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Nomura Real Estate Group: Announcement of Formulation of a Business Plan

The Nomura Real Estate Group (the "Group") hereby announces that it has formulated a new business plan (the "Plan") covering the period from the fiscal year ending March 31, 2026 to around 2030.

1. Background and Purpose of the formulation of the Plan

In April 2022, the Group formulated the Mid- to Long-term Business Plan (from FY23/3 to FY31/3, the "previous plan") and the Nomura Real Estate Group 2030 Vision, "Be a 'Life & Time Developer,' as Never Seen Before," targeting business profit* of ¥115.0 billion, ROA of 4.5% level, ROE of 9% level, and a total return ratio of 40% to 50% in FY25/3. As a result of our efforts, we achieved the targets, with business profit of ¥125.1 billion, ROA of 5.1 %, ROE of 10.4%, and a total return ratio of 45.9% in FY25/3.

Based on the above vision, we recently rebuilt our growth strategies with an eye to becoming a group that maximizes happiness and abundance through across-the-board collaboration focused on meeting the needs of each customer. In addition, the Plan (ending around 2030) comprises a long-term management policy that lays out our long-term policy to realize our vision for 2030 and a three-year plan that outlines specific business strategies spanning FY26/3 to FY28/3.

* Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions + gain or loss on sale of equity interest in project companies in the Overseas Business Unit

2. Overview of the Long-term Management Policy

(1) Enhancing the Nomura Real Estate Group Vision for 2030

We will continue aiming to realize our vision for 2030, "Be a 'Life & Time Developer,' as never seen before." Under this vision, we will evolve and transform our value creation methods while striving to become a Group That Maximizes Happiness and Abundance. Specifically, we have defined the following three points in terms of how we evolve and transform our value creation methods.

How we evolve and transform our value creation methods

- Pursue a customer-centered approach in both asset and service aspects
- Facilitate Group-wide collaboration focused on meeting customer needs
- Engage with customers in sustainable co-creation and joint innovation

(2) Financial Policy

Items	Policy
ROA	5% or higher
ROE	10% or higher
Average annual business profit growth rate	8%
Shareholders' equity ratio	30%
Total return ratio	40%–50%
Annual dividends	Minimum DOE of 4%

3. Overview of the Three-Year Plan

(1) Profit Plan

We will continue to realize high profit growth at the 8% level.

Business profit (unit: billions of yen)

	FY25/3 Results	FY28/3 Targets
Residential Development	48.7	63.0
Commercial Real Estate	41.6	52.0
Overseas	6.6	11.0
Investment Management	9.8	13.0
Property Brokerage & CRE	16.5	20.0
Property & Facility Management	11.9	11.0
Other and Adjustment	(10.2)	(10.0)
Total	125.1	160.0

(2) Management Policy

- Facilitate even closer collaboration among the Development sector and the Service & Management sector while enhancing their product planning and service capabilities, with the aim of securing a solid position in our mainstay housing sales and office businesses
- At the same time, focus on implementing the following five policies in order to expand the volume of business handled by the entire Group and realize sustainable growth
- Maintain the proper management of our balance sheet even as we expand the volume of business so that we can achieve higher asset and capital efficiency as well as robust profit growth

1. Focus investment in growth businesses (rental housing, hotels, senior residences, logistics facilities)
2. Introduce investor funding in the development and leasing businesses
3. Strengthen collaboration within the Group and with the Nomura Group
4. Take measures aimed at expanding the future profit of the overseas business
5. Accelerate growth through strategic investment (M&A)

For more information on the Plan, please visit the following webpage.
https://www.nomura-re-hd.co.jp/english/ir/management/plan.html