

Consolidated Financial Results for the Three Months from April 1 to June 30, 2022

Index	p.03	1. FY23/3 1Q Financial results
	p.10	2. Performance highlights by Business Unit
	p.27	3. Sustainability
	p.36	4. Reference materials
	p.47	5. Outline of Nomura Real Estate Group

1. FY23/3 1Q Financial results

 (1) FY23/3 1Q Financial results summary

<Summary>

- ▶ The consolidated financial results for the three months from April 1 to June 30, 2022 were as follows.
- ▶ Operating revenue; 199.7 billion yen (up 36.3% YoY); business profit; 38.9 billion yen (up 27.7% YoY); operating profit; 37.2 billion yen (up 22.3% YoY); ordinary profit; 36.3 billion yen (up 30.5% YoY); and profit attributable to owners of parent; 26.9 billion yen (up 44.8% YoY).
*Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions
- ▶ In Residential Development Business Unit, the number of housing units sold was 1,378 units (up 731 units YoY) and both operating revenue and business profit increased year on year. The contract progress rate against the projected sales for housing of the fiscal year ending March 31, 2023, progressed smoothly to 86.0%.
- ▶ In Commercial Real Estate Business Unit, operating revenue increased while business profit decreased. This was mainly because revenue from property for sales business increased, while gross profit from sales decreased. On the other hand, business progress steadily as expected toward the business profit target for fiscal year ending March 31, 2023.
- ▶ In Overseas Business Unit, which was newly established in fiscal year ending March 31, 2023, business profit was recorded mainly due to the completion and handover of housing projects in Viet Nam.
- ▶ 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 value of transaction increased mainly in strong retail business. In Property & Facility Management Business Unit, revenue from property and facility management increased. As a result, those Business Units progressed steadily.
- ▶ There is no change in the financial result forecasts and dividend forecasts which were announced in April, 2022.

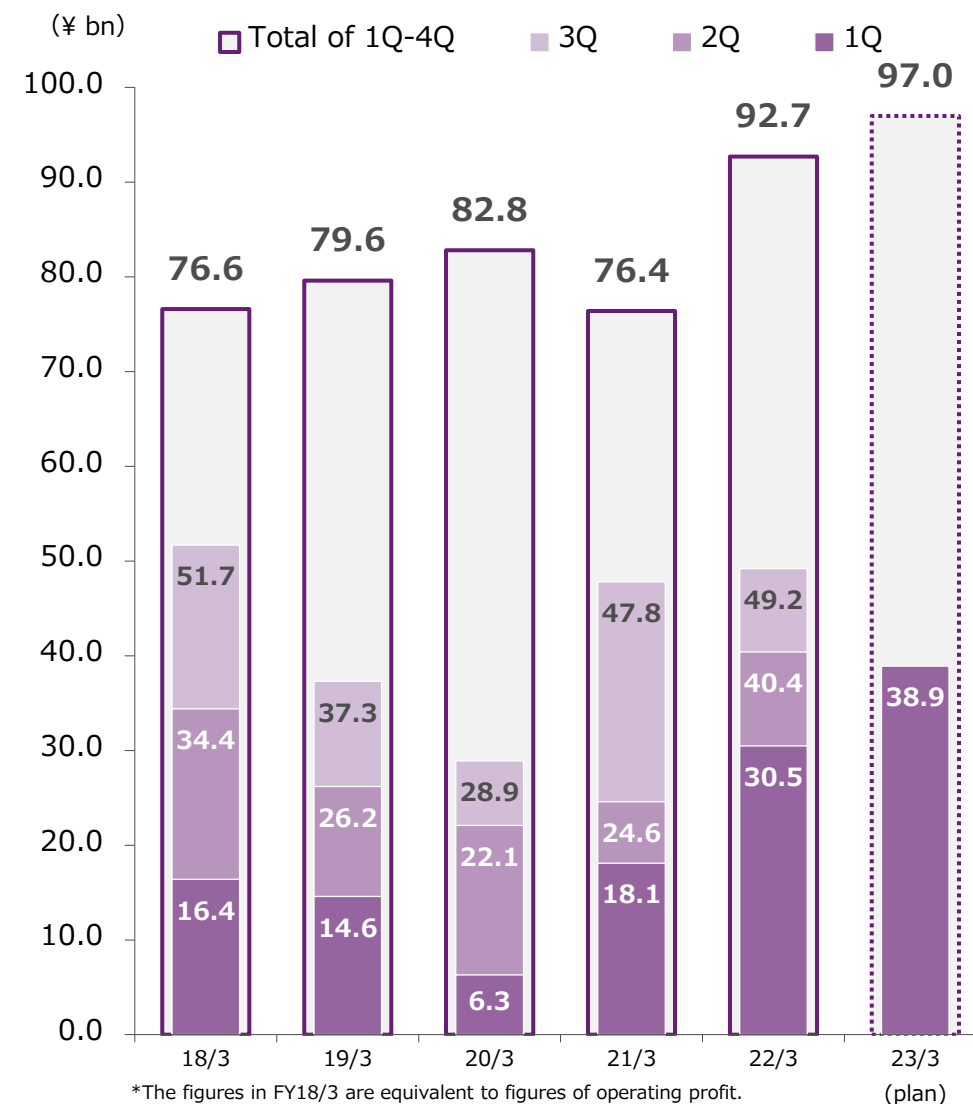
(2) FY23/3 1Q Financial results

► Statements of Income

(¥bn)	22/3 1Q Actual ①	23/3 1Q Actual ②	Changes ②-①
Operating revenue	146.5	199.7	+53.1
Operating profit	30.4	37.2	+6.7
Share of profit (loss) of entities accounted for using equity method	-0.1	1.5	+1.6
Amortization of intangible assets associated with corporate acquisitions	0.1	0.1	+0.0
Business profit	30.5	38.9	+8.4
Non-operating income	0.1	1.7	+1.5
Non-operating expenses	2.8	2.6	-0.1
Ordinary profit	27.8	36.3	+8.4
Extraordinary income	—	—	—
Extraordinary losses	0.6	—	-0.6
Income taxes	8.5	9.3	+0.8
Profit attributable to owners of parent	18.6	26.9	+8.3
Basic earnings per share (¥)	103.16	151.54	+48.38
Cash dividends per share (¥)	—	—	—

► Statements of Cash Flows

(¥bn)	22/3 1Q Actual ①	23/3 1Q Actual ②	Changes ②-①
Net cash provided by (used in) operating activities	-24.4	-41.4	-17.0
Net cash provided by (used in) investing activities	-4.8	-21.0	-16.1
Net cash provided by (used in) financing activities	11.2	22.6	+11.4
Cash and cash equivalents at end of period	52.7	28.1	-24.6

Business Profit

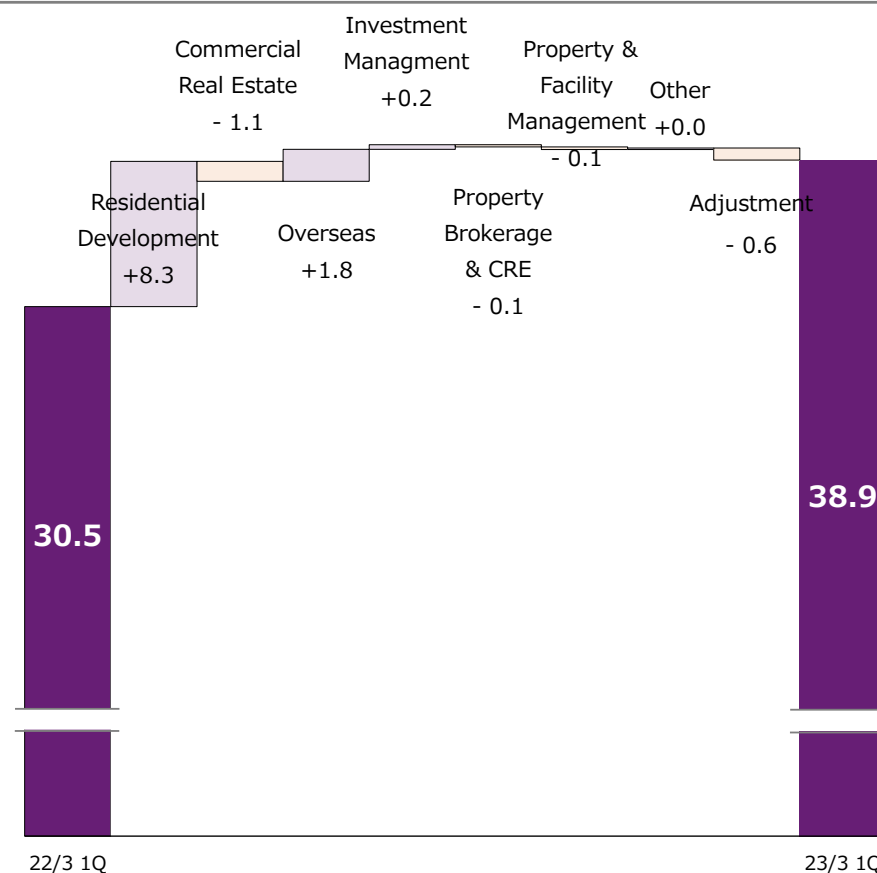
(3) FY23/3 1Q Financial results by Business Units

▶ Statements of Income by Business Unit

(#bn)	22/3 1Q	23/3 1Q	Changes
	Actual	Actual	
	①	②	②-①
Operating revenue	146.5	199.7	+53.1
Residential Development	46.6	91.3	+44.7
Commercial Real Estate	67.6	75.2	+7.6
Overseas	0.6	0.9	+0.2
Service & Management	35.6	35.8	+0.1
Investment Management	3.4	3.8	+0.3
Property Brokerage & CRE	10.6	10.7	+0.1
Property & Facility Management	21.6	21.2	-0.3
Other	0.0	0.0	+0.0
Adjustments	-3.9	-3.7	+0.2
Business profit*	30.5	38.9	+8.4
Residential Development	1.7	10.1	+8.3
Commercial Real Estate	23.2	22.1	-1.1
Overseas	-0.3	1.5	+1.8
Service & Management	7.0	7.0	-0.0
Investment Management	2.2	2.5	+0.2
Property Brokerage & CRE	3.1	3.0	-0.1
Property & Facility Management	1.5	1.3	-0.1
Other	-0.0	0.0	+0.0
Adjustments	-1.1	-1.8	-0.6
Ordinary profit	27.8	36.3	+8.4
Profit before income taxes	27.1	36.3	+9.1
Profit attributable to owners of parent	18.6	26.9	+8.3

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



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

(4) FY23/3 1Q Balance sheets

▶ Balance sheets

(¥bn)	As of Mar. 31, 2022 ①	As of Jun. 30, 2022 ②	Changes ② - ①
Assets	2,040.5	2,005.7	-34.7
Current assets	1,126.8	1,092.2	-34.5
Cash and deposits and others	69.0	29.1	-39.9
Notes and accounts receivable - trade, and contract assets	22.0	16.6	-5.4
Inventories	894.2	887.5	-6.6
Residential Development BU	458.0	450.4	-7.6
Commercial Real Estate BU	436.8	437.6	+0.8
Other BU*	0.0	0.2	+0.1
Adjustments	-0.7	-0.7	-0.0
Equity investments	33.8	40.0	+6.1
Other current assets	107.6	118.8	+11.2
Non-current assets	913.7	913.5	-0.1
Property, plant and equipment	726.3	725.7	-0.6
Office	523.7	524.5	+0.8
Retail	95.3	95.6	+0.2
Others	107.2	105.4	-1.7
Intangible assets	19.9	20.3	+0.4
Investments and other assets	167.3	167.4	+0.0
Investment securities	101.1	111.2	+10.0
Leasehold and guarantee deposits	30.0	28.5	-1.4
Other non-current assets	36.1	27.6	-8.5

* Total of Property & Facility Management Business Unit and Other.

(¥bn)	As of Mar. 31, 2022 ①	As of Jun. 30, 2022 ②	Changes ② - ①
Liabilities	1,419.1	1,363.8	-55.2
Current liabilities	357.9	317.8	-40.1
Notes and accounts payable - trade	80.9	46.2	-34.7
Short-term borrowings	39.5	37.5	-2.0
Current portion of long-term borrowings	69.0	67.5	-1.5
Commercial papers	—	29.0	+29.0
Current portion of bonds payable	10.0	30.0	+20.0
Deposits received	43.8	34.7	-9.1
Other current liabilities	114.6	72.8	-41.7
Non-current liabilities	1,061.1	1,046.0	-15.0
Bonds payable	150.0	130.0	-20.0
Long-term borrowings	754.2	762.1	+7.9
Leasehold and guarantee deposits received	59.3	57.4	-1.8
Other non-current liabilities	97.5	96.3	-1.2
Net assets	621.3	641.8	+20.4
Total liabilities and net assets	2,040.5	2,005.7	-34.7
Interest-bearing debt	1,022.7	1,056.1	+33.4
Shareholders' equity	618.7	639.3	+20.6
Shareholders' equity ratio	30.3%	31.9%	+1.6P
Debt/equity ratio	1.7	1.7	-0.0

(5) FY23/3 Earnings forecast (Compared to FY22/3) (No change from announced in Apr. 2022)

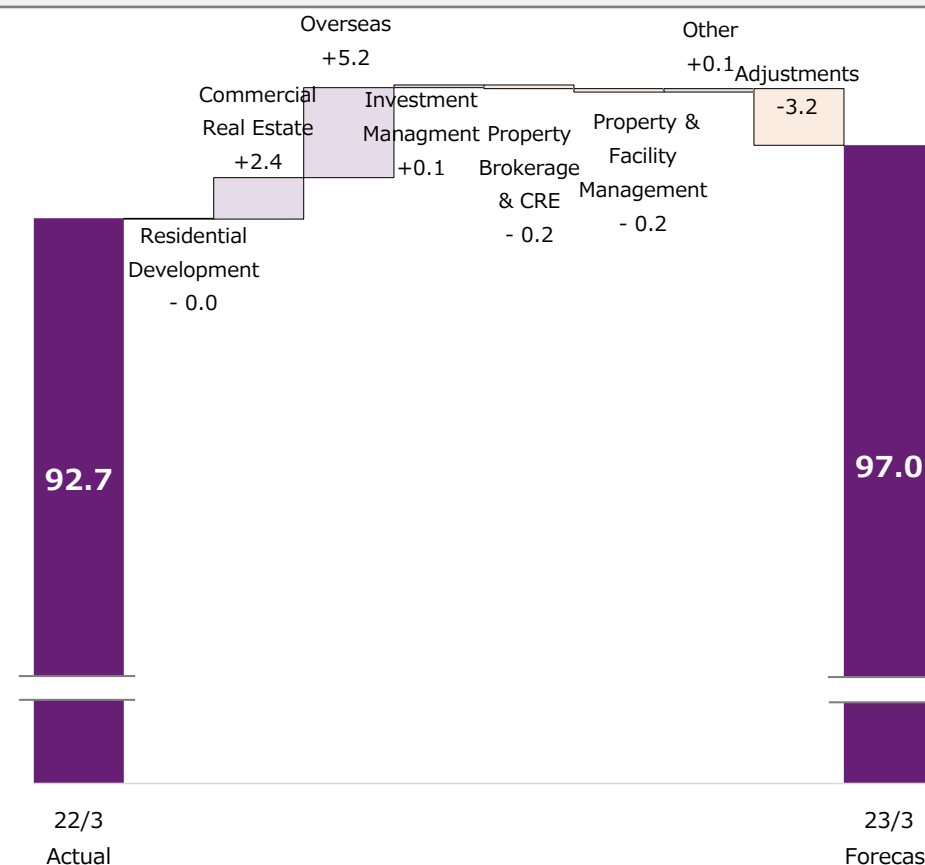
- ▶ Business profit is expected to be ¥97.0 bn with an increase of gross profit from property sales in Commercial Real Estate BU and profit contribution from Overseas business BU.
- ▶ Overseas business was changed to an independent segment with the expectation of further profit growth.

