

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

In line with the Mid- to Long-term Business Plan formulated in April 2022, the Nomura Real Estate Group aims to achieve high profit growth and high asset and capital efficiency. To this end, we are promoting a diverse range of strategic initiatives, including key business strategies for growth focused on the “Further expansion of domestic real estate development business,” “High profit growth in the Service & Management Sector,” and “Steady growth of overseas business.”

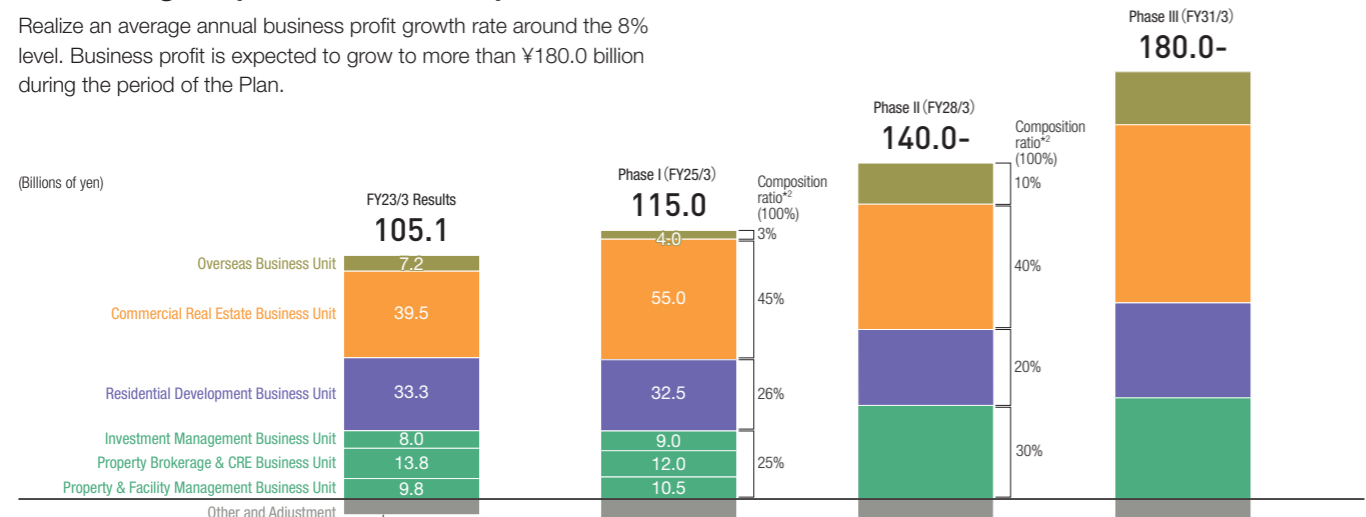
In addition, the Group formulates and executes long-term business plans by taking into account the characteristics of its real estate business, which has a long business period. At the same time, in principle the Group flexibly reviews the plans every three years to reflect changes in the external environment.

Overview of Each Strategy Aimed at Achieving the Goals of the Plan

| | | | | | |
|---|---|---|--|--|--|
| Business strategy • Further expansion of domestic real estate development business • High profit growth in the Service & Management Sector • Steady growth of overseas business | Financial Strategy Business portfolio strategy Leasing asset portfolio strategy Investment and Recovery Strategy ▶ p. 35 | DX Strategy ▶ pp. 36-37 Human Resources Strategy ▶ pp. 38-39 | Sustainability Strategy Climate Change and Natural Environment Society and Employees ▶ pp. 40-47 | Strategies by Business Unit Residential Development Commercial Real Estate Overseas Investment Management Property Brokerage & CRE Property & Facility Management ▶ pp. 48-59 | Strategic investments Further accelerate our corporate growth through strategic investments centered on the Service & Management Sector as well as fields related to digital technologies and overseas real estate |
|---|---|---|--|--|--|

Profit Targets (Business Profit*1)

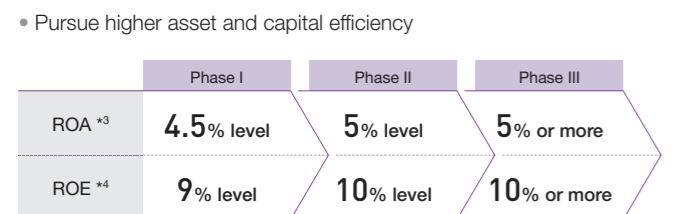
Realize an average annual business profit growth rate around the 8% level. Business profit is expected to grow to more than ¥180.0 billion during the period of the Plan.



| Composition of business profit by business type | FY23/3 Results | | Phase I (FY25/3) | | Phase II (FY28/3) | | Phase III (FY31/3) | |
|---|----------------|---------|------------------|-------------|-------------------|-------------|--------------------|-------------|
| | Property Sales | Leasing | Property Sales | Leasing | Property Sales | Leasing | Property Sales | Leasing |
| Property Sales | 55% | 18% | approx. 60% | approx. 15% | approx. 55% | approx. 15% | approx. 55% | approx. 15% |
| Leasing | 18% | 18% | approx. 15% | approx. 15% | approx. 15% | approx. 15% | approx. 15% | approx. 15% |
| Service & Management | 27% | 27% | approx. 25% | approx. 25% | approx. 30% | approx. 30% | approx. 30% | approx. 30% |

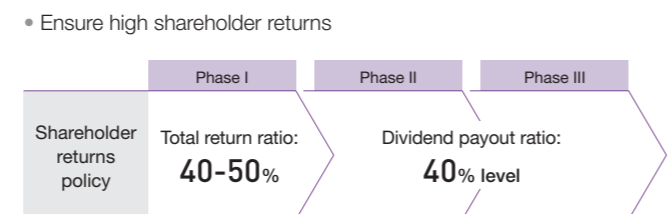
*1 Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions
 *2 Calculate the profit ratio of each division after excluding other and adjustment amounts from the business profit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

Financial Targets



*3 ROA = business profit / (average) total assets during the period
 *4 ROE = profit attributable to owners of parent / (average) shareholders' equity during the period

Shareholder Returns Policy



Financial Strategy

Business portfolio strategy

| | Plan | Results (FY2023/3) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|-------------------------------|------------------|--------------------------|--|--|---------|------------------|------------------------|----------|--------|----------------------------|--------------|--------------------|-----|------------|--------------|------------|-----------|--|--|---------------|---------------------------|------------------------|------|--------------------------------------|------|---------------------------------------|------|-------------------------------------|-------|--|-------|--|-------|-------|-------|--------------|-------------|
| <ul style="list-style-type: none"> Leverage the characteristics of each business to achieve a business portfolio that combines profit growth as well as high asset and capital efficiency Achieve a business profit growth rate around the 8% level through business expansion and profitability improvement powered by intragroup business collaboration and the value chain, starting with leveraging our development capabilities Aim for an ROA of 5% or more by taking advantage of a combination of businesses with differing profit structures and risks | | <ul style="list-style-type: none"> Business profit totaled ¥105.1 billion (up 13.4% year on year) Achieved an ROA of 5.1%, which surpasses our Phase I target, by taking advantage of a combination of businesses with differing characteristics | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Business type</th> <th>Property Sales Business</th> <th>Service & Management Business</th> <th>Leasing Business</th> </tr> </thead> <tbody> <tr> <td>Business characteristics</td> <td>Overseas property sales, Domestic property sales</td> <td>Property brokerage & CRE, Investment management / Property & facility management</td> <td>Leasing</td> </tr> <tr> <td>Investment risks</td> <td>Medium to high, Medium</td> <td>Low, Low</td> <td>Medium</td> </tr> <tr> <td>Earnings fluctuation risks</td> <td>High, Medium</td> <td>Medium to low, Low</td> <td>Low</td> </tr> <tr> <td>ROA target</td> <td>ROA (medium)</td> <td>ROA (high)</td> <td>ROA (low)</td> </tr> </tbody> </table> | Business type | Property Sales Business | Service & Management Business | Leasing Business | Business characteristics | Overseas property sales, Domestic property sales | Property brokerage & CRE, Investment management / Property & facility management | Leasing | Investment risks | Medium to high, Medium | Low, Low | Medium | Earnings fluctuation risks | High, Medium | Medium to low, Low | Low | ROA target | ROA (medium) | ROA (high) | ROA (low) | | <table border="1"> <thead> <tr> <th>Business Unit</th> <th>ROA of each business unit</th> </tr> </thead> <tbody> <tr> <td>Overseas Business Unit</td> <td>4.5%</td> </tr> <tr> <td>Commercial Real Estate Business Unit</td> <td>3.2%</td> </tr> <tr> <td>Residential Development Business Unit</td> <td>5.5%</td> </tr> <tr> <td>Investment Management Business Unit</td> <td>18.4%</td> </tr> <tr> <td>Property Brokerage & CRE Business Unit</td> <td>47.5%</td> </tr> <tr> <td>Property & Facility Management Business Unit</td> <td>19.2%</td> </tr> <tr> <td>Other</td> <td>11.2%</td> </tr> <tr> <td>Total</td> <td>5.1%</td> </tr> </tbody> </table> | Business Unit | ROA of each business unit | Overseas Business Unit | 4.5% | Commercial Real Estate Business Unit | 3.2% | Residential Development Business Unit | 5.5% | Investment Management Business Unit | 18.4% | Property Brokerage & CRE Business Unit | 47.5% | Property & Facility Management Business Unit | 19.2% | Other | 11.2% | Total | 5.1% |
| Business type | Property Sales Business | Service & Management Business | Leasing Business | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business characteristics | Overseas property sales, Domestic property sales | Property brokerage & CRE, Investment management / Property & facility management | Leasing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment risks | Medium to high, Medium | Low, Low | Medium | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Earnings fluctuation risks | High, Medium | Medium to low, Low | Low | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ROA target | ROA (medium) | ROA (high) | ROA (low) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business Unit | ROA of each business unit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Overseas Business Unit | 4.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commercial Real Estate Business Unit | 3.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Development Business Unit | 5.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Management Business Unit | 18.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property Brokerage & CRE Business Unit | 47.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property & Facility Management Business Unit | 19.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other | 11.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 5.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Leasing asset portfolio strategy

| | Plan | Results (FY2023/3) |
|---|------|---|
| <ul style="list-style-type: none"> Realize unrealized profit by selling properties that are relatively inferior properties in terms of medium- to long-term competitiveness Improve leasing asset portfolio quality by increasing the proportion of highly competitive properties via redevelopment and reconstruction Optimally time the sale of selected redeveloped or reconstructed properties | | <ul style="list-style-type: none"> Recorded gross profit of ¥29.3 billion through property sales (Commercial Real Estate Business Unit) Posted an extraordinary gain of ¥6.8 billion through the sale of non-current assets Transferred a portion of non-current assets to inventories, with an eye to investing them over the medium to long term (the balance-sheet amount of transferred assets is approximately ¥15.0 billion as of March 31, 2023) Promoted Shibaura Project and Nihonbashi 1-chome Central District Redevelopment |
| | | |

