

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

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Outline of the FY21/3 Financial Results

<Summary>

- The consolidated financial results for the fiscal year ended March 31, 2021 were as follows:
- Operating revenue; 580.6 billion yen (down 14.2% YoY); operating profit; 76.3 billion yen (down 6.8% YoY); business profit; 76.4 billion yen (down 7.7% YoY); ordinary profit; 65.9 billion yen (down 9.7% YoY); and profit attributable to owners of parent; 42.1 billion yen (down 13.7% 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, as for the housings sales business, in this fiscal year, the projected completion and operating revenue of housing sales were less and the sales timing of some properties was changed due to the COVID-19 impact. As a result, the number of housing units sold including condominiums and detached housings, decreased to 3,669 units (a decrease of 1,070 units YoY), while the gross margin ratio improved to 22.6% (20.4% in the fiscal year ended March 31, 2020). The contract progress rate against the projected operating revenue of housing sales of the fiscal year ending March 31, 2022, progressed steadily to 65.3%, at the beginning of the fiscal year.
- In Commercial Real Estate Business Unit, leasing revenue from retail facilities, and revenue from hotel business and fitness business decreased due to the COVID-19 impact. Property for sales business progressed steadily including office buildings and logistics facilities, resulting in the gross profit from property sales was 21.1 billion yen (up 20.1% YoY).
- In Investment Management Business Unit, assets under management increased mainly in private REIT. In Property Brokerage & CRE Business Unit and Property & Facility Management Business Unit, there was a partial COVID-19 impact, while the business recovered mainly in the latter half of the fiscal year, due to an increase in the transaction value of property brokerage and an improvement in profit ratio of construction ordered etc. As a result, in the Service & Management Sector, both operating revenue and business profit increased.
- The Forecasts for the fiscal year ending March 31, 2022 is operating revenue; 680.0 billion yen; operating profit; 77.0 billion yen; business profit; 84.0 billion yen; ordinary profit; 72.5 billion yen; and profit attributable to owners of parent; 49.5 billion yen, and both operating revenue and business profit are expected to increase. Operating revenue, business profit and profit attributable to owners of parent are predicted to reach a record high.
- The annual dividend per share for the fiscal year ended March 31, 2021, which was announced in May 2020, was revised to 82.5 yen, which is an increase of 9 years in a row. The annual dividend per share for the fiscal year ending March 31, 2022 is expected be 85.0 yen.

Consolidated financial results

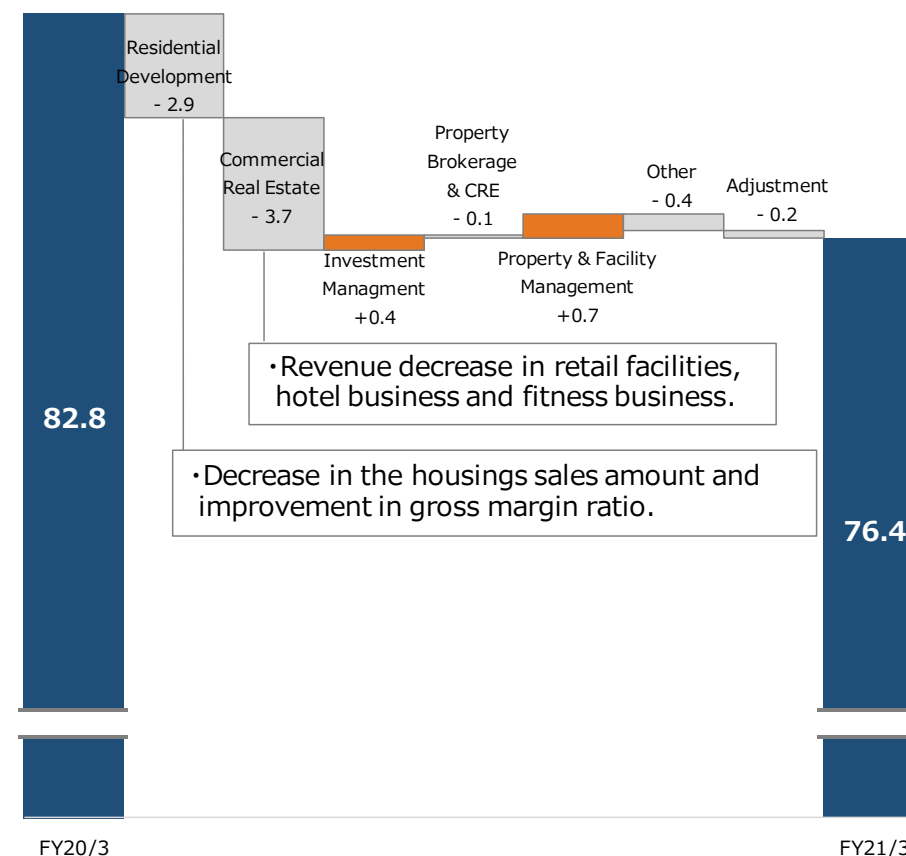
(¥bn)	20/3 Actual ①	21/3 Actual ②	Changes ② - ①	Key Factors
Operating revenue	676.4	580.6	-95.8	<Operating revenue>
Operating gross profit	193.7	183.0	-10.6	• Decrease in the number of housings units sold in the Residential Development Business Unit.
Selling, general and administrative expenses	111.8	106.7	-5.0	• Decrease of the sales amount in property for sales business in the Commercial Real Estate Business Unit.
Operating profit	81.9	76.3	-5.5	
Share of profit (loss) of entities accounted for using equity method	0.3	-0.5	-0.8	
Amortization of intangible assets associated with corporate acquisitions	0.6	0.6	+0.0	<Business profit>
Business profit	82.8	76.4	-6.3	• The amount of housing sales decreased and gross margin ratio improved in the Residential Development Business Unit.
Non-operating income	1.3	0.7	-0.6	• Revenue decreased in the retail facilities, hotel business and fitness business in the Commercial Real Estate Business Unit.
Non-operating expenses	10.1	11.1	+0.9	
Ordinary profit	73.0	65.9	-7.1	
Extraordinary income	0.3	0.5	+0.1	
Extraordinary losses	0.3	3.7	+3.3	
Income taxes	23.4	20.5	-2.8	
Profit attributable to non-controlling interests	0.7	0.0	-0.7	
Profit attributable to owners of parent	48.8	42.1	-6.6	
Basic earnings per share (¥)	267.21	232.53	-34.68	
Cash dividends per share (¥)	80.00	82.50	+2.50	
Net cash provided by (used in) operating activities	56.6	-63.5	-120.1	
Net cash provided by (used in) investing activities	-30.4	-55.7	-25.2	• (Major cash flows in FY21/3) Purchase and sales of property, plant and equipment.
Net cash provided by (used in) financing activities	-66.8	112.3	+179.1	• (Major cash flows in FY21/3) Increase in long-term borrowings.
Cash and cash equivalents at end of period	77.6	70.6	-6.9	
(¥bn)	As of Mar. 31, 2020 ①	As of Mar. 31, 2021 ②	Changes ② - ①	Key Factors
Total assets	1,801.2	1,921.3	+120.0	• Increase in inventories.
Total interest-bearing debt	870.0	1,008.5	+138.5	• Increase in long-term borrowings and others.
Shareholders' equity	550.1	583.3	+33.1	
Shareholders' equity ratio	30.5%	30.4%	-0.2P	
Debt/equity ratio	1.6	1.7	+0.1	

Outline of financial results by Business Units

- In the Residential Development Business Unit, average price of housing units sold and gross margin ratio improved, while the number of housing sales decreased in the housing sales business.
- In the Commercial Real Estate Business Unit, leasing revenue in retail facilities, and revenue from hotel business and fitness business decreased.
- 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 Actual*1 ①	21/3 Actual ②	Changes ②-①
Operating revenue	676.4	580.6	-95.8
Residential Development	333.9	272.5	-61.3
Commercial Real Estate	212.1	179.2	-32.9
Service & Management	149.4	150.2	+0.8
Investment Management	12.0	12.4	+0.3
Property Brokerage & CRE	39.1	39.4	+0.3
Property & Facility Management	98.2	98.3	+0.1
Other (including overseas business)	1.1	2.0	+0.9
Adjustments	-20.1	-23.4	-3.2
Business profit*2	82.8	76.4	-6.3
Residential Development	25.3	22.4	-2.9
Commercial Real Estate	39.2	35.4	-3.7
Service & Management	24.8	25.8	+1.0
Investment Management	7.1	7.5	+0.4
Property Brokerage & CRE	9.0	8.9	-0.1
Property & Facility Management	8.5	9.2	+0.7
Other (including overseas business)	-1.0	-1.4	-0.4
Adjustments	-5.5	-5.7	-0.2
Ordinary profit	73.0	65.9	-7.1
Profit before income taxes	73.0	62.8	-10.2
Profit attributable to owners of parent	48.8	42.1	-6.6

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

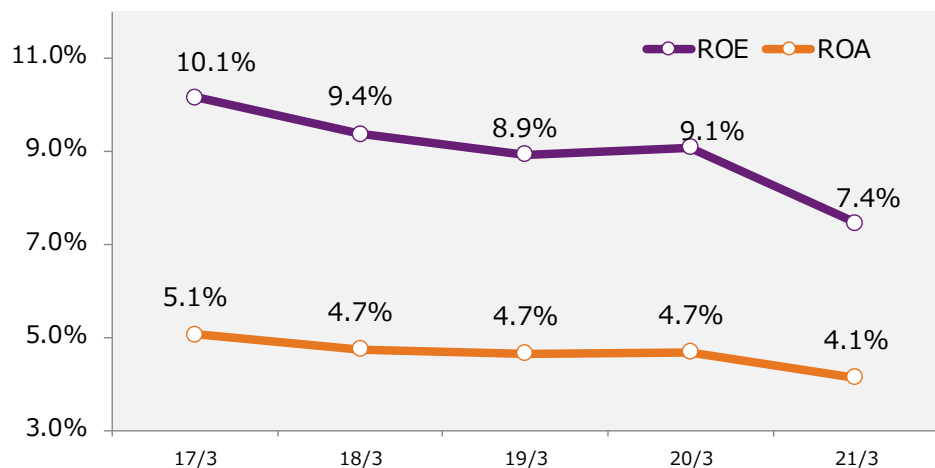
*2. Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

Consolidated balance sheets

(¥bn)	As of Mar. 31, 2020 ①	As of Mar. 31, 2021 ②	Changes ② - ①	Key Factors
Assets	1,801.2	1,921.3	+120.0	<Inventories>
Current assets	906.7	1,043.3	+136.5	
(Breakdown)				
Cash and deposits and others	78.4	71.6	-6.7	Residential Development BU
Notes and accounts receivable-trade	25.3	19.6	-5.7	Commercial Real Estate BU
Inventories	714.7	875.5	+160.7	Other BU*
Equity investments	30.9	28.7	-2.2	Adjustments
Other current assets	57.2	47.7	-9.4	
Non-current assets	894.5	877.9	-16.5	<Property, plant and equipment>
Property, plant and equipment	756.3	714.2	-42.0	
Intangible assets	20.2	18.4	-1.7	
Investments and other assets	118.0	145.2	+27.2	
(Breakdown)				
Investment securities	58.9	86.4	+27.4	Office
Leasehold and guarantee deposits	27.9	27.6	-0.3	Retail
Other non-current assets	31.0	31.2	+0.1	Others
				Total
				714.7
				875.5
				+160.7
				*Total of Property & Facility Management BU and Other including overseas business
Liabilities	1,236.1	1,334.9	+98.8	<Interest-bearing debt>
Current liabilities	302.0	269.3	-32.7	
(Breakdown)				
Notes and accounts payable-trade	94.1	61.1	-33.0	Long-term borrowings
Short-term borrowings, etc.	92.0	97.0	+5.0	Bonds payable
Deposits received	35.5	25.1	-10.4	Short-term borrowings
Other current liabilities	80.3	86.0	+5.7	Current portion of long-term borrowings
Non-current liabilities	934.0	1,065.6	+131.5	Current portion of bonds
(Breakdown)				
Bonds payable	120.0	160.0	+40.0	Total
Long-term borrowings	658.0	751.5	+93.5	870.0
Leasehold and guarantee deposits received	62.3	58.8	-3.5	1,008.5
Other non-current liabilities	93.6	95.2	+1.5	+138.5
Net assets	565.1	586.3	+21.2	<Treasury Shares>
Total liabilities and net assets	1,801.2	1,921.3	+120.0	• Mar. 31, 2020: ¥ -27.3 bn → Mar. 31, 2021: ¥ -30.1 bn
Shareholders' equity ratio	30.5%	30.4%	-0.2P	<Shareholders' equity>
Debt/equity ratio	1.6	1.7	+0.1	• Mar. 31, 2020: ¥550.1 bn → Mar. 31, 2021: ¥583.3 bn

ROA/ROE

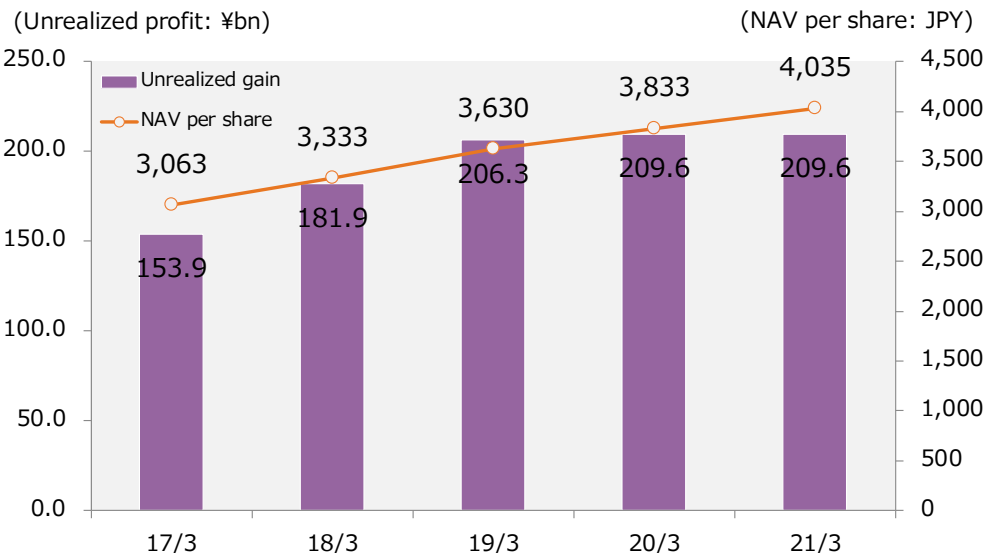
Against our mid-to long-term target of ROA of 5% or higher and ROE of 10% or higher, **ROA was 4.1% and ROE was 7.4%** in FY21/3



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

Unrealized profit/NAV (Net Asset Value)

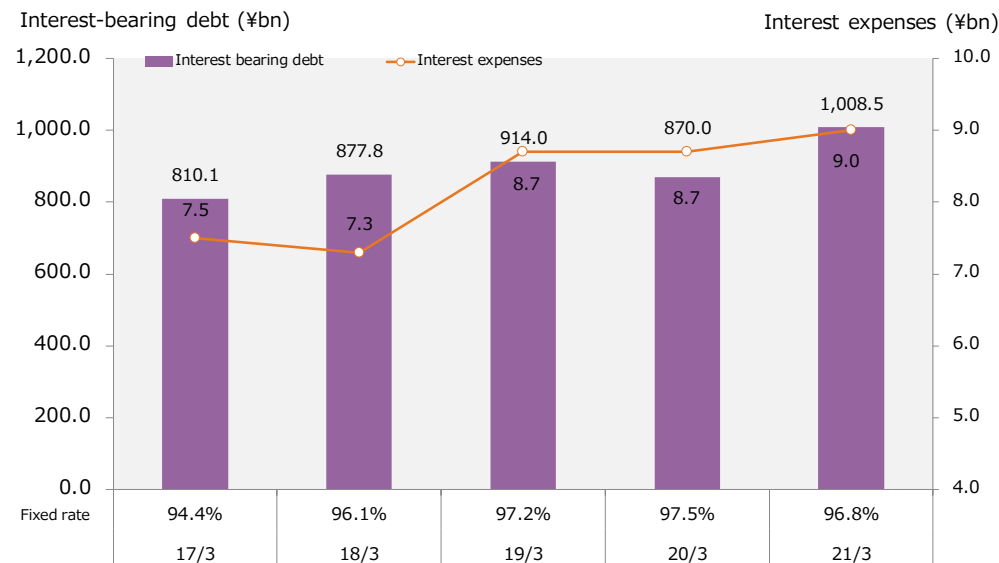
NAV per share increased to **¥ 4,035**(¥ 202 increase from FY20/3)



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)

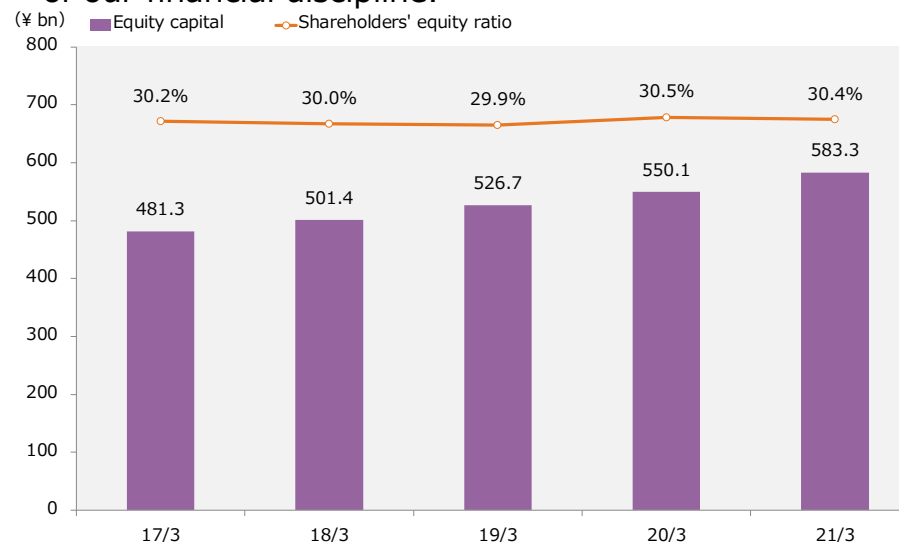
Interest-bearing debt/Interest expenses

Interest-bearing debt increased due to an issuance of sustainability bond etc.