▶ Statements of Income by Business Unit

(¥bn)	22/3 Actual	23/3 Forecast	Changes
	①	②	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
Overseas ^{*1}	2.6	4.0	+1.3
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
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
Overseas ^{*1}	0.2	5.5	+5.2
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
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	321.77	13.96
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.



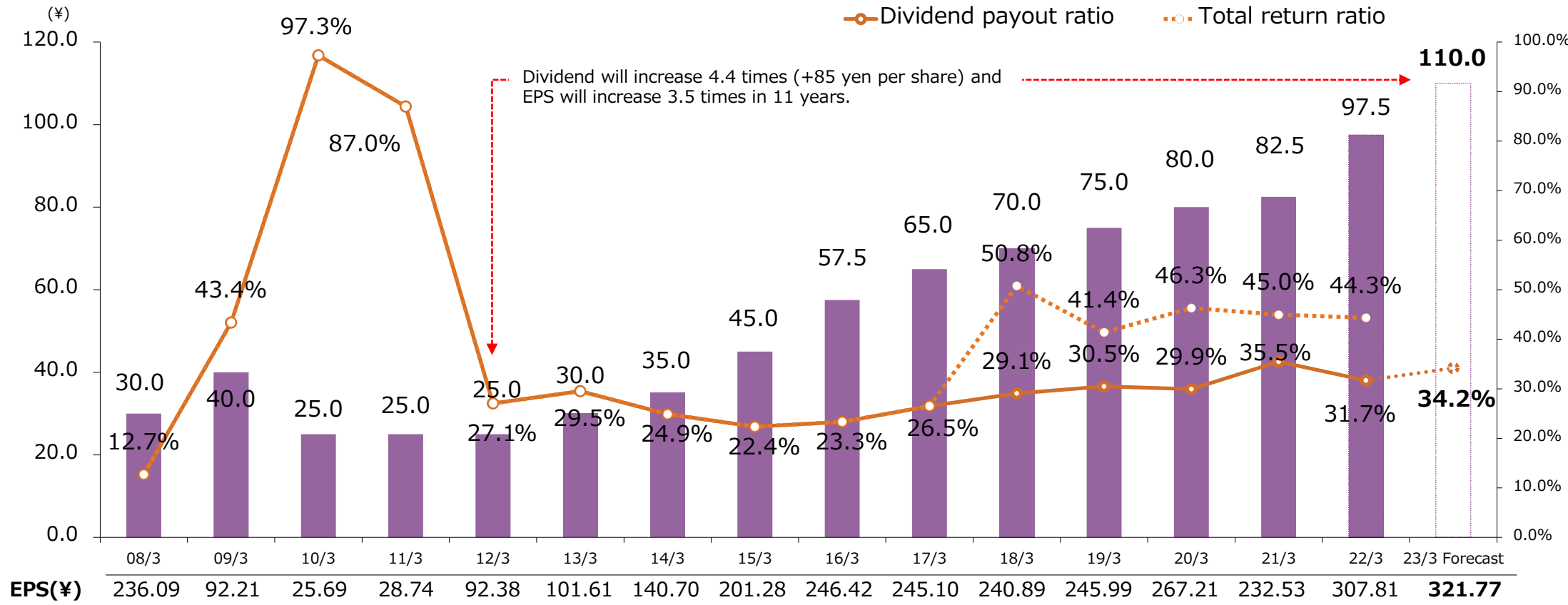
*1 The results for the fiscal year ended March 31, 2022 are classified under the new classification.

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

(6) Shareholder returns

- ▶ In FY23/3, the annual dividend per share is expected to be ¥110.0 (+¥12.5 YoY) for 11 consecutive year and dividend payout ratio is to be 34.2%.
- ▶ Our policy is to gradually raise the dividend payout ratio to 40% level toward Phase II of the Mid- to Long-Term Business Plan. (FY26/3-FY28/3)

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

2. Performance highlights by Business Unit

(1) Residential Development : Business outline

- ▶ The number of housing units sold was 1,378 units (up 731 units YoY) and the gross profit ratio was 23.0% (up 1.4P YoY) The contract progress rate against the projected sales for housing of FY23/3, progressed smoothly to 86.0%.
- ▶ In FY23/3, we expect the same level of sales and to maintain the high gross profit ratio.

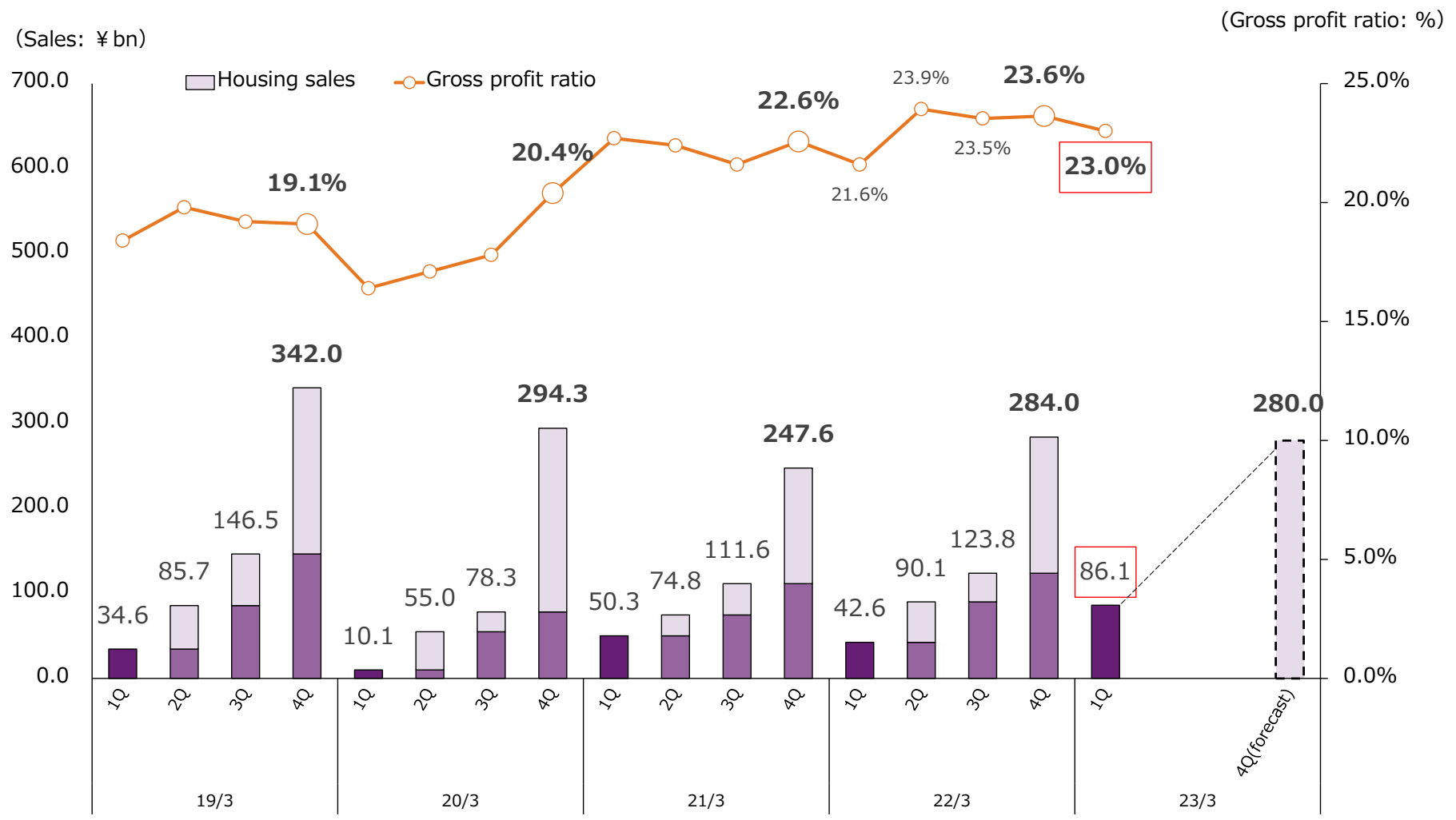
(#bn)	22/3 1Q	23/3 1Q	Changes ②-①	22/3	23/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	46.6	91.3	+44.7	309.2	325.0	+15.7
Housing sales	42.6	86.1	+43.4	284.0		
Rental housing (sales)	—	—	—	4.1		
Rental housing (leasing revenue)	0.3	0.4	+0.1	1.5		
Senior	0.2	0.3	+0.1	0.9		
Other	3.3	4.4	+1.0	18.5		
Operating profit	1.7	10.1	+8.3	32.5		
Share of profit (loss) of entities accounted for using equity method	0.0	-0.0	-0.0	0.0		
Amortization of intangible assets associated with corporate acquisitions	—	0.0	+0.0	32.5		
Business profit	1.7	10.1	+8.3	32.5	32.5	-0.0
【Housing sales indicators】						
Housing sales (unit)	647	1,378	+731	4,329	4,300	-29
Condominiums	509	1,222	+713	3,878	3,900	+22
Detached housing	138	156	+18	451	400	-51
Tokyo metropolitan area	406	1,039	+633	2,944	2,900	-44
Osaka metropolitan area	87	21	-66	496	600	+104
Other area	154	317	+163	889	800	-89
Period-end housing contracted but not sold(unit)	3,540	3,326	-214	3,548		
Period-end completed housing inventory (unit)						
released for sale	190	202	+12	130		
unreleased	78	215	+137	253		
Average sales price (¥mn)	65.87	62.50	-3.37	65.59		
Gross profit ratio (%)	21.6%	23.0%	+1.4P	23.6%		

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

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

- ▶ In FY23/3 1Q, sales for housing was ¥86.1 bn and gross profit ratio was 23.0%.
- ▶ In FY23/3 sales is expected to be ¥280.0 bn, the same level of FY22/3. Gross profit ratio is expected to be the same level of FY22/3 as well.

Housing sales amount (Quarterly total) / Gross profit ratio

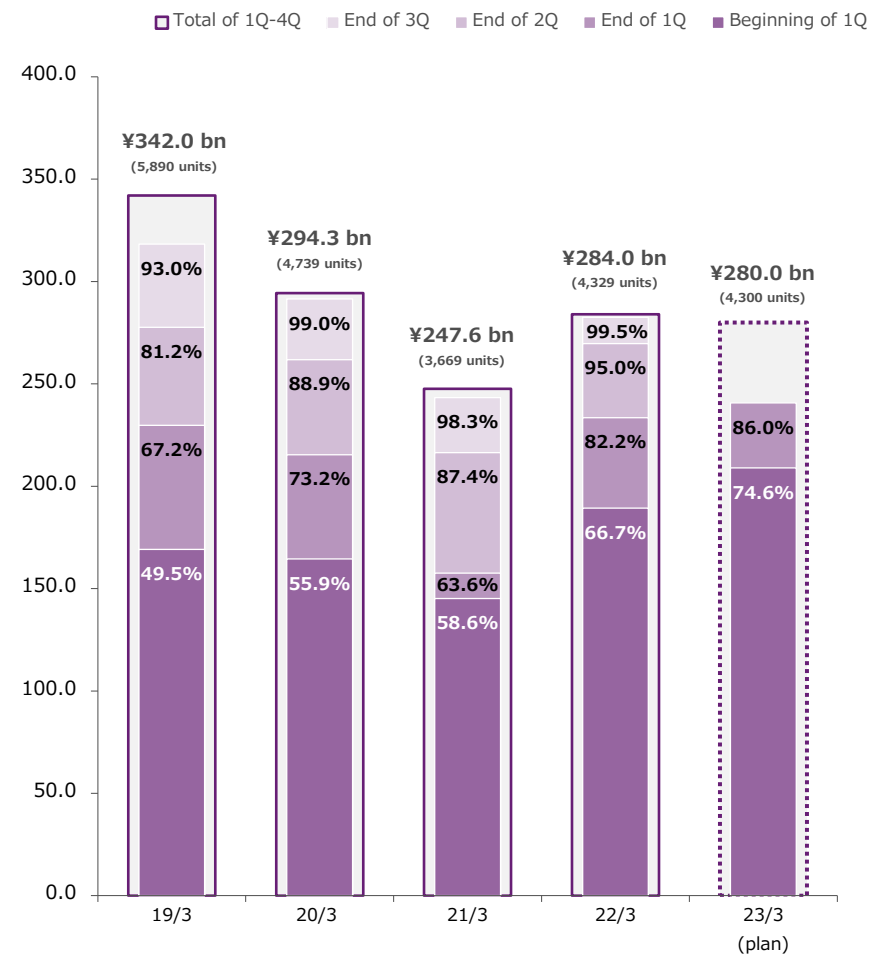
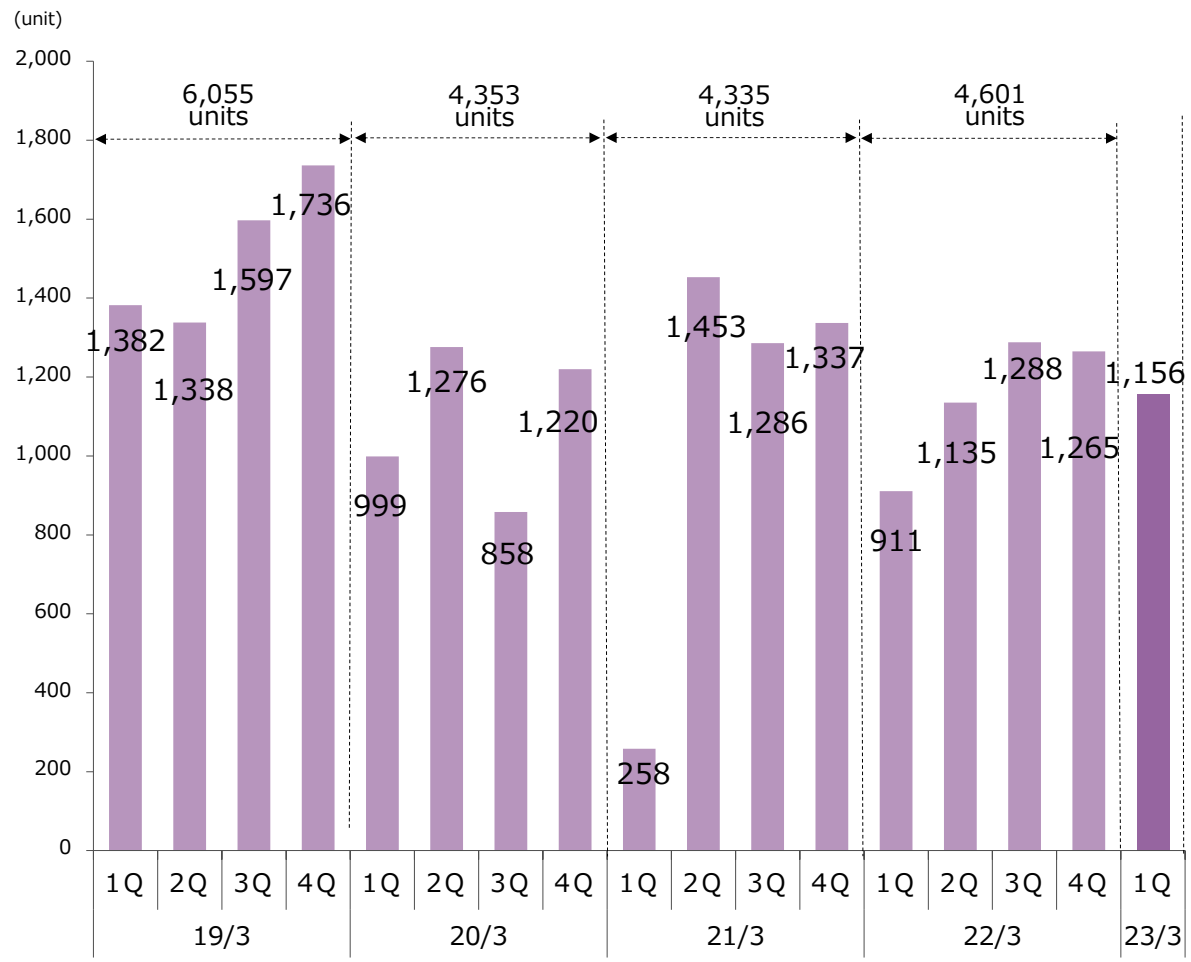


