

Bringing Tomorrow Today



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Editorial Policy

This report is published in order to foster understanding among shareholders, investors and other stakeholders about the Nomura Real Estate Group's strategies and measures geared toward the creation of mid- to long-term value. The editing and layout of this report follows the international integrated reporting framework of the International Integrated Reporting Council (IIRC).

Forward-looking Statements

This integrated report contains forward-looking statements about the future plans, strategies and performance of Nomura Real Estate Holdings, Inc. ("the Company") and its consolidated subsidiaries ("the Group"). These forward-looking statements are not historical facts. They are estimates, forecasts and projections based on information currently available to the Company and are subject to a number of risks and uncertainties, which include economic trends, intensification of competition in the real estate industry, the legal and taxation systems, and other regulations. As such, actual results may differ from those projected.

Our Ideal

Utilizing what people and communities mutually respect to engage in urban development that anticipates the future, and nurturing an affluent time to live in together with communities while creating new value for society



Introduction



We work to “create communities that anticipate the future”

Through the provision of products resulting from real estate development we create communities with extensive urban functions that offer safety, security, and comfort.

We work to create sustainable communities in which diverse generations and values can coexist and that take harmonization with nature and the environment into consideration.





We work to “nurture an affluent time”

Through the provision of a variety of services relating to real estate, we will nurture times of abundance with people who “live,” “work,” “gather,” and “relax” in communities. We support the development of communities, linking people to people and people to communities.

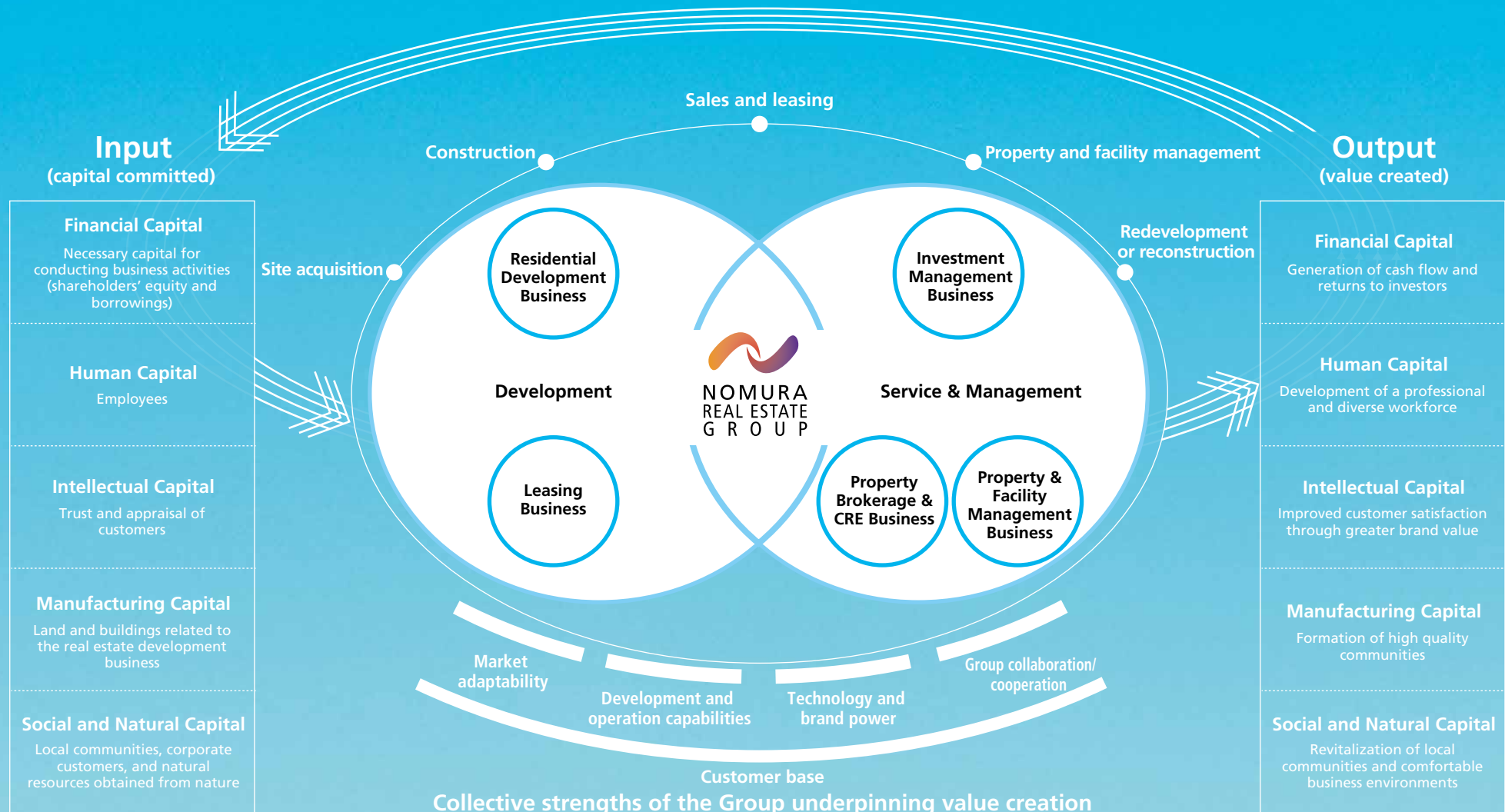


* This artist's impression was made by the Nomura Real Estate Group based on the external appearance of a condominium and is not a real-life example.

Value Creation Process at the Nomura Real Estate Group

Creating Communities That Anticipate the Future and Nurturing an Affluent Time

- Formation of high quality, safe, and comfortable housing stock
- Sustainable societies considerate of the environment
- Community building that creates connections
- Realization of a society where people can live healthy and comfortable lives



Presence of the Nomura Real Estate Group

Evidence of the Trust Gained from Customers for Continually Meeting Their Expectations

Residential Development Business

Condominium units supplied

(3rd in Japan for 2014)

4,818 units 

According to a survey conducted by Real Estate Economic Institute Co., Ltd., the Nomura Real Estate Development ranked third in Japan in the number of condominium units it supplied during 2014. As a frontrunner in the condominium sector, we will continue to respond to the needs of customers and supply high quality products to the market.

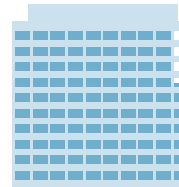
Brand image of PROUD 7 of 10 categories

1st 

In the Condominium Brand Survey 2015^{*1} conducted by Nikkei Inc. our core condominium brand PROUD ranked first in seven of the ten categories, including peace of mind, luxury, and topnotch quality. We will continue to maintain and further improve brand value going forward.

Leasing Business


Vacancy rate of leased properties

3.4% 

The Nomura Real Estate Group has continually managed properties with a focus on enhancing tenant satisfaction and worked hard to carry out sales activities closely in tune with tenant needs. As a result, the vacancy rate for our portfolio of leased properties is just 3.4%^{*2}.

Investment Management Business

Assets under management

Approx. ¥ 1.1 trillion^{*2} 

As a real estate investment firm with over one trillion yen in assets under management, the Nomura Real Estate Group accommodates a broad mix of investment needs through myriad products and services that include Japan's largest listed integrated J-REIT, private placement J-REIT, private placement investment funds, and private placement securities funds.

Property Brokerage & CRE Business

Number of nomu.com members

Approx. 250,000 

Our real estate brokerage site, nomu.com, was the first of its kind and boasts the largest number of hits and users in the industry^{*3}. Also, the number of nomu.com members targeting potential buyers broke through the 250,000 mark (April 2015), complementing the already large number of visitors to the site.

Property & Facility Management Business

Condominium property management satisfaction

1st for 7 years running 

The Nomura Real Estate Group has ranked 1st for 7 years running, from 2009 to 2015, in the property management satisfaction survey conducted by Style Act called Sumai Surfin. We will continue to enhance customer satisfaction by providing even more comfortable living environments, including Living Q Call for owner services.

*1: Condominium Brand Survey 2015 was tabulated using 1,000 (822 male, 178 female) of the 3,560 surveys completed online in response to the advertisement about the Condominium Brand Survey 2015 appearing in the morning edition of The Nikkei published on Friday, May 22, 2015.

*2: As of September 30, 2015.

*3: As of January 2015 there were approximately 1.23 million Nielsen NetView users (access from home or work computers; excluding the app) and approximately 1.25 million Nielsen MobileNetView users (access from iOS or Android devices; including the app) (ranked first in monthly users among real estate companies [brokerage services]). Although there is some overlap between computer and smartphone users, the Nomura Real Estate Group estimates are used for the total number since Nielsen does not release the number of unique computer and smartphone users.

Looking Back on Value Creation at the Nomura Real Estate Group





Eiji Kutsukake

President
Nomura Real Estate Holdings, Inc.

Bringing Tomorrow Today

Creating Value through Change

The Nomura Real Estate Group predecessor Nomura Real Estate Development Co., Ltd, was founded in 1957 with a social mission—to contribute to society by putting our full weight behind the construction of large-scale new towns to solve Japan's housing shortage, and for more than 50 years since then we have striven to develop communities and to create affluence throughout society.

The role the Nomura Real Estate Group should fulfill and expectations from society have greatly increased. Society is changing—demographics are changing due to the declining birthrate and aging population, regional communities are undergoing transformation, existing stock is aging, expectations are being placed on urban renaissance, globalization is accelerating, and environmental issues abound. We need to assess such changes in society and work hard to consider how to resolve these issues. The recently formulated Mid- to Long-term Business Plan summarizes our ideal, namely, our resolve to seriously face these questions and issues, and to continue to create new values for society.

Our Ideal

Utilizing what people and communities mutually respect to engage in urban development that anticipates the future, and nurturing an affluent time to live in together with communities while creating new value for society.

Through the provision of a variety of products and services relating to real estate, we are working on the creation of a sustainable community that offers safety, security, and comfort and, together with people who "live," "work," "gather," and "relax" in communities, we will nurture times of abundance. This is the unique way in which we create value and we believe that uniting the strength of the Group and achieving this ideal not only serves to improve sustainable corporate value but also ensures we contribute to the realization of a sustainable society.

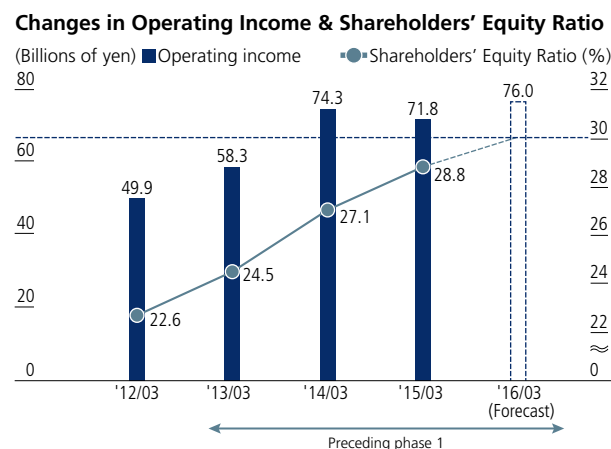
We will continue to embrace change and the challenge of realizing a more enriching tomorrow as we work to help people make their dreams come true.



Review So Far and the New Mid- to Long-term Business Plan

Moving from the “business foundations development stage” to the “pursuit of active growth stage”

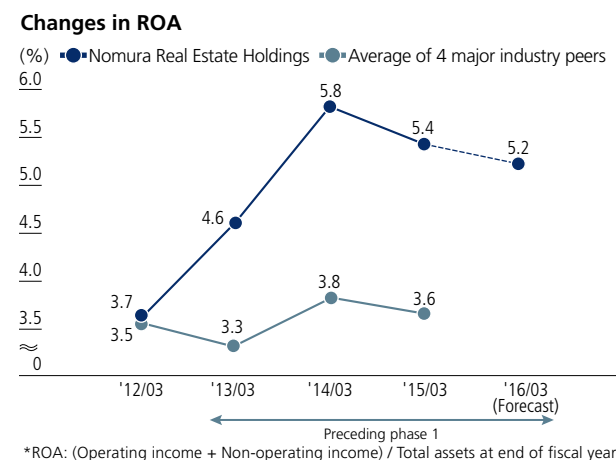
The preceding Mid- to Long-term Business Plan was prepared in 2012, prior to the Abe administration coming to power, and this



fiscal year sees us reaching the final year of phase 1 of the 10-year plan. During phase 1 we aimed for steady earnings expansion while focusing on improving our financial base, and we were able to produce results that greatly exceeded our plans and initial goals such as reaching our operating income goal two years ahead of schedule.

Specifically, we believe that completely breaking away from the impact of the collapse of Lehman Brothers and developing business foundations provided us with the opportunity to think about our future. During phase 1, in order to pursue Group synergy, we strengthened the management structure of Holdings, moved ahead with the reorganization of the Group and strengthened collaboration. In terms of financial aspects, we successfully improved shareholders' equity ratio by approximately 30%, as targeted, by accumulating periodic revenue. That is to say that through our initiatives to-date we have reached a point at which we can move from the “business foundations development stage” to the “pursuit of active growth stage,” based on the foundations we have prepared.

When investigating the new Mid- to Long-term Business Plan we repeatedly discussed on countless occasions identifying



“the kind of corporate group we should aim to be in the future,” “how we should respond to the expectations of each of our stakeholders, namely, society, customers, shareholders, and employees,” and “our strengths and our uniqueness that sets us aside from our competitors.” We formulated the new plan that draws the future vision of the Group for the next 10 years based on such frames of reference.

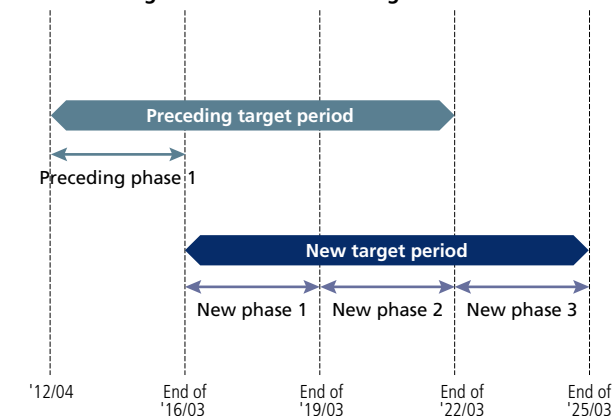
Basis for the Plan

Create new value for society using a unique growth model driven by high asset efficiency

The key points that also form the basis for this plan are the ideal of the Nomura Real Estate Group in the future and the growth model.

The theme of the new Mid- to Long-term Business Plan is “Creating Value through Change,” a theme also covered in the previous plan. Going forward we aim to be a company that adapts and keeps changing to accommodate the changing needs of society and our customers. It is not enough for us to merely follow change. The creation of new value through our transformation

Mid- to Long-term Business Plan Target Period



and the taking of initiatives to develop markets will remain the Nomura Real Estate Group's mission as we move into the future.

The ideal of the Group, announced at the same time as the new plan, indicates the initiatives we will take to create lasting value.

Demands from society have changed greatly. Some of the infrastructure and buildings we developed during the period of high economic growth are now aging and inferior in terms of earthquake resistance and the reconstruction of such infrastructure and buildings has become a social issue. We live in an age in which society demands the revitalizing of such buildings and communities and improvements to safety and convenience, as well as enhancements to the value of the buildings and communities themselves through renovation and community building. We see social contribution and business growth as compatible areas.

Moreover, lifestyles and work styles sought by customers are diversifying amidst the declining population, decreasing birth-

rate and aging society, changes to the make-up of the family unit, lifestyle changes, and the participation of women in society. Recently, as the power of local communities is being reviewed, enhancing soft infrastructure, such as the formation and revitalization of communities that support interaction between generations and regions and the response to increasing health and nursing care needs of senior citizens has become even more necessary. At the Nomura Real Estate Group we intend to use the product development, management and operations capabilities we have accumulated to-date to acquire business opportunities while responding to all these needs.

The other key point is our growth model. While we were aware of this in the previous Mid- to Long-term Business Plan, this concept develops sustainable earnings while steadily investing in anticipation of the ownership and recovery balance and maintaining high asset efficiency. The Group is not simply aiming to own a lot of leasing assets and expand our assets as seen among

our leading competitors in the industry that have ample assets. We aim to develop our own unique strengths and to continue to provide products and services to the market. We would like to establish a unique position in the industry by maintaining revenue growth that strengthens high asset efficiency while combining earnings from development projects that focus on capital turnover with fee earnings from the provision of real estate services.

Business Environment Awareness when Establishing the Plan

Changes to the Socio-economic Environment	Responses to Needs by the Nomura Real Estate Group
Declining population, decreasing birthrate, and aging society Progress of participation of women in society	<ul style="list-style-type: none"> • Provide products and services that respond to changing and diversifying lifestyles and work styles • Promote the formation and revitalization of communities that support interaction between generations and regions • Respond to increasing health and nursing care needs of senior citizens
Progress of urban renaissance in metropolitan areas Revitalizing the local economy	<ul style="list-style-type: none"> • Promote multifunctional urban development aimed at urban renaissance and regional revival • Promote central Tokyo development projects with an eye to after the Olympics
Existing stock increase and aging	<ul style="list-style-type: none"> • Support value improvements through real estate renovation and revitalize the secondary market • Provide management services that maintain and improve building functions and asset value • Promote reconstruction and redevelopment for enhancing urban functions • Response to public service outsourcing needs such as PPPs/PFIs
Expanding real estate investment market Shifting from savings to investment	<ul style="list-style-type: none"> • Provide a variety of real estate investment opportunities that respond to the diversification of investment and management needs • Respond to the borderless investment needs of domestic and overseas investors • Provide real estate solutions that respond to growing needs of inheritance and donation
Economic growth in Asia Accelerated globalization	<ul style="list-style-type: none"> • Promote real estate development projects in response to the urbanization of developing countries and respond to various real estate needs overseas • Provide real estate related services to foreigners who visit or live in Japan to enhance the international competitiveness of cities

Key Strategies

Strengthen Group-wide collaboration while expanding business in the Development and Service & Management Sectors

Moving on, given the future vision for the Nomura Real Estate Group I just mentioned, we have established three strategies on which to focus.

The first strategy is the expansion of business volume and business domains in the Development Sector. In the future we will accelerate investment and work to further expand business in both the residential development and leasing sectors, based on the financial position we have developed thus far. We will strengthen such initiatives with a keen awareness of the urban-type Compact Town concept in this sector. This concept is indicative of multifunctionality and superior comfort urban development and since we have experience in large-scale complex development that focuses on housing, this is an area in which we believe we can fully demonstrate such strengths.

The second key strategy is to demonstrate the differentiation and competitive edge of the Service & Management Sector that focuses on Investment Management, Property Brokerage & CRE, and Property & Facility Management. To achieve the high asset efficiency we are aiming for, fee earnings from this business that do not assume asset holding will be extremely important. Achieving differentiation in this sector is expected to have the knock-on effect of expanding development business opportunities within the Group, and will have a particularly important role in the growth of the Group as a whole.

The third and final key strategy is to increase and reinforce the customer base via Group-wide collaboration. This is an initiative to come together as a Group and gain customer trust amidst the broadening of the scope of customers involved in the Nomura Real Estate Group through business expansion thus far. This in itself is essential for us as we approach the next growth stage, and to this end we will work to further strengthen Group collaboration and demonstrate Group synergy.

Management Targets

Add ROE to management indicators and aim to maintain capital efficiency while doubling operating income

The new plan sets new management goals.

There are two management goals, a financial and capital management policy that acts as a constant guide during the mid-to long-term target period, and a long-term revenue goal based on this policy.

A shareholders' equity ratio that indicates soundness has been set in the financial and capital management policy. Even though we have already cleared this 30% target, we will keep 30% as our benchmark so as to enable flexible growth and investment and in order to respond to risks arising from unexpected changes in the environment.

As another financial and capital management policy we set a goal of greater than 5% ROA and 10% ROE. ROE has been

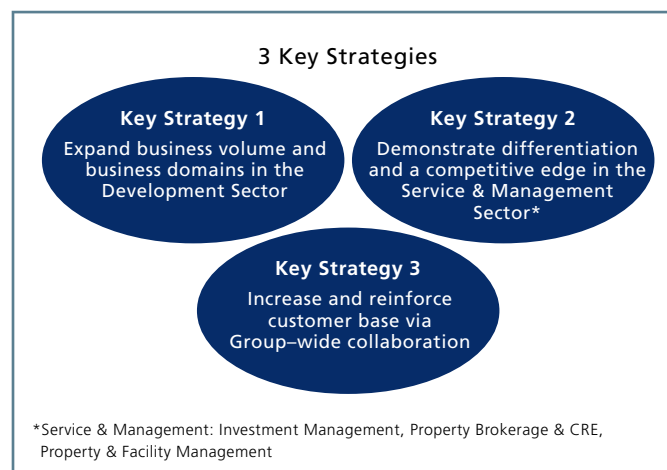
Our Ideal, Growth Model, and Key Strategies

Our Ideal

Utilizing what people and communities mutually respect to engage in urban development that anticipates the future, and nurturing an affluent time to live in together with communities while creating new value for society.

Our Growth Model

Implementing a growth model that emphasizes continuous expansion of revenue with ensured high asset efficiency by appropriately responding to changes in the social environment.



Management Indices

Long-term Revenue Goal (Fiscal Year Ending '25/3)

Operating income
¥150 billion level

Operating revenue
Above ¥1 trillion

Asset efficiency

ROA
Above 5%

Capital efficiency

ROE at the
10% level

Financial soundness

Shareholders' Equity Ratio at the
30% level

Total payout ratio

Dividend payout ratio of
Approximately 30%

newly added as a management indicator. Maintaining high shareholders' equity efficiency and continuing to respond to the expectations of shareholders and investors, our key stakeholders, are considered to be even more important in the future, hence the positioning of ROE as a management indicator.

It is these ROA and ROE indicators that should be regarded as indicating our growth model. Looking at the changes to these two indicators at major players in the same industry over the last few years, it is clear that we have top class levels of asset and capital efficiency. This efficiency was created by combining profitability, especially capital turnover from the Residential Development Business in the Development Sector and fee earnings in the Service & Management Sector. We will remain acutely aware that ROA and ROE are the representative indicators of our uniqueness, while maintaining the balance with financial soundness men-

tioned earlier.

We will leverage investment funds to achieve an even higher level of growth in the future while keeping these financial indicators in mind. Under the previous Mid- to Long-term Business Plan, for the past few years we have been preparing a financial base by continuing to take a cautious approach to expanding assets and by building up periodic income. Based on this financial position we developed, we plan to invest aggressively, and to expand assets even more in the future. However, as mentioned above, we are not aiming to blindly expand assets. We will continue to retain recovery-to-investment ratios at a high level and to work to secure high asset efficiency.

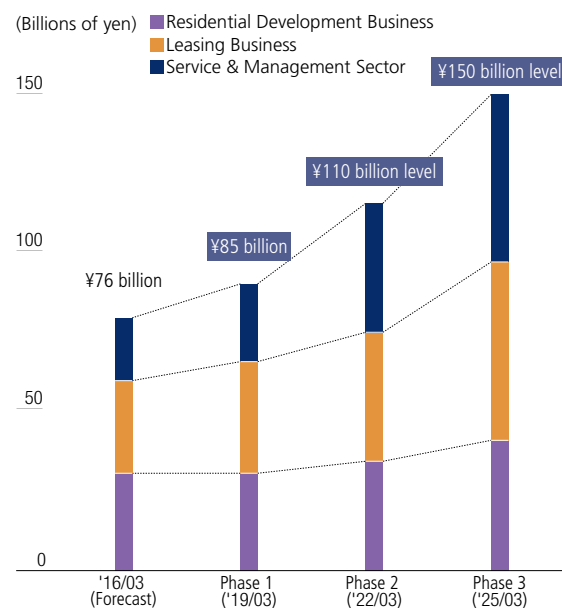
We have established a long-term goal to double operating income to the ¥150 billion level during the period ending March 2025, the final year of the plan, by actively expanding such invest-

ment. We are also aiming to expand operating revenue to exceed ¥1 trillion. We will gradually work on revenue growth to achieve these long-term goals. Specifically, we have divided the time up until the period ending March 2025 into three phases, and the benchmarks we are aiming for are ¥85.0 billion in phase 1 and ¥110.0 billion in phase 2. The goal for phase 1 is our commitment to all stakeholders and we intend to achieve this goal. The Nomura Real Estate Group maintains a long-term perspective and is moving forward in achieving each of our current goals one at a time, taking into account these high level goals.

New Initiatives toward Growth Acceleration

Engage in strategic investment for growth acceleration and create business opportunities in new areas

Revenue Growth Plan (Operating Income)



Operating Income by Segment

Unit: Billions of yen

	'16/03 Forecast	Phase 1 ('19/03) Plan
Operating revenue	575.0	700.0
Operating income	76.0	85.0
Residential Development Business	31.5	30.0
Leasing Business	30.0	35.0
Service & Management Sector	19.5	23.5
Investment Management	7.0	6.5
Property Brokerage & CRE	8.0	10.5
Property & Facility Management	4.5	6.5
Adjustments	(5.0)	(3.5)

In order to achieve even higher levels of growth, both the growth of existing businesses and the creation of new business opportunities in new areas is vital. The initiatives we will take to achieve such growth are outlined below.

In this new plan we have established a number of themes as new areas, and we will speed up initiatives in earnest to create a unique business model and to generate earnings at an early stage. The themes we have established are overseas business, senior citizen and health-related services, public-private partnership businesses, and energy management. With each theme we expect to leverage existing business know-how and customer stock within the Group while also looking at new customers, new areas, and new business sectors that we have not yet handled. Consequently, we will tackle these themes maintaining a willingness to take on challenges and vitality while demonstrating Group synergy to the full.

As well as proceeding with these individual themes, we will establish "strategic investment" as a new investment category that is not influenced by specific businesses or projects as a policy

for accelerating the growth of the Group. The estimated amount of strategic investment is ¥200 billion within the target period. This figure for strategic investment will increase business opportunities focusing on the Service & Management Sector such as the management of residences for seniors, and will be leveraged in M&A for the development of business in new areas. We plan to proactively and flexibly respond to various opportunities that will link to further accelerating the growth of the Group such as acquiring external know-how and new business opportunities.

Foundations That Support Value Creation

Focus on development and leverage of human resources with diverse values and on strengthening governance

The Nomura Real Estate Group will pursue sustainable change by ensuring the management team and employees work closer together.

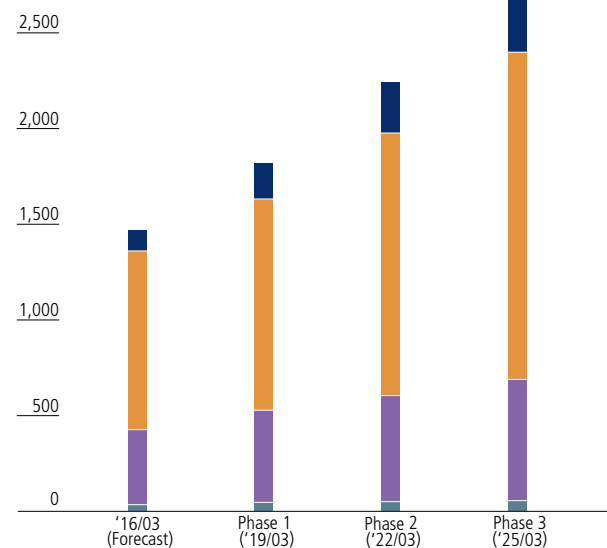
Throughout the Group's 60-year history we have continued to challenge value creation. We have the power to generate new value from the challenges we take on, exemplified by the way in which we have been able to develop the PROUD brand in just 10 years. Human resources are the source that supports such value creation. We will leverage the capabilities of our human resources

that hold diverse values so that we can continue to create value through sustainable change.

