

Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 & Business Overview

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Highlights of FY16/3 Financial Results

<Summary>

- FY16/3 resulted in **increases both in revenue and income**: operating revenue: ¥569.5 billion (up 0.4%); operating income; ¥80.9 billion (up 12.5%); ordinary income; ¥72.6 billion (up 14.1%); profit attributable to owners of parent; ¥47.1 billion (up 22.7%). Consequently, **operating revenue, operating income, ordinary income, and profit attributable to owners of parent all recorded their highest figures.**
- **Equity ratio improved (29.9%)** along with **ROA (5.6%)** and **ROE (11.2%)**. Each indicator represents continued high levels.
- Forecast for FY17/3 business results is as follows: Operating revenue: ¥589 billion (up 3.4% YoY); operating income ¥76 billion (down 6.1% YoY); ordinary income ¥ 67 billion (down 7.8% YoY); profit attributable to owners of parent ¥ 43 billion (down 8.9% YoY); resulting **an increase in revenue but a decrease in income**. The decrease of profit was due mainly to an increase in the acquisition fee associated with the merger of REITs in FY16/3. **However, with the exception of such cases, operating income is predicted to remain at the same level as FY16/3.**
- FY16/3 year-end dividend per share increased to **¥ 30 per share, resulting annual dividend ¥ 57.5**. The annual dividend of FY17/3 is predicted to be **¥ 60, which would result in a 5-year- continuous increase in dividend.**

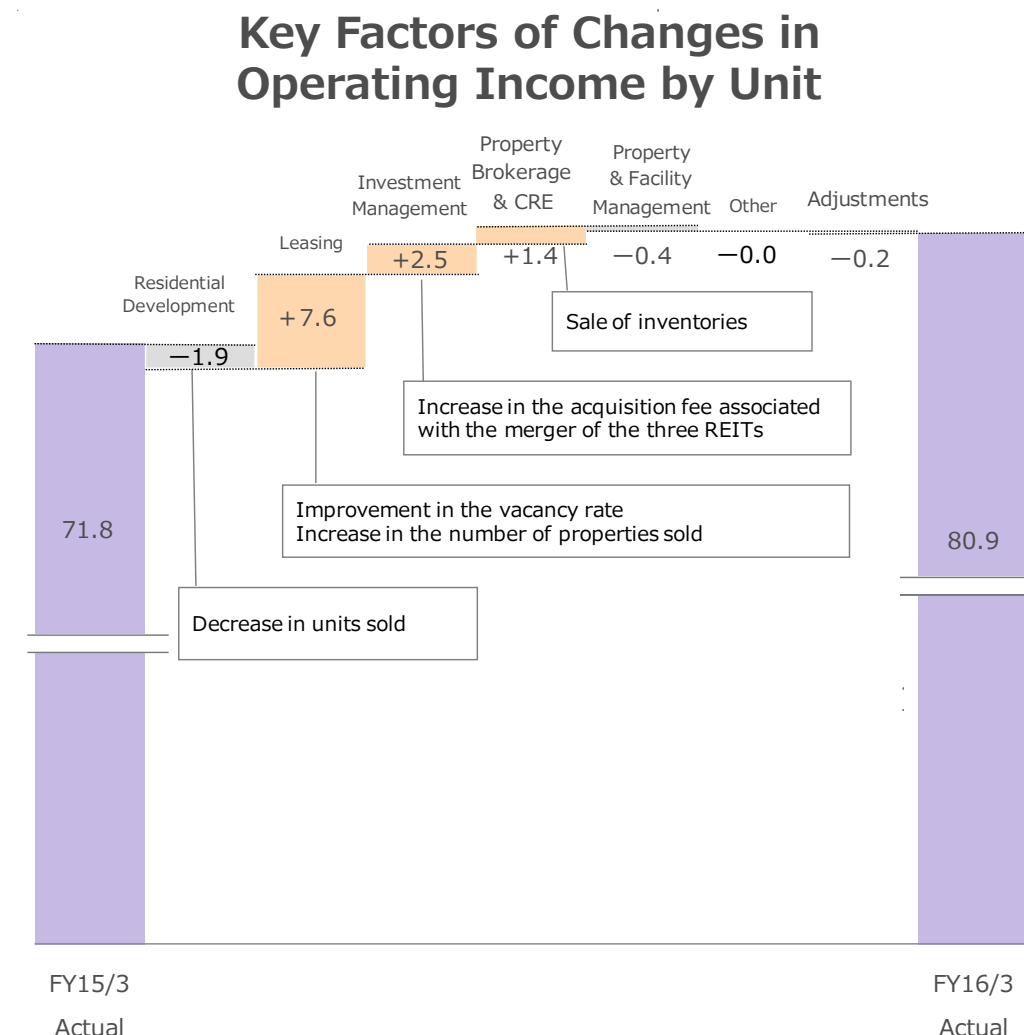
Outline of Consolidated Financial Results for FY ended March 31, 2016

(Billions of yen) *Figures rounded down to the nearest 100 million yen	FY15/3 Actual ①	FY16/3 Actual ②	Changes ② - ①	Key Factors
Operating revenue	567.1	569.5	+2.3	<Operating revenue>
Operating gross profit	162.0	177.9	+15.9	· An increase in the number of properties sold in the Leasing Unit.
Selling, general and administrative expenses	90.1	97.0	+6.9	
Operating income	71.8	80.9	+9.0	<Operating income>
Non-operating income	1.6	1.5	-0.1	· Improvement in vacancy rate and an increase in the number of
Non-operating expenses	9.9	9.7	-0.1	properties sold in the Leasing Unit.
Ordinary income	63.6	72.6	+8.9	· An increase in the acquisition fee related to the merger of the REITs in
Extraordinary income	2.5	-	-2.5	the Investment Management Unit.
Extraordinary losses	8.1	1.7	-6.4	<Extraordinary income & losses>
Income taxes	15.4	21.8	+6.4	· Rebound from impairment loss related to Nomura Fudosan Tennouzu
Profit Attributable to Non-Controlling Interests	4.2	1.9	-2.2	Building reported in FY 15/3
Profit Attributable to Owners of Parents	38.4	47.1	+8.7	
Net income per share (yen)	201.28	246.42	+45.14	
Cash dividends per share (yen)	45.00	57.50	+12.50	
Net cash provided by (used in) operating activities	+23.8	+13.2	-10.5	
Net cash provided by (used in) investment activities	-32.4	-59.7	-27.2	
Net cash provided by (used in) financing activities	-8.9	+53.6	+62.6	
Cash and cash equivalents at end of period	50.4	57.5	+7.1	
(Billions of yen)	Mar 31, 2015 ①	Mar 31, 2016 ②	Changes ② - ①	Key Factors
Total assets	1,369.2	1,485.4	+116.2	· Additional acquisition of inventories and tangible assets.
Total interest-bearing debt	616.7	721.9	+105.2	
Shareholders' equity	394.0	444.8	+50.7	· Accumulation of profit for the period and an increase in capital surplus
Shareholders' equity ratio	28.8%	29.9%	+1.1P	due to the additional acquisition of shares of NREG TOSHIBA BUILDING
Debt/equity ratio	1.6	1.6	+0.0	Co., Ltd.

Unit Outline of Financial Results for FY ended March 31, 2016

- **Both operating revenue and income rose** due to factors such as improvement in the vacancy rate, an increase in the numbers of properties sold in the Leasing Unit, and an increase in the acquisition fee related to the merger of REITs in the Investment Management Unit.

(Billions of yen)	FY15/3 Actual ①	FY16/3 Actual ②	Changes ② - ①
Operating revenue	567.1	569.5	+2.3
Residential Development	359.3	334.5	-24.8
Leasing	92.8	110.6	+17.7
Investment Management	9.1	10.9	+1.8
Property Brokerage & CRE	30.2	35.3	+5.1
Property & Facility Management	85.8	90.2	+4.4
Other	3.0	1.3	-1.6
Adjustments	-13.3	-13.5	-0.2
Operating income	71.8	80.9	+9.0
Residential Development	33.8	31.9	-1.9
Leasing	24.4	32.0	+7.6
Investment Management	4.8	7.3	+2.5
Property Brokerage & CRE	8.4	9.9	+1.4
Property & Facility Management	5.7	5.3	-0.4
Other	-0.1	-0.1	-0.0
Adjustments	-5.3	-5.5	-0.2



Outline of Consolidated Balance Sheets as of March 31, 2016

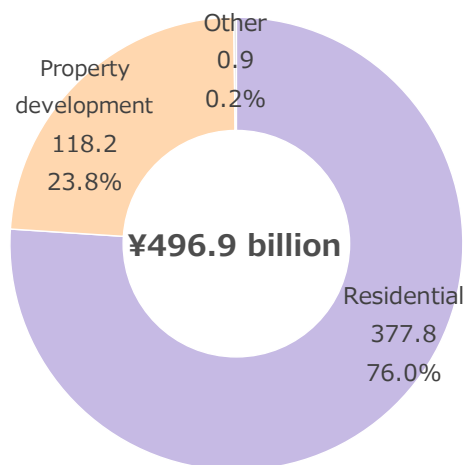
(Billions of yen)	As of Mar 31, 2015 ①	As of Mar 31, 2016 ②	Changes ② - ①	Key Factors
Assets	1,369.2	1,485.4	+116.2	
Current assets	549.3	608.7	+59.4	<Inventories>
(Breakdown)				
Cash and deposits / Short-term investment securities	50.4	57.5	+7.1	
Notes and accounts receivable-trade	15.0	15.3	+0.3	
Inventories	429.7	496.9	+67.1	
Equity investments	6.3	0.8	-5.4	
Other current assets	47.7	38.0	-9.6	
Noncurrent assets	819.9	876.6	+56.7	
Property, plant and equipment	730.0	779.0	+49.0	<Property, plant and equipment >
Intangible assets	10.2	10.6	+0.4	· Acquisition of Nomura Fudosan Ginza Building (ex-Ginza MTR Building), the Toranomon Redevelopment Project, the Minamigyotoku SC, and the Tranomon Central. Progress in the the Yokohama Nomura Building project.
Investments and other assets	79.5	86.8	+7.3	
(Breakdown)				
Investment securities	40.8	45.5	+4.6	
Lease and guarantee deposits	20.4	21.3	+0.8	
Other noncurrent assets	18.2	20.0	+1.7	
Liabilities	908.1	1,029.0	+120.8	
Current liabilities	305.1	289.1	-16.0	
(Breakdown)				
Notes and accounts payable-trade	48.6	51.1	+2.4	
Short-term loans payable, etc.	154.8	137.3	-17.5	
Deposits received	25.0	29.6	+4.5	
Other current liabilities	76.6	71.0	-5.6	
Noncurrent liabilities	603.0	739.9	+136.9	
(Breakdown)				
Bonds payable	30.0	60.0	+30.0	
Long-term loans payable	431.9	524.6	+92.7	<Interest-bearing debt>
Lease and guarantee deposits received	60.7	63.7	+3.0	Mar. 31, 2015 : ¥ 616.7 billion → Mar. 31, 2016: ¥ 721.9 billion
Other noncurrent liabilities	80.3	91.5	+11.2	<Net asset>
Net assets	461.0	456.4	-4.6	· Decrease in non-controlling interests associated with the additional acquisition of NREG TOSHIBA BUILDING Co., Ltd. shares
Total liabilities and net assets	1,369.2	1,485.4	+116.2	
Shareholders' equity ratio	28.8%	29.9%	+1.1P	<Shareholders' equity>
Debt/equity ratio	1.6	1.6	+0.0	· Mar. 31, 2015: ¥394.0 billion → Mar. 31, 2016: ¥444.8 billion

Outline of Consolidated Balance Sheets as of March 31, 2016

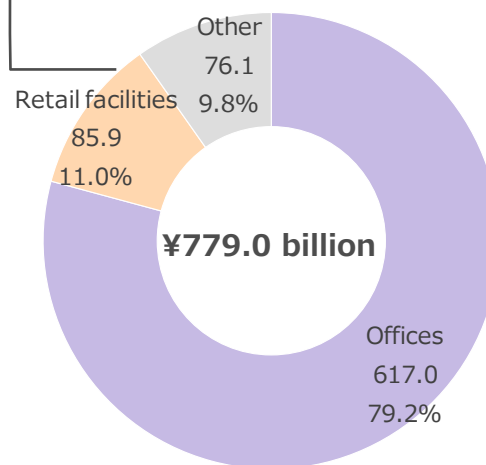
Total Assets : 1,485.4 billion yen

Current assets		608.7		Liabilities		1,029.0	
Cash and deposits / Short-term investment securities	57.5	Interest-bearing debt	721.9				
Notes and accounts receivable-trade	15.3	Short-term loans payable, etc.	137.3				
Inventories	496.9	Bonds payable	60.0				
Residential	377.8	Long-term loans payable	524.6				
Property development	118.2	Notes and accounts payable-trade	51.1				
Other	0.9	Deposits received	29.6				
Adjustments	-0.1	Other current liabilities	71.0				
Equity investments	0.8	Lease and guarantee deposits received	63.7				
Other current assets	38.0	Other noncurrent liabilities	91.5				
Noncurrent assets		876.6		Net assets		456.4	
Property, plant and equipment	779.0	Equity	444.8				
Offices	617.0	Subscription rights to shares	1.6				
Commercial facilities	85.9	Minority interests	9.8				
Other	76.1						
Intangible assets	10.6						
Investments and other assets	86.8						

