NEW VALUE, REAL VALUE — N.R.E. Group
NOMURA REAL ESTATE HOLDINGS

SUSTAINABILITY REPORT 2024

Contents

3 President's Message

4 Sustainability Management

6 Dialogue with Stakeholders

8 Business and Sustainability

11 Materiality Determination Process

14 Responding to the Task Force on Climate-related Financial Disclosures (TCFD)

27 Disclosures Based on the Proposals of the TaskForce on Nature-related Financial Disclosures (TNFD)

39 Environment (Climate Change and the Natural Environment)

40 Environment (Climate Change and the Natural Environment)
42 Environmental Management
46 Decarbonization
54 Biodiversity
59 Circular Design
63 Approach to Environmental Pollutants and Water Resources

65 Social (Society and Employees)

66 Social (Society and Employees)
68 Diversity and Inclusion
76 Human rights
82 Wellness Management
89 Human Resource Management
95 Safety Quality from Design to Management
108 Safety and Security in Disasters
111 Care for and Activation of Communities
117 Contributions to Local Communities and Society

121 Governance

122 Governance (Group Policy)
123 Corporate Governance
138 Compliance
147 Risk Management
153 Supply Chain Management

157 Related information

158 Index for ESG Investors and Evaluation Organizations
159 ESG Data
173 SASB Content Index
175 GRI Standards
181 Sustainable Finance
187 LRQA Independent Assurance Statement
190 External Evaluations, Initiatives and Affiliated Organizations
196 Policy List

197 Editorial Policy

President’s Message



President and Representative Director, and Chief Executive Officer
Group CEO, Sustainability Committee Chairman, Nomura Real Estate Holdings, Inc.

Satoshi Arai

The Nomura Real Estate Group has formulated a sustainability policy called Earth Pride, which has three goals for the Group by 2050: pursue humanity, maintain harmony with nature, and build the future together. We are taking numerous initiatives towards achieving these.

I believe that all Nomura directors should consider the sustainability policy not just something to strive for in the future but also something we must work as hard as possible towards now, because if we don’t advance the policy’s goals we cannot continue to be the type of corporate group that society needs.

With this in mind, to inform as many people as possible about our sustainability initiatives, in May 2024 we launched a website dedicated to a new project we call Connect and Sustain. I urge you to visit this site, which includes my own thoughts on sustainability.

As we work to make our Earth Pride sustainability policy a reality, we ask for your continued support and we promise to strive harder than ever to meet your expectations.

[Group CEO interview]

- Living creatures of the Earth are also important stakeholders. Talking About Sustainability with Nomura Real Estate Group CEO (Part 1)
- We will pass on the Earth and a sense of urgency to the next generation. Talking About Sustainability with Nomura Real Estate Group CEO (Part 2)

* Redirect to the website for the Nomura Group’s sustainability project, called Connect and Sustain.

Sustainability Management

Sustainability policy

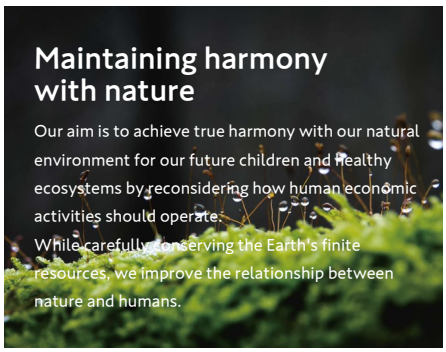
Sustainability Policy (the Group's vision for 2050)

The Nomura Real Estate Group has formulated a sustainability policy called Earth Pride, which details our unique sustainability and the direction we must take in order to become the company we want to be by 2050.
Earth Pride encompasses our role as a company helping create a better future through a better environment. The policy is based on three goals that we value—pursuing humanity, maintaining harmony with nature, and building the future together.



Three goals we value

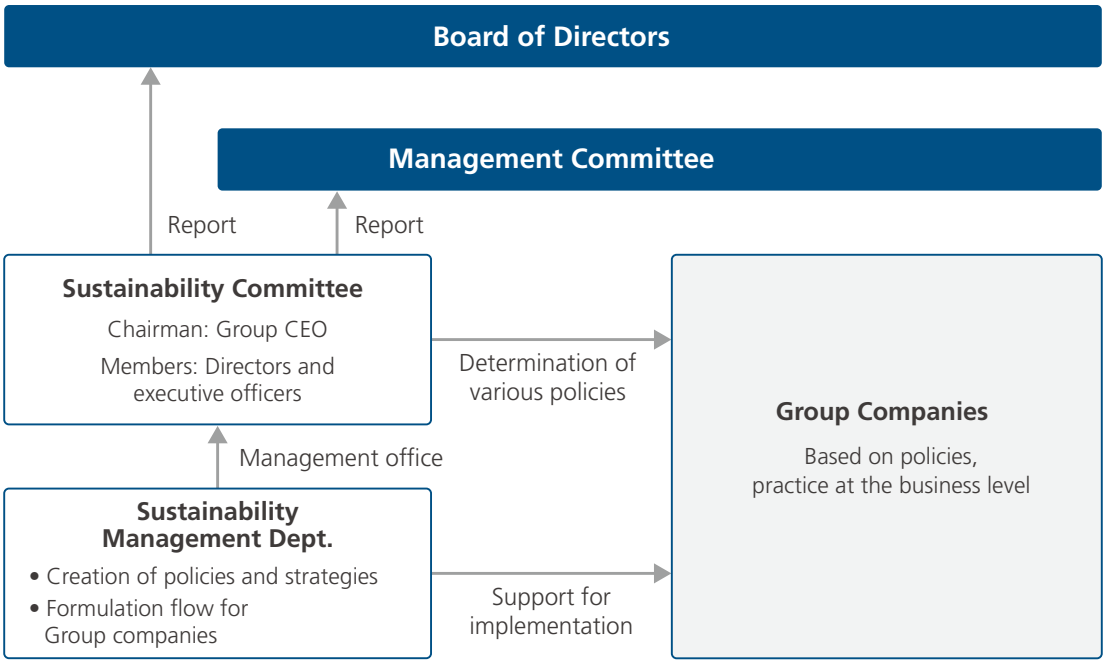






Sustainability Management and Sustainability Policies and Objectives

In April 2020, the Group established the Sustainability Management Department to strengthen and promote its sustainability activities. In addition, after reviewing the meeting system, in April 2020 we established the Sustainability Committee, which since April 2021 has been chaired by the president and Group CEO of Nomura Real Estate Holdings. The committee checks progress on the initiatives for sustainability policies and objectives and deliberates and makes decisions on activity plans.
The main topics discussed in fiscal 2023 included setting targets for decarbonization and disseminating these in-house, and formulating biodiversity policy. The results of discussions are reported to the Board of Directors twice a year and the Management Committee twice a year before being reflected in management plans and business activities.
The Sustainability Committee met three times in fiscal 2023, while the Sustainability Subcommittee, which was set up to stimulate internal discussion, the Environmental Subcommittee, and the Human Rights Subcommittee had 6 meetings in total.
The Sustainability Management Department continues to promote the Group's sustainability activities and to improve each of them through PDCA cycles.



Priority issues (materiality) for 2030 and key performance indicators (KPIs)

Priority Issues (materiality) by 2030

	Materiality	KPI
Society and employees	Diversity and inclusion	Provision of products and services with inclusive design*1
		Procurement guideline survey implementation rate 80%
		Creation of a human rights due diligence system
	Human rights	Childcare leave utilization rate by men and women 100%
		Female manager and junior manager ratio 20%
		Percentage of implementation of one-on-one meetings 100%
		Percentage of participation in human rights training 100%
Climate change and natural environment	Decarbonization	Reduce CO_2 emissions 60% for Scopes 1 and 2 Reduce CO_2 emissions 50% for Scope 3 (compared to fiscal 2019)
		Energy conservation performance indicators in new buildings Maintain ZEH/ZEB-oriented standards
	Biodiversity	Develop timber-based buildings: Carbon storage 10,000 t-CO_2 per year
		Obtain biodiversity certification
	Circular design	Initiatives to promote building longevity: Full implementation of the Group's voluntary standards
		Promote waste reduction and increase recycling rate: Reduction of industrial wastes by 20%

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

Reflecting Sustainability and Other Non-Financial Factors in Director Compensation

The Group requires that directors be strongly aware of the importance of adapting to changes in society and the needs of the times in their selection criteria. Since fiscal 2023, the policy for deciding the details of compensation for every director, excluding Audit & Supervisory Committee members, has been revised. To raise directors' awareness of sustainability, performance indicators that pertain to bonuses (monetary compensation) and the calculation method for these bonuses have taken non-financial indicators (e.g., sustainability factors) into consideration. For fiscal 2023, the non-financial indicators to be evaluated were the energy performance indicators. These are applicable to people holding positions as executive officers or higher at all Group companies.

Officers' compensation

Dialogue with Stakeholders

Approach and Policies

We serve a wide range of stakeholders through the Group's products and services. Towards our mission of sustainable operation, we fulfill our responsibilities to achieve the SDGs and resolve social and environmental issues that could pose risks to the Group's business. In order to co-create shared value with stakeholders, we enhance our communication with them so that we can listen and respond better to their requests and expectations and thus earn their trust.

Overview of Stakeholder Engagement

The Group's main stakeholders are customers, employees, suppliers, investors, sustainability experts (including experts in socially responsible investment and environmental issues), and NPOs/NGOs (in environment, community, and architecture). We are committed to engaging in good-faith communications and building trusting relationships with stakeholders. Opinions received through these interactions are reported to the Sustainability Committee and the Human Resource, Wellness, D&I Committee, which are chaired by the Group CEO.

Major stakeholders	Reasons for selection
Customers	The trust of customers is essential for the Group to promote sustainable business activities. The Group is committed to listening to customers and meeting their expectations.
Employees	Employees are the basis of all business activities. The Group recognizes that having employees engage in their work with enthusiasm and in good physical and mental health is a source of growth for the Group's business activities and for the employees themselves.
Suppliers	All of the Group's business activities are supported by suppliers, and it recognizes the importance of creating healthy and pleasant working environments for all suppliers.
Investors	The Group recognizes that the understanding and trust of its shareholders and investors is essential for conducting sustainable business activities. It will promote appropriate information disclosure and communication.
Sustainability experts (e.g., socially responsible investment, environmental issues)	The Group recognizes that conducting sustainable business activities requires an understanding of and response to social issues. We will seriously consider expert opinions and promote responsible corporate activities and appropriate information disclosure.
NPOs and NGOs (on environment, community, architecture, etc.)	The Group's business activities are inseparable from the local communities in which it operates, and it recognizes the importance of ongoing dialogue with NPOs and NGOs to build relationships of trust with local communities.

Means for dialogue	Main issues raised	Responses
Customers		
• Explanation of products and services (as needed) • Opinion exchange (as needed) • Questionnaires (12 times a year)*1 • Installation of special counters	• Revitalize communities and improve the image among residents of neighboring communities • Treat ecosystems with care and select highly sustainable materials	• Revitalization of communities based on the BE UNITED initiative • Acquisition of biodiversity certification • Proactive use of domestic/certified lumber • Incorporation of questionnaire results in operations and services
Employees		
• Interview with the Human Resources Division and supervisors • Labor-management talks (five times a year)*2 • Group/Company newsletters (four times a year)*3 • Launch of sustainability intranet for employees	• Revitalize communities to give rise to new services and businesses • Provide healthcare facilities and comfortable spaces for the growing number of senior citizens • Introduce ways to incorporate employee opinions	• Revitalization of communities based on the BE UNITED initiative • Promotion of barrier free/universal design/Inclusive Design • Reinforcement of business targeting senior citizens • Holding employee engagement surveys
Suppliers		
• Opinion-sharing on the Procurement Guidelines (once a year) • Safety Conference (once a year)	• Safety and security are the foundation of real estate as social infrastructure • Community development initiatives accompanied by health and well-being initiatives	• Observance of the Design and Standards and the Quality Manual • Observance of the Building Management Quality Assessment Guidelines • Dissemination of the Procurement Guidelines
Shareholders and Investors		
• General shareholder meeting (once a year) • IR meeting (408 times a year)*4 • ESG meeting (18 times a year) • Reports (once a year)	• Meet the needs of society and customers with safe and secure real estate • Develop vibrant communities • Pursue sustainability through business	• Provision of Nomura Real Estate's facilities for disaster victims • Observance of the Design Standards and the Quality Manual • Revitalization of communities based on the BE UNITED initiative • Measures to foster knowledge and understanding of sustainability
Sustainability professionals (e.g., socially responsible investment, environmental issues)		
• Questionnaires	• Seek both environmental and economic performance • Nomura Real Estate's focus on safety and security will further raise corporate value	• Enhancement and promotion of the structure and activities for sustainability management • Enhancement of financial and non-financial KPIs
NPOs and NGOs (on environment, community, architecture, etc.)		
• Opinion exchange • Questionnaires	• Expectations for the implementation of initiatives for senior citizens' households as their numbers increase • Environmental impact from building construction and demolition activities is significant • Consideration for biodiversity	• Reinforcement of the business targeting senior citizens • Design development for revitalizing communities • Use of materials with high durability and equally durable methods for new construction, and prolongation of the large-scale repair work cycle • Reflection of NGO/NPO opinions in biodiversity policy

*1 For details, please see Safety Quality from Design to Management.

*2 Number of collective bargaining sessions held for Nomura Real Estate Development.

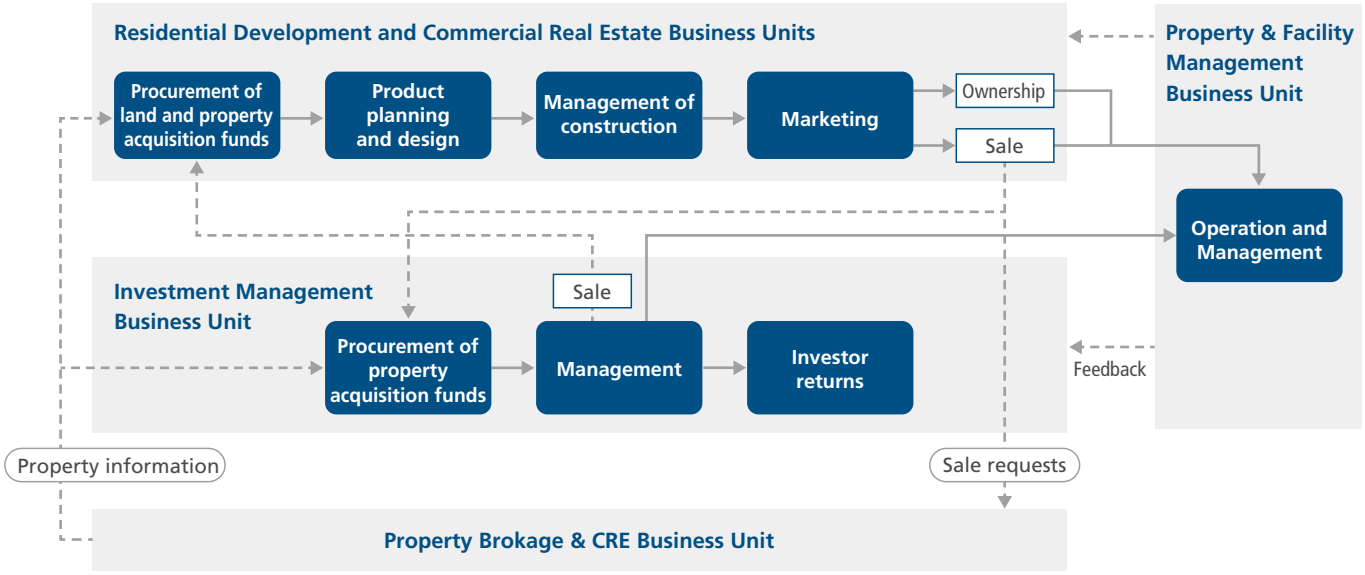
*3 Number of times the Group's internal newsletter (booklet) is published.

*4 Excludes conferences organized by securities companies, small meetings, IR fairs for individual investors, and online information sessions.

Business and Sustainability

In its business activities, the Nomura Real Estate Group carries out sustainability initiatives that address important social issues and meet the expectations of stakeholders.

Business Activities of the Nomura Real Estate Group



Business activities	Main activities	Major stakeholders	Response to major social issues
Acquisition of land and properties, and capital procurement	• Investigation of properties • Real estate appraisal • Environmental assessment • Negotiation and bidding • Contract execution • Capital procurement etc.	• Sellers • Brokers • Financial institutions • Investors • Real estate appraisers • Employees etc.	• Care for and revitalization of communities • Supply chain management • Addressing environmental pollutants
Planning and designing products	• Administration of questionnaires to customers and local communities • Planning of products • Design etc.	• Customers • Local communities • NPO • Design companies • Government agencies • Employees etc.	• Environmental management • Safety quality from design to management • Circular design • Safety and security in disasters • Care for and revitalization of communities • Diversity and inclusion • Supply chain management
Managing construction	• Supervising construction • Quality control • Cost management • Briefings for local residents etc.	• Customers • Local communities • Construction companies • Employees etc.	• Decarbonization • Circular design • Biodiversity • Safety quality from design to Management • Safety and security in disasters • Care for and revitalization of communities • Supply chain management

Business activities	Main activities	Major stakeholders	Response to major social issues
Sales and tenant recruiting	• Marketing • Preparing website and pamphlets • Advertising • Offering explanations of material matters • Contract execution etc.	• Customers • Local communities • NPO • Judicial scriveners • Employees etc.	• Diversity & inclusion • Safety quality from design to management
Investments and investor returns	• Fund formation • Property management • Asset management etc.	• Investors • Customers • Financial institutions • Property management companies • Local communities • Employees etc.	• Environmental management • Decarbonization • Circular design • Safety quality from design to management • Safety and security in disasters • Care for and revitalization of communities • Supply chain management
Operations and management	• Property management • Asset management • Management and repair works, operation of sports clubs and elderly housing with supportive services etc.	• Customers • Local communities • Business owners • Service providers • Construction companies • Employees etc.	• Decarbonization • Circular design • Safety quality from design to management • Safety and security in disasters • Care for and revitalization of communities • Response to aging population and Diversity and support for health • Supplier safety • Supply chain management
Brokerage and CRE	• Investigation of properties • Real estate appraisal • Environmental assessment • Offering explanations of material matters • Contract execution etc.	• Customers • Brokers • Financial institutions • Real estate appraisers • Judicial scriveners • Employees etc.	• Care for and revitalization of communities • Response to aging population and diversity and support for health • Improved customer satisfaction and comfort

The way in which we respond to social issues relating to society, employees, and governance forms the foundation of our sustainability efforts and affects all Group business activities.

Provision of sustainable products and services

We deliver sustainable products and services that help society overcome challenges.

	Priority issues (Materiality)	Products and services
Society and employees	 Diversity & inclusion	Received the Gold, Silver, and Bronze awards in the Pride Index, which evaluates corporate LGBTQ initiatives
		Revitalization of communities based on the BE UNITED Initiative News release (Japanese text only)
		Swimming classes for children from local nurseries, kindergartens, and primary schools News release (Japanese text only)
	 Human rights	Development of OUKAS, health-conscious senior rental housing aimed at extending healthy lifespans News release (Japanese text only)
		Promoting increases in healthy lifespan through the fitness business News release (Japanese text only)
Climate change and natural environment	 Decarbonization	Development of timber-based buildings News release (Initiatives of residential development business) (Japanese text only) News release (initiatives of commercial real estate business) (Japanese text only)
		Proactive use of wood materials made in Japan News release (Japanese text only)
		Promoting the use of wood products in hotel businesses News release (Japanese text only)
		Tsunagu Mori forest TOKYO project—supporting the coexistence of city and nature through business activities News release (Japanese text only)
		Promoting the use of renewable energy in detached houses for sale News release (Japanese text only)
	 Biodiversity	Installation of EV charging facilities in houses News release (Japanese text only)
		Promoting the use of renewable energy in logistics facilities News release (Japanese text only)
		Switching to renewable energy News release (Japanese text only)
	 Circular design	Provision of re:Premium, a service designed to extend the large-scale repair cycle to 16 to 18 years News release (Japanese text only)
		Announcement of Attractive 30, a service designed to lengthen the cycle of largescale repair work for condominiums and provide long-lasting safety and security News release (Japanese text only)
		Pilot demonstration of centralized PET bottle collection for a circular economy News release (Japanese text only)

Materiality Determination Process

Determination Process for Sustainability Policy, Priority Issues (Materiality), and Key Performance Indicators (KPIs)



STEP1. Examine long-term social issues extensively

Social issues were broadly identified, using as reference international guidelines such as ISO 26000, the GRI Standards and SASB, and information from ESG external assessment questionnaires and external consulting firms. Social issues that are closely related to the Group's business were selected after extensively examining their long-term future outlook, including global environmental and social issues and technological trends.

STEP2. Identify key themes for the Group

Based on the social issues identified in STEP 1, workshops were held for the Group's young and mid-career employees (183 participants) to gather opinions as to "What kind of value should be provided in 2050?" and "How do you want the company to be viewed in 2050?". Twelve items were identified in these workshops, then additional workshops were held for the Group's management (214 participants including general managers and senior managers) to score the 12 items.

Twelve items identified

Contribute to a circular economy	Contribute to a decarbonized society	Maintain harmony with the natural environment
Provide healthy and comfortable lifestyles	Develop smart cities	Promote secure and safe urban development
Make unique contribution to regional revitalization	Pursue happiness and dignity for future society	Implement co-creation and open innovation in society
Contribute to diversity and inclusion	Cultivate creativity and sensitivity	Develop rules and standards for market creation

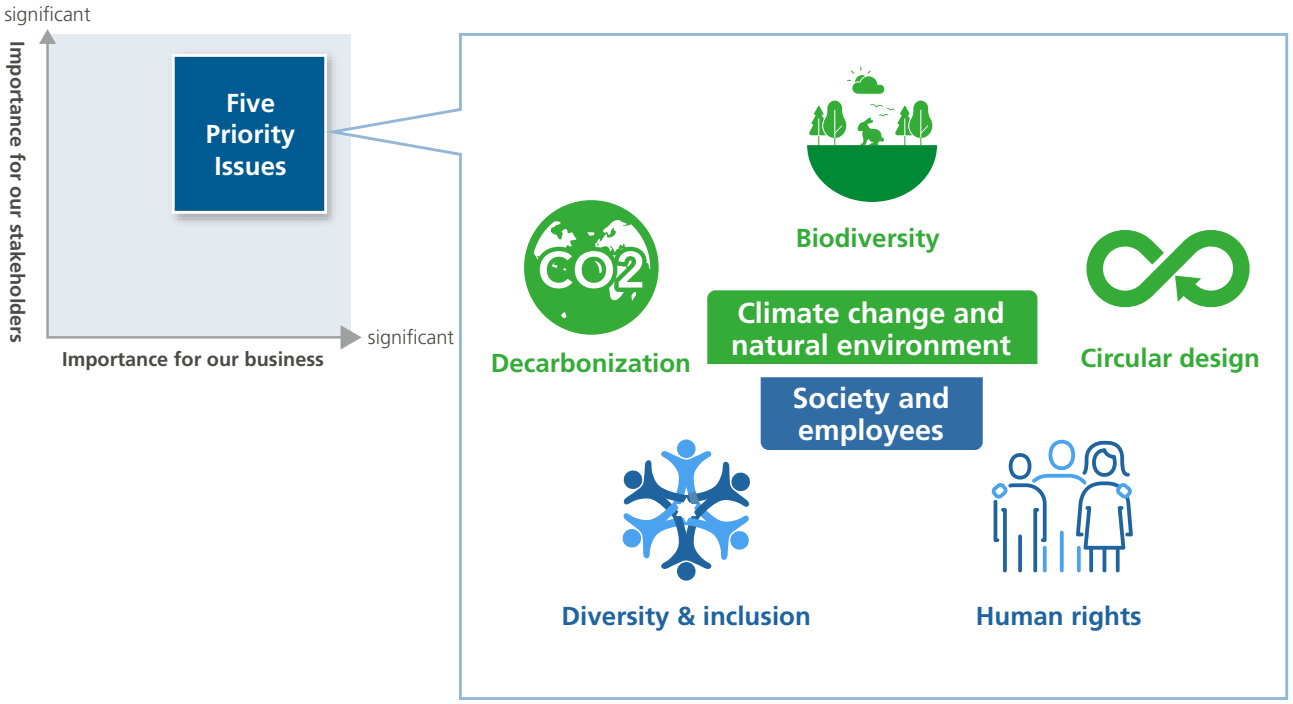
STEP3. Identify key items for stakeholders

We gathered opinions from 41 stakeholders, including sustainability professionals, institutional investors, business partners, and customers, by asking them to score the 12 items identified based on what they expect from the Group and which issues they believe the Group should focus on.

Stakeholders involved	Number	Stakeholders involved	Number
Sustainability experts	10	Business partners (academic institutions in R&D)	4
Institutional investors	5	Business partners (consulting firms)	2
Financial institution	3	JV partner	1
Customers (tenant companies)	3	Prospective employees	3
Customers (condominium residents)	4	Employee union	1
Business partners (construction companies, design offices)	5	Total	41

STEP4. Formulate a sustainability policy and three key themes and finalize priority issues (materiality)

After evaluating the scoring results of Steps 2 and 3, we distributed a questionnaire for the management level employees (20 participants). After further discussions at several Sustainability Committee meetings (chairperson: the president and Group CEO of Nomura Real Estate Holdings), we finalized the Sustainability Policy (the Group's vision of 2050), the three key themes, and the priority issues (Materiality) for 2030, and reported these to the Board of Directors.



Diversity & inclusion	
Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ The sustainable growth of the Company depends upon creating an environment in which a workforce with diverse backgrounds and values can accept and respect each other and everyone can demonstrate their abilities to the fullest.
The Group's approach	○ As a corporate group that connects people, towns, and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected.
Human rights	
Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ Interest and expectations for human rights are high, internally and externally, and they must be addressed as part of corporate activities. If human rights are not taken seriously, the Group's very existence is in danger. ○ The Group can sustain itself only if everyone involved in its business respects each other.
The Group's approach	○ We respect people's dignity and basic human rights throughout our business activities and pursue co-creation initiatives that transcend organizations and business models.
Decarbonization	
Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ The Group's businesses make extensive use of natural resources and energy, so environmental issues affect its business continuity. ○ Environmental issues affect not only the Group's businesses but also the lives and businesses of its stakeholders.
The Group's approach	○ Through urban development and the provision of products and services that leverage property development and property-related services, the Company will play its part in addressing climate change as a shared international concern, with the three main focuses of energy conservation, low-carbon buildings, and renewable energy use.
Biodiversity	
Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ This can contribute to the realization of a decarbonized society as well as the preservation of the natural environment.
The Group's approach	○ We will promote initiatives such as the restoration of forest cycles through the use of domestic timber.

Circular design	
Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ We can contribute to the realization of a decarbonized society by, for example, incorporating mechanisms that promote resource recycling into the designs of products/services and producing less waste by extending the life of products.
The Group's approach	○ We will contribute to the realization of a sustainable society by promoting environmentally sound urban development and service provision. This includes the appropriate use of resources, which also helps reduce CO_2 emissions. ○ We will promote appropriate environmental management and comply with environmental laws and regulations.

STEP5. Set key performance indicators (KPIs) for priority issues (Materiality)

Based on the new mid- to long-term business plan, as well as international frameworks and policy trends such as the GRI Standards, the Sustainability Committee deliberated on and finalized the KPIs for priority issues (Materiality) identified in Step 4 and reported to the Board of Directors.

Achievements and Progress on Priority issues (materiality) for 2030 and KPIs

Priority issues (materiality)		Key performance indicators (KPIs)	Achievements and progress
Society and employees	Diversity & inclusion	Provision of products and services with inclusive design*	Promoting inclusive and universal design Diversity & inclusion
		Procurement guideline survey implementation rate: 80%	Compliance with the procurement guidelines Improved supplier management
	Human rights	Creation of human rights due diligence system	Creation of human rights due diligence system Human rights
		Childcare leave utilization rate by men and women: 100%	Promoting diverse work styles Diversity & inclusion
		Female manager and junior manager ratio: 20%	Promoting active participation by women Diversity & inclusion
		Percentage of implementation of one-on-one meetings: 100%	Enhancing cultivation of human capital Diversity & inclusion
		Percentage of participation in human rights training: 100%	Percentage of participation in human rights training: 100% Human rights
Climate change and the natural environment	Decarbonization	CO_2 emissions: reduce by 60% in Scope 1, 2 and reduce by 50% in Scope 3 (compared to FY2019)	Reducing CO_2 emissions Decarbonization
		Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards	Acquiring of advanced environmenta management certification (DBJ Green Building, LEED, CASBEE, BELS, etc.) Decarbonization
	Biodiversity	Develop timber-based buildings: Carbon storage 10,000 t-CO_2 per year	Promoting use of domestic/certified timber Decarbonization
		Obtain biodiversity certification	Number of biodiversity certifications (ABINC/JHEP/SEGES) acquired Decarbonization
	Circular design	Initiatives to promote building longevity: Full implementation of the Group's voluntary standards	Provisioning products and services with long lifespans and high durability Circular design
		Promote waste reduction and increase recycling rate: Reduction of industrial wastes by 20%	Reducing waste discharge Circular design

* Design process involving people with diverse backgrounds, values, and challenges

TCFD Responding to the Task Force on Climate-related Financial Disclosures



Understanding Climate Change

Climate change is currently recognized as one of the most significant threats to the sustainable development of global society. The Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), released over the course of 2013 and 2014, states that human activities are extremely likely (at least 95%) to be the main cause of global warming and climate change. Subsequently, the IPCC Sixth Assessment Report, released in August 2021, states that it is unequivocal that human activities are the main cause of global warming and climate change.

Based on these scientific views, a debate on how to deal with climate change has raged across the world. At the Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC) in 2015, the Paris Agreement was adopted to pursue efforts to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. Under the Paris Agreement, countries have set targets for reducing greenhouse gas (GHG) emissions and are implementing a variety of climate change-related measures. For example, in Japan, where our Group mainly operates, the government declared its goal in October 2020 to achieve carbon neutrality by 2050.

The impact of climate change on the global economy and corporate activities is becoming increasingly severe with each passing year. Accordingly, shareholders and investors are facing a growing urgency to assess how the businesses and plans of each company will be affected by climate change. Recognizing the need for a common global framework that facilitates an appropriate assessment of the risks and opportunities of climate change for each company, the TCFD was established to promote disclosure of information on climate change in response to requests from the G20 and national central banks. It released its final report in June 2017 and has been encouraging companies to disclose information on climate change.

■ Approach and Policies

In light of these circumstances, the Group established its sustainability policy "Earth Pride," which describes its vision of 2050. Under our Group vision "New Value, Real Value," the Group has been promoting its business activities through the collaboration of real estate development and real estate-related services. The sustainability policy is our commitment to the Earth—to make it a planet we can be proud of toward the future, specifically 2050—when conducting our corporate activities. The concept of Earth Pride is based on the three themes that the Group values: pursuing humanity, maintaining harmony with nature, and building the future together.

Earth Pride

Pursuing humanity

We strive to answer the deep questions of human existence and well-being in a world where technology is increasingly progressing and being integrated into our lives. By providing an inclusive living environment where people support and connect with each other, we contribute to the creation of a society where no one will be left behind.

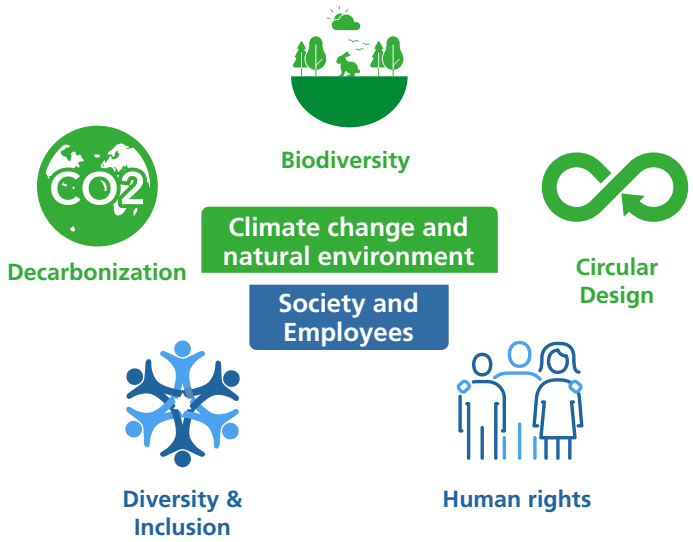
Maintaining harmony with nature

Our aim is to achieve true harmony with our natural environment for our future children and healthy ecosystems by reconsidering how human economic activities should operate.
While carefully conserving the Earth's finite resources, we improve the relationship between nature and humans.

Building the future together

The ambition we have is to create unprecedented value from diverse organizations and people working together to overcome boundaries. We are continuously challenging ourselves with novel ideas of living, business and working styles for an innovative society where all people with various backgrounds and values can build on their strengths.

This sustainability policy verbalizes the Group's vision of 2050 as a corporate group that realizes a sustainable society and corporate growth. Numerous people, including middle-level and younger employees, those in managerial positions, the management team of the Group, external institutional investors and financial institutions, our clients, and business partners and experts, provided input in formulating this policy.
To realize this vision of 2050, we have identified five priority issues (materiality) that should be addressed by 2030. These are diversity and inclusion, human rights, decarbonization, biodiversity, and circular design.



■Targets

Climate Change and the Natural Environment	Contribution to the urgent global issue of reducing CO_2 emissions, biodiversity preservation, and the realization of a circular society that contributes to CO_2 reduction
Decarbonization	Initiatives in energy saving, low-carbon business, and utilization of renewable energy <Target: 60% reduction in Scope1, 2, and 50% reduction in Scope 3 by 2030 compared to FY2019>
Biodiversity	By restoring the forest cycle in Japan, contribute to CO_2 absorption and the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
Circular Design	Contribute to a decarbonized society and a circular economy through urban development and service provision that incorporate longer lives of properties, recycling, and sharing

Society and Employees	Strengthening the foundation for promoting sustainability for co-creation that transcends organizations and business categories
Diversity and Inclusion	Create an organization that enables diverse workers, including women and foreign nationals, with various backgrounds and values to make meaningful contributions
Human Rights	Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner

■ Climate Change and the Natural Environment

We contribute to address the global issue of climate change through urban development and the provision of products and services based on the collaboration of real estate development and real estate-related services. We also specified priority issues that could lead to the preservation of the natural environment. In addition, the Group has proactively participated in international initiatives such as obtaining approval from the SBT initiative (35% reduction from fiscal 2019), supporting the TCFD, and joining RE100.

■ Decarbonization

We reduce total CO_2 emissions in the properties developed by the Group through the promotion of energy saving, low carbon, and renewable energy.

Main initiatives:

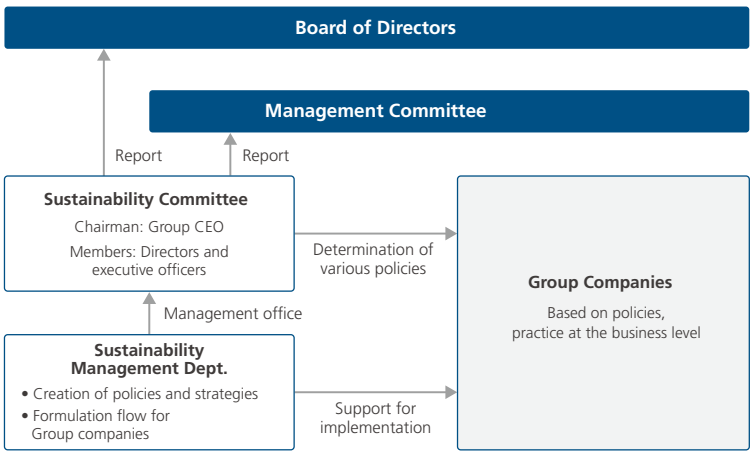
- We aim to further improve energy conservation performance ensuring the level of performance equivalent to the ZEH/ZEB oriented standards.
- We conduct research and development to promote low-carbon materials through co-creation with construction companies and building materials makers.
- We contribute to increasing renewable power generation that achieves additionality such as installing solar panels on the roofs of buildings developed by the Group, logistics facilities, and detached housings.
- We aim to respond to climate change through urban development. For instance, we will achieve carbon neutrality in the Shibaura 1-Chome Project (the south tower to be completed in fiscal 2024 and the north tower to be completed in fiscal 2030). We will also create a next-generation energy exchange facility in the project with the Research Center for Advanced Science and Technology, The University of Tokyo.

Approach and Policies on Climate Change

The Nomura Real Estate Group uses land and other natural resources and energy in the course of conducting business activities, and it is fully aware that the substantial impact of climate change on its business continuity is a major management issue. In September 2020, Nomura Real Estate Holdings, Inc. (head office: Shinjuku-ku, Tokyo; president and Group CEO: Satoshi Arai) announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium of Japan.

Governance

The Sustainability Committee, which comprises Nomura Real Estate Holdings and Group company directors and others, and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates Group-wide policies and targets related to climate change. The committee is positioned as a subordinate committee of the Management Committee and has been holding at least three meetings each year to review risks and opportunities associated with climate change and to examine and monitor the Group's GHG reduction targets. Details



of deliberations made by the committee are, in principle, reported to the Board of Directors and Management Committee at least once every six months. In addition, any key matters related to the Group's management are reported to the board and committee as necessary.

As mentioned above, the Nomura Real Estate Holdings president and Group CEO is responsible for promoting measures to address sustainability and climate change throughout the Group. The Group CEO is the chief executive officer of the Board of Directors and Executive Committee and is responsible for making the best decisions to achieve the sustainable growth of the Group as a company, including addressing sustainability and climate change, and for executing key related operations.

Sustainability Management System

Skill Matrix for Directors

In addition, since fiscal 2019, the Group has been requiring that directors, including the CEO, maintain a strong awareness of the need to adapt to changes in society and the needs of the times under their selection criteria, and it has incorporated the sustainability and ESG perspectives, such as climate change, into decisions on director compensation. In our director compensation system, the degree of achievement of sustainability targets, including measures to respond to climate change, in the business areas under the control of each director, is incorporated into the evaluation criteria. Also, the system calculates variable compensation according to the degree of achievement of roles related to sustainability and ESG assigned to each director.

Starting in fiscal 2022, the policy for deciding the compensation and other benefits for each individual director, excluding Audit & Supervisory Committee members, has been under revision. The details and calculation method for performance indicators and other considerations relating to monetary bonuses will retain a central emphasis on performance evaluation in terms of consolidated business profit and other factors, and will include an evaluation based on non-financial indicators (e.g., sustainability factors). The reason for this is to raise director awareness of sustainability. For fiscal 2022 and 2023, we conducted an evaluation using non-financial indicators based on the Building Energy-efficiency Index*.

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

Director Compensation System

Strategies

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 possible risks and opportunities to the Group as a result of climate change and consider and implement strategies and policies that capture such risks and opportunities.

Scope of Analysis

The analysis covers all businesses of the Group: the Residential Development Business Unit (development and sale of condominiums and detached housing, and development, leasing, and sale of hotels), the Commercial Real Estate Business Unit (office buildings, retail facilities, and logistics facilities), the Overseas Business Unit (development, sale, and leasing of properties overseas), the Investment Management Business Unit (management of REITs and private funds), the Property Brokerage & CRE Business Unit (real estate brokerage), the Property & Facility Management Business Unit (real estate management), and other businesses.
The scope of calculation of GHG emissions includes all of Scope 1, 2, and 3 emissions generated by the Group.

Setting out scenarios

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

- Representative Concentration Pathway (RCP) 2.6 and 8.5 scenarios in the UN IPCC Fifth Assessment Report
- United Nations IPCC Sixth Assessment Report (2021)
- Sustainable Development Scenario (SDS) and Stated Policies Scenario (STEPS) in the IEA World Energy Outlook (2020)

Possible changes to the global environment under each scenario

Under each scenario, we have established an image of the world in 2050 for the 1.5°C, 2°C, and 4°C scenarios.

Items	1.5°C Scenario	2°C Scenario	4°C Scenario
Sea level rise	Approx. 0.28-0.55 m	Approx. 0.32-0.62 m	Approx. 0.63-1.01 m
Typhoon	Increase by approx. 10%	Increase by approx. 13%	Increase by approx. 30%
Flood	Increase by approx. 2.3 times	Increase by approx. 3.2-4.6 times	Increase by approx. 9.2-11.5 times
Severe rainfall (1-in-10-year event)	Increase by approx. 1.2 times	Increase by approx. 1.3 times	Increase by approx. 2.1 times
Midsummer days	Increase by approx. 2 days	Increase by approx. 3 days	Increase by approx. 19 days
Extreme heat (1-in-10 year event)	Increase by approx. 1.5 times	Increase by approx. 2.0 times	Increase by approx. 3.4 times
Laws and regulations	Progress in enforcing extremely strict regulations	Progress in enforcing strict regulations	Limited regulatory impact
Laws and regulations (carbon pricing)	$250/t-$CO_2$	$200/t-$CO_2$	$113/t-$CO_2$
Laws and regulations/ Customers/ Technology (buildings)	Achieve ZEB in all new buildings by 2030 and achieve ZEB in 20% of existing buildings through retrofitting by 2030, 50% by 2040, and 85% by 2050	Achieve ZEH or ZEB in all new houses and commercial buildings by 2030	More support in installing high-performance ventilation equipment, and revision in the certification system for distributors

Identification of Risks and Opportunities

The TCFD recommendations classify climate change-related risks and opportunities into transition risks and opportunities (policy and legal, technology, market, and reputation) and physical risks and opportunities (acute and chronic). The Group has accordingly identified the impact of each risk and opportunity on the Group in terms of financial impact (classified as small, medium, or large) and in terms of time (classified as long, medium, or short).

Financial impact degree setting	Degree of impact setting	Degree of impact on consolidated business profit	Base value (amount/year) of degree of impact as of end of March 2024
	Large	10%–	¥11.3 billion–
	Medium	5%-10%	¥5.6–¥11.3 billion
	Small	–5%	–¥5.6 billion

Timeline setting	Duration of impact setting	Forecast period
	Short term	–2025
	Medium term	–2030
	Long term	–2050

	Category		Items	1.5°C		2°C		4°C	
	Large category	Small category		Degree of impact	Duration	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	Small	Medium	None	None
			Increase in the carbon tax imposed on the Company's own emissions (Scopes 1 & 2)	Small	Medium to long	Small	Medium	None	Short
		Market	Increase in the carbon tax imposed on the Company's own emissions (Scopes 1 & 2)	Small	Medium to long	Small	Medium	None	Short
			Investments in energy-efficient equipment	Small	Medium to long	Small	Medium	None	None
		Reputational	Loss on annual leases of non-ZEB properties	Medium	Medium	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	Small	Long
		Chronic	Damage from rising sea levels (floods)	Small	Long	Medium	Long	Medium	Long
			Damage from rising temperatures (extremely hot days, on which the temperature rises above 35˚C)	Small	Long	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	Medium	Medium	None	None
			Increase in ZEH property sales	Large	Medium	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	Small	Short
			Decrease in heating costs due to higher energy-efficient performance	Small	Medium	Small	Medium	Small	Medium

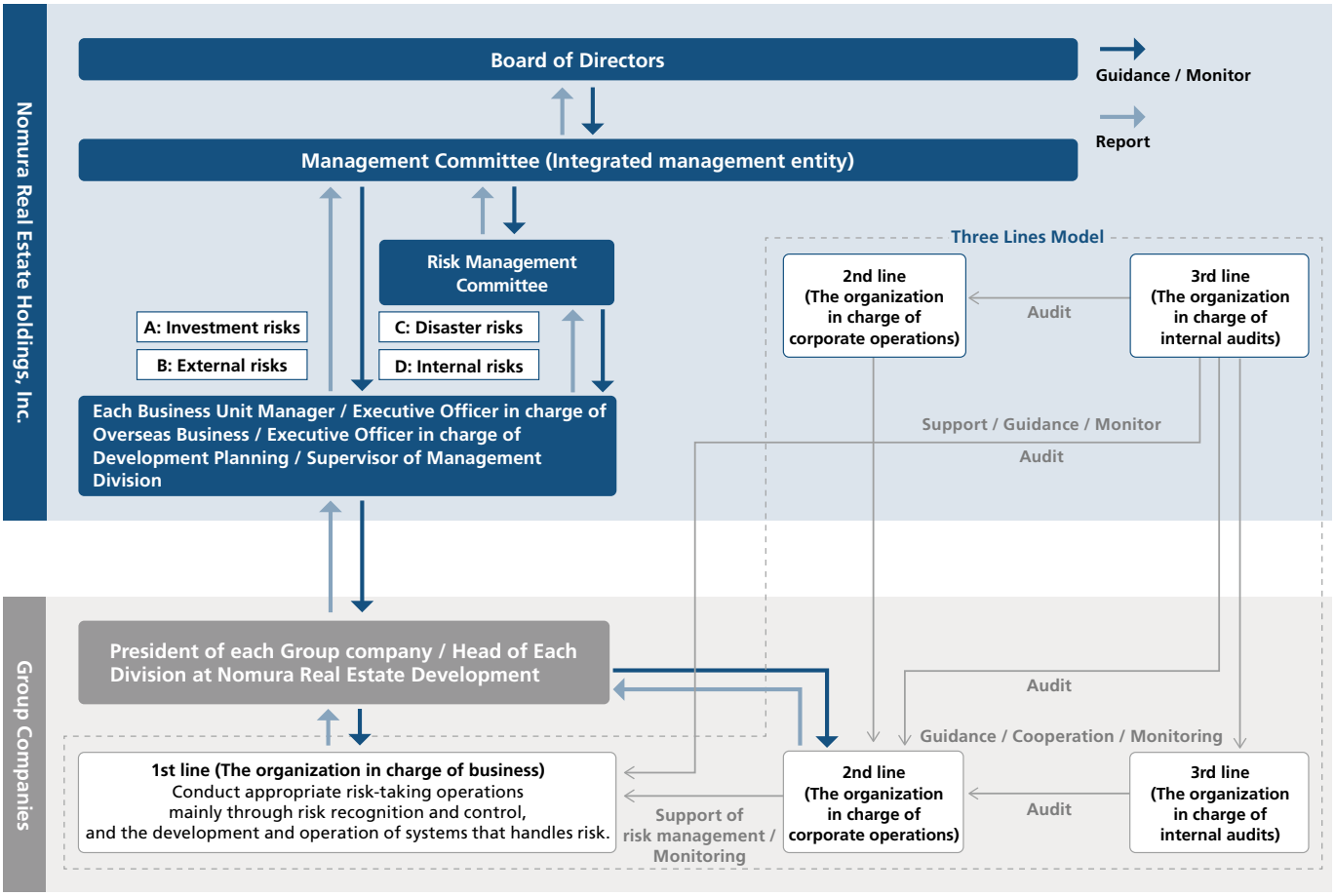
* Note: Items that are currently difficult to quantify are marked "—".

Risk Management

To discuss various risks related to Group management, the Company has made the Management Committee the integrated risk management body and operates a system to regularly monitor, evaluate, and analyze the state of main risks and provide necessary guidance and advice to each business unit and Group company while regularly reporting details to the Board of Directors. The committee, which is the integrated management body, directly monitors investment risks and external risks, while the Risk Management Committee, established as a subordinate organization of the Management Committee, conducts regular monitoring, evaluation, and analysis of disaster risks and internal risks and discusses basic response policies regarding risk prevention, responses when risk occurs, and prevention of recurrence. The Board of Directors and the Management Committee manage and supervise 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.

Risk category		Definition
A	Investment risks	Risk related to individual investments (real estate investment, strategic investment (M&A), etc.)
B	External risks	Risks related to external factors influencing business
C	Disaster risks	Risks generated by disasters that have a large impact on customers and business continuity
D	Internal risks	Operational risks occurring at the company and each Group company

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 to, depending on their content, the Board of Directors, Management Committee, Sustainability Committee, or Risk Management Committee.



Sustainability Management System
Risk Management System

Metrics and Targets

The Group has set the following targets to promote its response to climate change and has also identified the indicators described below for greenhouse gases.

Item		Scope	Target for 2030	Unit
Long-term: Achieve carbon neutrality by 2050		Group-wide Scope 1, 2, and 3*1	0	kt-CO_2
Rate of reduction in total CO_2 emissions	KPI Medium-term: by 2030	Group-wide Scopes 1, 2, and 3 (Categories 1 and 11)*2	35	%
	Short-term: by 2025 Total reduction rate (compared to fiscal 2019)		15	
Introduction of renewable energy	Reduce energy use Medium-term: by 2050 Use of electricity derived from renewable energy sources (joined RE100 in January 2022)	Group-wide	100	%
	Short-term: by fiscal 2023 Use of electricity derived from renewable energy sources*3 Use of electricity derived from renewable energy sources*3	All leasing properties owned by Nomura Real Estate Development		
KPI Energy-efficiency index for new buildings ZEH/ZEB oriented standards (BEI value)*4			Maintain same level	-

Nomura Real Estate Group received SBT certification in November 2020, in the target for the rate of reduction in total CO_2 emissions.
In November 2024, group set a new reduction target based on the 1.5˚C scenario and is currently applying for SBT certification.

〈New reduction target: 60% reduction of CO_2 emissions in Scope 1, 2 and 50% reduction of CO_2 emissions in Scope 3. (compared to FY2019)〉

Press release

*1 Scope 1: Direct emissions from fuel combustion; Scope 2: Indirect emissions associated with purchased electricity and heating; Scope 3: Indirect emissions other than those in Scopes 1 and 2

*2 In Scope 3, Category 1 (emissions from construction of buildings, etc.) and Category 11 (emissions from use of sold products) are targeted, which cover approximately 94.21% of the Scope 3 emissions in fiscal 2019.

*3 Excludes leasing properties (including the portion used by tenants) for which Nomura Real Estate Development has concluded direct electricity supply contracts with power companies, properties in which Nomura Real Estate Development owns units solely or jointly with other parties, and properties planned to be sold or demolished, as well as the common use areas of some rental housing.

*4 In order to achieve ZEH/ZEB oriented level by 2030, BEI (Building Energy-efficiently Index) value to be achieved in each year is set. The degree of achievement of the BEI value is measured. The BEI is based on the energy-saving standards of the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) and indicates a building's level of primary energy consumption.

The Group will in principle promote measures to respond to climate change by collecting data on GHG (CO_2) emissions for all properties owned and sold by the Group as a whole and reducing the GHG emissions of the entire Group by compiling and monitoring the results. We will also look into setting an ultra-long-term target to achieve carbon neutrality by 2050. For the results related to climate change, please refer to the following.

Medium- to Long-Term Targets*

(Unit: kt-CO_2)

	FY2019	FY2020		FY2021		FY2022		FY2023	
			Reduction rate		Reduction rate		Reduction rate		Reduction rate
Scope1	23	20	-14.8%	21	-8.8%	23	-0.5%	24	4.9%
Scope2	126	112	-11.7%	107	-15.3%	74	-41.1%	50	-59.9%
Scope 1, 2 (totals)	150	132	-12.2%	129	-14.3%	98	-34.7%	75	-49.7%
Scope 3 Category 1: Purchased products and services	969	453	-53.2%	702	-27.6%	698	-28.0%	773	-20.2%
Scope 3 Category 11: Use of products sold	2,203	834	-62.1%	1,214	-44.9%	1,170	-46.9%	1,287	-41.5%
Scope 3 (totals) Note: Targeted only	3,172	1,287	-59.4%	1,916	-39.6%	1,868	-41.1%	2,060	-35.0%

Third-party Assurance

We have asked Lloyd's Register Quality Assurance Ltd. to provide assurance on the GHG emissions and energy use data for the entire Group.

Independent Assurance Statement

Reference: Performance on Other Climate Change-Related Issues

(1) GHG emissions performance in Scopes 1 and 2

(Unit: t-CO_2)

	FY2019 (Base year)	FY2020	FY2021	FY2022	FY2023
Scope1	23	20	21	23	24
Scope2	126	112	107	74	50
Scope 1, 2 (totals)	150	132	129	98	75

(2) GHG emissions performance by all items in Scope 3

(Unit: kt-CO_2)

	FY2019	FY2020		FY2021		FY2022		FY2023	
			Reduction rate		Reduction rate		Reduction rate		Reduction rate
1: Products and services purchased	969	453	-53.2%	702	-27.6%	698	-28.0%	773	-20.2%
2: Capital goods	71	97	+37.5%	159	+124.0%	111	+56.1%	164	130.6%
3: Fuel- and energy-related activities not included in Scopes 1 and 2	27	24	-9.5%	24	-11.3%	24	-10.7%	25	-6.9%
4: Transportation and delivery (upstream)	4	3	-22.5%	4	+9.4%	6	+69.7%	6	67.0%
5: Waste generated by businesses	6	5	-22.5%	7	+9.4%	11	+69.7%	14	107.8%
6: Business trips	1	0*2	-34.1%	0*2	-32.2%	1	-29.3%	1	-28.1%
7: Employers' commuting	2	2	+0.6%	1	-20.0%	1	-32.8%	1	-30.4%
8: Lease assets (upstream)	—	—	—	—	—	—	—	—	—
9: Transportation and delivery (downstream)	—	—	—	—	—	—	—	—	—
10: Processing of products sold	—	—	—	—	—	—	—	—	—
11: Use of products sold	2,203	834	-62.1%	1,214	-44.9%	1,170	-46.9%	1,287	-41.5%
12: Disposal of products sold	62	19	-68.7%	38	-37.9%	38	-38.8%	50	-19.9%
13: Lease assets (downstream)	19	14	-26.2%	13	-28.8%	12	-36.9%	9	-47.4%
14: Franchise	—	—	—	—	—	—	—	—	—
15: Investments	—	—	—	—	—	—	—	—	—
Scope 3 (totals)	3,367	1,456	-56.8%	2,167	-35.6%	2,075	-38.4%	2,334	-30.6%

*1 Data for previous years has been corrected retrospectively to improve accuracy.

*2 Less than 1

(3) Energy use performance in properties subject to reporting under the Act on the Rational Use of Energy

	FY2020	FY2021	FY2022	FY2023
Energy consumption (MWh)	381,817	379,428	382,231	380,366
Energy use intensity (MWh/m^2)	0.184	0.182	0.186	0.205

* For the calculation of the energy use intensity, energy use is divided by the gross floor area of a property subject to reporting under the Act on the Rational Use of Energy (property subject to reporting on energy saving).

The Group is striving to reduce CO_2 emissions through the three approaches of energy conservation, low-carbon buildings, and renewable energy.

(4) Energy Conservation Initiatives

(4-1) ZEH (Net Zero Energy House) initiatives

The Group is developing ZEHs* in condominiums from the perspective of comprehensive environmental impact reduction. In fiscal 2022, PROUD Aobadai was selected as a Ministry of the Environment High-Rise ZEH-M Support Project. Also, in fiscal 2023, PROUD tower Sagami-ohno cross was selected as a Super High-Rise ZEH-M Demonstration Project of the Ministry of Economy, Trade and Industry. The Group will ensure ZEH- and ZEB-oriented standards in all new buildings by 2030. We also began initiatives in fiscal 2022 to make detached housing ZEH.

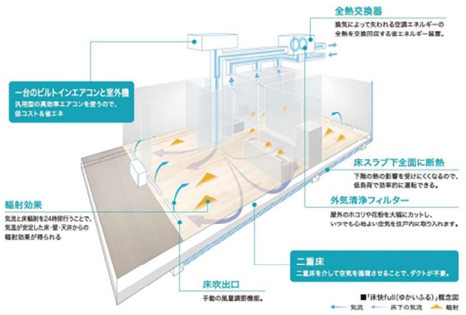


* ZEH: Homes designed to achieve a net zero annual primary energy consumption by greatly improving the insulation performance of the building envelope, installing highly efficient facilities and equipment to maintain the quality of the indoor environment, substantially reducing energy consumption, and then introducing renewable energy.

ZEH Condominium Initiatives (Japanese text only)

"Yukai-full" Offering Both Environmental Performance and Healthy, Comfortable Living

In order to deliver the energy-saving performance of ZEH-M, we have adopted "Yukai-full" in some of the PROUD properties. The "Yukai-full" system uses a double floor as a pathway for heating, cooling, and ventilation, sending air conditioner breezes and fresh outside air throughout the entire dwelling, which keeps the entire space comfortable 24 hours a day, 365 days a year. This contributes to maintaining the overall health of the residents by reducing the risk of heat stress and heatstroke. In addition, the system can be operated at a lower temperature setting than usual when residents are out of the building, thereby saving energy while maintaining comfort and improving energy efficiency.



