(Translation)

Corporate Governance Report

May 23, 2024

Nomura Real Estate Holdings, Inc.
Representative: Satoshi Arai,
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Stock code: 3231
https://www.nomura-re-hd.co.jp/english/

Corporate governance at Nomura Real Estate Holdings, Inc. is as follows:

I. Basic Viewpoints regarding Corporate Governance and Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Viewpoints

The Company has established a basic viewpoint regarding corporate governance in the Basic Corporate Governance Policy. Please refer to the Company's website for details.
Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

[Reasons for Non-Compliance with Each Principle of the Corporate Governance Code]

The Company complies with every principles of the Corporate Governance Code.

[Disclosure in accordance with Each Principle of the Corporate Governance Code]

[Principle 1-4] Cross-Shareholdings
The Company has established the Basic Policy Concerning Strategic Shareholdings within the Basic Corporate Governance Policy. Please refer to the Company's website for details.
Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

[Principle 1-7] Transactions with Related Parties
The Company has established procedures regarding transactions with related parties such as directors, executive officers, and major shareholders, etc. in the Basic Corporate Governance Policy. Please refer to the Company's website for details.
Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

[Supplementary Principle 2-4-1] Ensuring Diversity in the Promotion to Core Human Resources
Recognizing the importance of innovations brought about by diversity for the continued creation of new value, the Group has established the "Nomura Real Estate Group Diversity and Inclusion Policy"

and the Group is working to promote diversity & inclusion and create fair and rewarding workplaces so that human resources with a variety of perspectives and ways of thinking, regardless of their attributes, can fully demonstrate their individuality and potential. Please refer to the Company's website for details on the approach regarding the Nomura Real Estate Group Diversity and Inclusion Policy, and the targets, current conditions, etc. regarding the female manager ratio.
The Nomura Real Estate Group Diversity and Inclusion Policy: https://www.nomura-re-hd.co.jp/english/sustainability/pdf/dip.pdf
Diversity & inclusion: https://www.nomura-re-hd.co.jp/english/sustainability/labor/diversity.html
Integrated Report: https://www.nomura-re-hd.co.jp/english/ir/ir_library/annualreport.html
Regarding foreign nationals and midcareer hires, going forward, the Group will continue to promote individuals to manager position in accordance with their abilities regardless of nationality, when they were hired, etc.

[Principle 2-6] Fulfilling Role as Asset Owner for Corporate Pension Plan
To fulfill the role expected of it as the asset owner for the corporate pension plan, the Group's major business company, Nomura Real Estate Development Co., Ltd., established the Guidelines for Pension Plan Management and the Guidelines Regarding Management Policies and Management Criteria for the Defined-Benefit Corporate Pension Plan based on the guidelines provided by the Ministry of Health, Labour and Welfare, and is appropriately managing and administering the corporate pension plan with a Pension Committee. As for the management of pension assets, the Company's goal is to secure the total profit necessary for stable employee asset composition in the long term, while only taking acceptable risks. Also, the Company reviews the asset allocation and other matters as necessary relying on external knowledge, and regularly discloses the financial situation to employees, which includes information about assets, contributions, and liabilities.

[Principle 3-1] Enhance Information Disclosure
(1) The Group has formulated the Group Philosophy and the Mid- to Long-term Business Plan. In addition, the Group promotes management strategies and Sustainability in an integrated manner. Please refer to the Company's website for details.
Group Philosophy: https://www.nomura-re-hd.co.jp/english/company/philosophy.html
Mid- to Long-term Business Plan: https://www.nomura-re-hd.co.jp/english/ir/management/plan.html
Sustainability: https://www.nomura-re-hd.co.jp/english/csr/theme/

Integrated Report is published in order to foster understanding among shareholders, investors, and other stakeholders of the Group's strategies and measures toward the creation of mid- to long-term value.
Integrated Report: https://www.nomura-re-hd.co.jp/english/ir/ir_library/annualreport.html

(2) The Company has formulated the Basic Corporate Governance Policy and established a basic viewpoint regarding corporate governance. Please refer to the Company's website for details.
Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

(3) Please refer to "II-1. Organization Structures and Organizational Operations [Compensation of Directors] Disclosure of Policy Determining the Amount and Calculation of Compensation" of this report regarding the policy and procedures to decide compensation for management and directors.

(4) The Company has a policy of appointing and nominating individuals to management positions who, irrespective of their nationality or gender, have outstanding character, insight, and capabilities. Also, following discussion at the Advisory Committee Relating to Nominations and Compensation, the Board of Directors determines to appoint or dismiss management and nominate candidates for directors based on the criteria for appointment and dismissal of officers, which was established following primarily discussion at the Advisory Committee Relating to Nominations and Compensation.

(5) Please refer to the "Reference Documents for the General Meeting of Shareholders" attached to the Notice of Convocation of Ordinary General Meeting of Shareholders regarding the reasons for the nomination of individual candidates for directors.
Notice of Convocation of Ordinary General Meeting of Shareholders: https://www.nomura-re-hd.co.jp/english/ir/ir_library/generalMeeting.html.
Also, please refer to section "II-1. Organization Structures and Organizational Operations [Directors] Relationship with the Company (2)" of this report regarding the reason for the appointment of external directors. Notifications regarding the dismissal of management will be provided on the Company's website and by other means.

[Supplementary Principle 3-1-3] Sustainability Initiatives
With our Group Vision of "New Value, Real Value," the Group promotes management strategies and sustainability-related initiatives in an integrated manner.
In addition, as the business assets that support the value creation of the Group, the Group recognizes the importance of human capital, intellectual property, etc. The Group has stated its approaches related to human resource strategies, development, etc. in the Integrated Report, and is currently preparing its approach, etc. regarding intellectual property.
Regarding the promotion of sustainability activities, the Group has positioned its response to environmental and climate change as an important management issue. Based on this concept, the Group has agreed to the TCFD recommendations (September 2020) and discloses information in line with the recommendations. Please refer to the Company's website for details.

Integrated Report: https://www.nomura-re-hd.co.jp/english/ir/ir_library/annualreport.html
Sustainability Report: https://www.nomura-re-hd.co.jp/english/sustainability/download/index.html
Response to the TCFD: https://www.nomura-re-hd.co.jp/english/sustainability/special/

[Supplementary Principle 4-1-1] Scope of Delegation to Management
In addition to matters stipulated in laws and regulations and the Articles of Incorporation, the Board of Directors makes decisions on important matters concerning management of the Group stipulated in the Board of Directors Regulations and the Regulations Primarily Regarding Organizations and Resolutions such as the formulation of the Group's basic management policies and the appointment and dismissal of executive officers. Certain matters determined by resolution of the Board of Directors shall be approved by the Management Committee or other internal approval systems.

[Principle 4-9] Criteria for Impartiality of Independent External Directors
The Company has established Criteria for Impartiality of Independent External Directors in the Basic Corporate Governance Policy. Please refer to the Company's website for details.
Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

[Supplementary Principle 4-10-1] Appropriate Involvement and Advice from Independent External Directors through the Establishment of Independent Nomination and Compensation Committees
The Company has stipulated the establishment of an advisory committee relating to nominations and compensation in the Basic Corporate Governance Policy. Please refer to the Company's website for details. Regarding authorities and roles of the committee, please refer to section "II-1. Organization Structures and Organizational Operations [Voluntary Committee] Supplementary Information" of this report.
Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

[Supplementary Principle 4-11-1] Viewpoint Concerning the Balance, etc. of the Board of Directors, and Identification of the Skills and Expected Areas of Expertise of Directors
The Company has established the Viewpoint Concerning the Balance, Diversity, and the Scale of the Board of Directors in the Basic Corporate Governance Policy. Please refer to the Company's website for details.
Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf
In addition, the Company discloses a skills matrix, which identifies the Group's expected areas of expertise of directors, in the "Reference Documents for the General Meeting of Shareholders" attached to the Notice of Convocation of Ordinary General Meeting of Shareholders.
Notice of Convocation of Ordinary General Meetings of Shareholders: https://www.nomura-re-hd.co.jp/english/ir/ir_library/generalMeeting.html

[Supplementary Principle 4-11-2] Concurrent Positions Held by Directors

Please refer to the “Reference Documents for the General Meeting of Shareholders” attached to the Notice of Convocation of Ordinary General Meeting of Shareholders regarding the main concurrent positions held at other companies by directors. In its Basic Corporate Governance Policy, the Company stipulates “Directors dedicate sufficient time for the Company, and execute their duties as Directors.” Also, the Company receives reports on the concurrent positions by external directors as necessary and confirms that they are able to execute their roles and duties as the Company’s directors sufficiently.