Investment and recovery strategy

| | Plan | Results (FY2023/3) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------------------|---|-----------------------------|-----------------------------|-------|--------------------------------|--|--|--|--|------------|-------|-------|-------|---------|----------|-------|-------|-------|---------|-------------------------------|--|--|--|--|------------|-------|-------|---------|---------|----------|-------|-------|-------|---------|-----------------|--|--|--|--|------------|-------|-------|-------|-------|----------|------|-------|-------|-------|--------------|--|--|--|--|------------|---------|---------|---------|---------|----------|---------|---------|---------|---------|-----------------------|--------------|--------------|--------------|--------------|--|---|--|--------------------|--------------------------------|--|------------|-------|----------|-------|-------------------------------|--|------------|-------|----------|------|-----------------|--|------------|------|----------|------|--------------|--|------------|-------|----------|-------|-----------------------|--------------|
| <ul style="list-style-type: none"> Expanded net investment even as we maintained ROA and ROE to secure high profit growth | | <ul style="list-style-type: none"> Invested ¥143.0 billion in the first year, making steady progress under our net investment plan, which sets aside a total of ¥400.0 billion for Phase I | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th></th> <th>Phase I (FY23/3 - FY25/3)</th> <th>Phase II (FY26/3 - FY28/3)</th> <th>Phase III (FY29/3 - FY31/3)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Residential Development</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Investment</td> <td>850.0</td> <td>850.0</td> <td>900.0</td> <td>2,600.0</td> </tr> <tr> <td>Recovery</td> <td>800.0</td> <td>850.0</td> <td>900.0</td> <td>2,550.0</td> </tr> <tr> <td>Commercial Real Estate</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Investment</td> <td>700.0</td> <td>800.0</td> <td>1,000.0</td> <td>2,500.0</td> </tr> <tr> <td>Recovery</td> <td>450.0</td> <td>700.0</td> <td>850.0</td> <td>2,000.0</td> </tr> <tr> <td>Overseas</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Investment</td> <td>150.0</td> <td>200.0</td> <td>200.0</td> <td>550.0</td> </tr> <tr> <td>Recovery</td> <td>50.0</td> <td>150.0</td> <td>200.0</td> <td>400.0</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Investment</td> <td>1,700.0</td> <td>1,850.0</td> <td>2,100.0</td> <td>5,650.0</td> </tr> <tr> <td>Recovery</td> <td>1,300.0</td> <td>1,700.0</td> <td>1,950.0</td> <td>4,950.0</td> </tr> <tr> <td>Net investment</td> <td>400.0</td> <td>150.0</td> <td>150.0</td> <td>700.0</td> </tr> </tbody> </table> | | Phase I (FY23/3 - FY25/3) | Phase II (FY26/3 - FY28/3) | Phase III (FY29/3 - FY31/3) | Total | Residential Development | | | | | Investment | 850.0 | 850.0 | 900.0 | 2,600.0 | Recovery | 800.0 | 850.0 | 900.0 | 2,550.0 | Commercial Real Estate | | | | | Investment | 700.0 | 800.0 | 1,000.0 | 2,500.0 | Recovery | 450.0 | 700.0 | 850.0 | 2,000.0 | Overseas | | | | | Investment | 150.0 | 200.0 | 200.0 | 550.0 | Recovery | 50.0 | 150.0 | 200.0 | 400.0 | Total | | | | | Investment | 1,700.0 | 1,850.0 | 2,100.0 | 5,650.0 | Recovery | 1,300.0 | 1,700.0 | 1,950.0 | 4,950.0 | Net investment | 400.0 | 150.0 | 150.0 | 700.0 | | <table border="1"> <thead> <tr> <th></th> <th>Results (FY2023/3)</th> </tr> </thead> <tbody> <tr> <td>Residential Development</td> <td></td> </tr> <tr> <td>Investment</td> <td>270.0</td> </tr> <tr> <td>Recovery</td> <td>213.0</td> </tr> <tr> <td>Commercial Real Estate</td> <td></td> </tr> <tr> <td>Investment</td> <td>139.0</td> </tr> <tr> <td>Recovery</td> <td>91.0</td> </tr> <tr> <td>Overseas</td> <td></td> </tr> <tr> <td>Investment</td> <td>51.0</td> </tr> <tr> <td>Recovery</td> <td>13.0</td> </tr> <tr> <td>Total</td> <td></td> </tr> <tr> <td>Investment</td> <td>460.0</td> </tr> <tr> <td>Recovery</td> <td>317.0</td> </tr> <tr> <td>Net investment</td> <td>143.0</td> </tr> </tbody> </table> | | Results (FY2023/3) | Residential Development | | Investment | 270.0 | Recovery | 213.0 | Commercial Real Estate | | Investment | 139.0 | Recovery | 91.0 | Overseas | | Investment | 51.0 | Recovery | 13.0 | Total | | Investment | 460.0 | Recovery | 317.0 | Net investment | 143.0 |
| | Phase I (FY23/3 - FY25/3) | Phase II (FY26/3 - FY28/3) | Phase III (FY29/3 - FY31/3) | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Development | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment | 850.0 | 850.0 | 900.0 | 2,600.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recovery | 800.0 | 850.0 | 900.0 | 2,550.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commercial Real Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment | 700.0 | 800.0 | 1,000.0 | 2,500.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recovery | 450.0 | 700.0 | 850.0 | 2,000.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Overseas | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment | 150.0 | 200.0 | 200.0 | 550.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recovery | 50.0 | 150.0 | 200.0 | 400.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment | 1,700.0 | 1,850.0 | 2,100.0 | 5,650.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recovery | 1,300.0 | 1,700.0 | 1,950.0 | 4,950.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net investment | 400.0 | 150.0 | 150.0 | 700.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Results (FY2023/3) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Development | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment | 270.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recovery | 213.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commercial Real Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment | 139.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recovery | 91.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Overseas | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment | 51.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recovery | 13.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment | 460.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recovery | 317.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net investment | 143.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

* Figures in the table are rounded to the nearest ¥50.0 billion

DX Strategy

DX initiatives are key to the expansion and improvement of value creation and to the realization of “Be a ‘Life & Time Developer,’ as never seen before.” We will link strategic investments and initiatives unique to the Group with new value creation while focusing on business sectors in which we can leverage our strengths.

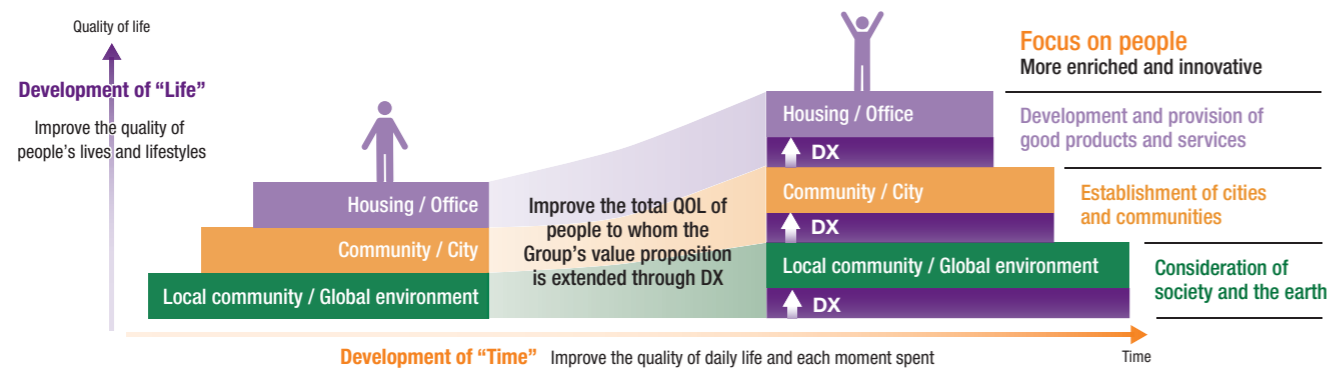
Overview of our DX strategy

Value proposition targeted in our DX strategy (Realization of the Digital Dream)

At the core of our DX strategy is “our approach to connect closely with individuals,” which places an emphasis on each individual person. We aim to harness this approach to develop and provide products and services that contribute to the improvement of customers’ quality of life (QOL). The Company uses the phrase “Realization of the Digital Dream” to express DX-driven value creation.

Improvement of Quality of Life (QOL)

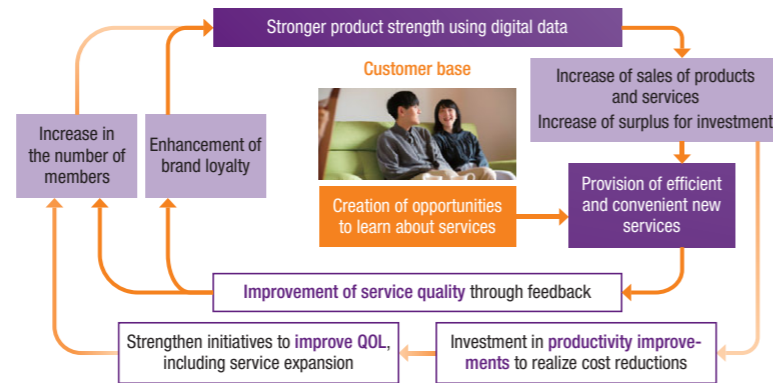
To improve QOL, we place emphasis on the following two aspects: Life (human’s respective lives) and Time (every moment of their time). We aim to provide new products and services by stepping up our development efforts with a further focus on people through DX.



Establishment of a DX strategy platform

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

A platform service built on the Group’s customer base



Promotion system

As a subordinate organization of the Management Committee, we have established a DX Strategy Committee, which discusses investment plans, such as establishing policies and plans regarding the promotion of DX, improving the ICT environment, and preparing the ICT base. In promoting our DX strategy, specific issues are addressed at meetings of the Group DX Council and Subcommittee and regular meetings of various working groups.

Investment plan

The Group is focusing on improving the QOL of customers using DX and improving productivity by revising various work processes and introducing systems. In addition, digital security is becoming increasingly important, and, recognizing this, the Group plans to invest a total of ¥130.0 billion in DX and ICT over the nine-year period of the Mid- to Long-term Business Plan. (Cumulative total over nine years: ¥60.0 billion in DX, ¥70.0 billion in ICT.) As for progress up to the second year, we plan to invest around ¥20.0 billion in DX and ICT and are simultaneously strengthening our efforts to hire and develop DX human resources.

DX investment themes and progress

Regarding DX investment, our policy is to concentrate funding and human capital in areas where we can best leverage the Group’s advantages. Aiming to meet the diversifying needs of customers and assign our limited human resources to higher value-added operations, we select targets for investment aligned with our DX strategy, looking to establish foundations that will help enhance the productivity of our operations and to promote initiatives related to developing and providing products and services that help customers enhance their QOL. In addition, we are currently carrying out pilot testing to assess the progress of these and other initiatives that have already begun providing services. We are already seeing the effects of the construction of a common cloud platform for the Group and the in-house development of prototype systems. In addition, regarding the progress of DX, we confirm the status of investment and the progress of processes under each theme through the DX Strategy Committee every month.

Main investment themes and specific examples

| | | |
|---|---|--|
| Development and provision of products and services | Services that we have begun providing <ul style="list-style-type: none"> • WiITAP (an app for condominium residents) • NOMURA no KURASUMA (a general services website related to living and housing) • NOMURA WORK-LIFE PLUS (a service for employees of office building tenant companies), etc. Pilot testing under way <ul style="list-style-type: none"> • Robot delivery (automated delivery of products purchased at stores within the area around PROUD CITY Hiyoshi) • Techrum inter-company co-creation program (verification of the effects of distribution automation and operations) • Digital platform for shared offices, etc. | <p>Website of NOMURA no KURASUMA</p> |
| Enhancing the productivity of operations | Already in use <ul style="list-style-type: none"> • Construction of a common cloud platform for the Group Pilot testing under way <ul style="list-style-type: none"> • Switching to smart services for the management of condominium and office building • Utilizing cleaning robots inside office buildings • Brokerage and CRE proposals utilizing AI • Utilizing digital technologies at the Group’s new head office (Shibaura Project) | <p>Use of automated meter reading using image analysis in office building management</p> <p>Test of workstyles using DX in the new head office</p> |

DX Initiatives: WORK-LIFE PLUS

NOMURA WORK-LIFE PLUS is a platform hosting various services that address a wide range of issues facing companies and workers. We provide services mainly aimed at employees of tenant companies and people who work at office buildings developed by the Group. Through value propositions that affect tangible aspects, namely office building development, and intangible aspects, we aim to be a strong partner for companies and workers.

Value propositions affecting the tangible (workplace) and intangible (services for workers)

| | | |
|---|---|---|
| | WORK with + | LIFE with + |
| | 1 Flexible work <ul style="list-style-type: none"> • Realizing diverse workstyles • Satellite-type shared office • Office concierge • Space and supplies reservation management • Virtual offices, etc. | 3 Skilling <ul style="list-style-type: none"> • Encouraging skill enhancement • Business seminars • Business videos • Human resource training • Social events, etc. |
| 2 Business solutions <ul style="list-style-type: none"> • Solving business issues • Building-related functions • Work concierge • Corporate real estate concierge • Operation support, etc. | 4 Wellness <ul style="list-style-type: none"> • Support for physical and mental health • Life concierge • Fitness gym • Fitness videos • Family events, etc. | |

Highlights of utilizing digital technology

| | |
|---|---|
| 1 | Service close at hand for every person: The service can be accessed at any time anywhere from a computer or smartphone |
| 2 | Flexible service expansion: High-priority services can be steadily added to and quickly expanded |
| 3 | Service improvement using data analysis: Based on the movement of users, existing functions can be improved and new functions can be developed |

Human Resources Strategy

The Group promotes Wellness Management to ensure that all of its executives and employees are in good physical and mental health and can work energetically, which is key to sustainable corporate growth.

It also seeks to become a company where employees are happy and continue to take on challenges through a cycle of nurturing a diverse and active workforce and securing human resources in growth areas.

