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Positioning of this part

In addition to the COO message and an interview with the CFO to outline the overview of the Mid- to Long-term Business Plan and key points for achievement, this section provides a detailed explanation of the concept of financial strategy and shareholder returns, efforts to address priority issues (materiality) by 2030, environmental and human resource activities, DX, and business-specific strategies.





our approach to connect closely with individuals.

Executive Vice President and Representative Director President and Representative Director of Nomura Real Estate Development

Daisaku Matsuo

Review of the Fiscal Year Ended March 2022 and Previous Mid- to Long-term Business Plan

For the fiscal year ended March 2022, which was the final year in Phase I of the previous Mid- to Long-term Business Plan (from the fiscal year ended March 2020 to the fiscal year ended March 2022), we delivered a record business profit of ¥92.7 billion, significantly exceeding our target of ¥85.0 billion. ROE was 9.2%, above our target range of 8% to 9%.

Looking back on the Phase I period, the performance of the Residential Development Business Unit progressed strongly, recording the highest gross profit ratio in the housing sales business for the fiscal year ended March 2022, on the back of the diversification of needs stemming from lifestyle and workstyle changes caused by the COVID-19 pandemic. In the Commercial Real Estate Business Unit, sales of properties progressed as expected against the backdrop of a strong real estate transaction market and our leasing asset portfolio's replacement progressed steadily. In addition to the Resi-

dential Development and Commercial Real Estate Business Units, the Overseas Business Unit also made sound progress in capturing development opportunities as a basis for our future profit growth. Performance of the Service & Management Sector also progressed steadily. In the Investment Management Business Unit, our assets under management (AUM) increased, mainly for private REITs and private funds. In the Property Brokerage & CRE Business Unit, the brokerage transaction value increased, mainly for the retail business. In the Property & Facility Management Business Unit, the number of housing units under management increased.

Nomura Real Estate Group

In summary, it is my view that we managed to secure business opportunities for future growth during the past three years. We achieved a strong business performance by flexibly responding to business environment changes, while there was a temporary decline in earnings due to the spread of COVID-19.

Leveraging Changes in the Business Environment for Growth

When I look at the business environment, I perceive the accelerating pace of changes and the increasing importance of responding quickly to it. In fact, the COVID-19 pandemic dramatically transformed the need for housings and offices in a short period of time. In addition, in the wake of the Ukraine crisis, supply chains were badly disrupted, and the prices of energy and other goods soared. We were forced to respond to these changes as they occurred. While unpredictable changes could happen in the future, I think it is necessary for us to regard such changes not just as risks but as business opportunities for future growth.

Let me explain the business environment that we keep an eye on specifically. In the domestic housing market, a decline in the labor force is expected over the long term due to the declining birthrate and aging population. However, in the short term, new demand has been generated as a result of an increase in dual-income households and changes in housing preferences amid the COVID-19 pandemic. In the office market, the roles and significance of a core office have been questioned as new workstyles such as teleworking become more prevalent. I also think that demands for logistics facilities with high functionality will continue to increase in the future in line with the expansion of e-commerce.

Also, in major Asian cities where the Group conducts its housing sales business, needs for high-quality residences are expected to continue to grow. In particular, demands for township development featuring large-scale, diverse urban functions have been increasing significantly, and we see this as a change that will lead to new business opportunities.

Our Focus Points in the New Mid- to Long-term **Business Plan**

In April 2022, we formulated our new Mid- to Long-term Business Plan ("the new plan"), which covers the period between the fiscal year ending March 2023 and the fiscal year ending March 2031. Under the new plan, we aim to achieve annual average business profit growth of 8% level, which exceeds the target under the previous plan. In addition, based on the belief that we will need to set a clear vision in order to realize sustainable and high profit growth in the rapidly changing business environment, we have established the Nomura Real Estate Group 2030 Vision, "Be a 'Life & Time Developer,' as never seen before."

The Group is characterized by its business model, which is to provide real estate development and related services based on the close collaboration of the Development Sector and the Service & Management Sector. In other words, what we provide and focus on is not just the value of properties as our "products" but also the "Life" and "Time" of our customers. Given the constantly changing environment, it is essential for us to evolve and transform our approaches and methods of value creation, as well as to continue to provide new value toward the future. That is a value that both we and our customers have never seen before. Our 2030 Vision represents such a commitment.

In order to realize profit growth under the new plan, it is necessary for each of us in the Group to focus on this commitment and strive to provide new value.

Key Strategies for Achieving a Profit Growth Rate of 8%

In order to realize profit growth, we have established the following key strategies: "further expansion of domestic real estate development business," "steady growth of overseas business," and "high profit growth in service & management business."

Further expansion of domestic real estate development

(Residential Development Business Unit / Commercial Real Estate Business Unit)

In the Residential Development Business Unit, we aim to maintain high profitability in the domestic housing sales business with a plan to supply 4,000 to 5,000 housing units per year during the period of the new plan. As mentioned earlier, in the domestic housing market, long-term growth cannot be expected. While new demand has been generated with the diversification of needs accelerated by the COVID-19 pandemic, from the perspective of condominium suppliers, due to constraints such as heated competition over land acquisition arising from a shortage of land suitable for residential development and soaring construction costs, it has been difficult to secure business volume. As a result, the volume of supply in the overall market has been decreasing. Under such circumstances, we will aim to maintain the supply volume by expanding our product range and housing services and taking a multilayered approach to various measures aimed at securing land for development. In other words, we will strive to expand our market share in shrinking markets and enhance our value as a top brand by flexibly responding to environmental changes and maintaining the supply volume.

The Vision of Nomura Real Estate Group Sources of Competitiveness Growth Strategy (Business, Sustainability, and DX) Governance

Fact Data, etc.

In Commercial Real Estate Business Unit, which provides a broad range of products and services related to offices, commercial facilities, logistics facilities, hotels, and others, our core strategy has been to capture market changes, respond to the needs of each and every customer, and provide new value. By earning development profits through investment in various assets generated from such efforts and by realizing unrealized profits through our leasing asset portfolio strategy, we aim to deliver a gross profit from property sales of over ¥30.0 billion for Phase I (from the fiscal year ending March 2023 to the fiscal year ending March 2025) and at the ¥40.0 billion level after Phase II (from the fiscal year ending March 2026 to the fiscal year ending March 2028). In addition, making proposals for a flexible office portfolio in response to diversified workstyles will remain an important strategy. Due to the changes in workstyles in recent years, the needs for satellite and shared offices, where each employee can work comfortably in a variety of locations, have increased greatly. We will actively make office portfolio proposals by combining satellite-type shared offices (H1T) and small serviced offices (H1O), medium-sized high-grade offices (PMO), and large offices.

As a leading project for large-sized offices, the construction of the Shibaura Project started in October 2021. Located in the Hamamatsucho area, which is a National Strategic Special Zone, and equipped with 72,000 tsubo of office space, a 219-room luxury hotel making its debut in Japan, 5,500 tsubo of commercial facilities, and residences, this is one of the Group's largest development projects ever. In the past few years, we learned that we could work anywhere through teleworking and other methods. On the other hand, issues such as the delay in human resources development, the weakening of employee engagement, and the stagnation of innovation are emerging. As a real estate developer, the Group will redefine the significance of a core office with the aim of pursuing new urban development to provide attractive spaces for workers as well as opportunities for new value creation. Based on this, we will newly propose "TOKYO WORKation," a new way of working that encourages people to "enjoy a sense of openness and comfort in Tokyo" and to "reduce stress and enable well-being in daily life" by taking advantage of the most important features of this project: the convenience of the city center, the overwhelming sense of freedom derived from panoramic views of the sea and sky, and a rare waterfront location with abundant greenery beneath your feet.

The Residential Development and Commercial Real Estate Business Units have already completed most of the land acquisition needed to achieve profit targets for Phase I. Therefore, the probability of achieving business profit targets is extremely high, and the key point in the future is to secure land for development toward Phases II and III. For this reason, we will continue to invest in housing sales to meet diversified needs as well as in sales of various properties for sales. In addition, in order to secure land for development from a medium- to long-term perspective, we have been promoting initiatives through the Development Planning Division of Nomura Real Estate Development, which specializes in legal redevelopment and condominium rebuilding projects, areas in which the Group has strengths. We will also cultivate business opportunities in new fields, in addition to mixed-use developments in

public land with fixed-term land lease, concessions, MICE facilities, hotels, and residential properties, through the Business Creation Division, which was newly established at Nomura Real Estate Development in April 2022.

Steady growth of overseas business

The Group currently conducts its overseas business mainly in housing sales in Asian cities. By bringing together the Group's know-how accumulated in Japan and responding to the needs of customers in each country, we aim to increase the volume of our property sales business in addition to housing sales, thus increasing the share of overseas business as a proportion of the Group's overall business profit to 15% or more in Phase III.

When promoting our overseas business, we focus on increasing customer satisfaction, rather than simply providing funds. Thus, we provide added value in development by utilizing the know-how that the Group has cultivated in Japan in various phases of design, construction, and sales. Since entering the housing sales business in Southeast Asia in 2014, we have been striving to identify and build relationships of trust with local partners and have gradually engaged in projects where we can provide added value in the upstream phase.

In 2022, we established Federal Land NRE Global, a joint venture to conduct real estate development in the Philippines over the long term in partnership with Federal Land, which is the real estate division of GT Capital Group, a major business group. This is a symbolic example of how our trust-based relationship with a local business partner led to the acquisition of new business opportunities. With Federal Land, we have worked on Sunshine Fort, a mixed-use development project. The establishment of this joint venture testifies to the high rating given by the partner to the Group's know-how in design, sales, and construction management. Federal Land owns abundant land for development in the Philippines and we have determined to make investments exceeding ¥700.0 billion in total over the medium to long term through this joint venture.

As in the domestic real estate development business, and in overseas business, we have secured the business stock for the most part to achieve business profit targets for Phase I. Going forward, we will continue to strive for further growth in the housing sales business in Asia by demonstrating the Group's know-how. Also, we will expand the property sales business, such as offices, logistics facilities, and retail facilities, with the aim of contributing to profits from Phase II onwards. In addition to the U.K., we will also actively promote business development in developed countries such as the U.S.

High profit growth in the Service & Management Sector (Investment Management Business Unit / Property Brokerage & CRE Business Unit / Property & Facility Management Business Unit)

In the Service & Management Sector, we will continue to accumulate stable business stock through developing properties in each business of the Development Sector. In addition, we will grow profit by enhancing productivity through DX.

The Investment Management Business Unit will con-

tinue to achieve mutual growth for both the Group and the funds managed by Investment Management Business Unit through leveraging the Leasing Value Chain. In addition, Nomura Real Asset Investment, established jointly with Nomura Holdings, will engage in the real estate fund business including the commercialization of new asset classes and products by harnessing the Group's knowhow in real estate investment management and the broad customer base of Nomura Holdings, thereby aiming for further profit growth.

In addition to retail and wholesale services, Property Brokerage & CRE Business Unit endeavors to expand our transaction value in the "middle" field, targeting small and midsize companies, business owners, some individual investors, and high net worth individuals. As the market for the middle business is expected to continue to grow in the future, we will aim to capture increasing needs on a steady basis.

In the Property & Facility Management Business Unit, we will strive to steadily increase our management stock through the entrustment of properties developed by the Group, while increasing the number of construction orders received based on our competitive construction proposal capacity, such as "re:Premium," a scheme to extend the cycle of large-scale repair works.

As mentioned earlier, the key to increase profit further in each of the Service & Management Sector's businesses is enhancing productivity through DX. For example, in Property Brokerage & CRE Business Unit, as for retail business, we have nomu.com, a real estate information website, which has the largest number of users in the real estate brokerage industry. In addition, we will provide new services using Al and expand our know-how to the middle market and wholesale businesses in the future. Meanwhile, in Property & Facility Management Business Unit, we are introducing management services using smartphones as well as the "Will TAP" app, which residents of Group-managed condominiums can use to lock doors and make reservations for shared facilities.

In addition to these examples, we believe that further promoting DX will support higher productivity and investing in generated human resources to provide more attractive services will contribute significantly to profitable growth in the Service & Management Sector.

Strength of Expertise Accumulated through a Number of Development Projects Based on Our Approach to Connect Closely with Individuals

I believe that what makes it possible to realize these strategies is our expertise accumulated through a number of development projects based on our approach to connect closely with individual customers, mainly in the B-to-C business.

The Group has grown primarily through its housing sales business. In this traditionally labor-intensive industry, the mainstream business model was one that pursued efficiency in product planning and sales. Against this background, the Group tried to differentiate itself in the 1990s by becoming the first real estate developer in the industry to introduce tailored services. The reason why we decided to commit to a method that our competitors



considered inefficient and had not adopted is because we placed a strong emphasis on understanding and responding to the needs of each and every customer. Since its establishment, the Group has engaged in its housing sales business based on an integrated development, sales, and management system. Our approach to connect closely with customers by communicating with them, listening to them, and identifying their needs has been passed down to now.

"Yukai-full" is an example case in our product development in recent years. The product uses double flooring, which has been considered difficult to install in condominiums, to provide each dwelling unit with a central air-conditioning system that keeps the entire living space, including hallways and toilets, at an appropriate temperature 24 hours a day, 365 days a year. Although the introduction of the product leads to an increase in construction costs, we have decided to introduce it to our PROUD condominiums in consideration of customer comfort. At present, the system is being introduced at multiple new projects. In addition, we believe that our DX initiatives, such as online customer services and virtual previews using VR technologies, which were introduced amid the COVID-19 pandemic, would not have been possible without our customer-centric perspective.

Our approach is also applied to not only for housing sales business, but also for office business. The Group offers a wide range of offices depending on the size of the space and the purpose of use, including H¹O (quality small office) and H¹T (satellite shared office) in addition to PMO (medium-sized high-grade office). What we aim to embody

COO Message

here is the concept of "HUMAN FIRST," which means forming close connections with individual workers. Each office has been designed with the aim of maximizing the performance of each and every worker using the office, and our offices have been highly acclaimed by their users.

The unique quality of the Nomura Real Estate Group is established in the experience of steadily taking seemingly circuitous journeys by placing the utmost importance on the satisfaction of each and every customer. I am confident that this quality has served as a steadfast strength in each and every one of our businesses, including largescale mixed-use development projects, overseas business, and businesses in the Service & Management Sector.

Promoting Sustainability Integrated with Our Businesses

I think that the promotion of sustainability is essential because the continuous growth of the Group and contribution to a sustainable society are inseparable. We would like to create a positive synergy between the Group's efforts to realize a sustainable society through its business activities and our customers' agreement with such efforts. For this reason, we identified the following five priority issues (materiality) for the Group in April 2022: "Diversity & inclusion." "Human rights." "Decarbonization." "Biodiversity," and "Circular design."

Among these priority issues, "Diversity & inclusion" is a theme that cannot be separated from our business in terms of enhancing the value of our human capital. "Human rights" form the foundation of the Group, and an environment in which people with diverse backgrounds and values can demonstrate their abilities is essential. Toward realizing such an environment, we have set a target to increase the female manager and junior manager ratio from about 12% currently to 20%. In addition, along with the enhancement of various systems to support stage-of-life changes such as bearing and raising children, we have set a target to achieve children leave utilization rate by men and women of 100%. But achieving these targets is just the first step. We will actively promote the Group's "Diversity & inclusion" initiatives by connecting the achievement of the targets to the development of an efficient work environment and a change of awareness among managers. As the value of "working" diversifies, we will continue to endeavor to develop various systems and environments from a variety of perspectives to become an employer that employees want to work for and remain with for a long time. In terms of "Human rights," we will implement human rights due diligence and other measures toward ensuring respect for the human rights of not only the Group's employees but all people involved in the Group's businesses.

In response to "Climate change and natural environment," we aim to achieve the Science Based Targets (SBT)*1 initiative goal of "CO2 emissions reduce by 35% for each of Scope 1, 2, and 3 by the fiscal year ending March 2031 compared with the fiscal year ended March 31, 2020." We are planning to achieve this target by enhancing the energy-saving performance of our condominiums and office buildings and installing solar power generation

equipment for the Landport logistics facility and PROUD SEASON detached housing in order to achieve RE100*2 by leveraging the Group's product development capabili-

Conclusion

In the new plan, we will aim to achieve high profit growth based on a clear vision. As I mentioned at the beginning, in order to realize this in a society with rapidly diversifying and complex values, the most important thing is to act swiftly while nimbly adapting to changes. To this end, I place importance on the "psychological capital" of each employee. "Psychological capital" refers to "positive thinking" and "energy," and when these are sufficiently present in an organization, each individual's "creative power" and "power to innovate" are stimulated, leading to the growth of the organization. Expanding this cycle throughout the entire Group is essential for future growth, and I believe it is my mission as Group COO.

Lastly, the Group will relocate its headquarters to S tower of the Shibaura Project in 2025. This relocation is aimed at cultivating an organizational culture marked by a spirit of challenge across the Group in order to achieve the high growth target under the new plan. By redefining the significance of a core office and realizing a well-being work style and consolidating the functions of the Group headquarters at the Shibaura Project, which will be a place for new value creation, we will maximize synergies and take on challenges and explore new businesses to promote induction and creation of innovation.

The Group will continue to grow in the future by adhering to its approach to connect closely with individual customers, and thus responding to the expectations of customers and the demands of the times.

I sincerely appreciate our stakeholders for their ongoing support.

Executive Vice President and

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Nomura Real Estate Group

The Vision of



Growth Strategy

(Business, Sustainability, and DX)

Fact Data, etc

INTERVIEW

Establishing a high growth, high efficiency*, high shareholder returns business model to "Be a 'Life & Time Developer' as never seen before" from a financial standpoint

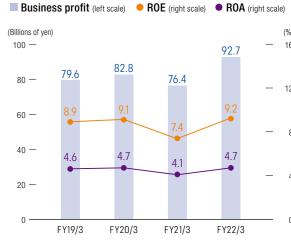
Director, Group CFO

Hiroshi Kurokawa

Please tell us your evaluation of Phase I (FY20/3-FY22/3) of the previous Mid- to Long-term Business Plan.

In the fiscal year ended March 2022, we were able to successfully achieve all four of the financial targets set for Phase I of the previous Mid- to Long-Term Business Plan ("the previous plan") (business profit of ¥85.0 billion, ROE of around 8-9%, ROA of around 4-5%, and total return ratio of around 40-50%).

We were able to improve significantly from our performance in the fiscal year ended March 2021, during which we suffered the effects of the COVID-19 pandemic, to achieve record high business profit of ¥92.7 billion, ROE of 9.2%, and ROA of 4.7%. In terms of shareholder returns, we maintained a dividend increase for a 10th consecutive year, with a dividend payout ratio of 31.7% and total return ratio of 44.3%, with the acquisition of treasury shares also contributing to this ratio. In this way, I believe that we have firmly demonstrated the management policy that we have continued to convey thus far, emphasizing high asset and capital efficiency ("high efficiency") and high shareholder returns, to our investors.



 $Business\ profit = Operating\ profit + Equity\ in\ earnings\ of\ affiliates + Amortization\ of\ intangible\ fixed$ assets arising from corporate acquisitions
ROE = net profit / (average) shareholders' equity during the period
ROA = business profit / (average) total assets during the period

^{*1.} Science Based Targets: An international initiative for companies to set greenhouse gas emission reduction targets in line with the standards required by the Paris Agreement *2. RE100: An international initiative that aims to procure 100% renewable energy for the electricity used in business activities

^{*} High efficiency represents high asset and capital efficiency

Please tell us the reason why the Company adopts its management policy of high efficiency, high shareholder returns and high growth.

The reason is that those three elements are fundamental for real estate companies to evaluate corporate value.

I believe that the corporate value (largely equivalent to share price) of real estate companies, as with companies in other industries, is evaluated from these key viewpoints: achieving ROE that exceeds the cost of shareholders' equity, improving EPS, and high shareholder returns.

In the real estate industry in particular, there are vehicles called real estate investment trusts (REITs) which have a relatively low costs of shareholders' equity because their main business is leasing and they have tax advantages.

Therefore, as for real estate developers, in order to generate profits that exceed the relatively high cost of shareholders' equity compared to REITs and improve corporate value, we believe that it is necessary to aspire to high efficiency management focused primarily on earnings from the process of creating value through real estate development, realizing that value through sales, and linking that to reinvestment to grow. We recognize our cost of shareholders' equity is around 7-8%, and think that achieving an ROE of 10% or more, which exceeds that cost, will lead to an increase in corporate value.

It is also important for us to properly return the benefits of our business performance to our investors. We believe that improving EPS through reinvestment for future growth while at the same time providing high shareholder returns, based on a high ROE, will lead to maximizing our corporate value and an improvement in total shareholder return (TSR).

Please tell us about the key points of the new Mid- to Long-term Business Plan announced in April 2022.

The key points are annual average profit growth at the 8% level as well as high efficiency and high shareholder returns.

Achieving both high efficiency and high shareholder returns is fundamental for the Group, and we believe that we have gained a certain level of recognition from external stakeholders outside. At the same time, although our share price has improved somewhat from previous levels, it remains less than NAV per share and book value per share (as of the end of August 2022). As CFO, I have a strong awareness of the issues that need to be addressed for us to increase our corporate value. Over the past year I have also had many dialogues with investors, and what I felt keenly was the need for profit growth.

Investors may evaluate corporate value from a range of perspectives, but I think it is more appropriate to evaluate real estate developers, whose characteristics differ from those of REITs, based on the profits they generate through real estate development (largely equivalent to EPS) rather than a valuation of the assets they hold. Our thinking was

that if investors would consider the stock price from the viewpoint of PER, we would be able to achieve an increase in share price by realizing high profit growth.

Reflecting on our business performance, ROE was in the 9% range, exceeding the cost of shareholders' equity. In terms of profit growth, however, profit growth was around 5% over three years and under 4% over five years.

To overcome this low growth and achieve both high assets and capital efficiency and high shareholder returns, under the new Mid- to Long-term Business Plan ("the new plan"), we have set the target of annual average profit growth at the 8% level. We would therefore like investors to recognize us as a growth company and understand our new business model.

What kinds of strategies and initiatives are necessary to achieve profit growth at the 8% level?

We will achieve it through our unique business portfolio strategy, which is a value creation chain model.

Our businesses are composed of three key business types with differing risk and return characteristics: Property Sales, Leasing, and Service & Management. I would now like to explain our business portfolio strategy, which describes how these business types are related and what roles they are given.

Firstly, our core competencies, which are our starting point, are our real estate development capabilities based on achievements. By maximizing these development capabilities, we are building a chain-based model in which we expand the volume of our business in the property sales business and leasing business in Japan and overseas along with the increase of our business stock (number of properties under management and balance of assets under management, etc.), contributing significantly to the growth of the Service & Management Business. Continuing to reliably implement this business process is the basis of this strategy.

The next priority is improving the profit margin of our domestic business operations and expanding overseas business, which has high profits, in the property sales business. In the real estate development business, where a long period of time is required from fund investment to recover profitability that does not decrease the ROA of the entire portfolio is required for each individual business, even in the growth investment expansion phase.

Therefore, in formulating the new plan, we have made changes in this area. We have shifted to a style of management combining two indicators. In addition to operating profit ratio, which has been the investment standard for many years, we adopted internal rate of return (IRR) as another target.

By accumulating improvements in the profitability of each business, we have created a structure that will enable us to achieve the ROA we are aiming for, while also expanding the funds, to increase investments that will lead to profit growth for the business portfolio as a whole.

In our overseas business, we set the required rate of return at a higher rate than for our domestic business. The

significance of this is two-fold: raising our premium, since the risk of overseas business operations is high, and actively seeking to secure excess revenue.

By driving the growth of overseas business which we can expect to be highly profitable and improving the profitability of the domestic property sales business, we aim to improve the ROA of the property sales business as a whole.

Finally, there is the coupled growth of the Leasing Business and the Service & Management Business. One thing that these two businesses have in common is that they enable us to acquire stable cash flows; however, the Leasing Business has the characteristic of pushing down ROA, while it is possible to increase earnings by expanding assets held, and the Service & Management Business has the characteristic that it is difficult to rapidly increase earnings, while it is a non-asset business with high ROA. The idea is to sum the profits and assets of these two businesses with their different characteristics, aim for a ROA of 5% or more in both businesses combined, and seek to strengthen our stable earnings base. If the Service & Management Business grows, the Leasing Business will also grow, and overall ROA will be maintained.

In other words, it is a two-pronged strategy. We create a solid earnings base through the Leasing and Service & Management businesses, which generate stable cash flow. Concurrently, we achieve high turnover and high profitability in the Property Sales Business by leveraging our strengths to take appropriate risks. With this strategy, we intend to achieve both profit growth and high efficiency at the same time.

Please tell us about the Company's investment and recovery plans.

To grow sustainably, we will increase new investments and investments for digital transformation

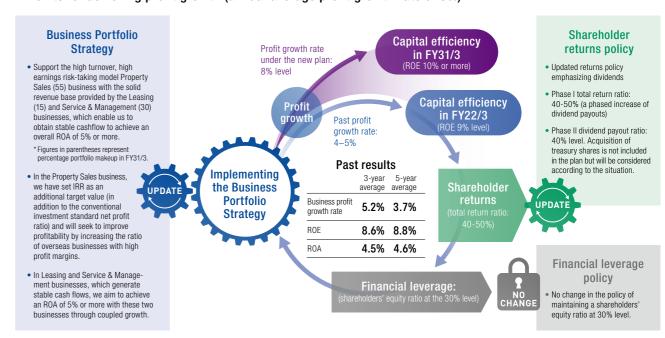
(DX) on net, while at the same time seeking to achieve both high ROA and high ROE.

Under the new plan, net investment is expected to reach ¥700.0 billion over a nine-year period. The framework of this plan is to achieve a high level of ROA and ROE while increasing new investment on net to enable continued growth even after the end of the plan. In domestic housing sales, we will secure our position as a market leader by investing and recovering at the same level, as well as accelerating investment in the property sales business in the Commercial Real Estate Business Unit and in overseas businesses, both of which are expected to display further growth in the future.

We will also continue to implement "the Leasing asset portfolio strategy" that we have been implementing since the previous plan. This is our solution to unrealized gains, about which investors have expressed concerns about the real estate developer industry, and shows clearly that we will convert unrealized gains on leasing assets we hold into realized gains. In fact, during the three years of Phase I of the previous plan, we materialized unrealized gains of over ¥36.0 billion. Going forward, we will continue to build a highly competitive and higher-quality leasing asset portfolio while realizing unrealized gains through appropriate interchange of leasing assets during the period of the new plan.

We will also be accelerating DX investments. Over the nine-year period of the new plan, we plan to invest ¥130.0 billion, including investments in the fields of DX and ICT. The purpose of these investments is to improve productivity and build new digital businesses, which we believe will contribute greatly to the Company's future profit growth.

▶ Points for achieving profit growth (annual average profit growth rate of 8%)



Please tell us the background to setting the appropriate level for shareholders' equity ratio at 30%.

The purpose is to satisfy both preparedness for market fluctuations and investment capacity at the time of investment opportunities.

The real estate industry is a business that requires large amounts of investment per project and a lot of funds. Given the fact that the amount of borrowings will increase to a certain degree with the Company's profit growth, it is extremely important for us to maintain financial soundness.

We believe that the discipline of setting shareholders' equity ratio at a level of 30% will enable us to withstand cyclical market fluctuations, which are a particular feature of the real estate industry, from the viewpoint of financial soundness and enable bold decision making when a large investment opportunity presents itself.

Although we may potentially see a decline in the shareholders' equity ratio when upfront investment increases, we will continue to operate with a financial discipline in mind and steadily accumulate equity capital through profit growth.

What is your financing policy, amid the possibility for interest rates to increase going forward?

The three key points are dispersion of debt repayment (redemption) ladders, diversification of financing methods, and sustainable financing initiatives.



The first point is risk management through proper dispersion of debt repayment (redemption) ladders. The Company sets the ratio of long-term and fixed-rate debts at 90% or higher, and distribute annual repayment (redemption) amounts and deadlines. Through that, the Company manages the cost impact of rising interest rate.

The second is the diversification of financing methods. We appropriately manage risks and costs by issuing corporate bonds and increasing the number of funding sources. In the medium to long term, we hope to improve our credit rating and further enhance the stability of our financing by increasing our financial soundness.

In addition to these points, we will also focus on procuring funds through sustainable finance. In the last integrated report, we mentioned that we will raise approximately ¥200.0 billion through sustainable financing over the next five years. As of the end of June 2022, we have already succeeded in raising ¥71.0 billion. We believe that this kind of financing is significant both in terms of responding to the strong needs of lenders and investors and contributing to society by conducting our own sustainable business operations through financing.

The Company's shareholder returns policy has been updated. Can you explain the way of thinking behind this?

We consider it to be an optimal returns policy to contribute to the improvement of corporate value and TSR in the medium to long term.

Our basic policy is to properly return the fruits of our business activities to our shareholders. To do so, it is important to appropriately allocate profits generated by high ROE.

If, hypothetically, we can achieve an ROE that exceeds the expectations of our investors, reinvesting the full amount of profit would lead to the fastest growth of EPS, and theoretically this would be the correct way to increase corporate value. But there is also the practical point of whether such investment opportunities exist to such an extent in the actual real estate market. The profit growth and returns policy presented by the Company this time represents our pursuit of an optimal balance between business investment opportunities leading to further growth and returns to shareholders. If we are less able to secure business opportunities than anticipated and therefore cannot expect to see profit growth, we may have the option of increasing returns.

This idea is shown here in the figure. To continue improving our TSR, which must be valued by investors, in the long term, we must be aware of both increases in EPS, which contributes to stock price performance, and increases in cash dividends, which contribute to dividend yield. We believe that emphasizing the balance between investments (i.e., profit growth) and shareholder returns, while at the same time assessing the business environment, will lead to an improvement in both corporate value and TSR.

The new plan also sets forth policies placing more emphasis on shareholder returns in the form of cash dividends. In terms of specific guidelines, the total return ratio for Phase I (including the acquisition of treasury shares) is set at 40-50%, and the dividend payout ratio for

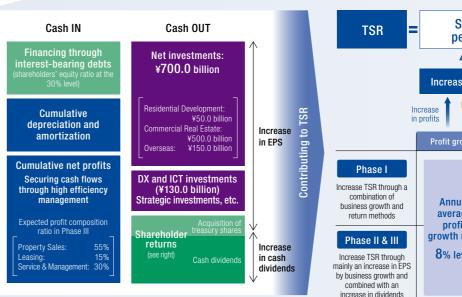
Phases II and III is set at the 40% level.

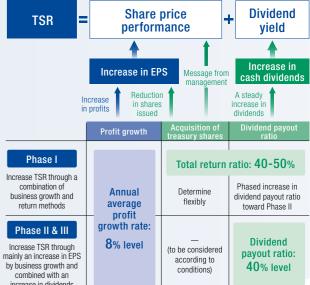
We consider Phase I to be the phase in which we will steadily achieve our target of business profit of ¥115.0 billion and ensure 8% profit growth. Since the current share price level is still not satisfactory, we have set the total return ratio for Phase I at 40-50% and will convey a strong message from management to the market through cash dividends and flexible acquisition of treasury shares. Toward Phase II, we will also gradually increase our dividend payout ratio from 31.7% (actual rate for the fiscal year ended March 2022) to 40%.

Regarding the improvement of TSR in Phases II and III and beyond, we aim to drive the improvement of EPS accompanying profit growth while supporting it with cash

dividends at a payout ratio of 40% level. To avoid any misunderstanding, I should say that we are not in any way denying the acquisition of treasury shares. The acquisition of treasury shares should be determined flexibly based on factors such as the company's share price at that time, investment opportunities, ROE, and financial position at the time. For example, if ROE is low, there are no investment opportunities and the share price is also low, then it is more rational to acquire treasury shares than reinvestment, and we will take a bold approach to do so. However, we have not factored in such assumptions at this point. When we enter Phase II, we will consider optimal capital allocation according to the share price level and business conditions at that time.

- ► Capital allocation (for the nine-year period of the Mid- to Long-term Business Plan)
- . Achieve both growth investment and returns while enhancing our ability to generate cash flows, mainly through development profits.
- · Aim to improve TSR by increasing EPS and cash dividends.





■ Cash flows from operating activities ■ Cash flows from investment activities ■ Cash flows from financing activities

Lastly, please tell us about your role and resolve as CFO.

By establishing the Vision of "Be a 'Life & Time Developer,' as never seen before," we have made it clear what the Group should aim for as it heads toward 2030. We will transform in various fields, such as digitalization, sustainability, and overseas markets, which are not restricted by the conventional framework of the real estate industry. I, personally, am looking forward to the changes to gain the recognition of our stakeholders as a growth industry.

Under our system of management based on high efficiency and high shareholder returns, my role is to support the Group's sustainable, high-level growth from a financial standpoint. In addition to enhancing the quality and quantity of our earnings in each Business Unit, we will aim to create new value through organic connections between each business in our business portfolio strategy.

In preparation for the formulation of our returns policy

emphasizing dividends, as outlined in the new plan, at the time of the announcement of financial results for the third quarter of the fiscal year ended March 2022 (prior to the announcement of the plan), the Company decided to revise its earnings forecast upward. Moreover, the Company announced forecast of dividend increase at an unusual timing for our company and tried to see the reaction of the market. As a result, we received many positive opinions from the stock market and investors regarding our stance of emphasizing dividends, and it was at this time that I became confident that our capital policy is oriented in the same direction as the market. I believe that maintaining a constant dialogue with the market in this way is essential for increasing corporate value.

Going forward we will continue to communicate with our stakeholders, including shareholders and investors, more than ever, to further enhance our corporate value.

