

Consolidated Financial Results for the Nine Months from April 1 to December 31, 2022

Index	p.03	1. FY23/3 3Q Financial results
	p.10	2. Performance highlights by Business Unit
	p.26	3. Sustainability
	p.36	4. Reference materials
	p.47	5. Outline of Nomura Real Estate Group

1. FY23/3 3Q Financial results


 (1) FY23/3 3Q Financial results summary

<Summary>

- ▶ The consolidated financial results for the nine months from April 1 to December 31, 2022 were as follows.
- ▶ Operating revenue; 422.5 billion yen (up 17.1% YoY); business profit; 66.5 billion yen (up 34.9% YoY); operating profit; 61.4 billion yen (up 25.1% YoY); ordinary profit; 58.1 billion yen (up 41.3% YoY); and profit attributable to owners of parent; 40.9 billion yen (up 52.3% 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 2,319 units (up 417 units YoY) and both operating revenue and business profit increased. The contract progress rate against the projected sales for housing for the fiscal year ending March 31, 2023, progressed smoothly to 97.5%.
- ▶ In Commercial Real Estate Business Unit, both operating revenue and business profit increased, mainly due to the increase of revenue from property for sales business.
- ▶ In Overseas Business Unit, the completion and handover of housing sales projects in Viet Nam mainly contributed to the profit.
- ▶ As for Service & Management Sector, all Business Units progressed steadily, resulting in increases in both operating revenue and business profit.
- ▶ The forecast for the fiscal year ending March 31, 2023, which was announced in April 2022, was revised to operating revenue; 660.0 billion yen; business profit; 100.0 billion yen; operating profit; 94.0 billion yen; ordinary profit; 88.0 billion yen; and profit attributable to owners of parent; 60.0 billion yen. Business profit and other profits are expected to reach record high.
- ▶ The dividend forecast, which was announced in April 2022, was revised to ¥115.0 per share for the annual dividend for the fiscal year ending March 31, 2023.
- ▶ As for the ongoing acquisition of treasury shares, which was announced on October 27, 2022, the terms were partially changed. The company will acquire treasury shares up to 9.5 billion yen by April 14, 2023.

(2) FY23/3 3Q Financial results

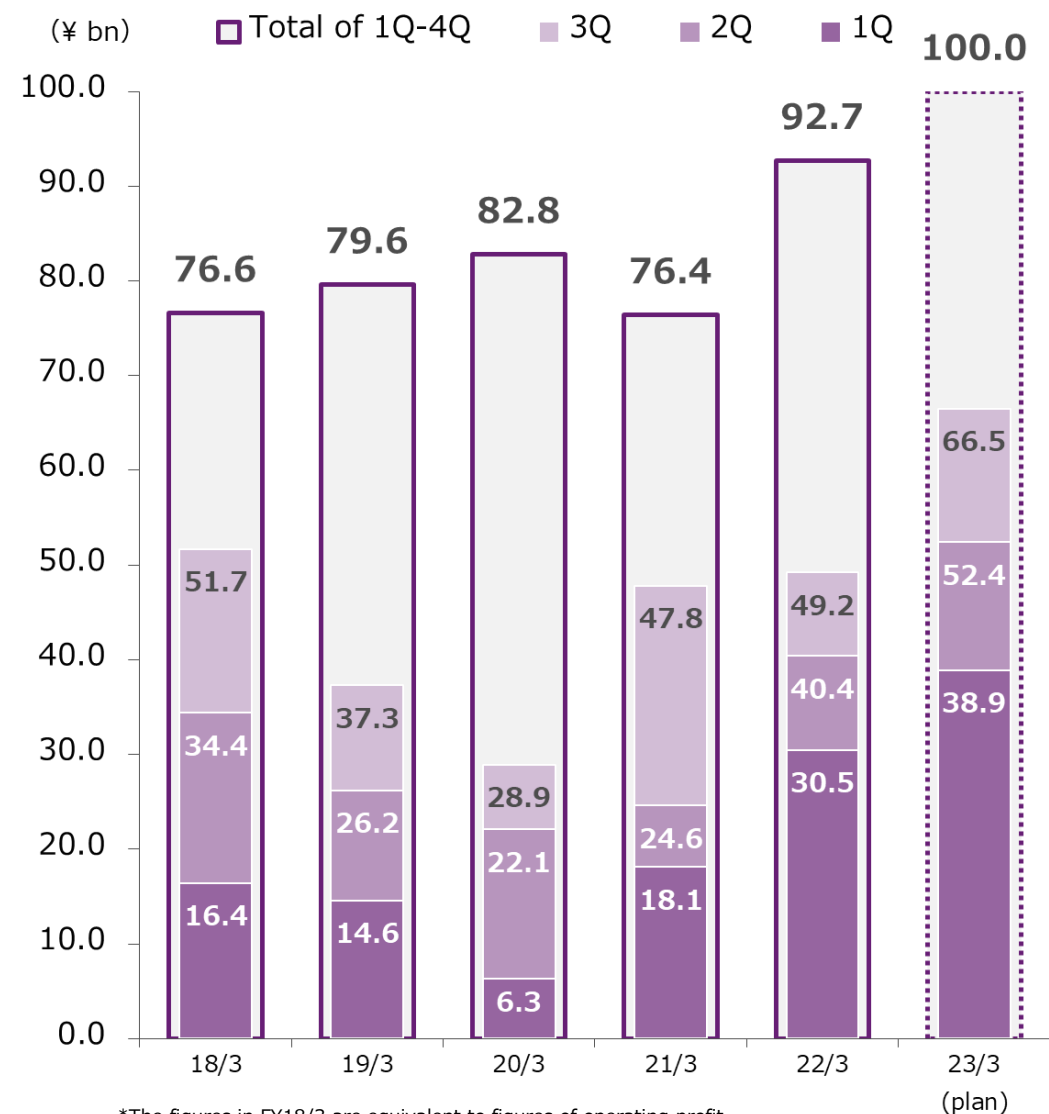
Statements of Income

(¥bn)	22/3 3Q Actual ①	23/3 3Q Actual ②	Changes ②-①
Operating revenue	361.0	422.5	+61.5
Operating profit	49.1	61.4	+12.3
Share of profit (loss) of entities accounted for using equity method	-0.3	4.5	+4.8
Amortization of intangible assets associated with corporate acquisitions	0.4	0.5	+0.0
Business profit	49.2	66.5	+17.2
Non-operating income	0.5	4.9	+4.4
Non-operating expenses	8.5	8.2	-0.2
Ordinary profit	41.1	58.1	+17.0
Extraordinary income	—	6.8	+6.8
Extraordinary losses	1.3	9.6	+8.3
Income taxes	12.9	14.3	+1.3
Profit attributable to owners of parent	26.8	40.9	+14.0
Basic earnings per share (¥)	149.15	230.85	+81.70
Cash dividends per share (¥)	42.50	55.00	+12.50

Statements of Cash Flows

(¥bn)	22/3 3Q Actual ①	23/3 3Q Actual ②	Changes ②-①
Net cash provided by (used in) operating activities	-83.5	-75.1	+8.3
Net cash provided by (used in) investing activities	-27.9	-60.0	-32.1
Net cash provided by (used in) financing activities	79.3	97.0	+17.7
Cash and cash equivalents at end of period	38.6	29.6	-9.0

Business Profit



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

Statements of Income by Business Unit

(¥bn)	22/3 3Q	23/3 3Q	Changes
	Actual	Actual	
	①	②	
Operating revenue	361.0	422.5	+61.5
Residential Development	138.3	164.1	+25.8
Commercial Real Estate	127.7	148.4	+20.6
Overseas	1.5	5.3	+3.8
Service & Management	111.2	118.1	+6.8
Investment Management	9.6	10.4	+0.8
Property Brokerage & CRE	31.6	34.2	+2.5
Property & Facility Management	69.9	73.4	+3.4
Other	0.0	0.2	+0.1
Adjustments	-17.8	-13.6	+4.1
Business profit*	49.2	66.5	+17.2
Residential Development	5.8	9.2	+3.3
Commercial Real Estate	27.7	33.0	+5.3
Overseas	-1.3	6.7	+8.0
Service & Management	20.1	22.9	+2.7
Investment Management	6.0	6.4	+0.3
Property Brokerage & CRE	8.2	10.2	+1.9
Property & Facility Management	5.9	6.3	+0.4
Other	-0.1	0.1	+0.2
Adjustments	-2.9	-5.6	-2.6
Operating profit	49.1	61.4	+12.3
Ordinary profit	41.1	58.1	+17.0
Profit before income taxes	39.8	55.3	+15.5
Profit attributable to owners of parent	26.8	40.9	+14.0

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

- ▶ Residential Development: Increase in the number of housings units sold.
- ▶ Commercial Real Estate: Increase in revenue from property for sales business.
- ▶ Overseas: Increase in the number of housings units sold in Viet Nam.
- ▶ Property Brokerage & CRE: Increase in revenue from brokerage fees.



*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 3Q Balance sheets

▶ Balance sheets

(¥bn)	As of Mar. 31, 2022 ①	As of Dec. 31, 2022 ②	Changes ② - ①
Assets	2,040.5	2,065.7	+ 25.2
Current assets	1,126.8	1,146.7	+ 19.9
Cash and deposits and others	69.0	30.9	-38.0
Notes and accounts receivable - trade, and contract assets	22.0	17.8	-4.1
Inventories	894.2	974.2	+ 80.0
Residential Development BU	458.0	492.5	+ 34.4
Commercial Real Estate BU	436.8	482.5	+ 45.7
Other BU*	0.0	0.5	+ 0.4
Adjustments	-0.7	-1.3	-0.6
Equity investments	33.8	32.0	-1.8
Other current assets	107.6	91.6	-15.9
Non-current assets	913.7	918.9	+ 5.2
Property, plant and equipment	726.3	704.0	-22.3
Office	523.7	486.2	-37.5
Retail	95.3	93.7	-1.6
Others	107.2	124.0	+ 16.8
Intangible assets	19.9	20.6	+ 0.6
Investments and other assets	167.3	194.3	+ 26.9
Investment securities	101.1	137.3	+ 36.2
Leasehold and guarantee deposits	30.0	30.9	+ 0.8
Other non-current assets	36.1	26.0	-10.1

* Total of Property & Facility Management Business Unit and Other

(¥bn)	As of Mar. 31, 2022 ①	As of Dec. 31, 2022 ②	Changes ② - ①
Liabilities	1,419.1	1,424.5	+ 5.4
Current liabilities	357.9	309.3	-48.6
Notes and accounts payable - trade	80.9	33.4	-47.5
Short-term borrowings	39.5	39.0	-0.5
Current portion of long-term borrowings	69.0	77.0	+ 8.0
Commercial papers	—	46.0	+ 46.0
Current portion of bonds payable	10.0	20.0	+ 10.0
Deposits received	43.8	12.9	-30.9
Other current liabilities	114.6	80.8	-33.7
Non-current liabilities	1,061.1	1,115.2	+ 54.1
Bonds payable	150.0	130.0	-20.0
Long-term borrowings	754.2	835.2	+ 81.0
Leasehold and guarantee deposits received	59.3	58.8	-0.4
Other non-current liabilities	97.5	91.1	-6.4
Net assets	621.3	641.1	+ 19.7
Total liabilities and net assets	2,040.5	2,065.7	+ 25.2
Interest-bearing debt	1,022.7	1,147.2	+ 124.5
Shareholders' equity	618.7	638.6	+ 19.8
Shareholders' equity ratio	30.3%	30.9%	+ 0.6P
Debt/equity ratio	1.7	1.8	+ 0.1

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

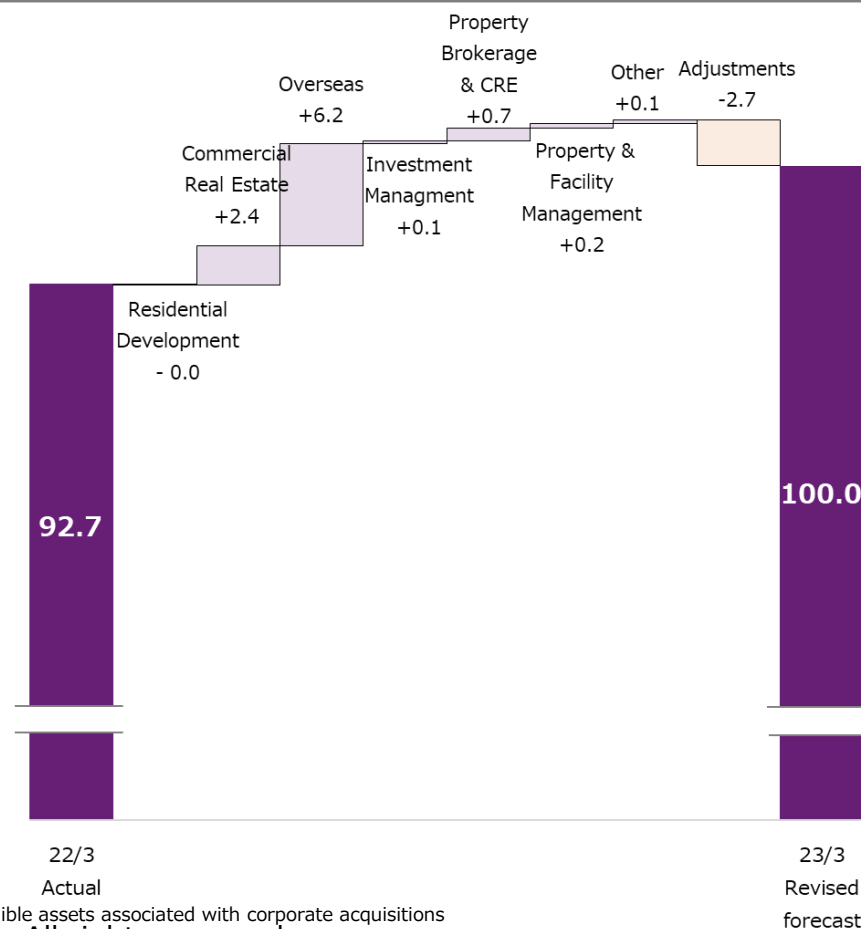
- Earnings forecast is revised. We expect our business profit of ¥100.0 bn due to increases in the profit of Overseas and Property Brokerage & CRE Business Unit.

