

Consolidated Financial Results for the Three Months from April 1 to June 30, 2017

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Highlights of the First Quarter, FY2018

<Summary>

- The consolidated financial results for the 1Q were as follows:
Operating revenue; 132.1 billion yen (up 68.4% y/y); operating profit; 16.4 billion yen (up 86.1% y/y); ordinary profit; 14.5 billion yen (up 113.5% y/y); and profit attributable to owners of parent; 9.6 billion yen (up 99.0% y/y).
- In the Residential Development Unit, the number of housing units sold (condominiums and detached housings) increased to 1,089 units (up 638 units y/y). Moreover, the number of the housing units sold is predicted to be 6,000 units for FY18/3 and its contract progress rate was 57.6% as of the end of the 1Q.
- In the Leasing Unit, leasing of existing properties for tenants made a satisfactory progress and the vacancy rate as of the end of the 1Q improved to 0.6% (down 0.2 points from the previous fiscal year). In addition, Yokohama Nomura Building, one of our core buildings started operation.
- 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 as the first quarter both in the number of transactions and transaction value.
- There is no change in the consolidated operating result forecasts announced in April, 2017.

Outline of Consolidated Financial Results

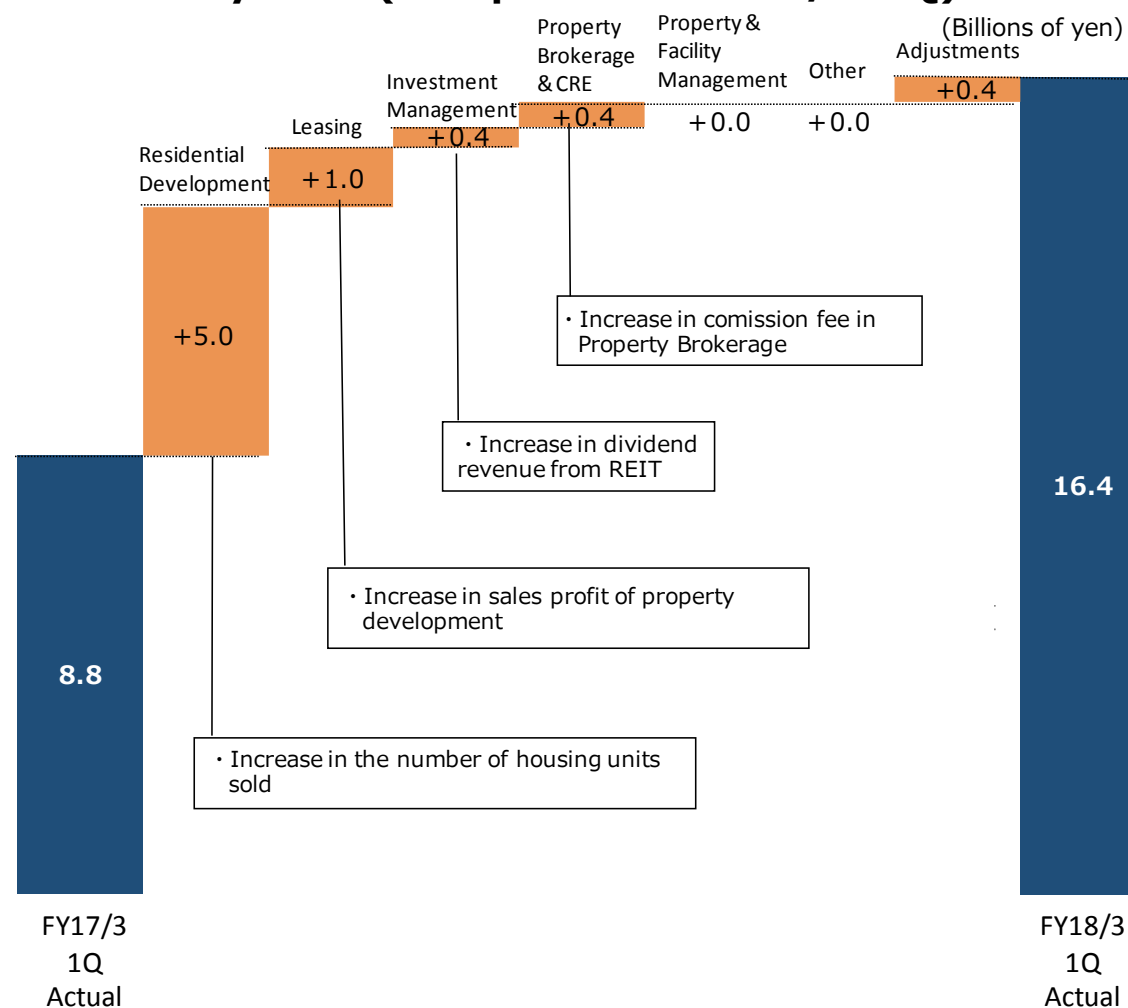
(Billions of yen) *Figures rounded down to the nearest 100 million yen	FY17/3 1Q Actual ①	FY18/3 1Q Actual ②	Changes ②-①	Key Factors
Operating revenue	78.4	132.1	+53.6	<Operating revenue & Operating profit> • An increase in housing unit sold in the Residential Development Unit • Increase in operation of newly built properties and sales in property development
Operating gross profit	29.1	41.5	+12.4	
Selling, general and administrative expenses	20.3	25.1	+4.8	
Operating profit	8.8	16.4	+7.6	
Non-operating income	0.2	0.2	+0.0	
Non-operating expenses	2.2	2.1	-0.0	
Ordinary profit	6.8	14.5	+7.7	
Extraordinary income	0.6	-	-0.6	
Extraordinary losses	-	0.2	+0.2	
Income taxes	2.4	4.5	+2.0	
Profit attributable to non-controlling interests	0.1	0.1	-0.0	
Profit attributable to owners of parent	4.8	9.6	+4.7	
Basic earnings per share (yen)	25.16	50.05	+24.89	
Cash dividends per share (yen)	-	-	-	
Net cash provided by (used in) operating activities	-77.5	-62.2	+15.2	• Increases in inventories, etc.
Net cash provided by (used in) investment activities	-19.0	-4.9	+14.1	
Net cash provided by (used in) financing activities	85.0	66.2	-18.8	
Cash and cash equivalents at end of period	46.0	46.7	+0.7	
(Billions of yen)	Mar 31, 2017 ①	Jun 30, 2017 ②	Changes ②-①	Key Factors
Total assets	1,593.0	1,629.3	+36.2	• Increases in inventories, properties, plants and equipments, etc.
Total interest-bearing debt	810.1	883.1	+73.0	
Shareholders' equity	481.3	481.7	+0.3	
Shareholders' equity ratio	30.2%	29.6%	-0.7P	
Debt/equity ratio	1.7	1.8	+0.2	

Outline of Financial Results by Units

- Profit increased in the Residential Development Unit due to a rise in the number of housing units sold. Profit rose in the Leasing Unit due to an increase in sales of property development business. In the Service & Management Sector, results were firm with number of transactions and transaction value both stood at record highs in the Property Brokerage & CRE Unit.

(Billions of yen)	FY17/3 1Q Actual ①	FY18/3 1Q Actual ②	Changes ②-①
Operating revenue	78.4	132.1	+53.6
Residential Development	29.5	73.5	+43.9
Leasing	20.0	28.3	+8.3
Service & Management	31.2	33.3	+2.1
Investment Management	2.2	2.5	+0.3
Property Brokerage & CRE	7.8	8.9	+1.0
Property & Facility Management	21.1	21.8	+0.6
Other	0.0	0.0	-0.0
Adjustments	-2.3	-3.0	-0.7
Operating profit	8.8	16.4	+7.6
Residential Development	-0.7	4.2	+5.0
Leasing	6.1	7.2	+1.0
Service & Management	4.0	5.0	+1.0
Investment Management	1.3	1.7	+0.4
Property Brokerage & CRE	1.8	2.3	+0.4
Property & Facility Management	0.9	1.0	+0.0
Other	-0.0	0.0	+0.0
Adjustments	-0.6	-0.1	+0.4
Ordinary income	6.8	14.5	+7.7
Profit attributable to owners of parent	4.8	9.6	+4.7

Key Factors of Changes in Operating Profit by Unit (compared to FY17/3 1Q)



Consolidated Balance Sheets

(Billions of yen) *Figures rounded down to the nearest 100 million yen	As of Mar 31, 2017 ①	As of Jun 30, 2017 ②	Changes ② - ①	Key Factors
Assets	1,593.0	1,629.3	+ 36.2	
Current assets	684.3	716.0	+ 31.7	<Inventories>
(Breakdown)				
Cash and deposits / Short-term investment securities	47.7	46.7	-0.9	
Notes and accounts receivable-trade	16.5	13.3	-3.2	
Inventories	570.8	611.2	+ 40.3	
Equity investments	2.5	2.4	-0.1	
Other current assets	46.6	42.4	-4.2	
Noncurrent assets	908.7	913.2	+ 4.4	
Property, plant and equipment	808.8	816.1	+ 7.3	
Intangible assets	10.9	10.8	-0.1	
Investments and other assets	88.9	86.2	-2.7	
(Breakdown)				
Investment securities	46.2	42.4	-3.8	
Lease and guarantee deposits	21.7	21.9	+ 0.2	
Other noncurrent assets	20.9	21.8	+ 0.8	
Liabilities	1,099.2	1,135.1	+ 35.8	
Current liabilities	255.7	293.9	+ 38.1	
(Breakdown)				
Notes and accounts payable-trade	35.6	27.9	-7.6	
Short-term loans payable, etc.	116.3	190.8	+ 74.5	
Deposits received	29.4	17.3	-12.0	
Other current liabilities	74.4	57.8	-16.5	
Noncurrent liabilities	843.4	841.1	-2.3	
(Breakdown)				
Bonds payable	70.0	70.0	±0.0	
Long-term loans payable	623.8	622.3	-1.5	
Lease and guarantee deposits received	57.5	58.1	+ 0.5	
Other noncurrent liabilities	92.0	90.6	-1.4	
Net assets	493.8	494.2	+0.4	
Total liabilities and net assets	1,593.0	1,629.3	+36.2	
Shareholders' equity ratio	30.2%	29.6%	-0.7p	<Shareholders' equity>
Debt/equity ratio	1.7	1.8	+0.2	• Mar 31, 2017: ¥481.3 billion → Jun 30, 2017: ¥481.7 billion

	Mar 31, 2017	Jun 30, 2017	Changes
Residential	403.2	435.9	+ 32.7
Property development	166.9	173.8	+ 6.8
Other business	0.9	1.7	+ 0.7
Adjustments	-0.3	-0.3	-0.0
Total	570.8	611.2	+ 40.3

* Residential...Residential Development Unit
* Property development...Leasing Unit, Investment Management Unit, and Property Brokerage & CRE Unit
* Other...Property & Facility Management, Other Unit

<Property, plant and equipment >
Completion of Landport Takatsuki and Nomura Fudosan Sendai Aoba-dori Building.

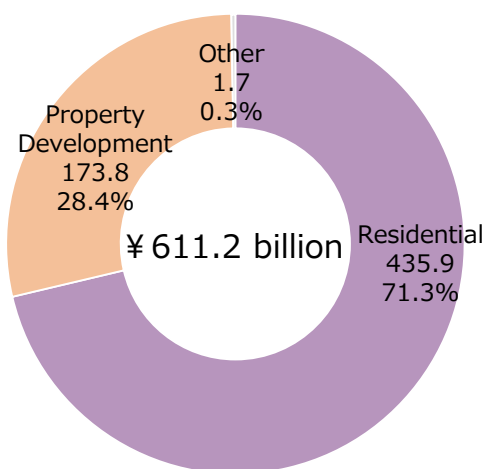
<Deposits received>
• Decrease of deposits received as being sales agent in housing sales business.