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Phase II

140.0

FY28/3

(Phase II)

180.0

FY31/3

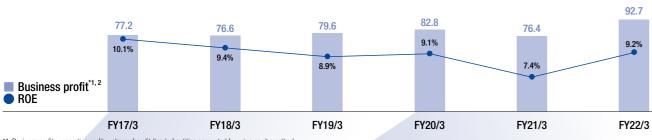
(Phase III)

Phase III

(Billions of yen)

Overview of the Mid- to Long-term Business **Plan** (FY2023/3 – FY2031/3)

The Group formulates and executes long-term business plans by taking into account the characteristics of its real estate business, which has a long business period. At the same time, the Group flexibly reviews the plans in principle every three years to ensure highly effective management plans that reflect changes in the external environment.



- *1. Business profit = operating profit + share of profit (loss) of entities accounted for using equity method +
- amortization of intangible assets associated with corporate acquisitions *2. Figures before FY2018/3 are operating profit.

targets

Overview of the plan/Financial

Review/Achievements

Mid- to Long-term Business Plan (FY2017/3 - FY2025/3)

"Creating Value through Change"

- Steadily expand earnings in existing businesses Achieve sustainable earnings growth with high asset efficiency founded on a stable financial base
- Make active efforts to realize long-term growth

Phase I: FY17/3 - FY19/3

• Operating profit: ¥85.0 billion

Mid-term policies

- ROA 5% or more
- ROE 10% level
- Shareholders' equity ratio 30% level
- Dividend payout ratio (DPR): Around 30%

• Build an optimal business portfolio that combines businesses that have different risk/return characteristics

Mid- to Long-term Business Plan (FY2020/3-FY2028/3)

- Increase both investment and recovery and return to shareholders through highly efficient management that exceeds cost of equity
- Based on awareness of the external environment, four value creation initiatives clarify the value creation that the Group aims for

Four value creation initiatives



building concerning the future of the

global environment and local communities

"New Value, Real Value"



Multifunctional urban developm ward exceptional convenience.



Global expansion of high-quality products and services

Phase I: FY20/3 - FY22/3

- Business profit: ¥85.0 billion
 Total return ratio: Around 40-50%
- ROA: Around 4-5%
- ROE: Around 8-9%

- Enhanced shareholder returns through dialogue with capital markets (acquired treasury shares for the first time and continued dividend increase)
- Steadily paved the way for future growth by promoting mixed-use development and expanding participation in overseas projects

 Due to the market fluctuations that exceeded the assumptions, of the residential development business, failed to achieve profit plans and ROE and ROA targets

Achievement sta	tus o	f fina	ıncial t	argets	
	_				Mir

Results for FY19/3	Mid- to Long-term Business Plan (Phase I)	Achievement status
¥79.1 billion	¥85.0 billion	
4.6%	5% or more	
8.9%	10% level	
29.9%	30% level	Ø
	¥79.1 billion 4.6% 8.9%	Y79.1 billion Y85.0 billion 4.6% 5% or more 8.9% 10% level

- Financial targets, such as business profit, ROA, ROE and total return ratio were all achieved.
- Implementing initiatives to realize four priority themes.

Main initiatives

Achieving original product condominium version of the system "Yukai-full." etc.



KAIZFN Project (improvement project) to accelerate high-quality manufacturing in overseas



Average business profit growth rate for Phase I was low at 5.2%

Achievement status of financial KPIs

	Results for FY22/3	Mid- to Long-term Business Plan (Phase I)	Achievement status
Business profit	¥92.7 billion	¥85.0 billion	Ø
Total return ratio	44.3%	around 40-50%	Ø
ROA	4.7%	around 4-5%	Ø
ROE	9.2%	around 8-9%	Ø

Mid- to Long-term Business Plan (FY2023/3-FY2031/3)

- Evolve and transform approaches and methods of value creation to realize the Nomura Real Estate Group 2030 Vision.
- Realize high profit growth, and high asset and capital efficiency. Achieve both high shareholder returns and
- Promote sustainability by viewing the Group's sustainable growth and contribution to a sustainable society as an integral part.

Nomura Real Estate Group 2030 Vision

Be a "Life & Time Developer," as never seen before

Priority theme | Realize high profit growth and high asset and capital efficiency

Phase I: FY23/3 - FY25/3

- Business profit: ¥115.0 billion
- Total return ratio: 40-50%
- ROA: 4.5% level

The Vision of

97.0 3

FY23/3

Phase I

115.0

FY25/3

(Phase I)

• ROE: 9% level

Phase II: FY26/3 - FY28/3

- Business profit: ¥140.0 billion or more (FY28/3)
- Dividend payout ratio: 40% level
- ROA: 5% level
- ROE: 10% level

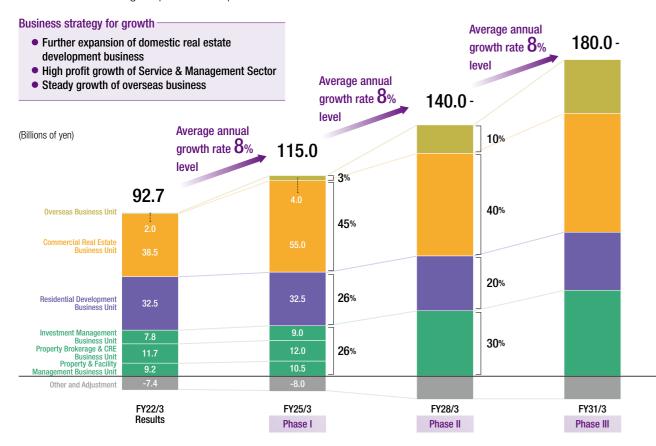
Phase III: FY29/3 - FY31/3

- Business profit: ¥180.0 billion or more (FY31/3)
- Dividend payout ratio: 40% level
- ROA: 5% or more
- ROE: 10% or more

Evolution and transformation of value creation approaches and methods



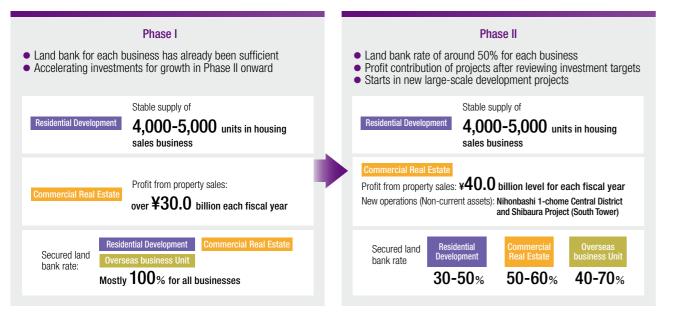
Realize an average annual business profit growth rate of 8% level. Business profit is expected to grow approximately double the current level during the period of the plan.



- *1. Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions *2. Calculate the profit ratio of each division after excluding other and adjustment amounts from the business profit forecast.

Profit Growth Roadmap (Development Sector)

The land bank rate for Phase I is generally at mostly 100% (as of the end of FY22/3). We aim to generate profits from Phase Il onward.

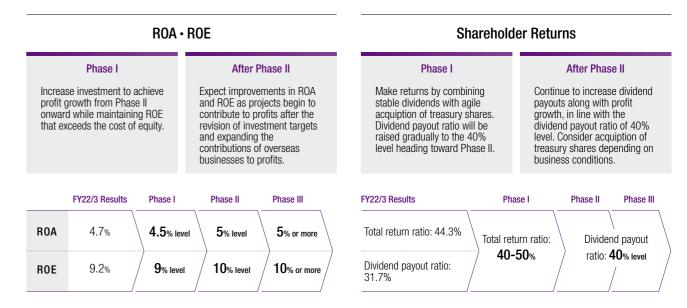


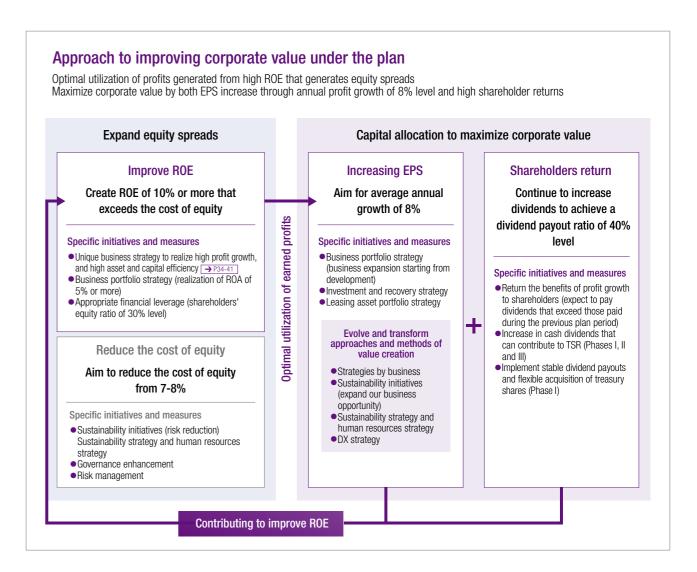
The Vision of Nomura Real Estate Group Sources of

Growth Strategy (Business, Sustainability, and DX)

Financial Targets

Achieve high asset and capital efficiency with high shareholder returns.





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Overview of the Mid- to Long-term Business Plan (FY2023/3 - FY2031/3)

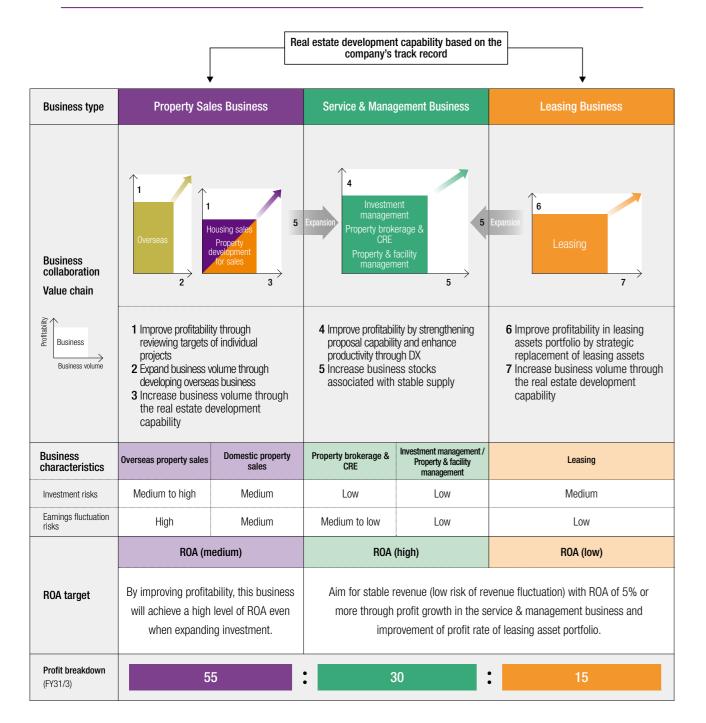
Financial Strategy

Business portfolio strategy

Leverage the characteristics of each business to achieve a business portfolio that combines profit growth as well as high asset and capital efficiency.

Key points of Business portfolio strategy

- Business expansion through collaboration and value chain-type businesses stemming from real estate development capability based on the company's track record —a core component of value creation
- Expansion of the Property Sales and Leasing businesses contributing to the growth of the Service & Management business
- Achieve ROA of 5% or more through the combination of Leasing business (low ROA) and Service & Management business (high ROA) which both generate stable cash flows
- Accélerate profit growth by reviewing earnings targets for individual projects, improving productivity through DX and strategic replacement of property assets



Investment and Recovery Strategy (Residential Development/Commercial Real Estate/Overseas)

Aim for high and sustainable profit growth, expand net investment while maintaining and improving ROA and ROE.

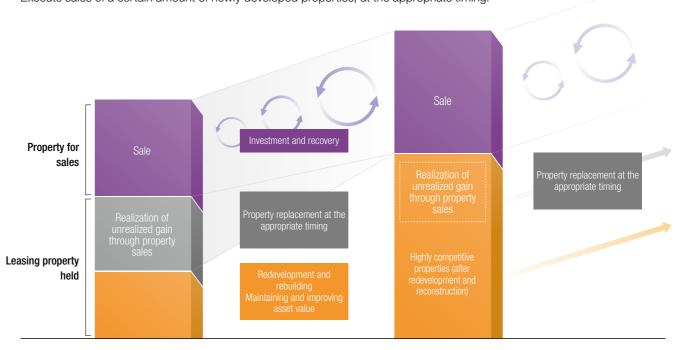
(Billions of yen)

	Phase I (FY23/3 – FY25/3)	Phase II (FY26/3 – FY28/3)	Phase III (FY29/3 – FY31/3)	Total
Residential Development				
Investment	850.0	850.0	900.0	2,600.0
Recovery	800.0	850.0	900.0	2,550.0
Commercial Real Estate				
Investment	700.0	800.0	1,000.0	2,500.0
Recovery	450.0	700.0	850.0	2,000.0
Overseas				
Investment	150.0	200.0	200.0	550.0
Recovery	50.0	150.0	200.0	400.0
Total				
Investment	1,700.0	1,850.0	2,100.0	5,650.0
Recovery	1,300.0	1,700.0	1,950.0	4,950.0
Net investment	400.0	150.0	150.0	700.0

^{*} Figures in the table are rounded to the nearest of ± 50.0 billion

Leasing asset portfolio strategy (Commercial Real Estate Business Unit)

Realize unrealized gains, improve leasing asset portfolio by increasing the number of new development projects. Execute sales of a certain amount of newly developed properties, at the appropriate timing.



Sustainability Strategy (Climate Change and Natural Environment)

The Group recognizes climate change, natural resource depletion, and ecosystem destruction as important social issues. We are therefore contributing to realize a sustainable society through environmentally friendly buildings and urban development, including initiatives for an energy-efficient and low-carbon society. We also comply with environmental laws and regulations and promote appropriate environmental management, while stepping up our initiatives in collaboration with our stakeholders, including tenant companies and suppliers.

Contribution to the urgent global issue of reducing CO₂ emissions,

Initiatives in "energy saving," "low-carbon business," and "shift to renewable energy"

Decarbonization CO2 reduction CO2 fixation

SBT: 35% reduction in Scope 1, 2, and 3 by FY31/3 compared to FY20/3

Develop timber-based buildings

Initiatives to promote building longevity

Biodiversity CO2 fixation CO2 absorp

By restoring the forest cycle in Japan, contribute to CO₂ absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity



biodiversity preservation and realization of a circular society that contributes to CO2 reduction

Promote waste reduction and increase recycling rate

Obtain biodiversity certification

Circular design CO2 reduction

Contribute to a decarbonized society and a circular economy through urban development and service provision that incorporate longer lives of properties, recycling, and sharing

Measurement indicators (KPI)

Initiatives of

the Group

Climate change and natural environment

Priority issues

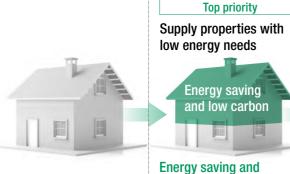
(materiality)/ targets

CO₂ emissions reduce by 35% (Compared to FY20/3)

Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards

The Group embraces the following three approaches to decarbonization: "energy saving," "low-carbon business," and "utilization of renewable energy." In particular, to fulfill its responsibilities as a real estate developer, its first and foremost priority is to supply properties that consume as little energy as possible ("energy saving" and "low carbon"). The use of renewable energy and other initiatives are additionally implemented as part of the Group's decarbonization efforts.

Allocation of decarbonization initiatives



Remaining energy is to be as renewable energy

low-carbon business

- Improve energy efficiency
- Switch to timber-based properties, etc.

Renewable energy Utilization of renewable

energy and other initiatives

Initiatives for acquiring green building certification

The Group aims to acquire green building environmental certification (e.g., DBJ Green Building, 11 LEED, ⁷² CASBEE, ⁷³ BELS⁷⁴) for all non-current assets and properties for sale (excluding rental housing) that it newly develops in Japan.

- *1 DBJ Green Building: A certification system run by the Development Bank of Japan. It is aimed at promoting real estate that contributes to the environment and society.
- *2 LEED: A certification system developed and run by the U.S. Green Building Council (USGBC). Certification is granted to environ
- *3 CASBEE: A comprehensive assessment system for built environment efficiency. It includes a certification system run by the Institute for Built Environment and Carbon Neutral for SDGs (IBEC) and others, and assessment systems by local governments.
- *4 BELS: A building-housing energy efficiency labeling system established by the Ministry of Land, Infrastructure, Transport and Tourism The energy efficiency of properties and housing is evaluated and certified by a third-party assessment organization

We believe biodiversity can contribute not only to the natural environment but also to the realization of a decarbonized society. In particular, on the theme of forests, we believe our contribution to the restoration of the forest cycle through the use of domestic timber in new buildings will contribute to carbon fixation and an increase in CO2 absorption, with the recovery of forest functions thus leading to the realization of a decarbonized society.

Comprehensive partnership agreement with **OKUTAMA TOWN, Tokyo**

In August 2021, we entered into a comprehensive partnership agreement with OKUTAMA TOWN in Tokyo, where we operate, to help solve the town's challenges as well as address forest-related issues and preserve the biodiversity and rich natural environment of Tokyo's forests.

First private company to sign an "Agreement on the **Promotion of Timber Use in Buildings" with the Ministry of Agriculture, Forestry and Fisheries**

Japan's self-sufficiency rate for timber is low. Despite the rich domestic resources that are available, there are cases where timber that has reached its usable age is not being felled due to a failure to secure a buyer.

In response to this issue, in 2022 the Company entered into an "Agreement on the Promotion of Timber Use in Buildings" with both the Ministry of Agriculture, Forestry and Fisheries and manufacturers of housing construction materials to develop a stable supply chain for domestic timber. Specifically, the Group will strive to use a total of 10,000 m³ of domestic timber over the next five years,

thereby contributing to maintaining the forest cycle, which serves multifaceted functions such as revitalizing mountain villages, promoting the absorption and fixation of CO2, and preserving biodiversity.



Upstream (forestry operators) Midstream (manufacture of housing constructio materials and trading company) Downstream

Fell & supply timber that has reached usable age

Develop stable supply system for domestic timber

Use 10,000 m3 of domestic timber over the next five years in detached housing, etc. built by the Group

Circular design means to pre-install a mechanism for recycling resources in products and services and/or to extend the life of the products themselves. It is aimed at reducing waste and also contributes to the realization of a decarbonized society. We will make efforts in other ways toward reducing waste and recycling in our different business areas, with a view to collaborating with outside companies.

Promote building longevity

The Company is also working on reducing both life cycle costs and CO₂ emissions by promoting building longevity. Specifically, our re:Premium and re:Premium Duo services significantly extend the cycle of large-scale repair work performed on our condominiums while our Attractive 30 service adopts highly durable materials and construction methods for new construction. These initiatives have enabled the cycle of large-scale repair work to be extended from the typical 12 years to 16 to 18 years.

日本のマンションの未来を変えていく。 アトラクティブ30 re:Premium

Sharing

Under the H1T brand, the Company operates satellite-type shared offices that provide a comfortable space for workers to use as needed. By reducing travel times and improving productivity, the offices contribute to the reduction of CO2 emissions and the realization of a circular society.



Waste reduction

We are working on reducing and recycling waste at the Group's NOHGA HOTEL through efforts such as cutting down on plastic by scrapping individually packaged bath amenities and using biodegradable bamboo straws as well as using name plates and neckerchiefs made from recycled scrap leather and discarded kimonos.



shredded and recycled leather/ kimono fabric

Roadmap to decarbonization

Initiatives for decarbonization are a major pillar of the Group's environmental sustainability strategy. While adhering to the principles of the TCFD, SBT, and RE100, we collaborate with outside companies and focus on unique initiatives as a real estate developer.

Response to the TCFD

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



1 Governance

The Group is taking Groupwide measures to address climate change, overseen by the Group CEO. In addition, the Sustainability Committee, which comprises directors of Nomura Real Estate Holdings and Group companies and

others, deliberates on and decides related policies and action plans. The Sustainability Committee sets targets for responses to climate change and monitors progress on them.



Incorporation of non-financial indicators in performance evaluation

To respond to climate change while also raising awareness among directors and other management team members of Group companies, the Group has incorporated BEI (building energy efficiency index) figures as a non-financial performance indicator into the performance indicators used to calculate bonuses, starting from the fiscal year ending March

2 Strategy

Upon considering climate change strategies, the Group conducted a qualitative scenario analysis based on the IPCC Fifth Assessment Report and the details of the Paris Agreement.

Scope of the analysis

The analysis covers all businesses of the Group, including the Residential Development Business Unit (development and sale of condominiums and detached housing), the Commercial Real Estate Business Unit (development, leasing, and sale of office buildings, retail facilities, logistics facilities, and hotels), the Overseas Business Unit, the Investment Management Business Unit (management of REITs and private funds), the Property Brokerage & CRE Business Unit (real estate brokerage), and the Property & Facility Management Business Unit (real estate management).

The scope of calculation of GHG emissions includes all of Scope 1, 2, and 3 emissions generated by the Group.

In the analysis, we examine the risks and opportunities that may be presented to the Group as a result of climate change and consider and implement strategies and policies that capture such risks and opportunities.

Setting out scenarios

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

- United Nations IPCC Fifth Assessment Report (2014), "Representative Concentration
- Pathways (RCP) 2.6" and "Representative Concentration Pathways (RCP) 8.5"
- IEA World Energy Outlook 2020, "Sustainable Development Scenarios (SDS)" and "Stated Policies Scenario (STEPS)"

Possible changes to the global environment under each scenario (mainly in Japan)

Some of the possible changes that are expected to have a significant impact on the Group are listed as follows.

Possible changes	the 2°C scenario	the 4°C scenario
Increase in typhoons and floods	Increase (about two times in Japan)	Increase significantly (about four times in Japan)
Increase in the number of extremely hot days, on which the temperature rises above 35°C	Increase (by about 10 days in Japan)	Increase significantly (by about 50 days in Japan)
Tightening of laws and regulations	Dramatic tightening of regulations	Regulations will be limited
Customer behavior	Proliferation of ZEHs, ZEBs, renewable energy Approximately 50% reduction in office energy consumption	Proliferation of ZEHs, ZEBs, renewable energy Approximately 20% reduction in energy consumption at work

Results of scenario analysis (risks and opportunities) and initiatives based on the analysis

Sources of

Nomura Real Estate Group

Growth Strategy

(Business, Sustainability, and DX)

Recognizing that these changes will bring significant financial risks and opportunities to the Group, we are stepping up initiatives to address climate-related issues.

Category Large Small		Impact on the Group	Our recognition
	Policy and regulatory risk	Implementation and/or strengthening of GHG emissions reduction regulations in business and property units (Scope 1, 2) Expected cases • Strengthening of regulations in Japan and abroad (Energy Saving Act, Tokyo Metropolitan Environmental Security Ordinance, emissions trading scheme, carbon tax, etc.) • Enhancement of subsidy systems (for energy-saving technologies and ZEHs and ZEBs, etc.)	Risk Opportunity
Transition risks	Market risk	Delay in energy efficiency improvements for properties (buildings, housing, etc.) and in development or introduction of decarbonization technologies Expected cases Rise in real estate development costs Investments in decarbonization technologies and energy-efficient equipment Introduction of renewable energy	Risk Opportunity
Trans	Reputational risk	Rise in customer demand for functions related to the environment, energy saving, and disaster prevention Expected cases Changes in the needs of customers (tenants of buildings, buyers of housing, REITs, etc.) Rise in customer rating of ZEHs and ZEBs Impact on appraisals of properties owned by the Company	Risk Opportunity
	Technical risk	Risk of the Group's initiatives and businesses not being appreciated by investors and consumers Expected cases • A shift in trust and brand value of the Company's businesses and products • Impact on financing due to evaluations by shareholders, investors, and financial institutions	Risk Opportunity
Physical risks	Acute physical risk	Damages due to natural disasters such as typhoons, floods, and torrential rain Expected cases Damage to or failure of properties owned by the Company due to a natural disaster Suspension or delay in construction work for a real estate being developed by the Company due to a natural disaster	Risk
Physic	Chronic physical risk	Impact of a rise in average temperature on business Impact on real estate appraisal due to the manifestation of a rise in sea levels Expected cases • Health impact on customers, employees, and suppliers due to an increase in number of very hot summer days • Damage to real estate values in coastal areas, etc.	Risk

Quantitative impact up to 2030 based on the results of the scenario analysis (risk or opportunity)

Based on the scenario analysis, we will consider further expanding the coverage of quantitative impacts in terms of both risk and opportunity going forward.

	Financial impact (cumulative) expected up to 2030	Quantitative impact (maximum figure)
X X	Rise in non-life insurance premiums due to increase in natural disasters	¥6.0 million
Risk	Introduction of carbon pricing and/or carbon tax	¥1.5 billion
tunity	Decrease in financing costs due to achievement of CO ₂ reduction targets	¥150 million
Opportunity	Decrease in energy costs due to greater environmental performance of buildings	¥0.9 billion

3 Risk management Processes for the identification, evaluation, and management of climate-related risks on an organizational basis

As for risks and opportunities associated with environmental and climate change, the Sustainability Committee, Environmental Subcommittee, and the Sustainability Management Department mainly consider countermeasures. Among the measures considered, those that are particularly important for the Group's management are reported to and approved by the Board of Directors and the Management Committee.

→ P114-115 Sustainability Governance

Risks associated with changes in the business environment due to climate change and risks associated with natural disasters are also identified as major risks, and the Risk Management Committee deliberates and discusses necessary measures. The contents of deliberations are reported to and supervised by the Board of Directors at least once every three months.

→ P116-120 Risk Management

Fact Data, etc.

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4 Indicators and targets

The Group acquired SBT certification in 2020 and also joined RE100 in January 2022. "Indicators and targets" have been set according to these certifications and the GHG protocol.



Indicator concerning total greenhouse gas (GHG) emissions		Scope 1, 2	Scope 3*
Medium- to long-term target	Total GHG (CO ₂) emissions by FY31/3 compared to FY20/3	Reduce by 35%	Reduce by 35%
Short-term target	Total GHG (CO ₂) emissions by FY26/3 compared to FY20/3	Reduce by 15%	Reduce by 15%

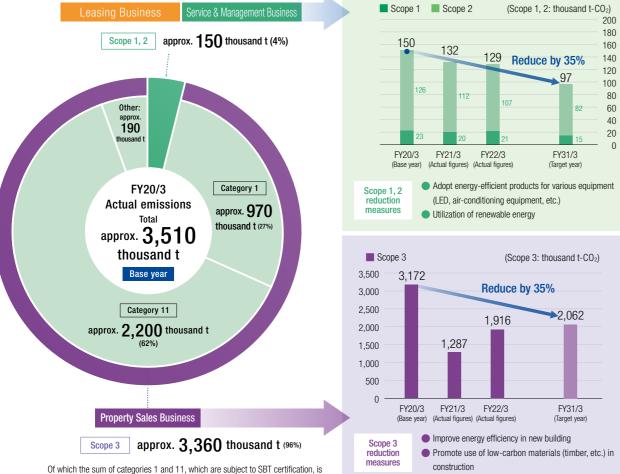
^{*} Applicable to categories 1 and 11

RE100



	Indicator concerning renewable energy		Scope 1, 2	Scope 3
	Medium- to long-term target	Electricity consumed by the entire Group by 2050	100% derived from renewable energy	-
•	Short-term target	Electricity consumed by all rental properties* Nomura Real Estate Development owns in Japan by FY24/3	100% derived from renewable energy	-

^{*} Excludes rental assets (including portions used by tenants) for which Nomura Real Estate Development has a direct electricity contract with a power company, assets sectionalized or shared between Nomura Real Estate Development and another party, assets subject to sale or demolition, and the



approx. 3,170 thousand t

[Reference] Main cause of change between FY20/3 and FY21/3 Scope 1, 2: Drop in electricity use due to tenants' voluntary restriction of activities amid the COVID-19

Scope 3: Decrease in condominium supply due to the pandemic, decrease in condominiums subject to

[Reference] Main cause of change between FY21/3 and FY22/3 Scope 1, 2: Switch to renewable energy menus for electricity, sale of non-current assets Scope 3: Increase in completions of new properties (condominiums, properties for sale)

Nomura Real Estate Group

The Vision of

Energy

carbon business

Switch to renewable energy

Sources of

Growth Strategy (Business, Sustainability, and DX)

Fact Data, etc.

6 Initiatives for achieving targets

Promote development of ZEH/ZEB-oriented standard buildings

The Group works on developing ZEHs (net zero energy houses) and ZEBs (net zero energy buildings) in new buildings. It has also identified decarbonization as one of its new priority issues (materiality) and prescribes "energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards" by 2030 as a measurement indicator (KPI).

The Residential Development Business Unit and Commercial Real Estate Business Unit have formulated long-term roadmaps for achieving the ZEH/ ZEB-oriented standards by 2030 for ZEHs and ZEBs, respectively. In achieving the roadmaps, the energy efficiency indicators sought to be benchmarked each year have been designated, and a scheme for linking the compensation of directors with the level of achievement of the indicators was launched in the fiscal year ending March 2023.

In the fiscal year ended March 2022, the PROUD Musashi-Shinjo Station Marks development was selected for the Ministry of the Environment's High-Rise ZEH-M Support Project.



PROUD Musashi-Shinjo Station Marks

Timber-based buildings

The Company is promoting the development of timber-based buildings, as CO₂ emissions in building construction can be reduced by switching from conventional steel-framed construction to one that incorporates timber, a low-carbon material. The Residential Development Business Unit has adopted a policy for the default use of domestic timber for the structures of standalone common areas as well as for the interiors of common areas such as lounges.

In the fiscal year ended March 2022, we entered into a basic agreement with a co-creation partner to promote R&D for timber construction materials. We will also deepen our collaboration with construction companies as we switch to materials with a low environmental load (low-carbon materials).



PROLID CITY Itami's common building



PROUD Kanda Surugadai's exterior and common area



(Tentative name) Tameike Project

Utilization of renewable energy

Having joined the RE100 initiative in January 2022, the Company aims to switch to 100% renewable energy for the Group's business activities by 2050. Ahead of this, renewable energy is planned to be introduced to all rental properties in Japan owned by Nomura Real Estate Development, the core company of the Group, by the fiscal year ending March 2024. This will include the energy used by building tenants. Going forward, we will sequentially switch to internal power generation, additional generated energy,* or renewable energy.





Landport Kashiwa Shonan

* To contribute to the further proliferation of renewable energy by establishing new renewable

Nomura Real Estate Development and TEPCO Energy Partner are working to achieve carbon neutrality by 2050. As part of that effort, they have launched the Virtual Mega Solar initiative for PROUD SEASON, detached housings



that Nomura Real Estate Development operates mainly in the Tokyo metropolitan area. The Virtual Mega Solar initiative provides solar power on the same scale as is generated by a mega solar power plant.

(→See P114 for details)

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Sustainability Strategy (Society and Employees)

As a corporate organization that links people and communities to the future, the Group aims to realize lifestyles suited to people with diverse backgrounds and values. In all of its business activities, the Group respects the dignity and basic human rights of all people and promotes sustainability for co-creation that transcends organizations and business categories by setting diversity & inclusion and human rights as priority issues.

Priority issues	riority issues					
(materiality)/ targets	Create an organization that enables divers various backgrounds and values to make	se workers, including women and	d foreign nationals, with			
Measurement indicators (KPI)		Childcare leave utilization rate by men and women: 100%	Procurement guideline surve implementation rate: 80%			
	Nomura Real Estate Group Dive	ersity & Inclusion Policy	and promotion system			
	Diversity & Inclusion Policy	Promotion sys Management (tem (Wellness and D&I Committee)			
	To realize a "society where people suppor connect with one another and where no o be left behind" and an "innovative society people with various backgrounds and valubuild on their strengths," which we uphold Sustainability Policy, we released the Nom Estate Group Diversity & Inclusion Policy, outlines our principles in promoting diversinclusion, in September 2022.	ment Committee in The Committee del plans and targets, i in our improvement meas targets, reflecting th which and business activi ity & President and I	Representative Director and Group al Estate Holdings is overseeing			
	The full text is available here: https://www.nomura-re-hd.co.jj	p/english/sustainability/pdf/dip.pdf				
	Roadmap for promoting diversity with an awareness that all of us are diversity in certain characteristics at the sa Group shall solve the issues that arise from that focus on the individual differences of design in which people with various characteristics development processes and contracted through its business activities.	e in various characteristics, and ame time as belonging to the ma n these characteristics and crea each employee. The Group shal cteristics inside and outside the	jority in other characteristics. The te substantially equal opportunities work on the promotion of inclusive Group participate in product/			
Initiatives of	Roadmap for achieving the Nom	ura Real Estate Group 2	030 Vision			
the Group	We are seeking to swiftly foster a diversity and inclusion awareness, routinely incorpoing a culture of innovation—as important the different steps, and set key goals for each leave acquisition targets set forth by Group women at a rate of 100%. We aim to link the environment and a change in awareness a	orating diversity and inclusion inthemes for achieving our vision. Notep. The key goals for Step I are companies and the utilization of the achievement of these goals to the managerial level.	o business activities, and develop- We then classified them into three the achievement of annual paid of childcare leave by both men and			
	Step I (2 years of FY23/3 and FY24/3)	Step II (2 years of FY25/3 and FY26/3)	Step III (5 years of FY27/3 to FY31/3)			
	respect one another's differences and feel	[Routinely incorporate diversity and inclusion into business activities] Diverse organizations and people work togetheand continue challenges themselves	[Develop a culture of innovation] Create new value			
	Foundation: Flexible ways of working	ng, wellness of mind and body, p	sychological sense of safety			
	Specific measures (excerpt) Diversity and inclusion training for all Group employees Measures to encourage men to take childcare leave Awareness survey targeting Group employees	Key goals for Step I (1) Achieve annual paid leave acqui	sition targets tilization rate by men and women			

tion of people who have various lifestyles and are at various stages of their life, such as having and raising children,

(Rate among men: 15.8%)

Childcare leave utilization rate: 96.2% → P134-135

providing elderly care, and coping with injuries/illnesses

Female manager and junior manager ratio 11.6%

indicators (KPI)

(FY22/3)

"co-creation" that transcends organizations and business categories



Human rights

Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner

Creation of human rights due diligence system

Percentage of participation in human rights training: 100%

Providing products and services with inclusive design*

 Percentage of implementation of one-on-one meetings: 100%

* A design process that involves people with diverse backgrounds, values, and challenges

• The ILO Declaration on Fundamental Principles and Rights at Work

> FY2023/3

Procurement

engagement

companies

Guidelines

Review of the Group's

Expand the targets of

Increase awareness of

the guidelines, mainly

among new business

Developing a human rights due diligence system

The Group respects the dignity and basic human rights of all of its stakeholders and has demonstrated this by signing the UN Global Compact. To step up its human rights initiatives, the Group formulated its Human Rights Policy in the fiscal year ended March 2021 and, since the fiscal year ended March 2022, the Group has been developing a system to promote human rights due diligence on a full scale.

