

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

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1. FY22/3 Financial results

(1) FY22/3 Financial results summary

<Summary>

- ▶ The consolidated financial results for the Fiscal Year Ended March 31, 2022 were as follows: Operating revenue; 645.0 billion yen (up 11.1% YoY); business profit; 92.7 billion yen (up 21.3% YoY); operating profit; 91.2 billion yen (up 19.5% YoY); ordinary profit; 82.5 billion yen (up 25.2% YoY); and profit attributable to owners of parent; 55.3 billion yen (up 31.1% 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, both operating revenue and business profit increased year on year. The number of housing units sold was 4,329 units (up 660 units YoY) and the gross profit ratio was 23.6% (22.6% in FY21/3) in the housing sales business. The contract progress rate against the projected sales for housing of the fiscal year ending March 31, 2023, progressed smoothly to 74.6%, at the beginning of the fiscal year.
- ▶ In Commercial Real Estate Business Unit, both operating revenue and business profit increased year on year. This was due to gross profit from property sales increased to 28.1 billion yen (21.1 billion yen in FY21/3) and revenue increased in leasing business in retail facility, hotel business, and fitness business.
- ▶ As for the Service & Management Sector, in Investment Management Business Unit, the AUM increased mainly in private REIT and private funds. In Property Brokerage & CRE Business Unit, the number and the value of transaction increased mainly in retail business. As a result, in those Business Units, both operating revenue and business profit increased year on year.
- ▶ Forecasts for the fiscal year ending March 31, 2023 are operating revenue; 680.0 billion yen; business profit; 97.0 billion yen; operating profit; 90.5 billion yen; ordinary profit; 85.0 billion yen; and profit attributable to owners of parent; 57.0 billion yen, expects to an increase in both operating revenue and business profit.
- ▶ The dividend forecast, which was announced in January, 2022, was revised to ¥97.5 per share for the annual dividend for the fiscal year ended March 31, 2022. This will mark the 10 consecutive fiscal year of dividend increases. The annual dividend per share for the fiscal year ending March 31, 2023, is expected to increase to ¥110.0 yen per share.

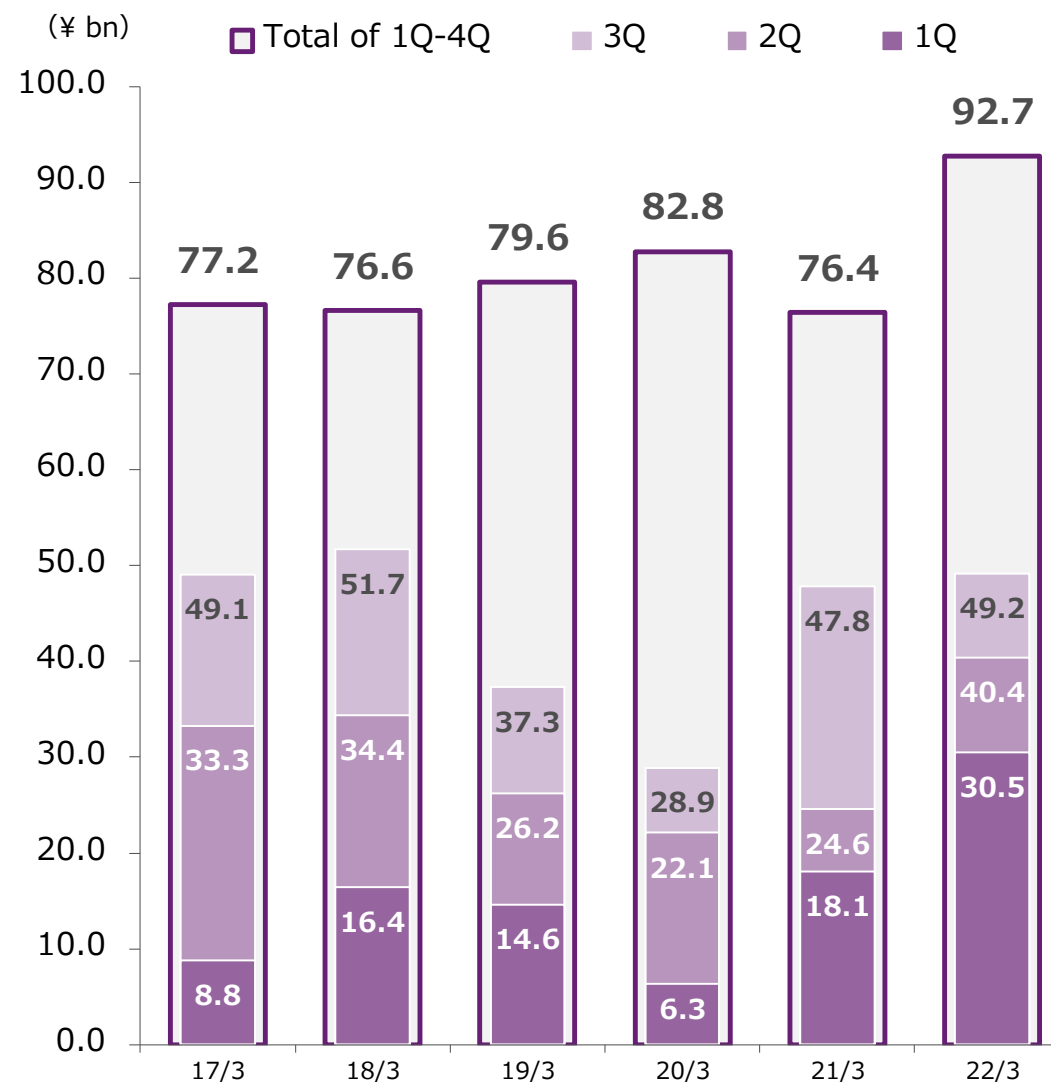
(2) FY22/3 Financial results

► Statements of Income

(¥bn)	21/3 Actual ①	22/3 Actual ②	Changes ②-①
Operating revenue	580.6	645.0	+64.3
Operating profit	76.3	91.2	+14.8
Share of profit (loss) of entities accounted for using equity method	-0.5	0.8	+1.4
Amortization of intangible assets associated with corporate acquisitions	0.6	0.6	+0.0
Business profit	76.4	92.7	+16.3
Non-operating income	0.7	1.8	+1.0
Non-operating expenses	11.1	10.4	-0.6
Ordinary profit	65.9	82.5	+16.5
Extraordinary income	0.5	—	-0.5
Extraordinary losses	3.7	1.5	-2.2
Income taxes	20.5	25.6	+5.0
Profit attributable to owners of parent	42.1	55.3	+13.1
Basic earnings per share (¥)	232.53	307.81	+75.28
Cash dividends per share (¥)	82.50	97.50	+15.00

► Statements of Cash Flows

(¥bn)	21/3 Actual ①	22/3 Actual ②	Changes ②-①
Net cash provided by (used in) operating activities	-63.5	52.7	+116.2
Net cash provided by (used in) investing activities	-55.7	-46.2	+9.5
Net cash provided by (used in) financing activities	112.3	-9.6	-121.9
Cash and cash equivalents at end of period	70.6	67.7	-2.8

Business Profit

*The figures in FY18/3 and earlier are equivalent to figures of operating profit.

(3) FY22/3 Financial results by Business Units

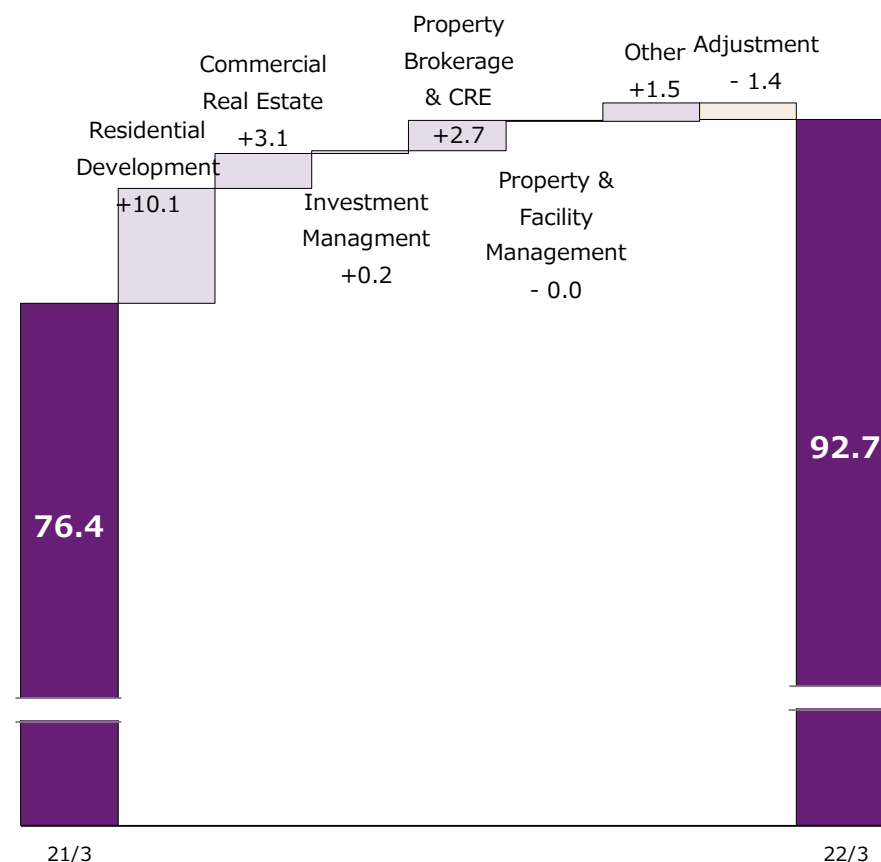
▶ Statements of Income by Business Unit

(¥bn)	21/3	22/3	Changes ②-①	22/3	Changes ②-③
	Actual ①	Actual ②		Forecast (announced in 22/1) ③	
Operating revenue	580.6	645.0	+64.3	670.0	-24.9
Residential Development	272.5	309.2	+36.6	305.0	+4.2
Commercial Real Estate	179.2	202.4	+23.2	220.0	-17.5
Service & Management	150.2	155.7	+5.5	155.0	+0.7
Investment Management	12.4	12.8	+0.3	12.0	+0.8
Property Brokerage & CRE	39.4	43.7	+4.3	43.0	+0.7
Property & Facility Management	98.3	99.2	+0.8	100.0	-0.7
Other (including overseas business)	2.0	2.7	+0.6	2.0	+0.7
Adjustments	-23.4	-25.1	-1.6	-12.0	-13.1
Business profit*	76.4	92.7	+16.3	88.0	+4.7
Residential Development	22.4	32.5	+10.1	31.5	+1.0
Commercial Real Estate	35.4	38.5	+3.1	37.5	+1.0
Service & Management	25.8	28.7	+2.9	27.0	+1.7
Investment Management	7.5	7.8	+0.2	7.5	+0.3
Property Brokerage & CRE	8.9	11.7	+2.7	10.5	+1.2
Property & Facility Management	9.2	9.2	-0.0	9.0	+0.2
Other (including overseas business)	-1.4	+0.0	+1.5	-0.5	+0.5
Adjustments	-5.7	-7.2	-1.4	-7.5	+0.2
Ordinary profit	65.9	82.5	+16.5	77.0	+5.5
Profit before income taxes	62.8	81.0	+18.2	—	—
Profit attributable to owners of parent	42.1	55.3	+13.1	51.0	+4.3

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

▶ Main factors for changes in Business Profit (compared to Y/Y)

- ▶ Residential Development: Increase of the number of housings units sold, improvement in gross profit ratio
- ▶ Commercial Real Estate: Increase of gross profit from property sales
- ▶ Property Brokerage & CRE: Increase of transaction value mainly in retail business



(4) FY22/3 Balance sheets

Balance sheets

(¥bn)	As of Mar. 31, 2021 ①	As of Mar. 31, 2022 ②	Changes ②-①
Assets	1,921.3	2,040.5	+ 119.1
Current assets	1,043.3	1,126.8	+ 83.4
Cash and deposits and others	71.6	69.0	-2.5
Notes and accounts receivable - trade, and contract assets	19.6	22.0	+ 2.3
Inventories	875.5	894.2	+ 18.7
Residential Development BU	463.9	458.0	-5.8
Commercial Real Estate BU	412.8	436.8	+ 23.9
Other BU*	0.0	0.0	+ 0.0
Adjustments	-1.3	-0.7	+ 0.6
Equity investments	28.7	33.8	+ 5.1
Other current assets	47.7	107.6	+ 59.8
Non-current assets	877.9	913.7	+ 35.7
Property, plant and equipment	714.2	726.3	+ 12.1
Office	533.6	523.7	-9.8
Retail	81.9	95.3	+ 13.4
Others	98.6	107.2	+ 8.6
Intangible assets	18.4	19.9	+ 1.4
Investments and other assets	145.2	167.3	+ 22.0
Investment securities	86.4	101.1	+ 14.7
Leasehold and guarantee deposits	27.6	30.0	+ 2.3
Other non-current assets	31.2	36.1	+ 4.9

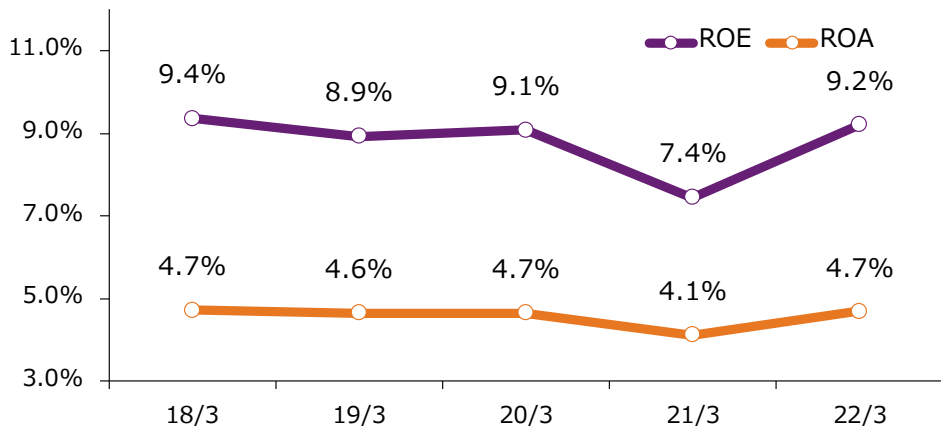
* Total of Property & Facility Management Business Unit and Other (including overseas business).

(¥bn)	As of Mar. 31, 2021 ①	As of Mar. 31, 2022 ②	Changes ②-①
Liabilities	1,334.9	1,419.1	+ 84.1
Current liabilities	269.3	357.9	+ 88.6
Notes and accounts payable - trade	61.1	80.9	+ 19.8
Short-term borrowings	31.0	39.5	+ 8.5
Current portion of long-term borrowings	56.0	69.0	+ 13.0
Commercial papers	—	—	—
Current portion of bonds payable	10.0	10.0	—
Deposits received	25.1	43.8	+ 18.7
Other current liabilities	86.0	114.6	+ 28.6
Non-current liabilities	1,065.6	1,061.1	-4.5
Bonds payable	160.0	150.0	-10.0
Long-term borrowings	751.5	754.2	+ 2.7
Leasehold and guarantee deposits received	58.8	59.3	+ 0.4
Other non-current liabilities	95.2	97.5	+ 2.3
Net assets	586.3	621.3	+ 35.0
Total liabilities and net assets	1,921.3	2,040.5	+ 119.1
Interest-bearing debt	1,008.5	1,022.7	+ 14.2
Shareholders' equity	583.3	618.7	+ 35.4
Shareholders' equity ratio	30.4%	30.3%	-0.0P
Debt/equity ratio	1.7	1.7	-0.1

(5) FY22/3 Financial data

ROA/ROE

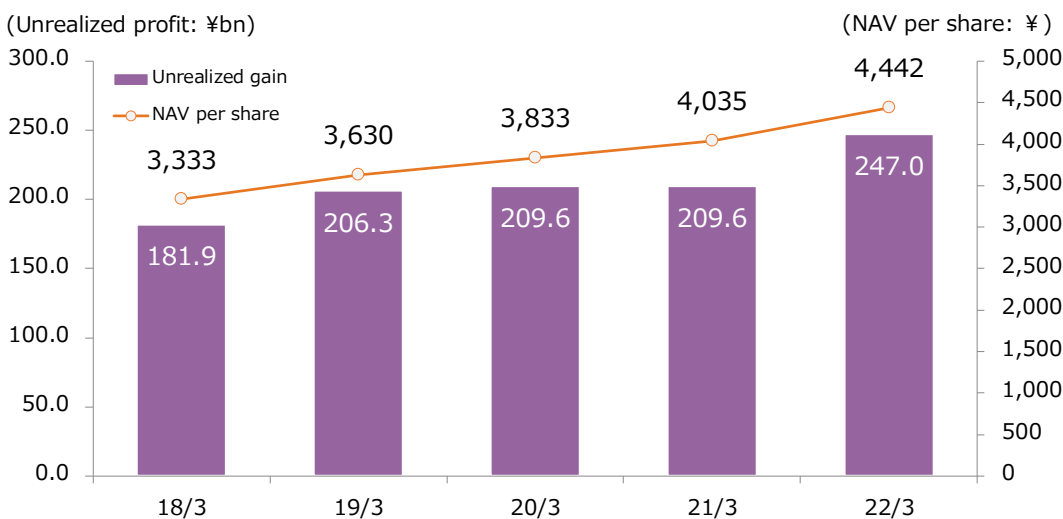
In FY22/3 ROA was 4.7% and ROE was 9.2%. This results exceeded our previous Mid-to long-term Business Plan Phase 1 target of ROA of around 4 to 5% and ROE of around 8 to 9%.