<Total interest-bearing debt>
• Mar 31, 2017: ¥ 810.1 billion → Jun 30, 2017: ¥ 883.1 billion

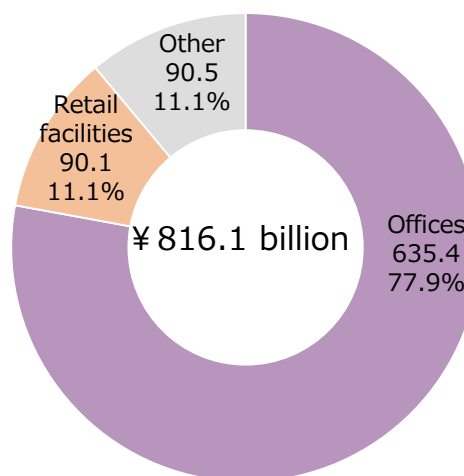
Total Assets : 1,629.3 billion yen

Current assets	716.0	Liabilities	1,135.1
Cash and deposits / Short-term investment securities	46.7	Interest-bearing debt	883.1
Notes and accounts receivable-trade	13.3	Short-term loans payable, etc.	190.8
Inventories	611.2	Bonds payable	70.0
Residential	435.9	Long-term loans payable	622.3
Property development	173.8	Notes and accounts payable-trade	27.9
Other	1.7	Deposits received	17.3
Adjustments	-0.3	Other current liabilities	57.8
Equity investments	2.4	Lease and guarantee deposits received	58.1
Other current assets	42.4	Other noncurrent liabilities	90.6
Noncurrent assets	913.2	Net assets	494.2
Property, plant and equipment	816.1	Shareholder's Equity	481.7
Offices	635.4	Subscription rights to shares	1.9
Commercial facilities	90.1	Non-controlling interest	10.5
Other	90.5		
Intangible assets	10.8		
Investments and other assets	86.2		

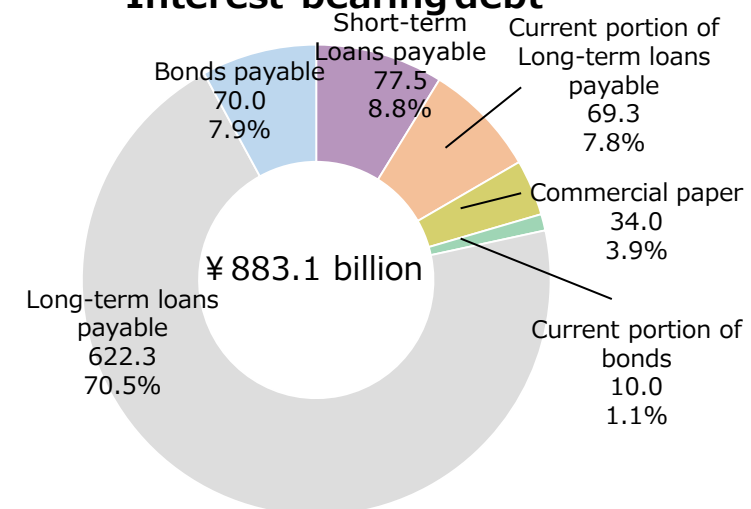
Inventories



Property, plant and equipment



Interest-bearing debt

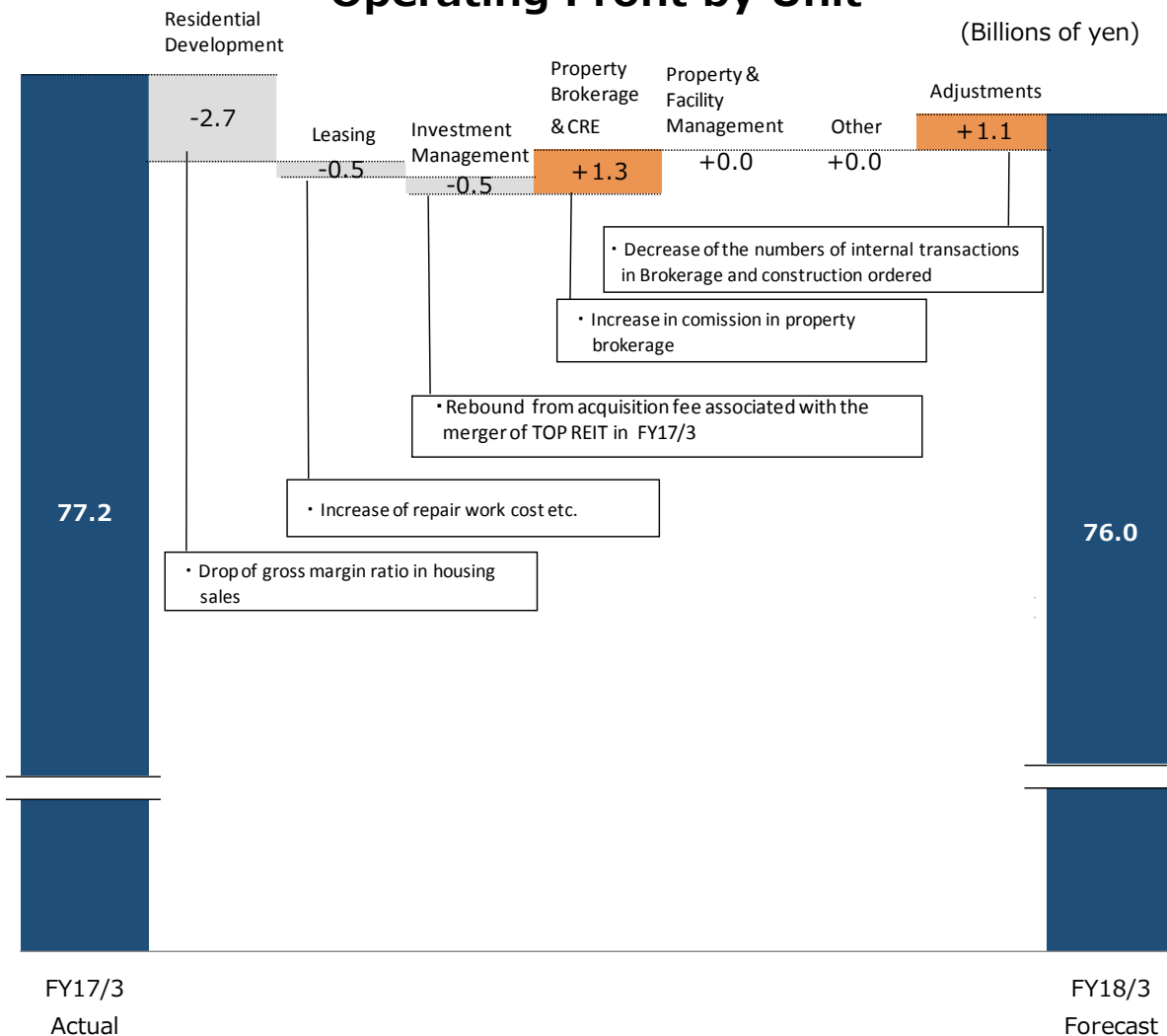


(No change in the forecasts which was announced in April, 2017)

- Although we expect lower profit in the Residential Development Unit due to a lowering of the gross margin ratio, 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.

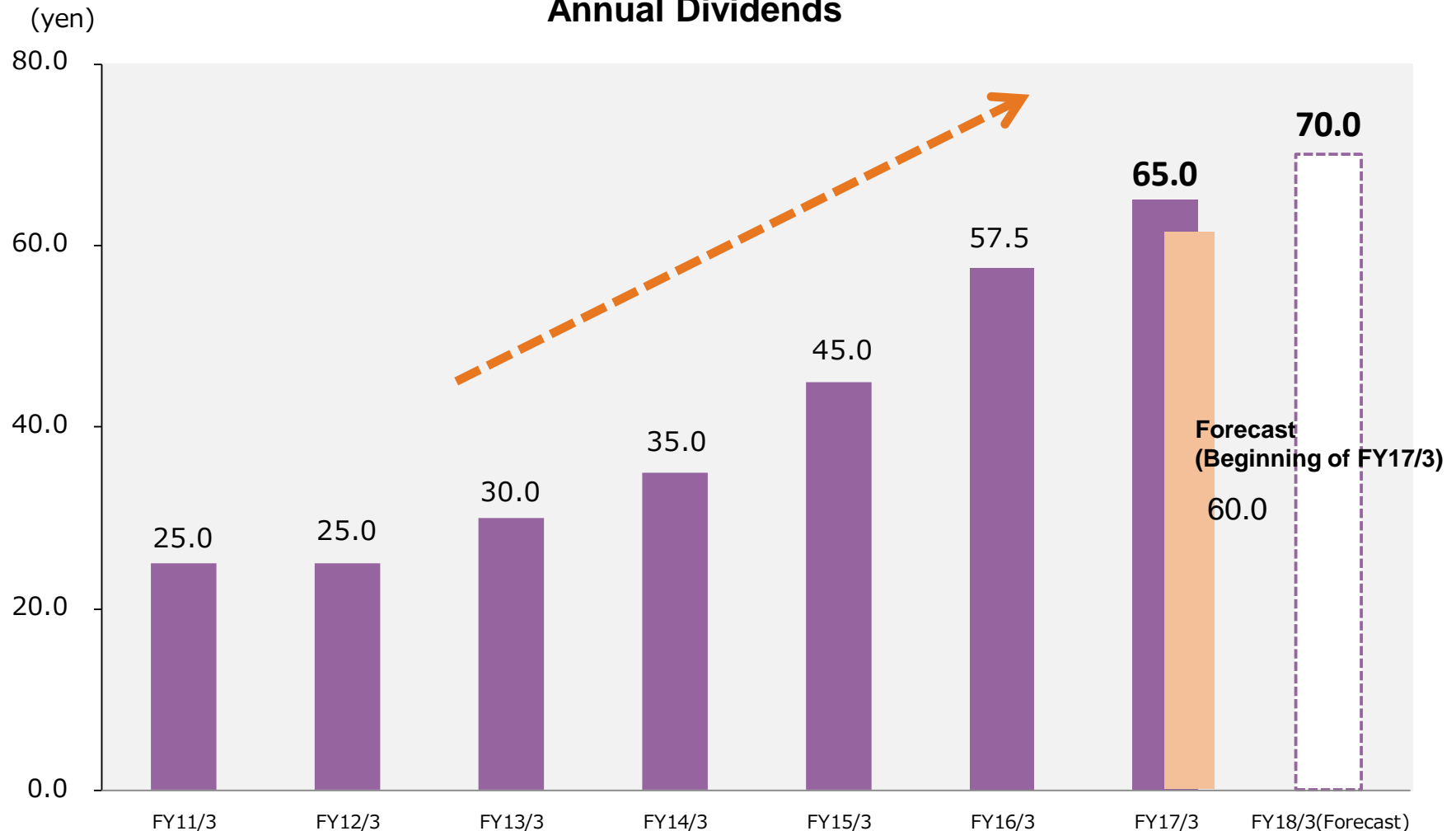
(Billions of yen)	FY17/3 Actual ①	FY18/3 Forecast ②	Changes ② - ①
Operating revenue	569.6	646.0	+76.3
Residential Development	329.7	365.0	+35.2
Leasing	115.0	143.0	+27.9
Service & Management	140.2	151.5	+11.2
Investment Management	9.6	9.5	-0.1
Property Brokerage & CRE	34.8	38.0	+3.1
Property & Facility 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
Basic earnings per share (yen)	245.10	229.27	-15.83
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 yen per share, an increase of 5 yen from the forecast. Accordingly, the annual dividend per share for the current fiscal year is 65 yen (increase 7.5 yen y/y) which resulted in a 5 continuous years of increase in dividend. The annual dividend of FY18/3 is also predicted to be increased to 70 yen (increase 5.0 yen y/y).

Annual Dividends



	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	229.27
Payout Ratio (%)	87.0	27.1	29.5	24.9	22.4	23.3	26.5	30.5
Dividend yield (%)	2.0	1.7	1.4	1.8	2.1	2.8	3.7	-

Unit information

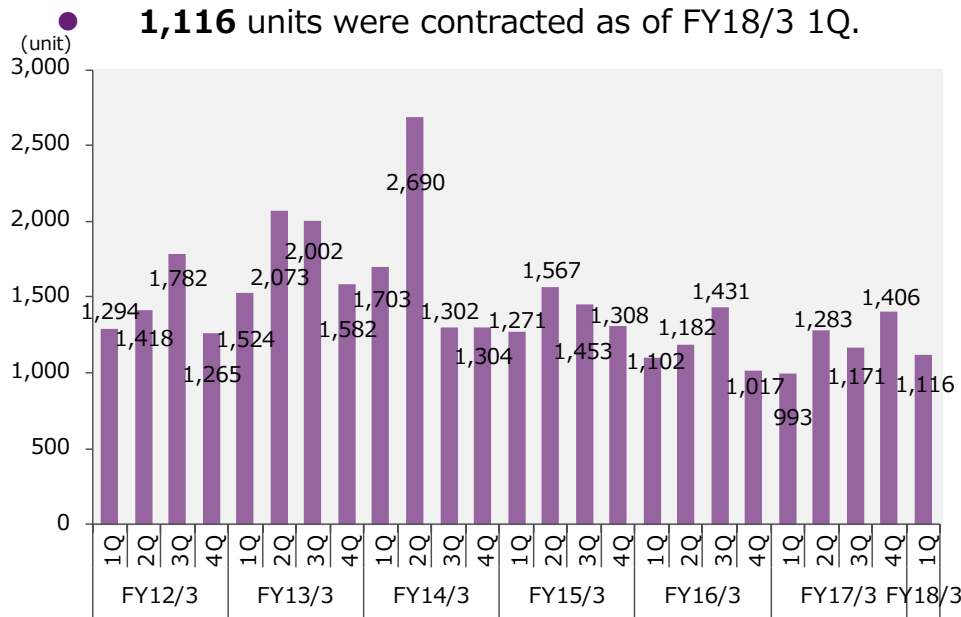
- The average housing prices and the number of housing units in the housing sales rose. The gross margin ratio declined to **21.0%** (down 0.8 points y/y).