(1) Residential Development : Housing sales (Contracted number / Contract progress rate)

- ▶ In FY23/3 1Q, contracted 1,156 units (up 245 units y/y).
- ▶ Contract progress rate was 86.0% against the FY23/3 scheduled housing sales of ¥280.0 bn.

▶ Number of housing contracted

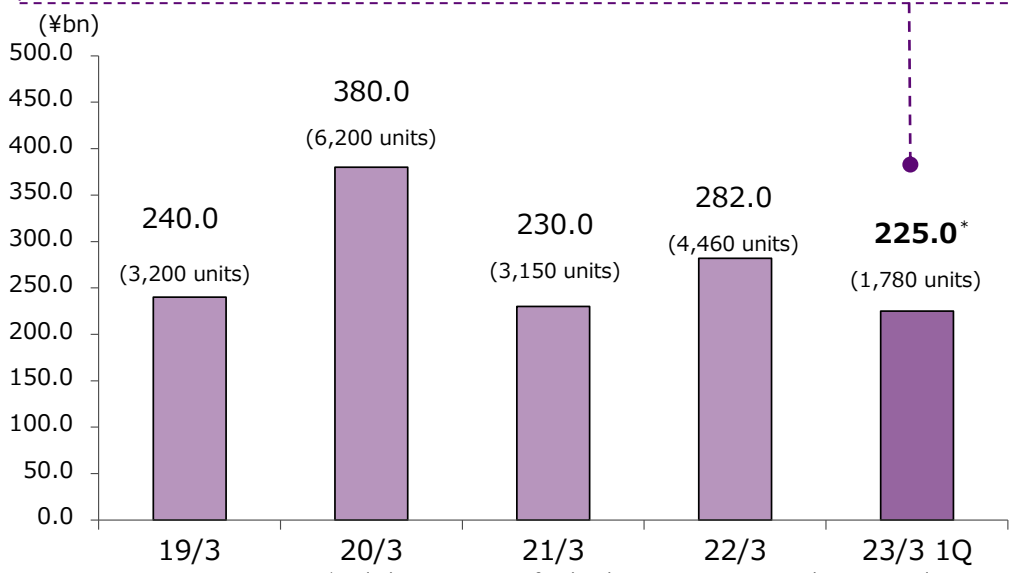
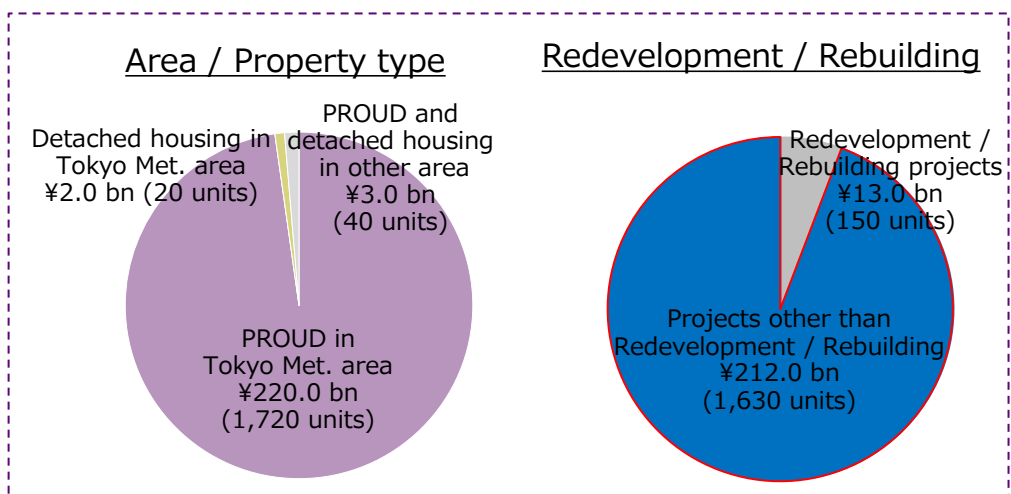
▶ Contract progress rate (against the scheduled housing sales)



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

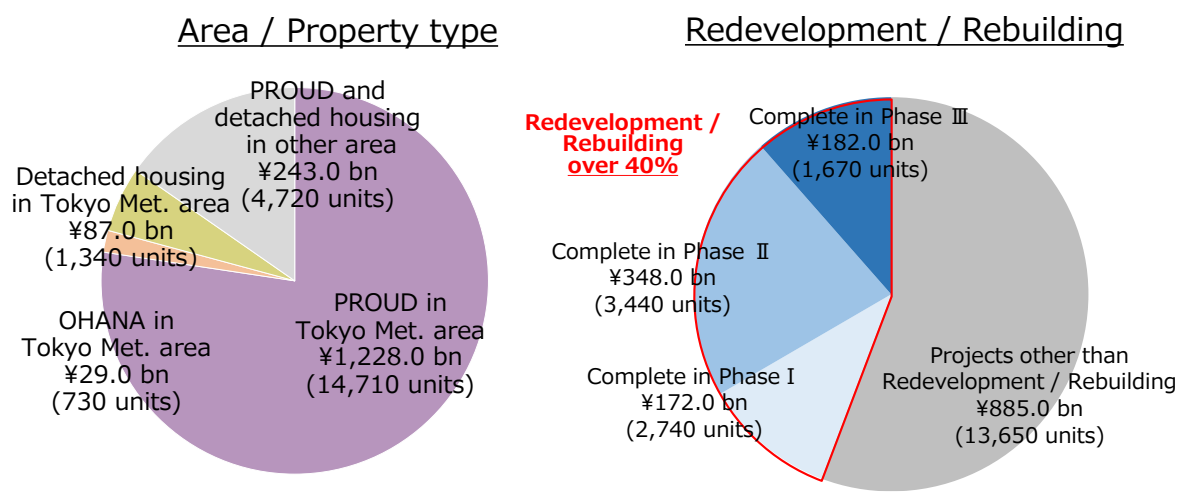
- ▶ In FY23/3 1Q, acquired land for residential development, mainly redevelopment projects of ¥225.0 bn. (1,780 units)
- ▶ We secured land bank, equivalent to ¥1,587.0 bn.

Land acquisition



Land bank

¥1,587.0 bn (21,500 units)
 including Redevelopment / Rebuilding projects:
 ¥702.0 bn (7,850 units) · · 1



Redevelopment / Rebuilding projects under planning : 6,420 units · · 2

Redevelopment / Rebuilding projects (1 + 2) : Total 14,270 units

*Phase I : FY23/3-25/3, Phase II : FY26/3-28/3, Phase III : FY29/3-31/3

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

▶ Rental housing



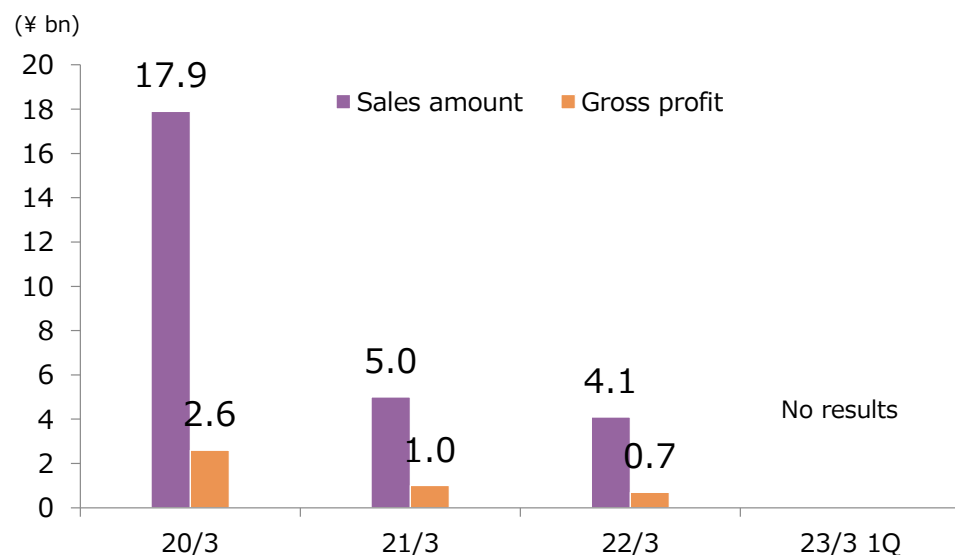
- Properties developed: 129 (including plans)
- Properties construction completed/ owned by NRE: 42 (out of 129)

▶ Health promoting senior rental housing



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

Sales and gross profit



Land acquisition

No. of properties	Total investment
-	- bn

Stock

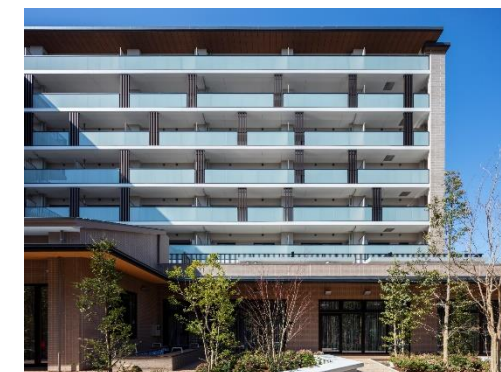
Construction completed		Under development			Total		
No. of properties	Balance on BS	No. of properties	Balance on BS	Total investment	No. of properties	Balance on BS	Total investment
18	¥46.0bn	24	¥28.0bn	¥59.0bn	42	¥74.1bn	¥105.1bn

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



OUKAS Hiyoshi



OUKAS Kichijoji

(2) Commercial Real Estate: Business outline

- ▶ The property sales progressed as expected with sales amount of ¥50.5 bn and gross profit of ¥18.5 bn in 1Q.
- ▶ Vacancy rate increased due to the impact of tenants moving out of properties under reconstruction plans, etc.

(¥bn)	22/3 1Q Actual ①	23/3 1Q Actual ②	Changes ②-①	22/3 Actual ③	23/3 Forecast ④	Changes ④-③
Operating revenue	67.6	75.2	+7.6	202.4	210.0	+7.5
Leasing (offices)	11.1	10.6	-0.4	45.6		
Leasing (retail facilities)	2.9	3.9	+1.0	12.3		
Leasing (other)	1.0	0.8	-0.1	4.1		
Property for sales (sale)	45.4	50.5	+5.0	106.4		
Property for sales (leasing)	3.1	3.6	+0.5	13.9		
Fitness	2.9	3.6	+0.7	13.6		
Other	0.9	1.8	+0.8	6.3		
Operating profit	23.1	22.0	-1.1	38.2		
Share of profit (loss) of entities accounted for using equity method	0.0	0.0	-0.0	0.0		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	—	0.2		
Business Profit	23.2	22.1	-1.1	38.5	41.0	+2.4
Net lettable area (sqm)	834,775	793,794	-40,981	790,776		
Offices	714,166	635,797	-78,369	658,902		
Retail facilities	120,609	157,997	+37,388	131,874		
Vacancy rate	5.2%	6.9%	+1.7P	5.9%		

【Reference】 Leasing revenue change analysis

	Changes	Key Factors
New and full period operation buildings	+0.8	New operation of KAMEIDO CLOCK(retail facility), Nomura Real Estate Otemachi North Building
Existing buildings	+0.1	Operation of SOCOLA Minamigyotoku, etc
Sold and reclassification	-0.5	

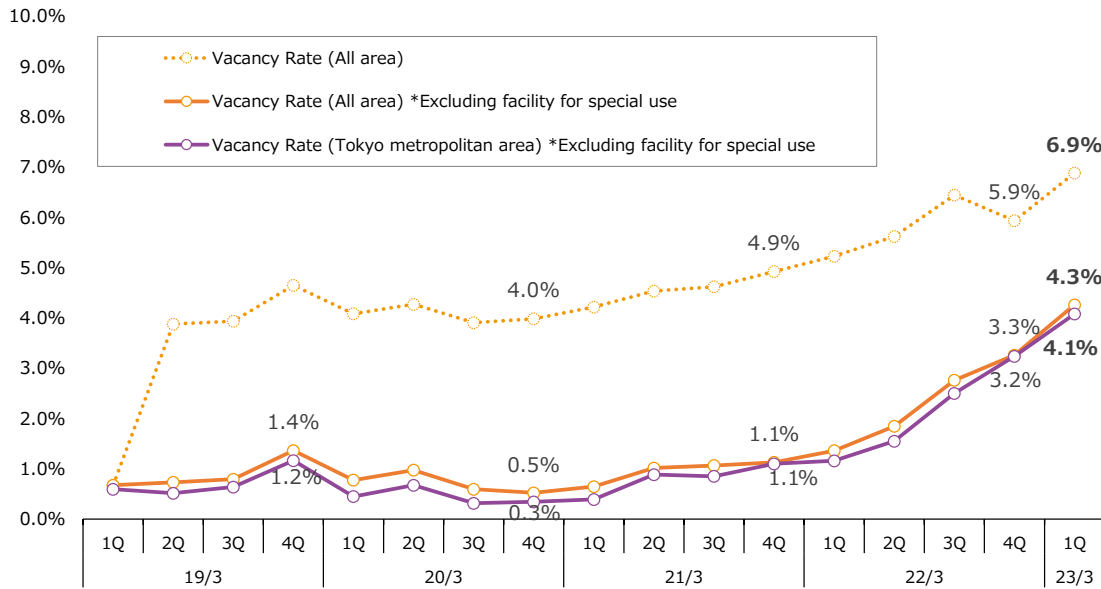
*Leasing refers to revenue from non-current assets including office subleasing.