Moreover, we have established the Group Human Capital Strategy Task Force. This body is currently engaged in ongoing, cross-sectional discussions involving all Group companies. Going forward, we plan to disclose the task force's conclusions, which will, in turn, inform both short- and long-term human resource strategies to be undertaken by the Group.

Realize employee
that can continue

happiness and become a company
to take on challenges

Success of diverse human resources

Realize wellness, with each employee working with vigor

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

Promote diversity and inclusion to enable a diverse workforce

- Establish a working environment that maximizes the potential of diverse personnel with a variety of backgrounds and values such as women, seniors, LGBTQ individuals, people with disabilities, and foreign nationals through the promotion of diversity management training
- Support work/life balance that encompasses childbirth, child-care, nursing care, injury and illness and raise awareness of the need to shorten working hours

Human resources retention in growth areas

The starting point for growth is retaining and fostering human resources in the Development Sector

- Strengthen recruitment to obtain personnel with a high level of expertise in multi-use properties, redevelopment, and architecture
- Distribute resources to growth areas through personnel exchanges within the Group
- Cultivate global personnel
- Recruit and train foreign nationals in countries where the Group operates

Strengthening focus areas of the Service & Management Sector through personnel allocation

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

| Focus areas | Investment management | Property Brokerage & CRE | Property & Facility Management |
|-------------|------------------------|--------------------------|--------------------------------|
| | Private funds business | Middle business* | Construction ordered business |

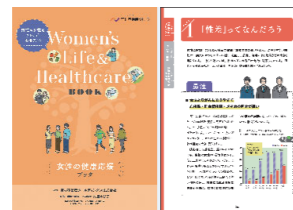
* Real estate brokerage for small and medium-sized companies, business owners, some individual investors, and high net worth individuals

Promoting health and productivity management on a Group-wide basis

We employ monitoring to assess the status of wellness measures promoted across the Group. This provides us with insights into presentism, absenteeism, and lifestyle habit trends, helping us identify various issues. Also, as part of specific measures aimed at addressing issues associated with exercise and dietary habits, in FY2023/3 we introduced app-assisted walking events.

Preparing a handbook featuring insights on women's health issues

On a regular basis, we provide training to all officers and employees to help them gain literacy regarding women's health issues. We have also prepared a handbook summarizing basic knowledge on this subject and distributed it to Group officers and employees. This handbook helps them accurately address such issues while enabling them to reflect on the content of training.



Introducing the "F Leave" system

The "F Leave" system grants special leave on a monthly basis for female employees who feel ill due to specifically female health issues. This system has been introduced by some Group companies, including Nomura Real Estate Development. In addition, we have expanded the criteria upon which "F leave" is granted to include unwellness due to infertility treatment or menopausal symptoms in addition to menstrual discomfort.

Practicing innovative workstyles on a trial basis in anticipation of the relocation of the Group head office

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



Monitoring improvements in the work environment

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

Implementing training aimed at promoting D&I

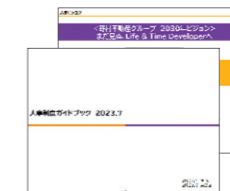
We strive to create a working environment that empowers diverse human resources to succeed. To this end, we hold seminars aimed at facilitating understanding of nursing care while providing training to instill robust literacy regarding members of the LGBTQ community.

Improving employee engagement

We conduct the "Nomura Real Estate Group Sustainability, Wellness, and D&I Awareness Survey" under the banner of "Your Voice Creates New Value, Real Value." This survey is aimed at ensuring that top management has a shared recognition of good points of, and issues pertaining to, the Company and each workplace, based on input from Group employees regarding their daily perception of these matters. Survey results are thus utilized to create an even better workplace. Looking ahead, we will conduct similar initiatives to visualize the status of employee satisfaction among members of our Group workforce and their drive to make spontaneous contributions. By doing so, we will plan measures to address universal issues confronting Group members and otherwise push ahead further with the creation of synergies.

Introduction of a multi-track personnel system

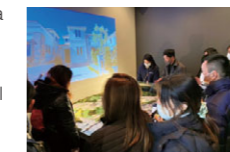
A multi-track personnel system has been introduced by some Group companies tasked with core functions supporting each business unit, including Nomura Real Estate Development, Nomura Real Estate Solutions, and Nomura Real Estate Partners. This move is intended to enable individuals and the organization to continue to take on challenges by empowering diverse workers to develop their respective strengths, achieve growth, and play active roles in the workplace. To this end, the system takes into account the duties undertaken by each individual and provides evaluations to officers and employees based on their job functions.



Globalizing our human resources

We have positioned the overseas business as a growth driver supporting the execution of the Mid- to Long-term Business Plan. Accordingly, we are striving to secure a robust pool of global human resources as well as locally hiring and training foreign nationals. As of June 2023, approximately 150 Group employees operate in overseas bases. We expect the number of such employees to grow going forward.

In FY2023/3, we launched the "Overseas Knowledge Exchange Program," under which locally hired employees and foreign students serving as interns participate in such events as tours of our frontline business sites in Japan and abroad. By doing so, we strive to facilitate interactions between Japanese employees and their colleagues of different nationalities and backgrounds so that they help one another gain fresh insights, raise their technical capabilities, and understand each other's local customs.



The hiring and development of DX human resources

As we aim to realize an innovative mode of value creation driven by digital transformation (DX), we promote the hiring of mid-career human resources equipped with extensive expertise in DX-related fields. At the same time, we proactively train existing employees to help them acquire a robust mindset regarding the promotion of DX by, for example, streaming video content under the title "Digital Dream Learning."

Provision of training programs

In addition to providing training programs designed by each Group company, we implement Group-wide, level-specific training programs designed in accordance with in-house job qualifications held by recipients. By doing so, we aim to enable each Group employee to maintain a robust sense of professionalism and leverage their strengths in their areas of specialty in the course of their duties.

Also, Nomura Real Estate Development provides its employees with "Career Training" to enable each individual to autonomously develop their careers. This training involves a once every decade career history review, providing employees with opportunities to reshape their future career plans.

Introduction of the Human Resources Development Meeting

In conjunction with the recent revision of its personnel system, Nomura Real Estate Development has introduced the Human Resources Development Meeting. This provides a framework for facilitating discussions involving the entire frontline organization to determine short-term missions to be assigned and medium- to long-term training policies to be enforced in light of each employee's personal strengths and career orientation. In these ways, Nomura Real Estate Development holds company-wide deliberations on the succession of key positions.

Human resource development at the Property Brokerage & CRE Business Unit

Human resources serve as the most profound factor that sets our services apart from others in the real estate brokerage business. Therefore, human resources are of utmost importance as a component of our management capital. For us to secure sustainable growth, the enhancement of human capital is particularly important. In the retail business, we deliver proposals on property brokerage transactions to individual customers. Accordingly, we appoint seasoned employees who play key roles in the front line of this business to responsibly educate and give guidance to new graduates as part of our training programs. By doing so, we ensure that the former group of employees can fully pass down their experience and know-how to the latter. Although this may seem to place a substantial burden on frontline employees, it has been revealed that these training programs enable new graduates to swiftly grow into active workforce members while improving their retention. Moreover, individuals responsible for providing education often experience personal growth themselves. As such, training programs in place at the Property Brokerage & CRE Business Unit greatly help enhance our human capital.


Sustainability Strategy (Climate Change and Natural Environment)

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

| | Climate Change and | Natural Environment |
|---|---|---|
| Priority issues (materiality)/ targets | <p>Contribution to the urgent global issue of reducing CO₂ emissions,</p> <p>Decarbonization</p> <p>Initiatives in “energy saving,” “low-carbon business,” and “shift to renewable energy” SBT: 35% reduction in Scopes 1 & 2, and 3 by FY31/3 compared to FY20/3</p> | <p>biodiversity preservation and realization of a circular society that contributes to CO₂ reduction</p> <p>Biodiversity</p> <p>By restoring the forest cycle in Japan, contribute to CO₂ absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity</p> <p>Circular design</p> <p>Contribute to a decarbonized society and a circular economy through urban development and service provision that focus on assuring longer property lives, recycling, and resource sharing</p> |
| Key performance indicators (KPIs) for achieving the targets | <ul style="list-style-type: none"> CO₂ emissions: reduce by 35%*1 Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards Develop timber-based buildings: Carbon storage amount: 10,000 t-CO₂/year*2 <p>*1 Results are provided on page 45.</p> | <ul style="list-style-type: none"> Obtain biodiversity certification Initiatives to promote building longevity: Implementation rate of the Company's own standards: 100%*2 Promote waste reduction and increase recycling rate: Rate of reducing industrial waste: 20%*2 <p>*2 We plan to disclose results for this item in the next fiscal year after calculating the amount for the fiscal year ending March 2024.</p> |

Achieved net-zero CO₂ emissions for the entire district covered by the Shibaura Project, a large-scale, mixed-use development

- By achieving various energy-saving initiatives, the South Tower office space is slated to receive ZEB-oriented certification (as of September 2023)
- We plan to introduce solar power and carbon-neutral city gas through the Group's energy business and other sources.



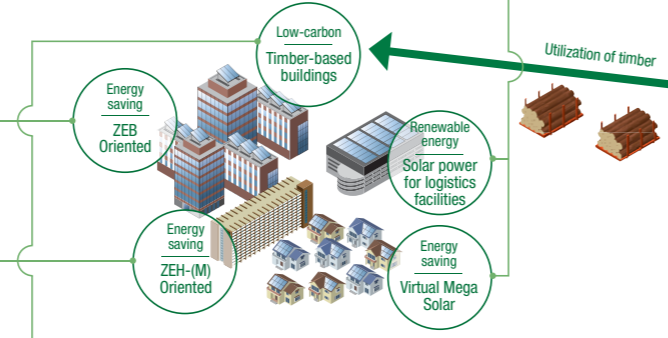
Renewable energy

Joined the RE100 initiative in January 2022

- We plan to introduce renewable energy in all leasing properties in Japan, including tenant portions, up to the fiscal year ending March 2024.

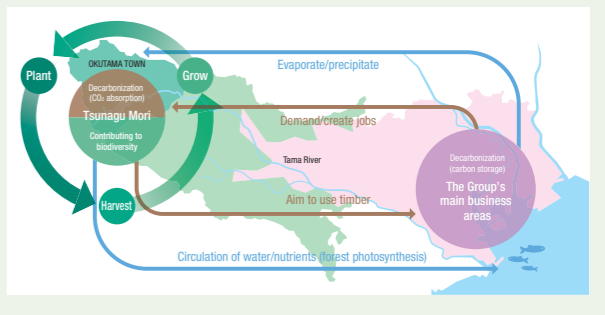
Nomura Real Estate Development leads Japan's first Virtual Mega Solar power system for detached housing in the Tokyo Metropolitan Area

- In the Tokyo Metropolitan Area, which does not have much unused area, we are promoting a Virtual Mega Solar power system, which will introduce solar power on par with a mega solar power plant (total output of 1,000 kW) to detached housing (around 300 units annually).



Building a new economic cycle that connects cities and nature


- We have implemented a cycle of planting trees, nurturing them, and harvesting them. Harvested trees are turned into materials and the timber is used in urban areas. In this way, we create a new economic cycle in the space between urban and mountainous areas.
- For the Integrated Forest Management Project in Tokyo, the Company collaborates with multiple co-creation partners, including the Tokyo Forestry Union, local material processors, and building materials manufacturers. Together we utilize Tokyo's forest resources and promote growing sustainable forests for local production and local consumption.



Energy saving

Promote development of ZEH/ZEB-oriented standard buildings

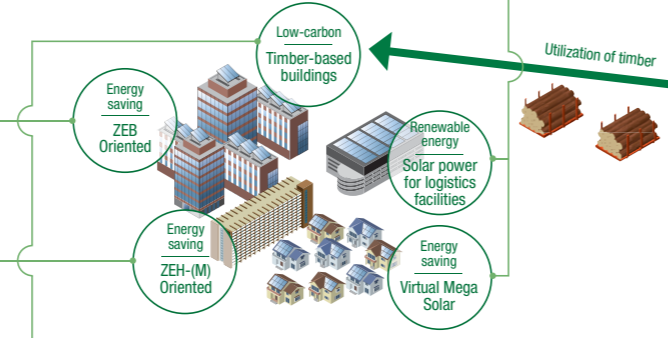
- We formulated a long-term road map aimed at achieve ZEH- and ZEB-oriented standards by 2030, ZEH for the Residential Development Business Unit and ZEB for the Commercial Real Estate Business Unit. In addition, we link officer remuneration to levels of achievement for each fiscal year.
- We also promote ZEH for detached housing. We aim to increase ZEH detached housing, which accounted for 25% of the total in the fiscal year ended March 2023, to over 50% by the fiscal year ending March 2026.



