

Consolidated Financial Results for the Nine Months from April 1 to December 31, 2020

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Outline of the FY21/3 3Q Financial Results

<Summary>

- The consolidated financial results for the nine months from April 1 to December 30, 2020 were as follows: Operating revenue; 373.3 billion yen (up 12.6% YoY); operating profit; 47.5 billion yen (up 68.6% YoY); business profit; 47.8 billion yen (up 65.3% YoY); ordinary profit; 40.0 billion yen (up 82.6% YoY); and profit attributable to owners of parent; 25.9 billion yen (up 77.1% YoY).
*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 1,585 units (an increase of 206 units YoY). The contract progress rate against the projected operating revenue of housing sales of the fiscal year was 99.3% at the end of this third quarter.
- In Commercial Real Estate Business Unit, operating revenue was 153.2 billion yen (up 5.9% YoY) and business profit was 32.5 billion yen (up 31.7% YoY). This was mainly due to an increase in revenue from property sales while leasing revenue in retail facilities and revenue from fitness business decreased due to the COVID-19 impact.
- As for Service & Management Sector, both operating revenue and business profit increased YoY in Investment Management Business Unit due to an increase in domestic assets under management, and in Property Brokerage & CRE Business Unit mainly due to an increase in commission fee in consignment of sales of new housings and an increase in the number of transactions and total transaction value of wholesale business. However both operating revenue and business profit decreased in Property & Facility Management Business Unit.
- Forecasts for fiscal year ending March 31, 2021 which was announced in July, 2020 was changed to operating revenue; 580.0 billion yen; operating profit; 71.0 billion yen; business profit; 70.0 billion yen; ordinary profit; 59.0 billion yen; and profit attributable to owners of parent; 37.0 billion yen.
- There is no change in the dividend forecasts which was announced in May, 2020.
- The company will acquire treasury shares up to 4 billion yen by April 26, 2021. The treasury shares to be acquired and the treasury shares owned as of January 28, 2021 will be canceled on May 31, 2021.

Consolidated financial results

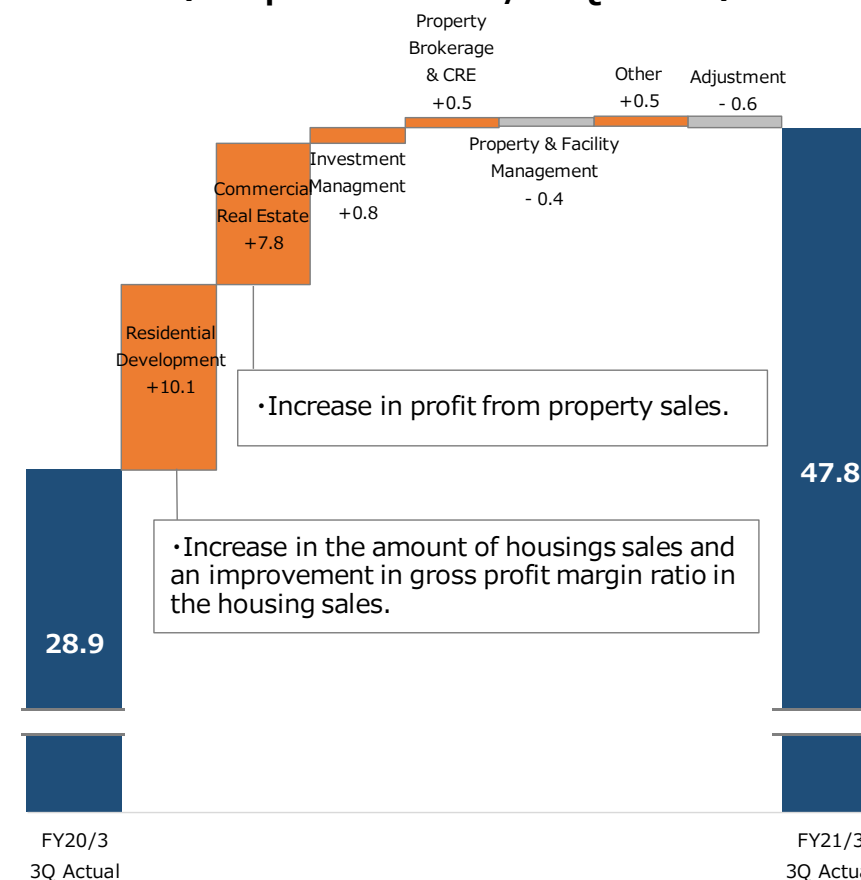
(¥bn)	20/3 3Q Actual ①	21/3 3Q Actual ②	Changes ② - ①	Key Factors
Operating revenue	331.5	373.3	+41.8	<Operating revenue>
Operating gross profit	103.0	122.1	+19.1	• Increases in the number and the average price of housings units sold in the Residential Development Business Unit.
Selling, general and administrative expenses	74.8	74.6	-0.2	• Increase of revenue on sales in property for sales business in Commercial Real Estate Business Unit.
Operating profit	28.1	47.5	+19.3	
Share of profit (loss) of entities accounted for using equity method	0.2	-0.1	-0.4	
Amortization of intangible assets associated with corporate acquisitions	0.4	0.4	+0.0	<Business profit>
Business profit	28.9	47.8	+18.8	• Increases in the number of housing units sold and the average price of housing units sold and an improvement in gross margin ratio in the housing sales business in Residential Development Business Unit.
Non-operating income	1.1	0.5	-0.5	• Increase of profit on sales in property for sales business in Commercial Real Estate Business Unit.
Non-operating expenses	7.3	8.0	+0.7	
Ordinary profit	21.9	40.0	+18.1	
Extraordinary income	0.3	0.5	+0.1	
Extraordinary losses	0.2	2.0	+1.8	
Income taxes	6.8	12.5	+5.7	
Profit attributable to non-controlling interests	0.5	0.0	-0.5	
Profit attributable to owners of parent	14.6	25.9	+11.2	
Basic earnings per share (¥)	79.98	142.98	+63.00	
Cash dividends per share (¥)	40.00	40.00	—	
Net cash provided by (used in) operating activities	-116.3	-128.9	-12.5	
Net cash provided by (used in) investing activities	-23.0	-41.0	-17.9	• (Major cash flows in FY21/3 3Q) Purchase and sales of property, plant and equipment.
Net cash provided by (used in) financing activities	76.1	135.6	+59.4	• (Major cash flows in FY21/3 3Q) Increase in long-term borrowings.
Cash and cash equivalents at end of period	54.9	43.1	-11.7	
(¥bn)	As of Mar. 31, 2020 ①	As of Dec. 31, 2020 ②	Changes ②-①	Key Factors
Total assets	1,801.2	1,862.4	+61.1	• Increase in inventories.
Total interest-bearing debt	870.0	1,029.0	+159.0	• Increase in long-term borrowings and others.
Shareholders' equity	550.1	565.6	+15.5	
Shareholders' equity ratio	30.5%	30.4%	-0.2P	
Debt/equity ratio	1.6	1.8	+0.2	

Outline of Financial Results by Business Units

- In Residential Development Business Unit, profit increased due to an increase of the number of housing units sold and the average price of housing units sold and an improvement in gross margin ratio in the housing sales business.
- In Commercial Real Estate Business Unit, profit increased mainly due to an increase of revenue on sales in property for sales.
- From FY21/3, the overseas housings sales business and leasing business which had been classified under the Residential Development Business Unit and the Commercial Real Estate Business Unit, have been reclassified under the Other.

(¥bn)	20/3 3Q Actual* ¹ ①	21/3 3Q Actual ②	Changes ②-①
Operating revenue	331.5	373.3	+41.8
Residential Development	93.3	129.4	+36.1
Commercial Real Estate	144.6	153.2	+8.5
Service & Management	106.5	104.0	-2.4
Investment Management	9.0	9.8	+0.7
Property Brokerage & CRE	27.0	27.3	+0.2
Property & Facility Management	70.3	66.9	-3.4
Other (including overseas business)	0.5	1.6	+1.1
Adjustments	-13.5	-15.0	-1.5
Business profit* ²	28.9	47.8	+18.8
Residential Development	-7.9	2.1	+10.1
Commercial Real Estate	24.7	32.5	+7.8
Service & Management	16.0	17.0	+0.9
Investment Management	5.4	6.2	+0.8
Property Brokerage & CRE	4.9	5.4	+0.5
Property & Facility Management	5.7	5.2	-0.4
Other (including overseas business)	-1.2	-0.6	+0.5
Adjustments	-2.7	-3.3	-0.6
Ordinary profit	21.9	40.0	+18.1
Profit before income taxes	22.0	38.5	+16.4
Profit attributable to owners of parent	14.6	25.9	+11.2

Key factors of changes in operating profit by business unit (compared to FY20/3 3Q Actual)



*1 From FY21/3, the overseas condominium development and sales business, which had been classified under the Residential Development Business Unit and the overseas office and other properties development and leasing business, and ZEN PLAZA CO., LTD., which had been classified under the Commercial Real Estate Business Unit, have been reclassified under the Other. As of April 1, 2020, NREG TOSHIBA BUILDING FACILITIES Co., Ltd. which had been classified under the Commercial Real Estate Business Unit, had been merged with Nomura Real Estate Partners Co., Ltd. which has been classified under the Property & Facility Management Business Unit. The merger has been carried out with NREG TOSHIBA BUILDING FACILITIES Co., Ltd. being the absorbed company and Nomura Real Estate Partners Co., Ltd. being the surviving company. In line with this change, the financial results of FY20/3 are based on the changed classification.

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

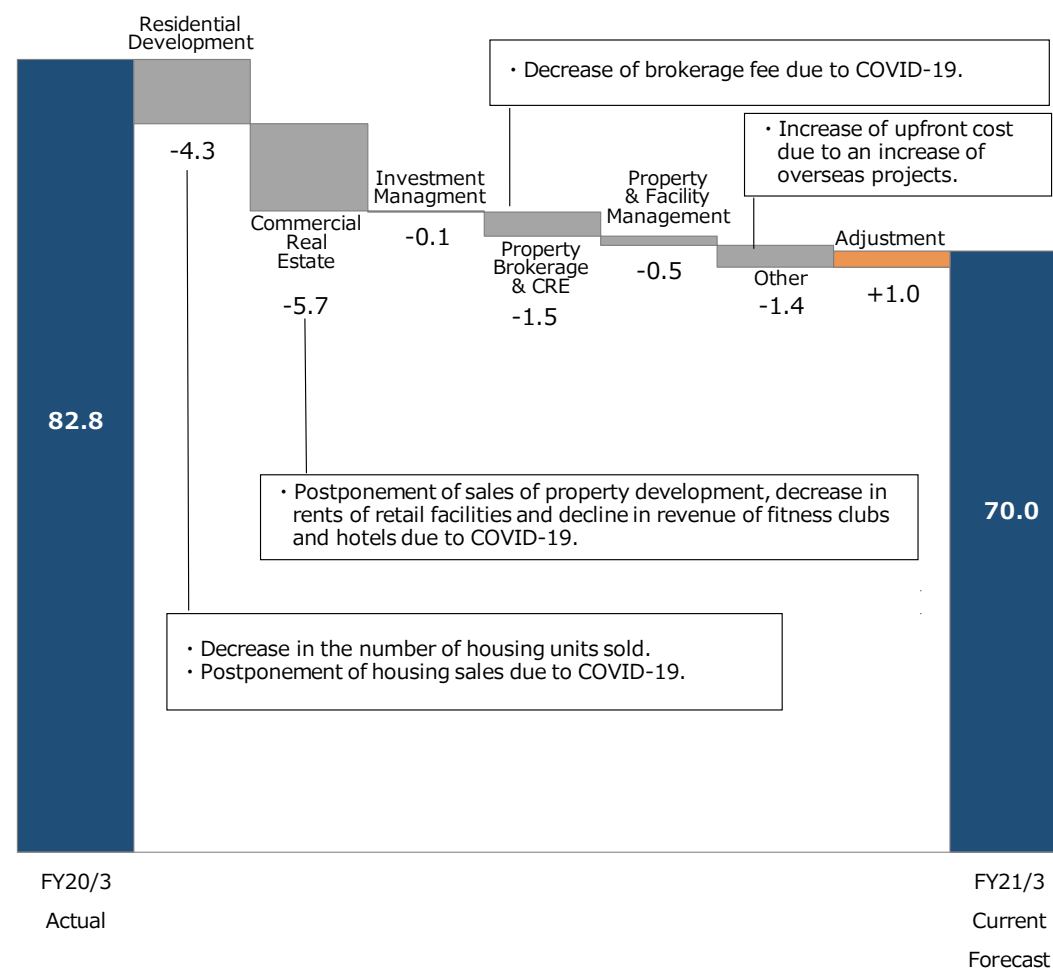
Consolidated Balance Sheets

(¥bn)	As of Mar. 31, 2020 ①	As of Dec. 31, 2020 ②	Changes ② - ①	Key Factors
Assets	1,801.2	1,862.4	+ 61.1	<Inventories>
Current assets	906.7	944.3	+ 37.6	
(Breakdown)				
Cash and deposits and others	78.4	44.1	-34.2	Residential Development BU
Notes and accounts receivable-trade	25.3	17.1	-8.1	Commercial Real Estate BU
Inventories	714.7	804.0	+ 89.3	Other BU*
Equity investments	30.9	28.8	-2.1	Adjustments
Other current assets	57.2	50.1	-7.0	
Non-current assets	894.5	918.0	+ 23.5	<Property, plant and equipment>
Property, plant and equipment	756.3	762.3	+ 6.0	
Intangible assets	20.2	18.3	-1.8	
Investments and other assets	118.0	137.3	+ 19.3	
(Breakdown)				
Investment securities	58.9	79.2	+ 20.3	Office
Leasehold and guarantee deposits	27.9	27.8	-0.1	Retail
Other non-current assets	31.0	30.2	-0.7	Others
				Total
				714.7
				804.0
				+ 89.3
				*Total of Property & Facility Management BU and Other including overseas business
Liabilities	1,236.1	1,293.7	+ 57.5	<Interest-bearing debt>
Current liabilities	302.0	230.1	-71.8	
(Breakdown)				
Notes and accounts payable-trade	94.1	26.8	-67.3	Long-term borrowings
Short-term borrowings, etc.	92.0	120.5	+ 28.5	Bonds payable
Deposits received	35.5	15.4	-20.1	Short-term borrowings
Other current liabilities	80.3	67.3	-12.9	Current portion of long-term borrowings
Non-current liabilities	934.0	1,063.5	+ 129.4	Commercial papers
(Breakdown)				Current portion of bonds
Bonds payable	120.0	150.0	+ 30.0	
Long-term borrowings	658.0	758.5	+ 100.5	Total
Leasehold and guarantee deposits received	62.3	62.2	-0.1	870.0
Other non-current liabilities	93.6	92.8	-0.8	1,029.0
				+ 159.0
Net assets	565.1	568.7	+ 3.6	<Treasury Shares>
Total liabilities and net assets	1,801.2	1,862.4	+ 61.1	• Mar. 31, 2020: ¥ -27.3 bn → Dec. 31, 2020: ¥ -27.3 bn
Shareholders' equity ratio	30.5%	30.4%	-0.2P	<Shareholders' equity>
Debt/equity ratio	1.6	1.8	+0.2	• Mar. 31, 2020: ¥550.1 bn → Dec. 31, 2020: ¥565.6 bn

- We revised our forecasts for FY ending March 31, 2021 after examining the future prospects based on the operating results from 1Q to 3Q.

(¥bn)	20/3	21/3	Changes ②-①	21/3	Changes ②-③
	Actual*1 ①	Current Forecast ②		Previous Forecast announced in Jul.2020 ③	
Operating revenue	676.4	580.0	-96.4	600.0	-20.0
Residential Development	333.9	270.0	-63.9	290.0	-20.0
Commercial Real Estate	212.1	180.0	-32.1	190.0	-10.0
Service & Management	149.4	147.0	-2.4	141.0	+6.0
Investment Management	12.0	12.0	-0.0	12.0	—
Property Brokerage & CRE	39.1	38.0	-1.1	34.0	+4.0
Property & Facility Management	98.2	97.0	-1.2	95.0	+2.0
Other (including overseas business)	1.1	2.0	+0.8	1.0	+1.0
Adjustments	-20.1	-19.0	+1.1	-22.0	+3.0
Business profit*2	82.8	70.0	-12.8	60.0	+10.0
Residential Development	25.3	21.0	-4.3	18.0	+3.0
Commercial Real Estate	39.2	33.5	-5.7	32.0	+1.5
Service & Management	24.8	22.5	-2.3	18.0	+4.5
Investment Management	7.1	7.0	-0.1	7.0	—
Property Brokerage & CRE	9.0	7.5	-1.5	4.0	+3.5
Property & Facility Management	8.5	8.0	-0.5	7.0	+1.0
Other (including overseas business)	-1.0	-2.5	-1.4	-3.0	+0.5
Adjustments	-5.5	-4.5	+1.0	-5.0	+0.5
Ordinary profit	73.0	59.0	-14.0	49.0	+10.0
Profit attributable to owners of parent	48.8	37.0	-11.8	31.0	+6.0
Basic earnings per share (¥)	267.21	203.90	-63.31	170.76	33.14
Cash dividends per share (¥)	80.00	80.00	—	80.00	—

Key factors of changes in business profit by unit (compared to FY20/3)



*1 From FY21/3, the overseas condominium development and sales business, which had been classified under the Residential Development Business Unit and the overseas office and other properties development and leasing business, and ZEN PLAZA CO., LTD., which had been classified under the Commercial Real Estate Business Unit, have been reclassified under the Other. As of April 1, 2020, NREG TOSHIBA BUILDING FACILITIES Co., Ltd. which had been classified under the Commercial Real Estate Business Unit, had been merged with Nomura Real Estate Partners Co., Ltd. which has been classified under the Property & Facility Management Business Unit. The merger has been carried out with NREG TOSHIBA BUILDING FACILITIES Co., Ltd. being the absorbed company and Nomura Real Estate Partners Co., Ltd. being the surviving company. In line with this change, the financial results of FY20/3 are based on the changed classification.

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

- We estimated the major impact amount due to the COVID-19 on the full year operating results are approximately ¥15.0 bn. on a business profit basis. (the forecast was ¥20.0 bn at Jul. 2020)
- In Residential Development Business Unit and Commercial Real Estate Business Unit, delay of earnings and partial adjustment of price will occur. In Commercial Real Estate Business Unit and Property Brokerage & CRE Business Unit, loss of earnings would happen.

Impact amount due to the spread of COVID-19 (Business Profit)

	Factor of loss of earnings	Impact amount		Factor of delay of earnings, adjustment of price	Impact amount	
		Current forecast	Previous forecast (announced in Jul.2020)		Current forecast	Previous forecast (announced in Jul.2020)
	Loss of earnings for the period of the restraint or closure of business, or inactivity of economic activities.	¥-6.0 bn	¥-11.0 bn	In light of market conditions, changes in the timing of sales of housings and property for sales from the perspective of maximizing profits, or partial price adjustments.	¥-9.0 bn	¥-9.0 bn
Residential Development				<ul style="list-style-type: none"> • Changing housing sales schedule. • Dealing with sales of property for sales. 	¥-3.0 bn	¥-3.0 bn
Commercial Real Estate	<ul style="list-style-type: none"> • Reducing and exempting rent mainly for retail facilities. • Temporary closing fitness clubs and the number of members in clubs are decreasing. • Declining in hotel occupancy. 	¥-4.5 bn	¥-5.0 bn	<ul style="list-style-type: none"> • Dealing with sales of property for sales. 	¥-6.0 bn	¥-6.0 bn
Investment Management						
Property Brokerage & CRE	<ul style="list-style-type: none"> • Decreasing in the number of transactions due to the voluntary restraint in face-to-face sales activities. 	¥-1.5 bn	¥-5.0 bn			
Property & Facility Management	<ul style="list-style-type: none"> • Temporary downsizing of facility management for condominiums. 	—	¥-1.0 bn			

*In addition to the above, we incur an extraordinary loss of ¥1.7 bn due to the suspension of operations caused by the spread of the COVID-19.