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

*As of April 1, 2022, Nomura Real Estate Development Co. Ltd. and Nomura Real Estate Building Co., Ltd. were merged (Nomura Real Estate Development Co. Ltd. as the surviving company), and the breakdown of operating revenue, and the calculation method of the net lettable area and the vacancy rate was partially changed in Commercial Real Estate Business Unit. Due to this change, the figures listed for FY22/3 1Q and FY22/3 were changed.

(2) Commercial Real Estate: Leasing

Vacancy rate (excluding inventories)

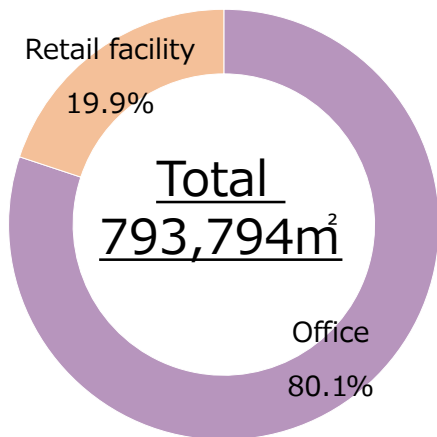


*Excluding facility for special use (training facility) in Yokohama

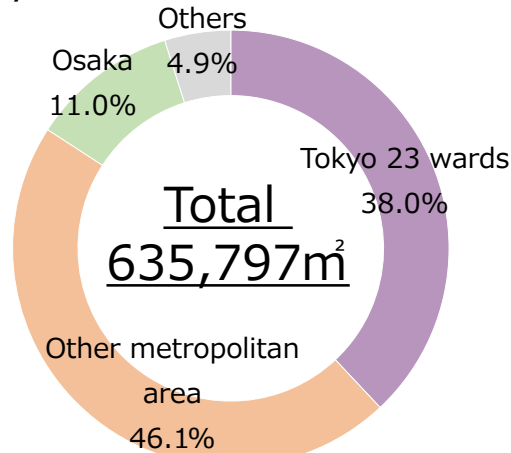
*Vacancy rate change above includes the impact of the net lettable area decrease due to the transfer of properties to inventories and promotion of rebuilding projects.

Net lettable area (excluding inventories)

By sector



By area within office sector



©Nomura Real Estate Holdings, Inc. All rights reserved

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 Project* ¹	South Tower is under construction	Approx. 550,000m ² * ⁴ (Mixed-use)	S		C	
Nishi-Azabu 3-chome Redevelopment* ¹	Establishment of urban redevelopment unit was approved	Approx. 10,000m ² (Hotel)		S		C
<u>Nakano Station Shin North Exit Station-Front Area Redevelopment*¹</u>	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
<u>Takanawa 3-chome Shinagawa Station-Front Area Redevelopment*¹</u>	Blueprint of the project is under discussion	Approx. 23,600m ² (Office, Conference room, Retail)			S	C
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Approx. 26,600m ² (Office, Conference room)			S	C
Nishi-Shinjuku 3-chome West Redevelopment* ¹	Blueprint of the project is decided	Approx. 11,000m ² (Retail)			S	C
Shinbashi Station West Exit Redevelopment* ¹	Blueprint of the project is under discussion	TBD (Office, Hotel, Retail)			S	C
Nomura Fudosan Ginza Building Rebuilding* ¹	-	TBD (Office)				TBD

S: Start of construction C: Completion of construction

*1 JV projects

*2 The underlined parts are new projects in which we have newly participated.

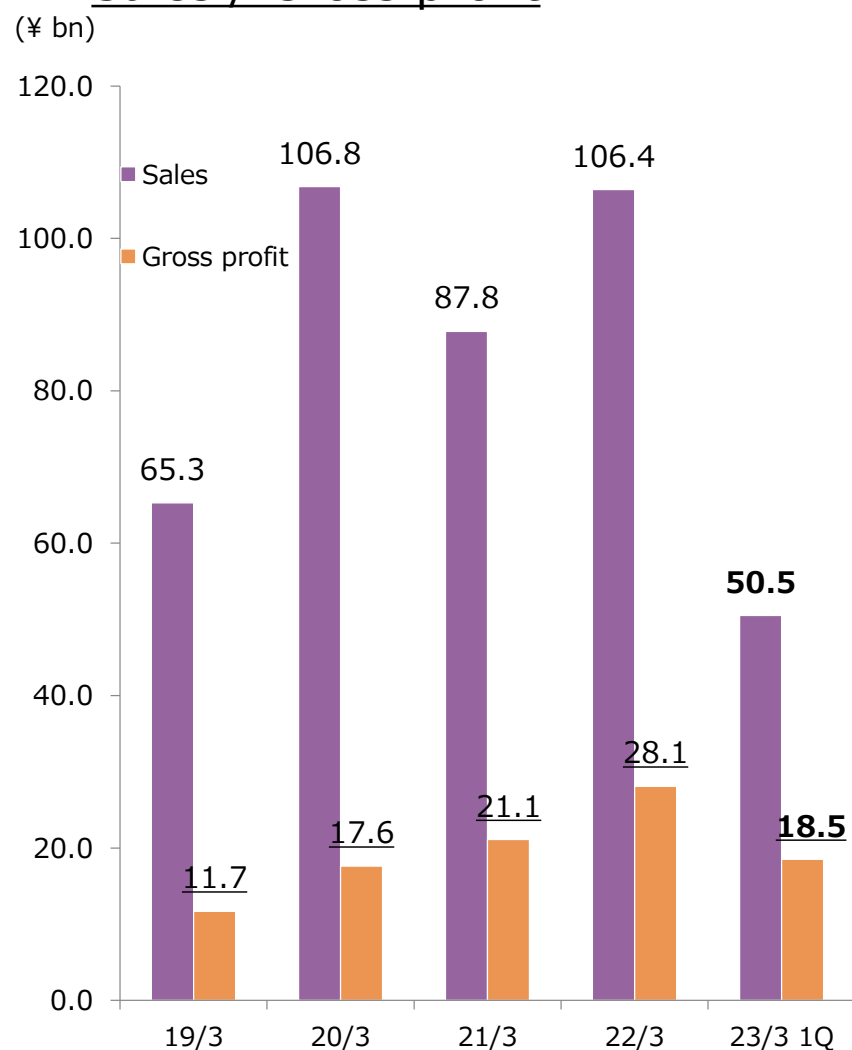
*3 All projects are in planning stage and are subject to change.

*4 Gross floor area

(2) Commercial Real Estate: Property for sale

- ▶ The property sales progressed as expected with sales amount of ¥50.5 bn and gross profit of ¥18.5 bn in 1Q.
- ▶ Acquired land equivalent to ¥18.0 bn. We continue to expand our business actively mainly in office and logistic facility.

Sales / Gross profit



Land acquisition

	Acquired Projects	Total investment
Office	3 projects	¥18.0 bn
Retail	0 projects	¥0.0 bn
Logistics	0 projects	¥0.0 bn
Total	3 projects	¥18.0 bn

Stock for property for sales

Total ¥722.0 bn
 (¥437.6 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	128.7	125.4	219.0	254.1	348.0	
Retail	40.1	11.0	18.0	51.1	58.0	
Logistics	79.7	42.9	221.0	122.7	305.0	
Other	9.6	—	—	9.6	9.0	
Total	258.1	179.5	459.0	437.6	722.0	

*Total investment amount is rounded down to the nearest ¥1.0 bn.

(3) Overseas : Business outline

- ▶ Overseas Business Unit was newly established in FY23/3. We expect further growth of overseas business in the future.
- ▶ Housing sales project in Viet Nam was recorded (the profit of entities accounted for using equity method). There were a few exceptions, but housing units were carried over to the FY23/3 due to construction delays caused by infection control measures.

(¥bn)	22/3 1Q Actual ①	23/3 1Q Actual ②	Changes ②-①	22/3 Actual ③	23/3 Forecast ④	Changes ④-③
Operating revenue	0.6	0.9	+0.2	2.6	4.0	+1.3
Operating profit	-0.1	0.0	+0.1	-0.5		
Share of profit (loss) of entities accounted for using equity method	-0.1	1.4	+1.6	0.7		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	+0.0	0.0		
Business profit	-0.3	1.5	+1.8	0.2	5.5*	+5.2

Major projects scheduled to be recorded in FY23/3



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

Joint partner: VIN HOMES, Mitsubishi Corporation and others
 (Our share: 29.44%)
 Total number: approx. 11,000 units
 Our share : 3,100 units



Midtown, Viet Nam (Ho Chi Minh City)

Joint partner: Phu My Hung Development, Daiwa House, Sumitomo Forestry (Our share: 12.25%)
 Total number: approx. 2,400 units
 Our share: 250 units

*We expect share of profit of entities accounted for using equity method of approx. ¥5.5 bn.

(Reference information) Accounting treatment of overseas business

Overseas business are accounted for as equity investments or share of entities accounted for using equity method, depending on the project's type of participation and other reasons. The accounting method for each project is described on the next page.

	Equity investment	Share of entities accounted for using equity method						
	Operating profit or loss	Non-operating profit or loss						
PL	Profit or loss of the SPC (net profit/loss corresponding to the investment ratio) is included in the profit (loss) of equity investment.	Profit or loss of the affiliates accounted for using equity method (net profit/loss corresponding to the investment ratio) is included in the profit (loss) of entities accounted for using equity method.						
	<table border="1"> <thead> <tr> <th>SPC's accounting treatment</th> <th>NREHD's accounting treatment</th> </tr> </thead> <tbody> <tr> <td>Plus (+) (profit)</td> <td>Profit of the SPC=Sales of NREHD (equity investment profit)</td> </tr> <tr> <td>Minus (-) (loss)</td> <td>Loss of the SPC=Cost of NREHD (equity investment loss)</td> </tr> </tbody> </table>	SPC's accounting treatment	NREHD's accounting treatment	Plus (+) (profit)	Profit of the SPC=Sales of NREHD (equity investment profit)	Minus (-) (loss)	Loss of the SPC=Cost of NREHD (equity investment loss)	
SPC's accounting treatment	NREHD's accounting treatment							
Plus (+) (profit)	Profit of the SPC=Sales of NREHD (equity investment profit)							
Minus (-) (loss)	Loss of the SPC=Cost of NREHD (equity investment loss)							
BS	Current assets (Equity investment)	Non-current assets (Shares of affiliated companies)						

(3) 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.

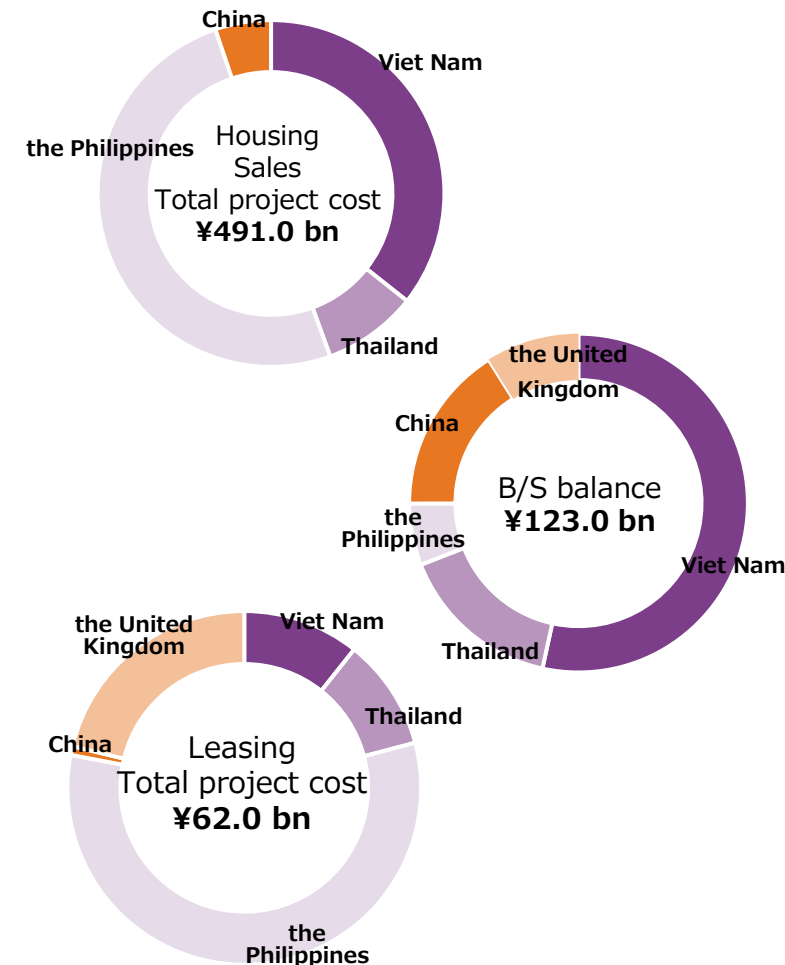
▶ Housing sales: 26 projects, Total project cost (our share): approx. ¥491.0 bn

[Total project cost (our share)]

[Major projects scheduled to be recorded in FY23/3 & FY24/3]

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-
Viet Nam (Ho Chi Minh City)	Grand Park 2nd period	Share of profit (loss) of entities accounted for using equity method	approx.11,000 units	3,100 units	2022
Viet Nam (Ho Chi Minh City)	(not disclosed)	Share of profit (loss) of entities accounted for using equity method	approx.9,600 units	3,750 units	2023
Viet Nam (Hanoi)	Ecopark	Operating profit (loss)	approx.3,000 units	1,350 units	2023-
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
Thailand (Bangkok)	Thong Lo	Operating profit (loss)	1,187 units	550 units	2022
Thailand (Bangkok)	Ratchathew	Operating profit (loss)	263 units	100 units	2022
Thailand (Bangkok)	Rama4	Operating profit (loss)	501 units	200 units	2022
Thailand (Bangkok)	Sailuat	Operating profit (loss)	1,001 units	450 units	2023
Thailand (Bangkok)	Ramintra	Operating profit (loss)	679 units	300 units	2023
Thailand (Bangkok)	Huaykwang	Operating profit (loss)	342 units	150 units	2023
Thailand (Bangkok)	Ramkhamhaeng II	Operating profit (loss)	485 units	200 units	2023
the Philippines (Manila)	Sunshine Fort	Share of profit (loss) of entities accounted for using equity method	approx.1,400 units	250 units	2023-
China (Changzhou)	Changzhou I & II	Operating profit (loss)	approx.6,600 units	800 units	2021-
China (Changzhou)	Changzhou,Tianning	Operating profit (loss)	approx.2,300 units	550 units	2022-

approx. ¥554.0 bn
(¥123.0 bn out of total is on Balance Sheet)



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

Location	Project	Type of profit or loss	Main use	Net lettable area/ No. of rooms ^{*4}	Completion
China (Beijing)	Beijing Fortune Building	Share of loss (profit) of entities accounted for using equity method	Office	29,911㎡	1990
Viet Nam (Ho Chi Minh City)	SUN WAH TOWER	Share of loss (profit) of entities accounted for using equity method	Office	25,977㎡	1997
Viet Nam (Ho Chi Minh City)	ZEN PLAZA	Operating profit (loss)	Office	11,448㎡	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	17,000㎡	2022
Thailand (Bangkok)	Sukhumvit 24	Share of loss (profit) of entities accounted for using equity method	SA	411 rooms	2023
the United Kingdom (London)	127CXR	Operating profit (loss)	Office	approx. 5,100㎡ ^{*5}	2024
the Philippines	Federal Land NRE Global 4 projects	TBD	Retail, Office, etc.	TBD	TBD

*1 All projects (including project name) are in planning stage and are subject to change.