Nomura Real Estate Group Human Rights Policy

 Compliance with international Major international human rights standards that human rights standards the Group respects and supports Scope of application International Bill of Human Rights

 Respecting human rights in practice Identifying salient human rights issues

 Relationships with stakeholders →Describe initiatives by four categories: employees, suppliers and other business partners, customers, and local

 The ten principles of UN Global Compact Children's Rights and Business Principles • Guiding Principles on Business and Human Rights

Remedial measures

Momura Real Estate Group Human Rights Policy: https://www.nomura-re-hd.co.in/english/sustainability/odf/hro.pdf

Phase 1 Phase 2 Phase 3 Status as of October 2022 STEP 2 STEP 3 STEP 4 STEP 6 STEP 1 STEP 5 Clarifying human rights Identifying signifi-Formulation of the Establishment of a system to Implementation of human rights Establishment of a risks and issues in the cant human rights **Human Rights** implement human rights due due diligence and the PDCA cycle grievance mechanism value chain Policy issues diligence Human rights risks are identified on two axes, with "all concerned To identify particularly serious human rights risks, Following deliberation by the Sustainability The four priority issues and 16 to-do lists are being addressed (e.g., survey on form of Following an investigation involving related departments and an analysis of the current stakeholders" and "the risks are mapped on the two Committee, the Human employment of overseas non-Japanese axes of "severity of impact employees, fact-finding survey given to non-Japanese technical interns hired by Company's value chain. Rights Policy was approved and 16 to-do lists were created. (The and "probability of by the Board of Directors. priority issues being: (1) Wellness and human rights of employees; (2) Overseas Human rights in the supply chain: and (4)

Engagement with the Group's Procurement Guidelines

FY2019/3-

The Group formulated the Nomura Real Estate Group Procurement Guidelines in 2018 and has been making efforts to familiarize its business partners with them. Engagement activities were conducted with 10 business partners in the fiscal year ended March 2021 and with the roughly top 200 business partners in terms of transaction value in the fiscal year ended March 2022. The Group will continue to expand those meetings in the future and request them to comply with our guidelines.

Efforts to raise Engagement awareness of the activities with 10 Group's Procurement Guidelines

FY2021/3

Since the disclosure of the guidelines in 2018, the Group has conducted awareness-raising activities targeting around 4.600

FY2022/3 Expand the targets of engagement companies

The top 200 or so business partners were identified based on the value of transactions undertaken with the Group's major companies (¥237.0 billion in total) in the fiscal year ended March 2021.

→ A questionnaire survey on compliance with the 28 items of the Procurement Guidelines was then conducted targeting these

→ Responses were received from approx. 90 companies (accounting for approx. ¥90.0 billion in transaction value) = 37% questionnaire implementation rate (¥90.0 billion as a proportion of ¥237.0 billion) → Feedback materials were sent to all respondent companies Interviews with 10 further identified companies were conducted

Increase awareness of the guidelines, mainly among new business partners

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Human Resources Strategy

The Group promotes to provide Wellness Management so that all of its executives and employees can work energetically in good physical and mental health, which leads to sustainable corporate growth. It also seeks to realize employee happiness and become a company that can continue to take on challenges through the cycle of active participation of a diverse workforce and the securing of human resources in growth areas.

Realize employee happiness can continue to take on

and become a company that challenges

Success of diverse human resources

Realize wellness that each employee working with vigor

- Grow to a corporate group that contributes to growth and rewarding for
- Cultivate management personnel and leadership personnel that draw out diverse capabilities of each employee
- Introduce re-skilling, in which each employee voluntarily develops his or her own potential

Promote diversity and inclusion to enable a diverse workforce → P68

- Establish a working environment that maximizes the potential of diverse personnel with a variety of backgrounds and values such as women, seniors, LGBTQ, people with disabilities, and foreign nationals through the promotion of diversity management training
- Support the balance of work and childbirth, childcare, nursing care, injury and illness, and raising awareness aimed at shortening working hours

Human resources retention in growth areas

Retain and foster human resources in the Development Sector that is the starting point for growth

- Obtain personnel with a high level of expertise in multi-use, redevelopment and architecture by strengthening recruitment
- Distribute resources to growth areas through personnel exchanges within
- Cultivate global personnel
- Recruit and cultivate national staff in countries where the Group operates

Allocate personnel to focus areas of the Service & **Management Sector**

- Improve productivity through the acquisition and cultivation of DX personnel in the Group
 - → Allocate retained personnel to focus areas

<Focus areas>

Private funds business Middle business*

Investment management Property Brokerage & CRE Property & Facility Man Construction ordered business

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

Promotion of wellness

Wellness questionnaire at Group companies

Wellness questionnaire surveys are conducted targeting all Group employees to monitor the status of wellness promotion across the entire organization. Issues are identified based on presenteeism, absenteeism, the stress check, and lifestyle scores. The following two goals have been set in the fiscal year ending

Rate of improvement of presenteeism: 30%

Lifestyle improvement (priority on meals and exercise

Certification by survey of Group companies' health management through wellness-related measures

We promote measures tailored to each Group company, such as encouraging employees to take paid leave or setting periods of intensive wellness measures (implemented each December since 2018)

See here for details: https://www.nomura-re-hd.co.jp/sustainability/labor/healthandsafety.html

Promotion of one-on-one meetings across the entire Group

Deeming employees' psychological safety to be important in achieving employee growth and wellness, the Group introduced one-on-one meetings in

(Percentage of implementation of one-on-one meetings in FY22/3: 84%)

Work style reforms

Planned implementation of new working styles trial following relocation of the Group's head office

Through our head office relocation project, we aim to realize employee happiness and become a company that can continue to take on challenges. We will establish and deploy systems and operational rules in stages so as to realize flexible ways of working.

Monitoring improvement of the work environment

We will deliberate and determine the establishment of action plans, setting of targets, identification of issues, and formulation of improvement measures on working hours and annual paid leave rates at each Group company, and monitor the progress management of the plans and targets. The results will be reported to the Board of Directors and reflected in management plans and business activities

Workation trials

We carry out "Workation" trials aimed at returning profits to Group businesses and balancing long vacations with flexible ways of working.

Creation of the Workstyle Guidebook

In search of optimal ways of working for maximizing the performance of individuals and the organization alike, we have compiled information on the efficient division of physical and remote work and know-how on improving productivity to create the Workstyle Guidebook. Customizable by each company and



organization, the guidebook helps promote flexible working styles across the entire Group.

Development of a system to realize human resources strategies

Establishment of the Human Resources Strategy Committee

Nomura Real Estate Development has established the Human Resources Strategy Committee as a subordinate organization of the Management Committee to develop a system that promotes greater discussion on the allocation of human resources to growth areas.

Revision of the personnel system

In order to enable individuals and the organization to continue to take on challenges, Nomura Real Estate Development has introduced a multi-track personnel system where diverse workers can develop their respective strengths, achieve growth, and play active roles in the workplace. In addition, every organization will also introduce the Human Resources Development Meeting (scheduled for April 2023) for the purposes of understanding each employee on an individual level, providing growth opportunities for them, and expanding the area in which they can make contributions.

Hiring and development of global human resources and DX human resources

Global human resources

- Hiring of international students (foreign nationals) (cultivating global personnel)
- Participation in the Asia Business Leader Project (attending lectures at universities abroad, undertaking internships at foreign companies)
- Promotion of programs upon overseas assignment (taking language courses

DX human resources

- Active mid-career hiring of human resources with an extensive career history in the DX business
- Improvement of IT and digital literacy through external training
- Periodic implementation of group-wide, DX-related e-learning

Competence development

Group-wide, level-specific training

We provide a competence development program so that every employee of the Group can perform his or her tasks at a professional level with a high degree of

In addition to the competence development program of each Group company, we provide group-wide, level-specific training.

Level-specific joint training for Nomura Real Estate Group companies

Target level	Training description (excerpt)
General manager position or equivalent	Executive management program
Senior Manager position equivalent	Problem identification-based problem solving (practical level) Organizational management (practical level) Business formation and management strategy from a Group or management perspective
Senior Manager or equivalent	Problem identification-based problem solving (practical level) Organizational management (theory level) Unconscious bias training Group understanding training
3rd-year employee	Problem-solving dialogue Business idea work
2nd-year employee	Occurrence-based problem solving Task sharing work
1st-year employee	 Logical presentation, thinking, writing Business stance Team building, communication skills Group understanding training

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DX Strategy

DX initiatives are the key to the expansion and improvement of the ideas and methods of value creation and to the realization of "Being a 'Life & Time Developer,' as never seen before." In our DX strategy, we will link strategic investments and initiatives unique to the Nomura Real Estate Group with new value creation while focusing on business domains where we have a strength as well as on expressing our approach to connect closely with individuals.

Overview of our DX strategy

Value proposition targeted in our DX strategy

At the core of our DX strategy is human—people who live, work, and gather in our buildings. In other words, it is linked to our approach to connect closely with individuals, which places an emphasis on each individual person. This is the same approach as we take in our business. Through DX initiatives, we will expand on and/or reform our strengh,

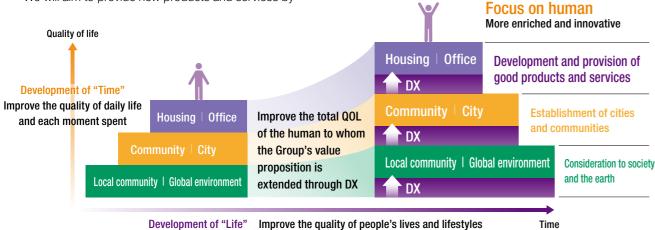
which includes a market oriented concept, business collaboration and value creation within the Group, commitment to quality, and open-minded approach to new ideas and businesses, and harness it to develop and provide products and services that contribute to the improvement of customers' quality of life (QOL).

stepping up our development efforts with a further focus on

Improvement of Quality of Life (QOL) -

To improve QOL, we place emphasis on the following two aspects: Life (human's respective lives) and Time (every moment of their time).

We will aim to provide new products and services by



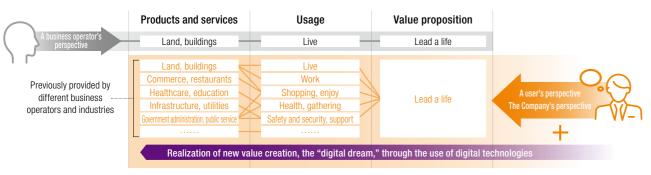
human through DX.

DX unique to the Nomura Real Estate Group (Realization of the digital dream)

The Company views DX as the transformation of businesses, business models, and created value using digital tools and environments in order to establish a digital business. It expresses the creation of new conveniences and value for human through the use of digital technologies as the "digital dream."

When making efforts for DX, we put the emphasis on human. As an expression of the Group, which drives our approach to connect closely with individuals, we have

developed and provided a wide variety of products and services based on the user's perspective. Through the utilization of digital technologies, we will accelerate product development with a focus on human who live, work, and gather in our buildings, and aim to cultivate new markets and thereby realize the "digital dream" by rethinking the products and services that have been provided by various business operators and industries.

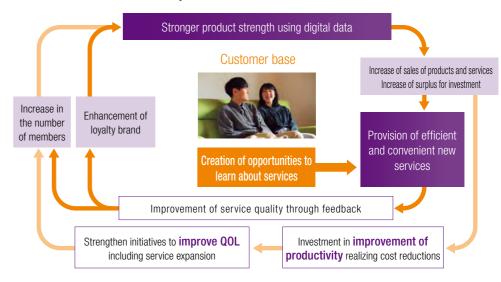


Establishment of a platform

Nomura Real Estate Group

We will aim to establish a platform that utilizes digital data by building on the Group's strength, which is its customer base. From a user's perspective, the platform will also contribute to the improvement of human's QOL, as various products and services will be available from one touch point.

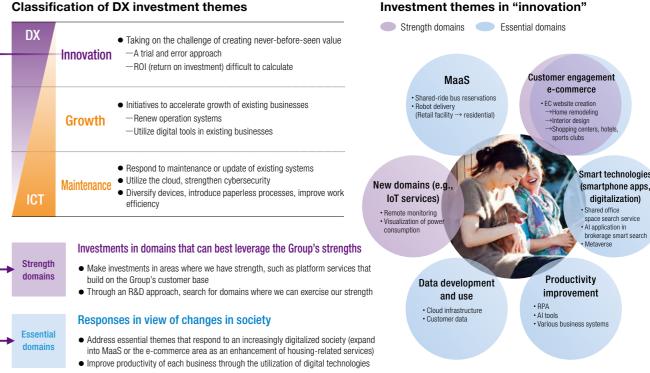
A platform service built on the Group's customer base



DX investment themes

Our policy is to concentrate investment capital and human capital in areas where we can best leverage the Group's advantages. We will make balanced DX investments from the perspective of "innovation," "growth," and "maintenance" of our business and aim to evolve or transform into a corporate group that offers differentiated value. We will work on the "innovation" theme systematically and swiftly by dividing our business into strength domains and essential domains. To this end, we will prioritize the construction of a common cloud platform for the Group and the in-house development of prototype systems. In addition, in order to measure the progress of DX, we will confirm the progress of the actual amount of DX investment and the number of members through the DX Strategy Committee

Classification of DX investment themes



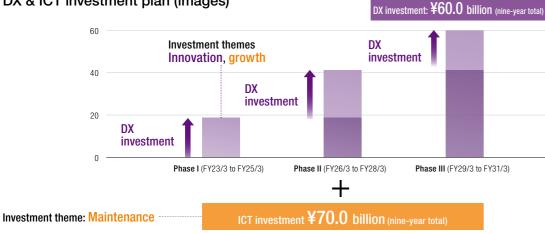
Investment plan

In addition to using DX to improve QOL, improving productivity by revising various work processes and introducing systems is also important. In promoting Internet or cloud services, the importance of security also increases. Under this recognition, the Group plans to invest a total of ¥130.0 billion in DX and ICT over the nine-vear period of the Mid- to Long-term Business Plan.

Regarding the hiring and development of DX human resources, we intend to formulate and strengthen plans separately from this investment plan.

→ P70-71 Human Resources Strategy

DX & ICT investment plan (images)



Promotion system

As a subordinate organization of the Management Committee, we have established a DX Strategy Committee, which discusses matters relating to investment plans, such as establishing policies and plans regarding the promotion of

DX, improving the ICT environment, and preparing the ICT base. In promoting our DX strategy, specific issues are addressed at the Group DX Council and Subcommittee and regular meetings of various working groups (WGs).

DX Strategy Committee

• A subordinate organization of the Management Committee that ascertains the situation regarding deliberations on systems investment and DX promotion, and shares information and knowledge in coordination with other conference bodies.

• With its establishment of adequate policies and plans, the Committee appropriately steers the DX projects being promoted at the front lines. **Progress** Direction of issues and responses **Progress Group DX Council** Group DX Subcommittee (irregular) Regular meetings of various WGs Information Promotes DX coordination within the Group coordination Considers measures for specific issues DX is accelerated by establishing WGs. coordination operated in coordination by Business Units Visualizes DX projects of each company related to the entire Group and division and Group companies under a shared DX Shares the Group's DX budget (also

Message from the Executive Officer in charge



shares the ICT budget)

Executive Officer in charge of Corporate Planning Dept., DX & Innovation Management Dept

Masato Yamauchi

We will aim to improve the QOL of the human who live, work, and gather in our properties by actively utilizing digital technologies

Through its business, the Group has always worked to improve human's QOL and support the lives of customers who live, work, and gather in its properties in order to continue to be chosen by them. Our principle of placing human and individuals at the center of our business also applies to the promotion

In making efforts for DX, it is necessary to wholly reconsider the value that is gained from living in a condominium or working in an office, which is what we have been offering, from the resident or user's perspective. Improving QOL through the provision of new products and services generated using digital technologies—this is the "digital dream" that we are trying to achieve.

A large amount of data is accumulated in the real estate business, which supports human's lives. We will aim to create new and unprecedented value through the establishment and promotion of a platform that uses digital technologies and is based on the strong foundation that real estate provides.

Gain new business opportunities through "real estate × DX"

The Group's office portfolio strategy proposes ways of using office space that combine various types of offices and is aimed at helping each person who uses those offices to improve their performance. The satellite-type H¹T shared offices play a part in this strategy. The H¹T offices, which propose a style of working that is not bound by place, have rapidly expanded to 216 offices, mainly in the Tokyo metropolitan area, and approximately 222,000 members over the three years or so since the 2019 launch.

We were successful in swiftly capturing the huge demand generated by the diversification of working styles resulting from company-driven reforms and the outbreak of the COVID-19 pandemic. One of the factors in this success was our use of DX. The establishment of a completely automated platform that does not require manual intervention due to the use of digital tools, such as smart keys, has led to greater customer convenience and enabled the fast and responsive implementation of site strategies.

Satellite-type shared office H1T





approx. 222,000 members No. of offices: 216

(including affiliated offices)

* As of end of March 2022

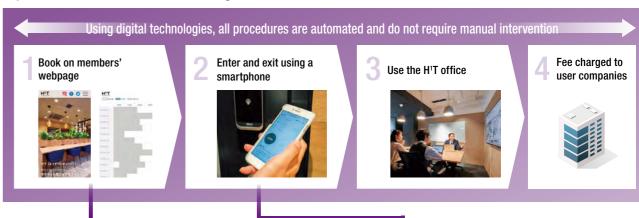


The combination of comfort and affordability has delivered high ratings

Rapidly adding locations from central Tokyo to the suburbs

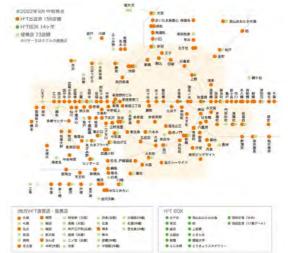
There has been a rise in the importance of a workplace where people can work comfortably and productively without needing to worry about their office location, infrastructure or environment. We are adding more H1T offices, including in retail facilities connected to railway stations, by making working people's time our top priority, with the aim of providing a convenient and comfortable workplace that will serve as their "second office."

A platform that automates booking and access has been established



Offices are mainly located at major railway stations in the center and suburbs of the Tokyo metropolitan area Enables users to work comfortably anywhere at any time

H¹T Location map in Japanese



TOPIC

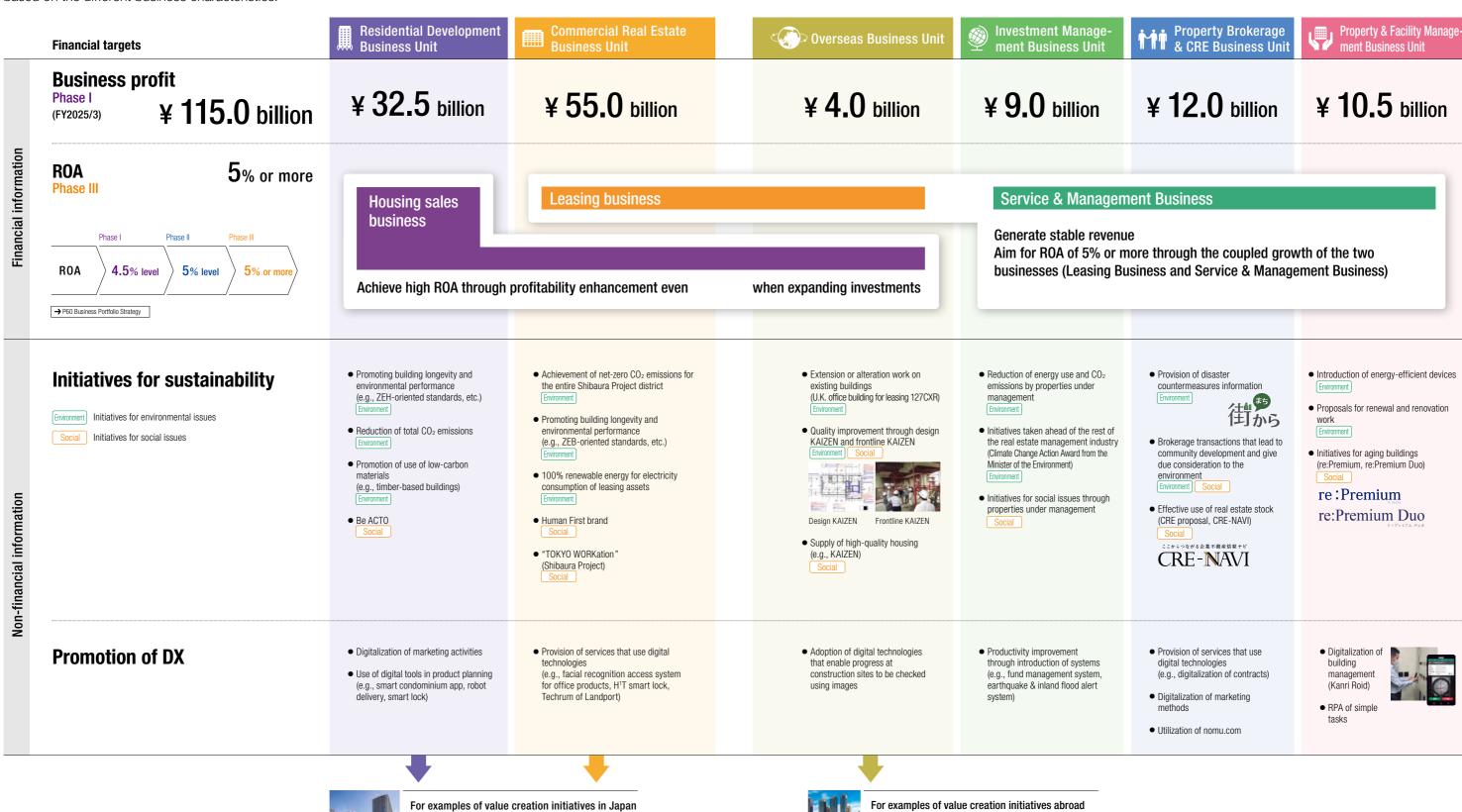
New business development Digital platform for shared offices

The application for booking, etc. that is provided by H1T and is linked to smart kevs is being used in various partner shared offices as a platform for shared offices and contributes to greater operational efficiency. We intend to continue to broadly offer the platform.



Relationship between Business and Financial and Non-financial Information

For the Group to grow continuously toward the realization of Nomura Real Estate Group 2030 Vision and Sustainability Policy, it is essential to expand on and/or reform the ideas and methods of value creation by combining financial and non-financial considerations, such as sustainability, DX, and human resources utilization, with our business portfolio strategy. We will make efforts toward further business growth while utilizing our strengths and management capital of each business under the business strategies of each Business Unit based on the different business characteristics.





Haruhiko Nakamura

Executive Officer, Business Unit Manager of Residential Development Business Unit



Business of the Unit

The strengths

Development and sale of condominiums, detached housing and rental housing, development and management of senior housing, Internet advertising, development and sale of systems related to real estate, provides services aimed at providing assistance to customers concerning their homes arrangements, etc.

Major Group companies

Nomura Real Estate Development/Nomura Real Estate Wellness/PRIME X/Musashi/ First Living Assistance

Business environment in focus

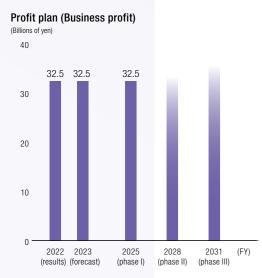
- Changes in market size due to declining birthrate and aging
 Social needs for redevelopment and reconstruction such as population
- Changes in lifestyles, diversification of housing needs
- Heightened awareness of sustainability and carbon neutrality

Business assets (As of March 31, 2022)

- Product planning capability generated by integrated development, sales, and management system
- Solid customer base, highly value-added services and development capability tailored to diverse customer
- Expertise in urban-type compact town, redevelopment, and rebuilding projects

- the regional activation, aging buildings, and solving districts crowded with wood- frame housings General application of business methods utilizing digital
- technology
- Land bank in the housing sales business: ¥1,441.0 billion (equivalent to 21,100 units)
- Number of Nomura Real Estate Group Customer Club members: approx. 147,000
- Number of residential redevelopment projects participated: No.1*

Mid- to Long-term Business Plan (business strategy/profit plan)



* Source: Based on in-house research

Business strategy

- Deepen and evolve PROUD in the housing sale business (stable supply of 4,000 to 5,000 units per year)
- Strengthen efforts in redevelopment and reconstruction projects
- Response to diversifying needs
- Monetization of non-asset business

Specific policies and initiatives (As of March 31, 2022)

Land bank equivalent to ¥1,441.0 billion (equivalent to 21,100 units) already secured for stable supply in the housing sale business.

Business operated with the goal of acquiring land for projects posted in and after Phase II.

Land bank: **¥1,441.0 billion** (equivalent to 21,100 units)

Redevelopment and rebuilding: ¥499.0 billion (6.380 units) Other than redevelopment

Mostly 100% and rebuilding: ¥942.0 billion (14.720 units)

Percentage of redevelopment and rebuilding: More than 30%

Secured land bank

ratio (Phase I):

Interview with Business Unit Manager

Q1 What are the key points for achieving profit targets in the Mid- to Long-term Business Plan?

Continuously supplying high-quality residences with a focus on the PROUD brand that meets customer needs is the basic concept of our efforts toward the growth of the Buisiness Unit. It posted housing sales of 4,329 units in the fiscal year ended March 31, 2022, achieving a high gross profit margin of 23.6%. In the Mid- to Long-term Business Plan, as well, our basic policy is to raise and maintain profitability while steadily supplying 4,000 to 5,000 housing units per year.

While the conditions for land acquisition continue to be difficult, the land bank for the period up to the end of Phase I (fiscal year ending March 31, 2025) is already secured, and we are working to acquire land for Phase II and thereafter. Despite the long period required for each project and high entry barriers, our active approach to redevelopment and rebuilding projects often in good locations to seize business opportunities has contributed to the successful acquisition of land. We plan to raise the percentage of redevelopment and rebuilding business to 20% level from Phase II. We expect that this business will contribute to solutions to social issues such as regional revitalization and the handling of obsolete buildings.

In Japan, demand associated with housing is changing more rapidly than before due to changes in lifestyles and household structures such as an increase in single-person households, dual income households, and elderly households. We will provide a variety of floor plans including compact floor plans and sell strategically residential properties located in core regional cities. In addition, we will provide rental housing, PROUD FLAT, health promoting senior rental housing, OUKAS, and other types of residential units to meet increasingly diverse consumer needs. Moreover, we aim to provide more convenient services corresponding to progress in digitization such as the creation of a comprehensive website for the businesses and services related to housing and living provided by the Nomura Real Estate Development Group.

Q2 What is the Buisiness Unit focusing on to achieve its priority issues (materiality)?

This Business Unit is also actively expanding energy-saving products and services. We are pursuing the supply of environmentally friendly housing by working to ensure the energy-saving performance of newly built properties meets the ZEH Oriented standard; introducing Yukai-full, a condominium air-conditioning system for entire buildings; and adopting the Attractive 30 service of reducing life cycle costs in large repair projects and other projects.

Further, we are building sustainable communities through the high functionality and convenience of housing and the revitalization of communities throughout the region with the goal of providing housing that allows customers to continue living for many years with peace of mind. The Be ACTO initiative → P91 promoted in PROUD TOWER Kameido Cross (Koto-ku, Tokyo) contributes to the development of an environment for activities led by residents and community members.

Q3 Please tell about your DX initiatives that lead to new services and improved profitability.

We are ongoing new sales techniques that use digital and online technologies. We have installed the ROOV 3D communication platform in all PROUD properties to make information about properties viewable from anywhere on a PC or mobile phone. This contributes to customer convenience, reduces resource consumption, and leads to the optimization and increased productivity of our sales

At PROUD CITY Hiyoshi (Yokohama, Kanagawa), we are conducting product delivery demonstration experiments using a robot. We are also introducing WillTAP, a mobile application for locking front doors, filling baths, reserving shared facilities, and reading announcements from a management association and local community information using a mobile phone to provide services that support the safe, secure, and comfortable lives of residents.

TOPICS

Product delivery demonstration experiment using a robot

Jointly with KDDI Research and the residents of PROUD CITY Hivoshi. we have been conducting a demonstration experiment using a robot to deliver products in stages since February 2022. Products purchased online from local stores are delivered to each floor of the building or each residential unit by a delivery robot as part of our efforts to increase customer convenience.



PROUD Takadanobaba (Shinjuku-ku, Tokyo), a sustainable condominium capable of responding to increasingly diverse household structures

This property was selected to be a part of the Ministry of the Environment's High-Rise ZEH-M Support Project. We have installed the Yukai-full air conditioning system for the entire building and adopted the Attractive 30 service which reduces lifecycle costs, including the cost of large repairs, to provide environmentally friendly housing based on a carbon neutral, energy conserving, and recycling-oriented society. The property also features the inclusion of compact units in addition to family-type units in light of the diversification of household structures



Integrated Report 2022 79 78 Nomura Real Estate Holdings Inc.

Commercial **Real Estate Business Unit**

Makoto Haga

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



Business of the Unit

The strengths

oriented concept

Management Business Unit

Development, leasing, sales, and entrusted management of office building, logistics facility, retail facility, etc.; development, leasing, and management of hotel; management of fitness club; planning and management of construction work, etc.

Major Group companies

Changes in purchase structure and heightened needs for

logistics hubs due to e-commerce and diversification of

Nomura Real Estate Development/Nomura Real Estate Life & Sports/Nomura Real Estate Retail Properties/Nomura Real Estate Hotels

Business environment in focus

- Changes in customer values, emphasis on the individual, the community, health, and the value of time
- Heightened awareness of sustainability and carbon neutrality
- Changes in employees' awareness of work styles

Track record for developing diverse asset types

Brands (PMO, GEMS, Landport) based on the market

Strong value chain model collaborating with Investment

Participation in major large-scale development projects

bashi 1-chome Central District Redevelopment

in central Tokyo, including Shibaura Project and Nihon-

 Global trends regarding the inflow of funds from investors for real estate in Japan

Business assets (As of March 31, 2022)

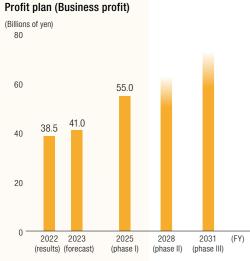
• Interest rate and yield spread trends

sales channels

- Number of tenants: 2,000 companies or more*
- Number of H¹T offices and their members: 216 offices/2,248 companies,
- Number of MEGALOS fitness clubs and their members:

- Net lettable area (offices/retail facilities): approx. 790,000 m²
- approx. 222,000 members
- 38 clubs/approx. 110,000 members

Mid- to Long-term Business Plan (business strategy/profit plan)



* Total number of tenants located in properties that the Group owns and conducts property management in the Commercial Real Estate Business Unit

Business strategy

- Evolution and transformation of value creation linking environmental changes to business opportunities
- Realize development profit and unrealized profit
- Strategic asset replacement

Specific policies and initiatives (As of March 31, 2022)

Stock of investment property valued at ¥743 0 billion (total investment) is secured for the realization of development profit/unrealized profit

Development profit/ unrealized profit exceeding ¥66.8 billion was created/ realized over the past three years. We will aim to continue the growth of the business.



Assumptions for gross profit from sale of property Phase I: ¥30.0 I or more in each FY Phase II and thereafter: ¥40.0 billion level in each FY

Secured land bank ratio (Phase I) Mostly 100%

Interview with Business Unit Manager

Q1 What are the key points for achieving profit targets in the Mid- to Long-term Business Plan?

It is important for this Buisiness Unit, which develops and operates office buildings, logistics facilities, retail facilities and various other types of assets, to increase the amount it develops and pursue growth through both the capital gains on the sale of property and income gains from the management of leasing properties.

The Group has created original brands with high merchantability, including PMO, medium-sized high-grade offices, under which a total of 70 properties have been developed (including those scheduled for construction, as of March 2022); Landport (logistics facilities); and GEMS (retail facilities). We will earn development profit by selling property for sales while also strategically replacing the leasing asset portfolio with the goal of realizing unrealized profit. Gross profit on property sales business in the fiscal year ended March 2022 was ¥28.1 billion. We will increase gross profit on the sale of property to exceed ¥30.0 billion in each fiscal year in Phase I of the Mid to Long-term Business Plan, and to ¥40.0 billion level in each fiscal year in and after Phase II.

In and after Phase II, large development projects such as the Shibaura Project and the Nihonbashi 1-chome Central District Redevelopment will be completed, and they will begin operating. Through those projects, we will start providing new value through large mixed-use developments featuring office, retail facility and hotel and expect an increase in leasing revenue.

