

# Integrated Report 2021



## Nomura Real Estate Holdings, Inc.

Shinjuku Nomura Building, 1-26-2 Nishi-Shinjuku, Shinjuku-ku,  
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URL: <http://www.nomura-re-hd.co.jp/english>





## Our Group Vision/Action guideline

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

# New Value, Real Value

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

### Action guideline “What We Value”

#### Client-first approach

We maintain our “client-first” approach as well as our attitude to ensure trust and fulfill expectations, which we have valued since the foundation of the company.

#### Creating new value based on original ideas

We pursue creating new value with free and out-of-the-box thinking, placing importance on anticipating future and global perspectives.

#### Always being a challenger

We always bear in mind that we are a challenger and take on new challenges with humility and ambition.

#### Acknowledging our growth with society

Ever mindful of our responsibility and pride in creating the future for people and cities, we contribute to society and continue to be a company on which it relies.

#### Working with vigor and achieving wellness

Recognizing that working with vigor brings growth to both the company and ourselves, we take the utmost care of our mental and physical health.





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**Eiji Kutsukake**  
President and  
Representative Director,  
Group CEO



**Daisaku Matsuo**  
Executive Vice President and  
Representative Director



**Hiroshi Kurokawa**  
Director,  
Group CFO



**Shoichi Nagamatsu**  
Director and Chairman of  
the Board of Directors

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## Information disclosure on the website

Additional information can be found on our website.



**Home page**  
<https://www.nomura-re-hd.co.jp/english/>



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# About the Nomura Real Estate Group



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Nihonbashi, Tokyo, at the time of Nomura Real Estate's foundation

**Nomura Real Estate Group will create safe and comfortable urban development and enrich the lives and times of people living, working, and gathering in these communities to create an even better value well into the future through real estate development and real estate-related services.**

Nomura Real Estate Group was established in 1957 accompanying construction of Nomura Securities' new head office building. We joined large-scale new town development projects to solve housing shortages, a serious social issue after World War II, and started our history as a real estate developer.

What the Group has valued since its establishment is the customer-first spirit. Specifically, it is the creation of new value through original ideas and the

spirit of continuing to be a challenger. These spirits lead to real estate development such as high-quality housing and office development, and real estate-related services such as property and facility management. Through these, we continue to create new business and value.

Our approach to connect closely with each customer is firmly inherited as our DNA under our Group Vision "New Value, Real Value".

Our Group Vision "New Value, Real Value"

## New Value, Real Value

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



## CEO message



# We will achieve growth through unique value creation, inheriting the DNA to cultivate new markets with clear vision.

President and Representative Director,  
Group CEO

**Eiji Kutsukake**

### What is the Nomura Real Estate Group?

## Our significance and uniqueness viewed from Our Group Vision and the voice of the front line

### Nomura Real Estate Group's "Significance and Vision"

We have formulated and instilled Our Group Vision "New Value, Real Value" to customers and society. This vision represents our strong desire to connect people's lives and their work through real estate development, as well as real estate-related services and to connect an affluent society and people with the future.

Through that we will contribute to providing high-quality services and development that offers safe, secure, healthy, and comfortable life for a long time. At the same time, we will contribute to creating a sustainable society. These are the Nomura Real Estate Group's significance and what we will build together with our stakeholders.

The Group is currently promoting wide-ranging discussions about what kind of company the Group should aspire to be as we look ahead to 2030 and 2050. These discussions are centered around numerous young and mid-career employees who will lead the Group in the future, including its management. Using a planning method called backcasting, we are formulating a new Mid- to Long-term Business Plan that considers what actions must be taken now with a clear vision of our aspired shape in the future. Subjects that constantly arise during these discussions include the happiness of people and the importance of the community, the Group's approach to connect closely with individuals, and enhancing services

for the future that utilize DX together with people and communities. Although stages vary by country, the same trend is increasing in overseas cities as well.

We aspire to be a group that achieves continuous growth by contributing to people-focused sustainable urban development and the advance of society.

### Uniqueness of the Group

The Group originated from the establishment of Nomura Real Estate Development, which was spun off from Nomura Securities in 1957. Upon considering the most-ideal ways to contribute to society through real estate business, we devoted every effort toward new town development and embarked on the residential development business to solve Japan's housing shortage, which was an urgent social issue at the time. In 1963, we took on the challenge of undertaking condominium business. We subsequently enhanced office development and related services such as property and facility management, and real estate brokerage. As people's lifestyles evolved we continuously identified the needs of our customers and society, and we achieved continuous growth with the spirit of a challenger.

The Group's uniqueness and strengths are shown in our client-first approach and market-in approach. The client-first approach means we place our first priority on the people who live and spend time in our properties. The market-in approach means we pinpoint customer needs



**CEO message**



**With an eye on the future, we seek to find new business and achieve our breakthrough growth without being complacent.**

and social changes.

The Group is a front runner which formulated the business system of residential development, called the “integrated development, sales, and management system.” That handles the entire process from development to design, sales, and management of housing. We have leveraged this system as a strength to consistently earn the trust of our customers. Listening to customer requests at the sales phase and impressions after completion continuously enables us to envision the future lives of our customers in a precise manner. This helps us to improve the quality of products and services in every process. We undertake repeated discussions and make strong commitment to the quality of product and service. We put this unique spirit into practice not just in our residential business but also in various other business areas such as offices and logistics facilities.

