

Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 and Unit Information

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Highlights of FY2017/3 Financial Results

<Summary>

- The Financial results of FY17/3 were as follows:
Operating revenue; 569.6 billion yen (up 0.0% y/y); operating profit; 77.2 billion yen(down 4.5% y/y); ordinary profit; 68.9 billion yen (down 5.1% y/y); and profit attributable to owners of parent; 47.0 billion yen(down 0.4% y/y).
- In the Residential Development Unit, the number of condominiums and detached houses sold decreased to 5,567 units (down 439 units y/y) while the average sales price increased. The number of the housing units sold is predicted to be 6,000 units for FY18/3 and its contract progress rate as of the beginning of FY18/3 is 43.0%.
- In the Leasing Unit, tenant leasing made a satisfactory progress, and the vacancy rate as of the end of FY17/3 improved to 0.8% (down 1.4 points from the previous fiscal year).
- All Units in the Service Management Sector, which are the Investment Management Unit, the Property Brokerage & CRE Unit, and the Property & Facility Management Unit made a steady progress. Especially the Property Brokerage & CRE Unit marked the highest figure ever in both the number of transaction and transaction value.
- FY17/3 resulted in Operating profit of 77.2 billion yen which surpasses the initial forecast of 76.0 billion yen. This was due to an increase in profit of the Leasing Unit and the Service Management Sector which made up for a decrease in profit of the Residential Development Unit.
- Financial result forecast for FY18/3 will be as follows:
Due to an increase in commission fee, the Service Management Sector is predicted to be resulted in increase in both revenue and profit while the Residential Development Unit will result in decrease in operating profit due to decline of gross margin ratio. Overall forecast is predicted to be nearly the same profit standard as FY17/3.
- FY17/3 year-end dividend per share was 35 yen per share , an increase of 5 yen from the forecast . Accordingly, the annual dividend per share for FY17/3 is 65 yen (increase 7.5 yen y/y) which was an increase of dividend for 5 years in a row. The annual dividend of FY18/3 is predicted to be 70 yen(increase ¥5.0 y/y).

Outline of Consolidated Financial Results

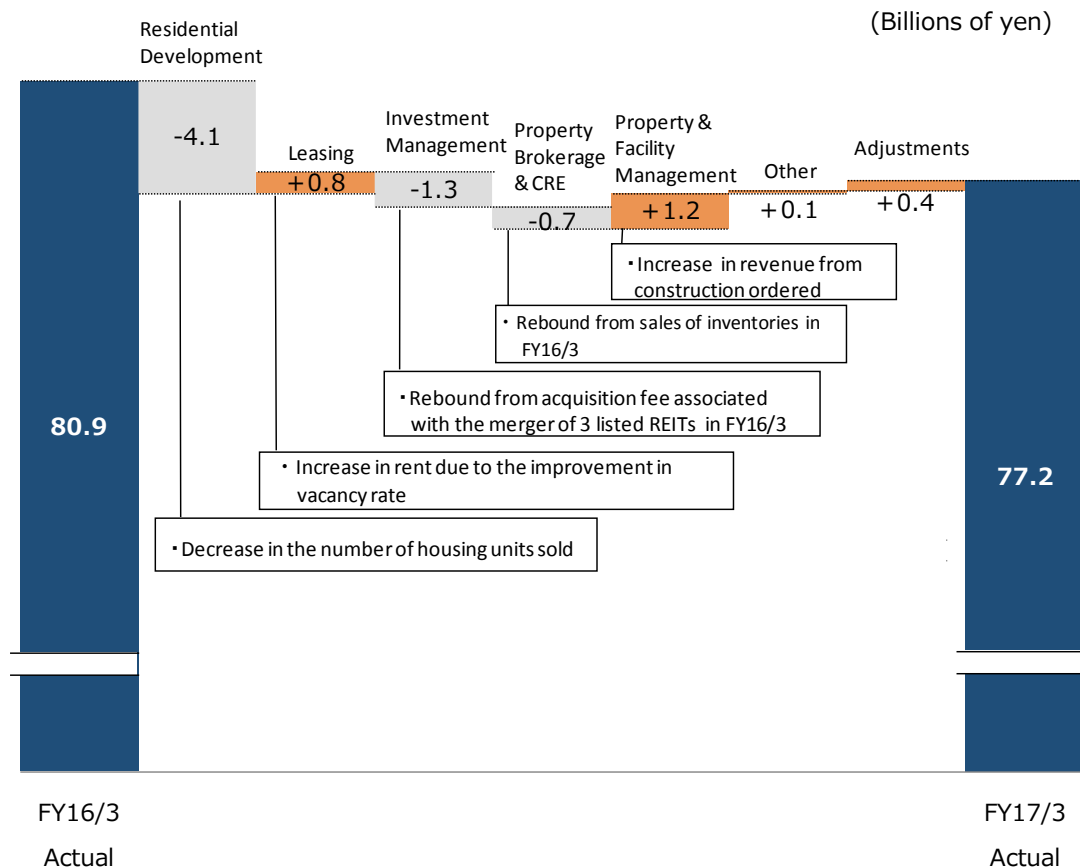
(Billions of yen) *Figures rounded down to the nearest 100 million yen	FY16/3 Actual ①	FY17/3 Actual ②	Changes ② - ①	Key Factors
Operating revenue	569.5	569.6	+0.1	<Operating revenue & Operating profit>
Operating gross profit	177.9	177.2	-0.7	• A decrease in housing unit sales in the Residential Development Unit
Selling, general and administrative expenses	97.0	99.9	+2.9	• An increase in brokerage commission fees and construction ordered in the Service Management Sector
Operating profit	80.9	77.2	-3.6	
Non-operating income	1.5	0.6	-0.8	
Non-operating expenses	9.7	9.0	-0.7	
Ordinary profit	72.6	68.9	-3.7	<Extraordinary income, etc>
Extraordinary income	—	0.9	+0.9	• An increase in extraordinary income due to sales of non-current assets
Extraordinary losses	1.7	0.5	-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	21.8	21.7	-0.0	
Profit attributable to non-controlling interests	1.9	0.5	-1.4	
Profit attributable to owners of parent	47.1	47.0	-0.1	
Basic earnings per share (yen)	246.42	245.10	-1.32	
Cash dividends per share (yen)	57.50	65.00	+7.50	
Net cash provided by (used in) operating activities	13.2	-31.8	-45.1	• Increases in inventories, etc.
Net cash provided by (used in) investment activities	-59.7	-54.5	+5.1	
Net cash provided by (used in) financing activities	53.6	76.5	+22.9	
Cash and cash equivalents at end of period	57.5	47.6	-9.8	

(Billions of yen)	Mar 31, 2016 ①	Mar 31, 2017 ②	Changes ②-①	Key Factors
Total assets	1,485.4	1,593.0	+107.6	• Increases in inventories, properties, plants and equipments
Total interest-bearing debt	721.9	810.1	+88.2	
Shareholders' equity	444.8	481.3	+36.5	
Shareholders' equity ratio	29.9%	30.2%	+0.3P	
Debt/equity ratio	1.6	1.7	+0.1	

- Profit decreased in the Residential Development Unit due to a fall in housing units sold. Profit rose in the Leasing Unit due to increase in sales of Property Development Business. In the Service & Management Sector, although profit was down due to the absence of the one-time profit of FY16/3, results were firm with number of transactions and transaction value both stood at record highs in the Property Brokerage & CRE Unit.

(Billions of yen)	FY16/3 Actual	FY17/3 Actual	Changes	FY17/3 Initial	Changes
	①	②	②-①	③	②-③
Operating revenue	569.5	569.6	+0.1	589.0	-19.3
Residential Development	334.5	329.7	-4.7	339.0	-9.2
Leasing	110.2	115.0	+4.7	121.0	-5.9
Service & Management	137.8	140.2	+2.3	139.0	+1.2
Investment Management	10.9	9.6	-1.3	8.0	+1.6
Property Brokerage & CRE	35.3	34.8	-0.5	35.0	-0.1
Property & Facility Management	91.5	95.7	+4.2	96.0	-0.2
Other	1.3	0.1	-1.2	0.0	+0.1
Adjustments	-14.4	-15.4	-1.0	-10.0	-5.4
Operating profit	80.9	77.2	-3.6	76.0	+1.2
Residential Development	31.9	27.7	-4.1	30.5	-2.7
Leasing	31.7	32.5	+0.8	30.5	+2.0
Service & Management	22.9	22.0	-0.8	19.0	+3.0
Investment Management	7.3	6.0	-1.3	4.5	+1.5
Property Brokerage & CRE	9.9	9.1	-0.7	8.5	+0.6
Property & Facility Management	5.6	6.9	+1.2	6.0	+0.9
Other	-0.1	-0.0	+0.1	0.0	-0.0
Adjustments	-5.5	-5.1	+0.4	-4.0	-1.1
Ordinary profit	72.6	68.9	-3.7	67.0	+1.9
Profit attributable to owners of parent	47.1	47.0	-0.1	43.0	+4.0
Basic earnings per share (yen)	246.42	245.10	-1.32	224.33	+20.77
Cash dividends per share (yen)	57.50	65.00	+7.50	60.00	+5.00

Key Factors of Changes in Operating Profit by Unit (compared to FY16/3)



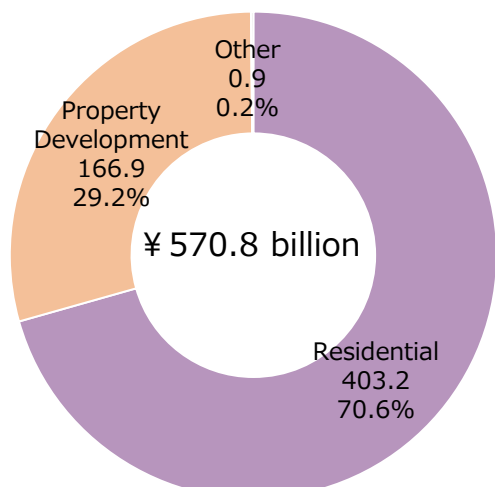
Consolidated Balance Sheets

(Billions of yen) *Figures rounded down to the nearest 100 million yen	As of Mar 31, 2016 ①	As of Mar 31, 2017 ②	Changes ② - ①	Key Factors
Assets	1,485.4	1,593.0	+ 107.6	
Current assets	608.7	684.3	+ 75.5	<Inventories>
(Breakdown)				
Cash and deposits / Short-term investment securities	57.5	47.7	-9.8	Residential
Notes and accounts receivable-trade	15.3	16.5	+ 1.1	Property development
Inventories	496.9	570.8	+ 73.9	Other business
Equity investments	0.8	2.5	+ 1.7	Adjustments
Other current assets	38.0	46.6	+ 8.5	
Noncurrent assets	876.6	908.7	+ 32.1	
Property, plant and equipment	779.0	808.8	+ 29.7	* Residential··Residential Development Unit
Intangible assets	10.6	10.9	+ 0.3	* Property development··Leasing Unit, Investment Management Unit, and Property Brokerage & CRE Unit
Investments and other assets	86.8	88.9	+ 2.0	* Other··Property & Facility Management, Other Unit
(Breakdown)				<Property, plant and equipment >
Investment securities	45.5	46.2	+ 0.7	· An increase associated with acquisition of three properties* from Nomura Real Estate Master Fund, Inc.(NMF)
Lease and guarantee deposits	21.3	21.7	+ 0.3	*NOF Nihonbashi Honcho building +23.1 billion, NOF Tameike building +4.6 billion, NOF Minami-Shinjuku building +2.4 billion
Other noncurrent assets	20.0	20.9	+ 0.9	Total: 30.1 billion
Liabilities	1,029.0	1,099.2	+ 70.2	<Notes and accounts payable-trade>
Current liabilities	289.1	255.7	-33.3	· Payment of accounts payable of construction cost in the residential development business
(Breakdown)				
Notes and accounts payable-trade	51.1	35.6	-15.5	
Short-term loans payable, etc.	137.3	116.3	-21.0	
Deposits received	29.6	29.4	-0.1	
Other current liabilities	71.0	74.4	+ 3.3	
Noncurrent liabilities	739.9	843.4	+ 103.5	<Total interest-bearing debt>
(Breakdown)				· Mar 31, 2016: ¥ 721.9 billion → Mar 31, 2017: ¥ 810.1 billion
Bonds payable	60.0	70.0	+ 10.0	
Long-term loans payable	524.6	623.8	+ 99.2	
Lease and guarantee deposits received	63.7	57.5	-6.1	
Other noncurrent liabilities	91.5	92.0	+ 0.5	
Net assets	456.4	493.8	+ 37.4	
Total liabilities and net assets	1,485.4	1,593.0	+ 107.6	
Shareholders' equity ratio	29.9%	30.2%	+ 0.3P	<Shareholders' equity>
Debt/equity ratio	1.6	1.7	+ 0.1	· Mar 31, 2016: ¥444.8 billion → Mar 31, 2017: ¥481.3 billion

