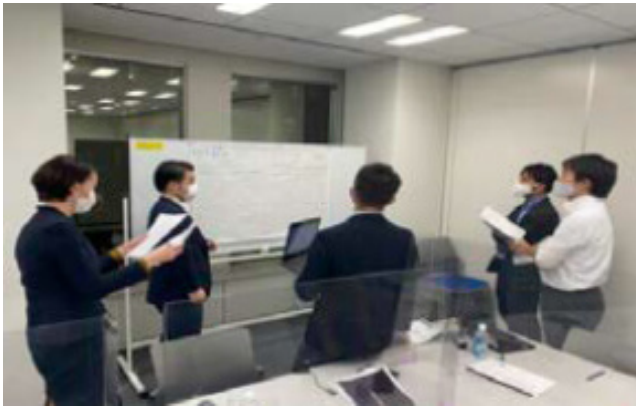
During the determination process, we held in-house workshops to gather opinions on such issues as “what kind of value to provide.” We also collected opinions from management through a “materiality candidate questionnaire” and from various stakeholders outside the Company through similar questionnaires.



Extract important elements for the Group

Number of participants: **183**

- Conducted workshops that were attended by the Group's 183 young and mid-career employees in their 20s to early 40s.
- Collected opinions from rising-generation employees by asking questions such as “What kind of value should be provided in 2050?” and “How do you want the Company to be viewed in 2050?” and identified 12 items.

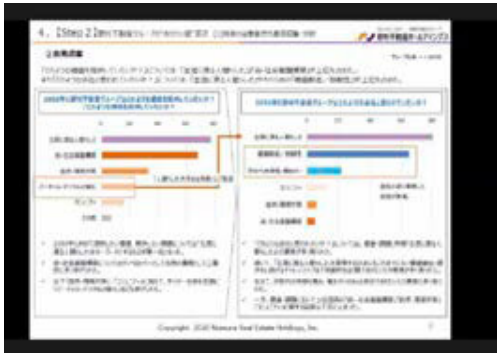


STEP
2

Collect opinions from management

Number of participants: **214**

- Conducted online workshops targeting the Group's management (general managers, senior managers, etc.) and scored the 12 items.



STEP
3

Collect opinions of stakeholders

Number of participants: **41**

- Conducted a survey targeting the Group's 41 stakeholders to confirm the significance of the 12 items.

The use of timber is a significant and urgent issue for the effective use of Japan's forest resources, and is the area in which the Nomura Real Estate Group can play the most active role

From the perspective of urban competitiveness, an environment that embraces diversity in the workforce attracts talented human resources and leads to the creation of new businesses



Business partner
(consulting firm)

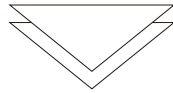


Sustainability expert

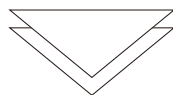
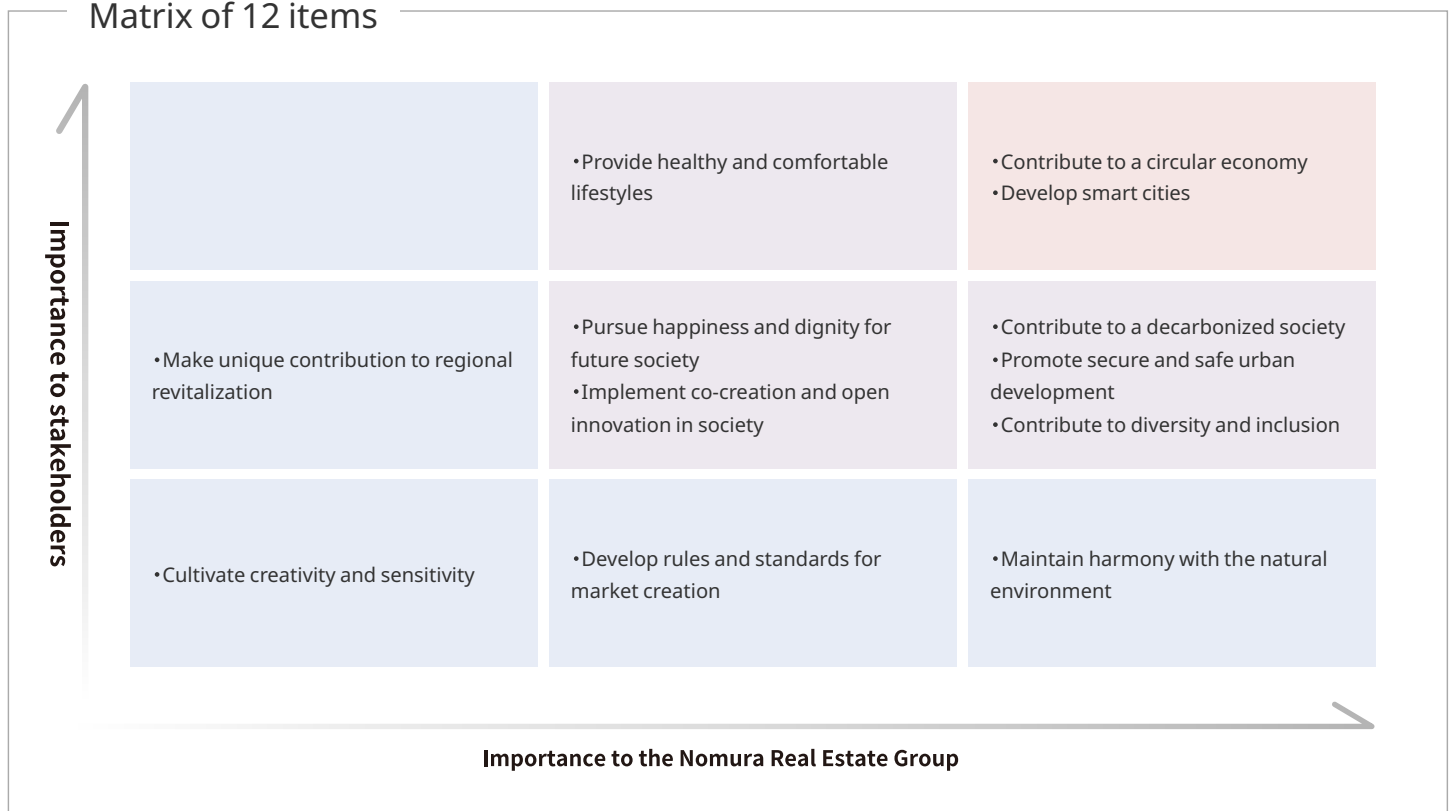
approx. **20** participants in total

- Conducted a survey targeting the members (management) of the Sustainability Committee to confirm the significance of the 12 items.
- In light of the responses elicited in each step, in addition to the survey results, multiple discussions were held by the Sustainability Committee, and the Sustainability Policy, priority issues (materiality), and key performance indicators (KPIs) were formulated.

Approximately **460** people from inside and outside the Company participated in the determination process.



Matrix of 12 items



After analyzing the opinions, we synchronized and linked the results with our medium- to long-term business plan and positioned the plan as a way to realize our ideal corporate image through the business. Particularly important items were defined as [priority issues \(materiality\) for 2030](#).



Responding to the Task Force on Climate-related Financial Disclosures (TCFD)

The Nomura Real Estate Group uses land and other natural resources and energy in the course of conducting business activities, and it is fully aware that the substantial impact of climate change on its business continuity is a major management issue. In September 2020, Nomura Real Estate Holdings, Inc. (head office: Shinjuku-ku, Tokyo; president and Group CEO: Eiji Kutsukake) announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium of Japan.

■ Responding to the Task Force on Climate-related Financial Disclosures (TCFD) 31

Responding to the Task Force on Climate-related Financial Disclosures (TCFD)



Understanding Climate Change

Climate change is currently recognized as one of the most significant threats to the sustainable development of global society. The Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), released over the course of 2013 and 2014, states that human activities are extremely likely (at least 95%) to be the main cause of global warming and climate change. Subsequently, the IPCC Sixth Assessment Report, released in August 2021, states that it is unequivocal that human activities are the main cause of global warming and climate change.

Based on these scientific views, a debate on how to deal with climate change has raged across the world. At the Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC) in 2015, the Paris Agreement was adopted to pursue efforts to limit global warming to well below 2, preferably to 1.5°C, compared to pre-industrial levels. Under the Paris Agreement, countries have set targets for reducing greenhouse gas (GHG) emissions and are implementing a variety of climate change-related measures. For example, in Japan, where our Group mainly operates, the government declared its goal in October 2020 to achieve carbon neutrality by 2050.

The impact of climate change on the global economy and corporate activities is becoming increasingly severe with each passing year. Accordingly, shareholders and investors are facing a growing urgency to assess how the businesses and plans of each company will be affected by climate change. Recognizing the need for a common global framework that facilitates an appropriate assessment of the risks and opportunities of climate change for each company, the TCFD was established to promote disclosure of information on climate change in response to requests from the G20 and national central banks. It released its final report in June 2017 and has been encouraging companies to disclose information on climate change.

Approach and Policies

In light of these circumstances, the Group established its sustainability policy “Earth Pride,” which describes its vision of 2050. Under our Group vision “New Value, Real Value,” the Group has been promoting its business activities through the collaboration of real estate development and real estate-related services. The sustainability policy is our commitment to the Earth—to make it a planet we can be proud of toward the future, specifically 2050—when conducting our corporate activities. The concept of Earth Pride is based on the three themes that the Group values: pursuing humanity, maintaining harmony with nature, and building the future together.

Earth Pride

Pursuing humanity

We strive to answer the deep questions of human existence and well-being in a world where technology is increasingly progressing and being integrated into our lives. By providing an inclusive living environment where people support and connect with each other, we contribute to the creation of a society where no one will be left behind.

Maintaining harmony with nature

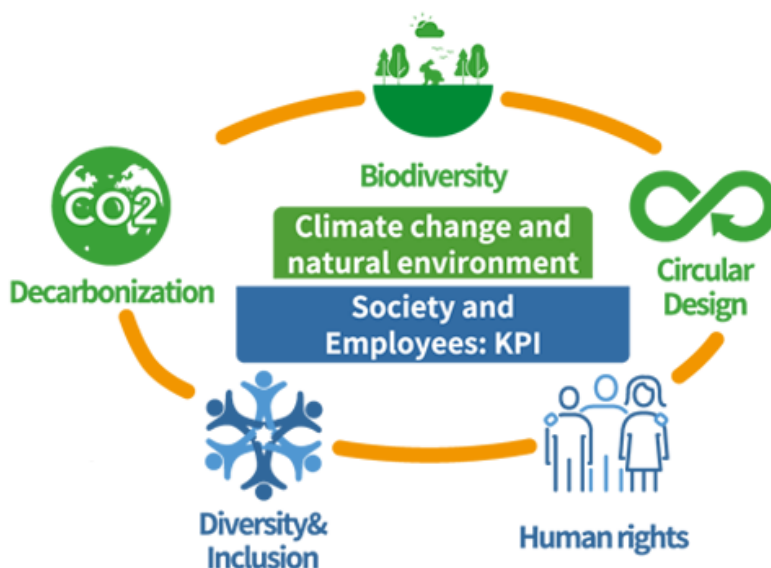
Our aim is to achieve true harmony with our natural environment for our future children and healthy ecosystems by reconsidering how human economic activities should operate. While carefully conserving the Earth’s finite resources, we improve the relationship between nature and humans.

Building the future together

The ambition we have is to create unprecedented value from diverse organizations and people working together to overcome boundaries. We are continuously challenging ourselves with novel ideas of living, business and working styles for an innovative society where all people with various backgrounds and values can build on their strengths.

This sustainability policy verbalizes the Group’s vision of 2050 as a corporate group that realizes a sustainable society and corporate growth. Numerous people, including middle-level and younger employees, those in managerial positions, the management team of the Group, external institutional investors and financial institutions, our clients, and business partners and experts, provided input in formulating this policy.

To realize this vision of 2050, we have identified five priority issues (materiality) that should be addressed by 2030. These are diversity and inclusion, human rights, decarbonization, biodiversity, and circular design.



Targets

Climate Change and the Natural Environment		Contribution to the urgent global issue of reducing CO ₂ emissions, biodiversity preservation, and the realization of a circular society that contributes to CO ₂ reduction
	Decarbonization	Initiatives in energy saving, low-carbon business, and utilization of renewable energy <Target: 35% reduction in Scopes 1, 2, and 3 by FY2030 compared to FY2019 >
	Biodiversity	By restoring the forest cycle in Japan, contribute to CO ₂ absorption and the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
	Circular Design	Contribute to a decarbonized society and a circular economy through urban development and service provision that incorporate longer lives of properties, recycling, and sharing
Society and Employees		Strengthening the foundation for promoting sustainability for co-creation that transcends organizations and business categories
	Diversity and Inclusion	Create an organization that enables diverse workers, including women and foreign nationals, with various backgrounds and values to make meaningful contributions
	Human Rights	Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner

Climate Change and the Natural Environment

We contribute to address the global issue of climate change through urban development and the provision of products and services based on the collaboration of real estate development and real estate-related services. We also specified priority issues that could lead to the preservation of the natural environment. In addition, the Group has proactively participated in international initiatives such as obtaining approval from the SBT initiative (35% reduction from fiscal 2019), supporting the TCFD, and joining RE100.



Decarbonization

We reduce total CO₂ emissions in the properties developed by the Group through the promotion of energy saving, low carbon, and renewable energy.

Main initiatives:

- We aim to further improve energy conservation performance ensuring the level of performance equivalent to the ZEH/ZEB oriented standards.
- We conduct research and development to promote low-carbon materials through co-creation with construction companies and building materials makers.

- We contribute to increasing renewable power generation that achieves additionality such as the installation of solar panels on the roofs of the buildings developed by the Group (e.g., logistics facilities).
- We aim to respond to climate change through urban development. For instance, we will achieve carbon neutrality in the Shibaura 1-Chome Project (the south tower to be completed in fiscal 2024 and the north tower to be completed in fiscal 2030). We will also create a next-generation energy exchange facility in the project with the Research Center for Advanced Science and Technology, The University of Tokyo.

Approach and Policies on Climate Change

The Nomura Real Estate Group uses land and other natural resources and energy in the course of conducting business activities, and it is fully aware that the substantial impact of climate change on its business continuity is a major management issue. In September 2020, Nomura Real Estate Holdings, Inc. (head office: Shinjuku-ku, Tokyo; president and Group CEO: Eiji Kutsukake) announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium of Japan.

Governance

The Sustainability Committee, which comprises Nomura Real Estate Holdings and Group company directors and others, and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates Group-wide policies and targets related to climate change. The committee is positioned as a subordinate committee of the Management Committee and holds at least three to four meetings each year. It reviews risks and opportunities associated with climate change and examines and monitors the Group's GHG reduction targets.

Details of deliberations made by the committee are reported to the Board of Directors and Management Committee at least twice a year. In addition, any key matters related to the Group's management are reported to the board and committee as necessary.

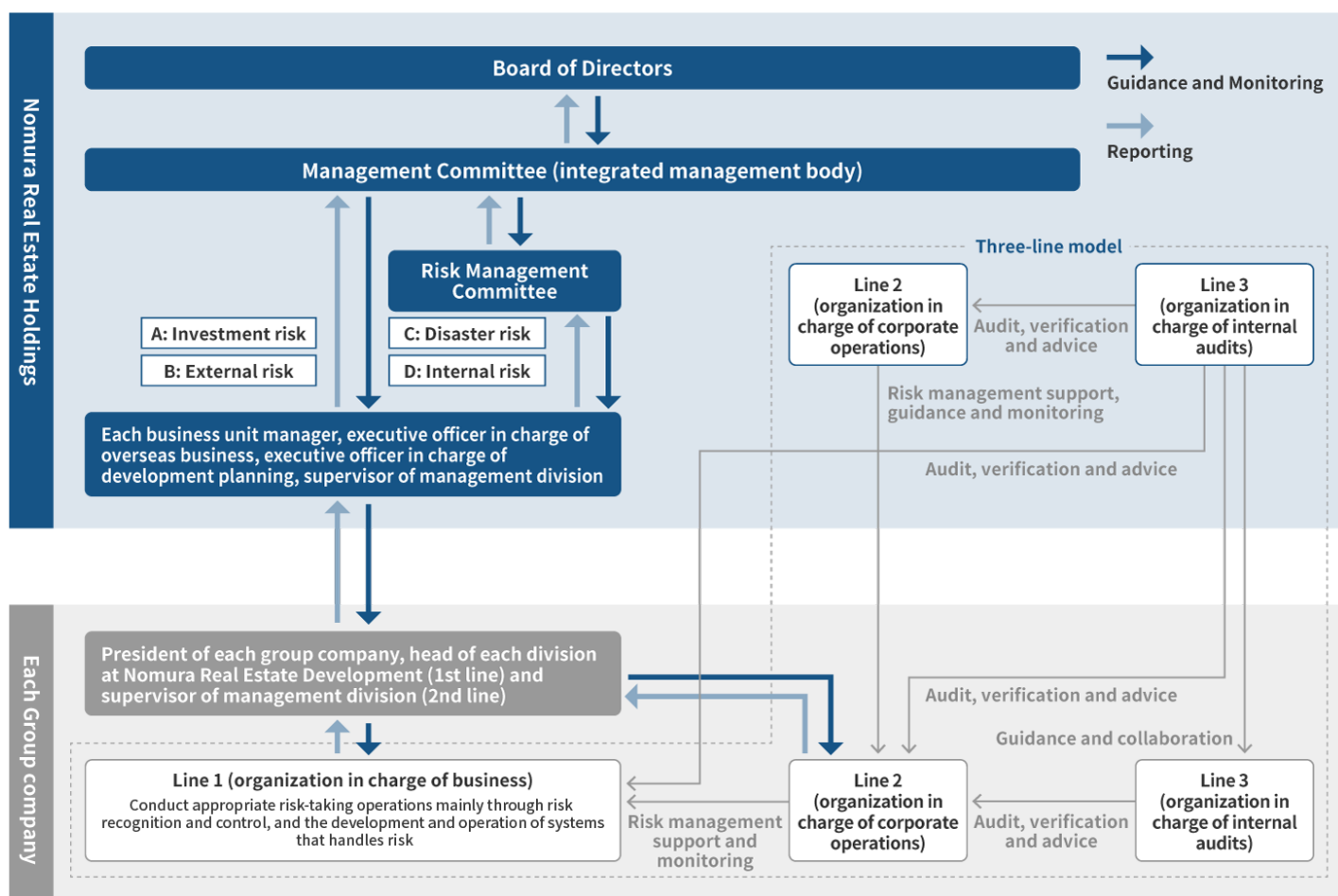
As mentioned above, the Nomura Real Estate Holdings president and Group CEO is responsible for promoting measures to address sustainability and climate change throughout the Group. The Group CEO is the chief executive officer of the Board of Directors and Executive Committee and is responsible for making the best decisions to achieve the sustainable growth of the Group as a company, including addressing sustainability and climate change, and for executing key related operations.

[Sustainability Management System](#)

[Skill Matrix for Directors](#)



In addition, our risk management system also manages climate change-related risks.



To discuss various risks related to Group management, the Company has prescribed the Management Committee as the integrated risk management body and operates a system to regularly monitor, evaluate, and analyze the state of main risks and provide necessary guidance and advice to each business unit and Group company while regularly reporting details to the Board of Directors. The committee, which is the integrated management body, directly monitors investment risk and external risk, while the Risk Management Committee, established as a subordinate organization of the Management Committee, conducts regular monitoring, evaluation, and analysis of disaster risk and internal risk and discusses basic response policies regarding risk prevention, responses when risk occurs, and prevention of recurrence. Risks related to climate change are positioned under the following categories managed as part of our business risks: risk from lagging behind innovation and changes in the social structure related to the business (category of external risk) and risk 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 (category of disaster risk).

Risk Category		De. nition
(A)	Investment risk	Risk related to individual investments (real estate investment, strategic investment (M&A), etc.)
(B)	External risk	Risks related to external factors influencing business
(C)	Disaster risk	Risks generated by disasters that have a large impact on customers and business continuity
(D)	Internal risk	Operational risks occurring at the company and each Group company

□ Risk Management System

Each business unit closely monitors social trends related to climate change, such as changes in customers and markets and revised regulations. They also identify risks and opportunities in climate-related issues and examine and implement associated actions at the operational, business, and product levels. One example is the planning of Net Zero Energy Houses (ZEHs) and Net Zero Energy Buildings (ZEBs) based on changes in the market and customer needs, technology trends, and other factors. Of these initiatives undertaken by each business unit, those deemed particularly important to management are reported to the Sustainability Committee, Risk Management Committee, Management Committee, and Board of Directors as needed.

In addition, since fiscal 2019, the Group has been requiring that directors, including the CEO, maintain a strong awareness of the need to adapt to changes in society and the needs of the times under their selection criteria, and it has incorporated the sustainability and ESG perspectives, such as climate change, into decisions on director compensation. In our director compensation system, the degree of achievement of sustainability targets, including measures to respond to climate change, in the business areas under the control of each director, is incorporated into the evaluation criteria. Also, the system calculates variable compensation according to the degree of achievement of roles related to sustainability and ESG assigned to each director.

Starting in fiscal 2022, the policy for deciding on the details of the compensation, etc., for each individual director, excluding Audit & Supervisory Committee members, will be revised, and the details and calculation method for performance indicators and other considerations relating to bonuses as monetary compensation would retain a central emphasis on performance evaluation in terms of consolidated business profit and other factors, as well as including an evaluation based on non-financial indicators (e.g., sustainability factors). The reason for this is to raise director awareness of sustainability. For fiscal 2022, we plan to conduct an evaluation using non-financial indicators based on BEI*.

※ The Building Energy-efficiency Index is an index that evaluates the energy-saving performance of buildings based on the energy-saving standards of the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act). It indicates the level of primary energy consumption of a given building.

 [Directory Compensation System](#)

Strategies

Upon considering climate change strategies, the Group conducted a qualitative scenario analysis based on the IPCC Fifth Assessment Report* and the details of the Paris Agreement. In the analysis, we examine the risks and opportunities that may be presented to the Group as a result of climate change and consider and implement strategies and policies that capture such risks and opportunities.

※ The Sixth Assessment Report of the IPCC released in August 2021 will also be used for analysis in future fiscal years.

Scope of Analysis

The Group consists of the Residential Development Business Unit (development and sales of condominiums and detached houses), Commercial Real Estate Business Unit (development, leasing, and sales of office buildings, commercial facilities, logistics facilities, and hotels), Investment Management Business Unit (management of REIT and private funds), Brokerage and CRE Unit (real estate brokerage), Operations and Management Unit (real estate management), and others (overseas), which are all included in the scope of analysis.

As for the calculation scope of GHG emissions, all of Scopes 1, 2, and 3 of the Group are covered.


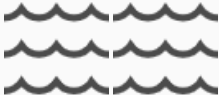










Setting out scenarios



In the scenario analysis, the Group has adopted as its base case the 2°C scenario, assuming the achievement of the Paris Agreement and the realization of a decarbonized society. The 4°C scenario, a model in which climate change countermeasures do not make sufficient progress and the severity of natural disasters increases as a result, is also considered. The following documents were the main materials referred to in anticipating possible changes to the global environment under each scenario. The Group is also considering the 1.5°C scenario separately.

- Representative Concentration Pathway (RCP) 2.6 and 8.5 scenarios in the UN IPCC Fifth Assessment Report
- United Nations IPCC Sixth Assessment Report (2021)
- Sustainable Development Scenario (SDS) and Stated Policies Scenario (STEPS) in the IEA World Energy Outlook (2020)

Possible changes to the global environment under each scenario





Under each scenario, we have established an image of the world in 2050 for the 2°C and 4°C scenarios. (The 1.5°C scenario is examined separately.)



Items	2°C Scenario	4°C Scenario
Sea level rise	0.3–0.5 m 	0.4–0.8 m 
Typhoon	Increase (Japan) 	Significant increase (Japan) 
Flood	Increase (Japan: about two times as much) 	Significant increase (Japan: about four times as much) 
Midsummer days	Increase (Japan: by about 10 days) 	Significant increase (Japan: by about 50 days) 
Laws and regulations	Progress in enforcing extremely strict regulations 	Limited regulatory impact 
Technology	Progress in the adoption of decarbonization technologies, ZEH and ZEB, and renewable energies 	No progress in the adoption of decarbonization technologies, ZEH and ZEB, and renewable energies 

Customers	<p>About a 50% reduction in energy consumption in offices where the adoption of ZEH, ZEB, and renewable energies is progressing</p> 	<p>Limited adoption of ZEH, ZEB, renewable energies, etc. About a 20% reduction in energy consumption in offices</p> 
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Identification of Risks (and Opportunities)

The TCFD recommendations classify climate change risks into transition risks (policy and legal, technology, market, and reputation) and physical risks (acute and chronic). The Group has accordingly identified the impacts of these risks on the Group. This section describes the representative impacts of each risk category.

Category		Impact on the Group	Our understanding	
Large	Small		Risks	Opportunities
Transition risks	Policy and regulatory risk 	<p>Implementation and/or strengthening of GHG emissions reduction regulations in business and property units (Scopes 1, 2)</p> <p>Expected cases</p> <ul style="list-style-type: none"> • Strengthening of regulations in Japan and abroad (Energy Saving Act, Tokyo Metropolitan Environmental Security Ordinance, emissions trading scheme, carbon tax, etc.) • Enhancement of subsidy systems (for energy-saving technologies and ZEHs and ZEBs, etc.) 	○	○
	Market risk 	<p>Delay in energy efficiency improvements for properties (buildings, housing, etc.) and in development or introduction of decarbonization technologies</p> <p>Expected cases</p> <ul style="list-style-type: none"> • Rise in real estate development costs • Investments in decarbonization technologies and energy-efficient equipment • Introduction of renewable energy 	○	○
	Reputational risk 	<p>Rise in customer demand for functions related to the environment, energy saving, and disaster prevention</p> <p>Expected cases</p> <ul style="list-style-type: none"> • Changes in the needs of customers (tenants of buildings, buyers of housing, REITs, etc.) • Rise in the customer rating of ZEHs and ZEBs • Impact on appraisals of properties owned by the Company 	○	○
	Technical risk 	<p>Risk of the Group's initiatives and businesses not being appreciated by investors and consumers</p> <p>Expected cases</p> <ul style="list-style-type: none"> • A shift in trust and brand value of the Company's businesses and products • Impact on financing due to evaluations by shareholders, investors, and financial institutions 	○	○

Physical risks	Acute physical risk 	Damages due to natural disasters such as typhoons, floods, and torrential rain Expected cases <ul style="list-style-type: none"> • Damage to or failure of properties owned by the Company due to a natural disaster • Suspension or delay in construction work of real estate being developed by the Company, due to a natural disaster 	○	
	Chronic physical risk 	Impact of a rise in the average temperature on business Impact on real estate appraisal due to the manifestation of a rise in sea levels Expected cases <ul style="list-style-type: none"> • Health impact on customers, employees, and suppliers due to an increase in the number of very hot summer days • Damage to real estate values in coastal areas, etc. 	○	

In addition to the qualitative analysis described above, the following quantitative analysis is underway. We intend to further strengthen our quantitative disclosures.

	Financial Impact (Cumulative) Expected up to 2030	Quantitative Impact (Maximum Figure)
Risk	Rise in non-life insurance premiums due to an increase in natural disasters	¥6.0 million
	Introduction of carbon pricing and/or carbon tax	¥1.5 billion
Opportunity	Decrease in financing costs due to the achievement of CO ₂ reduction targets	¥150 million
	Decrease in energy costs due to the greater environmental performance of buildings	¥0.9 billion

Risk Management

Matters related to climate change, including risk management, are overseen by the Board of Directors and the Management Committee and discussed in detail by the subordinate committees, Sustainability Committee, and Risk Management Committee. In addition, individual business matters, including business planning and product planning, are managed by each business unit.

The Sustainability Committee deliberates Group-wide policies and targets on climate change and discusses the risks and opportunities of climate change for the entire Group.

In addition, risks related to climate change are managed within the Group's risk management system. To discuss various risks related to Group management, we have designated the Management Committee as the integrated risk management body, and we operate a system to regularly monitor, evaluate, and analyze the state of major risks while periodically reporting details to the Board of Directors.

Business units also individually investigate and address risks related to the market (client companies and consumers) and laws and regulations on construction and real estate, and they reflect the results of their investigations in the planning of businesses and products as needed. Of the matters examined, those that have a significant impact on the Group as a whole are reported to the Board of Directors, Management Committee, Sustainability Committee, and Risk Management Committee as appropriate, depending on specific content.

 [Sustainability Management System](#)

 [Risk Management System](#)

Metrics and Targets

The Group has set the following three targets to promote its response to climate change and has also identified the indicators described below for greenhouse gases.

Reduction of Greenhouse Gases (GHG and CO₂)

Medium- to Long-term Targets Certified by the SBT (Science Based Targets) Initiative in November 2020

Reduce the total amount of GHG emissions from Scopes 1, 2, and 3 (Categories 1 and 11) by 35% by 2030 compared to the scal 2019 level.

Short-term Target

Reduce the total amount of emissions from Scopes 1, 2, and 3 (Categories 1 and 11) by 15% by 2025 compared to the scal 2019 level.

- ※ 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 Scopes 1 and 2
- ※ Scope 3 targets cover Categories 1 (products and services purchased) and 11 (use of products sold). The GHG emissions of Category 1 cover approximately 94% of the total emissions of Scope 3 (FY2019).

Reduce Energy Use

Medium- to Long-term Targets

**The power consumption of the entire Group will be 100% renewable electricity by 2050.
(Joined RE100 in January 2022)**

Short-term Target

Switching electricity consumed by all leasing properties* owned by Nomura Real Estate Development to renewable electricity by scal 2023.

- ※ Excludes leasing properties (including the portion used by tenants) for which Nomura Real Estate Development has concluded direct electricity supply contracts with power companies, properties that Nomura Real Estate Development owns units in or are jointly owned with other parties, and properties planned to be sold or demolished, as well as the common use areas of some rental housing.

Promote Solar Power Generation

The Group will in principle promote measures to respond to climate change by collecting data on GHG (CO₂) emissions for all properties owned and sold by the Group as a whole and reducing the GHG emissions of the entire Group by compiling and monitoring the results. We will also look into setting an ultra-long-term target to achieve carbon neutrality by 2050. For the results related to climate change, please refer to the following.

Results for Medium- to Long-term Targets (2030 Targets)

(Unit:t-CO₂)

	FY2019 (base year)	FY2020		FY2021	
			Reduction Rate (Compared to FY2019)		Reduction Rate (Compared to FY2019)
Scope1	23,627	20,119	- 14.8%	21,542	- 8.8%
Scope2	126,960	112,087	- 11.7%	107,514	- 15.3%
Scopes 1 and 2 (totals)	150,588	132,206	- 12.2%	129,056	- 14.2%
1: Purchased products and services	969,704	453,707	- 53.2%	702,271	- 27.5%
11: Use of products sold	2,203,005	834,184	- 62.1%	1,214,723	- 44.8%
Scope 3 (totals) Note: Targeted only	3,172,709	1,287,891	- 59.4%	1,916,994	- 39.6%

Third-party Assurance

We have asked Lloyd's Register Quality Assurance Ltd. to provide assurance on the GHG emissions and energy use data for the entire Group.

 [Independent Assurance Statement](#)

Reference: Performance on Other Climate Change-Related Issues

(1) GHG emissions performance in Scopes 1 and 2

(Unit:t-CO₂)

	FY2018	FY2019 (Base Year)	FY2020	FY2021
Scope1	24,018	23,627	20,119	21,542
Scope2	136,569	126,960	112,087	107,514
Scopes 1 and 2 (totals)	160,586	150,588	132,206	129,056

(2) GHG emissions performance by all items in Scope 3

(Unit:t-CO₂)

	FY2019 (Base Year)	FY2020		FY2021	
			Reduction Rate (Compared to FY2019)		Reduction Rate (Compared to FY2019)
1: Products and services purchased	969,704	453,707	- 53.2%	702,271	- 27.5%
2: Capital goods	71,164	97,862	+ 37.5%	159,373	+ 123.9%
3: Fuel- and energy-related activities not included in Scopes 1 and 2	27,473	24,854	- 9.5%	24,358	- 11.3%
4: Transportation and delivery (upstream)	4,081	3,164	- 22.4%	4,465	+ 9.4%
5: Waste generated by businesses	6,858	5,317	- 22.4%	7,503	+ 9.4%
6: Business trips	1,421	936	- 34.1%	963	- 32.2%
7: Employers' commuting	2,395	2,409	+ 0.5%	1,917	- 19.9%
8: Lease assets (upstream)	—	—	—	—	—
9: Transportation and delivery (downstream)	—	—	—	—	—
10: Processing of products sold	—	—	—	—	—
11: Use of products sold	2,203,005	834,184	- 62.1%	1,214,723	- 44.8%
12: Disposal of products sold	62,603	19,605	- 68.6%	38,859	- 37.9%
13: Lease assets (downstream)	19,011	14,025	- 26.2%	13,539	- 28.7%
14: Franchise	—	—	—	—	—
15: Investments	—	—	—	—	—
Scope 3 (totals)	3,367,714	1,456,063	- 56.7%	2,167,970	- 35.6%

(3) Energy use performance in properties subject to reporting under the Act on the Rational Use of Energy

	FY2018	FY2019	FY2020	FY2021
Energy use (MWh/year)	445,772	422,490	381,817	379,428
Energy use intensity* (MWh/m ² /year)	0.224	0.208	0.184	0.182

※ 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).

The Group is striving to reduce CO₂ emissions through the three approaches of energy conservation, low-carbon buildings, and renewable energy.

(4) Energy Conservation Initiatives

(4-1) ZEH (Net Zero Energy House) initiatives

The Group is developing ZEHs* in condominiums from the perspective of comprehensive environment impact reduction.

In fiscal 2020, the PROUD Tower Kameido Cross Gate Tower was adopted as a Ministry of Economy, Trade and Industry Superhigh-rise ZEH-M Demonstration Project, and the Kagurazaka Fukuromachi Plan (tentative name) and Musashiurawa Station Plan (tentative name) were adopted as a Ministry of the Environment High-rise ZEH-M Support Project.

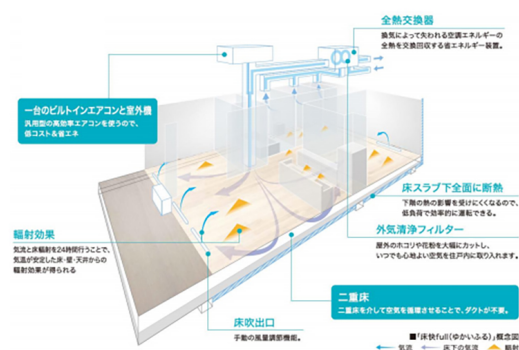


- ※ Homes designed to achieve a net zero annual primary energy consumption by greatly improving the insulation performance of the building envelope, installing highly efficient facilities and equipment to maintain the quality of the indoor environment, substantially reducing energy consumption, and then introducing renewable energy.

☐ ZEH Condominium Initiatives (Japanese only)

“Yukai-full” Offering Both Environmental Performance and Healthy, Comfortable Living

In order to deliver the energy-saving performance of ZEH-M, we have adopted “Yukai-full” in PROUD Takadanobaba and PROUD Tower Kameido Cross. The “Yukai-full” system uses the double floor as a pathway for heating, cooling, and ventilation, sending air conditioner breezes and fresh outside air throughout the entire dwelling, which keeps the entire place comfortable 24 hours a day, 365 days a year. This contributes to maintaining the overall health of the residents by reducing the risk of heat stress and heatstroke. In addition, the system can be operated at a lower temperature setting than usual when residents are out of the building, thereby saving energy while maintaining comfort and improving energy efficiency.



Conceptual diagram of PROUD Takadanobaba and PROUD Tower Kameido Cross

(4-2) Initiatives for obtaining green building certifications

The Group seeks to obtain environmental, green building certifications for new construction and owned properties including DBJ Green Building^{*1}, LEED^{*2}, CASBEE^{*3}, and BELS^{*4}.

Quantified target: acquisition rate of green building certifications for newly constructed fixed assets and income-producing properties (excluding rental housing): 100%

※1 DBJ Green Building

A certification system, run by the Development Bank of Japan, that is aimed at promoting real estate that contributes to the environment and society.

※2 LEED

A certification system developed and run by the U.S. Green Building Council (USGBC). Certification is granted to environment-friendly buildings.

※3 CASBEE

A comprehensive assessment system for built environment efficiency. It includes a certification system run by the Institute for Built Environment and Carbon Neutral for SDGs (IBEC) and others, and assessment systems by local governments.

※4 BELS

A building-housing energy efficiency labeling system established by the Ministry of Land, Infrastructure, Transport and Tourism. The energy efficiency of properties and housing is evaluated and certified by a third-party assessment organization.

(4-3) Environmental performance assessment during product planning and design

The Group provides products and services that address climate change in accordance with the Design and Construction Standards and the Quality Manual. Thermal insulation performance rating* of level 4 (the highest level), double-glazed windows (end panel eco-glass), LED lighting fixtures, and other features are set as standard specifications for PROUD condominiums, and Environmental Assessment and Challenge Sheets are used to improve the environmental performance.

※ A housing performance evaluation system pursuant to the Housing Quality Assurance Act. Levels indicate performance in the thermal environment.

(4-4) Helping customers to save energy

The Group not only strives to reduce CO₂ emissions from buildings; it also helps condominium residents and tenant companies to save energy. Specifically, the Group provides a system that calculates total energy consumption and a system that makes it possible to visualize the amount of energy used, realizes energy savings using the enecoQ system, and provides eco-information via a member newsletter.

(4-5) Reduction of chlorofluorocarbons

To reduce the usage of ozone layer-depleting chlorofluorocarbons, the Group established a quality manual that requires the use of chlorofluorocarbon-free insulation and air conditioner refrigerants. Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials are used.

(5) Low-carbon Buildings (Timber-based Construction, Absorption, and Fixation of CO₂)

(5-1) Timber supply chain

The self-sufficiency rate for timber in Japan is currently over 40% but remains low compared to other countries, and the Forestry Agency's White Paper on Forestry and Forest Products has set a target of achieving 50% self-sufficiency in timber by 2025.

One reason for the low self-sufficiency rate is that the supply chain for domestic timber, from upstream to downstream, is not fully functional. Despite the rich domestic resources that are available, there are cases in which timber that has reached its usable age is not being felled due to a failure to secure a buyer.

In response, the Company has entered into an Agreement on the Promotion of Timber Use in Buildings with both the Ministry of Agriculture, Forestry and Fisheries and Wing Co. Ltd. to develop a stable supply chain from upstream to downstream for domestic timber. Over the next five years, we will gradually promote the use of domestic timber for construction materials in the Group's businesses, using a total of 10,000 m³ of domestic timber before the agreement ends, while Wing Co. Ltd. will work in cooperation with logging, manufacturing, and processing companies nationwide to ensure a stable supply of domestic timber.

All businesses involved in upstream, midstream, and downstream of this supply chain will work together to promote the use of domestic timber, thereby revitalizing Japan's mountain villages and maintaining the forest cycle. Through the initiative, we will also contribute to establishing a forest cycle that serves multifaceted functions, such as promoting the absorption and fixation of CO₂ and preserving biodiversity.



(6) Renewable energy initiatives

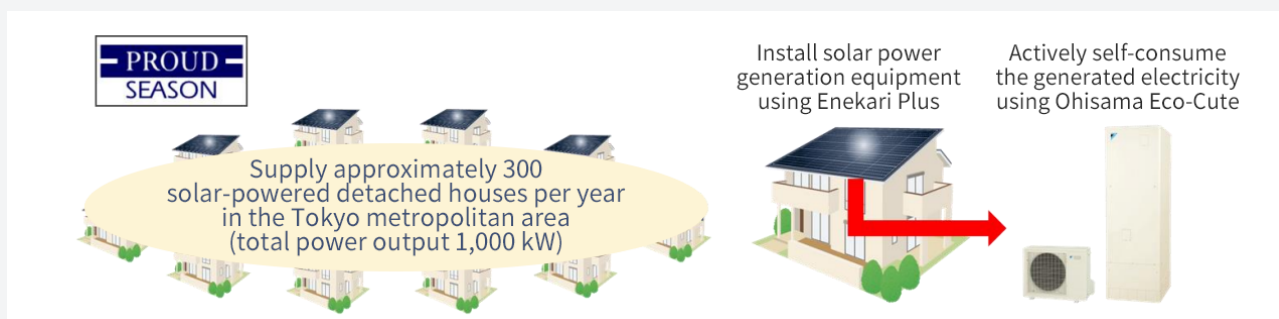
(6-1) Solar power generation business in the logistics facilities

The Group is promoting the Solar Power Generation Business. As of the end of March 2022, solar panels were installed on a total of 19 buildings at Landport logistics facilities, with annual output of 22,801 thousand kWh/year for fiscal 2021.

	FY2018	FY2019	FY2020	FY2021
Solar power generating facility installation rate at Landport logistics facilities (%)	92.9%	94.7%	90.0%	76.0%
Electric power generated at Landport logistics facilities (thousand kWh/year)	12,081	15,194	21,926	22,801

(6-2) Introducing solar power generation to detached housing

Using TEPCO Energy Partner's solar PPA service "Enekari Plus" in May 2022, Nomura Real Estate Development launched the Virtual Mega Solar project, introducing solar power generation on the same scale as mega solar power plants (total power output of 1,000 kW) for PROUD SEASON detached housing developed by Nomura Real Estate Development, mainly in the Tokyo Metropolitan Area. This is the first initiative in Japan to introduce solar power generation with a total output of 1,000 kW to detached housing in the Tokyo metropolitan area (300 houses per year on the roof of the PROUD Season houses), and the two companies will promote this initiative for localized generation and consumption of electric power to conserve and generate energy in the Tokyo metropolitan area, where there are few areas of fallow land to be utilized.



By bringing in TEPCO EP's Enekari Plus to approximately 300 PROUD SEASON houses of Nomura Real Estate Development per year, we will generate renewable energy, which achieves additionality on the same scale as mega solar power generation in residential areas in the metropolitan area. PROUD SEASON owners can use the energy generated by the solar power equipment for the duration of the Enekari Plus contract (ten years) without incurring initial or monthly costs. When the contract ends, they will also get to own the solar power generation equipment free of charge. Furthermore, using the solar power equipment in conjunction with an Ohisama Eco-Cute electric water heater promotes self-consumption of the generated electricity and reduces the amount of electricity purchased from the power company, thus suppressing the rise in electricity and gas bills caused by recent fuel price hikes. In the event of a disaster, they can continue to use electricity during the hours when solar power generation can take place, as well as the hot water stored in the Ohisama Eco-Cute for general household use, making their lives more secure.

(6-3) Use of renewable energy

All of the electricity procured for all Noga Hotels operated by Nomura Real Estate Hotels, one of the Group's businesses, Garden Hotels operated by UHM, a Group company, and MEFULL, a commercial facility specializing in services developed by Nomura Real Estate Development, is practically 100% renewable under the Zero CO₂ Plan provided by NF Power Service, a retail electricity provider and Group affiliate. In fiscal 2020, combined with other buildings, a total of 6,880,000 kWh of renewable energy was procured via this plan. In addition, we purchase one million kWh of green electricity per year for the Nihonbashi Muromachi Nomura Building.

(7) Initiatives for the Shibaura 1-chome Project

The Shibaura 1-chome Project is a phased reconstruction project of a large-scale complex of offices, commercial facilities, hotels, and other facilities in Minato-ku, Tokyo, and it has been approved as a national strategic special zone.

Under the theme of creating a city for healthy and comfortable living, the project aims to realize both the ideal state of the next generation of tenant buildings and CO₂ reduction by realizing a Wellness Office, achieving ZEB Oriented through various energy-saving measures and ultimately becoming carbon neutral by introducing electricity derived from renewable energy sources in the future. In recognition of this plan, the project was selected by the Ministry of Land, Infrastructure, Transport and Tourism as the leading projects program for sustainable buildings (CO₂ reduction type) in 2021.



(8) Sustainable finance initiatives

In response to the needs of investors, financial institutions, and other stakeholders, we implement sustainable finance initiatives to promote initiatives related to sustainability and climate change throughout the Group.

Implementation of Sustainability Linked Loans (July 2021)

With the support of The Chiba Bank, Ltd., Nomura Real Estate Holdings established the Comprehensive SLL Framework for sustainability linked loans (SLL). On July 30, 2021, Nomura Real Estate Holdings raised funds from nine banks participating in the TSUBASA Alliance, a broad regional bank alliance, as the first procurement based on this framework.

The SLL requires coordination and agreement on individual requirements, such as Sustainability Performance Targets (SPTs). This framework provides a preferential interest rate based on the SBT certified mid- to long-term targets for 2030 (35% reduction in total GHG emissions in FY2030 compared to FY2019) set as SPTs, and if they are met by 2030.

To ensure the credibility of this framework, we have obtained a third-party evaluation from Rating and Investment Information, Inc. on compliance with the Sustainability Linked Loan Principles and the rationality of the SPTs set.

 [News Release \(Japanese only\)](#)

Issuance of Sustainability Bonds (February 2021)

In February 2021, Nomura Real Estate Holdings issued ten billion yen of Sustainability Bonds as a means of procuring funds to be used for measures and projects that contribute to addressing both environmental and social issues.

When issuing the bonds, we formulated the Nomura Real Estate Group Sustainability Bond Framework and allocated the funds raised under the framework to eligible projects that contribute to addressing environmental and social issues.

To ensure the credibility of the framework, we have obtained third party evaluations from Vigeo Eiris, Japan Credit Rating Agency, Ltd. (JCR), and Rating and Investment Information, Inc. (R&I) on the compliance with the principles of the International Capital market Association (ICMA) Sustainability Bond Guidelines, etc.

 [News Release 1 \(Japanese only\)](#)  [News Release 2 \(Japanese only\)](#)

[For past special features, click here.](#)



Priority Issues (materiality) **【Society and Employees】 Diversity and Inclusion**

Under the Group Policy, with an awareness that all of us are diverse in various characteristics, such as race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, and life stage, and that any one of us may belong to a minority in certain characteristics at the same time as belonging to the majority in other characteristics, the Group shall resolve the issues that arise from these characteristics and create substantially equitable opportunities that focus on the individual differences of each employee. To meet the diversified needs of society through its business activities, the Nomura Real Estate Group shall work on the promotion of inclusive design in which people with various characteristics inside and outside the Group participate in product/service development processes and contribute their diverse perspectives, thereby creating yet unseen value.

To realize a “society where people support and connect with one another and where no one will be left behind” and an “innovative society where all people with various backgrounds and values can build on their strengths,” which we uphold in our Sustainability Policy, we formulated the Nomura Real Estate Group Diversity and Inclusion Policy, which outlines our principles in promoting diversity and inclusion.

Society and Employees

Group Policy

As a corporate group that connects people, towns, and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected and will respect people's dignity and basic human rights throughout our business activities to strengthen our foundational sustainability and pursue co-creation initiatives that transcend organizations and business models.

Targets

Society and employees		Strengthening the foundation for promoting sustainability for “co-creation” that transcends organizations and business categories
	Diversity and inclusion	Create an organization that enables diverse workers, including women and foreign nationals, with various backgrounds and values to make meaningful contributions
	Human rights	Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner

Key Performance Indicators (KPIs)

- Female manager and junior manager ratio: 20%
- Childcare leave utilization rate by men and women: 100%
- Procurement guideline survey implementation rate: 80%
- Creation of human rights due diligence system
- Percentage of participation in human rights training: 100%
- Provision of products and services with inclusive design*
- Percentage of implementation of one-on-one meetings: 100%

※ Design process involving people with diverse backgrounds, values, and challenges

Management

The Sustainability Committee, which consists of Nomura Real Estate Holdings and Group company directors and other members, is chaired by the Nomura Real Estate Holdings president and Group CEO. It deliberates and decides policies and action plans focused on sustainability, including priority issues (Materiality), and reports to the Board of Directors. It also monitors progress with regard to its targets. In addition, two subordinate organizations have been established under the committee to strengthen the foundations for co-creation. One is the Human Rights Subcommittee, led by the officer in charge of the Group Internal Audit Department and the

Group Legal and Compliance Department as supervisor and the officer in charge of Group Diversity and Inclusion Management as deputy supervisor, and the other is the Wellness and D&I Management Committee, chaired by the Nomura Real Estate Holdings president and Group CEO.

Human Rights Subcommittee

Consists of members from the Group Human Resource Department, Group Human Resources Development Department, Group Legal and Compliance Department, and Sustainability Management Department and meets as needed. In fiscal 2021, the committee met eight times, and it has continued to discuss major topics such as the formulation of a human rights policy and surveys for human rights due diligence.

Wellness and D&I Management Committee

Consists of Nomura Real Estate Holdings and Group company presidents and others, and meets twice a year (previously called the Group Wellness Promotion Meeting). The committee discusses mid-to long-term goals and measures related to promoting occupational health and safety, wellness, work style reforms, the empowerment of women, and utilization and active participation of the Group's diverse human resources to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness, and to enhance efforts for formulating human resource development policies and promoting internal environment development to ensure diversity. The content of the discussions are periodically reported to the Board of Directors.