Low-carbon


Switch to timber-based properties

- Proactively using timber, which is a low-carbon material, in the construction of residences and offices
- Making it a policy to use wood for the stand-alone common buildings of condominiums
- Promoting the R&D of wooden building materials that contribute to carbon storage in buildings




Mori wo Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo) in Okutama Town, Tokyo

- Concluded a land rights establishment agreement for owning around 130 ha of forests over 30 years
- Regarding sustainable forest management, we acquired SGEC forest management (FM) certification and PEFC certification, a mutual international certification system



Concluded an agreement with Japan's Ministry of Agriculture, Forestry and Fisheries and timber trading companies to encourage the use of timber for buildings

- Building a supply chain that can stably supply domestic timber




Promote building longevity

- Our Attractive 30 service adopts highly durable materials and construction methods for new construction
- Our re:Premium and re:Premium Duo services significantly extend the cycle of large-scale repair work performed on our condominiums

These initiatives have enabled the cycle of large-scale repair work to be extended from the typical 12 years to 16 to 18 years.

大規模修繕のコスト低減に向けて。
アトラクティブ30
re:Premium



Sustainability Strategy (Climate Change and Natural Environment)

Roadmap to Decarbonization

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

Response to the TCFD

Nomura Real Estate Holdings and Nomura Real Estate Asset Management are fully aware that the substantial impact of climate change on their business continuity is a major management issue, and they therefore agreed to recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) in order to further promote their initiatives. They also joined the TCFD Consortium, an organization for supportive companies in Japan. Disclosures based on the TCFD recommendations are presented on pages 42 (Sustainability governance) to 45 (Indicators and targets).



1 Sustainability governance

Supervision by the Board of Directors

The Sustainability Committee deliberates Group-wide policies and targets related to the promotion of sustainability, including climate change. The committee meets at least three times a year to study climate change-related risks and opportunities and to consider and monitor the Group's GHG reduction targets. In addition, the content of its deliberations is reported to the Board of Directors and the Management Committee at least once semiannually as a general rule. In the event that there are important matters for Group management, they are reported to the Board of Directors and the Management Committee as appropriate.

Sustainability governance structure



Role of top management

The Representative Director, President, and Group CEO of Nomura Real Estate Holdings serves as Chairman of the Sustainability Committee and promotes action on sustainability and climate change across the entire Group. The Group CEO is the chief officer on the executive side of the Board of Directors and the Management Committee, makes optimal decisions to realize long-term growth for the Company, including action on sustainability and climate change

issues, and is responsible for important related executive operations. Furthermore, to respond to climate change while also raising awareness among directors and other management team members of Group companies, the Group has incorporated BEI (building energy efficiency index) figures as a non-financial performance indicator into the performance indicators used to calculate officer remuneration, starting from the fiscal year ending March 2023.

2 Strategy

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

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

Scope of the analysis

The analysis covers all businesses of the Group, including the Residential Development Business Unit (development and sale of condominiums and detached housing), the Commercial Real Estate Business Unit (development, leasing, and sale of office buildings, retail facilities, logistics facilities, and hotels), the Overseas Business Unit (development of real estate overseas), the Investment Management

Business Unit (management of REITs and private funds), the Property Brokerage & CRE Business Unit (real estate brokerage), and the Property & Facility Management Business Unit (real estate management) and Other.

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

Setting out scenarios: Expanding disclosure to the "1.5°C scenario"

In the scenario analysis, the Group has begun disclosing data in line with the "2°C scenario," in 2022 assuming the achievement of the Paris Agreement goals and the realization of a decarbonized society. We now also disclose data in line with the "1.5°C scenario" to further expand our disclosure of quantitative data. The "4°C scenario," a model in which climate change countermeasures do not make sufficient progress and the severity of natural disasters increases as a result, is also considered. The documents listed on the right were the main

materials referred to in configuring each scenario. Moreover, in this report, we disclose effects in line with the "1.5°C scenario" and "4°C scenario."

- United Nations IPCC Fifth Assessment Report (2014), "Representative Concentration Pathways (RCP) 2.6" and "Representative Concentration Pathways (RCP) 8.5"
- United Nations IPCC Sixth Assessment Report (2021)
- IEA World Energy Outlook 2020, "Sustainable Development Scenarios (SDS)" and "Stated Policies Scenario (STEPS)"

| Disclosure items | Content disclosed as of September 30, 2022 | Content disclosed as of September 30, 2023 |
|---------------------------------|---|--|
| Scenario setting | Scenario 2°C/4°C | Scenario 1.5°C/2°C/4°C |
| Qualitative analysis | Analysis of both risks and opportunities | Analysis of risks and opportunities separately |
| Quantitative analysis | Implementation of quantitative analysis of some scenarios | Implementation of quantitative analysis of all scenarios |
| Financial impact degree setting | Disclosure of the financial impact of only some items | Disclosure of the financial impact of each item (Expressing the degree of impact as small, medium, or large) |
| Timeline setting | Assumptions up to 2030 | Assumptions up to 2050 (Expressing the duration of impact as short, medium, or long) |

Note: Details of the content disclosed as of September 30, 2023 are presented on page 44.

Results of scenario analysis

| Our recognition | Qualitative analysis | | | Quantitative analysis | | | |
|-----------------|----------------------|--|---|--|----------------|------------------|----------|
| | Category | | Items | 1.5°C | | 4°C | |
| | Large category | Small category | | Degree of impact | Duration | Degree of impact | Duration |
| Risks | Transition risks | Policies and regulations | Increase in construction costs to meet ZEH/ZEB standards | Small | Medium to long | None | None |
| | | | Increase in the carbon tax imposed on the Company's own emissions (Scopes 1 & 2) | Small | Medium to long | Small | Short |
| | | Market | Rise in the burden of carbon tax in development costs (Scope 3 Category 1) | Medium | Medium to long | Small | Short |
| | | | Investments in energy-efficient equipment | Small | Medium to long | None | None |
| | | Reputational | Loss on annual leases of non-ZEB properties | Medium | Medium | None | None |
| | Technical | Change in reliability of businesses and products | — | — | — | — | |
| | Physical risks | Acute | Increase in losses due to intensifying wind and water damage (floods) | Small | Long | Small | Long |
| | | Chronic | Damage from rising sea levels (floods) | Small | Long | Medium | Long |
| | | | Damage from rising temperatures (extremely hot days, on which the temperature rises above 35°C) | Small | Long | Small | Long |
| | Opportunities | Transition opportunities | Policy and regulatory | Enhancement of subsidy systems, including for energy-saving technologies, ZEBs, and ZEHs | — | — | — |
| Market | | | Solar power earnings | Small | — | Small | — |
| Reputational | | | Increase in ZEB property sales earnings | Medium | Medium | None | None |
| | | | Increase in ZEH property sales | Large | Medium | None | None |
| Technical | | | Changes in the reliability of business and products | — | — | — | — |
| | | | Decrease in funding procurement costs due to a reduction in CO ₂ | Small | Short | Small | Short |
| | | | Decrease in heating costs due to higher energy-efficient performance | Small | Medium | Small | Medium |

Note: A bar (—) is used for some items that are currently difficult to quantify.

| Financial impact Degree of impact standard setting | Degree of impact setting | Degree of impact on consolidated business profit | FY2023/3 Results (amount/year) |
|--|--------------------------|--|--------------------------------|
| | Large | 10%– | ¥10.5 billion– |
| | Medium | 5%–10% | ¥5.2–¥10.5 billion |

| Timeline setting | Duration of impact setting | Forecast period |
|------------------|----------------------------|-----------------|
| | Short term | –2025 |
| | Medium term | –2030 |

| Timeline setting | Duration of impact setting | Forecast period |
|------------------|----------------------------|-----------------|
| | Short term | –2025 |
| | Medium term | –2030 |

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

The Board of Directors and the Management Committee manages and supervises sustainability-related risks, including climate change, and the Sustainability Committee, which is under the Management Committee, deliberates said risks as appropriate.

In addition, each Business Unit manages individual matters related to their businesses, such as business planning and product planning. Specifically, they survey and assess each individual risk related to the

market (affecting customer companies and consumers) as well as laws and regulations (such as for construction and real estate), and reflect them as appropriate in plans for businesses and products. Of the matters considered by each Business Unit, ones that significantly impact the entire Group are reported as appropriate to the Board of Directors, Management Committee, Sustainability Committee, or Risk Management Committee depending on the content.

4. Indicators and targets

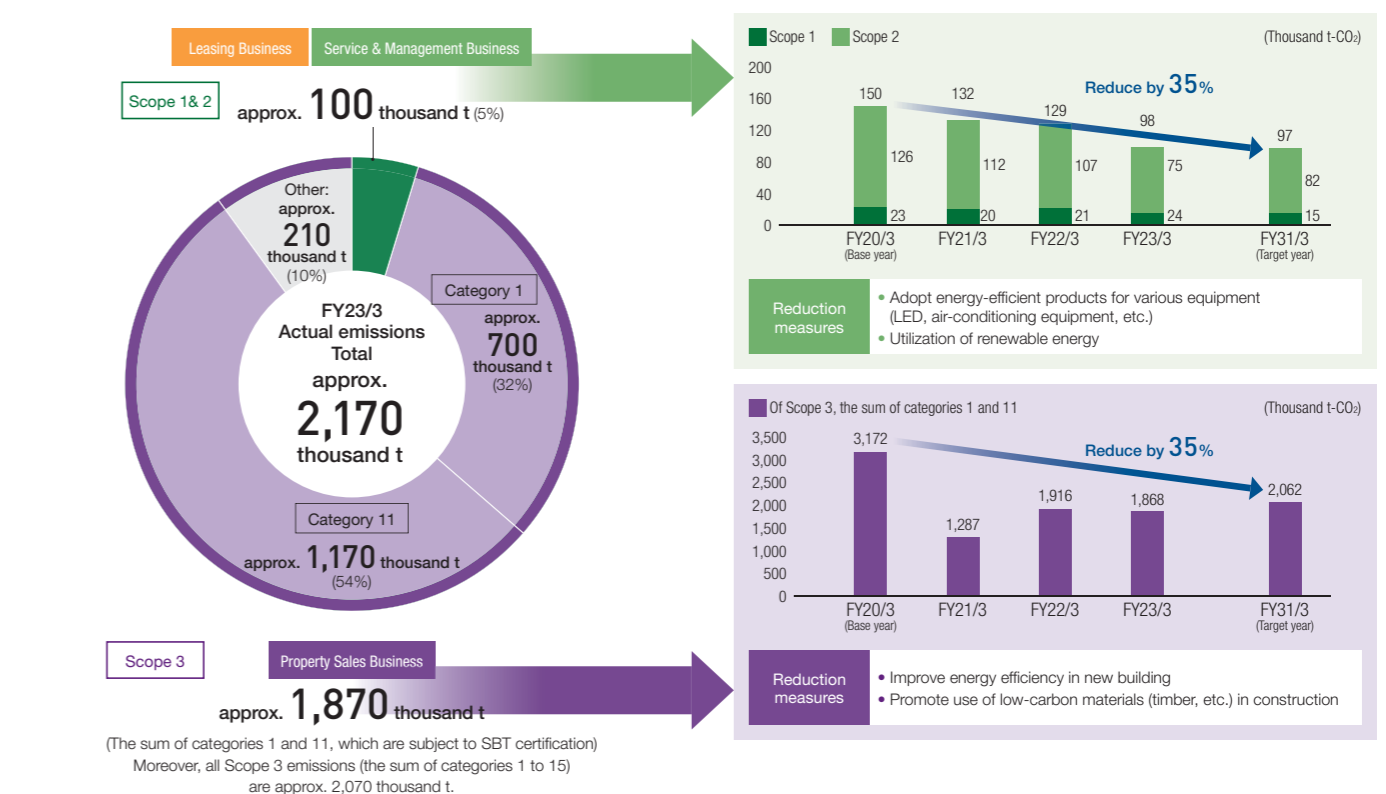
The Group acquired SBT certification in 2020 and also joined RE100 in January 2022. "Indicators and targets" have been set according to these certifications and the GHG protocol.

| Indicators concerning total greenhouse gas (GHG) emissions | | Scope 1 & 2 | Scope 3 ^{*1} |
|--|---|---------------------------|-----------------------|
| Long-term target | Total GHG (CO ₂) emissions by FY2051/3 | Achieve carbon neutrality | |
| Medium- to long-term target | Total GHG (CO ₂) emissions by FY2031/3 compared to FY2020/3 | Reduce by 35% | Reduce by 35% |
| Short-term target | Total GHG (CO ₂) emissions by FY2026/3 compared to FY2020/3 | Reduce by 15% | Reduce by 15% |

*1 Applicable to categories 1 and 11

| Indicators concerning renewable energy | | Scope 1 & 2 | Scope 3 ^{*1} |
|--|--|------------------------------------|-----------------------|
| Medium- to long-term target | Electricity consumed by the entire Group by 2050 | 100% derived from renewable energy | — |
| Short-term target | Electricity consumed by all rental properties ^{*2} Nomura Real Estate Development owns in Japan by FY2024/3 | 100% derived from renewable energy | — |

*2 Excludes rental assets (including portions used by tenants) for which Nomura Real Estate Development has a direct electricity contract with a power company, assets sectionalized or shared between Nomura Real Estate Development and another party, assets subject to sale or demolition, and the common areas of some rental housing.