Statements of Income by Business Unit

(¥bn)	22/3	23/3	Changes ②-①	23/3	Changes ②-③
	Actual ①	Revised forecast ②		Initial forecast (announced in Apr.) ③	
Operating revenue	645.0	660.0	+14.9	680.0	-20.0
Residential Development	309.2	300.0	-9.2	325.0	-25.0
Commercial Real Estate	202.4	210.0	+7.5	210.0	—
Overseas* ¹	2.6	5.0	+2.3	4.0	+1.0
Service & Management	155.7	162.0	+6.2	161.0	+1.0
Investment Management	12.8	13.0	+0.1	13.0	—
Property Brokerage & CRE	43.7	45.0	+1.2	44.0	+1.0
Property & Facility Management	99.2	104.0	+4.7	104.0	—
Other* ¹	0.1	0.0	-0.1	0.0	—
Adjustments	-25.1	-17.0	+8.1	-20.0	+3.0
Business profit* ²	92.7	100.0	+7.2	97.0	+3.0
Residential Development	32.5	32.5	-0.0	32.5	—
Commercial Real Estate	38.5	41.0	+2.4	41.0	—
Overseas* ¹	0.2	6.5	+6.2	5.5	+1.0
Service & Management	28.7	30.0	+1.2	28.5	+1.5
Investment Management	7.8	8.0	+0.1	8.0	—
Property Brokerage & CRE	11.7	12.5	+0.7	11.5	+1.0
Property & Facility Management	9.2	9.5	+0.2	9.0	+0.5
Other* ¹	-0.1	0.0	+0.1	0.0	—
Adjustments	-7.2	-10.0	-2.7	-10.5	+0.5
Operating profit	91.2	94.0	+2.7	90.5	+3.5
Ordinary profit	82.5	88.0	+5.4	85.0	+3.0
Profit attributable to owners of parent	55.3	60.0	+4.6	57.0	+3.0
Basic earnings per share (¥)	307.81	339.61	+31.80	321.77	+17.84
Cash dividends per share (¥)	97.50	115.00	+17.50	110.00	+5.00

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

- Overseas: Increase in the number of housings units sold in Viet Nam.
- Property Brokerage & CRE: Increase in revenue from brokerage fees.



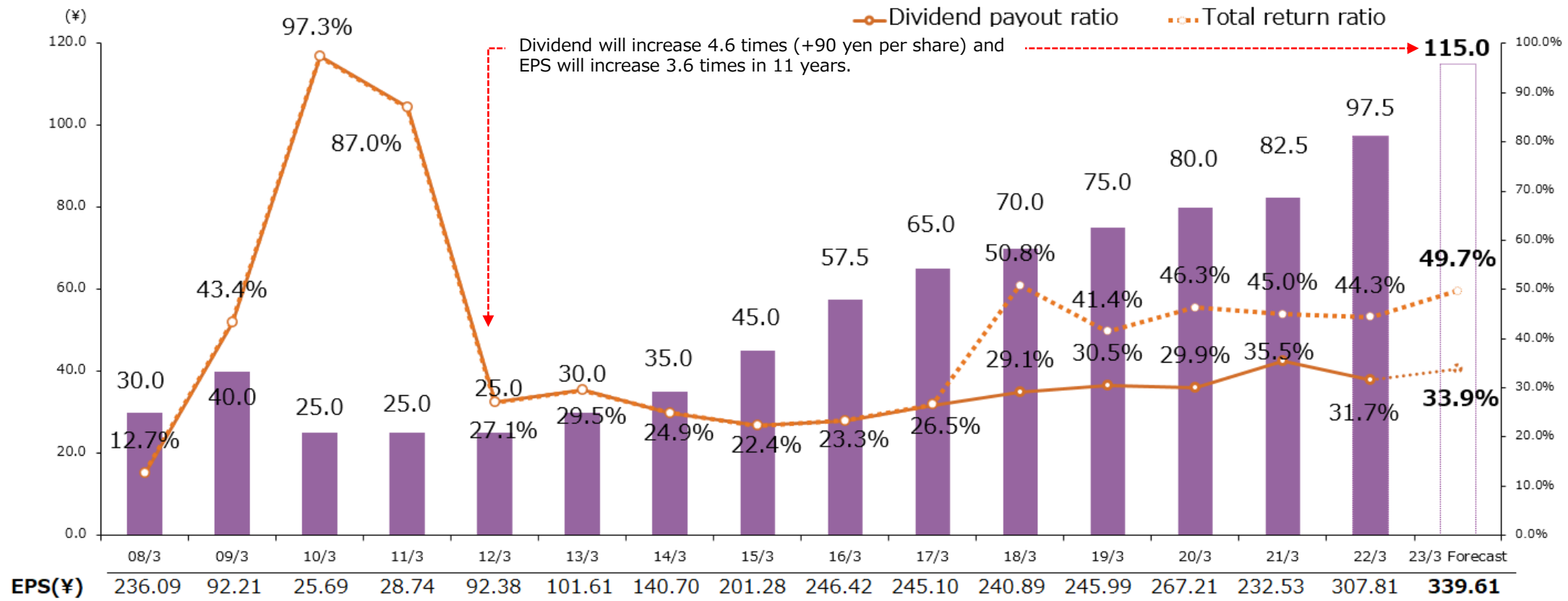
*1 The results for the fiscal year ended March 31, 2022 are classified under the new classification.

*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

- ▶ Our policy is to gradually raise the dividend payout ratio to 40% toward Phase II of the Mid- to Long-Term Business Plan.
- ▶ We decided to increase dividend by ¥5.0 (dividend per share ¥110.0→¥115.0).
- ▶ We determined to raise share buyback amount by ¥3.0 bn (¥6.5 bn→¥9.5 bn). Total return ratio will be 49.7%, by the flexible share buyback.

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 2,319 units (up 417 units YoY) . The contract progress rate against the projected sales for housing of FY23/3, progressed smoothly to 97.5%.

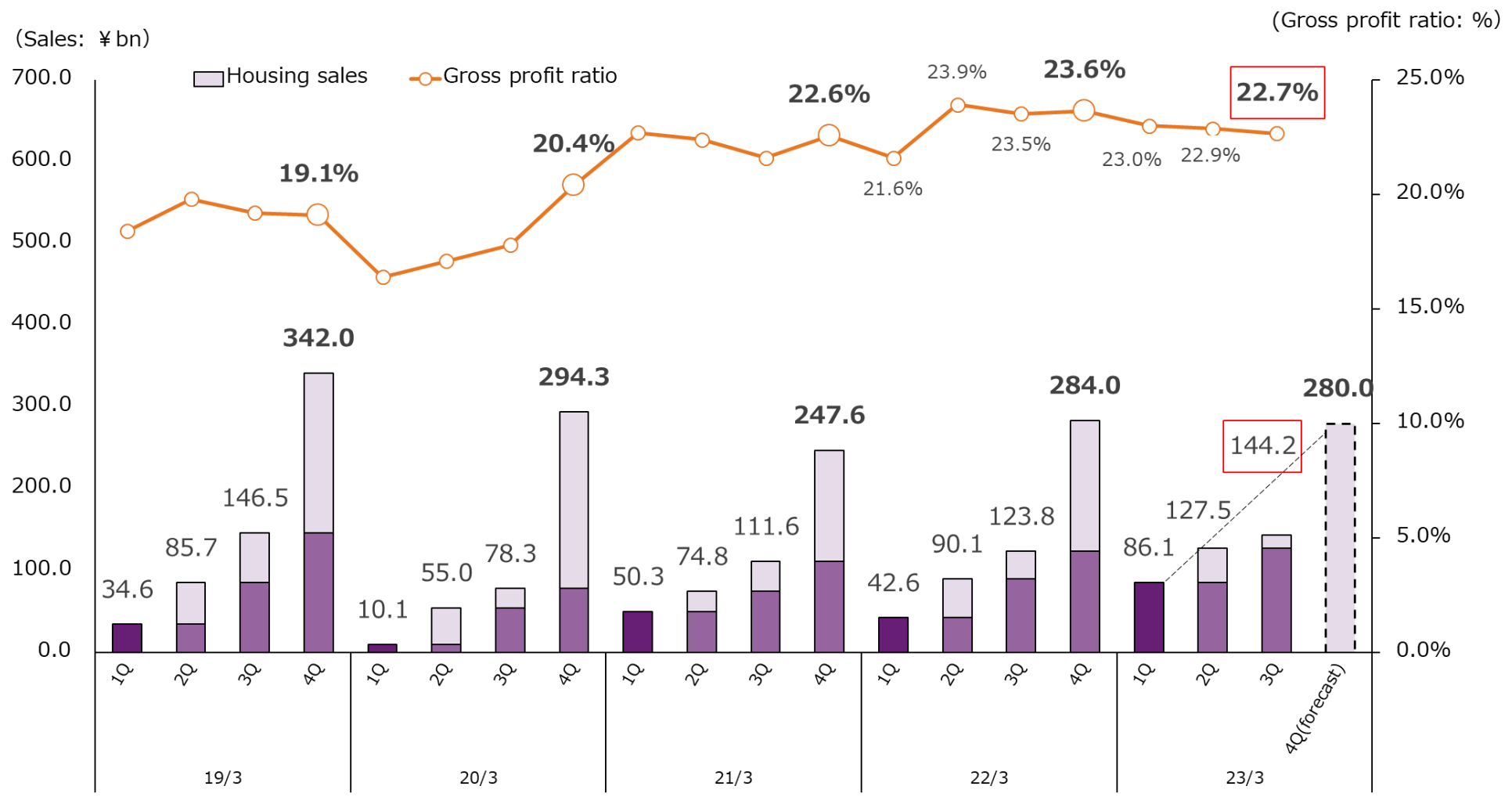
(¥bn)	22/3 3Q	23/3 3Q	Changes ②-①	22/3	23/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Revised Forecast ④	
Operating revenue	138.3	164.1	+25.8	309.2	300.0	-9.2
Housing sales	123.8	144.2	+20.3	284.0		
Rental housing (sales)	1.5	4.9	+3.3	4.1		
Rental housing (leasing revenue)	1.1	1.6	+0.5	1.5		
Senior	0.7	1.0	+0.3	0.9		
Other	11.0	12.3	+1.3	18.5		
Operating profit	5.8	9.2	+3.3	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	0.0		
Business profit	5.8	9.2	+3.3	32.5	32.5	-0.0
【Housing sales indicators】						
Housing sales (unit)	1,902	2,319	+417	4,329	4,300	-29
Condominiums	1,538	2,035	+497	3,878	3,900	+22
Detached housing	364	284	-80	451	400	-51
Tokyo metropolitan area	1,290	1,539	+249	2,944	2,900	-44
Osaka metropolitan area	277	329	+52	496	600	+104
Other area	335	451	+116	889	800	-89
Period-end housing contracted but not sold(unit)	4,709	4,577	-132	3,548		
Period-end completed housing inventory (unit)						
released for sale	121	173	+52	130		
unreleased	66	161	+95	253		
Average sales price (¥mn)	65.10	62.17	-2.92	65.59		
Gross profit ratio (%)	23.5%	22.7%	△0.9P	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 to 3Q, sales for housing was ¥144.2 bn and gross profit ratio was 22.7%.
- ▶ In FY23/3, revenue from housing sales will be around ¥280.0 bn. The gross profit ratio is expected to exceed that of the FY22/3.

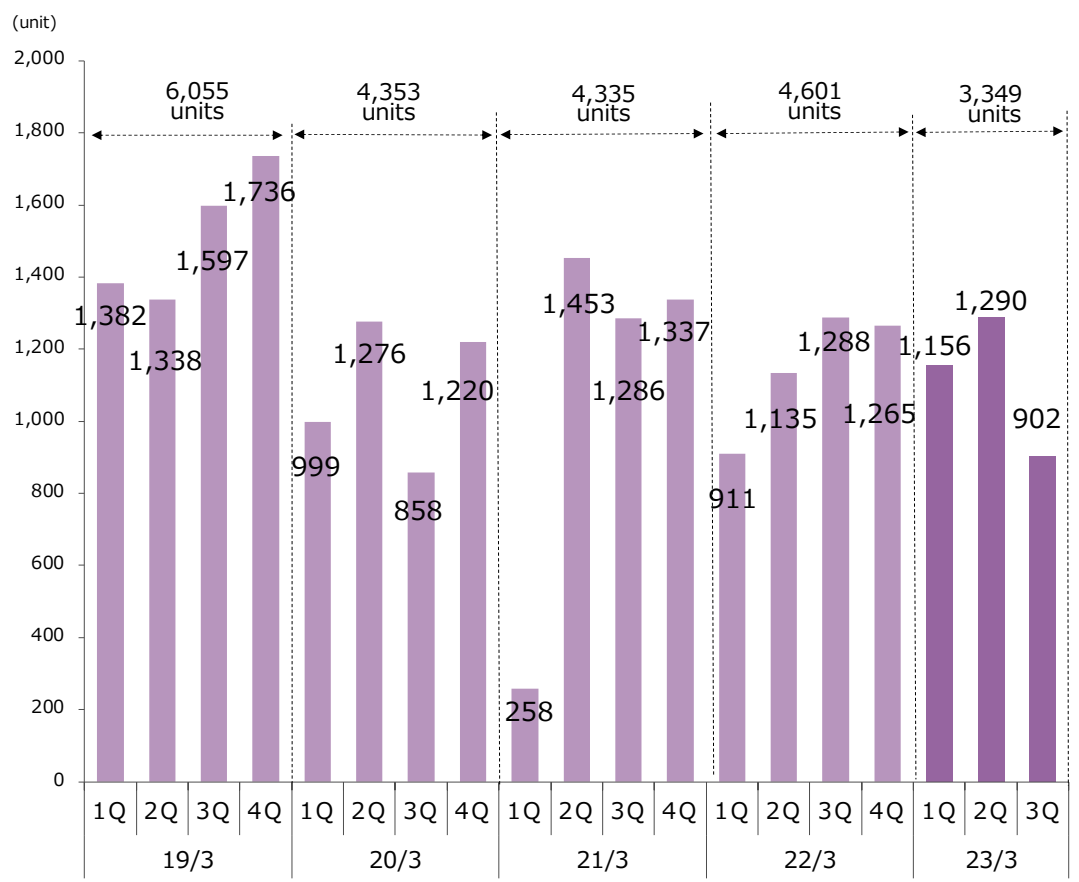
Housing sales amount (Quarterly total) / Gross profit ratio