Notice of Convocation of Ordinary General Meetings of Shareholders:
https://www.nomura-re-hd.co.jp/english/ir/ir_library/generalMeeting.html

Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

[Supplementary Principle 4-11-3] Assessment of the Effectiveness of the Board of Directors

For the Assessment of the Effectiveness of the Board of Directors in fiscal year ended March 2023 as was the case 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 analysis and assessment based on discussions at a meeting of the Board of Directors regarding the results are outlined below.

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

Although 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

While 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 2024, the Company has designated “enhancement of discussions of strategy” 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 grasp areas for improvement by conducting an assessment of the effectiveness of the Board of Directors each year and will further improve the Board of Directors.

[Supplementary Principle 4-14-2] Training Policy for Directors

The Company provides training that takes into consideration the Company’s corporate philosophy and management strategies. The Company also regularly provides opportunities for all directors to receive training from guest lecturers from outside the Company, to improve their knowledge of topics such as corporate governance and DX. Also, when external directors assume office, they are provided with an explanation regarding topics such as the Group’s history, business framework, and business model, to deepen their understanding of said topics. Then after the external directors’ tenures begin, in addition to ensuring regular opportunities for training, the Company also provides opportunities for them to tour the Company’s properties.

The Company has established the policy regarding director training and development in the Basic Corporate Governance Policy. Please refer to the Company’s website for details.

Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

[Principle 5-1] Policy Concerning Constructive Dialogue with Shareholders

The Company has established the Policy Concerning Constructive Dialogue with Shareholders in the Basic Corporate Governance Policy. Please refer to the Company’s website for details.

Basic Corporate Governance Policy: https://www.nomura-re-hd.co.jp/english/ir/pdf/cgpolicy.pdf

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price]

As a real estate developer that owns and utilizes assets, in addition to PBR, which is one of the market valuation standards, we recognize that we need to manage our business with an awareness of NAV*, which takes into account unrealized profit. The Company recognizes that its capital costs are 7 to 8% and believes that mid- to long-term profit growth is required to achieve ROE that exceeds this level. In accordance with 2030 Vision, “Be a ‘Life & Time Developer,’ as never seen before,” the Company is aiming to enhance corporate value through the “realization of high profit growth and high asset and capital efficiency” in the Mid- to Long-term Business Plan. As presented in this plan, the Company will continue to work to achieve its financial targets and 2030 Vision in accordance with the following policies, “Realize an average annual profit growth rate of 8% level.”, “Pursue

high asset and capital efficiency.", and "Provide a high level of returns to shareholders."

[Status of Dialogues with Shareholders]
Please refer to the following for the "Status of Dialogues with Shareholders."
Integrated Report: https://www.nomura-re-hd.co.jp/english/ir/ir_library/annualreport.html

2. Capital Structure

Percentage of shares held by foreign investors	20% or more and less than 30%

[Description of Major Shareholders]

Name of shareholder	Number of shares held (Shares)	Shareholding (%)
Nomura Holdings, Inc.	64,777,500	36.87
The Master Trust Bank of Japan, Ltd. (Trust account)	19,715,500	11.22
Custody Bank of Japan, Ltd. (Trust account)	9,367,600	5.33
Nomura Real Estate Holdings Employee Shareholding Association	3,005,605	1.71
Stichting Pensioenfonds Zorg en Welzijn	2,606,299	1.48
The Master Trust Bank of Japan, Ltd. (BIP (Board Incentive Plan) trust account 76272)	2,552,143	1.45
STATE STREET BANK WEST CLIENT - TREATY 505234	2,400,584	1.36
SSBTC CLIENT OMNIBUS ACCOUNT	2,096,559	1.19
JP MORGAN CHASE BANK 385781	1,495,476	0.85
STATE STREET BANK AND TRUST COMPANY 505103	1,455,439	0.82

Existence of controlling shareholders (excluding parent company)	―
Existence of parent company	None

3. Corporate Attributes

Stock exchange and section	Tokyo, Prime
Fiscal year-end	March
Industry	Real Estate
Number of employees at the end of the previous fiscal	More than 1,000 persons

(Translation)

year (consolidated)	
Sales revenue during the previous fiscal year (consolidated)	More than ¥100 billion but less than ¥1 trillion
Number of consolidated subsidiaries at the end of the previous fiscal year	More than 10 but less than 50 companies

4. Guidelines for Measures to Protect Minority Shareholders When Conducting Transactions with Controlling Shareholder

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5. Other Particular Conditions That May Materially Affect Corporate Governance

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II. Management Organization and Other Corporate Governance Systems concerning Management Decision-Making, Execution and Supervision

1. Organization Structures and Organizational Operations

Organizational form	Company with Audit & Supervisory Committee

[Directors]

Number of Directors in Articles of Incorporation	18 persons
Term of Office for Directors in Articles of Incorporation	1 year
Chairman of the Board of Directors	Chairman (not serving concurrently as President)
Number of Directors	11 persons
Election of External Directors	Elected
Number of External Directors	4 persons
Number of External Directors designated as Independent Directors	4 persons

Relationship with the Company (1)

Name	Association	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Chiharu Takakura	From another company								○			

(Translation)

Yoshio Mogi	From another company											
Akiko Miyakawa	Certified public accountant											
Tetsu Takahashi	Attorney											

(*Note)

・Selection criteria regarding relationship with the Company

・For (a) through (k) below, a circle (○) indicates the current status of the individual, and a triangle (△) indicates the past status of the individual.

・For (a) through (k) below, a filled-in circle (●) indicates the current status of a relative of the individual, and a filled-in triangle (▲) indicates the past status of a relative of the individual.

(a) A business executor of a listed company or its subsidiary

(b) A business executor or a non-executive director of a parent company of a listed company

(c) A business executor of a sister company of a listed company

(d) An individual whose major business client is a listed company or a business executor of said individual

(e) A major business client of a listed company or a business executor of said business client

(f) A consultant, accounting specialist, or legal professional who receives a substantial amount of money or assets in addition to the customary remuneration from a listed company

(g) A major shareholder of a listed company (In the case that said major shareholder is a corporation, a business executor thereof)

(h) A business executor of a business client (that does not fall under any of (d), (e), or (f)) of a listed company [This applies to the individual only.]

(i) A business executor of a company whose external executive officers are mutually assigned [This applies to the individual only.]

(j) A business executor of a company to which a listed company donates products, services, or money [This applies to the individual only.]

(k) Other

Relationship with the Company (2)

Name	Audit & Supervisory Committee Member	Independent Director	Supplementary information	Reason for appointment
Chiharu Takakura		○	A subsidiary of the Company and Takakura & Company	Chiharu Takakura has great knowledge and experience and profound insights into human

			LLC, where Chiharu Takakura serves as joint representative, entered into a real estate leasing contract. However, both from the perspective of consolidated net sales of the Company in the most recent business year and of net sales of Takakura & Company LLC, net sales derived from the contract are negligible at less than 0.1% and therefore the Company's criteria for determining impartiality (2% or less) are satisfied, and Ms. Takakura's independence is deemed not to be compromised.	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 promotion of human capital management, 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.
Yoshio Mogi	○	○	–	Yoshio Mogi has great knowledge, experience and profound insights concerning corporate management acquired through his many years working as a corporate manager. He has been selected as an external director as Audit & Supervisory Committee member because it is expected that his extensive experience and knowledge will contribute to strengthening the supervisory

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

[Audit & Supervisory Committee]

Committee Members and the Chairman

	Total	Full-time	Internal	External	Chairman

(Translation)

	Committee Members	Committee Members	Directors	Directors	
Audit & Supervisory Committee	5	2	2	3	Internal Director

Presence of Directors and Employees who support the execution of duties by the Audit & Supervisory Committee	Present

Matters regarding the Independence of the Relevant Directors and Employees from the Executive Directors

The Company has established an Audit & Supervisory Committee Dept., to support the execution of duties by the Audit & Supervisory Committee, and full-time staff appointed to the department shall execute duties under the direction of Audit & Supervisory Committee Members. In addition, the directors shall obtain the consent of the Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee for personnel changes regarding the relevant full-time staff.