ROA = Business profit / Average assets during the FY
 ROE = Profit / The average shareholders' equity during the FY

Unrealized profit/NAV (Net Asset Value)

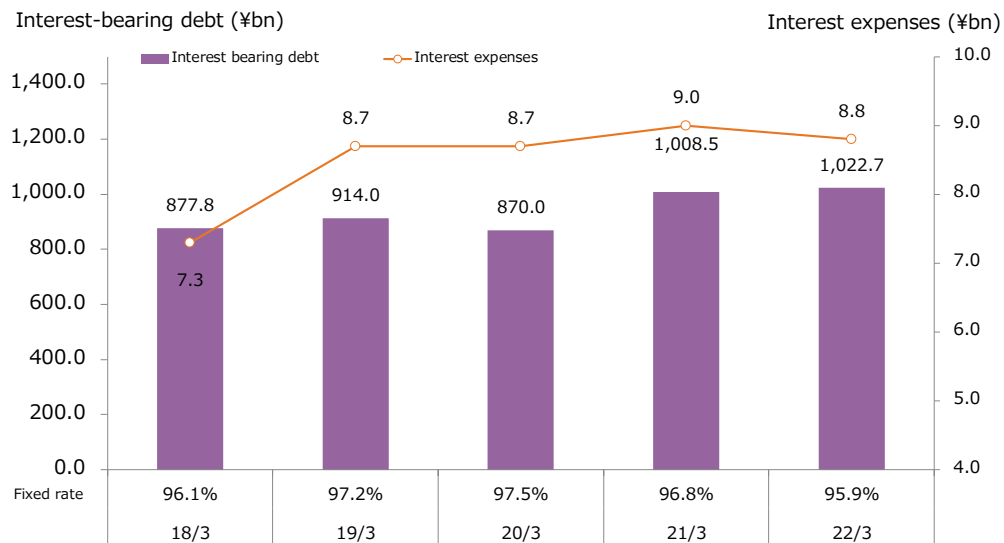
NAV per share was ¥ 4,442 (¥407 increase from FY21/3)



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)

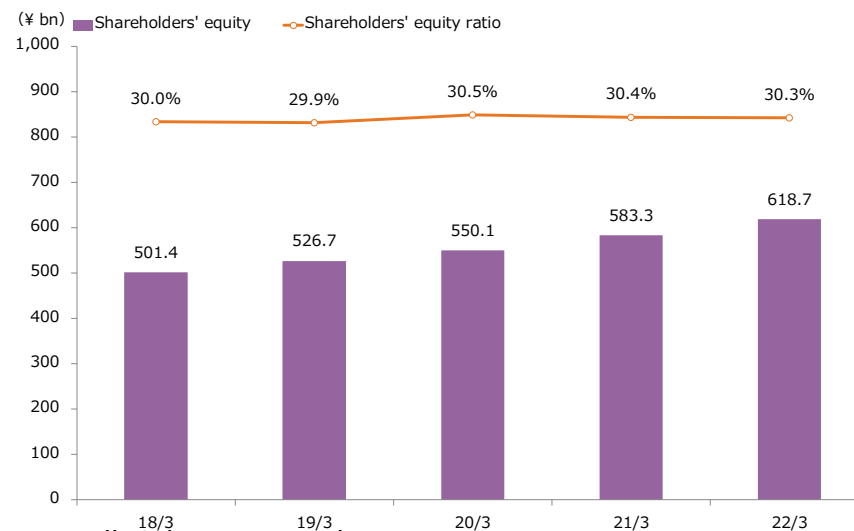
Interest-bearing debt/Interest expenses

Utilized sustainability finance, etc. Interest-bearing debt was flat.



Shareholders' equity/Shareholders' equity ratio

Shareholders' equity ratio was 30.3%, maintaining the 30% level of our financial discipline.



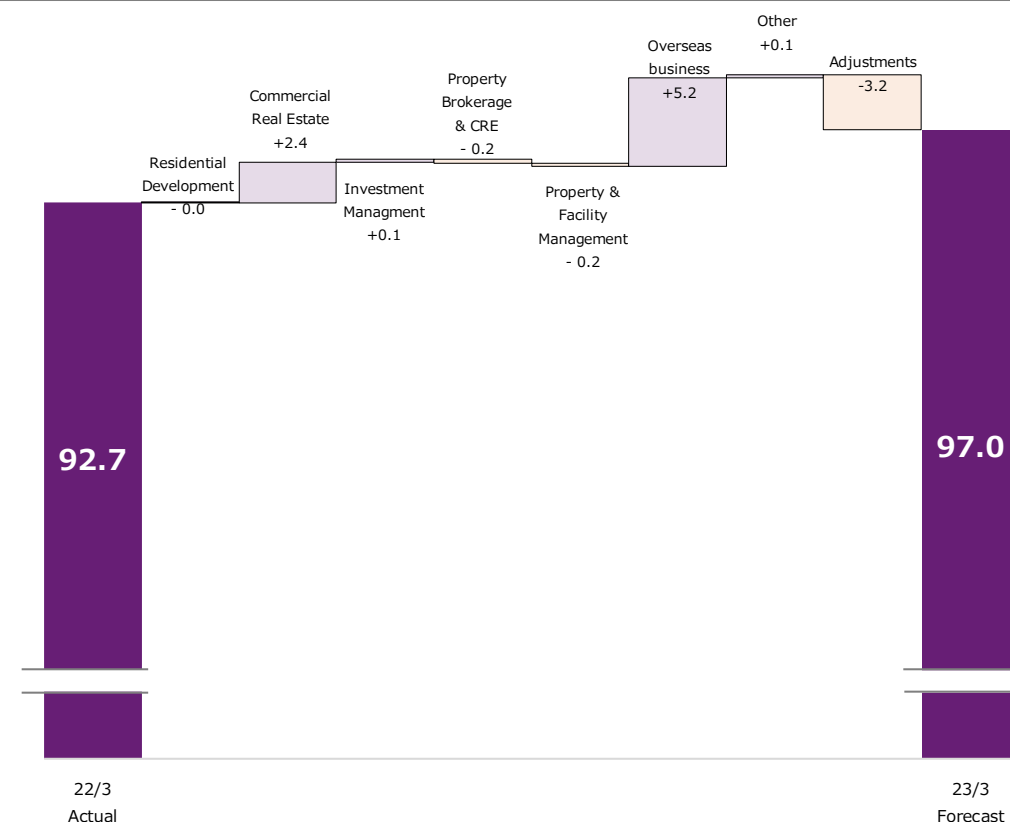
(6) FY23/3 Earnings forecast (Compared to FY22/3)

- ▶ Business profit is expected to be ¥97.0 bn with an increase of gross profit from property sales in Commercial Real Estate BU and profit contribution from Overseas business BU.
- ▶ Overseas business was changed to an independent segment with the expectation of further profit growth.
- ▶ Statements of Income by Business Unit

(¥bn)	22/3 Actual ①	23/3 Forecast ②	Changes ②-①
Operating revenue	645.0	680.0	+34.9
Residential Development	309.2	325.0	+15.7
Commercial Real Estate	202.4	210.0	+7.5
Service & Management	155.7	161.0	+5.2
Investment Management	12.8	13.0	+0.1
Property Brokerage & CRE	43.7	44.0	+0.2
Property & Facility Management	99.2	104.0	+4.7
Overseas ^{*1}	2.6	4.0	+1.3
Other ^{*1}	0.1	0.0	-0.1
Adjustments	-25.1	-20.0	+5.1
Business profit ^{*2}	92.7	97.0	+4.2
Residential Development	32.5	32.5	-0.0
Commercial Real Estate	38.5	41.0	+2.4
Service & Management	28.7	28.5	-0.2
Investment Management	7.8	8.0	+0.1
Property Brokerage & CRE	11.7	11.5	-0.2
Property & Facility Management	9.2	9.0	-0.2
Overseas ^{*1}	0.2	5.5	+5.2
Other ^{*1}	-0.1	0.0	+0.1
Adjustments	-7.2	-10.5	-3.2
Ordinary profit	82.5	85.0	+2.4
Profit attributable to owners of parent	55.3	57.0	+1.6
Basic earnings per share (¥)	307.81	321.02	13.21
Cash dividends per share (¥)	97.50	110.00	+12.50

▶ Main factors for changes in Business Profit (compared to 22/3)

- ▶ Commercial Real Estate: Increase of gross profit from property sales.
- ▶ Overseas : Increase of the number of housings units sold in Viet Nam.



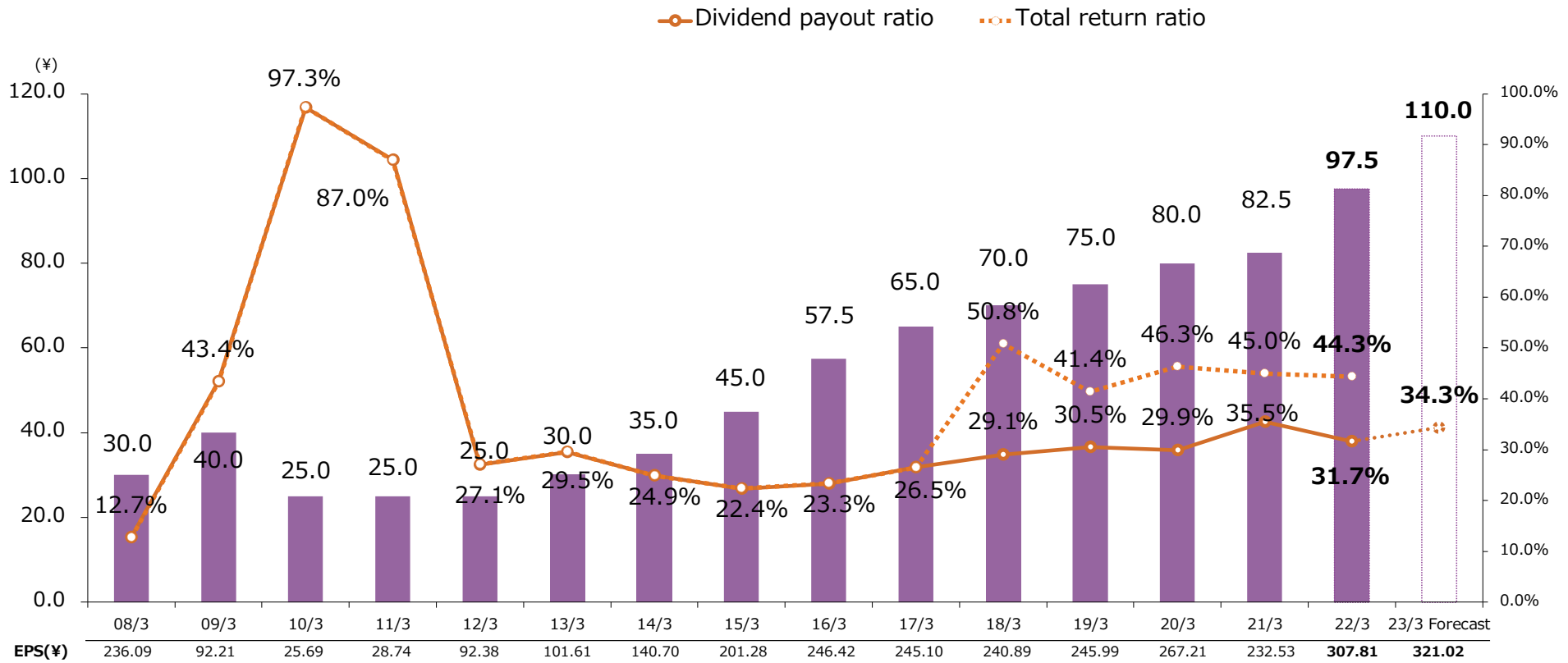
*1 The results for the fiscal year ended March 31, 2022 are classified under the new classification.

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

(7) Shareholder returns

- ▶ Regarding shareholder return in FY22/3, we decided to increase dividend by ¥7.5 (dividend per share ¥90.0→¥97.5). Dividend increased for 10 consecutive year. Combined with share buybacks, total return ratio was 44.3%.
- ▶ In FY23/3, dividend per share is expected to increased for 11 consecutive year to ¥110.0. Dividend payout ratio is expected to be 34.3%.

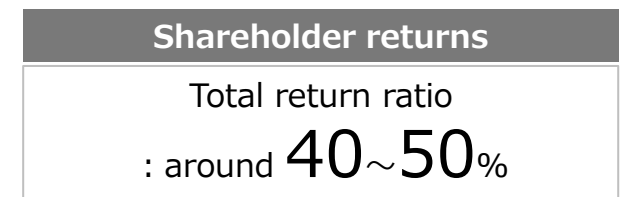
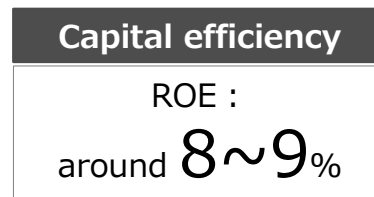
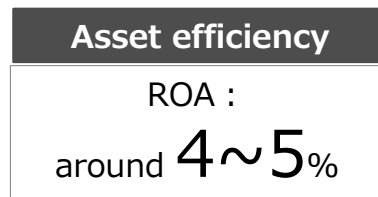
Annual dividend / Total return ratio



Dividend payout ratio = Dividend per share / EPS, Total return ratio = (Dividend per share + The amount of acquisition of treasury shares per share) / EPS

(8) Reflection on the Previous Mid- to Long-term Business Plan (Phase I)

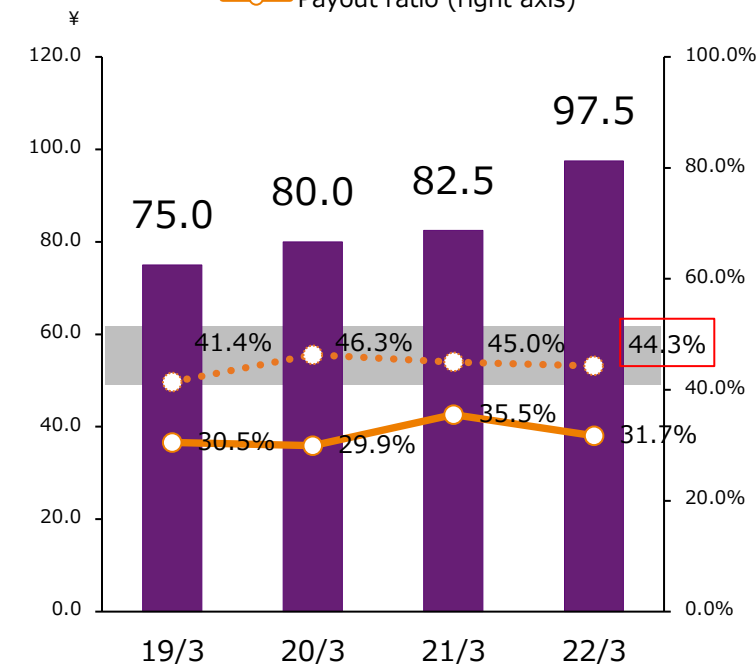
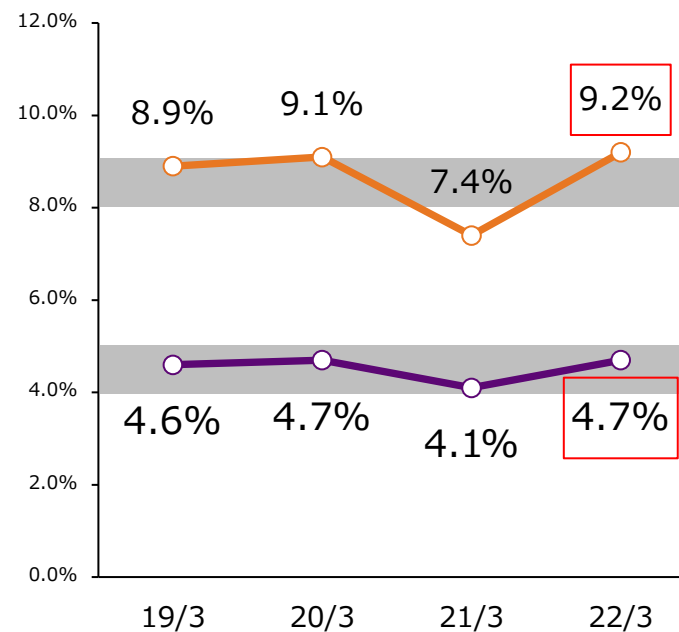
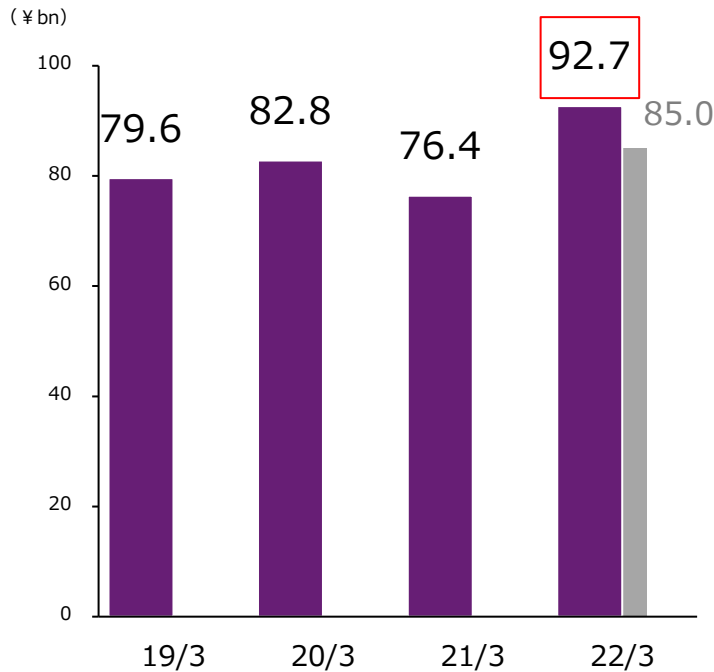
- ▶ All four indicators of financial targets (in Phase 1) set in the previous Mid- to long-term Business Plan, business profit, ROA, ROE, and total return ratio, were achieved.
- ▶ Aim for further growth under the new Mid- to long-term Business Plan while maintaining highly efficient management and a high return policy.