In order to create an environment in which each and every employee can use their skills to the full, during the target period for the previous Mid- to Long-term Business Plan we focused on diversity management and human resource cultivation, adopted various systems, and worked on changing employee awareness. The new Mid- to Long-term Business Plan continues to promote such activities. Furthermore, day-to-day work will link to customer satisfaction through the strengthening of collaboration within the Group and implementation of key strategies and we intend to increase situations in which employees can truly sense their contribution to the development of society. Employee satisfaction

Changes in Total Assets

(Billions of yen) 3,000
Residential Development Business Leasing Business
Service & Management Sector Others



Investment Plan

Unit: Billions of yen

Total ('17/03-'25/03)	
Residential Development Business	
Investment	3,250
Recovery	3,000
Net investment*	250
Recovery-to-investment ratio	92%
Leasing Business	
Investment	1,800
Recovery	850
Net investment*	950
Recovery-to-investment ratio	47%
Strategic Investment	200
Total	
Investment	5,250
Recovery	3,850
Net investment*	1,400
Recovery-to-investment ratio	73%

* Net investment = Investment - Recovery

Major Investment Targets for Strategic Investment

Housing for the elderly and nursing care services

- Establish an integrated structure that combines the processes from development through operation
- Enhance housing-related services

Health-related services

- Expand business domains
- Pursue Group-wide synergies

Real estate funds

- Deploy globally
- Expand business domains

Property brokerage and consulting

- Respond to inbound and outbound needs

Hotel business

- Upgrade the value of complex development
- Establish an integrated structure that combines the process from development through operation

Building management and operation

- Increase highly professional management fields

Energy management

- Develop new business by leveraging existing business base

Further IT utilization in real estate businesses

- Deploy businesses in new domains
- Improve efficiency of existing businesses

increases customer satisfaction, and links to providing return to shareholders and investors through the creation of value resulting from further changes and challenges. It is my responsibility to create an environment that generates this kind of virtuous cycle.

We must incorporate multiple viewpoints into management so that we can continue to respond to the ever-diversifying and increasingly sophisticated needs of our customers and society. Up until now we have engaged two outside directors to secure diversity on the Board of Directors. From 2015 we made the transition to an Audit & Supervisory Committee governance structure that should pave the way for an environment in which more magnanimous discussions can take place. As a result, we will create a governance structure that will lead to the enhancement of supervisory functions and monitoring by the Board of Directors. We have engaged five external directors, four of whom are independent external directors. We expect new viewpoints to result from exhaustive discussions leveraging the expertise and diverse values of each external director. We hope to continuously develop the governance structure in the future.

Message to Stakeholders

New changes that unite the Group based on the business foundations we have created

The new Mid- to Long-term Business Plan starts in 2016, the 10th anniversary of the listing of Nomura Real Estate Holdings. 2017 sees Nomura Real Estate Development reach an important turning point, namely its 60th anniversary as a Group.

Looking back to 10 years ago when Nomura Real Estate Holdings was first listed, and the changes since the year immediately prior to listing, fiscal year ended March 2006, while we experienced a decline as a result of the impact from the historic economic shock referred to as the collapse of Lehman Brothers, overall the Group has greatly expanded its businesses. Operating income that was ¥44.0 billion now stands at ¥76.0 billion, a 1.7 fold increase,

net income that was ¥13.0 billion has increased roughly three times to ¥40.0 billion, and total assets that were ¥690.0 billion have increased almost two-fold to ¥1.4 trillion. Of course it is not only financial and performance aspects that have grown. There have been increases in terms of personnel too, with the number of employees having doubled from 3,000 to over 6,000, and through repeated reorganization we have continued to change and expand our businesses and activities.

The new Mid- to Long-term Business Plan sets new targets for the next 10 years. In this plan, each Group company will collaborate with each other and all employees throughout the Group will come together and combine their strengths and realize future growth. We have a business base and a financial base that we fostered over the years and we have a human resource base that is willing to take on new challenges. If we continue to make changes and take on new challenges using these bases I am positive that we will be able to achieve our goals.

I hope that all our stakeholders, including our shareholders, have high expectations for the future of the Group.



A handwritten signature in black ink that reads "Eiji Kutsukake". The signature is written in a cursive, flowing style.

President



Fulfilling Our Mission as a Developer and Contributing to Society through “Urban Development That Anticipates the Future”

Seiichi Miyajima

Director & Executive Officer
Nomura Real Estate Holdings, Inc.
President
Nomura Real Estate Development Co., Ltd.

In Order to Continue to Fulfill the Mission— Urban Development—We Have Kept since Our Founding

Shortly after the Nomura Real Estate Group was founded we commenced business with the development of residential areas. Since then we have built up our position as an integrated developer, constantly listening to demands from society and the needs of our customers, and taking on the challenge of new businesses through flexible thinking.

Although the social climate and economic environment have undergone significant change, our “urban development” mission as a developer remains the same to this day. We believe that the social significance of the Group and our raison d'être lies in enhancing city functions through appealing community development, providing local residents with safety, security, and convenience, as well as creating value through the development of communities and harmonization with the environment, and permanently raising the value of the community.

Keeping this sense of mission that the Group has maintained since its founding in mind, as director in charge of the Group's Development Sector, I will work to create an organization and to formulate and implement strategies that contribute to urban development that anticipates the future.

Driving Growth by Expanding Product Categories, Business Areas, and Business Methods

Over the years the Group has diversified our business in line with the changing times and social changes, and I believe that the Development Sector, made up of the Residential Development and Leasing Businesses, is still the source of our competitiveness, and the origin of our Group synergy.

The newly formulated Mid- to Long-term Business Plan states the “expansion of business volume and business domains in the Development Sector” as its first key strategy, and this strategy

is expected to drive the Group's growth.

The expansion of product categories, business areas, and business methods will serve as a specific measure for propelling such strategy.

In terms of expanding product categories, in the Residential Development Business we will expand and accelerate business by developing existing products such as OHANA for suburban areas, and PROUD SEASON for detached houses, in addition to our established PROUD condominium brand. In the Leasing Business we will take on the challenge of new sectors such as serviced apartments and hotels in addition to existing sectors—offices, commercial facilities, logistics facilities, and rental housing. Following the increase in the social need for nursing care and medical services we have started to develop housing for the elderly. We will continue to develop business from leasing for the foreseeable future whilst also investigating selling.

In terms of expanding business areas, it goes without saying that we will work to expand our market share and to enhance

earning power in existing areas that focus on central Tokyo. However we will also grasp demographic changes and the increasing need for regional vitalization and make inroads into regional nucleated cities. Leveraging the brand power and know-how we have built up domestically we will take on the challenge of overseas markets, beginning with Asia, a region in which economic growth is pronounced. Specifically, we have decided to participate in the residential development business in Vietnam, and are also investigating other projects.

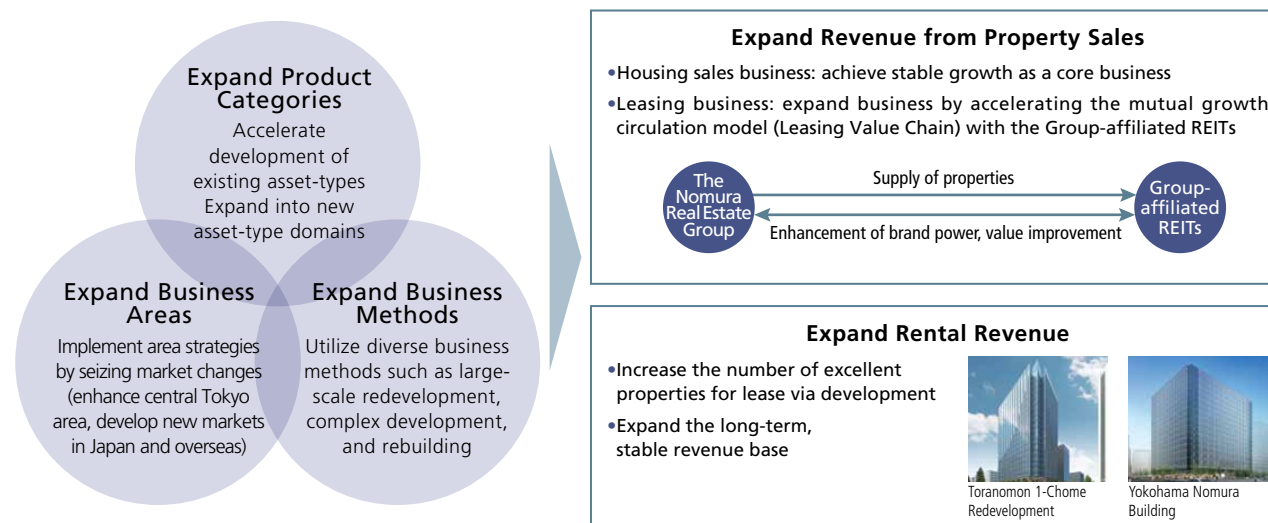
In terms of expanding business methods, we will continue with the development, sale, and disposal of new condominiums and offices that has been our main focus to-date, while also increasing our business volume by leveraging a wide range of business methods including responses to reconstruction needs associated with the aging of facilities and changes in customers' life stages, the acquisition of large-scale redevelopment and complex development projects, and participation in PPP/PFI businesses.

Achieve Stable Growth with a Business Portfolio That Focuses on Balance

Optimizing the business portfolio is essential for expanding the Development Sector. The strength of the Nomura Real Estate Group's Development Sector lies in having both a stock-based business that generates rental revenue from owning the real estate we develop and a rolling business that generates income by selling the real estate we develop to customers and Group-affiliated REITs. By ensuring the balanced growth of both businesses we can secure stable earnings while increasing asset efficiency, and this in turn allowed us to achieve our target shareholders' equity ratio of 30% during the previous Mid- to Long-term Business Plan and to maintain ROA at a level considered top-class in the industry.

As part of the new Mid- to Long-term Business Plan we will engage in proactive investment based on our stable financial position. When investing we will constantly consider the stock-based and rolling-based balance as well as the balance between the Residential Development and Leasing Businesses and the balance between existing and new businesses. The Residential Development Business is the mainstay of the Group and we will work on ensuring its sustainable growth going forward. We are contemplating doubling the current business volume of rolling-based property development for sale in the Leasing Business in the near future. In terms of stock-based development, we will select, acquire, and develop superior assets in the long-term, focusing principally on the redevelopment of complexes. Through such policy we will continue to maintain high asset efficiency, unique to the Group, in the future.

Development Sector Growth Strategies in the New Mid-to Long-term Business Plan



Strengthen Initiatives for Urban-type Compact Towns to Develop the Ideal Community

When expanding business volume and business areas as part of our development business we place great importance on large-scale redevelopment and complex development projects.

The recent increasing need for redevelopment in Japan lies behind this, and urban development and redevelopment is being planned throughout the Tokyo metropolitan area in preparation for the Tokyo Olympics that are due to take place in 2020. The number of opportunities for new urban development, including compact cities, not just in central Tokyo but also in suburban cities has increased under the Government slogan "Vitalizing the Local Economy."

I believe that meeting such social needs and proactively participating in urban development that leverages the characteristics of each region provides the Group with the opportunity to demonstrate the strengths we have built up and to grow, while also fulfilling our social mission as a developer.

Above all, the Nomura Real Estate Group is proud that our results put us in the top class in the industry in the residential redevelopment sector, and we are currently involved in numerous other projects such as the redevelopment of Musashi-Koganei Station South Exit and the redevelopment of the area in front of Nishi-Nippori Station. Participating in such a large number of redevelopment projects has enabled us to get close to local residents, including land owners, and to build up a wealth of knowledge and know-how necessary for urban development while also gaining the trust of land owners.

In addition to such a base, expanding our business activities in recent years has enabled us to improve our ability to respond to complex development projects that incorporate a variety of facilities, including offices and commercial facilities. The redevelopment of Toranomon 1-Chome marks the start of efforts to accelerate our redevelopment business in central Tokyo. As part of the Nishi-Azabu 3-Chome redevelopment project we will take on new sectors such as hotels as well as existing business segments.

We intend to focus our attention on such initiatives, leveraging our unique strengths to create urban-style compact towns that offer multifunctionality and superior comfort and that are adjacent to various facilities necessary for living such as transportation, medical institutions, and governmental and public facilities. As I just mentioned, we are involved in a number of projects including the redevelopment of areas in front of stations in the metropolitan area such as Musashi-Koganei. In the future I would

like the Group to contribute to "ideal urban development" that responds to the wishes of residents across an even wider area encompassing regional nucleated cities.

Acquisition of Large-scale Redevelopment and Complex Development Projects by Strengthening Initiatives for Urban-type Compact Towns



Strengthen Group-wide Collaboration and Achieve Further Growth throughout the Group

Enhancing Group-wide collaboration is essential to achieve growth in the Development Sector.

We need to integrate the knowledge that each Group company has accumulated, including both the Development Sector's know-how relating to tangible aspects and the Service & Management Sector's know-how relating to soft infrastructure, so that we can respond to the kinds of large-scale redevelopment and complex development projects I mentioned above. With urban development both the quality of the tangible aspects such as building and equipment, and raising the value of facilities through management are extremely important.

Accumulating know-how that increases value in line with

tangible aspects and the management thereof directly links to development capabilities and this in turn links to the acquisition of many business opportunities.

It is also important to integrate each Group company's point of contact with customers so that we can expand business opportunities and broaden our customer base. We intend to strengthen customer relations based on the "Nomura Real Estate Group Customer Club" launched in 2015. Through this initiative we will collaborate with Group companies to provide seamless services ranging from maintenance, remodeling, and interior decorating to the purchase of another home, according to the residential lifecycle.

I also believe that accumulating know-how from each Group company is the key to success in promoting Group brand strategies, strengthening an integrated development, sales and management structure, and to taking on new businesses such as

senior citizen, health-related, and overseas businesses.

Luckily thorough customer orientation that puts customer satisfaction first and foremost has taken root as DNA at the Group. I am convinced that even if the company or organization an employee is affiliated to and the products and services handled differ, we can raise the value of the Group as a whole and maximize the value we provide to society and customers just as long as employees who share this attitude coordinate properly.

Increase and Reinforce Customer Base via Group-wide Collaboration



Enhancement of Group-wide Collaboration

- Reinforcement of an integrated development, sales and management structure
- Group-wide collaboration toward multifunctional urban development
- Enhancement of the Nomura Real Estate Group Customer Club*
- Group-wide collaboration in the senior citizen and health-related business
- Promotion of a Group-wide brand strategy

* Housing-related membership of the Group





As a group of companies engaged in real estate—a core component of people’s lives—the Nomura Real Estate Group’s businesses place it in close proximity to local communities. We recognize that our mission in society is to work closely with stakeholders to address social issues and help realize a sustainable and affluent society through our products and services.

In conjunction with the start of the new Mid- to Long-term Business Plan, we have prepared the ideal of the Nomura Real Estate Group. Our approach to CSR is defined by this ideal. In other words, we seek to achieve sustainable urban development that is safe, secure and comfortable and that focuses on harmony with the natural environment, while leveraging the diversity and values of people and the community. We will nurture an affluent time to live in together while supporting community building that connects people and neighborhoods.

Furthermore, in order to carry out CSR activities aligned with the management strategy in the Mid- to Long-term Business Plan, we have modified key themes and the CSR promotion system including promotion foundations that support them, based on the socioeconomic environment and changing customer needs.

In addition to achieving sustainable value creation under the four themes, we will also promote CSR management that includes development of a diverse workforce using diversity management—an important promotion foundation, establishment of robust corporate governance system, and reinforcement of compliance and risk management practices. Going forward, we will continue to create new value for society while finding solutions to social issues.

CSR Promotion System



Four Key Themes



Safety and Security

There is growing demand for safety and security, including responding to natural disasters, addressing aging real estate stock, and expectations for urban revitalization.

The Nomura Real Estate Group is working to meet this demand by enhancing service quality in both tangible and intangible forms. This includes introducing advanced technologies, ensuring building quality through proprietary quality control standards, improving city functions through urban development as well as preparing a disaster preparedness plan, drawing up a business continuity plan and providing a full range of after-sales services. Through these efforts we are working toward delivering safety and security to customers and communities.



The Environment

Addressing environmental issues and energy shortages has become an important social issue and a company will not be able to continue as a going concern without first addressing these issues.

The Nomura Real Estate Group has dedicated itself to reducing environmental impacts through its businesses, such as by introducing advanced environmental technologies and ICT solutions and through passive design and energy creating designs in harmony with the natural environment.

We support community development through events and town meetings, provide ongoing environmental education opportunities, and are working with communities to achieve a sustainable society.



Communities

The erosion of personal and community connections through changing demographics and the weakened functions of communities has become a social issue in Japan.

The Nomura Real Estate Group is working to create vital communities together with the people that live, work, gather and visit there while leveraging the diverse values of each community through urban compact towns, mutual aid, and mechanisms encouraging multi-generational interactions.



Health and Comfort

Peoples' interest in health and comfort continues to grow as society ages and the amount of leisure time increases. Needs surrounding health and comfort are also becoming more sophisticated and diverse because of changing values and lifestyles.

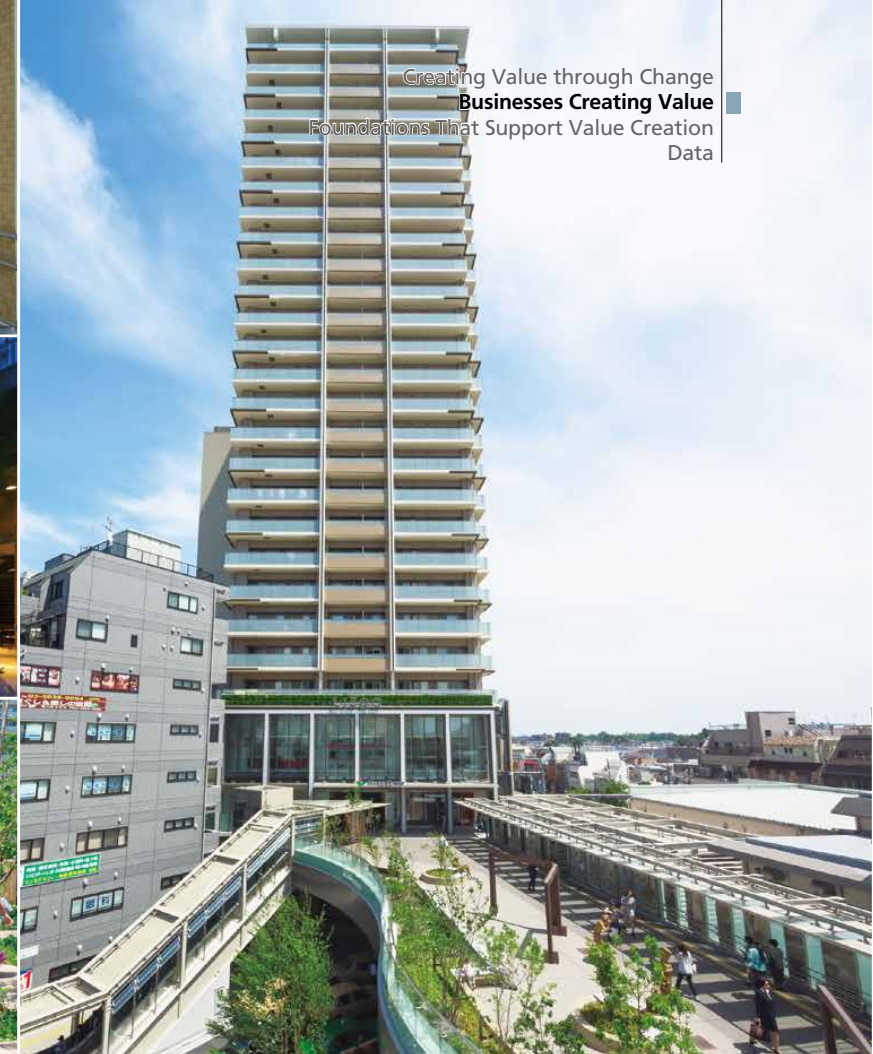
The Nomura Real Estate Group is helping people to live healthier and more comfortable lives through its sports promotion efforts, development of senior housing, universal design concepts, and mechanisms encouraging community involvement.

Special Feature 1:
Value Creation through Urban Redevelopment

Breathing New Life into a Community through Urban Redevelopment Next to the Railway Station

Oizumi-gakuen Station North Exit Type 1 Urban Redevelopment Project

One area of Nomura Real Estate Development's focus is urban redevelopment projects next to railway stations. We have been involved in the Oizumi-gakuen Station North Exit Type 1 Urban Redevelopment Project from the concept stage and, harnessing the wealth of expertise offered by the Nomura Real Estate Group, we are helping to build a safe and comfortable living environment and to realize urban development that reinvigorates the community.



Creating Value through Change
Businesses Creating Value
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Data

Community Issues

Chapter 1

Important Transportation Hub of Nerima Ward Requiring Better Land Use and Improved Transportation Functions

Oizumi-gakuen Station can be reached in as little as 15 minutes from Ikebukuro on the Seibu Ikebukuro Line and the station is also located close to major roads including Mejiro-dori Street and the Kanetsu Expressway, making it a transportation hub serving a large number of bus routes. As a result, the area immediately around the station quickly developed into a core commercial district that is now considered an important community hub in Nerima Ward's master plan on urban planning.

However, the north exit of the station was in dire need of improvement in terms of safety and comfort, given the narrow pedestrian spaces, the separate locations of the bus stop and taxi stand, and dangers posed to the local community from abandoned bicycles and other issues. There were also many old buildings and a large amount of unused or underutilized land, indicating land and spaces were not being used effectively. This led to greater

expectations for improved transportation functions, the greater concentration of commercial and public facilities, and community revitalization, through urban redevelopment.

Initiation of Urban Redevelopment Plan Chapter 2

Involved in the Urban Redevelopment Project from the Concept Stage as One of the Real Estate Rightsholders

To address the community's issues, the North Exit Urban Development Roundtable was established in 2005 marking the start of the concept stage of the actual urban redevelopment project. In 2008, the Urban Redevelopment Preparation Union was established and began working on a specific proposal. In 2011, these efforts culminated in the finalization and announcement of the official urban plan.

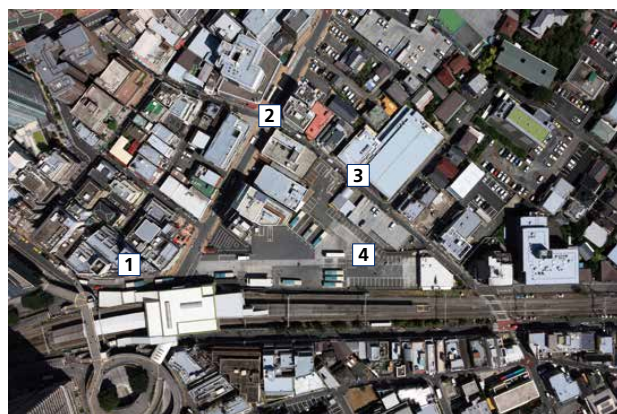
Nomura Real Estate Development acquired property within the redevelopment zone in 2007, and at the request of Nerima Ward the company has been involved in the urban redevelopment project since the basic concept stage as one of the real estate

Goals of Urban Redevelopment

- (1) Provision of safe and comfortable transportation functions
- (2) Revitalization of community's commercial facilities
- (3) Supply of high quality urban housing
- (4) Construction of highly convenient public interest facilities

rightsholders. In 2011, Nomura Real Estate Development was selected as an official project participant, leading it to be involved with other rightsholders and the local government in not only the drafting of the plan, but also the selection of consulting, design and construction firms. The company worked on the interior and exterior designs and landscape designs for the construction plan. It also worked with other experts from various fields, such as the lighting, on planning and developing new buildings and residential developments as one of the business stakeholders.

Issues Prior to Urban Redevelopment



10-year History of Public-private Urban Redevelopment



Urban Development Roundtable

- 2005: North Exit Urban Development Roundtable established
- 2011: Nomura Real Estate Development was selected as an official project participant
- 2013: Construction began on buildings and public facilities
- 2015: Construction on buildings and public facilities completed

Project Implementation Aimed at Improving Safety and Convenience

Chapter 3

Fulfilling the Expectations of Community Members with the Expertise of the Nomura Real Estate Group

In addition to the building containing Grand Emio Oizumi-gakuen, a mixed use commercial facility directly linked to the station, and PROUD TOWER Oizumi-gakuen, a 27-story high-rise condominium, this project benefited the public in many ways through the development of various infrastructures. This included the creation of a station-front open area, pedestrian overpasses, taxi pool, bus terminal, east-west through road, city residents' office, municipal bicycle parking lot, and rooftop garden that also serves as a community hub in case of a disaster.

One particular feature of the project was the bus terminal that operates some 300 buses daily from the first floor of the jointly

owned building containing PROUD TOWER Oizumi-gakuen and Grand Emio Oizumi-gakuen. This marked the first time that public transportation was located within a jointly owned building in Japan (according to research by Nomura Real Estate Development). Jointly owned buildings have complicated rights relationships involving land owners and residential unit buyers, but Nomura Real Estate Development leveraged its expertise and track record in redevelopment projects to carefully balance and reflect the interests of stakeholders.

In addition, roads were widened and a pedestrian overpass installed linking the station to separate cars from people and ensure pedestrian safety. The south and north sides of the station were joined with an overpass to make it easier for people to get around and a pedestrian walkway and pass through was constructed to connect the east and west sides of the station, greatly improving convenience.

Measures for Improving Safety and Convenience



Widened roads

Narrow roads were widened making two-way traffic possible (including buses) and enhancing pedestrian spaces.



Bus terminal on the first floor of the building

A new bus terminal was constructed on the first floor of the building with dedicated bus access road. The terminal provides space for buses and provides riders with covered protection from the elements.



Pedestrian overpasses directly linking the station

New pedestrian overpasses with a roof were installed in the area where little space was available between cars and people. These overpasses directly link the station with the building ensuring pedestrian safety and making it easier for people to get around the station area.

Completion and the Future

Chapter 4

Managing the Entire Facility and Contributing to Comfortable and Affluent Urban Development

Construction in the urban redevelopment area, which was named Lizmo Oizumi-gakuen, moved forward under a short timeline for such a major urban redevelopment project, with work completed in March 2015, almost exactly three years from when the Urban Redevelopment Preparation Union was established in March 2012. In early April Grand Emio Oizumi-gakuen opened for business. By early May 2012 all facilities were up and running including the city residents' office. Each facility features innovative designs for it to be used as a place of gathering or leisure so that the area will become a new hub for the broader community. This includes the rooftop garden and pedestrian overpasses.

PROUD TOWER Oizumi-gakuen, the residential component of this project, offers one of the best surrounding communities

Mechanisms for Comfortable and Affluent Urban Development



Rooftop garden as a place of leisure

The rooftop garden is intended to serve as the living room of the community, contributing to its development as well as serving as a hub in case of a disaster.