*2 Total project cost (our share) and B/S balance for projects scheduled to be booked in FY23/3 and FY24/3 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.

*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.

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

*5 Area after refurbishment of existing property.

(3) 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 for sustainable business participation in the Philippine market. (Our equity ratio: 34%, estimated investment amount: approx. 16.0bn Philippine peso)
- ▶ As for the initial 4 projects, for the first 10 years, we estimate approx. ¥270.0 bn (total project cost: approx. ¥770.0 bn), and aim for mid- to long-term business growth expansion in the country.



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.

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



34%

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

FLI Management resources and local know-how

- The GT Capital Group's business infrastructure, its abundant land for development
- Expertise of local real estate development

NRE know-how provision

- Advanced technology, quality and cost management skills developed in Japan
- Brand strategy know-how



Initial 4 project

Total project area approx. 250ha, Total project cost approx. ¥770.0 bn

(Our share approx. ¥260.0 bn)

Mandaluyong



- Residence: approx. 4,700 units
- Retail facility: 49,570m²
- Office: 18,005m²
- Construction is planned to start from 2024

Metro Park



- Residence: approx. 1,600 units
- Retail facility : 23,449m²
- Office : 13,824 m²
- Construction is planned to start from 2024

Cavite



- Residence/ Residential area development: approx. 42,000 units
- Retail facility : 110,337m²
- Office : 653,613m²
- Construction is planned to start from 2025

Cebu



- Condominium : approx. 940 units
- Retail facility:18,306m²
- Construction is planned to start from 2025

(3) Overseas : Overseas business expansion (strategy)

- ▶ Expand business continuously by collaborating with reliable local partners who are well versed in the local market.
- ▶ Improve business precision by implementing the Group's ability to provide added value in each step of the business flow.

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)

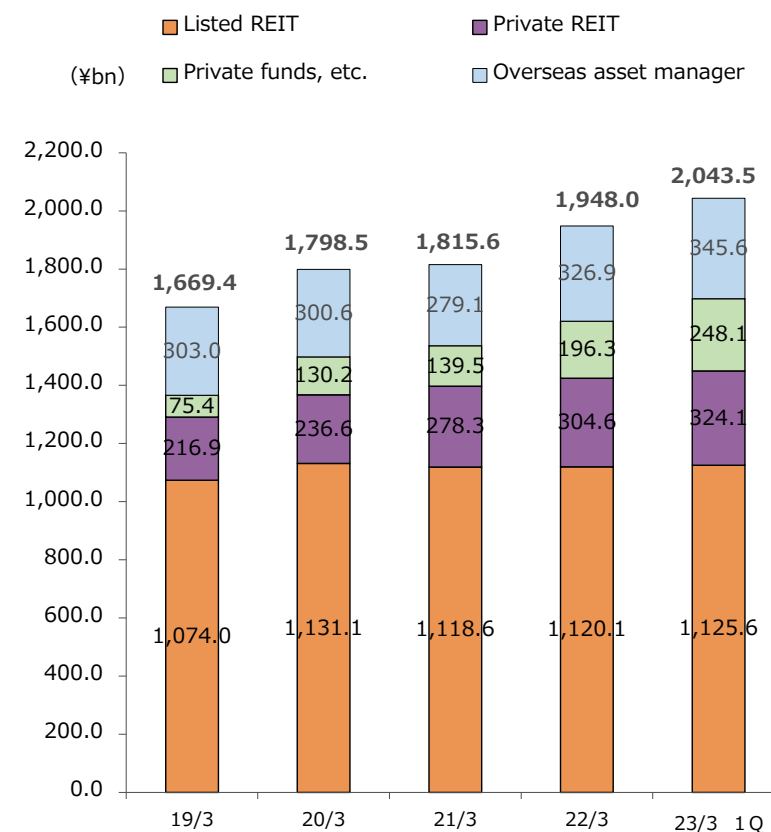
Development phase	Product planning	Building design	Sales	Construction
Main initiative	<ul style="list-style-type: none"> Propose product concept Create building plan 	<ul style="list-style-type: none"> Improve design(KAIZEN) Select designer 	<ul style="list-style-type: none"> Design showroom Introduce Japanese style sales system 	<ul style="list-style-type: none"> On-site improvement(KAIZEN) introduce construction manual
Added value	<p>Increase product attractiveness Improve development effectiveness</p>	<p>Improve design quality Reduce construction cost</p>	<p>Shorten sales schedule Increase sales price</p>	<p>Avoid significant defectiveness Secure quality and function</p>
Example	 <p>Building plan</p>	 <p>Design review (Design improvement KAIZEN)</p>	 <p>Showroom</p>	 <p>On-site visit (on-site improvement KAIZEN)</p>

(4) Investment Management: Business outline

- ▶ The AUM increased steadily mainly in private REIT and private funds.
- ▶ A joint venture company *Nomura Real Asset Investment* is to be established to operate a real estate fund business, by utilizing our real estate management expertise and broad customer base of Nomura Holdings.

(\$bn)	22/3 1Q	23/3 1Q	Changes ②-①	22/3	23/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	3.4	3.8	+0.3	12.8	13.0	+0.1
Operating profit	2.2	2.4	+0.2	7.5		
Share of profit (loss) of entities accounted for using equity method	—	—	—	—		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	+0.0	0.3		
Business profit	2.2	2.5	+0.2	7.8	8.0	+0.1
Assets under management	1,877.9	2,043.5	+165.6	1,948.0		
Domestic asset manager	1,571.0	1,697.8	+126.8	1,621.1		
Listed REIT*	1,118.6	1,125.6	+6.9	1,120.1		
Private REIT*	278.3	324.1	+45.7	304.6		
Private funds, etc.	174.1	248.1	+74.0	196.3		
Overseas asset manager	306.8	345.6	+38.8	326.9		

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

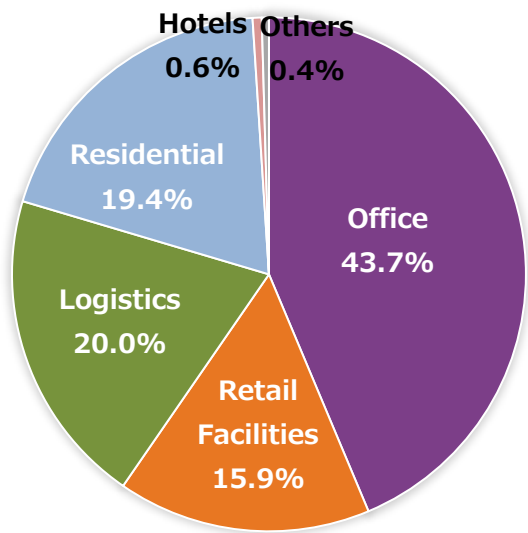
+ Acquisition price of the assets acquired after the end of the period - Book value at the end of the latest fiscal period of the assets disposed after the end of the period

(4) Investment Management: Business outline

MASTER FUND 

One of the largest diversified type J-REITs

AUM ¥1,125.6 bn (300 properties)



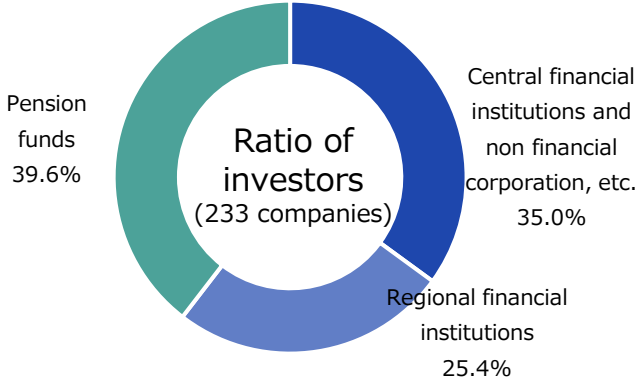
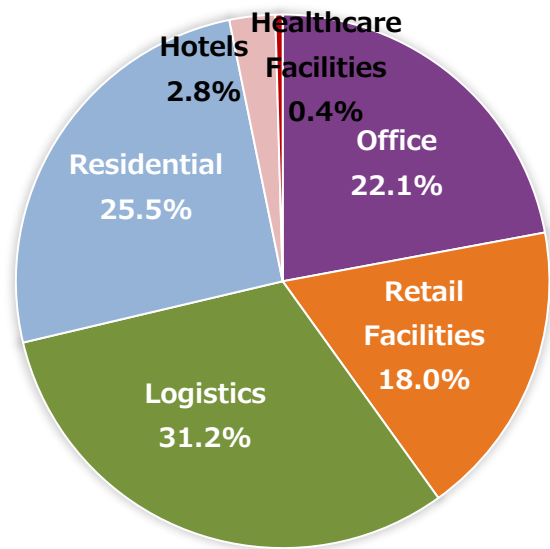
Portfolio Summary	
Occupancy rate	98.7%
Average NOI yield	5.0%
Average property age	20.0 years

*Percentages by assets are based on the acquisition price as of the end of 2022/6.
 *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 ¥324.1 bn (87 properties)

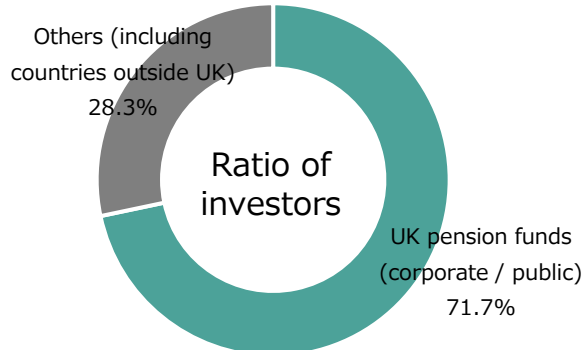
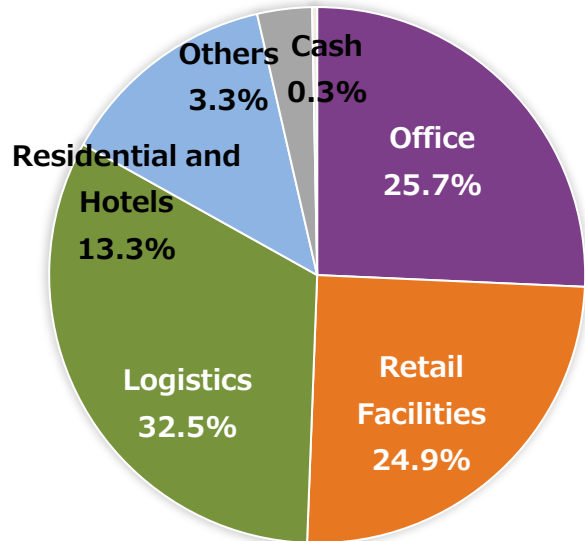


*Percentages by assets are based on the acquisition price as of the end of 2022/6.
 *Ratio of investors are based on the number of investment units as of the end of 2022/6.

Lothbury Property Trust

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

AUM ¥269.4 bn (47 properties)



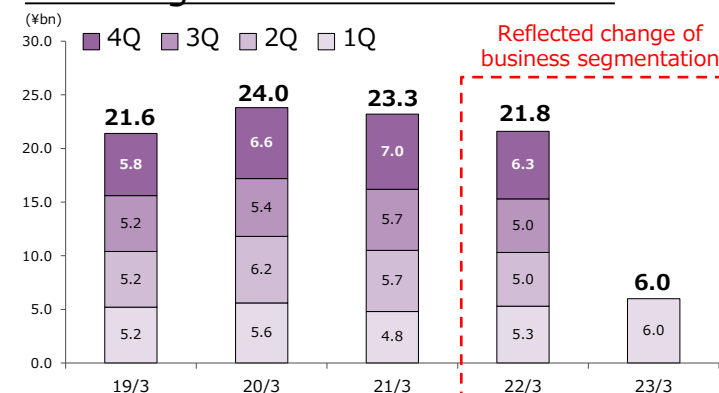
*Each property's fair value is calculated by 160.89 JPY to GBP as of the end of 2022/3.
 *Percentages by assets are based on the fair value as of the end of 2022/3.
 *Ratio of investors are based on the number of investment units as of the end of 2022/3.

(5) Property Brokerage & CRE: Business outline

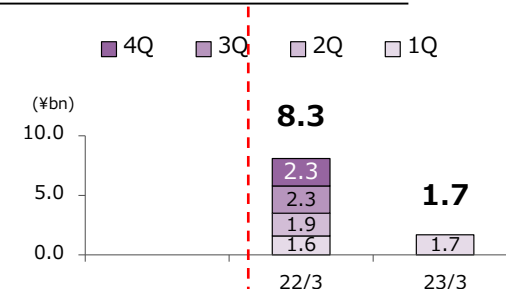
- ▶ From FY23/3, the middle business, a growth area, was classified. And we will promote further business expansion.
- ▶ Three businesses led by strong retail, wholesale and middle progressed steadily.

(¥bn)	22/3 1Q	23/3 1Q	Changes	22/3	23/3	Changes
	Actual	Actual		Actual	Forecast	
	①	②	②-①	③	④	④-③
Operating revenue	10.6	10.7	+0.1	43.7	44.0	+0.2
Brokerage fee (retail business)	5.3	6.0	+0.6	21.8		
Brokerage fee (middle business)	1.6	1.7	+0.0	8.3		
Brokerage fee (wholesale business)	2.5	2.0	-0.5	9.6		
Other	0.9	0.9	-0.0	3.9		
Operating profit	3.1	3.0	-0.1	11.7		
Share of profit (loss) of entities accounted for using equity method	—	—	—	0.0		
Amortization of intangible assets associated with corporate acquisitions	—	—	—	—		
Business profit	3.1	3.0	-0.1	11.7	11.5	-0.2
【Brokerage indicators】						
Transaction value (¥bn)	220.0	222.8	+2.8	964.8		
Number of transactions	2,499	2,467	-32	10,081		
Commission fee (¥bn)	9.6	9.7	+0.1	39.8		
Commission rate (%)	4.4%	4.4%	+0.0P	4.1%		
Number of branches for retail business	86	87	+1	86		

Brokerage fee for retail business



Brokerage fee for middle business



Brokerage fee for wholesale business



*Retail business: Real estate brokerage business for individuals.

