

## To Our Shareholders

I would like to express my gratitude to all of our shareholders for your continuing patronage.

During the fiscal year under review, the rapid spread of the novel coronavirus disease (COVID-19) had a serious impact on the Japanese and global economies. For our Company as well, although the Company was impacted to a certain extent, including voluntary restraints on sales activities in some businesses under the state of emergency, the Company strove to identify diversifying workstyles and lifestyles and customer needs, and to study and search for new added value, while working to promote business activities suited for the changes accelerated by the COVID-19 pandemic in each of our divisions, including introduction of remote sales activities and expansion of the shared-office business.

The Group is also directing its focus on the post-COVID-19 environment, and we intend to respond to changes in the structure and needs of society and demonstrate our strengths in real estate and urban development and real estate-related services as we engage in the creation of new added value, while strengthening sustainability initiatives to contribute to the realization of a sustainable society.

We fully realize that we need to dramatically change the existing idea, and will continue tackling transformation and challenges with our Group Vision of “New Value, Real Value.”

I ask all of our shareholders for your continued support for the Company.

President and Representative Director  
Group CEO  
Eiji Kutsukake

## **Our Group Vision “New Value, Real Value”**

### **New Value, Real Value**

Integrating all that is precious to people and communities,  
we build cities—dynamic stages that connect today with tomorrow’s possibilities—  
and embrace every moment of life’s pursuits.  
We create new value, social value, and above all, real value.

#### **Action Guideline “What We Value”**

##### **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 pursue creating new value with free and out-of-the-box thinking, placing importance 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.

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 17th Ordinary General Meeting of Shareholders of Nomura Real Estate Holdings, Inc. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Code: 3231)

June 3, 2021

To: Shareholders

Eiji Kutsukake  
President and Representative Director  
Nomura Real Estate Holdings, Inc.  
1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo  
JAPAN

### Notice of Convocation of the 17th Ordinary General Meeting of Shareholders

Dear Shareholder:

We are pleased to announce the 17th Ordinary General Meeting of Shareholders of Nomura Real Estate Holdings, Inc. (the “Company”), which will be held as follows.

Having carefully considered the situation of the spread of COVID-19, the Company has decided to hold the General Meeting of Shareholders on the date below, taking appropriate measures beforehand to avoid infection.

However, in order to prevent the spread of COVID-19, the Company would like to ask all of our shareholders to exercise your voting rights either by mail or via the Internet, etc. in advance, and consider not participating in the meeting in person.

Please review the attached reference documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:40 p.m. on June 23 (Wednesday), 2021.

#### **When Exercising Voting Rights by Mail**

Please indicate your approval or disapproval for the proposal on the enclosed proxy card, and return it so that it will reach us by the aforementioned exercise deadline.

#### **When Exercising Voting Rights by Electronic Method (via the Internet, etc.)**

Please review the “Guide to Exercising Voting Rights via the Internet, etc.” on page 6, and enter your approval or disapproval for the proposal listed thereon before the deadline stated above.

#### Description

1. Date and Time: Thursday, June 24, 2021, at 10:00 a.m.
2. Place: Meiji Kinenkan, Fuji room (2nd floor)  
2-2-23 Motoakasaka, Minato-ku, Tokyo  
As was the case last year, the number of seats available this year has again been significantly reduced due to spacing seats to prevent the spread of COVID-19. Even shareholders who come to the venue may not be allowed to enter. We appreciate your understanding in advance.
3. Agenda for the Meeting:  
Matters to be Reported: The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 17th term (from April 1, 2020 to March 31, 2021); and Report on Auditing Results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee

Matter to be Resolved:

Proposal No. 1: Election of Seven (7) Directors (Excluding Directors as Audit & Supervisory Committee Members)

Proposal No. 2: Election of Four (4) Directors as Audit & Supervisory Committee Members

4. Handling the exercising of voting rights:

- (1) If you exercise your voting rights twice through voting by mail and by electronic method (via the Internet, etc.), we will deem the vote cast by electronic method to be the effective one.
- (2) If you exercise your voting rights more than once by electronic method (via the Internet, etc.) or redundantly using a computer, etc. and cell phone, we will deem the last vote cast to be the effective one.

\*If attending the meeting in person, please present the enclosed proxy card at the reception desk.

\*The following materials are published on the Company's website shown below and not attached to this notice in accordance with the relevant laws and regulations and Article 14 of the Articles of Incorporation. Also, with respect to the following materials, when the Audit & Supervisory Committee prepared the audit report, it audited 1) through 3) as part of the attached documents, and when the Accounting Auditor prepared the audit report, it audited 2) and 3) as part of the attached documents. 1) "Principal businesses," "Principal business offices of major subsidiaries" of "Principal business offices," "Share acquisition rights, etc." and "System to ensure the appropriateness of operations and the operational status of that system," of the business report, 2) "Consolidated statement of changes in net assets" and "Notes to consolidated financial statements" of consolidated financial statements, and 3) "Non-consolidated statement of changes in net assets" and "Notes to non-consolidated financial statements" of non-consolidated financial statements.

\*If circumstances arise whereby revisions should be made to the contents of the reference documents for the General Meeting of Shareholders, the business report, consolidated financial statements, and non-consolidated financial statements, such notification shall be published on the following Company's website.

[The Company's website]

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

<Requests to Shareholders>

\*Depending on the future developments of spread of the infection and announcements from the government or authorities, we may be forced to change the venue or time of the General Meeting of Shareholders. Please check the information provided on the website below.

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

\*As stated above, in order to prevent the spread of COVID-19, the Company would like to ask all of our shareholders to exercise your voting rights either by mail or via the Internet, etc. in advance, and please consider not participating in the meeting in person.

\*Please use the alcohol disinfectant that we will place around the reception area at the venue for our shareholders. If you plan to attend the meeting in person, we kindly ask for your cooperation on bringing and wearing a face mask.

\*Your temperature will be taken near the entrance to the venue, and you may be requested to refrain from entering the venue, if you have a fever, are in poor physical condition, or entered Japan from overseas within 14 days prior to the meeting. Please contact the reception, if you entered Japan from overseas within 14 days prior to the meeting.

\*Officers attending the meeting and staff members will participate the meeting wearing a face mask, after undergoing physical check, including body temperature measurement test.

\*Detailed explanations of reportable matters (including audit reports) and proposals may be omitted at the meeting from the perspective of shortening the meeting to prevent the spread of COVID-19. We ask that you read the Notice of Convocation of the General Meeting of Shareholders in advance. As stated in the "Information on Receiving Questions in Advance" below, questions will be received from shareholders in advance, and an overview of questions thought to be of great interest for shareholders will be provided at the meeting. Furthermore, after the conclusion of the meeting, a summary of the Q&A shall be published, by early July, on the Company's website for the advance questions explained at the meeting and the questions asked at the meeting.

## Guide to Exercising Voting Rights

Please review the attached reference documents for the General Meeting of Shareholders (pages 8 to 23), and exercise your voting rights.

There are three ways to exercise your voting rights as described below.

### [By Mail]

Exercise Due Date: To be received no later than 5:40 p.m. on June 23, 2021

Please indicate your approval or disapproval for the proposals on the enclosed proxy card, and return it.

### [Via the Internet]

Exercise Due Date: No later than 5:40 p.m. on June 23, 2021

For details, please refer to page 6.

### [By Attending the Meeting]

Time and Date: 10:00 a.m. on June 24, 2021

Please present the enclosed proxy card at the reception desk.

If you attend the meeting, you do not need to mail the proxy card or exercise voting rights via the Internet, etc.

### For institutional investors

Nominal shareholders such as management trust banks (including standing proxies) who have applied in advance for the use of the electronic voting platform operated by ICJ, Inc. may use such platform in addition to the aforementioned method of exercising voting rights via the Internet as a method for exercising voting rights electromagnetically.

### Introducing “Notice of Convocation via smartphone” service

With the purpose of enriching the communication with our shareholders, we offer “Notice of Convocation via smartphone” service, where you can browse the Notice of Convocation and its related information, as well as exercising your voting rights conveniently.

### [How to access “Notice of Convocation via smartphone”]

You can access by visiting <https://p.sokai.jp/3231/> (please input the characters in single digits)

This service is a non-mandatory service with the purpose of improving our shareholders’ convenience. Please note that depending on your device or communication environments, you may not be able to browse the contents. If you exercise your voting rights via this service, please refer to the instruction on page 6 of this document.

## Guide to Exercising Voting Rights via the Internet, etc.

### Scanning QR code

You can simply login to the website for exercising voting rights without entering your log-in ID and temporary password printed on the proxy card.

1. Please scan the QR code located on the right side of the proxy card.
- \* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Indicate your approval or disapproval by following the instructions on the screen.

**Note that you can exercise voting rights only once by using QR code.**

If you wish to redo your vote or exercise your voting rights without using QR code, please refer to the “Entering log-in ID and temporary password” on the right.

### Entering log-in ID and temporary password

Website for Exercising Voting Rights	<a href="https://evote.tr.mufg.jp/">https://evote.tr.mufg.jp/</a>
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1. Access the Website for Exercising Voting Rights.
2. Enter the “Log-in ID and Temporary Password,” which are printed on the enclosed proxy card.
3. Please register a new password.
4. Indicate your approval or disapproval by following the instructions on the screen.

Please contact the help desk described below if you have any questions about exercising voting rights via the Internet, using a PC, a smartphone, or a cell phone.

Corporate Agency Division Help Desk  
Mitsubishi UFJ Trust and Banking Corporation  
Phone: 0120-173-027

(toll free only within Japan / 9:00 – 21:00)

Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

- \* The website for exercising voting rights is not operational from 2:00 a.m. to 5:00 a.m. due to maintenance and inspection.
- \* If you exercise your voting rights more than once by mail and via the Internet, only the vote cast via the Internet shall be deemed effective.
- \* If you exercise your voting rights via the Internet multiple times, only the last vote cast shall be deemed effective.
- \* The website for exercising voting rights may be unavailable depending on certain Internet settings, or depending on the service to which you are subscribed or the model of the device you use to access the website.
- \* Any costs including Internet connection fees and communication charges that might be required to access the website for exercising voting rights shall be borne by the shareholder.
- \* If you wish to receive the Notice of Convocation of the General Meeting of Shareholders by e-mail, please visit the website for exercising voting rights using either a PC or a smartphone and following the instructions that the website provides. (Please note that it is not possible to complete this procedure via your cell phone, nor is it possible to designate cell phone address for text messages as the e-mail address for receiving the notice.)

## Information on Receiving Questions in Advance

In order to prevent the spread of COVID-19, you are requested to consider not participating in the meeting in person. Therefore, we will accept questions from shareholders about the matters to be reported and the matters to be resolved at the 17th Ordinary General Meeting of Shareholders over the Internet.

Please send any questions you have via the website below.

### URL for the website for receiving questions in advance

[Questions received from 9:00 a.m. on June 3 (Thu) until 5:40 p.m. on June 17 (Thu), 2021]

<https://krs.bz/nomura-re/m/generalmeeting>

Of the questions received, those thought to be of great interest for shareholders will be discussed at the meeting.

- \* Please understand that we are unable to separately answer questions asked in advance.
- \* Questions not covered in the general meeting will be used for future reference.
- \* Please understand that the website for receiving questions in advance is in Japanese only.

Video of the General Meeting of Shareholders and a summary of the questions and answers at the meeting will be published at separate times on the corporate website below by early July.  
[https://www.nomura-re-hd.co.jp/ir/ir\\_library/generalMeeting.html](https://www.nomura-re-hd.co.jp/ir/ir_library/generalMeeting.html)

- \* The video of the General Meeting of Shareholders will exclude the questions and answers.

## Reference Documents for the General Meeting of Shareholders

### **Proposal No. 1: Election of Seven (7) Directors (Excluding Directors as Audit & Supervisory Committee Members)**

The term of office of all of the seven (7) Directors (excluding Directors as Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, we would like you to elect seven (7) Directors.

The terms of office of Directors elected at this Ordinary General Meeting of Shareholders shall be until the conclusion of the Ordinary General Meeting of Shareholders to be held in June 2022.

Nomination of the candidates for Director has passed through the deliberation process of the Advisory Committee Relating to Nominations and Compensation, a majority of whose members are Independent External Directors.


Also, the Audit & Supervisory Committee has expressed the opinion that this proposal is appropriate and there are no matters of concern.

The candidates for Director are as follows.


No.	Name		Current Position in the Company	Number of meetings of Board of Directors attended (17th term)
1	Shoichi Nagamatsu	Reelection Non-executive	Director and Chairman of the Board of Directors	10/10*
2	Eiji Kutsukake	Reelection	President and Representative Director, and Chief Executive Officer	15/15
3	Daisaku Matsuo	New election	Executive Vice President	—
4	Makoto Haga	Reelection	Director and Executive Officer	15/15
5	Hiroshi Kurokawa	New election	Executive Officer	—
6	Tetsuro Higashi	Reelection External Director Independent Director	External Director	15/15
7	Katsura Ito	New election External Director Independent Director	—	—


\* The number of meetings of the Board of Directors held during the business year under review is shown since the appointment of Director on June 23, 2020.





<p>No.</p> <p>1</p>	<p><b>Shoichi Nagamatsu</b></p> <p>Reelection Non-executive (Date of Birth: July 6, 1958)</p> <p>Shareholdings: 300 shares Attendance at meeting of Board of Directors: 10/10 (100%)* Term of office: 1 year</p>	
	<p>Apr. 1982 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)</p> <p>Apr. 2004 Executive Managing Director of Nomura Securities Co., Ltd.</p> <p>Oct. 2008 Executive Managing Director of Nomura Holdings, Inc. Senior Managing Director of Nomura Securities Co., Ltd.</p> <p>Jun. 2010 Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc. Senior Corporate Managing Director of Nomura Securities Co., Ltd.</p> <p>Jun. 2012 Representative Executive Managing Director and Senior Corporate Managing Director of Nomura Securities Co., Ltd.</p> <p>Apr. 2013 Executive Managing Director and Chief of Staff of Nomura Holdings, Inc. Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.</p> <p>Apr. 2016 Deputy President of Nomura Securities Co., Ltd.</p> <p>Apr. 2017 Representative Executive Officer and Deputy President, and Chief of Staff of Nomura Holdings, Inc. Director of Nomura Securities Co., Ltd.</p> <p>Apr. 2018 Representative Executive Officer and Deputy President of Nomura Holdings, Inc.</p> <p>Jun. 2018 Director, and Representative Executive Officer and Deputy President of Nomura Holdings, Inc.</p> <p>Apr. 2020 Director of Nomura Holdings, Inc.</p> <p>Jun. 2020 Advisor of Nomura Holdings, Inc. Director of Nomura Real Estate Holdings, Inc.</p> <p>Apr. 2021 Chairman of the Board of Directors of Nomura Real Estate Holdings, Inc. (present) Director of Nomura Real Estate Development Co., Ltd. (present)</p> <p><b>Significant Concurrent Positions</b></p> <p>Director of Nomura Real Estate Development Co., Ltd.</p> <p><b>Reasons for Nomination as a Candidate for Director and Outline of Expected Roles</b></p> <p>Shoichi Nagamatsu has extensive business and management experience at the Nomura Group as well as experience as Director and Chairman of the Board of Directors of the Company. He has been nominated as a candidate for Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on his substantial management experience and knowledge. If he is elected, the Company will continue to designate him as a non-executive Director.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. There is no special conflict of interest between Shoichi Nagamatsu and the Company.</li> <li>2. The Company has entered into an agreement with Shoichi Nagamatsu to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If his election is approved, the Company will continue the said agreement with him to limit his liability. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>3. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Shoichi Nagamatsu is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> </ol>	


\* The number of meetings of the Board of Directors held during the business year under review is shown since the appointment of Director on June 23, 2020.