We are also more actively developing H1O and H1T as office products capable of flexibly responding to the diversification of workstyles. H¹T uses a membership business model. We believe that flexibly changing our profit model itself in line with changes in customer needs is important as a growth strategy.

Q2 What is the Buisiness Unit focusing on to achieve its priority issues (materiality)?

The business of the Buisiness Unit is essential for the achievement of priority issues (materiality) through

responses to social change and value creation rooted in the use of facilities and services by each customer. In particular, people's perception of health, family relationships, and workstyles have changed significantly as a result of the COVID-19 pandemic. For example, the diversification of our office product lines to respond to people's changing needs is an expression of our corporate responsibility. We believe that the "HUMAN FIRST" (prioritizing people) perspective is the basis of sustainability.

Regarding environmental consideration, the Group joined RE 100 and is working to replace the electricity consumed at its domestic leasing properties with renewable energy by the fiscal year ending March 2024. For new development projects, we aim to standardize the ZEB-oriented by 2030 and carry out activities to achieve carbon neutrality through community development projects such as the Shibaura

Q3 Please tell about your DX initiatives that lead to new services and improved profitability.

Digital transformation (DX) is essential to respond to increasingly diverse customr needs, increase customer satisfaction, and promote the creation of new value. Examples include entering and exiting offices using facial recognition, meeting room reservation, and controlling lighting and air conditioning using a mobile application. The fully automatic system from online reservation and office entry and exit using smart locks to the invoicing of shared offices brand H¹T has been praised by users. >

In the logistics facility business, we are working to shift from the simple leasing of facilities to supporting the streamlining of logistic operations to more closely meet the needs of tenants. We will implement the intercompany co-creation program Techrum with 30 partner companies by fully leveraging DX to take the initiative in the automation (mechanization and labor reduction) of distribution and seize the initiative by the verification of its effect on operations.

For sustainable community development "Shibaura Project"

The Shibaura Project proposes TOKYO WORKation, a new way of working while experiencing the sky, sea, and greenery in the urban center using the unique location of the Shibaura area facing Tokyo Bay. We have named the activities for sustainable community development through industry-academia-government partnership Shibaura Sustainable Action. We have set the goal of achieving effectively net-zero CO2 emissions from the entire district through power generation at in-house facilities using the latest energy conservation technologies, and we aim to develop a disaster-resilient community capable of quickly and steadily recovery by maintaining the functions necessary for businesses through measures to address earthquakes, power failures, flooding, and other disasters.





Takashi Kaku

Executive Officer, Business Unit Manager of Overseas Business Unit, in charge of Overseas Business



Business of the Unit

Business of developing, leasing, and selling housing, office buildings, serviced apartments, and mixed-use development, primarily in Southeast Asia, China, and the U.K.

Major Group companies

Nomura Real Estate Development/ZEN PLAZA/Beijing shokai Nomura Real Estate Management/NOMURA REAL ESTATE ASIA/NOMURA REAL ESTATE (THAILAND)/NOMURA REAL ESTATE VIETNAM/ NOMURA REAL ESTATE CONSULTING (SHANGHAI)

Business environment in focus

- Further growth of the Asian housing market
- Heightened expectations in the resolution of social issues through township development
- Increased liquidity of the commercial property sales market

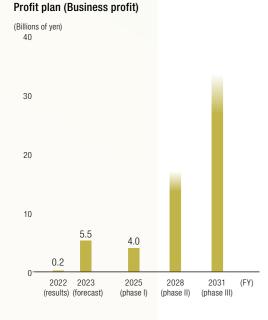
The strengths

- Over 60 years of proven performance in real estate development in Japan
- Commitment to manufacturing quality and product planning and improvement capabilities

Business assets (As of March 31, 2022)

- Number of housing sale projects the Group participated in/ total project cost (our share): 26/approx. ¥491.0 billion
- Number of leasing projects the Group participated in/ total project cost (our share): 11/approx. ¥62.0 billion

Mid- to Long-term Business Plan (business strategy/profit plan)



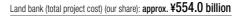
Business strategy

 Meeting expectations for high quality and providing services that provide new value in overseas markets, leveraging the expertise acquired in Japan and strong partnerships with local developers

Specific policies and initiatives (As of March 31, 2022)

Operating business focused on the rapidly growing Southeast Asian market. The Group has already secured land for business whose total project cost were approx. ¥554.0 billion (our share) to be used mostly for the housing sales business that is one of our strengths.

Aiming to increase our participation in property sales business in addition to the housing sales business



■Vietnam ■Thailand ■The Philippines ■China ■U.K.



Secured land bank ratio (Phase I) Mostly 100%

Interview with Business Unit Manager

Q1 What are the key points for achieving profit targets in the Mid- to Long-term Business Plan?

This Business Unit operates businesses developing and selling housing and developing and leasing property for sales such as office buildings generally in rapidly growing Asian cities. The Business Unit was established in the fiscal year ending March 31, 2023 as a new start. In the Mid- to Long-term Business Plan ("the plan"), we aim to increase the percentage of business profit of the entire Group from this Business Unit to 15% or more in Phase III (fiscal year ending March 2031) by establishing a revenue base through the increase of the volume of both of these businesses.

The housing sales business mainly targets individuals with actual demands in Thailand, Vietnam, the Philippines and China. More than 60% of the profit in Phase III is expected to come from the housing sales business. As such, it is a major revenue source for this Business Unit. In Thailand, we operate a joint venture with our local partner, ORIGIN PROPERTY PUBLIC, which has expanded to a total of 14 buildings with approximately 7,900 housing units (as of March 31, 2022). We will work to grow the business based on our strong trust relationship.

In Vietnam, we operate a business with three large local developers, and the Grand Park 2nd period project with total of approximately 11,000 housing units will contribute significantly to the profit of the Business Unit for the fiscal year ending March 31, 2023. In the Philippines, we have founded Federal Land NRE Global (FNG) jointly with Federal Land, a real estate company and a member of GT Capital Holdings, a large local financial group in the Philippines, with the goal of sustainable participation in local businesses. In China, we plan to operate a business while monitoring changes in the business environment.

The core of the Business Unit is the housing sales business in Asia, which we have proven our performance. Furthermore, another focus of the plan is to work on the commercial property for sales business in Asia, and developed countries, etc. We will operate a business extending and renovating existing office buildings in the center of London in cooperation with Lothbury Investment Management, the U.K. real estate investment management division of the Group, and will also aim to capture opportunities and develop rental housing and office buildings in other developed countries, etc.

For both the housing sales and property sales businesses, we have already acquired the volume of business necessary to achieve the Phase I profit target. We are currently in the process of verifying and commercializing new participation in a housing sales and property sales businesses and an investment property development in Phase II. It is assumed that the aforementioned FNG will start contributing to profits in Phase III. It is expected to increase the growth of our overseas business to the next stage.

Q2 What is the Buisiness Unit focusing on to achieve its priority issues (materiality)?

We believe that supplying high-quality housings for Asian consumers will contribute to the resolution of social issues. The added value that the Group is capable of providing in its overseas business includes two types of added value, proposals for products and quality improvement. For product proposals, we cooperate with local partners in upstream stages such as product planning and design based on a profound understanding of local ways of housing and con-

sumer needs gained through industry-academia research conducted jointly with local universities.

Regarding quality improvement, we have achieved great results through our KAIZEN activities. Southeast Asia is not an exception, and the countries of the area are also affected by climate change. Rainwater leaks are a serious problem, not just for residences. We have collaborated with residential facility manufacturers and general contractors to prevent leaks and develop and install cost-competitive products. These efforts have been praised by customers.

Furthermore, we address the serious deterioration of water sources and water quality by improving water quality within townships, with the goal of contributing to neighboring communities. We are preparing localized versions of our original design and quality assurance manuals to accumulate a track record of performance and experience and to make these efforts into ongoing activities. The expertise developed by the Group in the housing sales business in Japan is used effectively and is aiding our earning the trust of local consumers.

The real estate business is a local business. Precisely for this reason, it is essential to flexibly adjust the expertise and experience gained in Japan, rather than directly exporting it, to match local customer needs and the technical level of the local construction companies. The ability to listen to the voices of local customers and partners and apply the information learned in product development and problem solving in countries outside Japan has become one of the Group's strengths.

Q3 Please tell about your DX initiatives that lead to new services and improved profitability.

At the site of KAIZEN activities, the digital transformation has accelerated as a result of the COVID-19 pandemic. In the business environment where it is difficult to grasp the current situation of the construction site due to travel restrictions to each country, as an example, digital technology is the technologies developed by OpenSpace, which is said to be the construction site version of Google Earth.

This low-priced system makes images of all construction sites from the past to the present viewable by obtaining information from CV which specializes in real estate technologies, which we invested in during the fiscal year ended March 31, 2022. As this example shows, we are aspiring to develop and improve through DX as an effective means of developing richer and larger townships.

TOPIC

Entry into the office development business in the U.K. based on business collaboration within the Group

By the end of 2022, we will start construction on a large extension and a reconstruction project adding three floors to a low-rise, four-story office building purchased in London in the U.K. This is a collaborative project with the U.K. real estate investment management division of the Group, Lothbury Investment Management, and it will be a forerunner in our office development business in the U.K. Redevelopment in the area surrounding the property has been increasingly active, and demand for high-quality office buildings is growing. We will seek to capture the next business opportunity through cooperation with Lothbury, which has extensive experience and expertise in real estate development in the U.K.



ne building now



after renovation



Koki Miura

Executive Officer, Business Unit Manager of Investment Management Business Unit



Business of the Unit

Investment management services including listed and private real estate investment trusts (REITs), private funds and real estate securitization products

Major Group companies

Nomura Real Estate Asset Management/Lothbury Investment Management

Business environment in focus

- From traditional investment to alternative investment
- Expansion of ESG investment

The strengths

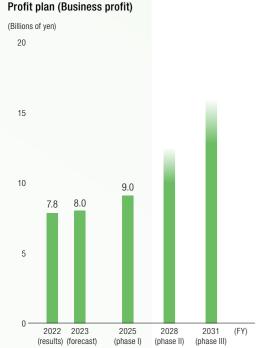
Expansion of investment target sectors

- Business growth model based on the Leasing Value Chain
- Relationships built with institutional investors through many years of asset management experience
- Product development capabilities that meet the needs of investors
- Business assets (As of March 31, 2022)

Globalization of real estate investment management

- Assets under management (AUM): approx. ¥1.9 trillion
- Number of institutional investors through asset management in Japan (excluding listed REIT): 235

Mid- to Long-term Business Plan (business strategy/profit plan)



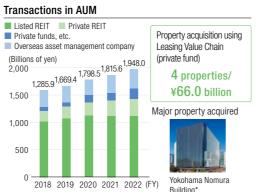
Business strategy

- Steady growth of the REIT business, the Buisiness Unit's core business leveraging the Leasing Value Chain
- Strengthening of the private fund business as a growth engine second to the
- Capturing of a new category of investors and expansion of business areas

Specific policies and initiatives (As of March 31, 2022)

Meet the needs of institutional investors for alternative investments and substantially grow the assets under management (AUM) such as private funds. Keep focusing on the private fund business with the goal of achieving the continued growth of

husiness



^{*} Part of the equity in this property was acquired as of the end of the FY22/3. The remaining equity will be acquired in FY23/3

Interview with Business Unit Manager

Q1 What are the key points for achieving profit targets in the Mid- to Long-term Business Plan?

The basis of the growth of this Buisiness Unit's profits is the stable increase of AUM by meeting the needs of investors for alternative investments. To achieve our profit targets, we aim to achieve steady growth through the expansion of product lines that meet diverse investor needs in the private fund business, which is a growth engine second to the REIT business, in addition to the stable growth of the listed and private REITs that are the mainstay business. Moreover, it is also important to develop overseas business and new business areas to more certainly ensure future growth.

The AUM of the listed REIT, Nomura Real Estate Master Fund is approximately ¥1,120.0 billion, and the AUM of the private REIT, Nomura Real Estate Private REIT is approximately ¥300.0 billion (both as of March 31, 2022). Both continue to grow steadily. This is a result of the pursuit of external growth while leveraging the Leasing Value Chain →P40], which is a strength of the Group. We will continue to strengthen our revenue base centering on the listed and private REIT business.

The private fund business had AUM of less than ¥50.0 billion about five years ago. Now it has grown to approximately ¥190.0 billion by meeting the strong demand from investors for alternative investments. We have also built strong trust-based relationships with institutional investors and will continue to create investment techniques to accommodate diverse investment needs, invest in various asset types, and consider wide-ranging new products, including ultra-long-term investments.

In our overseas business, the partnership with Lothbury Investment Management, which joined our group in 2018, is steadily making progress. We plan to expand our global network, including considering M&A of overseas asset management companies over the medium to long term.

As part of our efforts to enter new business areas, we have established Nomura Real Asset Investment with Nomura Holdings to jointly operate real estate fund business. This company plans to expand its investor base, including wealthy individuals and foreign investors, and investment products, including the commercialization of new asset classes, by leveraging the expertise in real estate investment that we have developed over the years and the strong client network of Nomura Holdings.

Q2 What is the Buisiness Unit focusing on to achieve its priority issues (materiality)?

In response to an increase in demand from investors for ESG investments, investments and asset management in light of ESG are becoming the standard in the real estate investment industry. It is extremely important to respond to these changes in investor demand, and attract funds from investors to achieve the stable growth of AUM. With the goal of becoming the frontrunner of sustainability in the industry, the Unit has taken the initiative and applied a progressive approach ahead of the industry. As a result, in the fiscal year ended March 2022, we became the first private REIT that received Eco Action 21 certification and registration. We are also the first real estate investment company to receive the Minister of the Environment's Climate Change Action Award (promotion and dissemination category) in recognition of our efforts to address climate change

We will continue to take the initiative and engage in activities to lead the industry while appropriately assessing industry trends and our Business Unit's position in the industry.

Q3 Please tell about your DX initiatives that lead to new services and improved profitability.

Our goal is to become an asset management company excelling in both quantity and quality. We believe that an increase in AUM (quantity) must be backed by performance (quality). We believe that increasing the efficiency of fund management through the use of DX enables prompt and accurate judgments, which in turn will contribute significantly to the improvement of performance.

As a specific DX activity, we began operating a new fund management system in the fiscal year ended March 31, 2022. This system centrally manages and connects diverse data from management of properties, fund accounting and other operations, which facilitates the increase of productivity not only within our Business Unit engaging in asset management, but for all parties involved in fund management, including property management.

An example of DX focusing on real estate resilience is our construction of a mechanism that will enable us to promptly share disaster information and enable a quick initial response in the event of a disaster using an earthquake and flooding alert system. We believe this system is meaningful and will significantly contribute not only to the streamlining of operations but also to the safety and security of tenants.

TOPIC

Establishment of Nomura Real Asset Investment, a joint company that operates a real estate fund business

Nomura Real Asset Investment will start a real estate fund business, including the commercialization of new asset classes and products, leveraging the strengths of the two companies, including the Group's expertise in real estate investment and the client network of Nomura Holdings.

The new company will prepare to establish a business involving new asset classes over medium to long term while operating a business focusing on funds for institutional investors and individual investors in the traditional sector for several years after its establishment. It will aim to build its AUM to between ¥700.0 to 1.000.0 billion in the future.

Nomura Real Estate Holdings Experience and track record of real estate fund management

Nomura Holdings Extensive investor hase and client network

Nomura Real Asset Investment

Management of real estate funds, including the commercialization of new asset classes and products leveraging the strengths of the two companies



Kenichi Maeda

Executive Officer, Business Unit Manager of Property Brokerage & CRE Business Unit



Business of the Unit

The strengths

business

Real estate brokerage and consulting, real estate information website operation, insurance agency

Possessing advanced digital technology

High customer satisfaction rating in retail

Partnerships with Nomura Securities and

regional financial institutions

- Increase of real estate needs due to inheritance and business
- Increase of off-balance sheet needs of general corporations

Major Group companies

Nomura Real Estate Solutions/NOMURA REAL ESTATE HONG KONG/Tokio Property Services

Increase in alternative investment needs of institutional

Intensification of service competition among major

Business environment in focus

- Continuous expansion of the used real estate market
- succession

companies, rise of IT startups

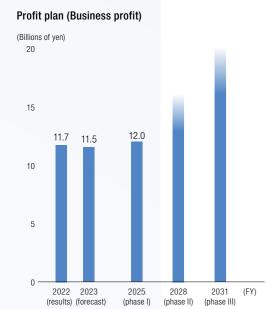
investors

- Number of retail branches: 86
- Number of nomu.com members:
- **approx. 255,000** (as of January 31, 2022)
- Number of partner financial institutions including Nomura Securities and regional financial institutions: 98

Business assets (As of March 31, 2022)

- Number of wholesale offices: 10

Mid- to Long-term Business Plan (business strategy/profit plan)



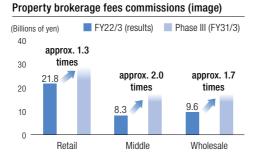
Business strategy

- Expansion of stable revenue base capturing strong demand in the retail
- Meeting various needs through collaboration with the Nomura Group, financial institutions, etc., in the middle business*2
- Promotion of CRE proposals, and capturing investment needs of funds in the wholesale business*3

Specific policies and initiatives (As of March 31, 2022)

The middle business, which is expected to expand further in the market, was added as a new category.

Based on the growth of the retail business, where demand remains firm, the goal is to further expand the middle and wholesale businesses and achieve our profit targets.



- *1. Retail business: real estate brokerage business for individuals
- *2. Middle business: real estate brokerage business for small and midsize companies, business owners, some individual investors, and high net worth individuals
- *3. Wholesale business: real estate brokerage business for large corporations, funds, and overseas investors

Interview with Business Unit Manager

Q1 What are the key points for achieving profit targets in the Mid- to Long-term Business Plan?

This Business Unit aims to achieve medium- to long-term profit growth by increasing the total transaction value through services centered on real estate brokerage and CRE proposals. The percentage of brokerage fees received in the fiscal year ended March 2022 was approximately 55% in the retail business, approximately 21% in the middle business, and approximately 24% in the wholesale business. Under the Mid- to Long-term Business Plan, we will significantly expand the middle and wholesale businesses that are expected to grow further, while ensuring stable revenue from the retail business.

The retail business has achieved sales above expectations, including a 50% increase in transactions of high-end housings priced ¥0.2 billion or more thanks to REALIA, a brand of high-grade condominiums in central Tokyo established in the previous fiscal year. We expect steady growth in the used housing sales market supported by diverse demand including housing, investments, and inheritance tax shields.

We have positioned the middle business as a new growth area. The middle business responds to demand from small and midsize companies, individual investors, and high net worth individuals related to the purchase and sale of property, providing specialized services related to business succession, inheritance, and other needs related to real estate transactions. We expect potential demand in this market to be very high and will work to meet this demand in cooperation with the Nomura Group, financial institutions, and licensed professionals.

The wholesale business still has significant potential, including CRE proposals. In the fiscal year ended March 2022, we brokered the purchase and sale of an obsolete, unused college campus to meet the needs of a foreign international school planning to open a campus in Japan. This contributes to sustainability by inviting foreign funds into the Japanese real estate market and making use of idle properties.

Q2 What is the Buisiness Unit focusing on to achieve its priority issues (materiality)?

This Business Unit contributes to the revitalization of society through the effective use of real estate stock, which has become a social issue. In particular, CRE proposals contribute to the effective use of companies' idle properties and increase asset efficiency, leading to sustainability. Additionally, in March 2022 we established the CRE-NAVI website supporting CRE strategies to respond to widerranging issues. The website posts information about the market and trends, and also information about companies' use of properties to achieve the SDGs in collaboration with external experts.

We also focus on sharing information about regional disasters in response to the frequent natural disasters that have occurred in Japan in recent years. In November 2021, a section on the disaster control measures taken in communities was added to the nomu.com website, providing explanations about the hazard maps of each area. We believe that the knowledge of the characteristics of each area from the perspective of disaster control will provide

* Nielsen NetView survey: https://www.nomu.com/plus/ (Japanese only)

customers with confidence when making decisions related to their relocation in new housings.

Q3 Please tell about your DX initiatives that lead to new services and improved profitability.

The delivery of high-quality and diverse services using digital technology is one of the basic policies for the growth of the Business Unit.

VR Home Staging provided by nomu.com, a real estate information website, is used by the largest number of visitors in the industry for 13 consecutive years*. VR Home Staging, which uses Al and virtual reality technologies to reproduce spaces in housings with residents, and many other types of web content will be the foundation for the future expansion of services. We will continue to improve the useful information provided and strengthen the website's function as a contact for customers considering real estate transactions.

In addition, developing new sales techniques using DX is also an important measure. At "Nomura no chukai + (PLUS)" branches, online customer service, webinars, and a mobile app for mortgage procedures led to an increase in productivity and these technologies are meeting customer needs, including the need for online, contactless communication and the need to use time effectively.

TOPICS

Launch of an electronic contract system for signing and placing seals on contracts.

Anticipating the revision of the Building Lots and Buildings Transaction Business Act, in November 2021 we started using digital signatures and seals in contracts for real estate transactions of individuals using an electronic contract system. This enables important business documents

and buy-sell agreements, which were previously required to be in paper form, to be delivered or exchanged in a digital format. Progress in the digitization of real estate transactions can be expected. Our delivery of services ahead of other companies will facilitate an increase in customer convenience.



Revitalization of a former school building with a distinguished history as an international school

In the fiscal year ended March 2022, the strong desires of a property seller, a domestic school corporation, for the revitalization of community activity and the preservation of a valuable school building for future generations and the desires of a foreign buyer to create a new educational facility in Japan and acquire a prestigious building appropriate for an international school resulted in a suc-

cessful deal. This project revived a college campus which had long been idle as an international school. It proved to be extremely significant in view of community development and contribution to sustainability, including environmental preservation

The photograph is an image.

Property & Facility Management **Business Unit**

Akihiro Fukuda

Executive Officer, Business Unit Manager of Property & Facility Management Business Unit



Business of the Unit

Operation and management of and contract work for condominiums, office buildings, etc.; renovation business; local cooling and heat supply business; solar power business, entrusted cleaning of office buildings

Major Group companies

Nomura Real Estate Partners/Nomura Real Estate Heating and Cooling Supply/Nomura Real Estate Amenity Service

Business environment in focus

- Evolution of digital technology
- Changes in lifestyles and work styles, diversification of resident attributes
- Shrinking workforce, declining birthrate, and aging of society

obsolescence of existing buildings

• Frequent occurrence of disasters, strengthening of resilience

Aging of buildings, increase of smart buildings, and

The strengths

- Stable increase in property under management through Group collaboration
- High level of external evaluation for management quality
- Competitive construction proposal capacity, including scheme for extending large-scale repair works cycle

Business assets (As of March 31, 2022)

- Number of housings under management: 186.549 units
- Number of buildings under management: 772 buildings

Mid- to Long-term Business Plan (business strategy/profit plan)

Profit plan (Business profit) (Billions of yen) 20 90 2022 2023 2025 2028 2031 (phase I) (results) (forecast) (phase II) (phase III)

Business strategy

- Strengthening proposal-based management with high customer satisfaction
- Providing high-efficiency and high-quality management services utilizing digital technologies
- Expanding management areas and services
- Increasing construction projects ordered, including large-scale repair works

Specific policies and initiatives (As of March 31, 2022)

Continuing to maintain and improve the high level of customer satisfaction by leveraging operation management, which has been ranked No. 1 for 13 consecutive years.

Aiming to increase construction projects ordered based on the reputation and trust from Ranked 1st for 13 customers. consecutive years



re:Premium re:Premium Duo

Achieved an extension of the cycle for large condominium repairs from 12 years to 16-18 years

Interview with Business Unit Manager

Q1 What are the key points for achieving profit targets in the Mid- to Long-term Business Plan?

This Business Unit works to maintain and increase the property value mainly of condominiums and office buildings by providing operation and management services and through large-scale repair works. The total number of contracted housings under management exceeds 186,000 and the number of office buildings is slightly less than 800 (both as of March 31, 2022). We have developed operation and management expertise, particularly in the operation and management of the properties of the Group companies. As a result of continuing to provide high-quality services, we have been reputed by customers and ranked no. 1 in the SumaiSurfin Management Company Satisfaction Survey for 13 consecutive years.

In the Mid- to Long-term Business Plan ("the plan"), we have established two key growth strategies: digital transformation (DX) and the increase of construction projects ordered.

The reason of the reputation for the services provided by this Business Unit is its abundant human resources capable of providing hospitable, high-quality services. We will increase customer convenience by automating some operations through DX and intensively assigning welcoming employees to new projects, thereby increasing the quality of management and the delivery of services. In other words, we will create an environment that facilitates this Business Unit's continued exertion of its strengths and increases customer satisfaction. While securing human resources continues to be an important issue, DX maximizing the use of limited resources will be crucial to the growth of this Business Unit.

It is also important to increase the number of construction projects, thereby ordered by customers based on the trust built on our high-quality operation management. Approximately 60% of office buildings under management contracts are more than 20 years old. Condominiums of the Nomura Real Estate Group, mainly our brand "PROUD", will enter the phase where large-scale repair works are appropriate in the coming years. Due to this background behind our business, there is social significance to our implementing repairs leveraging our technical and proposal-creation skills. Thus, we expect to grow further.

Q2 What is the Buisiness Unit focusing on to achieve its priority issues (materiality)?

In this Business Unit, the appropriate management of operations and systematic repairs is directly linked to sustainability. For example, we are maintaining and increasing the value of existing buildings over a long period of time. An increase in obsolete and abandoned condominiums has become a social issue in recent years. The Business Unit developed re:Premium, a project to extend the cycle for large-scale repair works of the condominiums of PROUD brands, and re:Premium Duo, a project targeting condominiums sold by the Group before the launch of the PROUD brand. We are actively proposing these projects to customers. This leads to reducing lifecycle expenses. The funds generated through cost reduction can be used to propose construction projects that increase asset value. These activities protect and promote the long-term use of

the assets that are precious to customers.

In addition, construction proposals incorporating sustainability perspectives are essential for enabling the construction ordered business to grow over the medium to long term. Customers' expectations regarding construction proposals introducing excellent energy-saving devices and other renovation proposals maintaining long-term value have been increasing every day. We believe that making proposals that meet the needs of each customer based on our approach to connect closely with individuals established in the Group will lead to the solution of priority issues (materiality).

Q3 Please tell about your DX initiatives that lead to new services and improved profitability.

Our business is relatively labor-intensive, and conventional analog methods are still used today in many operations, suggesting that there is still a lot of room to increase productivity through DX. The streamlining of operations using digital technology is an urgent issue also because of the social conditions making it difficult to secure senior human resources who have experience managing workplaces mainly as a result of companies raising their retirement ages

Again, this Business Unit aims to allocate the resources generated by increasing efficiency through DX to high value-added operations. We have already started introducing Kanri-roid, which increases workplace productivity, in cyclic building management operations and are actively implementing the robotic process automation (RPA) of simple tasks. We are planning to facilitate the development of personnel for DX-related divisions and make investments in the range of several billion yen in DX in the plan and expect the effects of DX to exceed the invested funds. Providing high-efficiency and high-quality management services by allocating digital technologies and the right human resources in the right places will help increase the competitiveness of the Business Unit.

TOPIC

Introduction of Kanri-roid for digitization of building management

In June 2021, we launched company-wide implementation of Kanri-roid in our building management operations. We have already installed it in more than 600 properties, and will continue to verify its effects with the goal of increasing productivity through the reduction of manual operations,

meter reading leveraging Al technology, etc. Over the medium term, we hope to accumulate records of errors and management operations as retrievable and analyzable electronic data and use this data to develop highly accurate and active proposals for building owners.

Meter reading using Al image analysi

for the future of the community: Large-scale mixed-use development of housing, retail facilities, educational facilities, and open space

The KAMEIDO PROJECT, urban development

No two properties are identical in the urban and real estate development project being carried out by Nomura

Real Estate Group. This is why we stay close to the local community and aim to build a town where residents' attachment to the town and pride in living there become the driving force that enables it to grow into an even better place to live. In the KAMEIDO PROJECT, we are proceeding with urban development for the future of the community while

Community-based urban development led by residents

maintaining an active dialogue with local people.

The KAMEIDO PROJECT is a large-scale mixed-use development project including residential, retail, and educational facilities built on the site of Sun Street Kameido, a retail facility that was loved by local people for 20 years. In the development project, the Group has focused on taking the land that local people were attached to and ensuring it can be passed down to the next generation. To this end, we have earnestly listened to the voices of local people and continued to engage in active dialogue through an urban development council from the stage of district planning.







KAMEIDO PROJECT

Location: Koto-ku. Tokyo

Access: 2-min. walk from Kameido Station Main use: PROUD TOWER Kameido Cross condominium

(total number of units: 934)

KAMEIDO CLOCK retail facility (leasing area: approximately 28.000m2) Elementary school and preschool

KAMEIDO CLOCK (left)/PROUD TOWER Kameido Cross (right)

Elementary school visiting lesson Watching over the Community

Watching over the Community lesson given at Daini Kameido Elementary School as part of the activities for creating a town that grows together with the local community

Daini Kameido Elementary School the project site



Watching over the Community is an educational program to observe the town from the perspective of other people. It promotes awareness of the various



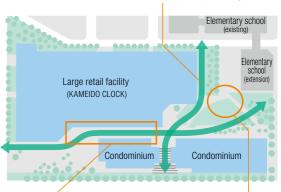
functions in the town, which are a normal part of life and often overlooked, and potential value. It is an attempt to create a new town by increasing children's interest in the community and preserving the precious assets of the community for the future

KAMEIDO PROJECT — aiming to integrate with the local community

KAMECLO STAGE carries on the function of Sun Street Kameido as a place for people to gather and interact.

KAMECLO YOKOCHO presents an image of the good old days of downtown Tokyo and promotes gatherings by showcasing a food culture unique to the district. The KAMEIDO PROJECT offers various elements to promote interactions between people living in, working in or visiting the area and it creates new gatherings and activities.

Paths have been secured to enable local people to pass through the area





Local restaurants and stores operate along the path between the condominium and the retail facility. A co-working space is available for use by local



An open space is available for use by visitors and residents. It provides a place for local residents to interact

Be ACTO stimulating community activity

BE ACTO

The Group carries out urban development based on the idea that the formation and vitalization of diverse communities increase the value of regions or towns. To this end, we have introduced Be ACTO, one of our area management activities and the Group's original scheme, under which local people lead activities. In addition to multipurpose spaces for children's activities, telecommuting, studies and other activities that become an easily available activity base, we aim to encourage the activities of the local community, in which community members participate in activities for making friends and current and new residents communicate with each



Outside air

ventilation feature

Air-conditioning

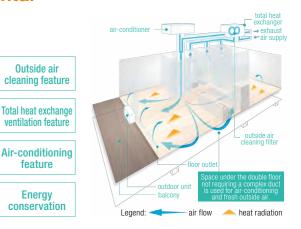
feature

Energy

conservation

The sustainable urban development Achieving both a decrease in environmental burden and an increase in comfort

This project responds to priority issues (materiality), climate change and the natural environment, and achieves sustainable urban development, PROUD TOWER Kameido Cross is equipped with Yukai-full, the condominium version of our original whole-house air-conditioning system that creates a comfortable living space while increasing energy efficiency. The building also meets the ZEH-M Oriented standard. The KAMEIDO CLOCK retail facility has installed a cogeneration system to use the heat generated during the generation of electricity to boil water and heat rooms. The facility contributes to the reduction of CO₂ emissions through high-efficiency energy consumption.



Operating a business rooted in the local community and making an overseas business

We have placed the steady growth of overseas business as one of the priority strategies of the Mid- to Long-term Business Plan.

As in Japan, we will stay close to the local people who live and gather in particular places with the goal of providing comfortable, abundant lives and experiences in our overseas business as well.

By developing a business that is optimized for customer needs, customs, construction environments, and other conditions in each country based on relationships of trust with local partners, we are aiming to achieve a profit of 15% or more for the entire company in Phase III (fiscal year ending March 31, 2031) of the plan.

Transformation of overseas business

a growth driver

Increasing involvement in business by strengthening relationships of trust with local partners

The Nomura Real Estate Group resumed its overseas business in 2014 and has been mainly operating a housing sales business, an area in which we have established a track record in Japan. Real estate businesses are local businesses that are strongly affected by local national and municipal laws and regulations, trends and the business practices of the people living and working in the area and other conditions. It is essential to operate a business rooted in the country, and our general rule is to establish joint ventures ("JV") with local partners.

Overseas businesses that started with meeting local demand from companies for funding have shifted into a phase in which the added value provided by the Group is recognized in the country. We will accelerate the delivery of the unique added value that the Group can provide and achieve growth.

	Beginning	Growth Phase
	2014 2015 2016	2017 2018 2019 2020 2021
Partner strategy	Partner searchParticipate in Japanese JV with a minority share	Build and improve partnershipParticipate singly in JV with partner companies
Involvement in business	Business participation similar to pure investment	 Creation of added value and expansion into upstream businesses
Human resources and organization	Human resource development and know-how acquisition	 Establishment of local subsidiaries Promotion of business localization

Beginning

Delivering our added value through our original KAIZEN activities

After resuming overseas business, the Group first entered a JV in Vietnam and China with a minority share. At first, our participation was similar to the pure investment that would meet local partners' need for funds. We have, then, worked to develop trust-based relationships with local partners through KAIZEN activities aiming to improve quality, in which we have packed our expertise and experience accumulated in Japan. These seemingly laborious efforts have resulted in the prevention of problems and other effects that led to a reduction in construction periods, which has significantly contributed to earning the trust of our local partners.

