

# Consolidated Financial Results for the First Nine Months from April 1 to December 31, 2016

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# Highlights of the Third Quarter, FY2017

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- The cumulative result of FY2017 3Q was as follows:  
Operating revenue; ¥ 368.9 billion (down 3.1% y/y); operating income; ¥ 49.1 billion (down 7.4% y/y); ordinary income; ¥ 42.9 billion (down 8.8% y/y); and profit attributable to owners of parent; ¥ 29.1 billion (increase 2.7% y/y).
- In the Residential Development Unit, the number of housing units sold decreased to 3,074 (down 711 units y/y) while gross margin ratio and housing prices increased. The contract progress rate for the planned 5,650 units of this consolidated fiscal year was 90.1% as of the end of the current third quarter.
- In the leasing business, tenant leasing made a satisfactory progress, and the vacancy rate as of the end of the third quarter improved to 1.0% (down 1.2 points from the end of the previous fiscal year).
- Service Management Sector which consists of 3 Units, the Investment Management Unit, the Property Brokerage & CRE Unit, and the Property & Facility Management Unit marked a smooth progress. Especially in the Property Brokerage & CRE Unit, both the number of transactions and transaction value marked the highest figure ever as the third quarter.
- No change in the consolidated operating result forecast and dividend forecast which was announced in October, 2016.

# Outline of Consolidated Financial Results

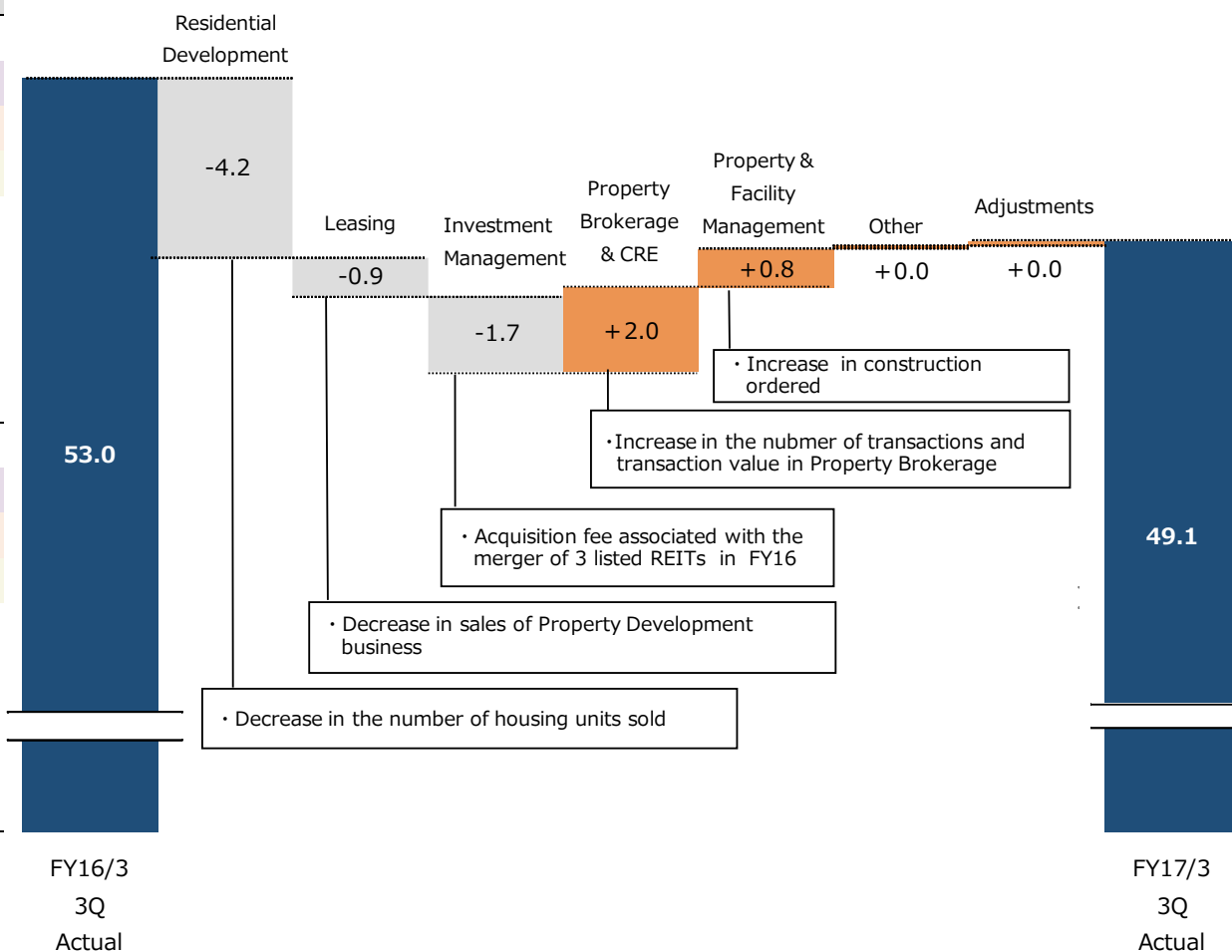
(Billions of yen) *Figures rounded down to the nearest 100 million yen	FY16/3 3Q Actual ①	FY17/3 3Q Actual ②	Changes ② - ①	Key Factors
Operating revenue	380.7	368.9	-11.7	<Operating revenue & Operating income>
Operating gross profit	121.3	119.9	-1.4	• A decrease in housing unit sales in the Residential Development Unit
Selling, general and administrative expenses	68.3	70.8	+2.4	• An increase in brokerage commission fees and construction ordered in the Service Management Sector
Operating income	53.0	49.1	-3.9	
Non-operating income	1.3	0.5	-0.7	
Non-operating expenses	7.2	6.7	-0.5	
Ordinary income	47.1	42.9	-4.1	<Extraordinary income, etc>
Extraordinary income	—	0.9	+0.9	• An increase in extraordinary income due to sales of non-current assets
Extraordinary losses	1.2	0.1	-1.1	• A decrease in profit attributable to non-controlling interests because of additional acquisition of share of NREG TOSHIBA BUILDING Co.,Ltd.
Income taxes	15.7	14.1	-1.6	
Profit attributable to non-controlling interests	1.6	0.4	-1.2	
Profit attributable to owners of parent	28.4	29.1	+0.7	
Profit per share (yen)	148.53	152.20	+3.67	
Cash dividends per share (yen)	27.50	30.00	+2.50	
Net cash provided by (used in) operating activities	-28.3	-96.6	-68.3	• Increases in inventories, etc.
Net cash provided by (used in) investment activities	-35.3	-31.5	+3.8	
Net cash provided by (used in) financing activities	59.9	117.9	+58.0	
Cash and cash equivalents at end of period	46.7	47.4	+0.6	
(Billions of yen)	FY16/3 ①	FY17/3 3Q ②	Changes ②-①	Key Factors
Total assets	1,485.4	1,578.1	+92.6	• Increases in inventories, properties, plants and equipments
Total interest-bearing debt	721.9	851.6	+129.7	
Shareholders' equity	444.8	464.7	+19.9	
Shareholders' equity ratio	29.9%	29.5%	-0.5P	
Debt/equity ratio	1.6	1.8	+0.2	

# Outline of Financial Results by Units

- Both revenue and income decreased due to the drop of the number of housing units sold in the Residential Development Unit. Service Management Sector marked a steady progress, resulted in an increase in both revenue and income by gaining brokerage commission fees and an increase in revenue of construction ordered.

(Billions of yen)	FY16/3 3Q	FY17/3 3Q	Changes ②-①
	Actual ①	Actual ②	
Operating revenue	380.7	368.9	-11.7
Residential Development	216.9	200.0	-16.9
Leasing	76.7	77.0	+0.2
Service & Management	95.0	101.6	+6.5
Investment Management	9.2	7.4	-1.7
Property Brokerage & CRE	21.7	25.2	+3.4
Property & Facility Manager	64.0	68.9	+4.9
Other	1.2	0.0	-1.1
Adjustments	-9.2	-9.8	-0.5
Operating income	53.0	49.1	-3.9
Residential Development	19.1	14.8	-4.2
Leasing	22.8	21.9	-0.9
Service & Management	14.8	15.9	+1.1
Investment Management	6.6	4.8	-1.7
Property Brokerage & CRE	4.4	6.4	+2.0
Property & Facility Manager	3.7	4.6	+0.8
Other	-0.1	-0.0	+0.0
Adjustments	-3.7	-3.6	+0.0

## Key Factors of Changes in Operating income by Unit



※As for the Service & Management sector, total sum of the Investment Management, Property Brokerage & CRE, and Property & Facility Management are shown.

FY16/3  
3Q  
Actual

FY17/3  
3Q  
Actual

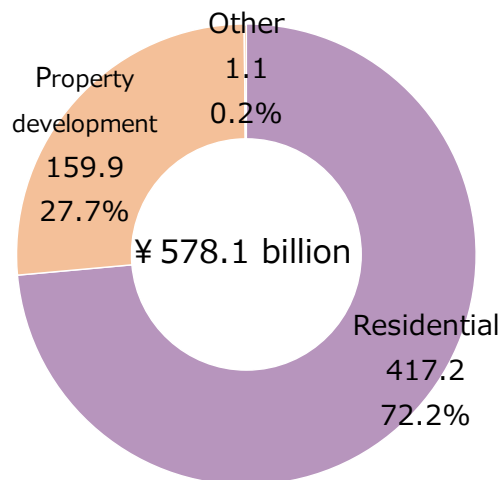
# Consolidated Balance Sheets

(Billions of yen) *Figures rounded down to the nearest 100 million yen	As of Mar 31, 2016 ①	As of Dec 31, 2016 ②	Changes ② - ①	Key Factors
<b>Assets</b>	1,485.4	1,578.1	+92.6	
<b>Current assets</b>	608.7	681.5	+72.8	<Inventories>
(Breakdown)				
Cash and deposits / Short-term investment securities	57.5	47.4	-10.1	Residential
Notes and accounts receivable-trade	15.3	12.4	-2.9	Property development
Inventories	496.9	578.1	+81.2	Other business
Equity investments	0.8	2.3	+1.5	Adjustments
Other current assets	38.0	41.2	+3.1	
<b>Noncurrent assets</b>	876.6	896.5	+19.8	
Property, plant and equipment	779.0	797.6	+18.5	
Intangible assets	10.6	10.9	+0.2	
Investments and other assets	86.8	87.9	+1.0	
(Breakdown)				
Investment securities	45.5	46.7	+1.1	
Lease and guarantee deposits	21.3	21.6	+0.2	
Other noncurrent assets	20.0	19.5	-0.4	
<b>Liabilities</b>	1,029.0	1,101.0	+71.9	
<b>Current liabilities</b>	289.1	316.9	+27.8	
(Breakdown)				
Notes and accounts payable-trade	51.1	27.9	-23.2	
Short-term loans payable, etc.	137.3	225.9	+88.6	
Deposits received	29.6	11.0	-18.5	
Other current liabilities	71.0	52.1	-18.9	
<b>Noncurrent liabilities</b>	739.9	784.0	+44.1	
(Breakdown)				
Bonds payable	60.0	70.0	+10.0	
Long-term loans payable	524.6	555.7	+31.1	
Lease and guarantee deposits received	63.7	64.7	+0.9	
Other noncurrent liabilities	91.5	93.6	+2.0	
<b>Net assets</b>	456.4	477.0	+20.6	
<b>Total liabilities and net assets</b>	1,485.4	1,578.1	+92.6	
Shareholders' equity ratio	29.9%	29.5%	-0.5P	<Shareholders' equity>
Debt/equity ratio	1.6	1.8	+0.2	