(Billions of yen)	FY17/3 1Q Actual ①	FY18/3 1Q Actual ②	Changes ②-①	FY17/3 Actual ③	FY18/3 Forecast ④	Changes ④-③
Operating revenue	29.5	73.5	+43.9	329.7	365.0	+35.2
Housing sales	25.4	66.5	+41.1	308.9	—	—
Other	4.1	6.9	+2.7	20.8	—	—
Operating profit	-0.7	4.2	+5.0	27.7	25.0	-2.7

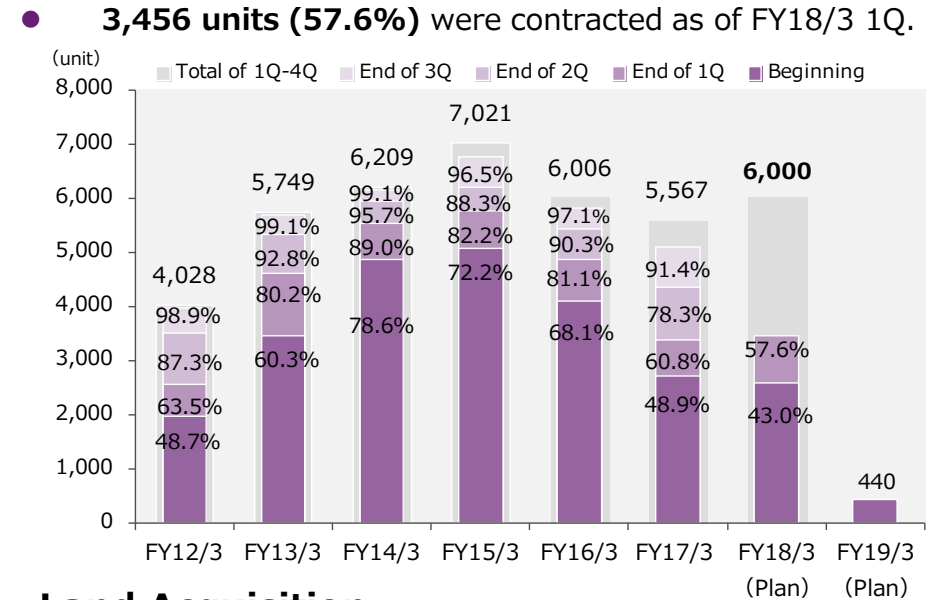
【Housing sales indicators】

Housing sales (unit)	451	1,089	+638	5,567	6,000	+433
Condominiums	382	1,007	+625	4,885	5,400	+515
Detached housing	69	82	+13	682	600	-82
Tokyo metropolitan area	298	931	+633	4,291	4,500	+209
Osaka metropolitan area	26	112	+86	807	850	+43
Other area	125	45	-80	468	650	+182
Sold but not recorded housing (unit)	4,035	2,806	-1,229	2,779	—	—
Completed housing inventories (unit)						
released for sale	160	292	+132	252	—	—
unreleased	182	409	+227	402	—	—
Average sales price (million yen)	56.33	61.09	+4.76	55.49	—	—
Gross margin ratio (%)	21.8%	21.0%	-0.8P	21.7%	—	—

Number of Contracted Housing Units

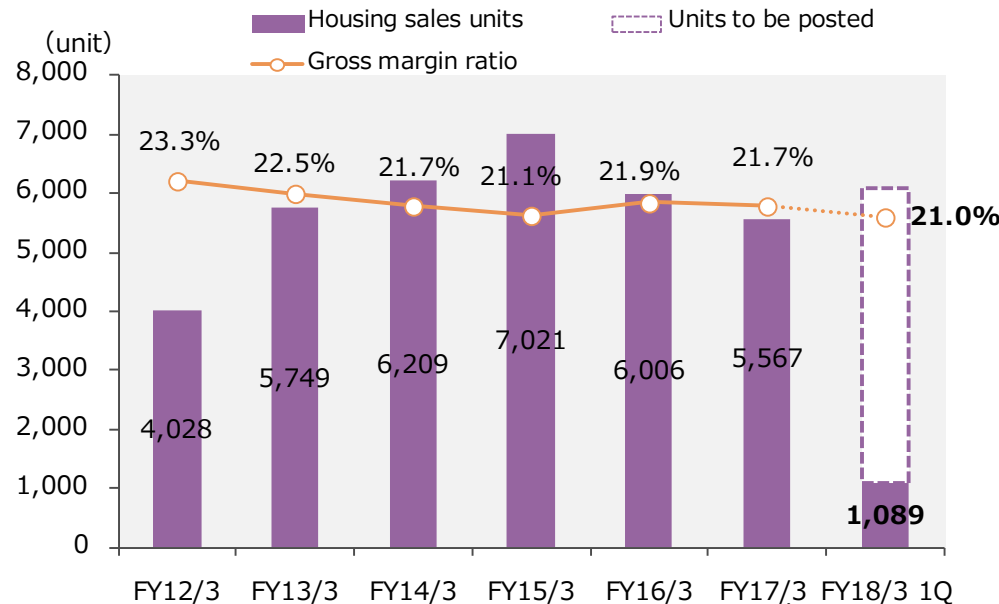


Contract Rates based on the Number of Recorded Housing



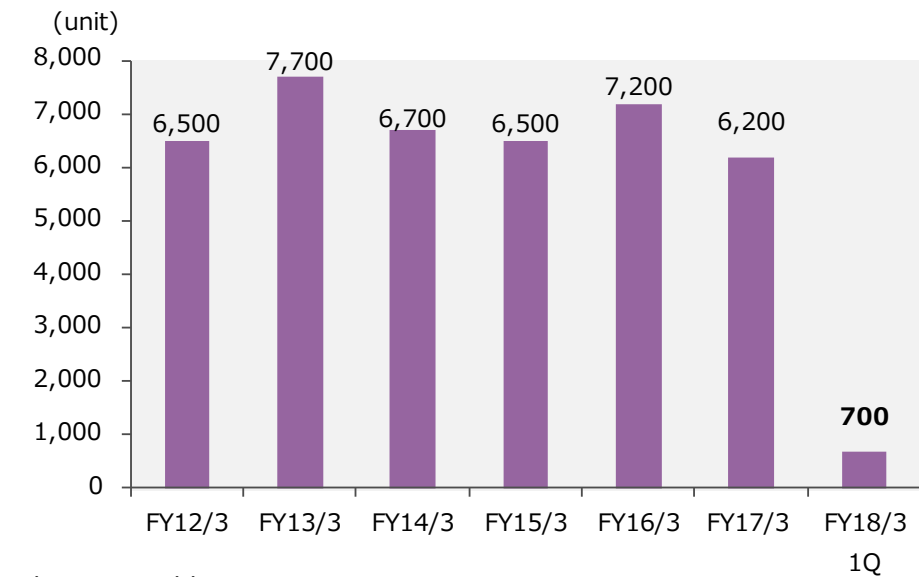
Gross Margin Ratio & Number of Housing Units Sold

- The number of housing units sold as of FY18/3 1Q is **1,089 units**. Gross margin ratio was **21.0%**.



Land Acquisition

- Lands of **700 units** were acquired as of FY18/3 1Q. Lands for FY18/3 2Q onward are **21,800 units**.

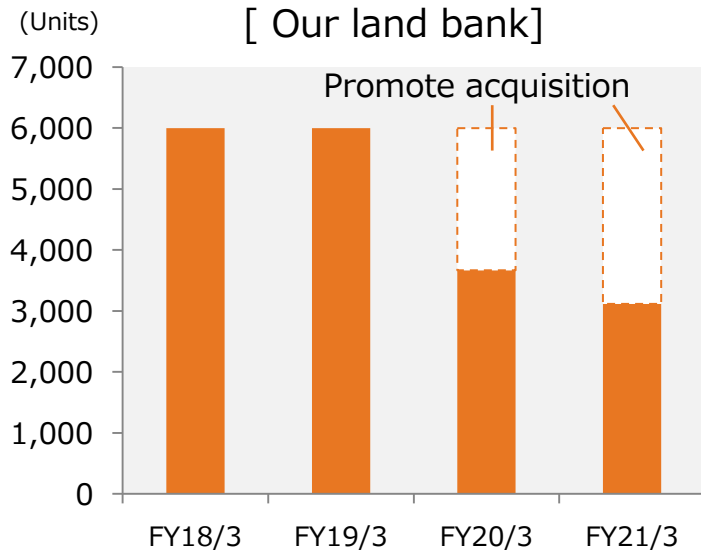


【Reference】 Business policy in Residential Development

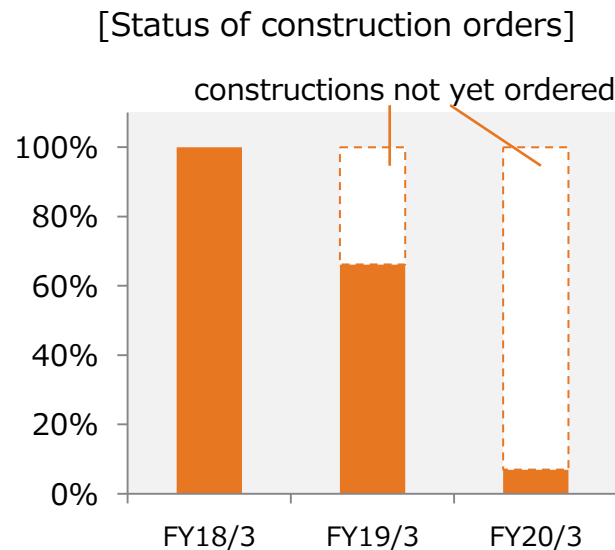
- In terms of land acquisition, carefully select land in order to secure business volume from FY20/3 onward.
- Promotion is conducted aiming at enhancement of product and cost saving.
- In residential sales, we aim to conclude contracts by 6,000 units per year to recover its business speed.



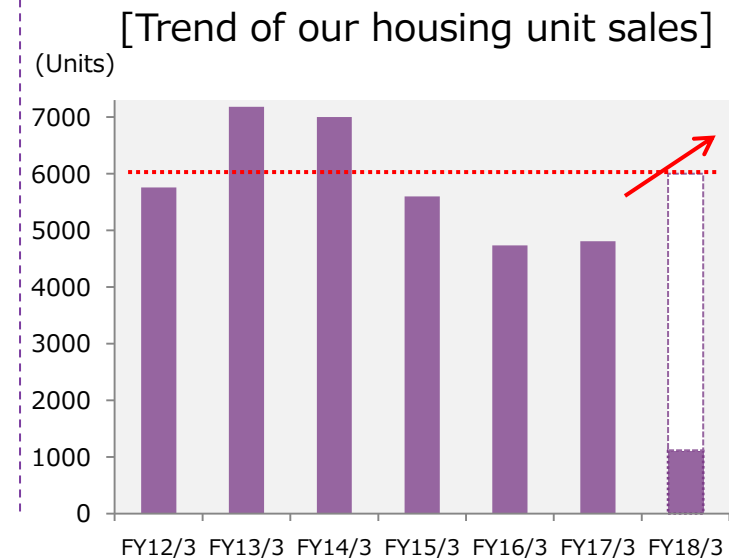
- Secured stocks of 6,000 units to be posted by FY19/3.
- Carefully select land to be posted for FY20/3 onward based on area strategy while considering market trends.



- Construction ordered for properties of FY18/3.
- Cope with both enhancement of products and reduce in cost price for constructions not yet ordered in FY19/3 onward.
- Enhance integrated production, sales and management structure in order to develop products tailored to customer needs.



- Conclude contracts for 6,000 unit/year to recover its business speed.
- Enhance market research skills such as grasp of market trends of new built and used housings/ condominiums as well as demand forecast.
- Promote cost optimization in accordance with improvement of business process.