<p>No.</p> <p>2</p>	<p><b>Eiji Kutsukake</b></p> <p><b>Reelection</b></p> <p>(Date of Birth: September 12, 1960)</p> <p>Shareholdings: 13,000 shares</p> <p>Attendance at meeting of Board of Directors: 15/15 (100%)</p> <p>Term of office: 7 years</p>	
<p>Apr. 1984 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)</p> <p>Apr. 2007 Executive Managing Director of Nomura Securities Co., Ltd.</p> <p>Oct. 2008 Senior Managing Director of Nomura Securities Co., Ltd.</p> <p>Apr. 2009 Senior Corporate Managing Director of Nomura Securities Co., Ltd.</p> <p>Apr. 2011 Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc. Executive Vice President of Nomura Securities Co., Ltd.</p> <p>Apr. 2012 Executive Managing Director of Nomura Holdings, Inc.</p> <p>Aug. 2012 Deputy President of Nomura Securities Co., Ltd.</p> <p>Apr. 2013 Director and Deputy President of Nomura Securities Co., Ltd.</p> <p>Apr. 2014 Advisor of Nomura Real Estate Holdings, Inc.</p> <p>Jun. 2014 Representative Director and Executive Vice President of Nomura Real Estate Holdings, Inc.</p> <p>Jun. 2015 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Holdings, Inc. (present)</p> <p>Apr. 2017 Chair and Representative Director of Nomura Real Estate Development Co., Ltd. (present)</p>		
<p><b>Responsibilities</b></p>		
<p>Group CEO</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>Chair and Representative Director of Nomura Real Estate Development Co., Ltd.</p>		
<p><b>Reasons for Nomination as a Candidate for Director and Outline of Expected Roles</b></p>		
<p>Eiji Kutsukake has extensive business and management experience in the Nomura Group as well as experience as President of the Company. He has been nominated as a candidate for Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on his substantial management experience and knowledge.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. There is no special conflict of interest between Eiji Kutsukake and the Company.</li> <li>2. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Eiji Kutsukake is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> </ol>		


<p>No.</p> <p>3</p>	<p><b>Daisaku Matsuo</b></p> <p><b>New election</b></p> <p>(Date of Birth: October 18, 1964)</p> <p>Shareholdings: 15,300 shares</p> <p>Attendance at meeting of Board of Directors: —</p> <p>Term of office: —</p>	
<p>Apr. 1988 Joined Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2018 Executive Officer of Nomura Real Estate Holdings, Inc.</p> <p>Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2021 Executive Vice President of Nomura Real Estate Holdings, Inc. (present)</p> <p>President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd. (present)</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.</p>		
<p><b>Reasons for Nomination as a Candidate for Director and Outline of Expected Roles</b></p>		
<p>Daisaku Matsuo has extensive business and management experience at the Group. He has been nominated as a candidate for Director because it is expected that he will contribute to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on property development and other operations especially in the Residential Development Business Unit.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>1. There is no special conflict of interest between Daisaku Matsuo and the Company.</li> <li>2. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Daisaku Matsuo is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> </ol>		

<p>No.</p> <p>4</p>	<div> <div> <div>Makoto Haga</div> <div> <div>Reelection</div> <div>(Date of Birth: June 22, 1966)</div> </div> </div> <div> <div>Shareholdings: 19,800 shares</div> <div>Attendance at meeting of Board of Directors: 15/15 (100%)</div> <div>Term of office: 4 years</div> </div> <div>  </div> </div>
<p>Apr. 1989 Joined Nomura Real Estate Development Co., Ltd.</p> <p>Oct. 2011 Director of Nomura Real Estate Capital Management Co., Ltd.</p> <p>Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>May 2012 Executive Officer of Nomura Real Estate Holdings, Inc.</p> <p>Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2017 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Director of NREG TOSHIBA BUILDING Co., Ltd. (currently, Nomura Real Estate Building Co., Ltd.) Director of Nomura Real Estate Life &amp; Sports Co., Ltd. Director of Geo Akamatsu Co., Ltd. (currently, Nomura Real Estate Retail Properties Co., Ltd.) Director of PRIME X. Co., Ltd. Director of Nomura Real Estate Wellness Co., Ltd.</p> <p>Jun. 2017 Director and Executive Officer of Nomura Real Estate Holdings, Inc. (present)</p> <p>Apr. 2020 Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (present)</p> <p>Apr. 2021 Director of Nomura Real Estate Building Co., Ltd. (present)</p>	<p><b>Responsibilities</b></p> <p>Business Unit Manager of Commercial Real Estate Business Unit</p> <p><b>Significant Concurrent Positions</b></p> <p>Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Director of Nomura Real Estate Building Co., Ltd.</p> <p><b>Reasons for Nomination as a Candidate for Director and Outline of Expected Roles</b></p> <p>Makoto Haga has extensive business and management experience at the Group as well as experience as Director of the Company. He has been nominated as a candidate for Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on corporate planning and financial and capital policies of the Group, and other operations.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. There is no special conflict of interest between Makoto Haga and the Company.</li> <li>2. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Makoto Haga is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> </ol>

<p>No.</p> <p>5</p>	<div> <div> <div>Hiroshi Kurokawa</div> <div> <div>New election</div> <div>(Date of Birth: February 2, 1968)</div> </div> </div> <div>  </div> </div> <div> Shareholdings: 8,200 shares  Attendance at meeting of Board of Directors: –  Term of office: – </div>
<p>Apr. 1990 Joined Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2012 Director of Geo Akamatsu Co., Ltd. (currently, Nomura Real Estate Retail Properties Co., Ltd.)</p> <p>Apr. 2013 Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2015 Representative Director and Senior Managing Executive Officer of Nomura Real Estate Asset Management Co., Ltd.</p> <p>Apr. 2017 Executive Officer of Nomura Real Estate Holdings, Inc.  Managing Executive Officer of Nomura Real Estate Development Co., Ltd.  Audit &amp; Supervisory Board Member of Nomura Real Estate Wellness Co., Ltd.</p> <p>Oct. 2017 Audit &amp; Supervisory Board Member of Nomura Real Estate Hotels Co., Ltd.</p> <p>Apr. 2018 Director of Nomura Real Estate Partners Co., Ltd.</p> <p>Mar. 2019 Director of UHM Co., Ltd.</p> <p>Apr. 2020 Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2021 Executive Officer of Nomura Real Estate Holdings, Inc. (present)  Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (present)</p>	
<p><b>Responsibilities</b></p>	
<p>Group CFO, Supervisor of Management Division, Investor Relations</p>	
<p><b>Significant Concurrent Positions</b></p>	
<p>Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.</p>	
<p><b>Reasons for Nomination as a Candidate for Director and Outline of Expected Roles</b></p>	
<p>Hiroshi Kurokawa has extensive business and management experience at the Group. He has been nominated as a candidate for Director because it is expected that he will contribute to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on corporate planning, property development and other operations.</p>	
<p>Notes:</p> <ol style="list-style-type: none"> <li>1. There is no special conflict of interest between Hiroshi Kurokawa and the Company.</li> <li>2. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Hiroshi Kurokawa is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> </ol>	

<p>No.</p> <p>6</p>	<p><b>Tetsuro Higashi</b></p> <p> <span>Reelection</span> <span>External Director</span>  <span>Independent Director</span> </p> <p>(Date of Birth: August 28, 1949)</p> <p>Shareholdings: —</p> <p>Attendance at meeting of Board of Directors: 15/15 (100%)</p> <p>Term of office: 2 years</p>	
<p>Apr. 1977 Joined Tokyo Electron Ltd.</p> <p>Dec. 1990 Director of Tokyo Electron Ltd.</p> <p>Apr. 1994 Managing Director of Tokyo Electron Ltd.</p> <p>Jun. 1996 Representative Director, President of Tokyo Electron Ltd.</p> <p>Jun. 2003 Representative Director, Chairman of the Board of Tokyo Electron Ltd.</p> <p>Jun. 2011 Director, Chairman of the Board of Tokyo Electron Ltd.</p> <p>Jun. 2012 Outside Director of Ube Industries, Ltd.</p> <p>Apr. 2013 Representative Director, Chairman, President &amp; CEO of Tokyo Electron Ltd.</p> <p>Jun. 2015 Representative Director, President &amp; CEO of Tokyo Electron Ltd.</p> <p>Jan. 2016 Corporate Director, Corporate Advisor of Tokyo Electron Ltd.</p> <p>May 2018 Outside Director of Seven &amp; i Holdings Co., Ltd. (present)</p> <p>Jun. 2019 External Director of Nomura Real Estate Holdings, Inc. (present)</p> <p>Outside Director of Ube Industries, Ltd. (present)</p> <p><b>Significant Concurrent Positions</b></p> <p>Outside Director of Seven &amp; i Holdings Co., Ltd.</p> <p>Outside Director of Ube Industries, Ltd.</p> <p><b>Reasons for Nomination as a Candidate for External Director and Outline of Expected Roles</b></p> <p>Tetsuro Higashi has been nominated as a candidate for External Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and ensuring fair and transparent management by drawing on his wealth of knowledge, experience, and profound insights related to corporate management in his long career as a manager.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. Tetsuro Higashi is a candidate for External Director.</li> <li>2. There is no special conflict of interest between Tetsuro Higashi and the Company.</li> <li>3. Tetsuro Higashi is, at present, an External Director of the Company. His term of office as External Director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>4. The Company has entered into an agreement with Tetsuro Higashi to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If his election is approved, the Company will continue the said agreement with him to limit his liability. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>5. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Tetsuro Higashi is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> <li>6. Tetsuro Higashi is an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. If his election is approved, the Company will continue to designate him as Independent Director/Auditor.</li> </ol>		



<p>No.</p> <p>7</p>	<p>Katsura Ito</p> <p> <span>New election</span> <span>External Director</span> <span>Independent Director</span> </p> <p>(Date of Birth: April 26, 1964)</p> <p>Shareholdings: —</p> <p>Attendance at meeting of Board of Directors: —</p> <p>Term of office: —</p>	
<p>Apr. 1987 Joined IBM Japan, Ltd.</p> <p>Dec. 2005 Joined Adobe Systems Co., Ltd.</p> <p>Jan. 2011 Joined Microsoft Japan Co., Ltd.</p> <p>Executive General Manager of Microsoft Japan Co., Ltd.</p> <p>Jul. 2013 Executive Officer of Microsoft Japan Co., Ltd.</p> <p>Jul. 2016 General Manager of Microsoft Japan Co., Ltd.</p> <p>Jul. 2017 Senior General Manager of Microsoft Japan Co., Ltd.</p> <p>Jul. 2019 General Manager and Chief Learning Officer of Microsoft Japan Co., Ltd. (present)</p> <p><b>Significant Concurrent Positions</b></p> <p>General Manager and Chief Learning Officer of Microsoft Japan Co., Ltd.</p> <p><b>Reasons for Nomination as a Candidate for External Director and Outline of Expected Roles</b></p> <p>Katsura Ito has been nominated as a candidate for External Director because it is expected that she will contribute to strengthening the supervisory function of the Board of Directors and ensuring fair and transparent management by drawing on her wealth of knowledge, experience, and profound insights related to ICT and digital field in her long career bearing executive roles in IT companies.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. Katsura Ito is a candidate for External Director.</li> <li>2. If the election of Katsura Ito is approved, the Company will enter into an agreement with her to limit her liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability based on the said agreement, on condition that she performs her duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>3. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Katsura Ito is approved, she will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> <li>4. If the election of Katsura Ito is approved, the Company will designate her as Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. In the most recent fiscal year, transactions mainly relating to the use of Internet services have been conducted between subsidiaries of the Company and Microsoft Japan Co., Ltd., where Katsura Ito serves as General Manager. However, the amount of such transactions was less than 0.1% of both the consolidated sales of the Company and the sales of Microsoft Japan Co., Ltd. in the most recent fiscal year, which is an insignificant amount that is within the Company's independence criteria (2% or less). Accordingly, the Company has judged that those transactions do not affect her independence.</li> </ol>		

## Proposal No. 2: Election of Four (4) Directors as Audit & Supervisory Committee Members

The term of office of the five (5) Directors as Audit & Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, we would like you to elect four (4) Directors as Audit & Supervisory Committee Members.

The terms of office of the Directors as Audit & Supervisory Committee Members elected at this Ordinary General Meeting of Shareholders shall be until the conclusion of the Ordinary General Meeting of Shareholders to be held in June 2023.


If this proposal is approved as originally proposed, the number of Directors as Audit & Supervisory Committee Members will be reduced from six (6) to five (5). This is due to the Company adding one (1) Director as Audit & Supervisory Committee Member with a different term of office in the previous fiscal year to secure continuity in the Audit & Supervisory Committee.


Furthermore, nomination of the candidates for Director as Audit & Supervisory Committee Member has passed through the deliberation process of the Advisory Committee Relating to Nominations and Compensation, a majority of whose members are Independent External Directors. The Audit & Supervisory Committee has consented to this proposal.

The candidates for Director as Audit & Supervisory Committee Member are as follows.