"Birthplace of Japanese Anime"

Visitors are welcomed at the anime gate pedestrian overpass by statues of anime characters installed at the entrance by Nerima Ward.

among the entire PROUD series, including convenient access to transportation options, a high concentration of commercial facilities, a verdant natural environment, and great overall livability. These features were extremely well received by customers, leading the property to quickly sell out.

Nomura Real Estate Partners is responsible for managing these new facilities. The scope of its work includes not only the residential portion, but also the commercial facility and even public facilities such as the bus terminal. This means the company plays an important role in supporting the development of the community's safe and comfortable social infrastructure.

This project, which has become a community landmark, is also considered one of Nomura Real Estate Development's flagship properties. Going forward, we will leverage the Group's collective strengths in other redevelopment projects and contribute to vigorous urban development.



Government services for city residents

The building's fourth floor provides a host of government services, including the city residents' office, community activity support desk, and library pick-up desk.



Comfortable living environment

PROUD TOWER Oizumi-gakuen delivers comfortable living spaces with the resident in mind. These condominiums have achieved the highest score for all of the condominium environmental performance labels used by the Tokyo Metropolitan Government.

Stakeholder's Voice

President of the North Exit Urban Redevelopment Union Pursuing Even More Comfortable and Affluent Urban Development with Lizmo Oizumi-gakuen as a Landmark Model

Oizumi-gakuen is a cultural epicenter surrounded by a verdant natural environment as well as educational institutions and filming locations for movies and TV. The North Exit Type 1 Urban Redevelopment Union was established based on the desire to reinvigorate Oizumi-gakuen and make it a more attractive community.

Thanks to the dedication and hard work of our members including Nomura Real Estate Development as well as the local government, related institutions, and consulting, design and construction firms, the north exit of the station has been utterly transformed into a new community called Lizmo Oizumi-gakuen. With Lizmo Oizumi-gakuen as a new symbol, I hope to pursue even more comfortable and affluent urban development in the future.



Mr. Tadahiro Kato
President
Urban Redevelopment Union
Oizumi-gakuen North Exit



Masatoshi Kiyota
Project Management Department (at the time)
Development Planning Division
Nomura Real Estate Development

Person in Charge from Nomura Real Estate Development Carrying on the Commitment of All Stakeholders to Continually Improve the Community

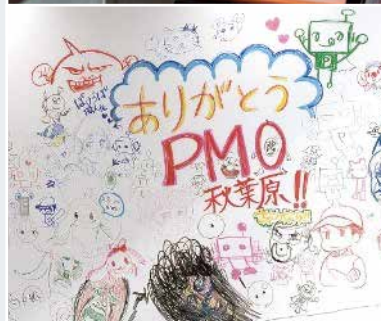
This project involved discussions by landowners, Nerima Ward, designers, construction companies, as well as all other stakeholders including Nomura Real Estate Development, about how to remake the community under the same common direction. This commitment represents the driving force behind the solutions to many issues and creating a building that truly contributes to the community.

Our involvement spans beyond just the building to include future property and facility management services and working closely to manage the project with the Redevelopment Union. I hope to carry on everyone's commitment to urban development to continually improve the community.

New Office Buildings Supporting the Next Generation of Growth Companies

The Dynamic Growth of Premium Midsize Offices (PMO)

Premium Midsize Offices, or PMO, contain both tangible and intangible features that are closely in tune with the needs of commercial tenants, including design, functionality, security and services, all based on the phrase “don’t settle for second best.” PMOs deliver unprecedented value in their asset class and will play an important role in supporting growth companies that will drive the future of Japan’s economy.



Creating Value through Change
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The Concept Behind PMO

Chapter 1

Offering the Same Functions and Grade as Larger Office Buildings Despite a Compact Size

Growth companies that want to maximize corporate value and enhance employee satisfaction and productivity have faced the reality that there are very few high quality midsize office buildings in the major urban centers of Japan.

These companies are made to feel small and insignificant because they cannot use up an entire floor of a large building with higher grade features and higher specifications. On the other hand, midsize office buildings may have lower rents, but they typically lack the grade and security a company may desire. Very few office buildings in the market can meet these needs, so most companies have had to settle for leasing office space in buildings that cannot meet their needs.

To respond to these needs of growth companies, the Nomura Real Estate Group is developing Premium Midsize Offices (PMO) that offer the same functions and design standards found in much larger office buildings, in addition to excellent aseismic performance.

The concept behind PMO series buildings is embodied by the phrase “don’t settle for second best.” These buildings are constructed to satisfy the needs of commercial tenants both tangibly and intangibly with not only advanced functions and grades, but also thorough building management and various other services as well as access to finely tuned support. This represents a new form of value in office buildings that only the Nomura Real Estate Group can deliver because of its wealth of expertise in building management and its deeply engrained commitment to the customer.

Tangible Quality

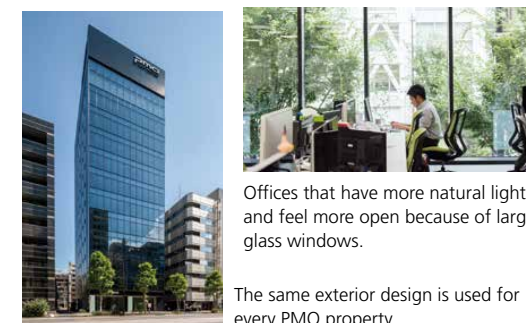
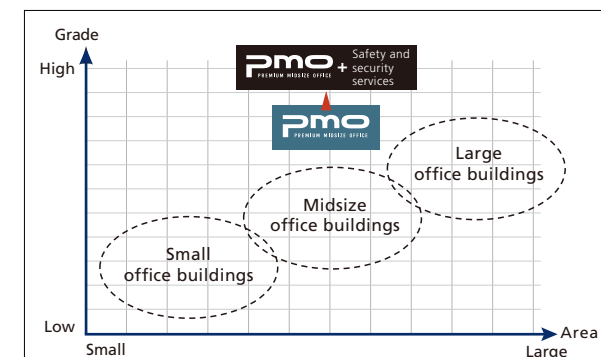
Chapter 2

Premium Office Spaces That Are Comfortable and Satisfying for the People Who Work There

Weekly meetings are held at PMO series buildings to ensure the satisfaction of commercial tenants is being met. During each meeting around 20 to 30 employees from different departments discuss their ideas and views about what makes PMO series buildings unique. Meetings also share feedback received from actual building users that is in turn used to further evolve the PMO concept.

One example is large glass windows. While on one hand large glass windows provide comfort and openness, but on the other tenants have said bright sunlight was problematic depending on the direction and floor of the building. As a result we modified the design, adopting light-blocking blinds or reducing the gap between windows and blinds. Additionally, keeping an eye on the convenience of medical cabinet users, we made it so that a toothbrush can be placed upright inside and changed its installation height for the men’s and women’s restrooms.

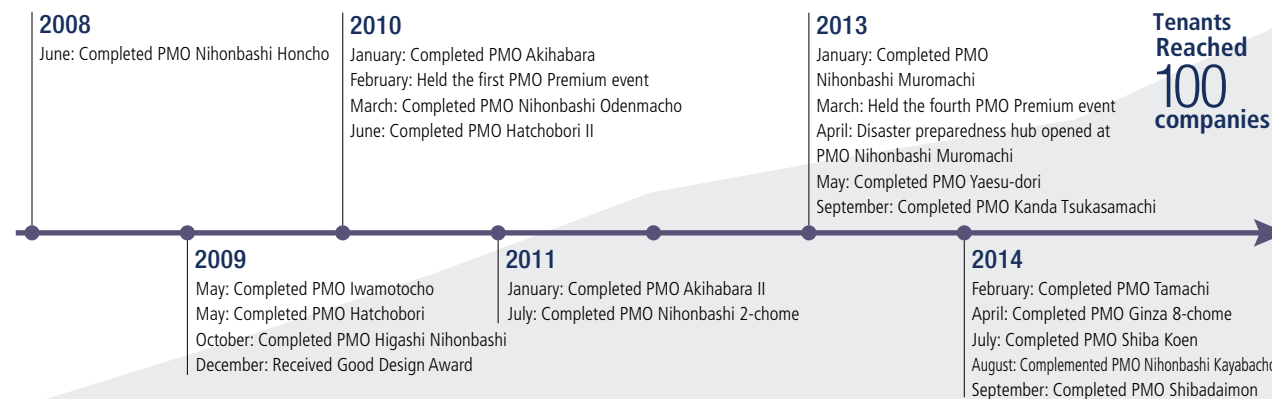
Position and Features of PMO



Offices that have more natural light and feel more open because of large glass windows.

The same exterior design is used for every PMO property

The History of PMO



Intangible Quality

Chapter 3

Holding Various Events for Human Development and Creating Communities

In terms of intangible aspects, we provide finely tuned support to commercial tenants through the various services we provide and events that we host.

Growing companies, the primary tenants of PMO series buildings, share the same challenge of not having enough resources to go around for hiring and human development. They also have small staffs, which make it hard to develop and broaden a community both inside and outside the company.

Given these challenges, PMO series buildings provide meeting spaces free of charge where companies can hold briefings or hiring interviews and also offer a broad range of correspondence training courses for every type of employee from new hires to managers.

Commercial tenants are also invited to attend parties with food and videos and their employees can take part in building-organized futsal matches, running or other sporting events.

These activities improve employee satisfaction and serve as a venue to communicate and exchange information, helping to form human networks through internal and external engagement that transcends company lines.

PMO buildings also organize rice planting events and other activities for the tenant company employees and their families. These activities are used as a form of leisure, to foster friendships between employees of different companies, and to serve as an educational opportunity for children. Activities have earned a very positive reputation because they provide small companies with the chance to carry out citizenship activities that they otherwise could not have carried out on their own.

Multifaceted Services Supporting Commercial Tenants



Training programs for human development

Selections include communication skill seminars, compliance seminars, and various employee training programs.



Exclusive events for commercial tenants

PMO Night is held as a way to say thanks to commercial tenants. Employees of commercial tenants are invited to a networking session where beer fresh from the brewery is served.

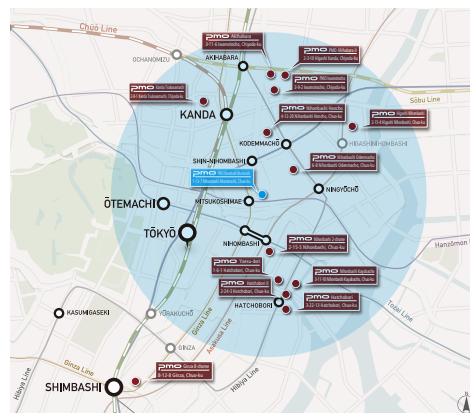
PMO Nihonbashi Muromachi – Serving as a Disaster Preparedness Hub during Emergencies

To support the disaster preparedness and business continuity plans of commercial tenants, PMO Nihonbashi Muromachi now serves as a disaster preparedness hub in case a disaster were to strike. What this means is that the building will become a control center for collecting and disseminating information and serve as an evacuation and rescue site with food (three meals), water, blankets and other supplies for one day for 2,000 office workers.

PMO Nihonbashi Muromachi is located roughly in the middle of other PMO series buildings in Chuo and Chiyoda wards, which makes it possible for people to reach it on foot in case public transportation is not operating following a disaster.



Disaster preparedness storehouse





Rice planting events

Employees of commercial tenants and their families are invited to attend rice planting events at the foot of Mt. Tsukuba to learn about farming and the environment. The rice harvested from the field is sent to Fukushima, which enables commercial tenants to give back through citizenship activities.



Running events

PMO Running enables employees of commercial tenants to get together for a run after work. They run around the Imperial Palace to refocus their mind and energy on an enjoyable event featuring beautiful nightscapes.

Stakeholder's Voice

Tenant Company - Mr. Jun Kadoya, Server-Free Corporation

Employee-friendly offices result in improved productivity

Since moving into the PMO series building we have seen an increase in direct transactions with large customers. Many customers who visit always say what a nice office we have and they are also impressed with the level of security provided. Our company develops software, so employee productivity is vital and it is important that employees can work in a comfortable and employee-friendly office space. In this sense, I believe a PMO series building is an essential and effective investment for tenants.



Mr. Koji Ando
Representative
Director
Vector Japan Inc.

Mr. Jun Kadoya
Representative
Director
Server-Free
Corporation

Tenant Company - Mr. Koji Ando, Vector Japan Inc.

Word is getting out about PMO series buildings

Everything about this office is hotel-like, including the restrooms and pantry. We have made the pantry into a cafe-style break room, which has become quite popular among our employees. The various seminars and events organized by the building also enhances employee satisfaction. There are very few established brands when it comes to office buildings, but I believe word is getting out about PMO series buildings as recently business partners and customers have seemed a bit jealous whenever I say we are located in a PMO series building.

Nomura Real Estate Development – Person in Charge of PMO Leasing

Committed to making daily improvements to see the smiles on tenant faces

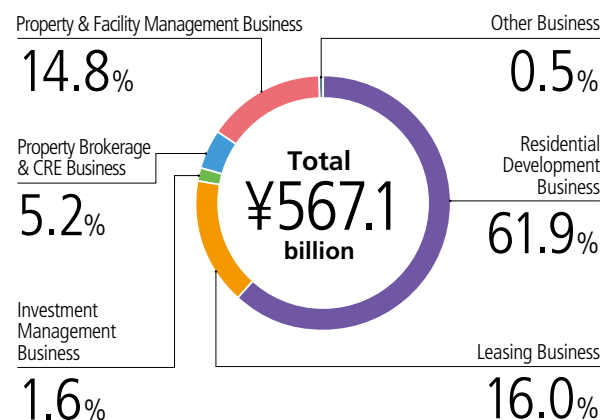
For PMO series buildings, everyone who is part of the team shares their knowledge in an effort to make daily improvements to infrastructure and services to enhance the overall tenant experience. This attention to detail and continual improvement has earned us a strong reputation among leasing customers.

Whenever we show prospective tenants a PMO series building they are always surprised at what they find and tenants have also said their goal is to grow the company and move into a larger PMO property. This motivates us even further to find the next way to improve the tenant experience. Going forward, I will continue to look for ways to improve during our daily sales activities in order to see the smiles on tenant faces.

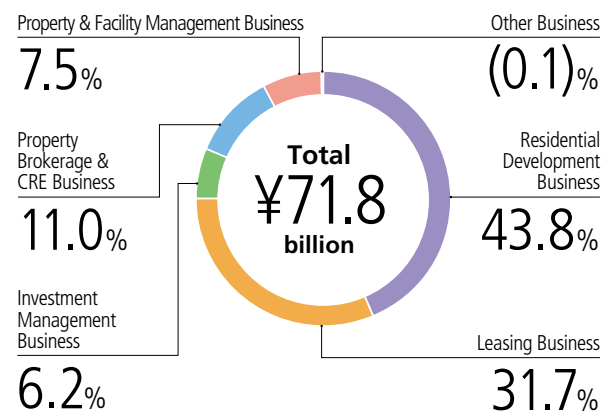


Emii Kojima
Office Building
Management Department
Commercial Property
Development and
Management Division
Nomura Real Estate
Development

Composition of operating revenue*



Composition of operating income*



*Consolidated operating revenue and income shown at the center of the pie chart includes "eliminations or corporate" within segment information. As a result, data differs when totaling consolidated operating revenue and income from each segment. The percentage breakdown is calculated based on the simple total amount of each segment.

Note:

The method of allocating part of the company-wide expenses from the adjustment amount to each segment was changed in the fiscal year ended March 2015. In conjunction with this change, the house leasing business that had been part of the Residential Development Business segment is now included in the Leasing Business segment. As a result, data appearing for the fiscal year ended March 2015 and the fiscal year ended March 2014 reflects this change.

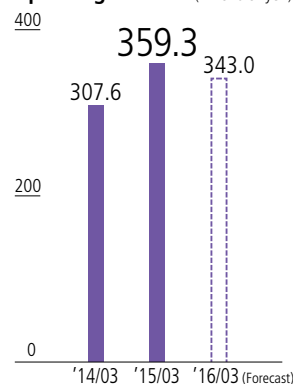
Residential Development Business



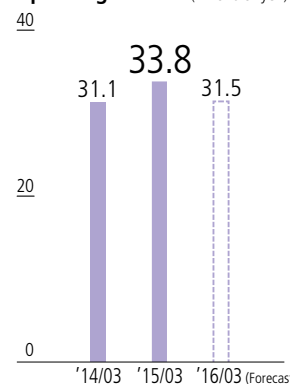
Group companies engaged in this business

- Nomura Real Estate Development Co., Ltd.
- Nomura Real Estate Reform Co., Ltd.
- PRIME X. Co., Ltd.

Operating Revenue (Billions of yen)



Operating Income (Billions of yen)



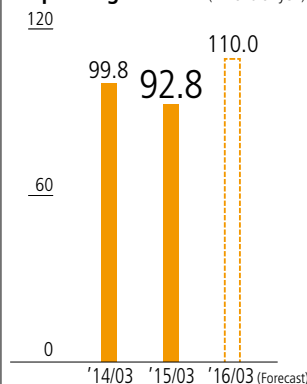
Leasing Business



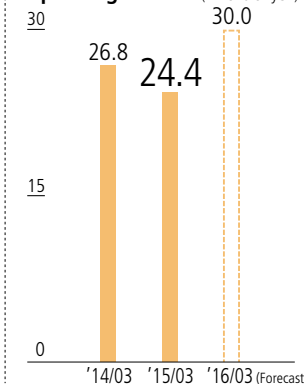
Group companies engaged in this business

- Nomura Real Estate Development Co., Ltd.
- NREG TOSHIBA BUILDING Co., Ltd.
- Yokohama Business Park Heating and Cooling Supply Co., Ltd.
- Geo-Akamatsu Co., Ltd.
- NREG TOSHIBA BUILDING FACILITIES Co., Ltd.

Operating Revenue (Billions of yen)



Operating Income (Billions of yen)



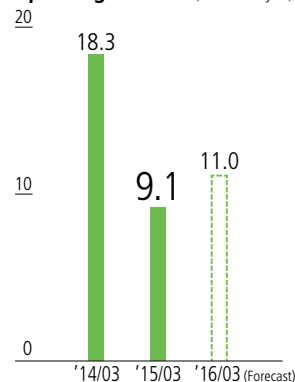
Investment Management Business



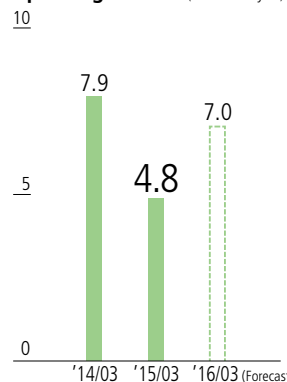
Group companies engaged in this business

- Nomura Real Estate Development Co., Ltd.
- Nomura Real Estate Asset Management Co., Ltd.

Operating Revenue (Billions of yen)



Operating Income (Billions of yen)



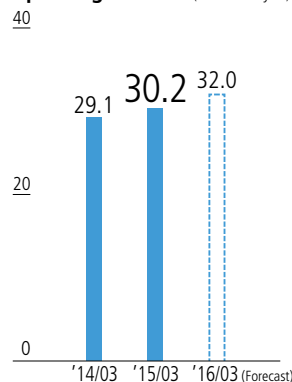
Property Brokerage & CRE Business



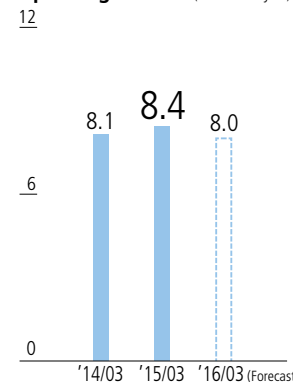
Group companies engaged in this business

- Nomura Real Estate Development Co., Ltd.
- Nomura Real Estate Urban Net Co., Ltd.

Operating Revenue (Billions of yen)



Operating Income (Billions of yen)



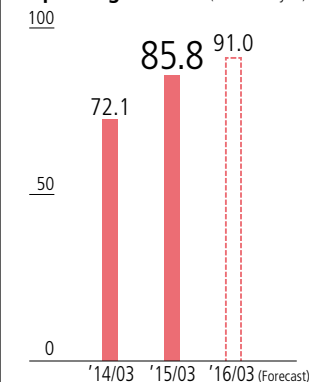
Property & Facility Management Business



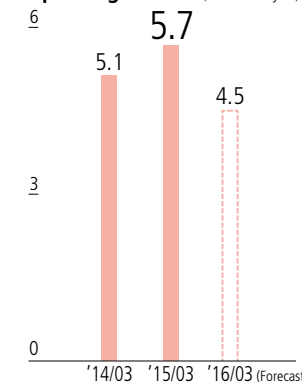
Group companies engaged in this business

- Nomura Real Estate Partners Co., Ltd.
- MEGALOS CO., LTD.
- Nomura Real Estate Wellness Co., Ltd.
- Nomura Amenity Service Co., Ltd.

Operating Revenue (Billions of yen)



Operating Income (Billions of yen)



Note:
MEGALOS CO., LTD., which was included in the Other Business segment, will now be included in the Property & Facility Management Business segment starting with the fiscal year ending March 2016. As a result, data appearing for the fiscal year ended March 2015 and the fiscal year ending March 2016 reflects this change.



Creating New Business Opportunities That Capture the Needs of Our Customers Leveraging the Brand Power and Stock We Have Built Up.

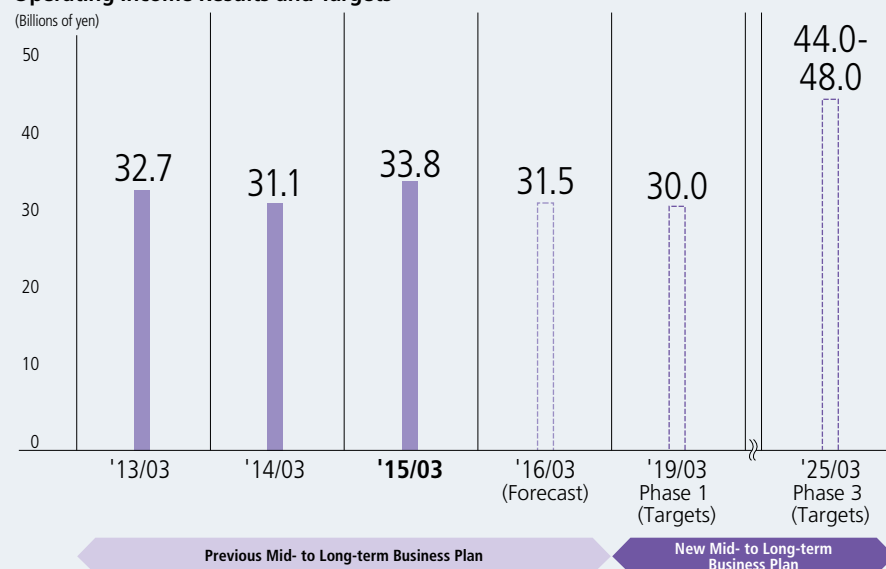
Achievements of Previous Mid- to Long-term Business Plan

- Achieved sales of 7,000 housing units annually
- Operating income reached new record levels
- Increased redevelopment project business volume
- Increased housing product business volume other than PROUD such as OHANA and detached houses

Strategies for New Mid- to Long-term Business Plan

- Expand market share for existing businesses and enhance earnings power
- Increase business volume by showing a presence in new business areas
- Enhance stock-based business by promoting customer relations

Operating Income Results and Targets



Shigeyuki Yamamoto

Executive Officer
In charge of Residential Development Business

Review of Results of Previous Mid- to Long-term Business Plan

Achieved Sales of 7,000 Units Annually

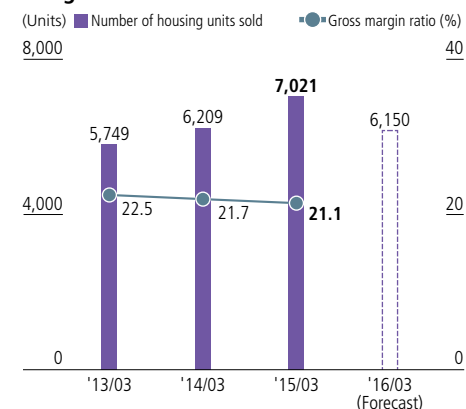
During the preceding target period we worked on expanding our business volume, with the goal of establishing a system for selling 7,000 units annually in the housing sales, in order to achieve stable growth by responding to a wide range of housing needs. In addition to our key brand PROUD, we promoted sales of a new suburban brand, OHANA, and detached houses, and proactively participated in redevelopment projects. We strengthened our range of services aimed at customers who have taken up residence such as enhancing our after-service guarantee via a new service, Next Pass 10, as well as launching a relocation service and an interior business.

As a result, we enjoyed a record level of profits in the fiscal year ended March 2015 and achieved our goal of 7,000 housing units one year ahead of schedule.

At the same time, a number of issues re-

lating to growth emerged, and in response we have positioned the fiscal year ending March 2016, the final year of the previous plan (phase 1), as a year for making preparations, and we will work toward further growth by re-examining our brand strategies and creating a solid business base.

Changes in Housing Sales and Gross Margin Ratio



Outlook for New Mid- to Long-term Business Plan

Aspiring for Sustainable Growth in Both Development and Stock-based Business

Switch away from the pursuit of scale

Japan is experiencing a period of population decline in which “whatever is produced will sell” no longer applies and the need for better quality housing has stabilized. Under such circumstances, oligopolization by major corporations is expected to continue and providing added value, including both tangible and soft infrastructure will be essential for beating other major competitors and market share expansion.

Given this we will shift our Key Performance Indicators (KPI) from “number of housing units” to “operating revenue” and “profitability,”

and be even more aware of providing customers with quality products with even higher added value.

Growth of domestic and overseas housing sales business

In the domestic housing sales business we will differentiate ourselves even more, expand our market share, and enhance our earnings power by further increasing the PROUD brand power. In this concept not only advertising but also development and sales will cooperate, and we will work to raise customer satisfaction by implementing initiatives that provide consistent brand value, including products and services.

We will focus our efforts on changes to the urban structure and make inroads into nucleated cities in Japan. There are moves to accelerate the creation of urban-type compact towns with multi-functionality and superior comfort both in regional nucleated cities and in the Tokyo metropolitan area. We will capture this flow and

develop business based on the know-how accumulated through PROUD.

By contrast, overseas we need to plan the further growth of the housing sales business and we will develop our business focusing on the Asian market, where the demand for high quality housing is increasing. Taking such environmental awareness into account, our policy is to build alliances with local partners while leveraging the know-how we have accumulated in Japan, and to provide the products sought after by customers in each area.