Sustainability Strategy (Society and Employees)

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



| Society and employees | |
|--|--|
| Strengthening the foundation for promoting sustainability for “co-creation” that transcends organizations and business categories | |
| <p>Priority issues (materiality)/ targets</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Diversity & inclusion Create an organization that enables diverse workers, including women and foreign nationals, with various backgrounds and values to make meaningful contributions</p> </div> <div style="text-align: center;"> <p>Human rights Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner</p> </div> </div> | |
| <p>Key performance indicators (KPIs) for achieving the targets</p> <ul style="list-style-type: none"> Female manager and junior manager ratio: 20% Childcare leave utilization rate by men and women: 100% Providing products and services with inclusive design*1 Percentage of implementation of one-on-one meetings: 100% Creation of human rights due diligence system Percentage of participation in human rights training: 100%*2 Procurement guideline survey implementation rate: 80% <p><small>*1 A method of creating value as never seen before by gaining new realizations through the participation of people with diverse backgrounds and values in the process of creating products and services</small></p> <p style="text-align: right;"><small>*2 We plan to disclose results in the following fiscal year after calculating the results for this item for the fiscal year ending March 2024</small></p> | |
| <p>Initiatives of the Group</p> <div style="border: 1px solid #0056b3; padding: 5px;"> <p>Roadmap for promoting diversity & inclusion (D&I)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Step I (FY23/3 and FY24/3)</p> <p>Raise diversity and inclusion awareness Foster a corporate culture in which employees respect one another's differences and feel accepted themselves</p> </div> <div style="width: 30%;"> <p>Step II (FY25/3 and FY26/3)</p> <p>Routinely incorporate diversity and inclusion into business activities Diverse organizations and people work together and continue challenges themselves</p> </div> <div style="width: 30%;"> <p>Step III (FY27/3 to FY31/3)</p> <p>Develop a culture of innovation Create new value</p> </div> </div> <p style="text-align: center; background-color: #0056b3; color: white; padding: 5px;">Foundation: Flexible ways of working, wellness of mind and body, psychological sense of safety</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <p>Specific measures (excerpt)</p> <ul style="list-style-type: none"> Diversity and inclusion training for all Group employees Measures to encourage men to take childcare leave Awareness survey targeting Group employees A framework for inclusive design initiatives </div> <div style="width: 45%; border: 1px solid #0056b3; padding: 5px;"> <p>Key goals for Step I</p> <ol style="list-style-type: none"> Achieve annual paid leave acquisition targets Achieve 100% childcare leave utilization rate by men and women </div> </div> </div> | |

Progress of key performance indicators (KPIs) (FY2023/3)

| | |
|--|---|
| <p>Initiatives for female managers and junior managers Manager and junior manager ratio*3 13.9%</p> <ul style="list-style-type: none"> Held networking events in FY2023/3 for the Group's female officers, managers, and junior managers Will continue working to continually hire and promote people at all Group companies in FY2024/3 <p><small>*3. Female manager and junior manager ratio = (Number of female managers + Number of female candidates for managerial positions) ÷ (Number of all managers + Number of all candidates for managerial positions)</small></p> | <p>Initiatives related to childcare leave for men and women Utilization rate 64%</p> <ul style="list-style-type: none"> Held seminars for all managers and positions at or above executive officer in the Group (13 Group companies joined the Iku-Boss Corporate Alliance) Eight Group companies made childcare leave for birth (post-birth father childcare leave) paid |
| <p>Initiatives related to products and designs with inclusive designs</p> <p>We launched a hands-on workshop for inclusive design. To incorporate them into businesses, we will continue promoting these activities at all Group companies in FY2024/3.</p> | <p>One-on-one meetings Percentage of implementation 83%</p> <p>We consider dialogue highly important to foster an inclusive workplace. We also conducted training to enhance dialogue skills for officers.</p> |

Strategies by Business Unit



Residential Development Business Unit



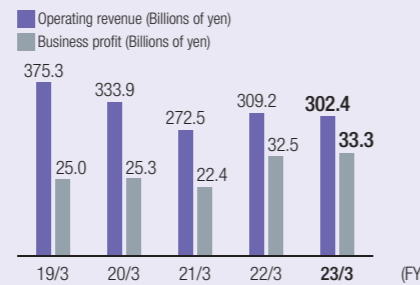
Haruhiko Nakamura

Executive Officer,
Business Unit Manager of
Residential Development Business Unit

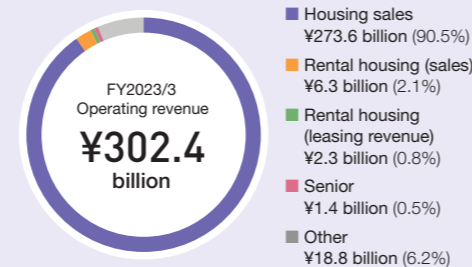
Major Group companies

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

Operating Revenue and Business Profit



Operating Revenue Composition



Main Businesses

Domestic housing sales

- Development and sale of condominiums and detached housing

Rental housing

- Development, leasing and sale of rental housing

Senior and other

- Development and management of senior housing
- Internet advertising
- Services aimed at providing assistance to customers concerning their homes arrangements



Business assets (As of March 31, 2023)

- Land bank in the domestic housing sales business: **approx. ¥1,770.0 billion (equivalent to 22,380 units)**
- Number of Nomura Real Estate Group Customer Club members: **approx. 152,000**
- Level of participation in residential redevelopment projects: **Industry-leading***

* Source: Based on in-house research

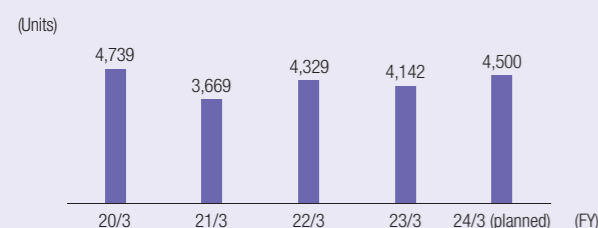
Competitive advantages

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

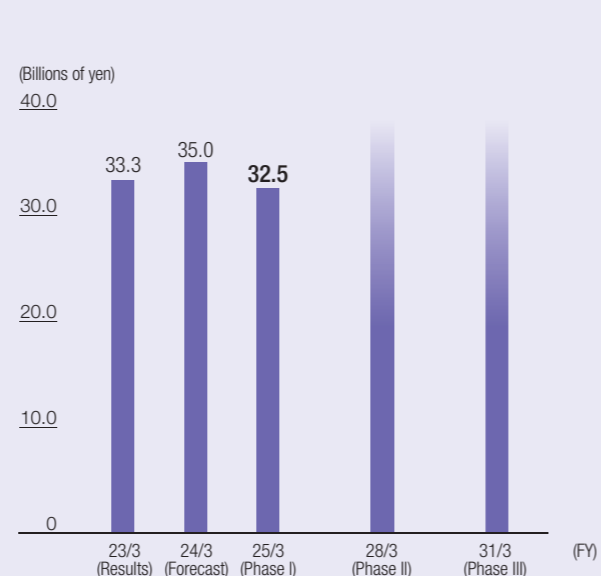
Business strategy

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

Trend in the number of housing units sold



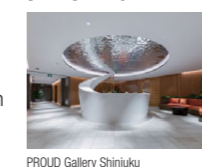
Financial targets (Business Profit)



Specific initiatives and policies based on business strategies

1. Deepen and evolve PROUD in the housing sale business (stable supply of 4,000 to 5,000 units per year)

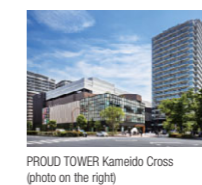
We are implementing a variety of initiatives to strengthen our business foundations and further improve our housing sales business, including the PROUD brand, with the aim of ensuring a stable housing supply.



- Initiatives to enhance productivity via the establishment of PROUD Galleries and PROUD Lounges, both of which serve as comprehensive condominium presentation facilities, in the Tokyo metropolitan area and elsewhere (a total of eight such facilities were opened in the Tokyo metropolitan area and Nagoya)
- Practice innovative sales methods powered by digital technologies and online contact points with customers

2. Strengthen efforts in redevelopment and reconstruction projects

While the conditions for land acquisition continue to be difficult, the land bank for the period up to FY2026/3 is already secured. Looking ahead, we will continue implementing land acquisition that leverages our track record and know-how.



- Taking an active approach to redevelopment and rebuilding projects often in good locations despite the long period required for each project
- Delivering proposals related to the effective utilization of land owned by administrative agencies, public benefit corporations, educational institutions, etc.
- Product planning focused on high-end properties in urban areas We will stably supply 4,000 to 5,000 housing units per year, seizing business opportunities by combining the aforementioned initiatives.

3. Response to diversifying needs

In the aftermath of the COVID-19 pandemic, people's value systems and housing needs changed significantly on the back of evolving lifestyle trends, including a growing number of single-person households and dual-income households.

- Condominium and rental housing product planning aligned with the changing times, for example, delivering a diverse range of compact floor plans and installing charging facilities at a growing number of properties in anticipation of the popu-

4. Monetization of non-asset business

In addition to operating the housing sale business, a major pillar of this business unit, we strive to deliver various services leveraging the extensive customer base we have built up over the years.

• Providing various services employing "NOMURA no KURASUMA," a platform offered by the Nomura Real Estate Group to support businesses and services related to living and dwelling

• Commissioned services, including those associated with maintenance and repair in response to requests from residents of condominiums provided by the Company

We are proactively delivering these services.



EV charging facilities (the photo is a sample image)

Main Initiatives to Achieve Materialities

- <Decarbonization>**
 - Maintain ZEH-oriented standards in new housings
 - Introduce solar panels at detached housing for sale
 - Achieve reductions in CO₂ emissions from condominiums via the introduction of "Yukai-full"
- <Biodiversity>**
 - Utilize domestically produced wood materials
- <Circular design>**
 - Initiatives to create new condominiums with longer lives and higher durability

Strategies by Business Unit

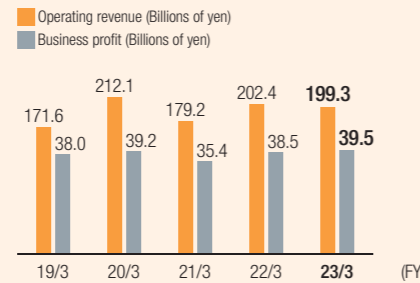
Commercial Real Estate Business Unit



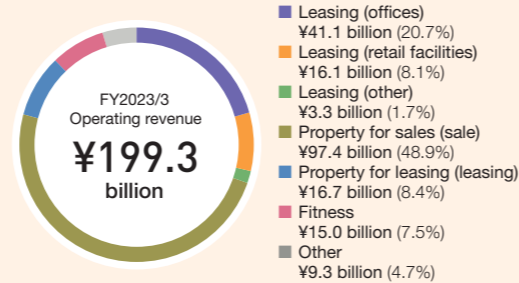
Major Group companies

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

Operating Revenue and Business Profit



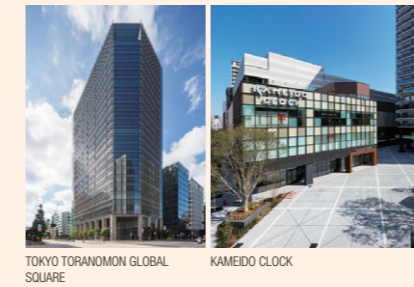
Operating Revenue Composition



Main Businesses

Leasing

- Development and leasing of office buildings, retail facilities, etc.