No.	Name	Current Position in the Company	Number of meetings of Board of Directors attended (17th term)	Number of meetings of Audit & Supervisory Committee attended (17th term)
1	Hiroyuki Kimura <div>New election</div>	Advisor	—	—
2	Yasushi Takayama <div>Reelection</div>	Directors (Full-time Audit & Supervisory Committee Member)	15/15	14/14
3	Yoshio Mogi <div>Reelection External Director Independent Director</div>	External Director (Audit & Supervisory Committee Member)	15/15	14/14
4	Akiko Miyakawa <div>Reelection External Director Independent Director</div>	External Director (Audit & Supervisory Committee Member)	15/15	14/14





<p>No.</p> <p>1</p>	<p><b>Hiroyuki Kimura</b></p> <p><b>New election</b></p> <p>(Date of Birth: March 30, 1962)</p> <p>Shareholdings: 23,700 shares</p> <p>Attendance at meeting of Board of Directors: –</p> <p>Attendance at meeting of Audit &amp; Supervisory Committee: –</p> <p>Term of office: –</p>	
<p>Apr. 1984 Joined Nomura Real Estate Development Co., Ltd.</p> <p>Apr. 2009 Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>Jun. 2009 Director of Nomura Real Estate Holdings, Inc.</p> <p>Apr. 2010 President and Representative Director of Nomura Real Estate Investment Management Co., Ltd.</p> <p>Director of Nomura Real Estate Capital Management Co., Ltd.</p> <p>Director of Nomura Real Estate Asset Management Co., Ltd. (currently, Nomura Real Estate Asset Management Co., Ltd.)</p> <p>Oct. 2011 Managing Director of Nomura Real Estate Asset Management Co., Ltd.</p> <p>May 2012 Executive Officer of Nomura Real Estate Holdings, Inc.</p> <p>Jun. 2012 Director and Executive Officer of Nomura Real Estate Holdings, Inc.</p> <p>Apr. 2013 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p>Jun. 2013 Executive Officer of Nomura Real Estate Holdings, Inc.</p> <p>Jun. 2014 Director and Executive Officer of Nomura Real Estate Holdings, Inc.</p> <p>Apr. 2019 Director of Nomura Real Estate Holdings, Inc.</p> <p>Executive Vice President and Representative Director of Nomura Real Estate Asset Management Co., Ltd.</p> <p>Apr. 2021 Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (present)</p> <p>Advisor of Nomura Real Estate Holdings, Inc. (present)</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd.</p>		
<p><b>Reasons for Nomination as a Candidate for Director and Outline of Expected Roles</b></p>		
<p>Hiroyuki Kimura has extensive business and management experience at the Group as well as experience as Director of the Company. He has been nominated as a candidate for Director as Audit &amp; Supervisory Committee Member because it is expected that his extensive experience and knowledge concerning finance and accounting 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.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>1. There is no special conflict of interest between Hiroyuki Kimura and the Company.</li> <li>2. If the election of Hiroyuki Kimura is approved, the Company will enter into an agreement with him to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>3. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Hiroyuki Kimura is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> </ol>		

<p>No.</p> <p>2</p>	<p><b>Yasushi Takayama</b></p> <p><b>Reelection</b></p> <p>(Date of Birth: February 1, 1964)</p> <p>Shareholdings: —</p> <p>Attendance at meeting of Board of Directors: 15/15 (100%)</p> <p>Attendance at meeting of Audit &amp; Supervisory Committee: 14/14 (100%)</p> <p>Term of office: 2 years</p>	
<p>Apr. 1988 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)</p> <p>Jun. 2011 Director, Nomura Financial Products &amp; Services, Inc.</p> <p>Oct. 2012 Managing Director and General Counsel of Nomura Securities International, Inc. (New York)</p> <p>Sep. 2013 Managing Director and General Counsel of Nomura Holding America Inc.</p> <p>Apr. 2015 Senior Managing Director and Chief Legal Officer of Nomura Holdings, Inc.</p> <p>Senior Managing Director and Chief Legal Officer of Nomura Securities Co., Ltd.</p> <p>Jun. 2016 Outside Director of Japan Securities Depository Center, Incorporated</p> <p>Apr. 2019 Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (present)</p> <p>Advisor of Nomura Real Estate Holdings, Inc.</p> <p>May 2019 Audit &amp; Supervisory Board Member of UHM Co., Ltd. (present)</p> <p>Jun. 2019 Director (Full-time Audit &amp; Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. (present)</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. (currently, Nomura Real Estate Solutions Co., Ltd.) (present)</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. (present)</p> <p>Audit &amp; Supervisory Board Member of NREG TOSHIBA BUILDING Co., Ltd. (currently, Nomura Real Estate Building Co., Ltd.) (present)</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Wellness Co., Ltd. (present)</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Hotels Co., Ltd. (present)</p> <p>Audit &amp; Supervisory Board Member of PRIME X. Co., Ltd. (present)</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Wellness Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Hotels Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Solutions Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of UHM Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Partners Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of PRIME X. Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Building Co., Ltd.</p>		
<p><b>Reasons for Nomination as a Candidate for Director and Outline of Expected Roles</b></p>		
<p>Yasushi Takayama has extensive business experience in the Nomura Group and experience as a Director as Audit &amp; Supervisory Committee Member of the Company. He has been nominated as a candidate for Director as Audit &amp; Supervisory Committee Member because it is expected that his extensive experience and knowledge concerning legal, finance and accounting will continue to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>1. There is no special conflict of interest between Yasushi Takayama and the Company.</li> <li>2. The Company has entered into an agreement with Yasushi Takayama to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If his election is approved, the Company will continue the said agreement with him to limit his liability. The maximum amount of liability based on the said</li> </ol>		

agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.

3. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Yasushi Takayama is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.

<p>No.</p> <p>3</p>	<p><b>Yoshio Mogi</b></p> <p> <span>Reelection</span> <span>External Director</span>  <span>Independent Director</span> </p> <p>(Date of Birth: April 10, 1952)</p> <p>Shareholdings: —</p> <p>Attendance at meeting of Board of Directors: 15/15 (100%)</p> <p>Attendance at meeting of Audit &amp; Supervisory Committee: 14/14 (100%)</p> <p>Term of office: 2 years</p>	
<p>Apr. 1975 Joined Nichimen Co., Ltd. (currently, Sojitz Corporation)</p> <p>Apr. 2006 Executive Officer of Sojitz Corporation</p> <p>Apr. 2008 Managing Executive Officer of Sojitz Corporation</p> <p>Apr. 2012 Senior Managing Executive Officer, CFO of Sojitz Corporation</p> <p>Jun. 2012 Representative Director, Senior Managing Executive Officer, CFO of Sojitz Corporation</p> <p>Apr. 2014 Representative Director and Executive Vice President, CFO of Sojitz Corporation</p> <p>Jul. 2014 Outside Director of Sojitz Infinity Inc.</p> <p>Apr. 2017 Representative Director and Executive Vice President, CCO of Sojitz Corporation Director of Sojitz REIT Advisors K.K.</p> <p>Apr. 2018 Advisor of Sojitz Corporation</p> <p>Jun. 2019 External Director (Audit &amp; Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>None.</p>		
<p><b>Reasons for Nomination as a Candidate for External Director and Outline of Expected Roles</b></p>		
<p>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 nominated as a candidate for External Director as Audit &amp; Supervisory Committee Member because it is expected that his extensive experience and knowledge will continue to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>Yoshio Mogi is a candidate for External Director.</li> <li>There is no special conflict of interest between Yoshio Mogi and the Company.</li> <li>Yoshio Mogi is, at present, an External Director of the Company. His term of office as External Director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>The Company has entered into an agreement with Yoshio Mogi to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If his election is approved, the Company will continue the said agreement with him to limit his liability. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Yoshio Mogi is approved, he will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> <li>Yoshio Mogi is an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. If his election is approved, the Company will continue to designate him as Independent Director/Auditor.</li> </ol>		

<p>No.</p> <p>4</p>	<p><b>Akiko Miyakawa</b></p> <p> <span>Reelection</span> <span>External Director</span>  <span>Independent Director</span> </p> <p>(Date of Birth: October 18, 1955)</p> <p>Shareholdings: —</p> <p>Attendance at meeting of Board of Directors: 15/15 (100%)</p> <p>Attendance at meeting of Audit &amp; Supervisory Committee: 14/14 (100%)</p> <p>Term of office: 2 years</p>	
<p>Apr. 1978 Joined Tokyo Branch of Chase Manhattan Bank (currently, JPMorgan Chase Bank, N.A.)</p> <p>Nov. 1987 Joined Marunouchi &amp; Co. (currently, Deloitte Touche Tohmatsu LLC)</p> <p>Jan. 2000 Joined the Los Angeles Office of Deloitte US</p> <p>Jun. 2005 Partner of Deloitte Touche Tohmatsu LLC</p> <p>Jul. 2008 Joined the Taipei Office of Deloitte Taiwan</p> <p>Oct. 2015 Joined Deloitte Touche Tohmatsu LLC Tokyo Office</p> <p>Aug. 2018 Representative of Akiko Miyakawa CPA Office (present)</p> <p>Jun. 2019 External Director (Audit &amp; Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>Representative of Akiko Miyakawa CPA Office</p>		
<p><b>Reasons for Nomination as a Candidate for External Director and Outline of Expected Roles</b></p>		
<p>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 nominated as a candidate for External Director as Audit &amp; Supervisory Committee Member because it is expected that her extensive experience and knowledge will continue to 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.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>1. Akiko Miyakawa is a candidate for External Director.</li> <li>2. There is no special conflict of interest between Akiko Miyakawa and the Company.</li> <li>3. Akiko Miyakawa is, at present, an External Director of the Company. Her term of office as External Director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>4. The Company has entered into an agreement with Akiko Miyakawa to limit her liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If her election is approved, the Company will continue the said agreement with her to limit her liability. The maximum amount of liability based on the said agreement, on condition that she performs her duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>5. The Company enters into a directors and officers liability insurance policy with an insurance company and intends to cover damages including the amount of indemnification and litigation expenses to be borne by insureds arising from their performance of duties. If the election of Akiko Miyakawa is approved, she will be included as one of the insureds in this insurance policy. The Company will bear the full amount of the insurance premiums. In addition, the Company plans to renew the insurance policy with the same details at the time of the next renewal.</li> <li>6. Akiko Miyakawa is an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. If her election is approved, the Company will continue to designate her as Independent Director/Auditor.</li> </ol>		

**Reference: Nomura Real Estate Holdings, Inc. Criteria for Determining Impartiality of Independent External Directors**

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 its subsidiaries have a reciprocal employment relationship as each other's External Directors;
2. Individuals who are employees of the Company's or its subsidiaries' major business partners (\*1) or who are employees at companies that consider the Company or its 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 its 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 its 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 that company's annual consolidated sales in the most recent business year.

## Reference:

The composition of the Board of Directors if Proposal No. 1 and Proposal No. 2 are approved in this Ordinary General Meeting of Shareholders, and fields in which the Group holds expectations for each of them as Directors are outlined below.

Name				Audit & Supervisory Committee Member	Years as director	Gender	Fields of expectation for directors						
							Corporate management	Finance*	Finance and audit	Legal and audit	Real estate and construction	Overseas business	ICT and digital
Shoichi Nagamatsu	Reelection	Non-executive			1 year	Male	○	○	○				
Eiji Kutsukake	Reelection				7 years	Male	○	○			○		
Daisaku Matsuo	New election				—	Male	○				○		
Makoto Haga	Reelection				4 years	Male	○	○	○		○		
Hiroshi Kurokawa	New election				—	Male	○	○	○		○		
Tetsuro Higashi	Reelection	External	Independent		2 years	Male	○	○				○	○
Katsura Ito	New election	External	Independent		—	Female	○						○
Hiroyuki Kimura	New election			○	—	Male	○	○	○		○		
Yasushi Takayama	Reelection			○	2 years	Male	○	○	○	○		○	
Yoshio Mogi	Reelection	External	Independent	○	2 years	Male	○	○	○			○	
Akiko Miyakawa	Reelection	External	Independent	○	2 years	Female			○			○	
Tetsu Takahashi		External	Independent	○	1 year	Male				○			

\* Knowledge of capital markets and business experience in capital procurement, etc.

\* The above list does not represent all of the knowledge and experience of the Directors.

## Reference Corporate Governance

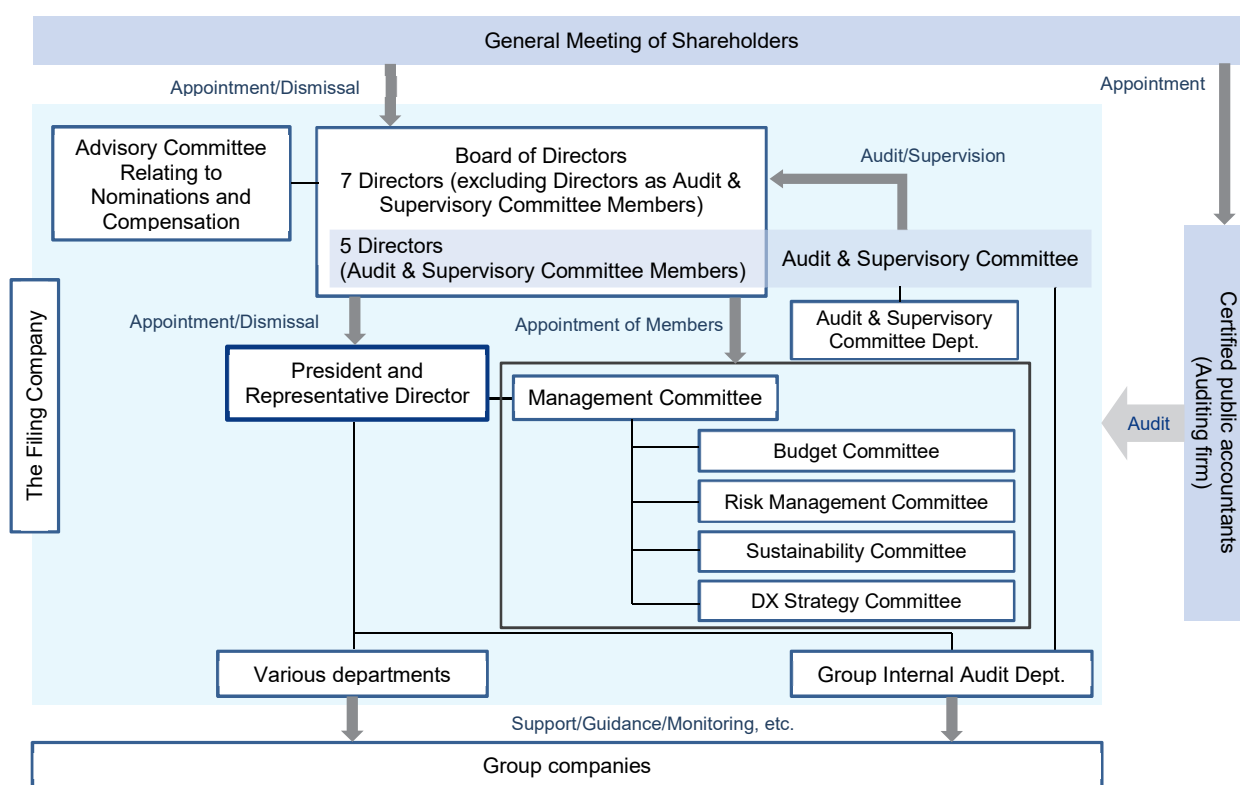
## Basic Concept of Corporate Governance

The Company believes that it must be governed in a way that continuously maximizes our Group's value over the long term, while consideration is given to the interest of shareholders and all other stakeholders of the Company. We aim to enhance the earning power of the entire Group, and while acting as a holding company in managing and supervising the business activities of our subsidiaries. Also we endeavor to build a more transparent management system in accordance with the Basic Corporate Governance Policy. The outline of corporate governance system if Proposal No. 1 and Proposal No. 2 are approved in this Ordinary General Meeting of Shareholders is as follows.

