

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2020

---



Index	<b>03</b>	Outline of the FY20/3 Financial Results
	<b>14</b>	Performance Highlights by Business Unit
	<b>31</b>	Reference materials
	<b>51</b>	Outline of Nomura Real Estate Group

# Outline of the FY20/3 Financial Results

---

## <Summary>

- The consolidated financial results for the fiscal year ended March 31, 2020 were as follows:  
Operating revenue; 676.4 billion yen (up 1.2% YoY); operating profit; 81.9 billion yen (up 3.5% YoY); business profit; 82.8 billion yen (up 4.0% YoY); ordinary profit; 73.0 billion yen (up 5.4% YoY); and profit attributable to owners of parent; 48.8 billion yen (up 6.6% YoY), that both operating revenue and each profit hit record high.  
\*Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions
- In Residential Development Business Unit, the number of housing units sold including condominiums and detached housings was 4,739 units (a decrease of 1,151 units YoY). The gross profit margin ratio improved to 20.4% (19.1% for the fiscal year ended March 31, 2019) and our business profit is at the same level compared with the previous fiscal year.
- In Commercial Real Estate Business Unit, operating revenue was 215.8 billion yen (up 25.8% YoY) and business profit was 39.2 billion yen (up 3.1% YoY). This was mainly due to increases in revenues from properties for sales.
- In Service & Management Sector, business in Investment Management Business Unit, Property Brokerage & CRE Business Unit, and Property & Facility Management Business Unit progressed steadily. In each business unit, both operating revenue and business profit increased YoY.
- The annual dividend per share for the fiscal year ended March 31, 2020, is 80 yen which is in line with the forecasts.
- Forecasts of consolidated operating results for fiscal year ending March 31, 2021 is to be determined, as it is difficult to reasonably calculate the impact of the spread of novel coronavirus disease (COVID-19) on business activities and business results. The information will be disclosed once it is possible to make rational calculations in future. The annual dividend per share for the fiscal year ending March 31, 2021, is planned to be 80 yen.

# Consolidated financial results

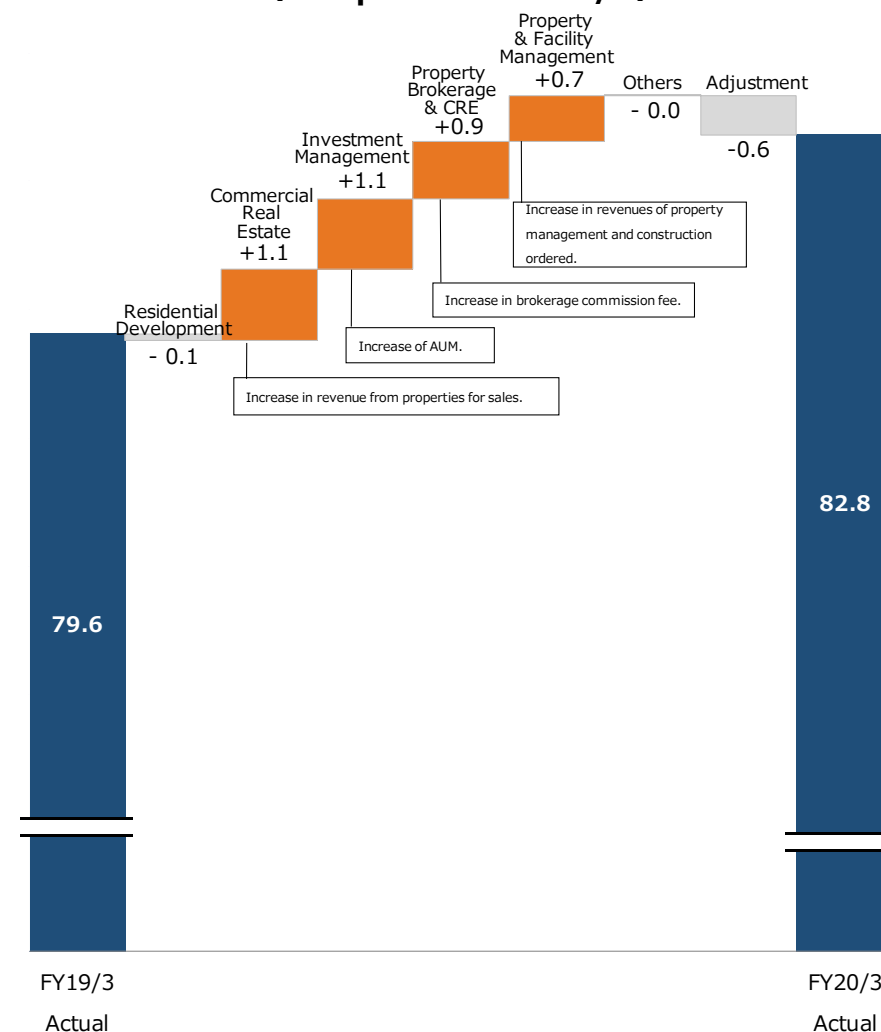
(¥bn)	19/3 Actual ①	20/3 Actual ②	Changes ② - ①	Key Factors
Operating revenue	668.5	676.4	+7.9	<Operating revenue>
Operating gross profit	188.7	193.7	+5.0	• Decrease in the number of housing units sold in Residential Development Business Unit.
Selling, general and administrative expenses	109.5	111.8	+2.2	• Increase in revenues of properties for sales in Commercial Real Estate Business Unit.
Operating profit	79.1	81.9	+2.7	• Increase in revenues of Service & Management Sector.
Share of profit (loss) of entities accounted for using equity method	0.1	0.3	+0.1	
Amortization of intangible assets associated with corporate acquisitions	0.2	0.6	+0.3	<Business profit>
Business profit	79.6	82.8	+3.2	• Gross profit margin ratio improved in Residential Development Business Unit.
Non-operating income	0.7	1.3	+0.6	• Increase in revenues of properties for sales in Commercial Real Estate Business Unit.
Non-operating expenses	10.5	10.1	-0.4	• Increase in business profit in Service & Management Sector.
Ordinary profit	69.3	73.0	+3.7	
Extraordinary income	—	0.3	+0.3	
Extraordinary losses	3.9	0.3	-3.5	
Income taxes	18.8	23.4	+4.5	
Profit attributable to non-controlling interests	0.6	0.7	+0.0	
Profit attributable to owners of parent	45.8	48.8	+3.0	
Basic earnings per share (¥)	245.99	267.21	+21.22	
Cash dividends per share (¥)	75.00	80.00	+5.00	
Net cash provided by (used in) operating activities	89.9	56.6	-33.3	
Net cash provided by (used in) investing activities	-46.6	-30.4	+16.2	• (Major cash flows in FY20/3) Increase in investment securities through equity method investments in overseas development projects
Net cash provided by (used in) financing activities	13.7	-66.8	-80.5	• (Major cash flows in FY20/3) Increase in long-term borrowings.
Cash and cash equivalents at end of period	118.3	77.6	-40.7	
(¥bn)	As of Mar. 31, 2019 ①	As of Mar. 31, 2020 ②	Changes ②-①	Key Factors
Total assets	1,759.4	1,801.2	+41.8	• Increase in inventories.
Total interest-bearing debt	914.0	870.0	-44.0	• Increase in long-term borrowings.
Shareholders' equity	526.7	550.1	+23.4	
Shareholders' equity ratio	29.9%	30.5%	+0.6P	
Debt/equity ratio	1.7	1.6	-0.2	

# Outline of Financial Results by Business Units

- In Residential Development Business Unit, the gross profit margin ratio improved and the business profit is at the same level as the previous fiscal year, while the number of housing units sold decreased.
- Commercial Real Estate Business Unit's profit increased mainly due to an increase in revenues of properties for sales.
- Service & Management Sector's profit increased at Investment Management Business Unit, Property Brokerage & CRE Business Unit and Property & Facility Management Business Unit.

## Key factors of changes in operating profit by business unit (compared to FY19/3)

(¥bn)	19/3 Actual ①	20/3 Actual ②	Changes ②-①	20/3 Forecast ③	Changes ②-③
Operating revenue	668.5	676.4	+7.9	739.0	-62.5
Residential Development	375.3	334.7	-40.6	365.0	-30.2
Commercial Real Estate	171.6	215.8	+44.2	242.0	-26.1
Service & Management	138.3	144.1	+5.8	145.0	-0.8
Investment Management	9.6	12.0	+2.4	12.0	+0.0
Property Brokerage & CRE	37.2	39.1	+1.8	41.0	-1.8
Property & Facility Management	91.3	92.9	+1.6	92.0	+0.9
Other	0.0	0.1	+0.0	0.0	+0.1
Adjustments	-16.8	-18.3	-1.4	-13.0	-5.3
Business profit*	79.6	82.8	+3.2	80.0	+2.8
Residential Development	25.0	24.9	-0.1	23.5	+1.4
Commercial Real Estate	38.0	39.2	+1.1	38.5	+0.7
Service & Management	21.6	24.4	+2.8	23.5	+0.9
Investment Management	5.9	7.1	+1.1	7.0	+0.1
Property Brokerage & CRE	8.1	9.1	+0.9	9.0	+0.1
Property & Facility Management	7.4	8.1	+0.7	7.5	+0.6
Other	-0.0	-0.1	-0.0	0.0	-0.1
Adjustments	-5.0	-5.6	-0.6	-5.5	-0.1
Ordinary profit	69.3	73.0	+3.7	70.0	+3.0
Profit attributable to owners of parent	45.8	48.8	+3.0	46.0	+2.8



Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

# Consolidated Balance Sheets

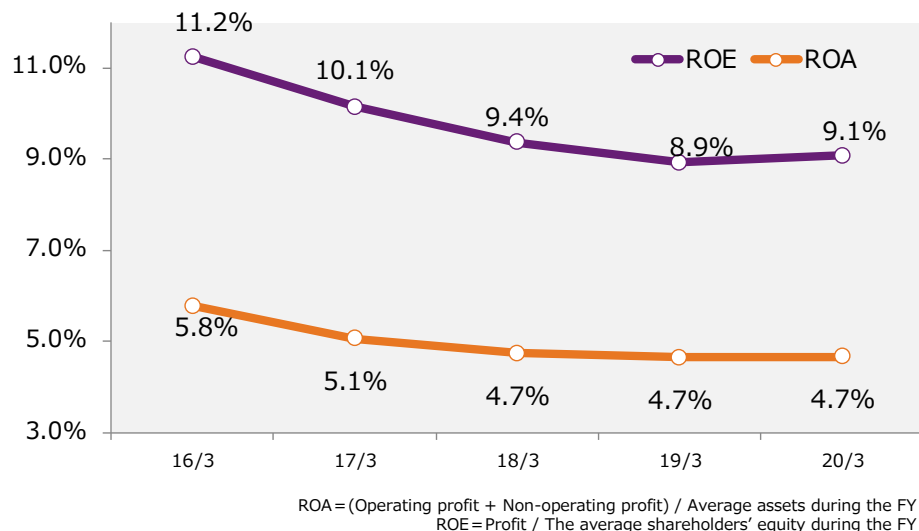
(¥bn)	As of Mar. 31, 2019 ①	As of Mar. 31, 2020 ②	Changes ② - ①	Key Factors
<b>Assets</b>	1,759.4	1,801.2	+41.8	<Inventories>
Current assets	849.5	906.7	+57.1	
(Breakdown)				
Cash and deposits and others	118.3	78.4	-39.9	
Notes and accounts receivable-trade	26.6	25.3	-1.2	
Inventories	636.9	714.7	+77.8	
Equity investments	18.0	30.9	+12.9	
Other current assets	49.5	57.2	+7.6	
Non-current assets	909.9	894.5	-15.3	<Property, plant and equipment>
Property, plant and equipment	787.0	756.3	-30.7	
Intangible assets	18.1	20.2	+2.1	
Investments and other assets	104.7	118.0	+13.2	
(Breakdown)				
Investment securities	50.5	58.9	+8.4	
Leasehold and guarantee deposits	25.4	27.9	+2.5	
Other non-current assets	28.8	31.0	+2.2	
<b>Liabilities</b>	1,217.8	1,236.1	+18.2	<Interest-bearing debt>
Current liabilities	231.8	302.0	+70.1	
(Breakdown)				
Notes and accounts payable-trade	53.9	94.1	+40.2	
Short-term borrowings, etc.	79.5	92.0	+12.5	
Deposits received	26.9	35.5	+8.6	
Other current liabilities	71.5	80.3	+8.7	
Non-current liabilities	986.0	934.0	-51.9	
(Breakdown)				
Bonds payable	140.0	120.0	-20.0	
Long-term borrowings	694.5	658.0	-36.5	
Leasehold and guarantee deposits received	59.2	62.3	+3.1	
Other non-current liabilities	92.2	93.6	+1.4	
<b>Net assets</b>	541.5	565.1	+23.5	<Treasury Shares>
<b>Total liabilities and net assets</b>	1,759.4	1,801.2	+41.8	• Mar. 31, 2019: ¥ -18.7 bn → Mar. 31, 2020: ¥ -27.3 bn
Shareholders' equity ratio	29.9%	30.5%	+0.6P	<Shareholders' equity>
Debt/equity ratio	1.7	1.6	-0.2	• Mar. 31, 2019: ¥526.7 bn → Mar. 31, 2020: ¥550.1 bn



## ROA/ROE

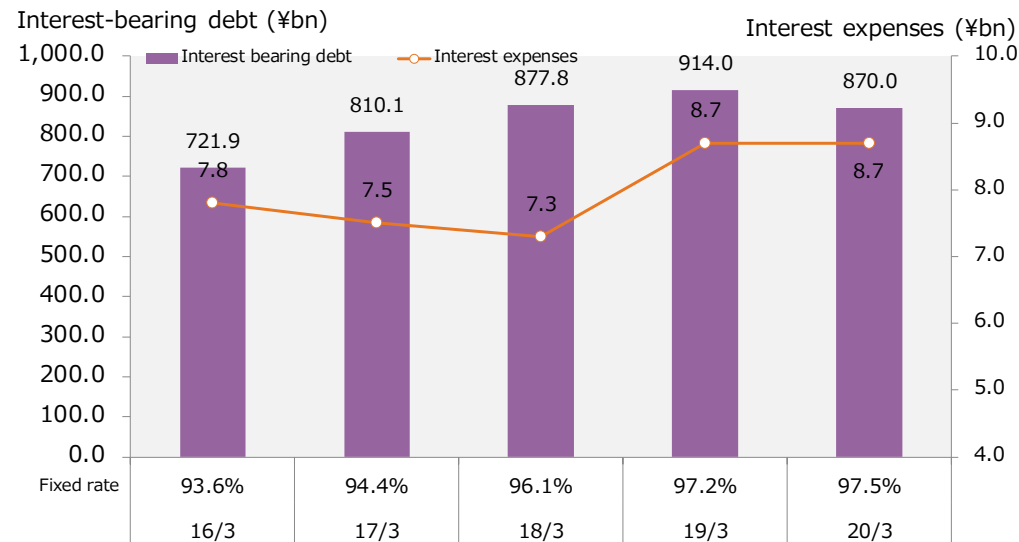
To achieve ROA of 5% or higher and ROE of 10% or higher which is our mid-to long term target.

**ROA was 4.7% and ROE was 9.1%** in FY20/3



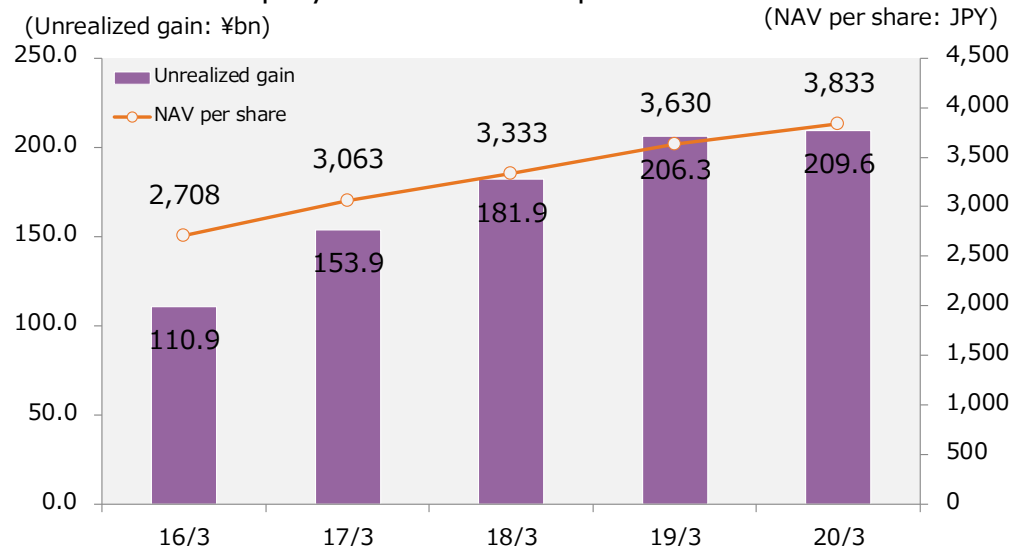
## Interest-bearing debt/Interest expenses

Interest-bearing debt decreased due to decreases in long-term loans payable.



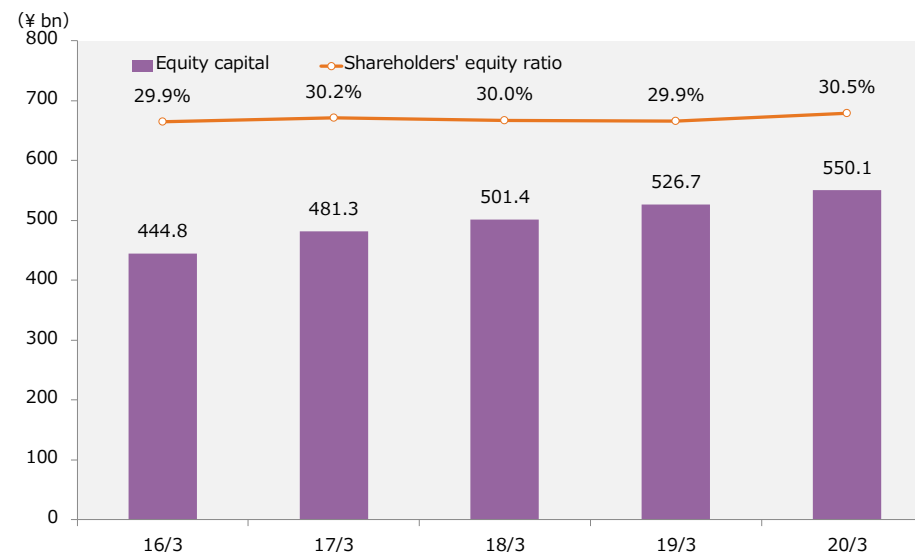
## Unrealized profit/NAV (Net Asset Value)

NAV per share increased to **¥3,833** due to an increase in shareholders' equity and unrealized profit.



## Shareholders' equity/Shareholders' equity ratio

Shareholders' equity ratio rose to 30.5%, remaining the 30% level.



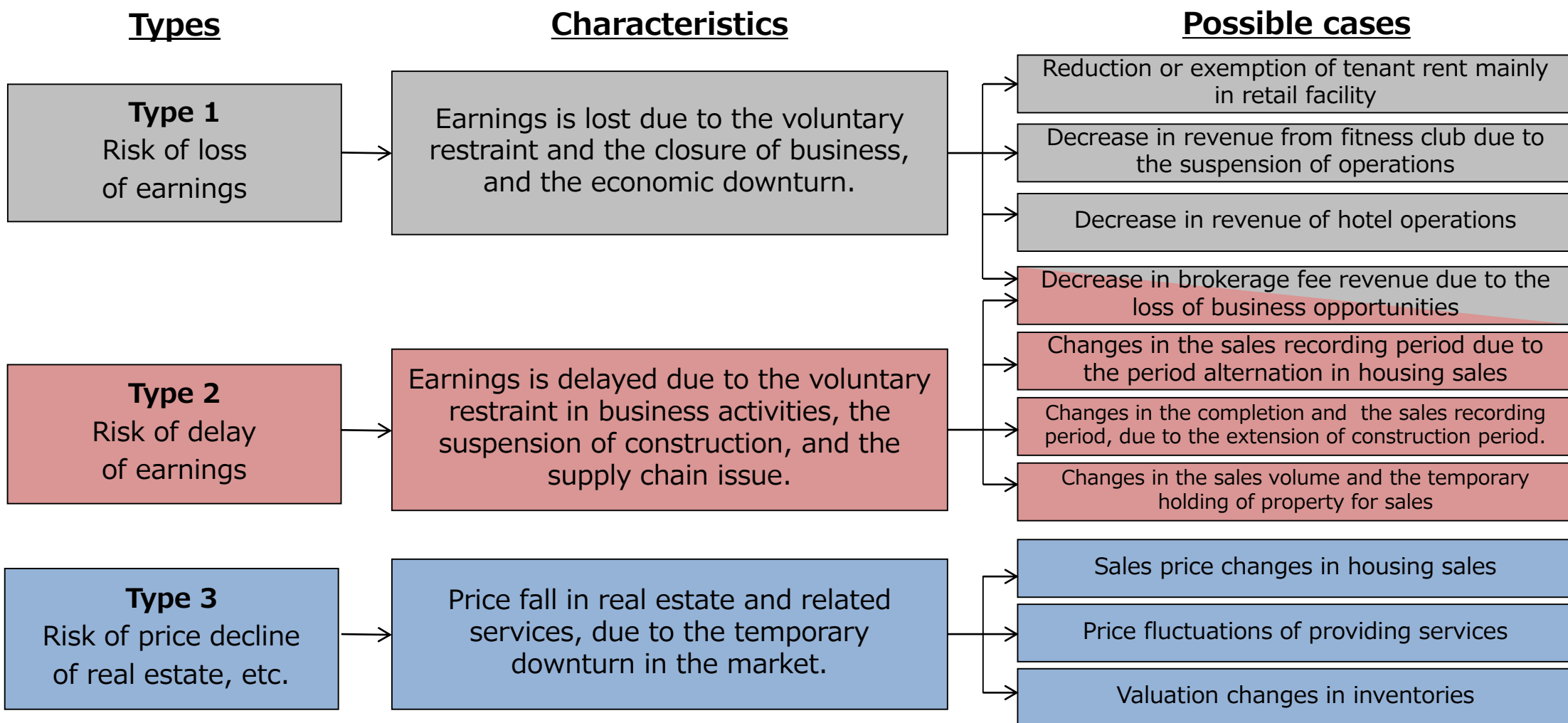
NAV per share = (shareholders' equity + unrealized gains (after deduction of tax)) / the number of shares issued at the end of period (excluding treasury shares)

Unrealized gains (after deduction of tax) = Unrealized gains × (1-effective tax rate)

- Forecasts of consolidated operating results for fiscal year ending March 31, 2021 is to be determined, as it is difficult to calculate the impact of the spread of novel coronavirus disease (COVID-19) on business activities and business results reasonably. The information will be disclosed once it is possible to make rational calculations in future.