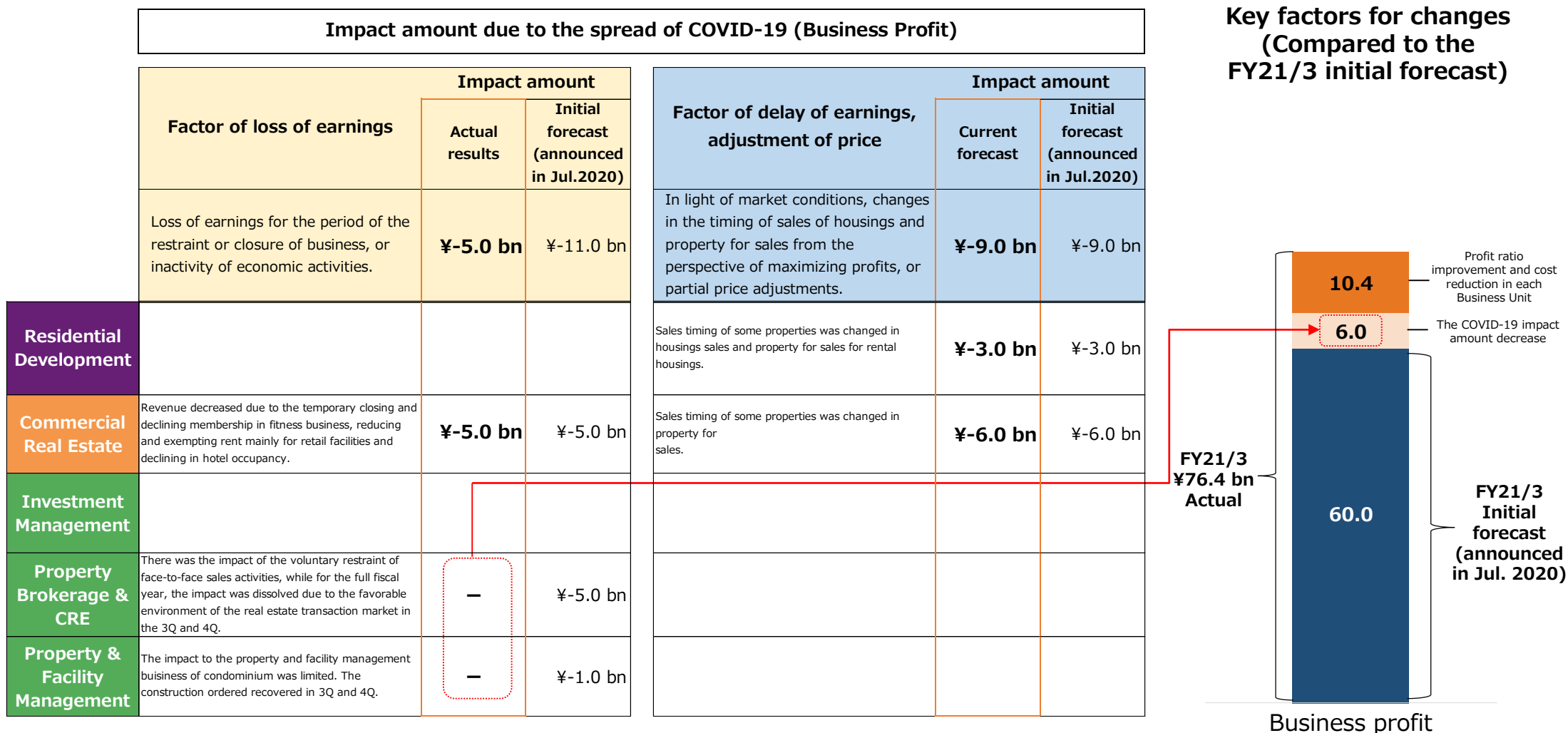
Shareholders' equity/Shareholders' equity ratio

Shareholders' equity ratio rose to **30.4%**, remaining the 30% level of our financial discipline.



The impact of COVID-19

- The COVID-19 impact amount on the FY21/3 financial results were approx. ¥14.0 bn. on a business profit basis. (the forecast was ¥20.0 bn as of Jul. 2020)
- The COVID-19 impact amount decreased ¥6.0 bn from the initial forecast. FY21/3 business profit was ¥76.4 bn, due to the approx. 10.0 bn profit increase by the profit ratio improvement and cost reduction in each Business Unit.



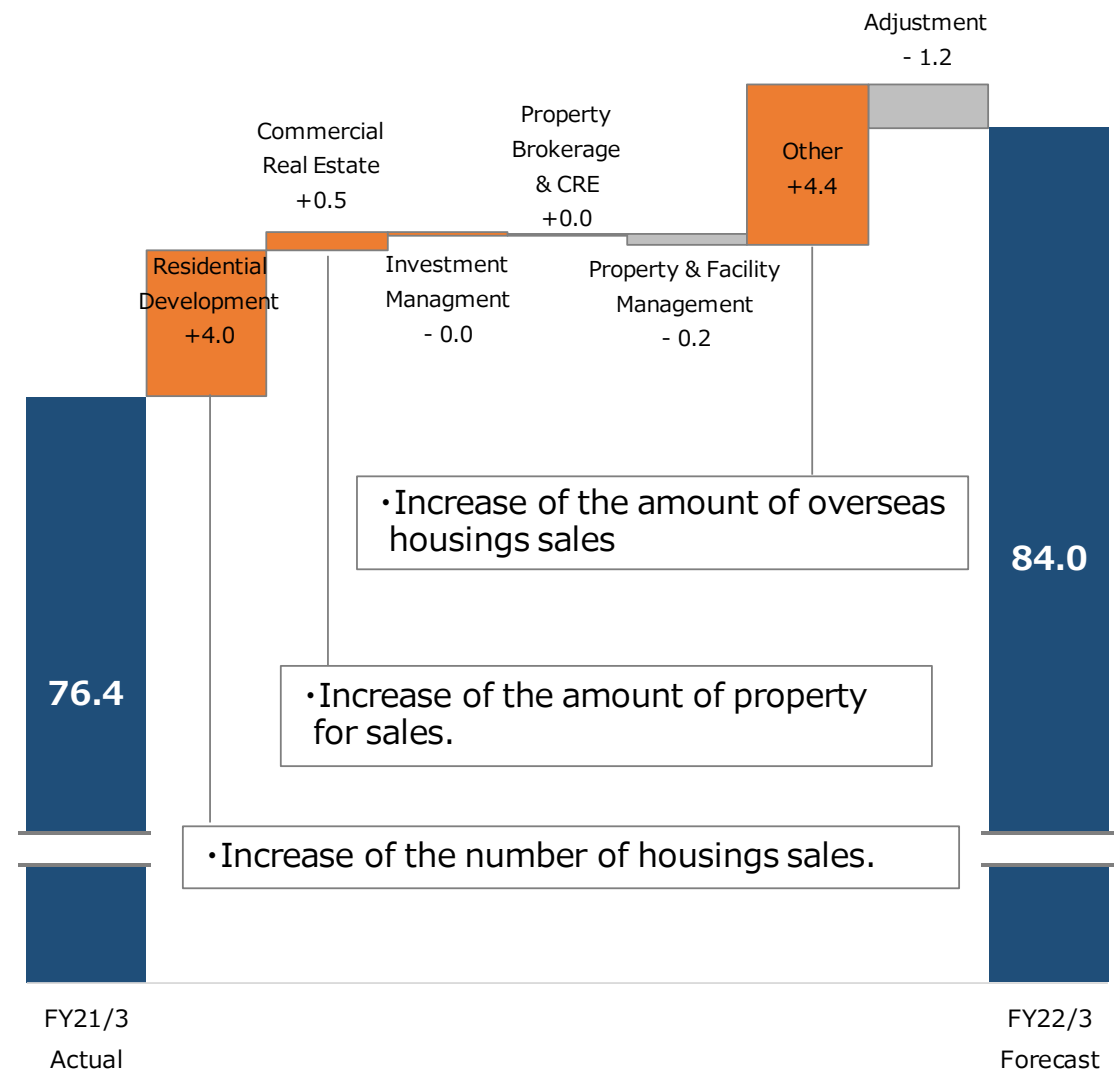
*In addition to the above, an extraordinary loss of ¥1.7 bn due to the suspension of operations caused by the spread of the COVID-19 incurred.

Forecasts for FY ending March 31, 2022 (Compared to FY21/3)

Both revenue and business profit is expected to increase, due to an increase of the number of housing units sold in the Residential Development Business Unit, an increase of the amount of property for sales in the Commercial Real Estate Business Unit, and an increase of the amount of overseas housing sales etc.

(¥bn)	21/3	22/3	Changes ② - ①
	Actual	Forecast	
	①	②	
Operating revenue	580.6	680.0	+99.3
Residential Development	272.5	315.0	+42.4
Commercial Real Estate	179.2	220.0	+40.7
Service & Management	150.2	154.0	+3.7
Investment Management	12.4	12.0	-0.4
Property Brokerage & CRE	39.4	42.0	+2.5
Property & Facility Management	98.3	100.0	+1.6
Other (including overseas business)	2.0	3.0	+0.9
Adjustments	-23.4	-12.0	+11.4
Business profit* ¹	76.4	84.0	+7.5
Residential Development	22.4	26.5	+4.0
Commercial Real Estate	35.4	36.0	+0.5
Service & Management	25.8	25.5	-0.3
Investment Management	7.5	7.5	-0.0
Property Brokerage & CRE	8.9	9.0	+0.0
Property & Facility Management	9.2	9.0	-0.2
Other (including overseas business)	-1.4	+3.0	+4.4
Adjustments	-5.7	-7.0	-1.2
Ordinary profit	65.9	72.5	+6.5
Profit attributable to owners of parent	42.1	49.5	+7.3
Basic earnings per share (¥)	232.53	274.71	42.18
Cash dividends per share (¥)	82.50	85.00	+2.50

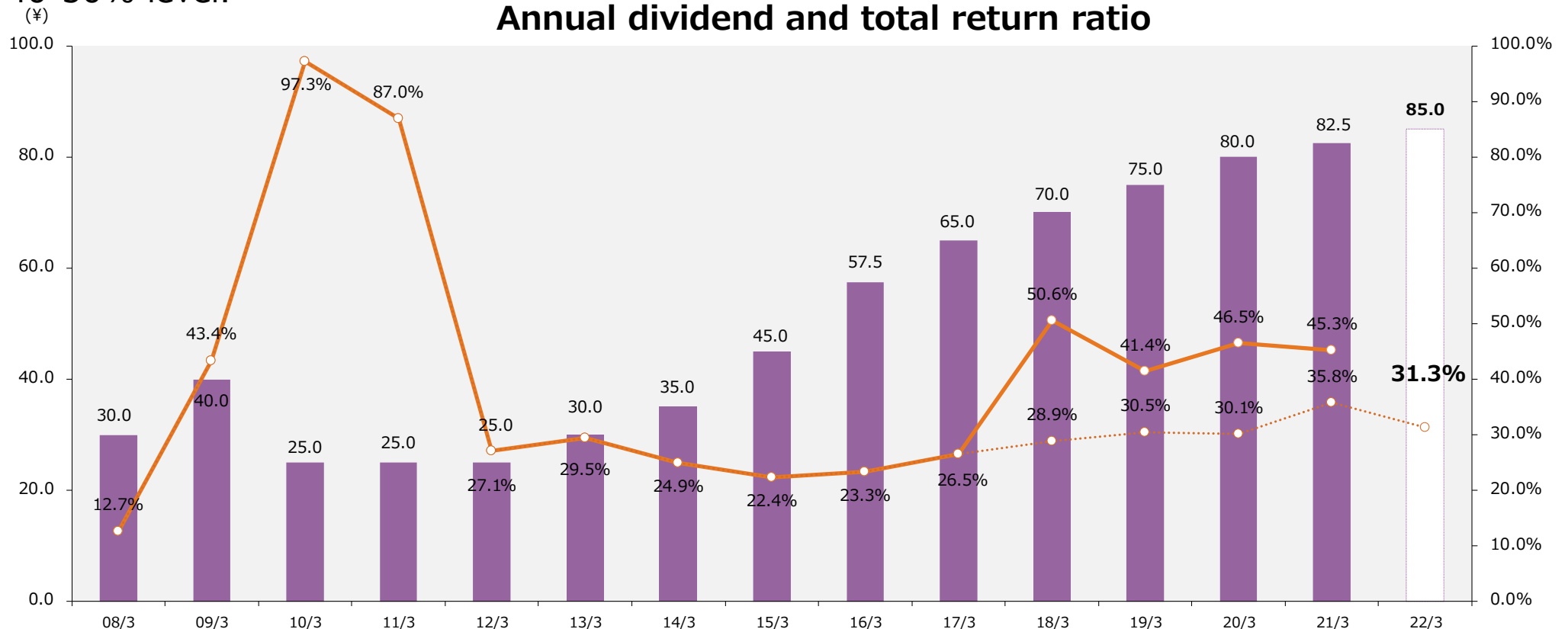
Key factors of changes in business profit by unit (compared to FY21/3)



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

- In FY21/3, the annual dividend per share increased to ¥82.5 (+¥2.5 y/y) for 9th consecutive year. The total return ratio including the acquisition of treasury shares of ¥ 4.0 bn was 45.3%.
- In FY22/3, the annual dividend per share is expected to increase for 10th consecutive year to ¥85.0 (+¥2.5 y/y).
- The total return ratio for Mid- to long term business plan's phase 1 (FY20/3-22/3) is expected to be 40-50% level.

Annual dividend and total return ratio



	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	Forecast 22/3
EPS(¥)	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	232.53	274.71
Dividend payout ratio (%)	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	35.8	31.3
Total return ratio (%)	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	45.3	31.3
Dividend yield(%)	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	3.1	—

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

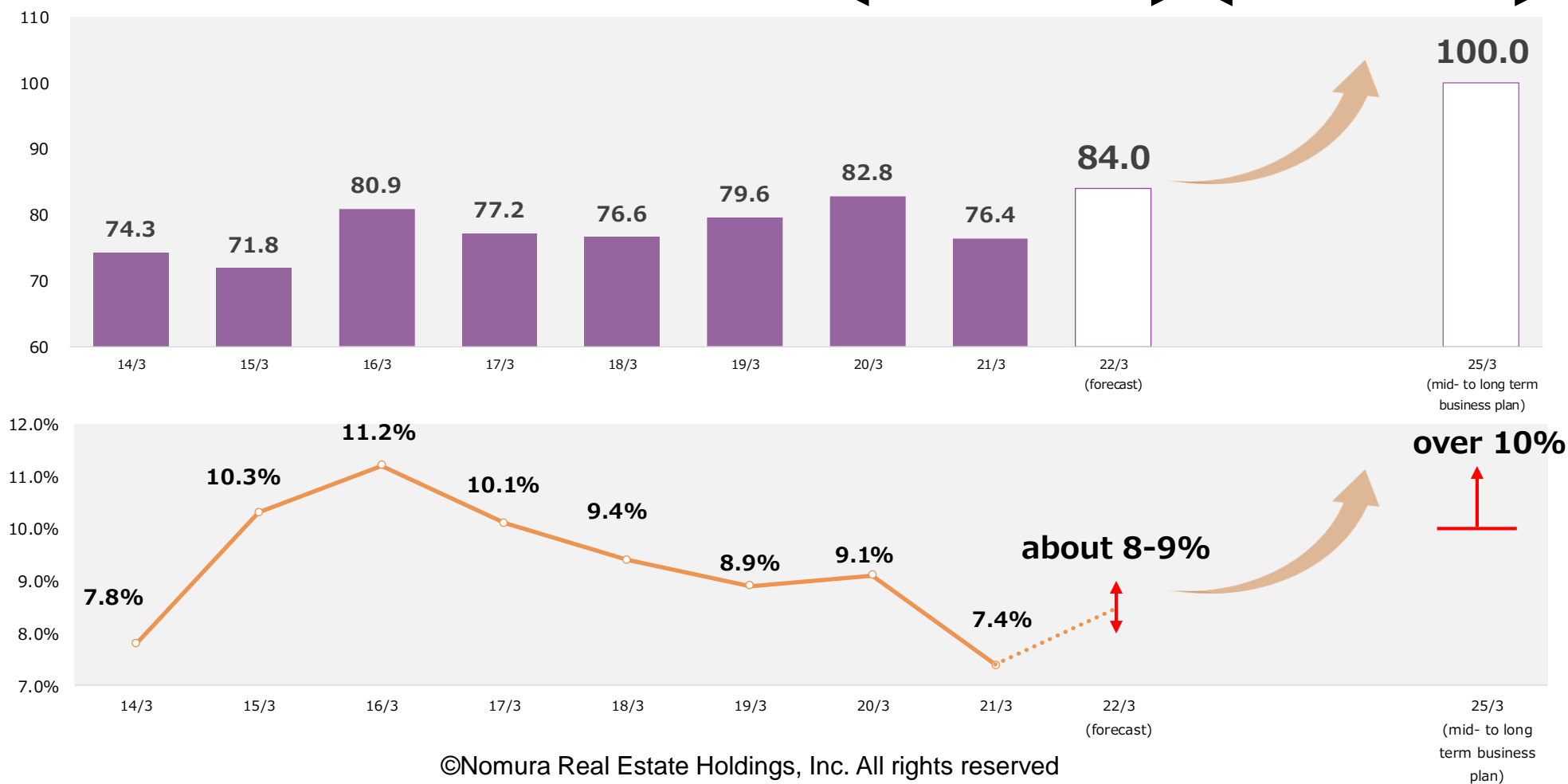
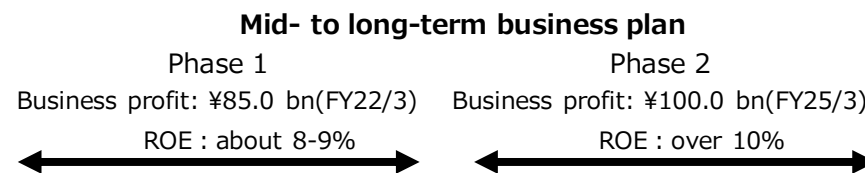
Outlook of mid- to long-term profit growth

- In FY22/3, business profit is expected to achieve a record high of ¥84.0 bn.
- Continuous growth is expected to achieve the mid- to long-term target of FY25/3 business profit of ¥100.0 bn and ROE over 10%.