## Characteristics of our corporate governance system

- Company with Audit & Supervisory Committee
- Chairman of the Board of Directors is a non-executive Director
- Out of 12 Directors, five are Independent External Directors
- Established the Advisory Committee Relating to Nominations and Compensation
- Majority of the members of the Audit & Supervisory Committee and the Advisory Committee Relating to Nominations and Compensation are Independent External Directors.

### Chart of corporate governance system



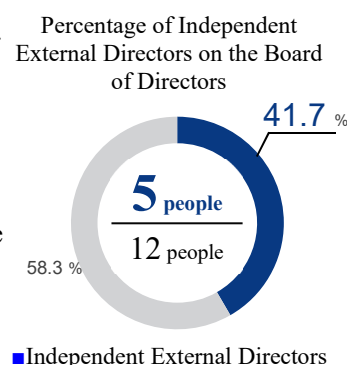


### The Board of Directors

The Company believes that 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.

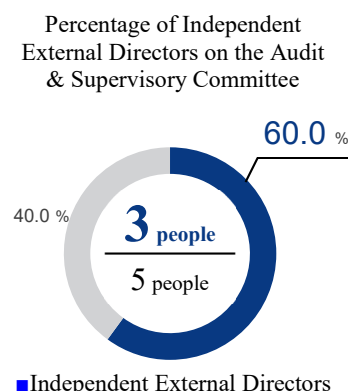
The Company's Board of Directors comprises seven Directors (excluding Directors as Audit & Supervisory Committee Members) (of which two are External Directors) and five Directors as Audit & Supervisory Committee Members (of which three are External Directors). The Company appoints diverse Directors with 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, five out of the 12 Directors are Independent External Directors.



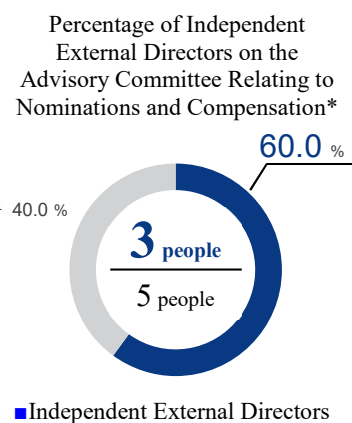
### The Audit & Supervisory Committee

The Company is a Company with Audit & Supervisory Committee, and the Audit & Supervisory Committee, in which Independent External Directors comprise the majority, holds the role of monitoring business management. The Audit & Supervisory Committee performs audits utilizing the Company's internal control system. The Company has 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 provide reports 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.



### 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 composing that body are Independent External Directors, to strengthen the objectivity, independence and accountability of functions of the Board of Directors in relation to nomination and compensation of the Directors and Executive Officers. The committee is to discuss matters related to policies, such as those for the nomination and compensation of members of the Board of Directors and Executive Officers, the successor plan and training, and report the outcome to the Board of Directors.

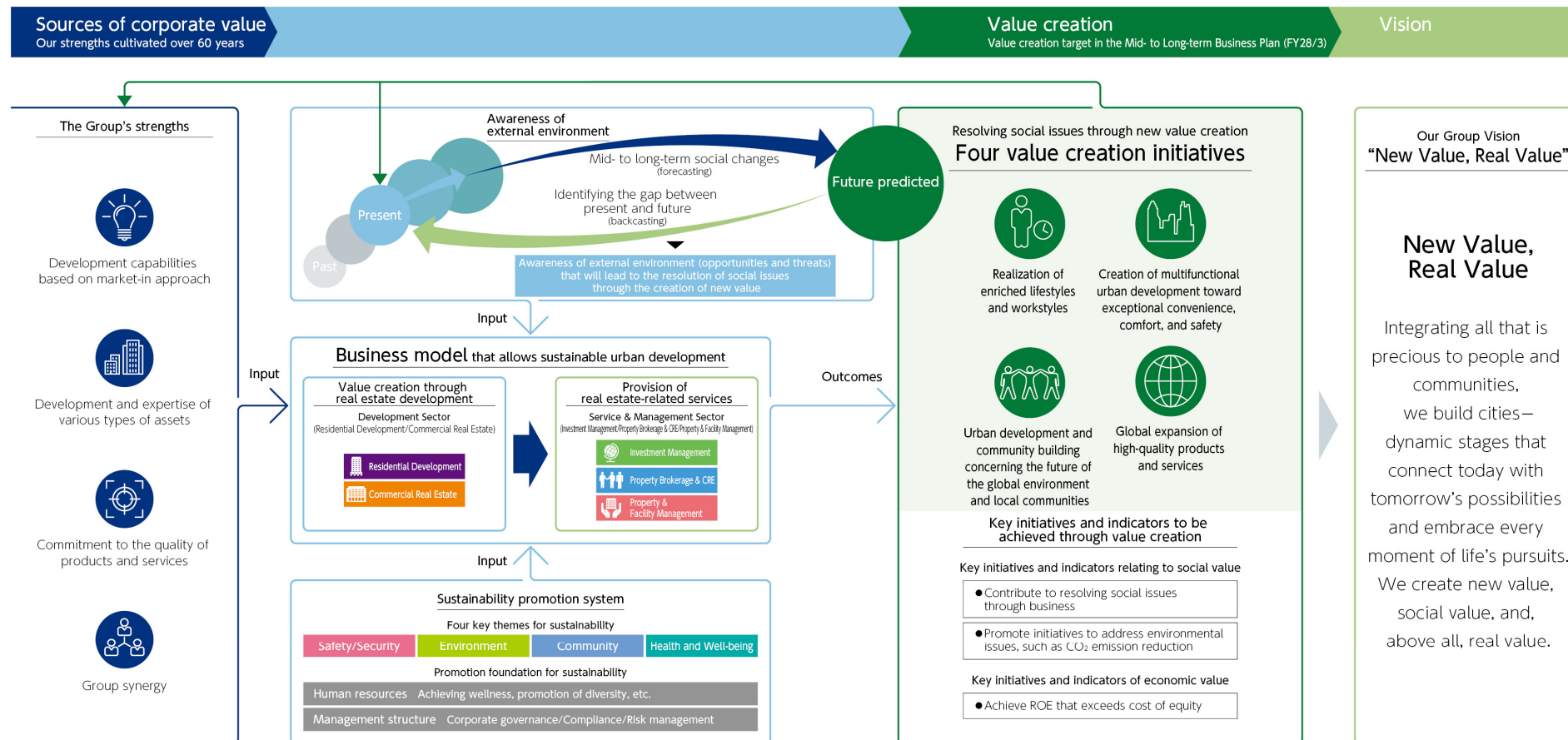


\*The ratio as of the end of previous fiscal year is presented.

## Reference: Value Creation by the Nomura Real Estate Group

### Value Creation Process

Our unique business model identifies areas in which the Group should engage in value creation activities by capturing social changes and utilizes sources of corporate value. We aim to resolve social issues through the creation of new value and to realize Our Group Vision “New Value, Real Value” by using our business model.



## Reference: Sustainability Activities

In April 2020, the Group changed the name of these activities from the previous “CSR activities” to “sustainability activities,” and is working to strengthen its sustainability initiatives in recognition of the social issues that must be considered by a company and the expectations of stakeholders. Under the “Nomura Real Estate Group Sustainability Policy” in the fiscal year ending March 31, 2022, the Group will continue to set quantitative and qualitative targets linked to business activities for the various themes and promote activities while steadily implementing the PDCA cycle.

## Sustainability Management Structure

The Group established a Sustainability Committee (chaired by the Executive Vice President and Representative and Group COO of the Company) to promote sustainability activities. In the fiscal year ended March 31, 2021, this Committee met three times to deliberate action policies, plans, and other matters.

The Sustainability Committee reflects the contents of its deliberations in management plans and business activities by reporting them to the Board of Directors and the Executive Committee twice a year each. Additionally, a total of 13 meetings by various entities, such as the Sustainability Subcommittee, the Environmental Subcommittee and the Human Rights Subcommittee, were held to further energize discussions within the Company.

In April 2020, the Sustainability Management Dept. was established to promote group-wide cross-sectional initiatives and strengthen efforts that are more coordinated with business activities.

## Main Accomplishments of Activities

In the fiscal year ended March 31, 2021, the main accomplishments of the Group’s sustainability activities were as follows. For further details on activities by each division, please refer to “Overview by Division” in the business report below.

- Consideration of sustainability vision (2050 vision, 2030 materiality/KPIs)
- Climate change initiatives (announced support for TCFD, obtained approved SBT)
- Commenced formulation of a human rights policy (identification of human rights issues)
- Follow-up of CSR procurement guidelines (checking how well the guidelines are recognized)
- Sustainability finance initiatives (Issuance of the Company’s first sustainability bonds)
- Partial replacement with renewable materials (such as shift to wooden structures for buildings in business projects)
- Improved disclosure (enhancement of disclosed content of integrated report/website, implementation of engagements with ESG investors)

[Topics] Climate change/obtaining approved SBT (target of reducing CO<sub>2</sub> emissions)

- In November 2020 we obtained approved targets under the international Science Based Targets (SBT) initiative.

Indicator	Scope 1 and 2*	Scope 3*
Target year: 2030 (Base year: FY2019)	Reduce by 35%	Reduce by 35%

\*Scope 1: Quantity of direct emissions from fuel burning, etc., Scope 2: Quantity of indirect emissions resulting from the use of electricity or heat purchased by the Company  
Scope 3: Quantity of indirect emissions other than those for Scope 1 and 2

## Inclusion in ESG indices (Fiscal year ended March 31, 2021)

### 2020 CONSTITUENT MSCIジャパン ESGセレクト・リーダーズ指数

Selected for MSCI Japan ESG Select Leaders Index, a wide-ranging index in the ESG indices adopted by the Government Pension Investment Fund (GPIF) (1, 4)



Selected for S&P/JPX Carbon Efficient Index, a thematic/environmental index in the ESG indices adopted by GPIF (1)



Selected as a component of the SOMPO Sustainability Index uniquely set by Sompo Asset Management (1)

## Commendations related to environmental activities



Acquired and registered Eco-ACTION 21 (Environmental Management System) certification (4)  
\* Acquired and registered Eco-ACTION 21 certification for the first time as a Japanese Real Estate Investment Trust (J-REIT).

Received the Minister of the Environment Award (best practices case) for the Principles for Financial Action for the 21st Century 2019



Annual benchmark for the real estate sector established by major pension funds in Europe to measure environmental, social, and governance (ESG) considerations. Consecutively received 4 stars or higher rating in the real estate assessment for four years (4, 5). Received the highest level A in the disclosure evaluation (1,4)



Nomura Real Estate Master Fund received this award for the acquisition and registration of Eco-ACTION 21 certification, Japan's unique environmental management system (EMS) established by the Ministry of the Environment, for the first time as a J-REIT (3)

## Commendations related to social activities



Selected for Health and Productivity Management Award 2021 (for Large Corporation – White 500) jointly certified by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi (1, 2, 3, 6, 8)

Received Good Design Award for 19 consecutive years

Received Good Design Award 2020 for 10 items. The Group has received this award for 19 consecutive years (1, 2, 7, 8)

## Signatures on initiatives



Signed the United Nations Global Compact (1)



Signed the Principles for Responsible Investment (3,10)



Signed the UNEP Finance Initiative (3)



Obtained approved targets from the international SBT initiative in relation to reductions in greenhouse gas emissions (1)



Agreed to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (1, 3)



Joined the Japan Climate Initiative (3)



Signed the Financial Action Principles for the Formation of a Sustainable Society (the 21st Century Principles of Financial Action) (3)



Member of the UK Green Building Council (GBC) (10)

Agreed to Declaration of Biodiversity by Keidanren (1)

## Information disclosure

### Most-improved Integrated Report selected by GPIF

The Company's Integrated Report 2020 was selected as the Most-improved Integrated Report by GPIF's asset managers entrusted with domestic equity investment (1)



The Company's IR website was selected as the most excellent website in the overall ranking and in the ranking by industry on Nikko IR's Website Rankings of All Listed Companies 2020 (1)



The Company's IR website was selected for the Excellence Award 2020 in the Internet IR commendation by Daiwa Investor Relations (1)



The Company's IR website was selected for the Silver Award of the Gomez IR Site Ranking 2020 (1)

### Sustainability Site Award 2021

The Company's CSR Report 2020 received the Excellence Award in the Sustainability Site Award 2021 hosted by the CSR Communication Association (1)

#### Selected / Concerned / Award-winning companies

1: Nomura Real Estate Holdings, Inc. 2: Nomura Real Estate Development Co., Ltd. 3: Nomura Real Estate Asset Management Co., Ltd. 4: Nomura Real Estate Master Fund, Inc. 5: Nomura Real Estate Private REIT Inc. 6: Nomura Real Estate Urban Net Co., Ltd. 7: Nomura Real Estate Partners Co., Ltd. 8: Nomura Real Estate Life & Sports Co., Ltd. 9: Nomura Real Estate Wellness Co., Ltd. 10: Lothbury Investment Management Limited

(Attached documents)

## **Business Report**

(From April 1, 2020 to March 31, 2021)

### 1. Current status of the Group

#### (1) Status of operations for the fiscal year under review

##### 1) Progress and results of business

We are pleased to announce a summary of operating results of our 17th term (April 1, 2020 to March 31, 2021).