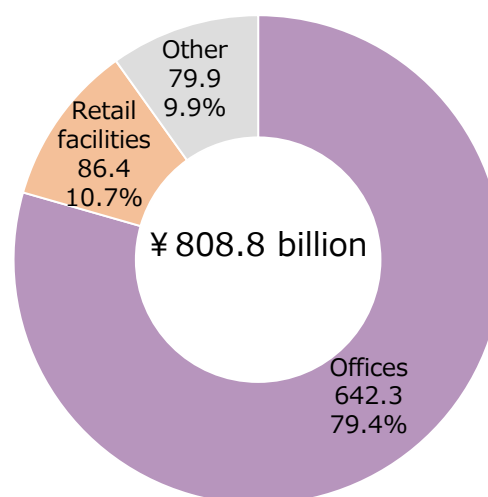
Total Assets : 1,593.0 billion yen

Current assets		Liabilities	
Cash and deposits / Short-term investment securities	47.7	Interest-bearing debt	810.1
Notes and accounts receivable-trade	16.5	Short-term loans payable, etc.	116.3
Inventories	570.8	Bonds payable	70.0
Residential	403.2	Long-term loans payable	623.8
Property development	166.9	Notes and accounts payable-trade	35.6
Other	0.9	Deposits received	29.4
Adjustments	-0.3	Other current liabilities	74.4
Equity investments	2.5	Lease and guarantee deposits received	57.5
Other current assets	46.6	Other noncurrent liabilities	92.0
Noncurrent assets		Net assets	
Property, plant and equipment	808.8	Shareholder's Equity	481.3
Offices	642.3	Subscription rights to shares	1.9
Commercial facilities	86.4	Non-controlling interest	10.4
Other	79.9		
Intangible assets	10.9		
Investments and other assets	88.9		

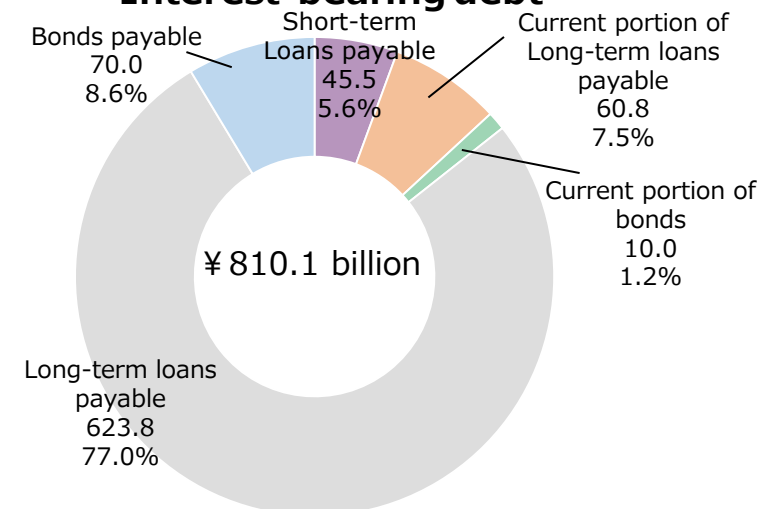
Inventories



Property, plant and equipment



Interest-bearing debt

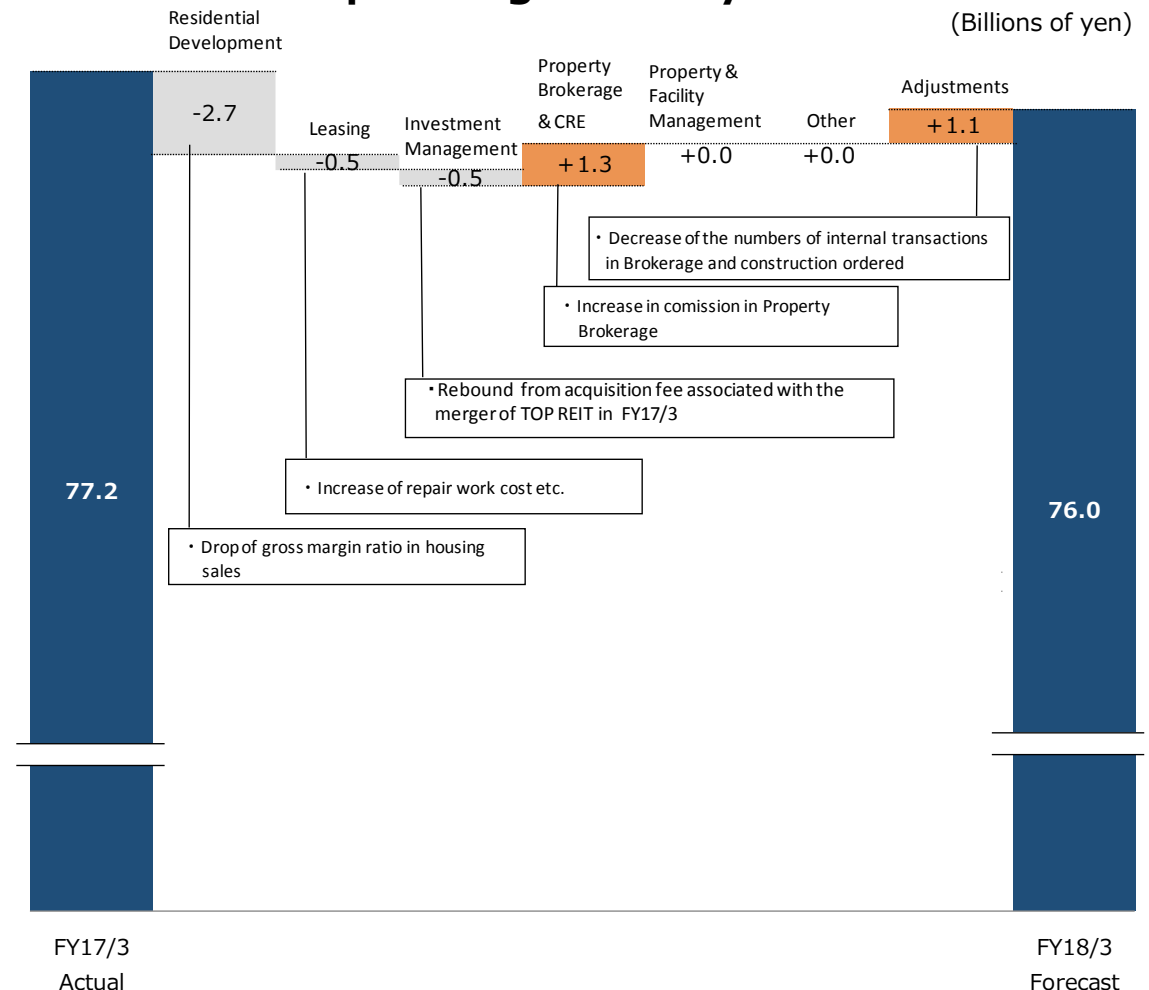


Residential: The Residential Development Unit
 Property development: The Leasing Unit, the Investment Management Unit, and the Property Brokerage & CRE Unit

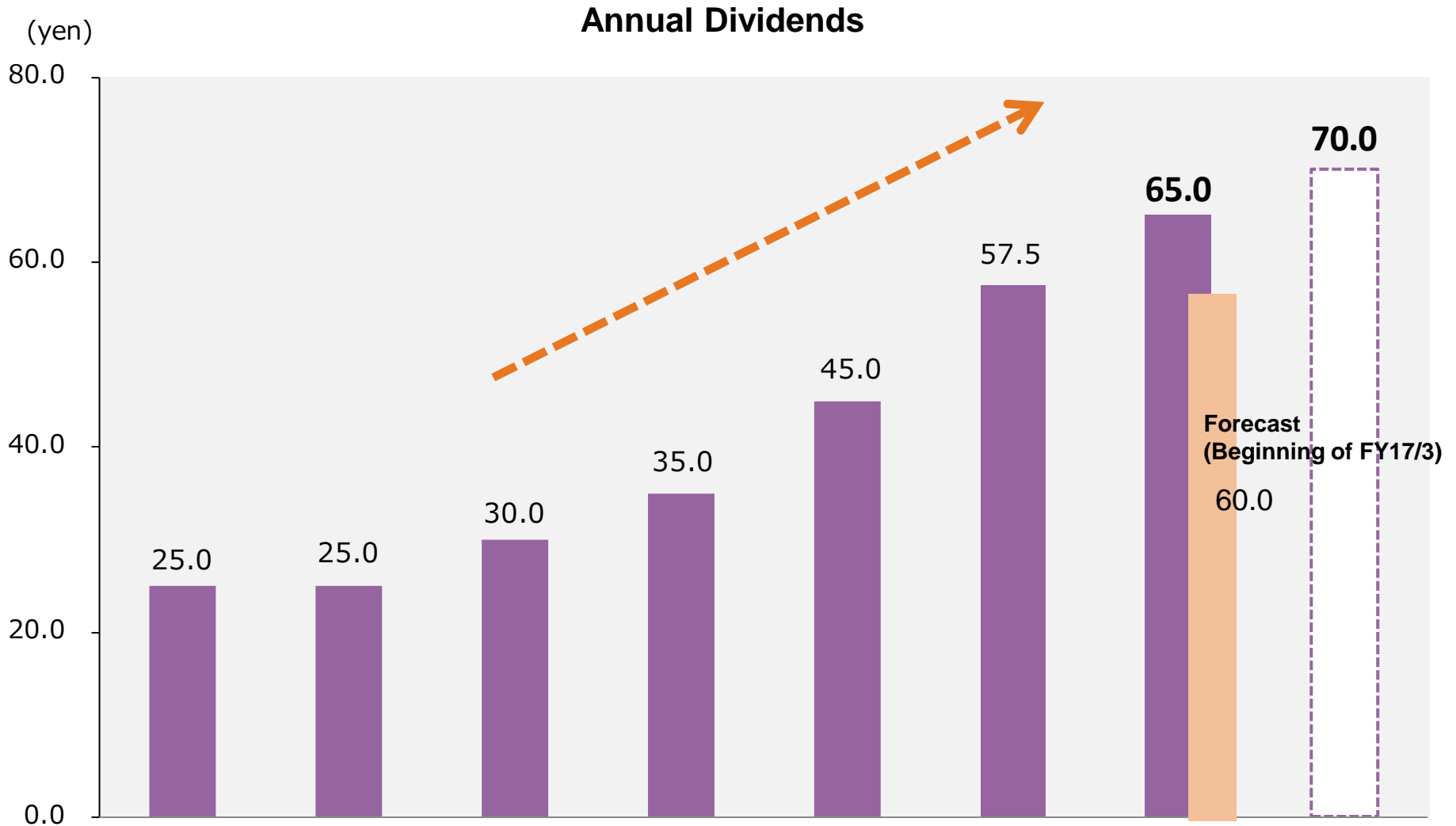
- Although we expect lower profit in the Residential Development Unit due to a lowering of the operating gross profit, we expect Service & Management Sector to be resulted in an increase in both revenue and operating profit with the increase of commission revenue. As a result, overall forecast is predicted to be nearly the same profit standard as FY17/3.