Outlook of mid- to long-term profit growth

Business profit* (¥ bn.) — ROE

*Prior to FY19/3, figures are equivalent to operating profit.



- Implement various initiatives for mid- to long-term profit growth.

Overseas business expansion




Business portfolio strategy for offices

PMO
PREMIUM MIDSIZE OFFICE

H¹O
HUMAN FIRST OFFICE

H¹T
HUMAN FIRST TIME

Integration of property brokerage and CRE business function

NEW VALUE, REAL VALUE — N.R.E. Group
 **NOMURA REAL ESTATE SOLUTIONS**

Established
Nomura Real Estate Solutions Co., Ltd
aiming for the comprehensive real estate
brokerage company

Deepen and Evolve PROUD brand

PROUD



Portfolio strategy for offices

- 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.

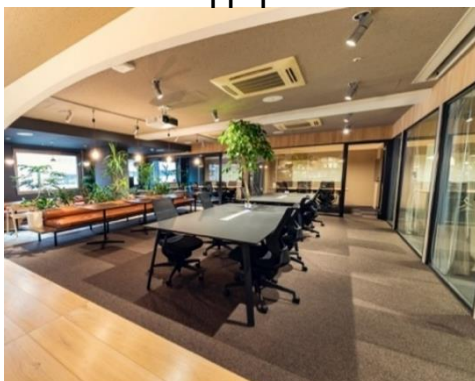
Satellite · Share

Small

Medium

Large

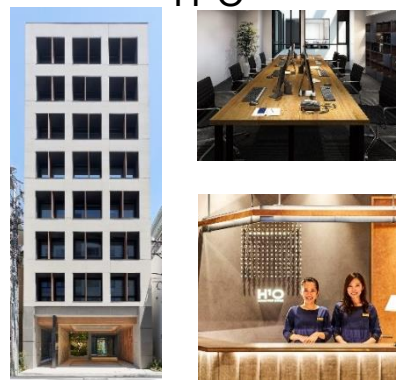
H¹T
 HUMAN FIRST TIME
 Satellite shared office
 H¹T



Number of members: **1,080** companies, approx. **106,000** people
 Number of offices: **84** including affiliated offices
 (all data are as of Mar 31, 2021.)

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.

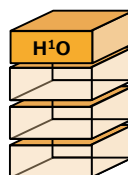
H¹O
 HUMAN FIRST OFFICE
 Quality small office
 H¹O



Number of properties including planned ones: **15**

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

Develop entire property for H¹O

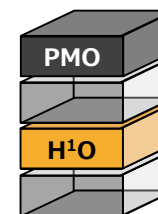


We can develop H¹O by flexible layouts, even in small areas and irregularly shaped areas. It can provide extensive facilities for common use.

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



Number of properties including planned ones: **66**



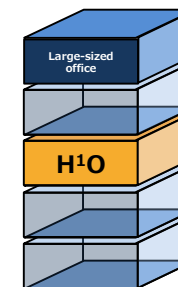
TOKYO TORANOMON GLOBAL SQUARE, Shibaura 1-chome District Project etc.

Large-sized office



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

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.

Enforcing development competitiveness

- Developing business in high-growth Southeast Asia area, as well as the United Kingdom. **Total investment amount approx. ¥106.0 bn is determined.** In housing sales, **18 projects, approx. ¥81.0 bn investments** (Total project cost based on our shares: ¥168.0bn) and in leasing, **7 projects, approx. ¥25.0 bn investments** (Total project cost based on our shares: ¥28.0 bn) are determined.
- 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.)

Main projects to be recorded as sales after FY22/3

Viet Nam Grand Park 2nd period



Main use: Residence
 Total number of units: approx. 10,600
 Our share: 29.44%
 Completion of construction: FY22/3-
 Sales progress: Contracted approx. 8,400 units
 (Contract progress rate: approx. 80%)

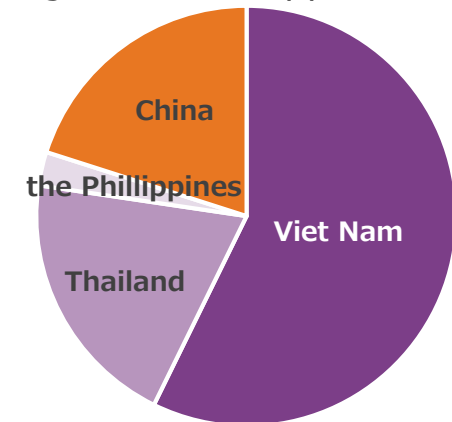
Viet Nam Midtown



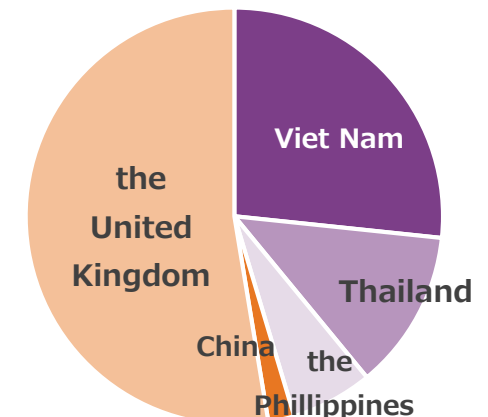
Main use: Residence
 Total number of units: approx. 2,400
 Our share: 12.25%
 Completion of construction: FY20/3-
 Sales progress: Contracted approx. 2,100 units
 (Contract progress rate: approx. 90%)

Investment amount determined

Housings sales approx. ¥81.0 bn



Leasing approx. ¥25.0bn



- In Overseas business, implements various initiatives by utilizing our group's expertise gained in Japan.
- Continuously expanding business by increasing the added value of the properties.

High added value strategy in overseas business

Implements various initiatives by utilizing expertise gained in domestic business

Offer high added value in properties (sales price increase, cost reduction, trouble prevention etc.)

Continuously acquire business opportunity

Business risk reduction

Initiatives (examples in residential development)



Performance highlights by Business Unit

Summary

- In housings sales business, average sales price and gross margin ratio improved, while the number of housing units sold decreased.
- In FY22/3 forecast, both revenue and profit is expected to increase mainly due to an increase in the number of housing sales.

Key Indicators

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

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

(¥bn)	20/3 Actual ①	21/3 Actual ②	Changes ②-①	22/3 Forecast ③	Changes ③-②
Operating revenue	333.9	272.5	-61.3	315.0	42.4
Housing sales	294.3	247.6	-46.7		
Rental housing (sales)	17.9	5.0	-12.8		
Rental housing (leasing revenue)	1.0	0.9	-0.1		
Senior	0.4	0.6	+0.1		
Other	20.1	18.3	-1.7		
Operating profit	25.3	22.4	-2.9		
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	25.3	22.4	-2.9	26.5	4.0

【Housing sales indicators】

Housing sales (unit)	4,739	3,669	-1,070	4,400	731
Condominiums	4,268	3,297	-971	3,900	603
Detached housing	470	372	-98	500	128
Tokyo metropolitan area	3,448	2,981	-467	3,000	19
Osaka metropolitan area	690	312	-378	500	188
Other area	600	375	-225	900	525
Period-end housing contracted but not sold(unit)	2,611	3,276	+665		
Period-end completed housing inventory (unit)					
released for sale	321	239	-82		
unreleased	187	182	-5		
Average sales price (¥mn)	62.11	67.47	+5.36		
Gross margin ratio (%)	20.4%	22.6%	+2.1P		

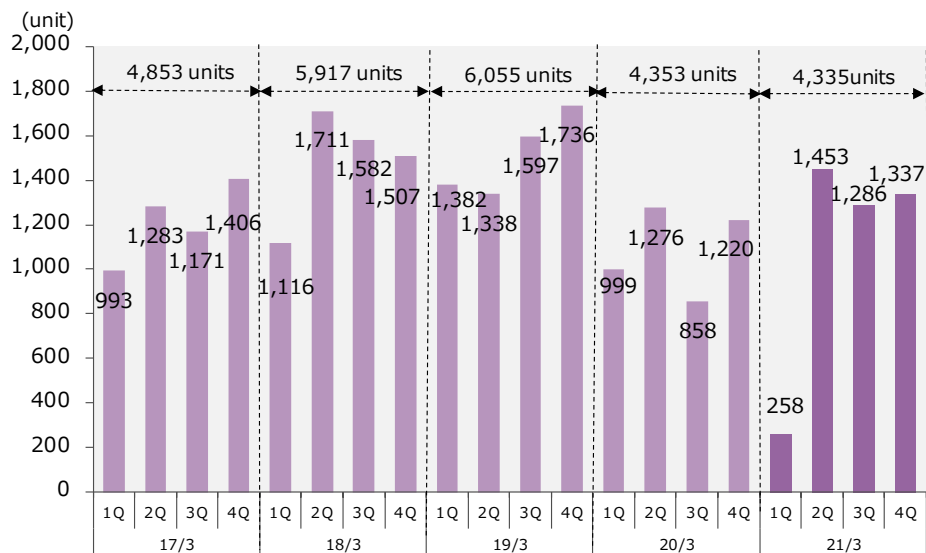
*Rental Housing refers to properties developed for real estate investment market.

*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.

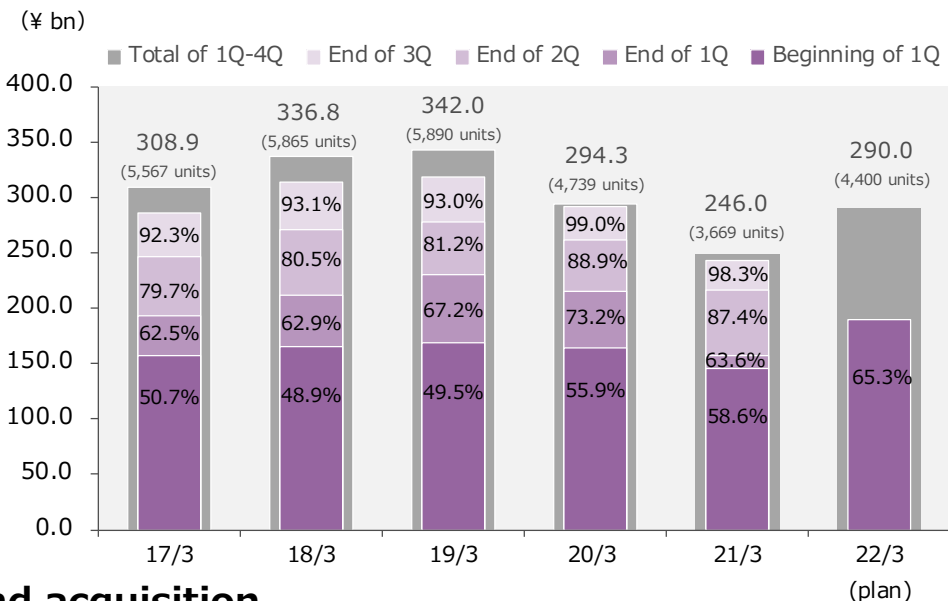
Number of housing contracted

- **4,335 units** were contracted in FY21/3.
(4,353 units were contracted in FY20/3)



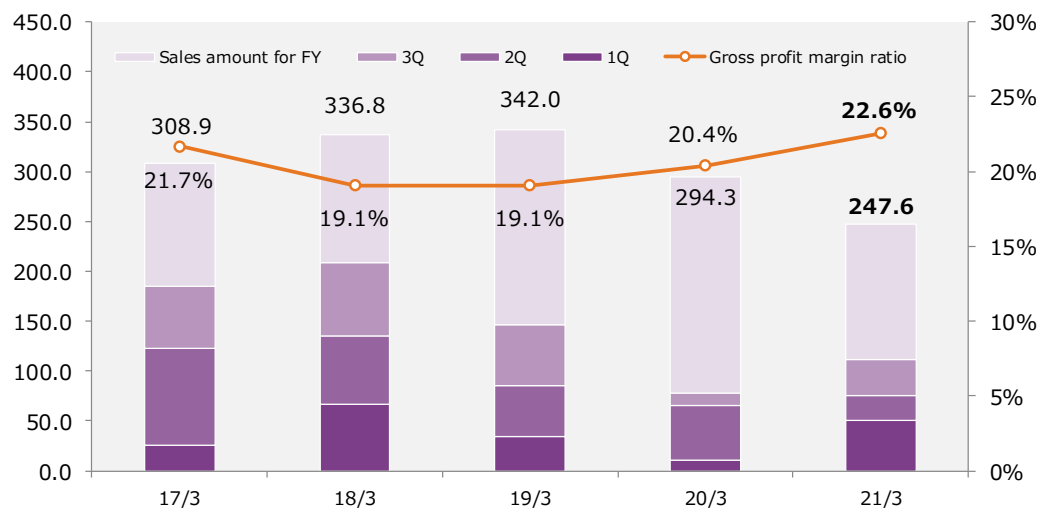
Contract rate against the number of housing sales

- At the beginning of FY22/3, **¥189.3 bn (65.3%)** were contracted of the scheduled housings sales for FY22/3.



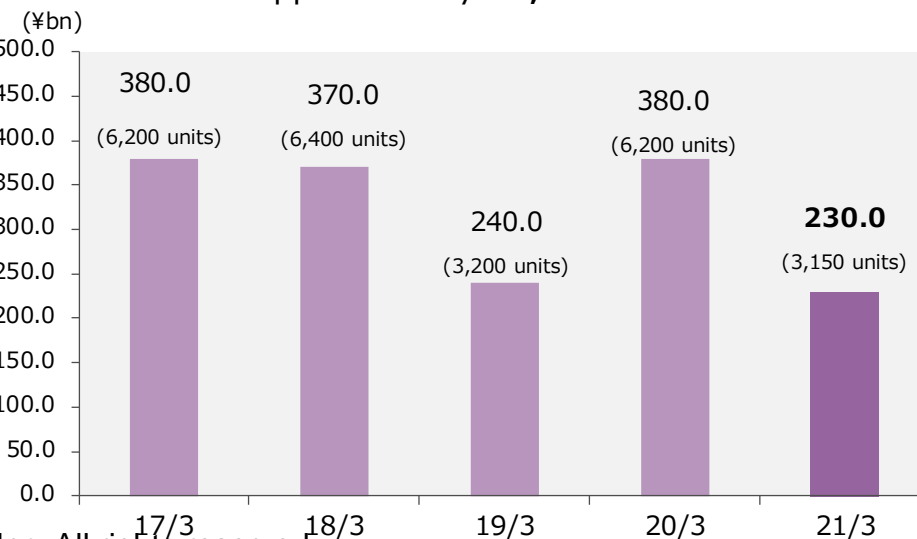
Gross margin ratio/housing sales

- As of FY21/3, gross margin ratio was **22.6%**.



Land acquisition

- Acquired land worth of ¥230.0 bn in FY21/3. Accumulated land bank is worth of approximately **¥1,410.0 bn**.

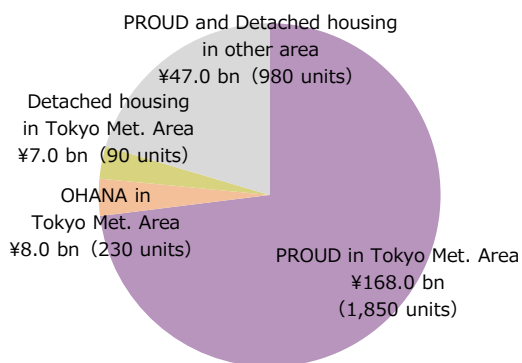


- Expanding land bank by utilizing our leading track records and experiences in redevelopment and rebuilding.
- Promoting land acquisition at a level that will ensure sufficient profit margins to secure land bank for three to four fiscal years later.

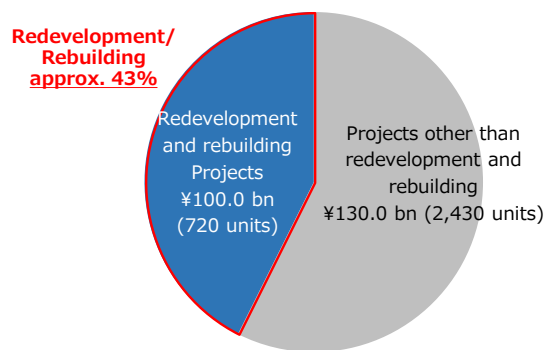
FY21/3 Land acquisition

- In FY21/3, we acquired land equivalent to **¥230.0 bn** in sales basis (3,150 units).