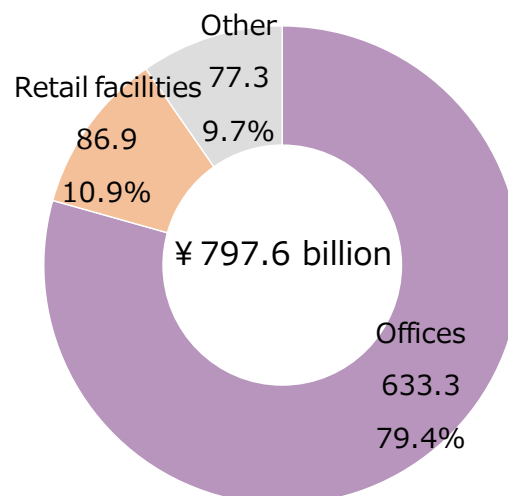
Total Assets : 1,578.1 billion yen

Current assets		Liabilities	
Cash and deposits / Short-term investment securities	47.4	Interest-bearing debt	851.6
Notes and accounts receivable-trade	12.4	Short-term loans payable, etc.	225.9
Inventories	578.1	Bonds payable	70.0
Residential	417.2	Long-term loans payable	555.7
Property development	159.9	Notes and accounts payable-trade	27.9
Other	1.1	Deposits received	11.0
Adjustments	-0.1	Other current liabilities	52.1
Equity investments	2.3	Lease and guarantee deposits received	64.7
Other current assets	41.2	Other noncurrent liabilities	93.6
<b>Noncurrent assets</b>	<b>896.5</b>	<b>Net assets</b>	<b>477.0</b>
Property, plant and equipment	797.6	Shareholder's Equity	464.7
Offices	633.3	Subscription rights to shares	2.0
Commercial facilities	86.9	Non-controlling interest	10.2
Other	77.3		
Intangible assets	10.9		
Investments and other assets	87.9		

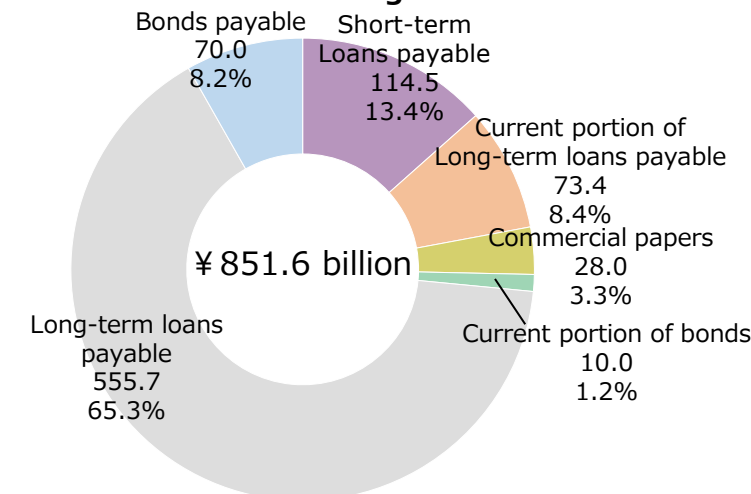
**Inventories**



**Property, plant and equipment**



**Interest-bearing debt**



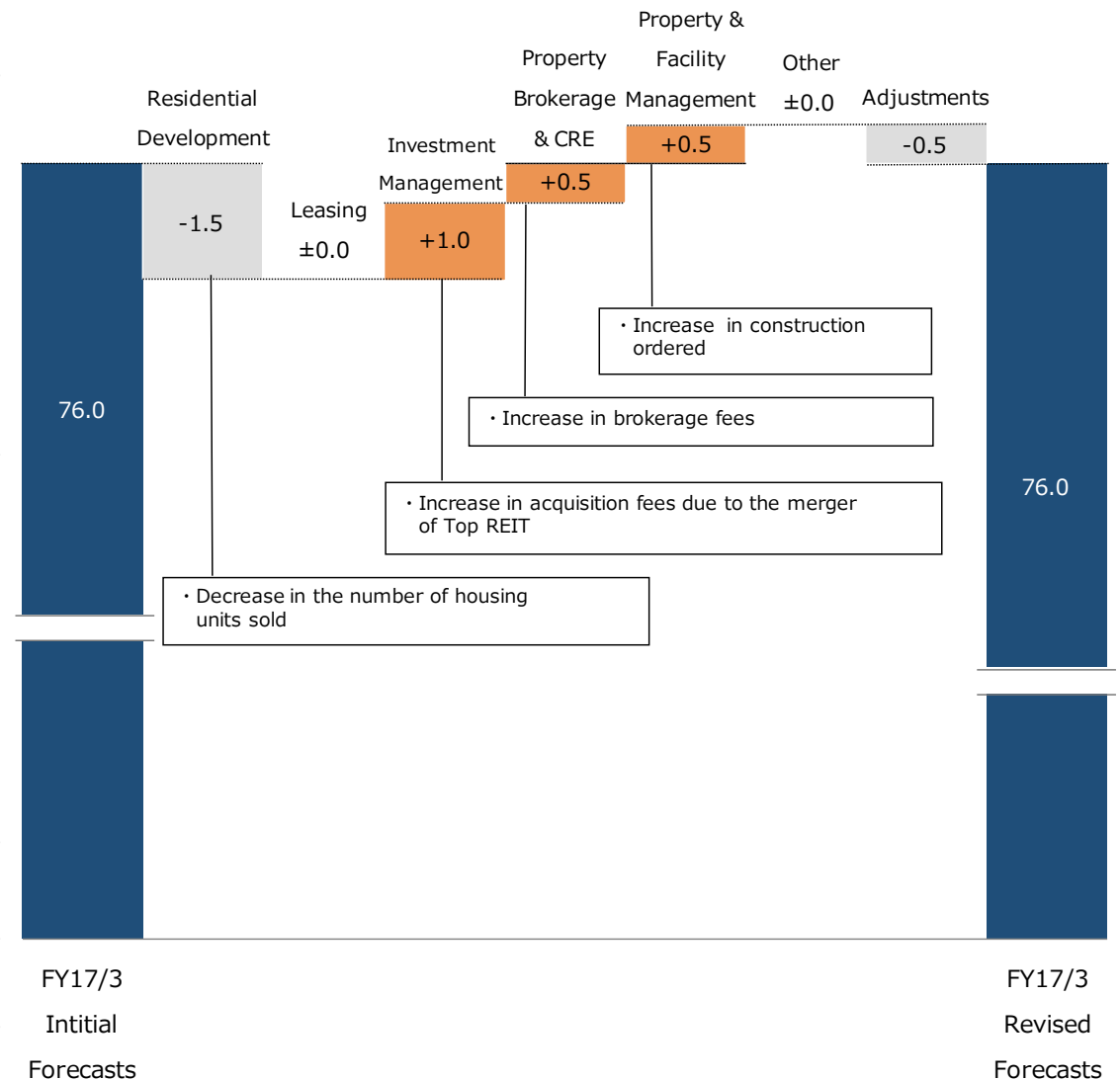
Residential: The Residential Development Unit  
 Property development: The Leasing Unit, the Investment Management Unit, and the Property Brokerage & CRE Unit



- No change in the consolidated operating result forecast and dividend forecast which was announced in October, 2016.

(Billions of yen)	FY17/3 Initial Forecast ①	FY17/3 Revised Forecast ②	Changes ② - ①
Operating revenue	589.0	585.0	-4.0
Residential Development	339.0	336.0	-3.0
Leasing	121.0	119.0	-2.0
Service & Management	139.0	142.0	+3.0
Investment Management	8.0	9.0	+1.0
Property Brokerage & CRE	35.0	36.0	+1.0
Property & Facility Management	96.0	97.0	+1.0
Other	0.0	0.0	±0.0
Adjustments	-10.0	-12.0	-2.0
Operating income	76.0	76.0	±0.0
Residential Development	30.5	29.0	-1.5
Leasing	30.5	30.5	±0.0
Service & Management	19.0	21.0	+2.0
Investment Management	4.5	5.5	+1.0
Property Brokerage & CRE	8.5	9.0	+0.5
Property & Facility Management	6.0	6.5	+0.5
Other	0.0	0.0	±0.0
Adjustments	-4.0	-4.5	-0.5
Ordinary income	67.0	67.0	±0.0
Profit attributable to owners of parent	43.0	43.0	±0.0
Net income per share (yen)	224.33	224.22	-0.11
Cash dividends per share (yen)	60.00	60.00	±0.00

## Key Factors of Changes in Operating Income by Segment



※As for the Service & Management sector, total sum of the Investment Management, Property Brokerage & CRE, and Property & Facility Management are shown.

# Unit Information

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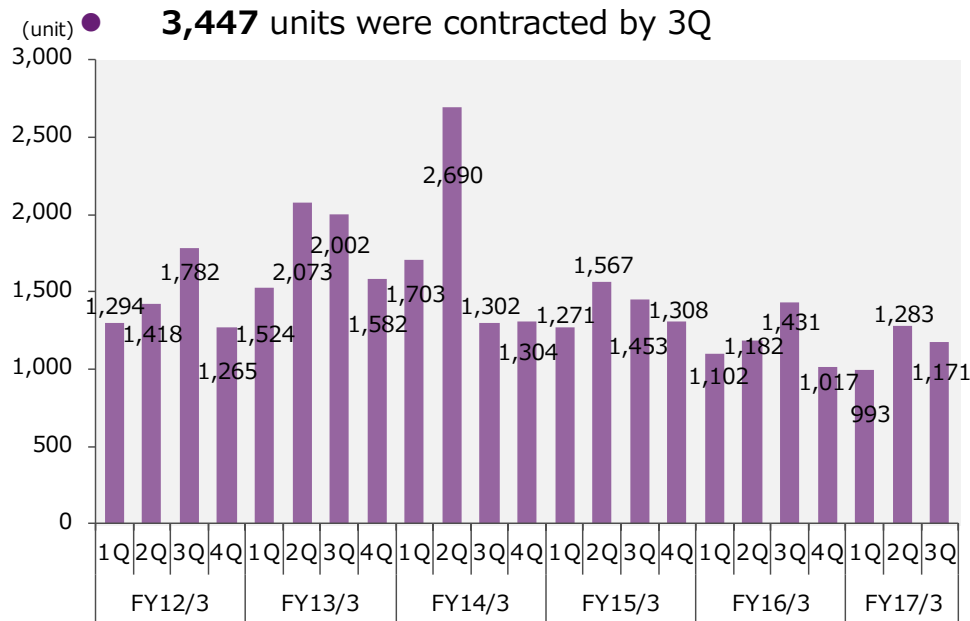
- The number of housing units sold decreased, while average housing prices and gross margin ratio increased. The gross margin ratio rose to **22.4%** (up 0.6 points y/y).

(Billions of yen)	FY16/3 3Q Actual ①	FY17/3 3Q Actual ②	Changes ② – ①	FY16/3 Actual ③	FY17/3 Forecast ④	Changes ④ – ③
Operating revenue	216.9	200.0	-16.9	334.5	336.0	+1.4
Housing sales	205.8	185.1	-20.6	318.7	—	—
Other	11.1	14.8	+3.7	15.7	—	—
Operating income	19.1	14.8	-4.2	31.9	29.0	-2.9

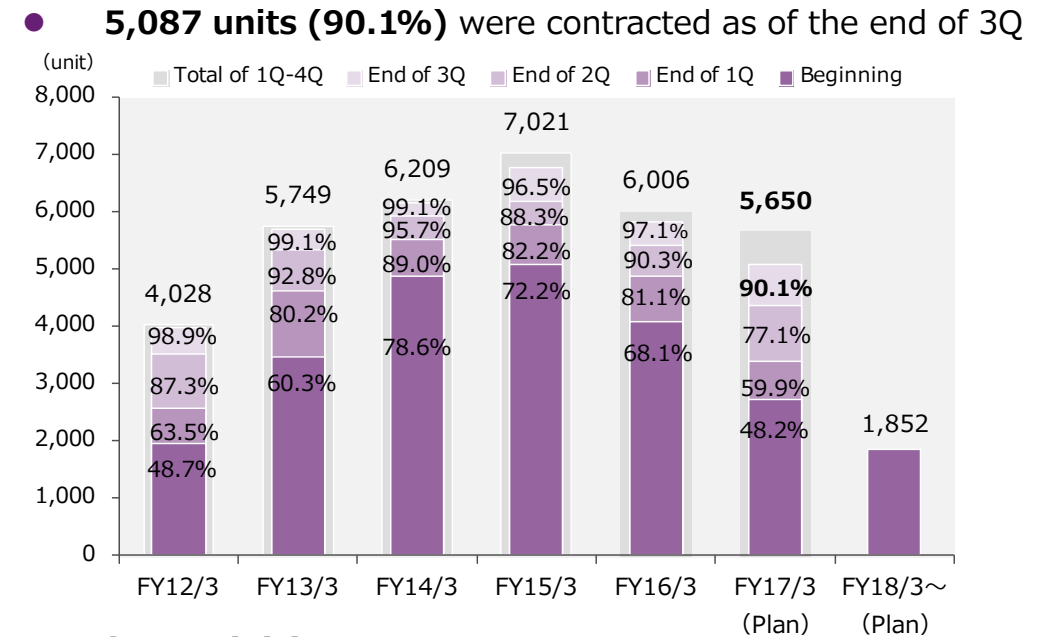
## 【Housing sales indicators】

Housing sales (unit)	3,785	3,074	-711	6,006	5,650	-356
Condominiums	3,497	2,656	-841	5,363	5,000	-363
Detached housing	288	418	+130	643	650	+7
Tokyo metropolitan area	3,399	2,560	-839	4,721	4,400	-321
Osaka metropolitan area	262	256	-6	857	800	-57
Other area	124	256	+132	427	450	+23
Sold but not recorded housing (unit)	4,697	3,866	-831	3,493	—	—
Completed housing inventories (unit)						
released for sale	107	318	+211	134	—	—
unreleased	2	222	+220	215	—	—
Average sales price (million yen)	54.36	60.22	+5.85	53.07	—	—
Gross margin ratio (%)	21.8%	22.4%	+0.6P	21.9%	—	—