Furthermore, as evidenced by the in-house 278 first-class licensed architects, the Group has a culture and human resources that continually commit to and enhance the quality of its products and services. Our approach involves listening intently to customers and emphasizing continuous quality improvements to earn their genuine trust, and this approach can also be considered our DNA. The Group believes that value is realized only when customers actually use a property and evaluate it. In other words, the building’s completion is another start of our value creation. This attitude enables the Group’s new value creation.

In addition, the Group’s business model is not limited to owning the properties it develops, but actively earns development profits from the sales to buyers such as individual customers, REITs, and private funds managed

by the Group (off-balancing of assets). A key feature of the Group’s business model is its long-term involvement in the operation and management of sold properties.

During the Group’s history that spans more than 60 years, in addition to properties we hold, we have also forged connections with numerous customers that we consider as business stock. This includes condominiums that we continue to manage after sale and properties owned by Group REITs. We are making the most of our connections and contact points with our accumulated customer base while thoroughly understanding their needs while creating new value. Through this process, we are building a strong business growth model to become a distinctive corporate group that creates unique value from both the Development Sector that handles real estate development and the Service & Management Sector that provides real estate-related services.

In the real estate business, each property is unique. Therefore, it is generally difficult to utilize accumulated know-how and knowledge in each individual property to another. However, we have established a system to build up and formulate our own brand based on customer evaluation of individual properties. The know-how and evaluation, integrated as a brand, can be deployed to create other brands, which will lead us to continue to create further value and that is our key feature. For example, we have applied the know-how and high-quality product and service development as well as property and facility management accumulated in PROUD, the integrated brand of housing and related services in our PMO mid-sized high-grade office, GEMS retail facility, and Landport logistics facility. This approach allows us to expand asset types and provide new value.

**Long-term Business Trends Recognition**

**Future Growth and Issues**

**Crucial Perspectives**

In general, the real estate business is said to have a long timeline. However, looking at the changes in society over the last 10 years or so, the rapid development of ICT and AI, combined with the impact of the spread of COVID-19 are bringing rapid changes in the way of people live and work. Real estate is also the foundation of people’s lives and it is unavoidable with these social changes.

Taking a long-term perspective, we will accurately analyze current trends and consider actions we need to take by forecasting future changes in society and values, identifying important factors, and then backcasting from there. On top of this, we believe that strategies with anticipation of future changes are crucial. Without that, we cannot continue providing value that satisfies customers over the long term. I am confident we can respond to major changes in the future because the Group consistently adheres to its “client-first approach” and “market-in approach.”

**For Achieving Sustainable Growth over the Medium- to Long-Term**

Looking toward medium- to long-term growth, the Group has already moved into action by undertaking large-scale mixed-use development projects such as Shibaura 1-chome Project. These will be sites where the Group will achieve real estate development and the provision of services with consideration of post-COVID-19 work styles and lifestyles and the changes that DX will bring. These must also be sustainable communities, for example by being carbon neutral.

We expect that business expansion in fast-growing Asian cities will be another key driver of further growth. The Group has already decided to invest a total of ¥106 billion in 26 projects for residential and leasing business, mainly in Southeast Asia. The value created by leveraging our know-how cultivated in Japan is beginning to be highly evaluated by both local business partners and customers in these regions. Amid the dramatic advance of urbanization in Asia, the Group will provide businesses to provide new value, contribute to the happiness of the people who live and work in these areas, and promote strategies that contribute to the growth of the entire Group.

Looking ahead to the next 10 to 20 years, the key for growth will be the ability to provide not only real estate development, but also the activation of towns and communities using IT and DX and the improvement of real estate-related services in an integrated manner. By combining real estate and related services for the people who live there with a vast amount of data, we can create cities, residences, offices, and retail facilities that connect a variety of things, and go beyond the value as hardware to

provide satisfaction in life and living itself as “real estate as a service.”

At present, business environments are drastically changing. Taking offices as an example, we are beginning to see changes taking place in our society, where previously everyone found overwhelming value only in having a center office to gather in every day. There is no doubt that the core office will continue to be important. However, in addition to these core offices, a flexible environment where each employee can demonstrate his or her high performance in a variety of places is now becoming an important factor for companies to secure human resources. The Office Portfolio Strategy we propose responds to these changes by offering real estate as a “hardware” and related services as a “software.” [▶ P34-37](#) The rapid increase in the number of members of H+T satellite-type shared offices suggests that this change is not transitory.

For future growth, it is important to seize these rapid social changes as business opportunities for providing new value. We can’t afford any delay and be complacent as we accelerate to find new business opportunities and to achieve breakthrough growth, with an eye on the future.

At the same time, to further sharpen the Group’s competitiveness in existing businesses represented by PROUD and PMO and continue to build a solid position, we must firmly ascertain the changes of the times and the environment and thoroughly undertake marketing, product development, and urban development that is closely connected with individual lives.

**Human Resources Strategy that Connects the Future**

Strengthening our human resources strategy is also one of our major tasks. The Group’s real estate development, urban development, and real estate-related services require a high level of expertise, as well as a broad and diverse range of human resources. We have welcomed people of all ages, genders, and backgrounds with a wide range of personalities and careers into the Group, but we need to further promote diversity in order to develop our global workforce and future managers.

