Business Report

(From April 1, 2023 to March 31, 2024)

1. Current status of the Group
   (1) Status of operations for the fiscal year under review
      1) Progress and results of business

We are pleased to announce a summary of operating results of our 20th term (April 1, 2023 to March 31, 2024). During this fiscal year, economic sentiment in Japan continued to recover moderately due to factors such as improvements in the employment and income environments and the effects of various policies.

Regarding the real estate market conditions, the housing sales market saw sales prices rise, as a result of continued strong demand while the number of units supplied per year in the Tokyo metropolitan area fell for the second year in a row. Background factors fueling the strong demand included stable mortgage interest rates and higher household income among buyers due to a rise in dual-income households. In the leasing office market, we saw demand for higher value-added offices in line with the diversification of work styles, and vacancy rates improved mainly in the central areas of Tokyo. In addition, in the retail facilities and hotel market, which had been severely affected by the COVID pandemic, service consumption and inbound demand continued to recover after restrictions on movement and entry into Japan were lifted. In the real estate investment market, although long-term interest rates are on a gradual upward trend in Japan, the volume of property transactions remained strong due to the continued good domestic fund procurement environment and strong appetite for investment among investors, and the size of the market continued to grow. The real estate brokerage market for used housing remained robust, with the number of transactions for used condominiums in the Tokyo metropolitan area proceeding at a high level and transaction prices continuing to rise, etc., due to strong demand.

In this business environment, the Nomura Real Estate Group (the "Group") posted the following consolidated performance for this consolidated fiscal year: Operating revenue of ¥734,715 million, which represents an increase of 12.2% year on year; operating profit of ¥112,114 million, an increase of 12.6%; business profit of ¥113,665 million, an increase of 8.1%; ordinary profit of ¥98,248 million, an increase of 4.4%; and profit attributable to owners of parent of ¥68,164 million, an increase of 5.6%.

Operating revenue			
¥734.7billion	up	12.2%	year on year

Operating profit			
¥112.1billion	up	12.6%	year on year

Business profit			
¥113.6billion	up	8.1%	year on year

Ordinary profit			
¥98.2billion	up	4.4%	year on year

Profit attributable to owners of parent			
¥68.1billion	up	5.6%	year on year

Note: Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

[Residential Development Business Unit]
Operating revenue in the Residential Development Business Unit totaled ¥351,812 million, which represents an increase of ¥49,332 million or 16.3% year on year, and business profit totaled ¥40,848 million, an increase of ¥7,514 million or 22.5%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.
In regard to housing sales, 4,298 units were recorded as sales (an increase of 156 units year on year), including condominiums at PROUD TOWER Meguro MARC (Shinagawa-ku, Tokyo), PROUD CITY Toyoda Tamadaira no Mori (Hino-shi, Tokyo), and PROUD CITY Otsukyo (Otsu-shi, Shiga), and detached housing units at PROUD SEASON Hikarigaoka Grace (Nerima-ku, Tokyo).
The number of housing units contracted but not recorded as sales was 3,461 units as of the end of the fiscal year under review (a decrease of 358 units year on year) and the contract progress rate against the scheduled housing sales for the next fiscal year was 69.5% at the beginning of the fiscal year ending March 31, 2025.
As an initiative in the fiscal year under review, we newly opened PROUD SEASON Gallery Komazawa. It offers a place for customers to consider a range of luxury built-for-sale detached housing in the Jonan and Josai areas of the 23 wards of Tokyo. We are actively promoting the sale of luxury built-for-sale detached housing units, for which demand is growing.
As an example of external valuation on our PROUD condominiums, we were honored with the Grand Prize in the Overall Evaluation of the SUUMO AWARD 2023.
Please note that from the fiscal year ending March 31, 2025, the hotel business, which has belonged to the Commercial Real Estate Business Unit, will now belong to the Residential Development Business Unit.

[Commercial Real Estate Business Unit]
Operating revenue in the Commercial Real Estate Business Unit totaled ¥223,752 million, which represents an increase of ¥24,442 million or 12.3% year on year, and business profit totaled ¥49,976 million, an increase of ¥10,447 million or 26.4%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.
Construction of 20 facilities including the PMO Ginza II office building and the Landport Toda logistics facility have been completed.
The Group has large-scale mixed-use developments scheduled, including the Shibaura Project (location: Minato-ku, Tokyo; major uses: office, commerce, hotel, and housing; scheduled for completion: South Tower in fiscal year ending March 31, 2025 and North Tower in fiscal year ending March 31, 2031), and the Nihonbashi 1-chome Central District Redevelopment (location: Chuo-ku, Tokyo; major uses: office, commerce, hotel, housing, and conference; scheduled for completion: fiscal year ending March 31, 2026).
In the fiscal year under review, we completed construction of the Nomura Real Estate Tameike-Sanno Building, a wooden sustainable office building. This building uses wood for construction materials and for the interior, and is designed to be environmentally friendly and conducive to the wellness of people who work in the building while ensuring fire resistance and earthquake resistance. The Nomura Real Estate Tameike-Sanno Building was selected by the Ministry of Land, Infrastructure, Transport and Tourism for the 2021 Leading Project for Sustainable Buildings (Wooden Construction Leading Type)*.

* This initiative by the Ministry of Land, Infrastructure, Transport and Tourism highlights leading examples of construction of large-scale wooden buildings that make extensive use of wood, a renewable recyclable resource. Its aim is to contribute to the advancement of construction techniques using wood while promoting and raising public awareness about wooden buildings.

[Overseas Business Unit]
Operating revenue in the Overseas Business Unit totaled ¥4,616 million, which represents a decrease of ¥2,153 million or 31.8% year on year, and business profit totaled ¥(357) million, a decrease of ¥7,645 million, resulting in decreases in both operating revenue and business

profit compared with the previous fiscal year. Share of profit (loss) of entities accounted for using equity method included in business profit in this Business Unit was ¥851 million.
In the housing sales business, sales continued to be recorded for delivery of residential condominiums of GrandPark Phase 3 in Ho Chi Minh City, Vietnam and other projects from the previous fiscal year.
In the fiscal year under review, we decided to participate in The Fitzrovia, an office building development project, and to acquire 55 St James's Street, an existing office building, in London, U.K. To meet growing demand throughout Europe for environmental performance, both projects have obtained high environmental indicators.
In addition, in Manila, the Philippines, the retail facility MITSUKOSHI BGC, in a large-scale mixed-use development of housing and commercial facilities, had its grand opening. With a carefully designed exterior and interior aesthetic that conveys the uniqueness of Japan, it represents the idea of a bridge between the Philippines and Japan, and has attracted Japanese companies among its tenants.
In the mid- to long-term business plan, the Group has positioned its overseas business as a growth field. We have set a policy of investing approximately ¥550 billion in the overseas business from fiscal year ended March 31, 2023 to fiscal year ending March 31, 2031 and growing overseas business profit to a 15% or more share of our total profit.

