

Be a “Life & Time Developer,” as never seen before



Initiating the Nomura Real Estate Group's Future Plan

Nomura Real Estate Group ("the Group") has formulated Nomura Real Estate Group 2030 Vision "Be a 'Life & Time Developer,' as never seen before." Under this vision, we will realize high profit growth, and high asset and capital efficiency during the period of the Group's Mid- to Long-term Business Plan (FY2023/3 - FY2031/3). In addition, we have established our Sustainability Policy, named "Earth Pride," which outlines our vision for 2050 by viewing social changes, such as climate change and the diversification of values, as new growth opportunities. Along with this policy, the Nomura Real Estate Group will take steps to achieve ambitious growth targets and unprecedented value creation to realize our Group Vision: "New Value, Real Value."

2030

The Nomura Real Estate Group Vision for 2030

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

Nomura Real Estate Group has always connected closely with customers' lives and time, through real estate development and real estate-related services.

Now, as we confront various social issues, as well as diversified lifestyles and values, we must change ourselves.

To enrich people's respective lives and every moment of their time, we will transform ourselves into a "Life & Time Developer" that creates new, significant values on a global scale.

To enrich people's respective lives, we create a foundation for living, create a foundation for cities.

Our residential development business was launched to help solve Japan's housing shortage following World War II.

With the principle of taking a "client-first approach" upheld in the Group's action guideline, we have developed "our approach to connect closely with individuals" by adopting this attitude since the foundation of the Company. By adhering to this approach and viewing various social issues as opportunities for growth, we have continued to enrich people's lifestyles by building the physical foundations of their lives and communities.

Our approach to connect closely with individuals, that is established in the Group → P32

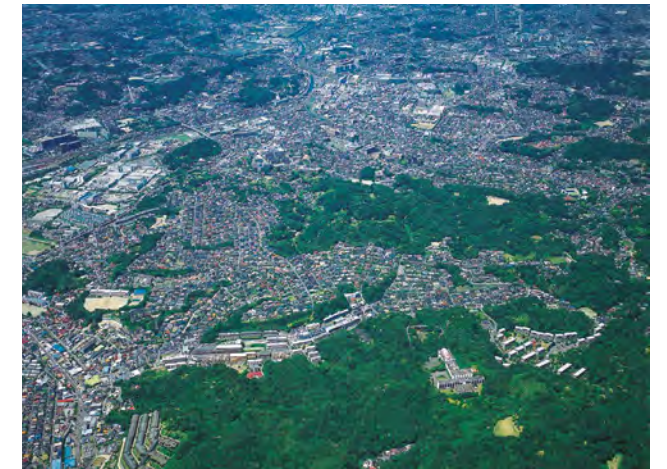


1957 Aimed to solve Japan's housing shortage, a social issue during the postwar reconstruction period

The Group was established in 1957 with the construction of a new head office building for Nomura Securities. The Group subsequently took its first step as a real estate developer by joining new large-scale urban development projects, starting with the development of the Kajiwarayama residential area (Kamakura City, Kanagawa Prefecture), aimed at solving the housing shortage, which had become a serious issue following the end of World War II. Dedicated to focusing on the needs of individual customers since its foundation, the Company developed the housing trust system, a pioneer of today's housing loan, at a time when most residential purchases were made using short-term loans. The system provided a 10-year installment payment plan and helped to supply high-quality housing to many customers.

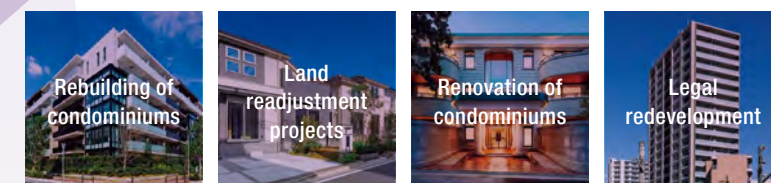


Scenery of Nihonbashi (Tokyo) at the time of its founding



The Kajiwarayama residential area (Kamakura City, Kanagawa Pref.)

Even now, communities face a number of social issues related to housing, including safety issues due to the aging of buildings and high concentrations of wooden houses in certain neighborhoods. Harnessing our expertise built up over 60 years as a real estate developer, as well as the trust of our customers and society, the Group has continued to engage in the development of urban areas where people can live safely and comfortably. We have done this using various development methods including redevelopment and rebuilding business. Our track record of developing a total of approximately 181,000 units of housing is a testament to the Company's long history of supporting people's lives.



Over 60 years of developed properties

Cumulative number of housings supplied: approx.

181,000 units*

Life & Time

We connect closely with people living, working, and gathering to enrich every moment of their time.

PROUD, whose brand mission is “Greatest Moments at Home,” has long been beloved by our customers. As exemplified by PROUD, we have endeavored to enrich every moment of a person’s time, not only when they are at home but also when they work and gather in their community. By imagining every moment of such time and connect closely with individuals, we aim to provide our customers with unprecedented enjoyment of every moment.

2002

Providing residents with some of their “Greatest Moments at Home,” where the longer they live in their home, the more they love it

PROUD, which was launched in 2002 as an integrated brand for housing products and related services, upholds the brand mission of “Greatest Moments at Home.” Guided by this mission symbolizing the Group’s approach to connect closely with individuals and enrich every moment of their time, the cumulative number of PROUD housing units supplied amounts to approximately 74,000. Among other factors, the COVID-19 pandemic has made the time spent at home more important than ever. Focused on providing residents of PROUD residences with some of their greatest moments at home, where the longer they live in their home, the more they love it, the Group’s residential development has further solidified our position as the top residential brand.



PROUD Kugayama

PROUD Cumulative number of housings supplied: **approx. 74,000 units***1
Brand ranking: **No.1** for 15th consecutive year**2

2020

Promoting HUMAN FIRST workstyles with a focus on each individual’s time

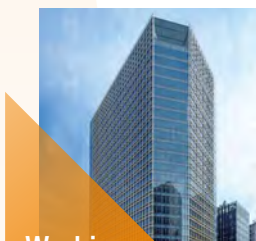
Amid the transformation of workstyles as a result of the evolution of digital technologies and AI, the Group has been tackling new challenges under the HUMAN FIRST concept which put importance on every individual worker. To realize HUMAN FIRST workstyles that will lead to the maximization of performance, we want to help every worker feel comfortable at all times, wherever they are. The Office Portfolio Strategy for tenants, in which we propose a combination of office types to meet a variety of tenant needs, has been driving a shift away from the conventional office.

Large-sized office

pmo
PREMIUM MIDSIZE OFFICE

H1O
HUMAN FIRST OFFICE

H1T
HUMAN FIRST TIME



Working



Number of developed properties:
70 properties*1

Number of developed properties:
15 properties*1
(including types that incorporated in developed property's floors)

Number of developed properties:
216 offices*1
(including affiliated offices)

*1. As of March 31, 2022 (number of developed properties includes planning properties)

*2. Calculated by the Group for the number of years in which “PROUD” received the largest number of evaluation categories in the Condominium Brand Survey conducted by Nikkei, Inc.

Be a “Life & Time Developer,” as never seen before

Earth Pride



2050

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

Society and employees



Diversity & inclusion



Human rights

Climate change and natural environment



Decarbonization



Biodiversity



Circular design

Launch of the Shibaura Project

The Shibaura Project is a qualified project of the National Strategic Special Zone Plan and a large-scale mixed-use development that includes offices, a hotel, residences, and retail facilities, with a gross floor area of approx. 550,000 m². This iconic sustainable urban development project aimed at realizing net-zero CO₂ emissions for the entire district embodies the Nomura Real Estate Group 2030 Vision, “Be a ‘Life & Time Developer,’ as never seen before,” and “Earth Pride” vision of 2050.

In addition, by consolidating the Group's head offices, we plan to foster an organizational culture across the Group that will allow us to take on more challenges than ever before. By realizing a new way of working in which each worker designs his or her own day while enjoying the sky, sea, and greenery of central Tokyo, we aim to evolve and transform ourselves into a new type of developer, not just of real estate but of “Life & Time.”