KAIZEN activities





Activities to improve quality through consortiums with local companies

We undertake activities that meet local needs in each phase of business, from project planning, design and construction to delivery. The activities contribute to the increase of salability and quality through the improvement of design quality. the prevention of defective construction, etc. and the reduction of construction

Growth Phase

Establishing local presence and promoting localization

While enhancing trust-based relationships with local partners, we promote the continued localization of the business. In addition to the establishment of local subsidiaries, we participate in businesses in which Japanese companies hold a majority share and began participation in some businesses from the upstream area. We are contributing to the improvement of product appeal and design quality, the decrease of architectural costs, an increase in selling prices, and the shortening of sales schedules, and are receiving a reputation from local partners and Japanese companies.

Three companies, Isetan Mitsukoshi Holdings, Federal Land ("FLI"), a real estate company affiliated with GT Capital Group, a large Filipino financial group, and Nomura Real Estate Group, are jointly developing The Seasons Residences, a condominium project in Manila, the Philippines. In 2021, the project received an award for Best Residential High-Rise Development in the Philippines from the International Property Awards, which commends outstanding real properties globally. Starting with this business, the development of locally rooted businesses, including a company founded jointly with FLI in 2022, is beginning to be achieved, and we have arrived at a stage with significant potential for the growth of the overseas business.





Sunshine Fort (Philippines Manila)

Main use: Housing (The Seasons Residences, total number of units: approx, 1,400) retail facility

Completion: 2022 and onward

TOPIC

Establishment of a joint company with the goal of participating in continuous business in the Philippines



In 2022, Nomura Real Estate Development and FLI founded a joint company, Federal Land NRE Global ("FNG"). It is a going concern benefiting from the strengths of the partners, including the extensive business infrastructure of GT Capital Group, a large financial group, the large land bank of FLI, and the Group's expertise in real estate development gained in Japan and abroad. FNG will be a stable and sustainable foundation for businesses that can be incorporated into a real estate development business, and we aim for the continuous growth of business in

the Filipino market, where growth can be expected.

The initial properties we have decided to purchase are development land in four areas in Metro Manila and Cebu. We will operate a real estate development business with a total project area of approximately 250 ha and a total project cost of approximately ¥770.0 billion (approximately ¥270.0 billion in the first 10 years). For the future, we are considering additional investments in areas other than these four projects.

Overview of the four initial projects Total project area of approx. 250 ha and total project cost of approx. ¥770.0 billion

Mandaluyong Main use:

Residence (approx. 4,700 Retail facility (49.570 m²) Office (18 005 m²) Construction Scheduled to start in 2024

Main use: Residence/ Residential area developmen (approx. 42,000 units) Retail facility (110,337 m²) Office (653 613 m²) Construction: Scheduled to start in 2025





Metro Park Main use:

Residence (approx. 1.600 Retail facility (23,449 m²) Office (13 824 m²) Construction:

Scheduled to start in 2024

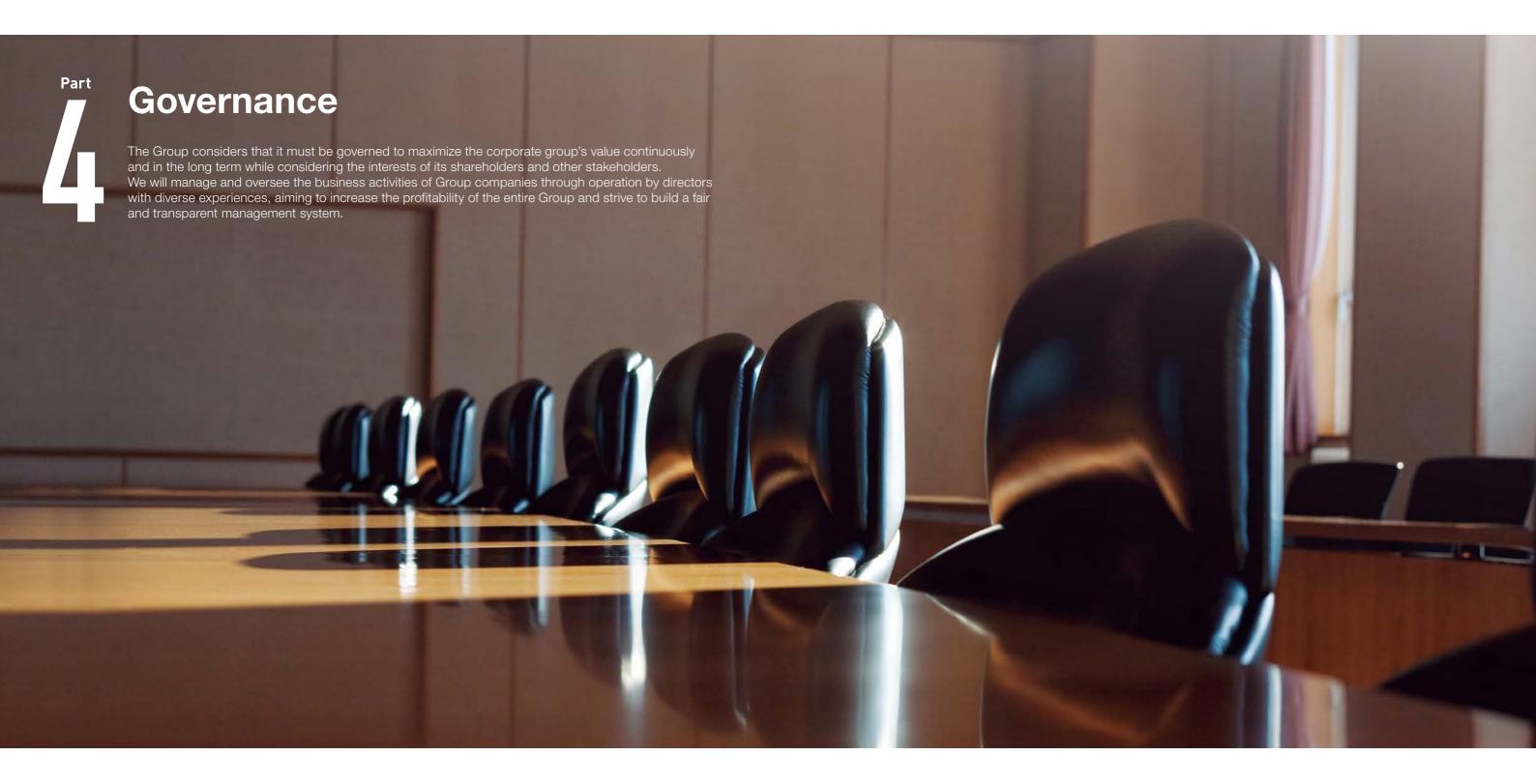
Main use:

(approx. 940 units) Retail facility (18,306 m²) Construction: Scheduled to start in 2025





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Positioning of this part

It is essential to build an effective governance system and operation of the Board of Directors to achieve sustainable growth. This section provides a detailed explanation of the effectiveness of the Group's governance to promote the understanding of investors and other stakeholders while incorporating a dialogue between the Chairman of the Board of Directors and the Chairman of the Advisory Committee Relating to Nominations and Compensation, and a roundtable discussion among external directors.



Dialogue between the Chairman of the Board of Directors and Chairman of the Advisory Committee Relating to Nominations and Compensation

Through the dialogue between Shoichi Nagamatsu, Chairman of the Board of Directors, and Tetsuro Higashi, Chairman of the Advisory Committee Relating to Nominations and Compensation, we will explain the evaluation and issues regarding the effectiveness of the Company's governance system.

Shoichi Nagamatsu

Chairman of the Board of Directors (Chair and Director)

Tetsuro Higashi

Chairman of the Advisory Committee Relating to Nominations and Compensation (External Director)





Composition of the Board of Directors and Evaluation of the Director Compensation Plan

The Vision of

Nomura Real Estate Group

Q What is your view on the composition of the Board of Directors?

Higashi I think that the composition of members is well-balanced, as there is sufficient diversity in the experience and knowledge possessed by the current directors. However, since Ms. Katsura Ito was appointed to an important post in the Japanese government and resigned from the position of external director as of March 2022, there is currently only one female director. I believe that this situation should be corrected immediately. Since the Group's products and services are used by many female customers, it is necessary to increase the number of female Directors to incorporate diverse ideas. In fact, we have been examining specific candidates at the Advisory Committee Relating to Nominations and Compensation.

In addition, I recognize the necessity to consider the appointment of a director of non-Japanese nationality in order to further expand our overseas business in the future. Having said that, I think that it is desirable to appoint a non-Japanese director after ensuring that the candidate has in-depth knowledge of the Group and understanding of its DNA and corporate culture, instead of immediately appointing a non-Japanese director at this stage.

Nagamatsu I agree that the appointment of a female director is an imminent issue. In addition, in order to promote DX, an important strategy under the Mid- to Long-term Business Plan, I think that we will need directors and executive officers with in-depth knowledge of ICT and digital technologies. In this regard, we will consider the option of inviting an expert from outside the Group. As indicated by the fact that high profit growth has been set as a target in the plan, the Group seems to be in the phase of pursuing a proactive strategy at the moment. In such a phase, risk management becomes more important. While we should welcome that business plans are actively proposed by each Business Unit in order to achieve profit growth, it is extremely important to ensure functions to analyze associated risks and apply brakes as needed from the perspective of governance. We will also consider how to strengthen such functions going forward.

Q The compensation plan for directors has been revised. What are the details and purposes of the revision?

Higashi Following the deliberations by the Advisory Committee Relating to Nominations and Compensation

and the resolution of the General Meeting of Shareholders, the share-based compensation plan for directors has been revised. Specifically, to achieve the targets under the new Mid- to Long-term Business Plan, the amount paid as performance-based compensation of share-based compensation has been increased to further link the management efforts of directors with the compensation plan. In addition, external directors (excluding those who also serve as Audit & Supervisory Committee Members) have been added to the targets of share-based compensation paid as non-performance based compensation. Nagamatsu While the revision was also discussed by the Board of Directors, it has been determined that sharebased compensation after the revision will be at an appropriate level for relative comparison within the industry and is desirable given the accountability for

Higashi The mission of directors is to increase corporate value over the medium to long term, and I recognize that one of the representative indicators of success or failure is the stock price. Therefore, it is extremely reasonable to pay share-based compensation in order to link the interests of directors and shareholders. We believe this motivates directors to increase corporate value over the medium to long term and gives shareholders a sense of security about long-term ownership of the Company's shares. There were many foreign investors among the shareholders of the semiconductor manufacturing equipment company where I used to be a representative director, and it was a matter of course for a director to hold shares of the company. Through the revision of the compensation plan, we have increased the ratio of sharebased compensation in the total compensation of directors. It has been evaluated that we achieved a better alignment of interests between directors and shareholders from a global perspective.

Perspective of Protecting Minority Shareholders

Q What is your view on the relationship with Nomura Holdings, the Company's major shareholder?

Nagamatsu As a person originally from Nomura Holdings, I would say that the relationship should lead to the enhancement of the Group's corporate value. For this reason, I believe it is important to promote collaboration in the field where Nomura Holdings' strengths in its client networks in Japan and overseas, including corporate customers and high net worth individuals, can be utilized in the Group's businesses as a real estate company. For example, the Group's investment management business and property brokerage and CRE business are representative fields where such strengths can be leveraged to generate synergistic effects. In August 2022, we and

Dialogue between the Chairman of the Board of Directors and Chairman of the Advisory Committee Relating to Nominations and Compensation

Nomura Holdings jointly established Nomura Real Asset Investment, an investment management company that will engage in the real estate fund business. This is a representative example of how the Group can enhance its corporate value by leveraging the strengths of both companies. Since these business collaboration efforts are welcomed both by major and minority shareholders, we should actively promote such efforts.

Higashi Our relationship with Nomura Holdings is attracting a great deal of attention from external stakeholders. In particular, I recognize that the appointment of former Nomura Holdings employees in the management of the Company is a point of great interest. As Mr. Nagamatsu stated, it is important to advance collaboration in areas where the two companies can demonstrate synergies. However, in order for shareholders and investors to understand the relationship between the two companies, it is essential to ensure transparency in the appointment of directors and explain the reasons for appointment in a convincing manner. In this sense, the role of the Advisory Committee Relating to Nominations and Compensation, which deliberates and reports to the Board of Directors on the nomination, compensation, and dismissal of candidates for directors and executive officers, is significant. I believe that the system in which I, as an independent external director, serve as the Chairman of the Committee is evidence of effective governance.

What We Can Do to Sustain Effective Governance

Q What are the evaluation and issues of the Company's succession plans?

Higashi I recognize that we have sufficient personnel serving as our directors with diverse experiences and capabilities for the next generation, such as directors who have been working at Nomura Real Estate since graduation, with in-depth experience in the real estate business, and directors with expertise in the securities business who are originally from Nomura Holdings. From a medium- to long-term perspective, the challenge is to develop human resources who will play a major role in the Group's management in the next generation in addition to the candidates for successors of the current management. We will continue to consider the possibility of appointing younger employees and hiring highly specialized personnel from outside the Group.

Nagamatsu Depending on the business environment surrounding the company and its stage of growth, the qualities required for executives will change. The qualities required for the Group's upper management have changed significantly from the past, when we focused heavily on the residential development business, to today, when our businesses are diversified, including overseas business. While members who sufficiently meet the qualifications based on this perspective have been appointed as present

directors, the Advisory Committee Relating to Nominations and Compensation will continue to select appropriate members in the future after thoroughly discussing the qualifications required for the Group's management.

Recent Discussions at the Board of Directors Meetings and Management Issues

Q What do you recognize as management issues and how is the Group responding to them?

Nagamatsu The promotion of DX has long been one of the Group's biggest challenges and will continue to be an important subject. In the process of formulating the new Mid- to Long-term Business Plan, the Board of Directors actively discussed this topic, and I highly evaluate the fact that specific details such as the amount of DX and ICT investment were incorporated into the plan. Currently, the administrative divisions are playing a central role in promoting DX-related initiatives, but I believe that it will be mandatory to promptly promote collaboration across the Group in order to realize initiatives that meet the needs of the front line in the future. It is also crucial whether the efforts by each Business Unit to achieve high profit growth under the plan will progress steadily in the future. I think that it is necessary to continue to monitor the progress and provide supervision for the expansion of the overseas business in particular.

Higashi While DX among Japanese companies had been focused on boosting the efficiency of information processing in accounting departments, it has been increasingly used as a service menu for customers recently. Indeed, we are beginning to see concrete prospects for the future, and we are feeling a growing awareness of DX across the Group.

In addition, I have long recognized the need for in-depth discussions on issues related to the overseas business, such as the priority regions in our global strategy and the specific business development in each region based on such strategy. With regard to this point, we have been able to narrow down our focus to a certain extent by discussing priority countries, cities, and businesses through the formulation of the Mid- to Long-term Business Plan. In the future, I will closely monitor the businesses we promote in each country to determine whether they provide the Group's unique value and how they differentiate themselves.

Q Lastly, what are your thoughts and resolutions on the enhancement of the Group's sustainable corporate value?

Nagamatsu As stated that "it is necessary to evolve and transform approaches and methods of value creation" in the new Mid- to Long-term Business Plan, we are committed to transforming ourselves in order to achieve sustainable enhancement of its corporate value. For this reason, it is necessary to approach our businesses from a broad perspective, without being bound by past knowhow or the current organizational structure. While the organic growth of each Business Unit is of course important, the Business Creation Division was newly established within Nomura Real Estate Development to explore business opportunities in new fields with the aim of further demonstrating the spirit of challenge as a real estate developer. I highly appreciate this move and look forward

to the future of this new division. I would like to deepen discussions at the Board of Directors with a balanced view so that we can support our efforts for growth, while placing importance on risk management.

Higashi In the semiconductor industry where I used to work, the business cycle was short, and innovation was happening every couple of years. In such an environment, there is a strong sense of urgency that we must keep trying new things, and we have no choice but to take on challenges. There was a culture that tolerates failure and places value on identifying the cause and sharing it internally. Even in the real estate industry, which is said to have a longer business cycle, we need to shift our thinking to the assumption of new challenges in today's rapidly changing environment. While hoping that new business opportunities will be generated based on the Nomura Real Estate Group Vision for 2030 "Be a 'Life & Time Developer' as Never Seen Before," I would like to contribute to linking them to the enhancement of corporate value.



DIALOGUE

External Directors' Roundtable Discussion

Three external directors' discussion toward formulation of the Company's new Mid- to Long-term Business Plan and Evaluation and issues regarding the Group's governance, etc.

Yoshio Mogi

Director (Audit & Supervisory Committee Member)

Akiko Miyakawa

(Audit & Supervisory Committee Member)

Tetsu Takahashi

Director (Audit & Supervisory Committee Member)



Discussion toward Formulating the Company's Mid- to Long-term Business Plan and Long-term Vision

The Vision of

Nomura Real Estate Group

Q How do you assess the new Mid- to Long-term **Business Plan and the Nomura Real Estate Group 2030 Vision?**

Takahashi It is my understanding that the framework for the Mid- to Long-term Business Plan (the "plan"), which has been discussed for about a year, was formed around the second half of 2021. But I also recognize that even before that time the Group had a high awareness of the issue of profit growth, which had stalled at a low level in comparison with other companies in the same industry.

In the Breakthrough Project, which was started under the leadership of Kutsukake CEO to break away from this low growth, we saw various ideas presented and discussed, including new business ideas. In the end, we decided to return to the fundamental starting point of how to grow our main business while at the same time continuing to value and protect what is most important to the Nomura Real Estate Group: the intrinsic value that the Group has cultivated up until now. For example, this includes the essential "Nomura Real Estate Group" root value that each employee possesses, including brand value. I think it was a very important opportunity to form a common consensus.

Based on these discussions, each Business Unit set ambitious targets, properly incorporating the further growth of existing businesses and attempts at new business domains into the plan. I thought that the average annual profit growth target at the 8% level was an excellent result of refining the plan in this way, and I got a strong impression of the sheer will of the Group, including its senior management, to try new things and make certain changes.

Mogi I was actually a little concerned that in the discussion of the plan, the whole company tends to have a perspective that is limited to real estate business. From my point of view, as a person who used to work at a trading company involved in multiple businesses, real estate is just one of many businesses. But in the case of the Nomura Real Estate Group, all businesses are related to real estate. While I am not dissatisfied with the plan, which was completed by our real estate professionals after a series of thorough discussions, it is a fact that plans related to real estate are more likely to be greenlighted. In other words, I'm a little anxious about the fact that the management tends to agree with plans regarding real estate projects. That is why, as we hold our discussions, I have made efforts to check with the executive side regarding the assumptions of how they perceive the economic environment and international situation 10 years from now. I believe that it is important for external directors to speak freely from their own

Regarding the plan itself, I think it was good for the

Company to clarify its intentions of developing its overseas business operations, especially in Southeast Asia, as a driver for annual profit growth of 8%. While it is true that there are risks, the need to expand overseas business with obtaining appropriate human resources, has been discussed numerous times in the past at meetings of the Board of Directors, and I have the impression that we are engaged in active efforts for recruitment and structural development.

Miyakawa Overseas business tends to be an all-round affair, dispersed across multiple countries. But on this occasion, I think it was good that we were able to set the one major goal of settling in the Philippines and growing our business, including the establishment of a joint venture with Federal Land, Inc. The level of difficulty required for businesses in Japan, including environmental measures, will continue to increase, and I think that making use of the strengths that the Company develops overseas is an appropriate strategy.

As for "the Nomura Real Estate Group 2030 Vision," which was announced at the same time as the plan, I got the impression that the initial proposal presented by the executive side was somewhat difficult to understand. The opinion that it would be better to reconsider was expressed at a meeting of Board of Directors, and the initial proposal was remitted. The next proposal, presented a short after, was "Be a 'Life & Time Developer,' as never seen before." For me, personally, it was a good fit, and the entire Board of Directors was able to decide upon it with adequate satisfaction. My surprise at the fact that the Company was able to revise the Vision in such a short period of time is still fresh in my memory.

Assessments of the Company's Stance of Emphasizing **Human Rights and Active Participation for Women**

What are your thoughts on the Sustainability Policy and Priority issues for 2030 (materiality)?

Miyakawa I think many of priority issues (materiality) that the Company tackles are challenging. With the cooperation of the dedicated Sustainability Committee, I have learned a lot, and I feel that the level of my understanding has gradually deepened. In particular, Nomura Real Estate Holdings has also appointed a female executive officer, and I recognize that the active participation of women within the Group is steadily advancing.

Mogi As seen in the past with the SOX Act, and more recently with the SDGs, the demands of society change depending on the era; however, I don't think that we should be influenced excessively by the perspectives of such trends. What is particularly important is whether we can become a company where women can participate actively. Going forward, the importance of women's evaluations will increase, not only in businesses regarding residences but also in offices and commercial facilities.

The Vision of Nomura Real Estate Group Sources of

Growth Strategy

I believe that in the future it will be necessary to further promote diversity, with 40 to 50 percent of employees being women, and around one-third of directors being women. These figures are reasonable from the perspective of a business with diverse customers.



Yoshio Mogi

Miyakawa To increase the percentage of women in management positions, first, it is necessary to increase the number of female graduates hired and create an environment where they can work for a long time. It is also important to have a long-term perspective of steadily increasing the number of management candidates while improving retention measures and ensuring ease of working. I think there is still room for us to devise strategies with regard to these points.

Takahashi Various companies in the real estate industry. including the Company, have set KPIs relating to the environment, with a prime focus on decarbonization, and are all heading in the same direction. In this context, the Company has established "Society and employees" as a priority issue, with diversity and inclusion and human rights at the forefront of its activities. This is a very impressive point. Since I am also a lawyer, I hold the Company in very high regard for its emphasis on human rights.

I believe that companies are social entities, and that we should make efforts, as members of society, to create a society in which every individual is respected. Rather than limiting this to mere slogans, I hope that the Company's senior management will put this into practice with regard to stakeholders, and with a firm understanding of what actions they should take.

Effective Governance

A How do you assess the Group's corporate governance?

Mogi I believe that the Group is operating with a very high level of awareness when it comes to governance. From 2021, an external director has been serving as the Chairman of the Advisory Committee Relating to Nominations and Compensation, which I believe also helps to ensure effectiveness.

Takahashi More than half of the members of the Advisory Committee Relating to Nominations and Compensation are external directors, ensuring its fairness as an objective organization. Matters are decided through sincere discussions, and I think that it functions as an organization with effective capabilities of restraint and control over top-level management, who are ultimately in control of corporate governance.

The Board of Directors also receives monthly reports from all Business Units and spends around three hours reviewing individual agenda items. When any doubts remain, we actively express our opinions and ask

Miyakawa The other day, I had the opportunity to talk to women who serve as external officers of other companies, and I recalled that there was person who said in response to my statement that "it is the role of an external director to say what you want to say" that "there are some things that should not be said." If I have any doubts about even the smallest thing, I ask questions, and our executive personnel respond politely. Other external directors also speak actively, so I feel that there is an atmosphere makes it very easy to speak up.

(a) Is there anything you keep in mind when making remarks at Board of Directors meetings?

Mogi Even if the executive side is reluctant to do this. I will still say what I have to say. We should dispel any kind of atmosphere that makes us hesitant to comment actively. In particular, when it comes to business, not everything goes as planned, and it is difficult to anticipate and prevent risks before they occur, so, the speed of reporting is important. A very important question is whether cases, where things did not go well are being reported promptly while they are still at the "graze" or "minor cut" stage to prevent them from becoming serious injuries, or whether they are being reported at the "fracture" or "ICU" stage. To that end, I believe that it is necessary for us to monitor things closely at Board of Directors meetings and continue to say things over and over, so that we can deliberate at an early stage. Miyakawa It is easy for me to speak up when there are people like Mr. Mogi who actively express their opinions.



Akiko Miyakawa

I would like to serve as a catalyst for an increase in the number of female directors in the future.

Takahashi With respect to individual proposals, I try to make points to ensure that they will be polished, and their content will be highly accurate. On the other hand, the executive side is comprised of real estate professionals. Sometimes I wonder how useful my suggestions can be when dealing with agenda items built on their own experience, intellect, and stance based on their life's work. However, I do believe that the correct methodology in corporate management is to check repeatedly from various perspectives, including those of shareholders.

The Relationship We Should Seek to Have with Major shareholders

Q What are your thoughts on the Company's relationship with Nomura Holdings—one of its major shareholders?

Mogi Nomura Holdings has abundant connections with high-net-worth individuals, major investors, and overseas clientele. Frankly, I think that we should make use of these connections in whatever way we can.

Miyakawa If a win-win relationship can be established, I think that we should actively utilize it as a resource. However, if there are developments that cause conflicts with the Group, we will immediately raise questions at Board of Directors meetings. We should aim for a win-win relationship while retaining appropriate control.

Takahashi I agree. I believe that Nomura Holdings also wants to take a shared interest as a business. For the Group, this is an advantage that other companies do not have, so I would like the Company to use it meaningfully. On the other hand, in the event of any conflict of interest in the relationship of control as a major shareholder, I believe that it is one of our key missions to protect the interests of minority shareholders with a resolute attitude.

Comparison of the property Group's sustainable growth?

Mogi I would like the Company to rank in the top three as a Japanese real estate company. With that in mind, I have high hopes for the Group's overseas business. I also feel that there is still room for business expansion in Japan, such as in suburb areas.

Miyakawa The Group has begun its journey to "Be a 'Life & Time Developer,' as never seen before." To that end, it is essential to have diverse human resources who can achieve things that have never been seen before. I hope that we will work actively to promote diversity and inclusion throughout the Group, including the further active participation of women.

Takahashi The most important thing for the growth of the Group is the essential "Nomura Real Estate Group" root value that every employee possesses. There are many people around me who think highly of the Group's brand strength. I am confident that if each of us with our high level of motivation and abilities attempt new challenges with confidence, we will be able to achieve the goals of the plan and achieve further growth.

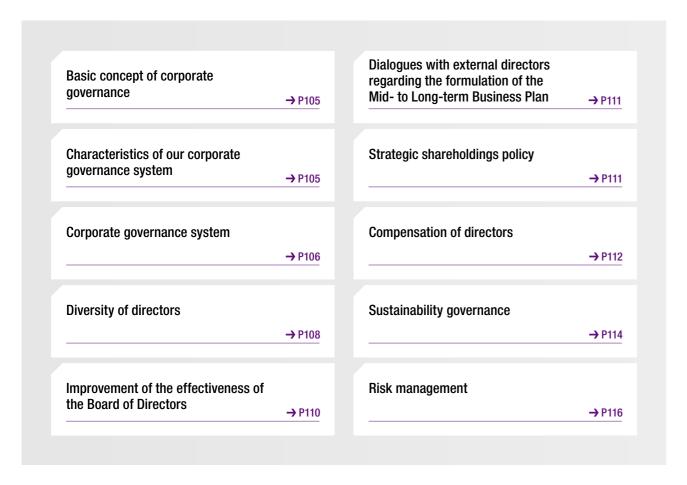


Tetsu Takahashi

Corporate Governance

Overview of corporate governance

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



Major Recent Corporate Governance Initiatives

The Company's major recent corporate governance initiatives are as follows.

- Revision to compensation system for directors → P112
 We reviewed our share-based compensation system and introduced evaluations using non-financial indicators, with the aim of contributing further to the enhancement of corporate value in the medium to long term.
- 2. Dialogues with external directors regarding the formulation of the Mid- to Long-term Business Plan → P111
- In addition to the opinions of external directors at the time of formulating the plan, we also provide details of the Company's response based on them.

Status of Compliance with the Corporate Governance Code

As of June 2022, we have disclosed the following reason for not implementing one of the 83 principles of Japan's Corporate Governance Code.

• Proper Supervision of Successor Plans for CEO, etc. (Planning)

The Company believes that the appropriate appointment process of its CEO, i.e. one that is carried out in line with the Company's corporate philosophy and management strategies and which also considers external candidates, is important for realizing sustainable growth. As for the plan for the CEO's successor, based on the respective appointment criteria for officers and for the CEO, the Company has established its training policy and the process up to the CEO's election. Going forward, in addition to the Advisory Committee Relating to Nominations and Compensation providing regular monitoring and reporting to the Board of Directors, the Company will strive for the further enhancement of the structure and content of training, to ensure that the training of successor candidates, in relation to the aforementioned established successor plan, goes as planned.

The Vision of Nomura Real Estate Group Sources of

Growth Strategy
(Business, Sustainability, and DX)

Governance

Fact Data, etc.

Basic concept of corporate governance

Nomura Real Estate Holdings 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 formulated in 2015.

- **© Corporate Governance** https://www.nomura-re-hd.co.jp/english/company/governance.html
- ## Basic Corporate Governance Policy https://www.nomura-re-hd.co.jp/english/company/pdf/cgpolicy.pdf

Characteristics of our corporate governance system

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

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

▶ Our efforts to reinforce corporate governance

	20	12	2013		2014	2015	2016	2017	2018	2019	2020	2021	2022
	•Intro	duced ex	xecutive office	er syst	tem to separat	e the business	execution function	from the mana	gement and supe	ervisory functions	of the holding co	ompany	
				•	Established t	he Management	t Committee at the	e holding compa	any to help streng	then Group mana	agement systems		
Organization						Transitio	ned to a company	with an Audit 8	Supervisory Cor	nmittee			
							Establishe		Committee Relatir	ŭ			
									an external direct e Relating to Nom			ry	
Directors (No.)	6*	5	!	5*	8			13		12	13	12*	
Of which external directors (No.)		0		1	2				5				4
Of which independent external directors (No.)		0			1		4			5			4
Of which female directors (No.)			0				1			2	1	2	1
The assessment of						•	Started assessm	ent of effectiver	ness of the Board	of Directors			
effectiveness								•	Started assessm	ent of effectivene	ess utilizing a thir	d-party evaluatio	on organizatio
Compensation							used for stock opt ore interest with s		the •Impleme	ented performand	e-based share-b	ased compensat	ion
											Revised comper system for direct		_
				T		Transforred	authority partially	from the Board	of Directors to th	o Managomont (Committee to spec	od up bueinose o	vocution
							Formulated the E				ommittee to spec	cu up business c	ACCULIOIT
Others									pintment of direct				
			- Di- '		and the last								
			 Heorganized a 	ınd restr	ructured the items,	systems, and division	s/departments for risk r	nanagement in order t	o strengthen the risk m	anagement system -			

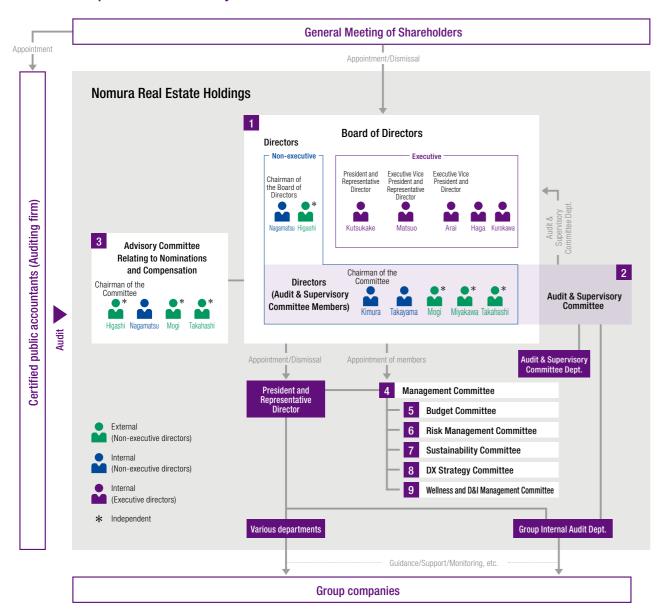
^{*}Reduction due to resignation or retirement during the period is not stated

Corporate governance system

Features of the Group's governance system

- Company with an Audit & Supervisory Committee
 Chairman of the Board of Directors is a non-executive director
- Out of 12 directors, four are independent external directors
- ► Established the Advisory Committee Relating to Nominations and Compensation
- Chairman of Advisory Committee Relating to Nominations and Compensation is an independent external director
- 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



Group governance

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

The Board of Directors

Held 21 times during FY22/3

Roles of the Board of Directors

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

Composition of the Board of Directors

The Company's Board of Directors comprises seven directors (excluding directors who serve as Audit & Supervisory Committee Members) (of which one is an external director) and five directors who serve as Audit & Supervisory Committee Members (of which three are external directors). The Company appoints diverse directors with various knowledge, experience, and skills in order to ensure the necessary balance and diversity as a holding company that manages companies that conduct business in various areas. In order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, four out of the 12 directors are independent external directors. The Chairman of the Board of Directors is Chair and Director, who is a non-executive director.

Roles of Independent External Directors

In order to strengthen the supervisory function of the Board of Directors and achieve fair and highly transparent management, one independent external director (excluding those who serve as an Audit & Supervisory Committee Member) and three independent external directors who serve as Audit & Supervisory Committee Members are appointed. The main role of independent external directors is, based on their own knowledge, to give appropriate advice from the viewpoint of the Company's sustainable growth and improving the corporate value, to supervise management through significant decision making by the Board of Directors, to supervise conflicts of interest between the Company and management or major shareholders, etc., and to appropriately express the opinions of shareholders and other stakeholders to the Board of Directors from a standpoint independent from management.