■ Target for previous plan ■ Business profit

○ ROE ○ ROA

■ Dividend per share (left axis)
 ● Total return return (right axis)
 ○ Payout ratio (right axis)



2. Performance highlights by Business Unit

(1) Residential Development : Business outline

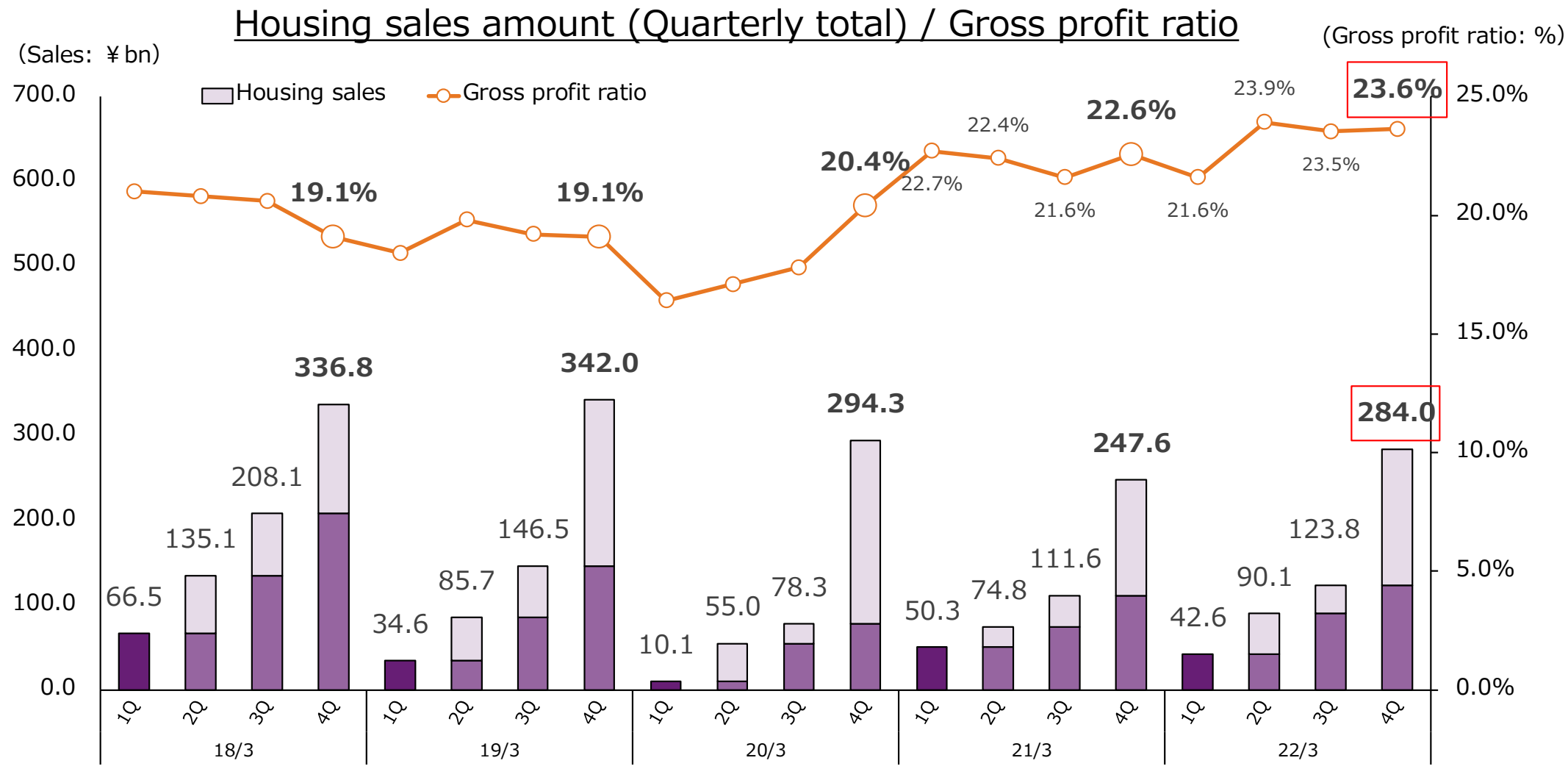
- ▶ The number of housing units sold was 4,329 units (up 660 units YoY) and the gross profit ratio was 23.6% (up 1.1P YoY). Housing sales business progressed steadily with capturing the strong demand for housing stimulated under the COVID-19 environment.
- ▶ In FY23/3, we expect for the same level of sales and to maintain the high gross profit ratio.

(¥bn)	21/3 Actual ①	22/3 Actual ②	Changes ②-①	23/3 Forecast ③	Changes ③-②
Operating revenue	272.5	309.2	+36.6	325.0	+15.7
Housing sales	247.6	284.0	+36.4		
Rental housing (sales)	5.0	4.1	-0.9		
Rental housing (leasing revenue)	0.9	1.5	+0.5		
Senior	0.6	0.9	+0.3		
Other	18.3	18.5	+0.2		
Operating profit	22.4	32.5	+10.0		
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	—	0.0	+0.0		
Business profit	22.4	32.5	+10.1	32.5	- 0.0
【Housing sales indicators】					
Housing sales (unit)	3,669	4,329	+660	4,300	-29
Condominiums	3,297	3,878	+581	3,900	+22
Detached housing	372	451	+79	400	-51
Tokyo metropolitan area	2,981	2,944	-37	2,900	-44
Osaka metropolitan area	312	496	+184	600	+104
Other area	375	889	+514	800	-89
Period-end housing contracted but not sold(unit)	3,276	3,548	+272		
Period-end completed housing inventory (unit)					
released for sale	239	130	-109		
unreleased	182	253	+71		
Average sales price (¥mn)	67.47	65.59	-1.88		
Gross profit ratio (%)	22.6%	23.6%	+1.1P		

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

(1) Residential Development : Housing sales (Sales amount / Gross profit ratio)

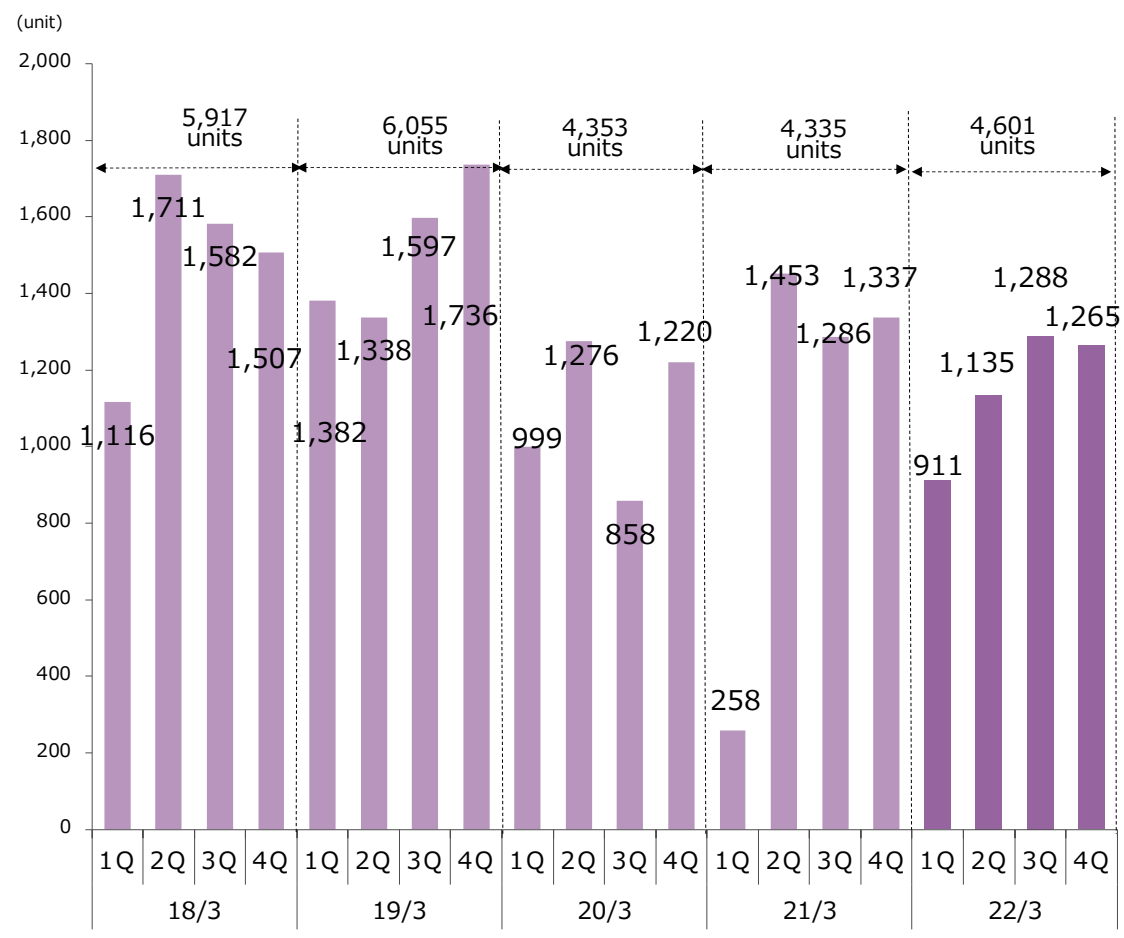
- ▶ In FY22/3, sales for housing was ¥284.0 bn. In FY23/3 sales is expected to be ¥280.0 bn, the same level of FY22/3.
- ▶ Gross profit ratio was 23.6%. We expect to maintain the high gross profit.



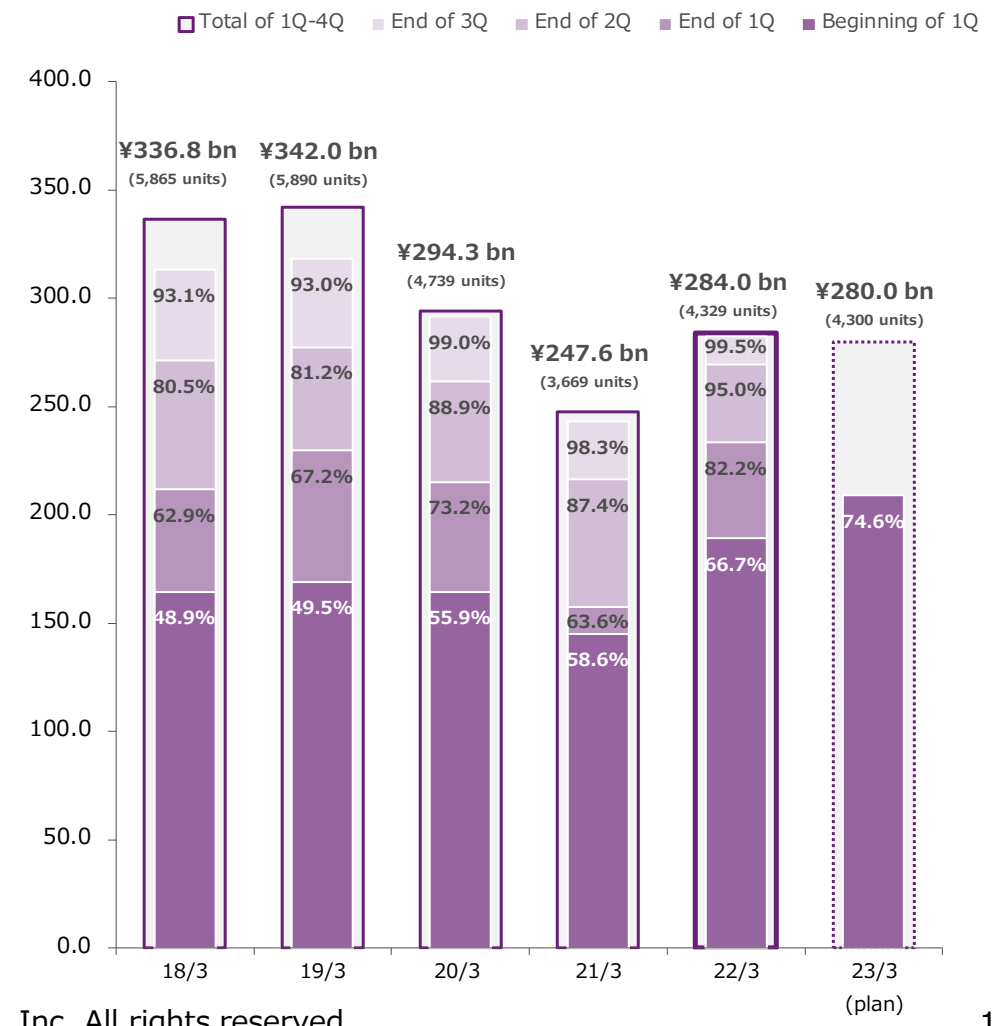
(1) Residential Development : Housing sales (Contracted number / Contract progress rate)

- ▶ In FY22/3, contracted 4,601 units (up 266 units y/y).
- ▶ Contract progress rate was 74.6% against the FY23/3 scheduled housing sales of ¥280.0 bn.

▶ Number of housing contracted



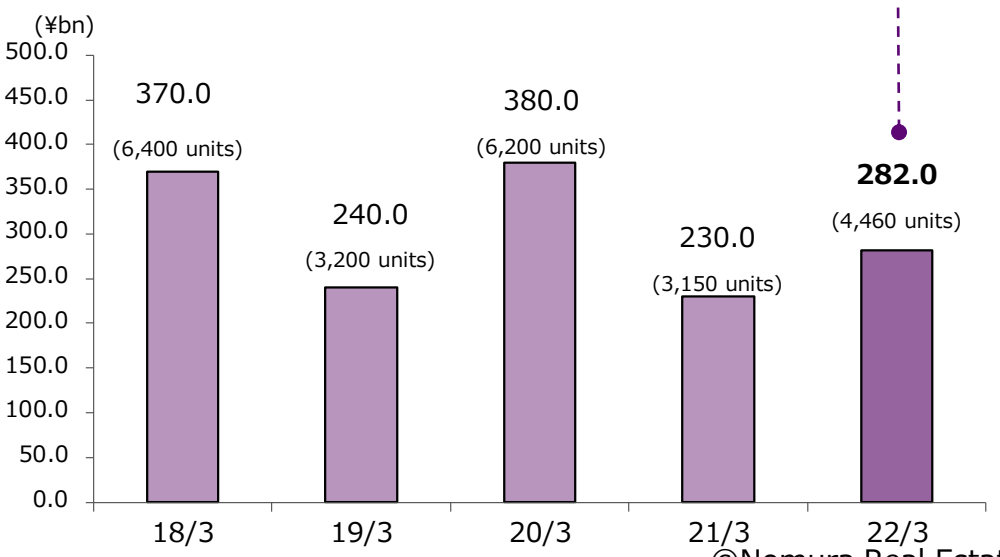
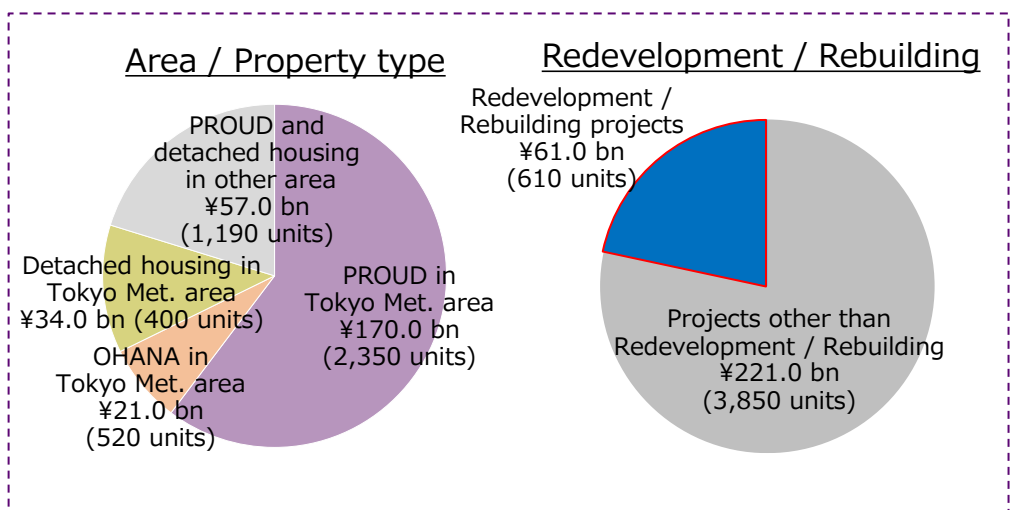
▶ Contract progress rate
 (against the scheduled housing sales)



(1) Residential Development : Housing sales (Land acquisition / Land bank)

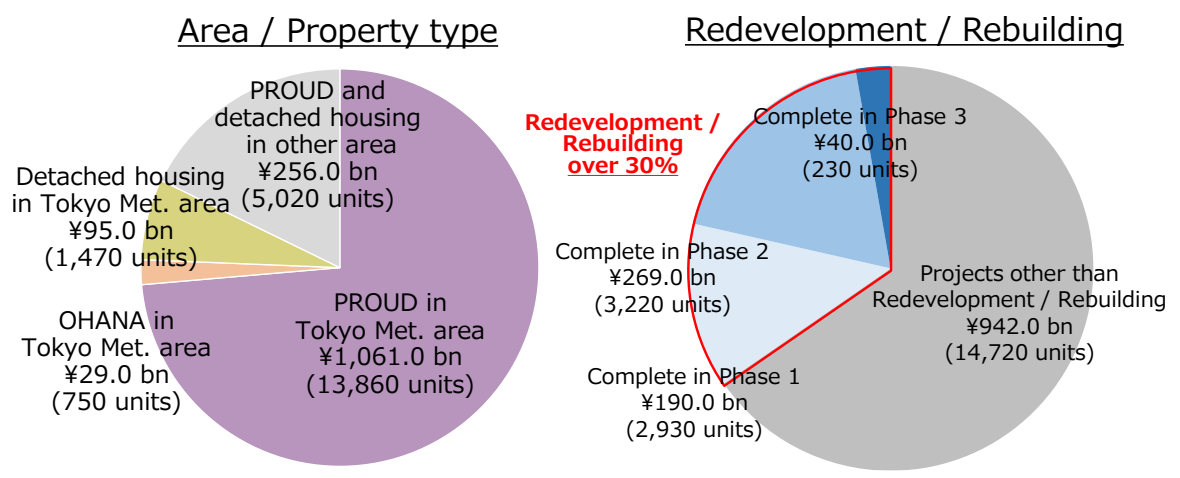
- ▶ In FY22/3, acquired land for residential development of ¥282.0 bn (4,460 units)
- ▶ We secured land bank, equivalent to ¥1,441.0 bn.

▶ Land acquisition



▶ Land bank

¥1,441.0 bn (21,100 units)
 including Redevelopment / Rebuilding projects:
 ¥499.0 bn (6,380 units) · · 1



Redevelopment / Rebuilding projects under planning : 7,670 units · · 2

Redevelopment / Rebuilding projects (1 + 2)
 : **Total 14,050 units**

*Phase I : FY23/3-25/3, Phase II : FY26/3-28/3, Phase III : FY29/3-31/3
 *In line with the disclosure of the new Mid- to long-term business plan announced in April 2022, the above is also classified by the new phase.