Large-scale mixed-use development with gross floor area of approx. 550,000 m² (office, retail facility, hotel, residence)

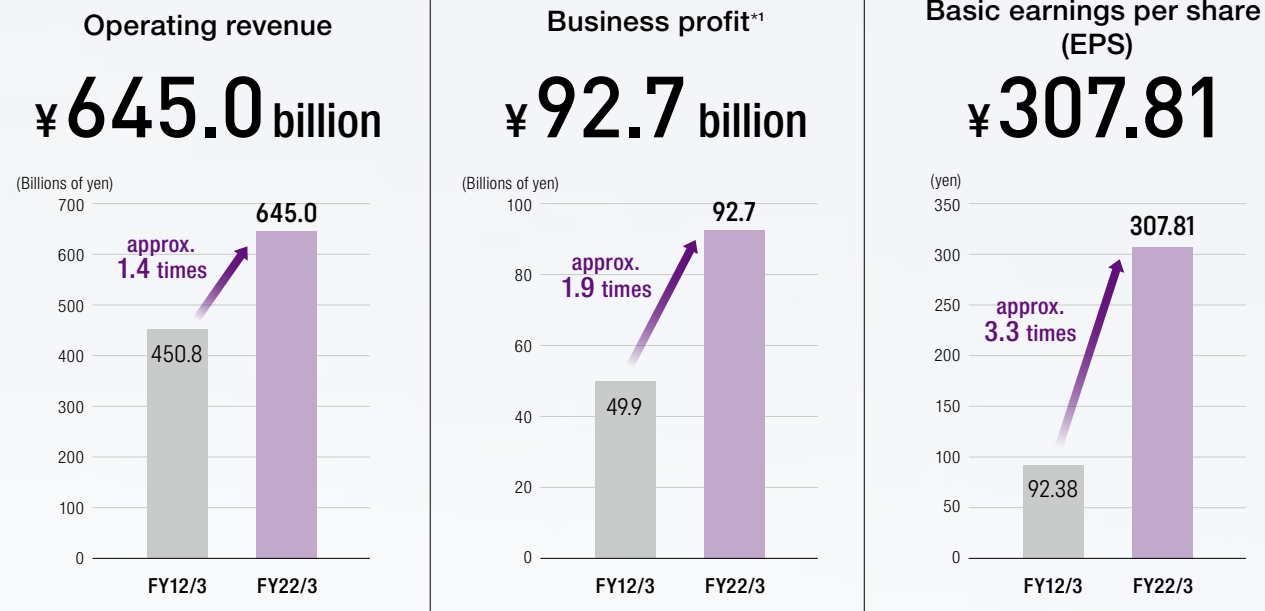
Propose a new workstyle: TOKYO WORKation*

Realize net-zero CO₂ emissions for the entire district

Nomura Real Estate Group in numbers (FY2022/3)

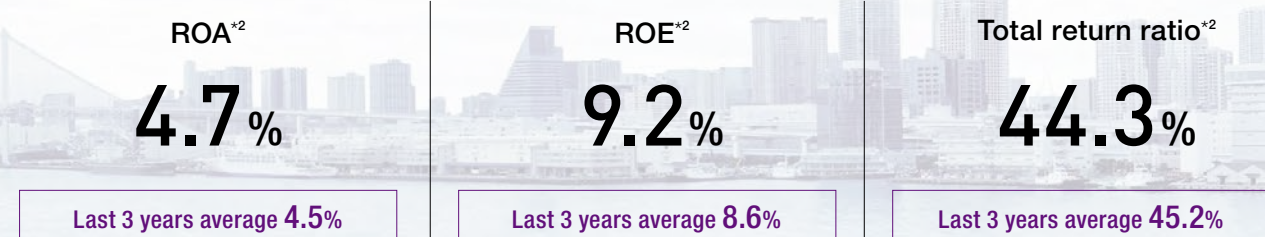
The Group aims for high growth, high asset and capital efficiency, and high shareholder returns through collaboration between the Development Sector and the Service & Management Sector.

Achieve Sustainable Growth (Comparison of last 10 years)



Total assets **¥2,040.5 billion** | Interest-bearing debt **¥1,022.7 billion**

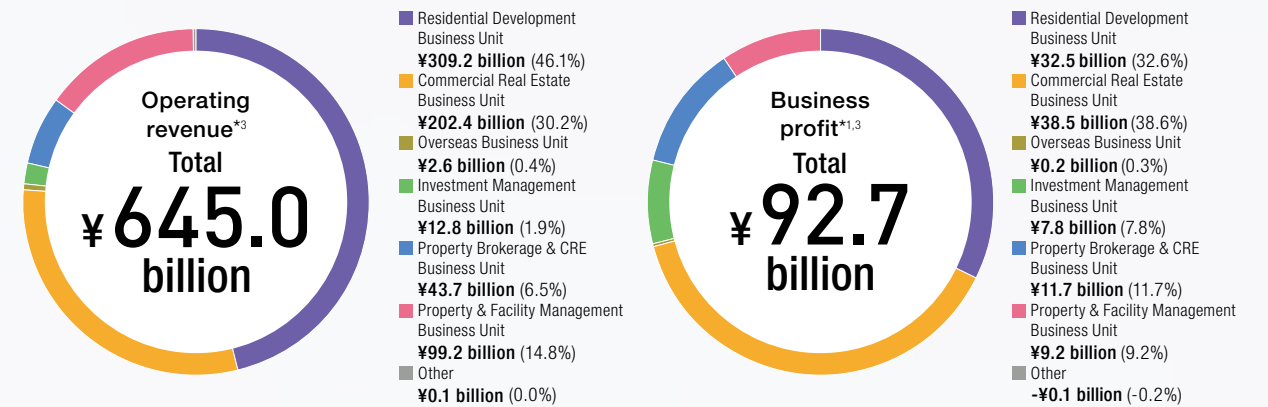
Realize Both High Asset and Capital Efficiency and High Shareholder Returns



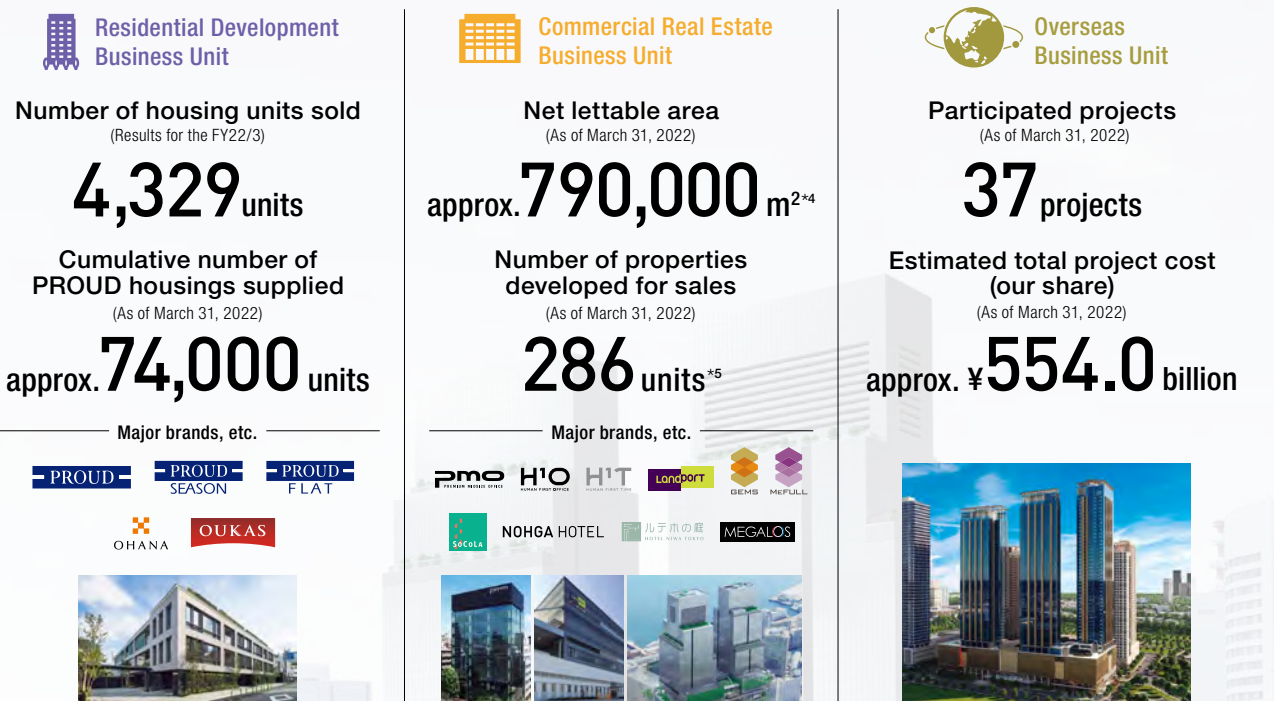
Foundation for Growth / External Evaluation