Diversity and Inclusion

Approach and Policies
Management
Targets and Results
Initiatives

Human Rights

Approach and Policies
Management
Targets and Results
Initiatives

Approach and Policies

Group Policy (Society)

Under the Group Policy, with an awareness that all of us are diverse in various characteristics, such as race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, and life stage, and that any one of us may belong to a minority in certain characteristics at the same time as belonging to the majority in other characteristics, the Group shall resolve the issues that arise from these characteristics and create substantially equitable opportunities that focus on the individual differences of each employee. To meet the diversified needs of society through its business activities, the Nomura Real Estate Group shall work on the promotion of inclusive design in which people with various characteristics inside and outside the Group participate in product/service development processes and contribute their diverse perspectives, thereby creating yet unseen value.

To realize a “society where people support and connect with one another and where no one will be left behind” and an “innovative society where all people with various backgrounds and values can build on their strengths,” which we uphold in our Sustainability Policy, we formulated the Nomura Real Estate Group Diversity and Inclusion Policy, which outlines our principles in promoting diversity and inclusion.

 [Nomura Real Estate Group Diversity and Inclusion Policy](#)

Roadmap

Guided by the roadmap for promoting diversity and inclusion, we shall designate raising diversity and inclusion awareness, routinely incorporating diversity and inclusion into business activities, and developing a culture of innovation as important themes for achieving our vision, and promote them with the aim of swiftly accomplishing them through Steps I, II, and III. Particularly with regard to Step I, we will implement concrete measures and designate the achievement of annual paid leave acquisition targets and the utilization of childcare leave by both men and women at a rate of 100% as key goals. We aim to link the achievement of these goals to the efficient development of the workplace environment and a change in awareness at the managerial level.

 [Targets on annual paid leave acquisition](#)

Step I (2 years of FY2022 and FY2023)

[Raise diversity and inclusion awareness]

Foster a corporate culture where employees respect one another's differences and feel accepted themselves

Step II (2 years of FY2024 and FY2025)

[Routinely incorporate diversity and inclusion into business activities]

Diverse organizations and people work together and continue challenges themselves

Step III (5 years of FY2026 to FY2030)

[Develop a culture of innovation]

Create new value

Foundation: Flexible ways of working, wellness of mind and body, psychological sense of safety

Specific measures (excerpt)

- Diversity and inclusion training for all Group employees
- An awareness survey targeting Group employees
- Measures to encourage men to take childcare leave
- A framework for inclusive design initiatives

Key goals for Step I

- ① Achieve annual paid leave acquisition targets
- ② Achieve 100% childcare leave utilization rate by men and women

Step I Measures for Promoting Diversity and Inclusion: Outline and Key Goals

Domain	Strategy
Personal success regardless of circumstances [all officers and employees]	Develop the foundation for D&I (conduct training aimed at promoting human rights and D&I)
	Foster wellness of mind and body and a psychological sense of safety
	Promote flexible ways of working (with a particular focus on promoting activities for raising awareness and accomplishing the annual paid leave acquisition target of 100%)
	Construct a framework for inclusive design initiatives
	Monitor the status of promoting wellness and D&I
Personal success regardless of gender, sexual orientation, and gender identity [gender inclusion]	Promote the achievement of the 20% target for the female manager and junior manager ratio
	Promote the achievement of the 100% target for the childcare leave utilization rate by men (actively implement various measures related to systems, development of rules, activities for raising awareness of systems, and promoting acquisition of childcare leave)
	Implement measures for empowering LGBT people
Personal success regardless of disability	Promote the employment of persons with disabilities, achieve the 2.4% target for the rate of employment of persons with disabilities
Personal success regardless of age	Promote the empowerment of young, mid-career, and senior employees
Personal success regardless of cultural background	Promote the empowerment of mid-career hires and foreign nationals in the workforce

Key goals for Step I

1

Achieve the annual paid leave acquisition targets

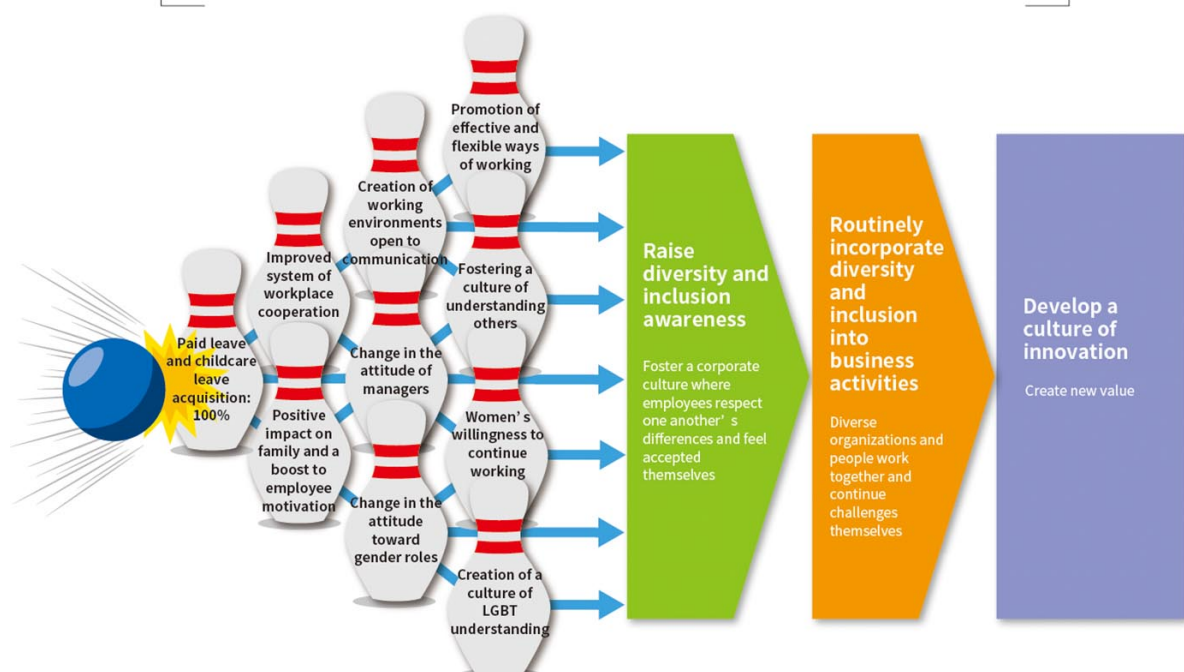
2

Achieve the 100% childcare leave utilization rate by men and women

Materiality targets for 2030

- ① Female manager and junior manager ratio: 20%
- ② Childcare leave utilization rate by men and women: 100%
- ③ Percentage of participation in human rights and D&I training: 100%
- ④ Provision of products and services with inclusive design
- ⑤ Percentage of implementation of one-on-one meetings: 100%

Image of Ripple Effects from Achieving the Key Goals for Step I



Management

Management (Society)



Wellness and D&I Management Committee

Comprises Nomura Real Estate Holdings, Group company presidents, and others and meets twice a year (formerly the Group Wellness Promotion Meeting). The committee discusses mid- to long-term goals and various measures related to promoting wellness, work style reforms, the empowerment of women, and the utilization and active participation of the Group's diverse human resources in order to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness.

Targets and Results

Targets

The Group has set the following targets to promote diversity and inclusion as one of the priority issues that should be addressed by 2030 in order to realize the Sustainability Policy for 2050.

Target 1

Target 1-1. Hire and Utilize Diverse Human Resources.....**Female manager and junior manager ratio: 20%, Employment of persons with disabilities ratio: 2.4%**

Target 1-2. Promote Diverse Work Styles.....**Childcare leave utilization ratio: 100% Including the Group's own holiday system**

※ The above quantitative targets were set to be achieved by FY2030.

Target 2

The Group has set the following targets to support well-being as the foundation for addressing the aging population and diversity and for promoting diversity and inclusion.

Target 2-1. Promote Barrier Free/Universal Design

Target 2-2. Promote Health Support Services

Target 3

Foster a corporate culture that respects differences and allows all employees to feel accepted. Percentage of implementation of one-on-one meetings: 100%

 Key performance indicators (KPIs) for priority issues (materiality) up to 2030

Results

Result 1-1. Hire and Utilize Diverse Human Resources (Promote the Empowerment of Women)

Items	FY2018	FY2019	FY2020	FY2021
Female employee ratio (%)	30.76	30.61	31.84	32.46
Manager and junior manager ratio* ¹ (%)	10.05	10.33	11.19	11.68
Ratio of female new graduates hired* ² (%)	36.82	44.77	41.97	39.77

※1 Manager and junior manager ratio: Female manager and junior manager ÷ all managers and junior managers.

※2 Figures indicate the number of employees hired during each fiscal year (employees who have joined the Company by April of the following calendar year).

Result 1-2. Hire and Utilize Diverse Human Resources (Number of Foreign Employees, Rate of Employment of Persons with Disabilities)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Foreign Employees* ¹	14	16	114	140	303
Rate of employment of persons with disabilities (%) * ²	1.90	1.96	2.02	2.05	2.33

※1 Number of foreign employees does not include the number of foreign technical intern trainees employed.

※2 Rates in Group companies subject to the Employment Rate System for Persons with Disabilities as of June 1 of the following fiscal year.

 For more details, see the ESG data (Society).

Result 1-3. Promote Diverse Work Styles

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Childcare leave takers (men)	148 (3)	178 (6)	253 (10)	289 (28)	320 (35)
Rate of reinstatement after childcare leave (men) (%)	92.59	91.46	92.08	96.23 (100)	92.91 (100)
Nursing care leave takers	4	4	7	6	5
Rate of childcare leave takers (men) (%)	-	-	-	-	96.23 (15.89)

※ Rate of male childcare leave takers, including those of the Group's own paternity leave programs for male employees, was 54.21%.

Result 2-1. Promote Barrier Free/Universal Design

The Group has been conducting real estate development 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 the Design and Construction Standards and Quality Manuals.

Under the leadership of the Human Rights Subcommittee, we are currently considering KPIs for inclusive design, a design process involving people with diverse backgrounds, values, and challenges.

Result 2-2. Promote Health Support Services

	FY2018	FY2019	FY2020	FY2021
Development results of Health Promoting Senior Rental Housing (units)*	125	125	382	502

※ Cumulative total based on the opening dates

	FY2018	FY2019	FY2020	FY2021
Number of CASBEE Wellness Office Assessment Certifications acquired	-	4	3	3

🔗 [For more details, see the ESG data \(Society\).](#)

Result 3. Percentage of implementation of one-on-one meetings

We believe it is important to conduct one-on-one meetings to create a basis for psychological safety toward realizing the Nomura Real Estate Group 2030 Vision, and we strive for 100% implementation of these meetings throughout the Group.

(Percentage of implementation of one-on-one meetings as of March 2021: 84.0%)

Initiatives

Initiatives for Empowering All Employees

Promoting One-on-One Meetings and Creating Psychological Safety

The Group believes that achieving employee growth and wellness depends upon ensuring psychological safety for employees as they go about their daily operations, and it has therefore been holding one-on-one meetings Company-wide since October 2020. We distribute our own handbook to all employees and provide all managers with guidance for conducting effective one-on-one meetings. In addition, in August 2022 we conducted e-learning sessions on the one-on-one meetings for the entire Group.

The Legal and Compliance Department organizes training for compliance promoters, in which Group officers, general managers, and compliance promoters participate to learn about psychological safety and the role of leaders. Each year, we also conduct a questionnaire on the implementation of the one-on-one meetings throughout the Group to confirm progress.

Trial Implementation of the Nomura Real Estate Group Sustainability, Wellness, Diversity and Inclusion Survey (Your voice creates NEW VALUE, REAL VALUE)

The purpose of the survey is to share with management the good points and issues about the Company and workplace that Nomura Real Estate Group employees notice in their daily work, and to make use of this feedback in creating better workplaces. Until now, the survey has been implemented separately by each Group company, and we decided to conduct a trial in August 2022 for implementing a common

Group-wide survey. We will visualize the indicators for employee satisfaction and willingness to make voluntary contributions across the Group to further stimulate group synergies, including consideration of actions for addressing common issues.

[Employee Satisfaction Survey](#)

Implementation of Unconscious Bias Training in the Group's Newly Appointed Managerial Employee Training

Every year, we conduct training on unconscious bias as part of the rank-specific training programs for newly appointed managers of the Nomura Real Estate Group.

[Action Plan for Empowering Women](#)

Following the full enforcement of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (hereinafter Promotion of Women Act) on April 1, 2016, every Group company has formulated an action plan and is pursuing related initiatives for promoting women. We analyze issues related to recruitment, continued employment, and promotion, and take action to address these issues.

Female Manager Ratio and Female Manager and Junior Manager Ratio

The ratio of female managers and the ratio of female managers and junior managers are monitored by the Wellness and D&I Management Committee, which meets twice a year with the objective of achieving the target of 20% for female management positions by 2030. The rate was 11.68% as of the end of March 2021. In terms of recruitment, we hold events for female students in which female employees of Nomura Real Estate speak on the theme of workstyles and careers. We are striving to raise the ratio of female managers and ratio of female managers and junior managers to expand the opportunities for women to play more active roles and to create an organization that incorporates diverse perspectives.

Health Seminar for Female Employees

The Group conducts a seminar for newly promoted managerial employees to develop a work environment that takes into consideration health issues specific to women and promotes appropriate management. In fiscal 2021, the seminar was held online with the participation of 156 people. In addition, the Group holds a health seminar for female employees to help them gain knowledge about their health so they can appropriately deal with issues that may arise. The seminar was attended by about 780 people in fiscal 2021 and 266 in fiscal 2022.



Seminar pamphlet

Support for Childcare and Nursing Care



Seminar for Female Employees

In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, which is intended to support the sound upbringing of children as the next generation leaders of society, the Group has established various systems, including childcare leave, to help employees balance work with childbirth, childcare, and nursing care.

Based on the above act, PRIME X Co., Ltd. has been certified as a childcare support company and has obtained the “Kurumin” Next Generation Certification Mark. The Group also provides information on its programs through the intranet and other means to establish a workplace environment that facilitates the use of the programs. Among the 118 employees who returned to work after childcare leave in fiscal 2021, the rate of male to female employees was 26.2% to 73.7%.

Main Programs that Support Childcare and Nursing Care

Programs	Details
Childcare leave	Regardless of gender, employees can take leave for childcare <u>until their child turns three years old</u> (also available to those with less than one year's service).
Reduced working hours for childcare	Regardless of gender, employees can work a reduced number of hours until their child is in the third grade of elementary school.
Nursing care leave	Employees can take a leave in installments of up to a total of three years to care for a family member requiring nursing care.
Reduced working hours for nursing care	Employees can work reduced hours for up to three years to care for a family member who requires nursing care.
Holiday childcare support*¹	Assistance for covering childcare costs on weekends and holidays is available for employees who need to work on weekends and holidays.
<u>Paternity leave programs for male employees</u>*²	Male employees can use their annual paid leave to take a five-day leave of up to six months after the birth of their child.

Maternity bonus^{*2}

A maternity bonus is paid from the Welfare Mutual Aid Association.

Underlined text: Statutory programs

※1 Applicable to Nomura Real Estate Development and some other Group companies

※2 Applicable to Nomura Real Estate Development only

Empowerment of LGBT

As part of our initiatives for empowering LGBT, we held a panel discussion in December 2020, entitled “LGBT in the Workplace” for all Group executives and general managers of Nomura Real Estate Development.

We also publish a regular bi-monthly LGBT column on the intranet to educate employees. We conducted an awareness survey of Nomura Real Estate Group employees (from August 1 to August 22, 2022) to monitor the numerical data so we can understand the extent to whether LGBT feel they can work with vigor and be themselves in the workplace, and we will continue to improve our workplace environment so they can be who they are and feel safe at work.

In addition, Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management were awarded Silver rating and Nomura Real Estate Solutions and Nomura Real Estate Partners were awarded Bronze rating in the PRIDE Index 2022, which certifies companies and organizations for their efforts related to LGBT and other sexual minorities.

※ The PRIDE Index was established in 2016 by work with Pride, a voluntary organization that supports the promotion and establishment of LGBT-related diversity management, as a system for recognizing the efforts of companies and organizations related to LGBT and other sexual minorities.

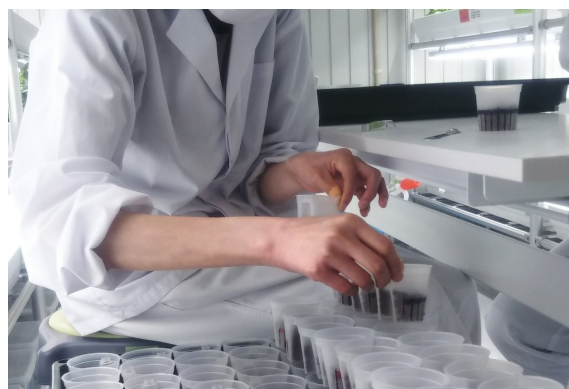


Empowering People with Disabilities

The Group has been cooperating with a company that supports the employment of people with disabilities to provide opportunities to work. As of June 1, 2022, the employment rate of people with disabilities was 2.33% (the Group's target is 2.4%, which is higher than the legally mandated rate). Since fiscal 2020, Nomura Real Estate has bolstered its efforts to actively hire people with disabilities by providing opportunities to work at an indoor farm facility.



Working at an indoor farm facility



Working at an indoor farm facility

Empowering Senior Employees

To provide opportunities for senior employees to continue applying their wealth of experience and skills as a driving force of business growth, the Group provides employment extensions based on the reemployment program for those who have reached retirement age and wish to continue working. It ensures employment opportunities up to the age of 65 at the employee's request. Moreover, some Group companies have established employment programs in which employees can work even after the age of 65 at the employees' request, supporting work styles that meet the needs of seniors.

Empowering Global Human Resources

When hiring, the Group ensures that no disadvantages are associated with personal background or beliefs, including race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, or life stage. We also accommodate employees' religious practices and conduct within a certain framework. In addition, we hire and support human resources who can effectively engage at a global level regardless of race, ethnicity, nationality, or religion so that human resources with diverse values can demonstrate their individual abilities to the fullest and spark new value. We are actively hiring local human resources especially in China, Hong Kong, Thailand, Singapore,

and Vietnam, where Group companies are located, to strengthen our overseas strategies so that we can quickly and accurately identify and reflect the different needs of each country and region in our business operations.

Representative Major Efforts to Secure Global Human Resources

Target	Main approach
Hiring global human resources	<ul style="list-style-type: none"> •Hiring local human resources at overseas subsidiaries •Participating in recruitment events for international students •Holding job fairs and screenings for international students from overseas universities

Initiatives to Promote Barrier Free/Universal Design

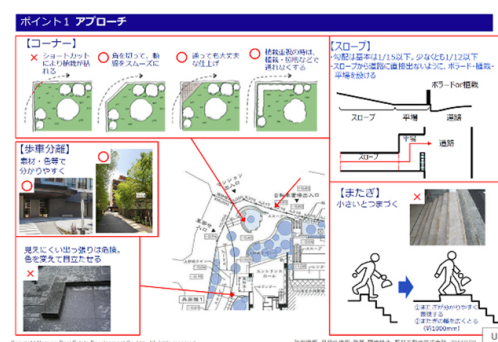
In addition to complying with laws and regulations such as the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc., the Group established barrier free and universal design standards to supplement its Design and Construction Standards and Quality Manuals and complies with these standards at all of its developed properties. The Group has been promoting universal design with the aim of providing products and services that can easily be used by a wide range of individuals irrespective of disabilities or differences in age, body, and language.

Looking ahead, we will further advance our initiatives by involving people with diverse backgrounds, values, and challenges in the design process to provide products and services featuring inclusive designs.

Compliance with Design and Construction Standards and Quality Manuals

Seven Principles of Universal Design

- Equity: Facilities are equally usable by everyone
- Diversity: Facilities can be used in a variety of ways
- Simplicity: Methods of use are easy to understand
- Perceptible information: Information is easily conveyed
- Safety: Facilities do not pose any risks
- Efficiency: Facilities can be easily used with low physical effort
- Operability: Facilities are easy to operate



Examples of Universal Design

Encouraging Use of Barrier Free and Quality of Life Guidebook

Nomura Real Estate Group and the Sonoda Lab of Meiji University Graduate School created the Barrier Free and Quality of Life Guidebook under an industry-academia joint research project. The Guidebook is used in condominium design.

Barrier Free and Quality of Life Guidebook (Japanese only)

Distribution of Resident Manuals for Foreign Residents

The Group distributed English, Chinese, and Korean versions of a Resident Manual for foreign residents to explain rules and etiquette when living in a condominium.



Initiatives to Promote Health Support Services

The Group is responding to the aging population and increase demand for health care services and contributing to the support of good health and increases in healthy lifespans of stakeholders by operating fitness businesses that promote maintenance and improvement of physical function and by developing health promoting senior rental housing with support services.

Development of OUKAS health promoting senior rental housing with the Aim of Extending Healthy Lifespans

The Group is undertaking development of OUKAS health promoting senior rental housing with support services to promote extension of the healthy lifespan of seniors and reduce social security costs. The OUKAS health promoting senior rental housing is characterized by its (1) location with convenient access to transportation, (2) its building that makes residents feel proud to live in and various common spaces and residential units that enrich residents' daily lives, and (3) the OUKAS Wellness Program^{*1}, which offers services intended to help residents maintain and improve both physical and mental health. OUKAS health promoting senior rental housing helps residents and their family members enjoy daily life with a sense of security and safety while incorporating these mechanisms that enable them to maintain their physical and mental health every day. As of April 2022, four buildings with 502 units have already opened and two more buildings with 331 units are scheduled to open.

Features of OUKAS Wellness Program

- ① Exercise: A unique exercise program jointly developed with Nomura Real Estate Life & Sports that operate the Megalos sports clubs
- ② Diet: Well-balanced, delicious meals prepared by nutritionists
- ③ Community: About 50 community events*² per month for residents
- ④ Medical and welfare: Support from staff with experience in medical and nursing care

※1 Won a Good Design Award 2019

※2 2018–2019 results



OUKAS Wellness Program
(won a Good Design Award 2019)

Promoting Increases in Healthy Lifespan through the Fitness Business

At Megalos sports clubs, the Group is implementing the following initiatives to promote longer, healthier lives for senior citizens.

Initiative	Details
REBORNS FUN	A new program developed under the theme of “We want people to regain their healthy, functional and physical youthfulness, and based on that, to improve their basic physical fitness for new challenges, and enjoy life.” The program sets six themes on a month-by-month basis: joint pain prevention, metabolic syndrome, immunity, prevention of falls, prevention of lifestyle-related diseases, and posture, and it is comprised of various exercises suited to each theme.
REBORNS SCHOOL	A school for seniors based on the concept of “Building a healthy body and making friends to enjoy life and sports with vigor for a lifetime” aimed at maintaining a healthy and vigorous body that leads to preventing frailty*, and the seniors enjoy exercise with the same friends and coach every week. ※ The decline in physical, mental, and social functioning associated with aging.
Healthy personal muscle training for adults aged 65 and over	A personalized training program for seniors designed under the supervision of Professor Tsuneji Kanaoka of Waseda University, Faculty of Sport Sciences, which was the first attempt for a general sports club.

Collaboration with the Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology

Entered into an academic agreement with the Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology to realize a society in which seniors can extend their healthy life expectancy through exercise and feel a sense of purpose in life. Services to prevent secondary health problems will be developed by conducting and analyzing the results of a health survey on physical and mental functions and vitality status during the COVID-19 pandemic. Going forward, efforts will continue for developing new service models for seniors, including exercise programs for seniors and app-linked health management systems.



REBORNS FUN (Japanese only)



Healthy Personal (Japanese only)

Comprehensive Collaboration Agreement Entered into with a Local Government with Regard to Health Promotion

In October 2019, Nomura Real Estate Life & Sports entered into a collaboration agreement regarding fitness projects with Tachikawa City, Tokyo. We will work closely with the city as a partner to implement projects aimed at health promotion and prevention of lifestyle-related diseases among adults. Specifically, we will collaborate with 12 residents' associations within the city to hold a variety of events such as health seminars and physical fitness measuring events to support the fitness projects within the community. We will also implement initiatives such as physical fitness measuring events at retail premises in collaboration with the community.

Acquisition of CASBEE Wellness Office Assessment Certification

To contribute to the maintenance of stakeholder health and comfort, the Group has adopted the policy of acquiring CASBEE Wellness Office Assessment Certification for all newly developed office buildings. This certification program was first established in 2019 to evaluate specifications and performance of buildings, initiatives that support maintenance and improvement of the health and well-being of building users as well as factors contributing to improvement of intellectual productivity and performance regarding safety and security. As of the end of March 2022, ten properties have acquired certification.



Priority Issues (materiality) **【Society and Employees】 Human rights**

Under its Group Policy, the Nomura Real Estate Group has stipulated “Respect for human rights of officers and employees” in Article 20* of its Group Code of Action, and it respects the dignity and fundamental human rights of everyone associated with its operations, including employees. In doing so, the Group supports and complies with the following international norms on human rights and strives to conduct business in full compliance with human rights laws and regulations in each country in which it operates. In accordance with the Nomura Real Estate Group Human Rights Policy, the president and Group CEO of Nomura Real Estate Holdings takes responsibility with regard to respecting human rights as we strive to identify, prevent, and mitigate any human rights violations related to any of our business activities. At the same time, we seek from all stakeholders cooperation with our Human Rights Policy and reinforce our efforts to promote dialogue.

■ 【Society and Employees】 Human rights	68
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Society and Employees

Group Policy

As a corporate group that connects people, towns, and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected and will respect people's dignity and basic human rights throughout our business activities to strengthen our foundational sustainability and pursue co-creation initiatives that transcend organizations and business models.

Targets

Society and employees		Strengthening the foundation for promoting sustainability for “co-creation” that transcends organizations and business categories
	Diversity and inclusion	Create an organization that enables diverse workers, including women and foreign nationals, with various backgrounds and values to make meaningful contributions
	Human rights	Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner

Key Performance Indicators (KPIs)

- Female manager and junior manager ratio: 20%
- Childcare leave utilization rate by men and women: 100%
- Procurement guideline survey implementation rate: 80%
- Creation of human rights due diligence system
- Percentage of participation in human rights training: 100%
- Provision of products and services with inclusive design*
- Percentage of implementation of one-on-one meetings: 100%

※ Design process involving people with diverse backgrounds, values, and challenges

Management

The Sustainability Committee, which consists of Nomura Real Estate Holdings and Group company directors and other members, is chaired by the Nomura Real Estate Holdings president and Group CEO. It deliberates and decides policies and action plans focused on sustainability, including priority issues (Materiality), and reports to the Board of Directors. It also monitors progress with regard to its targets. In addition, two subordinate organizations have been established under the committee to strengthen the foundations for co-creation. One is the Human Rights Subcommittee, led by the officer in charge of the Group Internal Audit Department and the

Group Legal and Compliance Department as supervisor and the officer in charge of Group Diversity and Inclusion Management as deputy supervisor, and the other is the Wellness and D&I Management Committee, chaired by the Nomura Real Estate Holdings president and Group CEO.

Human Rights Subcommittee

Consists of members from the Group Human Resource Department, Group Human Resources Development Department, Group Legal and Compliance Department, and Sustainability Management Department and meets as needed. In fiscal 2021, the committee met eight times, and it has continued to discuss major topics such as the formulation of a human rights policy and surveys for human rights due diligence.

Wellness and D&I Management Committee

Consists of Nomura Real Estate Holdings and Group company presidents and others, and meets twice a year (previously called the Group Wellness Promotion Meeting). The committee discusses mid-to long-term goals and measures related to promoting occupational health and safety, wellness, work style reforms, the empowerment of women, and utilization and active participation of the Group's diverse human resources to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness, and to enhance efforts for formulating human resource development policies and promoting internal environment development to ensure diversity. The content of the discussions are periodically reported to the Board of Directors.

Diversity and Inclusion

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Approach and Policies

Group Policy (Society)

Under its Group Policy, the Nomura Real Estate Group has stipulated “Respect for human rights of officers and employees” in Article 20* of its Group Code of Action, and it respects the dignity and fundamental human rights of everyone associated with its operations, including employees. In doing so, the Group supports and complies with the following international norms on human rights and strives to conduct business in full compliance with human rights laws and regulations in each country in which it operates. In accordance with the Nomura Real Estate Group Human Rights Policy, the president and Group CEO of Nomura Real Estate Holdings takes responsibility with regard to respecting human rights as we strive to identify, prevent, and mitigate any human rights violations related to any of our business activities. At the same time, we seek from all stakeholders cooperation with our Human Rights Policy and reinforce our efforts to promote dialogue.

※ The Nomura Real Estate Group Code of Conduct provides in Article 20 that the Group shall respect the fundamental human rights of officers and employees and shall not engage in discrimination or harassment on the basis of race, ethnicity, age, religion, creed, sex, nationality, social status, disability, pregnancy, childbirth, childcare leave, family care leave, sexual preference, gender identity, etc.

International norms that the Group supports and respects

International Bill of Human Rights (United Nations)

Common standards to be achieved for all people including the right to life, freedom of speech and expression, right to work, right to education, and right to live a civilized life.

Declaration on Fundamental Principles and Rights at Work (International Labor Organization (ILO))

Fundamental rights in labor (the freedom of association, the right to collective bargaining, prohibition of compulsory labor, effective elimination of child labor, and elimination of discrimination in employment and occupation)

Guiding Principles on Business and Human Rights (United Nations)

A global standard applicable to all countries and businesses, consisting of three pillars: state duty to protect human rights, corporate responsibility to respect human rights, and a remedy for victims of business-related abuses.

Children's Rights and Business Principles (UNICEF, UN Global Compact, and Save the Children)

Guidelines on actions that should be taken by companies to protect children's rights.

 [Nomura Real Estate Group Human Rights Policy](#)

Management

Management (Society)

As a subordinate organization of the Sustainability Committee, we established the Human Rights Subcommittee, led by the officer in charge of the Group Internal Audit Department and the Group Legal and Compliance Department as supervisor, and the officer in charge of Group Diversity and Inclusion Management as deputy supervisor. The subcommittee consists of members from the Group Human Resource Department, Group Human Resources Development Department, Group Legal and Compliance Department, and other departments and meets as needed to promote human rights initiatives for the entire Group. Eight meetings were held in fiscal 2021 to formulate the Human Rights Policy, conduct surveys for implementing human rights due diligence, and determine priority areas based on the survey results.

Targets and Results

Targets

The Group has set the following two targets in order to disseminate its thinking on respect for human rights.

Target 1 Percentage of participation in human rights training by Group officers and employees
100%

Target 2 Monitoring and education of stakeholders on human rights issues

 [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Result 1. Participation in human rights training by Group officers and employees

Results for fiscal 2021 are shown in following the chart.

Training Conducted

Training type	Target participants	Participation rate* (%)	Human rights themes covered
Group-wide training			
Group training for new employees	New employees	100% (280/280 persons)	Resolution of the Dowa issue Diversity and inclusion Harassment
Group training for newly-appointed managers	Newly appointed managers	100% (149/149 persons)	General human rights training (understanding the Nomura Real Estate Group human rights policies, resolution of the Dowa issue, and other issues) Diversity and inclusion Harassment
Group training for new career-track employees	Mid-career hires	100% (195/195 persons)	Preventing harassment
Email distribution to Group officers and employees	All officers and employees	–	Compliance Harassment
Nomura Real Estate Life & Sports			
Human Rights Training	Employees	91% (585/640 persons)	Compliance Harassment
Human Rights Training	Part-time workers	94% (1,199/1,132 persons)	Compliance Harassment

※ Participants/Target Participants

Result 2. Monitoring and education of stakeholders on human rights issues

In fiscal 2021, we identified the top 191 companies in terms of procurement value as the Group's key suppliers and requested that they complete a web-based survey, to which 89 companies responded. We also provided feedback on the results to all companies that responded to the survey and engaged directly with ten of them.

 [Supplier Engagement](#)

Initiatives

Human Rights Training for Group Officers and Employees

Rank-Specific Training

To deepen understanding of respect for human rights, the Group makes use of opportunities such as rank-specific training to conduct human rights education. The human rights training conducted in fiscal 2021 is described below. A total of 2,408 persons, including part-time workers, participated in this training.

In addition, the Nomura Real Estate Group Code of Action Handbook is distributed to all employees to disseminate knowledge, and training on discrimination and harassment is conducted for all employees. The Group's internal newsletter, which is published regularly, also contains provisions requesting understanding of and consideration for LGBT* individuals.

※ LGBT (lesbian, gay, bisexual, and transgender) is a general term for sexual minorities.

Responses to Human Rights Issues

Responses to Human Rights Issues in the Supply Chain

To address human rights issues in the supply chain, the Group has distributed its Procurement Guidelines to more than 4,600 business partners.

In fiscal 2020, monitoring interviews were conducted with ten major suppliers.

In fiscal 2021, we identified the top 191 companies in procurement value as the Group's key suppliers and requested that they complete a web-based survey, with 89 companies responding. We also provided feedback on the results to all companies that responded to the survey and directly engaged with ten of them. We will continue to expand the scope of the survey and address human rights issues in the supply chain.

 [Supplier Engagement](#)

Responses to Human Rights Due Diligence

The Nomura Real Estate Group is continuing to implement human rights due diligence.

In fiscal 2020, the Human Rights Subcommittee was established to strengthen and promote activities in accordance with international norms on human rights and began formulating the Human Rights Policy and related tasks.

In fiscal 2021, we formulated and announced the Nomura Real Estate Group Human Rights Policy, in

which we identified prominent human rights issues within the Group. In addition, a Group-wide desktop survey was conducted to ascertain the current status of human rights issues within the Group. We then selected the property and facility management business, hotel business, and the overseas business as operations with relatively high human rights risks, and we conducted a detailed survey, including interviews and questionnaires, involving seven Group companies, six in Japan and one in Vietnam. As a result of these surveys, we confirmed that there were no significant cases of human rights violations, including violations of laws and regulations, within the Group.

We have selected four priority issues to be addressed in the future: (1) employee wellness and human rights, (2) overseas business and non-Japanese workers, (3) human rights in the supply chain, and (4) remedial measures, and we have established a three-year roadmap of initiatives as well as designating departments with jurisdiction over these issues. We will continue to develop our human rights due diligence system, periodically conduct human rights due diligence, and continuously improve initiatives.

Establishment of the Grievance Mechanism

The Group has set up the Nomura Real Estate Group Human Rights Desk as a point of contact for consultation on human rights issues which is accessible to all employees regardless of employment status, and the Power and Sexual Harassment Hotline as an external point of contact for consultation. In addition, the Group established the Helpline for Business Partners (all Corporate Customers) as a point of contact for reporting on human rights abuses by Group employees and other acts that may conflict with its code of ethics.

Reports and consultations received through these points of contact are accepted anonymously and strictly remain confidential. If, as a result of investigation, there is a clear violation of respect for human rights, the Group takes appropriate action against the perpetrator, and protects the victim and whistleblower so that they are not treated prejudicially for having made a report.

In this way, by setting up multiple points of contact for consultation, the Group has created an environment where it is easy to seek advice, and is working for the early detection and resolution of any problems and taking measures to prevent recurrence. In fiscal 2021, there were 39 consultation matters relating to discrimination and harassment.

 [Nomura Real Estate Group Helpline](#)

Engagement with Stakeholders on Human Rights Issues

The Group is implementing internal and external stakeholder engagement initiatives in various ways on the theme of human rights.

Participation in the Human Rights Due Diligence Study Group

The Group participates in the Human Rights Due Diligence Study Group, which is made up of three general contractors, which are suppliers to the Group, and five real estate developers (including Nomura Real Estate Holdings).

The group was established to fulfill the responsibility of companies to "avoid infringing on the human rights of others and prevent, mitigate, and rectify adverse human rights impacts with which they are involved" required by the Guiding Principles of Business and Human Rights. We strive to prevent human rights abuses including forced labor in the industry as a whole.

Exchanges of Opinion on Human Rights Issues

Through the Human Rights Due Diligence Study Group, whose active participants include construction and real estate companies, the Group implements engagement initiatives with NGOs, lawyers, and other external bodies to prevent adverse impacts on human rights with respect to the acceptance of foreign technical interns and human rights issues related to its business activities.

As for engagement initiatives, the Group was pointed out as having noticeable problems such as long working hours and insufficient safety measures.

In response, the Group is promoting appropriate business activities based on international norms by taking the perceived issues into account for future activities and plans.

Acceptance of, and Communication with, Foreign Technical Interns

The Group's Nomura Real Estate Amenity Service accepts foreign technical interns from Indonesia and Vietnam. To ensure that interns can work with confidence, the company gives due consideration to the improvement of their working environments, thorough implementation of safety standards, the provision of appropriate living arrangements, and other key factors. To elicit opinions from trainees, the company provides periodic opportunities for interviews with their superiors.

We are considering accepting more trainees going forward, and to this end, we recognize that it is essential to treat and communicate with the trainees with greater consideration for their human rights.



Priority Issues (materiality) **【Climate Change and the Natural Environment】 Decarbonization**

Under the Group Policy, the Group will promote the reduction of total CO2 emissions throughout the supply chain by promoting energy saving, low-carbon business, utilization of renewable energy in the buildings that we develop in order to resolve issues related to climate change.

■	【Climate Change and the Natural Environment】 Decarbonization	77
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Climate Change and the Natural Environment

Group Policy

Through urban development and providing products and services that leverage property development and property-related services, the Company will contribute to reducing CO₂ emissions to address climate change as a shared international concern. As such, we have identified decarbonization, biodiversity, and circular design as our three priority issues (materiality) and will promote them Company-wide. In addition, the Group has to date been actively participating in international initiatives, from obtaining SBT certification (35% reduction compared to fiscal 2019) and endorsing the TCFD to joining the RE100, and we intend to continue playing an active role in such initiatives.

Targets

Climate Change and natural environment	
	Contribution to the urgent global issue of reducing CO ₂ emissions, biodiversity preservation and realization of a circular society that contributes to CO ₂ reduction
Decarbonization	Initiatives in “energy saving,” “low-carbon business,” and “utilization of renewable energy” SBT: 35% reduction in Scope 1, 2, and 3 by 2031/3 compared to 2020/03
Biodiversity	By restoring the forest cycle in Japan, contribute to CO ₂ absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
Circular design	Contribute to a decarbonized society and a circular economy through urban development and service provision that incorporate longer lives of properties, recycling, and sharing

Key Performance Indicators (KPIs)

- Reduce CO₂ emissions by 35% compared to 2020/03
- Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards
- Develop timber-based buildings: Carbon storage 10,000 t-CO₂ per year
- Obtain biodiversity certification
- Initiatives to promote building longevity: Full implementation of the Group's voluntary standards
- Promote waste reduction and increase recycling rate: Reduction of industrial wastes by 20%

Management

We are taking measures to improve Group-wide environmental management under the leadership of Nomura Real Estate Holdings president and Group CEO.

The Sustainability Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates on and decides related policies and action plans. The Sustainability Committee also sets targets and monitors progress for the Group's priority issues: decarbonization, biodiversity, and circular design.

An environmental subcommittee has been established as the Sustainability Committee's subordinate organization under the supervision of the officer responsible for quality management and architectural design. Furthermore, we have signed the UN Global Compact in May 2019. Based on the principles of the UN initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Environmental Subcommittee

Consists of members from the architecture and product design-related departments at Nomura Real Estate Development, the environmental technology-related departments at Nomura Real Estate Partners, and the Sustainability Management Department and meets as needed. In fiscal 2021, the group met twice to mainly discuss reducing CO₂ emissions and using renewable energy.

Decarbonization

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Biodiversity

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Decarbonization

Approach and Policies

Group Policy (Environment)

Under the Group Policy, the Group will promote the reduction of total CO₂ emissions throughout the supply chain by promoting energy saving, low-carbon business, utilization of renewable energy in the buildings that we develop in order to resolve issues related to climate change.

Management

Management (Environment)

Targets and Results

Targets

The Group has set the following three targets to address climate change.

Target 1. Reduce CO₂ emissions

Long-term target

Achieving carbon neutrality in [Scopes 1 and 2](#) and [Scope 3](#) ^{*1} across the Group, by 2050

Mid- to long-term target

35% reduction in the Group's total CO₂ emissions in [Scopes 1 and 2](#), and [Scope 3 \(Categories 1 and 11\)](#) ^{*2} by 2030 from the fiscal 2019 baseline (approved by the Science Based Targets initiative (SBTi) in November 2020)

Short-term target

15% reduction in the Group's total CO₂ emissions in [Scopes 1 and 2](#), and [Scope 3 \(Categories 1 and 11\)](#), by 2025 from the fiscal 2019 baseline.

※1 Scope 1: Direct emissions from fuel combustion, etc., Scope 2: Indirect emissions associated with use of electricity and heat purchased by the Company, Scope 3: Indirect emissions other than those in Scopes 1 and 2

※2 In Scope 3, Category 1 (emissions from construction of buildings, etc.) and Category 11 (emissions from use of sold products, etc.) are targeted, which cover approximately 88.45% of the Scope 3 emissions recorded in fiscal 2020.

▣ [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Target 2. Reduce Energy Use

Mid- to long-term target

The power consumption in the Group will be 100% renewable electricity by 2050. (joined RE100 in January 2022)

Short-term target

Switching electricity consumed by all leasing properties* owned by Nomura Real Estate Development to renewable electricity by fiscal 2023.

※ Excludes leasing properties (including the portion used by tenants) for which Nomura Real Estate Development has concluded direct electricity supply contracts with power companies, properties that Nomura Real Estate Development owns units in or are jointly owned with other parties, and properties planned to be sold or demolished, as well as the common use areas of some rental housing.

Target 3. Promote Solar Power Generation

Results

Result 1. Reduce CO₂ emissions

Scopes 1 and 2 (Nomura Real Estate Group)

(Unit: t-CO₂)

	FY2018	FY2019	FY2020	FY2021
Scope1	24,018	23,627	20,119	21,542
Scope2	136,569	126,960	112,087	107,514
Scope1+2	160,586	150,588	132,206	129,056
Scope1+2 Intensity(kg- CO ₂ /m ² per year)	80.70	74.06	63.56	61.93

※ FY2018 data covers 190 facilities with a gross floor area of 1,989,974 m²; for FY2019, FY2020, and FY2021 data, refer to Scopes 1 and 2 Gross Floor Area by Use and Number of facilities aggregated for Scopes 1 and 2.

Scopes 1 and 2 Gross Floor Area by Use

	FY2019	FY2020	FY2021
Total (m²)	2,033,422	2,079,952	2,058,781
Offices	1,423,113	1,447,598	1,456,228
Fitness facilities	127,295	130,130	130,130
Commercial facilities	347,445	362,504	361,993
Hotels	64,469	68,620	41,109
Logistics facilities	49,547	49,547	49,547
Parking lots	17,141	17,141	15,422
Training centers	654	654	654
Heating and cooling center	3,758	3,758	3,758

Number of facilities aggregated for Scopes 1 and 2

	FY2019	FY2020	FY2021
Total (buildings)	183	191	181
Offices	104	110	101
Fitness facilities	45	48	48
Commercial facilities	15	13	16
Hotels	12	13	10
Logistics facilities	1	1	1
Parking lots	4	4	1
Training centers	1	1	1
Heating and cooling center	1	1	1

Scope 3 (Nomura Real Estate Group)

(Unit:t-CO₂)

Category	FY2019	FY2020	FY2021
1 Products and services purchased	969,704	453,707	702,271
2 Capital goods	71,164	97,862	159,373
3 Fuel- and energy-related activities that are not included in Scopes 1 and 2	27,473	24,854	24,358
4 Transportation and delivery (upstream)	4,081	3,164	4,465
5 Waste generated by businesses	6,858	5,317	7,503

6	Business trips	1,421	936	963
7	Employers' commuting	2,395	2,409	1,917
8	Lease assets (upstream)	-	-	-
9	Transportation and delivery (downstream)	-	-	-
10	Processing of products sold	-	-	-
11	Use of products sold	2,203,005	834,184	1,214,723
12	Disposal of products sold	62,603	19,605	38,859
13	Lease assets (downstream)	19,011	14,025	13,539
14	Franchise	-	-	-
15	Investments	-	-	-
Total		3,367,714	1,456,063	2,167,970

※ Calculation for Category 8 is included in Scopes 1 and 2.

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

Result 2. Reduce Energy Use

Energy Consumption Performance (Nomura Real Estate Group)

	FY2018	FY2019	FY2020	FY2021
Energy consumption (MWh/year)	445,772	422,490	381,817	379,428
Energy consumption intensity (MWh/m² per year)	0.224	0.208	0.184	0.182

※ FY2018 data covers 190 facilities with a gross floor area of 1,989,974 m², for FY2019, FY2020, and FY2021 data, please refer to Scopes 1 and 2 gross floor area by use and number of facilities aggregated for Scopes 1 and 2.

※ The change in energy consumption in 2021 from the previous year was -0.63%.

Energy Consumption by Facility Type

	FY2019	FY2020	FY2021
Total (m²)	-	-	379,428
Offices	-	-	189,086
Fitness facilities	-	-	74,705
Commercial facilities	-	-	74,607
Hotels	-	-	9,904
Logistics facilities	-	-	2,360
Parking lots	-	-	198
Training centers	-	-	52
Heating and cooling center	-	-	28,516

Energy Consumption by Energy Type

(Unit:MWh)

	FY2019	FY2020	FY2021
Purchased electricity	255,089	228,825	220,740
City gas	116,068	108,034	116,840
LPG	507	183	436
Class A heavy oil	2,546	1,401	1,303
Gasoline	2,156	0	0
Light oil	0	0	4
Kerosene	5,089	3,544	2,779
Heat			-
Steam	16,552	18,555	18,119
Cold water	24,482	21,275	19,208
Renewable energy (in-house power generation)	1,000	1,818	7,882

Renewable Energy Consumption

	FY2019	FY2020	FY2021
Total (MWh)	1,000	1,818	7,882
Offices	1,000	1,000	6,230
Fitness facilities	-	-	-
Commercial facilities	-	406	975
Hotels	-	413	677
Logistics facilities	-	-	-
Parking lots	-	-	-
Training centers	-	-	-
Heating and cooling center	-	-	-

※ For FY2019, FY2020, and FY2021 data, refer to Scopes 1 and 2 gross floor area by use and number of facilities aggregated for Scopes 1 and 2.

Result 3. Promote Solar Power Generation

Solar Power Generating Facility Installation Rate and Electric Power Generated at Landport Logistics Facilities

	FY2018	FY2019	FY2020	FY2021
Solar power generating facility installation rate at Landport logistics facilities (%)	92.9	94.7	90.0	76.0
Electric power generated at Landport logistics facilities (million kWh/year)	12,081	15,194	21,926	22,801

Initiatives

Joining RE100

Nomura Real Estate Holdings, Inc. joined RE100, a global initiative leading the transition to 100% renewable electricity in January 2022.

Approved by Science Based Targets initiative (SBTi)

Nomura Real Estate Holdings, Inc.'s CO₂ emissions reduction targets were approved by the SBTi on November 24, 2020.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Agreed to Recommendations Made by the Task Force on Climate related Financial Disclosures (TCFD)

Nomura Real Estate Holdings, Inc. and Nomura Real Estate Asset Management Co., Ltd. are fully aware that the substantial impact of climate change on their business continuity is a major management issue, and they therefore agreed to recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) in order to further promote their initiatives.

📄 [Special Feature: TCFD](#)



Business Strategies for Decarbonization

To achieve its [Scope 1, 2, and 3 reduction targets](#), the Group is promoting energy saving, low-carbon business, utilization of renewable energy.

Group's Initiatives to Reduce CO₂ Emissions

	Initiatives
Emissions in own business operations (Scope 1, 2)	Use of electricity with non-fossil certificates, use of renewable energy in owned assets, initiate/consider renewable energy projects such as in-house renewable power generation
Emissions in the construction stage (Scope 3, category 1)	Use of timber, which is regarded as low-carbon building material
Emissions from customers (Scope 3, category 11)	Establishment of energy conservation performance standards for new buildings completed before FY2029 (based on energy conservation performance (BEI) indicators)

Net Zero Energy House Initiatives

The Group is developing net zero energy house (ZEH)* in condominiums from the perspective of comprehensive environment impact reduction. In fiscal 2021, PROUD Musashi-Shinjo Station Marks was selected as a Super High-Rise ZEH-M Demonstration Project of the Ministry of the Environment, Trade and Industry. Also, in fiscal 2022, the Aobadai 2-Chome Project (tentative name) was selected as a

Ministry of the Environment High-Rise ZEH-M Support Project. Looking ahead, we plan to adopt ZEH- and ZEB-oriented standards for all new buildings by 2030. We will also launch initiatives for adopting the same standards to detached housing from fiscal 2022.

Net Zero Energy House*: Dissemination Result and Future Target

Result for FY2020/FY2021	Result for FY2022	Target for FY2025
0%	25%	50% or more in all detached houses

※ Housing designed to achieve a net zero annual primary energy consumption by greatly improving the insulation performance of the building envelope by installing highly efficient facilities and equipment to maintain the quality of the indoor environment while substantially reducing energy consumption and then introducing renewable energy.

[ZEH Condominium Initiatives \(Japanese only\)](#)

“Yukai-full” Enables Condominiums to Reduce CO₂ Emissions

Nomura Real Estate Development developed an air-conditioning system, “Yukai-full”, that makes it possible to reduce CO₂ emissions and realize a healthy and comfortable life, and has installed it in more than 1,000 units.

Yukai full was selected as one of the best 100 products in the 2020 Good Design Awards in recognition of its simple air conditioning system and technology that combines temperature control with standardized comfort.

[News Release \(Japanese only\)](#)

Environmental Performance Assessments During Product Planning and Design

The Group provides products and services that address climate change in accordance with the Design and Construction Standards and the Quality Manual. Thermal insulation performance rating of level 4 (the highest level)*, double-glazed windows (end panel eco-glass), LED lighting fixtures, and other features are set as standard specifications for PROUD condominiums, and Environmental and Product Planning Sheets are used to improve the environmental performance.