*Middle business: Real estate brokerage business for small and midsize companies, business owners, some individual investors and high net worth individuals.

*Wholesale business: Real estate brokerage business for large corporations, funds, and overseas investors.

*From FY23/3, the Company has changed its classification from retail and wholesale to retail, middle and wholesale.

Accordingly, the sales breakdown and the number of branches for retail business for FY22/3 1Q and FY22/3 have been revised.

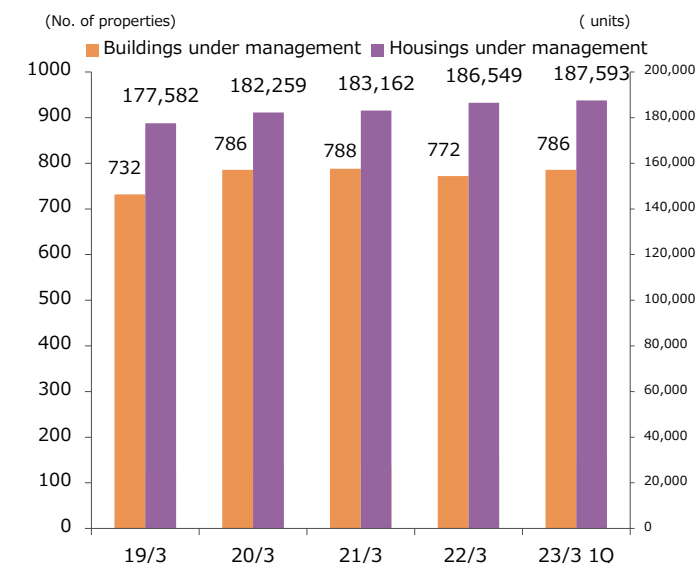
(6) Property & Facility Management: Business outline

- ▶ Revenue from property and facility management increased with the steady increase of housings under management, on the other hand construction ordered decreased.

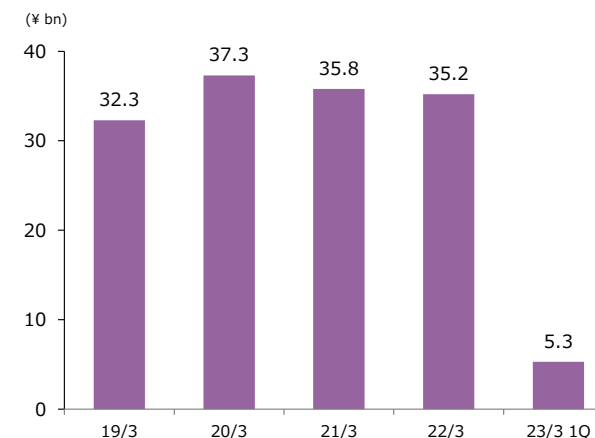
(\\$bn)	22/3 1Q	23/3 1Q	Changes ②-①	22/3	23/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	21.6	21.2	-0.3	99.2	104.0	+4.7
Property & facility management	14.2	14.5	+0.2	58.2		
Construction ordered	6.0	5.3	-0.6	35.2		
Other	1.3	1.3	+0.0	5.7		
Operating profit	1.5	1.3	-0.1	9.1		
Share of profit (loss) of entities accounted for using equity method	0.0	0.0	+0.0	0.0		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	—	0.0		
Business profit	1.5	1.3	-0.1	9.2	9.0	-0.2

Building under management	795	786	-9	772		
Housings under management	182,844	187,593	+4,749	186,549		

Buildings / Housings under management



Revenue of construction ordered



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



SUUMO AWARD 2022 Tokyo Metropolitan Area
 Condominium management company—Less than 100 units—
 Overall Evaluation: **Grand Prize**
 (Twice in a row)

3. Sustainability

(1) Sustainability Policy, Materiality / KPI

- ▶ Established sustainability policy (vision of 2050) in September, 2021.
- ▶ Set Priority issue (Materiality) and KPI for 2030(FY31/3).

Sustainability Policy

Earth Pride

Pursuing humanity

Maintaining harmony with nature

Building the future together

Priority issue for 2030 (Materiality)

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 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)

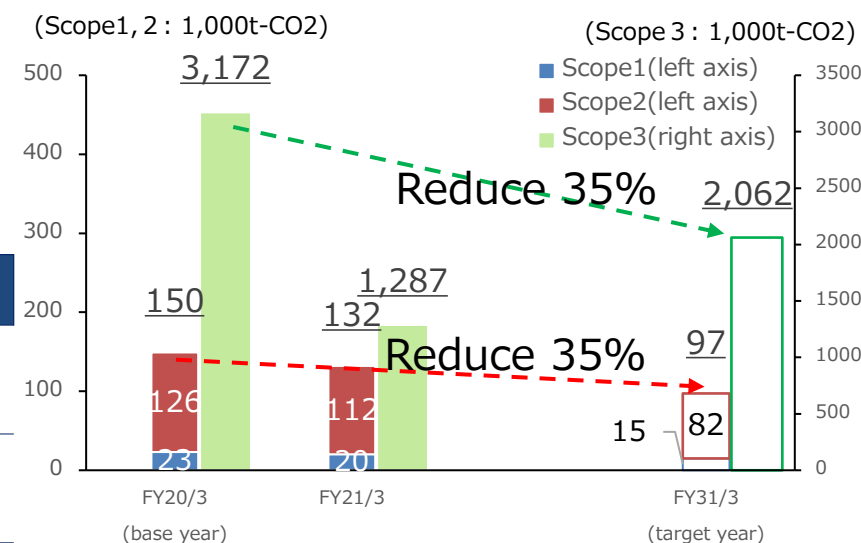


RE100

CLIMATE GROUP



CO2 emission reduction (Scope1,2,3) plan



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

- ▶ PROUD TOWER Kameido Cross, high-rise ZEH-M oriented support project, was completed in January, 2022.
- ▶ Large-scale mixed-use development with residence, retail facility and education facility. It will also include mechanisms to create a local community.



PROUD TOWER Kameido Cross (residence)/KAMEIDO CLOCK (retail facility)

Location: Koto-ku, Tokyo

Access: 2 min walk from Kameido station

Use: Residence (total number 934 units), retail (net lettable area approx. 28,000m²), elementary school, kindergarten

Construction, opening: Residence...constructed in January, 2022,

Retail...opening in April, 2022

- ▶ 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.
- ▶ We will work to create and activate the local community through the introduction of a retail facility that houses famous local stores, a plaza that can host events, and "Be ACTO", an area management system in which we will accompany the operation.

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	2024/4 (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

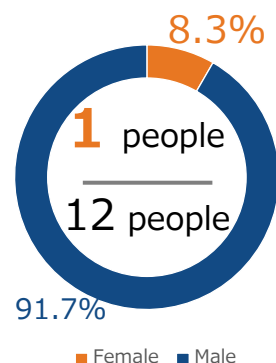
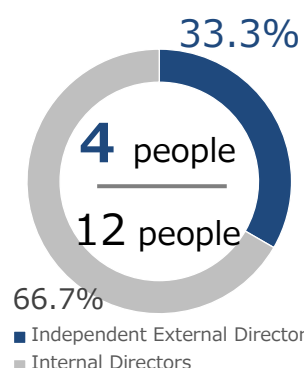
(4) Governance

▶ Corporate Governance (As of June 24, 2022)

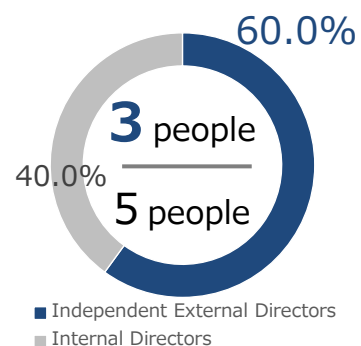
- Company with an Audit & Supervisory Committee
- Out of 12 directors, 4 are independent external directors
- Chairman of the Board of Directors is a non-executive director
- Chairman of Advisory Committee Relating to Nominations and Compensation is an independent external director
- Majority of the members of the Audit & Supervisory Committee and the Advisory Committee Relating to Nominations and Compensation are independent external directors

▶ Board of Directors

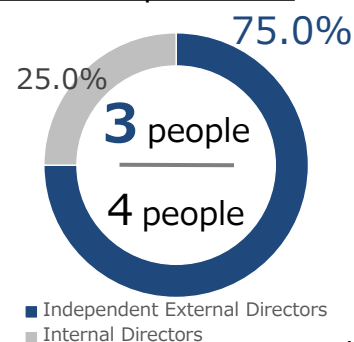
Percentage of Independent Directors/Female Directors



▶ Audit & Supervisory Committee



▶ Advisory Committee Relating to Nominations and Compensation



▶ 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.

*2 Scheduled to conduct an evaluation based on BEI from FY23/3.

▶ Share-based compensation (Performance Share portion: PS) *3

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: Abbreviation of Building Energy-efficiency Index. An index that evaluates the energy-saving performance of buildings based on the energy-saving standards of the Building Energy Efficiency Act.

*3: Applicable to some group directors.

(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>

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index



<Other main index>



FTSE4Good



2022
Somo Sustainability Index

▶ Signatures and agreement on initiatives



Signatory of:



RE100

CLIMATE GROUP



▶ ESG evaluation

CDP Climate change	Sustainalytics	GRESB disclosure evaluation
A-	17.7	A

▶ Publications

Integrated report



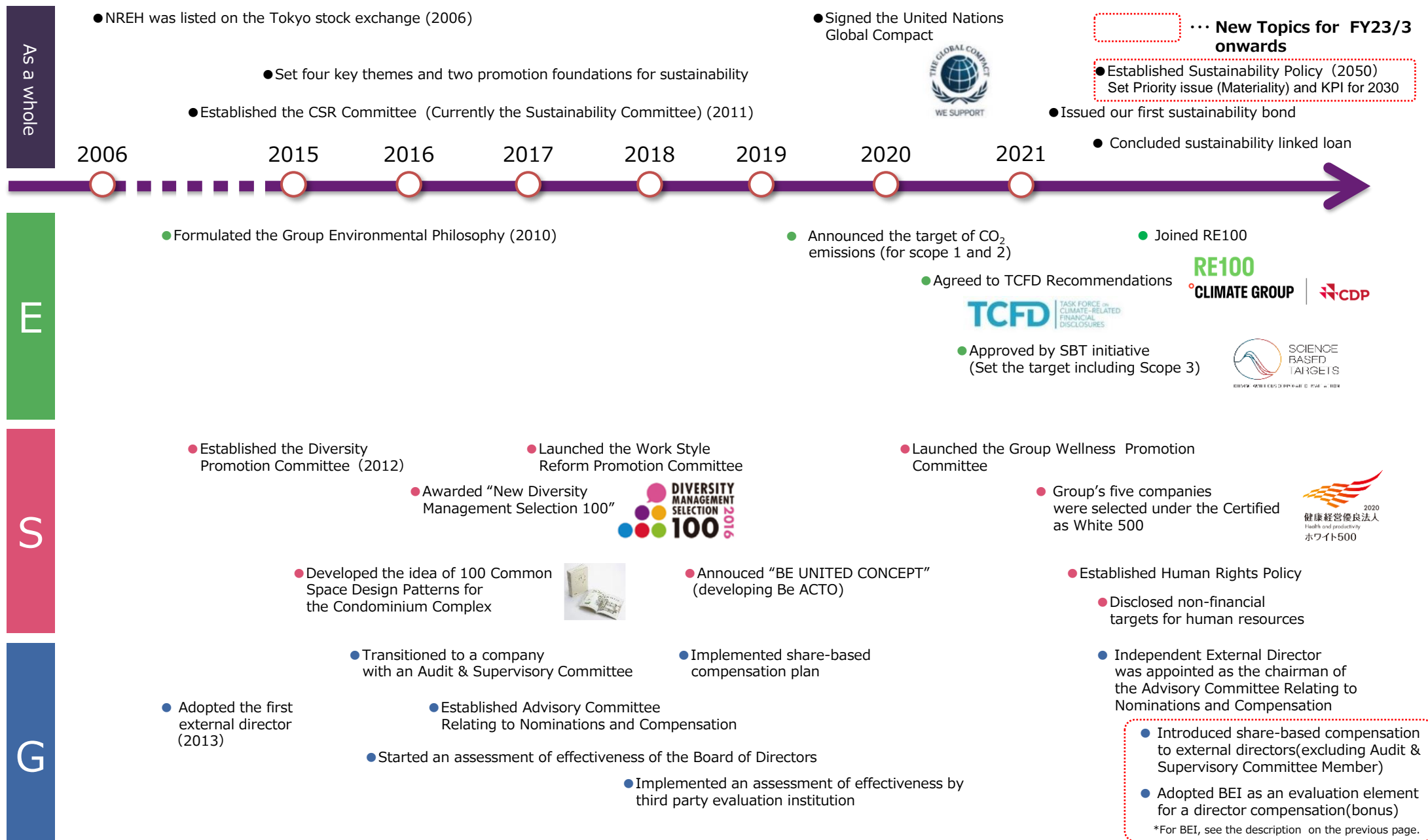
Sustainability report



*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 till FY26/3 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 Certification Loan (concluded in Mar., 2022)

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



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

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

Procured amount	¥59.5 bn (34 financial institutions) *as of the end of June, 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.

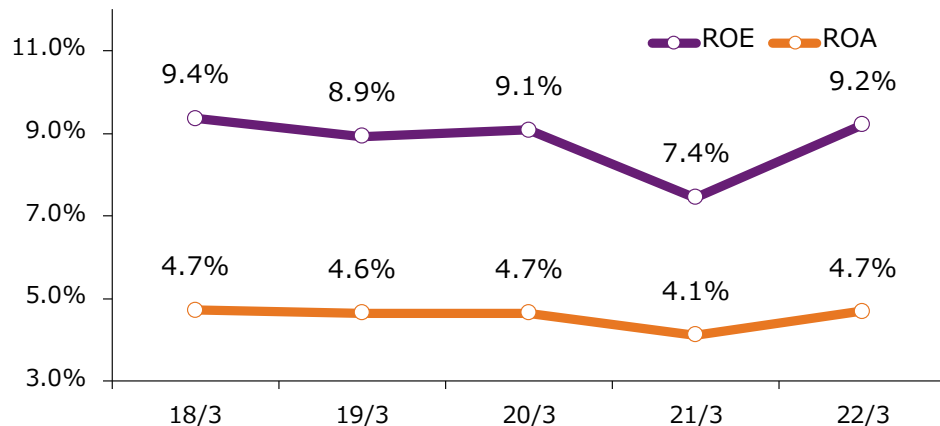
Implemented cumulative total of **¥71.0 bn** in sustainability finance as of the end of June, 2022.