In particular, it is essential to strengthen our human resources to deal with DX. The Group has a wide variety of data obtained from its vast business stock. In order to make the most of this data, we believe that the development of a DX promotion system and the strengthening of human resources who have the know-how to realize “as a service” business by building a related-service network leveraging ICT and AI to utilize intellectual property will lead to the further improvement of the Group’s overall competitiveness.

Sustainability

**Initiatives That are Integrated into Management**

**Importance of Sustainability**

The main reason for the Group's focus on sustainability/ ESG is to mitigate future risks as well as to expand business opportunities. As our starting point, we have identified Four key themes for sustainability that are deeply linked to people's lives, namely Safety/Security, Environment, Community, and Health and Well-being. We will strive to discover new business opportunities and the Group's significance through initiatives to solve social issues and create new value through business activities. From this perspective, sustainability should be integrated with business management. I assumed the duties of the Group CEO and the Chairman of the Sustainability Committee from April 2021. This shows our determination to completely align our business strategies with the direction of our sustainability.

We aim to formulate a new Sustainability Policy whereby all present Group employees strongly share this long-term orientation and regard it as their own personal matter, or in other words, a policy that will serve as a pillar for the entire Group to unite around and demonstrate their comprehensive strengths for our next growth phase.

**Specific Sustainability Initiatives**

As a corporate group involved in real estate development, the Group is working on environmental initiatives as an important management issue. Toward the realization of carbon neutrality by 2050 set by the Japanese government, we are promoting various efforts to achieve the Science Based Targets (SBT)\*1 initiative target of "attaining 35% reductions in total greenhouse gas (CO<sub>2</sub>) emissions

for Scope 1 and Scope 2 as well as Scope 3, respectively, by the year ending March 2031 compared with the fiscal year ended March 31, 2020."

As specific measures, in addition to accelerating our decarbonization initiatives such as Net Zero Energy Houses (ZEH) and Net Zero Energy Building (ZEB), we are working to create renewable energy using the logistics facility Landport and to reduce CO<sub>2</sub> at construction sites in collaboration with suppliers. Furthermore, we will enhance information disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD)\*2, with which we have already announced our agreement.

Regarding the social side, we formulated the Nomura Real Estate Group Human Rights Policy in July 2021. This policy was established based on the Group Vision "New Value, Real Value" and the Nomura Real Estate Group Code of Action that stipulates we should act with respect for the dignity and basic human rights of all people. From now on, we will carry out all our business activities in compliance with this policy.

We have already implemented on a trial basis the Nomura Real Estate Group Procurement Guidelines for engagement with suppliers and will establish a system for full-scale application of the Guidelines in the future as we contribute to solving human rights issues together with stakeholders.

Turning to governance, we are expanding the diversity of directors, who now include persons with experience in corporate management and women. In addition to the improvement of the effectiveness of the Board of Directors, I am still planning to move forward to make further advances.

Message to Stakeholders

**Being a Challenger**

**Capital Efficiency and Shareholder Returns**

Since being inaugurated as CEO, I have focused particularly on enhancing shareholder returns, which includes cash dividends and the acquisition of treasury shares. In Phase 1 of the current Mid- to Long-term Business Plan (from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2022), we are achieving a total return ratio of about 40% to 50% and increase of cash dividends for the tenth consecutive year.

I recognize that our shareholders, investors, and other stakeholders have applauded our approach that involves achieving both high shareholder returns and growth based on high capital efficiency and high ROE as one of the characteristics of the Group. Looking ahead to our vision in the fiscal year ending March 31, 2028, the final year of our Mid- to Long-term Business Plan, we will lay the groundwork for our current initiatives by back-casting from that date and working to ensure we realize this desired shape. In addition, we plan to announce a new Mid- to Long-term Business Plan in April 2022 and will disclose initiatives for continuously improving corporate value that are integrated with our new Sustainability Policy and our growth strategies that look even farther beyond.

**Our Thoughts for Long-term Value Creation**

We address social issues and create new value globally with collaboration of the Development Sector and Service & Management Sector. We believe that connects to our significance and increases our corporate value.

The Group achieved record-high profits in the fiscal year ended March 2020. Although we experienced a temporary decline in business results in the fiscal year ended March 2021 due to the impact of COVID-19, we will strive to steadily attain an all-time high business profit of ¥85 billion in the fiscal year ending March 2022 as we strive to demonstrate to everyone that we are achieving a clear recovery and are on a firm path to growth.

Established in 1957 and listed in 2006, the Group has a relatively short history in the real estate industry and has been a challenger possessing a venture spirit and I would like to maintain this posture. In the future as well, we will continue our uncompromising commitment to providing real estate development and services that have an approach to connect closely with individuals, centered on our market-in approach, and we will achieve growth through unique value creation, inheriting the DNA to cultivate new markets with a clear vision. I would like to ask all our stakeholders to look forward to it and your further support for the Group.



President and Representative Director, Group CEO

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\*1. Science Based Targets: Initiative requiring companies to set science-based reduction targets to limit the rise in global average temperature to "less than 2 degrees Celsius"  
 \*2. Task Force on Climate-related Financial Disclosures: Established to develop recommendations for climate-related information disclosures and response to these disclosures by financial institutions



# History of challenge

We have continued to take on challenges amid the changing times while anticipating the needs of customers and society. Our past initiatives created the current and future values.