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

Criteria for Determining Impartiality of Independent External Directors: Article 14 of the Basic Corporate Governance Policy

https://www.nomura-re-hd.co.jp/english/company/pdf/cgpolicy.pdf

The Audit & Supervisory Committee Held 12 times during FY22/3

Roles of Audit & Supervisory Committee

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

Composition of the Audit & Supervisory Committee

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

Main initiatives taken by Audit & Supervisory Committee

Main matters on the agenda at the meetings of the Audit & Supervisory Committee include the consent to the election bill of directors who act as Audit & Supervisory Committee Members, drawing up audit plans, the consent to the internal audit plan by the Group Internal Audit Dept., preparing audit reports, evaluating on the reappointment of the Accounting Auditor, giving consent to compensation for the Accounting Auditor and making decision for appointment and compensation, etc. of the directors except for Audit & Supervisory Committee Members. The fulltime Audit & Supervisory Committee Members attend important meetings of the Company and request for reports from operating divisions as necessary to gather information on the Company's business

The Advisory Committee Relating to Nominations and Compensation Held 7 times during FY22/3

The Company established the Advisory Committee Relating to Nominations and Compensation, as an advisory body to the Board of Directors, where the majority of members are comprised of independent external directors, to strengthen the objectivity and independence of functions of the Board of Directors in relation to nomination and compensation of the directors and executive officers. Currently, the Advisory Committee Relating to Nominations and Compensation consists of four members, of which three are independent external directors. An independent external director is the Chairman of Advisory Committee Relating to Nominations and Compensation. The Advisory Committee Relating to Nominations and Compensation meets as necessary to discuss matters relating to the nomination of and compensation of directors and executive officers and reports the outcome to the Board of Directors.

Management Committee Held 50 times during FY22/3

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

5 Budget Committee Held 11 times during FY22/3

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

6 Risk Management Committee Held 7 times during FY22/3

Under the Management Committee, with the aim of securing the continuity and stable development of business through the exercise of risk management, the Committee discusses matters in connection with internal controls, risks in the Group's management and other matters. The Committee is mainly comprised of directors and executive officers of the Company and Group companies who have been appointed by the Board of Directors

7 Sustainability Committee Held 5 times during FY22/3

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

8 DX Strategy Committee Held 12 times during FY22/3

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

9 Wellness and D&I Management Committee Newly established in April 2022

Under the Management Committee, the Committee discusses mid- to long-term goals and various measures related to promoting wellness, work style reforms, promoting the empowerment of women, and utilization and active participation of the Group's diverse human resources in order to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness, and also to enhance efforts for formulating human resource development policies and promoting internal environment development for ensuring diversity.

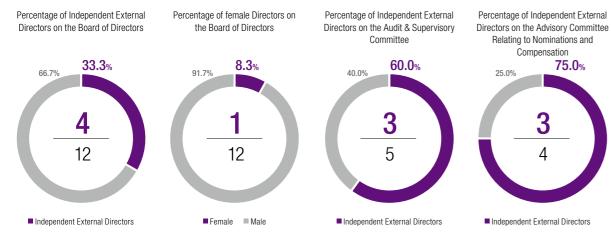
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Corporate Governance

Diversity of directors

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

Composition of the Board of Directors and Committees



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

Name	Position/Responsibilities	Executive/External/ Independent/New	Term of office"	Gender	Attendance rate at meeting of Board of Directors (upper row) and Audit & Supervisory Committee (bottom row) (number of meetings)	Audit & Supervisory Committee Member*2	Advisory Committee Relating to Nominations and Compensation Member ²
Shoichi Nagamatsu	Chair and Director Chairman of the Board of Directors	Non-executive	2	Male	100% (21/21)		0
Eiji Kutsukake	President and Representative Director, and Executive Officer Group CEO	Executive	8	Male	100% (21/21)		
Daisaku Matsuo	Executive Vice President, Representative Director, and Executive Officer Group COO	Executive	1	Male	100% (17/17 ^{*3})		
Satoshi Arai	Executive Vice President, Director, and Executive Officer	Executive Newly appointed	-	Male	(Appointed on June 24, 2022)		
Makoto Haga	Director and Executive Officer	Executive	5	Male	100% (21/21)		
Hiroshi Kurokawa	Director and Executive Officer Group CFO Supervisor of Management Division, Investor Relations	Executive	1	Male	100% (17/17*³)		
Tetsuro Higashi	Director	Non-executive External Independent	3	Male	95% (20/21)		0
Hiroyuki Kimura	Director (Audit & Supervisory Committee Member) (Full-time)	Non-executive	1	Male	100% (17/17*3) 100% (9/9*3)	0	
Yasushi Takayama	Director (Audit & Supervisory Committee Member) (Full-time)	Non-executive	3	Male	100% (21/21) 100% (12/12)	0	
Yoshio Mogi	Director (Audit & Supervisory Committee Member)	Non-executive External Independent	3	Male	100% (21/21) 100% (12/12)	0	0
Akiko Miyakawa	Director (Audit & Supervisory Committee Member)	Non-executive External Independent	3	Female	100% (21/21) 100% (12/12)	0	
Tetsu Takahashi	Director (Audit & Supervisory Committee Member)	Non-executive External Independent	2	Male	100% (21/21) 100% (12/12)	0	0

^{*1} Term of office as director as of June 24, 2022

The Vision of Nomura Real Estate Group Sources of Competitiveness Growth Strategy (Business, Sustainability, and DX)

Director skills matrix

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

	Fields of expectation for directors							
Name	Corporate management	Finance/ Accounting	Legal/Compliance	Real estate/ Construction	Overseas Business	ICT/Digital	Sustainability	
Shoichi Nagamatsu	•	•	•					
Eiji Kutsukake	•	•		•			•	
Daisaku Matsuo	•			•			•	
Satoshi Arai	•	•				•		
Makoto Haga	•	•	•	•				
Hiroshi Kurokawa	•	•		•			•	
Tetsuro Higashi	•	•			•	•		
Hiroyuki Kimura	•	•		•				
Yasushi Takayama	•	•	•		•		•	
Yoshio Mogi	•	•			•			
Akiko Miyakawa		•			•			
Tetsu Takahashi	•		•					

^{*}The above table does not represent all aspects of the knowledge and experience of each director.

Reasons for appointment of external directors

Name	Reason for appointment
Tetsuro Higashi	Tetsuro Higashi has been selected as an external director because it is expected that he will contribute 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 corporate manager.
Yoshio Mogi	Yoshio Mogi has great knowledge, experience and profound insights concerning corporate management acquired through his many years working as a corporate manager. He has been selected as an external director as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.
Akiko Miyakawa	Akiko Miyakawa has great knowledge, experience and profound insights as an expert at accounting and auditing acquired through her many years working as a Certified Public Accountant. She has been selected as an external director as Audit & Supervisory Committee Member because it is expected that her extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure, although she has no previous experience directly involved in the management of a company other than as an external director.
Tetsu Takahashi	Tetsu Takahashi has great knowledge, experience and profound insights as a legal expert acquired through his many years working as a lawyer. He has never in the past been involved in the management of a company except as an external director, however he has been selected as an external director as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge as a representative of a law firm and an external director and outside audit & supervisory board member of other companies will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.

Initiatives to Support and Improve the Skills of Directors

The Company provides training that takes into consideration the Company's corporate philosophy and management strategies. The Company also regularly provides opportunities for all directors to receive training from guest lecturers from outside the Company, to improve their knowledge of topics such as corporate governance and DX. Also, when external directors assume office, they are provided with an explanation regarding topics such as the Group's history, business framework, and business model, to deepen their understanding of said topics. Then after the external directors' tenures begin, in addition to ensuring regular opportunities for training, the Company also provides opportunities for them to tour the Company's properties. In addition, in order to facilitate smooth deliberations, materials for the Board of Directors meetings are provided in advance, and if necessary, briefings are held prior to the meeting.

	Specific initiatives	Number of sessions
Training from guest lecturers from the outside the Company	In the fiscal year ended March 2022, we invited outside experts to hold study sessions for directors and executive officers on two key topics: "Achieving Sustainable Growth through the Combination of Sustainability and Business Management" and "Trends in Carbon Neutrality and their Impact on Business."	1
Tour of the Company's properties	To deepen understanding of the Group's wide-ranging business operations, we provide regular opportunities for external directors to tour the Company's business properties and hold preliminary briefings for newly appointed external directors during the week of each Board of Directors meeting.	1

^{*2 ©:} Committee Chairmar

^{*3} Number of meetings held in the fiscal year ended March 31, 2022 since assuming the position of director on June 24, 2021

Improvement of the effectiveness of the Board of Directors

For continuous improvement of the effectiveness of the Board of Directors, we repeatedly perform a cycle of assessment of the effectiveness of the Board of Directors and the Board of Directors' determination and implementation of appropriate policies based on the assessment results.



Details of the assessment of effectiveness of the Board of Directors in the fiscal year ended March 2022 are as follows:



Main discussions of the Board of Directors and Directors' opinion exchange sessions

In addition to major decisions and reports at meetings of the Board of Directors, we also hold sessions for directors to exchange opinions and engage in deeper discussions. The main decisions, reports, and discussions during the fiscal year ended March 2022 were as follows.

Categories	Main themes				
Business strategy, business plan	Annual budget, policy for shareholder returns, fund procurement (Borrowings, Bonds, etc.) Financial results Investor trends/IR strategy Business Unit strategy Examination of M&A	Digital strategy Promotion of sustainability Promotion of wellness management Human resources strategy			
Corporate governance	Evaluating the effectiveness of the Board of Directors Policy for responding to Audit & Supervisory Committee audit findings Advisory matters to Advisory Committee Relating to Nominations and Compensation	Enhancing group governance Monthly monitoring of response status to various management issues			
Risk management/Compliance/Audits	Asset risk management Management of investment risk and external risk Report of Risk Management Committee Risk monitoring report in Overseas Business	Formulation of the compliance program for the fiscal year Formulation of the group internal audit plan and the report on the results			

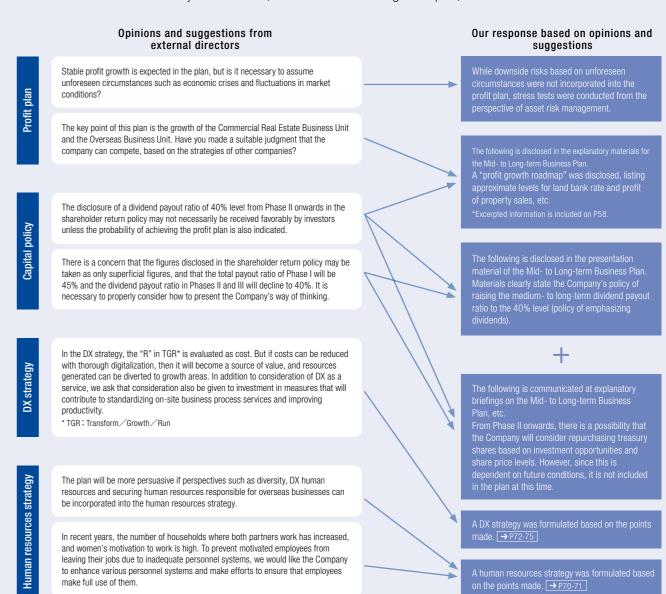
In addition to the above items to be deliberated by the Board of Directors, directors hold meetings to exchange opinions among them to deepen discussions.

		Main themes
Directors' opinion exchange sessions	New Mid- to Long-term Business Plan Asset portfolio strategy	Discussions of strategy (Digital, Sustainability)Budget plan and the three-year forecast

TOPIC

Dialogues with external directors regarding the formulation of the Mid- to Longterm Business Plan and the Company's response based on them

In formulating the Mid- to Long-Term Business Plan (FY2023/3–2031/3) announced in April 2022, active discussions were held at meetings of the Board of Directors and opinion exchange sessions. The content of these discussions, including considerations of the reasonability of the content, is reflected in the management plan, etc.



Strategic shareholdings policy

The Group's strategic shareholding policy is that it contributes to the improvement of the Group's corporate value from a comprehensive perspective such as strengthening business relationships with business partners and strategic business alliances.

The Board of Directors annually verifies the rationality of the Group's continuous holding of shares of listed companies held for reasons other than pure investment purposes (strategic shareholdings), and based on that verification it sells off shares with low rationality for holding as the basic policy in consideration of the market environment. As of the fiscal year ended March 2022, the Company has no cross-shareholdings.

Strategic shareholding status



Compensation of directors

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

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.

Key points of revisions to compensation system of directors (June 2022)

- Increased the performance-based portion of share-based compensation to raise awareness of contribution to the improvement of corporate value in the
- Added outside directors (excluding Audit & Supervisory Committee Members) to the list of directors eliqible for the non-performance-based portion of share-based compensation with the aim of further improving awareness of external directors to share value with shareholders
- With the aim of raising awareness of sustainability, added evaluations based on non-financial indicators (sustainability elements, etc.) to the content of key performance indicators and calculation methods for bonuses, centering on evaluations based on aspects of business performance such as consolidated business profit. For the fiscal year ending March 2023, we plan to evaluate using non-financial indicators based on BEI*.

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

Basic Policy

- (1) Compensation for directors consists of a structure that is linked to the Mid- to Long-term Business Plan, etc. in order to sufficiently work as an incentive for the sustainable improvement of corporate value, and the Company's basic policy in deciding compensation for each director is to provide an appropriate level of compensation according to the role and position as a director.
- (2) Operation and revision of the compensation plan for directors and the amount of the compensation for directors are determined by the Board of Directors based on the deliberation by the Advisory Committee Relating to Nominations and Compensation and its opinion reported to the Board of Directors.
- (3) In reviewing the appropriateness of the compensation level and the content of the share-based compensation plan, the Company takes consideration of factors such as the size of the Company and business characteristics, after obtaining advice from an external compensation consultant as necessary.
- (4) Compensation of directors concurrently serving as executive officers consists of "base compensation," "bonus" and "sharebased compensation" so that it works as a clear incentive to improve performance not only for the short-term, but also for the medium- to long-term.
- (5) Compensation of the 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.
- (6) 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.

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

- (1) Ratios of compensation for directors and executive officers shall be determined in accordance with items (2) and (4) of the Basic Policy.
- (2) Ratios of compensation for the Chairman of the Board of Directors and outside directors shall be determined in accordance with items (2) and (5) of the Basic Policy.
- (3) Compensation for non-full-time directors shall be base compensation only, in accordance with items (2) and (6) of the Basic Policy.

Category of compensation of directors

Compensation category		Determination policy each type of compensation	Evaluation criteria
Fixed compensation	Base compensation Determined according to the role and position as a director.		Granted on a basis according to the role and position
	Bonuses Determined according to the Company's business performance, such as consolidated profit, and evaluation of individuals. The evaluation of individuals evaluates the progresinitiatives for single-year and the medium-to long-term, for which achievements are demeasure based only on the figures of financial results.		The Company's business performance, such as consolidated business profit Implementation status of single-year measures and mid- to long-term measures, etc. Evaluation based on non-financial indicators (sustainability factors, BEI value, etc.)
Variable compensation	Share-based compensation (PS)	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.").	Performance-linked evaluation after 3 years (Evaluation index: Business profit, ROE)
	Share-based compensation (RS)	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.	Granted on a basis according to the position (increased compensation due to rising stocks)

The Vision of Nomura Real Estate Group

Sources of Competitiveness Growth Strategy ability, and DX)

(images)

► Compensation of directors' ratio

► Category of compensation of directors

	Fixed compensation		Variable compensation	1	*Assuming 100% payment of variable compensation of the l amount set by the Group
	B	D	Share-based	d compensation	compensation adopts restricted shares (RS)
	Base compensation	Bonuses	PS*	RS*	Before revision Performance-based compensation adops performance-sharing
Directors concurrently serving as executive officers	0	0	0	0	revision performance-sharing compensation (PS) Variable Bonuses
Director and Chairman of the Board of Directors	0	-	_	0	compensation
Internal directors (Part-time)	0	-	_	_	
External directors (excluding Audit & Supervisory Committee Members)	0	-	_	0	Variable compensation Non-performance-based compensation adopts restricted shares (RS)
Directors (Audit & Supervisory Committee Members)	0	-	_	_	After revision Performance-based compensation adopts performance-sharing (PS)

Total amount of compensation, etc. by director c number of directors applicable	ategory, total	I amount of compensation, etc. by type and t	he
		Total amount by type of componentian, etc. (million	_

	Total amount of		Number of				
Director category	compensation, etc.	Base	Bonus	Share-based (Non-monetary c	directors applicable		
	(millions of yen)	compensa- tion	(Performance-based incentive, etc.)	Performance-based compensation	Non-performance- based compensation	(people)	
Directors (excluding directors who also serve as Audit & Supervisory Committee Members) (excluding external directors)	562	275	118	97	71	9	
Directors (Audit & Supervisory Committee Members) (excluding external directors)	102	102	_	_	_	3	
External directors	71	71	_	_	_	6	
Total	736	448	118	97	71	18	

^{*1.} The number of directors (directors who also serve as Audit & Supervisory Committee Members) (excluding external directors) is five as of the end of the fiscal year ended March 2022. The reason for the difference with the number of directors applicable shown above is the inclusion of three directors who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021, and the fact that one director (Audit & Supervisor Committee Member) as of the end of the fiscal year ended March 2022 has served as an executive director in the past, and the amount of share-based remuneration (perfor

reasons for selecting these indicators are as stated in "The policy for deciding the details etc. of the compensation of directors etc." The actual results that pertain to performance indicators are as presented in the table below

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Business profit	¥82,833 million	¥76,448 million	¥92,765 million
Year-on-year change	+4.0%	-7.7%	+21.3%

^{*7.} With respect to the performance-based compensation, the details of factors including the performance indicators that pertain to share-based compensation, etc., the calculation method of such share-based compensation, etc., and the reasons for selecting these indicators are as stated in "the Basic Policy stated on the previous page. 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 ended 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%	127.0%
Business profit	¥70,800 million	-	¥99,200 million	¥92,765 million
ROE	6.5%	-	12.5%	9.2%

^{*2.} The number of directors (Audit & Supervisory Committee Members) (excluding external directors) is two as of the end of the fiscal year ended March 2022. The reason for the difference with the number of directors applicable

shown above is the inclusion of one director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021.

*3. The number of external directors is five as of the end of the fiscal year ended March 2022. The reason for the difference with the number of directors applicable shown above is the inclusion of one director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021.

^{*4.} The compensation amount ("base compensation" and "bonus") of directors has been set as no greater than ¥550 million per year for directors (excluding directors as Audit & Supervisory Committee Members) according to a The compensation in 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) as 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

Is a large from the company as an expense during the fiscal year ended March 2022 regardless of whether it was paid during the fiscal year ended March 2022. Separately from the compensation amount of directors shown in "4. above, the Company introduced a performance-based stock incentive plan for directors (excluding external directors as Audit & Supervisory Committee Members) in accordance with a resolution approved at the Ordinary General Meeting of Shareholders held on June 26, 2018. Under the terms of the plan, the Company's contribution to a trust as compensation for directors (excluding external directors as Audit & Supervisory Committee Members) is limited to an amount of not more than Y730 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). In accordance with the resolution approved at the Ordinary General Meeting of Shareholders held on June 24, 2022, over the new period of three fiscal years beginning from the fiscal year ending March 31, 2023 (or, in the case of a period extension, each of the subsequent three fiscal years), the Company's contribution to a trust as compensation for directors (excluding directors who also serve as Audit & Supervisory Committee Members) is limited to an amount of not more than ¥1,650 million and 672,000 shares (of which the limit per external director is ¥9.9 million and 4,030 shares for each of the three fiscal years), and the number of directors (excluding directors who also serve as Audit & Supervisory Committee Members) who

^{*8.} Non-monetary compensation, etc. consists of the Company's shares, etc. and the conditions, etc. for delivery are as stated in "The Basic Policy" as mentioned above.

*9. 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.

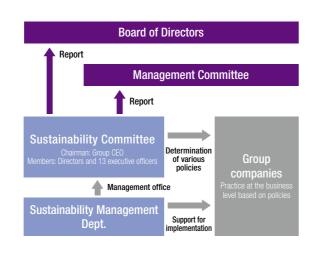
Therefore, the President and Representative Director shall decide the details. The reason for this delegation to the President and Representative Director is that the Company has judged the President and Representative Director. as appropriate to conduct the individual evaluation of each director while 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.

The Group tackles changes in the management and business environment head-on, including shared global issues such as climate change, intensification of natural disasters, and the diversification of human values. The Group has also formulated the Sustainability Policy entitled "Earth Pride," describing its vision of 2050. Going forward, the Group will promote sustainability through its business activities by recognizing its sustainable growth and contribution to a sustainable society as a unified goal.

Sustainability management structure

The Group believes that sustainability and management are inseparable, and that business strategy and direction of sustainability should be perfectly aligned. Therefore, the President and Representative Director, Group CEO will serve as the Chairman of the Sustainability Committee from April 2021 in order to strengthen our system of approach to initiatives. The Committee consists of directors and executive officers appointed by the Board of Directors of the Company and is mainly responsible for deliberating and determining policies and activity plans for sustainability. Results of deliberation by the Committee are reported to the Management Committee and the Board of Directors and reflected in its business plans and business activities.

During the fiscal year ended March 2022, the Committee convened five times. In addition, the Sustainability Subcommittee, Environmental Subcommittee and Human Rights Subcommittee convened 33 times in total to promote more active internal dis-



Major achievements since the fiscal year ended March 2022

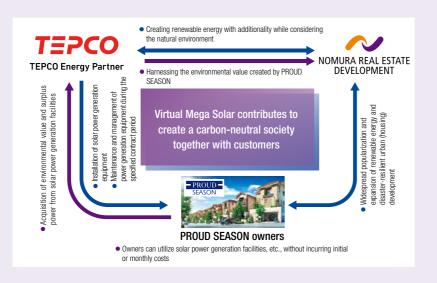
- Formulated the Sustainability Policy and identified priority issues (materiality) and established key performance indicators (KPIs) for actualizing the policy
- Joined RE100
- Considered procurement measures for renewable energy with additionality (see Topics below)
- Expanded disclosure of information relating to diversity and inclusion (efforts led by the Group Human Resources Dept.)
- Conducted research and development of timber building materials through joint research with general contractors and building materials manufacturers
- Signed a comprehensive partnership agreement with OKUTAMA TOWN, Tokyo Conducted survey activities at approx. 200 business (co-creation study for the preservation of a rich natural environment)
- Signed an agreement with Japan's Ministry of Agriculture, Forestry and Fisheries and a manufacturer of housing construction materials company to promote the utilization of domestically sourced 2×4 timber building materials in building construction
- Considered issues such as waste reduction and recycling in the Company's business domains
- Established a system to implement human rights due
 - partners regarding their state of compliance with the Nomura Real Estate Group Procurement Guidelines

Nomura Real Estate Development × TEPCO Energy Partner

Nomura Real Estate Development leads Japan's first Virtual Mega Solar power system for detached housing in the Tokyo Metropolitan Area

As part of efforts to achieve carbon neutrality by 2050, Nomura Real Estate Development and TEPCO Energy Partner launched "Virtual Mega Solar" project, introducing solar power generation on the same scale as mega solar power plants (total power output of 1,000kW) for PROUD SEASON detached housing developed by Nomura Real Estate Develonment. mainly in the Tokyo Metropolitan Area.

"Mega solar" power generation refers to large-scale solar power generation systems with a power output of 1,000kW or more. There are various issues to overcome in creating such power generation facilities, such as securing sufficient land and limiting environmental impact in the development process. The project initiative utilizes detached housing (around 300 properties per year) in the Tokyo Metropolitan Area, and will be implemented as an initiative for localized generation and consumption of electric power, to conserve and generate energy in the Tokyo metropolitan area, where there are few areas of fallow land to be utilized



The Vision of Nomura Real Estate Group Sources of

Growth Strategy

Governance

Fact Data, etc.

Process for identifying priority issues (materiality) and establishing key performance indicators (KPIs)

In line with the formulation of the Sustainability Policy and the new Mid- to Long-Term Business Plan, the Group has identified priority issues (materiality) and established key performance indicators (KPIs).



Priority issues (materiality) and Key Performance Indicators (KPIs)

Sustainability Policy

Earth Pride

Pursuing humanity

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

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

Maintaining harmony with nature

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

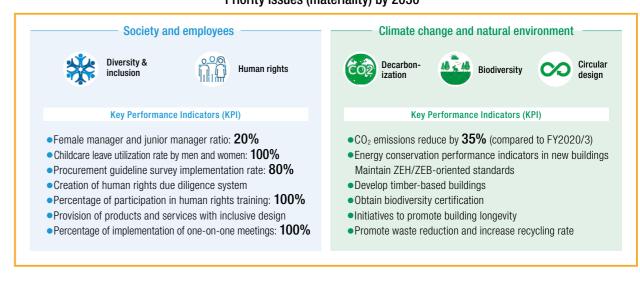
While carefully conserving the Earth's finite resources, we improve the relationship between nature and humans.

Building the future together

The ambition we have is to create unprecedented value from diverse organizations and people working together to overcome boundaries.

We are continuously challenging ourselves with novel ideas of living, business and working styles for an innovative society where all people with various backgrounds and values can build on their strengths

Priority issues (materiality) by 2030



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

#For more detailed information, see our Financial Report. https://www.nomura-re-hd.co.jp/cfiles/engnews/n2022062400301.pdf

Basic Policy for Risk Management

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

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

Important risks needing to be managed among main risks

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

Risk Management Structure

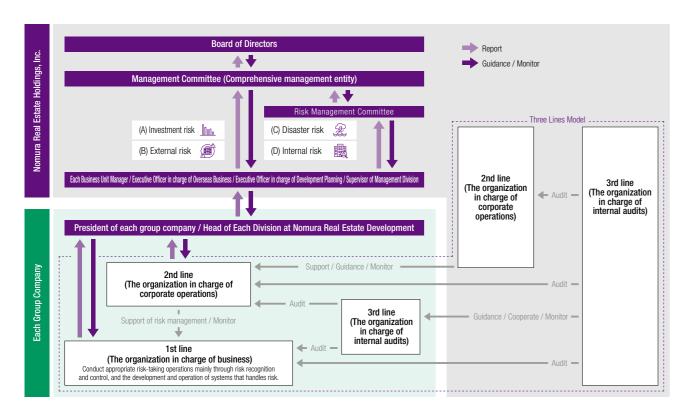
To discuss various risks related to group management, the Company has prescribed the Management Committee as the integrated risk management body and operates a system to regularly monitor, evaluate and analyze the state of main risks, provide necessary guidance and advice to each business unit and Group company while regularly reporting details to the Board of Directors. The Management Committee, which is the integrated management body, directly monitors.

"A: Investment risk" and "B: External risk," while the Risk Management Committee, established as a subordinate organization of the Management Committee, conducts regular monitoring, evaluation and analysis of "C: Disaster risk" and "D: Internal risk" and these committees discuss basic response policies regarding risk prevention, response when risk occurs, and prevention of recurrence after risk occurs. Moreover, we established the Group Risk Meeting consisting of directors and executive officers of each Group company appointed by the chairman of the Risk Management Committee to share risk information and response policies within the Group.

With regard to risk management, each Business Unit manager will supervise the risk management of their affiliated business unit and report on the situation to the Management Committee or Risk Management Committee as necessary. Concurrently, the president of each group company (the head of each division at Nomura Real Estate Development) are responsible for reporting risk management matters to the Business Unit Manager in a timely and appropriate manner.

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

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



The Vision of Nomura Real Estate Group Sources of

Growth Strategy
(Business Sustainability and DX)

Details of main risks

The following are the main risks that the management recognizes that have the potential to significantly influence the financial position, business performance and cash flows of the company and the consolidated subsidiaries. Among these main risks, the Company has selected several risks requiring particular attention during the fiscal year ending March 2023, in consideration of factors such as the magnitude of the potential impact on its businesses and the

external environment.

Matters concerning the future and the recognition of risks in the text are as determined by the Group as of the end of the fiscal year ended March 2022. The following, however, does not include all risks. Risks that are unpredictable or deemed insignificant at this point in time may impact on businesses in the future.

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

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

In the fiscal year ending March 31, 2023, risks requiring particular attention are as follows.

Risk categories	Main risk items	Main initiatives, Response policies, etc.
	Risk that the Company will not earn the expected profits due to an increase in construction expenses caused by soaring materials prices	Investment decisions based on a business plan that anticipates a certain increase in construction expenses
(A) Investment	Risk of profitability deterioration and delays in anticipated project schedule occurring in projects with long-term project timeframes and large investment budgets, such as redevelopment projects	Monitoring within business divisions and regular reporting at Management Committee meetings, etc. Establishment of a specialized department for steering large-scale projects such as the Shibaura Project and Nakano Project
	 Risk of inability to secure the expected business volume and slowing profit growth due to intensifying competition for land acquisition, etc. 	Business land bank rate for Phase I of the Mid- to Long-term Business Plan (FY2023/3—FY2025/3) is mostly 100% Promotion and expansion of legal redevelopment and condominium reconstruction projects which are some of the Company's key strengths
	 Risks arising from the impacts of prices for housing sales and property sales due to changes in Japan's real estate market and financial conditions 	Policy on land acquisition for housing sales and rental housing / property sales that not taking excessive risk of market fluctuations (secure land bank for around 3-4 years)
(B) External risk	Risk arising from deterioration in profitability and delay in profit recovery timing in overseas business due to deterioration in economies and real estate markets in countries overseas	Business advancement through joint ventures with excellent local developers Initiatives to make effective use of know-how cultivated in Japan and improve quality through the implementation of the KAIZEN Project, etc. Regular holding of "overseas business monitoring meetings" and implementation of monitoring by second-line organizations
Risk of a reduced strength of the Company's businesses due to delays in response to changes in lifestyles and values, response to accelerating advances in digital technology, and response to sustainability, etc.	The DX & Innovation Management Department drives research and development in new business fields and planning, promotion, and support for digital strategies, etc. Promoting sustainability to achieve priority issues that need to be addressed in particular b 2030	
(C) Disaster risk	 Risk of inability to continue business due to increasingly severe natural disasters such as earthquakes, typhoons, and torrential rains 	Establishment of a system for selecting core operational processes for the purpose of ensuring business continuity, in the event of an outbreak of COVID-19 infections, for example
	Risk due to inadequate design and construction in the real estate development business	Rigorous compliance with the Group's design standards and quality manuals. As an ordering party, we conduct quality inspections with regard to construction status. Formulating business standards relating to management, formulating safety and temporary construction guidelines for repair work, and providing damage insurance in case of accidents, etc.
(D) Internal risk	Risk due to delay in preparing personnel systems to secure diverse human resources and enable human resources to continue playing an active role	Promoting Group-wide human resources strategies Revision of personnel systems, etc. (introduction of a multi-track personnel system that enables diverse human resources to develop their strengths to achieve growth and play active roles, etc.) Establishment of Wellness and D&I Management Committee and formulation of Nomura Real Estate Group Diversity & Inclusion Promotion Policy
	Risk due to information leak by cyberattack, impact on business continuity, and incurrence and expansion of damage, etc.	Restrictions on information access via Internet connection, log management, and toughening of measures against loss of information terminals (portable devices, etc.) Third-party system security diagnostics, and introduction of a detection system for abnormal behaviors, etc.

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Risk Management

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

 $\textbf{\# For more detailed information, see our Financial Report.} \quad \texttt{https://www.nomura-re-hd.co.jp/cfiles/engnews/n2022062400301.pdf}$



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

Risk	1) Risks associated with real estate investment
Risk details	In the real estate investment and development business carried out by the Group, there are cases in which business does not proceed as planned due to such factors as unexpected soil pollution, delays in obtaining permits and licenses, the need for additional construction, and an increase in construction expenses. In such cases, the occurrence of changes in the initial business schedule, delays in completion and recognition timing, and additional costs, and profitability deterioration associated with an increase in construction costs could affect the Group's financial position and business performance.
Main initiatives	Decisions on the real estate investment/development business are made at the meetings such as the Management Committee or the Board of Directors of the Company or of group companies upon identifying, analyzing and evaluating risk in advance and considering risk taking or risk avoidance policies. In particular, for soil pollution the Company implements a historical survey and a pollution survey in advance and if pollution is confirmed the Company will cease the acquisition of the land or have the pollution removed by an external specialist. In addition, regarding the risk of an increase in construction expenses, the Company includes a certain amount of additional costs when acquiring land for development and carries out other measures. Following the acquisition of the land for development, the department in charge of the business ascertains the risk of any schedule delay and the state of construction costs. Should an especially an important event occur, the department shall report this to the Management Committee or the Board of Directors of the Company or group companies when necessary and respond to the issues.
Risk	2) Risks associated with strategic investment (M&A) and new businesses
Risk Risk details	2) Risks associated with strategic investment (M&A) and new businesses The Group positions M&A as one of its growth strategies and aims to enhance the corporate value of the Group by implementing M&A for which synergies can be expected. However, the inability to achieve profit growth from the M&A target companies and synergies expected could affect the Group's financial position and business performance. The Group goes beyond the existing business domains to explore opportunities in new businessesses as well as examines and makes investments in new asset types. However, the inability to execute business according to original plans or achieve synergies with group companies could affect the Group's financial position and business performance.