Shareholders' equity ratio	Rating evaluation	Number of consolidated employees	ESG index selection adopted by GPIF
30.3%	A A- (JCR) (R&I)	7,548	5 /5 indices

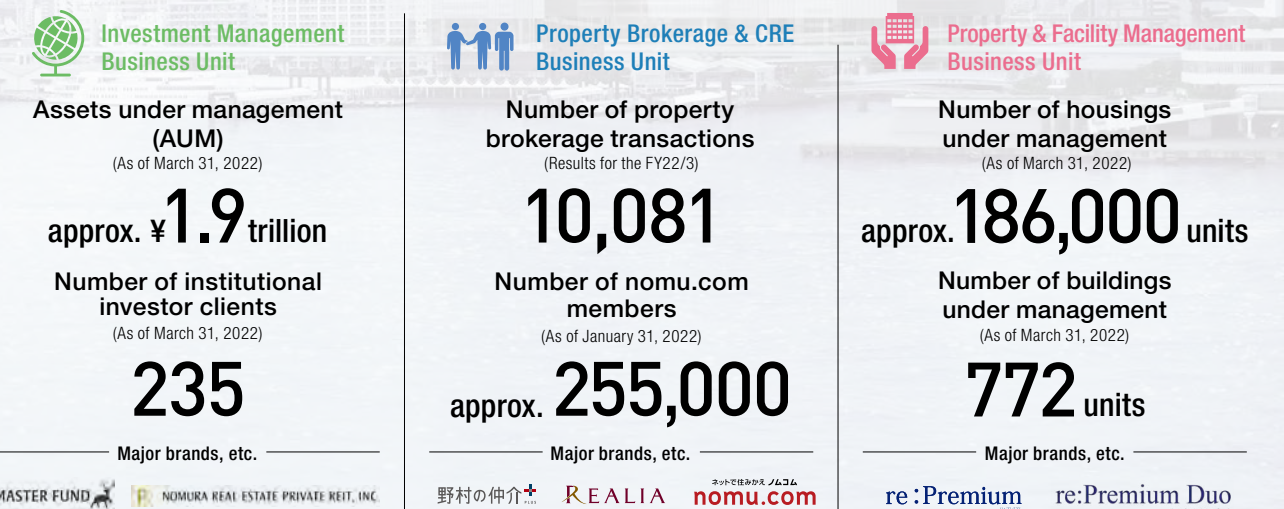
Portfolio Developing Diverse Businesses



Development Sector (Value creation through real estate development)



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



*1. Business profit = operating profit + equity in earnings of affiliates + amortization of intangible fixed assets arising from corporate acquisitions. Figures for FY12/3 are operating income.
*2. See P130-131 for formulas for each indicator.

*3. The composition ratio is calculated based on the simple sum of each item and rounded to the first decimal place, so the total may not add up to 100%. In addition, the total displayed in the center of the pie chart includes the amount of "Elimination or corporate" in segment information, so it differs from the total sales or business profit of each Business Unit.
*4. The total net lettable area of offices and retail facilities owned by the Group over the long term.
*5. Number of properties developed for sales includes planning properties.

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.

Editorial policy

This integrated report is published in order to foster understanding and serve as a tool for a deeper dialogue among shareholders, investors, and other stakeholders of the Nomura Real Estate Group. It explains the Group’s approaches, strategies, and specific measures toward the creation of mid- to long-term value (social value and economic value) by giving consideration to the external environment and linking financial and non-financial information.

In this report, we endeavor to explain the concept of value creation driven by “our approach to connect closely with individuals,” which is established in the Group, and “our unique initiatives.” We also share our growth strategy, which combines our business strategy with sustainability initiatives and solid profit growth, based on our new Mid- to Long-term Business Plan announced in April 2022, the Nomura Real Estate Group 2030 Vision, and the Sustainability Policy.

The editing and layout of this report follow guidelines such as the International Integrated Reporting Framework of the Value Reporting Foundation (VRF) and the Guidance for Integrated Corporate Disclosure and Company–Investor Dialogues for Collaborative Value Creation of the Ministry of Economy, Trade and Industry. In addition, feedback and requests raised during dialogues with investors have been also incorporated.

■ **Referenced guidelines**

- Global Reporting Initiative (GRI) Standards
- ISO 26000—Guidance on Social Responsibility
- Value Reporting Foundation (VRF) Integrated Reporting Framework
- Guidance for Integrated Corporate Disclosure and Company–Investor Dialogues for Collaborative Value Creation of the Ministry of Economy, Trade and Industry

■ **Period covered by the report**

From April 1, 2021 to March 31, 2022 (Fiscal year ended March 31, 2022)
Parts may discuss information from times prior to this period or activities or outlooks for times following this period.

■ **Scope of the report**

Nomura Real Estate Holdings, Inc. and Nomura Real Estate Group 23 companies

■ **Forward-looking statements**

This integrated report contains forward-looking statements about the future plans, strategies, and performance of Nomura Real Estate Holdings, Inc. These forward-looking statements are not historical facts.



Rather, they are estimates, forecasts, and projections based on information currently available to the Company and are subject to a number of risks and uncertainties, which include economic trends, intensification of competition in the real estate industry, legal and taxation systems, and other regulations. As such, actual results may differ from those projected.

Information disclosure on the website

Additional information can be found on our website.

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



<p>Financial information</p>	<p>Non-financial information</p>
<p>Integrated Report https://www.nomura-re-hd.co.jp/english/ir_library/annualreport.html</p> 	
<p>• Investor relations https://www.nomura-re-hd.co.jp/english/ir/</p> <ul style="list-style-type: none"> • Management policy • Financial information • IR library • Stock information etc. 	<ul style="list-style-type: none"> • Company information • Business overview • Sustainability https://www.nomura-re-hd.co.jp/english/sustainability/  <ul style="list-style-type: none"> • Sustainability Report (PDF) https://www.nomura-re-hd.co.jp/english/sustainability/download/index.html 




Composition of the Integrated Report 2022

Towards achieving the Group Vision, “New Value, Real Value,” the Nomura Real Estate Group upholds the Nomura Real Estate Group 2030 Vision and the Sustainability Policy and takes steps to deliver sustainable growth by integrating sustainability into its business.

The Integrated Report 2022 is divided into sections titled “Vision of Nomura Real Estate Group,” “Sources of Competitiveness,” “Growth Strategy,” and “Governance” to provide easy-to-understand explanations of the Group’s value creation process.

Value creation model See P28-29 for the Value Creation Process, which explains more detail about the Group’s value creation.