[Investment Management Business Unit]
Operating revenue in the Investment Management Business Unit totaled ¥14,356 million, which represents an increase of ¥724 million or 5.3% year on year, and business profit totaled ¥8,571 million, an increase of ¥481 million or 6.0%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.
Assets under management steadily increased in the domestic REIT business with Nomura Real Estate Master Fund, Inc. (NMF) and Nomura Real Estate Private REIT, Inc. (NPR) having acquired a total of 19 properties (total transaction amount of ¥80,225 million) including MEFULL Chayamachi and PROUD FLAT Shibuya Sasazuka from Nomura Real Estate Development Co., Ltd., in addition to progress in the formation of private equity funds meeting the needs of investors.
As an initiative in the fiscal year under review, Nomura Real Asset Investment Co., Ltd., a joint venture with Nomura Holdings, Inc., launched a fund management business. From the beginning, this business has various assets worth about ¥90 billion under management, including offices, housing, hotels, healthcare facilities and land. Through it, we aim to provide high-quality management services.
Furthermore, NMF received a four-star rating in the Global Real Estate Sustainability Benchmark (GRESB)* Real Estate Assessment and the highest A-level rating in the GRESB Public Disclosure Assessment, and NPR received the highest five-star rating in the GRESB Real Estate Assessment. The ESG initiatives and disclosures of these companies received high evaluations.

* GRESB is an annual benchmark assessment that measures ESG considerations for property companies and funds.

[Property Brokerage & CRE[*1] Business Unit]
Operating revenue in the Property Brokerage & CRE Business Unit totaled ¥49,588 million, which represents an increase of ¥1,888 million or 4.0% year on year, and business profit totaled ¥13,447 million, a decrease of ¥375 million or 2.7%, resulting in an increase in operating revenue and a decrease in business profit compared with the previous fiscal year.
In the retail business of this Business Unit, the Tsudanuma Center opened in January 2024, bringing the total number of branches for individual customers to 88 as of the end of the fiscal year under review.
As initiatives in the fiscal year under review, we have introduced a "hashtag-based floor plan search" function on our nomu.com real estate information website as a way of identifying floor plans with the features customers want. We have also started offering AI ANSWER Plus (beta version)[*2], a chat communication consultation AI service, which we co-developed

with LIFULL Co., Ltd. We are using AI to offer new services and experiences in our provision of real estate information.
Furthermore, we have started operating an official nomu.com LINE account. Through LINE, which is used by around 80% of the population in Japan, we share regular content such as recommended properties and mortgage loans, and customers can also book property tours. We offer customers greater convenience in their search for a home.

*1 Corporate Real Estate. Real estate strategy support services for enterprises (such as consulting on the effective utilization and trading of real estate).

*2 Notes on the beta version: The beta version may differ from the official version. We do not guarantee that the same features, services, design, performance, etc. that are provided in the official version will be provided in the beta version.

[Property & Facility Management Business Unit]
Operating revenue in the Property & Facility Management Business Unit totaled ¥108,190 million, which represents an increase of ¥2,716 million or 2.6% year on year, and business profit totaled ¥10,088 million, an increase of ¥209 million or 2.1%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.
As of the end of the fiscal year under review, the number of buildings under management was 794 buildings (up 12 from the end of the previous fiscal year), and the number of condominiums under management was 193,959 units (up 4,385).
As initiatives in the fiscal year under review, our approach for Urbanity Oji, which this Business Unit manages under contract, was selected as a pioneering regeneration model type (repair work support) in the 2023 model project for extending the life of condominium stock, which is supported by the Ministry of Land, Infrastructure, Transport and Tourism. We also received the highest award in the construction and maintenance category of the Condominium Value Up Award 2023 sponsored by the Condominium Management Companies Association. These initiatives improve the soundness of repair reserve funds needed to properly maintain and manage aging condominiums, whose numbers are set to rise sharply in Japan in the near future. The pioneering approach and ingenuity of the initiatives for prolonging the lifespan of condominiums have earned strong praise.
Furthermore, we received the Grand Prize in the overall evaluation in the customer satisfaction ranking of the SUUMO AWARD 2023 (Condominium Management Company category of Kansai Area). In addition, we also received the Grand Prize / Excellence award in three other categories, including the Hospitality category.

[Other]
Operating revenue totaled ¥280 million, which represents a decrease of ¥1 million year on year, and business profit totaled ¥161 million, an increase of ¥13 million year on year.

2) Capital investment
In the fiscal year under review, the Company spent a total of ¥66,059 million on capital investment, including 55 St James's Street and the Shibaura Project.

3) Financing
In the fiscal year under review, the Company procured necessary funds through loans from financial institutions, etc. With the aim of procuring funds to contribute to the development of a sustainable society, we have set a Group goal of using sustainable finance to procure a cumulative total of ¥700 billion by fiscal year ending March 31, 2028. As part of this effort, in the fiscal year under review we procured ¥20 billion by issuing the Shibaura Green Bond, whose proceeds will go toward the Shibaura Project (South Tower: scheduled for completion in February 2025; North Tower: scheduled for completion in fiscal year ending March 31, 2031).

4) Business transfer, absorption-type company split or incorporation-type company split
Not applicable.

5) Acquisitions of other companies' businesses
Not applicable.

6) Successions of rights or duties related to the businesses of other legal entities, etc. due to absorption-type merger or absorption-type company split
As of April 1, 2023, the absorption-type merger has been completed with PRIME X. Co., Ltd. being the surviving company and Musashi Co., Ltd. being the absorbed company.

7) Acquisitions and disposals of shares, other equities, and share acquisition rights in other companies
Not applicable.

(2) Trends in operating results and assets in and at the end of the fiscal year under review and the most recent three fiscal years

(Millions of yen)

Classification	17th term (Fiscal year ended March 31, 2021)	18th term (Fiscal year ended March 31, 2022)	19th term (Fiscal year ended March 31, 2023)	20th term (Fiscal year under review) (Fiscal year ended March 31, 2024)
Operating revenue	580,660	645,049	654,735	734,715
Operating profit	76,333	91,210	99,598	112,114
Business profit	76,448	92,765	105,172	113,665
Ordinary profit	65,965	82,557	94,121	98,248
Profit attributable to owners of parent	42,198	55,312	64,520	68,164
Basic earnings per share (Yen)	232.53	307.81	365.26	392.29
Total assets	1,921,306	2,040,506	2,110,693	2,251,456
Net assets	586,350	621,398	655,737	692,440
Net assets per share (Yen)	3,229.80	3,478.14	3,756.30	4,002.79

Notes: 1. Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

2. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, Accounting Standards Board of Japan), from the beginning of the fiscal year ended March 31, 2022, and each figure for the fiscal year ended March 31, 2022 and onwards is the figure after applying the accounting standard.