※ Thermal insulation performance rating: A housing performance evaluation system pursuant to the Housing Quality Assurance Act. Levels indicate performance in the thermal environment.

[Assessment of Environmental Performance in Condominiums](#)

Helping Customers to Save Energy

The Group not only strives to reduce CO₂ emissions from buildings, but also helps condominium residents and tenant companies to save energy.

Specifically, the Group provides a system that calculates total energy consumption and a system that makes it possible to visualize the amount of energy used, realizes energy savings using the enecoQ system, and provides eco-information via a member newsletter.

Smart Community Collaboration and Cooperation

Nomura Real Estate Development has entered into an agreement regarding smart community collaboration on Proud City Hiyoshi with Kanden Realty & Development, Panasonic Homes, Kansai Electric Power and Tokyo Gas. In this project, we are able to reduce CO₂ emissions and supply electric power during disasters by implementing the energy management in the entire area.



Proud City Hiyoshi (rendered image)

Reduction of Chlorofluorocarbons

To reduce the usage of ozone layer depleting chlorofluorocarbons, the Group established a quality manual that requires the use of chlorofluorocarbon-free insulation and air conditioner refrigerants. Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials are used.

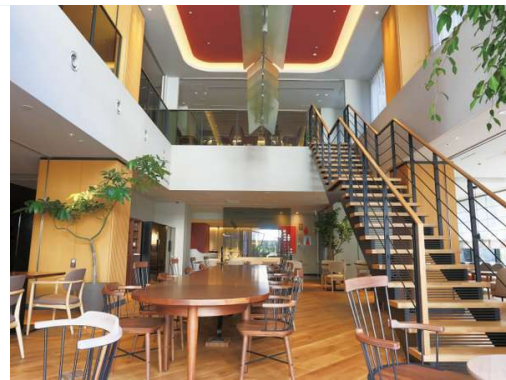
Use of Renewable Energy in Logistics Facilities

The Group is promoting renewable energy utilization through the solar power generation business. As of March 2022, solar panels were installed on a total of 19 buildings at Landport logistics facilities, with annual output of 22,801 MWh per year for the entire portfolio.

In addition, each hotel of the Nomura Real Estate Group (NOHGA HOTEL UENO TOKYO, NOHGA HOTEL AKIHABARA TOKYO, and HOTEL NIWA TOKYO) has acquired the Eco Mark certification from the Eco Mark Office and is promoting the use of green power by procuring all of its electricity from renewable energy sources.



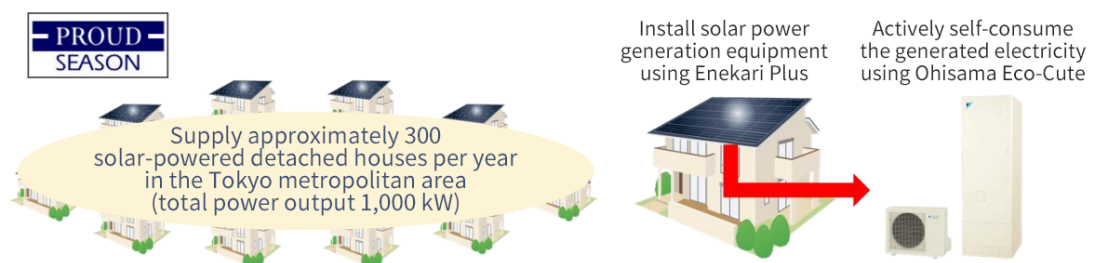
Landport Kashiwa Shonan



NOHGA HOTEL UENO TOKYO

Solar Power Generation in Detached Housing in the Tokyo Metropolitan Area

Nomura Real Estate Development, in collaboration with TEPCO Energy Partner, has decided to launch a Virtual Mega Solar project in May 2022 to install solar power generation capability at the same scale as mega solar power generation (total output 1,000 kW) in the PROUD SEASON (detached housing). This is the first initiative in Japan to introduce solar power generation with a total output of 1 MWh to detached houses for sale in the Tokyo metropolitan area (300 houses per year on the roof of PROUD SEASON houses), and the two companies will promote this as an initiative for localized generation and consumption of electric power, to conserve and generate energy in the Tokyo metropolitan area, where there are few areas of fallow land to be utilized.



Conceptual image of Virtual Mega Solar

Participation in Initiatives Related to Climate Change

The Group has taken part in international initiatives related to climate change and frameworks of industry associations, and is actively working to address climate change.

The UN Global Compact

The Group signed the UN Global Compact in May 2019. Based on the principles of the UN Global Compact initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Endorsement of the Voluntary Action Plan on the Environment for the Real Estate Industry, formulated by the Real Estate Companies Association of Japan

In accordance with the voluntary action plan on the environment established by the Real Estate Companies Association of Japan, the Group endorsed the environmental targets in the real estate industry, and it promotes measures to respond to climate change by working to achieve CO₂ emissions reductions that exceed the statutory required standards.

Independent Third-Party Assurance Report

We have asked Lloyd's Register Quality Assurance Ltd. (hereinafter LRQA) to provide assurance on the environmental data.

Please refer to the following Independent Assurance Statement for detail.

 [LRQA Independent Assurance State](#)



Priority Issues (materiality) **【Climate Change and the Natural Environment】 Biodiversity**

Under the Group Policy, recognizing that the loss of biodiversity poses risks of harming the living and business environments of our stakeholders, we will contribute to CO2 absorption and conservation of the natural environment through urban greening and forest development to restore forest cycles in Japan and provide habitats for diverse species.

■ 【Climate Change and the Natural Environment】 Biodiversity 91

Climate Change and the Natural Environment

Group Policy

Through urban development and providing products and services that leverage property development and property-related services, the Company will contribute to reducing CO₂ emissions to address climate change as a shared international concern. As such, we have identified decarbonization, biodiversity, and circular design as our three priority issues (materiality) and will promote them Company-wide. In addition, the Group has to date been actively participating in international initiatives, from obtaining SBT certification (35% reduction compared to fiscal 2019) and endorsing the TCFD to joining the RE100, and we intend to continue playing an active role in such initiatives.

Targets

Climate Change and natural environment	
	Contribution to the urgent global issue of reducing CO ₂ emissions, biodiversity preservation and realization of a circular society that contributes to CO ₂ reduction
Decarbonization	Initiatives in “energy saving,” “low-carbon business,” and “utilization of renewable energy” SBT: 35% reduction in Scope 1, 2, and 3 by 2031/3 compared to 2020/03
Biodiversity	By restoring the forest cycle in Japan, contribute to CO ₂ absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
Circular design	Contribute to a decarbonized society and a circular economy through urban development and service provision that incorporate longer lives of properties, recycling, and sharing

Key Performance Indicators (KPIs)

- Reduce CO₂ emissions by 35% compared to 2020/03
- Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards
- Develop timber-based buildings: Carbon storage 10,000 t-CO₂ per year
- Obtain biodiversity certification
- Initiatives to promote building longevity: Full implementation of the Group's voluntary standards
- Promote waste reduction and increase recycling rate: Reduction of industrial wastes by 20%

Management

We are taking measures to improve Group-wide environmental management under the leadership of Nomura Real Estate Holdings president and Group CEO.

The Sustainability Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates on and decides related policies and action plans. The Sustainability Committee also sets targets and monitors progress for the Group's priority issues: decarbonization, biodiversity, and circular design.

An environmental subcommittee has been established as the Sustainability Committee's subordinate organization under the supervision of the officer responsible for quality management and architectural design. Furthermore, we have signed the UN Global Compact in May 2019. Based on the principles of the UN initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Environmental Subcommittee

Consists of members from the architecture and product design-related departments at Nomura Real Estate Development, the environmental technology-related departments at Nomura Real Estate Partners, and the Sustainability Management Department and meets as needed. In fiscal 2021, the group met twice to mainly discuss reducing CO₂ emissions and using renewable energy.

Decarbonization

Approach and Policies
Management
Targets and Results
Initiatives

Biodiversity

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Circular Design

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Approach and Policies

Group Policy (Environment)

Under the Group Policy, recognizing that the loss of biodiversity poses risks of harming the living and business environments of our stakeholders, we will contribute to CO₂ absorption and conservation of the natural environment through urban greening and forest development to restore forest cycles in Japan and provide habitats for diverse species. In addition, considering our participation in the 30by30 Alliance for Biodiversity, established by the Ministry of the Environment, we will work toward conserving at least 30% of our national lands and sea areas as natural environment zones by 2030.

Management

Management (Environment)

Targets and Results

Targets ---

Target 1.

In order to promote sustainable initiatives with due consideration of biodiversity, the Group specifies areas that require special attention and seeks to acquire biodiversity certifications.

Target 2.

The Group has set a target to promote the use of domestic/certified timbers to promote the appropriate use of resources and control pollution.

 [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Result 1. Number of Biodiversity Certifications Acquired (ABINC, JHEP, SEGES)

	FY2018	FY2019	FY2020	FY2021
Number of Certifications Acquired for Newly Developed Properties	2	0	2	3

Result 2. Promote the Use of Domestic/Certified Lumber

To reduce the risk of disrupting the ecological balance and impact on local communities due to illegal logging, the Group established the Nomura Real Estate Group Procurement Guidelines and requests its suppliers to use resources and timber sustainably.

Initiatives

Agreed to the Declaration of Biodiversity by Keidanren (Japan Business Federation)

In fiscal 2019, The group agreed to the Declaration with the Keidanren Biodiversity Declaration Initiatives. We are aware that initiatives for biodiversity are important management issues for the Group which is engaged in real estate and urban development. Therefore, we will promote these initiatives, taking into consideration the natural environment and ecosystems.

Joined the TNFD Forum

The Group supports the principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in July 2022. The TNFD is an international organization that was conceptualized at the 2019 World Economic Forum Annual Meeting (Davos) and established in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wildlife Fund (WWF), and the UK-based environmental NGO Global Canopy. Through its participation in the TNFD Forum, the Group will



continue to assess the impact of all its business activities on biodiversity and promote initiatives for conservation and restoration.

Participation in the 30by30 Alliance for Biodiversity

30by30 is a target for nations to conserve or protect at least 30% of their lands and sea areas by 2030 to halt the loss of and restore biodiversity (nature-positive).



In order to achieve the target, the Ministry of the Environment has established the 30by30 Alliance for Biodiversity to expand the protected areas in Japan (currently about 20% of the land and 13% of the sea) and to promote efforts to certify areas that have been conserved by the private sector and others as OECMs. Nomura Real Estate Holdings joined this alliance in July 2022.

Acquisition of Biodiversity Certification

The Group actively seeks to acquire biodiversity certification for new construction and owned buildings, such as ABINC certification (certification registered by the Association for Business Innovation in harmony with Nature and Community)^{*1}, JHEP (Japan Habitat Evaluation and Certification Program)^{*2}, and SEGES (Social and Environmental Green Evaluation System series)^{*3}, which assess and certify apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas. For PROUD Kokubunji, which was the Group's first ABINC certification acquired in the condominium version, we surveyed the green areas on the site and worked to preserve and restore them as the Musashino Forest in accordance with the ABINC certification standards.

For PROUD Tower Meguro MARC as well, we secured about 82% of its large site (approximately 2.0 hectares) as open areas and considered local vegetation in the planning and development of these areas.

We will continue to develop real estate projects in harmony with nature.

※1 ABINC (Association for Business Innovation in harmony with Nature and Community) certification: A program that assesses and certifies apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas in accordance with the Guidelines for Sustainable Business Sites prepared by the Japan Business Initiative for Biodiversity (JBIB)

※2 JHEP (Japan Habitat Evaluation and Certification Program): A program that quantitatively assesses and certifies efforts to contribute to the preservation and restoration of biodiversity operated by the Ecosystem Conservation Society Japan.

※3 SEGES (Social and Environmental Green Evaluation System series): A green certification program operated by the Organization for Landscape and Urban Green Infrastructure to comprehensively and objectively assess social and environmental functions created from the preservation of corporate green spaces and environmental communication.

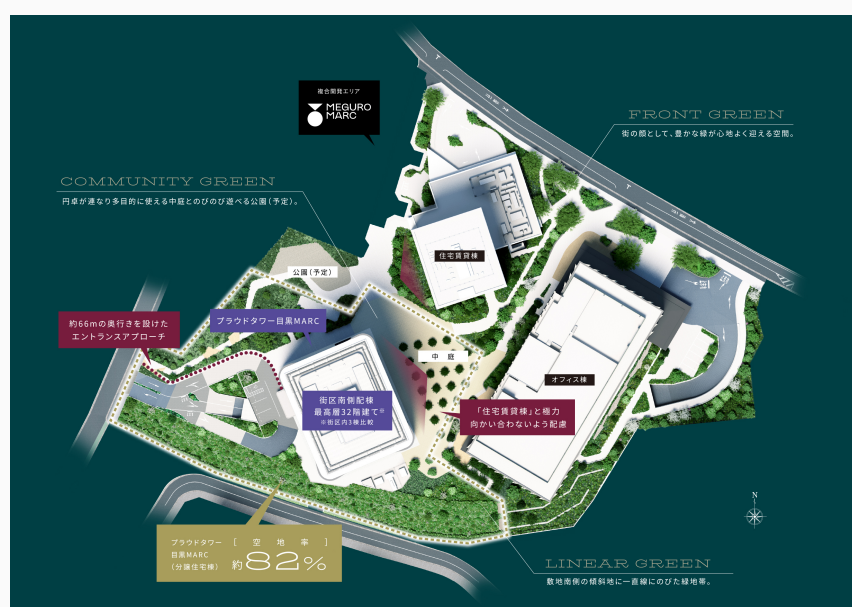
ABINC Certifications Acquired

Year of certification	Certified facilities/condominiums
FY2014	Yokohama Business Park (urban/SC version)
FY2015	PROUD Kokubunji (condominium version)
	Roka Koen The Residence ^{*1} (condominium version)
	PROUD City Musashino Mitaka (condominium version)
FY2017	PROUD City Kichijoji ^{*1} (condominium version)
	PROUD Tower Musashi Koganei Cross ^{*1} (condominium version)
	PROUD Season Inagi Minamiyama (detached housing complex version)
	Project for Noritake Shinmachi 3-chome, Nishi-ku, Nagoya City ^{*1} (condominium version)
FY2018	HARUMI FLAG ^{*1} (acquired ABINC ADVANCE certification ^{*2})
	The Gardens Ota Tamagawa ^{*1} (condominium version)
FY2020	PROUD Tower Meguro MARC (urban/SC version)
	Minamiyama Club House (detached housing complex version)
FY2021	PROUD City Musashino Mitaka (condominium version)
	PROUD City Kotake Mukaihara (condominium version)

※1 Application by multiple vendors

※2 ABINC ADVANCE certification: Certification for long-term projects covering a wide area

PROUD Tower Meguro MARC (urban/SC version)



Site plan of the entire premises of PROUD Tower Meguro MARC

Consideration for Biodiversity in Design, Construction, and Raw Materials Procurement

The Group has distributed its Procurement Guidelines to more than 4,600 suppliers to ensure biodiversity is taken into account in the design, construction, and raw material procurement processes throughout the supply chain. In fiscal 2020, we conducted monitoring interviews with ten major suppliers. In fiscal 2021, we identified our top 200 suppliers (around 80% of the total) as key suppliers and surveyed 89 of them (around 40% of the total). We provided feedback on the results to all companies that responded to the survey and engaged directly with ten companies.

Going forward, we will continue to encourage suppliers to consider biodiversity.

Nomura Real Estate Group CSR Procurement Guidelines (excerpts of related provisions)

- Endeavor to implement development and greening, taking into consideration the surrounding environment and biodiversity.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

 [The full text is available here.](#)

Green Areas and Tree Planting in Consideration of the Surrounding Environment

The Group implements building site plans and tree planting plans in its real estate development and urban development activities giving consideration not only to the comfort of customers and local residents, but also to the surrounding environment and ecosystems. In all development projects, the Group requires project managers to submit Environmental and Product Planning Sheets for residential development projects and Sustainability Assessment Sheets for commercial real estate development projects, which include consideration for biodiversity.

Examples of key assessment points on the Environmental and Product Planning Sheet

- Acquisition of biodiversity certification
- Ingenuity and consideration in tree selection (e.g., use of existing trees)
- Ingenuity and consideration in the landscape of the roadside and surrounding areas (e.g., continuity with roadside trees)
- Creating green roofs and walls

Promoting Forest Cycling in OKUTAMA TOWN

In August 2021, we entered into a comprehensive partnership agreement with OKUTAMA TOWN in Tokyo, where we operate. With this agreement, we will work toward preserving the biodiversity and rich natural environment of Tokyo's forests. Furthermore, we will manage these forests, currently consisting of 74.2% cedar and cypress (average stand age of 63 years) and 25.8% broad-leaved trees, by, for example, applying forest management methods that contribute to biodiversity with an emphasis on environmental conservation.

Project to Create Firefly Habitats in the Yokohama Business Park

The Group has been conducting an exhibit of Urban Design for Firefly Habitats, aimed at conservation of biodiversity, every year since 2008 at the Yokohama Business Park (YBP) (Yokohama City, Kanagawa Prefecture), an office building and commercial facility that it owns, in cooperation with Yokohama National University and tenant companies. (In fiscal 2020 and 2021, no exhibits were conducted to help contain the spread of the COVID-19 pandemic.) Firefly observation events for local residents and hands-on rice planting programs for local elementary school students are offered, and the business park has become a site for considering and learning about biodiversity and environmental problems together with local residents. Yokohama Business Park acquired certification for consideration of conserving biodiversity under ABINC certification program (urban/SC version) of the Association for Business Innovation in harmony with Nature and Community (ABINC).



A nature observation program for local children

Use of Domestic Lumber

Nomura Real Estate Holdings and Wing Co. Ltd. became the first private company to sign a triparty “Agreement on the Promotion of Timber Use in Buildings” with the Ministry of Agriculture, Forestry and Fisheries, on March 9, 2022. With this agreement, we aim to use a total of 10,000 m³ of domestic timber as building materials over the next five years. Through this, we will strive to develop a stable supply chain for domestic timber and promote cyclic use of domestic forest resources and, in turn, achieve both utilization and conservation of forest resources at the same time. We plan to use the timber that we procure as part of this as the building materials in our detached housing business.

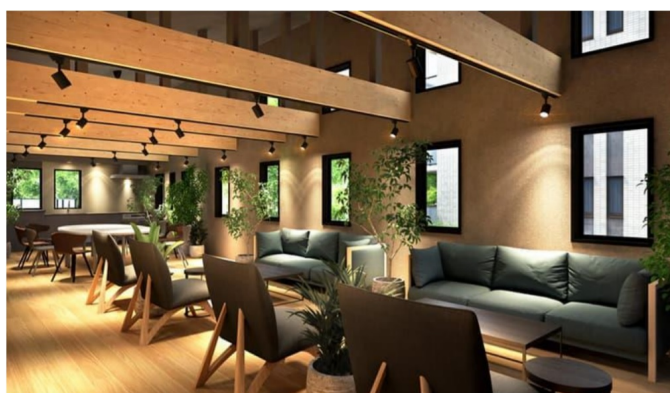
In addition, we actively promote the use of domestic and certified timber. In our future construction projects, we plan to apply domestic lumber for the interiors of common areas in PROUD condominiums and introduce a wooden hybrid structure in our office building brand H¹O.

Domestic lumber not only allows us to provide a more comfortable living environment for our customers but also leads to the reduction of CO₂ emissions and prevention of natural disasters by preserving the recycling of forest resources.

📄 [News Release \(First private company to sign an agreement with the Ministry of Agriculture, Forestry and Fisheries to promote the use of wood in buildings\) \(Japanese only\)](#)

📄 [News Release \(Initiatives of the Residential Development Business\) \(Japanese only\)](#)

📄 [News Release \(Initiatives of the Commercial Real Estate Business\) \(Japanese only\)](#)



Asukayama Residence's common use building made of domestic lumber (rendered image)



H¹O Gaizenmae (rendered image)

Promoting the Use of Wood Products in Hotel Businesses

As part of its environmental protection efforts, Nomura Real Estate Hotels is reviewing the amenities in its guestrooms and switching to biomass and wood-based products to reduce the amount of plastic used. Items to be updated included toothbrushes and hairbrushes made from rice husks, a biologically derived material, and toothbrushes and slippers made from natural bamboo. The switchover is scheduled to start in September 2022 in the four hotels operated by Nomura Real Estate Hotels: HOTEL NIWA TOKYO, NOHGA HOTEL UENO TOKYO, NOHGA HOTEL AKIHABARA TOKYO, and NOHGA HOTEL KIYOMIZU KYOTO.

 [News Release \(Initiatives in Hotel Businesses\) \(Japanese only\)](#)

Use of Certified Wood-derived Paper and Plant-based Inks in the Residential Development Business

As a general rule to further reduce environmental impact, the Nomura Real Estate Development's Residential Development Division only uses paper made from wood from properly managed forests for its brochures, guides, direct mail, drawings, and newspaper inserts. In addition, it uses vegetable oil inks for printing, which biodegrade more readily than traditional petroleum-based solvents used in the past. Consequently, printed materials with these types of paper and inks display the appropriate logo and statement. We will continue to use environmentally sound products and strive to reduce our environmental impact.



Priority Issues (materiality) **【Climate Change and the Natural Environment】 Circular Design**

Under the Group Policy and recognizing that the depletion of natural resources associated with urban development is a major social issue, we will contribute to realize a decarbonized society and circular economy by reducing waste discharge and by providing urban development and services that promote longer building lifespans, the reuse of materials, and the sharing of spaces.

【Climate Change and the Natural Environment】 Circular Design	102
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Climate Change and the Natural Environment

Group Policy

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Targets

Climate Change and natural environment	Contribution to the urgent global issue of reducing CO ₂ emissions, biodiversity preservation and realization of a circular society that contributes to CO ₂ reduction
	Decarbonization Initiatives in “energy saving,” “low-carbon business,” and “utilization of renewable energy” SBT: 35% reduction in Scope 1, 2, and 3 by 2031/3 compared to 2020/03
	Biodiversity By restoring the forest cycle in Japan, contribute to CO ₂ absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
	Circular design Contribute to a decarbonized society and a circular economy through urban development and service provision that incorporate longer lives of properties, recycling, and sharing

Key Performance Indicators (KPIs)

- Reduce CO₂ emissions by 35% compared to 2020/03
- Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards
- Develop timber-based buildings: Carbon storage 10,000 t-CO₂ per year
- Obtain biodiversity certification
- Initiatives to promote building longevity: Full implementation of the Group's voluntary standards
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Decarbonization

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Approach and Policies

Group Policy (Environment)

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Management

Management (Environment)

Targets and Results

Target ---

Target 1. The Group has set a target to reduce the amount of waste discharge to promote the appropriate use of resources and control pollution.

Target 2. The Group is working to reduce its water use.

Target 3. To carry out measures that will increase the lifespans and durability of buildings, the Group strives to provide products and services with long lifespans and high durability.

 [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Result 1. Waste Discharge (Nomura Real Estate Group)

	FY2018	FY2019	FY2020	FY2021
Waste discharge (tonnes per year)	6,832	6,594	5,112	7,213
Discharge intensity (kg/m ² per year)	4.867	5.159	3.047	3.504

※ Data covers 125 facilities (1,403,672 m²) for FY2018, 121 facilities (1,278,147 m²) for FY2019, 106 facilities (1,677,683 m²) for FY2020, and 119 facilities (1,527,759 m²) for FY2021.

Result 2. Volume of Water Intake, Discharge and Use (m³ per year)

		FY2018	FY2019	FY2020	FY2021
Water intake		2,062,756	2,287,731	1,698,073	1,920,973
	Surface water	1,784,612	2,017,367	1,395,108	1,555,279
	Recycled water	101,750	103,768	161,533	202,625
	Ground water	176,393	166,596	141,432	163,069
Water use intensity (m ³ /m ² per year)		1.03	1.12	0.81	0.93
Water discharge (sewage water)		1,938,782	2,179,558	1,398,456	1,600,913
Water use		123,974	108,173	299,617	320,060

※ Scopes cover 190 facilities (2,010,041 m²) for FY2018, 183 facilities (2,033,422 m²) for FY2019, 191 facilities (2,079,952 m²) for FY2020, and 181 facilities (2,058,781 m²) for FY2021. Water intake in FY2021 increased by 13.13% from the previous fiscal year.

Result 3. Provide Products and Services with Long Lifespans and High Durability

	FY2018	FY2019	FY2020	FY2021
Number of completed properties that offer the re:Premium service	5	17	9	13
Number of properties that adopted the Attractive30 service	11 (1,384)	23 (3,211)	23 (2,390)	28 (2,936)

※ Numbers in parentheses indicate the number of units sold.

Initiatives

Reduction and Appropriate Management of Waste Discharge

The Group plans to reduce waste discharge and increase the recycling rate throughout the life cycles of products and services.

Attractive 30 Service, re:Premium Service

The Group is working to lengthen the cycle of large-scale repairs in condominium projects.

📄 [Measures to Lengthen Large-Scale Repair Cycles](#)

Restoring Condominiums

The Group is working to restore old condominiums into homes with new value. We expanded PROUD Uehara Forest, which was established more than 30 years ago, by utilizing its excess floor space with the latest technologies while improving its livability. As a result, it was certified in 2019 as excellent long-term housing for the first time as an old condominium built by a private developer. It was also certified as having a service life of 65 years by a third-party evaluation agency.

📄 [News Release \(Japanese only\)](#)

Reduction and Reuse of Waste

The NOHGA Hotel, operated by the Group, is working to reduce and reuse waste through such efforts as reducing the use of plastics by eliminating single-use toiletries and using biodegradable bamboo straws derived from plant fibers. It is also using name plates and handkerchiefs made from reused scraps of leather and Japanese clothing.

📄 [NOHGA HOTEL ENVIRONMENTAL MANAGEMENT](#)



Eliminating single-use toiletries



Name plate made from reused leather scraps

Effective Utilization of Water Resources

The Group intends to reduce water consumption throughout the life cycles of products and services.

Introduction of Water-saving Devices Upon New Construction and When Performing Renovations

Water and hot water saving devices have been made standard equipment when developing housing, office buildings, retail facilities, logistics facilities, and other structures in accordance with its design and construction standards and quality manuals. In addition, fixtures are systematically replaced with water-saving devices when performing renovations.

📄 [Details of design and construction standards and quality manuals can be found here.](#)

Water Risk Assessment

The Group conducts water risk assessments on its properties using the Aqueduct, a tool designed for that purpose. As a result, all properties built by the Group in fiscal 2021 were found to be located in “Low” or “Low-medium” water risk areas and outside of “Medium-high” and higher water risk areas. Therefore, no water was taken from areas designated as “High” or “Extremely-high” by the properties built in fiscal 2021. We will continue to periodically monitor the water risk.

Collaborating with External Partners to Reduce Water Use

The Group is a formal member of the Environmental Committee in the Real Estate Companies Association of Japan. In 2013, this committee formulated the Real Estate Industry Environmental Action Plan, which includes specific initiatives such as introducing highly effective water-saving fixtures and automatic faucets and flushing systems. It is aiming for the entire industry to work together in an effort to reduce water usage.

Initiatives for Longer Life and Increased Durability

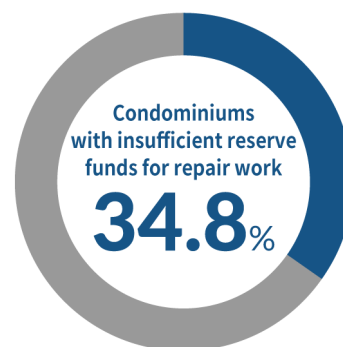
The Group Intends to extend the lifespans of its buildings by using highly durable materials with long lifespans and implementing appropriate management and repair plans.

Measures to Lengthen Cycles for Large-Scale Repair Work

In order to reduce the economic and psychological burdens on condominium residents and management associations and to reliably carry out large-scale repair plans, the Group offers products and services intended to lengthen large-scale repair work cycles.

Measures at Completed Condominiums

Due to the aging of the population and the increase in vacant dwelling units, about 35% of condominiums are unable to accumulate sufficient reserves for repairs as scheduled (source: data by Ministry of Land, Infrastructure, Transport and Tourism). The re:Premium repair and maintenance service offered by the Group is designed to extend the cycle for large-scale repair work for PROUD condominiums that have already been completed. The service can extend the typical 12-year cycle for large-scale repair work to 16 to 18 years and result in ultra-long-term improvement plans of up to 60 years after the completion of construction. It extends the lifespans of buildings and reduces demolition waste. It also reduces the psychological and economic burdens on customers by substantially cutting lifecycle costs. For these reasons, the Group is striving to expand the scope of properties that adopt the re:Premium service.



Source: Ministry of Land, Infrastructure and Transport, 2018 Condominium general survey result report

In fiscal 2020, drainage pipe repair work in the common use areas for replacing older pipes made of different materials with plastic pipes all at once to improve performance and reduce lifecycle costs for the Coop Nomura Higashi Rokugo, which is under Group management, was certified as a model project for extending the life of condominium stock with the support of the Ministry of Land, Infrastructure, Transport and Tourism.

[News Release\(Japanese only\)](#)

Measures at Newly-Constructed Condominiums

In fiscal 2018, the Group launched the Attractive30 service, which seeks to increase the lifespans and durability of newly-constructed condominiums. Under this initiative, the Group will promote the adoption of highly durable materials and construction techniques and the introduction of the re:Premium service to realize an extension of the cycle for large-scale repair work.

[News Release\(Japanese only\)](#)

Collaboration with Suppliers

The Group is aiming for the appropriate management of resource use in the entire supply chain. Accordingly, the Group established the Nomura Real Estate Group Procurement Guidelines and is working with all of its suppliers to reduce its environmental load.

Nomura Real Estate Group Procurement Guidelines (excerpts of related provisions)

- Endeavor to appropriately manage hazardous chemicals and reduce the amounts used.
- Endeavor to reduce and appropriately manage waste.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

 [The full text is available here.](#)



Sustainability activities(ESG) **Environment**

Through urban development and providing products and services that leverage property development and property-related services, the Company will contribute to reducing CO2 emissions to address climate change as a shared international concern. As such, we have identified decarbonization, biodiversity, and circular design as our three priority issues (materiality) and will promote them Company-wide. In addition, the Group has to date been actively participating in international initiatives, from obtaining SBT certification (35% reduction compared to fiscal 2019) and endorsing the TCFD to joining the RE100, and we intend to continue playing an active role in such initiatives.

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Environment

Group Policy

Through urban development and providing products and services that leverage property development and property-related services, the Company will contribute to reducing CO₂ emissions to address climate change as a shared international concern. As such, we have identified decarbonization, biodiversity, and circular design as our three priority issues (materiality) and will promote them Company-wide. In addition, the Group has to date been actively participating in international initiatives, from obtaining SBT certification (35% reduction compared to fiscal 2019) and endorsing the TCFD to joining the RE100, and we intend to continue playing an active role in such initiatives.



Management

We are taking measures to improve Group-wide environmental management under the leadership of Nomura Real Estate Holdings president and Group CEO.

The Sustainability Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates on and decides related policies and action plans. The Sustainability Committee also sets targets and monitors progress for the Group's priority issues: decarbonization, biodiversity, and circular design.

An environmental subcommittee has been established as the Sustainability Committee's subordinate organization under the supervision of the officer responsible for quality management and architectural design. Furthermore, we have signed the UN Global Compact in May 2019. Based on the principles of the UN initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Environmental Subcommittee

Consists of members from the architecture and product design-related departments at Nomura Real Estate Development, the environmental technology-related departments at Nomura Real Estate Partners, and the Sustainability Management Department and meets as needed. In fiscal 2021, it held two meetings to mainly discuss reducing CO₂ emissions and using renewable energy.

Environmental Management



Approach and Policies
Management
Targets and Results
Initiatives

Decarbonization



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Biodiversity



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Addressing Environmental Pollutants




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Environmental Management

Approach and Policies

Group Policy (Environment)	
<hr/>	

Management

Management (Environment)	
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Targets and Results


Targets

The Group acquires environmental, green building certifications, including DBJ Green Building ^{*1}, LEED ^{*2}, CASBEE ^{*3}, and BELS ^{*4}, for new construction and owned properties and meets the following two quantitative targets.

Quantified Targets

Percentage of newly constructed fixed and income-producing properties (excluding rental housing) that acquire environmental certification each year: 100%

Target percentage of properties owned by Nomura Real Estate Master Fund, Inc. (NMF) with green certification (three stars or more or equivalent to): 70% (by FY2030)

 Key performance indicators (KPIs) for priority issues (materiality) up to 2030

Acquisition Rate of ISO 14001 (coverage rate: 18.6%*)

Company name	Name of branches/offices	Scope of registered activities	Certification organization	Certification acquisition date
Nomura Real Estate Partners Co., Ltd.	Yokohama Business Park offices (A1, A2, A3, C1, C2, and C3 buildings) at the Yokohama Division	Planning and provision of comprehensive building management services (facility management, cleaning, and security)	Japan Quality Assurance Organization (JQA)	March 5, 2004 (JQA-EM3815)

※ The net lettable area of the Group as of the end of fiscal 2021, which is 827,737 m², was used as the denominator, and the floor area of the relevant offices of the Yokohama Business Park, which is 154,103 m², was used as the numerator

Acquisition of Green Building Environmental Certification

Type	FY2018	FY2019	FY2020	FY2021
Acquisition rate by business properties for sale (including new development and pending application)	100%	100%	100%	100%

List of Environmental Certifications Acquired (FY2021)

Certification Name	Property	
DBJ Green Building Certification	Office buildings	PMO Kojimachi PMOEX Shin-Osaka PMO Yotsubashi Honmachi Nomura Real Estate Development Otemachi-Kita Building Nomura Real Estate Development Nihonbashi Odenma Building
	Retail facilities	GEMS Roppongi MEFULL Fujisawa MEFULL Sugamo KAMEIDO CLOCK
	Logistics facilities	Landport Ome III (car park building) Landport Koshigaya Landport Ageo Landport Niiza Landport Komaki ANNEX

Acquisition of Energy Rating

Type	FY2018	FY2019	FY2020	FY2021
Number of certifications acquired	9 properties	14 properties	17 properties	16 properties

Certification name	Property
BELS (Building-Housing Energy-efficient Labeling System)	13 properties mentioned above except Landport Ome III (parking building) + 3 properties (hotel around TAKAYAMA, NOHGA HOTEL KIYOMIZU KYOTO, Summit Store Urayasu Station North Exit branch)

※1 DBJ Green Building: A certification program developed by the Development Bank of Japan to promote real estate development that contributes to the environment and society.

※2 LEED: A system developed and operated by the U.S. Green Building Council for granting certification to environmentally conscious buildings.

※3 CASBEE, or Comprehensive Assessment System for Built Environment Efficiency, includes the certification program administered by the Institute for Building Environment and Energy Conservation (IBEC) and independent local municipality assessment programs.

※4 BELS stands for Building-Housing Energy-efficiency Labeling System, which was established by the Ministry of Land, Infrastructure, Transport and Tourism. With this system, a third-party evaluation organization evaluates and certifies energy conservation performance of a building.

Percentages of Properties Owned by NMF with Green Certification (with three stars or more or equivalent to)

Type of certification	Number of properties (buildings)	Total floor area (m ²)	Ratio (%)
Green certification (three stars or more)	59	1,351,372.77	56.0
Total	283	2,412,705.10	100

※ Green certification (with three stars or more or equivalent to) refers to DBJ Green Building Certification (three stars or more) or BELS Certification (three stars or more), or CASBEE for Real Estate (B+ or higher). The figure is calculated based on the floor area of NMF's properties, excluding land. The green certification ratio is as of August 31 of the following fiscal year.

Environmental Compliance

In fiscal 2021, the Group did not commit any material violations of environmental laws and regulations (including pollution and water use) in the manufacture, sale, or management of its products and services.

Initiatives

Environmental Management System

The Group is increasing the sophistication of its environmental initiatives through the use of an internationally acknowledged environmental management system (EMS).

Yokohama Business Park Offices (A1, A2, A3, C1, C2, and C3 buildings) at the Yokohama Division of Nomura Real Estate Partners Co., Ltd. acquired ISO 14001 certification for their environmental management system and are carrying out various initiatives including waste reduction, resource recycling, and energy-saving measures. At certified offices, annual internal audits as well as audits by external certification organizations are conducted to ensure their compliance with the EMS and environmental laws and regulations and the effectiveness of measures for controlling environmental pollution.

Environmental Management at Suppliers

In accordance with the Nomura Real Estate Group Procurement Guidelines, the Group has distributed its Procurement Guidelines to more than 4,600 suppliers to address environmental issues throughout the supply chain. In fiscal 2020, we conducted monitoring interviews with ten10 major suppliers. In fiscal 2021, we identified our top 200 suppliers (around 80% of the total) as key suppliers and surveyed 89 of them on the on the guidelines (around 40% of the total). The results were shared with all companies that responded to the questionnaire. As a result, 13 suppliers responded that they are either not taking action or are unsure of whether they are taking action on biodiversity conservation and the sustainable use of resources in their raw material procurement, which we identified as a risk in the supply chain. We directly engaged with ten of the 89 suppliers. In fiscal 2021, no suppliers were found to pose environmental risks.

Nomura Real Estate Group Procurement Guidelines (excerpts of environmental sections)

Consideration for the Environment

- Endeavor to make continuous improvements for reducing environmental impact in order to build a sustainable society.
- Comply with environmental laws and regulations in the countries and regions where your business activities are carried out.
- Endeavor to reduce emissions of greenhouse gases and contaminants and conserve resources through the life cycles of goods, products, and services.
- Endeavor to appropriately manage hazardous chemicals and reduce the amounts used.
- Endeavor to reduce and appropriately manage waste.
- Endeavor to implement development and greening, taking into consideration the surrounding environment and biodiversity.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

Environmental Responses in the Design and Construction Stages

The Group undertakes environmental responses in the design and construction phases of condominiums, leased offices, and other properties in accordance with the Design and Construction Standards and the Quality Manual that include specifications for environmental performance.

 [Click here for details of the Design and Construction Standards and the Quality Manual](#)

Assessment of Environmental Performance in Newly Developed Properties

When developing PROUD condominiums in the Residential Development Business Unit, the Group requires project implementers to submit Environmental and Product Planning Sheets and to improve residential environmental performance and quality. Similarly, when developing office buildings, commercial facilities and logistics facilities in the Commercial Real Estate Development Unit, the Group requires project implementers to submit Sustainability Assessment Sheets and to quantify the environmental performance and quality of each development project.

Environmental and Product Planning Sheets (excerpt)

- Description of U-value^{*1}, and BEI-value^{*2}
- Description of environmental certification status, energy-saving equipment, and energy-creating equipment
- Comprehensively cover safety and security, the environment, community, and health and well-being
- Promotion of community design and universal design

※1 U-value: Insulation performance of concrete, thermal insulation materials, sashes, etc.

※2 BEI-value: Energy-saving performance of the entire building, including thermal performance of building envelopes as well as equipment, such as heating and cooling systems and hot water supply systems

Environmental Education

In addition to providing environmental education to all employees every year as part of the rank-specific training programs (the Group's new employee and key employee training programs), we also publish our environmental initiatives in internal newsletters to promote environmental awareness among our employees. In addition, our Environmental Subcommittee, which consists of the persons in charge of architecture, product design and technology at each Group company, shares information on environmental issues and the latest environmental technologies.

Environmental Subcommittee (as of April 2022)

Officers in charge	Officers in charge of Quality Management and Architectural Design, Nomura Real Estate Holdings, Inc.
Departments in charge	Residential Product Planning & Marketing Dept., Quality Management Dept., Engineering Management Dept., Architectural Design Office, Nomura Real Estate Development Co., Ltd., Environmental Engineering Dept., Corporate Planning Dept., Nomura Real Estate Partners Co., Ltd.
Secretariat	Sustainability Management Dept., Nomura Real Estate Holdings, Inc.

Decarbonization

Approach and Policies

Group Policy (Environment)

Under the Group Policy, the Group will promote the reduction of total CO₂ emissions throughout the supply chain by promoting energy saving, low-carbon business, utilization of renewable energy in the buildings that we develop in order to resolve issues related to climate change.

Management

Management (Environment)

Targets and Results

Targets ---

The Group has set the following three targets to address climate change.

Target 1. Reduce CO₂ emissions

Long-term target

Achieving carbon neutrality in [Scopes 1 and 2](#) and [Scope 3](#) ^{*1} across the Group, by 2050

Mid- to long-term target

35% reduction in the Group's total CO₂ emissions in [Scopes 1 and 2](#), and [Scope 3 \(Categories 1 and 11\)](#) ^{*2} by 2030 from the fiscal 2019 baseline (approved by the Science Based Targets initiative (SBTi) in November 2020)

Short-term target

15% reduction in the Group's total CO₂ emissions in [Scopes 1 and 2](#), and [Scope 3 \(Categories 1 and 11\)](#), by 2025 from the fiscal 2019 baseline.

※1 Scope 1: Direct emissions from fuel combustion, etc., Scope 2: Indirect emissions associated with use of electricity and heat purchased by the Company, Scope 3: Indirect emissions other than those in Scopes 1 and 2

※2 In Scope 3, Category 1 (emissions from construction of buildings, etc.) and Category 11 (emissions from use of sold products, etc.) are targeted, which cover approximately 88.45% of the Scope 3 emissions recorded in fiscal 2020.

▣ [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Target 2. Reduce Energy Use

Mid- to long-term target

The power consumption in the Group will be 100% renewable electricity by 2050. (joined RE100 in January 2022)

Short-term target

Switching electricity consumed by all leasing properties* owned by Nomura Real Estate Development to renewable electricity by fiscal 2023.

※ Excludes leasing properties (including the portion used by tenants) for which Nomura Real Estate Development has concluded direct electricity supply contracts with power companies, properties that Nomura Real Estate Development owns units in or are jointly owned with other parties, and properties planned to be sold or demolished, as well as the common use areas of some rental housing.

Target 3. Promote Solar Power Generation

Results

Result 1. Reduce CO₂ emissions

Scopes 1 and 2 (Nomura Real Estate Group)

(Unit: t-CO₂)

	FY2018	FY2019	FY2020	FY2021
Scope1	24,018	23,627	20,119	21,542
Scope2	136,569	126,960	112,087	107,514
Scope1+2	160,586	150,588	132,206	129,056
Scope1+2 Intensity(kg- CO ₂ /m ² per year)	80.70	74.06	63.56	61.93

※ FY2018 data covers 190 facilities with a gross floor area of 1,989,974 m²; for FY2019, FY2020, and FY2021 data, refer to Scopes 1 and 2 Gross Floor Area by Use and Number of facilities aggregated for Scopes 1 and 2.

Scopes 1 and 2 Gross Floor Area by Use

	FY2019	FY2020	FY2021
Total (m²)	2,033,422	2,079,952	2,058,781
Offices	1,423,113	1,447,598	1,456,228
Fitness facilities	127,295	130,130	130,130
Commercial facilities	347,445	362,504	361,993
Hotels	64,469	68,620	41,109
Logistics facilities	49,547	49,547	49,547
Parking lots	17,141	17,141	15,422
Training centers	654	654	654
Heating and cooling center	3,758	3,758	3,758

Number of facilities aggregated for Scopes 1 and 2

	FY2019	FY2020	FY2021
Total (buildings)	183	191	181
Offices	104	110	101
Fitness facilities	45	48	48
Commercial facilities	15	13	16
Hotels	12	13	10
Logistics facilities	1	1	1
Parking lots	4	4	1
Training centers	1	1	1
Heating and cooling center	1	1	1

Scope 3 (Nomura Real Estate Group)

(Unit:t-CO₂)

Category	FY2019	FY2020	FY2021
1 Products and services purchased	969,704	453,707	702,271
2 Capital goods	71,164	97,862	159,373
3 Fuel- and energy-related activities that are not included in Scopes 1 and 2	27,473	24,854	24,358
4 Transportation and delivery (upstream)	4,081	3,164	4,465
5 Waste generated by businesses	6,858	5,317	7,503

6	Business trips	1,421	936	963
7	Employers' commuting	2,395	2,409	1,917
8	Lease assets (upstream)	-	-	-
9	Transportation and delivery (downstream)	-	-	-
10	Processing of products sold	-	-	-
11	Use of products sold	2,203,005	834,184	1,214,723
12	Disposal of products sold	62,603	19,605	38,859
13	Lease assets (downstream)	19,011	14,025	13,539
14	Franchise	-	-	-
15	Investments	-	-	-
Total		3,367,714	1,456,063	2,167,970

※ Calculation for Category 8 is included in Scopes 1 and 2.

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

Result 2. Reduce Energy Use

Energy Consumption Performance (Nomura Real Estate Group)

	FY2018	FY2019	FY2020	FY2021
Energy consumption (MWh/year)	445,772	422,490	381,817	379,428
Energy consumption intensity (MWh/m² per year)	0.224	0.208	0.184	0.182

※ FY2018 data covers 190 facilities with a gross floor area of 1,989,974 m², for FY2019, FY2020, and FY2021 data, please refer to Scopes 1 and 2 gross floor area by use and number of facilities aggregated for Scopes 1 and 2.

※ The change in energy consumption in 2021 from the previous year was -0.63%.

Energy Consumption by Facility Type

	FY2019	FY2020	FY2021
Total (m²)	-	-	379,428
Offices	-	-	189,086
Fitness facilities	-	-	74,705
Commercial facilities	-	-	74,607
Hotels	-	-	9,904
Logistics facilities	-	-	2,360
Parking lots	-	-	198
Training centers	-	-	52
Heating and cooling center	-	-	28,516

Energy Consumption by Energy Type

(Unit:MWh)

	FY2019	FY2020	FY2021
Purchased electricity	255,089	228,825	220,740
City gas	116,068	108,034	116,840
LPG	507	183	436
Class A heavy oil	2,546	1,401	1,303
Gasoline	2,156	0	0
Light oil	0	0	4
Kerosene	5,089	3,544	2,779
Heat			-
Steam	16,552	18,555	18,119
Cold water	24,482	21,275	19,208
Renewable energy (in-house power generation)	1,000	1,818	7,882

Renewable Energy Consumption

	FY2019	FY2020	FY2021
Total (MWh)	1,000	1,818	7,882
Offices	1,000	1,000	6,230
Fitness facilities	-	-	-
Commercial facilities	-	406	975
Hotels	-	413	677
Logistics facilities	-	-	-
Parking lots	-	-	-
Training centers	-	-	-
Heating and cooling center	-	-	-

※ For FY2019, FY2020, and FY2021 data, refer to Scopes 1 and 2 gross floor area by use and number of facilities aggregated for Scopes 1 and 2.

Result 3. Promote Solar Power Generation

Solar Power Generating Facility Installation Rate and Electric Power Generated at Landport Logistics Facilities

	FY2018	FY2019	FY2020	FY2021
Solar power generating facility installation rate at Landport logistics facilities (%)	92.9	94.7	90.0	76.0
Electric power generated at Landport logistics facilities (million kWh/year)	12,081	15,194	21,926	22,801

Initiatives

Joining RE100

Nomura Real Estate Holdings, Inc. joined RE100, a global initiative leading the transition to 100% renewable electricity in January 2022.

Approved by Science Based Targets initiative (SBTi)

Nomura Real Estate Holdings, Inc.'s CO₂ emissions reduction targets were approved by the SBTi on November 24, 2020.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Agreed to Recommendations Made by the Task Force on Climate related Financial Disclosures (TCFD)

Nomura Real Estate Holdings, Inc. and Nomura Real Estate Asset Management Co., Ltd. are fully aware that the substantial impact of climate change on their business continuity is a major management issue, and they therefore agreed to recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) in order to further promote their initiatives.

📄 [Special Feature: TCFD](#)



Business Strategies for Decarbonization

To achieve its [Scope 1, 2, and 3 reduction targets](#), the Group is promoting energy saving, low-carbon business, utilization of renewable energy.

Group's Initiatives to Reduce CO₂ Emissions

	Initiatives
Emissions in own business operations (Scope 1, 2)	Use of electricity with non-fossil certificates, use of renewable energy in owned assets, initiate/consider renewable energy projects such as in-house renewable power generation
Emissions in the construction stage (Scope 3, category 1)	Use of timber, which is regarded as low-carbon building material
Emissions from customers (Scope 3, category 11)	Establishment of energy conservation performance standards for new buildings completed before FY2029 (based on energy conservation performance (BEI) indicators)

Net Zero Energy House Initiatives

The Group is developing net zero energy house (ZEH)* in condominiums from the perspective of comprehensive environment impact reduction. In fiscal 2021, PROUD Musashi-Shinjo Station Marks was selected as a Super High-Rise ZEH-M Demonstration Project of the Ministry of the Environment, Trade and Industry. Also, in fiscal 2022, the Aobadai 2-Chome Project (tentative name) was selected as a

Ministry of the Environment High-Rise ZEH-M Support Project. Looking ahead, we plan to adopt ZEH- and ZEB-oriented standards for all new buildings by 2030. We will also launch initiatives for adopting the same standards to detached housing from fiscal 2022.

Net Zero Energy House*: Dissemination Result and Future Target

Result for FY2020/FY2021	Result for FY2022	Target for FY2025
0%	25%	50% or more in all detached houses

※ Housing designed to achieve a net zero annual primary energy consumption by greatly improving the insulation performance of the building envelope by installing highly efficient facilities and equipment to maintain the quality of the indoor environment while substantially reducing energy consumption and then introducing renewable energy.