<p>Business assets / Management base</p>	 <p>Sources of competitiveness</p> <p>Our unique value creation is based on our strengths based on an approach that connects closely with individuals and our unique initiatives to realize high profit growth and high asset and capital efficiency.</p>	<p>The Mid- to Long-term Business Plan</p>	<p>Be a “Life & Time Developer,” as never seen before</p>  <p>The Nomura Real Estate Group Vision for 2030</p> <p>This vision clarifies what the Company is aiming for by 2030. We are working to transform ourselves into company that develops value as never seen before centered on enriching people’s respective lives and every moment of their time.</p>	<p>Earth Pride</p>  <p>Sustainability Policy</p> <p>This policy was formulated with the view that changes in the management and business environment, such as climate change, the intensification of disasters, and the diversification of people’s values, are new opportunities for growth. Through the achievement of our vision and policies, we aim to realize our Group Vision: “New Value, Real Value.”</p>
<p>Business assets / Management base</p> <p>Over 60 years of continuous real estate development and provision of related services have led to the construction of solid business assets, and have earned high praise from stakeholders. These, along with management base such as governance and risk management, support the sustainable growth of the Group</p>		<p>The Mid- to Long-term Business Plan</p> <p>The Group’s Mid- to Long-term Business Plan is an ambitious and sustainable growth strategy that integrates various elements such as business, sustainability, human resources, and DX. Through this plan, we aim to achieve both high profit growth at an average annual rate of 8% level and high shareholder returns.</p>		

Part 1

The Vision of Nomura Real Estate Group

The explanation of the Vision of the Group



Eiji Kutsukake
President and Representative Director
Group CEO

- 16 CEO Message
- 22 History of Nomura Real Estate Group
- 24 Awareness of the External Environment and Business Management System
- 26 Process for Formulating the Sustainability Policy
- 28 Value Creation Process

Part 2

Sources of Competitiveness

The explanation of the Group's strengths, action guidelines, and unique approach

- 32 The Group's Strengths and Action Guidelines That Form the Foundation for Conducting Business Activities
- 34 Initiatives to Realize High Profit Growth, and High Asset and Capital Efficiency
 - 34 1. Establishment of Value Chain within the Group Based on Development Capabilities
 - 36 2. Development of Unique Brands
 - 38 3. Continuous Value Creation through Providing Real Estate-related Services
 - 39 4. Accumulation and Utilization of Knowledge Leading to New Value Creation
- 42 Strong Business Assets That Support Value Creation and External Evaluation and Results

Part 3

Growth Strategy (Business, Sustainability, and DX)

The explanation of growth strategies focuses on the Mid- to Long-term Business Plan



Daisaku Matsuo
Executive Vice President, Representative Director
Group COO

- 46 COO Message
- 51 CFO Interview
- 56 Overview of the Mid- to Long-term Business Plan (FY2023/3 - FY2031/3)
 - 58 Profit Targets (Business profit)
 - 59 Financial Targets
 - 60 Financial Strategy
- 62 Sustainability Strategy (Climate Change and Natural Environment)
 - 64 Roadmap to Decarbonization
- 68 Sustainability Strategy (Society and Employees)
- 70 Human Resources Strategy



Hiroshi Kurokawa
Director,
Group CFO

- 72 DX Strategy
- 76 Relationship between Each Business and Financial/Non-financial Information
- 78 Strategies by Business
 - 78 Residential Development Business Unit
 - 80 Commercial Real Estate Business Unit
 - 82 Overseas Business Unit
 - 84 Investment Management Business Unit
 - 86 Property Brokerage & CRE Business Unit
 - 88 Property & Facility Management Business Unit
- 90 Feature: Urban Development along with Various People

Part 4

Governance

The explanation focuses on the governance system that supports sustainable growth

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)

- 96 Dialogue between the Chairman of the Board of Directors and Chairman of the Advisory Committee Relating to Nominations and Compensation
- 100 External Directors' Roundtable Discussion
- 104 Corporate Governance
- 114 Sustainability Governance
- 116 Risk Management
- 120 Internal Controls, Compliance/Information Disclosure
- 122 Directors and Executive Officers

Part 5

Fact Data, etc.

- 124 Major Asset Brands
- 128 Major Development Projects
- 130 11-year Financial Data
- 132 Business Unit Information
- 134 ESG Data
- 136 Group Company Information
- 138 External Evaluation
- 139 Corporate Information
- 139 Publication of Integrated Report 2022 (Guaranteed by the Director in Charge)