## Major Impact Types of COVID-19

- The impact of COVID-19 can be roughly divided into three types, as shown below. We will closely monitor the future trend of each type.



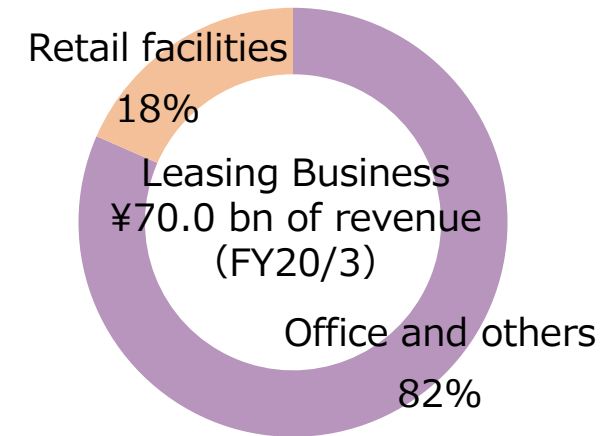
## The impact to our business unit

Business profit (¥bn)	FY20/3 (Actual)	Major impact type*1		
		Type 1	Type 2	Type 3
Residential Development Business Unit	24.9	Housing sales		○
		Rental housing*2		○
Commercial Real Estate Business Unit	39.2	Leasing	○	○
		Property for sales*3		○
		Fitness/Hotel/Others	○	
Service & Management Sector	24.4	Investment Management	○	○
		Property Brokerage & CRE	○	○
		Property & Facility Management	○	

## Impact to leasing business

- Of the ¥70.0 billion of revenue from leasing business, (actual results for FY20/3), retail facilities accounted for 18% of revenue.

### Revenue from leasing business



## Impact to property for sales business

- Taking advantage of our company's strong financial position, we determine the appropriate timing for sales by assessing the changes in business environment by each asset class.
- Sales volume may temporarily decline by considering short term sales volume flexibly.
- Simultaneously, we aim to acquire new good development projects.  
→ Continuing mid- to long-term BS control strategy unaffected by short-term market fluctuations.

### <Strengths of our property for sales business>

#### Consider the policy flexibly by each asset class

Secure capital gain through early sales

Expand the temporary holding assets

Strong financial position

Leasing assets generating stable cash flow

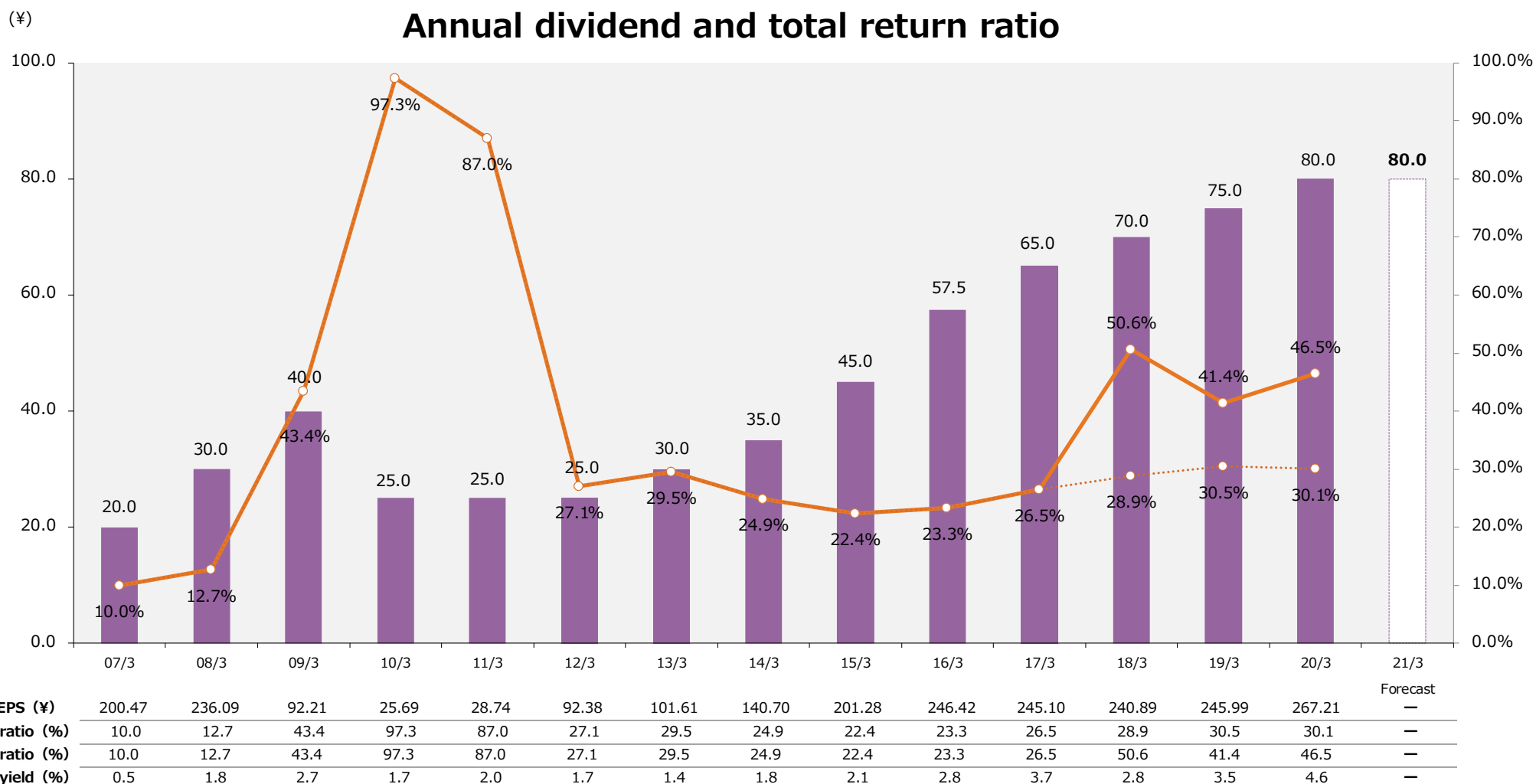
#### Base supporting the strategy

(\*1) See page 9 for the details of impact types.

(\*2) Rental Housing refers to properties developed for real estate investment market.

(\*3) Property for sales refers to properties such as office building, retail facility and logistic facility developed for real estate investment market

- The annual dividend per share for FY20/3 was ¥80 (up ¥5 y/y), which was an increase for 8 consecutive year. The total return ratio was 46.5% including the acquisition of treasury shares of approx. ¥8.0 bn.
- Annual dividend per share for FY21/3 is expected to be ¥80. (±¥0 y/y)



\*Dividend payout ratio=Total amount of dividends / Profit attributable to owners of parent, Total return ratio= (Total amount of dividends+ Total amount of acquisition of treasury shares)/ Profit attributable to owners of parent

\*Projected EPS and dividend payout ratio and total return ratio are calculated on the assumption that approved acquisition of treasury shares will be done up to the maximum amount.

\*Dividend yield is calculated based on the closing price at the end of each fiscal year.

- Implement measures in response to notable changes in the business environment, including lifestyle changes and diversification of work styles.

## “KAMEIDO PROJECT” — Urban development in harmony with the local community

- Launched “KAMEIDO PROJECT”, which is the mixed-use development with local community involvement, mainly for residence, retail facility and school.
- Introduced “ACTO” to create a community that is open to the local community
- Installed wide range of room types, from studio room to 4 bed rooms for diversified needs.



### Overview of KAMEIDO PROJECT

- Location: Koto-ku, Tokyo
- Access: 2min walk from Kameido st.
- Land area: 22,989.26㎡
- Main use: Condominium (934 units)  
retail facility  
(approx. 28,000㎡)
- Construction: After Jan., 2022

### Hub for area management activity



We set up a hub and assign staffs to contribute to development of active community. Develop ties with local community through workshops and other activities.



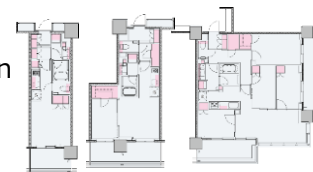
### Central air-conditioning

The central air-conditioning system for each house can provide comfortable and temperature-controlled air to the whole rooms, which realizes a healthy and eco-friendly lifestyle.



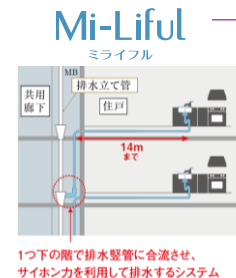
### Wide range of room types

In response to the diversification of household composition, we have prepared room types that can meet the needs of a wide range of households, including single persons as well as families.



### Siphon drainage system

The siphon drainage system allows for more flexibility in the floor plan regarding the kitchen and bathroom. That enables the resident to live in the long term while flexibly changing its floor plan.



## Notable changes in business environment

Diversification of customer needs due to lifestyle changes

Increase in number of single, dual-income households, and senior households

Diversification of workstyles and changes in office spaces

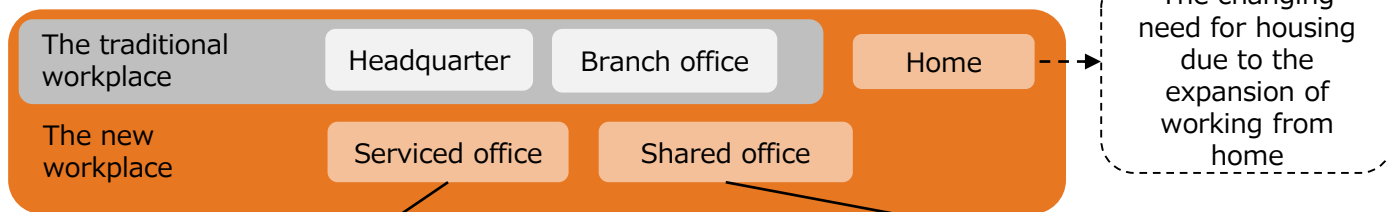
Innovation in AI and IOT

- Implement measures in response to notable changes in the business environment, including lifestyle changes and diversification of work styles.

## Providing a variety of workplaces "H<sup>1</sup>O/H<sup>1</sup>T"

- Launched new office brands in response to the diversification of workplace needs.
- H<sup>1</sup>T, a shared office opened in 2019/10 and H<sup>1</sup>O, a serviced small office, opened in 2019/11.

### [Diversification of the workplace]



**H<sup>1</sup>O**  
 HUMAN FIRST OFFICE

**H<sup>1</sup>T**  
 HUMAN FIRST TIME

### Small office with services "H<sup>1</sup>O"



#### Secured space

- Small private rooms with high security and comfort



#### Manned and IoT management

- Provide IoT- based security system in addition to manned services including visitor reception

### Shared office "H<sup>1</sup>T"



#### Satellite office

- It is assumed to be used as a satellite office.



#### Various types of seats

- User can choose open space, private space, and a meeting room.

## Notable changes in business environment

Diversification of customer needs due to lifestyle changes

Increase in number of single, dual-income households, and senior households

Diversification of workstyles and changes in office spaces

Innovation in AI and IOT

# Performance Highlights by Business Unit

---

## Summary

- In domestic housing sales, gross profit margin ratio improved to 20.4% (up 1.3% y/y), while the number of housing units sold decreased.
- Both revenue and gross profit increased in rental housing (sale).
- As for land acquisition for housing sales in Japan, acquired ¥380 bn (6,200 units).

## Key Indicators

For housing sales: revenue, contract numbers, contract rate against the number of sales forecasted, gross profit margin ratio, land acquisition, land bank

For rental housing: revenue(sales), gross profit(sales), land acquisition, land bank

(¥bn)	19/3 Actual ①	20/3 Actual ②	Changes ②-①	21/3 Forecast ④	Changes ④-③
Operating revenue	375.3	334.7	-40.6	TBD	—
Housing sales (Japan)	342.0	294.3	-47.6		
Rental housing (sales)	11.7	17.9	+6.1		
Rental housing (leasing revenue)	0.4	1.0	+0.5		
Senior	0.3	0.4	+0.0		
Other	20.7	20.8	+0.1		
Operating profit	25.0	24.9	-0.1		
Share of profit (loss) of entities accounted for using equity method	-0.0	-0.0	+0.0		
Amortization of intangible assets associated with corporate acquisitions	—	—	—		
Business profit	25.0	24.9	-0.1	TBD	—

### 【Housing sales indicators】

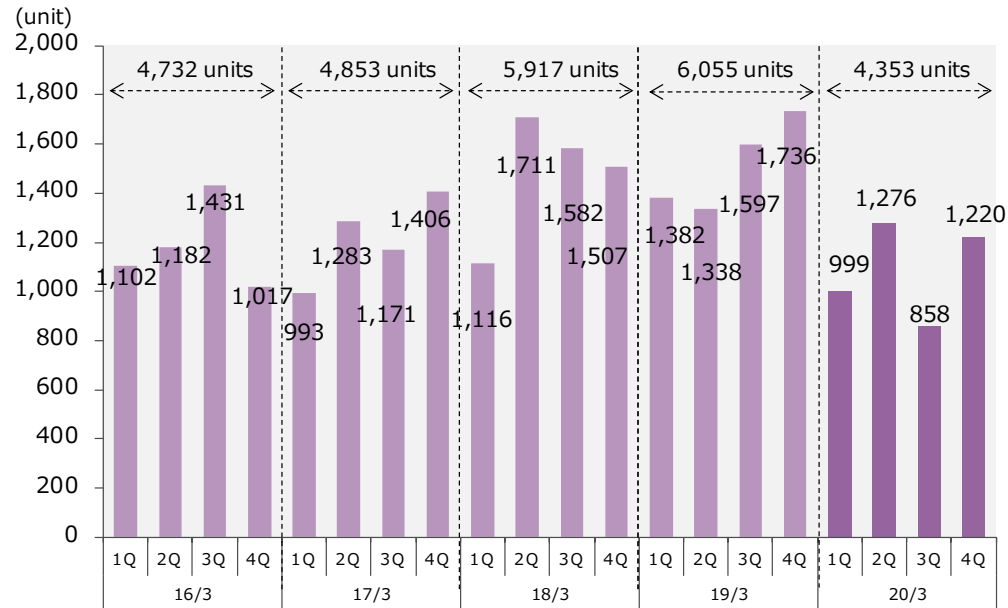
Housing sales (unit)	5,890	4,739	-1,151	TBD	—
Condominiums	5,243	4,268	-975	TBD	—
Detached housing	647	470	-177	TBD	—
Tokyo metropolitan area	4,295	3,448	-847	TBD	—
Osaka metropolitan area	830	690	-140	TBD	—
Other area	764	600	-164	TBD	—
Period-end housing contracted but not sold(unit)	2,996	2,611	-385		
Period-end completed housing inventory (unit)					
released for sale	229	321	+92		
unreleased	47	187	+140		
Average sales price (¥mn)	58.06	62.11	+4.04		
Gross margin ratio (%)	19.1%	20.4%	+1.3P		

Rental Housing refers to properties developed for real estate investment market.



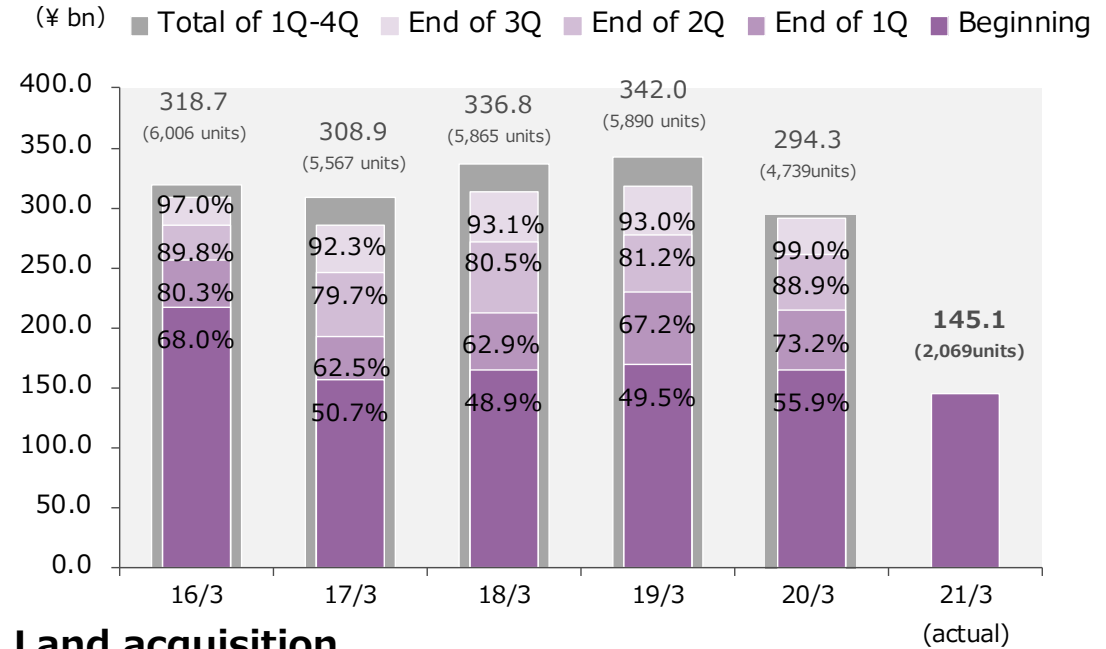
## The number of housing contracted

- **4,353 units** were contracted in FY20/3.



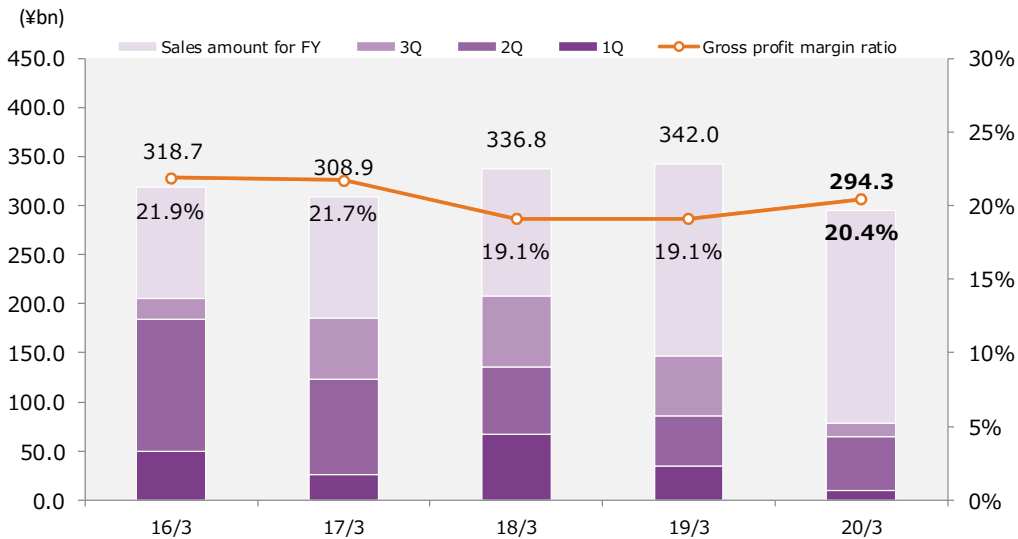
## Contract rate against the number of housing sales

- At the beginning of FY21/3, **¥145.1 bn** were contracted.



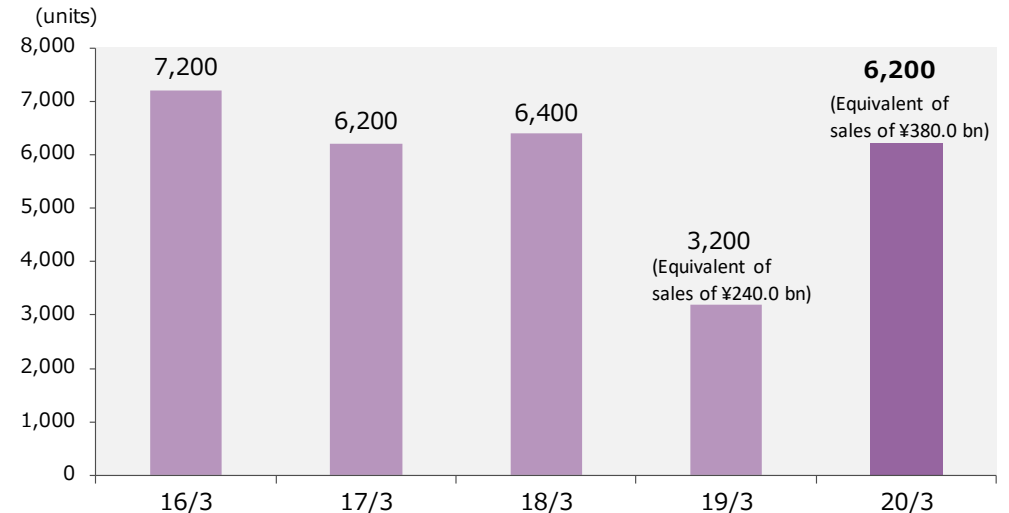
## Gross margin ratio/sales amount

- Gross margin ratio rose to **20.4%** (up 1.3% y/y)



## Land acquisition

- Acquired land worth of ¥380.0 bn. Accumulated land bank is worth of **¥1,400.0 bn**.



# Key indicators of housing sales -2

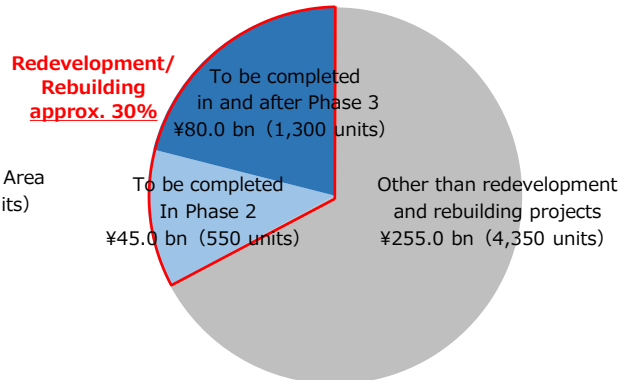
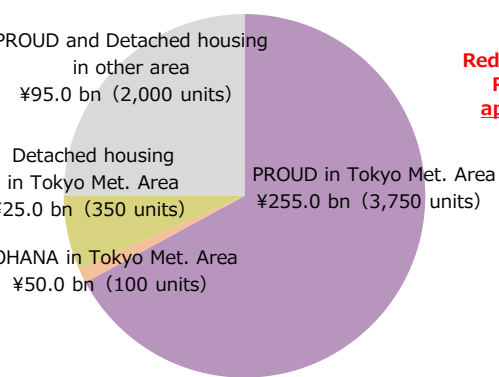
- Expanding land bank by utilizing our leading track records and experiences in redevelopment and rebuilding.

## FY20/3 Land acquisition

- In FY20/3, we acquired land equivalent to **¥380.0 bn** in sales basis (6,200 units).
- Approximately 30% of this amount, or **¥125.0 bn** (1,850 units), is for redevelopment and rebuilding projects.