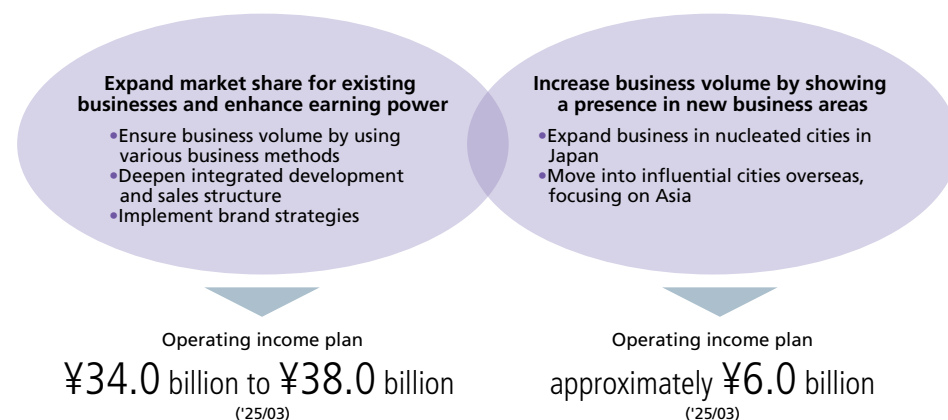
Provide diverse services for existing stock

To date the Group has produced approximately 184 thousand housing units and approximately 156 thousand houses under management. New needs resulting from changes in customers' life stages and the aging of facilities are expected to emerge in relation to such housing stock roughly 10 years after construction. We will work to im-

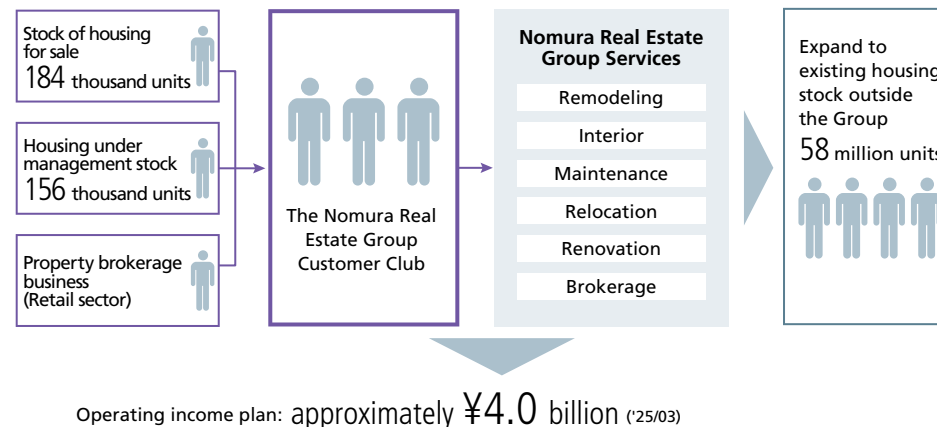
prove customer satisfaction and to acquire business opportunities by responding to such needs.

To this end we need to interact and strengthen relations with customers even more so than in the past. During fiscal 2015, ending March 2016, we amalgamated existing membership organizations to establish the Nomura Real Estate Group Customer Club. We have started comprehensive business tie-up discussions with Isetan Mitsukoshi Holdings and are working to improve customer convenience and to expand services. By increasing contact with customers we expect to be able to grasp specific needs in a timely manner, and we will increase service provision opportunities such as remodeling, interior decorating, renovations and brokerage services. Moreover, in areas that are expected to grow we will examine expansion potential, including M&A and alliances, applying these initiatives to our existing housing stock nationwide.

Development Business Expansion



Provide Diverse Services to a Wealth of Customer Segments





Contributing to the Creation of a Sustainable Urban Environment while Improving Profitability and Asset Efficiency by Acquiring and Developing Superior Properties for Lease.

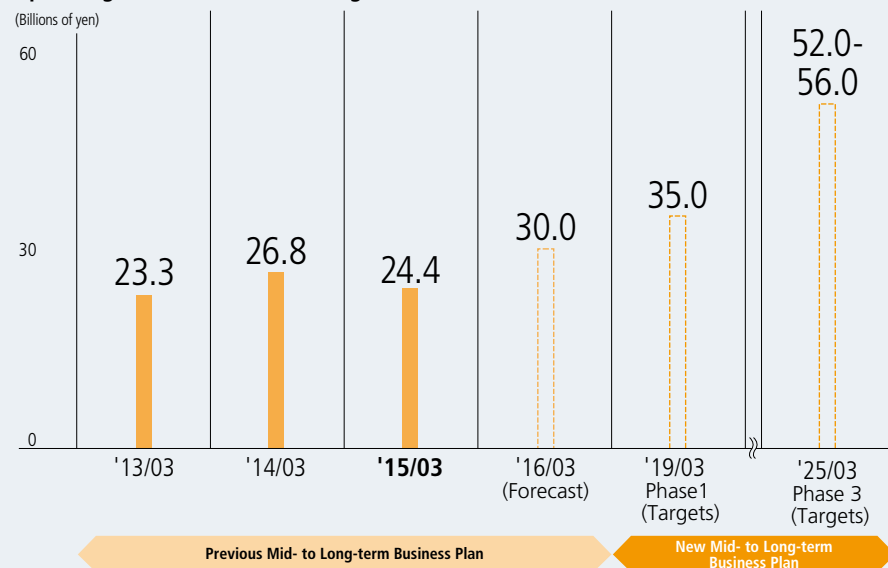
Achievements of Previous Mid- to Long-term Business Plan

- Diversification of development capabilities of properties for sale (Office buildings, logistics facilities, commercial facilities, rental housing)
- Promotion of large-scale redevelopment & complex development projects
- Expect to greatly exceed operating income targets

Strategies for New Mid- to Long-term Business Plan

- Strengthen complex redevelopment including new areas
- Strengthen Leasing Value Chain through coordination with Group-affiliated REITs
- Accelerate development of commercial property business as a new focus sector

Operating Income Results and Targets



Tadashi Nakajima
Executive Officer
In charge of Leasing Business

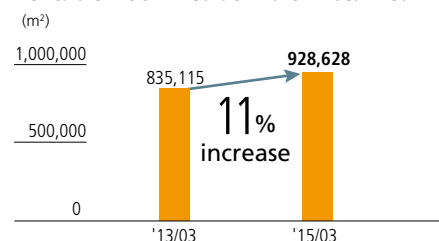
Review of Results of Previous Mid- to Long-term Business Plan

Increased Properties for Lease and Developed Properties for Sale, Leading to Stable Growth

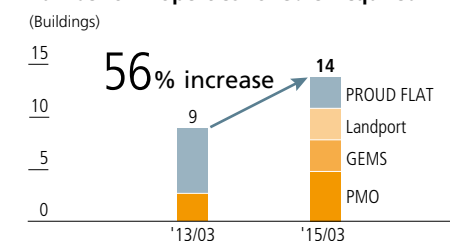
The Leasing Business balanced its business, in which we own properties developed by the Nomura Real Estate Group and obtain rental revenue, and its property development business, which obtains earnings by selling real estate to Group-affiliated REITs.

During the preceding target period the leasing business completed our flagship properties, LAZONA Kawasaki Toshiba Building and bono Sagamiono, and contributed to improving income.

Rentable Floor Area at End of Fiscal Year



Number of Properties for Sale Acquired



Outlook for New Mid- to Long-term Business Plan

Leverage Development Results from Various Facilities Accumulated as an Integrated Developer and Create Higher Value Added Assets

Focus on large-scale redevelopment & complex projects

Large-scale complex redevelopment opportunities concentrated in central Tokyo are on the increase as urban development due to the aging of real estate stock and preparations for the To-

kyo Olympics and Paralympics, and the presence of foreign-affiliated companies accelerate. Given this trend, we will leverage the know-how accumulated through the development of a variety of facilities, including office buildings, commercial facilities, and rental housing, and contribute to making cities throughout Japan, including Tokyo, more attractive. We will also strengthen large-scale redevelopment and complex development projects with high added value that function "as a community," organically collaborating with communities as-a-whole by stepping up expansion into new sectors such as hotels and serviced apartments.

The Group has already had the opportunity to be involved in redevelopment projects in

central Tokyo, including projects in Toranomon, Nishi-Azabu, and Hamamatsucho. We plan on creating appealing communities that bring in people through development that fully exploits the quality of each site, fusing together the multitude of know-how we have accumulated as an integrated developer.

Aiming for reciprocal growth in a "Leasing Value Chain" through Group collaboration

The Group Leasing Value Chain aims, to draw sales profits for the Group and to provide properties with diverse and high added value to Group-affiliated REITs by selling properties to the REITs, and to strengthen brand power and improve the value of assets by sharing know-how and cooperating with management. The Group will construct a circulation model that revitalizes properties as a prime asset by reacquiring and redeveloping the property after a number of years have passed since the construction of properties managed by Group-affiliated REITs.

In the new plan we aim to increase asset efficiency by strengthening such Group collabo-

ration and secure profits, and to contribute to the expansion of Group-affiliated REITs' assets under management and to reciprocal growth. In the property development business we will actively plan further aggressive expansion, increasing the asset balance target for properties from the previous ¥130 billion to ¥200 billion.

Accelerating development of commercial property business, a focus sector

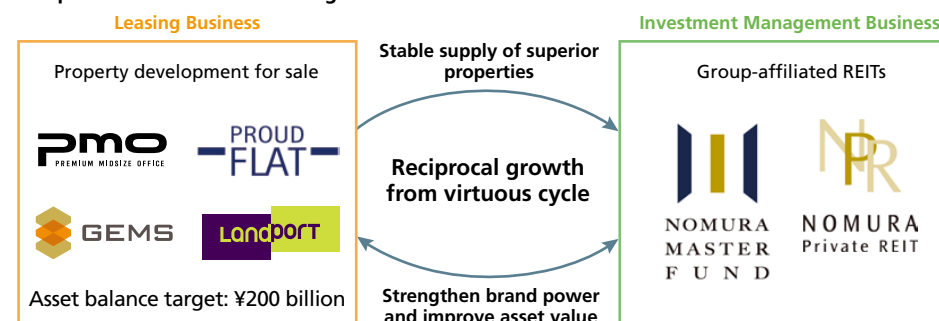
Of the various facilities the Group is developing, commercial facilities are the sector that we would like to concentrate more on in the future. The development and management of commercial facilities requires the provision of elaborate services to attract customers. Our unique strength lies in our experience working on GEMS and bono Sagamiono, and our B to C know-how accumulated from the Residential Development Business, as well as our customer-orientated spirit, that we consider to be our DNA. Using these strengths as our weapon, we plan on investing approximately ¥300 billion in the commercial property business over the next 10 years.

Main Large-scale Redevelopment & Complex Development Projects

Project	Main Use	Area and Units Scheduled for Acquisition	Phase 1 '17/03-'19/03	Phase 2 '20/03-'22/03	Phase 3 '23/03-'25/03
Yokohama Nomura Building	Office	81,656 m ² (total floor area)	Completion		
Toranomon 1-Chome Redevelopment (National strategic special zone authorized project)	Office	Approx. 15,000 m ²	Commence construction	Completion	
Soto-Kanda 1-Chome Redevelopment	Office	Approx. 32,000 m ²		Commence construction	Completion
Iidabashi Station Central Redevelopment	Office Residential	Approx. 20,000 m ² Approx. 170 units		Commence construction	Completion
Nishi-Azabu 3-Chome Redevelopment * (National strategic special zone proposal project)	Hotel Residential	Approx. 100 rooms Approx. 370 units	Commence construction		Completion
Nishi-Shinjuku 3-Chome Redevelopment *	Commercial Residential	Approx. 21,000 m ² Approx. 650 units		Commence construction	Phase 1 completion
Shibaura 1-Chome Rebuilding* (National strategic special zone designated project)	Office Commercial	TBD		Commence construction	Phase 1 completion
Nishi-Nippori Station Front Redevelopment*	Commercial Residential	Approx. 14,000 m ² Approx. 440 units		Commence construction	Completion
Nihonbashi 1-Chome Central District Redevelopment*	Office	TBD		TBD	
Shinbashi Station West Exit District Redevelopment*	Office Commercial	TBD		TBD	
Nomura Fudosan Ginza Building Rebuilding (Ginza MTR Building)*	Office	TBD		TBD	

* JV Project Note: details may change due to each project (including name) currently being in the planning stage

Reciprocal Growth from Leasing Value Chain





Planning Conversion to a Comprehensive REIT Following the Merger of Three Listed REITs and Aiming for Stable Management and Growth by Developing New Products for Privately-placed Funds and FORF (Fund of REIT Funds).

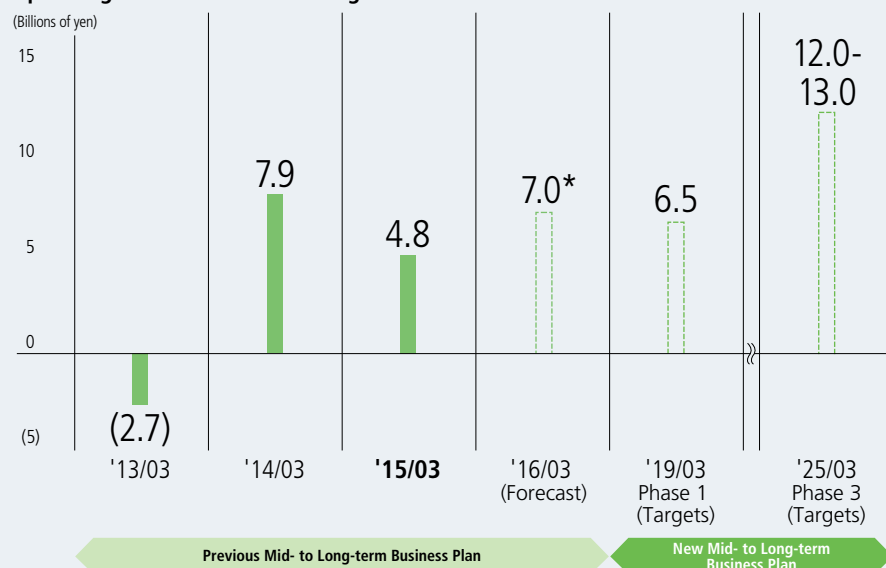
Achievements of Previous Mid- to Long-term Business Plan

- Creation of the largest domestic comprehensive model REIT that boasts an asset level of ¥900 billion as a result of integrating three REITs
- Entered the health care sector with a privately-placed fund
- Commercialized FORF (Fund of REIT Funds)

Strategies for New Mid- to Long-term Business Plan

- Stabilize and expand REIT business as an earnings base
- Expand earnings with new privately-placed fund business products
- Accumulate management experience in FORF business and develop globally

Operating Income Results and Targets



* Includes compensation from merger of three listed REITs



Norio Ambe

Executive Officer
In charge of Investment Management Business

Review of Results of Previous Mid- to Long-term Business Plan

Creation of a Comprehensive REIT That Boasts the Largest Domestic Asset Level

In recent years the domestic REIT market has expanded rapidly against a backdrop of heightened willingness to invest and expectations in measures to overcome deflation. In order to respond to investor expectations that require

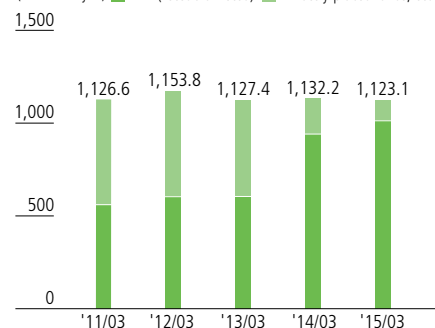
more attractive investments, in October 2015 the REIT business merged three listed REITs that invested in logistics and commercial properties, offices, and residential buildings, to form the Nomura Real Estate Master Fund Inc. We worked to be the product chosen by investors by achieving the largest domestic asset level of over ¥900 billion, and stabilized earnings by creating a more dispersed portfolio.

While enhancing the product lineup in the privately-placed fund business we also successfully entered the health care sector, a new area. We also achieved the commercialization of FORF (Fund for REIT Funds) that invest by combining multiple real estate funds.

During the preceding target period we acquired stable earnings through the growth of the key REIT business, while also enhancing product line ups, and strengthening management and structuring capabilities. The results of these initiatives saw the balance of assets under management surpass ¥1.12 trillion, enabling us to build the foundation for future activities.

Changes to Assets Under Management at End of Year

(Billions of yen) ■ REIT (listed / unlisted) ■ Privately-placed funds, etc.



Outlook for New Mid- to Long-term Business Plan**Aim for Top-class Performance Domestically as a Real Estate Asset Management Company****Ways to heighten willingness to invest throughout society**

Personal assets in Japan are more skewed toward savings than in the United States and Europe, and as interest rates continue to decline there are fears that assets value will decrease due to inflation.

The question of how to accelerate the flow of money from savings to investment in order to revitalize the economy is a long-standing issue and the government has come up with measures to promote investment, including NISA.

Under such circumstances, widely raising the willingness to invest throughout society by developing and proposing more attractive investment products is thought to be the social mission

of investment management companies. Nomura Real Estate Holdings intends to leverage our unique strength, namely the handling a full range of products including listed REITs, private REITs, privately-placed funds, and FORF, to contribute to the activation of the investment market by proposing a wide range of high performing investment products.

Expand stable revenue base primarily focusing on REITs

While market expansion is anticipated in the REIT business, we expect that it will become harder and harder to steadily secure superior properties due to the intensification of competition among peers. Because of this we will work to improve our performance by steadily acquiring superior properties and strengthening brand power, using the Leasing Value Chain through collaboration within the Group.

As a result, during phase 1 of the new plan, the listed REIT business will continue to acquire properties at a pace of ¥70 to ¥80 billion per annum focusing on properties sponsored by

Nomura Real Estate Master Fund. We aim to establish our position as the largest domestic J-REIT by simultaneously pursuing stability and growth across a range of investment target sectors.

We believe that during phase 1 of the new plan the privately-placed REIT business will expand to an asset scale of ¥200 billion. As the private REIT market continues to expand we will capture demand from potential investors, and aim to establish a pioneering position as the first Japanese product originator of such arrangement.

Taking on the challenge of new sectors using privately-placed funds

While the market for J-REITs is expanding, investment targets are still limited compared to foreign REITs. This is an area in which we would like to take on the challenge of new investment target sectors, leveraging privately-placed funds so we can flexibly compose according to our clients' needs. We have already ensured the continued growth of the health-care sector, our first project, and our policy is to accelerate initiatives in

other sectors such as hotels.

We will tackle product development based on flexible ideas such as originating funds that meet the needs of individual investors and those that work together with foreign-affiliated asset management companies.

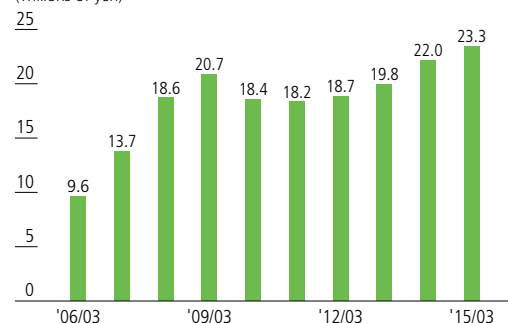
Full-scale development of FORF business

The FORF business is a sector that has high potential as a market and one in which we can leverage our strength as a real estate asset management company, namely our "assessment ability."

In this business we will steadily accumulate management results for FORF, which was commoditized in June 2015, aiming to gain the trust of investors. Although this FORF targets investment in J-REIT, before that we anticipate incorporating a "Fund of Global REITs" that targets foreign REITs. We are already sharing know-how with an investment company based in Chicago and aim to put together this fund in the near future.

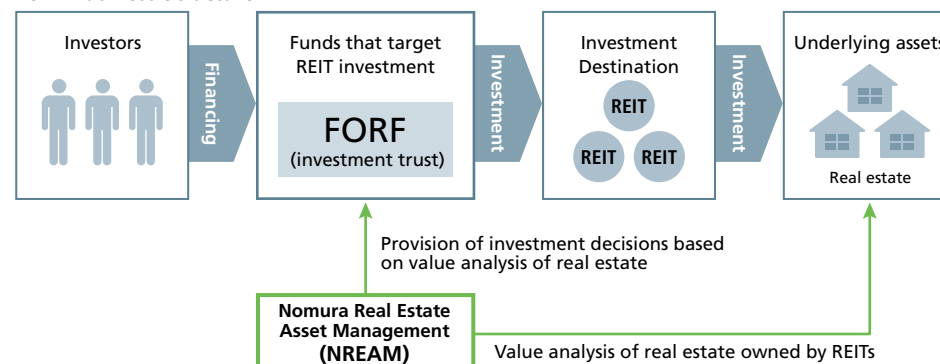
REIT and Real Estate Privately-placed Fund Market Size

(Trillions of yen)

**Goal of the Association for Real Estate Securitization (ARES)***

Tokyo's hosting of the Olympic and Paralympic Games in 2020 presents an ideal opportunity to expand assets held by J-REITs, private REITs, and equivalent infrastructure funds to **¥30 trillion**

* Prepared based on data published by the Association for Real Estate Securitization (ARES) and research by Nomura Real Estate Holdings

FORF Business Structure



Accelerating Growth through the Expansion and Enhancement of the Business Base and Aggressive Deployment of Services Compatible with Customer Attributes and Needs.

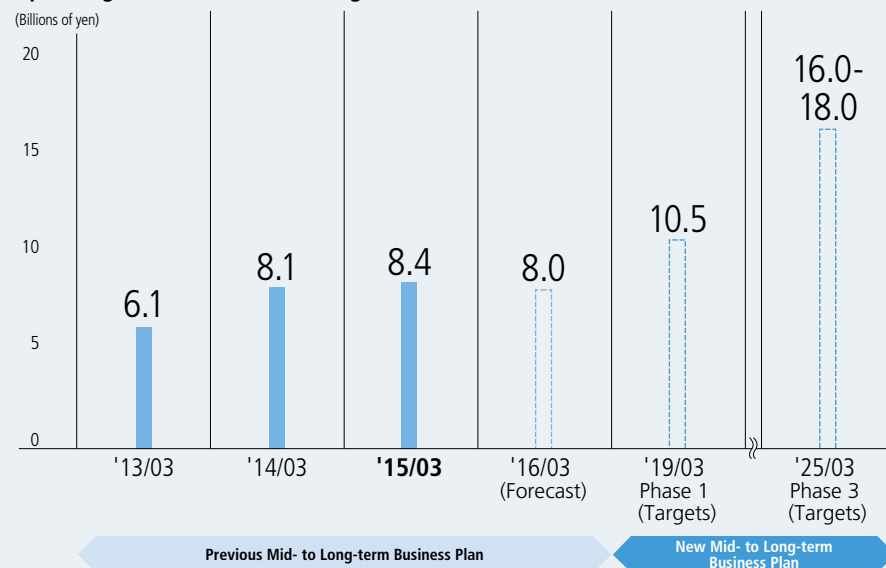
Achievements of Previous Mid- to Long-term Business Plan

- Aggressively expanded retail branch network
- Penetration of two brands, Nomura no Chukai (Brokerage by Nomura) + (Plus) and nomu.com
- Strengthened personnel and organizational structure in wholesale sector
- Established brokerage bases at representative office in Hong Kong and local subsidiary in Singapore

Strategies for New Mid- to Long-term Business Plan

- Strengthen retail sector's face-to-face sales capabilities and utilize ICT
- Expand wholesale sector customer base and strengthen proposal capabilities
- Collaborate with Nomura Securities and strengthen collaboration within the Group
- Strengthen cross-border transactions

Operating Income Results and Targets



Seishi Miyajima

Executive Officer
In charge of Property Brokerage & CRE Business

Review of Results of Previous Mid- to Long-term Business Plan

Expanded Retail Sector Branch Network and Strengthened Organizational Structure of Wholesale Sector

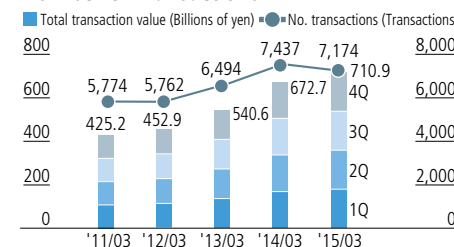
In recent years movements to continue to use outstanding stock for long periods of time have taken off in society as a whole. We want to raise and circulate the value of stock according to the needs of customers, ranging from general consumers to companies and investors, so as to encourage succession of such stock to the next generation, leveraging our uniqueness—the development of a wide range of businesses from both the retail and wholesale side. Based on such concept, our goal during the preceding target period was to ensure growth while improving the structure of both the retail and wholesale sectors.

In the retail sector we focused on expanding contact with branch and Internet customers. We launched a new branch brand, Nomura no Chukai (Brokerage by Nomura) + (Plus), established a structure consisting of 100 branches and 1,000 employees, and worked on improving the

nomu.com website. We promoted diversity from the perspective of human resource development and utilization, the foundation of face-to-face sales capabilities. In the wholesale sector we established Nagoya office and Financial Institutions and Public Sector Institutions Department so that we can more powerfully support corporate CRE (corporate real estate) strategies, and worked on improving our human resource/organizational structure and on strengthening proposals. We also set up offices in Hong Kong and Singapore in preparation for strengthening our response to cross-border transactions in the future.

As a result, each sector steadily boosted its performance and achieved operating income targets.

Changes in Total Transaction Values and Number of Transactions



Outlook for New Mid- to Long-term Business Plan

Strengthen Customer Base and Maximize Customers' Asset Value through Proposals Based on Environmental Changes

Improve retail sector structure and strengthen sales capabilities

We will work to establish two service brands in the retail sectors, Nomura no Chukai + (Plus) and nomu.com and to enhance contact with customers and improve customer satisfaction.

Here the main topic is strengthening face-to-face sales capabilities in branches and we will focus on asset and inheritance measures. There has been an increase in inheritance tax and concern among customers has risen. Given this, we will not merely make tax-saving strategy propos-

als but also provide multifaceted consulting services in response to asset related concerns.

As use of the Internet penetrates throughout the real estate industry, we will proactively use ICT, focusing on nomu.com, reinforce content such as transmitting buyer-participation style information, and work to enhance services.

We aim to provide services that accurately capture housing related needs, making full use of the Nomura Real Estate Group Customer Club's (established in 2015) customer base.

Strengthen wholesale sector's proposal capabilities

Further asset utilization efficiency is being demanded of company owners, symbolized by heightened interest in ROE/ROA, and the effective use of the real estate they own is an urgent issue. Against this background, the wholesale sector will leverage the knowledge built up as a developer and real estate utilization choices that

take advantage of our Group strengths and propose optimum CRE strategies for diversified customer needs and contribute to maximizing their corporate value. In addition to large enterprises we will strengthen customer acquisition in the medium-sized enterprise market that we are currently unable to handle and make proposals to a wide range of companies.

To this end, we will reorganize the sales sector by customer segment and provide a high level of consulting by endeavoring to gain a deeper understanding of customer needs.

Strengthen customer base through collaboration with Nomura Securities

We believe that collaboration with Nomura Securities is important for expanding our customer base.

The customer referral system with Nomura Securities that started during the fiscal year

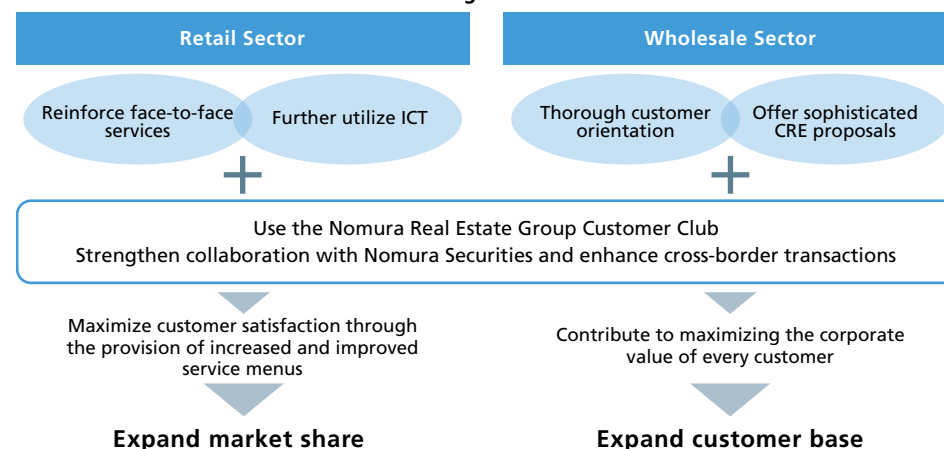
ended March 2006 and other cooperative projects with Nomura Securities have increased greatly, about 1.7 times the number of transactions of three years ago. Going forward we will strengthen collaboration with Nomura Securities and make CRE proposals leveraging the Group's collective strengths.