## Number of Contracted Housing Units

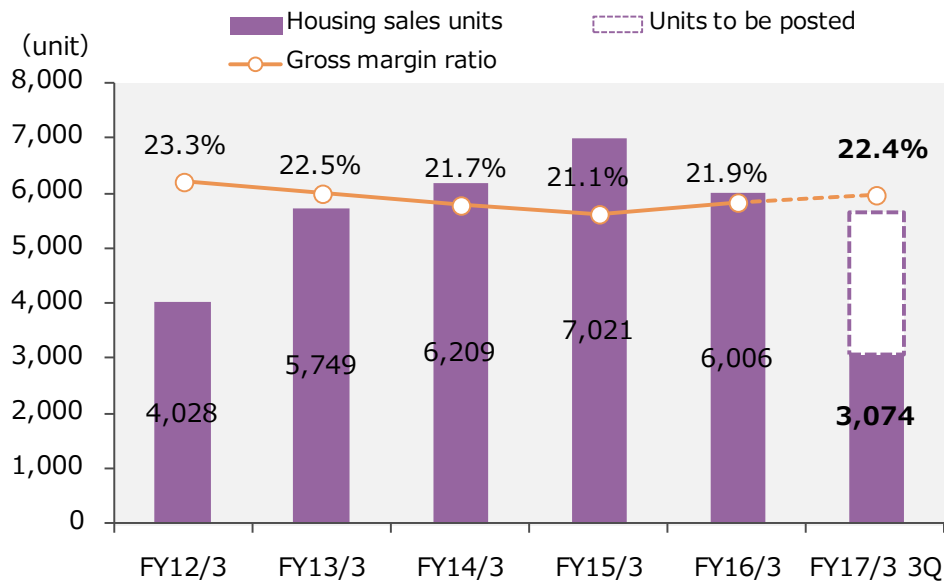


## Contract Rates



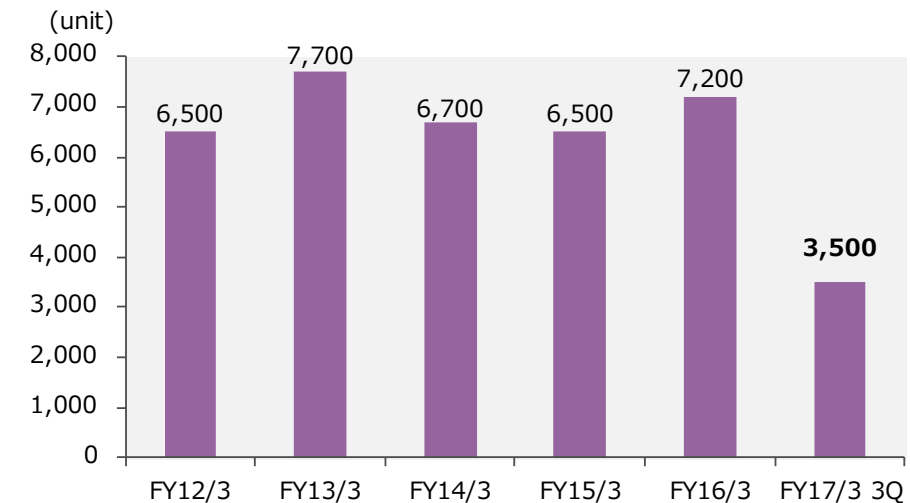
## Gross Profit Margin & Number of Housing Units Sold

- Gross margin ratio rose to **22.4%** due to the posting large-scale properties.



## Land Acquisition

- Lands for **3,500 units** were acquired by 3Q.



# 【Reference】 Major Upcoming Projects & Land Bank

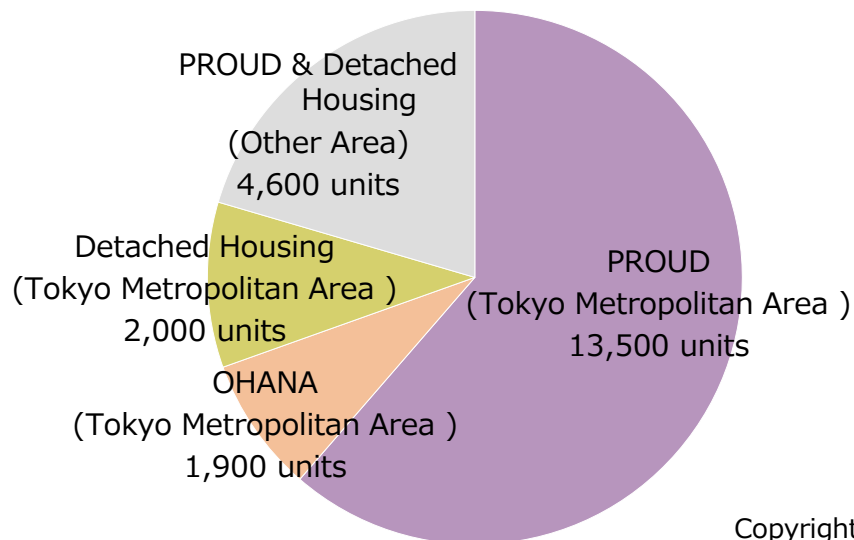
FY17/3	FY18/3	FY19/3	FY20/3~
PROUD CITY Asagaya (Suginami-ku, Tokyo 313 units *2)	PROUD Roppongi (Minato-ku, Tokyo 17 units *2)	Akashicho II Project (Chuo-ku, Tokyo 109 units)	Shirokane 1chome East District North Redevelopment Project (Minato-ku, Tokyo 120 units *2)
PROUD TOWER Kiyosumishirakawa (Koto-ku, Tokyo 132 units)	PROUD Sakurashinmachi (Setagaya-ku, Tokyo 174 units)	Nihonbashi Ningyocho III Project (Chuo-ku, Tokyo 36 units)	Musashi-Koganei Station South Second Block Redevelopment Project (Koganei-shi, Tokyo 620 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)	Shimorenjaku Project (Mitaka-shi, Tokyo 319 units *1*2)
PROUD TOWER Tachikawa (Tachikawa-shi, Tokyo 292 units)	Roka-Koen The Residence (Setagaya-ku, Tokyo 155 units *2)	Higashi-Ikebukuro 5-chome Redevelopment Project (Toshima-ku, Tokyo 110 units)	Hiyoshi Minowacho Project (Kouhoku-ku, Yokohama-shi undecided *1*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)	AIR HILLS Fujisawa (Fujisawa-shi, Kanagawa 105 units *2)	Koraibashi Project (Chuo-ku, Osaka-shi 170 units *2)

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

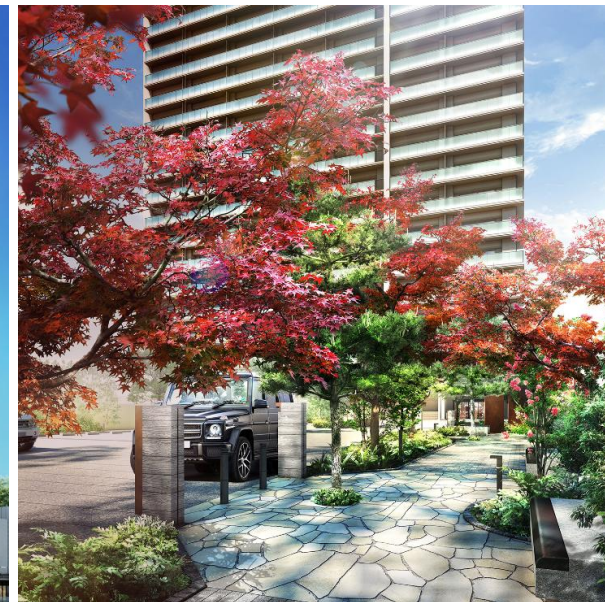
Unit numbers and schedule of projects above are subject to change.

## Land Bank

22,000 units from FY17 4Q



PROUD Fuchu Station Arena



PROUD TOWER Kiyosumishirakawa

# [Reference] Residential Large-scale Redevelopment & Rebuilding Business

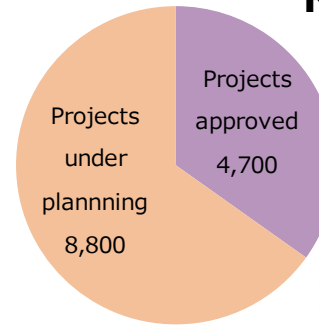
- By utilizing our top track record in the industry and a wealth of know-how, promote various redevelopment and rebuilding projects that have potential for growth

## Major Redevelopment & Rebuilding Projects

Project name	No. of units	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*1	313	Complete		
PROUD Fuchu Station Arena	111	Complete		
PROUD TOWER Musashi-urawa Residence	165	Complete		
PROUD TOWER Nagoya-Sakae*1	214	Complete		
Gracia Tower Futamatagawa*1	81	Complete		
Higashi-Ikebukuro 5chome Redevelopment	110	Start	Complete	
Musashi-Koganei Station South Exit Second District Redevelopment *2	620	Start	Complete	
Sakai-Higashi GIORNO Redevelopment *1	272	Start	Complete	
Tokyo Olympic · Paralympic Athlete's Village *1	489	Start		Complete
Minamikoikiwa 6chome district Redevelopment *1	324		Start	Complete
Hankyu Tsukaguchi Satation-Front Redevelopment *2	300~			
Higashi-Ikebukuro Station-Front Redevelopment	200~			
Hirai Station North Exit District Redevelopment	300~			
Kawaguchi-sakemachi 3chome District Redevelopment	400~			
Shakujii-Kouen Station South Exit West District Redevelopment	100~			
Funabashi Station South Exit District Redevelopment	200~			
Tsukishima 3chome South Redevelopment *1	200~			
Tateishi Station South Exit East District Redevelopment *1	200~			
Iidabashi Station Central District Redevelopment *2	100~			
Kachidoki Station South Exit 8&9 Block Redevelopment *1	400~			
JR Kamata Station East Exit Central District Redevelopment	400~			
Akasaka 7chome 2nd Distdict Redevelopment *1	200~			
Kodaira Station-Front North District Redevelopment *1	200~			
Minami-Ikebukuro 2chome C-District Redevelopment *1	300~			
Nishi-Shinjuku 3chome West Redevelopment*1,2	900~			
Kouyamachi·Miyukicho Redevelopment (Shizuoka) *1	100~			
Nishi-Ojima Station-Front Redevelopment*1	400~			
Nishi-Nippori Station-Front Redevelopment*1,2	400~			

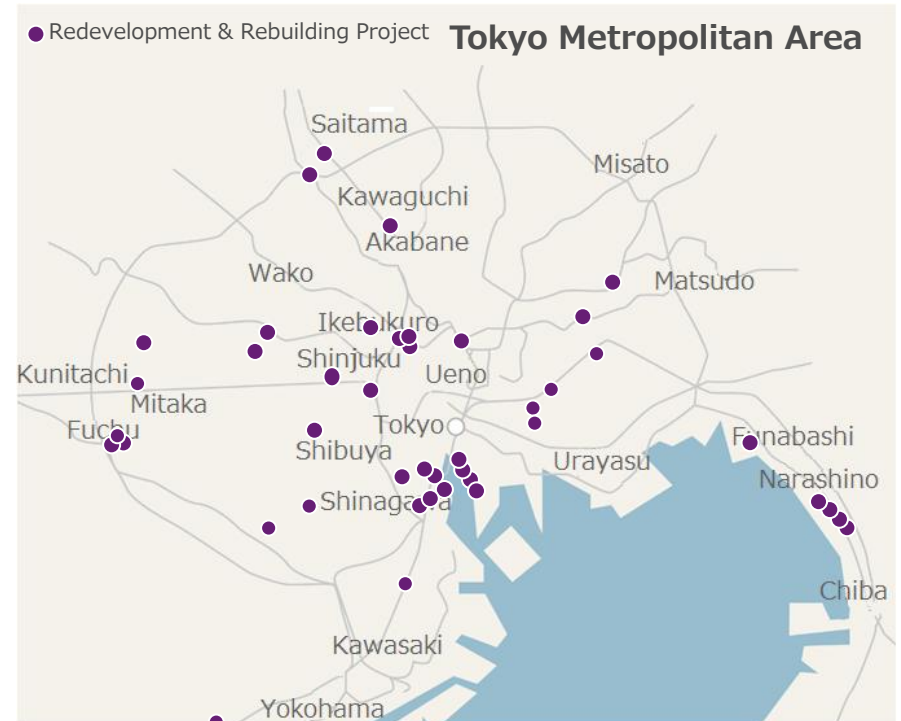
※1 : JV projects ※2 : Land acquired not only for housing but also for other usage.  
 ※3 : The number of units for project under planning is the expected number by 100 units.  
 Underlined are new projects

## Breakdown of Residential Redevelopment / Rebuilding Projects



Of all the 22,000 units of stocks to be posted from FY17 4Q, projects approved of **4,700 units** are included. There are also projects under planning of **8,800 units** and are categorized into projects approved accordingly.