Property for sales

- Development, leasing, and sale of office buildings, retail facilities, logistics facilities, etc.



Fitness, hotels, etc.

- Fitness club operations
- Development, leasing, and management of hotels
- Planning and management of construction work



Business assets (As of March 31, 2023)

- Net lettable area (office and retail facilities): **approx. 697,000 m²**
- Number of tenants: **More than 2,000 companies***
- Number of H^T offices and their members: **248 offices/approx. 3,600 companies, approx. 400,000 members**
- Number of MEGALOS fitness clubs and their members: **37 clubs/approx. 114,000 members**

* Total number of tenants occupying properties that the Group owns and conducts property management for

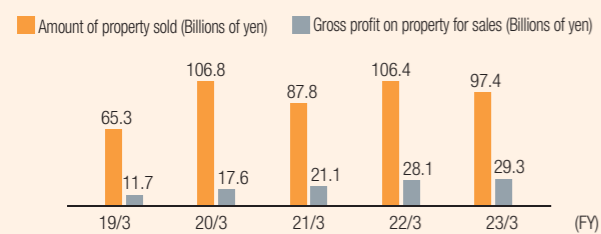
Competitive advantages

- Track record for developing diverse asset types
- Asset brands (PMO, GEMS, Landport, etc.) based on the market-in approach
- Leasing value chain supported by collaboration with the Investment Management Business Unit [▶ p.17](#)
- Promotion of major large-scale development projects in central Tokyo, including Shibaura Project and Nihonbashi 1-chome Central District Redevelopment

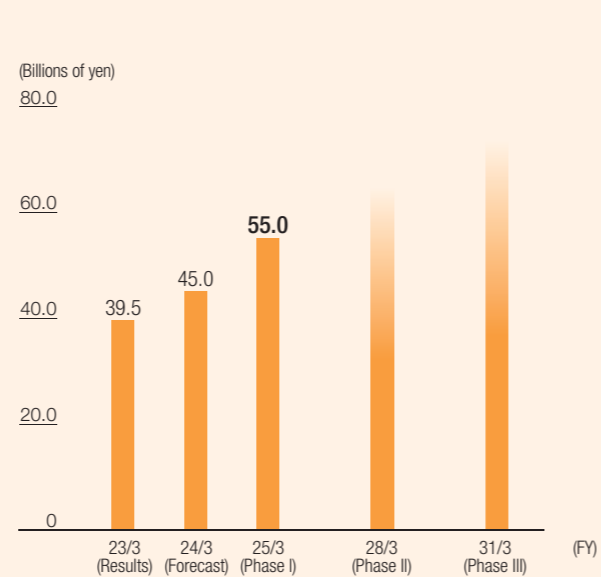
Business strategy

- Evolution of value creation linking environmental changes to business opportunities
- Realization of unrealized profit and the strengthening of the leasing property portfolio through strategic asset replacement
- Contribution to a sustainable society and creation of new products/services utilizing digital technology

Trend in amount of property sold and gross profit on property for sales



Financial targets (Business Profit)



Specific initiatives and policies based on business strategies

1. Evolution of value creation linking environmental changes to business opportunities

We plan and develop highly competitive products by accurately assessing changes in the environment.

- Offices:** PMO, which has successfully developed the market for sought-after medium-sized high-grade buildings; H^O, which meets needs for small offices reflecting a growing number of startups, etc.; and H^T, which accommodates the diversification of working styles
- Logistics facilities:** Landport, which meets needs for highly functional facilities on the back of the growing popularization of e-commerce
- Hotels:** NOHGA HOTEL, which offers lifestyle-oriented hotels to accommodate growing inbound tourism demand
- Retail facilities:** GEMS, MEFULL and SOCOLA, all of which comprise facilities aimed at meeting diverse needs

web to address various issues they confront, including labor shortages and growing needs for diverse workstyle options, etc.

- Logistics facilities:** Installation of solar panels on facility rooftops; the promotion of Techrum, a program for facilitating co-creation among corporations, with the aim of optimizing logistics operations through the effective use of automation equipment, etc.

TOPIC

Shibaura Project
The Shibaura Project proposes TOKYO WORKation, a new way of working while experiencing the sky, sea, and greenery in the urban center using the unique location of the Shibaura area facing Tokyo Bay.



2. Realization of unrealized profit and the strengthening of the leasing property portfolio through strategic asset replacement

To develop a good quality leasing asset portfolio, we strategically replace our leasing assets. Funds recovered through these endeavors, along with development profit and unrealized profit acquired, are reinvested in real estate development projects. We thus aim to realize both high asset efficiency and sustainable growth.

3. Contribution to a sustainable society and creation of new products/services utilizing digital technology

We promote initiatives to address social issues (e.g., decarbonization and issues surrounding the logistics industry) and to meet diversifying needs.

- Offices:** Reduction of CO₂ emissions via the development of office buildings that comprise wooden hybrid structures for a portion of the main structural columns and beams; the provision of NOMURA WORK-LIFE PLUS, a service platform that can be used by tenants via the



Main Initiatives to Achieve Materialities

- <Decarbonization>**
 - Maintain ZEB-oriented standards in new buildings
 - Utilize renewable energy in leasing assets
 - Reduce CO₂ emissions in the course of construction via the use of wooden materials
- <Biodiversity>**
 - Contribute to the preservation of forest cycles via the use of wooden materials
- <Circular design>**
 - Reduce waste by, for example, abolishing the individual packaging of amenities offered at hotels operated by the Group

Strategies by Business Unit

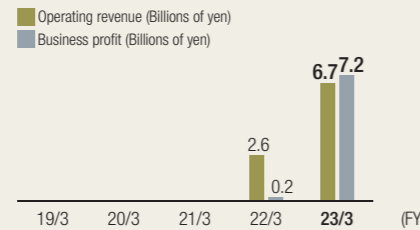
Overseas Business Unit



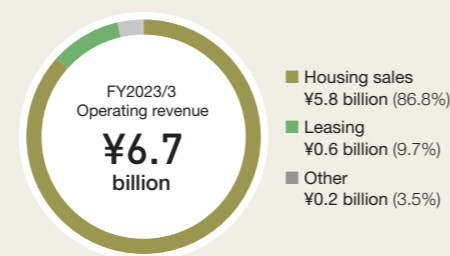
Major Group companies

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

Operating Revenue and Business Profit



Operating Revenue Composition

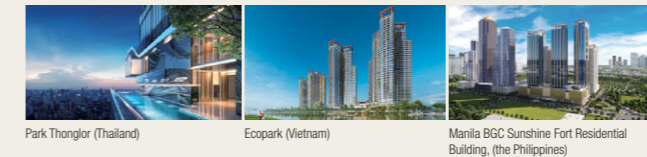


From FY23/3, the Overseas Business Unit was newly established, and the Overseas Business Division of Nomura Real Estate Development and overseas subsidiaries, etc., which had been classified under the "Other," have been reclassified under this business unit. Due to this change, figures listed for FY22/3 have been retroactively adjusted.

Main Businesses

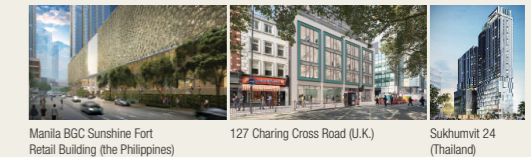
Housing sales

- Vietnam: Grand Park 2nd and 3rd period project (Ho Chi Minh City), Ecopark (Hanoi), etc.
- Thailand: Park Thonglor and Park Origin Ratchathewi (both in Bangkok), etc.
- China: Changzhou I and II (Changzhou City), etc.
- The Philippines: Manila BGC Sunshine Fort Residential Building, Mandaluyong and Metro Park (all in Manila), etc.



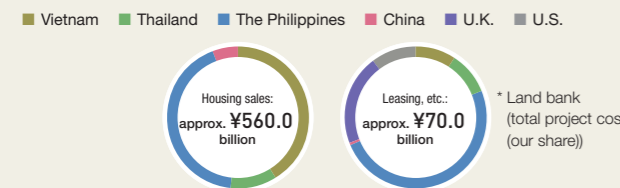
Leasing, etc.

- Offices: Sun Wah Tower and Zen Plaza (Vietnam), Beijing Fortune Building (China), 127 Charing Cross Road (U.K.)
- Retail facilities: Manila BGC Sunshine Fort Retail Building (the Philippines)
- Service apartments: Staybridge Thonglor and Staybridge Sukhumvit 24 (Thailand)
- Mixed-use facilities: Mandaluyong and Metro Park, etc., (the Philippines), Press Block Project (U.S.)



Business assets (As of March 31, 2023)

- Number of housing sale projects the Group participated in/total project cost (our share): **31/approx. ¥560.0 billion**
- Number of leasing projects the Group participated in/total project cost (our share): **12/approx. ¥70.0 billion**



Competitive advantages

- Development track record and know-how accumulated over the course of more than 60 years in Japan
- Commitment to ensuring manufacturing quality as well as robust product planning and improvement capabilities



Specific initiatives and policies based on business strategies

1. Secure stable growth for the housing sales business in Asian countries, which boast remarkable growth

- In the Asian region, where growth is burgeoning, demand for high-quality housing has become even stronger due to economic development and the resulting increase in income. These market conditions will enable us to fully leverage our development know-how accumulated over the course of more than 60 years in Japan.
- Vietnam: With a collaboration involving multiple local partners under way, we became a participant in the Grand Park 2nd period, which envisions the construction of more than 10,000 housing units, and other major projects.
 - Thailand: With Origin Property, our local partner, we operate a joint venture business that boasts a cumulative total number of housing units sold surpassing 10,000 in October 2022.
 - China: Staying alert to changes in the business environment, we promote existing businesses in Changzhou and the acquisition of new projects.

While selecting excellent local partners in each country, we will strive to cultivate favorable relations, develop a solid governance structure, and acquire stable business opportunities, thereby achieving further growth.



development project encompassing rental housing, offices, and retail facilities in Portland. Looking ahead, we will take an even more proactive approach to investment in the property sales business.



3. Enable FNG, a joint venture founded in the Philippines, to achieve constant business expansion

We have established the joint venture FNG in tandem with Federal Land, a real estate company under the umbrella of GT Capital Group, a major conglomerate in the Philippines. This move is aimed at securing our ongoing involvement in local projects. FNG has already decided to handle four projects with a combined project cost of approximately ¥770.0 billion (of this, our share amounts to approximately ¥260.0 billion). We anticipate that FNG will grow into a profit contributor from Phase III (which will begin in FY2029/3) of the Mid- to Long-term Business Plan onward. We have thus positioned this joint venture as a key entity enabling us to achieve major growth in the overseas business.



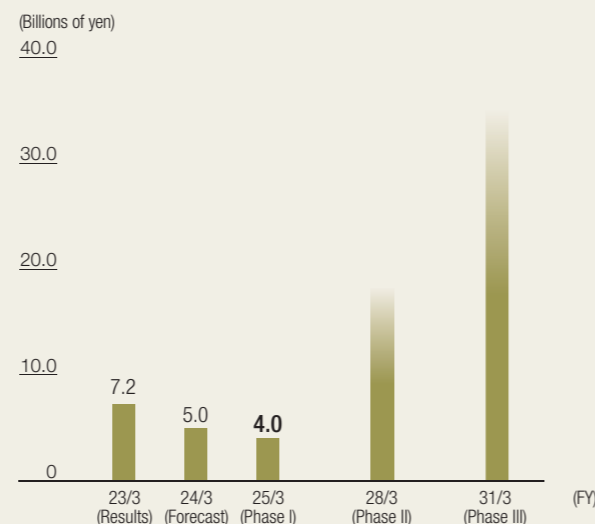
Business strategy

1. Secure stable growth for the housing sales business in Asian countries, which boast remarkable growth
2. Strengthen initiatives related to the property sales business centered on the U.K. and the U.S.
3. Enable Federal Land NRE Global, Inc. (FNG), a joint venture founded in the Philippines, to achieve constant business expansion

Four projects in which FNG decided to invest

| Project name | Location | Residence | Gross floor area | Commencement of construction |
|--------------|-------------------|----------------------|--------------------------------|------------------------------|
| Mandaluyong | Manila | Approx. 4,700 units | Approx. 67,000 m ² | From 2024 onward |
| Metro Park | Manila | Approx. 1,600 units | Approx. 37,000 m ² | From 2024 onward |
| Cavite | Suburbs of Manila | Approx. 42,000 units | Approx. 763,000 m ² | From 2025 onward |
| Cebu | Cebu | Approx. 940 units | Approx. 18,000 m ² | From 2025 onward |

Financial targets (Business profit)



Strategies by Business Unit

Investment Management Business Unit

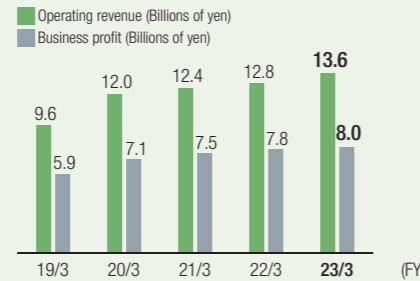


Koki Miura
Executive Officer,
Business Unit Manager of Investment
Management Business Unit

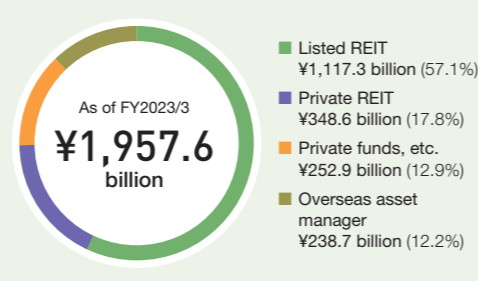
Major Group companies

Nomura Real Estate Asset Management/Lothbury
Investment Management/Nomura Real Asset Investment

Operating Revenue and Business Profit



Composition of assets under management



Main Businesses

REIT

Nomura Real Estate Master Fund, Inc.