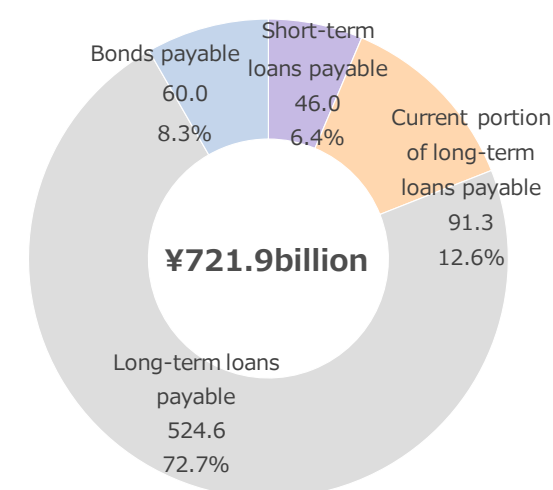
Inventories



Property, plant and equipment



Interest-bearing debt



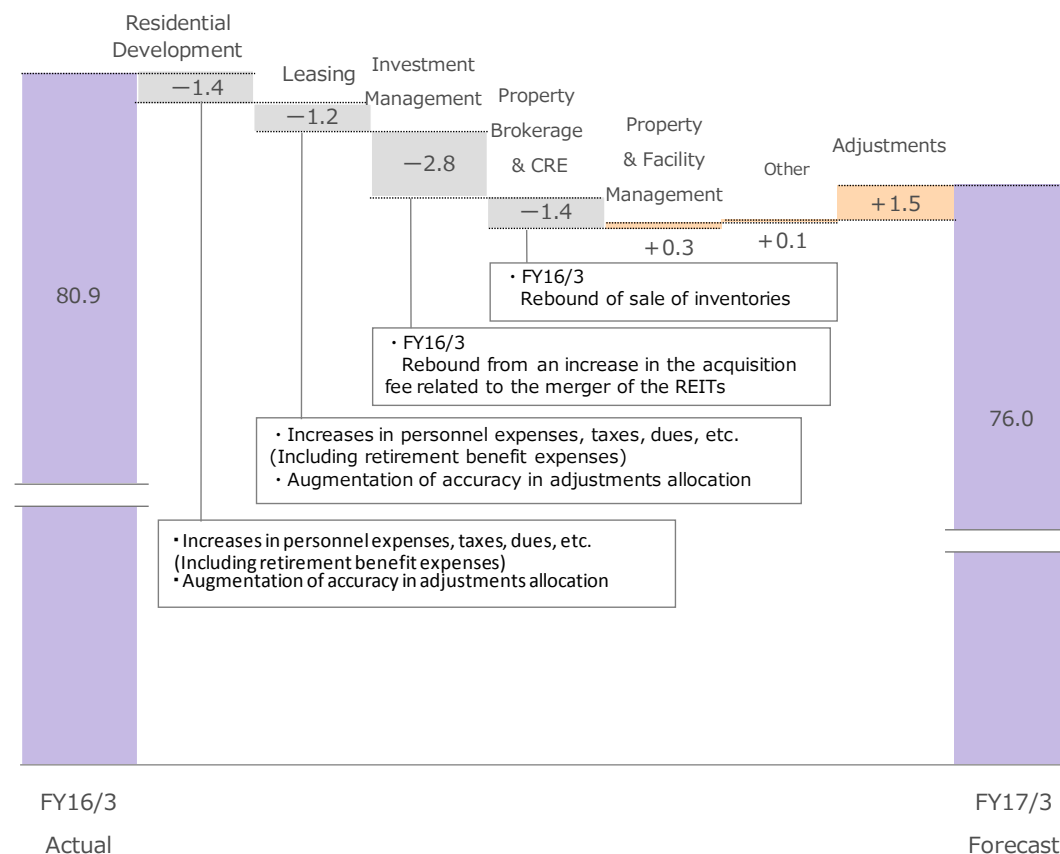
• Residential : The Residential Development Unit
 • Property development: The Leasing Unit, the Investment Management Unit, and the Property Brokerage & CRE Unit
 • Other: The Property & Facility Management Unit, and the Other Unit

Forecasts for FY ending March 31, 2017

- The number of profit-generating properties sold is predicted to increase in the Leasing Unit. Because of an increase in the acquisition fee associated with the merger of the REITs and inventories sold in the Property Brokerage & CRE Unit reported in FY 16/3, revenue is predicted to increase but income is predicted to decrease in FY17/3.

(Billions of yen)	FY16/3 Actual ※ ①	FY17/3 Forecast ②	Changes ② - ①
Operating revenue	569.5	589.0	+19.4
Residential Development	334.5	339.0	+4.4
Leasing	110.2	121.0	+10.7
Investment Management	10.9	8.0	-2.9
Property Brokerage & CRE	35.3	35.0	-0.3
Property & Facility Management	91.5	96.0	+4.4
Other	1.3	0.0	-1.3
Adjustments	-14.4	-10.0	+4.4
Operating income	80.9	76.0	-4.9
Residential Development	31.9	30.5	-1.4
Leasing	31.7	30.5	-1.2
Investment Management	7.3	4.5	-2.8
Property Brokerage & CRE	9.9	8.5	-1.4
Property & Facility Management	5.6	6.0	+0.3
Other	-0.1	0.0	+0.1
Adjustments	-5.5	-4.0	+1.5
Ordinary income	72.6	67.0	-5.6
Profit attributable to owners of parent	47.1	43.0	-4.1
Net income per share (yen)	246.42	224.33	-22.09
Cash dividends per share (yen)	57.50	60.00	+2.50

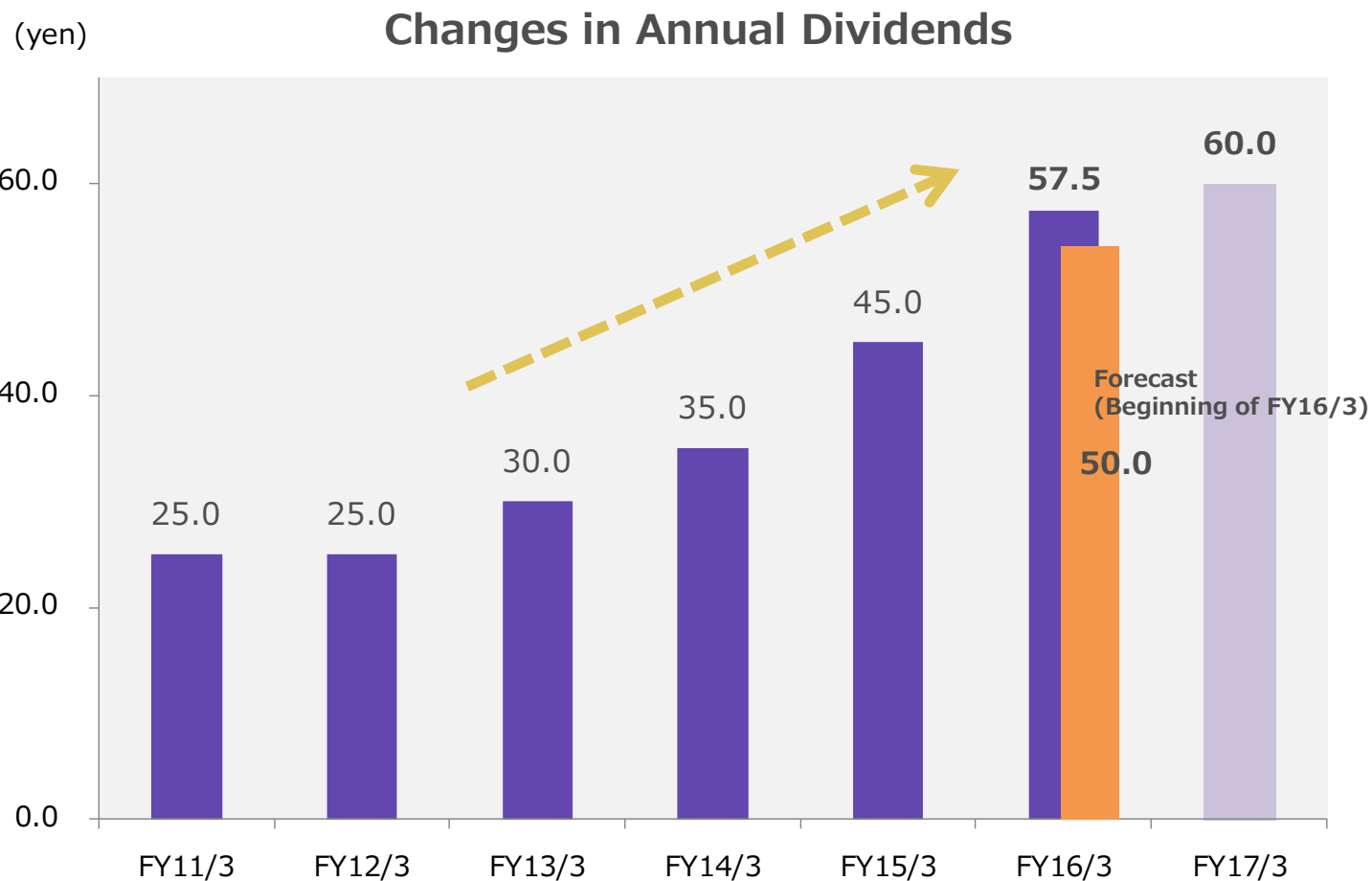
Key Factors of Changes in Operating Income by Unit



※ Yokohama Business Park Heat and Cooling Supply Co., Ltd., which had been classified under the "Leasing Unit", was transferred to the "Property & Facility Management Unit" in FY 17/3. Figures are after this change.

Changes and Forecast of Dividends

- Based on the prospects of the management environment and business trends, estimated annual dividends per share are FY 16/3, ¥ 57.5 (up ¥ 12.5 from FY 15/3) FY17/3, ¥ 60 (up ¥ 2.5 from FY16/3), which would result in a continuous increase in dividend for 5 years in a row.

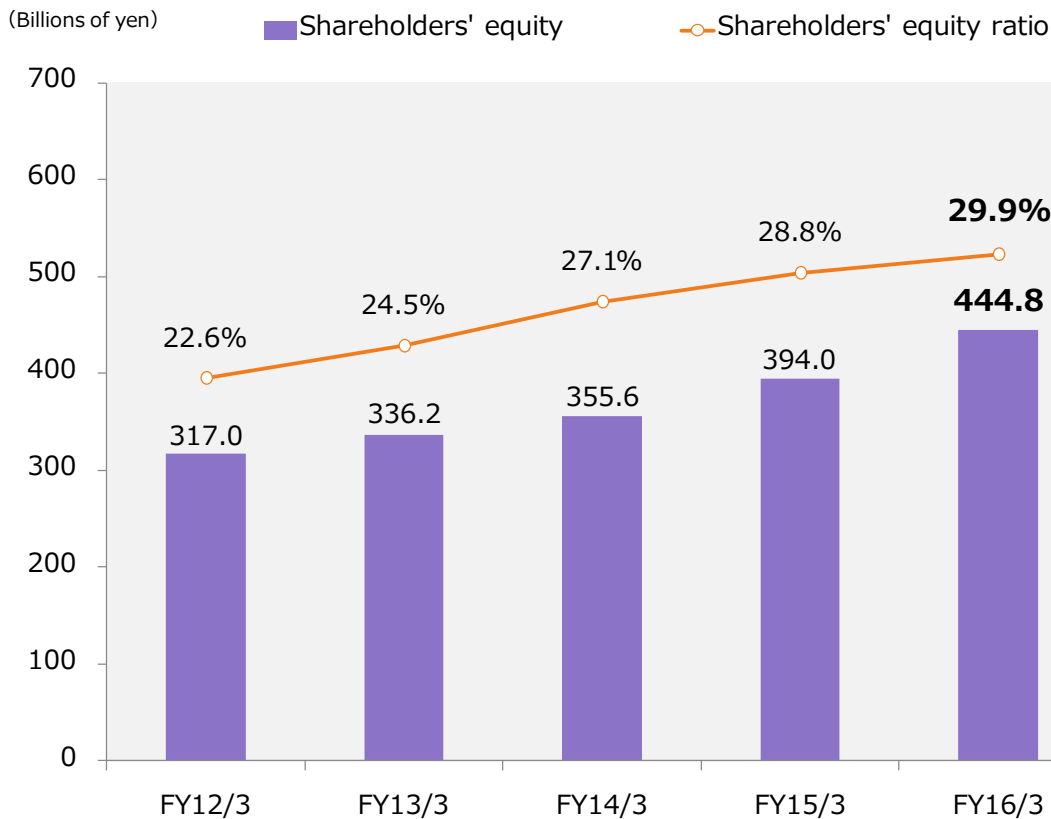


	FY11/3	FY12/3	FY13/3	FY14/3	FY15/3	FY16/3	FY17/3
EPS(yen)	28.74	92.38	101.61	140.70	201.28	246.42	224.33
Payout ratio(%)	87.0	27.1	29.5	24.9	22.4	23.3	26.7
Deividend yield (%)	2.0	1.7	1.4	1.8	2.1	2.8	-

※ Dividend yield is calculated based on the closing price reported at the end of the fiscal year

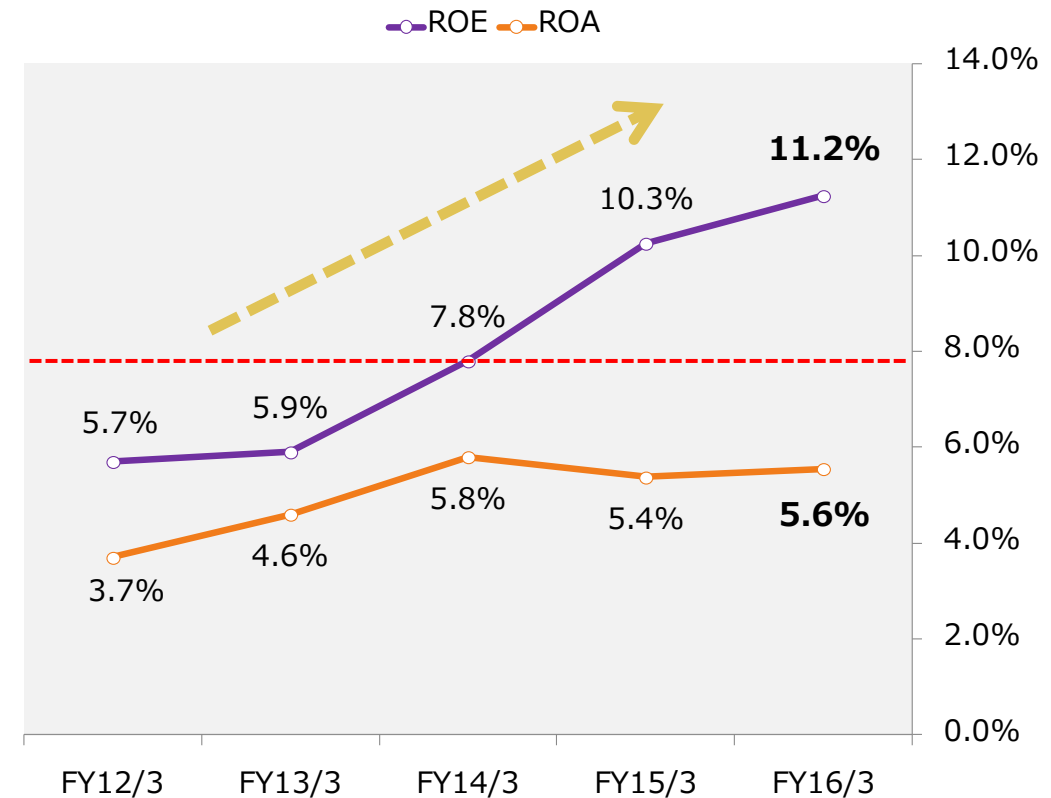
Shareholders' Equity/Shareholders' Equity Ratio

- Shareholders' equity ratio has improved **29.9 %**, reaching a 30%-level, our accounting mid-term target.