(B) External risk	Risks related to external factors influencing business
Risk	3) Risks associated with market changes
Risk details	As the Group carries out a variety of real estate-related businesses, changes in economic conditions or the occurrence of disasters could lead to changes in the business environment or market conditions and have an impact on the Group's financial position and business performance. In the Residential Development Business Unit, a decline in customer desire to purchase leads to a decrease in sales prices and an increase in inventories and this could result in a situation whereby expected profits under the business plan cannot be secured and valuation losses or inventories and increase in the CAP rate that leads to a decline in asset price could result in a situation whereby expected profits under the business plan cannot be secured and valuation losses on inventories and non-current assets held are recorded. In addition, a decline in the demand in the real estate transaction market, a share price decline in the REIT market, a decline in demand for investment funds, and a rise in construction cost could have an impact on the Group's financial position and business performance.
Main initiatives	The Group regularly updates its awareness of the external environment of each business and works to ascertain impacts on business results, monitor the progress of business and improve precision. When making investment decisions in the real estate investment/development business, our basic policy is to understand and forecast the current and future market conditions and confirm past market trends and curb to a certain extent the impact from changes in market conditions. Moreover, we formulate an investment budget upon undertaking risk assessment to ensure a certain level of soundness regarding our financial position even if market conditions change rapidly.
Risk	4) Risks caused by changes in economic conditions
Risk details	Domestic and overseas economic recessions, an increase in funding costs due to rising market interest rates, fluctuations in yen-denominated investments and recovered amounts, or amounts of foreign currency assets and liabilities on the consolidated financial statements due to fluctuations in exchange rates could have an impact on the Group's financial position and business performance.
Main initiatives	Regarding changes in economic conditions, the Group regularly updates its awareness of the external environment and works to ascertain impacts on business results. In our funding through borrowings, we respond to the risk of rises in short-term interest rates by using mainly long-term and fixed-rate borrowings. For foreign exchange fluctuation risk, we have established a foreign exchange hedging policy that considers the types of businesses we undertake overseas and we operate in accordance with this policy.
Risk	5) Risks caused by changes in political/social conditions/systems (law, tax systems, accounting, others)
Risk details	As each of the Group's businesses are developed in Japan and overseas, there is the possibility of the occurrence of rising construction expenses, business schedule delays, etc. due to disruptions in the foreign exchange market, energy market and supply chain in the event of changes to the political and social situation, such as the emergence of geopolitical risks, such as Russia's invasion of Ukraine. Overseas in particular, there are risks specific to each country's political and social situations in case there are changes in political and social situations and considerable to the promote business, which could have an impact on the Group's financial position and business performance. Varies, which could have an impact on the Group's funancial position and business performance. Varies which could have an impact on the Group's funancial position and business. For example, in addition to the Real Estate Brokerage Act and the Building Standards Act, other realestate related laws and regulations as well as the Financial Instruments and Exchange Act are applicable in Japan, and overseas, there are risks specific to each country's laws and regulations or policial position and policial position and policial position and business performance as a result of the occurrence of new obligations and expenses. Also, in the case of changes to various tax systems and accounting systems in Japan and overseas that have an impact on the real estate business, the resulting increased costs for acquiring, holding, and selling assets, a decline in customer desire to purchase, a shift in corporate facility strategy, and revision of investment plans could have an impact on the Group's financial position and business performance.
Main initiatives	We collect and analyze information on trends in political and social situations, various laws and regulations, tax systems and accounting systems in Japan and overseas from industry groups, external experts, business partners, and consider responses at each of the Company's respective organizations on the "second line" and discuss those matters expected to have a significant impact at the Board of Directors or the Management Committee depending on the details. In overseas business in particular, we seek the knowledge of external experts regarding the forecast of the future political and social situations as well as applicable laws, regulations at ax laws when starting a business overseas, and after starting a business we regulatry confirm the state of changes to the political and social situations as well as important related laws and regulations that have an impact on business strongly revenue and expenditures, and progress in countries where we do business through the Overseas Business Monitoring Committee, etc. In the case that there are any changes, discussions are carried out at the Board of Directors or the Management Committee upon evaluating the impact and discussing response policies.
Risk	6) Risks from lagging behind innovation and changes in the social structure related to the business
Risk details	Should technological innovation or the emergence of innovative new participants in a variety of real estate-related businesses that the Group engages in result in a large change in the industrial structure or business environment and the Company is late in responding to changes in customer needs accompanying changes in the social structure, the Company's strength could decline and this could have an impact on the Group's financial position and business performance. In addition, the Group uses land and other natural resources and energy when conducting its business activities, and recognizes that climate change is a significant risk that could substantially impact its business. The changing needs of customers for real estate include increasing customer demands for functions related to the environment, energy saving, and disaster prevention due to the implementation and strengthening of greenhouse gas reduction regulations, etc. If the Company is late in responding with technologies related to high environmental performance and energy performance, the strength of the Company's products and services could decline and this could have an impact on the Group's financial position and business performance.
Main initiatives	In the midst of a changing business environment, the Group has been creating new and highly unique value for society and customers by leveraging its strengths, such as real estate development capabilities based on the "market-in" concept and a commitment to quality in urban development and real estate-related services. In order to further enhance these strengths, we have established the DX & Innovation Management Dept., which is responsible for research and development of new business felds, plasming, promoted, and support for innovation capabilities based on the "market-in" and development of new business, servicus and services beyond the boundaries of heir daily work. At the same time, through the Management Dept., which is not research and development of new business, products and services beyond the boundaries of heir daily work. At the same time, through the Management Dept., which is not the new business, products and services beyond the boundaries of heir daily work. At the same time, through the Management Dept., which is not the new business, products and services beyond the boundaries of heir daily work. At the same time, through the Management Dept., which is not the new business, products and services beyond the product of the product

The Vision of Nomura Real Estate Group Sources of

Growth Strategy (Business, Sustainability, and DX) Governance

Fact Data, etc.



Risks caused by disasters that have a large impact on customers and business continuity

Risk	7) Risks caused by disasters (earthquakes, typhoons, floods, tsunamis, volcanic eruptions, major fires, epidemics of infectious diseases, etc.) that have a major impact on customers and business continuity
Risk details	Large earthquakes, storms and flood damage, and infectious disease epidemics could make it difficult for the Company and its business partners to undertake normal business and there could be cases of the occurrence of the risk of loss of earnings and the risk of delay of earnings. Risk of loss of earnings include decreases in leasing revenue and operational revenue due to the suspension of operations or restrictions on facilities that the Group owns and operates and a decrease in income due to the loss of business opportunities. Moreover, risk of delay of earnings include changes in sales recording period due to the suspension of operations for housing sales and changes in the timing of sales recording/completion due to the extension of construction periods owing to such factors as suspension of construction by construction so construction by construction so construction by construction so constr
Main initiatives	The Group recognizes that the frequency of disasters has increased, and this is an important social issue. Based on discussions with government and disaster preparedness experts, we are working to ensure the safety and security in the event a disaster occurs. We engage in disaster preparedness activities to ensure that, if a disaster occurs, its impact is minimized and the Group and its employees are able to continue business and their normal lives. We have formulated a business continuity, in preparing for an aerthquake occurring directly under the Tokyo Metropolitan Area, we have established a BCP and an emergency chain of command, assigned duties to ensure business continuity, in preparing for an aerthquake occurring directly under the Tokyo Metropolitan Area, we have established a BCP and an emergency chain of command, assigned duties to ensure business continuity, and established a system to minimize the impact of disasters. Furthermore, once per year we hold Disaster ask. Force Establishment Drils to ensure the responses prescribed by the BCP are effective, insuring the safety of executives and employees and establishing a chain of command system, so that we are prepared for restoring business after an emergency, in addition, the Company has established a checklist of actions to be taken when a typhon's landfall is forecast and formulates an action plan for preparations and initial responses when a disaster occurs werseas. Regarding earthquakes, fires, storms, floots, and other sudden accidents, we have set up regulations for responses to torrelated a trans and flooding, formulated a disaster response manual, and oraceded a disaster preparedness. Moreover, regarding the spread of infections diseases, particularly OVID-19. The Group selected core businesses Continuity during policymines, and formulated an action manual and common rules regarding infection prevention, etc. These were communicated internally to all officers and employees, and a Group-wide reporting and instruction system has been created f

Risk management structure that supports overseas business expansion

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

The Company plans to develop a more effective risk management system. With the goal of enhancing the

effectiveness of its risk management and monitoring functions in Overseas Businesses, the Company established Overseas Business Monitoring Committee in April 2020 and started monitoring trends mainly related to the external environment and individual businesses.

► Risk Management System in Overseas Business



Major Monitoring items

- Matters related to the external environment Macroeconomic / political trends, real estate market trends, and various laws and ordinances, etc.
- Matters related to status of individual businesses Progress at individual businesses, visualization of monetary impact when risks arise, conditions with joint venture partners, etc.
- Matters related to Overseas Business strategies Current and future business strategies, resource allocation, etc.

Details of main initiatives in the fiscal year ending March 31, 2023

- Macroeconomic / political trends
- Confirm progress at each business, etc.
- Check real estate market trends accompanying Evergrande liquidity / debt crisis
- Check state of COVID-19 infections in countries in Asia

(D) Internal risk



Operational risks occurring at the Company and each group company

Risk	8) Risks of the violation of laws and ordinances
Risk details	In the real estate brokerage business, the main business of the Group, there are cases when the Company receives administrative sanctions from government authorities due to a violation of laws such as an error in explaining important matters to customers, misrepresentation of facts, or non-notification of disadvantageous matters. Also, in the case the Group violates the Building Standards Act, the Financial Instruments and Exchange Act, Companies Act, Act on the Protection of Personal Information, Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, and other laws related to the Group's business, the loss of the Group's credibility and the imposition of fines could have an impact on the Group's business performance.
Main initiatives	The Company has formulated the Nomura Real Estate Group Code of Action that defines the basic code of actions for executives and employees, including complying with laws and regulations and acting with higher ethical standards, and prescribed internal rules. We are making efforts to familiarize employees with the Code of Action and internal rules through periodic training, promote education on an ongoing basis and facilitate emiliptenment. For primary laws such as the Real Estate Brokerage Act, we formulate a business workflow specific to each law to ensure legal compliance, ensure a thorough awareness through training and on-the-job training (0.17), and implement regular voluntary inspections for the status of compliance. In addition, regarding the inappropriate entertainment of foreign public officials and other civil servants, the Company has established "regulations to prevent the bribery of foreign public official and other civil servants" and "bribery prevention guidelines." The Company is implementing regular training for executives, employees and overseas local hires related to overseas businesses.
Risk	9) Risks of quality defect
Risk details	In case of deficiencies such as design and construction defects in the Group's real estate development business or in the case of a management deficiency in the properties for leasing or under management, the loss of trust in the Group, unexpected costs and delays in development plans and operation plans could have an impact on the Group's business performance.
Main initiatives	In the real estate development business, to secure quality in design and construction upon placing an order for the design and construction work of a building with a third party who has a certain level of creditability and technical capabilities, the Group prescribed the Design and Construction Standards (structure, construction, equipment, and electrical) and the Quality Manuals and ensure thorough compliance from the parties with which we order design and construction work while also checking the state of construction and construction and startly and temporary construction guidelines for repair work as we undertake business. We will also provide property insurance for damages in the unlikely event of a deficiency or accident.

Risk	10) Risks of occurrence of information system crisis
Risk details	To achieve sustainable growth as the diversity of products and services provided to customers grows, the Group believes it must further improve productivity and work efficiency and is actively utilizing the benefits of the Internet (the Cloud) (speed, flexibility, cost) for establishing an ICT environment and promoting DX to achieve these improvements. In addition, the Group handles a large volume of personal information in each business due to necessity in executing business. For this reason, in the unlikely case the Company's system cannot be used normally or in case personal information is leaked to the outside due to unexpected circumstances such as cyberattacks and unauthorized access, the loss of credibility and the resulting decrease in sales and damage compensation costs could have an impact on the Company's business performance.
Main initiatives	As we actively promote initiatives that utilize information systems and ICT, we believe that ensuring information security will be of unprecedented importance and we have strengthened measures to restrict access via Internet connections as well as measures for log management and the loss of information devices and are progressing with the establishment of an ICT environment in preparation for cyberattacks and information leaks by conducting system security diagnosis by the third party and introducing a behavior detection system for virus scanning and abnormal movements. The Company is also striving to comply with relevant laws and regulations for personal information and to ensure proper handling of this information. Moreover, with the aim of realizing organized management of information and maintaining and improving security levels within the Group, we have prescribed the Information Security Regulations and the Information Handling Guidelines, regularly provide education and enlightenment to our employees, protect the rights and interests of our customers and ensure the stable operation of an ICT environment within the Group. In addition, the Company has cyber insurance in preparation for an unlikely accident such as an information leakage.
Risk	11) Risks of inadequate resoonses to matters related to human resources
	1.1) total of management deposition of management of manag
Risk details	We regard human resources as our largest asset and the source of new value creation for the sustainable growth of the Group. Therefore, in the event that the working hours of Group executives and employees are not properly ascertained and long working hours damage the health of executives and employees and we receive administrative sanctions from government authorities because our personnel system and its operation do not comply with labor standards and related laws and regulations, the outflow of the Group's human resources, the loss of trust, and the imposition of fines could have an impact on the Group's business performance. There is a risk that delays in the establishment of a labor environment that takes in a diverse range of human resources (employees that work short hours mainly due to childcare and nursing, sexual minorities, people with disabilities, seniors, foreign nationals and others) may result in the Group being unable to secure the necessary personnel, or the inability of secured personnel to continue working, leading to a decline in corporate competitiveness. In terms of personnel and abor management at overseas bases, there is risk of administrative searctions by government authorities for introducing or operating a system that vloidates local labor laws and customs, the risk of losing know-how due to the retirement of local employees, and a risk that the health of employees will be damaged due to the lack of systems to provide appropriate support for living in a foreign country.
Main initiatives	The Group prescribes working with vigor and achieving wellness as its action guideline. The Group aims to provide wellness management so that all its executives and employees can carry out their work energetically and in good physical and mental health, which leads to sustainable corporate growth. Along with introducing various systems, including recommendations to take paid leave, the promotion of teleworking, and a program for taking time off or working shorter hours for childcare and nursing and to build a labor environment conducive for a diverse workforce, we are working to improve the level of understanding related to diversity among executives and employees through regular training sessions. In order to properly grasp working hours, we have introduced an attendance management system to manage it, and especially for long working hours, we regularly monitor the situation. Furthermore, the compliance of our personnel system and its operation is regularly verified by outside experts to prevent the emergence of risks. Moreover, oversace there are local laws, cultures, and customs. Therefore, we utilize the knowledge of external experts to build personnel/labor systems, establish consultation desks for staff stationed overseas, and provide support for visits to, medical institutions. From the fiscal year ended March 31, 2022, the Group established the Wellness and D&I Management Sect. in the Group Human Resources Development Dept. as the dedicated organization for the promotion of diversity & inclusion.
Risk	12) Risks of occurrence of fraud and negligence
Risk details	Within the Group, risk could occur due to fraud perpetuated by executives and employees, information leakage due to improper management of information, and operational negligence. In the case this risk emerges, the loss of credibility and the resulting decrease in sales and damage compensation costs could have an impact on the Company's business performance.
Main initiatives	Group executives and employees comply with laws and regulations as well as with the internal rules and regulations established by each company of Nomura Real Estate Group. Furthermore, we have established the Nomura Real Estate Group Code of Ethics with the aim of acting in accordance with even higher ethical standards, and we continuously provide education and training sessions to executives and employees. In addition, the Company has established a system to enhance the effectiveness of compliance activities in each workplace by assigning a compliance promotion officer to each department, office and branch of the Company and Group companies. Furthermore, with the "Nomura Real Estate Group Risk Helpline", an internal whistelblowing systems are duy all Group companies, the Company has set up internal and external contact points for reporting wrongdoing and seeking advice on how to proceed, and has developed and implemented systems based on the Whistelblower Protection Act.

Internal Controls, Compliance/Information Disclosure

Compliance systems

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

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

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

math The Nomura Real Estate Group Code of Action

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

Nomura Real Estate Holdings Report Board of Directors President Management Committee Held every two months in principle Extraordinary meetings held as necessary Reports to the Board of Directors/ Reports to the Refix Management Committee **Committee** Committee **Committee** Committee** Compliance Department Committee** Compliance Leaders (General managers of general administrative operations at Group companies) Compliance Leaders (General managers of general administrative operations at Group companies) Compliance Promoters (Appointed at each company) Nomura Real Estate Group Companies

Appropriate information disclosure and transparency

Sources of

Growth Strategy

bility, and DX)

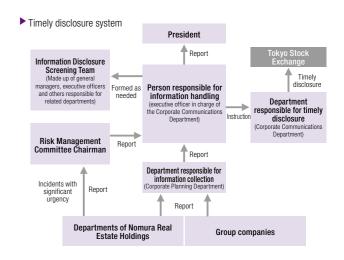
The Company strives to disclose information about the Group's management strategy, financial condition, risk management, and internal control system, etc., in a fair, timely, and appropriate manner based on the provisions of the Companies Act and the Financial Instruments and Exchange Act, as well as other laws and the listing rules of the Tokyo Stock Exchange. Specifically, as our timely disclosure system (on the right) indicates, the person responsible for information handling (executive officer in charge of the Corporate Communications Department) collects information about the Company through the Department responsible for information collection (Corporate Planning Department). As for the information requiring timely disclosure, the Information Disclosure Screening Team made up of general managers, executive officers, and others responsible in related departments will screen the matter and report the results to the President. Company information found to require timely disclosure will be disclosed in a timely manner by the Department responsible for timely disclosure (Corporate Communications Department) at the instruction of the person responsible for information handling (executive officer in charge of the Corporate Communications Department).

The Group Internal Audit Department carries out the

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

Governance

Fact Data, etc.



Shareholder engagement

The Vision of

Nomura Real Estate Group

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

others responsible in related departments will screen the matter and report the results to the President. Company information found to require timely disclosure will be disclosed in a timely manner by the Department responsible for timely disclosure (Corporate Communications Department) at the instruction of the person responsible for information handling (executive officer in charge of the Corporate Communications Department).

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

Current status of investor relations activities

To attract more shareholders and prospective investors, we strive to enhance understanding of the Group's business activities and growth strategy through direct and indirect communications with both institutional and individual investors.

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



Online briefing

Major IR activities during FY22/3

IR activities for institutional investors	Number of times held
Financial results briefings (Including Conference calls on financial results announcement days)	4
Meetings with investors and analysts (including the following meetings)	373
Conferences organized by securities companies	11
CEO small meeting	1
Business Unit Manager small meetings	1
ESG meetings	20
IR activities for individual investors	Number of times held
Conferences for individual investors	1

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

Japanese https://www.nomura-re-hd.co.ip/ir/

Online briefing

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

120 Nomura Real Estate Holdings, Inc.

Directors and Executive Officers (As of June 24, 2022

Directors

Shoichi Nagamatsu



Date of Birth: July 6, 1958 Chair and Director Chairman of the Board of Directors Advisory Committee Relating to Nominations and Compensation Member

Number of shares held: 1,400*



Apr. 1982 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings Inc.)

Apr. 2004 Executive Managing Director of Nomura Securities Co., Ltd. Oct. 2008 Executive Managing Director of Nomura Holdings, Inc.

Senior Managing Director of Nomura Securities Co., Ltd. Jun. 2010 Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc.

Senior Corporate Managing Director of Nomura Securities Co., Ltd. Jun. 2012 Representative Executive Managing Director and

Senior Corporate Managing Director of Nomura Securities Co., Ltd. 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.

Apr. 2016 Deputy President of Nomura Securities Co., Ltd. Apr. 2017 Representative Executive Officer and Deputy President. and Chief of Staff of Nomura Holdings, Inc. Director of Nomura Securities Co., Ltd.

Apr. 2018 Representative Executive Officer and Deputy President of Nomura Holdings, Inc.

Jun. 2018 Director, and Representative Executive Officer and Deputy President of Nomura Holdings, Inc. Apr. 2020 Director of Nomura Holdings, Inc.

Jun. 2020 Advisor of Nomura Holdings, Inc. Director of Nomura Real Estate Holdings Inc. Apr. 2021 Chair and Director of Nomura Real Estate Holdings,

Date of Birth: June 3, 1965

Number of shares held: ----*

and Executive Officer

Apr. 1988 Joined Nomura Securities Co., Ltd. (currently, Nomura

Senior Managing Director of Nomura Holdings, Inc.

Director of Nomura Real Estate Development Co., Ltd.

Executive Managing Director and Executive Vice

President of Nomura Securities Co., Ltd.

Jun. 2022 Executive Vice President and Director of Nomura Real

Apr. 2018 Senior Managing Director of Nomura Holdings, Inc.,

Head of Corporate

Apr. 2019 Representative Director and Deputy President of

Nomura Securities Co., Ltd. Apr. 2022 Advisor of Nomura Real Estate Holdings, Inc.

Estate Holdings, Inc. (present)

Apr. 2011 Senior Managing Director of Nomura Securities Co.,

Apr. 2014 Senior Corporate Managing Director of Nomura

Securities Co., Ltd.

Executive Vice President, Director,

Director of Nomura Real Estate Development Co. Ltd.

Satoshi Arai

Eiji Kutsukake



Makoto Haga

Co Itd

Development Co., I td.

Holdings, Inc. (present)

Date of Birth: September 12, 1960 President and Representative Director, and Executive Officer Group CEO

Number of shares held: 18,500*

Apr. 1984 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdinas, Inc.)

Apr. 2007 Executive Managing Director of Nomura Securities

Oct. 2008 Senior Managing Director of Nomura Securities Co., Ltd. Apr. 2009 Senior Corporate Managing Director of Nomura Securities Co., Ltd.

Apr. 2011 Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc. Executive Vice President of Nomura Securities Co., Ltd.

Apr. 2012 Executive Managing Director of Nomura Holdings, Inc. Aug. 2012 Deputy President of Nomura Securities Co., Ltd. Apr. 2013 Director and Deputy President of Nomura Securities Co., Ltd.

Apr. 2014 Advisor of Nomura Real Estate Holdings, Inc. Jun. 2014 Representative Director and Executive Vice President of Nomura Real Estate Holdings, Inc.

President and Representative Director, and Chief Executive Officer of Nomura Real Estate Holdings, Inc.

Date of Birth: June 22, 1966

Director and Executive Officer

cial Real Estate Business Unit

Business Unit Manager of Commer

Number of shares held: 22,100*

Apr. 2017 Chair and Representative Director of Nomura Real Estate Development Co., Ltd. (present)

Apr. 1989 Joined Nomura Real Estate Development Co., Ltd.

Apr. 2012 Executive Officer of Nomura Real Estate Development

May 2012 Executive Officer of Nomura Real Estate Holdings, Inc.

Apr. 2015 Managing Executive Officer of Nomura Real Estate

Apr. 2017 Director and Managing Executive Officer of Nomura

Jun. 2017 Director and Executive Officer of Nomura Real Estate

Apr. 2020 Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (present)

Real Estate Development Co., Ltd.

Daisaku Matsuo



Hiroshi Kurokawa

Co Itd

Date of Birth: October 18, 1964 Executive Vice President. Representative Director, and Executive Officer Group COO

Number of shares held: 21,900*

Date of Birth: February 2, 1968

Director and Executive Officer,

Number of shares held: 8,500*

Supervisor of Management

Division, Investor Relations

Group CFO

Apr. 1990 Joined Nomura Real Estate Development Co., Ltd.

Apr. 2015 Representative Director and Senior Managing

Management Co., I td.

Development Co., I td. Apr. 2020 Senior Managing Executive Officer of Nomura Real

Holdings, Inc. (present)

Apr. 2013 Executive Officer of Nomura Real Estate Development

Apr. 2017 Executive Officer of Nomura Real Estate Holdings, Inc.

Estate Development Co., Ltd.

Apr. 2021 Executive Officer of Nomura Real Estate Holdings, Inc.

Jun. 2021 Director and Executive Officer of Nomura Real Estate

Executive Officer of Nomura Real Estate Asset

Managing Executive Officer of Nomura Real Estate

Director and Senior Managing Executive Officer of

Nomura Real Estate Development Co., Ltd. (present)

Apr. 1988 Joined Nomura Real Estate Development Co., Ltd. Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd.

Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., I td.

Apr. 2018 Executive Officer of Nomura Real Estate Holdings, Inc. Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.

Apr. 2021 Executive Vice President of Nomura Real Estate Holdings, Inc. (present) President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd. (present)

Jun. 2021 Executive Vice President, Representative Director and Executive Officer of Nomura Real Estate Holdings, Inc. (present)



Tetsuro Higashi

Date of Birth: August 28, 1949 Director Chairman of Advisory Committee Relating to Nominations and

Number of shares held: ----*

Compensation

Apr. 1977 Joined Tokyo Electron Ltd.

Dec. 1990 Director of Tokyo Electron Ltd. Apr. 1994 Managing Director of Tokyo Electron Ltd.

Jun. 1996 Representative Director, President of Tokyo Electron Ltd.

Jun. 2003 Representative Director, Chairman of the Board of Tokyo Electron Ltd.

Jun. 2011 Director, Chairman of the Board of Tokyo Electron Ltd. Apr. 2013 Representative Director, Chairman, President & CFO of Tokyo Electron Ltd.

Jun. 2015 Representative Director, President & CEO of Tokyo Flectron I td.

Jan. 2016 Corporate Director, Corporate Advisor of Tokyo Flectron I td May. 2018 Outside Director of Seven & i Holdings Co., Ltd.

Jun. 2019 External Director of Nomura Real Estate Holdings, Inc.

Outside Director of Ube Industries, Ltd. (currently, UBE

Corporation) (present)

Hiroyuki Kimura



Date of Birth: March 30, 1962 Director (Audit & Supervisory Committee Member)

Number of shares held: ----*



Apr. 1984 Joined Nomura Real Estate Development Co., Ltd. Apr. 2009 Executive Officer of Nomura Real Estate Development Co., Ltd.

Jun. 2009 Director of Nomura Real Estate Holdings, Inc. Apr. 2010 President and Representative Director of Nomura Real Estate Investment Management Co., Ltd.

May 2012 Executive Officer of Nomura Real Estate Holdings, Inc. Jun. 2012 Director and Executive Officer of Nomura Real Estate Holdings, Inc.

Apr. 2013 Director and Managing Executive Officer of Nomura

Real Estate Development Co., Ltd.
Jun. 2013 Executive Officer of Nomura Real Estate Holdings, Inc. Jun. 2014 Director and Executive Officer of Nomura Real Estate Holdings, Inc.

Apr. 2019 Director of Nomura Real Estate Holdings, Inc. Executive Vice President and Representative Director of Nomura Real Estate Asset Management Co., Ltd. Audit & Supervisory Board Member of Nomura Real

Estate Development Co., Ltd. (present) Advisor of Nomura Real Estate Holdings, Inc. (present) Jun. 2021 Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)

Yasushi Takayama



Date of Birth: February 1, 1964 Director (Audit & Supervisory Committee Member)

Number of shares held: ----*



Apr. 1988 Joined Nomura Securities Co., Ltd. (currently, Nomura

Holdings, Inc.)

Jun. 2011 Director, Nomura Financial Products & Services, Inc. Oct. 2012 Managing Director and General Counsel of Nomura

Securities International, Inc. (New York) Sep. 2013 Managing Director and General Counsel of Nomura

Holding America Inc. Apr. 2015 Senior Managing Director and Chief Legal Officer of Nomura Holdings, Inc. Senior Managing Director and Chief Legal Officer of

Nomura Securities Co., Ltd. Apr. 2019 Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (present) Advisor of Nomura Real Estate Holdings, Inc.

Jun. 2019 Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)

Yoshio Mogi



Date of Birth: April 10, 1952 Director (Audit & Supervisory

Committee Member) Advisory Committee Relating to Nominations and Compensation Member

Number of shares held: ----*



Apr. 1975 Joined Nichimen Co., Ltd. (currently, Sojitz Corporation) Apr. 2006 Executive Officer of Sojitz Corporation

Apr. 2008 Managing Executive Officer of Sojitz Corporation

Apr. 2012 Senior Managing Executive Officer, CFO of Sojitz Corporation

Jun. 2012 Representative Director, Senior Managing Executive Officer, CFO of Soiitz Corporation Apr. 2014 Representative Director and Executive Vice President,

CFO of Sojitz Corporation

Jul. 2014 Outside Director of Sojitz Infinity Inc.

Apr. 2017 Representative Director and Executive Vice President CCO of Soiitz Corporation

Director of Sojitz REIT Advisors K.K. Apr. 2018 Advisor of Sojitz Corporation

Jun. 2019 External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc.

Akiko Miyakawa



Date of Birth: October 18, 1955 Director (Audit & Supervisory Committee Member)

Number of shares held: ----*



Apr. 1978 Joined Tokyo Branch of Chase Manhattan Bank (currently JPMorgan Chase Bank, N.A.) Nov. 1987 Joined Marunouchi & Co. (currently Deloitte Touche

Tohmatsu LLC) Jan. 2000 Joined the Los Angeles Office of Deloitte US

Jun. 2005 Partner of Deloitte Touche Tohmatsu LLC Jul. 2008 Joined the Taipei Office of Deloitte Taiwan

Oct. 2015 Joined Deloitte Touche Tohmatsu LLC Tokyo Office Aug. 2018 Representative of Akiko Miyakawa CPA Office

(present) Jun. 2019 External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)

Tetsu Takahashi



Date of Birth: October 24, 1956 Director (Audit & Supervisory Committee Member) Advisory Committee Relating to Nominations and Compensation Member

Number of shares held: ----*



Apr. 1986 Registered with Tokyo Bar Association

Jul. 2003 Representative Partner of KASUMIGASEKI PARTNERS LAW OFFICE Jun. 2020 External Director (Audit & Supervisory Committee

Joined Miyakezaka Law Offices

Member) of Nomura Real Estate Holdings, Inc. (present) Dec. 2020 Executive Partner of ITN Partners (present)

Mar. 2022 External Director of McDonald's Holdings Company (Japan), Ltd. (present)

* Tetsuro Higashi, Yoshio Mogi, Akiko Miyakawa and Tetsu Takahashi are external directors prescribed in Article 2, Item 15 of the Companies Act

Executive officers (excluding those who are concurrently serving as directors)

Takashi Kaku

In charge of Overseas Business Unit,

Akihiro Fukuda

In charge of Property & Facility Management Business Unit

Shigeyuki Yamamoto In charge of Development Planning

Kenichi Maeda In charge of Property Brokerage &

Koki Miura

n charge of Investment Managemen Business Unit

Haruhiko Nakamura In charge of Residential

Development Business Unit Tetsumi Yoshimura

In charge of Quality Management and Architectural Design

Masato Yamauchi In charge of Corporate Planning Dept., DX & Innovation Management Dept.

Yukio Ichihara

In charge of Group Internal Audit Dept., Group Legal & Compliance Dept., Secretariat Internal audit and

Motomi Uki

In charge of Group Human Resources Development Dept., General Manager of Group Human Resources Dept.

Toshihide Tsukasaki

In charge of Finance & Accounting Dept. Finance Dept.

Joii Yamada

In charge of General Manager of Corporate Planning Dept.

Tokuji Nakamura

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

Naoko Usami

In charge of Group Diversity and Inclusion Management

* As of March 31, 2022

Fact Data, etc.

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Major asset brands

Living

Based on the unique know-how that the Group has cultivated so far; we develop brands related to housing. We continue to focus on creating high-quality housings that connect closely with each and every customer.





– PROUD –

Condominium that pursues the creation of an ideal housing by continuing to be close to customers with the "integrated development, sales, and management system"

Cumulative number of housings supplied: approx. 74,000 units*1,2

*1. As of March 31, 2022 (number of developed properties including plans)
*2. Cumulative number of PROUD condominiums and detached housing supplied



PROUD SEASON Seijo Court

PROUD -SEASON

PROUD SEASON

Detached housing with the concept of "creating housing that will endure as heritage of people, towns and times"

Cumulative number of housings supplied: approx. 8,000 units⁻¹

– PROUD –

The Vision of

Nomura Real Estate Group

PROUD FLAT

Rental housing with renowned quality by the Group's abundant know-how

Number of developed properties: 129 properties⁻¹



PROUD FLAT Ryogoku South



PROUD FLAT Nakano



OUKAS

Health promoting senior rental housing developed under the concept of residences to have the time of one's life



OHANA

Suburban-type condominiums with the concept of "delivering high-quality housing to as many customers as possible"

approx. 5,000 units¹





Major Asset Brands

Working

The Group is developing new office space proposals that aim to realize "HUMAN FIRST" work style that emphasizes the "individual" of work, and high-performance logistics facilities that take the working environment into consideration.



Medium-scale office building with the similar quality and specification as large-scale "class A" office building

Number of developed properties: 70 properties





PMO FX Shin-Osaka



Small office with services to meet the needs of workers in a small team

Number of developed properties: 15 properties (including types that incorporated in developed property's floors)



Satellite-type shared office that offers to diversification and efficiency of work styles

Number of developed properties: 216 branches (including affiliated offices)





Landport Ome I, II, III

* Number of properties (including plans) and number of bases are as of March 31, 2022

Landport

high functionality

Number of developed properties

GEMS

Urban retail facility that mainly features one restaurant on each floor

Number of developed properties: 22 properties



GEMS Roppongi





SOCOLA

Neighborhood retail facility that integrates grocery supermarkets, merchandise sales, restaurants, and service stores

Number of developed properties: 6 properties



NOHGA HOTEL NOHGA HOTEL

Hotel with the concept of "creating memorable experiences through close links with the local community"

Number of developed properties: 3 properties



NOHGA HOTEL KIYOMIZU KYOTO

Gathering

Responding to the diverse needs of our customers, the Group is developing urban retail facilities that are mainly located in front of stations, neighborhood retail facilities that enhance the convenience of the area, and hotels that value ties with the community.



MEFULL

Urban retail facility mainly focusing on service industries

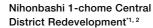
Number of developed properties:



Major Development Projects

Large-scale, Mixed-use Development Project

Through mixed-use development that combines a variety of asset classes such as offices, retail facilities, and residences, the Group is promoting urban development with superior convenience and comfort.



Scheduled for completion: FY26/3 Major use: Office, retail facility, hotel, residence, conference venue Gross floor area: approx. 380,300m²





Shibaura Project*1, 2

Scheduled for completion: South Tower FY25/3, North Tower FY31/3 Major use: Office, retail facility, hotel, residence Gross floor area: approx. 550,000m²





Okayama City Ekimae-cho 1-chome 2, 3, 4 District Redevelopment²

Scheduled for completion: FY26/3
Major use: Residence, retail facility, office, hotel, hall



Nakano Station Shin North Exit Station-Front Area Redevelopment²

Scheduled for completion: FY29/3
Major use: Halls, office, residence, retail facility,
hotel



PROUD TOWER Kameido Cross (residence)²

Completion: FY22/3 Total units: 934

KAMEIDO CLOCK (retail facility)

Opened: April 2022 Gross floor area: approx. 28,000m²





Overseas Business

In China, Southeast Asia, and the United Kingdom, the Group is promoting the housing sales business and the property sales business.