- Amid the COVID-19 crisis, there is no change of the policy to achieve both growth investment and shareholder return by highly efficient management.
- We decided to acquire the fifth acquisition of treasury shares based on the transition of FY21/3 operating results and financial soundness.
- The treasury shares to be acquired this time and the treasury shares owned as of January 28, 2021 will be canceled at the end of May, 2021.

Acquisition of treasury shares

Total value	Up to ¥ 4.0bn
Total number of shares	Up to 2.5mn shares (Ratio to the number of outstanding shares (excluding treasury shares): 1.36%)
Period of acquisition	From January 29, 2021 to April 26, 2021
Method of acquisition	Open market purchase

Cancellation of treasury shares

The treasury shares to be acquired and the treasury shares owned as of January 28, 2021 will be canceled on May 31, 2021.
 (Excluding the shares owned for executive compensation and employee compensation)

Our return policy

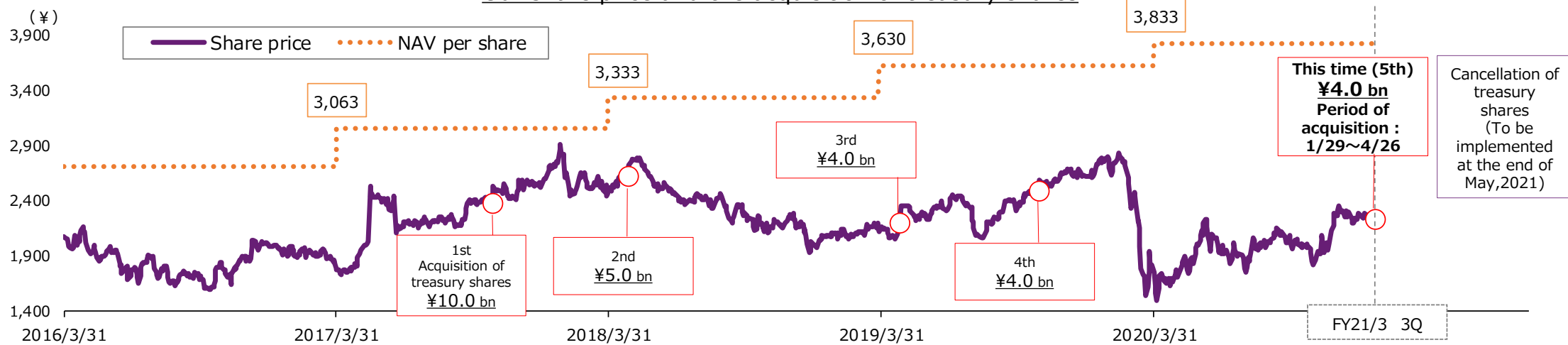
Shareholder return (FY20/3-22/3)

Total return ratio: about **40-50%**

FY21/3 forecast

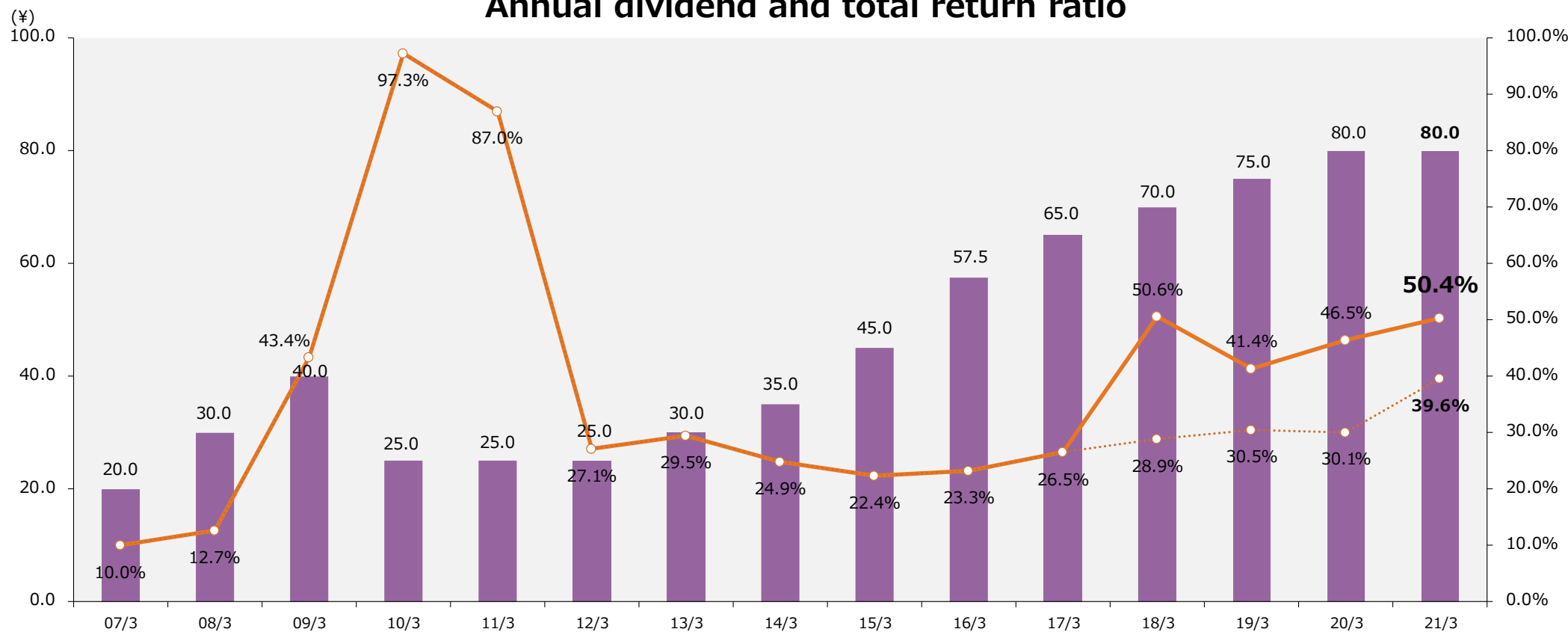
Total return ratio : **50.4%**

Our share price and the acquisition of treasury shares



- The annual dividend per share for FY21/3 is planned to be ¥80 (±¥0 y/y).
- We decided the acquisition of treasury shares up to ¥4.0 bn on Jan. 28, 2021. The total return ratio is expected to be 50.4%.
- The total return ratio for Mid- to long term business plan's phase 1 (FY20/3-22/3) is expected to be 40-50%.

Annual dividend and total return ratio



	07/3	08/3	09/3	10/3	11/3	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3
EPS(¥)	200.47	236.09	92.21	25.69	28.74	92.38	101.61	140.70	201.28	246.42	245.10	240.89	245.99	267.21	203.90
Dividend payout ratio (%)	10.0	12.7	43.4	97.3	87.0	27.1	29.5	24.9	22.4	23.3	26.5	28.9	30.5	30.1	39.6
Total return ratio (%)	10.0	12.7	43.4	97.3	87.0	27.1	29.5	24.9	22.4	23.3	26.5	50.6	41.4	46.5	50.4
Dividend yield (%)	0.5	1.8	2.7	1.7	2.0	1.7	1.4	1.8	2.1	2.8	3.7	2.8	3.5	4.6	—

*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 for FY21/3 are calculated on the assumption with the effect of the approved acquisition of treasury shares.

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

Performance highlights by Business Unit

Summary

- As for 3Q, both revenue and profit increased mainly due to increases in the number of housings units sold and the average price of housing units sold and an improvement in gross profit margin ratio in the housing sales.
- In FY21/3, both revenue and profit will decrease mainly due to a decrease in the number of housing units sold and the postponement of sales timing with the suspension and restriction of sales activities.

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)	20/3 3Q Actual ①	21/3 3Q Actual ②	Changes ②-①	20/3 Actual ③	21/3 Current forecast ④	Changes ④-③
Operating revenue	93.3	129.4	+36.1	333.9	270.0	-63.9
Housing sales	78.3	111.6	+33.2	294.3		
Rental housing (sales)	2.7	5.0	+2.2	17.9		
Rental housing (leasing revenue)	0.8	0.6	-0.1	1.0		
Senior	0.3	0.4	+0.1	0.4		
Other	11.0	11.6	+0.5	20.1		
Operating profit	-7.9	2.2	+10.1	25.3		
Share of profit (loss) of entities accounted for using equity method	-0.0	-0.0	-0.0	-0.0		
Amortization of intangible assets associated with corporate acquisitions	—	—	—	—		
Business profit	-7.9	2.1	+10.1	25.3	21.0	-4.3

【Housing sales indicators】

Housing sales (unit)	1,379	1,585	+ 206	4,739	3,650	-1,089
Condominiums	1,151	1,311	+ 160	4,268	3,250	-1,018
Detached housing	228	274	+ 46	470	400	-70
Tokyo metropolitan area	1,027	1,439	+ 412	3,448	2,950	-498
Osaka metropolitan area	321	84	-237	690	300	-390
Other area	30	62	+ 32	600	400	-200
Period-end housing contracted but not sold(unit)	4,750	4,023	-727	2,611		
Period-end completed housing inventory (unit)						
released for sale	92	239	+ 147	321		
unreleased	27	190	+ 163	187		
Average sales price (¥mn)	56.79	70.38	+ 13.59	62.11		
Gross margin ratio (%)	17.8%	21.6%	+ 3.8P	20.4%		

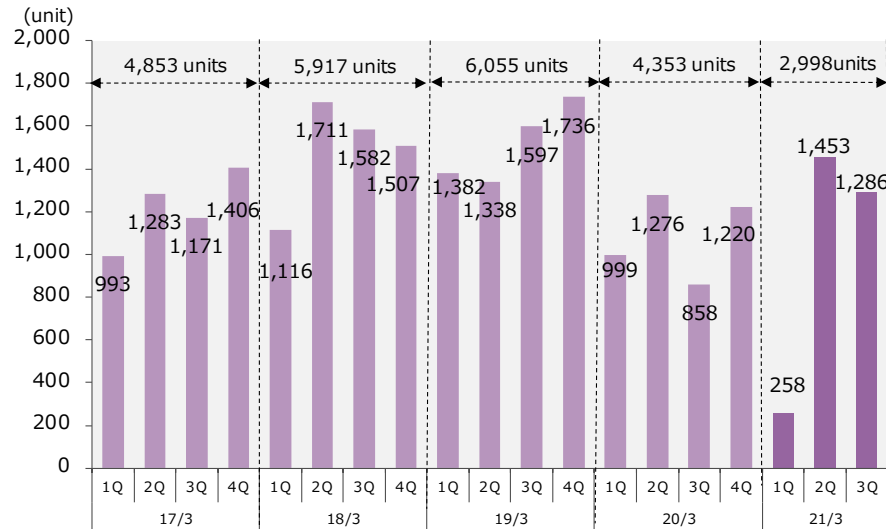
*Rental Housing refers to properties developed for real estate investment market.

*As of April 1, 2020, the overseas condominium development and sales business, which had been classified under the Residential Development Business Unit have been reclassified under the Others.

In line with this change, the financial results of FY20/3 are based on the changed classification.

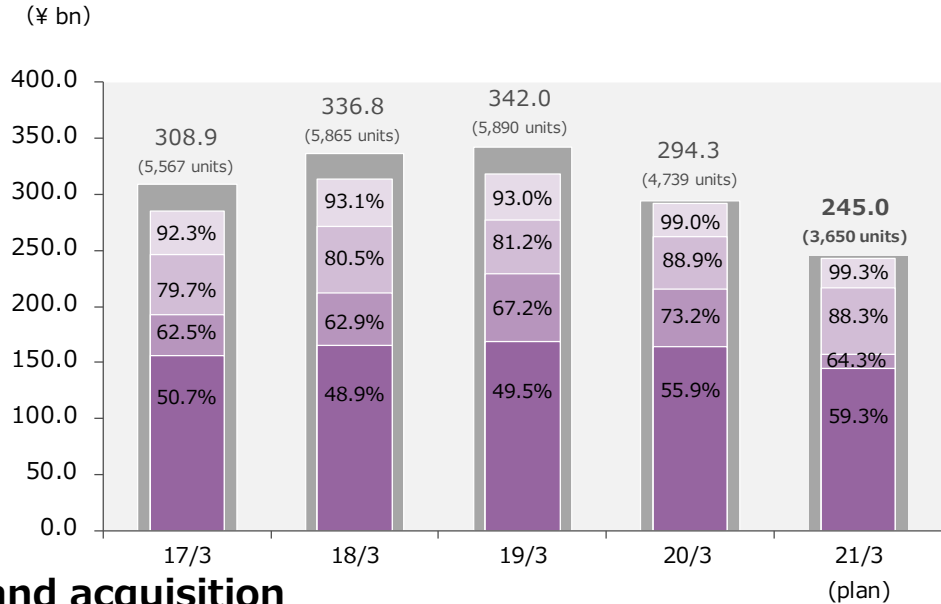
Number of housing contracted

- **2,998 units** were contracted in FY21/3 3Q.
(3,134 units were contracted in FY20/3 3Q)



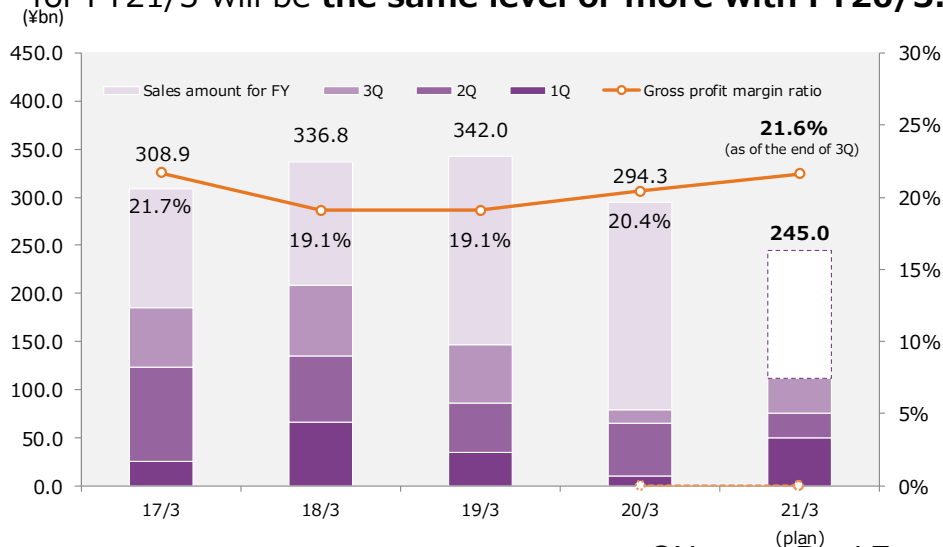
Contract rate against the number of housing sales

- As of the end of 3Q, **¥243.2 bn (99.3%)** were contracted of the scheduled housings sales for FY21/3.



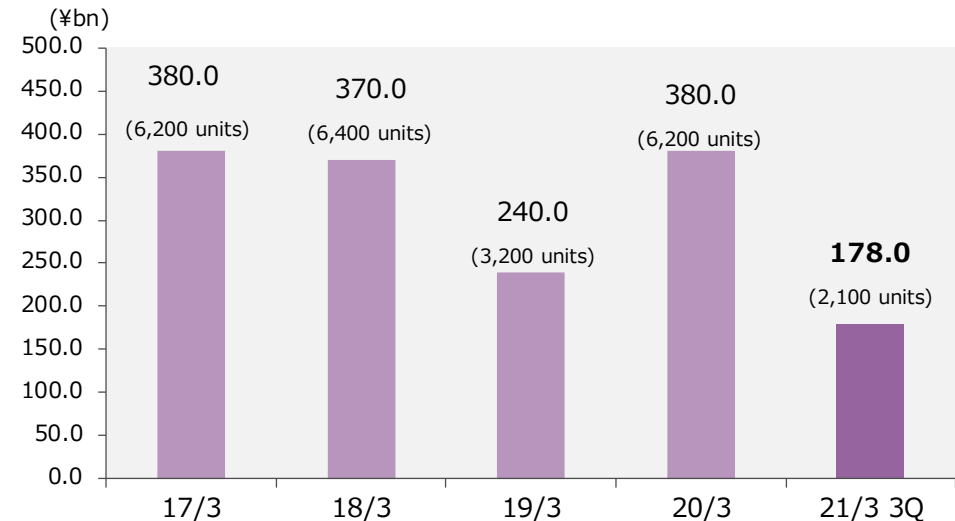
Gross margin ratio/housing sales

- As of 3Q, gross margin ratio was **21.6%**. Gross margin ratio for FY21/3 will be **the same level or more with FY20/3.**



Land acquisition

- Acquired land worth of ¥178.0 bn in 3Q. Accumulated land bank is worth of **¥1,490.0 bn.**

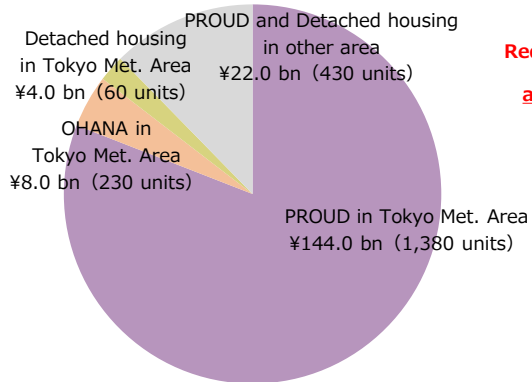


- Expanding land bank by utilizing our leading track records and experiences in redevelopment and rebuilding.

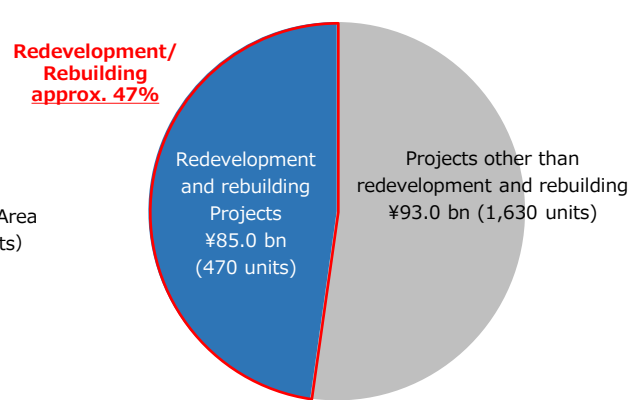
FY21/3 3Q Land acquisition

- In FY21/3 3Q, we acquired land equivalent to **¥178.0 bn** in sales basis (2,100 units).