ROA/ROE

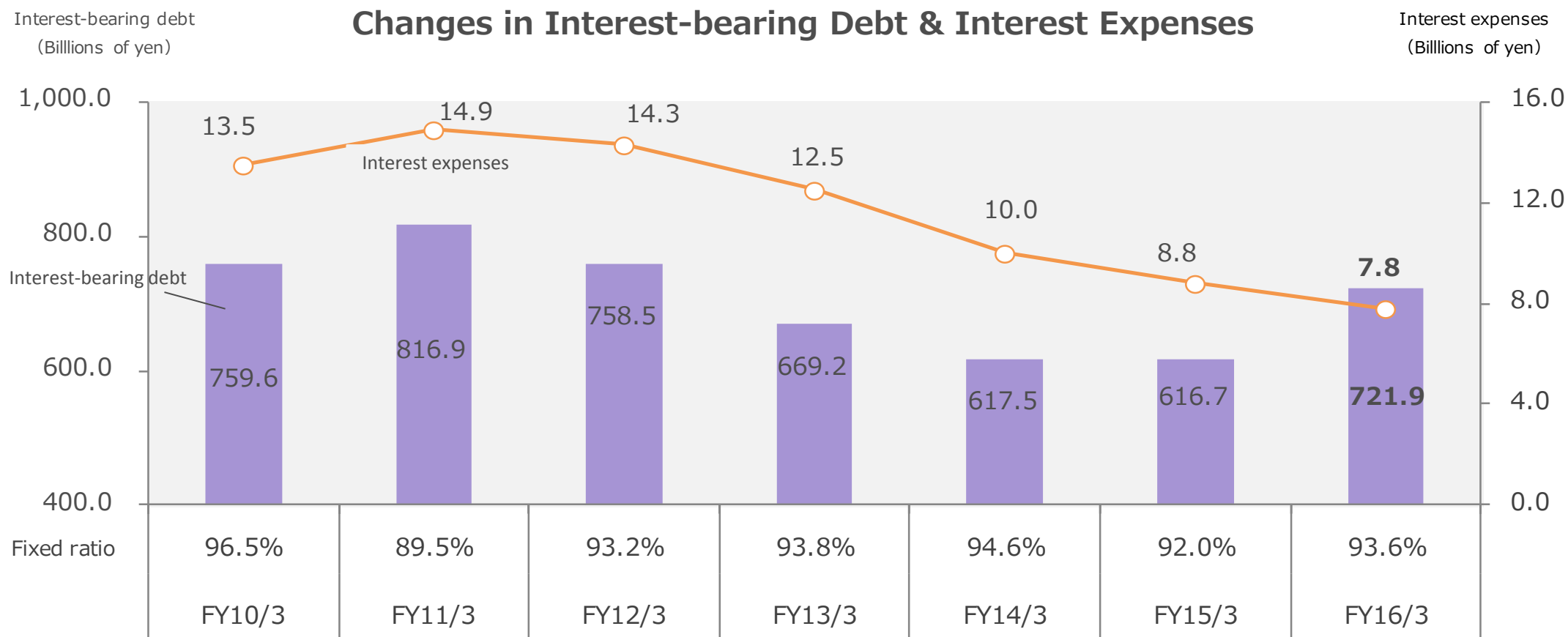
- ROA of **5.6%** and ROE of **11.2%**, maintaining high level.



ROA = (Operating income + Non-operating income) / Year-end total assets
 ROE = Net income / Shareholders' equity (as average over the year)

Interest-bearing Debt & Interest Expenses

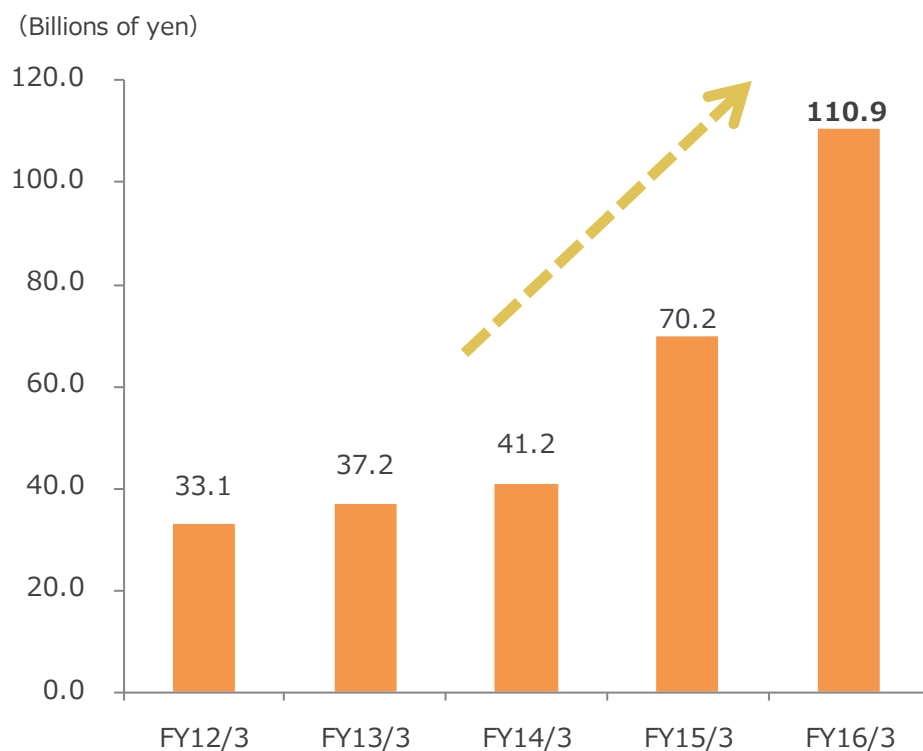
- Since 2011, we tried to reduce interest-bearing debt, resulting decline in interest expenses. Also, by fixing and lengthening interest-bearing debt, we have created a stable financial foundation.
- In FY16/3, we conducted large-scale investment, resulting a **¥ 105.2 billion increase in interest-bearing debt**.



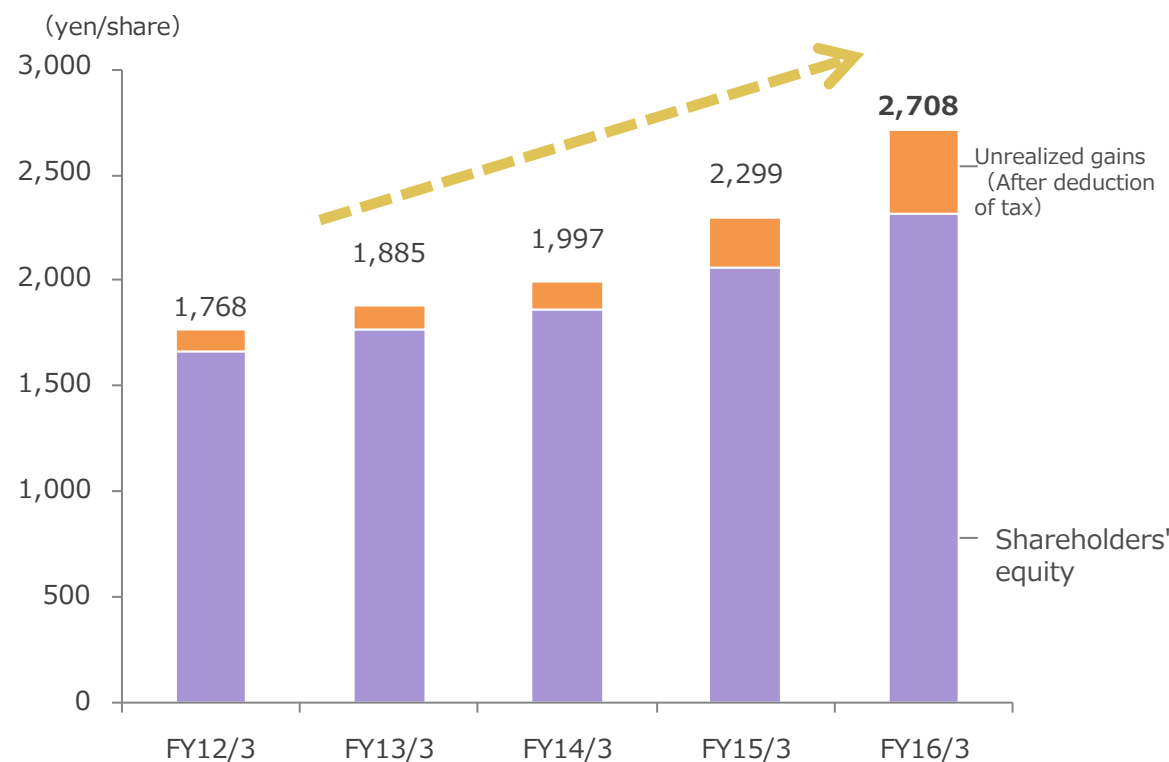
Trend of NAV(Net Asset Value) and Unrealized Profit of the Company

- Due to the decline of the Cap Rate seen in central Tokyo, our unrealized gains have increased to ¥ 110 billion
- An increase in shareholders' equity by building up periodic profit and an increase in unrealized gains contributed to an increase in NAV per share to ¥ 2,700 (up ¥ 400 YoY)

Changes in unrealized gains



Changes in NAV per share



※1 Unrealized gain is the amount after deducting the book value at the end of FY from the market value at the end of FY.
 ※2 Market prices are calculated mainly based on the "Japanese Real Estate Appraisal Standards".

※1 NAV per share = (shareholders' equity + unrealized gains (after deduction of tax)) / the number of shares issued (excluding treasury shares)
 ※2 Unrealized gains (after deduction of tax) = Unrealized gains × (1 - effective tax rate)
 (Effective tax rate is renewed every fiscal year)

Operating Results by Unit



【 Unit Information: Residential Development Unit 】

- The number of housing units sold in housing sales declined, causing decreases in both revenue and income.

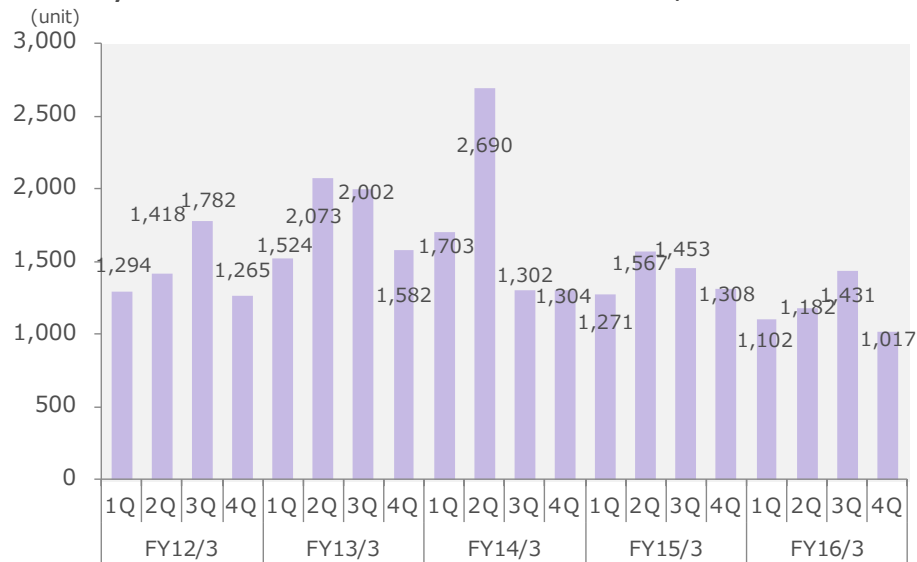
Gross margin ratio rose to **21.9%** (up 0.8 points compared to FY15/3)

(Billions of yen)	FY15/3 Actual ①	FY16/3 Actual ②	Changes ② - ①	FY17/3 Forecast ③	Changes ③ - ②
Operating revenue	359.3	334.5	-24.8	339.0	+4.4
Housing sales	332.9	318.7	-14.2	—	—
Other	26.3	15.7	-10.6	—	—
Operating income	33.8	31.9	-1.9	30.5	-1.4
【Housing sales indicators】					
Housing sales (unit)	7,021	6,006	-1,015	5,750	-256
Condominiums	6,162	5,363	-799	5,100	-263
Detached housing	859	643	-215	650	+7
Tokyo metropolitan area	5,426	4,721	-705	4,450	-271
Osaka metropolitan area	1,009	857	-152	800	-57
Other area	585	427	-158	500	+73
Sold but not recorded housing (unit)	4,767	3,493	-1,274	—	—
Completed housing inventories (unit)	89	349	+260	—	—
Average sales price (million yen)	47.42	53.07	+5.65	—	—
Gross margin ratio (%)	21.1%	21.9%	+0.8P	—	—

[Reference] Changes in Key Indicators of Housing Sales business

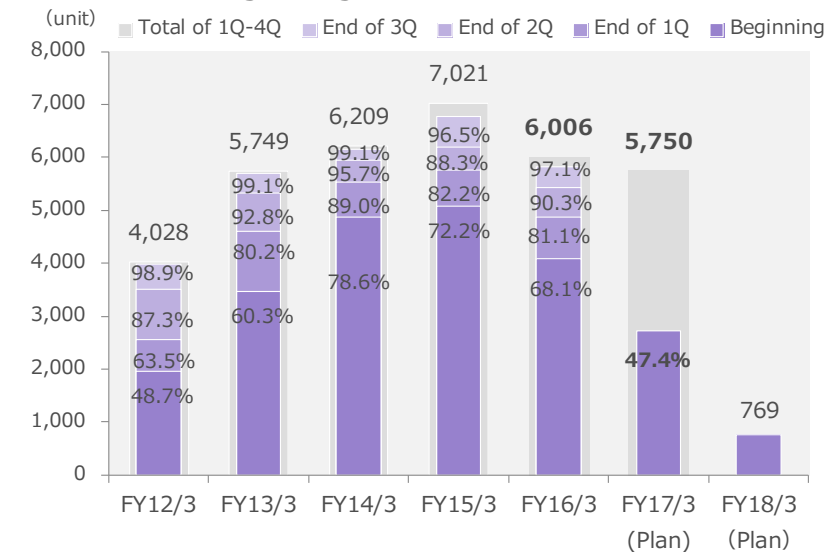
Number of Contracted Housing Units

- **4,732 units** were contracted in FY16/3.