[ZEH Condominium Initiatives \(Japanese only\)](#)

“Yukai-full” Enables Condominiums to Reduce CO₂ Emissions

Nomura Real Estate Development developed an air-conditioning system, “Yukai-full”, that makes it possible to reduce CO₂ emissions and realize a healthy and comfortable life, and has installed it in more than 1,000 units.

Yukai full was selected as one of the best 100 products in the 2020 Good Design Awards in recognition of its simple air conditioning system and technology that combines temperature control with standardized comfort.

[News Release \(Japanese only\)](#)

Environmental Performance Assessments During Product Planning and Design

The Group provides products and services that address climate change in accordance with the Design and Construction Standards and the Quality Manual. Thermal insulation performance rating of level 4 (the highest level)*, double-glazed windows (end panel eco-glass), LED lighting fixtures, and other features are set as standard specifications for PROUD condominiums, and Environmental and Product Planning Sheets are used to improve the environmental performance.

※ Thermal insulation performance rating: A housing performance evaluation system pursuant to the Housing Quality Assurance Act. Levels indicate performance in the thermal environment.

[Assessment of Environmental Performance in Condominiums](#)

Helping Customers to Save Energy

The Group not only strives to reduce CO₂ emissions from buildings, but also helps condominium residents and tenant companies to save energy.

Specifically, the Group provides a system that calculates total energy consumption and a system that makes it possible to visualize the amount of energy used, realizes energy savings using the enecoQ system, and provides eco-information via a member newsletter.

Smart Community Collaboration and Cooperation

Nomura Real Estate Development has entered into an agreement regarding smart community collaboration on Proud City Hiyoshi with Kanden Realty & Development, Panasonic Homes, Kansai Electric Power and Tokyo Gas. In this project, we are able to reduce CO₂ emissions and supply electric power during disasters by implementing the energy management in the entire area.



Proud City Hiyoshi (rendered image)

Reduction of Chlorofluorocarbons

To reduce the usage of ozone layer depleting chlorofluorocarbons, the Group established a quality manual that requires the use of chlorofluorocarbon-free insulation and air conditioner refrigerants. Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials are used.

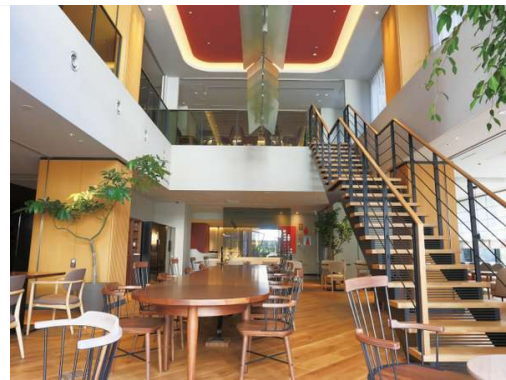
Use of Renewable Energy in Logistics Facilities

The Group is promoting renewable energy utilization through the solar power generation business. As of March 2022, solar panels were installed on a total of 19 buildings at Landport logistics facilities, with annual output of 22,801 MWh per year for the entire portfolio.

In addition, each hotel of the Nomura Real Estate Group (NOHGA HOTEL UENO TOKYO, NOHGA HOTEL AKIHABARA TOKYO, and HOTEL NIWA TOKYO) has acquired the Eco Mark certification from the Eco Mark Office and is promoting the use of green power by procuring all of its electricity from renewable energy sources.



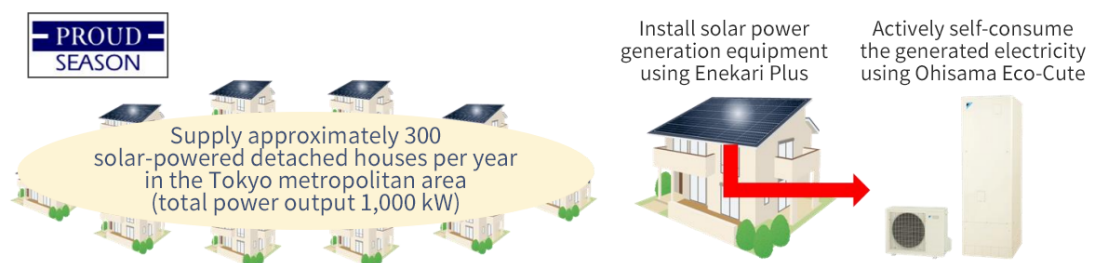
Landport Kashiwa Shonan



NOHGA HOTEL UENO TOKYO

Solar Power Generation in Detached Housing in the Tokyo Metropolitan Area

Nomura Real Estate Development, in collaboration with TEPCO Energy Partner, has decided to launch a Virtual Mega Solar project in May 2022 to install solar power generation capability at the same scale as mega solar power generation (total output 1,000 kW) in the PROUD SEASON (detached housing). This is the first initiative in Japan to introduce solar power generation with a total output of 1 MWh to detached houses for sale in the Tokyo metropolitan area (300 houses per year on the roof of PROUD SEASON houses), and the two companies will promote this as an initiative for localized generation and consumption of electric power, to conserve and generate energy in the Tokyo metropolitan area, where there are few areas of fallow land to be utilized.



Conceptual image of Virtual Mega Solar

Participation in Initiatives Related to Climate Change

The Group has taken part in international initiatives related to climate change and frameworks of industry associations, and is actively working to address climate change.

The UN Global Compact

The Group signed the UN Global Compact in May 2019. Based on the principles of the UN Global Compact initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Endorsement of the Voluntary Action Plan on the Environment for the Real Estate Industry, formulated by the Real Estate Companies Association of Japan

In accordance with the voluntary action plan on the environment established by the Real Estate Companies Association of Japan, the Group endorsed the environmental targets in the real estate industry, and it promotes measures to respond to climate change by working to achieve CO₂ emissions reductions that exceed the statutory required standards.

Independent Third-Party Assurance Report

We have asked Lloyd's Register Quality Assurance Ltd. (hereinafter LRQA) to provide assurance on the environmental data.

Please refer to the following Independent Assurance Statement for detail.

 [LRQA Independent Assurance State](#)

Approach and Policies

Group Policy (Environment)

Under the Group Policy, recognizing that the loss of biodiversity poses risks of harming the living and business environments of our stakeholders, we will contribute to CO₂ absorption and conservation of the natural environment through urban greening and forest development to restore forest cycles in Japan and provide habitats for diverse species. In addition, considering our participation in the 30by30 Alliance for Biodiversity, established by the Ministry of the Environment, we will work toward conserving at least 30% of our national lands and sea areas as natural environment zones by 2030.

Management

Management (Environment)

Targets and Results

Targets ---

Target 1.

In order to promote sustainable initiatives with due consideration of biodiversity, the Group specifies areas that require special attention and seeks to acquire biodiversity certifications.

Target 2.

The Group has set a target to promote the use of domestic/certified timbers to promote the appropriate use of resources and control pollution.

 [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Result 1. Number of Biodiversity Certifications Acquired (ABINC, JHEP, SEGES)

	FY2018	FY2019	FY2020	FY2021
Number of Certifications Acquired for Newly Developed Properties	2	0	2	3

Result 2. Promote the Use of Domestic/Certified Lumber

To reduce the risk of disrupting the ecological balance and impact on local communities due to illegal logging, the Group established the Nomura Real Estate Group Procurement Guidelines and requests its suppliers to use resources and timber sustainably.

Initiatives

Agreed to the Declaration of Biodiversity by Keidanren (Japan Business Federation)

In fiscal 2019, The group agreed to the Declaration with the Keidanren Biodiversity Declaration Initiatives. We are aware that initiatives for biodiversity are important management issues for the Group which is engaged in real estate and urban development. Therefore, we will promote these initiatives, taking into consideration the natural environment and ecosystems.

Joined the TNFD Forum

The Group supports the principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in July 2022. The TNFD is an international organization that was conceptualized at the 2019 World Economic Forum Annual Meeting (Davos) and established in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wildlife Fund (WWF), and the UK-based environmental NGO Global Canopy. Through its participation in the TNFD Forum, the Group will



continue to assess the impact of all its business activities on biodiversity and promote initiatives for conservation and restoration.

Participation in the 30by30 Alliance for Biodiversity

30by30 is a target for nations to conserve or protect at least 30% of their lands and sea areas by 2030 to halt the loss of and restore biodiversity (nature-positive).



In order to achieve the target, the Ministry of the Environment has established the 30by30 Alliance for Biodiversity to expand the protected areas in Japan (currently about 20% of the land and 13% of the sea) and to promote efforts to certify areas that have been conserved by the private sector and others as OECMs. Nomura Real Estate Holdings joined this alliance in July 2022.

Acquisition of Biodiversity Certification

The Group actively seeks to acquire biodiversity certification for new construction and owned buildings, such as ABINC certification (certification registered by the Association for Business Innovation in harmony with Nature and Community)^{*1}, JHEP (Japan Habitat Evaluation and Certification Program)^{*2}, and SEGES (Social and Environmental Green Evaluation System series)^{*3}, which assess and certify apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas. For PROUD Kokubunji, which was the Group's first ABINC certification acquired in the condominium version, we surveyed the green areas on the site and worked to preserve and restore them as the Musashino Forest in accordance with the ABINC certification standards.

For PROUD Tower Meguro MARC as well, we secured about 82% of its large site (approximately 2.0 hectares) as open areas and considered local vegetation in the planning and development of these areas.

We will continue to develop real estate projects in harmony with nature.

※1 ABINC (Association for Business Innovation in harmony with Nature and Community) certification: A program that assesses and certifies apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas in accordance with the Guidelines for Sustainable Business Sites prepared by the Japan Business Initiative for Biodiversity (JBIB)

※2 JHEP (Japan Habitat Evaluation and Certification Program): A program that quantitatively assesses and certifies efforts to contribute to the preservation and restoration of biodiversity operated by the Ecosystem Conservation Society Japan.

※3 SEGES (Social and Environmental Green Evaluation System series): A green certification program operated by the Organization for Landscape and Urban Green Infrastructure to comprehensively and objectively assess social and environmental functions created from the preservation of corporate green spaces and environmental communication.

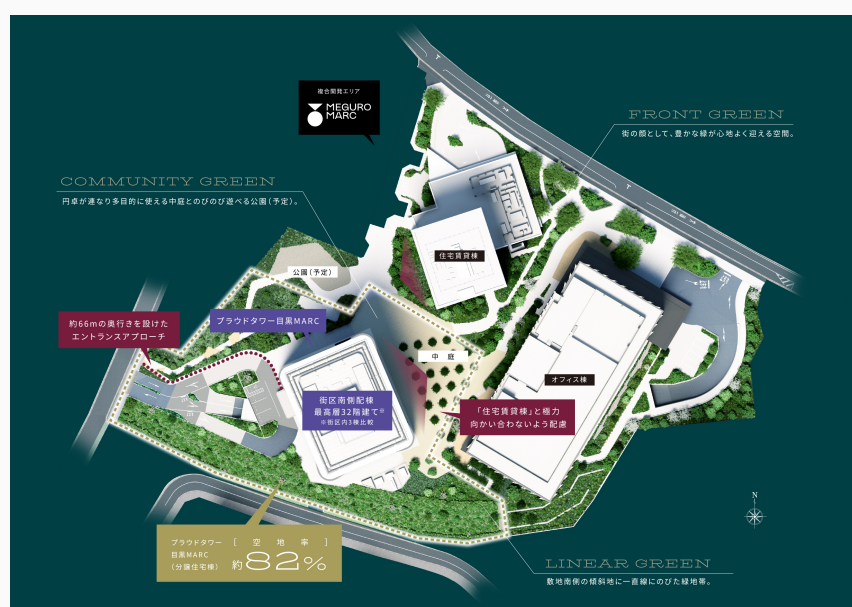
ABINC Certifications Acquired

Year of certification	Certified facilities/condominiums
FY2014	Yokohama Business Park (urban/SC version)
FY2015	PROUD Kokubunji (condominium version)
	Roka Koen The Residence ^{*1} (condominium version)
	PROUD City Musashino Mitaka (condominium version)
FY2017	PROUD City Kichijoji ^{*1} (condominium version)
	PROUD Tower Musashi Koganei Cross ^{*1} (condominium version)
	PROUD Season Inagi Minamiyama (detached housing complex version)
	Project for Noritake Shinmachi 3-chome, Nishi-ku, Nagoya City ^{*1} (condominium version)
FY2018	HARUMI FLAG ^{*1} (acquired ABINC ADVANCE certification ^{*2})
	The Gardens Ota Tamagawa ^{*1} (condominium version)
FY2020	PROUD Tower Meguro MARC (urban/SC version)
	Minamiyama Club House (detached housing complex version)
FY2021	PROUD City Musashino Mitaka (condominium version)
	PROUD City Kotake Mukaihara (condominium version)

※1 Application by multiple vendors

※2 ABINC ADVANCE certification: Certification for long-term projects covering a wide area

PROUD Tower Meguro MARC (urban/SC version)



Site plan of the entire premises of PROUD Tower Meguro MARC

Consideration for Biodiversity in Design, Construction, and Raw Materials Procurement

The Group has distributed its Procurement Guidelines to more than 4,600 suppliers to ensure biodiversity is taken into account in the design, construction, and raw material procurement processes throughout the supply chain. In fiscal 2020, we conducted monitoring interviews with ten major suppliers. In fiscal 2021, we identified our top 200 suppliers (around 80% of the total) as key suppliers and surveyed 89 of them (around 40% of the total). We provided feedback on the results to all companies that responded to the survey and engaged directly with ten companies.

Going forward, we will continue to encourage suppliers to consider biodiversity.

Nomura Real Estate Group CSR Procurement Guidelines (excerpts of related provisions)

- Endeavor to implement development and greening, taking into consideration the surrounding environment and biodiversity.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

 [The full text is available here.](#)

Green Areas and Tree Planting in Consideration of the Surrounding Environment

The Group implements building site plans and tree planting plans in its real estate development and urban development activities giving consideration not only to the comfort of customers and local residents, but also to the surrounding environment and ecosystems. In all development projects, the Group requires project managers to submit Environmental and Product Planning Sheets for residential development projects and Sustainability Assessment Sheets for commercial real estate development projects, which include consideration for biodiversity.

Examples of key assessment points on the Environmental and Product Planning Sheet

- Acquisition of biodiversity certification
- Ingenuity and consideration in tree selection (e.g., use of existing trees)
- Ingenuity and consideration in the landscape of the roadside and surrounding areas (e.g., continuity with roadside trees)
- Creating green roofs and walls

Promoting Forest Cycling in OKUTAMA TOWN

In August 2021, we entered into a comprehensive partnership agreement with OKUTAMA TOWN in Tokyo, where we operate. With this agreement, we will work toward preserving the biodiversity and rich natural environment of Tokyo's forests. Furthermore, we will manage these forests, currently consisting of 74.2% cedar and cypress (average stand age of 63 years) and 25.8% broad-leaved trees, by, for example, applying forest management methods that contribute to biodiversity with an emphasis on environmental conservation.

Project to Create Firefly Habitats in the Yokohama Business Park

The Group has been conducting an exhibit of Urban Design for Firefly Habitats, aimed at conservation of biodiversity, every year since 2008 at the Yokohama Business Park (YBP) (Yokohama City, Kanagawa Prefecture), an office building and commercial facility that it owns, in cooperation with Yokohama National University and tenant companies. (In fiscal 2020 and 2021, no exhibits were conducted to help contain the spread of the COVID-19 pandemic.) Firefly observation events for local residents and hands-on rice planting programs for local elementary school students are offered, and the business park has become a site for considering and learning about biodiversity and environmental problems together with local residents. Yokohama Business Park acquired certification for consideration of conserving biodiversity under ABINC certification program (urban/SC version) of the Association for Business Innovation in harmony with Nature and Community (ABINC).



A nature observation program for local children

Use of Domestic Lumber

Nomura Real Estate Holdings and Wing Co. Ltd. became the first private company to sign a triparty “Agreement on the Promotion of Timber Use in Buildings” with the Ministry of Agriculture, Forestry and Fisheries, on March 9, 2022. With this agreement, we aim to use a total of 10,000 m³ of domestic timber as building materials over the next five years. Through this, we will strive to develop a stable supply chain for domestic timber and promote cyclic use of domestic forest resources and, in turn, achieve both utilization and conservation of forest resources at the same time. We plan to use the timber that we procure as part of this as the building materials in our detached housing business.

In addition, we actively promote the use of domestic and certified timber. In our future construction projects, we plan to apply domestic lumber for the interiors of common areas in PROUD condominiums and introduce a wooden hybrid structure in our office building brand H¹O.

Domestic lumber not only allows us to provide a more comfortable living environment for our customers but also leads to the reduction of CO₂ emissions and prevention of natural disasters by preserving the recycling of forest resources.

📄 [News Release \(First private company to sign an agreement with the Ministry of Agriculture, Forestry and Fisheries to promote the use of wood in buildings\) \(Japanese only\)](#)

📄 [News Release \(Initiatives of the Residential Development Business\) \(Japanese only\)](#)

📄 [News Release \(Initiatives of the Commercial Real Estate Business\) \(Japanese only\)](#)



Asukayama Residence's common use building made of domestic lumber (rendered image)



H¹O Gaenmae (rendered image)

Promoting the Use of Wood Products in Hotel Businesses

As part of its environmental protection efforts, Nomura Real Estate Hotels is reviewing the amenities in its guestrooms and switching to biomass and wood-based products to reduce the amount of plastic used. Items to be updated included toothbrushes and hairbrushes made from rice husks, a biologically derived material, and toothbrushes and slippers made from natural bamboo. The switchover is scheduled to start in September 2022 in the four hotels operated by Nomura Real Estate Hotels: HOTEL NIWA TOKYO, NOHGA HOTEL UENO TOKYO, NOHGA HOTEL AKIHABARA TOKYO, and NOHGA HOTEL KIYOMIZU KYOTO.

 [News Release \(Initiatives in Hotel Businesses\) \(Japanese only\)](#)

Use of Certified Wood-derived Paper and Plant-based Inks in the Residential Development Business

As a general rule to further reduce environmental impact, the Nomura Real Estate Development's Residential Development Division only uses paper made from wood from properly managed forests for its brochures, guides, direct mail, drawings, and newspaper inserts. In addition, it uses vegetable oil inks for printing, which biodegrade more readily than traditional petroleum-based solvents used in the past. Consequently, printed materials with these types of paper and inks display the appropriate logo and statement. We will continue to use environmentally sound products and strive to reduce our environmental impact.

Circular Design

Approach and Policies

Group Policy (Environment)

Under the Group Policy and recognizing that the depletion of natural resources associated with urban development is a major social issue, we will contribute to realize a decarbonized society and circular economy by reducing waste discharge and by providing urban development and services that promote longer building lifespans, the reuse of materials, and the sharing of spaces.

Management

Management (Environment)

Targets and Results

Target ---

Target 1. The Group has set a target to reduce the amount of waste discharge to promote the appropriate use of resources and control pollution.

Target 2. The Group is working to reduce its water use.

Target 3. To carry out measures that will increase the lifespans and durability of buildings, the Group strives to provide products and services with long lifespans and high durability.

 Key performance indicators (KPIs) for priority issues (materiality) up to 2030

Result 1. Waste Discharge (Nomura Real Estate Group)

	FY2018	FY2019	FY2020	FY2021
Waste discharge (tonnes per year)	6,832	6,594	5,112	7,213
Discharge intensity (kg/m ² per year)	4.867	5.159	3.047	3.504

※ Data covers 125 facilities (1,403,672 m²) for FY2018, 121 facilities (1,278,147 m²) for FY2019, 106 facilities (1,677,683 m²) for FY2020, and 119 facilities (1,527,759 m²) for FY2021.

Result 2. Volume of Water Intake, Discharge and Use (m³ per year)

		FY2018	FY2019	FY2020	FY2021
Water intake		2,062,756	2,287,731	1,698,073	1,920,973
	Surface water	1,784,612	2,017,367	1,395,108	1,555,279
	Recycled water	101,750	103,768	161,533	202,625
	Ground water	176,393	166,596	141,432	163,069
Water use intensity (m ³ /m ² per year)		1.03	1.12	0.81	0.93
Water discharge (sewage water)		1,938,782	2,179,558	1,398,456	1,600,913
Water use		123,974	108,173	299,617	320,060

※ Scopes cover 190 facilities (2,010,041 m²) for FY2018, 183 facilities (2,033,422 m²) for FY2019, 191 facilities (2,079,952 m²) for FY2020, and 181 facilities (2,058,781 m²) for FY2021. Water intake in FY2021 increased by 13.13% from the previous fiscal year.

Result 3. Provide Products and Services with Long Lifespans and High Durability

	FY2018	FY2019	FY2020	FY2021
Number of completed properties that offer the re:Premium service	5	17	9	13
Number of properties that adopted the Attractive30 service	11 (1,384)	23 (3,211)	23 (2,390)	28 (2,936)

※ Numbers in parentheses indicate the number of units sold.

Initiatives

Reduction and Appropriate Management of Waste Discharge

The Group plans to reduce waste discharge and increase the recycling rate throughout the life cycles of products and services.

Attractive 30 Service, re:Premium Service

The Group is working to lengthen the cycle of large-scale repairs in condominium projects.

📄 [Measures to Lengthen Large-Scale Repair Cycles](#)

Restoring Condominiums

The Group is working to restore old condominiums into homes with new value. We expanded PROUD Uehara Forest, which was established more than 30 years ago, by utilizing its excess floor space with the latest technologies while improving its livability. As a result, it was certified in 2019 as excellent long-term housing for the first time as an old condominium built by a private developer. It was also certified as having a service life of 65 years by a third-party evaluation agency.

📄 [News Release \(Japanese only\)](#)

Reduction and Reuse of Waste

The NOHGA Hotel, operated by the Group, is working to reduce and reuse waste through such efforts as reducing the use of plastics by eliminating single-use toiletries and using biodegradable bamboo straws derived from plant fibers. It is also using name plates and handkerchiefs made from reused scraps of leather and Japanese clothing.

📄 [NOHGA HOTEL ENVIRONMENTAL MANAGEMENT](#)



Eliminating single-use toiletries



Name plate made from reused leather scraps

Effective Utilization of Water Resources

The Group intends to reduce water consumption throughout the life cycles of products and services.

Introduction of Water-saving Devices Upon New Construction and When Performing Renovations

Water and hot water saving devices have been made standard equipment when developing housing, office buildings, retail facilities, logistics facilities, and other structures in accordance with its design and construction standards and quality manuals. In addition, fixtures are systematically replaced with water-saving devices when performing renovations.

📄 [Details of design and construction standards and quality manuals can be found here.](#)

Water Risk Assessment

The Group conducts water risk assessments on its properties using the Aqueduct, a tool designed for that purpose. As a result, all properties built by the Group in fiscal 2021 were found to be located in “Low” or “Low-medium” water risk areas and outside of “Medium-high” and higher water risk areas. Therefore, no water was taken from areas designated as “High” or “Extremely-high” by the properties built in fiscal 2021. We will continue to periodically monitor the water risk.

Collaborating with External Partners to Reduce Water Use

The Group is a formal member of the Environmental Committee in the Real Estate Companies Association of Japan. In 2013, this committee formulated the Real Estate Industry Environmental Action Plan, which includes specific initiatives such as introducing highly effective water-saving fixtures and automatic faucets and flushing systems. It is aiming for the entire industry to work together in an effort to reduce water usage.

Initiatives for Longer Life and Increased Durability

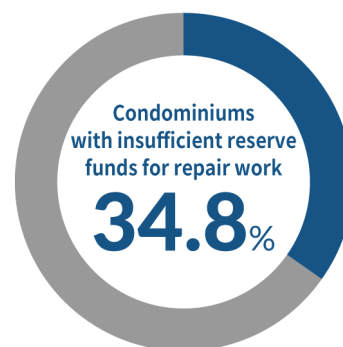
The Group Intends to extend the lifespans of its buildings by using highly durable materials with long lifespans and implementing appropriate management and repair plans.

Measures to Lengthen Cycles for Large-Scale Repair Work

In order to reduce the economic and psychological burdens on condominium residents and management associations and to reliably carry out large-scale repair plans, the Group offers products and services intended to lengthen large-scale repair work cycles.

Measures at Completed Condominiums

Due to the aging of the population and the increase in vacant dwelling units, about 35% of condominiums are unable to accumulate sufficient reserves for repairs as scheduled (source: data by Ministry of Land, Infrastructure, Transport and Tourism). The re:Premium repair and maintenance service offered by the Group is designed to extend the cycle for large-scale repair work for PROUD condominiums that have already been completed. The service can extend the typical 12-year cycle for large-scale repair work to 16 to 18 years and result in ultra-long-term improvement plans of up to 60 years after the completion of construction. It extends the lifespans of buildings and reduces demolition waste. It also reduces the psychological and economic burdens on customers by substantially cutting lifecycle costs. For these reasons, the Group is striving to expand the scope of properties that adopt the re:Premium service.



Source: Ministry of Land, Infrastructure and Transport, 2018 Condominium general survey result report

In fiscal 2020, drainage pipe repair work in the common use areas for replacing older pipes made of different materials with plastic pipes all at once to improve performance and reduce lifecycle costs for the Coop Nomura Higashi Rokugo, which is under Group management, was certified as a model project for extending the life of condominium stock with the support of the Ministry of Land, Infrastructure, Transport and Tourism.

[News Release\(Japanese only\)](#)

Measures at Newly-Constructed Condominiums

In fiscal 2018, the Group launched the Attractive30 service, which seeks to increase the lifespans and durability of newly-constructed condominiums. Under this initiative, the Group will promote the adoption of highly durable materials and construction techniques and the introduction of the re:Premium service to realize an extension of the cycle for large-scale repair work.

[News Release\(Japanese only\)](#)

Collaboration with Suppliers

The Group is aiming for the appropriate management of resource use in the entire supply chain. Accordingly, the Group established the Nomura Real Estate Group Procurement Guidelines and is working with all of its suppliers to reduce its environmental load.

Nomura Real Estate Group Procurement Guidelines (excerpts of related provisions)

- Endeavor to appropriately manage hazardous chemicals and reduce the amounts used.
- Endeavor to reduce and appropriately manage waste.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

 [The full text is available here.](#)

Addressing Environmental Pollutants

Approach and Policies

Group Policy (Environment)

Under the Group Policy, the Group will work to reduce environmental pollution by complying with environmental laws and regulations, conducting supplier management, and obtaining environmental certifications.

Management

Management (Environment)

Initiatives

Response to Soil Contamination/Water Pollution

When acquiring land, the Group investigates the history of land use of the site and, if soil contamination is suspected, hires specialists to conduct soil surveys. If soil contamination is detected, we take appropriate measures including removal and containment of the contaminated soil in accordance with the Soil Contamination Countermeasures Act and other relevant laws and regulations. Similarly, we take appropriate measures if a problem with water pollution is detected.

The Group takes appropriate action to prevent environmental impact and detrimental health effects caused by soil contamination and chemical substances.

Proper Management and Reduced Usage of Chemicals

When developing residences, office buildings, commercial facilities, and so on, the Group uses construction materials with four-star ratings (highest rating) for formaldehyde emissions in accordance with its Design and Construction Standards and Quality Manuals.

In addition, we require that construction companies submit quality control check sheets and measure the five substances designated as specified measurement substances under the Housing Quality Assurance Promotion Act (formaldehyde, toluene, xylene, ethylbenzene, and styrene) when construction is completed.

Appropriate Asbestos Measures and Ongoing Monitoring

The Group handles asbestos found during demolition work with the utmost caution and care by cordoning off affected areas and ensuring regular third-party testing of concentration and emissions. We also conduct continuous monitoring to ensure that no problems exist.



Sustainability activities(ESG) **Society**

As a corporate group that connects people, towns and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected, and will respect people' s dignity and basic human rights throughout our business activities to strengthen our Foundation for Sustainability Promotion and pursue co-creation initiatives that transcend organizations and business models.

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Group Policy

As a corporate group that connects people, towns and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected, and will respect people's dignity and basic human rights throughout our business activities to strengthen our Foundation for Sustainability Promotion and pursue co-creation initiatives that transcend organizations and business models.



Management

The Sustainability Committee, which consists of Nomura Real Estate Holdings and Group company directors and other members, is chaired by the Nomura Real Estate Holdings president and Group CEO. It deliberates and decides policies and action plans focused on sustainability, including priority issues (materiality), and reports to the Board of Directors. It also monitors progress with regard to its targets. In addition, two subordinate organizations have been established under the committee to strengthen the foundations for co-creation. One is the Human Rights Subcommittee, led by the officer in charge of Internal audit and Compliance as supervisor and the officer in charge of Group Diversity and Inclusion Management as deputy supervisor, and the other is the Wellness and D&I Management Committee, chaired by the Nomura Real Estate Holdings president and Group CEO.

Human Rights Subcommittee

Consists of members from the Group Human Resource Department, Group Human Resources Development Department, Group Legal & Compliance Department, and Sustainability Management Department and meets as needed. In fiscal 2021, the committee met eight times, and it has continued to discuss major topics such as the formulation of a human rights policy and surveys for human rights due diligence.

Wellness and D&I Management Committee

Consists of Nomura Real Estate Holdings and Group company presidents and others, and meets twice a year (previously called the Group Wellness Promotion Meeting). The committee discusses mid-to long-term goals and measures related to promoting occupational health and safety, wellness, work style reforms, the empowerment of women, and utilization and active participation of the Group's diverse human resources to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness, and to enhance efforts for formulating human resource development policies and promoting internal environment development to ensure diversity. The content of the discussions are periodically reported to the Board of Directors.

Diversity & Inclusion

Approach and Policies
Management
Targets and Results
Initiatives

Human Rights

Approach and Policies
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Initiatives

Creation of Comfortable Workplaces

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Contributions to Local Communities and Society

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Approach and Policies

Group Policy (Society)

Under the Group Policy, with an awareness that all of us are diverse in various characteristics, such as race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, and life stage, and that any one of us may belong to a minority in certain characteristics at the same time as belonging to the majority in other characteristics, the Group shall resolve the issues that arise from these characteristics and create substantially equitable opportunities that focus on the individual differences of each employee. To meet the diversified needs of society through its business activities, the Nomura Real Estate Group shall work on the promotion of inclusive design in which people with various characteristics inside and outside the Group participate in product/service development processes and contribute their diverse perspectives, thereby creating yet unseen value.

To realize a “society where people support and connect with one another and where no one will be left behind” and an “innovative society where all people with various backgrounds and values can build on their strengths,” which we uphold in our Sustainability Policy, we formulated the Nomura Real Estate Group Diversity and Inclusion Policy, which outlines our principles in promoting diversity and inclusion.

 [Nomura Real Estate Group Diversity and Inclusion Policy](#)

Roadmap

Guided by the roadmap for promoting diversity and inclusion, we shall designate raising diversity and inclusion awareness, routinely incorporating diversity and inclusion into business activities, and developing a culture of innovation as important themes for achieving our vision, and promote them with the aim of swiftly accomplishing them through Steps I, II, and III. Particularly with regard to Step I, we will implement concrete measures and designate the achievement of annual paid leave acquisition targets and the utilization of childcare leave by both men and women at a rate of 100% as key goals. We aim to link the achievement of these goals to the efficient development of the workplace environment and a change in awareness at the managerial level.

 [Targets on annual paid leave acquisition](#)

Step I (2 years of FY2022 and FY2023)

[Raise diversity and inclusion awareness]

Foster a corporate culture where employees respect one another's differences and feel accepted themselves

Step II (2 years of FY2024 and FY2025)

[Routinely incorporate diversity and inclusion into business activities]

Diverse organizations and people work together and continue challenges themselves

Step III (5 years of FY2026 to FY2030)

[Develop a culture of innovation]

Create new value

Foundation: Flexible ways of working, wellness of mind and body, psychological sense of safety

Specific measures (excerpt)

- Diversity and inclusion training for all Group employees
- An awareness survey targeting Group employees
- Measures to encourage men to take childcare leave
- A framework for inclusive design initiatives

Key goals for Step I

- ① Achieve annual paid leave acquisition targets
- ② Achieve 100% childcare leave utilization rate by men and women

Step I Measures for Promoting Diversity and Inclusion: Outline and Key Goals

Domain	Strategy
Personal success regardless of circumstances [all officers and employees]	Develop the foundation for D&I (conduct training aimed at promoting human rights and D&I)
	Foster wellness of mind and body and a psychological sense of safety
	Promote flexible ways of working (with a particular focus on promoting activities for raising awareness and accomplishing the annual paid leave acquisition target of 100%)
	Construct a framework for inclusive design initiatives
	Monitor the status of promoting wellness and D&I
Personal success regardless of gender, sexual orientation, and gender identity [gender inclusion]	Promote the achievement of the 20% target for the female manager and junior manager ratio
	Promote the achievement of the 100% target for the childcare leave utilization rate by men (actively implement various measures related to systems, development of rules, activities for raising awareness of systems, and promoting acquisition of childcare leave)
	Implement measures for empowering LGBT people
Personal success regardless of disability	Promote the employment of persons with disabilities, achieve the 2.4% target for the rate of employment of persons with disabilities
Personal success regardless of age	Promote the empowerment of young, mid-career, and senior employees
Personal success regardless of cultural background	Promote the empowerment of mid-career hires and foreign nationals in the workforce

Key goals for Step I

1

Achieve the annual paid leave acquisition targets

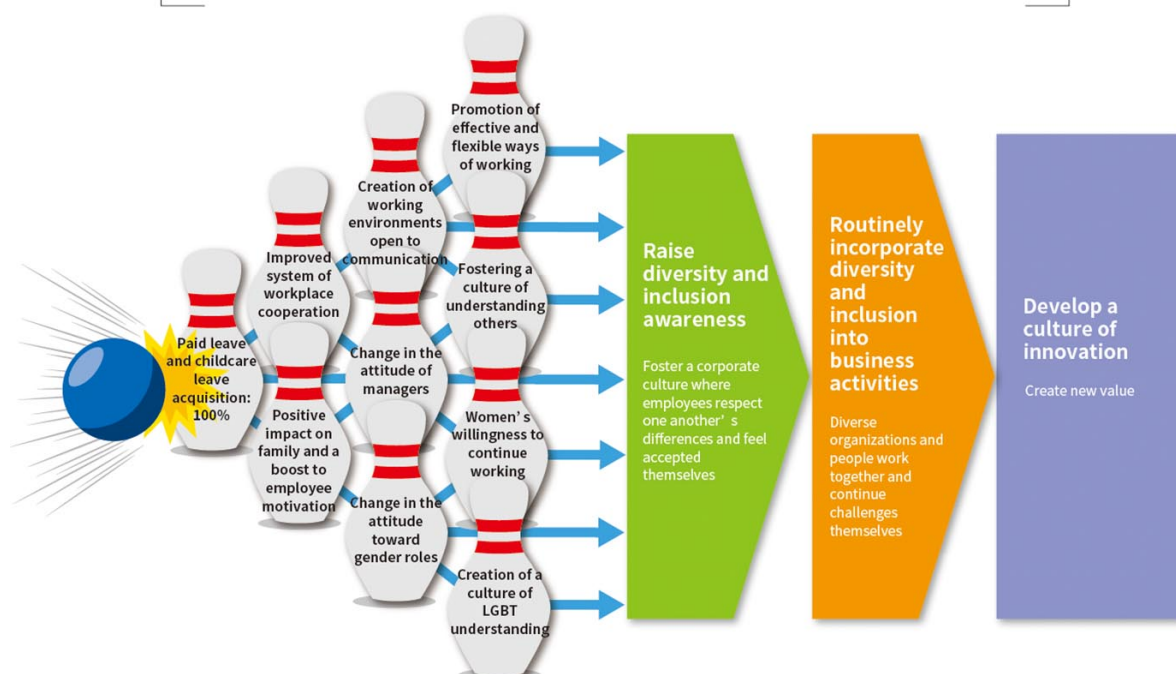
2

Achieve the 100% childcare leave utilization rate by men and women

Materiality targets for 2030

- ① Female manager and junior manager ratio: 20%
- ② Childcare leave utilization rate by men and women: 100%
- ③ Percentage of participation in human rights and D&I training: 100%
- ④ Provision of products and services with inclusive design
- ⑤ Percentage of implementation of one-on-one meetings: 100%

Image of Ripple Effects from Achieving the Key Goals for Step I



Management

Management (Society)



Wellness and D&I Management Committee

Comprises Nomura Real Estate Holdings, Group company presidents, and others and meets twice a year (formerly the Group Wellness Promotion Meeting). The committee discusses mid- to long-term goals and various measures related to promoting wellness, work style reforms, the empowerment of women, and the utilization and active participation of the Group's diverse human resources in order to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness.

Targets and Results

Targets

The Group has set the following targets to promote diversity and inclusion as one of the priority issues that should be addressed by 2030 in order to realize the Sustainability Policy for 2050.

Target 1

Target 1-1. Hire and Utilize Diverse Human Resources.....**Female manager and junior manager ratio: 20%, Employment of persons with disabilities ratio: 2.4%**

Target 1-2. Promote Diverse Work Styles.....**Childcare leave utilization ratio: 100% Including the Group's own holiday system**

※ The above quantitative targets were set to be achieved by FY2030.

Target 2

The Group has set the following targets to support well-being as the foundation for addressing the aging population and diversity and for promoting diversity and inclusion.

Target 2-1. Promote Barrier Free/Universal Design

Target 2-2. Promote Health Support Services

Target 3

Foster a corporate culture that respects differences and allows all employees to feel accepted. Percentage of implementation of one-on-one meetings: 100%

📄 Key performance indicators (KPIs) for priority issues (materiality) up to 2030

Results

Result 1-1. Hire and Utilize Diverse Human Resources (Promote the Empowerment of Women)

Items	FY2018	FY2019	FY2020	FY2021
Female employee ratio (%)	30.76	30.61	31.84	32.46
Manager and junior manager ratio* ¹ (%)	10.05	10.33	11.19	11.68
Ratio of female new graduates hired* ² (%)	36.82	44.77	41.97	39.77

※1 Manager and junior manager ratio: Female manager and junior manager ÷ all managers and junior managers.

※2 Figures indicate the number of employees hired during each fiscal year (employees who have joined the Company by April of the following calendar year).

Result 1-2. Hire and Utilize Diverse Human Resources (Number of Foreign Employees, Rate of Employment of Persons with Disabilities)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Foreign Employees* ¹	14	16	114	140	303
Rate of employment of persons with disabilities (%) * ²	1.90	1.96	2.02	2.05	2.33

※1 Number of foreign employees does not include the number of foreign technical intern trainees employed.

※2 Rates in Group companies subject to the Employment Rate System for Persons with Disabilities as of June 1 of the following fiscal year.

📄 For more details, see the ESG data (Society).

Result 1-3. Promote Diverse Work Styles

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Childcare leave takers (men)	148 (3)	178 (6)	253 (10)	289 (28)	320 (35)
Rate of reinstatement after childcare leave (men) (%)	92.59	91.46	92.08	96.23 (100)	92.91 (100)
Nursing care leave takers	4	4	7	6	5
Rate of childcare leave takers (men) (%)	-	-	-	-	96.23 (15.89)

※ Rate of male childcare leave takers, including those of the Group's own paternity leave programs for male employees, was 54.21%.

Result 2-1. Promote Barrier Free/Universal Design

The Group has been conducting real estate development 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 the Design and Construction Standards and Quality Manuals.

Under the leadership of the Human Rights Subcommittee, we are currently considering KPIs for inclusive design, a design process involving people with diverse backgrounds, values, and challenges.

Result 2-2. Promote Health Support Services

	FY2018	FY2019	FY2020	FY2021
Development results of Health Promoting Senior Rental Housing (units)*	125	125	382	502

※ Cumulative total based on the opening dates

	FY2018	FY2019	FY2020	FY2021
Number of CASBEE Wellness Office Assessment Certifications acquired	-	4	3	3

🔗 [For more details, see the ESG data \(Society\).](#)

Result 3. Percentage of implementation of one-on-one meetings

We believe it is important to conduct one-on-one meetings to create a basis for psychological safety toward realizing the Nomura Real Estate Group 2030 Vision, and we strive for 100% implementation of these meetings throughout the Group.

(Percentage of implementation of one-on-one meetings as of March 2021: 84.0%)

Initiatives

Initiatives for Empowering All Employees

Promoting One-on-One Meetings and Creating Psychological Safety

The Group believes that achieving employee growth and wellness depends upon ensuring psychological safety for employees as they go about their daily operations, and it has therefore been holding one-on-one meetings Company-wide since October 2020. We distribute our own handbook to all employees and provide all managers with guidance for conducting effective one-on-one meetings. In addition, in August 2022 we conducted e-learning sessions on the one-on-one meetings for the entire Group.

The Legal and Compliance Department organizes training for compliance promoters, in which Group officers, general managers, and compliance promoters participate to learn about psychological safety and the role of leaders. Each year, we also conduct a questionnaire on the implementation of the one-on-one meetings throughout the Group to confirm progress.

Trial Implementation of the Nomura Real Estate Group Sustainability, Wellness, Diversity and Inclusion Survey (Your voice creates NEW VALUE, REAL VALUE)

The purpose of the survey is to share with management the good points and issues about the Company and workplace that Nomura Real Estate Group employees notice in their daily work, and to make use of this feedback in creating better workplaces. Until now, the survey has been implemented separately by each Group company, and we decided to conduct a trial in August 2022 for implementing a common

Group-wide survey. We will visualize the indicators for employee satisfaction and willingness to make voluntary contributions across the Group to further stimulate group synergies, including consideration of actions for addressing common issues.

[Employee Satisfaction Survey](#)

Implementation of Unconscious Bias Training in the Group's Newly Appointed Managerial Employee Training

Every year, we conduct training on unconscious bias as part of the rank-specific training programs for newly appointed managers of the Nomura Real Estate Group.

[Action Plan for Empowering Women](#)

Following the full enforcement of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (hereinafter Promotion of Women Act) on April 1, 2016, every Group company has formulated an action plan and is pursuing related initiatives for promoting women. We analyze issues related to recruitment, continued employment, and promotion, and take action to address these issues.

Female Manager Ratio and Female Manager and Junior Manager Ratio

The ratio of female managers and the ratio of female managers and junior managers are monitored by the Wellness and D&I Management Committee, which meets twice a year with the objective of achieving the target of 20% for female management positions by 2030. The rate was 11.68% as of the end of March 2021. In terms of recruitment, we hold events for female students in which female employees of Nomura Real Estate speak on the theme of workstyles and careers. We are striving to raise the ratio of female managers and ratio of female managers and junior managers to expand the opportunities for women to play more active roles and to create an organization that incorporates diverse perspectives.

Health Seminar for Female Employees

The Group conducts a seminar for newly promoted managerial employees to develop a work environment that takes into consideration health issues specific to women and promotes appropriate management. In fiscal 2021, the seminar was held online with the participation of 156 people. In addition, the Group holds a health seminar for female employees to help them gain knowledge about their health so they can appropriately deal with issues that may arise. The seminar was attended by about 780 people in fiscal 2021 and 266 in fiscal 2022.



Seminar pamphlet

Support for Childcare and Nursing Care



Seminar for Female Employees

In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, which is intended to support the sound upbringing of children as the next generation leaders of society, the Group has established various systems, including childcare leave, to help employees balance work with childbirth, childcare, and nursing care.

Based on the above act, PRIME X Co., Ltd. has been certified as a childcare support company and has obtained the “Kurumin” Next Generation Certification Mark. The Group also provides information on its programs through the intranet and other means to establish a workplace environment that facilitates the use of the programs. Among the 118 employees who returned to work after childcare leave in fiscal 2021, the rate of male to female employees was 26.2% to 73.7%.

Main Programs that Support Childcare and Nursing Care

Programs	Details
Childcare leave	Regardless of gender, employees can take leave for childcare <u>until their child turns three years old</u> (also available to those with less than one year's service).
Reduced working hours for childcare	Regardless of gender, employees can work a reduced number of hours until their child is in the third grade of elementary school.
Nursing care leave	Employees can take a leave in installments of up to a total of three years to care for a family member requiring nursing care.
Reduced working hours for nursing care	Employees can work reduced hours for up to three years to care for a family member who requires nursing care.
Holiday childcare support*¹	Assistance for covering childcare costs on weekends and holidays is available for employees who need to work on weekends and holidays.
<u>Paternity leave programs for male employees</u>*²	Male employees can use their annual paid leave to take a five-day leave of up to six months after the birth of their child.

Maternity bonus^{*2}

A maternity bonus is paid from the Welfare Mutual Aid Association.

Underlined text: Statutory programs

※1 Applicable to Nomura Real Estate Development and some other Group companies

※2 Applicable to Nomura Real Estate Development only

Empowerment of LGBT

As part of our initiatives for empowering LGBT, we held a panel discussion in December 2020, entitled “LGBT in the Workplace” for all Group executives and general managers of Nomura Real Estate Development.

We also publish a regular bi-monthly LGBT column on the intranet to educate employees. We conducted an awareness survey of Nomura Real Estate Group employees (from August 1 to August 22, 2022) to monitor the numerical data so we can understand the extent to whether LGBT feel they can work with vigor and be themselves in the workplace, and we will continue to improve our workplace environment so they can be who they are and feel safe at work.

In addition, Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management were awarded Silver rating and Nomura Real Estate Solutions and Nomura Real Estate Partners were awarded Bronze rating in the PRIDE Index 2022, which certifies companies and organizations for their efforts related to LGBT and other sexual minorities.

※ The PRIDE Index was established in 2016 by work with Pride, a voluntary organization that supports the promotion and establishment of LGBT-related diversity management, as a system for recognizing the efforts of companies and organizations related to LGBT and other sexual minorities.

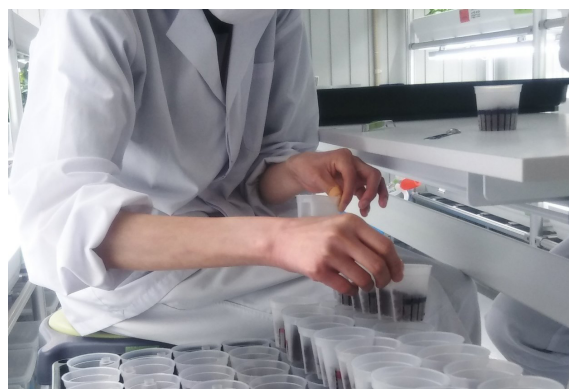


Empowering People with Disabilities

The Group has been cooperating with a company that supports the employment of people with disabilities to provide opportunities to work. As of June 1, 2022, the employment rate of people with disabilities was 2.33% (the Group's target is 2.4%, which is higher than the legally mandated rate). Since fiscal 2020, Nomura Real Estate has bolstered its efforts to actively hire people with disabilities by providing opportunities to work at an indoor farm facility.



Working at an indoor farm facility



Working at an indoor farm facility

Empowering Senior Employees

To provide opportunities for senior employees to continue applying their wealth of experience and skills as a driving force of business growth, the Group provides employment extensions based on the reemployment program for those who have reached retirement age and wish to continue working. It ensures employment opportunities up to the age of 65 at the employee's request. Moreover, some Group companies have established employment programs in which employees can work even after the age of 65 at the employees' request, supporting work styles that meet the needs of seniors.

Empowering Global Human Resources

When hiring, the Group ensures that no disadvantages are associated with personal background or beliefs, including race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, or life stage. We also accommodate employees' religious practices and conduct within a certain framework. In addition, we hire and support human resources who can effectively engage at a global level regardless of race, ethnicity, nationality, or religion so that human resources with diverse values can demonstrate their individual abilities to the fullest and spark new value. We are actively hiring local human resources especially in China, Hong Kong, Thailand, Singapore,

and Vietnam, where Group companies are located, to strengthen our overseas strategies so that we can quickly and accurately identify and reflect the different needs of each country and region in our business operations.

Representative Major Efforts to Secure Global Human Resources

Target	Main approach
Hiring global human resources	<ul style="list-style-type: none"> •Hiring local human resources at overseas subsidiaries •Participating in recruitment events for international students •Holding job fairs and screenings for international students from overseas universities

Initiatives to Promote Barrier Free/Universal Design

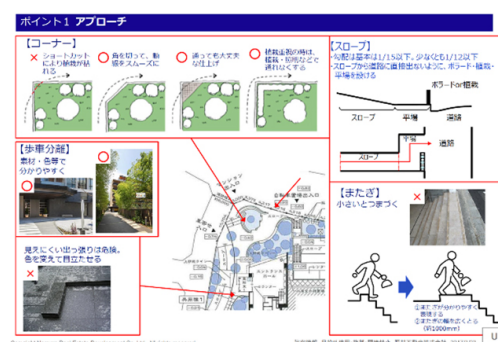
In addition to complying with laws and regulations such as the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc., the Group established barrier free and universal design standards to supplement its Design and Construction Standards and Quality Manuals and complies with these standards at all of its developed properties. The Group has been promoting universal design with the aim of providing products and services that can easily be used by a wide range of individuals irrespective of disabilities or differences in age, body, and language.

Looking ahead, we will further advance our initiatives by involving people with diverse backgrounds, values, and challenges in the design process to provide products and services featuring inclusive designs.

Compliance with Design and Construction Standards and Quality Manuals

Seven Principles of Universal Design

- Equity: Facilities are equally usable by everyone
- Diversity: Facilities can be used in a variety of ways
- Simplicity: Methods of use are easy to understand
- Perceptible information: Information is easily conveyed
- Safety: Facilities do not pose any risks
- Efficiency: Facilities can be easily used with low physical effort
- Operability: Facilities are easy to operate



Examples of Universal Design

Encouraging Use of Barrier Free and Quality of Life Guidebook

Nomura Real Estate Group and the Sonoda Lab of Meiji University Graduate School created the Barrier Free and Quality of Life Guidebook under an industry-academia joint research project. The Guidebook is used in condominium design.