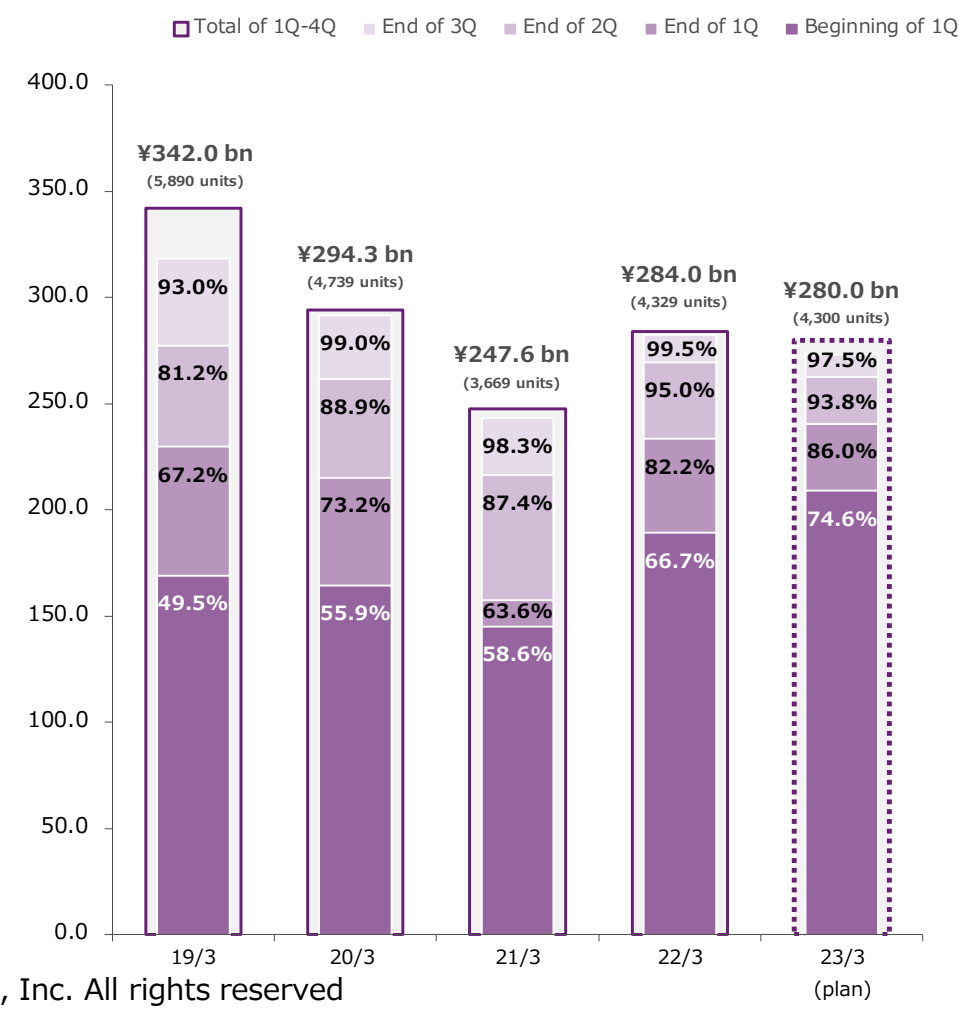
(1) Residential Development : Housing sales (Contracted number / Contract progress rate)

- ▶ From 1Q to 3Q, contracted 3,349 units (up 14 units YoY).
- ▶ Contract progress rate was 97.5% against the FY23/3 scheduled housing sales.

▶ Number of housing contracted



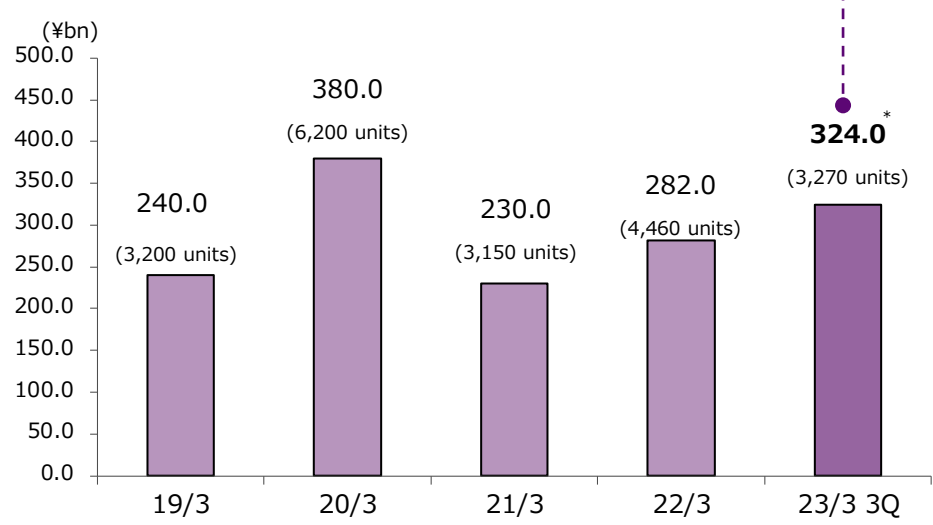
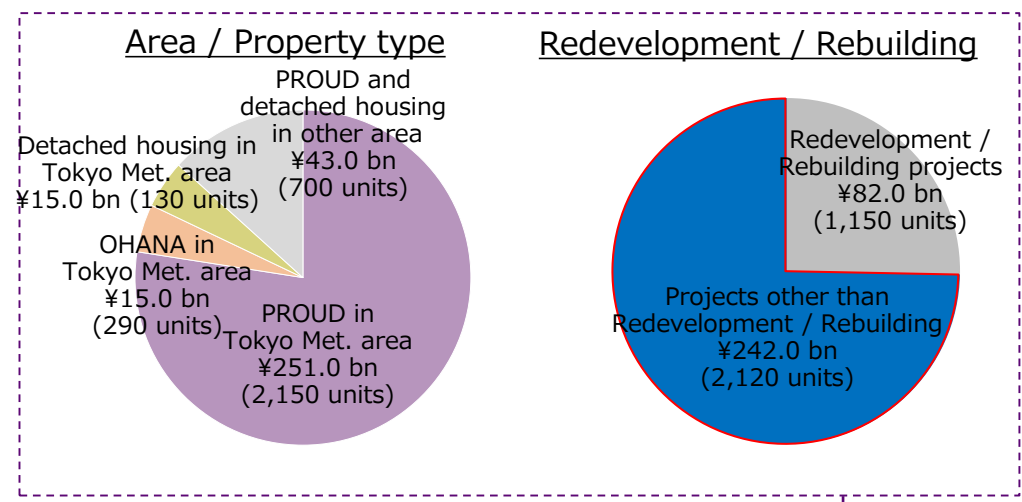
▶ Contract progress rate
 (against the scheduled housing sales)



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

- ▶ From 1Q to 3Q, acquired land for residential development, mainly redevelopment projects of ¥324.0 bn. (3,270 units)
- ▶ We secured land bank, equivalent to ¥1,668.0 bn.

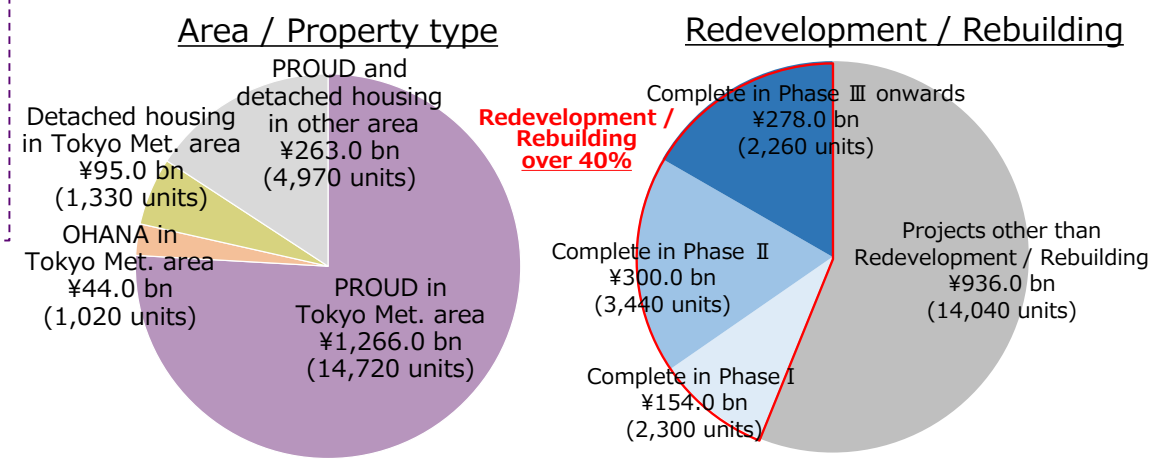
▶ Land acquisition



*Includes acquisition of redevelopment projects in Tokyo Metropolitan area

▶ Land bank

¥1,668.0 bn (22,040 units)
 including Redevelopment / Rebuilding projects:
 ¥732.0 bn (8,000 units) ... 1



In addition, there are projects before included to land bank Redevelopment / Rebuilding projects under planning : 6,320 units ... 2

Redevelopment / Rebuilding projects (1 + 2)
: Total 14,320 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



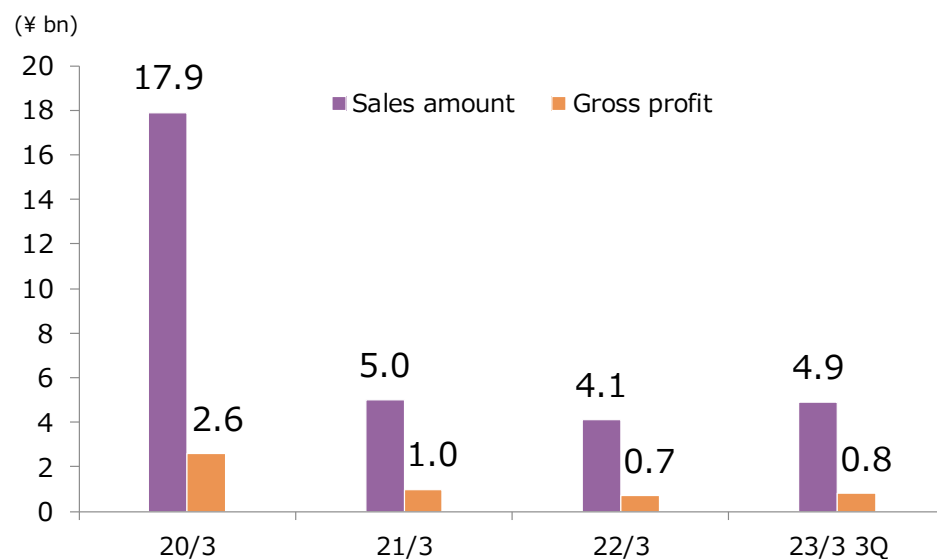
- Properties developed: 131 (including plans)
- Properties construction completed/ owned by NRE: 41 (out of 131)

▶ Health promoting senior rental housing



- Properties developed: 8 (including plans)
- Properties under operation: 4 (out of 8)

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

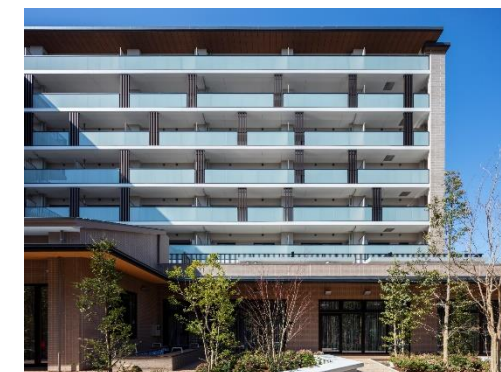
No. of properties	Total investment
5	¥12.0bn

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	¥47.6bn	23	¥24.1bn	¥53.9bn	41	¥71.8bn	¥101.5bn



OUKAS Hiyoshi



OUKAS Kichijoji

(2) Commercial Real Estate: Business outline

- ▶ The Property sales progressed as expected with sales amount of ¥73.0 bn and gross profit of ¥24.5 bn from 1Q to 3Q.
- ▶ Leasing revenue from KAMEIDO CLOCK, newly opened in April and operating profit in hotel and fitness business increased.

(¥bn)	22/3 3Q Actual ①	23/3 3Q Actual ②	Changes ②-①	22/3 Actual ③	23/3 Revised Forecast ④	Changes ④-③
Operating revenue	127.7	148.4	+20.6	202.4	210.0	+7.5
Leasing (offices)	34.2	31.2	-2.9	45.6		
Leasing (retail facilities)	8.9	12.0	+3.0	12.3		
Leasing (other)	3.0	2.4	-0.6	4.1		
Property for sales (sale)	57.0	73.0	+15.9	106.4		
Property for sales (leasing)	10.1	12.1	+2.0	13.9		
Fitness	10.0	11.2	+1.2	13.6		
Other	4.2	6.2	+1.9	6.3		
Operating profit	27.4	32.8	+5.3	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	0.2	0.2	—	0.2		
Business Profit	27.7	33.0	+5.3	38.5	41.0	+2.4
Net lettable area (sqm)	841,092	721,216	-119,876	790,776		
Offices	707,466	563,225	-144,241	658,902		
Retail facilities	133,626	157,991	+24,364	131,874		
Vacancy rate	6.4%	5.4%	-1.1P	5.9%		

【Reference】 Leasing revenue change analysis

	Changes	Key Factors
New and full period operation buildings	+2.3	New operation of KAMEIDO CLOCK(retail facility), Nomura Real Estate Otemachi North Building
Existing buildings	-0.6	Impact of tenants moving out from properties under reducing plan
Sold and reclassification	-1.5	

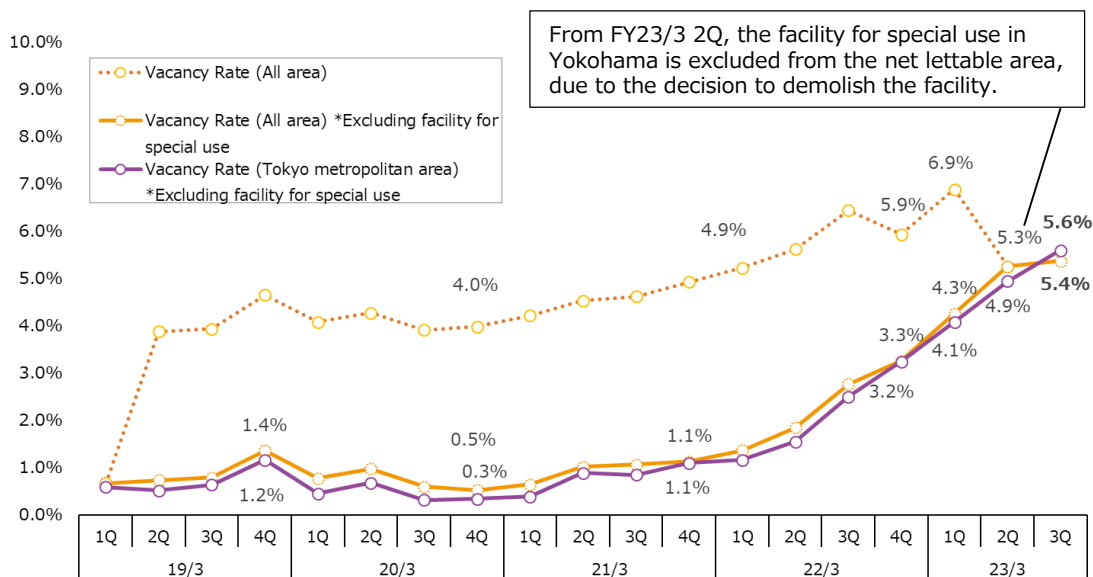
*Leasing refers to revenue from non-current assets including office subleasing.