Sunshine Fort*2 Manila, Philippines

Scheduled for completion: Residence 2023 and onward, retail facility 2022 and onward Major use: Residence (Total units: approx. 1,400) retail facility (Rental floor area: approx. 17,000m²)



Grand Park 2nd period²
Ho Chi Minh City, Vietnam

Scheduled for completion: 2022 Major use: Residence (Total units: approx. 11,000)

*1. Gross floor area indicates the equity equivalent area. *2. Joint Venture project

128 Nomura Real Estate Holdings, Inc.

Growth Strategy

(Business, Sustainability, and DX)

The Vision of

Nomura Real Estate Group

11-year Financial Data

	FY12/3	FY13/3	FY14/3	FY15/3	FY16/3	FY17/3	FY18/3	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3 (forecast)
Statements of Income / Balance Sheets / Stater Cash Flows (Millions of yen):	nents of											
Operating revenue	450,807	517,740	532,016	567,159	569,545	569,680	623,762	668,510	676,495	580,660	645,049	680,0
Operating profit	49,939	58,308	74,307	71,894	80,912	77,271	76,660	79,162	81,905	76,333	91,210	90,5
Business profit*1	_	_	_	_	_	_	_	79,623	82,833	76,448	92,765	97,
Ordinary profit	34,173	45,806	64,058	63,681	72,679	68,952	68,033	69,323	73,077	65,965	82,557	85,
Profit attributable to owners of parent	17,591	19,357	26,844	38,441	47,182	47,005	46,029	45,873	48,886	42,198	55,312	57,
Total assets	1,402,624	1,369,949	1,313,887	1,369,226	1,485,449	1,593,093	1,673,099	1,759,455	1,801,273	1,921,306	2,040,506	
Current assets	585,332	535,103	496,978	549,300	608,779	684,306	717,635	849,528	906,726	1,043,321	1,126,802	
Inventories	396,857	369,667	349,167	429,764	496,910	570,888	592,996	636,925	714,734	875,520	894,229	
Equity investments	41,895	29,578	7,128	6,316	819	2,567	9,612	18,066	30,983	28,770	33,871	
Non-current assets	817,292	834,845	816,909	819,926	876,670	908,786	955,464	909,926	894,547	877,985	913,703	
Total net assets	376,486	398,276	418,697	461,031	456,408	493,813	514,982	541,562	565,120	586,350	621,398	
Interest-bearing debt	758,562	669,268	617,583	616,700	721,900	810,100	877,800	914,000	870,000	1,008,500	1,022,735	
Cash flows from operating activities	43,876	89,295	83,535	23,837	13,258	(31,889)	21,498	89,964	56,618	(63,504)	52,793	
Cash flows from investing activities	7,809	(2,588)	(20,191)	(32,476)	(59,714)	(54,558)	(51,637)	(46,699)	(30,490)	(55,789)	(46,277)	
Cash flows from financing activities	(63,296)	(94,666)	(57,858)	(8,983)	53,637	76,575	43,787	13,723	(66,821)	112,376	(9,619)	
Capital investment*2	14,098	18,963	21,938	38,871	50,367	61,300	71,665	20,824	20,363	45,665	36,618	
Per Share Data (Yen):												
Profit attributable to owners of parent	92.38	101.61	140.70	201.28	246.42	245.10	240.89	245.99	267.21	232.53	307.81	32
Net assets	1,664.78	1,764.05	1,863.12	2,061.86	2,320.84	2,508.73	2,664.70	2,854.21	3,031.15	3,229.80	3,478.14	
NAV*3	1,768	1,885	1,997	2,299	2,708	3,063	3,333	3,630	3,833	4,035	4,442	
Annual dividends	25.00	30.00	35.00	45.00	57.50	65.00	70.00	75.00	80.00	82.50	97.50	110
Share Information (Shares):												
Number of shares issued at the end of period (including treasury s	shares) 190,456,900	190,595,500	190,906,800	191,119,700	191,679,601	191,877,801	192,155,201	192,373,101	192,875,301	193,099,001	182,604,637	
Treasury shares at the end of period*4	1,016	1,125	1,206	1,206	1,508	1,709	3,956,956	7,821,664	11,367,181	12,490,613	4,704,422	
Management Benchmarks:												
Operating profit ratio (%)	11.1	11.3	14.0	12.7	14.2	13.6	12.3	11.8	12.1	13.1	14.1	
ROA*5 (%)	3.7	4.5	5.6	5.5	5.8	5.1	4.7	4.6	4.7	4.1	4.7	
ROE*6 (%)	5.7	5.9	7.8	10.3	11.2	10.1	9.4	8.9	9.1	7.4	9.2	
Shareholders' equity ratio	22.6	24.5	27.1	28.8	29.9	30.2	30.0	29.9	30.5	30.4	30.3	
Unrealized profit*7 (billions of yen)	331	372	412	702	1,109	1,539	1,819	2,063	2,096	2,096	2,470	
D/E ratio (times)	2.4	2.0	1.7	1.6	1.6	1.7	1.8	1.7	1.6	1.7	1.7	
EBITDA ^{*8} (billions of yen)	528	610	728	821	948	937	938	933	1,016	918	1,089	
EBITDA ratio ^{*8} (times)	14.4	11.0	8.5	7.5	7.6	8.6	9.4	9.8	8.6	11.0	9.4	
Total return ratio*9 (%)	27.1	29.5	24.9	22.4	23.3	26.5	50.8	41.4	46.3	45.0	44.3	
Dividend payout ratio*10 (%)	27.1	29.5	24.9	22.4	23.3	26.5	29.1	30.5	29.9	35.5	31.7	;
Stock Index (at the end of each period):												
Share price (yen)	1,459	2,084	1,970	2,166	2,080	1,774	2,512	2,125	1,755	2,665	2,933	
PER (times)	18.5	20.9	15.0	14.2	9.9	7.9	10.7	8.5	6.9	12.0	10.2	
PBR (times)	0.9	1.2	1.1	1.1	0.9	0.7	1.0	0.8	0.6	0.9	0.9	
P/NAV (times)	0.8	1.1	1.0	0.9	0.8	0.6	0.8	0.6	0.5	0.7	0.7	
Dividend yield (%)	1.7	1.4	1.8	2.1	2.8	3.7	2.8	3.5	4.6	3.1	3.3	
Total shareholder return (TSR)*11	_	_	_	_	_	_	145.5	128.0	111.6	167.6	188.2	

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

*2. Capital investment represents the amount shown for "Purchase of property, plant and equipment and intangible assets" in the Consolidated Statements of Cash Flows.

*3. NAV per share = (shareholders' equity + unrealized gains (after deduction of tax)) / the number of shares issued at the end of period (excluding treasury shares), Unrealized gains (after deduction of tax) = Unrealized gains × (1-effective tax rate)

*4. Treasury shares at the end of period includes shares held by the executive compensation BIP (Board Incentive Plan) trust and shares held by the ESOP (Employee Stock Ownership Plan) trust for granting stock for employees.

*5. ROA = business profit / average assets during the fiscal year Before FY17/3: ROA = (operating income + non-operating income) / average assets during the fiscal year

*6. ROE = profit attributable to owners of parent / shareholders' equity (average over the fiscal year)

^{*7.} Unrealized gain= fair value of real estate for rent at the end of the fiscal year – balance of real estate for rent at the end of the fiscal year *8. EBITDA = profit before income taxes + interest expenses + depreciation, EBITDA multiple = interest bearing debt / EBITDA

*9. Total return ratio = (dividend per share + share buyback per share) / EPS

*10. Dividend payout ratio = dividend per share / EPS

*11. Total shareholder return (TSR) = (stock price as of the end of the fiscal year + accumulated dividend per share from FY18/3 to FY22/3) / stock price as of the end of FY17/3

*12. Forecasts as of July 28, 2022

Business Unit Information

Operating Revenue	FY19/3	FY20/3 *1, 2	FY21/3	FY22/3
Residential Development	375,373	333,966	272,577	309,225
Housing sales (Japan)	342,055	294,376	247,609	284,015
Rental housing (sales) ¹⁷	11,740	17,931	5,035	4,120
Rental housing (leasing revenue)*7	495	1,070	925	1,501
Senior	377	451	651	998
Other	20,701	20,136	18,355	18,590
Commercial Real Estate*6	171,612	212,133	179,227	202,460
Leasing (offices)	53,975	48,562	47,411	45,666
Leasing (retail facilities)	13,817	12,910	11,018	12,302
Leasing (other)	7,974	8,375	5,776	4,131
Property for sales (sale)*8	65,350	106,816	87,846	106,451
Property for sales (leasing)*8	4,533	7,037	11,239	13,977
Fitness	16,647	15,757	11,509	13,624
Other	9,312	12,674	4,426	6,306
Overseas	_		, <u>-</u>	2,628
Investment Management	9,641	12,059	12,456	12,804
Property Brokerage & CRE	37,298	39,110	39,436	43,762
Brokerage fee (retail)*5	21,618	24,017	23,334	21,825
Brokerage fee (middle)*5	_		, _	8,326
Brokerage fee (wholesale)*5	11,517	11,138	11,384	9,681
Other	4,162	3,954	4,717	3,929
Property & Facility Management	91,374	98,274	98,384	99,230
Property & facility management	51,524	55,530	56,783	58,264
Construction ordered	32,371	37,327	35,863	35,215
Other	7,478	5,417	5,737	5,750
Other	94	1,143	2,070	126
Adjustments (elimination or corporate)	(16,885)	(20,193)	(23,492)	(25,188)
Total	668,510	676,495	580,660	645,049
Operating Profit				(milli
Residential Development	25,069	25,351	22,421	32,519
Commercial Real Estate*6	37,600	38,941	35,138	38,286
Overseas	_	_	_	(512)
Investment Management	5,943	6,853	7,296	7,515
Property Brokerage & CRE	8,170	9,097	8,962	11,713
Property & Facility Management	7,434	8,474	9,089	9,114
Other	(43)	(1,267)	(798)	(199)
Adjustments (elimination or corporate)	(5,013)	(5,545)	(5,776)	(7,227)
Total	79,162	81,905	76,333	91,210
Business Profit*9				(milli
Residential Development	25,032	25,339	22,404	32,550
Commercial Real Estate*6	38,043	39,247	35,469	38,590
Overseas	_	_	_	291
Investment Management	5,969	7,149	7,587	7,836
Property Brokerage & CRE	8,170	9,088	8,976	11,716
Property & Facility Management	7,464	8,566	9,281	9,205
Other	(43)	(1,012)	(1,495)	(199)
Adjustments (elimination or corporate)	(5,013)	(5,545)	(5,776)	(7,227)

^{*1.} Since FY21/3, condominium development and sale business overseas, which had been classified in the Residential Development Business Unit, as well as office building development and leasing business overseas and ZEN PLAZA which had been classified in the Commercial Real Estate Business Unit, have been reclassified into Other. Thus, figures listed for FY20/3 reflect the changes.

Assets	FY19/3	FY20/3 *1, 2	FY21/3	FY22/3*3, 4
Residential Development	463,277	457,505	505,976	514,546
Commercial Real Estate ^{*6}	1,086,064	1,112,664	1,160,805	1,204,549
Overseas		· · · —	_	117,010
Investment Management	42,463	43,053	42,868	43,220
Property Brokerage & CRE	28,228	19,240	25,201	35,787
Property & Facility Management	42,294	47,106	50,095	48,881
Other	929	61,730	89,237	777
Adjustments (elimination or corporate)	96,197	59,972	47,122	75,733
Total	1,759,455	1,801,273	1,921,306	2,040,506
Inventories (land held for development and real estate for sale, etc.)				(21P
Residential Development	391,508	401,119	463,944	(millions o
Commercial Real Estate*6	245,575	314,297	412,862	436,810
Overseas		-	412,002 —	
Investment Management	_	_	_	_
Property Brokerage & CRE	_	_	_	_
Property & Facility Management	397	69	44	69
Other	11	11	11	11
Adjustments (elimination or corporate)	(567)	(762)	(1,342)	(712)
Total	636,925	714,734	875,520	894,229
Return on Assets (ROA)*10				
Residential Development	5.4	5.5	4.4	6.3
Commercial Real Estate ^{*6}	3.5	3.5	3.1	3.2
Overseas	_	_	_	0.2
Investment Management	14.1	16.6	17.7	18.1
Property Brokerage & CRE	28.9	47.2	35.6	32.7
Property & Facility Management	17.6	18.2	18.5	18.8
Other	_	_	_	_
Total ROA*11	4.6	4.7	4.1	4.7
Key Results	FY19/3	FY20/3 *1, 2	FY21/3	FY22/3*3,4
Residential Development				
Housing sales (units)	5,890	4,739	3,669	4,329
Gross profit ratio of housing sales (%)	19.1	20.4	22.6	23.6
Completed housing inventories at the end of the fiscal year (released for sale) (units)	229	321	239	130
Completed housing inventories at the end of the fiscal year (unreleased) (units)	47	187	182	253
Commercial Real Estate*6				
Net lettable area at the end of the fiscal year (offices, retail facilities) (m²)	955,381	915,311	829,670	790,776
Vacancy rate at the end of the fiscal year (offices, retail facilities) (%)*12	4.6	4.0	4.9	5.9
Number of MEGALOS members at the end of the fiscal year	145,065	143,663	111,425	110,608
Investment Management				
Assets under management at the end of the fiscal year (millions of yen)	1,669,476	1,798,583	1,815,646	1,948,071
Property Brokerage & CRE				
Brokerage: Number of transactions	8,922	9,515	9,322	10,081
Brokerage: Transaction value (millions of yen)	767,324	872,337	893,423	964,882
Property & Facility Management				
Buildings under management at the end of the fiscal year (buildings)	732	786	788	772
Housings under management at the end of the fiscal year (units)	177,582	182,259	183,162	186,549

^{5.} From FY23/3, the breakdown of operating revenue in the Property Brokerage & CRE Business Unit was changed. Due to this change, the figures listed for FY22/3 are changed. Breakdown is as follows:
Retali: Real estate brokerage business for individuals
Middle: Real estate brokerage business for small and medium-sized enterprises, business owners, some individual investors and high net worth individuals
Wholesale: Real estate brokerage business for large corporations, funds and overseas investors.

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^{*2.} As of April 1, 2020, an absorption-type merger was conducted with Nomura Real Estate Partners, which had been classified in the Property & Facility Management Business Unit, as the surviving company and NREG TOSHIBA BUILDING FACILITIES, which had been classified in Commercial Real Estate Business Unit, as the surviving company in the figures listed for FY20/3 are changes according to the post-merger categories.

*3. From FY23/3, the Overseas Business Unit was newly established, and the classification of Overseas Business Unit was newly established, and the real-state Development and disassified under the "Other", have been reclassified. Due to this change, the figures listed for FY22/3 are changed.

*4. As of April 1, 2022, Nomura Real Estate Development and Nomura Real E

changed.

4. As of April 1, 2022, Nomura Real Estate Development and Nomura Real Estate Bullding were merged (Nomura Real Estate Development as the surviving company), and the breakdown of operating revenue in the Commercial Real Estate Business Unit was changed. Due to this change, the figures listed for FY22/3 are changed.

investors
*6. In FY20/3, the Leasing Business Unit was renamed to the Commercial Real Estate

^{*7.} Rental housing refers to properties developed for the real estate investment market.

*8. Property for sales refers to properties such as office building, retail facility and logistic facility developed for the real estate investment market.

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

*10. ROA of each business unit = business profit / average assets during the fiscal year.

*11. Total ROA = business profit / average assets during the fiscal year.

*12. As of April 1, 2022, Nomura Real Estate Development and Nomura Real Estate Development as the surviving company), and partial revision was made to the method used to calculate the net lettable area and the vacancy rate in Commercial Real Estate Business Unit. Due to this change, the figures listed are changed.

FY20/3

FY21/3

FY22/3

ESG Data

		FY20/3	FY21/3	FY22/3
Environment				
nvironmental management				
Acquisition rate of environmental certifications for newly built property for sales (excluding r	ental housing)*1	100%	100%	100%
Number of environmental certifications for newly built property for sales (excluding re	ntal housing)*1	14	15	1
Response to climate change				
Total CO ₂ emissions*1, 2	3,	518,302 t-C0 ²	1,588,269 t-CO ²	2,297,026 t-C0
Scope 1, 2		150,588 t-C0 ²	132,206 t-CO ²	129,056 t-C0
Scope 3	3,	367,714 t-C0 ²	1,456,063 t-CO ²	2,167,970 t-C0
Energy Use ⁻²	422,490	MWh per year	381,817 MWh per year	379,428 MWh per yea
Energy use intensity*2	0.208 M\	Vh/m² per year	0.184 MWh/m² per year	0.182 MWh/m² per yea
Solar power generated at Landport logistics facilities	15,194 thous	and kWh per year	21,926 thousand kWh per year	22,801 thousand kWh per yea
Efficient use of water resources				
Total water use*2	2,287 thous	and m³ per year	1,698 thousand m³ per year	1,920 thousand m³ per yea
Water use intensity ⁻²	1.12	m³/m² per year	0.81 m³/m² per year	0.93 m³/m² per yea
Appropriate resource use and pollution prevention				
Total waste discharge*2	6	,593 t per year	5,112 t per year	7,213 t per yea
Waste discharge intensity*2	5.159	kg/m² per year	3.047 kg/m² per year	3.504 kg/m² per yea

Social

Employment / Human resources			
Number of employees ⁻³	7,176	7,390	7,548
Female employee ratio ⁻⁴	30.6%	31.8%	32.4%
Number of new graduate hires	306	274	264
Female new graduate hires ratio	44.7%	41.9%	39.7%
Female manager and junior manager ratio ^{*5}	10.3%	11.1%	11.6%
Average years of service*4	_	10.4	10.5
Male ⁻⁴	_	11.5	11.7
Female'4	_	7.9	8.1
Number of foreign national employees'6	114	140	303
Rate of employment of persons with disabilities ⁷	2.02%	2.05%	2.33%
Health and productivity management			
Average work time over statutory working hours (hours per person/month)	13.51	9.99	13.73
Rate of acquisition of paid leave	61.1%	56.1%	62.1%
Number of work-related injuries resulting in death	0	0	0
Absentee rate'8	0.29%	0.41%	0.45%

tilining and improving human recourses			
tilizing and improving human resources			
Rate of acquisition of childcare leave*9	_	_	96.2%
Rate among men	_	_	15.8%
Rate of reinstatement after childcare leave ratio	92.0%	96.2%	92.9%
Male	_	100%	100%
Female	_	95.0%	90.6%
Family care leave takers	7	6	!
Investment in training cost per employee*10	¥80,393	¥70,462	¥47,936
Training hours per employee*10, 11	12.65	9.87	4.2
thers			
Response rate of employee satisfaction survey*12	97.8%	97.8%	93.0%
Employee satisfaction level (5-point scale)*12	4.05	3.96	3.9
Average employee compensation*13	¥9,462,899	¥10,116,985	¥10,177,38
Percentage of implementation of 1-on-1 meetings	_	_	84%
Procurement guideline survey implementation rate*14	_	_	37%



Governance

Number of Directors*15	12	13	12
Independent External Directors*15	5	5	5
Female Directors*15	2	1	2
Number of the Board of Directors meetings	16	15	21
Average attendance rate of all Directors	99.0%	100%	99.6%
Average attendance rate of Independent External Directors	97.5%	100%	99.0%
Number of the Audit & Supervisory Committee meetings	13	14	12
Average attendance rate of all Audit & Supervisory Committee Members	100%	100%	100%
Average attendance rate of Independent External Directors (Audit & Supervisory Committee Members)	100%	100%	100%

Sustainability data https://www.nomura-re-hd.co.jp/english/sustainability/

^{*1.} Includes properties scheduled to be acquired during FY2023/3.
*2. Boundaries which are subject to aggregation, such as total CO₂ emissions, total water use, total waste emissions, etc. are different. See the Sustainability Report for more information.
*3. Excludes employees seconded from the Group (the Company and its consolidated subsidiaries) to outside the Group, and includes those seconded from outside the Group to the Group (the Company and its consolidated subsidiaries).
*4. Includes employees seconded from the Group (the Company and its consolidated subsidiaries) to outside the Group. The calculation is based on 7,692 consolidated employees, excluding those seconded from outside the Group to the Group (the Company and its consolidated subsidiaries).
*5. Number of female managers + Number of female candidates for managerial positions / Number of all managers + Number of all candidates for managerial positions.
*6. Number of foreign national employees does not include foreign technical interns.
*7. Rate of employment of persons with disabilities for each period is as of June of the following fiscal year. The scope are Group companies which are subject to Act on Employment Promotion etc. of Persons with Disabilities.

Persons with Disabilities.

^{*8.} Absentee rate =total days of absence/ (scheduled working days \times number of employees)

 ^{*9.} Number of employees who took childcare leave during the relevant period / Number of employees who gave birth to a child during the relevant period
 *10. From FY2022/3, the figures have been changed from Nomura Real Estate Development on a non-consoli-

^{*10.} From FY2022/3, the figures have been changed from Nomura Real Estate Development on a non-consolidated basis to those for the entire group.
11. Covers only mandatory training and does not include open and selective training or e-learning courses.
112. Data for Nomura Real Estate Development.
*13. Average data of Nomura Real Estate Holdings employees.
Number of employees: 24 in FY20/3, 261 in FY21/3, 283 in FY22/3
(From the fiscal year ended March 2021, the number of employees has been changed to the method of displaying the number of employees including those who also serve as group companies such as Nomura Real Estate Development.)
*14. The denominator is the amount of transactions with our major companies (total Y237.0 billion), and the numerator is the total amount of transactions with companies that responded to the procurement guideline survey.

^{*15.} Decrease in personnel due to resignation during the term is not stated.

(Note) Some operating companies have integrated or changed their names since the year of establishment.

Group Company Information (As of May 31, 2022)

Nomura Real Estate Holdings



Established **Head Office**

1-26-2 Nishi-Shinjuku, Shinjuku-ku,

Overview of Businesses

Management of the operation of group businesses through holding stocks and management instruction

Nomura Real Estate Development



Established 1957 Head Office

1-26-2 Nishi-Shinjuku, Shinjuku-ku,

Overview of Businesses

Condominium sales, detached housing sales, investment and development, building leasing business, architectural design, asset management, etc.

Nomura Real Estate Asset Management



Established 2003 **Head Office**

8-5-1 Nishi-Shinjuku, Shinjuku-ku,

Overview of Businesses

Investment management business, type II financial instruments business, investment advisory and agency, real estate trading etc.

Nomura Real Estate Solutions



Established 2000 Head Office

1-26-2, Nishi-Shinjuku, Shinjuku-ku,

Overview of Businesses

Real estate brokerage for individuals and corporates, consignment sales of newly built condominiums and detached housings, insurance agency, real estate information website operation

Musashi Co.,Ltd.

Established

The Vision of

Nomura Real Estate Group



Head Office 3-13-3 Shibaura, Minato-ku, Tokyo Shibaura SEC Building 6F Overview of Businesses Providing cloud services specializing in real estate system solutions

First Living Assistance



Established 2017 **Head Office** 6-26-12 Nishi-Shinjuku, Shinjuku-ku, Overview of Businesses Home/living assistance service

Lothbury Investment Management

Growth Strategy

(Business, Sustainability, and DX)



Established 2010 Head Office 1 Angel Lane, London, EC4R 3AB, U.K. Overview of Businesses Asset management business in the United Kingdom

ZEN PLAZA



Established 1995 **Head Office**

54-56 Nguyen Trai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam

Overview of Businesses

Ownership and operation business of ZEN PLAZA

Nomura Real Estate Partners



Established

Head Office

1-26-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo

Overview of Businesses

Facility management for buildings and condominiums, architecture and interior design, property management, cleaning, insurance agency, renovation

Nomura Real Estate Life & Sports



Established Head Office

1-32-2 Honcho, Nakano-ku, Tokyo Overview of Businesses Planning and management of sports

clubs and consulting, sales and rental of sports items, etc.

Nomura Real Estate Heating and Cooling Supply



Established 1987 **Head Office**

134 Godocho, hodogaya-ku Yokohama-shi, Kanagawa Overview of Businesses

Supply of heating / solar power sales

Nomura Real Estate Retail **Properties**



Established 1968 **Head Office**

8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Overview of Businesses

Project management of retail facilities, including commercial surveys, demand forecasts, market research, business planning, operational planning, and merchandising, property management of retail facilities

Beijing shokai Nomura Real Estate Management



Established **Head Office**

5 Dong San Huan Bei Lu Chao Yang District, Beijing, China

Overview of Businesses Operation and management of Beijing Fortune Building

Tokio Property Services



Established 1983 Head Office

20 Kramat Lane #03-12, United House, Singapore 228773 Overview of Businesses

Brokerage for trading and leasing of housings, offices, and factories based in

NOMURA REAL ESTATE ASIA



Established **Head Office**

10 Marina Boulevard, Marina Bay Financial Centre Tower2 #33-6, Singapore 018983

Overview of Businesses Exploring real estate development opportunities, market research, and building relationships with partner companies in Southeast Asia

NOMURA REAL ESTATE HONG KONG



Established **Head Office**

30/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong Overview of Businesses

Support services for investment to real estate in Japan from foreign investors, building relationships with local corporations and investors, exploring business opportunities

Nomura Real Estate Wellness



Established **Head Office**

1-26-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo

Overview of Businesses

Development planning and management of senior housings and related services

Nomura Real Estate Hotels



Established **Head Office**



1-26-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo Overview of Businesses

Planning, operation, and management of

Nomura Real Estate Amenity Service



Established 1990 **Head Office** 8-4-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo Overview of Businesses Building and condominium cleaning.

sales of consumable

PRIME X



Established 2006 **Head Office** 6-22-1 Nishi-Shinjuku, Shinjuku-ku,

Tokyo Overview of Businesses Internet advertising agency, creative

business, marketing business

NOMURA REAL ESTATE (THAILAND)



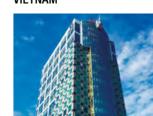
Established **Head Office**

689 Bhiraj Tower at EmQuartier, Unit 3213-3214, 32nd Floor, Sukhumvit Road, Klongton Nua, Vadhana, Bangkok 10110, Thailand

Overview of Businesses

Investment in local business, market surveys, identification of new projects and partner corporations, building business relationships with and monitoring of local partner companies and supporting for Group companies and businesses

NOMURA REAL ESTATE VIETNAM



Established 2019 Head Office ROOM1201, 12th Floor, Sun Wah Tower 115 Nguyen Hue Boulevard, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

Overview of Businesses

Local market surveys identification of new projects and partner corporations, building business relationships with and monitoring of local partner companies, and supporting for Group companies and businesses

NOMURA REAL ESTATE CONSULTING (SHANGHAI)



Established 2021 **Head Office** Unit 2037, Level 20, HKRI Center Tower1, 288 Shimen 1st Road, Jing'an District, Shanghai, China Overview of Businesses Consulting services for real estate, property and facility management. corporations management

Inclusion in ESG indices

The ESG indices adopted by GPIF (Government Pension Investment Fund)

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Selected for MSCI Japan ESG Select Leaders Index, a wide-ranging index (1, 4)

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Selected for MSCI Japan Empowering Women (WIN) Select Index, a thematic index (1)



FTSE Blossom Japan

Selected for FTSE Blossom Japan Index, a wide-ranging index (1)



FTSE Blossom Japan Sector Relative Index

Selected for FTSE Blossom Japan Sector Relative Index, a wide-ranging index (1)



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



Selected as the FTSE4 Good Index Series, a representative



Selected as the Sompo Sustainability Index uniquely set by Somno Asset Management index for FSG investment (1)

Commendations on environmental activities







Received the 4 stars rating in the real estate rating (4, 5) and the level A in the disclosure evaluation (1, 4) of the GRESB, which is an annual benchmark for considering ESG in the real estate sector.

CDP Climate Change A-Rated and selected as a "Supplier Engagement Leader" (1)



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

Commendations on social activities







Selected for Health and Productivity Management Award 2022 (1, 2, 3, 6, 7, 8, 11)

Awarded Bronze in PRIDE Index (2)

Received Good Design Award 2021 for 6 items. The Group has received this award for 20th consecutive year (2)

Signatures on initiatives









Signed the United Nations Global Compact (1)

Signed the Principles for Responsible Investment (3.10)

Joined "Renewable Energy 100%" (1)



(1.3)





Approved by the Science Based Targets (SBT) initiative

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

Initiative (3)

Joined the Japan Climate



Signed the Financial Action

a Sustainable Society (the

21st Century Principles of

Financial Action) (3)

Principles for the Formation of

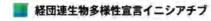






Member of the UK Green Building Council (GBC) (10) Joined the "Task Force for Nature-related Financial Disclosures" forum (1)





Joined "the 30bv30 Alliance for Biodiversity" (1)

Agreed to Declaration of Biodiversity by Keidanren (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 Solutions 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
- 11: PRIME X Co., I td.

Corporate Information (As of March 31, 2022)

Corporate data

The Vision of

Nomura Real Estate Group

Corporate name: Nomura Real Estate Holdings, Inc.

Representative: Eiji Kutsukake, President and Representative Director 1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo Head office:

Sources of

163-0566, Japan

Date of establishment: June 1, 2004 Number of employees: 7.548 (consolidated) Fiscal year: From April 1 to March 31

General meeting of shareholders: June

Major shareholders (top 10)

Shareholders' name	No. of shares held	Shareholding ratio (%)
Nomura Holdings, Inc.	64,777,500	35.90
The Master Trust Bank of Japan, Ltd. (Trust account)	19,462,700	10.78
Custody Bank of Japan, Ltd. (Trust account)	10,040,400	5.56
SSBTC CLIENT OMNIBUS ACCOUNT	3,312,272	1.83
Nomura Real Estate Holdings Employee Shareholding Association	3,077,940	1.70
The Master Trust Bank of Japan, Ltd. (BIP (Board Incentive Plan) trust account 76272)	2,091,166	1.15
STATE STREET BANK WEST CLIENT - TREATY 505234	2,071,784	1.14
JPMorgan Securities Japan Co., Ltd.	1,968,577	1.09
THE BANK OF NEW YORK MELLON 140044	1,820,854	1.00
THE BANK OF NEW YORK 133969	1,705,900	0.94

^{*1.} Although the Company holds 2,181,585 treasury shares, it is excluded from the list of major

Share information

Growth Strategy

¥118,604,044,550 Capital: Number of Authorized shares: 450,000,000 shares

Number of shares Issued:

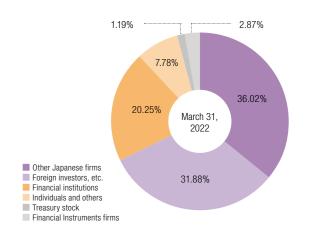
182,604,637 shares (including 2,181,585 treasury shares)
* The number of treasury shares above does not include 2,091,166 shares held by the executive compensation BIP (Board Incentive Plan) trust and 431 671 shares held by the ESOP (Employee

Fact Data, etc.

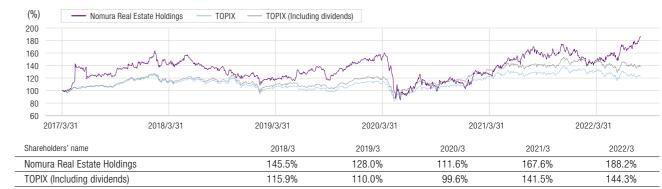
Listed market: Tokyo Stock Exchange Prime Market

Minimum trading unit: 100 shares Number of shareholders: 23 452

Composition of shareholdings



Share price / Total shareholder return*1, 2, 3



^{*1.} Calculated with the closing price on March 31, 2017 as 100%

Publication of Integrated Report 2022 (Guaranteed by the Director in Charge)

I would like to express our gratitude to our investors and other stakeholders for your consistent support and cooperation. The Group formulated its new Mid- to Long-term Business Plan in April 2022, making a new start with the goal of achieving both high profit growth and high asset and capital efficiency and high shareholder returns. With the aim to explain the certainty of our profit growth, this report has been prepared with a focus on our Mid- to Long-term Business Plan, the Nomura Real Estate Group 2030 Vision, "Be a 'Life & Time Developer,' as never seen before," and the three pillars of our Sustainability Policy, "Earth Pride," which were announced at the same time. In pursuit of profit growth, our approach of connecting closely with individuals, which is established in the Group, will never change, no matter how much society

changes around us.

I sincerely hope that this report will help you understand our uniqueness and superiority.

As the Group CFO and director in charge of investor relations responsible for compiling this integrated report, I hereby declare the legitimacy of its compilation process and the accuracy of the

I would like to conclude by taking this opportunity to express our appreciation to all the readers of this report and to all those who have helped compile and issue it.







^{*} The inclusion of Nomura Real Estate Holdings, Inc. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Nomura Real Estate Holdings, Inc. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

shareholders above.

*2. The shareholding ratio is calculated after deducting the above treasury stock (2,181,585 shares).

^{12.} Total shareholder return is the overall yield for shareholders that takes into account both capital gains and dividends. It is calculated in accordance with the formula prescribed by the Cabinet Office Ordinances.

*3. Total shareholder return is calculated at fiscal year-ends, starting from April 1, 2017, as if the investment was made at the closing stock price at the end of FY17/3.

Nomura Real Estate Holdings, Inc.

Shinjuku Nomura Building, 1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0566, Japan URL: http://www.nomura-re-hd.co.jp/english



