

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

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# 1. FY23/3 Financial results

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 (1) FY23/3 Financial results summary

## <Summary>

- ▶ The consolidated financial results for the Fiscal Year Ended March 31, 2023 were as follows:  
Operating revenue; 654.7 billion yen (up 1.5% YoY); business profit; 105.1 billion yen (up 13.4% YoY); operating profit; 99.5 billion yen (up 9.2% YoY); ordinary profit; 94.1 billion yen (up 14.0% YoY); and profit attributable to owners of parent; 64.5 billion yen (up 16.6% 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 4,142 units (down 187 units YoY) and gross profit ratio was 25.6% (23.6% in FY22/3) in the housing sales business. Operating revenue decreased while business profit increased. The contract progress rate against the projected sales for housing for the fiscal year ending March 31, 2024, progressed smoothly to 74.8%, at the beginning of the fiscal year.
- ▶ In Commercial Real Estate Business Unit, operating revenue decreased while business profit increased. This was mainly because revenue from property for sales business decreased, while gross profit from sales increased.
- ▶ 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, 2024 are as follows:  
Operating revenue; 750.0 billion yen; business profit; 109.0 billion yen; operating profit; 103.0 billion yen; ordinary profit; 94.0 billion yen; and profit attributable to owners of parent; 65.0 billion yen.
- ▶ The dividend forecast, which was announced in January, 2023, was revised to ¥120.0 per share for the annual dividend for the fiscal year ended March 31, 2023. The annual dividend per share for the fiscal year ending March 31, 2024, is expected to increase to 130.0 yen per share with the 12 consecutive fiscal year of dividend increases.

## (2) FY23/3 Financial results

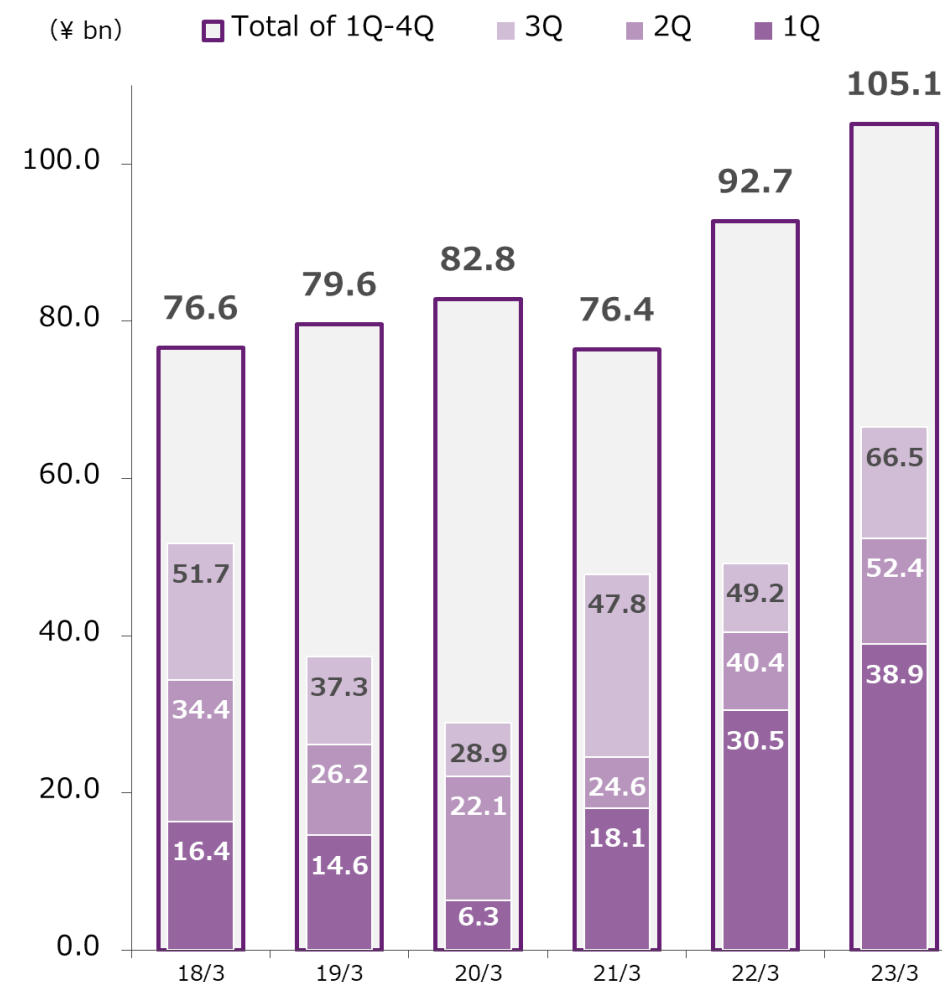
### Statements of Income

(¥bn)	22/3 Actual ①	23/3 Actual ②	Changes ②-①
Operating revenue	645.0	654.7	+9.6
Operating profit	91.2	99.5	+8.3
Share of profit (loss) of entities accounted for using equity method	0.8	4.8	+3.9
Amortization of intangible assets associated with corporate acquisitions	0.6	0.7	+0.0
<b>Business profit</b>	<b>92.7</b>	<b>105.1</b>	<b>+12.4</b>
Non-operating income	1.8	6.0	+4.2
Non-operating expenses	10.4	11.5	+1.0
Ordinary profit	82.5	94.1	+11.5
Extraordinary income	—	6.8	+6.8
Extraordinary losses	1.5	12.9	+11.4
Income taxes	25.6	23.3	-2.2
Profit attributable to owners of parent	55.3	64.5	+9.2
Basic earnings per share (¥)	307.81	365.26	+57.45
Cash dividends per share (¥)	97.50	120.00	+22.50

### Statements of Cash Flows

(¥bn)	22/3 Actual ①	23/3 Actual ②	Changes ②-①
Net cash provided by (used in) operating activities	52.7	-42.8	-95.6
Net cash provided by (used in) investing activities	-46.2	-62.8	-16.6
Net cash provided by (used in) financing activities	-9.6	65.6	+75.2
Cash and cash equivalents at end of period	67.7	27.7	-40.0

### Business Profit



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

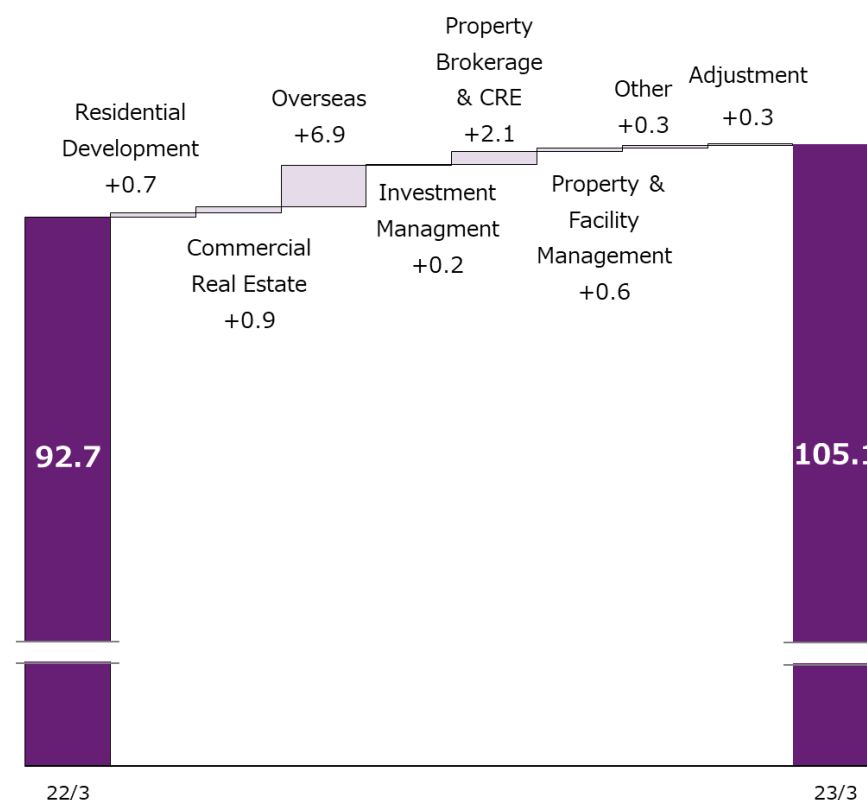
## (3) FY23/3 Financial results by Business Units

▶ Statements of Income by Business Unit

(#bn)	22/3	23/3	Changes
	Actual	Actual	
	①	②	②-①
Operating revenue	645.0	654.7	+9.6
Residential Development	309.2	302.4	-6.7
Commercial Real Estate	202.4	199.3	-3.1
Overseas	2.6	6.7	+4.1
Service & Management	155.7	166.8	+11.0
Investment Management	12.8	13.6	+0.8
Property Brokerage & CRE	43.7	47.7	+3.9
Property & Facility Management	99.2	105.4	+6.2
Other	0.1	0.2	+0.1
Adjustments	-25.1	-20.9	+4.2
Business profit*	92.7	105.1	+12.4
Residential Development	32.5	33.3	+0.7
Commercial Real Estate	38.5	39.5	+0.9
Overseas	0.2	7.2	+6.9
Service & Management	28.7	31.7	+3.0
Investment Management	7.8	8.0	+0.2
Property Brokerage & CRE	11.7	13.8	+2.1
Property & Facility Management	9.2	9.8	+0.6
Other	-0.1	0.1	+0.3
Adjustments	-7.2	-6.9	+0.3
Operating profit	91.2	99.5	+8.3
Ordinary profit	82.5	94.1	+11.5
Profit before income taxes	81.0	88.0	+7.0
Profit attributable to owners of parent	55.3	64.5	+9.2

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

- ▶ 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 Balance sheets

### Balance sheets

(¥bn)	As of Mar. 31, 2022 ①	As of Mar. 31, 2023 ②	Changes ② - ①
<b>Assets</b>	<b>2,040.5</b>	<b>2,110.6</b>	<b>+ 70.1</b>
Current assets	1,126.8	1,182.3	+ 55.5
Cash and deposits and others	69.0	29.0	-39.9
Notes and accounts receivable - trade, and contract assets	22.0	40.8	+ 18.8
Inventories	894.2	999.1	+ 104.8
Residential Development BU	458.0	514.7	+ 56.7
Commercial Real Estate BU	436.8	485.1	+ 48.3
Other BU*	0.0	0.3	+ 0.3
Adjustments	-0.7	-1.2	-0.5
Equity investments	33.8	32.3	-1.5
Other current assets	107.6	80.9	-26.7
Non-current assets	913.7	928.3	+ 14.6
Property, plant and equipment	726.3	706.4	-19.9
Office	523.7	506.8	-16.9
Retail	95.3	92.5	-2.8
Others	107.2	107.0	-0.1
Intangible assets	19.9	20.3	+ 0.4
Investments and other assets	167.3	201.5	+ 34.1
Investment securities	101.1	142.0	+ 40.8
Leasehold and guarantee deposits	30.0	31.7	+ 1.7
Other non-current assets	36.1	27.7	-8.4

(¥bn)	As of Mar. 31, 2022 ①	As of Mar. 31, 2023 ②	Changes ② - ①
<b>Liabilities</b>	<b>1,419.1</b>	<b>1,454.9</b>	<b>+ 35.8</b>
Current liabilities	357.9	327.8	-30.1
Notes and accounts payable - trade	80.9	65.8	-15.1
Short-term borrowings	39.5	38.7	-0.7
Current portion of long-term borrowings	69.0	79.1	+ 10.1
Commercial papers	—	—	—
Current portion of bonds payable	10.0	20.0	+ 10.0
Deposits received	43.8	19.6	-24.1
Other current liabilities	114.6	104.4	-10.1
Non-current liabilities	1,061.1	1,127.1	+ 65.9
Bonds payable	150.0	130.0	-20.0
Long-term borrowings	754.2	853.6	+ 99.4
Leasehold and guarantee deposits received	59.3	58.4	-0.8
Other non-current liabilities	97.5	84.9	-12.5
<b>Net assets</b>	<b>621.3</b>	<b>655.7</b>	<b>+ 34.3</b>
<b>Total liabilities and net assets</b>	<b>2,040.5</b>	<b>2,110.6</b>	<b>+ 70.1</b>
Interest-bearing debt	1,022.7	1,121.5	+ 98.8
Shareholders' equity	618.7	653.3	+ 34.5
Shareholders' equity ratio	30.3%	31.0%	+0.6P
Debt/equity ratio	1.7	1.7	+ 0.1

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



## (5) FY24/3 Earnings forecast (Compared to FY23/3)

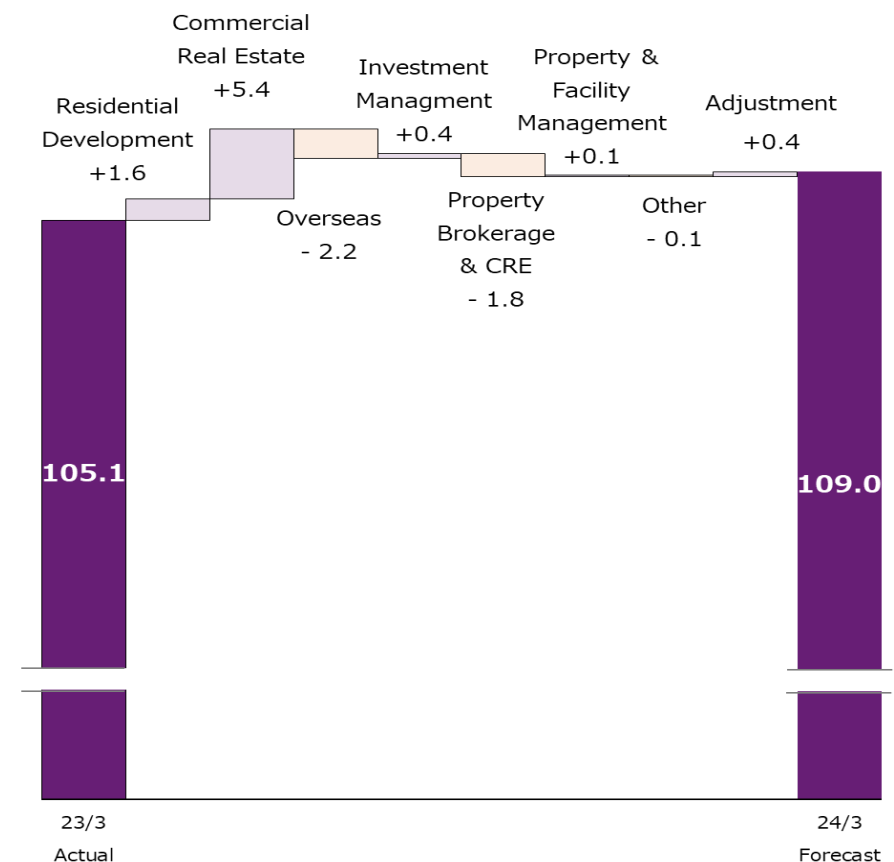
- Business profit is expected to be ¥109.0 bn with an increase of gross profit from property sales in Commercial Real Estate BU and an increase of gross profit from rental housing sales in Residential Development BU.