(3) Status of parent company and major subsidiaries

1) Parent company

Not applicable.

2) Major subsidiaries

Name	Share Capital (Millions of yen)	Ratio of voting rights (%)	Principal businesses
Nomura Real Estate Development Co., Ltd.	2,000	100.0	General real estate business including sale and leasing of real estate
Nomura Real Estate Asset Management Co., Ltd.	300	100.0	Investment management services including REIT and privately placed real estate funds
Nomura Real Estate Solutions Co., Ltd.	1,000	100.0	Brokerage of real estate
Nomura Real Estate Partners Co., Ltd.	200	100.0	General management of office buildings, condominiums, etc.
Nomura Real Estate Life & Sports Co., Ltd.	100	100.0	Planning and operation of sports facilities
Nomura Real Estate Heating and Cooling Supply Co., Ltd.	480	100.0	Supply of heat as provided for under the Heat Supply Business Act
Nomura Real Estate Retail Properties Co., Ltd.	243	100.0	Planning and management of retail facilities
Nomura Real Estate Wellness Co., Ltd.	300	100.0	Planning and operation of housing services for the elderly
Nomura Real Estate Hotels Co., Ltd.	100	100.0	Planning and operation of hotels
Nomura Real Estate Amenity Service Co., Ltd.	10	100.0	Cleaning of buildings and condominiums
PRIME X. Co., Ltd.	100	60.0	Internet advertising
First Living Assistance Co., Ltd.	100	51.0	Services aimed at providing assistance to customers concerning their homes
Lothbury Investment Management Limited	12 thousand pounds	100.0	Investment management services including privately placed real estate funds in the UK
ZEN PLAZA CO., LTD	213,306 million Vietnamese dong	100.0	Owning and operating office buildings in Vietnam

Notes: 1. As of April 1, 2023, the absorption-type merger has been completed with PRIME X. Co., Ltd. being the surviving company and Musashi Co., Ltd. being the absorbed company.
2. As of April 1, 2024, the Company acquired all shares of UDS Ltd. and made it a new major subsidiary.
3. The Company has no specified wholly-owned subsidiary as of the end of the fiscal year under review.
4. The ratios of voting rights of Nomura Real Estate Amenity Service Co., Ltd., PRIME X. Co., Ltd., Lothbury Investment Management Limited, and ZEN PLAZA CO., LTD are calculated based on shares held by subsidiaries of the Company.

(4) Issues to address

Having defined our 2030 Vision "Be a 'Life & Time Developer,' as never seen before," we are working to evolve our value creation and transform ourselves, to enrich people's respective lives and every moment of their time. In the mid- to long-term business plan that we formulated in April 2022, we set targets for the fiscal year ending March 31, 2031 of business profit of ¥180 billion or more, ROA of 5% or more, and ROE of 10% or more. To achieve these targets, we have put in place the following important strategies: further expansion of domestic real estate development business; high profit growth of Service & Management Sector; and steady growth of overseas business.

Values toward lifestyle, work style, consumption, and leisure are changing and diversifying, digital technology is evolving ever faster, and societal demand for sustainability is growing. To carry out our vision, we must address these kinds of shifts from a medium- to long-term perspective. Currently, we must closely watch how rising interest rates and inflation in Japan and overseas affect the real estate market, business performance, personal consumption, etc. We must also closely watch, in particular, the rise in construction costs caused by soaring material prices and labor costs, the shrinking labor force in Japan, and the intensifying competition for human resources.

Recognizing this environment, we recognize the following tasks ahead on the path to achieving sustainable growth and are working to address them. In the Development Sector, we must build a foundation for medium- to long-term growth through efforts such as securing business volume, controlling risks in response to changes in the business environment, and tackling new business areas. In the Service & Management Sector, we must boost productivity so that we can continuously develop and provide high-quality, highly competitive services.
We must also promote digital transformation throughout the entire Group as this leads to the evolution of value creation and transformation of ourselves, and promote specific initiatives for sustainability and human capital management.
In the area of human resources, through the activities of the Human Resources, Wellness, D&I Committee, we will align our human capital management to our business strategies and promote it across the Group, alongside our ongoing efforts on working with vigor and achieving wellness, work style reform, and diversity and inclusion.
Furthermore, we will move* the Group's head offices to the South Tower, which is scheduled for completion in 2025, in the large-scale mixed-use Shibaura Project. We will work to accelerate collaboration between the Group's businesses, while realizing the well-being of each employee, as we pursue growth into an even more innovative corporate group.

Through such initiatives, we will strive to realize a sustainable increase in corporate value. We appreciate the continued support and encouragement of our shareholders.

* Companies subject to the move are still under consideration.

(5) Principal business offices (as of March 31, 2024)

Business office of the Company

Head office: 1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo

(6) Status of employees (as of March 31, 2024)

1) Employees in the Group

Business Unit	Residential Development Business Unit	Commercial Real Estate Business Unit	Overseas Business Unit	Investment Management Business Unit	Property Brokerage & CRE Business Unit	Property & Facility Management Business Unit	Other	Group overall (in common)	Total
Number of employees	1,283	1,405	166	194	1,849	2,504	17	511	7,929
Number of temporary employees	202	627	7	5	107	2,689	1	46	3,684

Notes: 1. The number of employees refers to the number of working employees. The number of temporary employees indicates the annual average number calculated using a baseline of prescribed labor hours of regular employees of the respective company. Due to the rounding of fractions, total figures may not match.

2. The figure stated in "Group overall (in common)" indicates the number of employees who belong to administrative departments, which cannot be categorized as specified business units.

2) Employees in the Company

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average years of service
358	Increase of 38	41.2	12.9

Notes: 1. Number of employees presents the number of employees, including those concurrently serving at Nomura Real Estate Development Co., Ltd. and other subsidiaries of the Company. For the fiscal year under review, the Company has 338 employees who concurrently serve at its subsidiaries.

2. Figures stated for average age and average years of service include employees concurrently serving at subsidiaries of the Company.

3. The figure for average years of service is calculated based on total length of employment with the Group.

(7) Status of principal lenders (as of March 31, 2024)

The Group follows a general principle of Group financing whereby it is chiefly the Company that procures financing and supplies these funds to its subsidiaries and associates. Status of principal lenders as of the end of the fiscal year under review is as follows:

(Millions of yen)

Lender	Amount borrowed
MUFG Bank, Ltd.	155,500
Sumitomo Mitsui Banking Corporation	110,500
Mizuho Bank, Ltd.	89,500
Sumitomo Mitsui Trust Bank, Limited	50,000
Resona Bank, Limited	49,000

(8) Other important matters relating to the current status of the Group

Not applicable.