## 1957 ▶ 1990

### High economic growth period—Bubble economy

#### Social issues

- Shortage of high-quality housing to address population growth and inflow occurred in urban areas
- Development of urban infrastructure accompanying rapid economic growth

#### The Group at the time

- Establishment of Nomura Real Estate Development (1957)
- Transferred from Nomura Securities' asset management company to real estate developer
- Started large-scale residential land lot development and condominium sales



1957 Spun off from Nomura Securities and launched real estate business focused on leasing and management of office buildings

## 1991 ▶ 2002

### Bubble burst—Recession in the 1990's/Lost decade

#### Social issues

- Increasing demand for residences with higher quality, safety, and security, taking into account of the necessity for higher seismic adequacy in consideration of the damage caused by the Great Hanshin-Awaji Earthquake
- Accelerated population inflow toward urban centers, buying motivation of those with actual demand due to falling land prices in urban centers increased

#### The Group at the time

- Aimed to recover from sluggish trends in profit caused by the economic crisis
- Downsize balance sheets and reinforced the financial soundness



Completion: 1990 and onward  
Yokohama Business Park (YBP), one of the largest business developments by the Company alone as a private company, completed

Residential Development  
Property & Facility Management

### Entered into the residential development business to solve the housing shortage during the postwar reconstruction period

In 1957, the Company was established accompanying construction of Nomura Securities' new head office building. Subsequently, the Company took its first step in entering the residential development business by developing the Kajiwarayama residential area (Kanagawa Pref.) in 1961, to solve the housing shortage during the postwar reconstruction boom. In 1963, the Company advanced into the condominium development business and firmly established its position as a major private real estate developer.



1961 Launched real estate development business with development of Kajiwarayama residential area in Kanagawa  
1963 Launched condominium development business with construction of Co-op Takenomaru in Kanagawa

Commercial Real Estate  
Property & Facility Management

### Developed the Shinjuku Nomura Building, a skyscraper integrating the latest technologies

The office building business is the origin of the Group, starting from the construction of the new building for Nomura Securities, and has steadily expanded.

Later, construction of high-rise buildings was facilitated by the revision of the Building Standards Act. In 1978, the Shinjuku Nomura Building was completed, a cutting-edge skyscraper. Through this development together with the Group-wide activities, including leasing tenants, valuable expertise was accumulated, which contributed to the subsequent expansion of the office building business.



1978 Completed construction of the Shinjuku Nomura Building  
Head Office was moved from Nihonbashi to Shinjuku

Property Brokerage & CRE

### Utilized IT in the real estate brokerage business ahead of competitors

The Group grasped the potential of IT transformation supported by rapid improvement of the Internet infrastructure and the effectiveness of websites that can attract a large number of unspecified customers, the Group launched nomu.com, its real estate information website, in 1999. Because nomu.com functioned as a contact points with customers, it became possible to grasp their needs via both real stores and the Internet, which significantly facilitated the growth of the real estate brokerage business.

ネットで住みかえ ノムコム  
**nomu.com**



1999 Launched the real estate information website nomu.com

Commercial Real Estate  
Investment Management

### Started asset management and property development for sales

Since its dawn in the latter half of the 1990s, the Group focused on the future potential of the real estate securitization business and entered in the asset management business utilizing external capitals. Taking account of the situation of domestic financial institutions suffering from non-performing loans, the Company aimed to acquire capitals from overseas investors and established a special purpose company (SPC) as a vehicle investing office buildings in 1998. It succeeded in introducing Japan's first non-recourse loan as well as equity investment.

As we continued to accumulate expertise through the structuring of real estate funds, we started the property development for sales business. In 2001, the retail facility fab Minami osawa was developed for sales to investors.



2001 Completed construction of fab Minami osawa, a retail facility developed using the real estate securitization scheme

Hatchobori NF Building, sold to the SPC organized in 1998

Residential Development  
Property & Facility Management

### Concentrated business resources into the residential development business and the launch of PROUD brand

When the bubble burst, the economy and the real estate market conditions rapidly deteriorated. Under this harsh environment, the Group grasped the residential needs that were returning to urban centers due to falling land prices and concentrated its business resources on the condominium business.

In 2002, the Group launched the integrated brand of housing and related services, "PROUD," created with a concept of providing condominiums that are a source of pride for residents, builders, and even local people. With proactive advancement centered on the brand strategy, the Group developed its characteristics of the integrated development, sales, and management system.



2002 Launched PROUD as the integrated housing brand of products and related services  
Completed construction of PROUD Kugayama (2003)

▶ P30-33  
Special feature:  
Efforts to deepen and evolve PROUD, the integrated brand of housing and related services

Operating revenue (¥ billion)



### Housing trust system contributed to the expansion of housing buyers

When private short-term loans were mainly used by housing buyers, the Company developed the housing trust system that enable a 10-year installment payment, jointly with a trust bank. It has pioneered a today's housing loan, and expanded the housing buyers. The Company's philosophy of placing top priority on customers in terms of developing products and services has continued since its foundation.