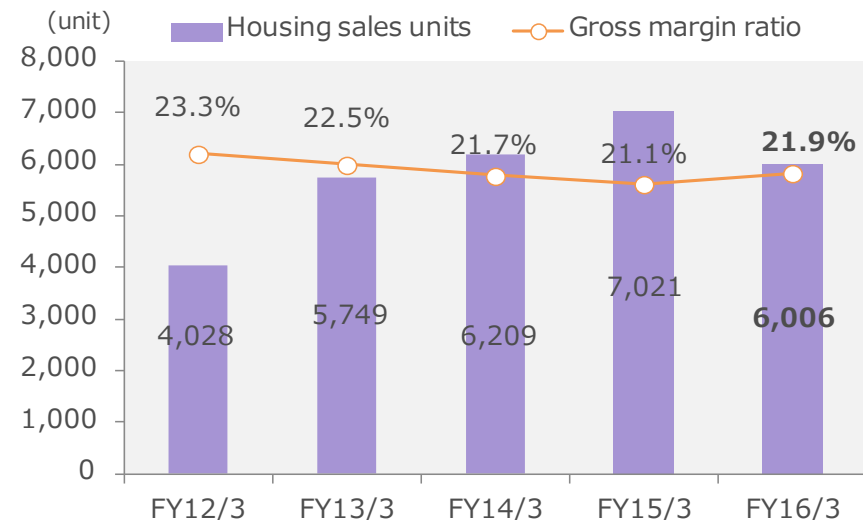
Contract Rates

- **2,724 units (47.4%)** have been contracted as of the beginning of FY16/3.



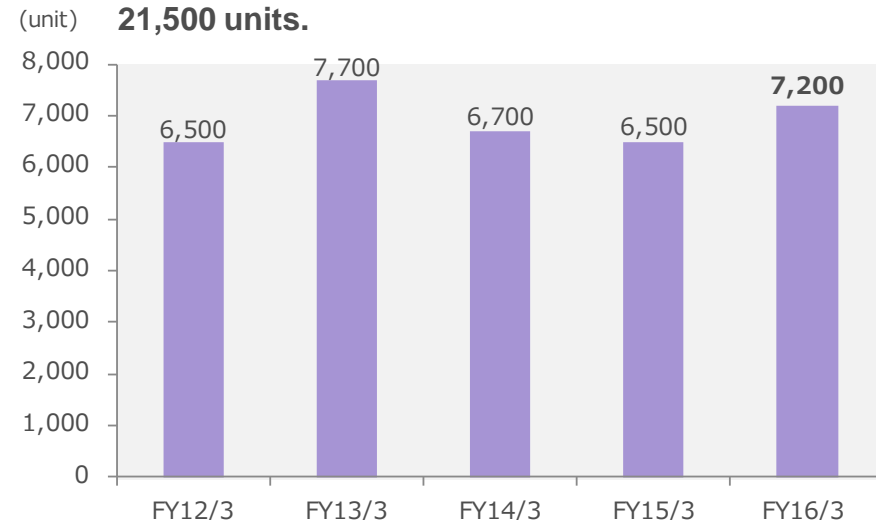
Gross Profit Margin & Number of Housing Units Sold

- Gross profit increased to **21.9%** due to large-scale houses sold in urban area.



Land Acquisition

- Lands for **7,200 units** were acquired in FY16/3. Land bank for FY17/3 and after is now sufficient for **21,500 units**.



【Reference】 Residential Large-scale Redevelopment & Rebuilding Business in Central Tokyo

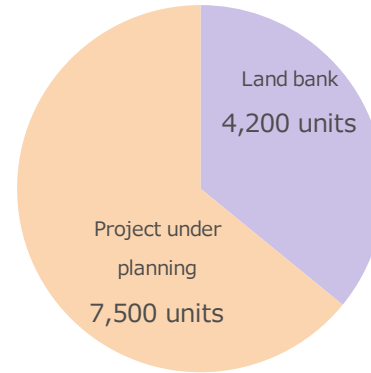
Taking advantage of our No.1 track record in the industry and a wealth of know-how, we have promoted many redevelopment and reconstruction projects that have potential for growth.

Major Redevelopment & Rebuilding Projects *JV Project

Project name	No. of units (our share)	Construction schedule		
		Phase I (FY17/3 - FY19/3)	Phase II (FY20/3 - FY22/3)	Phase III (FY23/3 - FY25/3)
PROUD TOWER Tachikawa	292	Complete		
PROUD CITY Asagaya※	313	Complete		
PROUD Fuchu Station Arena	111	Complete		
PROUD TOWER Musashi-Urawa Residence	165	Complete		
PROUD TOWER Nagoya-Sakae※	214	Complete		
GRACIA TOWER Futamatagawa※	81	Complete		
Higashi-Ikebukuro 5-chome Redevelopment	110	Start	Complete	
<u>Musashi-Koganei Station South Exit 2nd Block Redevelopment</u>	610	Start	Complete	
Sakai-Higashi GIORNO Building Redevelopment	273	Start	Complete	
<u>Hankyu-Tsukaguchi Station-Front Rebuilding</u>	338	Start	Complete	
Higashi-Ikebukuro Station-Front Block Redevelopment	210	Start	Complete	
Shakujii-Koen Station South Exit West Redevelopment	185	Start	Complete	
Hirai Station North Exit Redevelopment	318	Start	Complete	
Kawaguchi Sakaecho 3-chome Redevelopment	414	Start	Complete	
Funabashi Station South Exit Redevelopment	180	Start	Complete	
Akasaka 7-chome 2nd Block Redevelopment*	230	Start	Complete	
Nishi-Ojima Station-Front Redevelopment*	420	Start	Complete	
Tsukishima 3-chome South Redevelopment*	250	Start	Complete	
<u>Tateishi Station South block Redevelopment*</u>	245	Start	Complete	
<u>Kachidoki Station South 8,9 block Redevelopment*</u>	400	Start	Complete	

bank Projects under planning

Breakdown of Residential Redevelopment/Rebuilding Projects, etc.



Our nationwide land bank is sufficient for

11,700 units.

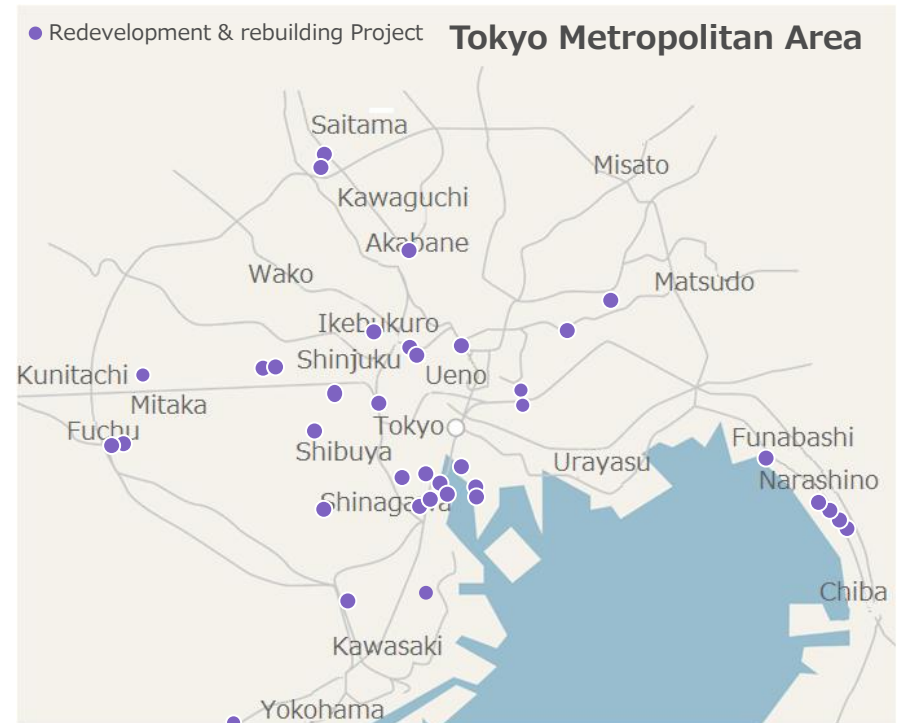
Breakdown:

Land bank*: **4,200 units**

Planning projects**: **7,500 units**

*Land bank: lands for projects with fixed schedule. Included in the land bank of 21,500 units mentioned in page 15.

**Planning projects: Whose schedules are yet to be decided. Not included in the land bank of 21,500 units mentioned in page 15.



※The underlined are projects newly classified in the Land bank or the planning phase FY16/3
 ※ All projects are currently in the planning phase and subjects to change

- The urban-type Compact Town, which utilizes smart infrastructure in Tsunashima and Hiyoshi areas



Hiyoshi-Minowacho project

Location : 2 Minowacho, Kohoku-ku, Yokohama

Land Area: Approx. 56,000m² Access : Hiyoshi Station, Tokyu Toyoko Line

Concept : We have promoted community renovation, building smart infrastructure which realizes the harmonization of "nature", "people" and "the town". Also, we develop highly accessible cities which serve multiple functions.

Partner : Kanden Realty & Development Co.,Ltd

Tsunashima Sustainable Smart Town Project

Location : 4 Tsunashima-higashi, Kohoku-ku, Yokohama

Access : Tsunashima Station, Tokyu Toyoko Line Land area : Approx. 37,900m²

Schedule : To be completed in 2018

Concept: Aiming at creating an innovative district, we will develop a smart town which meets global standards.

Representative companies: Nomura Real Estate Development, Panasonic Corporation



【Reference】 Major Upcoming Projects

FY17/3	FY18/3	FY19/3	FY20/3~
PROUD Shirokanedai (Minato-ku, Tokyo 16 units)	PROUD Roppongi (Shibuya-ku, Tokyo 17 units *2)	Akashicho II Project (Chuo-ku, Tokyo 109 units)	Shirokane 1 chome East District North Redevelopment Project (Minato-ku, Tokyo 120 units *2)
PROUD CITY Asagaya (Suginami-ku, Tokyo 313 units *2)	PROUD Sakurashinmachi (Setagaya-ku, Tokyo 174 units)	Nihonbashi-Ningyocho III Project (Chuo-ku, Tokyo 36 units)	Musashi-Koganei Station South Exit 2nd Block Redevelopment Project (Koganei-shi, Tokyo 610 units)
PROUD CITY Ota-Rokugo (Ota-ku, Tokyo 632 units *1)	PROUD TOWER Kiba-Koen (Koto-ku, Tokyo 204 units)	Tsurumaki Project (Setagaya-ku, Tokyo 125 units)	Hiyoshi-Minowacho Project (Kohoku-ku, Yokohama-shi No. of Units:TBD *1*2)
PROUD TOWER Tachikawa (Tachikawa-shi, Tokyo 292 units)	Roka-Koen Project (Setagaya-ku, Tokyo 155 units *2)	Higashi-Ikebukuro 5chome Redevelopment Project (Toshima-ku, Tokyo 110 units)	Urawa Station West Exit South Redevelopment Project (Urawa-ku, Saitama-shi 137 units *2)
PROUD CITY Miyazakidai (Miyamae-ku, Kawasaki-shi 429 units *1)	PROUD Fuchu Station Arena (Fuchu-shi, Tokyo 111 units)	Etchujima Project (Koto-ku, Tokyo 306 units)	Tsudanuma Station-Front Project (Narashino-shi, Chiba 189 units *2)
PROUD TOWER Akashi (Akashi-shi, Hyogo 102 units *2)	PROUD TOWER Nagoya-Sakae (Naka-ku, Nagoya-shi 214 units *2)	Fujisawa Residence Rebuilding Project (Fujisawa-shi, Kanagawa 105 units *2)	Koraibashi Project (Chuo-ku, Osaka 166 units *2)

*1 Projects to be posted in several fiscal years *2 Joint-venture projects (The number refers to the Company's share.)

Unit numbers and schedule of projects above are subject to change.



PROUD TOWER Nagoya-Sakae



PROUD CITY Ota-Rokugo



PROUD Fuchu Station Arena

Overseas business

- We have set up residential development businesses and leasing businesses in Asian countries, which have seen high demand in the real estate market due to economic growth. We will invest ¥ 300 billion by the phase 3.
- We have decided to participate in the housing business in Ho Chi Minh, Vietnam. Also, we have considered taking part in other projects.

Midtown Project (Ho Chi Minh, Vietnam)



Location : District 7, Ho Chi Minh

Total project expense : approx. ¥ 27.0 billion (Phase 1)

Phase 1 units : approx. 1,100 Total units : approx. 2,100 units

Phase 1 land area : approx. 28,000㎡ Construction period : 2017~2019

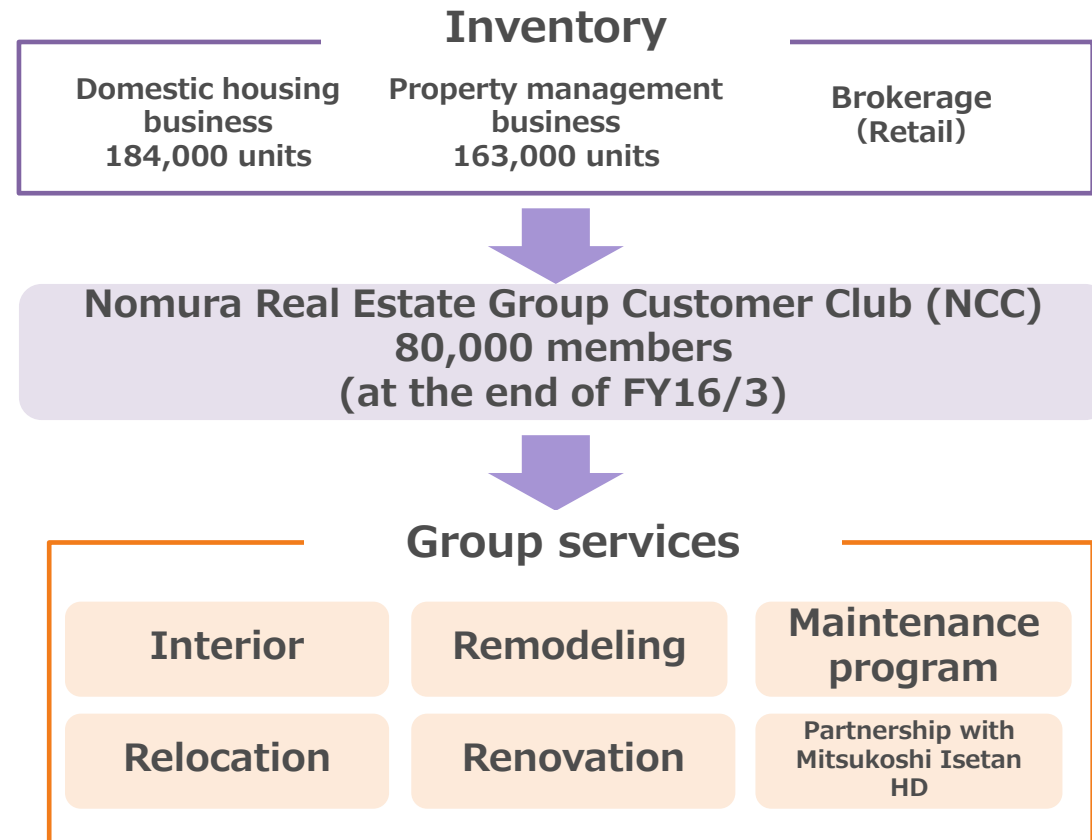
Partner companies : Phu My Hung Development Corporation, Daiwa House

Industry Company, Sumitomo Forestry

Customer Relations

- Aiming at increasing opportunities to offer services which meet customers' changing life style needs, we have set up the “**Nomura Real Estate Group Customer Club (NCC)**”, a customer communication platform.