*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 3Q and FY22/3 were changed.

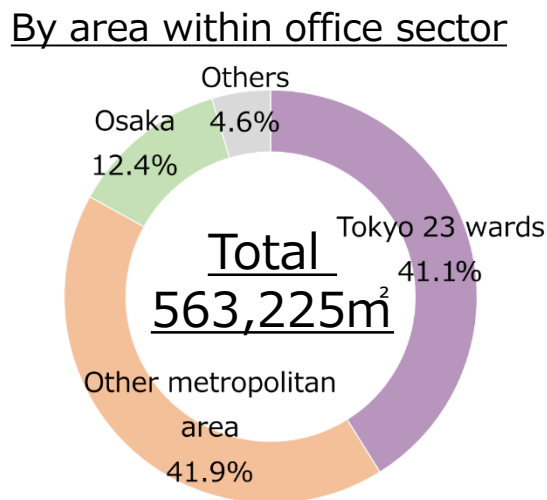
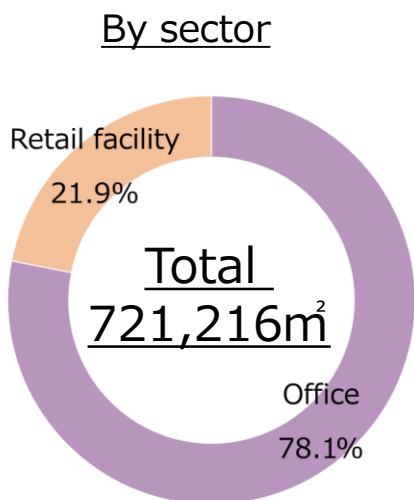
(2) Commercial Real Estate: Leasing

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)



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	South Tower	S		C
			North Tower			S
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	Approx. 19,000m ² Convention Hall, Hotel,Retail		S		C
Nishi-Nippori Station-Front Redevelopment* ¹	Blueprint of the project is decided	Approx. 11,800m ² 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
Soto-Kanda 1-chome Redevelopment	Blueprint of the project is under discussion	Approx. 42,000m ² Office Hotel Retail			S	
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Approx. 26,600m ² Office Conference room			S	
Nishi-Shinjuku 3-chome West Redevelopment* ¹	Blueprint of the project is decided	Approx. 11,000m ² Retail	South area	S		
			North area			S
Shinbashi Station West Exit Redevelopment* ¹	Blueprint of the project is under discussion	TBD Office Hotel				S
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 ¥73.0 bn and gross profit of ¥24.5 bn from 1Q to 3Q.
- ▶ Acquired land with a scheduled total investment amount of ¥86.0 bn. We continue to expand our business actively mainly in office and logistic facility.

Sales / Gross profit



Land acquisition

	Acquired Projects	Total investment
Office	4 projects	¥31.0 bn
Retail	0 projects	¥0.0 bn
Logistics	1 projects	¥55.0 bn
Total	5 projects	¥86.0 bn

*The scheduled total investment amount is rounded down to the nearest ¥1.0 bn.

Stock for property for sales

Total ¥786.0 bn
(¥477.8 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	159.0	133.2	198.0	292.2	358.0	
Retail	48.4	3.6	8.0	52.1	57.0	
Logistics	79.0	46.2	279.0	125.2	362.0	
Other	8.2	—	—	8.2	8.0	
Total	294.7	183.0	486.0	477.8	786.0	

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

(3) Overseas : Business outline

- ▶ Recorded share of profit of entities accounted for using equity method from mainly housing sales in Viet Nam, and profit of equity investment from housing sales in China, etc.
- ▶ Business profit forecast is revised upward due to the change in recording period for some projects, etc.

(¥bn)	22/3 3Q	23/3 3Q	Changes ②-①	22/3	23/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Revised Forecast ④	
Operating revenue	1.5	5.3	+3.8	2.6	5.0	+2.3
Operating profit	-0.8	2.2	+3.1	-0.5		
Share of profit (loss) of entities accounted for using equity method	-0.4	4.4	+4.9	0.7		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	+0.0	0.0		
Business profit	-1.3	6.7	+8.0	0.2	6.5	+6.2

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 : 3,200 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

(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. ¥620.0 bn is secured.

▶ Major projects scheduled to be recorded in FY23/3 & FY24/3 (housings sales)

Location	Project	Account method	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	Equity method	approx.11,000 units	3,200 units	2022
Viet Nam (Ho Chi Minh City)	Grand Park 3rd period	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 (Samutprakarn)	KM17 detached housing	Operating profit (loss)	228 units	100 units	2022
Thailand (Samutprakarn)	KM17 town house	Operating profit (loss)	352 units	150 units	2022
the Philippines (Manila)	Sunshine Fort	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-

▶ Projects of leasing

Location	Project	Account method	Main use	Net lettable area/ No. of rooms ⁴	Completion
Viet Nam (Ho Chi Minh City)	SUN WAH TOWER	Equity method	Office	25,977m ²	1997
Viet Nam (Ho Chi Minh City)	ZEN PLAZA	Operating profit (loss)	Office	11,524m ²	1999
Thailand (Bangkok)	Thong Lo	Equity method	SA	303 rooms	2019
Thailand (Bangkok)	Sukhumvit 24	Equity method	SA	411 rooms	2023
the Philippines (Manila)	Sunshine Fort	Equity method	Retail	17,000m ²	2022
the Philippines	Federal Land NRE Global 4 projects	Equity method	Retail, Office, etc.	TBD	TBD
China (Beijing)	Beijing Fortune Building	Equity method	Office	29,799m ²	1990
the United Kingdom (London)	127CXR	Operating profit (loss)	Office	approx. 5,100m ² ⁵	2024
the United States (Portland)	Press Block project	Operating profit (loss)	Rental housing, Retail, Office	Rental housing 341 units Retail approx.1,100m ² Office approx. 1,800m ²	2025

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

*2 Total project cost (our share) and investment balance are rounded down to the nearest ¥10.0bn. Total project cost (our share) is the total cost of projects scheduled to be recorded in FY23/3 onwards.

The investment balance is the balance of equity investments and investment securities, etc. recorded in the BS of Overseas Business Unit as of the end of each fiscal period.

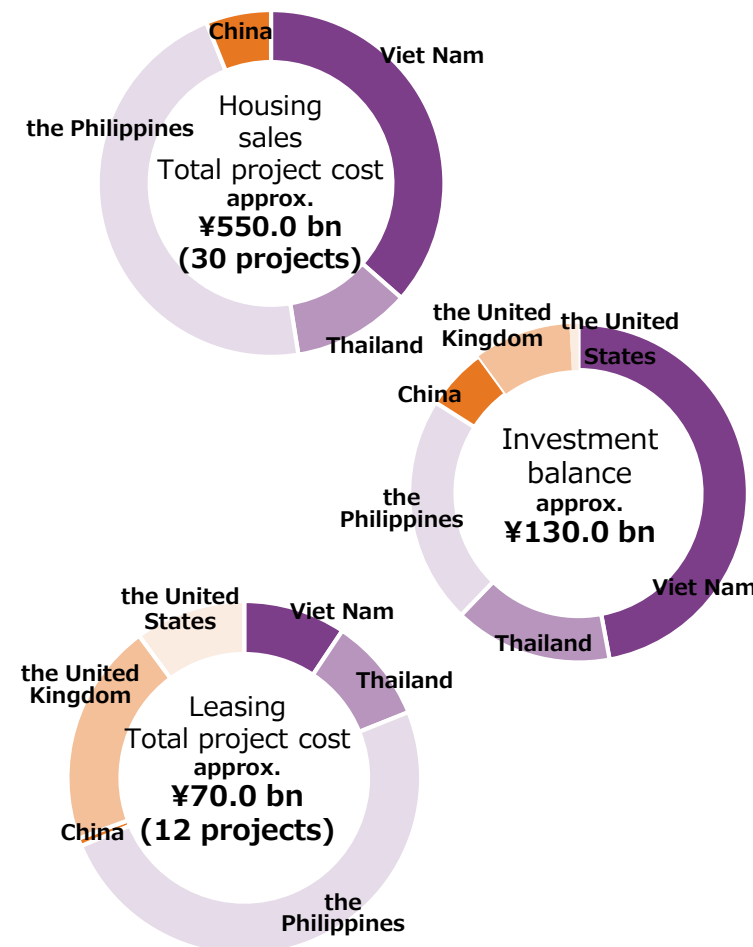
*3 The number of our share is rounded down to the nearest 50 units. Our share partially includes the number of units that have been delivered.

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

*5 Area after refurbishment of existing property.

[Overseas business Total project cost (our share)]

approx. ¥620.0 bn
 (approx. ¥130.0 bn out of total is on Balance Sheet)



(3) Overseas: Measures for growth

- ▶ Established a joint venture with GT Capital Group to sustainably participate in business in the Philippine market.
- ▶ As for the initial 4 projects, estimate approx. ¥270.0 bn (total project cost: approx. ¥770.0 bn) for the first 10 years.

- ▶ Decided to participate in the rental housing development business in Portland, Oregon, the United States.
- ▶ Expanding commercial property for sales business to achieve the overseas business growth as presented in the Mid- to Long-term Business Plan.

<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

Initial 4 projects

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

<Press Block project >

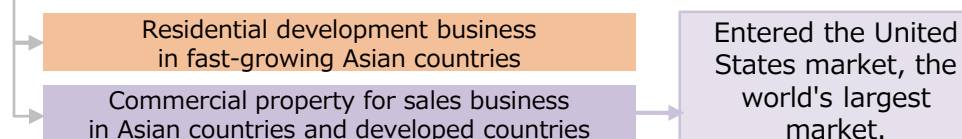
Participated in a rental housing development project in the center of Portland, the largest in the state of Oregon, the United States, through a joint venture with a local company and a Japanese company.



Rental housing: 341units
 Office: approx. 1,800m²
 Retail: approx. 1,100m²
 Planned to be constructed in March, 2026



Increase the ratio of business profits from overseas business to over 15% of total in Mid- to Long-term Business Plan. (FY31/3)



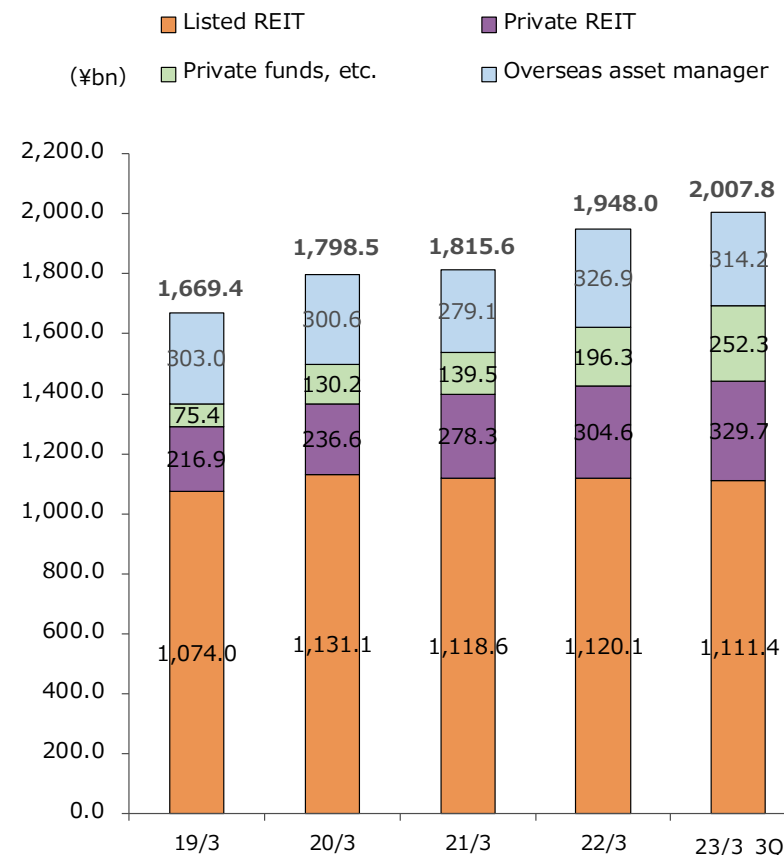
(4) Investment Management: Business outline

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

(¥bn)	22/3 3Q	23/3 3Q	Changes ②-①	22/3	23/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Revised Forecast ④	
Operating revenue	9.6	10.4	+0.8	12.8	13.0	+0.1
Operating profit	5.7	6.1	+0.3	7.5		
Share of profit (loss) of entities accounted for using equity method	—	-0.0	-0.0	—		
Amortization of intangible assets associated with corporate acquisitions	0.2	0.2	+0.0	0.3		
Business profit	6.0	6.4	+0.3	7.8	8.0	+0.1
Assets under management	1,902.0	2,007.8	+105.8	1,948.0		
Domestic asset manager	1,591.1	1,693.5	+102.4	1,621.1		
Listed REIT*	1,114.9	1,111.4	-3.5	1,120.1		
Private REIT*	282.1	329.7	+47.6	304.6		
Private funds, etc.	194.1	252.3	+58.2	196.3		
Overseas asset manager	310.8	314.2	+3.3	326.9		

*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 - Estimated book value of the assets disposed at the time of sales.