Barrier Free and Quality of Life Guidebook (Japanese only)

Distribution of Resident Manuals for Foreign Residents

The Group distributed English, Chinese, and Korean versions of a Resident Manual for foreign residents to explain rules and etiquette when living in a condominium.



Chinese edition

Korean edition

Initiatives to Promote Health Support Services

The Group is responding to the aging population and increase demand for health care services and contributing to the support of good health and increases in healthy lifespans of stakeholders by operating fitness businesses that promote maintenance and improvement of physical function and by developing health promoting senior rental housing with support services.

Development of OUKAS health promoting senior rental housing with the Aim of Extending Healthy Lifespans

The Group is undertaking development of OUKAS health promoting senior rental housing with support services to promote extension of the healthy lifespan of seniors and reduce social security costs. The OUKAS health promoting senior rental housing is characterized by its (1) location with convenient access to transportation, (2) its building that makes residents feel proud to live in and various common spaces and residential units that enrich residents' daily lives, and (3) the OUKAS Wellness Program^{*1}, which offers services intended to help residents maintain and improve both physical and mental health. OUKAS health promoting senior rental housing helps residents and their family members enjoy daily life with a sense of security and safety while incorporating these mechanisms that enable them to maintain their physical and mental health every day. As of April 2022, four buildings with 502 units have already opened and two more buildings with 331 units are scheduled to open.

Features of OUKAS Wellness Program

- ① Exercise: A unique exercise program jointly developed with Nomura Real Estate Life & Sports that operate the Megalos sports clubs
- ② Diet: Well-balanced, delicious meals prepared by nutritionists
- ③ Community: About 50 community events*² per month for residents
- ④ Medical and welfare: Support from staff with experience in medical and nursing care

※1 Won a Good Design Award 2019

※2 2018–2019 results



OUKAS Wellness Program
(won a Good Design Award 2019)

Promoting Increases in Healthy Lifespan through the Fitness Business

At Megalos sports clubs, the Group is implementing the following initiatives to promote longer, healthier lives for senior citizens.

Initiative	Details
REBORNS FUN	A new program developed under the theme of “We want people to regain their healthy, functional and physical youthfulness, and based on that, to improve their basic physical fitness for new challenges, and enjoy life.” The program sets six themes on a month-by-month basis: joint pain prevention, metabolic syndrome, immunity, prevention of falls, prevention of lifestyle-related diseases, and posture, and it is comprised of various exercises suited to each theme.
REBORNS SCHOOL	A school for seniors based on the concept of “Building a healthy body and making friends to enjoy life and sports with vigor for a lifetime” aimed at maintaining a healthy and vigorous body that leads to preventing frailty*, and the seniors enjoy exercise with the same friends and coach every week. ※ The decline in physical, mental, and social functioning associated with aging.
Healthy personal muscle training for adults aged 65 and over	A personalized training program for seniors designed under the supervision of Professor Tsuneji Kanaoka of Waseda University, Faculty of Sport Sciences, which was the first attempt for a general sports club.

Collaboration with the Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology

Entered into an academic agreement with the Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology to realize a society in which seniors can extend their healthy life expectancy through exercise and feel a sense of purpose in life. Services to prevent secondary health problems will be developed by conducting and analyzing the results of a health survey on physical and mental functions and vitality status during the COVID-19 pandemic. Going forward, efforts will continue for developing new service models for seniors, including exercise programs for seniors and app-linked health management systems.



REBORNS FUN (Japanese only)



Healthy Personal (Japanese only)

Comprehensive Collaboration Agreement Entered into with a Local Government with Regard to Health Promotion

In October 2019, Nomura Real Estate Life & Sports entered into a collaboration agreement regarding fitness projects with Tachikawa City, Tokyo. We will work closely with the city as a partner to implement projects aimed at health promotion and prevention of lifestyle-related diseases among adults. Specifically, we will collaborate with 12 residents' associations within the city to hold a variety of events such as health seminars and physical fitness measuring events to support the fitness projects within the community. We will also implement initiatives such as physical fitness measuring events at retail premises in collaboration with the community.

Acquisition of CASBEE Wellness Office Assessment Certification

To contribute to the maintenance of stakeholder health and comfort, the Group has adopted the policy of acquiring CASBEE Wellness Office Assessment Certification for all newly developed office buildings. This certification program was first established in 2019 to evaluate specifications and performance of buildings, initiatives that support maintenance and improvement of the health and well-being of building users as well as factors contributing to improvement of intellectual productivity and performance regarding safety and security. As of the end of March 2022, ten properties have acquired certification.

Approach and Policies

Group Policy (Society)

Under its Group Policy, the Nomura Real Estate Group has stipulated “Respect for human rights of officers and employees” in Article 20* of its Group Code of Action, and it respects the dignity and fundamental human rights of everyone associated with its operations, including employees. In doing so, the Group supports and complies with the following international norms on human rights and strives to conduct business in full compliance with human rights laws and regulations in each country in which it operates. In accordance with the Nomura Real Estate Group Human Rights Policy, the president and Group CEO of Nomura Real Estate Holdings takes responsibility with regard to respecting human rights as we strive to identify, prevent, and mitigate any human rights violations related to any of our business activities. At the same time, we seek from all stakeholders cooperation with our Human Rights Policy and reinforce our efforts to promote dialogue.

※ The Nomura Real Estate Group Code of Conduct provides in Article 20 that the Group shall respect the fundamental human rights of officers and employees and shall not engage in discrimination or harassment on the basis of race, ethnicity, age, religion, creed, sex, nationality, social status, disability, pregnancy, childbirth, childcare leave, family care leave, sexual preference, gender identity, etc.

International norms that the Group supports and respects

International Bill of Human Rights (United Nations)

Common standards to be achieved for all people including the right to life, freedom of speech and expression, right to work, right to education, and right to live a civilized life.

Declaration on Fundamental Principles and Rights at Work (International Labor Organization (ILO))

Fundamental rights in labor (the freedom of association, the right to collective bargaining, prohibition of compulsory labor, effective elimination of child labor, and elimination of discrimination in employment and occupation)

Guiding Principles on Business and Human Rights (United Nations)

A global standard applicable to all countries and businesses, consisting of three pillars: state duty to protect human rights, corporate responsibility to respect human rights, and a remedy for victims of business-related abuses.

Children's Rights and Business Principles (UNICEF, UN Global Compact, and Save the Children)

Guidelines on actions that should be taken by companies to protect children's rights.

 [Nomura Real Estate Group Human Rights Policy](#)

Management

Management (Society)

As a subordinate organization of the Sustainability Committee, we established the Human Rights Subcommittee, led by the officer in charge of the Group Internal Audit Department and the Group Legal and Compliance Department as supervisor, and the officer in charge of Group Diversity and Inclusion Management as deputy supervisor. The subcommittee consists of members from the Group Human Resource Department, Group Human Resources Development Department, Group Legal and Compliance Department, and other departments and meets as needed to promote human rights initiatives for the entire Group. Eight meetings were held in fiscal 2021 to formulate the Human Rights Policy, conduct surveys for implementing human rights due diligence, and determine priority areas based on the survey results.

Targets and Results

Targets

The Group has set the following two targets in order to disseminate its thinking on respect for human rights.

Target 1 Percentage of participation in human rights training by Group officers and employees
100%

Target 2 Monitoring and education of stakeholders on human rights issues

 [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Result 1. Participation in human rights training by Group officers and employees

Results for fiscal 2021 are shown in following the chart.

Training Conducted

Training type	Target participants	Participation rate* (%)	Human rights themes covered
Group-wide training			
Group training for new employees	New employees	100% (280/280 persons)	Resolution of the Dowa issue Diversity and inclusion Harassment
Group training for newly-appointed managers	Newly appointed managers	100% (149/149 persons)	General human rights training (understanding the Nomura Real Estate Group human rights policies, resolution of the Dowa issue, and other issues) Diversity and inclusion Harassment
Group training for new career-track employees	Mid-career hires	100% (195/195 persons)	Preventing harassment
Email distribution to Group officers and employees	All officers and employees	–	Compliance Harassment
Nomura Real Estate Life & Sports			
Human Rights Training	Employees	91% (585/640 persons)	Compliance Harassment
Human Rights Training	Part-time workers	94% (1,199/1,132 persons)	Compliance Harassment

※ Participants/Target Participants

Result 2. Monitoring and education of stakeholders on human rights issues

In fiscal 2021, we identified the top 191 companies in terms of procurement value as the Group's key suppliers and requested that they complete a web-based survey, to which 89 companies responded. We also provided feedback on the results to all companies that responded to the survey and engaged directly with ten of them.

 [Supplier Engagement](#)

Initiatives

Human Rights Training for Group Officers and Employees

Rank-Specific Training

To deepen understanding of respect for human rights, the Group makes use of opportunities such as rank-specific training to conduct human rights education. The human rights training conducted in fiscal 2021 is described below. A total of 2,408 persons, including part-time workers, participated in this training.

In addition, the Nomura Real Estate Group Code of Action Handbook is distributed to all employees to disseminate knowledge, and training on discrimination and harassment is conducted for all employees. The Group's internal newsletter, which is published regularly, also contains provisions requesting understanding of and consideration for LGBT* individuals.

※ LGBT (lesbian, gay, bisexual, and transgender) is a general term for sexual minorities.

Responses to Human Rights Issues

Responses to Human Rights Issues in the Supply Chain

To address human rights issues in the supply chain, the Group has distributed its Procurement Guidelines to more than 4,600 business partners.

In fiscal 2020, monitoring interviews were conducted with ten major suppliers.

In fiscal 2021, we identified the top 191 companies in procurement value as the Group's key suppliers and requested that they complete a web-based survey, with 89 companies responding. We also provided feedback on the results to all companies that responded to the survey and directly engaged with ten of them. We will continue to expand the scope of the survey and address human rights issues in the supply chain.

 [Supplier Engagement](#)

Responses to Human Rights Due Diligence

The Nomura Real Estate Group is continuing to implement human rights due diligence.

In fiscal 2020, the Human Rights Subcommittee was established to strengthen and promote activities in accordance with international norms on human rights and began formulating the Human Rights Policy and related tasks.

In fiscal 2021, we formulated and announced the Nomura Real Estate Group Human Rights Policy, in

which we identified prominent human rights issues within the Group. In addition, a Group-wide desktop survey was conducted to ascertain the current status of human rights issues within the Group. We then selected the property and facility management business, hotel business, and the overseas business as operations with relatively high human rights risks, and we conducted a detailed survey, including interviews and questionnaires, involving seven Group companies, six in Japan and one in Vietnam. As a result of these surveys, we confirmed that there were no significant cases of human rights violations, including violations of laws and regulations, within the Group.

We have selected four priority issues to be addressed in the future: (1) employee wellness and human rights, (2) overseas business and non-Japanese workers, (3) human rights in the supply chain, and (4) remedial measures, and we have established a three-year roadmap of initiatives as well as designating departments with jurisdiction over these issues. We will continue to develop our human rights due diligence system, periodically conduct human rights due diligence, and continuously improve initiatives.

Establishment of the Grievance Mechanism

The Group has set up the Nomura Real Estate Group Human Rights Desk as a point of contact for consultation on human rights issues which is accessible to all employees regardless of employment status, and the Power and Sexual Harassment Hotline as an external point of contact for consultation. In addition, the Group established the Helpline for Business Partners (all Corporate Customers) as a point of contact for reporting on human rights abuses by Group employees and other acts that may conflict with its code of ethics.

Reports and consultations received through these points of contact are accepted anonymously and strictly remain confidential. If, as a result of investigation, there is a clear violation of respect for human rights, the Group takes appropriate action against the perpetrator, and protects the victim and whistleblower so that they are not treated prejudicially for having made a report.

In this way, by setting up multiple points of contact for consultation, the Group has created an environment where it is easy to seek advice, and is working for the early detection and resolution of any problems and taking measures to prevent recurrence. In fiscal 2021, there were 39 consultation matters relating to discrimination and harassment.

 [Nomura Real Estate Group Helpline](#)

Engagement with Stakeholders on Human Rights Issues

The Group is implementing internal and external stakeholder engagement initiatives in various ways on the theme of human rights.

Participation in the Human Rights Due Diligence Study Group

The Group participates in the Human Rights Due Diligence Study Group, which is made up of three general contractors, which are suppliers to the Group, and five real estate developers (including Nomura Real Estate Holdings).

The group was established to fulfill the responsibility of companies to "avoid infringing on the human rights of others and prevent, mitigate, and rectify adverse human rights impacts with which they are involved" required by the Guiding Principles of Business and Human Rights. We strive to prevent human rights abuses including forced labor in the industry as a whole.

Exchanges of Opinion on Human Rights Issues

Through the Human Rights Due Diligence Study Group, whose active participants include construction and real estate companies, the Group implements engagement initiatives with NGOs, lawyers, and other external bodies to prevent adverse impacts on human rights with respect to the acceptance of foreign technical interns and human rights issues related to its business activities.

As for engagement initiatives, the Group was pointed out as having noticeable problems such as long working hours and insufficient safety measures.

In response, the Group is promoting appropriate business activities based on international norms by taking the perceived issues into account for future activities and plans.

Acceptance of, and Communication with, Foreign Technical Interns

The Group's Nomura Real Estate Amenity Service accepts foreign technical interns from Indonesia and Vietnam. To ensure that interns can work with confidence, the company gives due consideration to the improvement of their working environments, thorough implementation of safety standards, the provision of appropriate living arrangements, and other key factors. To elicit opinions from trainees, the company provides periodic opportunities for interviews with their superiors.

We are considering accepting more trainees going forward, and to this end, we recognize that it is essential to treat and communicate with the trainees with greater consideration for their human rights.

Creating Pleasant Workplace Environments (Initiatives for Wellness Management)

Approach and Policies

Group Policy (Society)

Under the Group Policy, we seek to realize our goal of “working with enthusiasm and achieving wellness,” as stated in the Nomura Real Estate Group Action Guideline, through ongoing efforts to establish sounder and more pleasant workplace environments. In addition, we pursue fair employee evaluations, remuneration including a guarantee of living wages and equitable social benefits, and respect for fundamental rights such as freedom of association and the right to collective bargaining. The Nomura Real Estate Group Code of Action provides that the Group will strive to establish sounder and more pleasant workplace environments. Accordingly, we implement comprehensive health and safety management and take measures to prevent excessive workloads, long working hours, and occupational accidents so that every employee can feel safe and secure while working in good mental and physical health. Furthermore, we signed the UN Global Compact in May 2019 and will comply with the four labor principles of this initiative while taking additional actions.

Management

Management (Society)

Targets and Results

Targets ---

The Group has set the following five targets to achieve wellness management.

Target 1. Preventing Overwork

Target 2. Promoting the Taking of Paid Leave.....Rate of acquisition of paid leave 60%

※ 12 days a year or more than one day per month, for all employees, and applies only to Nomura Real Estate Development

Target 3. Promoting thorough Physical and Mental Health Management

Rate of employees who underwent medical examinations and checkups 100%

Target 4. Preventing Work-related Accidents

Absentee rate 0%

Target 5. Improvement in Employee Satisfaction

※ The above quantitative targets are set to be achieved by FY2030.

Results

Result 1. Preventing Overwork

Items		FY2018	FY2019	FY2020	FY2021
Average work time over statutory working hours (hours per person/month)	Group	14.07	13.51	9.99	13.73

Result 2. Promoting the Taking of Paid Leave

Items		FY2018	FY2019	FY2020	FY2021
Rate of acquisition of paid leave (%)	Group	47.31	61.19	56.14	62.11
	Nomura Real Estate Development*1	54.93	62.62	60.58	63.80

Result 3. Promoting thorough Physical and Mental Health Management

Items		FY2020	FY2021
Rate of employees who underwent medical examinations and checkups (%)	Nomura Real Estate Development*1	100	100

Result 4. Preventing Work-related Accidents

Items	FY2018	FY2019	FY2020	FY2021
Number of work-related accidents resulting in death of an employee	0	0	0	0

Number of work-related accidents resulting in death of a contractor	-	0	2	0
LTIFR*2	0※1	1.29	3.43	0.56
LTIR*3	-	0.60	1.34	0.32
Absentee rate (%)	0.37	0.29	0.41	0.45

※1 Results at Nomura Real Estate Development (excluding contractors)

※2 (Number of occupational accidents resulting in lost days/Total work time) × 1,000,000

※3 (Number of fatalities and lost-days injured persons/Total work time) × 1,000,000 (excluding contractors)

[For more details, see the ESG data \(society\).](#)

Result 5-1. Improvement in Employee Satisfaction

Nomura Real Estate Development: Results of Employee Satisfaction Survey

Items	FY2018	FY2019	FY2020	FY2021
Employee satisfaction level (ve-point scale)	4.03	4.05	3.96	3.97
Number of responses / numbers of eligible employees	2,013 / 2,066	2,067 / 2,113	2,209 / 2,259	1,958 / 2,105
Response rate (%)	97.4	97.8	97.8	93.0

Result 5-2. Turnover Rates

Items	FY2018	FY2019	FY2020	FY2021
Turnover rates (total)* (%)	3.99	5.13	4.78	5.81
Male (%)	2.49	4.69	4.84	6.01
Female (%)	6.57	5.99	4.79	5.63
Turnover rates for personal reasons (%)	3.54	4.43	3.88	4.45

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

Result 5-3. Average Tenure of Employees*

Items	FY2019	FY2020	FY2021
Average tenure of employees (total) (years)	— (12.40)	10.42 (11.88)	10.56 (11.49)
Male (years)	— (14.71)	11.53 (13.90)	11.71 (13.40)

Female (years)	— (8.42)	7.90 (8.56)	8.17 (8.35)
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※ Figures in parentheses indicate performance of Nomura Real Estate Development.

 [For more details, see the ESG data \(society\).](#)

Initiatives

Measures for Health and Safety Improvements by Management

The Group provides opportunities on a regular basis where the Nomura Real Estate Holdings president and executive vice president meet directly with employees to share workplace issues regarding the work climate and their employment and to improve workplace environments. In fiscal 2021, 26 meetings were held to discuss reducing working hours, raising productivity, and helping employees to achieve a good work-life balance. We examined proposals and opinions expressed at these meetings and improved the personnel system. In this manner, these meetings are promoted as measures to ensure the health and safety of employees.

Work-Related Risk Management and Legal Compliance

The Group complies with work-related laws and regulations in each country and is establishing a system for managing and improving situations. In particular, with regard to working hours, the Group strives to reduce overtime work. Each month, the Nomura Real Estate Holdings Board of Directors receives reports on and confirms the actual situation of overtime and status of compliance with the Article 36 agreement (an agreement made pursuant to Article 36 of the Labor Standards Act regarding overtime work and work on rest days) of each Group company. Regarding companies and cases with pending issues related to compliance with the Article 36 agreement, we consider responses and take improvement measures. In addition, the Nomura Real Estate Development Board of Directors receives reports each month on working hours and the status of employees taking leave in each division and shares information on related issues while also taking improvement measures.

No Group office has obtained the ISO 45001 certificate, which is a standard for occupational health and safety systems.

Prevent Overwork

The Group is implementing a variety of programs intended to prevent overwork by employees.

Main Measures

- Reduce work and implement outsourcing based on operational reviews
- Make use of AI and RPA
- Promote the introduction of mobile PCs
- Promote telecommuting programs, staggered work shifts, and flextime programs
- Promote the use of satellite offices
- Set time limits on computer use
- Send overtime alerts

These measures are important for preventing overwork. In addition, employees who work more than a certain number of hours in a single month are required to check their physical condition using a Cumulative Fatigue Self-Diagnosis Checklist and provide feedback to a supervisor. Other measures are also taken to ensure good health such as consultations with an industrial physician.

Enhancement of Health Management

The Group has adopted several initiatives for detecting employee health risks at an early stage and helping them maintain their health and safely perform their duties.

Further Improvement of the Medical Checkup System

The Group requires that all employees undergo complete physical examinations and medical checkups. We encourage those who may need a second checkup arrange for one and follow up on the status of their checkup. In fiscal 2021, the rate of physical examinations and medical checkups of Nomura Real Estate Development was 100%. In the coming fiscal years, we will continue striving to achieve a 100% physical examination and medical checkup rate across the Group to safeguard the health of our employees.

Implementation of Stress Check Tests

The Group regularly monitors the mental health status of its employees through stress check tests and provides mental health training to help reduce stress levels.

Items	FY2019	FY2020	FY2021
Stress check response rate (%)	88.5	88.7	87.5
Main training programs (including e-learning)	Wellness training Wellness seminar Stress coping seminar Line care training for managerial employees	Mindfulness seminar Mental health training	Mindfulness seminar Mental health training Self-management training for new employees

Strengthening the Harassment and Health Consultation System

The Group established a physical and mental health consultation hotline as well as a power harassment and sexual harassment hotline that provide employees access to outside specialists for consultations in addition to the Health Consultation Office within the Group, which is staffed by full-time physicians and nurses. The consultation service is available to employees and their family members.

Physical and mental health consultation hotline

Consultations on issues related to the workplace, family, women's health, and LGBT issues can be arranged with external counselors by phone or email.

Power harassment and sexual harassment hotline

Consultations on harassment within the Company can be arranged with outside counselors by phone. Consultations can also be made anonymously.

Information Sharing and Training on Health and Safety

The Group holds monthly Group Personnel Division Meetings attended by persons in charge of human resources at Group companies. At the meetings, participants share information on relevant laws and regulations including the Labor Standards Act, working conditions of each Group company, and the importance of labor management and safety and health. In addition, we provide safety and health training, such as explanations on the Labor Standards Act and other relevant laws and regulations and methods of labor management, on many occasions including during the training of newly promoted managerial employees.

Response to the COVID-19 Pandemic

Based on the following approach, the Group takes measures to respond to infectious diseases in order to prevent infection and the spread of infection, and it fulfills its social responsibilities by continuing and maintaining required business activities.

- The Group places priority on ensuring the safety and security of customers, business partners, and officers and employees as well as their family members.
- To fulfill our responsibilities for providing goods and services necessary for daily life, as well as our corporate social responsibilities, the Group maintains business activities after taking action to reduce infection risks.

The Group has implemented measures for employees to contain the spread of infection, including staggered commuting, working from home, telecommuting, online conferences, and thorough measures to prevent the spread of infection within the office, such as social distanced seating arrangements.

For more details, refer to:

 [The Group's Response to the COVID-19 Pandemic \(Japanese only\)](#)

2022 Health & Productivity Management Award (Large Enterprise Category)

Eight Group companies (Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management, Nomura Real Estate Solutions, Nomura Real Estate Life & Sports, Nomura Real Estate Partners, Nomura Real Estate Building, and PRIME X) were recognized as 2022 Certified Health & Productivity Management Outstanding Organizations (large enterprise category), which are selected jointly by the Ministry of Economy, Trade and Industry of Japan and Nippon Kenko Kaigi.

In addition, Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Solutions, Nomura Real Estate Capital Management and Nomura Real Estate Building were also recognized as White 500 enterprises (large enterprise category) in the Certified Health & Productivity Management Outstanding Organization Recognition Program. This program recognizes enterprises that have implemented outstanding initiatives to promote health and productivity management based on efforts to address local health issues and health improvement initiatives promoted by Nippon Kenko Kaigi.




Responses to Incidents

In 2017, the Nomura Real Estate Development head office and four regional offices (Kansai, Nagoya, Sendai, and Fukuoka branches) 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 while 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. Complying thoroughly with laws and regulations
 2. Top management and directors are sharing issues with employees and striving to establish relationships of trust and improve workplace environments
 3. Implementing the following measures to ensure health:
 - (1) Raising awareness of health issues of officers and employees
 - (2) Officers and supervisors are thoroughly monitoring the health condition of employees
 - (3) Further improvements are being made to systems for health consultation and medical checkups
- Each Group company confirms their status and will continue to take measures toward improvements into the future.

For further details, refer to the following.

 [Our actions regarding appropriate employment management and improvement of working environment](#)

Fair Evaluations and Remuneration

To ensure equity in working conditions, the Group does not differentiate on the basis of gender the remuneration for employees in the same position, which falls under the “equal pay for equal work” rule in our Human Rights Policy. Moreover, the Group operates fair employee evaluation and remuneration programs by creating mechanisms whereby the opinions of employees can be heard by human resource divisions and supervisors. As for wages, the Group complies with laws and regulations that set minimum wages in each country and pays reasonable salaries that allow employees to maintain a certain standard of living in accordance with the consumer price index of their country or region. In fiscal 2021, the average annual salary of Nomura Real Estate Holdings was 10.17 million yen.

Target Management System

The Group introduced a target management system so that employees can take the initiative in their jobs and work with managers and supervisors toward achieving their targets. Every six months, all employees set their own targets with advice from supervisors, and bonuses are paid based on the degree of achievement of those targets. In addition, reviews of the abilities and conducts that serve as the basis for promotions and raises are also conducted regularly to maintain fairness and strengthen employee motivation.

Evaluation of Superiors

Once a year, Nomura Real Estate Development employees complete a questionnaire regarding the skills, performance, personality, etc., of their supervisors and submit the questionnaires to the Human Resources Division.

Creating Fair Work Environments

Labor-Management Dialogues

The Group respects employees’ freedom of association and the right to collective bargaining, and even at Group companies that do not have labor unions, labor representatives and officers responsible for human resource divisions hold periodic meetings and work to improve the workplace environment. As of April 1, 2022, Nomura Real Estate Development, Nomura Real Estate Partners, and some overseas subsidiaries have labor unions, and the labor union membership rate among Group employees is 31.2%.

Understanding and Disseminating Policies on Labor Standards

To ensure that all employees can gain an accurate understanding of company policies regarding labor standards, the Group provides documents or explanations regarding employment rules, personnel evaluation systems, and social benefits in Japanese, or in English, if necessary, to employees, including those of overseas Group companies, during their initial training.

Promoting the Hiring of Local Human Resources and Ensuring They Play Active Roles

Considering business characteristics, the Group places emphasis on connections with local communities across the country and carries out recruitment activities in those places. Some Group companies have also established programs where the workplace can be selected from across the country or locally so that employees can choose diverse work styles based on their work-life balance. In other measures, Nomura Real Estate Development has a re-entry system for those who have left the Company due to unavoidable circumstances such as marriage, childbirth, childcare, nursing care, and transfer of a spouse.

Provision of Social Benefits

The Group has established and is working to enhance employee social benefit programs, such as childcare and family care support and an employee shareholding program, so that employees can enjoy their lives as members of society with peace of mind at every stage of their lives so they can develop fulfilling life plans.

Main Social Benefits Provided by Nomura Real Estate Development

Social Benefits	Overview
Maternity leave	Six weeks prior to childbirth (14 weeks in the case of a multiple pregnancy) and eight weeks after childbirth (with pay*)
Childcare leave	Until the child reaches the age of three years
Family care leave to care for children	Preschool children: five days/year for one child and ten days/year for two or more children
Family care leave	Up to one year in total
Volunteer leave	Five days for volunteer activities related to a severe natural disaster

Mental health support	Health Consultation Office, Physical and Mental Health Consultation Office, appointment of an industrial physician of psychosomatic medicine
Measures to ensure good health	Appointment of nurses and industrial physicians, implementation of personnel interviews and medical examinations
Rehiring elderly workers	Up to age 65 (one-year extensions)
Retirement benefit program*	Payment of retirement benefits pursuant to a defined benefit pension plan (Nomura Real Estate Development's contract-type defined benefit pension plan), payment of contributions by Nomura Real Estate Development, at no cost to employees
Health insurance association	High medical expenses, lump-sum childbirth benefit, injury and disease benefit, comprehensive medical examinations, etc.
Allowances	Family allowance, reassignment allowance, reassignment without family allowance, housing subsidies, etc.

※ Only career-track employees are eligible.

Implementation of Employee Satisfaction Survey

Nomura Real Estate Development conducts an employee satisfaction survey every year. The survey collects suggestions to management and employee opinions on work and the workplace. Satisfaction is measured on a five-point scale with regard to (1) sense of fulfillment concerning work, (2) satisfaction with the workplace, (3) satisfaction with superiors, (4) loyalty to the company, (5) development in the market, and (6) sense of being stuck in the same routine at work, as well as regarding the understanding and practice of work style reform and wellness management. In fiscal 2021, the response rate was 93.0% (1,958 out of 2,105 eligible employees responded). Issues regarding employee satisfaction and work style reforms, which were obtained from the survey, are reported to officers and higher-level management at each headquarters conference and provided individually to a supervisor so that the results are actively used.

Responses to Legal and Other Violations

In 2017, the Nomura Real Estate Development head office and four regional offices (Kansai, Nagoya, Sendai, and Fukuoka branches) 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 while taking measures to improve workplace environments so that this type of incident does not occur again. The Group will continue to promote measures for improving workplace environments.

For further details, refer to the following.

▣ [Our actions regarding appropriate employment management and improvement of working environment](#)

Approach and Policies

Group Policy (Society)

Under the Group Policy, the Group seeks to carry out the “What We Value” Nomura Real Estate Group Action Guideline and works to improve human capital. We will provide human development programs to enhance the qualifications and capabilities of each Group employee and to foster an organizational culture that allows employees to continuously take on the challenge of creating new value and strengthening cooperation within the Group. By doing so, we will bolster the foundation for developing human resources capable of engaging in co-creation.

Nomura Real Estate Group Action Guideline

Client- first approach

We maintain our “client-first” approach as well as our attitude to ensure trust and fulfill expectations, which we have valued since the foundation of the company.

Creating new value based on original ideas

We create new value through free, outside-the-box thinking, placing priority on anticipating future and global perspectives.

Always being a challenger

We always bear in mind that we are a challenger and take on new challenges with humility and ambition.

Acknowledging our growth with society

Ever mindful of our responsibility and pride in creating the future for people and cities, we contribute to society and continue to be a company on which it relies.

Working with vigor and achieving wellness

Recognizing that working with vigor brings growth to both the company and ourselves, we take the utmost care of our mental and physical health.

Nomura Real Estate Development Basic Human Development Policies

- Proactive mid- to long-term human development that provides a focus for careers
- Human development that responds to change over time, fosters innovation, and supports future management

Qualities and Skills Nomura Real Estate Development Looks For

- High level of specialization and execution
- Diverse viewpoints and values
- Broad perspectives
- Business formation skills
- Organizational management skills

Management

Management (Society)



Targets and Results

Targets

What the Group has valued since its establishment is the customer-first spirit. Specifically, it is the creation of new value through original ideas and the spirit of continuing to be a challenger. This spirit leads to real estate development such as high-quality housing and office development, and real estate-related services such as property and facility management. Through these, we continue to create new business and value. We will strengthen our human resource development with the belief that our approach to connect closely with each customer is firmly inherited as our DNA under our Group Vision “New Value, Real Value.”

📄 Key performance indicators (KPIs) for priority issues (materiality) up to 2030

Results

Results for Training Participation

Items	FY2021
Training hours per employee *1(hours)	4.21
Total training hours*1(hours)	23,855
Investment in training cost per employee (yen)	47,936

Total training expense (thousand yen)	271,555
Return on investment in employee skill development* ² (%)	2.14
Return on investment of human resources* ³ (100 million yen)	9.17

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

※2 Calculated using the following formula: Return on investment in employee skill development = Turnover rates/Total training expense (100 million yen).

※3 Return on investment of human resources = (Operating revenue – (Selling and general administrative expenses – Personnel expenses))/Personnel expenses.

Group-wide Training Performance

	Training title	Subject ranks	Number of training hours	Number of implementing companies	Number of participants
1	New employee introductory training	Newly-hired employees	38	8	280
2	New employee follow-up training	New employees	7	8	280
3	Second-year training	Employees in their second year	14	8	261
4	Third-year training	Employees in their third year	14	8	215
5	Training for newly promoted managers	Managers*	21	7	155
6	Training for newly promoted senior managers	Senior managers	14	5	34
7	Training for newly promoted general managers	General managers	70	3	10

※ After 13 years of service (generally)

Reference: Performance of Nomura Real Estate Development's Training Other Than Groupwide Training

	Training title	Subject employees	Number of training hours	Number of participants
(1)	Fourth-year training	Employees in their fourth year	7	47
(2)	Fourth-year career design training	Employees in their fourth year	7	47

(3)	Fourth-year career management training	Employees in their fourth year holding section chief positions	7	47
(4)	Professional level 1 training	Professional level 1 Positions* ¹	12	57
(5)	Women's career and life training	Professional level 1 positions	4	22
(6)	Leader training	Leaders* ²	14	42
(7)	Second-year leader career design training	Leaders in their second year	12	43
(8)	Second-year leader career management training	Leaders in their second year holding section chief positions	7	43

※1 After 7 years of service (generally)

※2 After 9 years of service (generally)

 [For more details, see the ESG data \(society\).](#)

Initiatives

Group Personnel Division Meetings Held

The Group holds monthly Group Personnel Division Meetings attended by officers responsible for human resources and managers of human resource divisions of Group companies. Participants exchange information and opinions regarding the personnel system, human development, and each company's recruitment situation and wellness measures, and they share best practices in order to implement Group-wide measures for improvements to human capital.

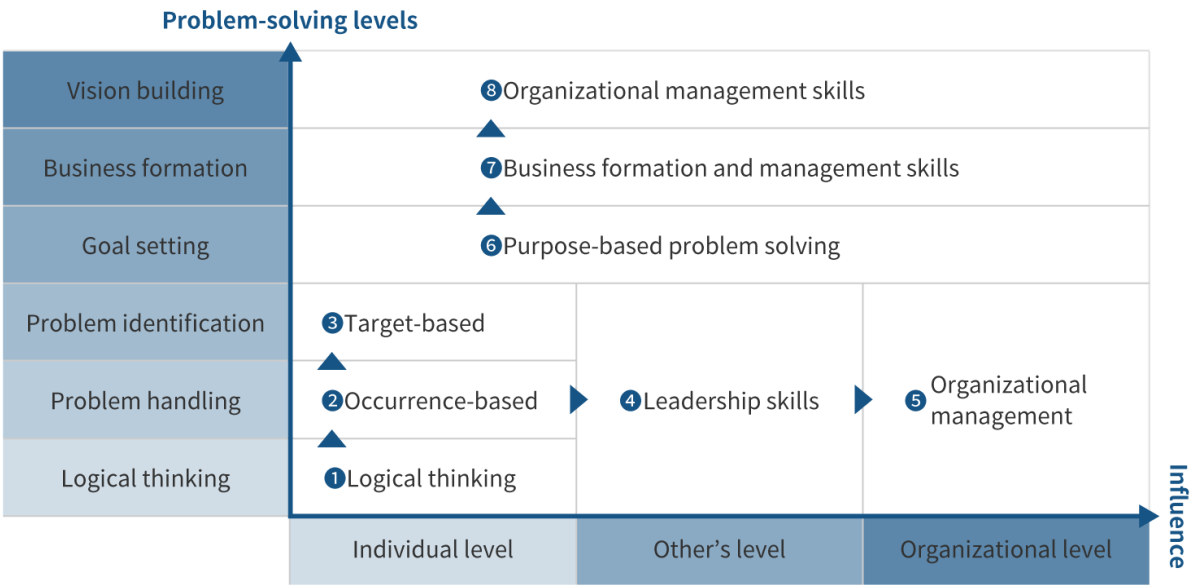
Training Framework

In terms of human resource development, the Group has implemented personnel systems and development programs that promote growth. For some rank-specific training programs, according to qualification grade and stage, training is carried out on a Group-wide basis.

Nomura Real Estate Development has established N-COLLEGE, a self-skills development system for employees, which provides programs to study for real estate-related certifications for professionals such as real estate notaries, first-class architects, and certified real estate appraisers, and programs covering

general business skills such as those related to finance and language study. In addition, the Residential Development Division provides specialized training and knowledge sharing opportunities regarding product strategies and quality control for technical employees, including Building Knowledge Courses, Landscape Workshops, and the PROUD Quality Conference, so that each employee can perform higher level duties and acquire a broad range of knowledge and experience.

Human Resource Development Programs for Career-track Employees



■ Training Programs for Career-track Employees

Position levels	Target year	Training details	Program for selected employees/open
General management position	Newly appointed	Management skills training, discussion on set themes, and presentation to management ⑦⑧	
Senior management position	Newly appointed	Organizational management (practical application level) ⑤ Purpose-based problem solving (introductory level, practical application level) ⑥	
Management position	Newly appointed	Organizational management (introductory level) ⑤ Target-based problem solving (practical application level) ③	
Leader position	2nd year leader	Career training: career mindset development	
	9th year leader	Leadership skill (practical application level) ④ Environmental analysis ⑦⑧	
Professional position level 1	7th year	Target-based problem solving (practical application level) ③ Leadership skill (introductory level) ④	
Professional position level 2	4th year	Target-based problem solving (practical application level) ③ Career training: career mindset development	
Professional position level 3	3rd year	Problem-solving dialogue ④	
	2nd year	Occurrence-based problem solving ②	
	First year follow-up	Logical presentation ①	
	New employee introduction training	Logical writing ①	

Development of global human resources

MBA & MOT

■ Implementation for Group ■ Implementation for Nomura Real Estate Development only

■ Training Programs (Career-track Personnel in Administrative Jobs)

Position levels	Training Details	
	Critical thinking skills	Practical business skills
High-level personnel	Occurrence-based problem solving ②	PC skills training
Employee Level 1	Logical thinking and writing ①	PC skills training

■ Training Programs (Specialist Personnel/Particular Specialist Personnel)

Position levels	Training Details
Particular Specialist Personnel	Required: Target-based problem solving (introductory level) ③
Stage 3	Optional: Target-based problem solving (advanced level) ③ Optional: Target-based problem solving (introductory level) ③ Required: Problem-solving dialogue ④
Stage 2	Required: Occurrence-based problem solving ② Required: Logical presentation ① Optional: Logical thinking and writing ①
Stage 1	

■ Training Programs (Operations Personnel)

Position levels	Training Details		
	Thinking skills	Practical business skills	
Stage 3	Occurrence-based problem solving ②		PC skills training
Stage 2	Logical thinking and writing ①		PC skills training
Stage 1		Prevention of operational errors, development and improvement of workflows, productivity improvement	

Incentive from a Long-Term Perspective

The Nomura Real Estate Group introduced ESOP Trust for Granting Stock for employees of Nomura Real Estate Holdings and Group companies from fiscal 2019. The aim is to foster a sense of belonging to, and involvement in the management of the Group among the Group employees so as to enhance their enthusiasm and morale to improve performance and increase share price over the long term. The Group encourages the purchase of treasury stock through this program.

 [News Release](#)

Nomura Real Estate Group Awards Presented

The Group has presented the Nomura Real Estate Group Awards every year since 2016 to foster a corporate culture in which employees are willing to tackle the challenges of value creation through innovation, strengthen Group synergy, and raise individual and organizational motivation. Under this program, exceptional businesses, products and services of the year are recognized.

■ Major recipients in FY2022

- Establishment of a new company with a local conglomerate in the Philippines
- Kameido Alley revitalization project
- Revival of a historic school building at a prestigious school in the UK



Grand Prize Winning Team

Evaluation Criteria

- Reform and innovation
- Improvement in customer satisfaction
- Group synergy
- Sustainability
- Continuity and perseverance

Business Idea Proposal Program

Beginning in 2017, the Group launched the Business Idea Proposal Program (commonly called “NEXPLORER” within the Group), which allows all employees to propose new businesses, products, or services that go beyond the boundaries of their ordinary work at any time. We received over 60 entries in the past four years, with five projects that have already been either commercialized or realized. TOMORE and PRE KITCHEN, which are currently in service, are primary examples that have been realized through the program. In April 2022, the program was updated to NEXPLOER2.0 as a Group-wide learning place for both new business considerations and human resource development, and 117 employees have voluntarily participated in it. During the July 2022 term for new business ideas, there were as many as 26 entries, which are currently in the refinement process for the next step.

TOMORE

トモア

A shared house and office business that offers a new real and virtual space where people work, live, and enjoy time with their friends in an age when more and more people are open to different ways of working.

Click here for details on [📄 TOMORE](#) (Japanese only)

Safety Quality from Design to Management

Approach and Policies

Group Policy (Society)

Under the Group Policy, the Nomura Real Estate Group recognizes that building and infrastructure deterioration and obsolescence, reduced urban functions, and increased natural disasters are important social issues. It contributes to the realization of the safety and security of customers and local communities through the provision of products and services based on appropriate quality management and sustainable urban development.

In addition, we will improve the quality of safety and security from design and construction to operation and management through co-creation with suppliers and the government and also ensure the safety of Group employees and suppliers at construction sites.

Management

Management (Society)

Targets and Results

Target 1

To improve the safety and security in design and construction, the Group endeavors to comply strictly with Design and Construction Standards and Quality Manuals and implement rigorous quality control.

Target 2

To improve the quality of safety and security in operation and management, the Group is working to improve management quality and enhance after-sales service.

Target 3

The Group has set the following two targets to improve customer satisfaction and comfort.

Target 3-1. Improve Communication to Improve Customer Satisfaction and Comfort

Target 3-2. Enhance the Comfort of Customers

Target 4

The Group works to ensure the safety of suppliers in accordance with the Procurement Guidelines and Construction Safety and Security Guidelines.

Results

Result 1. Design and Construction Standards and Quality Manuals

	FY2018	FY2019	FY2020	FY2021
Compliance with Design and Construction Standards and Quality Manuals in the Residential Development Business Unit (%)	100	100	100	100
Compliance with Design and Construction Standards and Quality Manuals in the Commercial Real Estate Business Unit (%)	100	100	100	100

※ Specific products include condominiums, detached housing, rental housing, office buildings, retail facilities, logistics facilities, and hotels.

Result 2-1. 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 2021, there were no significant safety-related violations of relevant laws and regulations or internal standards.

Result 2-2. Rate of conformance with Building Management Quality Assessment Guidelines and Sign-up rate for NEXT PASS10

	FY2018	FY2019	FY2020	FY2021
Rate of conformance with Building Management Quality Assessment Guidelines at managed properties*1 (%)	86	—※2	70	87
Sign-up rate for NEXT PASS10 (%)	80	77	75	67

※1 Conformance rate: We extract several properties and conduct a survey on the number of conforming items in the assessment items listed in the guidelines. In fiscal 2020, we significantly increased the number of assessment items and raised conformance to ensure that higher management quality can be maintained and improved based on the revisions of related laws.

※2 In fiscal 2019, the conformance rate survey was not conducted in order to help contain the spread of the COVID-19.

Result 3-1. Improve Communication to Improve Customer Satisfaction and Comfort

In fiscal 2020, the following questionnaires were conducted.

Residential Development Business Unit

- Livability Satisfaction Survey
- After-Contract Survey
- After-Delivery Survey
- Periodic After-Sales Services Survey
- Interior Fair Survey
- Furniture Fair 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
- All-household Questionnaire

Property Brokerage Business Unit

- Contracting Party Satisfaction Survey

Results of Customer Satisfaction Surveys Conducted Independently by Each Business Company

	FY2018	FY2019	FY2020	FY2021
Livability Satisfaction Survey one year after residents take up occupancy of PROUD	3.9 (25)	3.8 (36)	3.8 (31)	3.8 (38)
Post-contract survey on housing	—	4.0 (27)	4.1 (29)	4.0 (30)
Post-delivery survey on housing	—	3.8 (33)	3.8 (34)	3.8 (51)
Periodic After-Sales Services Survey	—	—	—	3.8 (51)
Interior Fair Survey	—	—	—	3.6 (44)
Furniture Fair Survey	—	—	—	3.5 (32)
Questionnaires for residents in leased condominiums (PROUD FLAT)	—	4.2 (41)	4.1 (58)	4.2 (39)
Questionnaires for residents in office buildings (PMO)	4.1 (24)	4.2 (46)	4.3 (28)	4.2 (5)

※ Figures in parentheses indicate survey response rates (%).

※ 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

	FY2018	FY2019	FY2020	FY2021
Nikkei Condominium Brand Questionnaires*	No. 1	No. 1	No. 1	No. 1
ORICON Customer Satisfaction Survey on new condominiums Tokyo metropolitan area after-sales follow-up	No. 1	No. 1	No. 1	No. 1
SumaiSurfin: Management Company Satisfaction Survey Ranking	No. 1	No. 1	No. 1	No. 1
ORICON Customer Satisfaction Survey on real estate brokerage (Sale: detached housing)	No. 1	No. 1	No. 1	No. 2
SANKEI LIVING SHIMBUN's Women Research: Fitness Club Satisfaction selected by women	—	No. 1	No. 3	No. 3

※ Indicates a first-place ranking given for most of the 10 question items in the questionnaire.

Result 3-2. Enhance the Comfort of Customers

	FY2018	FY2019	FY2020	FY2021
Number of Good Design Awards won (properties)	9	12	10	6

☞ For more details, see the ESG data (Society).

Result 4-1. Number of Supplier Safety Conferences Held

	FY2018	FY2019	FY2020	FY2021
Number of companies attending the Supplier Council Meeting on Health & Safety and the Supplier Conference on Safety	198	198	12*	12*

※ In fiscal 2020 and fiscal 2021, some of the meetings were cancelled or significantly downsized and held online to help contain the spread of the COVID-19 pandemic.

Result 4-2. Violations by Suppliers

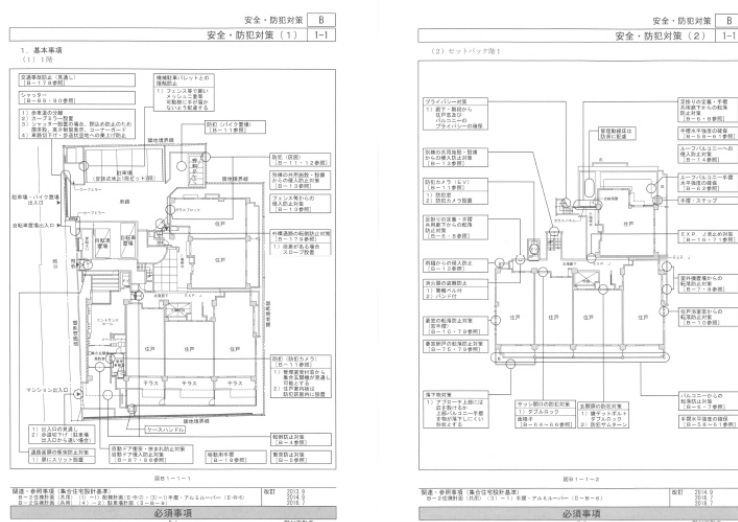
In fiscal 2021, with regard to ensuring supplier safety, which is monitored by the Sustainability Committee, there were no significant incidents of violations of laws and regulations.

For more details, see the ESG data (Society).

Initiatives

Comply with Design and Construction Standards and Quality Manuals

To ensure the quality of safety and security in building design and construction, the Group has formulated Design and Construction Standards (structures, architecture, equipment, electrical) and Quality Manuals and has established designs and specifications for the series of products developed by the Residential Development Business Unit and the Commercial Real Estate Business Unit. The Standards and Manuals are distributed to suppliers, including design and construction companies and are strictly complied with. The Group also reviews the Standards and Manuals as needed to further improve safety and security.



PROUD Design and Construction Standards (excerpts)

Requesting Customers and Partner Companies to Implement thorough Quality Control

The Group has distributed its Procurement Guidelines to more than 4,600 suppliers and partner companies to ensure thorough quality control.

In fiscal 2020, we conducted monitoring interviews with ten major suppliers.

In fiscal 2021, we identified our top 200 key suppliers and surveyed 89 of them on the guidelines. We provided feedback on the results to all companies that responded to the survey and engaged directly with ten companies.

We will continue to identify supplier risks and take remedial action to ensure consistent quality control throughout the design and construction process.

 [Nomura Real Estate Group Procurement Guidelines](#)

Implementation of Quality Control

Nomura Real Estate Development quality control engineers confirm compliance with the Design and Construction Standards and Quality Manuals and the status and progress of construction in every major phase of construction.

In addition, all accidents and problems that occur at construction sites are reported to quality control personnel and the officer responsible for quality management and architectural design.

Information regarding the details and responses are shared at periodic meetings and on the Group intranet, and measures are taken to prevent reoccurrence.



Quality control inspection at a construction site

Training on Design and Construction

Both the Residential Development Business Unit and the Commercial Real Estate Business Unit are working hard to improve their skills and procedures to safeguard the quality of safety and security in design and construction.

Passing on skills to the next generation has become a vital issue for ensuring quality with the ongoing aging of the workforce in the construction industry, and Group construction sites are no exception. We are therefore also focusing on securing and training young workers.

Training on Quality Control Technologies

The Group holds the PROUD Quality Conference in the Residential Development Business Unit and the Engineers' Conference in the Commercial Real Estate Business Unit once a year for sharing and improving quality control technologies. These conferences provide a forum for imparting knowledge and expertise to younger workers by sharing the status of environmental initiatives, fundamentals of quality control, feedback on defects, and advanced case studies.

FY2021 Training on quality control technologies

	Training details	Frequency	Subject employees	Number of participants
PROUD Quality Conference	Fundamentals of quality control as a business operator (based on the PROUD values)	Once a year	Residential Development Business Unit and other units	237
Engineers' Conference	Environmental initiatives, feedback on defects, quality manuals	Once a year	Commercial Real Estate Business Unit and other units	Approx. 80

Supporting the Development of First-Class Architects

The Group supports the acquisition of the first-class architect qualification, to ensure safety and security. As of April 1, 2022, Nomura Real Estate Development had 268 employees with first-class architect qualifications, comprising 3.6% of all employees.