### Statements of Income by Business Unit

(\$bn)	23/3	24/3	Changes
	Actual	Forecast	
	①	②	②-①
Operating revenue	654.7	750.0	+95.2
Residential Development	302.4	350.0	+47.5
Commercial Real Estate	199.3	240.0	+40.6
Overseas	6.7	5.0	-1.7
Service & Management	166.8	169.0	+2.1
Investment Management	13.6	14.0	+0.3
Property Brokerage & CRE	47.7	46.0	-1.7
Property & Facility Management	105.4	109.0	+3.5
Other	0.2	0.0	-0.2
Adjustments	-20.9	-14.0	+6.9
Business profit <sup>*1</sup>	105.1	109.0	+3.8
Residential Development	33.3	35.0	+1.6
Commercial Real Estate	39.5	45.0	+5.4
Overseas	7.2	5.0	-2.2
Service & Management	31.7	30.5	-1.2
Investment Management	8.0	8.5	+0.4
Property Brokerage & CRE	13.8	12.0	-1.8
Property & Facility Management	9.8	10.0	+0.1
Other	+0.1	0.0	-0.1
Adjustments	-6.9	-6.5	+0.4
Operating profit	99.5	103.0	+3.4
Ordinary profit	94.1	94.0	-0.1
Profit attributable to owners of parent	64.5	65.0	+0.4
Basic earnings per share (¥)	365.26	374.27	+9.01
Cash dividends per share (¥)	120.00	130.00	+10.00

### Main factors for changes in Business Profit (compared to FY23/3)

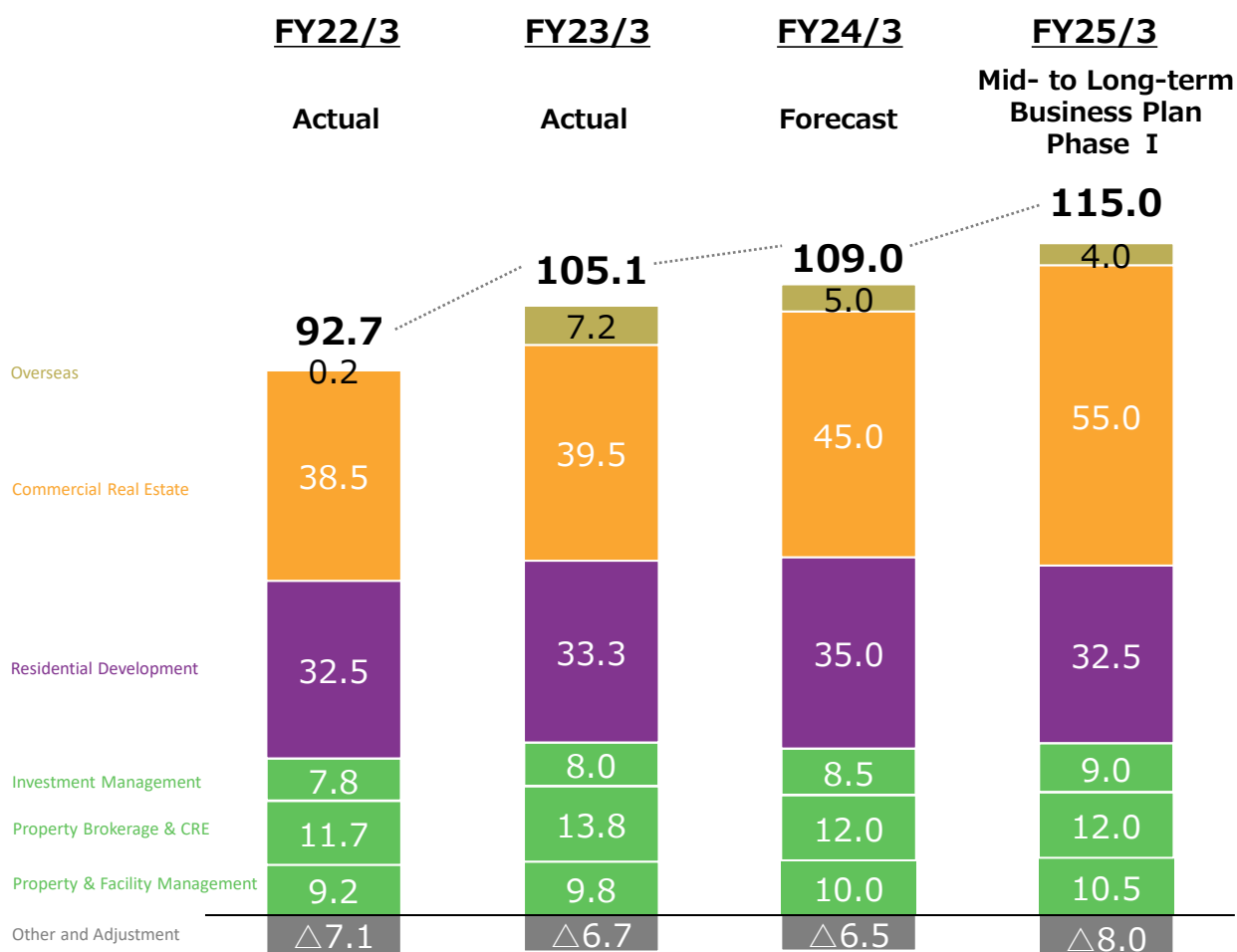
- Residential Development: Increase of gross profit from rental housing sales.
- Commercial Real Estate: Increase of gross profit from property sales.



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

## (6) Progress of Mid- to Long-term Business Plan

- ▶ Expanding business profit smoothly to achieve the target ¥115.0 bn in Mid- to Long-term Business Plan Phase I (FY25/3).
- ▶ Progressed net investment toward profit growth from Phase II.

▶ Business Profit▶ Progress of investment and recovery on balance sheets

	(¥ bn)	
	Actual	Plan
	FY23/3	Mid- to Long-term Business Plan Phase I (FY23/3 - FY25/3)
<b>Residential Development</b>		
Investment	270.0	850.0
Recovery	213.0	800.0
<b>Commercial Real Estate</b>		
Investment	139.0	700.0
Recovery	91.0	450.0
<b>Overseas</b>		
Investment	51.0	150.0
Recovery	13.0	50.0
<b>Total</b>		
Investment	460.0	1,700.0
Recovery	317.0	1,300.0
<b>Net investment</b>	143.0	400.0

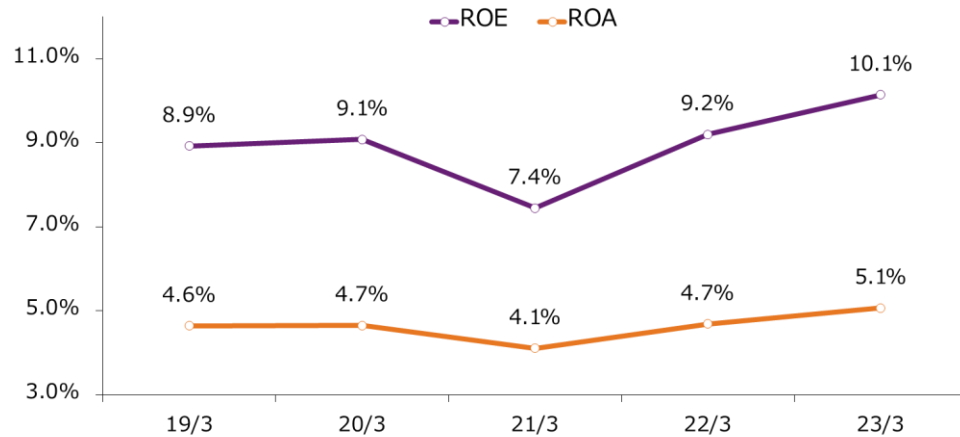
\* Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

\* Regarding the table at progress of investment and recovery on balance sheets, figures in actual FY23/3 are rounded down to the nearest ¥1.0 bn and figures in Mid- to Long-term Business Plan are rounded down to the nearest ¥50.0 bn.

## (7) FY23/3 Financial data

### ▶ ROA/ROE

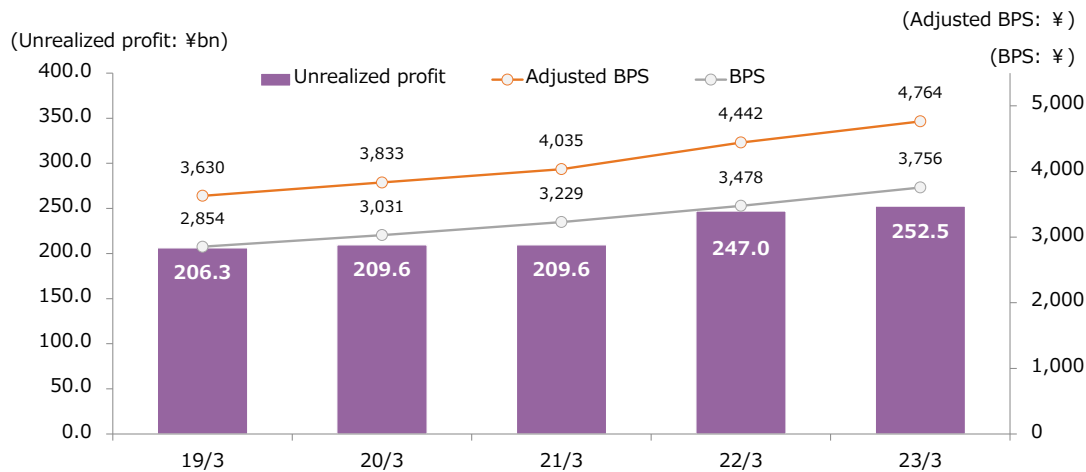
Against the Mid- to Long-term Business Plan in Phase I target of ROA of 4.5% level and ROE of 9% level, ROA was 5.1% and ROE was 10.1% in FY23/3.



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

### ▶ Unrealized profit/BPS and Adjusted BPS

BPS was ¥ 3,756(¥278 increase from FY22/3),  
 Adjusted BPS was ¥ 4,764(¥322 increase from FY22/3)

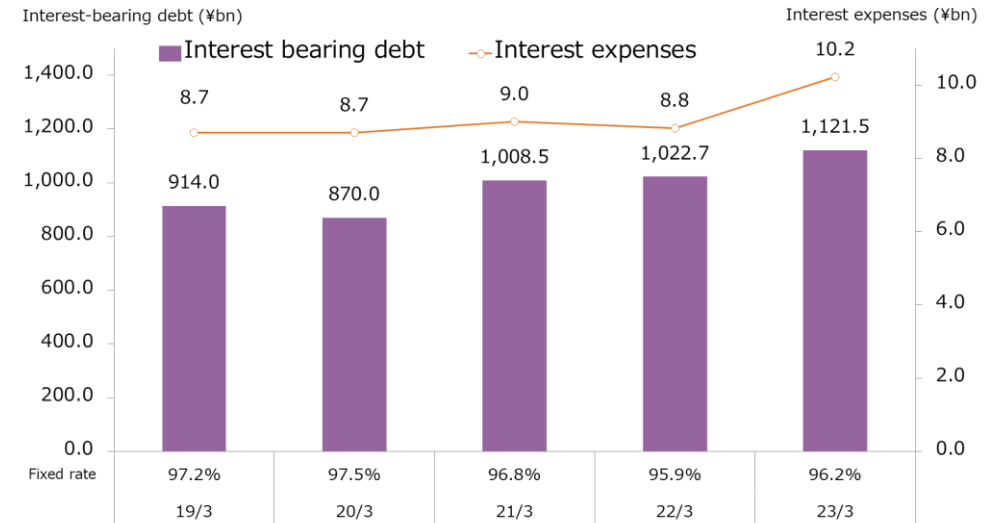


Adjusted BPS = (shareholders' equity + unrealized gains (after deduction of tax)) / the number of shares issued at the end of period (excluding treasury shares)

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

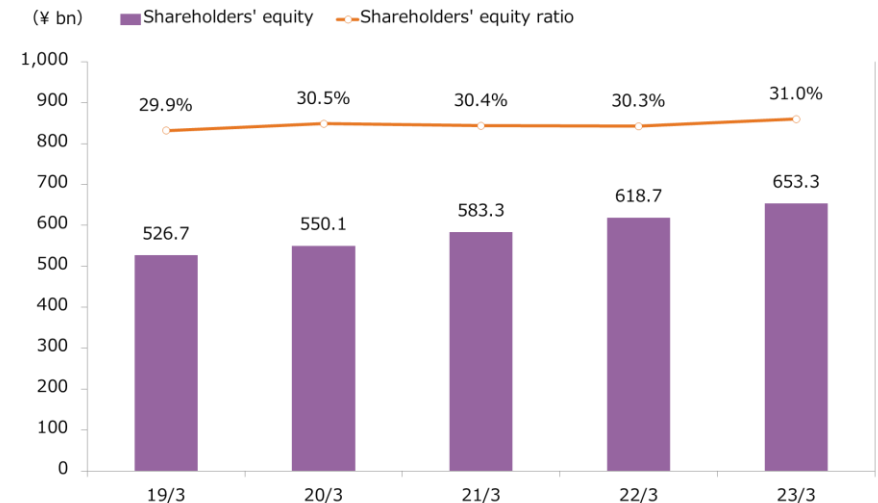
### ▶ Interest-bearing debt/Interest expenses

Utilized sustainability finance, etc.