Assets under management

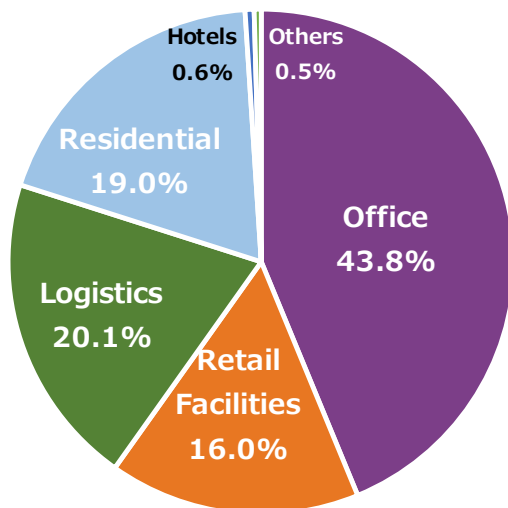


(4) Investment Management: Business outline

MASTER FUND 

One of the largest diversified type J-REITs

AUM ¥1,111.4 bn (292 properties)



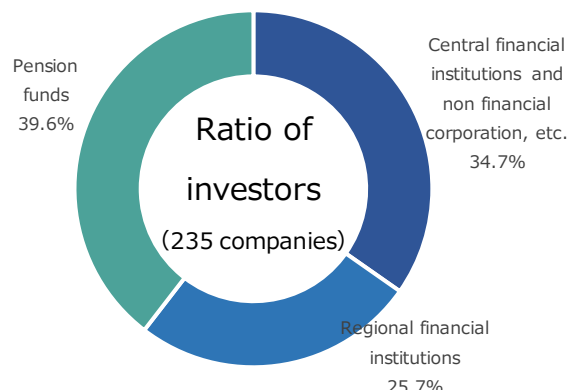
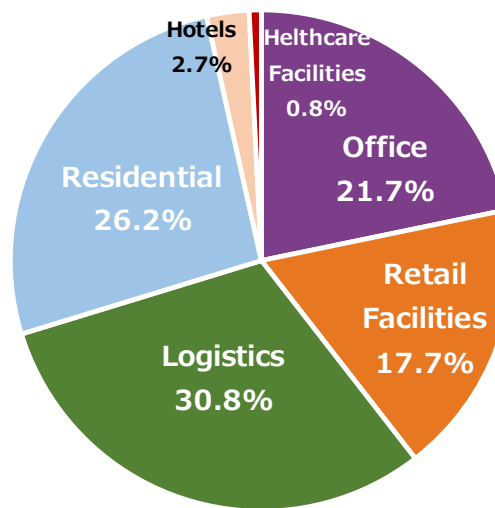
Portfolio Summary	
Occupancy rate	98.7%
Average NOI yield	5.0%
Average property age	20.3 years

*Percentages by assets are based on the acquisition price as of the end of 2022/12.
 *Portfolio summary is based on the data as of the end of 2022/8 (300 properties)

NOMURA REAL ESTATE PRIVATE REIT, INC.

Japan's first private REIT since 2010

AUM ¥329.7 bn (90 properties)

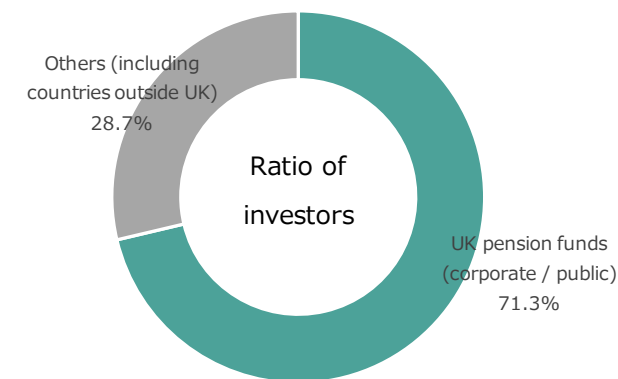
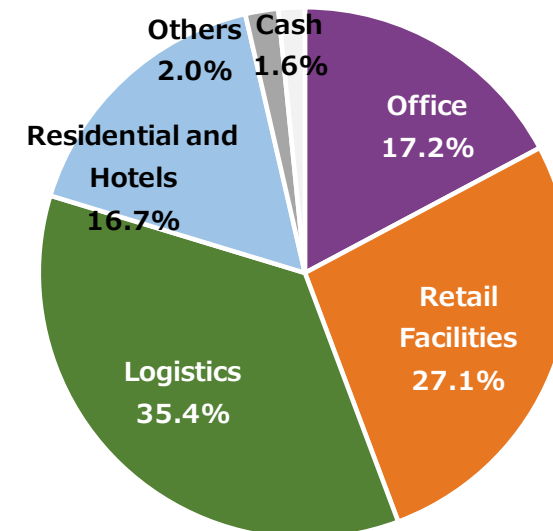


*Percentages by assets are based on the acquisition price as of the end of 2022/12.
 *Ratio of investors are based on the number of investment units as of the end of 2022/12.

Lothbury Property Trust

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

AUM ¥238.8 bn (43 properties)



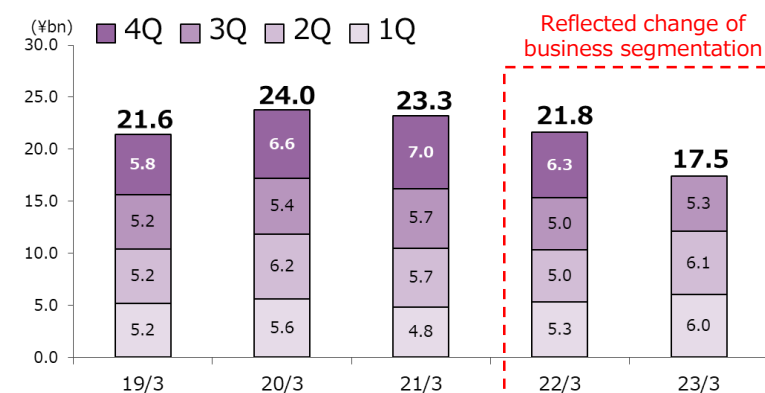
*Each property's fair value is calculated by 161.72 JPY to GBP as of the end of 2022/9.
 *Percentages by assets are based on the fair value as of the end of 2022/9.
 *Ratio of investors are based on the number of investment units as of the end of 2022/9.

(5) Property Brokerage & CRE: Business outline

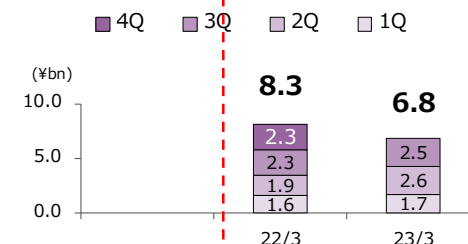
- ▶ Each of the three businesses, retail, middle and wholesale progressed steadily.
- ▶ Business profit forecast is revised upward due to the increase in transaction value.

(#bn)	22/3 3Q	23/3 3Q	Changes ②-①	22/3	23/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Revised Forecast ④	
Operating revenue	31.6	34.2	+2.5	43.7	45.0	+1.2
Brokerage fee (retail business)	15.5	17.5	+2.0	21.8		
Brokerage fee (middle business)	5.9	6.8	+0.8	8.3		
Brokerage fee (wholesale business)	7.2	8.2	+0.9	9.6		
Other	2.9	1.6	-1.2	3.9		
Operating profit	8.2	10.2	+1.9	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	8.2	10.2	+1.9	11.7	12.5	+0.7
[Brokerage indicators]						
Transaction value (#bn)	688.4	759.4	+70.9	964.8		
Number of transactions	7,313	7,355	+42	10,081		
Commission fee (#bn)	28.7	32.5	+3.8	39.8		
Commission rate (%)	4.2%	4.3%	+0.1P	4.1%		
Number of branches for retail business	89	88	-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 3Q and FY22/3 have been revised.

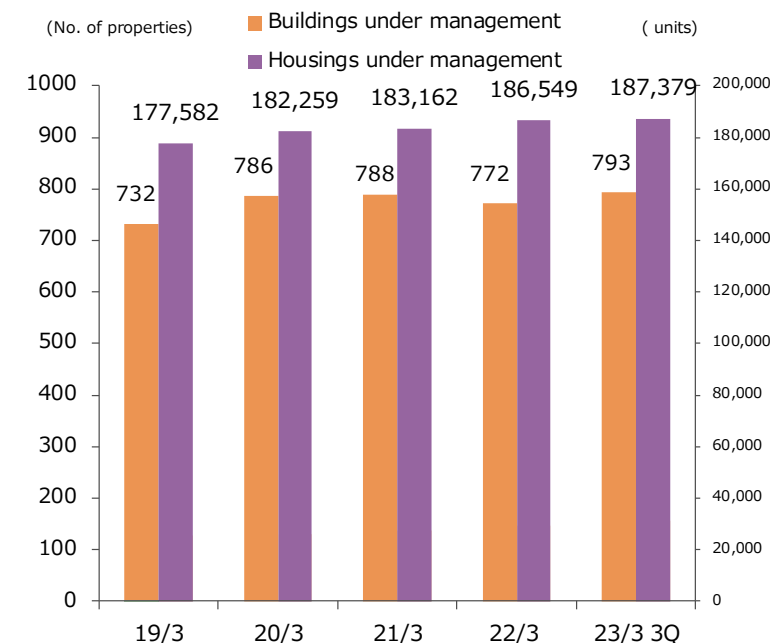
(6) Property & Facility Management: Business outline

- Both property & facility management and construction ordered progressed steadily. Business profit forecast is revised upward.
- Focus on DX promotion and competitive product development as growth strategies in the Mid- to Long-term Business Plan.

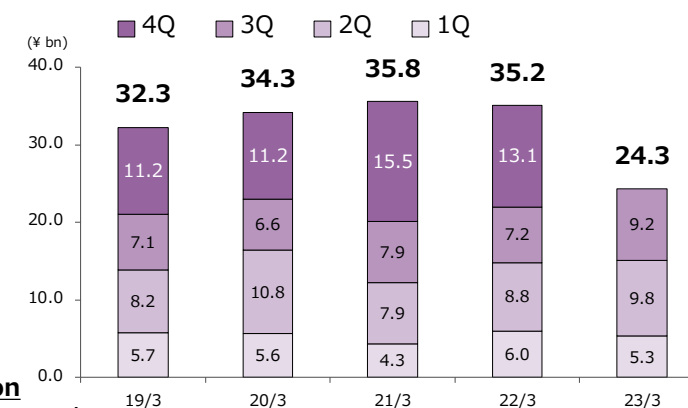
(¥bn)	22/3 3Q	23/3 3Q	Changes ②-①	22/3	23/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Revised Forecast ④	
Operating revenue	69.9	73.4	+3.4	99.2	104.0	+4.7
Property & facility management	43.7	44.5	+0.8	58.2		
Construction ordered	22.0	24.3	+2.2	35.2		
Other	4.1	4.4	+0.3	5.7		
Operating profit	5.8	6.2	+0.4	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	5.9	6.3	+0.4	9.2	9.5	+0.2

	22/3	23/3	Changes	22/3	23/3	Changes
	③	④	④-③	③	④	④-③
Building under management	781	793	+12	772		
Housings under management	183,221	187,379	+4,158	186,549		

Buildings / Housings under management



Revenue of construction ordered



Property & facility management —DX promotion—

Kanri-roid

App for building management



Will TAP

App for condominium residents



Icon of app

Improve convenience through digital technology

Construction ordered —Competitive product development—

Extend the cycle of large-scale repair work.

re:Premium
リ・プレミアム

Target are PROUD

re:Premium Duo
リ・プレミアムデュオ

Target are housing series of Nomura Real Estate constructed before PROUD

12 year cycle → 16-18 year cycle

Increase the value of property/Raise customer satisfaction

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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 FY22/3, total CO2 emissions increased YoY, while compared to the base year, Scope 1 and 2 achieved a 14.3% reduction, and Scope 3 achieved a 39.6% reduction.

Climate change / CO2 emission reduction target Climate change and natural environment

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

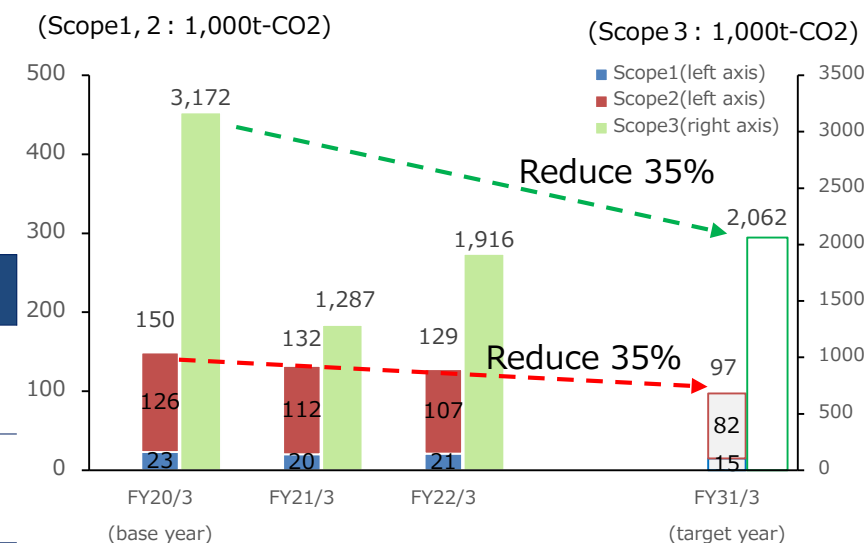
* Electricity in Scope 1 and 2

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 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...opened 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	275 units	231 units	2024/2 (plan)	High-rise ZEH-M support project
Aobadai 2-chome plan	121 units	121 units	2024/11 (plan)	High-rise ZEH-M support project

(3) Society and Employees

- ▶ KPIs have been established to measure progress on priority issues (materiality) related to society and employees.
- ▶ Established the Nomura Real Estate Group Diversity & Inclusion Policy in September, 2022.

▶ Main KPIs

Society and employees

By FY31/3



- Female manager and junior manager ratio: **20%***
- Rate of acquisition of childcare leave by male and female: **100%**
- Procurement guideline survey implementation rate: **80%**
- Percentage of implementation of one-on-one meetings: **100%** etc.