Newspaper advertisement at the time (The Kajiwarayama residential area in Kanagawa)

### Large-scale development integrating cutting-edge functions of the times

The then architectural outline of Shinjuku Nomura Building shows that the Company at that time focused on energy-saving measures in consideration of the environment, while ensuring high safety and deploying the latest disaster prevention equipment. This was a large-scale building development with cutting-edge functions, such as water saving measures, improvement of air conditioning effects, and the most-advanced control system using computer technology.

- <Architectural outline of Shinjuku Nomura Building>  
Three themes at time of planning
1. Respect for cooperative features
  2. Pursuit of safety
  3. Energy-saving measures



Disaster Prevention Center of the then Shinjuku Nomura Building

\* Operating revenue in FY2004/3 and earlier was non-consolidated figures of Nomura Real Estate Development.



History of challenge

2003 ▶ 2010

Economic recovery-  
Global financial crisis  
Social issues

Social issues

- Increasing needs for the utilization of corporate real estate (CRE), such as idle assets and unnecessary assets, caused by changes in the industrial structure
- Peaking of the population in Japan, moving toward a super-aging society

The Group at the time

- Nomura Real Estate Holdings became listed on the First Section of the Tokyo Stock Exchange (2006)
- Further expansion of the residential development business
- Developed the brands of property for sales business (including offices, retail facilities, logistics facilities and rental housings)



2010 Completed construction of Nihonbashi Muromachi Nomura Building

2011 ▶ 2020

Great East Japan Earthquake-  
Advancements in globalization

Social issues

- Changing life/work styles due to increasing dual-income households and declining birthrate with the aging population
- Accelerated progress of globalization
- Rising awareness of sustainability including resilience against natural disasters and environmental issues

The Group at the time

- Made challenges to create urban development unique to the Group, which is a recycling-oriented type that emphasizes the community
- Utilized our experience accumulated in Japan for overseas business expansion

2021 ▶

To the era with/  
after COVID-19

Residential Development Commercial Real Estate  
Investment Management Property Brokerage & CRE  
Property & Facility Management

Listed on the First Section of the Tokyo Stock Exchange, moving into a new growth stage

In October 2006, Nomura Real Estate Holdings listed on the First Section of the Tokyo Stock Exchange. This made it possible for the Company to enhance its social credibility and use diverse methods of fund procurement. Funds raised from the capital market led the Company to significant subsequent growth, including M&A with NREG TOSHIBA BUILDING.

Ahead of this listing, Nomura Real Estate Office Fund, Inc. which is operated by the Group, was listed in 2003, showing that a mutual growth model with the Group's REITs has been established.

Commercial Real Estate  
Property & Facility Management

NREG TOSHIBA BUILDING (currently Nomura Real Estate Building) joined the Group

The disposition of real estate held by non real estate companies progressed due to the heightened awareness of the compression of balance sheets and improvement of capital efficiency. In 2008, we conducted an M&A with NREG TOSHIBA BUILDING. This company owns a large number of leasing properties, and by joining the Group, the leasing business has expanded as a stable source of income, which is a major step leading to future large-scale development.



2008 NREG TOSHIBA BUILDING (currently Nomura Real Estate Building) joined the Group

Residential Development Commercial Real Estate  
Investment Management Property & Facility Management

Created the brands of property sales business

Through the market-in approach, the Group discovered the diversified needs of the tenants and people working there and created unique property brands such as PMO (office) and Landport (logistics facility). The Group exploited a new market of mid-sized high-grade offices by PMO, and its initiative to rebuild buildings that are aging and with concerns regarding earthquake resistance, and then build a city that is resilient to disasters have contributed to resolving social issues.



2007 Completed construction of Landport Atsugi

2008 Completed construction of PMO Nihonbashi Honcho

Residential Development Commercial Real Estate  
Investment Management  
Property & Facility Management

Established a mutual growth business model for Nomura Real Estate Group and the Group REITs

To generate development profits centered around unique and competitive brands, the Group plans to expand further of the property sales business. For this reason, the Group established the Leasing Value Chain in 2015 for mutual growth with the Group REITs and funds through selling-off properties to the REITs and funds. This growth model also contributes greatly to the maintenance and improvement of brand strength, including PMO, and contributes greatly to the mutual growth of the Group and the Group REITs.

FY2013/3 Exceeded ¥500.0 billion



P26 "Leasing Value Chain" supporting brand strategy

Residential Development  
Property & Facility Management

Initiatives for urban-type compact town

In response to the changing social structure, such as the declining birthrate and aging society, the Group has promoted the multi-functional and highly convenient urban-type compact town. Funabashi Morino City, completed in 2014, is equipped with necessary functions for people's lives, such as a shopping center and hospital centered around residential areas. In 2017, health promoting senior rental housing, OUKAS Funabashi, opened there and contributed urban development for many generations.



2014 Completed construction of the urban-type compact town, Funabashi Morino City



2017 Opened the Group's first health promoting senior rental housing, OUKAS Funabashi

Residential Development Commercial Real Estate  
Investment Management Property Brokerage & CRE  
Property & Facility Management

Initiatives to build cities that connect today with tomorrow's possibilities in various areas

We have opportunities to demonstrate the Group's expertise. One of them is the Shibaura 1-chome Project, a large-scale, mixed-use development project, for which construction started in October 2021. New businesses such as H'O and H'T started in a society where changes are accelerating with the COVID-19 pandemic.