Compliance with Building Management Quality Assessment Guidelines

The Group formulated Building Management Quality Assessment Guidelines at managed properties. The guidelines contain more than 400 items that pertain to topics such as quality control, legal compliance, and internal audits. In fiscal 2020, the Group significantly increased the number of assessment items to approximately 750 and raised conformance to ensure that higher management quality can be maintained and improved based on the revisions of related laws. The conformance rate for fiscal 2021 was 87%.

Enhancing Quality by Acquiring ISO Certifications

The Group is promoting the acquisition of international specifications for quality management. In addition, our internal audits are conducted by employees who have taken internal auditor training courses provided by external organizations.

ISO 9001 Certification

Certified organizations	Scope
Nomura Real Estate Development Co., Ltd.	Activities of obtaining feedback and ensuring the reflection of such feedback in the PMO series of office buildings
Nomura Real Estate Partners Co., Ltd.	44 properties in the office building segment (planning and provision of comprehensive management services for buildings) 22 complexes in the condominium segment (provision of facility management, cleaning, security, and maintenance services for properties under patrol management, or treasury/accounting and management services for condominium management associations) 3 properties in the data center segment (facility management, cleaning, and integrated management services)

※ Note: For information regarding ISO 14001, see the [Environmental Management System](#).

Initiatives for Ethical Advertising Practices

The Group has a rule that the Residential Sales Management Department must always review advertisements for each property to ensure the application of ethical advertising practices in accordance with laws and regulations. The Residential Sales Management Department has designated internal rules in accordance with rules on real estate advertising, such as the Fair Competition Codes Concerning Indication of Real Estate and the Fair Competition Code Concerning Restrictions on Premium Offers in the Real Estate Industry, and it conducts reviews in accordance with these rules. Internal rules include examples of actual cases that have occurred within the Group and clearly state measures to be taken in various cases. We strive to ensure that we do not betray the trust of our customers by raising expectations higher than necessary or withholding information that may be detrimental to the customer.

Convening a quality improvement conference for persons in charge of after-sales service



We hold the National Customer Conference once each year to improve the quality of after-sales service in PROUD condominiums. The conference is attended by about 40 persons responsible for after-sales service from around the country to share information on issues that occurred during the fiscal year, responses to the issues, and roll out examples of the measures taken.



National Customer Conference Held

Products and Services to Provide Safety and Security for New Tenants

To ensure that new tenants feel safe and secure with their purchases, we put significant effort into enhancing our post-sales products and services. Our products incorporate the results of customer satisfaction surveys and feedback from residents obtained through the board of directors of condominium management associations. This is made possible by our system whereby development, sales, and management are integrated, which was born from our corporate culture that encourages collaboration among organizations. In principle, under this system no management services are outsourced, so we are able to gain more opportunities to interact directly with customers, which ultimately enables us to provide products and services that meet their needs.

Services	Overview
After-sales services	In addition to providing customary after-sales services to repair any defects, we support residents in addressing problems after taking up occupancy, such as after-sales support provided by a condominium life adviser (for one month after taking up occupancy)
Installation of Living Q Call	<p>A service providing residents convenient and reliable support to respond to their problems, such as “I have a problem with the condo. What should I do?” Provision of an emergency help service and a daily living support service</p> <div><p>LIVING Q CALL</p></div> <p> LIVING Q CALL</p>

<p>NEXT PASS 10</p>	<p>A program that provides a 10-year repair warranty for defects and malfunctions in condominiums, as well as the NEXT PASS 15, which extends the warranty by an additional five years</p> <p>NEXT PASS10</p> <p>NEXT PASS15</p>
<p>Repair and warranty services for transactions of existing residences</p>	<p>Provision of repair and warranty services to encourage liquidity of existing residences and provide safety and security to customers after a purchase, such as providing repair and replacement warranty for defects in main equipment within one year after purchase of a property</p>

Training in operation and management

The Property & Facility Management Business Unit is working hard to improve the skills and procedures to safeguard the quality of safety and security in operation and management. Nomura Real Estate Partners Co., Ltd., which is in charge of this unit, conducts training for engineers through general meetings, including responses to revisions in laws and regulations, about once a year, and participants share what they have learned with their own units to prevent any violations. In fiscal 2021, 434 people (Teams-based training) participated in the training. In addition, each division within Nomura Real Estate Partners Co., Ltd. conducts its own training programs for young employees and also encourages its employees to acquire related qualifications.

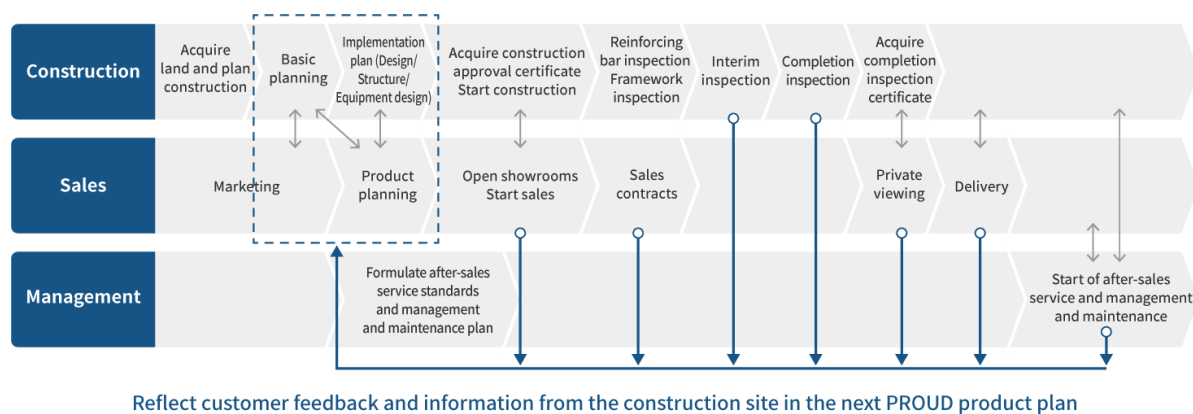
Nomura Real Estate Partners Co., Ltd.: Number of Employees who Acquired Main Qualifications (as of March 31, 2022)

Qualification name	Number of persons
Registered architect (first class, second class)	170
Chief electrical engineer (first class, second class, third class)	297
Building operation and management engineer (first class, second class)	213
Electrical work operation and management engineer (first class, second class)	156

Plumbing work operation and management engineer (first class, second class)	194
Civil engineering work operation and management engineer (first class, second class)	30
Landscape gardening work operation and management engineer (first class, second class)	21
Condominium manager	112
Building manager	594
Real estate broker	332
Building sanitation engineer	558
Condominium maintenance and repair engineer	282
Condominium renovation manager	17

Integrated Development, Sales, and Management System

In an effort to provide high-quality products and services and raise customer satisfaction, the Group has integrated development, sales, and management and provides integrated services including land acquisition, architectural design, marketing and sales, and post-occupancy management and after-sales services. The opinions of customers are reflected in business improvements and product planning.



Communication for Improving Customer Satisfaction

The Group communicates with customers through questionnaires and interviews. The results of questionnaires are used in business improvements and the next generation of products and services.

Disclosure of Information on Safety and Security

With the aim of gaining the understanding of customers regarding building safety and security, the Group has created a website for customers that have signed purchase agreements and posts progress reports on new construction and explanations of the details of major aspects of the construction.



Site for Contract Holders

Implementation of a Livability Satisfaction Survey and Other Surveys

Every year, the Group conducts the Post-contract Surveys and Post-delivery Surveys in the residential development business as well as a Livability Satisfaction Survey of PROUD condominium residents one year after moving in.

Results of Livability Satisfaction Survey Reflected in Products and Services

The Group investigated improvement measures based on the opinions and requests expressed in the Livability Satisfaction Survey, and some opinions and requests relating to design were reflected in Design and Construction Standards and Quality Manuals. In fiscal 2021, we received opinions and requests regarding exclusive areas and common areas such as storage and common facilities overall, and we are considering improvement measures based on the opinions and requests.

Carrying out Tenant Company Satisfaction Surveys

Every year, the Group conducts a Tenant Company Satisfaction Survey relating to the Group's services among tenants of retail facilities owned by the Group. The survey includes questions related to safety management (performance of security and security guards) and the working environment (air conditioning, smoking areas, and restrooms). We use the results of the survey to consider and implement improvement measures.

Measures Towards Good Design Award

The Group strives to provide socially and environmentally sustainable products and services. As part of this, it undertakes measures encouraged by the Good Design Award*, which leads to improved customer comfort. The Good Design Awards are evaluated from the perspective of whether a design can enrich lives and society.

In fiscal 2021, Nomura Real Estate Development won 6 Good Design Awards, marking the 20th consecutive year in which the Group won Good Design Awards.

※ The Good Design Award: Japan's unique comprehensive design evaluation and commendation system, operated by the Japan Institute of Design Promotion. The purpose of the Award is to find and share exemplary design in many spheres with the potential to drive industrial growth and enrich lives.

Award-Winning Projects	
■ Nomura Real Estate Development	
< Housing >	
• PROUD KANDA SURUGADAI Note: Good Design BEST 100 Award	
• PROUD City Kichijoji	
• PROUD Suginami Honancho	
• PROUD FLAT Nakano	
< Office Building >	
• H ¹ O Nihonbashi Kobunacho	
< Retail Commercial Facility >	
• Hi-NODE TOKYO HiNODE PiER	

 [News Release\(Japanese only\)](#)

Design Review Contest

Every year, the Group invites outside architects in residential development to conduct a design review. The architects look over the detached residences completed the previous fiscal year and also conduct a 360-degree review of the design, management, community, and other factors of several representative properties toward improving customer satisfaction. In fiscal 2021, we shared and reviewed construction plans for PROUD City Hiyoshi as well as initiatives on community development and disaster prevention to effectively incorporate the information into future planning.



PROUD City Hiyoshi Residence II

Evaluation Points

- Plan and design
- Responses to social and environmental issues
- Community development
- Contribution to the local community

Ensuring Safety of Construction Sites

The Group established the Construction Safety and Security Guidelines to prevent accidents and disasters at demolition and new construction sites in the residential development and commercial real estate businesses.

Moreover, the Group obtains a construction plan and a Safety and Security Check Sheet based on the guidelines from construction contractors as its suppliers and confirms that the safety and security of project workers has been adequately safeguarded. The Group is also working to ensure the safety not just of suppliers but also of neighboring residents and local community members by holding construction briefings for construction companies prior to construction, raising awareness of health and safety issues, and performing inspections in major building construction processes.

Outline of the Construction Safety and Security Guidelines

- Prompt reporting duties
- Pre-construction confirmation
- Temporary work plan checks
- Accident prevention measures for demolition work
- Accident prevention measures for heavy machinery work
- Precautions by type of construction work (building frames, finishing work and installation work)
- Safety and Security Check Sheet

Supplier Council Meetings on Health & Safety Held

With the aim of implementing comprehensive safety management systems and raising awareness regarding health and safety, the Group regularly holds Supplier Council Meetings on Health & Safety with business partner companies.

Nomura Real Estate Partners holds the Supplier Council Meetings on Health & Safety

Nomura Real Estate Partners annually holds the East Japan Supplier Council Meetings on Health & Safety and the West Japan Supplier Council Meetings on Health & Safety. In fiscal 2021, Council Meetings were held online by the executive companies due to the COVID-19 pandemic, with seven and five companies in attendance, respectively, to report on the results of joint safety patrols and share safety and quality initiatives (note: 183 companies attended these meetings in fiscal 2019).

Nomura Real Estate Heating and Cooling Supply Hosts Supplier Conferences on Safety

Nomura Real Estate Heating and Cooling Supply Co., Ltd. holds an annual Supplier Conference on Safety where outstanding business partners are presented awards and the Health and Safety Management Plan for the current year is explained. In fiscal 2021 and fiscal 2022, the conference was not held, as a countermeasure against COVID-19 (note: 15 companies attended the conference in fiscal 2019).

Safety and Security in Disasters

Approach and Policies

Group Policy (Society)

Under the Group Policy, we collaborate with fire departments, governmental bodies, disaster preparedness experts, and others to fulfill the Group's responsibility to ensure safety and security during abnormal weather and natural disasters by strengthening our resilience in the face of these events. We take preventive actions to minimize impact in the event of a disaster and enable the activities of businesses and daily life to continue.

Management

Management (Society)

Targets and Results

Targets

The Group seeks to expand and enhance its safety preparedness measures to ensure the safety and security of stakeholders during disasters.

Results

Expansion and Enhancement of Disaster Preparedness




	FY2018	FY2019	FY2020	FY2021
Disaster preparedness drill implementation rates at managed properties (office building segment) (%)	94	93	94	97

Number of facilities, etc. that can take in persons who are unable to return home during a disaster (properties)	7	8	10	10
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Initiatives

Design and Construction in Preparation for Disasters

The Group has developed the Quality Manual for design and construction companies and incorporates it into construction plans while taking into consideration the risks of earthquake, fire, flood, and other disasters. In addition, we ensure the safety of our buildings by conducting a ground survey of the land prior to construction and preparing a specific construction plan for the location.

 Earthquake	<p>Ground survey is conducted during construction planning, and verification results are incorporated into the structural design. Appropriate countermeasures are taken for liquefaction, seismic isolation, and vibration.</p>
 Fire	<p>In accordance with the Fire Service Act, indoor fire extinguishing systems are installed in common areas, and fire extinguishers and automatic fire alarm systems are installed in exclusive areas.</p> <p>※ Type of equipment installed and installation location vary by condominium.</p>
 Flood	<p>After reviewing the records of past flooding and the risk of damage on local hazard maps, appropriate countermeasures are implemented, such as setting the lowest floor level of the building and placing seawalls and sandbags. Hazard maps are attached to the statements of material matters provided to purchasers of residences.</p> <p>※ Countermeasures vary by condominium and are not implemented in areas that are not prone to flooding.</p>

“Three Preparations” to Realize Homes Prepared for Disasters

Disaster prevention measures (earthquakes, fires, wind and flood damage, etc.) start from the time of planning the construction of the condominium, and we are working on it with a view to life after moving in. Proprietary collective housing design standards and collective housing manuals are distributed to design companies and construction companies and reflected in plans. A disaster prevention warehouse is installed in the common area, and disaster prevention equipment is delivered at the time of delivery to assist in the event of an emergency. In addition, we are taking various measures such as creating a community that can help each other in times of emergency and supporting disaster drills.

☐ Disaster Preparedness in Housing



Conceptual diagram

Disaster Response Headquarters Establishment Drills

Nomura Real Estate Group established a business continuity plan (BCP) in anticipation of a major earthquake in the Tokyo Metropolitan region and conducts disaster response headquarters establishment drills with the president of Nomura Real Estate Holdings serving as head of the headquarters once a year.

☐ Business Continuity Plan (BCP)

Implementation of Emergency Communication Drills and Disaster Response Headquarters Establishment Drills

To ensure the safety and security of customers (residents, tenant businesses, and facility users) during a disaster and to prepare for the rapid resumption of business by tenant businesses, Nomura Real Estate Partners annually conducts both emergency communication drills and disaster response headquarters establishment drills.



Disaster response headquarters establishment drills

Overview of Disaster Response Headquarters Establishment Drills

- Confirmation of the disaster response headquarters establishment process and details of measures
- Confirmation of details of the disaster response headquarters activities according to the recovery situation.
- Assessment and tabulation of damage and managed properties
- Practice conveying information from management sites to the disaster response headquarters

Supporting Disaster Preparedness at Managed Properties

As a part of its efforts to ensure safety and security during disasters, the Group provides disaster preparedness support to residents, management associations, tenant businesses, and facility users at managed properties (residences, office buildings, commercial facilities, logistics facilities, etc.).



Rendered drawing of displayed emergency supplies at a location that is readily visible to residents (perspective drawing)

Main Support

- Implementation of disaster preparedness drills
- Support organizing disaster supplies and forming and operating disaster preparedness organizations
- Development of disaster preparedness and response manuals
- Support preparing firefighting and disaster preparedness plans
- Distribution of disaster preparedness guidebooks

At-Home Sheltering with the Display and Stockpiling of Emergency Supplies

Partly due to the impact of the COVID-19 pandemic, local governments* are increasingly encouraging people in the event of a disaster to take shelter at their homes when it is safe to remain there.

Recognizing that some of our condominium residents are not aware of the location and content of emergency supplies available in their buildings, we will be launching an Easy-to-See initiative to make disaster preparedness more accessible to residents.

※ Reference: Disaster Preparedness Tokyo compiled by the  Tokyo Metropolitan Government

 [Disaster preparedness through the display and stockpiling of emergency supplies](#)

Established Emergency Shelter for Tenant Companies

The Group established N-FORT (located in Chuo-ku, Tokyo) as a hub for disaster preparedness and business continuity planning for PMO (Premium Midsize Office) office buildings. N-FORT is equipped with an emergency power generator that can operate for 72 hours and a stockpile of food and drinking water, portable toilets, as well as emergency food for 2,000 persons, and it provides manned responses. The facility reinforces BCP throughout the PMO series of office buildings.



Emergency supplies stored at N-FORT

☐ Disaster preparedness measures for PMO office buildings

Redevelopment of Densely-built Areas of Wooden Houses

Nomura Real Estate Development is carrying out redevelopment taking into consideration the promotion of fireproofing of entire areas by combining and making intensive use of housing lots in districts where wooden houses are densely packed together.

In 2019, in the redevelopment of Ikebukuro subcenter in Toshima-ku, which was designated as a Special Urban Renaissance Urgent Development Area, we improved disaster prevention capability, maintained and constructed roads, newly developed a district square that is open to the community, and built facilities providing support to families raising children, through resolution of dense areas of wooden houses.

Securing Electricity during Power Outages Caused by Disasters

Large-scale power outages caused by disasters can be life-threatening if recovery takes a long time. Our PROUD condominiums are equipped with the PROUD Power Generation and Storage Smart Relay System, which provides electricity, generated by solar power facilities during outages, through storage battery systems.

Care for and Activation of Communities

Approach and Policies

Group Policy (Society)

The Nomura Real Estate Group recognizes that community dysfunction and reduced vitality, and the related weakening of communities due to factors such as the declining birth rate and aging population and the increase in the number of vacant dwellings are important social issues. The Group fosters connections with customers and local communities and supports the nurturing of communities by means of building design initiatives and operational services. Through these measures, it is promoting smooth mutual assistance in emergencies and community revitalization and contributing to the realization of a cooperative society. Particularly in regard to disaster prevention, we periodically conduct disaster drills with tenants and the local community. In terms of community development, we also participate in voluntary cleanup campaigns and local events, and we promote the BE UNITED initiative to build communities with local ties.

When conducting real estate and urban development, we take into consideration the impact on the living and business environments of people in the local communities and endeavor to create ongoing and trusting relationships with our stakeholders.

Management

Management (Society)

Targets and Results

Targets

The Group has set the following two targets regarding consideration of and support for the revitalization of communities.

Target 1: Expand and Improve Plans and Designs that Revitalize Communities

Target 2: Operation and Management that Supports Community Revitalization

Result 1: Expand and Improve Plans and Designs that Revitalize Communities

	FY2018	FY2019	FY2020	FY2021
Newly constructed residential properties with facilities that contribute to local communities (properties)	3	6	5	6

Result 2: Operation and Management that Supports Community Revitalization

	FY2018	FY2019	FY2020	FY2021
Number of community Be ACTO opened (cumulative total)	-	2	2	2
Number of preoccupancy housewarming events held at residential properties (events)	56	27	_(※)	_(※)
Number of companies that participated in tenant networking events at mid-sized office brand PMO	101	27	_(※)	_(※)

※ No events were held in fiscal 2020 or fiscal 2021 to help contain the spread of COVID-19.

For more information about Be ACTO, please click [here](#). (Japanese only)

Initiatives

Plans and Designs that Revitalize Communities

The Group promotes plans and designs that support development and revitalization so that customers including residents and tenant companies can develop communities over the long term after they take up occupancy.

100 Design Techniques for Condominium Communities

The Group formulated the 100 Design Techniques for Condominium Communities (the “100 Design Techniques”) through an industry-academia joint research project with the graduate school of Japan Women’s University and reflects them in condominium product planning. The 100 Design Techniques organize plans and designs for revitalizing communities based on the results of surveys on the status of use of common areas in condominiums developed by the Group and surveys of livability satisfaction. The objective is to create comfortable communities where residents respect individual lifestyles of others and can support one another during emergencies such as in the event of a disaster.

[100 Design Techniques](#)

[Disaster Preparedness in Housing](#)



Tenant-Only Community Floor NEON

At the Shinjuku Nomura Building (where our headquarters and several Group companies locate, in Shinjuku-ku, Tokyo) and the Hamamatsucho Building (located in Minato-ku, Tokyo), the Group created community floors for the exclusive use by officers and employees of tenant companies and the Group. The aim is to increase options for places for internal and external interactions and working, and the spaces are used for dining, coworking, and holding events.



Community floor NEON

H¹O, a Small Office with Support Services

Common areas of buildings of the new H¹O series, which are being developed by the Group, provide spaces that are designed to enable people to switch on and off from work. H¹O will not only provide places with aroma air conditioning and shower rooms (for some properties) where a person can take a rest and relax but also provide healthy foods and organize various training and events in order to promote community formation among tenant workers.



H¹O Nihonbashi Muromachi

Flow Planning for Common Areas Where a Community Is Naturally Formed

At OUKAS (Funabashi, Kaihin Makuhari, Kichijoji, etc.), health promoting senior rental housing, the Group provides common areas (main guest dining, karaoke & theater, fitness studio, community cafe, large communal bath, etc.) on the 1st floor and develops flow planning so that residents can gather and naturally interact each other.



Dining room



Large communal bath



Karaoke room

Operation and Management that Supports Community Revitalization

The Group also holds social events for residents and tenant companies, issues newsletters and engages in other initiatives to help customer communities function in a healthy manner over the long term after taking up occupancy. In fiscal 2019, we held 27 preoccupancy housewarming events at residences. We also held tenant networking events at three PMO office buildings and 27 tenant companies participated. (In fiscal 2020 and fiscal 2021, these events were not held due to the COVID-19 pandemic).



A networking event for PMO tenant companies

Condominium Community Guide Released

The Group distributes the Condominium Community Guide to management associations. The Guide is a pamphlet that includes know-how regarding community activities from planning to execution.

Holding Events for Condominium Residents

The Group holds events for residents in condominiums managed by the Group, where residents (families, etc.) can deepen interactions while enjoying food and farming through harvesting experiences in spacious fields surrounded by rich nature. In fiscal 2019, a total of 406 persons participated for two days. (In fiscal 2020 and fiscal 2021, these events were not held due to the COVID-19 pandemic.)



Event for Condominium Residents:
Partners Farm Autumn Vegetable
Harvesting Experience

Activation of Communities Based on the BE UNITED Initiative

The Group strives to deliver value by recognizing that engagement does not end when the building is completed, so that customers can form trusting relationships with the residents over the long term after taking up occupancy. We collaborate with NPOs, governmental bodies, and local communities from the development stage to stimulate conversations within communities through projects and activities over long periods and strive to develop communities by reaffirming their value and creating positive cycles of interaction.



Farming experience at the Setagaya Farm

Passing on the richness of urban farmland to the next generation.



GEMS HIROO CROSS (EAT PLAY WORKS)

Connecting the community with eateries by establishing an ecosystem of culinary culture, instead of simply a commercial building.



NOHGA HOTEL

Reconfirming the profound appeals of the community through the world.



OUKAS

Sharing the experience of senior citizens with the community, which gives back by providing elders with a purpose in life.



Food Truck Project (2020–2022)

Mobility solution that connects tenant supply issues with condominium residents' food needs.

Creating Circular Communities through Be ACTO Area Management

Be ACTO is a system in which the Group participates in area management. We believe the purpose of area management is to continuously recognize and generate local value together with the people who live there. By continuing to help establish a sense of inter-dependence among area residents, we hope to create seedbeds for fostering multigenerational and circulatory communities that are unique to each area. Since the first project at Be ACTO Hiyoshi, we have launched the initiative at various areas including Be ACTO Minamiyama and Be ACTO Kameido.

 Be ACTO (Japanese only)



BE ACTO package

Communication with the Community and Customers

The Group, as a business entity that develops businesses involved in the community, places emphasis on implementing engagement with stakeholders. The Group promotes exchanges between the Group and customers as well as between the Group and community residents. It also facilitates communication between customers and communication between customers and municipalities and government when community events such as summer festivals and Christmas events are held at office buildings and commercial facilities. In addition, we set up suggestion boxes at commercial facilities and inquiry counters for customers to make inquiries when they have problems, in order to facilitate easy communication.

Ties Between OUKAS Funabashi and Local Communities

The Group periodically makes available the fitness studio and community café at OUKAS Funabashi, health promoting senior rental housing, to local residents as a hub for health support and multi-generation social interaction.



Community café (OUKAS Funabashi)

Ties of Fitness Clubs with Local Communities and Schools

We believe that sports have an immense impact on developing the abilities of growing children, especially if there is a focus on non-cognitive skills, such as self-esteem, perseverance and cooperation. To help children develop non-cognitive skills, our Megalos fitness club created the Kodomo Mirai Project (project for children's futures), which connects Megalos with local communities, actively provides a place to develop children's non-cognitive skills, and contributes to creating stronger communities. To successfully implement a project designed for children, Megalos must maintain and strengthen its ties with the local community, kindergartens, nursery schools and schools, which play an important role in children's growth. For that reason, Megalos is making various efforts, such as holding swimming and physical education classes at its location, conducting lessons at schools, and renting out swimming

pools. In recognition of these efforts, the club received the Good Design Award in 2020.

[Kodomo Mirai Project](#)

[Contributions to Local Communities and Society](#)

Communication through Educational Programs

The Group develops educational programs to build new relationships between towns and children. Watching over the community is a program for nurturing children's interest in their town and for thinking together about what is important for the town after dispatching lecturers to elementary schools.

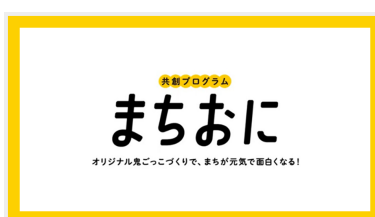
Machi-Oni is a program developed in collaboration with the Graduate School of Keio University to create a local tag game that all participants can enjoy. In addition to sports-related lessons such as swimming, MIRAIKU, and physical education, our MEGALOS sports club also operates the Kids After School program to offer these programs.



Watching over the community

[Watching over the community](#)

[Movie](#)



Machi-Oni

[Machi-Oni Movie](#)



Kids After School activities

[Kids After School activities](#)

[Movie](#)

Establishing Relationships of Trust with Local Communities

When conducting real estate and urban development, we focus on building consensus and relationships of trust with local governments, landowners and residents in the areas where we operate.

Neighborhood Briefings

The Group states in its human rights policy that it aims to coexist in harmony with local communities in the countries and regions in which it operates. In each of these locations, the Group shall foster and support sustainable communities that continue to attract a diverse group of people. The Group shall also respect human rights related to the lives and health of local residents affected by its business activities by ensuring the safety of its buildings and taking into consideration the impact of construction work on the surrounding environment, including noise, vibration, and dust. We understand that construction often causes concerns for local residents, particularly about the possible deterioration of water quality and landslides, noise, vibration and debris as well as accidents caused by falling objects. To clearly and sincerely respond to these concerns, we hold neighboring briefings at development sites and place top priority on the safety and security of nearby residents during construction.

Giving Consideration to Ease of Access to Public Transportation Services

When acquiring land and properties, the Group gives consideration to the accessibility to public transportation services in all cases so that customers can live in and/or use them with ease.

Employment and Procurement from Communities

The Group is promoting employment and procurement from local communities in which it conducts business to contribute to their continuous development and establish an ongoing trusting relationship with them. In particular, we actively utilize local specialty products in our hotel business and employ local staff for our overseas business.

Contributions to Local Communities and Society

Approach and Policies

Group Policy (Society)

Under the Group Policy, we conduct local and social contribution activities based on recognition of our responsibility as a corporate citizen to address society's needs by engaging in dialogue with local communities and contributing to their development through co-creation. We believe that these activities will contribute to "Building the future together," which is our vision of 2050, and to "Be a 'Life & Time Developer', as never seen before," our vision for 2030, as set forth in our Mid- to Long-term Business Plan.

Results

Expenditures for Contributions to Local Communities and Society

	FY2018	FY2019	FY2020	FY2021
Cash donations* ¹ (10 thousand yen)	1,100	1,100	1,100	1,100
Management costs* ² (10 thousand yen)	6,849	6,458	2,058	29,688
Total amount (10 thousand yen)	7,949	7,558	3,158	30,788

※1 Cash donations represent support paid to the Japanese Para-Sports Association (JPSA).

※2 Management costs are the approximate expenses for events held for local communities mainly at Group-owned facilities.

Contribution to the Local Community

Taking in Stranded Persons in the Event of a Disaster

In addition to improving the disaster preparedness of condominiums and facilities, we are working to strengthen our emergency connections with local governments and communities. For example, we are making buildings and units owned by the Group available, and its funds and facilities operated by the

Group can be used for and as emergency community shelters.

Major examples of disaster prevention initiatives for local communities

- Emergency shelters: Establishing temporary shelters for those stranded by a disaster, including the provision of temporary rest areas, water, toilets, and information
- Emergency supply storage: Stockpiling emergency supplies in condominiums
- Emergency access to well water: Made available when the water supply is interrupted due to a disaster
- Manhole toilets: Made available when the water and sewage supply is interrupted due to a disaster
- Bench-type cooking stove: Made available when the gas supply is interrupted due to a disaster

Civic-Minded Hotel Business

The Group's NOHGA HOTEL brand is built on the concept of offering a wonderful experience to guests, which comes from the hotel's deep ties to the local community. NOHGA HOTELS have therefore undertaken various projects to support and foster ties with the communities in which they operate, such as cooperatively creating products with local designers, craftsmen and businesses and organizing events and workshops.



Edokiriko glassware made by a local business



Shoehorn produced in collaboration with local businesses

Supporting the UN Refugee Support Campaign

The Group supports the activities of the UNHCR, the United Nations Refugee Agency, by providing its facilities to the United Nations Refugee Support Campaign free of charge. The campaign collects donations to purchase vaccines and tents for refugees. Although we suspended our activities in fiscal 2020 and fiscal 2021 due to the COVID-19 pandemic, we resumed them in fiscal 2022.

Supporting Youth Development

Participation in Career University

Nomura Real Estate Development participates in the Career University* Summer Class conducted by NPO Career Cruise with the aim of supporting young people in building their careers. The class, which is for university freshmen and sophomores, includes programs such as real estate development games and property tours. In fiscal 2021, the program was held at our head office in the Shinjuku Nomura Building with approximately 30 students participating.

※ An initiative conducted by NPO Career Cruise aimed at helping university students build their careers. Other supporting organizations including companies and government agencies provide educational seminars covering various specialized fields.

Internship Program

Nomura Real Estate Development offers an internship program targeting university undergraduate and graduate students every year.

On-site Internship Program

The program provides opportunities to experience real estate operations such as product planning and accompanying personnel during marketing activities. In fiscal 2021, the program was provided for five days in the Company's Head Office in Tokyo and approximately 110 students participated.

Simulated Experience of Developer Operations

Through this program, intern students can learn about developer operations and what the Group attaches importance to urban development. In fiscal 2021, the program was provided online for two days, and approximately 280 students participated.

Career Support Programs through Collaboration with Universities

The Group collaborates with universities to offer programs that support career development of young people.

Rikkyo University

The Group's employees conduct the class, which is for university freshmen and sophomores and offers opportunities to think about what it takes to work in society and create a vision for the future by experiencing developer operations through real estate development games, property tours, and other programs.

Future Skills Program* at Meiji University

Group employees teach freshmen practical skills for the real estate business. In fiscal 2021, students discussed the area management system that is sustainable for 20 years into the future by using the Proud City Hiyoshi project, under development by Nomura Real Estate Development, as a case study.

※ A practical, project-based learning-type program intended for university freshmen. Participants work on solving simulation problems based on actual business scenarios.

Swimming Lessons for Toddlers and Children in Local Communities

The Kodomo Mirai Project ("project for children's future") run by Nomura Real Estate Life & Sports is intended to engage entire communities in child development through sports and popularize sports among children. As part of the project, the Company holds events for helping nursery school and kindergarten children to become accustomed to being in the water. For local elementary school children, fully clothed swimming lessons are offered to prevent injury and drowning. In addition, the Company works with neighborhood elementary schools to organize special swimming lessons designed for children who cannot swim, with the goal of resolving the disparity in swimming skills between children who take swimming lessons out of school and those who do not. We will continue to contribute to local communities and urban development by providing safety and security through sports and exercise as part of the city's infrastructure for well-being.



Getting nursery school and kindergarten children accustomed to being in the water

Cooperation with “Kodomo Hyakutoban no Ie” (Children’s Emergency Shelter) Activities

Nomura Real Estate Solutions started to participate in “Kodomo Hyakutoban no Ie” (children’s emergency shelter) activities at 15 “Nomura’s Broker + (Plus)” stores in Tokyo to contribute to keep children safe and be well-received by local communities. These stores serve as emergency shelters for children when they feel physical danger, such as when they are approached by suspicious persons, and contact their parents or the police if necessary.



“Kodomo Hyakutoban no Ie” sticker displayed on the store entrance door

Supporting Sports

Official Partner of the Japanese Para Sports Association (JPSA)

As a company that identifies with the philosophy of the Japanese Para Sports Association (JPSA) of fostering inclusion to make society a place where everyone can benefit from the value of sports, Nomura Real Estate Holdings has entered into an official partner agreement with the JPSA.

[See here to learn more about the activities of JPSA](#)



Supporting Sports for the Disabled

Nomura Real Estate Life & Sports collaborates with governmental bodies to provide swimming lessons for the disabled and program for developing instructors for the intellectually disabled. Employees include one deaf soccer (soccer for persons with hearing difficulties) national team member. Special leave and special financial incentives are granted during applicable sports events.

Nomura Real Estate Partners promotes understanding of parasports and supports them through various activities, including the employment of Yuki Nishi, a wheelchair track and field athlete (T54 class), and Ryo Nagano, a Para swimmer (S21 class).



Yuya Okada, a deaf soccer player



Yuki Nishi, a wheelchair track and field athlete



Ryo Nagano, a Para swimmer

Certified as Tokyo Sports Promotion Companies

Nomura Real Estate Partners and Nomura Real Estate Life & Sports were again certified by the Tokyo Metropolitan Government as 2021 Tokyo Sports Promotion Companies* as in the previous year. Both companies have been certified for six consecutive years since fiscal 2016.

※ This certification is granted by the metropolitan government of Tokyo to companies that encourage employees to directly participate in sports as well as to those that provide support for athletes and others involved in sports.





Sustainability activities(ESG) **Governance**

The Nomura Real Estate Group recognizes that strengthening compliance and promoting both risk management and corporate governance are vital for ensuring business continuity and enhancing corporate value toward creating a sustainable society. The Group also conducts its business activities in a manner that respects the human rights of all people, including customers, local communities, employees, and suppliers.

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Governance

Group Policy

The Nomura Real Estate Group recognizes that strengthening compliance and promoting both risk management and corporate governance are vital for ensuring business continuity and enhancing corporate value toward creating a sustainable society. The Group also conducts its business activities in a manner that respects the human rights of all people, including customers, local communities, employees, and suppliers.



Management

Nomura Real Estate Holdings has established the Risk Management Committee and Group Legal & Compliance Department to develop and implement a framework for promoting compliance. Regarding risk management, the committee has been designated as the integrated entity for deliberating on various risks related to Group management. It regularly monitors, evaluates, and analyzes the status of major risks, provides necessary guidance and advice to each business unit and Group company, and regularly reports to the Board of Directors.

As for respect for human rights and enhancing supplier management, the Nomura Real Estate Holdings president and Group CEO is responsible for implementing initiatives. In addition, the Sustainability Committee, which comprises Nomura Real Estate Holdings, Group company directors, and others, and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates on and decides related policies and action plans. The committee also sets annual targets for these actions and monitors progress.

※ For details of the compliance promotion framework and risk management structure, refer to the “Management” sections on relevant pages.

Corporate Governance



- Philosophy and Policies
- Corporate Governance Report
- Corporate Governance System
- Accountability of the Board of Directors
- Compensation Plan of Directors
- Internal Control System
- Shareholder Rights and Securing Impartiality

Compliance



- Approach and Policies
- Management
- Targets and Results
- Initiatives

Risk Management



Approach and Policies
Management
Targets and Results
Initiatives

Supply Chain Management



Approach and Policies
Management
Targets and Results
Initiatives

Corporate Governance

Philosophy and Policies

[Group Policy \(Governance\)](#)

We here at Nomura Real Estate Holdings believe in governance that maximizes the value of the corporate group over the long term while considering the interests of its shareholders and other stakeholders. As a holding company, we manage and supervise the business activities of our subsidiaries and strive to build a more transparent management system in accordance with the "Basic Corporate Governance Policy" with the aim of improving the profitability of the entire group.

[Basic Corporate Governance Policy](#)

Corporate Governance Report

[Corporate Governance Report](#)

(Last updated: January 4, 2023)

Results

Meetings in FY2021

Types of Meetings	Number of meetings held	Types of Meetings	Number of meetings held
Board of Directors	21	Budget Committee	11
Audit & Supervisory Committee	12	Risk Management Committee	7
Advisory Committee Relating to Nominations and Compensation	7	Sustainability Committee	5
Management Committee	50	DX Strategy Committee	12

※ reporting scope: Nomura Real Estate Holdings

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

	FY2018	FY2019	FY2021	FY2022
Board of Directors (%)	100	99.0	100	99.6
Of which External Directors (%)	100	97.5	100	99.0
Audit & Supervisory Committee (%)	100	100	100	100
Of which External Directors who serve as Audit & Supervisory Committee Members (%)	100	100	100	100

※ The meetings of the Board of Directors and the Audit & Supervisory Committee held after their appointment on June 24, 2021 are included.

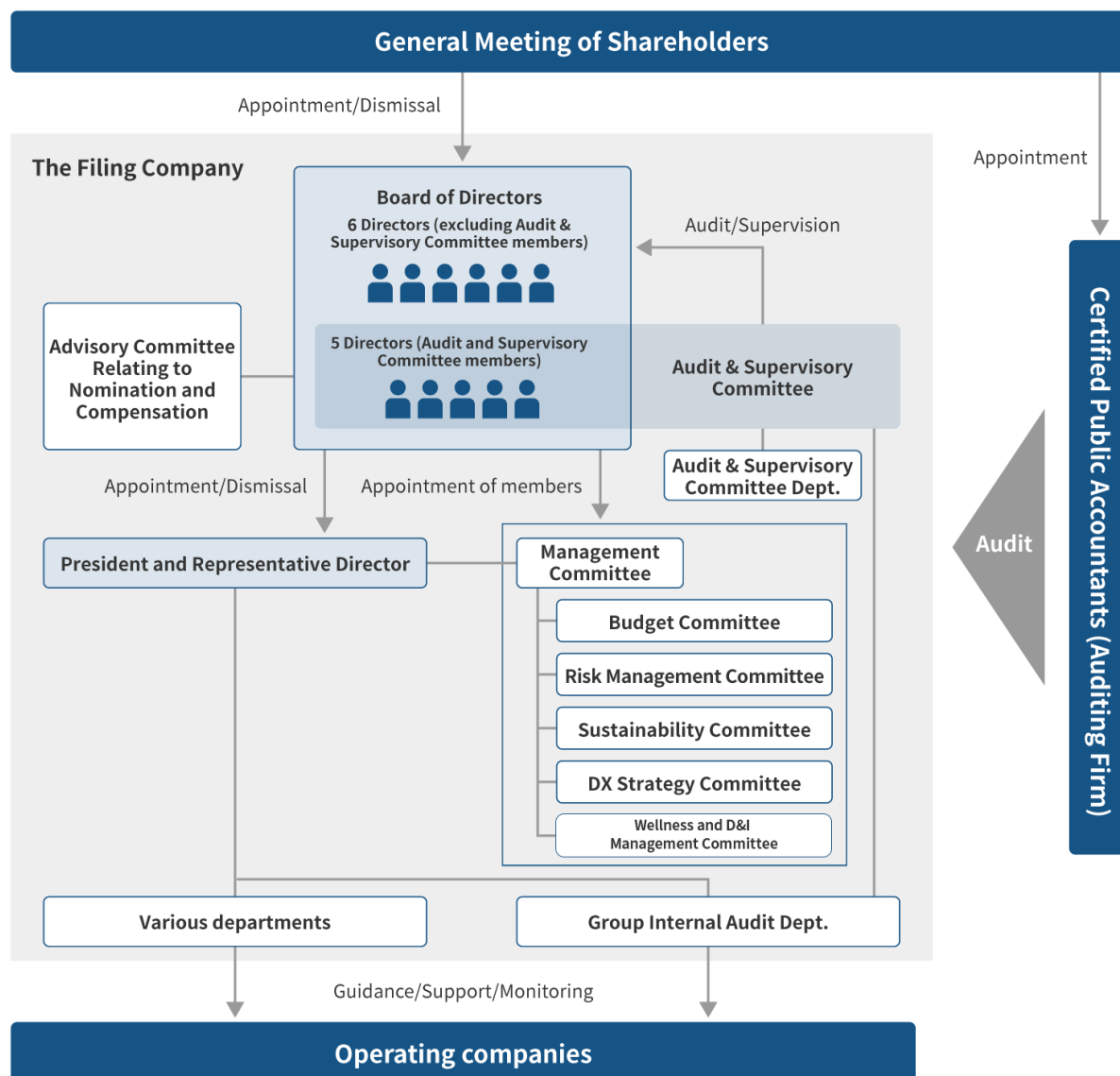
Attendance of external directors at meetings of the Board of Directors and the Audit & Supervisory Committee held in fiscal 2021 (current external directors only)

	Board of Directors	Audit & Supervisory Committee
Yoshio Mogi	Attended all 21 of the meetings held	Attended all 12 of the meetings held
Akiko Miyagawa	Attended all 21 of the meetings held	Attended all 12 of the meetings held
Tetsu Takahashi	Attended all 21 of the meetings held	Attended all 12 of the meetings held

📄 For more details, see the ESG data (Governance).

Corporate Governance System

Chart of Corporate Governance System(As of 1 January, 2023)



Board of Directors

The Board of Directors bears the responsibility of realizing effective corporate governance for all shareholders, and through this, achieving sustainable growth of the Company and working to maximize long-term corporate value. 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.

The Company's Board of Directors comprises six directors (excluding directors who serve as Audit & Supervisory Committee Members) and five directors who serve as Audit & Supervisory Committee

Members (of which three 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 various areas. In order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, three out of the 11 directors are independent external directors.

Board Members

Audit and Supervisory Committee

Nomura Real Estate Holdings has an Audit and Supervisory Committee that comprises a majority of external directors and is responsible for management oversight. The Audit & Supervisory Committee monitors business management and performs audits utilizing the Company's internal control system. We have developed a system through which the Committee receives periodic reports on internal audits and 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, and express their opinions so that an effective system for audits and supervision is secured.

Audit & Supervisory Committee (5 Members, Including 3 Independent External Directors)

Name	Attribute
Hiroyuki Kimura (Chairman)	Full-time
Yasushi Takayama	Full-time
Yoshio Mogi	Independent External Director
Akiko Miyagawa	Independent External Director
Tetsu Takahashi	Independent External Director

Advisory Committee Relating to Nominations and Compensation

The Company established the Advisory Committee Relating to Nominations and Compensation, as an advisory body to the Board of Directors, where the majority of members are comprised of independent external directors, to strengthen the objectivity and independence of functions of the Board of Directors in relation to nomination and compensation of the directors and executive officers. The committee will discuss matters relating to the nomination of and compensation for directors and executive officers, successor plan, policy for training, etc., and shall report the outcome of discussions to the Board of Directors.

Advisory Committee Relating to Nominations and Compensation (3 Members, Including 2 Independent External Directors)

Name	Attribute
Tetsu Takahashi (Chairman)	Independent External Director and Audit & Supervisory Committee Member
Shoichi Nagamatsu	Chair and Director
Yoshio Mogi	Independent External Director and Audit & Supervisory Committee Member

Management Committee

The Company has introduced a system of executive officers with an aim to strengthen Group management by separating and enhancing the business execution function from the management decision-making and supervisory functions. Each executive officer appointed by the Board of Directors is delegated management authority based on the Company's internal rules and other stipulations to execute business under the direction of the president and representative director and policies approved by the Board of Directors of the Company.

The Management Committee, which is comprised of the chief executive officer, the executive vice president and executive officers, determines certain matters regarding the execution of business at overall Group companies. The chairman of the Board of Directors and Directors who are Audit & Supervisory Committee Members attend meetings of the Committee, where they express their opinions as necessary.

Other Committees

Under the Management Committee, there are the following committees that discuss the Group's management policies, issues to be coped with, etc.

a. Budget Committee

For the compilation of budgets, preparation of Mid-to Long-term Business Plan, and other matters, the Committee discusses the planning, exercise, and other matters regarding budgets and Mid-to Long-term Business Plan as a subordinate organization of the Management Committee.

b. Risk Management Committee

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

c. Sustainability Committee

The committee discusses matters on the promotion of sustainability and others for the purpose of establishing policies and plans and managing results regarding the promotion of sustainability, deepening Group employees' understanding, and disclosing various information thereof.

d. DX Strategy Committee

The Committee discusses matters on 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 and improving the ICT environment and its effective use.

e. Wellness and D&I Management Committee

The Committee discusses mid-to long-term goals and various measures related to promoting wellness, work style reforms, promoting the empowerment of women, and utilization and active participation of the Group's diverse human resources in order to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness, and also to enhance efforts for formulating human resource development policies and promoting internal environment development for ensuring diversity.

Accountability of the Board of Directors

Appointment of Directors

The directors of Nomura Real Estate Holdings are elected at the general meeting of shareholders every year in accordance with the Articles of Incorporation, differentiating directors who are Audit and Supervisory Committee members from other directors. In order to ensure the necessary balance and diversity as a holding company that oversees companies operating in a wide range of fields, directors are those with a variety of knowledge, experience and ability, regardless of nationality and gender. In order to function effectively, we have no more than 12 directors (excluding directors who are Audit and Supervisory Committee members) and no more than 6 directors who are Audit and Supervisory Committee members. The average tenure of the directors is 3.16 years (as of January 1, 2023).

Criteria for Determining Impartiality of Independent External Directors

The Company has established the following criteria for determining Impartiality of independent external directors.

Criteria for Determining the Impartiality of Independent External Directors

Excerpt from Article 14 of the Basic Corporate Governance Policy

Article 14: In addition to Independent Director impartiality criteria set by the Tokyo Stock Exchange, the Board of Directors establishes criteria concerning the impartiality of Independent External Directors and nominates Independent External Directors having confirmed that they do not correspond to any of the following items.

- (1) Individuals who execute business for any other company with which the Company or our subsidiaries have a reciprocal employment relationship as each other's External Directors;
- (2) Individuals who are employees of the Company's or our subsidiaries' major business partners^{*1} or who are employees at companies that consider the Company or our subsidiaries to be their major business partner^{*1} (or individuals involved in the execution of business if such business partner is a corporation);
- (3) Consultants, accounting experts, or legal experts who receive money, or other property gains in excess of ¥10 million in addition to Directors compensation from the Company or subsidiaries during the most recent business year;
- (4) Individuals affiliated to companies, etc., that provide professional services such as law firms, accounting firms, and consulting companies that receive large sums of money or other property gains^{*2} from the Company or subsidiaries;
- (5) Individuals who are or were involved in the execution of business at one of the Company's major shareholders (individuals who are or were involved in the execution of business at such corporation if the major shareholder is a corporation), or lead managing underwriter; or
- (6) Close relatives of individuals stated in (1) to (5).

*1. A Major business partner means a business partner whose transactions with the Group exceed 2% of the Company's or such business partner's annual consolidated sales in the most recent business year.

*2. Large sums of money or other property gains means gains that exceed 2% of the annual consolidated sales of that companies, etc., in the most recent business year.

Name	Yoshio Mogi
Reason for Appointment	Yoshio Mogi has great knowledge, 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 as 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. Furthermore, based on his attributes and relationship with NREH, we determined him as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Name	Akiko Miyagawa
Reason for Appointment	Akiko Miyakawa has great knowledge, experience and profound insights as an expert at accounting and auditing 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 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 directly involved in the management of a company other than as an external officer. Furthermore, based on her attributes and relationship with NREH, we determined her as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Name	Tetsu Takahashi
Reason for Appointment	Tetsu Takahashi has great knowledge, experience and profound insights as a legal expert acquired through his many years working as a lawyer. He has never in the past been involved in the management of a company except as an outside director, however he has been selected as an external director as Audit & Supervisory Committee member because it is expected that his extensive experience and knowledge as a representative of a law firm and an outside 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. Furthermore, based on his attributes and relationship with NREH, we determined him as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Approach to Diversity of the Board of Directors

In order to ensure the necessary balance and diversity as a holding company that oversees companies operating in a wide range of fields, it is our policy to appoint diverse directors with a variety of knowledge, experience, and ability, regardless of gender, race, nationality, or cultural background.

Assessing the Effectiveness of the Board of Directors

For the Assessment of the Effectiveness of the Board of Directors in fiscal year ended March 2022 as was the case in the previous fiscal year, the Company conducted questionnaires and interviews of all directors (including Audit & Supervisory Committee Members) utilizing a third-party evaluation organization. The analysis and assessment based on discussions at a meeting of the Board of Directors regarding the results are outlined below.