### ▶ Shareholders' equity/Shareholders' equity ratio

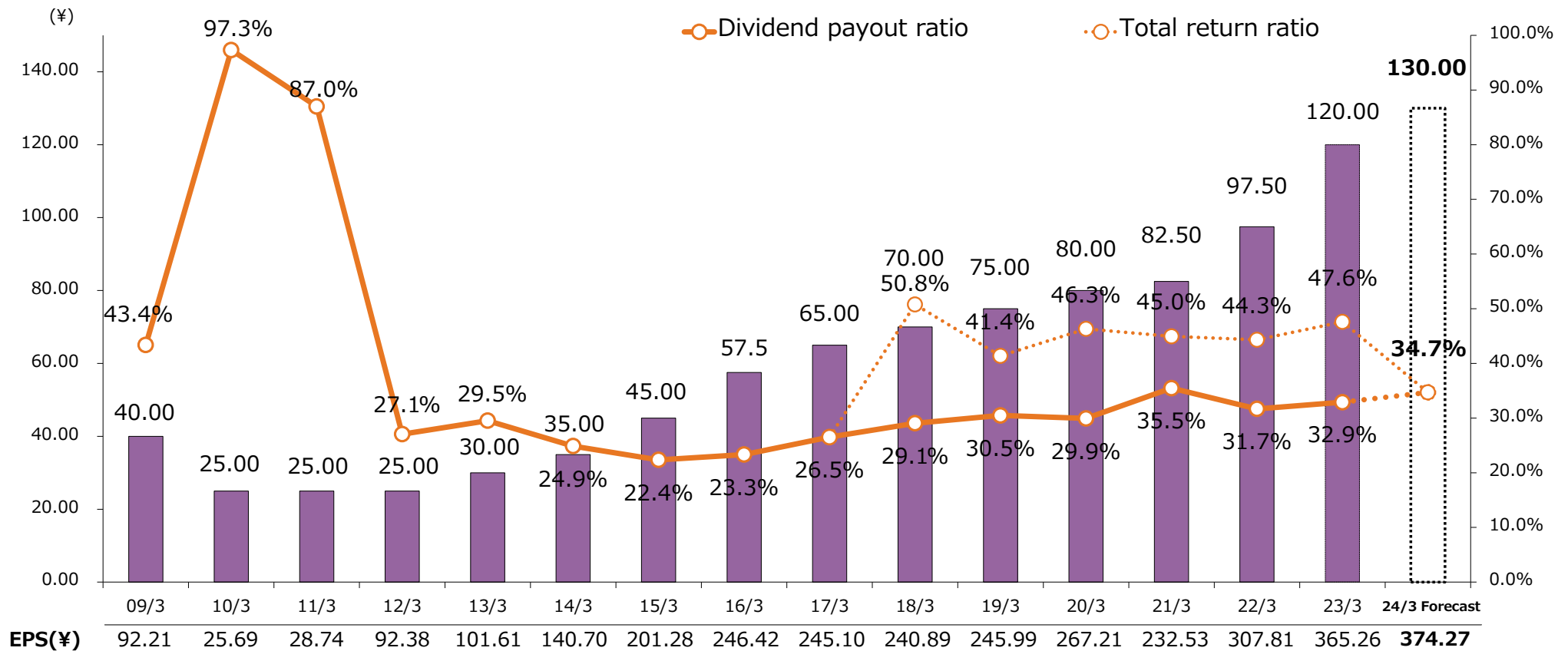
Shareholders' equity ratio was 31.0%, maintaining the 30% level of our financial discipline.



## (8) Shareholder returns

- ▶ Based on the achievement of record high business profit exceeding earnings forecast, we decided to increase dividend per share by ¥5.0 (¥115.0→¥120.0), resulting in 32.9% of dividend payout ratio and 47.6% of total return ratio.
- ▶ We will gradually raise the dividend payout ratio to 40% toward Phase II of the Mid- to Long-Term Business Plan.
- ▶ In FY24/3, dividend per share is expected to increase to ¥130.0 per share with the 12 consecutive FY of dividend increase. Dividend payout ratio is expected to be 34.7%.

### 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

## (9) Financial Basis

- ▶ Maintain the high ratio of long-term and fixed-interest debts and diversify the amount of repayment by year.
- ▶ Promoting sustainable finance initiatives to contribute to a sustainable society.

### ▶ Credit rating

	Long-term	Short-term
R&I rating	<b>A-/Positive</b>	<b>a-1</b>
JCR rating	<b>A/Positive</b>	<b>J-1</b>

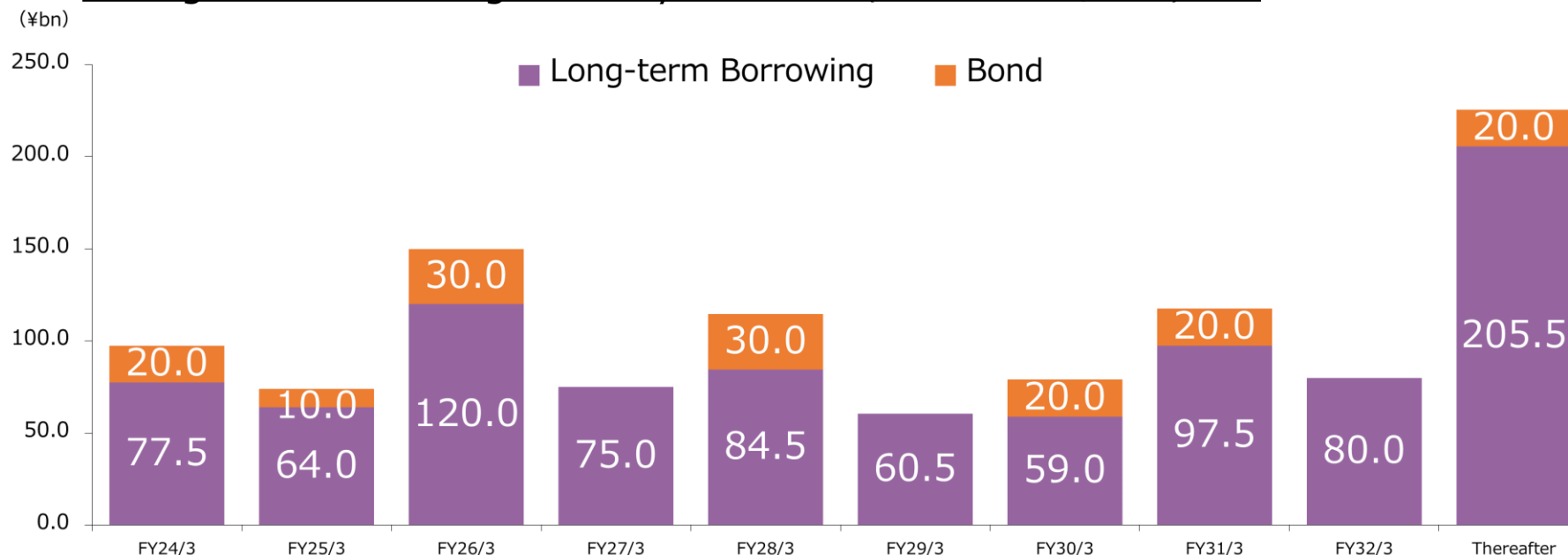
As of March 31, 2023

### ▶ Financial Basis (FY 23/3) \*1

	FY 23/3
Average Duration *2	<b>5.9</b> years
Ratio of Long-term Debt	<b>96.5</b> %
Ratio of Fixed-Interest Debt	<b>96.2</b> %

As of March 31, 2023

### ▶ Long-term borrowing maturity schedule (as of March 31, 2023) \*1\*2\*3



\*1 The figures represent the Company's domestic yen funding and do not include foreign currency procurement by SPCs related to overseas business and subsidiaries.

\*2 Hybrid finance is calculated as the due date using its first redemption before maturity or redemption date.

\*3 Amount scheduled to be repaid towards borrowings, etc. as of March 31, 2023. "Thereafter" refers to the sum of the borrowings that will be scheduled to be repaid from FY33/3.

## 2. Performance highlights by Business Unit

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## (1) Residential Development : Business outline

- ▶ In housing sales, gross profit ratio was increased (up 2.0P YoY), while the number of housing units sold was decreased (down 187 units YoY) .
- ▶ In FY24/3 forecast, both revenue and profit is expected to increase mainly due to an increase of gross profit from rental housing sales.

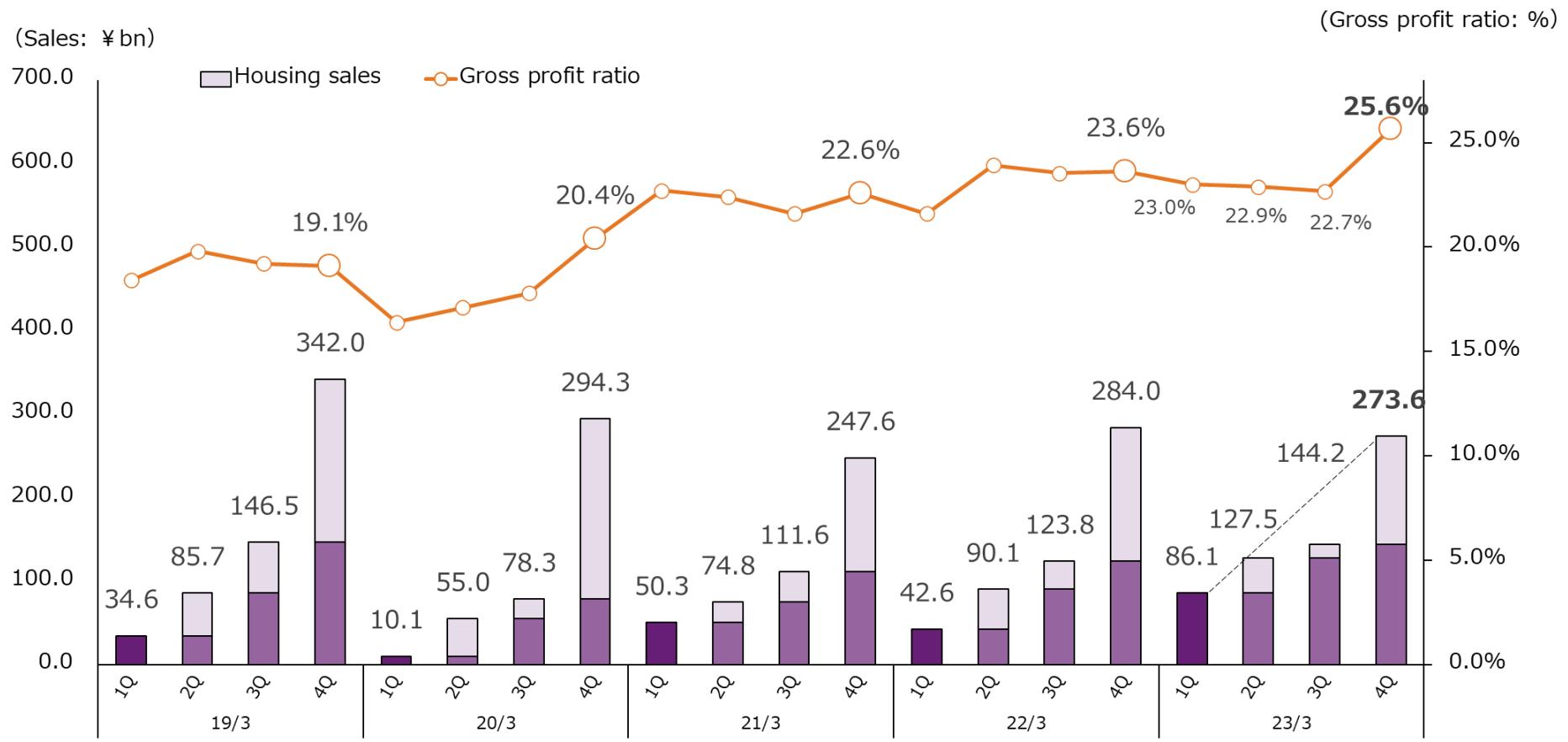
(¥bn)	22/3 Actual ①	23/3 Actual ②	Changes ②-①	24/3 Forecast ③	Changes ③-②
Operating revenue	309.2	302.4	-6.7	350.0	+47.5
Housing sales	284.0	273.6	-10.3		
Rental housing (sales)	4.1	6.3	+2.1		
Rental housing (leasing revenue)	1.5	2.3	+0.8		
Senior	0.9	1.4	+0.4		
Other	18.5	18.8	+0.2		
Operating profit	32.5	33.3	+0.8		
Share of profit (loss) of entities accounted for using equity method	0.0	-0.0	-0.0		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	+0.0		
Business profit	32.5	33.3	+0.7	35.0	+1.6
【Housing sales indicators】					
Housing sales (unit)	4,329	4,142	-187	4,500	+358
Condominiums	3,878	3,789	-89	4,000	+211
Detached housing	451	353	-98	500	+147
Tokyo metropolitan area	2,944	2,718	-226	3,300	+582
Osaka metropolitan area	496	650	+154	600	-50
Other area	889	773	-116	600	-173
Period-end housing contracted but not sold(unit)	3,548	3,819	+271		
Period-end completed housing inventory (unit)					
released for sale	130	222	+92		
unreleased	253	199	-54		
Average sales price (¥mn)	65.59	66.06	+0.46		
Gross profit ratio (%)	23.6%	25.6%	+2.0P		

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

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

- ▶ In FY23/3, sales for housing was ¥273.6 bn. In FY24/3, sales for housing are expected to increase to ¥290.0 bn.
- ▶ Gross profit ratio for FY24/3 will be 23% range. We expect to maintain the high gross profit in FY24/3.