Conceptual diagram

(4-2) Initiatives for obtaining green building certifications

The Group seeks to obtain environmental, green building certifications for new construction and owned properties including DBJ Green Building*1, LEED*2, CASBEE*3, and BELS*4.

Quantified target: Acquisition rate of green building certifications for newly constructed fixed assets and income-producing properties (excluding rental housing): 100%

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

(4-3) Helping customers save energy

The Group provides products and services that address climate change in accordance with the Design and Construction Standards and the Quality Manual. Thermal insulation performance rating* of level 4 (the highest level), double-glazed windows (end panel eco-glass), LED lighting fixtures, and other features are set as standard specifications for PROUD condominiums, and Environmental Assessment and Challenge Sheets are used to improve the environmental performance.

(4-4) Reduction of chlorofluorocarbons

To reduce the usage of ozone layer-depleting chlorofluorocarbons, the Group established a quality manual that requires the use of chlorofluorocarbon-free insulation and air conditioner refrigerants. Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials are used.

(5) Low-carbon Buildings (Timber-based Construction, Absorption, and Fixation of CO_2)

(5-1) Timber supply chain

The self-sufficiency rate for timber in Japan is currently over 40% but remains low compared to other countries, and the Forestry Agency's White Paper on Forestry and Forest Products has set a target of achieving 50% self-sufficiency in timber by 2025.

One reason for the low self-sufficiency rate is that the supply chain for domestic timber, from upstream to downstream, is not fully functional. Despite the rich domestic resources that are available, there are cases in which timber that has reached its usable age is not being felled due to a failure to secure a buyer.

In response, the Company has entered into an Agreement on the Promotion of Timber Use in Buildings with both the Ministry of Agriculture, Forestry and Fisheries and Wing Co. Ltd. to develop a stable supply chain from upstream to downstream for domestic timber. Over the next five years, we will gradually promote the use of domestic timber for construction materials in the Group's businesses, using a total of 10,000 m^3 of domestic timber before the agreement ends, while Wing Co. Ltd. will work in cooperation with logging, manufacturing, and processing companies nationwide to ensure a stable supply of domestic timber.

All businesses involved in the upstream, midstream, and downstream of this supply chain will work together to promote the use of domestic timber, thereby revitalizing Japan's mountain villages and maintaining the forest cycle. Through the initiative, we will also contribute to establishing a forest cycle that serves multifaceted functions, such as promoting the absorption and fixation of CO_2 and preserving biodiversity.

Upstream (forestry operators)	Midstream (manufacturers and suppliers of construction materials)	Downstream (developers)
Provide a stable supply of timber to the Nomura Real Estate Group throughout the year.	Provide a stable supply of timber to the Nomura Real Estate Group throughout the year. To be established by Wing.	Gradually promote the use of domestic timber as construction materials in the Group's detached housing businesses.

(6) Renewable energy initiatives

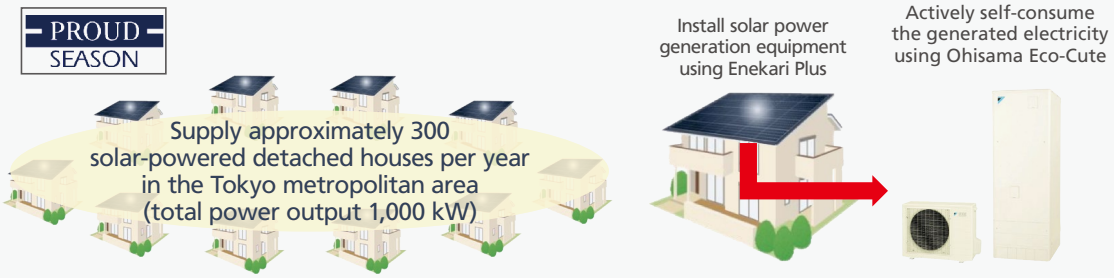
(6-1) Solar power generation business in the logistics facilities

The Group is promoting its solar power generation business. As of the end of March 2024, solar panels were installed on a total of 19 buildings at Landport logistics facilities, with an annual output of 23,837 MWh/year in the entire portfolio.

	FY2020	FY2021	FY2022	FY2023
Solar power generating facility installation rate at Landport logistics facilities (%)	90.0	76.0	67.8	59.3
Electric power generated at Landport logistics facilities (MWh)	21,926	22,801	22,356	23,837

(6-2) Introducing solar power generation to detached housing

Using TEPCO Energy Partner's solar PPA service "Enekari Plus," in May 2022 Nomura Real Estate Development launched the Virtual Mega Solar project, introducing solar power generation on the same scale as mega solar power plants (total power output of 1,000 kW) for PROUD SEASON detached housing developed by Nomura Real Estate Development, mainly in the Tokyo Metropolitan Area. This is the first initiative in Japan to introduce solar power generation with a total output of 1,000 kW to detached housing in the Tokyo metropolitan area (300 houses per year on the roof of the PROUD Season houses), and the two companies will promote this initiative for localized generation and consumption of electric power to conserve and generate energy in the Tokyo metropolitan area, where there are few areas of fallow land to be utilized.



By bringing in TEPCO EP's Enekari Plus to approximately 300 PROUD SEASON houses of Nomura Real Estate Development per year, we will generate renewable energy, which achieves additionality on the same scale as mega solar power generation in residential areas in the metropolitan area. PROUD SEASON owners can use the energy generated by the solar power equipment for the duration of the Enekari Plus contract (ten years) without incurring initial or monthly costs. When the contract ends, they will also get to own the solar power generation equipment free of charge. Furthermore, using the solar power equipment in conjunction with an Ohisama Eco-Cute electric water heater promotes self-consumption of the generated electricity and reduces the amount of electricity purchased from the power company, thus suppressing the rise in electricity and gas bills caused by recent fuel price hikes. In the event of a disaster, PROUD SEASON owners can continue to use electricity during the hours when solar power generation can take place, as well as the hot water stored in the Ohisama Eco-Cute for general household use, making their lives more secure.

(6-3) Use of renewable energy

The Group will aggressively pursue decarbonization through its businesses. Besides procuring renewable energy through corporate PPAs and other means, we will utilize company assets in urban areas that have limited idle land by installing solar power generation equipment on our Landport logistics facilities and our PROUD series of condominiums and detached housing, thus generating energy.
In one of these initiatives, we are collaborating with an outside partner in base power such as wind power and domestic wood biomass, as well as combining daytime solar power and battery-stored daytime-generated solar power and using these as night-time-use solar power during the high-energy-demand times from evening onwards. This is done through a service that offers optimal energy depending on the specific demands of each office building or retail facility. In addition, we have introduced renewable energy with 100% additionality in two office buildings in Tokyo owned by Nomura Real Estate Development.

Two office buildings in Tokyo owned by Nomura Real Estate Development use X-PPA, an electricity supply service of PowerX Inc., for renewable energy with 100% additionality

(7) Blue Front Shibaura

Blue Front Shibaura is a phased reconstruction project of a large-scale complex of offices, commercial facilities, hotels, and other facilities in Minato-ku, Tokyo. It has been approved as a national strategic special zone. Under the theme of creating a city that is healthy and comfortable to live in, the project aims to realize offices that promote worker wellness and achieve ZEB Oriented status by being an ideal place to work and reducing CO_2 emissions, as well as becoming carbon neutral in future by introducing electricity derived from renewable energy sources. In recognition of this plan, the project was selected by the Ministry of Land, Infrastructure, Transport and Tourism as the leading projects program for sustainable buildings (CO_2 reduction type) in 2021.



For past special features, click here.

TNFD Disclosures Based on the Proposals of the TaskForce on Nature-related Financial Disclosures



- Introduction (Recognition of the current situation and approach to natural capital)
- Governance
- Strategy
- Risk and Impact Management
- Measuring Indicators and Targets
- Current Initiatives and Future Policies

Introduction
(Recognition of the current situation and approach to natural capital)

Awareness of Nature

The loss of nature and biodiversity is deteriorating globally, and there is growing concern about its impact on the world's natural environment. The World Economic Forum (WEF) estimates that more than half of the economic value of the total GDP generated in the world depends on natural capital, and the degradation of that natural capital is a clear risk to socioeconomic sustainability. The 15th Conference of the Parties to the Convention on Biological Diversity (COP15) held in December 2022 adopted the "Kunming-Montreal Biodiversity Framework" and set "Nature Positive" as its 2030 mission to "halt and reverse biodiversity loss" or "Nature Positive".

In line with these trends, the Taskforce on Nature-related Financial Disclosures (TNFD) was established to present a common global framework that enables companies to properly assess nature-related risks and opportunities. The TNFD, a global organization, was conceptualized at the 2019 World Economic Forum Annual Meeting (Davos) and was established in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wildlife Fund (WWF), and the UK-based environmental NGO Global Canopy. TNFD released its final report in September 2023 and requires companies to disclose nature-related information.

The Group Policy

The Nomura Real Estate Group has selected "biodiversity" as one of its priority issues "materiality" for the period up to 2030, and is promoting various initiatives as well as supports the principles of the TNFD and joined the TNFD Forum in July 2022. Through our participation in the TNFD Forum, we will continue to assess the impact of all our business activities on biodiversity and promote initiatives for its conservation and restoration.

In addition, our sustainability policy, "Earth Pride" which sets forth our vision for the year 2050, states "Maintaining harmony with nature" as a theme that is important to us.

Approach and Policy on Natural Capital

The Group conducts its business activities using land and various natural capital and recognizes that the loss of biodiversity poses risks of harming the living and business environments of our stakeholders. In response to the risks, the Group's overall policy is to contribute to the conservation of the natural environment through urban greening and forest improvement that will restore forest cycles in Japan and provide habitats for a variety of living organisms.

In our business activities, we give due consideration to biodiversity throughout the Group and strive to develop our business with full awareness of biodiversity by appropriately complying with environmental laws and regulations. We consult with government agencies and other stakeholders from the planning stage as appropriate to mitigate impacts and restore the natural environment. In addition, considering our participation in the 30by30 Alliance for Biodiversity established by the Ministry of the Environment, we will work toward conserving at least 30% of our national lands and sea areas as natural environment zones by 2030.

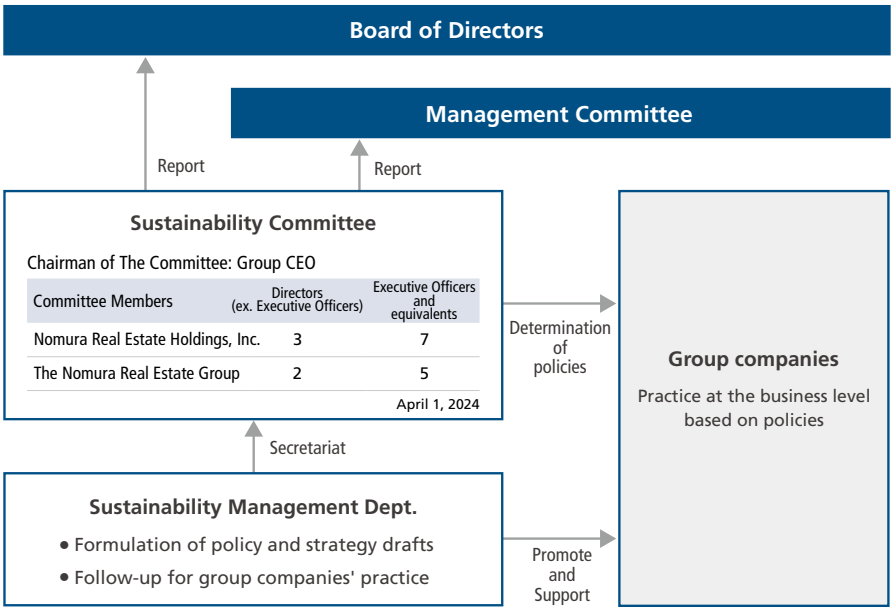
Furthermore, we have established Nomura Real Estate Group Biodiversity Policy to promote business activities to realize Nature Positive.

Governance

In order to further strengthen and promote sustainability activities, in April 2020, the Group established Sustainability Management Dept. and changed the name from "CSR Committee" to "Sustainability Committee," and it has been chaired by President and Representative Director, Group CEO of Nomura Real Estate Holdings since April 2021.

The Sustainability Committee checks progress on the initiatives for sustainability policies and objectives, including nature and biodiversity, and deliberates and makes decisions on activity plans. The results of discussions are regularly reported to the Board of Directors and the Management Committee and are reflected in and supervised by the management plan and business activities. In the future, the Group will deepen its discussions on how to deal with dependencies/impacts and risks/opportunities related to nature and biodiversity, set specific indicators and targets, and consider more sophisticated methods of monitoring and supervising progress.

In the fiscal year ending March 31, 2024, the Sustainability Committee met three times to discuss five priority issues Materiality (including "biodiversity") and other issues to promote each materiality. In addition, we held subcommittees nine times, including the Environmental Subcommittee. We will continue to promote sustainability activities by implementing the PDCA cycle in accordance with sustainability policies. The contents of the TNFD disclosure are reported at the Board of Directors and Sustainability Committee meetings for the fiscal years ending March 31, 2024 and 2025.



In addition to the above structure, we refer to the knowledge of outside experts regarding sustainability-related initiatives, including nature and biodiversity.

Sustainability Management
Directors' Skills Matrix

We also engage with stakeholders affected by our nature and biodiversity-related dependencies/impacts, risks, and opportunities. The status of engagement will be disclosed in the future.

Strategies

In line with the LEAP approach of Guidance TNFD published, the Group has analyzed its dependencies on and impacts on nature. In addition, we have examined what risks and opportunities may pose to the Group and has considered and implemented strategies and measures to understand those.

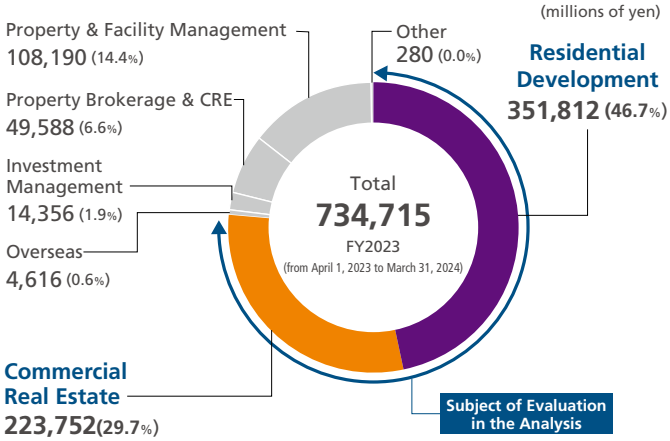
Scope of Evaluation Subject through Analysis

The Group consists of the following business units: the Residential Development Business (development and sales of condominiums and houses, development, leasing, and sales of condominiums for rent, and development, leasing, and operation of hotels); the Commercial Real Estate Business (development, leasing, sales, and entrusted operation of office buildings, logistics facilities, commercial facilities, etc.); the Overseas Business (development, sales, and leasing of properties overseas); and the Investment Management Business (asset management for listed /private REITs and private placement funds), Property Brokerage & CRE Business (real estate brokerage, consulting, etc.), Property & Facility Management Business (operation, management, and construction contracting of condominiums and office buildings, etc.), and others. This is the first year of TNFD disclosure, and we have started our initial analysis by picking up few business units from the Group. We selected the Residential Development Business Unit and the Commercial Real Estate Business Unit for Evaluation Subject because those business units have the top two operating revenue and profit, and as those, involve development, considered to have a particularly large impact on nature. Those two units together account for more than 70% of operating revenue and profit.

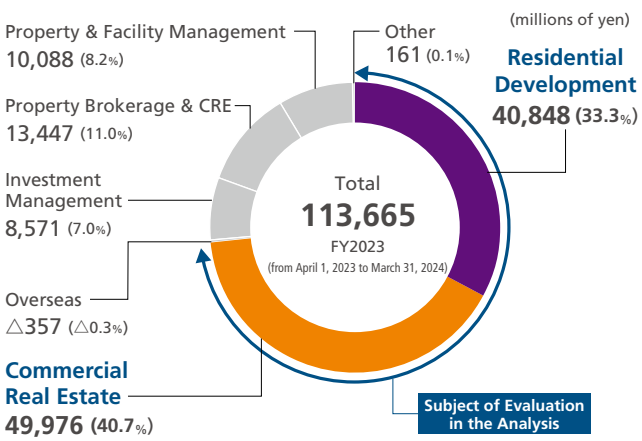
In analyzing the analysis of specific business activities of the Residential Development Business and Commercial Real Estate Business, which are selected as the subject, we conducted a qualitative evaluation of the relationship between each business activity and natural capital, examined the stages that were considered to have a particularly large relationship, and included “acquisition of land and properties, and capital procurement,” “planning and designing products,” “management of construction,” and “ownership (operation and leasing)” in this analysis.

Operating Revenue and Business Profit Composition by our group

■Operating Revenue Composition by Business Unit

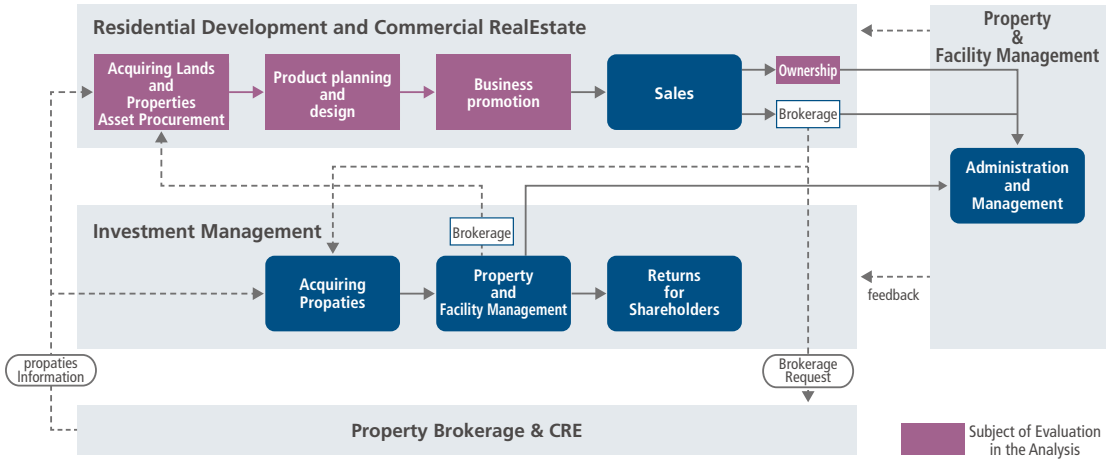


■Business Profit Composition by Business Unit*



* Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions
It differs from the total amount displayed in the center of the pie chart because the total of Operating Revenue and Business profit by Business Unit does not include the amount of "adjustment" for unit.
The percentages above are calculated based on the simple sum of each value.

Business activities of our group



Note: We will consider expanding scope of evaluation subject through analysis of the business units and value chains.

In this qualitative evaluation, "Acquisition of lands and properties, and asset procurement," " Product planning and design" and "Business promotion" of the Residential and Commercial Real Estate Business Unit, which fall under the upstream of the value chain, and "Ownership (operation and leasing)," which falls under direct operations, are considered to have a relatively high degree of relationship with natural capital (medium or higher) and were included in this analysis.

Business activities Residential Development Business Unit, Commercial Real Estate Business Unit	Value chain category	Details	Assessment results of relationship with nature	
			Degree of relationship	Assessment results
Acquiring Lands and Properties Asset Procurement	Upstream	Investigation of properties Real estate appraisal Environmental assessment Negotiations & bidding Contracts Financing	Medium	・Acquisition of land/property determines the impact on the surrounding natural environment.
Product planning and design	Upstream/Direct operation	Questionnaires to customers and local communities Product planning Designing	Medium	・Planning and designing products determine the impact on the natural environment when they are developed and owned (leased).
Business promotion	Upstream/Direct operation	Supervising construction Quality control Cost management Resident information session	High	・Impacts the surrounding natural environment in the development (construction) phase. ・Impacts nature in the procurement of raw materials for construction materials (raw material extraction). It is also dependent on natural resources.
		Construction Raw material procurement	High	
Operation	Direct operation	Marketing Preparing website and pamphlets Advertising Offering explanations of material matters Contract execution etc.	Low	—
Ownership	Direct operation	—	Medium	・The presence of owned (leased) properties and the generation of pollutants and waste impact the surrounding natural environment.
Brokerage	Downstream	—	Low	—

(Legend) Degree of relationship

High ⋯ Business activities that are highly dependent on or have the potential to have a significant impact on the natural environment

Medium ⋯ Business activities that are dependent to a certain degree on nature or have the potential to have a certain degree of impact

Low ⋯ Business activities that are considered to have little or no relationship with nature

⋯ Evaluation Subject through Analysis

Analysis of Dependency/Impact

Using the "ENCORE*1" tool for assessing dependencies and impacts on nature, we analyzed the dependency*2 and impact*3 relationships with nature for the business activities ("Acquiring Lands and Properties, Asset Procurement", "Product planning and design", "Business promotion", and "Ownership") evaluated in this analysis.

For "Business promotion" the analysis was divided into the three categories of "supervising construction, quality control, cost management, and briefings for local residents," "raw material procurement," and "construction," from the perspective of how to relate to nature. Of these, "raw material procurement" was analyzed for iron ore, sand, limestone, and lumber, which are important raw materials for the Group. For these analysis targets, we referred to Sub-industries and Processes classified by ENCORE and analyzed natural dependency/impact relationships.

Business activities	Sub-industries of ENCORE	Processes of ENCORE
Acquiring Lands and Properties Asset Procurement	Real Estate Development	Real estate activities
Product planning and design	Construction & Engineering	Infrastructure builds
Business promotion (Supervising Construction, quality control, cost management, and briefings for local residents)	Real Estate Development	Real estate activities
(Raw material procurement: iron ore, sand, limestone)	Diversified Metals & Mining	Mining
Business promotion (Raw material procurement: lumber)	Forest Products	Production of forest and wood-based products
Business promotion (Construction: housing construction)	Homebuilding	Construction
Business promotion (Construction: construction of office buildings)	Construction & Engineering	Infrastructure builds
Ownership (Operation/leasing)	Real Estate Operating Companies	Real estate activities

*1 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) refers to the Assessment Tool for Dependencies and Impacts on Nature developed by the United Nations Environment Programme World Conservation Monitoring Center (UNEP-WCSC) and others. A list of potential nature dependencies and impacts and flow diagrams, etc. can be obtained here.

*2 Dependency refers to the dependency of a business activity on ecosystem.

*3 Impact refers to the impact of business activities on nature.

■Dependency/Impact relationship between the Group's business activities and Nature

Important business activities				Dependencies								Impacts									
Category	Value chain category	Subcategory	Further subcategory	Provisioning services				Regulating and maintenance services			Cultural services	Ecosystem use						Disturbances			
				Ground water	Surface water	Water flow maintenance	Fibres and other materials	Climate regulation	Flood and storm protection	Mass stabilisation and erosion control	Mediation of sensory impacts	Terrestrial ecosystem use	Fresh water ecosystem use	Marine ecosystem use	Disturbances	Water use	GHG emissions	Non-GHG air pollutants	Soil pollutants	Water pollutants	Solid waste
Acquiring Lands and Properties Asset Procurement	Upstream/ Direct operation	Investigation of properties Real estate appraisal Environmental assessment Negotiations & bidding Contracts Financing	–																		
Product planning and design	Direct operation	Questionnaires to customers and local communities Product planning Designing	–																		
Business promotion	Upstream	Supervising construction Quality control Cost management Briefings for local residents	–																		
	Upstream/ Direct operation	Raw material procurement	Iron ore																		
			Sand																		
			Limestone																		
			Lumber																		
		Construction	Housing construction																		
			Construction of office buildings																		
Ownership (Operation and leasing)	Direct operation	Operation and leasing of real estate	Operation and leasing of residences, office buildings, and fitness facilities, etc.																		

Dependency/Impact on Nature

- ··· With a very high degree of dependencies/impacts on natural capital
- ··· With a high degree of dependencies/impacts on natural capital
- ··· With a medium degree of dependencies/impacts on natural capital
- ··· With a low degree to very small degree of dependencies/impacts on natural capital

Through the analysis by ENCORE, the "dependency" aspect of the Group's business activities on "ground water", "surface water" etc. for supply services, and the "impact" aspect of the Group's business activities on "ecosystem use", "disturbances", "water use", "GHG emissions", "pollutants", "solid waste", etc. were identified as having a wide range of impacts. Among these, the impact of the use of "terrestrial ecosystems" was found to have a particularly large impact.

Identification of Risks and Opportunities

Based on the results of the above dependency and impact analysis, we have evaluated the risks and opportunities that can be assumed from dependencies and impacts rated as "medium or higher" The TNFD recommendations categorize nature-related risks and opportunities into transition risks (policy, market, technology, reputation, liability), physical risks (acute and chronic), and opportunities. The Group has identified risks and opportunities according to this classification.

	Large category	Small category	Item	Value chain category
Risks	Transition risks	Policy	・Decrease in land for development due to tightening of nature conservation policies and increase in procurement costs of raw materials due to decrease in the volume of raw material distribution	Upstream
			・Increase in response costs due to tighter laws and regulations related to minimizing the burden on nature, greening properties, protecting and restoring nature, etc.	Direct operations
		Market	・Increase in procurement costs due to higher raw material prices, resulting from increased demand for sustainable raw materials (e.g., lumber)	Upstream
			・Decrease in sales due to reduced demand for properties with insufficient consideration for nature	Direct operations
		Technology	・Increase in the cost of introducing construction technologies and methods that reduce the impact on nature	Upstream
		Reputation, liability	・Reputation damage and compensation incurred due to criticism of procurement, development, operations, etc. that adversely affect nature	Upstream・Direct operations
	Physical risks	Acute	・Decrease in procurement of raw materials or increase in procurement costs due to frequent natural disasters. Increase in construction costs due to construction delays and interruptions Decrease in sales and increase in restoration costs due to closure of operations at operated properties.	Upstream・Direct operations
		Chronic	・Decrease in procurement volume and increase in procurement costs due to deterioration of raw material production environment	Upstream
			・Decrease in suitable development sites and increase in construction insurance premiums due to increased risk of natural disasters	Upstream
			・Development and operations by the company and other operators cause loss of natural capital and landscape in the surrounding area and a decline in property values.	Direct operations
			・Increase in air conditioning costs due to deteriorating heat island effect	Direct operations
Opportunities	Market		・Increase in sales and asset value through increased demand for nature-friendly properties, such as those with biodiversity certification, and wooden construction using sustainable construction materials (e.g., lumber harvested in the forests in Okutama Town in Tokyo)	Upstream・Direct operations
	Capital flows and financing		・Use of new funding measures and other measures to protect and restore nature	Upstream
	Resource efficiency		・Reduction in construction material usage and operating costs through high efficiency technology, and reduction in industrial waste disposal costs through promotion of circular economy, etc.	Upstream・Direct operations
	Products and services		・Increase in sales and asset value by offering new properties and services in harmony with natural capital	Upstream・Direct operations
	Reputational capital		・Improvement of reputation through procurement, construction, and operations with consideration for natural capital, including distribution of procurement guidelines and development of biodiversity policy	Upstream・Direct operations
	Sustainable use of natural resources		・Promoting the use of sustainably sourced and produced construction materials	Upstream・Direct operations
	Ecosystem protection, restoration and regeneration		・Contributing to the protection, restoration, and use of the environment on procurement sites and in the vicinity of developed and owned properties	Upstream・Direct operations

Note: We will consider the sophistication of the above analyses by periodically reviewing the identified risks and opportunities in conjunction with dependency and impact analysis, as well as conducting qualitative and quantitative analysis of impacts by referring to science-based climate-nature scenarios, and analyzing the probability of the timing of manifestation in the short, medium, and long term, etc.

Analysis of points of contact with sensitive areas

As a result of the analysis of dependency and impact relationships, we identified the points of contact between sensitive areas in “terrestrial ecosystems” and our business areas. Based on the fact, the impact of “terrestrial ecosystem use” is significant. Specifically, we used IBAT (Integrated Biodiversity Assessment Tool), a biodiversity risk assessment tool, to check the existence of nature conservation areas etc.* in each area where properties are located, targeting properties owned and sold by the Group (in FY2022).

IBAT provides map information showing the distribution of various nature conservation areas, and by using IBAT to determine the location of areas of ecological concern in relation to the locations of our business activities, we can determine where and how the Group's operations may be impacting the ecosystems in which we operate.

The map information referred to on IBAT is shown in the table below. (For details of each map information, refer to the descriptions of nature conservation areas in the Notes.)

Map information referenced on IBAT	Notation on this website
National	National and Quasi-national park
World Heritage	World Natural Heritage
Ramsar	Ramsar Convention
MAB	UNESCO MAB
IUCN management category	IUCN Category
STAR layers 50 km resolution	STAR Score
Key Biodiversity Areas (KBA)	KBA

We selected properties owned or sold by the Group in FY2022 which is the most recent available data, as the base year. 'Properties owned' refer to ones that the Group owned throughout Japan as of FY2022, and 'properties sold' refer to ones that the Group sold throughout Japan during FY2022. A total of about 700 properties (when counting detached properties one by one) fell under those categories.

As a result of the analysis using IBAT, majority of the nature conservation areas identified in the areas where the Group's properties are located were “National and Quasi-national park”, “IUCN Category IV/V”, and “KBA”. The existence of “World Natural Heritage” and “IUCN Category Ia/III” was not confirmed. The other nature conservation areas partially exist in areas where the Group's properties are not concentrated.
(Refer to the table “Existence of Nature Conservation Areas in areas where our group's properties are concentrated”)

In the areas where the Group's properties are concentrated, the existence of nature conservation areas such as “National and Quasi-national park)”, “IUCN Category IV/V”, and “KBA” was confirmed. The total gross floor area of properties located in the 10 areas listed in the table “Existence of Nature Conservation Areas in areas where our group properties are concentrated” accounts for more than 80% of the total gross floor area of the subject properties. Due to the nature of our business development, the Group believes that there is little new loss of nature in the city center and metropolitan area, as most of those developments are in areas where buildings have already existed.

In addition, some of the Group's properties are located within a radius of several dozens of kilometers of areas designated as important nature conservation areas, but a review of the development status of the relevant major properties and other information indicates that there is no business activity within the nature conservation areas. We currently have no new plans for additional development in these areas. In addition to complying with the Environmental Impact Assessment and other legal requirements, the Group check the contact with nature for each property when we conduct business activities that may have effects on nature conservation areas.

In areas where the properties developed and owned by the Group are concentrated, it is possible that the Group's operations will have an impact on nature, but at the same time, a positive cycle can be also expected as the Group takes initiatives to

protect and restore nature. In these areas, the Group is also measuring the effects of the Group's activities and examining the possibility of creating new opportunities.

For this analysis, we focused on terrestrial ecosystems which have the highest degree of impact and analyzed the points of contact with sensitive areas. Since the Group also develops and owns properties bordering freshwater and coastal areas, we recognize that the impact on ecosystems in those areas is also significant. We are also considering analyzing the points of contact with areas requiring attention for freshwater and marine ecosystems in the future.

* The description of the targeted nature conservation areas is as follows.

Nature conservation areas	Overview
National and Quasi-national park	Protected areas, such as national and quasi-national parks, where certain development, hunting, and other activities are restricted by law
World Natural Heritage	Areas registered as World Natural Heritage by UNESCO and properly protected and managed by the national government
Ramsar Convention	Wetlands listed by Ramsar Convention Signatory Countries in the Register of Wetlands of Global Importance maintained by the Secretariat of the Convention
UNESCO MAB (UNESCO's Man and the Biosphere)	Model regions established by governments based on the UNESCO "Man and Biosphere Programme" that have rich ecosystems and promote sustainable economic activities utilizing the natural resources of the region
IUCN Category	A protected area category maintained by the International Union for Conservation of Nature (IUCN), and the lower the number, the more heavily protected the area 〈Ia: Strict Nature Reserve〉 The characteristics of the area are formed without human involvement and will be degraded and disrupted if affected by some human activity. All native species that should be in the area are present, and all ecosystems that should be present are present. Largely undisturbed and with complete ecological processes. 〈Ib: Wilderness Area〉 The area has a near pristine nature, with a high proportion of native ecosystems, and is in perfect condition. The native flora and fauna are present with little/no deficiencies. The area is sufficient to conserve biodiversity, ecological processes and ecosystem services. 〈 II :: National Park〉 The composition, structure, and function of the biodiversity is very close to its "natural" state. The area is of sufficient coverage and ecological quality to sustain ecological functions and actions. 〈III: Natural Monument or Feature〉 An ecological setting, usually small in area and not a vast ecosystem, associated with one or more outstanding natural features. The term "natural" refers to both entirely natural and human-influenced. 〈IV: Habitat/Species Management area〉 Habitats of plant and animal species considered important at the global, national, and local levels. The size varies, but many are relatively small. 〈V : Protected Landscape/Seascape〉 Areas that have acquired ecological, biological, cultural, and scenic values as a result of man's interaction with nature over the years. The balanced interaction between humans and nature is intact. 〈VI: Protected Area with sustainable use of natural resources〉 Vast natural areas of tropical rainforests, deserts, wetlands, coastal, high seas, and frigid forests. Most of them are in their natural state.
STAR Score	The International Union for Conservation of Nature (IUCN) has developed a Red List of threatened wildlife species. In our analysis, the Species Threat Abatement and Recovery (STAR) score, which expresses the impact of efforts in each 50 km square mesh area on reducing the global extinction risk of a species, was used to determine the Red List species. The STAR Score is calculated by multiplying the Red List species by the distribution and rarity weighting and the impact of human activities. Each mesh area is classified into 6 categories, from Very Low to Very High, according to the score.
KBA	It is an abbreviation for Key Biodiversity Area, which is an important area that is key to the conservation of biodiversity. These areas are organized into three categories: IBA (Important Bird Area) established by BirdLife International, which is engaged in bird conservation; IPA (Important Plant Area), which is an important area for plants; AZE (Alliance for Zero Extinction), which is an area inhabited by endangered species whose distribution is limited to one place; and areas that are not included in existing protected areas.

References:

- Ministry of the Environment, “Status of Designation of 17 Biodiversity Protected Areas”
- Ministry of the Environment, “World Natural Heritage in Japan”
- Ministry of the Environment, “The Ramsar Convention and Convention Wetlands”
- Ministry of Education, Culture, Sports, Science and Technology “Biosphere Reserve (UNESCO Eco-Park)”
- Higashi, Hiroyuki (2019), “What is a protected area: An overview of IUCN protected area management categories”
- IBAT “Species Threat Abatement and Restoration Metric (STAR)”
- IBAT “Species Threat Abatement and Restoration (STAR) data layer Business User Guidance”
- Conservation International Japan, “What is KBA?”

■The presence of nature conservation areas where the group’s properties concentrated areas

■ ··· the areas where the existence of nature conservation areas confirmed

Hub Areas				Type of nature conservation area, etc												
				National	World natural Heritage	Ramsar	UNESCO MAB	IUCN management category							STAR>100	KBA
Region	Prefecture	Area name	Total floor space					Ⅰa	Ⅰb	Ⅱ	Ⅲ	Ⅳ	Ⅴ	Ⅵ		
Kanto	Tokyo	Southwestern part of 23 wards	About 860,000m²	■								■				■
Kanto	Kanagawa	Yokohama, Kasawaki	About 730,000m²	■								■				
Kansai	Osaka	Osaka City	About 340,000m²	■								■				■
Kanto	Saitama	Southern central part	About 260,000m²	■								■	■			
Kanto	Tokyo	Northwestern part of 23 wards	About 180,000m²	■								■				
Kanto	Chiba	Higashikatsushika	About 170,000m²	■								■	■			■
Kanto	Tokyo	Eastern part of 23 wards	About 120,000m²	■								■				■
Kanto	Tokyo	Northern part of Tokyo	About 120,000m²	■								■	■			■
Kanto	Tokyo	Southern part of Tokyo	About 100,000m²	■								■	■			■
Kansai	Osaka	Northern Osaka	About 100,000m²	■								■	■			

The cities, towns, and villages included in each area in the table are as follows

Tokyo

- Southwestern part of 23 wards ····· Minato, Shibuya, Setagaya, Chiyoda, Ota, Chuo, Shinagawa and Meguro wards
- Northwestern part of 23 wards ····· Shinjuku, Suginami, Nakano, Itabashi Bunkyo, Toshima, Kita and Nerima wards
- Eastern part of 23 wards ····· Katsushika, Edogawa, Koto, Arakawa, Adachi Taito and Sumida wards
- Northern part of Tokyo ····· Kokubunji City, Kunitachi City, Mitaka City, Koganei City, Kodaira City, Nishitokyo City, Chofu City, Fuchu City, Musashino City and Tachikawa City
- Southern part of Tokyo ····· Inagi City, Tama City, Machida City, Hino City and Hachioji City

Kanagawa

- Yokohama, Kawasaki ····· Yokohama City and Kawasaki City

Saitama

- Southern central part ····· Saitama City, Shiki City, Tokorozawa City, Ageo City, Kawagoe City, Kawaguchi City and Asaka City

Chiba

- Higashikatsushika ····· Urayasu City, Ichikawa City, Narashino City, Matsudo City, Funabashi City, Kashiwa City, Yachiyo City, and Nagareyama City

Osaka

- Osaka City ····· Osaka City
- Northern Osaka ····· Ibaraki City, Takatsuki City and Toyonaka City

We will also consider analyzing “areas of rapid decline in ecosystem integrity,” “areas of high physical water risks,” and “areas of importance for ecosystem service provision, including benefits to Indigenous Peoples, Local Communities and stakeholders“.

Risk and Impact Management

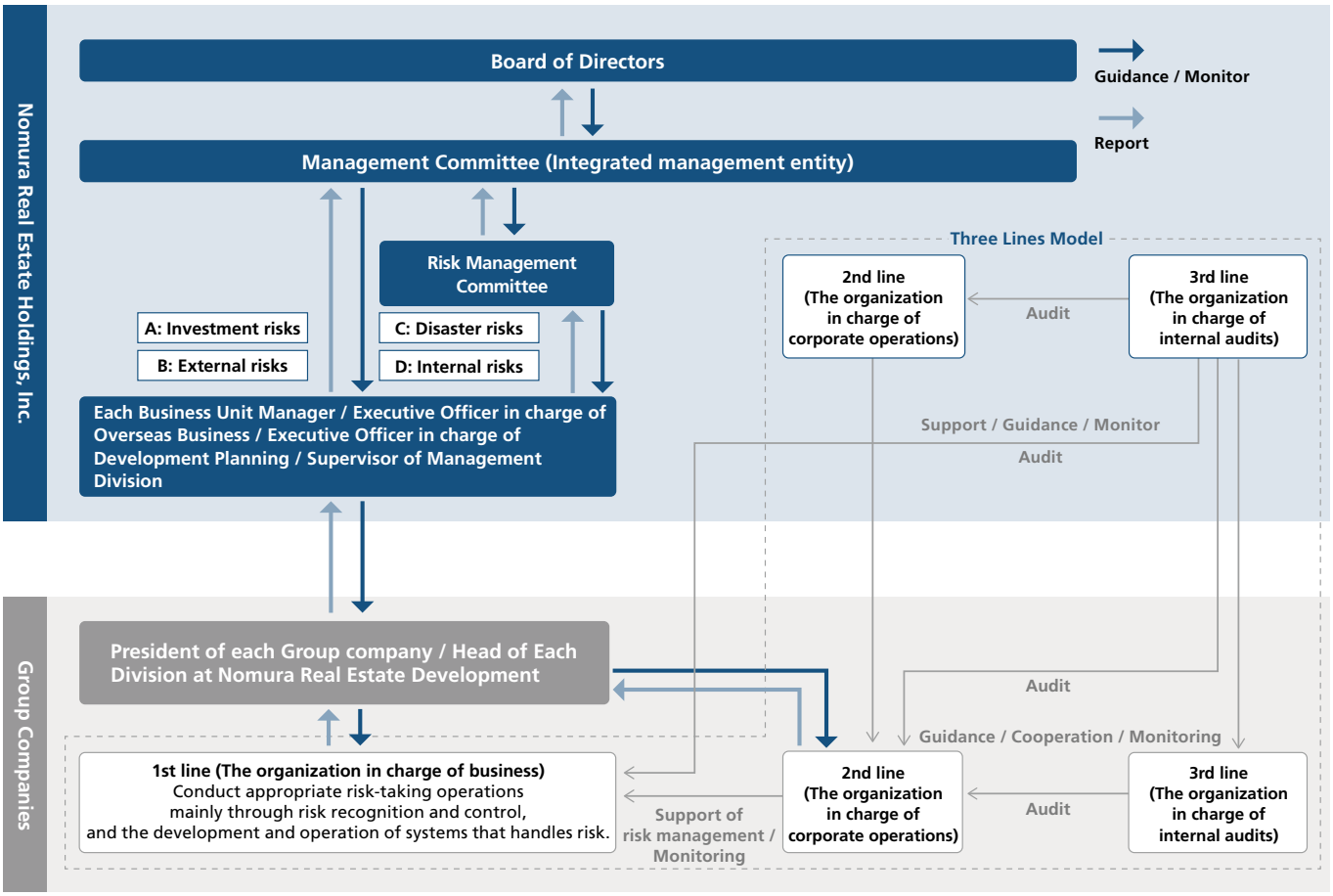
To discuss various risks related to Group management, the Company has prescribed the Management Committee as the integrated risk management body and operates a system to regularly monitor, evaluate, and analyze the state of main risks and provide necessary guidance and advice to each business unit and Group company while regularly reporting details to the Board of Directors. The committee, which is the integrated management body, directly monitors investment risks and external risks, while the Risk Management Committee, established as a subordinate organization of the Management Committee, conducts regular monitoring, evaluation, and analysis of disaster risks and internal risks and discusses basic response policies regarding risk prevention, responses when risk occurs, and prevention of recurrence. Sustainability-related opportunities and risks, including those related to nature and biodiversity, and their impacts are also

Risk categories		Main risk items
A	Investment risks	Risks related to individual investments (real estate investment, strategic investment (M&A), etc.)
B	External risks	Risks related to external factors that may affect the business
C	Disaster risks	Risks arising from disasters that have a major impact on customers and business continuity, etc.
D	Internal risks	Operational risks that occur at our company and each of our group companies

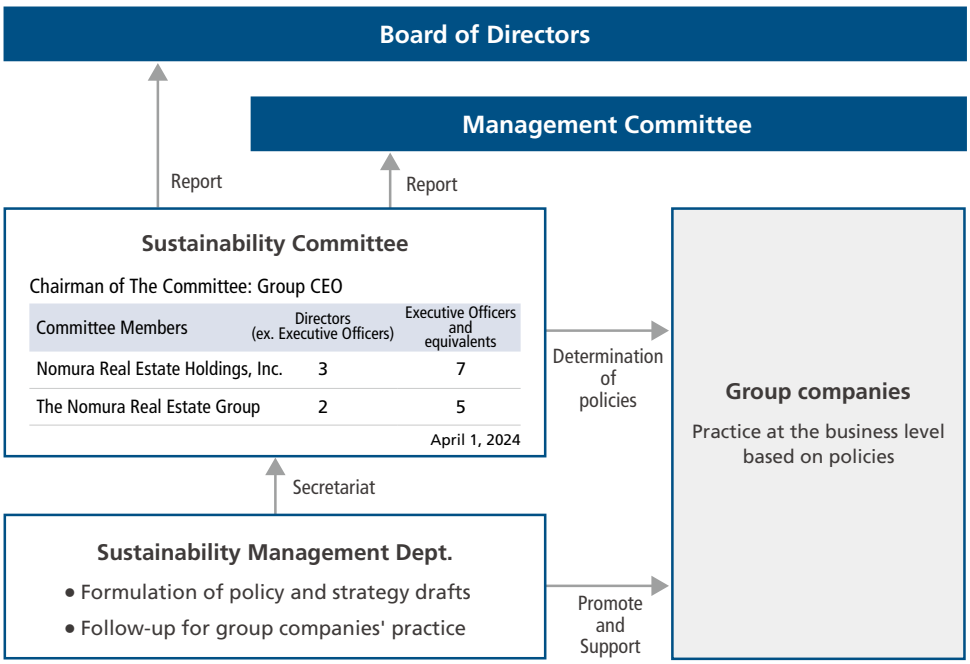
reviewed by the Sustainability Committee on a case-by-case basis, and matters that have a significant impact on the entire Group are reported to and discussed by the Board of Directors, Management Committee, and Risk Management Committee as appropriate, depending on their content.

The Sustainability Committee is also responsible for the integrated management of sustainability-related risks and opportunities and the individual management of sustainability-related risks and opportunities in various Group management issues, including the formulation of policies and plans related to sustainability promotion and performance management, matters related to the penetration of understanding among Group employees and disclosure of various information, and deliberation of Group-wide policies and targets, as well as the prioritization of measures.

Risk Management System



Sustainability Management



Risk management
Sustainability management

Metrics and Targets

The Group has established its own KPIs and metrics and targets to avoid loss of biodiversity and natural capital, and to maintain, restore, and improve their condition.

Key performance indicators (KPIs) for key issues (materiality) by 2030 and other metrics

	Metrics	Targets	Performance/ progress	References	Value chain categories	TNFD Metric no.	
						Core	Additional
KPI	CO_2 emissions (Scope1·2)	60% reduction	▲34.7% (FY2022)	Reduction of CO_2 Emissions	Direct operations Upstream	No applicable numbers	—
KPI	Improvement of waste volume reduction and waste reuse rate: Industrial waste volume reduction rate	20%*	Aggregation phase	Reduction of Waste Emissions	Direct operations		A2.1*
Metrics	Discharge amount (sewage)	—	1,701 thousand m³ (FY2022)	Other Performance Data (Provision of Long-Life, High-Durability Products and Services)	Direct operations	C2.1	—
Metrics	Water consumption (thousand m³)	—	339 thousand m³ (FY2022)	Other Performance Data (Provision of Long-Life, High-Durability Products and Services)	Direct operations		A3.0

* This target shows the Group's KPIs in relation to the metric numbers listed in Annex 2: TNFD additional global disclosure metrics in the Recommendations of the Taskforce on Nature-related Financial Disclosures, issued in September 2023.

For other indicators that are not included in the TNFD Disclosure Indicators, refer to Biodiversity.

Note: The Nomura Real Estate Group is continuously reviewing nature and biodiversity related metrics and targets with reference to the Kunming-Montreal Biodiversity Framework targets, Paris Agreement, SDGs targets, Planetary Boundary, etc. Whenever new metrics and targets applicable to TNFD Disclosure Indicators are established, the disclosures will be updated as necessary.

Current Initiatives and Future Policies

Formulation of Biodiversity Policy

In April 2024, the Group formulated Nomura Real Estate Group Biodiversity Policy to address biodiversity and nature-related issues throughout the Group through its business activities. The policy endorses the "Kunming-Montreal Biodiversity Framework," an global goal, and commits the Group to promote actions to achieve "Nature Positive," which aims to halt, reverse, and put biodiversity loss on a recovery track by 2030, and to apply the principle of "Mitigation Hierarchy," which requires that measures to avoid, reduce, and compensate for negative impacts on biodiversity caused by business activities be implemented in this order of priority. In addition, Based on its main business areas, the Group aims to define priority areas and solve social issues through a "landscape approach*1 " that integrally improves the health of ecosystems such as forests, rivers, towns, and oceans in priority areas, as well as the well-being of people. Furthermore, we are committed to maximizing the use of nature-based solutions (NbS) and promoting nature-positive initiatives through our business activities.

Our challenge for “Mori wo Tsunagu” TOKYO project (Integrated Forest Management Project in Tokyo)”

As a practical initiative to solve issues through the “landscape approach,” the Group has launched the “Mori wo Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo)”, which aims to create a symbiotic relationship between nature and the city in Tokyo, one of the Group's main business areas. “Tsunagu Mori” owned by our group in Okutama Town has been recognized as a “Other Effective Area-based Conservation Measures (OECM)*2” in recognition of its diverse habitats and ecosystem management. In addition to promoting efforts to conserve the ecosystem and important species, we are taking on the challenge of creating a model case that can be expanded to other business areas by contributing to nature positivity through the provision of ecosystem services and other activities.

The Tama River, which originates in Okutama, flows through the northern part of Tokyo, the southern part of Tokyo, and the southwestern part of 23 wards, flowing into Tokyo Bay. The Tama River watershed area is home to the Group's main business areas, and our main business bases, Shinjuku and Shibaura, are also located in the area.

In the future, in the port area and canal zone around Shibaura, we are considering various initiatives that will not have such a negative impact, since the area depends on the environment of the water area from the viewpoint of landscape and is considered to have an impact on the ecosystem of the water area due to wastewater and other factors.

Moreover, in our materiality determination process, the Group also identifies factors that are important to its stakeholders. We asked sustainability experts, institutional investors, business partners, customers, and others to evaluate us with the score of the twelve items that we identified as important to the Group from the perspective of what they expect andthe social issues we should address. We finally collected their opinions through the process. In order to respond to the comments we received as the dialogue process with our stakeholders, we live up to “expectations to ecosystems and select highly sustainable materials” and we have taken actions such as “acquiring biodiversity certification” and “promoting the use of domestic and certified wood products”.

For other initiatives, visit the website: Biodiversity

*1 It means to consider the expansion of watersheds and ecological connectivity, and to involve diverse stakeholders in conservation not only in the area where the project is located, but also in the broader region and at the national level.

*2 A system under which the Ministry of the Environment certifies areas where biodiversity conservation is being promoted through efforts with the private sector, etc.

Environment

(Climate Change and the Natural Environment)

Environmental Management

Governance
Risk Management
Indicators and Goals
Initiatives

Decarbonization

Governance
Strategy
Risk Management
Indicators and Goals
Initiatives

Biodiversity

Governance
Strategy
Scenario analysis
Indicators and Goals
Initiatives

Circular Design

Approach and Policies
Management
Indicators and Goals
Initiatives

Approach to Environmental Pollutants and Water Resources

Governance
Risk Management
Indicators and Goals
Initiatives

Environment (Climate Change and the Natural Environment)

Governance

Within the Group, the president and representative director of Nomura Real Estate Holdings, who also serves as the Group CEO, is the person responsible for promoting environmental initiatives across the entire Group. The Sustainability Committee (chaired by the Nomura Real Estate Holdings president and representative director cum Group CEO and comprised of directors from Nomura Real Estate Holdings and its Group companies) deliberates and decides on related policies and action plans. In addition, we set goals for the key issues of decarbonization, biodiversity and circular design, and we monitor our progress towards those goals.

In addition, the Environmental Subcommittee (overseen by, among others, the officer in charge of quality management and architectural design) has been established as a subordinate organization of the Committee. Furthermore, in May 2019, we signed the United Nations Global Compact and, based on the principles of the initiative, support a precautionary approach to environmental issues, including climate change mitigation, and we are actively fulfilling our responsibilities regarding environmental issues.

Sustainability Management

Environmental Subcommittee

Consists of members from the architecture and product design-related departments at Nomura Real Estate Development, the environmental technology-related departments at Nomura Real Estate Partners, and the Sustainability Management Department, and meets as needed. In fiscal 2023, it held three meetings to mainly discuss reducing CO_2 emissions and using renewable energy.

Strategy

Through urban development and providing products and services that leverage property development and property-related services, the Company will contribute to reducing CO_2 emissions to address climate change as a shared international concern. As such, we have identified decarbonization, biodiversity, and circular design as our three priority issues (materialities) and will promote them Company-wide.
In addition, the Group has, to date, been actively participating in international initiatives, from obtaining SBT certification (35% reduction compared to FY2019) and endorsing the TCFD to joining the RE100, and we intend to continue playing an active role in such initiatives.

Risk Management

Materiality-specific Risk Management

Risk management in decarbonization

- Scenario analysis
- Key themes for solving issues
- Participation in climate change-related initiatives
- Business strategy for decarbonization

Risk management in biodiversity

- Business-specific risk assessment
- Acquisition of biodiversity certifications
- Consideration for the surrounding environment

Indicators and Goals

Key performance indicators

- CO_2 emissions: reduce by 60% in Scope 1, 2 and reduce by 50% in Scope 3 (compared to FY2019)
- Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards
- Develop timber-based buildings: Carbon storage amount: 10,000 t-CO_2/year
- Obtain biodiversity certification
- Initiatives to promote building longevity: Implementation rate of the Company's own standards: 100%
- Promote waste reduction and increase recycling rate: Rate of reducing industrial waste: 20%

Goals

Climate change and natural environment		Helping to address the urgent international issue of CO_2 emissions reduction and contributing to the conservation of biodiversity and the realization of a recycling-oriented society, which contributes to CO_2 reduction
	Decarbonization	Initiatives in "energy saving," "low-carbon business," and "shift to renewable energy" Target: 60% CO_2 emissions reduction in Scopes 1 and 2, and 50% CO_2 emissions reduction in Scope 3 by 2030 compared to FY2019.
	Biodiversity	By restoring the forest cycle in Japan, contribute to CO_2 absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
	Circular design	Contribute to a decarbonized society and a circular economy through urban development and service provision focused on assuring longer property lives, recycling, and resource sharing

Environmental Management

Governance

Governance (Environment)

Risk Management

Environmental Management System

The Group is increasing the sophistication of its environmental initiatives through the use of an internationally acknowledged environmental management system (EMS).
Yokohama Business Park Offices (A1, A2, A3, C1, C2, and C3 buildings) at the Yokohama Division of Nomura Real Estate Partners Co., Ltd. acquired ISO 14001 certification for their environmental management system and are carrying out various initiatives including waste reduction, resource recycling, and energy-saving measures. At certified offices, annual internal audits as well as audits by external certification organizations are conducted to ensure their compliance with the EMS and environmental laws and regulations and the effectiveness of measures for controlling environmental pollution.

We strive for environmentally responsible management through the Nomura Real Estate Master Fund and the Nomura Real Estate Private REIT, both of which have achieved certification and registration for Eco-Action 21, an environmental management system of Japan's Ministry of the Environment.









Environmental Management in the Supply Chain

Supply Chain Management

Assessment of Environmental Performance in Newly Developed Properties

When developing PROUD condominiums in the Residential Development Business Unit, the Group requires project implementers to submit Environmental and Product Planning Sheets and to improve residential environmental performance and quality. Similarly, when developing office buildings, commercial facilities and logistics facilities in the Commercial Real Estate Development Unit, the Group requires project implementers to submit Sustainability Assessment Sheets and to quantify the environmental performance and quality of each development project.

【Environmental and Product Planning Sheets (excerpt)】

- Inclusion of UA-value*1 and BEI-value*2
- Inclusion of environmental certification status, energy-saving equipment, and energy-creating equipment
- Comprehensive coverage of safety and security, the environment, community, and health and well-being
- Promotion of community design and universal design

*1 UA-value: Insulation performance of concrete, thermal insulation materials, sashes, etc.

*2 BEI-value: Energy-saving performance of the entire building, including thermal performance of building envelopes as well as equipment, such as heating and cooling systems and hot water supply systems

Indices and Targets

Targets, KPIs, and Results

	Target for 2030	Unit	Result for FY2020	Result for FY2021	Result for FY2022	Result for FY2023
Percentage of newly constructed fixed and income-producing properties (excluding rental housing) that acquire environmental certifications (DBJ Green Building*1, LEED*2, CASBEE*3, BELS*4, etc.) each year	100	%	100	100	100	100 (incl. pending applications)
Percentage of properties owned by Nomura Real Estate Master Fund, Inc. (NMF) with green certification (three stars or more or equivalent to)*5, 6	70.0	%	56.3	56.0	58.5	56.4

*1 A certification program developed by the Development Bank of Japan to promote real estate development that contributes to the environment and society.

*2 A system developed and operated by the U.S. Green Building Council for granting certification to environmentally conscious buildings.

*3 Comprehensive Assessment System for Built Environment Efficiency; includes the certification program administered by the Institute for Building Environment and Energy Conservation (IBEC) and independent local municipality assessment programs.

*4 BELS stands for Building-Housing Energy-efficiency Labeling System, which was established by the Ministry of Land, Infrastructure, Transport and Tourism. With this system, a third-party evaluation organization evaluates and certifies energy conservation performance of a building.

*5 Green certification (with three stars or more or equivalent to) refers to DBJ Green Building Certification (three stars or more), BELS Certification (three stars or more), or CASBEE for Real Estate (B+ or higher). The figure is calculated based on the floor area of NMF's properties, excluding land. The green certification ratio is as of August 31 of the following fiscal year.

*6 The percentages of NMF-owned properties with green certification (with at least three stars or the equivalent) can be found at https://www.nre-mf.co.jp/en/esg/environmental/environmental-performance.html.