Area/Property type



Redevelopment/Rebuilding ratio



Major redevelopment and rebuilding projects recently included in land bank

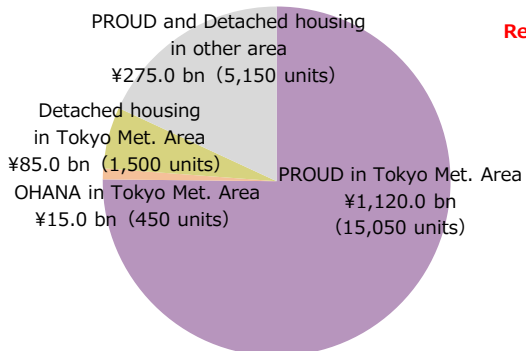
Schedule for sales	Project name	Location	Total number of housings (units)	Our share
FY25/3	Minami-Ikebukuro 2-chome C District Redevelopment	Toshima-ku, Tokyo	1,193 units	364 units
FY26/3	Okayama-shi Ekimaecho 1-chome District Redevelopment	Okayama-shi, Okayama	400 units	340 units
FY27/3	Tsukishima 3-chome South Redevelopment	Chuo-ku, Tokyo	580 units	232 units
FY27/3-	Toyomi District Redevelopment	Chuo-ku, Tokyo	1,740 units	304 units
FY25/3	Mukaihara 2nd Housing Complex Rebuilding	Itabashi-ku, Tokyo	284 units	156 units
FY25/3	Futakotamagawa 2nd Sky Height Rebuilding	Setagaya-ku, Tokyo	40 units	40 units
FY28/3	Nishi-Azabu 3-chome Redevelopment	Minato-ku, Tokyo	approx. 350 units	approx. 280 units

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

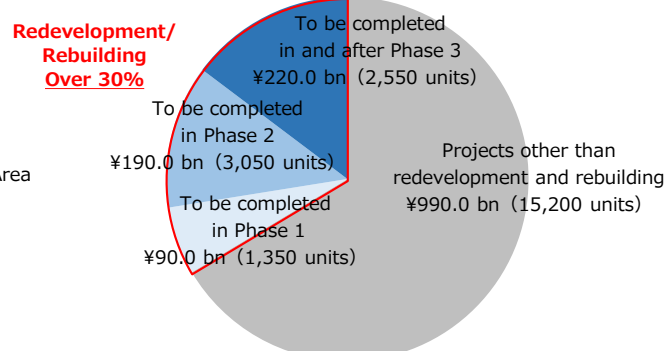
Land bank

- From FY21/3 4Q onwards, we have land bank equivalent to **¥1,490.0 bn** in sales basis (22,150 units).
- Over 30% of this amount, or **¥500.0 bn** (6,950 units), is for redevelopment and rebuilding projects.

Area / Property type



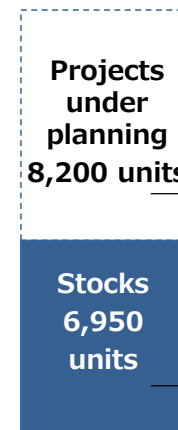
Redevelopment / Rebuilding ratio



Business volume of redevelopment and rebuilding projects

- In addition to the 6,950 units included in land bank, there are 8,200 units for projects under planning, which we plan to gradually include them into land bank.

Total 15,150 units



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

Business schedule has been **confirmed.**

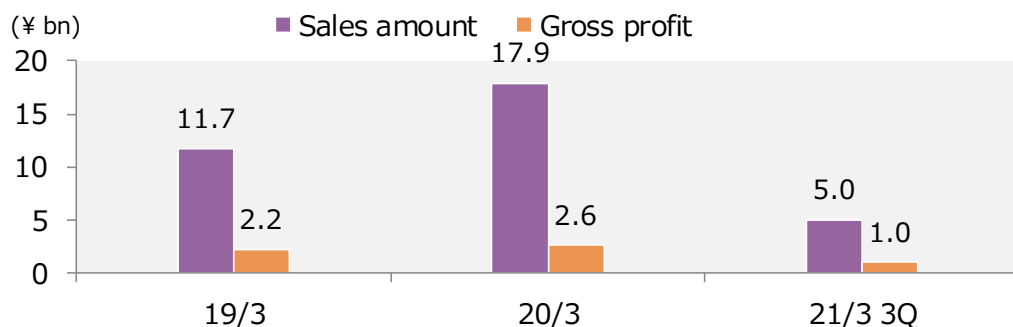
*Phase 1: FY20/3-22/3, Phase 2: FY23/3-25/3, Phase3: FY26/3-28/3

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

Rental housing **PROUD** FLAT

- In FY21/3 3Q, we secured six properties, whose total investment amount is estimated to be ¥14.9 bn.
- Aim to acquire and sell ¥30.0 bn amount annually for rental housing. The current stock is approx. ¥81.6 bn.

Sales amount and gross profit



Land acquisition

No. of properties	Total investment
6	¥14.9bn

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	61.1	26.4	9	20.4	33	81.6	46.9

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/projects under development

Property Name	Location	Opening year	Facility type	No. of units
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
OUKAS Hiyoshi	Yokohama-shi, Kanagawa	2021 (plan)	Residence for elderly people with service	120 units
OUKAS Shiki Plan (tentative name)	Asaka-shi, Saitama	2023 (plan)	Residence for elderly people with service	145 units
OUKAS Sengawa Plan (tentative name)	Setagaya-ku, Tokyo	2023 (plan)	Residence for elderly people with service	186 units



OUKAS Makurari Bay-Park



OUKAS Kichijoji

Summary

- As for 3Q, both revenue and profit increased due to an increase in revenue from property sales while leasing revenue in retail facilities and revenue from fitness business decreased due to the COVID-19 impact.
- In FY21/3, both revenue and profit will decrease owing to the leasing revenue decrease in retail facilities, revenue decrease in fitness business due to the COVID-19 impact, and partial change in the timing of sales of property for sales.

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)	20/3 3Q Actual ①	21/3 3Q Actual ②	Changes ②-①	20/3 Actual ③	21/3 Current forecast ④	Changes ④-③
Operating revenue	144.6	153.2	+8.5	212.1	180.0	-32.1
Leasing (offices)	36.4	35.5	-0.8	48.5		
Leasing (retail facilities)	9.7	7.9	-1.8	12.9		
Leasing (other)	6.1	4.3	-1.8	8.3		
Property for sales (sale)	62.7	85.2	+22.4	106.8		
Property for sales (leasing)	5.2	8.8	+3.5	7.0		
Fitness	12.8	8.2	-4.6	15.7		
Other	11.3	3.1	-8.1	12.6		
Operating profit	24.4	32.2	+7.8	38.9		
Share of profit (loss) of entities accounted for using equity method	0.0	0.0	+0.0	0.0		
Amortization of intangible assets associated with corporate acquisitions	0.2	0.2	—	0.2		
Business Profit	24.7	32.5	+7.8	39.2	33.5	-5.7
Net lettable area (sqm)	953,872	884,178	-69,694	913,446		
Offices	781,996	762,110	-19,885	768,310		
Retail facilities	171,877	122,068	-49,809	145,136		
Vacancy rate	3.9%	4.6%	+0.7P	4.0%		

→ [Reference] Rent revenue change analysis

Changes	Key Factors
New and full period operation buildings	+1.2 TOKYO TORANOMON GLOBAL SQUARE, SOCOLA Musashi-Koganei Cross etc.
Existing buildings	-2.6 Rent reduction or exemption and percentage rent reduction at retail facilities due to the impact of the COVID-19.
Sold and reclassification	-1.3

*Leasing refers to revenue from fixed assets including subleasing properties.

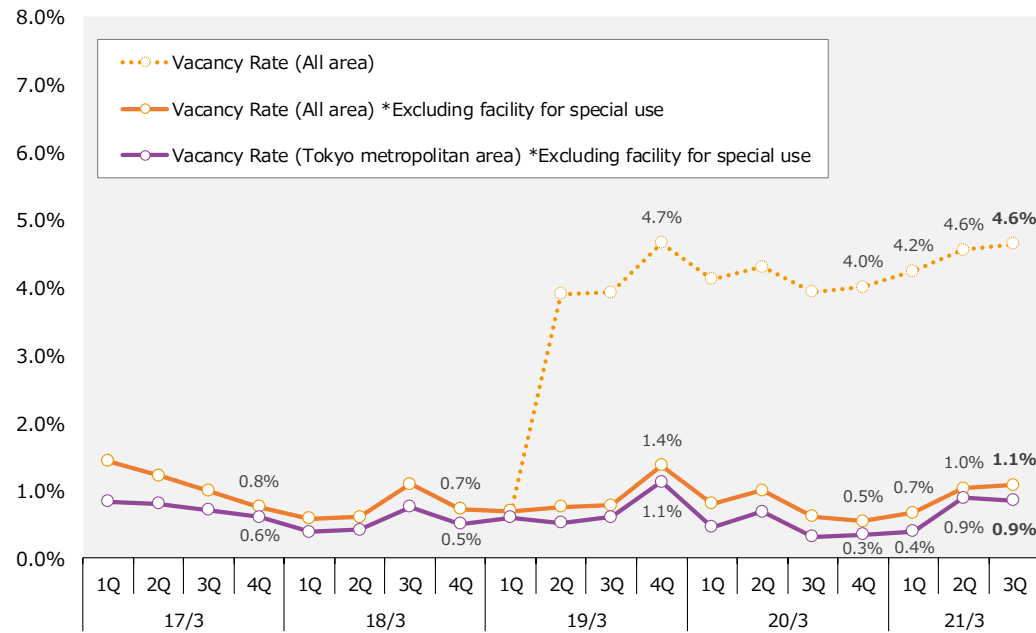
*Property for sales refers to properties such as office building, retail facility and logistic facility developed for real estate investment market.

*As of April 1, 2020, the overseas development and leasing business of office and other properties and ZEN PLAZA CO., LTD., which had been classified under the Commercial Real Estate Business Unit, have been reclassified under the Others. In line with this change, the financial results of FY20/3 are based on the changed classification.

*As of April 1, 2020, NREG TOSHIBA BUILDING FACILITIES, which had been classified under the Commercial Real Estate Business Unit, has been merged with Nomura Real Estate Partners Co., Ltd. which has been classified under the Property & Facility Management Business Unit. The merger has been carried out with NREG TOSHIBA BUILDING FACILITIES being the absorbed company and Nomura Real Estate Partners being the surviving company. The financial results of FY20/3 are based on the classification which was taken into account of the business transfer due to the M&A.

*Regarding to this business unit, an extraordinary loss of ¥1.5 bn occurred related to the suspension of operations including fitness clubs due to the COVID-19.

Vacancy rate



*Excluding facility for special use (training facility) in Yokohama

Major projects of large scale redevelopment and mixed-use development

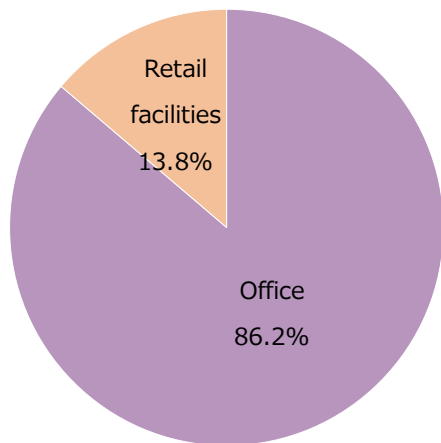
Project Name	Progress situation	Main use	Area planned to be acquired	Mid-to Long-term Business plan		
				Phase1 20/3 - 22/3	Phase2 23/3 - 25/3	Phase3 26/3 - 28/3
TOKYO TORANOMON GLOBAL SQUARE*	Under Operation	Office Retail	11,623m ²	C		
Musashi-Koganei City Cross (SOCOLA Musashi-Koganei Cross)	Under Operation	Retail Residence	8,618m ²	C		
KAMEIDO PROJECT*	Under Construction	Retail Residence	Approx.28,000m ²	S	C	
Nihonbashi 1-chome Central District Redevelopment*	Certified as a national strategic special zone Right conversion plan was approved	Office Retail	Approx.34,900m ²	S		C
Shibaura 1-chome District*	Certified as a national strategic special zone	Complex	Approx. 550,000m ² (Gross floor area)	S (S Tower)	C (S Tower)	S (N Tower)
Nishi-Azabu 3-chome Redevelopment*	Establishment of urban redevelopment unit was approved	Hotel Residence	Approx. 10,000m ²	S		C
Nishi-Shinjuku 3-chome West Redevelopment*	Blueprint of the project is decided	Retail Residence	Approx. 12,000m ²			S
Soto-Kanda 1-chome Redevelopment	Blueprint of the project is under discussion	Office Hotel Retail	Approx. 41,000m ²			
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Office Residence	Approx. 22,000m ²			
Nishi-Nippori Station-Front Redevelopment*	Blueprint of the project is under discussion	Retail Residence	Approx. 18,000m ²			
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.

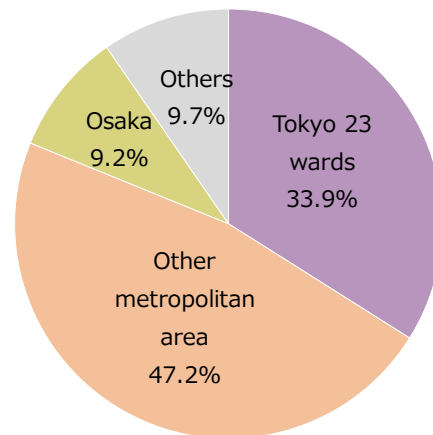
Net lettable area By office area

Total: 884,178m²



By sector

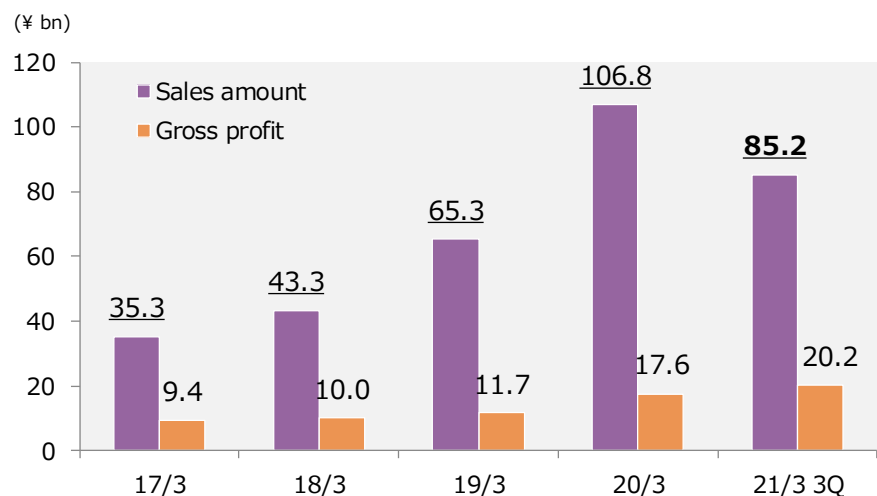
Total: 762,110m²



- Sales of property development progressed steadily, with sales amount ¥85.2 bn and gross profit ¥20.2 bn.
- Secured 12 properties in FY21/3 3Q and those estimated total investment amount is approx. ¥78.0 bn. The stock for property for sales is approx. ¥541.0 bn.
- Promote acquisitions and sales of approx. ¥120.0 bn per each fiscal year to achieve stable revenue and profit in the mid- to long term. In the short term, flexibly respond to the market environment by selecting the asset's sector in a balanced way.

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	7 projects	¥46.0 bn
Retail	0 project	¥0.0 bn
Logistics	5 projects	¥32.0 bn
Total	12 projects	¥78.0 bn

Stock

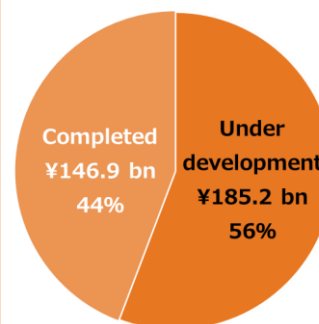
Stock for property for sales by construction period

(¥ bn)

Status/Completion of construction	Completed	21/3	22/3	23/3	24/3-	Total
1. Invested amount (balance on BS)	146.9	11.0	64.0	63.0	45.0	332.2
2. Additional future investment amount	0.0	3.0	43.0	50.0	112.0	208.0
3. Estimated total investment amount (1+2)	146.9	14.0	108.0	114.0	157.0	541.0

*The completion of construction period is currently scheduled and has not yet been determined.
*Amounts after 21/3 are rounded down to the one billion yen unit.

Balance of BS



(¥bn)

	At the end of FY21/3 3Q		Total
	Completed	Under development	
Office	65.5	106.4	172.0
Retail	24.0	24.9	49.0
Logistics	35.7	49.6	85.3
Others	21.5	4.2	25.7
Total	146.9	185.2	332.2

*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 ¥81.6 bn and a BS balance of ¥46.9 bn as of the end of FY 21/3 3Q. (See p16 for details)

Summary

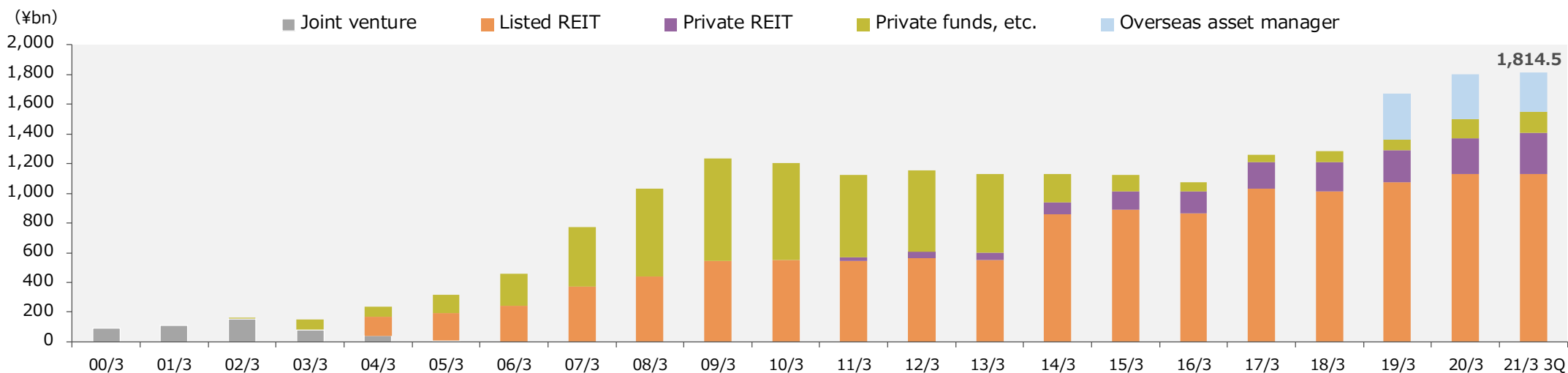
- As for 3Q, both revenue and profit increased due to an increase in AUM (Listed REIT, Private REIT, Private funds).
- The COVID-19 impact will be limited. In FY21/3, profit are expected to be the same level as the previous fiscal year.

Key Indicators

Assets under management

(¥bn)	20/3 3Q Actual ①	21/3 3Q Actual ②	Changes ②-①	20/3 Actual ③	21/3 Current forecast ④	Changes ④-③
Operating revenue	9.0	9.8	+0.7	12.0	12.0	-0.0
Operating profit	5.1	6.0	+0.8	6.8		
Share of profit (loss) of entities accounted for using equity method	—	—	—	—		
Amortization of intangible assets associated with corporate acquisitions	0.2	0.2	-0.0	0.2		
Business profit	5.4	6.2	+0.8	7.1	7.0	-0.1
Assets under management	1,712.9	1,814.5	+101.6	1,798.5		
Domestic asset manager	1,430.6	1,547.0	+116.3	1,497.9		
Listed REIT	1,079.1	1,132.0	+52.8	1,131.1		
Private REIT	229.0	277.5	+48.4	236.6		
Private funds, etc.	122.4	137.4	+15.0	130.2		
Overseas asset manager	282.2	267.4	-14.7	300.6		

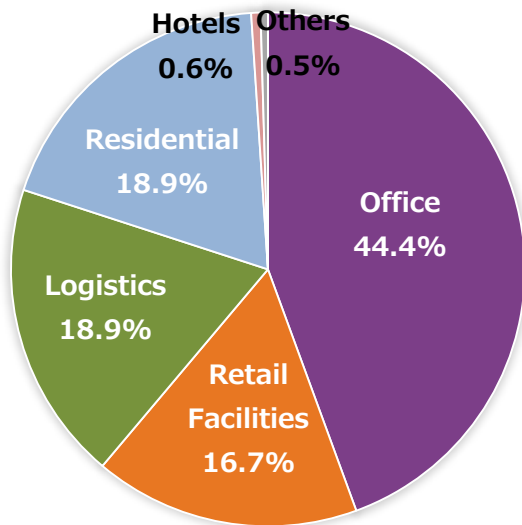
Assets Under Management



MASTER FUND

One of the largest diversified type J-REITs

AUM ¥1,132.0 bn (298 properties)



Portfolio Summary

Occupancy rate	99.1%
Average NOI yield	5.2%
Average property age	19.1 years

*Percentages by assets are based on the acquisition price as of the end of 12/2020.