(Billions of yen)	FY17/3 Actual ①	FY18/3 Forecast ②	Changes ② - ①
Operating revenue	569.6	646.0	+76.3
Residential Development	329.7	365.0	+35.2
Leasing	115.0	143.0	+27.9
Service & Management	140.2	151.5	+11.2
Investment Management	9.6	9.5	-0.1
Property Brokerage & CRE	34.8	38.0	+3.1
Property & Facility Management	95.7	104.0	+8.2
Other	0.1	0.0	-0.1
Adjustments	-15.4	-13.5	+1.9
Operating profit	77.2	76.0	-1.2
Residential Development	27.7	25.0	-2.7
Leasing	32.5	32.0	-0.5
Service & Management	22.0	23.0	+0.9
Investment Management	6.0	5.5	-0.5
Property Brokerage & CRE	9.1	10.5	+1.3
Property & Facility Management	6.9	7.0	+0.0
Other	-0.0	0.0	+0.0
Adjustments	-5.1	-4.0	+1.1
Ordinary profit	68.9	67.0	-1.9
Profit attributable to owners of parent	47.0	44.0	-3.0
Net income per share (yen)	245.10	229.31	-15.79
Cash dividends per share (yen)	65.00	70.00	+5.00

Key Factors of Changes in Operating Profit by Unit



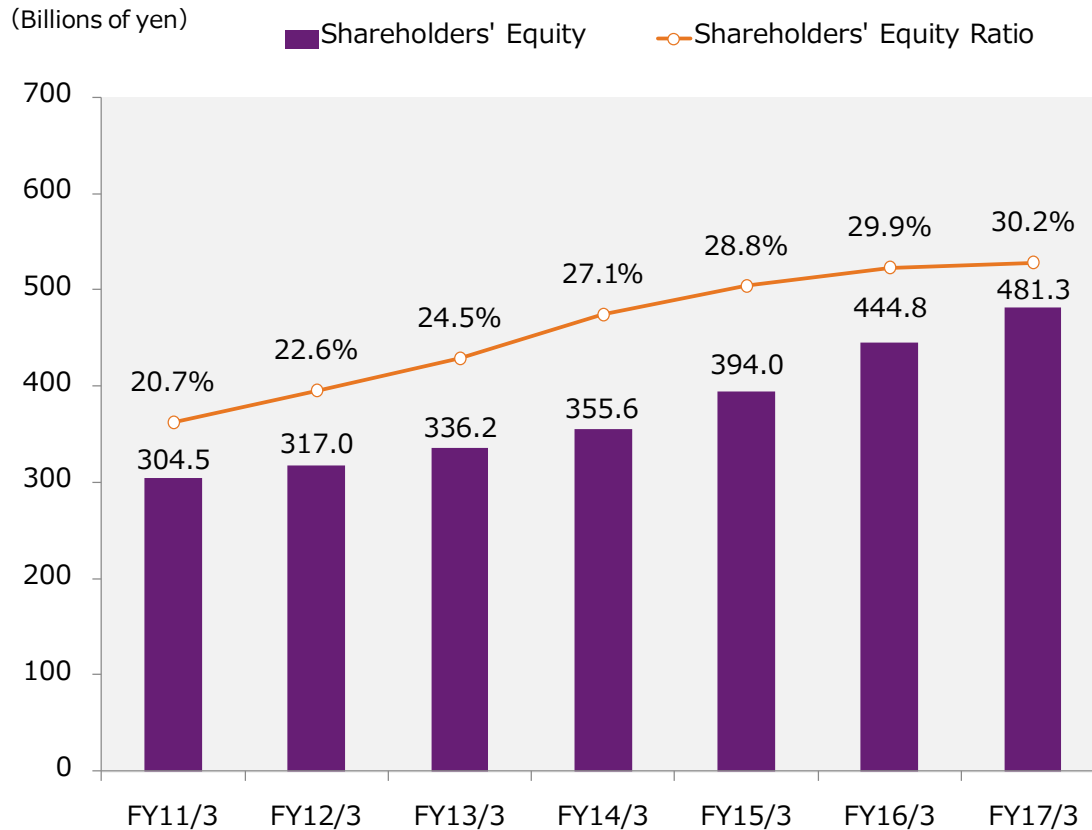
- FY17/3 year-end dividend per share increased to ¥35 per share, an increase of ¥5 from the forecast. Accordingly, the annual dividend per share for the current fiscal year is ¥65 (increase ¥7.5 y/y). The annual dividend of FY18/3 is predicted to be ¥70 (increase ¥5.0 y/y), which would result in a 5 continuous years of increase in dividend.



	FY11/3	FY12/3	FY13/3	FY14/3	FY15/3	FY16/3	FY17/3	FY18/3 (Forecast)
EPS(yen)	28.74	92.38	101.61	140.70	201.28	246.42	245.10	229.31
Payout ratio(%)	87.00	27.10	29.50	24.90	22.40	23.3	26.5	30.5
Devidend yield (%)	2.0	1.7	1.4	1.8	2.1	2.8	3.7	-

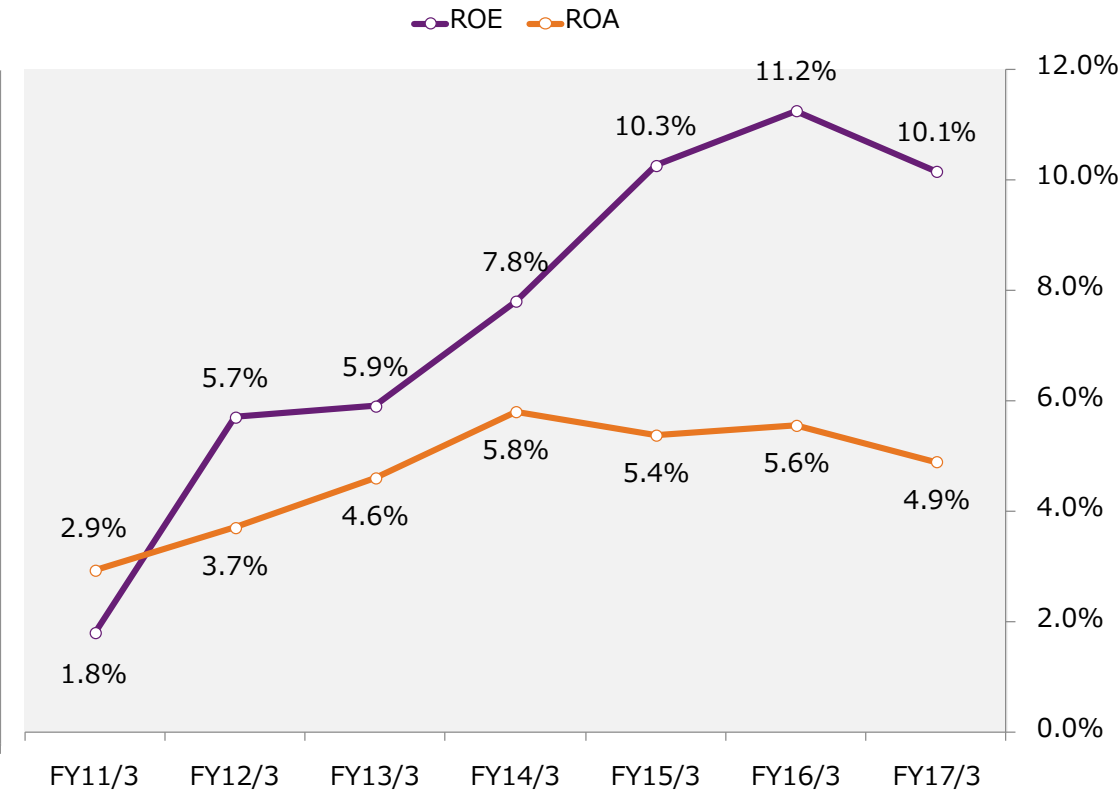
Shareholders' Equity/Shareholders' Equity Ratio

- Shareholders' equity ratio has improved **30.2 %**, reaching a 30%-level, our accounting mid-term target.



ROA/ROE

- ROA of **4.9%** and ROE of **10.1%**, maintaining high level.

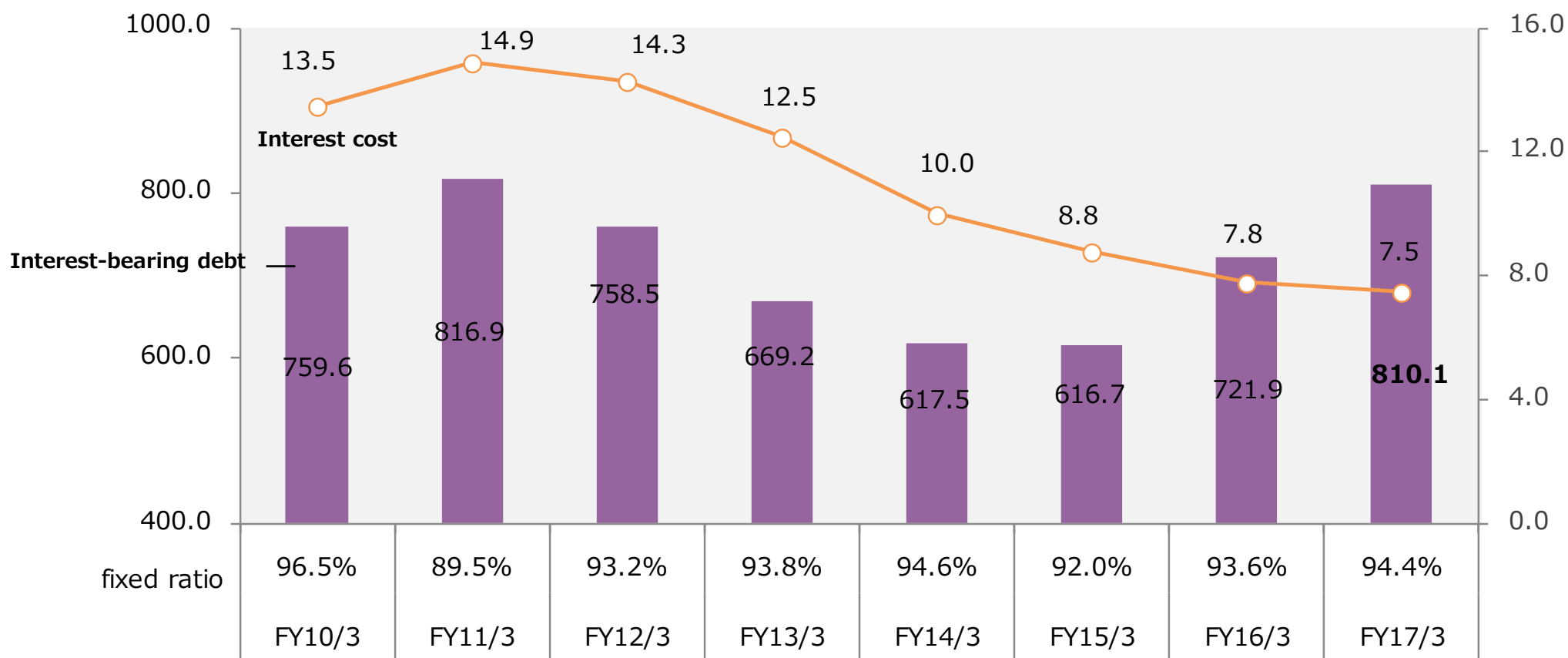


ROA = (Operating profit + Non-operating income) / Year-end total assets
 ROE = Net income / Shareholders' equity (as average over the year)

- 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.
- From FY16/3 onward, interest expense has been in a decline trend due to lowering of interest rate while **interest-bearing debt has been increasing by 88.2 billion** in accordance with active investment.