\*Projects approved: Time schedules are authorized.  
 \*\*Project under planning: Time schedules are yet to be authorized.

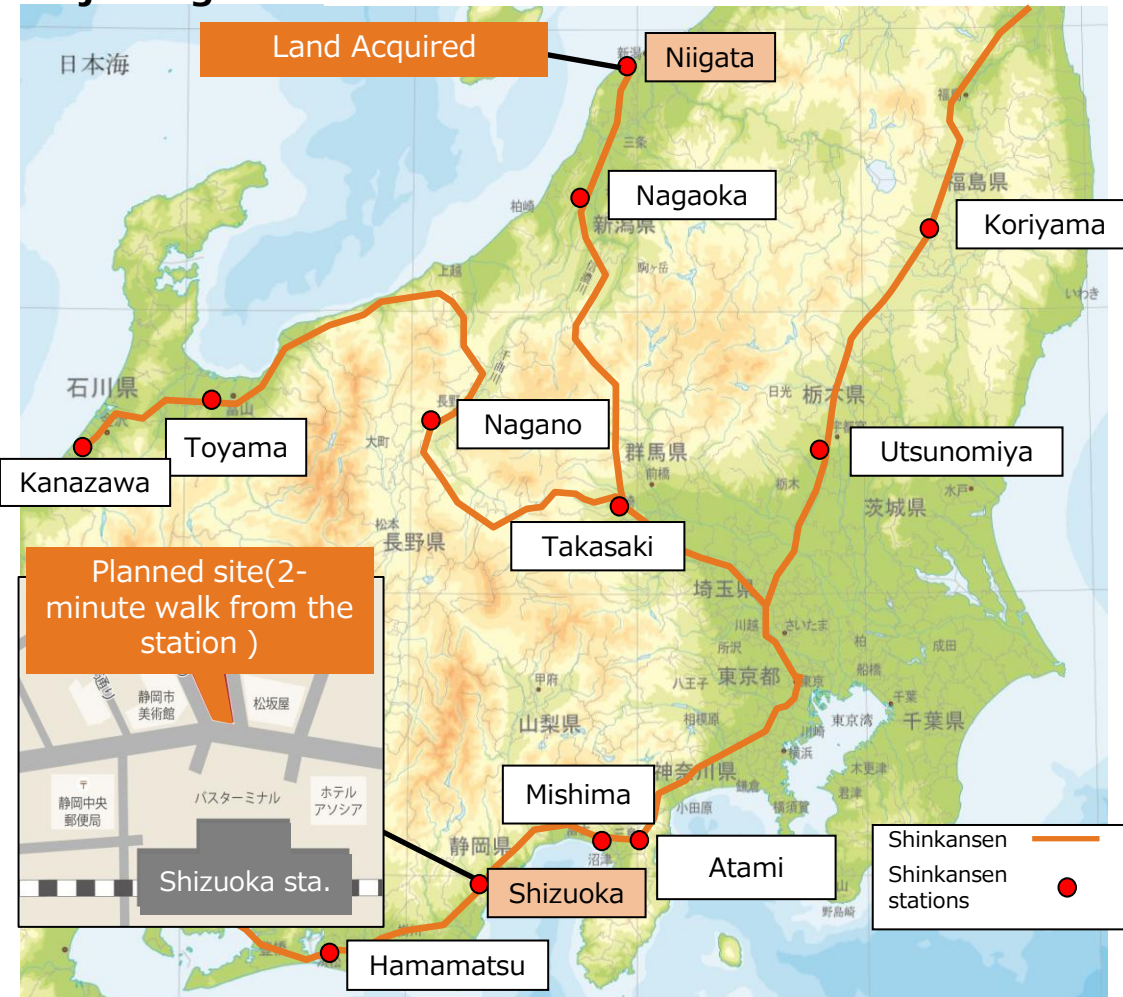


All projects are still in planning phase, therefore they are subjects to change.

## Regional Core Cities

- Coping with demands for compact cities, developed businesses in regional core cities. Joined a redevelopment project in the Shizuoka Station-Front as well as acquired a land for project in Niigata.

### Major regional core cities



## Overseas

- In addition to a project in Ho Chi Minh City, Vietnam, joined a residential development in Shenyang, China. Focusing on Southeast Asia, considering to take part in multiple projects.

**Ho Chi Minh City, Vietnam** Total number of units: 2,100  
 Our share : 12% Term to be posted: FY2021/3



**Shenyang, China** Total number of units : 4,100  
 Our share : 11% Term to be posted: FY2020/3



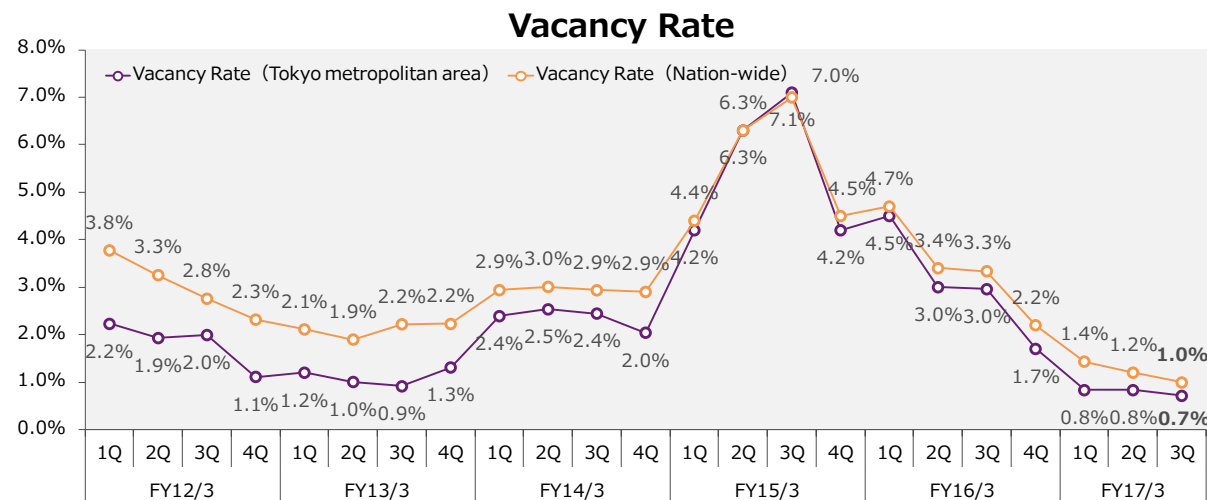
# 【Leasing Unit】

- Tenant leasing made a satisfactory progress in existing properties. The vacancy rate improved to **1.0%** as of the end of 3Q(down 1.2 points from March 31, 2016).

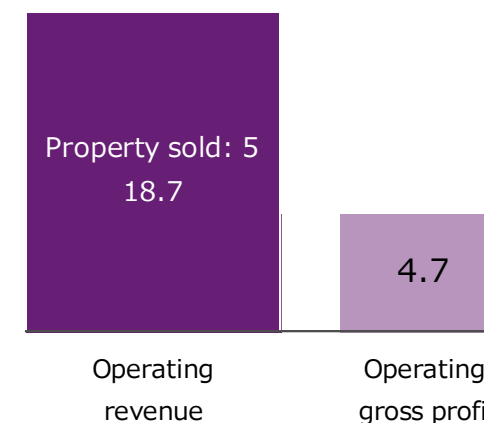
(Billions of yen)	FY16/3 3Q Actual ①	FY17/3 3Q Actual ②	Changes ②-①	FY16/3 Actual ③	FY17/3 Forecast ④	Changes ④-③
Operating revenue	76.7	77.0	+0.2	110.2	119.0	+8.7
Leasing (offices)	37.0	38.2	+1.1	49.5	—	—
Leasing (retail facilities)	8.1	8.7	+0.6	10.8	—	—
Leasing (other)	4.4	4.4	+0.0	5.8	—	—
Property development (sale)	19.3	18.7	-0.5	33.2	—	—
Property development (leasing)	2.6	2.8	+0.2	3.3	—	—
Other	5.2	4.0	-1.1	7.2	—	—
Operating income	22.8	21.9	-0.9	31.7	30.5	-1.2
Rentable floor area (sqm)	936,243	975,252	+39,009	974,127	—	—
Offices	828,049	830,455	+2,406	829,312	—	—
Retail facilities	108,194	144,797	+36,603	144,815	—	—
Vacancy rate	3.3%	1.0%	-2.3P	2.2%	—	—

\* Leasing (offices) includes subleasing properties

[Reference] Rent revenue change analysis	Changes
New buildings	+1.4 Increased by 3 properties acquired from Nomura Real Estate Master Fund, Inc.
Existing buildings	+1.0 Hamamatsucho Building (Toshiba Building), etc.
Sold / Termination	-0.6 Sales of Nomurafudosan Akasaka Center Building and other properties