- A comprehensive listed REIT, the largest of its kind in Japan
- Managing a portfolio consisting mainly of office buildings, retail facilities, logistics facilities, and rental housing, the total value of which exceeds ¥1 trillion

MASTER FUND

Private funds

Nomura Real Estate Private REIT, Inc.

- Japan's first comprehensive private REIT
- Managing a portfolio consisting mainly of office buildings, retail facilities, logistics facilities, and rental housing, with the total value of which exceeds ¥300.0 billion

NOMURA REAL ESTATE PRIVATE REIT, INC.

Overseas

Lothbury Property Trust

- Formed a capital alliance with Lothbury, a U.K.-based asset manager, in 2018 to meet investor needs for overseas real estate investment

LOTHBURY Investment Management

Business assets (As of March 31, 2023)

- Assets under management (AUM): approx. **¥1,957.6 billion**
- Number of institutional investors through domestic asset management (excluding listed REIT): **296 institutions**
- Asset management know-how: Accumulated over the course of more than **20 years**

Competitive advantages

- Business growth model based on the Leasing Value Chain [▶ p.17](#)
- Relationships built with institutional investors over many years of accumulating asset management experience
- Product development capabilities that meet the needs of investors

Structure of the Leasing Value Chain



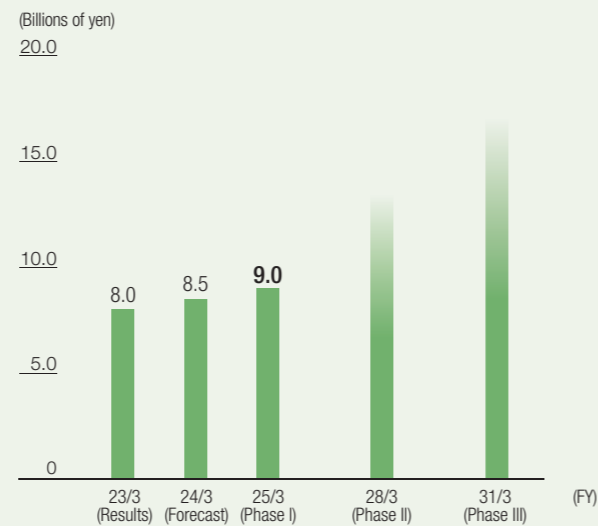
Business strategy

- Secure stable growth for the REIT business by taking advantage of the Leasing Value Chain
- Strengthen the private fund business with an eye to accommodating burgeoning needs for alternative investment vehicles
- Seize business opportunities in new fields (e.g., winning new investors and expanding into new sectors) through collaboration with the Nomura Group

Nomura Real Asset Investment is a joint venture established by Nomura Holdings and Nomura Real Estate Holdings, having launched its fund management business in April 2023.



Financial targets (Business profit)



Specific initiatives and policies based on business strategies

1. Secure stable growth for the REIT business by taking advantage of the Leasing Value Chain

Listed and private REITs constitute mainstay operations of this business unit. We are taking full advantage of the Leasing Value Chain, a strength of the Nomura Real Estate Group, to pursue external growth in these operations. For example, Nomura Real Estate Master Fund (NMF) acquired properties worth approximately ¥12.6 billion, including logistics facilities and office buildings developed by Nomura Real Estate Development, in FY2023/3. During the fiscal year, there were limited opportunities to acquire properties through public offerings due to low unit price trends in the REIT market. Nevertheless, NMF succeeded in these acquisitions through the sale of properties whose competitiveness had declined and the use of cash at hand. Meanwhile, in the same fiscal year, Nomura Real Estate Private REIT (NPR) acquired properties worth approximately ¥39.8 billion from Nomura Real Estate Development through offerings, etc. These accomplishments helped us achieve stable growth in both listed and private REITs.

Looking ahead, we will acquire excellent and competitive properties via the use of our sponsor pipeline while constantly acquiring properties from external sources. Leveraging the unique features of comprehensive REITs, we will promote the replacement of our portfolio to secure an optimal combination of differing asset types while selecting the best options for acquisition and fundraising methods in light of the business environment.

Cumulative number of Leasing Value Chain transactions (as of March 31, 2023)

Sales of properties from Nomura Real Estate Development to listed and private REITs as well as private funds

86 properties/ ¥478.7 billion

2. Strengthen the private fund business with an eye to accommodating burgeoning needs for alternative investment vehicles

To accommodate investors' burgeoning need for alternative investment vehicles, we are strengthening our private fund business. The assets under management (AUM) as of March 31, 2023 totaled ¥252.9 billion, an increase of ¥56.5 billion from March 31, 2022. To date, this business unit has nurtured solid relationships of trust with

institutional investors. Building on these relationships, we are endeavoring to formulate private funds consisting of land of logistics facility to meet diversifying investment needs while still handling traditional asset types, such as office buildings and rental housing. Furthermore, our plan for FY2024/3 calls for formulating a new private fund aimed at strengthening the Leasing Value Chain. We will continue to strengthen the private fund business via, for example, the formulation of new products and the enhancement of product lineups.

3. Seize business opportunities in new fields (e.g., winning new investors and expanding into new sectors) through collaboration with the Nomura Group

Nomura Real Asset Investment, a joint venture we have established in tandem with Nomura Holdings, launched a fund management business in April 2023 after completing necessary procedures, such as license registration. Currently, this joint venture is tasked with managing private real estate funds and its AUM totals more than ¥90.0 billion (as of June 30, 2023). It aims to secure an AUM between ¥700.0 billion and ¥1 trillion in the future by promoting the development of its investor base, which includes wealthy individuals and overseas investors, and the enhancement of its investment products through the commercialization of novel asset classes.

In addition, the business unit is engaged in overseas operations, such as a collaboration involving U.K.-based Lothbury, while striving to develop an even more extensive global network.

Main Initiatives to Achieve Materialities

- <Decarbonization>**
 - Reduce the volume of energy consumption and CO₂ emissions attributable to properties managed by funds

Strategies by Business Unit

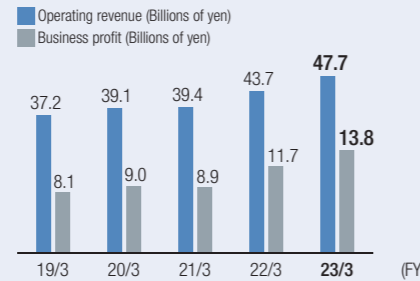
Property Brokerage & CRE Business Unit



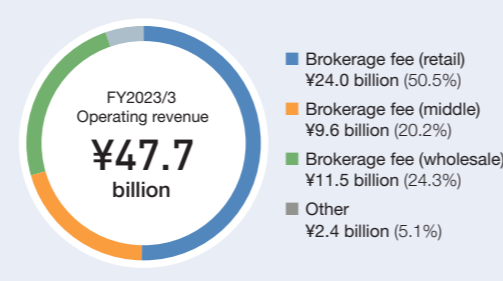
Major Group companies

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

Operating Revenue and Business Profit



Operating Revenue Composition



Main Businesses

Retail

- We operate 88 stores under the "Nomura no chukai + (PLUS)" and REALIA brands in the Tokyo metropolitan area, Kansai, and Chubu regions.
- We provide the best solutions, mainly to individual customers, through high-quality services closely attuned to local conditions.

Middle

- We precisely identify the real estate sales needs of small and midsize companies, business owners, individual investors, and others and provide solutions that exceed expectations.

Wholesale

- We serve as a comprehensive help desk for Nomura Real Estate and Group companies and create new value for customers' real estate.
- We will fully leverage our total capabilities based on our multifaceted businesses to provide a wide range of solutions.



Business assets (As of March 31, 2023)

- Number of retail branches: **88**
 - Number of middle offices: **11**
 - Number of wholesale offices: **9**
- Note: In cases where an entity is operating multiple businesses, the number of branches and offices is calculated on the basis of each business.
- Number of nomu.com members: **approx. 263,000** (as of January 31, 2023)
 - Number of partner financial institutions, including Nomura Securities and regional financial institutions: **112**

Strengths

- Possessing advanced digital technology
- High customer satisfaction rating in the retail business
- Partnerships with Nomura Securities and regional financial institutions



The nomu.com website

Specific initiatives and policies based on business strategies

1. Expansion of stable revenue base capturing strong demand in the retail business

Since the pandemic, the need for housing is greater than ever before, and the pre-owned real estate market is continually expanding. Currently, we are steadily expanding transaction value in the retail business by accurately assessing sales trends among customers in city centers. We will continue to promote systems to centralize data on high-value city center properties centered on the service brand REALIA, which meets needs for buying and selling high-value real estate in city center areas. Moreover, we will strengthen organizational retail sales systems to meet diverse customer needs and continue working to expand the stable earnings base of the retail business through the enhancement of customer satisfaction in part by enhancing convenience of the real estate data site nomu.com.



licensors, financial institutions, and the Nomura Group, including Nomura Securities.

3. Promotion of CRE proposals and capturing the investment needs of funds based on our customer base in the wholesale business

Seizing the increase in the off-balance sheet needs of business companies, we will work to expand the wholesale business based on the customer base we have cultivated to date. Specifically, we will work to acquire projects and expand opportunities for CRE proposals in part by offering proposals that utilize our know-how in construction and construction management and by building relationships with customer companies partnered with the Nomura Real Estate Group and Nomura Securities.

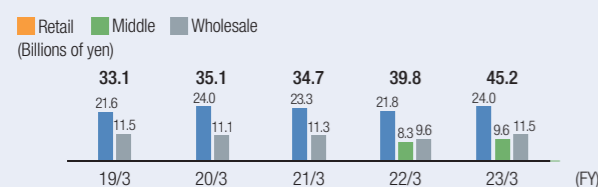
In addition, Japan has currently reopened to people from overseas, leading to a ramping up of overseas investors investing in real estate in Japan. In addition, alternative investment needs from institutional investors are seeing ongoing expansion in Japan.

We will continue working to seize new business opportunities by providing customers with high-quality services that we have cultivated in each of the retail, middle, and wholesale businesses in a one-stop manner.

Business strategies

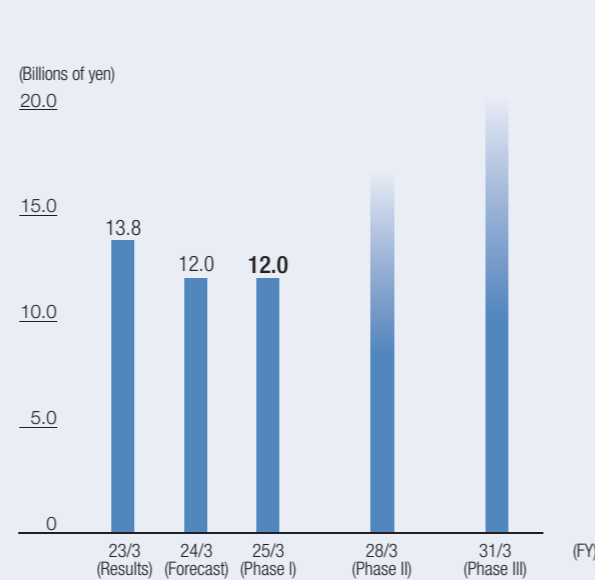
- Expansion of stable revenue base capturing strong demand in the retail business
- Meeting various needs through collaboration with the Nomura Group, financial institutions, and others in the middle business
- Promotion of CRE proposals and capturing the investment needs of funds based on our customer base in the wholesale business

Fees



From FY23/3, we changed from the two business segments of retail and wholesale to the three segments of retail, middle, and wholesale. In line with this change, we retroactively revised the breakdown of fees for FY22/3 for presentation purposes.