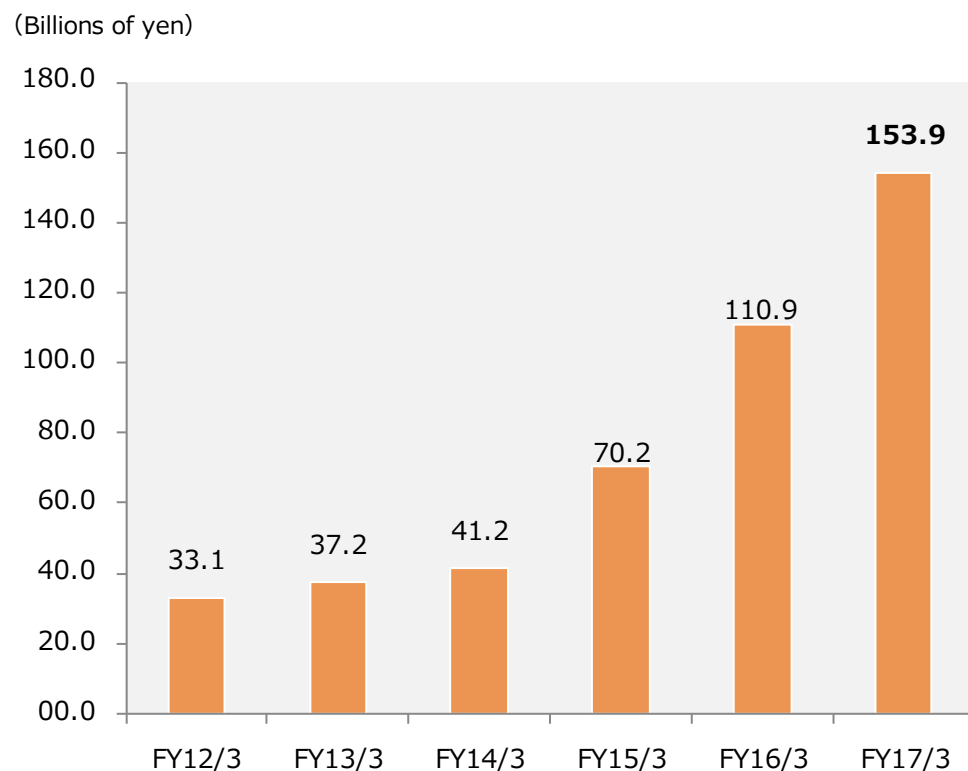
interest-bearing debt (Billions of yen)

interest expenses (Billions of yen)

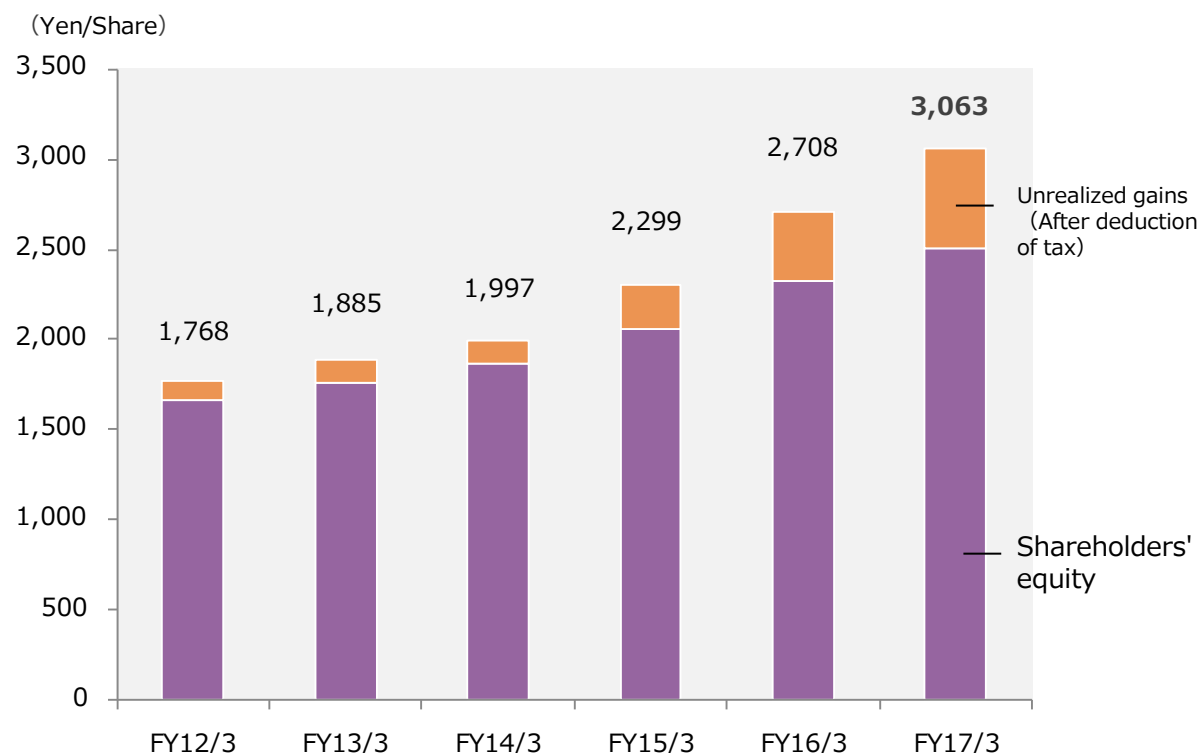


- Due to the decline of the Cap Rate seen in all area, our unrealized gains have increased to ¥ 153.9 billion
- An increase in shareholders' equity by building up periodic profit and an increase in unrealized gains contributed to an increase in NAV per share to ¥ 3,063 (up ¥ 355 y/y)

Changes in unrealized gains



Changes in NAV per share



※1 Unrealized gain is the amount deducted the book value from the market price 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)

Unit information

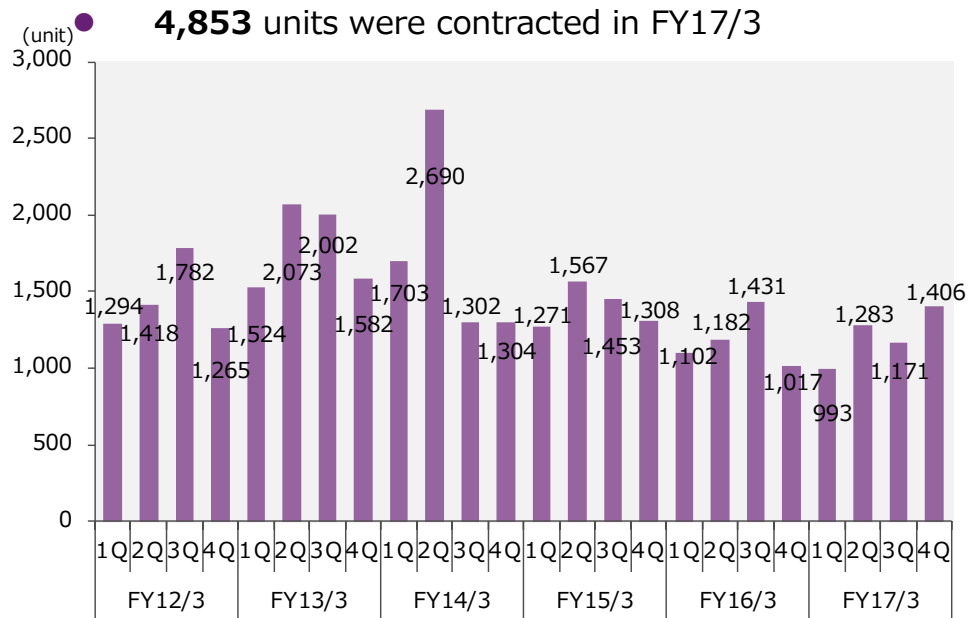
- The number of housing units sold decreased, while average housing prices rose. The gross margin ratio declined to **21.7%** (down 0.1 points y/y).

(Billions of yen)	FY16/3 Actual ①	FY17/3 Actual ②	Changes ② – ①	FY18/3 Forecast ③	Changes ③ – ②
Operating revenue	334.5	329.7	-4.7	365.0	+35.2
Housing sales	318.7	308.9	-9.8	—	—
Other	15.7	20.8	+5.1	—	—
Operating profit	31.9	27.7	-4.1	25.0	-2.7

【Housing sales indicators】

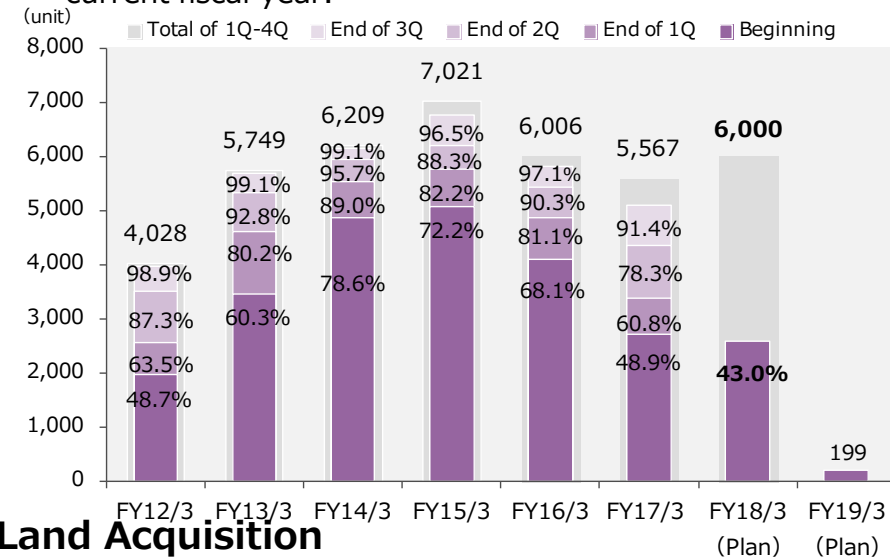
Housing sales (unit)	6,006	5,567	-439	6,000	+433
Condominiums	5,363	4,885	-478	5,400	+515
Detached housing	643	682	+39	600	-82
Tokyo metropolitan area	4,721	4,291	-430	4,500	+209
Osaka metropolitan area	857	807	-50	850	+43
Other area	427	468	+41	650	+182
Sold but not recorded housing (unit)	3,493	2,779	-714	—	—
Completed housing inventories (unit)					
released for sale	134	252	+118	—	—
unreleased	215	402	+187	—	—
Average sales price (million yen)	53.07	55.49	+2.42	—	—
Gross margin ratio (%)	21.9%	21.7%	-0.1P	—	—

Number of Contracted Housing Units by quarter



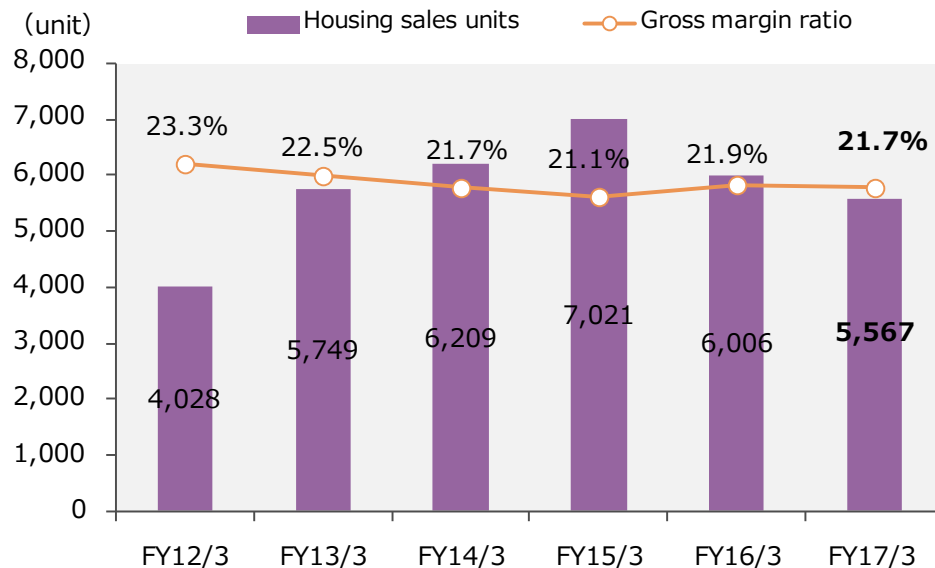
Contract Rates based on the number of recorded housing

- **2,580 units (43.0%)** were contracted as of the beginning of the current fiscal year.



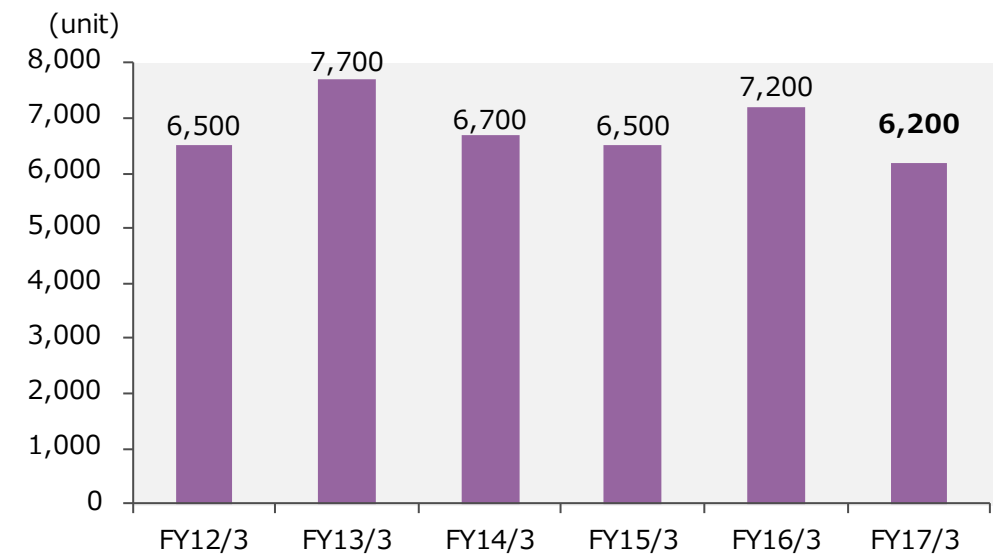
Gross Profit Margin & Number of Housing Units Sold

- Gross margin ratio was **21.7%** due to posting large-scale properties.