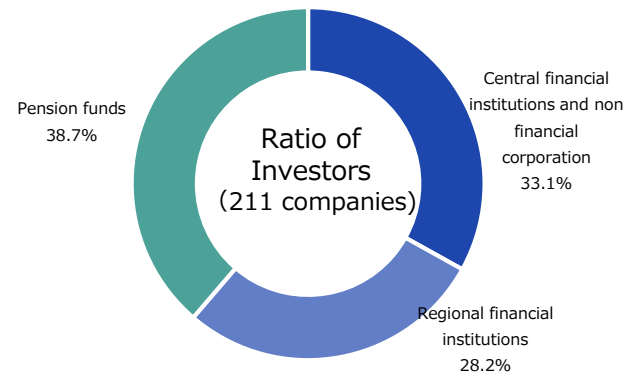
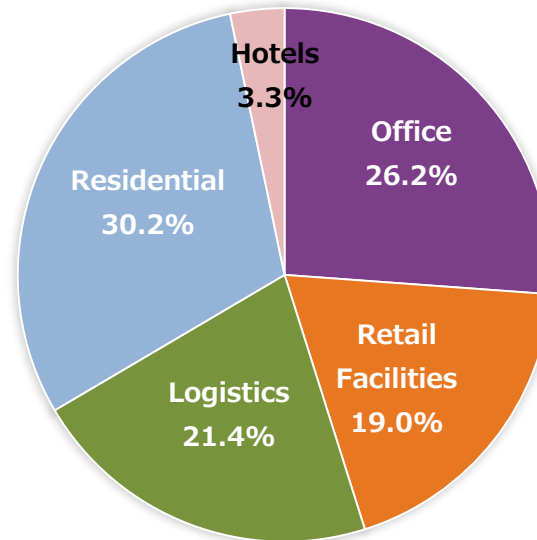
*Portfolio summary is based on the data as of the end of 08/2020(298 properties)



NOMURA REAL ESTATE PRIVATE REIT, INC.

Japan's first private REIT since 2010

AUM ¥277.5 bn (83 properties)



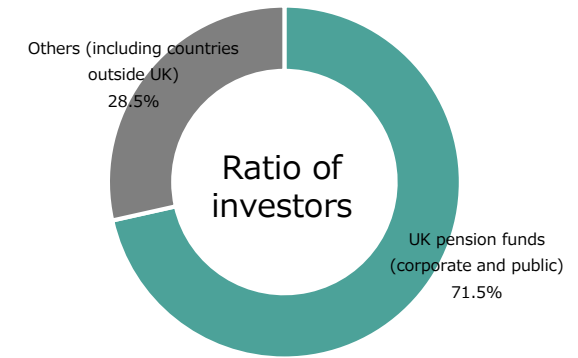
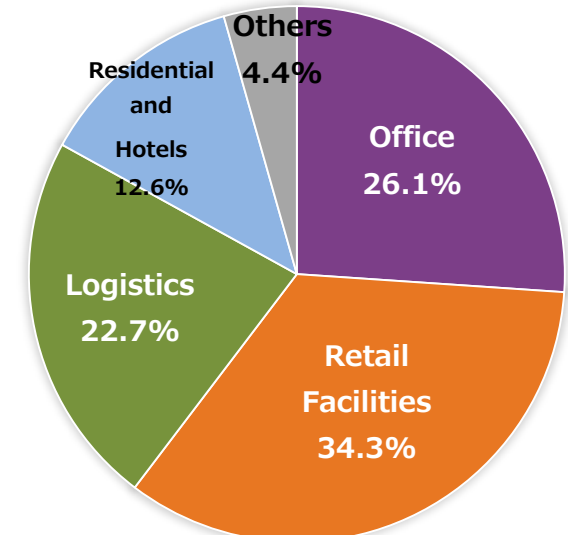
*Percentages by assets are based on the acquisition price as of the end of 12/2020.

*Ratio of investors are based on the number of investment units as of the end of 12/2020.

Lothbury Property Trust

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

AUM ¥214.1 bn (53 properties)



*Each property's fair value is calculated by 136.09 JPY to GBP as of the end of 09/2020.

*Percentages by assets are based on the fair value as of the end of 09/2020.

*Ratio of investors are based on the number of investment units as of the end of 09/2020.

Summary

- As for 3Q, both revenue and profit increased due to an increase in commission fee in consignment of sales of new housings and an increase in the number of transactions and total transaction value of wholesale business.
- In FY21/3, both revenue and profit will decrease due to the impact of the voluntary suspension of sales activities and the sluggish real estate sales market due to the uncertainty of the economic outlook.

Key Indicators

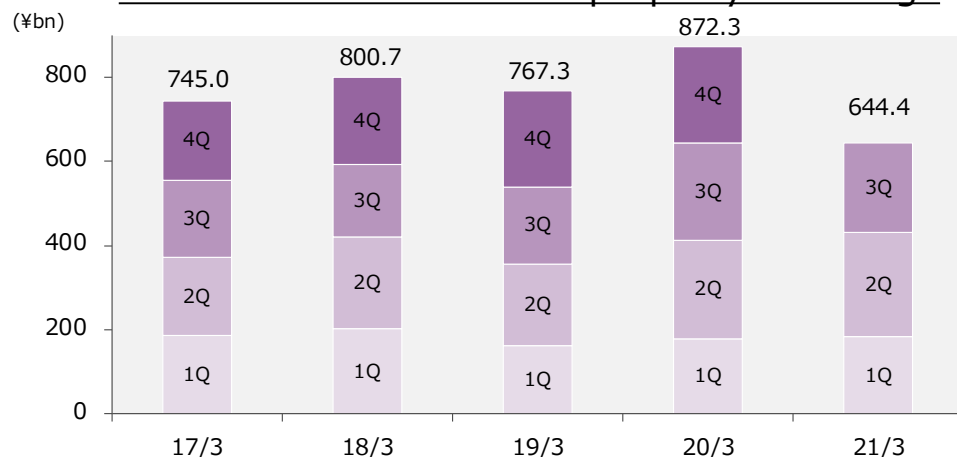
Total transaction value, number of transactions, commission rate, number of branches for retail business

(¥bn)	20/3 3Q Actual ①	21/3 3Q Actual ②	Changes ②-①	20/3 Actual ③	21/3 Current forecast ④	Changes ④-③
Operating revenue	27.0	27.3	+0.2	39.1	38.0	-1.1
Brokerage fee (retail business)	17.3	16.2	-1.1	24.0		
Brokerage fee (wholesale business)	7.7	8.2	+0.4	11.1		
Other	1.9	2.8	+0.8	3.9		
Operating profit	4.9	5.4	+0.5	9.0		
Share of profit (loss) of entities accounted for using equity method	—	—	—	—		
Amortization of intangible assets associated with corporate acquisitions	—	—	—	—		
Business profit	4.9	5.4	+0.5	9.0	7.5	-1.5

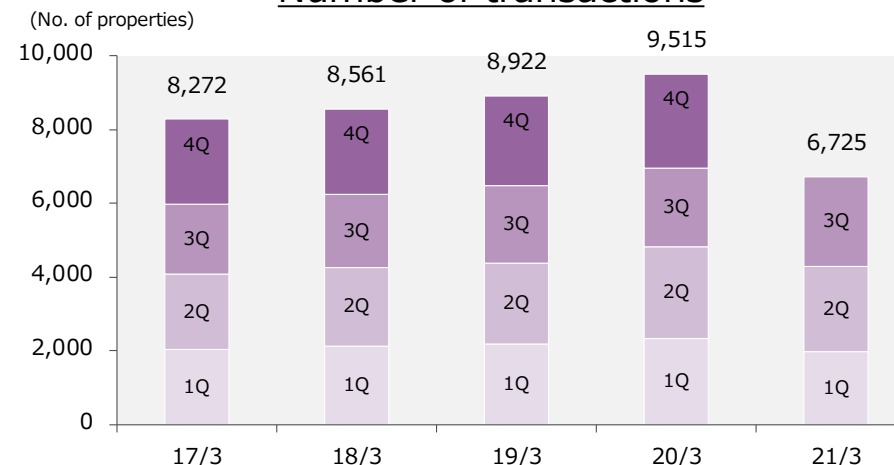
【Brokerage indicators】

Total transaction value (¥bn)	643.4	644.4	+0.9	872.3		
Number of transactions	6,948	6,725	-223	9,515		
Commission fee (¥bn)	25.1	24.5	-0.6	35.1		
Commission rate (%)	3.9%	3.8%	-0.1P	4.0%		
Number of branches for retail business	85	87	+2	85		

Total transaction value of property brokerage



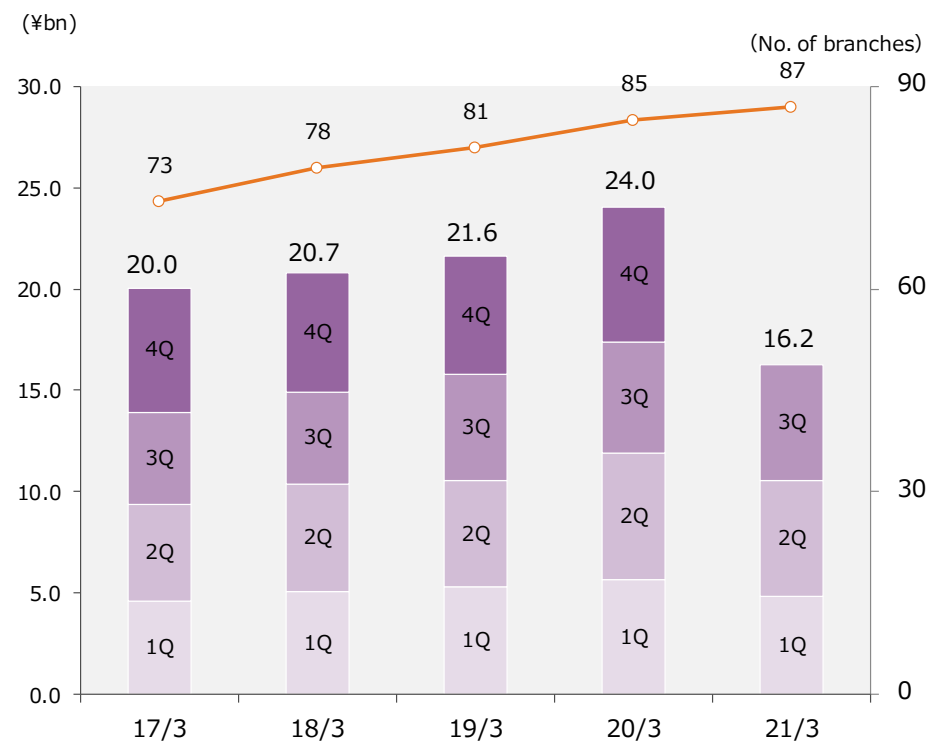
Number of transactions



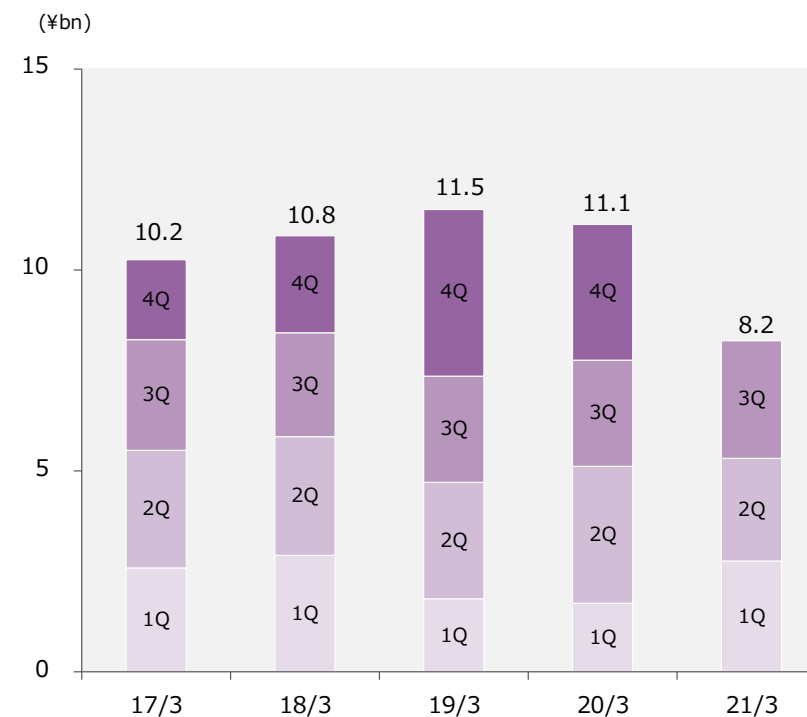
Retail business: Real estate brokerage business for individuals.
Wholesale business: Real estate brokerage business for corporations.

- In retail business, the number of branches expanded to 87 as of the end of FY21/3 3Q.
- 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 fee/
Number of branches for retail business



Brokerage fee for
wholesale business



Summary

- As for 3Q, both revenue and profit decreased due to a decline in revenue of construction ordered owing to the COVID-19 impact.
- In FY21/3, both revenue and profit will decrease due to a partial reduction in property & facility management business for condominiums and decline in the number of construction ordered with the COVID-19 impact.

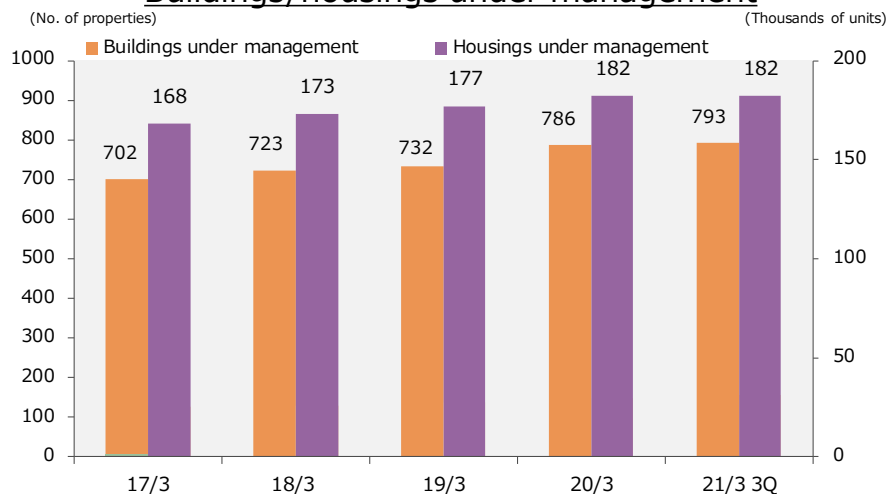
Key Indicators

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

(¥bn)	20/3 3Q Actual ①	21/3 3Q Actual ②	Changes ②-①	20/3 Actual ③	21/3 Current forecast ④	Changes ④-③
Operating revenue	70.3	66.9	-3.4	98.2	97.0	-1.2
Property & facility management	41.4	42.4	+0.9	55.5		
Construction ordered	24.9	20.2	-4.6	37.3		
Other	3.9	4.2	+0.2	5.4		
Operating profit	5.6	5.1	-0.5	8.4		
Share of profit (loss) of entities accounted for using equity method	0.0	0.1	+0.0	0.0		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	—	0.0		
Business profit	5.7	5.2	-0.4	8.5	8.0	-0.5
Building under management	792	793	+1	786		
Housings under management	177,717	182,206	+4,489	182,259		

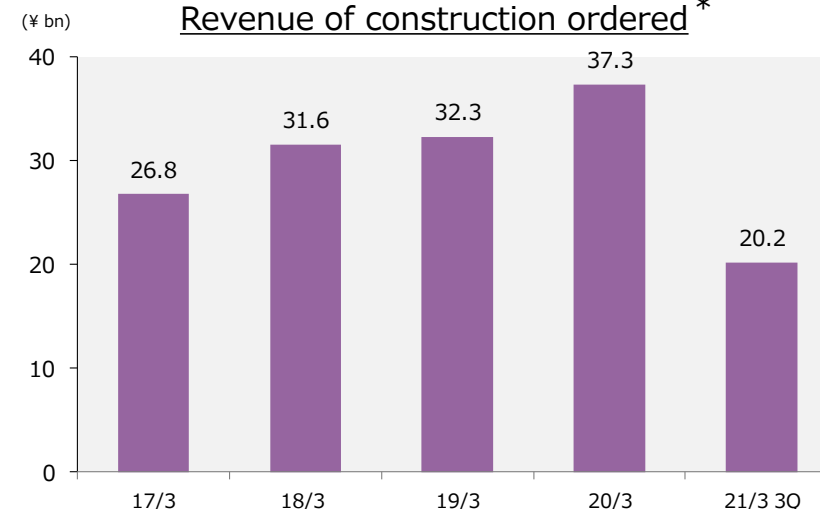
*As of April 1, 2020, NREG TOSHIBA BUILDING FACILITIES Co., Ltd., which had been classified under the Commercial Real Estate Business Unit, has been merged with Nomura Real Estate Partners Co., Ltd. which has been classified under the Property & Facility Management Business Unit. The merger has been carried out with NREG TOSHIBA BUILDING FACILITIES Co., Ltd. being the absorbed company and Nomura Real Estate Partners Co., Ltd. being the surviving company. In line with this change, the results for the fiscal year ended March 31, 2020 are based on the changed classification under the new classification of business unit after the merger.

Buildings/housings under management*



*The figures from 2020/3 include buildings and condominiums managed by Nomura Real Estate Partners Co., Ltd. and NREG TOSHIBA BUILDING FACILITIES Co., Ltd. The figures before 2019/3 include buildings and condominiums managed by Nomura Real Estate Partners Co., Ltd.

Revenue of construction ordered*

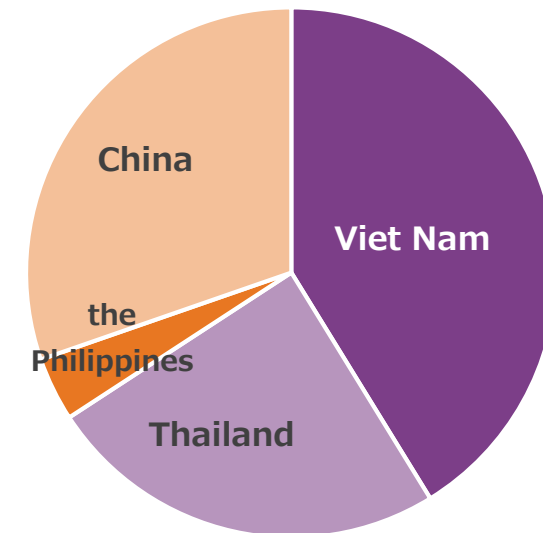


- Developing business in high-growth Southeast Asia area. In housings sales **14 projects, total ¥54.0 bn investments are determined.** (Total project cost based on our shares: ¥116.0bn)
- Under the Mid- to long-term Business plan, estimates to invest a total of ¥300.0 bn over 9 years. (residential development and office, etc.)