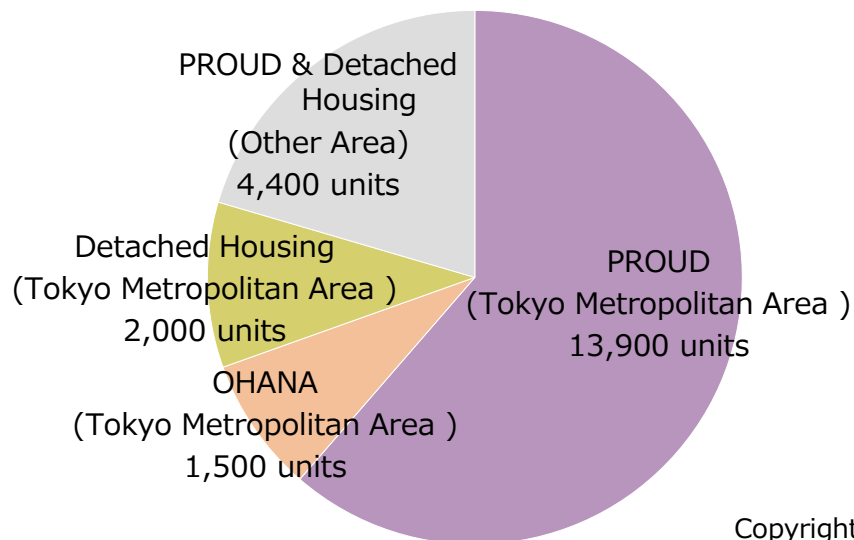
FY18/3	FY19/3	FY20/3	FY21/3~
PROUD Sakurashinmachi (Setagaya-ku, Tokyo 174 units)	PROUD Ginza-Higashi Residence (Chuo-ku, Tokyo 99 units)	Shinonome 1chome Project (Koto-ku, Tokyo 453 units)	Sarugakucho II Project (Shibuya-ku, Tokyo 108 units)
PROUD TOWER Kiba-Koen (Koto-ku, Tokyo 204 units)	Higashi-Ikebukuro 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 156 units *1*2)	PROUD City Etchujima (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)	Hankyu Tsukaguchi Station-Front Redevelopment Project (Amagasaki-shi, Hyogo 369 units)
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 21,800 units for FY18/3 2Q onward



PROUD Fuchu Station Arena



PROUD TOWER Kiba-Koen

[Reference] Residential Large-scale Redevelopment & Rebuilding Business

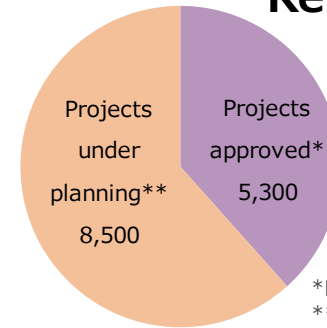
- By utilizing our top track record in the industry and a wealth of know-how, promote various redevelopment and rebuilding projects that have potential for growth.

Major Redevelopment & Rebuilding Projects

Project name	No. of units	Phase I (FY17/3 - FY19/3)	Phase II (FY20/3 - FY22/3)	Phase III (FY23/3 - FY25/3)
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	675	Start		Complete
Wakashio Heights*1	556	Start	Complete	Complete
Minamikoiwa 6chome district Redevelopment *1	300~	Start	Complete	Complete
Hankyu Tsukaguchi Station-Front Redevelopment *2	369		Start	Complete
Higashi-Ikebukuro Station-Front Redevelopment				
Kawaguchi-sakaemachi 3chome District Redevelopment				
Hirai Station North Exit District Redevelopment				
JR Kamata Station East Exit Central District Redevelopment				
Hongo Masago South District Redevelopment				
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				
Akasaka 7chome 2nd District Redevelopment *1				
Kodaira Station-Front North District Redevelopment *1				
Minami-Ikebukuro 2chome C-District Redevelopment *1				
Kouyamachi · Miyukicho Redevelopment (Shizuoka) *1				
Okayama Station-Front Urban area Redevelopment*1				
Nishi-Shinjuku 3chome West Redevelopment*1,2				
Kachidoki Station South Exit 8&9 Block Redevelopment *1				
Nishi-Ojima Station-Front Redevelopment*1				
Nishi-Nippori Station-Front Redevelopment*1,2				
Hirao Condominium Redevelopment*1				

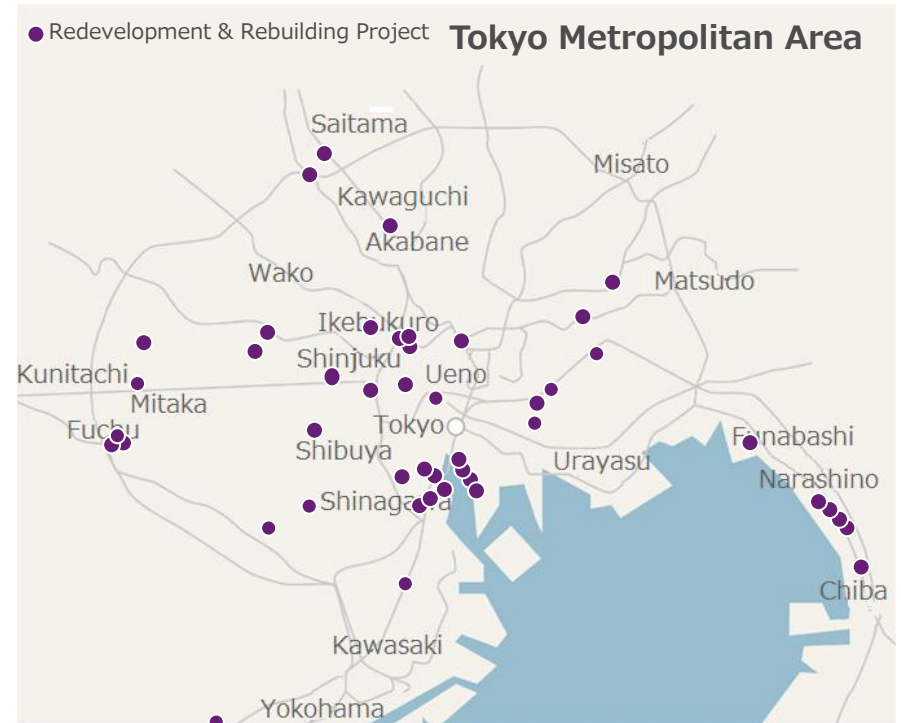
Phase II : 1,200 units (FY20/3 - 22/3)
 From Phase III onwards : 7,300 units (From FY23/3 onwards)

Breakdown of Residential Redevelopment / Rebuilding Projects



Of all the 21,800 units of stocks from FY18/3 2Q onward, projects approved of **5,300 units** are included. There are also projects under planning of **8,500 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.

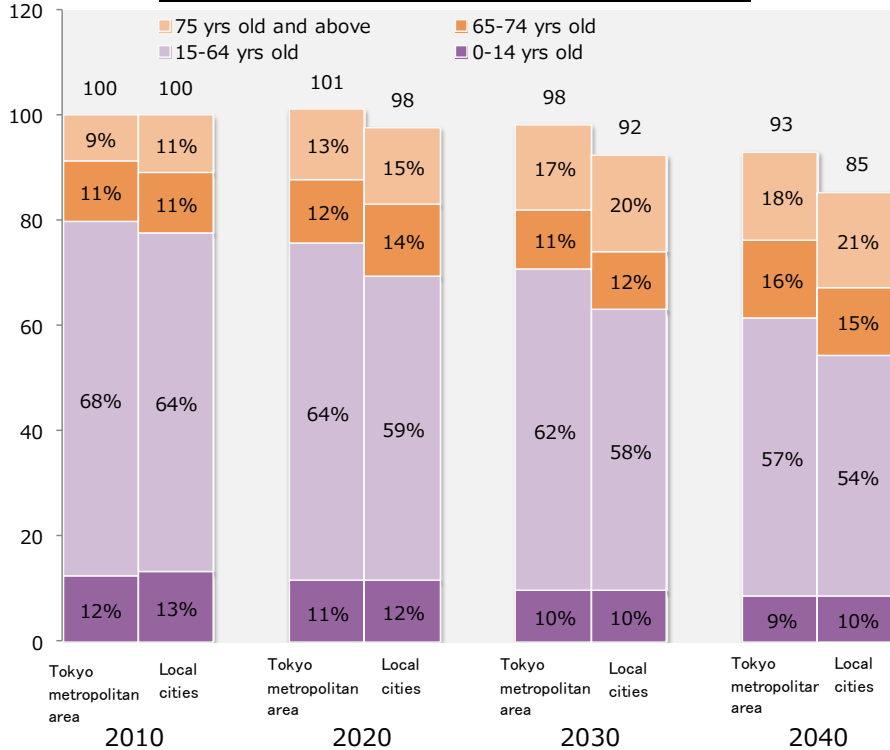
Projects approved (purple bar) : Projects under planning (orange bar)

- Advanced into the market of local core cities by grasping the needs of transformation into a Compact City.
- Started business in 2 Cities, Niigata and Toyama. Moreover, participated in redevelopment project in 2 other Cities, Shizuoka and Okayama.

Needs of transformation into a Compact City in local core cities

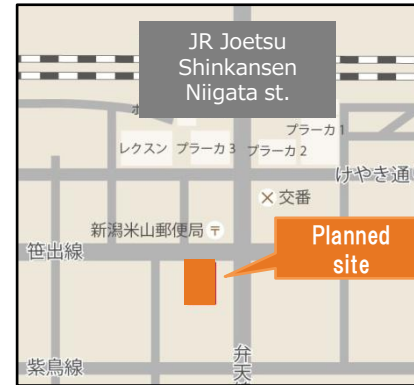
- In local core cities with population of more than 0.2 million people tend to experience decrease in population and aging more rapidly compared to Tokyo metropolitan city.
- As the needs of citizens for more convenient locations rise, the government promote transformation into a Compact City aiming at concentration of urban functions.

Population and Age Structure in Tokyo Metropolitan Area and Local Cities (Year 2010 = 100*)



*The figures are aggregated by extracting cities with population of more than 0.2 million people.
 Local cities : Cities with population of more than 0.2 million people except Tokyo metropolitan area, Osaka, Hyogo and Aichi. Source : 2015 Population Census

Niigata



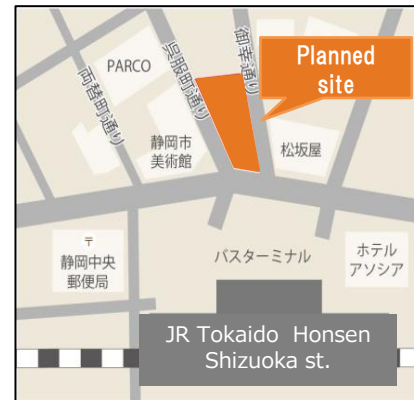
Total : 70 units (our share : 72%)
 Access : 5-min walk from JR Niigata station
 Completion (plan) : FY19/3
 Population : Approx. 0.8 million

Toyama



Total : 91 units (our share : 75%)
 Access : 5-min walk from JR Toyama station
 Completion(plan) : FY19/3
 Population : Approx. 0.42 million

Shizuoka



Total no. of units : TBD
 Access : 2-min walk from JR Shizuoka station
 Completion(plan) : TBD
 Population : Approx. 0.7 million

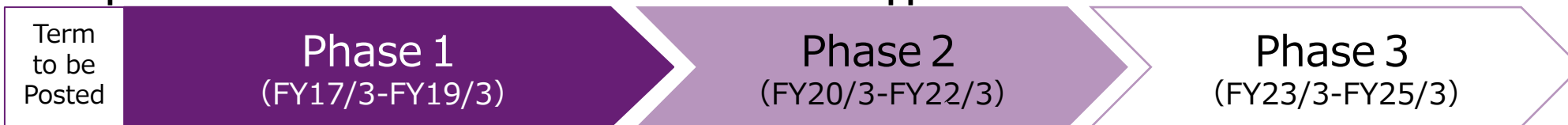
Okayama



Total no. of units : TBD
 Access : 1-min walk from JR Okayama station
 Completion(plan) : TBD
 Population : Approx. 0.72 million

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

- **300.0 bn yen investment until phase 3 planned for overseas business.** Focus on high-growth Southeast Asia etc.
- In addition to housing sales business in Vietnam and China, **we are participating in the complex development business of residence and retail in the Philippines.**



Overseas projects policy

Target Area

Take advantage of our engineering capabilities and experiences .
 (Management of quality and construction)



Southeast Asia-focused high-grow emerging countries
 Accommodate the demand for quality from quantity.

Approach to expand business

Build alliance with local partners in high performance.
 Participate in business with low investment.