Various services for our customers



【 Unit Information: Leasing Unit】

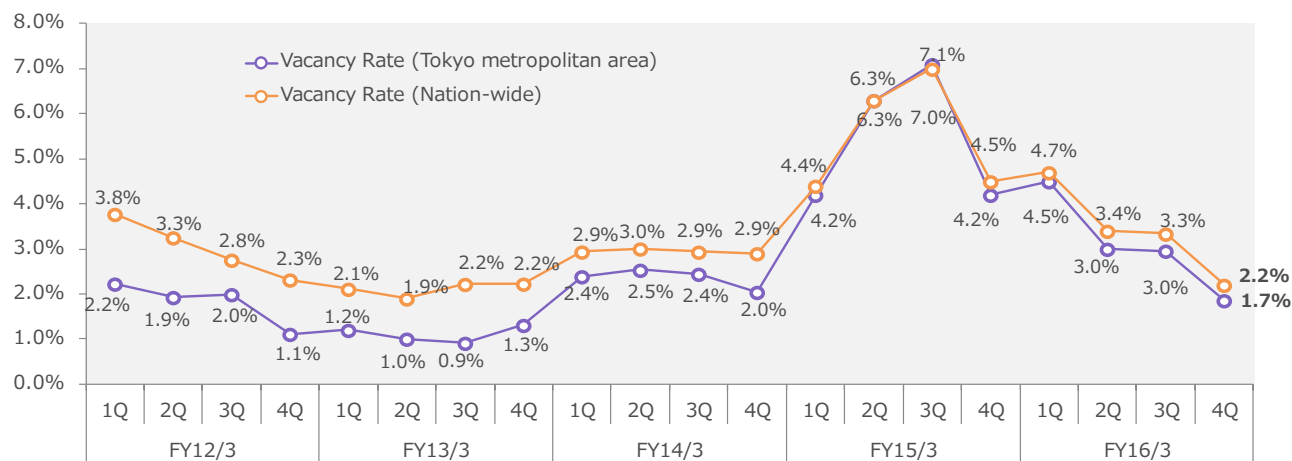
- Both income and profit increased due to an increase in the number of profitable properties sold and improvement in vacancy rate resulted by progress in leasing up of Hamamatsucho Building
- Vacancy rate at the end of fiscal year improved to **2.2%** (Down 2.2 points from the end of FY15/3)

(Billions of yen)	FY15/3 Actual ①	FY16/3 Actual ②	Changes ② - ①	FY16/3 Actual* ③	FY17/3 Forecast ④	Changes ④ - ③
Operating revenue	92.8	110.6	+17.7	110.2	121.0	+10.7
Leasing (offices)	46.5	49.5	+3.0	—	—	—
Leasing (retail facilities)	10.3	10.8	+0.5	—	—	—
Leasing (other)	5.5	5.8	+0.3	—	—	—
Property development (sale)	12.3	33.2	+20.9	—	—	—
Property development (leasing)	3.1	3.3	+0.1	—	—	—
Other	14.9	7.6	-7.2	—	—	—
Operating income	24.4	32.0	+7.6	31.7	30.5	-1.2
Rentable floor area (sqm)	928,628	974,127	+45,499	—	—	—
Offices	822,049	829,312	+7,263	—	—	—
Retail facilities	106,580	144,815	+38,235	—	—	—
Vacancy rate	4.5%	2.2%	-2.2P	—	—	—

※Leasing (offices) includes sub-leased properties.

※Yokohama Business Park Heat and Cooling Supply Col., Ltd, which had been classified under the Leasing Unit, was transferred to the Property & Facility Management Unit in FY17/3. FY16/3 are calculated under the new classification.

Changes in Vacancy Rate (our portfolio)



FY16/3 Breakdown of Property Development

Operating revenue: ¥ 33.2 billion

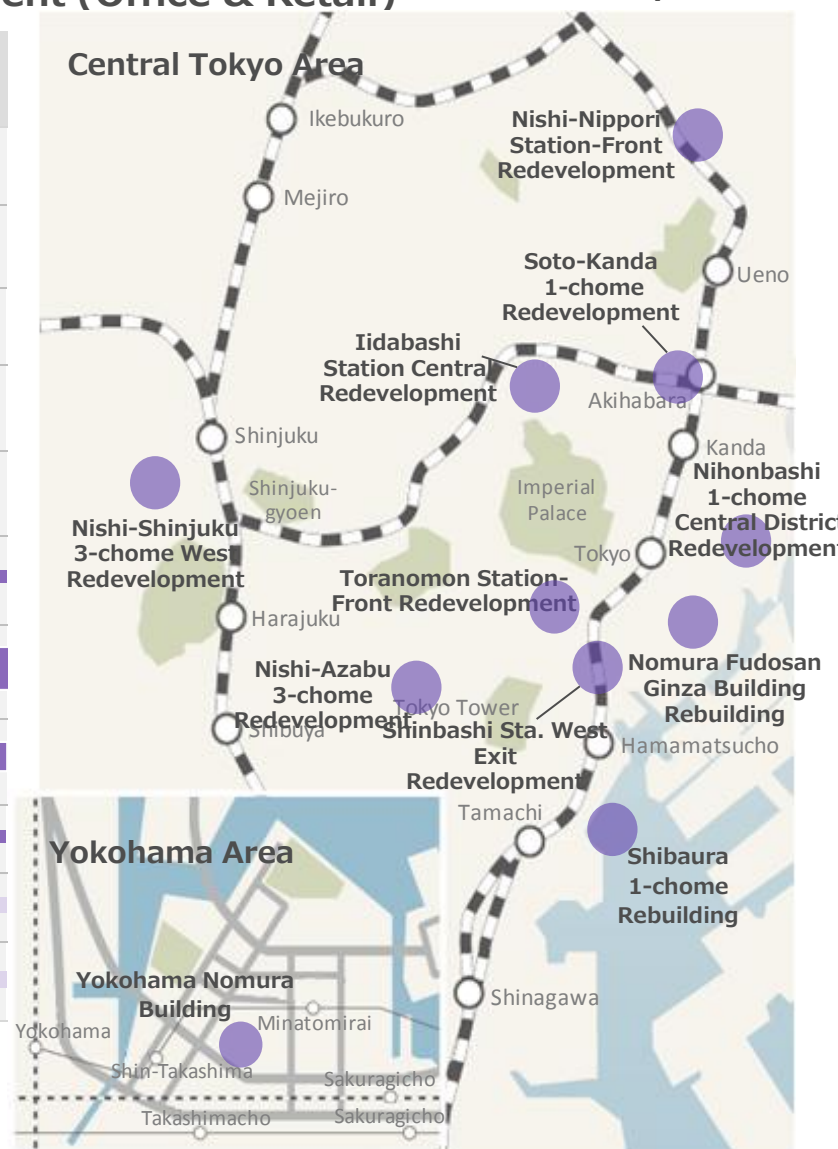


【Reference】 Promotion of Large-scale Office & Retail Redevelopment & Complex Development in Central Tokyo

- Aggressively promote redevelopment and complex development projects including offices, retail facilities and others mainly in the central Tokyo area.

Major Large-scale Redevelopment & Complex Development (Office & Retail) Central Tokyo Area

Project name	Progress Situation	Main use	Area & No. of units planned to be acquired	Phase I (FY17/3-FY19/3)	Phase II (FY20/3-FY22/3)	Phase III (FY23/3-FY25/3)
Yokohama Nomura Building *Construction started	Under construction Planned to be completed Jan.2017	Office	81,656m ² (gross)	Complete		
Toranomon Station-Front Redevelopment (Certified as National Strategic Special Zone)	The Urban Redevelopment Union was established/Buildings in the area are to be demolished in FY17/3	Office	Approx. 13,000m ²	Start	Complete	
Soto-Kanda 1-chome Redevelopment	The Preparatory Union was established/ Blueprint of the project is under discussion	Office	Approx. 31,000m ²		Start	Complete
Iidabashi Station Central Redevelopment	The Preparatory Union was established/ Blueprint of the project is under discussion	Office Residential	Approx. 20,000m ² Approx. 170Unit		Start	Complete
Nishi-Azabu 3-chome Redevelopment* (Proposed for National Strategic Special Zone)	Blueprint of the project is under discussion	Hotel Residential	TBD		Start	Complete
Nishi-Shinjuku 3-chome West Redevelopment*	Blueprint of the project is under discussion	Retail Residential	Approx. 21,000m ² Approx. 920戸		Start	1st term Complete
Shibaura 1-chome Rebuilding* (Designated as National Strategic Special Zone)	Preparing to be certified as a national strategic special zone	Office Retail	TBD		Start	1st term Complete
<u>Nishi-Nippori Station-Front Redevelopment*</u>	Business partners were selected. Blueprint of the project is under discussion	Retail Residential	Approx. 15,000m ² Approx. 480戸		Start	Complete
Shinbashi Station West Exit Redevelopment*	Preparatory Union established	Office Retail	TBD			Start
Nihonbashi 1-chome Central District Redevelopment*	-	Office	TBD		TBD	
Nomura Fudosan Ginza Building Rebuilding* (Ginza MTR Building)	-	Office	TBD		TBD	



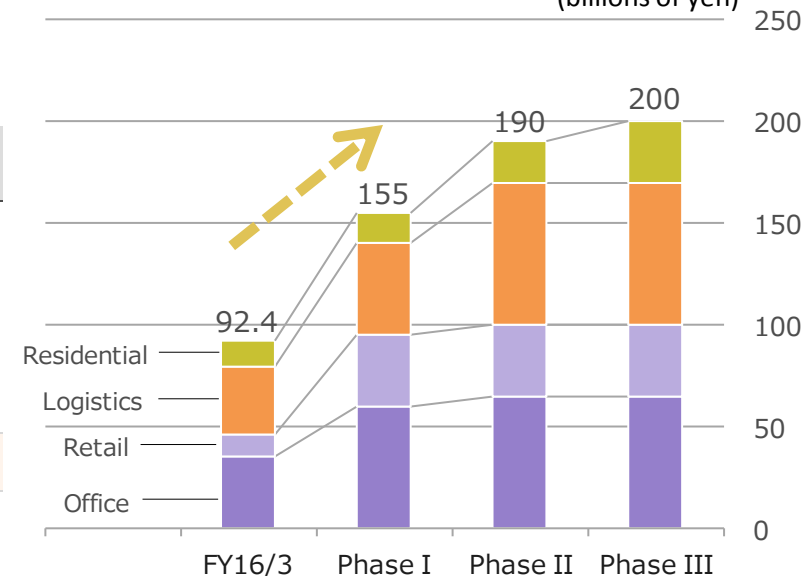
※JV projects
All projects are in planning stage and are subjects to change.
The underlined are projects newly planned projects in FY16/3

【Reference】 Expansion of Property Development Business (1)

- Expanding AUM to ¥ 200 billion by the phase 3 (FY25/3) along with sales of properties
- In FY16/3, **19 properties were acquired (Total investments planned for all projects : Approx. ¥88.5 billion)**

Expansion Plan of Property Development (on Balance Sheet)

(Billions of yen)	FY16/3 AUM (on B/S)	Phase I (FY17/3 - FY19/3)	Phase II (FY20/3 - FY22/3)	Phase III (FY23/3 - FY25/3)
Office (PMO)	35.2	60.0	65.0	65.0
Retail (GEMS/NSC)	10.6	35.0	35.0	35.0
Logistics (Landport)	33.4	45.0	70.0	70.0
Residential (PROUD FLAT)	13.0	15.0	20.0	30.0
Expected AUM	92.4	155.0	190.0	200.0



Acquisitions & Sales at FY2016/3

Office	Acquisition (The total investment planned for projects)	Sale (sale value)
	7 projects (approx. ¥31.0 billion)	3 projects (¥13.9 billion)

Logistics	Acquisition (The total investment planned for projects)	Sale (sale value)
	2 projects (approx. ¥38.0 billion)	-

Retail	Acquisition (The total investment planned for projects)	Sale (sale value)
	6 projects (approx. ¥14.0 billion)	2 projects (¥7.3 billion)

Residential	Acquisition (The total investment planned for projects)	Sale (sale value)
	4 projects (approx. ¥5.5 billion)	3 projects (¥5.4 billion)

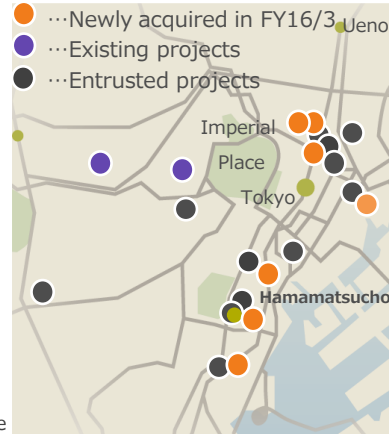
※ The sale of retail facilities includes "Nomura Real Estate Kichijoji Building". Also, there are profitable properties (sale) that are not listed above.
 ※ The total investment planned for projects were calculated at points when the Company obtained properties, consequently it is subject to change.