Area/Property type



Redevelopment/Rebuilding ratio



Major redevelopment and rebuilding projects recently included in land bank

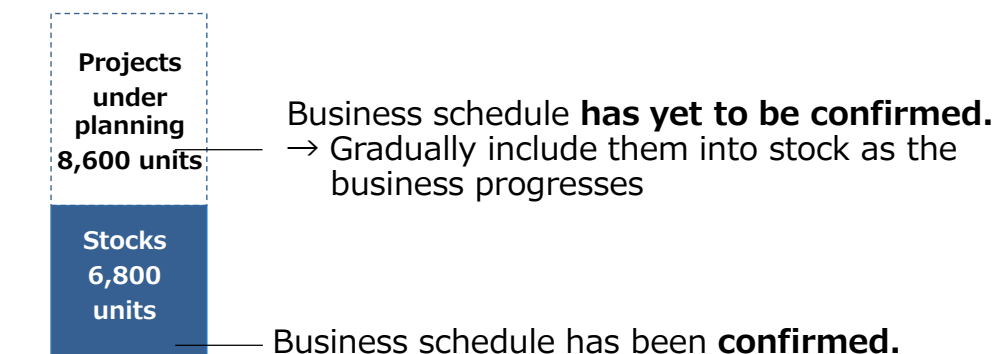
Schedule for sales	Project name	Location	Total number of housings (units)	Our share
FY26/3	Minami-Ikebukuro 2-chome C District Redevelopment	Toshima-ku, Tokyo	1,196 units	370 units
FY26/3	Okayama-shi Ekimaecho 1-chome District Redevelopment	Okayama-shi, Okayama	400 units	340 units
FY27/3	Tsukishima 3-chome 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	327 units	approx. 180 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
FY26/3	Tarumi Station Front District Redevelopment	Kobe-shi, Hyogo	250 units	250 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 6,800 units included in land bank, there are 8,600 units for projects under planning, which we plan to gradually include them into land bank.

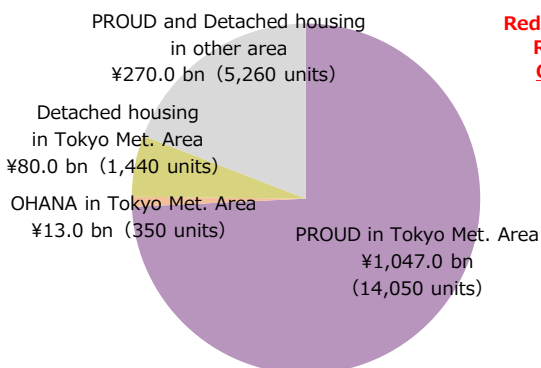
Total 15,400 units



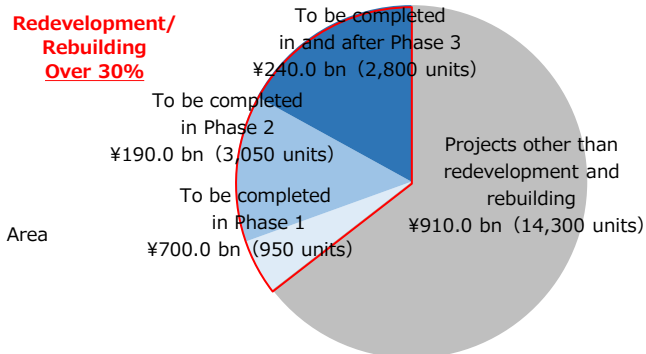
Land bank

- From FY22/3 onwards, we have land bank equivalent to **¥1,410.0 bn** in sales basis (21,100 units).
- Over 30% of this amount, or **¥500.0 bn** (6,800 units), is for redevelopment and rebuilding projects.

Area/Property type



Redevelopment / Rebuilding ratio



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

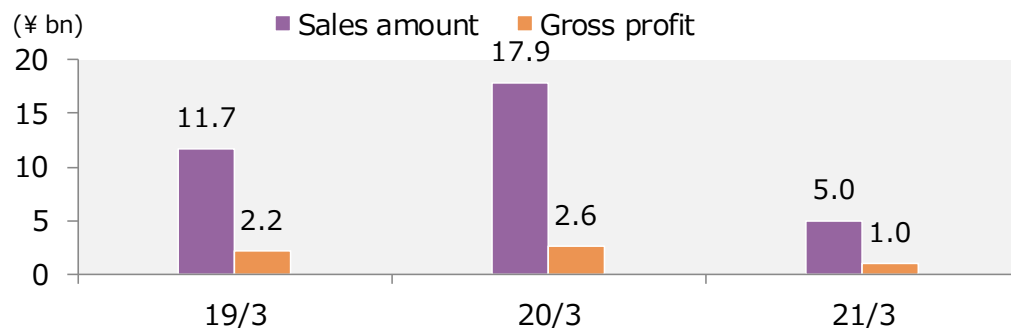
- To expand the business domain of housing we are developing rental housing and senior housing in Residential Development Business Unit.

Rental housing **PROUD FLAT**

- In FY21/3, we secured 8 properties, whose total investment amount is estimated to be ¥22.8 bn.
- Aim to acquire and sell approx. ¥30.0 bn amount annually for rental housing.

The current stock is approx. ¥89.6 bn.

Sales amount and gross profit



Land acquisition

No. of properties	Total investment
8	¥22.8bn

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	62.9	24.9	11	26.6	35	89.6	51.6

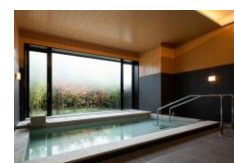
(¥bn)

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/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 Makuhari Bay-Park

OUKAS Kichijoji

Summary

- Gross profit from property for sales business increased, while leasing revenue in retail facilities and revenue from hotel business and fitness business decreased due to the COVID-19 impact.
- In FY22/3 forecast, both revenue and profit is expected to increase, considering the increase of property for sales business and etc.

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 Actual ①	21/3 Actual ②	Changes ②-①	22/3 Forecast ④	Changes ④-③
Operating revenue	212.1	179.2	-32.9	220.0	+40.7
Leasing (offices)	48.5	47.4	-1.1		
Leasing (retail facilities)	12.9	11.0	-1.8		
Leasing (other)	8.3	5.7	-2.5		
Property for sales (sale)	106.8	87.8	-18.9		
Property for sales (leasing)	7.0	11.2	+4.2		
Fitness	15.7	11.5	-4.2		
Other	12.6	4.4	-8.2		
Operating profit	38.9	35.1	-3.8		
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	0.2	0.2	—		
Business Profit	39.2	35.4	-3.7	36.0	+0.5
Net lettable area (sqm)	913,446	827,737	-85,709		
Offices	768,310	706,771	-61,540		
Retail facilities	145,136	120,966	-24,170		
Vacancy rate	4.0%	5.1%	+1.0P		

→ [Reference] Rent revenue change analysis

	Changes	Key Factors
New and full period operation buildings	+1.8	TOKYO TORANOMON GLOBAL SQUARE, SOCOLA Musashi-Koganei Cross etc.
Existing buildings	-3.1	Rent reduction or exemption and percentage rent reduction at retail facilities due to the impact of the COVID-19.
Sold and reclassification	-1.7	

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

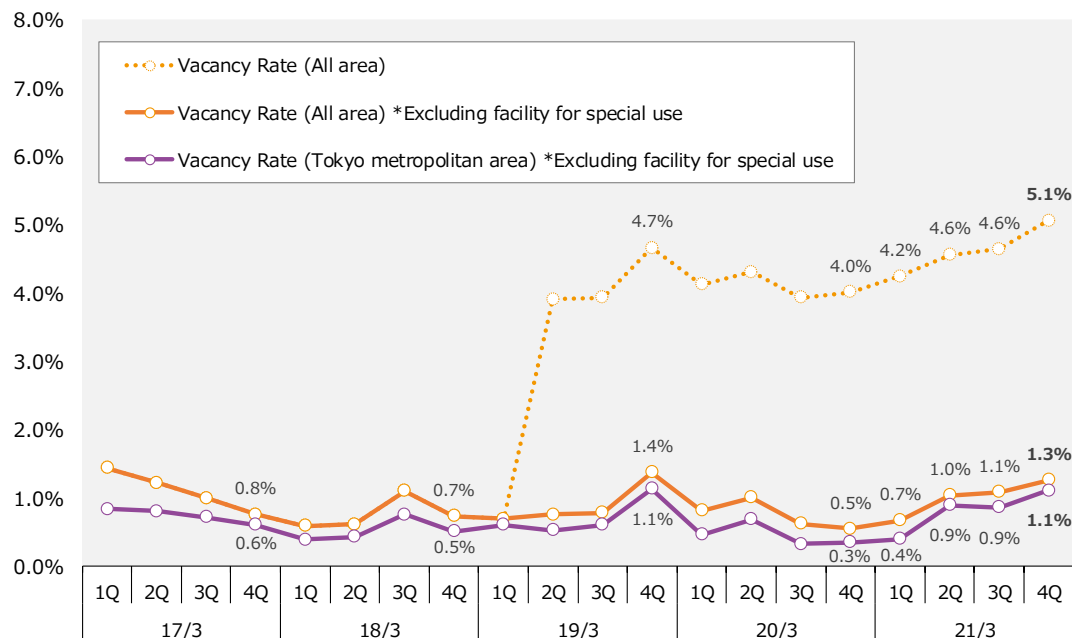
*Property for sales refers to properties such as office building, retail facility and logistic facility developed for real estate investment market.

*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

*Vacancy rate change above includes the impact of the net lettable area decrease due to the transfer of properties to inventories and promotion of rebuilding projects.

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	11,943m 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.33,600m 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. 30,300m ²			
Nishi-Nippori Station-Front Redevelopment*	Blueprint of the project is under discussion	Retail Residence	Approx. 13,700m 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

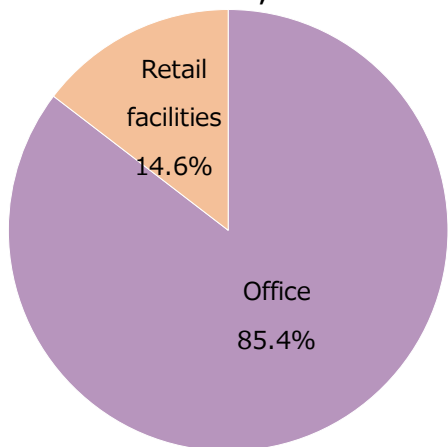
*JV projects

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

Net lettable area

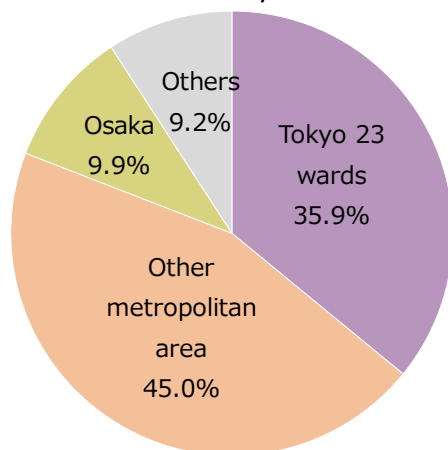
By office area

Total: 827,737m²



By sector

Total: 706,771m²

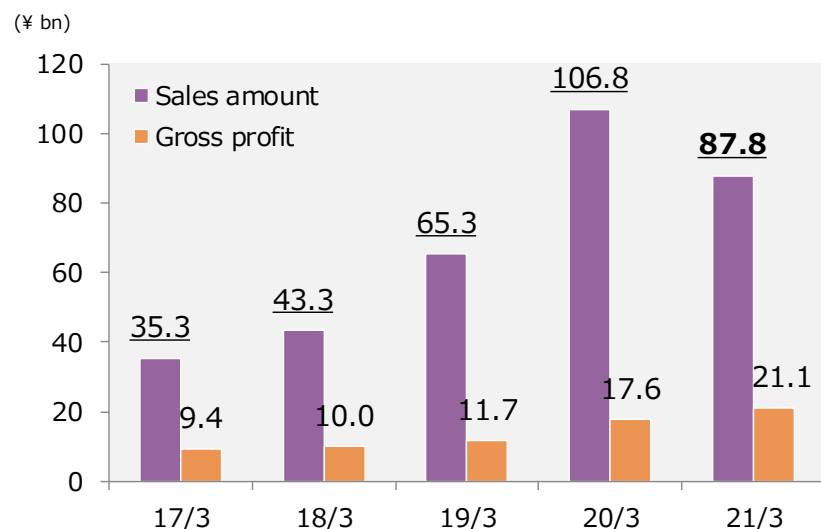


Key indicators of property for sales business

- Property for sales business progressed steadily, with sales amount ¥87.8 bn and gross profit ¥21.1bn.
- Secured 20 properties in FY21/3 and those estimated total investment amount is approx. ¥157.0 bn. The stock for property for sales is approx. ¥681.0 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.

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.

FY21/3 Land acquisition by sector

	Acquired Projects	Total investment
Office	12 projects	¥83.0 bn
Retail	0 project	¥0.0 bn
Logistics	8 projects	¥74.0 bn
Total	20 projects	¥157.0 bn

Stock

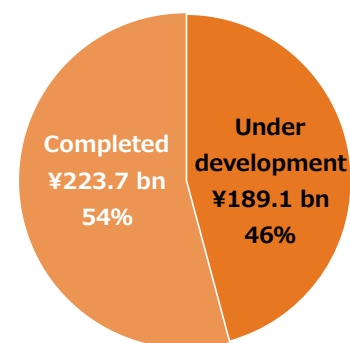
Stock for property for sales by construction period

(¥ bn)

Status/Completion of construction	Completed	22/3	23/3	24/3	25/3-	Total
1. Invested amount (balance on BS)	223.7	56.0	86.0	28.0	17.0	412.8
2. Additional future investment amount	0.0	27.0	72.0	58.0	110.0	268.0
3. Estimated total investment amount (1+2)	223.7	84.0	158.0	87.0	128.0	681.0

*The completion of construction period is currently scheduled and has not yet been determined.
*Amounts after 22/3 are rounded down to the one billion yen unit.

Balance of BS



(¥bn)

	At the end of FY21/3		Total
	Completed	Under development	
Office	104.4	108.6	213.0
Retail	30.1	18.4	48.5
Logistics	61.5	60.2	121.7
Others	27.5	1.8	29.4
Total	223.7	189.1	412.8

*From FY20/3, rental housing (PROUDFLAT) has been transferred to the Residential Development Business Unit and excluded from the figures above. Rental housing had a total stock of ¥89.6 bn and a BS balance of ¥51.6 bn as of the end of FY 21/3. (See p.21 for details)

- All three Business Units in Service & Management Sector are progressing steadily.
- For the mid- to long-term growth, we are carefully paying attention to the impact of COVID-19.

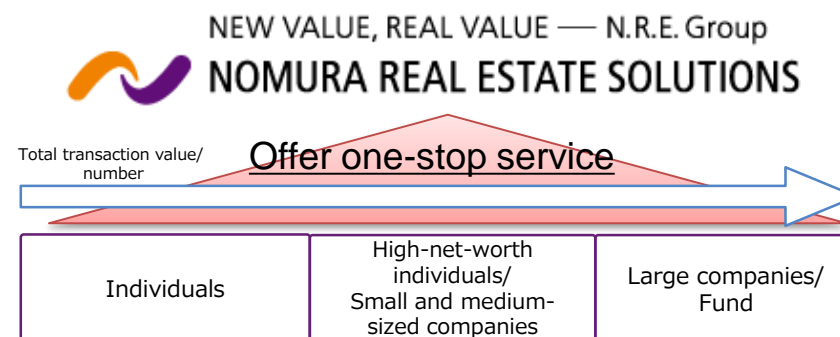
Investment Management Business Unit

- Expand AUM mainly of private REITs and funds in response to strong appetite for investment in real estate by institutional investors.
- Leverage synergies for the Group's overseas business development by utilizing network of Lothbury Investment Management, in the UK.



Property Brokerage & CRE Business Unit

- With the favorable real estate market conditions, both retail and wholesale businesses performed well, utilizing online customer service, etc.
- Nomura Real Estate Solutions Co., Ltd was established as of April 2021. Built a one-stop system to meet the needs of our customers.



Property & Facility Management Business Unit

- Expand revenue steadily from Property & facility management and increase the number of construction ordered such as large-scale repair works utilizing our business stock.
- Provide added value through high quality service and the Group's unique product such as "re:Premium".



Investment Management Business Unit

Summary

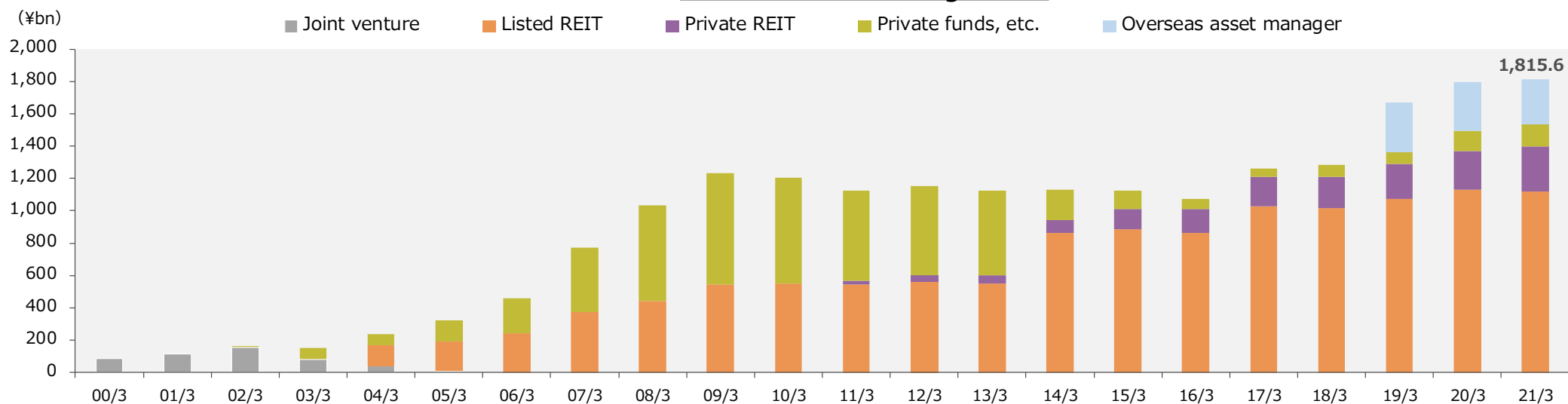
- Both revenue and profit increased due to an increase in assets under management mainly in private REIT.