During the fiscal year under review, economic sentiment in Japan was in an extremely difficult situation as economic activities and the movement of people in Japan and overseas were severely restricted due to the spread of the COVID-19, which caused the GDP growth rate in the April-June period to fall to its worst postwar level, etc. Although there were signs of the economy picking up gradually from the middle of the fiscal year due to factors such as a resumption of economic activities in stages and the effects of economic measures, the recent resurgence of COVID-19 has led to weakness in consumer spending on lodging, eating and drinking, etc. Therefore, in regard to the economic outlook, it is necessary to pay careful attention to the economic impact of the infection trends.

Regarding the real estate market conditions, the residential development market saw a decrease in the supply of housing units due to the impact of the suspension of sales activities and other factors, while sales trends were steady overall due to the diversification of customer needs with respect to area and space associated with increased use of teleworking, etc. and support from a low interest rate environment and various taxation measures. In the leasing office market, although there has been an increasing trend in vacancy rates and a declining trend in rent revenue, mainly in the central areas of Tokyo, on the COVID-19, there has been a rapid diversification in perceived value of offices, including the increasing demand for shared offices and satellite offices and attracting attention to their significance as bases for innovation and spaces for communication. In the real estate investment market, property transactions were active toward the end of the fiscal year and the market continued to grow due to global monetary easing and public spending and the strong appetite for investment in domestic real estate by investors in Japan and overseas. Moreover, the real estate brokerage market has been persistently mounting a recovery since the middle of the fiscal year amid a scenario where the retail business posted a record-high number of monthly transactions with respect to used condominiums in the Tokyo metropolitan area particularly due to an increase in relocation demand combined with more widespread prevalence of business deals conducted online as people turn to digital technologies.

In this business environment, the Nomura Real Estate Group (the “Group”) posted the following consolidated performance for this consolidated fiscal year: Operating revenue of ¥580,660 million, which represents a decrease of 14.2% year on year; operating profit of ¥76,333 million, a decrease of 6.8%; business profit of ¥76,448 million, a decrease of 7.7%; ordinary profit of ¥65,965 million, a decrease of 9.7%; and profit attributable to owners of parent of ¥42,198 million, a decrease of 13.7%.

Starting from the fiscal year under review, the overseas condominium development and sales business, which had been classified under the Residential Development Business Unit in Nomura Real Estate Development Co., Ltd. and the overseas office and other properties development and leasing business, and ZEN PLAZA CO., LTD., which had been classified under the Commercial Real Estate Business Unit in Nomura Real Estate Development Co., Ltd., have been reclassified under the Other. NREG TOSHIBA BUILDING Co., Ltd. became a wholly owned subsidiary on April 1, 2020. In conjunction, NREG TOSHIBA BUILDING Co., Ltd.’s wholly owned subsidiary NREG TOSHIBA BUILDING FACILITIES Co., Ltd., which had been classified under the Commercial Real Estate Business Unit, has been merged, as the absorbed company, with Nomura Real Estate Partners Co., Ltd., which has been classified under the Property & Facility Management Business Unit, as the surviving company. In line with this change, the year-on-year changes in the overview by division have

been calculated and presented by restating the figures for the previous fiscal year using the classifications after the change.

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

[Residential Development Business Unit]

Operating revenue in the Residential Development Business Unit totaled ¥272,577 million, which represents a decrease of 18.4% year on year, and business profit totaled ¥22,404 million, a decrease of 11.6% year on year, resulting in decreases in both operating revenue and business profit compared with the previous fiscal year. This was mainly due to a decrease in the number of housing unit sold in the housing sales business.

In regard to housing sales, 3,669 units were recorded as sales (a decrease of 1,070 units year on year), including condominiums at PROUD TOWER Musashi-Koganei Cross and PROUD CITY Hiyoshi Residence II and detached housing units at PROUD SEASON Koganei-Midori-machi. The gross margin ratio for this business improved to 22.6% (20.4% in the previous fiscal year). The number of housing units contracted but not recorded as sales was 3,276 units as of the end of the fiscal year under review (an increase of 665 units year on year) and the contract progress rate against the scheduled housing sales for the next fiscal year was 65.3% at the beginning of the fiscal year ending March 31, 2022.

Furthermore, as initiatives to contribute to a sustainable society through business activities, the Group is promoting the creation of homes that are designed to increase thermal insulation and save energy at PROUD TOWER Kameido Cross Gate Tower, which was selected by the Ministry of Economy, Trade and Industry for the “High-rise ZEH-M (Net Zero Energy House - Condominium) Demonstration Project\*,” as well as making proactive use of domestically produced lumber to help reduce CO<sub>2</sub> emissions and so forth in our collective housing projects such as PROUD Kanda Surugadai and PROUD Nerima Nakamurabashi Marks.

\* The High-rise ZEH-M (Net Zero Energy House - Condominium) Demonstration Project included under subsidies for support of energy-saving investment promotion through the FY2020.

[Commercial Real Estate Business Unit]

Operating revenue in the Commercial Real Estate Business Unit totaled ¥179,227 million, which represents a decrease of 15.5% year on year, and business profit totaled ¥35,469 million, a decrease of 9.6%, resulting in decreases in both operating revenue and business profit compared with the previous fiscal year. This was mainly due to a decrease in revenue from property for sales business and decreases in revenue from retail facility leasing business, hotel business and fitness club operation business due to the COVID-19 impact.

Construction of 20 facilities including the TOKYO TORANOMON GLOBAL SQUARE office building, the Landport Shinonome / Yasuda soko logistics facility, and the SOCOLA Musashi-Koganei Cross retail facility have been completed.

The Group has also been developing its PMO, H'O and H'T office brands that meet diversifying companies' needs and changes in workstyles, and has expanded its H'T satellite offices to 82 branch locations as of the end of the fiscal year under review.

Furthermore, when it comes its initiatives to contribute to a sustainable society through business activities, the Commercial Real Estate Business Unit has also been proceeding with use of domestically produced lumber and became the first in Japan's office building realm to acquire SGEC/PEFC Project CoC Certification\*<sup>1</sup> under the International Forest certification scheme with respect to H'O Hirakawacho. As for directly managed hotels, having come up with a series of ideas to ensure that customers are able to use its hotels with peace of mind amid the COVID-19 pandemic, the Group was the first in Japan to acquire the Safeguard Label\*<sup>2</sup> for its hotel facilities that meet the world's health and safety standards.

\*<sup>1</sup> This is a scheme for certifying lumber products from certified forests that are properly managed and harvested with the aim of achieving sustainable forest management.

\*2 In April 2020, the verification service was newly established by Bureau Veritas, a world leader in testing, inspection, and certification services.

[Investment Management Business Unit]

Operating revenue in the Investment Management Business Unit totaled ¥12,456 million, which represents an increase of 3.3% year on year, and business profit totaled ¥7,587 million, an increase of 6.1%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year. This was mainly due to increases in the assets under management in the domestic asset management companies.

Assets under management steadily increased in the core domestic REIT business with Nomura Real Estate Master Fund, Inc. (NMF) and Nomura Real Estate Private REIT, Inc. (NPR) having acquired a total of 10 properties (total transaction amount of ¥60,013 million) including PMO Shibuya, Landport Atsugi Aikawamachi and PROUD FLAT Ryogoku from Nomura Real Estate Development Co., Ltd., in addition to progress in the formation of private equity funds meeting the needs of investors.

Furthermore, Nomura Real Estate Asset Management Co., Ltd. declared its support of Task Force on Climate-related Financial Disclosures (TCFD) recommendations in addressing expectations of investor needs aligned with ESG (environment, society and governance) trends. Meanwhile, NMF and NPR subsequently became the first in the REIT industry to disclose qualitative assessments regarding risks and opportunities of climate-related financial information in line with temperature scenarios under the Paris Agreement. Our efforts have culminated in Global Real Estate Sustainability Benchmark (GRESB)\* ratings of at least four stars over four consecutive years.

\* GRESB is an annual benchmark assessment that measures ESG considerations covering more than 1,200 participating property companies and funds worldwide.

[Property Brokerage & CRE Business Unit]

Operating revenue in the Property Brokerage & CRE Business Unit totaled ¥39,436 million, which represents an increase of 0.8% year on year, and business profit totaled ¥8,976 million, a decrease of 1.2%, resulting in an increase in operating revenue and a decrease in business profit compared with the previous fiscal year.

In the retail business, we now have 87 branch stores upon having opened Monzen-nakacho Center and Futamatagawa Center in April 2020. In that same business we have also been taking steps to provide new services as a means of addressing changes in customer attitudes amid the COVID-19 pandemic by utilizing digital technologies. For instance, we have been developing an app specifically for home loan applications and otherwise rolling out our Ouchide Model Room service enabling users to enjoy the new condominium model room experience online.

In addition, Nomura Real Estate Urban Net Co., Ltd. was also ranked first in the “Detached housing sales” ranking of real estate brokerage companies in the 2020 Oricon Customer Satisfaction Survey for the fifth consecutive year.

Meanwhile, we have undertaken organizational restructuring with respect to the real estate brokerage and consulting business of the Property Brokerage & CRE Business Unit, which had previously engaged in such business under a two-company framework consisting of Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Urban Net Co., Ltd. On April 1, 2021, we accordingly established Nomura Real Estate Solutions Co., Ltd., which is to promote the wholesale and retail businesses under a single company, thereby serving as a comprehensive real estate brokerage company that addresses diversifying needs of both corporate and individual customers.

\* CRE: Corporate Real Estate. Real estate strategy support services for enterprises (such as consulting on the effective utilization and trading of real estate).

[Property & Facility Management Business Unit]

Operating revenue in the Property & Facility Management Business Unit totaled ¥98,384 million, which represents an increase of 0.1% year on year, and business profit totaled ¥9,281



million, an increase of 8.4%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year. This was mainly due to an increase in revenue of property and facility management with the increase in the number of properties under management, and an improvement of the profitability in the construction ordered.

In addition, as of the end of the fiscal year under review, the number of buildings under management was 788 buildings (up 2 from the end of the previous fiscal year), and the number of condominiums under management was 183,162 units (up 903).

Furthermore, Nomura Real Estate Partners Co., Ltd. has been promoting initiatives through its business activities in terms of achieving energy savings and extending the longevity of older condominiums, the number of which is poised to surge going forward. In that regard, it qualified for a Ministry of Economy, Trade and Industry (METI) subsidy program for projects to assist business operators seeking to streamline energy use in fiscal 2020, with respect to work that involved upgrading air conditioning ventilation units and light fixtures, proposed as a means of saving energy in our managed buildings. It also qualified as a model business in extending the longevity of condominium stock, supported by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), with respect to repair work involving drainage pipes in common-use areas (complete replacement of different types of drainage pipe with resin pipe in common-use areas), undertaken with the aims of increasing performance and reducing life-cycle costs at our managed condominiums.

In addition, Nomura Real Estate Partners Co., Ltd. was ranked first in the 2020 SumaiSurfin “Management Company Customer Satisfaction Survey” for the 12th consecutive year and also ranked first in the “Tokyo Metropolitan Area Condominium Management Company” ranking for the fourth consecutive year, and ranked first in the “Tokai Area Condominium Management Company” ranking for the first time in the 2020 Oricon Customer Satisfaction Survey.

#### [Other]

Operating revenue in the Other totaled ¥2,070 million, which represents an increase of 81.0% year on year, and business loss totaled ¥1,495 million (business loss of the previous fiscal year was ¥1,012 million). This was mainly due to investments for business expansion, while the number of housing unit sold in the overseas housing sales business increased.

These results include KNIGHTS BRIDGE PRIME Ratchayothin in Bangkok, Thailand and MIDTOWN THE SIGNATURE in Ho Chi Minh City, Vietnam, in the housing sales business overseas.

Furthermore, during the fiscal year under review, we fortified our operations in nations where we already have a presence, which involved taking part in multiple large development projects in Vietnam, including the Ecopark Project in the Hanoi area and the GrandPark Project in Ho Chi Minh City, and also multiple projects in Bangkok, Thailand, including the Ramintra Project in the housing sales business. Meanwhile, we have also been actively expanding in terms of business areas and territories, with such efforts including our acquisition of 127-133 Charing Cross Road, marking our initial entry into the office development business in London, UK.

Going forward, we will strive to provide value that is unique to the Group in respective countries through efforts that involve promoting KAIZEN activities seeking to participate in business and improve quality from the planning and development phases, drawing on our knowledge and expertise amassed in our domestic business.

- 2) Capital investment  
In the fiscal year under review, the Company spent a total of ¥45,575 million on capital investment, including TOKYO TORANOMON GLOBAL SQUARE.
- 3) Financing  
In the fiscal year under review, the Company procured necessary funds through loans from financial institutions, etc. In addition, the Company issued 15th Unsecured Bonds (sustainability bonds) amounting to ¥10.0 billion on February 26, 2021.
- 4) Business transfer, absorption-type company split or incorporation-type company split  
Not applicable.
- 5) Acquisitions of other companies' businesses  
Not applicable.
- 6) Successions of rights or duties related to the businesses of other legal entities, etc. due to absorption-type merger or absorption-type company split  
As of April 1, 2020, the merger has been completed with Nomura Real Estate Partners Co., Ltd. being the surviving company and NREG TOSHIBA BUILDING FACILITIES Co., Ltd. being the absorbed company in absorption-type merger.
- 7) Acquisitions and disposals of shares, other equities, and share acquisition rights in other companies  
On April 1, 2020, the Company acquired shares in NREG TOSHIBA BUILDING Co., Ltd held by minority shareholders and made it into a wholly-owned subsidiary. The company's corporate name has been changed to Nomura Real Estate Building Co., Ltd.

(2) Trends in operating results and assets in and at the end of the fiscal year under review and the most recent three fiscal years

(Millions of yen)

Classification	14th term (Fiscal year ended March 31, 2018)	15th term (Fiscal year ended March 31, 2019)	16th term (Fiscal year ended March 31, 2020)	17th term (Fiscal year under review) (Fiscal year ended March 31, 2021)
Operating revenue	623,762	668,510	676,495	580,660
Operating profit	76,660	79,162	81,905	76,333
Business profit	—	79,623	82,833	76,448
Ordinary profit	68,033	69,323	73,077	65,965
Profit attributable to owners of parent	46,029	45,873	48,886	42,198
Basic earnings per share (Yen)	240.89	245.99	267.21	232.53
Total assets	1,673,099	1,759,455	1,801,273	1,921,306
Net assets	514,982	541,562	565,120	586,350
Net assets per share (Yen)	2,664.70	2,854.21	3,031.15	3,229.80

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

(3) Status of parent company and major subsidiaries

1) Parent company

Not applicable.