### Breakdown of Property Development (Sale) Operating Revenue ¥ 18.7 billion



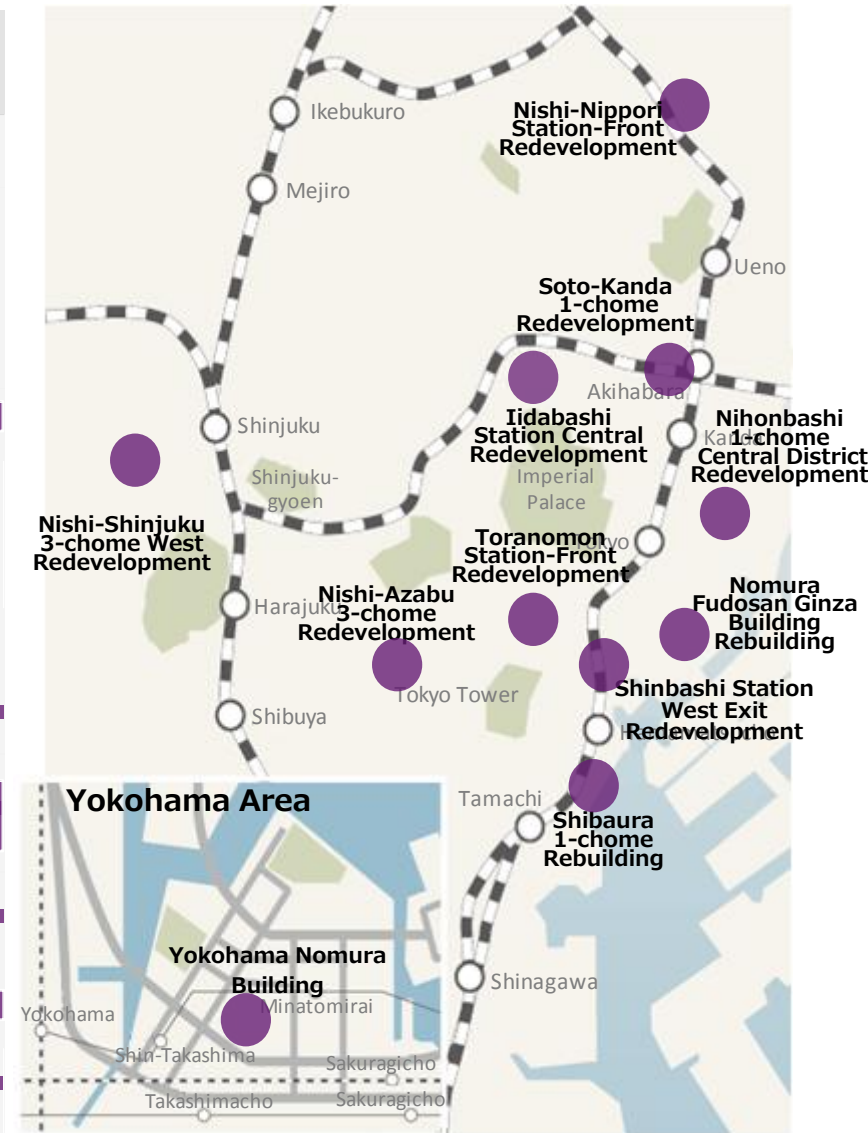


- Promote complex development projects actively in Tokyo metropolitan area

## Major Large-scale Redevelopment & Complex Development

Project name	Progress situation	Main use	Area planned to be acquired	Phase I	Phase II	Phase III
				FY17/3 - FY19/3	FY20/3 - FY22/3	FY23/3 - FY25/3
Yokohama Nomura Building	Completed Jan. 2017	Office	81,547㎡ (gross)	Complete		
Toranomon Station-Front Redevelopment (Certified as National Strategic Special Zone)	Rights conversion Started to be demolished	Office Retail	Approx. 10,000㎡	start	Complete	
Musashi-Koganei station 2nd District Redevelopment	Rights conversion completed	Retail Residential	Approx. 12,000㎡	start	Complete	
<u>Minamikojiwa 6-chome Redevelopment</u> ※	The Redevelopment Union was established	Retail Residential	Approx. 4,500㎡	start	Complete	Complete
Soto-Kanda 1chome Redevelopment	Blueprint of the project is under discussion	Office	Approx. 31,000㎡		start	Complete
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Office Residential	Approx. 20,000㎡		start	Complete
Nishi-Azabu 3chome Redevelopment*	Blueprint of the project is under discussion	Hotel Residential	TBD		start	Complete
Nishi-Shinjuku 3chome West Redevelopment*	Blueprint of the project is under discussion	Retail Residential	Approx. 21,000㎡		start	1st term Complete
Shibaura 1chome Rebuilding* (Designated as National Strategic Special Zone)	Preparing to be certified as a national strategic special zone	Complex	TBD		start	1st term Complete
Nihonbashi 1-chome Central District Redevelopment ※ (Proposed as a national strategic special zone)	Proposed as a national strategic special zone	Office	TBD		start	
Nishi-Nippori Station-Front Redevelopment※	Blueprint of the project is under discussion	Retail Residential	Approx. 15,000㎡		start	Complete
Shinbashi Station West Exit Redevelopment*	Blueprint of the project is under discussion	Office Retail	TBD			start
Nomura Fudosan Ginza Building Rebuilding (Ginza MTR Building) ※	-	Office	TBD	TBD		

※JV projects Underlined are new projects.



All projects are in planning stage and are subject to change.

- **Yokohama Nomura Building was completed in January, 2017.**  
 The whole building to be leased up by Nomura Research Institute and planned to be fully operated from April, 2017.
- **Nomura Fudosan Sendai Aoba-dori Building to be completed in April, 2017.**  
 Contracted with Fujitsu Limited, which is to be a major tenant.

## Yokohama Nomura Building



**Location:**  
 Block No. 46, Minato Mirai 21 Central District, Nishi-ku, Yokohama-shi, Kanagawa

**Access:** 4-minute walk from Shin-takashima station

**No. of stories :** 17 stories above ground

**Total floor area:** 81,547m<sup>2</sup>

**Schedule:** Plan to complete in Jan. 2017, operate in Apr. 2017

**Our total investment amount:**  
 About ¥32 billion

## Nomura Fudosan Sendai Aoba-dori Building



**Location:**  
 Aoba-ku, Sendai-shi, Miyagi

**Access:** 6-minute walk from Sendai station, 1-minute walk from Aoba-dori station

**No. of stories :** 10 stories above ground, 1 basement floor

**Total floor area:** 12,675m<sup>2</sup>

**Schedule:** Plan to complete and operate in Apr. 2017

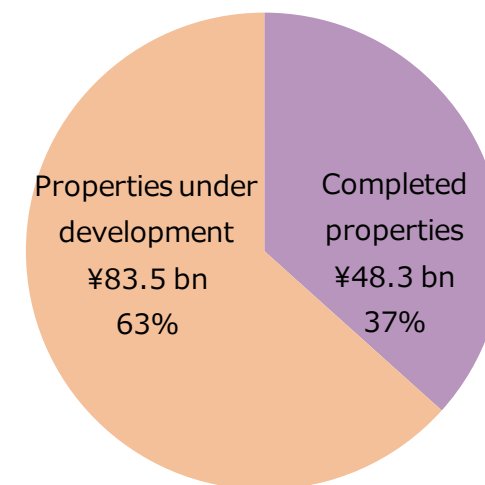
**Our total investment amount:**  
 About ¥8 billion

- Increase developed properties to ¥ 200 billion by 2025, while selling some portion of the portfolio.
- **12 properties ( ¥ 68 billion of planned aggregate investment\*)** were acquired in FY17/3 (1Q to 3Q).

## Expansion Plan of Property Development (on Balance Sheet)

(billion of yen)	FY17/3 3Q (on B/S)	Phase 1 (FY17/3~FY19/3)	Phase 2 (FY20/3~FY22/3)	Phase 3 (FY23/3~FY25/3)
Office (PMO, etc.)	50.4	60.0	65.0	65.0
Retail (GEMS, etc.)	17.5	35.0	35.0	35.0
Logistics (Landport, etc.)	50.2	45.0	70.0	70.0
Residential (PROUD FLAT, etc)	13.7	15.0	20.0	30.0
Expansion of Property Development	131.8	155.0	190.0	200.0

## Breakdown (as of the end of 3Q)



## Acquisition & Sales in FY17/3

Office	Acquisition (Planned aggregate investment)	Sale (sale value)
	2 projects (About ¥ 14.5 billion*)	1 project (About ¥ 5.1 billion)

Logistics	Acquisition (Planned aggregate investment)	Sale (sale value)
	3 projects (About ¥ 41.5 billion)	1 project (About ¥ 10.8 billion)

Retail	Acquisition (Planned aggregate investment)	Sale (sale value)
	1 project (About ¥ 2.0 billion)	—

Leasing	Acquisition (Planned aggregate investment)	Sale (sale value)
	6 projects (About ¥ 9.5 billion)	3 projects (About ¥ 3.0 billion)

- ※ The acquired properties listed on this page also include projects that were determined in the current fiscal period.
- ※ The figures of the planned aggregate investment include additional investment on properties acquired in the previous FY.
- ※ Planned aggregate investment is based on the company's assumption and therefore they are subject to change.

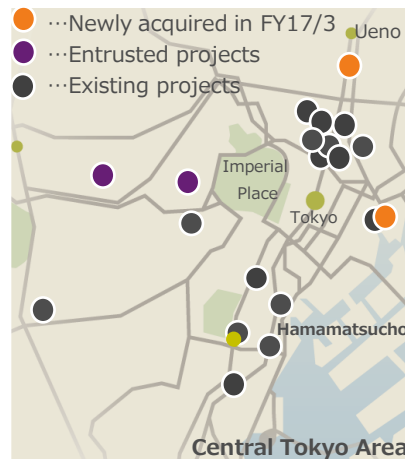
## Office “PMO”



PMO Hirakawa-cho



PMO Nihonbashi Edo Dori



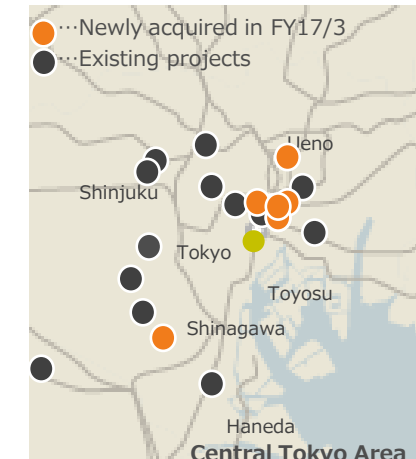
## Rental housing “PROUD FLAT”



PROUD FLAT Soto - Kanda



PROUD FLAT Noborito



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

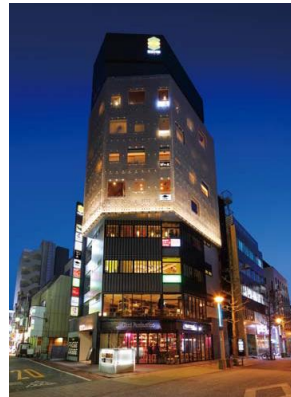
※JV Project

Property acquired in FY17/3

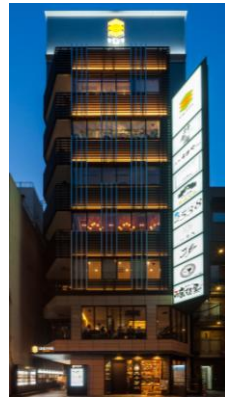
	Name	Location	No. of units	Completion	Status
1	PROUD FLAT KagurazakaⅢ	Shinjuku-ku, Tokyo	35 units	2015/4	Sold
2	PROUD FLAT Higashi-Nakano	Nakano-ku, Tokyo	49 units	2015/2	Sold
3	PROUD FLAT Gakugeidaigaku II	Meguro-ku, Tokyo	36 units	2015/9	Sold
4	PROUD FLAT Sangenjaya II	Setagaya-ku, Tokyo	70 units	2014/1	Operation
5	PROUD FLAT Omori III	Shinagawa-ku, Tokyo	49 units	2014/10	Operation
6	PROUD FLAT Kinshicho	Sumida-ku, Tokyo	36 units	2014/12	Operation
7	PROUD FLAT Higashi-Kanda	Chiyoda-ku, Tokyo	38 units	2015/4	Operation
8	PROUD FLAT Mitsukoshimae	Chuo-ku, Tokyo	40 units	2015/7	Operation
9	PROUD FLAT Sugamo II	Toshima-ku, Tokyo	33 units	2015/11	Operation
10	PROUD FLAT Yoyogi-Hachiman	Shibuya-ku, Tokyo	30 units	2016/1	Operation
11	PROUD FLAT Soto-Kanda	Chiyoda-ku, Tokyo	75 units	2016/5	Operation
12	PROUD FLAT Noborito	Kawasaki-shi, Kanagawa	79 units	2016/5	Operation
13	PROUD FLAT Nakaochiai	Shinjuku-ku, Tokyo	37 units	2016/12	Operation
14	PROUD FLAT Asakusabashi	Taito-ku, Tokyo	38 units	2017/2 (plan)	Construction
15	PROUD FLAT Monzen-nakacho V	Koto-ku, Tokyo	99 units	2017/10 (plan)	Construction
16	PROUD FLAT Miyazakidai	Miyamae-ku, Kawasaki	82 units	2018/11 (plan)	Construction
17	PROUD FLAT Togoshi	Shinagawa-ku, Tokyo	99 units	2018/10 (plan)	Planning
18	PROUD FLAT Asakusabashi II	Taito-ku, Tokyo	85 units	2019/1(plan)	Planning
19	PROUD FLAT Higashi-Nihonbashi	Chuo-ku, Tokyo	43 units	2018/9(plan)	Planning
20	PROUD FLAT Asakusabashi III	Taito-ku, Tokyo	41 units	2018/8(plan)	Planning
21	PROUD FLAT Asakusa-Kaminarimon	Taito-ku, Tokyo	49 units	2019/1(plan)	Planning
22	PROUD FLAT Ryogoku	Sumida-ku, Tokyo	46 units	2018/11(plan)	Planning