Other results

	Unit	Result for FY2020	Result for FY2021	Result for FY2022	Result for FY2023
Percentage of properties with ISO 14001 certification*1	%	18.6	19.6	22.1	22.7
Number of properties with energy performance certification		17	16	14	19
Environmental compliance (material violations of environmental laws and regulations [including pollution and water use] and allegations by outside parties)		0	0	0	0

	Result for FY2023	
List of properties with DBJ Green Building certification in FY2023 (including pending applications)	【Office buildings】	PMO Shinbashi PMO Yodoya Bridge PMO Hamamatsucho III PMO Ikebukuro (under application) PMO Hatchobori V (under application) PMO Kanda Suta-cho (under application) PMO Shinagawa (under application) H1O Shiba Park (under application) PMO Suidobashi (under application) PMO Ikebukuro II (under application) PMO Ginza II (under application) Nomura Real Estate Ikezan King Building (pending applications)
	【Logistics facilities】	LP Yokohama Fukuura LP Fukuoka Hisayama I LP Toda LP Kashiwa I
	【Retail facilities】	MEFULL Kiba SOCOLA Tokorozawa (under application). GEMS Meieki 3-chome (under application).
BELS (Building-Housing Energy-efficient Labeling System) in FY2023	19 properties mentioned above + PMOEX Yodoyabashi (including pending applications)	

*1 The net lettable area of the Group as of the end of each fiscal year was used as the denominator, and the floor area of the relevant offices of the Yokohama Business Park is used as the numerator
Certification acquisition date: March 5, 2004 (JQA-EM3815)
Certification organization: Japan Quality Assurance Organization (JQA)
Scope of registered activities: Planning and provision of comprehensive building management services (facility management, cleaning, and security)

ESG Data (Environment)

Initiatives

Environmental Responses in the Design and Construction Stages

The Group undertakes environmental responses in the design and construction phases of condominiums, leased offices, and other properties in accordance with the Design and Construction Standards and the Quality Manual that include specifications for environmental performance.

Environmental Education

In addition to providing environmental education to all employees every year as part of the rank-specific training programs (the Group's new employee and key employee training programs), we also publish our environmental initiatives in internal newsletters to promote environmental awareness among our employees. In addition, our Environmental Subcommittee, which consists of the persons in charge of architecture, product design, and technology at each Group company, shares information on environmental issues and the latest environmental technologies.

Environmental Subcommittee (as of April 2024)

Officers in charge	Officers in charge of Quality Management and Architectural Design, Nomura Real Estate Holdings, Inc.
Departments in charge	Residential Product Planning & Marketing Dept., Quality Management Dept., Engineering Management Dept., Architectural Design Office, Nomura Real Estate Development Co., Ltd., Environmental Engineering Dept., Corporate Planning Dept., Nomura Real Estate Partners Co., Ltd.
Secretariat	Sustainability Management Dept., Nomura Real Estate Holdings, Inc.

Environmental Compliance

In fiscal 2023, the Group did not commit any material violations of environmental laws and regulations (including pollution and water use) in the manufacture, sale, or management of its products and services.

Proper Management and Reduced Usage of Chemicals

When developing condominiums, office buildings, retail facilities, and the like, the Group follows its Design Standards and Quality Manual in using construction materials with a four star formaldehyde emission rating, the highest rating.
Our construction partners are required to submit a Quality Control Check Sheet. When construction is completed, measurement is conducted on the levels of five substances (formaldehyde, toluene, xylene, ethylbenzene, and styrene) designated in the Housing Quality Assurance Promotion Act,

Asbestos: Proper Handling and Continuous Monitoring

The Nomura Real Estate Group handles asbestos found during demolition work with the utmost caution and care by cordoning of affected areas and ensuring regular third-party testing to determine presence and concentration. We also conduct continuous monitoring to ensure that no problems exist.

Decarbonization

Governance

Governance (Environment)

Linkage with Compensation for Directors

Strategy

Background and Aim

- This is a common global issue leading up to 2050, and the real estate industry is expected to help in addressing it.
- Our Group's business uses a large amount of natural resources and energy, and environmental issues have an impact on business continuity.
- Environmental issues are major issues that affect not only our Group's business but also the lives and businesses of our stakeholders.
- In order to address the issue of climate change, we aim to reduce total CO_2 emissions by promoting "energy saving," "low-carbon business," and "shift to renewable energy" in buildings developed by our Group.

Risks	Opportunities
• Our Group's business uses a large amount of natural resources and energy, and environmental issues have an impact on business continuity. • Climate change is a major issue that affects not only our Group's business but also the lives and businesses of our stakeholders.	By linking real estate development with real estate-related services, we can help to address the common global issue of climate change through urban development and our products and services.

Global Environment Under Each Scenario

Impact on Business Models and Value Chains

Our Group is engaged in development projects mainly in our Residential Development Business Unit, Commercial Real Estate Business Unit and Overseas Business Unit, and we emit CO_2 in various forms, from "raw materials" upstream to "use of products" downstream. We believe that by working in this context with construction companies to develop and introduce low-carbon materials in upstream processes, and promoting the introduction of energy-saving equipment in downstream processes, we contribute to reducing CO_2 emissions throughout the supply chain, which promotes "low-carbon business" and "energy saving." We are also proactively introducing renewable energy into the properties we operate and are working to achieve decarbonization in every aspect of our business model.

Financial Impact

Responding to the TCFD

Risk management

Scenario Analysis

Key Themes for Solving Issues

- Energy saving (our own and our customers' processes)
- Low-carbon business (low-carbon products)
- Shift to renewable energy (renewable energy for our buildings and products)

Participation in Initiatives Related to Climate Change

The Group has taken part in international initiatives related to climate change, as well as industry association frameworks, and is actively working to address climate change.

Joining RE100

In January 2022, Nomura Real Estate Holdings, Inc. joined RE100, a global initiative leading the transition to 100% renewable electricity.

Approved by Science Based Targets initiative (SBTi)

Nomura Real Estate Holdings, Inc.'s CO_2 emissions reduction targets were approved by the SBTi on November 24, 2020.

Agreement with Recommendations Made by the Task Force on Climate-related Financial Disclosures (TCFD)

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

Responding to the Task Force on Climate-related Financial Disclosures (TCFD)

The UN Global Compact

The Group signed the UN Global Compact in May 2019. Based on the principles of the UN Global Compact initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Endorsement of the Voluntary Action Plan on the Environment for the Real Estate Industry, Formulated by the Real Estate Companies Association of Japan

In accordance with the voluntary environmental action plan set forth by the Real Estate Companies Association of Japan, of which the Nomura Real Estate Group is a member, we support environmental targets for reducing energy consumption, improving energy independence, reducing waste, and preserving biodiversity in each of our real estate business activities. and we will promote measures to combat climate change by reducing CO_2 emissions to levels above those required by law.

* Members of the Real Estate Companies Association of Japan: Nomura Real Estate Co., Ltd., Nomura Real Estate Solutions Co., Ltd.

Business Strategies for Decarbonization

To achieve its Scope 1, 2, and 3 reduction targets, the Group is promoting energy-saving, low-carbon business, and conversion to renewable energy.

Group Initiatives to Reduce CO_2 Emissions

	Initiatives
Emissions in own business operations (Scope 1, 2)	Use of electricity with non-fossil certificates; use of renewable energy in owned assets; initiate/consider renewable energy projects such as in-house renewable power generation
Emissions in the construction stage (Scope 3, category 1)	Use of timber, which is regarded as a low-carbon building material
Emissions from customers (Scope 3, category 11)	Establishment of energy conservation performance standards for new buildings completed before FY2029 (based on energy conservation performance (BEI) indicators)

Indicators and Goals

Targets, KPIs, and Results

	Target	Target Value	Unit	FY2020	FY2021	FY2022	FY2023
Long-term target: By 2050 Achieve carbon neutrality	Scopes 1 and 2 and Scope 3*1 across the Group	0	Thousand t-CO_2	1,588	2,297	2,173	2,410
Total CO_2 emission reduction rate							
Mid-term target: By 2030 Total reduction rate (compared to FY2019) (SBT-certified in November 2020)	KPI Scopes 1 and 2 and Scope 3 (Categories 1 and 11)*2 across the Group	35	%	Base year	Scope1,2 ▲14.2 Scope3 ▲39.6	Scope1,2 ▲34.7 Scope3 ▲41.1	Scope1,2 ▲49.7 Scope3 ▲35.0
Short-term target: By 2025 Total reduction rate (compared to FY2019)		15					
Introduction of renewable energy							
Mid- to long-term target: By 2050 100% of power consumption in the Group will be renewable electricity (joined RE100 in January 2022)	Across the Group	100	%	Base year	—	—	—
Short-term target: By FY2023 Renewable electricity will be used*3	All leasing properties in Japan owned by Nomura Real Estate Development						100
KPI Energy-efficiency index for new buildings ZEH/ZEB oriented standards (BEI value)*4		Achieve the standard	—	—	—	Achieved	Achieved

Nomura Real Estate Group received SBT certification in November 2020, in the target for the rate of reduction in total CO_2 emissions.
In November 2024, group set a new reduction target based on the 1.5˚C scenario and is currently applying for SBT certification.

＜New reduction target: 60% reduction of CO_2 emissions in Scope 1, 2 and 50% reduction of CO_2 emissions in Scope 3.(compared to FY2019)＞

Press release

*1 Scope 1: Direct emissions from fuel combustion, etc.; Scope 2: Indirect emissions associated with use of electricity and heat purchased by the Company; Scope 3: Indirect emissions other than those in Scopes 1 and 2. Emissions for the base year, fiscal 2019, were 3,518,000 t-CO_2.
*2 In Scope 3, Category 1 (emissions from construction of buildings, etc.) and Category 11 (emissions from use of sold products, etc.) are targeted, which cover approximately 94.21% of the Scope 3 emissions in fiscal 2019.
*3 Excludes leasing properties (including the portion used by tenants) for which Nomura Real Estate Development has concluded direct electricity supply contracts with power companies, properties that Nomura Real Estate Development owns units in or are jointly owned with other parties, and properties planned to be sold or demolished, as well as the common-use areas of some rental housing.
*4 In order to achieve ZEH/ZEB oriented levels by 2030, the BEI (Building Energy-efficiently Index) value to be achieved in each year is set. The degree of achievement of the BEI value is measured.
* The BEI is based on the energy-saving standards of the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) and indicates a building's level of primary energy consumption.

Key performance indicators (KPIs) for priority issues (materiality) up to 2030

Other Results

			Unit	FY2020	FY2021	FY2022	FY2023
Scope 1 emissions			Thousand t-CO_2	20	21	23	24
Scope 2 emissions				112	107	74	50
Scope 1+2 emissions				132	129	98	75
Scope 1+2 intensity (CO_2 emissions/Scopes 1 and 2 Gross Floor Area by Use)			kg-CO_2/m^2	63.6	61.9	47.9	41
Scopes 1 and 2 Gross Floor Area by Use (Number of facilities)	By use	Offices	m^2 (building)	1,447,598 (110)	1,456,228 (101)	1,329,031 (97)	1,197,186 (84)
		Fitness facilities		130,130 (48)	130,130 (48)	128,909 (49)	121,888 (32)
		Commercial facilities		362,504 (13)	361,993 (16)	478,423 (20)	417,540 (16)
		Hotels		68,620 (13)	41,109 (10)	47,254 (10)	47,254 (10)
		Logistics facilities		49,547 (1)	49,547 (1)	49,547 (1)	49,547 (1)
		Parking lots		17,141 (4)	15,422 (1)	14,282 (2)	14,282 (2)
		Training centers		654 (1)	654 (1)	654 (1)	654 (1)
		Heating and cooling center		3,758 (1)	3,758 (1)	3,758 (1)	3,758 (1)
	Total			2,079,952 (191)	2,058,781 (181)	2,051,858 (181)	1,852,109 (147)

			Unit	FY2020	FY2021	FY2022	FY2023
Scope 3 emissions	Category	1 Products and services purchased	kt-CO_2	453	702	698	773
		2 Capital goods		97	159	111	164
		3 Fuel- and energy-related activities not included in Scopes 1 and 2		24	24	24	25
		4 Transportation and delivery (upstream)		3	4	6	6
		5 Waste generated by businesses		5	7	11	14
		6 Business trips		0*1	0*1	1	1
		7 Employee commuting		2	1	1	1
		8 Lease assets (upstream)*2		—	—	—	—
		9 Transportation and delivery (downstream)		—	—	—	—
		10 Processing of products sold		—	—	—	—
		11 Use of products sold		834	1,214	1,170	1,287
		12 Disposal of products sold		19	38	38	50
		13 Lease assets (downstream)		14	13	12	9
		14 Franchise		—	—	—	—
		15 Investments		—	—	—	—
	Total			1,456	2,167	2,075	2,334
Energy consumption*3			MWh	381,817	379,428	382,231	380,366
Energy consumption intensity (Energy consumption/Scopes 1 and 2 Gross Floor Area by Use)			MWh/ m^2	0.184	0.182	0.186	0.205
Energy consumption by facility type	Facility type	Offices	MWh	—	189,086	165,019	150,177
		Fitness facilities		—	74,705	73,926	69,338
		Commercial facilities		—	74,607	99,849	117,751
		Hotels		—	9,904	17,257	17,336
		Logistics facilities		—	2,360	2,420	2,480
		Parking lots		—	198	194	191
		Training centers		—	52	61	66
		Heating and cooling centers		—	28,516	23,503	23,022
Energy consumption by energy type	Energy type	Purchased electricity	MWh	228,825	220,740	219,214	210,968
		City gas		108,034	116,840	122,258	127,099
		LPG		183	436	232	93
		Class A heavy oil		1,401	1,303	718	510
		Gasoline		0	0	1	1
		Light oil		0	4	34	18
		Kerosene		3,544	2,779	2,045	2,333
		Heat		—	—	—	—
		Steam		18,555	18,119	17,821	17,276
		Cold water		21,275	19,208	19,908	22,068
		Renewable energy (in-house power generation)		1,818	7,882	68,824	130,705

			Unit	FY2020	FY2021	FY2022	FY2023
Renewable energy (in-house power generation) consumption by facility type	Facility type	Offices	MWh	1,000	6,230	50,533	84,750
		Fitness facilities		—	—	1,348	1,284
		Commercial facilities		406	975	11,577	39,118
		Hotels		413	677	5,223	5,363
		Logistics facilities		—	—	143	190
		Parking lots		—	—	—	—
		Training centers		—	—	—	—
		Heating and cooling centers		—	—	—	—
Solar power generation	Solar power generating facility installation rate at Landport logistics facilities		%	90	76	67.8	59.3
	Electric power generated at Landport logistics facilities		MWh	21,926	22,801	22,356	23,837

*1 Less than 1

*2 Calculation for Category 8 is included in Scopes 1 and 2. Categories with no figures indicate emission sources do not exist.

*3 Figures are based on those stated in Scopes 1 and 2 Gross Floor Area by Use (Number of Facilities).

ESG Data (Environment)

Independent Third-Party Assurance Report

We have asked Lloyd's Register Quality Assurance Ltd. (hereinafter LRQA) to provide assurance on the environmental data. Please refer to the following Independent Assurance Statement for details.

LRQA Independent Assurance Statement

Initiatives

Energy Saving Initiatives

Helping Customers to Save Energy

The Group not only strives to reduce CO_2 emissions from buildings but also helps condominium residents and tenant companies to save energy.

Specifically, the Group provides a system that calculates total energy consumption and a system that makes it possible to visualize the amount of energy used, realizes energy savings using the enecoQ system, and provides eco-information via a members' newsletter.

Low-Carbon Business Initiatives

Net Zero Energy House Initiatives

The Group is developing net zero energy house (ZEH)* condominiums from the perspective of comprehensive environmental impact reduction. In fiscal 2022, PROUD Aobadai was selected as a Ministry of the Environment High-Rise ZEH-M Support Project. Also, in fiscal 2023, PROUD tower Sagami-ohno cross was selected as a Super High-Rise ZEH-M Demonstration Project of the Ministry of Economy, Trade and Industry. Looking ahead, we plan to adopt ZEH and ZEB oriented standards for all new buildings by 2030. We have also been pursuing initiatives for adopting the same standards for detached housing since fiscal 2022.

Net Zero Energy House: Adoption Results and Future Target

Result for FY2020/FY2021	Result for FY2022	Result for FY2023	Target for FY2025
0%	25%	48%	50% or more in all detached houses

* Net Zero Energy House (ZEH): Housing designed to achieve net zero annual primary energy consumption by greatly improving the insulation performance of the building envelope by installing highly efficient facilities and equipment to maintain the quality of the indoor environment while substantially reducing energy consumption and then introducing renewable energy.

ZEH Condominium Initiatives (Japanese text only)

Environmental Performance Assessments During Product Planning and Design

The Group provides products and services that address climate change in accordance with the Design and Construction Standards and the Quality Manual. Thermal insulation performance rating of level 5*, double-glazed windows, LED lighting fixtures, and other features are set as standard specifications for PROUD condominiums, and Environmental and Product Planning Sheets are used to improve the environmental performance.

Assessment of Environmental Performance in Condominiums

Reduction of Chlorofluorocarbons

To reduce the usage of ozone layer-depleting chlorofluorocarbons, the Group established a quality manual that requires the use of chlorofluorocarbon-free insulation and air conditioner refrigerants.
Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials are used.

Yukai-full Enables Condominiums to Reduce CO_2 Emissions

Nomura Real Estate Development developed an air-conditioning system, Yukai-full, that makes it possible to reduce CO_2 emissions while realizing a healthy and comfortable life, and it has installed this system in more than 1,000 units.
In recognition of the simplicity of its air conditioning system and technology that combines temperature control with standardized comfort, Yukai-full was selected as one of the best 100 products in the 2020 Good Design Awards.

News Release (Japanese text only)

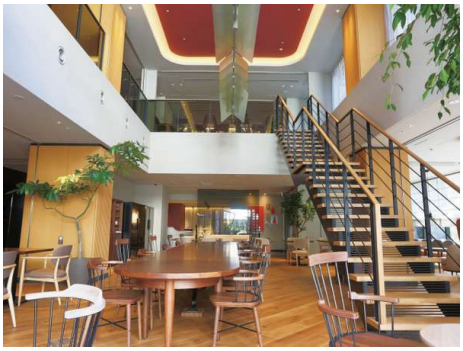
Initiatives to Shift to Renewable Energy

Use of Renewable Energy in Logistics Facilities

The Group is promoting renewable energy utilization through its solar power generation business. As of March 2024, solar panels were installed on a total of 19 buildings at Landport logistics facilities, with an annual output of 23,837 MWh per year for the entire portfolio.
In addition, each hotel of the Nomura Real Estate Group (Nohga Hotel Ueno Tokyo, Nohga Hotel Akihabara Tokyo, Nohga Hotel Kiyomizu Kyoto, and Hotel Niwa Tokyo) has acquired the Eco Mark certification from the Eco Mark Office and is promoting the use of green power by procuring all of its electricity from renewable energy sources.

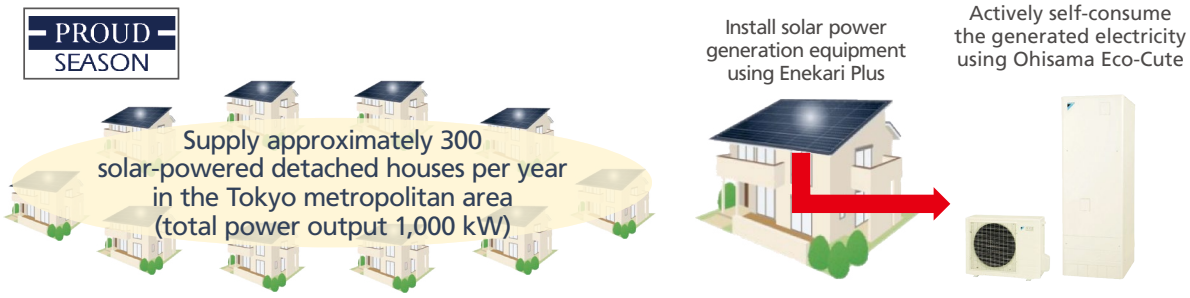
Global Environmental Initiatives of Nohga Hotel Ueno Tokyo


Landport Kashiwa Shonan


Nohga Hotel Ueno Tokyo

Solar Power Generation in Detached Housing in the Tokyo Metropolitan Area

Nomura Real Estate Development, in collaboration with TEPCO Energy Partner, launched a Virtual Mega Solar project in May 2022 to install solar power generation capability at the same scale as mega solar power generation (total output 1,000 kW) in the PROUD SEASON (detached housing). This is the first initiative in Japan to introduce solar power generation with a total output of 1 MWh to detached houses for sale in the Tokyo metropolitan area (300 roofs per year on PROUD SEASON houses), and the two companies will promote this as an initiative for localized generation and consumption of electric power, to conserve and generate energy in the Tokyo metropolitan area, where there are few areas of fallow land to be utilized.



Conceptual image of Virtual Mega Solar

Introduction of Renewable Energy to Nomura-Owned Properties

News Release

Installation of EV Charging Facilities in Homes

Nomura Real Estate Development has decided to install EV (electric vehicle) charging facilities, as a general rule, in 30%*2 of the parking spaces for all PROUD Series condominiums*1 that it develops going forward. This also represents early compliance with the Tokyo Metropolitan Government's Revised Ordinance on the Environment to Ensure the Health and Safety of Tokyo Residents, which will make the installation of EV charging facilities mandatory from 2025 and which will contribute to more widespread adoption of clean energy vehicles in Japan.

PROUD Aobadai (Yokohama City, Kanagawa Prefecture), which opened a model room in July 2024, plans to introduce custom-made large pallets equipped with EV charging capabilities and will install EV charging facilities in over 70% (39 spaces in total) of its mechanical multi-story parking garage (hereinafter, "mechanical parking garage"). Moving forward, we will continue to actively introduce such facilities which are tailored to the characteristics of each property's parking system, area, etc.

*1 Excluding property reconstruction and redevelopment

*2 As a general rule, EV charging facilities will be installed in approximately 30% of parking spaces. Although there will be some properties that fall short of 30% due to the type of parking system utilized (e.g., mechanical parking lot), charging facilities will be gradually implemented starting with applicable properties, taking into account such factors as future technological advances in the installation of charging equipment.

Switching Over to Renewable Energy

Nomura Real Estate and PowerX have signed an agreement to introduce X-PPA, an electricity supply service that utilizes storage batteries provided by PowerX, to two office buildings in Tokyo owned by Nomura Real Estate.

PowerX's X-PPA utilizes base power sources, such as wind power and domestic wood biomass, as well as storage batteries that store electricity generated by solar power during the day. By combining this with electricity supplied as "night-time solar power" during the evening hours, when demand for electricity is highest, this service provides an optimal power supply that meets the demand characteristics of office buildings and commercial facilities in urban areas. By taking full advantage of the storage batteries' ability to adjust power supply and demand, we are able to achieve an economical and stable power supply while increasing the proportion of renewable energy, thereby contributing to our decarbonization efforts.

Starting in August 2024, the Nomura Real Estate Shibadaimon Building (Minato-ku, Tokyo) and Nihonbashi-Muromachi Nomura Building (Chuo-ku, Tokyo), which are the focus of this agreement, will switch their annual electricity consumption, totaling approximately 11 GWh, to additional renewable energy sources*1 (hereinafter, "renewable energy").

*1 Contribute to increasing renewable energy use throughout society by developing new renewable energy power generation facilities.

Biodiversity

Governance

Governance (Environment)

Strategy

Background and Aim

- This issue is drawing attention as the next common global issue after climate change, and the United Nations and other organizations are already working to develop guidelines and consider legislation concerning it.
- Our aim is to restore the forest cycle in Japan and conserve the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity.

Impact on Strategy and Business Model and Value Chain

Based on the LEAP approach, and taking into account our business model, our Group has determined that the upstream activities in the value chain, which encompass the Residential Development Business Unit and Commercial Real Estate Business Unit and consist of land and property acquisition, asset procurement, product planning and design, and business promotion, as well as direct operations (ownership (operation and leasing)) have a relatively high degree (medium or higher) of relationship with natural capital, and we are conducting analysis and evaluation of these activities. Also, through this process, we are also identifying any areas that require special attention.
After analyzing our dependence and impact on nature, we consider what risks and opportunities these may present to the Group and then consider and implement strategies and measures to take on those risks and opportunities.
For more details, see the TNFD report.

Scenario analysis

Biodiversity Policy

In order to respond to international demands and to promote actions aimed at achieving nature positivity, we have established the Nomura Real Estate Group Biodiversity Policy as a guideline for our individual business activities.
In formulating this policy, we received supervision from the international NGO World Wide Fund for Nature Japan to ensure that the content took into account a global, progressive perspective.

Press release
Nomura Real Estate Group Biodiversity Policy

Participation in Biodiversity-related Initiatives

Keidanren Initiative for Biodiversity Conservation

In fiscal 2019, The group announced its endorsement of the Keidanren Initiative for Biodiversity Conservation. We are aware that initiatives for biodiversity are important management issues for the Group, which is engaged in real estate and urban development. Therefore, we will promote this initiative, taking into consideration the natural environment and ecosystems.

TNFD Forum

The Group supports the principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in July 2022. The TNFD is an international organization that was conceptualized at the 2019 World Economic Forum Annual Meeting (Davos) and established in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wildlife Fund (WWF), and the UK-based environmental NGO Global Canopy. Through its participation in the TNFD Forum, the Group will continue to assess the impact of all its business activities on biodiversity and promote initiatives for conservation and restoration.

30by30 Alliance for Biodiversity

30by30 is a target for nations to conserve or protect at least 30% of their lands and sea areas by 2030 to halt the loss of, as well as restore, biodiversity (nature-positive).
In order to achieve the target, the Ministry of the Environment has established the 30by30 Alliance for Biodiversity to expand the protected areas in Japan (currently about 20% of the land and 13% of the sea) and to promote efforts to certify areas that have been conserved by the private sector and others as OECMs. Nomura Real Estate Holdings joined this alliance in July 2022.

Business-specific Risk Assessment

In New Business Development

When starting a new development project, we conduct a biological survey on the development site and a risk assessment as necessary. Following the assessment results, we implement measures such as preservation, transplantation, and maintenance as necessary and periodically review and report.
For large-scale development projects, we conduct environmental assessments to ensure there will not be any damage to the existing natural environment. We have established procurement guidelines and give due consideration to conserving biodiversity and the sustainable use of resources when procuring raw materials.
When performing property planning, the Residential Development Division conducts a survey of the surrounding vegetation in advance and creates plans that blend in with the surroundings by using native species established in the area. In addition to just planning, we also take care of the plant management, giving consideration to the health of the plants and soil, e.g., via reduced use of chemical fertilizers.
For the forests we own in Okutama Town in Tokyo, we have created a five-year management plan and risk management manual and are uniquely managing the forests with full awareness of biodiversity.

In Design, Construction and Raw Material Procurement

Supply Chain Management

Acquisition of Biodiversity Certification

The Group actively seeks to acquire biodiversity certification for new construction and owned buildings, such as ABINC certification (certification registered by the Association for Business Innovation in harmony with Nature and Community)*1, JHEP (Japan Habitat Evaluation and Certification Program)*2, and SEGES (Social and Environmental Green Evaluation System series)*3, which assess and certify apartment buildings, office buildings and other structures regarding efforts to create biodiversity-friendly green areas. For PROUD Kokubunji, which was the Group's first ABINC certification acquired for condominiums, we surveyed the green areas on the site and worked to preserve and restore them as the Musashino Forest in accordance with the ABINC certification standards.
The Project for Nakamachi 3-chome, Setagaya-ku, Tokyo (provisional name) was praised for its incorporation of medium-scale rooftop greening. For PROUD City Kotake Mukaihara, we implemented a reforestation plan to make use of existing trees and

preserve them for future generations. We will continue to strive for real estate development which is focused on coexistence with nature.

*1 ABINC (Association for Business Innovation in harmony with Nature and Community) certification: A program that assesses and certifies apartment buildings, office buildings and other structures regarding efforts to create biodiversity-friendly green areas in accordance with the Guidelines for Sustainable Business Sites prepared by the Japan Business Initiative for Biodiversity (JBIB)

*2 JHEP (Japan Habitat Evaluation and Certification Program): A program that quantitatively assesses and certifies efforts to contribute to the preservation and restoration of biodiversity operated by the Ecosystem Conservation Society Japan.

*3 SEGES (Social and Environmental Green Evaluation System series): A green certification program operated by the Organization for Landscape and Urban Green Infrastructure to comprehensively and objectively assess social and environmental functions created from the preservation of corporate green spaces and environmental communication.

ABINC Certifications Acquired

Year of certification	Certified facilities/condominiums
FY2014	Yokohama Business Park (urban/SC version)
FY2015	PROUD Kokubunji (condominium version)
	Roka Koen The Residence*1 (condominium version)
	PROUD City Musashino Mitaka (condominium version)
FY2017	PROUD City Kichijoji*1 (condominium version)
	PROUD Tower Musashi Koganei Cross*1 (condominium version)
	PROUD Season Inagi Minamiyama (detached housing complex version)
	Project for Noritake Shinmachi 3-chome, Nishi-ku, Nagoya City*1 (condominium version)
FY2018	HARUMI FLAG*1 (acquired ABINC ADVANCE certification*2)
	The Gardens Ota Tamagawa*1 (condominium version)
FY2020	PROUD Tower Meguro MARC (urban/SC version)
	Minamiyama Club House (detached housing complex version)
FY2021	PROUD City Musashino Mitaka (condominium version)
	PROUD City Kotake Mukaihara (condominium version)
FY2022	Project for Nakamachi 3-chome, Setagaya-ku, Tokyo (tentative name)
FY2023	BLUE FRONT SHIBAURA (Shibaura Project)

*1 Application by multiple vendors

*2 ABINC ADVANCE certification: Certification for long-term projects covering a wide area

BLUE FRONT SHIBAURA (Shibaura Project)



Consideration for the Surrounding Environment

The Group implements building site plans and tree planting plans in its real estate development and urban development activities, giving consideration not only to the comfort of customers and local residents but also to the surrounding environment and ecosystems. In all development projects, the Group requires project managers to submit Environmental and Product Planning Sheets for residential development projects and Sustainability Assessment Sheets for commercial real estate development projects, thereby including consideration for biodiversity.

Examples of key assessment points on Environmental and Product Planning Sheet

- Acquisition of biodiversity certification
- Ingenuity and consideration in tree selection (e.g., use of existing trees)
- Ingenuity and consideration in the landscape of the roadside and surrounding areas (e.g., continuity with roadside trees)
- Creating green roofs and walls

Indicators and Goals

Targets, KPIs, and Results

	2030	Unit	FY2020	FY2021	FY2022	FY2023
KPI Carbon storage through the development of wood-based buildings	10,000	t-CO_2/year	Since this target was set in FY2023, results will be disclosed starting that year			15,700
KPI Number of biodiversity certifications acquired (ABINC, JHEP, SEGES)	—		2	3	1	1

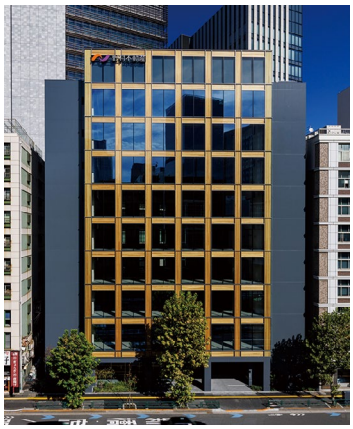
* Approximate calculation based on the Forestry Agency's guidelines for calculating wood carbon stocks
* The amount of wood used, 16,500 m^3, is equivalent to about 50,000 cedar logs, about 65 hectares of artificial cedar forest, and is estimated to store 10,000 t-CO_2 of carbon.

Key performance indicators (KPIs) for priority issues (materialities) up to 2030
ESG Data (Environment)

Initiatives

Use of Domestic Lumber

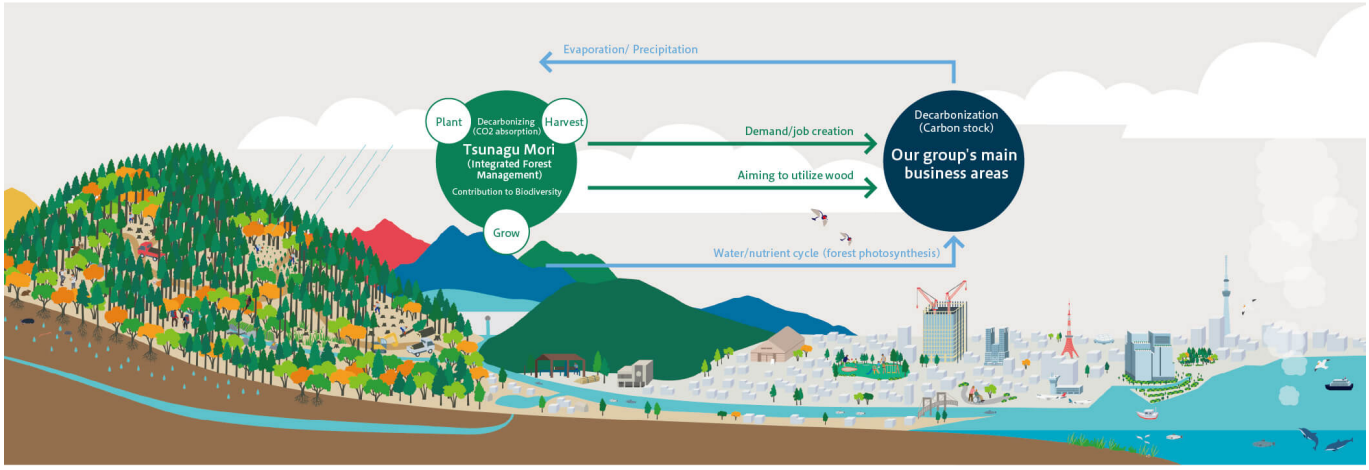
A tripartite Agreement on the Promotion of Timber Use in Buildings was concluded with the Ministry of Agriculture, Forestry and Fisheries on March 9, 2022. As part of the agreement, we aimed to use 10,000 m^2 of domestic timber as building materials over the following five years. We are also striving to develop a stable supply chain for domestic timber while promoting the cyclical use of domestic forest resources and, in turn, achieving both the utilization and conservation of forest resources. The timber we procure is building material for our detached housing business, and 3,880 m^2 was used in fiscal 2023.
The Nomura Real Estate Group Procurement Guidelines ask suppliers to use sustainable resources and timber to reduce the risks of disrupting the ecological balance and impacting local communities due to illegal logging. We actively promote the use of domestic and certified timber.
In our future construction projects, we plan to apply domestic lumber for the interiors of common areas in PROUD condominiums and introduce a wooden hybrid structure in our office building brand H¹O Shibakoen and the Nomura Real Estate Tameikesanno Building. Domestic lumber not only allows us to provide a more comfortable living environment for our customers but also leads to the reduction of CO_2 emissions and the prevention of natural disasters by preserving the recycling of forest resources.


Nomura Real Estate Tameikesanno Building

Mori wo Tsunagu TOKYO project (Integrated Forest Management Project in Tokyo)—Supporting the Coexistence of Urban and Nature through Business Activities

Our Group launched the Mori wo Tsunagu TOKYO project, which supports the coexistence of nature and the city in Tokyo, where we mainly operate our businesses. Tsunagu Mori, a forest owned by the Group in Okutama Town, obtained certification for Other Effective Area-based Conservation Measures (OECM)*1 in recognition of its rich biodiversity and its ecosystem management initiatives. We are creating a case model in Tokyo that can be applied to other regions by advancing initiatives for conserving ecosystems and important species while also contributing to a nature-positive future through ecosystem-related services.

*1 A system under which the Ministry of the Environment certifies areas where biodiversity is being protected through initiatives with the private sector.



Website of Mori wo Tsunagu TOKYO project

Project to Create Firefly Habitats in the Yokohama Business Park

Our Group has been presenting an annual exhibit of Urban Design for Firefly Habitats, for conserving biodiversity, since 2008 at the Yokohama Business Park (YBP) (Yokohama City, Kanagawa Prefecture), an office building and commercial facility that it owns, in cooperation with Yokohama National University. In fiscal 2023, the event resumed for the first time in four years, after having been suspended during fiscal 2020, 2021 and 2022 to help contain the spread of the COVID-19 pandemic. Firefly observation events for local residents and hands-on rice planting programs for local elementary school students are offered, and the business park has become a site for us to think and learn about biodiversity and environmental problems together with local residents.

Yokohama Business Park acquired certification for consideration of biodiversity conservation under the ABINC certification program (urban/SC version) of the Association for Business Innovation in harmony with Nature and Community (ABINC).



A nature observation program for local children

Circular Design

Approach and Policies

Governance (Environment)

Under the Group Policy, and in recognition of the fact that the depletion of natural resources associated with urban development is a major social issue, we will contribute to the realization of a decarbonized society and circular economy by reducing waste discharge and by providing urban development and services that promote longer building lifespans, the reuse of materials, and the sharing of spaces.

Management

Management (Environment)

Indicators and Goals

Targets, KPIs, and Results

	Targets for 2030	Unit	FY2023
KPI Initiatives to promote building longevity	Fully implement the Group's voluntary standards*1	%	89
KPI Promoting waste reduction and increasing recycling rate (compared to FY2021)	Reduce industrial waste by 20%	%	24

*1 One of the following conditions must be met: (1) Ensuring freedom to change plans, (2) Obtaining a building certification system that contributes to variability, (3) Load capacity that exceeds legal standards, (4) Seismic resistance that exceeds legal standards, or (5) High exterior durability

Key performance indicators (KPIs) for priority issues (materialities) up to 2030

Other Results

		Unit	FY2020	FY2021	FY2022	FY2023
Initiatives to promote building longevity: Number of completed properties that offer the re:Premium service			9	13	20	20
Initiatives to promote building longevity: Number of properties that adopted the Attractive30 service		Properties (units)	23 (2,390)	28 (2,936)	26 (3,503)	17 (2,231)
Waste*1	Waste discharge (total for general and industrial waste)	Thousand tons	5.11	7.21	11.18	10.86
	Waste discharge intensity (total of general and industrial waste/ total floor area of properties to be aggregated)	kg/m^2	3.05	3.50	5.45	5.82

*1 Please see ESG Data for the scope of waste discharge and water usage to be aggregated.

ESG Data (Environment)

Initiatives

Waste Reduction Initiatives

Restoring Condominiums

The Group is working to restore old condominiums into homes with new value. We expanded PROUD Uehara Forest, which was established more than 30 years ago, by incorporating the latest technologies into its excess floor space while improving its livability. As a result, in 2019, it became the first old condominium built by a private developer to be certified as excellent long-term housing. It was also certified by a third-party evaluation agency as having a service life of 65 years.

News Release (Japanese text only)

Reduction and Reuse of Waste

The NOHGA Hotel, operated by the Group, is working to reduce and reuse waste through such efforts as reducing the use of plastics by eliminating single-use toiletries and using biodegradable bamboo straws derived from plant fibers. It is also using name plates and handkerchiefs made from reused scraps of leather and Japanese clothing.
Additionally, the NOHGA HOTEL and Hotel Niwa have begun working with ECOMMIT to refurbish unwanted items (e.g., clothing) left behind by guests and to recycle lost property.

NOHGA Hotel Environmental Initiatives

Launch of New Group Initiative for Circular Design



Eliminating single-use toiletries



Card provided in Hotel Niwa Tokyo guest rooms to indicate intention to dispose of unwanted items

Pilot Demonstration of Centralized PET Bottle Collection for a Circular Economy

As part of our efforts to realize a circular economy and reduce CO_2 emissions, we collaborated with Suntory Beverage & Food Limited, Shirai Group Co., Ltd. and the Metropolitan Environmental Beautification Center Co., Ltd. to conduct a demonstration experiment of centralized PET bottle collection and verification of sorted disposal status at 19 properties (four office properties and 15 condominiums) managed by the Nomura Real Estate Group. In light of the results of this demonstration, we will continue to promote further CO_2 reductions, improvements in collection efficiency, and awareness-raising activities for waste sorting.

Overview of Pilot Project

Background	Although Japan's PET bottle collection rate is high, most of the PET plastic recycled from these bottles is of low quality, so in actual PET bottle production, new materials must be input in addition to recycled materials.
Purpose	There are high expectations for horizontal recycling in which used PET bottles are used as raw materials to manufacture PET bottles of the same quality. One issue to be addressed in realizing this initiative is verifying reasonable collection costs and sufficiently reducing CO_2 emissions during transport.
Results and future prospects	Centralized collection improves efficiency and contributes to reducing CO_2 emissions from collection vehicles. On the other hand, we confirmed that PET bottles collected from offices had a high rate of foreign matter contamination, leading to a decline in recycling quality. In the future, we will consider ways to reduce the rate of foreign matter contamination.



Pilot project



Pilot project

Press release

Realization of Circular Design

Initiatives for Longer Life and Increased Durability

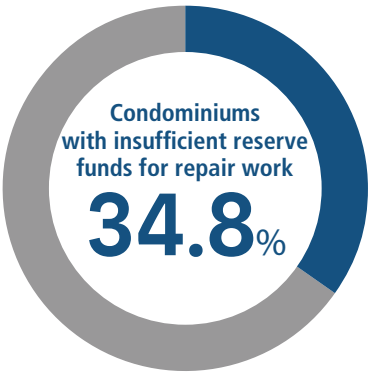
The Group intends to extend the lifespans of its buildings by using highly durable materials with long lifespans and by implementing appropriate management and repair plans.

Measures to Lengthen Cycles for Large-Scale Repair Work

In order to reduce the economic and psychological burdens on condominium residents and management associations, and to reliably carry out large-scale repair plans, the Group offers products and services intended to lengthen large-scale repair work cycles.

Measures at Completed Condominiums

Due to the aging of the population and the increase in vacant dwelling units, about 35% of condominiums are unable to accumulate sufficient reserves for repairs as scheduled (source: data by Ministry of Land, Infrastructure, Transport and Tourism). The re:Premium repair and maintenance service offered by the Group is designed to extend the cycle for large-scale repair work for PROUD condominiums that have already been completed. The service can extend the typical 12-year cycle for large-scale repair work to 16-18 years and results in ultra-long-term improvement plans of up to 60 years after the completion of construction. It extends the lifespans of buildings and reduces demolition waste. It also reduces the psychological and economic burdens on customers by substantially cutting lifecycle costs. For these reasons, the Group is striving to expand the scope of properties that adopt the re:Premium service.



Source: Ministry of Land, Infrastructure and Transport, 2018 Condominium general survey result report

In fiscal 2020, drainage pipe repair work in common use areas, carried out to replace all older pipes of different materials with plastic pipes in order to improve performance and reduce lifecycle costs for the Coop Nomura Higashi Rokugo, which is under Group management, was certified as a model project for extending the life of condominium stock with the support of the Ministry of Land, Infrastructure, Transport and Tourism.

News Release (Japanese text only)

Measures at Newly-Constructed Condominiums

In fiscal 2018, the Group launched the Attractive30 service, which seeks to increase the lifespans and durability of newly-constructed condominiums. Under this initiative, the Group will promote the adoption of highly durable materials and construction techniques and the introduction of the re:Premium and re:Premium Duo services to realize an extension of the cycle for large-scale repair work.

News Release (Japanese text only)

Collaboration with Suppliers

The Group is aiming for the appropriate management of resource use in the entire supply chain. Accordingly, the Group established the Nomura Real Estate Group Procurement Guidelines and is working with all of its suppliers to reduce its environmental load.

【Nomura Real Estate Group Procurement Guidelines (excerpts)】

- Reduce energy use and greenhouse gas emissions through circular design to reduce waste by extending the life cycles of goods, products, and services. Strive to efficiently use natural resources, including water, and to optimize and reduce usage.
- Appropriately manage hazardous chemicals and reduce the amounts used and reduce emissions of pollutants that have adverse effects on the environment and the human body.
- Reduce and appropriately manage waste.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

Supply Chain Management

Use of Certified Wood-based Paper and Plant-based Ink in Residential Development

In order to be ever more environmentally friendly with regard to the paper advertising materials used for Proud and other condominium sales business, Nomura Real Estate Development's Residential Development Division, as a general rule, uses paper made from wood from properly managed forests for all pamphlets, guides, direct mail, drawing collections, inserts and the like. In addition, the ink used is vegetable oil-based, which is more biodegradable than the petroleum-based solutions that have been used traditionally. Printed materials using these papers and inks include logos and wording attesting to the fact of their use. We will continue to use environmentally friendly products and strive to reduce our environmental impact.

Governance

Governance (Environment)

Risk Management

Water Risk Assessment

The Group conducts water risk assessments on its properties using Aqueduct, a tool designed for that purpose. As a result, all properties built by the Group in fiscal 2023 (91 buildings in total: 71 in the residential sector and 20 in the urban development sector) were found to be located in "Low-medium" water risk areas and outside of "Medium-high" and higher water risk areas. Therefore, no water was taken from areas designated as "High" or "Extremely high" by the properties built in fiscal 2023. We will continue to periodically monitor the water risk.

Number of Properties Subject to Water Risk per Subsector

	Extremely-high	High	Medium-high	Low-medium	Low
Houses	0	0	0	71	0
Offices	0	0	0	12	0
Fitness facilities	0	0	0	0	0
Commercial facilities	0	0	0	4	0
Hotels	0	0	0	0	0
Logistics facilities	0	0	0	4	0
Parking lots	0	0	0	0	0
Training centers	0	0	0	0	0
Heating and cooling center	0	0	0	0	0

Response to Soil Contamination/Water Pollution

When acquiring land, the Group investigates the history of land use of the site and, if soil contamination is suspected, hires specialists to conduct soil surveys. If soil contamination is detected, we take appropriate measures including removal and containment of the contaminated soil in accordance with the Soil Contamination Countermeasures Act and other relevant laws and regulations.
Similarly, we take appropriate measures if a problem with water pollution is detected.

The Group takes appropriate action to prevent environmental impact and detrimental health effects caused by soil contamination and chemical substances.

Indicators and Goals

Other Results

			Unit	FY2020	FY2021	FY2022	FY2023
Water usage*1	Water intake (total)		Thousand m^3	1,698	1,920	2,040	2,050
		Surface water		1,395	1,555	1,650	1,639
		Ground water		141	163	190	206
		Recycled water		161	202	199	203
	Water intake intensity (water intake/total floor area of properties to be aggregated)		m^3/m^2	0.81	0.93	0.99	0.97
	Water discharge (sewage water)		Thousand m^3	1,398	1,600	1,701	1,589
	Water use		Thousand m^3	299	320	339	461

*1 Please see ESG Data for the scope of waste discharge and water usage to be aggregated.

ESG Data (Environment)

Initiatives

Effective Utilization of Water Resources

The Group intends to reduce water consumption throughout the life cycles of products and services.

Introduction of Water-saving Devices Upon New Construction and When Performing Renovations

Water and hot water saving devices have been made standard equipment when developing housing, office buildings, retail facilities, logistics facilities, and other structures in accordance with design and construction standards and quality manuals. In addition, fixtures are systematically replaced with water-saving devices when performing renovations.

Details of design and construction standards and quality manuals can be found here.

Collaborating with External Partners to Reduce Water Use

The Group is a formal member of the Environmental Committee in the Real Estate Companies Association of Japan. In 2013, this committee formulated the Real Estate Industry Environmental Action Plan, which includes specific initiatives such as introducing highly effective water-saving fixtures and automatic faucets and flushing systems. It is aiming for the entire industry to work together in an effort to reduce water usage.

Social

(Society and Employees)

Diversity & Inclusion

Governance
Strategy
Risk Management
Indicators and Goals
Initiatives

Human Rights

Governance
Strategy
Risk Management
Indicators and Goals
Initiatives

Wellness Management

Governance
Risk Management
Indicators and Goals
Initiatives

Human Resource Management

Governance
Strategy
Risk Management
Indicators and Goals
Training Framework

Safety Quality from Design to Management

Governance
Indicators and Goals
Initiatives

Safety and Security in Disasters

Governance
Indicators
Initiatives

Care for and Activation of Communities

Risk Management
Indicators and Goals
Initiatives

Contributions to Local Communities and Society

Risk Management
Indicators and Goals
Initiatives

Social (Society and Employees)

Governance

The Sustainability Committee, which consists of Nomura Real Estate Holdings and Group company directors and other members, is chaired by the Nomura Real Estate Holdings president and Group CEO. It deliberates and decides policies and action plans focused on sustainability, including priority issues (materialities), and reports to the Board of Directors. It also monitors progress with regard to its targets.
In addition, two subordinate organizations have been established under the committee to strengthen the foundations for co-creation. One is the Human Rights Subcommittee, led by the officer in charge of Group Diversity and Inclusion Management as supervisor, and the other is the Human Resource, Wellness, D&I Committee, chaired by the Nomura Real Estate Holdings president and Group CEO.

Sustainability Management

Human Resource, Wellness, D&I Committee

This committee (previously known as the Group Wellness Promotion Meeting) consists of Nomura Real Estate Holdings and Group company presidents and others, and it meets twice a year. Among other things, it discusses the setting of medium- to long-term goals and specific promotion measures related to the utilization and active participation of diverse human resources within the Group, including health and safety, wellness promotion, work style reform, and the promotion of female participation in the workforce, for the purpose of maintaining a healthy and comfortable working environment that allows employees to work with enthusiasm and in good health, as well as to promote the formulation of human resource development policies and the development of an internal environment, to ensure diversity. The details of its discussions are also regularly reported to the Board of Directors.

Human Rights Subcommittee

This committee is comprised of members from the Group Human Resource Department, Group Human Resources Development Department, Group Legal & Compliance Department, and Sustainability Management Department, and it meets on an as-needed basis. In fiscal 2022, the committee met five times, with the main topics of discussion being the formulation of human rights policies and the investigation of human rights due diligence implementation. The committee is comprised of multiple Sustainability Committee members and members from the Group Human Resources Development Department, Group Legal & Compliance Department, and Sustainability Management Department, and it meets on an as-needed basis. In fiscal 2023, the committee met four times to discuss the promotion of Group-wide human rights initiatives, such as conducting human rights due diligence and sorting through issues in establishing a grievance mechanism.

Strategy

As a corporate group that connects people, towns and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected, and will respect people’s dignity and basic human rights throughout our business activities to strengthen our foundation for sustainability promotion and pursue co-creation initiatives that transcend organizations and business models.

Risk Management

Materiality-specific Risk Management

Risk Management in Diversity and Inclusion

We are implementing measures based on the Diversity and Inclusion Promotion Policy and in line with the roadmap. The progress of these measures is reported to the Human Resource, Wellness, D&I Committee.

• Key themes for achieving our vision

  • Promotion of wellness so that everyone can work with vigor
  • Promotion of group understanding and cooperation - Fostering an environment where people can learn about other business units and departments and consider value which they have not seen before -
  • Creation of opportunities for new discoveries and realizations - Improving diversity of knowledge -

• Roadmap

Human Rights Risk Management

With regard to human rights, we are implementing various measures in line with the following priority themes. The progress of measures is monitored by the Human Rights Subcommittee and the Sustainability Committee, and we take action with regard to any human rights risks.

• Employee wellness and human rights
• Overseas business and foreign workers
• Human rights in the supply chain
• Relief measures

Indicators and Goals

Key performance indicators (KPIs)

• Female manager and junior manager ratio: 20%
• Childcare leave utilization rate by men and women: 100%
• Procurement guideline survey implementation rate: 80%
• Creation of human rights due diligence system
• Percentage of participation in human rights training: 100%
• Provision of products and services with inclusive design*
• Percentage of implementation of one-on-one meetings: 100%

* An approach which involves people with diverse backgrounds, values, and challenges in the design process

Goals

Society and employees		Strengthen the foundation for promoting sustainability for "co-creation" beyond organizational and business categories
	Diversity & Inclusion	Create an organization where diverse human resources with various backgrounds and values, including women and non-Japanese, can fully demonstrate their capabilities
	Human Rights	Lay the foundation for a company that respects the dignity and basic human rights of all employees and all people involved in our business

Diversity and Inclusion

Governance

Governance (Society)

Strategy

Background and Aim

- As a corporate organization that links people and communities to the future, our Group aims to accommodate the individual values and lifestyles of a diverse range of people.
- To achieve this, our Group, itself, must first be an inclusive organization that accepts diverse individuals and identities.
- Products that empower a diverse range of human resources to perform to their full ability and which meet the diverse needs of society
- Create services that will generate value for long-term corporate growth

Impact on Business Models and Value Chains

To realize a "society where people support and connect with one another and where no one will be left behind" and an "innovative society where all people with various backgrounds and values can build on their strengths," which we uphold in our Sustainability Policy, we have chosen diversity and inclusion as a priority issue (materiality) for which we have formulated a promotion policy. This policy emphasizes that we will continue to create new value by working hand in hand with a wide variety of organizations and people to take on new challenges and, going forward, we will, together with a diverse range of stakeholders, create new value within our business model.

Risks	Opportunities
• Having a diverse range of people intrinsically means that there will be a difference of values, attitudes and motivations which others will not understand, and this can lead to work and projects not progressing smoothly and individual characteristics not being fully utilized. • When there is little diversity within an organization, and this hinders the ability to take on board various opinions, there is a risk that mistakes will be made in important decision-making due to information being blocked out because, for example, only convenient information is being received.	<Internal Impact> • Fosters love for one's workplace • Lower turnover rate • Risk management <External Impact> • Improves competitiveness for human resource acquisition • Improves evaluation by investors <Innovation Creation> • Generates new value from diverse perspectives

Risk Management

Key Themes for Achieving Our Vision

- Promotion of wellness so that everyone can work with vigor
- Promotion of group understanding and cooperation - Fostering an environment where people can learn about other business units and departments and consider value which they have not seen before -
- Creation of opportunities for new discoveries and realizations - Improving diversity of knowledge -

Diversity and Inclusion Policy

To realize a "society where people support and connect with one another and where no one will be left behind" and an "innovative society where all people with various backgrounds and values can build on their strengths," which we uphold in our

Sustainability Policy, we formulated the Nomura Real Estate Group Diversity and Inclusion Policy, which outlines our principles in promoting diversity and inclusion.

Diversity and Inclusion Policy

Roadmap

Guided by the roadmap for promoting diversity and inclusion, we shall designate raising diversity and inclusion awareness, routinely incorporating diversity and inclusion into business activities, and developing a culture of innovation as important themes for achieving our vision, and we shall promote them with the aim of swiftly accomplishing them through Steps I, II, and III. Particularly with regard to Step I, we will implement concrete measures and designate as key goals the achievement of annual paid leave acquisition targets and the utilization of childcare leave by both men and women at a rate of 100%. We aim to link the achievement of these goals to the efficient development of the workplace environment and a change in awareness at the managerial level.