【Reference】 Expansion of Property Development Business (2)

Office “PMO”



PMO Hirakawa-cho PMO Nihonbashi-Mitsukoshimae



Central Tokyo Area

Name	Location	Completion	Status
1 PMO Tamachi	Shiba, Minato-ku	2014/2	Sold
2 PMO Ginza 8-chome	Ginza, Chuo-ku	2014/4	Sold
3 PMO Shibakoen	Shibakoen, Minato-ku	2014/7	Sold
4 PMO Shibadaimon	Shibadaimon, Minato-ku	2014/9	Operation
5 PMO Hirakawa-cho	Hirakawa-cho, Chiyoda-ku	2016/1	Operation
6 PMO Nihonbashi Edo-dori Project*	Nihonbashi-Kodenmacho, Chuo-ku	2016/6 (plan)	Construction
7 PMO Shinjuku-Gyoen Project (Entrusted)	Shinjuku, Shinjuku-ku	2018/6 (plan)	Construction
8 PMO Nihonbashi-Mitsukoshimae Project	Nihonbashi-Honcho, Chuo-ku	2016/5 (plan)	Construction
9 PMO Hanzomon Project (Entrusted)	Kojimachi, Chiyoda-ku	2017/5 (plan)	Construction
10 PMO Nishi-Shinbashi Project	Nishi-Shinbashi, Minato-ku	2017/3 (plan)	Construction
11 PMO Shin-Nihonbashi Project	Nihonbashi-Honcho, Chuo-ku	2016/11 (plan)	Construction
12 PMO Shibuya 1-chome Project	Shibuya, Shibuya-ku	2017/6 (plan)	Construction
13 PMO Uchi-Kanda Project	Uchi-Kanda, Chiyoda-ku	2017/6 (plan)	Construction
14 PMO Iwamotocho II Project	Kanda-Sudacho, Chiyoda-ku	2017/1 (plan)	Construction
15 PMO Tamachi II Project	Shiba, Minato-ku	2018/1 (plan)	Construction
16 PMO Kita-Otemachi Project	Kanda-Nishikicho, Chiyoda-ku	2018/7 (plan)	Planning
17 PMO Higashi-Shinbashi 2-chome Project	Higashi-Shinbashi, Minato-ku	2018/6 (plan)	Planning
18 PMO Ochanomizu Project	Kanda-Surugadai, Chiyoda-ku	2019/6 (plan)	Planning
19 PMO Hatchobori III Project	Hatchobori, Chuo-ku	2018/4 (plan)	Planning
20 PMO Hamamatsucho Project	hamamatsucho, Chiyoda-ku	2019/2 (plan)	Planning
21 PMO Kandasudacho Project	Kandasudacho, Chiyoda-ku	2020/4 (plan)	Planning

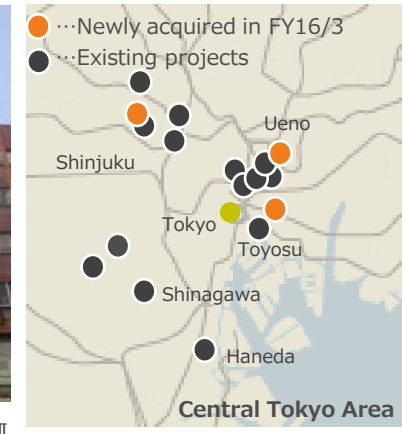
*JV Project

Property acquired in FY16/3

Rental housing “PROUD FLAT”



PROUD FLAT Higashi-Kanda PROUD FLAT Kagurazaka III



Central Tokyo Area

Name	Location	No. of units	Completion	Status
1 PROUD FLAT Tsurumi I	Yokohama-shi, Kanagawa	200 units	2009/3	Sold
2 PROUD FLAT Hatchobori	Chuo-ku, Tokyo	33 units	2014/6	Sold
3 PROUD FLAT Itabashi-Honcho	Itabashi-ku, Tokyo	41 units	2014/7	Sold
4 PROUD FLAT Morishita III (Entrusted)	Sumida-ku, Tokyo	47 units	2015/10	Sold
5 PROUD FLAT Kagurazaka III	Shinjuku-ku, Tokyo	35 units	2015/4	Sold
6 PROUD FLAT Sangenjaya II	Setagaya-ku, Tokyo	70 units	2014/1	Operation
7 PROUD FLAT Omori III	Shinagawa-ku, Tokyo	49 units	2014/11	Operation
8 PROUD FLAT Kinshicho	Sumida-ku, Tokyo	36 units	2015/1	Operation
9 PROUD FLAT Higashi-Nakano	Nakano-ku, Tokyo	49 units	2015/2	Operation
10 PROUD FLAT Higashi-Kanda	Chiyoda-ku, Tokyo	38 units	2015/5	Operation
11 PROUD FLAT Mitsukoshimae	Chuo-ku, Tokyo	40 units	2015/7	Operation
12 PROUD FLAT Gakugeidaigaku II	Meguro-ku, Tokyo	36 units	2015/9	Operation
13 PROUD FLAT Sugamo II	Toshima-ku, Tokyo	33 units	2015/11	Operation
14 PROUD FLAT Yoyogi-Hachiman	Shibuya-ku, Tokyo	30 units	2016/1	Operation
15 PROUD FLAT Ochanomizu	Chiyoda-ku, Tokyo	75 units	2016/5 (plan)	Construction
16 PROUD FLAT Noborito	Kawasaki-shi, Kanagawa	79 units	2016/5 (plan)	Construction
17 PROUD FLAT Nakaochiai	Shinjuku-ku, Tokyo	37 units	2016/12 (plan)	Construction
18 PROUD FLAT Asakusabashi	Taito-ku, Tokyo	38 units	2017/2 (plan)	Construction
19 PROUD FLAT Monzen-nakacho V	Koto-ku, Tokyo	100 units	2017/10 (plan)	Planning
20 PROUD FLAT Miyazaki-dai	Kawasaki-shi, Kanagawa	81 units	2017/11 (plan)	Planning

Property acquired in FY16/3

【Reference】 Expansion of Property Development Business (3)

Retail Facilities "GEMS"



GEMS Daimon



GEMS Kanda

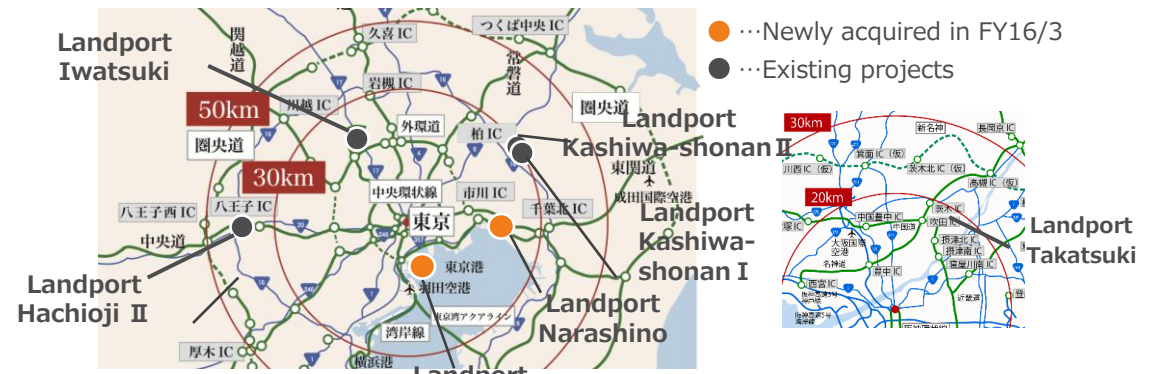
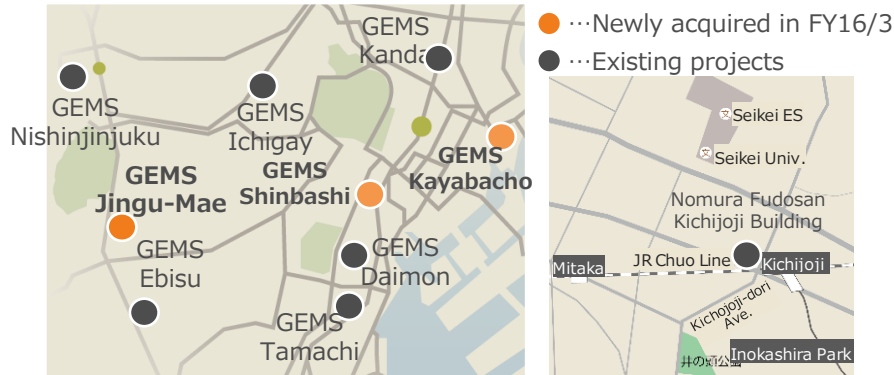


GEMS Ebisu

Logistics Facilities "Landport"



Landport
Kashiwa-Shonan III



Name	Location	Completion	Status
1 Nomura Fudosan Kichijoji Building	Kichijoji-Honcho, Musashino-shi	2014/7	Partially sold
2 GEMS Ichigaya	Rokubancho, Chiyoda-ku	2014/10	Sold
3 GEMS Daimon	Shibadaimon, Minato-ku	2016/2	Operation
4 GEMS Kanda Project	Kajicho, Chiyoda-ku	2016/6 (plan)	Construction
5 GEMS Ebisu Project	Ebisu, Shibuya-ku	2017/9 (plan)	Construction
6 GEMS Tamachi Project	Shiba, Minato-ku	2018/11 (plan)	Planning
7 GEMS Nishi-Shinjuku Project	Nishi-shinjuku, Shinjuku-ku	2019/1 (plan)	Planning
8 GEMS Jingu-Mae Project	Jingu-Mae, Shibuya-ku	2018/2 (plan)	Planning
9 GEMS Kayabacho Project	Shinkawa, Chuo-ku	2018/4 (plan)	Planning
10 GEMS Sangen-Jyaya Project	Taishi-do, Setagaya-ku	2018/5 (plan)	Planning
11 GEMS Namba Project	Chuo-ku, Osaka-shi	2018/11 (plan)	Planning
12 GEMS Shin-Yokohama Project	Kohoku-ku, Yokohama-shi	2018/6 (plan)	Planning
13 GEMS Shinbashi Project	Minato-ku, Shinbashi	2018/3 (plan)	Planning

Name	Location	Completion	Status
1 Landport Kashiwa-Shonan I	Kashiwa-shi, Chiba	2016/1	Operation
2 Landport Kashiwa-Shonan II	Kashiwa-shi, Chiba	2016/04	To be delivered
3 Landport Hachioji II Project	Hachioji-shi, Tokyo	2016/9 (plan)	Construction
4 Landport Iwatsuki Project	Saitama-shi, Saitama	2016/5 (plan)	Construction
5 Landport Takatsuki Project	Takatsuki-shi, Osaka	2017/6 (plan)	Construction
6 Landport Komaki Project*	Komaki-shi, Aichi	2017/1 (plan)	Construction
7 Landport Shinonome Project	Koto-ku, Tokyo	2018/8 (plan)	Planning
8 Landport Narashino Project	Nrashino-shi, Chiba	2019/11 (plan)	Planning

*JV project

Property acquired in FY16/3

Property acquired in FY16/3

【Reference】 The Group's Major Buildings

	Name	Location	Leased floor *Our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	152,253m ²	1990/1, etc.
2	Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	98,990m ²	1984/3
3	LAZONA Kawasaki Toshiba Building	Saiwai-ku, Kawasaki-shi, Kanagawa	78,609m ²	2013/3
4	LAZONA Kawasaki Plaza	Saiwai-ku, Kawasaki-shi, Kanagawa	46,988m ²	2006/9
5	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,467m ²	1978/5
6	Nomura Fudosan Tennozu Building	Shinagawa-ku, Tokyo	24,242m ²	1996/6
7	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,259m ²	2010/9
8	Nomura Real Estate Musashikosugi Building N Wing & S Wing	Nakahara-ku, Kawasaki-shi, Kanagawa	20,519m ²	2010/3
9	Umeda Sky Building	Kita-ku, Osaka-shi, Osaka	19,020m ²	1993/3
10	bono Sagamiono Shopping Center	Minami-ku, Sagamihara-shi, Kanagawa	16,221m ²	2013/1
11	Nomura Fudosan Ginza Building	Chuo-ku, Tokyo	13,497m ²	1982/3



Hamamatsucho Building
(Toshiba Building)



Nihonbashi Muromachi
Nomura Building



Shinjuku Nomura
Building



Nomura Fudosan
Musashikosugi Building N Wing



LAZONA Kawasaki
Toshiba Building



Nomura Fudosan
Ginza Building



LAZONA Kawasaki Plaza



Yokohama Business Park



bono Sagamiono Shopping Center



Umeda Sky Building



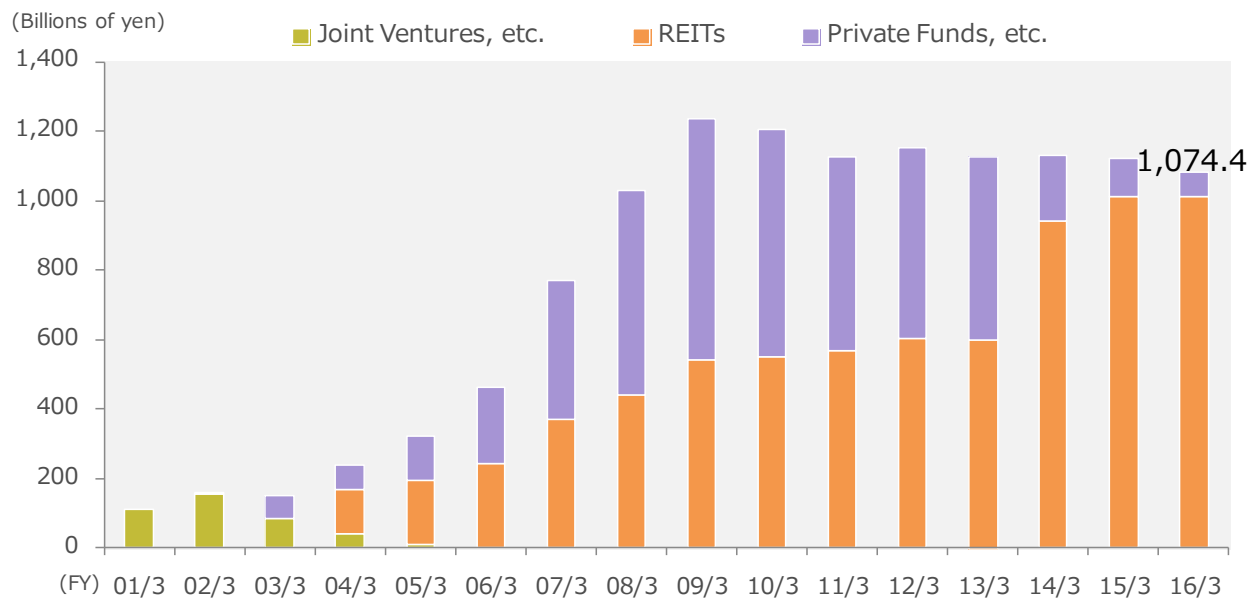
Nomura Fudosan
Tennozu Building

【 Unit Information: Investment Management】

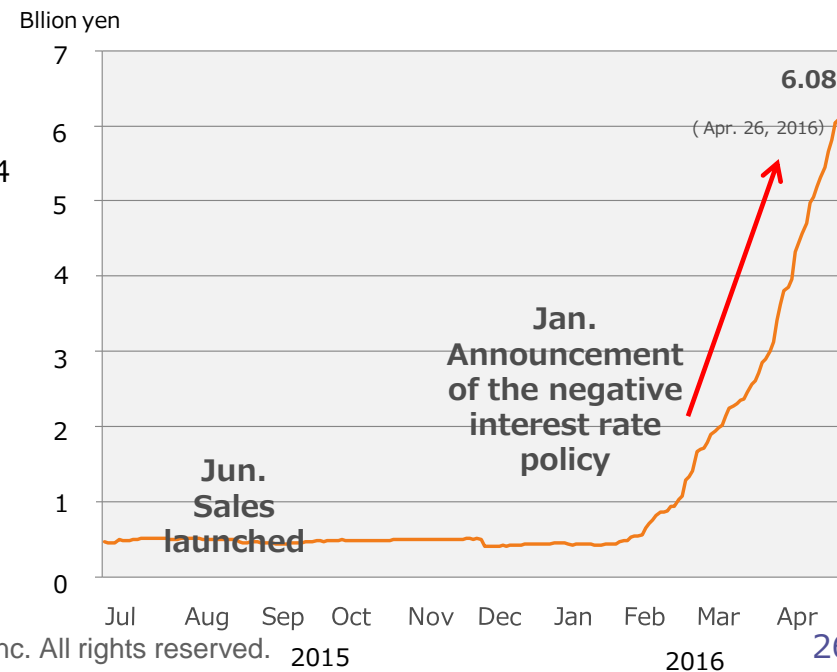
- Both operating revenue and income increased due to an increase in the acquisition fee related to the merger of the REITs and an increase in proceeds from equity investments associated with the sale of properties of private fund.
- New service development (J-REIT Value Fund) in the stock fund business is making steady progress.