2) Major subsidiaries

Name	Share Capital (Millions of yen)	Ratio of voting rights (%)	Principal businesses
Nomura Real Estate Development Co., Ltd.	2,000	100.0	General real estate business including sale and leasing of real estate
Nomura Real Estate Asset Management Co., Ltd.	300	100.0	Investment management services including REIT and privately placed real estate funds
Nomura Real Estate Urban Net Co., Ltd.	1,000	100.0	Brokerage and consignment sales of real estate
Nomura Real Estate Partners Co., Ltd.	200	100.0	General management of office buildings, condominiums, etc.
Nomura Real Estate Building Co., Ltd.	14,372	100.0	Leasing of office buildings, stores, etc.
Nomura Real Estate Life & Sports Co., Ltd.	100	100.0	Planning and operation of sports facilities
Nomura Real Estate Heating and Cooling Supply Co., Ltd.	480	100.0	Supply of heat as provided for under the Heat Supply Business Act
Nomura Real Estate Retail Properties Co., Ltd.	243	100.0	Planning and management of retail facilities
Nomura Real Estate Wellness Co., Ltd.	300	100.0	Planning and operation of housing services for the elderly
Nomura Real Estate Hotels Co., Ltd.	100	100.0	Planning and operation of hotels
UHM Co., Ltd.	32	100.0	Operation of hotels
Nomura Real Estate Amenity Service Co., Ltd.	10	100.0	Cleaning of buildings and condominiums
PRIME X. Co., Ltd.	100	60.0	Internet advertising
First Living Assistance Co., Ltd.	100	51.0	Services aimed at providing assistance to customers concerning their homes
Lothbury Investment Management Limited	12,000 pound	100.0	Investment management services including privately placed real estate funds in the UK
ZENPLAZA CO., LTD	213,306 million Vietnamese dong	100.0	Owning and operating office buildings in Vietnam

- Notes: 1. On April 1, 2020, the Company acquired shares in NREG TOSHIBA BUILDING Co., Ltd held by minority shareholders and made it into a wholly-owned subsidiary. The company's corporate name has been changed to Nomura Real Estate Building Co., Ltd.
2. As of April 1, 2020, the merger has been completed with Nomura Real Estate Partners Co., Ltd. being the surviving company and NREG TOSHIBA BUILDING FACILITIES Co., Ltd. being the absorbed company in absorption-type merger.
3. As of October 1, 2020, Geo Akamatsu Co., Ltd. changed its corporate name to Nomura Real Estate Retail Properties Co., Ltd.
4. As of April 1, 2021, an absorption-type split has been completed with Nomura Real Estate Development Co., Ltd. being the splitting company and Nomura Real Estate Urban Net Co., Ltd. being the successor company. In addition, Nomura Real Estate Urban Net Co., Ltd. changed its corporate name to Nomura Real Estate Solutions Co., Ltd. as of April 1, 2021.
5. The Company has no specified wholly-owned subsidiary as of the end of the fiscal year under review.
6. The ratios of voting rights of UHM Co., Ltd., Nomura Real Estate Amenity Service Co., Ltd., PRIME X. Co., Ltd., Lothbury Investment Management Limited, and ZEN PLAZA CO., LTD are calculated based on shares held by subsidiaries of the Company.

#### (4) Issues to address

Regarding mid- to long-term business conditions surrounding the Group, we are encountering various social challenges persisting in Japan. For instance, amid the nation's super-aging society, the population is decreasing as it also grows older, and natural disasters are intensifying. At the same time, the COVID-19 pandemic has led to rapid and dramatic changes both in Japan and overseas when it comes to social conditions and the business environment, accompanied by associated trends in terms of the way people live and work. With our sights set on the post-COVID-19 world, we will identify how lifestyle and work style transformation hastened by the pandemic is likely to affect the real estate business and will accordingly strive for an approach to management aligned with such changes. In looking toward globalization of the Group's business, we must focus closely on economic developments particularly in Asian countries, Europe and the United States. In addition, the importance of digital technologies and sustainability initiatives is growing both in Japan and overseas.

With this view of the environment, the Group will continue to take steps in implementing the four value creation themes set forth under its Mid- to Long-term Business Plan, "New Value, Real Value," established in April 2019, such that include: (1) Realization of enriched lifestyles and workstyles, (2) Creation of multifunctional urban development toward exceptional convenience, comfort, and safety, (3) Urban development and community building concerning the future of the global environment and local communities, and (4) Global expansion of high-quality products and services. At the same time, we will strive to sustainably increase corporate value by appropriately addressing societal changes that may arise going forward.

First, the Group believes that it is important to overcome the COVID-19 pandemic and achieve an early recovery in business performance, and to heighten its asset and capital efficiency. Moreover, we will establish strategic priority domains of business looking toward future environmental changes with the aim of sustainably achieving substantial profit growth and will take steps to establish competitive advantages by robustly promoting digital transformation (DX) and enlisting such solutions. While aiming to achieve the targets for the fiscal year ending March 31, 2022 of the current Mid- to Long-term Business Plan, we will create a strategic framework geared to our further growth for the Group going forward, and will also draw up a new Mid- to Long-term Business Plan whose initial year is the fiscal year ending March 31, 2023.

Furthermore, in order to sustain our corporate activities, it is necessary to further strengthen our ESG initiatives. As such, we will resolutely address various challenges and themes, such that include global warming and other issues associated with climate change, social issues such as human rights and labor affairs, and initiatives to enhance and fortify systems of governance. Particularly when it comes the Group's core business of real estate development, we must pay close attention to environmental concerns. Having accordingly acquired certification during the fiscal year under review for the international Science Based Targets (SBT) initiative regarding targets for reducing greenhouse gas emissions (CO<sub>2</sub>), we aim to achieve the CO<sub>2</sub> emissions

reduction target for 2030, which is set as a requirement for gaining the certification. Meanwhile, beyond that we will strive to attain carbon neutrality with respect to the entire Group. We will continue to further accelerate sustainability initiatives, and aim to contribute to the realization of a sustainable society while increasing engagement with stakeholders.

We appreciate the continued support and encouragement of our shareholders.

(5) Principal business offices (as of March 31, 2021)

Business office of the Company

Head office: 1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo

(6) Status of employees (as of March 31, 2021)

1) Employees in the Group

Business Unit	Residential Development Business Unit	Commercial Real Estate Business Unit	Investment Management Business Unit	Property Brokerage & CRE Business Unit	Property & Facility Management Business Unit	Other	Group overall (in common)	Total
Number of employees	1,138	1,343	186	1,699	2,492	137	395	7,390
Number of temporary employees	166	573	4	135	2,685	3	12	3,578

Notes: 1. The number of employees refers to the number of working employees. The number of temporary employees indicates the annual average number calculated using a baseline of prescribed labor hours of regular employees of the respective company. Due to the rounding of fractions, total figures may not match.

2. The figure stated in “Group overall (in common)” indicates the number of employees who belong to administrative departments, which cannot be categorized as specified business units.

2) Employees in the Company

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average years of service
261	Increase of 8	43.1	15.4

Notes: 1. The presentation method with respect to the number of employees has been changed to include those concurrently serving at Nomura Real Estate Development Co., Ltd. and other subsidiaries of the Company. For the fiscal year under review, the Company has 236 employees who concurrently serve at its subsidiaries.

2. Figures stated for average age and average years of service include employees concurrently serving at subsidiaries of the Company.

3. The figure for average years of service is calculated based on total length of employment with the Group.

(7) Status of principal lenders (as of March 31, 2021)

The Group follows a general principle of Group financing whereby it is chiefly the Company that procures financing and supplies these funds to its subsidiaries and associates. Status of principal lenders as of the end of the fiscal year under review is as follows:

(Millions of yen)

Lender	Amount borrowed
MUFG Bank, Ltd.	155,500
Sumitomo Mitsui Banking Corporation	110,500
Mizuho Bank, Ltd.	89,500
Sumitomo Mitsui Trust Bank, Limited	50,000
Resona Bank, Limited	48,000

(8) Other important matters relating to the current status of the Group

Not applicable.

## 2. Status of the Company

### (1) Shares of the Company (as of March 31, 2021)

- 1) Total number of shares authorized to be issued by the Company: 450,000,000 shares
- 2) Total number of shares issued: 193,099,001 shares  
(including 10,528,064 treasury shares)

Note: The total number of shares issued increased by 223,700 shares due to the exercise of stock options. The number of treasury shares above does not include 1,709,734 shares held by the executive compensation BIP (Board Incentive Plan) trust and 252,815 shares held by the ESOP (Employee Stock Ownership Plan) trust for granting stock for employees.

- 3) Number of shareholders: 25,306
- 4) Major shareholders (top 10)

Name	Number of shares held (Hundreds of shares)	Shareholding ratio (%)
Nomura Holdings, Inc.	647,775	35.48
The Master Trust Bank of Japan, Ltd. (Trust account)	103,586	5.67
Custody Bank of Japan, Ltd. (Trust Account)	89,151	4.88
JPMorgan Securities Japan Co., Ltd.	31,311	1.71
Nomura Real Estate Holdings Employee Shareholding Association	30,951	1.69
STATE STREET BANK WEST CLIENT - TREATY 505234	19,253	1.05
Custody Bank of Japan, Ltd. (Trust Account 9)	19,167	1.04
Custody Bank of Japan, Ltd. (Trust Account 5)	18,391	1.00
Custody Bank of Japan, Ltd. (Trust Account 7)	18,081	0.99
The Master Trust Bank of Japan, Ltd. (executive compensation BIP trust account; 76272 account)	17,097	0.93

Notes: 1. Although the Company holds 10,528,064 treasury shares, it is excluded from the list of major shareholders above.  
2. The 10,528,064 treasury shares are excluded in the calculation of the shareholding ratio.

- 5) Status of shares granted to officers of the Company as compensation for their execution of duties during the fiscal year under review  
Not applicable.

### 6) Other important matters relating to shares

The Company resolved the acquisition of treasury shares, under Article 459, Paragraph 1 of the Companies Act and Article 32 of the Company's Articles of Incorporation, at the meeting of the Board of Directors held on January 28, 2021, and made the acquisition as follows. In addition, the Company resolved the cancellation of treasury shares, under Article 178 of the Companies Act, at the meeting of the Board of Directors held on January 28, 2021, and then resolved the total number of treasury shares to be cancelled at the meeting of the Board of Directors held on April 27, 2021.

#### Acquisition of treasury shares

Type and number of shares acquired: 1,580,900 common shares  
Total amount of shares acquired: ¥3,999 million  
Period of acquisition: From January 29, 2021 to April 26, 2021

#### Cancellation of treasury shares

Type and number of shares cancelled: 10,980,064 common shares  
Planned date of cancellation: May 31, 2021

The Company has introduced a performance-based stock incentive plan for Directors (excluding Directors as Audit & Supervisory Committee Members, External Directors and non-residents of Japan) ("executive compensation BIP trust"), according to a resolution at the 14th Ordinary General Meeting of Shareholders held on June 26, 2018. At the end of the fiscal year under review (March 31, 2021), the number of shares of the Company held by the

executive compensation BIP trust, including those of major subsidiaries such as Nomura Real Estate Development Co., Ltd. which introduced same plan, was 1,709,734 shares.

Furthermore, the Company has introduced the “ESOP (Employee Stock Ownership Plan) trust for granting stock,” an incentive plan for employees of the Company and the Group, according to a resolution at the meeting of the Board of Directors held on February 21, 2019. At the end of the fiscal year under review (March 31, 2021), the number of shares of the Company held by the ESOP (Employee Stock Ownership Plan) trust for granting stock was 252,815 shares.

(2) Status of company officers

1) Directors (as of March 31, 2021)

Name	Position and responsibility in the Company	Significant concurrent positions
Atsushi Yoshikawa	Director and Chairman of the Board of Directors	Director of Nomura Real Estate Development Co., Ltd. Outside Director of Ryohin Keikaku Co., Ltd.
Eiji Kutsukake	President and Representative Director, and Chief Executive Officer Group CEO	Chair and Representative Director of Nomura Real Estate Development Co., Ltd.
Seiichi Miyajima	Executive Vice President and Representative Director Group COO	President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.
Toshiaki Seki	Executive Vice President and Representative Director Business Unit Manager of Commercial Real Estate Business Unit	Executive Vice President and Representative Director of Nomura Real Estate Development Co., Ltd. Director of Nomura Real Estate Building Co., Ltd. Director of Nomura Real Estate Life & Sports Co., Ltd.
Makoto Haga	Director and Executive Officer Group CFO Supervisor of Management Division Investor relations	Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Tetsuro Higashi	Director	Outside Director of Seven & i Holdings Co., Ltd. Outside Director of Ube Industries, Ltd.
Shoichi Nagamatsu	Director	—
Takao Orihara	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Life & Sports Co., Ltd.
Yasushi Takayama	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Building Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Wellness Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Hotels Co., Ltd. Audit & Supervisory Board Member of UHM Co., Ltd. Audit & Supervisory Board Member of PRIME X. Co., Ltd.
Akira Ono	Director (Audit & Supervisory Committee Member)	Partner of Spring Partners
Yoshio Mogi	Director (Audit & Supervisory Committee Member)	—
Akiko Miyakawa	Director (Audit & Supervisory Committee Member)	Representative of Akiko Miyakawa CPA Office



Name	Position and responsibility in the Company	Significant concurrent positions
Tetsu Takahashi	Director (Audit & Supervisory Committee Member)	Executive Partner of ITN law office External Director of McDonald's Company (Japan), Ltd. Outside Audit & Supervisory Board Member of eBOOK Initiative Japan Co., Ltd.