Housing sales amount (Quarterly total) / Gross profit ratio

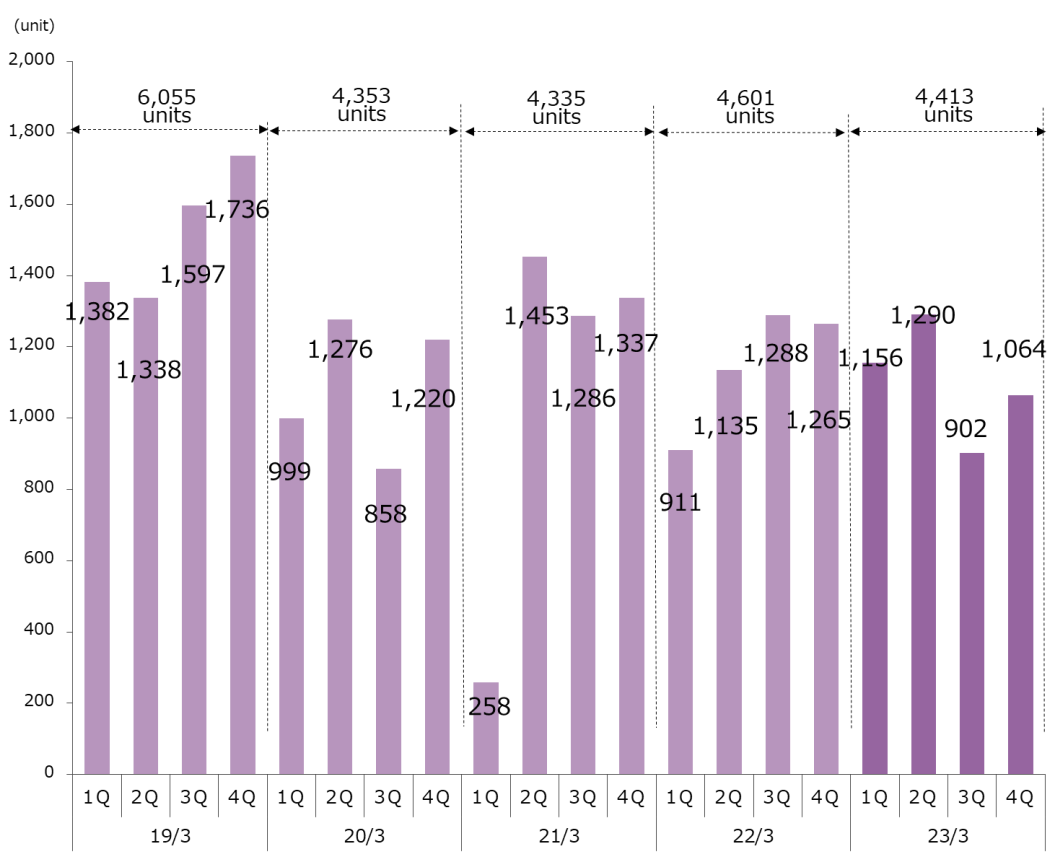




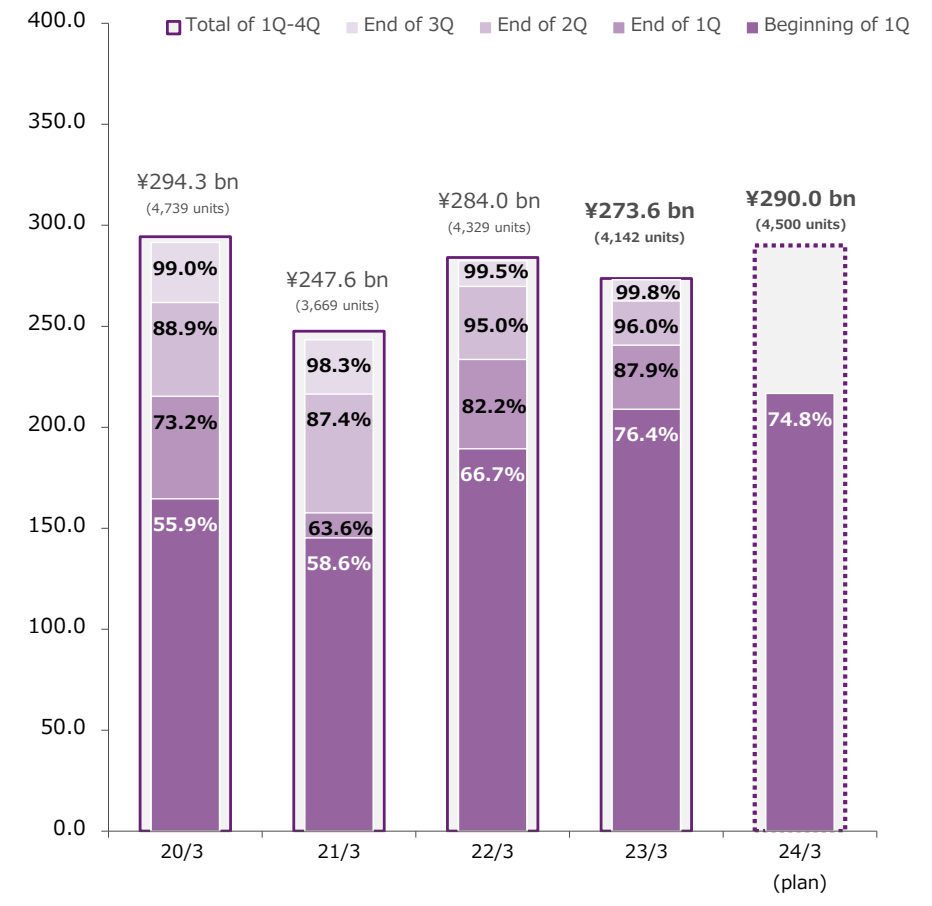
(1) Residential Development : Housing sales (Contracted number / Contract progress rate)

- ▶ In FY23/3, contracted 4,413 units (down 188 units YoY).
- ▶ Contract progress rate was 74.8% against the FY24/3 scheduled housing sales of ¥290.0 bn.

▶ Number of housing contracted



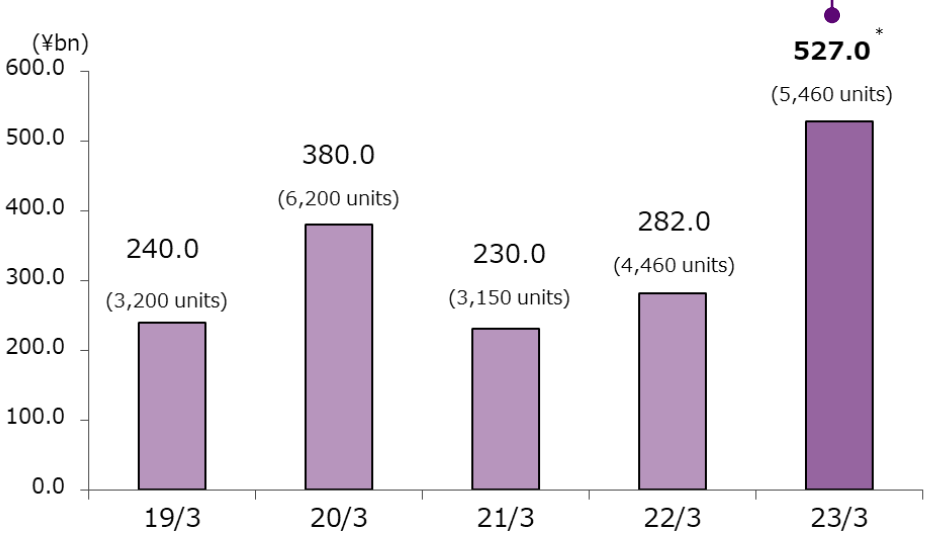
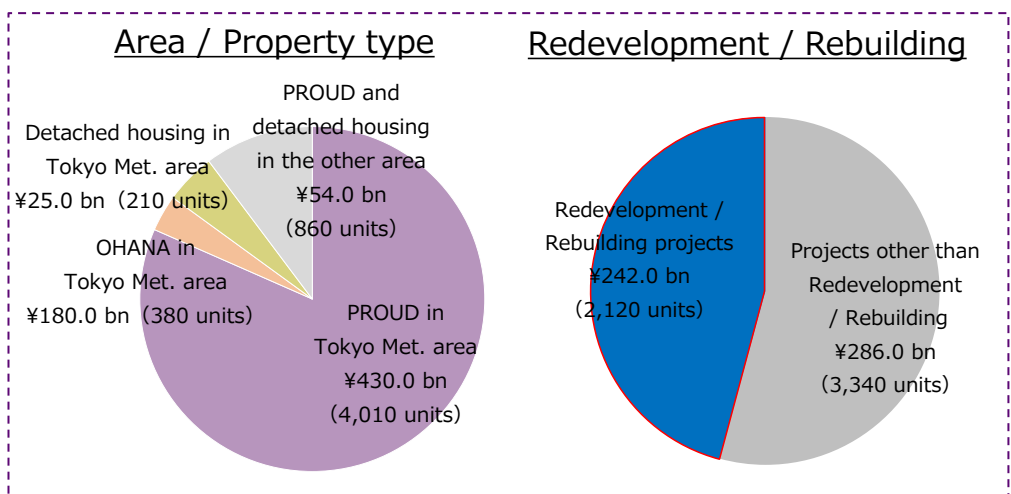
▶ Contract progress rate  
 (against the scheduled housing sales)



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

- ▶ In FY23/3, acquired land for residential development of ¥527.0 bn(5,460 units) and secured land bank, equivalent to ¥1,770.0 bn.
- ▶ We have almost secured land to be sales for housing through FY26/3.

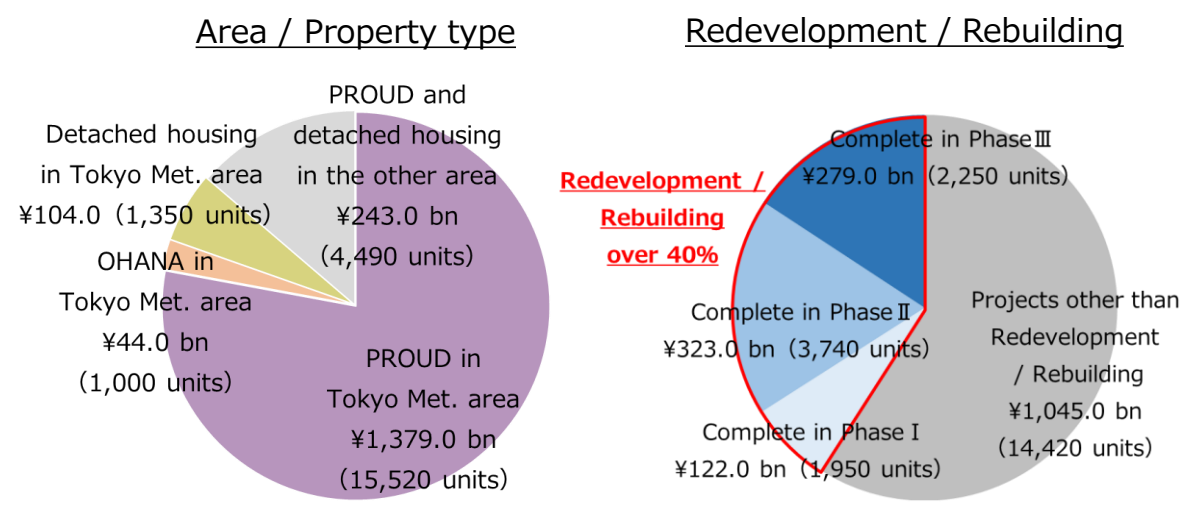
▶ Land acquisition (In FY23/3)



\*Includes acquisition of redevelopment projects in Tokyo Metropolitan area

▶ Land bank

**¥1,770.0 bn (22,380 units)**  
 including Redevelopment / Rebuilding projects:  
 ¥724.0 bn (7,940 units) · · 1



In addition, there are projects before included to land bank  
 Redevelopment / Rebuilding projects under planning  
 : 6,750 units · · 2

Redevelopment / Rebuilding projects (1 + 2)  
**: Total 14,690 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



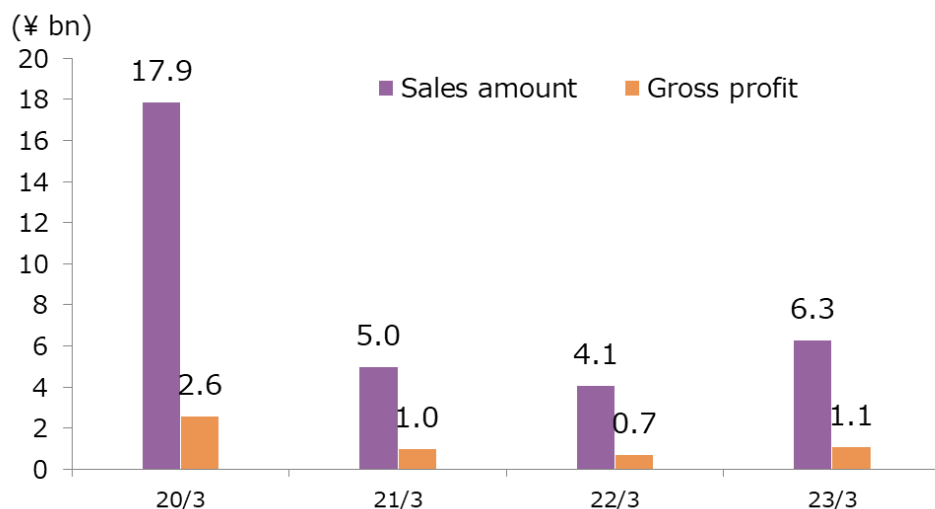
- Properties developed: 132 (including plans)
- Properties construction completed/ owned by NRE: 41 (out of 132)

▶ Health promoting senior rental housing



- Properties developed: 8 (including plans)
- Properties under operation: 5 (out of 8)

Sales and gross profit



Land acquisition

No. of properties	Total investment
6	¥13.7bn

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
17	¥55.1bn	24	¥22.6bn	¥55.6bn	41	¥77.7bn	¥102.1bn

Developed / projects under development

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



OUKAS Hiyoshi



OUKAS Shiki

## (2) Commercial Real Estate: Business outline

- ▶ In FY23/3, gross profit from property for sales increased. Leasing revenue from retail facilities increased mainly due to the opening of the new facility, and revenue from hotels and fitness increased mainly due to the recovery of market conditions.
- ▶ In FY24/3, we expect to an increase in both operating revenue and business profit with increase of gross profit from property sales.