Land Acquisition

- Lands of **6,200 units** were acquired in FY17/3. Lands for FY18/3 onward are **22,200 units**.

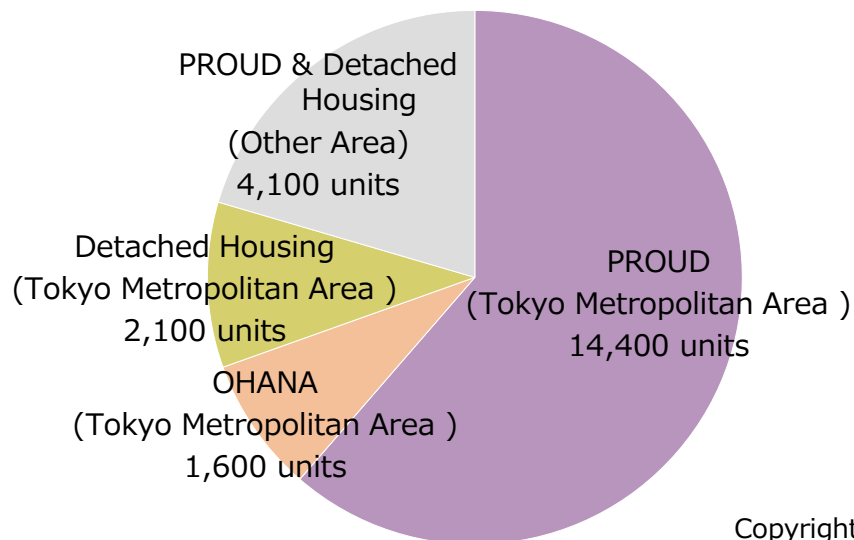


FY18/3	FY19/3	FY20/3	FY21/3~
PROUD Sakurashinmachi (Setagaya-ku, Tokyo 174 units)	PROUD Ginza-Higashi Residence (Chuo-ku, Tokyo 99 units)	Shinonome 1chome Project (Koto-ku, Tokyo 306 units)	Sarugakucho II Project (Shibuya-ku, Tokyo 108 units)
PROUD TOWER Kiba-Koen (Koto-ku, Tokyo 204 units)	Higashi-Ikebukuro 5-chome Redevelopment Project (Toshima-ku, Tokyo 110 units)	Shimorenjaku 5 chome Project (Mitaka-shi, Tokyo 319 units *1*2)	Musashi-Koganei Station South Exit Second District Redevelopment Project (Koganei-shi, Tokyo 618 units)
Roka-Koen The Residence (Setagaya-ku, Tokyo 155 units *1*2)	Tokyo Bay-front Project (Koto-ku, Tokyo 305 units)	Tamadaira 2chome Project (Hino-shi, Tokyo 653 units※1)	Hiyoshi Minowacho Project (Kouhoku-ku, Yokohama-shi TBD *1*2)
PROUD CITY Ota-Rokugo (Ota-ku, Tokyo 632 units *1)	PROUD CITY MusashinoMitaka (Musashino-shi, Tokyo 334 units※1)	Kawaguchi Iizuka Project (Kawaguchi-shi, Saitama 198 units)	Urawa Station West Exit South Redevelopment Project (Urawa-ku, Saitama-shi TBD*2)
PROUD Fuchu Station Arena (Fuchu-shi, Tokyo 111 units)	AIR HILLS Fujisawa (Fujisawa-shi, Kanagawa 105 units *2)	Makuharishintoshin Project (Mihama-ku, Chiba-shi TBD※1, 2)	Tsudanuma Station-Front Project (Narashino-shi, Chiba 190 units *2)
PROUD TOWER Nagoya-Sakae (Naka-ku, Nagoya-shi 214 units *2)	Makuhari Bay Towers Project (Mihama-ku, Chiba-shi 119 units※2)	Koraibashi Project (Chuo-ku, Osaka-shi 170 units *2)	Sakai-Higashi GIORNO Redevelopment (Sakai-ku, Sakai-shi 272 units)

*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 Obtained 22,200 units for FY18/3 onward



PROUD Fuchu Station Arena



PROUD TOWER Kiba-Koen

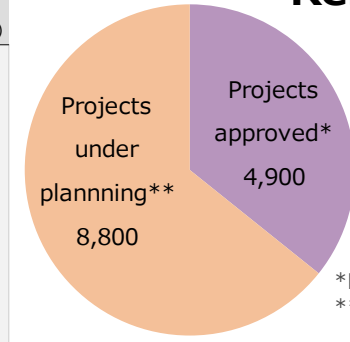
【Reference】 Residential Large-scale Redevelopment & Rebuilding Business

- 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

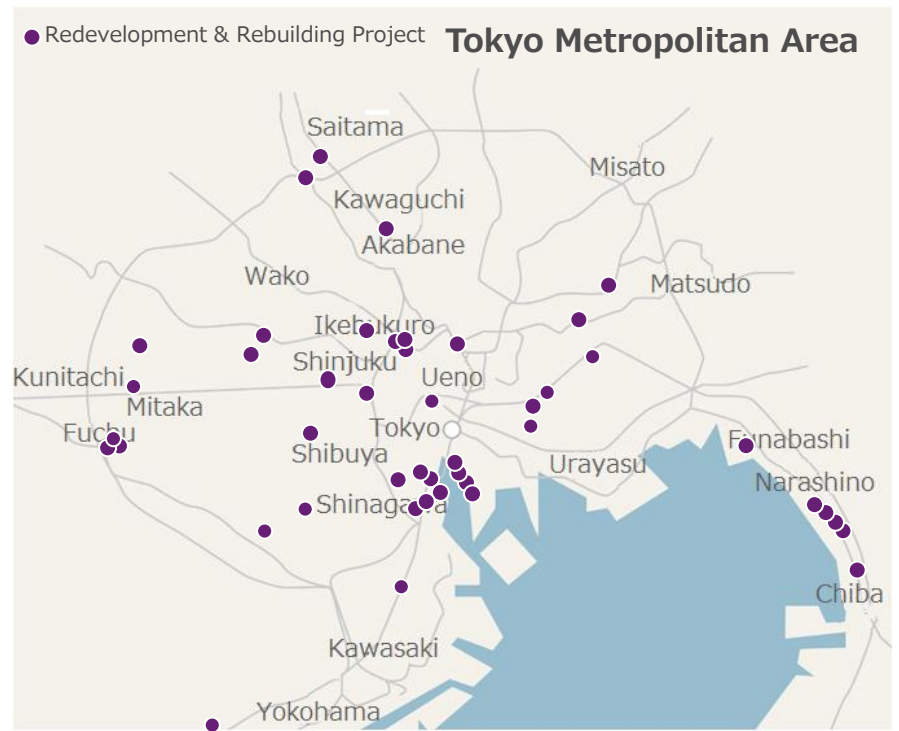
Breakdown of Residential Redevelopment / Rebuilding Projects

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
Wakashio Heights*1	556	Start	Complete	Complete
Minamikojiwa 6chome district Redevelopment *1	300~	Start	Complete	Complete
Hankyu Tsukaguchi Satation-Front Redevelopment *2				
Phase 2 Planned to be completed				
Higashi-Ikebukuro Station-Front Redevelopment				
Hirai Station North Exit District Redevelopment				
Kawaguchi-sakemachi 3chome District Redevelopment Etc.				
Funabashi Station South Exit District Redevelopment				
Tsukishima 3chome South Redevelopment *1				
Tateishi Station South Exit East District Redevelopment *1				
Iidabashi Station Central District Redevelopment *2				
Kachidoki Station South 8&9 Block Redevelopment *1				
JR Kamata Station East Exit Central District Redevelopment				
Phase 3 onward Planned to be completed				
Akasaka 7chome 2nd Distdct Redevelopment *1				
Kodaira Station-Front North District Redevelopment *1				
Minami-Ikebukuro 2chome C-District Redevelopment *1				
Nishi-Shinjuku 3chome West Redevelopment*1,2				
Kouyamachi · Miyukicho Redevelopment (Shizuoka) *1				
Nishi-Ojima Station-Front Redevelopment*1				
Nishi-Nippori Station-Front Redevelopment*1,2				
Hirao Condominium Redevelopment*1				
Okayama Station-Front Urban area Redevelopment*1 Etc.				



Of all the 22,200 units of stocks from FY18/3 onward, projects approved of **4,900 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.

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

Projects approved (purple bar) Projects under planning (orange bar)

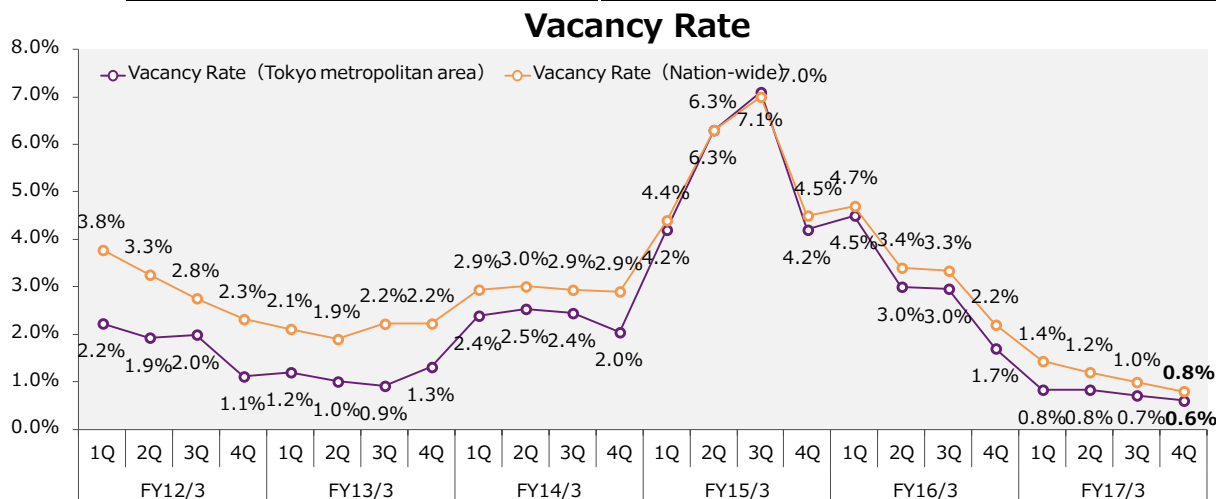
【Leasing Unit】

- Tenant leasing made a satisfactory progress in existing properties. The vacancy rate improved to **0.8%** as of the end of 4Q(down 1.4 points y/y).