2. Status of the Company

(1) Shares of the Company (as of March 31, 2024)

1) Total number of shares authorized to be issued by the Company: 450,000,000 shares

2) Total number of shares issued: 183,268,237 shares
(including 7,602,792 treasury shares)

Notes: 1. The total number of shares issued increased by 329,800 shares due to the exercise of stock options.
2. The number of treasury shares above does not include 2,552,143 shares held by the executive compensation BIP (Board Incentive Plan) trust and 501,108 shares held by the ESOP (Employee Stock Ownership Plan) trust for granting stock for employees.

3) Number of shareholders: 29,527

4) Major shareholders (top 10)

Name	Number of shares held (Hundreds of shares)	Shareholding ratio (%)
Nomura Holdings, Inc.	647,775	36.87
The Master Trust Bank of Japan, Ltd. (Trust account)	197,155	11.22
Custody Bank of Japan, Ltd. (Trust Account)	93,676	5.33
Nomura Real Estate Holdings Employee Shareholding Association	30,056	1.71
STICHTING PENSIOENFONDS ZORG EN WELZIJN	26,062	1.48
The Master Trust Bank of Japan, Ltd. (executive compensation BIP trust account; 76272 account)	25,521	1.45
STATE STREET BANK WEST CLIENT - TREATY 505234	24,005	1.36
SSBTC CLIENT OMNIBUS ACCOUNT	20,965	1.19
JP MORGAN CHASE BANK 385781	14,954	0.85
STATE STREET BANK AND TRUST COMPANY 505103	14,554	0.82

Notes: 1. Although the Company holds 7,602,792 treasury shares, it is excluded from the list of major shareholders above.
2. The 7,602,792 treasury shares are excluded in the calculation of the shareholding ratio.

5) Status of shares granted to the officers of the Company as compensation for their execution of duties during the fiscal year under review

	Number of shares (Shares)	Number of eligible officers
Directors (excluding External Directors and Audit & Supervisory Committee Members)	49,200	5
External Directors (excluding Audit & Supervisory Committee Members)	–	–
Directors (Audit & Supervisory Committee Members)	–	–

Notes: 1. The contents of the Company's share-based compensation are described in (2) "4) Compensation, etc. for Directors" below.
2. The above also includes shares granted to retired company officers.

6) Other important matters relating to shares

The Company resolved the acquisition of treasury shares, under Article 459, Paragraph 1 of the Companies Act and Article 32 of the Company's Articles of Incorporation, at the meeting of the Board of Directors held on October 26, 2023, and made the acquisition as follows.

Type and number of shares acquired: 1,865,200 common shares
Total amount of shares acquired: ¥6,999 million
Period of acquisition: From October 27, 2023 to March 22, 2024

The Company has introduced a performance-based stock incentive plan for Directors ("executive compensation BIP trust"), according to a resolution at the 14th Ordinary General Meeting of Shareholders held on June 26, 2018, and a resolution at the 18th Ordinary General Meeting of Shareholders held on June 24, 2022 partially revised this plan and changed the scope of the plan to include Directors (excluding Directors as Audit & Supervisory Committee Members and non-residents of Japan). At the end of the fiscal year under review (March 31, 2024), the number of shares of the Company held by the executive compensation

BIP trust, including those of major subsidiaries such as Nomura Real Estate Development Co., Ltd. which introduced same plan, was 2,552,143 shares.

Furthermore, the Company has introduced the “ESOP (Employee Stock Ownership Plan) trust for granting stock,” an incentive plan for employees of the Company and the Group, according to a resolution at the meeting of the Board of Directors held on February 21, 2019. At the end of the fiscal year under review (March 31, 2024), the number of shares of the Company held by the ESOP (Employee Stock Ownership Plan) trust for granting stock was 501,108 shares.

(2) Status of company officers

1) Directors (as of March 31, 2024)

Name	Position and responsibility in the Company	Significant concurrent positions
Eiji Kutsukake	Chair and Director	Director of Nomura Real Estate Development Co., Ltd.
Satoshi Arai	President and Representative Director, and Chief Executive Officer Group CEO	Chair and Representative Director of Nomura Real Estate Development Co., Ltd.
Daisaku Matsuo	Executive Vice President and Representative Director Group COO	President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.
Makoto Haga	Executive Vice President and Representative Director Supervisor of Management Division	Executive Vice President and Representative Director of Nomura Real Estate Development Co., Ltd.
Hiroshi Kurokawa	Director and Executive Officer Business Unit Manager of Commercial Real Estate Business Unit	Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Chiharu Takakura	Director	Outside Director of Niterra Co., Ltd. Outside Director of Mitsui Sumitomo Insurance Company, Limited
Hiroyuki Kimura	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Solutions Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Life & Sports Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Retail Properties Co., Ltd.
Yasushi Takayama	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Solutions Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Wellness Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Hotels Co., Ltd. Audit & Supervisory Board Member of PRIME X. Co., Ltd.
Yoshio Mogi	Director (Audit & Supervisory Committee Member)	–
Akiko Miyakawa	Director (Audit & Supervisory Committee Member)	Representative of Akiko Miyakawa CPA Office
Tetsu Takahashi	Director (Audit & Supervisory Committee Member)	Executive Partner of ITN law office External Director of McDonald's Holdings Company (Japan), Ltd.

Notes: 1. Chiharu Takakura was elected as Director at the Ordinary General Meeting of Shareholders held on June 23, 2023, and assumed her office.

2. Director Shoichi Nagamatsu retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2023, due to the expiry of his terms of office.

3. Director Chiharu Takakura, and Directors (Audit & Supervisory Committee Members) Yoshio Mogi, Akiko Miyakawa and Tetsu Takahashi are External Directors.

4. Director Chiharu Takakura, and Directors (Audit & Supervisory Committee Members) Yoshio Mogi, Akiko Miyakawa and Tetsu Takahashi are Independent Directors/Auditors as stipulated under the regulations of the Tokyo Stock Exchange.

5. Directors (Audit & Supervisory Committee Members) Hiroyuki Kimura and Yasushi Takayama have extensive knowledge of finance and accounting from their many years of business experience in finance.
6. Director (Audit & Supervisory Committee Member) Yoshio Mogi has extensive knowledge of finance and accounting due to his business experience as CFO at a company listed on the First Section of the Tokyo Stock Exchange.
7. Director (Audit & Supervisory Committee Member) Akiko Miyakawa has great knowledge and experience and profound insights as an expert at accounting and auditing acquired through her many years working as a Certified Public Accountant.
8. The Company appoints full-time Audit & Supervisory Committee Members to strengthen the auditing and supervising function by collecting information from the Directors (excluding Audit & Supervisory Committee Members), Executive Officers, employees, etc., attending at important company meetings, and ensuring sufficient coordination between the committee and the internal audit department and others.
9. Director Chiharu Takakura assumed her office as Outside Director of Mitsui Sumitomo Insurance Company, Limited on June 23, 2023.
10. Director Chiharu Takakura retired from her position as Director of ROHTO Pharmaceutical Co., Ltd. on June 28, 2023.