(Billions of yen)	FY15/3 Actual ①	FY16/3 Actual ②	Changes ② - ①	FY17/3 Forecast ③	Changes ③ - ②
Operating revenue	9.1	10.9	+1.8	8.0	-2.9
Operating income	4.8	7.3	+2.5	4.5	-2.8
Assets under management	1,123.1	1,074.4	-48.7	—	—
REITs	1,011.0	1,012.6	+1.6	—	—
Private funds, etc.	112.1	61.8	-50.3	—	—

Changes in Assets under Management



Changes in Net Assets of J-REIT Value Fund



【Reference】 Growth strategy with NMF

- The expansion of assets associated with the merger of the three REITs enables flexible property transactions.
- Based on the "Leasing Value Chain", the Company sold one property (¥ 10.8 billion) and NMF sold three properties (¥ 18.1 billion) respectively.
- By expanding NMF's asset size through sponsor pipelines, we aim to increase asset management fees.

NOMURA REAL ESTATE GROUP

Property Sales Strategy

Phase I (FY17/3~FY19/3)

Total Recovery Amount:

¥150 billion

FY17/3 Sales Price:

Approx. ¥ 44 billion



Landport Kashiwa Shounan II

Sales price : ¥10.8 billion



Reciprocal growth
via
"Leasing Value
Chain"

NOMURA REAL ESTATE MASTER FUND,

Growth Strategy

Property replacement plan in 3-5 years : Total ¥50 billion

Asset target in 3-5 years: ¥1 trillion

(+ ¥200 billion from current assets)



NOF Nihonbashi-honcho Bldg. ※
55 year-old



NOF Tameike Bldg.
56 year-old



NOF Minami-shinjuku Bldg.
30 year-old

Sales Price : ¥18.1 billion

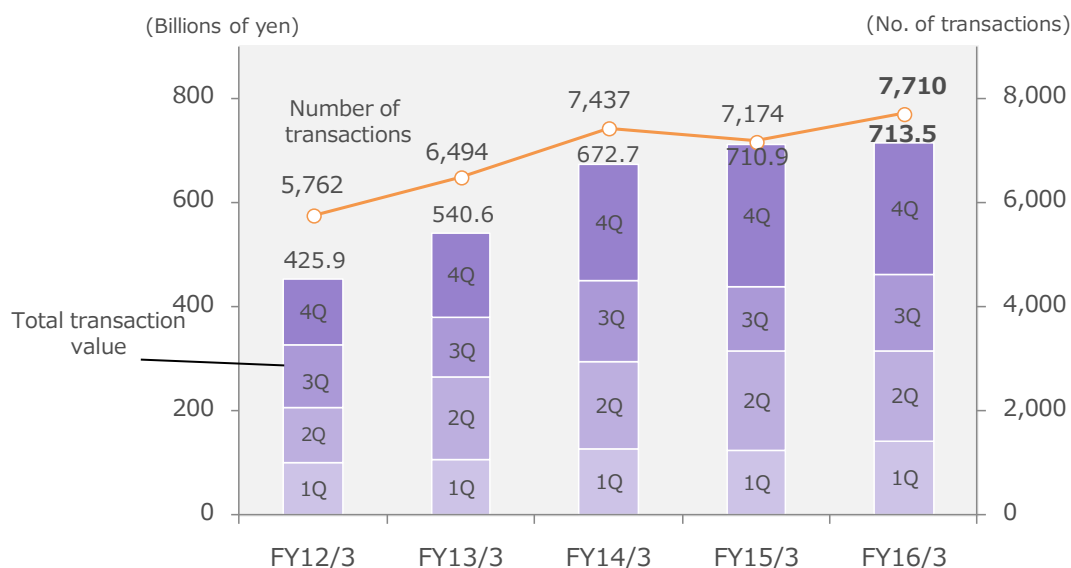
※The 49 % of the Proportion of Quasi Co-owner's Shares is subject to be replaced.

【 Unit Information: Property Brokerage & CRE 】

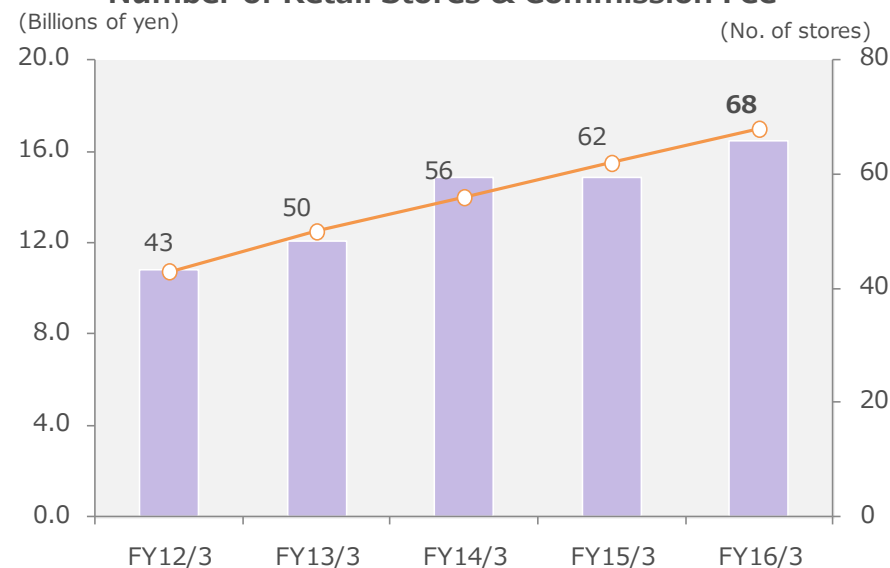
- Both operating revenue and income increased due to an increase in commission fees and in sale in inventories.

(Billions of yen)	FY15/3 Actual ①	FY16/3 Actual ②	Changes ② - ①	FY17/3 Forecast ③	Changes ③ - ②
Operating revenue	30.2	35.3	+5.1	35.0	-0.3
Property brokerage	25.8	28.0	+2.1	—	—
Other	4.3	7.3	+2.9	—	—
Operating income	8.4	9.9	+1.4	8.5	-1.4
【Brokerage indicators】					
Total transaction value (billion yen)	710.9	713.5	+2.5	—	—
Number of transactions	7,174	7,710	+536	—	—
Commission fee (billion yen)	25.8	28.0	+2.1	—	—
Commission rate (%)	3.6%	3.9%	+0.3	—	—
Number of retail stores	62	68	+6	—	—

Total Transaction Value & Number of Transactions



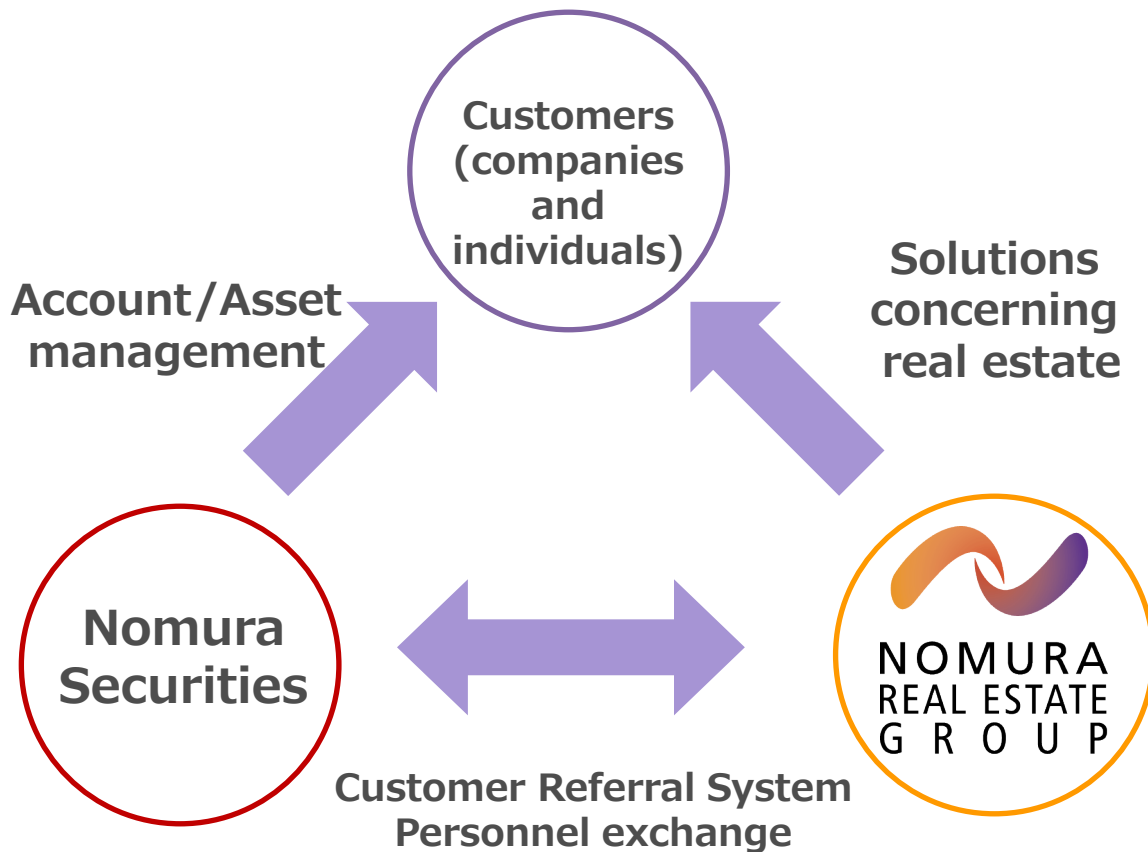
Number of Retail Stores & Commission Fee



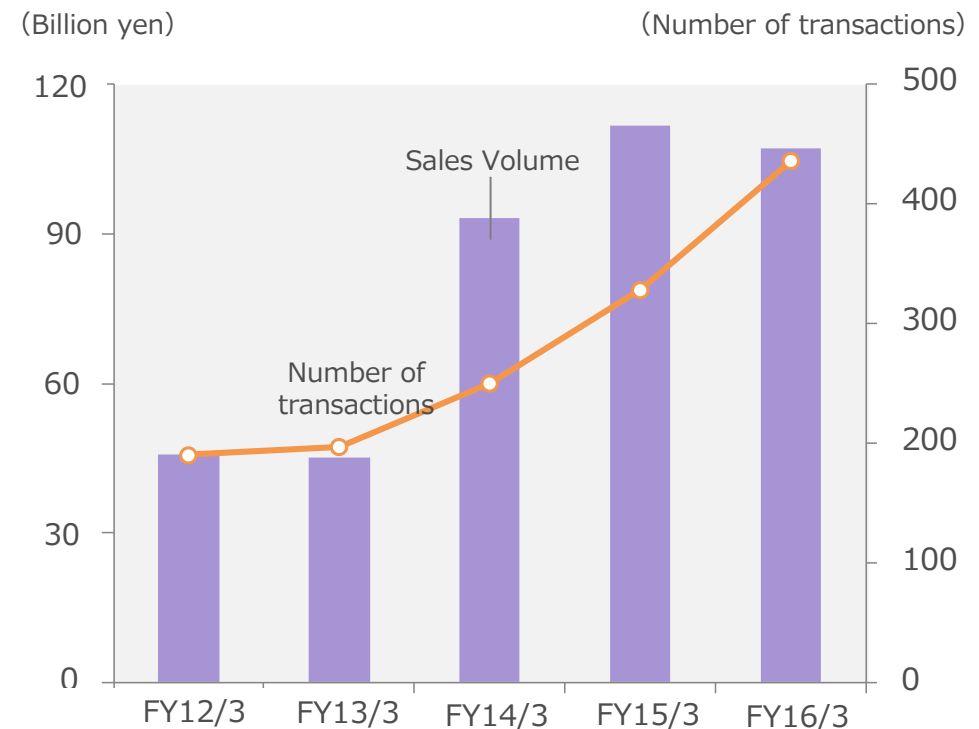
【Reference】 Business Collaboration with Nomura Securities

- Through the “Customer Referral System” with Nomura Securities, we make CRE proposals leveraging the Group’s collective strength.
- The number of transactions in cooperation with Nomura Securities increased both in the wholesale and retail sectors. **Sales volume of projects with Nomura Securities rose to ¥100 billion.**

Collaboration with Nomura Securities



The number of transactions in cooperation with Nomura Securities
(Contract basis)

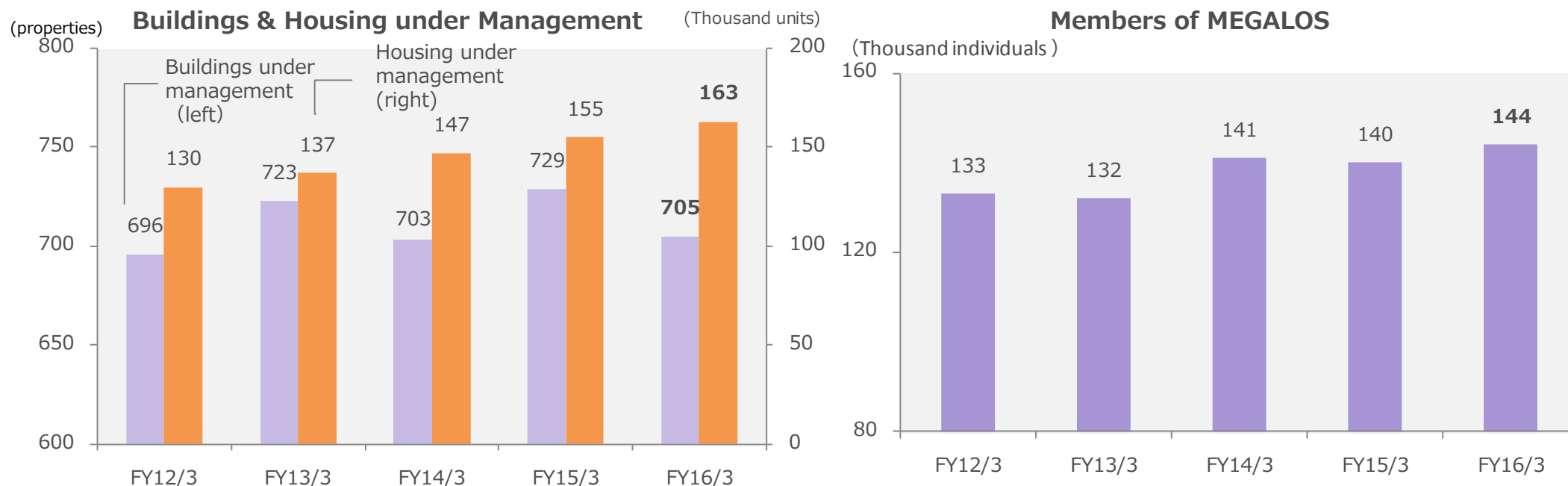


【 Unit Information: Property & Facility Management 】

- Operating revenue increased due to an increase in income facility management and constructions ordered.