Strengthen cross-border transactions

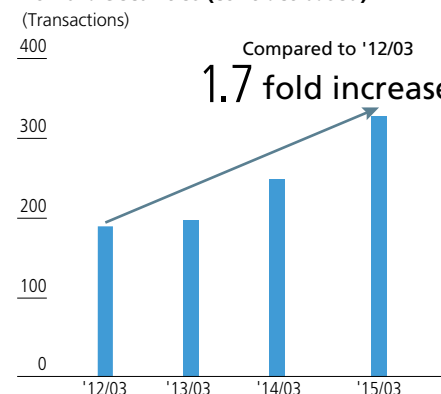
In light of the heightened investment needs of overseas investors in Japanese real estate we will provide flexible support mainly from our bases in Hong Kong and Singapore.

Meanwhile, in response to the increase in the needs of domestic companies and investors for overseas real estate, we will prepare a structure that will allow us to respond to cross-border transactions such as functioning as a base for gathering local information.

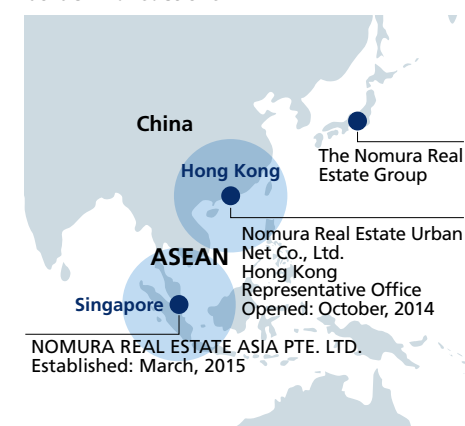
Retail and Wholesale Sectors Business Strategies



Changes in the Annual Number of Transactions in Customer Referral System at Nomura Securities (contract based)



Improve Bases to Strengthen Cross-border Transactions





Working to Increase Customer Satisfaction and Expand Management Stock Anticipating Changes in the Social Environment Such as Decline in Population and Stock-based Housing, and Expanding Business Opportunities by Taking on New Sectors.

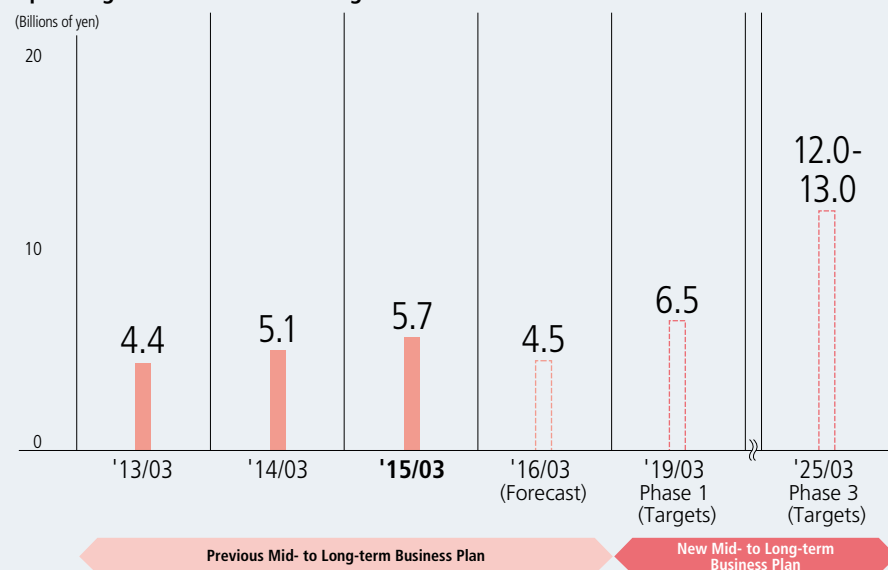
Achievements of Previous Mid- to Long-term Business Plan

- Combined building management technical prowess and housing management operation prowess by merging two Group companies
- Established a new company in preparation for moving into the business for senior citizens
- Moved into the PPP/PFI* business, was awarded a large-scale project
- Moved into the energy management sector

Strategies for New Mid- to Long-term Business Plan

- Acquire customer satisfaction by diversifying services and creating high added value
- Expand management stock through Group collaboration
- Expand business domains including sports and health and business for senior citizens

Operating Income Results and Targets



Toshiaki Seki

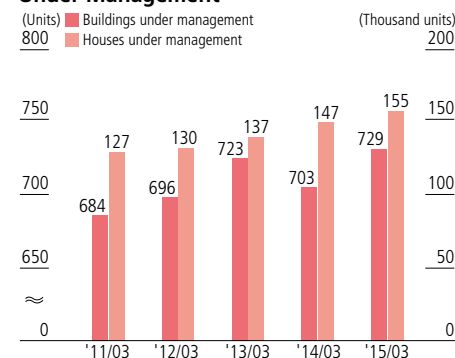
Director and Executive Officer
In charge of Property & Facility Management

Review of Results of Previous Mid- to Long-term Business Plan

Pursue Merger Effects and Prepare Foundations for New Growth

The biggest topic for the Property & Facility Management Business during the preceding target period was the merger of our building management and housing management companies in April 2014 to form Nomura Real Estate Partners.

Number of Buildings and Houses Under Management



The merger aimed to mutually supplement the technical prowess accumulated in the building management business with the operation prowess accumulated in the housing management business to achieve synergy, and this effect was to clearly visible. Through this merger we have created the know-how to operate and manage complex facilities and have prepared the foundations for branching out into new sectors, such as increasing socially necessary PPPs/PFIs and energy management. In light of the increasing senior and health-care needs we established Nomura Real Estate Wellness in April 2015 and made MEGALOS into a wholly owned subsidiary.

Amidst moves to use existing real estate stock for longer accelerate, we successfully created a business structure in preparation for the further expansion of stock under management and the expansion of services as a company involved in town planning.

*PPP/PFI: A Public-Private Partnership (PPP) is a scheme in which the public and private sector work together to provide a public service.

A Private Finance Initiative (PFI) is a scheme by which capital, management expertise and technologies in the private-sector are utilized to construct, maintain and manage public facilities.

Outlook for New Mid- to Long-term Business Plan

Provide a Wide Range of Value While Closing in on Customer's Life and Social Issues

Expand revenue base by improving customer satisfaction

To ensure the growth of the Property & Facility Management Business we must consider how we can satisfy customers and become their company of choice. Although Nomura Real Estate Partners has been selected as No.1* for customer satisfaction by residents for seven consecutive years, we need to continue to raise customer satisfaction in the long-term to ensure we maintain this position.

To this end, we will leverage the technical

capabilities and operation abilities we have accumulated at various properties, including housing, offices, and commercial facilities, and develop a range of services for end-users that focus on fitness/health and energy. Customer needs are increasing in energy services in particular following the recent deregulation of the sale of electricity and gas. By combining the different electricity consumption peaks at offices, condominiums, and education facilities managed by the Group and using the advanced demand predicting know-how we have accumulated, we will be able to increase satisfaction by delivering cheaper electricity to customers.

We will not stop at the management of individual buildings but work to raise customer satisfaction throughout communities, and build frameworks that operate and manage multiple sectors, including highly specialized medical

facilities, sports facilities, and facilities for the elderly, so that we become a town management leader which operates PPP/PFI businesses that enhance public services through collaboration between complex developments and the public and private sectors, an area in which we excel.

By the last fiscal year of the Plan, through such initiatives, we intend to expand the scale of our business to 220 thousand housing units and 1,000 commercial building units.

* Research by Sumai Surfin, a price information site for condominiums

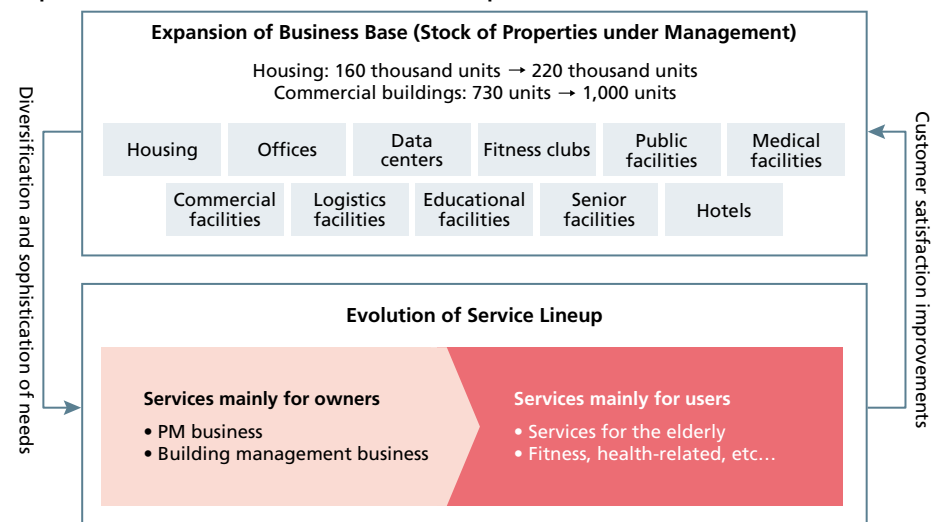
Respond to increasing senior and health-care needs

One of the topics we should give top priority to when anticipating the needs of our customers and society is responding to the needs of senior citizens and health-care needs. The idea of

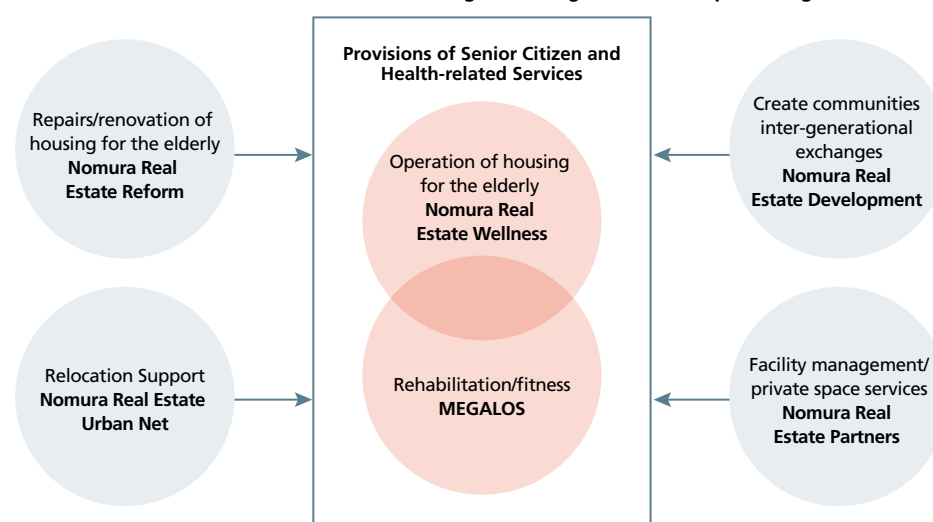
"health life expectancy" has spread as society ages and there is a greater need for senior citizens to live a healthy lifestyle. We also anticipate that the Tokyo Olympics and Paralympics will act as the catalyst for a major health and sports boom.

Given this, Nomura Real Estate Wellness will take a leading role and create a structure that promotes the maintenance and improvement of bodily functions through our MEGALOS fitness business. We will build up, throughout the Group, unique operation services with the aim to "remain healthy," providing housing and services for the elderly, including housing with health and welfare services for the elderly. As a first step we are developing housing for the elderly adjacent to PROUD Funabashi. Over the next 10 years we aim to develop 40 buildings containing 5,000 housing units for the elderly.

Expand Business Base and Evolve Service Lineup



Meet Senior Citizens and Health Needs Taking Advantage of the Group's Strengths





Eyeing Medium- to Long-term Growth by Improving Our Workforce and Governance

Kamezo Nakai

Chair
Nomura Real Estate Holdings, Inc.

Transforming Our Workforce and Governance Aimed at Building a Management Foundation for the Future

The Nomura Real Estate Group is focusing on a growth strategy with a medium- to long-term outlook under its new leadership team established in June 2015. The name given to the new Mid- to Long-term Business Plan is Creating Value through Change, which is the same as the previous plan. As this title indicates, we ourselves need to change and continually create new value in order to adapt to the major changes we face in our business environment and to realize sustainable growth in the future. With this in mind, our workforce and governance represent two aspects of our management foundation that we need to improve further going forward.

Diversity represents an important key word when it comes to strengthening and invigorating our workforce. When I became President of Nomura Real Estate Holdings in 2011, I found that, despite our large and talented workforce, everyone thought and acted rather uniformly. I believe this was the result of a corporate culture that emphasized harmony to establish complete solidarity given the very challenging business environment we faced.

I cannot deny, however, that this culture could stand as a barrier preventing us from realizing synergies and achieving new growth in the future. That is, the power of a workforce that has various traits, perspectives and values is absolutely essential in order for us to create the innovative products and services of tomorrow that fulfill changing customer needs.

At the same time, a corporate culture where a diverse workforce can leverage its skills and expertise while openly accepting each other's values is needed to not only grow existing businesses but successfully engage in new business ventures, carry out M&A and expand internationally.

Diversity Promotion Committee Launched to Create a Culture Where Distinct Personalities and Diverse Values Co-exist

Given this awareness, in 2013 Nomura Real Estate Development established the Diversity Promotion Committee, which I chair. We have made progress with changing various systems aimed at invigorating our workforce and organization, as well as encouraging diversity at each of our Group companies as well.

In Japan, we tend to think of diversity as the more active utilization of women in the workplace, the hiring of senior citizens or the hiring of foreign nationals, but these form only one aspect of the diversity we seek to achieve. While forming an organization where a diverse pool of human resources can coexist, regardless of nationality, age or gender, represents one of our aims, it is doubly important to provide a workplace environment where every employee can contribute their distinct personality, skills and expertise, which in turn will draw out the talent of the entire workforce.

This is why we are now working to create a corporate culture where each and every employee can actively contribute their views and where constructive discussion and unfettered dialogue can take place in the workplace. Specifically, at Nomura Real Estate Development, I hold small lunch meetings with employees together with the Human Resources Department to share management's approach to and vision for diversity and to listen to the views of individual employees.

To further augment this environment, the Diversity Promotion Committee created a three-year plan. During the first year specific challenges were identified through a satisfaction survey and other means. In the second year a number of specific measures were rolled out to address these challenges.

These initiatives have helped us to realize the need for employees to share their views and the importance of being tolerant of diverse views and values. To ensure this takes root in the way each individual employee thinks and acts, in addition to changes to our personnel evaluation system, moving forward we will create a workplace where diverse personalities coexist, while at the same time working to fully leverage the uniqueness and inherent abilities of each and every employee.

Nomura Real Estate Development has consolidated its conventional two career track system for regular employees into one and made changes so that contract employees can conclude indefinite employment contracts. The aim is to create a structure where employees will be able to advance their careers to more important positions based on their ambition and skills and not the format of their initial employment contract. Once this new personnel evaluation system and other changes are refined into a high quality finished system at Nomura Real Estate Development they will be rolled out to our other operating companies to further promote diversity and the invigoration of human resources across the entire Nomura Real Estate Group.

Changing Decision-making Mechanisms in Committees to Strengthen Corporate Governance

The other important issue in which we have focused our efforts is strengthening corporate governance. Since I became President, the Nomura Real Estate Group has transitioned into a full-fledged holding company. To ensure correct functioning as a holding company, we need to build up a robust corporate governance system, which includes the Management Committee and Board of Directors as well as clarifying decision-making systems. By further strengthening governance, we will create systems and a workplace where various values and viewpoints lead to unfettered discussions, which in turn will make it possible to carry out higher quality and more accurate corporate management.

Since becoming President in 2011, I have continually worked on reforming the Company's meeting committee structure, which is charged with making decisions about the operations of Group companies. I have always kept my eye on how to foster meetings that produce unfettered discussions. We will not be able to produce anything new without open discussions and thoughts about our vision for the future.

This is why I proactively utilize meetings as a venue for not only decision making but also for broadening discussion on resolutions. Now members in agreement and opposed to resolutions share their views which will be recorded in the meeting minutes.

Ultimately, resolutions will be passed based on a majority. Naturally, as management, we will be responsible for the details of resolutions.

As a result, more active discussions now take place with each meeting and the nature of these discussions has become quite enriching and beneficial to management. External directors on occasion have provided constructive criticism at Board of Directors' meetings which has helped to elevate the quality of proposals and resolutions. By building up these serious discussions and responsible decisions, I feel that members have further heightened their sense as corporate executives and refined their decision making skills.



Going forward, I hope to make further improvements to the Company's meeting committee structure while also focusing attention on developing the next generation of leadership that will guide the Nomura Real Estate Group into the future.

Transition to a Company with an Audit & Supervisory Committee for Greater Transparency in Business Management

Running parallel to these changes in decision-making systems, in 2012 Nomura Real Estate Holdings introduced the executive officer system. Since then, we have focused on building a governance system for realizing more efficient management, which has included reorganizing business segments and clarifying the line of accountability for each. To fully leverage our functions as a holding company, we equally position each operating company under the holding company in an effort to optimize our entire operations.

For the Nomura Real Estate Group to realize sustainable growth through this holding company structure, we must strive to manage our operations in a more transparent manner while giving

due consideration to our stakeholders including shareholders, customers, local communities, business partners, and employees. Therefore, to strengthen management oversight functions, in 2013 we appointed an external director and added another in 2014 to ensure that discussions within the Board of Directors are not overly inward-focused.

Moreover, in June 2015 we transitioned to a company with an Audit & Supervisory Committee in order to further strengthen governance and monitoring. Following this change, we increased

the number of external directors to five, from two, establishing a structure that ensures greater transparency in management.

Our five external directors (comprising four independent external directors) include professionals from various fields, including a business administration expert, architect, attorney, and Certified Public Accountant. These directors take part in meetings of the Audit & Supervisory Committee and Board of Directors where they share their important views, recommendations and advice based on their specialization and wealth of expertise.

Looking Back on Strengthening Governance in Phase 1 of the Previous Mid- to Long-term Business Plan

2012	<ul style="list-style-type: none"> Introduced executive officer system at the holding company → Achieved business execution with a Group-wide and long-term perspective Changed business segments → Established management structure for each business segment and increased the speed of business execution for each business Revised details of subscription rights to shares used as stock options → Revised the details of subscription rights to shares used as share compensation stock options to share interests with shareholders
2013	<ul style="list-style-type: none"> Appointed external director (0→1)
2014	<ul style="list-style-type: none"> Appointed additional external director (1→2)
2015	<ul style="list-style-type: none"> Added decision-making function to the Management Committee to accelerate the transfer of authority Became a company with an Audit & Supervisory Committee Appointed additional external directors (2→5)

	2012		2015
Structure	Company with Audit & Supervisory Board	→	Company with Audit & Supervisory Committee
Directors	5	→	13
Director and Executive Officer	5	→	5
Female Directors	0	→	1
External Directors	0	→	5
Independent Officers	0	→	4



Aiming to Further Strengthen Our Corporate Governance System through Compliance with the Corporate Governance Code

The Tokyo Stock Exchange's Corporate Governance Code took effect in June 2015 and listed companies in Japan have been working vigorously to strengthen corporate governance. Society is also showing greater interest in the efforts of companies to heighten management transparency and engage investors.

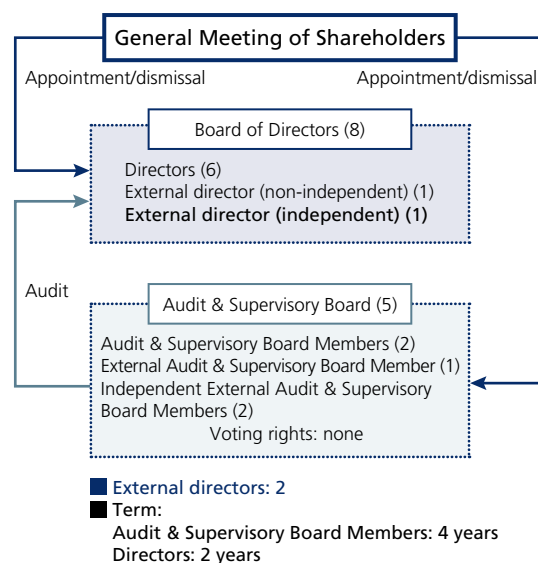
Our series of initiatives to strengthen governance were initiated at our own discretion before the beginning of discussions on the introduction of the Corporate Governance Code. Following the launch of the Corporate Governance Code we created the Basic Corporate Governance Policy. Going forward, we will work

to create a more robust governance system ideally suited for our operations. Of course, our efforts extend beyond just simply building a governance system. We are working on validating and improving our governance system so that the oversight of the Audit & Supervisory Committee and management decision-making mechanism function robustly and correctly.

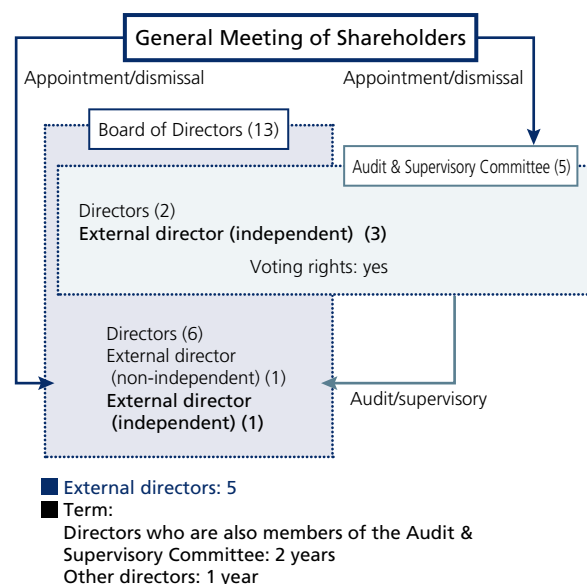
I stepped down as President of Nomura Real Estate Holdings in June 2015 and now as Chair and Chairman of the Board of Directors I will focus on strengthening governance, our workforce and other aspects of our management foundation to support the sustainable growth of the Nomura Real Estate Group. Through maximizing corporate value, we will fulfill the trust and expectations of stakeholders. Toward that end, I ask for your continued support and guidance as we move forward.

Transition to a Company with an Audit & Supervisory Committee (Before and After)

Before



After



Basic Approach

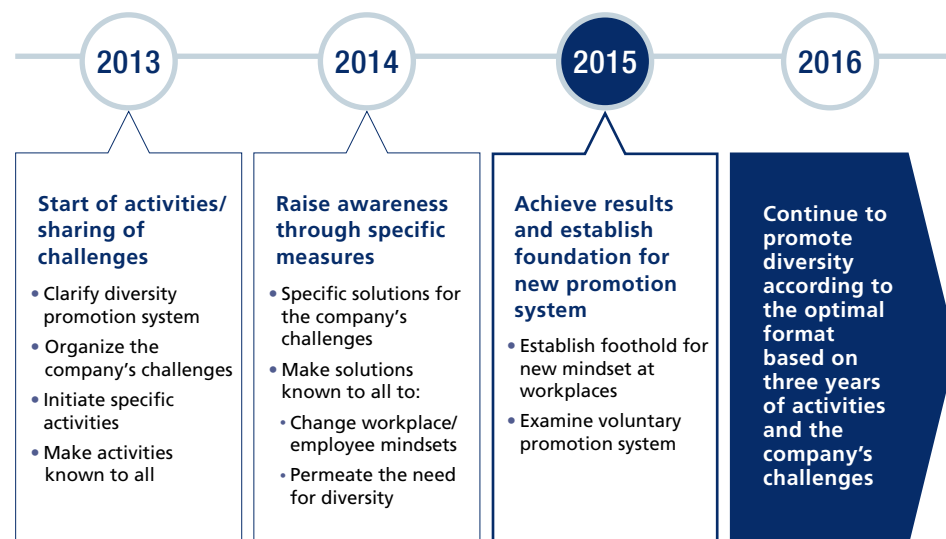
The ability for a diverse pool of human resources to fully leverage their individual skill sets is absolutely essential for our goal of constantly creating valuable products and services with new thinking to accommodate our changing business environment and the changing needs of customers in a timely manner.

It is based on this recognition that the Nomura Real Estate Group considers its people to be a major driving force behind its growth and is focused on developing its human resources and on promoting diversity-oriented management that fosters a corporate culture of acceptance and sharing of myriad viewpoints and values, regardless of gender, age, or job title.

Diversity

As part of its diversity initiatives, in June 2013 Nomura Real Estate Development established the Diversity Promotion Committee, chaired by the president and comprising members of various departments and positions as well as both genders. The committee carries out wide ranging reviews on work-life balance, improving management's capabilities, and mid- to long-term career development, among other topics, with the goal of maximizing the skills of our workforce, which features myriad values and backgrounds. Under a three-year plan, the committee is now working on recommending and executing specific measures and ensuring these measures gain a foothold at the company.

The Diversity Promotion Committee's Three-year Plan



To foster greater understanding of diversity, Nomura Real Estate Development focuses on employee engagement through the establishment of a dedicated person in charge, exclusive website, and blog, among other efforts.

Nomura Real Estate Urban Net is also working on raising awareness about diversity through the same activities.

Employee Satisfaction Survey

In September 2014, Nomura Real Estate Development conducted an employee satisfaction survey for the second consecutive year to find out

about the current state of satisfaction among employees and use this information as a means to improvement. The survey contained a total of 109 questions about all aspects of the employee experience, from overall satisfaction to work, supervisors, workplace, the company today and future career. The response rate was 95.1%, with 1,516 of 1,594 employees taking part in the survey.

Main Personnel System Changes up to the Fiscal Year Ended March 2015

Nomura Real Estate Development has made the following changes to its personnel system based on recommendations issued by the Diversity Promotion Committee.

- **Contract workers**
 - Contract workers can now conclude indefinite employment contracts
 - The system used for promotions based on skill improvement was made clearer
- **Nursing care**
 - Introduced a reduced working hours program
 - Extended the duration of nursing care leave
 - Introduced a program where employees can take nursing care leave in separate installments
- **Re-employment**
 - Made changes to treatment at the time an employee selects re-employment
 - Introduced a career seminar and job matching interviews for employees in their 50s

Selection of Ongoing Challenges

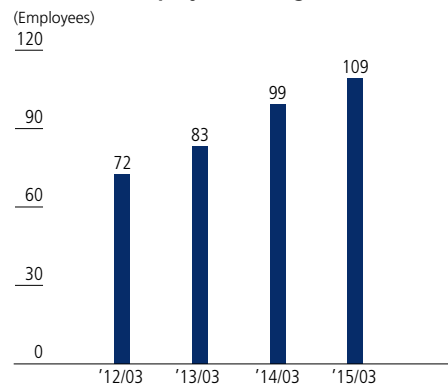
- Create a new culture where diversity promotion gains a foothold (change employees' mindsets and aim for proper understanding, utilization and administration of systems)
- Improve management's capabilities
- Assist mid- to long-term career development
- Make changes in the nursing care system known to all (nursing care seminars, etc.)
- Offer employees opportunities to work from home
- Improve work styles

Supporting Childcare and Nursing Care

The Nomura Real Estate Group offers a workplace where employees do not have to give up on work because they have a baby or because of childcare or nursing care obligations. Our parental leave, reduced working hours for childcare, and nursing care leave programs help ensure that each and every employee can contribute their skills while selecting the work style most suitable to their current needs. We also ensure that these programs are accessible to all employees in need through information provided via our intranet system. In the fiscal year ended March 2015, a total of 109 employees (including two men) took advantage of our parental leave program, and 96.3% of these employees returned to work after their leave was over.