2) Outline of limited liability agreements
Two Directors Eiji Kutsukake and Chiharu Takakura and five Directors as Audit & Supervisory Committee Members, have entered into agreements with the Company to limit their liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability based on the said agreements, on condition that they perform their duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.

3) Outline, etc. of the directors and officers liability insurance policy
The Company has entered into a directors and officers liability insurance policy with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers litigation expenses and the amount of legal indemnification to be borne by insureds due to corporate lawsuits, third-party lawsuits, derivative lawsuits, etc. against the insureds. The insureds in this insurance policy are Directors (including Directors as Audit & Supervisory Committee Members), Audit & Supervisory Board Members and Executive Officers of the Company and some of the Company's subsidiaries (including consolidated subsidiaries in which the Company or its subsidiary has an investment ratio of more than 50%), and the Company bears the full amount of the insurance premiums for all of the insureds. However, the amount of litigation expenses and legal indemnification, etc. resulting from an illegal act, etc. committed by an insured are not covered by the insurance policy.

4) Compensation, etc. for Directors
a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors
At a meeting of the Board of Directors, the Company resolved the policy for deciding the details of the compensation, etc. for each individual Director excluding Audit & Supervisory Committee Members. In addition, the Company established the Advisory Committee Relating to Nominations and Compensation, where the majority of members composing that body are Independent External Directors, and the Board of Directors resolved the operation, etc. of the compensation plan for the Directors, based on the deliberation by the committee and on the committee's opinion reported to the Board of Directors.
Furthermore, the Board of Directors has judged that the compensation, etc. for each individual Director in the fiscal year under review 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.
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 Chair and Director 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) The evaluation of performance retains a central emphasis on evaluation above but also evaluates by non-financial indicators (sustainability factors, etc.).
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.
<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 compensation 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 formula below.

[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 performance-based points shall be calculated by multiplying the Number of PS Points granted for each fiscal year by the performance-based coefficient determined based on the level of performance three years after the beginning of the applicable fiscal year.

For the performance-based 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

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.

b. Resolutions at the General Meeting of Shareholders regarding compensation, etc. for Directors

Monetary compensation	The amount of monetary compensation 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 amount of monetary compensation for 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).
Share-based compensation, etc. (non-monetary compensation, etc.)	Apart from the monetary compensation above, the Company has introduced a performance-based stock incentive plan. In accordance with a resolution at the Ordinary General Meeting of Shareholders held on June 24, 2022, the Company's contribution to a trust as compensation for Directors (excluding Directors as Audit & Supervisory Committee Members) will be an amount of not more than ¥1,650 million over the relevant period of three fiscal years for this compensation plan. The number of Directors (excluding Directors as Audit & Supervisory Committee Members) who were subject to the plan at the time of the resolution was seven (including one External Director).

c. Matters regarding the delegation of decisions on the details of the compensation for each individual Director excluding Audit & Supervisory Committee Members

Delegatee	President and Representative Director Satoshi Arai
Description of the delegated authority and measures adopted for ensuring appropriate exercise of such authority	As stated in the "a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors," the decisions on the specific details concerning the amounts of base compensation and bonuses, both of which are monetary compensation, to be paid out are delegated to the President and Representative Director based on a resolution of the Board of Directors. Therefore, the President and Representative Director shall decide the details. 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.
Reason for the delegation	The reason for the 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.

d. Total amount of compensation, etc. for the fiscal year under review

Category	Total number of persons paid	Total payment amount (Millions of yen)	Breakdown			
			Monetary compensation (Millions of yen)			
			Base compensation		Bonus (Performance-based incentive, etc.)	
			Number of persons paid	Amount paid	Number of persons paid	Amount paid
Directors (excluding Audit & Supervisory Committee Members)	7	719	7	289	4	144
(Of which, External Directors)	(1)	(12)	(1)	(9)	(–)	
Directors (Audit & Supervisory Committee Members)	5	155	5	155	–	
(Of which, External Directors)	(3)	(53)	(3)	(53)	(–)	
Total	12	875	12	445	4	144

Category	Breakdown			
	Share-based compensation, etc. (Non-monetary compensation, etc.) (Millions of yen)			
	Performance-based compensation		Non-performance-based compensation	
	Number of persons paid	Amount paid	Number of persons paid	Amount paid
Directors (excluding Audit & Supervisory Committee Members)	5	196	6	89
(Of which, External Directors)	(–)		(1)	(3)
Directors (Audit & Supervisory Committee Members)	–		–	
(Of which, External Directors)	(–)		(–)	
Total	5	196	6	89

Notes: 1. The number of Directors (excluding Directors as Audit & Supervisory Committee Members) shown above includes one Director who retired at the conclusion of the Ordinary General Meeting of Shareholders on June 23, 2023. The number of Directors (excluding Directors as Audit & Supervisory Committee Members) is currently six (including one External Director) as of the end of the fiscal year under review.

2. The amount paid above is shown as the amount of compensation, etc. for the fiscal year under review, recorded by the Company as an expense regardless of whether it was paid during the fiscal year under review.

3. With respect to the share-based compensation, etc. (non-monetary compensation, etc.), the number of persons paid of performance-based compensation includes the current Chair and Director. This is because the amount of compensation, etc. recorded as an expense in the fiscal year under review was the amount of payment of share-based compensation (performance-based compensation) allotted during the period when he served as an executive Director in the past.

4. 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 “a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors,” and the actual results that pertain to performance indicators are as presented in the table below. As shown in Note 2 above, the amount of compensation, etc. recorded by the Company as an expense during the fiscal

year under review was the amount paid as "monetary compensation" above. Furthermore, the difference (¥13 million) between the provision for bonuses for Directors (and other officers) for five Directors (excluding Directors as Audit & Supervisory Committee Members and External Directors) in the previous fiscal year and the bonus amount paid during the fiscal year under review is not included in amount paid in "Bonus (Performance-based incentive, etc.)" above.

	Business profit	Year-on-year change
Fiscal year ended March 31, 2024	¥113,665 million	+8.1%

5. 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 "a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors," and the actual results that pertain to performance indicators are as presented in the table below.

