



April 26, 2018

Consolidated Financial Results

For the Fiscal Year Ended March 31, 2018

<under Japanese GAAP>

Note: The accompanying consolidated financial statements were not audited since they have been prepared only for reference purpose. All statements were based on Tanshin report prepared in accordance with the provisions set forth in accounting regulations and principals generally accepted in Japan.

Name of company listed : Nomura Real Estate Holdings, Inc.
 Shares traded : TSE (First section)
 Code number : 3231
 URL : <http://www.nomura-re-hd.co.jp/english/>
 Representative : Eiji Kutsukake, President and Representative Director
 Inquiries: Naoko Usami,
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 Date of Ordinary General Meeting of shareholders : June 26, 2018
 Scheduled starting date for dividend payments: June 5, 2018
 Scheduled submitting date of annual securities report: June 26, 2018
 Preparation of explanatory materials for financial results : Yes
 Information meetings arranged related to financial results : Yes (for institutional investors and analysts, in Japanese)

(Values of less than one million yen rounded down)

I. Consolidated operating results for the fiscal year from April 1, 2017 to March 31, 2018

(1) Consolidated business results

(% indicates the rate of changes from previous fiscal year)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2017	623,762	9.5	76,660	(0.8)	68,033	(1.3)	46,029	(2.1)
FY2016	569,680	0.0	77,271	(4.5)	68,952	(5.1)	47,005	(0.4)

(Note) Comprehensive income: FY2017 43,613 million yen (down 9.5%)
 FY2016 48,175 million yen (up 4.5%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit margin on total assets	Operating profit margin
	Yen	Yen	%	%	%
FY2017	240.89	239.52	9.4	4.2	12.3
FY2016	245.10	244.06	10.1	4.5	13.6

(Reference) Share of profit (loss) of entities accounted for using equity method : FY2017 25 million yen FY2016 83 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
Mar. 31, 2018	1,673,692	514,982	30.0	2,664.70
Mar. 31, 2017	1,593,093	493,813	30.2	2,508.73

(Reference) Shareholders' equity: As of March 31, 2018 501,491 million yen As of March 31, 2017 481,364 million yen

(3) Consolidated cash flows

	Cash flows from (used in) operating activities	Cash flows from (used in) investing activities	Cash flows from (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2017	21,498	(51,637)	43,787	61,347
FY2016	(31,889)	(54,558)	76,575	47,699

II. Dividends

	Dividend per share					Total amount of dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2016	-	30.00	-	35.00	65.00	12,470	26.5	2.7
FY2017	-	35.00	-	35.00	70.00	13,306	29.1	2.7
FY2018 (Forecast)	-	37.50	-	37.50	75.00		30.0	

(Note) Revision of dividend forecasts during this quarter: None

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2018 to March 31, 2019

(% indicates the rate of changes from previous fiscal year or term)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending Mar. 31, 2019	700,000	12.2	81,000	5.7	72,000	5.8	47,000	2.1	249.74

* Notes

- (1) Significant changes to subsidiaries during the period (Changes in scope of consolidation of specified subsidiaries): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements
 - 1) Changes in accounting policies due to revision of accounting standards, etc. : None
 - 2) Changes in accounting policies other than the above : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None

(3) Number of shares issued (common stock)

	As of March 31	As of March 31
	2018	2017
1) Number of shares issued at end of period (including treasury shares)	192,155,201	191,877,801
2) Treasury shares at end of period	3,956,956	1,709
	Fiscal year ended	Fiscal year ended
	March 31, 2018	March 31, 2017
	2018	2017
3) Average number of shares outstanding during the period	191,083,446	191,781,378

* Consolidated financial results are not required to be audited by certified public accountants or audit corporations.

* Proper use of forecasts of financial results, and other special matters

Forward-looking statements in this document, including the forecasts of financial results, etc., are based on the information currently available to the Company and certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially from these forecasts due to various factors. For matters related to the forecasts of financial results, please refer to “1. Business Results and Financial Position (4) Forecasts” on page 6 of the Attachments.

(How to obtain fact sheets)

The fact sheets will be disclosed on TDnet on April 26, 2018 and will be uploaded on the Company's website.

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1. Business Results and Financial Position

(1) Business Results

During the fiscal year under review, the Japanese economy recovered gradually overall with moderate increases in consumer spending backed by improvements in the employment and personal income environments, and with corporate activities including increased capital investment amid strong corporate earnings and improved business sentiment. In regard to the economic outlook, the gradual recovery is expected to continue supported by firm economies in Japan and abroad and improvements in the employment and personal income environments, although it is necessary to pay careful attention to uncertainty in overseas economies and trends in financial and capital markets.

In the real estate industry, the residential market saw sales prices continue to increase primarily in the Tokyo metropolitan area while supply volume reached a low level due to overheated competition for the purchase of land, and there was a strengthened trend of polarization characterized by a gap in contract rates due to the convenience of certain regions and properties. In the office market, the business environment is strong primarily due to vacancy rates remaining at a low level, particularly in the Tokyo metropolitan area, supported by solid demand for offices accompanying corporate business expansion, and the rent level continuing to rise gradually. In the real estate investment market, although the fund procurement environment is favorable backed by low interest rates, the competition for property acquisition continues to be overheated due to persistently high real estate prices and strong demand for property acquisition among investors.