(¥bn)	22/3 Actual ①	23/3 Actual ②	Changes ②-①	24/3 Forecast ③	Changes ③-②
Operating revenue	202.4	199.3	-3.1	240.0	+40.6
Leasing (offices)	45.6	41.1	-4.4		
Leasing (retail facilities)	12.3	16.1	+3.8		
Leasing (other)	4.1	3.3	-0.8		
Property for sales (sale)	106.4	97.4	-8.9		
Property for sales (leasing)	13.9	16.7	+2.8		
Fitness	13.6	15.0	+1.4		
Other	6.3	9.3	+2.9		
Operating profit	38.2	39.2	+0.9		
Share of profit (loss) of entities accounted for using equity method	0.0	0.0	-0.0		
Amortization of intangible assets associated with corporate acquisitions	0.2	0.2	+0.0		
Business Profit	38.5	39.5	+0.9	45.0	+5.4
Net lettable area (sqm)	790,776	697,085	-93,690		
Offices	658,902	538,982	-119,919		
Retail facilities	131,873	158,102	+26,229		
Vacancy rate	5.9%	4.8%	-1.2P		

▶ [Reference] Leasing revenue change analysis

	Changes	Key Factors
New and full period operation buildings	+3.0	New operation of KAMEIDO CLOCK(retail facility), Nomura Real Estate Otemachi North Building
Existing buildings	-1.4	Impact of tenants moving out from properties under reducing plan
Sold and reclassification	-2.1	

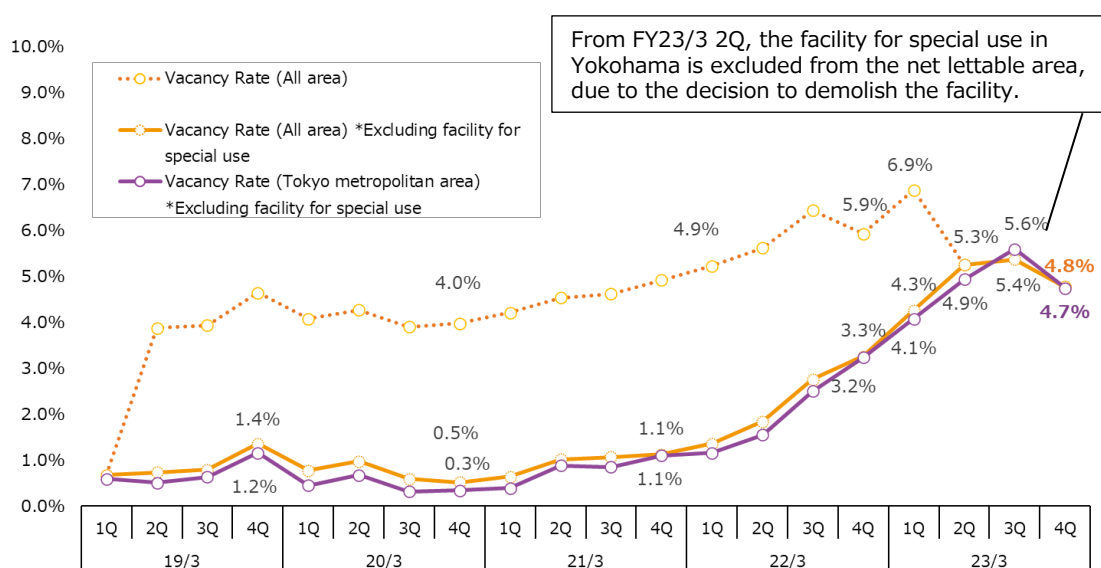
\*Leasing refers to revenue from non-current assets including office subleasing.

\*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 were changed.

## (2) Commercial Real Estate: Leasing

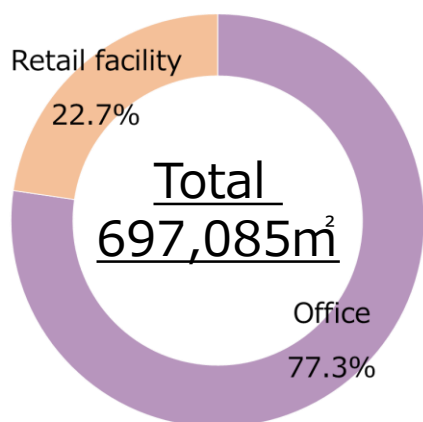
### Vacancy rate (excluding inventories)



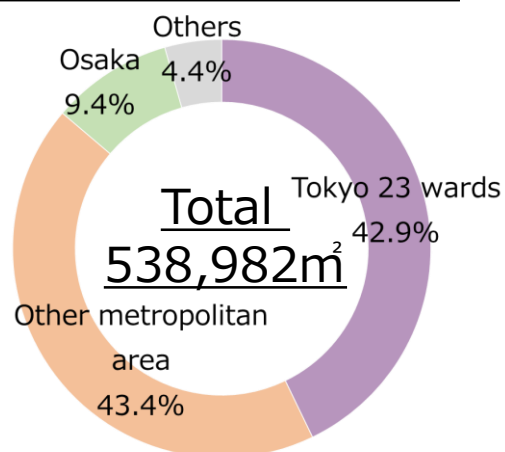
\*Excluding facility for special use (training facility) in Yokohama  
 \*Vacancy rate change above includes the impact of the net lettable area decrease due to the transfer of properties to inventories and promotion of rebuilding projects.

### Net lettable area (excluding inventories)

#### By sector



#### By area within office sector



### 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* <sup>1</sup>	Construction completed (Opened in April 2022)	Approx.28,000m <sup>2</sup> Retail	C				
Nihonbashi 1-chome Central District Redevelopment* <sup>1</sup>	Under Construction	Approx.33,600m <sup>2</sup> Office, Retail, Conference room, etc.	S		C		
Shibaura Project* <sup>1</sup>	South Tower is under construction	Approx. 550,000m <sup>2</sup> * <sup>4</sup> Mixed-use	S (South Tower)		C		
Nishi-Azabu 3-chome Redevelopment* <sup>1</sup>	Establishment of urban redevelopment unit was approved	Approx. 10,000m <sup>2</sup> Hotel		S		C	
<u>Nakano Station Shin North Exit Station-Front Area Redevelopment*<sup>1</sup></u>	Blueprint of the project is under discussion	Approx. 19,000m <sup>2</sup> Convention Hall, Hotel, Retail			S		C
Nishi-Nippori Station-Front Redevelopment* <sup>1</sup>	Blueprint of the project is decided	Approx. 11,800m <sup>2</sup> Retail			S		C
<u>Takanawa 3-chome Shinagawa Station-Front Area Redevelopment*<sup>1</sup></u>	Blueprint of the project is decided	Approx. 24,100m <sup>2</sup> Office, Conference room, Retail				S	C
Soto-Kanda 1-chome Redevelopment	Blueprint of the project is under discussion	Approx. 42,000m <sup>2</sup> Office, Hotel, Retail				S	
Iidabashi Station Central Redevelopment	Blueprint of the project is under discussion	Approx. 26,600m <sup>2</sup> Office, Conference room				S	
Nishi-Shinjuku 3-chome West Redevelopment* <sup>1</sup>	Blueprint of the project is decided	Approx. 11,000m <sup>2</sup> Retail			S (South area)		S (North area)
Shinbashi Station West Exit Redevelopment* <sup>1</sup>	Blueprint of the project is under discussion	TBD Office, Hotel					S
Nomura Fudosan Ginza Building Rebuilding* <sup>1</sup>	-	TBD Office					TBD

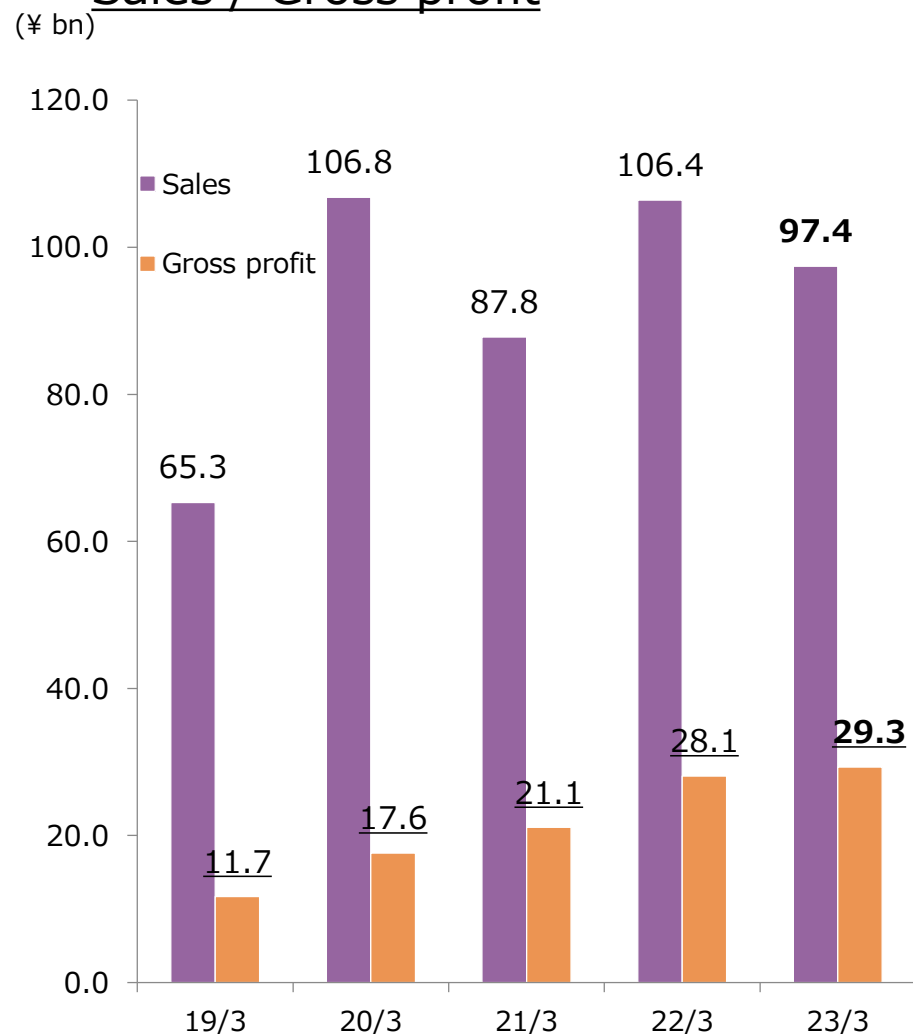
S: Start of construction C: Completion of construction

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

## (2) Commercial Real Estate: Property for sale

- ▶ Gross profit from property for sales increased to ¥29.3 bn.
- ▶ Aiming gross profit from property sales with ¥40.0 bn level per year from Phase II(FY26/3-). Acquired land equivalent to ¥133.0 bn in FY23/3 and total investment ¥823.0 bn is secured.

### Sales / Gross profit



### Land acquisition for property for sales

	Acquired Projects	Total investment
Office	4 projects	¥31.0 bn
Retail	0 projects	¥0.0 bn
Logistics	5 projects	¥102.0 bn
<b>Total</b>	<b>9 projects</b>	<b>¥133.0 bn</b>

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

### Stock for property for sales

**Total ¥823.0 bn**  
**(¥485.1 bn out of total is on Balance Sheet)**

(¥ bn)

	Completed	Under development		Total	
	Amount on BS	Amount on BS	Total investment	Amount on BS	Total investment
Office	161.8	124.5	188.0	286.3	350.0
Retail	48.7	3.6	9.0	52.3	57.0
Logistics	85.3	46.3	314.0	131.6	399.0
Other	14.8	—	—	14.8	14.0
<b>Total</b>	<b>310.6</b>	<b>174.5</b>	<b>512.0</b>	<b>485.1</b>	<b>823.0</b>

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



### (3) Overseas : Business outline

- ▶ In FY23/3, 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.
- ▶ In FY24/3, we expect to record mainly housing sales in Viet Nam.

(¥bn)	22/3 Actual ①	23/3 Actual ②	Changes ②-①	24/3 Forecast ③	Changes ③-②
Operating revenue	2.6	6.7	+4.1	5.0	-1.7
Operating profit	-0.5	2.4	+2.9		
Share of profit (loss) of entities accounted for using equity method	0.7	4.8	+4.0		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	+0.0		
<b>Business profit</b>	<b>0.2</b>	<b>7.2</b>	<b>+6.9</b>	<b>5.0</b>	<b>-2.2</b>

#### Major projects scheduled to be recorded in FY24/3



##### 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



##### Ecopark, Viet Nam (Hanoi)

Joint partner: Ecopark Corporation (Our share: 49.0%)  
 Total number: approx. 3,000 units  
 Our share: 1,350 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. ¥630.0 bn is secured.

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

Location	Project	Account method	Total number	Our share <sup>3</sup>	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 <sup>*4</sup>	Completion
Viet Nam (Ho Chi Minh City)	SUN WAH TOWER	Equity method	Office	25,977m <sup>2</sup>	1997
Viet Nam (Ho Chi Minh City)	ZEN PLAZA	Operating profit (loss)	Office	11,524m <sup>2</sup>	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 <sup>2</sup>	2022
the Philippines	Federal Land NRE Global 4 projects	Equity method	Retail, Office, etc.	Refer to the next page for details	
China (Beijing)	Beijing Fortune Building	Equity method	Office	29,799m <sup>2</sup>	1990
the United Kingdom (London)	127CXR	Operating profit (loss)	Office	approx. 5,100m <sup>2</sup> <sup>*5</sup>	2024
the United States (Portland)	Press Block project	Operating profit (loss)	Rental housing, Retail, Office	Rental housing 341 units Retail approx.1,100m <sup>2</sup> Office approx. 1,800m <sup>2</sup>	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.

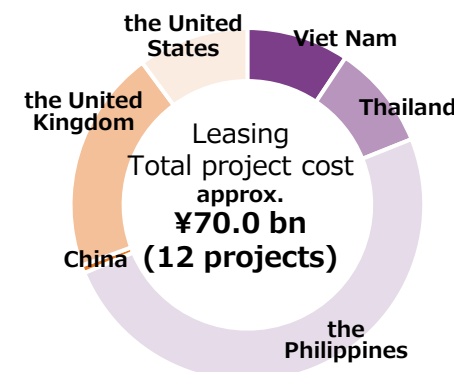
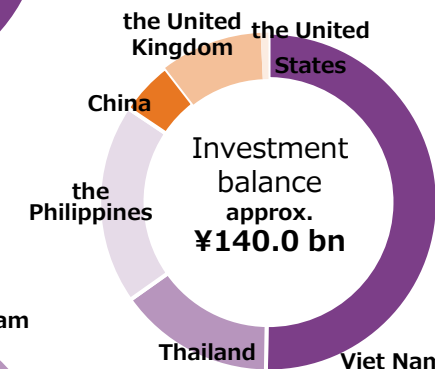
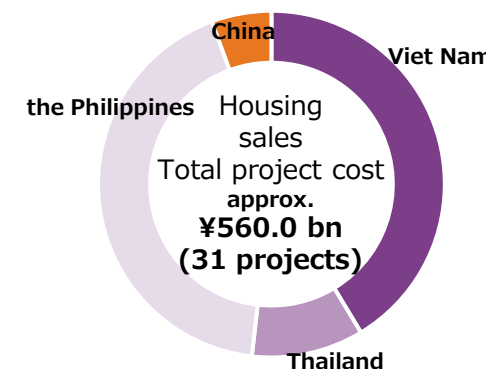
\*3 The number of our share is rounded down to the nearest 50 units. Our share partially includes the number of units that have been delivered.