(1) Residential Development : Housing sales (Rental housing / Senior rental housing)

▶ Rental housing



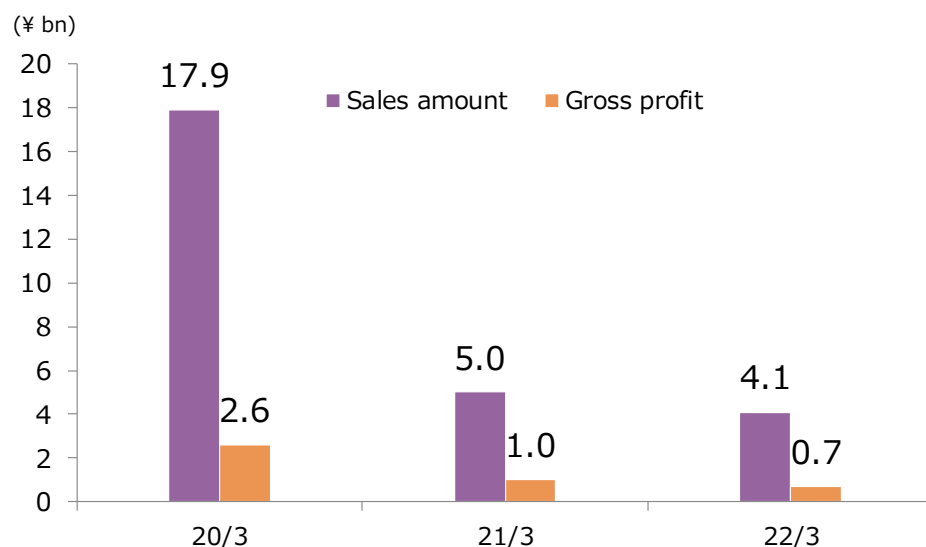
- Properties developed: 129 (including plans)
- Properties construction completed/ owned by NRE: 42 (out of 129)

▶ Health promoting senior rental housing



- Properties developed: 6 (including plans)
- Properties under operation: 4 (out of 6)

Sales and gross profit



Developed / projects under development

	Property Name	Location	Openning year	No. of units
Under operation	OUKAS Funabashi	Funabashi-shi, Chiba	2017	125 units
	OUKAS Makuhari Bay-Park	Chiba-shi, Chiba	2020	141 units
	OUKAS Kichijoji	Mitaka-shi, Tokyo	2020	116 units
	OUKAS Hiyoshi	Yokohama-shi, Kanagawa	2021	120 units
Before operation	OUKAS Shiki	Asaka-shi, Saitama	2023 (plan)	145 units
	OUKAS Setagaya Sengawa	Setagaya-ku, Tokyo	2023 (plan)	186 units

Land acquisition

No. of properties	Total investment
9	¥20.8bn

Stock

Construction completed		Under development			Total		
No. of properties	Balance on BS	No. of properties	Balance on BS	Total investment	No. of properties	Balance on BS	Total investment
15	¥35.4bn	27	¥31.9bn	¥70.3bn	42	¥67.3bn	¥105.8bn



OUKAS Makuhari Bay-Park



OUKAS Kichijoji

(2) Commercial Real Estate: Business outline

- ▶ The retail business is recovering from the COVID-19 impact, but still monitoring closely of the impact.
- ▶ The property sales in FY22/3 were in line with expectations. In FY23/3, profit from property sales are expected to exceed that of FY22/3.

(¥bn)	21/3 Actual ①	22/3 Actual ②	Changes ②-①	23/3 Forecast ③	Changes ③-②
Operating revenue	179.2	202.4	+23.2	210.0	+7.5
Leasing (offices)	47.4	45.4	-1.9		
Leasing (retail facilities)	11.0	12.3	+1.2		
Leasing (other)	5.7	4.1	-1.6		
Property for sales (sale)	87.8	106.4	+18.6		
Property for sales (leasing)	11.2	13.9	+2.7		
Fitness	11.5	13.6	+2.1		
Other	4.4	6.5	+2.1		
Operating profit	35.1	38.2	+3.1		
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	0.2	0.2	—		
Business Profit	35.4	38.5	+3.1	41.0	+2.4
Net lettable area (sqm)	827,737	787,536	-40,201		
Offices	706,771	655,663	-51,108		
Retail facilities	120,966	131,874	+10,907		
Vacancy rate	5.1%	6.0%	+0.9P		

[Reference] Leasing revenue change analysis

	Changes	Key Factors
New and full period operation buildings	+1.3	TOKYO TORANOMON GLOBAL SQUARE etc.
Existing buildings	+1.4	Impact reduced in rent reductions and percentage rent reductions in retail facilities
Sold and reclassification	-3.4	

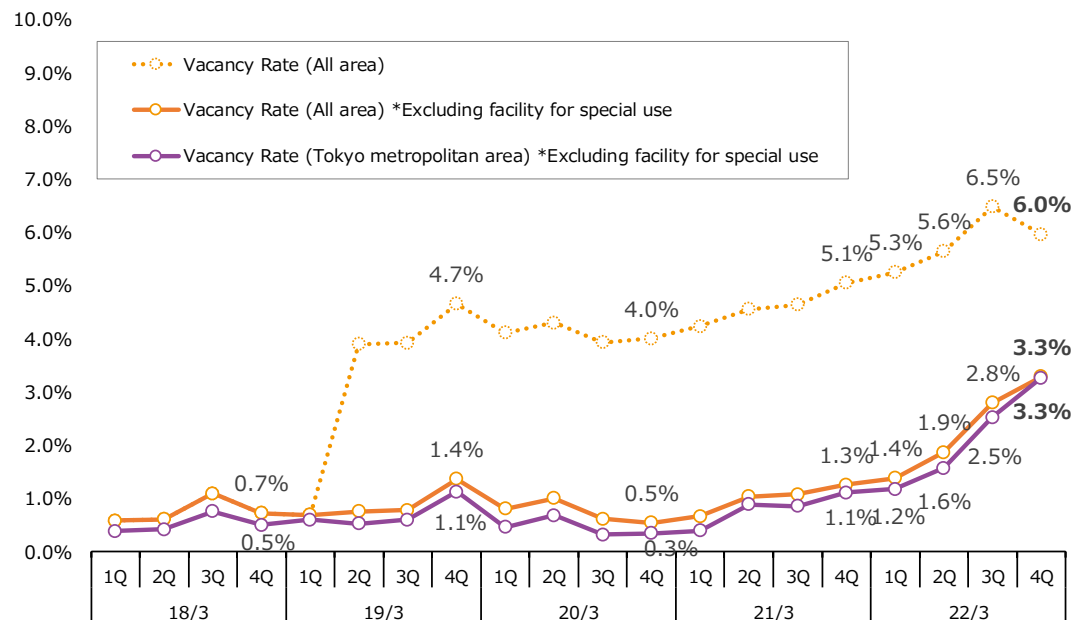
*Leasing refers to revenue from non-current assets including office subleasing.

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

*Regarding to this business unit, in FY22/3 1Q, we incur an extraordinary loss of ¥0.2 bn due to the suspension of operations in fitness clubs etc., caused by the COVID-19. (The amount incurred in FY21/3 was ¥1.5 bn)

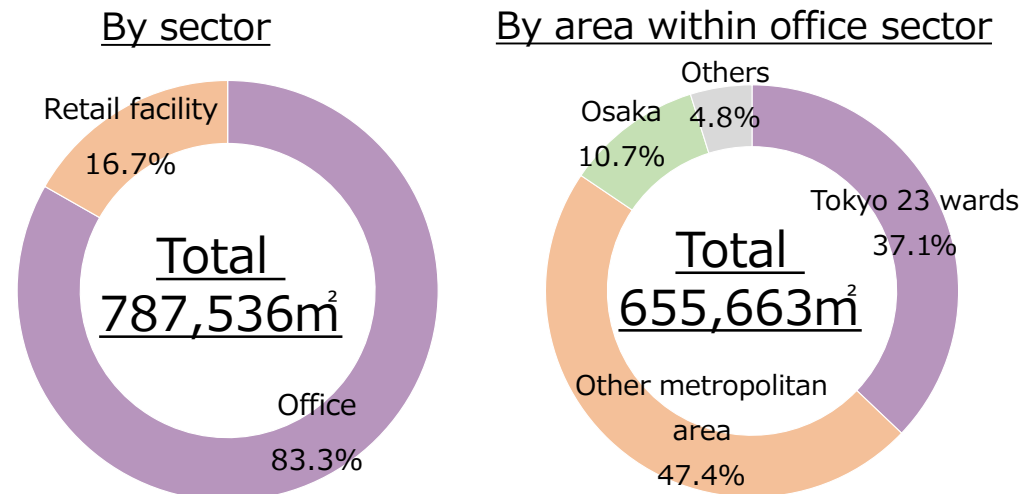
(2) Commercial Real Estate: Leasing

Vacancy rate (excluding inventories)



*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.

Net lettable area (excluding inventories)



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

Project Name	Progress situation	Area planned to be acquired (Other than residence)	22/3	New Mid- to long term business plan		
				Phase1 23/3-25/3	Phase2 26/3-28/3	Phase3 29/3-31/3
KAMEIDO PROJECT ^{*1}	Construction completed (Opened in April 2022)	Approx. 28,000m ² Retail	C			
Nihonbashi 1-chome Central District Redevelopment ^{*1}	Under Construction	Approx. 33,600m ² Office, Retail, Conference room, etc.	S		C	
Shibaura 1-chome Project ^{*1}	South Tower is under construction	Approx. 550,000m ² Mixed-use	S (South Tower)		C	
Nishi-Azabu 3-chome Redevelopment ^{*1}	Establishment of urban redevelopment unit was approved	Approx. 10,000m ² Hotel		S		C
Nakano Station Shin North Exit Station-Front Area Redevelopment ^{*1}	Blueprint of the project is under discussion	TBD (Convention Hall, Hotel, Retail, rental housing)		S		C
Nishi-Nippori Station-Front Redevelopment ^{*1}	Blueprint of the project is decided	Approx. 11,800m ² Retail		S		C
Soto-Kanda 1-chome Redevelopment	Blueprint of the project is under discussion	Approx. 42,000m ² Office, Hotel, Retail		S		C
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Approx. 30,000m ² Office, Conference room		S		C
Nishi-Shinjuku 3-chome West Redevelopment ^{*1}	Blueprint of the project is decided	Approx. 10,700m ² Retail		S (South area)		C (North area)
Shinbashi Station West Exit Redevelopment ^{*1}	Blueprint of the project is under discussion	TBD Office, Hotel, Retail			S	
Nomura Fudosan Ginza Building Rebuilding ^{*1}	-	TBD Office				TBD

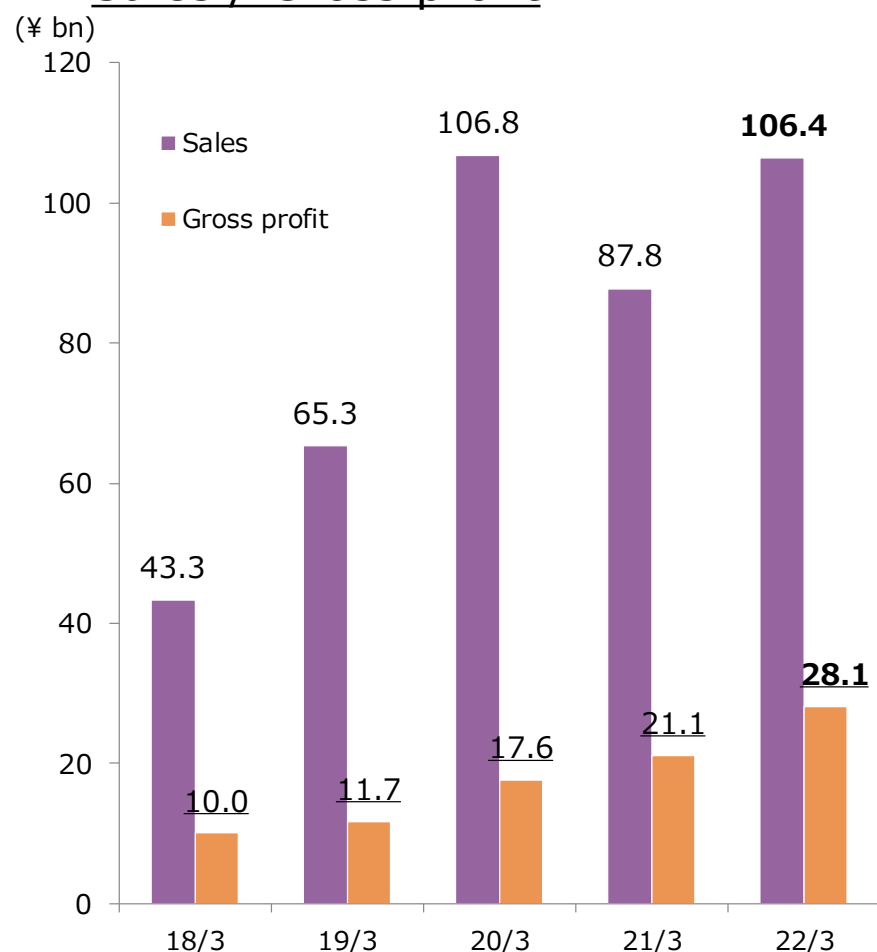
*1 JV projects
 *2 The underlined parts are new projects in which we have newly participated.
 *3 All projects are in planning stage and are subject to change.
 *4 Gross floor area

S: Start of construction C: Completion of construction

(2) Commercial Real Estate: Property for sale

- ▶ Business progressed steadily as we expected, with sales of ¥106.4 bn and gross profit of ¥28.1 bn.
- ▶ Acquired land equivalent to ¥144.5 bn. We continue to expand our business actively mainly in office and logistic facility.

Sales / Gross profit



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

Land acquisition

	Acquired Projects	Total investment
Office	6 projects	¥41.5 bn
Retail	0 projects	¥0.0 bn
Logistics	5 projects	¥103.0 bn
Total	11 projects	¥144.5 bn

Stock for property for sales

Total ¥743.0 bn
(¥436.8 bn out of total is on Balance Sheet)

	Completed		Under development		Total	
	Amount on BS	Amount on BS	Total investment	Amount on BS	Total investment	
Office	132.3	124.2	216.0	256.5	348.0	
Retail	40.2	10.4	18.0	50.6	58.0	
Logistics	69.7	46.8	253.0	116.6	323.0	
Other	12.9	—	—	12.9	12.0	
Total	255.2	181.5	488.0	436.8	743.0	

*Total investment amount is rounded down to the nearest ¥1 bn.

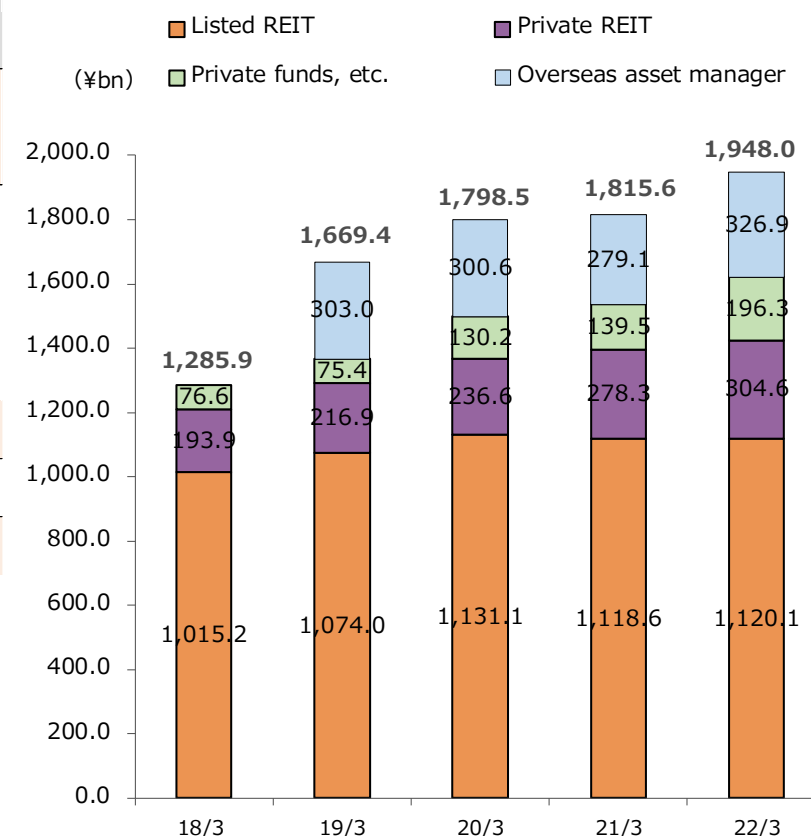
*From FY20/3, rental housing (PROUD FLAT) has been transferred to the Residential Development Business Unit and excluded from the figures above. Rental housing had a total stock of ¥105.8 bn and a BS balance of ¥67.3 bn as of the end of FY 22/3. (See p.17 for details)

(3) Investment Management: Business outline

- By capturing the growing demands to real estate investment from institutional investors, the AUM increased steadily mainly in private REIT and private funds.