Area / Property type

Redevelopment / Rebuilding ratio

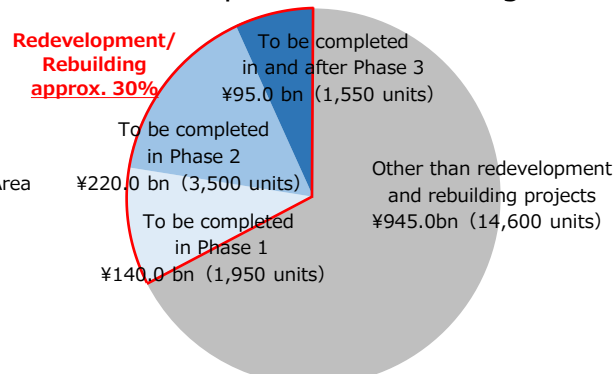
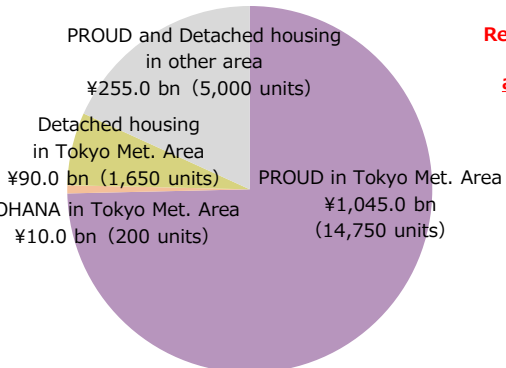


## Land bank

- From FY21/3 onwards, we have land bank equivalent to **¥1,400.0 bn** in sales basis (21,600 units).
- Approximately 30% of this amount, or **¥455.0 bn** (7,000 units), is for redevelopment and rebuilding projects.

Area / Property type

Redevelopment / Rebuilding ratio



## Major redevelopment and rebuilding projects recently included in land bank

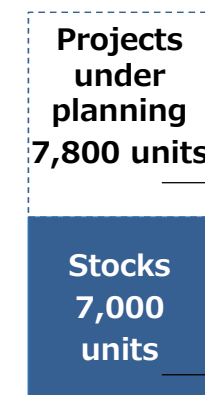
Schedule for sales	Project name	Location	Total number of housings (units)	Our share
FY25/3	Minami-Ikebukuro 2-chome C District Redevelopment	Toshima-ku, Tokyo	1,193 units	364 units
FY26/3	Okayama-shi Ekimaecho 1-chome District Redevelopment	Okayama-shi, Okayama	400 units	340 units
FY27/3	Tsukishima 3-chome South District Redevelopment	Chuo-ku, Tokyo	580 units	232 units
FY27/3-	Toyomi District Redevelopment	Chuo-ku, Tokyo	1,740 units	304 units

Each project including the name are still in planning phase. They are subject to change.

## Business volume of redevelopment and rebuilding projects

- In addition to the 7,000 units included in land bank, there are 7,800 units for projects under planning, which we plan to gradually include them into land bank.

Total 14,800 units



Business schedule **has yet to be confirmed.**  
 → Gradually include them into stock as the business progresses

Business schedule has been **confirmed.**

\*Phase 1: FY20/3-22/3, Phase 2: FY23/3-25/3, Phase3: FY26/3-28/3

## PROUD CITY Hiyoshi



### [Property details]

Location: Yokohama-shi, Kanagawa  
 Access: 9 min walk from Hiyoshi St.  
 Land area: 41,818m<sup>2</sup>  
 Scale: 20 stories above ground  
 Total units: 1,320 units  
 Our share by unit: 1,082 units  
 Completion period: FY20/3~  
 (Complete in multiple time period)

### [Features]

- **Large-scale & mixed-use development**  
 Retail facility, health support facility, and elderly housing with supportive services have been developed within the premises.
- **Area Management “ACTO”**  
 Branches and staff were established to conduct area management activities within the premises.

## PROUD CITY Kichijoji



### [Property details]

Location: Mitaka-shi, Tokyo  
 Access: 23 min walk from Kichijoji St.  
 (Approx. 6-10 min when using the bus)  
 Land area: 26,405m<sup>2</sup>  
 Scale: 8 stories above ground  
 Total units: 678 units  
 Our share by unit: 314 units  
 Completion period: FY20/3~  
 (Complete in multiple time period)

### [Features]

- **Good transportation access**  
 The new bus stop on the premises provides good transportation access.
- **Large-scale & mixed-use development**  
 Retail facility and nursing facility are developed within the premises.

## PROUD Ebisu Hillside Garden



### [Property details]

Location: Shibuya-ku, Tokyo  
 Access: 3 min walk from Ebisu St.  
 Land area: 4,035m<sup>2</sup>  
 Scale: 11 stories above ground  
 Total units: 88 units  
 Our share by unit: 88 units  
 Completion period: FY20/3

### [Features]

- **Well located in Tokyo**  
 Rare location within walking distance of "Ebisu" station and "Daikanyama" station.
- **High quality service**  
 In addition to concierge services, we provide services with the hotel and nursing care facility located adjacent to the condominium.

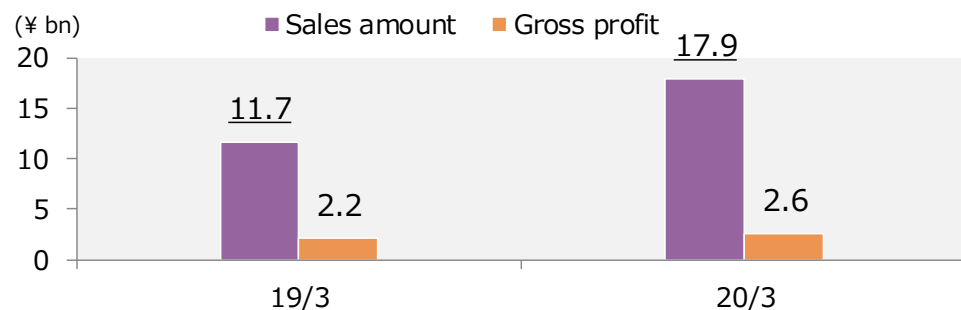
Sales were brisk in convenient mix-use development properties  
 and well located condominiums in central Tokyo

- To expand the business domain of housing we are developing rental housing and senior housing in Residential Development Business Unit.

## Rental housing **PROUD** FLAT

- We sold ¥17.9 bn worth of properties in FY20/3.
- In FY20/3, we secured 13 properties, whose total investment amount is estimated to be ¥26.9 bn.
- Aim to acquire ¥30 bn land annually for rental housings. The current stock is approx. ¥71.4bn.

### Sales amount



### Land acquisition

No. of properties	Total investment
13	¥26.9bn

### Stock

Under development			Construction completed		Total		
No. of properties	Total investment	Balance on BS	No. of properties	Balance on BS	No. of properties	Total investment	Balance on BS
24	62.4	29.4	6	9.0	30	71.4	38.4

(¥bn)

## Senior housing **OUKAS**

- Developing as an important element of urban type compact town.
- Currently we have 6 properties, 830 units for our development and operation projects.

### Developed/developing projects

Property Name	Location	Opening year	Facility type	No. of units/ Capacity
OUKAS Funabashi	Funabashi-shi, Chiba	2017	Residence for elderly people with service	125 units
OUKAS Makuhari Bay-Park	Chiba-shi, Chiba	2020	Residence for elderly people with service	141 units
OUKAS Kichijoji	Mitaka-shi, Tokyo	2020	Residence for elderly people with service	116 units
Hiyoshi Plan	Yokohama-shi, Kanagawa	2021 (plan)	Residence for elderly people with service	120 units
Shiki Plan	Asaka-shi, Saitama	2022 (plan)	Residence for elderly people with service	145 units
Senkawa Plan	Setagaya-ku, Tokyo	2023 (plan)	Residence for elderly people with service	185 units



OUKAS Funabashi



OUKAS Makuhari Bay-Park



OUKAS Kichijoji

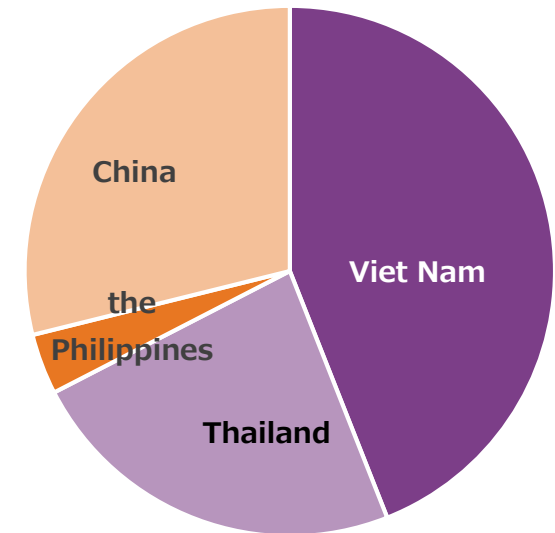
# The Progress of properties in overseas business (housing sales)

- Developing business in high-growth Southeast Asia area. In Residential Development BU, **13 projects, total ¥56.0 bn investments are determined.** (Total project cost based on our shares: ¥110.0bn)
- Under the Mid- to long-term Business plan, estimates to invest a total of ¥300.0 bn over 9 years. (Total of Residential Development BU and Commercial Real Estate BU)

## Overseas Investment Project (Residential Development BU)

Project	Main use	Total Business	Joint Partner	Our Share	Previous plan 17/3-19/3	Ner Mid- to Long-term Business plan			
						Phase 1 20/3-22/3	Phase 2 23/3-25/3	Phase 3 26/3-28/3	
China	Shenyang	Residence	Approx. 4,100 units	*1	11.25%	C	C	C	C
China	Changzhou I	Residence	Approx. 2,400 units	*1	12.00%	S	C	C	C
China	Changzhou II	Residence	Approx. 4,300 units	*1	12.00%	S	C	C	C
China	Changzhou Tianning	Residence	Approx. 2,300 units	China Vanke	25.00%	S	C	C	C
Viet Nam	Ho Chi Minh City Midtown	Residence	Approx. 2,400 units	Phu My Hung Development, Daiwa House, Sumitomo Forestry	12.25%	S	C	C	C
Viet Nam	Ho Chi Minh City Grand Park	Residence	Approx. 10,000 units	VIN HOMES, Mitsubishi Corporation	39.20%	S	C		
the Philippines	Manila Sunshine Fort	Residence	Approx. 1,400 units	Federal Land, Isetan Mitsukoshi Holdings	20.00%	S	C	C	C
Thailand	Ratchayothin, Bangkok	Residence	A building 334 units B building 489 units	Origin Property	49.00%	S	C	C	
Thailand	On Nut, Bangkok	Residence	601 units	Origin Property	49.00%	S	C		
Thailand	Ramkhamhaeng, Bangkok	Residence	685 units	Origin Property	49.00%	S	C		
Thailand	Thong Lo, Bangkok	Residence	1,236 units	Origin Property	49.00%	S	C		
Thailand	Ratchathew, Bangkok	Residence	264 units	Origin Property	49.00%	S	C		
Thailand	Rama IV, Bangkok	Residence	501 units	Origin Property	49.00%	S	C		

## Breakdown of investment amount of approx. ¥56.0 bn by countries



China · Changzhou (Tianning)



Viet Nam · Ho Chi Minh City (Grand Park)

S: Start of construction C: Completion of construction

\*1: Not disclosed due to the joint partner's intention.

\*2: All projects including their projects name are in planning stage and are subject to change.

## Summary

- Sales and profit increased mainly due to an increase in sales of property development including strategic changes in the leasing asset portfolio.
- In leasing business, revenue decreased due to the effect of property sales and the absence of the adjusted expenses paid by the tenant moving out in the previous fiscal year.
- As for fitness business, revenue decreased because of the gym's temporary shutdown to cope with COVID-19.

## Key Indicators

For leasing: Net lettable area, Vacancy rate

For property for sales: Revenue(sales), gross profit(sales), amount of land acquisition, land bank

(¥bn)	19/3 Actual ①	20/3 Actual ②	Changes ②-①	20/3 Forecast ④	Changes ④-③
Operating revenue	171.6	215.8	+44.2	TBD	—
Leasing (offices)	53.9	48.7	-5.1		
Leasing (retail facilities)	13.8	12.9	-0.9		
Leasing (other)	7.9	8.3	+0.4		
Property for sales (sale)	65.3	106.8	+41.4		
Property for sales (leasing)	4.5	7.0	+2.5		
Fitness	16.6	15.7	-0.8		
Other	9.3	16.1	+6.8		
Operating profit	37.6	38.6	+1.0		
Share of profit (loss) of entities accounted for using equity method	0.2	0.2	+0.0		
Amortization of intangible assets associated with corporate acquisitions	0.2	0.2	+0.0		
Business Profit	38.0	39.2	+1.1	TBD	—
Net lettable area (sqm)	953,620	924,970	-28,650		
Offices	784,122	779,834	-4,289		
Retail facilities	169,497	145,136	-24,361		
Vacancy rate	4.7%	4.0%	△0.7P		

→ [Reference] Rent revenue change analysis

Changes

Key Factors

New and full period operation buildings  
Existing buildings

+0.6 GICROSS GINZA GEMS and ZEN PLAZA etc.

+0.2 Rent revision and increase in occupancy rate etc.

-2.3 The adjusted expenses paid by the tenant moving out at FY19/3 etc.

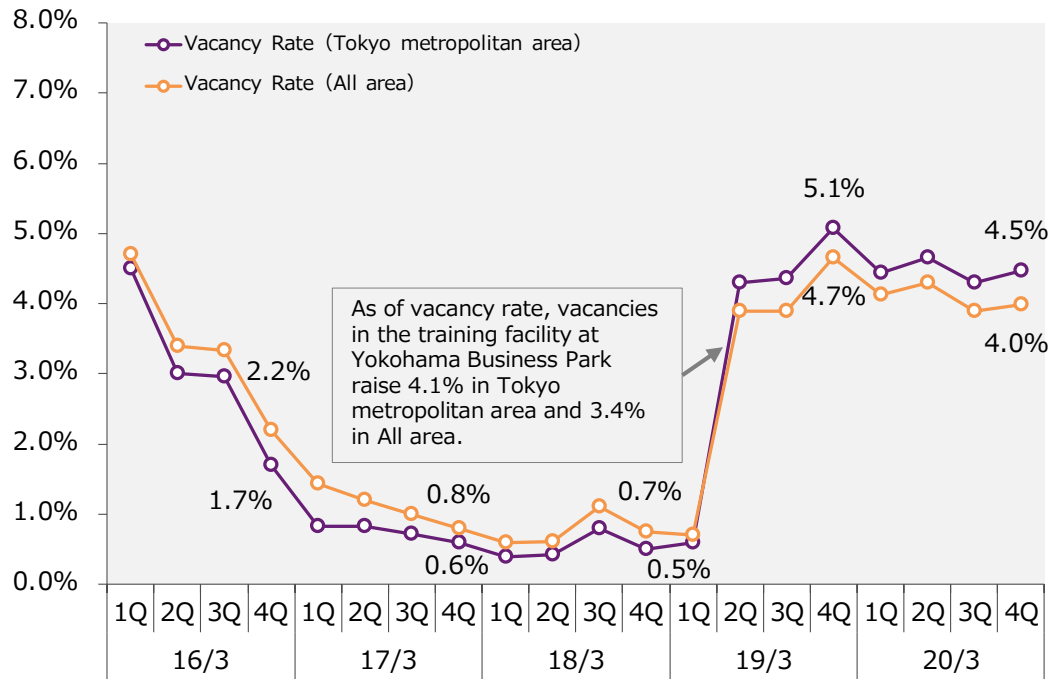
Sold and reclassification

-4.7 Sales of assets(-0.5), the effect due to the reclassification to inventories(-4.2) (\*increase in property for sales (leasing) (+2.4))

Leasing refers to revenue from fixed assets including subleasing properties.

Property for sales refers to properties such as office building, retail facility and logistic facility developed for real estate investment market.

## Vacancy rate



## Major projects of large scale redevelopment and mixed-use development

Project Name	Progress situation	Main use	Area planned to be acquired	Mid-to Long-term Business plan		
				Phase1 20/3 - 22/3	Phase2 23/3 - 25/3	Phase3 26/3 - 28/3
TOKYO TORANOMON GLOBAL SQUARE	Under Construction	Office Retail	Approx. 12,000m <sup>2</sup>	C		
Musashi-Koganei station 2nd District Redevelopment	Under Construction	Retail Residence	11,309m <sup>2</sup>	C		
KAMEIDO PROJECT*	Under Construction	Retail Residence	Approx. 28,000m <sup>2</sup>	S	C	
Shibaura 1-chome Rebuilding*	Certified as a national strategic special zone	Complex	Approx. 550,000m <sup>2</sup> (Gross floor area)	S (S Tower)	C (S Tower)	S (N Tower)
Nihonbashi 1-chome Central District Redevelopment *	Certified as a national strategic special zone	Office Retail	Approx. 34,900m <sup>2</sup>	S		C
Nishi-Azabu 3-chome Redevelopment*	Blueprint of the project is decided	Hotel Residence	Approx. 10,000m <sup>2</sup>	S		C
Nishi-Shinjuku 3-chome West Redevelopment*	Blueprint of the project is decided	Retail Residence	Approx. 21,000m <sup>2</sup>	S		
Soto-Kanda 1-chome Redevelopment	Blueprint of the project is under discussion	Office Hotel Retail	Approx. 41,000m <sup>2</sup>			
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Office Residence	Approx. 22,000m <sup>2</sup>			
Nishi-Nippori Station-Front Redevelopment *	Blueprint of the project is under discussion	Retail Residence	Approx. 18,000m <sup>2</sup>			
Shinbashi Station West Exit Redevelopment *	Blueprint of the project is under discussion	Office Retail	TBD			
Nomura Fudosan Ginza Building Rebuilding (Ginza MTR Building) *	-	Office	TBD			TBD

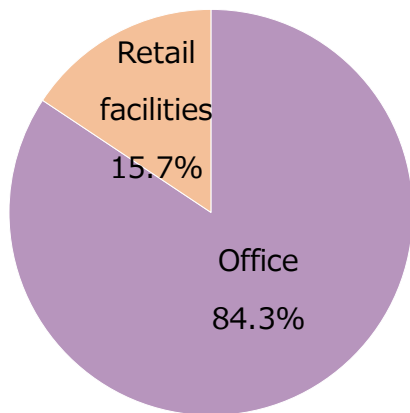
\*JV projects

S: Start of construction C: Completion of construction  
 All projects are in planning stage and are subject to change.

## Net lettable area

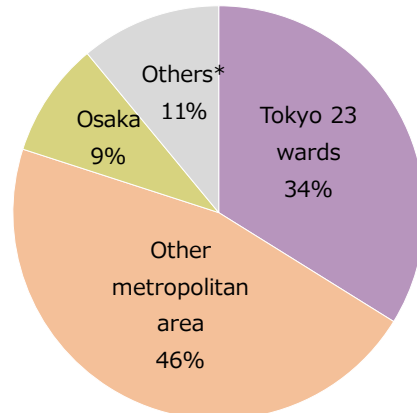
### By sector

Total: 924,970m<sup>2</sup>



### By office area

Total: 779,834m<sup>2</sup>



\*including overseas property

### TOKYO TORANOMON GLOBAL SQUARE



Location: Toranomon,  
 Minato-ku, Tokyo  
 Access: 1 min walk from  
 Toranomon St.  
 Main use: Office, retail facility  
 Land area: 2,782m<sup>2</sup>

Gross floor area: 47,273m<sup>2</sup>  
 Stories: 24stories above ground  
 and 3 below  
 Completion of construction:  
 June, 2020 (plan)

### KAMEIDO PROJECT Large scale retail facility



Location: Kameido, Koto-ku, Tokyo  
 Access: 2 min walk from  
 Kameido St.  
 Main use: Retail facility

Stories: 6stories above ground  
 and 1 below  
 Floor area of the store: 48,000m<sup>2</sup>  
 Opening: 2022 summer (plan)

### SoCoLA Musashikoganei Cross (Musashikoganei south exit second district redevelopment)



Location: Koganei-shi, Tokyo  
 Access: 3 min walk from  
 Musashi-Koganei St.  
 Main use: Retail facility

Stories: 4stories above ground  
 and 1 below  
 Floor area of the store: 11,309.54m<sup>2</sup>  
 Opening: TBD

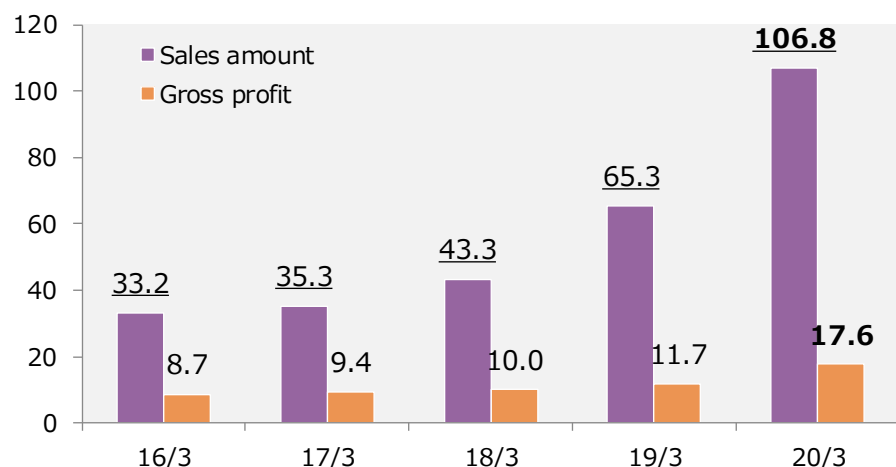


# Key indicators of property development business

- Secured 21 properties in FY20/3 and those estimated total investment amount is approx. ¥152.0 bn. The property development stock is approx. ¥525.0 bn.
- Target about ¥120 bn acquisition and sales per annum in the mid to long term for stable profits.

## Sales/Land acquisition

### Sales amount/gross profit



\*From FY 20/3, the rental housing business was transferred to Residential Development Business unit. Due to this change, after FY19/3, the figures are after deducting the amount for rental housing. Figures before FY18/3 includes the amount for rental housing.

### FY20/3 Land acquisition by sector

	Acquired Projects	Total investment
Office	10 project	¥64.5 bn
Retail	7 project	¥16.5 bn
Logistics	4 project	¥71.0 bn
<b>Total</b>	<b>21 project</b>	<b>¥152.0 bn</b>

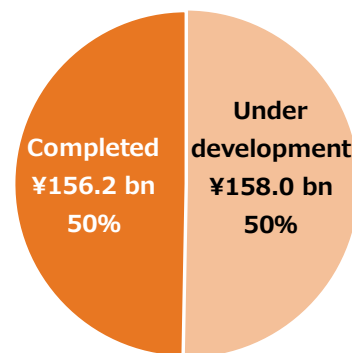
## Stock

### Stocks by the plan of construction period

Status/Completion of construction	Completed	21/3	22/3	23/3	24/3-	Total
1. Invested amount (balance on BS)	156.2	42.0	60.0	35.0	19.0	<b>314.3</b>
2. Additional future investment amount	0.0	17.0	63.0	65.0	64.0	<b>211.0</b>
3. Estimated total investment amount (1+2)	156.2	59.0	123.0	101.0	83.0	<b>525.0</b>

\*The completion of construction period is currently scheduled and has not yet been determined.  
\*Amounts shown are rounded down to the 1 billion yen unit.