Results of annual paid leave acquisition



Specific measures (excerpt)

- Diversity and inclusion training for all Group employees
- An awareness survey targeting Group employees
- Measures to encourage men to take childcare leave
- A framework for inclusive design initiatives

Key goals for Step I

①Achieve annual paid leave acquisition targets
②Achieve 100% childcare leave utilization rate by men and women

Step I Measures for Promoting Diversity and Inclusion: Outline and Key Goals

Domain	Strategy
Personal success regardless of circumstances【all officers and employees】	Develop the foundation for D&I (conduct training aimed at promoting human rights and D&I)
	Foster wellness of mind and body and a psychological sense of safety
	Promote flexible ways of working (with a particular focus on promoting activities for raising awareness and accomplishing the annual paid leave acquisition target of 100%)
	Construct a framework for inclusive design initiatives
	Monitor the status of promoting wellness and D&I
Personal success regardless of gender, sexual orientation, and gender identity【gender inclusion】	Promote the achievement of the 20% target for the female manager and junior manager ratio
	Promote the achievement of the 100% target for the childcare leave utilization rate by men (actively implement various measures related to systems, development of rules, activities for raising awareness of systems, and promoting acquisition of childcare leave)
	Implement measures for empowering LGBT people
Personal success regardless of disability	Promote the employment of persons with disabilities, achieve the 2.4% target for the rate of employment of persons with disabilities
Personal success regardless of age	Promote the empowerment of young, mid-career, and senior employees
Personal success regardless of cultural background	Promote the empowerment of mid-career hires and foreign nationals in the workforce

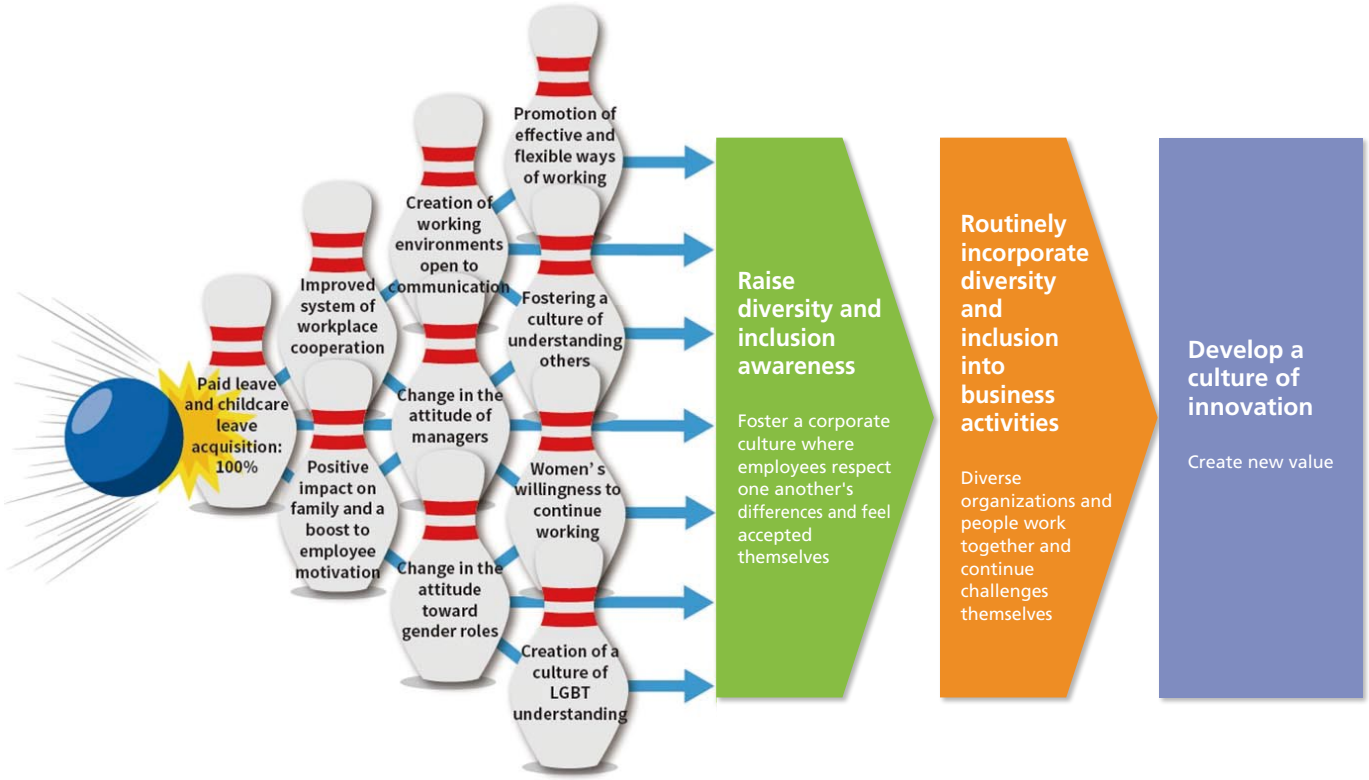
Key goals for Step I

1. **Achieve the annual paid leave acquisition targets**
2. **Achieve the 100% childcare leave utilization rate by men and women**

Materiality targets for 2030

①Female manager and junior manager ratio: 20%
②Childcare leave utilization rate by men and women: 100%
③Percentage of participation in human rights and D&I training: 100%
④Provision of products and services with inclusive design
⑤Percentage of implementation of one-on-one meetings: 100%

Image of Ripple Effects from Achieving the Key Goals for Step I



Indicators and Goals

Targets, KPIs, and Results

		2030	Unit	Result for FY2020	Result for FY2021	Result for FY2022	Result for FY2023
Hire and utilize diverse human resources	KPI Female manager and junior manager ratio*1	20	%	10.9	11.0	13.9	14.7
Promote diverse work styles	KPI Male and female employee childcare leave utilization ratio*2	100	%	—	—	64.5	101.2
	Male employee childcare leave utilization ratio*2*4	100	%	—	—	38.6	102.9
KPI Provide inclusive design products and services		—					Hands-on workshop held four times per year (51 participants in total)
KPI One-on-one meetings held*3		100	%	—	84	83	82

*1 Manager and junior manager ratio: Female manager and junior manager ÷ all managers and junior managers.
*2 Effective since fiscal 2022, the disclosure calculation method for securities reports has been revised in accordance with the Ministry of Health, Labour and Welfare guidelines (requiring disclosure of childcare leave acquisition status); thus, this disclosure begins from fiscal 2022. (Applies to domestic consolidated subsidiaries only.)
*3 The results of the questionnaire survey conducted by the Nomura Real Estate Group (domestic only) are posted up through the fiscal year ended March 2023, and the results of the awareness survey conducted by the Nomura Real Estate Group (domestic only) are posted for the fiscal year ended March 2024.
*4 Applies to domestic consolidated subsidiaries only.

Key performance indicators (KPIs) for priority issues (materialities) up to 2030

Other Results*1

		Unit	Result for FY2020	Result for FY2021	Result for FY2022	Result for FY2023
Female employee ratio		%	31.8	32.5	33.0	33.5
Ratio of female new graduates hired*2		%	42.0	39.8	39.3	46.4
Gender pay gap*3	All employees	%	—	—	61.4	61.6
	Full-time employees	%	—	—	58.5	58.8
	Part-time and fixed-term employees	%	—	—	89.7	89.5
Number of foreign employees*4			140	151	158	230
Rate of employment of persons with disabilities*5		%	2.05	2.33	2.31	2.26
Childcare leave takers*6*7	All employees		289	320	193	341
	Male employees		28	35	71	212
Rate of reinstatement after childcare leave*7	All employees	%	96.2	92.9	98.8	96.9
	Male employees	%	100	100	100	100
Nursing care leave takers			6	5	8	7
Percentage of mid-career employees hired*8	Nomura Real Estate Development	%	29.3	49.1	60.9	45.2
	Nomura Real Estate Solutions	%	21.1	27.5	28.9	49.4
	Nomura Real Estate Partners	%	35.6	38.1	44.4	59.3
	Nomura Real Estate Life & Sport	%	43.9	45.7	37.5	50.2

*1 "Female employee ratio" and "Ratio of female new graduates hired" include overseas corporations, while "Gender pay gap," "Childcare leave takers," "Rate of reinstatement after childcare leave," and "Nursing care leave takers" include domestic corporations only. In addition, figures shown are current as of March 31, 2023 (partial period).

*2 Figures indicate the number of employees hired during each fiscal year (i.e., employees who have joined the Company by April of the following calendar year).

*3 The ratio of women's wages to those of men. The Group applies an equal pay system for men and women and provides the same treatment within the same rank. In addition, personnel evaluations are conducted based on common standards for both men and women, and there are no differences between men and women in the personnel system.

*4 "Number of foreign employees" does not include the number of foreign technical intern trainees employed.

*5 Rates in Group companies subject to the Employment Rate System for Persons with Disabilities as of June 1 of the following fiscal year.

*6 Effective since fiscal 2022, the disclosure calculation method for securities reports has been revised in accordance with the Ministry of Health, Labour and Welfare guidelines (requiring disclosure of childcare leave acquisition status).

*7 Applies to domestic consolidated subsidiaries only.

*8 Percentage of full-time mid-career hires among the number of full-time employees, as stipulated under the Act for the Comprehensive Promotion of Labor Policies.

ESG Data (Social)

Initiatives

Initiatives for Empowering All Employees

Promoting One-on-One Meetings and Creating Psychological Safety

The Group believes that employee growth and wellness depend upon ensuring psychological safety for employees as they go about their daily operations, and it has therefore been holding one-on-one meetings Group-wide since October 2020. We distributed our own handbook to all employees and provided all managers with guidance for conducting effective one-on-one meetings.
In addition, in August 2022 we conducted e-learning sessions on the one-on-one meetings for all Group officers and employees. Compliance training organized by the Group Legal and Compliance Department and aimed at Group officers, general managers, and compliance promoters was carried out in 2022 and 2023 on the theme of psychological safety and the role of leaders.
Each year, we also conduct a questionnaire on the implementation of the one-on-one meetings throughout the Group to confirm progress.

Implementation of the Nomura Real Estate Group Sustainability, Wellness, Diversity and Inclusion Survey (Your Voice Creates NEW VALUE, REAL VALUE)

The purpose of the survey is to share with management the good points and issues about the Company and workplace that Nomura Real Estate Group employees notice in their daily work, and to make use of this feedback in creating better workplaces. Until now, the survey has been implemented separately by each Group company, and we have been conducting a common Group-wide survey since August 2022. To further stimulate group synergies, including consideration of actions for addressing common issues, we will make visible the indicators for employee satisfaction and willingness to make voluntary contributions across the Group.

Action Plan for Empowering Women

Following the full enforcement of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (hereinafter Promotion of Women Act) on April 1, 2016, every Group company has formulated an action plan and is pursuing related initiatives for promoting female participation.
We analyze issues related to recruitment, continued employment, and promotion, and we take action to address these issues.

Female Manager Ratio and Female Manager and Junior Manager Ratio

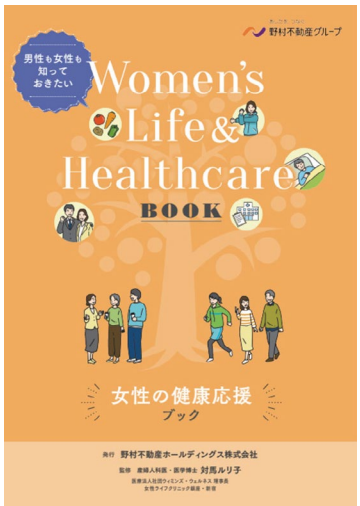
The ratio of female managers, and the ratio of female managers and junior managers, is monitored by the Human Resource, Wellness, D&I Committee, which meets twice a year with the objective of achieving the target of 20% for female management positions by 2030. The rate was 14.7% as of the end of March 2024. In terms of recruitment, we hold events for female students in which female employees of Nomura Real Estate speak on the themes of workstyle and career. We are striving to raise the ratio of female managers and ratio of female managers and junior managers to expand opportunities for women to play more active roles and to create an organization that incorporates diverse perspectives.

Initiatives to Reduce the Gender Wage Gap

The Company applies the same wage system to both male and female employees and treats them equally in the same grade. In addition, personnel evaluations are based on the same standards for both men and women, and there are no differences between them in the personnel system. On the other hand, the low ratio of female managers is the main reason for the gender pay gap. We will therefore strive to increase the ratio of female managers to narrow the gender pay gap by increasing the ratio of female hires and taking action to ensure the continued employment, promotion, and leadership development of women.

Health Seminar for Female Employees

The Group conducts an annual seminar for newly promoted managerial employees to develop a work environment that takes into consideration health issues specific to women and promotes appropriate management. In fiscal 2023, the seminar was held with the participation of 207 people. In addition, the Group holds an annual health seminar for female employees to help them gain knowledge about their health so that they can appropriately deal with issues that may arise. The seminar was attended online by 703 people in fiscal 2023.



Seminar pamphlet


Seminar for female employees

Support for Childcare and Nursing Care

In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, which is intended to support the sound upbringing of children as the next generation of leaders for society, the Group has established various systems, including childcare leave, to help employees balance work with childbirth, childcare, and nursing care.
Based on the above act, two companies, Nomura Real Estate Solutions Co., Ltd. and PRIME X Co., Ltd., have been certified as childcare support companies and have obtained the Platinum Kurumin Next Generation Certification Mark. In addition, based on the Act on the Promotion of Women's Active Engagement in Professional Life, Nomura Real Estate Life & Sports Co., Ltd. has been certified as Eruboshi (3 stars), while Nomura Real Estate Solutions and PRIME X have been certified as Eruboshi (2 stars).
The Group also provides information on its programs through the intranet and other means in order to establish a workplace environment that encourages the use of these programs. In fiscal 2023, 216 employees returned to work after childcare leave, and the return-to-work ratio by gender was 100% for men and 96.9% for women.
Nomura Real Estate and other companies have established a dedicated website for employees taking maternity leave, nursing care, or leave of absence and have put into place a system to support their return to work.

News Release (Thirteen Nomura Real Estate Group Companies Become Members of the IKUBOSS Alliance)
News Release (100% Paid Childcare Leave after Birth (Postpartum Paternity Leave) at Eight Group Companies)

Main Programs that Support Childcare and Nursing Care

Programs	Details
Childcare leave	Regardless of gender, employees can take leave for childcare until their child turns three years old (also available to those with less than one year's service).
Reduced working hours for childcare	Regardless of gender, employees can work a reduced number of hours until their child is in the third grade of elementary school.
Nursing care leave	Employees can take a leave in installments of up to a total of three years to care for a family member requiring nursing care.
Reduced working hours for nursing care	Employees can work reduced hours for up to three years to care for a family member who requires nursing care.
Holiday childcare support*1	Assistance for covering childcare costs on weekends and holidays is available for employees who need to work on weekends and holidays.
Paternity leave programs for male employees*1	Male employees can use their annual paid leave to take five days of leave within six months after the birth of their child.

Underlined text: Programs designed beyond statutory requirements
*1 Applicable to Nomura Real Estate Development and some other Group companies

Empowerment of LGBT employees

As part of our initiatives for empowering LGBT employees, we held a panel discussion in December 2020, entitled LGBT Employees in the Workplace, for all Group executives and general managers of Nomura Real Estate Development.
We also publish a bi-monthly LGBT-related column on the intranet to educate employees.
We conducted an awareness survey of Nomura Real Estate Group employees to obtain numerical data so we can understand to whatextent to which LGBT employees feel they can work with vigor and be themselves in the workplace, and we will continue to improve our workplace environment so they can be who they are and feel safe at work.
In addition, Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management, and Nomura Real Estate Life & Sports were awarded the Gold rating, Nomura Real Estate Solutions was awarded the Silver rating and Nomura Real Estate Partners was awarded the Bronze rating in the PRIDE Index 2023, which certifies companies and organizations for their efforts related to LGBT persons and other sexual minorities.





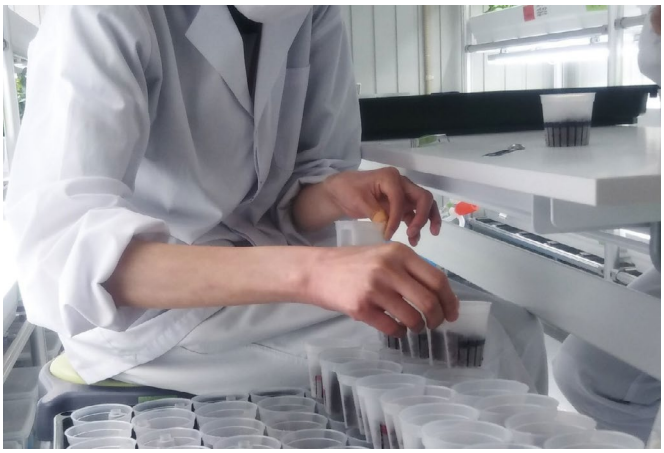


* The PRIDE Index was established in 2016 by work with Pride, a voluntary organization that supports the promotion and establishment of LGBT-related diversity management, as a system for recognizing the efforts of companies and organizations related to LGBT persons and other sexual minorities.

Empowering People with Disabilities

The Group has bolstered its efforts to hire people with disabilities by providing opportunities to work at an indoor farm facility. In fiscal 2021, Nomura Real Estate Solutions also started offering new jobs for people with disabilities at its satellite offices.


Working at an indoor farm facility


Working at an indoor farm facility

In addition, Nomura Real Estate Life & Sports employs six athletes with disabilities and Nomura Real Estate Partners employs two, and both companies support their athletes by providing them with employment that allows them to balance their competitive and professional lives.

Supporting Sports for the Disabled

Empowering Senior Employees

To provide opportunities for employees who are seniors to continue applying their wealth of experience and skills as a driving force of business growth, the Group provides employment extensions based on the reemployment program for those who have reached retirement age and wish to continue working. It ensures employment opportunities up to the age of 65 at the employee's request. Moreover, some Group companies have established employment programs in which employees can work even after the age of 65 at the employees' request, thus supporting work styles that meet the needs of seniors.

Empowering Global Human Resources

When hiring, the Group makes use of an in-house handbook and other guides to ensure that no disadvantages are associated with personal background or beliefs, including race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, or life stage. We also accommodate employees' religious practices and conduct within a certain framework. In addition, we hire and support human resources who can effectively engage at a global level regardless of race, ethnicity, nationality, or religion so that human resources with diverse values can demonstrate their individual abilities to the fullest and spark new value. We are actively hiring local human resources, especially in China, Hong Kong, Thailand, Singapore, and Vietnam, where Group companies are located, to strengthen our overseas strategies so that we can quickly and accurately identify and reflect the different needs of each country and region in our business operations.

Representative Major Efforts to Secure Global Human Resources

Target	Main approach
Hiring global human resources	• Participating in recruitment events for international students & performing selection

Human rights

Implementation of Unconscious Bias Training in the Group's Newly Appointed Managerial Employee Training

Every year, we conduct training on unconscious bias as part of the rank-specific training programs for newly appointed managers of the Nomura Real Estate Group.

Inclusive Design Study Sessions and Hands-on Workshops

Our Group defines inclusive design as "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." As part of our efforts to promote inclusive design throughout the company, we hold events, such as inclusive design study sessions and inclusive design hands-on workshops, with the support of external companies.



View of an inclusive design hands-on workshop

Human rights

Governance

Governance (Society)

Human Rights Policy

Strategy

Background and Aim

- There is significant interest and expectation, both inside and outside the company, regarding business-driven efforts to address human rights issues.
- In particular, as a corporate group that connects people, towns and communities to the future, we have a responsibility to realize a sustainable society in which everyone can experience wellness.
- Therefore, acting with respect for the dignity and basic human rights of all people is an essential premise for the business activities of our Group.

Impact on Business Models and Value Chains

When formulating our Human Rights Policy, our Group investigated human rights risks throughout our entire value chain. Based on a survey focused on "severity of potential human rights impact (scale, scope, and difficulty of remediation)" and "possibility of human rights impact (country-specific situation and industry-specific situation)," we have identified risks in terms of overseas operations and employment of foreign workers.
We conduct human rights due diligence on any elements identified and take corrective action if necessary.

Risks	Opportunities
• If we are unable to respect the basic human rights of all officers and employees, prevent harassment, and provide a comfortable working environment, employee engagement may decline. • If our suppliers and business partners fail to comply with our Human Rights Policy and Procurement Guidelines, which call for them to refrain from unfair labor practices, there is a possibility that reputational risks may arise.	• Respecting the human rights of various stakeholders is the foundation for the Group's business development and expansion, and leads to increased sustainability for both the Company and its stakeholders.

Risk Management

Human Rights Issue-related Communication and Handling

Our Group engages with stakeholders on the theme of human rights in a variety of ways, both inside and outside the company.

Participation in the Human Rights Due Diligence Promotion Council

Our Group participates in the Human Rights Due Diligence Promotion Council (formerly the Human Rights Due Diligence Study Group), which is made up of nine companies: three general contractors, which are suppliers to our Group, and six real estate developers, including Nomura Real Estate Holdings.
The council was established to fulfill the corporate responsibility to avoid infringing on the human rights of others and to prevent, mitigate, and rectify adverse human rights impacts with which they are involved as required by the Guiding Principles of Business and Human Rights. We strive to prevent human rights abuses including forced labor in the industry as a whole.

Exchanges of Opinion on Human Rights Issues

Through the Human Rights Due Diligence Promotion Council (formerly the Human Rights Due Diligence Study Group), whose active participants include construction and real estate companies, the Group implements engagement initiatives with NGOs, lawyers, and other external bodies to prevent adverse impacts on human rights with respect to the acceptance of foreign technical interns and human rights issues related to Group business activities. As for engagement initiatives, it was pointed out that the Group has noticeable problems such as long working hours and insufficient safety measures.
In response, the Group is promoting appropriate business activities based on international norms, taking the perceived issues into account for future activities and plans.

Acceptance of, and Communication with, Foreign Technical Interns



A social gathering for technical intern trainees

The Group's Nomura Real Estate Amenity Service accepts foreign technical interns from Indonesia, Vietnam and the Philippines. To ensure that interns can work with confidence, the Company gives due consideration to the improvement of their working environments, the thorough implementation of safety standards, the provision of appropriate living arrangements, and other key factors. To elicit opinions, requests, consultations, and concerns from trainees, we provide periodic opportunities for interviews with their superiors (line care), and the Human Resource Development Section staff and technical interns (those who have completed their technical internship training) provide lifestyle support and mental care (staff care) to the trainees when patrolling their dormitories. We also hold Japanese language study sessions (once a week), Japanese culture experiences (monthly), and social gatherings (once a year).
We are also considering further expanding the number of trainees we accept and, moving forward, recognize the need to be more considerate of the human rights of, and communicate better with, technical intern trainees.

Human Rights Due Diligence-driven Issue Identification

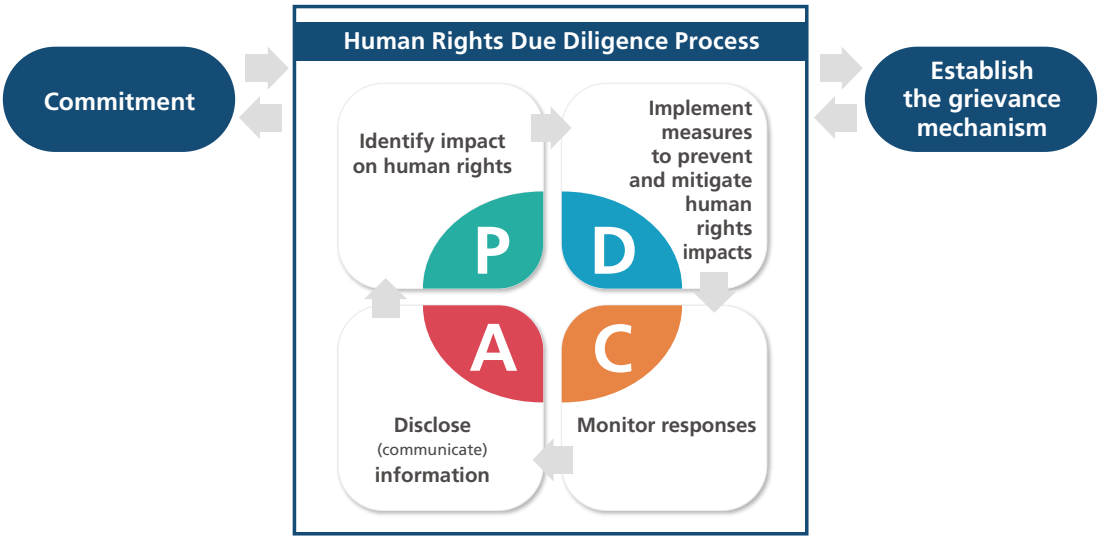
Human Rights Initiatives to Date

Period	Initiatives
FY2020	• Established the Human Rights Subcommittee to strengthen and promote activities in accordance with international norms on human rights and began formulating the Human Rights Policy • Conducted sustainability monitoring interviews with 10 major suppliers
FY2021	• Formulated and announced the Nomura Real Estate Group Human Rights Policy • Identified prominent human rights issues within the Group • Conducted a Group-wide desktop survey to ascertain the current status of human rights issues within the Group • Conducted a detailed survey, including interviews and questionnaires, involving seven Group companies, six in Japan and one in Vietnam, in the property and facility management business, hotel business, and overseas business, as these are operations with relatively high human rights risks ▼ **Identified four priority issues** (1) Wellness and human rights of employees (2) Overseas business and non-Japanese workers (3) Human rights in the supply chain (4) Remedial measures
FY2022	• Implemented various measures, mainly through the Wellness and D&I Management Committee (measures such as encouraging employees to take paid leave) • Incorporated human rights elements into project evaluation criteria for overseas operations • Created checklists to confirm human rights risks in the Company • Created and distributed an interview sheet for suppliers to use in determining the employment status of non-Japanese technical interns • Reformed the internal reporting system for workers at overseas bases and announced the reforms
FY2023	• Implemented various measures, mainly through the Wellness and D&I Management Committee (measures such as increasing the rate of one-on-one meetings) • Started implementation of overseas project evaluation criteria incorporating human rights elements • Started using human rights risk checklists and conducting face-to-face interviews with some business companies • Conducted face-to-face meetings with suppliers which were attended by external consulting firms • Established the Nomura Real Estate Group Human Rights Consultation Desk

Four Priority Issues

The Group is establishing a human rights due diligence process based on the UN Guiding Principles on Business and Human Rights for identifying, preventing and mitigating negative impacts on human rights, directly related to our business, products, and services as a result of our business activities and relationships.
With the cooperation of external experts, we completed establishment of the priority issues to be addressed on human rights due diligence by fiscal 2021 and formulated a three-year roadmap of initiatives. Specifically, we selected four priority issues: (1) employee wellness and human rights, (2) overseas business and non-Japanese workers, (3) human rights in the supply chain, and (4) remedial measures, and we designated departments with jurisdiction over these issues.
We have been implementing a full-scale human rights due diligence and a PDCA cycle based on the roadmap since fiscal 2022.

Human Rights Due Diligence Implementation Process



Scope of Human Rights Due Diligence

Target businesses	Real estate development business, real estate management business (especially the hotel business), overseas business (Vietnam, Thailand, China, Philippines)
Target people	Employees of the Group (especially foreign national employees) Employees of our suppliers (especially foreign technical intern trainees) Customers and neighbors
Human rights risk indicators	(1) Child labor (2) Forced labor and human trafficking (3) Discrimination of any kind (4) Harassment (5) Appropriate working environment (6) Appropriate working conditions (7) Life and health of customers and users (8) Life and health of neighbors, etc. (9) Background of site acquisition (10) Privacy

Wellness and Human Rights of Employees

Wellness Management

Overseas Business and Non-Japanese Workers

Preventing Human Rights Risks in Our Own

Corrective measures that our Group takes to address human rights risks include utilizing human rights checklists when hiring foreign employees and, in the event of a conflict between international law and local law, incorporating into contracts a statement that international law takes precedence.
In order to more clearly understand the negative impact on human rights, we conducted the following two human rights risk assessments in fiscal 2023 on overseas business, and non-Japanese workers, which is one of the four priority issues.

(1) We distributed and collected human rights risk checklists from six Group companies that employ foreign nationals in Japan, and we conducted risk assessments.
(2) For Nomura Real Estate Amenity Service, which directly employs non-Japanese technical interns, we conducted face-to-face interviews with two technical interns which were attended by external consults.

Assessment of (1) and (2) above revealed that our Group as a whole employs a diverse workforce representing 14 countries. In addition, we found that, as of fiscal 2023, even companies that do not employ foreign workers (including technical interns) may do so in the future; thus, moving forward, we will share good practices within the Group and revise the checklist questions as appropriate in order to further enhance our risk assessments.

Human Rights in the Supply Chain

Assessing Human Rights Risks in the Supply Chain

In order to address human rights issues in the supply chain, the Group has distributed its Procurement Guidelines to more than 4,600 suppliers and asked each company to respect human rights.
With regard to the questionnaire survey on the Procurement Guidelines which we conducted in fiscal 2021, we added items related to foreign technical interns in fiscal 2022 and 2023 and sent the questionnaire to approximately 300 core suppliers. In fiscal 2023, a total of 132 companies (56% of core suppliers) responded, and we directly engaged with approximately ten of them, conducting monitoring meetings and study sessions aimed at raising awareness of human rights, including requests for promoting measures to improve internal systems and reduce human rights risks after confirming the status of initiatives.
Of the 10 companies interviewed, two were interviewed with an external consultant present, and the following was confirmed through these interviews.

- No urgent matters were identified.
- There is a need for strengthened human rights due diligence for second-tier suppliers and beyond.

Moving forward, we will expand the scope of our activities and improve our human rights due diligence system based on the above as we work to address human rights issues in our supply chain.

【Main Items Added to Check Human Rights Risks】

- Any brokerage fees, security deposits, or pre-travel expenses at the time of acceptance
- Whether working hours are recorded
- Wage records
- Deduction from salary
- Check the conditions and environment of dormitory or accommodation
- Check the possession of passport and residence card

Pursuing Risk Level-based Engagement

Remedial Measures

Establishment of a Grievances Mechanism

The Group has set up multiple points of contact, which are accessible to all employees regardless of employment status, for consultation on human rights issues and has also established a point of contact for reporting on human rights abuses by Group employees and other acts that may conflict with the Group's code of ethics.
Reports and consultations received through these points of contact are accepted anonymously and remain strictly confidential. If, as a result of investigation, there is a clear violation of respect for human rights, the Group takes appropriate action against the perpetrator, and protects the victim and whistleblower so that they are not treated prejudicially for having made a report.
In this way, by setting up multiple points of contact for consultation, the Group has created an environment where it is easy to seek advice, and is working for the early detection and resolution of any problems and taking measures to prevent reoccurrence. The points of contact for consultation report semi-annually to the Risk Management Committee and report on legal violations and fraud to the Risk Management Committee as well as the Audit & Supervisory Committee, and management reviews the operational status of the points of contact.
In fiscal 2023, there were 41 consultation matters relating to discrimination and harassment, and we investigated the facts and took appropriate action.
Going forward, we plan to strengthen the system to improve the effectiveness of the points of contact for consultation.

Human Rights Consultation Service

	Contact	Subject	Outline
Human Rights and Harassment Consultation Desk	In-house/ external	Group officers and employees	A consultation desk for human rights and harassment-related matters
Nomura Real Estate Group Helpline	In-house (domestic)	Group officers and employees (who have been affiliated with a Group company within one year of the date of consultation, reporting, etc.)	A consultation/reporting desk for matters relating to misconduct or violations of business-related laws, regulations, company rules, operating rules, etc.
Nomura Real Estate Group Global Helpline	In-house (international)	Officers and employees directly employed by overseas subsidiaries of the Group	A consultation/reporting desk for matters relating to misconduct or violations of business-related laws, regulations, company rules, operating rules, etc.
Nomura Real Estate Group Human Rights Consultation Desk	In-house (domestic)	All stakeholders	Human rights consultation hotline for stakeholders connected with our business

Nomura Real Estate Group Helpline

Indicators and Goals

Targets, KPIs, and Performance Data

	Target for 2030	Unit	Result for FY2023
KPI Creation of a human rights due diligence system	Establishment of targets for each fiscal year	—	(1) In-house: Surveyed the working status of foreign employees (2) Outside the company: Surveyed the working status of technical intern trainees at suppliers (3) Incorporated human rights risk assessments into overseas operations (4) Organized issues to establish a grievances mechanism
KPI Percentage of participation in human rights training	100	%	100*1

*1 Note: Participation rate for the online Human Rights, Wellness, and D&I Training conducted jointly by the Group

Key performance indicators (KPIs) for priority issues (materialities) up to 2030

Other Performance Data

			Unit	Result for FY2020	Result for FY2021	Result for FY2022	Result for FY2023
Human rights training (Group-wide)	New employees	Participation rate	%	— *1	100	100	100
		Number of participants		— *1	280	263	304
	Newly appointed (core) managers	Participation rate	%	100	100	100	100
		Number of participants		135	149	168	217
	Mid-career hires	Participation rate	%	100	100	100	100
		Number of participants		170	195	262	269

*1 Canceled due to measures against COVID-19.

ESG Data (Social)

Initiatives

Human Rights Training for Group Officers and Employees

Rank-Specific Training

To deepen understanding of respect for human rights, the Group makes use of opportunities such as, rank-specific training, to conduct human rights education. The participation rate for the Human Rights, Wellness and D&I Training held in fiscal 2023 for Group employees was 100%.

In addition, the Nomura Real Estate Group Code of Action Handbook is distributed to all employees to disseminate knowledge, and training on discrimination and harassment is conducted for all employees. The Group's internal newsletter, which is published regularly, also contains provisions requesting the understanding of and consideration for LGBT* individuals.

* LGBT (lesbian, gay, bisexual, and transgender) is a general term for sexual minorities.

Wellness Management

Governance

Governance (Society)

Risk management

Policy on Wellness Management

In addition to the Group Policy, the Nomura Real Estate Group's Action Guidelines statement of "What We Value" includes realizing its goal of working with vigor and achieving wellness. We promote Wellness Management so that our employees are healthy both physically and mentally and can work with energy. In addition, we pursue fair employee evaluations, remuneration including a guarantee of living wages and equitable social benefits, and respect for fundamental rights such as freedom of association and the right to collective bargaining. The Nomura Real Estate Group Code of Action provides that the Group will strive to establish maintain sound, comfortable workplace environments. Accordingly, we implement comprehensive health and safety management and take measures to prevent excessive workloads, long working hours, and occupational accidents so that every employee can feel safe while working in good mental and physical health.
Furthermore, we signed the United Nations Global Compact in May 2019 and will comply with the four labor principles of this initiative while taking additional actions.

Key wellness themes

- 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

Work-related risk management and legal compliance

The Group complies with work-related laws and regulations in each country and is establishing a system for managing and improving situations. In particular, with regard to working hours, the Group strives to reduce overtime work. Each month, the Nomura Real Estate Holdings Board of Directors receives reports on and confirms the actual situation of overtime and status of compliance with the Article 36 agreement (an agreement made pursuant to Article 36 of the Labor Standards Act regarding overtime work and work on rest days) of each Group company. Regarding companies and cases with pending issues related to compliance with the Article 36 agreement, we consider responses and take improvement measures. In addition, the Nomura Real Estate Development Board of Directors receives reports each month on working hours and the status of employees taking leave in each division and shares information on related issues while also taking improvement measures.
No Group office has obtained the ISO 45001 certificate, which is a standard for occupational health and safety systems.

Nomura Real Estate Group's Wellness Management Initiatives

The Nomura Real Estate Group values the physical and mental health of its employees above all else and conducts wellness management in which all officers and employees are healthy both mentally and physically and can work with energy, which leads to the sustainable growth of the Group. The Nomura Real Estate Group conducts questionnaire surveys at 15 domestic Group companies to investigate employee performance status (absenteeism, presenteeism, work engagement), health literacy, and lifestyle risks.
The survey was conducted twice in fiscal 2021 and has been conducted annually since fiscal 2022. By reviewing numerical results at the Human Resource, Wellness, D&I Committee and linking them to the Group's wellness management measures, we are promoting wellness management to realize a level of wellness that enables employees to work with vitality.

Nomura Real Estate Development
Nomura Real Estate Solutions
Nomura Real Estate Partners
Nomura Real Estate Life & Sports
Nomura Real Estate Retail Properties
Nomura Real Estate Hotels
PRIME X

Indicators and Goals

Performance data

Item		Unit	FY2020	FY2021	FY2022	FY2023
Statutory overwork per employee		Hours per month	9.99	13.81	11.03	8.67
Paid leave acquisition rate		%	56.13	62.34	69.36	69.86
Rate of employees who underwent medical examinations and checkups*1		%	100	100	100	100
Absentee rate		%	0.41	0.45	0.36	0.43
Engagement in the workplace (out of 5 points)*2		Points	3.96	3.97	3.87	3.91
(Group) Awareness survey response rate*3		%	97.8	93.0	92.4	94.4
Number of work-related accidents resulting in death of an employee		Number	0	0	0	0
Number of work-related accidents resulting in death of a contractor		Number	2	0	1	2
LTIFR*4		—	3.43	0.56	1.00	3.14
LTIR*5		—	1.34	0.32	1.00	0.93
Average tenure of employees*6	Male	Years	11.53 (13.90)	11.71 (13.40)	12.11 (13.81)	12.12 (13.04)
	Female	Years	7.90 (8.56)	8.17 (8.35)	8.24 (8.43)	8.72 (9.43)
	Total	Years	10.42 (11.88)	10.56 (11.49)	10.87 (11.75)	10.98 (11.68)
Turnover rate*7	Male	%	4.84	6.01	5.42	4.82
	Female	%	4.79	5.63	5.98	5.3
	Total	%	4.78	5.81	5.60	4.98
	Turnover rates for personal reasons	%	3.88	4.45	4.70	4.33
Stress check response rate*8		%	88.8*9	88.8*9	94.5	97.1

*1 Non-consolidated results at Nomura Real Estate Development (excluding contractors)
*2 Until FY2021, the numbers for "Workplace Satisfaction" in the satisfaction survey conducted by Nomura Real Estate Development alone are listed, and in FY2022, the numbers for "Workplace Engagement" in the awareness survey of the Nomura Real Estate Group are listed as numerical values.
*3 Until FY2021, the response rate was based on the satisfaction survey for Nomura Real Estate Development alone, and from FY2022, it will be the response rate for the awareness survey for the Nomura Real Estate Group as a whole. (Target expanded from approximately 2,000 to approximately 7,000 people.)
*4 (Number of occupational accidents resulting in lost days/Total work time) × 1,000,000
*5 (Number of fatalities and lost-days injured persons/Total work time) × 1,000,000 (excluding contractors)
*6 Figures in parentheses indicate non-consolidated performance of Nomura Real Estate Development. Note that the calculation method was changed in fiscal 2023.
*7 Turnover rates include the number of employees retired at the mandatory retirement age.
*8 Non-consolidated results at Nomura Real Estate Development
*9 Data for previous years has been corrected retrospectively to improve accuracy.

ESG Data (Social)

Initiatives

Measures for health and safety improvements by management

Towards improving workplace environments, the Group holds periodic gatherings that provide an opportunity for the Nomura Real Estate Holdings president and executive vice president to meet directly with employees, who share workplace issues regarding the work climate and employment. In fiscal 2022, 20 meetings were held to discuss reducing working hours, raising productivity, and helping employees to achieve a good work-life balance. We examined proposals and opinions expressed at these meetings and improved the personnel system. In this manner, these meetings are promoted as measures to ensure the health and safety of employees.

Prevent overwork

The Group is implementing a variety of programs intended to prevent overwork by employees.

【Main measures】

- Reduce work and implement outsourcing based on operational reviews
- Make use of AI and RPA
- Promote the introduction of mobile PCs
- Promote teleworking programs, staggered work shifts, and flextime programs
- Promote the use of satellite offices
- Set time limits on computer use
- Send overtime alerts
- Currently conducting a trial of a new workstyle following the relocation of the Group headquarters
- Formulate a workstyle guidebook
- Use satellite offices (H¹T)

These measures are important for preventing overwork. In addition, employees who work more than a certain number of hours in a single month are required to check their physical condition using a Cumulative Fatigue Self-Diagnosis Checklist and provide feedback to a supervisor. Other measures are also taken to ensure good health, such as consultations with an industrial physician.

Addressing occupational safety risks

In the condominium business, the Group is mainly implementing initiatives to ensure safety at construction sites toward achieving zero occupational accidents. We confirm the construction company's safety plan when construction begins, and during construction, staff in charge visit the site at least once a month to confirm the construction company is properly implementing accident prevention measures as planned. In the event a problem is found, we demand that the construction site make improvements and also alert other sites under construction. Accident prevention measures and precautions are compiled in the Guidelines on Construction Safety and Crime Prevention Measures and distributed to construction companies so they can incorporate them into their safety plans for proceeding with construction projects. As for occupational accidents, there were two fatal accidents for contractors.

Ensuring safety of construction sites

Enhancement of health management

The Group has adopted several initiatives for detecting employee health risks at an early stage and helping them maintain their health and safely perform their duties.

Further improvement of the medical checkup system

The Group requires that all employees undergo complete physical examinations and medical checkups. We encourage those who may need a second checkup to arrange for one and follow up on the status of their checkup. In fiscal 2022, the rate of physical examinations and medical checkups of Nomura Real Estate Development was 100%. In the coming fiscal years, we will continue striving to achieve a 100% physical examination and medical checkup rate across the Group to safeguard the health of our employees.

Implementation of stress check tests

The Group regularly monitors the mental health status of its employees through stress check tests and provides mental health training to help reduce stress levels.

Item	FY2020	FY2021	FY2022	FY2023
Stress check response rate (%)*	88.7	87.5	94.5	97.1
Main training programs (including e-learning)	○Mindfulness seminar ○Mental health training	○Mindfulness seminar ○Mental health training ○Self-management training for new employees	○Mindfulness seminar ○Mental health training ○Self-management training for new employees	○Mental health training ○Self-management training for new employees

* Non-consolidated results at Nomura Real Estate Development

Strengthening the harassment and health consultation system

The Group established a physical and mental health consultation hotline and a human rights and harassment hotline. These provide employees access to outside specialists for consultations, in addition to the health consultation office within the Group, which is staffed by full-time physicians and nurses. The consultation service is available to employees and their family members.

Physical and mental health consultation hotline

Consultations on issues related to the workplace, family, women's health, and LGBT issues can be arranged with external counselors by phone or email.

Human rights and harassment hotline

Consultations on harassment within the Company can be arranged with outside counselors by phone. Consultations can also be made anonymously.

Establishment of group consultation points

Provision of social benefits

The Nomura Real Estate Group has declared in its Nomura Real Estate Group Diversity and Inclusion Promotion Policy that it will realize substantive equal opportunity by focusing on the differences of each and every employee. The Group has established and is working to enhance employee social benefit programs to establish a work environment in which diverse employees can balance work and life, including childcare and nursing care.

Main social benefits provided by Nomura Real Estate Development

Social benefits	Overview
Accumulated paid leave	This system allows employees to accumulate up to 90 days of annual paid leave that will expire two years after being granted. Employees can use accumulated leave for things like medical treatment, nursing care, childcare, and social contribution activities, and can systematically take leave in combination with annual paid leave.
F Leave	Special leave that can be taken once a month for women's specific physical ailments. The reasons for taking leave are not limited to menstrual periods but have been expanded to include infertility treatment and menopausal health problems. Expanding the number of permissible reasons has made it easier for female employees to take leave. The name of the leave has been changed to "F leave" ("F" stands for "female").
Birth leave	Five days of special leave that can be taken during the period immediately before and after the birth of a child (granted separately from annual paid leave)
Maternity leave	Six weeks prior to childbirth (14 weeks in the case of a multiple pregnancy) and eight weeks after childbirth (with pay)
Childcare leave at birth	Up to 28 days of paid childcare leave during the four weeks within the eight weeks after the birth of the child, which is made possible by the childcare leave for birth (post-birth father childcare leave) (100% of the take-home pay before the leave is guaranteed, with payment documented as regular wages, alleviating the financial concerns caused by taking childcare leave).
Childcare leave	Until the child reaches the age of three years
Family care leave to care for children	Preschool children: five days/year for one child and ten days/year for two or more children
Family care leave	Up to one year in total
Volunteer leave	Five days for volunteer activities related to a severe natural disaster
Mental health support	Health consultation office, Physical and mental health consultation office, appointment of an industrial physician of psychosomatic medicine
Measures to ensure good health	Appointment of nurses and industrial physicians, implementation of personnel interviews and medical examinations
Rehiring elderly workers	Rehiring elderly workers
Retirement benefit program	There are two types of retirement benefit plans to which the company contributes or pays contributions: a lump-sum retirement payment/defined benefit corporate pension plan and a corporate defined contribution pension plan (employees can add to their contributions). (The applicable system differs by job classification.)
Health insurance	High medical expenses, lump-sum childbirth benefit, injury and disease benefit, comprehensive medical examinations, and similar expenses
Allowances	Family allowance, reassignment allowance, reassignment without family allowance, housing subsidies, and similar expenses

100% paid childcare leave for birth (post-birth father childcare leave) at eight group companies-multiple new systems established to create a workplace where everyone can work comfortably

Information sharing and training on health and safety

The Group holds monthly group personnel division meetings attended by persons in charge of human resources at Group companies. At the meetings, participants share information on relevant laws and regulations including the Labor Standards Act, working conditions of each Group company, and the importance of labor management and safety and health. In addition, we provide safety and health training, such as explanations on the Labor Standards Act and other relevant laws and regulations and methods of labor management, on many occasions including during the training of newly promoted managerial employees.

External recognitions of health management

Health & Productivity Management Award (Large Enterprise Category)

Nomura Real Estate Holdings has been selected for the first time under the Certified Health & Productivity Management Outstanding Organizations Recognition Program, co-organized by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. The program recognizes listed companies that consider employees' health and productivity management from a business management perspective.

Nine Group companies (Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management, Nomura Real Estate Solutions, Nomura Real Estate Life & Sports, Nomura Real Estate Partners, PRIME X, Nomura Real Estate Retail Properties, and Nomura Real Estate Hotels) were recognized as 2024 Certified Health & Productivity Management Outstanding Organizations (large enterprise category), which are jointly selected by the Ministry of Economy, Trade and Industry of Japan and Nippon Kenko Kaigi. This program recognizes enterprises that have implemented outstanding initiatives to promote health and productivity management based on efforts to address local health issues and improvement initiatives promoted by Nippon Kenko Kaigi. In addition, Nomura Real Estate Solutions was also recognized as a White 500 enterprise (large enterprise category) in the Certified Health & Productivity Management Outstanding Organization Recognition Program.

The Nomura Real Estate Group Sustainability, Wellness, Diversity and Inclusion Survey (Your Voice Creates New Value, Real Value.)

The purpose of the survey is to share with management the good points and issues about the Company and workplace that Nomura Real Estate Group employees notice in their daily work, and to make use of this feedback in creating better workplaces. Since August 2022, we have been conducting a common Group-wide wellness and D&I Awareness Survey (Your Voice Creates New Value, Real Value.). In order to further stimulate Group synergies through measures such as addressing common concerns, we will visualize indicators for employee satisfaction and willingness to make voluntary contributions across the Group. Through this survey, we have been holding wellness promotion meetings as opportunities for employees and managers to directly interact.

Creating fair work environments

Labor-management dialogues

The Group respects employees' freedom of association and the right to collective bargaining, and even at Group companies that do not have labor unions, labor representatives and officers responsible for human resource divisions hold periodic meetings and work to improve the workplace environment. As of April 1, 2024, Nomura Real Estate Development, Nomura Real Estate Partners, and some overseas subsidiaries have labor unions, and the labor union membership rate among Group employees is 28.71%.

Fair wages

As for wages, the Group complies with laws and regulations that set minimum wages in each country and pays reasonable salaries that allow employees to maintain a certain standard of living in accordance with the consumer price index of their country or region. In fiscal 2023, the average annual salary of Nomura Real Estate Holdings was 10.91 million yen.

Understanding and disseminating policies on labor standards

To ensure that all employees can gain an accurate understanding of company policies regarding labor standards, the Group provides documents or explanations regarding employment rules, personnel evaluation systems, and social benefits in Japanese, or in English if necessary, to employees, including those of overseas Group companies, during their initial training.

Hiring more local human resources and ensuring they actively contribute

The Group considers local business characteristics and places emphasis on connections with communities across the country in carrying out recruitment activities in different regions. Some Group companies have also established programs where employees can work in their home region or choose from a number of regions across the country. This allows them to choose diverse work styles based on their work-life balance. In other measures, Nomura Real Estate Development has a re-entry system for those who have left the Company due to unavoidable circumstances such as marriage, childbirth, childcare, nursing care, and transfer of a spouse.

Responses to Incidents

In 2017, the Nomura Real Estate Development head office and four regional offices (Kansai, Nagoya, Sendai, and Fukuoka branches) received a recommendation for corrective action and guidance from the Labor Standards Inspection Offices with jurisdiction regarding the discretionary work system for planning work that applied to some employees. We take this matter extremely seriously and are conducting comprehensive labor management while taking measures to improve workplace environments so that this type of incident does not occur again. Nomura Real Estate Development is implementing the following measures to appropriately manage labor and improve workplace environments.

1. Comply thoroughly with laws and regulations
2. Top management and directors share issues with employees and strive to establish relationships of trust and improve workplace environments
3. Implement the following measures to ensure health:
   (1) Raise awareness of health issues of officers and employees
   (2) Officers and supervisors thoroughly monitor the health condition of employees
   (3) Make further improvements to systems for health consultation and medical checkups

Each Group company confirms their status and will continue to take measures toward improvements into the future.

For further details, refer to the following.

Our actions regarding appropriate employment management and improvement of working environment

Human Resource Management

Governance

The Human Resource, Wellness and D&I Committee deliberates on the Group's overall policies and goals regarding the management of human capital. The committee was renamed in April 2024, being previously called the Wellness and D&I Management Committee, and it manages human capital across the Group and discusses the development of a human resources strategy that is linked to business strategy.
The content of committee deliberations will, in principle, be reported to the Board of Directors and the Management Committee at least once every six months. In addition, if there are any important matters related to the management of the Group, they will be reported to the Board of Directors and the Management Committee as needed.

Strategy

Approach to Human Capital

To realize our Group Vision of New Value, Real Value, we believe it is essential to utilize our human capital to its fullest, as it is the source of all value creation. Within the Group, we define human capital management as utilizing human capital to its fullest through a human resources strategy which is linked to our business strategy in order to realize the vision of what we want our Group to be.

Action Guideline Integrated Report

Risk Management

Human Resources Strategy

In order to fully leverage the elements that comprise human capital, the Group's human resources strategy seeks to implement measures for securing, placing, promoting, and training human resources so that the right people are in the right places, as well as facilitating wellness, diversity and inclusion that leads to a better human resources environment. By pursuing a human resources strategy which is tied with our business strategy, seeking to ensure the right people are in the right places and to improve the human resources environment, we will strengthen our human capital both as individuals and as an organization. And it is by fully utilizing our human capital that we aim to realize the vision Nomura Real Estate Group has for itself.

Wellness Management Diversity and Inclusion Overview of our DX strategy

Indicators and Goals

Performance Data*1

	Unit	Result for FY2020	Result for FY2021	Result for FY2022	Result for FY2023
Total training hours*2	Hours	20,063	23,855	30,334	80,260
Training hours per employee*2	Hours	9.87	4.21	3.87	10.08
Total training expenses	10 thousand yen	14,318	27,155	41,269	70,297
Training cost per employee	Yen	70,462	47,936	52,706	88,279
Human resources return on investment*3	%	10.42	9.17	9.78	14.52

*1 Starting with fiscal 2021, figures have been revised from those of Nomura Real Estate Development alone to the entire Group.
*2 Covers only mandatory training and does not include open and selective training or e-learning courses. Please note that revisions to the method for calculating training hours were made for the fiscal year ending March 2024.
*3 Human resources return on investment = (Operating revenue – (Selling and general administrative expenses – Personnel expenses))/Personnel expenses.

Training Performance Data for FY2023

Training	Subject	Number of training hours	Number of attending companies	Number of participants
Group-wide training	New employee introductory training	38	7	304
	New employee follow-up training	7	7	304
	Employees in their second year	14	6	230
	Employees in their third year	14	6	205
	Newly promoted managers to core positions*1	22	8	206
	Newly promoted senior managers	29	3	51
	Newly promoted manager training	9	4	25
	Newly promoted general managers (management)	37	4	17
Training only provided for Nomura Real Estate Development	New employee introductory training	96	—	69
	New employee follow-up training	7	—	69
	Employees in their fourth year	7	—	70
	Employees in their fourth year (career design)	7	—	63
	Employees in their fourth year holding section chief positions (career management)	6	—	18
	D3 class*2	11	—	44
	V1 position*3	14	—	85
	V1 position 2nd year (career design)	11	—	59
	V1 position 2nd year & direct post manager (career management)	6	—	20
	V1 3rd year (next generation leader development program)	31	—	33
	V2 2nd year (next generation leader development program)	31	—	45
	Training (new section managers)	7	—	39
	Training (new department managers)	7	—	14
	Career training (age 40)	7	—	54
	Career training (age 50)	7	—	18
	Career training (age 57)	7	—	54
	INSIDES training	2	—	79
	Financial training for employees in their fourth to sixth year	7	—	151

*1 After 13 years of service (generally)
*2 After 7 years of service (generally)
*3 After 9 years of service (generally)

ESG Data (Social)

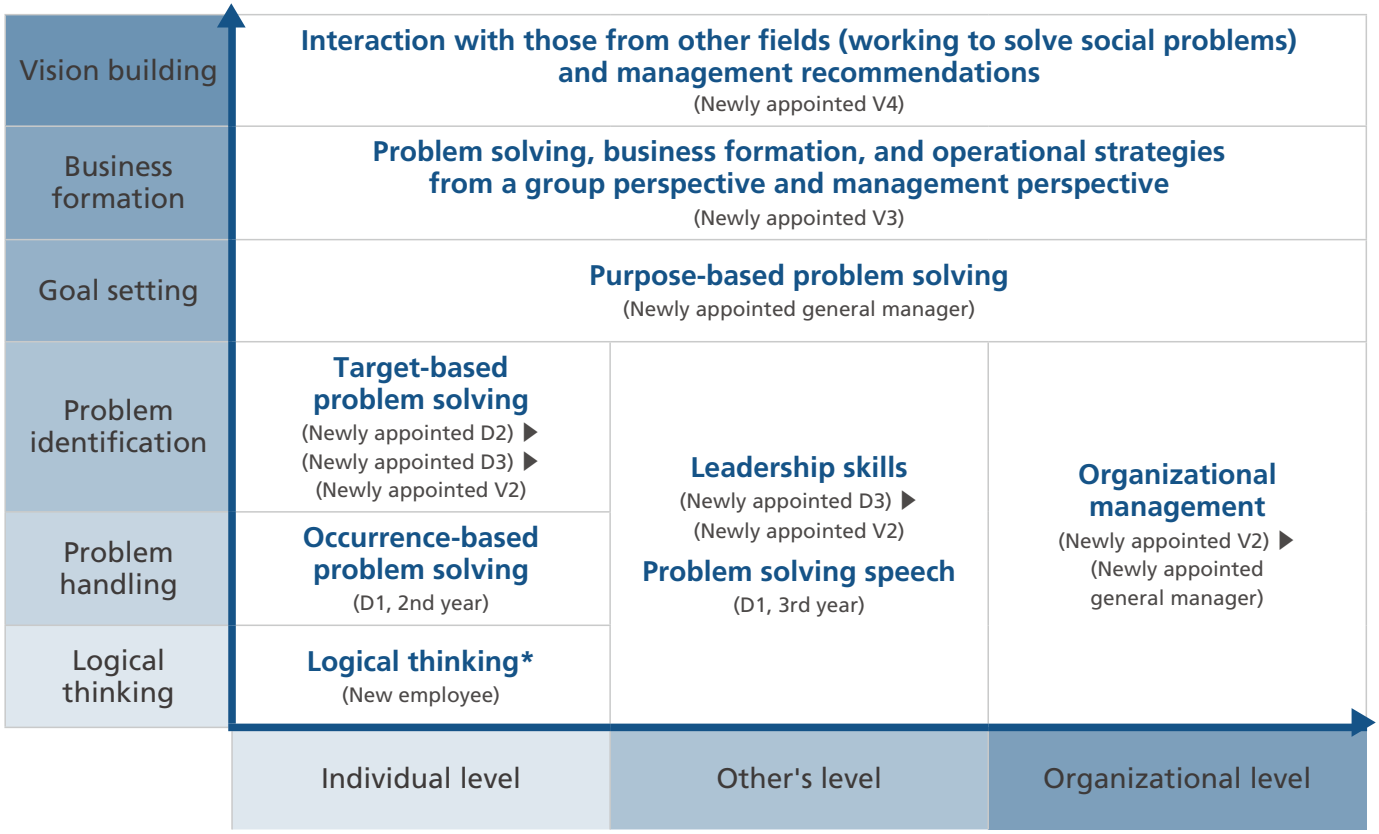
Group Personnel Division Meetings Held

The Group holds monthly Group Personnel Division Meetings attended by officers responsible for human resources and managers of human resource divisions of Group companies. Participants exchange information and opinions regarding the personnel system, human resources development, and each company's recruitment situation and wellness measures, and they share best practices in order to implement Group-wide measures for improving to human capital.

Training Framework

In order to ensure improvement in the abilities and motivation of all employees in the Group so that they can pursue their work as highly skilled professionals, we implement joint Group training programs in addition to those programs implemented individually by Group companies. One such program aimed at a portion of new managers involves six months of lectures and discussions around the theme of Designing the Future Management of the Nomura Real Estate Group and examining the ideal of what the Group should be, after which participants come up with management-related ideas.
Nomura Real Estate Development has established N-COLLEGE, a self-skills development system for employees. Participants are given support for obtaining real estate-related professional qualifications, such as real estate notary, first-class architect, certified real estate appraiser, and other recommended qualifications, and are provided with programs aimed at acquiring business skills, including business strategy, accounting, finance and other management skills, as well as language programs to develop global human resources, and digital transformation-related programs, among others. In addition, the Residential Development Division provides specialized training and knowledge sharing opportunities regarding product strategies and quality control for technical employees, including Building Knowledge Courses, the PROUD Quality Conference and Sustainability Lectures. Nomura Real Estate Development's basic human resource development policy places career at the center of human resource development, seeking to cultivate proactive personnel with a medium- to long-term perspective who can respond to changing times to become the managerial leaders that will foster future innovation. The aim is to ensure each employee can perform higher level duties and acquire a broad range of knowledge and experience.