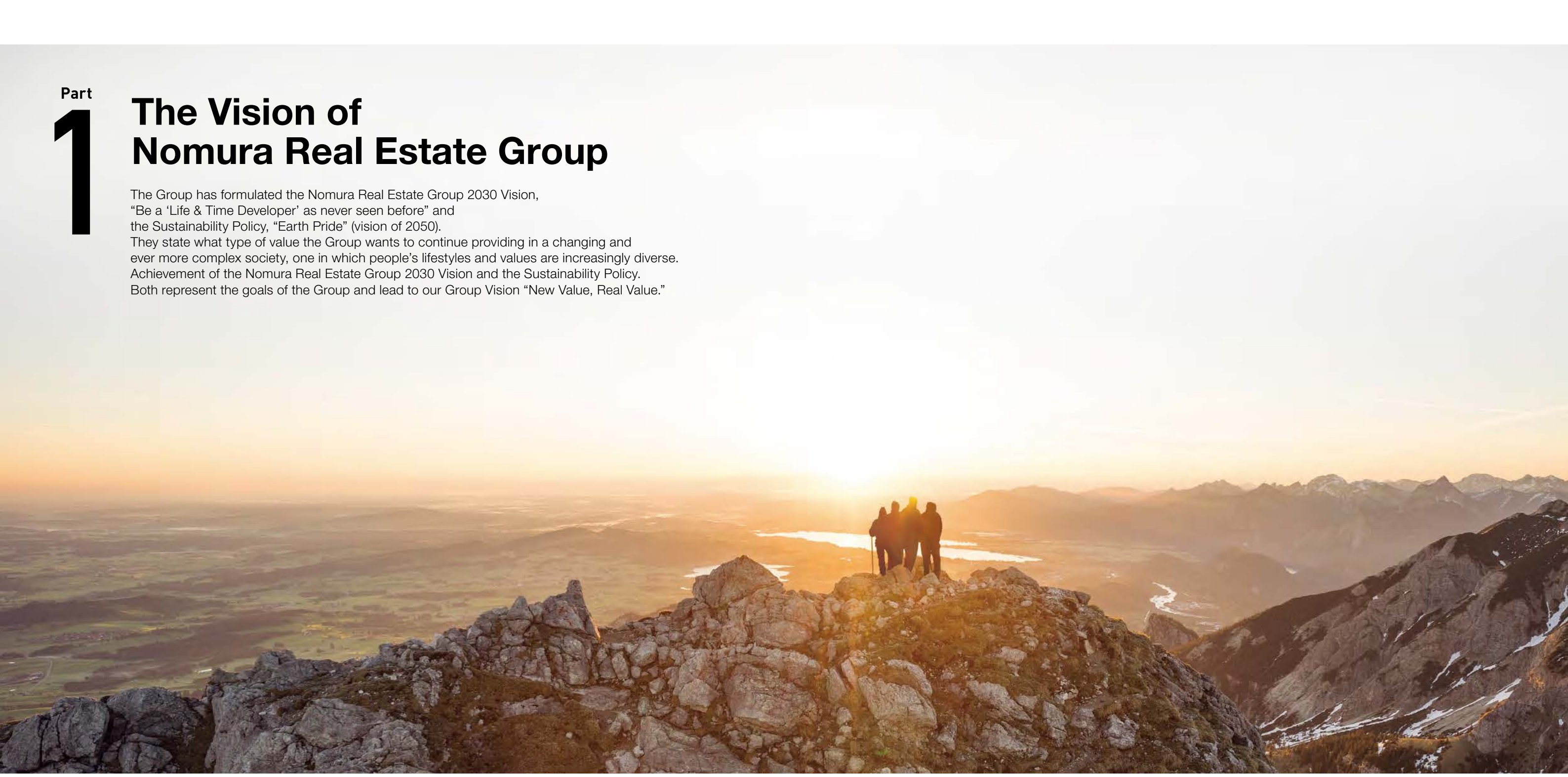
Index

I would like to know about...	Items applicable to the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation	Contents	Page
the Group's values and direction toward growth	→ Values	CEO Message	16-21
		Awareness of the External Environment and Business Management System	24-25
		Process for Formulating the Sustainability Policy	26-27
		Value Creation Process	28-29
the Group's strengths and competitive edge	→ Business model (position in the competitive landscape)	Nomura Real Estate Group in Numbers	8-9
		The Group's Strengths and Action Guidelines That Forms the Foundation for Conducting Business activities	32-33
		Initiatives to Realize High Profit Growth, and High Asset and Capital Efficiency	34-41
the Group's profit structure	→ Business model (essential elements for ensuring a competitive advantage)	Strong Business Assets That Support Value Creation and External Evaluation and Results	42-43
		COO Message	46-50
		CFO Interview	51-55
the likelihood of the Group achieving sustainable growth	→ Sustainability and growth (recognition of ESG factors)	CEO Message	16-21
		Awareness of the External Environment and Business Management System	24-25
		Process for Formulating the Sustainability Policy	26-27
	→ Sustainability and growth (relationships with key stakeholders)	Sustainability Strategy (Climate Change and Natural Environment)	62-67
		Sustainability Strategy (Society and Employees)	68-69
		Human Resources Strategy	70-71
the Group's specific strategies	→ Sustainability and growth (risks within changing environment)	Relationship between Each Business and Financial/Non-financial Information	76-77
		Internal Controls, Compliance/Information Disclosure	120-121
		COO Message	46-50
	→ Strategy	CFO Interview	51-55
		Overview of the Mid- to Long-term Business Plan (FY2023/3 - FY2031/3)	56-61
		Relationship between Each Business and Financial/Non-financial Information	76-77
the Group's indicators for measuring the progress of its strategies	→ Performance and key performance indicators (KPIs)	Strategies by Business	78-89
		Feature: Urban Development along with Various People	90-93
		Overview of the Mid- to Long-term Business Plan (FY2023/3 - FY2031/3)	56-61
		Sustainability Strategy (Climate Change and Natural Environment)	62-67
		Sustainability Strategy (Society and Employees)	68-69
the Group's position on managing its business portfolio and capital cost	→ Performance and key performance indicators (KPIs)	11-year Financial Data, Business Unit Information	130-133
		ESG Data	134-135
		Initiatives to Realize High Profit Growth, and High Asset and Capital Efficiency	34-41
the Group's governance system that supports strategy	→ Governance	CFO Interview	51-55
		Overview of the Mid- to Long-term Business Plan (FY2023/3 - FY2031/3)	56-61
		Dialogue between the Chairman of the Board of Directors and Chairman of the Advisory Committee Relating to Nominations and Compensation	96-99
		External Directors' Roundtable Discussion	100-103
		Corporate Governance	104-113
		Sustainability Governance	114-115
Risk Management	116-120		
Internal Controls, Compliance/Information Disclosure	120-121		

Part
1

The Vision of Nomura Real Estate Group

The Group has formulated the Nomura Real Estate Group 2030 Vision, “Be a ‘Life & Time Developer’ as never seen before” and the Sustainability Policy, “Earth Pride” (vision of 2050). They state what type of value the Group wants to continue providing in a changing and ever more complex society, one in which people’s lifestyles and values are increasingly diverse. Achievement of the Nomura Real Estate Group 2030 Vision and the Sustainability Policy. Both represent the goals of the Group and lead to our Group Vision “New Value, Real Value.”



Contents

- 16 CEO Message
- 22 History of Nomura Real Estate Group
- 24 Awareness of the External Environment and Business Management System
- 26 Process for Formulating the Sustainability Policy
- 28 Value Creation Process

Positioning of this part

This section presents the vision of the Group through the message from the CEO and explains the Nomura Real Estate Group 2030 Vision, the Sustainability Policy, Group Vision, how these connect with one another, and the process of achieving the vision and goals.



CEO Message

MESSAGE

We will strive to sustainably increase our corporate value by realizing the Nomura Real Estate Group 2030 Vision, Mid- to Long-term Business Plan and Sustainability Policy.

President and Representative Director,
Group CEO

Eiji Kutsukake

First of All

The fiscal year ended March 31, 2022 marked the final year of Phase I (fiscal year ended March 31, 2020—fiscal year ended March 31, 2022) of our previous Mid- to Long-term Business Plan (“the previous plan”) formulated in April 2019. Looking back on the three years of Phase I, although financial results declined temporarily due to the impact of COVID-19, business profit rebounded sharply in the year ended March 31, 2022, reaching a record high of ¥92.7 billion, and we attained the targets of the previous plan.

In view of the business environment surrounding the Group, in April 2022 we launched “Be a ‘Life & Time

Developer,’ as never seen before” as our Vision targeting 2030 and commenced our new Mid- to Long-term Business Plan (“the new plan”) that runs from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2031. Concurrently, we announced our Sustainability Policy “Earth Pride” as the Group’s vision of 2050 in working toward the further growth of the Group and the realization of a sustainable society.

Guided by our Group Vision “New Value, Real Value,” we will steadily stride ahead toward the attainment of the new plan.

Nomura Real Estate Group Vision and Our Approach to Connect Closely with Individuals

Group Vision and History

As in the past and in the future as well, the Group is continuously aiming to realize New Value, Real Value as the Group Vision. 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.

Looking at the history of the Group, the origins of the

Group can be traced back to 1957, with the establishment of Nomura Real Estate Development as an independent entity from Nomura Securities. The company was established with the mission of developing new towns to solve the housing shortage, which was a major social issue in Japan at the time. Driven by this desire, as early as 1963 we started undertaking the condominium business and have continued to meet the needs of customers seeking better lives.

CEO Message



We take the same approach of earnestly addressing the needs of customers in fields other than housing and related services as well. Amid changes in people's lives, we have continued to grow by constantly listening to the needs of each and every customer and by providing real estate development (products) and related services.

Realize High Asset and Capital Efficiency Based on Our Strengths

Throughout every era, we have placed high value on our "market-in approach" that pinpoints customer needs and changes in society and on "our approach to connect closely with individuals" in response to the respective lives of people who live, work, and gather. I consider this is established in us amid changes in society and the era. In keeping with these two approaches, we have provided

attractive real estate development (products) and related services by reflecting the needs we have identified into the creation of high-quality products and services.

We have carried out sustainable value creation by building high-quality brands via a series of Group collaborations, from development (real estate acquisition, design and construction management) to sales, leasing, and property & facility management. These serve as the Group's major strengths.

Backed by these strengths, alongside providing real estate development and services we believe that continuously creating new value also encompassing DX initiatives and pursuing high asset and capital efficiency will serve as the Group's unique business strategy and will be a fundamental factor driving our continuous growth in a society that is expected to undergo a significant transformation in the future.

our business with a strong determination to achieve our goals. Thanks to these efforts, we attained each of our targets as we posted record-high business profit of ¥92.7 billion and also achieved ROA of 4.7%, ROE of 9.2%, and a total return ratio of 44.3%. We take pride in the acclaim for these achievements that we have received from our

shareholders and other stakeholders.

On the other hand, the average annual growth rate of business profit remained stuck at around the 5% level during the three years of Phase I and I recognized this is an issue. Accordingly, I felt that the Group needed to formulate the new nine-year plan and to show our will in order to achieve further profit growth toward 2030 and the strategy for realizing growth.

As exemplified by the spread of COVID-19, Russia's invasion of Ukraine, and global-wide inflation, we currently live in a time when the economic environment is shifting so drastically that even looking six months into the future is difficult. In the real estate business, the accelerating advance of digitization in people's daily lives is spurring dramatic changes in their concepts of "working," "living," and "gathering." This of course means that the needs of the real estate business are also evolving with astonishing speed.