Key Indicators

Assets under management

(¥bn)	20/3 Actual ①	21/3 Actual ②	Changes ②-①	22/3 Forecast ③	Changes ③-②
Operating revenue	12.0	12.4	+0.3	12.0	-0.4
Operating profit	6.8	7.2	+0.4		
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		
Business profit	7.1	7.5	+0.4	7.5	-0.0
Assets under management	1,798.5	1,815.6	+17.0		
Domestic asset manager	1,497.9	1,536.4	+38.5		
Listed REIT	1,131.1	1,118.6	-12.5		
Private REIT	236.6	278.3	+41.7		
Private funds, etc.	130.2	139.5	+9.3		
Overseas asset manager	300.6	279.1	-21.4		

Assets Under Management

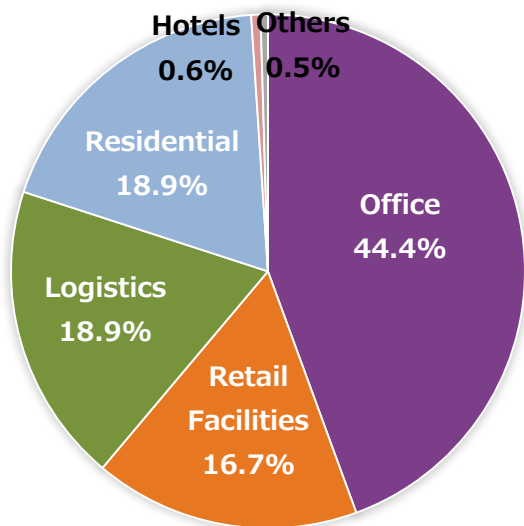


MASTER FUND



One of the largest diversified type J-REITs

AUM ¥1,118.6 bn (299 properties)



Portfolio Summary	
Occupancy rate	98.8%
Average NOI yield	5.2%
Average property age	19.3 years

*Percentages by assets are based on the acquisition price as of the end of 2021/3.

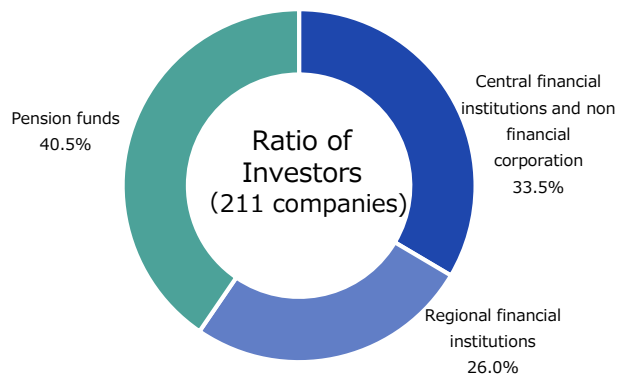
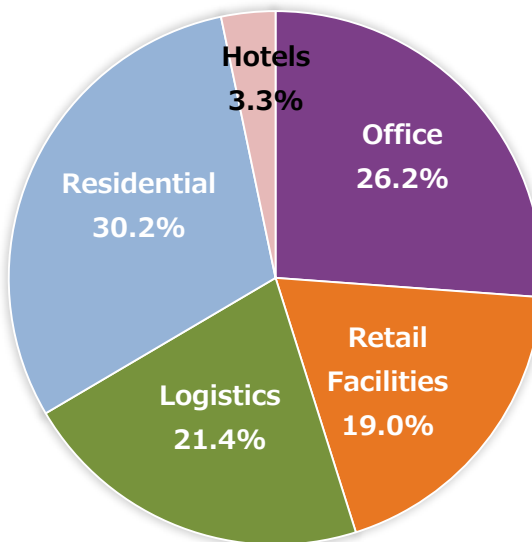
*Portfolio summary is based on the data as of the end of 2021/2(299 properties)



NOMURA REAL ESTATE PRIVATE REIT, INC.

Japan's first private REIT since 2010

AUM ¥278.3 bn (83 properties)



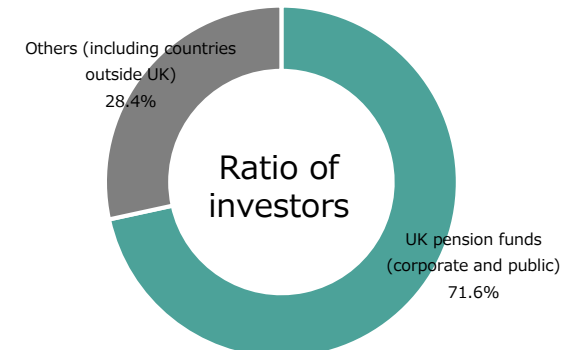
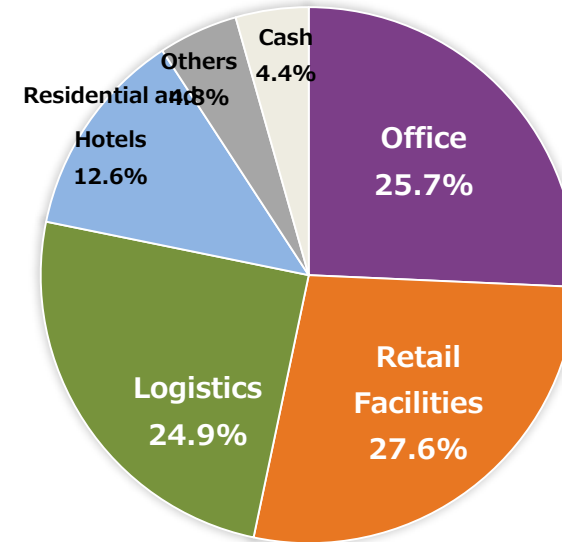
*Percentages by assets are based on the acquisition price as of the end of 2021/3.

*Ratio of investors are based on the number of investment units as of the end of 2021/3.

Lothbury Property Trust

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

AUM ¥224.0 bn (52 properties)



*Each property's fair value is calculated by 139.82 JPY to GBP as of the end of 2020/12.

*Percentages by assets are based on the fair value as of the end of 2020/12.

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

Summary

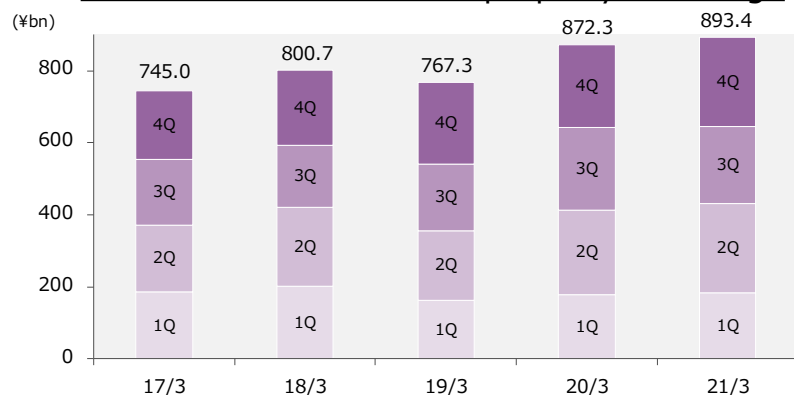
- The number of transactions and total transaction value of wholesale business, and commission fee in consignment of sales of new housings increased.
- In FY21/3, the business profit was the same level as FY20/3, with the favorable real estate transaction market conditions, while there was an impact of the voluntary suspension of sales activities due to the COVID-19.

Key Indicators

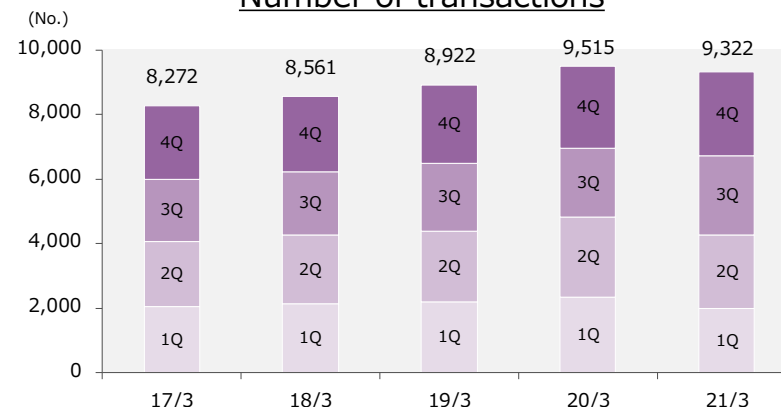
Total transaction value, number of transactions, commission rate, number of branches for retail business

(¥bn)	20/3 Actual ①	21/3 Actual ②	Changes ②-①	22/3 Forecast ④	Changes ④-③
Operating revenue	39.1	39.4	+0.3	42.0	+2.5
Brokerage fee (retail business)	24.0	23.3	-0.6		
Brokerage fee (wholesale business)	11.1	11.3	+0.2		
Other	3.9	4.7	+0.7		
Operating profit	9.0	8.9	-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	9.0	8.9	-0.1	9.0	+0.0
【Brokerage indicators】					
Total transaction value (¥bn)	872.3	893.4	+21.0		
Number of transactions	9,515	9,322	-193		
Commission fee (¥bn)	35.1	34.7	-0.4		
Commission rate (%)	4.0%	3.9%	-0.1P		
Number of branches for retail business	85	87	+2		

Total transaction value of property brokerage

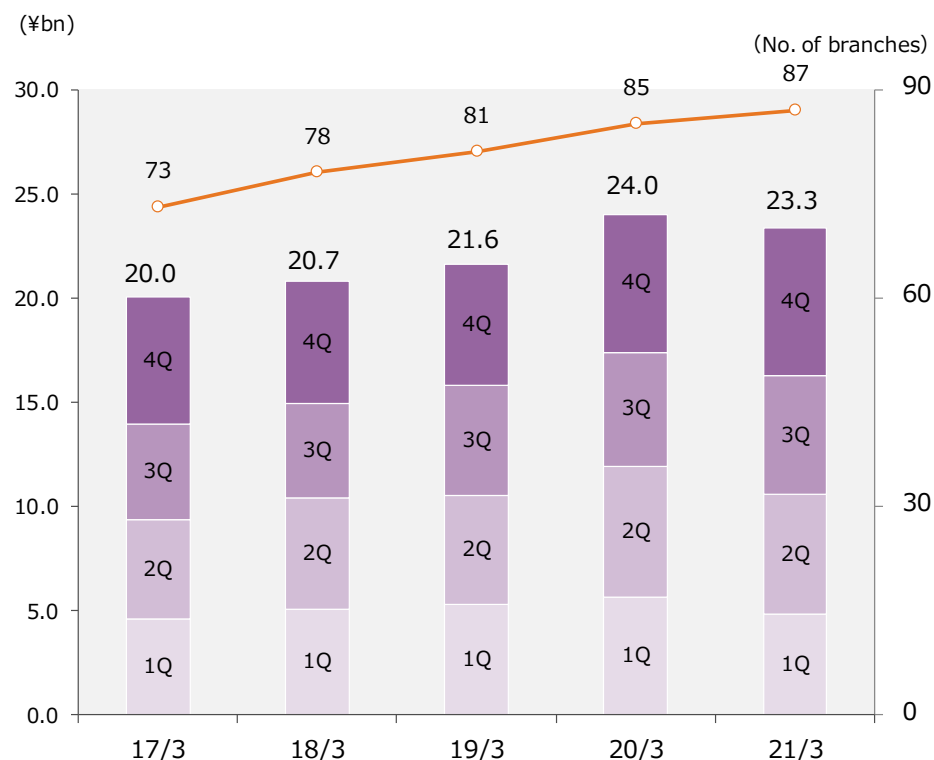


Number of transactions

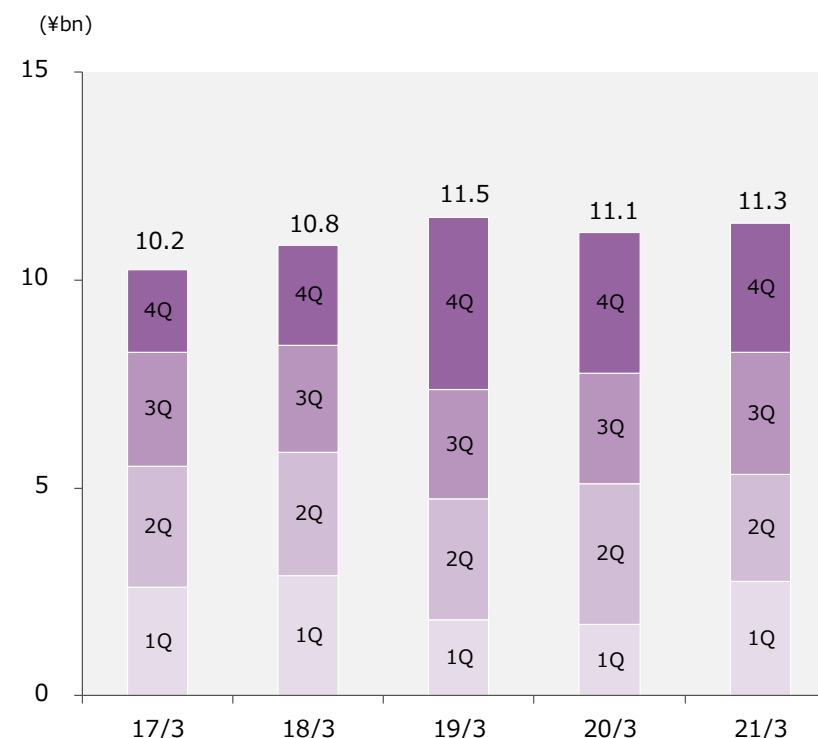


- As of April 1, 2021, a new company, Nomura Real Estate Solutions was established. Provide one-stop service to diverse customer demands, by integrating expertise and customer network, which we gained in the retail and wholesale business.
- Business collaboration with Nomura Securities and other financial institutions (banks, shinkin banks, credit cooperatives, etc.) expanded steadily.

Brokerage fee/
Number of branches for retail business



Brokerage fee for
wholesale business



Summary

- Due to the spread of the COVID-19, there was a temporary reduction of property management, while the impact was limited. In FY21/3, both revenue and profit increased due to the recovery of construction ordered etc.

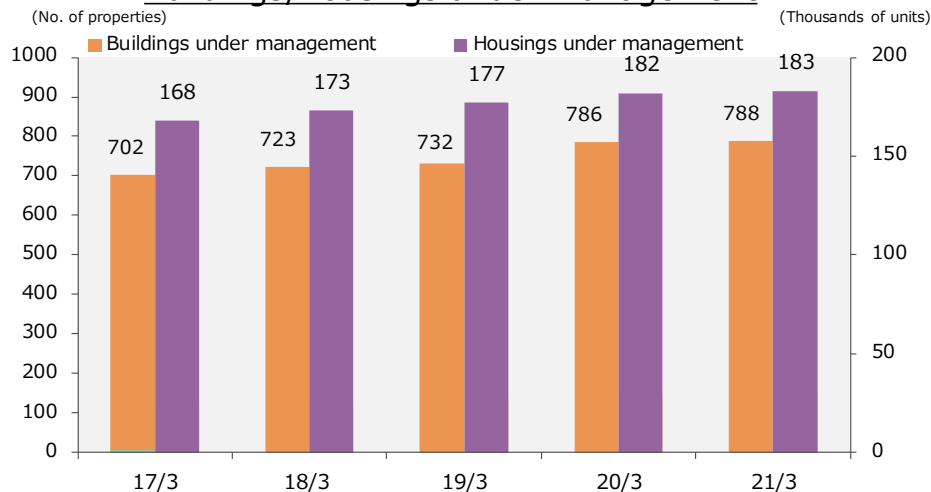
Key Indicators

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

(¥bn)	20/3 Actual ①	21/3 Actual ②	Changes ②-①	22/3 Forecast ③	Changes ③-②
Operating revenue	98.2	98.3	+0.1	100.0	+1.6
Property & facility management	55.5	56.7	+1.2		
Construction ordered	37.3	35.8	-1.4		
Other	5.4	5.7	+0.3		
Operating profit	8.4	9.0	+0.6		
Share of profit (loss) of entities accounted for using equity method	0.0	0.1	+0.1		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	—		
Business profit	8.5	9.2	+0.7	9.0	-0.2
Building under management	786	788	+2		
Housings under management	182,259	183,162	+903		

*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



Revenue of construction ordered



*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.

Summary

- In FY21/3, costs including upfront expenses incurred due to an increase of new projects.
- In FY22/3, expect to record profit, due to increase in completion and delivery of housings sales projects etc.

(¥bn)	20/3 Actual ①	21/3 Actual ②	Changes ②-①	22/3 Forecast ③	Changes ③-②
Operating revenue	1.1	2.0	+0.9	3.0	+0.9
Operating profit	-1.2	-0.7	+0.4		
Share of profit (loss) of entities accounted for using equity method	0.2	-0.7	-0.9		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	+0.0		
Business profit	-1.0	-1.4	-0.4	3.0	+4.4

Major projects recorded in FY21/3

Thailand Bangkok, Ratchayothin



Main use: Residence
Total number of units: 823
Completion of construction: FY20/3-
Our share: 49.00%

Thailand Bangkok, On Nut



Main use: Residence
Total number of units: 601
Completion of construction: FY21/3
Our share: 49.00%

Major projects newly determined in FY21/3

Viet nam Hanoi, Ecopark



Main use: Residence
Total number of units: approx.3,000
Completion of construction: FY24/3-
Our share: 49%

The United Kingdom London, 127-133 Charing Cross Road



Current state After refurbishment

Main use: Office
Exclusive area: approx.5,200m²
(area after refurbishment of existing property)
Completion of construction: FY25/3
Our share: 100%

Sustainability/ESG

Promoting initiatives with the four key themes and two promotion foundations under the Nomura Real Estate Group's Sustainability Policies.