Cooperation among Audit & Supervisory Committee, Accounting Auditor, and Internal Audit Dept.

The Audit & Supervisory Committee carries out the following initiatives to achieve effective cooperation among the so-called three-way mutual auditing comprising the audits by the Audit & Supervisory Committee, audits by the Accounting Auditor, and audits by the Internal Audit Dept.

The Audit & Supervisory Committee receives reports from the Group Internal Audit Dept. responsible for internal audits, and in addition to determining whether or not to give its approval, where necessary, it provides recommendations and instructions concerning changes to the audit plan, additional audits, and investigations, etc. In addition, the Audit & Supervisory Committee receives reports on the results and status of improvement of internal audits and the status of evaluation of internal controls related to financial reports.

The Audit & Supervisory Committee has the Group CFO, the executive officer in charge of Finance & Accounting Dept. and the General Manager of that department as well as the executive officer in charge of the Group Internal Audit Dept. and the General Manager of that department attend meetings to receive a report from the Accounting Auditor that provides an overview of the audit plan, quarterly review, end of year audit and internal control audit for financial reporting and promotes information sharing and the exchanging of opinions.

With regard to the “Key Audit Matters” described in the Accounting Auditor’s audit report pursuant to the Financial Instruments and Exchange Act, the Accounting Auditor and the Audit & Supervisory

had much discussion to share their recognition while confirming the status of audits held throughout the year from the time the Accounting Auditor formulated the audit plan for the fiscal year ended March 2023 through the times when the results of the quarterly reviews were reported until the reporting of the year-end audit results.

[Voluntary Committee]

Establishment of voluntary committees which are equivalent to the nominating committee and compensation committee	Present

Situation of Establishment of Voluntary Committee, Composition of Committee Members the Attribute of the Chairman

	Committee's Name	Total Committee Members	Full-time Committee Members	Internal Directors	External Directors	Outside Experts	Other	Chairman
Voluntary committees which are equivalent to the nominating committee	Advisory Committee Relating to Nominations and Compensation	3	0	1	2	0	0	External Director
Voluntary committees which are equivalent to compensation committee	Advisory Committee Relating to Nominations and Compensation	3	0	1	2	0	0	External Director

Supplementary Information

The Company has set up an Advisory Committee Relating to Nominations and Compensation, which consists of a majority of 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. At the committee meetings, matters relating to the nomination of and compensation for directors and executive officers, succession plans, and policies on training shall be discussed and the outcome of those discussions shall be reported to the Board of Directors.

(Translation)

[Independent Directors]

Number of Independent Directors	4 persons

Other Matters Related to Independent Directors

All external directors that qualify as independent directors have been designated as independent directors.

[Incentives]

Implementation of measures on incentive allotment to Directors	Adoption of performance-based stock incentive plan and other measures

Supplementary Information

At the Ordinary General Meeting of Shareholders held on June 26, 2018, based on the policy to further clarify the link among directors' compensation, performance, and shareholder value, in place of stock option system, the Company determined to introduce performance-based share-based compensation, etc. linked to mid-to long-term performance. The introduction of the Plan has gone through deliberation at the Advisory Committee Relating to Nominations and Compensation, for which the majority of committee members are independent external directors. Note that the Company resolved to amend the Plan as described in the proposal "Revision of Amounts and Details of Compensation, etc. under Performance-based Stock Incentive Plan for Directors (Excluding Directors as Audit & Supervisory Committee Members)" filed at the Ordinary General Meeting of Shareholders held on June 24, 2022. For details, please refer to "II-1. Organization Structures and Organizational Operations [Compensation of Directors] Disclosure of Policy Determining the Amount and Calculation of Compensation" of this report.

Grantees of stock options	–

Supplementary Information

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[Compensation of Directors]

Disclosure status (of individual compensation of Directors)	Individual disclosure is limited for some.

Supplementary Information

Director's compensation, etc. for Directors of the Company for the fiscal year ended March 2023 are

as follows.

(1) Total amount of compensation, etc., total amount of compensation by type and the number of directors applicable by director category

Director 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.)		Number of Directors applicable
				Performance-based portion (million yen)	Non-performance-based portion (million yen)	
Directors (Excluding Directors who also serve as Audit & Supervisory Committee Members) (Excluding External Directors)	661	295	151	120	94	6
Directors (Audit & Supervisory Committee Members) (Excluding External Directors)	102	102	–	–	–	2
External Directors	61	61	–	–	–	4

a. The number of directors (excluding directors as Audit & Supervisory Committee members, and external directors) is six as of the end of the fiscal year ended March 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 2023.

c. The number of external directors is three as of the end of the fiscal year ended March 2023. The reason for the difference with the “Number of Directors applicable” above is the inclusion of one

who retired on December 31, 2022.

d. 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 2023 regardless of whether it was paid during the fiscal year ended March 2023.

e. Separately from the compensation amount of directors shown in d. 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.

f. 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.

	Business profit	Year-on-year change	
Fiscal year ended March 31, 2023		¥105,172 million	+13.4%

g. 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 the fiscal year ended March 2022, the third year from the start of the system in the fiscal year ended March 2020)

	Ranges				Results
The achievement-linked coefficient	0%	~	200%	⇒	127.0%
Business profit	¥70,800 million	~	¥99,200 million		¥92,765 million
ROE	6.5%	~	12.5%		9.2%

(The ranges for the fiscal year ended March 2023, the third year from the start of the system in the fiscal year ended March 2021)

	Ranges				Results
The achievement-linked coefficient	0%	~	200%	⇒	192.0%
Business profit	¥66,600 million	~	¥93,400 million		¥105,172 million
ROE	4.5%	~	10.5%		10.1%

h. 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 this report.

i. 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 decisions on the specific details concerning the amounts of base compensation to be paid out, which is monetary compensation for the fiscal year ended March 2023, were delegated to Eiji Kutsukake, who served as President and Representative Director until March 31, 2023 (currently Chair and Director), and the decisions on the amounts of bonuses to be paid out were delegated to Satoshi Arai, who has been serving as President and Representative Director since April 1, 2023, 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.

(Translation)

(2) Total amount of consolidated compensation, etc. of those whose total amount of consolidated compensation, etc. is 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	179	64	43	56	15
Daisaku Matsuo	Director	Filing company	126	57	37	18	13
Shoichi Nagamatsu	Director	Filing company	105	64	–	–	41

* The payment amount in “Share-based compensation (Non-monetary compensation, etc.)” is the amount recorded as an expense for the fiscal year ended March 2023.

The information given above is disclosed in the “Business Report” of the Notice of Convocation of Ordinary General Meeting of Shareholders and the “Corporate Governance” of the 2019 Securities Report. (Securities Report is available only in Japanese)
Notice of Convocation of Ordinary General Meetings of Shareholders:
https://www.nomura-re-hd.co.jp/english/ir/ir_library/generalMeeting.html
Securities Report: https://www.nomura-re-hd.co.jp/ir/ir_library/securitiesreport.html

Existence of a policy determining the amount and calculation of compensation	Yes

Disclosure of Policy Determining the Amount and Calculation of Compensation

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 2023 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 2019, the Company have incorporated initiatives for addressing environmental and social issues, including climate change, into the performance evaluation of officers.

The details of the policy regarding decisions of the details of the compensation, etc. for each individual director are as follows.

A) Basic policy

a) 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.

b) 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.

c) 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.

d) 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.

e) 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.

f) Compensation of part-time internal directors consists only of "base compensation" due to their role of supervising the business execution from an objective standpoint.

B) Policy regarding decisions on the percentage of each type of compensation for each director

a) The composition ratio of each type of compensation for directors concurrently serving as executive officers is decided based on b) and d) in A) above.

b) The composition ratio of each type of compensation for the Chair and director and external directors is decided based on b) and e) in A) above.

c) Compensation of part-time internal directors consists only of "base compensation" based on b) and f) in A) above.

C) 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)

a) The amount of fixed compensation (base compensation) for each director shall be determined according to the role and position as a director.

b) The fixed compensation (base compensation) shall be paid monthly.

D) 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>

a) The amount of bonus is determined according to the Company's business performance, such as consolidated business profit, and evaluation of individuals.

b) 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 ended March 2023.

c) 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.

d) 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 2023, the Company conducted an evaluation based on BEI* as a non-financial indicator.