Financial targets (business profit)



2. Meeting various needs through collaboration with the Nomura Group, financial institutions, and others in the middle business

We have positioned the middle business as a new growth sector in the Business Unit. In light of the increase in real estate transaction needs related to inheritance and business succession, we are strengthening the real estate brokerage business for small and midsize companies, individual investors, and high net worth individuals. We are strengthening proposals to meet various real estate-related needs while collaborating with 112 financial institutions and other companies (as of March 31, 2023). These efforts are connected to our accomplishments, and there has been an increase in fees for forming agreements for sales brokerage projects thanks to introductions from partner financial institutions. Going forward, we will work to seize business opportunities and strengthen collaboration with

Main Initiatives to Achieve Materialities

- <Circular design>**
 - Encourage the utilization of idle properties through brokerage transactions
 - Effective use of real estate stock

Strategies by Business Unit

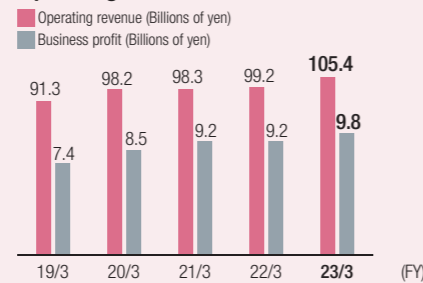
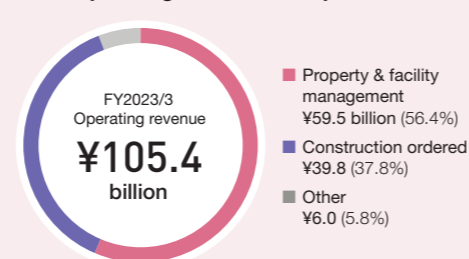

Property & Facility Management Business Unit

Kazuhiro Toida

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

Major Group companies

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

Operating Revenue and Business Profit

Operating Revenue Composition

Main Businesses
Property & facility management

- Condominium management business handling around 189,000 residences
- Building management business handling 782 office buildings and other properties
- Property management proposing and implementing optimal operation strategies for properties on behalf of the owners
- Public-private partnership (PPP) business mainly managing and operating public facilities


Construction ordered

- In our renewal construction business, we propose optimal construction and repair plans suited to each building by leveraging data collected from many different sources and our accumulated know-how.
- In our remodeling business, we remodel condominiums, remodel detached houses, and renovate properties.


Business assets (As of March 31, 2023)

- Number of housing units under management: **approx. 189,000 units**
- Number of buildings under management: **782 units**
- Licensed Representatives of Condominium Management Company: **616**
- Building environment and health management engineers: **571**

Competitive advantages

- Stable supply of properties from other Business Units through Group collaboration
- High level of external evaluation for management quality
- Competitive construction proposal capacity, including scheme for extending large-scale repair works cycle

Schemes for extending large-scale repair works cycle
re:Premium **re:Premium Duo**
Business strategies

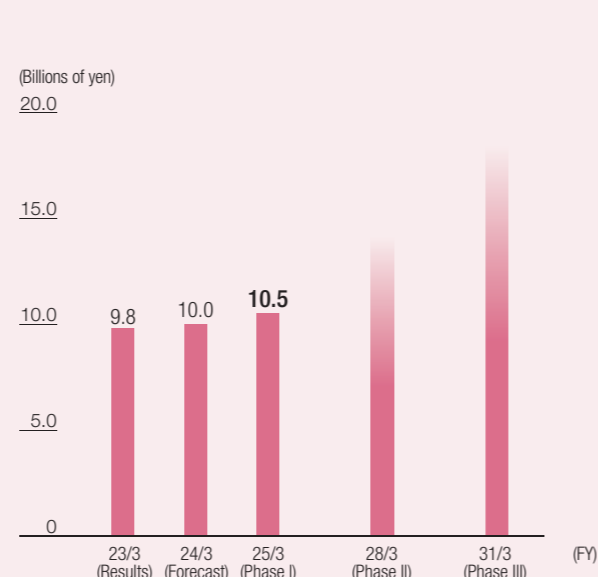
1. Ensure high quality and save labor in property and facility management
2. Combine our technical capabilities, proposal capabilities, and data storage and analysis in construction ordered
3. Develop and roll out competitive products and services to meet customer needs

Kanri-roid

Building management app


Will TAP

An app for residents of condominiums


Financial targets (business profit)

Specific initiatives and policies based on business strategies
1. Ensure high quality and save labor in property and facility management

In the property & facility management business, we need personnel overflowing with hospitality to swiftly provide high-quality services finely attuned to customers. For example, we set up a training center with condominium facilities for practice to develop management and engineering professionals and work hard to construct a foundation for providing high-quality services.

In addition, as it is becoming more difficult to secure personnel, it is important to improve operational processes using digital technologies. In the Mid- to Long-term Business Plan, we plan for DX investment totaling several billion yen. To this end, we launched such specific initiatives as beginning to develop systems to manage the conclusion and dissolution of parking lot contracts and support the operations of managers on the front lines of condominium management. We will create more time for improving operations and continue working to increase quality and save labor more than ever before.

Our high-quality services lead to customer praise

→ **Ranked 1st for 14 consecutive years**
in the SumaiSurfin Management Company Satisfaction Survey 2022



Center for Housing Renovation and Dispute Settlement Support.


3. Develop and roll out competitive products and services to meet customer needs

Nomura Real Estate Partners developed re:Premium and re:Premium Duo, which are products that extend the cycle for large-scale repair work. The company also developed a system that extends the period for construction using a new, unique defect insurance aimed at management unions that lack repair funds during the construction period. This delays the start time of large-scale repair work due in part to preliminary surveys and, during that time, increases the soundness of repair funds. This system was certified as a condominium stock life extension model project, which is supported by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

Going forward, we will continually work to consider and develop products and services aimed at repair and renewal construction that helps increase the value of buildings.

Main Initiatives to Achieve Materialities

- <Decarbonization>**
 - Saving energy by installing high-performance equipment in renewal and renovation construction
- <Circular design>**
 - Extend the life of and enhancing the resilience of buildings by introducing re:Premium and re:Premium DUO
- <Society and employees>**
 - The Mi-Ra-I Project is a reform of the organizational culture to realize rewarding work environments and respect independent thought and opinions

Special Feature

Solving Social Issues through Urban Redevelopment and the Effective Use of Public Real Estate

In the real estate industry in Japan, the competition for land acquisition remains tough due to the decrease in land suitable for real estate development. On the other hand, real estate-related social issues, such as the aging of existing buildings and obsolescence of public facilities, are expected to increase.

The Company made the further expansion of the domestic real estate development business one of its key strategies aimed at achieving the Mid- to Long-term Business Plan (the "Plan"). To this end, we intend to solve social issues through urban redevelopment, the rebuilding of condominiums, and the effective use of public real estate, thereby providing further added value to stakeholders.

Social Issue: Aging and obsolescence of buildings and public facilities

Social issues expected to increase going forward

- Reconstruction accompanying the aging of existing buildings and redevelopment aimed at solving problems associated with neighborhoods of densely packed wooden houses
- Replacing deteriorating public facilities
- Increase in corporate need for asset disposition and utilizing the facilities of universities and other institutions

Real estate business environment

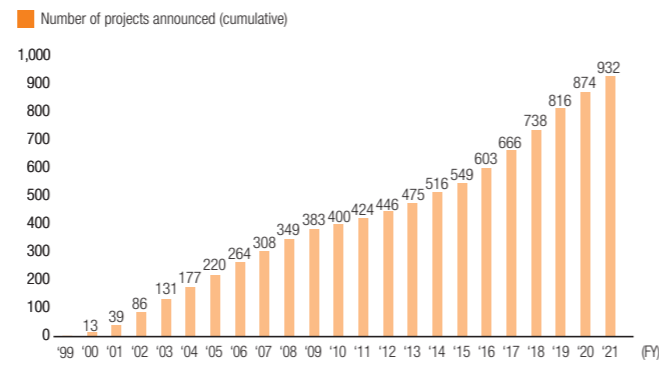
- Decrease in land suitable for real estate development, especially in the Tokyo metropolitan area
- Intensifying competition among real estate companies

As the business environment surrounding the real estate industry changes, social demand for urban redevelopment and reconstruction is expanding against a backdrop of aging buildings and increasing obsolescence of urban facilities.

In addition, there has been an increase in instances where private funding and know-how have been used in the construction and management of public facilities. Offering local governments proposals for making more effective use of public real estate is an effective way to seize business opportunities going forward. In addition, in line with a falling birth rate, aging population, and changing industrial landscape, we expect an increase in corporate need for asset disposition as well as the utilization of land and facilities held by universities and other institutions.

We will continue providing further added value related to buildings and cities to a wide range of stakeholders.

Number of projects utilizing private funding to develop or manage public facilities



Created by the Company based on Japan's Cabinet Office's presentation material entitled "Number of PFI Projects"
 Note: Private Finance Initiatives (PFI): A method of using private funding, business capabilities, and technical capabilities for constructing, maintaining, managing, and running public facilities

The Company's solutions to issues: Forming specialized organizations and fully utilizing accumulated know-how

Development Planning Division and Business Creation Division

Methods to solve issues

- Urban redevelopment
- Rebuilding of condominiums
- Development following the effective use and replacement of public real estate
- Utilization of land of national universities and industry-academia collaboration

Accumulated know-how

- Diverse development menu
- Capabilities to coordinate the desires of multiple affiliated parties, such as landowners and local governments
- Ability to promote business over the long term

In April 2022, we established the new Business Creation Division in Nomura Real Estate as an organization that specially uncovers new demand rising in recent years, such as development related to aging public facilities, mixed-use public area, school and medical company facilities and land, and PFIs. We will build medium- to long-term relationships with companies, local governments, and universities, promote business, and work to develop new halls, arenas, and other properties. In addition, we promote the cultivation of businesses in new fields, such as next-generation mobilities, the environment, and energy.

Alongside the Development Planning Division, which has undertaken many urban redevelopment projects, mainly in Tokyo, we propose developments that address social issues and link them to the creation of new business opportunities.

Case 1

Redevelopment of aging public facilities

Nakano Station New North Exit Station-Front Area Redevelopment

Urban development incorporating the area's unique, diverse culture and passing down the DNA of Nakano Sun Plaza

This is a large-scale mixed-use redevelopment project on a premises covering over 2 ha located at the Nakano Station North Exit. As the representative of the seven companies involved in the project, Nomura Real Estate is promoting discussions with local govern-

ments and landowners. We will ensure that the functions of Nakano Sun Plaza, which has a symbolic presence in Nakano-ku, are passed down and promote urban development that stimulates lifestyles, industries, and social events driven by culture.



Note: Illustration of expected completed building (future changes are possible)

- Location:** Nakano-ku, Tokyo
- Access:** One-minute walk from Nakano Station
- Land area:** Around 2.3 ha
- Main use:** Halls, offices, residences, retail facilities, hotels, and area management facilities
- Construction completion:** Fiscal year ending March 2030 (plan)

Case 2

Utilizing the land and facilities of universities and other institutions

Tokyo Medical and Dental University Etchujima District Land Use Project

Working to maintain and boost health, urban development that helps enhance QOL

The Tokyo Medical and Dental University solicited bids for this project in August 2022. Nomura Real Estate was selected as a business collaborator, and a basic agreement was concluded between the two parties.

The project aims to effectively utilize land owned by the university in Etchujima 1-chome, Koto-ku, Tokyo. We will conduct a study focused on urban development that enables multiple generations to communicate and create plans for condominiums, senior residences, retail facilities, and medical and daycare facilities as well

as facilities for local collaboration and socializing.

We promote studies aimed at realizing initiatives for the industry-academia alliance while collaborating with both parties.

Business concept

Total Healthcare for All Generations

Efforts to prevent disease and promote health for all generations, and urban development to help enhance QOL

General business plan