Based on the belief that childcare and nursing care presents an opportunity to acquire

Number of Employees Taking Parental Leave



Number of Employees Taking Nursing Care Leave

'12/03	'13/03	'14/03	'15/03
1	4	2	1

new view points and skills, Nomura Real Estate Development has established an assistance program for holiday daycare, a childbirth leave program for male employees, and a program where employees can work reduced hours due to a nursing care obligation. These programs ensure that all employees, regardless of gender, can achieve a work-life balance when it comes to their childcare or nursing care needs.

Skills Development Assistance

Dynamo Camp

The Nomura Real Estate Group holds the Dynamo Camp, a program for all employees promoting networking and interaction. The word dynamo was chosen because it means a workforce that can usher in change by its own efforts. This event serves as a venue for thinking and talking about the Nomura Real Estate Group's future based on



The Dynamo Camp in progress

topics such as new business ventures. We also plan on setting up a community lounge that provides greater opportunities for all employees to network and interact with one another.

Basic Plan for Human Resources Development

Nomura Real Estate Development and other group companies recognize the importance of developing a workforce that is capable of acting based on a broad outlook using advanced professional expertise and faculties in order to ad-

Nomura Real Estate Development Basic Human Development Policies

- Proactive medium-to-long-term human development that provides a focus on careers
- Human development that responds to change over time, fosters innovation, and supports future management

The Qualities and Skills Nomura Real Estate Development Looks For

- **Professionalism:** The ability to perform duties professionally in any field
- **Determination:** The willingness and ability to work proactively based on personal conviction and to continue working until results are achieved
- **Judgment:** Strategic thinking and decision making that exhibit an awareness of conditions in the workplace and that lead to specific plans that produce results
- **Emotional intelligence:** The understanding of personality characteristics and feelings, and communication ability that maximizes potential within an organization
- **Adaptability:** A flexible outlook with the ability to think outside the box, and the energy to create new value
- **Versatility:** A range of skills such as analytical management and the ability to discern changes in society

dress the changing structure of society caused by globalization and demographics as well as adapt to a more complex and sophisticated real estate business. For this reason, we have prepared the Basic Plan for Human Resources Development.

Employee Health

Preventing Overwork

The Nomura Real Estate Group has a variety of initiatives in place to prevent or limit overwork by employees.

Specifically, Nomura Real Estate Development has introduced birthday leave and "refresh" leave as a means to encouraging employees to take paid leave. In addition, to shorten hours worked, the company has designated "no overtime" days and placed restrictions on computer usage times.

Employees whose work hours exceed a preset limit in a given month must complete an overwork self-assessment checklist to provide feedback to their general manager. When necessary, measures are implemented to ensure the health of the individual employee.

Reinforcing Health Management

The Nomura Real Estate Group Code of Action states that the Group will "strive to maintain and enhance sound and pleasant workplace conditions." Accordingly, we endeavor to prevent work-related accidents, facilitate appropriate management of physical and mental health, and ensure pleasant, employee-friendly workplaces. Group companies offer health checkups and examinations, and have set up mental and physical health hotlines and health consultation desks as part of proactive efforts to address mental health issues.

Basic Viewpoint

Nomura Real Estate Holdings believes that a company must be governed in a way that continuously maximizes corporate value over the long term, while consideration is given to the interest of shareholders and all other stakeholders. It is based on this belief that we act as a holding company in managing and supervising the business activities of our subsidiaries and strive to build a highly transparent management organization, which in turn will enhance the earning power of the entire Group.

Establishment of Basic Corporate Governance Policy

Nomura Real Estate Holdings considers the continual improvement of its corporate governance system to be an important task of management and it has made proactive efforts in this regard. We newly established the Basic Corporate Governance Policy after the Tokyo Stock Exchange began enforcing its Corporate Governance Code in June 2015. Going forward, we will strive to continually build and improve upon our proprietary corporate governance system through continual reviews, while also following the principles of the Corporate Governance Code.

Basic Corporate Governance Policy:

<http://www.nomura-re-hd.co.jp/english/company/pdf/cgpolicy.pdf>

Basic Corporate Governance Policy

- Chapter 1 General Provisions
- Chapter 2 Shareholder Rights and Securing Impartiality
- Chapter 3 Proper Cooperation with Stakeholders
- Chapter 4 Ensuring Appropriate Information Disclosure and Transparency
- Chapter 5 Accountability of the Board of Directors
- Chapter 6 Dialogue with Shareholders

Corporate Governance System

Transition to a Company with an Audit & Supervisory Committee

Nomura Real Estate Holdings until now had chosen to be a company with an Audit & Supervisory Board, but with the resolution passed at the ordinary general meeting of shareholders held on June 26, 2015 we have transitioned to become a company with an Audit & Supervisory Committee, a format which was newly introduced by recent amendments to Japan's Companies Act. A company with an Audit & Supervisory Committee is believed to offer enhanced audit and supervisory functions because the Board of Directors

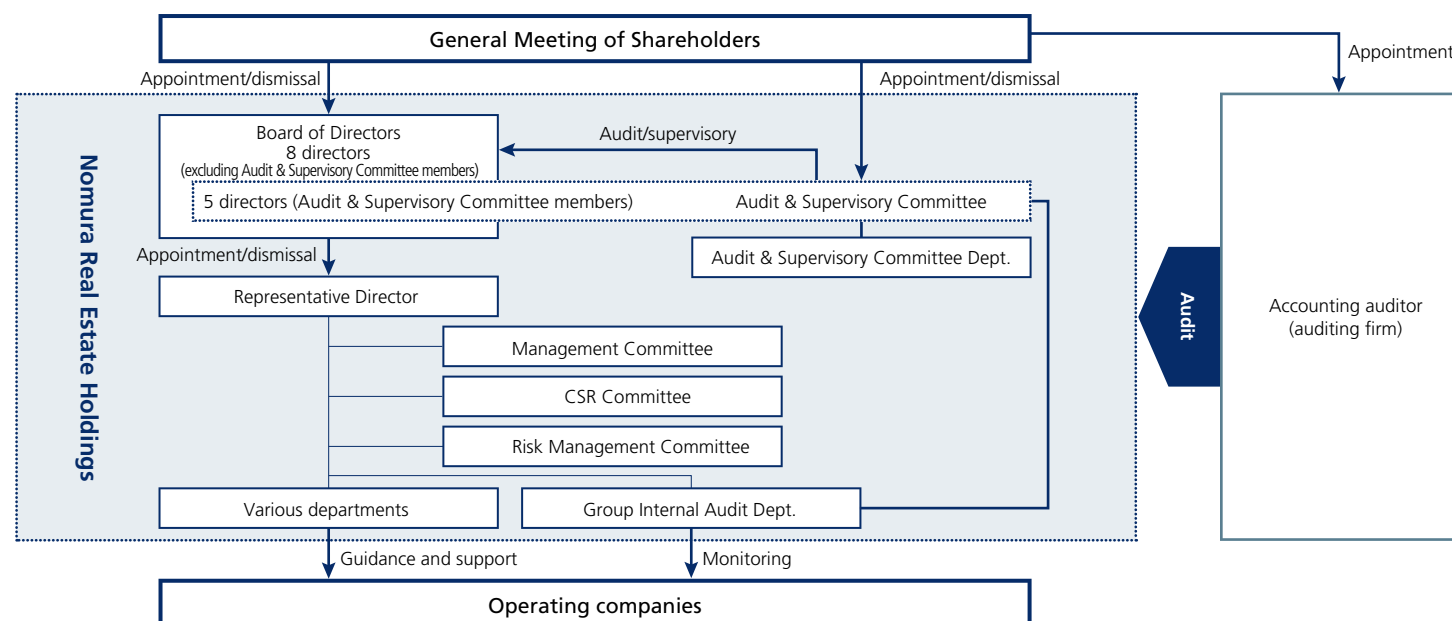
can be supervised by audits of directors' duties and the exercising of voting rights at Board of Directors' meetings, by directors who serve on the Audit & Supervisory Committee. This change has resulted in the appointment of five external directors including four independent external directors, compared to before when the Board of Directors had two external directors including one independent external director.

Board of Directors

The Board of Directors comprises eight directors (excluding directors who serve as Audit & Supervisory Committee members), of which two are external directors, and five directors who also

serve on the Audit & Supervisory Committee, of which three are external directors. The Board of Directors decides important corporate matters, such as basic management policies, and supervises the execution of duties by directors and business operations by executive officers. Nomura Real Estate Holdings appoints external directors in order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management. Furthermore, evaluations on the effectiveness of the Board of Directors are carried out regularly in order to improve the functions of the Board of Directors.

Corporate Governance System



Audit & Supervisory Committee

Nomura Real Estate Holdings is a company with an Audit & Supervisory Committee. A majority of the committee members are external directors. The committee supervises management functions. The Audit & Supervisory Committee conducts audits using the internal control system and receives regular reports from internal audit departments on the implementation and results of internal audits. When necessary, the Audit & Supervisory Committee can also request reports be made from directors, executive officers, or business execution departments of Nomura Real Estate Holdings or Group companies.

Executive Officers System

Nomura Real Estate Holdings has introduced a system of executive officers with an aim to strengthen Group management, to separate and enhance the business execution function from the decision-making and supervisory functions of the Board of Directors. Each executive officer appointed by the Board of Directors is delegated management authority based on Nomura Real Estate Holdings' internal rules and other stipulations to execute business under the direction of the president & CEO and policies approved by the Board of Directors of the Company.

Management Committee

Nomura Real Estate Holdings' Management Committee is comprised of the Chair, the Chief Executive and executive officers. It decides on certain matters pertaining to the business operations of the entire Nomura Real Estate Group. Directors who are Audit & Supervisory Committee members attend the Management Committee meetings as needed to contribute their opinion and expertise.

Internal Audits and Audit & Supervisory Committee System**Internal Audit System**

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

In addition, we have established the Group Internal Audit Department in the holding company that, in collaboration with the auditing firm, supervises the internal audit functions of the entire Group and performs monitoring and evaluation as well as audits each division within the Company. Also, the results of audits are reported at meetings of the Board of Directors and the Audit & Supervisory Committee.

Audit & Supervisory Committee Audit System

The Audit & Supervisory Committee receives regular reports from internal audit departments on the implementation and results of internal audits. When necessary, it can recommend or instruct additional audits or necessary investigations to be carried out. The Audit & Supervisory Committee also audits and supervises the execution of duties by directors and business operations by executive officers while cooperating with the auditing firm as needed.

Audit & Supervisory Committee members attend Board of Directors' and other important company meetings and can request reports from business execution departments as necessary to

collect information on Nomura Real Estate Holdings' execution of business operations. Nomura Real Estate Holdings has established Audit & Supervisory Committee Dept. in order to aid the duties of Audit & Supervisory Committee members. This office has its own dedicated staff that work to implement measures for increasing the effectiveness of audit operations.

Audit & Supervisory Committee member Takao Orihara has prolonged experience in finance and accounting, Audit & Supervisory Committee member Shigeki Fujitani has experience in finance and audit work over many years and Audit & Supervisory Committee member Akira Yamate possesses a qualification as a Certified Public Accountant. All three individuals thus have a considerable degree of professional insight regarding finance and accounting.

Accounting Audits

Nomura Real Estate Holdings has concluded an auditing contract with Ernst & Young ShinNihon LLC (the auditing firm). In addition to regular accounting audits by the auditing firm, the Company discusses and verifies accounting issues with the auditing firm as needed and strives to follow appropriate accounting procedures.

Auditing Firm and Certified Public Accountants

Auditing Firm	Names of Certified Public Accountants	
Ernst & Young ShinNihon LLC	Designated and Engagement Partner	Tadayuki Matsushige
	Designated and Engagement Partner	Kazunori Takenouchi
	Designated and Engagement Partner	Toru Nakagiri

* Length of auditing service of each of the above-mentioned Auditors is seven years or less; therefore, the number of years is omitted.

* Ernst & Young ShinNihon LLC takes measures to ensure that individual Engagement Partners do not continue their involvement in our accounting audits over an extended period of time. Assistants involved in auditing are listed below.

Certified Public Accountants 7/ Assistant Certified Public Accountants 3/ Other 4

Certified Public Accountants involved in auditing are listed below.

Determination Criteria for the Independence of Independent External Directors

Nomura Real Estate Holdings has prepared our own determination criteria for the independence of independent external directors and also use the conditions of independent officers stipulated by the Tokyo Stock Exchange. Candidates for independent external director are selected after confirming that they do not fulfill any of these criteria.

Compensation of Directors and Audit & Supervisory Committee Members and Compensation of Accounting Auditors**Policy and Decision-making Method Regarding the Amount and Calculation of Compensation and Other Remuneration for Directors and Audit & Supervisory Committee Members**

A resolution was passed at the ordinary general meeting of shareholders held on June 26, 2015 set-

ting the annual compensation of directors (excluding those who serve on the Audit & Supervisory Committee) at no more than ¥650 million and that of directors who serve on the Audit & Supervisor Committee at no more than ¥150 million.

Nomura Real Estate Holdings' compensation of directors consists of fixed monthly compensation and variable compensation, comprising bonuses and stock-related compensation. Bonuses are determined according to the Company's business performance during the relevant fiscal year. Stock-related compensation, in the form of stock options, is designed to align executives' interests with those of the Company's shareholders, and to further enhance corporate value. Stock options are either market-value stock options, on which the exercise price (the amount payable when the right is exercised) is determined on the basis of market prices, or share compensation stock options, which have exercise prices of ¥1 per share.

Stock-related compensation is not provided

ed for external directors and directors that serve on the Audit & Supervisory Committee.

Policy for Deciding the Compensation of Accounting Auditors

Nomura Real Estate Holdings takes factors such as the details of audit operations, allocation plan for audit staff, days spent performing accounting au-

its, and the scale and business characteristics of the Company comprehensively into consideration in reaching an appropriate decision regarding the compensation of the auditing firm and its certified public accountants and other accounting audit personnel. Additionally, the approval of the Audit & Supervisory Committee is obtained in determining the compensation of accounting auditors.

etc. When holding strategic shares the Company regularly grasps the state of transactions with the Group and the state of management at the investee company, and we continuously examine the rationality of the holdings from the perspective of contributing to improving the Company's corporate value. The Company makes appropriate decisions when exercising voting rights relating to strategic shareholdings based on whether holdings contribute to improving the Company's corporate value through improving the investee companies' corporate value.

The following presents the stock ownership of Nomura Real Estate Development, which is the company with the largest amount of investment shares on the balance sheet including among Nomura Real Estate Holdings and its consolidated subsidiaries. This category does not apply to Nomura Real Estate Holdings.

Policy on Cross-shareholdings and Criteria for Exercising Voting Rights

Nomura Real Estate Holdings has a policy concerning strategic shareholdings that acknowledges contributing to improving the Company's corporate value from a comprehensive perspective of strengthening transaction relations with counterparties and strategic business tie-ups,

Specific Investment Shares

a. Investment shares held for purposes other than pure investment and the total amount on the balance sheet:
15 stocks / ¥1,409 million

b. Stocks, categories, number of shares, amount on the balance sheet and purpose for investment shares held for purposes other than pure investment

Stock	Number of shares	Amount on balance sheet (¥ million)	Purpose
Onward Holdings Co., Ltd.	500,000	419	To enhance corporate value by strengthening business ties

c. The total amount recorded on the balance sheet, dividends received, gains/losses on sale, and gains/losses on valuation of investment shares held for the purpose of pure investment in the fiscal year ended March 2015

Category	Total amount on the balance sheet (¥ million)	Total amount of dividends received (¥ million)	Total amount of gains/losses on sale (¥ million)	Total amount of gains/losses on valuation (¥ million)
Non-listed shares	—	—	—	—
Other shares	1,460	25	—	835

Total Compensation of Directors and Audit & Supervisory Board Members by Type of Remuneration (fiscal year ended March 2015)

	Total compensation (¥ million)	Total compensation by type of remuneration (¥ million)				Headcount
		Basic compensation	Stock option	Bonus	Retirement benefits	
Directors (excluding external directors)	385	177	79	128	—	6
Audit & Supervisory Board Members (excluding external Audit & Supervisory Board Members)	75	56	—	19	—	3
External directors and Audit & Supervisory Board Members	77	68	—	9	—	5
Total	538	302	79	156	—	14

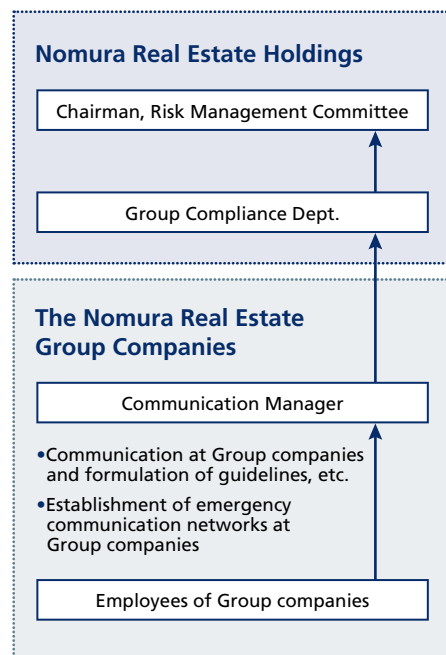
*The number of Audit & Supervisory Board members at the end of the fiscal year ended March 2015 was five, including three who served as External Audit & Supervisory Board Member. The reason for the discrepancy in the number of Audit & Supervisory Board members above is because it includes one member who retired effective June 27, 2014.

Risk Management

Risk Management System

Nomura Real Estate Holdings has established a Risk Management Committee comprising executive officers in charge of administrative departments of the Company and Group companies as members, for the purpose of promoting risk management within the Group. The Risk Management Committee deliberates on matters pertaining to risk management, compliance, and information security as they relate to the entire Group, and it also discusses ways to respond to risks that do emerge.

Flow of Communication



Risk Management Regulations

The Nomura Real Estate Group believes that ensuring sound management by properly addressing risks to business operations is fundamental to corporate governance. Accordingly, the Group has established Risk Management Regulations as its fundamental risk management guidelines. The Group has thus established timely and proper reporting rules, including prompt escalation of situational reports to management after unforeseen incidents have occurred, in addition to regularly monitoring risks, as a predication of risk management.

Risk Management Committee Meetings

In accordance with its Risk Management Regulations, Nomura Real Estate Holdings has established the Risk Management Committee comprising executive officers in charge of general administrative departments of Group companies as part of its risk management efforts. The Risk Management Committee meets, in principle, monthly to deliberate on matters concerning the risk management, compliance and information security within the entire Group. It also discusses response measures when risks do occur. Details of all deliberations and discussions are reported to the Board of Directors on a regular basis.

The Risk Management Committee provides necessary guidance, advice and support to Group companies, with the execution of regular inspections on legal compliance being one such example. Compliance with relevant laws is ensured through compliance inspections for laws that relate to every Group company, such as the Building Lots and Buildings Transaction Business Act and Financial Instruments and Exchange Act, in which issues that require remedy are pointed out.

Compliance

Compliance Systems

The Nomura Real Estate Group regards compliance with laws and corporate ethics as one of the most important management issues. As a set of relevant guidelines, it has formulated the Nomura Real Estate Group Code of Action. Additionally, the Risk Management Committee and Group Compliance Department have been established at Nomura Real Estate Holdings to promote continuous educational and awareness activities for executives and employees of the entire Group. These organizations also provide advice, guidance and support to Group companies.

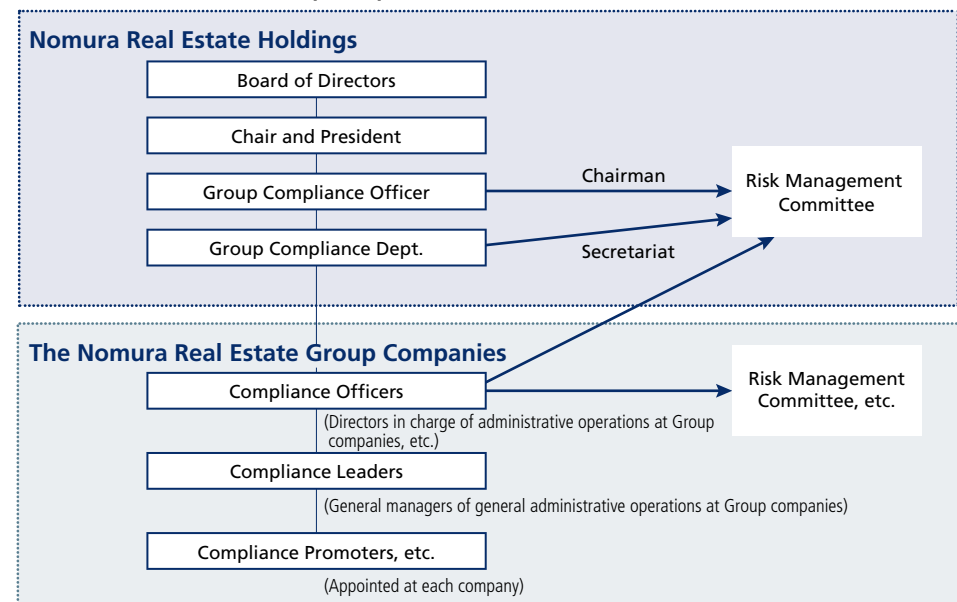
The Nomura Real Estate Group Risk Hotline

The Nomura Real Estate Group Risk Hotline was established as a point of contact for whistle-blowing by Group employees from the standpoint of gathering information on risks. The hotline for reporting and consultation has two channels: one internally (chair of the Risk Management Committee) and one externally at a law firm. The Group protects the confidentiality of reports and prohibits whistleblowers from being exposed to negative treatment because of their report.

Compliance Program

The Nomura Real Estate Group has established a compliance program under which it carries out training throughout the year. In addition, Com-

The Nomura Real Estate Group Compliance Promotion Framework



pliance Hour is a program streamed to all officers and employees of Group companies over the Internet on a monthly basis in order to raise awareness about compliance.

Basic Approach and System for the Exclusion of Anti-social Forces

The Nomura Real Estate Group Code of Action, a set of rules that all executive officers and employees must abide by, contains a provision on the exclusion of anti-social forces that states the Group's basic policy is to reject all relationships with anti-social forces.

The Nomura Real Estate Group Code of Action Article 29 (Exclusion of Anti-social Forces)

The Nomura Real Estate Group rejects all relationships with anti-social forces, groups or individuals that pose a threat to social order and security, or impede fair economic activities. In addition, the Nomura Real Estate Group rejects all business transactions with such forces or groups and will take a resolute stance against any of their illegitimate demands.

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

Disclosure System Concerning Timely Disclosure

Corporate Information Collection

Corporate information of Nomura Real Estate Holdings is aggregated by the person responsible for information handling (the corporate officer in charge of the Corporate Communications & Investor Relations Department) through the department responsible for information collection (Corporate Planning Department) from responsible individuals in each department within the Company. Regarding the Nomura Real Estate Group companies, corporate information is aggregated by the person responsible for information handling (the corporate officer in charge of the Corporate Communications & Investor Relations Department) through the department responsible for information collection (Corporate Planning Department) from responsible individuals in each Group company. Furthermore, information on incidents with significant urgency is aggregated by the person responsible for information handling (the corporate officer in charge of the Corporate Communications & Investor Relations Department) through the Chairman of the Risk Management Committee.

Decisions on Timely Disclosure of Corporate Information

The person responsible for information handling (the corporate officer in charge of the Corporate Communications & Investor Relations Department) forms an Information Disclosure Screening Team, which is made up, as needed, of general managers, corporate officers and others responsible for related departments, if a decision is required on whether or not to disclose corporate information aggregated by the aforementioned

system. This team looks at the necessity for timely disclosure, the disclosure details and other matters, and at the same time reports the results to the president.

Timely Disclosure

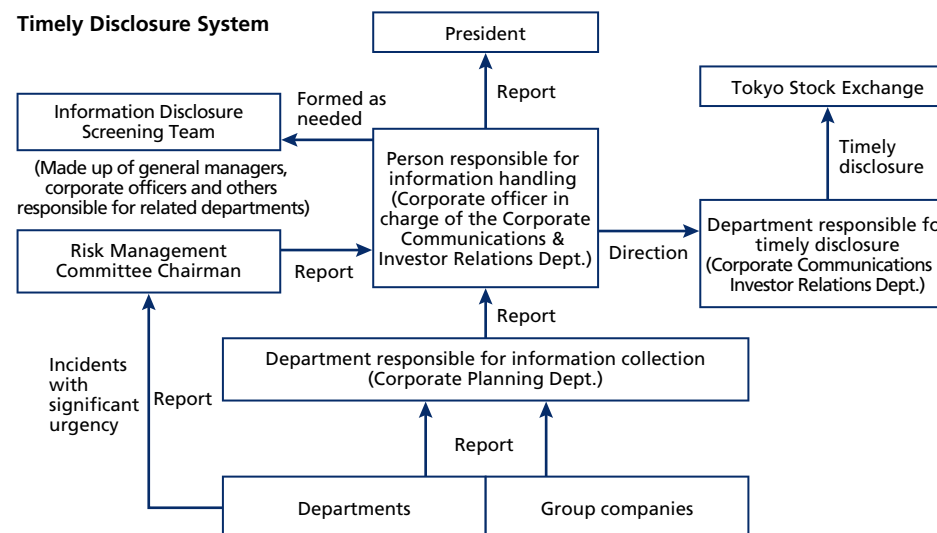
Corporate information that must be disclosed in accordance with the timely disclosure rules of the Tokyo Stock Exchange and corporate information that Nomura Real Estate Holdings decides needs to be disclosed in a timely manner is disclosed by the department responsible for timely disclosure (Corporate Communications & Investor Relations Department) under the direction of the person responsible for information handling (the corporate officer in charge of the Corporate Communications & Investor Relations Department). The department responsible for timely disclosure (Corporate Communications & Investor Relations Department) prepares the materials for disclosure and makes them public after receiving the approval of the person responsible for information handling (the corporate officer in charge of the Corporate Communications & Investor Relations Department).

tor Relations Department) prepares the materials for disclosure and makes them public after receiving the approval of the person responsible for information handling (the corporate officer in charge of the Corporate Communications & Investor Relations Department).

Monitoring of Timely Disclosure System

Nomura Real Estate Holdings established the Group Internal Audit Department to conduct internal audit work. This department also carries out monitoring of operations under the timely disclosure system described above. Audit & Supervisory Committee members take turns in attending Board of Directors' and other important company meetings as well as receive reports from directors and view relevant documents to investigate whether the timely disclosure system is functioning properly.

Timely Disclosure System



Investor Relations Activities

Policy on Constructive Engagement with Shareholders

Nomura Real Estate Holdings conducts proactive and constructive engagement with shareholders based on its established systems and policy on initiatives to promote greater engagement. The president and director in charge of investor relations take the lead in engaging shareholders, while the department in charge of investor relations supports these efforts. The department in charge of investor relations meets with internal departments and shares information on a daily basis to gather information and promote engagement with shareholders. A silent period has also been established to prevent leakages of information that affect our stock price and to ensure the fairness of information disclosures.