	The achievement-linked coefficient	Business profit	ROE
Fiscal year ended March 31, 2024	143.0%	¥113,665 million	10.1%

6. The amount paid as "share-based compensation, etc. (non-monetary compensation, etc.)" above is shown as the amount recorded as an expense associated with the executive compensation BIP trust points granted as compensation, etc. As stated in the "a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors," with respect to the performance-based compensation of the share-based compensation, etc., the number of the Company's shares, etc. to be delivered, etc. is determined by multiplying the number of points granted for each fiscal year by the performance-based coefficient determined based on the level of performance three years after the beginning of each applicable fiscal year. In the fiscal year under review, there arose a difference (¥4 million) between the amount recorded in the past fiscal years as expenses for the points granted to two Directors (excluding Directors as Audit & Supervisory Committee Members and External Directors) and the amount paid as a result of delivery, etc. of shares, etc. in the fiscal year under review. This difference is not included in amount paid in "Share-based compensation, etc. (non-monetary compensation, etc.)" above.
7. Non-monetary compensation, etc. consists of the Company's shares, etc. and the conditions, etc. for delivery are as stated in the "a. Policy, etc. regarding decisions on the details of compensation, etc. for Directors."
8. The Company revised the policy regarding decisions of the details of the compensation, etc. for each individual Director excluding Audit & Supervisory Committee Members from the previous fiscal year, 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 now include an evaluation by non-financial indicators (sustainability factors, etc.). The purpose of this change is to increase Directors' awareness of sustainability, and in the fiscal year under review, 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.

5) External Officers

a. Relations between other organizations where significant concurrent positions are assumed and the Company

Category	Name	Significant concurrent positions	Relationship with the Company
Director	Chiharu Takakura	Outside Director of Niterra Co., Ltd.	Not applicable
		Outside Director of Mitsui Sumitomo Insurance Company, Limited	There are borrowing transactions between Mitsui Sumitomo Insurance Company, Limited and the Company.
Director (Audit & Supervisory Committee Member)	Yoshio Mogi	–	–
Director (Audit & Supervisory Committee Member)	Akiko Miyakawa	Representative of Akiko Miyakawa CPA Office	Not applicable
Director (Audit & Supervisory Committee Member)	Tetsu Takahashi	Executive Partner of ITN law office	Not applicable
		External Director of McDonald's Holdings Company (Japan), Ltd.	Not applicable

Notes: 1. Director Chiharu Takakura assumed her office as Outside Director of Mitsui Sumitomo Insurance Company, Limited on June 23, 2023.
2. Director Chiharu Takakura retired from her position as Director of ROHTO Pharmaceutical Co., Ltd. on June 28, 2023.

b. Main activities for the fiscal year under review

Category	Name	Main activities and outline of duties performed in relation to expected roles
Director	Chiharu Takakura	Ms. Takakura attended 10 out of 10 meetings of the Board of Directors held after she assumed the position on June 23, 2023. She is expected to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, and ensuring fair and transparent management. She expressed her opinions at the meetings of the Board of Directors by drawing on her wealth of knowledge, experience, and profound insights related to the promotion of human capital management including human resources strategy and development.
Director (Audit & Supervisory Committee Member)	Yoshio Mogi	Mr. Mogi attended 13 out of 13 meetings of the Board of Directors and 12 out of 12 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He is expected to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. He expressed his opinions at the meetings of the Board of Directors and at the meetings of the Audit & Supervisory Committee by drawing on his wealth of knowledge, experience, and profound insights related to corporate management. In addition, he is a member of the Advisory Committee Relating to Nominations and Compensation.
Director (Audit & Supervisory Committee Member)	Akiko Miyakawa	Ms. Miyakawa attended 13 out of 13 meetings of the Board of Directors and 12 out of 12 meetings of the Audit & Supervisory Committee held during the fiscal year under review. She is expected to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. She expressed her opinions at the meetings of the Board of Directors and at the meetings of the Audit & Supervisory Committee by drawing on her wealth of knowledge, experience, and profound insights as an expert at accounting and auditing.
Director (Audit & Supervisory Committee Member)	Tetsu Takahashi	Mr. Takahashi attended 13 out of 13 meetings of the Board of Directors and 12 out of 12 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He is expected to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure. He expressed his opinions at the meetings of the Board of Directors and at the meetings of the Audit & Supervisory Committee by drawing on his wealth of knowledge, experience, and profound insights as a legal expert, as a representative of a law firm, and as an outside director. In addition, he is the Chairman of the Advisory Committee Relating to Nominations and Compensation.

(3) Accounting Auditor

1) Name Ernst & Young ShinNihon LLC

2) Amount of compensation, etc.

Category	Amount of payment (Millions of yen)
Amount of compensation, etc. to be paid to the Accounting Auditor for the fiscal year under review	96
Total amount of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	214

Notes: 1. Since the audit contract between the Company and the Accounting Auditor does not clearly distinguish between the amounts of compensation, etc. for audits conducted based on the Companies Act and based on the Financial Instruments and Exchange Act, respectively and it is not possible to substantively distinguish them, the amount of compensation, etc. to be paid to the Accounting Auditor for the fiscal year under review is the total amount for both.

2. The Audit & Supervisory Committee obtained necessary resources and received reports from the Group CFO, finance division and the Accounting Auditor, and upon doing so, it confirmed the Accounting Auditor's record of achievements and record of compensation in the past and examined the Accounting Auditor's audit plan and grounds of the calculation of the compensation estimate for the fiscal year under review. As a result, the Audit & Supervisory Committee judged that the Accounting Auditor's amount of compensation, etc. was suitable and provided its consent pursuant to Article 399, Paragraph 1 of the Companies Act.

3. Of the Company's major subsidiaries, Lothbury Investment Management Limited, and ZEN PLAZA CO., LTD are subject to auditing by Certified Public Accountants and auditing firms (including those with equivalent qualifications overseas) other than the Company's Accounting Auditor.

3) Description of non-auditing services

The Company pays fees to the Accounting Auditor for the preparation of comfort letters related to the issuance of corporate bonds outside the services provided in Article 2, Paragraph 1 of the Certified Public Accountants Act.

4) Policy for dismissal or non-reappointment decision of 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 Audit & Supervisory Committee shall dismiss the Accounting Auditor 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 at a General Meeting of Shareholders.

(4) Policy regarding decisions on the dividends of surplus

As for the year-end dividend, the Company set the year-end dividend for the fiscal year ended March 31, 2024 at 75.0 yen per share, which is an increase of 10.0 yen per share from the forecast announced in April 2023. Combined with the second quarter-end dividend already paid, the annual dividend per share is 140.0 yen.

In addition, treasury shares were purchased[*1] based on comprehensive consideration of factors such as financial soundness, share price and the business environment. As a result, the total return ratio for the fiscal year under review was 46.0%.