\*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. ¥630.0 bn**  
 (approx. ¥140.0 bn out of total is on Balance Sheet)





(3) Overseas: Measures for growth (participated in FY23/3)

- ▶ 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: 49,570m<sup>2</sup>  
 Office: 18,005m<sup>2</sup>  
 •Construction is planned to start from 2024

**Metro Park**



•Residence: approx. 1,600 units  
 Retail facility: 23,449m<sup>2</sup>  
 Office: 13,824 m<sup>2</sup>  
 •Construction is planned to start from 2024

**Cavite**



•Residence/ Residential area development: approx. 42,000 units  
 Retail facility: 110,337m<sup>2</sup>  
 Office: 653,613m<sup>2</sup>  
 •Construction is planned to start from 2025

**Cebu**



•Condominium: approx. 940 units  
 Retail facility: 18,306m<sup>2</sup>  
 •Construction is planned to start from 2025

<Press Block project >

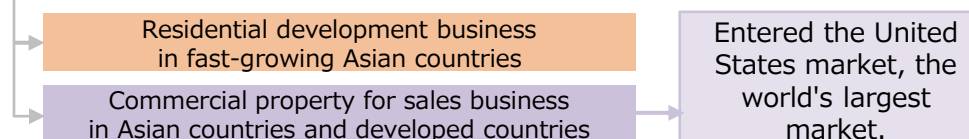
Participated in a rental housing development project in the center of Portland, the largest in the state of Oregon, the United States, through a joint venture with a local company and a Japanese company.



Rental housing: 341units  
 Office: approx. 1,800m<sup>2</sup>  
 Retail: approx. 1,100m<sup>2</sup>  
 Planned to be constructed in 2025



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

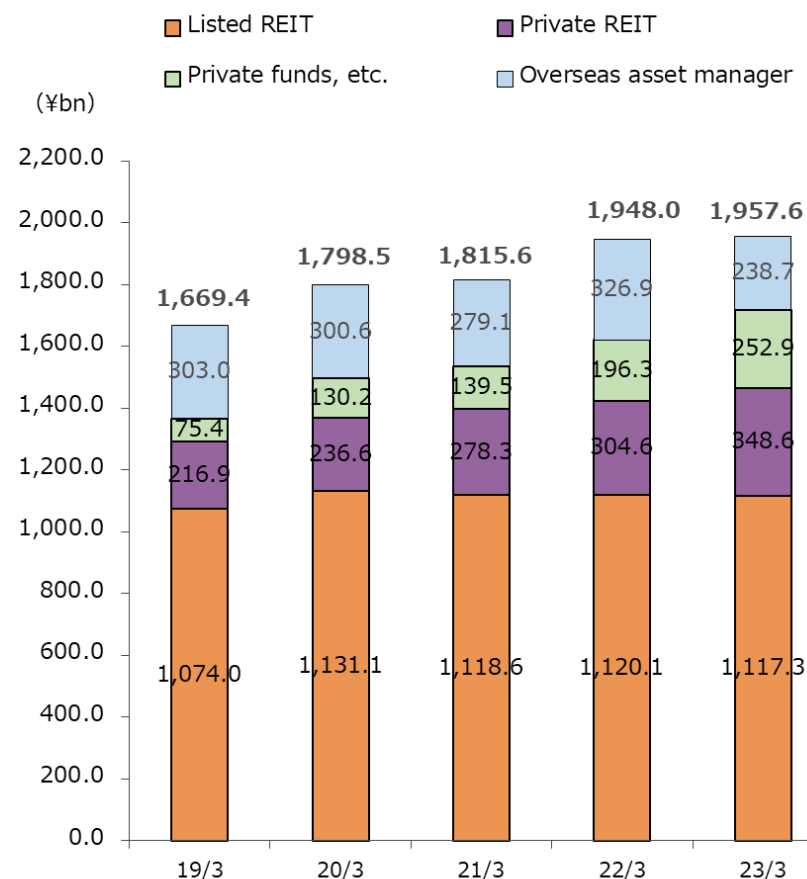


## (4) Investment Management: Business outline

- ▶ The AUM increased steadily mainly in private REIT and private funds.
- ▶ A joint venture company *Nomura Real Asset Investment* launched the real estate fund business in April 2023.

(¥bn)	22/3	23/3	Changes ②-①	24/3	Changes ③-②
	Actual	Actual		Forecast	
	①	②		③	
Operating revenue	12.8	13.6	+0.8	14.0	+0.3
Operating profit	7.5	7.7	+0.2		
Share of profit (loss) of entities accounted for using equity method	—	-0.0	-0.0		
Amortization of intangible assets associated with corporate acquisitions	0.3	0.3	+0.0		
<b>Business profit</b>	<b>7.8</b>	<b>8.0</b>	<b>+0.2</b>	<b>8.5</b>	<b>+0.4</b>
<b>Assets under management</b>	<b>1,948.0</b>	<b>1,957.6</b>	<b>+9.6</b>		
Domestic asset manager	1,621.1	1,718.9	+97.7		
Listed REIT*	1,120.1	1,117.3	-2.7		
Private REIT*	304.6	348.6	+43.9		
Private funds, etc.	196.3	252.9	+56.5		
Overseas asset manager	326.9	238.7	-88.1		

## Assets under management



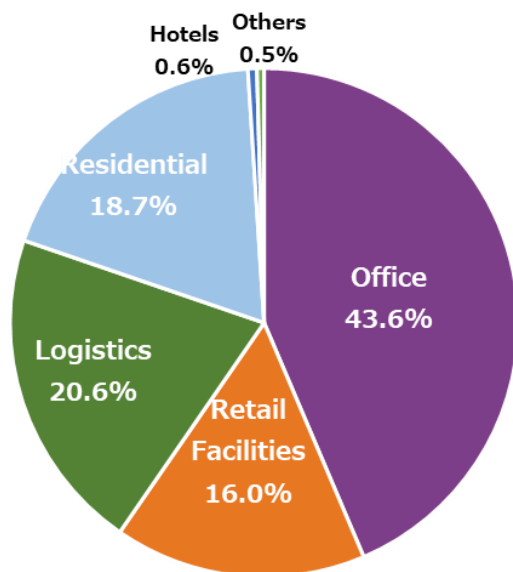
\*Assets under management of Listed REIT and private REIT is calculated by Total assets on the balance sheet (excluding unamortized goodwill) at the end of the latest fiscal period of each REIT  
 + Acquisition price of the assets acquired after the end of the period - Estimated book value of the assets disposed at the time of sales.

**(4) Investment Management: Business outline**

**MASTER FUND** 

One of the largest diversified type J-REITs

**AUM ¥1,117.3 bn (285 properties)**



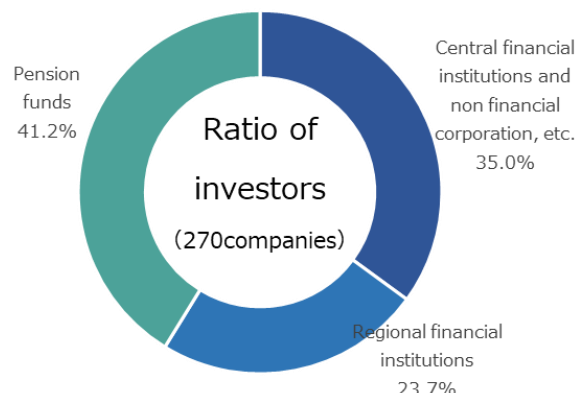
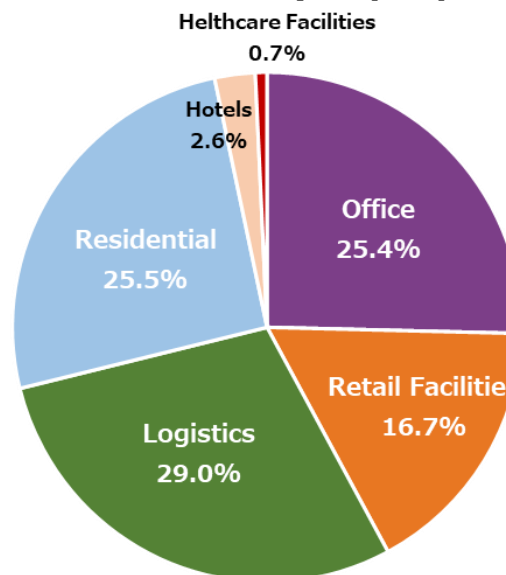
Portfolio Summary	
Occupancy rate	98.7%
Average NOI yield	5.0%
Average property age	20.7 years

\*Percentages by assets are based on the acquisition price as of the end of 2023/3.  
 \*Portfolio summary is based on the data as of the end of 2023/2 (285 properties)

**NOMURA REAL ESTATE PRIVATE REIT, INC.**

Japan's first private REIT since 2010

**AUM ¥348.6 bn (92 properties)**

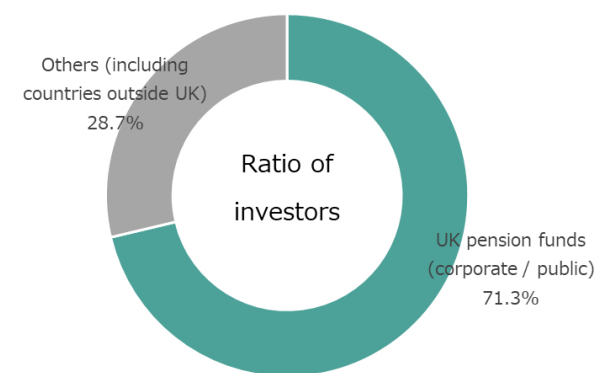
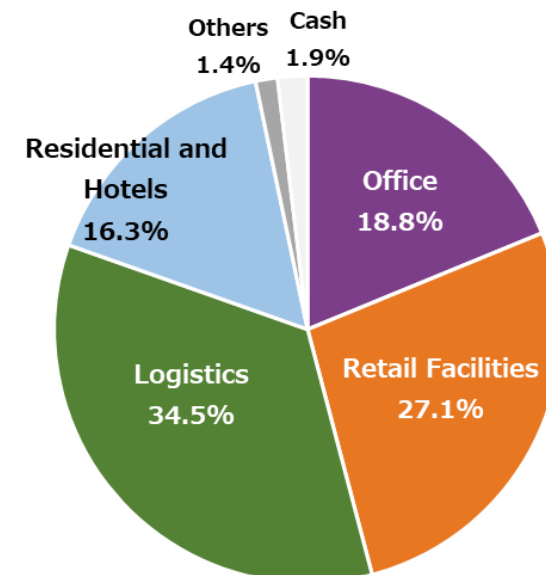


\*Percentages by assets are based on the acquisition price as of the end of 2023/3.  
 \*Ratio of investors are based on the number of investment units as of the end of 2023/3.

**Lothbury Property Trust**

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

**AUM ¥175.9 bn (40 properties)**



\*Each property's fair value is calculated by 160.00 JPY to GBP as of the end of 2022/12.  
 \*Percentages by assets are based on the fair value as of the end of 2022/12.  
 \*Ratio of investors are based on the number of investment units as of the end of 2023/12.

## (5) Property Brokerage & CRE: Business outline

- Each of the three businesses, retail, middle and wholesale progressed strongly. Achieved business profit target of ¥12.0 bn as presented in the Mid- to Long-term Business Plan Phase I (FY25/3) ahead of schedule. In FY24/3, aim to achieve the target.

(¥bn)	22/3	23/3	Changes ②-①	24/3	Changes ③-②
	Actual ①	Actual ②		Forecast ③	
Operating revenue	43.7	47.7	+3.9	46.0	-1.7
Brokerage fee (retail business)	21.8	24.0	+2.2		
Brokerage fee (middle business)	8.3	9.6	+1.2		
Brokerage fee (wholesale business)	9.6	11.5	+1.8		
Other	3.9	2.4	-1.4		
Operating profit	11.7	13.7	+2.0		
Share of profit (loss) of entities accounted for using equity method	+0.0	+0.0	+0.0		
Amortization of intangible assets associated with corporate acquisitions	—	—	—		
Business profit	11.7	13.8	+2.1	12.0	-1.8
【Brokerage indicators】					
Transaction value (¥bn)	964.8	1,060.3	+95.4		
Number of transactions	10,081	9,985	-96		
Commission fee (¥bn)	39.8	45.2	+5.4		
Commission rate (%)	4.1%	4.3%	+0.1P		
Number of branches for retail business	89	88	-1		

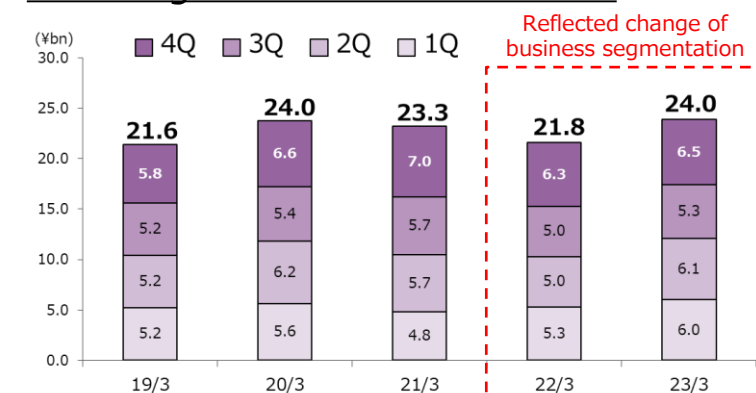
\*Retail business: Real estate brokerage business for individuals.

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

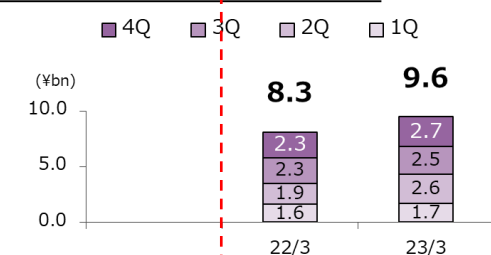
\*Wholesale business: Real estate brokerage business for large corporations, funds, and overseas investors.

\*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 have been revised.