In this business environment, the Nomura Real Estate Group (the “Group”) posted the following consolidated performance for the fiscal year under review: Operating revenue of 623,762 million yen, which represents an increase of 54,081 million yen, or 9.5% year on year; operating profit of 76,660 million yen, a decrease of 610 million yen, or 0.8%; ordinary profit of 68,033 million yen, a decrease of 919 million yen, or 1.3%; and profit attributable to owners of parent of 46,029 million yen, a decrease of 975 million yen, or 2.1%.

An overview of business unit achievements is given below:

Operating revenue for each business unit includes internal sales and transfer amount among business units. Due to the rounding of fractions, total figures may not match.

From the third quarter of the fiscal year under review, Nomura Real Estate Hotels Co., Ltd., established in October 2017, has been classified under the Leasing Business Unit to promote business in conjunction with the Leasing Business.

<Residential Development Business Unit>

Operating revenue in this business unit totaled 358,745 million yen, which represents an increase of 28,958 million yen, or 8.8% year on year, and operating profit totaled 24,516 million yen, which represents a decrease of 3,271 million yen, or 11.8% year on year, resulting in an increase in operating revenue and a decrease in operating profit compared with the previous fiscal year.

This was mainly due to a decrease of gross margin ratio, while the number of housing unit sales in the housing sales business increased.

In regards to housing sales, 5,865 units were recorded as sales (an increase of 298 units year on year), including PROUD CITY Musashino-Mitaka (Mitaka-shi, Tokyo), PROUD TOWER Kibakoen (Koto-ku, Tokyo), OHANA Machida Oak Court (Minami-ku, Sagami-hara-shi, Kanagawa), PROUD TOWER Nagoya Sakae (Naka-ku, Nagoya-shi, Aichi) for condominiums, and PROUD SEASON Kunitachi-Shikinomachi (Kokubunji-shi, Tokyo) for detached housing.

The number of contracted but not recorded housing sales totaled 2,831 units as of the end of the fiscal year under review (an increase of 52 units compared with the end of the previous fiscal year). The contract progress rate for the planned 6,100 units of the next fiscal year was 45.9% at the start of the fiscal year.

Number of units, sales and outstanding contract amount as sold for the joint-venture projects are calculated based on the business share.

Breakdown of operating revenue

		FY2016 (From April 1, 2016 to March 31, 2017)		FY2017 (From April 1, 2017 to March 31, 2018)	
		Housing units sold	Operating revenue (Millions of yen)	Housing units sold	Operating revenue (Millions of yen)
Housing sales	Tokyo metropolitan area	4,291 units	250,475	4,483 units	269,685
	Kansai area	807 units	35,890	716 units	34,734
	Other	468 units	22,594	666 units	32,399

	Subtotal (Detached housing)	5,567 units (682 units)	308,960 (38,735)	5,865 units (607 units)	336,819 (37,898)
Other		-	20,827	-	21,926
Total		-	329,787	-	358,745

Housing sales Year-end completed housing inventory (released for sale)

	As of March 31, 2017	As of March 31, 2018
Tokyo metropolitan area	187 units	145 units
Kansai area	38 units	75 units
Other	25 units	19 units
Total (Detached housing)	252 units (13 units)	239 units (15 units)

Housing sales Year-end completed housing inventory (unreleased)

	As of March 31, 2017	As of March 31, 2018
Total (Detached housing)	402 units (33 units)	218 units (11 units)

Housing sales Contracted but not recorded as housing sales

	As of March 31, 2017		As of March 31, 2018	
	Housing units	Outstanding contract amount (Millions of yen)	Housing units	Outstanding contract amount (Millions of yen)
Tokyo metropolitan area	2,140 units	140,183	2,118 units	134,060
Kansai area	219 units	13,859	346 units	17,872
Other	420 units	21,851	366 units	19,011
Total (Detached housing)	2,779 units (111 units)	175,895 (6,489)	2,831 units (53 units)	170,944 (3,353)

<Leasing Business Unit>

Operating revenue in this business unit totaled 134,941 million yen, which represents an increase of 19,931 million yen, or 17.3% year on year, and operating profit totaled 35,232 million yen, an increase of 2,665 million yen, or 8.2%, resulting in increases in both operating revenue and operating profit compared with the previous fiscal year.

This was mainly due to an increase in leasing revenue from newly-built properties such as Yokohama Nomura Building (Nishi-ku, Yokohama-shi, Kanagawa) in the leasing business, as well as an increase in revenues from the sales in property development and land for business.

Breakdown of operating revenue

	FY2016 (From April 1, 2016 to March 31, 2017) (Millions of yen)	FY2017 (From April 1, 2017 to March 31, 2018) (Millions of yen)
Leasing (offices)	51,981	53,312
Leasing (retail facilities)	11,649	12,686
Leasing (other)	5,954	7,193
Property development (sale)	35,350	43,301
Property development (leasing)	4,054	4,724
Other	6,018	13,722
Total	115,009	134,941

Rentable area

	As of March 31, 2017	As of March 31, 2018
Offices	831,177 m ²	846,338 m ²
Retail facilities	144,797 m ²	174,666 m ²
Total	975,974 m ²	1,021,004 m ²

Vacancy rate (offices and retail facilities)

As of March 31, 2017	As of March 31, 2018
0.8%	0.7%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 9,378 million yen, which represents a decrease of 283 million yen, or 2.9% year on year, and operating profit totaled 5,911 million yen, a decrease of 104 million yen, or 1.7%, resulting in decreases in both operating revenue and operating profit compared with the previous fiscal year.