(Billions of yen)	FY15/3 Actual ①	FY16/3 Actual ②	Changes ② - ①	FY16/3 Actual※ ③	FY17/3 Forecast ④	Changes ④ - ③
Operating revenue	85.8	90.2	+4.4	91.5	96.0	+4.4
Property & facility management	49.5	50.6	+1.1	—	—	—
Construction ordered	21.5	24.6	+3.0	—	—	—
Fitness club & elderly care	14.7	14.9	+0.2	—	—	—
Operating income	5.7	5.3	-0.4	5.6	6.0	+0.3
Buildings under management	729	705	-24	—	—	—
Housings under management	155,706	163,036	+7,330	—	—	—
Members of MEGALOS (individuals)	140,395	144,263	+3,868	—	—	—
Number of clubs	29	33	+4	—	—	—

※Yokohama Business Park Heat and Cooling Supply Co., Ltd., which had been classified under the "Leasing Unit," was transferred to the "Property & Facility Management Unit" since FY17/3.
In accordance with this change, figures of FY16/3 are under the new classification



【Reference】 Business for Senior Citizens

- Following the Funabashi project, we have decided to participate in the “**Hiyoshi-Minowacho project**”, a large-scale complex development. This project is prominent in our "Urban-type Compact Town" business model, which focuses on housing.
- We plan to deliver 40 condominiums (5,000 units) in the coming 10 years through the Group-wide collaboration exemplified by the fitness business and also our distinctive business model.

Funabashi Project (Neighbor of PROUD Funabashi)



Location : Funabashi-shi, Chiba

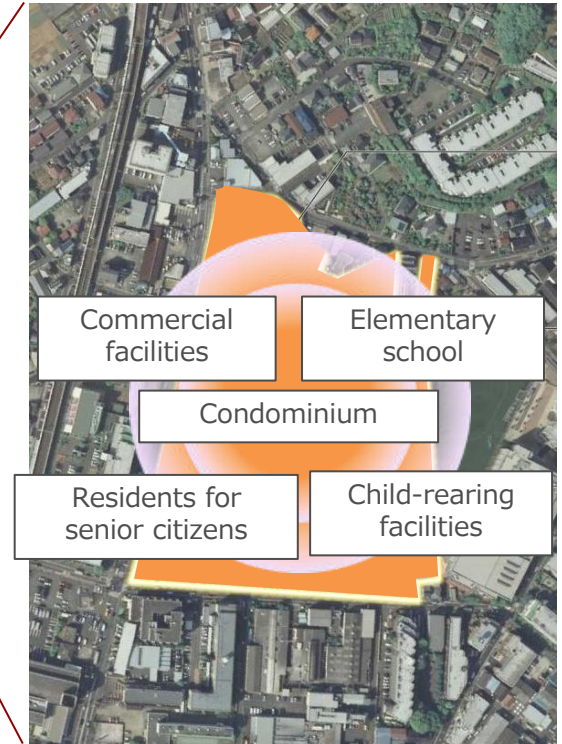
Access: 5 minutes walk from Shin-funabashi Station

Type : Leasing condominium designed for senior citizens

Total units : 126 Units Operation : 2017 (schedule)

Land area : 19~50m²

Hiyoshi-Minowacho Project (Complex development focusing on housing)



Location : Kohoku-ku, Yokohama-shi Access: Toyoko Line, Hiyoshi Station

Planned complex development to construct facilities including the condominium, residents for senior citizens, commercial facilities, and an elementary school.

Progress of Mid- to Long-term Business Plan

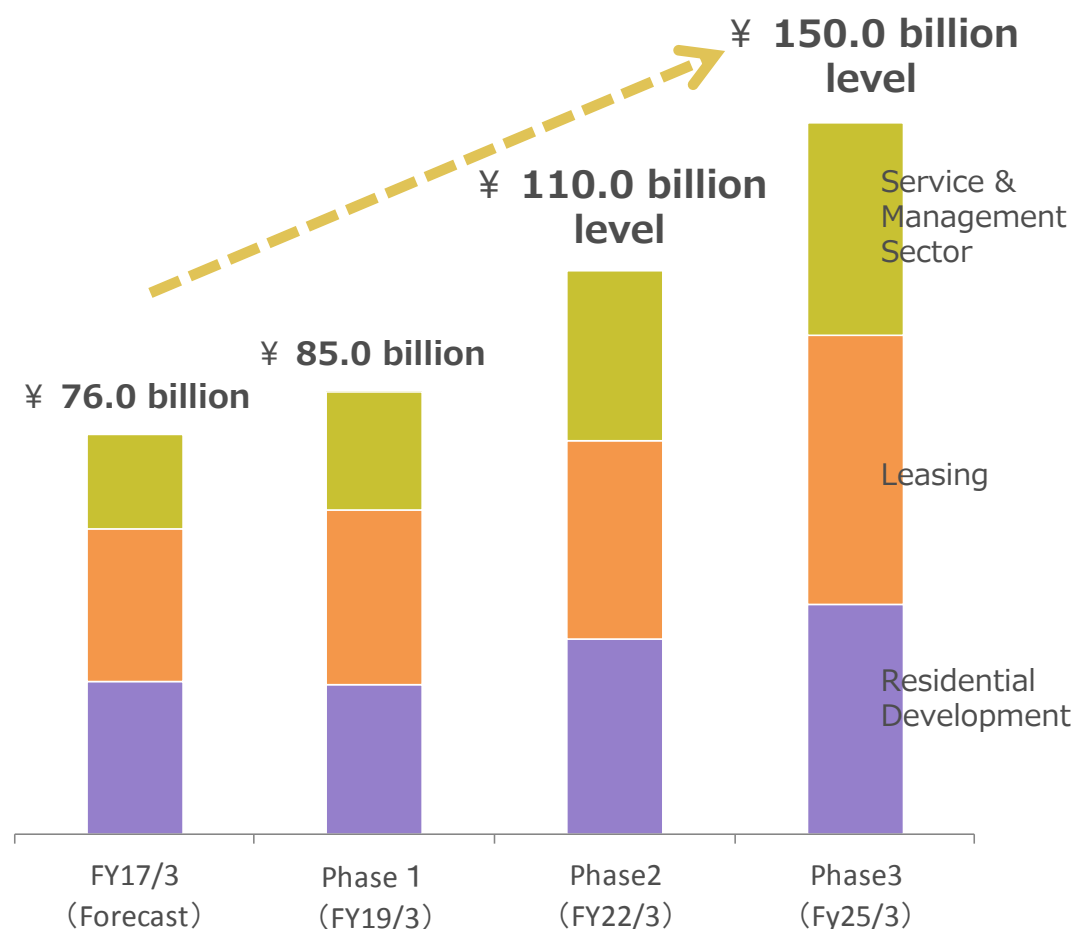


Long-Term Revenue Goals

- Realize sustainable revenue growth while maintaining a stable financial foundation and high asset efficiency.
- We aim at stable growth, achieving operating income of ¥ 76 billion in FY 17/3, ¥ 85 billion in the phase 1, and ¥ 110 billion in the phase 2.

(Billions of Yen)	FY16/3 Forecast	FY19/3 Planned	F Y 22/3 Planned	F Y 25/3 Planned
Operating Revenue	589.0	700.0	850.0 level	Above 1,000.0
Operating income	76.0	85.0	110.0 level	150.0
Residential Development	30.5	30.0	40.0 level	44.0~48.0
Leasing	30.5	35.0	40.0 level	52.0~56.0
Service & management Sector	19.0	23.5	35.0 level	40.0~44.0
Investment Management	4.5	6.5	10.0 level	12.0~13.0
Property Brokerage & CRE	8.5	10.5	15.0 level	16.0~18.0
Property & Facility Management	6.0	6.5	10.0 level	12.0~13.0
Strategic Investment	0.0	0.0	5.0 level	8.0~10.0
Adjustments	-4.0	-3.5	-5.0 level	

Changes in Operating Income



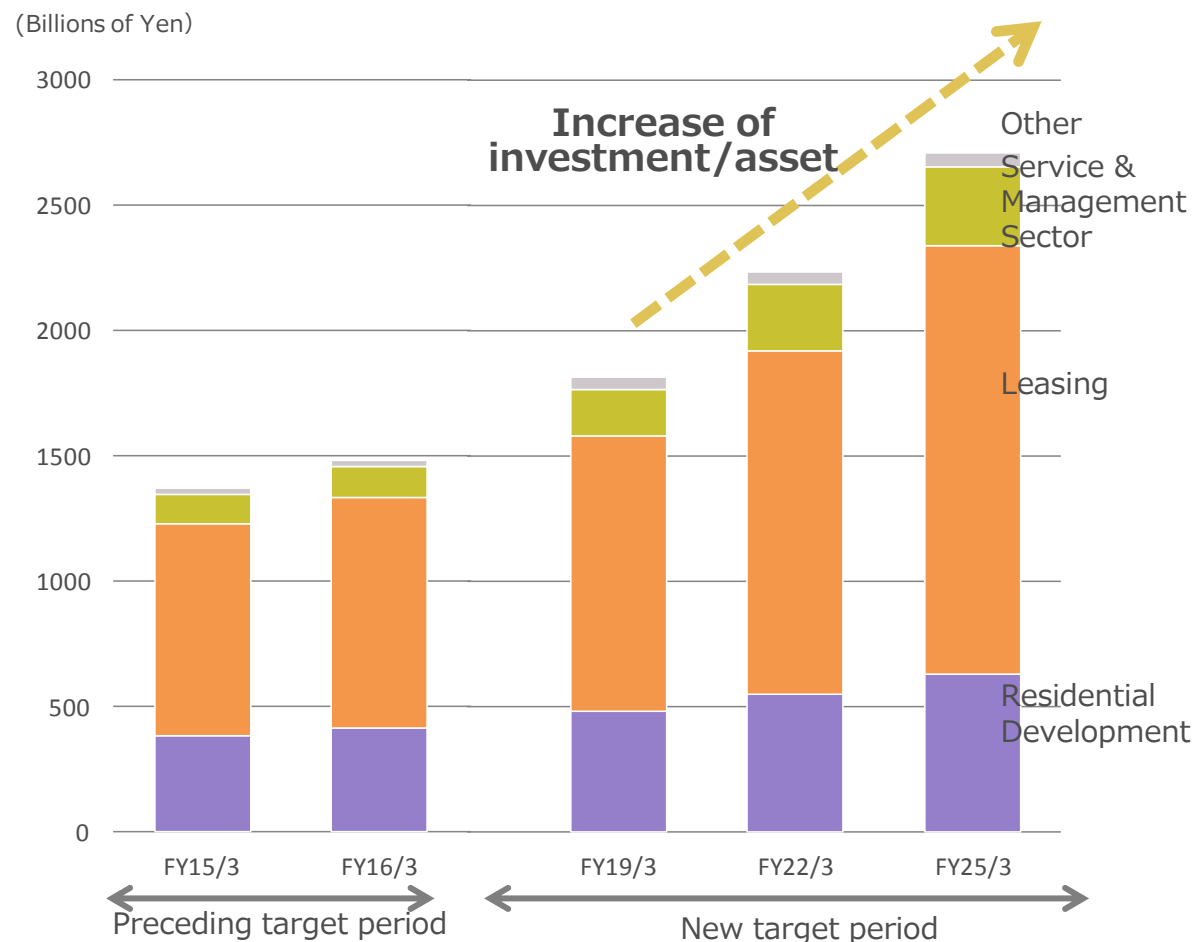
Investment Plan

- Net investment of **¥400 billion to ¥500 billion** for each and a total of ¥1.4 trillion is planned for the entire target period
- Higher asset efficiency is expected to be ensured while maintaining a **recovery-to-investment ratio of approximately 75%**.
- In order to accelerate growth in each business, we implement a **strategic ¥ 200 billion investment** with the assumption of M&As.

Investment plan by Unit

(Billions of yen)	Phase 1	Phase 2	Phase 3	Total
Residential Development				
Investment	950.0	1,100.0	1,200.0	3,250.0
Recovery	900.0	1,000.0	1,100.0	3,000.0
Net Investment	50.0	100.0	100.0	250.0
Recovery-to-investment ratio	95%	91%	92%	92%
Leasing				
Investment	400.0	600.0	800.0	1,800.0
Recovery	150.0	300.0	400.0	850.0
Net Investment	250.0	300.0	400.0	950.0
Recovery-to-investment ratio	38%	50%	50%	47%
Strategic Investment	50.0~100.0	50.0~100.0	50.0~100.0	200.0
合計				
Investment	1,425.0	1,775.0	2,050.0	5,250.0
Recovery	1,050.0	1,300.0	1,500.0	3,850.0
Net Investment	375.0	475.0	550.0	1,400.0
Recovery-to-investment ratio	74%	73%	73%	73%

Changes in total assets



Nomura Real Estate Holdings, Inc.
Corporate Communications Dept.

General Manager	Naoko Usami
Deputy General Manager	Kensuke Ueha
	Kazuto Abe
	Hideaki Chikusa
	Yumiko Kawamoto
	Tomoko Matsumoto

TEL +81-3-3348-8117

E-mail info@nomura-re-hd.com

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