### Balance of BS



(¥bn)	At the end of FY20/3		Total
	Completed	Under development	
Office	47.7	93.8	141.5
Retail	20.1	24.1	44.2
Logistics	60.5	31.4	92.0
Others	27.8	8.6	36.4
<b>Total</b>	<b>156.2</b>	<b>158.0</b>	<b>314.3</b>

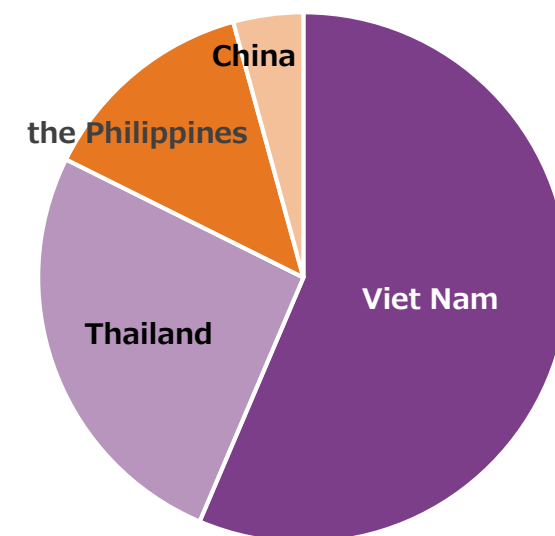
\*From FY20/3, rental housing (PROUDFLAT) has been transferred to Residential Development Business Unit and excluded from the figures above. Rental housing had a total stock of 71.4 billion yen and a BS balance of 38.4 billion yen as of the end of FY 20/3. (See page 19 for details)

- Developing business in high-growth Southeast Asia area. In Commercial Real Estate BU, **6 projects, total ¥12.0 bn investments are determined.** (Total project cost based on our shares: ¥15.0 bn )
- Under the Mid- to long-term Business plan, estimates to invest a total of ¥300.0 bn over 9 years. (Total of Residential Development BU and Commercial Real Estate BU)

## Overseas business investment (leasing) project

Project	Main use	Total Business	Joint Partner	Our Share	Previous plan	New Mid- to Long-term Business plan		
					17/3-19/3	Phase 1 20/3-22/3	Phase 2 23/3-25/3	Phase 3 26/3-28/3
the Philippines Manila	Retail	Approx. 28,000㎡	Federal Land, Isetan Mitsukoshi Holdings	20.00%	<u>S</u>	→Open(plan)		
Thailand Thong Lo, Bangkok	Service Apartment	303 rooms	Origin Property	49.00%	<u>S</u>	→Open		
Thailand Sukhumvit 24, Bangkok	Service Apartment	411 rooms	Origin Property	49.00%	<u>S</u>	→Open(plan)		
Viet Nam Ho Chi Minh City, SUN WAH TOWER (Existing Property)	Office	Approx. 32,000㎡	SUN WAH GROUP	24.00%		→Acquire shares		
Viet Nam Ho Chi Minh City, ZEN PLAZA (Existing Property)	Office	Approx. 17,000㎡	—	100.00%		→Acquire shares		
China Beijing Beijing Fortune Building (Existing Property)	Office	Approx. 55,000㎡	Beijing Capital Development	Participating in the management		→Participate in the management		

## Breakdown of investment amount of approx. ¥12.0 bn by countries



S: Start of construction C: Completion of construction

\*New projects that we participated are underlined.

\*All projects including their projects name are in planning stage and are subject to change.

## Details of operating projects



Property name: SUN WAH TOWER  
Location: Ho chi Minh city, Viet Nam  
Gross floor area: Approx. 32,000㎡  
Completion of construction: 1997  
Our share: 24.00%  
Operating rate: 99.0%



Property name: ZEN PLAZA  
Location: Ho chi Minh city, Viet Nam  
Gross floor area: Approx. 17,000㎡  
Completion of construction: 1999  
Our share: 100.00%  
Operating rate: 99.3%



Property name: Beijing Fortune Building  
Location: Beijing, China  
Gross floor area: Approx. 55,000㎡  
Completion of construction: 1989  
Our share (Participating in management): 50.00%  
Operating rate: 93.0%

## Summary

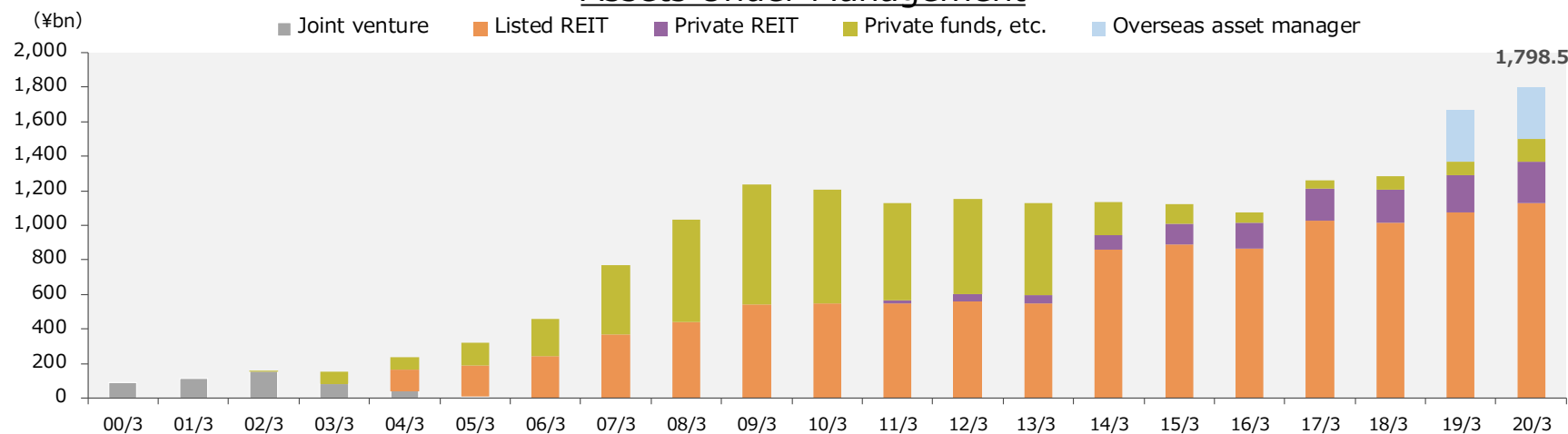
- Both revenue and profit increased due to an increase in AUM resulting from NMF's public offering and establishment of new private funds.
- Lothbury which we acquired its 75% stock in Nov. 2018, has contributed to full year earnings.

## Key Indicators

Assets under management

(¥bn)	19/3 Actual ①	20/3 Actual ②	Changes ②-①	21/3 Forecast ④	Changes ④-③
Operating revenue	9.6	12.0	+2.4	TBD	—
Operating profit	5.9	6.8	+0.9		
Share of profit (loss) of entities accounted for using equity method	—	—	—		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.2	+0.2		
Business profit	5.9	7.1	+1.1	TBD	—
Assets under management	1,669.4	1,798.5	+129.1		
Domestic asset manager	1,366.4	1,497.9	+131.4		
Listed REIT	1,074.0	1,131.1	+57.1		
Private REIT	216.9	236.6	+19.6		
Private funds, etc.	75.4	130.2	+54.7		
Overseas asset manager	303.0	300.6	-2.3		

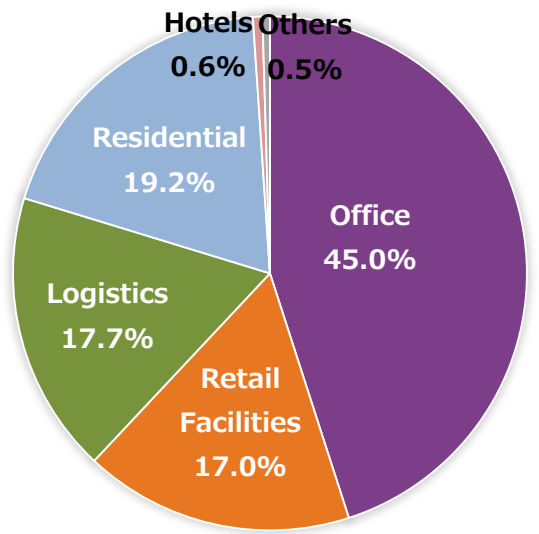
## Assets Under Management



## MASTER FUND

One of the largest diversified type J-REIT

**AUM ¥1,131.1 bn (298 properties)**



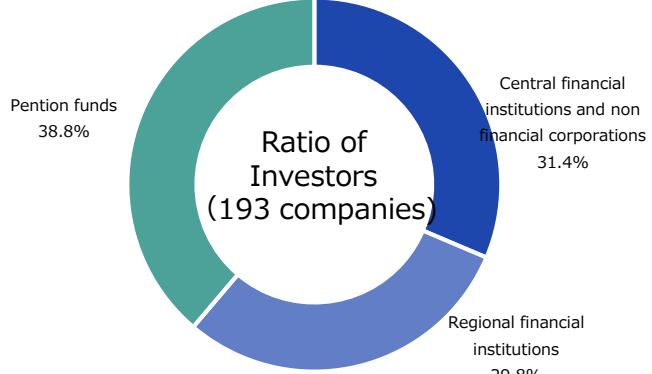
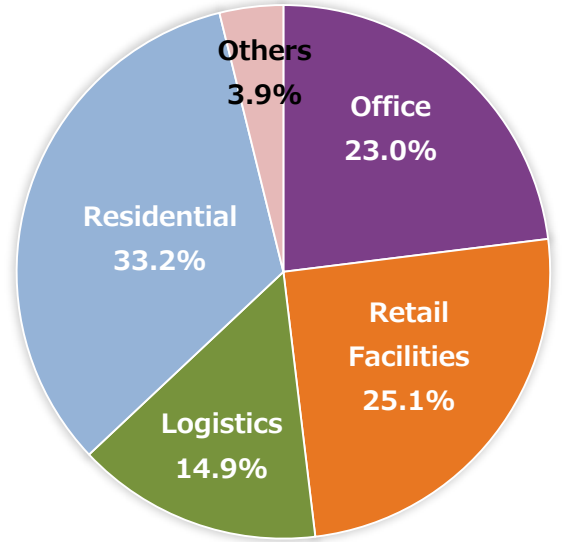
Portfolio Summary	
Occupancy rate	98.8%
Average NOI yield	5.2%
Average property age	18.9年

\*Percentages by assets are based on the acquisition price as of the end of 20/3.  
 \*Portfolio summary is based on the data as of the end of 20/2 (294 properties)

## NOMURA REAL ESTATE PRIVATE REIT, INC.

Japan's first private REIT since 2010

**AUM ¥236.6 bn (76 properties)**

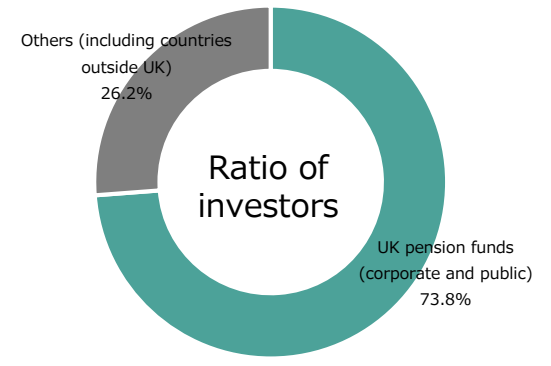
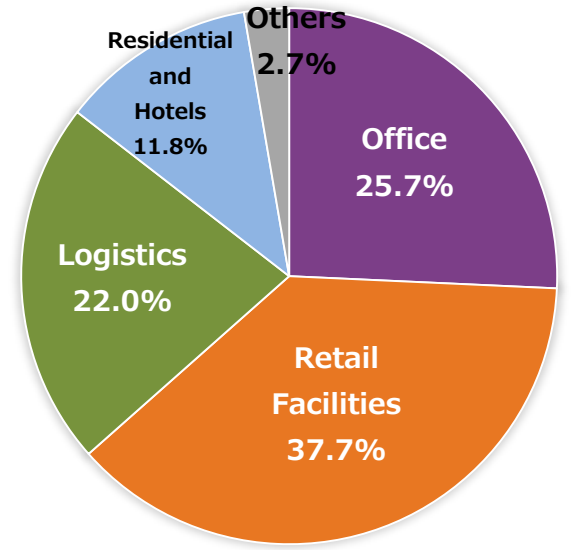


\*Percentages by assets are based on the acquisition price as of the end of 20/3.  
 \*Ratio of investors are based on the number of investment units as of the end of 20/3.

## Lothbury Property Trust

Lothbury's flagship fund, properties are mainly located in London and southeast part of UK

**AUM ¥242.7 bn (57 properties)**



\*Each property's fair value is calculated by 143.48 JPY to GBP as of the end of 19/12.  
 \*Percentages by assets are based on the fair value as of the end of 19/12.  
 \*Ratio of investors are based on the number of investment units as of the end of 19/12.

## Summary

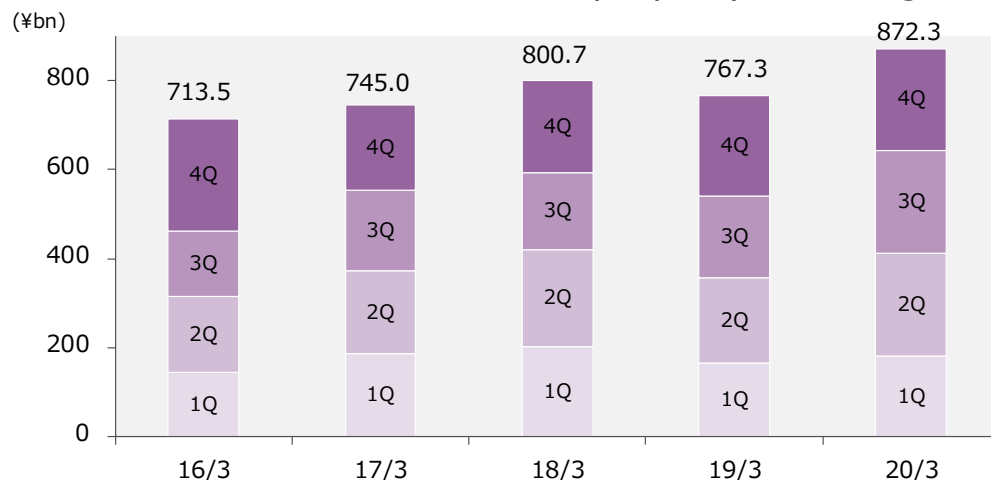
- Both revenue and profit increased mainly due to an increase in total transaction value in retail business.
- Brokerage fee, total transaction value and the number of transactions hit record high.

## Key Indicators

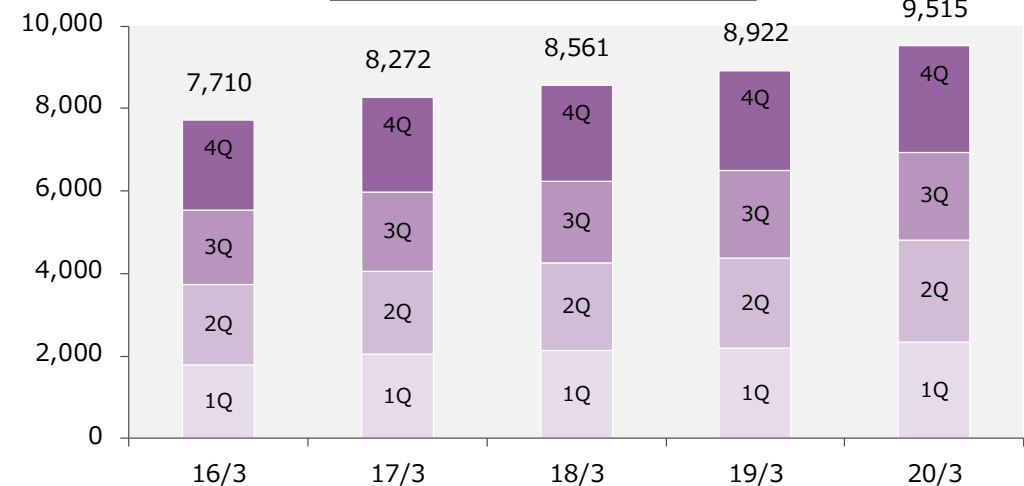
Total transaction value, number of transactions, commission rate, number of branches for retail business

(¥bn)	19/3 Actual ①	20/3 Actual ②	Changes ②-①	21/3 Forecast ④	Changes ④-③
Operating revenue	37.2	39.1	+1.8	TBD	—
Brokerage fee (retail)	21.6	24.0	+2.3		
Brokerage fee (wholesale)	11.5	11.1	-0.3		
Other	4.1	3.9	-0.2		
Operating profit	8.1	9.1	+0.9		
Share of profit (loss) of entities accounted for using equity method	—	-0.0	-0.0		
Amortization of intangible assets associated with corporate acquisitions	—	—	—		
Business profit	8.1	9.1	+0.9	TBD	—
<b>[Brokerage indicators]</b>					
Total transaction value (¥bn)	767.3	872.3	+105.0		
Number of transactions	8,922	9,515	+593		
Commission fee (¥bn)	33.1	35.1	+2.0		
Commission rate (%)	4.3%	4.0%	- 0.3P		
Number of branches for retail business	81	85	+4		

### Total transaction value of property brokerage

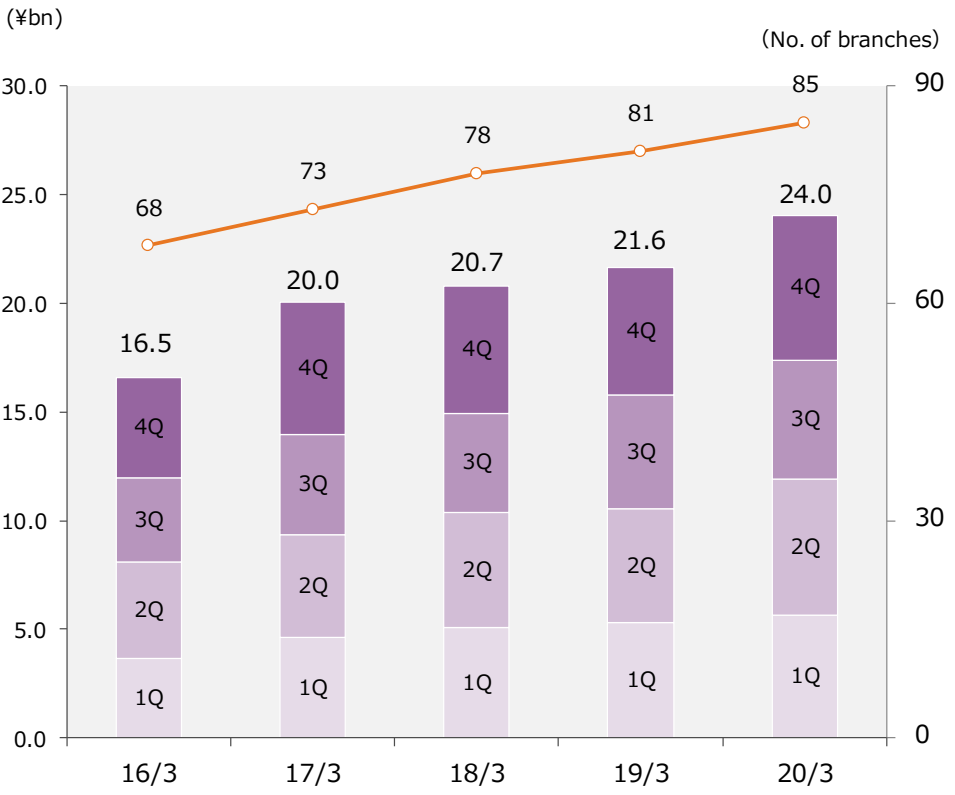


### Number of transactions

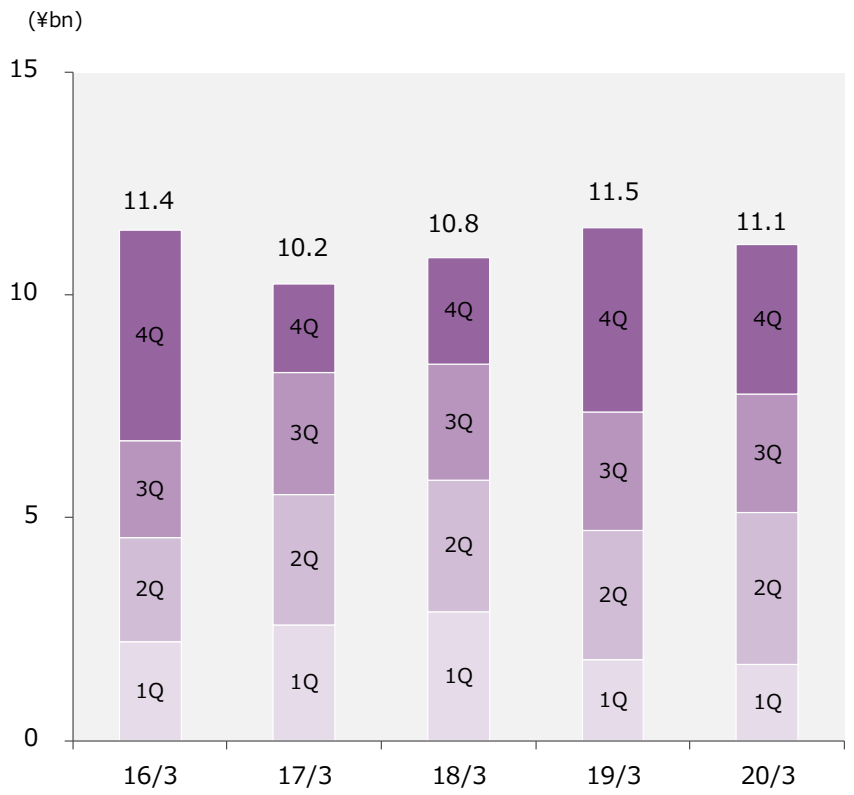


- In retail business, the number of branches expanded to 85 as of the end of FY20/3. The brokerage fee hit a record high.
- In wholesale business, to enforce our area strategy, we opened a new branch in Sendai in Oct. 2019.
- Business collaboration with Nomura Securities and other Financial Institutions (Banks, Shinkin banks, credit cooperatives, etc.) expanded steadily.