Overseas business (residential development) investment project

Project	Main use	Total Business	Joint Partner	Our Share	Previous plan 17/3-19/3	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%	c	c	c	
Viet Nam	Ho Chi Minh City, Grand Park 2nd period	Residence	Approx. 10,000 units	VIN HOMES, Mitsubishi Corporation, Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development	29.44%	s	c		
Viet Nam	Hanoi, Ecopark	Residence	Approx. 3,000 units	Ecopark Corporation	49.00%	s	c	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	RamaIV, Bangkok	Residence	501 units	Origin Property	49.00%	s	c		

Breakdown of investment amount of approx. ¥54.0 bn by countries



Viet Nam, Ho Chi Minh City (Grand Park 2nd period)



Viet Nam, Hanoi (Ecopark)

S: Start of construction C: Completion of construction

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

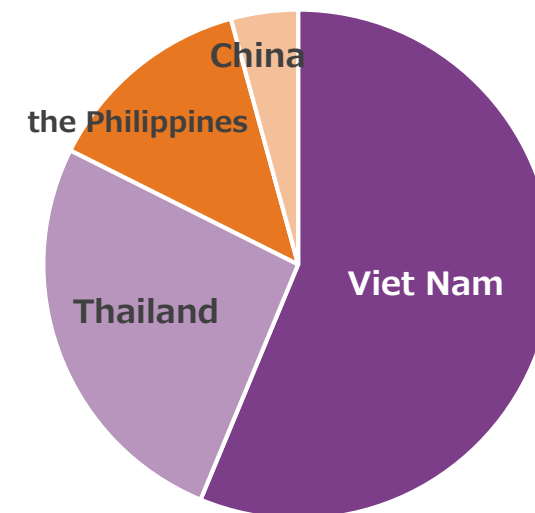
*2: All projects including their projects name are in planning stage and are subject to change.

- Developing business in high-growth Southeast Asia area. In leasing, **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. (residential development and office, etc.)

Overseas business (leasing) investment project

Project	Main use	Total Business	Joint Partner	Our Share	Previous plan	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%	S	→Open(plan)		
Thailand Thong Lo, Bangkok	Service Apartment	303 rooms	Origin Property	49.00%	S	→Open		
Thailand Sukhumvit 24, Bangkok	Service Apartment	411 rooms	Origin Property	49.00%		S	→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

*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%
Occupancy rate: 95.0%



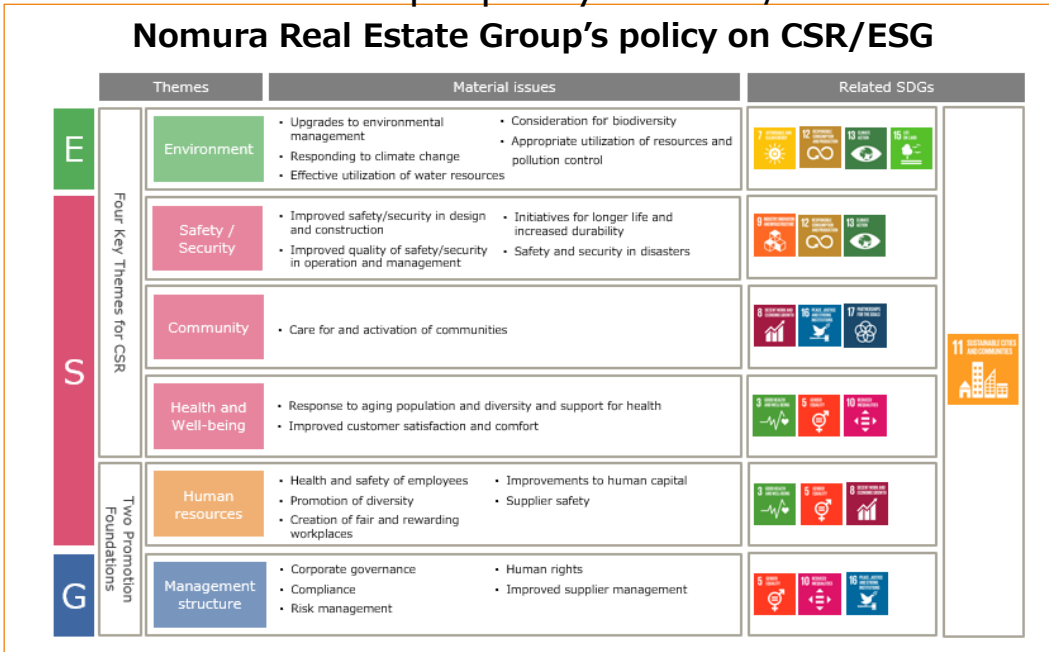
Property name: ZEN PLAZA
Location: Ho chi Minh city, Viet Nam
Gross floor area: Approx. 17,000㎡
Completion of construction: 1999
Our share: 100.00%
Occupancy rate: 93.8%



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%
Occupancy rate: 98.0%

Sustainability/ESG

Promoting initiatives with the four key themes and two promotion foundations under the Nomura Real Estate Group's policy on CSR/ESG.



G Management structure

Characteristic of the governance system

- Company with an Audit & Supervisory Committee
- Chairman of the Board of Directors is a non-executive director
- Established the Advisory Committee Relating to Nominations and Compensation

Ratio of independent external directors (No. of people)

	Board of Directors	Audit & Supervisory Committee	Advisory Committee Relating to Nominations and Compensation
	5 / 13	4 / 6	3 / 5

External evaluation

Inclusion in ESG indices

- 2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX
- S&P/JPX Carbon Efficient Index
- 2020 Sompo Sustainability Index

ESG evaluation

CDP Climate change	Sustainalytics	GRESB disclosure evaluation
B	20.3	A

E Response to climate change (CO₂ emission reduction)

Index	Scope 1· 2	Scope 3
Target	reduce 35%	reduce 35%

Period until FY2031/3 Compared with FY2020/3

*Scope 1: Direct emissions including the combustion of fuel, etc. Scope 2: Indirect emissions associated with the use of electricity and heat purchased Scope 3: Indirect emissions other than scopes 1 & 2 (category 1: upon the construction of buildings, etc., category 11: upon the use of sold products)



Signatures and agreement on initiatives including agreement by the group companies

Signatory of:

- THE GLOBAL COMPACT WE SUPPORT
- PRI Principles for Responsible Investment
- TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
- SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Integrated report

Publications

CSR Report

E Approved by SBT initiative (Science Based Targets)

- To strengthen our efforts on climate change and realize a decarbonized society, our targets were approved by SBTi on November 2020.
- We updated the goal setting to target up to Scope 3. We have taken into account of the characteristic of the Group's business portfolio, which has a high percentage of sales business to capture development profits.



Index		Scope 1・2	Scope 3
Target	Period until FY2031/3 Compared with FY2020/3	reduce 35%	reduce 35%

*Scope 1: Direct emissions including the combustion of fuel, etc.
 Scope 2: Indirect emissions associated with the use of electricity and heat purchased
 Scope 3: Indirect emissions other than scopes 1 & 2
 (category 1: upon the construction of buildings, etc., category 11: upon the use of sold products)

<Major initiatives to achieve the target>

ZEH-M

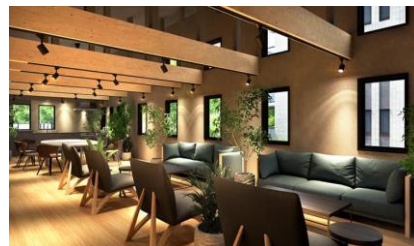
(Demonstration project / Support project)
 →three properties were selected in FY21/3
 ・PROUD TOWER Kameido Cross(Gate Tower)



・(tentative name)Kagurazaka Fukuromachi Project
 ・(tentative name)Musashiurawa station front Project

Utilizing domestic timber in housing complexes

→Using timber of in the structure and interior in independent common buildings
 ・Asukayama Residence (JV project)



・PROUD Nerima Nakamurabashi Marks
 ・(tentative name) Wakashio heights condominium rebuilding project (B area project)

ES Issuance of Sustainability Bond

- We plan to issue a "Sustainability Bond" as a means of procuring funds for measures and projects of the group that contribute to solving both environmental and social issues.

<Outline of Sustainability Bond>

Issue size	¥10 bn	
Issue schedule	In or after February, 2021	
Third party evaluation (external evaluation)	Vigeo Eiris Japan Credit Rating Agency (JCR) Rating and Information (R&I)	
Use of funds	Green project	Social project
	<Green building>  PMO Nishishinjuku PMO Kanda Iwamotocho II	<Service for elderly>  OUKAS Funabashi <Support diversification of workstyle>

(Reference) Nomura Real Estate Group Sustainability Bond Framework

・This framework is designed to procure funds for the promotion of real estate projects that contribute to the building of a sustainable society and have high environmental performance.

The use of procured funds through this framework and major projects

E Eligible Green Projects

- Projects acquired environmental Certification (DBJ GreenBuilding, CASBEE etc.)
- ZEH projects in housing sales

Condominium (ZEH)



Medium-sized high-grade office



Small office with services



Shared satellite office



Elderly housings with services



S Eligible Social Projects

- Disaster prevention
- Job creation
- Services for elderly and nursing care
- Community empowerment

Sustainability/ESG (History)







- Steadily implementing sustainability and ESG initiatives since listed on the Tokyo stock exchange in October 2006.

As a whole

M

S

G

- NREH was listed on the Tokyo stock exchange (2006)
- Signed the United Nations Global Compact 
- Set four key themes and two promotion foundations for sustainability
 - Environment
 - Safety/Security
 - Community
 - Health and Well-being
- Inclusion in MSCI Japan ESG Select Leaders Index
- Sustainability bond will be issued.
- Established the CSR Committee (Currently the Sustainability Committee) (2011)
- Formulated the Group Environmental Philosophy (2010)
- Announced the target of CO₂ emissions (for scope 1 and 2)
- Agreed to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) 
- Approved by SBT initiative, updated the CO₂ emission reduction target. 
- Established the Diversity Promotion Committee (2012)
- Launched the Work Style Reform Promotion Committee
- Launched the Group Wellness Promotion Committee
- Awarded "New Diversity Management Selection 100" 
- Group's four companies were selected for Health and Productivity Management Award (White 500) 
- Developed the idea of 100 Common Space Design Patterns for the Condominium Complex 
- Announced "BE UNITED CONCEPT" for new urban development (developing ACTO as a series for urban development activities)
- Transitioned to a company with an Audit & Supervisory Committee
- Implemented performance-based stock incentive plan
- Adopted the first external director (2013)
- Established Advisory Committee Relating to Nominations and Compensation
- Started an assessment of effectiveness of the Board of Directors
- Implemented an assessment of effectiveness by third party evaluation institution

Reference materials

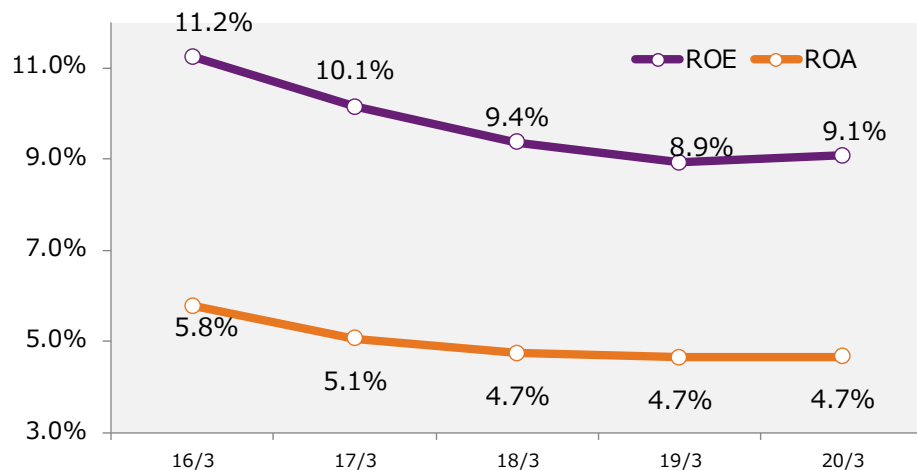
Financial Data (FY 20/3)

(No change from the announcement in May 2020)

ROA/ROE

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

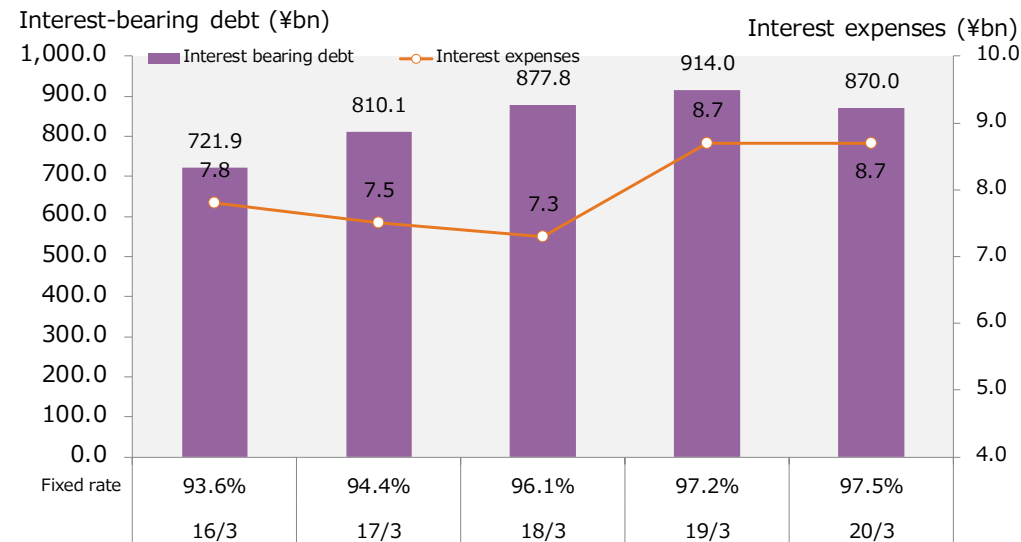
ROA was 4.7% and ROE was 9.1% in FY20/3



ROA = (Operating profit + Non-operating profit) / Average assets during the FY
ROE = Profit / The average shareholders' equity during the FY

Interest-bearing debt/Interest expenses

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

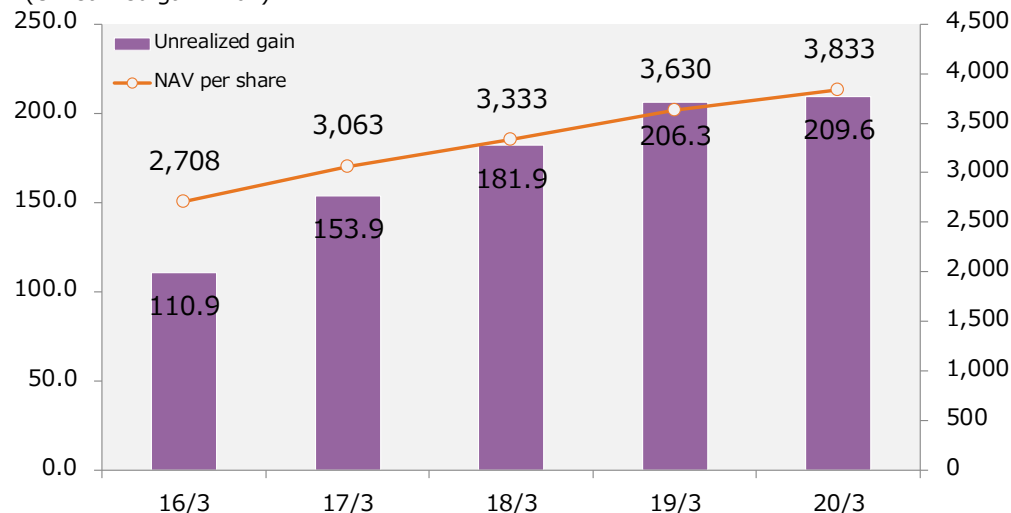


Unrealized profit/NAV (Net Asset Value)

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

(Unrealized gain: ¥bn)

(NAV per share: JPY)

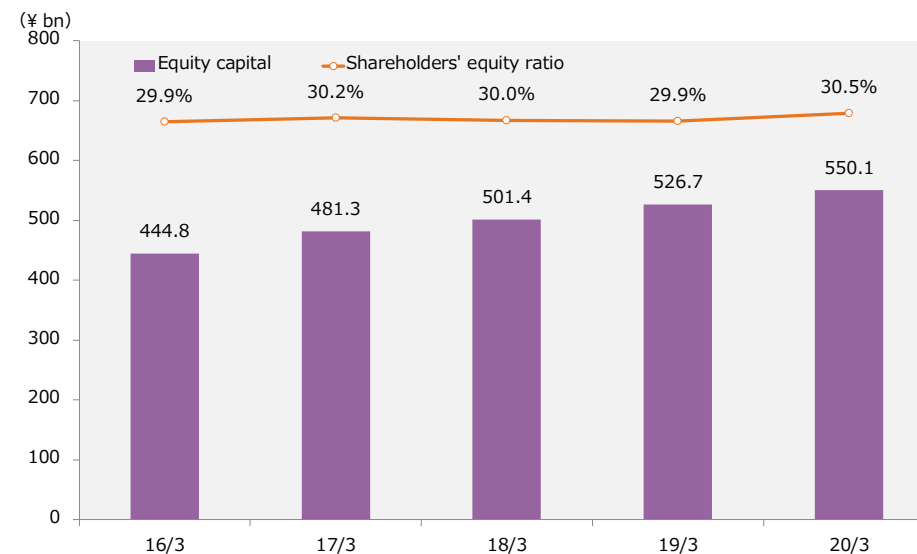


NAV per share = (shareholders' equity + unrealized gains (after deduction of tax)) / the number of shares issued at the end of period (excluding treasury shares)

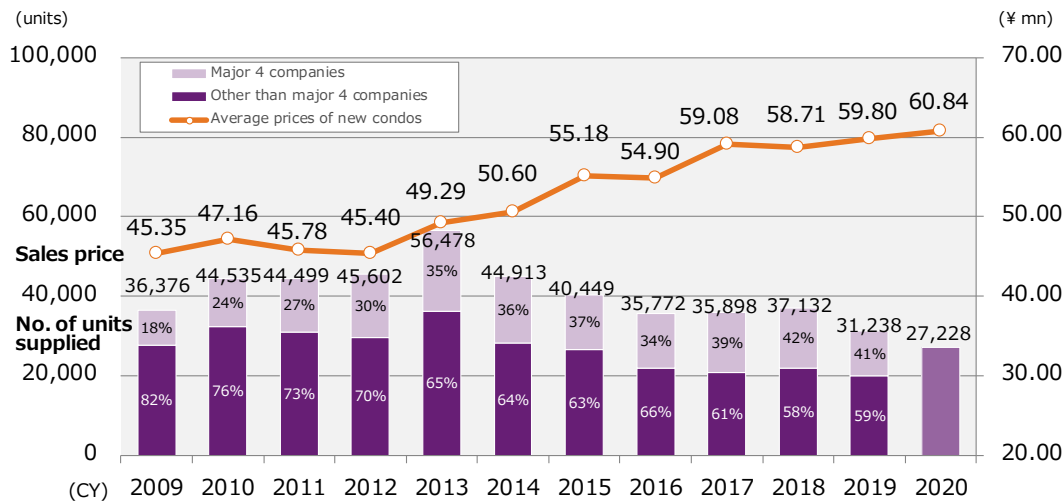
Unrealized gains (after deduction of tax) = Unrealized gains × (1-effective tax rate)