This was mainly due to the posting of asset acquisition fees associated with the merger between Nomura Real Estate Master Fund, Inc. and TOP REIT, Inc. in the previous fiscal year.

	FY2016 (From April 1, 2016 to March 31, 2017) (Millions of yen)	FY2017 (From April 1, 2017 to March 31, 2018) (Millions of yen)
Operating revenue	9,662	9,378

Assets under management

	As of March 31, 2017 (Millions of yen)	As of March 31, 2018 (Millions of yen)
REITs	1,210,535	1,209,259
Private funds, etc.	49,529	76,643
Total	1,260,064	1,285,903

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 35,703 million yen, which represents an increase of 883 million yen, or 2.5% year on year, operating profit totaled 8,452 million yen, a decrease of 672 million yen, or 7.4%, resulting in an increase in operating revenue and a decrease in operating profit compared with the previous fiscal year.

This was mainly due to an increase in expenses for new branches while the number of transactions and total transaction value in property brokerage increased.

In the retail business, we opened the following new branches: Omiya Center (Omiya-ku, Saitama-shi, Saitama), Tachikawa Center (Tachikawa-shi, Tokyo) in April 2017, Hatanodai Center (Shinagawa-ku, Tokyo), Komagome Center (Toshima-ku, Tokyo) and Abeno Center (Abeno-ku, Osaka-shi, Osaka) in October 2017.

Breakdown of operating revenue

	FY2016 (From April 1, 2016 to March 31, 2017) (Millions of yen)	FY2017 (From April 1, 2017 to March 31, 2018) (Millions of yen)
Property brokerage	30,283	31,637
Other	4,536	4,065
Total	34,820	35,703

Number of transactions and total transaction value of property brokerage

	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Number of transactions	8,272	8,561
Total transaction value (Millions of yen)	745,147	800,739

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 101,087 million yen, which represents an increase of 5,322 million yen, or 5.6% year on year, and operating profit totaled 7,076 million yen, an increase of 137 million yen, or 2.0%, resulting in increases in both operating revenue and operating profit compared with the previous fiscal year.

This was mainly due to an increase in revenue of property and facility management with the increase in the number of properties under management, as well as an increase in orders of construction such as large-scale condominium repair work.

In the fitness club business, we opened eight new branches such as MEGALOS_24 Shimoakatsuka (Itabashi-ku, Tokyo) in March 2018.

Breakdown of operating revenue

	FY2016 (Millions of yen) (From April 1, 2016 to March 31, 2017)	FY2017 (Millions of yen) (From April 1, 2017 to March 31, 2018)
Property & facility management	48,301	50,387
Construction ordered	26,857	28,339
Fitness club & elderly care	15,523	16,065
Other	5,081	6,294
Total	95,764	101,087

Number of properties under management

	As of March 31, 2017	As of March 31, 2018
Buildings under management	702	723
Condominiums under management (unit)	168,999	173,705

<Other Business Unit>

Operating revenue in this business unit totaled 107 million yen, which represents an increase of 1 million yen, or 1.3% year on year, and operating loss totaled 10 million yen (the previous fiscal year was operating loss of 30 million yen).

(2) Financial Position

	As of March 31, 2017 (Millions of yen)	As of March 31, 2018 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,593,093	1,673,692	80,599	5.1%
Total liabilities	1,099,280	1,158,710	59,429	5.4%
Of which, Interest-bearing debt	810,100	(877,800)	(67,700)	(8.4%)
Net assets	493,813	514,982	21,169	4.3%
Shareholders' equity ratio	30.2%	30.0%	-	-
Debt/equity ratio	1.7	1.8	-	-

(Note) Debt/equity ratio = Interest-bearing debt / Shareholder's equity

Total assets were 1,673,692 million yen, which represents an increase of 80,599 million yen compared to the end of the previous fiscal year. This was mainly due to increases in land (increased by 42,878 million yen) and inventories (increased by 22,108 million yen).

Total liabilities were 1,158,710 million yen, which represents an increase of 59,429 million yen compared to the end of the previous fiscal year. This was mainly due to increases in bonds payable (increased by 70,000 million yen) and long-term loans payable (increased by 11,700 million yen), while deposits received (decreased by 10,652 million yen) and current portion of bonds (decreased by 10,000 million yen) decreased.

Net assets were 514,982 million yen, which represents an increase of 21,169 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in retained earnings (increased by 32,594 million yen), while purchasing treasury shares (decreased by 10,001 million yen).

The shareholders' equity ratio was 30.0 %, a decrease of 0.2 percentage points from the end of the previous fiscal year.

(3) Cash Flows

Cash and cash equivalents as of the end of the fiscal year under review totaled 61,347 million yen, which represents an increase of 13,648 million yen compared to the end of the previous fiscal year.

The state and factors associated with each cash flow of the fiscal year under review are shown below.

(Cash Flows from Operating Activities)

Net cash provided by (used in) operating activities increased by 21,498 million yen (a year-on-year increase of 53,388million yen). This was mainly due to an increase in inventories and the payments of income taxes, while profit before income taxes recorded 67,722 million yen.

(Cash Flows from Investing Activities)

Net cash provided by (used in) investing activities decreased by 51,637 million yen (a year-on-year increase of 2,921 million yen). This was mainly due to the purchase of property, plant and equipment and intangible assets.

(Cash Flows from Financing Activities)

Net cash provided by (used in) financing activities increased by 43,787 million yen (a year-on-year decrease of 32,788 million yen). This was mainly due to the procurement of funds by long-term loans payable and issuance of bonds, while there was the purchase of treasury shares and cash dividends paid.