4. Reference materials

(1) FY22/3 Financial data

ROA/ROE

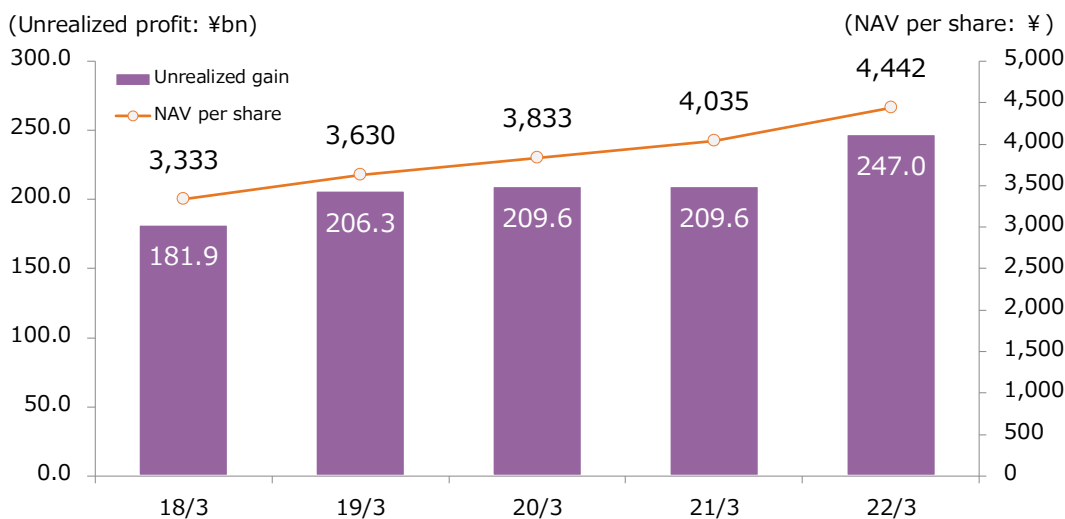
In FY22/3 ROA was 4.7% and ROE was 9.2%. This results exceeded our previous Mid-to long-term Business Plan Phase 1 target of ROA of around 4 to 5% and ROE of around 8 to 9%.



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

Unrealized profit/NAV (Net Asset Value)

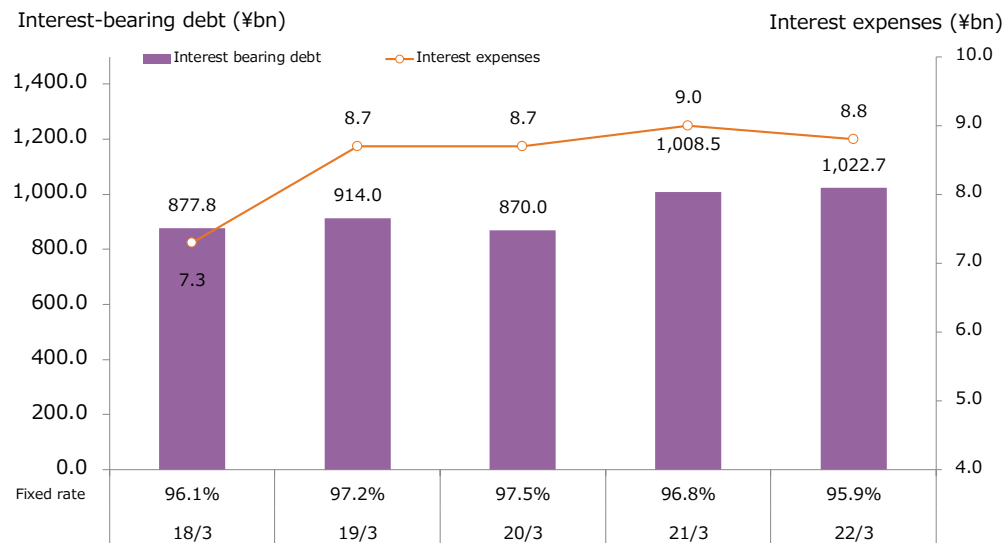
NAV per share was ¥ 4,442 (¥407 increase from FY21/3)



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)

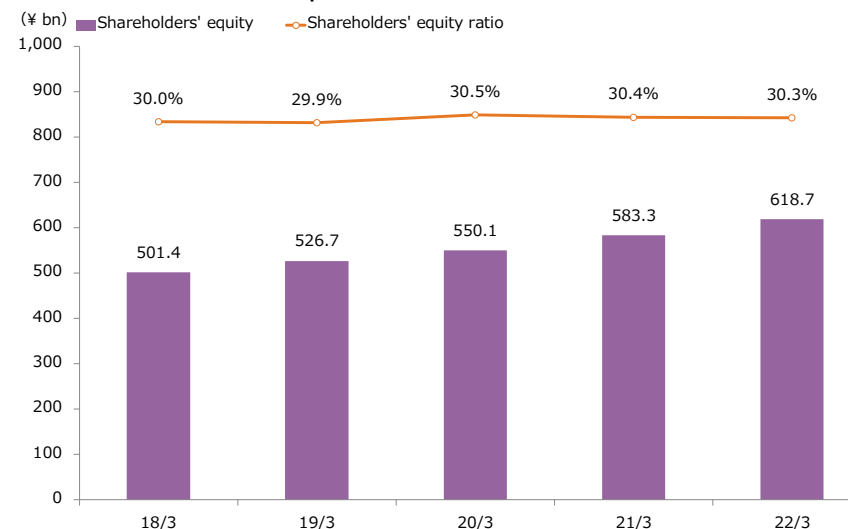
Interest-bearing debt/Interest expenses

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



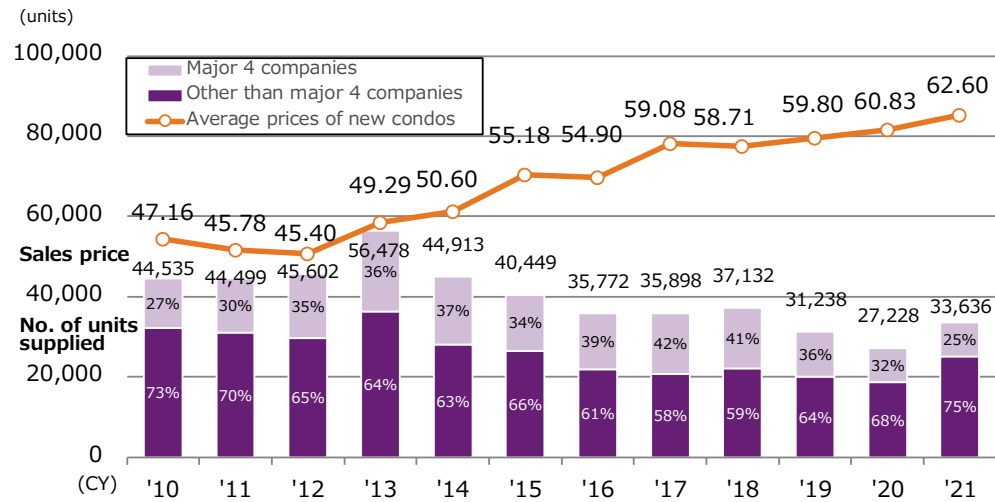
Shareholders' equity/Shareholders' equity ratio

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



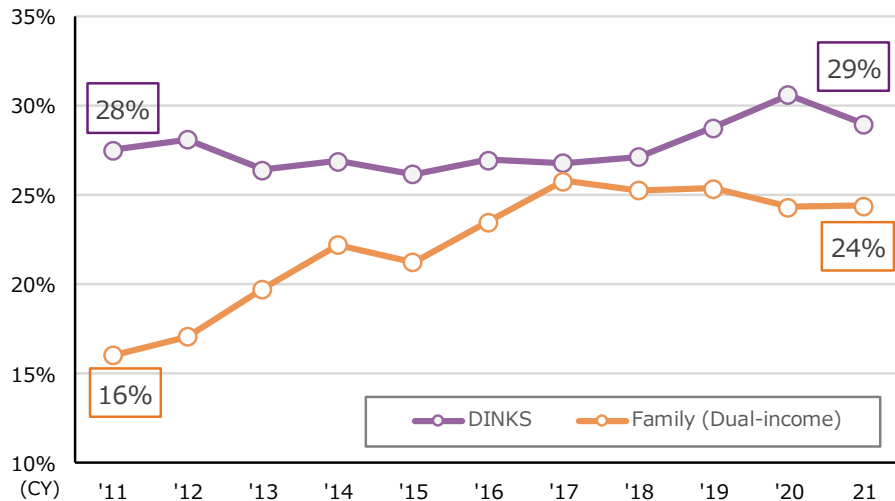
(2) Business environment: Residential market

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



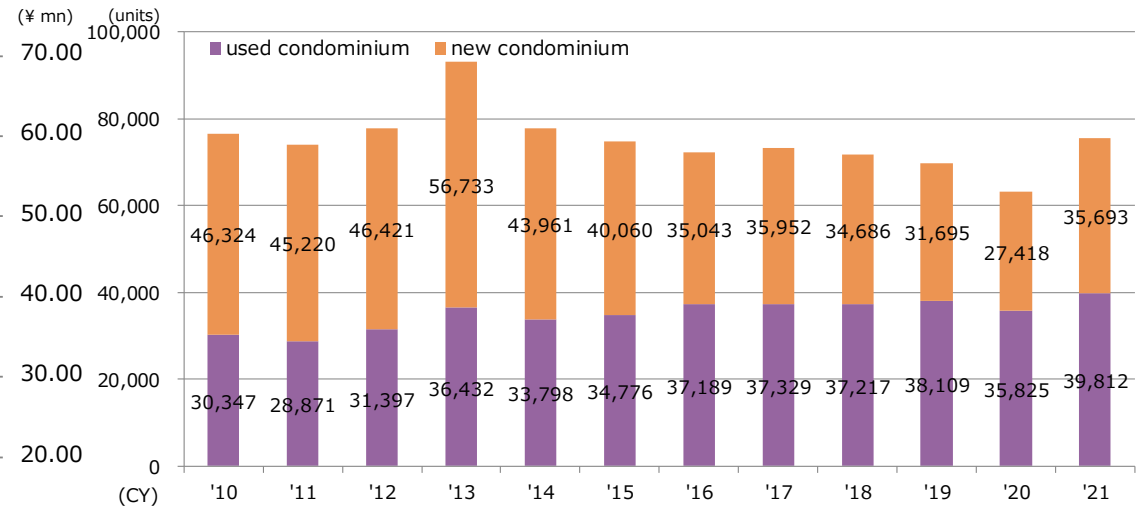
Source by Real Estate Economic Institute Co., Ltd
 Major 4 companies; NRE, Sumitomo Realty & Development Co., Ltd., Mitsui Fudosan Co., Ltd, Mitsubishi Estate Co., Ltd.

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



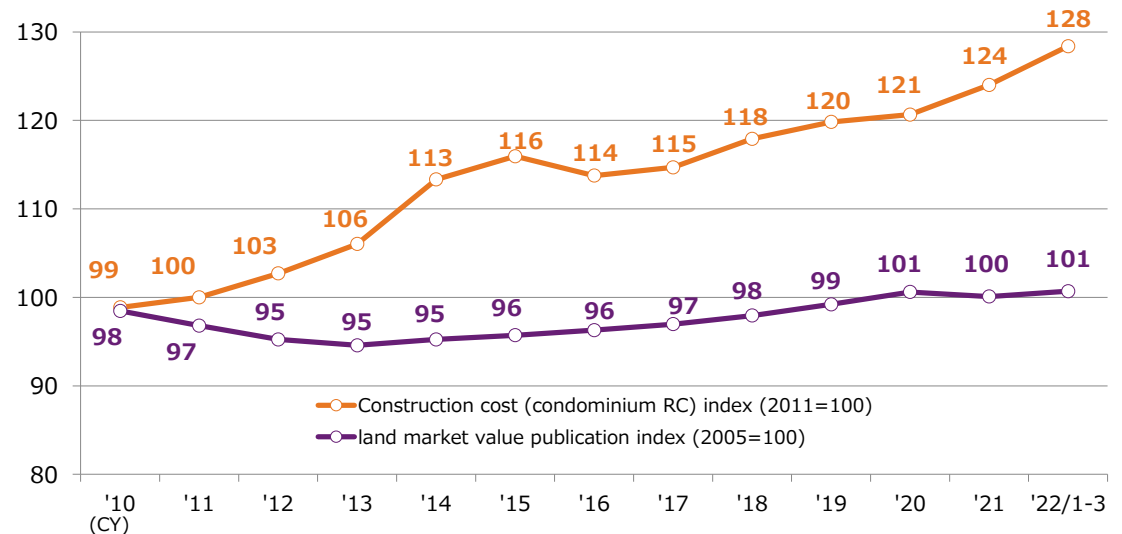
Source by NREH based on SUUMO of the survey of Tokyo Metropolitan Area's new condos contractors trend in 2020

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



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

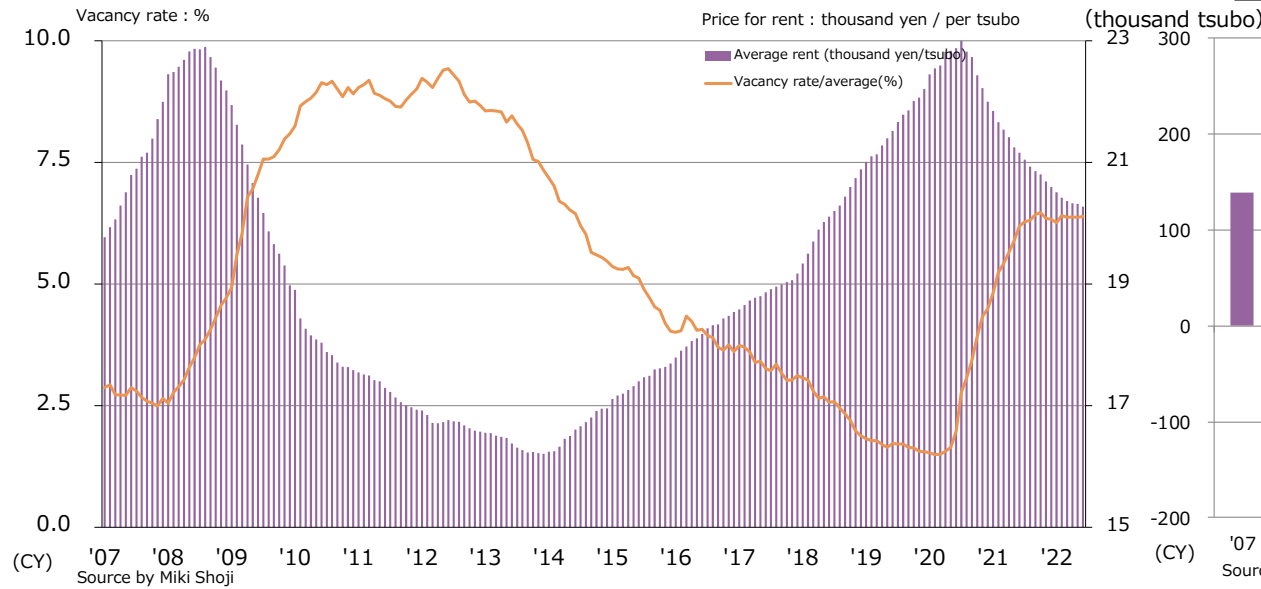
▶ Construction cost and land price



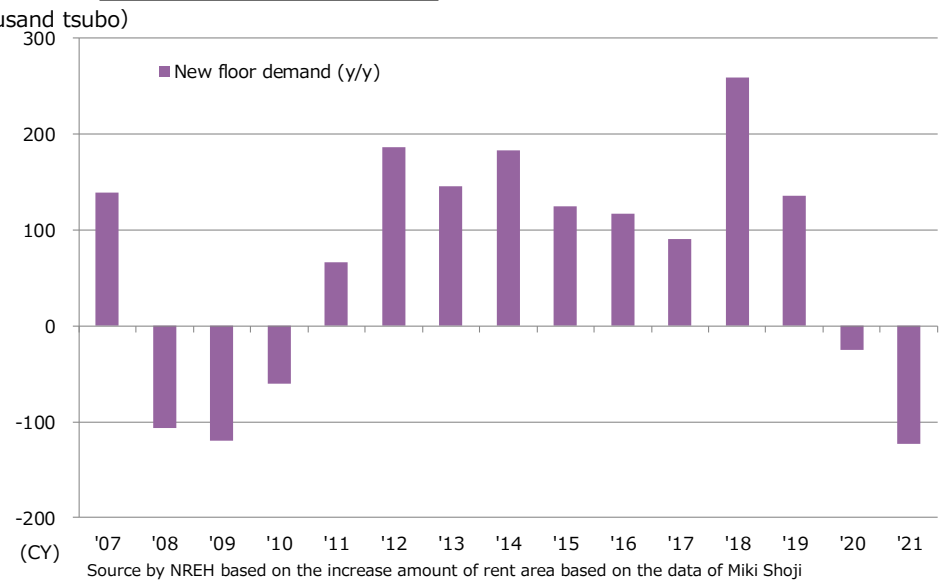
Source by Construction Research Institute, Ministry of Land, Infrastructure, Transport and Tourism.