	Results of analysis and assessment	
	Highly regarded points	Issues, future improvement measures
Members	The scale of the Board of Directors and the ratio of independent external directors are broadly appropriate.	—
Discussions	Discussions are free and lively, exceeding internal and external limits and leveraging the knowledge and experience of each director. In particular, discussions were enhanced through the opinions, etc., from external directors.	—

Operation	The Board of Directors has been operating stably with materials provided beforehand and the number of agenda items being balanced.	In order to provide further clarification of the discussion points regarding explanations on agenda items and materials, it is necessary to continue to work on improvements.
Matters for discussion	The Company makes efforts to enhance discussion aimed at improving governance and risk management through progress management, etc. using a "Priority Issue List" set up for organizing the issues that need to be monitored by the Board of Directors.	The Company recognizes that strategic discussions that require a medium-to long-term perspective need to be enhanced further. For the fiscal year ending March 2023, the Company has designated "enhancement of strategic discussions" and "optimization of governance" as priority measures, as in the previous fiscal year, and it will promote initiatives aimed at further improving corporate value and strengthening corporate governance.

Going forward, the Company will regularly grasp areas for improvement by conducting an assessment of the effectiveness of the Board of Directors each year and will further improve the effectiveness of the Board of Directors.

Compensation Plan of Directors

Outline of Compensation Plan of Directors

At a meeting of the Board of Directors, the Company has adopted a resolution on a policy for deciding the details of the compensation, etc. for each individual director excluding Audit & Supervisory Committee members. In addition, the Company established the Advisory Committee Relating to Nominations and Compensation, where the majority of members composing that body are independent external directors, and the Board of Directors resolved the operation, etc. of the compensation plan for the directors, based on the deliberation by the Committee and on the Committee's opinion reported to the Board of Directors.

Furthermore, the Board of Directors has judged that the compensation, etc. for each individual Director in the fiscal year ended March 2022 is in line with this policy regarding decisions of compensation, etc. as it has confirmed that the method for deciding the details of compensation, etc. and the details of the compensation, etc. that were determined are consistent with this policy regarding decisions of compensation, etc.

The decision policies in (1) to (6) below are as of the date of submission of the annual securities report

(June 24, 2022), and the compensation of External Directors for the fiscal year ended March 2022 consists only of “base compensation.” In addition, since 2019, the Company have incorporated initiatives for addressing environmental and social issues, including climate change, into the performance evaluation of officers.

(1)Basic policy

1. Compensation for Directors consists of a structure that is linked to the Mid- to Long-term Business Plan, etc. in order to sufficiently work as an incentive for the sustainable improvement of corporate value, and the Company’s basic policy in deciding compensation for each Director is to provide an appropriate level of compensation according to the role and position as a director.
2. Operation and revision of the compensation plan for Directors and the amount of the compensation for Directors are determined by the Board of Directors based on the deliberation by the Advisory Committee Relating to Nominations and Compensation and its opinion reported to the Board of Directors.
3. In reviewing the appropriateness of the compensation level and the content of the share-based compensation plan, the Company takes consideration of factors such as the size of the Company and business characteristics, after obtaining advice from an external compensation consultant as necessary.
4. Compensation of Directors concurrently serving as Executive Officers consists of “base compensation,” “bonus” 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.
5. Compensation of the Chair and Director and External Directors is made up of the “base compensation” and the “restricted shares (“RS”) portion of share-based compensation,” taking into account the sharing of interests with shareholders, since the Chairman of the Board of Directors is responsible for supervising execution of business from an objective standpoint and also for enhancing long-term corporate value.
6. Compensation of Part-time Internal Directors consists only of “base compensation” due to their role of supervising the business execution from an objective standpoint.

(2)Policy regarding decisions on the percentage of each type of compensation for each Director

1. The composition ratio of each type of compensation for Directors concurrently serving as Executive Officers is decided based on 2. and 4. in (1) above.
2. The composition ratio of each type of compensation for the Chair and Director and External Directors is decided based on 2. and 5. in (1) above.
3. Compensation of Part-time Internal Directors consists only of “base compensation” based on 2. and 6. in (1) above.

(3)Policy regarding decisions on the amount of fixed compensation (base compensation) for each Director (including the policy regarding decisions on the timing and conditions for paying compensation)

1. The amount of fixed compensation (base compensation) for each Director shall be determined according to the role and position as a Director.
2. The fixed compensation (base compensation) shall be paid monthly.

(4) Policy regarding decisions on the details of variable compensation (bonus and share-based compensation) for each Director and the calculation method for the monetary amount or number of shares (including the policy regarding decisions on the timing and conditions for paying compensation)
Bonus:

1. The amount of bonus is determined according to the Company's business performance, such as consolidated business profit, and evaluation of individuals.
2. While largely focusing on the above evaluations, the Company will also evaluate its performance using non-financial indicators (sustainability factors, etc.). The fiscal years subject to such evaluations shall be from the fiscal year ending March 2023.
3. The evaluation of individuals evaluates the progress of initiatives for single-year and the medium- to long-term, for which achievements are difficult to measure based only on the figures of financial results.
4. It shall be paid at a certain time after the end of each fiscal year.

Reference: The Company revised the policy regarding decisions of the details of the compensation, etc. for each of the Directors excluding Audit & Supervisory Committee Members from the fiscal year ending March 2023, deciding that the details and calculation method for performance indicators, etc., relating to bonuses, which are monetary compensation, would retain a central emphasis on evaluation of performance in terms of consolidated business profit, etc., but would also include an evaluation by non-financial indicators (sustainability factors, etc.). The purpose of this change is to promote initiatives aimed at increasing corporate value over the medium to long term through increasing Directors' awareness of sustainability, and in the fiscal year ending March 2023, the Company plans to conduct an evaluation based on BEI* as a non-financial indicator.

*Building Energy-efficiency Index. An index for evaluating the energy-efficiency performance of buildings based on the energy efficiency standards under the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act). It represents the primary energy consumption standard for buildings.

Share-based compensation:

1. The performance-based compensation adopts performance-sharing ("PS") providing incentive for enhancement of medium- to long-term performance, and implements, after three years of the commencement of each business year, delivery or payment ("delivery, etc.") of the Company's shares and/or an amount equivalent to the proceeds of converting the Company's shares into cash (the "Company Shares, etc.").
2. The non-performance-based portion adopts restricted shares ("RS") providing an incentive for long-term contributions and enhancement of corporate value by delaying delivery, etc., until retirement as an officer.
3. The share-based compensation system adopts the system of executive compensation BIP (Board Incentive Plan) trust (the "Trust"). The number of shares, etc., to be delivered, etc., is set at one Company's share per one point, according to the number of points calculated based on the below formula.

Calculation formula of points:

●PS portion

The number of points (the “Number of PS Points”) to be granted to directors for each fiscal year during the covered period is calculated by dividing the amount of pre-determined base compensation with respect to each executive position by the share price as of the acquisition of the Company’s shares by the Trust. The number of achievement-linked points shall be calculated by multiplying the Number of PS Points granted for each fiscal year by the achievement-linked coefficient determined based on the level of performance three years after the beginning of the applicable fiscal year. For the achievement-linked coefficient, the target ranges (0-200%) are set based on the “business profit” from the viewpoint of profit growth, and return on equity (ROE) from the viewpoint of maintaining the capital efficiency, out of the management benchmarks listed in the Mid- to Long-term Business Plan.

●RS portion

The number of points (the “Number of RS Points”) to be granted to directors and added for each fiscal year during the covered period is calculated by dividing the amount of pre-determined base compensation with respect to each executive position by the share price as of the acquisition of the Company's shares by the Trust.

(5) The method for determining the details of compensation for each director, etc.

1. The determination of the specific details of the amount of base compensation and bonuses, both of which are monetary compensations, to be paid out is delegated to the president and representative director based on a resolution of the Board of Directors.
2. The payment level shall be deliberated by the Advisory Committee Relating to Nominations and Compensation for the appropriate exercise of the authority stated in (1) above by the president and representative director.

(6) Other important matters concerning individual compensation

Regarding share-based compensation, the Company formulated “share delivery regulation” to handle repayment claims at an amount equivalent to the Company Shares, etc. to be delivered, etc. in the event that specific circumstances (improper conduct, etc.) occur.

Reference: In the event of serious misconduct or violation by a director, the Company may demand the loss or forfeiture of the right to receive the Company Shares, etc., provided to the relevant director under this system (malus), or demand repayment at an amount equivalent to the Company Shares, etc., that have been delivered (clawback).

Compensation for Each Category of Executive

FY2021

		Directors (excluding Directors who also serve as Audit & Supervisory Committee Members) (excluding External Directors)	Directors (Audit & Supervisory Committee Members) (excluding External Directors)	External Directors
Total Amount of Compensation, etc. (Million Yen)		562	102	71
Base Compensation (Million Yen)		275	102	71
Bonus (Performance-based Incentives, etc.) (Million Yen)		118	—	—
Share-based Compensation (Non-monetary Compensation, etc.) (Million Yen)	Performance-based Portion (Million Yen)	97	—	—
	Non-Performance-based Portion (Million Yen)	71	—	—
Number of Directors Applicable		9	3	6

1. The number of directors (excluding directors as Audit & Supervisory Committee Members) (excluding External Directors) is five as of the end of the fiscal year ended March 2022. The reason for the difference with the “Number of directors applicable” above is the fact that three persons who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021 are included, and that as of the end of the fiscal year ended March 2022, one Director (Audit & Supervisory Committee Member) of the Company served as an Executive Director in the past, and that the amount of share-based compensation (performance-based portion) allotted during the relevant period was confirmed in the fiscal year ended March 2022.
2. The number of Directors (Audit & Supervisory Committee Members) (excluding External Directors) is two as of the end of the fiscal year ended March 2022. The reason for the difference with the “Number of directors applicable” above is the fact that one Director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021 is included.
3. The number of External Directors is five as of the end of the fiscal year ended March 2022. The reason for the difference with the “Number of directors applicable” above is the inclusion of one who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021.
4. The compensation amount (“base compensation” and “bonus”) of Directors has been set as no greater than ¥550 million per year for Directors (excluding directors as Audit & Supervisory Committee Members) according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2018, and at the time of the resolution, the number of Directors (excluding Directors as Audit & Supervisory Committee Members) was eight (of which, two were External Directors).

Furthermore, the compensation amount of Directors (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 as Audit & Supervisory Committee Members at the time of the resolution was six (including four External Directors). Of that compensation amount, the Company pays the compensation shown in the table above. The compensation amount of Directors is shown as the amount recorded by the Company as an expense during the fiscal year ended March 2022 regardless of whether it was paid during the fiscal year ended March 2022.

5. Separately from the compensation amount of Directors shown in 4. above, the Company introduced a performance-based share-based compensation plan for Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members) in accordance with a resolution approved at the Ordinary General Meeting of Shareholders held on June 26, 2018. Under the terms of the Plan, the Company's contribution to a trust as compensation for Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members) is limited to an amount of not more than ¥730 million over the relevant period of three fiscal years, and the number of Directors (excluding Directors as Audit & Supervisory Committee Members) who were subject to the Plan at the time of the resolution was six (excluding two External Directors). Of that compensation amount, the Company pays the compensation shown in the table above.

The amount paid as "share-based compensation, etc. (non-monetary compensation, etc.)" above includes performance-based share-based compensation recorded as an expense for the fiscal year ended March 2022. By the resolution of the Ordinary General Meeting of Shareholders held on June 24, 2022, the three fiscal years starting from the fiscal year ending March 31, 2023, were made the new covered period (and in the event that the extension of the period is carried out, the three subsequent fiscal years shall become the covered period), and a maximum amount of ¥1,650 million and 672,000 shares to be contributed to the trust as compensation to Directors (excluding Directors as Audit & Supervisory Committee Members) (including a maximum amount of ¥9.90 million and 4,030 shares for each External Director for every three fiscal years). At the time of the resolution, the number of Directors (excluding Directors as Audit & Supervisory Committee Members) subject to the Plan is seven.

6. With respect to the performance-based compensation, the details of factors including the performance indicators that pertain to bonuses, which are monetary compensation, the calculation method of such bonuses and the reasons for selecting these indicators are as stated in the "II-1. Organization Structures and Organizational Operations [Compensation of Directors] Disclosure of Policy Determining the Amount and Calculation of Compensation" of Corporate Governance Report. The actual results that pertain to performance indicators are as presented in the table below.

	Fiscal year ended March 2020	Fiscal year ended March 2021	Fiscal year ended March 2022
Business profit	82,833 million yen	76,448 million yen	92,765 million yen
Year-on-year change	+4.0%	-7.7%	+21.3%

7. With respect to the performance-based compensation, the details of factors including 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 “Outline of compensation plan of Directors”. The ranges of performance indicators were decided as presented in the tables below.

(The ranges for the fiscal year ended March 2021, the third year from the start of the system in the fiscal year ended March 2019)

	Range		Performance
Performance-based coefficient	0%~200%	⇒	22.0%
Business profit	75,400 million~105,600 million yen		76,448 million yen
ROE	6.5%~12.5%		7.4%

(The ranges for the fiscal year ended March 2022, the third year from the start of the system in the fiscal year ended March 2020)

	Range		Performance
Performance-based coefficient	0%~200%	⇒	127.0%
Business profit	70,800 million~99,200 million yen		92,765 million yen
ROE	6.5%~12.5%		9.2%

8. Non-monetary compensation, etc., consists of the Company's shares, etc., and the conditions, etc., for delivery are as stated in the “Outline of compensation plan of Directors” above.
9. As stated in the “Outline of compensation plan of Directors” above, the decisions on the specific details concerning the amounts of base compensation and bonuses, both of which are monetary compensation, to be paid out are delegated to the President and Representative Director Eiji Kutsukake based on a resolution of the Board of Directors. Therefore, the president and representative director shall decide the details. The reason for this delegation to the president and representative director is that the Company has judged the president and representative director as appropriate to conduct the individual evaluation of each director while considering, among other things, performance of the Company overall. The payment level is deliberated by the Advisory Committee Relating to Nominations and Compensation for the appropriate exercise of the decision authority delegated to the president and representative director.

Shareholdings by Directors

The Company has a compensation plan for granting Company shares to directors (excluding Audit & Supervisory Committee members, and external directors) to provide an incentive to increase corporate value over the medium to long term and share the interests of the Company's shareholders.

Total Consolidated Compensation, etc., for Those Receiving Total Consolidated Compensation of 100 Million Yen or More

Name	Director category	Payer	Total amount of compensation, etc. (million yen)	Base compensation (million yen)	Bonus (Performance-based incentives, etc.) (million yen)	Share-based compensation (Non-monetary compensation, etc.)	
						Performance-based portion (million yen)	Non-performance-based portion (million yen)
Eiji Kutsukake	Director	Filing company	171	64	44	47	15

※ The payment amount in "Share-based compensation (Non-monetary compensation, etc.)" is the amount recorded as an expense for the fiscal year ended March 2022.

Internal control system

Internal control system

Nomura Real Estate Holdings has established the Board of Directors, the Audit and Supervisory Committee, and the Advisory Committee Relating to Nominations and Compensation for internal control.

Risk management system

Nomura Real Estate Holdings established a Risk Management Committee to promote risk management activities within the Group. The committee is made up of directors and executive officers of the Company and Group companies, and deliberates matters relating to risk management, compliance, and information security for the entire Group, and discusses countermeasures for when risks occur.

[Click here for more details](#)

Compliance System

The Group regards compliance, including the observance of laws and regulations and corporate ethics, as one of our 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 confidentiality obligation on employees who are involved in the helpline business and prohibits unfair treatment for reporting an incident using the helpline.

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Internal Audit System

With the exception of some small companies, the Group has an internal audit department in each company. This department maintains organizational independence by setting up officers under the direct control of the president or directors who do not hold additional office in other business divisions. In addition, the Group Audit Department was established in Nomura Real Estate Holdings, which oversees, monitors, and evaluates the internal audit functions of the entire Group in coordination with the accounting auditor. The results are reported to the Board of Directors and the Audit and Supervisory Committee.

Audit and Supervisory Committee Audit System

The Audit & Supervisory Committee is comprised of five members, two Audit & Supervisory Committee members (full-time) and three Audit & Supervisory Committee members (independent external directors). The two full-time members were elected to strengthen the effectiveness of audit and supervision functions through the collection of information from directors (excluding directors who are Audit & Supervisory Committee members), executive officers, employees, etc., attendance at important meetings and close cooperation with the Internal Audit Dept.

The Audit & Supervisory Committee holds regular meetings prior to monthly Board of Directors meetings with all members attending the meetings. It also holds irregular meetings as necessary. During the fiscal year ended March 2022, the committee held 12 meetings.

Each of the monthly meetings took approximately three hours. After receiving audit reports from the Internal Audit Dept., reports on important meetings, including those of the Management Committee,

from the full-time Audit & Supervisory Committee members and quarterly financial reports from the Finance & Accounting Dept., the members of the Audit & Supervisory Committee, among other activities, exchanged opinions with Group CFO, executive officer and supervisor of the Management Division on a regular basis and confirmed what was discussed at meetings of the Advisory Committee Relating to Nominations and Compensation. The Company also adopts measures to enhance the effectiveness of audits, having established an Audit & Supervisory Committee Dept. to support the execution of duties by the Audit & Supervisory Committee and appointed full-time staff dedicated to the department.

Accounting Audits

1. Name of auditing firm

Ernst & Young ShinNihon LLC

The Company appointed Ernst & Young ShinNihon LLC as the Accounting Auditor pursuant to the Companies Act.

2. Continued auditing period

Since June 2004

3. Certified Public Accountants involved in auditing

Certified Public Accountant/ Designated and Engagement Partner Toshihiro Morishige

Certified Public Accountant/ Designated and Engagement Partner Kenji Sato

Certified Public Accountant/ Designated and Engagement Partner Natsuki Saiki

Ernst & Young ShinNihon LLC takes measures to ensure that Engagement Partners do not continue their involvement in NREH accounting audits for more than seven consecutive accounting periods (five accounting periods for Head Engagement Partners at listed companies).

4. Assistants involved in auditing

Certified Public Accountants: 6, Part-qualified Accountants, etc.: 5, Other: 9

5. Policy and reasons for selection of Accounting Auditor

The Audit & Supervisory Committee has appointed an auditing firm based on the regulations stipulated by the Audit & Supervisory Committee and the criteria for evaluation and appointment of the Accounting Auditor. If the Accounting Auditor is recognized as falling under any of the items listed in Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor shall be dismissed with the unanimous consent of all Audit & Supervisory Committee Members. In addition, notwithstanding the above, if it is recognized that the Accounting Auditor's fulfilment of appropriate auditing would be difficult due to the occurrence of reasons that compromise the eligibility or independence of the Accounting Auditor, the Audit & Supervisory Committee shall propose the dismissal or non-reappointment of the Accounting Auditor, and the appointment of a new Accounting Auditor at a General Meeting of Shareholders. The Audit & Supervisory Committee ensures the appropriateness of the procedures for evaluation and appointment of the Accounting Auditor, and prepares for the cases where the Company needs to appoint the new Accounting Auditor. On a regular basis, the Company requests business proposals for

accounting audits from the major auditing firms, and evaluates each business proposal through interviews, questions, etc., focusing on the quality control system and independence of the auditing firm, the audit implementation system, etc., and the estimated amount of audit fees.

6. Evaluation of the Accounting Auditor by the Audit & Supervisory Committee

The Audit & Supervisory Committee discusses and determines the appropriateness of reappointment of the Company's Accounting Auditor and the team engaged in the audit each year after it obtains necessary information and receives reports from the Accounting Auditor and considers the execution conditions of its duties (including the execution conditions in the previous fiscal years). Based on the criteria for evaluation and appointment of the Accounting Auditor, the Audit & Supervisory Committee judges it proper to reappoint the current auditing firm after having performed an evaluation from the aspects of the auditing firm's quality management conditions, independence of the audit team in charge of the Company and expression of its professional skepticism, appropriateness of audit fees, effectiveness of communication between management and the Audit & Supervisory Committee and response to fraud risks.

Shareholder Rights and Securing Impartiality

Cross-holding Shares

Nomura Real Estate Holdings formulated the Basic Policy Concerning Strategic Shareholdings within the Basic Corporate Governance Policy for cross-held shares.

Basic Policy Concerning Strategic Shareholdings

Excerpt from "Basic Corporate Governance Policy"

Article 4

1. The Company has a Policy Concerning Strategic Shareholdings that acknowledges contributing to improving the Company's corporate value from a comprehensive perspective of strengthening transaction relations with counterparties and strategic business tie-ups, etc.
2. When holding strategic shares, the Company regularly grasps the state of transactions with the Group and the state of management at the investee company, and every year the Board of Directors examines the rationality of continuing to hold strategic shares from the perspective of contributing to improving the Company's corporate value. In addition, in light of the aforementioned examinations, when it is no longer rational to hold them, the Company sells said shares, taking into account market conditions and other factors.
3. The Company makes appropriate decisions when exercising voting rights relating to strategic shareholdings based on whether holdings contribute to improving the Company's corporate value through improving the investee companies' corporate value.

4. In the event that a company that holds the Company's shares as strategic shareholdings (a strategic shareholder) indicates that it intends to sell or otherwise transfer said shares, the Company will respond appropriately and will not obstruct said sale in any way, such as by raising the prospect that a reduction in transactions or the like may ensue.
5. Regardless of whether a given transaction is with a strategic shareholder, it will be carried out after its economic rationality is adequately examined, as is the case with all other counterparties.

Approach and Policies

Group Policy (Governance)

The Nomura Real Estate Group has positioned compliance with laws, regulations, corporate codes of conduct, and so on as a key management issue, in addition to the Group Policy, and formulated the Nomura Real Estate Group Code of Action as a compliance guide. Nomura Real Estate Holdings established the Risk Management Committee and Group Legal & Compliance Department, promotes ongoing education and training for officers and employees throughout the Group, and provides advice, guidance, and support to Group companies.

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 extortion and bribery.

The Nomura Real Estate Group Code of Action

The Nomura Real Estate Group has formulated its Code of Action to define fundamental rules that Group officers and employees must adhere to. We review the effectiveness of the content of the Code of Action as appropriate, taking social circumstances and other factors into consideration, and any changes thereto are subject to decision by the Board of Directors.

Table of Contents of the Code of Action

Chapter 1 General provisions

Article 1 (Purpose)

Article 2 (Positioning)

Article 3 (Definitions)

Article 4 (Revision or abolition)

Chapter 2 Basic position

Article 5 (Awareness and behavior as a member of society)

Article 6 (Respect for basic human rights)

Article 7 (Observance of compliance)

Article 8 (Consideration for the global environment)

Article 9 (Corporate social responsibility)

Chapter 3 Behavior that gains customer trust

Article 10 (Providing highly safe, high-quality products and services)

Article 11 (Description of and risks relating to goods and services)

Article 12 (Response to consultations and complaints from customers)

Article 13 (Appropriate disclosure and provision of information to customers)

Article 14 (Management of customer information)

Chapter 4 Maintaining a fair relationship with business partners

Article 15 (Implementation of fair competition and fair trade)

Article 16 (Implementation of highly transparent transactions)

Article 17 (Offering moderate entertainment or gifts to business partners)

Article 18 (Infringement of intellectual property rights and prohibition of unauthorized use)

Article 19 (Management of information on business partners)

Chapter 5 Relationship with officers and employees

Article 20 (Respect for human rights of officers and employees)

Article 21 (Maintenance and improvement of work environment)

Article 22 (Prohibition of insider trading)

Article 23 (Sincere business activities)

Article 24 (Operational records and reports)

Article 25 (Management of company assets and information)

Article 26 (Reporting illegal or unethical behavior)

Chapter 6 Relationship with society

Article 27 (Disclosure of corporate information)

Article 28 (Offering entertainment or gifts to public officials, etc.)

Article 29 (Exclusion of anti-social forces)

Article 30 (Establishment, operation, and improvement of internal controls for proper business execution)

Chapter 7 Miscellaneous provisions

Article 31 (Preparation of guidelines)

Article 32 (Use of guidelines)

Article 33 (Application to overseas subsidiaries and affiliates)

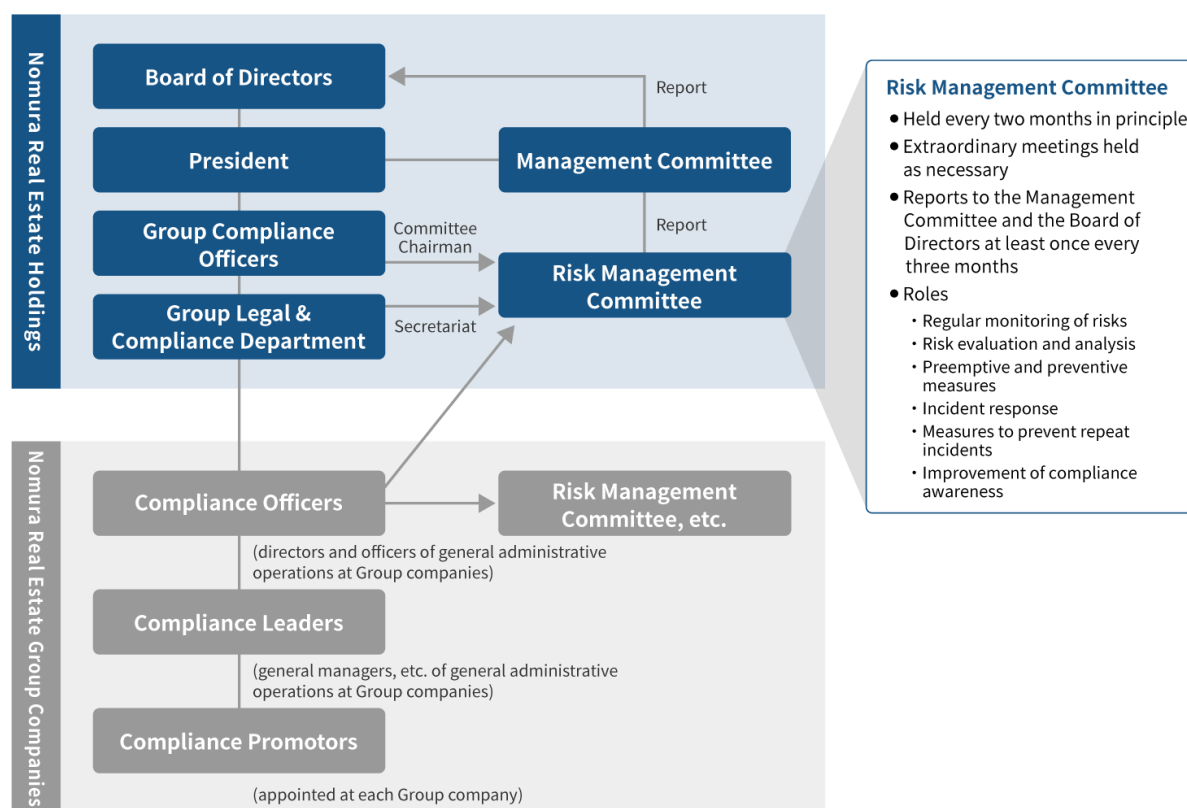
Management

Management (Governance)



Compliance Promotion Framework

Nomura Real Estate Holdings has established the Risk Management Committee and Group Legal & Compliance Department to develop and implement a framework for compliance. In addition, compliance officers have been appointed at each Group company, and compliance leaders and compliance promoters have been appointed under compliance officers to ensure compliance throughout the Group.



Results

Results

The results of compliance promotion in fiscal 2021 are as follows.

Compliance Training in FY2021

	Target Participants	Number of Events	Topic	Number of Participants
Group-wide training (web-based)	All employees of the Group	Bi-monthly	Corruption and bribery prevention and other matters	

Rank-specific training	All officers of the Group	1	Key points of the revised Whistleblower Protection Act	145
	Compliance officers	1	Key points of the revised Act on the Protection of Personal Information	15
	All Group supervisors and compliance promoters	8	Practicing “Being Right”	827
	Newly promoted managerial employees of the Group	1	Compliance at the Nomura Real Estate Group	148
	Mid-career hires of the Group	4	Compliance at the Nomura Real Estate Group	185

In addition, the following training courses were provided separately for overseas business personnel.

	Target Participants	Number of Events	Topic	Number of Participants
Training through e-learning	New local hires at local subsidiaries	1	Basics of compliance	8
	Newly appointed overseas business personnel	1	Bribery prevention	18
	Officers and employees in departments related to overseas business	1	Data compliance	94
Online training	Officers and employees in departments related to overseas business	1	Bribery prevention	88

 For more details, see the ESG data (Governance).

Establishment of Group Consultation Points

The power harassment and sexual harassment hotline and the human rights desk accept consultations on harassment and human rights issues as points of contact for the Group. The number of major reports and consultations are summarized below.

		FY2018	FY2019	FY2020	FY2021	Scope
Number of consultations received by the Group's points of contact ※		—	—	45	39	
	Consultations on harassment	—	—	—	26	Nomura Real Estate Group
	Consultations on other issues	—	—	—	13	Nomura Real Estate Group

※ Total number of consultations

Nomura Real Estate Group Helpline

As of March 31, 2022, there are no pending lawsuits related to this helpline.

Compliance with the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, and Preventing Corruption and Bribery

Over the past four years since the end of March 2022, the Group has not been subject to any administrative penalties (fines or settlement payments) for violations of the Anti-Monopoly Act or the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. Furthermore, in fiscal 2021, there were no significant legal violations, fines, or penalties related to corruption or bribery including facility payments.

	FY2018	FY2019	FY2020	FY2021	Scope
Fines related to the Anti-Monopoly Act (including other relevant laws) (yen)	—	—	0	0	Nomura Real Estate Group
Investigations related to the Anti-Monopoly Act (including other relevant laws)	—	—	0	0	Nomura Real Estate Group
Corruption cases such as graft and bribery	—	—	0	0	Nomura Real Estate Group
Investigations related to corruption cases such as graft and bribery	—	—	0	0	Nomura Real Estate Group

Measures on Non-Compliance

In fiscal 2021, there were no compliance violations that had a material impact on the Group's operations. Also, no employees were disciplined for violating the Anti-Corruption and Anti-Bribery Policy. Employees found to be in non-compliance will be subject to disciplinary action, including a reduction in salary, in accordance with the internal rules.

Initiatives

Policy on Political Participation

In cases where the Group supports the activities of a political organization or makes political contributions, we act in compliance with relevant laws and regulations such as the Political Funds Control Act and Public Offices Election Act as well as the laws and regulations of each individual country and check our actions under the Group Code of Action.

Compliance Education Activities for Employees

The Group provides bimonthly web-based training on compliance for all Group employees, which in general covers the prevention of corruption. In addition, a handbook is distributed Groupwide for the purpose of deepening understanding of the Nomura Real Estate Group Code of Action, which describes corruption prevention and other matters.

Preventing Bribery, Graft, and Corruption

The Group prohibits the provision of entertainment or gifts to business partners incompatible with social common sense and to public officials (including foreign public officials) in pursuit of self-interest.

Group Code of Action (excerpt from the section regarding receipt or provision of entertainment or gifts from or to business partners)

- Nomura Real Estate Group officers and employees shall not request, provide, or receive entertainment or gifts incompatible with sound business practices or social common sense.
- No officer or employee shall use their professional position to request or accept benefits or favors from a business partner.

In terms of specific operations, we maintain records of when officers and employees have provided or received entertainment or gifts and they report them to supervisors.

The Risk Management Committee, a sub-organization of the Management Committee, regularly monitors, evaluates, and analyzes risks related to eliminating legal and regulatory violations, as well as unfair business practices, and to preventing corruption involving entertainment and gifts, as well as donations to politicians and political organizations. It also deliberates on basic response policies regarding risk prevention, response when risk occurs, and prevention of recurrence. In addition, a compliance promotor has been assigned to each department, office, and branch, and a system has been established to enhance the effectiveness of compliance activities in every workplace.

Apart from these measures, the Internal Audit Department conducts internal audits and operates an internal reporting system under which helplines have been exclusively established for employees of the Group and for suppliers, in an effort to detect bribery and other illegal acts at an early stage. The results of internal audits are regularly reported to the Board of Directors and Audit & Supervisory Committee.

 [Basic Policy on Prevention of Corruption Overseas](#)

Corruption and Bribery Prevention Initiatives in Overseas Business

According to the Corruption Perceptions Index published by Transparency International, a non-governmental organization, the risk of corruption and bribery in our overseas operations is perceived to be higher than in Japan because many of the countries in which the Group operates are considered to be subject to a greater likelihood of corrupt practices. To address this, the Group complies with the Guidelines for the Prevention of Bribery of Foreign Public Officials, established by the Ministry of Economy, Trade and Industry, and has formulated its own Policy on Anti-Bribery of Foreign Public Officials, which can be found on the Group website. In light of the fact that the ratio of overseas business

has increased dramatically since we established the policy, the Group has fully revised the policy in September 2022, believing that it is desirable for establishing an anti-corruption framework to more clearly demonstrate top management's stance on legal compliance by publicizing the details of the Group's anti-corruption policy and the implementation of its rules.

In line with the overall revision, the policy has been renamed the Basic Policy on Prevention of Corruption Overseas to include a clause prohibiting Group officers and employees from bribing private business partners and requesting entertainment and gifts that deviate from business customs. Under the revised policy, the Regulations on the Prevention of Bribery of Foreign Public Officials and the Anti-Bribery Guidelines have laid down specific rules on the provision of entertainment, gifts, and invitations, donations to foreign public officials, donations to foreign companies and organizations, and the use of agencies.

To avoid the risk of bribery, the Group follows a process in which the provision of entertainment, gifts, invitations, donations, and the use of agencies is approved by the executive officer in charge of the Legal & Compliance Department of Nomura Real Estate Holdings, only when they meet the strict requirements stipulated for each case under the guidelines and the monetary value standards determined by the laws and regulations of each country.

The above regulations also prohibit the payment of small amounts (facility payments) for the sole purpose of facilitating official procedures. When selecting a new business partner overseas, the Group makes every effort to prevent corruption. In addition to adopting anti-bribery clauses in contracts, we seek to understand the bribery risk of each country by referring to the above-mentioned Corruption Perceptions Index to conduct corruption and bribery due diligence and periodic reviews as needed, based on an overall consideration of the transaction type, shareholding ratio, degree of involvement of joint venture partners in land acquisition, transaction size, and other factors. In addition, the Group also conducts periodic training on the prevention of bribery for officers and employees involved in overseas business operations.

Anti-Bribery Guidelines for Overseas Business (Table of Contents)

Chapter 1 General Provisions

Article 1 Purpose

Article 2 Conduct Related to Duties

Chapter 2 Entertainment and Gifts

Article 3 Notes on Entertainment and Gifts

Article 4 Acceptable Entertainment and Gifts

Article 5 Entertainment and Gifts at Joint Ventures

Article 6 In-house Socializing at Joint Ventures

Chapter 3 Invitation

Article 7 Notes on Invitations

Article 8 Acceptable Expenses for Invitations

Chapter 4 Donations

Article 9 Notes on Donations

Chapter 5 Use of Agencies, etc.

Article 10 Notes on the Use of Agencies, etc.

Chapter 6 Cases Not Involving Bribery

Article 11 Emergency Response

Chapter 7 Special Notes

Article 12 Special Notes

Reference: Article 10. Notes on the Use of Agencies, etc.



Informing Business Partners about Anti-bribery

To ensure fair and transparent business activities throughout the supply chain, the Group requests that suppliers understand and cooperate with the contents of the Nomura Real Estate Group Procurement Guidelines, which include items concerning fair business practices. The guidelines are always available on the website, and suppliers are notified of any revisions as they are made.

Nomura Real Estate Group Procurement Guidelines (Excerpt)

- In relationships with public employees and the like (including deemed public employees and foreign public employees), maintain sound relationships and do not provide entertainment or exchange gifts in ways that conflict with the National Public Service Ethics Act and Regulations, related national and local laws and regulations, etc.
- Do not request, provide, or receive from suppliers entertainment or gifts that deviate from sound business customs and social norms.
- Exclude all relationships with anti-social forces and groups that pose a threat to social order and security or obstruct fair economic activities. Also, resolutely challenge and completely reject any transactions with or unreasonable demands by such forces or groups.
- Comply with anti-monopoly, prevention of unfair competition, and intellectual property rights legislation and related laws and regulations and endeavor to fairly treat suppliers, competitors, and others without engaging in acts constituting abuse of a dominant market position, blocking of transactions, or other such conduct
- Do not infringe or improperly use copyright, patents, trademark rights, design rights, or other intellectual property rights.

- Do not participate in money laundering, embezzlement, fraud, or any other form of corrupt conduct.
- Carry out appropriate disclosure to customers and society and also endeavor to appropriately provide the necessary information.

Implementing Fair Competition and Fair Trade, and Addressing Conflicts of Interest

The Nomura Real Estate Group Code of Action sets forth rules on maintaining fair relationships with business partners. The areas covered by the rules include the implementation of fair competition and fair trade and implementation of highly transparent trade, to ensure compliance with the Anti-Monopoly Act, Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, and other laws and regulations. Moreover, in the selection of business partners, we strive to assess a wide range of factors comprehensively and fairly, including quality, price, track record, and reliability. Conflicts of interest are regulated by law from the viewpoint of ensuring the fairness of transactions, and the Group has established internal rules for avoiding conflicts of interest in accordance with the Companies Act. As a specific measure, when directors and executive officers engage in non-routine transactions with Nomura Real Estate Holdings or its Group companies, prior approval is required from the Board of Directors or the Management Committee as necessary. Non-routine transactions with our major shareholders, their parent Company, affiliates, or subsidiaries must also undergo an approval process or reporting with the Board of Directors or the Management Committee, as necessary.

Excluding Anti-social Forces from Business Relationships

The Nomura Real Estate Group has established Article 29 within its Code of Action that prohibits business transactions with anti-social forces or related organizations. It is our strict policy to exclude anti-social forces from our business relationships. In line with this policy, we issued a manual that details specific responses and have designated a department to ensure organizational responses by Nomura Real Estate Holdings and are collaborating with Group companies. We have appointed personnel responsible for preventing improper requests at each Group company. In addition, we consult and coordinate with legal counsel, the police, and other specialized external organizations to ensure that anti-social forces are excluded from involvement in our business activities and to prevent any harm caused by such anti-social forces.

Guidelines on Social Media

The Nomura Real Estate Group Code of Action stipulates that all officers and employees must exhibit an awareness of being a member of society and exemplify a high level of ethics following the norms of society at all times. We implement periodic activities, including compliance training, which are intended to raise awareness and provide information on areas of caution and risks relating to the posting information on social media. We have also disclosed the Group's Social Media Policy.

 [The Group's Social Media Policy \(Japanese only\)](#)

Complying with Regulatory Requirements and Raising Awareness

The Nomura Real Estate Group has developed a compliance program every year and provides compliance training to officers and employees all year round in a planned manner in order to ensure compliance and the penetration of compliance awareness among officers and employees.

The Group also distributes the Nomura Real Estate Group Procurement Guidelines to its business partners and requests their compliance with fair business practices. In fiscal 2021, we conducted a survey to monitor 191 companies that ranked high in terms of the value of their annual transactions with the Group during the fiscal year, including construction and maintenance companies. We also engaged directly with ten of these companies. Looking ahead, will continue to work closely with suppliers to ensure compliance.

 [Nomura Real Estate Group Procurement Guidelines](#)

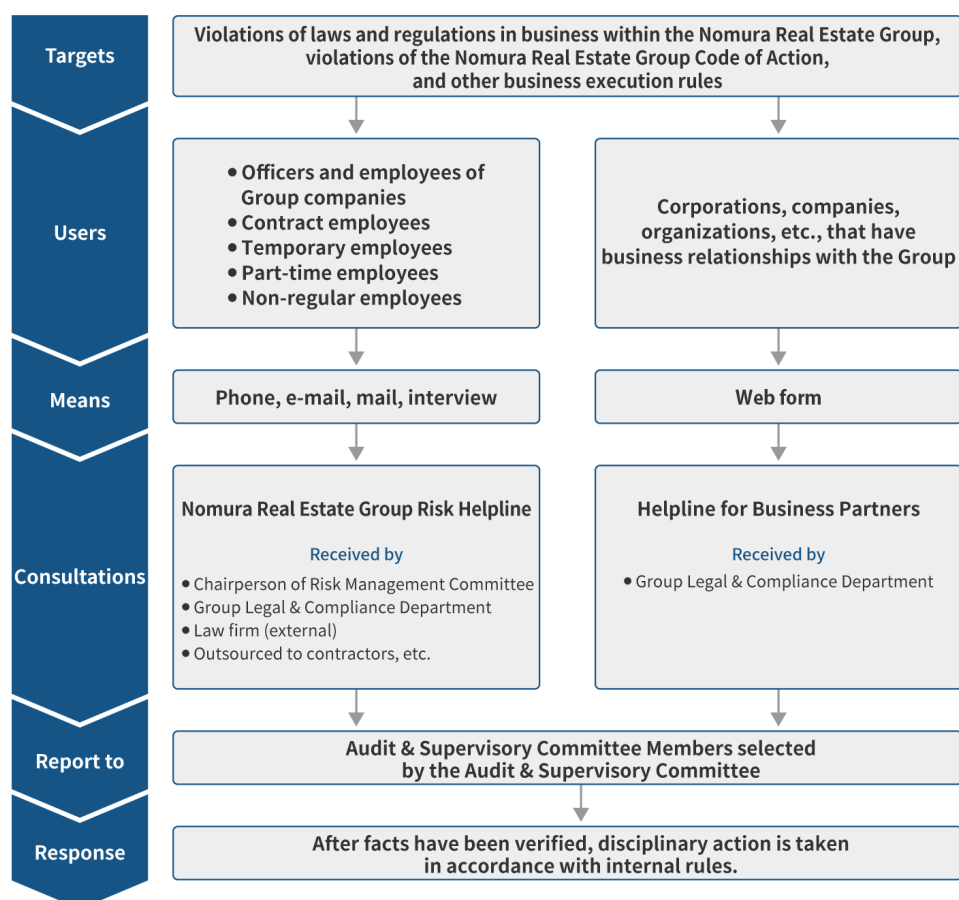
The Nomura Real Estate Group Risk Helpline

The Nomura Real Estate Group has set up the Nomura Real Estate Group Risk Helpline based on the Whistle-blowing System Operation Rules in order to establish a system for appropriately responding both to consultations and reports on legal violations, misconduct, money laundering, bribery, embezzlement, fraud, or any other corrupt conduct committed at the organizational or individual level. We have established internal points of contact (Risk Management Committee chairperson and Group Legal & Compliance Department) and external points of contact (lawyers and outsourcing contractors) to make it easy for informants and users to use the helpline. For overseas offices, we have a system for responding to consultations and reports in the language of the relevant countries. We also protect whistleblowers such as by imposing a duty of confidentiality on those involved in helpline operations and by not prejudicially treating informants because they made a report.

In order to carry out fair transactions with corporate customers and others with whom we have a business relationship, we have also established the Helpline for Business Partners for their use.

The Risk Management Committee chairperson reports the received consultations and reports to Audit & Supervisory Committee members selected by the Audit & Supervisory Committee, who promptly investigate, verify facts, and mete out strict punishment for any serious violations, in accordance with internal rules.

Helpline for Business Partners (Japanese only)



Basic Approach to Tax Matters

The Group is committed to enhancing tax transparency by ensuring that each Group company takes the initiative to comply with all laws and regulations, pay appropriate taxes in all countries in which they operate, and refrain from activities intended to avoid taxation, such as unfair tax planning, use of tax havens, and transfer pricing manipulation.

We maintain sound and normal relationships with tax authorities in various countries, and do not provide unfair advantages. In the event of any disagreements with tax authorities, we strive to resolve any issues by engaging in constructive communication and taking appropriate measures.

Management System for Tax Matters

Each Group company takes the initiative in understanding the taxation system and taking appropriate measures. When revisions in the tax system significantly impact the Group, details are closely examined and reported to the Management Committee, which is responsible for integrated management. In our overseas operations, revisions in the tax system of countries in which we operate are confirmed and periodically reported to the Overseas Business Monitoring Committee. Furthermore, the Monitoring Committee reports its findings to the Management Committee and the Board of Directors as needed.

Tax Payments by Country and Region (FY2021)

Country/Region	Amount (Million Yen)
Japan	25,343
UK	96
Vietnam	56
Thailand	3
Ireland	1
China	0.8
Hong Kong	0.5
Singapore	0.4
Total	25,563

Source: Country-by-Country Report (CbCR)

Approach and Policies

Group Policy (Governance)

The Nomura Real Estate 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, it has established the Risk Management Regulations, in addition to the Group Policy.

As its basic policy in the Risk Management Regulations, the Group assures business continuity and stable development by implementing risk management and classifies its main risks into four categories: investment risk, external risk, disaster risk, and internal risk. Among them, the risks listed below are regarded as important ones that should be managed, and effective and efficient risk management is provided according to the scale and characteristics of each. These include economic, environmental, geopolitical, and other risks that manifest themselves over the medium to long term. In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group is promoting the management of and response to climate-related risks.

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

Main Risks

Risk categories		Main risk items
A: Investment risk	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 risk	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 (law, 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 risk	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 risk	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

📄 Special Feature: Response to the Task Force on Climate-related Financial Disclosures (TCFD)

Management

Management (Governance)



Risk Management Structure

To discuss various risks related to Group management, the Company has prescribed the Management Committee as the integrated risk management body and operates a system to regularly monitor, evaluate, and analyze the state of main risks, provide necessary guidance and advice to each business unit and Group company, and regularly report the details to the Board of Directors.

A: Investment risk B: External risk	Directed, monitored, and provided guidance by the Management Committee, which is the integrated management body.
C: Disaster risk D: Internal risk	Regularly monitored, evaluated, and analyzed by the Risk Management Committee and established as a subordinate organization of the Management Committee. Basic response policies regarding risk prevention, response when risk occurs, prevention of recurrence, etc., are discussed by the Risk Management Committee.

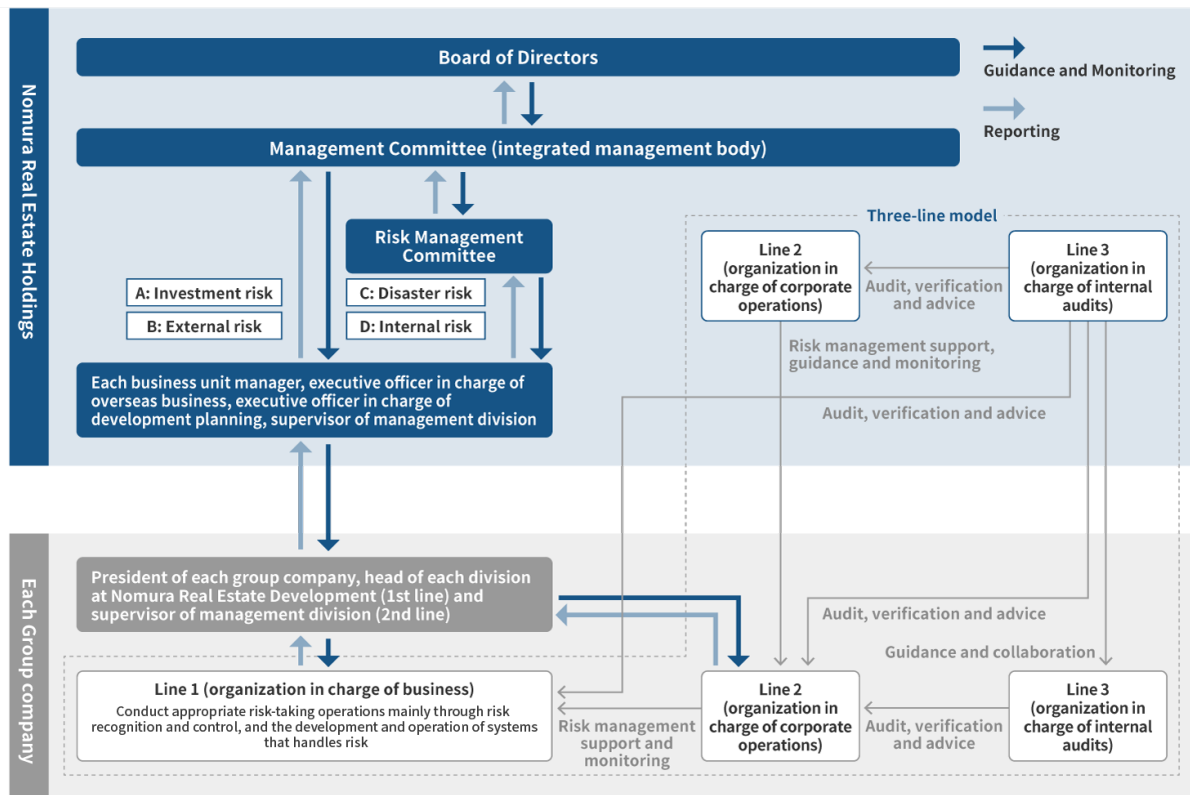
Risk Management Committee

The Risk Management Committee, a subordinate body of the Management Committee, consists of directors and executive officers of Nomura Real Estate Holdings and each Group company appointed by the Board of Directors and is chaired by the officer in charge of the Group Legal Compliance Department (an executive officer of Nomura Real Estate Holdings). We also established the Group Risk Meeting, consisting mainly of directors and executive officers of each Group company appointed by the chair of the Risk Management Committee to share risk information and response policies within the Group.