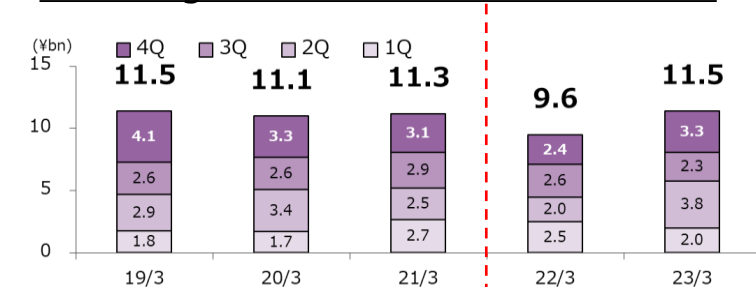
### Brokerage fee for retail business



### Brokerage fee for middle business



### Brokerage fee for wholesale business

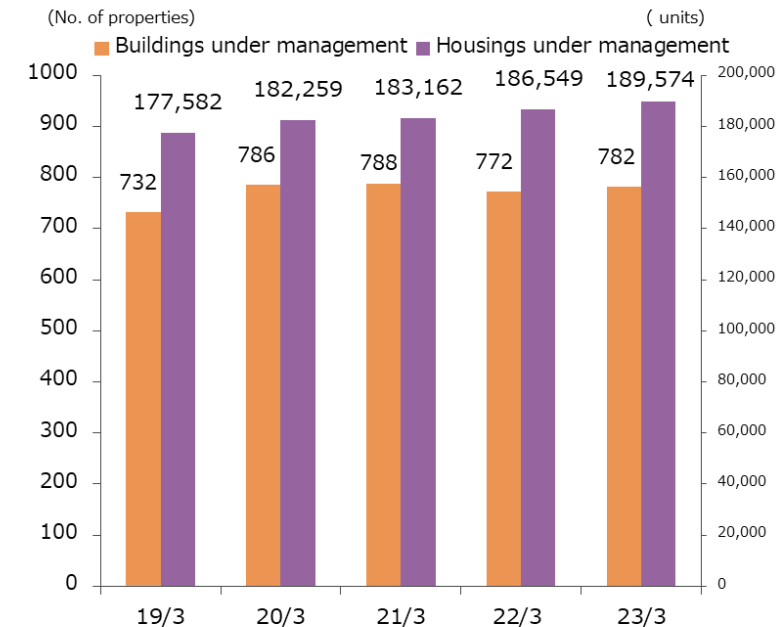


## (6) Property & Facility Management: Business outline

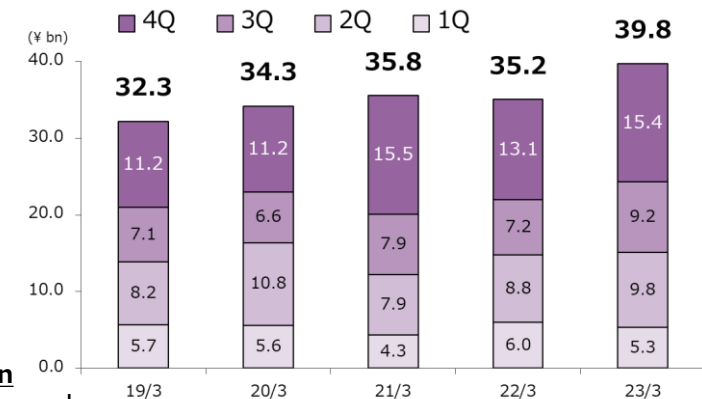
- ▶ In FY23/3, both property & facility management and construction ordered progressed steadily, resulting in increases in both operating revenue and business profit.
- ▶ Focus on DX promotion and competitive product development as growth strategies in the Mid- to Long-term Business Plan.

(¥bn)	22/3	23/3	Changes ②-①	24/3	Changes ③-②
	Actual	Actual		Forecast	
	①	②		③	
Operating revenue	99.2	105.4	+6.2	109.0	+3.5
Property & facility management	58.2	59.5	+1.2		
Construction ordered	35.2	39.8	+4.6		
Other	5.7	6.0	+0.3		
Operating profit	9.1	9.8	+0.7		
Share of profit (loss) of entities accounted for using equity method	0.0	0.0	-0.0		
Amortization of intangible assets associated with corporate acquisitions	0.0	0.0	-0.0		
Business profit	9.2	9.8	+0.6	10.0	+0.1
Building under management	772	782	+10		
Housings under management	186,549	189,574	+3,025		

### Buildings / Housings under management



### Revenue of construction ordered



#### Property & facility management —DX promotion—

#### Construction ordered —Competitive product development—

##### Kanri-roid

App for building management



##### Will TAP

App for condominium residents



Icon of app

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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Improve convenience through digital technology

### 3. Outline of the Mid- to Long-term Business Plan (disclosed in April 2022)

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## (1) Financial Targets

- ▶ Realize high profit growth, and high asset and capital efficiency. Achieve both high shareholder returns and high growth.

### Business Profit

- ▶ Realize annual average profit growth rate of **8% level**

	Phase I (FY 23/3 - FY 25/3)	Phase II (FY 26/3 - FY 28/3)	Phase III (FY 29/3 - FY 31/3)
<b>Business Profit</b>	<b>¥115.0</b> bn (FY 25/3)	<b>¥140.0</b> bn or more (FY 28/3)	<b>¥180.0</b> bn or more (FY 31/3)
Annual average business profit growth rate	<b>8% level</b>		

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

### ROA/ROE

- ▶ Pursuit of high asset and capital efficiency

	Phase I	Phase II	Phase III
<b>ROA</b>	<b>4.5%</b> level	<b>5%</b> level	<b>5%</b> or more
<b>ROE</b>	<b>9%</b> level	<b>10%</b> level	<b>10%</b> or more

\* ROA = Business profit / Average assets during the FY

### Shareholder Returns Policy

- ▶ Implement high shareholder returns

	Phase I	Phase II	Phase III
<b>Shareholders returns policy</b>	Total return ratio of <b>40-50%</b>	Payout ratio at <b>40%</b> level	

## (2) Financial Strategy (Investment and Recovery Strategy)

- ▶ Expanding net investment as well as maintaining and improving ROA and ROE for high profit growth.

(¥ bn)

	FY 23/3 Actual	Phase I (FY 23/3 - FY 25/3)	Phase II (FY 26/3 - FY 28/3)	Phase III (FY 29/3 - FY 31/3)	Total Phase I - Phase III
<b>Residential Development</b>					
Investment	270.0	850.0	850.0	900.0	2,600.0
Recovery	213.0	800.0	850.0	900.0	2,550.0
<b>Commercial Real Estate</b>					
Investment	139.0	700.0	800.0	1,000.0	2,500.0
Recovery	91.0	450.0	700.0	850.0	2,000.0
<b>Overseas</b>					
Investment	51.0	150.0	200.0	200.0	550.0
Recovery	13.0	50.0	150.0	200.0	400.0
<b>Total</b>					
Investment	460.0	1,700.0	1,850.0	2,100.0	5,650.0
Recovery	317.0	1,300.0	1,700.0	1,950.0	4,950.0
<b>Net investment</b>	<b>143.0</b>	<b>400.0</b>	<b>150.0</b>	<b>150.0</b>	<b>700.0</b>

\* Regarding the table, figures in actual FY23/3 are rounded down to the nearest ¥1.0 bn and figures in Mid- to Long-term Business Plan are rounded down to the nearest ¥50.0 bn.

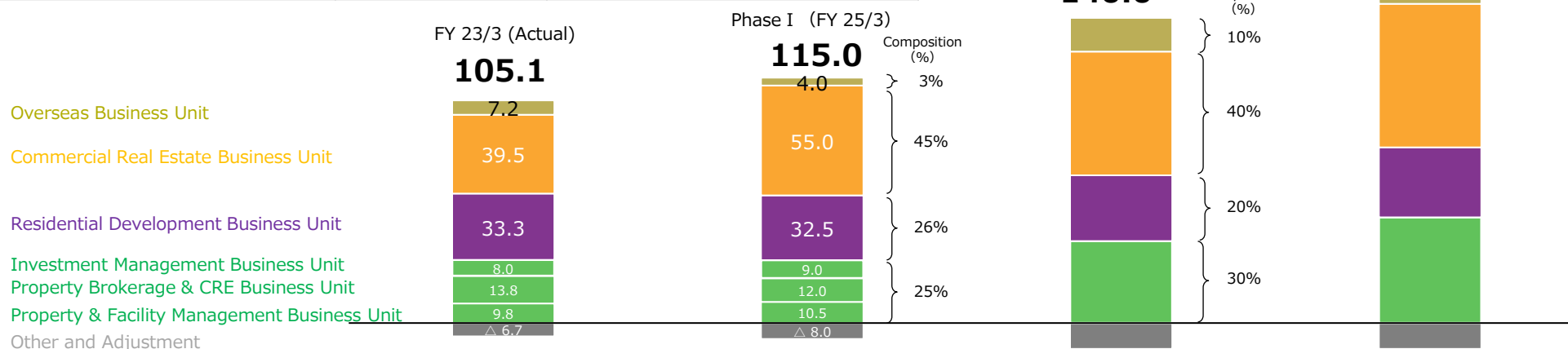


### (3) Business profit: progress and target

- ▶ Expanding business profit smoothly to achieve the target ¥115.0 bn in Mid- to Long-term Business Plan Phase I (FY25/3).

Financial Targets	FY 23/3	Phase I	Phase II	Phase III
<b>Business Profit</b>	¥105.1 bn	<b>¥115.0 bn</b> (FY 25/3)	<b>¥140.0 bn or more</b> (FY 28/3)	<b>¥180.0 bn or more</b> (FY31/3)
<b>ROA/ROE</b>	5.1%/10.1%	4.5% level/9% level	5% level/10% level	5% or more/10% or more

		FY23/3 Actual	Phase I (FY25/3)
Domestic real estate development business	Residential Development Business Unit	33.3	32.5
	Commercial Real Estate Business Unit	39.5	55.0
Service & Management Sector	Investment Management Business Unit	8.0	9.0
	Property Brokerage & CRE Business Unit	13.8	12.0
	Property & Facility Management Business Unit	9.8	10.5
Overseas Business Unit		7.2	4.0
Other and Adjustment		-6.7	-0.8



Business Profit Composition by Business Type		
Property Sales		55%
Leasing		18%
Service & Management		27%

Property Sales	approx.60%
Leasing	approx.15%
Service & Management	approx.25%

Property Sales	approx.55%
Leasing	approx.15%
Service & Management	approx.30%

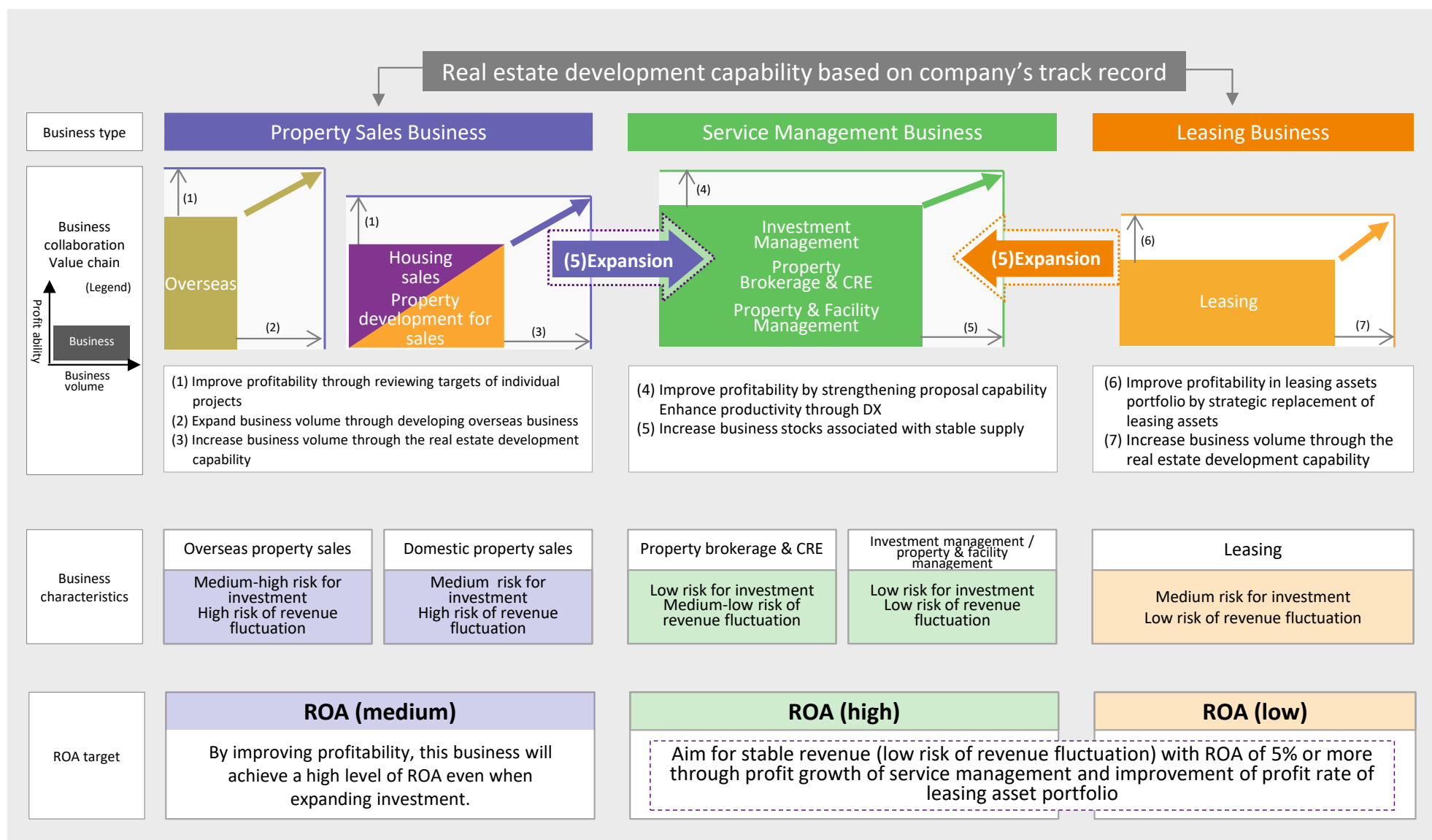
Property Sales	approx.55%
Leasing	approx.15%
Service & Management	approx.30%

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

\*2. Percentage of each Business Unit's profit is calculated based on the projected business profit, excluding other and adjustments.

## (4) Business Portfolio Strategy

- ▶ Realize business expansion and increasing profitability through business collaboration and value chain within the Group originating from development capability. Aim for ROA of 5% or more through combination of businesses with different revenue structure and risk.



## 4. Sustainability

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(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.

\*Please refer to our sustainability website for other details.