Expand overseas business (mixed-use redevelopment, leasing business)

Ho Chi Minh City, Vietnam



Total number of units : Approx.2,300 units
 Our share : 12.25% Term to be posted : FY2021/3

Shenyang, China



Total number of units : Approx. 4,100 units
 Our share : 11.25% Term to be posted: FY2020/3

Manila, Philippines



Total units of residence : Approx. 1,400 units
 Retail leasing area : Approx. 30,000m²
 Our share : 20.00%
 Term to be posted : Residence...FY2022/3~
 Retail...FY2021/3
 (Starts operation)

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

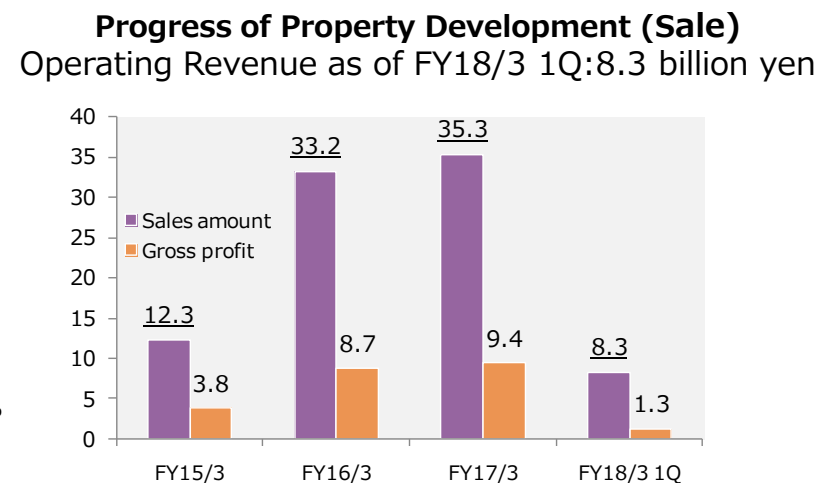
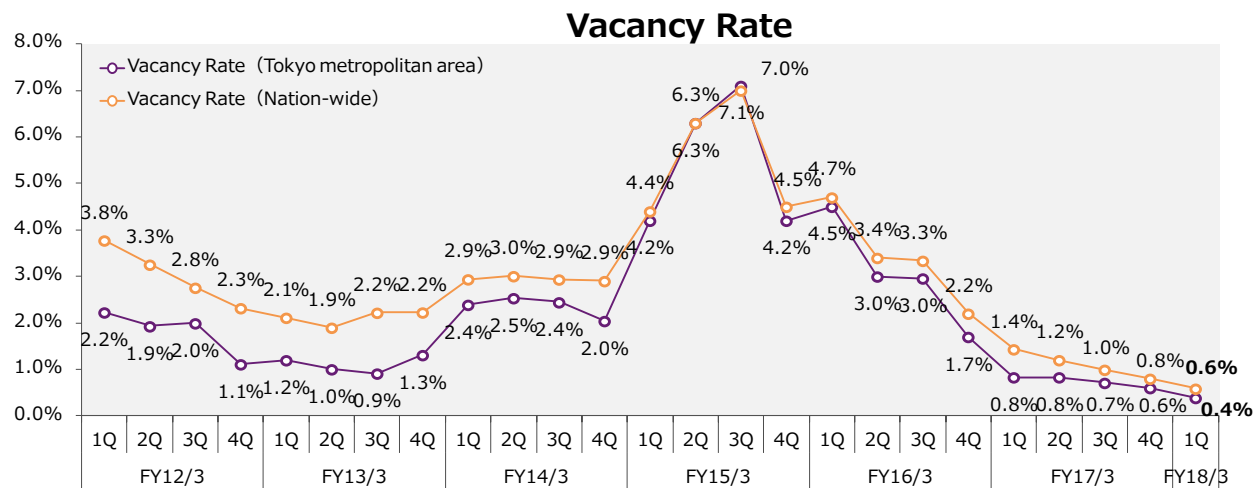
- Leasing of existing properties for tenants made a satisfactory progress. Moreover, newly-built properties started operation smoothly. The vacancy rate as of the end of the 1Q improved to **0.6%** (down 0.2 points compared to the end of FY17/3).

(Billions of yen)	FY17/3 1Q Actual ①	FY18/3 1Q Actual ②	Changes ②-①	FY17/3 Actual ③	FY18/3 Forecast ④	Changes ④-③
Operating revenue	20.0	28.3	+ 8.3	115.0	143.0	+ 27.9
Leasing (offices)	12.5	13.0	+ 0.4	51.9	—	—
Leasing (retail facilities)	2.8	2.8	-0.0	11.6	—	—
Leasing (other)	1.4	1.6	+ 0.1	5.9	—	—
Property development (sale)	0.8	8.3	+ 7.4	35.3	—	—
Property development (leasing)	0.8	1.0	+ 0.2	4.0	—	—
Other	1.3	1.4	+ 0.0	6.0	—	—
Operating profit	6.1	7.2	+ 1.0	32.5	32.0	-0.5
Rentable floor area (sqm)	977,289	997,853	+ 20,564	975,974	—	—
Offices	832,492	862,523	+ 30,031	831,177	—	—
Retail facilities	144,797	135,330	-9,467	144,797	—	—
Vacancy rate	1.4%	0.6%	-0.8P	0.8%	—	—

* Leasing (offices) includes subleasing properties

【Reference】 Rent revenue change analysis

	Changes
New and full-year operating buildings	+0.9 Contributory factors: operation of Yokohama Nomura Building and 3 properties acquired from NMF
Existing buildings	-0.0
Sold / Termination	-0.4 Sales of Fukagawa Gatharia etc.



- Promote complex development projects actively in Tokyo metropolitan area

Major Large-scale Redevelopment & Complex Development

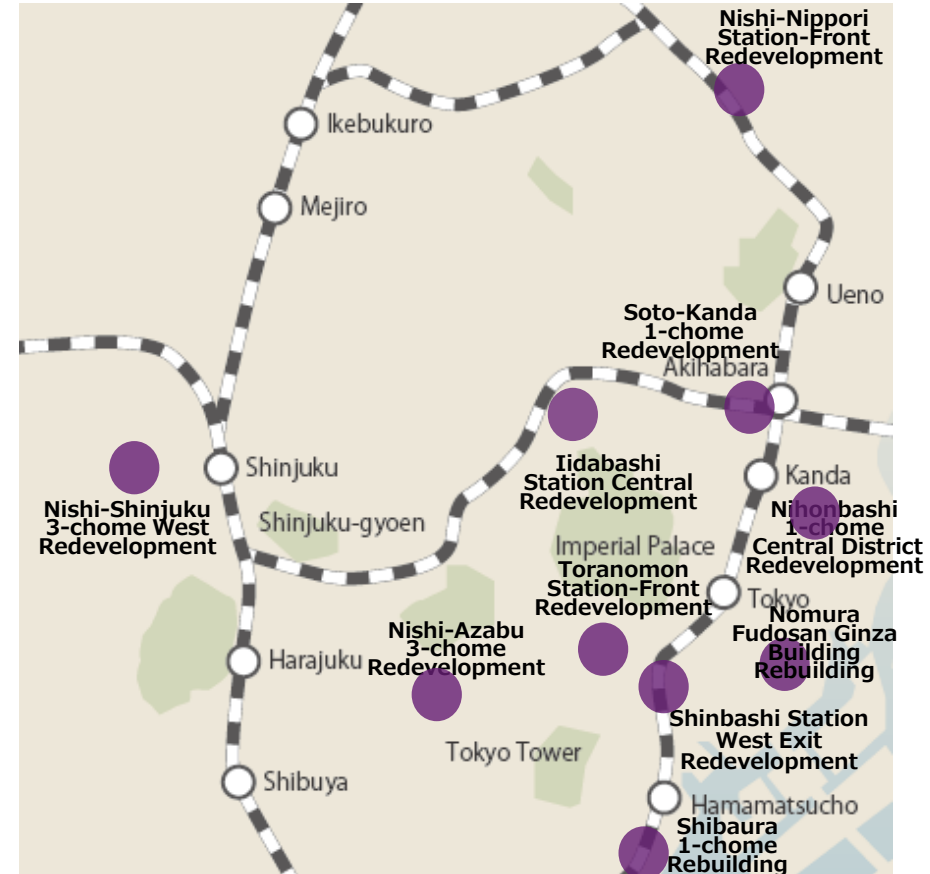
Project name	Progress situation	Main use	Area planned to	Phase I	Phase II	Phase III
				FY17/3 - FY19/3	FY20/3 - FY22/3	FY23/3 - FY25/3
Toranomon Station-Front Redevelopment (Certified as National Strategic Special Zone)	Rights conversion Started to be demolished	Office Retail	Approx. 12,000㎡	start	Complete	
Musashi-Koganei station 2nd District Redevelopment	Rights conversion completed	Retail Residential	Approx. 12,000㎡	start	Complete	
Minamikojiwa 6-chome Redevelopment*	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 Hotel Retail	Approx. 43,000㎡		start	Complete
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Office Residential	Approx. 20,000㎡			
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. 21,000㎡			
Shibaura 1chome Rebuilding* (Designated as National Strategic Special Zone)	Preparing to be certified as a national strategic special zone	Complex	Approx. 550,000㎡ (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. 17,000㎡			
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.

Investment Plan (Mid-to Long-term Business Plan)

- Planned to invest 900 billion yen by FY25/3 based on Mid-to Long-term Business Plan (long-term holding properties)
- Determined the business scale of 600 billion yen as of FY18/3 1Q.

Tokyo Metropolitan Area



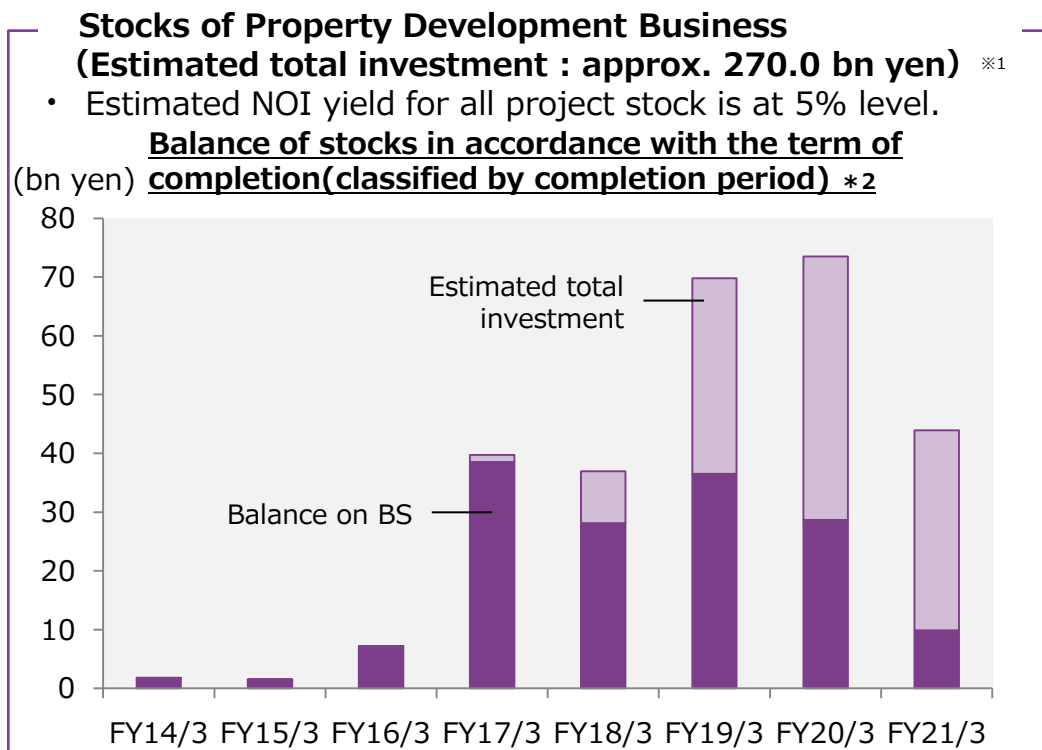
All projects are in planning stage and are subject to change.

- Secured 5 properties with estimated total investment of approx. 28.0 bn yen as of FY18/3 1Q. Stocks of Property Development Business expanded to approx. 270.0 bn yen.
- In the Mid-to Long-term, we aim to promote acquisitions and sales at about 100 billion/FY to secure stable sales revenues.

Expansion Plan of Property Development (on Balance Sheet)

- BS Balance expanded to 151.9 bn yen as of the end of FY18/3 1Q.
- Aiming at achieving BS balance of 200 bn yen in the Mid-to Long-term.