- Notes: 1. Shoichi Nagamatsu was elected as Director at the Ordinary General Meeting of Shareholders held on June 23, 2020, and assumed his office.
2. Tetsu Takahashi was elected as Director (Audit & Supervisory Committee Member) at the Ordinary General Meeting of Shareholders held on June 23, 2020, and assumed his office.
3. Director Satoko Shinohara retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2020, due to the expiry of their terms of office.
4. Director Tetsuro Higashi, and Directors (Audit & Supervisory Committee Members) Akira Ono, Yoshio Mogi, Akiko Miyakawa and Tetsu Takahashi are External Directors.
5. Director Tetsuro Higashi, and Directors (Audit & Supervisory Committee Members) Akira Ono, Yoshio Mogi, Akiko Miyakawa and Tetsu Takahashi are Independent Directors/Auditors as stipulated under the regulations of the Tokyo Stock Exchange.
6. Director (Audit & Supervisory Committee Member) Takao Orihara has extensive knowledge of finance and accounting from his many years of business experience in finance.
7. Director (Audit & Supervisory Committee Member) Yasushi Takayama has extensive knowledge of finance and accounting from his many years of business experience in finance.
8. Director (Audit & Supervisory Committee Member) Yoshio Mogi has extensive knowledge of finance and accounting due to his business experience as CFO at a company listed on the First Section of the Tokyo Stock Exchange.
9. Director (Audit & Supervisory Committee Member) Akiko Miyakawa has great knowledge and experience and profound insights as an expert at accounting and auditing acquired through her many years working as a Certified Public Accountant.
10. The Company appoints full-time Audit & Supervisory Committee Members to strengthen the auditing and supervising function by collecting information from the Directors (excluding Audit & Supervisory Committee Members), Executive Officers, employees, etc., attending at important company meetings, and ensuring sufficient coordination between the committee and the internal audit department and others.
11. Director (Audit & Supervisory Committee Member) Tetsu Takahashi retired from his position as Outside Director (Audit and Supervisory Committee Member) of ZOOM CORPORATION on March 30, 2021.
12. Nomura Real Estate Urban Net Co., Ltd., where Directors (Audit & Supervisory Committee Members) Takao Orihara and Yasushi Takayama concurrently serve in significant positions, changed its corporate name to Nomura Real Estate Solutions Co., Ltd. on April 1, 2021.
13. As of April 1, 2021, positions and responsibilities and significant concurrent positions of Directors Atsushi Yoshikawa, Seiichi Miyajima, Toshiaki Seki, Makoto Haga and Shoichi Nagamatsu are as follows:

Name	Position and responsibility in the Company	Significant concurrent positions
Atsushi Yoshikawa	Director	Outside Director of Ryohin Keikaku Co., Ltd.
Seiichi Miyajima	Director	Senior President of Nomura Real Estate Development Co., Ltd.
Toshiaki Seki	Director	Director of Nomura Real Estate Life & Sports Co., Ltd. Director of Nomura Real Estate Hotels Co., Ltd. Director of UHM Co., Ltd.
Makoto Haga	Director and Executive Officer Business Unit Manager of Commercial Real Estate Business Unit	Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Director of Nomura Real Estate Building Co., Ltd.
Shoichi Nagamatsu	Director and Chairman of the Board of Directors	Director of Nomura Real Estate Development Co., Ltd.

## 2) Outline of limited liability agreements

Directors Atsushi Yoshikawa, Tetsuro Higashi, and Shoichi Nagamatsu and six Directors (Audit & Supervisory Committee Members), have entered into agreements with the Company to limit their liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability based on the said agreements, on condition that they perform their duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.

3) Compensation, etc. for Directors

a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors

At a meeting of the Board of Directors, the Company resolved the 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 under review 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 details of the policy regarding decisions of the details of the compensation, etc. for each individual Director are as follows.

A) Basic policy
a) 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.
b) 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.
c) 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.
d) 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.
e) Compensation of the Chairman of the Board of 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.
f) Compensation of Part-time Internal Directors and External Directors consists only of "base compensation" due to their role of supervising the business execution from an objective standpoint.
B) Policy regarding decisions on the percentage of each type of compensation for each Director
a) The composition ratio of each type of compensation for Directors concurrently serving as Executive Officers is decided based on b) and d) in A) above.
b) The composition ratio of each type of compensation for the Director and Chairman of the Board of Directors is decided based on b) and e) in A) above.
c) Compensation of Part-time Internal Directors and External Directors consists only of "base compensation" based on b) and f) in A) above.

C) 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)
a) The amount of fixed compensation (base compensation) for each Director shall be determined according to the role and position as a Director.
b) The fixed compensation (base compensation) shall be paid monthly.
D) 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>
a) The amount of bonus is determined according to the Company's business performance, such as consolidated business profit, and evaluation of individuals.
b) 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.
c) It shall be paid at a certain time after the end of each fiscal year.
<Share-based compensation>
a) 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.").
b) The non-performance-based compensation adopts restricted shares ("RS") providing an incentive for long-term contributions and enhancement of corporate value to delay delivery, etc. until retirement as an officer.
c) The share-based compensation adopts the system of executive compensation BIP (Board Incentive Plan) trust (the "Trust"). The Company 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.
E)	Matters regarding the method for determining the details of compensation for each Director
	a) 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.
	b) The payment level shall be deliberated by the Advisory Committee Relating to Nominations and Compensation for the appropriate exercise of the authority stated in a) above by the President and Representative Director.
F)	Other important matters relating to compensation for each Director
	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.

b. Total amount of compensation, etc. for the fiscal year under review

Category	Total number of persons paid	Total payment amount (Millions of yen)	Breakdown			
			Base compensation (Millions of yen)		Bonus (Performance-based incentive, etc.) (Millions of yen)	
			Number of persons paid	Amount paid	Number of persons paid	Amount paid
Directors (excluding Audit & Supervisory Committee Members)	8	513	8	297	4	97
(Of which, External Directors)	(2)	(19)	(2)	(19)	(–)	
Directors (Audit & Supervisory Committee Members)	6	158	6	158	–	
(Of which, External Directors)	(4)	(56)	(4)	(56)	(–)	
Total	14	672	14	456	4	97

Category	Breakdown			
	Share-based compensation, etc. (Non-monetary compensation, etc.) (Millions of yen)			
	Performance-based compensation		Non-performance-based compensation	
	Number of persons paid	Amount paid	Number of persons paid	Amount paid
Directors (excluding Audit & Supervisory Committee Members)	4	42	5	75
(Of which, External Directors)	(–)		(–)	
Directors (Audit & Supervisory Committee Members)	–		–	
(Of which, External Directors)	(–)		(–)	
Total	4	42	5	75

- Notes: 1. The number of Directors (excluding Directors as Audit & Supervisory Committee Members) is currently seven (of which one is an External Director) as of the end of the fiscal year under review. The reason for the difference with the number of persons paid shown above is the inclusion of one Director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2020.
2. 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). The compensation amount of Directors is shown as the amount recorded by the Company as an expense during the fiscal year under review regardless of whether it was paid during the fiscal year under review.
3. Apart from the compensation amount for Directors in Note 2 above, a performance-based stock incentive plan for Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members) was introduced according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2018. In this compensation plan, the Company’s contribution to a trust as compensation for Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members) will not be an amount of 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). The amount paid as “share-based compensation, etc. (non-monetary compensation, etc.)” above includes performance-based stock incentive recorded as an expense for the fiscal year under review.

4. The amount paid as “non-performance-based compensation” of “share-based compensation, etc. (non-monetary compensation, etc.)” above includes the compensation amount in the form of stock options recorded as an expense during the fiscal year under review (¥870 thousand for five Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members)). Compensation in the form of stock options is paid within the annual maximum amount of ¥650 million according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2015, prior to the introduction of the compensation plans shown in Notes 2 and 3 above, 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. The Company has determined to abolish the current stock options system and stop granting new stock options after granting stock options as compensation for Directors for the fiscal year ended March 2018.
5. 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 “a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors.” The actual results that pertain to performance indicators are as presented in the table below.

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Business profit	¥79,623 million	¥82,833 million	¥76,448 million
Year-on-year change	–	+4.0%	-7.7%

6. 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 the “a. Policy, etc. regarding decisions on the details of compensation, etc. for 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)

	Ranges	Results
The achievement-linked coefficient	0% ~ 200%	22.0%
Business profit	¥75,400 million ~ ¥105,600 million	¥76,448 million
ROE	6.5% ~ 12.5%	7.4%

(The ranges for the fiscal year ending March 2022, the third year from the start of the system in the fiscal year ended March 2020)

	Ranges	Results
The achievement-linked coefficient	0% ~ 200%	–
Business profit	¥70,800 million ~ ¥99,200 million	–
ROE	6.5% ~ 12.5%	–

(The ranges for the fiscal year ending March 2023, the third year from the start of the system in the fiscal year ended March 2021)

	Ranges	Results
The achievement-linked coefficient	0% ~ 200%	–
Business profit	¥66,600 million ~ ¥93,400 million	–
ROE	4.5% ~ 10.5%	–

7. Non-monetary compensation, etc. consists of the Company’s shares, etc. and the conditions, etc. for delivery are as stated in the “a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors.”
8. As stated in the “a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors,” 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.

4) External Officers

a. Relations between other organizations where significant concurrent positions are assumed and the Company

Category	Name	Significant concurrent positions	Relationship with the Company
Director	Tetsuro Higashi	Outside Director of Seven & i Holdings Co., Ltd.	Not applicable
		Outside Director of Ube Industries, Ltd.	Not applicable
Director (Audit & Supervisory Committee Member)	Akira Ono	Partner of Spring Partners	Not applicable
Director (Audit & Supervisory Committee Member)	Yoshio Mogi	—	—
Director (Audit & Supervisory Committee Member)	Akiko Miyakawa	Representative of Akiko Miyakawa CPA Office	Not applicable
Director (Audit & Supervisory Committee Member)	Tetsu Takahashi	Executive Partner of ITN law office	Not applicable
		External Director of McDonald's Company (Japan), Ltd.	Not applicable
		Outside Director (Audit and Supervisory Committee Member) of ZOOM CORPORATION	Not applicable
		Outside Audit & Supervisory Board Member of eBOOK Initiative Japan Co., Ltd.	Not applicable

Note: Director (Audit & Supervisory Committee Member) Tetsu Takahashi was Outside Director (Audit and Supervisory Committee Member) of ZOOM CORPORATION but he retired from his position on March 30, 2021.

b. Main activities for the fiscal year under review

Category	Name	Main activities and outline of duties performed in relation to expected roles
Director	Tetsuro Higashi	Mr. Higashi attended 15 out of 15 meetings of the Board of Directors held during the fiscal year under review. He is expected to contribute to strengthening the supervisory function of the Board of Directors and ensuring fair and transparent management. He expressed his opinions at the meetings of the Board of Directors by drawing on his wealth of knowledge, experience, and profound insights related to corporate management. In addition, he is a member of the Advisory Committee Relating to Nominations and Compensation.
Director (Audit & Supervisory Committee Member)	Akira Ono	Mr. Ono attended 15 out of 15 meetings of the Board of Directors and 14 out of 14 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He is expected to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. He expressed his opinions at the meetings of the Board of Directors and at the meetings of the Audit & Supervisory Committee by drawing on his wealth of knowledge, experience, and profound insights as a legal expert. In addition, he is a member of the Advisory Committee Relating to Nominations and Compensation.
Director (Audit & Supervisory Committee Member)	Yoshio Mogi	Mr. Mogi attended 15 out of 15 meetings of the Board of Directors and 14 out of 14 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He is expected to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. He expressed his opinions at the meetings of the Board of Directors and at the meetings of the Audit & Supervisory Committee by drawing on his wealth of knowledge, experience, and profound insights related to corporate management. In addition, he is a member of the Advisory Committee Relating to Nominations and Compensation.
Director (Audit & Supervisory Committee Member)	Akiko Miyakawa	Ms. Miyakawa attended 15 out of 15 meetings of the Board of Directors and 14 out of 14 meetings of the Audit & Supervisory Committee held during the fiscal year under review. She is expected to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. She expressed her opinions at the meetings of the Board of Directors and at the meetings of the Audit & Supervisory Committee by drawing on her wealth of knowledge, experience, and profound insights as an expert at accounting and auditing.
Director (Audit & Supervisory Committee Member)	Tetsu Takahashi	Mr. Takahashi attended 10 out of 10 meetings of the Board of Directors and 9 out of 9 meetings of the Audit & Supervisory Committee held after he assumed the position on June 23, 2020. He is expected to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. He expressed his opinions at the meetings of the Board of Directors and at the meetings of the Audit & Supervisory Committee by drawing on his wealth of knowledge, experience, and profound insights as a legal expert, as a representative of a law firm, and as an outside director and outside audit & supervisory board member.



(3) Accounting Auditor

1) Name

Ernst & Young ShinNihon LLC

2) Amount of compensation, etc.

Category	Amount of payment (Millions of yen)
Amount of compensation, etc. to be paid to the Accounting Auditor for the fiscal year under review	79
Total amount of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	196

- Notes: 1. Since the audit contract between the Company and the Accounting Auditor does not clearly distinguish between the amounts of compensation, etc. for audits conducted based on the Companies Act and based on the Financial Instruments and Exchange Act, respectively and it is not possible to substantively distinguish them, the amount of compensation, etc. to be paid to the Accounting Auditor for the fiscal year under review is the total amount for both.
2. The Audit & Supervisory Committee obtained necessary resources and received reports from the Directors, finance division and the Accounting Auditor, and upon doing so, it confirmed the Accounting Auditor's record of achievements and record of compensation in the past and examined the Accounting Auditor's audit plan and grounds of the calculation of the compensation estimate for the fiscal year under review. As a result, the Audit & Supervisory Committee judged that the Accounting Auditor's amount of compensation, etc. was suitable and provided its consent pursuant to Article 399, Paragraph 1 of the Companies Act.
3. Of the Company's major subsidiaries, Lothbury Investment Management Limited, and ZEN PLAZA CO., LTD are subject to auditing by Certified Public Accountants and auditing firms (including those with equivalent qualifications overseas) other than the Company's Accounting Auditor.

3) Description of non-auditing services

The Company pays compensation to the Accounting Auditor for services related to preparing the comfort letter associated with bond issuance, which are outside the services under Article 2, Paragraph 1 of the Certified Public Accountants Act.

4) Policy for dismissal or non-reappointment decision of 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 Audit & Supervisory Committee shall dismiss the Accounting Auditor 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 at a General Meeting of Shareholders.

#### (4) Policy regarding decisions on the dividends of surplus

Under the Mid- to Long-term Business Plan, which was formulated in April 2019, the Company has targeted the total return ratio in each fiscal year to be around 40-50% in Phase 1 (from fiscal year ended March 31, 2020 to fiscal year ending March 31, 2022).

Based on these guidelines, the dividend forecast for the fiscal year ended March 31, 2021, was set at ¥40.0 per share in accordance with the policy of continuing to provide stable dividends. However, after taking into account the financial results for the fiscal year under review, and the future management environment, the Company decided to increase the year-end dividend per share to ¥42.5. Combined with the second quarter-end dividend already paid, the annual dividend per share will be ¥82.5.