Brokerage commission/Number of branches for retail business



Brokerage commission fee for wholesale business



## Summary

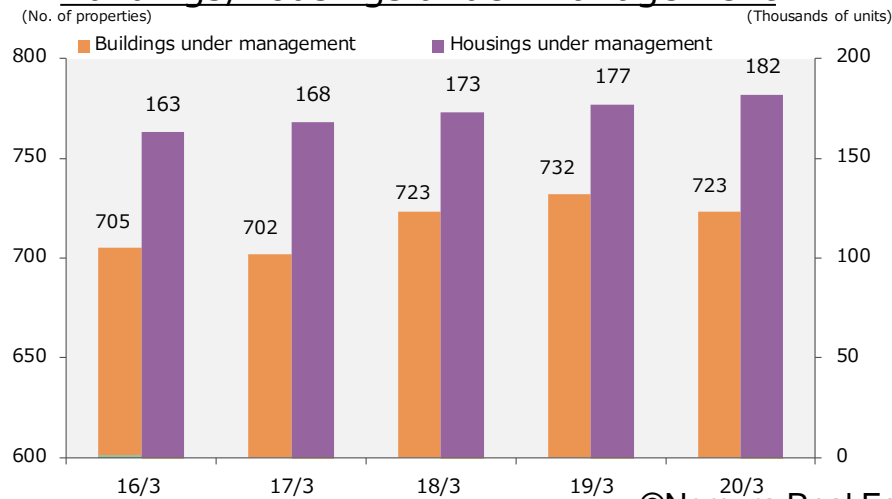
- Revenue increased due to the rise in number of housings under management.
- In construction ordered, the tenant construction in office building increased.

## Key Indicators

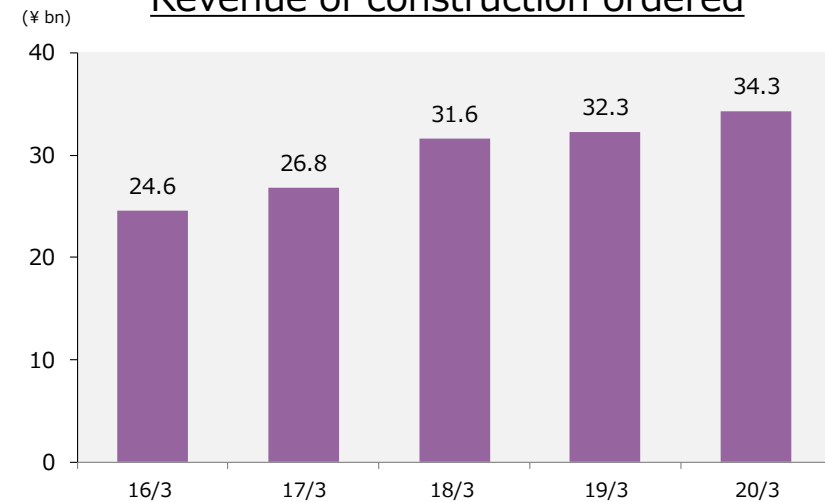
Number of buildings/housings under management, revenue of construction ordered

(¥bn)	19/3 Actual ①	20/3 Actual ②	Changes ②-①	21/3 Forecast ④	Changes ④-③
Operating revenue	91.3	92.9	+1.6	TBD	—
Property & facility management	51.5	53.2	+1.6		
Construction ordered	32.3	34.3	+1.9		
Other	7.4	5.4	-2.0		
Operating profit	7.4	8.0	+0.6		
Share of profit (loss) of entities accounted for using equity method	—	0.0	+0.0		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	—		
Business profit	7.4	8.1	+0.7	TBD	—
Building under management	732	723	-9		
Housings under management	177,582	182,230	+4,648		

## Buildings/housings under management



## Revenue of construction ordered



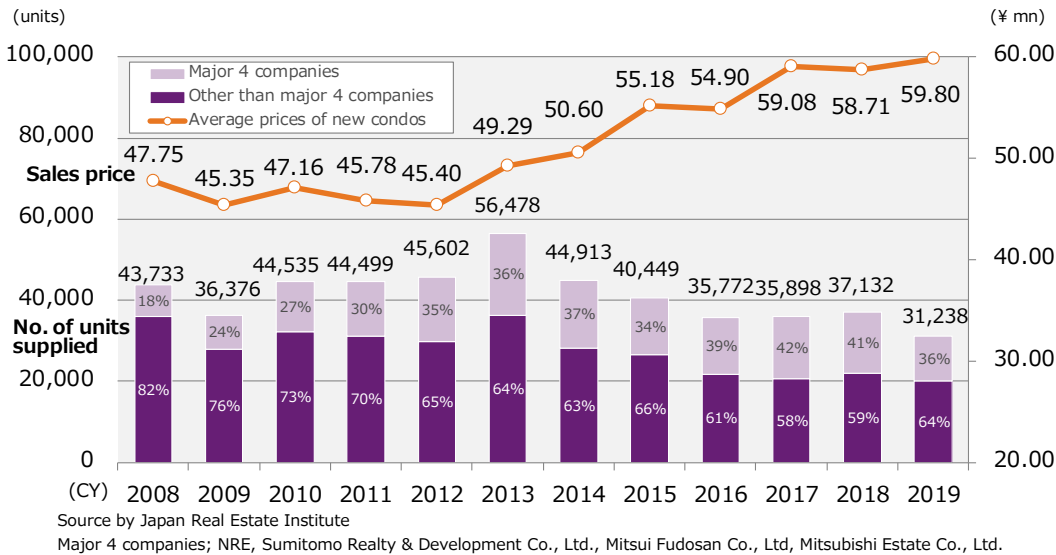
# Reference materials

---



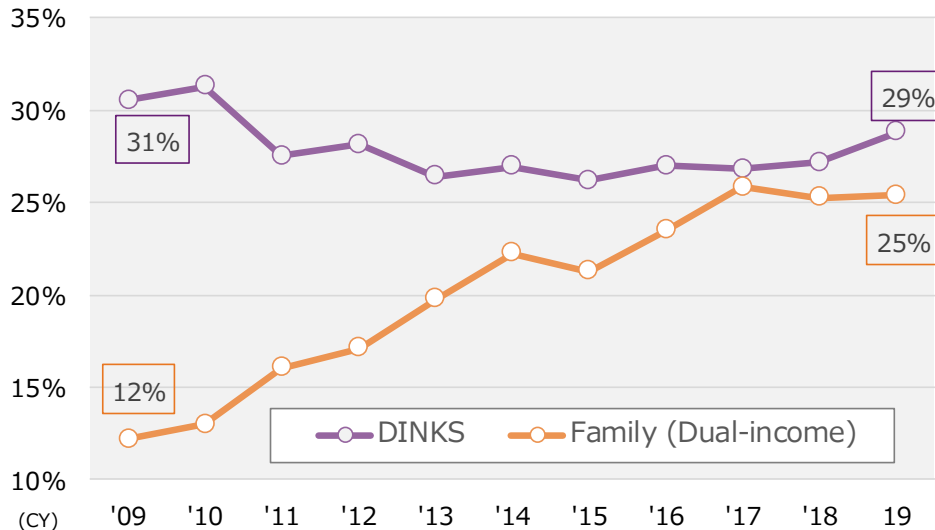
## The number of new condos and housing prices (Tokyo Metropolitan Area)

Average price increases due to the number of suburb residences decreased.



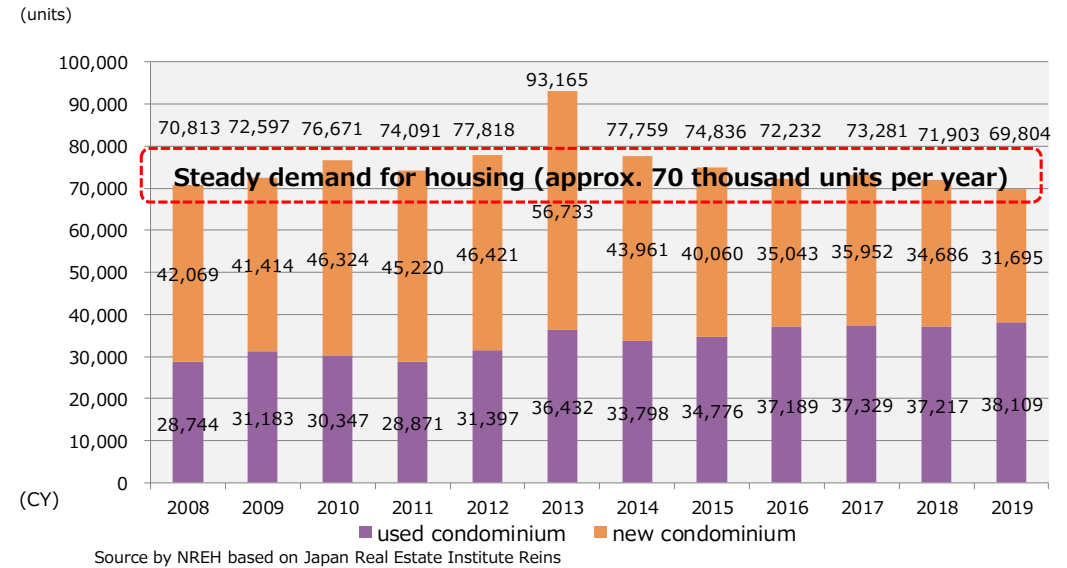
## Dual-income ratio of buyers of new condos in Tokyo Metropolitan Area

The percentage of families with dual income households among purchasers has increased significantly.



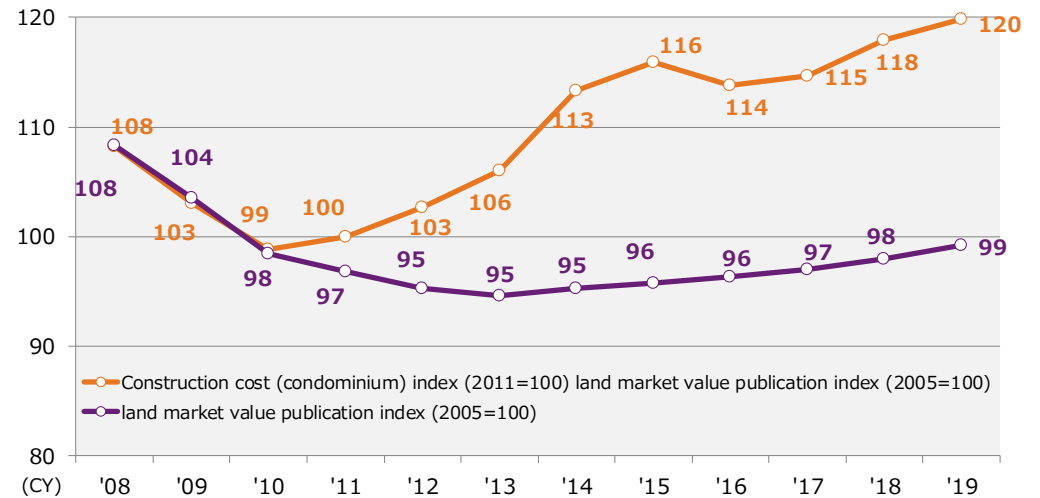
## The contract number of new and used condominiums (Tokyo Metropolitan Area)

The total number of newly built and used condominium is around 70,000 units which indicates a constant demand for housing.



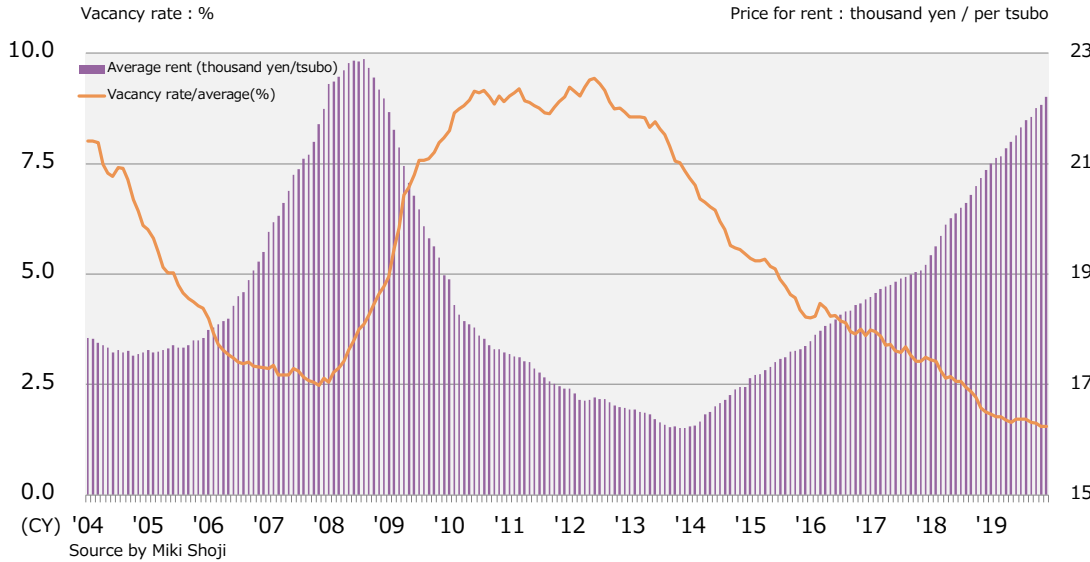
## The transition of construction cost and land price

The construction cost and land price are in upward trend.



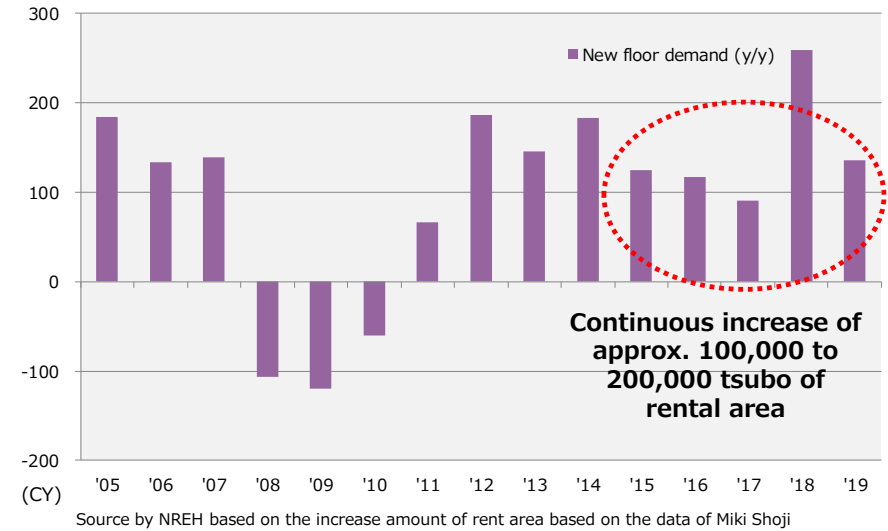
## Rent and vacancy rate in Tokyo central five wards

Rent and vacancy rate are gradually improving.



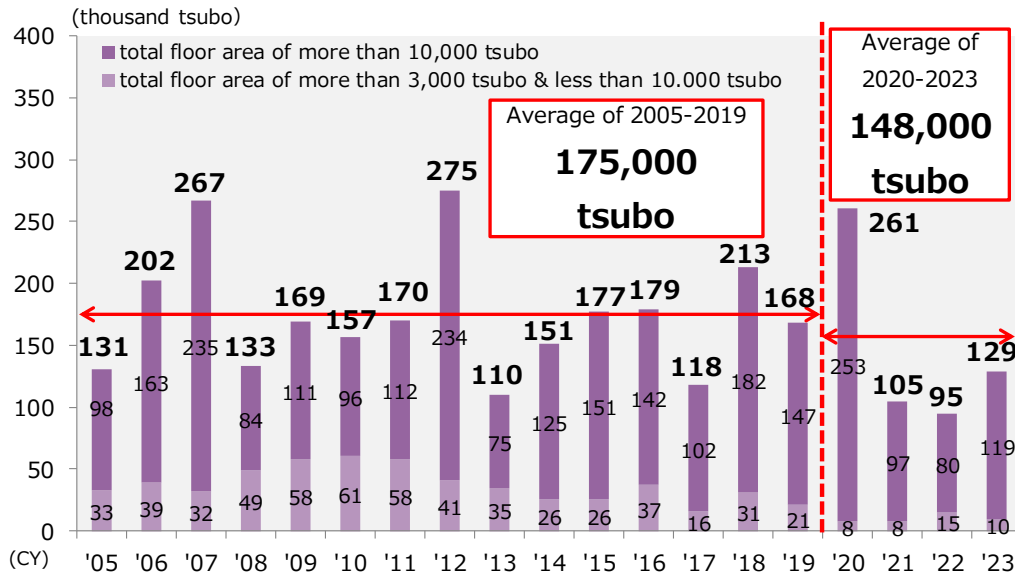
## An increasing trend in Tokyo central five wards' office rental area

Since 2012, the rental area has increased by approx. 100,000 to 200,000 tsubo per year owing to the steady performance of the companies.



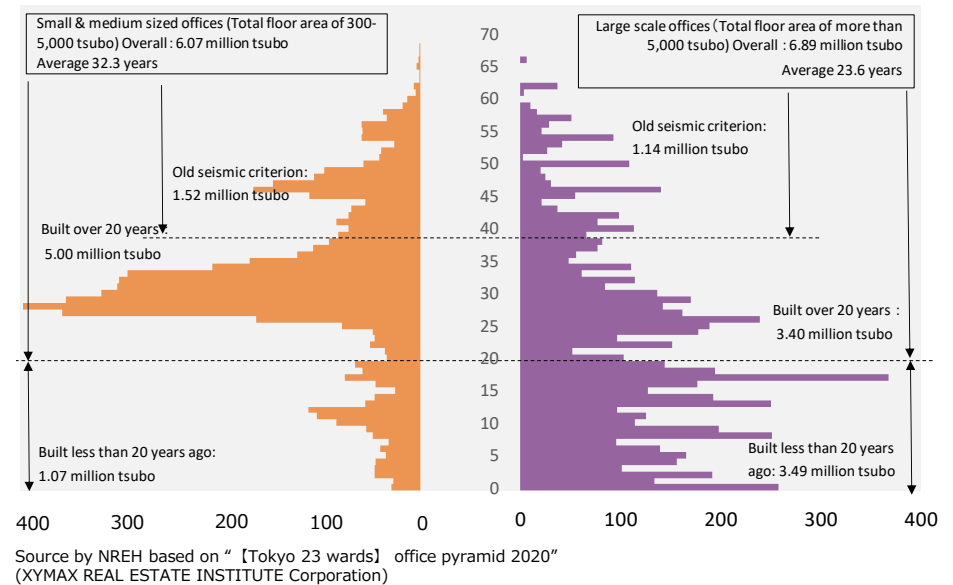
## The outlook for the new supply of office space in 23 wards of Tokyo (based on rental area)

The supply is expected to be lower in 2021 and 2022 than in the past.



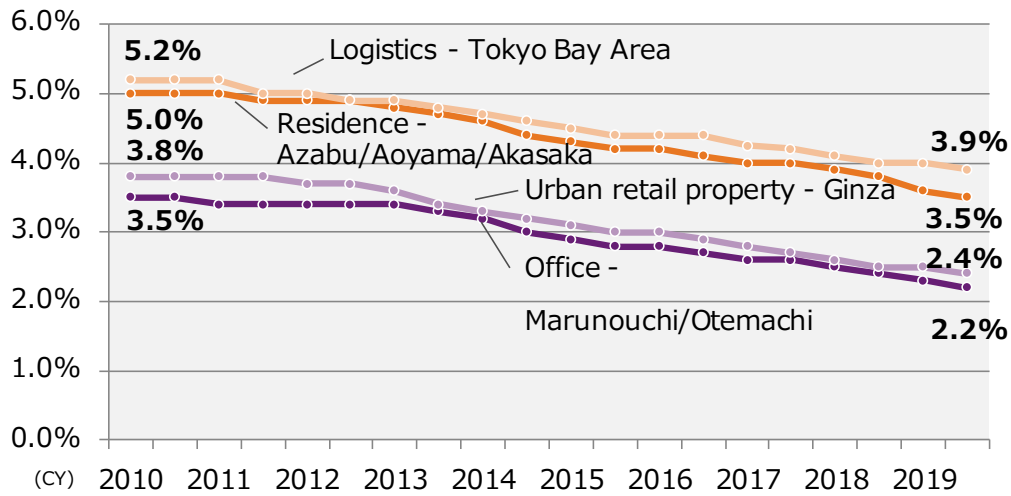
## The distribution of office building age in 23 wards of Tokyo

There seems to be the need for rebuilding of small & medium size buildings with old Seismic Criterion (1.55 million tsubos).



## CAP Rate based on sector

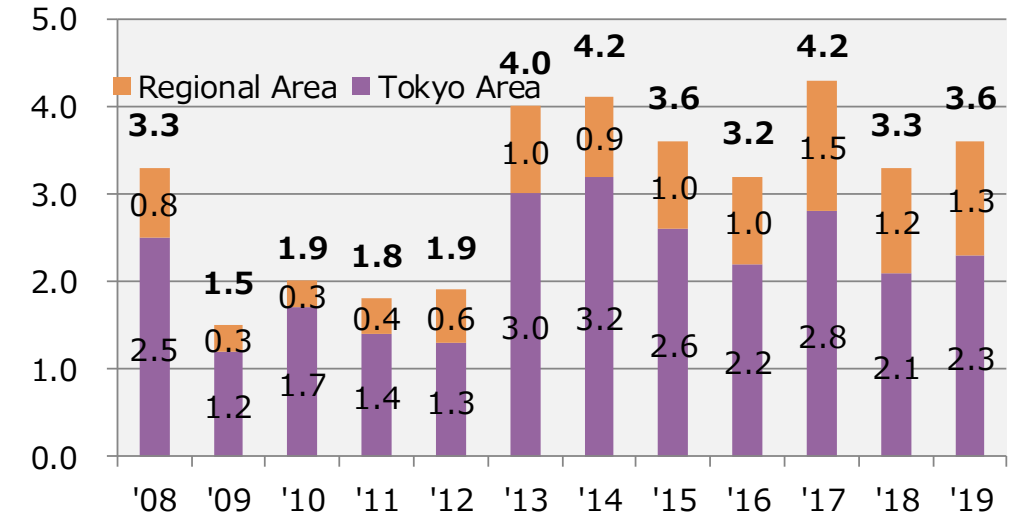
CAP rate is the lowest ever level.