Property acquired in FY17/3

## Retail Facilities "GEMS"



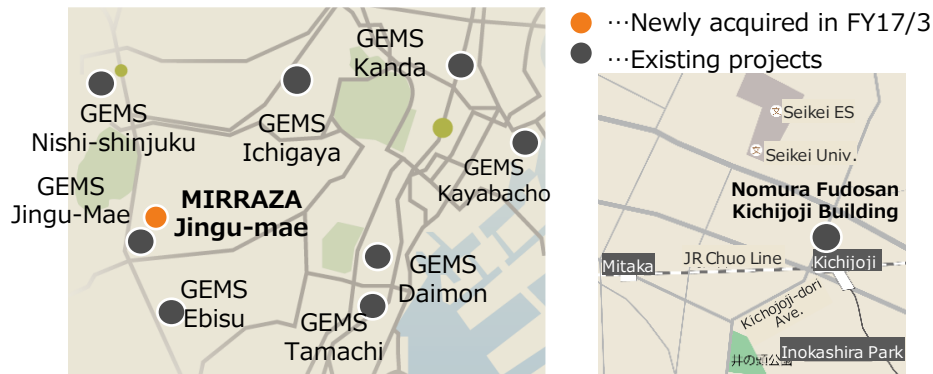
GEMS Daimon



GEMS Kanda



GEMS Ebisu



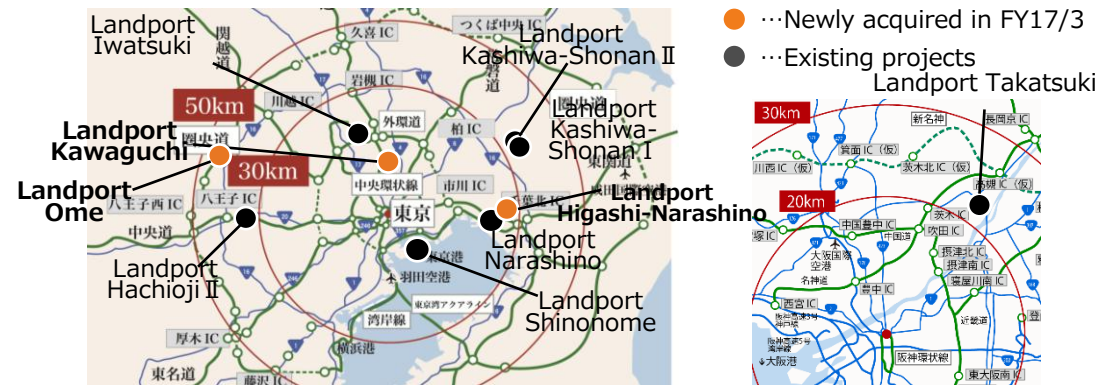
Name	Location	Completion	Status
1 Nomura Fudosan Kichijoji Building	Kichijoji-Honcho, Musashino-shi	2014/7	Partially sold
2 GEMS Daimon	Shibadaimon, Minato-ku	2016/2	Operation
3 GEMS Kanda	Kajicho, Chiyoda-ku	2016/6	Operation
4 GEMS Ebisu Project	Ebisu, Shibuya-ku	2017/7 (plan)	Construction
5 GEMS Jingu-Mae Project	Jingu-Mae, Shibuya-ku	2018/2 (plan)	Construction
6 GEMS Kayabacho Project	Shinkawa, Chuo-ku	2018/2 (plan)	Construction
7 GEMS Namba Project	Namba, Chuo-ku, Osaka	2018/11 (plan)	Construction
8 GEMS Tamachi Project	Shiba, Minato-ku	2019/2 (plan)	Planning
9 GEMS Nishi-Shinjuku Project	Nishi-shinjuku, Shinjuku-ku	2020/8 (plan)	Planning
10 GEMS Sangenjaya Project	Taishido, Setagaya-ku	2018/5 (plan)	Planning
11 GEMS Shin-Yokohama Project	Yokohama, Kohoku-ku	2018/7 (plan)	Planning
12 GEMS Shimbashi Project	Simbashi, Minato-ku	2018/5 (plan)	Construction
13 MIRRAZA Jingu-mae Project*	Jingu-mae, Shibuya-ku	2017/9 (plan)*	Construction

Property acquired in FY17/3

## Logistics Facilities "Landport"



Landport Iwatsuki



Name	Location	Completion	Status
1 Landport Kashiwa-Shonan II Project	Kashiwa-shi, Chiba	2016/4	Sold
2 Landport Kashiwa-Shonan I Project	Kashiwa-shi, Chiba	2016/1	Operation
3 Landport Iwatsuki	Saitama-shi, Saitama	2016/5	Operation
4 Landport Hachioji II	Hachioji-shi, Tokyo	2016/9	Operation
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	2018/11 (plan)	Planning
8 Landport Narashino Project	Narashino-shi, Chiba	2019/11 (plan)	Planning
9 Landport Kawaguchi Project	Kawaguchi-shi, Saitama	2020/1 (plan)	Planning
10 Landport Higashi-Narashino Project	Narashino-shi, Chiba	2019/8 (plan)	Planning
11 Landport Ome Project	Ome-shi, Tokyo	TBD	Planning

Property acquired in FY17/3

\*JV project

\*Plan to renew existing retail facility for the MIRRAZA Jingu-mae project. The completion period is the safe as the renewal completion period.

# 【Reference】 The Group's Major Buildings

	Name	Location	Leased floor area *Our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	152,399m <sup>2</sup>	1990/1, etc.
2	Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	98,330m <sup>2</sup>	1984/3
3	LAZONA Kawasaki Toshiba Building	Saiwai-ku, Kawasaki-shi, Kanagawa	78,610m <sup>2</sup>	2013/3
4	LAZONA Kawasaki Plaza	Saiwai-ku, Kawasaki-shi, Kanagawa	46,989m <sup>2</sup>	2006/9
5	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,467m <sup>2</sup>	1978/5
6	Nomura Fudosan Tennozu Building	Shinagawa-ku, Tokyo	24,242m <sup>2</sup>	1996/6
7	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,260m <sup>2</sup>	2010/9
8	Nomura Fudosan Musashikosugi Building N Wing & S Wing	Nakahara-ku, Kawasaki-shi, Kanagawa	20,520m <sup>2</sup>	2010/3
9	Umeda Sky Building	Kita-ku, Osaka-shi, Osaka	18,938m <sup>2</sup>	1993/3
10	bono Sagamiono Shopping Center	Minami-ku, Sagamihara-shi, Kanagawa	16,123m <sup>2</sup>	2013/1
11	Nomura Fudosan Ginza Building	Chuo-ku, Tokyo	13,280m <sup>2</sup>	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



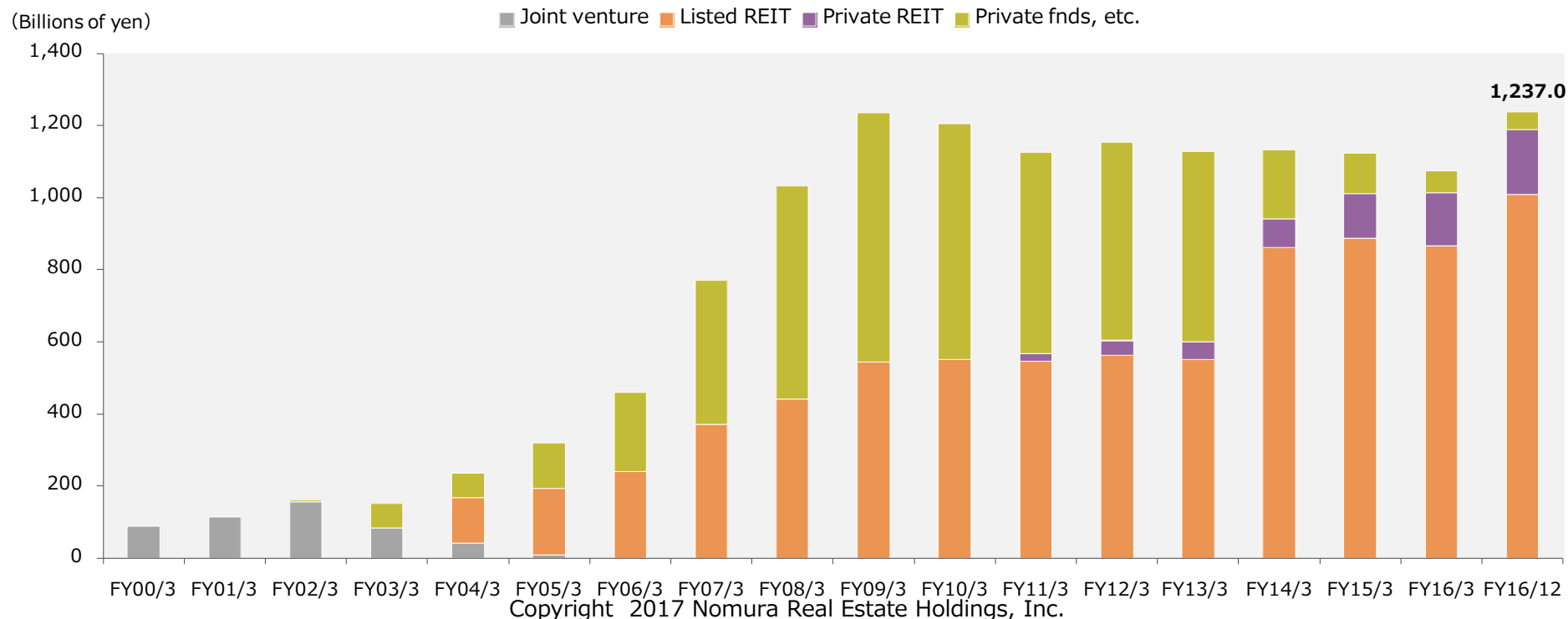
Nomura Fudosan  
Tennozu Building

# 【 Investment Management】

- Assets under management increased steadily due to the merger between Nomura Real Estate Master Fund, inc. and Top REIT, Inc.

(Billion of yen)	FY16/3 3Q Actual ①	FY17/3 3Q Actual ②	Changes ②-①	FY16/3 Actual ③	FY17/3 Forecast ④	Changes ④-③
Operating revenue	9.2	7.4	-1.7	10.9	9.0	-1.9
Operating income	6.6	4.8	-1.7	7.3	5.5	-1.8
Assets under management	1,017.9	1,237.0	+ 219.0	1,074.4	—	—
Listed REIT	813.9	1,009.9	+ 195.9	866.1	—	—
Private REIT	131.6	178.7	+47.0	146.5	—	—
Private funds, etc.	72.3	48.3	-24.0	61.8	—	—

## Assets Under Management

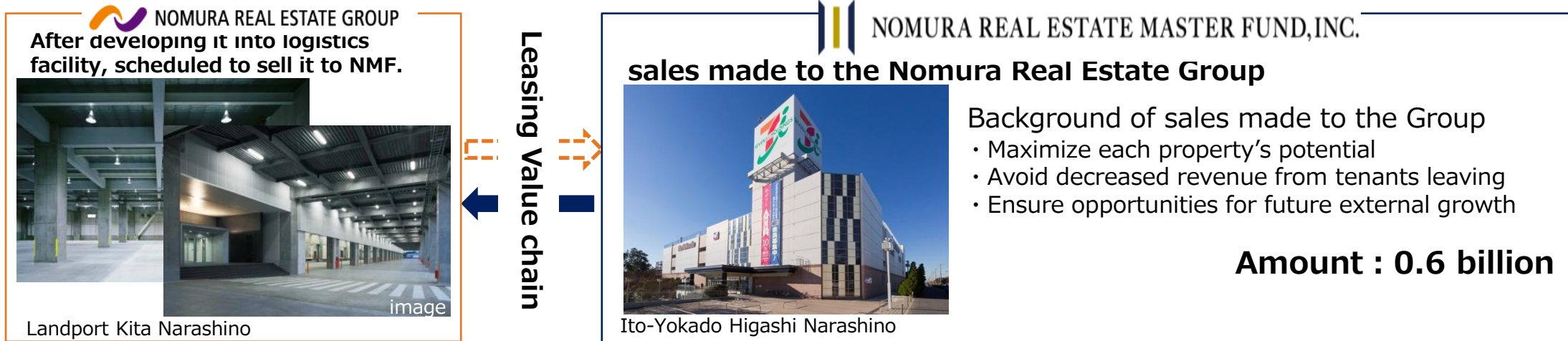


## 【Reference】 Mutual Growth Utilizing Leasing Value Chain

- Purchased Ito-Yokado Higashi Narashino from NMF, as the second phase of transactions using the Leasing Value Chain and scheduled to develop Landport Kita Narashino. If the property is sold after development, NMF will be granted rights for priority acquisition.
- Nomura Real Estate Holdings gains development opportunities, and NMF ensures opportunities for the future external growth which contributes to the mutual growth of both companies.