In addition, treasury shares were purchased\* based on comprehensive consideration of factors such as financial soundness, share price and the business environment. As a result, the total return ratio for the fiscal year under review was 45.3%.

In regard to the dividend for the next fiscal year, the annual dividend per share will be ¥85.0 based on the policy of ensuring stable increases in dividends based on growth in earnings.

\* Acquisition of treasury shares by resolution at the meeting of the Board of Directors held on January 28, 2021

Type and number of shares acquired:	1,580,900 common shares
Total amount of shares acquired:	¥3,999 million
Period of acquisition:	From January 29, 2021 to April 26, 2021

# **CONSOLIDATED BALANCE SHEET**

As of March 31, 2021

(Millions of yen)

Assets		Liabilities	
<b>Current Assets:</b>	<b>1,043,321</b>	<b>Current Liabilities:</b>	<b>269,322</b>
Cash and Deposits	71,625	Notes and Accounts Payable - Trade	61,162
Notes and Accounts Receivable - Trade	19,635	Short-term Borrowings	87,000
Real Estate for Sale	336,308	Current Portion of Bonds Payable	10,000
Real Estate for Sale in Process	326,165	Income Taxes Payable	18,572
Land Held for Development	212,727	Deposits Received	25,140
Equity Investments	28,770	Provision for Bonuses	8,599
Other	48,104	Provision for Bonuses for Directors (and Other Officers)	455
Allowance for Doubtful Accounts	(14)	Provision for Loss on Business Liquidation	13
		Other	58,378
<b>Non-current Assets:</b>	<b>877,985</b>	<b>Non-current Liabilities:</b>	<b>1,065,633</b>
<b>Property, Plant and Equipment</b>	<b>714,224</b>	Bonds Payable	160,000
Buildings and Structures	185,727	Long-term Borrowings	751,500
Land	506,097	Leasehold and Guarantee Deposits Received	58,855
Other	22,399	Deferred Tax Liabilities	59,934
<b>Intangible Assets</b>	<b>18,468</b>	Deferred Tax Liabilities for Land Revaluation	3,891
<b>Investments and Other Assets</b>	<b>145,292</b>	Provision for Share Awards	2,734
Investment Securities	86,428	Retirement Benefit Liability	16,216
Leasehold and Guarantee Deposits	27,655	Other	12,501
Deferred Tax Assets	23,097	<b>Total Liabilities</b>	<b>1,334,956</b>
Other	8,111	<b>Net Assets</b>	
Allowance for Doubtful Accounts	(0)	<b>Shareholders' Equity</b>	<b>571,948</b>
		<b>Share Capital</b>	<b>118,043</b>
		<b>Capital Surplus</b>	<b>114,433</b>
		<b>Retained Earnings</b>	<b>369,597</b>
		<b>Treasury Shares</b>	<b>(30,125)</b>
		<b>Accumulated Other Comprehensive Income</b>	<b>11,379</b>
		<b>Valuation Difference on Available-for-Sale Securities</b>	<b>7,827</b>
		<b>Deferred Gains or Losses on Hedges</b>	<b>(1,342)</b>
		<b>Revaluation Reserve for Land</b>	<b>7,869</b>
		<b>Foreign Currency Translation Adjustment</b>	<b>(995)</b>
		<b>Remeasurements of Defined Benefit Plans</b>	<b>(1,979)</b>
		<b>Share Acquisition Rights</b>	<b>1,406</b>
		<b>Non-controlling Interests</b>	<b>1,616</b>
		<b>Total Net Assets</b>	<b>586,350</b>
<b>Total Assets</b>	<b>1,921,306</b>	<b>Total Liabilities and Net Assets</b>	<b>1,921,306</b>

Note: The figures are denoted by rounding fractions down to the unit indicated.

# **CONSOLIDATED STATEMENT OF INCOME**

For the year ended March 31, 2021

(Millions of yen)

<b>Operating Revenue</b>		<b>580,660</b>
<b>Operating Costs</b>		<b>397,602</b>
<b>Operating Gross Profit</b>		<b>183,057</b>
<b>Selling, General and Administrative Expenses</b>		<b>106,724</b>
<b>Operating Profit</b>		<b>76,333</b>
<b>Non-operating Income</b>		<b>747</b>
Interest Income	95	
Dividend Income	63	
Gain on Sales of Non-current Assets	96	
Gain on Reversal of Share Acquisition Rights	123	
Other	368	
<b>Non-operating Expenses</b>		<b>11,115</b>
Interest Expenses	9,015	
Share of Loss of Entities Accounted for Using Equity Method	510	
Other	1,590	
<b>Ordinary Profit</b>		<b>65,965</b>
<b>Extraordinary Income</b>		<b>565</b>
Subsidies for Employment Adjustment	565	
<b>Extraordinary Losses</b>		<b>3,710</b>
Impairment Losses	1,285	
Loss on COVID-19	1,715	
Loss on Building Reconstruction	708	
<b>Profit before Income Taxes</b>		<b>62,820</b>
<b>Income Taxes - Current</b>		<b>24,752</b>
<b>Income Taxes - Deferred</b>		<b>(4,159)</b>
<b>Profit</b>		<b>42,227</b>
<b>Profit Attributable to Non-controlling Interests</b>		<b>28</b>
<b>Profit Attributable to Owners of Parent</b>		<b>42,198</b>

Note: The figures are denoted by rounding fractions down to the unit indicated.

# NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2021

(Millions of yen)

Assets		Liabilities	
<b>Current Assets:</b>	<b>350,750</b>	<b>Current Liabilities:</b>	<b>144,709</b>
Cash and Deposits	54,188	Short-term Borrowings	87,000
Accounts Receivable - Trade	1,921	Current Portion of Bonds Payable	10,000
Prepaid Expenses	210	Accounts Payable - Other	546
Short-term Loans Receivable	289,181	Accrued Expenses	1,144
Other	5,249	Income Taxes Payable	189
<b>Non-current Assets:</b>	<b>999,800</b>	Deposits Received	45,388
<b>Property, Plant and Equipment</b>	<b>125</b>	Provision for Bonuses	252
Buildings	37	Provision for Bonuses for Directors (and Other Officers)	97
Tools, Furniture and Fixtures	88	Other	91
<b>Intangible Assets</b>	<b>1,513</b>	<b>Non-current Liabilities:</b>	<b>915,181</b>
Software	1,509	Bonds Payable	160,000
Other	3	Long-term Borrowings	751,500
<b>Investments and Other Assets</b>	<b>998,161</b>	Provision for Share Awards	349
Investment Securities	426	Other	3,331
Shares of Subsidiaries and Associates	184,044	<b>Total Liabilities</b>	<b>1,059,891</b>
Long-term Loans Receivable from Subsidiaries and Associates	809,800	<b>Net Assets</b>	
Long-term Prepaid Expenses	4,662	<b>Shareholders' Equity:</b>	<b>289,273</b>
Deferred Tax Assets	495	<b>Share Capital</b>	<b>118,043</b>
Other	0	<b>Capital Surplus</b>	<b>118,407</b>
Allowance for Doubtful Accounts	(1,268)	Legal Capital Surplus	118,407
		<b>Retained Earnings</b>	<b>82,948</b>
		Other Retained Earnings	82,948
		Reserve for Purchase of Specific Shares	33
		Retained Earnings Brought Forward	82,914
		<b>Treasury Shares</b>	<b>(30,125)</b>
		<b>Valuation and Translation Adjustments:</b>	<b>(19)</b>
		<b>Valuation Difference on Available-for-sale Securities</b>	<b>(5)</b>
		<b>Deferred Gains or Losses on Hedges</b>	<b>(14)</b>
		<b>Share Acquisition Rights:</b>	<b>1,406</b>
		<b>Total Net Assets</b>	<b>290,659</b>
<b>Total Assets</b>	<b>1,350,551</b>	<b>Total Liabilities and Net Assets</b>	<b>1,350,551</b>

Note: The figures are denoted by rounding fractions down to the unit indicated.

# NON-CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2021

(Millions of yen)

<b>Operating Revenue</b>		<b>44,822</b>
Dividends from Subsidiaries and Associates	26,217	
Financial Revenue	13,364	
Business Advisory Fee	854	
Other	4,385	
<b>Operating Costs</b>		<b>9,525</b>
<b>Operating Gross Profit</b>		<b>35,297</b>
<b>Selling, General and Administrative Expenses</b>		<b>8,916</b>
<b>Operating Profit</b>		<b>26,381</b>
<b>Non-operating Income</b>		<b>25</b>
Interest Income	0	
Dividend Income	4	
Interest on Refund of Income Taxes	10	
Gain on Forfeiture of Unclaimed Dividends	7	
Other	1	
<b>Non-operating Expenses</b>		<b>77</b>
Loss on Investments in Partnership	52	
Tenant Cancellation Fees	16	
Other	9	
<b>Ordinary Profit</b>		<b>26,329</b>
<b>Extraordinary Income</b>		<b>123</b>
Gain on Reversal of Share Acquisition Rights	123	
<b>Extraordinary Losses</b>		<b>4,090</b>
Loss on Valuation of Shares of Subsidiaries and Associates	4,090	
<b>Profit before Income Taxes</b>		<b>22,362</b>
<b>Income Taxes - Current</b>		<b>328</b>
<b>Income Taxes - Deferred</b>		<b>115</b>
<b>Profit</b>		<b>21,918</b>

Note: The figures are denoted by rounding fractions down to the unit indicated.

## **Independent Auditor's Report**

May 14, 2021

To the Board of Directors  
Nomura Real Estate Holdings, Inc.

**Ernst & Young ShinNihon LLC**  
Shuji Kaneko (Seal)  
Certified Public Accountant  
Designated and Engagement Partner  
Toshihiro Morishige (Seal)  
Certified Public Accountant  
Designated and Engagement Partner  
Natsuki Saiki (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

### *Opinion*

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Nomura Real Estate Holdings, Inc. (the "Company") applicable to the fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Nomura Real Estate Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2021 in conformity with accounting principles generally accepted in Japan.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Management's and Audit & Supervisory Committee's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern. Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

### *Auditor's Responsibility for the Audit of the Consolidated Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### *Conflicts of Interest*

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.



**Audit Report of Accounting Auditor on Non-consolidated Financial Statements**  
(Translation)

**Independent Auditor's Report**

May 14, 2021

To the Board of Directors  
Nomura Real Estate Holdings, Inc.

**Ernst & Young ShinNihon LLC**  
Shuji Kaneko (Seal)  
Certified Public Accountant  
Designated and Engagement Partner  
Toshihiro Morishige (Seal)  
Certified Public Accountant  
Designated and Engagement Partner  
Natsuki Saiki (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

*Opinion*

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements and the related supplementary schedules of Nomura Real Estate Holdings, Inc. (the "Company") (hereinafter referred to as the "non-consolidated statements, etc.") applicable to the 17th business year from April 1, 2020 through March 31, 2021.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of Nomura Real Estate Holdings, Inc. applicable to the 17th business year ended March 31, 2021 in conformity with accounting principles generally accepted in Japan.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Management's and Audit & Supervisory Committee's Responsibility for the Non-consolidated Financial Statements, etc.*

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern. Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements, etc.*

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### *Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

**Audit Report of the Audit & Supervisory Committee**  
(Translation)

**Audit Report**

The Audit & Supervisory Committee has conducted audit on the execution of duties by Directors for the 17th business year from April 1, 2020 to March 31, 2021, and hereby reports the methods, details and results of audit as follows:

**1. The Methods and Details of the Audit**

With regard to the resolution of the Board of Directors concerning the matters stipulated in Article 399-13, Paragraph 1, Item 1, (b) and (c) of the Companies Act, as well as the system (the internal control system) developed based on such resolution, the Audit & Supervisory Committee received reports regularly and requested explanation as necessary from the Directors, Executive Officers, employees, etc. on the establishment and operation of such system, expressed its opinion, and conducted audit by the following methods.

- 1) In accordance with the Audit & Supervisory Committee audit criteria established by the Audit & Supervisory Committee, as well as the auditing policies and allocation of duties, we cooperated with the internal control department of the Company; attended significant meetings; obtained reports on matters related to the execution of duties from Directors, Executive Officers, employees, etc.; requested explanation as necessary; reviewed documents which record approval of material matters; and conducted investigations regarding the status of the business operations and assets. With respect to subsidiaries, the Audit & Supervisory Committee communicated and exchanged information with Directors, Executive Officers, Audit & Supervisory Board Members, etc. of the subsidiaries, and received business reports from subsidiaries as necessary.
- 2) The Audit & Supervisory Committee monitored and verified if the Accounting Auditor kept its independent position and performed appropriate audit, received reports on the execution of duties from the Accounting Auditor, and requested explanation as necessary. Also, a notice informing that the “system to ensure appropriate execution of duties” (set forth in items of Article 131 of the Ordinance on Accounting of Companies) has been established in accordance with the standards for auditing quality control and others was received from the Accounting Auditor, and we requested explanation as necessary.

Based on the methods as described above, the Audit & Supervisory Committee examined the business report and supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements) and supplementary schedules, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and the notes to the consolidated financial statements) for the business year under review.

**2. Results of Audit**

**(1) Audit results of business report and other documents concerned**

- 1) We confirm that the business report and supplementary schedules comply with the laws and regulations and with the Articles of Incorporation and correctly represent the Company status.
- 2) We have not detected any misconduct or material fact of violation of the relevant laws and regulations or the Articles of Incorporation in connection with the execution of duties by Directors.
- 3) We confirm that the content of the resolution of the Board of Directors concerning the internal control system is fair and reasonable. Furthermore, we have not found anything that should be pointed out with respect to the content of the business report and the execution of duties by Directors concerning the internal control system.

**(2) Audit results of the non-consolidated financial statements and supplementary schedules**

We confirm that the auditing methods and results of the Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

**(3) Audit results of the consolidated financial statements**

We confirm that the auditing methods and results of the Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

May 17, 2021

Nomura Real Estate Holdings, Inc. Audit & Supervisory Committee		
Audit & Supervisory Committee Member (Full-time)	Takao Orihara	(Seal)
Audit & Supervisory Committee Member (Full-time)	Yasushi Takayama	(Seal)
Audit & Supervisory Committee Member	Akira Ono	(Seal)
Audit & Supervisory Committee Member	Yoshio Mogi	(Seal)
Audit & Supervisory Committee Member	Akiko Miyakawa	(Seal)
Audit & Supervisory Committee Member	Tetsu Takahashi	(Seal)

(Note) Audit & Supervisory Committee Members Akira Ono, Yoshio Mogi, Akiko Miyakawa and Tetsu Takahashi are External Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.