(¥bn)	21/3	22/3	Changes ②-①	23/3	Changes ③-②
	Actual	Actual		Forecast	
	①	②		③	
Operating revenue	12.4	12.8	+0.3	13.0	+0.1
Operating profit	7.2	7.5	+0.2		
Share of profit (loss) of entities accounted for using equity method	—	—	—		
Amortization of intangible assets associated with corporate acquisitions	0.2	0.3	+0.0		
Business profit	7.5	7.8	+0.2	8.0	+0.1
Assets under management	1,815.6	1,948.0	+132.4		
Domestic asset manager	1,536.4	1,621.1	+84.6		
Listed REIT*	1,118.6	1,120.1	+1.4		
Private REIT*	278.3	304.6	+26.3		
Private funds, etc.	139.5	196.3	+56.8		
Overseas asset manager	279.1	326.9	+47.7		

Assets under management



*Assets under management of listed REIT and private REIT is calculated by

Total assets on the balance sheet(excluding unamortized goodwill) at the end of the latest fiscal period of each REIT

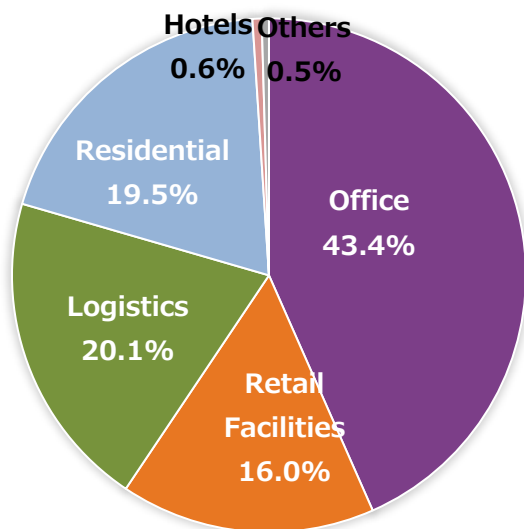
+ Acquisition price of the assets acquired after the end of the period - Book value at the end of the latest fiscal period of the assets disposed after the end of the period

(3) Investment Management: Business outline

MASTER FUND 

One of the largest diversified type J-REITs

AUM ¥1,120.1 bn (299 properties)



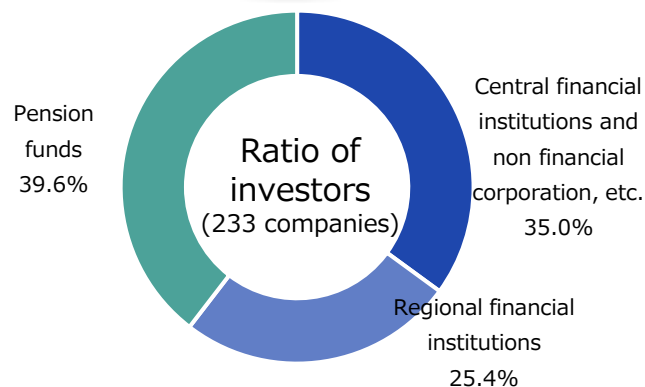
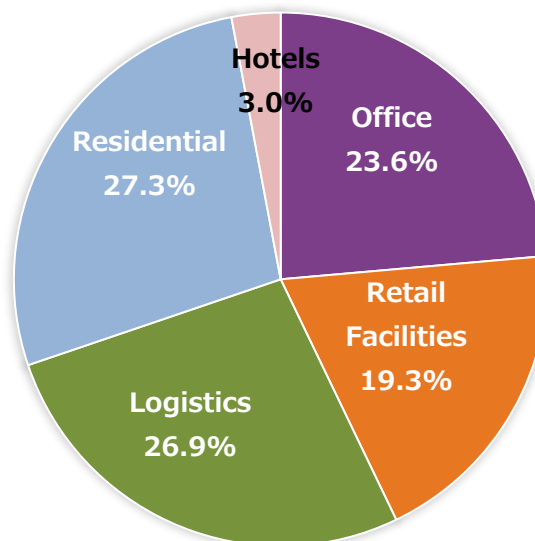
Portfolio Summary	
Occupancy rate	98.7%
Average NOI yield	5.0%
Average property age	20.0 years

*Percentages by assets are based on the acquisition price as of the end of 2022/3.
 *Portfolio summary is based on the data as of the end of 2022/2(298 properties)

NOMURA REAL ESTATE PRIVATE REIT, INC.

Japan's first private REIT since 2010

AUM ¥304.6 bn (86 properties)

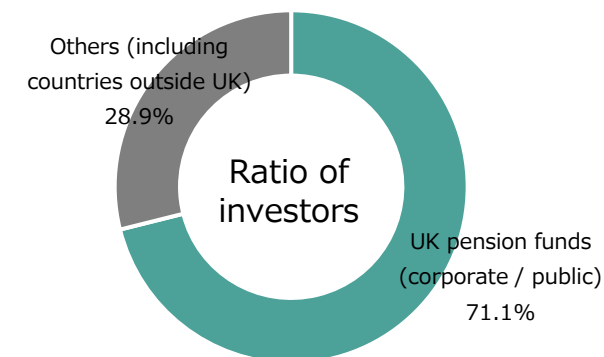
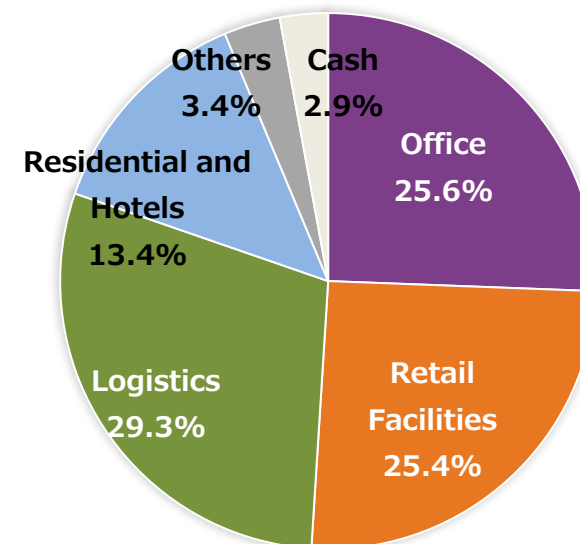


*Percentages by assets are based on the acquisition price as of the end of 2022/3.
 *Ratio of investors are based on the number of investment units as of the end of 2022/3.

Lothbury Property Trust

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

AUM ¥254.5 bn (47 properties)



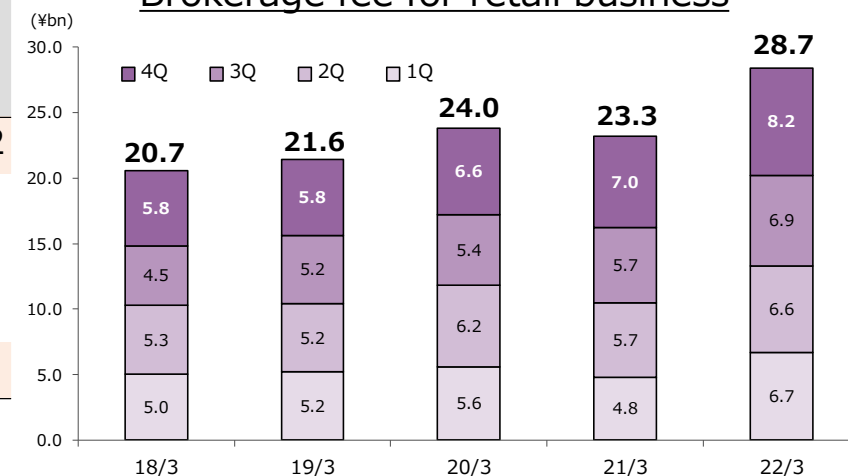
*Each property's fair value is calculated by 155.24 JPY to GBP as of the end of 2021/12.
 *Percentages by assets are based on the fair value as of the end of 2021/12.
 *Ratio of investors are based on the number of investment units as of the end of 2021/12.

(4) Property Brokerage & CRE: Business outline

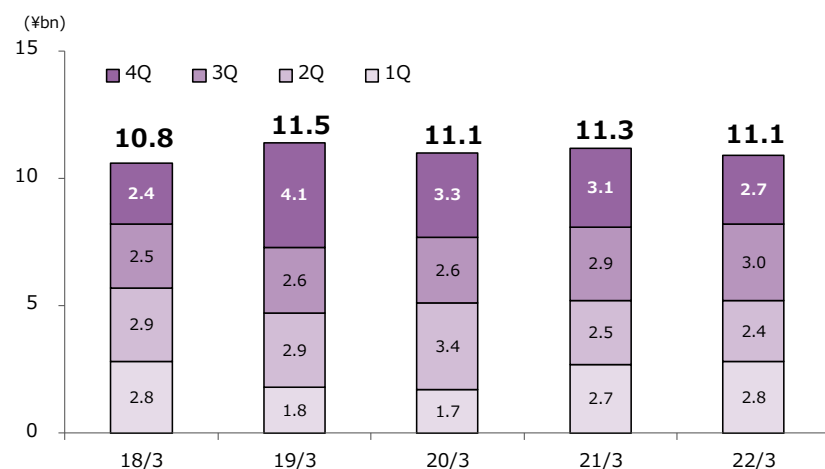
- Both transaction value and the number of transactions increased. In addition to the strong retail business, we captured a wide range of customer needs in wholesale business and middle business targeting small and medium-sized enterprises and business owners, etc.

(¥bn)	21/3 Actual ①	22/3 Actual ②	Changes ②-①	23/3 Forecast ③	Changes ③-②
Operating revenue	39.4	43.7	+4.3	44.0	+0.2
Brokerage fee (retail business)	23.3	28.7	+5.3		
Brokerage fee (wholesale business)	11.3	11.1	-0.2		
Other	4.7	3.9	-0.7		
Operating profit	8.9	11.7	+2.7		
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	8.9	11.7	+2.7	11.5	-0.2
【Brokerage indicators】					
Transaction value (¥bn)	893.4	964.8	+71.4		
Number of transactions	9,322	10,081	+759		
Commission fee (¥bn)	34.7	39.8	+5.1		
Commission rate (%)	3.9%	4.1%	+0.2P		
Number of branches for retail business	87	89	+2		

Brokerage fee for retail business



Brokerage fee for wholesale business

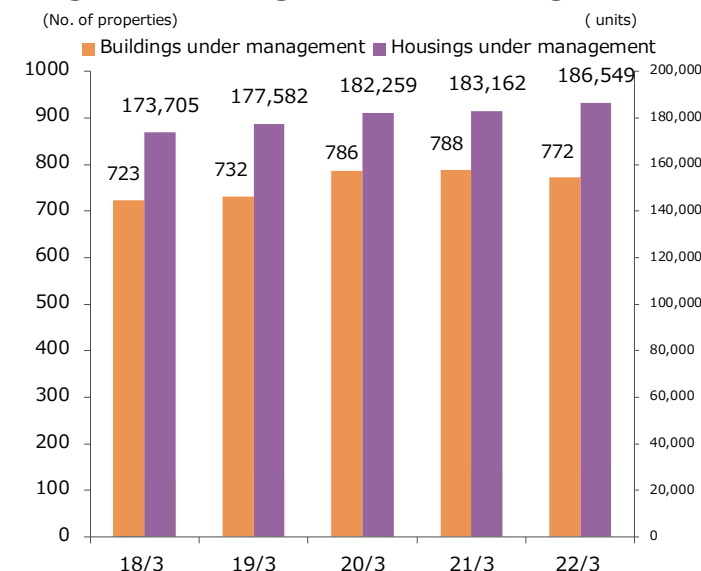


(5) Property & Facility Management: Business outline

- ▶ Due to the impact of the COVID-19, the recording of some construction orders will be changed to FY23/3 or later.
- ▶ Operating revenue and business profit progressed steadily with the solid increase of the stocks for housing under management, etc.

(¥bn)	21/3 Actual ①	22/3 Actual ②	Changes ②-①	23/3 Forecast ③	Changes ③-②
Operating revenue	98.3	99.2	+0.8	104.0	+4.7
Property & facility management	56.7	58.2	+1.4		
Construction ordered	35.8	35.2	-0.6		
Other	5.7	5.7	+0.0		
Operating profit	9.0	9.1	+0.0		
Share of profit (loss) of entities accounted for using equity method	0.1	0.0	-0.1		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	—		
Business profit	9.2	9.2	-0.0	9.0	-0.2

Buildings / Housings under management



Building under management	788	772	-16		
Housings under management	183,162	186,549	+ 3,387		

Revenue of construction ordered



“SumaiSurfin”
 Customer Satisfaction
 Survey 2021
No.1
 for 13 consecutive years



2021 Oricon
 Customer Satisfaction Report
 Condominium management company
No.1
 in metropolitan area
 for 5 consecutive years

(6) Overseas : Business outline

- ▶ In FY22/3, we continued new investments with closely monitoring the impact of the infection control measures in each city.
- ▶ In FY23/3, we expect to increase profit with the housing sales project in Viet Nam (share of profit of entities accounted for using equity method), etc.

[Other (Before the segment reclassification, including overseas business)]

(¥bn)	21/3 Actual ①	22/3 Actual ②	Changes ②-①
Operating revenue	2.0	2.7	+0.6
Operating profit	-0.7	-0.7	+0.0
Share of profit (loss) of entities accounted for using equity method	-0.7	0.7	+1.5
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	+0.0
Business profit	-1.4	0.0	+1.5

[Overseas (after the segment reclassification)]

	22/3 Actual ③	23/3 Forecast ④	Changes ④-③
	2.6	4.0	+1.3
	-0.5		
	0.7		
	0.0		
	0.2	5.5*	+5.2

*We expect share of profit of entities accounted for using equity method of approx. 5.5 billion yen.

▶ Business environment in each city▶ Viet Nam / Hanoi and Ho Chi Minh city

- In Ho Chi Minh city, due to the COVID-19 impact, the construction was suspended from July to September, 2021, although it resumed in October. After the resume, the construction is progressing as planned.
- In Hanoi, we are scaling up new projects in response to the strong demand for housing, as we do in Ho Chi Minh city.

▶ Thailand / Bangkok

- We are scaling up projects as capturing the continuing solid housing needs for real demand, including participation in the detached house and townhouse business.

▶ the Philippines / Manila

- Activity restrictions were lowered due to a decrease in the number of infection. Sales remained steady due to strong demand.

▶ China / Changzhou

- Our local partners' credit-worthiness is high. Currently there is little direct concern about our projects.
- We will continue to promote business with monitoring future trends, such as the Chinese government's policies and overall market demands.

(6) Overseas : Overseas business expansion (projects participated)

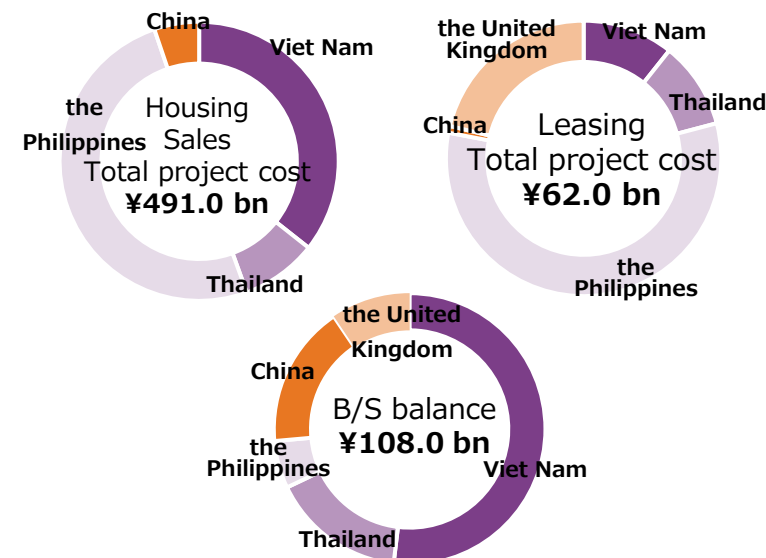
▶ Developing business mainly in high-growth Southeast Asia area. Total project cost (our share) approx. ¥554.0 bn is secured.

▶ Housing sales: 26 projects, Total project cost (our share): approx. ¥491.0 bn
 [Major projects scheduled to be recorded in FY23/3]

Location	Project	Type of profit or loss	Total number	Our share*3	Completion
Viet Nam (Ho Chi Minh City)	Midtown	Operating profit (loss)	approx. 2,400 units	250 units	2019-
Thailand (Bangkok)	Ratchayothin B building	Operating profit (loss)	489 units	200 units	2020
Thailand (Bangkok)	On Nut	Operating profit (loss)	601 units	250 units	2020
Viet Nam (Ho Chi Minh City)	Grand Park 2nd period	Share of loss (profit) of entities accounted for using equity method	approx. 10,000 units	3,100 units	2021
China (Changzhou)	Changzhou II	Operating profit (loss)	approx. 4,300 units	500 units	2021-
Thailand (Bangkok)	Thong Lo	Operating profit (loss)	1,236 units	550 units	2022
Thailand (Bangkok)	Ratchathew	Operating profit (loss)	264 units	100 units	2022
China (Changzhou)	Changzhou, Tianning	Operating profit (loss)	approx. 2,300 units	550 units	2022-

[Total project cost (our share)]

approx. ¥554.0 bn
 (¥108.0 bn out of total is on Balance Sheet)



Midtown, Viet Nam



Grand Park 2nd period, Viet Nam



Ratchayothin B building (Right), Thailand



▶ Leasing : 11 projects, Total project cost (our share): approx. ¥62.0 bn

Location	Project	Type of profit or loss	Main use	Gross floor area and No. of rooms*4	Completion
China (Beijing)	Beijing Fortune Building	Share of loss (profit) of entities accounted for using equity method	Office	approx. 55,000m ²	1990
Viet Nam (Ho Chi Minh City)	SUN WAH TOWER	Share of loss (profit) of entities accounted for using equity method	Office	approx. 32,000m ²	1997
Viet Nam (Ho Chi Minh City)	ZEN PLAZA	Operating profit (loss)	Office	approx. 17,000m ²	1999
Thailand (Bangkok)	Thong Lo	Share of loss (profit) of entities accounted for using equity method	SA	303 rooms	2019
the Philippines (Manila)	Sunshine Fort	Share of loss (profit) of entities accounted for using equity method	Retail	approx. 28,000m ²	2022
Thailand (Bangkok)	Sukhumvit 24	Share of loss (profit) of entities accounted for using equity method	SA	411 rooms	2023
the United Kingdom (London)	127-133 Charing Cross Road	Operating profit (loss)	Office	approx. 5,200m ² *5	2024
the Philippines	Federal Land NRE Global 4 projects	TBD	Retail, Office, etc.	TBD	TBD

(Reference)

Depending on the participation type in the project, our share of the project, and other reasons, the investment may be accounted for as equity investment or share of entities accounted for using equity method.

Equity investment	Share of entities accounted for using equity method.
Operating profit or loss (Equity investment profit (loss))	Non-operating profit or loss (Share of profit (loss) of entities)

Business profit

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

*1 All projects (including project name) are in planning stage and are subject to change. *3 The number of our share is rounded down to the nearest 50 units. Our share partially includes the number of units that have been delivered.

*2 Total project cost (our share) and B/S balance for projects scheduled to be booked in FY23/3 and thereafter are rounded down to the nearest ¥1 bn. Total project cost (our share) for projects scheduled to be recorded in multiple fiscal years is the total project cost for the entire period.

*4 Floor area and No. of rooms are for the entire project.

*5 Area after refurbishment of existing property.

(6) Overseas: Establishment of a joint venture company in the Philippines

- ▶ Established a joint venture company for the real estate business with GT Capital Group, a major company in the Philippines (Our equity ratio 34%).
- ▶ As for total project cost, we estimate approx. ¥770.0 bn (for the initial 4 projects), and aim for mid- to long-term business growth expansion in the country.
- ▶ Approx. ¥270.0 bn of the total project cost is estimated for the cost for the first 10 years.




66%

<GT Capital> <https://www.gtcapital.com.ph/>
 The GT Capital Group, whose core business is commercial bank (MetroBank), develops various businesses including finance, automobiles, and real estate development.

New company Federal Land NRE Global, Inc.