Risk Management System (Conceptual Diagram)

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 presidents of the Group companies (the head of each division at Nomura Real Estate Development Co., Ltd.) are responsible for reporting risk management matters to the business unit manager in a timely and appropriate manner. In addition, we 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, we have established an appropriate defense line.

The risk management system refers to ISO 31000 and the risk management framework of The Institute of Internal Auditors (IIA)—Japan.



For further details, refer to pages 10 to 19 of the Financial Report.

Results

Risk Management Committee and Group Risk Liaison Committee Meetings Held

Item	FY2018	FY2019	FY2020	FY2021
Number of meetings held	12	12	13	13

Risks of particular focus (in fiscal 2022) in the risk categories are as follows.

Risk categories Main risk items	Risk categories Main risk items
A:Investment risk	<ul style="list-style-type: none"> • Risk that the Company will not earn the expected profits due to an increase in construction expenses caused by soaring materials prices • Risk of profitability deterioration and delays in anticipated project schedule occurring in projects with long-term project timeframes and large investment budgets, such as redevelopment projects • Risk of inability to secure the expected business volume and slowing profit growth due to intensifying competition for land acquisition, etc.
B:External risk	<ul style="list-style-type: none"> • Risks arising from the impacts of prices for housing sales and property sales 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 in countries overseas • Risk of a reduced strength 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, etc.
C:Disaster risk	<ul style="list-style-type: none"> • Risk of inability to continue business due to increasingly severe natural disasters such as earthquakes, typhoons, and torrential rains
D:Internal risk	<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 personnel systems to secure diverse human resources and enable human resources to continue playing an active role • Risk due to information leak by cyberattack, impact on business continuity, and incurrence and expansion of damage, etc.

Initiatives

Information Security Measures

The Group has established the Information Security Regulations, which prescribe personal information, trade secrets, and other highly confidential information as important information and which stipulate basic matters regarding the management system and handling of such information. The regulations assign a chief information security officer (concurrently held by the officer in charge of internal audit and compliance, who serves as chairperson of the Risk Management Committee), a document information officer (general manager of the Group Legal Compliance Department) and an electronic information officer (general manager of the DX & Innovation Management Department) as administrators to maintain and improve the level of systemic information management and security.

Furthermore, to keep pace with the increase in businesses using rapidly expanding digital technologies, as well as the surge in teleworking and the modal change in business due to the use of cloud computing, the Group is striving to strengthen information security within the Company by creating and applying its Information Handling Guidelines. These guidelines provide instructions on storage and management methods for important information, response to information leaks, response to information system loss, and other issues.

Nomura Real Estate Holdings Personal Information Protection Policy

The Group considers the appropriate protection of personal information to be an essential aspect of its business operations, and it manages customers' personal information with great care in accordance with the Act on the Protection of Personal Information and related laws and regulations.

 [Personal Information Protection Policy](#)

Risk Management Relating to Society and the Environment

The Group is also aware of risks relating to social and environmental issues. The details are reported to the Sustainability Committee (chaired by the president and Group CEO of Nomura Real Estate Holdings), which is made up of directors and others from Nomura Real Estate Holdings and Group companies. Important issues are reported to the Board of Directors, which deliberates on how to deal with them. In fiscal 2021, the committee discussed issues including the Group's Renewable Energy Policy and Sustainability Policy, reported three times to the Board of Directors, and was granted approval on one issue.

Issues reported

- Renewable Energy Policy
- Formulation of the Sustainability Policy
- First-half activity results and second-half policy, FY2020 environmental data and variance analysis report

Issue approved

- Formulation of the Nomura Real Estate Group Human Rights Policy

 Sustainability Management

Provision for Lawsuits Involving Violations of Laws and Regulations, and Environmental, Social, and Governance (ESG) Issues

There were no significant provisions at the end of March 2022 related to fines and settlements incurred in the future arising from cases prior to fiscal 2021.

Inquiry Desks

Inquiry desks have been set up at Nomura Real Estate Holdings and at each Group company in order to respond quickly and appropriately when a problem with a product or service is found. Significant risk information gathered at these desks is reported to the Risk Management Committee and shared within the Group, and measures to prevent reoccurrence are implemented.

Business Continuity Plan Established for Emergencies

The Group formulated a business continuity plan (BCP) in anticipation of a major earthquake in the Tokyo Metropolitan region. The BCP provides for the chain of command during an emergency and the allocation of duties for the continuation of business as well as the establishment of structures that can respond even at night and on days off and holidays so that the impact of a disaster can be minimized. In addition, a disaster response headquarters establishment drill is conducted once a year with the president of Nomura Real Estate Holdings as the head and other members of the Disaster Response Headquarters participating. During the drill, implementation of initial responses specified in the BCP (ensuring the safety of officers and employees, establishing a chain of command, and restoring business) is confirmed and other actions are taken to prepare for an earthquake and other emergencies.

Measures and Response to the Global Pandemic

Amid the globalization of its businesses, the Group has taken measures against the increasing risk of infectious diseases, such as new strains of influenza and new coronaviruses. With respect to COVID-19 in particular, which struck in 2020, the Group has been implementing a basic policy for response based on the BCP that had been formulated to respond to a new influenza pandemic.

For further details, refer to the following.

- [!\[\]\(a88007b249b36c75dcbde101f514cec3_img.jpg\) Group Response to Spread of COVID-19 \(Japanese only\)](#)
- [!\[\]\(800628c068083563f747129d8b339031_img.jpg\) Creating Pleasant Workplace Environments \(Initiatives for Wellness Management\)](#)

Confirming the Safety of Officers and Employees

The Group introduced a safety confirmation system that uses the Internet and emails to rapidly determine the status of harm to and safety of officers and employees during emergencies, and it conducts safety confirmation drills for Group officers and employees four times a year.

Supply Chain Management

Approach and Policies

Group Policy (Governance)

Under the Group Policy, the Nomura Real Estate Group conducts its business in cooperation with various suppliers, including design and construction companies and construction contractors in all business areas. Because of this, the Group believes that initiatives throughout the supply chain are essential for implementing effective measures to address social and environmental issues and established the Nomura Real Estate Group Procurement Guidelines (Procurement Guidelines). We request that suppliers apply these guidelines to their business activities with regard to eight topics: compliance, respect for human rights, fair business activities, consideration for the environment, ensuring and improving quality, ensuring information security, whistleblowing systems, and creating business continuity plans. Moreover, the guidelines state that suppliers shall “carefully manage health and safety and prevent industrial accidents, endeavor to maintain physical and mental health, and create well-ordered workplaces,” and we also require that they implement comprehensive health and safety management. Going forward, we will continue to improve supplier management in accordance with the guidelines.

Management

Management (Governance)

In fiscal 2020, the Group began conducting supplier questionnaires on the status of compliance with the Procurement Guidelines as well as risk assessment trials and monitoring the status of corrective actions based on the results of the questionnaires. The Sustainability Committee (chaired by the Nomura Real Estate Holdings president and Group CEO) regularly reviews the status of the trials and monitors the progress of supplier management throughout the Group.

Targets and Results

Targets

The Group seeks to improve procurement and supplier management in accordance with the Procurement Guidelines.

▣ Key performance indicators (KPIs) for priority issues (materiality) up to 2030

Results

	FY2020	FY2021
Procurement Guideline survey implementation rate* (number of respondents)	-	37% (89 companies)
Number of legal and regulatory violations	0	0
Identified concerns	Some companies had not established their system for complying with No. 28 of the Procurement Guidelines	Could not confirm employment status and treatment of foreign technical interns at some business partners and their supply chains

※ The implementation rate is calculated using the overall procurement amount of the relevant Group companies as the denominator and the procurement amount (transaction amount) of the companies responding to the survey as the numerator.

Initiatives

Nomura Real Estate Group Procurement Guidelines

The Group formulated the Procurement Guidelines (Japanese and English versions) in September 2018 and began implementing the guidelines at all suppliers from November that year while also requesting that they comply with them.

In addition, business consignment agreements and purchase orders (including those for new contractors and renewed suppliers) include a provision on compliance with the guidelines. As of March

2022, we have included the provision in the agreements and purchase orders for almost all of our suppliers, or approximately 4,600 companies. We also confirm awareness of the guidelines among suppliers through internal audits.

Nomura Real Estate Group Procurement Guidelines

- I. Establishment of Compliance
- II. Respect for Human Rights
- III. Fair Business Activities
- IV. Consideration for the Environment
- V. Ensuring and Improving Quality
- VI. Ensuring Information Security
- VII. Whistleblowing Systems
- VIII. Creating Business Continuity Plans

 [Nomura Real Estate Group Procurement Guidelines](#)

Supplier Engagement

In addition to incorporating the Procurement Guidelines into our business consignment agreements and purchase orders, we make every effort to explain them to our stakeholders. Furthermore, in fiscal 2020, we began surveying our supply chain on the status of supplier awareness of and compliance with the Procurement Guidelines. Based on the results of monitoring interviews conducted on a trial basis with ten major suppliers in fiscal 2020, we sent an online questionnaire to the top 191 suppliers in terms of procurement value identified as important suppliers of the Group in fiscal 2021, and we received responses from 89 companies. The companies that responded are provided with feedback materials showing the overall trend of responses to the questions and other aspects encouraging them to improve on the issues. We also engaged directly with ten of the responding companies. Reviewing the surveys, we found that no suppliers were in violation of any laws or regulations.

In light of the fact that we were unable to confirm the employment status of foreign technical interns at some of the business partners and their supply chains in the fiscal 2021 survey, we have recognized the need to further investigate the status and plan to do so starting next fiscal year.

Improving Supplier Capabilities and Enhancing Quality

The Group works to enhance quality throughout the supply chain and raise awareness of the environment by holding Safety Conferences and annual training courses for suppliers. These address issues such as quality and the environment to encourage suppliers to further disseminate the Procurement Guidelines among their employees and respond accordingly.

To achieve safety and security through appropriate quality control, Nomura Real Estate Development

distributes the Design and Construction Standards and quality manuals to construction companies and designers to ensure that they are fully aware of these standards and manuals.

In addition, Nomura Real Estate Partners holds annual meetings of the East Japan Supplier Council Meetings on Health & Safety and West Japan Supplier Council Meetings on Health & Safety, at which it presents commendations to excellent companies and conducts training on health and safety.

Initiatives for New Suppliers

When starting business with new a supplier, the Group requests compliance with the Procurement Guidelines and works to conclude agreements and purchase orders in all new deals that include a provision on compliance with the guidelines.

Disseminating the Procurement Guidelines throughout the Group

The Group is working to instill the Procurement Guidelines throughout the Group to ensure full compliance. To strengthen the effort effectively by taking into consideration the actual conditions in each company, based on the results of a survey on the dissemination status of the guidelines, in January 2021 the Group conducted an online questionnaire survey of 433 compliance promotion staff at Group companies to inform them of the guidelines. It also reminded the Group Legal Affairs Liaison Committee, which is mainly composed of legal personnel from the Group, to ensure that the draft clauses for compliance with the guidelines are included in outsourcing contracts and order forms.



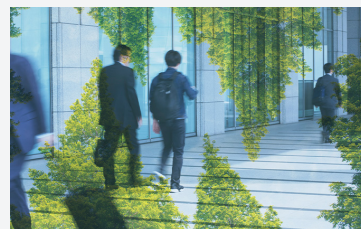
Information for ESG Investors

Nomura Real Estate Holdings strives to provide ESG investors and evaluation organizations with Group non-financial information concerning the environment, society and governance in compliance with standard guidelines. We also improve their access to such information by having a list of all our initiatives available, which are referred to in the ESG data, external evaluation and various other actions to which we have committed.

Index for ESG Investors and Evaluation Organizations	279
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[Index for ESG Investors and Evaluation Organizations](#)

[ESG Data](#)

[SASB Index](#)

[GRI Content Index](#)

[Sustainable Finance](#)

[Independent Third-Party Assurance Report: LRAQ Independent Assurance Statement](#)

[External Evaluation and Initiatives](#)

Index for ESG Investors and Evaluation Organizations

Item		Links to Disclosures		
		Policy	Management	Actions and Results
Environment	Environmental policies and management	✓	✓	✓
	Climate change	✓	✓	✓
	TCFD	✓	✓	✓
	Water use	✓	✓	✓
	Pollution and resources	✓	✓	✓
	Biodiversity	✓	✓	✓
	Green building	✓	✓	Environmental management ✓ Climate change ✓

Item		Links to Disclosures		
		Policy	Management	Actions and Results
Society	Product safety and quality	From design to management ✓	From design to management ✓	From design to management ✓
		Longer lifespans, increased durability ✓	Longer lifespans, increased durability ✓	Longer lifespans, increased durability ✓
		Disaster responses ✓	Disaster responses ✓	Disaster responses ✓
	Labor practice	✓	✓	✓
	Human rights	✓	✓	✓
	Diversity & inclusion	✓	✓	✓
	Development and retention of human resources	✓	✓	✓
	Health and safety	✓	✓	✓
	Supply chain management	✓	✓	✓
	Social contribution	✓	—	✓
	Social integration	Community ✓	Community ✓	Community ✓
		Diversity & inclusion ✓	Diversity & inclusion ✓	Diversity & inclusion ✓
	Customer relations	✓	✓	✓
Governance	Corporate Governance	Basic Corporate Governance Policy  ✓	Corporate governance structure ✓	Appointment of directors ✓
		Compensation plan for directors ✓	Internal control system ✓	Cross-holding shares ✓
	Compliance	Code of Action ✓	Compliance structure ✓	Prevention of corruption ✓
	Risk management	Risk management structure ✓		Information security ✓
	Tax transparency	Management System for Tax Matters		

ESG Data

ESG Data

Environment	>	Social	>
Governance	>		

SASB Content Index

Infrastructure sector: Real Estate

Sustainability Disclosure Topics & Accounting Metrics

ACCOUNTING METRIC	CODE	REFERENCE
Topic: Energy Management		
Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	Environment > Decarbonization > Targets and Results > Energy Consumption Performance (Nomura Real Estate Group)
(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	IF-RE-130a.2	(1) (2) (3) Environment > Decarbonization > Targets and Results > Energy Consumption Performance (Nomura Real Estate Group)
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	IF-RE-130a.3	Environment > Decarbonization > Targets and Results > Energy Consumption Performance (Nomura Real Estate Group)
Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	IF-RE-130a.4	(1) Environment > Environmental Management > Targets and Results > List of Environmental Certifications Acquired (FY2021) (1) Environment > Environmental Management > Targets and Results > Acquisition of Energy Rating
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Environment > Environmental Management > Targets
Topic: Water Management		
Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.1	(1) Environment > Circular Design > Targets and Results > Result 2. Volume of Water Intake, Discharge and Use (2) Environment > Circular Design > Initiatives > Water Risk Assessment
(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.2	(1) Environment > Circular Design > Targets and Results > Result 2. Volume of Water Intake, Discharge and Use (2) Environment > Circular Design > Initiatives > Water Risk Assessment

Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	IF-RE-140a.3	(2) Environment > Circular Design > Initiatives > Water Risk Assessment
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	Environment > Top Page > Management
Topic: Management of Tenant Sustainability Impacts		
(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	IF-RE-410a.1	—
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	IF-RE-410a.2	—
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	IF-RE-410a.3	Environment > Decarbonization > Initiatives > Helping Customers to Save Energy
Topic: Climate Change Adaptation		
Area of properties located in 100-year flood zones, by property subsector	IF-RE-450a.1	—
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)

Activity Metrics

Number of assets, by property subsector	IF-RE-000.A	Environment > Decarbonization > Targets and Results > Energy Consumption Performance (Nomura Real Estate Group)
Leasable floor area, by property subsector	IF-RE-000.B	Environment > Decarbonization > Targets and Results > Energy Consumption Performance (Nomura Real Estate Group)
Percentage of indirectly managed assets, by property subsector	IF-RE-000.C	—
Average occupancy rate, by property subsector	IF-RE-000.D	—

GRI Standards

This Sustainability site was prepared by making reference to the GRI standards (2016).

※ Refer to the GRI standards 2018 for 303: Water and Effluents and 403: Occupational Health and Safety; refer to the standard 2019 for 207:Tax; refer to the standard 2020 for 306: Waste.












Indicator		Reference
102:General Disclosures 2016		
102-1	Name of the organization	Corporate Overview
102-2	Activities, brands, products, and services	Business Overview
102-3	Location of headquarters	Corporate Overview
102-4	Location of operations	Group Companies
102-5	Ownership and legal form	Corporate Overview
102-6	Markets served	Group Companies
		Compliance
102-7	Scale of the organization	Corporate Overview
102-8	Information on employees and other workers	Corporate Overview
		ESG Data (Social)
102-9	Supply chain	Business and Sustainability
		Supply Chain Management
102-10	Significant changes to the organization and its supply chain	Financial Report (p.26)
102-11	Precautionary Principle or approach	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Risk Management
		Decarbonization
		Biodiversity
		Circular Design
		Addressing Environmental Pollutants
102-12	External initiatives	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		External Evaluation and Initiatives
		Decarbonization
		Biodiversity
102-13	Membership of associations	External Evaluation and Initiatives
102-14	Statement from senior decision-maker	Top Message






102-15	Key impacts, risks, and opportunities	Top Message
		Sustainability Management
		Risk Management
		Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization
102-16	Values, principles, standards, and norms of behavior	Top Message
		Sustainability Management
		Compliance
102-17	Mechanisms for advice and concerns about ethics	Human Rights
		Corporate Governance
		Compliance
102-18	Governance structure	Sustainability Management
		Corporate Governance
102-19	Delegating authority	Sustainability Management
		Corporate Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Management
		Corporate Governance
102-21	Consulting stakeholders on economic, environmental, and social topics	Dialogue with Stakeholders
		Integrated Report (P.121)
102-22	Composition of the highest governance body and its committees	Corporate Governance
		Corporate Governance Report
102-23	Chair of the highest governance body	Corporate Directors
102-24	Nominating and selecting the highest governance body	Corporate Governance
		Corporate Governance Report
102-25	Conflicts of interest	Corporate Governance
102-26	Role of highest governance body in setting purpose, values, and strategy	Sustainability Management
102-27	Collective knowledge of highest governance body	Integrated Report 2022 (P.110)
102-28	Evaluating the highest governance body's performance	Top Message
		Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	Risk Management
		Environmental Management
102-30	Effectiveness of risk management processes	Risk Management






















102-31	Review of economic, environmental, and social topics	Risk Management
		Environmental Management
102-32	Highest governance body's role in sustainability reporting	Sustainability Management
		Materiality Determination Process
102-33	Communicating critical concerns	Risk Management
102-34	Nature and total number of critical concerns	Compliance
102-35	Remuneration policies	Corporate Governance
		Corporate Governance Report
102-36	Process for determining remuneration	Corporate Governance
		Corporate Governance Report
102-37	Stakeholders' involvement in remuneration	—
102-38	Annual total compensation ratio	ESG Data (Governance)
102-39	Percentage increase in annual total compensation ratio	ESG Data (Governance)
102-40	List of stakeholder groups	Materiality Determination Process
102-41	Collective bargaining agreements	Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
102-42	Identifying and selecting stakeholders	Materiality Determination Process
102-43	Approach to stakeholder engagement	Materiality Determination Process
		Dialogue with Stakeholders
102-44	Key topics and concerns raised	Materiality Determination Process
102-45	Entities included in the consolidated financial statements	Group Companies
102-46	Defining report content and topic Boundaries	Editorial Policy
102-47	List of material topics	Sustainability Management
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Editorial Policy
		Sustainability Management
102-50	Reporting period	Editorial Policy
102-51	Date of most recent report	Editorial Policy
102-52	Reporting cycle	Editorial Policy
102-53	Contact point for questions regarding the report	Editorial Policy
102-54	Claims of reporting in accordance with the GRI Standards	GRI Standards
102-55	GRI content index	GRI Standards
















102-56	External assurance	Independent Third-Party Assurance Report: LRAQ Independent Assurance Statement
201:Economic Performance 2016		
201-1	Direct economic value generated and distributed	Financial Highlights
201-2	Financial implications and other risks and opportunities due to climate change	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization
201-3	Defined benefit plan obligations and other retirement plans	Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
201-4	Financial assistance received from government	—
202:Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—
203:Indirect Economic Impacts 2016		
103-1	Explanation of the material topic and its Boundary	Care for and Activation of Communities
103-2	The management approach and its components	Care for and Activation of Communities
103-3	Evaluation of the management approach	Care for and Activation of Communities
203-1	Infrastructure investments and services supported	Care for and Activation of Communities
		Contributions to Local Communities and Society
203-2	Significant indirect economic impacts	Care for and Activation of Communities
204:Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	—
205:Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Compliance
205-2	Communication and training about anti-corruption policies and procedures	Compliance
205-3	Confirmed incidents of corruption and actions taken	Compliance
206:Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance

207 :Tax 2019		
207-1	Approach to tax	Compliance
207-2	Tax governance, control, and risk management	Compliance
207-3	Stakeholder engagement and management of concerns related to tax	Compliance
207-4	Country-by-country reporting	Compliance
301 :Materials 2016		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging materials	—
302 :Energy 2016		
103-1	Explanation of the material topic and its Boundary	Top Message
		Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization
103-2	The management approach and its components	Top Message
		Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization
103-3	Evaluation of the management approach	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization
302-1	Energy consumption within the organization	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization
302-4	Reduction of energy consumption	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization
302-5	Reductions in energy requirements of products and services	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		Decarbonization














303:Water and E uents 2018		
103-1	Explanation of the material topic and its Boundary	 Circular Design
103-2	The management approach and its components	 Circular Design
103-3	Evaluation of the management approach	 Circular Design
303-1	Interactions with water as a shared resource	 Circular Design
303-2	Management of water discharge-related impacts	—
303-3	Water withdrawal	 Circular Design
303-4	Water discharge	 Circular Design
303-5	Water consumption	 Circular Design
304:Biodiversity 2016		
103-1	Explanation of the material topic and its Boundary	 Biodiversity
103-2	The management approach and its components	 Biodiversity
103-3	Evaluation of the management approach	 Biodiversity
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
304-2	Significant impacts of activities, products, and services on biodiversity	 Biodiversity
304-3	Habitats protected or restored	—
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable

305:Emissions 2016		
103-1	Explanation of the material topic and its Boundary	 Top Message
		 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Decarbonization
103-2	The management approach and its components	 Top Message
		 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Decarbonization
103-3	Evaluation of the management approach	 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Decarbonization
305-1	Direct (Scope 1) GHG emissions	 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Decarbonization
305-2	Energy indirect (Scope 2) GHG emissions	 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Decarbonization
305-3	Other indirect (Scope 3) GHG emissions	 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Decarbonization
305-4	GHG emissions intensity	 Decarbonization
305-5	Reduction of GHG emissions	 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Decarbonization
305-6	Emissions of ozone-depleting substances (ODS)	 Decarbonization
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	 Addressing Environmental Pollutants
306:Waste 2020		
103-1	Explanation of the material topic and its Boundary	 Circular Design




103-2	The management approach and its components	 Circular Design
103-3	Evaluation of the management approach	 Circular Design
306-1	Waste generation and significant waste-related impacts	—
306-2	Management of significant waste-related impacts	 Circular Design
		 Addressing Environmental Pollutants
306-3	Waste generated	 Circular Design
306-4	Waste diverted from disposal	—
306-5	Waste directed to disposal	—
307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	 Environmental Management
308: Supplier Environmental Assessment 2016		
103-1	Explanation of the material topic and its Boundary	 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Environmental Management
		 Decarbonization
		 Circular Design
		 Biodiversity
103-2	The management approach and its components	 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Environmental Management
		 Decarbonization
		 Circular Design
		 Biodiversity
103-3	Evaluation of the management approach	 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)
		 Environmental Management
		 Decarbonization
		 Circular Design
		 Biodiversity

308-1	New suppliers that were screened using environmental criteria	 Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	 Supply Chain Management
401:Employment 2016		
401-1	New employee hires and employee turnover	 Diversity & Inclusion
		 Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	 Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
401-3	Parental leave	 Diversity & Inclusion
402:Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	—
403:Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	 Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
		 Safety Quality from Design to Management
403-2	Hazard identification, risk assessment, and incident investigation	 Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
403-3	Occupational health services	 Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
		 Safety Quality from Design to Management
403-4	Worker participation, consultation, and communication on occupational health and safety	 Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
		 Safety Quality from Design to Management
403-5	Worker training on occupational health and safety	 Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
		 Safety Quality from Design to Management

403-6	Promotion of worker health	Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety Quality from Design to Management
403-8	Workers covered by an occupational health and safety management system	Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
		Safety Quality from Design to Management
403-9	Work-related injuries	Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
403-10	Work-related ill health	Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
404: Training and Education 2016		
404-1	Average hours of training per year per employee	Human Resource Management
404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Management
404-3	Percentage of employees receiving regular performance and career development reviews	—
405: Diversity and Equal Opportunity 2016		
103-1	Explanation of the material topic and its Boundary	Top Message
		Diversity & Inclusion
		Safety Quality from Design to Management
103-2	The management approach and its components	Top Message
		Diversity & Inclusion
		Safety Quality from Design to Management
103-3	Evaluation of the management approach	Diversity & Inclusion
		Safety Quality from Design to Management
405-1	Diversity of governance bodies and employees	Diversity & Inclusion

405-2	Ratio of basic salary and remuneration of women to men	 Creating Pleasant Workplace Environments (Initiatives for Wellness Management)
406:Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	 Human Rights
407:Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	 Human Rights
408:Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	 Human Rights
409:Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	 Human Rights
410:Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	 Human Rights
411:Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
412:Human Rights Assessment 2016		
103-1	Explanation of the material topic and its Boundary	 Top Message
		 Human rights
103-2	The management approach and its components	 Top Message
		 Human rights
103-3	Evaluation of the management approach	 Human rights
412-1	Operations that have been subject to human rights reviews or impact assessments	 Human Rights
412-2	Employee training on human rights policies or procedures	 Human Rights

412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—
413: Local Communities 2016		
103-1	Explanation of the material topic and its Boundary	☐ Care for and Activation of Communities
103-2	The management approach and its components	☐ Care for and Activation of Communities
103-3	Evaluation of the management approach	☐ Care for and Activation of Communities
413-1	Operations with local community engagement, impact assessments, and development programs	☐ Care for and Activation of Communities
		☐ Contributions to Local Communities and Society
413-2	Operations with significant actual and potential negative impacts on local communities	☐ Care for and Activation of Communities
414: Supplier Social Assessment 2016		
103-1	Explanation of the material topic and its Boundary	☐ Supply Chain Management
103-2	The management approach and its components	☐ Supply Chain Management
103-3	Evaluation of the management approach	☐ Supply Chain Management
414-1	New suppliers that were screened using social criteria	☐ Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	☐ Supply Chain Management
415: Public Policy 2016		
415-1	Political contributions	—
416: Customer Health and Safety 2016		
103-1	Explanation of the material topic and its Boundary	☐ Safety Quality from Design to Management
		☐ Circular Design
		☐ Safety and Security in Disasters

103-2	The management approach and its components	 Safety Quality from Design to Management
		 Circular Design
		 Safety and Security in Disasters
103-3	Evaluation of the management approach	 Circular Design
		 Safety and Security in Disasters
416-1	Assessment of the health and safety impacts of product and service categories	 Safety Quality from Design to Management
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	 Safety Quality from Design to Management
417:Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Not applicable
417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable
417-3	Incidents of non-compliance concerning marketing communications	Not applicable
418:Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	 ESG Data (Governance)
419:Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	 Compliance

Sustainable Finance

Due to its involvement in real estate development and services, the Group bears a social responsibility to build communities that connect today with tomorrow's possibilities by pursuing its vision of "New Value, Real Value." With the goal of contributing to the sustainable development of society, we are advancing a variety of efforts, including the issuance of sustainability-linked loans and sustainability bonds.

Sustainability Linked Loans

Overview

Sustainability-linked loans are designed to enhance the sustainability performance of borrowers and encourage sustainable economic activities and growth. Borrower performance is measured through sustainability performance targets (SPTs), which are set in alignment with the interest rate and other loan terms with the borrowers and also with their ESG strategy. Borrowers are either incentivized or disincentivized depending on performance against SPTs.

With support from the Chiba Bank as the sustainability coordinator, the Nomura Real Estate Group established an SLL Framework^{*1}, the first of its kind in Japan, raising a fund of 11 billion yen for financing and refinancing purposes from nine of the TSUBASA Alliance^{*2} member banks, including the Chiba Bank, on July 30, 2021.

We intend to increase our transactions with ESG-oriented financial institutions via the SLL Framework and thereby stabilize our procurement of sustainability funds. Meanwhile, we are strengthening our ESG initiatives to better respond to global warming, human rights and labor issues and further reinforce our governance systems.

※1 A framework designed to facilitate SLL operations for both the borrower (e.g., the Nomura Real Estate Group) and the lenders (e.g., banks such as the Chiba Bank) by comprehensively defining all SLL terms that need to be specified for each contract, such as SPTs, incentives and reporting requirements.

※2 A wide ranging alliance with the participation of the following ten regional banks: Chiba Bank, Daishi Hokuetsu Bank, Chugoku Bank, Iyo Bank, Toho Bank, North Pacific Bank, Musashino Bank, Shiga Bank, Bank of the Ryukyus, and Gunma Bank.

SLL Framework Overview

Date of establishment	July 28, 2021
Sustainability coordinator	Chiba Bank
SPTs	SBT-approved target reduction rate for total greenhouse gas emissions*3
Incentive	Preferential interest rate spread according to the achievement of SPTs

※3 A total GHG emission reduction of 35% by 2030 from the FY2019 level

Sustainability Bond

Overview

Nomura Real Estate Holdings issued a sustainability bond (corporate bond) to raise funds for projects that will contribute to the resolution of environmental and social issues. The Company also formulated the Nomura Real Estate Group Sustainability Bond Framework (See Reference 1) when it issued the bond.

Name	Nomura Real Estate Holdings, Inc. 15th Unsecured Bonds (Sustainability Bond)
Total amount of the bond issue	10 billion yen
Interest rate	0.390% on an annual basis
Bond payment date	February 26, 2021
Redemption date (duration of bond)	February 26, 2031 (10 years)
Coupon payment date	February 26 and August 26 every year
Bond ratings	A (Japan Credit Rating Agency, Ltd.) A- (A minus) (Rating and Investment Information, Inc.)
Third-party (external) evaluation	The evaluation reports (see Reference 2) on the Nomura Real Estate Group Sustainability Bond Framework's conformity with the Sustainability Bond Guidelines and other relevant principles were received from third-party evaluation agencies Vigeo Eiris (V.E), Japan Credit Rating Agency (JCR), and Rating and Investment Information (R&I).
Underwriters	Nomura Securities Co., Ltd. (Lead Managing Underwriter), Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (Independent Lead Manager), SMBC Nikko Securities Inc. (Syndicate Underwriter), and Mizuho Securities Co., Ltd. (Syndicate Underwriter)
Structuring agent*1	Nomura Securities Co., Ltd.

(Scheduled) Use of proceeds

The bond proceeds are to be used as investments and loans for refinancing the costs of the PMO, H¹T and OUKAS businesses to Nomura Real Estate Holding's subsidiaries.

※1 A structuring agent supports the issuance of a sustainability bond by providing the issuer with advice on the formulation of the sustainability bond framework and the acquisition of the second opinion and third-party reviews.

Reference 1: [Nomura Real Estate Group Sustainability Bond Framework \(Japanese only\)](#)

Reference 2: Third-party Evaluation Reports

[JCR's Evaluation of the Sustainability Finance Framework \(Japanese only\)](#)

[JCR's Evaluation of the Sustainability Bond \(Japanese only\)](#)

[The Second Party Opinion from Vigeo Eiris \(Japanese only\)](#)

[The Second Party Opinion from R&I \(Japanese only\)](#)


Reporting

(1) Reporting on Fund Appropriation Status



■ Overview of Eligible Businesses

Bond proceeds have been appropriated to cover the expenses and investments for the following businesses and properties.

Green Project

	Business Outline	Eligible Properties
 PMO (Premium Midsize Office)	<p>The PMO business handles medium-sized office buildings, which feature functionality and sophistication on par with large-scale buildings and offer an excellent working space for tenants.</p> <p>Basically, PMO buildings accommodate one tenant per floor to provide efficiency, independence and safety. Tenants, including those who handle sensitive information, have found that security measures taken for the buildings have also been highly reliable.</p>	<p>PMO Nishi-Shinjuku</p> <p>PMO Kanda-Iwamotocho</p>

Social Project

	Business Outline	Eligible Properties
 <p>OUKAS</p>	<p>The OUKAS business develops and operates elderly housing with supportive services under the aim of providing seniors with housing that enables them to enjoy their life and look forward to tomorrow every day.</p> <p>OUKAS residences are designed to provide senior residents with daily wellness programs (physical exercise, diet and good sleep) and 24-hour care services.</p>	OUKAS Funabashi
 <p>H1T Human First Time</p>	<p>The H1T operates pay-per-use shared office spaces to maximize people's creativity and productivity. Comfortable, sophisticated and conveniently located, these spaces serve as superb satellite offices that make diverse workstyles a reality.</p>	H1T



■ Fund Appropriation Status (as of August, 2020)

	Funds (Million Yen)
Funds raised (calculated by subtracting bond issuance expenses from amount of bond issued)	9,937
Funds spent during the period from February 26, 2021, the day of the bond issue, to the end of fiscal 2020, on March 31, 2021. (actual value)	−9,937
Unspent funds as of March 31, 2021 and no change until August, 2022	0

※ All funds were used for refinancing.

(2) Impact Reporting

■ Eligible Green Projects and Acquired Certification

Properties	Certification System	Certification Level	Date of Certification
PMO Nishi-Shinjuku	DBJ Green Building	2020 	May 24, 2021
PMO Kanda-Iwamotocho II	DBJ Green Building	2020 	April 30, 2021

■ Environmental Data about Eligible Green Projects (April 1, 2021-March 31, 2022)

Properties	Amount of CO ₂ Emitted	Amount of Energy Used	Amount of Water Used
PMO Nishi-Shinjuku	295t-CO ₂	687MWh	1,792m ³
PMO Kanda-Iwamotocho II	140t-CO ₂	222MWh	783m ³

■ Eligible Social Projects and Property/Business Data

OUKAS Funabashi	
Total number of units	125
Number of residents (as of July 31, 2022)	136

H'T	
Number of offices (as of July 2022)	155 offices (and 73 affiliated offices)
Membership (as of July 2022)	Approx. 250,000



LRAQ Independent Assurance Statement

Relating to Nomura Real Estate Holdings, Inc.'s GHG Emissions and Energy Consumption for the fiscal year 2021

This Assurance Statement has been prepared for Nomura Real Estate Holdings, Inc. in accordance with our contract.

Terms of Engagement

LRQA Limited ("LRQA") was commissioned by Nomura Real Estate Holdings, Inc. ("the Company") to provide independent assurance on its greenhouse gas ("GHG") emissions and energy consumption of the fiscal year 2021 (from 1 April 2021 to 31 March 2022), against the assurance criteria below to a limited level of assurance and the materiality of the professional judgement of the verifier using ISO 14064-3:2019 and the Company's methodologies for GHG emissions, and ISAE 3000(Revised) for energy consumption.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies
- Evaluating the accuracy and reliability of data for the selected indicators listed below:
 - GHG emissions:^{1 2 3}
 - Scope 1 GHG emissions (tonnes CO₂)
 - Scope 2 GHG emissions (Market-based) (tonnes CO₂)
 - Scope 3 GHG emissions (Category 1 and 11) (tonnes CO₂e)
 - Energy consumption (MWh)

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the *Company has* not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

¹ Excluding sites that have small GHG emissions. (Less than 0.05% of total GHG emissions)

² GHGs other than energy-oriented CO₂ are not included in the calculation if each GHG emissions are less than 3,000 tCO₂e, based on Act on Promotion of Global Warming Countermeasures.

³ GHG quantification is subject to inherent uncertainty.



The opinion expressed is formed on the basis of a limited level of assurance⁴ and at the materiality of the professional judgement of the verifier.

Table 1. Summary of the Company's Key Data for the fiscal year 2021:

Scope			
Scope 1 GHG emissions		21,542	Tonnes CO ₂
Scope 2 GHG emissions (Market-based)		107,514	Tonnes CO ₂
Scope 3 GHG emissions	Category 1	702,271	Tonnes CO ₂ e
	Category 11	1,214,723	Tonnes CO ₂ e
Energy Consumption (Scope 1 and Scope 2)		379,428	MWh

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISO 14064-3:2019 for GHG emissions, and ISAE 3000 (Revised) for energy consumption. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the historical data and records for the fiscal year 2021; and
Visiting LAZONA Kawasaki TOSHIBA building and SOCOLA MINAMI-GYOTOKU to confirm the data collection processes, record management practices, and to physically check the sites.

Where GHG deductions are included within the Report insert the following:

The Report includes a deduction from Company's emissions of 470 tonnes CO₂ relating to offsets. We have verified that these offsets were acquired and that their inclusion in the Report is reasonable. We have not performed any procedures regarding the providers of these offsets and express no opinion on whether they have, or will, result in a reduction of CO₂e.

Observations

Further observations and findings, made during the assurance engagement, are:

- LRQA expects that the Company will contrive quantitative descriptions of boundary of data collection in its data management manual to make the boundary clearer.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021-1 *Conformity assessment – Requirements for bodies*

⁴ The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



providing audit and certification of management systems – Part1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality.

Signed

Dated: 5 September 2022

A handwritten signature in black ink, appearing to read 'Shibata', with a stylized flourish at the end.

Yoshinori Shibata
LRQA Lead Verifier
On behalf of LRQA Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YKA00000926

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External Evaluation and Initiatives

External Evaluation

Inclusion in the ESG Stock Index Used by the Japanese GPIF

Inclusion in the MSCI Japan ESG Select Leaders Index

Nomura Real Estate Holdings and the Nomura Real Estate Master Fund have been selected for inclusion in the MSCI Japan ESG Select Leaders Index. The index comprises a selection of companies with outstanding ESG initiatives from among the companies that make up the MSCI Japan IMI Top 700 Index.

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

Inclusion in the FTSE Blossom Japan Index

Nomura Real Estate Holdings has been selected as a constituent of the FTSE Blossom Japan Index. The index comprises a selection of companies with outstanding ESG initiatives based primarily on absolute ESG scores and ratings from among the approximately 1,400 companies that make up the FTSE All-Cap Japan Index.



**FTSE Blossom
Japan**

Inclusion in the FTSE Blossom Japan Sector Relative Index

Nomura Real Estate Holdings has been selected as a constituent of the FTSE Blossom Japan Sector Relative Index. The index comprises a selection of companies with outstanding ESG initiatives based primarily on peer-relative ESG scores and ratings from among the approximately 1,400 companies that make up the FTSE All-Cap Japan Index.



**FTSE Blossom
Japan Sector
Relative Index**

Inclusion in the MSCI Japan Empowering Women Index

Nomura Real Estate Holdings has been selected as a constituent of the MSCI Japan Empowering Women Index. The index comprises a selection of companies with outstanding gender diversity from among the companies that make up the MSCI Japan IMI Top 700 Index.

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

Inclusion in the S&P/JPX Carbon Efficient Index

Nomura Real Estate Holdings has been selected for inclusion in the S&P/JPX Carbon Efficient Index, a thematic index (environmental) among the ESG indices adopted by GPIF.



Inclusion in the FTSE4Good Index Series

Nomura Real Estate Holdings has been selected from among about 1,300 candidates for inclusion in the FTSE4Good Index Series, an index run by FTSE Russell, a global company that evaluates corporate ESG performance.



CDP Climate Change

In order to promote climate change initiatives and enhance the transparency of information disclosure, Nomura Real Estate Holdings has responded to the CDP climate change questionnaire since fiscal 2019. In fiscal 2021, the Company received a A- grade.



※ The CDP is an NGO that was established in the U.K. in 2000 and operates a global environmental information disclosure system for investors, corporations, cities, nations, and regions to manage environmental impacts.

Inclusion in the CDP Supplier Engagement Leader

Nomura Real Estate Holdings has been selected as a “Supplier Engagement Leader,” the highest rating in the CDP Climate Change Supplier Engagement Assessment in 2021. This assesses how companies effectively work with suppliers to address climate change challenges.



SNAM Sustainability Index

Nomura Real Estate Holdings has been selected for inclusion in the SNAM Sustainability Index. Established by Sompo Japan Nipponkoa Asset Management (SNAM), the index is a socially responsible investment (SRI) fund for multiple pension funds and institutional investors that invests in a wide range of companies with high environmental, social, and governance (ESG) ratings. It is designed to contribute to the asset building of long-term investors through assessing corporate value from a long-term perspective based on financial and non-financial information.



Commendations on Environmental Activities

Certification and Registration to Eco-Action 21 (Environmental Management System)

Eco-Action 21 is Japan's unique environmental management system (EMS) established by Japan's Ministry of the Environment. The Nomura Real Estate Master Fund was the first J-REIT and Nomura Real Estate Private REIT the first privately placed REIT to obtain certification and registration.



GRESB Real Estate Assessment and Public Disclosure Assessment

The Nomura Real Estate Master Fund and Nomura Real Estate Private REIT received the four-star rating in the 2021 Global Real Estate Sustainability Benchmark (GRESB)* Real Estate Assessment. Nomura Real Estate Holdings and the Nomura Real Estate Master Fund received the highest A rating in the Public Disclosure Assessment.

※ GRESB is an annual benchmark that measures ESG considerations in the real estate sector. Established in 2009 by a group of major European pension funds that spearheaded the UN Principles for Responsible Investment (PRI), GRESB evaluates the sustainability initiatives of real estate companies, REITs, and private real estate funds.



Commendations on Social Activities

Recognition for Outstanding Health & Productivity Management Organization 2022

Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management, Nomura Real Estate Solutions, Nomura Real Estate Life & Sports, Nomura Real Estate Partners, Nomura Real Estate Building, and PRIME X have been recognized as outstanding under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category). Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management, Nomura Real Estate Solutions, and Nomura Real Estate Building have also been certified as White 500*, comprising the top 500 organizations in the Large Enterprise Category with outstanding health and productivity management.

※ White 500 is a program by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi to recognize companies that implement particularly good health management practices.



[News Release \(PDF\) \(Japanese only\)](#)

Nomura Real Estate Development Awarded Silver and Bronze Rating in the PRIDE Index

Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management were awarded Silver rating and Nomura Real Estate Solutions and Nomura Real Estate Partners were awarded Bronze rating in the PRIDE Index 2022, which certifies companies and organizations for their efforts related to LGBT and other sexual minorities.

※ The PRIDE Index is a program established in 2016 by working with Pride*, a voluntary organization that supports the promotion and establishment of LGBTQ-related diversity management, to recognize companies and organizations for their efforts regarding LGBTQ and other sexual minorities.



Group Wins Good Design Award for 20th Consecutive Years

The Nomura Real Estate Group has won a Good Design Award, Japan's only comprehensive design evaluation and commendation system operated by the Japan Institute of Design Promotion, for the 20th consecutive year, with Nomura Real Estate Development receiving awards for six projects in fiscal 2021.



[Measures Toward the Good Design Award](#)

Initiatives

Signing of the UN Global Compact

Nomura Real Estate Holdings signed the UN Global Compact in May 2019. We will respect the Ten Principles of the UN Global Compact (in the areas of human rights, labor, environment, and anticorruption) and further promote our sustainability initiatives.

The UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights



abuses.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Signing of the Principles for Responsible Investment

Nomura Real Estate Asset Management and Lothbury Investment Management—the Group’s UK-based asset management company—endorse the fundamental tenets and have signed the Principles for Responsible Investment (PRI), which advocate addressing environmental, social, and governance issues in investment decisions.

Signatory of:



Joining RE100

Nomura Real Estate Holdings, Inc. joined RE100, a global initiative leading the transition to 100% renewable electricity in January 2022.

[Link \(PDF\) \(Japanese only\)](#)



Holder of a Science Based Targets (SBT) certificate

Nomura Real Estate Holdings has a certificate of Science Based Targets (SBT), a global initiative for reducing greenhouse gas emissions.

 [Link](#)



Agreed to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Recognizing that climate change is an important management issue that will have a significant impact on the continuity of business, Nomura Real Estate Holdings and Nomura Real Estate Asset Management agreed in 2020 to recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to promote further initiatives. The companies will disclose information in line with the TCFD's recommendations and contribute to the realization of a sustainable society.

 [Feature: TCFD](#)



Participant of the Japan Climate Initiative

Nomura Real Estate Asset Management has joined in the Climate Change Initiative, a network for the cross-sectoral dissemination of information and exchange of views among companies, local governments, NGOs, and other organizations engaged in climate change measures.



Signing the Financial Action Principles for the Formation of a sustainable Society (The 21st Century Principles of Financial Action)

Nomura Real Estate Asset Management endorses the concept and has signed the Financial Action Principles for the Formation of a Sustainable Society (The 21st Century Principles of Financial Action), a collection of action guidelines for financial institutions wanting to fulfill their responsibilities and roles necessary for creating a sustainable society.



Member of the UK Green Building Council (GBC)

Lothbury Investment Management is affiliated with and endorses the UK Green Building Council (GBC), an organization that certifies buildings with high environmental performance in terms of energy, water, air-conditioning, and so on.



Participation in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum

In July 2022, Nomura Real Estate Holdings began participating in the TNFD Forum, which was established to support the development of a framework for TNFD, an international initiative to create a framework for appropriately assessing and disclosing the risks and opportunities associated with natural capital and biodiversity.



Participation in the 30by30 Alliance for Biodiversity

In July 2022, Nomura Real Estate Holdings began participating in the 30by30 Alliance for Biodiversity, led by Japan's Ministry of the Environment, which serves as the secretariat. The purpose of the alliance is to achieve the target of effectively conserving or protecting 30% of land and sea areas by 2030.



Advocate of the Declaration of Biodiversity by Keidanren

In fiscal 2019, Nomura Real Estate Holdings announced its endorsement of Keidanren's Declaration of Biodiversity. Regarding initiatives for biodiversity as an important management issue for the Group, which is involved in real estate development and urban development, the company will continue to promote initiatives that are considerate of the natural environment and ecosystems.

Supporter of the "Voluntary Action Plan on the Environment for the Real Estate Industry" of the Real Estate Companies Association of Japan

Nomura Real Estate Development supports the environmental goals of the real estate industry in accordance with the Voluntary Action Plan on the Environment, established by the Real Estate Companies Association of Japan, to which the Company belongs, and promotes measures against climate change by working to reduce CO₂ emissions beyond the statutory standards.

Editorial Policy

This website has been created to provide stakeholders with a better understanding of the Nomura Real Estate Group's approach to, and activities for, sustainability.

In fiscal 2020, the Sustainability Management Department was established with the aim of contributing to the realization of a sustainable society by achieving both social and environmental value and financial returns from a long-term perspective.

Taking into consideration the opinions of stakeholders, the reporting focuses on what the Sustainability Committee has determined are priority issues (materiality): diversity and inclusion, human rights, decarbonization, biodiversity, and circular design. In addition, the contents have been presented in a comprehensive manner by dividing them into the three ESG categories.

We have endeavored to disclose information that meets expectations, giving consideration to international sustainability frameworks and requests from investors and ratings organizations.

Scope

Nomura Real Estate Holdings, Inc. and its 22 consolidated subsidiaries

Percentage of operating revenue accounted for by organizations subject to reporting: 99%

Consolidated subsidiaries in the scope of the report:

Nomura Real Estate Development Co., Ltd., Nomura Real Estate Asset Management Co., Ltd., Nomura Real Estate Solutions Co., Ltd., Nomura Real Estate Partners Co., Ltd., Nomura Real Estate Building Co., Ltd., Nomura Real Estate Life & Sports Co., Ltd., Nomura Real Estate Heating and Cooling Supply Co., Ltd., Nomura Real Estate Retail Properties Co., Ltd., Nomura Real Estate Wellness Co., Ltd., Nomura Real Estate Hotels Co., Ltd., UHM Co., Ltd., Nomura Real Estate Amenity Service Co., Ltd., PRIME X Co., Ltd., Musashi Co., Ltd., First Living Assistance Co., Ltd., Lothbury Investment Management Limited, ZEN PLAZA CO., LTD, NOMURA REAL ESTATE ASIA PTE. LTD., NOMURA REAL ESTATE HONG KONG LIMITED, NOMURA REAL ESTATE (THAILAND) CO., LTD., NOMURA REAL ESTATE VIETNAM CO., LTD., Nomura Real Estate Consulting (Beijing) Co., Ltd.

※ Unless indicated in a footnote or otherwise, the scope of data reported on this website is the organizations subject to reporting, specified above.

Referenced Guidelines

- Global Reporting Initiative (GRI), Sustainability Reporting Standard
- ISO 26000, Guidance on Social Responsibility
- Sustainable Accounting Standards Board (SASB)
- Environmental Reporting Guidelines 2018, Ministry of the Environment

Reporting Period

Fiscal 2021 (from April 1, 2021 to March 31, 2022)

※ Certain information on activities before fiscal 2020 and outlooks after fiscal 2022 are also provided.

Reporting Cycle

Updated

September 2022

Previous Update

October 2021

Next Update

September 2023

Statements on the Site

On this site, Nomura Real Estate Holdings refers to Nomura Real Estate Holdings, Inc., while the Nomura Real Estate Group refers to Nomura Real Estate Holdings, Inc. and its 22 consolidated subsidiaries.

This site contains forward-looking statements about the plans, strategies, and performance of Nomura Real Estate Holdings, Inc. and its consolidated subsidiaries. These statements are not historical facts, and they include assumptions and judgments based on the information currently available to us. As such, future activities and results may differ from those mentioned herein.

Contact Information for Inquiries

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