Nomura Real Estate Group's policy on CSR/ESG

	Themes	Material issues	Related SDGs
E S	Four Key Themes for CSR	Environment <ul style="list-style-type: none"> Upgrades to environmental management Responding to climate change Effective utilization of water resources 	<ul style="list-style-type: none"> Consideration for biodiversity Appropriate utilization of resources and pollution control
		Safety / Security <ul style="list-style-type: none"> Improved safety/security in design and construction Improved quality of safety/security in operation and management 	<ul style="list-style-type: none"> Initiatives for longer life and increased durability Safety and security in disasters
		Community <ul style="list-style-type: none"> Care for and activation of communities 	
		Health and Well-being <ul style="list-style-type: none"> Response to aging population and diversity and support for health Improved customer satisfaction and comfort 	
G	Two Promotion Foundations	Human resources <ul style="list-style-type: none"> Health and safety of employees Promotion of diversity Creation of fair and rewarding workplaces 	<ul style="list-style-type: none"> Improvements to human capital Supplier safety
		Management structure <ul style="list-style-type: none"> Corporate governance Compliance Risk management 	<ul style="list-style-type: none"> Human rights Improved supplier management

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)

S Wellness management

Employee Happiness and Corporate Growth
 We realize employee happiness and corporate growth through work style reforms and diversity management.

Work style reforms	Diversity
<ul style="list-style-type: none"> Enhance work-life balance by improving productivity, which leads to increased employee happiness and motivation Become a corporate group that contributes to employee growth and satisfaction 	<ul style="list-style-type: none"> Build an environment where each person can maximize their abilities Cultivate a work climate that accepts and expresses diverse values

Wellness
 Employees can work energetically in good physical and mental health = our fundamental policy

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

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

As a whole

- 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



- Inclusion in MSCI Japan ESG Select Leaders Index

● Issued our first sustainability bond.

- Established the CSR Committee (Currently the Sustainability Committee) (2011)

2006 2015 2016 2017 2018 2019 2020 2021

U

- 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. (for scope 3)




S


- 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 five 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)

G

- Adopted the first external director (2013)

- Transitioned to a company with an Audit & Supervisory Committee
- Implemented performance-based stock incentive plan

- 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

● New Topics in FY2021/3

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

SGEC/PEFC Project CoC Certification*

→International Forest certification, recording the first case as office building.

・H¹O Hirakawacho



*International certification system that evaluates the project using wood sourced from sustainable forests acquire forest management certification

E S Issuance of Sustainability Bond

- We issued 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	February, 26, 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

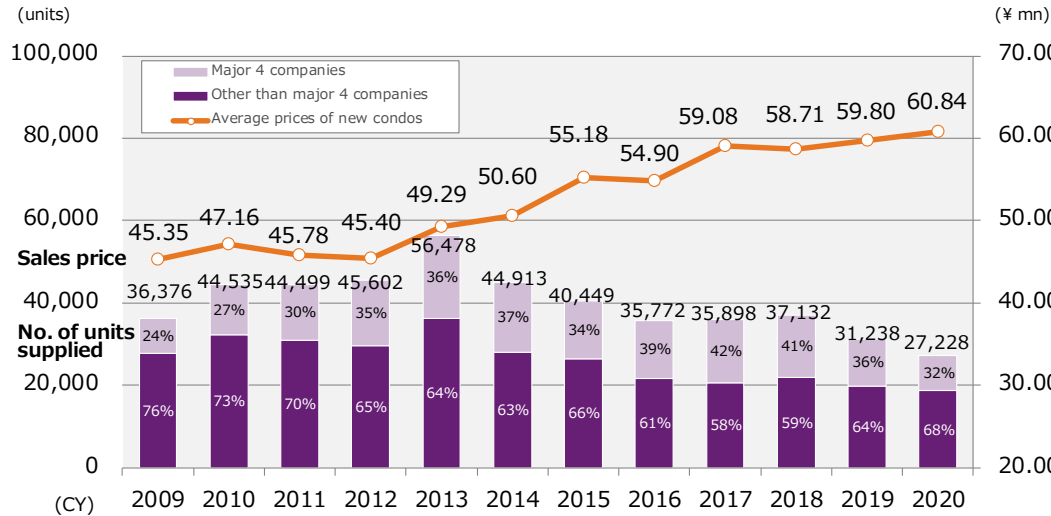


S Eligible Social Projects

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

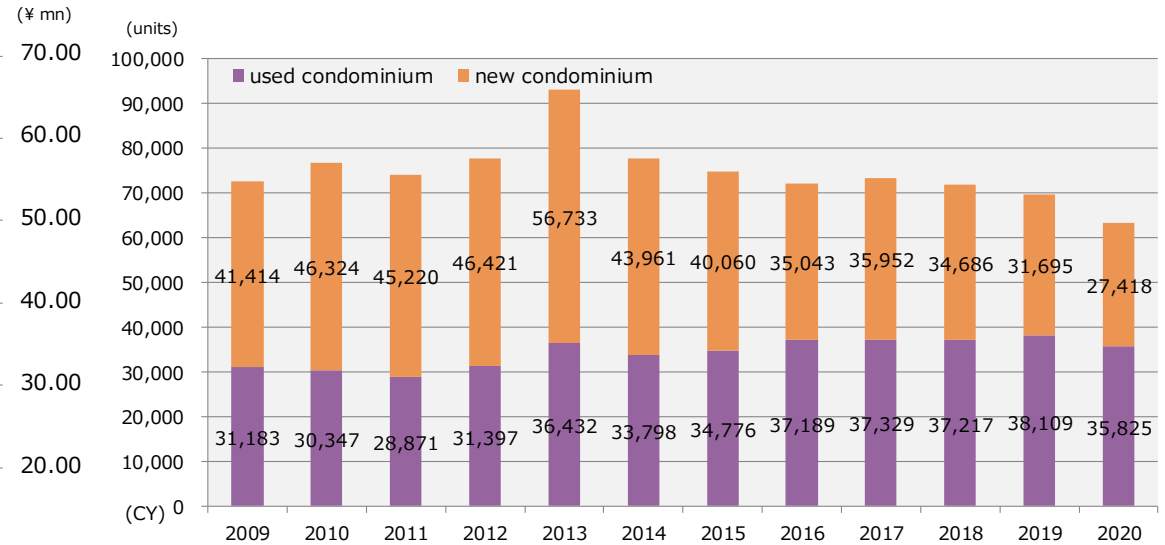
Reference materials

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



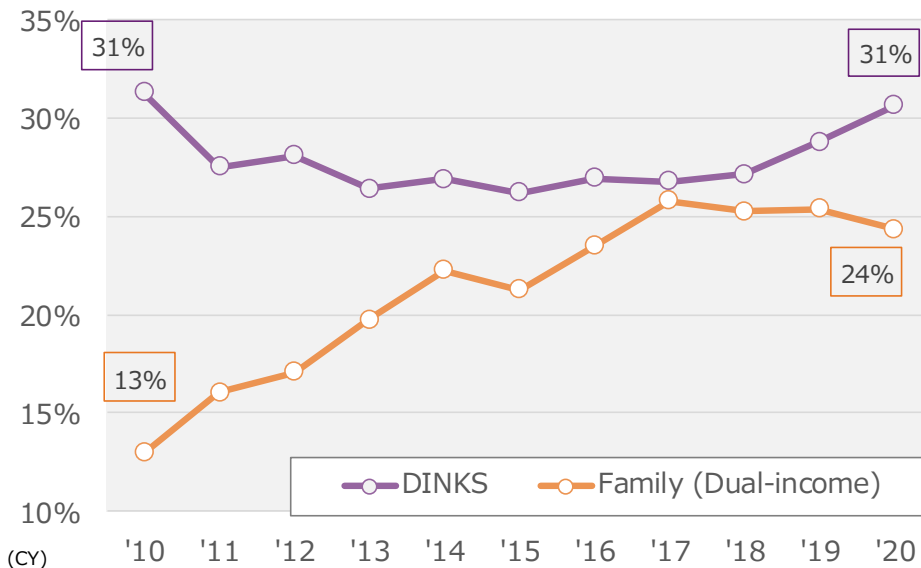
Source by Japan Real Estate Institute
 Major 4 companies; NRE, Sumitomo Realty & Development Co., Ltd., Mitsui Fudosan Co., Ltd, Mitsubishi Estate Co., Ltd.

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



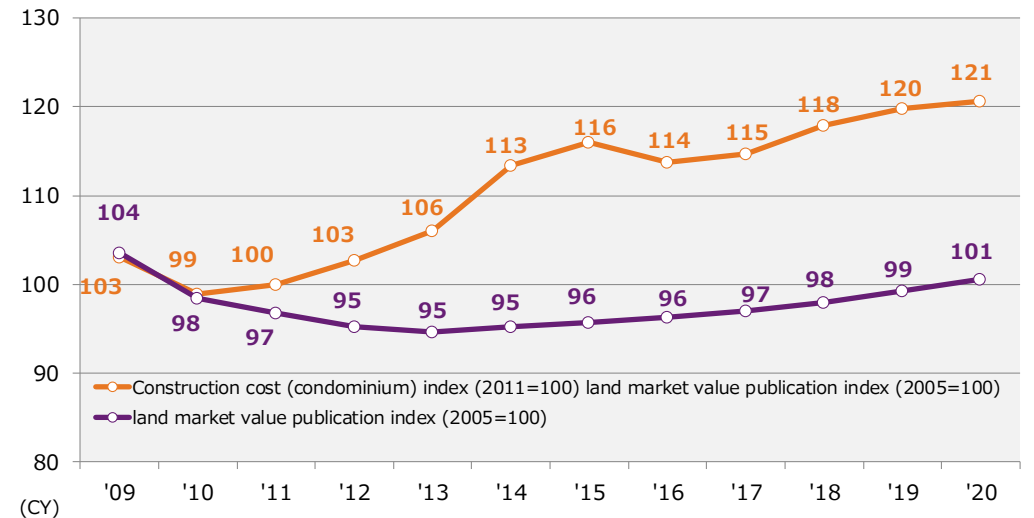
Source by NREH based on Japan Real Estate Institute Reins

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



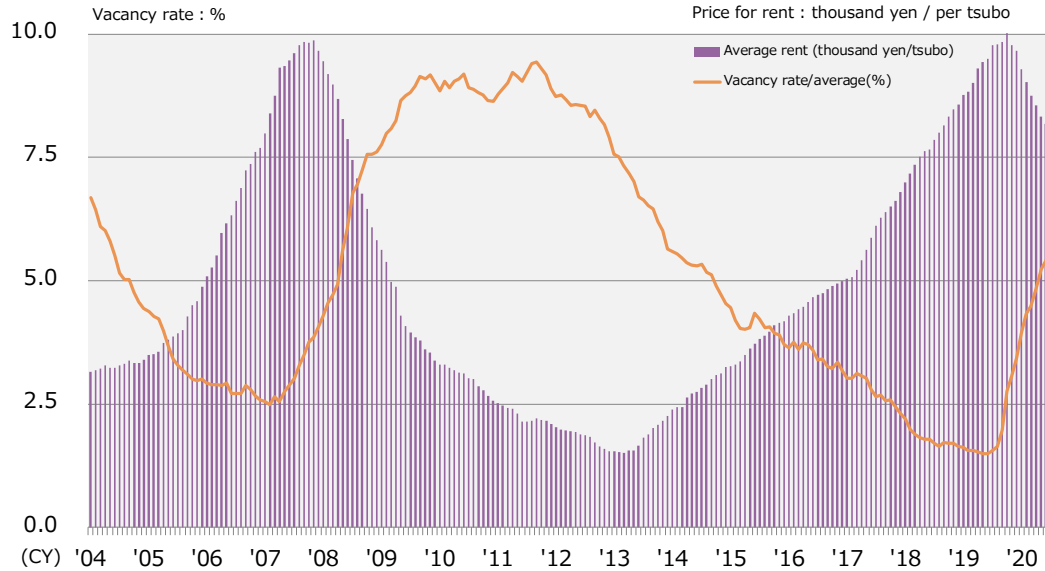
Source by NREH based on SUUMO of the survey of Tokyo Metropolitan Area's new condos contractors trend in 2019

The transition of construction cost and land price

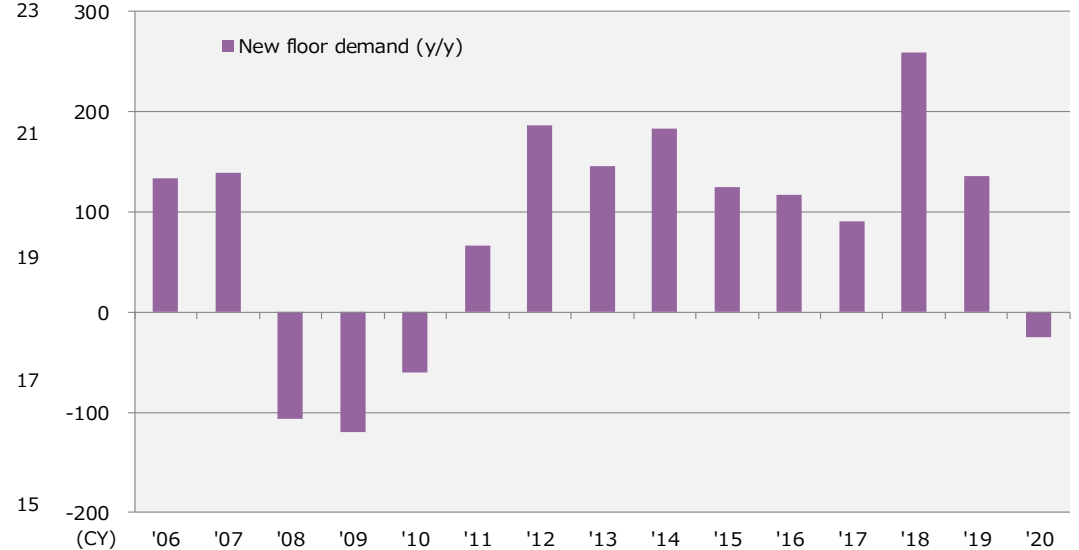


Source by Construction Research Institute, Ministry of Land, Infrastructure, Transport and Tourism.

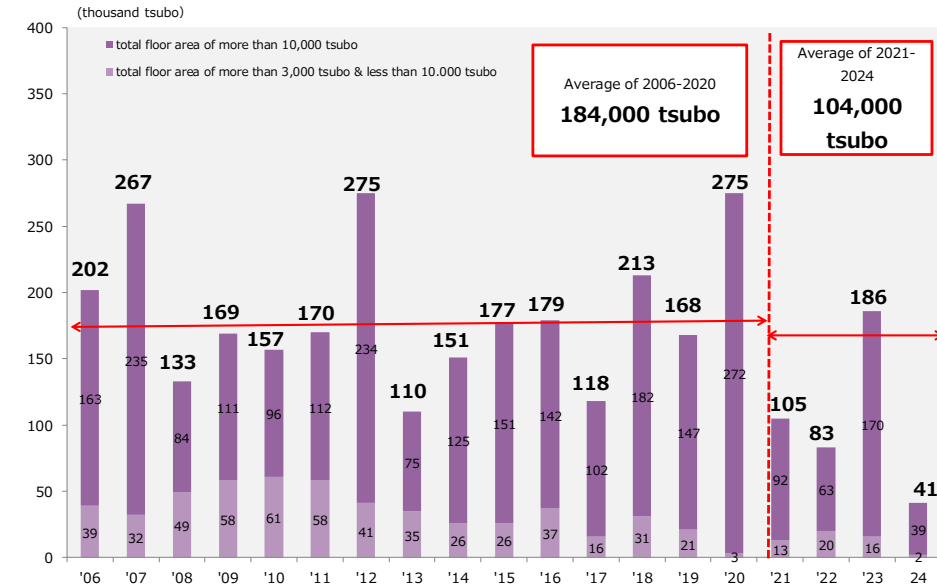
Transition of rent and vacancy rate in Tokyo central five wards



An increasing trend in Tokyo central five wards' office rental area (thousand tsubo)

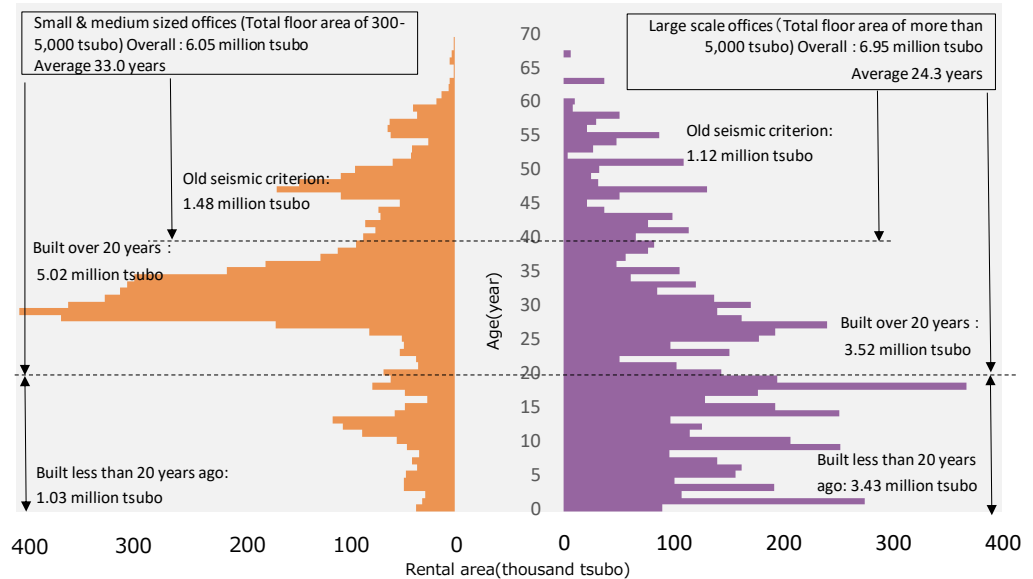


The outlook for the new supply of office space in 23 wards of Tokyo (based on rental area)



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)

The major upcoming projects

Major projects

Schedule for sales	Property name	Location	Total number of housings	Our share
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	PROUD Tower Shibaura	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	415 units	415 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 FY24/3	Minami-Ikebukuro 2-chome C District Redevelopment*	Toshima-ku, Tokyo	1,196 units	370 units
after FY24/3	Okayama-shi Ekimaecho 1-chome District Redevelopment*	Okayama-shi, Okayama	approx.400 units	approx. 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
after FY24/3 (TBD)	Nishi-Shinjuku 3-chome west District Redevelopment*	Shinjuku-ku, Tokyo	TBD	TBD