(Billions of yen)	FY16/3 Actual ①	FY17/3 Actual ②	Changes ②-①	FY18/3 Forecast ③	Changes ③-②
Operating revenue	110.2	115.0	+4.7	143.0	+27.9
Leasing (offices)	49.5	51.9	+2.3	—	—
Leasing (retail facilities)	10.8	11.6	+0.7	—	—
Leasing (other)	5.8	5.9	+0.0	—	—
Property development (sale)	33.2	35.3	+2.0	—	—
Property development (leasing)	3.3	4.0	+0.7	—	—
Other	7.2	6.0	-1.2	—	—
Operating profit	31.7	32.5	+0.8	32.0	-0.5
Rentable floor area (sqm)	974,127	975,974	+1,847	—	—
Offices	829,312	831,177	+1,865	—	—
Retail facilities	144,815	144,797	-18	—	—
Vacancy rate	2.2%	0.8%	-1.4P	—	—

* Leasing (offices) includes subleasing properties

[Reference] Rent revenue change analysis	Changes
New buildings	+2.0 Increased by 3 properties acquired from Nomura Real Estate Master Fund, Inc.
Existing buildings	+2.2 Hamamatsucho Building (Toshiba Building), etc.
Sold / Termination	-1.0 Sales of Nomurafudosan Akasaka Center Building and other properties



FY17/3 Breakdown of Property Development (Sale)

Operating Revenue ¥35.3 billion



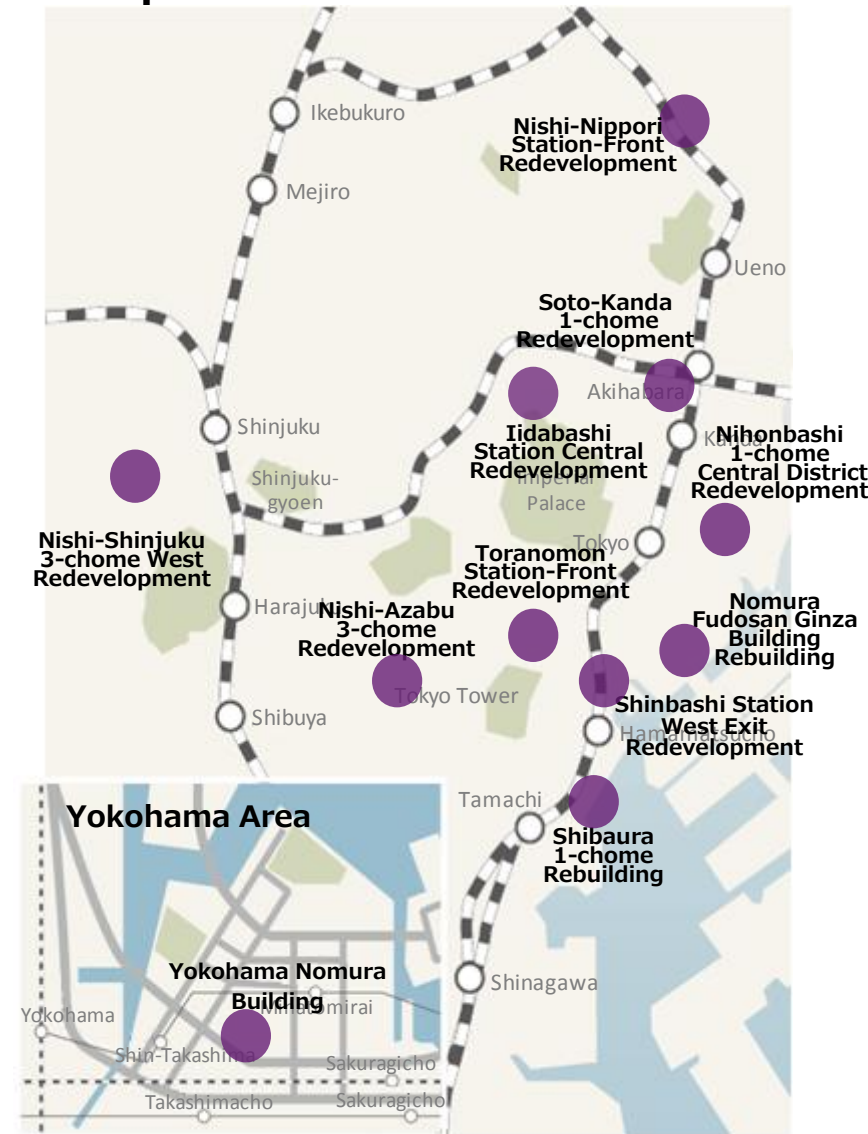
Operating revenue

Operating gross profit

- Promote complex development projects actively in Tokyo metropolitan area

Major Large-scale Redevelopment & Complex Development

Project name	Progress situation	Main use	Area planned to	Phase I	Phase II	Phase III
				FY17/3 - FY19/3	FY20/3 - FY22/3	FY23/3 - FY25/3
Yokohama Nomura Building	Completed in Jan. 2017	Office	56,017m ²	Complete		
Toranomon Station-Front Redevelopment (Certified as National Strategic Special Zone)	Rights conversion Started to be demolished	Office Retail	Approx. 12,000m ²	start	Complete	
Musashi-Koganei station 2nd District Redevelopment	Rights conversion completed	Retail Residential	Approx. 12,000m ²	start	Complete	
<u>Minamikojiwa 6-chome Redevelopment</u> ※	The Redevelopment Union was established	Retail Residential	Approx. 4,500m ²	start	Complete	Complete
Soto-Kanda 1chome Redevelopment	Blueprint of the project is under discussion	Office	Approx. 31,000m ²		start	Complete
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Office Residential	Approx. 20,000m ²			
Nishi-Azabu 3chome Redevelopment*	Blueprint of the project is under discussion	Hotel Residential	TBD			
Nishi-Shinjuku 3chome West Redevelopment*	Blueprint of the project is under discussion	Retail Residential	Approx. 21,000m ²			
Shibaura 1chome Rebuilding* (Designated as National Strategic Special Zone)	Preparing to be certified as a national strategic special zone	Complex	Approx. 550,000m ² (Total floor area)		start	
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. 17,000m ²			
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	



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

※JV projects Underlined are new projects.

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

Yokohama Nomura Building



Location:
 Nishi-ku, Yokohama-shi, Kanagawa
Access: 4-minute walk from Shin-takashima station
No. of stories : 17 stories above ground
Total floor area: 81,547㎡
Schedule: completed in Jan. 2017, operated from Apr., 2017
Our total investment amount:
 About ¥32 billion

Nomura Fudosan Sendai Aoba-dori Building



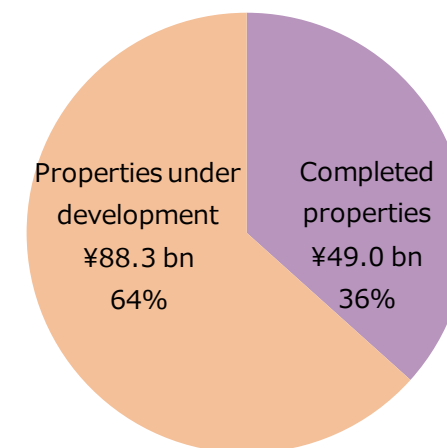
Location:
 Aoba-ku, Sendai-shi, Miyagi
Access: 5-minute walk from Sendai station, 1-minute walk from Aoba-dori station
No. of stories : 10 stories above ground, 1 basement floor
Total floor area: 12,671㎡
Schedule: completed and operated from Apr., 2017
Our total investment amount:
 About ¥8 billion

- Increase developed properties to ¥ 200 billion by 2025, while selling some portion of the portfolio.
- **19 properties (¥ 92 billion of planned aggregate investment*)** were acquired in FY17/3.

Expansion Plan of Property Development (on Balance Sheet)

(Billions of yen)	FY17/3 4Q (on B/S)	Phase 1 (FY17/3~FY19/3)	Phase 2 (FY20/3~FY22/3)	Phase 3 (FY23/3~FY25/3)
Office (PMO, etc.)	57.5	60.0	65.0	65.0
Retail (GEMS, NSC etc.)	14.9	35.0	35.0	35.0
Logistics (Landport, etc.)	49.9	45.0	70.0	70.0
Residential (PROUD FLAT, etc)	15.0	15.0	20.0	30.0
Expansion of Property Development	137.3	155.0	190.0	200.0

Breakdown (as of the end of FY17/3)



Acquisition & Sales in FY17/3

Office	Acquisition (Planned aggregate investment)	Sale (sale value)
	3 projects (About ¥ 27.5 billion*)	1 project (About ¥ 5.1 billion)

Residential	Acquisition (Planned aggregate investment)	Sale (sale value)
	7 projects (About ¥ 13.5 billion)	5 projects (About ¥ 4.9 billion)

Retail	Acquisition (Planned aggregate investment)	Sale (sale value)
	4 projects (About ¥ 6.5 billion)	1 project (About ¥ 5.1 billion)

Logistics	Acquisition (Planned aggregate investment)	Sale (sale value)
	5 projects (About ¥ 44.0 billion*)	2 projects (About ¥ 20.2 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 FY16/3.
- * Planned aggregate investment is based on the company's assumption and therefore they are subject to change.

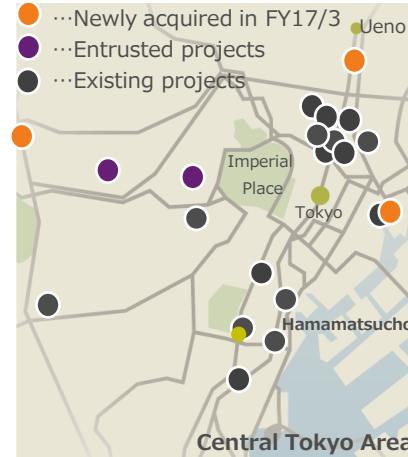
Office “PMO”



PMO Hirakawa-cho



PMO Nihonbashi Edo Dori



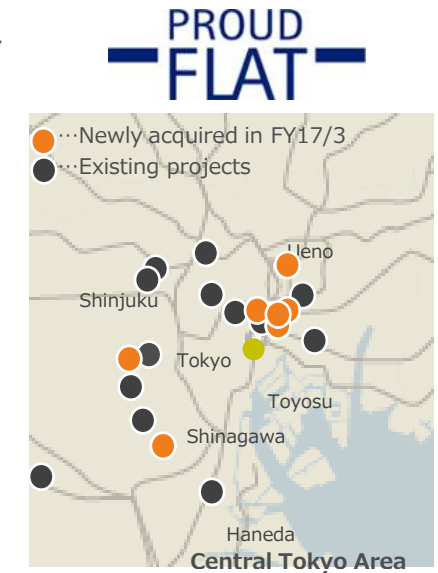
Residential “PROUD FLAT”



PROUD FLAT Soto - Kanda



PROUD FLAT Noborito



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

*JV Project

Property acquired in FY17/3

Name	Location	No. of units	Completion	Status
1 PROUD FLAT Kagurazaka III	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 Omori III	Shinagawa-ku, Tokyo	49 units	2014/10	Sold
5 PROUD FLAT Kinshicho	Sumida-ku, Tokyo	36 units	2014/12	Sold
6 PROUD FLAT Sangenjaya II	Setagaya-ku, Tokyo	70 units	2014/1	Under Operation
7 PROUD FLAT Higashi-Kanda	Chiyoda-ku, Tokyo	38 units	2015/4	Under Operation
8 PROUD FLAT Mitsukoshimae	Chuo-ku, Tokyo	40 units	2015/7	Under Operation
9 PROUD FLAT Sugamo II	Toshima-ku, Tokyo	33 units	2015/11	Under Operation
10 PROUD FLAT Yoyogi-Hachiman	Shibuya-ku, Tokyo	30 units	2016/1	Under Operation
11 PROUD FLAT Soto-Kanda	Chiyoda-ku, Tokyo	75 units	2016/5	Under Operation
12 PROUD FLAT Noborito	Kawasaki-shi, Kanagawa	79 units	2016/5	Under Operation
13 PROUD FLAT Nakaochiai	Shinjuku-ku, Tokyo	37 units	2016/12	Under Operation
14 PROUD FLAT Asakusabashi	Taito-ku, Tokyo	38 units	2017/2	Under Operation
15 PROUD FLAT Monzen-nakacho V	Koto-ku, Tokyo	99 units	2017/10 (plan)	Under Construction
16 PROUD FLAT Miyazakidai	Miyamae-ku, Kawasaki	82 units	2018/2 (plan)	Under Construction
17 PROUD FLAT Togoshi	Shinagawa-ku, Tokyo	99 units	2019/1 (plan)	Under Planning
18 PROUD FLAT Asakusabashi II	Taito-ku, Tokyo	85 units	2019/1(plan)	Under Planning
19 PROUD FLAT Higashi-Nihonbashi	Chuo-ku, Tokyo	43 units	2018/10(plan)	Under Construction
20 PROUD FLAT Asakusabashi III	Taito-ku, Tokyo	41 units	2018/8(plan)	Under Planning
21 PROUD FLAT Asakusa-Kaminarimon	Taito-ku, Tokyo	49 units	2019/1(plan)	Under Planning
22 PROUD FLAT Ryogoku	Sumida-ku, Tokyo	70 units	2018/11(plan)	Under Planning
23 Tomigaya 2-chome Project	Shibuya-ku, Tokyo	110 units	2019/2(plan)	Under Planning

Property acquired in FY17/3

【Reference】 The Group's Major Buildings

	Name	Location	Leased floor area *Our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	172,335m ²	1990/1, etc.
2	Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	98,330m ²	1984/3
3	LAZONA Kawasaki Toshiba Building	Saiwai-ku, Kawasaki-shi, Kanagawa	78,610m ²	2013/3
4	LAZONA Kawasaki Plaza	Saiwai-ku, Kawasaki-shi, Kanagawa	46,989m 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	22,260m ²	2010/9
8	Nomura Fudosan Musashikosugi Building N Wing & S Wing	Nakahara-ku, Kawasaki-shi, Kanagawa	20,520m ²	2010/3
9	NOF Nihonbashi Honcho Building	Chuo-ku, Tokyo	19,157m ²	1961/4
10	Umeda Sky Building	Kita-ku, Osaka-shi, Osaka	18,938m ²	1993/3
11	bono Sagamiono Shopping Center	Minami-ku, Sagamihara-shi, Kanagawa	16,123m ²	2013/1
12	Nomura Fudosan Ginza Building	Chuo-ku, Tokyo	13,280m 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