Shareholders' equity/Shareholders' equity ratio

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

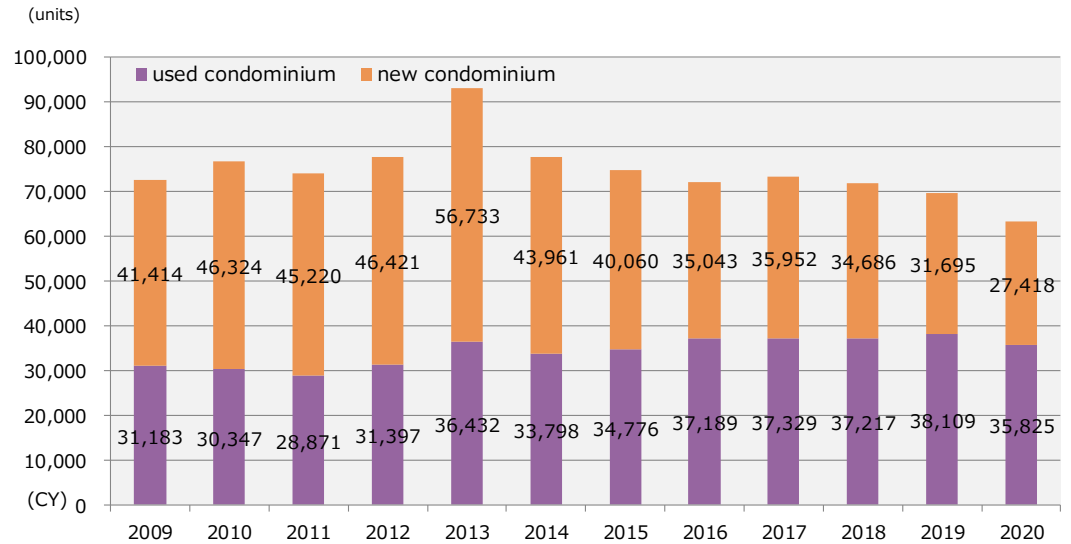


The number of new condos and housing prices (Tokyo Metropolitan Area)



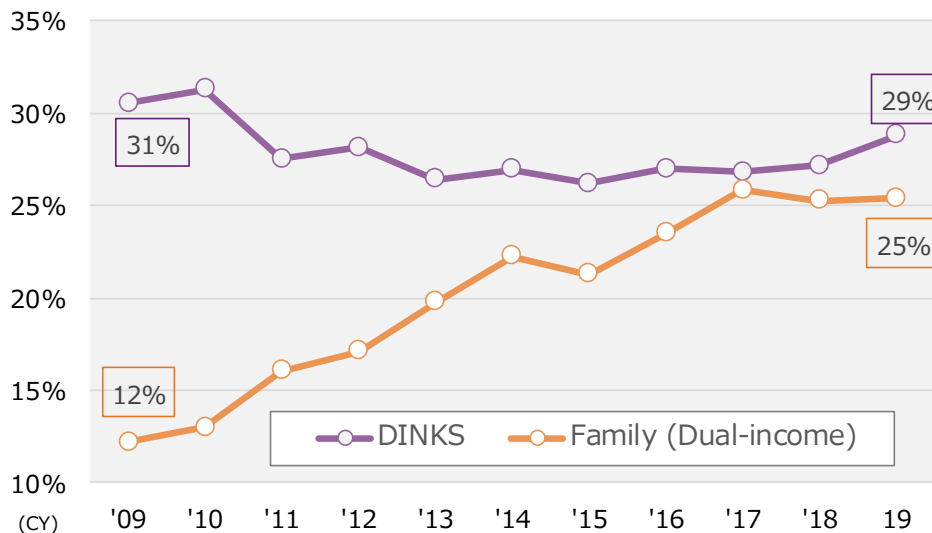
Source by Japan Real Estate Institute
 Major 4 companies; NRE, Sumitomo Realty & Development Co., Ltd., Mitsui Fudosan Co., Ltd, Mitsubishi Estate Co., Ltd.

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



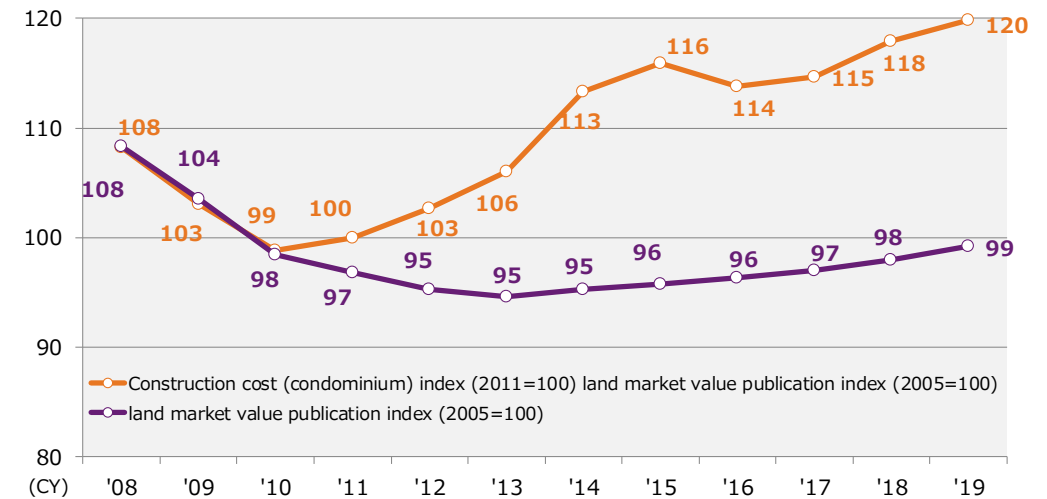
Source by NREH based on Japan Real Estate Institute Reins

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



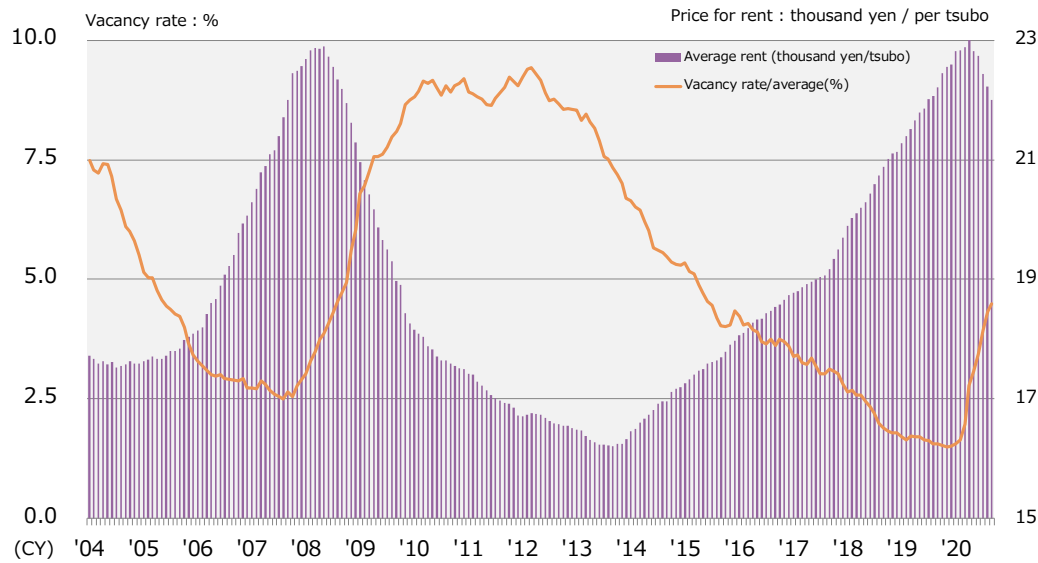
Source by NREH based on SUUMO of the survey of Tokyo Metropolitan Area's new condos contractors trend in 2019

The transition of construction cost and land price

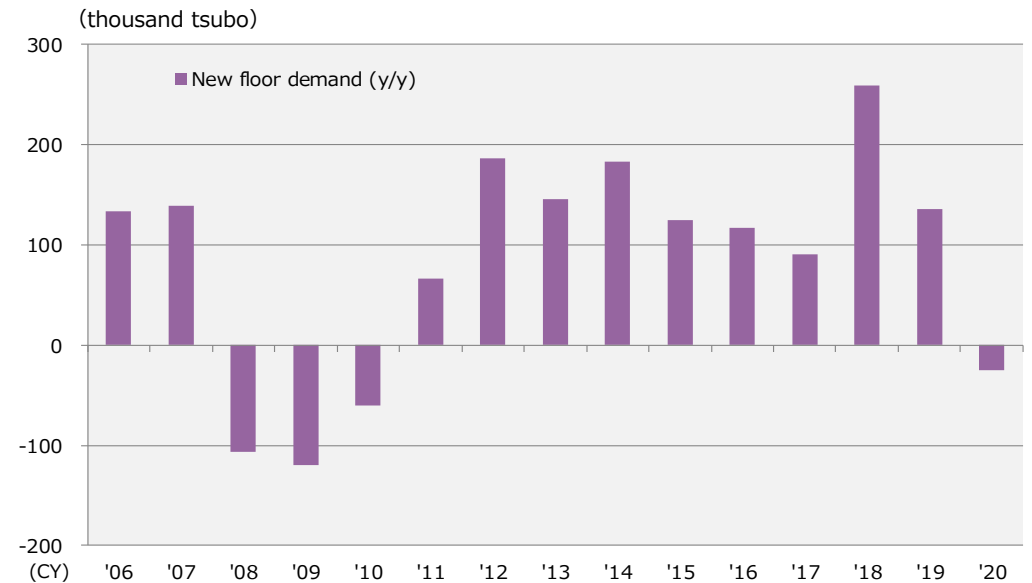


Source by Construction Research Institute, Ministry of Land, Infrastructure, Transport and Tourism.

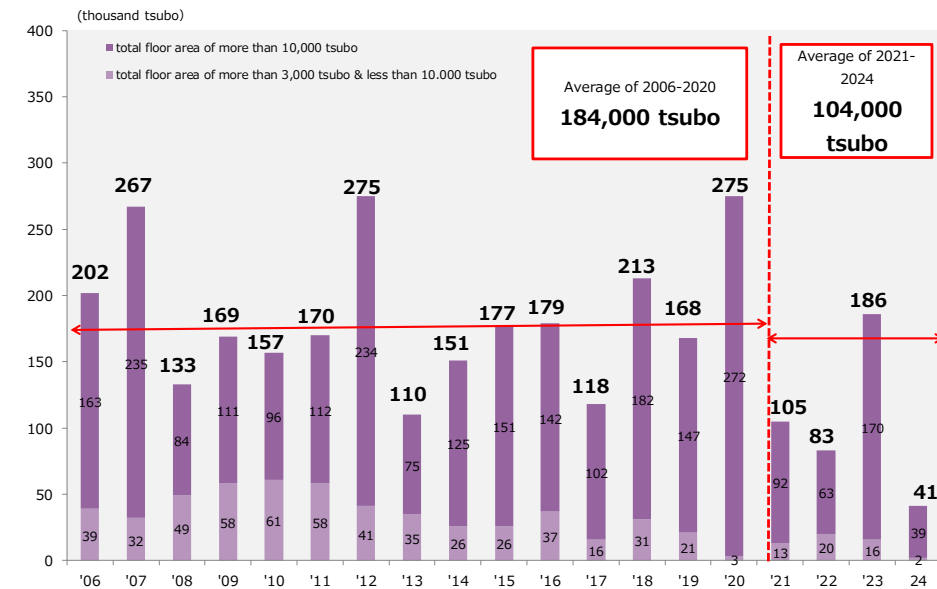
Transition of rent and vacancy rate in Tokyo central five wards



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

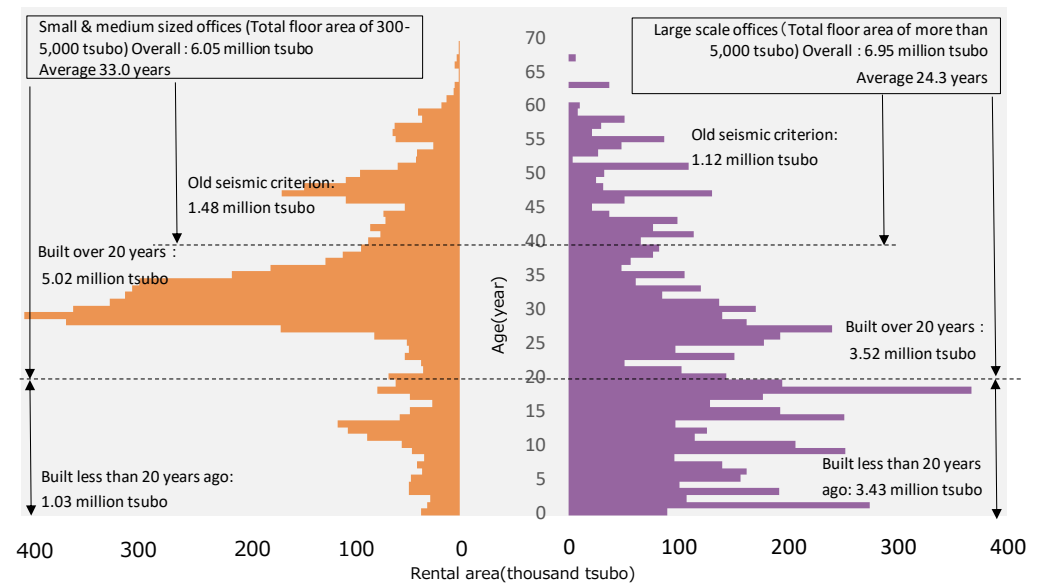


The outlook for the new supply of office space in 23 wards of Tokyo (based on rental area)



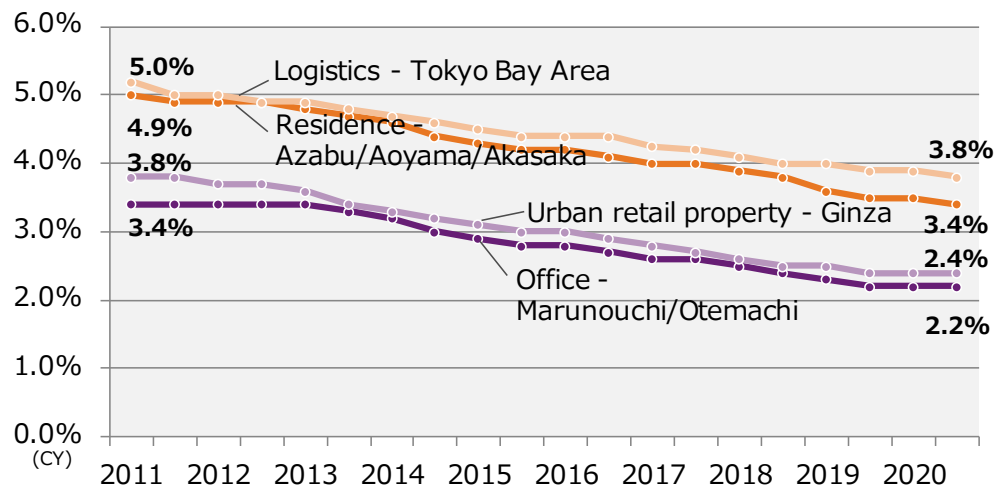
Source by NREH based on the report of " [Tokyo 23 wards] The volume of office new supply 2021 " (XYMAX REAL ESTATE INSTITUTE Corporation)

The distribution of office building age in 23 wards of Tokyo



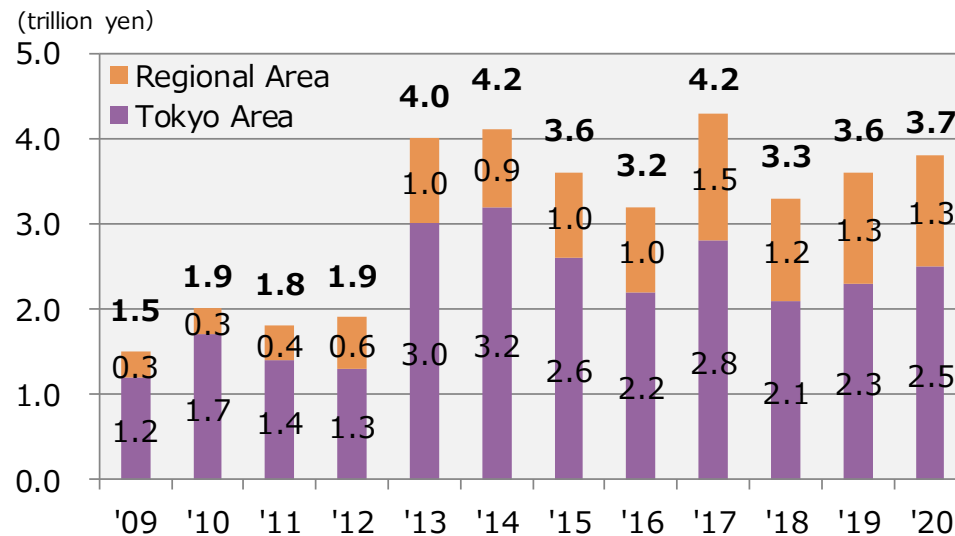
Source by NREH based on " [Tokyo 23 wards] office pyramid 2021" (XYMAX REAL ESTATE INSTITUTE Corporation)

CAP Rate based on sector



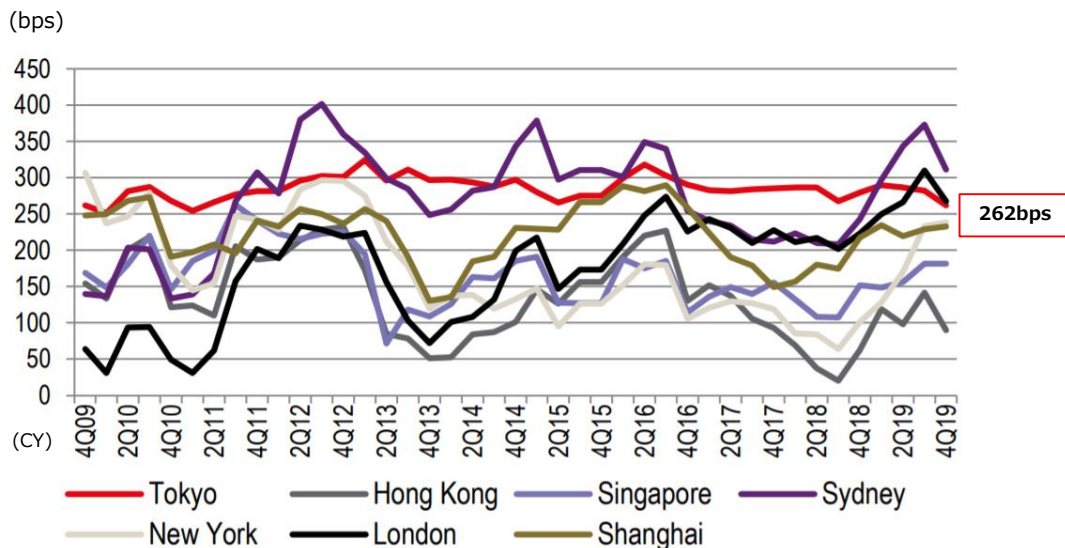
Source by NREH based on benchmark transitions by Japan Real Estate Institute

The trading of property development



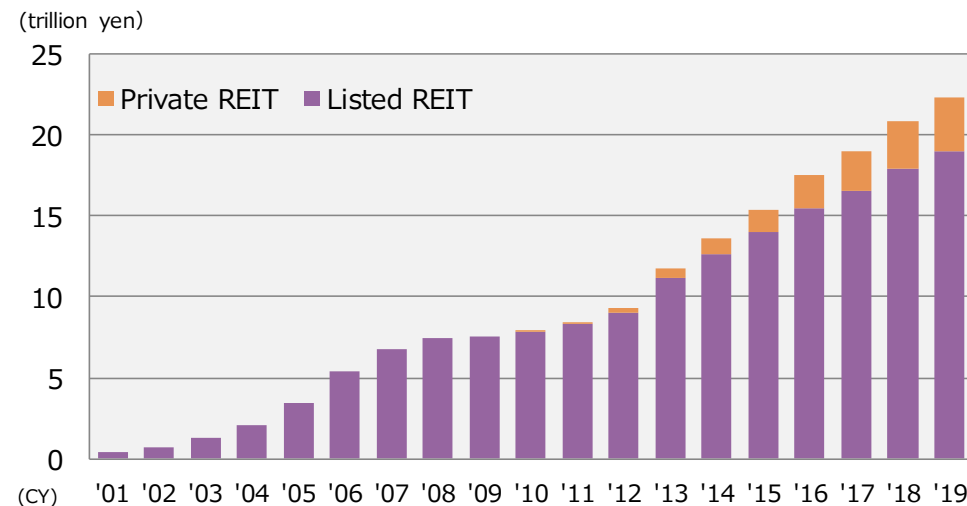
Source by NREH based on "Nikkei real estate market information"(FEB,2021)