(Billions of yen)	FY18/3 1Q (on B/S)	Phase 1	Phase 2	Phase 3
Office (PMO, etc.)	67.2	60.0	65.0	65.0
Retail (GEMS/NSC etc.)	16.2	35.0	35.0	35.0
Logistics (Landport, etc.)	50.5	45.0	70.0	70.0
Residential (PROUD FLAT, etc.)	17.9	15.0	20.0	30.0
Image of expansion of Property Development	151.9	155.0	190.0	200.0



* 1 : Estimated total investment is the estimated total project cost at the time of acquisition.

* 2 : Completion period is estimated at the current stage and is not certain.

Office (PMO etc.)

Acquisition (Estimated total investment)	2 projects (About 14.0 billion)
Sale (Sale value)	1 project (8.3 billion)

Residential (PROUD Flat etc.)

Acquisition (Estimated total investment)	1 project (About 4.0 billion)
Sale (Sale value)	-

Retail (GEMS etc.)

Acquisition (Estimated total investment)	1 project (About 2.5 billion)
Sale (Sale value)	-

Logistics (Landport etc.)

Acquisition (Estimated total investment)	1 project (About 7.5 billion)
Sale (Sale value)	-

Office “PMO”



PMO Hirakawa-cho



PMO Nihonbashi Edo Dori



PMO Nishishimbashi

Residential “PROUD FLAT”



PROUD FLAT Soto-Kanda



PROUD FLAT Noborito



PROUD FLAT Asakusabashi

	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 Nishishimbashi	Nishishimbashi, Minato-ku	2017/3	Under Operation
8	PMO Uchi-Kanda Project	Uchi-Kanda, Chiyoda-ku	2017/5	Under Operation
9	PMO Shibuya Project	Shibuya, Shibuya-ku	2017/6	Under Operation
10	PMO Hanzomon Project (Entrusted)	Kojimachi, Chiyoda-ku	2017/6	Under Operation
11	PMO Shinjuku-Gyoen Project (Entrusted)	Shinjuku, Shinjuku-ku	2018/9(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	2018/7(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	2018/4(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
22	PMO Shibuya II Project	Shibuya, Shibuya-ku	2020/8(plan)	Under Planning
23	PMO Gotanda Project	Nishi-Gotanda, Shinagawa-ku	2019/7(plan)	Under Planning

※JV Project

Property acquired in FY18/3

	Name	Location	No. of units	Completion	Status
1	PROUD FLAT Sangenjaya II	Setagaya-ku, Tokyo	70 units	2014/1	Under Operation
2	PROUD FLAT Higashi-Kanda	Chiyoda-ku, Tokyo	38 units	2015/4	Under Operation
3	PROUD FLAT Mitsukoshimae	Chuo-ku, Tokyo	40 units	2015/7	Under Operation
4	PROUD FLAT Sugamo II	Toshima-ku, Tokyo	33 units	2015/11	Under Operation
5	PROUD FLAT Yoyogi-Hachiman	Shibuya-ku, Tokyo	30 units	2016/1	Under Operation
6	PROUD FLAT Soto-Kanda	Chiyoda-ku, Tokyo	75 units	2016/5	Under Operation
7	PROUD FLAT Noborito	Kawasaki-shi, Kanagawa	79 units	2016/5	Under Operation
8	PROUD FLAT Nakaochiai	Shinjuku-ku, Tokyo	37 units	2016/12	Under Operation
9	PROUD FLAT Asakusabashi	Taito-ku, Tokyo	38 units	2017/2	Under Operation
10	PROUD FLAT Monzen-nakacho V	Koto-ku, Tokyo	99 units	2017/10 (plan)	Under Construction
11	PROUD FLAT Miyazakidai	Miyamae-ku, Kawasaki	82 units	2018/2 (plan)	Under Construction
12	PROUD FLAT Togoshi	Shinagawa-ku, Tokyo	99 units	2019/1 (plan)	Under Planning
13	PROUD FLAT Asakusabashi II	Taito-ku, Tokyo	85 units	2019/1(plan)	Under Planning
14	PROUD FLAT Higashi-Nihonbashi	Chuo-ku, Tokyo	43 units	2018/10(plan)	Under Construction
15	PROUD FLAT Asakusabashi III	Taito-ku, Tokyo	41 units	2018/8(plan)	Under Construction
16	PROUD FLAT Asakusa-Kaminarimon	Taito-ku, Tokyo	49 units	2019/1(plan)	Under Construction
17	PROUD FLAT Ryogoku	Sumida-ku, Tokyo	70 units	2018/11(plan)	Under Planning
18	Tomigaya 2-chome Project	Shibuya-ku, Tokyo	110 units	2019/2(plan)	Under Planning
19	Kiba 5-chome Project	Koto-ku, Tokyo	136 units	2020/2(plan)	Under Planning

Property acquired in FY18/3

Retail Facilities “GEMS”



GEMS Daimon



GEMS Kanda



GEMS Ebisu

Logistics Facilities “Landport”



Landport Komaki

	Name (GEMS)	Location	Completion	Status
1	GEMS Daimon	Shibadaimon, Minato-ku	2016/2	Under Operation
2	GEMS Kanda	Kajicho, Chiyoda-ku	2016/6	Under Operation
3	GEMS Ebisu Project	Ebisu, Shibuya-ku	2017/7	Completed
4	GEMS Jingu-Mae Project	Jingu-Mae, Shibuya-ku	2018/4 (plan)	Under Construction
5	GEMS Kayabacho Project	Shinkawa, Chuo-ku	2018/2 (plan)	Under Construction
6	GEMS Namba Project	Namba, Chuo-ku, Osaka	2018/11 (plan)	Under Construction
7	GEMS Tamachi Project	Shiba, Minato-ku	2019/2 (plan)	Under Construction
8	GEMS Nishi-Shinjuku Project	Nishi-shinjuku, Shinjuku-ku	TBD	Under Planning
9	GEMS Sangenjaya Project	Taishido, Setagaya-ku	2018/5 (plan)	Under Construction
10	GEMS Shin-Yokohama Project	Yokohama, Kohoku-ku	2018/7 (plan)	Under Construction
11	GEMS Shimbashi Project	Shimbashi, Minato-ku	2018/5 (plan)	Under Construction
12	GEMS Sakae Project	Naka-ku, Nagoya	2019/8(plan)	Under Planning

	Name (Urban-type retail facilities)	Location	Completion	Status
1	MIRRAZA Jingu-mae Project*	Jingu-mae, Shibuya-ku	2017/6 (plan)*	Under Operation
2	Jinbocho Project	Jinbocho, Kanda, Chiyoda-ku	2019/5(plan)	Under Planning
3	Suginami Project	Honamanuma, Suginami-ku	2018/9(plan)	Under Planning
4	Hiroo Project	Hiroo, Shibuya-ku	2019/5(plan)	Under Planning

Property acquired in FY18/3

	Name	Location	Completion	Status
1	Landport Kashiwa-Shonan II	Kashiwa-shi, Chiba	2016/4	Sold
2	Landport Kashiwa-Shonan I	Kashiwa-shi, Chiba	2016/1	Sold
3	Landport Iwatsuki	Saitama-shi, Saitama	2016/5	Under Operation
4	Landport Hachioji II	Hachioji-shi, Tokyo	2016/9	Under Operation
5	Landport Komaki	Komaki-shi, Aichi	2017/1	Under Operation
6	Landport Shinonome Project	Koto-ku, Tokyo	2018/8 (plan)	Under Planning
7	Landport Narashino Project	Narashino-shi, Chiba	2019/12 (plan)	Under Planning
8	Landport Kawaguchi Project	Kawaguchi-shi, Saitama	2020/1 (plan)	Under Planning
9	Landport Higashi-Narashino Project	Narashino-shi, Chiba	2019/8 (plan)	Under Planning
10	Landport Ome Project I	Ome-shi, Tokyo	2019/1(plan)	Under Planning
11	Landport Ome Project II	Ome-shi, Tokyo	2020/6(plan)	Under Planning
12	Landport Ome Project III	Ome-shi, Tokyo	2020/6(plan)	Under Planning
13	Landport Koshigaya Project	Koshigaya-shi, Saitama	2020/6(plan)	Under Planning

Property acquired in FY18/3

*JV project

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

【Reference】 Our Group's Major Buildings

	Name	Location	Leased floor area *Our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	172,332m 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	Yokohama Nomura Building	Nishi-ku, Yokohama-shi, Kanagawa	42,013m ²	2017/1
6	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,467m ²	1978/5
7	Nomura Fudosan Tennozu Building	Shinagawa-ku, Tokyo	24,242m ²	1996/6
8	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,247m ²	2010/9
9	Nomura Fudosan Musashikosugi Building N Wing & S Wing	Nakahara-ku, Kawasaki-shi, Kanagawa	20,513m ²	2010/3
10	NOF Nihonbashi Honcho Building	Chuo-ku, Tokyo	19,157m ²	1961/4
11	Umeda Sky Building	Kita-ku, Osaka-shi, Osaka	18,938m ²	1993/3
12	bono Sagamino Shopping Center	Minami-ku, Sagamihara-shi, Kanagawa	16,128m ²	2013/1
13	Nomura Fudosan Ginza Building	Chuo-ku, Tokyo	13,280m ²	1982/3



Hamamatsucho Building



Nihonbashi Muromachi
Nomura Building



Shinjuku Nomura
Building



Yokohama Nomura
Building



LAZONA Kawasaki
Toshiba Building



Nomura Fudosan
Ginza Building



LAZONA Kawasaki Plaza



Yokohama Business Park



bono Sagamino Shopping Center



Umeda Sky Building



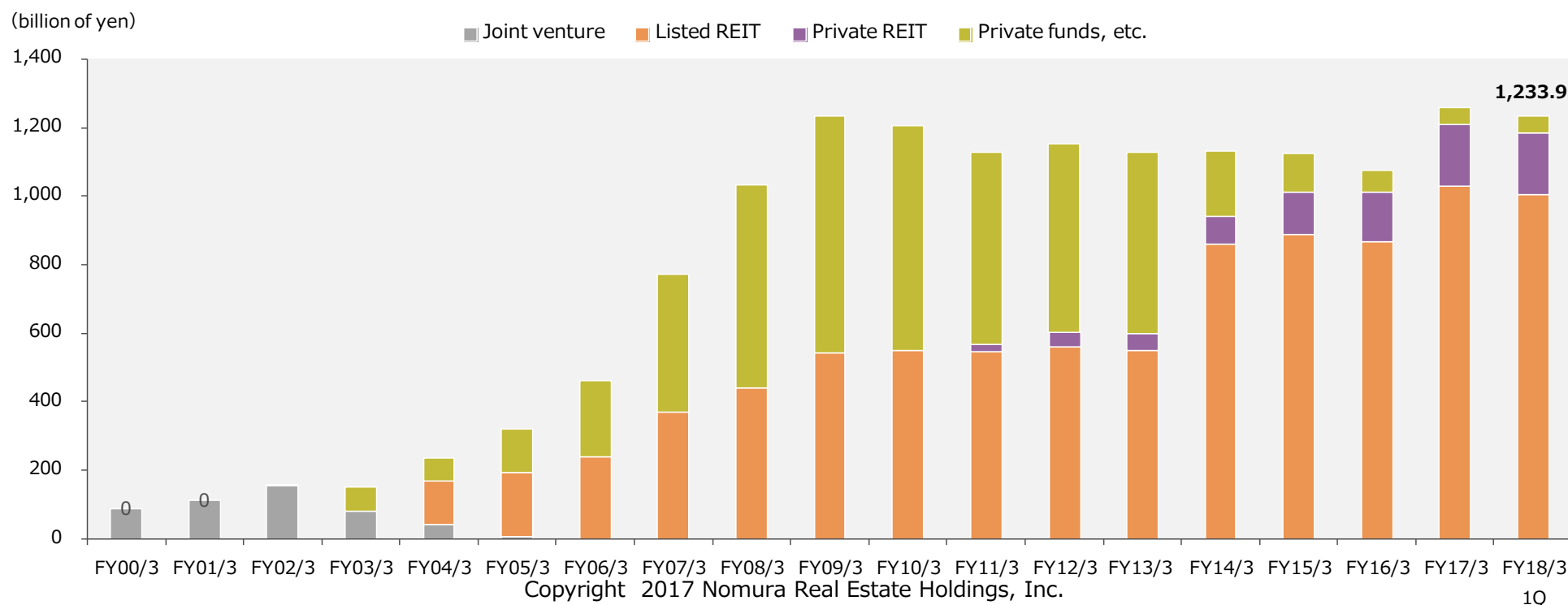
Nomura Fudosan
Tennozu Building

【Investment Management】

- Assets under management increased steadily. Nomura Real Estate Master Fund, Inc. actively conducting the replacement of buildings to aim qualitative improvements of portfolio .