The Group's urban development is not limited to Japan. The overseas expansion of our expertise cultivated in Japan, including the market-in approach and commitment to quality, has accelerated, especially in the cities of rapidly growing ASEAN countries. Both in Japan and overseas, we will identify the needs of people living in each area and pursue initiatives to build cities that connect today with tomorrow's possibilities.



2020 Completed construction of TOKYO TORANOMON GLOBAL SQUARE



2021 Started construction of Shibaura 1-chome Project (South Tower)



2021 and onward Scheduled for completion of Grand Park 2nd period in Vietnam

FY2021/3  
¥580.6 billion

FY2021/3 Business profit\*2  
¥76.4 billion

Operating revenue (¥ billion)



2003 Nomura Real Estate Office Fund, Inc. became listed on the Tokyo Stock Exchange

FY2005/3 Exceeded ¥300.0 billion

FY2005/3 Operating profit\*1  
¥35.7 billion

FY2010/3 Operating profit\*1  
¥39.2 billion

\*1. With regard to the pie charts of operating profit in FY2005/3 and FY2010/3, the figures were calculated in a simplified way in accordance with the current business segment. Accordingly, the operating profit of each segment is different from the result shown in the documents disclosed in the past.

\*2. Business profit = Operating profit + share of profit (loss) of entities accounted for using equity method + amortization expenses of intangible assets associated with corporate acquisitions



About the Nomura Real Estate Group

# At a glance

The Group is aspiring to build cities that connect today with tomorrow's possibilities while embracing every moment of life's pursuits via cooperation between Development Sector and Service & Management Sector.

## Development Sector (Value creation through real estate development)

**Residential Development Business Unit**

**Major Businesses**  
Development and sale of condominium and detached housing, and rental housing, development and management of senior housing, internet advertising, home/living assistance services, etc.

**Major Group companies**  
Nomura Real Estate Development/Nomura Real Estate Wellness/PRIME X/First Living Assistance

**Major brands, etc.**  
PROUD OHANA SEASON FLAT OUKAS

**Number of housings sold:**  
**3,669 units**  
(Results for the FY21/3)

**Cumulative number of PROUD housings supplied:**  
**Approx. 83,000 units**  
(As of March 31, 2021)



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**Commercial Real Estate Business Unit**

**Major Businesses**  
Development, leasing, sales, and management of office building, logistics facility, retail facility, etc.; development, leasing, and management of hotel; management of fitness club; design and supervision of construction work, etc.

**Major Group companies**  
Nomura Real Estate Development/Nomura Real Estate Building/Nomura Real Estate Life & Sports/Nomura Real Estate Retail Properties/Nomura Real Estate Hotels/UHM

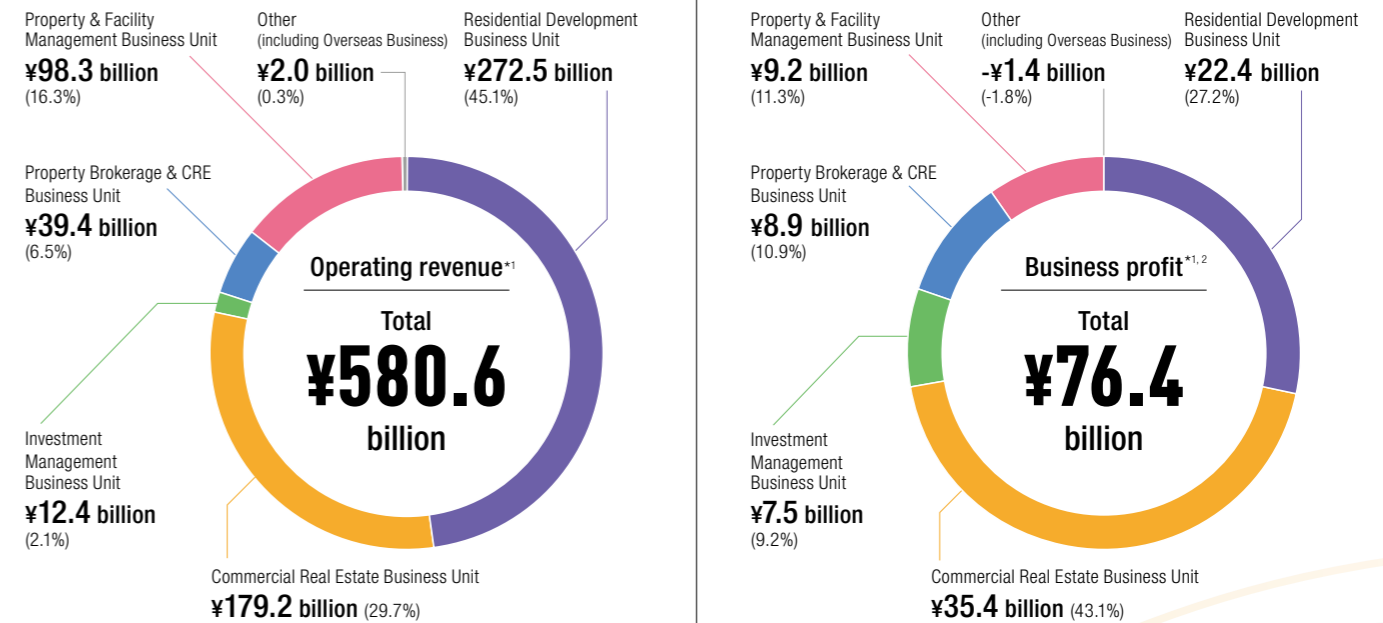
**Major brands, etc.**  
PMS H'IO HIT LandPORT GEMB MEFULL SOCOLA NOHGA HOTEL 北子ホの館 MEGALOS