### Second phase of Leasing value chain (Dec., 2016)

Acquired property of NMF, after developing it into logistics facility, scheduled to sell it to NMF.



### First phase of Leasing value chain (May, 2016) Acquisition of property and conveyance conducted between NMF





- The retail business and wholesale business made a steady progress. The number of transactions and transaction value marked the highest figure ever as the third quarter.

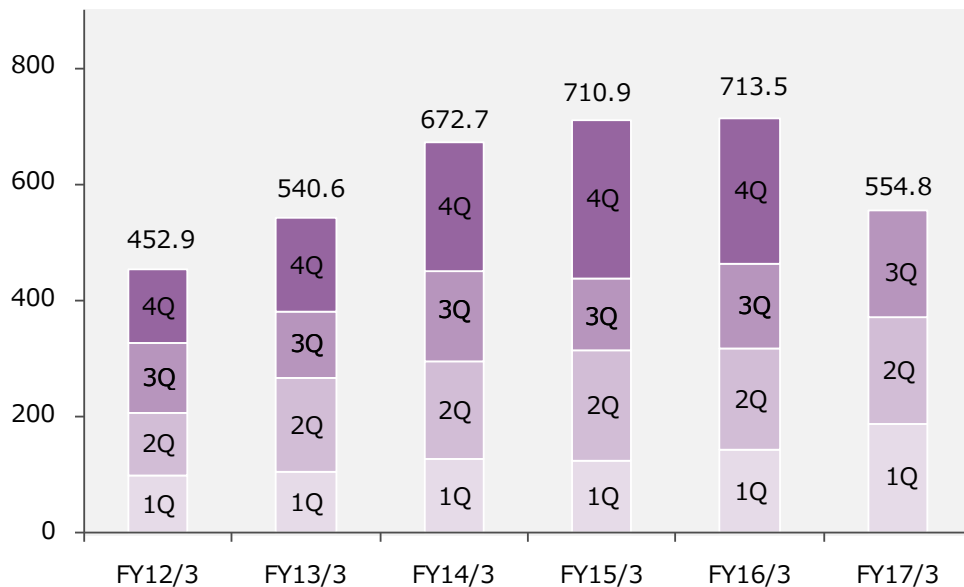
(Billion of yen)	FY16/3 3Q Actual ①	FY17/3 3Q Actual ②	Changes ②-①	FY16/3 Actual ③	FY17/3 Forecast ④	Changes ④-③
Operating revenue	21.7	25.2	+3.4	35.3	36.0	+0.6
Property brokerage	18.7	22.2	+3.5	28.0	—	—
Other	3.0	2.9	-0.0	7.3	—	—
Operating income	4.4	6.4	+2.0	9.9	9.0	-0.9

### 【Brokerage indicators】

Total transaction value (billion yen)	461.3	554.8	+93.4	713.5	—	—
Number of transactions	5,541	5,984	+443	7,710	—	—
Comission fee (billion yen)	18.7	22.2	+3.5	28.0	—	—
Comission rate (%)	4.1%	4.0%	-0.1P	3.9%	—	—
Number of retail stores	67	73	+6	68	—	—

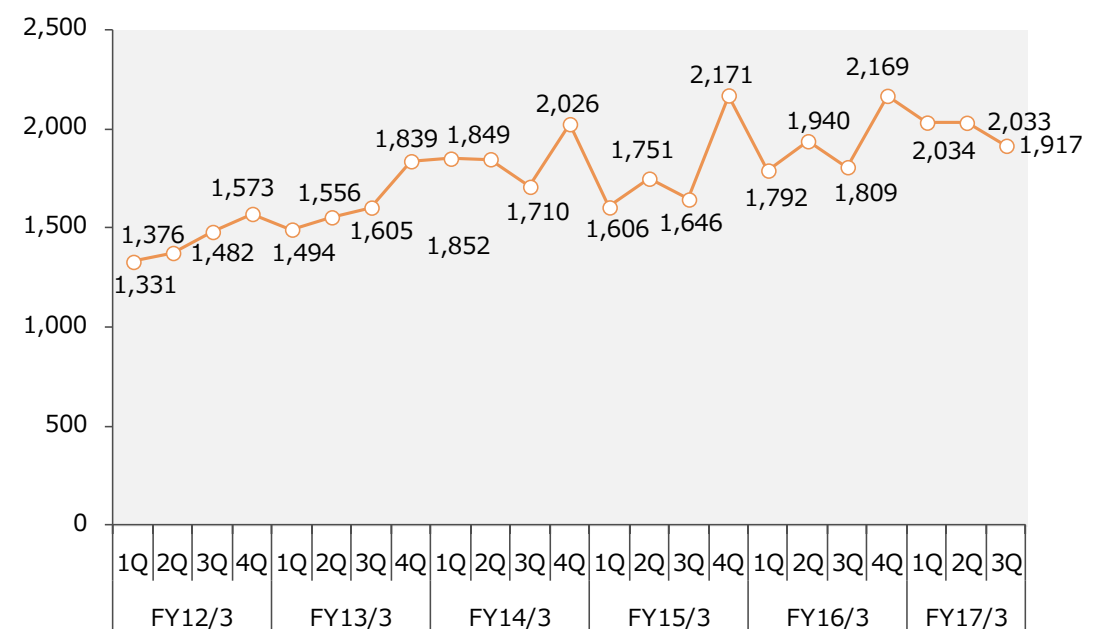
## Total Transaction Value of Property Brokerage

(Billions of yen)



## Number of Transactions

(No. of transactions)

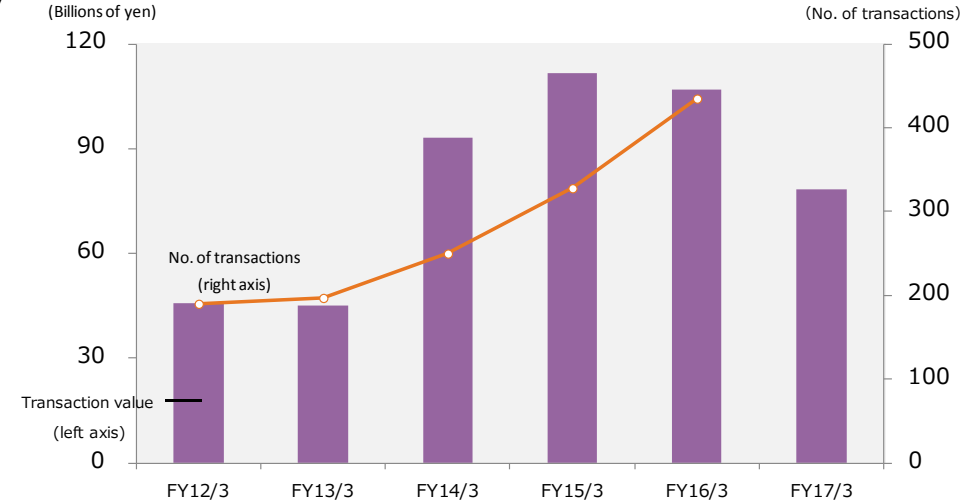


### Progress of Property Brokerage & CRE Unit

- In the Wholesale business, established new branches in Kyoto and Fukuoka in October in order to enhance sales activities in broader area. Moreover, increased the number of employees in Kansai and Nagoya.
- In the Retail business, planned to establish 100 retail stores and hire 1,000 sales reps by FY2022. The number of stores expanded to 73 by the end of FY17/3Q.
- Business collaboration with Nomura Securities is making a satisfactory growth which led to the transaction value of nearly 80 billion yen by the end of FY17/3Q.

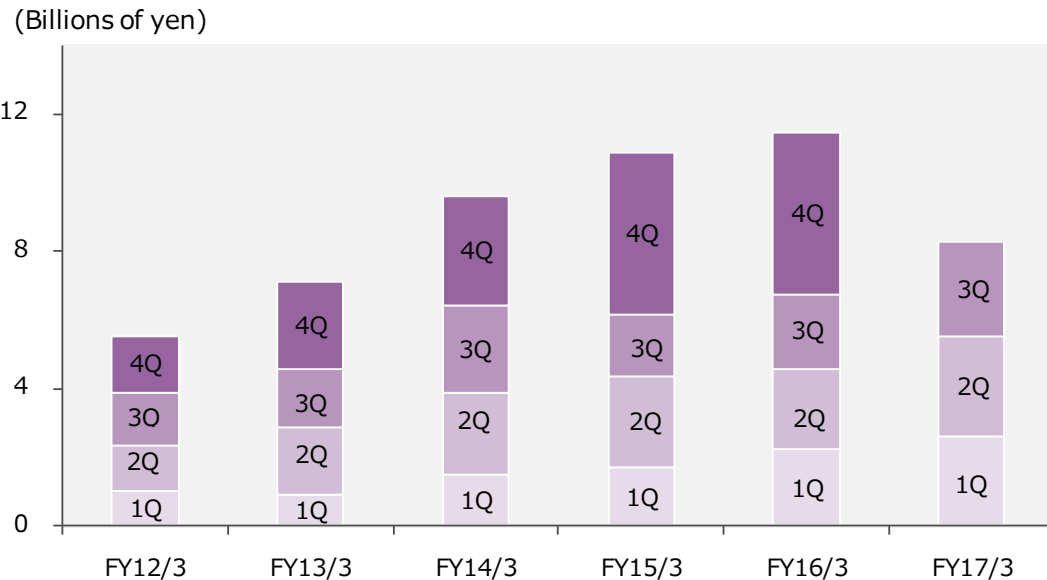
### Transaction value and number of transactions in cooperation with Nomura Securities

- Both the transaction value and number of transaction made a satisfactory progress. Transaction value marked nearly 80 billion yen.