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

Result	FY21/3	FY22/3
Female manager and junior manager ratio	11.1%	11.6%
Rate of acquisition of childcare leave by male and female	-	96.2%
Procurement guideline survey implementation rate	-	37.0%
Percentage of implementation of one-on-one meetings	-	84.0%

▶ The Nomura Real Estate Group Diversity and Inclusion Policy

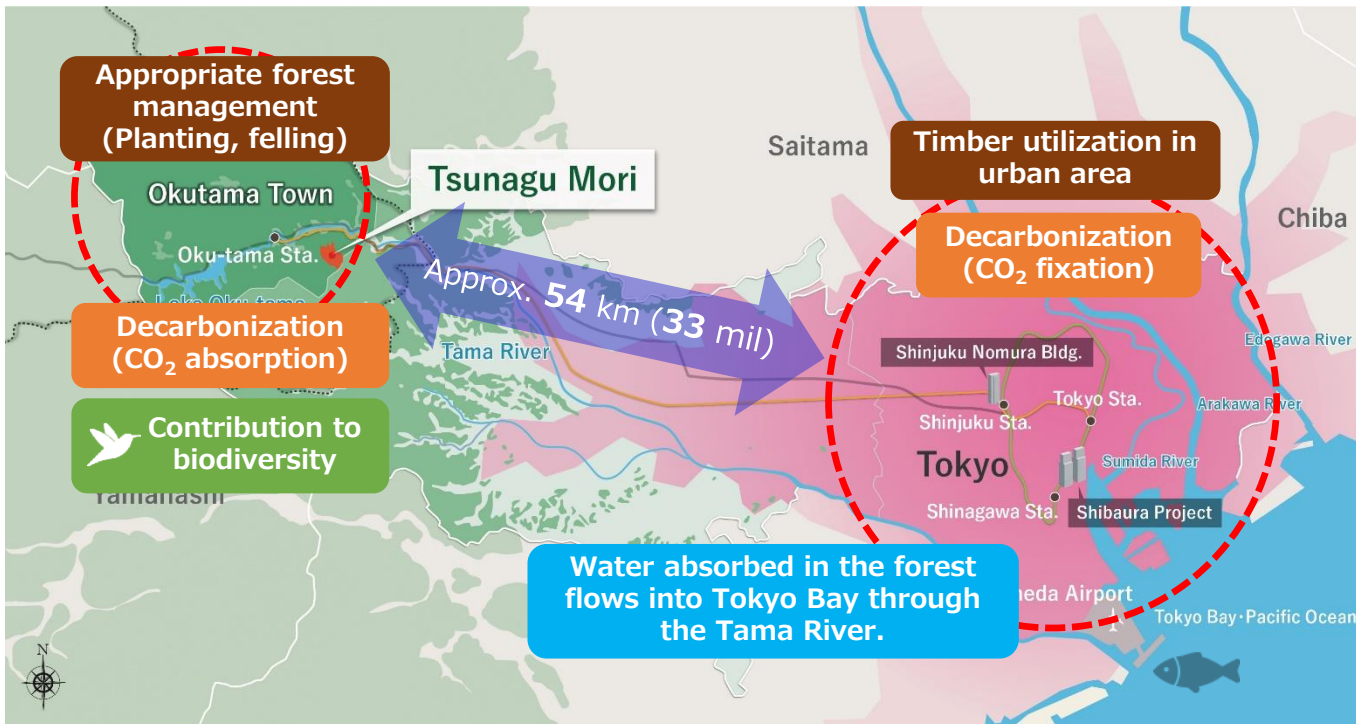
<https://www.nomura-re-hd.co.jp/english/sustainability/pdf/dip.pdf>

Established the Policy as of September 30th, 2022. The Policy clarifies the Group’s approach in promoting diversity and inclusion. The Group conducts all business activities in compliance with the Policy. Developed the roadmap to resolve Priority issues(materiality) by 2030. It defines specific measures at each point.

(4) Integrated Forest Management Project in Tokyo

- ▶ In September 2022, we signed the contract for 30-year ownership of about 130 hectares of forest in Okutama Town, located in western Tokyo.
- ▶ We will promote the “creation of a circular design forest for local production and consumption” in Tokyo, the Group’s main area of business operation.

■ “Tsunagu Mori” ~ The forest located about 54km from central Tokyo ~

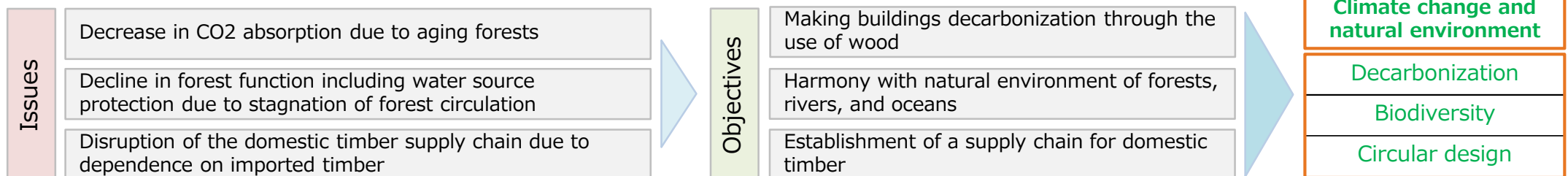


*Distance between Shinjuku Station and Hatonosu Station

■ Forest Location



■ Significance of the Initiative



(5) Governance

▶ Corporate Governance (As of January 1, 2023)

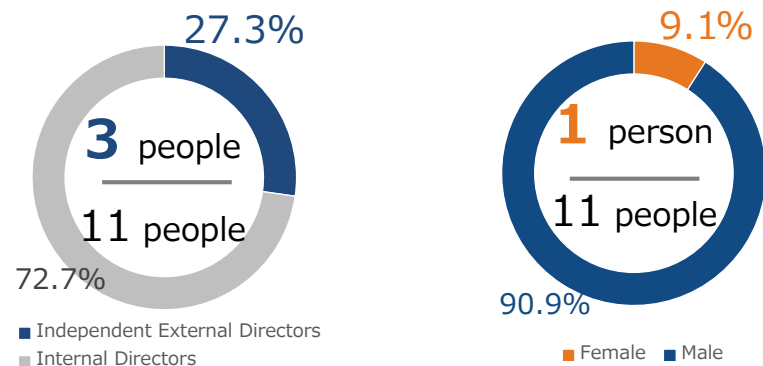
- Company with an Audit & Supervisory Committee
- Out of 11 directors, 3 are independent external directors
- Chairman of the Board of Directors is a non-executive director
- Chairman of Advisory Committee Relating to Nominations and Compensation is an independent external director
- Majority of the members of the Audit & Supervisory Committee and the Advisory Committee Relating to Nominations and Compensation are independent external directors

▶ Compensation of Officers

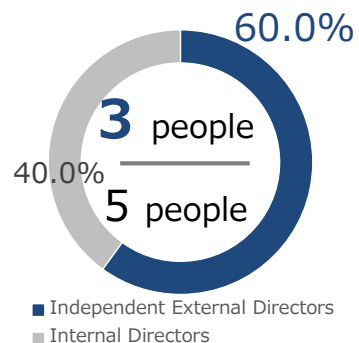
- Established a system that considers medium- to long term results. This reflects the real estate business characteristics, which has a long business period.
- Combined fixed compensation (base compensation) and variable compensation (bonus and share-based compensation(PS, RS)).
- Evaluates performance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

▶ Board of Directors

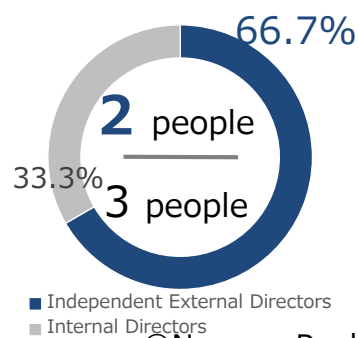
Percentage of Independent Directors/Female Directors



▶ Audit & Supervisory Committee



▶ Advisory Committee Relating to Nominations and Compensation



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.

(6) 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)



<Other main index>



▶ Signatures and agreement on initiatives



▶ ESG evaluation

CDP Climate change	Sustainalytics	GRESB disclosure evaluation
A-	17.7	A

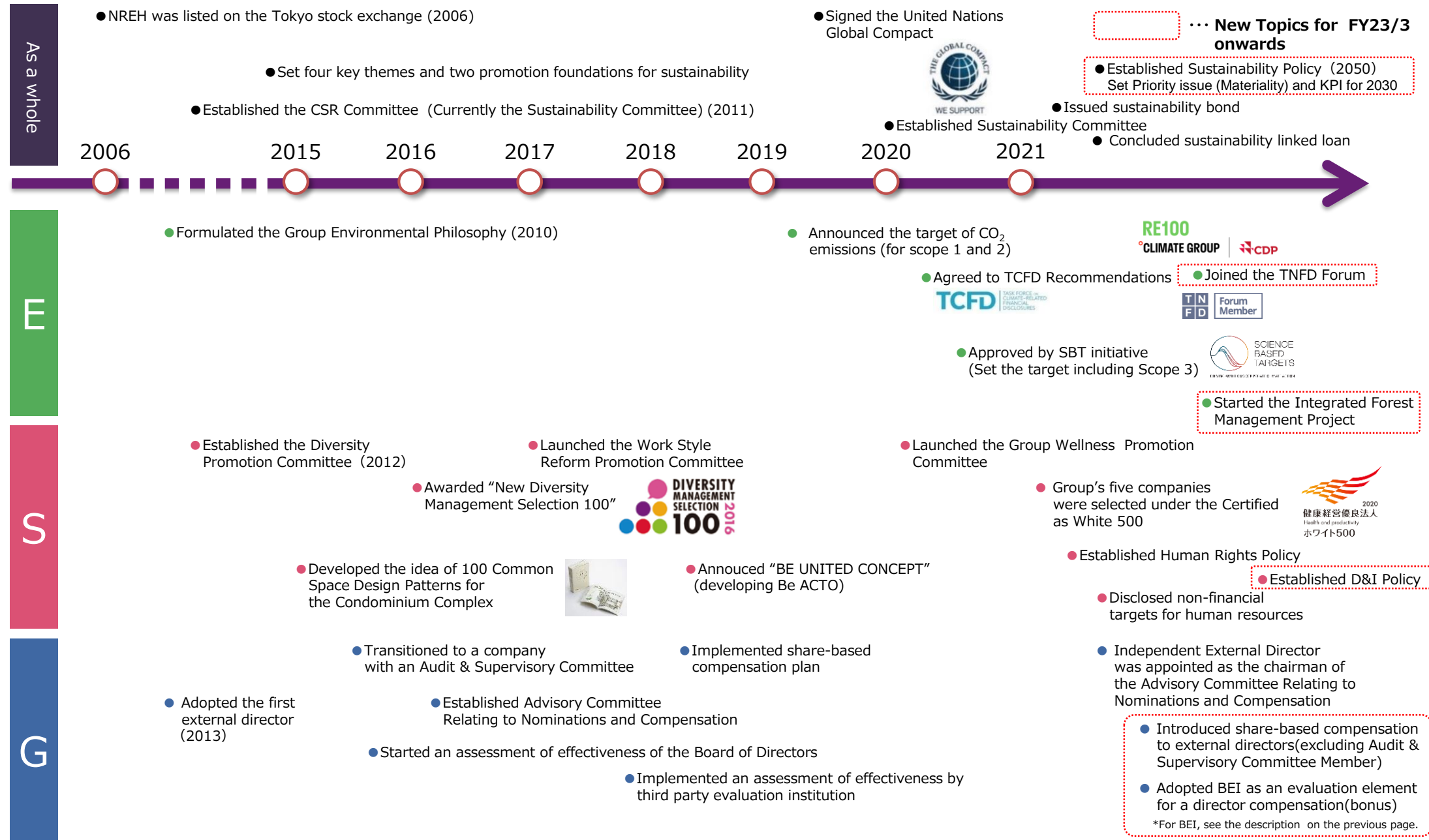
▶ Publications



*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.

(7) Sustainability initiatives (history)

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



(8) Sustainability finance

- ▶ Accelerate fund procurement considering sustainability factors to diversify funding methods.
- ▶ Aim to achieve our target to procure approx. ¥200.0 bn over till FY26/3 ahead of schedule.

▶ 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 (after Jul., 2021)

Procured amount	¥155.0 bn (58 financial institutions) *as of the end of December, 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 (after Mar., 2022)

Procurement amount	¥2.5 bn
Procurement schedule	March and September 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)

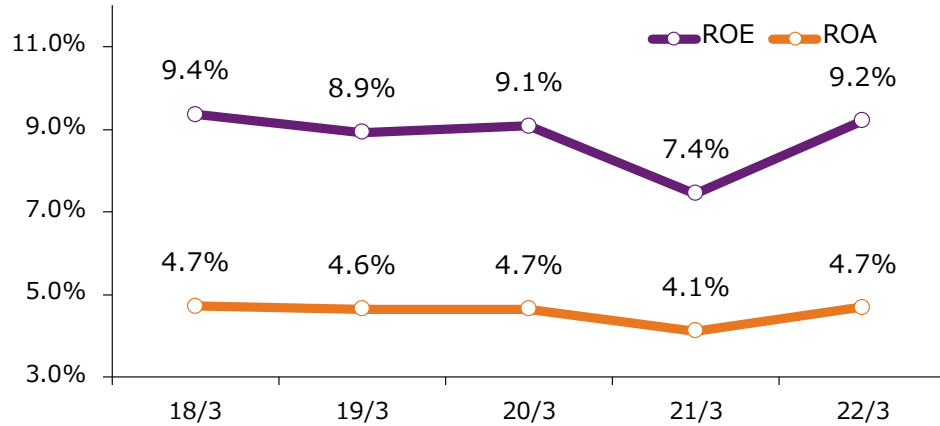
Implemented cumulative total of **¥167.5 bn** in sustainability finance as of the end of December, 2022.

4. Reference materials

(1) FY22/3 Financial data

ROA/ROE

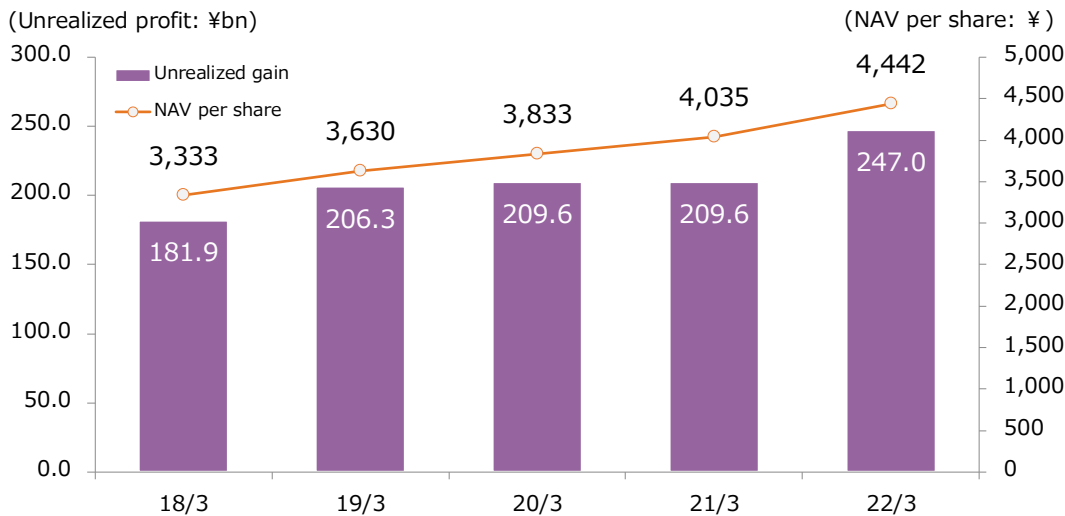
In FY22/3 ROA was 4.7% and ROE was 9.2%. This results exceeded our previous Mid-to long-term Business Plan Phase 1 target of ROA of around 4 to 5% and ROE of around 8 to 9%.