Building Relationships with Analysts and Institutional Investors

Nomura Real Estate Holdings regularly holds earnings briefings at the time of announcing annual and semi-annual results delivered by the president as an opportunity to engage analysts and institutional investors. During these briefings, an overview of earnings results is given and corporate strategy explained, and the streaming of earnings briefings is provided on the Company's website. We also conduct a conference call on the days when quarterly earnings results are announced, briefing sessions for business activities and property tours to help foster better understanding of the Company.

Given the increasing shareholdings of foreign investors, we regularly provide financial closing information and streaming of earnings

briefings in English. In addition, Company president or directors visit one on one with institutional investors in the United States, Europe, Asia and other parts of the world to explain business and financial strategies and build relationships.

In addition to the above, we are actively increasing engagement with institutional investors with regards to corporate governance. This includes discussions held between our executive officers and major institutional investor shareholders on resolutions of the general meeting of shareholders, our approach to corporate governance, and capital efficiency, among other topics.

Based on this engagement with analysts and institutional investors, the corporate officer in charge of the Corporate Communications & Investor Relations Department reports semi-annually to the Board of Directors about investor trends (composition of shareholders and stance toward voting rights, etc.) understood through engagement and about the views expressed by analysts covering Nomura Real Estate Holdings. This information is used to provide appropriate and effective feedback to the executive management team.

Communication with Individual Investors

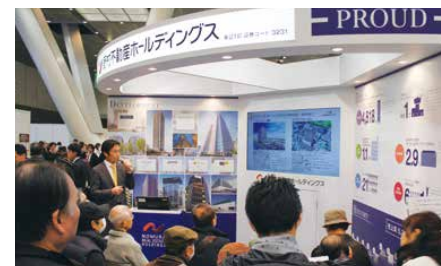
Given the increase in the number of individual investors following the rollout of the Nippon



Earnings briefing

Investment Savings Account (NISA) program, Nomura Real Estate Holdings regularly holds information sessions for individual investors using various venues including investor relations events sponsored by the Tokyo Stock Exchange and company briefings held at the branches of securities companies. During the fiscal year ended March 2015, President Nakai (currently Chair) personally led a briefing for individual investors where he spoke about the Company and strived to foster greater understanding among individual investors.

In addition, we have expanded our corporate website as part of our efforts to broaden understanding about the Group among individual investors and the investment community. For the fiscal year ended March 2015, Nomura Real Estate Holdings ranked 41 out of 3,586 listed companies in a ranking of the website of listed companies conducted by Nikko Investor Relations Co., Ltd., which also recognized Nomura Real Estate Holdings with an Excellence Award. This demonstrates our corporate website has established a strong reputation externally.



TSE IR Festa 2015

Main IR Activities (April 2014 to March 2015)

IR activities for institutional investors	Number of times held
Earnings briefings	2 times
Teleconferences on earnings briefing days	4 times
Meetings with investors and analysts (This number includes the following meetings)	Cumulatively 297 meetings
Overseas IR (Europe, U.S., Asia)	3 times
Conference organized by securities companies	7 times
Property tours	1 time
SR meetings	6 times
IR activities for individual investors	
Securities company branch briefings	4 times
IR fairs	3 times



Briefing for individual investors led by President Nakai (currently Chair)



(Front row from left) Hiroyuki Kimura, Seiichi Miyajima, Kamezo Nakai, Eiji Kutsukake, Toshiaki Seki, Yukoh Yoshida
(Back row from left) Akira Yamate, Shigeki Fujitani, Satoko Shinohara, Shigeru Matsushima, Takao Orihara, Satoshi Ogishi, Akira Ono

Directors

Kamezo Nakai

Chair (Representative Director)

Apr. 1974: Joined Nomura Securities Co., Ltd.
Jun. 1995: Director of Nomura Securities Co., Ltd.
Apr. 1999: Managing Director of Nomura Securities Co., Ltd.
Apr. 2003: Director and Executive Vice President of Nomura Asset Management Co., Ltd.
Jun. 2003: Executive Vice President and Executive Managing Director of Nomura Asset Management Co., Ltd.
Jun. 2003: Executive Managing Director of Nomura Holdings, Inc.
Apr. 2008: Advisor of Nomura Asset Management Co., Ltd.
Apr. 2009: Advisor of Nomura Land and Building Co., Ltd.
Jun. 2009: President (Representative Director) of Nomura Land and Building Co., Ltd.
Jun. 2011: President (Representative Director) of Nomura Real Estate Holdings, Inc.
Apr. 2012: President (Representative Director) and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.
May 2012: President (Representative Director) and Chief Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2015: Chair (Representative Director) of Nomura Real Estate Development Co., Ltd. (To present)
Jun. 2015: Chair (Representative Director) of Nomura Real Estate Holdings, Inc. (To present)

Hiroyuki Kimura

Director (Representative Director) and Executive Officer

CFO and Head of Investor Relations

Apr. 1984: Joined Nomura Real Estate Development Co., Ltd.
Feb. 2006: General Manager of Finance & Accounting Dept. of Nomura Real Estate Holdings, Inc.
Apr. 2009: Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2009: Director of Nomura Real Estate Holdings, Inc.
Apr. 2010: President (Representative Director) of Nomura Real Estate Investment Management Co., Ltd.
May 2012: Executive Officer of Nomura Real Estate Holdings, Inc.
Jun. 2012: Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2013: Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2013: Executive Officer of Nomura Real Estate Holdings, Inc.
Jun. 2014: Director (Representative Director) and Executive Officer of Nomura Real Estate Holdings, Inc. (To present)

Eiji Kutsukake

President (Representative Director) and Chief Executive Officer

Apr. 1984: Joined Nomura Securities Co., Ltd.
Apr. 2007: Director of Nomura Securities Co., Ltd.
Oct. 2008: Senior Managing Director of Nomura Securities Co., Ltd.
Apr. 2009: Senior Corporate Managing Director of Nomura Securities Co., Ltd.
Apr. 2011: Executive Vice President of Nomura Securities Co., Ltd.
Apr. 2011: Senior Corporate Managing Director of Nomura Holdings, Inc.
Apr. 2012: Executive Managing Director of Nomura Holdings, Inc.
Aug. 2012: Deputy President of Nomura Securities Co., Ltd.
Apr. 2013: Director and Deputy President of Nomura Securities Co., Ltd.
Apr. 2014: Advisor of Nomura Real Estate Holdings, Inc.
Jun. 2014: Director (Representative Director) and Executive Vice President of Nomura Real Estate Holdings, Inc.
Jun. 2015: President (Representative Director) and Chief Executive Officer of Nomura Real Estate Holdings, Inc. (To present)

Yukoh Yoshida

Director and Executive Officer

Supervisor of Administration Dept. and Head of Management of Affiliated Companies

Apr. 1986: Joined Nomura Real Estate Development Co., Ltd.
Jun. 2005: General Manager of Corporate Planning Dept. of Nomura Real Estate Development Co., Ltd.
Jun. 2005: General Manager of Corporate Planning Dept. of Nomura Real Estate Holdings, Inc.
Apr. 2009: Director and Executive Officer of Nomura Real Estate Development Co., Ltd.
Jun. 2009: Director of Nomura Real Estate Holdings, Inc.
Apr. 2012: Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
May 2012: Director and Executive Officer of Nomura Real Estate Holdings, Inc. (To present)
Apr. 2015: Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (To present)

Seiichi Miyajima

Director (Representative Director) and Executive Officer

Apr. 1981: Joined Nomura Real Estate Development Co., Ltd.
Jun. 2002: General Manager of Residential Development Dept. (1) of Residential Development Division of Nomura Real Estate Development Co., Ltd.
Jun. 2004: Director of Nomura Real Estate Development Co., Ltd.
Apr. 2008: Senior Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2009: Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2012: Director (Representative Director) and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
May 2012: Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2014: Director (Representative Director) and Executive Vice President of Nomura Real Estate Development Co., Ltd.
Jun. 2014: Director (Representative Director) and Executive Officer of Nomura Real Estate Holdings, Inc. (To present)
Apr. 2015: President (Representative Director) and Chief Executive Officer of Nomura Real Estate Development Co., Ltd. (To present)

Shigeru Matsushima

Director (External)

Apr. 1973: Joined Ministry of International Trade and Industry (currently, Ministry of Economy, Trade and Industry)
Jun. 1998: Deputy Director-General for Agency of Industrial Science and Technology of Ministry of International Trade and Industry
Sep. 1999: Director-General of Chubu Bureau of International Trade and Industry of Ministry of International Trade and Industry
Apr. 2001: Professor, Faculty of Business Administration, Hosei University
Mar. 2007: External Director of CAC Corporation (currently, CAC Holdings Corporation) (To present)
Apr. 2008: Professor, Tokyo University of Science Graduate School of Management of Science & Technology (currently, Graduate School of Innovation Studies) (To present)
Jun. 2008: Audit & Supervisory Board Member of Nomura Real Estate Holdings, Inc.
Apr. 2012: Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd.
Jun. 2013: Director of Nomura Real Estate Holdings, Inc. (To present)

Toshiaki Seki

Director (Representative Director) and Executive Officer

Head of the Property & Facility Management Business and Senior Business Management Dept.

Apr. 1980: Joined Nomura Real Estate Development Co., Ltd.
Apr. 2001: General Manager of Human Resource Dept. of Nomura Real Estate Development Co., Ltd.
Jun. 2003: Director of Nomura Real Estate Development Co., Ltd.
Mar. 2007: Managing Director of Nomura Real Estate Development Co., Ltd.
Apr. 2007: President (Representative Director) of Nomura Living Support Co., Ltd.
Apr. 2008: President (Representative Director) and Chief Executive Officer of Nomura Living Support Co., Ltd.
Dec. 2010: President (Representative Director) of Nomura Real Estate Reform Co., Ltd.
May 2012: Director of Nomura Real Estate Holdings, Inc.
Apr. 2014: President (Representative Director) and Chief Executive Officer of Nomura Real Estate Partners Co., Ltd.
Jun. 2014: Director (Representative Director) and Executive Officer of Nomura Real Estate Holdings, Inc. (To present)
Apr. 2015: Chair (Representative Director) of Nomura Real Estate Partners Co., Ltd. (To present)
Apr. 2015: President (Representative Director) of Nomura Real Estate Wellness Co., Ltd. (To present)

Satoko Shinohara

Director (External)

Apr. 1983: Joined Kohyama Atelier (currently, Hisao Kohyama Atelier)
May 1987: Director of Spatial Design Studio
Oct. 1990: Director of Kengo Kuma and Associates
Nov. 2000: Representative Director of Spatial Design Studio (To present)
Mar. 2009: Representative Director of Kengo Kuma and Associates (To present)
Feb. 2010: Representative Partner of Satoko Shinohara Living Design Institute LLC (To present)
Apr. 2010: Professor of Japan Women's University (To present)
Jun. 2014: Director of Nomura Real Estate Holdings, Inc. (To present)

Takao Orihara**Director (Audit & Supervisory Committee Member)**

Apr. 1980: Joined Nomura Real Estate Development Co., Ltd.
Oct. 2004: General Manager of Corporate Planning Dept. of Nomura Real Estate Holdings, Inc.
Jun. 2005: Director of Nomura Real Estate Holdings, Inc.
Jun. 2005: Director of Nomura Real Estate Development Co., Ltd.
Apr. 2008: Director and Senior Executive Officer of Nomura Real Estate Development Co., Ltd.
Apr. 2009: Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
May 2012: Director and Executive Officer of Nomura Real Estate Holdings, Inc.
Apr. 2014: Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (To present)
Apr. 2014: Advisor of Nomura Real Estate Holdings, Inc.
Jun. 2014: Audit & Supervisory Board Member of Nomura Real Estate Holdings, Inc.
Jun. 2015: Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (To present)

Akira Yamate**Director (Audit & Supervisory Committee Member) (External)**

Nov. 1977: Joined Price Waterhouse & Co.
Jul. 1991: Representative Partner of Aoyama Audit Corporation
Jul. 1991: Partner of Price Waterhouse & Co.
Apr. 2000: Representative Partner of Chuo Aoyama Audit Corporation
Apr. 2000: Partner of PricewaterhouseCoopers
Sep. 2006: Representative Partner of PricewaterhouseCoopers Aarata
Jun. 2013: Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd.
Jun. 2013: Audit & Supervisory Board Member of Nomura Real Estate Holdings, Inc.
Jun. 2015: Outside Director of Mitsubishi UFJ Financial Group, Inc. (To present)
Jun. 2015: Auditor of Prudential Holdings of Japan, Inc. (To present)
Jun. 2015: Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (To present)

Shigeki Fujitani**Director (Audit & Supervisory Committee Member)**

Apr. 1981: Joined Nomura Securities Co., Ltd.
Apr. 2008: Executive Managing Director of Nomura Asset Management Co., Ltd.
Oct. 2008: Executive Officer of Nomura Holdings, Inc.
Apr. 2013: Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (To present)
Jun. 2013: Audit & Supervisory Board Member of Nomura Real Estate Holdings, Inc.
Jun. 2015: Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (To present)

Akira Ono**Director (Audit & Supervisory Committee Member) (External)**

Apr. 1998: Registered with Tokyo Bar Association
Apr. 1998: Joined Tokyo Aoyama Law Office (currently, Baker & McKenzie [Gaikokuho Joint Enterprise])
Mar. 1999: Joined Okinobu, Ishihara & Sei Law Office (currently, Spring Partners)
Jan. 2006: Partner of Spring Partners (To present)
Jun. 2012: Audit & Supervisory Board Member of MEGALOS CO., LTD. (To present)
Jun. 2015: Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (To present)

Satoshi Ogishi**Director (Audit & Supervisory Committee Member) (External)**

Dec. 1981: Registered with Dai-ichi Tokyo Bar Association
Dec. 1981: Joined Nishimura & Sanada (currently, Nishimura & Asahi)
Jan. 1987: Partner of Nishimura & Sanada (To present)
Apr. 2005: Professor of Tokai University Law School
Apr. 2005: Director of Nozomi Servicing Co., Ltd. (To present)
Aug. 2011: External Director of Oracle Corporation Japan (To present)
Jun. 2012: Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd.
Jun. 2012: Audit & Supervisory Board Member of Nomura Real Estate Holdings, Inc.
Jun. 2015: Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (To present)

Executive Officers**Seishi Miyajima**

Executive Officer in charge of Property Brokerage & CRE Business

Takashi Kaku

Executive Officer in charge of Quality Management and Architectural Design

Tadashi Nakajima

Executive Officer in charge of Leasing Business and Supervisor of Development Planning

Norio Ambe

Executive Officer in charge of Investment Management Business

Juntaro Kimura

Executive Officer in charge of Corporate Real Estate

Shigeyuki Yamamoto

Executive Officer in charge of Residential Development Business

Minoru Hatada

Executive Officer in charge of Development Planning

Makoto Haga

Executive Officer in charge of Corporate Planning Dept., Corporate Social Responsibility Management Dept., and Corporate Communications & Investor Relations Dept.

Haruki Nakamura

Executive Officer in charge of Finance & Accounting Dept. and Finance Dept.

Noriyuki Jimbo

Executive Officer and General Manager of Group Human Resource Dept.

Yukio Ichihara

Executive Officer in charge of Secretariat, Group IT Planning & Implementation Dept., Group Corporate Administration Dept., and Internal Audit and Compliance

Actively Involved in Discussions about Our CSR Vision and in Interactions with Employees to Clarify the Value We Provide to Society

Shigeru Matsushima



Nomura Real Estate Holdings recently prepared a CSR vision for the first time. We have spread our wings and now engage in a truly broad range of businesses including not only tangible infrastructure such as the development of housing and offices, but also intangible fields such as operation and management of commercial facilities, fitness centers, and senior housing.

Needless to say, this type of business expansion is important for our company to achieve medium- to long-term growth. At the same time, though, we also need to clarify the type of value we can contribute to society collectively as a group of companies.

In my role as an External Director, I have been actively involved in discussions on our CSR vision while also interacting not only with senior management but also mid-level employees of each Group company. Going forward, I intend to help the Company realize sound growth in conjunction with the Mid- to Long-term Business Plan prepared at the same time as our CSR vision.

Profile

Professor, Tokyo University of Science Graduate School of Innovation Studies

As an expert in business administration, Mr. Matsushima has a wealth of knowledge and wide ranging experience in corporate innovation processes, industrial policy, corporate management and organizational theory. He has served as an Audit & Supervisory Board Member for Nomura Real Estate Holdings since 2008 and as a Director since 2013.

Expectations for a New Approach to Living Based on the Fact That Japan Is Now Tackling the Challenges Other Countries Will Face Later

Satoko Shinohara



I believe the future of Japan is shaped differently based on how you view the country today. From my travels with students on research trips to various countries, especially East Asia and Southeast Asia, I have gained further insight into the fact that Japan is now tackling many of the issues that other countries will face in the future, such as a super-aged society and the erosion of communities and family networks that should be supporting this society. At the same time, I have witnessed several budding solutions to these issues, including attempts to create multi-generational communities involving seniors and youth and the utilization of dead stock, among others. I have also been able to grasp a sense of the potential offered by Japan's uniquely mature society. First and foremost, I feel the need to think about the future while learning more about these budding examples of solutions.

I expect that a new approach to living will emerge from the Nomura Real Estate Group, which has worked diligently in the field of living, and also from Japan's unique experience with living, and I hope to play a role in finding the right approach.

Profile

Professor, Department of Housing and Architecture, Faculty of Human Sciences and Design, Japan Women's University

Representative Director of Spatial Design Studio
Ms. Shinohara has worked for many years as an architect and has gained a wealth of knowledge and experience as a researcher of approaches to shared spatial design in condominiums. She was appointed as a Director of Nomura Real Estate Holdings in 2014.

Leveraging My Experience as an External Audit & Supervisory Board Member to Add My Perspective on Management to More Actively Enhance Corporate Value

Satoshi Ogishi



I was appointed as a Director (External Director / Audit & Supervisory Committee Member) at the same time as Nomura Real Estate Holdings became a company with an Audit & Supervisory Committee. As an External Audit & Supervisory Board Member, I had provided my views as an outside third person to the Board of Directors and the Audit & Supervisory Board, such as whether the Company's business activities were in compliance with laws and regulations and whether conflicts of interest were being managed properly as potential problems.

As a member of the Board of Directors, I will now more actively contribute my perspective on management and ideas for enhancing corporate value. Although I will not be directly involved in business operations, but I will be authorized to assist with the selection of directors and determination of their compensation. I am deeply aware of the importance of this responsibility.

Our business environment is very favorable at the moment and as a Japanese real estate firm that will now look to new business ventures to address aging society and changing demographics, I hope to contribute, even in a small way, to creating a Nomura Real Estate Group that can fulfill the expectations of customers, communities, business partners, employees, and shareholders.

Profile

Attorney-at-law and Partner at Nishimura & Asahi
As an attorney-at-law, Mr. Ogishi maintains a wealth of business experience and advanced expertise in general corporate law, M&A and business revitalization. He has served as an Audit & Supervisory Board Member for Nomura Real Estate Holdings since 2012 and Director (Audit & Supervisory Committee Member) since 2015.

Contributing to Enhanced Corporate Value Using My Objective View Point to Encourage Management to Think about What Is Right

Akira Yamate



I was newly appointed as a Director and Audit & Supervisory Committee Member in this fiscal year. Based on my many years of professional experience as a Certified Public Accountant, I recognize that one of my most important roles is to provide my objective viewpoint for the Company's financial activities, external reports, and audits carried out by the external auditors.

Corporate management has both aggressive and defensive postures. It also faces the reality of decisions made between the lines of true intentions and public position. Given this, executive management needs to achieve management targets while also being constantly aware of the right actions to take. I believe my job is to encourage management to think about what is right.

In my role as an External Director, I hope to examine management from my objective viewpoint and share my observations in an effort to contribute to the enhancement of corporate value.

Profile

Certified Public Accountant
Mr. Yamate is a certified public accountant and former Representative Partner and Head of Operations with PricewaterhouseCoopers Aarata. He has established a wealth of business experience and advanced expertise in audits and advisory work for many Japanese and multinational corporations, with an emphasis on financial institutions. Mr. Yamate has served as an Audit & Supervisory Board Member for Nomura Real Estate Holdings since 2013 and Director (Audit & Supervisory Committee Member) since 2015.

Contributing to Balanced Governance Given the Constantly Changing Environment Facing the Company

Akira Ono



After serving as an External Audit & Supervisory Board Member at the Company's subsidiary MEGALOS for three years, I was appointed as a Audit & Supervisory Committee Member of Nomura Real Estate Holdings in June 2015. I will now become more involved in the management of the Nomura Real Estate Group from a broader perspective, and I am well aware of this important responsibility.

The Tokyo Stock Exchange's Corporate Governance Code cites the goal of achieving "proactive governance" in which risk is taken in a sound manner based on the fulfillment of accountability. For this reason, it is essential that risk be properly understood and that passive elements not be overlooked. Given the constantly changing environment facing the Company, I will utilize my expertise and experience gained as an attorney-at-law to help realize proactive governance and fulfill my duties to meet the expectations placed in me by stakeholders.

Profile

Attorney-at-law and Partner at Spring Partners
As an attorney-at-law with many years of experience, Mr. Ono possesses a wealth of experience and advanced expertise in corporate law. He had served as an External Audit & Supervisory Board Member for our subsidiary MEGALOS since 2012 and was appointed as a Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings in 2015.

List of External Directors

Name	Audit & Supervisory Committee Member	Independent Officer	Supplemental Explanation of Compliance Item	Reason for Appointing This External Director	Attendance Record
Shigeru Matsushima	—	○	Mr. Matsushima is a professor at the Tokyo University of Science Graduate School of Innovation Studies.	Mr. Matsushima has a wealth of knowledge and wide ranging experience through his many years as an expert in business administration. He was appointed as an External Director to strengthen oversight functions covering the Board of Directors and achieve fair and highly transparent management.	Attended 13 of the 15 Board of Directors' meetings held during the fiscal year ended March 2015.
Satoko Shinohara	—	—	Ms. Shinohara is a professor at the Department of Housing and Architecture, Faculty of Human Sciences and Design, Japan Women's University.	Ms. Shinohara was appointed as an External Director because she has worked for many years as an architect and has gained a wealth of knowledge and experience in her field.	Attended 11 of the 12 Board of Directors' meetings since being appointed on June 27, 2014.
Satoshi Ogishi	○	○	Mr. Ogishi is a Partner at Nishimura & Asahi.	Mr. Ogishi has established a wealth of expertise and wide ranging experience as an attorney-at-law. He was appointed as an External Director and Audit & Supervisory Committee Member to reinforce the corporate governance system and further enhance the audit system.	Attended 14 of the 15 Board of Directors' meetings and 13 of the 13 Audit & Supervisory Board meetings held during the fiscal year ended March 2015.
Akira Yamate	○	○	Mr. Yamate is an Outside Director of Mitsubishi UFJ Financial Group.	Mr. Yamate has been a Certified Public Accountant for many years and he has established a wealth of expertise and wide ranging experience in his field. He was appointed as an External Director and Audit & Supervisory Committee Member to reinforce the corporate governance system and further enhance the audit system.	Attended 15 of the 15 Board of Directors' meetings and 13 of the 13 Audit & Supervisory Board meetings held during the fiscal year ended March 2015.
Akira Ono	○	○	Mr. Ono is a Partner at Spring Partners.	Mr. Ono possesses a wealth of expertise and wide ranging experience as an attorney-at-law with many years of professional experience. He was appointed as an External Director and Audit & Supervisory Committee Member to reinforce the corporate governance system and further enhance the audit system.	—

Consolidated Financial Highlights

(Millions of yen) (Thousands of U.S. dollars)*5 (Millions of yen)

	'11/03	'12/03	'13/03	'14/03	'15/03	'15/03	'16/03 (Forecast)
Operating revenue	¥ 480,983	¥ 450,807	¥ 517,740	¥ 532,016	¥ 567,159	\$ 4,719,639	¥ 575,000
Operating gross profit	107,222	114,910	134,571	159,335	162,051	1,348,520	—
Operating income	42,083	49,939	58,308	74,307	71,894	598,273	76,000
Ordinary income	26,149	34,173	45,806	64,058	63,681	529,930	67,000
Net income	5,471	17,591	19,357	26,844	38,441	319,893	40,000
Cash flows from operating activities	33,947	43,876	89,295	83,535	23,837	198,362	—
Cash flows from investing activities	(33,730)	7,809	(2,588)	(20,191)	(32,476)	(270,253)	—
Cash flows from financing activities	(7,485)	(63,296)	(94,666)	(57,858)	(8,983)	(74,758)	—
Capital investment*1	37,570	14,098	18,963	21,938	38,871	323,471	—
Depreciation*2 and amortization	12,835	13,534	13,513	14,333	15,258	126,977	—
Per Share Data:							
Net income	¥ 28.74	¥ 92.38	¥ 101.61	¥ 140.70	¥ 201.28	\$ 1.67	¥ 208.92
Cash dividends	25.00	25.00	30.00	35.00	45.00	0.37	55.00
Balance Sheet Data (as of March 31):							
Total assets	¥1,474,331	¥1,402,624	¥1,369,949	¥1,313,887	¥1,369,226	\$ 11,394,081	—
Current assets	636,925	585,332	535,103	496,978	549,300	4,571,025	—
Inventories	433,386	396,857	369,667	349,167	429,764	3,576,303	—
Equity investment	60,948	41,895	29,578	7,128	6,316	52,564	—
Non-current assets	837,406	817,292	834,845	816,909	819,926	7,557,591	—
Total net assets	357,365	376,486	398,276	418,697	461,031	3,836,490	—
Interest-bearing debt	816,910	758,562	669,268	617,583	616,700	5,131,896	—
Ratios (%):							
ROA*3	2.9	3.7	4.6	5.8	5.4	5.4	—
ROE*4	1.8	5.7	5.9	7.8	10.3	10.3	—
Operating margin	8.7	11.1	11.3	14.0	12.7	12.7	13.2
Dividend payout ratio (consolidated)	87.0	27.1	29.5	24.9	22.4	22.4	26.3
Shareholders' equity ratio	20.7	22.6	24.5	27.1	28.8	28.8	—
D/E ratio (times)	2.7	2.4	2.0	1.7	1.6	1.6	—
Number of employees (people)	5,300	5,399	5,581	5,747	6,029	6,029	—

*1 Capital investment represents the amount shown for "Purchase of property, plant and equipment and intangible assets" on the consolidated statements of cash flows. *2 Depreciation and amortization represents the amount shown for "Depreciation and amortization" on the consolidated statements of cash flows. *3 ROA = (Operating income + Non-operating income) / Total assets at end of fiscal year *4 ROE = Net income / Equity (as average over the fiscal year) *5 The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of the reader, using the rate of exchange prevailing on the Tokyo Foreign Exchange Market on March 31, 2015, which was ¥120.17 = U.S.\$1.