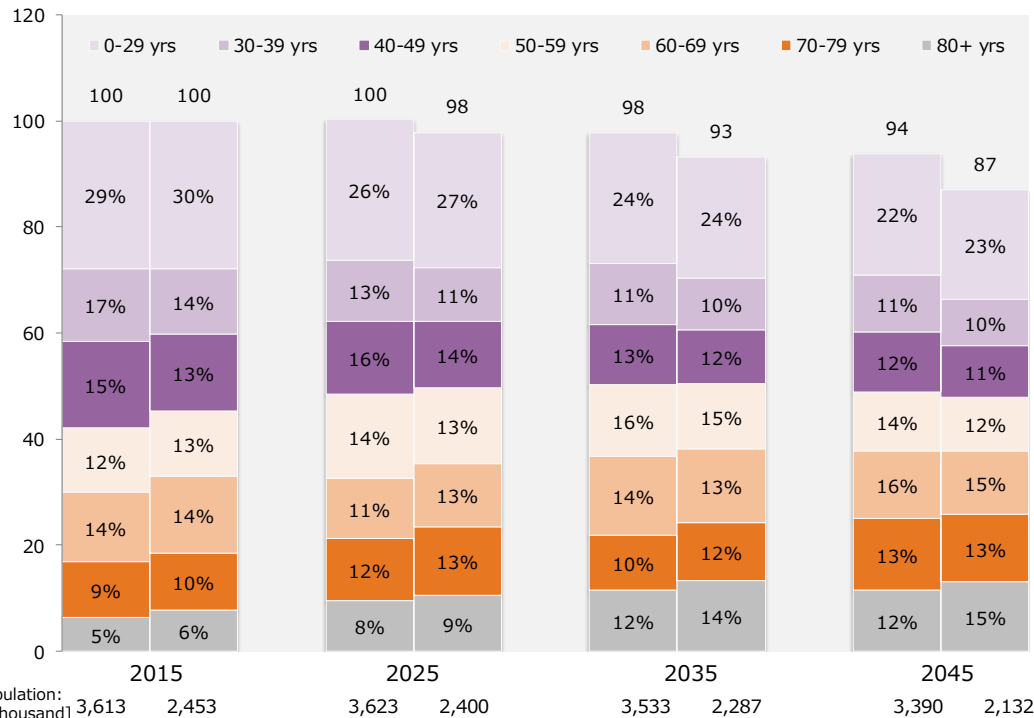
PROUD TOWER Higashi-Ikebukuro Station Arena

*JV projects

Redevelopment business in local core cities

- 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

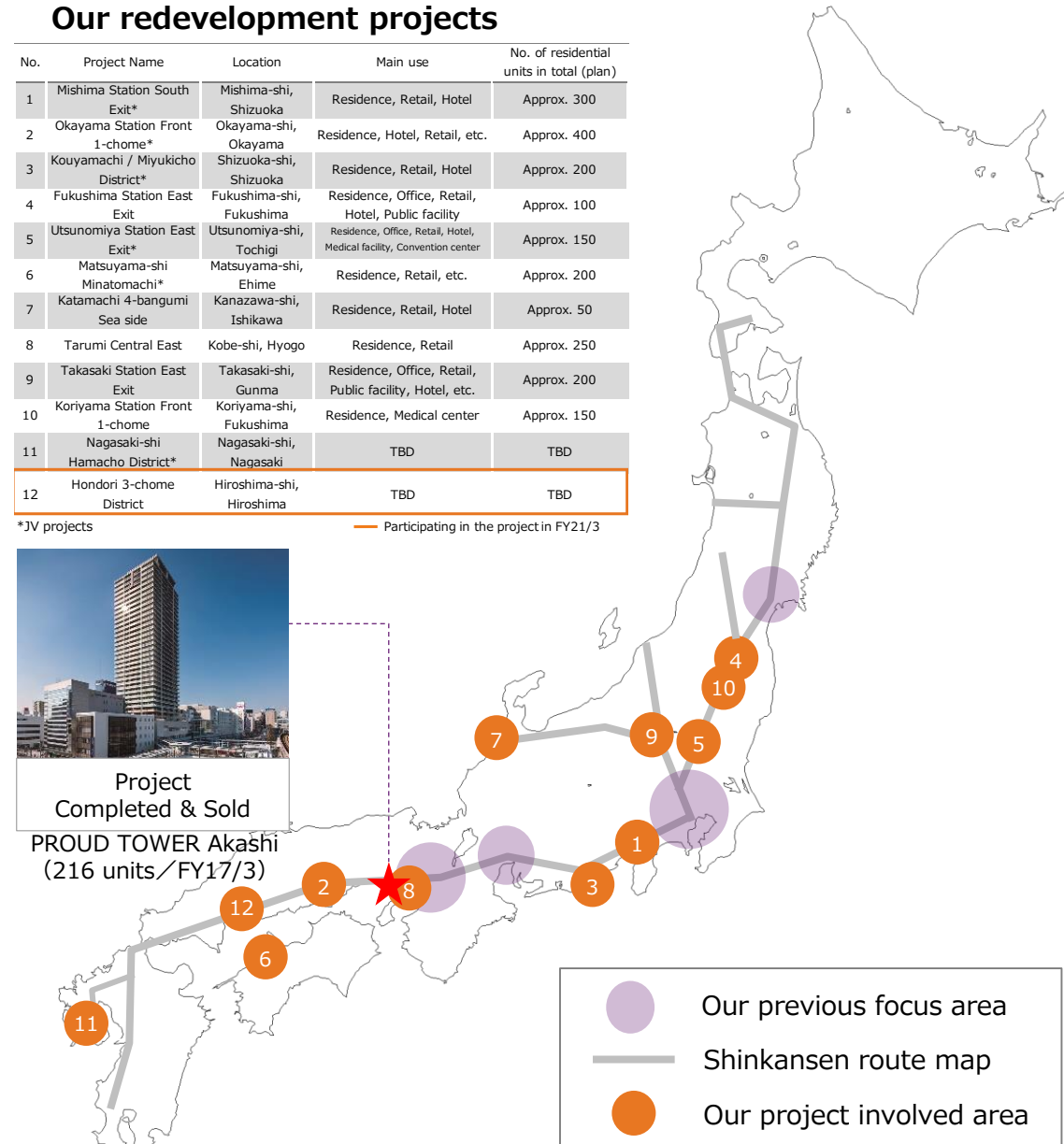
No.	Project Name	Location	Main use	No. of residential units in total (plan)
1	Mishima Station South Exit*	Mishima-shi, Shizuoka	Residence, Retail, Hotel	Approx. 300
2	Okayama Station Front 1-chome*	Okayama-shi, Okayama	Residence, Hotel, Retail, etc.	Approx. 400
3	Kouyamachi / Miyukicho District*	Shizuoka-shi, 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
12	Hondori 3-chome District	Hiroshima-shi, Hiroshima	TBD	TBD

*JV projects

— Participating in the project in FY21/3



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



Newly completed project

TOKYO TORANOMON GLOBAL SQUARE



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

Land area: 2,782m²
 Gross floor area: 47,273m²
 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 40,000m²
 Gross floor area: about 550,000m²
 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. 18,900m²
 Gross floor area: about 373,200m²
 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

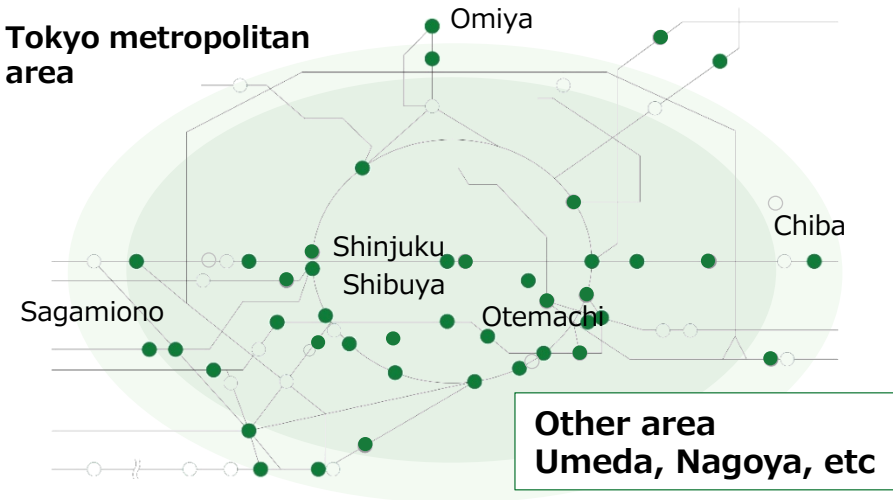
<Projects completed and progressing in FY21/3 >

	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
4	PMO Kojimachi	Chiyoda-ku, Tokyo	2021/6 (plan)

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



Tokyo metropolitan area



Total **84** Offices

- already open
- plan to open
- affiliated office

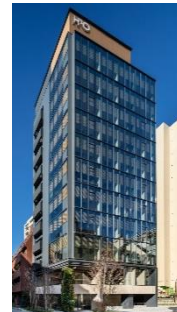
● **“H1O”** — Small office with services to meet the needs of workers in a small team



H1O Shibuya Jinnan



H1O Kanda

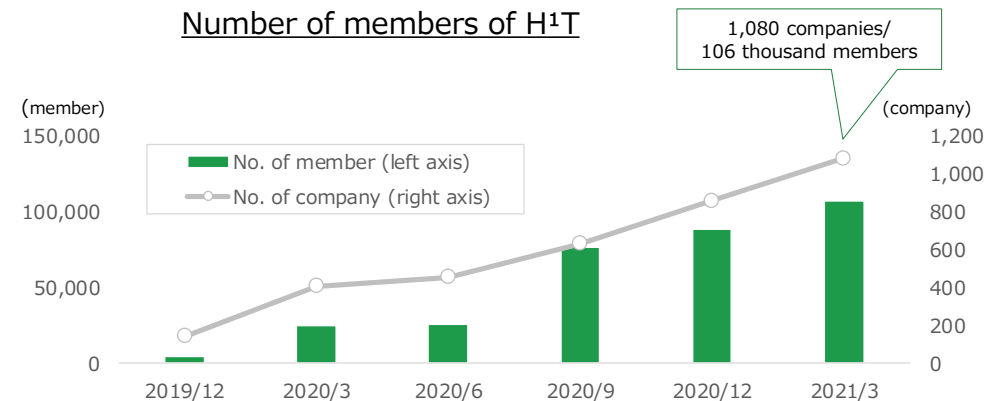


H1O Hirakawacho

< 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
3	GEMS Kawasaki	Kawasaki-shi, Kanagawa	2020/11

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



MEFULL Urawa



MEFULL Chitose
 Karasuyama



MEFULL Sugamo

< 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
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 Komaki ANNEX	Komaki-shi, Aichi	2022/3 (plan)
7	Landport Ageo II	Ageo-shi, Saitama	2022/5 (plan)
8	(tentative name) Landport Tama	Hachioji-shi, Tokyo	2022/6 (plan)
9	(tentative name) Landport Kyoto Minami	Muko-shi, Kyoto	2023/2 (plan)
10	(tentative name) Aikogun Aikawamachi PJ	Aiko-gun, Kanagawa	2023/2 (plan)

Our major properties (office, retail facility)

	Name	Location	Net lettable area *Our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	172,725m ²	1990/1, etc.
2	Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	94,777m 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	Shinyokohama Toshiba Building	Kohoku-ku, Yokohama-shi, Kanagawa	25,494m ²	1969/6, etc.
9	Fuchu Toshiba Building	Fuchu-shi, Tokyo	23,740m ²	1993/4
10	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,247m ²	2010/9



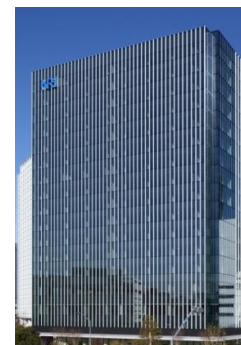
Yokohama Business Park



Hamamatsucho Building



LAZONA Kawasaki Toshiba Building



Yokohama Nomura Building



LAZONA Kawasaki Plaza



Morisia Tsudanuma



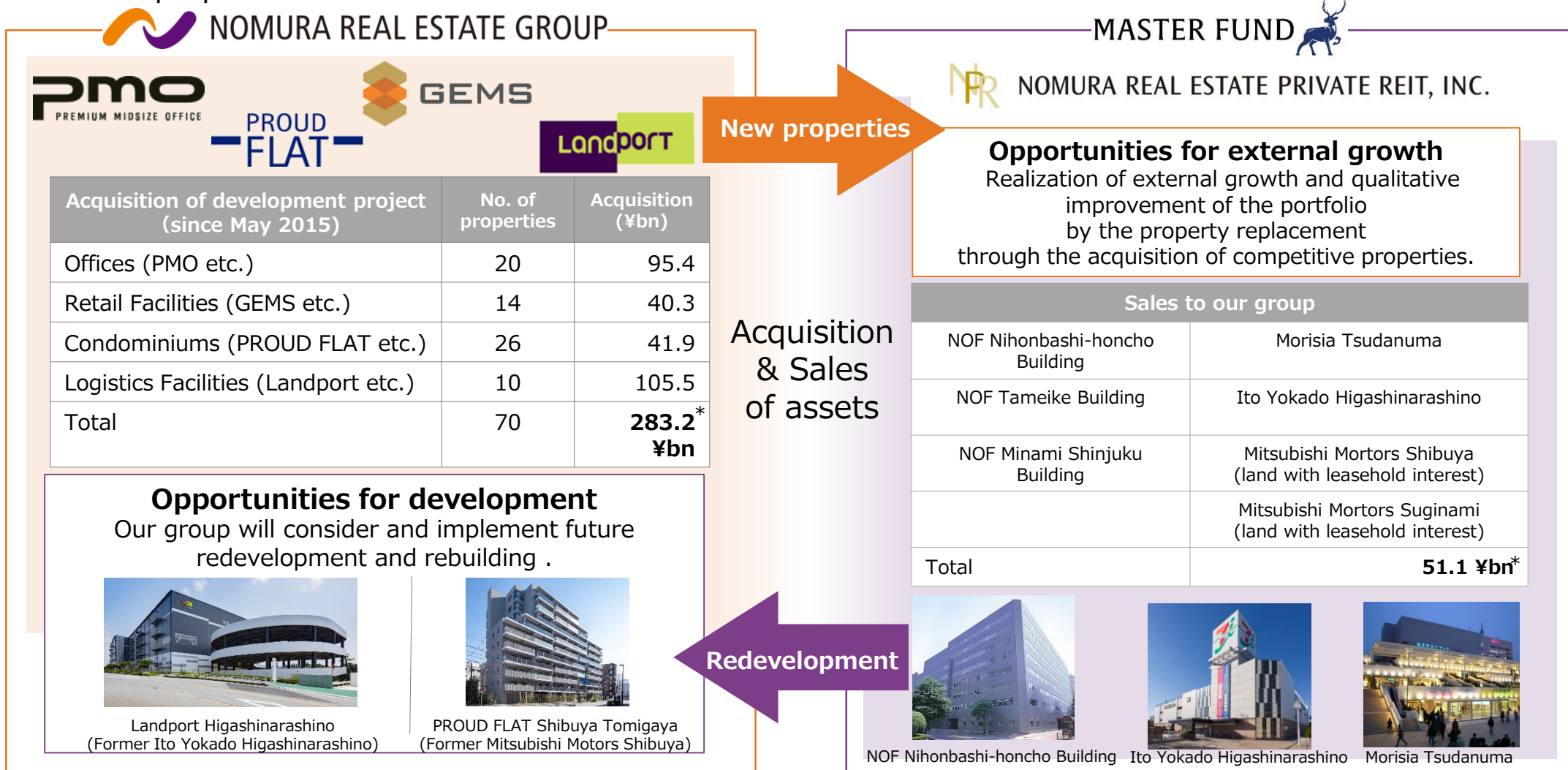
Shinjuku Nomura Building



Nihonbashi Muromachi Nomura Building

Mutual growth of our Group and REITs

- 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.