* Building Energy-efficiency Index. An index 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>

a) 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.").

b) The non-performance-based potion adopts restricted shares ("RS") providing an incentive for long-term contributions and enhancement of corporate value to delay delivery, etc. until retirement as an officer.

c) The share-based compensation adopts the system of executive compensation BIP (Board Incentive Plan) trust (the "Trust"). The Company 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.

E) Matters regarding the method for determining the details of compensation for each director

(Translation)

a) 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.

b) The payment level shall be deliberated by the Advisory Committee Relating to Nominations and Compensation for the appropriate exercise of the authority stated in a) above by the President and representative director.

F) Other important matters relating to compensation for each Director

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.

[Support System for External Directors]

The Corporate Planning Dept. provides explanations and information required for the support of external directors (excluding directors who also serve as Audit & Supervisory Committee members). In addition, the Company has established an Audit & Supervisory Committee Dept. and has appointed full-time staff to support the execution of duties by the Audit & Supervisory Committee.

[Status of individuals that have retired from positions such as President]

Information including the names of counselors, advisors, etc., who previously held positions such as President

Name	Title and Position	Description of Business	Form and Conditions of Employment (Full-time, Part-time, Paid or Unpaid, etc.)	Date of Retirement as President	Term
–	–	–	–	–	–

Total number of counselors, advisors, etc., who previously held positions such as President	–

Other Matters

The senior advisor system for the Nomura Real Estate Group is provided below.

[Overview of the Senior Advisor System]

・ Applicable to: Individuals with officer experience (Director, executive officer or Audit & Supervisory Board member)

・ Selection Method: By resolution of the Board of Directors

・ Description of Business: 1. Providing advice regarding management and business and 2. Carrying out activities related to economic organizations, social contribution activities, etc. They will not participate in any management decision-making.

2. Matters Related to Functions of Execution of Duties, Audit and Supervision, Appointment and Decisions regarding Compensation, etc. (Outline of the Current Corporate Governance System)

1. Overview of Corporate Governance

(1) 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 six directors (excluding directors who serve as Audit & Supervisory Committee members) (of which one is an external director) and five Directors who serve as Audit & Supervisory Committee members (of which three are external directors). The Company 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.

In order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, four out of the 11 directors are independent external directors.

The Board of Directors members of the Company are as follows.

Chairman: Eiji Kutsukake (Chair and Director)

Members: Eiji Kutsukake (Chair and Director), Satoshi Arai (President and Representative Director), Daisaku Matsuo (Executive Vice President and Representative Director), Makoto Haga (Executive Vice President and Representative Director), Hiroshi Kurokawa (Director), Chiharu Takakura (Independent External Director), Hiroyuki Kimura (Director and Audit & Supervisory Committee Member), Yasushi Takayama (Director and Audit & Supervisory Committee Member), Yoshio Mogi (Independent External Director and Audit & Supervisory Committee Member), Akiko Miyakawa (Independent External Director and Audit & Supervisory Committee Member) and Tetsu Takahashi (Independent External Director and Audit & Supervisory Committee Member)

(2) Audit & Supervisory Committee

The Company has adopted an Audit & Supervisory Committee governance structure. The majority of

Audit & Supervisory Committee membership is comprised of independent external directors; and the committee monitors business management and performs audits utilizing the Company's internal control system. We have developed a system through which the Audit & Supervisory 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 the 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.

The Audit & Supervisory Committee members of the Company are as follows.

Chairman: Hiroyuki Kimura (Full-time)

Members: Hiroyuki Kimura (Full-time), Yasushi Takayama (Full-time), Yoshio Mogi (Independent External Director), Akiko Miyakawa (Independent External Director) and Tetsu Takahashi (Independent External Director)

(3) 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.

The members of the Advisory Committee Relating to Nominations and Compensation of the Company are as follows.

Chairman: Tetsu Takahashi (Independent External Director and Audit & Supervisory Committee Member)

Members: Tetsu Takahashi (Independent External Director and Audit & Supervisory Committee Member), Eiji Kutsukake (Chair and Director), Yoshio Mogi (Independent External Director and Audit & Supervisory Committee Member)

(4) Management Committee

The Company has introduced a system of executive officers with an aim to strengthen Group management, to separate and enhance the business execution function from the 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 & Representative director and policies approved by the Board of Directors of the Company.

The Management Committee, which is comprised of the Chief Executive Officer, Executive Vice President and executive officers, determines certain matters regarding the execution of business at overall group companies. Chair and director and directors who are Audit & Supervisory Committee members attend meetings of the Committee, where they express their opinions as necessary.

(5) 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.

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.

2. Internal Audit System and Status of Audits by Audit & Supervisory Committee

(1) Internal Audit System

The Nomura Real Estate Group has established an internal audit department at each group company, with the exception of some small companies. Each department is supervised under the direct jurisdiction of the Group company president or an officer who does not hold an additional office in a business operations division, which allows the department to maintain organizational independence.

In addition, we have established the Group Internal Audit Dept. in the Company that, in collaboration with the Accounting Auditor, supervises, monitors and evaluates the internal audit functions of the entire Group as well as auditing in each department / division within the Company. Also, a system is in place to report results of audits to the Board of Directors and the Audit & Supervisory Committee. The details of the internal audit plan are reported to the Audit & Supervisory Committee, obtaining its consent, and the Group Internal Audit Dept. also receives recommendations or instructions from the Committee on changes to the internal audit plan, additional audits, investigations, etc., as necessary. In formulating internal audit plans, a group-wide policy for internal audit operations has been established, and each Group company drafts a three-year medium-term plan in accordance with this policy. In addition, efforts are made to maintain and improve the quality of internal audits through information exchange, joint training, joint audits, personnel exchange, and other measures with Group companies. The results of internal audits are reported to the Audit & Supervisory Committee on a monthly basis in principle and to the Representative Director and the Board of Directors on a quarterly basis. The Group Internal Audit Dept. has a number of personnel with professional qualifications, such as certified internal auditors, and Directors should consult with the Audit & Supervisory Committee in advance regarding the appointment of the person in charge of this department.

(2) Status of Audits by Audit & Supervisory Committee

a. Structure and operations of Audit & Supervisory Committee

The Audit & Supervisory Committee is comprised of five members, two Audit & Supervisory Committee members (full-time*) and three Audit & Supervisory Committee members (independent external directors).

* 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 2023, 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 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 and confirmed what was discussed at meetings of the Advisory Committee Relating to Nominations and

Compensation.

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.

[Hiroyuki Kimura, Audit & Supervisory Committee Member (Full-time)]

Attendance rate at Audit & Supervisory Committee meetings in the fiscal year ended March 2023: 100% (12/12)

Career history: Hiroyuki Kimura has extensive experience in the Group, primarily in finance and accounting, and is well versed in its business, as well as having a considerable degree of knowledge concerning finance and accounting.

[Yasushi Takayama, Audit & Supervisory Committee Member (Full-time)]

Attendance rate at Audit & Supervisory Committee meetings in the fiscal year ended March 2023: 100% (12/12)

Career history: Yasushi Takayama has a considerable degree of knowledge concerning legal affairs, finance and accounting as well as overseas business due to his extensive business experience, primarily in legal affairs and finance, in the Nomura Group in Japan and overseas.

[Yoshio Mogi, Audit & Supervisory Committee Member (External/Independent)]

Attendance rate at Audit & Supervisory Committee meetings in the fiscal year ended March 2023: 100% (12/12)

Career history: Yoshio Mogi has great knowledge, experience and profound insights concerning global corporate management acquired through his many years working as a corporate manager for a general trading company. In addition, he has a considerable degree of knowledge concerning finance and accounting acquired through serving as CFO at the aforementioned company.

[Akiko Miyakawa, Audit & Supervisory Committee Member (External/Independent)]

Attendance rate at Audit & Supervisory Committee meetings in the fiscal year ended March 2023: 100% (12/12)

Career history: 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 in Japan and overseas, in addition to serving as a partner at a major auditing firm.