Human Resource Development Programs for Career-track Employees (Business Skills)



*Includes logical writing and logical presentation

■ Training Programs for Career-track Employees

Position Levels	Target Year	Training Details	Program for Selected Employees/Open
Leader position level 4	Newly appointed	Interaction with those from other fields (skills and mindset from a management perspective) Management recommendations (management design)	Training of next-generation leaders and executive candidates
General management position	Newly appointed	Organizational management (practical application level) Purpose-based problem solving (introductory level, practical application level)	
Leader position level 3	Newly appointed	Management recommendations (management design)	
Section management position	Newly appointed	Evaluation and labor management, human resource development 1-on-1 training, 360° survey training	
Leader position level 2	2nd year leader	Next generation leader development program	Development of global human resources MBA&MOT
	Newly appointed	Organizational management (introductory level) Purpose-based problem solving (practical application level)	
Leader position level 1	3rd year leader	Next-generation leader development program	
	2nd year leader	Career design	
	Newly appointed	Leadership skills (practical application level) Environmental analysis	
Professional position level 1	Newly appointed	Target-based problem solving (practical application level) Leadership skills (introductory level)	MBA subject learning program
Professional position levels 1 and 2	4th to 7th year	Financial training (introductory to advanced)	
Professional position level 2	4th year	Target-based problem solving (introductory level) Career design	
Professional position level 3	3rd year	Problem-solving dialogue	
	2nd year	Occurrence-based problem solving	
	First year follow-up	Logical presentation	
	New employee introduction training	Logical writing Corporate finance fundamentals	

Implementation for Group Implementation for Nomura Real Estate Development only

■ **Training Programs (Specialist Personnel/Particular Specialist Personnel)**

Position Levels	Training Details
Particular specialist personnel	Required: Target-based problem solving (introductory level)
Stage 3	Required: Problem-solving dialogue (consensus building skills) Optional: Target-based problem solving (introductory level) Optional: Target-based problem solving (advanced level, practical WS)
Stage 2	Required: Occurrence-based problem solving Required: Logical thinking and writing Optional: Logical presentation
Stage 1	

■ **Training Programs (Business Associates)**

Position Level	Training Details
BA6	Required: Leadership (introductory level)
BA5	Required: Target-based problem solving (advanced level, practical WS)
BA4	Required: Second year: Target-based problem solving (introductory level) First year: Problem-solving dialogue (consensus building skills)
BA3	Required: Occurrence-based problem solving
BA2	Required: Logical thinking and writing
BA1	

Incentive from a Long-Term Perspective

The Nomura Real Estate Group introduced ESOP Trust for Granting Stock for employees of Nomura Real Estate Holdings and Group companies from fiscal 2019. The aim is to foster a sense of belonging to, and involvement in the management of, the Group among Group employees so as to enhance their enthusiasm and morale, leading to improved performance and increased share price over the long term.

News Release

Fair Evaluations and Remuneration

To ensure fairness in working conditions, the Group does not differentiate on the basis of gender the remuneration for employees in the same position, which falls under the "equal pay for equal work" rule in our Human Rights Policy. Moreover, the Group operates fair employee evaluation and remuneration programs by creating mechanisms whereby the opinions of employees can be heard by human resource divisions and supervisors.

Initiatives to Reduce the Gender Wage Gap

Target Management System

The Group introduced a target management system so that employees can take the initiative in their jobs and work with managers and supervisors toward achieving their targets. Every six months, all employees set their own targets with advice from supervisors, and bonuses are paid based on the degree of achievement of those targets. In addition, reviews of the abilities and actions that serve as the basis for promotions and raises are also conducted regularly to maintain fairness and strengthen employee motivation.

Evaluation of Superiors

Once a year, Nomura Real Estate Development employees complete a questionnaire regarding the skills, performance, personality, etc., of their supervisors and submit the questionnaire, via a third-party system, to the Human Resources Division.

Fostering a Corporate Culture that Encourages Challenges

Nomura Real Estate Group Awards

The Group has presented the Nomura Real Estate Group Awards every year since 2016 to foster a corporate culture in which employees are willing to tackle the challenges of value creation through innovation, strengthen Group synergy, and raise individual and organizational motivation. Under this program, exceptional businesses, products and services of the year are recognized.

■Major recipients in FY2023

- Project aimed at addressing societal need for after-school programs
- NRE Group-wide project: Monzen-Nakacho PJ
- Trial office initiatives in preparation for relocation to a new head office



Grand Prize-Winning Team

【Evaluation Criteria】

- Reform
- Innovation
- Improvement in customer satisfaction
- Group synergy
- Sustainability
- Continuity
- Perseverance

Business Idea Proposal Program

In order to cultivate innovative human resources and foster a Group culture focused on value creation, our Group has run an innovation promotion program (known internally as NEXPLORER) since 2017. In the four years that the business idea proposal was running up to 2021, over 80 business ideas were proposed, and, from these, the co-living rental residence TOMORE was approved in October 2022. Starting in April 2022, the program has been operated as a Learning Program, which is focused on learning the basics of the innovation process, and a New Area Exploration Program, which explores areas on which the Group should focus. We are upgrading the system to cover not only business development but also research and business improvement, while maintaining close attention to management issues.
A total of 364 employees from Group companies have participated in the Learning Program over a three-year period, while those in the New Area Exploration Program are conducting research on nine new focus areas.

コリビング賃貸レジデンス
TOMORE
トモア

A shared house and office business that offers a new real and virtual space where people work, live, and enjoy time with their friends in an age when more and more people are open to different ways of working.

Click here for details on TOMORE (Japanese text only)

Safety Quality from Design to Management

Governance

Governance (Society)

Group Policy

Under the Group Policy, the Nomura Real Estate Group recognizes that building and infrastructure deterioration and obsolescence, reduced urban functions, and increased natural disasters are important social issues. We contribute to the realization of the safety and security of customers and local communities through the provision of products and services based on appropriate quality management and sustainable urban development.
In addition, we will qualitatively improve safety and security, from design and construction to operation and management, through co-creation with suppliers and the government and, based on the "Nomura Real Estate Group Code of Action" and "Procurement Guidelines, will also ensure the safety of Group employees and suppliers at construction sites.

Indicators and Goals

Results Data

			Unit	FY2020	FY2021	FY2022	FY2023
Residential Development Business Unit: Compliance with Design and Construction Standards and Quality Manuals*1			%	100	100	100	100
Commercial Real Estate Business Unit: Compliance with Design and Construction Standards and Quality Manuals*1			%	100	100	100	100
Rate of conformance with Building Management Quality Assessment Guidelines at managed properties*2			%	70	87	67	94
Internal surveys*4	Livability Satisfaction Survey one year after residents take up occupancy in PROUD	Average score (five-point scale)	Rating	3.8	3.8	4.0	4.0
		Response rate	%	31	38	38	35
	Post-contract survey on housing	Average score (five-point scale)	Rating	4.1	4.0	4.2	4.2
		Response rate	%	29	30	28	29
	Post-delivery survey on housing	Average score (five-point scale)	Rating	3.8	3.8	3.9	3.9
		Response rate	%	34	34*4	32	30
	Periodic After-Sales Services Survey	Average score (five-point scale)	Rating	—	3.8	3.8	3.8
		Response rate	%	—	51	50	50
	Interior Fair Survey	Average score (five-point scale)	Rating	—	3.6	3.6	3.8
		Response rate	%	—	44	41	40
	Furniture Fair Survey	Average score (five-point scale)	Rating	—	3.5	3.5	3.5
		Response rate	%	—	32	34	34
	Questionnaires for residents in leased condominiums (PROUD FLAT)	Average score (five-point scale)	Rating	4.1	4.2	4.0	4.1
		Response rate	%	58	39	37	30
	Questionnaires for residents in office buildings (PMO)	Average score (five-point scale)	Rating	4.3	4.2	4.3	4.4
		Response rate	%	28	5	46	55

		Unit	FY2020	FY2021	FY2022	FY2023
External evaluation ranking	Nikkei Condominium Brand Questionnaires*6	Rank	1	1	1	1
	ORICON Customer Satisfaction Survey on New Condominiums: Tokyo Metropolitan Area After-sales Follow-up		1	1	1	1
	SumaiSurfin: Management Company Satisfaction Survey Ranking		1	1	1	2
	ORICON Customer Satisfaction Survey on Real Estate Brokerage (Sale of Detached Housing)		1	2	2	3
Number of Good Design Awards won		Properties	10	6	6	7
Number of health-promoting senior rental housing for extending healthy lifespan properties developed*6			382	502	647	833
Number of CASBEE Wellness Office Evaluation certifications acquired			3	3	6	7
Number of companies that attended Supplier Council Meetings on Health & Safety and Supplier Conferences on Safety			12*7	12*7	159	150
Number of serious violations of relevant safety-related laws and regulations and in-house standards			—	0	0	0
Number of serious violations that deviate from laws and regulations in terms of ensuring supplier safety			—	0	0	0
Number of violations that resulted in remedial actions and dispositions related to advertising labeling, premiums, and preventing unfair competition*8			—	—	0	0

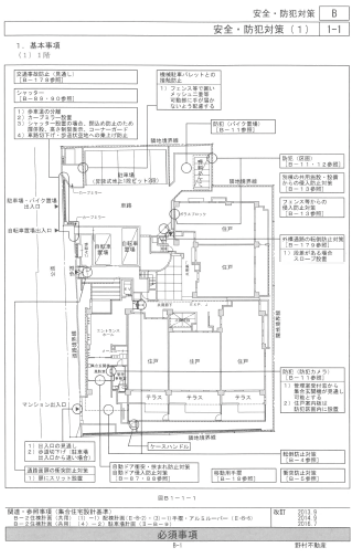
*1 Specific products include condominiums, detached housing, rental housing, office buildings, retail facilities, logistics facilities, and hotels.
*2 Conformance rate: We extract several properties and conduct a survey on the number of conforming items in the assessment items listed in the guidelines. In fiscal 2020, we significantly increased the number of assessment items and raised conformance to ensure that higher management quality can be maintained and improved based on the revisions of related laws.
*3 All survey results are shown using a 5-point scale.
*4 Prior year data was retroactively adjusted to improve accuracy.
*5 Indicates a first-place ranking given for most of the 10 question items in the questionnaire.
*6 Figures represent the number of properties that started operations each year.
*7 In fiscal 2020 and fiscal 2021, some of the meetings were cancelled or significantly downsized and held online to help contain the spread of the COVID-19 pandemic.
*8 Figures represent detached residence business, Nomura Real Estate Development business in the Commercial Real Estate Business Unit and the Property Brokerage & CRE Business Unit.

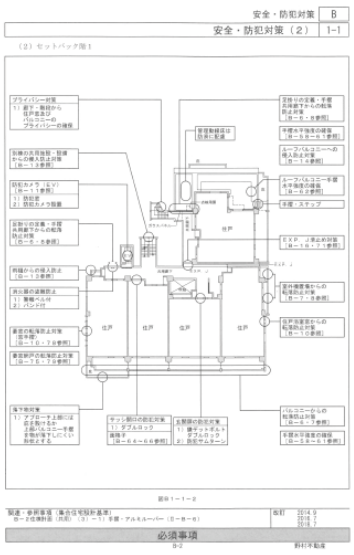
ESG Data (Social)

Initiatives

Compliance with Design Standards and Quality Manuals

To ensure the quality of safety and security in building design and construction, the Group has formulated the Design and Construction Standards (structures, architecture, equipment, electrical) and Quality Manuals and has established designs and specifications for the series of products developed by the Residential Development Business Unit and the Commercial Real Estate Business Unit. The Standards and Manuals are distributed to suppliers, including design and construction companies, and are strictly complied with. The Group also reviews the Standards and Manuals as needed to further improve safety and security.





PROUD Design Standards (excerpts)

Requesting Customers and Partner Companies to Implement thorough Quality Control

The Group has distributed its Procurement Guidelines to more than 4,600 suppliers and partner companies to ensure thorough quality control. Under the "Ensuring and Improving Quality" section of the guidelines, suppliers are requested to establish appropriate quality control and quality assurance systems. In fiscal 2023, we received survey responses from 132 of our top 300 suppliers (around 56% of the total) and engaged directly with ten companies. We will continue to identify supplier risks and take remedial action to ensure consistent quality control throughout the design and construction process.

【Nomura Real Estate Group Procurement Guidelines (excerpt from the quality section)】

Ensuring and Improving Quality

- Create appropriate quality management and quality assurance systems for the goods, products and services provided, and, in addition to ensuring the required quality, work to constantly improve quality.
- Correctly identify diverse needs and endeavor to provide goods and services that are friendly and beneficial to societies seeking safety and quality.

Nomura Real Estate Group Procurement Guidelines

Implementation of Quality Control

Nomura Real Estate Development quality control engineers confirm compliance with the Design Standards and Quality Manuals, as well as the status and progress of construction, in every major phase of construction.
In addition, all accidents and problems that occur at construction sites are reported to quality control personnel and the officer responsible for quality management and architectural design. Information regarding the details and responses are shared at periodic meetings and on the Group intranet, and measures are taken to prevent reoccurrence.



Quality control inspection at a construction site

Ensuring Safety Quality through Risk Assessment

In our condominium business, we control quality through repeated reviews from the basic planning of buildings to completion. In compliance with laws and regulations, we perform quality control reviews of buildings to ensure they are being constructed correctly, according to the drawings prepared for site conditions, and to ascertain whether any defects may occur after delivery. We also receive feedback from customers through, for example, questionnaires after they have moved in, and we continue to improve product planning and after-sales service for future product development.

Risk Assessment and Countermeasures

Category	Overview of Risk Assessment	Risk Reduction Measures
Building safety risks	• Natural disasters such as earthquakes and typhoons • Building structure • Flooding due to rain, flood, storm surge • Safety of building use by users (residents)	• Incorporate pile and ground improvement work, seismic isolation and vibration control, liquefaction countermeasures, and wind resistance into the design in accordance with laws and regulations • Prepare and design flood control plans based on our own rules • Include measures against falling from heights, collisions, being caught in machinery, etc., based on our own rules
Fire safety risks	• Building materials for interiors and exteriors • Fire prevention and extinguishing equipment • Building plans including evacuation routes	• Select partition walls and interior materials and install automatic fire alarm systems, fire extinguishing systems, and other firefighting equipment in accordance with laws and regulations • Ensure proper evacuation routes and reflect the installation of, e.g., guide lights in the design in accordance with laws and regulations
Environmental health risks	• Indoor air quality (e.g., chemical substances) • Acoustic performance (e.g., noise) in interior and exterior areas • Thermal environment (e.g., insulation)	• Select building materials with appropriate chemical substance control measures in accordance with laws and regulations • Install appropriate materials and equipment to ensure acoustic performance based on our own rules • Ensure appropriate thermal environment based on our own rules

Ensuring the Health and Safety of Workers at Construction Sites

The Group established the Construction Safety and Security Guidelines to prevent accidents and disasters at demolition and new construction sites in the residential development and commercial real estate businesses. Moreover, to ensure the safety of suppliers in accordance with the Procurement Guidelines and Construction Safety and Security Guidelines, the Group obtains a construction plan and a Safety and Security Check Sheet based on the guidelines from construction contractors as its suppliers and confirms that the safety and security of project workers has been adequately safeguarded. The Group is also working to ensure the safety not just of suppliers but also of neighboring residents and local community members by holding construction briefings for construction companies prior to construction, raising awareness of health and safety issues, and performing inspections in major building construction processes.

【Outline of the Construction Safety and Security Guidelines】

- Prompt reporting duties
- Pre-construction confirmation
- Temporary work plan checks
- Accident prevention measures for demolition work
- Accident prevention measures for heavy machinery work
- Precautions by type of construction work (building frames, finishing work and installation work)
- Safety and Security Check Sheet

Enhancing Quality by Acquiring ISO Certifications

To further increase customer satisfaction, the Group has established a quality management system that complies with the international quality standard ISO 9001, and it is promoting the acquisition of certification at Nomura Real Estate Development and Nomura Real Estate Partners, where quality control is particularly important. Employees who have attended internal auditor training at an external organization periodically conduct internal audits to ensure quality.

External Audits on Quality and Service

Nomura Real Estate Development and Nomura Real Estate Partners, which are ISO 9001-certified, undergo an external audit by a certification body once a year. Audit items include whether the products and services we provide meet customer requirements, including safety standards. These audits help us to ensure the quality and safety of our products and services. In fiscal 2023, one issue was pointed out, as was another that required improvement, and we analyzed the cause and took corrective action.

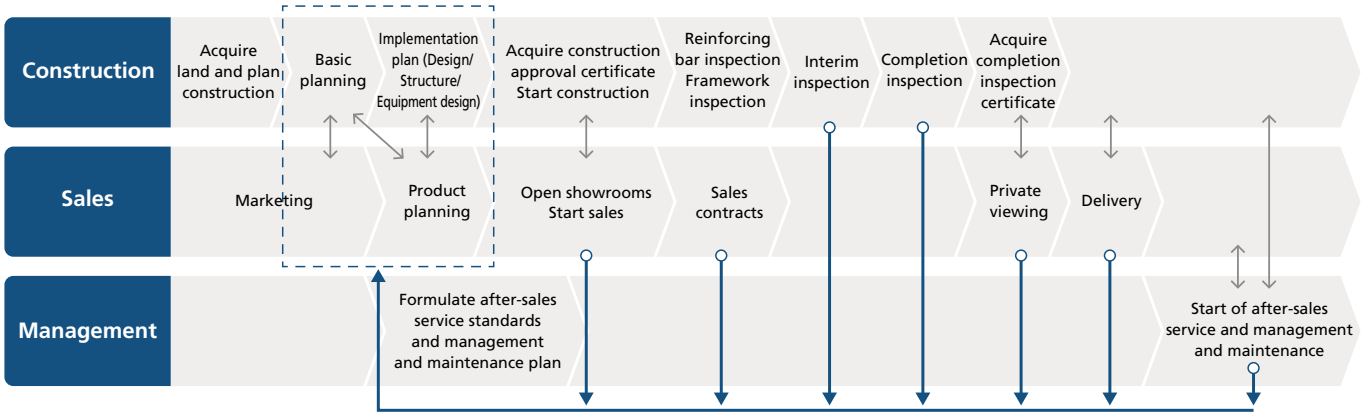
【ISO 9001 Certification】

Certified organizations	Scope
Nomura Real Estate Development Co., Ltd.	Obtaining feedback and ensuring it is incorporated into the PMO series of office buildings
Nomura Real Estate Partners Co., Ltd.	55 properties in the office building segment (planning and provision of comprehensive management services for buildings) 22 complexes in the condominium segment (treasury/accounting and management services for condominium management associations, including administrative management work, administrator work, and equipment management work, design and provision of repair work, and call center work) Three properties in the data center segment (facility management, cleaning, and integrated management services)

* For information regarding ISO 14001, see the Environmental Management System.

Integrated Development, Sales, and Management System

In an effort to provide high-quality products and services and raise customer satisfaction, the Group has integrated development, sales, and management and provides integrated services, including land acquisition, architectural design, marketing and sales, and post-occupancy management, as well as after-sales services. The opinions of customers are reflected in business improvements and product planning.



Reflect customer feedback and information from the construction site in the next PROUD product plan

Violations Related to Safety Quality

To maintain customer safety by ensuring safety and quality in building design and construction, the necessary responses will be implemented rapidly in the event of a violation of the Building Standards Act, Fire Service Act, or other applicable laws and regulations or our internal quality standards. In fiscal 2023, there were no significant safety-related violations of relevant laws and regulations or internal standards.

Hosting of Supplier Council Meetings on Health & Safety

With the aim of implementing comprehensive safety management systems and raising awareness regarding health and safety, the Group regularly holds Supplier Council Meetings on Health & Safety with business partner companies.

Hosting of Supplier Council Meetings on Health & Safety by Nomura Real Estate Partners

Nomura Real Estate Partners annually holds the East Japan Supplier Council Meetings on Health & Safety and the West Japan Supplier Council Meetings on Health & Safety. In fiscal 2023, the meetings were attended by 71 companies (78 people) and 79 companies (79 people), respectively, where they reported on the results of joint safety patrols and shared safety and quality initiatives.

Violations by Suppliers

In fiscal 2023, with regard to ensuring supplier safety, which is monitored by the Sustainability Committee, there were no significant violations of laws and regulations.

ESG Data (Social)

Training on Design and Construction

Both the Residential Development Business Unit and the Commercial Real Estate Business Unit are working hard to improve their skills and procedures to safeguard the quality of safety and security in design and construction. With the ongoing aging of the workforce in the construction industry, passing on skills to the next generation has become a vital issue for ensuring quality, and Group construction sites are no exception. We are therefore also focusing on securing and training young workers.

Training in Quality Control Technologies

The Group holds the PROUD Quality Conference in the Residential Development Business Unit and the Engineers' Conference in the Commercial Real Estate Business Unit once a year for sharing and improving quality control technologies. These conferences provide a forum for imparting knowledge and expertise to younger workers by sharing the status of environmental initiatives, fundamentals of quality control, feedback on defects, and advanced case studies.

FY2023 Training in Quality Control Technologies

	Training details	Frequency	Subject employees	Number of participants
PROUD Quality Conference	Fundamentals of quality control as a business operator (based on the PROUD values)	Once a year	Residential Development Business Unit and other units	300
Engineers' Conference	Environmental initiatives, feedback on defects, quality manuals	Once a year	Commercial Real Estate Business Unit and other units	Approx. 80

Supporting the Development of First-class Licensed Architects

To ensure safety and security, the Group supports the acquisition of the first-class licensed architectsfirst-class architect qualification. As of April 1, 2024, Nomura Real Estate Development has 318 employees with first-class architect qualifications, comprising 9.7% of all employees.

Training in Operation and Management

The Property & Facility Management Business Unit is working hard to improve the skills and procedures for safeguarding the quality of safety and security in operation and management. Nomura Real Estate Partners Co., Ltd., which is in charge of this unit, conducts training for engineers through general meetings, including responding to revisions in laws and regulations, about twice a year, and participants share what they have learned with their own units to prevent any violations. In fiscal 2023, approximately 900 people (teams-based training) participated in the training. In addition, each division within Nomura Real Estate Partners Co., Ltd. conducts its own training programs for young employees and also encourages its employees to acquire related qualifications.

Nomura Real Estate Partners Co., Ltd.: Number of Employees who Acquired Main Qualifications (as of March 31, 2024)

Qualification name	Number of persons
Registered architect (first class, second class)	150
Chief electrical engineer (first class, second class, third class)	295
Building operation and management engineer (first class, second class)	231
Electrical work operation and management engineer (first class, second class)	16
Plumbing work operation and management engineer (first class, second class)	20
Civil engineering work operation and management engineer (first class, second class)	28
Landscape gardening work operation and management engineer (first class, second class)	15
Condominium manager	12
Building manager	639
Real estate broker	32
Building sanitation engineer	57
Condominium maintenance and repair engineer	312
Condominium renovation manager	18

Initiatives for Ethical Advertising Practices

The Group conducts appropriate management in each division to ensure the application of ethical advertising practices in accordance with laws and regulations.

Residential Development Business Unit

We have established a system for auditing and managing advertisements and other communications for each property of our PROUD condominiums and single-family homes. In collaboration with the Residential Sales Management Department of the Residential Development Division, and with the relevant housing sales departments and divisions, we conduct audits under the rules established by the Residential Sales Management Department in accordance with the Real Estate Advertising Code, including the Fair Competition Codes Concerning Indication of Real Estate (Real Estate Codes) and the Fair Competition Code Concerning Restrictions on Premium Offers in the Real Estate Industry (Premium Offers Code). As necessary, we seek confirmation from external professional organizations such as the Real Estate Fair Trade Council. If an actual case of inappropriate behavior occurs, we will clearly document countermeasures for various cases which reflect the circumstances of the case in question and use these as training materials. As part of regular training for housing sales staff, we focus on advertising and labeling to familiarize them with general laws and regulations, including the Copyright Act, portrait rights, Act against Unjustifiable Premiums and Misleading Representations, Trademark Act, Antimonopoly Act, Real Estate Code, Premium Offers Code, and internal rules.

Commercial Real Estate Business Unit

Those in charge of advertising in Commercial Real Estate Business Division I, Commercial Real Estate Business Division II, and the Shibaura Project Division of Nomura Real Estate Development prepare an Advertising Checklist when placing advertisements, which are checked by the person in charge and their supervisor based on the checklist and then reviewed by the person in charge of advertising in the Division Management Department. In addition, during an audit, we implement the same initiatives as the Residential Development Business Unit, and we also seek confirmation from external specialized agencies as appropriate. Moreover, employees who have been transferred or mid-career employees who have been assigned to any of these three divisions receive training on advertising as part of their orientation.

Property Brokerage & CRE Business Unit

In the Property Brokerage & CRE Business Unit, Nomura Real Estate Solutions prepares an Advertisement Checklist when placing advertisements, which is reviewed by both the person in charge and his or her superior based on the checklist. In addition, in the distribution business within the same business unit, relevant staff disseminate reminders, internal rules, and advertising regulations to sales staff through headquarters meetings, and the headquarters conducts post-ad checks of advertisements by newly appointed managers.
These efforts confirm our commitment to preventing the undermining of customer trust by exaggerated advertisements and non-reporting of adverse facts. In fiscal 2023, there were no cases of remedial action or disciplinary action under the various laws and regulations concerning advertising practices.

Disclosure of Information on Safety and Security

With the aim of helping customers gain a better understanding regarding building safety and security, the Group has created a website for customers that have signed purchase agreements, and it posts progress reports on new construction and explanations of details of major aspects of construction.



Site for Contract Holders

Implementation of a Livability Satisfaction Survey and Other Surveys

Every year, the Group conducts Post-contract Surveys and Post-delivery Surveys in its residential development business, as well as a Livability Satisfaction Survey of PROUD condominium residents one year after moving in.

Results of Livability Satisfaction Survey Reflected in Products and Services

The Group investigates improvement measures based on the feedback and requests expressed in the Livability Satisfaction Survey and incorporates suggestions relating to design into our Design and Construction Standards and Quality Manuals. In fiscal 2023, we received feedback and requests regarding exclusive areas and common areas such as storage, parking lots, and common facilities overall, and we are considering improvements in response.

Carrying out Tenant Company Satisfaction Surveys

In order to expand communication to improve customer satisfaction and comfort, every year, the Group conducts a Tenant Company Satisfaction Survey on its services among tenants of the retail facilities that it owns. The survey includes questions related to safety management (performance of security and security guards) and the working environment (air conditioning, smoking areas, and restrooms). Survey results are used to consider and implement improvement measures.

Improving Communication to Improve Customer Satisfaction and Comfort

In fiscal 2023, the following questionnaires were conducted.

【Residential Development Business Unit】
- Livability Satisfaction Survey
- After-Contract Survey
- After-Delivery Survey
- Periodic After-Sales Services Survey
- Interior Fair Survey
- Furniture Fair Survey
- Leased Condominium Residents Survey

【Commercial Real Estate Business Unit】
- Tenant Company Satisfaction Survey
- MEGALOS Fitness Club Guest Survey

【Property & Facility Management Business Unit】
- Condominium Board of Directors Survey
- All-household Questionnaire

【Property Brokerage Business Unit】
- Customer Survey

Improving Safety and Security after Sales

The Group is striving to improve the quality of management and expand after-sales services to enhance the quality of safety and security in its operations and management.

Compliance with Building Management Quality Assessment Guidelines

The Group has formulated Building Management Quality Assessment Guidelines at managed properties. The guidelines contain more than 400 items that pertain to topics such as quality control, legal compliance, and internal audits. In fiscal 2020, the Group significantly increased the number of assessment items to approximately 750 and raised conformance to ensure that higher management quality can be maintained and improved based on revisions to related laws. In fiscal 2023, a monitoring study was also conducted, and the conformance rate was 94%.

Hosting a Quality Improvement Conference for Personnel Responsible for After-sales Service

We hold the National Customer Conference once each year to improve the quality of after-sales service in PROUD condominiums. The conference is attended by about 40 persons responsible for after-sales service from around the country who share information on issues that occurred during the fiscal year, as well as responses and measures taken.



National Customer Conference Held

Products and Services to Provide Safety and Security for New Tenants

To ensure that new tenants feel safe and secure with their purchases, we put significant effort into enhancing our post-sales products and services. Our products incorporate the results of customer satisfaction surveys and feedback from residents obtained through the board of directors of condominium management associations. This is made possible by our system whereby development, sales, and management are integrated, which was born from our corporate culture that encourages collaboration among organizations. In principle, under this system no management services are outsourced, so we are able to gain more opportunities to interact directly with customers, which ultimately enables us to provide products and services that meet their needs.

Services	Overview
After-sales services	In addition to providing customary after-sales services to repair any defects, we support residents in addressing problems after taking up occupancy, such as after-sales support provided by a condominium life adviser (for one month after taking up occupancy)
Installation of LIVING Q CALL	A service providing residents convenient and reliable support to respond to their problems, such as "I have a problem with the condo. What should I do?" Provision of an emergency help service and a daily living support service: LIVING Q CALL LIVING Q CALL LIVING Q CALL
NEXT PASS 10	A program that provides a 10-year repair warranty for defects and malfunctions in condominiums, as well as the NEXT PASS 15, which extends the warranty by an additional five years NEXT PASS 10 NEXT PASS 15
Repair and warranty services for purchasing/sales transactions of existing residences	Provision of repair and warranty services to encourage liquidity of existing residences and provide safety and security to customers after a purchase, such as providing repair and replacement warranty for defects in main equipment within one year after purchase of a property

Communication for Improving Customer Satisfaction

The Group communicates with customers through questionnaires and interviews. The results of questionnaires are used in business improvements and the next generation of products and services.

Good Design Award-focused Initiatives

The Group strives to provide socially and environmentally sustainable products and services. As part of this, it undertakes measures encouraged by the Good Design Award* to improve customer comfort. The Good Design Award looks at whether a design can enrich lives and society.

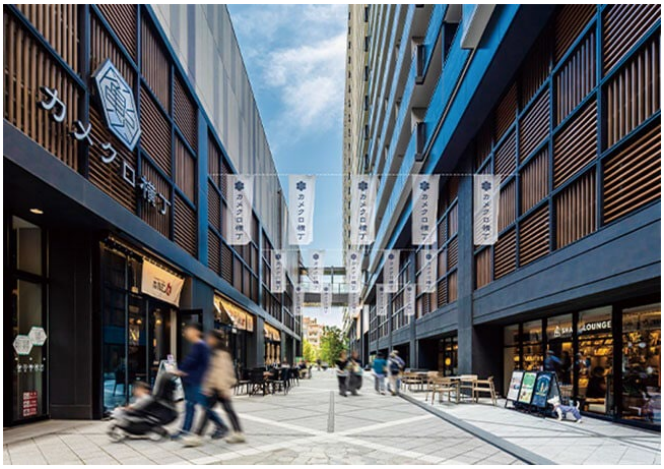
In fiscal 2023, Nomura Real Estate Development won seven Good Design Awards, marking the 22nd consecutive year in which the Group won Good Design Awards.

* The Good Design Award: Japan's unique comprehensive design evaluation and commendation system, operated by the Japan Institute of Design Promotion. The purpose of the Award is to find and share exemplary designs, in many different spheres, with the potential to drive industrial growth and enrich lives.

- PROUD Shirokane Chojamaru
- Kamekuro Yokocho - PROUD Tower Kameido Cross
- Be ACTO Hiyoshi - PROUD City Hiyoshi-based area management
- OUKAS Setagaya Sengawa
- Sustainable large-scale solar power generation introduction scheme
- PRiEV EV charging service initiative to promote the spread of EVs
- SHIROKANE THE SKY



PROUD Shirokane Chojamaru



Kamekuro Yokocho - PROUD Tower Kameido Cross -

News Release (Japanese text only)

Design Review Contest

Every year, the Group invites outside architects in residential development to conduct a design review. The architects look over the detached residences completed the previous fiscal year and also conduct a 360-degree review of the design, management, community, and other factors of several representative properties for improving customer satisfaction. In fiscal 2023, we shared a wide range of case studies, including construction plans for PROUD Tower Shibaura and OUKAS (serviced rental housing for the elderly), to effectively incorporate the information into future planning.



PROUD Tower Shibaura

【Evaluation Points】

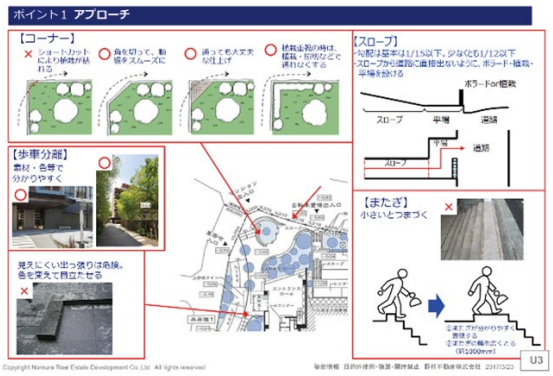
- Plan and design
- Response to social and environmental issues
- Community development
- Contribution to the local community

Initiatives to Promote Barrier Free/Universal Design

In addition to complying with laws and regulations, such as the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc., the Group has established barrier free and universal design standards to supplement its Design and Construction Standards and Quality Manuals and complies with these standards at all of its developed properties. The Group has been promoting universal design with the aim of providing products and services that can easily be used by a wide range of individuals irrespective of physical ability or difference in age, physical condition or language.
Looking ahead, we will further advance our initiatives by involving people with diverse backgrounds, values and challenges in the design process to provide products and services featuring inclusive designs.

【Seven Principles of Universal Design】

- Equity: Facilities are equally usable by everyone
- Diversity: Facilities can be used in a variety of ways
- Simplicity: Methods of use are easy to understand
- Perceptible information: Information is easily conveyed
- Safety: Facilities do not pose any risks
- Efficiency: Facilities can be easily used with low physical effort
- Operability: Facilities are easy to operate



Examples of Universal Design

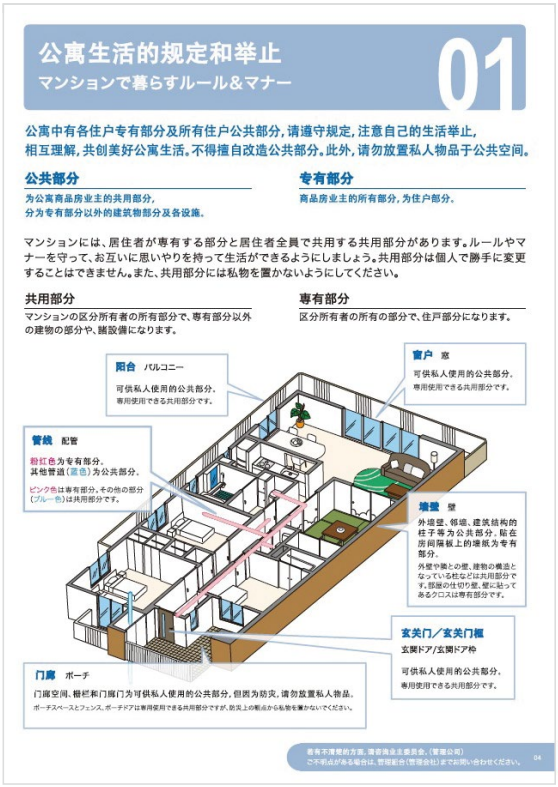
Encouraging Use of Barrier Free and Quality of Life Guidebook

Nomura Real Estate Group and the Sonoda Lab of Meiji University Graduate School created the Barrier Free and Quality of Life Guidebook under an industry-academia joint research project. The Guidebook is used in condominium design.

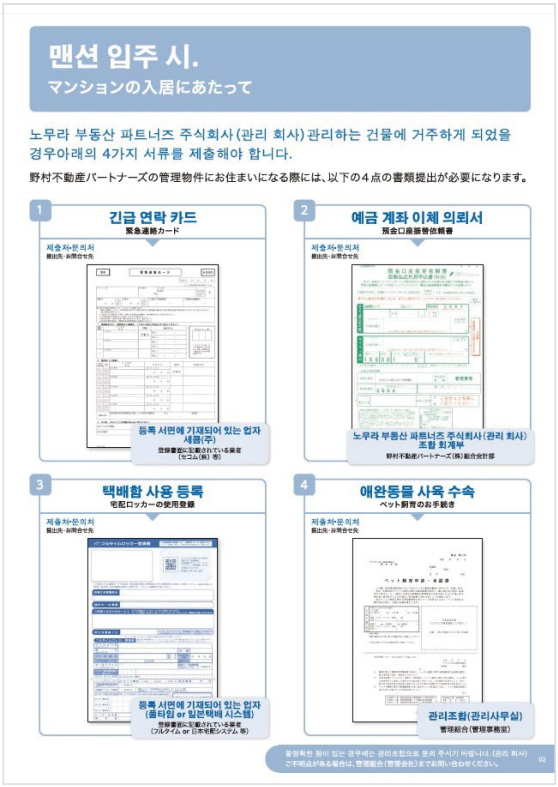
Barrier Free and Quality of Life Guidebook (Japanese text only)

Distribution of Resident Manuals for Foreign Residents

The Group distributed English, Chinese, and Korean versions of a Resident Manual for foreign residents to explain rules and etiquette when living in a condominium.



Chinese edition



Korean edition

Initiatives to Promote Health Support Services

The Group is responding to the aging population and rising demand for health care services and supporting good health and the longer healthy lifespans of stakeholders by operating fitness businesses that promote maintenance and improvement of physical functions and by developing health promoting senior rental housing with support services.

Development of OUKAS health promoting senior rental housing with the Aim of Extending Healthy Lifespans

The Group is undertaking development of OUKAS health promoting senior rental housing to “create the best life in the world” for residents and their families by supporting services to further extend healthy senior lifespans.

The OUKAS health promoting senior rental housing is characterized by its (1) highly convenient location within walking distance of commercial and medical facilities for enjoying an independent lifestyle, (2) a building that makes residents feel proud to live in with various common spaces and residential units that enrich residents' daily lives, and (3) the OUKAS Wellness Program*1, which offers services intended to help residents maintain and improve both physical and mental health. OUKAS health promoting senior rental housing helps residents and their family members enjoy daily life with a sense of security and safety while addressing social concerns (e.g., controlling social security costs and reducing the number of care leavers). As of September 2023, 6 buildings with 833 units have already opened.

【Features of OUKAS Wellness Program】

- Exercise: A unique exercise program jointly developed with Nomura Real Estate Life & Sports that operate the MEGALOS sports clubs
- Diet: Well-balanced, delicious meals prepared by nutritionists
- Community: About 50*2 community events per month for residents
- Medical and welfare: Support from staff with experience in medical and nursing care

*1 Won a Good Design Award 2019
*2 FY2018–2019 results



OUKAS Wellness Program (Won a Good Design Award 2019)

Movie introducing OUKAS

Contributing to longer healthy lifespans through our fitness businesses

In operating MEGALOS sports clubs, our group is implementing the following initiatives aimed at improving the health and longevity of seniors.

Initiative	Details
「REBORNS SCHOOL」	A school for seniors based on the concept of "Building a healthy body and making friends to enjoy life and sports with vigor for a lifetime" aimed at maintaining a healthy and vigorous body that leads to preventing frailty*, and the seniors enjoy exercise with the same friends and coach every week. * The decline in physical, mental, and social functioning associated with aging.



REBORNS SCHOOL

Promoting Health Through Local Government Collaboration

Nomura Real Estate Life & Sports has concluded comprehensive collaboration agreements with the cities of Tachikawa, Koganei, and Machida in Tokyo, and with the wards of Chuo in Osaka and Chikusa in Nagoya. It has also concluded a collaboration agreement with the city of Yokohama. Through these agreements, it operates sports clubs while also engaging in initiatives that contribute primarily to supporting childcare, and the disabled and elderly, as well as promoting community safety and security, culture and sports, revitalizing other communities, and improving civic services.
Specifically, we will conduct community-based activities, such as participating in local sporting events, holding exercise classes for seniors that help prevent the need for nursing care due to frailty, and holding in-house events for citizens.

Acquisition of CASBEE Wellness Office Assessment Certification

To contribute to the maintenance of stakeholder health and comfort, the Group has adopted the policy of acquiring CASBEE Wellness Office Assessment Certification for all newly developed office buildings.
This certification program was first established in 2019 to evaluate specifications and performance of buildings, initiatives that support maintenance and improvement of the health and well-being of building users as well as factors contributing to improvement of intellectual productivity and performance regarding safety and security. As of the end of March 2024, 28 properties have acquired certification.

Safety and Security in Disasters

Governance

Governance (Society)

Group Policy

Group Policy (Social)

Indices

Performance Data

	Unit	Result for FY2020	Result for FY2021	Result for FY2022	Result for FY2023
Disaster preparedness drill implementation rates at managed properties (office building segment)	%	94	97	99	99
Number of facilities, etc. that can take in persons who are unable to return home during a disaster		10	10	9	12

ESG Data (Social)

Initiatives

Planning and Construction Management in Preparation for Disasters (Safety and Security in Disasters)

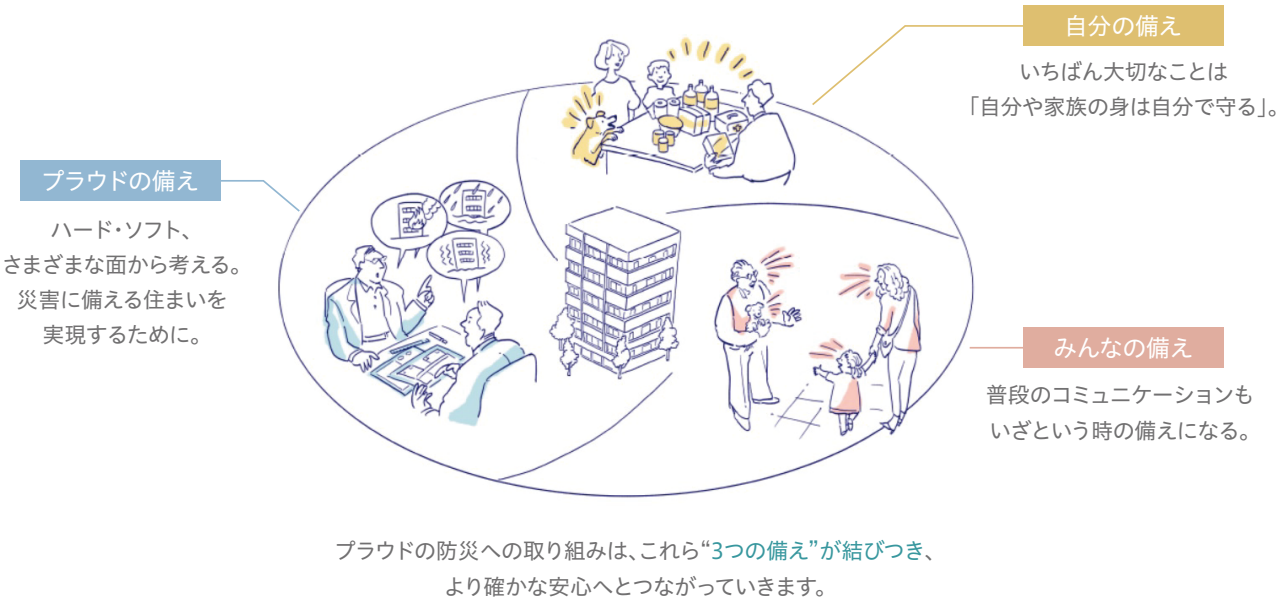
The increasing frequency of earthquakes and other natural disasters is raising the risk of damage to buildings. In our condominium business, we conduct a ground survey of the land and review a hazard map prior to construction. Design and construction companies are provided with our design standards and a collective housing manual so that they can take measures to prevent or reduce risks against disasters such as liquefaction, and internal and external flooding. During the construction stage, we confirm that such measures have been executed in order to ensure the safety of the buildings.

Ensuring Safety Quality through Assessment of Risks from Natural Disasters

“Three Preparations” to Realize Homes Prepared for Disasters

Disaster prevention measures (earthquakes, fires, wind and flood damage, etc.) are taken starting from the planning and construction of the condominium and take into account life after moving in. Proprietary collective housing design standards and collective housing manuals are distributed to design companies and construction companies and reflected in plans. A disaster prevention warehouse is built in the common area of the housing complex and stocked with disaster prevention equipment for use in the event of an emergency.
Other measures we are taking in our housing projects include building a sense of community and mutual assistance, and helping out with disaster drills.

Disaster Preparedness in Housing



プラウドの防災への取り組みは、これら“3つの備え”が結びつき、
より確かな安心へとつながっていきます。

Conceptual diagram

Disaster Response Headquarters Establishment Drills

Nomura Real Estate Group established a business continuity plan (BCP) in anticipation of a major earthquake in the Tokyo Metropolitan region. Once a year, we conduct drills in setting up a disaster response headquarters, which is headed by the president of Nomura Real Estate Holdings.

Business Continuity Plan (BCP)

Implementation of Emergency Communication Drills and Disaster Response Headquarters Establishment Drills

To ensure that customers (residents, tenant businesses, and facility users) are safe and secure in the event of a disaster and that tenant businesses can resume their operations at the earliest possible date, Nomura Real Estate Partners annually conducts drills in emergency communication and in setting up a disaster response headquarters.



Drill in setting up disaster response headquarters

【Overview of Drill in Setting Up Disaster Response Headquarters 】

- Confirm the disaster response headquarters set-up process and measures
- Confirm that disaster response headquarters' activities are in line with the recovery situation
- Assess and calculate damage to managed properties
- Hold drills in conveying information from the disaster site to disaster response headquarters

Supporting Disaster Preparedness at Managed Properties

As a part of efforts to ensure safety and security during disasters, the Group provides disaster preparedness support to residents, management associations, tenant businesses, and facility users at managed properties (residences, office buildings, commercial facilities, logistics facilities, etc.).



Rendering of emergency supplies displayed in a manner easily visible to residents

【Main Support】

- Conduct disaster preparedness drills
- Support the organizing of disaster prevention warehouses, and the formation and operation of disaster preparedness organizations
- Create disaster preparedness and response manuals
- Support the creation of firefighting and disaster preparedness plans
- Distribute disaster preparedness guidebooks

Easily Visible and Accessible Emergency Supplies for Residents Sheltering at Home

Partly due to the impact of the COVID-19 pandemic, local governments* are increasingly encouraging people to take shelter in their homes, when it is safe, in the event of a disaster. Recognizing that some of our condominium residents are not aware of the location and content of emergency supplies in their buildings, we are making these supplies more visible and accessible to building residents.

* Reference: Disaster Preparedness Tokyo compiled by the Tokyo Metropolitan Government

Easily Visible and Accessible Emergency Supplies

Established Emergency Shelter for Tenant Companies

The Group established N-FORT (located in Chuo-ku, Tokyo) as a hub for disaster preparedness and business continuity planning for PMO (Premium Midsize Office) office buildings. Besides having disaster response staff available, N-FORT is equipped with an emergency power generator that can operate for 72 hours and a stockpile of emergency food, drinking water, and portable toilets for 2,000 people. The facility reinforces BCP throughout the PMO series of office buildings.



Emergency supplies stored at N-FORT

Disaster preparedness measures for PMO office buildings

Redevelopment of Densely-built Areas of Wooden Houses

Nomura Real Estate Development is carrying out redevelopment, taking into consideration the fireproofing of entire areas, by combining and making intensive use of housing lots in districts where wooden houses are densely packed together.
In 2019, we redeveloped Ikebukuro subcenter in Toshima-ku, which was designated as a Special Urban Renaissance Urgent Development Area. By resolving the problem of the density of wooden houses, we improved disaster prevention capability, maintained and constructed roads, newly developed a local square that is open to the community, and built facilities providing support to families with children.

Securing Electricity during Power Outages Caused by Disasters

Large-scale power outages caused by disasters can take a long time to resolve, and they can prevent a return to normal daily life. Our PROUD condominiums are equipped with the PROUD Power Generation and Storage Smart Relay System*, which uses batteries storing solar power to provide electricity during power outages.

* Only for properties adopting enecoQ.

Care for and Activation of Communities

Risk Management

Approach and Policies

The Nomura Real Estate Group is committed to working with all stakeholders, including local communities and tenants, through dialogue, to resolve the social issues they face and to revitalize local communities.
Recognizing that local communities are facing issues such as dysfunctional and declining vitality of the community due to falling birthrates, aging populations, and an increasing number of vacant houses, as well as the weakening of social connections, we will help foster connections among customers and local communities through our architectural design efforts and operational and administrative services.
In this way, we will contribute to the realization of a symbiotic society by facilitating mutual aid in times of emergency and revitalizing local communities.
In particular, in terms of local issues related to disaster prevention, the company conducts regular disaster drills together with tenants and the local community. Also, in terms of community issues, the Group's employees participate in volunteer cleanup activities and local events, such as "Nihonbashi Wash" and "Fireflies in the City" exhibition, to engage in dialogue and exchange with local community members, and the Group is promoting the "Be UNITED Concept" to create a community that is connected to the local community.
In real estate development and urban development, we also consider the impact on the living environment and business environment of existing local communities, and strive to build ongoing relationships of trust with our stakeholders.

Engagement with Local Communities

Our Group, as a corporate entity that develops businesses in the community, places emphasis on engaging with stakeholders, including those who live and work in the condominiums and office buildings we own, and neighborhood associations, to play a role in revitalizing the community and region. Recognizing the importance of gaining a full understanding and endorsement of the Group’s stance and policies toward regional and community revitalization, we focus on establishing the foundations of strong local communities through various forms of engagement.
Specifically, Group companies facilitate communication between customers as well as between customers and municipalities and government when community events, such as summer festivals and Christmas events, are held at office buildings and commercial facilities. In addition, in order to facilitate easy communication, we set up suggestion boxes at commercial facilities and inquiry counters for customer input when they experience problems.

Indicators and Goals

Performance Data

Results of Community Revitalization Support for Revitalizing Local Communities

	FY2020	FY2021	FY2022	FY2023
Newly constructed residential properties with facilities that contribute to local communities	5	6	4	3
Number of community Be ACTO*[1] opened (cumulative total)	2	2	3	3
Number of Be ACTO members	—	—	1,306	1,732
Number of elementary school programs organized	—	—	10	35
Number of preoccupancy housewarming events at residential properties	— *[1]	— *[1]	11	20
Number of companies that participated in tenant networking events at mid-sized office brand PMO	— *[1]	— *[1]	— *[1]	85

* No events were held in fiscal 2020, 2021, or 2022 to help contain the spread of COVID-19. From fiscal 2023, we are also adding H¹O results.

For more information on Be ACTO, please visit the Be ACTO website.

Engagement with Stakeholders to Revitalize Regions and Communities

Stakeholders	Forms of Engagement	Frequency	Engagement Themes (Details)
ommunity	Be ACTO: A form of community management that we run alongside operations	Various events held irregularly	Creating a town that continues to think about and generate local value with local residents
Local community	Be UNITED initiative: Collaboration with NPOs, government, and local communities	Implemented according to the collaborator	Working with diverse local stakeholders to enhance value and local attractions
Tenants	Number of companies participating in exchange meetings	Several times a year	Encouraging interaction among users of our mid-scale office brand PMO, leading to increased value of use and the well-being of users
Residents	Exchange meetings held before moving in	Prior to move-in for each condominium	Making our tenants feel at ease before moving into a residential condominium, as well as serving as a foundation for community-building

ESG Data (Social)

Initiatives

Plans and Designs that Revitalize Communities

The Group promotes plans and designs that support development and revitalization so that customers, including residents and tenant companies, can develop communities over the long term after they take up occupancy.

100 Design Techniques for Condominium Communities



The Group formulated the 100 Design Techniques for Condominium Communities (the "100 Design Techniques") through an industry-academia joint research project with the graduate school of Japan Women's University and reflects these techniques in condominium product planning. The 100 Design Techniques organize plans and designs for revitalizing communities based on the results of surveys on the status of use of common areas in condominiums developed by the Group and on surveys of livability satisfaction.
The objective is to create comfortable communities where residents respect the individual lifestyles of others and can support one another during emergencies, such as in the event of a disaster.

100 Design Techniques
Disaster Preparedness in Housing

Tenant-Only Community Floor NEON

At the Shinjuku Nomura Building (where our headquarters and several Group companies are located, in Shinjuku-ku, Tokyo) and the Hamamatsucho Building (located in Minato-ku, Tokyo), the Group created community floors for the exclusive use of officers and employees of tenant companies and the Group. The aim is to increase options for places for internal and external interactions and working, and the spaces are used for dining, coworking and holding events.



Community floor NEON

H¹O, a Small Office with Support Services

Common areas of buildings of the new H¹O series, which are being developed by the Group, provide spaces that are designed to enable people to switch on and off from work. H¹O will not only provide places with aroma air conditioning and shower rooms (for some properties) where a person can take a rest and relax but also provide healthy foods and organize various training and events in order to promote community formation among tenant workers.



H¹O Nihonbashi Muromachi

Flow Plan for Naturally Building Community in Common Area

Under its flow plan, the Group has constructed common areas (main and guest dining rooms, karaoke and theaters, fitness studios, community cafés, large bathrooms, etc.) on the first floor of OUKAS, as a health-promoting rental senior residence that allows people to gather and naturally interact.



Dining room



Large communal bath



Karaoke room

Operation and Management that Support Community Revitalization

The Group also holds social events for residents and tenant companies, issues newsletters and engages in other initiatives to help customer communities function in a healthy manner over the long term after taking up occupancy. In fiscal 2022, we held 11 preoccupancy housewarming events at residences. For office buildings, we held three tenant company networking events for "PMO" and "H¹O" in fiscal 2023, with a total of 85 companies participating.



A networking event for PMO tenant companies

Activation of Communities Based on the BE UNITED Initiative

The Group recognizes that engagement does not end when the building is completed and, thus, strives to deliver value that helps customers to form trusting relationships with residents over the long term after taking up occupancy. From the development stage, we collaborate with NPOs, governmental bodies, and local communities to stimulate conversations within communities through projects and activities over long periods and strive to develop communities by reaffirming their value and creating positive cycles of interaction.



Farming experience at the Setagaya Farm

Passing on the richness of urban farmland to the next generation.



GEMS HIROO CROSS (EAT PLAY WORKS)

Going beyond being just a commercial building to connect the community with eateries by establishing an ecosystem of culinary culture



NOHGA HOTEL

Reconfirming the profound appeal of the community through the world



OUKAS

Sharing the life experiences of senior citizens with the community, which, in turn, provides senior citizens with purpose in life



Food Truck Project (2020–2022)

Mobility solution that connects tenant supply issues with condominium residents' food needs

Creating Circular Communities through Be ACTO Area Management

Be ACTO is a system in which the Group participates in area management. We believe the purpose of area management is to continuously recognize and generate local value together with the people who live there. By continuing to help establish a sense of inter-dependence among area residents, we hope to create seedbeds for fostering multigenerational and circulatory communities that are unique to each area. Since the first project at Be ACTO Hiyoshi, we have launched the initiative at various areas including Be ACTO Minamiyama and Be ACTO Kameido.

Be ACTO (Japanese text only)



BE ACTO package

Ties Between OUKAS Funabashi and Local Communities

The Group periodically makes available the fitness studio and community cafe at OUKAS Funabashi, which is health-promoting senior rental housing, to local residents as a hub for health support and multi-generational social interaction.



Community café (OUKAS Funabashi)

Connecting Fitness Clubs with Local Communities and Schools

We believe that sports have an immense impact on developing the abilities of growing children, especially if there is a focus on non-cognitive skills, such as self-esteem, perseverance and cooperation. To help children develop non-cognitive skills, our Megalos fitness club created the Kodomo Mirai Project (project for children's futures), which connects Megalos with local communities, actively provides a place to develop children's non-cognitive skills, and contributes to creating stronger communities.

To successfully implement a project designed for children, Megalos must maintain and strengthen its ties with the local community, kindergartens, nursery schools and schools, which play an important role in children's growth. For that reason, Megalos is making various efforts, such as holding swimming and physical education classes at its location, conducting lessons at schools, and renting out swimming pools.

In recognition of these efforts, the club received the Good Design Award in 2020.

Kodomo Mirai Project
Contributions to Local Communities and Society

Communication through Educational Programs

As part of our new urban development efforts aimed at creating “New Value, Real Value,” our Group is developing and providing educational programs to foster children’s interest in their town and to get them thinking together about the things which are important to it. In addition to field-trip lessons such as “Watching over the community,” developed under the supervision of Tokyo Gakugei University, and “Oshi no Ki,” developed together with students from the Faculty of Education at Saitama University, we also have “Machi-Oni,” developed in collaboration with the Graduate School of Keio University, which is a program that incorporates a local tag game that both adults and children can enjoy together. In addition to sports-related lessons such as swimming, MIRAIKU, and physical education, our MEGALOS sports club also operates the Kids After School program to offer these programs.