FLI and NRE collaborated to **build a stable and sustainable business foundation.**
 We aim to create a number one brand in by exercising both strengths

<p>FLI Management resources and local know-how</p> <ul style="list-style-type: none"> •The GT Capital Group's business infrastructure, its abundant land for development •Expertise of local real estate development 		<p>NRE know-how provision</p> <ul style="list-style-type: none"> •Advanced technology, quality and cost management skills developed in Japan •Brand strategy know-how
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NRE/Federal Land (FLI) JV project (work in progress)



Sunshine Fort
 Main use: Residence:
 approx.1,400 units (our share 250)
 Retail facility:
 Gross floor area approx.28,000 m²
 Construction/opening: Residence 2023-,
 Retail facility 2022-
 Participating companies: NRE, FLI, Mitsukoshi Isetan Holdings






NOMURA REAL ESTATE HOLDINGS



NOMURA REAL ESTATE DEVELOPMENT

34%

Initial 4 project
 Total project area approx. 250ha, Total project cost approx. ¥770.0 bn
 (Our share approx. ¥260.0 bn)

Mandaluyong	Metro Park	Cavite	Cebu
			
<ul style="list-style-type: none"> •Residence: approx. 4,700 units •Retail facility: 49,570m² •Office: 18,005m² •Construction is planned to start from 2024 	<ul style="list-style-type: none"> •Residence: approx. 1,600 units •Retail facility : 23,449m² •Office : 13,824 m² •Construction is planned to start from 2024 	<ul style="list-style-type: none"> •Residence/ Residential area development: approx. 42,000 units •Retail facility : 110,337m² •Office : 653,613m² •Construction is planned to start from 2025 	<ul style="list-style-type: none"> •Condominium : approx. 940 units •Retail facility:18,306m² •Construction is planned to start from 2025

(6) Overseas : Overseas business expansion (strategy)

- ▶ In overseas, implements initiatives by utilizing our expertise gained in Japan.
- ▶ Expand business continuously by strengthening the connections with local partners and increasing the added value of the properties.

High added value strategy in overseas business

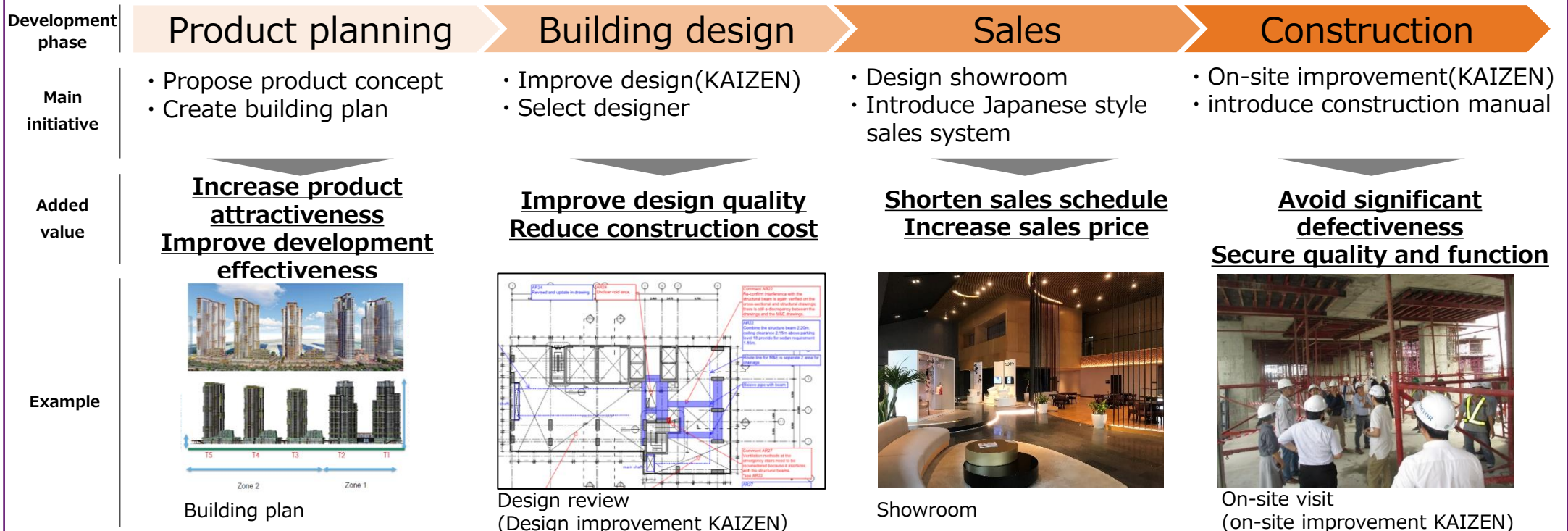
Implements various initiatives by utilizing expertise gained in domestic business

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)



3. Sustainability

(1) Sustainability Policy, Materiality / KPI

- ▶ Established sustainability policy (vision of 2050) in September, 2021.
- ▶ Set materiality and KPI as a priority issue to 2030(FY31/3).

Sustainability Policy

Earth Pride

Pursuing humanity

Maintaining harmony with nature

Building the future together

Materiality for 2030

Society and employees		Climate change and natural environment		
Diversity & inclusion	Human rights	Decarbonization	Biodiversity	Circular design

Targets and Initiatives in the Group

<Strengthening promotion foundation>

- Respect for the human rights of our employees and all people involved in our business
- Engagement with business partners based on the Nomura Real Estate Group Human Rights Policy
- Create an organization in which diverse personnel with a variety of backgrounds and values can demonstrate their abilities
- Initiatives aimed at co-creation of diverse organizations and human resources within and outside the company
- Establish the Wellness and D&I Management Committee (Chair: Group CEO)
- Establish the D&I Management Sect. in the Human Resources Development Dept. as the dedicated management organization

<Reduction of total CO2 emissions by 2030 (Science Based Target : 35% reduction)>

- Improve energy conservation performance in new buildings (ZEH/ZEB Oriented standards)
- Implement renewable energy solar power plants in our development properties to achieve RE100 (detached housing, Landport, etc.)
- Initiatives for carbon neutrality through urban development such as Shibaura 1-chome Project
- Promote use of low-carbon materials (timber-based buildings, etc.)
- Initiatives to conserve biodiversity and absorb carbon dioxide through greening of urban areas and forest circulation activities, etc.
- Further efforts to develop products and services to realize a circular economy (building longevity, waste reduction and recycling, etc.) such as "Attractive 30" for extending the cycle of large-scale repair work.

(2) Climate change and natural environment (CO2 emission reduction)

- ▶ Set a target of 35% reduction in CO2 emissions. Aim to achieve ZEH / ZEB oriented standards.
- ▶ In FY21/3, total CO2 emissions decreased due to temporary factors including COVID-19 impact. We are continuing our efforts to reduce emissions.
- ▶ Joined the RE100 in January, 2022.
- ▶ Climate change / CO2 emission reduction target

Target year	Base year compared to FY20/3	Base year performance
FY31/3	• Scope1,2: reduce 35%	150,000 t-CO2
	• Scope3* : reduce 35%	3,172,000 t-CO2



* Reduction targets are category 1 (purchased goods and services), category 11 (use of sold products).

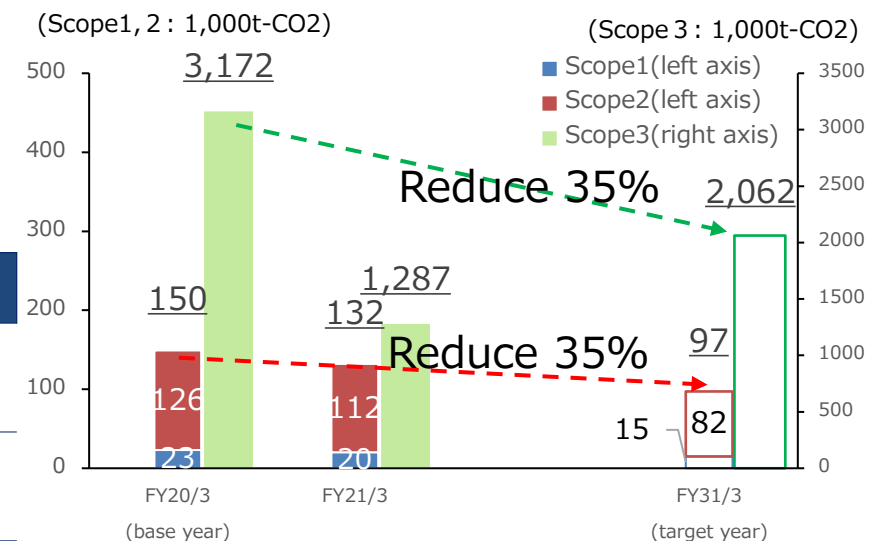
Target for renewable electricity*	The power consumption in the Group will be 100% renewable electricity by 2050
	Switching electricity consumed by all leasing properties owned by NRE to 100% renewable electricity by FY24/3

* Electricity in Scope 1 and 2

Our business and Scope 1, 2, 3

	Our relevant business
Scope1, 2 (Direct emissions)	<ul style="list-style-type: none"> ▶ Leasing business ▶ Service & Management Sector
Scope3 (Indirect emissions)	<ul style="list-style-type: none"> ▶ Property sales business (housing sales, property for sales)

CO2 emission reduction (Scope1,2,3) plan



(2) Climate change and natural environment (ZEH-M business)

- ▶ PROUD Takadanobaba, which was selected as high-rise ZEH-M support project was completed in May, 2021.
- ▶ We offer various housing units to respond to the household diversification.



PROUD Takadanobaba
Location: Shinjuku-ku, Tokyo
Access: 4 min walk from Takadanobaba station
Total units: 135 units
Construction completed: May, 2021

- ▶ The condominium is equipped with a whole-house air-conditioning system called "Yukai-full" and, "Attractive 30" which reduces the cost of large-scale repair work, to provide an environmentally friendly residence.
- ▶ Considering the household diversification, location and area attributes, there are various housing units, not just family types but also compact types mainly with 2 bedrooms.

ZEH-M business examples

Name	No. of units	Our share	Completion	ZEH type
PROUD Takadanobaba	135 units	135 units	2021/5	High-rise ZEH-M support project
PROUD TOWER Kameido Cross (Gate Tower)	452 units	384 units	2022/1	Super high-rise ZEH-M demonstration project
PROUD TOWER Umedatoyosaki	126 units	126 units	2023/2 (plan)	Super high-rise ZEH-M demonstration project
PROUD Musashishinjo Station Marks	109 units	109 units	2023/4 (plan)	High-rise ZEH-M Oriented support project
PROUD Kagurazaka Hill Top	75 units	75 units	2023/7 (plan)	High-rise ZEH-M support project
PROUD CITY Musashiurawa Station Arena	277 units	231 units	2024/2 (plan)	High-rise ZEH-M support project

(3) Society and Employees

▶ The Group aims to provide Wellness Management so that all of its executives and employees can work energetically in good physical and mental health.

▶ Wellness management

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

Work style reforms

- ▶ 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

Diversity

- ▶ 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

▶ Major Non financial targets for Wellness Management

By FY31/3

- Female manager and junior manager ratio: over *20%
- Childcare leave ratio: 100%
- Rate of employment of persons with disabilities: 2.4%
- Employee absentee rate : 0% etc.

Result	FY19/3	FY20/3	FY21/3
Female manager and junior manager ratio* (%)	10.05	10.33	11.19
Childcare leave (person) Figures in parentheses are men	178 (6)	253 (10)	289 (28)
Rate of employment of persons with disabilities (%)	1.96	2.02	2.05
Employee absentee rate (%)	0.37	0.29	0.41

*Female manager and junior management ratio:
 Female manager + female management candidate /
 All manager + all management candidate

(4) Governance

▶ Corporate Governance (As of April 1, 2022)

- Company with an Audit & Supervisory Committee
- Out of 11 directors, 4 are independent external directors
- Chairman of the Board of Directors is a non-executive director
- Chairman of Advisory Committee Relating to Nominations and Compensation is an independent external director
- Majority of the members of the Audit & Supervisory Committee and the Advisory Committee Relating to Nominations and Compensation are independent external directors

▶ Compensation of Officers

- Established a system that considers medium- to long term results. This reflects the real estate business characteristics, which has a long business period.
- Combined fixed compensation (base compensation) and variable compensation (bonus and share-based compensation(PS, RS)).
- Evaluates performance related to sustainability.
- Evaluation index for share-based compensation is business profit and ROE.

Compensation system overview *1

▶ **Base compensation**

Compensation: cash (determined in accordance with the role and specific type of director position)

▶ **Bonus**

Compensation: cash
 Performance evaluation: Business profit, mid- to long term implementation. Sustainability initiatives, etc.

▶ **Share-based compensation (Performance Share portion: PS)** *2

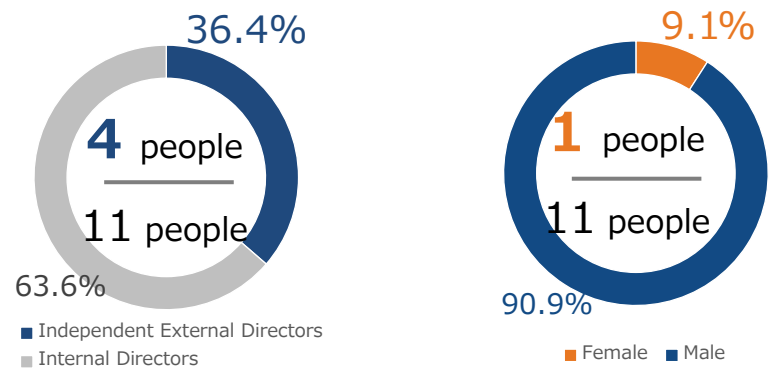
Compensation: share
 Vesting period: 3 years after the target fiscal year
 Evaluation: Based on performance after 3 years (evaluation index: business profit, ROE)

▶ **Share-based compensation (Restricted Stock portion: RS)**

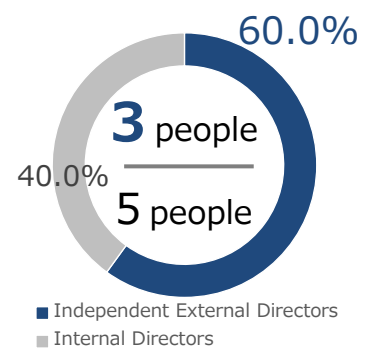
Compensation: share
 Vesting period: when a director or an officer resigns

*1: Compensation system for Executive Officers for our group
 *2: Applicable to some group directors.

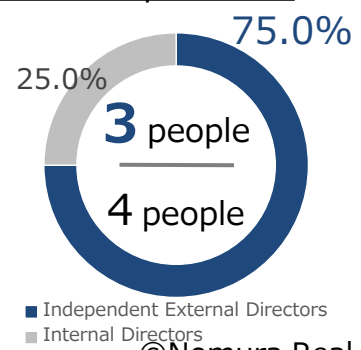
▶ Board of Directors
Percentage of Independent Directors/Female Directors



▶ Audit & Supervisory Committee



▶ Advisory Committee Relating to Nominations and compensation



(5) External evaluation / Signatures and agreement on initiatives

▶ Inclusion in ESG index

Included in all five ESG indexes for Japanese stock investment adopted by GPIF.

*From April 1, 2022, included in new index, FTSE Blossom Japan Sector Relative Index.

<Index adopted by GPIF>

2021 CONSTITUENT MSCI JAPAN
 ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN
 EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom
 Japan



FTSE Blossom
 Japan Sector
 Relative Index



<Other main index>



FTSE4Good



2021 Sompo Sustainability Index

▶ Signatures and agreement on initiatives

Joined the RE100 in February, 2022



▶ ESG evaluation

CDP Climate change	Sustainalytics	GRESB disclosure evaluation
A-	17.7	A

▶ Publications

Integrated report



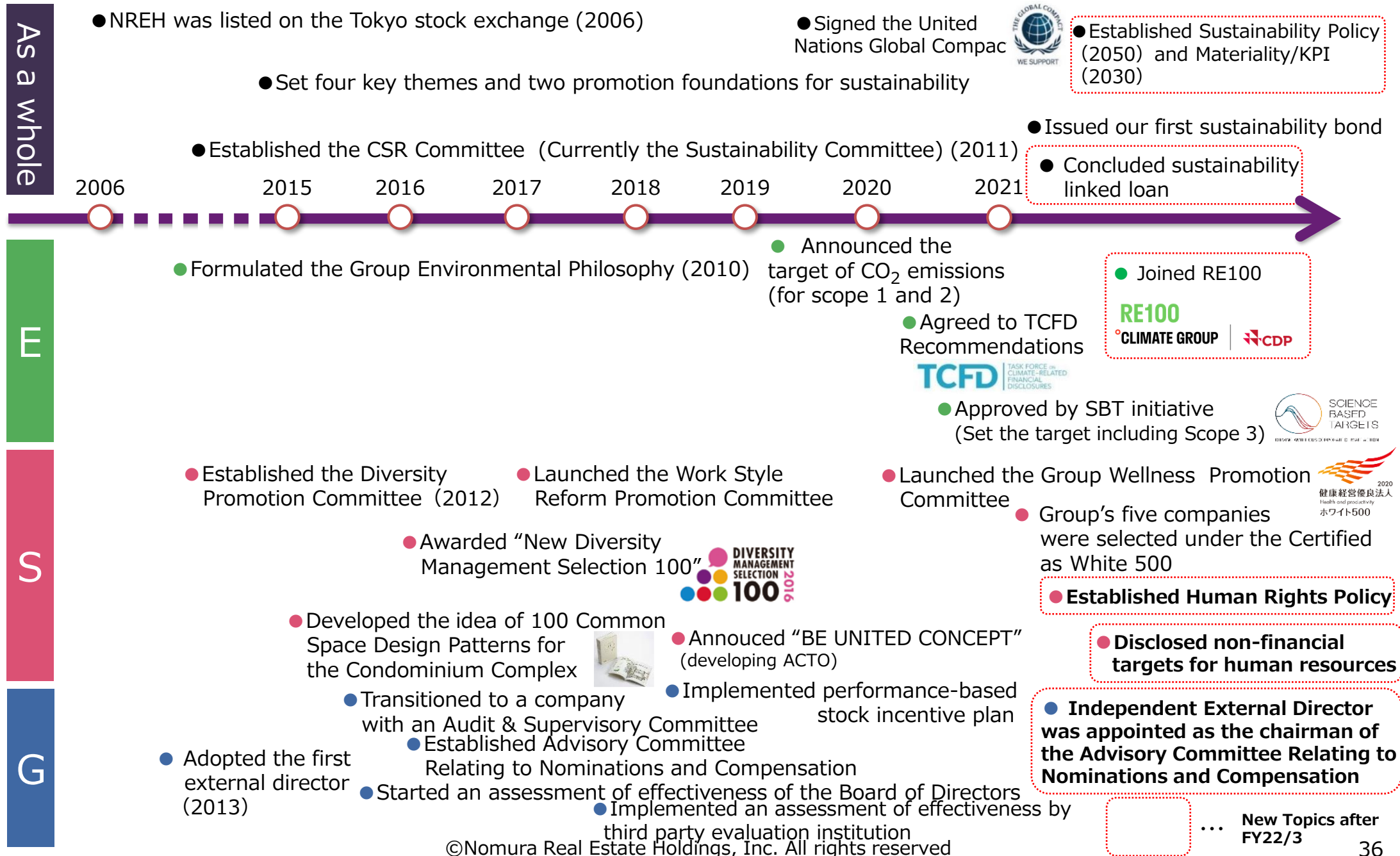
Sustainability report



*The inclusion of Nomura Real Estate Holdings, Inc. in any MSCI INDEX, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Nomura Real Estate Holdings, Inc. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

(6) Sustainability initiatives (history)

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



(7) Sustainability finance

- ▶ Accelerate fund procurement considering sustainability factors to diversify funding methods.
- ▶ Our target is to procure approx. ¥200.0 bn over the next five years through new loans and refinancing.