(Billions of yen)	FY17/3 1Q Actual ①	FY18/3 1Q Actual ②	Changes ②-①	FY17/3 Actual ③	FY18/3 Forecast ④	Changes ④-③
Operating revenue	2.2	2.5	+0.3	9.6	9.5	-0.1
Operating profit	1.3	1.7	+0.4	6.0	5.5	-0.5
Assets under management	1,072.3	1,233.9	+ 161.5	1,260.0	—	—
Listed REIT	844.0	1,002.7	+ 158.6	1029.9	—	—
Private REIT	166.3	181.4	+ 15.0	180.6	—	—
Private funds, etc.	61.8	49.7	-12.1	49.5	—	—

Assets Under Management



- The retail business and wholesale business made a steady progress. Both operating revenue and operating profit increased due to an increase of transaction value.

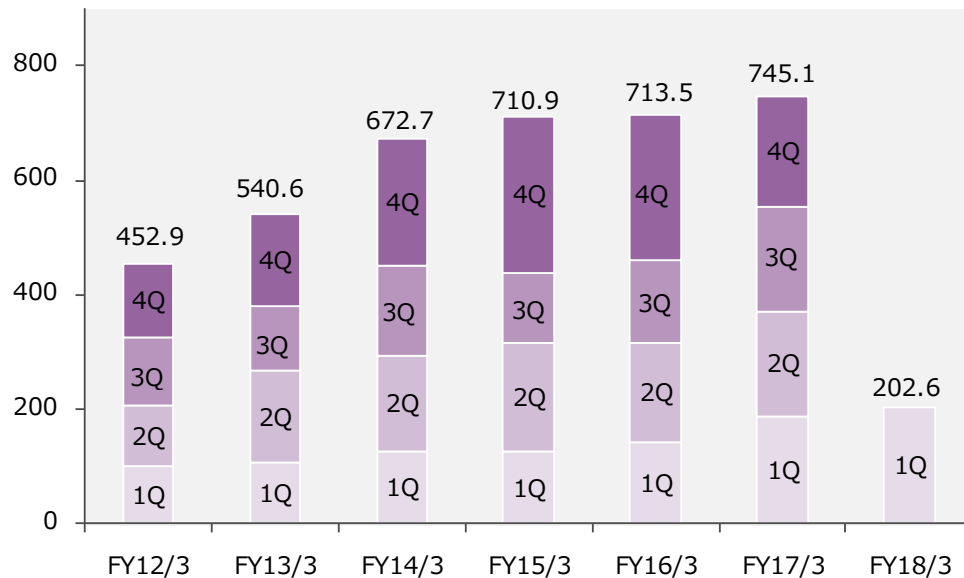
(Billions of yen)	FY17/3 1Q Actual ①	FY18/3 1Q Actual ②	Changes ②-①	FY17/3 Actual ③	FY18/3 Forecast ④	Changes ④-③
Operating revenue	7.8	8.9	+1.0	34.8	38.0	+3.1
Property brokerage	7.2	7.9	+0.7	30.2	—	—
Other	0.6	0.9	+0.3	4.5	—	—
Operating profit	1.8	2.3	+0.4	9.1	10.5	+1.3

【Brokerage indicators】

Total transaction value (billion yen)	186.1	202.6	+16.5	745.1	—	—
Number of transactions	2,034	2,129	+95	8,272	—	—
Comission fee (billion yen)	7.2	7.9	+0.7	30.2	—	—
Comission rate (%)	3.9%	3.9%	+0.0P	4.1%	—	—
Number of property brokers branches	71	75	+4	73	—	—

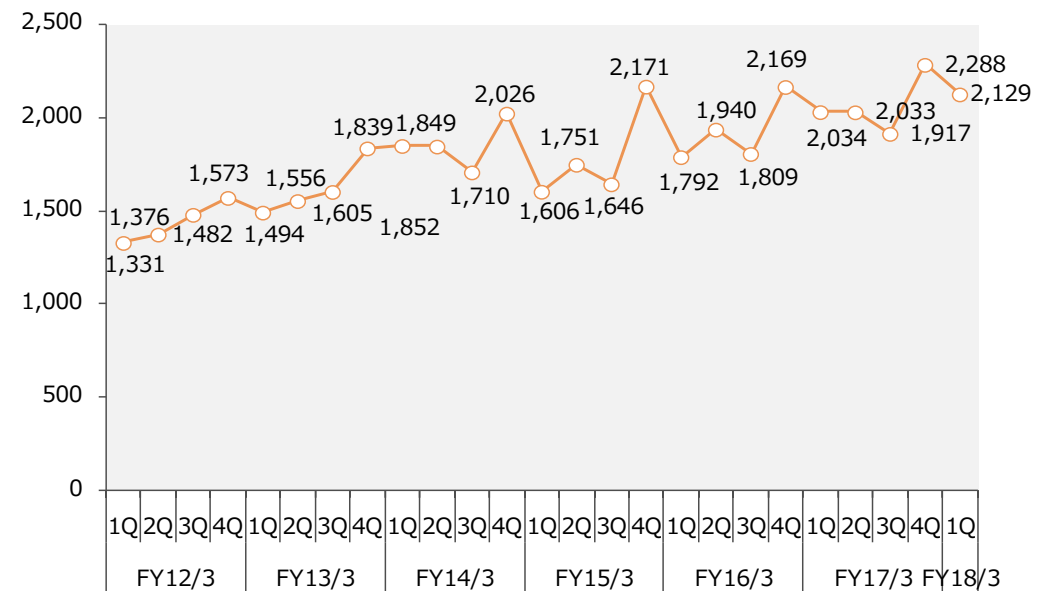
Total Transaction Value of Property Brokerage

(Billions of yen)



Number of Transactions

(No. of transactions)



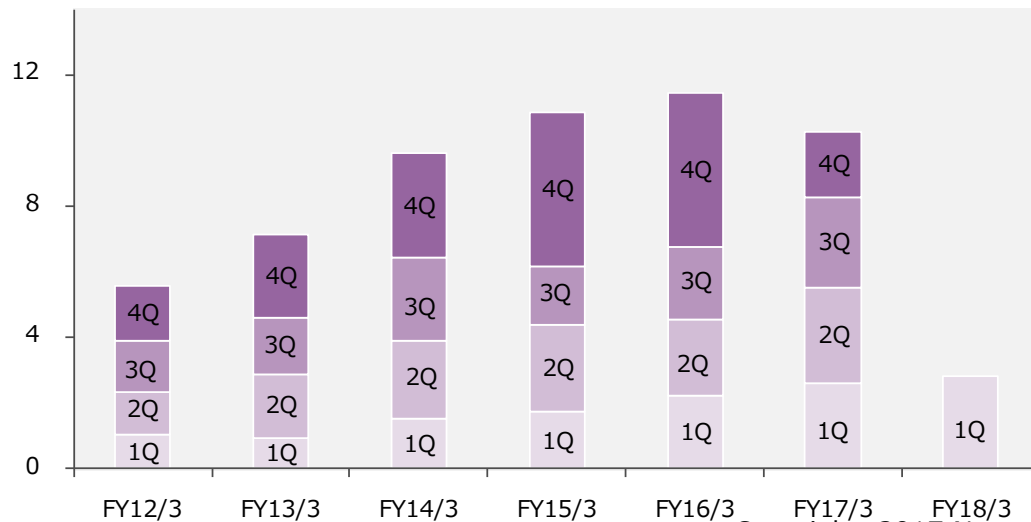
Progress of Property Brokerage & CRE Unit

- In the wholesale business, established new branches in Kyoto and Fukuoka in October 2016, in order to enhance sales activities in broader area. Moreover, increased the number of employees in Kansai and Nagoya.
- In the retail business, the number of property brokers branches expanded to 75 as of FY18/3 1Q. In addition, planning to establish 100 property brokers branches and hire 1,000 sales reps by FY2022.
- Business collaboration with Nomura Securities is making a satisfactory growth which is leading to the transaction value of 100 billion yen level for each fiscal year.

Brokerage commission fee (wholesale)

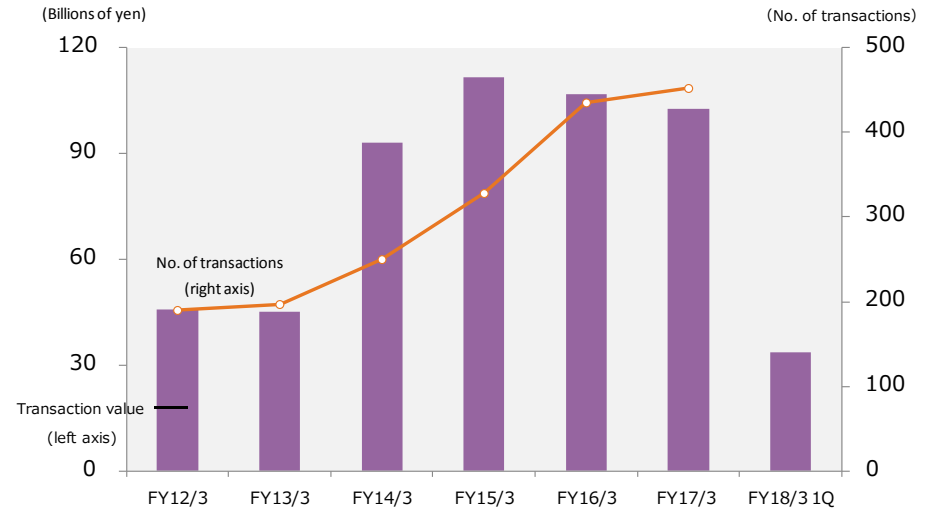
- Commission marked the highest figure ever as the first quarter .

(Billions of yen)



Transaction value and number of transactions in cooperation with Nomura Securities (based on contracts)

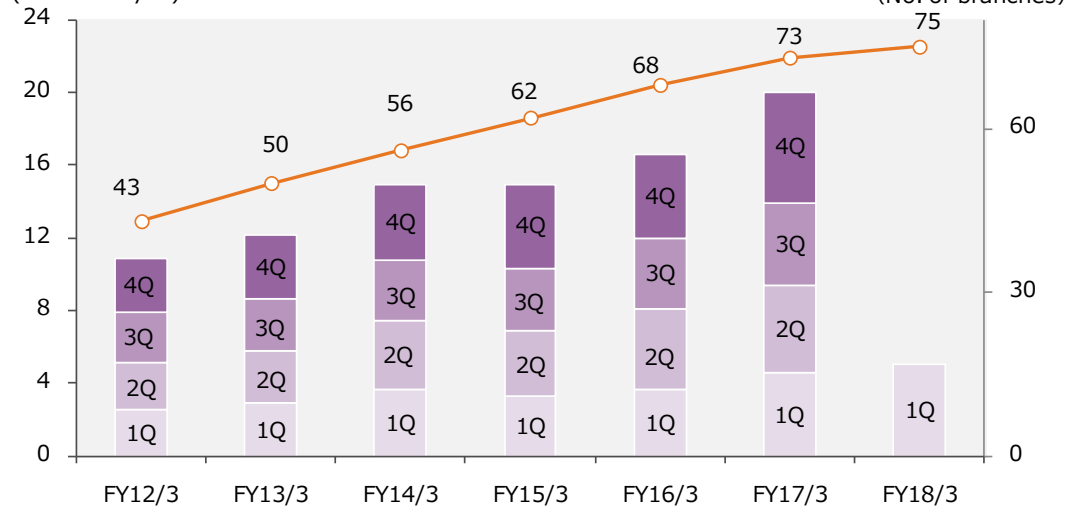
- Both the transaction value and number of transaction made a satisfactory progress.