Watching over the community

Watching over the community Movie



Machi-Oni

Machi-Oni Movie



Kids After School activities

Kids After School activities Movie



Oshi no Ki

Oshi no Ki Movie

Establishing Relationships of Trust with Local Communities

When conducting real estate and urban development, we focus on building consensus and relationships of trust with local governments, landowners and residents in the areas where we operate.

Neighborhood Briefings

The Group states in its human rights policy that it aims to coexist in harmony with local communities in the countries and regions in which it operates. In each of these locations, the Group shall foster and support sustainable communities that continue to attract a diverse group of people. The Group shall also respect human rights related to the lives and health of local residents affected by its business activities by ensuring the safety of its buildings and taking into consideration the impact of construction work on the surrounding environment, including noise, vibration, and dust.

We understand that construction often causes concerns for local residents, particularly about the possible deterioration of water quality and landslides, noise, vibration and debris, as well as accidents caused by falling objects. To clearly and sincerely respond to these concerns, we hold briefings with residents who are near development sites and place top priority on the safety and security of these residents during construction.

Giving Consideration to Ease of Access to Public Transportation Services

When acquiring land and properties, the Group gives consideration to the accessibility to public transportation services in all cases to improve quality of life and ease of access for customers.

Employment and Procurement from Communities

The Group is promoting employment and procurement from local communities in which it conducts business to contribute to their continuous development and establish an ongoing relationship of trust with them. In particular, we actively utilize local specialty products in our hotel business and employ local staff at our overseas businesses.

Improving the Well-being of Building Tenants

In order to provide the users of office and other buildings with spaces that help maintain and improve their health and comfort, the Group as a whole adopts building specifications and performance standards that lead to improved well-being and works to implement programs for users. In addition, we have made it a rule to obtain CASBEE Wellness Office certification* for all income-generating properties (achieved 100%) and are strengthening it.

【Main Specifications and Performance Standards for Improving Well-being】

- Muffled indoor noise
- Natural light and appropriate illumination
- Designs giving special attention to the view from offices to promote a sense of connection with nature
- Refreshment space secured

【Main Programs for Users】

- Promote physical activity
- Create opportunities to meet during daily activities
- Conduct periodic satisfaction surveys

* Note: Certification organized by the Institute for Built Environment and Carbon Neutral for SDGs to evaluate building specifications, performance and initiatives that help maintain and improve the health and comfort of building users.

Contributions to Local Communities and Society

Risk Management

Approach and Policies

Under the Group Policy, we participate in local and social contribution activities based on recognizing our responsibility as a corporate citizen to address society's needs by engaging in dialogue with local communities and contributing to their development through co-creation. In this context, contributing to local communities and society is a priority. Social issues represented by declining demand and the breakdown of communities due to population decrease, falling birthrates and an aging society are closely linked to local communities. We believe our mission as a comprehensive developer is to play a part in addressing these social concerns that are so closely impacting local communities. To this end, we are exploring contributions from every direction, from taking in disaster victims to revitalizing local communities.

We believe these activities will help in "Building the future together," our vision of 2050, and to "Be a 'Life & Time Developer', as never seen before," our vision for 2030, as set forth in our Mid- to Long-term Business Plan.
Revitalizing communities, in particular, not only leads to an increase in the value of homes and neighborhoods but can also be expected to strengthen our competitiveness for new redevelopment projects, thereby expanding opportunities for participating in projects and ultimately boosting our business viability. In this context, we will promote efforts centered on the Be United initiative and expanding Be ACTO open facilities as a mechanism for realizing Be United.

Indicators and Goals

Performance Data

		Unit	FY2020	FY2021	FY2022	FY2023
Expenditures for contributions to local communities and society	Cash donations*1	10 thousand yen	1,100	1,100	1,200	1,200
	Management cost*2		2,058	29,688	29,195	30,810
	Total amount		3,158	30,788	30,395	32,010

*1 Cash donations represent support paid to the Japanese Para-Sports Association (JPSA). Starting with fiscal 2022, figures represent the sum of the sponsorship fee and the amount donated to the Keidanren Biodiversity Fund.
*2 Management costs are disclosed as the total cost of events held for local communities, mainly at Group-owned facilities, travel expenses for para-sports athletes, and coaches' expenses associated with operational support.

ESG Data (Social)

Initiatives

Collaboration with the Local and International Communities

Taking in Stranded Persons in the Event of a Disaster

In addition to improving the disaster preparedness of condominiums and facilities, we are working to strengthen our emergency connections with local governments and communities. For example, we are making buildings and units owned by the Group available so that the funds and facilities operated by the Group can be used for, and as, emergency community shelters.

Major examples of disaster prevention initiatives for local communities

- Emergency shelters: Establishing temporary shelters for those stranded by a disaster, including the provision of temporary rest areas, water, toilets and information
- Emergency supply storage: Stockpiling emergency supplies in condominiums
- Emergency access to well water: Made available when the water supply is interrupted due to a disaster
- Manhole toilets: Made available when the water and sewage supply is interrupted due to a disaster
- Bench-type cooking stoves: Made available when the gas supply is interrupted due to a disaster

Civic-Minded Hotel Business

The Group's NOHGA HOTEL brand is founded on the concept of offering a wonderful experience to guests, which comes from the hotel's deep ties to the local community. NOHGA HOTELs have therefore undertaken various projects to contribute to the communities in which they operate. The hotels use Edokiriko glassware made by companies in the vicinity of the hotels, sake glasses, and glasses made by silverware artisans, and also host events and workshops, such as sake pairing dinners and silverware-making experiences.



Sterling silver ice cream spoon

Supporting the UN Refugee Support Campaign

The Group supports the activities of the UNHCR, the United Nations Refugee Agency, by providing its facilities to the United Nations Refugee Support Campaign free of charge. The campaign collects donations to purchase vaccines and tents for refugees. Although activities were suspended in fiscal 2020 and fiscal 2021 due to the COVID-19 pandemic, they were resumed in fiscal 2022, offering the common areas of commercial and office buildings such as Morisia Tsudanuma, Bono Sagamiono, and Nihonbashi Muromachi Nomura Building, free of charge.

Broadcasting UN Campaign Video at Our Affiliated Facilities

As part of our efforts to raise awareness about the issue of global warming, the Group used signage at 22 office buildings and 30 commercial facilities in Tokyo, Kanagawa, Chiba, Saitama, Aichi, and Osaka to broadcast the "Promise of 1.5°C. Act now to stop global warming" campaign video, produced by the United Nations Information Centre, free of charge.

Supporting Youth Development

Internship Program

Nomura Real Estate Development offers an internship program targeting university undergraduate and graduate students every year.

■ On-site Internship Program

The program provides opportunities to experience real estate operations, such as product planning and accompanying personnel during marketing activities. In fiscal 2023, the program was provided for five days at the Company's Head Office in Tokyo and approximately 140 students participated.

■ Simulated Experience of Developer Operations

Through this program, intern students can learn about developer operations and what the Group attaches importance to in urban development. In fiscal 2023, it was held face-to-face for three days, with approximately 170 students participating.

Career Support Programs through Collaboration with Universities

The Group collaborates with universities to offer programs that support the career development of young people.

■ Rikkyo University

The Group's employees conduct the class, which is for university freshmen and sophomores and which offers opportunities to think about what it takes to work in society and to create a vision for the future by experiencing developer operations through real estate development games, property tours and other programs.

■ Future Skills Program at Meiji University*

Group employees teach freshmen practical skills for the real estate business. In fiscal 2023, students discussed the area management system that is sustainable for 20 years into the future by using the PROUD CITY Hiyoshi project, under development by Nomura Real Estate Development, as a case study.

* Note: A practical, project-based learning-type program intended for university freshmen. Participants work on solving simulation problems based on actual business scenarios.

Swimming Lessons for Toddlers and Children in Local Communities

The Kodomo Mirai Project ("project for children's future") run by Nomura Real Estate Life & Sports is intended to engage entire communities in child development through sports and to popularize sports among children. As part of the project, we provide local elementary school children with fully clothed swimming lessons aimed at preventing injury and drowning, swimming lessons for local children who are not good at swimming, and a program to improve physical abilities designed to help children develop a love of exercise. We will continue to contribute to local communities and urban development by providing safety and security through sports and exercise as part of the city's infrastructure for well-being.





Getting nursery school and kindergarten children accustomed to being in the water

Cooperation with "Kodomo Hyakutoban no Ie" (Children's Emergency Shelter) Activities

Nomura Real Estate Solutions is engaged in "Kodomo Hyakutoban no Ie" (children's emergency shelter) activities at 17 "Nomura's Broker + (Plus)" stores in Tokyo to help keep children safe and earn community trust.
These stores serve as emergency shelters for children when they feel they are in physical danger, such as when they are approached by suspicious persons, and will contact their parents or the police if necessary.



"Kodomo Hyakutoban no Ie" sticker displayed on the store entrance door

Supporting Sports

Official Partner of the Japanese Para Sports Association (JPSA)

As a company that identifies with the philosophy of the Japanese Para Sports Association (JPSA) of fostering inclusion to make society a place where everyone can benefit from the value of sports, Nomura Real Estate Holdings has entered into an official partner agreement with the JPSA.

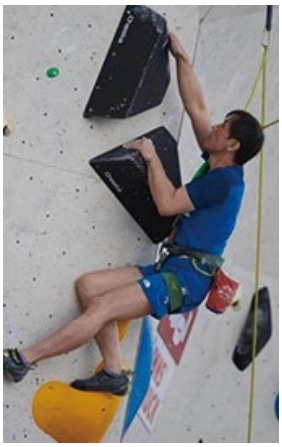
Japanese Para Sports Association

Supporting Sports for the Disabled

Nomura Real Estate Life & Sports collaborates with governmental bodies to provide swimming lessons for the disabled and a program for training intellectually disabled persons to be instructors. Leading the programs are six para-athletes in five sports, including some national team members, for whom the company provides assistance and support in their athletic pursuits. Nomura Real Estate Partners promotes understanding of parasports and supports them through various activities, including the employment of Yuki Nishi, a wheelchair track and field athlete (T54 class), and Ryo Nagano, a para-swimmer (S21 class).



Yamato Motonakano, CP soccer player representing Japan



Motohiro Ejiri, para-climber representing Japan



Kenshiro Ito, para-surfer representing Japan



Akane Kato, para-athlete representing Japan



Yumi Ejiri, para-climbing



Shunsuke Umemura, FID soccer

Certification as Tokyo Sports Promotion Companies

"Nomura Real Estate Partners and Nomura Real Estate Life & Sports were again certified by the Tokyo Metropolitan Government as 2023 Tokyo Sports Promotion Companies*, as in the previous year. Both companies have been certified for eight consecutive years since fiscal 2016."

* "This certification is granted by the metropolitan government of Tokyo to companies that encourage employees to directly participate in sports as well as to those that provide support for athletes and others involved in sports."

Governance

Corporate Governance

Approach and Policies
Corporate Governance Report
Shareholder Rights and Securing Impartiality
Accountability of the Board of Directors
Compensation Plan of Directors
Overview of Corporate Governance
Internal Control System
Results
Corporate Governance System

Compliance

Approach and Policies
Governance
Indicators
Initiatives

Risk Management

Governance
Risk Management
Indicators
Initiatives

Supply Chain Management

Governance
Risk Management
Indicators and Goals
Initiatives

Governance

Group Policy

The Nomura Real Estate Group recognizes that strengthening compliance and promoting both risk management and corporate governance are vital for ensuring business continuity and enhancing corporate value toward creating a sustainable society. The Group also conducts its business activities in a manner that respects the human rights of all people, including customers, local communities, employees, and suppliers.

Management

Nomura Real Estate Holdings has established the Risk Management Committee and Group Legal & Compliance Department to develop and implement a framework for promoting compliance. Regarding risk management, the committee has been designated as the integrated entity for deliberating on various risks related to Group management. It regularly monitors, evaluates and analyzes the status of major risks, provides necessary guidance and advice to each business unit and Group company, and regularly reports to the Board of Directors.
As for respect for human rights and enhancing supplier management, the Nomura Real Estate Holdings president and Group CEO is responsible for implementing initiatives. In addition, the Sustainability Committee, which is comprised of Nomura Real Estate Holdings, Group company directors, and others, and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates on and decides related policies and action plans. The committee also sets annual targets for these actions and monitors progress.

* Note: For details of the compliance promotion framework and risk management structure, refer to the “Management” sections on relevant pages.

Corporate Governance

Philosophy and Policies

Group Policy (Governance)

We here at Nomura Real Estate Holdings believe in governance that maximizes the value of the corporate group over the long term while considering the interests of its shareholders and other stakeholders. As a holding company, we manage and supervise the business activities of our subsidiaries and strive to build a more transparent management system in accordance with the "Basic Corporate Governance Policy" with the aim of improving the profitability of the entire group.

Basic Corporate Governance Policy

Corporate Governance Report

Corporate Governance Report

(Last updated: Oct 28, 2024)

Shareholder Rights and Securing Impartiality

Cross-holding Shares

Nomura Real Estate Holdings formulated the Basic Policy Concerning Strategic Shareholdings within the Basic Corporate Governance Policy for cross-held shares.

Basic Policy Concerning Strategic Shareholdings

Excerpt from "Basic Corporate Governance Policy"

Article 4

1. The Company has a Policy Concerning Strategic Shareholdings that acknowledges contributing to improving the Company's corporate value from a comprehensive perspective of strengthening transaction relations with counterparties and strategic business tie-ups, etc.
2. When holding strategic shares, the Company regularly grasps the state of transactions with the Group and the state of management at the investee company, and every year the Board of Directors examines the rationality of continuing to hold strategic shares from the perspective of contributing to improving the Company's corporate value. In addition, in light of the aforementioned examinations, when it is no longer rational to hold them, the Company sells said shares, taking into account market conditions and other factors.
3. The Company makes appropriate decisions when exercising voting rights relating to strategic shareholdings based on whether holdings contribute to improving the Company's corporate value through improving the investee companies' corporate value.
4. In the event that a company that holds the Company's shares as strategic shareholdings (a strategic shareholder) indicates that it intends to sell or otherwise transfer said shares, the Company will respond appropriately and will not obstruct said sale in any way, such as by raising the prospect that a reduction in transactions or the like may ensue.
5. Regardless of whether a given transaction is with a strategic shareholder, it will be carried out after its economic rationality is adequately examined, as is the case with all other counterparties.

Accountability of the Board of Directors

Appointment of Directors

The directors of Nomura Real Estate Holdings are elected at the general meeting of shareholders every year in accordance with the Articles of Incorporation, differentiating directors who are Audit and Supervisory Committee members from other directors. In order to ensure the necessary balance and diversity as a holding company that oversees companies operating in a wide range of fields, directors are those with a variety of knowledge, experience and ability, regardless of nationality and gender. In order to function effectively, we have no more than 12 directors (excluding directors who are Audit and Supervisory Committee members) and no more than 6 directors who are Audit and Supervisory Committee members. The average tenure of the directors is 4.13 years (as of March 31, 2024).

Criteria for Determining Impartiality of Independent External Directors

The Company has established the following criteria for determining Impartiality of independent external directors.

Criteria for Determining the Impartiality of Independent External Directors

Excerpt from Article 14 of the Basic Corporate Governance Policy

Article 14: In addition to Independent Director impartiality criteria set by the Tokyo Stock Exchange, the Board of Directors establishes criteria concerning the impartiality of Independent External Directors and nominates Independent External Directors having confirmed that they do not correspond to any of the following items.

(1) Individuals who execute business for any other company with which the Company or our subsidiaries have a reciprocal employment relationship as each other's External Directors;

(2) Individuals who are employees of the Company's or our subsidiaries' major business partners*1 or who are employees at companies that consider the Company or our subsidiaries to be their major business partner*1 (or individuals involved in the execution of business if such business partner is a corporation);

(3) Consultants, accounting experts, or legal experts who receive money, or other property gains in excess of ¥10 million in addition to Directors compensation from the Company or subsidiaries during the most recent business year;

(4) Individuals affiliated to companies, etc., that provide professional services such as law firms, accounting firms, and consulting companies that receive large sums of money or other property gains*2 from the Company or subsidiaries;

(5) Individuals who are or were involved in the execution of business at one of the Company's major shareholders (individuals who are or were involved in the execution of business at such corporation if the major shareholder is a corporation), or lead managing underwriter; or

(6) Close relatives of individuals stated in (1) to (5).

*1 A Major business partner means a business partner whose transactions with the Group exceed 2% of the Company's or such business partner's annual consolidated sales in the most recent business year.

*2 Large sums of money or other property gains means gains that exceed 2% of the annual consolidated sales of that companies, etc., in the most recent business year.

Name	Chiharu Takakura
Reason for Appointment	Chiharu Takakura has great knowledge and experience and profound insights into the promotion of human capital management including human resources strategy and development, acquired during her many years executing business in important roles in the human resources division of a global company, as well as participating on specialist committees for a governmental agency. She has been selected as an external director because it is expected that by leveraging her skills and experience she will contribute to the strengthening of the supervisory function of the Board of Directors and corporate governance systems and the fair and transparent management. Furthermore, based on her attributes and relationship with NREH, we determined her as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Name	Yoshinori Yamashita
Reason for Appointment	Yoshinori Yamashita has great knowledge, experience and profound insights concerning corporate management acquired through his many years working as a corporate manager. He has been selected as an external director because it is expected that by leveraging his skills and experience he will contribute to the strengthening of the supervisory function of the Board of Directors and corporate governance systems and the fair and transparent management. Furthermore, based on his attributes and relationship with NREH, we determined him as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Name	Yoshio Mogi
Reason for Appointment	Yoshio Mogi has great knowledge, experience and profound insights concerning corporate management acquired through his many years working as a corporate manager. He has been selected as an external director as Audit & Supervisory Committee member because it is expected that his extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. Furthermore, based on his attributes and relationship with NREH, we determined him as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Name	Akiko Miyakawa
Reason for Appointment	Akiko Miyakawa has great knowledge, experience and profound insights as an expert at accounting and auditing acquired through her many years working as a Certified Public Accountant. She has been selected as an external director as Audit & Supervisory Committee member because it is expected that her extensive experience and knowledge will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure, although she has no previous experience involved in the management of a company other than as an external officer. Furthermore, based on her attributes and relationship with NREH, we determined her as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Name	Tetsu Takahashi
Reason for Appointment	Tetsu Takahashi has great knowledge, experience and profound insights as a legal expert acquired through his many years working as a lawyer. He has never been involved in the management of a company other than as an external officer, however he has been selected as an external director as Audit & Supervisory Committee member because it is expected that his extensive experience and knowledge as a representative of a law firm and an outside director and outside audit & supervisory board member of other companies will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. Furthermore, based on his attributes and relationship with NREH, we determined him as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Name	Aogi Suemura
Reason for Appointment	Aogi Suemura has great knowledge, experience and profound insights as an expert at accounting and auditing acquired through her many years working as a Certified Public Accountant. She has been selected as an external director as Audit & Supervisory Committee member because it is expected that her extensive experience and knowledge as a Certified Public Accountant and an external director and an outside audit & supervisory board member of other companies will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure, although she has never been involved in the management of a company other than as an external officer. Furthermore, based on her attributes and relationship with NREH, we determined her as an independent director specified by the Tokyo Stock Exchange as there is no risk of conflict of interest with general shareholders.

Approach to Diversity of the Board of Directors

In order to ensure the necessary balance and diversity as a holding company that oversees companies operating in a wide range of fields, it is our policy to appoint diverse directors with a variety of knowledge, experience, and ability, regardless of gender, race, nationality, or cultural background.

Assessing the Effectiveness of the Board of Directors

To assess the effectiveness of the Board of Directors in the fiscal year ended March 2023, as in the previous fiscal year, the Company conducted questionnaires and interviews of all directors (including Audit & Supervisory Committee Members) utilizing a third-party evaluation organization. The results of analysis and assessment based on discussions at a meeting of the Board of Directors are outlined below.

	Results of analysis and assessment	
	Highly regarded points	Issues, future improvement measures
Members	The scale of the Board of Directors and the ratio of independent external directors are broadly appropriate.	—
Discussions	Discussions are free and lively, exceeding internal and external limits and leveraging the knowledge and experience of each director. In particular, discussions were enhanced through the opinions, etc., from external directors.	—
Operation	Stable operation is being achieved with materials provided beforehand and the number of agenda items being balanced.	Continued improvement efforts are needed to ensure more time for deliberation of important agenda items.
Matters for discussion	A certain amount of substantial discussion based on the perspective of the Company's sustainable growth and enhancement of corporate value was conducted in the deliberation of individual projects.	Discussions of strategy that require a medium- to long-term perspective need to be enhanced further. For the fiscal year ending March 2025, the Company has designated "enhancement of discussions aimed at increasing corporate value over the medium to long term" and "strengthening IR and governance function" as priority measures, and it will promote initiatives aimed at further improving corporate value and strengthening corporate governance.

Going forward, the Company will regularly discern areas for improvement by annually assessing and further enhancing the effectiveness of the Board of Directors.

Compensation Plan of Directors

Compensation for Each Category of Executive

FY2023

		Directors (excluding Directors who also serve as Audit & Supervisory Committee Members) (excluding External Directors)	Directors (Audit & Supervisory Committee Members) (excluding External Directors)	External Directors
Total Amount of Compensation, etc. (Million Yen)		707	102	66
Base Compensation (Million Yen)		279	102	63
Bonus (Performance-based Incentives, etc.) (Million Yen)		144	—	—
Share-based Compensation (Non-monetary Compensation, etc.) (Million Yen)	Performance-based Portion (Million Yen)	196	—	—
	Non-Performance-based Portion (Million Yen)	86	—	3
Number of Directors Applicable		6	2	4

a. The number of directors (excluding directors as Audit & Supervisory Committee Members, and external directors) is five as of the end of the fiscal year ended March 2024. The difference from the "Number of Directors applicable" column above is due to the inclusion of one director who retired as of the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2023.

b. The number of directors (Audit & Supervisory Committee Members) (excluding external directors) is two as of the end of the fiscal year ended March 2024.

c. The number of external directors is four as of the end of the fiscal year ended March 2024.

d. The amount of compensation for directors is shown as the amount recorded by the Company as an expense for compensation and related items for the fiscal year ended March 2024, regardless of whether it was paid during the fiscal year ended March 2024. It should be noted that the payment amount in the "Bonus (Performance-based incentive, etc.)" column above does not include the difference (¥13 million) between the provision for bonuses for five directors (excluding directors who are Audit & Supervisory Committee Members and external directors) for the fiscal year ended March 2023 and the bonus amount paid for the fiscal year ended March 2024. In addition, regarding the performance-based portion of share-based compensation, for the fiscal year ended March 2024, there was a difference (¥4 million) between the amount recorded as an expense in prior fiscal years in the form of the number of points granted to two directors (excluding directors who are Audit & Supervisory Committee members and external directors) and the amount paid through the issuance of shares during the fiscal year ended March 2024.This difference amount is not included in the amount paid in the "Share-based compensation (Non-monetary compensation, etc.)" column above.

e. The compensation amount ("base compensation" and "bonus") of directors has been set as no greater than ¥550 million per year for directors (excluding directors as Audit & Supervisory Committee Members) according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2018, and at the time of the resolution, the number of directors (excluding directors as Audit & Supervisory Committee Members) was eight (of which, two were external directors). Furthermore, the compensation amount of directors (Audit & Supervisory Committee Members) is limited to up to ¥170 million per year according to a resolution at the Ordinary General Meeting of Shareholders held on June 23, 2020. The number of directors as Audit & Supervisory Committee Members at the time of the resolution was six (including four external directors). Of that compensation amount, the Company pays the compensation shown in the table above.The compensation amount of directors is shown as the amount recorded by the Company as an expense during the fiscal year ended March 2024 regardless of whether it was paid during the fiscal year ended March 2024. In addition, by resolution of the Ordinary General Meeting of Shareholders held on June 21, 2024, the compensation limit for directors (Audit & Supervisory Committee Members) has been revised to within ¥180 million per year, and the number of directors who are Audit & Supervisory Committee Members related to this resolution is six (including four external directors).

f. Separately from the compensation amount of directors shown in e. above, the Company introduced a performance-based share-based compensation plan. By the resolution of the Ordinary General Meeting of Shareholders held on June 24, 2022, the three fiscal years starting from the fiscal year ending March 31, 2023, were made the new covered period (and in the event that the extension of the period is carried out, the three subsequent fiscal years shall become the covered period), and a maximum amount of ¥1,650 million and 672,000 shares to be contributed to the trust as compensation to directors (excluding directors as Audit & Supervisory Committee Members) (including a maximum amount of ¥9.90 million and 4,030 shares for each external director for every three fiscal years). At the time of the resolution, the number of directors (excluding directors as Audit & Supervisory Committee Members) subject to the Plan is seven.

g. With respect to the performance-based compensation, the details of factors including the performance indicators that pertain to bonuses, which are monetary compensation, the calculation method of such bonuses and the reasons for selecting these indicators are as stated in the "II-1. Organization Structures and Organizational Operations [Compensation of Directors] Disclosure of Policy Determining the Amount and Calculation of Compensation" of this report. The actual results that pertain to performance indicators are as presented in the table below.

	FY2020	FY2021	FY2022	FY2023
Business profit	76,448 million yen	92,765 million yen	105,172 million yen	113,665 million yen
Year-on-year change	-7.7%	+21.3%	+13.4%	+8.1%

h. With respect to the performance-based compensation, the details of factors including the performance indicators that pertain to share-based compensation, etc., the calculation method of such share-based compensation, etc. and the reasons for selecting these indicators are as stated in the "II-1. Organization Structures and Organizational Operations [Compensation of Directors] Disclosure of Policy Determining the Amount and Calculation of Compensation" of this report. The ranges of performance indicators were decided as presented in the tables below.

(The ranges for FY2023, the third year from the start of the system in FY2021)

	Ranges		Results
Range Performance Performance-based coefficient	0%～ 200%	⇒	143.0%
Business profit	83,300 million-116,700 million yen		113,665 million yen
ROE	6.5%～ 12.5%		10.1%

i. Non-monetary compensation, etc. consists of the Company's shares, etc. and the conditions, etc. for delivery are as stated in the "II-1. Organization Structures and Organizational Operations [Compensation of Directors] Disclosure of Policy Determining the Amount and Calculation of Compensation" of Corporate Governance Report. Regarding the performance-based portion of share-based compensation, for the fiscal year ended March 2024, there was a difference (¥4 million) between the amount recorded as an expense in prior fiscal years in the form of the number of points granted to two directors (excluding directors who are Audit and Supervisory Committee Members and external directors) and the amount paid through the issuance of shares during the fiscal year ended March 2024.

j. As stated in the "II-1. Organization Structures and Organizational Operations [Compensation of Directors] Disclosure of Policy Determining the Amount and Calculation of Compensation" of Corporate Governance Report, the decisions on the specific details concerning the amounts of base compensation and bonuses to be paid out, which is monetary compensation for the fiscal year ended March 2024, were delegated to Satoshi Arai, who has been serving as President and Representative Director, based on a resolution of the Board of Directors. The reason for this delegation to the President and representative director is that the Company has judged the President and representative director as appropriate to conduct the individual evaluation of each director while considering, among other things, performance of the Company overall. The payment level is deliberated by the Advisory Committee Relating to Nominations and Compensation for the appropriate exercise of the decision authority delegated to the President and representative director.

Total Consolidated Compensation, etc., for Those Receiving Total Consolidated Compensation of 100 Million Yen or More

Name	Director category	Company category	Total amount of compensation, etc. (million yen)	Base compensation (million yen)	Bonus (Performance-based incentive, etc.) (million yen)	Share-based compensation (Non-monetary compensation, etc.)	
						Performance-based portion (million yen)	Non-performance-based potion (million yen)
Eiji Kutsukake	Director	Filing company	162	64	3	52	41
Satoshi Arai	Director	Filing company	169	64	51	38	15
Daisaku Matsuo	Director	Filing company	157	57	45	41	13
Makoto Haga	Director	Filing company	118	42	31	35	9
Hiroshi Kurokawa	Director	Filing company	105	38	25	33	8

* The amount of compensation for directors is shown as the amount recorded by the Company as an expense for compensation and related items for the fiscal year ended March 2024, regardless of whether it was paid in the fiscal year ended March 2024. In addition, the payment amount in the "Bonus (Performance-based incentive, etc.)" column above includes the difference between the amount of the provision for bonuses to directors for the fiscal year ended March 2023 and the bonus amount paid during the fiscal year ended March 2024, and the payment amount in the "Share-based compensation (Performance-based portion)" column above includes the difference between the amount expensed in prior years as the number of points granted and the amount paid through the issuance of shares during the fiscal year ended March 2024, respectively, and these are also included in the payment amounts shown in the "Total amount of compensation, etc." column (see "Compensation for Each Category of Executive (d) above).

Outline of Compensation Plan of Directors

At a meeting of the Board of Directors, the Company resolved the policy for deciding the details of the compensation, etc. for each individual director excluding Audit & Supervisory Committee Members. In addition, the Company established the Advisory Committee Relating to Nominations and Compensation, where the majority of members composing that body are Independent External Directors, and the Board of Directors resolved the operation, etc. of the compensation plan for the directors, based on the deliberation by the committee and on the committee's opinion reported to the Board of Directors.
Furthermore, the Board of Directors has judged that the compensation, etc. for each individual director in the fiscal year ended March 2024 is in line with this policy regarding decisions of compensation, etc. as it has confirmed that the method for deciding the details of compensation, etc. and the details of the compensation, etc. that were determined are consistent with this policy regarding decisions of compensation, etc.
In addition, since the fiscal year ended March 2020, the Company have incorporated initiatives for addressing environmental and social issues, including climate change, into the performance evaluation of officers.

(1) Basic policy

1. Compensation for Directors consists of a structure that is linked to the Mid- to Long-term Business Plan, etc. in order to sufficiently work as an incentive for the sustainable improvement of corporate value, and the Company's basic policy in deciding compensation for each Director is to provide an appropriate level of compensation according to the role and position as a director.
2. Operation and revision of the compensation plan for Directors and the amount of the compensation for Directors are determined by the Board of Directors based on the deliberation by the Advisory Committee Relating to Nominations and Compensation and its opinion reported to the Board of Directors.
3. In reviewing the appropriateness of the compensation level and the content of the share-based compensation plan, the Company takes consideration of factors such as the size of the Company and business characteristics, after obtaining advice from an external compensation consultant as necessary.
4. Compensation of Directors concurrently serving as Executive Officers consists of "base compensation," "bonus" and "share based compensation" so that it works as a clear incentive to improve performance not only for the short-term, but also for the medium- to long-term.
5. Compensation of the Chair and Director and External Directors is made up of the "base compensation" and the "restricted shares ("RS") portion of share-based compensation," taking into account the sharing of interests with shareholders, since the Chairman of the Board of Directors is responsible for supervising execution of business from an objective standpoint and also for enhancing long-term corporate value.
6. Compensation of Part-time Internal Directors consists only of "base compensation" due to their role of supervising the business execution from an objective standpoint.

(2) Policy regarding decisions on the percentage of each type of compensation for each Director

1. The composition ratio of each type of compensation for Directors concurrently serving as Executive Officers is decided based on 2. and 4. in (1) above.
2. The composition ratio of each type of compensation for the Chair and Director and External Directors is decided based on 2. and 5. in (1) above.
3. Compensation of Part-time Internal Directors consists only of "base compensation" based on 2. and 6. in (1) above.

(3) Policy regarding decisions on the amount of fixed compensation (base compensation) for each Director (including the policy regarding decisions on the timing and conditions for paying compensation)

1. The amount of fixed compensation (base compensation) for each Director shall be determined according to the role and position as a Director.
2. The fixed compensation (base compensation) shall be paid monthly.

(4) Policy regarding decisions on the details of variable compensation (bonus and share-based compensation) for each Director and the calculation method for the monetary amount or number of shares (including the policy regarding decisions on the timing and conditions for paying compensation)

Bonus:

1. The amount of bonus is determined according to the Company's business performance, such as consolidated business profit, and evaluation of individuals.
2. While largely focusing on the above evaluations, the Company will also evaluate its performance using non-financial indicators (sustainability factors, etc.). The fiscal years subject to such evaluations shall be from the fiscal year ending March 2023.
3. The evaluation of individuals evaluates the progress of initiatives for single-year and the medium- to long-term, for which achievements are difficult to measure based only on the figures of financial results.
4. It shall be paid at a certain time after the end of each fiscal year.

Reference: The Company revised the policy regarding decisions of the details of the compensation, etc. for each of the directors excluding Audit & Supervisory Committee Members from the fiscal year ended March 2023, deciding that the details and calculation method for performance indicators, etc., relating to bonuses, which are monetary compensation, would retain a central emphasis on evaluation of performance in terms of consolidated business profit, etc., but would also include an evaluation by non-financial indicators (sustainability factors, etc.). The purpose of this change is to promote initiatives aimed at increasing corporate value over the medium to long term through increasing directors' awareness of sustainability, and in the fiscal year ended March 2024, the Company conducted an evaluation based on BEI* as a non-financial indicator.

Note: The Building Energy-efficiency Index is for evaluating the energy-efficiency performance of buildings based on the energy efficiency standards under the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act). It represents the primary energy consumption standard for buildings.

Share-based compensation:

1. The performance-based compensation adopts performance-sharing ("PS") providing incentive for enhancement of medium- to long-term performance, and implements, after three years of the commencement of each business year, delivery or payment ("delivery, etc.") of the Company's shares and/or an amount equivalent to the proceeds of converting the Company's shares into cash (the "Company Shares, etc.").
2. The non-performance-based potion adopts restricted shares ("RS") providing an incentive for long-term contributions and enhancement of corporate value by delaying delivery, etc., until retirement as an officer.
3. The share-based compensation system adopts the system of executive compensation BIP (Board Incentive Plan) trust (the "Trust"). The number of shares, etc., to be delivered, etc., is set at one Company's share per one point, according to the number of points calculated based on the below formula.

Calculation formula of points:

•PS portion

The number of points (the "Number of PS Points") to be granted to directors for each fiscal year during the covered period is calculated by dividing the amount of pre-determined base compensation with respect to each executive position by the share price as of the acquisition of the Company's shares by the Trust. The number of achievement-linked points shall be calculated by multiplying the Number of PS Points granted for each fiscal year by the achievement-linked coefficient determined based on the level of performance three years after the beginning of the applicable fiscal year. For the achievement-linked coefficient, the target ranges (0-200%) are set based on the "business profit" from the viewpoint of profit growth, and return on equity (ROE) from the viewpoint of maintaining the capital efficiency, out of the management benchmarks listed in the Mid- to Long-term Business Plan.

•RS portion

The number of points (the "Number of RS Points") to be granted to directors and added for each fiscal year during the covered period is calculated by dividing the amount of pre-determined base compensation with respect to each executive position by the share price as of the acquisition of the Company's shares by the Trust.

(5) The method for determining the details of compensation for each director, etc.

1. The determination of the specific details of the amount of base compensation and bonuses, both of which are monetary compensations, to be paid out is delegated to the president and representative director based on a resolution of the Board of Directors.
2. The payment level shall be deliberated by the Advisory Committee Relating to Nominations and Compensation for the appropriate exercise of the authority stated in (1) above by the president and representative director.

(6)Other important matters concerning individual compensation

Regarding share-based compensation, the Company formulated "share delivery regulation" to handle repayment claims at an amount equivalent to the Company Shares, etc. to be delivered, etc. in the event that specific circumstances (improper conduct, etc.) occur.

Reference: In the event of serious misconduct or violation by a director, the Company may demand the loss or forfeiture of the right to receive the Company Shares, etc., provided to the relevant director under this system (malus), or demand repayment at an amount equivalent to the Company Shares, etc., that have been delivered (clawback).

Shareholdings by Directors

The Company has a compensation plan for granting Company shares to directors (excluding Audit & Supervisory Committee members, and external directors) to provide an incentive to increase corporate value over the medium to long term and share the interests of the Company's shareholders.

Overview of Corporate Governance

Board of Directors

The Board of Directors bears the responsibility of realizing effective corporate governance for all shareholders, and through this, achieving sustainable growth of the Company and working to maximize long-term corporate value. To fulfill this responsibility, the role of the Board of Directors is to ensure the fairness and transparency of management by fully supervising management, and make the best decisions for the Company through important business execution decisions, etc.
The Company's Board of Directors comprises seven directors (excluding directors who serve as Audit & Supervisory Committee Members) (of which two are external directors) and six Directors who serve as Audit & Supervisory Committee Members (of which four are external directors). The Company elects diverse directors with various knowledge, experience and skills in order to ensure the necessary balance and diversity as a holding company that manages companies that conduct business in various areas. The Board of Directors is headed by the chairman.
In order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, six out of the 13 directors are Independent External Directors.

Board Members

Audit and Supervisory Committee

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

Audit & Supervisory Committee (6 Members, Including 4 Independent External Directors)

Name	Attribute
Hiroyuki Kimura (Chairman)	Full-time
Yasushi Takayama	Full-time
Yoshio Mogi	Independent External Director
Akiko Miyakawa	Independent External Director
Tetsu Takahashi	Independent External Director
Aogi Suemura	Independent External Director

Advisory Committee Relating to Nominations and Compensation

The Company has set up an Advisory Committee Relating to Nominations and Compensation, the majority of which are Independent External Directors, as an advisory organization to strengthen the impartiality, objectivity and accountability of the functions of the board of directors in relation to decisions on director and executive officer nominations and compensation. The committee will discuss matters relating to the nomination of and compensation for directors and executive officers, successor plan, policy for training, etc. and shall report the outcome of discussions to the Board of Directors.

Advisory Committee Relating to Nominations and Compensation (4 Members, Including 3 Independent External Directors)

Name	Attribute
Yoshinori Yamashita (Chairman)	Independent External Director
Eiji Kutsukake	Chair and Director
Tetsu Takahashi	Independent External Director and Audit & Supervisory Committee Member
Yoshio Mogi	Independent External Director and Audit & Supervisory Committee Member

Management Committee

The Company has introduced a system of executive officers with an aim to strengthen Group management by separating and enhancing the business execution function from the management decision-making and supervisory functions. Each executive officer appointed by the Board of Directors is delegated management authority based on the Company's internal rules and other stipulations to execute business under the direction of the president and representative director and policies approved by the Board of Directors of the Company.

The Management Committee, which is comprised of the chief executive officer, the executive vice president and executive officers, determines certain matters regarding the execution of business at overall Group companies. The chairman of the Board of Directors and Directors who are Audit & Supervisory Committee Members attend meetings of the Committee, where they express their opinions as necessary.

Other Committees

Under the Management Committee, there are the following committees that discuss the Group's management policies, issues to be coped with, etc.

a. Budget Committee

For the compilation of budgets, preparation of Mid-to Long-term Business Plan, and other matters, the Committee discusses the planning, exercise, and other matters regarding budgets and Mid-to Long-term Business Plan as a subordinate organization of the Management Committee.

b. Risk Management Committee

With the aim of securing the continuity and stable development of business through the exercise of risk management, the Committee discusses matters in connection with internal controls, risks in the Group's management, and other matters.

c. Sustainability Committee

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

d. DX Strategy Committee

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

e. Human Resource, Wellness, D&I Committee

With the aim of promoting human capital strategies that are linked to business strategies and carrying out other measures, the Committee discusses matters related to Group-wide issues in terms of human resources and the placement of the right persons in the right positions in each Group company (placement and promotion, development, and recruitment), matters related to developing working environments (wellness and D&I), and other matters.

Internal control system

Internal control system

Nomura Real Estate Holdings has established the Board of Directors, the Audit and Supervisory Committee, and the Advisory Committee Relating to Nominations and Compensation for internal control.

Risk management system

Nomura Real Estate Holdings established a Risk Management Committee to promote risk management activities within the Group. The committee is made up of directors and executive officers of the Company and Group companies, and deliberates matters relating to risk management, compliance, and information security for the entire Group, and discusses countermeasures for when risks occur.

Risk Management

Compliance System

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

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

Compliance

Internal Audit System

With the exception of some small companies, the Group has an internal audit department in each company. These departments maintain organizational independence by setting up officers under the direct control of the president or directors who do not hold additional office in other business divisions.
In addition, the Company established the Group Internal Audit Department, which, in cooperation with the accounting auditor, oversees, monitors, and evaluates the internal audit function of the entire Group and conducts audits of each department within the Company. The details of the internal audit plan are reported to the Audit & Supervisory Committee and for its consent. The committee also gives recommendations or instructions on changes to the internal audit plan, additional audits, investigations, and related matters, as necessary. In formulating the internal audit plan, the Company establishes a common internal audit policy for the Group, and each company then formulates its own three-year medium-term plan in accordance with this policy. The Company also strives to maintain and improve the quality of internal audits through information exchange, joint training, joint audits, personnel exchanges, and other means, with the Group companies. The results of internal audits are in principle reported monthly to the Audit & Supervisory Committee and to the representative director and the Board of Directors on a quarterly basis. The Group Internal Audit Department has several personnel with professional qualifications, such as certified internal auditors, and directors are required to consult with the Audit Committee before appointing the head of this department.

Audit and Supervisory Committee Audit System

The Audit & Supervisory Committee is comprised of six members, two Audit & Supervisory Committee Members (full-time) and four Audit & Supervisory Committee Members (Independent External Directors). In addition, one of the Audit & Supervisory Committee Members (Independent External Directors) was newly appointed at the 20th Ordinary General Meeting of Shareholders held on June 21, 2024. The two full-time members were elected to strengthen the effectiveness of audit and supervision functions through the collection of information from directors (excluding directors who are Audit & Supervisory Committee Members), executive officers, employees, etc., attendance at important meetings and close cooperation with the Internal Audit Dept. The Audit & Supervisory Committee holds regular meetings prior to monthly Board of Directors meetings with all Members attending the meetings. It also holds irregular meetings as necessary. During the fiscal year ended March 2024, the Committee held 12 meetings.
Each of the monthly meetings took approximately three hours. After receiving audit reports from the Internal Audit Dept., reports on important meetings, including those of the Management Committee, from the full-time Audit & Supervisory Committee Members, semiannually reports of the operation status of internal reporting systems from the Group Legal & Compliance Dept. and quarterly financial reports from the Finance & Accounting Dept., the members of the Audit & Supervisory Committee, among other activities, exchanged opinions with Group CFO, executive officer and supervisor of Management Division on a regular basis, received reports of what was discussed at meetings of the Advisory Committee Relating to Nominations and Compensation, and confirmed the details of those discussions.
The Company also adopts measures to enhance the effectiveness of audits, having established an Audit & Supervisory Committee Dept. to support the execution of duties by the Audit & Supervisory Committee and appointed full-time staff dedicated to the department.

Results

Meetings in FY2023

Types of Meetings	Number of meetings held	Types of Meetings	Number of meetings held
of Directors	13	**Budget Committee**	9
Audit & Supervisory Committee	12	**Risk Management Committee**	7
Advisory Committee Relating to Nominations and Compensation	7	**Sustainability Committee**	3
Management Committee	46	**DX Strategy Committee**	12

Reporting scope: Nomura Real Estate Holdings

Attendance rate at meetings of the Board of Directors and the Audit & Supervisory Committee

	FY2020	FY2021	FY2022	FY2023
Board of Directors (%)	100	99.6	99.4	100
Of which are external directors (%)	100	99.0	98.2	100
Audit & Supervisory Committee (%)	100	100	100	100
Of which are external directors who serve as Audit & Supervisory Committee members (%)	100	100	100	100
Advisory Committee Relating to Nominations and Compensation (%)	—	—	100	100
Of which are external directors (%)	—	—	100	100

Reporting scope: Nomura Real Estate Holdings

Attendance of external directors at meetings of the Board of Directors and the Audit & Supervisory Committee held in FY 2023 (current external directors only)

	Board of Directors	Audit & Supervisory Committee
Chiharu Takakura*	Attended all 10 meetings	—
Yoshio Mogi	Attended all 13 meetings	Attended all 12 meetings
Akiko Miyakawa	Attended all 13 meetings	Attended all 12 meetings
Tetsu Takahashi	Attended all 13 meetings	Attended all 12 meetings

* The number of Board of Directors held in the fiscal year ended March 2024 after being appointed as Board of Directors Member on June 23, 2023 is presented.

For more details, see the ESG Data (Governance).

Accounting Audits

1. Name of auditing firm Ernst & Young ShinNihon LLC

The Company appointed Ernst & Young ShinNihon LLC as the Accounting Auditor pursuant to the Companies Act.

2. Continued auditing period Since June 2004

3. Certified Public Accountants involved in auditing

Certified Public Accountant/Designated and Engagement Partner Toshihiro Morishige Certified Public Accountant/Designated and Engagement Partner Kenji Sato
Certified Public Accountant/Designated and Engagement Partner Masahiro Yawata
Ernst & Young ShinNihon LLC takes measures to ensure that Engagement Partners do not continue their involvement in NREH accounting audits for more than seven consecutive accounting periods (five accounting periods for Head Engagement Partners at listed companies).

4. Assistants involved in auditing

Certified Public Accountants: 8, Part-qualified Accountants, etc.:8, Other: 13

5. Policy and reasons for selection of Accounting Auditor

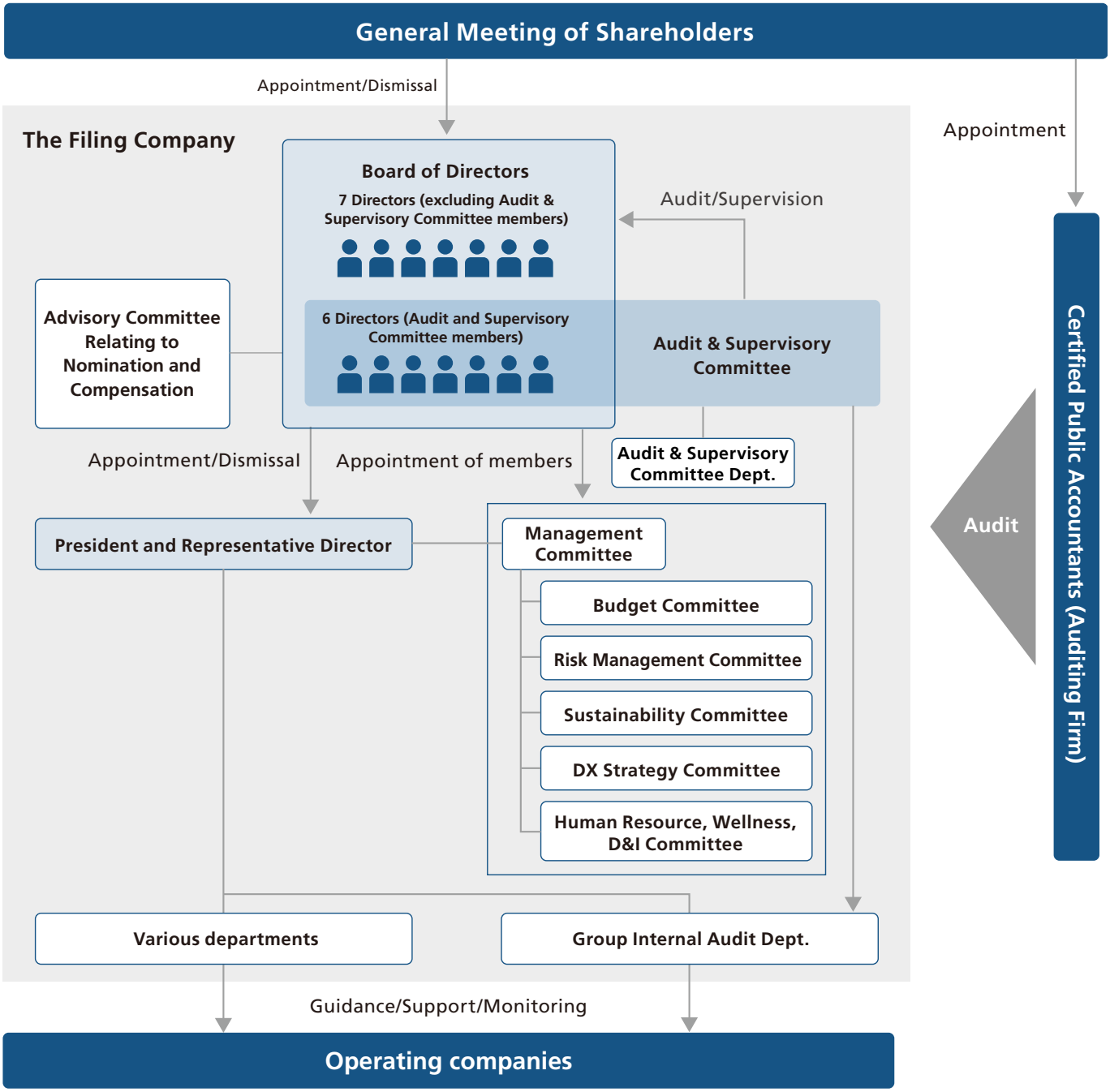
The Audit & Supervisory Committee has appointed an auditing firm based on the regulations stipulated by the Audit & Supervisory Committee and the criteria for evaluation and appointment of the Accounting Auditor. If the Accounting Auditor is recognized as falling under any of the items listed in Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor shall be dismissed with the unanimous consent of all Audit & Supervisory Committee Members. In addition, notwithstanding the above, if it is recognized that the Accounting Auditor's fulfilment of appropriate auditing would be difficult due to the occurrence of reasons that compromise the eligibility or independence of the Accounting Auditor, the Audit & Supervisory Committee shall propose the dismissal or non-reappointment of the Accounting Auditor, and the appointment of a new Accounting Auditor at a General Meeting of Shareholders. The Audit & Supervisory Committee ensures the appropriateness of the procedures for evaluation and appointment of the Accounting Auditor, and prepares for the cases where the Company needs to appoint the new Accounting Auditor. On a regular basis, the Company requests business proposals for accounting audits from the major auditing firms, and evaluates each business proposal through interviews, questions, etc., focusing on the quality control system and independence of the auditing firm, the audit implementation system, etc., and the estimated amount of audit fees.

6. Evaluation of the Accounting Auditor by the Audit & Supervisory Committee

The Audit & Supervisory Committee discusses and determines the appropriateness of reappointment of the Company's Accounting Auditor and the team engaged in the audit each year after it obtains necessary information and receives reports from the Accounting Auditor and considers the execution conditions of its duties (including the execution conditions in the previous fiscal years). Based on the criteria for evaluation and appointment of the Accounting Auditor, the Audit & Supervisory Committee judges it proper to reappoint the current auditing firm after having performed an evaluation from the aspects of the auditing firm's quality management conditions, independence of the audit team in charge of the Company and expression of its professional skepticism, appropriateness of audit fees, effectiveness of communication between management and the Audit & Supervisory Committee and response to fraud risks.

Corporate Governance System

Chart of Corporate Governance System (as of June, 2024)



Integrated Report 2024

Compliance

Approach and Policies

Group Policy (Governance)

The Nomura Real Estate Group has positioned compliance with laws, regulations, corporate codes of conduct, and so on as a key management issue, in addition to the Group Policy, and formulated the Nomura Real Estate Group Code of Action as a compliance guide. Nomura Real Estate Holdings established the Risk Management Committee and Group Legal & Compliance Department, promotes ongoing education and training for officers and employees throughout the Group, and provides advice, guidance, and support to Group companies.
In an attempt to enhance its efforts, the Group signed and registered as a participating company in the United Nations Global Compact in May 2019. Based on the principles of the United Nation's global initiatives, the Group will remain committed to all types of anti-corruption activities, including extortion and bribery.

The Nomura Real Estate Group Code of Action

The Nomura Real Estate Group has formulated its Code of Action to define fundamental rules that Group officers and employees must adhere to. We review the effectiveness of the content of the Code of Action as appropriate, taking social circumstances and other factors into consideration, and any changes thereto are subject to decision by the Board of Directors.

【Table of Contents of the Code of Action】

Chapter 1 General Provisions

Article 1 (Purpose)
Article 2 (Positioning)
Article 3 (Definitions)
Article 4 (Revision or Abolition)

Chapter 2 Basic Position

Article 5 (Awareness and Behavior as a Member of Society)
Article 6 (Respect for Basic Human Rights)
Article 7 (Observance of Compliance)
Article 8 (Consideration for the Global Environment)
Article 9 (Corporate Social Responsibility)

Chapter 3 Behavior that Gains Customer Trust

Article 10 (Providing Highly Safe, High-quality Products and Services)
Article 11 (Description of and Risks Relating to Goods and Services)
Article 12 (Response to Consultations and Complaints from Customers)
Article 13 (Appropriate Disclosure and Provision of Information to Customers)
Article 14 (Management of Customer Information)

Chapter 4 Maintaining a Fair Relationship with Business Partners

Article 15 (Implementation of Fair Competition and Fair Trade)
Article 16 (Implementation of Highly Transparent Transactions)
Article 17 (Offering Moderate Entertainment or Gifts to Business Partners)
Article 18 (Infringement of Intellectual Property Rights and Prohibition of Unauthorized Use)
Article 19 (Management of Information on Business Partners)

Chapter 5 Relationship with Officers and Employees

Article 20 (Respect for Human Rights of Officers and Employees)
Article 21 (Maintenance and Improvement of Work Environment)
Article 22 (Prohibition of Insider Trading)
Article 23 (Sincere Business Activities)
Article 24 (Operational Records and Reports)
Article 25 (Management of Company Assets and Information)
Article 26 (Reporting Illegal or Unethical Behavior)

Chapter 6 Relationship with Society

Article 27 (Disclosure of Corporate Information)
Article 28 (Offering Entertainment or Gifts to Public Officials, etc.)
Article 29 (Exclusion of Anti-social Forces)
Article 30 (Establishment, Operation, and Improvement of Internal Controls for Proper Business Execution)A

Chapter 7 Miscellaneous Provisions

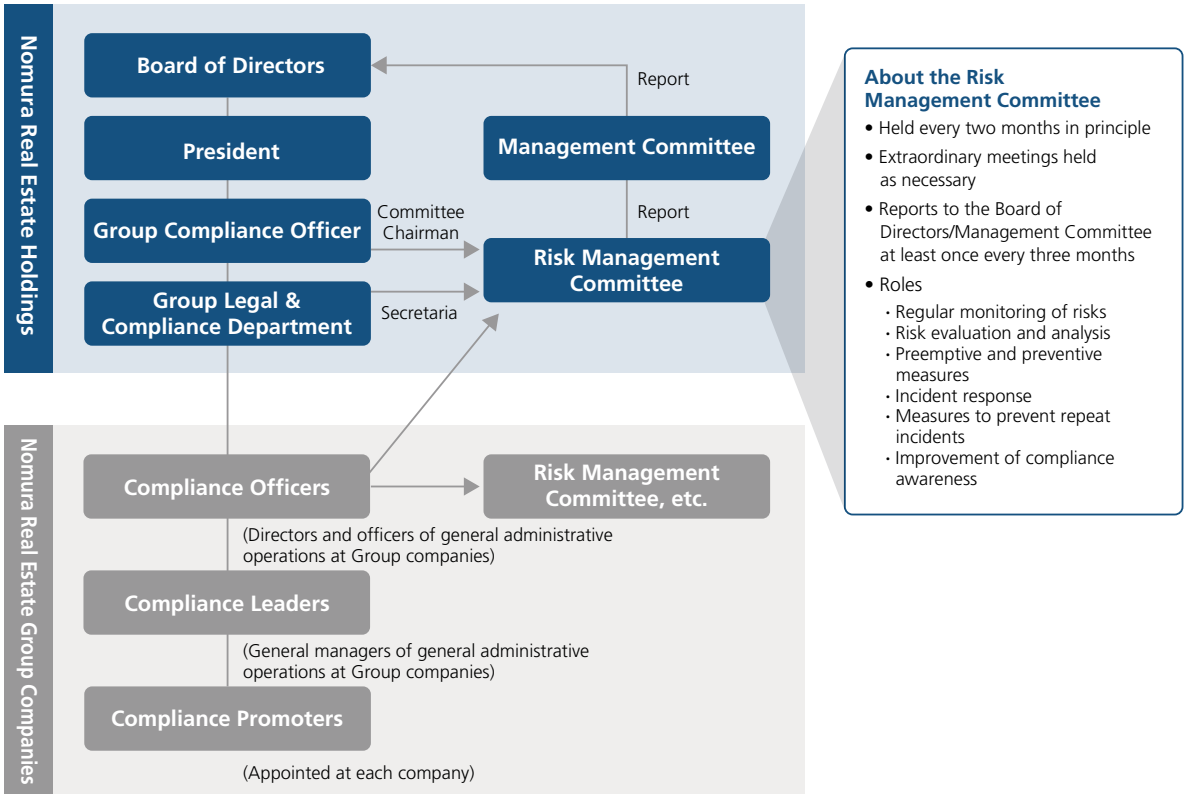
Article 31 (Preparation of Guidelines)
Article 32 (Use of Guidelines)
Article 33 (Application to Overseas Subsidiaries and Affiliates)

Governance

Governance

Compliance Promotion Framework

Nomura Real Estate Holdings has established the Risk Management Committee and Group Legal & Compliance Department to develop and implement a framework for compliance to ensure that business activities are in line with the Code of Action. In addition, compliance officers have been appointed at each Group company, and compliance leaders and compliance promoters have been appointed under compliance officers to ensure compliance throughout the Group.