▶ Sustainability Bond (issued on Feb., 2021)

Issue size	¥10.0 bn
Issue schedule	Feb. 26, 2021
Third party evaluation (external evaluation)	Vigeo Eiris Japan Credit Rating Agency (JCR) Rating and Investment Information (R&I)
Use of funds	Green project, social project

▶ Sustainability linked loan (concluded on Jul., 2021)

Procured amount	¥43.5 bn (28 financial institutions) *as of the end of March, 2022
Procurement schedule	After Jul. 2021
Third party evaluation (external evaluation)	Rating and Investment Information (R&I)
Feature	<ul style="list-style-type: none"> • Utilize “Comprehensive sustainability linked loan (SLL) Framework” for the first time in Japan. • Established a system that includes a target to reduce CO2 emissions and by achieving this, preferential interest rates will be applied.

▶ Sustainability Certification Loan (concluded in Mar., 2022)

Issue size	¥1.5 bn
Procurement schedule	March 31, 2022
Loan Details	DBJ Employee Health Management Rated Loan Program*
Evaluation organization and content of evaluation	<p>Development Bank of Japan Employee Health Management Rating: The highest rating “Companies with excellent advanced initiatives to Employee’s Health Management”</p> 

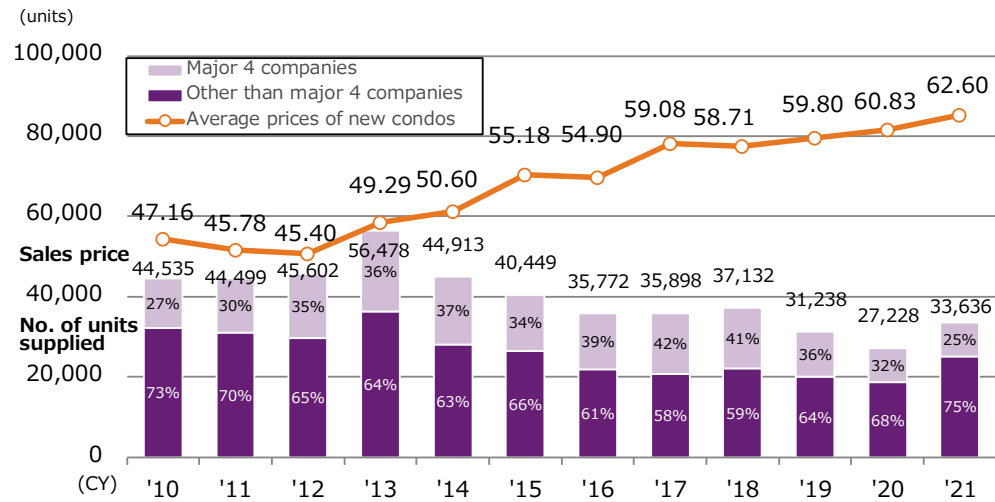
* Loans based on assessment for Employees' Health Management (Physical and mental health, Flexible and diverse styles of work, etc.) and employee engagement (job satisfaction)

Our target is to procure approx. **¥200.0 bn** in sustainability finance over the next five years, including new loans and refinancing of existing loans.

4. Reference materials

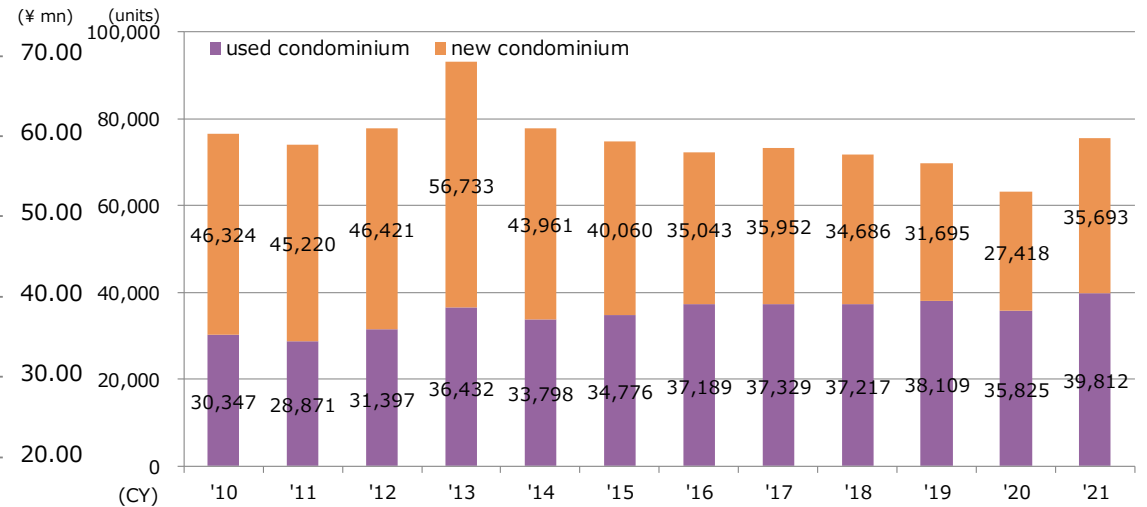
(1) Business environment: Residential market

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



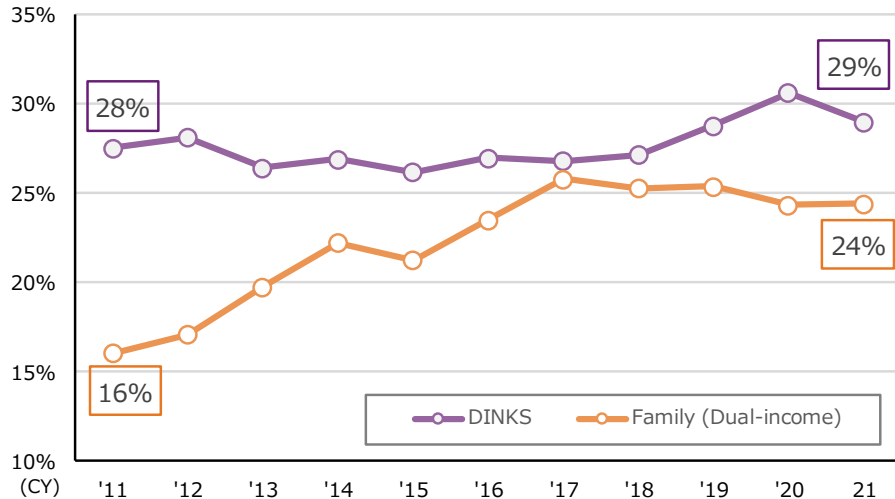
Source by Real Estate Economic Institute Co., Ltd
 Major 4 companies; NRE, Sumitomo Realty & Development Co., Ltd., Mitsui Fudosan Co., Ltd, Mitsubishi Estate Co., Ltd.

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



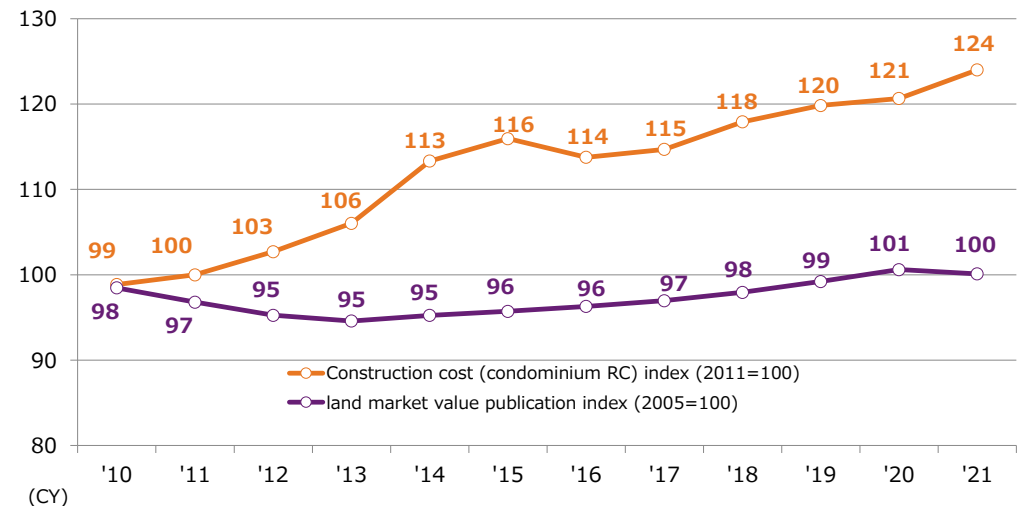
Source by NREH based on Real Estate Economic Institute Co., Ltd, Reins

▶ **Dual-income ratio of buyers of new condos**
 (Tokyo Metropolitan Area)



Source by NREH based on SUUMO of the survey of Tokyo Metropolitan Area's new condos contractors trend in 2020

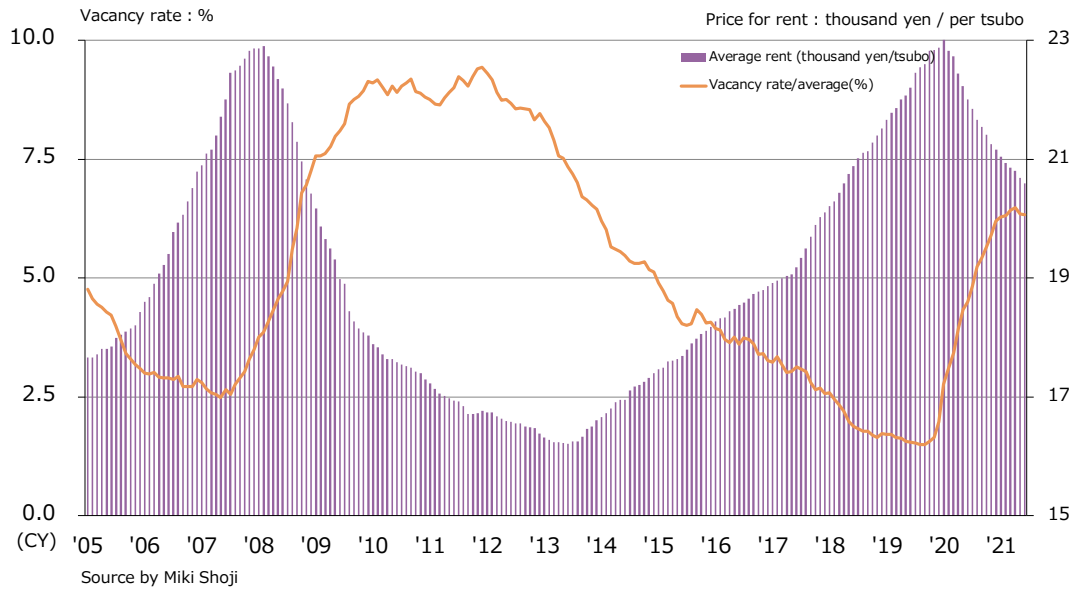
▶ **Construction cost and land price**



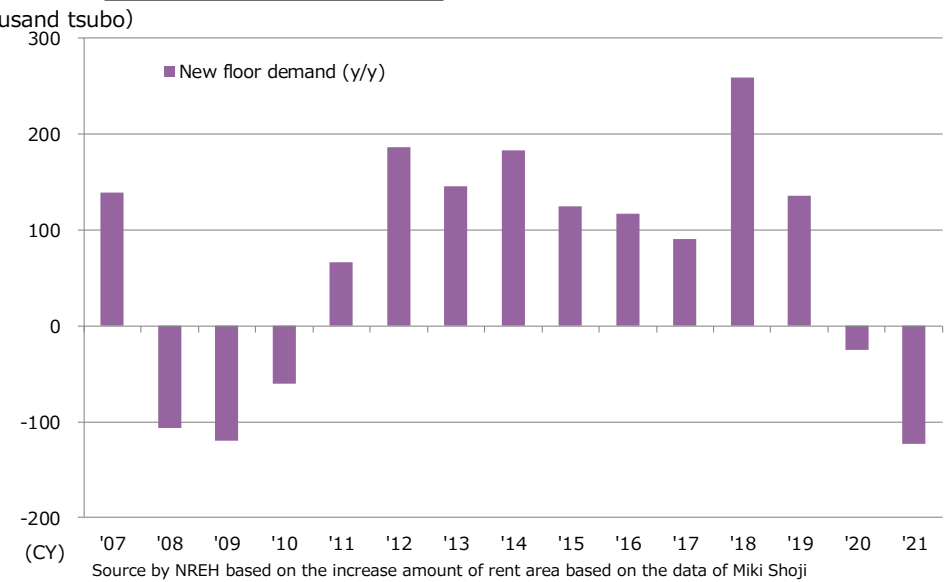
Source by Construction Research Institute, Ministry of Land, Infrastructure, Transport and Tourism.

(1) Business environment: Office market

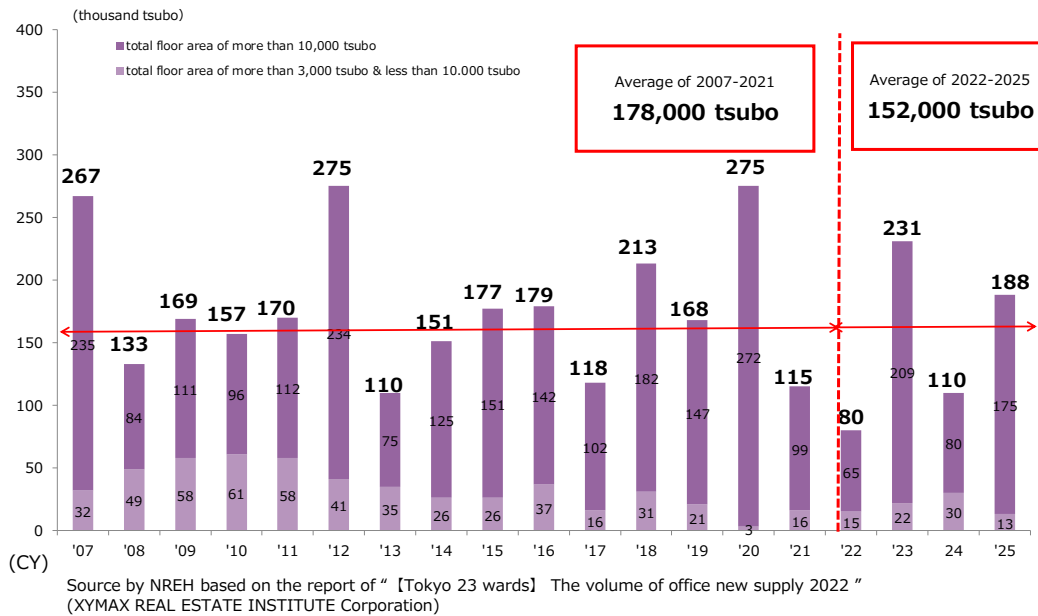
▶ Rent and vacancy rate in Tokyo central five wards



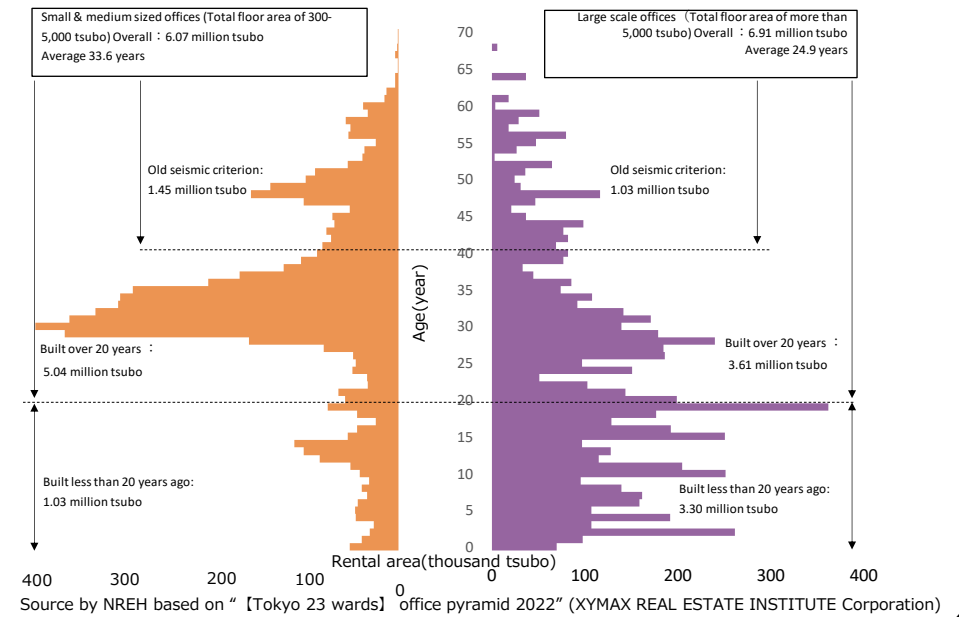
▶ An increasing trend in Tokyo central five wards' office rental area



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



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



(2) Residential Development: Upcoming projects

► Major projects

Schedule for sales	Property name	Location	Total number of housings	Our share
FY20/3-	PROUD CITY Hiyoshi*	Yokohama-shi, Kanagawa	1,318 units	1,081 units
FY22/3-	PROUD TOWER Kameido Cross*	Koto-ku, Tokyo	934 units	793 units
FY23/3	PROUD Nerima Nakamurabashi Marks	Nerima-ku, Tokyo	186 units	186 units
FY23/3	PROUD Utsunomiya	Utsunomiya-shi, Tochigi	110 units	110 units
FY23/3-	PROUD Tower Shibaura	Minato-ku, Tokyo	421 units	421 units
FY24/3	PROUD Kagurazaka Hill Top	Shinjuku-ku, Tokyo	75 units	75 units
FY24/3-	PROUD Tower Meguro MARC*	Shinagawa-ku, Tokyo	301 units	210 units
FY25/3-	Sagami ohno project	Sagamihara-shi, Kanagawa	686 units	686 units
FY25/3-	Jingumae 6-chome project	Shibuya-ku, Tokyo	76 units	76 units