(4) Forecasts

<Consolidated>

We expect to post operating revenue of 700,000 million yen, operating profit of 81,000 million yen, ordinary profit of 72,000 million yen, and profit attributable to owners of parent of 47,000 million yen for the fiscal year ending March 31, 2019.

	FY2018 Forecasts (Millions of yen)	FY2017 (Millions of yen)	Changes (Millions of yen)
Operating revenue	700,000	623,762	76,237
Operating profit	81,000	76,660	4,339
Ordinary profit	72,000	68,033	3,966
Profit attributable to owners of parent	47,000	46,029	970

<Forecasts by units>

The forecasts of operating results for the fiscal year ending March 31, 2019 by units are as follows.

From April 2018, Nomura Real Estate Reform Co., Ltd., which had been classified under the Residential Development Business Unit, was transferred to the Property & Facility Management Business Unit to promote business in conjunction with the Property & Facility Management Business. In line with this change, the financial results for the fiscal year ended March 31, 2018 and forecasts of the financial results for the fiscal year ending March 31, 2019 are calculated under the new classification.

Operating revenue

	FY2018 Forecasts (Millions of yen)	FY2017 (Millions of yen)	Changes (Millions of yen)
Residential Development Business	379,000	355,445	23,554
Leasing Business	173,000	134,941	38,058
Investment Management Business	9,500	9,378	121
Property Brokerage & CRE Business	40,500	35,703	4,796
Property & Facility Management Business	112,000	104,581	7,418

Other	0	107	(107)
Adjustments	(14,000)	(16,396)	2,396
Total	700,000	623,762	76,237

Operating profit

	FY2018 Forecasts (Millions of yen)	FY2017 (Millions of yen)	Changes (Millions of yen)
Residential Development Business	26,500	24,523	1,976
Leasing Business	35,000	35,232	(232)
Investment Management Business	6,000	5,911	88
Property Brokerage & CRE Business	10,500	8,452	2,047
Property & Facility Management Business	7,500	7,078	421
Other	0	(10)	10
Adjustments	(4,500)	(4,527)	27
Total	81,000	76,660	4,339

(5) Basic Policy regarding Profit Distribution and Dividends for the Current and Next Fiscal Year

The Company's basic policy regarding the distribution of profits to shareholders is to aim at a payout ratio of approximately 30% over the medium to long term, in accordance with annual business performance, comprehensively considering the operating environment, capital investment plans, retained earnings, and other relevant factors.

The Company intends to set the year-end dividend for the fiscal year ended March 31, 2018 at 35.0 yen per share as forecasted. Combined with the second quarter-end dividend, the annual dividend per share will be 70.0 yen.

In regard to the dividend for the next fiscal year, the second quarter-end and year-end dividends will be 37.5 yen per share, and the annual dividend will be 75.0 yen per share.

2. Group Companies

Major business contents of the Nomura Real Estate Group and 43 affiliated companies (25 consolidated subsidiaries, and 18 affiliates and unconsolidated subsidiaries accounted for using the equity method), and consolidated subsidiaries involved in the relevant businesses, as well as the role of said consolidated subsidiaries are given below.

<Residential Development Business Unit>

- Nomura Real Estate Development Co., Ltd. is engaged in the development and sale of condominiums and detached housing.
- Nomura Real Estate Reform Co., Ltd. is engaged in the remodeling and repair of condominiums and detached housing.
- Prime X. Co., Ltd. is engaged in Internet advertising for the real estate and housing industries.
- First Living Assistance Co., Ltd. provides services aimed at providing assistance to customers concerning their homes and living arrangements.

<Leasing Business Unit >

- Nomura Real Estate Development Co., Ltd. develops, builds and leases office buildings and retail facilities, and engages in the entrusted management of office buildings. The Company is also engaged in the development and sale of profitable properties for the real-estate investment market, and the planning and management of construction work.
- NREG TOSHIBA BUILDING Co., Ltd. offers service that spans the development, construction, leasing, and management of office buildings, housing, and retail facilities, etc., as well as consultation on corporate real estate (CRE) utilization, and the development and sale of condominiums.
- Geo Akamatsu Co., Ltd. is engaged in the design and entrusted management of retail facilities.
- Nomura Real Estate Hotels Co., Ltd. is engaged in the planning and operation of hotels.
- NREG TOSHIBA BUILDING FACILITIES Co., Ltd. offers maintenance and cleaning services for office buildings entrusted by NREG TOSHIBA BUILDING Co., Ltd.

<Investment Management Business Unit >

- Nomura Real Estate Asset Management Co., Ltd. provides investment management services including privately placed real estate funds, real estate investment trusts (REITs), and real estate securitization products. Nomura Real Estate Development Co., Ltd. also has equity interest in the funds managed by Nomura Real Estate Asset Management Co., Ltd.

<Property Brokerage & CRE Business Unit >

- Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Urban Net Co., Ltd. are engaged in real estate brokerage and consulting. Nomura Real Estate Urban Net Co., Ltd. also handles consignment sales for condominium units and detached housing.