Indicators

Performance Data

		Unit	FY2021	FY2022	FY2023
Number of consultations received by the Group's points of contact*1			39	52	41
Consultations on harassment			26	31	24
Consultations on other issues			13	21	17
Number of serious legal violations, fines, and surcharges related to corruption and bribery, including facility payments			0	0	0
Number of violations of the Anti-Monopoly Act and the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors			0	0	0
Anti-Monopoly Act (including other relevant laws)	Fines	Yen	0	0	0
	Investigations		0	0	0
Corruption, bribery, and other corrupt practices	Applicable cases		0	0	0
	Investigations		0	0	0
Tax payments by country and region*2	Japan	Million yen	25,343	28,660	36,144
	UK		96	171	99
	Vietnam		56	62	114
	Thailand		3	0	0
	Ireland		1	0	5
	China		0.8	1.8	0
	Hong Kong		0.5	0.8	0
	Singapore		0.4	0.3	0.7
	U.S.A.		—	—	0
	Total		25,563	28,896	36,364

*1 Total number of consultations

*2 Source: Country-by-Country Report (CbCR)

Training Results Data for Fiscal 2023

Types of Training		Target Participants	Number of Events	Number of Participants	Participation Rate (%)
Compliance training (FY2023)	Group-wide training	Group employees	Bi- monthly	—	100
	Rank-specific training	Group executives	1	142	100
		Compliance officers	1	22	100
		Group supervisors and compliance promotors	10	637	100
		Newly promoted managerial employees of the Group	Video streaming	486	100
		Mid-career hires of the Group	1	199	100
Compliance training for overseas business personnel (FY2023)*	Training through e-learning	Newly appointed overseas business personnel	2	21	100
		Officers and employees in departments related to overseas business	2	31	100
	Anti-bribery training * Online hybrid training (online + on-site)	Officers and employees in departments related to overseas business	3	185	100

ESG Data (Governance)

Initiatives

Policy on Political Participation

In cases where the Group supports the activities of a political organization or makes political contributions, we act in compliance with relevant laws and regulations, such as the Political Funds Control Act and Public Offices Election Act, as well as the laws and regulations of each individual country, and we check our actions under the Group Code of Action.

Anti-Corruption

Preventing Bribery, Graft and Corruption

The Group prohibits the provision of entertainment or gifts to business partners, when said action is incompatible with conventional wisdom, as well as entertainment, gifts, etc., to public officials (including foreign public officials) for personal gain.

Group Code of Action (excerpt from the section regarding receipt or provision of entertainment or gifts from or to business partners)

- Nomura Real Estate Group officers and employees shall not request, provide, or receive entertainment or gifts incompatible with sound business practices or conventional wisdom.
- No officer or employee shall use his or her professional position to request or accept benefits or favors from a business partner.

In terms of specific operations, we maintain records of when officers and employees have provided or received entertainment or gifts, and they report them to supervisors.
The Risk Management Committee, a sub-organization of the Management Committee, regularly monitors, evaluates and analyzes risks related to eliminating legal and regulatory violations, as well as unfair business practices, and to preventing corruption involving entertainment and gifts, as well as donations to politicians and political organizations. It also deliberates on basic response policies regarding risk prevention, responding when risk occurs, and preventing reoccurrence. In addition, a compliance promotor has been assigned to each department, office and branch, and a system has been established to enhance the effectiveness of compliance activities in every workplace.
Apart from these measures, the Internal Audit Department conducts internal audits and operates an internal reporting system under which helplines have been exclusively established for employees of the Group and for suppliers in an effort to detect bribery and other illegal acts at an early stage. The results of internal audits are regularly reported to the Board of Directors and Audit & Supervisory Committee.

Basic Policy on Prevention of Corruption Overseas

Anti-Corruption and Anti-Bribery Measures When Selecting New Business Partners

The Legal & Compliance Department acts as a point of contact for starting business with a new business partner. To prevent corruption and bribery, risks are assessed by comprehensively investigating arrest records, relationships with anti-social forces, litigation history involving bribery, insider trading, unfair transactions, money laundering, and other references.
When selecting a new, higher risk overseas business partner, we generally adopt anti-bribery clauses in contracts. We determine the bribery risk in each country based on the above-mentioned items while referring to Transparency International's Corruption Perceptions Index, and we comprehensively evaluate the transaction type, shareholding ratio, degree of involvement of joint venture partners in land acquisition, transaction size, and other factors. Following the results, we implement measures such as providing advice to business units. In addition, we periodically conduct and reassess corruption and bribery due diligence to ensure the prevention of corruption and regularly conduct anti-bribery training for officers and employees involved in overseas business operations.

Bribery Prevention Initiatives in Overseas Business

According to the Corruption Perceptions Index published by Transparency International, a non-governmental organization, the risk of corruption and bribery in our overseas operations is perceived to be higher than in Japan because many of the countries in which

the Group operates are considered to be subject to a greater likelihood of corrupt practices. Consequently, the Group complies with the Guidelines for the Prevention of Bribery of Foreign Public Officials, established by the Ministry of Economy, Trade and Industry, and has formulated its own Policy on Anti-Bribery of Foreign Public Officials, which can be found on the Group website.
In light of the fact that the ratio of overseas business has increased dramatically since we established the policy, the Group has fully revised the policy in September 2022, believing that it is desirable for establishing an anti-corruption framework to more clearly demonstrate top management's stance on legal compliance by publicizing the details of the Group's anti-corruption policy and the implementation of its rules. In line with the overall revision, the policy has been renamed the Basic Policy on Prevention of Corruption Overseas to include a clause prohibiting Group officers and employees from bribing private business partners and requesting entertainment and gifts that deviate from business customs.
Under the revised policy, the Regulations on the Prevention of Bribery of Foreign Public Officials and the Anti-Bribery Guidelines have established specific rules on the provision of entertainment, gifts and invitations, donations to foreign public officials, donations to foreign companies and organizations, and the use of agencies that we recognize as posing a high bribery risk. To avoid the risk of bribery, the Group follows a process in which the provision of entertainment, gifts, invitations, donations, and the use of agencies is approved by the executive officer in charge of the Legal & Compliance Department of Nomura Real Estate Holdings, only when the strict requirements stipulated for each case under the guidelines, and the monetary value standards determined by the laws and regulations of each country, have been met.
The above regulations also prohibit the payment of small amounts (facility payments) for the sole purpose of facilitating official procedures.
When selecting a new business partner overseas, the Group makes every effort to prevent corruption. In addition to adopting anti-bribery clauses in contracts, we seek to understand the bribery risk of each country by referring to the above-mentioned Corruption Perceptions Index to conduct corruption and bribery due diligence and periodic reviews as needed, based on an overall consideration of the transaction type, shareholding ratio, degree of involvement of joint venture partners in land acquisition, transaction size, and other factors. In addition, the Group also conducts periodic training on the prevention of bribery for officers and employees involved in overseas business operations.

【Anti-Bribery Guidelines for Overseas Business (Table of Contents)】

Chapter 1 General Provisions
Article 1 Purpose
Article 2 Conduct Related to Duties

Chapter 2 Entertainment and Gifts
Article 3 Notes on Entertainment and Gifts
Article 4 Acceptable Entertainment and Gifts
Article 5 Entertainment and Gifts at Joint Ventures
Article 6 In-house Socializing at Joint Ventures

Chapter 3 Invitation
Article 7 Notes on Invitations
Article 8 Acceptable Expenses for Invitations

Chapter 4 Donations
Article 9 Notes on Donations

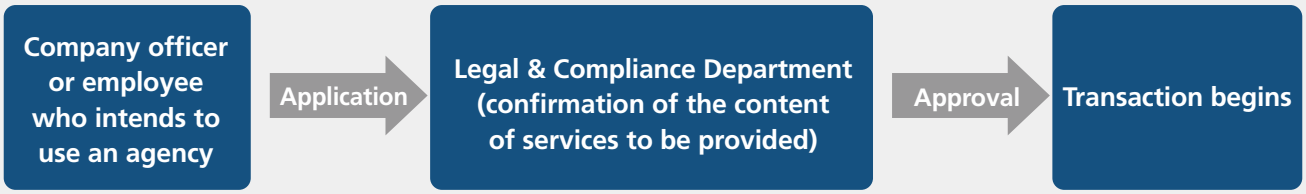
Chapter 5 Use of Agencies, etc.
Article 10 Notes on the Use of Agencies, etc.

Chapter 6 Cases Not Involving Bribery
Article 11 Emergency Response

Chapter 7 Special Notes
Article 12 Special Notes

Basic Policy on Prevention of Corruption Overseas

Reference: Article 10. Notes on the Use of Agencies, etc.



Informing Business Partners about Anti-bribery

To ensure fair and transparent business activities throughout the supply chain, the Group requests that suppliers understand and cooperate with the contents of the Nomura Real Estate Group Procurement Guidelines, which include items concerning fair business practices. The guidelines are always available on the website, and suppliers are notified of any revisions as they are made.

Nomura Real Estate Group Procurement Guidelines (Excerpt)

- In relationships with public employees and the like (including deemed public employees and foreign public employees), maintain sound relationships and do not provide entertainment or exchange gifts in ways that conflict with the National Public Service Ethics Act and Regulations, related national and local laws and regulations, etc.
- Do not request, provide, or receive from suppliers entertainment or gifts that deviate from sound business customs and social norms.
- Exclude all relationships with anti-social forces and groups that pose a threat to social order and security or obstruct fair economic activities. Also, resolutely challenge and completely reject any transactions with, or unreasonable demands made by, such forces or groups.
- Comply with anti-monopoly, prevention of unfair competition, and intellectual property rights legislation and related laws and regulations and endeavor to fairly treat suppliers, competitors and others without engaging in acts constituting abuse of a dominant market position, blocking of transactions, or other such conduct.
- Do not infringe or improperly use copyright, patents, trademark rights, design rights, or other intellectual property rights.
- Do not participate in money laundering, embezzlement, fraud, or any other form of corrupt conduct.
- Carry out appropriate disclosure to customers and society and also endeavor to appropriately provide the necessary information.

Implementing Fair Competition and Fair Trade, and Addressing Conflicts of Interest

The Nomura Real Estate Group Code of Action sets forth rules on maintaining fair relationships with business partners. The areas covered by the rules include the implementation of fair competition and fair trade and implementation of highly transparent trade, to ensure compliance with the Anti-Monopoly Act, Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, and other laws and regulations. Moreover, in the selection of business partners, we strive to assess a wide range of factors comprehensively and fairly, including quality, price, track record, and reliability.
Conflicts of interest are regulated by law from the viewpoint of ensuring the fairness of transactions, and the Group has established internal rules for avoiding conflicts of interest in accordance with the Companies Act.
As a specific measure, when directors and executive officers engage in non-routine transactions with Nomura Real Estate Holdings or its Group companies, prior approval is required from the Board of Directors or the Management Committee, as necessary. Non-routine transactions with our major shareholders, their parent companies, affiliates, or subsidiaries must also undergo an approval process or reporting with the Board of Directors or the Management Committee, as necessary.

Compliance with the Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, and Violation of Laws and Regulations Regarding Corruption and Bribery

For the four year period ending March 31, 2023, the Group was not subject to any administrative penalties (fines or settlement payments) for violations of the Anti-Monopoly Act or the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. Furthermore, in fiscal 2023, there were no significant legal violations, fines, or penalties related to corruption or bribery, including facility payments.

Measures on Non-Compliance

In fiscal 2023, there were no compliance violations that had a material impact on the Group's operations. Also, no employees were disciplined for violating the Anti-Corruption and Anti-Bribery Policy. Employees found to be in non-compliance will be subject to disciplinary action, including a reduction in salary, in accordance with internal rules.

Compliance Education Activities for Employees

The Group provides bimonthly, Web-based training on compliance for all Group employees, which, in general, covers the prevention of corruption. In addition, a handbook which describes corruption prevention and other matters is distributed Group-wide for the purpose of deepening understanding of the Nomura Real Estate Group Code of Action.

Complying with Regulatory Requirements and Raising Awareness

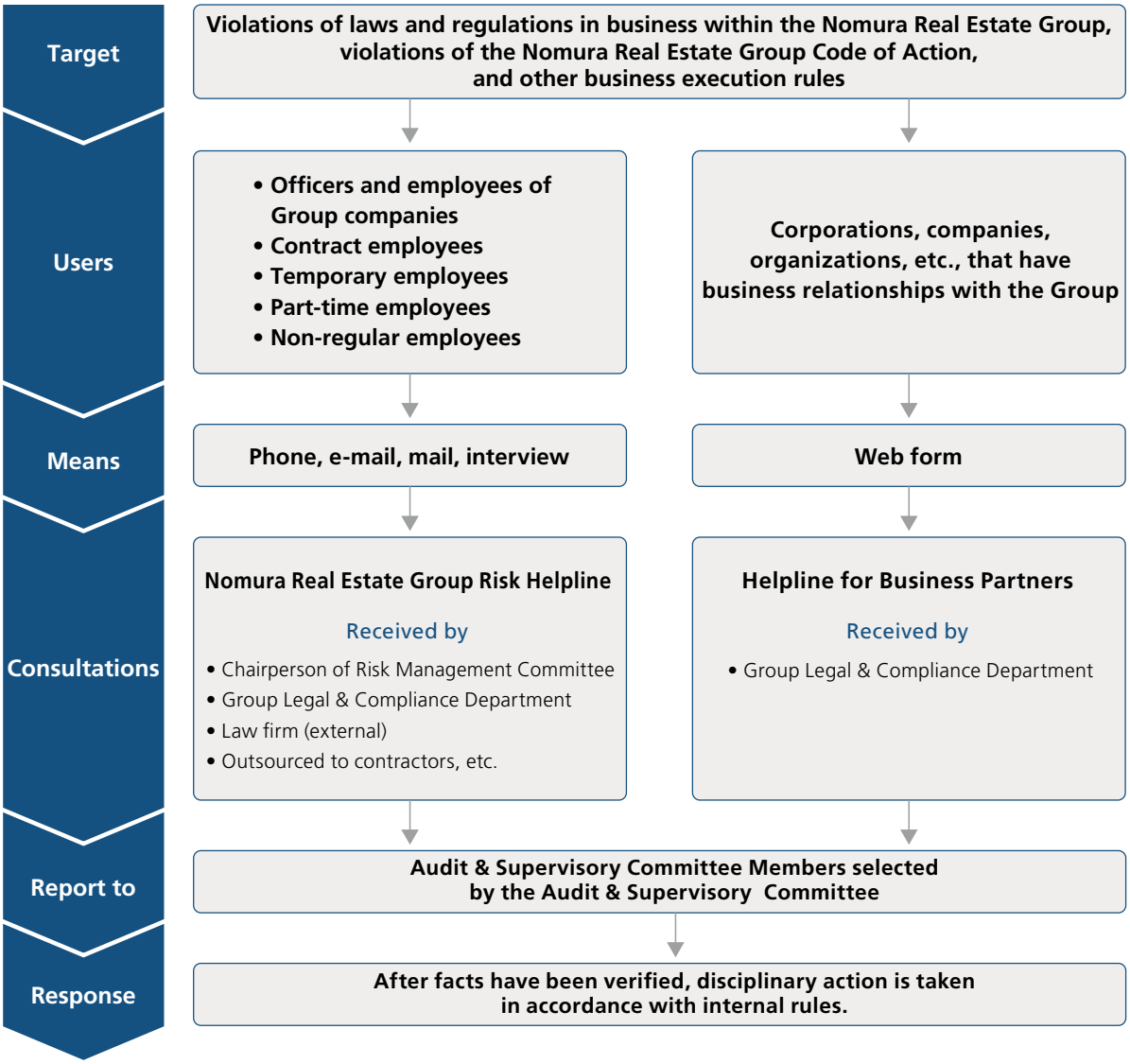
The Nomura Real Estate Group has developed an annual compliance program and provides compliance training to officers and employees year-round in a planned manner in order to ensure compliance and the dissemination of compliance awareness among officers and employees.
The Group also distributes the Nomura Real Estate Group Procurement Guidelines to its business partners and requests their compliance with fair business practices. In fiscal 2023, we conducted a survey to examine 300 companies that ranked high in terms of the value of their annual transactions with the Group during the fiscal year, including construction and maintenance companies. We also engaged directly with ten of these companies. Looking ahead, we will continue to work closely with suppliers to ensure compliance.

Nomura Real Estate Group Procurement Guidelines

The Nomura Real Estate Group Helpline

The Nomura Real Estate Group set up the Nomura Real Estate Group Helpline, based on the Whistle-blowing System Operation Rules, to establish a system for appropriately handling both consultations and reports on legal violations, misconduct, money laundering, bribery, embezzlement, fraud, or any other corrupt conduct committed at the organizational or individual level. Employees can use this system to report any issues they encounter that violate the Code of Action and to seek advice on how to comply with said code.
We have established internal points of contact (a Risk Management Committee chairperson and Group Legal & Compliance Department) and external points of contact (lawyers and outside contractors) to make it easy for informants and users to use the helpline. For overseas offices, we have a system for handling consultations and reports in the language of the relevant countries. We also protect whistleblowers, such as by imposing confidentiality obligations on those involved in helpline operations, including those who cooperate with investigations, and by not prejudicially treating informants for making a report. For corporate customers and others with whom we have a business relationship, we have also established the Helpline for Business Partners in order to ensure the implementation of fair transactions.
The Risk Management Committee chairperson reports the handled consultations and reports to Audit & Supervisory Committee members selected by the Audit & Supervisory Committee, and these members promptly investigate, verify facts, and mete out strict punishment for any serious violations, in accordance with internal rules.
There are no pending lawsuits related to this helpline as of March 31, 2023.

Helpline for Business Partners (Japanese text only)



Basic Approach to Tax Matters

The Group is committed to enhancing tax transparency by ensuring that each Group company takes the initiative to comply with all laws and regulations, pay appropriate taxes in all countries in which they operate, and refrain from activities intended to avoid taxation, such as unfair tax planning, use of tax havens, and transfer pricing manipulation.
We maintain sound and normal relationships with tax authorities in various countries and do not provide unfair advantages. In the event of any disagreements with tax authorities, we strive to resolve any issues by engaging in constructive communication and taking appropriate measures.

Management System for Tax Matters

Each Group company takes the initiative in understanding the taxation system and taking appropriate measures. When revisions in the tax system significantly impact the Group, details are closely examined and reported to the Management Committee, which is responsible for integrated management. In our overseas operations, revisions in the tax system of countries in which we operate are confirmed and periodically reported to the Overseas Business Monitoring Committee. Furthermore, the Monitoring Committee reports its findings to the Management Committee and the Board of Directors as needed.

Excluding Anti-social Forces from Business Relationships

The Nomura Real Estate Group has established Article 29 within its Code of Action that prohibits business transactions with anti-social forces or related organizations. It is our strict policy to exclude anti-social forces from our business relationships. In line with this policy, we issued a manual that details specific responses, have designated a department to ensure organizational

responses by Nomura Real Estate Holdings, and are collaborating with Group companies. We have appointed personnel responsible for preventing improper requests at each Group company. In addition, we consult and coordinate with legal counsel, the police, and other specialized external organizations to ensure that anti-social forces are excluded from involvement in our business activities and to prevent any harm caused by such anti-social forces.

Guidelines on Social Media

Article 5 of the Nomura Real Estate Group Code of Action stipulates that all officers and employees must exhibit an awareness of being a member of society and exemplify a high level of ethics following the norms of society at all times. We implement periodic activities, including compliance training, which are intended to raise awareness and provide information on areas of caution and risks relating to the posting of information on social media. We have also publicly disclosed the Group's Social Media Policy.

The Group's Social Media Policy (Japanese text only)

Risk Management

Governance

Governance

Risk Management Structure

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

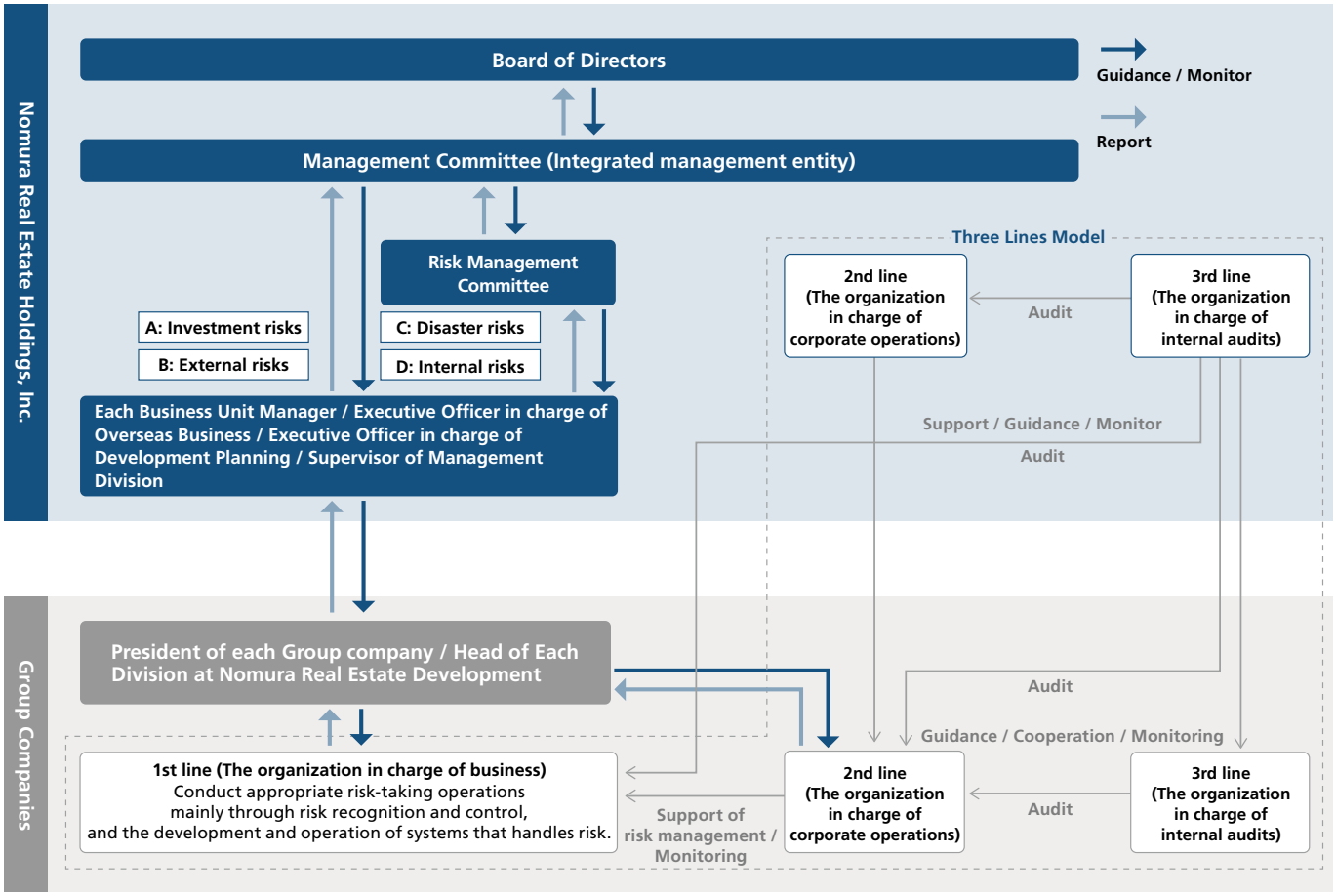
A: Investment risks **B: External risks**	Directly monitored by the Management Committee, which is the integrated management body.
C: Disaster risks **D: Internal risks**	Regularly monitored, evaluated, and analyzed by the Risk Management Committee and established as a subordinate organization of the Management Committee. Basic policies regarding, for example, risk prevention, response when risk occurs, and preventing recurrence are discussed by the Risk Management Committee.

Risk Management Committee

The Risk Management Committee, a subordinate body of the Management Committee, consists of directors and executive officers of Nomura Real Estate Holdings and each Group company appointed by the Board of Directors and is chaired by the officer in charge of the Group Legal Compliance Department (an executive officer of Nomura Real Estate Holdings).
We also established the Group Risk Meeting, consisting mainly of directors and executive officers of each Group company appointed by the chair of the Risk Management Committee, to share risk information and response policies within the Group.

Risk Management System (Conceptual Diagram)

With regard to risk management, each Business Unit manager will supervise the risk management of their affiliated business unit and report on the situation to the Management Committee or Risk Management Committee as necessary. Concurrently, the president of each Group company (the head of each division at Nomura Real Estate Development) is responsible for reporting risk management matters to the Business Unit manager in a timely and appropriate manner. In addition, we defined the organization in charge of business in each Group company as the first line of risk management, the organization in charge of corporate operations at the Company and each Group company as the second line of risk management, and the organization in charge of internal audits at the Company and each Group company as the third line of risk management. With each line playing its role in risk management, we have established appropriate lines of defense.
The risk management system refers to ISO 31000 and the risk management framework of The Institute of Internal Auditors (IIA)—Japan.



Risk Management

Identifying Main Risks

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

As its basic policy, the Group assures business continuity and stable development by implementing risk management, classifying its main risks into the four categories of "A: Investment risk," "B: External risk," "C: Disaster risk" and "D: Internal risk." Among them, risks listed below are regarded as important risks that should be managed, and performance of effective and efficient risk management is provided according to the scale and characteristics of each risk. These include economic, environmental, geopolitical and other risks that manifest themselves over the medium to long term. In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group is promoting the management of, and response to, climate-related risks.

〈Important risks needing to be managed among main risks〉

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

Main Risks

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

Special Feature: Response to the Task Force on Climate-related Financial Disclosures (TCFD)

Risk Management Relating to Society and the Environment

The Group is also aware of risks relating to social and environmental issues. The details are reported to the Sustainability Committee (chaired by the president and Group CEO of Nomura Real Estate Holdings), which is made up of directors and others from Nomura Real Estate Holdings and Group companies. Key issues are reported to the Board of Directors, which deliberates on how to deal with them.
In fiscal 2023, the committee discussed issues including the Group's Renewable Energy Policy and Sustainability Policy and reported two times to the Board of Directors.

Issues reported	• Decarbonization-related target-setting • Renewable energy procurement • Dissemination within the Group • Biodiversity policy

Sustainability Management

Stress Testing

The profitability of each business in the Group may deteriorate and the value of assets held by the Group may decline as a result of economic trends, market changes, and changes in social conditions and systems in Japan and overseas.
We conduct stress tests in multiple patterns to determine whether such possibilities are within the range of acceptable risk and then report the results of the stress tests to the Board of Directors as appropriate.

Indicators

Performance Data

	FY2020	FY2021	FY2022	FY2023
Number of Risk Management Committee meetings and Group Risk Liaison Committee meetings	13	13	13	13

Risks of particular focus (in fiscal 2023) by risk category

Risk categories	Main risk items
A: Investment risks	• Risk of inability to secure the expected business volume and making it difficult to achieve the profit growth projected in the Mid- to Long-term Business Plan due to such factors as intensifying competition for land acquisition • Risk in relation to new construction work of a decline in business profits due to factors such as higher costs and longer construction periods than anticipated in business plans and budgets, as well as restrictions on construction orders placed by general contractors • Risk of profitability deterioration and delays in anticipated project schedule due to changes in economic conditions regarding projects with long-term project timeframes and large investment budgets, such as redevelopment projects
B: External risks	• Risk arising from the impacts of prices for housing sales, property sales, as well as sale prices of asset replacement properties, due to changes in Japan's real estate market and financial conditions • Risk arising from deterioration in profitability and delay in profit recovery timing in overseas business due to deterioration in economies and real estate markets, deterioration in the financial condition of general contractors and JV partners, and other factors in countries overseas • Risk of a reduced competitive advantage for the Company's businesses due to delays in responding to changes in lifestyles and values, responding to accelerating advances in digital technology, and responding to sustainability and human resources, among others
C: Disaster risks	・Risk of inability to continue business due to increasingly severe natural disasters such as earthquakes, typhoons, and torrential rains
D: Internal risks	• Risk due to inadequate design and construction in the real estate development business • Risk due to delay in preparing personnel systems to secure diverse human resources and to enable human resources to continue playing an active role • Risk of cyber-attacks, information leaks due to system failures, impacts on business continuity, and occurrence and expansion of damage, among others • Risk of violating laws and regulations and hindering the realization of smooth transactions with counterparties due to delays in strengthening the transaction system to realize the passing of appropriate prices on to customers in light of rising material prices and energy costs, among other costs

Initiatives

Information Security Measures

The Group has established the Information Security Regulations, which prescribe personal information, trade secrets, and other highly confidential information as important information and which stipulate basic matters regarding the management system and the handling of such information.
The regulations assign a chief information security officer (chair of the Risk Management Committee), a document information officer (general manager of the Group Legal Compliance Department) and an electronic information officer (general manager of the ICT Management Department) as administrators to maintain and improve the level of systemic information management and security.
Furthermore, to keep pace with the increase in businesses using rapidly expanding digital technologies, as well as the surge in teleworking and the modal change in business due to the use of cloud computing, the Group is working to strengthen information security in-house by creating and applying its Information Handling Guidelines. These guidelines provide instructions on storage and management methods for important information, response to information leaks, response to information system loss, and other issues.

Addressing Cyber-related and System-related Risks

As the use of cloud services has become more prevalent across the Group, society is experiencing increasing damage from ransomware attacks that attempt to gain unauthorized access to corporate networks and PCs and render systems and data unusable. The Group therefore recognizes that system outages, information leaks, and other associated incidents caused by cyber-attacks represent new risks that threaten business continuity and must be urgently addressed.
In response to the threats mentioned above, we are adopting a two-pronged strategy: risk avoidance to strengthen our defenses against cyber-related and system-related risks and risk reduction in the event a serious incident occurring.

Establishment of Information Handling Guidelines and Dissemination within the Group

The Group has established Information Handling Guidelines for all employees, including part-time and temporary, on how to handle information, as well as an information system and devices to reduce risks such as information leaks.
The guidelines stipulate rules for the use of information, storage and disposal by authorized officers and employees only, rules for how to respond in the event of a leak, and rules for providing information to outside contractors.
To disseminate these rules, we conduct information security training two to three times per year for all Group officers and employees, and in the event any issues arise that require immediately informing everyone about them, we draw attention to them by, among other things, sending out emails and posting information on our intranet.
In addition, in response to the emergence of generative AI, we promote its use in our business and operations, and, at the same time, from the perspective of preventing information leaks or infringement of copyrights, privacy, and other rights, and the risk of false information, we are formulating guidelines for the use of generative AI and publicizing precautions and matters to be observed when using it.

Nomura Real Estate Holdings Personal Information Protection Policy

The Group considers the appropriate protection of personal information to be an essential aspect of its business operations, and it manages customers' personal information with great care in accordance with the Act on the Protection of Personal Information and related laws and regulations.

Personal Information Protection Policy

Provision for Lawsuits Involving Violations of Laws and Regulations, and Environmental, Social, and Governance (ESG) Issues

In accordance with Japanese GAAP, reserves are recorded in the consolidated financial statements when it is probable that they will be incurred and the amount can be reasonably estimated.

There were no significant reserves at the end of March 2023 related to fines and settlements incurred in the future arising from cases prior to fiscal 2023.

Inquiry Desks

Inquiry desks have been set up at Nomura Real Estate Holdings and at each Group company in order to respond quickly and appropriately when a problem with a product or service is found. Significant risk information gathered at these desks is reported to the Risk Management Committee and shared within the Group, and measures to prevent reoccurrence are implemented.

Business Continuity Plan Established for Disasters

The Group has formulated a business continuity plan (BCP) of action in anticipation of a disaster. The BCP sets up a chain of command during an emergency and allocates duties for the continuation of business as well as establishing structures for minimizing the impact of a disaster. Additionally, to confirm the content of the plan (ensuring the lives and safety of officers and employees, establishing a chain of command, and restoring business operations), we conduct a Disaster Task Force Establishment Drills once a year, with the president of Nomura Real Estate Holdings as the head of the task force, in order to prepare for earthquakes and other emergencies.

Confirming the Safety of Officers and Employees

The Group introduced a safety confirmation system that uses the Internet and emails to rapidly determine the safety/injury status of officers and employees during emergencies, and it conducts safety confirmation drills for Group officers and employees four times a year.

Supply Chain Management

Governance

Governance

In fiscal 2020, the Group began conducting supplier questionnaires on the status of compliance with the Procurement Guidelines, as well as risk assessment trials and monitoring the status of corrective actions based on the results of the questionnaires.
The Sustainability Committee (chaired by the Nomura Real Estate Holdings president and Group CEO) regularly reviews the status of the trials and monitors the progress of supplier management throughout the Group.

Risk Management

Nomura Real Estate Group Procurement Guidelines

The Group formulated the Procurement Guidelines (Japanese and English versions) in September 2018 and, since then, has been applying them at all suppliers and requiring compliance.
In addition, business consignment agreements and purchase orders (including those for new contractors and renewed suppliers) include a compliance provision. As of March 2024, we have included the provision in the agreements and purchase orders for almost all of our suppliers, approximately 4,600 companies, and they had already been informed of the provision. We also confirm awareness of the guidelines among suppliers through internal audits.

【Nomura Real Estate Group Procurement Guidelines】

- Scope
- Procurement Guidelines
  - Ⅰ. Establishment of Compliance
  - Ⅱ. Respect for Human Rights
  - Ⅲ. Fair Business Activities
  - Ⅳ. Consideration for the Environment
  - Ⅴ. Ensuring and Improving Quality
  - Ⅵ. Ensuring Information Security
  - Ⅶ. Whistleblowing Systems
  - Ⅷ. Creating Business Continuity Plans
- Scope
- Procurement Guidelines

Nomura Real Estate Group Procurement Guidelines

Supply Chain Risk Assessment Flow

The Group identifies social and environmental risks, including those related to human rights, throughout its supply chain and conducts risk assessments to avoid or mitigate such risks.
Based on the characteristics of the Group's businesses and suppliers, we established a system for identifying high risk areas of the supply chain and conducting supplier engagement, including risk assessments, according to the level of risk. Specifically, we conduct risk assessments based on the characteristics of our businesses, such as identifying human rights risks when employing foreign technical trainees and confirming human rights risks, including human rights violations in the development areas, when participating in overseas projects. We connect these risk assessments to risk mitigation along our supply chain. When starting new transactions, we also conduct risk assessments on items listed in our procurement guidelines, such as respect for human rights and consideration for the environment, before commencing the transactions.



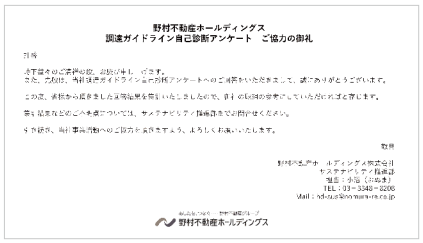
Initiatives for New Suppliers

Before starting business with new suppliers, the Group has the corporate department conduct credit checks and has each department and office review appropriateness in terms of quality, price and delivery time (implemented 100%). Contracts are only concluded with suppliers whose risk concerns have been eliminated.
When signing contracts, the Group requires compliance with the Procurement Guidelines and concludes agreements and purchase orders for all new deals that include a provision on compliance with the guidelines.

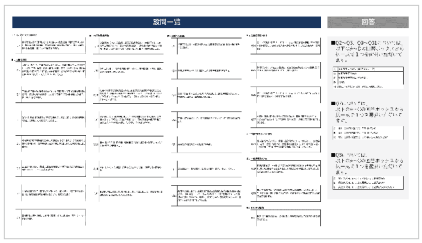
Promoting Engagement According to Risk Level

In fiscal 2020, we began surveying our supply chain on the level of supplier awareness of and compliance with the Procurement Guidelines. Based on the results of monitoring interviews conducted on a trial basis with ten major suppliers in fiscal 2020, we requested that companies identified as important suppliers of the Group in fiscal 2021 complete a Web-based questionnaire. In fiscal 2023, we expanded the target group of important suppliers to 300 companies, accounting for approximately 70% of the top suppliers, and requested that they complete a Web-based questionnaire; we received responses from 132 of them. In light of the fact that we were unable to confirm the employment status of foreign technical interns at some of the business partners and their supply chains in the fiscal 2023 survey, we designed a questionnaire under the supervision of a consulting firm to deepen our understanding of the acceptance status of foreign technical interns.
In fiscal 2023, through a series of investigations, no suppliers were found to be in violation of laws or regulations.

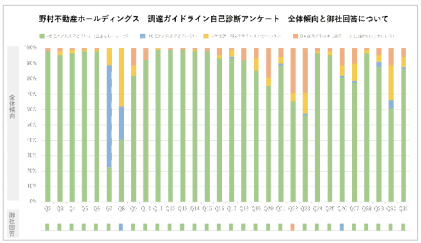
Reference: Feedback Materials for Companies Responding to the Procurement Guideline Survey



Thank You for Your Cooperation in Completing the Procurement Guideline Self-Assessment Survey



List of Questions and Answers



Overall Trends and Your Company's Responses

Indicators and Goals

Targets, KPIs, and Performance Data

	2030	Unit	FY2020	FY2021	FY2022	FY2023
Procurement Guideline survey implementation rate*1	80	%	—	37	51	56

*1 The implementation rate is calculated using the overall procurement amount of the relevant Group companies as the denominator and the procurement amount (transaction amount) of the companies responding to the survey as the numerator.

Other Results

	Unit	FY2020	FY2021	FY2022	FY2023
Procurement Guideline survey (number of respondents)	Companies	—	89	154	132
Number of legal and regulatory violations		0	0	0	0

ESG Data (Governance)

Results of Procurement Guidelines Engagement

	ligibility Criteria	FY2020	FY2021	FY2022	FY2023
Determination of important suppliers	Suppliers with high procurement value	—	Top 191 companies	Top 300 companies	Top 300 companies
Web-based questionnaire (Response rate*)	Important suppliers	—	89 companies (37%)	154 companies (51%)	132 companies (56%)
Improvement guidance through feedback to Web-based questionnaire	Low-risk suppliers	—	79 companies	—	—
Direct engagement in risk	Suppliers with some concerns	10 companies	10 companies	10 companies	10 companies
Major concerns identified		Some companies have not yet established a system to ensure compliance with item 28 of our procurement guidelines.	Regarding the employment of foreign technical intern trainees in the supply chain of suppliers and business partners, some companies could not confirm whether they are employed or they are responding to the situation.	In addition to the FY2021 matters, the actual status of expenses prior to travel, such as brokerage fees other than those stipulated by law, was not confirmed.	While the operational systems for each company's "reporting help desk" are generally in place, the number of reports itself is low, raising concerns that the help desks are not functioning as expected. The challenge is to further improve effectiveness by focusing on "improving accessibility" and "ensuring transparency."
Number of legal and regulatory violations		0	0	0	0

* The response rate is calculated using the overall procurement amount of the relevant Group companies as the denominator and the procurement amount (transaction amount) of the companies responding to the survey as the numerator.

Initiatives

Improving Supplier Capabilities and Enhancing Quality

The Group works to enhance quality throughout the supply chain and raise awareness of the environment by holding Safety Conferences and annual training courses for suppliers. These efforts address concerns related to quality and the environment to encourage suppliers to also disseminate the Procurement Guidelines to their employees and respond accordingly.
To achieve safety and security through appropriate quality control, Nomura Real Estate Development distributes the Design and Construction Standards and quality manuals to construction companies and designers to ensure that they know about and completely understand them.
In addition, Nomura Real Estate Partners holds annual East Japan Supplier Council Meetings on Health & Safety and West Japan Supplier Council Meetings on Health & Safety.

Promoting Use of Wood Products in Hotel Business

As part of its environmental protection efforts, Nomura Real Estate Hotels is switching guest room amenities to biomass and wood products and reviewing in-room items in order to reduce the amount of plastic used. They offer toothbrushes and hairbrushes made from rice husks, a biomass resource, as well as toothbrushes and slippers made from natural bamboo. Since September 2022, the company has been replacing items and amenities in order to gradually reducing the number of items and amenities in guest rooms.

News Release (Japanese text only)

Use of Certified Wood-based Paper and Plant-based Ink in Residential Development

In order to be ever more environmentally friendly with regard to the paper advertising materials used for Proud and other condominium sales business, Nomura Real Estate's Residential Development Division, as a general rule, uses paper made from wood from properly managed forests for all pamphlets, guides, direct mail, drawing collections, inserts and the like. In addition, the ink used is vegetable oil-based, which is more biodegradable than the petroleum-based solutions that have been used traditionally. Printed materials using these papers and inks include logos and wording attesting to the fact of their use. We will continue to use environmentally friendly products and strive to reduce our environmental impact.

Related information

Index for ESG Investors and Evaluation Organizations

ESG Data

Environment
Social
Governance

SASB Content Index

GRI Standards

Sustainable Finance

LRAQ Independent Assurance Statement

External Evaluations, Initiatives and Affiliated Organizations

Policy List

Index for ESG Investors and Evaluation Organizations

Item		Links to Disclosures		
		Policy	Governance	Indicators and Goals
Environment	Environmental policies and management	✓	✓	✓
	Climate change	✓	✓	✓
	TCFD	✓	✓	✓
	Water use	✓	✓	✓
	Pollution and resources	Resource recycling ✓	✓	Resource recycling ✓
		Environmental pollutants ✓		Environmental pollutants ✓
	Biodiversity	✓	✓	✓
	Green building	✓	✓	Environmental management ✓
				Climate change ✓
Social	Product safety and quality	From design to management ✓	✓	From design to management ✓
		Longer lifespans, increased durability ✓		Longer lifespans, increased durability ✓
		Disaster responses ✓		Disaster responses ✓
	Labor practice	✓	✓	✓
	Human rights	✓	✓	✓
	Diversity & inclusion	✓	✓	✓
	Development and retention of human resources	✓	✓	✓
	Health and safety	✓	✓	✓
	Supply chain management	✓	✓	✓
	Social contribution	✓	—	✓
	Social integration	Communit ✓	Community ✓	Community ✓
		Diversity & inclusion ✓	Diversity & inclusion ✓	Diversity & inclusion ✓
	Customer relations	✓	✓	✓
Governance	Corporate governance	Basic corporate governance policy ✓	Corporate governance structure ✓	—
		Compensation plan for directors ✓	Internal control system ✓	
	Compliance	✓	✓	✓
		Code of action ✓	Compliance structure ✓	
	Risk management	✓	Management system ✓	✓
		Information security ✓		
	Tax transparency	✓	Management system ✓	✓

ESG Data

ESG Data

Environment

Social

Governance

Environment

* Unless otherwise indicated, the reporting scope is the Group.

Environmental Management

Category		Unit	FY2020	FY2021	FY2022	FY2023
Green Building Environmental Certification	Acquisition rate of green building certifications for newly constructed fixed assets and income-producing properties (excluding rental housing) each year, including DBJ Green Building*1, LEED*2, CASBEE*3, and BELS*4	%	100	100	100	100 (including pending applications)
	Number of Green Environmental Certifications acquired by new business property for sales (including pending applications)	Cases/ Certifications	15	15	13	19
Green Certification Rate	Percentage of properties owned by Nomura Real Estate Master Fund, Inc. (NMF) with green certification (at least three stars or the equivalent)*5	%	56.3	56.0	58.5	56.4
Environmental Management System	Acquisition rate of ISO 14001*6	%	18.6	19.6	22.1	22.7
Energy Performance-related Environmental Certification	Number of energy performance-related environmental certifications acquired	Cases/ Certifications	17	16	14	19
Environmental Compliance	Environmental compliance (e.g. serious violations of environmental laws and regulations (including pollution and water use) and accusations from external parties)	Cases/ Certifications	0	0	0	0

*1 A certification system, run by the Development Bank of Japan, for promoting real estate that contributes to the environment and society.
*2 A certification system developed and run by the U.S. Green Building Council (USGBC). Certification is granted to environmentally sound buildings.
*3 A comprehensive assessment system for the environmental efficiency of buildings. It includes a certification system run by the Institute for Built Environment and Carbon Neutral for SDGs (IBECs) and others, as well as assessment systems by local governments.
*4 A building energy efficiency performance labeling system established by the Ministry of Land, Infrastructure, Transport and Tourism. The energy efficiency of properties and housing is evaluated and certified by a third-party assessment organization.
*5 Green certification (with at least three stars or the equivalent) refers to DBJ Green Building Certification (at least three stars) or BELS Certification (at least three stars), or CASBEE for Real Estate (B+ or higher). The figure is calculated based on the gross floor area of NMF's properties, excluding land. The green certification rate is as of August 31 of the following fiscal year.
*6 The net lettable area of the Group as of the end of each fiscal year is used as the denominator, and the floor area of the relevant offices of the Yokohama Business Park as the numerator.
Certification acquisition date: March 5, 2004 (JQA-EM3815)
Certification organization: Japan Quality Assurance Organization (JQA)
Scope of registered activities: Planning and provision of comprehensive building management services (facility management, cleaning, and security)

Scope of data reported (percentage of properties owned by NMF with green certification (at least three stars or the equivalent)*1

Target	Number of properties	Gross floor area (m²)
Green certification (at least three stars or the equivalent)	71	1,356,915
Total	78	1,375,414

*1 Figures are as of August 31, 2024.

Category			Unit	FY2020	FY2021	FY2022	FY2023
Greenhouse gas emissions	Scope 1 emissions		kt-CO_2	20	21	23	24
	Scope 2 emissions			112	107	74	50
	Scope 1+2 emissions			132	129	98	75
	Scope 1+2 emission intensity (CO_2 emissions / Scopes 1 and 2 gross floor area by use)		kg-CO_2/m²	63.6	61.9	47.9	40.8
Category			**Unit**	**FY2020**	**FY2021**	**FY2022**	**FY2023**
Greenhouse gas emissions	Scope 3 emissions		Thousand t-CO_2	1,456	2,167	2,075	2,334
		1. Products and services purchased		453	702	698	773
		2. Capital goods		97	159	111	164
		3. Fuel- and energy-related activities that are not included in Scopes 1 and 2		24	24	24	25
		4. Transportation and delivery (upstream)		3	4	6	6
		5. Waste generated by businesses		5	7	11	14
		6. Business trips		0*1	0*1	1	1
		7. Employee commuting		2	1	1	1
		8. Lease assets (upstream)*2		—	—	—	—
		9. Transportation and delivery (downstream)		—	—	—	—
		10. Processing of products sold		—	—	—	—
		11. Use of products sold		834	1,214	1,170	1,287
		12. Disposal of products sold		19	38	38	50
		13. Lease assets (downstream)		14	13	12	9
		14. Franchise		—	—	—	—
		15. Investments		—	—	—	—
Energy consumption	All		MWh	381,817	379,428	382,231	380,366
	Asset-specific energy consumption	Office buildings		—	189,086	165,019	150,177
		Fitness facilities		—	74,705	73,926	69,338
		Commercial facilities		—	74,607	99,849	117,751
		Hotels		—	9,904	17,257	17,336
		Logistics facilities		—	2,360	2,420	2,480
		Parking lots		—	198	194	191
		Training centers		—	52	61	66
		Heating and cooling centers		—	28,516	23,503	23,022
	Energy type-specific energy consumption	Purchased electricity		228,825	220,740	219,214	210,968
		City gas		108,034	116,840	122,258	127,099
		LPG		183	436	232	93
		Class A heavy oil		1,401	1,303	718	510
		Gasoline		0	0	1	1
		Diesel		0	4	34	18
		Kerosene		3,544	2,779	2,045	2,333
		Heat		—	—	—	—
		Steam		18,555	18,119	17,821	17,276
		Cold water		21,275	19,208	19,908	22,068

Category			Unit	FY2020	FY2021	FY2022	FY2023
Energy consumption	Renewable energy (in-house power generation)		MWh	1,818	7,882	68,824	130,705
		Office buildings		1,000	6,230	50,533	84,750
		Fitness facilities		—	—	1,348	1,284
		Commercial facilities		406	975	11,577	39,118
		Hotels		413	677	5,223	5,363
		Logistics facilities		—	—	143	190
		Parking lots		—	—	—	—
		Training centers		—	—	—	—
		Heating and cooling centers		—	—	—	—
	Energy consumption intensity (Energy consumption ÷ Gross floor area of the target area for calculation)		MWh/m²	0.184	0.182	0.186	0
Solar power generation	Solar power generating facility installation rate at Landport logistics facilities		%	90.0	76.0	67.8	59.3
	Solar power generated at Landport logistics facilities		MWh	21,926	22,801	22,356	23,837

*1 Less than 1

*2 Calculation for Category 8 is included in Scopes 1 and 2. Categories with no figures indicate that emission sources do not exist.

*3 Emissions for the base year, fiscal 2019, were 3,518,000 t-CO_2.

Scope of data reported (GHG emissions for Scopes 1 and 2, and energy consumption)

	Item	Unit	FY2020	FY2021	FY2022	FY2023
Number of facilities subject to reporting	All	Building	191	181	181	147
	Office buildings		110	101	97	84
	Fitness facilities		48	48	49	32
	Commercial facilities		13	16	20	16
	Hotels		13	10	10	10
	Logistics facilities		1	1	1	1
	Parking lots		4	1	2	2
	Training centers		1	1	1	1
	Heating and cooling centers		1	1	1	1
Gross floor area	All	m²	2,079,952	2,058,781	2,051,858	1,852,109
	Office buildings		1,447,598	1,456,228	1,329,031	1,197,186
	Fitness facilities		130,130	130,130	128,909	121,888
	Commercial facilities		362,504	361,993	478,423	417,540
	Hotels		68,620	41,109	47,254	47,254
	Logistics facilities		49,547	49,547	49,547	49,547
	Parking lots		17,141	15,422	14,282	14,282
	Training centers		654	654	654	654
	Heating and cooling centers		3,758	3,758	3,758	3,758

Biodiversity

Category		Unit	FY2020	FY2021	FY2022	FY2023
Acquisition of biodiversity certifications	Number of biodiversity-related certifications acquired (e.g., ABINC/JHEP/SEGES)	—	2	3	1	1

Circular Design

Category		Unit	FY2020	FY2021	FY2022	FY2023
Initiatives to extend building lifespans	Number of completed properties that offer the re:Premium service	—	9	13	20	31
	Number of properties that have adopted the Attractive30 service	Properties (homes)	23 (2,390)	28 (2,936)	26 (3,503)	17 (2,231)

Category		Unit	FY2020	FY2021	FY2022	FY2023
Waste	Waste discharge (sum of general waste and industrial waste)	Thousand tons	5.11	7.21	11.18	10.86
	Waste discharge intensity (sum of general waste and industrial waste ÷ gross floor area of the target area for calculation)	kg/m²	3.05	3.50	5.45	5.82

Scope of data reported (waste discharge)

Category	Unit	FY2020	FY2021	FY2022	FY2023
Number of properties subject to reporting	Facilities	106	91	111	87
Total gross floor area	m²	1,677,683	2,077,219	1,934,512	1,865,457

Water Resources

Category			Unit	FY2020	FY2021	FY2022	FY2023
Water use	Volume of water intake (total)		Thousand m³	1,698	1,920	2,040	2,050
		Clean water		1,395	1,555	1,650	1,639
		Well water		141	163	190	206
		Recycled water		161	202	199	203
	Water intake intensity (volume of water intake ÷ gross floor area of the target area for calculation)		m³/m²	0.81	0.93	0.99	1
	Volume of water discharge (sewage water)		Thousand m³	1,398	1,600	1,701	1,589
	Volume of water used			299	320	339	461

Scope of data reported (water intake, discharge, and use)

Category	Unit	FY2020*1	FY2021	FY2022	FY2023
Number of properties subject to reporting	Facilities	191	181	156	159
Total gross floor area	m²	2,079,952	2,058,781	2,266,904	2,114,075

*1 Data for previous years has been corrected retrospectively to improve accuracy.

Social

* Unless otherwise indicated, the reporting scope is the Group.

Employee Information

ategory		Unit	FY2020	FY2021	FY2022	FY2023
Number of employees*1,2	Total	Persons	7,401	7,692	7,996	7,963
	Male		5,043	5,195	5,354	5,298
	Female		2,356	2,497	2,642	2,665
	Female employee ratio*3	%	31.8	32.5	33.0	33.5
	Region	Persons	7,401	7,692	7,996	8,114
	Japan		—	7,413	7,705	7,829
	Asia (excluding Japan)		—	246	262	110
	Europe		—	33	29	24
	Permanent employees	Persons	7,175	7,423	7,670	7,670
	Male		4,877	5,023	5,139	5,101
	Female		2,298	2,400	2,531	2,569
	Permanent employee ratio	%	97.0	96.5	95.9	96.3
	Temporary employees*4	Persons	226	269	326	293
	Male		168	172	215	197
	Female		58	97	111	96
	Temporary employee ratio	%	3.1	3.5	4.1	3.7
Hiring	New graduate employees*1	Persons	274	264	292	338
	Male		159	159	177	181
	Female		115	105	115	157
	Ratio of new female graduates hired*3,*5	%	42.0	39.8	39.3	46.4
Turnover rates	Total*6	%	5.81	5.60	5.60	4.98
	Male		6.01	5.42	5.42	4.82
	Female		5.63	5.98	5.98	5.30
	Voluntary turnover rate		4.45	4.70	4.70	4.33

*1 The number of employees is as of the end of March of each fiscal year. The number of new graduate employees is as of April 1 of the following fiscal year.
*2 The number of employees includes seconded to companies outside the Group but excludes employees seconded to the Group.
*3 Figures include overseas subsidiaries and are as of March 31, 2024 (partial period). In addition, the calculation method has changed from FY2023.
*4 Temporary employees include those rehired after retirement. (Reference: 1,146 employees in FY2023)
*5 Figures indicate the number of employees hired during each fiscal year (employees who have joined the Company by April of the following fiscal year).
*6 Turnover rates include the number of employees retired at the mandatory retirement age.

Category		Unit	FY2020	FY2021	FY2022	FY2023
Hire and utilize diverse human resources	Female manager and junior manager ratio*1,9	%	10.9	11.0	13.9	14.7
	Number of foreign national employees*2	Persons	140	151	158	230
	Rate of employment of persons with disabilities*3	%	2.05	2.33	2.31	2.26
Promote diverse work styles	Rate of utilization of childcare leave*4,9	%	—	—	64.5	101.2
	Male employee childcare leave utilization ratio*9		—	—	38.6	102.9
	Childcare leave takers*5,9	Persons	289	320	193	341
	Male		28	35	71	212
	Female		261	285	122	129
	Rate of reinstatement after childcare leave*5,9	%	96.2	92.9	98.8	96.9
	Male employee rate of reinstatement after childcare leave		100	100	100	100
	Family care leave-takers*5,9	Persons	6	5	8	7
Percentage of mid-career employees hired*6,9	Nomura Real Estate Development Co., Ltd.	%	29.3	49.1	60.9	45.2
	Nomura Real Estate Solutions Co., Ltd.	%	21.1	27.5	28.9	49.4
	Nomura Real Estate Partners Co., Ltd.	%	35.6	38.1	44.4	59.3
	Nomura Real Estate Life & Sports Co., Ltd.	%	43.9	45.7	37.5	50.2
Gender pay gap*5,*7	All employees	%	—	—	61.4	61.6
	Permanent employees	%	—	—	58.5	58.8
	Part-time and fixed term employees	%	—	—	89.7	89.5
Employee engagement*8	Percentage of implementation of one-on-one meetings	%	—	84	83	82

*1 Manager and junior manager ratio: Number of female managers and female manager candidates ÷ Total number of managers and manager candidates

*2 This number includes employees of local corporations and other entities based overseas but excludes non-Japanese technical interns. Note that this figure covers consolidated subsidiaries, and some calculation methods have been changed.

*3 Rates in Group companies subject to the Employment Rate System for Persons with Disabilities as of June 1 of the following fiscal year.