Under the mid- to long-term business plan, which was formulated in April 2022, the Company set a policy of the total return ratio to be 40-50% in Phase 1 (from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025). From the fiscal year ending March 31, 2025, the Company has set a policy of the annual dividend not to go below the level that satisfies a DOE[*2] of 4%. In regard to the dividend for the next fiscal year, based on these policies, the Company intends to set both the second quarter-end and the year-end dividend for the fiscal year ending March 31, 2025 at 82.5 yen per share, therefore the annual dividend per share is expected to be 165.0 yen.

*1 Acquisition of treasury shares by resolution at the meeting of the Board of Directors held on October 26, 2023
Type and number of shares acquired: 1,865,200 common shares
Total amount of shares acquired: ¥6,999 million
Period of acquisition: From October 27, 2023 to March 22, 2024

*2 DOE = annual dividend / average shareholders' equity during the fiscal year

CONSOLIDATED BALANCE SHEET

As of March 31, 2024

(Millions of yen)

Assets		Liabilities	
Current Assets:	**1,256,777**	**Current Liabilities:**	**331,064**
Cash and Deposits	54,942	Notes and Accounts Payable - Trade	78,651
Notes and Accounts Receivable - Trade, and Contract Assets	27,534	Short-term Borrowings	97,688
		Current Portion of Bonds Payable	10,000
Real Estate for Sale	499,137	Income Taxes Payable	17,467
Real Estate for Sale in Process	340,601	Deposits Received	29,983
Land Held for Development	171,401	Provision for Bonuses	12,667
Equity Investments	48,014	Provision for Bonuses for Directors (and Other Officers)	564
Other	115,155	Provision for Loss on Business Liquidation	1
Allowance for Doubtful Accounts	(10)	Other	84,040
Non-current Assets:	**994,678**	**Non-current Liabilities:**	**1,227,951**
Property, Plant and Equipment	**740,301**	Bonds Payable	140,000
Buildings and Structures	174,801	Long-term Borrowings	945,040
Land	490,547	Leasehold and Guarantee Deposits Received	60,057
Other	74,953	Deferred Tax Liabilities	42,240
Intangible Assets	**17,336**	Deferred Tax Liabilities for Land Revaluation	3,906
Investments and Other Assets	**237,039**	Provision for Share Awards	5,016
Investment Securities	178,949	Retirement Benefit Liability	12,798
Leasehold and Guarantee Deposits	32,467	Other	18,892
Deferred Tax Assets	19,367	**Total Liabilities**	**1,559,015**
Other	6,255	**Net Assets**	
Allowance for Doubtful Accounts	(0)	**Shareholders' Equity:**	**675,381**
		Share Capital	**119,479**
		Capital Surplus	**115,653**
		Retained Earnings	**472,152**
		Treasury Shares	**(31,903)**
		Accumulated Other Comprehensive Income:	**15,548**
		Valuation Difference on Available-for-sale Securities	**5,309**
		Deferred Gains or Losses on Hedges	**(4,293)**
		Revaluation Reserve for Land	**7,876**
		Foreign Currency Translation Adjustment	**4,576**
		Remeasurements of Defined Benefit Plans	**2,079**
		Share Acquisition Rights:	**355**
		Non-controlling Interests:	**1,154**
		Total Net Assets	**692,440**
Total Assets	**2,251,456**	**Total Liabilities and Net Assets**	**2,251,456**

Note: The figures are denoted by rounding fractions down to the unit indicated.

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Operating Revenue		**734,715**
Operating Costs		**490,250**
Operating Gross Profit		**244,464**
Selling, General and Administrative Expenses		**132,349**
Operating Profit		**112,114**
Non-operating Income		**1,911**
Interest Income	136	
Dividend Income	78	
Share of Profit of Entities Accounted for Using Equity Method	1,035	
Other	661	
Non-operating Expenses		**15,777**
Interest Expenses	14,093	
Other	1,684	
Ordinary Profit		**98,248**
Extraordinary Income		**5,983**
Gain on Sales of Non-current Assets	5,983	
Extraordinary Losses		**7,578**
Impairment Losses	6,537	
Loss on Building Reconstruction	1,041	
Profit before Income Taxes		**96,653**
Income Taxes - Current		**31,280**
Income Taxes - Deferred		**(2,811)**
Profit		**68,184**
Profit Attributable to Non-controlling Interests		**19**
Profit Attributable to Owners of Parent		**68,164**

Note: The figures are denoted by rounding fractions down to the unit indicated.

NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2024

(Millions of yen)

Assets		Liabilities	
Current Assets:	**372,905**	**Current Liabilities:**	**151,071**
Cash and Deposits	23,779	Short-term Borrowings	92,000
Accounts Receivable - Trade	2,398	Current Portion of Bonds Payable	10,000
Prepaid Expenses	133	Accounts Payable - Other	693
Short-term Loans Receivable	340,215	Accrued Expenses	1,406
Other	6,377	Income Taxes Payable	199
Non-current Assets:	**1,360,903**	Deposits Received	46,057
Property, Plant and Equipment	**872**	Provision for Bonuses	451
Buildings	323	Provision for Bonuses for Directors (and Other Officers)	144
Tools, Furniture and Fixtures	383	Other	118
Construction in Progress	164	**Non-current Liabilities:**	**1,086,542**
Intangible Assets	**1,698**	Bonds Payable	140,000
Software	1,338	Long-term Borrowings	937,500
Other	360	Provision for Share Awards	574
Investments and Other Assets	**1,358,332**	Provision for Loss on Business of Subsidiaries and Associates	479
Investment Securities	3,800	Other	7,989
Shares of Subsidiaries and Associates	178,554	**Total Liabilities**	**1,237,613**
Investments in Capital	211	**Net Assets**	
Long-term Loans Receivable from Subsidiaries and Associates	1,174,400	**Shareholders' Equity:**	**495,757**
Long-term Prepaid Expenses	3,022	**Share Capital**	**119,479**
Deferred Tax Assets	461	**Capital Surplus**	**119,843**
Other	35	Legal Capital Surplus	119,843
Allowance for Doubtful Accounts	(2,153)	**Retained Earnings**	**288,338**
		Other Retained Earnings	288,338
		Reserve for Purchase of Specific Shares	71
		Retained Earnings Brought Forward	288,266
		Treasury Shares	**(31,903)**
		Valuation and Translation Adjustments:	**82**
		Valuation Difference on Available-for-sale Securities	**59**
		Deferred Gains or Losses on Hedges	**22**
		Share Acquisition Rights:	**355**
		Total Net Assets	**496,195**
Total Assets	**1,733,809**	**Total Liabilities and Net Assets**	**1,733,809**

Note: The figures are denoted by rounding fractions down to the unit indicated.