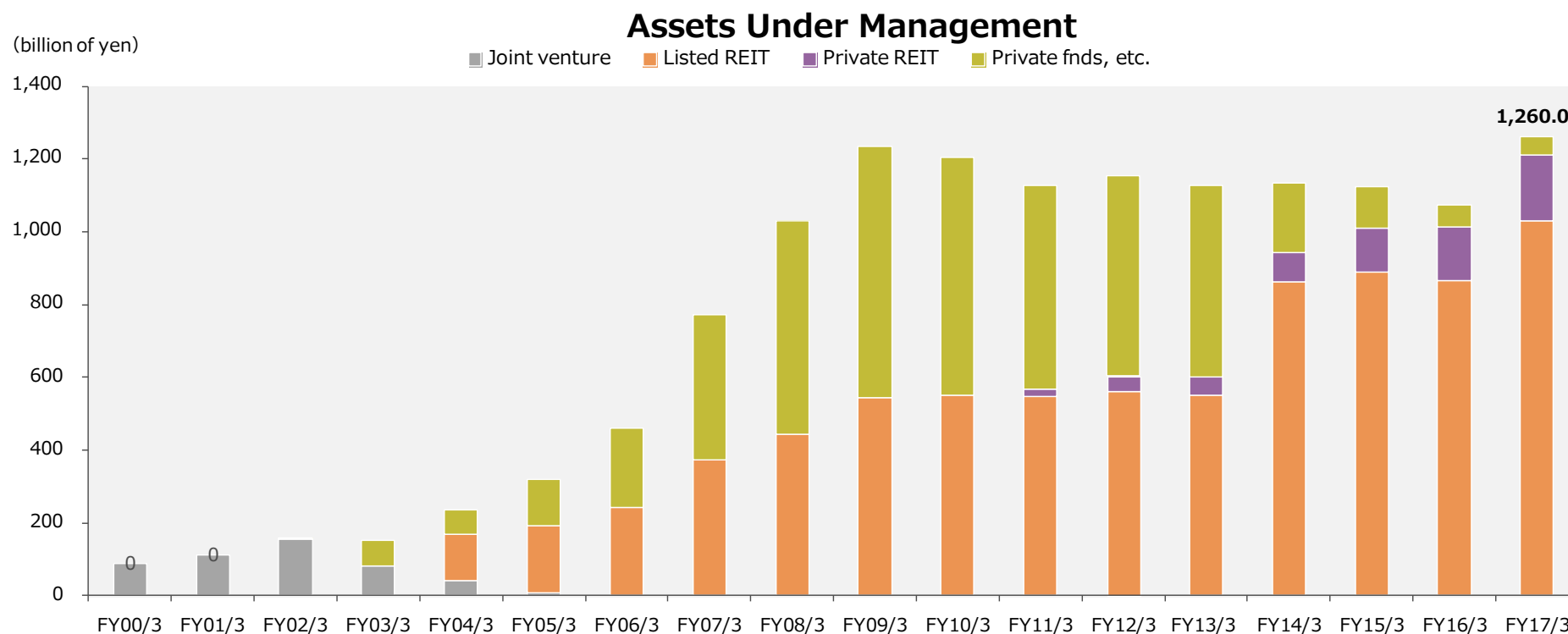


Nomura Fudosan
Tennozu Building

【 Investment Management】

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

(Billions of yen)	FY16/3 Actual ①	FY17/3 Actual ②	Changes ②-①	FY18/3 Forecast ③	Changes ③-②
Operating revenue	10.9	9.6	-1.3	9.5	-0.1
Operating profit	7.3	6.0	-1.3	5.5	-0.5
	0	0	0		
Assets under management	1,074.4	1,260.0	+ 185.5	—	—
Listed REIT	866.1	1,029.9	+ 163.7	—	—
Private REIT	146.5	180.6	+ 34.1	—	—
Private funds, etc.	61.8	49.5	-12.3	—	—



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

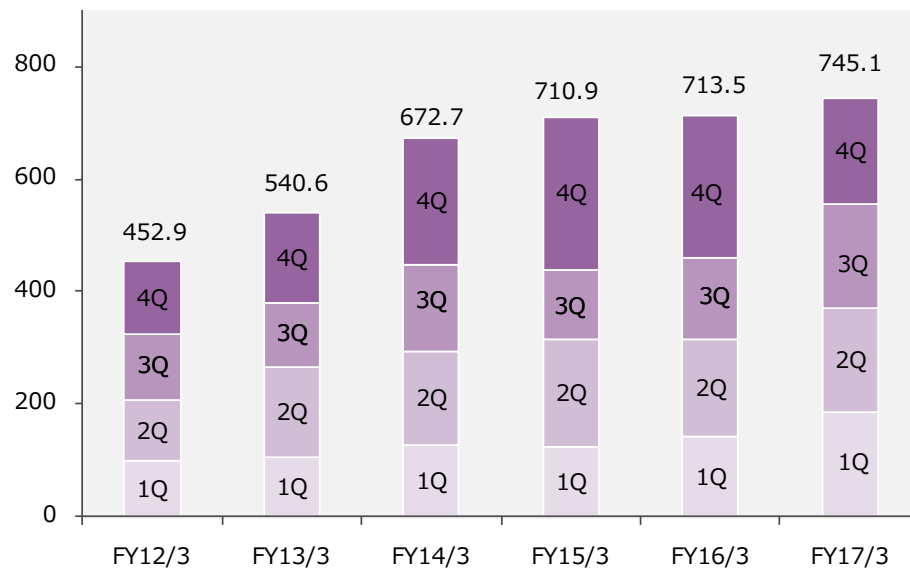
(Billions of yen)	FY16/3 Actual ①	FY17/3 Actual ②	Changes ②-①	FY17/3 Forecast ③	Changes ③-②
Operating revenue	35.3	34.8	-0.5	38.0	+ 3.1
Property brokerage	28.0	30.2	+ 2.2	—	—
Other	7.3	4.5	-2.8	—	—
Operating profit	9.9	9.1	-0.7	10.5	1.3

【Brokerage indicators】

Total transaction value (billion yen)	713.5	745.1	+ 31.5	—	—
Number of transactions	7,710	8,272	+ 562	—	—
Commission fee (billion yen)	28.0	30.2	+ 2.2	—	—
Commission rate (%)	3.9%	4.1%	-0.1P	—	—
Number of property brokers branches	68	73	+ 5	—	—

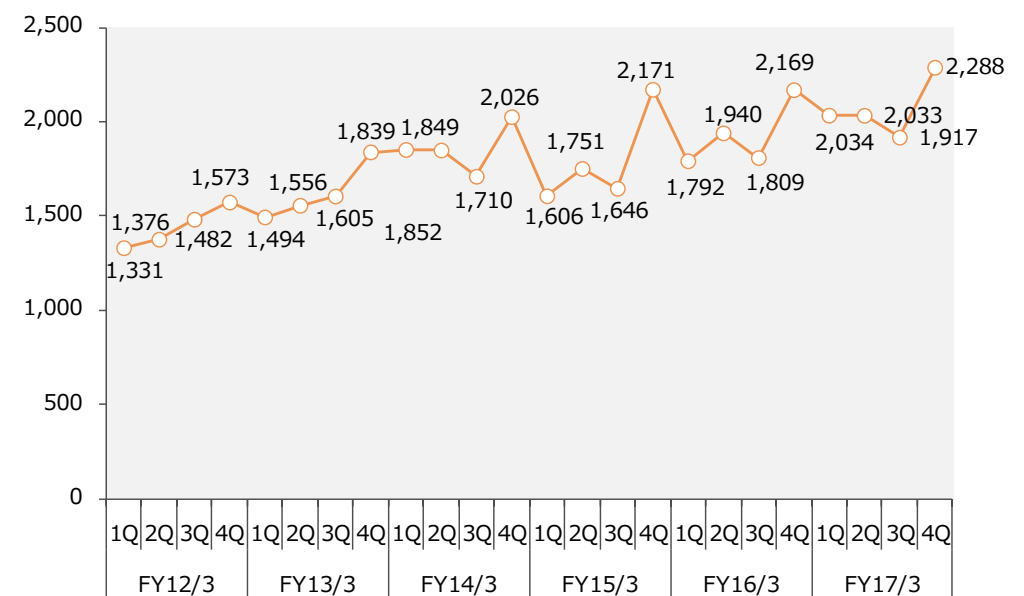
Total Transaction Value of Property Brokerage

(Billions of yen)



Number of Transactions

(No. of transactions)

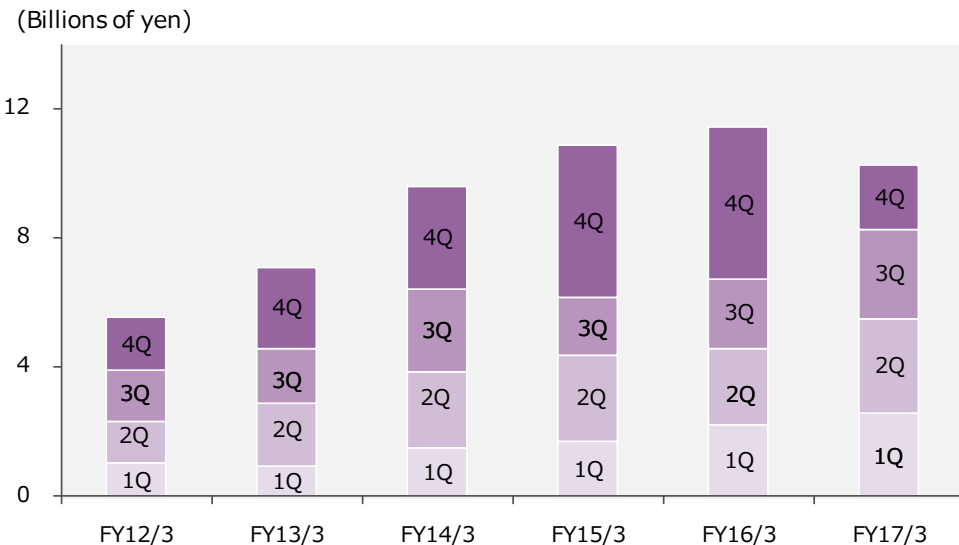


Progress of Property Brokerage & CRE Unit

- 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, planning to establish 100 property brokers branches and hire 1,000 sales reps by FY2022. The number of branches expanded to 73 by the end of FY17/3.
- Business collaboration with Nomura Securities is making a satisfactory growth which led to the transaction value of more than 100 billion yen by the end of FY17/3.

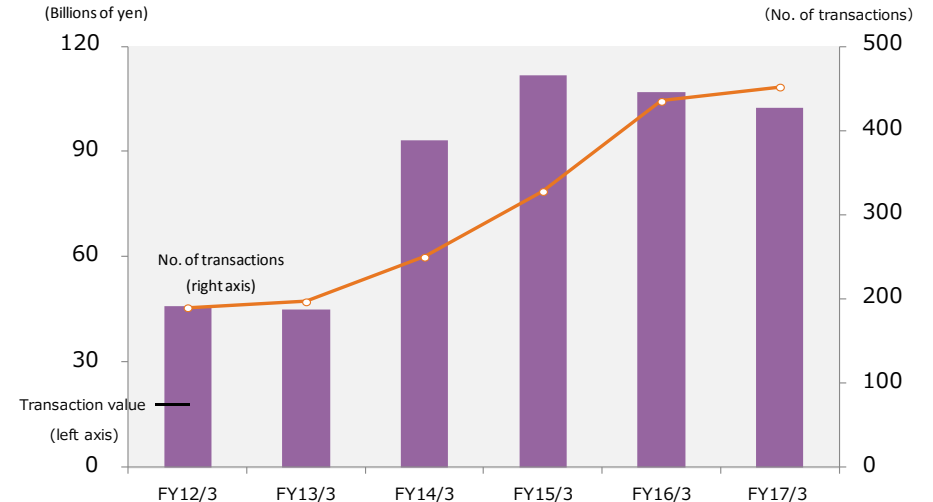
Brokerage commission fee (wholesale)

- Commission continues to remain high.