*4 From FY2022, the method for disclosure has been changed to secure conformity with a calculation formula for information disclosure via securities reports, as stipulated under guidelines issued by the Ministry of Health, Labour and Welfare, which has made it mandatory to announce the status of childcare leave utilization. This applies to domestic consolidated subsidiaries only.

*5 Applicable only to domestic corporations.

*6 Percentage of permanent mid-career hires among the number of permanent employees, as stipulated under the Act for the Comprehensive Promotion of Labor Policies.

*7 Ratio of women's wages to men's wages. The Group applies an equal pay system for both men and women and treats them equally within the same rank. Personnel evaluations are also based on the same standards for both men and women, and there are no differences between men and women in the personnel system.

*8 The results of the questionnaire survey conducted by the Nomura Real Estate Group (domestic only) are posted up through the fiscal year ended March 2023, and the results of the awareness survey conducted by the Nomura Real Estate Group (domestic only) are posted for the fiscal year ended March 2024.

*9 Applies to domestic consolidated subsidiaries only.

Human Rights

Category			Unit	FY2020	FY2021	FY2022	FY2023
Human rights-related training (Group-wide)	New employees	Participation rate	%	—*1	100	100	100
		Number of participants	Persons	—*1	280	263	304
	Newly promoted managers	Participation rate	%	100	100	100	100
		Number of participants	Persons	135	149	168	217
	Mid-career hires	Participation rate	%	100	100	100	100
		Number of participants	Persons	170	195	262	269

*1 Canceled due to the COVID-19 pandemic.

Wellness Management

Category		Unit	FY2020	FY2021	FY2022	FY2023
Overwork prevention	Average work time over statutory working hours (per person)	Hours per month	9.99	13.81	11.03	8.67
Promotion of the use of paid leave	Rate of acquisition of paid leave*1	%	56.13 (63.80)	62.34 (75.61)	69.36 (75.61)	69.86
Further improvement of the medical checkup system	Rate of employees who underwent medical examinations and checkups*1	%	(100)	(100)	(100)	(100)
Prevention of work-related accidents	Number of work-related injuries resulting in death of an employee	—	0	0	0	0
	Number of work-related injuries resulting in death of a contractor	—	2	0	1	2
	LTIFR*2	—	3.43	0.56	1.00	3.14
	LTIR*3	—	1.34	0.32	1.00	0.93
	Absentee rate	%	0.41	0.45	0.36	0.43
Wellness and D&I survey	Employee engagement in the workplace (five-point scale)*4	Points	3.96	3.97	3.87	3.91
	Response rate (Group)*5	%	97.8	93.0	92.4	94.4
Average years of service*6	Average years of service*6	Years	10.42 (11.88)	10.56 (11.49)	10.87 (11.75)	10.98 (11.68)
	Male		11.53 (13.90)	11.71 (13.40)	12.11 (13.81)	12.12 (13.04)
	Female		7.90 (8.56)	8.17 (8.35)	8.24 (8.43)	8.72 (9.43)
Stress check tests	Stress check response rate*7	%	88.8*8	88.8*8	94.5	97.1

*1 Figures in parentheses represent percentage of employees of Nomura Real Estate Development (excluding contractors)
*2 (Number of occupational accidents resulting in lost days ÷ Total work hours) × 1,000,000
*3 (Number of fatalities and number of people who lost work days due to injury ÷ Total work hours) × 1,000,000 (excluding contractors)
*4 Until fiscal 2021, the figures are for "satisfaction with the workplace" in the satisfaction survey conducted by Nomura Real Estate Development alone. The figures from fiscal 2022 are for "engagement in the workplace" in the awareness survey for the Nomura Real Estate Group (in Japan) as a whole.
*5 Until fiscal 2021, the response rate is for the satisfaction survey conducted by Nomura Real Estate Development alone. From fiscal 2022, the response rate is for the awareness survey for the Nomura Real Estate Group (in Japan) as a whole. (The number of respondents has increased from approximately 2,000 to 7,000.)
*6 Figures in parentheses are for Nomura Real Estate Development alone. Note, the calculation method has changed from FY2023.
*7 For Nomura Real Estate Development alone
*8 Data for previous years has been corrected retrospectively to improve accuracy.

Human Resource Management

Category		Unit	FY2020	FY2021	FY2022	FY2023
Employee training participation*1	Total training hours*2	Hours	20,063	23,855	30,334	80,260
	Training hours per employee*2		9.87	4.21	3.87	10.08
	Total training expense	10,000 yen	14,318	27,155	41,269	70,297
	Training expense per employee	Yen	70,462	47,936	52,706	88,279
	Return on investment in human capital*3	%	10.42	9.17	9.78	14.52

*1 The figures for the years up to fiscal 2020 are for Nomura Real Estate Development alone and those from fiscal 2021 are for the Nomura Real Estate Group.
*2 Training hours only include time spent for mandatory training and do not include open or selective training or e-learning courses. Also, revisions to the method for calculating training hours have been made from the fiscal year ended March 2024.
*3 Return on investment in human resources = (Sales (- Selling, general and administrative expenses - Personnel costs)) ÷ Personnel costs

	Subject	Number of training hours (hours)	Number of implementing companies (companies)	Number of participants (persons)
Group-wide training	New employee introductory training	38	7	304
	New employee follow-up training	7	7	304
	Employees in their second year	14	6	230
	Employees in their third year	14	6	205
	Newly promoted managers*1	22	8	206
	Newly promoted senior managers	29	3	51
	Newly promoted department manager training	9	4	25
	Newly promoted general managers	37	4	17
Training for Nomura Real Estate Development alone	New employee introductory training	96	—	69
	New employee follow-up training	7	—	69
	Employees in their fourth year	7	—	70
	Employees in their fourth year (career design)	7	—	63
	Employees in their fourth year holding section chief positions (career management)	6	—	18
	Level D3*2	11	—	44
	Position V1*3	14	—	85
	Position V1 employees in their second year (career design)	11	—	59
	Position V1 employees in their second year holding section chief positions (career management)	6	—	20
	Position V1 employees in their third year (Next Generation Leader Development Program)	31	—	33
	Position V2 employees in their second year (Next Generation Leader Development Program)	31	—	45
	Development training (new section chiefs)	7	—	39
	Development training (new department managers)	7	—	14
	Career training (age 40)	7	—	54
	Career training (age 50)	7	—	18
	Career training (age 57)	7	—	54
	INSIDES training	1	—	79
	Financial training (employees in their fourth to sixth year)	7	—	151

*1 Generally after 13 years of service
*2 Generally after 7 years of service
*3 Generally after 9 years of service

Category			Unit	FY2020	FY2021	FY2022	FY2023
Compliance with internal design standards and the quality manual	Residential Development Business Unit*1		%	100	100	100	100
	Commercial Real Estate Business Unit*1			100	100	100	100
Compliance with the Building Management Quality Assessment Guidelines	Rate of conformance with the Building Management Quality Assessment Guidelines at properties under management*2		%	70	87	67	94
Various internal surveys*4	Livability Satisfaction Survey one year after residents take up occupancy of PROUD	Average score (out of five points)	Points (%)	3.8 (31)	3.8 (38)	4.0 (38)	4.0 (35)
	Post-contract survey on housing			4.1 (29)	4.0 (30)	4.2 (28)	4.2 (29)
	Post-delivery survey on housing			3.8 (34)	3.8 (34)*5	3.9 (32)	3.9 (30)
	Periodic after-sales services survey			—	3.8 (51)	3.8 (50)	3.8 (50)
	Interior fair survey			—	3.6 (44)	3.6 (41)	3.8 (40)
	Furniture fair survey			—	3.5 (32)	3.5 (34)	3.5 (34)
	Questionnaires for residents in leased condominiums (PROUD FLAT)			4.1 (58)	4.2 (39)	4.0 (37)	4.1 (30)
	Questionnaires for residents in office buildings (PMO)			4.3 (28)	4.2 (5)	4.3 (46)	4.4 (55)
External evaluation	Nikkei Condominium Brand Questionnaires*6		Rank	1	1	1	1
	ORICON Customer Satisfaction Survey on new condominiums Tokyo metropolitan area after-sales follow-up			1	1	1	1
	SumaiSurfin Management Company Satisfaction Survey Ranking			1	1	1	2
	ORICON Customer Satisfaction Survey on real estate brokerage (sale of detached housing)			1	2	2	3
Efforts toward Good Design Award	Number of Good Design Awards won		—	10	6	6	7
Health support services promotion	Developments of health-promoting senior rental housing for extending healthy lifespans*7		Units	382	502	647	833
	Number of CASBEE Wellness Office Assessment Certifications acquired		—	3	3	6	7
Supplier Council Meetings on Health & Safety	Number of companies attending Supplier Council Meetings on Health & Safety and Supplier Conferences on Safety		Companies	12*8	12*8	159	150
Violations by suppliers	Number of significant incidents of violations of laws and regulations with regard to ensuring supplier safety		—	—	0	0	0
Safety quality violations	Number of violations of relevant safety laws and regulations and serious violations of the Company's standards		—	—	0	0	0
Initiatives for ethical advertising practices	Number of violations that resulted in action orders and dispositions related to advertising labeling, premiums, and unfair competition prevention*9		—	—	—	0	0

*1 Main products include condominiums, detached housing, rental housing, office buildings, retail facilities, logistics facilities, and hotels.

*2 Conformance rate: We selected several properties and conducted a survey on the number of conforming items among the assessment items listed in the guidelines. In fiscal 2020, we significantly increased the assessment items to maintain and improve the quality of our property management in light of amendments to relevant laws as well as heightened thresholds for conformity.

*3 In fiscal 2019, we did not conduct a survey on the conformance rate due to the COVID-19 pandemic.

*4 All survey results are shown using a 5-point scale. Figures in parentheses indicate survey response rates (%).

*5 Data for previous years has been corrected retrospectively to improve accuracy.

*6 Indicates a first-place ranking given for most of the 10-question items in the questionnaire.

*7 Cumulative total based on the opening day

*8 In fiscal 2020 and 2021, some conferences were either canceled or conducted online at a significantly smaller scale due to the COVID-19 pandemic.

*9 Figures represent the number of violations for condominium business, Nomura Real Estate Development's business in the Commercial Real Estate Business Unit, and for the Property Brokerage & CRE Business Unit.

Safety and Security in Disasters

Category	Item	Unit	FY2020	FY2021	FY2022	FY2023
Disaster prevention support at managed properties	Disaster preparedness drill implementation rates at managed properties (buildings)	%	94	97	99	99
	Number of facilities and locations that can take in persons who are unable to return home during a disaster	—	10	10	9	12

Care for and Revitalization of Communities

Category	Item	Unit	FY2020	FY2021	FY2022	FY2023
Enhancement of design development to revitalize communities	Number of newly constructed residential properties with facilities that contribute to local communities	Properties	5	6	4	3
Operation- and management-related initiatives for supporting community revitalization	Number of Be ACTO open-type community facilities opened (cumulative total)		2	2	3	3
	Number of Be ACTO members	Persons	—	—	1,306	1,732
	Number of elementary school programs organized	—	—	—	10	35
	Number of pre-occupancy housewarming events held at condominiums	—	—*1	—*1	11	20
	Number of companies that participated in tenant networking events at mid-sized office brand PMO	—	—*1	—*1	—*1	85

*1 To help contain the spread of COVID-19, no events were held in fiscal 2020, 2021 or 2022.

Contributions to Local Communities and Society

Category	Item	Unit	FY2020	FY2021	FY2022	FY2023
Local community- and society-related contribution expenditures	Total amount	10,000 yen	3,158	30,788	30,395	1,200
	Cash donations*1		1,100	1,100	1,200	30,810
	Management costs*2		2,058	29,688	29,195	32,010

*1 Cash donations show sponsorship fees to the Japanese Para-Sports Association. From fiscal 2022, the figure shows the total amount of the sponsorship fee and donations to the Keidanren Biodiversity Fund.

*2 Management costs show the total amount of expenses for various events that contribute to the local community held at our main Group-owned facilities, as well as travel expenses and coaching fees for supporting the management of para-athletes.

Governance

* Unless otherwise indicated, the reporting scope is the Group.

Corporate Governance

Category	Item	Unit	FY2022
Meetings in FY2023*1	Board of Directors	Time	13
	Audit & Supervisory Committee		12
	Advisory Committee Relating to Nominations and Compensation		7
	Management Committee		46
	Budget Committee		9
	Risk Management Committee		7
	Sustainability Committee		3
	DX Strategy Committee		12

*1 Reporting scope: Nomura Real Estate Holdings

Category	Item	Unit	FY2020	FY2021	FY2022	FY2023
Attendance rate at meetings of the Board of Directors and the Audit & Supervisory Committee*1	Board of Directors	%	100	99.6	99.4	100
	External Directors		100	99.0	98.2	100
	Audit & Supervisory Committee		100	100	100	100
	External Directors who serve as Audit & Supervisory Committee Members		100	100	100	100
	Advisory Committee Relating to Nominations and Compensation		—	—	100	100
	External Directors		—	—	100	100
Annual total compensation ratio*1	Ratio of compensation between CEO and employees	—	13.1:1	16.8:1	17.3:1	15.3:1

*1 Reporting scope: Nomura Real Estate Holdings

Category	Item	Unit	FY2020	FY2021	FY2022	FY2023
Points of contact for Group employees	Number of consultations received by the Group's points of contact*1		45	39	52	41
	Consultations on harassment		—	26	31	24
	Consultations on other issues		—	13	21	17
Compliance with Japan's Anti-Monopoly Act, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (the so-called Subcontracting Act), etc., and Preventing Corruption and Bribery	Number of significant legal violations, fines, or penalties related to corruption or bribery including facility payments		0	0	0	0
	Number of violations of the Anti-Monopoly Act and the Subcontracting Act		0	0	0	0
	Fines related to the Anti-Monopoly Act (including other relevant laws)	Yen	0	0	0	0
	Investigations related to the Anti-Monopoly Act (including other relevant laws)		0	0	0	0
	Corruption cases such as graft and bribery		0	0	0	0
	Investigations related to corruption cases such as graft and bribery		0	0	0	0
Actions taken with regard to compliance violations	Number of significant concerns communicated to the highest governance body		—	0	0	0
Tax payments by country and region*2	Total tax payments		—	25,563	28,896	36,364
	Japan		—	25,343	28,660	36,144
	UK		—	96	171	99
	Vietnam		—	56	62	114
	Thailand		—	3	0	0
	Ireland		—	1	0	5
	China		—	0.8	1.8	0.0
	Hong Kong		—	0.5	0.8	0.0
	Singapore		—	0.4	0.3	0.7
	United States		—	—	—	0

*1 Total number of consultations
*2 Source: Country-by-Country Report (CbCR)

Category	Training Type		Target Participants	Number of Events (times)	Number of Participants (persons)	Participation Rate (%)
Complying with Regulatory Requirements and Raising Awareness	Compliance Training in FY2022	Group-wide training	Group employees	Bi-monthly	—	100
		Rank-specific training	Group employees	1	142	100
			Compliance officers	1	22	100
			Group supervisors and compliance promotors	10	637	100
			Newly promoted managerial employees of the Group	Video streaming	486	100
			Mid-career hires of the Group	1	199	100
	Compliance training for overseas business personnel in FY2022*	Training through e-learning	New local hires at local subsidiaries	4	292	100
			Newly appointed overseas business personnel from the Japanese head office	2	31	100
		Online hybrid training (online + onsite)	Officers and employees in departments related to overseas business	3	185	100

*1 In fiscal 2022, we conducted training on compliance basics, data compliance, and anti-bribery

Risk Management

Category	Item	Unit	FY2020	FY2021	FY2022	FY2023
Holding of Risk Management Committee and Group Risk Liaison Committee meetings	Number of meetings held		13	13	13	7
Provision for lawsuits involving violations of laws and regulations, and environmental, social, and governance (ESG) issues		Yen	0	0	0	0

Supply Chain Management

Category	Item	Unit	FY2020	FY2021	FY2022	FY2023
Procurement guidelines engagement results	Procurement guidelines survey implementation rate*	%	—	37	51	56
	Number of companies responding to procurement guideline survey		—	89	154	132
	Number of legal and regulatory violations		0	0	0	0

*1 Implementation rate is calculated using the overall procurement amount of the relevant Group companies as the denominator and the procurement amount (transaction amount) of the companies responding to the survey as the numerator.

SASB Content Index

Infrastructure sector: Real Estate

Sustainability Disclosure Topics & Indicators

INDICATOR	CODE	REFERENCE
Disclosure Topics: Energy Management		
Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	Environment > Decarbonization > Targets and Results > Other Results
(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	IF-RE-130a.2	Environment > Decarbonization > Targets and Results > Other Results
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	IF-RE-130a.3	Environment > Decarbonization > Targets and Results > Other Results
Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	IF-RE-130a.4	Environment > Decarbonization > Targets and Results > Other Results
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Environment > Decarbonization > Targets and Results > Targets, KPIs and Results
Disclosure Topics: Water Management		
Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.1	Environment > Addressing Environmental Contaminants and Water Resources > Risk Management Environment > Addressing Environmental Contaminants and Water Resources > Metrics and Targets
(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.2	Environment > Addressing Environmental Contaminants and Water Resources > Risk Management Environment > Addressing Environmental Contaminants and Water Resources > Indicators and Targets
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	IF-RE-140a.3	Environment > Addressing Environmental Contaminants and Water Resources > Metrics and Targets
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	Environment > Addressing Environmental Contaminants and Water Resources > Initiatives
Disclosure Topics: Management of Tenant Sustainability Impacts		
(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	IF-RE-410a.1	—
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	IF-RE-410a.2	—
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	IF-RE-410a.3	Environment > Decarbonization > Initiatives > Helping Customers to Save Energy
Disclosure Topics: Climate Change Adaptation		
Area of properties located in 100-year flood zones, by property subsector	IF-RE-450a.1	—
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	Responding to the Task Force on Climate-related Financial Disclosures (TCFD)

Activity Indicators

INDICATOR	CODE	REFERENCE
Number of assets, by property subsector	IF-RE-000.A	Environment > Decarbonization > Indicators and Targets > Other Results
Leasable floor area, by property subsector	IF-RE-000.B	Environment > Decarbonization > Indicators and Targets > Other Results
Percentage of indirectly managed assets, by property subsector	IF-RE-000.C	—
Average occupancy rate, by property subsector	IF-RE-000.D	—

GRI Standards

Statement of use	The Nomura Real Estate Group has reported the information cited in this GRI content index for the period (from April 1, 2023 to March 31, 2024) with reference to the GRI standards.
GRI 1 used	GRI 1: foundation 2021

INDIACTOR		REFERENCE
GRI 2: General disclosures 2021		
2-1	Organizational details	Corporate overview
		Group companies
2-2	Entities included in the organization's sustainability reporting	Editorial policy
2-3	Reporting period, frequency and contact point	Editorial policy
2-4	Restatements of information	—
2-5	External assurance	Third party assurance: LR independent assurance statement
2-6	Activities, value chain and other business relationships	Business and sustainability
2-7	Employees	ESG data (social)
2-8	Workers who are not employees	—
2-9	Governance structure and composition	Sustainability management
		Corporate governance
2-10	Nomination and selection of the highest governance body	Corporate governance
		Corporate governance report
2-11	Chair of the highest governance body	Corporate governance report
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management
		Risk management
2-13	Delegation of responsibility for managing impacts	Sustainability management
		Corporate governance
2-14	Role of the highest governance body in sustainability reporting	Sustainability disclosures are reported to the board of directors.
2-15	Conflicts of interest	Corporate governance
		Compliance
2-16	Communication of critical concerns	Compliance
		ESG data (governance)
2-17	Collective knowledge of the highest governance body	Integrated report 2024
2-18	Evaluation of the performance of the highest governance body	Corporate governance
2-19	Remuneration policies	Corporate governance
		Corporate governance report
2-20	Process to determine remuneration	Corporate governance
		Corporate governance report
2-21	Annual total compensation ratio	ESG data (governance)
2-22	Statement on sustainable development strategy	Top message
2-23	Policy commitments	The Nomura Real Estate Group ethical standards
		The Nomura Real Estate Group human rights policy

INDIACTOR		REFERENCE
2-24	Embedding policy commitments	Human rights
		Compliance
		Procurement guidelines
2-25	Processes to remediate negative impacts	Human rights
		Dialogue with stakeholders
2-26	Mechanisms for seeking advice and raising concerns	Compliance
		Human rights
		Corporate governance
2-27	Compliance with laws and regulations	No violations of sustainability laws and regulations
2-28	Membership associations	External evaluation and initiatives
2-29	Approach to stakeholder engagement	Materiality determination process
		Dialogue with stakeholders
2-30	Labor agreement	Promotion of wellness management
GRI 3: Material topics 2021		
3-1	Process to determine material topics	Materiality determination process
3-2	List of material topics	Materiality determination process
3-3	Management of material topics	Materiality determination process
		Decarbonization
		Biodiversity
		Circular design
		Diversity and inclusion
		Human rights
GRI 201: Economic performance 2016		
201-1	Direct economic value generated and distributed	Financial highlights
201-2	Financial implications and other risks and opportunities due to climate change	Special feature: Responding to the task force on climate-related financial disclosures (TCFD)
201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report (Japanese)
201-4	Financial assistance received from government	—
GRI 203: Indirect economic impacts 2016		
203-1	Infrastructure investments and services supported	Care for and activation of communities
		Contributions to local communities and society
		ESG data (social)
203-2	Significant indirect economic impacts	Care for and activation of communities
GRI 204: Procurement practices 2016		
204-1	Proportion of spending on local suppliers	Biodiversity
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Compliance
205-2	Communication and training about anti-corruption policies and procedures	Compliance
		ESG data (governance)
205-3	Confirmed incidents of corruption and actions taken	No violations have been reported.
		Compliance
		ESG data (governance)

INDIACTOR		REFERENCE
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No violations have been reported. Compliance ESG data (governance)
GRI 207: Tax 2019		
207-1	Approach to tax	Compliance
207-2	Tax governance, control, and risk management	Compliance
207-3	Stakeholder engagement and management of concerns related to tax	Compliance
207-4	Country-by-country reporting	ESG data (governance)
GRI 301: Materials2016		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	Circular design
301-3	Reclaimed products and their packaging materials	Circular design
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Responding to the task force on climate-related financial disclosures (TCFD) Decarbonization ESG data (environment)
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	Responding to the task force on climate-related financial disclosures (TCFD) Decarbonization ESG data (environment)
302-4	Reduction of energy consumption	Responding to the task force on climate-related financial disclosures (TCFD) Decarbonization ESG data (environment)
302-5	Reductions in energy requirements of products and service	Decarbonization The BEI indicator is used for management activities.
GRI 303: Water and effluents 2018		
303-1	Interactions with water as a shared resource	Addressing environmental contaminants and water resources
303-2	Management of water discharge- related impacts	—
303-3	Water withdrawal	Addressing environmental contaminants and water resources
303-4	Water discharge	Addressing environmental contaminants and water resources
303-5	Water consumption	Addressing environmental contaminants and water resources
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Disclosures Based on the Proposals of the TaskForce on Nature-related Financial Disclosures (TNFD)
304-2	Significant impacts of activities, products, and services on biodiversity	Disclosures Based on the Proposals of the TaskForce on Nature-related Financial Disclosures (TNFD)

INDIACTOR		REFERENCE
304-3	Habitats protected or restored	—
304-4	IUCN red list species and national conservation list species with habitats in areas affected by operations	Disclosures Based on the Proposals of the TaskForce on Nature-related Financial Disclosures (TNFD)
GRI 305: Emissions 2016		
305-1	Direct (scope 1) GHG emissions	Responding to the task force on climate-related financial disclosures (TCFD)
		Decarbonization
		ESG data (environment)
305-2	Energy indirect (scope 2) GHG emissions	Responding to the task force on climate-related financial disclosures (TCFD)
		Decarbonization
		ESG data (environment)
305-3	Other indirect (scope 3) GHG emissions	Responding to the task force on climate-related financial disclosures (TCFD)
		Decarbonization
		ESG data (environment)
305-4	GHG emissions intensity	Responding to the task force on climate-related financial disclosures (TCFD)
		Decarbonization
		ESG data (environment)
305-5	Reduction of GHG emissions	Responding to the task force on climate-related financial disclosures (TCFD)
		Decarbonization
		ESG data (environment)
305-6	Emissions of ozone-depleting substances (ODS)	Decarbonization
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Addressing environmental contaminants and water resources
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	—
306-2	Management of significant waste-related impacts	Addressing eenvironmental contaminants and water resources
306-3	Waste generated	Circular design
		ESG data (environment)
306-4	Undisposed waste	—
306-5	Disposed waste	—
GRI 308: Supplier environmental assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supply chain management
308-2	Negative environmental impacts in the supply chain and actions taken	Supply chain management
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	ESG data (social)
		Diversity and inclusion
		Promotion of wellness management
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Promotion of wellness management
401-3	Parental leave	Diversity and inclusion
		ESG data (social)

INDIACTOR		REFERENCE
GRI 403: Occupational health and safety 2018		
403-1	Occupational health and safety management system	Promotion of wellness management Safety quality from design to management
403-2	Hazard identification, risk assessment, and incident investigation	Promotion of wellness management
403-3	Occupational health services	Promotion of wellness management Safety quality from design to management
403-4	Worker participation, consultation, and communication on occupational health and safety	Promotion of wellness management Safety quality from design to management
403-5	Worker training on occupational health and safety	—
403-6	Promotion of worker health	Promotion of wellness management
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety quality from design to management
403-8	Workers covered by an occupational health and safety management system	—
403-9	Work-related injuries	Promotion of wellness management
403-10	Work-related ill health	Promotion of wellness management
GRI 404: Training and education 2016		
404-1	Average hours of training per year per employee	Human resource management
404-2	Programs for upgrading employee skills and transition assistance programs	Human resource management
404-3	Percentage of employees receiving regular performance and career development reviews	100%
GRI 405: Diversity and Equal Opportunity2016		
405-1	Diversity of governance bodies and employees	ESG data (social) Diversity and inclusion Annual Securities Report (Japanese)
405-2	Ratio of basic salary and remuneration of women to men	Annual Securities Report (Japanese) ESG data (social)
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Not applicable Human rights
GRI 407: Freedom of association and collective bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable Human rights Supply chain management
GRI 408: Child labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Not applicable Human rights Supply chain management
GRI 409: Forced or compulsory labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not applicable Human rights Supply chain management

INDIACTOR		REFERENCE
GRI 411: Rights of indigenous peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Care for and activation of communities
		Contributions to local communities and society
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
GRI 414: Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria	Supply chain management
414-2	Negative social impacts in the supply chain and actions taken	Supply chain management
GRI 415: Public policy 2016		
415-1	Political contributions	—
GRI 416: Customer health and safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Safety quality from design to management
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No violations have been reported.
		Safety quality from design to management
GRI 417: Marketing and labeling 2016		
417-1	Requirements for product and service information and labeling	Safety quality from design to management
417-2	Incidents of non-compliance concerning product and service information and labeling	No violations have been reported.
		Safety quality from design to management
417-3	Incidents of non-compliance concerning marketing communications	No violations have been reported.
		Safety quality from design to management
GRI 418: Customer privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No violations have been reported.
		Risk management

Sustainable Finance

Due to its involvement in real estate development and services, the Group bears a social responsibility to build communities that connect today with tomorrow's possibilities by pursuing its vision of "New Value, Real Value." With the goal of contributing to the sustainable development of society, we are advancing a variety of efforts, including the issuance of sustainability-linked loans and sustainability bonds. The procurement of these is covered by the Nomura Real Estate Group Sustainability Finance Framework (revised December 2024). In addition, the framework has undergone a third-party evaluation by Japan Credit Rating Agency, Ltd.

Sustainability Linked Loans

Overview

Sustainability-linked loans (SLLs) are designed to enhance the sustainability performance of borrowers and encourage sustainable economic activities and growth. Borrower performance is measured through sustainability performance targets (SPTs), which are set in alignment with the interest rate and other loan terms with the borrowers and also with their ESG strategy. Borrowers are either incentivized or disincentivized depending on performance against SPTs.
With support from Chiba Bank as the sustainability coordinator, the Nomura Real Estate Group established an SLL Framework*1, the first of its kind in Japan, raising a fund of 11 billion yen for financing and refinancing purposes from nine of the TSUBASA Alliance*2 member banks, including Chiba Bank, on July 30, 2021.
We intend to increase our transactions with ESG-oriented financial institutions via the SLL Framework and thereby stabilize our procurement of sustainability funds. Meanwhile, we are strengthening our ESG initiatives to better respond to global warming, human rights and labor issues and further reinforce our governance systems."

*1 A framework designed to facilitate SLL operations for both the borrower (e.g., the Nomura Real Estate Group) and the lenders (e.g., banks such as Chiba Bank) by comprehensively defining all SLL terms that need to be specified for each contract, such as SPTs, incentives and reporting requirements.
*2 A wide ranging alliance with the participation of the following ten regional banks: Chiba Bank, Daishi Hokuetsu Bank, Chugoku Bank, Iyo Bank, Toho Bank, North Pacific Bank, Musashino Bank, Shiga Bank, Bank of the Ryukyus, and Gunma Bank.

SLL Framework Overview

Date of establishment	July 28, 2021
Sustainability coordinator	Chiba Bank
SPTs	SBT-approved target reduction rate for total greenhouse gas emissions*3
Incentive	Preferential interest rate spread according to the achievement of SPTs

*3 A total GHG emission reduction of 35% by 2030 from FY2019 levels

Positive Impact Finance

Overview

Positive Impact Finance (PIF) is based on the Principles for Positive Impact Finance developed by the United Nations Environment Programme Finance Initiative (UNEP FI) and is a loan agreement intended to comprehensively analyze and evaluate the impacts, both positive and negative, of borrowers' business activities related to the environment, society and economy, for supporting these activities on an ongoing basis. The loan is intended to create a positive circle for the borrower in achieving the SDGs and enhancing their financial value by utilizing the degree of contribution from corporate activities, products and services in achieving the goals as an evaluation indicator, and by monitoring and supporting activities through engagement by the lending financial institution based on publicly disclosed information.
The Group will continue to leverage both PIF and SLLs to raise stable funds for promoting business activities that push us toward achieving the SDGs and realizing a sustainable society.

Institution conducting PI assessment	Sumitomo Mitsui Trust Bank/Dogin Regional Research Institute
Date of PI assessment obtained	March 31, 2023/September 29, 2023
Lender	Sumitomo Mitsui Trust Bank/Shikoku Bank*/Hokkaido Bank
Total amount	22 billion yen

* Uses a framework that allows for flexible PI financing from multiple financial institutions and is based on the PI assessment by Sumitomo Mitsui Trust Bank.

Sustainability Bond

Overview

Nomura Real Estate Holdings issued a sustainability bond (corporate bond) to raise funds for projects that will contribute to the resolution of environmental and social issues. The Company also formulated the Nomura Real Estate Group Sustainability Bond Framework (see Reference 1) when it issued the bond.

Name	Nomura Real Estate Holdings, Inc. 15th Unsecured Bonds (Sustainability Bond)
Total amount	10 billion yen
Bond ratings (at time of issuance)	A (Japan Credit Rating Agency, Ltd.) A- (A minus) (Rating and Investment Information, Inc.)
Third-party (external) evaluation of sustainability bond	The third-party evaluation (see Reference 2) on the Nomura Real Estate Group Sustainability Bond Framework's conformity with the Sustainability Bond Guidelines and other relevant principles was received from third-party evaluation agencies Vigeo Eiris (now Moody's Japan KK), Japan Credit Rating Agency (JCR), and Rating and Investment Information (R&I).
Use of proceeds	The bond proceeds are to be used as investments and loans for refinancing the costs of the PMO, H1T and OUKAS businesses to Nomura Real Estate Holding's subsidiaries.

Reference 1: Nomura Real Estate Group Sustainability Bond Framework (formulated in January 2021)

Reference 2: Third-party Evaluation (carried out in January 2021)

JCR's Evaluation of the Sustainability Finance Framework (Japanese text only)
JCR's Evaluation of the Sustainability Bond (Japanese text only)
The Second Party Opinion from Vigeo Eiris (now Moody's Japan) (Japanese text only)
The Second Party Opinion from R&I (Japanese text only)

①Reporting on Fund Appropriation Status

■ Overview of Eligible Businesses

Bond proceeds have been appropriated to cover the expenses and investments for the following businesses and properties.

Green Project

	Business Outline	Eligible Properties
 PMO (Premium Midsize Office)	The PMO business handles medium-sized office buildings, which feature functionality and sophistication on par with large-scale buildings and offer an excellent working space for tenants. Basically, PMO buildings accommodate one tenant per floor to provide efficiency, independence and safety. Tenants, including those who handle sensitive information, have found that security measures taken for the buildings have also been highly reliable.	PMO Nishi-Shinjuku PMO Jinbocho

Social Project

	Business Outline	Eligible Properties
 OUKAS	The OUKAS business develops and operates housing for the elderly which includes supportive services under the aim of providing seniors with housing that enables them to enjoy their life and to look forward to tomorrow. OUKAS residences are designed to provide senior residents with daily wellness programs (physical exercise, diet and good sleep) and 24-hour care services.	OUKAS Funabashi
 H[1]T Human First Time	The H[1]T operates pay-per-use shared office spaces to maximize people's creativity and productivity. Comfortable, sophisticated and conveniently located, these spaces serve as superb satellite offices that make diverse workstyles a reality.	H[1]T

■ Fund Appropriation Status (as of September 30, 2024)

	Funds (Million Yen)
Procured appropriations (issue amount of the green bond less issuance costs)	9,937
Appropriations used	9,937
Appropriations to be used (as of September 30, 2024)	0

* All funds were used for refinancing.

②Impact Reporting

■Eligible Green Projects and Acquired Certification

Properties	Certification System	Certification Level	Date of Certification
PMO Nishi-Shinjuku	DBJ Green Building	2020	May 24, 2021
PMO Jinbocho	DBJ Green Building	2022	August 29, 2022

■Environmental Data about Eligible Green Projects (April 1, 2023 to March 31, 2024)

Properties	Amount of CO_2 Emitted	Amount of Energy Used	Amount of Water Used
PMO Nishi-Shinjuku	310t-CO_2*	707MWh	2,263m^3
PMO Jinbocho	119t-CO_2*	270MWh	985m^3

■Eligible Social Projects and Property/Business Data

OUKAS Funabashi	
tal number of units	125
Number of residents (as of March 31, 2024)	131

H¹T	
Number of offices (as of March, 2024)	151 offices (and 130 affiliated offices)
Membership (as of March, 2024)	Approx. 470,000

Green Bond (Shibaura Green Bond)

Overview

Nomura Real Estate Holdings, Inc. issues green bonds as a means of raising funds for projects that contribute to addressing environmental problems. When the green bonds are issued, the Nomura Real Estate Group Sustainability Bond Framework (Reference 1) is used.

Name	Nomura Real Estate Holdings, Inc. 16th, 17th, 18th Unsecured Bonds (Green Bond)
Total amount	50 billion yen
Bond ratings(at time of issuance)	A+ (Japan Credit Rating Agency) A (Rating and Investment Information)
Third-party (external) evaluation of green bond	The third-party evaluation (see Reference 2) on the Nomura Real Estate Group Sustainability Bond Framework's conformity with the Sustainability Bond Guidelines and other relevant principles was received from third-party evaluation agencies Vigeo Eiris (now Moody's Japan KK), Japan Credit Rating Agency (JCR), and Rating and Investment Information (R&I).
Use of proceeds	Investment and loan funds to our subsidiaries to finance the development of BLUE FRONT SHIBAURA (Shibaura Project)

①Allocation Reporting

■Summary of the Eligible Project

The proceeds are allocated to expenditures and investments in the following project.

Green Project

	Project Outline	Project
	A project in the National Strategic Special Zone to develop a large-scale complex with an area of about 4.7 ha and a total floor area of approximately 550,000 m^2. The entire district is designed to achieve net zero CO_2 emissions through a 45% reduction in CO_2 emissions by improving the energy-saving performance of the buildings and introducing solar power generation and carbon-neutral city gas.	BLUE FRONT SHIBAURA (Shibaura Project)

■Allocation of proceeds (as of March 31, 2024)

	Amount (million yen)
Procured appropriations (issue amount of the green bond less issuance costs)	49,749
Appropriations used	49,749
Appropriations to be used (as of September 30, 2024)	0

* All funds were used for refinancing.

②Impact Reporting

■Name of Eligible Green Project, Certification Obtained, and Certification Date

Project	Certification System	Certified Level	Certification Date
BLUE FRONT SHIBAURA (Shibaura Project)	LEED	Gold	—
	CASBEE	Rank S (scheduled)	—

■Environmental Data about Eligible Green Projects

Project	CO_2Emission	Energy Consumption	Water Consumption
BLUE FRONT SHIBAURA (Shibaura Project)	—	—	—

■ Achievements (as of March 31, 2024)

Sustainability bond	10 billion yen
Green bond	20 billion yen
SLL	310.0 billion yen across 71 financial institutions
PIF	22.0 billion yen at three financial institutions
DBJ Employee Health Management Rated Loan, BCM Rated Loan	2.5 billion yen at one financial institution
DBJ BCM Rated Loan	4.0 billion yen at one financial institution
Mizuho Human Capital Management Impact Finance	6.5 billion yen at one financial institution
Sustainable finance total	375.0 billion yen

■ Future Target

To raise an additional 500 billion yen in sustainable finance initiatives in the five years to fiscal 2027 (cumulative total of 700 million yen)

LRAQ Independent Assurance Statement

Relating to Nomura Real Estate Holdings, Inc.'s GHG Emissions and Energy Usage for the fiscal year 2023

This Assurance Statement has been prepared for Nomura Real Estate Holdings, Inc. in accordance with our contract.

Terms of Engagement

LRQA Limited (abbreviated as "LRQA") was commissioned by Nomura Real Estate Holdings, Inc. (abbreviated as "the Company") to provide independent assurance on its greenhouse gas (GHG) emissions and energy usage within its Sustainability Report 2024 and so on for the fiscal year 2023(from 1 April 2023 to 31 March 2024) (abbreviated as "the report"), against the assurance criteria below to a limited level of assurance and the materiality of the professional judgement of the verifier using ISO 14064-3:2019 and the Company's methodologies for GHG emissions, and ISAE 3000(Revised) for energy usage.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies
- Evaluating the accuracy and reliability of data for the selected indicators listed below:
  - GHG emissions:[1] [2] [3]
    - Scope 1 GHG emissions (tonnes CO_2e)
    - Scope 2 GHG emissions
      (Inside Japan) Market-based (Outside Japan) Location- based (tonnes CO_2e)
    - Scope 3 GHG emissions (Category 1 and 11) (tonnes CO_2e)
  - Energy usage (MWh)

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the *Company has* not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

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[1] *GHG emissions and energy usage from operations not under financial or operational control are not included. Properties with a floor area of 496m² (150 tsubo) or less are excluded from the calculation.*

[2] *GHG emissions other than energy-derived CO_2 are, in principle, excluded from calculation if emissions per gas are less than 3,000tCO_2e in accordance with the Act on Promotion of Global Warming Countermeasures (Anti-Global Warming Law) of Japan. However, domestic fureon-derived CO_2e is included in the calculation.*

[3] *GHG and energy quantification is subject to inherent uncertainty.*

The opinion expressed is formed on the basis of a limited level of assurance[4] and at the materiality of the professional judgement of the verifier.

Table 1. Summary of the *Company's* Key Data for the fiscal year 2023:

Scope			
Scope 1 GHG emissions		24,805	Tonnes CO_2e
Scope 2 GHG emissions ((Inside Japan) Market-based (Outside Japan) Location- based)		50,907	Tonnes CO_2e
Scope 3 GHG emissions	Category 1	773,535	Tonnes CO_2e
	Category 11	1,287,165	Tonnes CO_2e
	Total of the above categories	2,060,700	Tonnes CO_2e
Energy Usage (Total energy use other than Scope 3)		380,366	MWh

Electricity usage due to biomass power generation:
(Green Power Certificate) 1,000 MWh (Non-fossil Certificate) 28,661 MWh

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISO 14064-3:2019 for GHG emissions, and ISAE 3000 (Revised) for energy usage. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the environmental data and records (GHG and energy) for the fiscal year 2023
- Visiting KAMEIDOCLOCK and SOCOLA MUSASHIKOGANEI CROSS to confirm the data collection processes, record management practices, and to physically check the sites.

Observations

Further observations and findings, made during the assurance engagement, are:

- Social data are expected to be disclosed for expansion of the activities.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021-1 *Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: Requirements* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

[4] *The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.*

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality.

Dated: 25 August 2024

Signed



Yoshinori Shibata
LRQA Lead Verifier
On behalf of LRQA Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YKA00000926

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External Evaluations, Initiatives and Affiliated Organizations

External Evaluation

Inclusion in the ESG Stock Index Used by the Japanese GPIF

Inclusion in the MSCI Japan ESG Select Leaders Index

Nomura Real Estate Holdings has been selected for inclusion in the MSCI Japan ESG Select Leaders Index. This index is composed of selected companies with outstanding ESG initiatives from among the companies that make up the MSCI Japan IMI Index.

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

Inclusion in the FTSE Blossom Japan Index

Nomura Real Estate Holdings has been selected as a constituent of the FTSE Blossom Japan Index. The index comprises a selection of companies with outstanding ESG initiatives based primarily on absolute ESG scores and ratings from among the approximately 1,400 companies that make up the FTSE All-Cap Japan Index.

FTSE Blossom Japan

Inclusion in the FTSE Blossom Japan Sector Relative Index

Nomura Real Estate Holdings has been selected as a constituent of the FTSE Blossom Japan Sector Relative Index. The index comprises a selection of companies with outstanding ESG initiatives based primarily on peer-relative ESG scores and ratings from among the approximately 1,400 companies that make up the FTSE All-Cap Japan Index.

FTSE Blossom Japan Sector Relative Index

Inclusion in the MSCI Japan Empowering Women Index

Nomura Real Estate Holdings has been selected as a constituent of the MSCI Japan Empowering Women Index. The index comprises a selection of companies with outstanding gender diversity from among the companies that make up the MSCI Japan IMI Top 700 Index.

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Inclusion in the Morningstar Japan ex-REIT Gender Diversity Tilt Index

Nomura Real Estate Holdings has been selected for inclusion in the Morningstar Japan ex-REIT Gender Diversity Tilt Index, which has been used by GPIF as a gender diversity index for domestic equities since March 2023. The index is designed to help investors invest in companies that have embedded gender diversity policies in their corporate culture and are committed to equal opportunities for employees regardless of gender. The Company is classified as Group 1, the highest of the five ranks.

MORNINGSTAR GenDi J
Japan ex-REIT Gender Diversity Tilt Index
TOP CONSTITUENT 2024

Inclusion in the S&P/JPX Carbon Efficient Index

Nomura Real Estate Holdings has been selected for inclusion in the S&P/JPX Carbon Efficient Index, a thematic index (environmental) among the ESG indices adopted by GPIF.

S&P/JPX Carbon Efficient Index

Inclusion in the FTSE4Good Index Series

Nomura Real Estate Holdings has been selected from among about 1,300 candidates for inclusion in the FTSE4Good Index Series, an index run by FTSE Russell, a global company that evaluates corporate ESG performance.

FTSE4Good

CDP Climate Change

Nomura Real Estate Holdings has responded to the CDP* climate change questionnaire since fiscal 2019 to promote climate change initiatives and enhance the transparency of information disclosure. In fiscal 2024, it received an A score. The company also began responding to the questionnaire for its Nomura Real Estate Master Fund in fiscal 2023 and received a B score in fiscal 2024.

* The CDP is an NGO that was established in the U.K. in 2000 and operates a global environmental information disclosure system for investors, corporations, cities, nations and regions to manage environmental impacts.

Climate CDP A List 2024

Inclusion as a CDP Supplier Engagement Leader

Nomura Real Estate Holdings was selected as a Supplier Engagement Leader, the highest rating in the CDP Climate Change Supplier Engagement Assessment in fiscal 2023. This assessment evaluates how companies work effectively with suppliers to address climate change challenges.

CDP SUPPLIER ENGAGEMENT LEADER 2023

SNAM Sustainability Index

Nomura Real Estate Holdings has been selected for inclusion in the SNAM Sustainability Index. Established by Sompo Japan Nipponkoa Asset Management (SNAM), the index is a socially responsible investment (SRI) fund for multiple pension funds and institutional investors that invests in a wide range of companies with high environmental, social, and governance (ESG) ratings. It is designed to contribute to the asset building of long-term investors by assessing corporate value from a long-term perspective based on financial and non-financial information.

2024 Sompo Sustainability Index

Commendations on Environmental Activities

Certification and Registration to Eco-Action 21 (Environmental Management System)

Eco-Action 21 is Japan's unique environmental management system (EMS) established by Japan's Ministry of the Environment. The Nomura Real Estate Master Fund was the first J-REIT and Nomura Real Estate Private REIT the first privately placed REIT to obtain certification and registration.

®環境省 エコアクション21 認証番号 0012949

MASTER FUND 野村不動産マスターファンド投資法人

®環境省 エコアクション21 認証番号 0013469

野村不動産プライベート投資法人 NOMURA REAL ESTATE PRIVATE REIT, INC.

GRESB Real Estate Assessment and Public Disclosure Assessment

In the 2023 Global Real Estate Sustainability Benchmark (GRESB)* Real Estate Assessment, the Nomura Real Estate Private REIT received a five-star rating and the Nomura Real Estate Master Fund received a four-star rating. Nomura Real Estate Holdings and the Nomura Real Estate Master Fund received the highest A rating in the Public Disclosure Assessment.

* An annual benchmark that measures ESG considerations in the real estate sector. Established in 2009 by a group of major European pension funds that spearheaded the UN Principles for Responsible Investment (PRI), GRESB evaluates the sustainability initiatives of real estate companies, REITs, and private real estate funds.

Commendations on Social Activities

Recognition for Outstanding Health & Productivity Management Organization 2023

Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management, Nomura Real Estate Solutions, Nomura Real Estate Life & Sports, Nomura Real Estate Partners, and PRIME X have been recognized as outstanding under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category). Furthermore, Nomura Real Estate Solutions has also been certified as White 500*, which comprises the top 500 organizations in the Large Enterprise Category with outstanding health and productivity management.

* White 500 is a program by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi to recognize companies that implement particularly good health management practices.

News Release (PDF) (Japanese text only)

Gold, Silver and Bronze Rating in the PRIDE Index

Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management and Nomura Real Estate Life & Sports were awarded the Gold rating, Nomura Real Estate Solutions was awarded the Silver rating, and Nomura Real Estate Partners was awarded the Bronze rating in the PRIDE Index 2023, which certifies companies and organizations for their efforts related to LGBT and other sexual minorities.

* The PRIDE Index is a program established in 2016 by work with Pride*, a voluntary organization that supports the promotion and establishment of LGBTQ-related diversity management, to recognize companies and organizations for their efforts regarding LGBTQ and other sexual minorities.

Nomura Group Wins Good Design Award for the 22nd Consecutive Years

The Nomura Real Estate Group won the Good Design Award, Japan's only comprehensive design evaluation and commendation system operated by the Japan Institute of Design Promotion, for the 22nd consecutive year. In fiscal 2023, Nomura Real Estate Development received awards for seven projects and Nomura Real Estate Life & Sports for one.

Good Design Award-focused Initiatives

Initiatives

Signing of the UN Global Compact

Nomura Real Estate Holdings signed the UN Global Compact in May 2019. We will respect the Ten Principles of the UN Global Compact (in the areas of human rights, labor, environment, and anticorruption) and further promote our sustainability initiatives.

The UN Global Compact
Human Rights
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: Make sure that they are not complicit in human rights abuses.
Labor
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: The elimination of all forms of forced and compulsory labor;
Principle 5: The effective abolition of child labor; and
Principle 6: The elimination of discrimination in respect of employment and occupation.
Environment
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: Undertake initiatives to promote greater environmental responsibility;
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Signing of the Principles for Responsible Investment

Nomura Real Estate Asset Management and Lothbury Investment Management, the Group's UK-based asset management company, endorse the fundamental tenets and have signed the Principles for Responsible Investment (PRI), which advocate addressing environmental, social, and governance issues in investment decisions.

Joining RE100

Nomura Real Estate Holdings, Inc. joined RE100, a global initiative leading the transition to 100% renewable electricity in January 2022.

News Release (PDF) (Japanese text only)
RE100

Acquisition of Science Based Targets (SBT) Certification

Nomura Real Estate Holdings has a certificate of Science Based Targets (SBT), a global initiative for reducing greenhouse gas emissions.

The Science Based Targets initiative

Agreement to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Recognizing that climate change is an important management issue that will have a significant impact on the continuity of business, Nomura Real Estate Holdings and Nomura Real Estate Asset Management agreed in 2020 to recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to promote further initiatives. The companies will disclose information in line with the TCFD's recommendations and contribute to the realization of a sustainable society.

Feature: TCFD

Participation in the Japan Climate Initiative

Nomura Real Estate Asset Management has joined in the Climate Change Initiative, a network for the cross-sectoral dissemination of information and exchange of views among companies, local governments, NGOs, and other organizations engaged in climate change measures.

Japan Climate Initiative

Signing the Financial Action Principles for the Formation of a sustainable Society (The 21st Century Principles of Financial Action)

Nomura Real Estate Asset Management supports and has signed the Financial Action Principles for the Formation of a Sustainable Society (The 21st Century Principles of Financial Action), a collection of action guidelines for financial institutions wanting to fulfill their responsibilities and roles necessary for creating a sustainable society.

Membership in the UK Green Building Council (GBC)

Lothbury Investment Management is affiliated with and endorses the UK Green Building Council (GBC), an organization that certifies buildings with high environmental performance in terms of energy, water, air-conditioning, and so on.

Participation in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum

In July 2022, Nomura Real Estate Holdings began participating in the TNFD Forum, which was established to support the development of a framework for TNFD, an international initiative to create a framework for appropriately assessing and disclosing the risks and opportunities associated with natural capital and biodiversity.

Participation in the 30by30 Alliance for Biodiversity

In July 2022, Nomura Real Estate Holdings began participating in the 30by30 Alliance for Biodiversity, led by Japan's Ministry of the Environment, which serves as the secretariat. The purpose of the alliance is to achieve the target of effectively conserving or protecting 30% of land and sea areas by 2030.

Endorsement of the Declaration of Biodiversity by Keidanren

In fiscal 2019, Nomura Real Estate Holdings announced its endorsement of Keidanren's Declaration of Biodiversity. Regarding initiatives for biodiversity as an important management issue for the Group, which is involved in real estate development and urban development, the company will continue to promote initiatives that are considerate of the natural environment and ecosystems.

Support for the "Voluntary Action Plan on the Environment for the Real Estate Industry" of the Real Estate Companies Association of Japan

In accordance with the voluntary environmental action plan set forth by its member, the Real Estate Companies Association of Japan, Nomura Real Estate Group supports environmental targets for each of its real estate business activities related to reducing energy consumption, improving energy independence, reducing waste, and preserving biodiversity, and will promote measures to combat climate change by reducing CO_2 emissions, thereby promoting measures to combat climate change.

* Members of the Real Estate Companies Association of Japan: Nomura Real Estate Co., Ltd., Nomura Real Estate Solutions Co., Ltd.

Signing the Net Zero Asset Management Initiative (NZAM)

In fiscal 2023, Nomura Real Estate Asset Management Co., Ltd. became a signatory to the NZAM initiative, an international initiative that aims to achieve net zero emissions for managed assets by 2050 and limit global warming to 1.5°C.

International Documents Supported via Group Policies

Nomura Real Estate Group Human Rights Policy

- International Bill of Human Rights (Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights)
- ILO Declaration on Fundamental Principles and Rights at Work
- The Ten Principles of the United Nations Global Compact
- Children's Rights and Business Principles

Nomura Real Estate Group Biodiversity Policy

- Kunming-Montreal Biodiversity Framework

Affiliated Organizations

- KEIDANREN (Japan Business Federation)
- The Real Estate Companies Association of Japan
- Real Estate Fair Trade Council
- Tokyo Building Owners and Managers Association
- Japan Climate Leaders' Partnership (JCLP)

Policy List

Category		Policy
Sustainability in General		Nomura Real Estate Group Sustainability Policy (Japanese text only)
Environment	Biodiversity	Nomura Real Estate Group Biodiversity Policy
Social	Human Rights	Human Rights at Nomura Real Estate Group
	D&I	Nomura Real Estate Group Diversity & Inclusion Promotion Policy
	Health Management	Nomura Real Estate Health Management Declaration Nomura Real Estate Solutions Health Management Declaration (Japanese text only) Nomura Real Estate Partners Health Management Declaration (Japanese text only) Nomura Real Estate Life & Sports Health Management Declaration (Japanese text only) Nomura Real Estate Life & Sports Three Promises of Health Management (Japanese text only) Nomura Real Estate Commerce Health Management Declaration (Japanese text only) Nomura Real Estate Hotels Health Management Declaration (Japanese text only) PRIME CROSS Health Management Declaration (Japanese text only)
Governance	Corporate Governance	Basic Policy on Corporate Governance
	Procurement Guidelines	Nomura Real Estate Group Procurement Guidelines

Editorial Policy

This website has been created to provide stakeholders with a better understanding of the Nomura Real Estate Group's approach to, and activities for, sustainability.
In fiscal 2020, the Sustainability Management Department was established with the aim of contributing to the realization of a sustainable society by achieving both social and environmental value and financial returns from a long-term perspective.
Taking into consideration the opinions of stakeholders, the reporting focuses on what the Sustainability Committee has determined are priority issues (materialities): diversity and inclusion, human rights, decarbonization, biodiversity, and circular design. In addition, the contents have been presented in a comprehensive manner by dividing them into the three ESG categories. Starting from fiscal 2024, we have structured the report in accordance with the four core contents of "Governance," "Strategy," "Risk Management," and "Indicators and Goals," based on the Sustainability Disclosure Standards proposed by the SSBJ.
We have endeavored to disclose information that meets expectations, giving consideration to international sustainability frameworks and requests from investors and ratings organizations.

Scope

Nomura Real Estate Holdings, Inc. and its 20 consolidated subsidiaries
Percentage of operating revenue accounted for by organizations subject to reporting: 99%

Consolidated subsidiaries in the scope of the report:
Nomura Real Estate Development Co., Ltd., Nomura Real Estate Asset Management Co., Ltd., Nomura Real Estate Solutions Co., Ltd., Nomura Real Estate Partners Co., Ltd., Nomura Real Estate Life & Sports Co., Ltd., Nomura Real Estate Heating and Cooling Supply Co., Ltd., Nomura Real Estate Retail Properties Co., Ltd., Nomura Real Estate Wellness Co., Ltd., Nomura Real Estate Hotels Co., Ltd., Nomura Real Estate Amenity Service Co., Ltd., PRIME X Co., Ltd., First Living Assistance Co., Ltd., Lothbury Investment Management Limited, ZEN PLAZA CO., LTD, NOMURA REAL ESTATE ASIA PTE. LTD., NOMURA REAL ESTATE HONG KONG LIMITED, NOMURA REAL ESTATE (THAILAND) CO., LTD., NOMURA REAL ESTATE VIETNAM CO., LTD., NOMURA REAL ESTATE CONSULTING (SHANGHAI) CO., LTD.

* Unless indicated in a footnote or otherwise, the scope of data reported on this website is for the organizations subject to reporting, specified above.

Referenced Guidelines

Global Reporting Initiative (GRI), Sustainability Reporting Standard
ISO 26000, Guidance on Social Responsibility
Sustainable Accounting Standards Board (SASB)
Environmental Reporting Guidelines 2018, Ministry of the Environment
SSBJ Sustainability Disclosure Standards (proposed)

Reporting Period

Fiscal 2023 (from April 1, 2023 to March 31, 2024)

* Certain information on activities before fiscal 2022 and outlooks after fiscal 2023 are also provided.
* Same as the securities report

Reporting Cycle

September 2024 (Previous release: September 2023; next release: September 2025)
Released once a year

Statements on this Site

On this site, Nomura Real Estate Holdings refers to Nomura Real Estate Holdings, Inc., while the Nomura Real Estate Group refers to Nomura Real Estate Holdings, Inc. and its 20 consolidated subsidiaries.
As a general rule, honorifics for names of people, companies, etc., included in the text have been omitted.
This site contains forward-looking statements about the plans, strategies, and performance of Nomura Real Estate Holdings, Inc. and its consolidated subsidiaries. These statements are not historical facts, and they include assumptions and judgments based on the information currently available to us. As such, future activities and results may differ from those mentioned herein.

Contact Information for Inquiries

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