**Net lettable area:**  
**Approx. 827,000m<sup>2</sup>**  
(As of March 31, 2021)

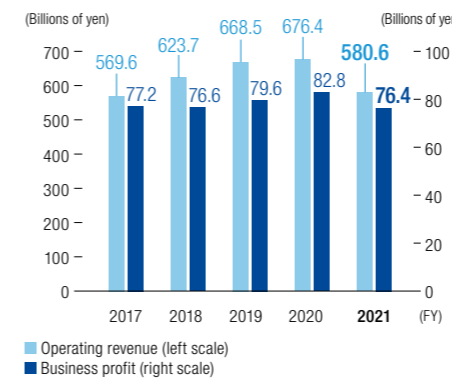
**Number of properties developed for sales:**  
**152**  
(As of March 31, 2021)



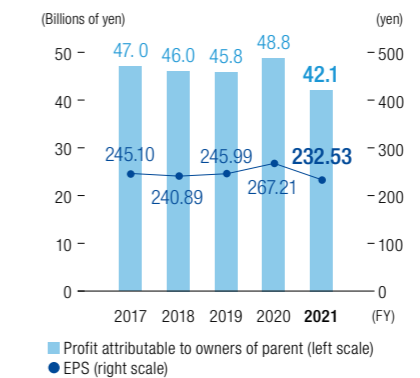
## Financial results for FY21/3



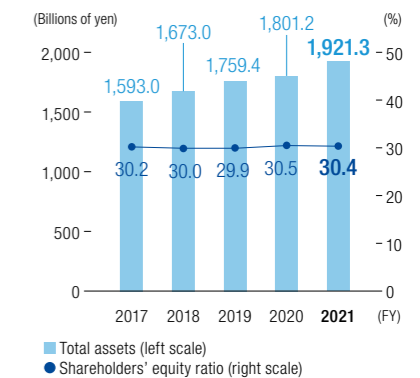
Operating revenue/Business profit \*2,3



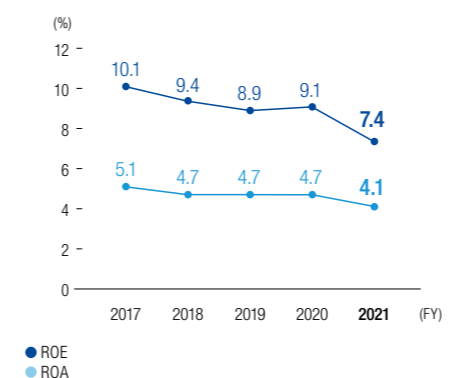
Profit attributable to owners of parent/EPS



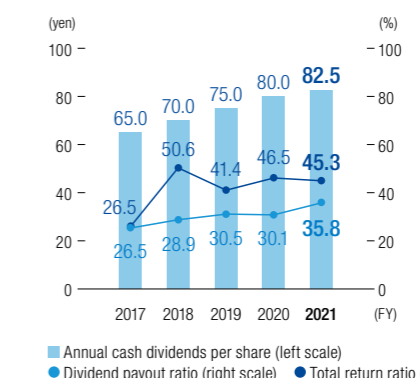
Total assets/Shareholders' equity ratio



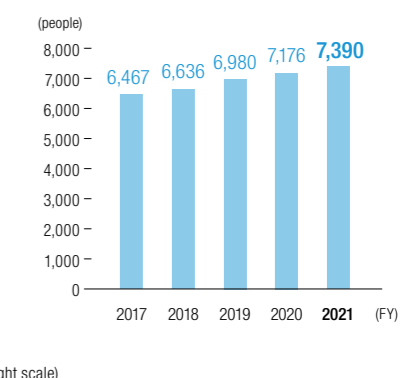
ROE/ROA



Annual cash dividends per share/ Dividend payout ratio/Total return ratio



Number of consolidated employees



\*1. The percentage breakdown is calculated based on the total amount for each segment. The resulting figure is rounded to the first decimal place, which in some cases may mean the total does not add up to 100.0%. The total shown at the center of the pie chart includes "eliminations or corporate" amount within segment information. As a result, data differs when totaling operating revenue and business profit from each business unit.  
 \*2. Business profit = Operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions  
 \*3. Business profit in FY18/3 and earlier are equivalent to figures of operating profit.  
 \*4. See P104-105 as for the calculation formula of each indicator.

Build cities that connect today with tomorrow's possibilities



Embracing every moment of life's pursuits

## Service & Management Sector (Value creation through provision of real estate-related services)

**Investment Management Business Unit**

**Major Businesses**  
Investment management services including real estate investment trusts (REITs), private funds and real estate secularization products

**Major Group companies**  
Nomura Real Estate Development/Nomura Real Estate Asset Management/Lothbury Investment Management

**Major brands, etc.**  
MASTER FUND NOMURA REAL ESTATE PRIVATE REIT, INC.

**Assets under management (AUM):**  
**Approx. ¥1.8 trillion** (As of March 31, 2021)

**Number of institutional investor clients:**  
**232** (As of March 31, 2021)

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**Property Brokerage & CRE Business Unit**

**Major Businesses**  
Real estate brokerage and consulting, consignment of sales of condominiums and detached housing, insurance agency, etc.