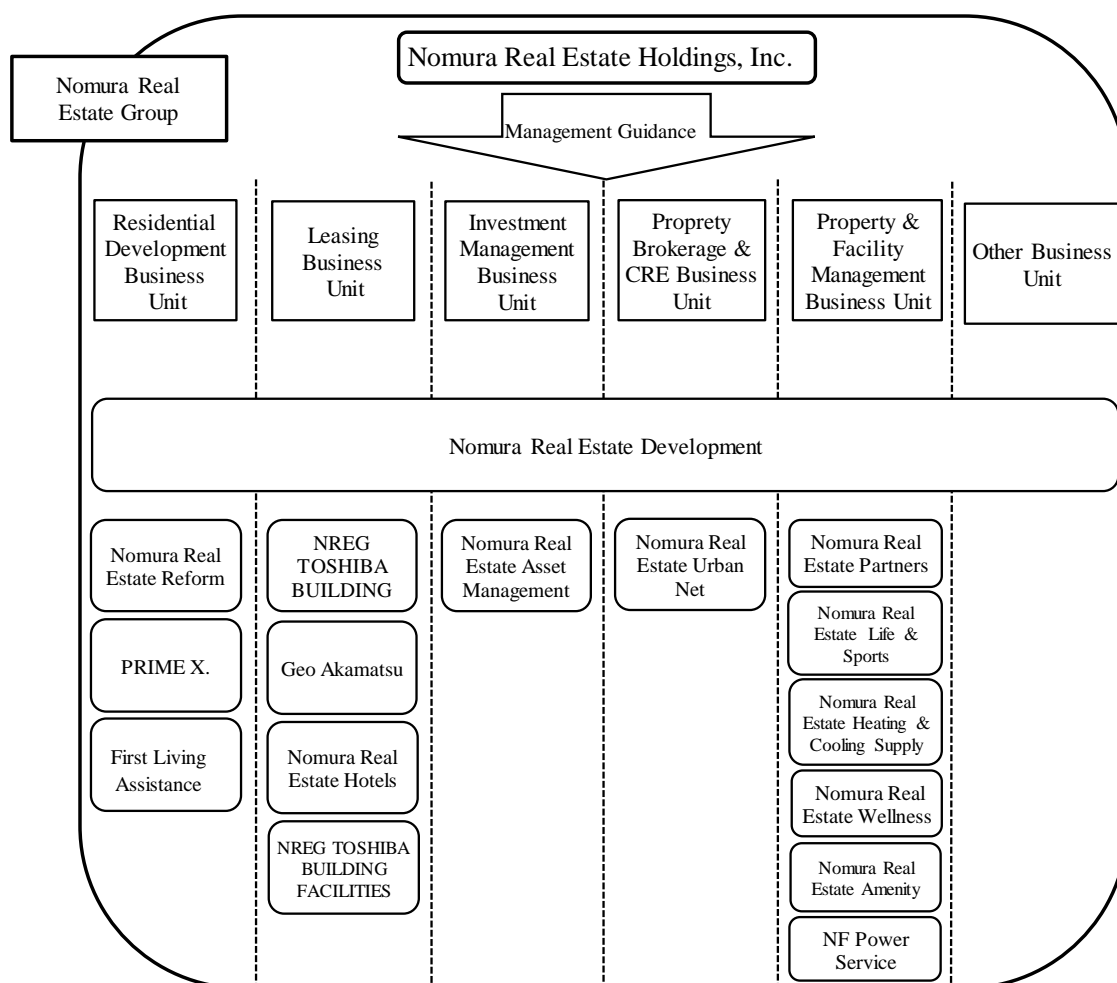
<Property & Facility Management Business Unit >

- Nomura Real Estate Partners Co., Ltd. is engaged in the entrusted management of condominiums, office buildings, and educational facilities as well as tenant construction and repair associated with management.
- Nomura Real Estate Life & Sports Co., Ltd. manages fitness club business.
- Nomura Real Estate Heating and Cooling Supply Co., Ltd. operates a local cooling and heat supply business in Yokohama Business Park (Hodogaya-ku, Yokohama, Kanagawa).
- Nomura Real Estate Wellness Co., Ltd. is engaged in the development, planning, and operation of housing services for the elderly. Nomura Real Estate Development Co., Ltd. promotes the elderly services business conducted by Nomura Real Estate Wellness Co., Ltd., and carries out the acquisition and management of real estate for that business.
- Nomura Real Estate Amenity Service Co., Ltd. is engaged in the entrusted cleaning of office buildings, mainly from Nomura Real Estate Partners Co., Ltd.
- NF Power Service Co., Ltd. is engaged in the sale, intermediation, and supply of electric energy.

<Other Business Unit >

- Nomura Real Estate Development Co., Ltd. is engaged in the sale and lease of land and buildings.

The matters described above are shown in the following systematic business diagram.



(Note) Nomura Real Estate Hotels Co., Ltd., established in October 2017, has been classified under the Leasing Business Unit to promote business in conjunction with the Leasing Business.

From April 2018, Nomura Real Estate Reform Co., Ltd., which had been classified under the Residential Development Business Unit, was transferred to the Property & Facility Management Business Unit to promote business in conjunction with the Property & Facility Management Business.