[Tetsu Takahashi, Audit & Supervisory Committee Member (External/Independent)]

Attendance rate at Audit & Supervisory Committee meetings in the fiscal year ended March 2023: 100% (12/12)

Career history: Tetsu Takahashi has great knowledge, experience and profound insights as a

legal expert acquired through his many years working as a lawyer. In addition, he has extensive experience and knowledge as an outside director and outside audit & supervisory board member at other companies.

b. Audit operations by Audit & Supervisory Committee

The Audit & Supervisory Committee, in accordance with the provisions of laws and regulations, the Articles of Incorporation, and the Audit & Supervisory Committee's Audit Regulations, performs the supervisory function with the Board of Directors, compiles basic audit plans each fiscal year, and follows a basic policy of auditing the execution of duties by the Board of Directors and the Executive Officers from the following perspectives.

(1) Whether the execution of business is in compliance with laws and regulations and the Articles of Incorporation, and whether there are any significant inappropriate matters;
(2) Whether the internal control system (including internal control over financial reporting) stipulated by the Board of Directors is appropriately developed and being operated effectively;
(3) Whether the risk management and compliance systems of the Company and each Group company functioning effectively; and
(4) Whether corporate information including financial information is being disclosed in a timely and appropriate manner.

In addition, the basic audit plan stipulates the following priority items for auditing during the fiscal year ended March 2023.

(1) Whether the sustainability policy been disseminated throughout the Group and whether it is linked to medium- to long-term improvements in corporate value;
(2) Whether the effective human resources measures are executed and whether the Wellness Management and diversity & inclusion are being properly promoted;
(3) Whether monitoring of overseas operations functions effectively and whether it leads to appropriate business execution and management decisions;
(4) Whether a climate conducive to innovation, including digital transformation (DX), is being cultivated;
(5) Whether the Company's management has increased sensitivity to risk in response to rapid changes in the macro environment (changes in domestic and international political and social conditions and the economic climate brought about by these changes) and increasing uncertainty about the future.

The Audit & Supervisory Committee carries out audit operations using the following main methods in accordance with the above basic policies and priority items for the fiscal year ended March 2023.
The Audit & Supervisory Committee compiles basic audit plans each fiscal year and audits the Group's financial results, setting significant items and role sharing in the audit operations. Main

methods for audit activities are as follows.

(i) Audit of decision-making and exercise of supervisory duties of Board of Directors
The Audit & Supervisory Committee Members confirm the decision-making process of directors and legitimacy and validity of their decisions by attending meetings of the Board of Directors, where they express necessary opinions and participate in resolutions.

(ii) Attendance at important meetings, including those of Management Committee
With the aim of grasping the decision-making process of management policies and the situation of business execution, mainly the full-time Audit & Supervisory Committee Members attend important meetings, such as those of the Management Committee, Budget Committee, Risk Management Committee, Sustainability Committee and DX Strategy Committee, Asset Strategy Committee, Human Resource, Wellness, D&I Committee, Overseas Business Risk Committee dividing their roles, and express necessary opinions. The full-time Members explain the discussions made at those meetings at monthly meetings of the Audit & Supervisory Committee.

(iii) Reports on business execution from Directors and Executive Officers and exchange of opinions with them
Mainly the full-time Audit & Supervisory Committee Members hold hearings with each director and executive officer, requiring reports on the progress of management plans and the situation of business execution and exchanging opinions with them. Particularly, the Audit & Supervisory Committee members exchange opinions with Group CFO, executive officer and supervisor of Management Division at its meetings.

(iv) Exchange of opinions with President and Director, etc.
All Members of the Audit & Supervisory Committee hold gatherings for the exchange of opinions with President and Director (Group CEO), etc. about management policies, challenges to be tackled, risks surrounding the Company, situation of environmental improvement for audits, important audit issues and other matters.

(v) Regular reports from internal control departments
The Committee requires the Group Internal Audit Dept. and each corporate department (Finance & Accounting Dept. is described separately in the next paragraph) to make regular reports to the Committee to confirm the status of the development and operation of the internal control system. In particular, the Group Internal Audit Dept. is to report at meetings of the Audit & Supervisory Committee. Receiving its explanations of internal audit plans, the Committee determines whether it is appropriate to agree with them. The Committee also advises or instructs the Group Internal Audit Dept. to change the audit plans and conduct additional audits or research. The Committee also receives reports on the results of internal audits and improvements made thereafter and those on the conditions

of internal control evaluation associated with the reports on financial results at regular monthly meetings and on other occasions. Full-time Committee members receive monthly reports from the Group Legal & Compliance Dept., quarterly reports from the Group Human Resource Dept. and Group Human Resources Development Dept., and semiannual reports from other corporate departments (Corporate Planning Dept., Sustainability Promotion Dept., DX & Innovation Management Dept., etc.) on the activities under their respective jurisdictions.

(vi) Regular reports from finance & accounting departments

On occasion of quarterly financial results, the Audit & Supervisory Committee receives reports on the Company's and the Group's financial positions from the executive officer in charge of Finance and Accounting department at its meetings and confirms whether information on financial affairs is properly disclosed. While the Audit & Supervisory Committee Members exchange opinions with Group CFO at the meeting (as stated previously), the full-time Members communicate with Group CFO as necessary to provide advice and make proposals as needed.

(vii) Inspection of documents on important decisions

While the full-time Audit & Supervisory Committee Members inspect internal approval documents and important contracts, they also explain documents presented at important meetings (as stated previously), including those of the Management Committee, at monthly meetings of the Committee.

(viii) Audits of subsidiaries

The full-time Audit & Supervisory Committee Members concurrently act as Audit & Supervisory Board Members at the Company's subsidiaries. They attend Board of Directors meetings, hear management policies, business conditions and others from directors and other executives thereof and receive reports on audit conditions from other Audit & Supervisory Board Members of each subsidiary. As necessary, they visit subsidiaries (including overseas concerns) for on-the-spot audits.

(ix) Hearings with general managers of departments

With the aim of grasping the situation of business execution at the Company, the full-time Audit & Supervisory Committee Members hold meetings with the general managers of departments as necessary to know about the management policies, business conditions, issues to be dealt with and other matters.

(x) Reports from and exchange of opinions with Accounting Auditor

Apart from its monthly meetings, the Audit & Supervisory Committee holds six meetings during a year. All of the Members attend the meetings and receive reports from the Accounting Auditor (Auditing Firm) about the outlines of its audit plans, quarterly reviews, end of year audits, internal control audits in association with financial reporting

and other matters. By doing so and exchanging opinions with the Accounting Auditor, the Audit & Supervisory Committee confirms the adequacy of the methods and results of accounting audits. Note that the Group CFO, the executive officer in charge of Finance & Accounting Dept. and the General Manager of that department as well as the executive officer in charge of the Group Internal Audit Dept. and the General Manager of that department are in attendance at each reporting session of the audit plan, quarterly reviews and audit results to promote information sharing and exchange of opinions. Along with this, the Audit & Supervisory Committee receives reports from the Accounting Auditor about the quality control system of accounting audits to secure the Accounting Auditor's independence, compliance and other attributes and to ensure that the duties thereof are appropriately exercised, and the Members exchange opinions and make confirmation in this regard. The full-time Members also communicate with the Accounting Auditor as necessary.

(Translation)

(Ref.: Progress Status of the Audit & Supervisory Committee and the Accounting Auditor in FY2022 (date))

	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
All (Full-time Committee Member + Part-time Committee Member)												
Explanation of the Audit Plan			6/14									
Report on Quarterly Review Results					8/1			11/4			2/3	
Pre-account settlement opinion exchange												3/24
Audit Result Report		5/13										
Full-time Committee Members												
Exchange of information and opinions (system revision, KAM, etc.)	4/7						10/12	11/8		1/13	2/8 2/15	3/8

＜Cooperation between the Audit & Supervisory Committee, Accounting Auditor, and Internal Audit Dept. (Three-Phase Audit)＞

(Translation)

The Audit & Supervisory Committee, in conducting its auditing activities, strives for effective three-phase audit mutual cooperation among the Audit & Supervisory Committee audits, Accounting Auditor audits, and internal audits by the Internal Audit Dept., as described above.

＜Division of Roles between Full-time and Part-time Committee Members＞

The above audit activities can be summarized in terms of the division of roles between full-time and part-time committee members as follows.