In such an environment, we launched the Break-through Project that brings together everyone from general managers to top management to address the issue of "What is needed for the Group to unite and attain further growth?" Through the Project, we held in-depth discussions while incorporating the opinions of external directors and others. During these discussions, we concluded that we need a clear-cut "vision" of "As a corporate group, what kind of value do we want to provide to society and our customers in the future?" to achieve further profit growth.

Our recently launched plan was formulated based on these discussions. Under a clear "vision," the new plan contains the ideas of officers and employees for realizing high profit growth and raising corporate value to an even higher level. I am confident that this is a strong growth story that can respond to future changes in the business environment and in the real estate business.

Be a "Life & Time Developer," as Never Seen Before

The Group's Vision targeting 2030 is "Be a 'Life & Time Developer,' as never seen before." When formulating this vision, we focused particularly on concepts like BHAG (Big Hairy Audacious Goals (bold goals for the future fortunes of the company)) that are capable of coalescing the awareness of all officers and employees. This vision should unite the entire Nomura Real Estate Group and serve as a force that drives our business. Our ideas from this perspective are embodied in the phrase "never seen before" and this expresses the future of the Group and the magnitude of its latent potential. For instance, in rapidly growing Asian countries, we anticipate a future in which we undertake new urban development "never seen before" and a future where new technological innovations through DX transform the shapes of housings and offices into something "never seen before."

Besides the generally envisioned roles of developers such as developing real estate, building housings, and creating urban development, "Life & Time Developer" also incorporates our strong desire to become a group that creates such value by developing people's lives and time in a broad sense.

Realize High Profit Growth and High Asset and Capital Efficiency

Under the new plan, we aim to realize high profit growth and high asset and capital efficiency. Owing to the characteristics of the real estate business, efforts toward profit growth tend to cause an expansion of balance sheets. Furthermore, developing even more-attractive products further prolongs development times, which raises the probability that asset and capital efficiency for an entire company will decline. Meanwhile, in continuing on from the previous plan, the Company has set targets to achieve high asset and capital efficiency during the period of the new plan as well. As well as realizing these targets, we aim to significantly raise profit growth to 8% level versus annual average growth of approximately 5% during the period of the previous plan. The key point of the new plan is to achieve the dual imperatives of high profit growth with high asset and capital efficiency.

The key strategies for achieving this objective are further expansion of the domestic real estate development business, high profit growth in the Service & Management Sector, and steady growth of overseas business. We explain details of specific strategies in Summary of the Mid- to Long-term Business Plan [P56-61](#) and in Strategies by Business Units [P78-89](#) of this report. We aim to further expand profits in the property sales business, including overseas business, and aim for high profit growth in the Service & Management Sector. We will also of course continue to provide high returns to our shareholders, a highly acclaimed hallmark of the Group.

DX Promotion

DX promotion is another important strategy in the new plan. I have a sense of urgency that the recent advances in digital technology could make obsolete our previous successful business models and IT systems we have built in a short period of time. Value creation through DX is essential for evolving the products and services the Group provides to customers, which also includes providing housings and offices "as a service," to ensure that we can maintain our competitiveness in the future. I should emphasize, however, that the basis of our efforts here as well will continue to be our "market-in approach" and "our approach to connect closely with individuals" while we work toward our goal of providing products and services that help improve the quality of life of each individual by DX promotion.

Leveraging our existing customer base to provide new platform services is also an important strategy. Through its long years of business, the Group has already built a wide-ranging customer base beginning with approximately 147,000 members in the Nomura Real Estate Group Customer Club, about 186,000 housing units for which we engage in property & facility management, and around 222,000 members in our H'IT satellite-type shared offices. This extensive customer base functions as major strengths.

In the future, we will improve the quality of life of our customers and realize convenience that transcends the tangible value of real estate by providing services that utilize enormous amounts of data to people who live and

CEO Message

work there. In this way, we will invest in DX with a focus on business areas where we can leverage our strengths. The Group's specific themes, roadmaps for realization, and investment amounts have been generally determined by the whole Group during discussions aimed at formulating the new plan. In April 2021, we launched the DX Strategy Committee and established a system for comprehensively monitoring the initiatives of the entire Group and each Business Unit.

Recruiting and training human resources in DX is also a major issue. To this end, we have already started measures such as training that targets all Group officers and employees to foster a Group-wide DX mindset and raise skill levels. Furthermore, we have launched DX promotion organizations at each Group company, and I am confident that we are ready to promote DX with the entire Company.

Human Resources Strategy Including Diversity and Inclusion

I regard human resources as being the most important management capital for a company, and for this reason, we place particular importance on human resource strategies to effectively deploy our people. The crucial point is to secure professional human resources who possess a high level of expertise while creating an environment that enables diverse human resources to play active roles and collaborate across the Group. In other words, raising our level of expertise in each field, such as housings and offices, is extremely important. However, at the same time, we must be sure to avoid sectionalism between each Business Unit. This is because we foresee a growing number of situations in which we can link various viewpoints and capabilities, such as initiatives for redevelopment and mixed-use development, overseas business, and the promotion of DX, as we move forward

with the new plan. I believe that human resources with highly specialized capabilities and an abundance of diversity who collaborate and play active roles will lead to the development and provision of services that will be applauded by customers.

Even now, we are proud of being a group created by organizations and employees with diverse backgrounds, ideas, and perspectives. Typifying this strength is "Luxmore," [▶P37](#) a unique product development project of PROUD that places particular emphasis on the living comfort of customers. Developed through a project led mainly by female employees, Luxmore integrates five elements that include "creating lifestyles (enriching time), "consideration of design," and "ease of use," making this a type of product that people wish to use for their entire lives. More than 10 years have passed since this project was started and during this time it has earned extensive plaudits from customers. In general, there is a perception that female employees do not play active roles in the real estate industry. In fact, however, there are rapidly expanding opportunities for them to play active roles in the Group and we intend to further increase these opportunities in the future.

I also believe that "inclusion" is extremely important for becoming an organization where people mutually raise each other up and continuously take on challenges. To further advance this idea, in April 2022 we initiated the Wellness and D&I Management Committee and in September 2022 we announced the Nomura Real Estate Group Diversity & Inclusion Policy. Based on these, we will make efforts for promoting wellness management and diversity and inclusion.

the Company's procurement guidelines. In the fiscal year ending March 31, 2023, we are proceeding with the implementation of human rights due diligence and will work with even stronger determination to address human rights issues.

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

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

Importance of Corporate Governance

Corporate governance is also extremely important for the sustainable growth of the Group. During the process of formulating the Nomura Real Estate Group 2030 Vision, the new plan, and the Sustainability Policy as well, external directors participated in discussions and provided us with numerous opinions with plentiful suggestions. We

engage in lively discussions at the meetings of the Board of Directors, and aim to further improve the effectiveness of the Board of Directors and establish a diverse Board of Directors by pursuing and enhancing a form of governance befitting the Group.

For Raising Corporate Value and Contributing to a Sustainable Society

Earlier, I explained the thought encapsulated in the phrase "never seen before." I believe that the role of the CEO is to look ahead to a future "never seen before" and "express the directions we intend to pursue." I recognize the importance of repeatedly communicating this so that it permeates both inside and outside the Company.

Furthermore, to earn acclaim from shareholders, investors, and other stakeholders and to realize management that is aligned with the expectation from capital markets, it is important to deepen dialogue from a short- and medium-term perspective toward attaining quantitative targets in addition to taking the long-term perspective represented by the promotion of sustainability.

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

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

Sustainability Promotion Integrated into Management Strategies

Sustainability Policy "Earth Pride"

The Group regards changes in the management and business environment that include such globally shared issues as climate change, increasing severity of disasters, and diversification of people's values as new opportunities for growth. To utilize these opportunities, we formulated the Sustainability Policy "Earth Pride" as our vision of 2050 based on our belief that we must clarify the direction as a Group and ensure that each and every employee firmly shares our long-term direction. This policy is integrated with our Group Vision of "New Value, Real Value" and Nomura Real Estate Group 2030 Vision of "Be a 'Life & Time Developer,' as never seen before," and is positioned as a guideline that indicates the path we should take. Additionally, a major feature of the policy is its format that focuses on people as a means of sustainability unique to the Company.