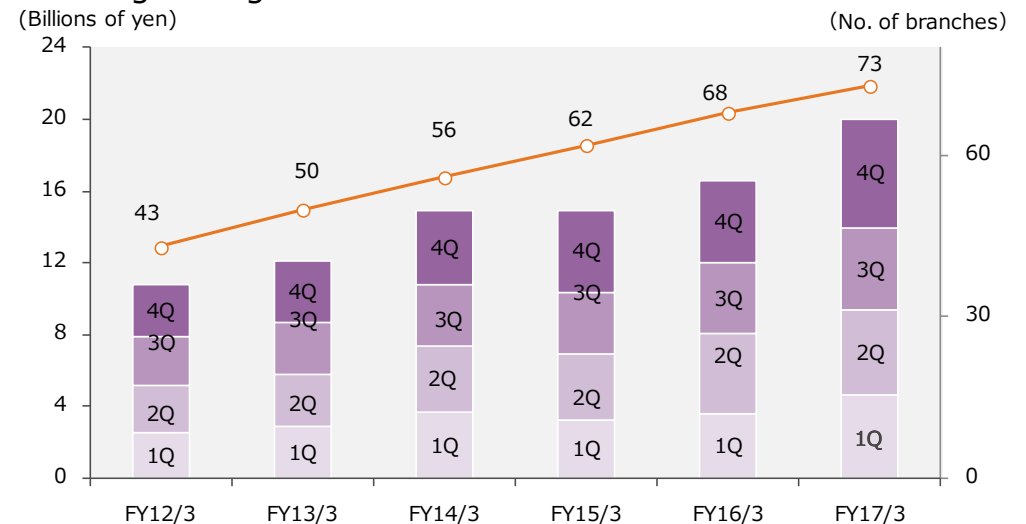
Transaction value and number of transactions* in cooperation with Nomura Securities (*transactions include contracted but not delivered)

- Both the transaction value and number of transaction made a satisfactory progress. Transaction value marked more than 100 billion yen.



Number of property brokers branches & brokerage commission fee (retail)

- Branches are expanding steadily. Commission marked the highest figure ever.



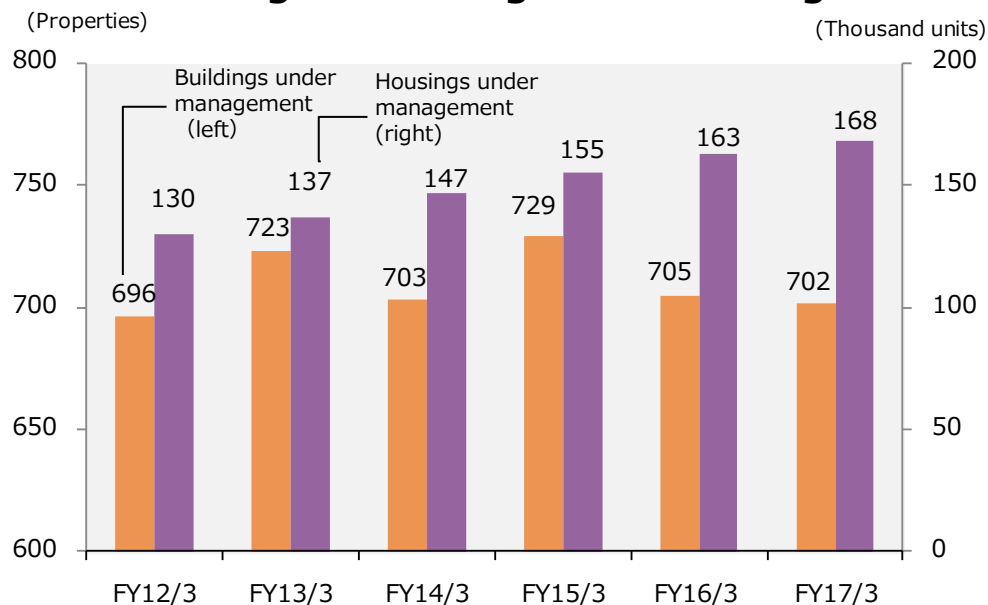
【 Property & Facility Management 】

- Both revenue and profit increased due to an increase in the revenue of construction ordered such as large-scale repair work of condominiums and improvement of revenue in fitness club.

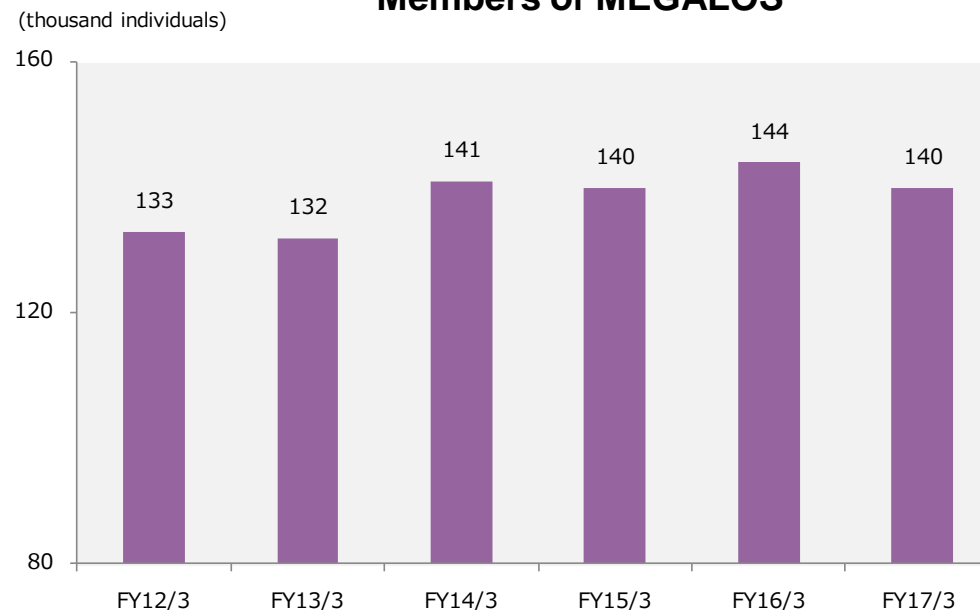
(Billions of yen)	FY16/3 Actual ①	FY17/3 Actual ②	Changes ②-①	FY18/3 Forecast ③	Changes ③-②
Operating revenue	91.5	95.7	+4.2	104.0	+8.2
Property & facility management	47.9	48.3	+0.3	—	—
Construction ordered	24.6	26.8	+2.2	—	—
Fitness club & elderly care	14.9	15.5	+0.5	—	—
Other	3.9	5.0	+1.1	—	—
Operating profit	5.6	6.9	+1.2	7.0	+0.0

Building under management	705	702	-3	—	—
Housings under management	163,036	168,999	+5,963	—	—
Members of MEGALOS (individuals)	144,263	140,743	-3,520	—	—
Number of clubs	33	35	+2	—	—

Buildings & Housings Under Management



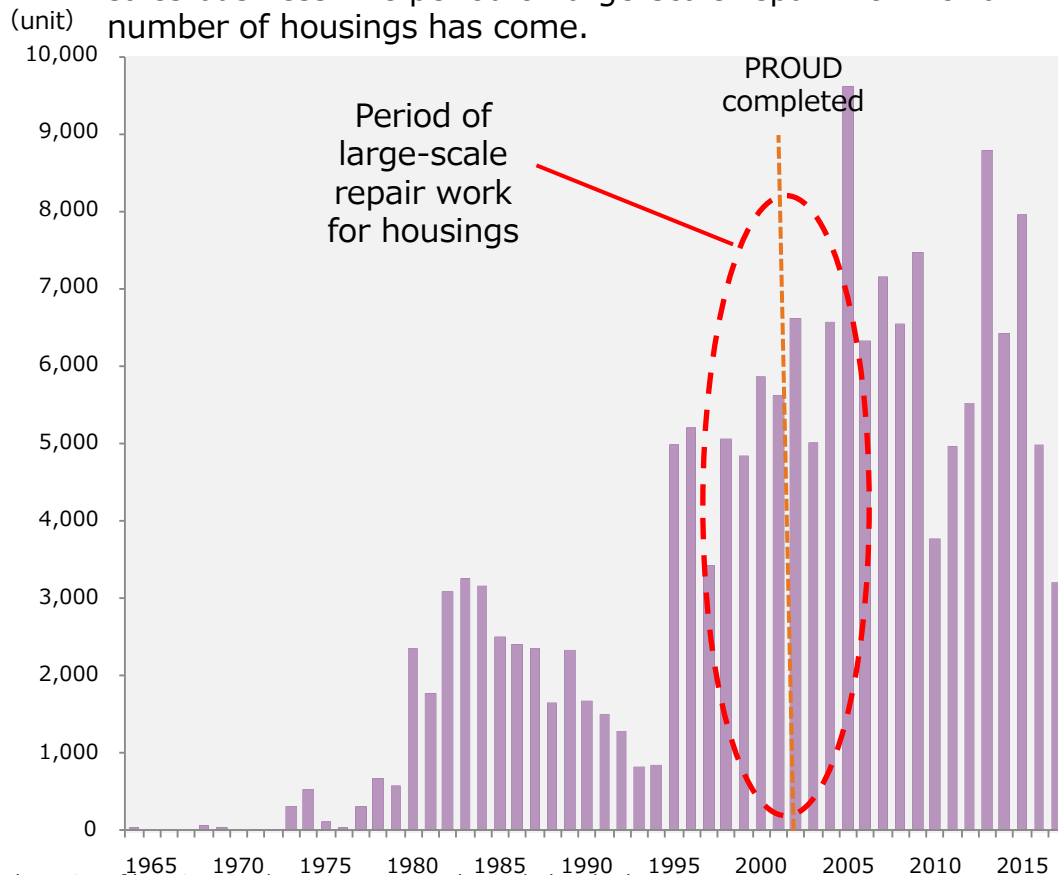
Members of MEGALOS



- 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.

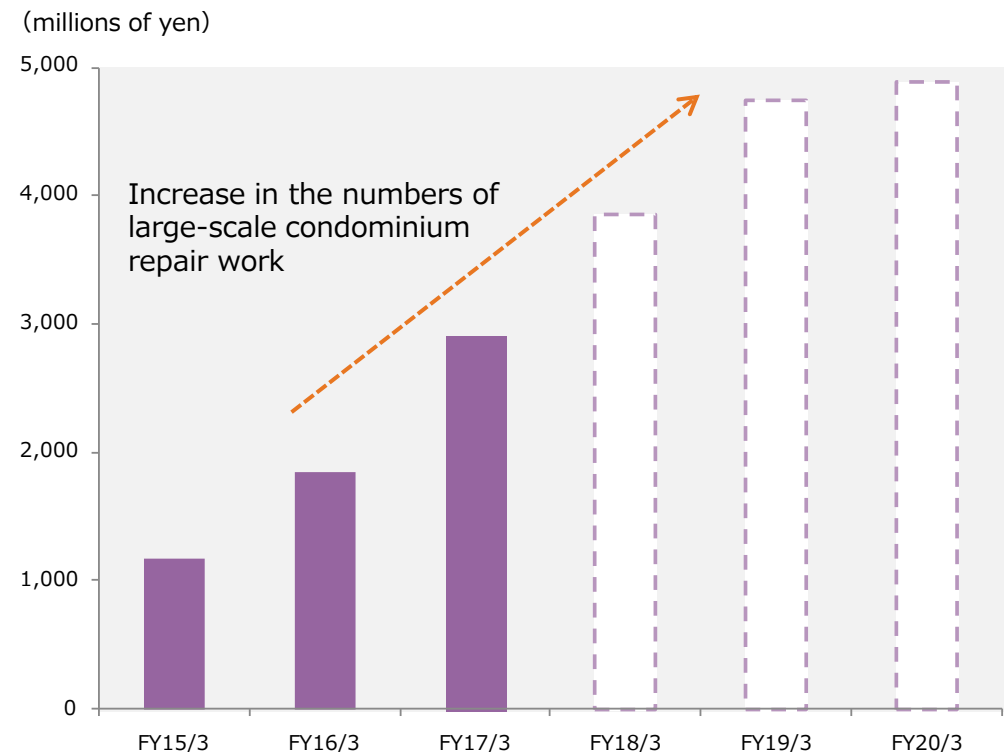
The Number of Housings Under Management Completed

- 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 (nationwide)

- 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.



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