		Full-time	Part-time
(i) Audit of decision-making and exercise of supervisory duties of Board of Directors		●	●
(ii) Attending Management Committee meetings and other important meetings		●	▲
(iii) Reports on business execution from Directors and Executive Officers and exchange of opinions with them		●	▲
(iv) Exchange of opinions with the President and Director, etc.		●	●
(v) Regular reports from the internal control departments			
	Group Internal Audit Dept.	●	●
	Corporate departments (Finance & Accounting Dept. in (vi))	●	
(vi) Regular reports from the finance & accounting departments		●	●
(vii) Inspection of documents on important decisions			
	Documents for approval, important contracts, etc.	●	
	Documents for Management Committee meetings and other important meetings	●	●
(viii) Audits of subsidiaries		●	
(ix) Hearings with general managers of departments		●	
(x) Reports from and exchange of opinions with Accounting Auditor			
	Meetings reporting on audit plans, quarterly reviews, and audit results	●	●
	Exchange of information and opinions as needed	●	

*Note: ▲ attendance in some of the meetings as needed

c. Specific items on agenda at meetings of Audit & Supervisory Committee

During the fiscal year ended March 2023, the Audit & Supervisory Committee considered, discussed and determined the following items:

(About structure and operations of Committee)

- Agreed with the Company's proposal on the election of a director who is an Audit & Supervisory Committee member
- Elected Committee Chairman and full-time members
- Revised Audit & Supervisory Committee Regulations and Audit & Supervisory Committee's Audit Regulations

(About Committee's audits)

- Compiled basic audit plans
- Agreed with the Group Internal Audit Dept.'s internal audit plans
- Prepared an audit report
- No objection to items not stated in the written document of matters to be provided in electronic format for the 19th Ordinary General Meeting of Shareholders

(About Accounting Auditor)

- Agreed with compensation, etc. for the Accounting Auditor
- Evaluation of business proposals for accounting audits received from multiple auditing firms
- Determination of suitability for reappointment based on the assessment of the Accounting Auditor

(About nomination, compensation, etc. of directors)

- Determined opinions about the election, compensation, etc. of directors who are not Audit & Supervisory Committee members

Discussions on KAM

With regard to the "Key Audit Matters," which are stated in the Audit Report of the Accounting Auditor in accordance with the Financial Instruments and Exchange Act, the Accounting Auditor and the Audit & Supervisory Committee hold discussions while confirming the status of the audit throughout the year, from the time the Accounting Auditor formulates the audit plan for the current fiscal year, through the time when the results of the quarterly reviews are reported, etc., and up to the time when the year-end audit results are reported, in order to share recognition.

d. Impact of COVID-19 on auditing operations

During the current fiscal year under review, when response to COVID-19 infections progressed, the Audit & Supervisory Committee conducted effective audits in the same manner as before the pandemic, while paying attention to the prevention of infection, including domestic and international visits such as for the inspection of properties in audits concerning subsidiaries (see b. above).

(Translation)

(3) Accounting Audits

a. Name of auditing firm

Ernst & Young ShinNihon LLC

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

b. Consecutive period of auditing

Since June 2004

c. 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 Natsuki Saiki

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).

d. Assistants involved in auditing

Certified Public Accountants: 12/ Part-qualified Accountants, etc.: 6 Other: 16

e. 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.

f. 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.

(4) Liability Limitation Agreement

The Company has executed liability limitation agreements in Article 423, Paragraph 1 of the Companies Act with directors other than executive directors including Eiji Kutsukake, Hiroyuki Kimura, Yasushi Takayama, Yoshio Mogi, Akiko Miyakawa, Tetsu Takahashi, and Chiharu Takakura under the provision of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability under said agreement is the sum of the amounts specified in the provisions of Article 425, Paragraph 1 of the Companies Act. Moreover, the liability limitation is valid only when said directors other than executive directors perform their responsible duties in good faith and without gross negligence.

3. Reason for Selecting the Current Corporate Governance System

The Company has adopted an Audit & Supervisory Committee governance structure. The Company grants directors who are also Audit & Supervisory Committee members voting rights at the Board Meetings, which enhances audit and supervision functions.

Furthermore, by accepting a number of external directors and establishing an Advisory Committee Relating to Nominations and Compensation the Company will strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, and the Company has also established risk management, compliance and internal audit systems, each of which report regularly to the Board of Directors. Such reports enable the Board to effectively supervise the execution of business operations by directors and executive officers.

(Translation)

III. Measures for Shareholders and other Stakeholders

1. Vitalization of Shareholders' Meetings and Facilitating the Exercise of Voting Rights **Revised**

	Supplementary information
Early delivery of notice of convocation of general shareholders' meetings	Announcement of general shareholders' meeting is generally delivered earlier than the legal term (2 weeks prior to the date of meetings). In 2024, announcements were sent on May 31 for the meeting scheduled to be held on June 21.
Exercise of voting rights by electronic means	Since the June 2010 general shareholders' meeting, NREH has allowed the exercise of voting rights via the Internet through an electronic voting platform for institutional investors operated by the ICJ.
Provision of notice of convocation in English	Since the general shareholders' meeting held in June 2017, NREH has also announced meetings in English.
Other	NREH announces general shareholders' meetings on its official website in both Japanese and English.

2. Investor Relations Activities

	Supplementary information	Explanation by an NREH representative
Creation and announcement of Disclosure Policy	NREH provides accurate, fair, timely, and accessible financial statements and information regarding corporate strategy, and posts its "Disclosure Policy" on its official website and "V. Others 2. Other Matters Related to Corporate Governance System, etc." of this report. Furthermore, NREH complies with the "Fair Disclosure Rules" based on the Financial Instruments and Exchange Act, working to provide fair information disclosure. Disclosure Policy: https://www.nomura-re-hd.co.jp/english/ir/management/disclosure_policy.html	
Holding regular meetings	NREH regularly holds company information	No

for individual investors	sessions for individual investors through IR events, online seminars and other methods held by securities companies, etc.	
Holding regular meetings for analysts and institutional investors	NREH regularly holds earnings briefings at the time of announcing annual and semi-annual results. The representative delivers an overview of earnings results and explains corporate strategy, and the streaming of earnings briefings is provided on the Company's website. NREH also conducts a conference call on the days when quarterly earnings results are announced, briefing sessions for business activities and property tours to help analysts and investors to better understand the Company.	Yes
Holding regular meetings for foreign investors	Although NREH does not hold regular meetings for foreign investors, it regularly provides financial closing information and streaming of earnings briefings in English for foreign investors. In addition, company representatives or directors engage in dialogues with foreign investors to explain its business and financial strategies and promote their understanding through visits to their offices and conferences hosted by securities companies.	Yes
Disclosure of IR materials on the website	The Company's website provides financial information, timely disclosure documents, and the streaming of earnings briefings and general meeting of shareholders. Investor Relations: https://www.nomura-re-hd.co.jp/english/ir/	
Establishment of IR department (officer)	NREH has Corporate Communications Dept. with full-time staff in charge in order to provide accurate, fair, timely, and accessible financial statements and information regarding corporate strategy and financial information.	

3. Status of Approaches to Prioritizing Stakeholder Interests

	Supplementary information
Internal regulations for	The management structure of the Nomura Real Estate Group is

the prioritization of stakeholder interests	designed to maximize stakeholder trust and satisfaction through the timely publication of corporate information, the pursuit of environmentally-friendly business activities, and social contributions guided by the Nomura Real Estate Group Code of Action.
Promotion of environmental protection activities and CSR activities	NREH established its Sustainability Committee and Sustainability Management Dept. with the goal of enhancing the effectiveness of sustainability activities throughout the entire Group. NREH focuses on four priority areas, safety and security, environment, community, and health and well-being. Activities to create value in society based on these areas are reported both internally and externally in NREH Sustainability Reports. Sustainability Reports: https://www.nomura-re-hd.co.jp/english/sustainability/download/index.html
Other	NREH realizes its responsibility to continue growing with its customers and contributing to the society it serves through the development of social capital in the form of high quality housing and office buildings, and the provision of diverse real estate services. In order to achieve this mission, NREH focuses on the realization of high profitability and growth, as well as the continued improvement of corporate value throughout the entire Group. NREH also prioritizes the timely and fair provision of useful information, including matters that are not subject to statutory disclosure, through our website and via financial results briefings.