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)

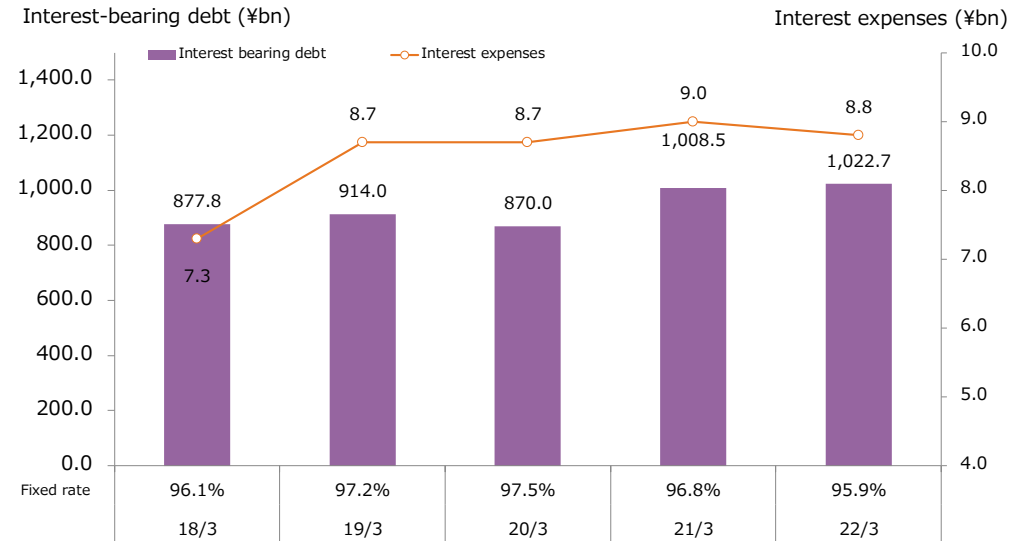


NAV per share = (shareholders' equity + unrealized gains (after deduction of tax)) / the number of shares issued at the end of period (excluding treasury shares)

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

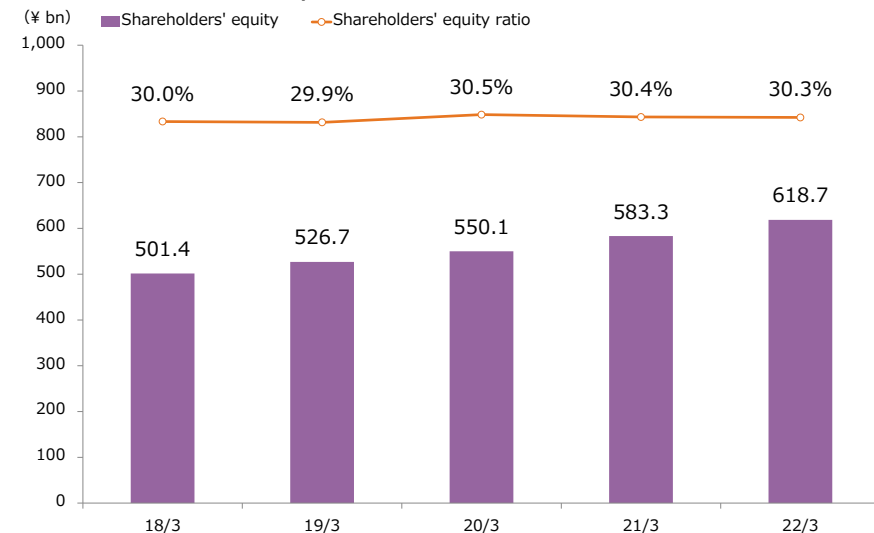
Interest-bearing debt/Interest expenses

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



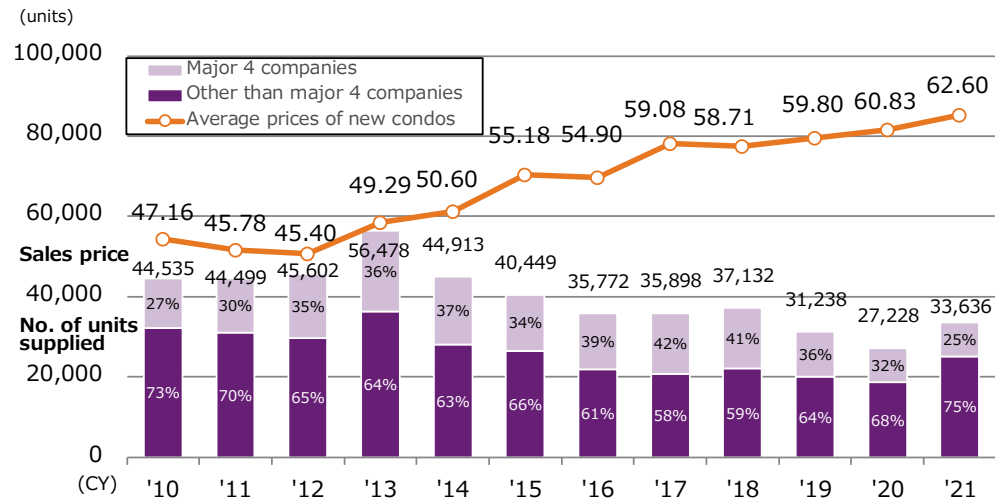
Shareholders' equity/Shareholders' equity ratio

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



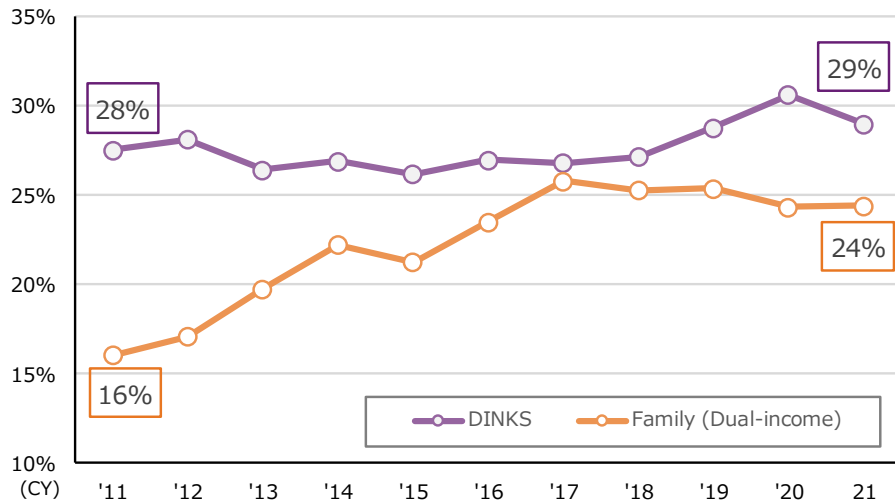
(2) Business environment: Residential market

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



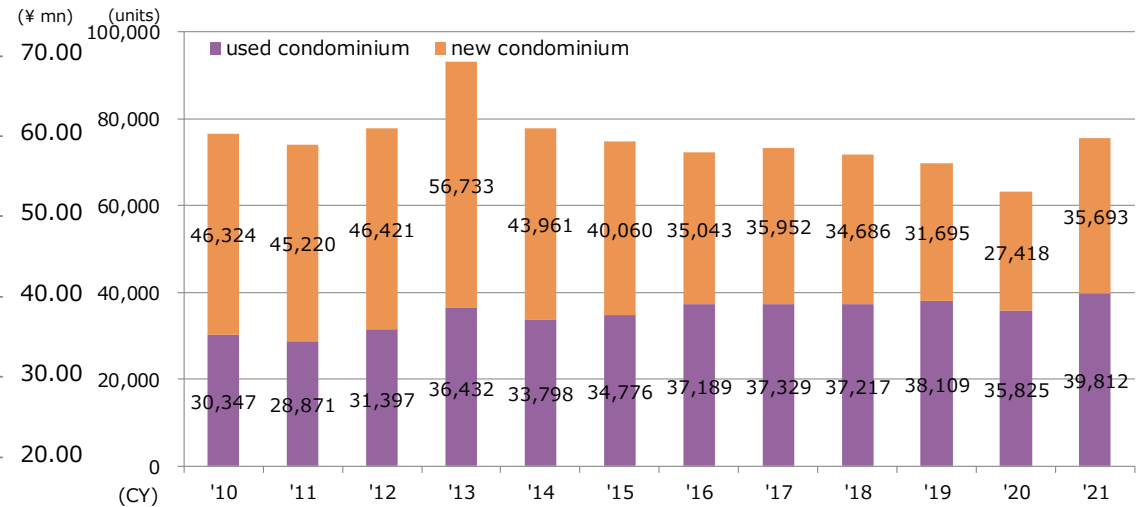
Source by Real Estate Economic Institute Co., Ltd
 Major 4 companies; NRE, Sumitomo Realty & Development Co., Ltd., Mitsui Fudosan Co., Ltd, Mitsubishi Estate Co., Ltd.

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



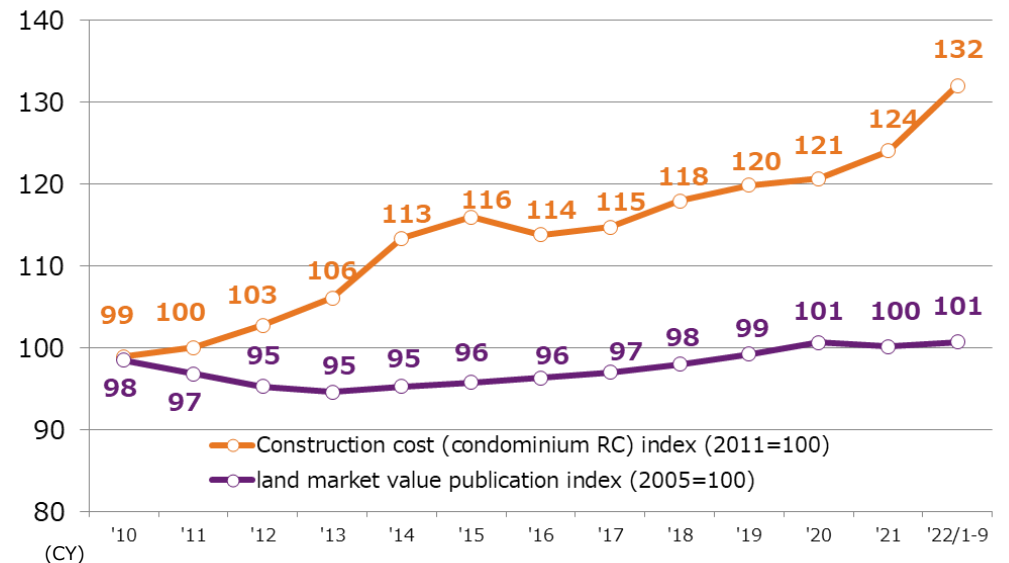
Source by NREH based on SUUMO of the survey of Tokyo Metropolitan Area's new condos contractors trend in 2020

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



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

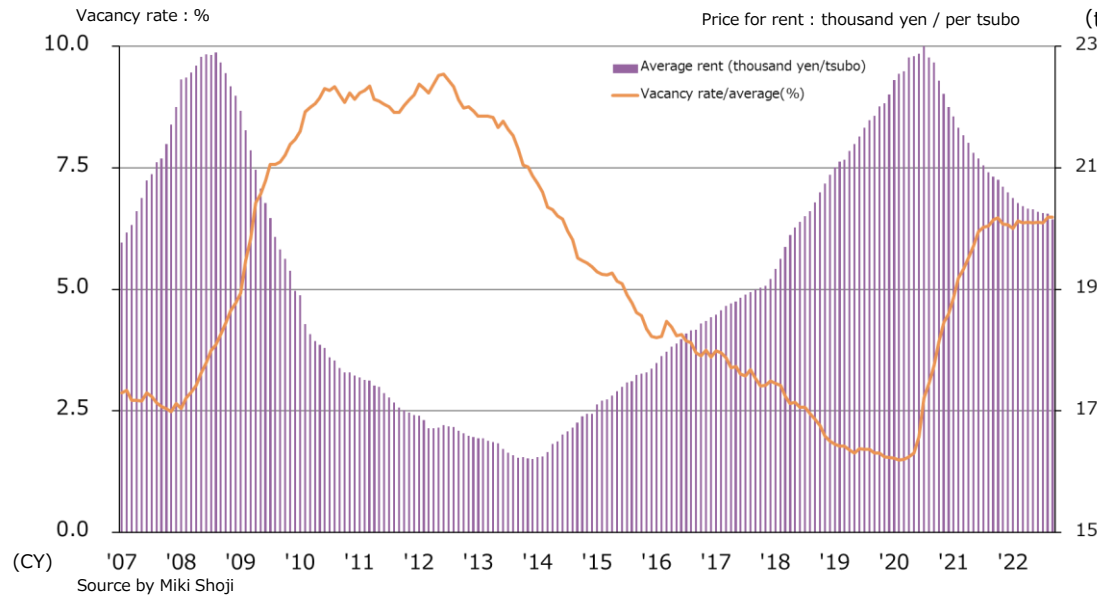
▶ **Construction cost and land price**



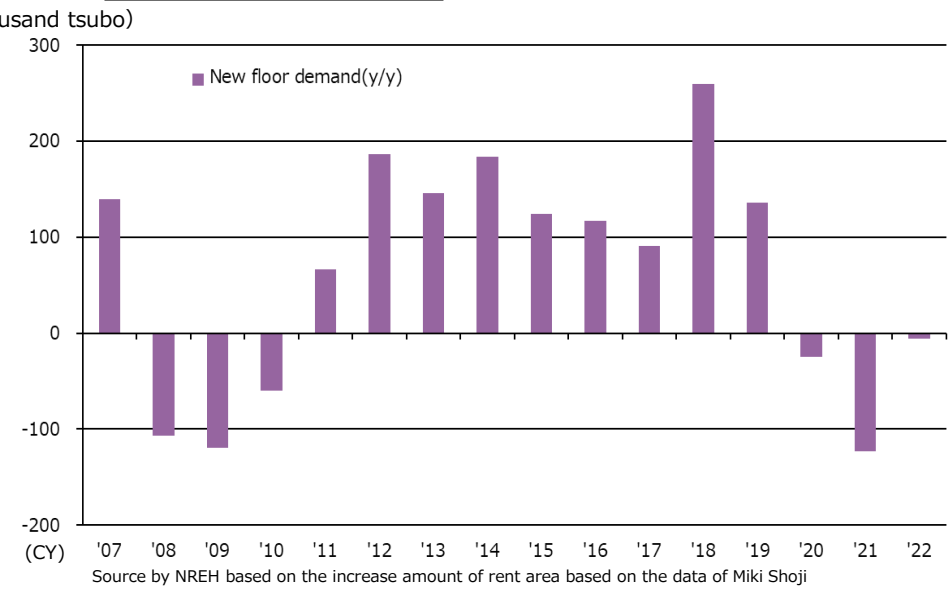
Source by Construction Research Institute, Ministry of Land, Infrastructure, Transport and Tourism.