3. Basic Policies for Selecting Accounting Standards

The Group creates consolidated financial statements in accordance with the Japanese standards taking account of comparability of the consolidated financial statements over different accounting periods and between companies. The Group will adopt International Accounting Standards, as appropriate, considering shareholder composition and the movement of other domestic companies in the industry.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	47,701	52,347
Notes and accounts receivable - trade	16,535	17,308
Securities	—	9,000
Real estate for sale	120,385	102,884
Real estate for sale in process	249,663	261,278
Land held for development	199,812	228,326
Equity investments	2,567	9,612
Deferred tax assets	5,555	6,911
Other	42,123	36,917
Allowance for doubtful accounts	(37)	(39)
Total current assets	684,306	724,547
Non-current assets		
Property, plant and equipment		
Buildings and structures	394,607	403,011
Accumulated depreciation	(152,718)	(163,985)
Buildings and structures, net	241,888	239,026
Land	549,671	592,550
Other	26,053	26,576
Accumulated depreciation	(8,787)	(9,778)
Other, net	17,265	16,797
Total property, plant and equipment	808,825	848,374
Intangible assets	10,985	12,364
Investments and other assets		
Investment securities	46,252	42,362
Lease and guarantee deposits	21,738	23,131
Deferred tax assets	14,992	14,525
Other	5,992	8,387
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	88,975	88,406
Total non-current assets	908,786	949,145
Total assets	1,593,093	1,673,692

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,612	41,696
Short-term loans payable	106,300	102,300
Current portion of bonds	10,000	—
Income taxes payable	16,052	14,993
Deposits received	29,459	18,807
Deferred tax liabilities	20	18
Provision for bonuses	7,516	7,679
Provision for directors' bonuses	639	590
Provision for loss on business liquidation	47	36
Other	50,149	48,073
Total current liabilities	255,799	234,194
Non-current liabilities		
Bonds payable	70,000	140,000
Long-term loans payable	623,800	635,500
Lease and guarantee deposits received	57,597	60,241
Deferred tax liabilities	63,592	60,403
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for loss on subleasing business	257	102
Net defined benefit liability	18,931	18,375
Other	5,402	5,991
Total non-current liabilities	843,481	924,515
Total liabilities	1,099,280	1,158,710
Net assets		
Shareholders' equity		
Capital stock	116,779	117,072
Capital surplus	110,023	110,316
Retained earnings	242,704	275,299
Treasury shares	(3)	(10,004)
Total shareholders' equity	469,503	492,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,947	4,516
Deferred gains or losses on hedges	119	262
Revaluation reserve for land	7,860	7,860
Foreign currency translation adjustment	62	(225)
Remeasurements of defined benefit plans	(4,129)	(3,605)
Total accumulated other comprehensive income	11,860	8,807
Share acquisition rights	1,986	2,424
Non-controlling interests	10,462	11,067
Total net assets	493,813	514,982
Total liabilities and net assets	1,593,093	1,673,692

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Operating revenue	569,680	623,762
Operating cost	※1 392,438	※1 441,708
Operating gross profit	177,241	182,053
Selling, general and administrative expenses	99,970	105,393
Operating profit	77,271	76,660
Non-operating income		
Interest income	52	45
Dividend income	252	75
Share of profit of entities accounted for using equity method	83	25
Interest on refund	—	162
Gain on transfer of right to request purchase of shares	—	112
Other	310	351
Total non-operating income	698	773
Non-operating expenses		
Interest expenses	7,539	7,334
Other	1,477	2,065
Total non-operating expenses	9,017	9,400
Ordinary profit	68,952	68,033
Extraordinary income		
Gain on sales of non-current assets	946	3,311
Gain on sales of investment securities	—	455
Total extraordinary income	946	3,766
Extraordinary losses		
Impairment loss	254	3,614
Loss on building reconstruction	337	462
Total extraordinary losses	591	4,077
Profit before income taxes	69,307	67,722
Income taxes - current	22,957	23,811
Income taxes - deferred	(1,177)	(2,755)
Total income taxes	21,780	21,055
Profit	47,527	46,666
Profit attributable to non-controlling interests	521	636
Profit attributable to owners of parent	47,005	46,029

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	47,527	46,666
Other comprehensive income		
Valuation difference on available-for-sale securities	1,282	(3,430)
Deferred gains or losses on hedges	(36)	142
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	19	(33)
Remeasurements of defined benefit plans, net of tax	(616)	523
Share of other comprehensive income of entities accounted for using equity method	(0)	(254)
Total other comprehensive income	648	(3,052)
Comprehensive income	48,175	43,613
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	47,654	42,976
Comprehensive income attributable to non-controlling interests	521	636

(3) Consolidated Statements of Changes in Net Assets
FY2016 (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	116,598	109,842	207,203	(3)	433,642
Changes of items during period					
Issuance of new shares	180	180			361
Dividends of surplus			(11,504)		(11,504)
Profit attributable to owners of parent			47,005		47,005
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			0		0
Net changes of items other than shareholders' equity					
Total changes of items during period	180	180	35,500	(0)	35,861
Balance at end of current period	116,779	110,023	242,704	(3)	469,503

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	6,664	155	7,861	43	(3,513)	11,212	1,685	9,868	456,408
Changes of items during period									
Issuance of new shares									361
Dividends of surplus									(11,504)
Profit attributable to owners of parent									47,005
Purchase of treasury shares									(0)
Reversal of revaluation reserve for land									0
Net changes of items other than shareholders' equity	1,282	(36)	(0)	19	(616)	648	301	593	1,543
Total changes of items during period	1,282	(36)	(0)	19	(616)	648	301	593	37,404
Balance at end of current period	7,947	119	7,860	62	(4,129)	11,860	1,986	10,462	493,813