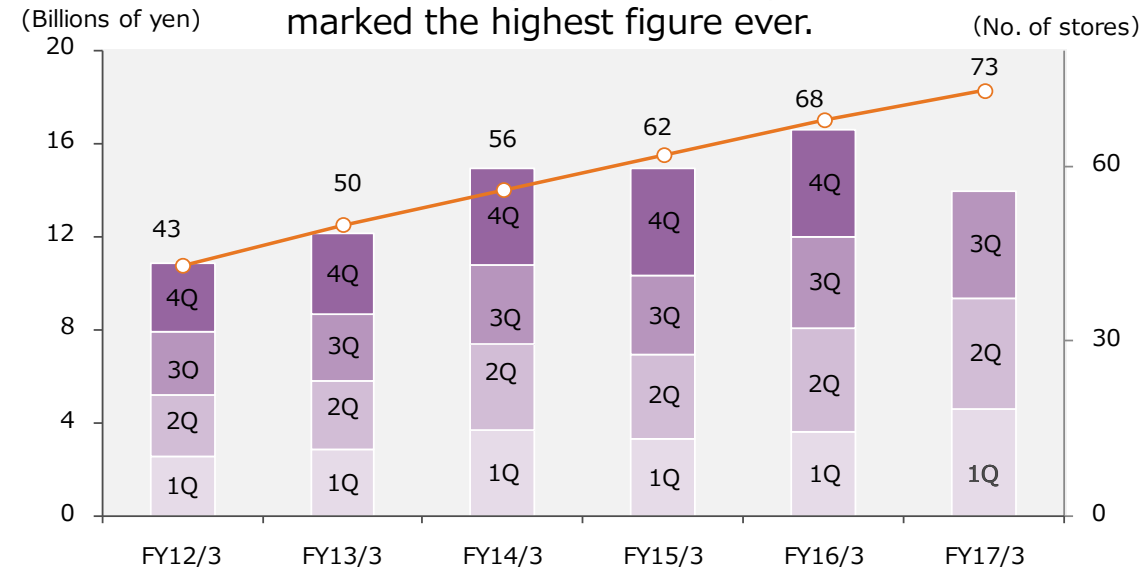
### Wholesale Business Commission

- Commission marked the highest figure ever by FY17/3Q



### Number of retail stores & retail business commission

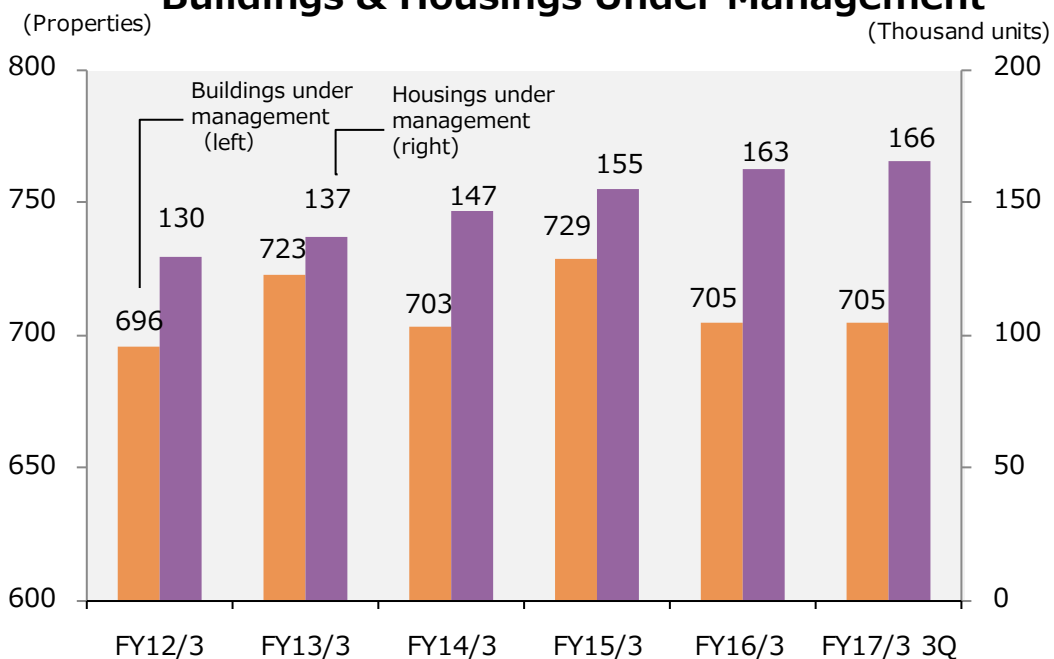
- Stores are expanding steadily. Transaction value marked the highest figure ever.



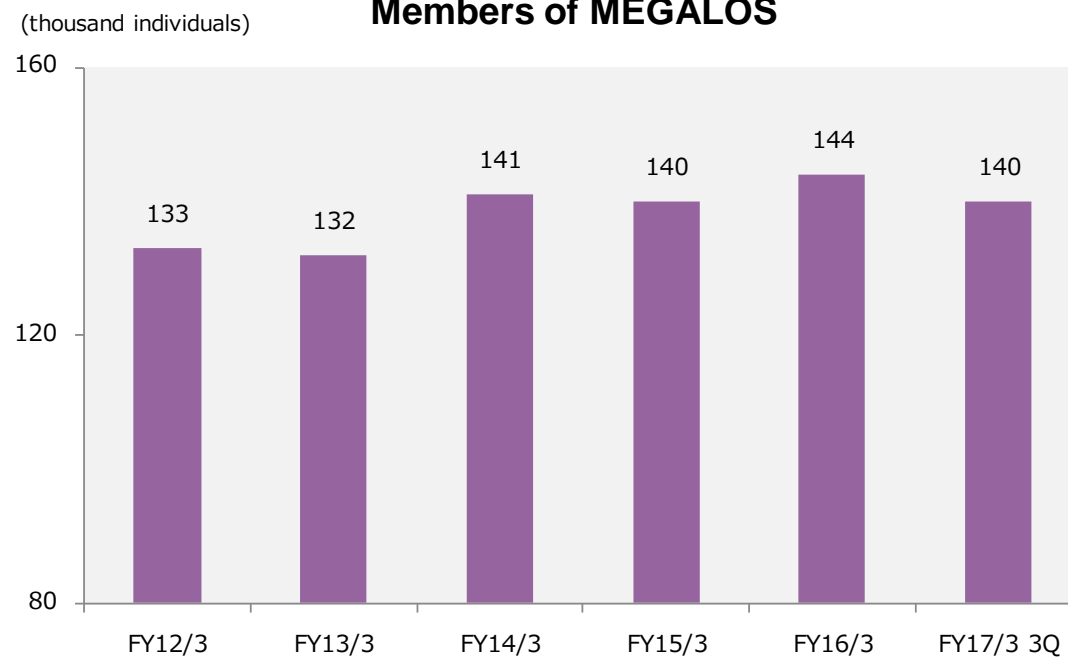
- Revenue of construction ordered such as large-scale repair work of condominiums increased.

(Billion yen)	FY16/3 3Q Actual ①	Fy17/3 3Q Actual ②	Changes ②-①	Fy16/3 Actual ③	FY17/3 Forecast ④	Changes ④-③
Operating revenue	64.0	68.9	+4.9	91.5	97.0	+5.4
Property & facility management	35.7	36.2	+0.5	47.9	—	—
Construction ordered	14.2	17.6	+3.4	24.6	—	—
Fitness club & elderly care	11.2	11.6	+0.4	14.9	—	—
Other	2.8	3.4	+0.6	3.9	—	—
Operating income	3.7	4.6	+0.8	5.6	6.5	+0.8
Building under management	722	705	-17	705	—	—
Housings under management	160,735	166,570	+5,835	163,036	—	—
Members of MEGALOS (individuals)	145,581	140,879	-4,702	144,263	—	—
Number of clubs	32	33	+1	33	—	—

## Buildings & Housings Under Management



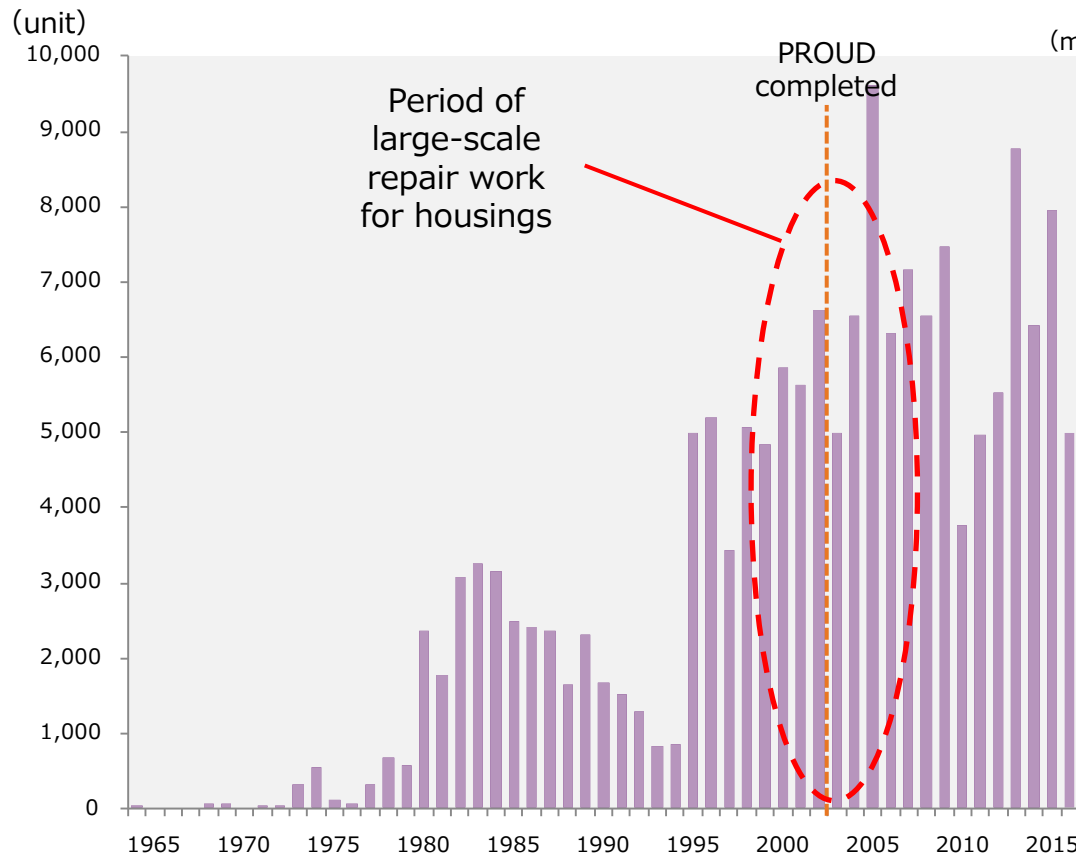
## Members of MEGALOS



- By taking advantage of engineering capabilities resulting from the merger of two management companies, we are actively taking construction orders on large-scale repair work of condominiums.
- 13 years have passed since the completion of the first PROUD series condominium. Thus, increasing number of housings require large-scale repair work at this point.
- Accelerate making proposals on higher quality large-scale repair work service aiming at reducing life cycle costs of buildings compared to conventional repair work service.

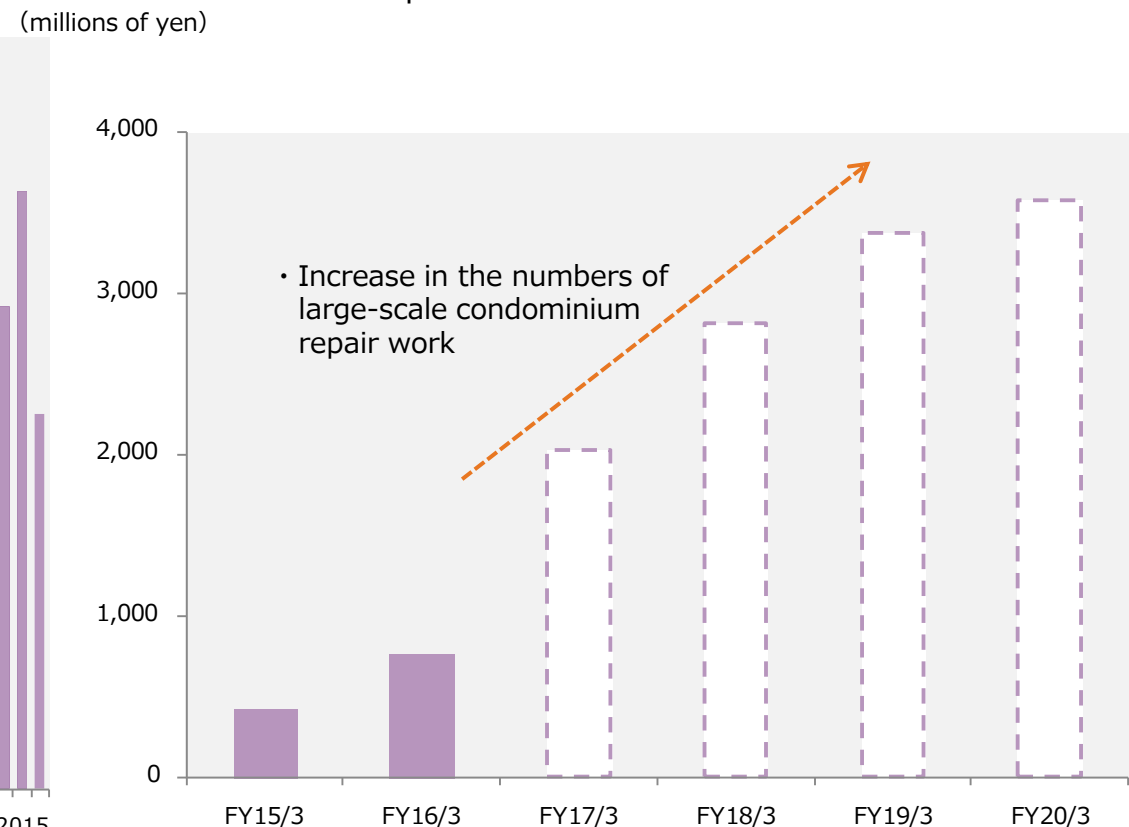
## The Number of Housings Under Management completed

After year 2000, we have owned average of 6,000 housing stocks annually in accordance with the expansion of housing sales business. The period of large-scale repair work for a number of housings has come.



## Sales Plan Image of Large-scale Condominium Repair Work (Tokyo Metropolitan Area)

Considering the fact that we actively take construction orders and the numbers of the prospective condominiums are increasing, we expect an increase in the revenue of large-scale condominium repair work.



※The units of housings under management also includes the housings that were not sold by Nomura Real Estate Development Co., Ltd.

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