Number of property brokers branches & brokerage commission (retail)

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

(Billions of yen)

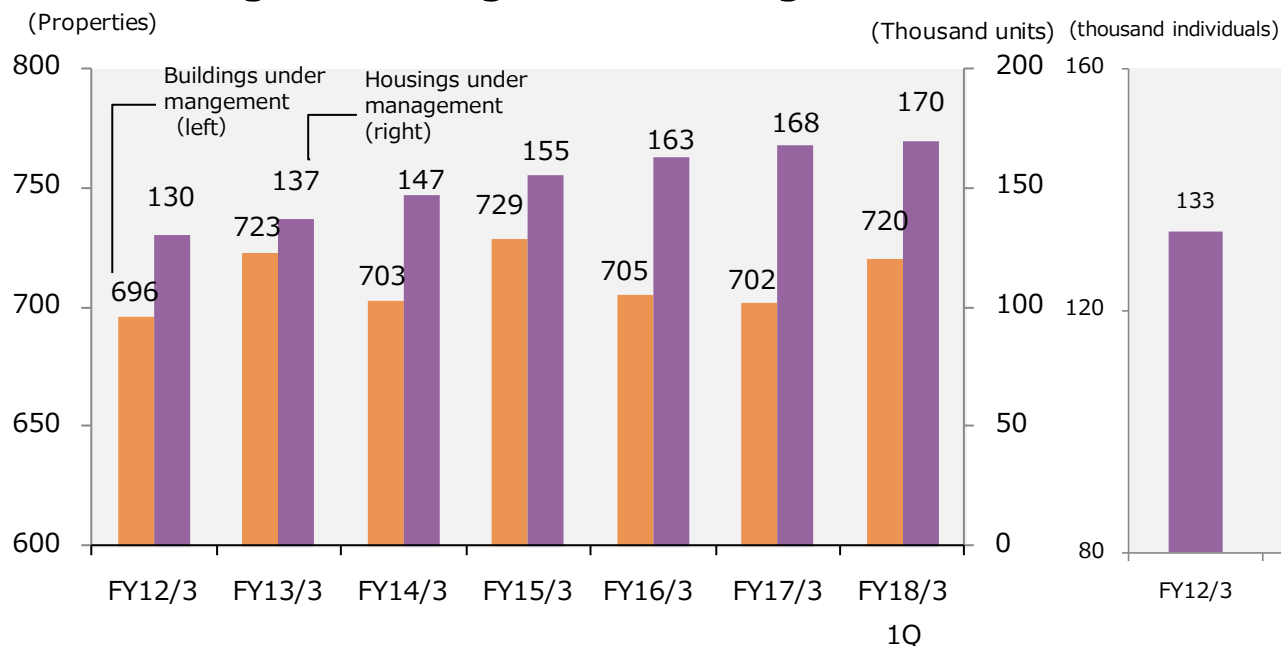


- Both revenue and profit due to a steady increase of the number of buildings and housings under management and improvement of revenue in fitness club.

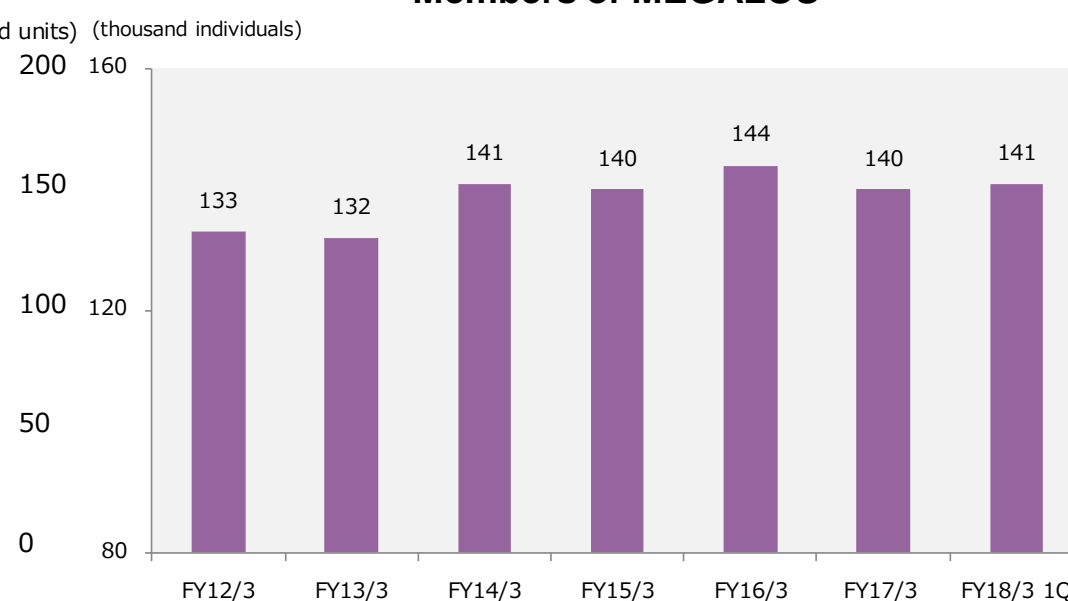
(Billions of yen)	FY17/3 1Q Actual ①	FY18/3 1Q Actual ②	Changes ②-①	FY17/3 Actual ③	FY18/3 Forecast ④	Changes ④-③
Operating revenue	21.1	21.8	+0.6	95.7	104.0	+8.2
Property & facility management	11.7	12.1	+0.3	48.3	—	—
Construction ordered	4.5	4.2	-0.2	26.8	—	—
Fitness club & elderly care	3.8	3.9	+0.1	15.5	—	—
Other	1.0	1.4	+0.3	5.0	—	—
Operating profit	0.9	1.0	+0.0	6.9	7.0	+0.0

Building under management	710	720	+10	702	—	—
Housings under management	163,224	170,337	+7,113	168,999	—	—
Members of MEGALOS (individuals)	142,161	141,028	-1,133	140,743	—	—
Number of clubs	33	38	+5	35	—	—

Buildings & Housings Under Management



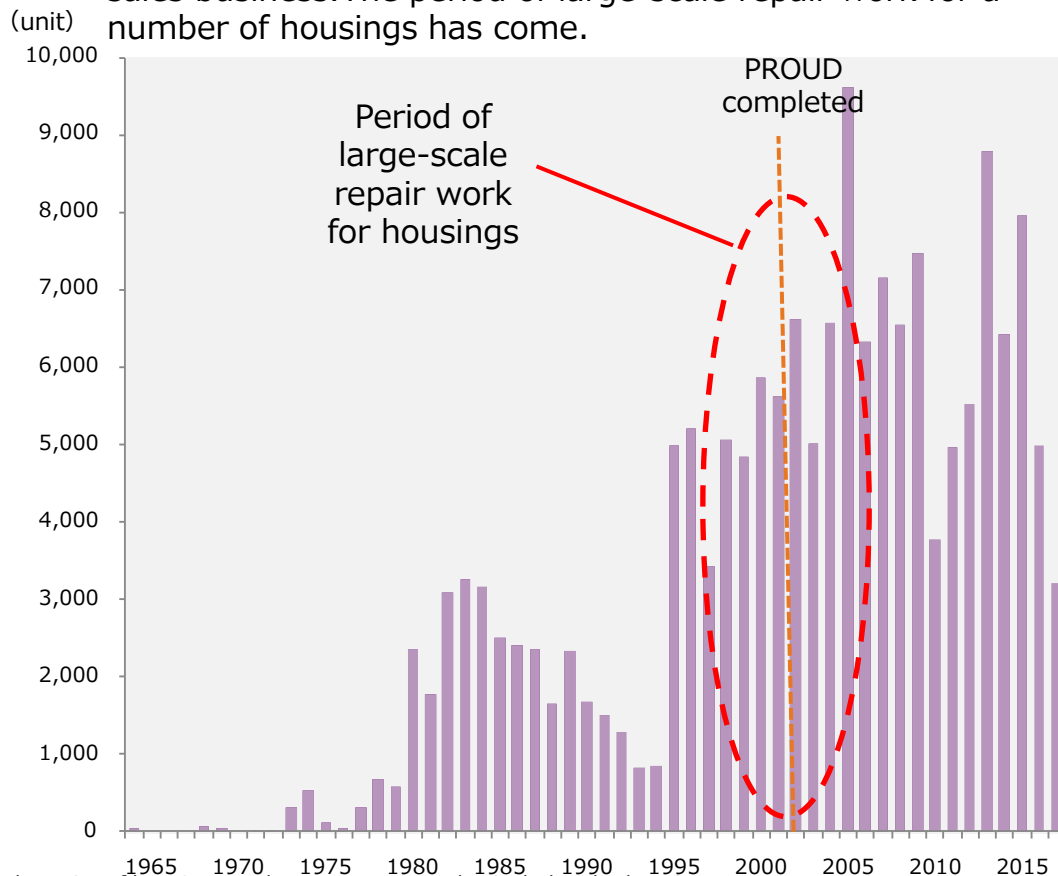
Members of MEGALOS



- 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.

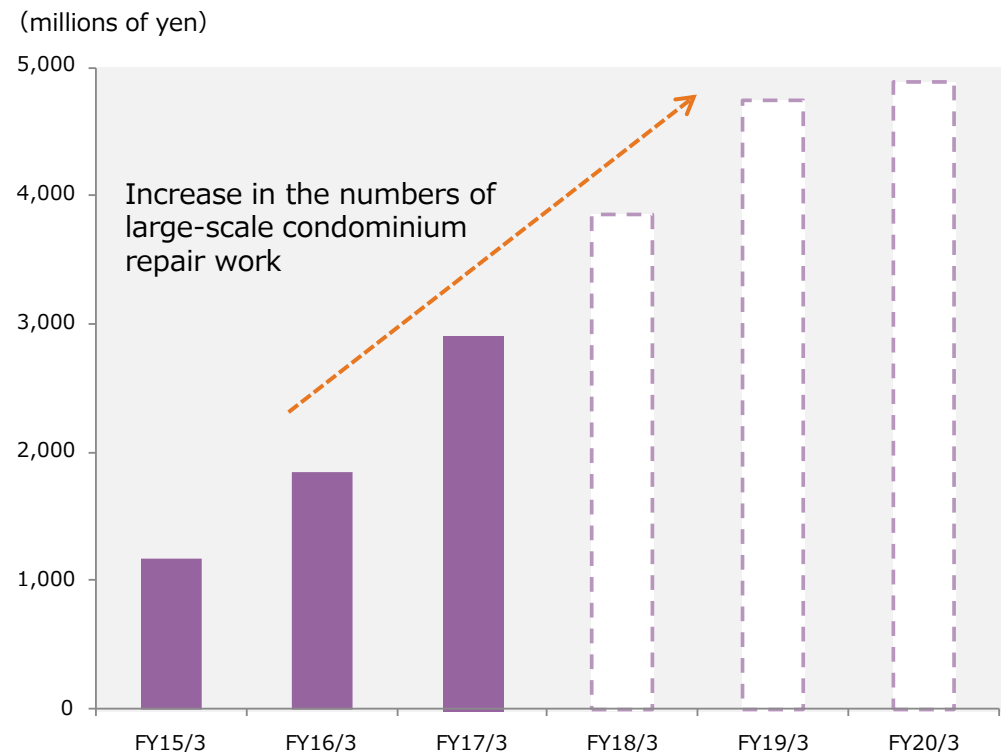
The Number of Housings Under Management Completed

- 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.



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

- We announced **OUKAS**, our new brand of elderly housing. We plan to open OUKAS Funabashi in October as our first project. We will establish our distinctive business model through capital and business alliance with nursing home provider and our fitness business while enhancing its development as it plays the crucial role of "Urban-type Compact Town" .

Housing sales

Elderly housing with supportive services

Nursing home

PROUD



Build relationships with nursing care business

Nomura Real Estate Group's elderly housing

•In elderly housing, we aim to supply **5,000 units in 40 buildings in 10 years' time.**



A Home for Celebrating Life
 "Tomorrow Healthier than Today"

Features of OUKAS

"Town planning" that enables any generation to walk and be active

"Health maintenance and promotion" to deliver physical and mental health

Business tie-ups with nursing care providers

•Implement operational and capital tie-ups with providers with know-how in the nursing care business to strengthen elderly housing business

Sousei Jigyoudan Co, Ltd.

Capital : 90 million yen
 Number of employees : 845 (as of 3/2017)
 Number of beds: approx. 5,000 beds
 (including group companies)

Joint investment
 (Our controlling share: 49%)

JAPAN LIFE DESIGN CORPORATION
 Operating elderly housing with nursing care (3 facilities)



Good time home Chofu

Access:9 minute walk from Chofu Station (Keio line)
 Open : October, 2004
 Total rooms : 72 rooms



Good time home Fudomae

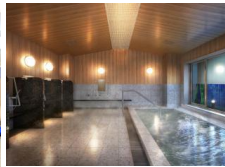
Access:5 minute walk from Fudo-mae Station (Tokyu Meguro line)
 Open : December, 2006
 Total rooms : 61 rooms



Good time home Tamagawa

Access:6 minute walk from Rokugoudote Station (Keihin Kyuko line)
 Open : September, 2009
 Total rooms : 41 rooms

1st Project (OUKAS Funabashi)



Location:Funabashishi,Chiba
 Access:15 minute walk from Funabashi Station (JR Sobu line)
 Opening year : October, 2017
 Total units : 125 units

2nd Project (Hiyoshi)



Location :
 Minowacho2chome,Kohokuku
 Yokohama-shi
 Total units : housing(1,300units), retail facility, elementary school etc.

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