IV. Internal Control System

1. Basic Concept and Status of the Internal Control System

1. Ensuring Director and Executive Officer Compliance with Laws, Regulations, and Articles of Incorporation

(1) The NREH Board of Directors established the Nomura Real Estate Group Code of Action as a guide to individual employee behavior in achieving maximum stakeholder trust and satisfaction, and in making meaningful contributions to society. Directors and executive officers shall take the initiative in ensuring compliance with the Code of Action.

(2) The NREH Board of Directors established Board of Directors Regulations and the Regulations Primarily Regarding Organizations and Resolutions to govern discussions and reporting at Board Meetings. Directors and executive officers shall execute business in accordance with these Regulations.

(3) The execution of business by directors and executive officers shall be audited by the Audit & Supervisory Committee.

2. Handling and Retention of Information regarding Business Execution of Directors and Executive Officers

Information Security Provisions have been established to stipulate the handling and retention of shareholder and board meeting minutes, and other documents related to the execution of business by directors (excluding those who serve as Audit & Supervisory Committee members) and executive officers so that directors and executive officers may access it when necessary.

3. Regulations on Risk Management for Loss and Other Systems

(1) The Board of Directors shall exercise overall control of risk management in accordance with the Risk Management Regulations, develop a system to ensure effective mutual check functions, allocate appropriate personnel, provide education for the cultivation of human resources, emphasize the importance of risk management to all employees, and create appropriate measures to prevent risk.

(2) To deliberate on management risks, NREH has designated Management Committee as the entity responsible for integrated risk management, and has established Risk Management Committee under the Management Committee consisting of directors and executive officers of the Company and other Group companies designated by the Board of Directors to periodically monitor, assess, and analyze risks, and discuss basic principles for the establishment of measures to prevent risks that may occur during corporate management and business expansion, to respond when risks develop, and to prevent recurrence in accordance with the Risk Management Regulations and the Rules Regarding Meeting Structure. Also, the Company established the Group Risk Meeting, which is composed mainly of directors and executive officers from several group companies that were designated by the Chairman of the Risk Management Committee, and shares risk information and relevant policies throughout the group.

The Risk Management Committee and the Group Risk Meeting shall in principle meet every other month or when necessary and shall report the content of discussions to the Board of Directors greater than once every six months.

(3) When a time-critical risk is identified, Executive officers and managers of NREH Departments in charge of risk management, PR, management of related companies, corporate administration, and finance at the Group companies stipulated by the Risk Management Regulations, as well as the Chairman of the Risk Management Committee shall discuss and determine basic principles for measures in accordance with the Risk Management Regulations, and NREH and its group companies shall respond in line with these basic principles.

4. Ensuring Efficiency in the Execution of Business by Directors and Executive Officers

(1) To facilitate decisions regarding the business, certain matters determined by resolution of the Board of Directors shall be approved by the Management Committee or other internal approval system.
(2) To enhance Group management, an executive officer system shall be established to divide roles into management and business execution.
(3) The Board of Directors shall appoint executive officers for the execution of Company business. Individual executive officers shall execute business within the scope and content of duties based on internal regulations and in accordance with Company policies determined by the Board of Directors, decisions made by the Management Committee and the directions of the Chief Executive Officer.
(4) The Board of Directors shall create annual budgets and medium-term business plans, and perform monthly progress management. The results of monthly progress management shall be reviewed and reflected to the business.

5. Ensuring Employee Compliance with Laws, Regulations, and Articles of Incorporation
As a holding company, NREH established the following system to ensure compliance throughout the entire Group.
(1) NREH established the Nomura Real Estate Group Code of Action as a guide to individual employee behavior in achieving maximum stakeholder trust and satisfaction, and in making meaningful contributions to society. NREH shall ensure that all employees comply with the Code of Action.
(2) NREH established the Risk Management Committee and Group Legal & Compliance Dept. and promotes continual education and enlightenment activities to increase awareness of compliance throughout the entire Group for officers and employees.
(3) NREH established the Nomura Real Estate Group Helpline as an internal reporting system for use throughout the group companies. Consultation services are available at both internal (the Group Legal & Compliance Dept. and Chairman of the Risk Management Committee) and external (NREH lawyer and outsourcing contractors) locations. In addition, NREH shall impose a duty of confidentiality on those involved in Helpline operations (including persons cooperating in investigations), and shall not treat whistleblowers disadvantageously because of the fact that they have made a report.

6. Ensuring Appropriate Business Execution by Group Companies including NREH, its Parent Company, and Subsidiaries
Nomura Real Estate Group consists of NREH and its subsidiaries. The Group established the following structures to ensure appropriate business execution.
(1) NREH established the Nomura Real Estate Group Code of Action as a guide to individual employee behavior in achieving maximum stakeholder trust and satisfaction, and in making meaningful contributions to society. NREH shall ensure that all employees comply with the Code of Action.

(2) NREH established a Management Committee to discuss important matters regarding Group management, issues related to execution of business at overall group companies as well as risks concerning to Group management, and to determine issues related to execution of business at overall group companies. Through these efforts, it aims to unify the Group's management intentions.
(3) NREH established the Risk Management Committee to discuss disaster risks and internal risks over the entire Group and to promote the sharing of information.
(4) NREH has established Group Organizational Management Regulations that require group companies to discuss with or report to NREH in advance when determining important matters.
(5) NREH established the Group Internal Audit Dept. to review the internal audits performed by group companies to ensure compliance with Internal Audit Regulations and promote the maintenance and improvement of audit quality throughout the entire Group.
(6) NREH established the Sustainability Committee and the Sustainability Management Dept. and promotes continual education and enlightenment activities to increase awareness of CSR and ESG throughout the entire Group.
(7) NREH established the Nomura Real Estate Group Risk Helpline as an internal reporting system for use throughout the group companies. Consultation services are available at both internal (the Group Legal & Compliance Dept. and Chairman of the Risk Management Committee) and external (NREH lawyer and outsourcing contractors) locations. In addition, NREH shall impose a duty of confidentiality on those involved in Helpline operations (including persons cooperating in investigations), and shall not treat whistleblowers disadvantageously because of the fact that they have made a report.

7. Ensuring the Reliability of Financial Reporting
NREH established common Internal Control Regulations for Financial Reporting for group companies in accordance with the Financial Instruments and Exchange Act and other related laws to ensure the reliability of Nomura Real Estate Group financial reporting, and to perform and evaluate the effectiveness of internal control regarding financial reporting.

8. Matters regarding Directors and Employees who support the execution of duties by the Audit & Supervisory Committee/ Matters regarding the independence of the relevant Directors and Employees from Other Directors (excluding those who serve as Audit & Supervisory Committee Members)/ Matters regarding assurance of the effectiveness of instructions by the Audit & Supervisory Committee to the relevant Directors and Employees
NREH established Audit & Supervisory Committee Dept., to assist Audit & Supervisory Committee, and assigns Employees to perform duties in accordance with the directions and orders issued by Audit & Supervisory Committee Members. The directors shall obtain the consent of the Audit & Supervisory Committee members designated by the Audit & Supervisory Committee with respect to personnel

changes regarding such employees.

9. Systems designed to enable Directors, Executive Officers and Employees to report to Audit & Supervisory Committee, systems concerning reporting to Audit & Supervisory Committee from Directors, Executive Officers, Audit & Supervisory Board Members and Employees at subsidiaries or those who receive reports from such Directors, Executive Officers, Audit & Supervisory Board Members and Employees at subsidiaries, and systems to ensure the prevention of prejudicial treatment of the relevant informants

(1) When matters arise that may result in significant damage to NREH or Group companies or violate laws or the articles of incorporation arise, directors, executive officers and employees at NREH and the Group companies, and Audit & Supervisory Board members at the Group companies shall immediately report such to Audit & Supervisory Committee.

(2) The Group Internal Audit Dept. shall report to the Audit & Supervisory Committee the results of internal audits and their improvements, and evaluations of the internal control related to financial reports.

(3) Upon request from the NREH Audit & Supervisory Committee members designated by the Audit & Supervisory Committee, directors, executive officers, and employees of the Company and the Group companies shall report the status of business at their respective companies.

(4) The Risk Management Committee Chairman shall report the content of reports submitted to the Nomura Real Estate Group Helpline to the Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee.

(5) Informants described in (1) to (4) above shall be protected against prejudicial treatment.