► Major projects (redevelopment and rebuilding)

Schedule for sales	Property name	Location	Total number of housings	Our share
FY21/3-	PROUD TOWER Musashi-Koganei Cross	Koganei-shi, Tokyo	613 units	613 units
FY21/3-	Mihama City Kemigahama*	Chiba-shi, Chiba	886 units	567 units
FY22/3-	PROUD TOWER Higashi-Ikebukuro Station Arena	Toshima-ku, Tokyo	193 units	193 units
FY23/3-	Shirokane The Sky*	Minato-ku, Tokyo	770 units	116 units
FY23/3-	PROUD Hankyu Tsukaguchi Station-Front	Amagasaki-shi, Hyogo	415 units	415 units
FY23/3-	PROUD TOWER Kawaguchi Cross	Kawaguchi-shi, Saitama	450 units	450 units
FY23/3-	PROUD TOWER Koiwa First*	Edogawa-ku, Tokyo	515 units	309 units
FY25/3	Shuwa Aoyama Residence rebuilding project	Shibuya-ku, Tokyo	72 units	40 units
FY25/3	Hirai 5-chome Station-Front area redevelopment*	Edogawa-ku, Tokyo	274 units	192 units
after FY26/3	Minami-Ikebukuro 2-chome C District Redevelopment*	Toshima-ku, Tokyo	551 units	371 units
after FY26/3	Okayama-shi Ekimaecho 1-chome District Redevelopment*	Okayama-shi, Okayama	approx. 370 units	approx. 310 units
after FY26/3	Tsukishima 3-chome south District Redevelopment*	Chuo-ku, Tokyo	approx. 580 units	approx. 230 units
after FY26/3	Toyomi District Redevelopment*	Chuo-ku, Tokyo	1,540 units	269 units
after FY26/3	Nishi-Azabu 3-chome Redevelopment*	Minato-ku, Tokyo	approx. 340 units	approx. 280 units
after FY26/3 (TBD)	Nishi-Shinjuku 3-chome west District Redevelopment*	Shinjuku-ku, Tokyo	TBD	TBD

*JV projects



PROUD TOWER Kameido Cross



PROUD TOWER Higashi-Ikebukuro Station Arena

(2) Residential Development: Residential Development in local core cities

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

▶ Major Projects in progress

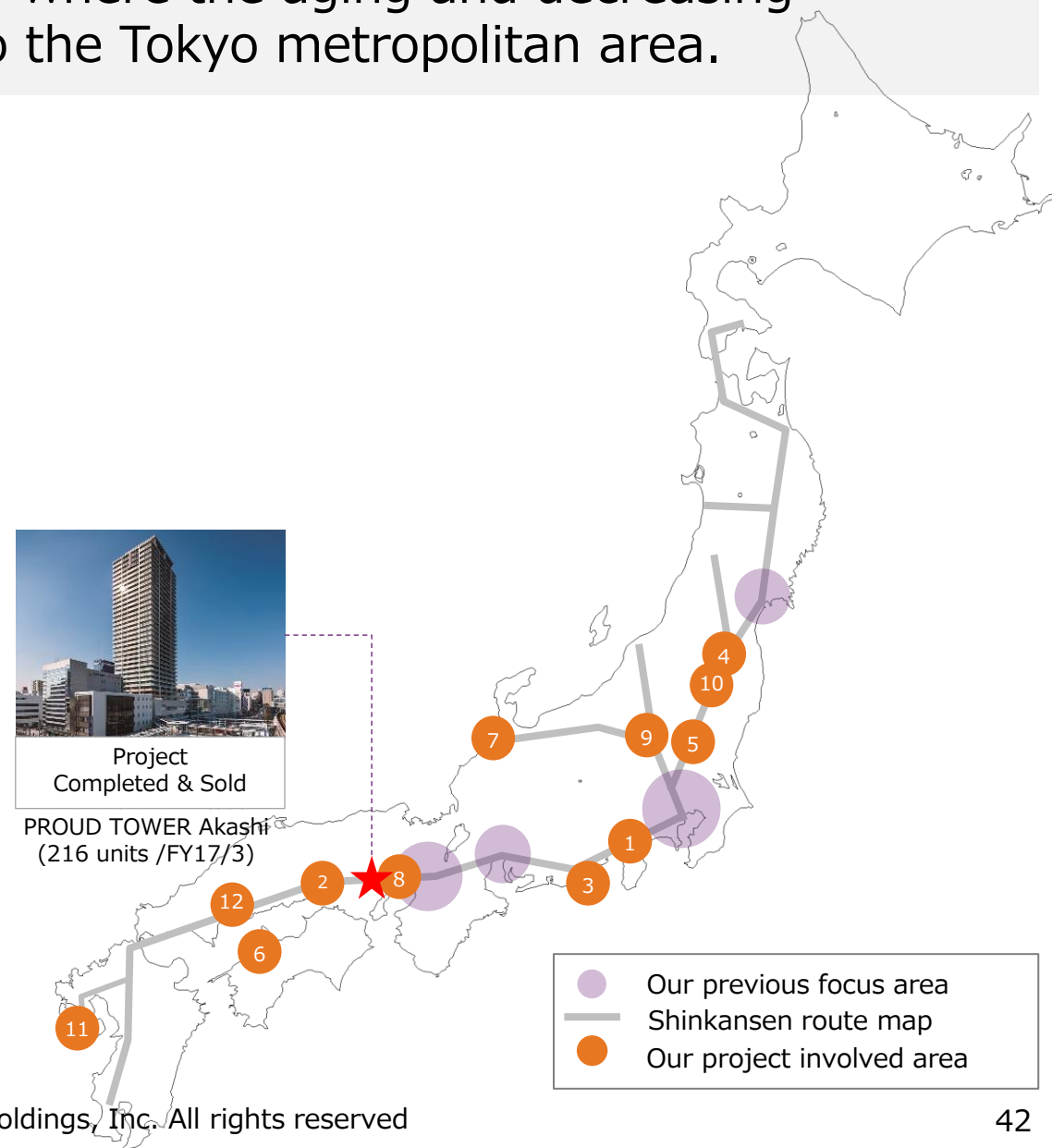
No.	Project Name	Location	Main use	No. of residential units in total (plan)
1	Mishima Station South Exit*	Mishima-shi, Shizuoka	Residence, Retail, etc.	Approx. 300
2	Okayama-shi Ekimaecho 1-chome*	Okayama-shi, Okayama	Residence, Retail, Hotel, Office, Convention hall	Approx. 370
3	Kouyamachi / Miyukicho District*	Shizuoka-shi, Shizuoka	Residence, Retail, Office	Approx. 250
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, Retail, Hotel, Medical facility, Exchange base facility, Exchange open space	110
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, etc.	Approx. 220
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



Project Completed & Sold

PROUD TOWER Akashi (216 units /FY17/3)



(3) Commercial Real Estate: Office portfolio strategy

- ▶ Workplaces are decentralized due to working from home and teleworking is increasing. The role of office is changing variously.
- ▶ Offering the best combination of offices for the companies that use them including the combination of PMO + H¹O.



Business Model	Operational business (operational revenue)	Property sales business (development profit)		Leasing business (leasing profit)
Type	Incorporate in developed property's floors (Leasing NRE and other company's property's floors)	Develop H ¹ O property/ Incorporate in NRE's building and developed property's floors	Develop PMO property	Mix-use development/ Develop entire property
	 <p>Number of members: 2,248 companies / approx. 222,000 people Number of offices: 216 including affiliated offices</p>	 <p>Number of properties including planned ones: 15</p>	 <p>Number of properties including planned ones: 70</p>	 <p>TOKYO TORANOMON GLOBAL SQUARE started operation in July 2020. Promoting large-scale mix-used development with a focus on redevelopment projects</p>

(3) Commercial Real Estate: Large-scale mix development

▶ Shibaura 1-chome Project



Location: Minato-ku, Tokyo
 Area scale:
 South tower (S tower)-43 floors with 3 basement, approx. 235m
 North tower (N tower) -45 floors with 3 basement, approx. 235m
 Land area: about 40,000㎡
 Gross floor area: about 550,000㎡
 Main use: Office, retail, hotel, residence
 Start of construction(including demolition):FY22/3(S tower), FY28/3(Ntower)
 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
 Area scale: 52 floors above ground, 5 basement floors, approx. 284m (C block)
 Land area: approx. 18,990㎡
 Gross floor area: about 380,300㎡
 Main use: Office, retail, hotel, residence, conference center
 Start of construction: FY21/3
 Completion of construction: FY26/3
 Main participating companies: Nomura Real Estate, Mitsui Fudosan, Nomura Holdings

(3) Commercial Real Estate: Office

Medium-sized high-grade office



similar quality and specification
 as large-scale "class A" office building

Properties developed: 70 (including plans)
 Properties under development /
 Owned by NRE : 37 (out of 70)



PMO EX Shin osaka



PMO Kojimachi

<Projects completed and progressing in FY22/3>

	Name	Location	Completion
1	PMO EX Shin osaka	Osaka-shi, Osaka	2021/5
2	PMO Kojimachi	Chiyoda-ku, Tokyo	2021/6
3	PMO Yotsubashi hommachi	Osaka-shi, Osaka	2022/3
4	PMO Jinbocho	Chiyoda-ku, Tokyo	2022/5 (plan)
5	PMO Tamachi IV	Minato-ku, Tokyo	2022/6 (plan)
6	PMO Tamachi III	Minato-ku, Tokyo	2022/7 (plan)
7	PMO EX Nihonbashi kayabacho	Chuo-ku, Tokyo	2022/7 (plan)
8	PMO Hachobori IV	Chuo-ku, Tokyo	2022/8 (plan)
9	PMO EX Yodoyabashi	Osaka-shi, Osaka	2022/12 (plan)
10	PMO Yodoyabashi (tentative name)	Osaka-shi, Osaka	2023/8 (plan)
11	PMO EX Honmachi 3-chome (tentative name)	Osaka-shi, Osaka	2025/3 (plan)

Small office with services



meet the needs of workers
 in a small team

Properties developed: 15* (including plans)
 Properties under development /
 owned by NRE : 15* (out of 15)



H1O Aoyama

*including properties that entire building is H1O
 and part of the building is H1O

< Projects completed and progressing in FY22/3 >

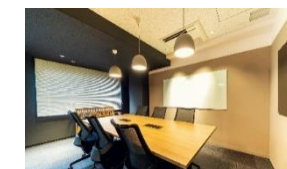
	Name	Location	Completion
1	H1O Nihonbashi Kayabacho*	Chuo-ku, Tokyo	2022/7 (plan)
2	H1O Aoyama	Shibuya-ku, Tokyo	2022/8 (plan)
3	H1O Umeda chayamachi (tentative name)	Osaka-shi, Osaka	2023/2 (plan)
4	H1O Honmachi 3-chome (tentative name)*	Osaka-shi, Osaka	2025/3 (plan)

*part of the building is H1O

Satellite-type shared office



offers diversification and
 efficiency of work styles



Number of members: 2,248 companies /
 approx. 222,000 people
 Number of offices: 216 including affiliated offices

(3) Commercial Real Estate: Retail / Logistics

Urban retail facility (mainly restaurants)



Properties developed: 22 (including plans)
 Properties under development /
 owned by NRE: 10 (out of 22)

<Projects completed and progressing in FY22/3>

	Name	Location	Completion
1	GEMS Roppongi	Minato-ku, Tokyo	2021/6



GEMS Roppongi

Urban retail facility (mainly service industries)

Properties developed: 8 (including plans)
 Properties under development /
 owned by NRE 7 (out of 8)



<Projects completed and progressing in FY22/3>

	Name	Location	Completion
1	MEFULL Fujisawa	Fujisawa-shi, Kanagawa	2021/5
2	MEFULL Kawasaki	Kawasaki-shi, Kanagawa	2022/12 (plan)
3	MEFULL Tamachi	Minato-ku, Tokyo	2022/12 (plan)
4	MEFULL Kiba	Koto-ku, Tokyo	2023/4 (plan)



MEFULL Fujisawa

Logistics facility with advanced and high functionality



Properties developed: 42 (including plans)
 Properties under development /
 owned by NRE: 24 (out of 42)



Landport Ome III

<Projects completed and progressing in FY22/3>

	Name	Location	Completion
1	Landport Ome III	Ome-shi, Tokyo	2021/5
2	Landport Koshigaya	Koshigaya-shi, Saitama	2021/5
3	Landport Ageo I	Ageo-shi, Saitama	2021/11
4	Landport Niiza	Niiza-shi, Saitama	2022/2
5	Landport Komaki ANNEX	Komaki-shi, Aichi	2022/3
6	Landport Ageo II	Ageo-shi, Saitama	2022/5 (plan)
7	Landport Tama	Hachioji-shi, Tokyo	2022/6 (plan)
8	Atsugi Aikawamachi logistics facility plan (tentative name)	Aiko-gun, Kanagawa	2023/1 (plan)
9	Landport Kyoto Minami	Muko-shi, Kyoto	2023/2 (plan)


 (3) Commercial Real Estate: Our major properties (office, retail facility)

Name	Location	Net lettable area *Our share	Completion
Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	172,351m ²	1990/1, etc.
Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	94,777m ²	1984/3
LAZONA Kawasaki Toshiba Building	Saiwai-ku, Kawasaki-shi, Kanagawa	78,437m ²	2013/3
LAZONA Kawasaki Plaza	Saiwai-ku, Kawasaki-shi, Kanagawa	46,989m ²	2006/9
Morisia Tsudanuma	Narashino-shi, Chiba	39,475m ²	1978/10
Shinjuku Nomura Building	Shinjuku-ku, Tokyo	30,884m ²	1978/5
Shinyokohama Toshiba Building	Kohoku-ku, Yokohama-shi, Kanagawa	25,494m ²	1969/6, etc.
Fuchu Toshiba Building	Fuchu-shi, Tokyo	23,740m ²	1993/4
Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,247m ²	2010/9



Shinjuku Nomura Building



Hamamatsucho Building



Yokohama Business Park



Morisia Tsudanuma

LAZONA Kawasaki
Toshiba Building

LAZONA Kawasaki Plaza

Nihonbashi Muromachi
Nomura Building

5. Outline of Nomura Real Estate Group

(1) Nomura Real Estate Group 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



▶ **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



(¥bn)



▶ **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.


 (2) 10 year data of Nomura Real Estate Group

	units	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3	22/3
Financial data											
Operating revenue	¥bn	517.7	532.0	567.1	569.5	569.6	623.7	668.5	676.4	580.6	645.0
Business profit*1	¥bn	58.3	74.3	71.8	80.9	77.2	76.6	79.6	82.8	76.4	92.7
Net profit	¥bn	19.3	26.8	38.4	47.1	47.0	46.0	45.8	48.8	42.1	55.3
Total assets	¥bn	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	2,040.5
Shareholders' equity	¥bn	336.2	355.6	394.0	444.8	481.3	501.4	526.7	550.1	583.3	618.7
Shareholders' equity ratio	%	24.5	27.1	28.8	29.9	30.2	30.0	29.9	30.5	30.4	30.3
Debt/ equity ratio	times	2.0	1.7	1.6	1.6	1.7	1.8	1.7	1.6	1.7	1.7
Interest-bearing debt	¥bn	669.2	617.5	616.7	721.9	810.1	877.8	914.0	870.0	1,008.5	1,022.7
Interest expenses	¥bn	12.5	10.0	8.8	7.8	7.5	7.3	8.7	8.7	9.0	8.8
Debt/ ebitda ratio*2	times	11.0	8.5	7.5	7.6	8.6	9.4	9.8	8.6	11.0	9.4
Unrealized gain*3	¥bn	37.2	41.2	70.2	110.9	153.9	181.9	206.3	209.6	209.6	247.0
Dividend payout ratio*4	%	29.5	24.9	22.4	23.3	26.5	29.1	30.5	29.9	35.5	31.7
Total return ratio*5	%	29.5	24.9	22.4	23.3	26.5	50.8	41.4	46.3	45.0	44.3
ROA*6	%	4.5	5.6	5.5	5.8	5.1	4.7	4.6	4.7	4.1	4.7
ROE*7	%	5.9	7.8	10.3	11.2	10.1	9.4	8.9	9.1	7.4	9.2
NAV per share*8	yen/share	1,885	1,997	2,298	2,708	3,063	3,333	3,630	3,833	4,035	4,442
EPS	yen/share	101.61	140.7	201.28	246.42	245.1	240.89	245.99	267.21	232.53	307.81
DPS	yen/share	30.00	35.00	45.00	57.50	65.00	70.00	75.00	80.00	82.50	97.50

Stock market index

PER	times	20.9	15.0	14.2	9.9	7.9	10.7	8.5	6.9	12.0	10.2
PBR	times	1.2	1.1	1.1	0.9	0.7	1.0	0.8	0.6	0.9	0.9
PNAV	times	1.1	1.0	0.9	0.8	0.6	0.8	0.6	0.5	0.7	0.7
Total Shareholder Return*9	%	—	—	—	—	—	145.5%	128.0%	111.6%	167.6%	188.2%

Key business indicator

Revenue of housing sales	¥bn	281.8	295.9	332.9	318.7	308.9	336.8	342.0	294.3	247.6	284.0
Gross profit ratio of housing sales	%	22.5	21.7	21.1	21.9	21.7	19.1	19.1	20.4	22.6	23.6
Net Lettable area	m	835,115	855,197	928,628	974,127	975,974	1,021,004	953,620	913,446	827,737	787,536
Vacancy rate	%	2.2	2.9	4.5	2.2	0.8	0.7	4.7	4.0	5.1	6.0
Sales amount of property for sales*10	¥bn	19.7	16.7	12.3	33.2	35.3	43.3	77.0	124.7	92.8	110.5
AUM(REITs and Private funds etc.)	¥bn	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	1,948.0
Total brokerage transaction value	¥bn	540.6	672.7	710.9	713.5	745.1	800.7	767.3	872.3	893.4	964.8
No. of housings under management	units	137,745	147,516	155,706	163,036	168,999	173,705	177,582	182,259	183,162	186,549

*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= Dividend per share / EPS

*5: Total return ratio= (Dividend per share + The amount of acquisition of treasury shares per share) / EPS

*6: ROA= Business profit / Average assets during the fiscal year *Prior to FY18/3; 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 FY18/3 to the fiscal year) / Stock price as of the end of FY17/3

*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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