Source by NREH based on benchmark transitions by Japan Real Estate Institute

## The trading of property development

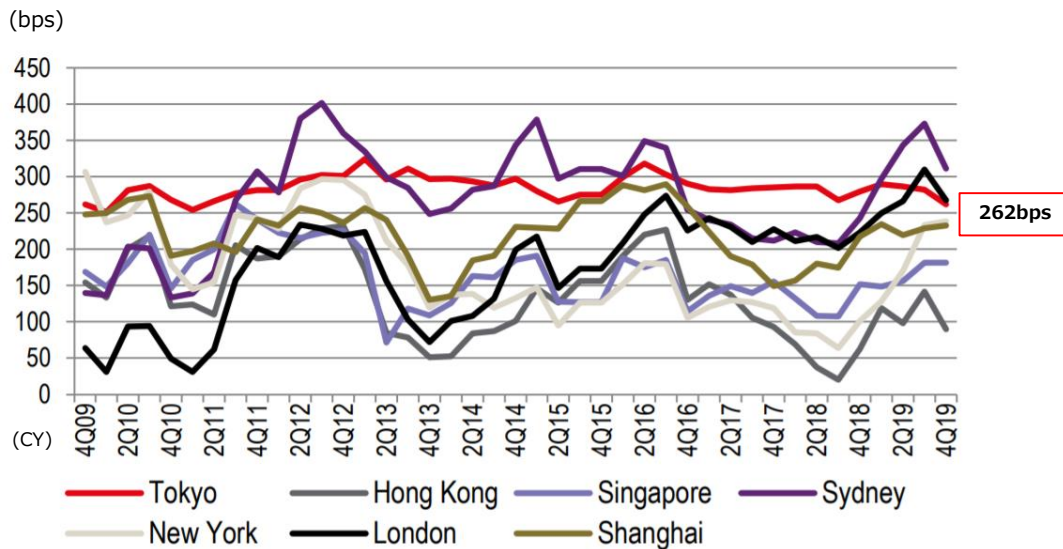
Active trading is continuing with foreign investors.  
 (trillion yen)



Source by NREH based on "Nikkei real estate market information"(FEB,2020)

## Yield spread in each cities (compare with 10y gov. bonds)

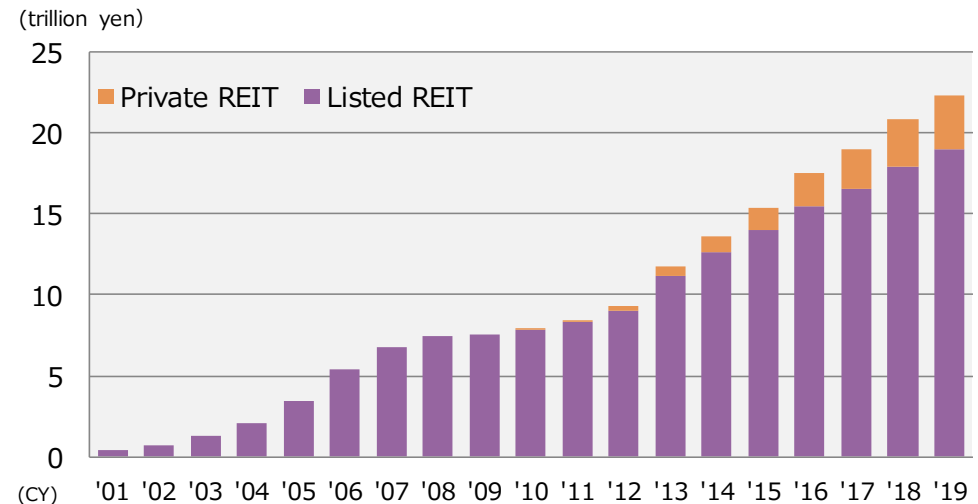
The relatively high yield spread is continuing in Tokyo.



Source by JLL (Dec. 2019)

## The expansion of the REITs Market (Listed REITs·Private REITs)

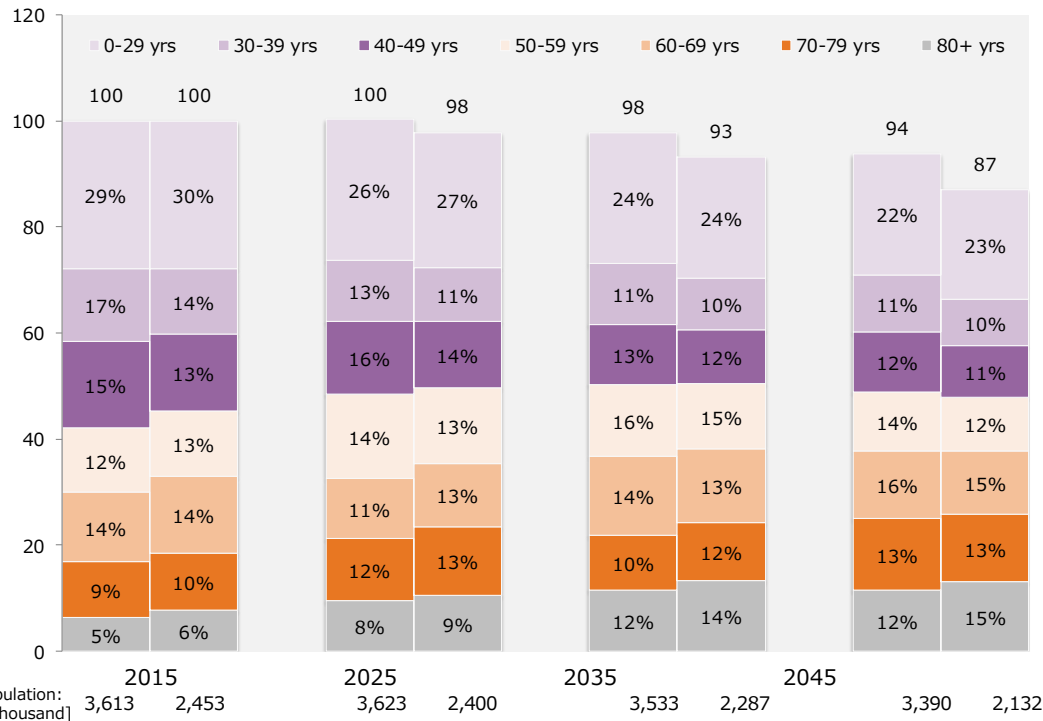
Japan's real estate investment market continues expanding with REITs.



Source by The Association for Real Estate Securitization (ARES)

- Developing business in local core cities including Shinkansen stop station. Utilizing our redevelopment expertise gained in the metropolitan area where we have focused.
- Creating compact cities in local areas, where the aging and decreasing population occurs rapidly compared to the Tokyo metropolitan area.

## Population and Age Structure\* in Tokyo Metropolitan Area and Local Cities (Year 2015=100)



Source : National Institute of Population and Social security Research, Population Projections for Japan by area, 2018

\*The figures are aggregated by extracting cities with population of more than 0.2 million people.

Tokyo Metropolitan area : Tokyo, Kanagawa, Saitama and Chiba

Local cities : Cities with population of more than 0.2 million people except Tokyo metropolitan area, Osaka, Hyogo and Aichi.

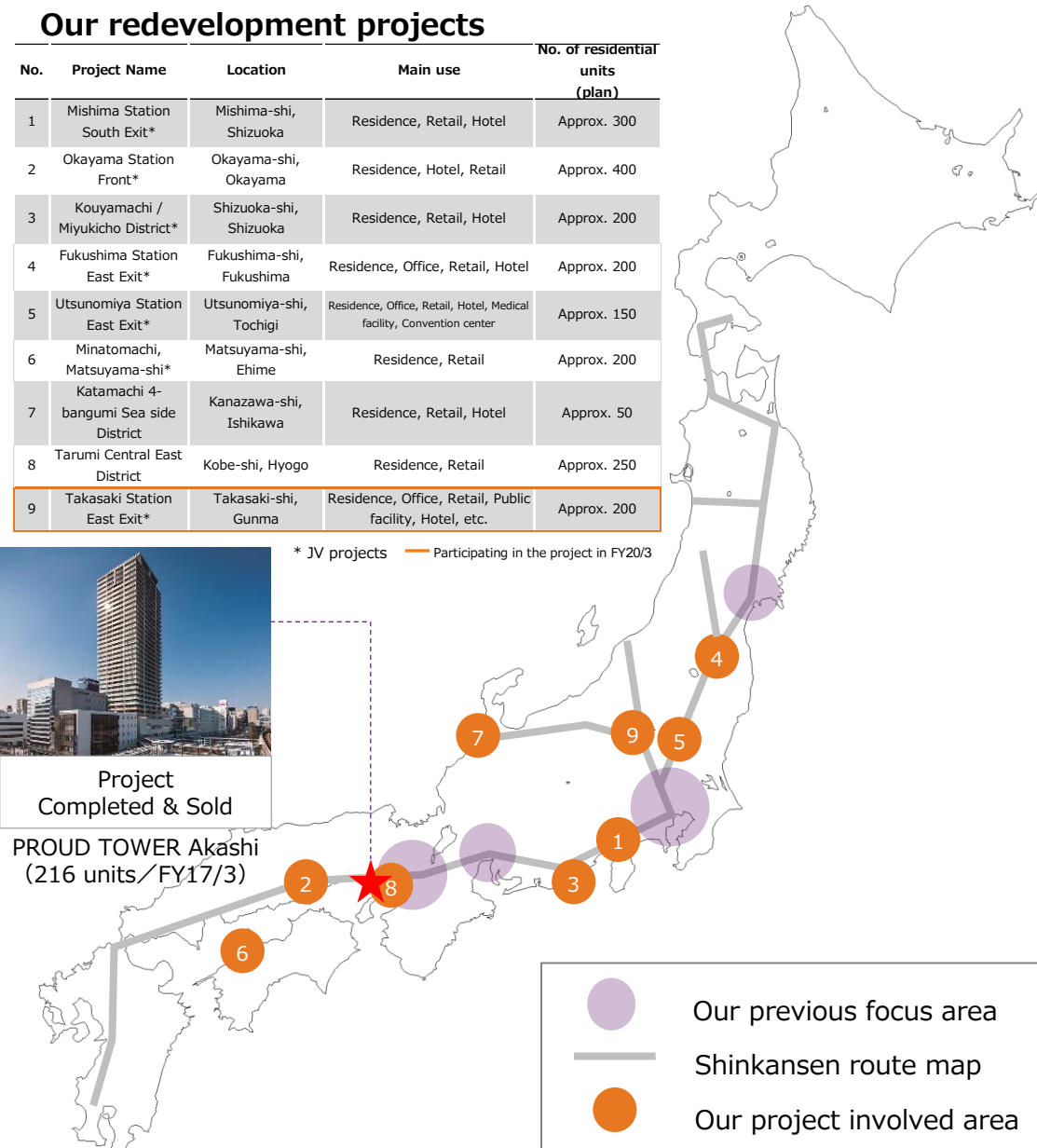
## Our redevelopment projects

No.	Project Name	Location	Main use	No. of residential units (plan)
1	Mishima Station South Exit*	Mishima-shi, Shizuoka	Residence, Retail, Hotel	Approx. 300
2	Okayama Station Front*	Okayama-shi, Okayama	Residence, Hotel, Retail	Approx. 400
3	Kouyamachi / Miyukicho District*	Shizuoka-shi, Shizuoka	Residence, Retail, Hotel	Approx. 200
4	Fukushima Station East Exit*	Fukushima-shi, Fukushima	Residence, Office, Retail, Hotel	Approx. 200
5	Utsunomiya Station East Exit*	Utsunomiya-shi, Tochigi	Residence, Office, Retail, Hotel, Medical facility, Convention center	Approx. 150
6	Minatomachi, Matsuyama-shi*	Matsuyama-shi, Ehime	Residence, Retail	Approx. 200
7	Katamachi 4-bangumi Sea side District	Kanazawa-shi, Ishikawa	Residence, Retail, Hotel	Approx. 50
8	Tarumi Central East District	Kobe-shi, Hyogo	Residence, Retail	Approx. 250
9	Takasaki Station East Exit*	Takasaki-shi, Gunma	Residence, Office, Retail, Public facility, Hotel, etc.	Approx. 200

\* JV projects — Participating in the project in FY20/3



Project Completed & Sold  
**PROUD TOWER Akashi**  
 (216 units / FY17/3)



## Major projects

Schedule for sales	Property name	Location	Total number of housings(units)	Our share
FY20/3-	PROUD CITY Kichijoji*	Mitaka-shi, Tokyo	678 units	314 units
FY20/3-	PROUD CITY Shinonome Canal Marks	Koto-ku, Tokyo	472 units	472 units
FY20/3-	PROUD CITY Hiyoshi*	Yokohama-shi, Kanagawa	1,320 units	1,082 units
FY21/3	PROUD Daikanyama Front & Terrace	Shibuya-ku, Tokyo	95 units	95 units
FY22/3-	PROUD TOWER Kameido Cross*	Koto-ku, Tokyo	934 units	793 units
FY22/3	PROUD Takadanobaba	Shinjuku-ku, Tokyo	135 units	135 units
FY23/3	Shibaura 4-chome project	Minato-ku, Tokyo	421 units	421 units
after FY23/3	Nishi-Gotanda 3-chome project*	Shinagawa-ku, Tokyo	301 units	210 units
after FY23/3	Jingumae 6-chome project	Shibuya-ku, Tokyo	89 units	89 units

## Major projects (redevelopment and rebuilding)

Schedule for sales	Property name	Location	Total number of housings(units)	Our share
FY21/3	THE COURT Jingu-Gaien*	Shibuya-ku, Tokyo	216 units	75 units
FY21/3-	PROUD TOWER Musashi-Koganei Cross	Koganei-shi, Tokyo	613 units	613 units
FY21/3-	PROUD TOWER Sakai-Higashi*	Sakai-shi, Osaka	320 units	272 units
FY21/3-	Mihamacity Kemigahama*	Chiba-shi, Chiba	887 units	567 units
FY22/3	PROUD TOWER Higashi-Ikebukuro Station Arena	Toshima-ku, Tokyo	193 units	193 units
FY22/3	PROUD TOWER Kanamachi	Katsushika-ku, Tokyo	171 units	171 units
FY22/3	PROUD TOWER Nagoya Nishiki*	Nagoya-shi, Aichi	340 units	133 units
FY23/3	Hankyu Tsukaguchi Station-Front Rebuilding Project	Amagasaki-shi, Hyogo	416 units	416 units
FY23/3-	Kawaguchi Sakaecho 3-chome District Redevelopment	Kawaguchi-shi, Saitama	450 units	450 units
FY23/3-	Minamikojiwa 6-chome District Redevelopment*	Edogawa-ku, Tokyo	516 units	309 units
after FY23/3	Minami-Ikebukuro 2-chome C District Redevelopment*	Toshima-ku, Tokyo	1,193 units	364 units
after FY23/3	Okayama-shi Ekimaecho 1-chome District Redevelopment*	Okayama-shi, Okayama	400 units	340 units
after FY23/3	Tsukishima 3-chome south District Redevelopment*	Chuo-ku, Tokyo	580 units	232 units
after FY23/3	Toyomi District Redevelopment*	Chuo-ku, Tokyo	1,740 units	304 units
TBD	Nishi-Shinjuku 3-chome West District Redevelopment*	Shinjuku-ku, Tokyo	TBD	TBD
TBD	Nishi-Nippori Station-Front District Redevelopment*	Arakawa-ku, Tokyo	TBD	TBD

\*JV projects



PROUD Daikanyama Front & Terrace



PROUD TOWER Musashi-Koganei Cross

**“PMO” — Medium scale office building with the same functionality and grade as large scale building**



PMO Hamatsucho



PMO Nihonbashi Edodori



PMO Shibuya

<Projects acquired in FY20/3>

	Name(PMO)	Location	Completion	Status
1	PMO Jinbocho Plan	Chiyoda-ku, Tokyo	2022/5 (plan)	Under Planning
2	Osaka Nishi-ku Plan	Nishi-ku, Osaka	2022/2 (plan)	Under Planning
3	PMO Tamachi Plan	Minato-ku, Tokyo	2022/6 (plan)	Under Planning
4	PMO Hacchobori Plan 4	Chuo-ku, Tokyo	2022/6 (plan)	Under Planning
5	PMO Hacchobori Plan 5	Chuo-ku, Tokyo	2023/4 (plan)	Under Planning
6	PMO Yodoyabashi Plan	Chuo-ku, Osaka	2023/8 (plan)	Under Planning
7	Shinagawa-ku Plan	Shinagawa-ku, Tokyo	2023/10 (plan)	Under Planning
8	Toshima-ku Plan	Toshima-ku, Tokyo	2023/11 (plan)	Under Planning

**“H<sup>1</sup>O” — Small office with services to meet the needs of workers in small business**



H<sup>1</sup>O  
Nihonbashi  
Kobunecho



H<sup>1</sup>O  
Shibuya  
Jinnan



H<sup>1</sup>O  
Kanda

## Major large scale mixed-use development

### Shibaura 1-chome district



Location: Minato-ku, Tokyo  
 Scale:  
 S tower-46 floors with 5 basement, approx. 235m  
 N tower-47 floors with 1 basement, approx. 235m  
 Land area: about 40,000㎡  
 Gross floor area: about 550,000㎡  
 Main usage:  
 Office, retail, hotel, residence  
 Start of construction(including demolition):  
 FY22/3 (S tower), FY27/3 (N tower)  
 Completion of construction:  
 FY25/3 (S tower) FY31/3 (N tower)  
 Main participating companies:  
 Nomura Real Estate,  
 East Japan Railway

## Redevelopment of Nihonbashi 1-chome central district



Location: Chuo-ku, Tokyo  
 Scale:  
 51 floors above ground,  
 5 basement floors,  
 approx. 287m (C block)  
 Land area: approx. 18,900㎡  
 Gross floor area: about 373,200㎡  
 Main usage:  
 Office, retail, hotel, residence,  
 conference center  
 Start of construction: FY21/3  
 Completion of construction: Y26/3  
 Main participating companies:  
 Mitsui Fudosan, Nomura Real Estate,  
 Nomura Holdings

## “GEMS” — Retail facility with specialty restaurants



GEMS Sakae



GEMS Yokohama



GEMS Sangenjaya

<Projects acquired in FY20/3>

	Name(GEMS)	Location	Completion	Status
1	GEMS Meieki Plan	Nagoya-shi, Aichi	2022/2 (plan)	Under Planning
2	GEMS Kiba Plan	Koto-ku, Tokyo	2022/3 (plan)	Under Planning
3	GEMS Tachikawa Plan	Tachikawa-shi, Tokyo	2022/7 (plan)	Under Planning

## “Landport” — Logistic facility with advanced and high functionality



Landport Higashinarashino

<Projects acquired in FY20/3>

	Name	Location	Completion	Status
1	Landport Niiza Plan	Niiza-shi, Saitama	2022/2 (plan)	Under Planning
2	Landport Ageo II Plan	Ageo-shi, Saitama	2022/3 (plan)	Under Planning
3	New Plan 3	Tokyo Met. Area	TBD	Under Planning
4	New Plan 4	Tokyo Met. Area	TBD	Under Planning

## “MEFULL” — Urban retail facility focused on services sector business



MEFULL Chayamachi



MEFULL Urawa



MEFULL Chitosekarasuyama

<Projects acquired in FY20/3>

	Name	Location	Completion	Status
1	MEFULL Sugamo Plan	Toshima-ku, Tokyo	2021/4(plan)	Under Planning
2	MEFULL Fujisawa Plan	Fujisawa-shi, Kanagawa	2021/5(plan)	Under construction
3	MEFULL Kawasaki Plan	Kawasaki-shi, Kanagawa	2022/12(plan)	Under Planning

- Acquired **the owner and operating company of “HOTEL NIWA TOKYO”**, following the development and management of our directly managed brand, **“NOHGA HOTEL”**

## NOHGA HOTEL

- Our group develops product and offer services.
- Scheduled to open our hotel at Akihabara in 2020 summer, followed by the opening of hotel in Ueno.

### NOHGA HOTEL AKIHABARA TOKYO



#### <Hotel overview>

Location: Chiyoda-ku, Tokyo  
 Access: 6-min. walk from Akihabara St.  
 Height: 10 floors above  
 Rooms: 120  
 Opening schedule: 2020 summer  
 Facilities: Restaurant, Studio, Fitness room, etc.

Total investment: Approx. ¥6 bn

### NOHGA HOTEL UENO TOKYO

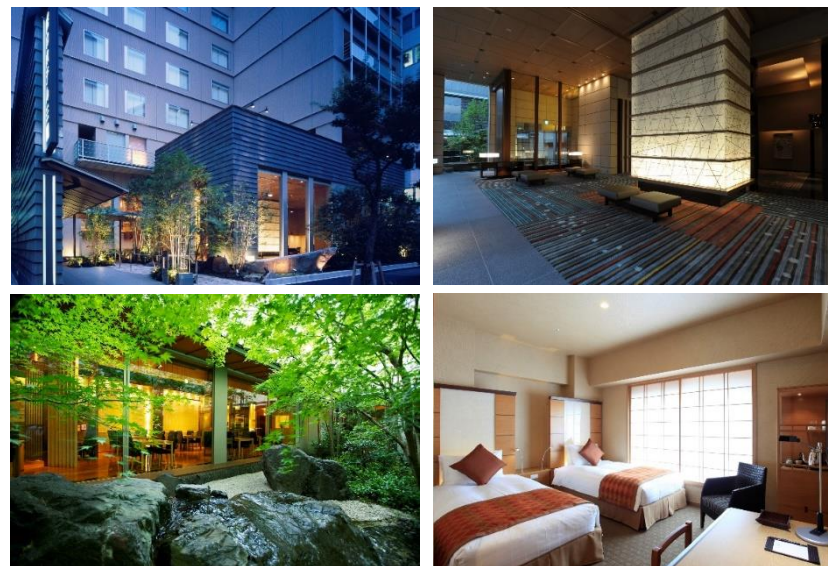


#### <Hotel overview>

Location : Taito-ku, Tokyo  
 Access : 3-min. walk from Ueno St.  
 Height : 10 floors  
 Rooms : 130  
 Opening : 2018/11  
 Facilities : Restaurant, Fitness room, etc.  
 Operating company : Nomura Real Estate Hotels Co., Ltd.  
 Total investment : Approx. ¥3 bn

## HOTEL NIWA TOKYO

- Acquired UHM, a hotel operator, in Mar. 2019.