Our Sustainability Policy is based on three themes

consisting of "Pursuing humanity," "Maintaining harmony with nature," and "Building the future together." Furthermore, to achieve these goals, we have identified five priority issues (materiality) that should be addressed by 2030. These consist of "diversity and inclusion," "human rights," "decarbonization," "biodiversity," and "circular design." To track our progress on these priority issues, we will also set and promote key performance indicators (KPI).

First, in terms of "diversity and inclusion," we have set a 20% for female manager and junior manager ratio by 2030 as one of the KPI and established the Wellness and D&I Promotion Committee in April 2022 as mentioned previously.

Regarding human rights, in the fiscal year ended March 31, 2022, along with the formulation of the Group Human Rights Policy and surveys for human rights due diligence, we held full-scale interviews with business partners regarding the status of their compliance with

President and Representative Director,
Group CEO

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History of Nomura Real Estate Group

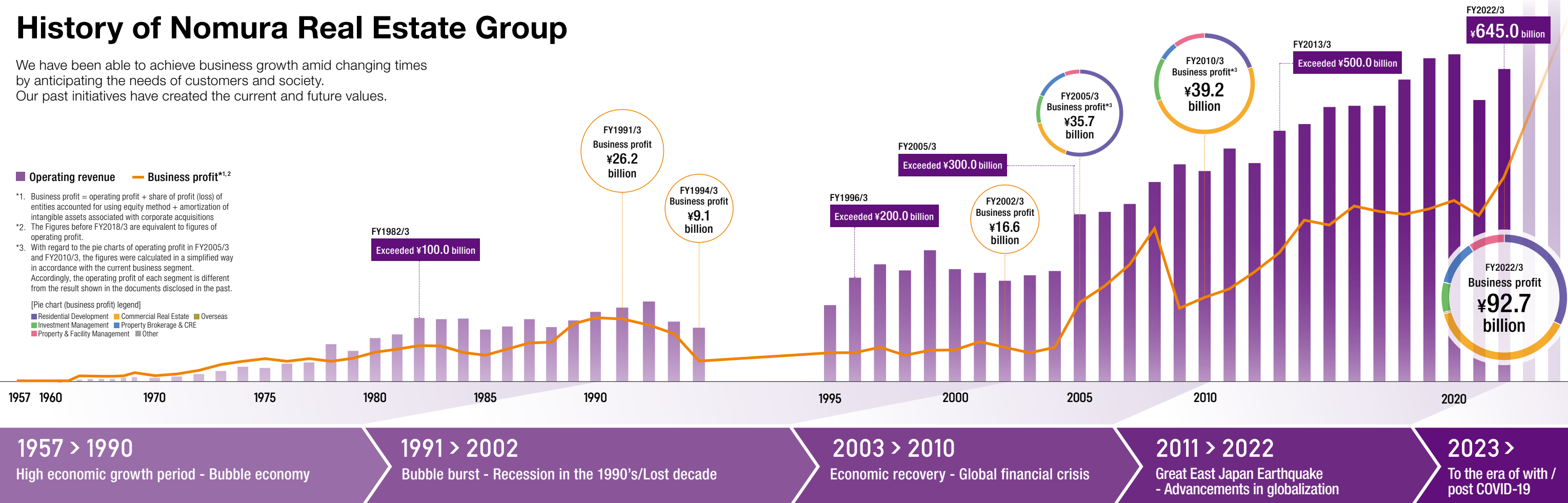
We have been able to achieve business growth amid changing times by anticipating the needs of customers and society. Our past initiatives have created the current and future values.

■ Operating revenue — Business profit*1,2

*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. The figures before FY2018/3 are equivalent to figures of operating profit.
*3. 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.

[Pie chart (business profit) legend]

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



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

In 1957, the Company was established as an asset management company for Nomura Securities when it constructed its new head office building. In 1961, the Company entered the residential development business with the aim of solving the housing shortage, which was a key social issue during the postwar reconstruction period. In 1963, the Company advanced into the condominium development business and firmly established its position as a major private real estate developer. While steadily expanded office building business, in 1978, we developed Shinjuku Nomura Building, a skyscraper which still serves as the Company's head office to this day.



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



1963
Launched condominium development business with construction of Co-op Takenomaru in Kanagawa

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

Overcoming financial crisis by concentrating business resources on the residential business.

When the bubble burst, the economy and the real estate market conditions rapidly deteriorated. The Group overcome the crisis by grasping the residential needs that were returning to urban centers due to falling land prices and concentrated its business resources on the condominium business. In 1999, the Company launched the real estate information website "nomu.com," utilizing IT ahead of other firms. In 2002, we announced the integrated brand of housing and related services, "PROUD," and have since continued to create products and services leading to a strength for the Company.



ネットで住みかえ ノムコム
nomu.com

Completion: 1990 and onward



1999
Launched the real estate information website "nomu.com"

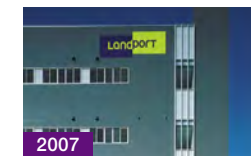
2002
Launched "PROUD" as the integrated brand of housing and related services
Completed construction of PROUD Kugayama (2003)

Accelerating growth through M&A and development of characteristic brands.

In October 2006, the Company was listed in the First Section of the Tokyo Stock Exchange (now the TSE Prime Market). We increased our financing capabilities from capital markets and significantly expanded the Leasing business through the M&A of NREG Toshiba Building (merged into Nomura Real Estate in April 2022). We also developed a string of characteristic asset brands, including PMO (with which we created a new market of medium-sized high-grade offices), and Landport (logistics facilities with advanced and high functionality, created by identifying investor needs through early-stage market entry and development).



2003
Nomura Real Estate Office Fund was listed on the Tokyo Stock Exchange



2007
Completed construction of Landport Atsugi



2008
NREG TOSHIBA BUILDING joined the Group



2006
Nomura Real Estate Holdings was listed on the First Section of the Tokyo Stock Exchange



2008
Completed construction of PMO Nihonbashi Honcho

Initiatives to build cities that connect today with tomorrow's possibilities in Japan and overseas.

We have opportunities to demonstrate the Group's expertise. One of them is Shibaura Project, a large-scale, mixed-use development, for which construction started in October 2021. The Group's urban development is not limited to Japan. The overseas expansion of our expertise cultivated in Japan 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.



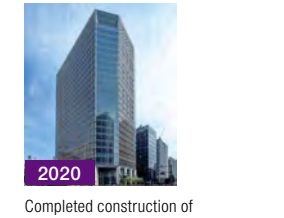
2015
Established "Nomura Real Estate Master Fund" through the merger of 3 REITs