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	116,779	110,023	242,704	(3)	469,503
Changes of items during period					
Issuance of new shares	293	293			586
Dividends of surplus			(13,435)		(13,435)
Profit attributable to owners of parent			46,029		46,029
Purchase of treasury shares				(10,001)	(10,001)
Net changes of items other than shareholders' equity					
Total changes of items during period	293	293	32,594	(10,001)	23,180
Balance at end of current period	117,072	110,316	275,299	(10,004)	492,683

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	7,947	119	7,860	62	(4,129)	11,860	1,986	10,462	493,813
Changes of items during period									
Issuance of new shares									586
Dividends of surplus									(13,435)
Profit attributable to owners of parent									46,029
Purchase of treasury shares									(10,001)
Net changes of items other than shareholders' equity	(3,430)	142	(0)	(288)	523	(3,053)	437	604	(2,010)
Total changes of items during period	(3,430)	142	(0)	(288)	523	(3,053)	437	604	21,169
Balance at end of current period	4,516	262	7,860	(225)	(3,605)	8,807	2,424	11,067	514,982

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	69,307	67,722
Depreciation	16,877	18,824
Impairment loss	254	3,614
Loss (gain) on sales of non-current assets	(946)	(3,311)
Loss (gain) on sales of investment securities	—	(455)
Share of loss (profit) of entities accounted for using equity method	(83)	(25)
Increase (decrease) in allowance for doubtful accounts	(1)	1
Increase (decrease) in provision for loss on business liquidation	(13)	(11)
Increase (decrease) in provision for loss on subleasing business	(55)	(155)
Increase (decrease) in net defined benefit liability	912	(555)
Interest and dividend income	(304)	(121)
Interest expenses	7,539	7,334
Decrease (increase) in notes and accounts receivable - trade	(1,157)	(769)
Decrease (increase) in inventories	(73,977)	(28,943)
Decrease (increase) in equity investments	(1,748)	(7,044)
Increase (decrease) in notes and accounts payable - trade	(15,546)	6,084
Increase (decrease) in deposits received	(158)	(10,652)
Other, net	(2,244)	4,566
Subtotal	(1,346)	56,103
Interest and dividend income received	285	94
Interest expenses paid	(9,332)	(9,425)
Income taxes paid	(21,495)	(25,274)
Net cash provided by (used in) operating activities	(31,889)	21,498
Cash flows from investing activities		
Purchase of investment securities	(1,499)	(4,439)
Proceeds from sales and liquidation of investment securities	1,410	3,491
Purchase of property, plant and equipment and intangible assets	(61,300)	(71,665)
Proceeds from sales of property, plant and equipment and intangible assets	12,066	19,589
Payments for lease and guarantee deposits	(1,018)	(1,148)
Proceeds from collection of lease and guarantee deposits	964	1,240
Repayments of lease and guarantee deposits received	(12,448)	(3,153)
Proceeds from lease and guarantee deposits received	6,124	4,189
Other, net	1,142	258
Net cash provided by (used in) investing activities	(54,558)	(51,637)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(500)	(11,500)
Repayments of finance lease obligations	(148)	(149)
Proceeds from long-term loans payable	160,000	80,000
Repayments of long-term loans payable	(91,300)	(60,800)
Proceeds from issuance of bonds	19,869	69,360
Redemption of bonds	—	(10,000)
Proceeds from issuance of common shares	88	391
Proceeds from share issuance to non-controlling shareholders	98	—
Purchase of treasury shares	(0)	(10,048)
Cash dividends paid	(11,504)	(13,435)
Dividends paid to non-controlling interests	(26)	(31)
Net cash provided by (used in) financing activities	76,575	43,787
Effect of exchange rate change on cash and cash equivalents	(25)	0
Net increase (decrease) in cash and cash equivalents	(9,897)	13,648
Cash and cash equivalents at beginning of period	57,591	47,699
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	4	—
Cash and cash equivalents at end of period	47,699	61,347

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Consolidated Statements of Income)

- *1 Closing inventory is the amount after devaluation of the book value in connection with decline in profitability, and the following loss on valuation of inventories is included in the cost of sales.

(Millions of yen)

	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
	166	496

(Real Estate for Rent)

Some of the Company's consolidated subsidiaries own rental office buildings and rental retail facilities (including land) in Tokyo and other regions. Some rental office buildings are regarded as properties including the portion used as rental properties since they are used by the Company and certain consolidated subsidiaries.

The book values in the Consolidated Balance Sheet, changes during the fiscal year, and fair values of these rental properties and properties including the portion used as rental properties are as follows.

(Millions of yen)

	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Real estate for rent		
Book value in the consolidated balance sheets		
Balance at the beginning of the fiscal year	738,003	766,973
Changes during the fiscal year	28,969	27,505
Balance at the end of the fiscal year	766,973	794,478
Fair value at the end of the fiscal year	892,524	946,597
Properties including the portion used as real estate for rent		
Book value in the consolidated balance sheets		
Balance at the beginning of the fiscal year	25,999	26,122
Changes during the fiscal year	123	(96)
Balance at the end of the fiscal year	26,122	26,026
Fair value at the end of the fiscal year	54,500	55,820

- (Notes) 1. Book values in the consolidated balance sheet are the amounts determined by deducting accumulated depreciation from the acquisition cost.
2. Fair values as of March 31, 2017 and 2018 are determined based primarily on values according to Real Estate Appraisal Standards (including adjustments based on certain indexes). However, if no significant fluctuations in certain appraisal values or indexes considered to appropriately reflect market values have occurred since the time of acquisition from third party or the time of the most recent appraisal, the Group bases the fair value on an amount that has been adjusted using the aforesaid values or indexes.