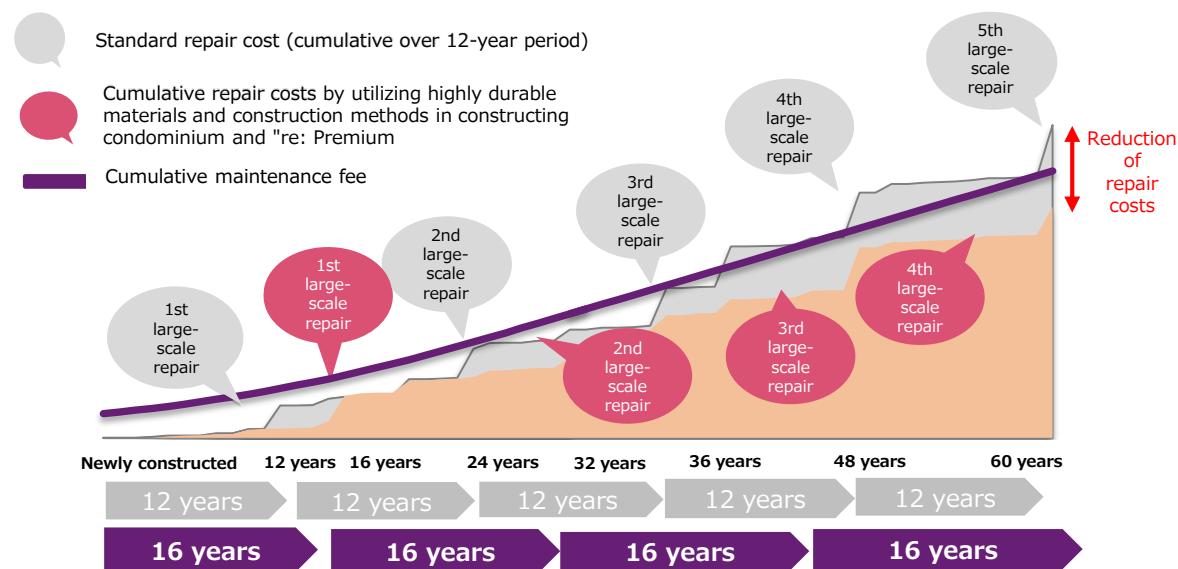
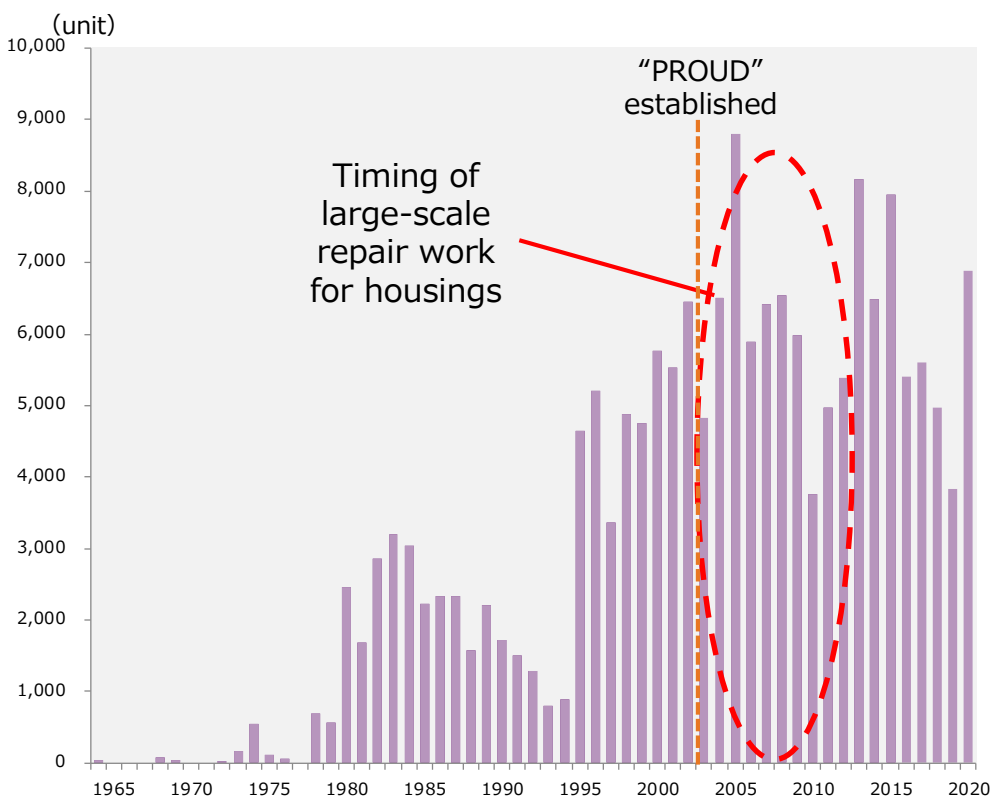
- The number of housing which requires large-scale condo repair work has increased after 18 years since the first PROUD condo was constructed. To improve customer satisfaction, we will collaborate with remodel business. Actively promoting this work to obtain orders as a contractor in this work.
- Co-developed 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 5,000 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.

The progress of properties in overseas business

- Developing business in high-growth Southeast Asia area, as well as the United Kingdom. **Total investment amount approx. ¥106.0 bn is determined.** In housing sales, **18 projects, approx. ¥81.0 bn investments** (Total project cost based on our shares: ¥168.0bn) and in leasing, **7 projects, approx. ¥25.0 bn investments** (Total project cost based on our shares: ¥28.0 bn) are determined.
- 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 c			
China Changzhou II	Residence	Approx. 4,300 units	*1	12.00%		s c c c c			
China Changzhou, Tianning	Residence	Approx. 2,300 units	China Vanke	25.00%	s	c c c c			
Viet Nam Ho Chi Minh City, Midtown	Residence	Approx. 2,400 units	Phu My Hung Development, Dalwa House, Sumitomo Forestry	12.25%		c c c			
Viet Nam Ho Chi Minh City, Grand Park 2nd period	Residence	Approx. 10,000 units	VIA HOMES, Mitsuboshi Corporation, Japan Overseas Infrastructure Investment Corporation, for Transport & Other Development	29.44%		s c			
Viet Nam Ho Chi Minh City (Project name is not disclosed)	Residence	Approx. 9,000 units	*1	39.20%		s c			
Viet Nam Hanoi, Ecopark	Residence	Approx. 3,000 units	Ecopark Corporation	49.00%		s c c c			
the Philippines Manila, Sunshine Fort	Residence	Approx. 1,400 units	Federal Land, Isetan Mitsukoshi Holdings	20.00%	s		c c 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			
Thailand Sulaet, Bangkok	Residence	1,001 units	Origin Property	49.00%		s c			
Thailand Ratchathew, Ramintra	Residence	682 units	Origin Property	49.00%		s c			
Thailand Huaykwang, Bangkok	Residence	342 units	Origin Property	49.00%		s c			

Overseas business (leasing) 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	
the Philippines Manila	Retail	Approx. 28,000m ²	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. 32,000m ²	SUN WAH GROUP	24.00%					→Acquire shares
Viet Nam Ho Chi Minh City, ZEN PLAZA (Existing Property)	Office	Approx. 17,000m ²	-	100.00%					→Acquire shares
China Beijing Beijing Fortune Building (Existing Property)	Office	Approx. 55,000m ²	Beijing Capital Development	Participating in the management					→Participate in the management
The United Kingdom London 127-133 Charing Cross Road (Existing Property)	Office	Approx. 5,200m ² *	-	100.00%				S	→Completion(plan)

*Area after refurbishment of existing property.

*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.

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 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

2020

Completes construction of TOKYO TORANOMON GLOBAL SQUARE



LOTHBURY Investment Management



1960

1970

1980

1990

2000

2010

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

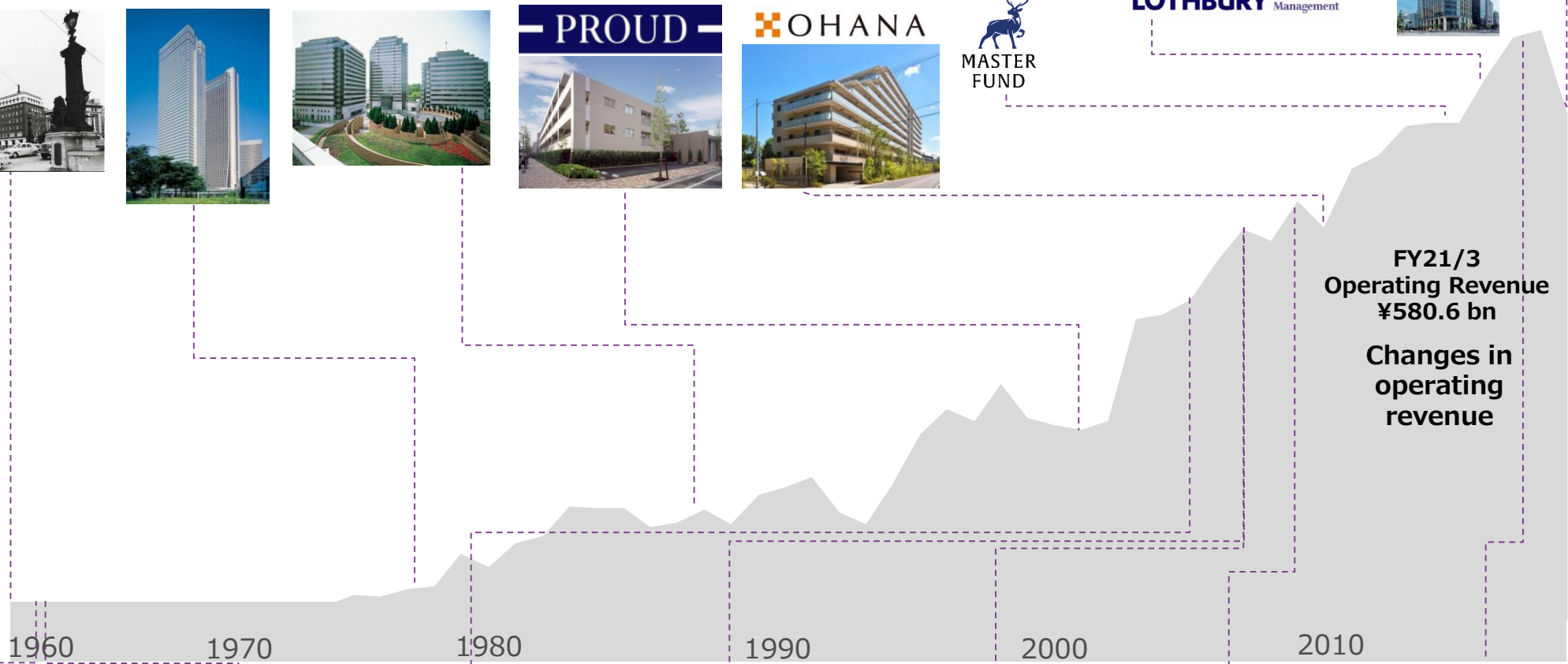
NREG TOSHIBA BUILDING Co., Ltd. joins the group

2010

Completes construction of the Nihonbashi Muromachi Nomura Building

2019

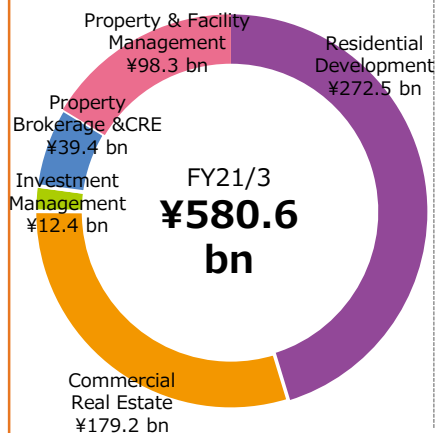
Hotel Niwa Tokyo joins the group



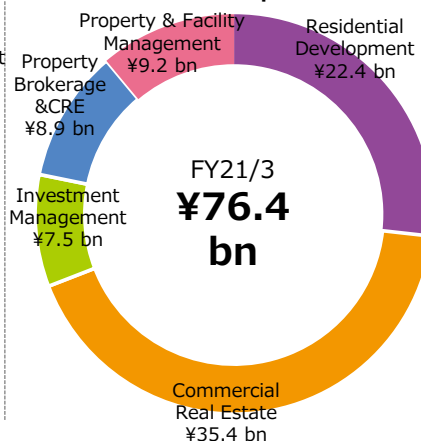
*Note: The Operating revenue until FY2003 are only the figures of Nomura Real Estate Development.

Group's business

Group's revenue



Group's business profit



Development Sector

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

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

Service & Management Sector

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

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
(FY21/3: 4.1%)

Capital efficiency

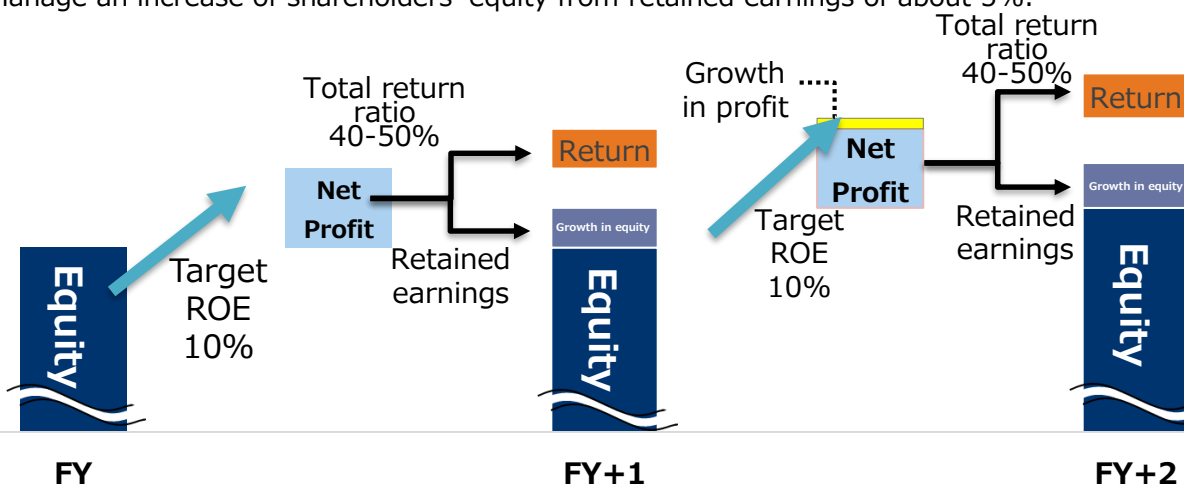
ROE: **10%** or more
(FY21/3: 7.4%)

Shareholder returns <FY20/3-FY22/3>

Total return ratio : approx. **40-50%**
(FY21/3: 45.3%)

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	●					●			

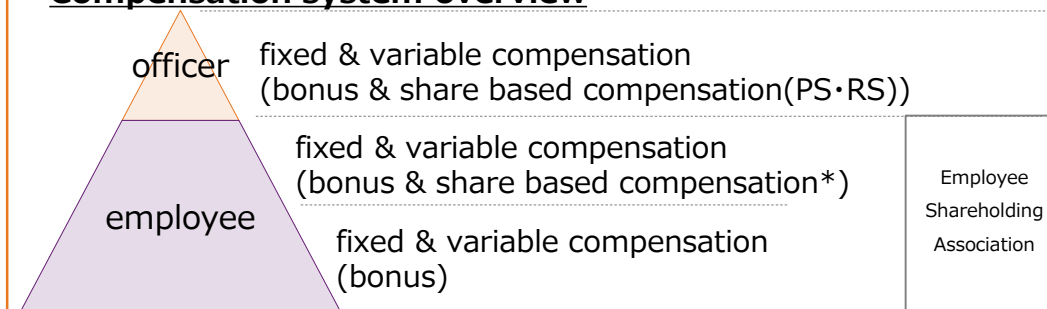
* ◎ represents the chairperson of each committee

* 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	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3
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Financial data											
Operating revenue	¥bn	450.8	517.7	532.0	567.1	569.5	569.6	623.7	668.5	676.4	580.6
Business profit*1	¥bn	49.9	58.3	74.3	71.8	80.9	77.2	76.6	79.6	82.8	76.4
Net profit	¥bn	17.5	19.3	26.8	38.4	47.1	47.0	46.0	45.8	48.8	42.1
Total assets	¥bn	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	1,921.3
Shareholders' equity	¥bn	317.0	336.2	355.6	394.0	444.8	481.3	501.4	526.7	550.1	583.3
Shareholders' equity ratio	%	22.6	24.5	27.1	28.8	29.9	30.2	30.0	29.9	30.5	30.4
Debt/ equity ratio	times	2.4	2.0	1.7	1.6	1.6	1.7	1.8	1.7	1.6	1.7
Interest-bearing debt	¥bn	758.5	669.2	617.5	616.7	721.9	810.1	877.8	914.0	870.0	1,008.5
Interest expenses	¥bn	14.3	12.5	10.0	8.8	7.8	7.5	7.3	8.7	8.7	9.0
Debt/ ebitda ratio*2	times	14.4	11.0	8.5	7.5	7.6	8.6	9.4	9.8	8.6	11.0
Unrealized gain*3	¥bn	33.1	37.2	41.2	70.2	110.9	153.9	181.9	206.3	209.6	209.6
Dividend payout ratio*4	%	27.1	29.5	24.9	22.4	23.3	26.5	28.9	30.5	30.1	35.8
Total return ratio*5	%	27.1	29.5	24.9	22.4	23.3	26.5	50.6	41.4	46.5	45.3
ROA*6	%	3.7	4.5	5.6	5.5	5.8	5.1	4.7	4.7	4.7	4.1
ROE*7	%	5.7	5.9	7.8	10.3	11.2	10.1	9.4	8.9	9.1	7.4
NAV per share*8	yen/share	1,767	1,885	1,997	2,298	2,708	3,063	3,333	3,630	3,833	4,035
EPS	yen/share	92.38	101.61	140.7	201.28	246.42	245.1	240.89	245.99	267.21	232.53
DPS	yen/share	25.00	30.00	35.00	45.00	57.50	65.00	70.00	75.00	80.00	82.50

Stock market index											
PER	times	18.5	20.9	15.0	14.2	9.9	7.9	10.7	8.5	6.9	12.0
PBR	times	0.9	1.2	1.1	1.1	0.9	0.7	1.0	0.8	0.6	0.9
PNAV	times	0.8	1.1	1.0	0.9	0.8	0.6	0.8	0.6	0.5	0.7
Total Shareholder Return*9	%	—	—	—	—	—	88.4%	127.3%	112.3%	98.3%	146.0%

Key business indicator											
Revenue of housing sales	¥bn	193.3	281.8	295.9	332.9	318.7	308.9	336.8	342.0	294.3	247.6
Gross profit margin ratio of housing sales	%	23.3	22.5	21.7	21.1	21.9	21.7	19.1	19.1	20.4	22.6
Net Lettable area	m	771,640	835,115	855,197	928,628	974,127	975,974	1,021,004	953,620	913,446	827,737
Vacancy rate	%	2.4	2.2	2.9	4.5	2.2	0.8	0.7	4.7	4.0	5.1
Sales amount of property for sales*10	¥bn	38.0	19.7	16.7	12.3	33.2	35.3	43.3	77.0	124.7	92.8
AUM(REITs and Private funds etc.)	¥bn	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	1,815.6
Total brokerage transaction value	¥bn	452.9	540.6	672.7	710.9	713.5	745.1	800.7	767.3	872.3	893.4
No. of housings under management	units	130,987	137,745	147,516	155,706	163,036	168,999	173,705	177,582	182,259	183,162

*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 FY19/3, 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 income) / 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 FY17/3 to the fiscal year) / Stock price as of the end of FY16/3

*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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