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



Source by JLL Japan Capital Flow (as of Dec. 2019)

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



Source by The Association for Real Estate Securitization (ARES)

The main upcoming projects

Major projects

Schedule for sales	Property name	Location	Total number of housings	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 FY24/3	Nishi-Gotanda 3-chome project*	Shinagawa-ku, Tokyo	301 units	210 units
after FY24/3	Jingumae 6-chome project	Shibuya-ku, Tokyo	78 units	78 units



PROUD TOWER Kameido Cross

Major projects (redevelopment and rebuilding)

Schedule for sales	Property name	Location	Total number of housings	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-	Mihama City Kemigahama*	Chiba-shi, Chiba	886 units	567 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
FY22/3-	PROUD TOWER Higashi-Ikebukuro Station Arena	Toshima-ku, Tokyo	193 units	193 units
FY23/3	PROUD Hankyu Tsukaguchi Station-Front	Amagasaki-shi, Hyogo	416 units	416 units
FY23/3-	Kawaguchi Sakaecho 3-chome District Redevelopment	Kawaguchi-shi, Saitama	450 units	450 units
FY23/3-	Minamikoiva 6-chome District Redevelopment*	Edogawa-ku, Tokyo	516 units	309 units
after FY24/3	Minami-Ikebukuro 2-chome C District Redevelopment*	Toshima-ku, Tokyo	1,193 units	364 units
after FY24/3	Okayama-shi Ekimaecho 1-chome District Redevelopment*	Okayama-shi, Okayama	400 units	340 units
after FY24/3	Tsukishima 3-chome south District Redevelopment*	Chuo-ku, Tokyo	580 units	232 units
after FY24/3	Toyomi District Redevelopment*	Chuo-ku, Tokyo	1,740 units	304 units
after FY24/3	Nishi-Azabu 3-chome Redevelopment*	Minato-ku, Tokyo	approx. 350 units	approx. 280 units
TBD	Nishi-Shinjuku 3-chome west District Redevelopment*	Shinjuku-ku, Tokyo	TBD	TBD

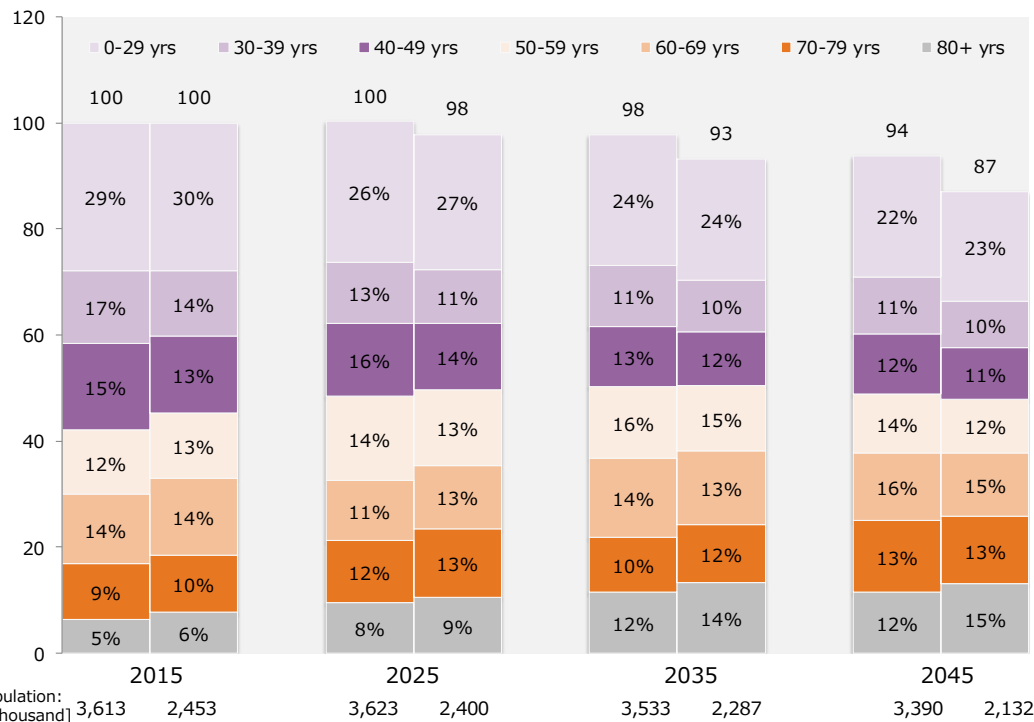


PROUD TOWER Musashi-Koganei Cross

*JV projects

- 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.

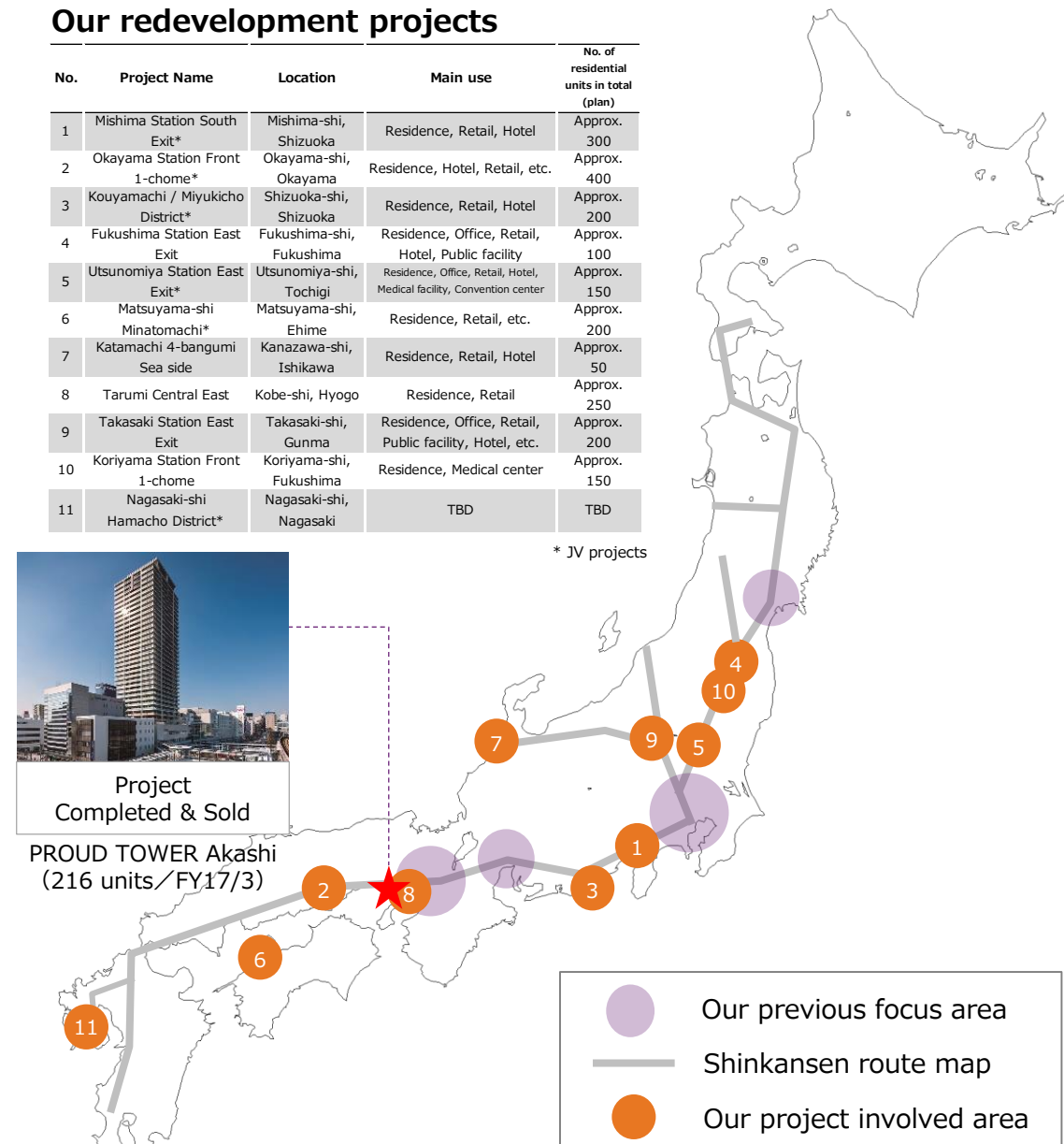
Our redevelopment projects

No.	Project Name	Location	Main use	No. of residential units in total (plan)
1	Mishima Station South Exit*	Mishima-shi, Shizuoka	Residence, Retail, Hotel	Approx. 300
2	Okayama Station Front 1-chome*	Okayama-shi, Okayama	Residence, Hotel, Retail, etc.	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, Public facility	Approx. 100
5	Utsunomiya Station East Exit*	Utsunomiya-shi, Tochigi	Residence, Office, Retail, Hotel, Medical facility, Convention center	Approx. 150
6	Matsuyama-shi Minatomachi*	Matsuyama-shi, Ehime	Residence, Retail, etc.	Approx. 200
7	Katamachi 4-bangumi Sea side	Kanazawa-shi, Ishikawa	Residence, Retail, Hotel	Approx. 50
8	Tarumi Central East	Kobe-shi, Hyogo	Residence, Retail	Approx. 250
9	Takasaki Station East Exit	Takasaki-shi, Gunma	Residence, Office, Retail, Public facility, Hotel, etc.	Approx. 200
10	Koriyama Station Front 1-chome	Koriyama-shi, Fukushima	Residence, Medical center	Approx. 150
11	Nagasaki-shi Hamacho District*	Nagasaki-shi, Nagasaki	TBD	TBD

* JV projects



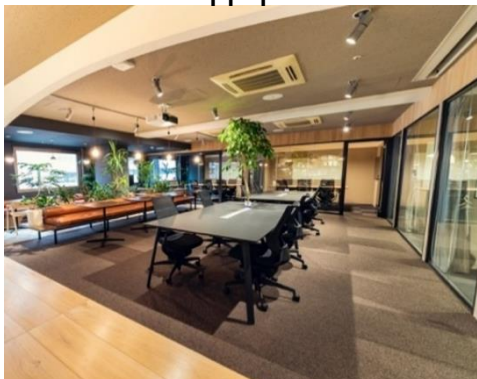
Project Completed & Sold
 PROUD TOWER Akashi (216 units/FY17/3)



- Workplaces are decentralized due to working from home and teleworking is increasing. The role of office is changing variously, which used to be standardized.
- Respond to the companies trend of using various types of offices depending on their purposes such as small offices, project bases and satellite type offices.

Satellite · Share

H¹T
 HUMAN FIRST TIME
 Satellite shared office
 H¹T



Number of members: **856** companies, approx. **88,000** people
 Number of offices: **61** including affiliated offices

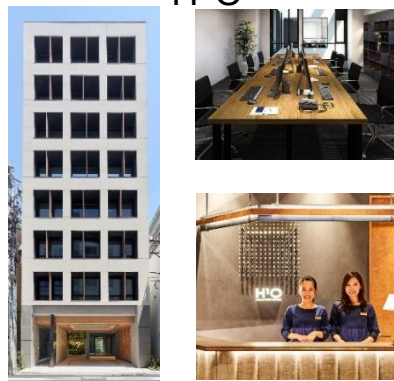
Members are increasing with the expansion of working from home and teleworking. Opening offices rapidly in the area mainly in Metropolitan area (Tokyo, and urban area) and also in regional business cities such as Kansai area.

Target

Number of offices: **80** including affiliated offices (During FY21/3)

Small

H¹O
 HUMAN FIRST OFFICE
 Quality small office
 H¹O



Number of properties including planned ones: 15

Medium

PMO
 PREMIUM MIDSIZE OFFICE
 Medium-sized high-grade office
 PMO



Number of properties including planned ones: 60

Large

TOKYO TORANOMON GLOBAL SQUARE, Shibaura 1-chome District Project etc.

Large-sized office



TOKYO TORANOMON GLOBAL SQUARE started operation in July 2020. Promoting large-scale mix-used development with a focus on redevelopment projects

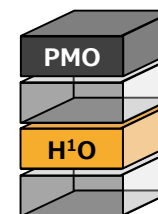
Enforcing development competitiveness

We can capture diverse office demands by incorporating small offices H¹O and PMO in large-sized office.

Develop entire property for H¹O

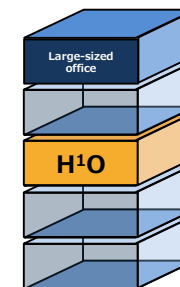


We can develop H¹O by flexible layouts, even in small areas and irregularly shaped areas. It can provide extensive facilities for common use.



Incorporate H¹O in newly developed property's floors

Opened H¹O in newly developed properties including TOKYO TORANOMON GLOBAL SQUARE and PMO Nishishinjuku by capturing the demand of small office in well-located office areas. We can provide high-speculation facilities, even in small-sized office.



Newly operated project

TOKYO TORANOMON GLOBAL SQUARE



Location: Toranomon,
 Minato-ku, Tokyo
 Access: one min walk from
 Toranomon station
 Main use: Office, retail facility

Land area: 2,782㎡
 Gross floor area: 47,273㎡
 Stories: 24 stories above ground
 and three below
 Completion of construction:
 June, 2020

Developing project

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: FY26/3
 Main participating companies:
 Mitsui Fudosan, Nomura Real Estate,
 Nomura Holdings

● **“PMO”** — Medium-scale office building with the similar quality and specification as large-scale “class A” office building



PMO Shibuya II



PMO Hamamatsucho II



PMO Kanda Iwamotocho II

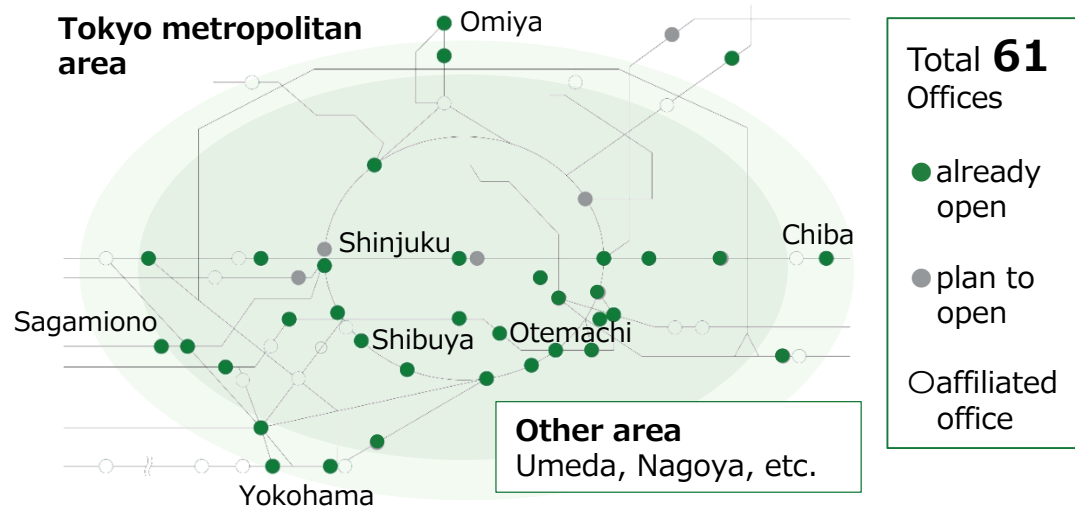
<Projects completed and progressing in FY21/3 >

	Name(PMO)	Location	Completion
1	PMO Shibuya II	Shibuya-ku, Tokyo	2020/8
2	PMO Hamamatsucho II	Minato-ku, Tokyo	2020/8
3	PMO Kanda Iwamotocho II	Chiyoda-ku, Tokyo	2021/1

● **“H1T”** — Satellite-type shared office that offers to diversification and efficiency of work styles



Tokyo metropolitan area



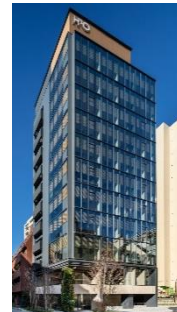
● **“H1O”** — Small office with services to meet the needs of workers in a small team



H1O Shibuya Jinnan



H1O Kanda

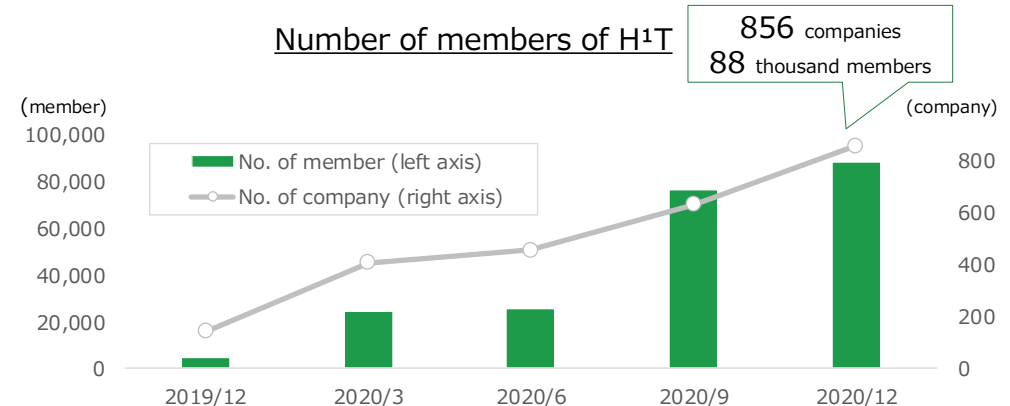


H1O Hirakawacho

< Projects completed and progressing in FY21/3 >

	Name	Location	Completion
1	H1O Shibuya Jinnan	Shibuya-ku, Tokyo	2020/8
2	H1O Kanda	Chiyoda-ku, Tokyo	2020/10
3	H1O Hirakawa-cho	Chiyoda-ku, Tokyo	2020/12

Number of members of H1T



“GEMS” — Urban retail facility that mainly features restaurant



GEMS HIROO CROSS



GEMS AOYAMA CROSS

< Projects completed and progressing in FY21/3 >

	Name	Location	Completion
1	GEMS HIROO CROSS	Shibuya-ku, Tokyo	2020/4
2	GEMS AOYAMA CROSS	Shibuya-ku, Tokyo	2020/9

“MEFULL” — Urban retail facility mainly focusing on service industries



MEFULL Urawa



MEFULL Chitose
 Karasuyama



MEFULL Fujisawa

< Projects completed and progressing in FY21/3 >

	Name	Location	Completion
1	MEFULL Urawa	Saitama-shi, Saitama	2020/7
2	MEFULL Chitosekarasuyama	Setagaya-ku, Tokyo	2020/11
3	MEFULL Sugamo	Toshima-ku, Tokyo	2021/2 (plan)
4	MEFULL Fujisawa	Fujisawa-shi, Kanagawa	2021/5 (plan)

“Landport” — Logistics facility with advanced and high functionality



Landport Ome III

< Projects completed and progressing in FY21/3 >

	Name	Location	Completion
1	Landport Shinonome / Yasuda soko	Koto-ku, Tokyo	2020/5
2	Landport Ome III	Ome-shi, Tokyo	2021/5 (plan)
3	Landport Koshigaya	Koshigaya-shi, Saitama	2021/5 (plan)
4	Landport Ageo I	Ageo-shi, Saitama	2021/11 (plan)
5	Landport Niiza	Niiza-shi, Saitama	2022/2 (plan)
6	Landport Ageo II	Ageo-shi, Saitama	2022/5 (plan)