Income and loss on rental properties and other properties used as rental properties are as follows.

(Millions of yen)

	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Rental properties		
Operating profit	27,787	30,409
Others (gains (losses) on sale of property, etc.)	354	(761)
Other properties used as rental properties		
Operating profit	902	1,058
Others (gains (losses) on sale of property, etc.)	-	-

- (Notes) 1. As real estate of which some portions are used as rental property includes portions used by the Company and certain consolidated subsidiaries for providing services as well as management and administration, operating profit for this type of real estate is not recorded.
2. Others include gain on sales of non-current assets (946 million yen) and loss on building reconstruction (337 million yen) in the fiscal year ended March 31, 2017, and gain on sales of non-current assets (3,311 million yen) and impairment loss (3,614 million yen) in the fiscal year ended March 31, 2018.

(Segment Information)

【Segment information】

I FY2016 (From April 1, 2016 to March 31, 2017)

1. Information regarding sales, gains or losses, by reportable segment

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	329,303	112,477	9,662	32,299	85,831	569,574	106	569,680	-	569,680
Inter-segment	484	2,532	-	2,520	9,933	15,470	0	15,470	(15,470)	-
Subtotal	329,787	115,009	9,662	34,820	95,764	585,044	106	585,151	(15,470)	569,680
Segment income or losses	27,787	32,567	6,016	9,124	6,939	82,434	(30)	82,404	(5,132)	77,271
Segment assets	450,698	993,985	35,649	22,873	56,529	1,559,736	929	1,560,666	32,427	1,593,093
Other items										
Depreciation	264	14,139	27	378	1,481	16,290	5	16,296	580	16,877
Amortization of goodwill	-	235	-	-	29	264	-	264	-	264
Investment in affiliates accounted for using equity method	2,525	930	-	-	518	3,974	-	3,974	-	3,974
Increase in property, plant and equipment and intangible assets	427	56,224	22	649	1,754	59,079	-	59,079	1,295	60,374

(Notes) 1. The “Other” category represents operating segments that are not included in reportable segments.

2. (1) The deduction of 5,132 million yen shown in the adjustments column for segment profit or losses includes an increase in elimination of intersegment transactions of 1,388 million yen and a deduction of 6,521 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.
- (2) The addition of 32,427 million yen shown in the adjustments column for segment assets includes a deduction of 48,080 million yen for the elimination of inter-segment transactions and an addition of 80,507 million yen for corporate assets not allocated to each reportable segment.
3. The segment profit or losses is reconciled to the operating profit stated in the consolidated financial statements.

FY2017 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	357,774	132,501	9,378	33,521	90,479	623,654	107	623,762	-	623,762
Inter-segment	971	2,440	-	2,182	10,607	16,202	0	16,202	(16,202)	-
Subtotal	358,745	134,941	9,378	35,703	101,087	639,857	107	639,964	(16,202)	623,762
Segment income or losses	24,516	35,232	5,911	8,452	7,076	81,189	(10)	81,178	(4,517)	76,660
Segment assets	448,966	1,061,328	34,840	17,181	62,188	1,624,505	921	1,625,426	48,266	1,673,692
Other items										
Depreciation	359	15,809	29	436	1,510	18,145	4	18,150	674	18,824
Amortization of goodwill	-	235	-	-	29	264	-	264	-	264
Investment in affiliates accounted for using equity method	9,827	4,809	-	-	513	15,150	-	15,150	-	15,150
Increase in property, plant and equipment and intangible assets	675	69,151	26	527	2,081	72,461	2	72,464	1,111	73,575

(Notes) 1. The “Other” category represents operating segments that are not included in reportable segments.

2. (1) The deduction of 4,517 million yen shown in the adjustments column for segment profit or losses includes an increase in elimination of intersegment transactions of 2,601 million yen and a deduction of 7,119 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

(2) The addition of 48,266 million yen shown in the adjustments column for segment assets includes a deduction of 41,686 million yen for the elimination of inter-segment transactions and an addition of 89,953 million yen for corporate assets not allocated to each reportable segment.

3. The segment profit or losses is reconciled to the operating profit stated in the consolidated financial statement

【Impairment loss on noncurrent assets by reportable segment】

FY2016 (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	254	-	-	-	254

FY2017 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	3,614	-	-	-	3,614

(Per Share Information)

	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Net assets per share	2,508.73 yen	2,664.70 yen
Basic earnings per share	245.10 yen	240.89 yen
Diluted earnings per share	244.06 yen	239.52 yen

(Note) The basis for the calculation of basic earnings per share and diluted earnings per share is as follows.

	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	47,005	46,029
Profit not attributed to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent available to common stock (Millions of yen)	47,005	46,029
Average number of common stock during the period (Thousand shares)	191,781	191,083
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Millions of yen)	-	-
Increase in number of shares of common stock (Thousand shares)	815	1,088
Of which, stock acquisition rights (Thousand shares)	815	1,088
Description of potentially dilutive common shares not included in the computation of diluted earnings per share because of their anti-dilutive effect	Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2013 (Number of rights: 2,790) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2014 (Number of rights: 3,432) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2015 (Number of rights: 3,783) Nomura Real Estate Holdings, Inc. the 5th Stock Acquisition Rights in FY2015 (Number of rights: 230) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2016 (Number of rights: 4,198)	Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2013 (Number of rights: 2,343) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2015 (Number of rights: 3,761)

(Significant Subsequent Events)

Not applicable.