(2) Business environment: Office market

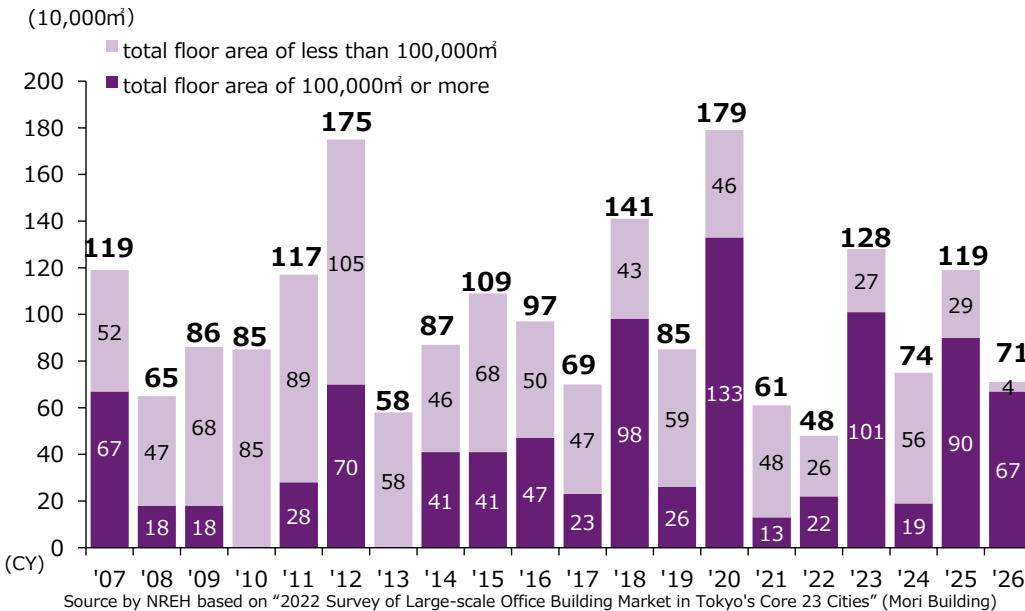
▶ Rent and vacancy rate in Tokyo central five wards



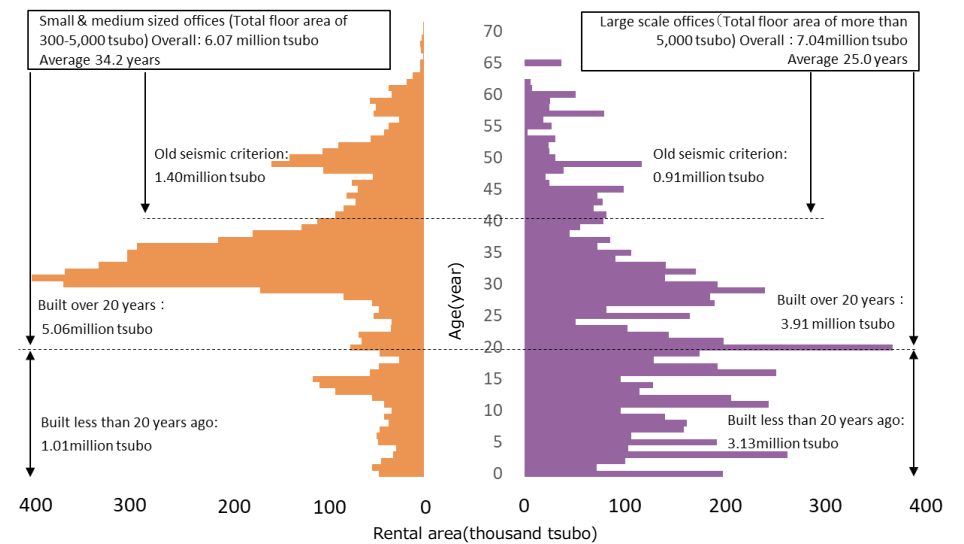
▶ An increasing trend in Tokyo central five wards' office rental area



▶ 23 wards of Tokyo , large scale office building supply volume by office size



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



Source by NREH based on " [Tokyo 23 wards] office pyramid 2023" (XYMAX REAL ESTATE INSTITUTE Corporation)

(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	PROUD Mukogaokayuen	Kawasaki-shi, Kanagawa	168 units	168 units
FY25/3-	Sagamiohno project	Sagamihara-shi, Kanagawa	686 units	686 units

► Major projects (redevelopment and rebuilding)

Schedule for sales	Property name	Location	Total number of housings	Our share
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	PROUD TOWER Hirai*	Edogawa-ku, Tokyo	268 units	188 units
FY26/3	Shuwa Aoyama Residence rebuilding project	Shibuya-ku, Tokyo	73 units	40 units
FY26/3	Okayama-shi Ekimaecho 1-chome District Redevelopment*	Okayama-shi, Okayama	approx.360 units	approx.310 units
after FY27/3	Minami-Ikebukuro 2-chome C District Redevelopment*	Toshima-ku, Tokyo	551 units	approx.371 units
after FY27/3	Tsukishima 3-chome south District Redevelopment*	Chuo-ku, Tokyo	approx.510 units	approx.200 units
after FY27/3	Toyomi District Redevelopment*	Chuo-ku, Tokyo	1,509 units	264 units
after FY27/3	Nishi-Azabu 3-chome Redevelopment*	Minato-ku, Tokyo	approx.320 units	approx.260 units
after FY27/3 (TBD)	Nishi-Shinjuku 3-chome west District Redevelopment*	Shinjuku-ku, Tokyo	TBD	TBD
after FY27/3 (TBD)	Atago District Redevelopment	Minato-ku, Tokyo	approx.400 units	approx.400 units
after FY27/3 (TBD)	Shakujiko Station south exit west District Redevelopment	Nerima-ku, Tokyo	TBD	TBD

*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.	TBD
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

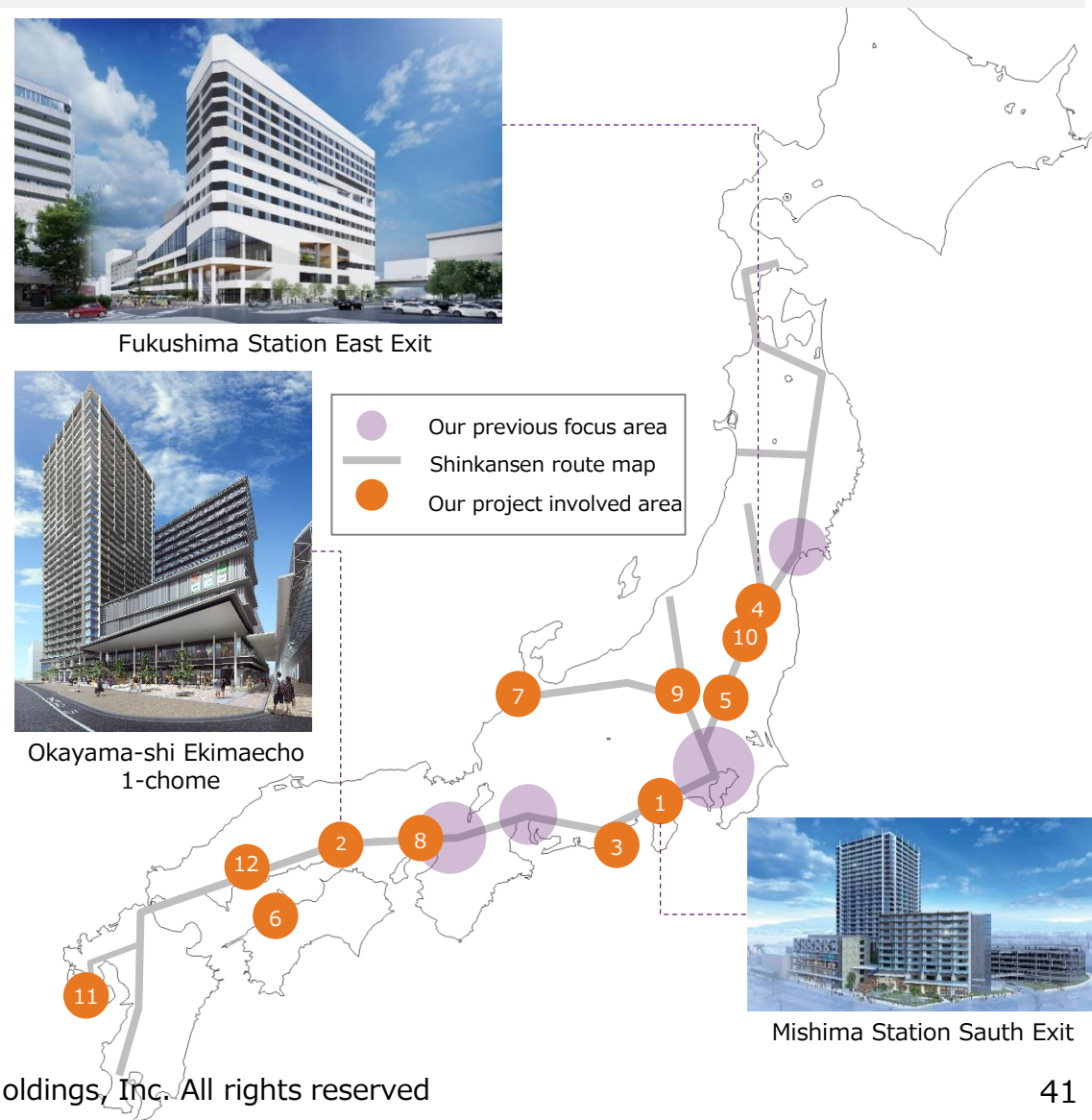
*JV projects



Fukushima Station East Exit



Okayama-shi Ekimaecho 1-chome



Mishima Station South Exit

(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: approx. 3,200 companies / approx. 350,000 people Number of offices: 236 including affiliated offices	 Number of properties including planned ones: 18	 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
 North tower (N tower) -45 floors with 3 basement
 Land area: about 40,000m²
 Gross floor area: about 550,000m²
 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(Ntower)
 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 (C block)
 Land area: approx. 18,990m²
 Gross floor area: about 380,300m²
 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

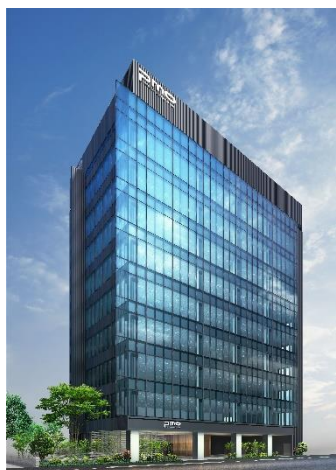
(4) Commercial Real Estate: Office

Medium-sized high-grade office



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

72 properties (including plans):
 developed or under development
 37 properties (out of 72): owned by NRE



PMO Tamachi III



PMO EX Nihonbashi kayabacho

<Major projects progressing and completed 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
4	PMO EX Nihonbashi kayabacho	Chuo-ku, Tokyo	2022/7
5	PMO Hachobori IV	Chuo-ku, Tokyo	2022/8
6	PMO Hachobori V	Chuo-ku, Tokyo	2023/4 (plan)
7	PMO Yodoyabashi (tentative name)	Osaka-shi, Osaka	2023/7 (plan)
8	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

18* properties (including plans)
 developed or under development
 18* properties (out of 18): owned by NRE



H1O Aoyama

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

<Major projects progressing and completed in FY23/3>

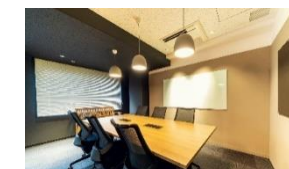
	Name	Location	Completion
1	H1O Nihonbashi Kayabacho*	Chuo-ku, Tokyo	2022/7
2	H1O Aoyama	Shibuya-ku, Tokyo	2022/8
3	H1O Umeda chayamachi	Osaka-shi, Osaka	2023/2 (plan)
4	H1O Shibakoen (tentative name)	Minato-ku, Tokyo	2023/9 (plan)
5	H1O Honmachi 3-chome (tentative name)*	Osaka-shi, Osaka	2025/3 (plan)

*part of the building is H1O

Satellite-type shared office



offers diversification and
 efficiency of work styles



Number of members: approx. 3,200 companies /
 approx. 350,000 people
 Number of offices: 236 including affiliated offices

(4) Commercial Real Estate: Retail / Logistics

▶ Urban retail facility (mainly restaurants)



22 properties (including plans):
 developed or under development
 10 properties (out of 22) owned by NRE:



<Major projects progressing and completed in FY23/3>

Name	Location	Completion
-	-	-

GEMS Roppongi (under operation)

▶ Urban retail facility (mainly service industries)



8 properties (including plans)
 developed or under development:
 7 properties (out of 8) owned by NRE



<Major projects progressing and completed in FY23/3>

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

MEFULL Kawasaki

▶ Logistics facility with advanced and high functionality



43 properties (including plans)
 developed or under development /
 24 properties (out of 43) owned by NRE



Landport Tama

<Major projects progressing and completed 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)
5	Landport Fukuoka-Hisayama	Kasuya-gun, Fukuoka	2023/5 (Plan)
6	Landport Yokohama-Fukuura	Yokohama-shi, Kanagawa	2023/9 (Plan)
7	Landport Toda	Toda-shi, Saitama	2023/11 (Plan)
8	Landport Kashiwa I	Kashiwa-shi, Chiba	2024/1 (Plan)

*Warehouse building


 (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	120,438m ²	1990/1, etc.
Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	94,262m 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
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)



**FY22/3
 Operating revenue
 ¥645.0 bn**

Operating revenue

▶ **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)

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