(2) Business environment: Office market

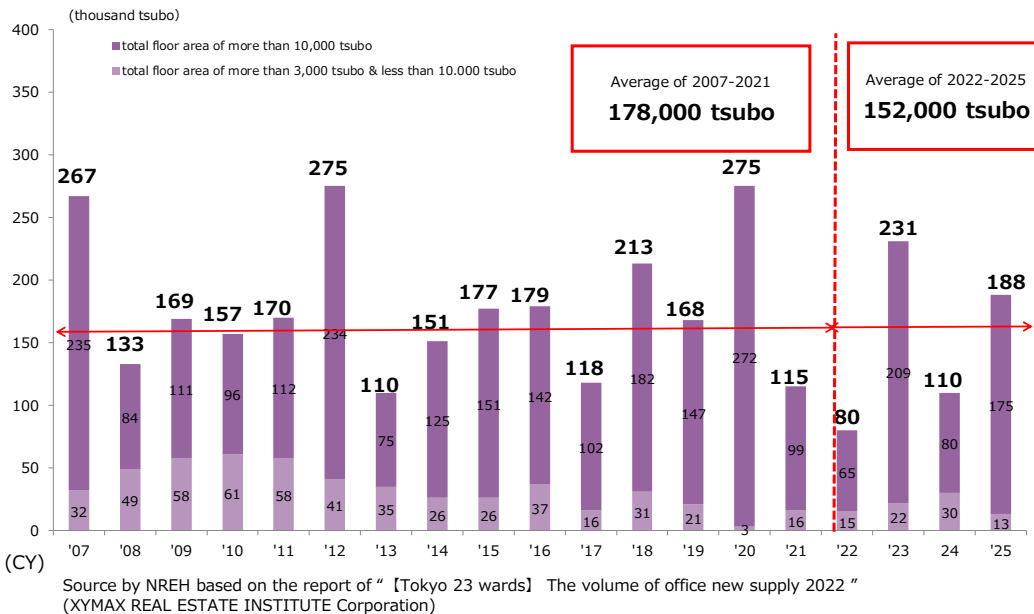
▶ Rent and vacancy rate in Tokyo central five wards



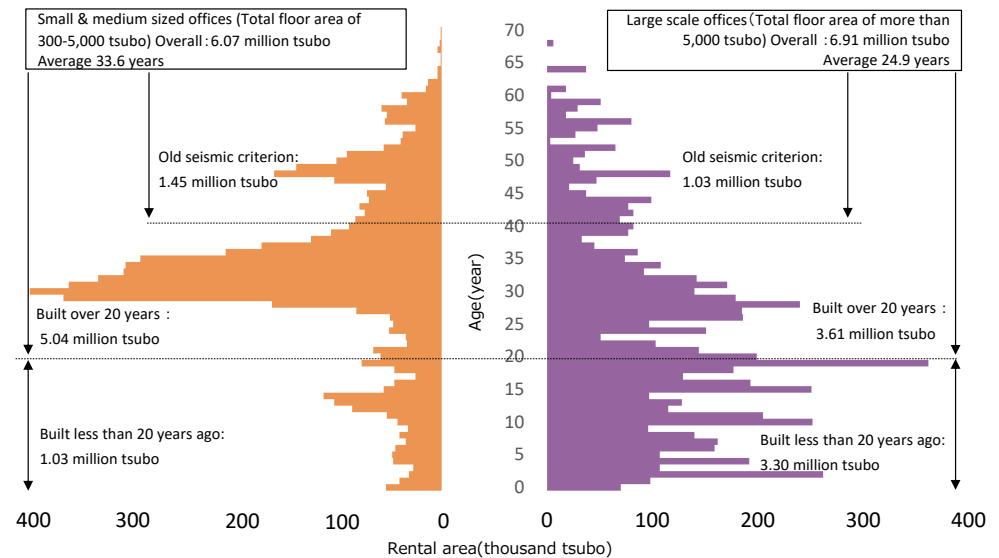
▶ An increasing trend in Tokyo central five wards' office rental area



▶ 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



(3) 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	211 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
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	Hirai 5-chome Station-Front area redevelopment*	Edogawa-ku, Tokyo	274 units	192 units
FY26/3	Shuwa Aoyama Residence rebuilding project	Shibuya-ku, Tokyo	72 units	40 units
FY26/3	Okayama-shi Ekimaecho 1-chome District Redevelopment*	Okayama-shi, Okayama	approx. 360 units	approx. 310 units
FY26/3-	Minami-Ikebukuro 2-chome C District Redevelopment*	Toshima-ku, Tokyo	551 units	364 units
after FY27/3	Tsukishima 3-chome south District Redevelopment*	Chuo-ku, Tokyo	approx. 580 units	approx. 230 units
after FY27/3	Toyomi District Redevelopment*	Chuo-ku, Tokyo	1,540 units	269 units
after FY27/3	Nishi-Azabu 3-chome Redevelopment*	Minato-ku, Tokyo	approx. 340 units	approx. 280 units
after FY27/3 (TBD)	Nishi-Shinjuku 3-chome west District Redevelopment*	Shinjuku-ku, Tokyo	TBD	TBD
after FY27/3 (TBD)	Atago District 1-urban area Redevelopment	Minato-ku, Tokyo	approx. 400 units	approx. 400 units

*JV projects



PROUD Nerima Nakamurabashi Marks



PROUD TOWER Kawaguchi Cross

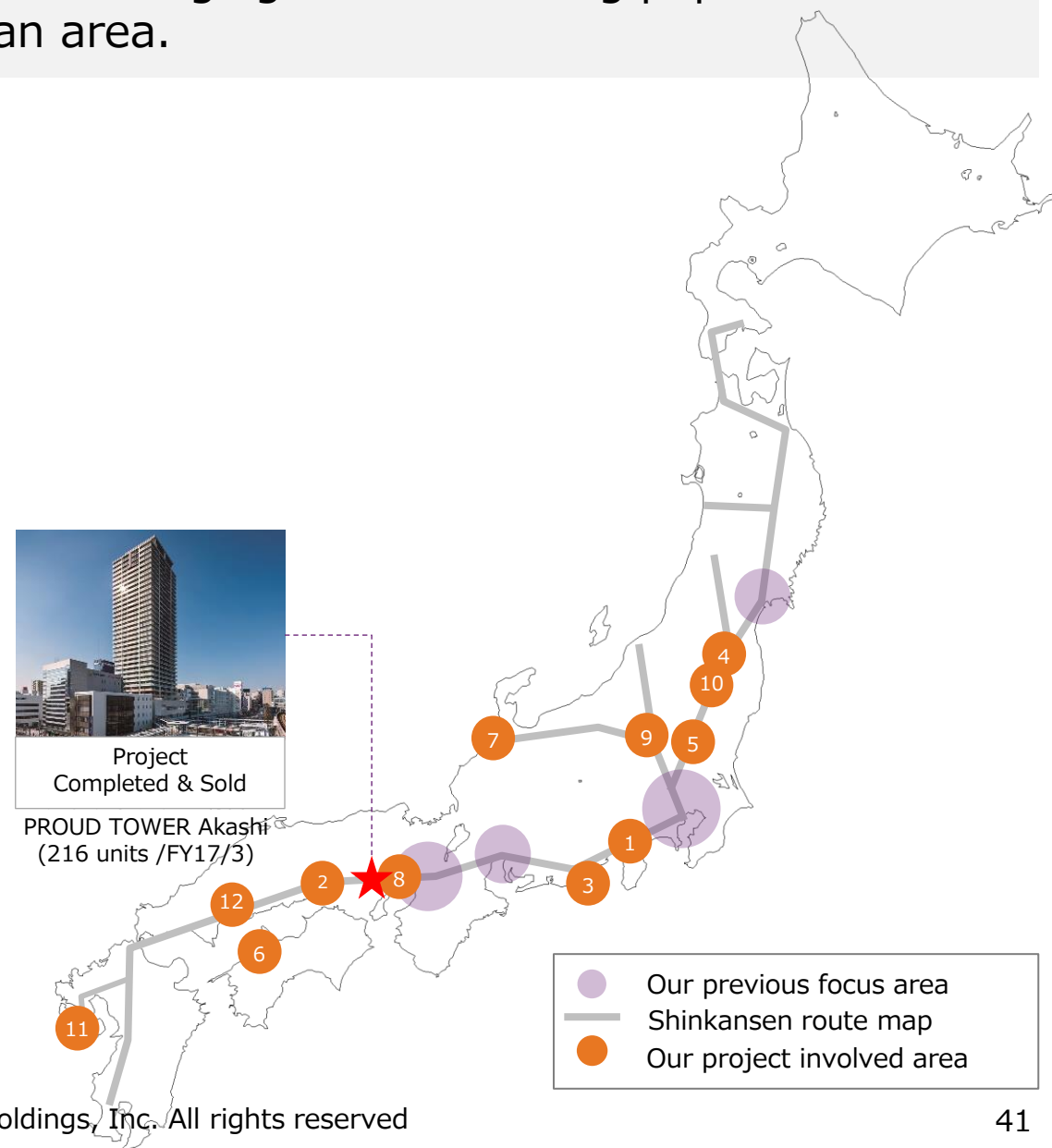
(3) Residential Development: Residential Development in local core cities

- ▶ 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. 360
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	108
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. 270
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



(4) 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
	 Number of members: 2,583 companies / approx. 243,000 people Number of offices: 225 including affiliated offices	 Number of properties including planned ones: 16	 Number of properties including planned ones: 72	 TOKYO TORANOMON GLOBAL SQUARE started operation in July 2020. Promoting large-scale mix-used development with a focus on redevelopment projects

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

▶ Shibaura 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

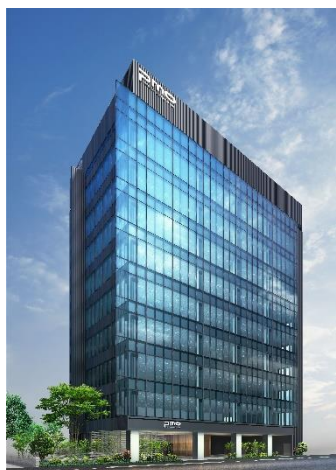
(4) Commercial Real Estate: Office

Medium-sized high-grade office



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

Properties developed: 72 (including plans)
 Properties under development /
 Owned by NRE : 38 (out of 72)



PMO Tamachi III

PMO EX Nihonbashi kayabacho

<Projects completed and progressing in FY23/3>

	Name	Location	Completion
1	PMO Jinbocho	Chiyoda-ku, Tokyo	2022/5
2	PMO Tamachi IV	Minato-ku, Tokyo	2022/6
3	PMO Tamachi III	Minato-ku, Tokyo	2022/7 (plan)
4	PMO EX Nihonbashi kayabacho	Chuo-ku, Tokyo	2022/7 (plan)
5	PMO Hachobori IV	Chuo-ku, Tokyo	2022/8 (plan)
6	PMO EX Yodoyabashi	Osaka-shi, Osaka	2022/10 (plan)
7	PMO Hachobori V	Chuo-ku, Tokyo	2023/4 (plan)
8	PMO Yodoyabashi (tentative name)	Osaka-shi, Osaka	2023/7 (plan)
9	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: 16* (including plans)
 Properties under development /
 owned by NRE : 16* (out of 16)



H1O Aoyama

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

< Projects completed and progressing in FY23/3 >

	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: 2,583 companies /
 approx. 243,000 people
 Number of offices: 225 including affiliated offices

(4) 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 FY23/3>

Name	Location	Completion



GEMS Roppongi (under operation)

▶ 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 FY23/3>

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



MEFULL Kawasaki

▶ Logistics facility with advanced and high functionality



Properties developed: 42 (including plans)
 Properties under development / owned by NRE: 23 (out of 42)



Landport Ageo II

<Projects completed and progressing in FY23/3>

	Name	Location	Completion
1	Landport Ageo II	Ageo-shi, Saitama	2022/5
2	Landport Tama	Hachioji-shi, Tokyo	2022/6
3	Atsugi Aikawamachi logistics facility plan (tentative name)	Aiko-gun, Kanagawa	2023/1 (plan)
4	Landport Kyoto Minami	Muko-shi, Kyoto	2023/2 (plan)

(4) 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	152,286m ²	1990/1, etc.
Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	94,123m 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
KAMEIDO CLOCK	Koto-ku, Tokyo	26,123m ²	2022/3
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

KAMEIDO CLOCK



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*10	m	835,115	855,197	928,628	974,127	975,974	1,022,864	955,381	915,311	829,670	790,776
Vacancy rate*10	%	2.2	2.9	4.5	2.2	0.8	0.7	4.6	4.0	4.9	5.9
Sales amount of property for sales*11	¥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)

Unrealized gains (after deduction of tax)= unrealized gains×(1 - effective statutory tax rate) [Effective tax rate is the figure for each fiscal year].

*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: As of April 1, 2022, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Building Co., Ltd. were merged (Nomura Real Estate Development as the surviving company), and partial revision was made to the method used to calculate the net lettable area and the vacancy rate. Due to this change, the figures listed after FY18/3 are changed.

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

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

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

Nomura Real Estate Holdings, Inc.
Corporate Communications Dept.
Investors Relations Sect.

General Manager	Hidehiro Sasaki
Senior Manager	Masayuki Ohmi

TEL +81-3-3348-8117
E-mail nrehd-ir@nomura-re.co.jp

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