	Name	Location	Net lettable area *Our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	172,716m ²	1990/1, etc.
2	Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	96,616m 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	Morisia Tsudanuma	Narashino-shi, Chiba	39,475m ²	1978/10
7	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	30,406m ²	1978/5
8	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,247m ²	2010/9
9	Umeda Sky Building	Kita-ku, Osaka-shi, Osaka	19,115m ²	1993/3
10	Nomura Fudosan Nihonbashi-honcho Building	Chuo-ku, Tokyo	19,157m ²	1961/4
11	bono SAGAMIONO Shopping Center	Minami-ku, Sagamihara-shi, Kanagawa	16,175m ²	2013/1
12	Midosuji Nomura Building	Chuo-ku, Osaka-shi, Osaka	13,429m ²	2009/2
13	TOKYO TORANOMON GLOBAL SQUARE	Minato-ku, Tokyo	11,623m ²	2020/6



Hamamatsucho Building



LAZONA Kawasaki Toshiba Building



Yokohama Nomura Building



Shinjuku Nomura Building



Nihonbashi Muromachi Nomura Building



Umeda Sky Building



Midosuji Nomura Building



TOKYO TORANOMON GLOBAL SQUARE



Yokohama Business Park



LAZONA Kawasaki Plaza

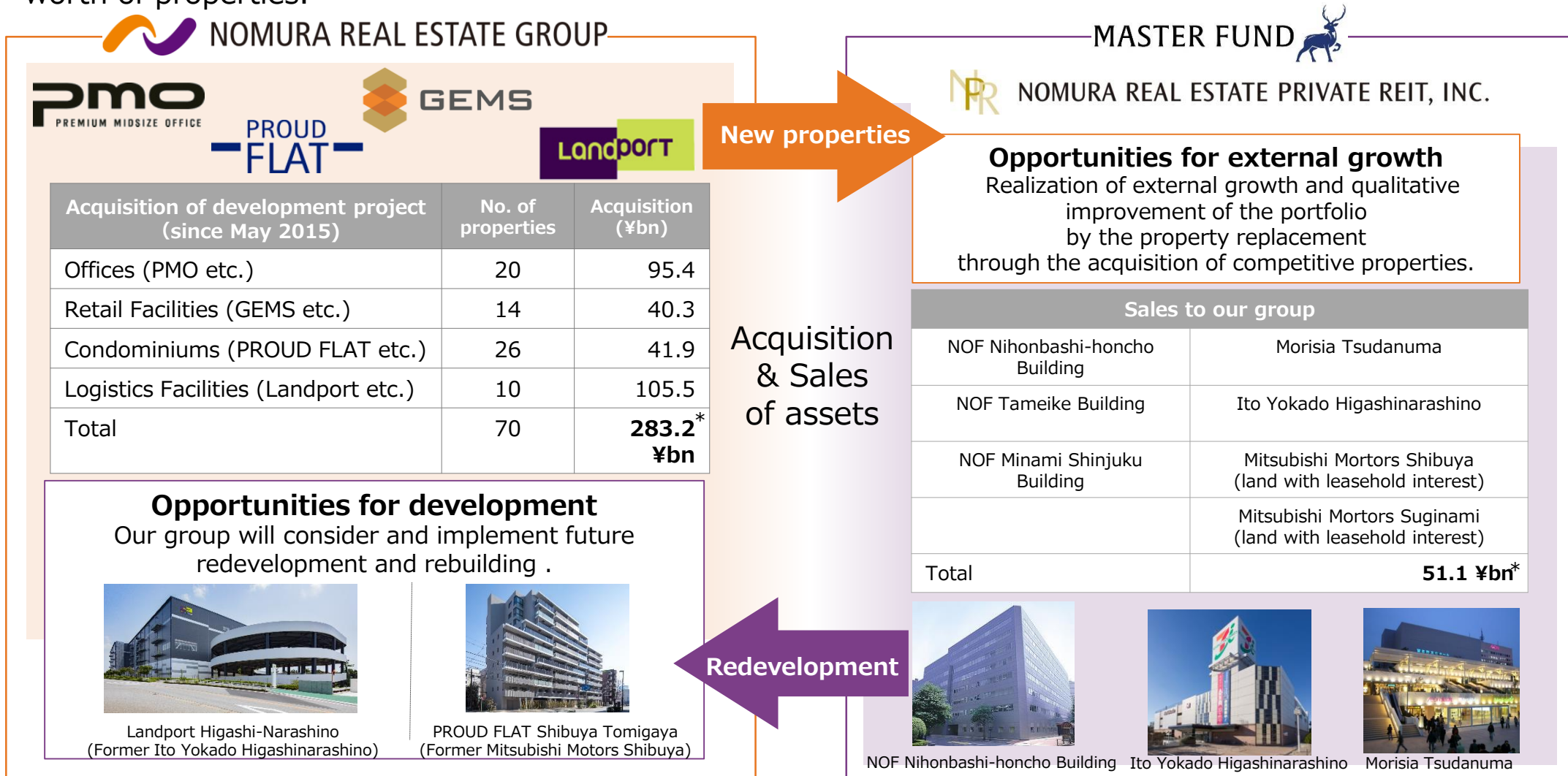


Morisia Tsudanuma



bono SAGAMIONO Shopping Center

- Established a leasing value chain to achieve further mutual growth between the company and its group REITs (NMF and NPR).
- To realize mutual growth, we are utilizing the leasing value chain, and buying and selling properties between the company and group REITs.
- In the FY20/3, we added private funds to the list of providing our property information and sold ¥31.2bn worth of properties.

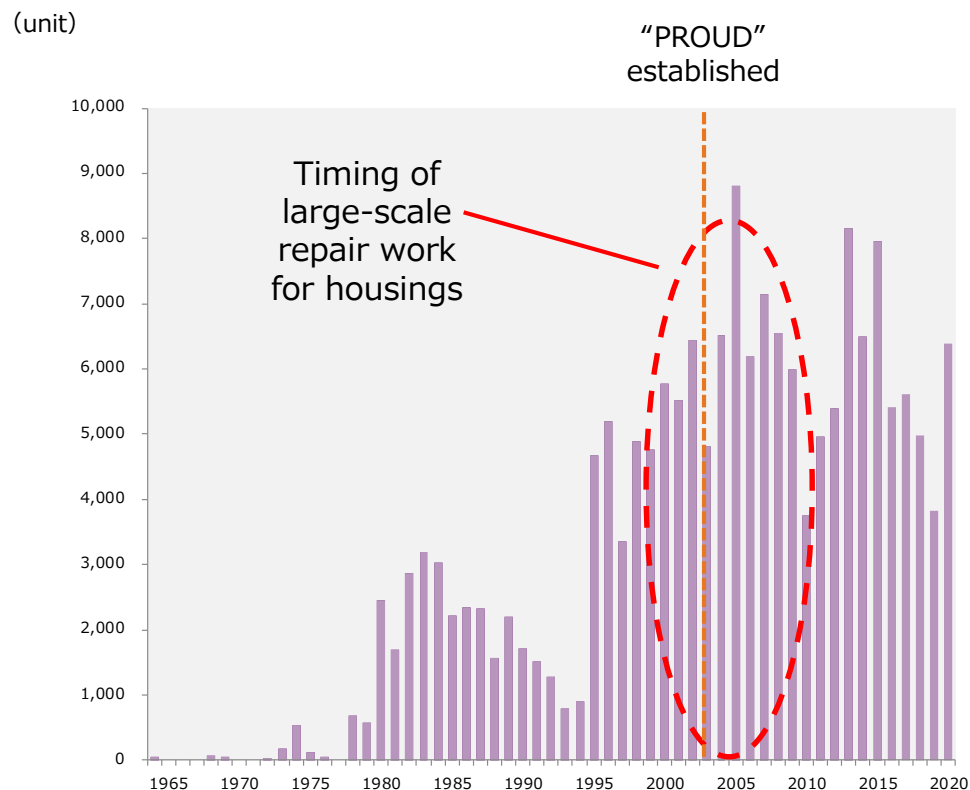


*The amount of acquisition and sales for each tables are based on the REIT's disclosure materials.

- The number of housing which requires large-scale condo repair work has increased after 17 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.

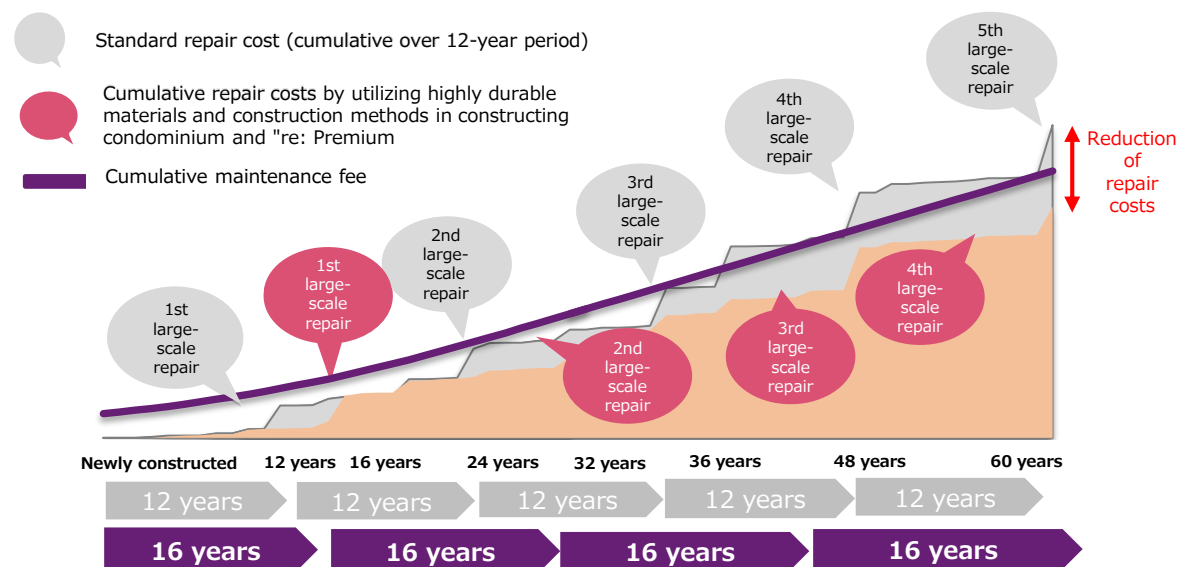
Properties under management by construction completion period

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

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.

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

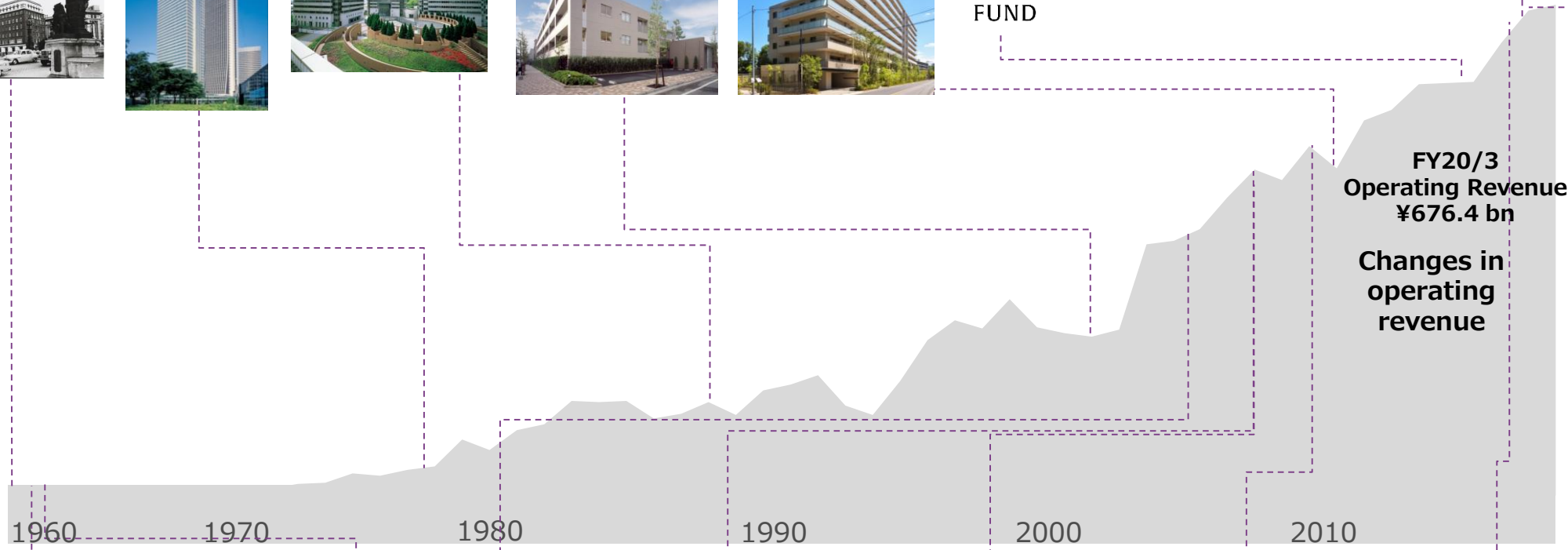
Lists one of the largest diversified J-REIT, Nomura Real Estate Master Fund, Inc on the Tokyo Stock Exchange

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 Development.

Group's business

Group's revenue

Group's business profit

Development Sector

Service & Management Sector

Residential Development Business Unit

- Development and sales of residences including condominiums and detached housing, etc.
- Development and sales of rental housing
- Development and management of senior housing

Investment Management Business Unit

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

Property Brokerage & CRE Business Unit

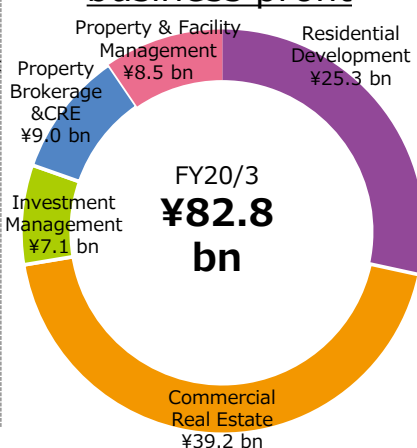
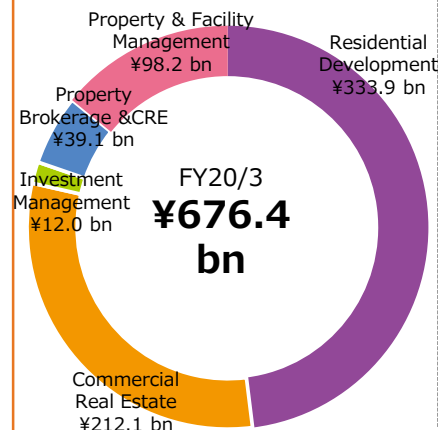
- Real estate brokerage and consulting business
- Consignment of sales of newly built condominiums and detached housings, etc.

Property & Facility Management Business Unit

- Management of condominiums, office buildings, and educational and other facilities
- Contract work for repair and tenant-related construction work

Commercial Real Estate Business Unit

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



Capital policy

Mid-to long term policy

- Achieve ROE exceeding cost of equity (7-8%)
- Achieve highly efficient management and high shareholder return at the same time

Asset efficiency

ROA: **5%** or more
(FY20/3: 4.7%)

Capital efficiency

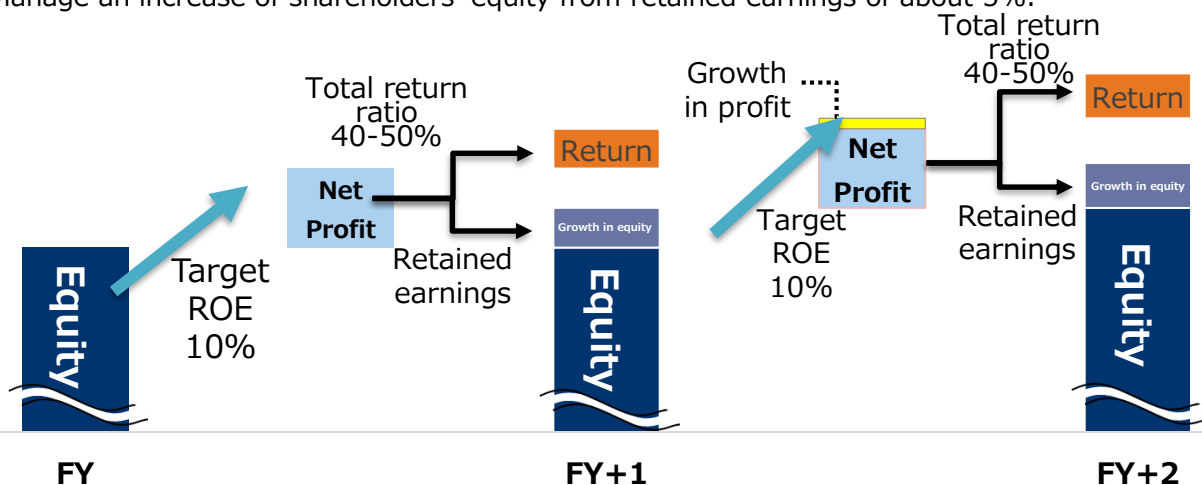
ROE: **10%** or more
(FY20/3: 9.1%)

Shareholder returns <FY20/3-FY22/3>

Total return ratio : approx. **40-50%**
(FY20/3: 46.5%)

Our equity story to promote both investment for growth and shareholder returns

- Allocate the profits generated by highly efficient management to investment for growth and shareholder returns.
- Manage an increase of shareholders' equity from retained earnings of about 5%.



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 06/23/2020)

- 5 directors are external directors out of total of 13.
- 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			●	●	●			●	
Higashi	External	●	M		●	●	●			●		●
Nagamatsu	External (non executive)		M		●	●	●	●				
Orihara	External (non executive)		M	◎		●	●	●				
Takayama	External (non executive)		M	●			●	●	●	●		
Ono	External	●	M	●	●				●			
Mogi	External	●	M	●	●	●	●	●		●		
Miyakawa	External	●	F	●				●		●		
Takahashi	External	●	M	●					●			

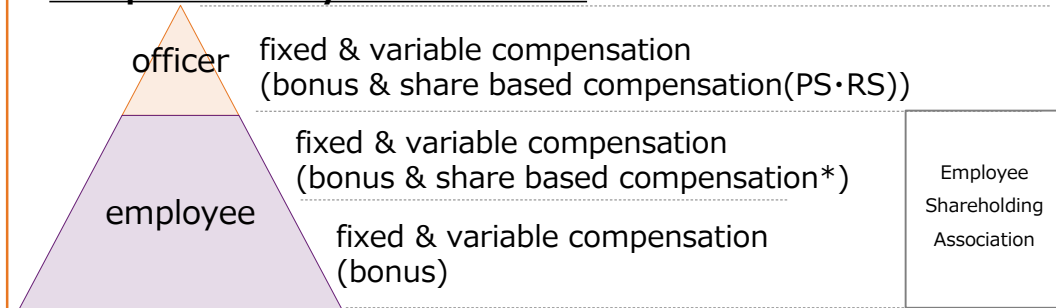
* ◎ represents the chairperson of each committee

* 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

10 year data

	units	11/3	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3
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Financial data

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

Stock market index

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

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	294.3
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	20.4
Net Lettable area	m	788,374	771,640	835,115	855,197	928,628	974,127	975,974	1,021,004	953,620	913,446
Vacancy rate	%	4.0	2.4	2.2	2.9	4.5	2.2	0.8	0.7	4.7	4.0
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	124.7
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	1,798.5
Total transaction value	¥bn	425.2	452.9	540.6	672.7	710.9	713.5	745.1	800.7	767.3	872.3
No. of housings under management	units	127,567	130,987	137,745	147,516	155,706	163,036	168,999	173,705	177,582	182,259

*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)

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