2022
Scheduled for completion of Grand Park 2nd period in Vietnam



2025
Started construction of Shibaura Project (South Tower)

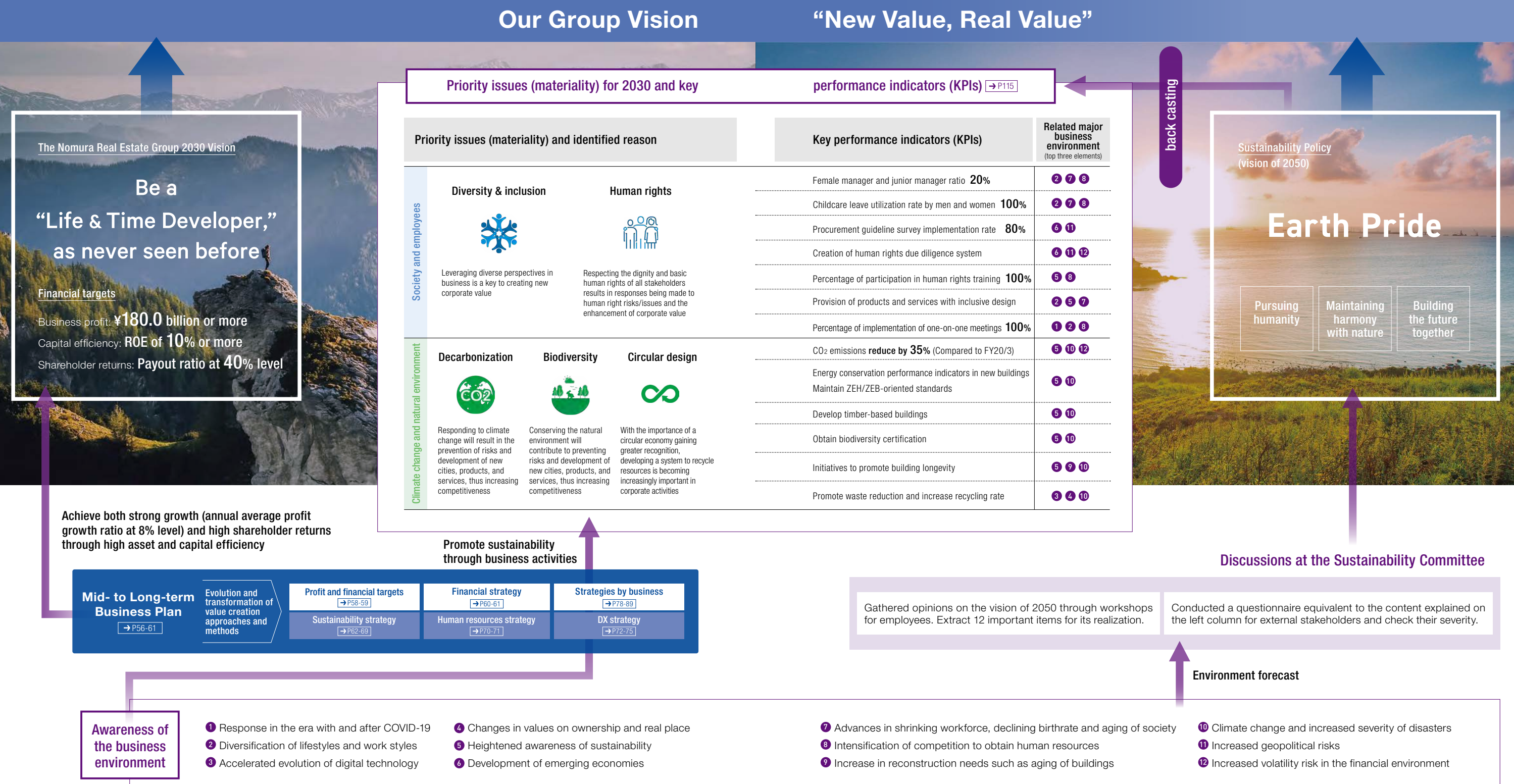


2020
Completed construction of TOKYO TORANOMON GLOBAL SQUARE

Awareness of the External Environment and Business Management System

The business environment surrounding the Group has been changing on a daily basis, as seen in the diversification of people's lifestyles and values and the acceleration of digitization, resulting in increased complexity and uncertainty. Amid such an environment, with the aim of achieving our Group Vision "New Value, Real Value" and thus delivering sustainable growth, we have established Nomura Real Estate Group 2030 Vision, "Be a 'Life & Time Developer,' as never seen before," and Sustainability Policy (vision of 2050), "Earth Pride." In addition, we have formulated financial targets and priority issues (materiality) for 2030 (the fiscal year ending March 2031) and key performance indicators (KPIs).

The Nomura Real Estate Group management structure chart



Process for Formulating the Sustainability Policy

The Group started the discussions to formulate its Sustainability Policy (vision of 2050) and identification of priority issues (materiality) for 2030 in August 2020 and announced them in April 2022. During the process of formulating the policy, to make it more compelling, we held workshops within the Group to collect opinions on what kind of value should be provided. We also asked senior management about the options for priority issues (materiality) via a survey. The process also reflected the results of surveys conducted targeting various stakeholders outside the Company.

About **460**
internal and external
stakeholders were involved in
the formulation of the policy



Number of participants: **183**

Number of participants: **214**

Number of participants: **41**

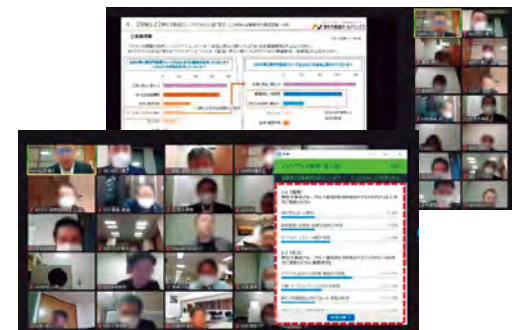
approx. **20** participants in total

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

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

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

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



Opinions from young and mid-career employees

Items recognized with higher priority

Environment (E):
"Contribute to a circular economy" gained the highest score
Social (S):
"Provide healthy and comfortable lifestyles," "Create smart cities," and "Pursue happiness and dignity for future society" scored higher

Items recognized with higher priority

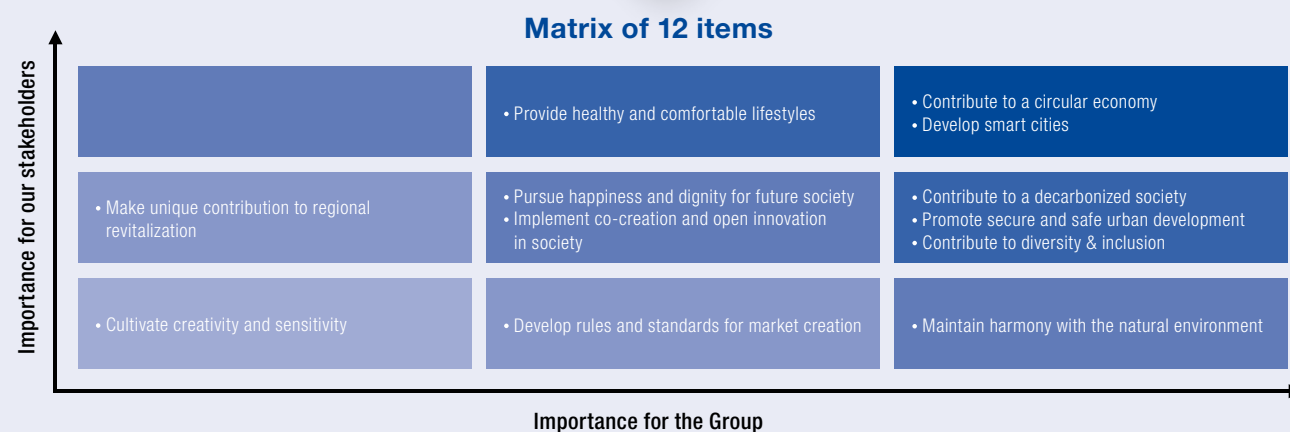
Environment (E):
"Contribute to a circular economy" gained the highest score
Social (S):
"Provide healthy and comfortable lifestyles," "Create smart cities," and "Promote secure and safe urban development" scored higher

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

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



This process was characterized by the fact that in each step many people sympathized with opinions and thoughts that focused on people. We established our Sustainability Policy through discussions premised on a shared recognition that unless all of our corporate activities can coexist with the Earth, the human species is not sustainable.

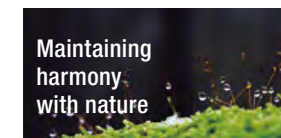


Sustainability Policy
(vision of 2050)

Earth Pride



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.



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.



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.

Value Creation Process

The Group will realize high growth and high shareholder returns through the achievement of the Mid- to Long-term Business Plan by the source of competitiveness based on our strengths. Our strengths are supported by both “action guidelines that form the foundation for conducting business activities” and “initiatives to realize high profit growth and high asset and capital efficiency.” Furthermore, the Group will realize the Nomura Real Estate Group 2030 Vision and Sustainability Policy, as well as the Group Vision “New Value, Real Value.”