#### Overview of operating company

Company: UHM Co., Ltd      Capital: ¥32 million  
 Establishment: April 1950      Employee: 100 people



#### <Hotel overview>

Location: Chiyoda-ku, Tokyo  
 Access: 3-min. walk from Suidobashi St.  
 Height: 16 floors above ground and 1 below  
 Gross floor area: 9,215.18㎡  
 Rooms: 238  
 Opening: 2009/5  
 Facilities: Restaurant, Meeting room, Fitness room

© OpenStreetMap contributors / CC BY-SA



	Name	Location	Net lettable area *Our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	172,716m <sup>2</sup>	1990/1, etc.
2	Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	96,342m <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	Yokohama Nomura Building	Nishi-ku, Yokohama-shi, Kanagawa	42,013m <sup>2</sup>	2017/1
6	Morisia Tsudanuma	Narashino-shi, Chiba	39,475m <sup>2</sup>	1978/10
7	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,108m <sup>2</sup>	1978/5
8	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,247m <sup>2</sup>	2010/9
9	Umeda Sky Building	Kita-ku, Osaka-shi, Osaka	19,173m <sup>2</sup>	1993/3
10	NOF Nihonbashi Honcho Building	Chuo-ku, Tokyo	19,157m <sup>2</sup>	1961/4
11	bono Sagamiono Shopping Center	Minami-ku, Sagamihara-shi, Kanagawa	16,175m <sup>2</sup>	2013/1
12	Nomura Fudosan Ginza Building	Chuo-ku, Tokyo	13,280m <sup>2</sup>	1982/3



Hamamatsucho Building



LAZONA Kawasaki Toshiba Building



Yokohama Nomura Building



Shinjuku Nomura Building



Nihonbashi Muromachi Nomura Building



Umeda Sky Building



Nomura Fudosan Ginza Building



Yokohama Business Park



LAZONA Kawasaki Plaza

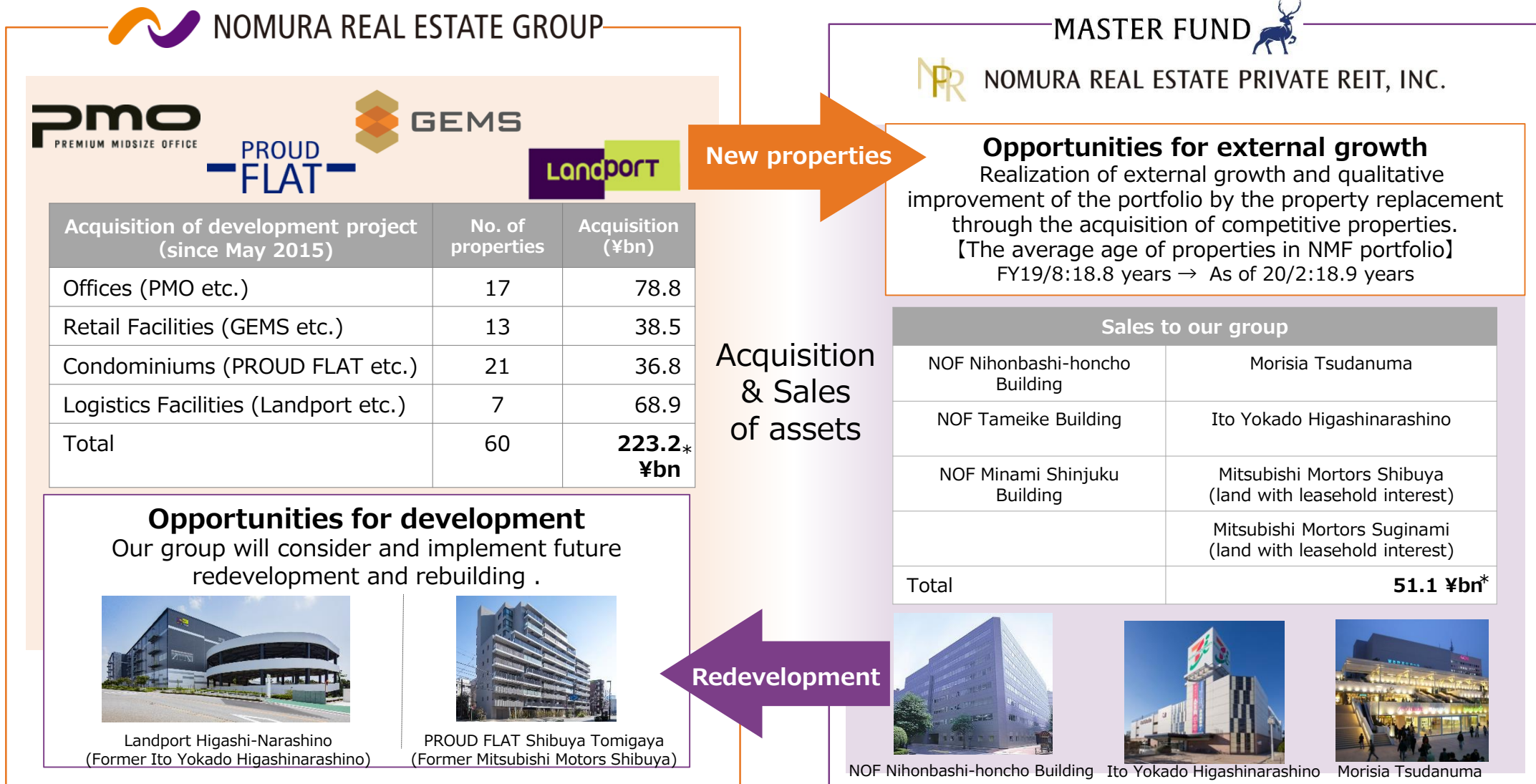


Morisia Tsudanuma



bono Sagamiono Shopping Center

- 4 years have passed since we reached an agreement of leasing value chain with our group REITs for our mutual growth.  
 In Dec. 2019, NMF issued its 3rd public offering and NMF acquired a total of 9 properties worth ¥40.0bn from our group.
- Sales amount from NMF to us is over ¥50.0bn. It contributes to mutual growth.

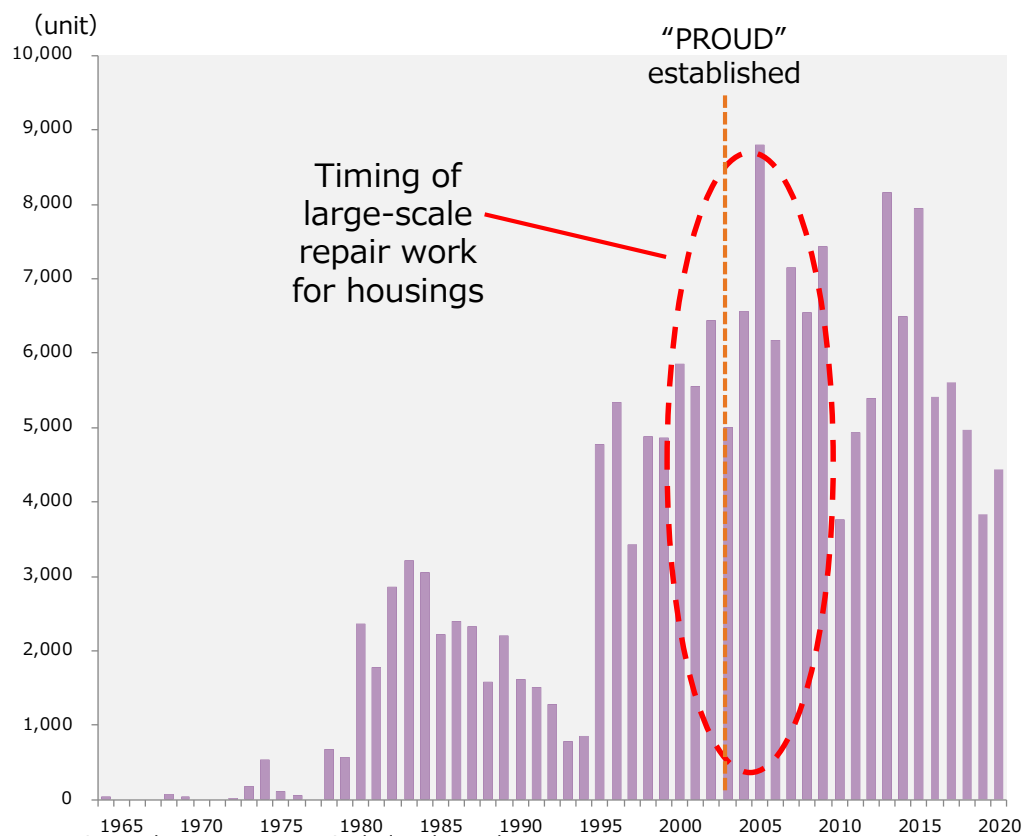


\*The amount of acquisition and sales for each tables are based on the REIT's disclosure materials.

- The number of housing which requires large-scale condo repair work has increased after 16 years since the first PROUD condo was constructed. To improve customer satisfaction, we will collaborate with remodel business. Actively promoting this work to obtain orders as a contractor in this work.
- Co-developed high-quality large-scale repair work called “re: Premium” which extends the cycle for carrying out large-scale repair to 16-18 year-guarantee with the material manufacturer and construction companies against to the guidelines indicated by Ministry of Land, Infrastructure, Transport and Tourism of 12-year construction term. Accelerating to make proposals for reducing life-cycle costs of buildings.

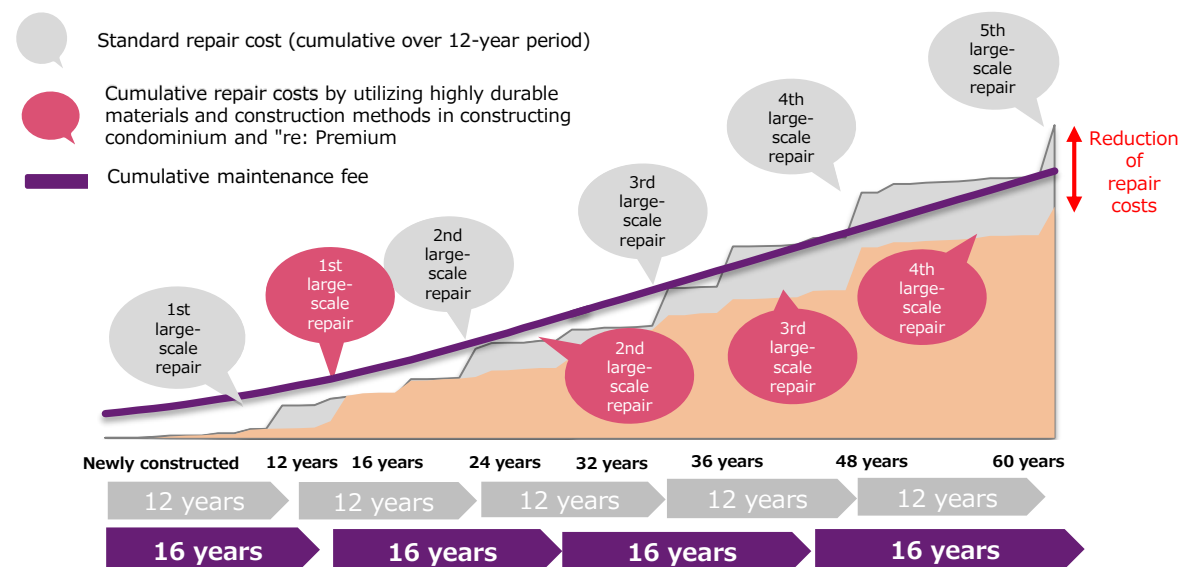
## Properties under management by construction completion period

Our management stock is increasing 6,000 units every year on average with the housing sales business volume expansion since 2000. The timing for large-scale repair has come in many condos under management.



## Maintain and improve the value through long-term simulation of large-scale repair work

Utilizing highly durable materials and construction methods in constructing condominium and “re: Premium” of large-scale repair work. Using the reduced repair costs to increase the value of the property.



Substantial reduction of repair cost by extending the life cycle



The extra money is used to management and construction funds which improves the property value

※Properties under management includes those that were not sold by Nomura Real Estate Development.

# Mid- to long-term business plan (profit plan)

- Sustainable revenue growth while maintaining high asset and capital efficiency.
- Profit target has been changed to “business profit”\* in consideration of profit from overseas businesses and amortization of related intangible assets from M&A activities.

(¥ bn)

<b>Business Profit</b> <sup>※</sup>	FY19/3 (Actual)	FY20/3(Actual)	FY22/3 (Phase 1)	FY25/3 (Phase 2)	FY28/3 (Phase 3)
	79.6	82.8	85.0	100.0	120.0-140.0

Residential Development	25.0	24.9	30.0	36.0
Commercial Real Estate	38.0	39.2	33.0	36.0
Service & Management Sector	21.6	24.4	28.0	35.0
Investment Management	5.9	7.1	9.0	12.0
Property Brokerage & CRE	8.1	9.1	11.0	14.0
Property & Facility Management	7.4	8.1	8.0	9.0
Adjustments	-5.0	-5.6	-6.0	-7.0

\*Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

\*The contents of the mid- to long-term business plan was formulated in April 2019 and do not take into account the impact of the COVID-19.

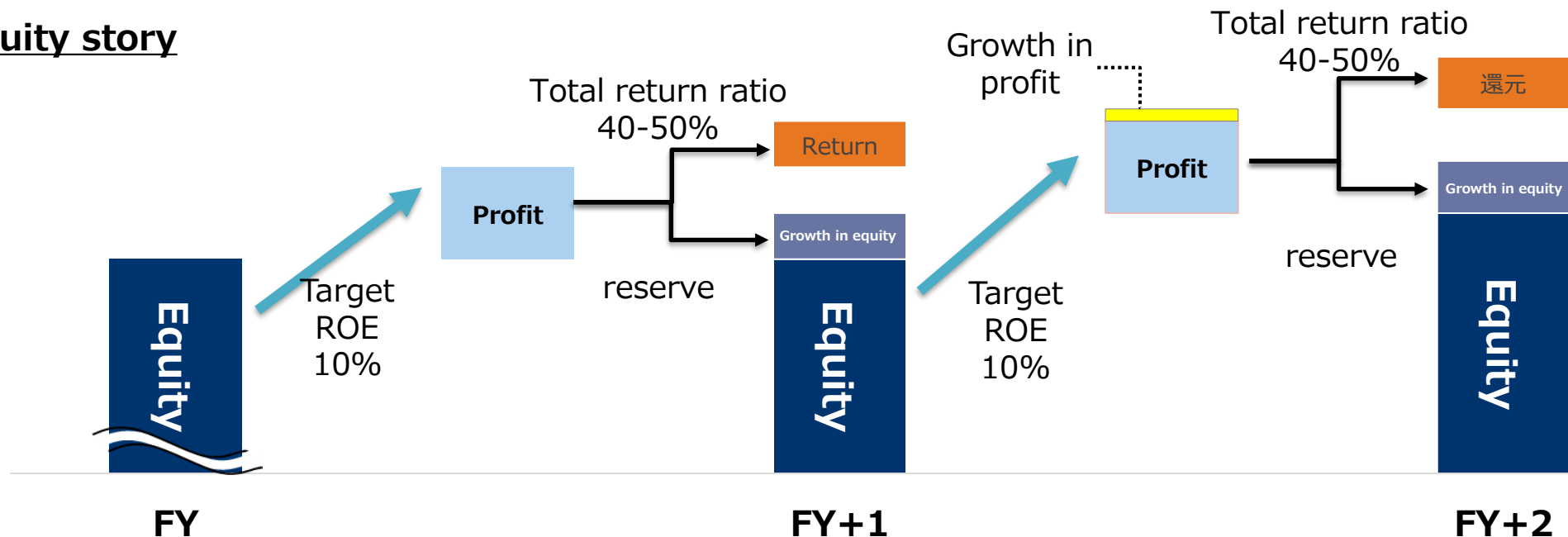
- Enhance shareholder returns while maintain capital efficiency exceeding capital costs. The total return ratio is about 40-50% in Phase 1.
- Allocate the profits generated by high-efficiency management to growth investment and profit growth in a balanced manner.

## Mid-to long term policy

Asset efficiency	Capital efficiency	Shareholder returns (Phase 1)
ROA : 5% or more	ROE : 10% or more	Total return ratio : approx. 40~50%

	FY20/3 Results	Phase 1	Phase 2	Phase 3
ROA	4.7%	Approx.4-5%	5% or more	
ROE	9.1%	Approx.8-9%	10% or more	


## Our equity story




- Achieve a business portfolio that combines high asset efficiency and stability.
- To achieve ROE exceeding capital cost, managing profit structure of each business appropriately.

	Development Sector		Service & Management Sector
	Property Sales Business	Leasing Business	Service & Management
Profit Classification	Development profit	Leasing profit	Fees
Recovery of capital	Short term	Long term	—
Profit fluctuation	High	Low	Low


  



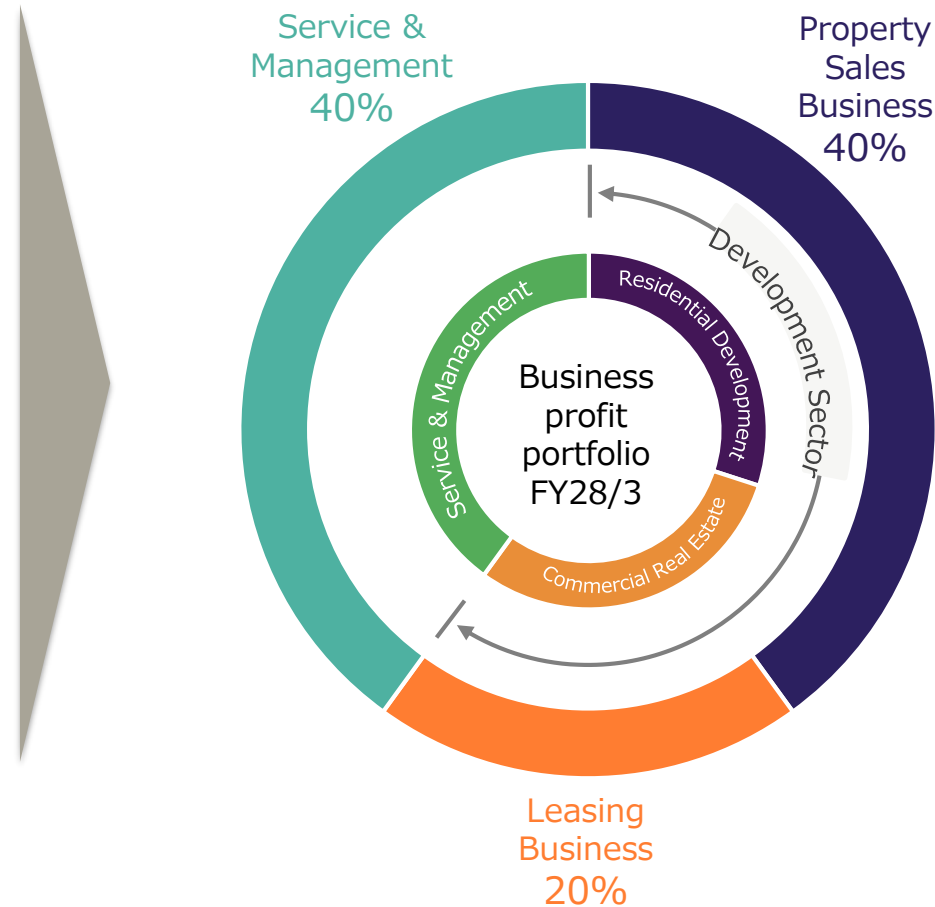
Realize development profits through development and sales in the short term, both in Japan and overseas.



Build a competitive asset portfolio by developing valuable leasing properties and strategic property replacement.



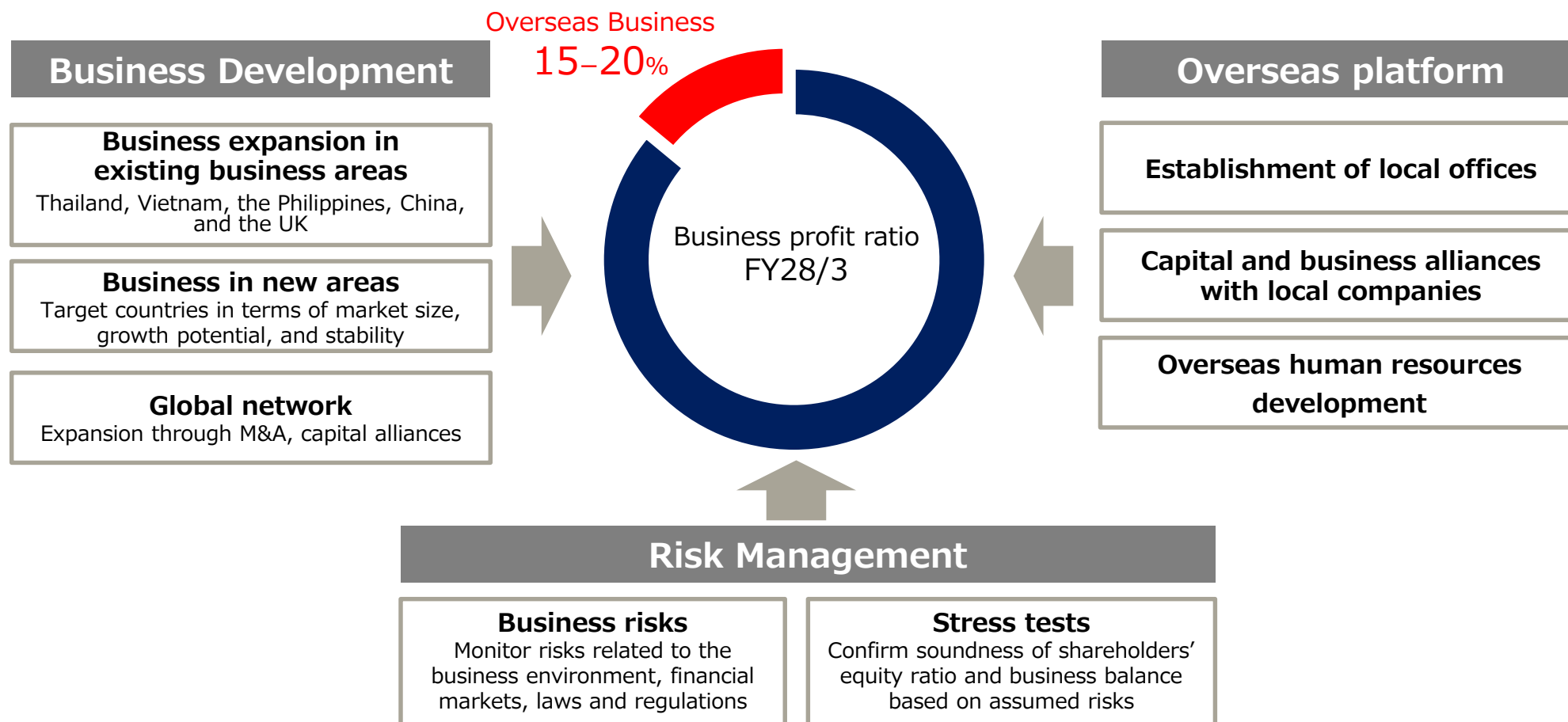
Expand business opportunities through M&A and partnership building, in addition to utilizing the Group's business resources



**Mid- to Long- term targets**

ROA : 5% or more	Shareholders' equity ratio 30%
ROE : 10% or more	
↓	
Capital cost : 7 ~ 8%	

- Develop overseas businesses as a growth driver with utilizing the expertise we have acquired in Japan.
- Expand overseas business profit ratio to 15–20% of total business profit in Phase 3 by capturing growing overseas



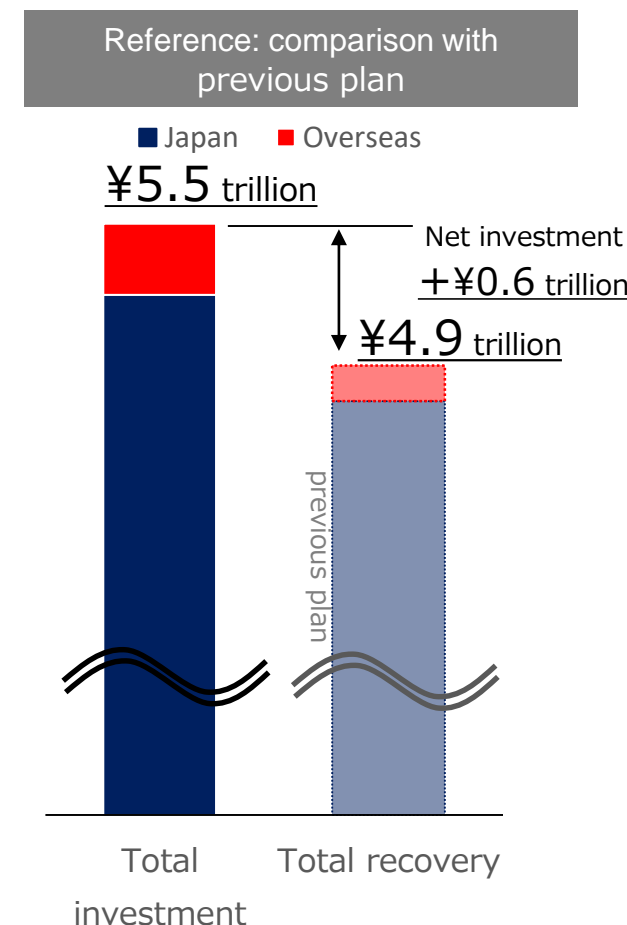
- Carry out new investments of ¥5.5 trillion under this plan (total of nine years).
- Achieve high asset efficiency through controlling net increase in total assets to ¥640.0 billion by increasing asset turnover.