**Major Group companies**  
Nomura Real Estate Solutions

**Major brands, etc.**  
野村の仲介 REALIA nomu.com

**Number of property brokerage transactions:**  
**9,322** (Results for the FY21/3)

**Number of nomu.com members:**  
**Approx. 236,000** (As of January 31, 2021)

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**Property & Facility Management Business Unit**

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

**Major Group companies**  
Nomura Real Estate Partners/Nomura Real Estate Heating and Cooling Supply/Nomura Real Estate Amenity Service

**Major brands, etc.**  
re:Premium

**Number of housings under management:**  
**Approx. 183,000 units** (As of March 31, 2021)

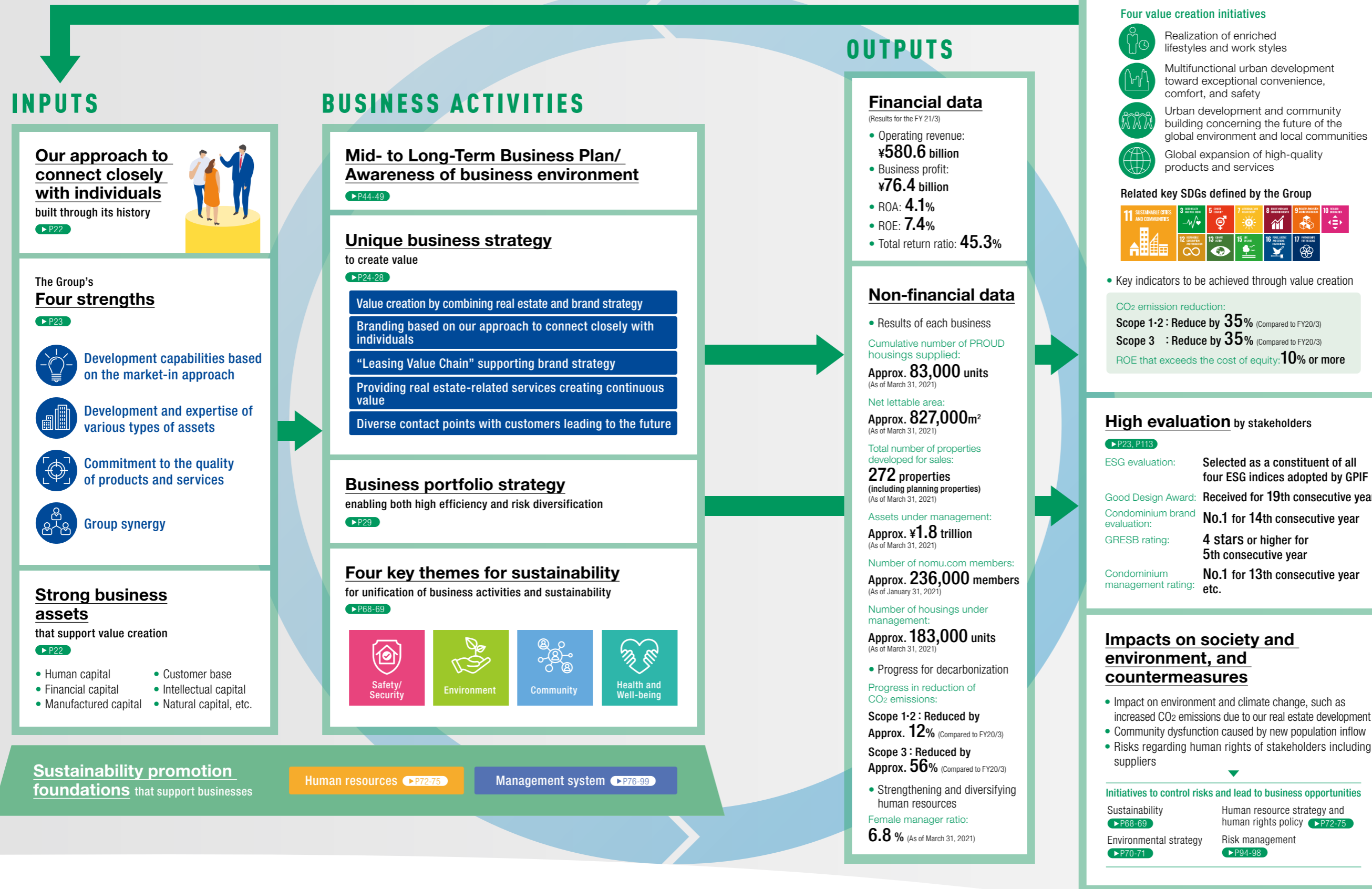
**Number of buildings under management:**  
**788 units** (As of March 31, 2021)

\*1 Information for major group companies is as of April 1, 2021 \*2 The total leasable floor area of offices and retail facilities owned by the Group for a long period of time \*3 Number of property development includes planning properties



# Value creation process

We will help solve social issues through new value creation based on our approach to connect closely with individuals and realize our Group vision, "New Value, Real Value."



Our Group Vision "New Value, Real Value"

# New Value, Real Value

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