10. Matters concerning policies on the handling of expenses or debts resulting from the execution of the duties by Audit & Supervisory Committee members, including procedures for the advance payment or indemnification of expenses

NREH shall bear the expenses for the execution of duties by Audit & Supervisory Committee members. The Audit & Supervisory Committee may hire lawyers, public accountants, consultants, or other external advisors as necessary to execute audits.

11. Ensuring Effective Auditing by the Audit & Supervisory Committee

(1) Audit & Supervisory Committee shall periodically exchange opinions with the President.

(2) Audit & Supervisory Committee Members shall share the responsibility of participating in important meetings, such as Management committee and others, to gather information and express opinions on the execution of business.

(3) Audit & Supervisory Committee members designated by the Audit & Supervisory Committee may question the Company and its Group companies about explanations or reports on the execution of

duties and investigate the state of business and finances when necessary.
(4) The Audit & Supervisory Committee shall promote close cooperation with the Accounting Auditor and the Group Internal Audit Dept. through the periodical exchange of opinions and information on audits.
(5) The Group Internal Audit Dept., shall obtain consent of the Audit & Supervisory Committee for the establishment of internal audit plans. In addition, the Audit & Supervisory Committee may provide the Group Internal Audit Dept., advice and instructions on changes in internal audit plans, additional audits, and necessary surveys, etc., when necessary.
(6) Directors shall consult with the Audit & Supervisory Committee in advance with respect to changes in responsible personnel at the Group Internal Audit Dept.

2. Basic Policy regarding the Exclusion of Anti-social Forces

In its Code of Action, which Group officers and employees must adhere to, the Nomura Real Estate Group has established the "Exclusion of anti-social forces," which is a basic policy that rejects all relationships with anti-social forces.

Nomura Real Estate Group Code of Action, Article 29 (Exclusion of anti-social forces)
Nomura Real Estate Group rejects all relationships with anti-social forces or groups that pose a threat to social order and security, or impede fair economic activities.
In addition, Nomura Real Estate Group not only refuses business transactions with these forces and groups, but also takes a resolute stance against any unreasonable demands and rejects them altogether.

In terms of specific action in accordance with this basic policy, the Group has prepared a manual and established internal structures including an administrative department to promote organized responses together with appointing managers for preventing illegitimate demands. The Group also engages in specific responses to prevent anti-social forces becoming involved with management activities and to prevent any damage from being caused by these forces, working appropriately in consultation with specialized external agencies such as lawyers and the police, and forming links with them.

V. Others

1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures	None

Supplementary Information

(Translation)

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2. Other Matters Related to Corporate Governance System, etc.

Disclosure Policy

1. Corporate Policy regarding Timely Disclosure

Nomura Real Estate Group strives to disclose important information to shareholders and investors in a timely, accurate, and fair manner with the goal of fulfilling our social responsibility in accordance with the Group Philosophy and Code of Conduct.

2. Internal System for Timely Disclosure

(1) The Collection of Information

The Chief Information Officer (the responsible Corporate Executive in the Corporate Communications Dept.) collects information from the person in charge in each department / division via the organizational unit in charge of information collection (Corporate Planning Dept.) on a centralized basis. The Chief Information Officer collects group-company information from the person responsible for the handling of information at each group company via the organizational unit in charge of information collection (Corporate Planning Dept.). The Chief Information Officer collects all critical facts via the Chairman of the Risk Management Committee.

(2) Determination of Need for Disclosure

When the determination of the need for disclosure of information collected through the above-mentioned internal system is required, the Chief Information Officer (the responsible Corporate Executive in the Corporate Communications Dept.), where appropriate, organizes an information disclosure examination team consisting of the General Managers and Corporate Executives in the relevant departments, and discusses the need for and content of disclosure and reports to the President.

(3) Timely Disclosure

The organizational unit in charge of timely disclosure (the Corporate Communications Dept.) discloses information by order of the Chief Information Officer when disclosure is required in accordance with the Timely Disclosure Rules or is determined to be necessary for other reasons. To facilitate timely disclosure, the organizational unit in charge of timely disclosure creates documents to be released and releases the required information upon approval from the Chief Information Officer. Furthermore, NREH complies with the “Fair Disclosure Rules” based on the Financial Instruments and Exchange Act, working to provide fair information disclosure.

3. Monitoring of the Timely Disclosure System

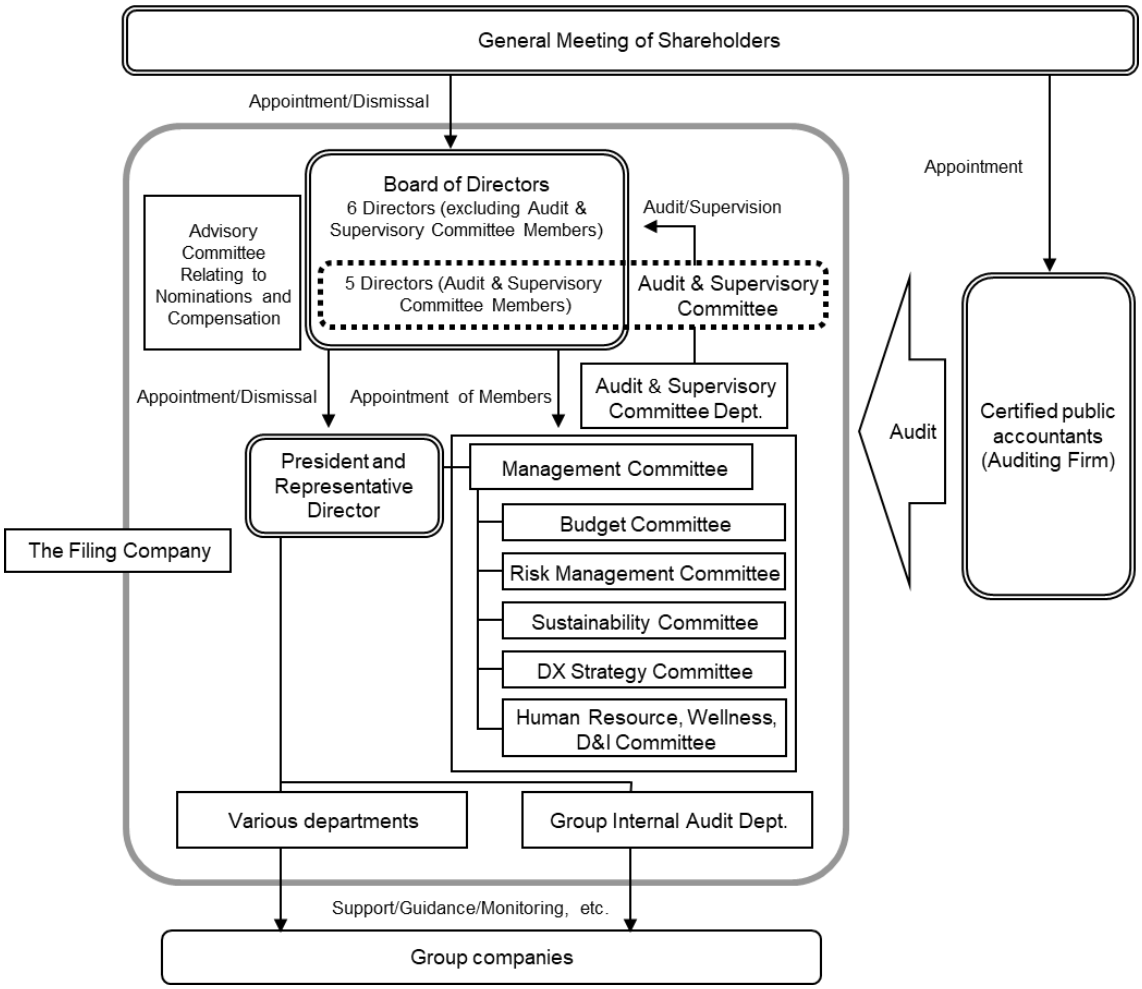
NREH has established the Group Internal Audit Department to monitor the operation of the above-mentioned timely disclosure system. Audit & Supervisory Committee Members, who are selected by

the Committee, ensure whether the timely disclosure system is functioning appropriately by attending major meetings including the Board of Directors' Meeting, hearing of reports from directors, and inspecting documents.

Under the system described above, the Company strives to the accuracy and adequacy of the information to be disclosed.

(Translation)

<Corporate Governance System>



(Translation)

< Timely Disclosure System >