## Investment and Balance Sheet

(Billions of yen)

	End of FY19/3	Phase 1		Phase 2	Phase 3	Total
		FY20/3 Actual				
<b>Residential Development Business Unit</b>						
Investment	–	297.3	1,100.0	1,250.0	1,250.0	3,600.0
Recovery	–	257.4	1,000.0	1,200.0	1,250.0	3,450.0
<b>Commercial Real Estate Business Unit</b>						
Investment	–	164.4	550.0	650.0	700.0	1,900.0
Recovery	–	125.2	400.0	500.0	550.0	1,450.0
<b>Total</b>						
Investment	–	461.7	1,650.0	1,900.0	1,950.0	5,500.0
(overseas)	–	(29.9)	(50.0)	(100.0)	(150.0)	(300.0)
Recovery	–	382.6	1,400.0	1,700.0	1,800.0	4,900.0
(overseas)	–	(3.3)	(0.0)	(50.0)	(100.0)	(150.0)
Total balance of assets*	1,759.4	1,801.2	2,000.0	2,200.0	2,400.0	–

\*The amounts shown represent the total asset balance for the last fiscal year of each phase. The above figures only represent residential development business unit and commercial real estate business unit. Therefore, the change in the total balance of assets doesn't match the calculations from investments and recoveries above.



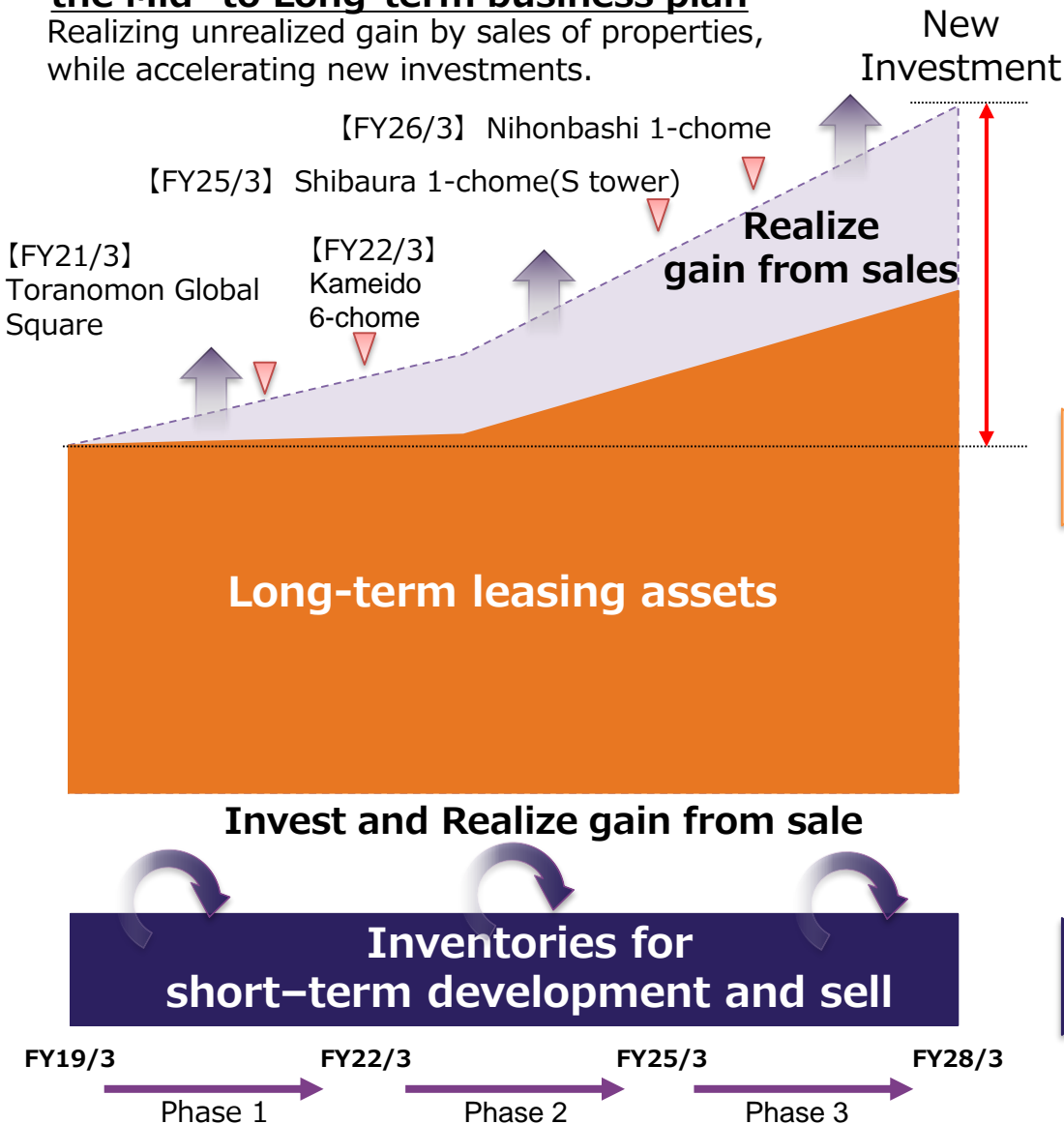


# Leasing asset portfolio optimization/ Realization of development profit and unrealized gain

- Commercial Real Estate BU plans ¥1.9 tn of investment and ¥1.45 tn of recovery in the Mid- to Long-term business plan period.
- Managing the leasing asset portfolio in anticipation of future large-scale development projects.
- Achieving unrealized gain through the sale of some of its long-term assets in addition to earning profits through new developments.

## The investment plan under the Mid- to Long-term business plan

Realizing unrealized gain by sales of properties, while accelerating new investments.



## Realization of development profit and unrealized gain

- Accelerating the realization of development profit and unrealized gain after the announcement of the Mid- to Long-term business plan.
- Sold 12 properties, worth of ¥ 106.8bn in total (Commercial Real Estate BU).

### Major sales cases in FY20/3



Nomura Fudosan Tennozu Building



MIRAZA Shinjuku



PMO Yaesudori



PMO Ochanomizu



PMO Akihabara Kita



PMO Higashi shinbashi



PMO Hamamatsucho



GEMS Sangenjaya



LandPort Higashinarashino

- Establish four key themes and two promotion foundations for CSR, to promote CSR with management strategies.
- In April 2020, we established the Sustainability Committee and the Sustainability Management Department to establish a system to promote Sustainability/CSR activities throughout the Group.

\*For more information on our activities, please refer to the CSR report(<https://www.nomura-re-hd.co.jp/english/csr/download/>).

## Group CSR promotion system

Our Group Vision “New Value, Real Value”

Solving social issues and creating new social value through our business activities

### Four Key Themes

Safety / Security

Environment

Community

Health and well-being

### CSR Promotion Foundations

Human Capital

Management Structure

## Recent Major Activities

### ● Signing of the United Nations Global Compact

In May 2019, we signed to the United Nations Global Compact. We expressed our intention to contribute to the creation of a sustainable society as a member of society.



### ● Starting “ACTO”

“ACTO” is our area management activity aiming at sustainable urban development. We are planning Proud City Hiyoshi as the first project.



## Third-party evaluation



**G R E S B**  
 PUBLIC DISCLOSURE 2019

**GRESB disclosure rating  
 Highest rating “A”**



MSCI Japan ESG  
 Select Leaders Index

**Selected for  
 MSCI Japan Select Leaders  
 for three consecutive years**

## Major quantified targets

- **100%** acquisition of Green Building Environmental Certification in newly developed rental housing, office, retail facilities and logistic facilities.
- **30%** reduction in the CO2 emissions per floor area of its real estate and business offices by 2020. (compared to FY13/3)

## Corporate Governance

### Audit & Supervisory Committee (since 06/2015)

- Comprised of Audit & Supervisory Committee and Advisory Committee relating to Nominations and Compensation.
- Independent External Directors accounts for the majority in all committees.

### Directors composition (since 06/25/2019)

- 5 directors are external directors out of total of 12.
- Diversified members with global business experience and other skills.

### Board of Directors diversity score

	Internal External	Independent Director	Gender	Audit and Supervisory Committee	Advisory Committee relating to Nominations and Compensation	Expected business field for directors						
						Corporate management	Finance ※	Financial audit	Legal audit	Overseas business	Architectural design	IT
Yoshikawa	Internal (non executive)		M		◎	●	●			●		
Kutsukake	Internal		M			●	●					
Miyajima	Internal		M			●					●	
Seki	Internal		M			●						
Haga	Internal		M			●	●	●			●	
Shinohara	External	●	F								●	
Higashi	External	●	M		●	●	●			●		●
Orihara	External (non executive)		M	◎		●	●	●				
Takayama	External (non executive)		M	●			●	●	●	●		
Ono	External	●	M	●	●				●			
Mogi	External	●	M	●	●	●	●	●		●		
Miyakawa	External	●	F	●				●		●		

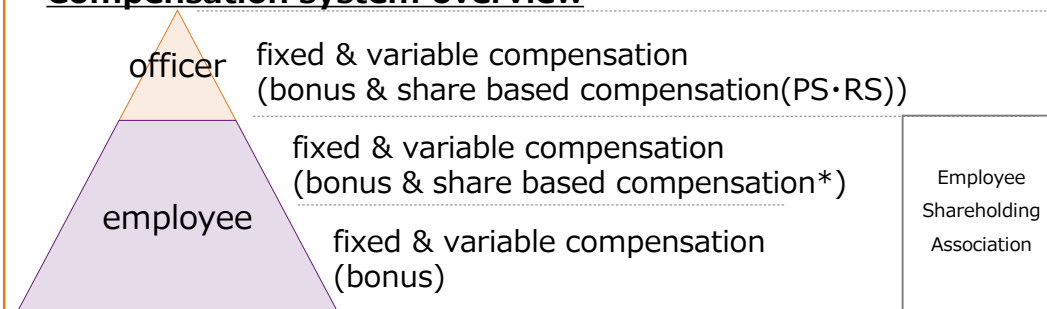
\* ◎ represents the chairperson of each committee

\* Finance represents the knowledge of capital markets and business experience in financing

## Compensation system

- Introduced a share-based compensation system to raise corporate value, considering the characteristics of the real estate industry whose business period is long.
- Designing a system in which both officers and employees share the same perspective as shareholders.

### Compensation system overview



\*Employees meeting certain conditions are granted the number of shares according to their position

### Compensation system for officers

\*1



#### • Bonus

Compensation: cash

Performance evaluation: performance such as operating profit, implementation of mid- to long term policy and etc.

#### • Share-based compensation (Performance Share portion: PS) \*2

Compensation: share

Vesting period: 3 years after the target fiscal year

Evaluation: based on performance after 3 years (evaluation index: business profit, ROE)

#### • Share-based compensation (Restricted Stock portion: RS)

Compensation: share

Vesting period: when a director or an officer resigns

# Outline of Nomura Real Estate Group

---

## Our Group Vision

### “New Value, Real Value”

Integrating all that is precious to people and communities, we build cities—dynamic stages that connect today with tomorrow’s possibilities, and embrace every moment of life’s pursuits. We create new value, social value, and, above all, real value.

## Action Guideline “What We Value” (Excerpts)

Client-first approach

Creating new value based on original ideas

Always being a challenger

Acknowledging our growth with society

Working with vigor and achieving wellness

## Group’s business development

### Development Sector

#### Residential Development Business Unit

- Development and sale of residences including condominiums and detached housing
- Development and sale of rental housing
- Development and management of senior housing

#### Commercial Real Estate Business Unit

- Development, leasing, and management of office buildings, retail facilities, logistics facilities, and hotels
- Property development for sales (office buildings, retail facilities and logistics facilities, etc.) for investors
- Management of fitness club

### Service & Management Sector

#### Investment Management Business Unit

- Asset management of real estate securitization products including REITs and private equity funds

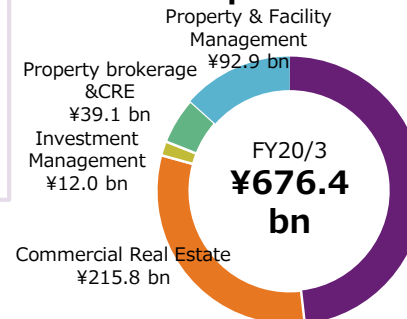
#### Property brokerage & CRE Business Unit

- Real estate brokerage and consulting business
- Consignment of sales of newly built condominiums and detached housing

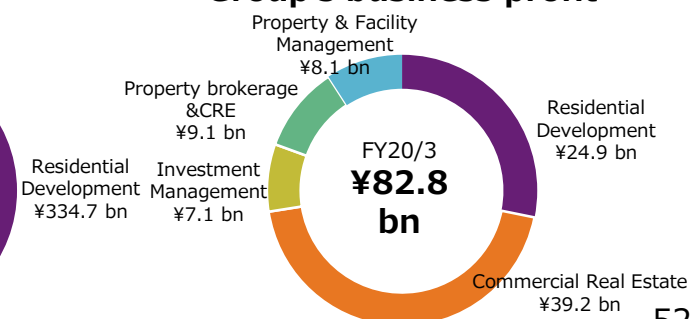
#### Property & Facility Management Business Unit

- Management of condominiums, office buildings, and educational and other facilities
- Repair and tenant-related construction work

### Group’s revenue



### Group’s business profit



# Corporate History

1957

Spins off from Nomura Securities Co., Ltd. and launches real estate business

1978

Completes construction of the Shinjuku Nomura Building and moved the HQ from Nihonbashi

1988

Completes construction of Yokohama Business Park (YBP), one of the largest business development in the private sector

2002

Establishes unified brand name "PROUD" for residential products and services

2011

Launches a condominium brand "OHANA."

2015

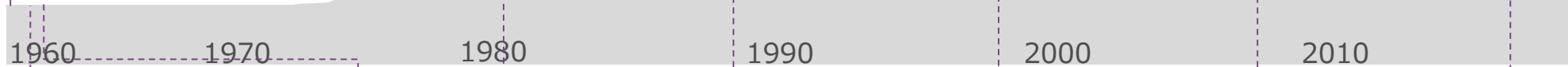
Lists one of the largest diversified J-REIT, Nomura Real Estate Master Fund, Inc on the Tokyo Stock Exchange

2018

Build a strategic partnership with Lothbury Investment Management, an UK real estate investment manager

2019

Hotel Niwa Tokyo joins the group



1961

Launches residential land development business with development of Kajiwarayama residential area in Kamakura



1963

Launches condominium development business with the construction of Co-op Takenomaru in Yokohama



2006

Lists Nomura Real Estate Holdings, Inc. on the First Section of the Tokyo Stock Exchange



2008

Completes construction of PMO Nihonbashi Honcho, the first development in the PMO series



2008

NREG TOSHIBA BUILDING Co., Ltd. joins the group



2010

Completes construction of the Nihonbashi Muromachi Nomura Building



2017

Completes construction of the Yokohama Nomura Building



\*Note: The Operating revenue until FY2003 are only the figures of ©Nomura Real Estate Holdings, Inc. All rights reserved

# 10 year data

	units	11/3	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3
<b>Financial data</b>											
Operating revenue	¥bn	480.9	450.8	517.7	532.0	567.1	569.5	569.6	623.7	668.5	<b>676.4</b>
Business profit*1	¥bn	42.0	49.9	58.3	74.3	71.8	80.9	77.2	76.6	79.6	<b>82.8</b>
Net profit	¥bn	5.4	17.5	19.3	26.8	38.4	47.1	47.0	46.0	45.8	<b>48.8</b>
Total assets	¥bn	1,474.3	1,402.6	1,369.9	1,313.8	1,369.2	1,485.4	1,593.0	1,673.0	1,759.4	<b>1,801.2</b>
Shareholders' equity	¥bn	304.5	317.0	336.2	355.6	394.0	444.8	481.3	501.4	526.7	<b>550.1</b>
Shareholders' equity ratio	%	20.7	22.6	24.5	27.1	28.8	29.9	30.2	30.0	29.9	<b>30.5</b>
Debt/ equity ratio	times	2.7	2.4	2.0	1.7	1.6	1.6	1.7	1.8	1.7	<b>1.6</b>
Interest-bearing debt	¥bn	816.9	758.5	669.2	617.5	616.7	721.9	810.1	877.8	914.0	<b>870.0</b>
Interest expenses	¥bn	14.9	14.3	12.5	10.0	8.8	7.8	7.5	7.3	8.7	<b>8.7</b>
Debt/ ebitda ratio*2	times	17.7	14.4	11.0	8.5	7.5	7.6	8.6	9.4	9.8	<b>8.6</b>
Unrealized gain*3	¥bn	36.9	33.1	37.2	41.2	70.2	110.9	153.9	181.9	206.3	<b>209.6</b>
Dividend payout ratio*4	%	87.0	27.1	29.5	24.9	22.4	23.3	26.5	28.9	30.5	<b>30.1</b>
Total return ratio*5	%	87.0	27.1	29.5	24.9	22.4	23.3	26.5	50.6	41.4	<b>46.5</b>
ROA*6	%	2.9	3.7	4.5	5.6	5.5	5.8	5.1	4.7	4.7	<b>4.7</b>
ROE*7	%	1.8	5.7	5.9	7.8	10.3	11.2	10.1	9.4	8.9	<b>9.1</b>
NAV per share*8	yen/share	1,719	1,767	1,885	1,997	2,298	2,708	3,063	3,332	3,630	<b>3832</b>
EPS	yen/share	28.74	92.38	101.61	140.7	201.28	246.42	245.1	240.89	245.99	<b>267.21</b>
DPS	yen/share	25.00	25.00	30.00	35.00	45.00	57.50	65.00	70.00	75.00	<b>80.00</b>

## Stock market index

PER	times	34.2	18.5	20.9	15.0	14.2	9.9	7.9	10.7	8.5	<b>6.9</b>
PBR	times	0.8	0.9	1.2	1.1	1.1	0.9	0.7	1.0	0.8	<b>0.6</b>
PNAV	times	0.7	0.8	1.1	1.0	0.9	0.8	0.6	0.8	0.6	<b>0.5</b>
Total Shareholder Return*9	%	—	—	—	—	—	98.7	87.6	124.9	110.5	<b>97.1</b>

## Key business indicator

Revenue of housing sales	¥bn	245.9	193.3	281.8	295.9	332.9	318.7	308.9	336.8	342.0	<b>294.3</b>
Gross profit margin ratio of housing sales	%	16.4	23.3	22.5	21.7	21.1	21.9	21.7	19.1	19.1	<b>20.4</b>
Net Lettable area	m	788,374	771,640	835,115	855,197	928,628	974,127	975,974	1,021,004	953,620	<b>924,970</b>
Vacancy rate	%	4.0	2.4	2.2	2.9	4.5	2.2	0.8	0.7	4.7	<b>4.0</b>
Sales amount of property for sales*10	¥bn	31.1	38.0	19.7	16.7	12.3	33.2	35.3	43.3	77.0	<b>124.7</b>
AUM	¥bn	1,126.6	1,153.8	1,127.4	1,132.2	1,123.1	1,074.4	1,260.0	1,285.9	1,669.4	<b>1,798.5</b>
Total transaction value	¥bn	425.2	452.9	540.6	672.7	710.9	713.5	745.1	800.7	767.3	<b>872.3</b>
No. of housings under management	units	127,567	130,987	137,745	147,516	155,706	163,036	168,999	173,705	177,582	<b>182,230</b>

\*1: Business profit= operating profit+ share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions. Prior to FY18/3, figures are equivalent to operating profit. □

\*2: EBITDA=Profit before income taxes +interest expenses+depreciation

\*3: Unrealized gain = Fair value of real estate for rent at the end of the fiscal year - Balance of real estate for rent at the end of the fiscal year

\*4: Dividend payout ratio=Total amount of dividends / Profit attributable to owners of parent

\*5: Total return ratio = (Total amount of dividends+ Total amount of acquisition of treasury shares) / Profit attributable to owners of parent

\*6: ROA=(Operating profit+ Non-operating profit) / Average assets during the fiscal year

\*7: ROE=Profit attributable to owners of parent / Average shareholders' equity during the fiscal year

\*8: NAV per share=Shareholders' equity+ unrealized gains (after deduction of tax) / the number of shares issued at the end of the fiscal year (excluding treasury shares)

\*9: (Stock price as of the end of the fiscal year + accumulated dividend amount per share from FY16/3 to the fiscal year) / Stock price as of the end of FY15/3

\*10: Sales amount of property for sales refers to the sum of property development for sales in Residential Development BU and Commercial Real Estate BU.

(Property development for sales in Residential Development BU: Rental housings developed for real estate investment market)

(Property development for sales in Commercial Real Estate BU: Office building, retail facility and logistic facility developed for real estate investment market)

Nomura Real Estate Holdings, Inc.  
Corporate Communications Dept.

General Manager	Kensuke Ueha
Senior Manager	Yuichi Kaneyama
Manager	Masa Ohmi
	Soh Yamashita
	Sayumi Mitsuma

TEL +81-3-3348-8117

E-mail [nrehd-ir@nomura-re.co.jp](mailto:nrehd-ir@nomura-re.co.jp)

This document has been prepared for the purpose of information only, and should not be construed as an offer, solicitation or commercial conduct of any nature associated with any specific products. The forward-looking statements with respect to the future financial results contained in this document should not be construed as a guarantee of actual performance in the future. Although the information contained in this document is intended to be complete and thorough, there is no assurance of precision and safety of the same. Please note that the contents of this document is subject to change or cancellation without prior notice. It is prohibited to make duplication, reproduction, distribution or use of any part or whole of the information contained in this document without express written consent.