NON-CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2024

(Millions of yen)

Operating Revenue		**56,979**
Dividends from Subsidiaries and Associates	32,088	
Financial Revenue	18,886	
Business Advisory Fee	1,104	
Other	4,900	
Operating Costs		**8,793**
Operating Gross Profit		**48,186**
Selling, General and Administrative Expenses		**12,818**
Operating Profit		**35,367**
Non-operating Income		**38**
Interest Income	1	
Dividend Income	29	
Gain on Forfeiture of Unclaimed Dividends	6	
Other	1	
Non-operating Expenses		**285**
Loss on Investments in Partnership	213	
Commission Fee	38	
Other	32	
Ordinary Profit		**35,120**
Extraordinary Income		**130**
Gain on Sales of Shares of Subsidiaries and Associates	103	
Gain on Reversal of Share Acquisition Rights	26	
Extraordinary Losses		**6,173**
Loss on Valuation of Shares of Subsidiaries and Associates	5,911	
Provision for Loss on Business of Subsidiaries and Associates	262	
Profit before Income Taxes		**29,078**
Income Taxes - Current		**839**
Income Taxes - Deferred		**(63)**
Profit		**28,302**

Note: The figures are denoted by rounding fractions down to the unit indicated.

Audit Report of Accounting Auditor on Consolidated Financial Statements
(Translation)

Independent Auditor's Report

May 15, 2024

To the Board of Directors
Nomura Real Estate Holdings, Inc.

Ernst & Young ShinNihon LLC
Toshihiro Morishige (Seal)
Certified Public Accountant
Designated and Engagement Partner
Kenji Sato (Seal)
Certified Public Accountant
Designated and Engagement Partner
Masahiro Yawata (Seal)
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the notes to the consolidated financial statements of Nomura Real Estate Holdings, Inc. (the "Company") applicable to the fiscal year from April 1, 2023 through March 31, 2024.
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Nomura Real Estate Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2024 in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.
The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.
Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.
If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.
There are no matters to report regarding the other information.

Management's and Audit & Supervisory Committee's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.
Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.
In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.
We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related countermeasures in order to eliminate obstruction factors or related safeguards in order to reduce obstruction factors to an acceptable level.

Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

Audit Report of Accounting Auditor on Non-consolidated Financial Statements
(Translation)

Independent Auditor's Report

May 15, 2024

To the Board of Directors
Nomura Real Estate Holdings, Inc.

Ernst & Young ShinNihon LLC
Toshihiro Morishige (Seal)
Certified Public Accountant
Designated and Engagement Partner
Kenji Sato (Seal)
Certified Public Accountant
Designated and Engagement Partner
Masahiro Yawata (Seal)
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, the notes to the non-consolidated financial statements and the related supplementary schedules of Nomura Real Estate Holdings, Inc. (the "Company") (hereinafter referred to as the "non-consolidated statements, etc.") applicable to the 20th business year from April 1, 2023 through March 31, 2024.
In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of Nomura Real Estate Holdings, Inc. applicable to the 20th business year ended March 31, 2024 in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.
The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the content of the other information, and we do not express an opinion regarding the other information.
Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.
If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.
There are no matters to report regarding the other information.

Management's and Audit & Supervisory Committee's Responsibility for the Non-consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.
In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern. Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.
In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.
We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related countermeasures in order to eliminate obstruction factors or related safeguards in order to reduce obstruction factors to an acceptable level.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Audit Report of the Audit & Supervisory Committee
(Translation)

Audit Report

The Audit & Supervisory Committee has conducted audit on the execution of duties by Directors for the 20th business year from April 1, 2023 to March 31, 2024, and hereby reports the methods, details and results of audit as follows:

1. The Methods and Details of the Audit

With regard to the resolution of the Board of Directors concerning the matters stipulated in Article 399-13, Paragraph 1, Item 1, (b) and (c) of the Companies Act, as well as the system (the internal control system) developed based on such resolution, the Audit & Supervisory Committee received reports regularly and requested explanation as necessary from the Directors, Executive Officers, employees, etc. on the establishment and operation of such system, expressed its opinion, and conducted audit by the following methods.

1) In accordance with the Audit & Supervisory Committee audit criteria established by the Audit & Supervisory Committee, as well as the auditing policies and allocation of duties, we cooperated with the internal control department of the Company; attended significant meetings; obtained reports on matters related to the execution of duties from Directors, Executive Officers, employees, etc.; requested explanation as necessary; reviewed documents which record approval of material matters; and conducted investigations regarding the status of the business operations and assets. With respect to subsidiaries, the Audit & Supervisory Committee communicated and exchanged information with Directors, Executive Officers, Audit & Supervisory Board Members, etc. of the subsidiaries, and received business reports from subsidiaries as necessary.
2) The Audit & Supervisory Committee monitored and verified if the Accounting Auditor kept its independent position and performed appropriate audit, received reports on the execution of duties from the Accounting Auditor, and requested explanation as necessary. Also, a notice informing that the "system to ensure appropriate execution of duties" (set forth in items of Article 131 of the Ordinance on Accounting of Companies) has been established in accordance with the Quality Control Standards for Audit (Business Accounting Council) and others was received from the Accounting Auditor, and we requested explanation as necessary.

Based on the methods as described above, the Audit & Supervisory Committee examined the business report and supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity and the notes to the non-consolidated financial statements) and supplementary schedules, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity and the notes to the consolidated financial statements) for the business year under review.

2. Results of Audit

(1) Audit results of business report and other documents concerned

1) We confirm that the business report and supplementary schedules comply with the laws and regulations and with the Articles of Incorporation and correctly represent the Company status.
2) We have not detected any misconduct or material fact of violation of the relevant laws and regulations or the Articles of Incorporation in connection with the execution of duties by Directors.
3) We confirm that the content of the resolution of the Board of Directors concerning the internal control system is fair and reasonable. Furthermore, we have not found anything that should be pointed out with respect to the content of the business report and the execution of duties by Directors concerning the internal control system.

(2) Audit results of the non-consolidated financial statements and supplementary schedules
We confirm that the auditing methods and results of the Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

(3) Audit results of the consolidated financial statements
We confirm that the auditing methods and results of the Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

May 16, 2024

Nomura Real Estate Holdings, Inc. Audit & Supervisory Committee

Audit & Supervisory Committee Member (Full-time)	Hiroyuki Kimura	(Seal)
Audit & Supervisory Committee Member (Full-time)	Yasushi Takayama	(Seal)
Audit & Supervisory Committee Member	Yoshio Mogi	(Seal)
Audit & Supervisory Committee Member	Akiko Miyakawa	(Seal)
Audit & Supervisory Committee Member	Tetsu Takahashi	(Seal)

(Note) Audit & Supervisory Committee Members Yoshio Mogi, Akiko Miyakawa and Tetsu Takahashi are External Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.