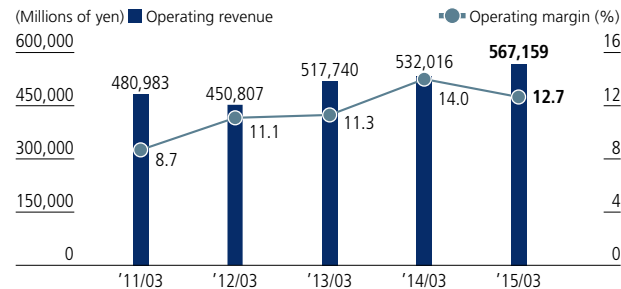
**Key Points of
Operating Results**

Business performance summary: Operating revenue for the fiscal year ended March 2015 increased year on year thanks to a rise in the total number of units sold in housing sales and an increase in commission fees in the Property Brokerage & CRE Business. Additionally, operating revenue and net income were both record highs.

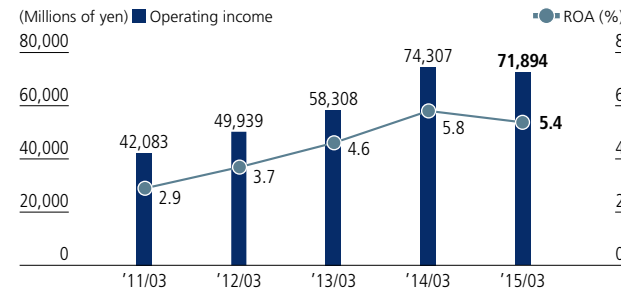
Dividend: Based on the future management environment and business performance outlook, the annual dividend per share for the fiscal year ended March 2015 was ¥45, marking a year-over-year increase of ¥10. For the fiscal year ending March 2016, we plan on offering a annual dividend of ¥55 per share, a further year-over-year increase of ¥10.

Main Financial Indicators

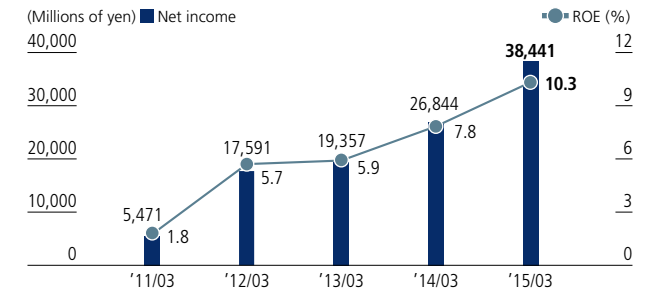
Operating Revenue and Operating Margin



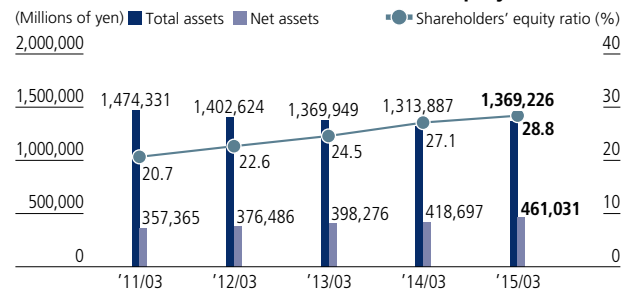
Operating Income and ROA



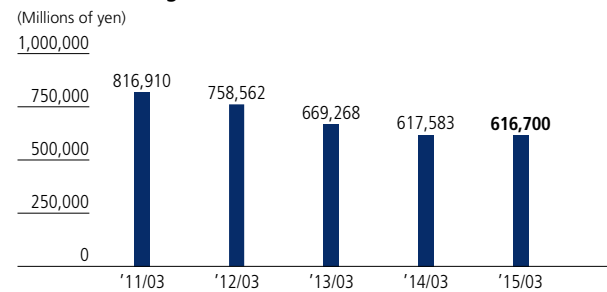
Net Income and ROE



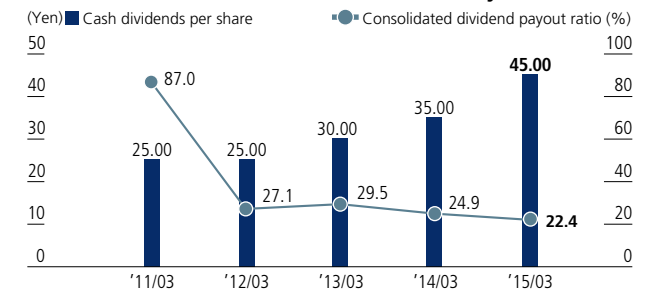
Total Assets, Net Assets and Shareholders' Equity Ratio



Interest-bearing Debt

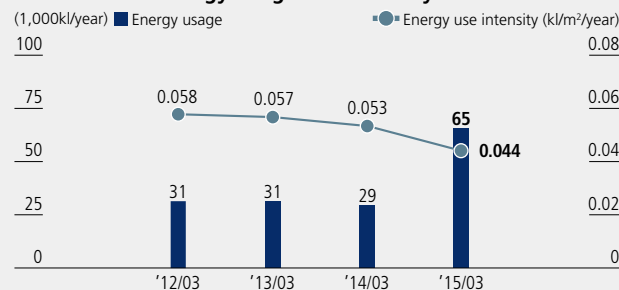


Cash Dividends and Consolidated Dividend Payout Ratio

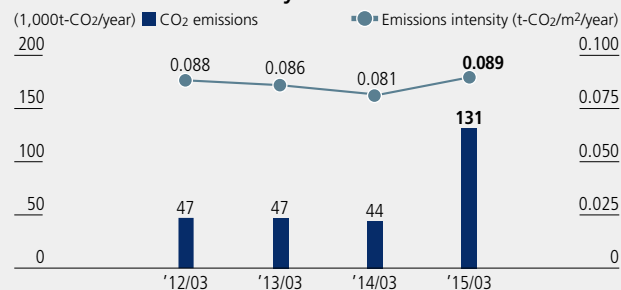


Non-financial Data

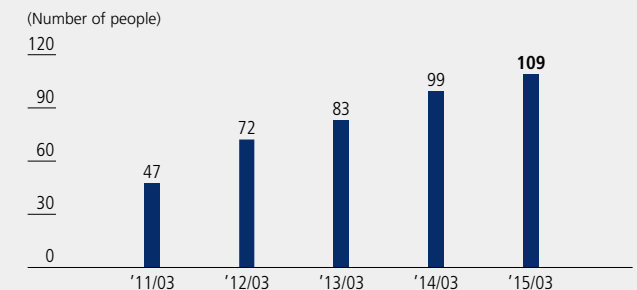
Oil Converted Energy Usage and Intensity*1



CO₂ Emissions and Intensity*2



No. of Childcare Leave Takers



*1 Up until the fiscal year ended March 2014, calculated for the 7 buildings (buildings with a primary use as office space) applicable to the Tokyo Metropolitan Ordinance on Environmental Preservation in which the Nomura Real Estate Group retains an interest of more than 50,000m². For the fiscal year ended March 2015, calculated for 143 facilities (some waterworks/sewerage and wastes applicable) applicable to reporting requirements under the Energy Saving Act excluding lease housing.

*2 CO₂ emissions are calculated using the emissions coefficient designated in the Tokyo Metropolitan Ordinance on Environmental Preservation.

Operating Revenue of Each Segment

(Millions of yen)

	'12/03	'13/03*1	'14/03*2,4	'15/03*4	'15/03*5	'16/03 (Forecast)*5
Residential Development Business	217,578	308,467	307,625	359,397	359,397	343,000
Housing sales	193,376	281,876	295,923	332,999	—	—
Other	24,201	26,591	11,702	26,397	—	—
Leasing Business	123,417	106,665	99,866	92,878	92,878	110,000
Leasing (offices)	48,009	47,834	48,131	46,563	—	—
Leasing (retail facilities)	8,210	8,883	10,544	10,323	—	—
Leasing (other)	5,495	5,429	5,151	5,552	—	—
Property development	48,234	27,336	25,608	16,026	—	—
Other	13,469	17,181	10,429	14,413	—	—
Investment Management Business	12,963	11,133	18,326	9,166	9,166	11,000
Property Brokerage & CRE Business	34,303	26,093	29,168	30,232	30,232	32,000
Property brokerage	16,376	19,217	24,520	25,833	—	—
Other	17,926	6,876	4,647	4,399	—	—
Property & Facility Management Business*3	67,371	66,376	72,150	71,635	85,837	91,000
Property & facility management	46,323	48,149	48,743	49,794	—	—
Construction ordered	21,047	18,226	23,406	21,841	—	—
Other Business	14,592	14,962	18,640	17,753	3,008	1,000
Adjustments (eliminations or corporate)	(19,418)	(15,958)	(13,761)	(13,905)	(13,362)	(13,000)
Total	450,807	517,740	532,016	567,159	567,159	575,000

Operating Income of Each Segment

Residential Development Business	20,939	32,790	31,177	33,811	33,811	31,500
Leasing Business	19,690	23,335	26,818	24,447	24,447	30,000
Investment Management Business	6,551	(2,724)	7,902	4,813	4,813	7,000
Property Brokerage & CRE Business	1,925	6,176	8,101	8,477	8,477	8,000
Property & Facility Management Business	4,487	4,455	5,107	5,477	5,758	4,500
Other Business	417	447	508	167	(113)	0
Adjustments (eliminations or corporate)	(4,073)	(6,172)	(5,307)	(5,300)	(5,300)	(5,000)
Total	49,939	58,308	74,307	71,894	71,894	76,000

*1 The results of each business segment for the fiscal year ended March 2013 are changed to figures after the change of the segmentation of Nomura Real Estate Reform Co., Ltd. *2 The classification of Nomura Real Estate Reform Co., Ltd. has been changed to the Residential Development Business segment from the Property & Facility Management Business segment from the fiscal year ended March 2014. *3 The breakdown of operating revenue for the Property & Facility Management Business segment has been changed from "Building management" and "Housing management" to "Property & facility management" and "Construction ordered" since the first quarter of the fiscal year ended March 2015. According to this change, the figures for the fiscal year ended March 2012 and after are classified under the new classification. *4 From the second quarter of the fiscal year ended March 2015, a partially revised method of allocating company-wide costs among adjustments to each segment was incorporated. In addition, the house leasing business was transferred from the Residential Development Business segment to the Leasing Business segment. The full year results for the fiscal year ended March 2014 as well as results for the full year of the fiscal year ended March 2015 are reflected in the published figures. *5 From April 1, 2015, the classification of MEGALOS CO., LTD. has been changed to the Property & Facility Management Business segment from the Other Business segment. In line with this change, the full year results for the fiscal year ended March 2015 and forecasts for the fiscal year ending March 2016 are classified under the new classification.

Assets of Each Segment

(Millions of yen)

	'12/03	'13/03*1	'14/03*2,4	'15/03*4	'15/03*5	'16/03 (Forecast)*5
Residential Development Business	315,428	337,120	331,779	382,585	382,585	—
Leasing Business	813,964	790,735	776,097	849,885	849,885	—
Investment Management Business	114,499	91,853	67,346	40,555	40,555	—
Property Brokerage & CRE Business	19,786	26,903	21,142	22,606	22,606	—
Property & Facility Management Business	28,007	30,468	32,891	32,375	49,696	—
Other Business	37,769	37,168	34,133	19,833	2,485	—
Adjustments (eliminations or corporate)	73,168	55,699	50,496	21,383	21,411	—
Total	1,402,624	1,369,949	1,313,887	1,369,226	1,369,226	—

Inventories of Each Segment

Residential Development Business	272,319	296,715	281,698	338,530	338,530	—
Leasing Business	110,727	61,274	62,918	88,446	88,446	—
Investment Management Business	4,483	4,572	—	—	—	—
Property Brokerage & CRE Business	3,107	1,291	1,162	1,184	1,184	—
Property & Facility Management Business	36	47	92	49	168	—
Other Business	6,182	5,906	3,380	1,638	1,519	—
Adjustments (eliminations or corporate)	—	(140)	(84)	(84)	(84)	—
Total	396,857	369,667	349,167	429,764	429,764	—

Return on Assets (ROA) of Each Segment

Residential Development Business	6.6%	9.7%	9.4%	8.8%	8.8%	—
Leasing Business	2.4%	3.0%	3.5%	2.9%	2.9%	—
Investment Management Business	5.7%	—	11.7%	11.9%	11.9%	—
Property Brokerage & CRE Business	9.7%	23.0%	38.3%	37.5%	37.5%	—
Property & Facility Management Business	16.0%	14.6%	15.5%	16.9%	11.6%	—
Other Business	1.1%	1.2%	1.5%	0.8%	—	—
Total	3.7%	4.6%	5.8%	5.4%	5.4%	—

ROA of each segment = Segment operating income/Segment assets at end-FY
 Total ROA = (Operating income + Non-operating income)/Total assets at end-FY

Segment Operating Results

	'12/03	'13/03	'14/03	'15/03	'16/03 (Forecast)
Residential Development Business					
Condominiums sales (unit)	3,397	5,111	5,491	6,162	5,450
Detached housing sales (unit)	631	638	718	859	700
Gross margin ratio of housing sales	23.3%	22.5%	21.7%	21.1%	—
Completed housing inventories (unit)	114	42	31	89	—
Leasing Business					
Vacancy rate*	2.3%	2.2%	2.9%	4.5%	—
Investment Management Business					
Outstanding assets under management (millions of yen)	1,153,898	1,127,495	1,132,246	1,123,188	—
Property Brokerage & CRE Business					
Brokerage: Number of transactions	5,762	6,494	7,437	7,174	—
Brokerage: Total transaction value (millions of yen)	452,950	540,698	672,774	710,980	—
Property & Facility Management Business					
Buildings under management	696	723	703	729	—
Condominiums under management (unit)	130,987	137,745	147,516	155,706	—
Members of MEGALOS	133,033	132,196	141,564	140,395	—

* In accordance with changes in segmentation, some of relevant properties have been subject to modification since the second quarter of the fiscal year ended March 2012.

Nomura Real Estate Development Co., Ltd.

<http://www.nomura-re.co.jp/english/>

Nomura Real Estate Development conducts a range of businesses. The Residential Development Business provides quality residential properties under the PROUD and OHANA brands. Meanwhile, the Leasing Business plans, develops and manages office buildings such as PMO, commercial facilities such as GEMS, and logistics and other facilities. In addition, the Corporate Real Estate (CRE) Strategic Support and Corporate Brokerage Business helps maximize the value of real estate held by companies.



Nomura Real Estate Asset Management Co., Ltd.

<http://www.nre-am.co.jp/english/>

In October 2011, three investment management companies in the Nomura Real Estate Group merged and became one of the largest real estate investment management companies in Japan with more than ¥1 trillion in assets under management. Nomura Real Estate Asset Management provides one-stop shopping for a broad variety of financial products and investment management services that meet a wide range of real estate investment needs, including privately placed real estate funds, to listed real estate investment trusts (REIT), privately placed REIT, and overseas real estate fund of funds.



Nomura Real Estate Urban Net Co., Ltd.

<http://www.nomura-un.co.jp/english/>

Nomura Real Estate Urban Net provides solutions for satisfying customers in the real estate services and consulting fields. These include residential real estate brokerage for helping customers in changing their place of residence, and commercial real estate brokerage, which addresses the real estate needs of companies and investors. Nomura Real Estate Urban Net also operates a consignment sales business where it sells condominium units and detached housing as a sales agent.



Nomura Real Estate Partners Co., Ltd.

<http://www.nomura-pt.co.jp/> (Japanese only)

The Nomura Real Estate Group launched Nomura Real Estate Partners Co., Ltd. in April 2014. This new real estate management company represents the merger of building and condominium management operations with the capability to perform overall management of various building types. Nomura Real Estate Partners combines expertise in building and condominium management with property management to realize effective real estate management and construction aimed at handling large-scale repair, remodeling, and interior work.



NREG TOSHIBA BUILDING Co., Ltd.

<http://www.nreg-tbc.co.jp/>

NREG TOSHIBA BUILDING offers service spanning the development, leasing and management of office buildings, commercial facilities, warehouses, condominiums and other properties, as well as property brokerage and consulting on corporate real estate (CRE) utilization.



MEGALOS CO., LTD.

<http://www.megalos.co.jp/> (Japanese only)

Under the philosophy of "transforming customer satisfaction into happiness," MEGALOS plans, develops and manages fitness facilities offering top-of-the-line service and equipment that are housed in the best facilities in each area.



Yokohama Business Park Heating and Cooling Supply Co., Ltd.

Yokohama Business Park Heating and Cooling Supply is responsible for the supply of heating and cooling services to Yokohama Business Park, a largescale business facility, through its district heating and cooling system. Capitalizing on a “best-mix” system that combines gas and electricity, Yokohama Business Park Heating and Cooling Supply uses energy efficiently to curtail costs and minimize environmental impact.



Geo-Akamatsu Co., Ltd.

<http://www.geo-akamatsu.co.jp/> (Japanese only)

Geo-Akamatsu provides a full range of property consulting and other services leveraging its 40 years of accumulated expertise and experiences. These services include surveys of commercial facilities, leasing, commercial space design and property management.



Nomura Real Estate Reform Co., Ltd.

<http://www.nomura-rf.co.jp/> (Japanese only)

Nomura Real Estate Reform offers assistance in remodeling and repairing residential properties to provide people with comfortable places to live. This includes reform plans that match family growth and lifestyle changes.



Nomura Real Estate Wellness Co., Ltd.

<http://www.nomura-re-wn.co.jp/> (Japanese only)

Nomura Real Estate Wellness designs and operates high-quality housing for the elderly that incorporates secure and reliable life-long management services.



Nomura Amenity Service Co., Ltd.

Nomura Amenity Service provides cleaning services of office buildings, schools, and condominiums to maintain scenic beauty of properties as a cleaning company of the Property & Facility Management Business of the Nomura Real Estate Group.



NREG TOSHIBA BUILDING FACILITIES Co., Ltd.

<http://www.toshiba.co.jp/tfs/> (Japanese only)

NREG TOSHIBA BUILDING FACILITIES offers services to maintain or improve the property value through facility management, inspection, cleaning, security and construction, while provides safe and comfortable environment to all customers.



PRIME X. Co., Ltd.

<http://www.prime-x.co.jp/> (Japanese only)

Based on the accumulated expertise jointly developed with Nomura Real Estate Development, PRIME X. provides Internet advertising businesses that specialize in the real estate and housing industries. Prime X. delivers proposals that maximize customer benefits, ranging from the creation of corporate websites and project homepages to creating and managing membership organizations, and handling project sales promotions.



NOMURA REAL ESTATE ASIA PTE. LTD.

NOMURA REAL ESTATE ASIA promotes the Nomura Real Estate Group's businesses including pursuing business opportunities in real estate development and supporting the investor's demand in Japanese real estate.



Nomura Real Estate Consulting (Beijing) Co., Ltd.

Nomura Real Estate Consulting (Beijing) supports the Nomura Real Estate Group's business in China by researching real estate market, building a relationship with our partners, exploring the possibilities of real estate development business including office buildings and residential properties in China.



Corporate Data

Corporate Name: Nomura Real Estate Holdings, Inc.

Representative: Eiji Kutsukake, President
(appointed June 26, 2015)

Head Office: Shinjuku Nomura Building,
1-26-2 Nishi-Shinjuku, Shinjuku-ku,
Tokyo 163-0566, Japan

Date of Establishment: June 1, 2004

Number of Employees: 6,029 (on a consolidated basis)

Fiscal Year: From April 1 to March 31

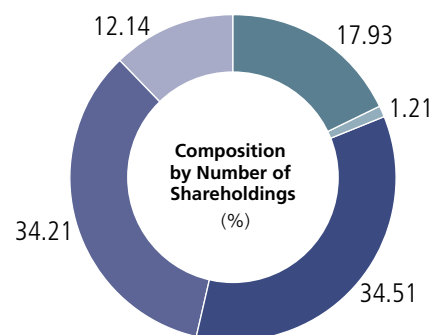
General Meeting of Shareholders: June

Stock Information

Common Stock	¥116,188,764,550
Number of Authorized Shares	450,000,000
Number of Shares Issued	191,119,700
Market Listing	First Section of Tokyo Stock Exchange
Minimum Trading Unit	100 shares
Number of Shareholders	43,287

Ten Largest Shareholders

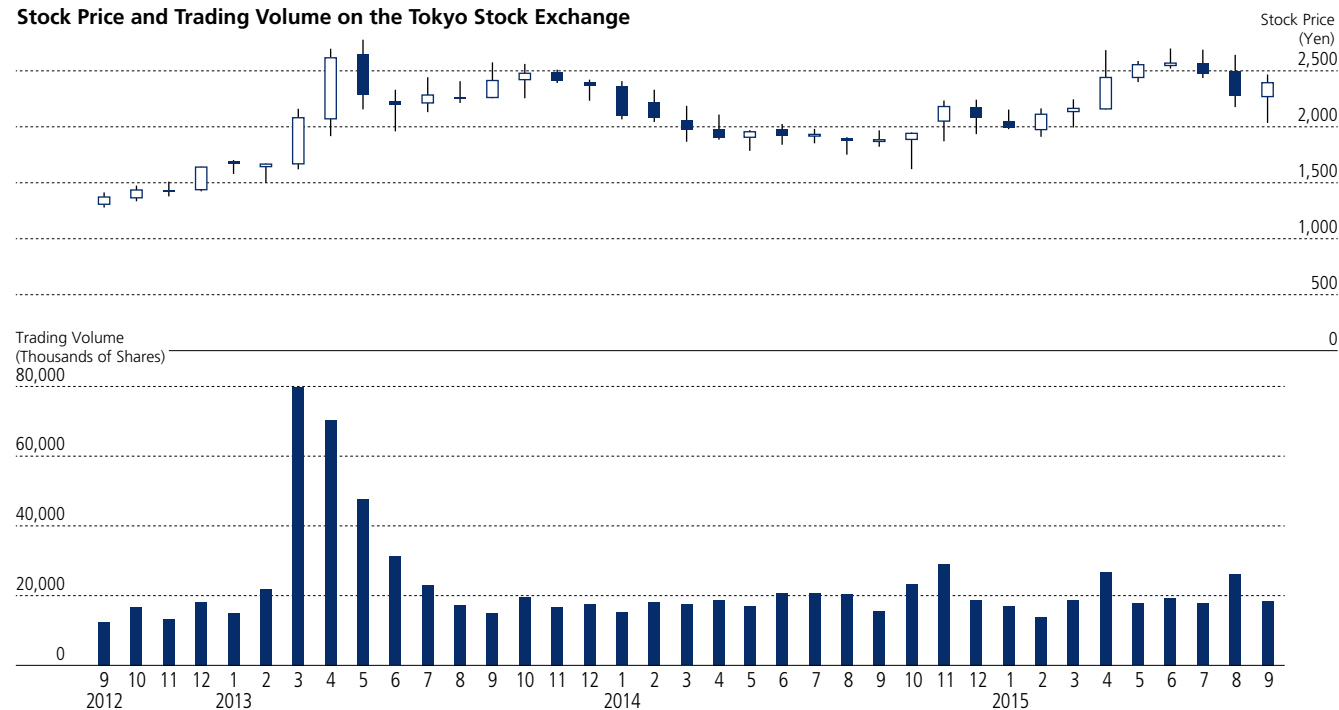
Name of Shareholders	No. of Shares	Shareholding (%)
Nomura Land and Building Co., Ltd.	64,777,500	33.89
Master Trust Bank of Japan (Trust account)	7,314,300	3.82
Japan Trustee Services Bank, Ltd. (Trust account)	6,097,900	3.19
Japan Trustee Services Bank, Ltd. (Trust account 9)	5,663,500	2.96
Employees' Stockholding	2,973,082	1.55
JAPAN RE FIDELITY	2,641,300	1.38
State Street Bank-West Pension Fund Clients - Exempt 505233	2,508,933	1.31
CBNY - GOVERNMENT OF NORWAY	2,103,900	1.10
STATE STREET BANK WEST CLIENT - TREATY 505234	2,020,877	1.05
The Bank of New York Mellon 140030	1,963,462	1.02

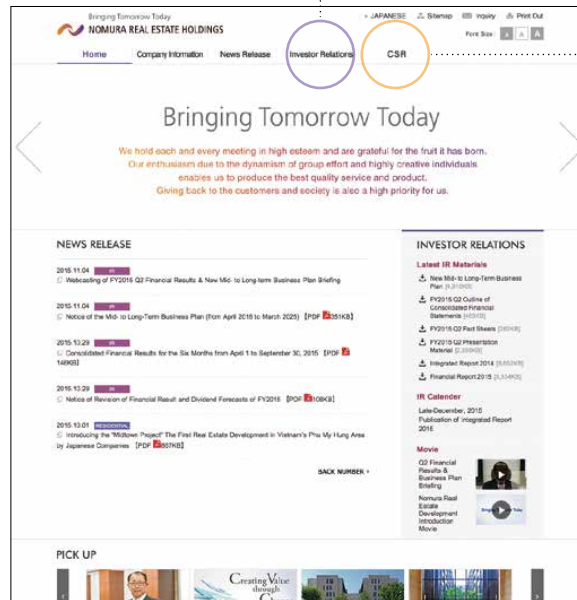


Composition by Number of Shareholdings (%)

Financial Institutions	17.93
Financial Instruments Firms	1.21
Other Japanese Firms	34.51
Other Foreign Investors	34.21
Individuals and Others	12.14

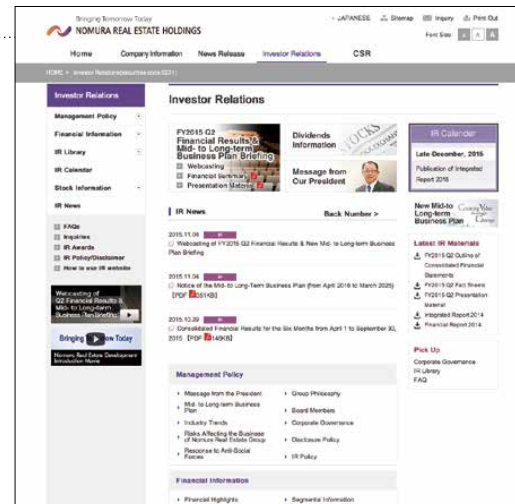
Stock Price and Trading Volume on the Tokyo Stock Exchange





Nomura Real Estate Holdings Website

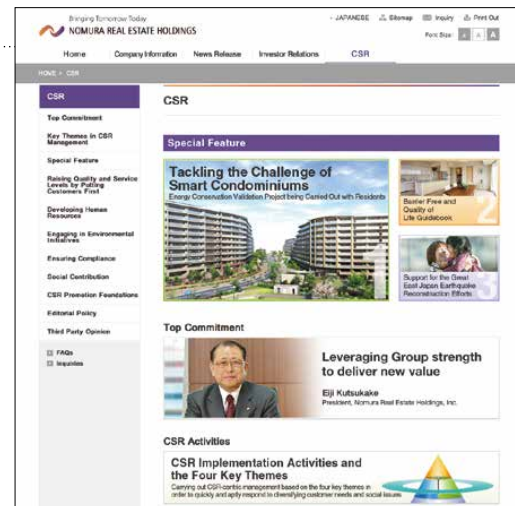
<http://www.nomura-re-hd.co.jp/english/>



Investor Relations

<http://www.nomura-re-hd.co.jp/english/ir/>

Find the latest financial results, reports, shareholder information and future IR schedule for the Nomura Real Estate Group.



CSR

<http://www.nomura-re-hd.co.jp/english/csr/>

Learn more about the Nomura Real Estate Group's four key CSR themes, social contribution activities, and CSR implementation base.

Nomura Real Estate Holdings, Inc.

Shinjuku Nomura Building, 1-26-2

Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0566, Japan

URL: <http://www.nomura-re-hd.co.jp/english>