(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 <b>35%</b>	150,000 t-CO2
	• Scope3* : reduce <b>35%</b>	3,172,000 t-CO2

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

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

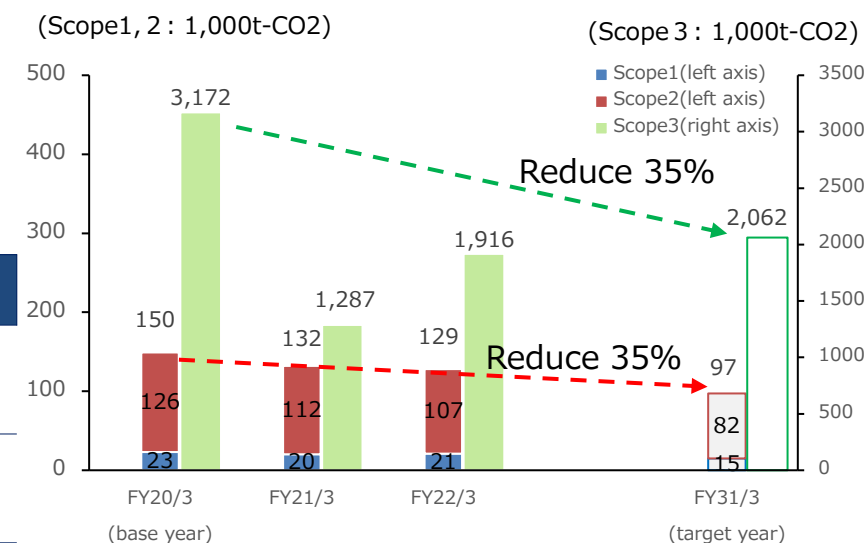
\* Electricity in Scope 1 and 2

Our business and Scope 1, 2, 3

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



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. 28,000m<sup>2</sup>), 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	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
<ul style="list-style-type: none"> <li>• Female manager and junior manager ratio: <b>20%*</b></li> <li>• Rate of acquisition of childcare leave by male and female: <b>100%</b></li> <li>• Procurement guideline survey implementation rate: <b>80%</b></li> <li>• Percentage of implementation of one-on-one meetings: <b>100%</b> etc.</li> </ul>

\*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.

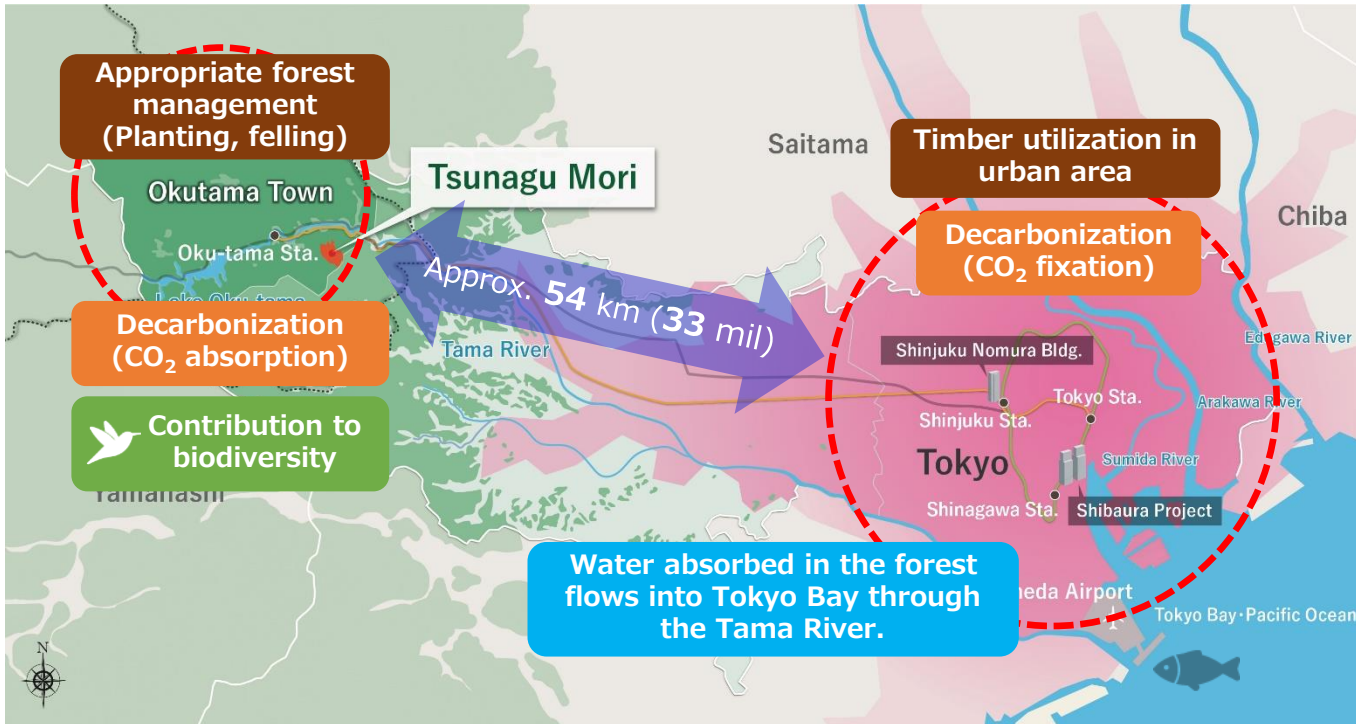
<https://www.nomura-re-hd.co.jp/english/sustainability/social/diversityandinclusion.html>



## (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 ~

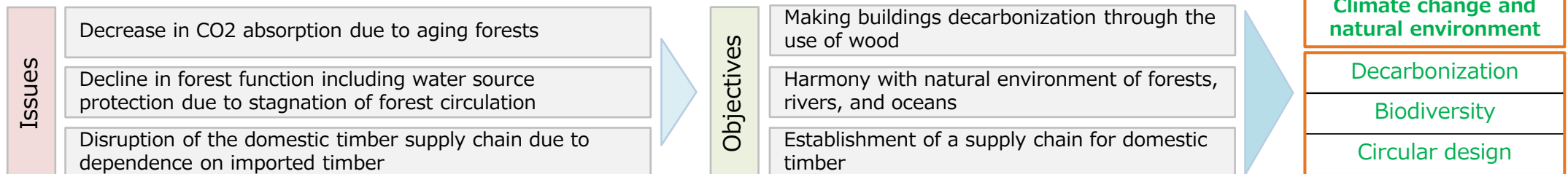


\*Distance between Shinjuku Station and Hatonosu Station

### ■ Forest Location



### ■ Significance of the Initiative





(5) Governance

▶ Corporate Governance (As of April 1, 2023)

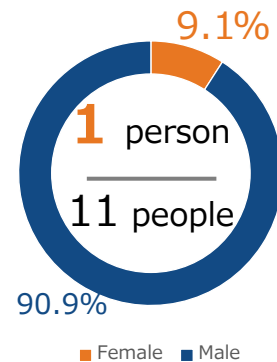
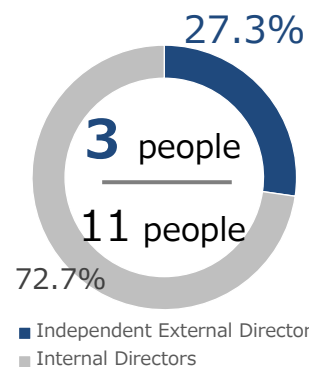
- Company with an Audit & Supervisory Committee
- Out of 11 directors, 3 are independent external directors
- Chairman of the Board of Directors is a non-executive director
- Chairman of Advisory Committee Relating to Nominations and Compensation is an independent external director
- Majority of the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

▶ Compensation of Board of Directors

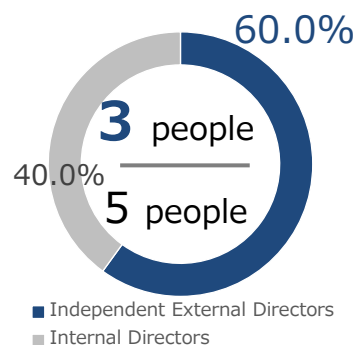
- Established a system that considers medium- to long term results. This reflects the real estate business characteristics, which has a long business period.
- Combined fixed compensation (base compensation) and variable compensation (bonus and share-based compensation(PS, RS)).
- Evaluates performance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

▶ Board of Directors

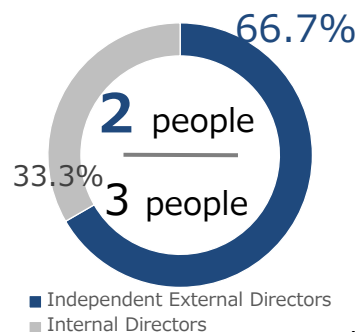
Percentage of Independent Directors/Female Directors



▶ Audit & Supervisory Committee



▶ Advisory Committee Relating to Nominations and Compensation



Compensation system overview

▶ **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.

\*Conduct an evaluation based on BEI\* from FY23/3.

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

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 resigns

\* 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.

(6) External evaluation / Signatures and agreement on initiatives

▶ Inclusion in ESG index

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

<Index adopted by GPIF>

\*From April 2023, GPIF adopted new index, Morningstar Japan ex-REIT Gender Diversity Tilt Index, which includes us.

<Other main index>

2022 CONSTITUENT MSCI JAPAN  
 ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN  
 EMPOWERING WOMEN INDEX (WIN)



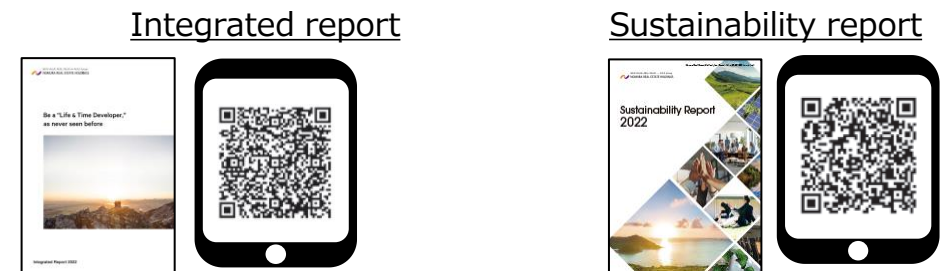
▶ Signatures and agreement on initiatives



▶ ESG evaluation

CDP Climate change	Sustainalytics	GRESB disclosure evaluation
A-	17.2	A

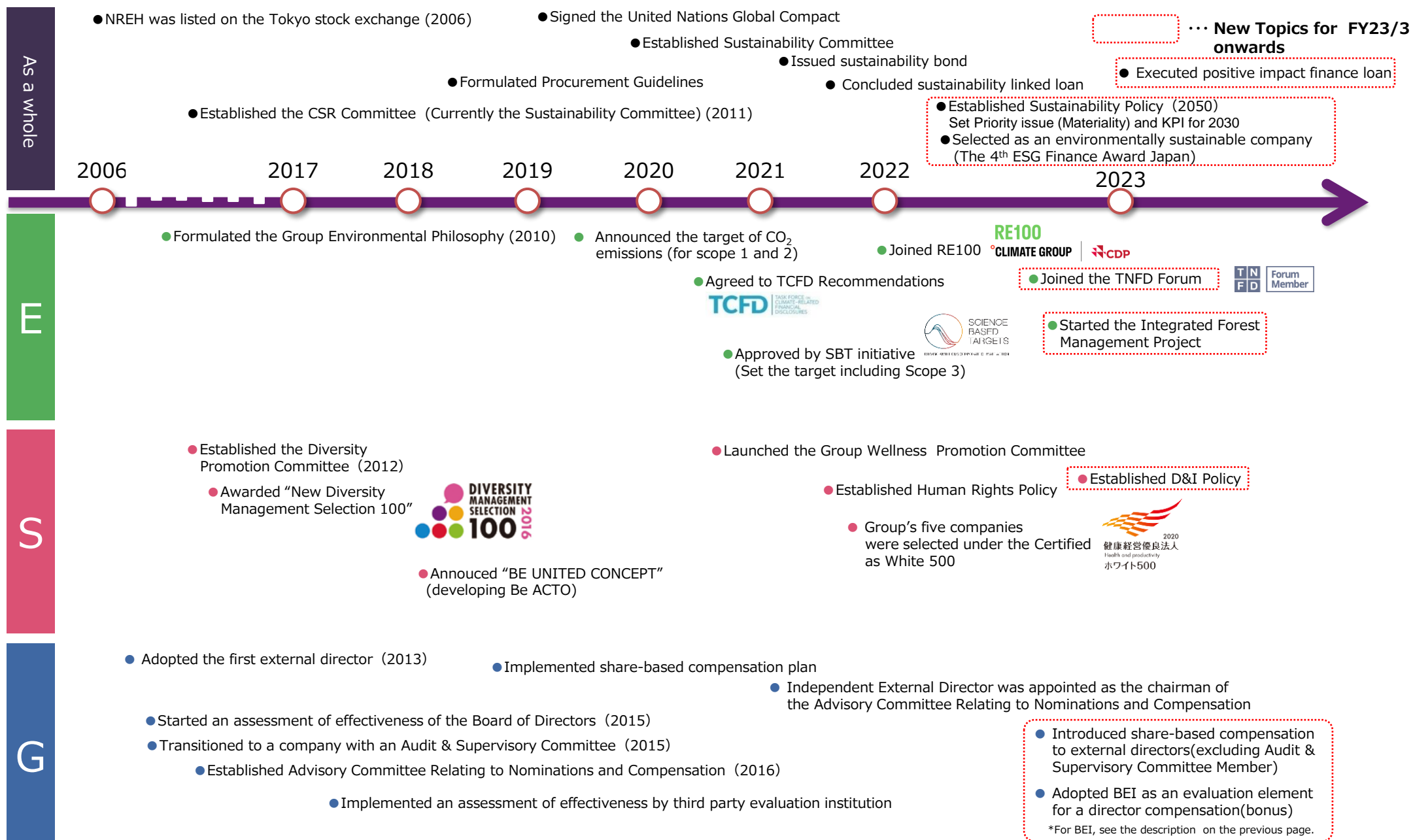
▶ Publications



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# (7) Sustainability initiatives (history)

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



## (8) Sustainable finance

- ▶ To realize sustainable society, actively implement sustainable finance initiatives.
- ▶ Previous initiatives: The aim to “procure approx. ¥200.0 bn by FY26/3” **achieved ahead of schedule (procured ¥205.5 bn)**

## ▶ Sustainability Linked Loans

Procurement amount	<b>¥181.0 bn (64 financial institutions)</b> <small>*as of the end of March 2023</small>
Procurement schedule	After Jul. 2021

## ▶ Sustainability Bond

Issue size	¥10.0 bn
Issued schedule	Feb. 26, 2021
<b>▶ DBJ Employee Health Management Rated Loan Program (highest rating)</b>	
Procurement amount	¥2.5 bn
Procurement schedule	After Mar. 2022



In addition to Sustainability Linked Loans, we expand new finance methods.

## ▶ Positive Impact Finance

Procurement amount	¥10.0 bn
Procurement schedule	After Mar. 2023
Evaluation organization	Sumitomo Mitsui Trust Banking Corporation
Feature	• A loan that comprehensively analyzes and evaluates the impacts (both positive and negative) that a company's activities have on the economy, society, and the environment.

## ▶ DBJ BCM Rated Loan Program

Procurement amount	¥ 2.0 bn
Procurement schedule	After Mar. 2023
Feature	• Rating “Companies with excellent advanced initiatives to disaster measures and BCP.”



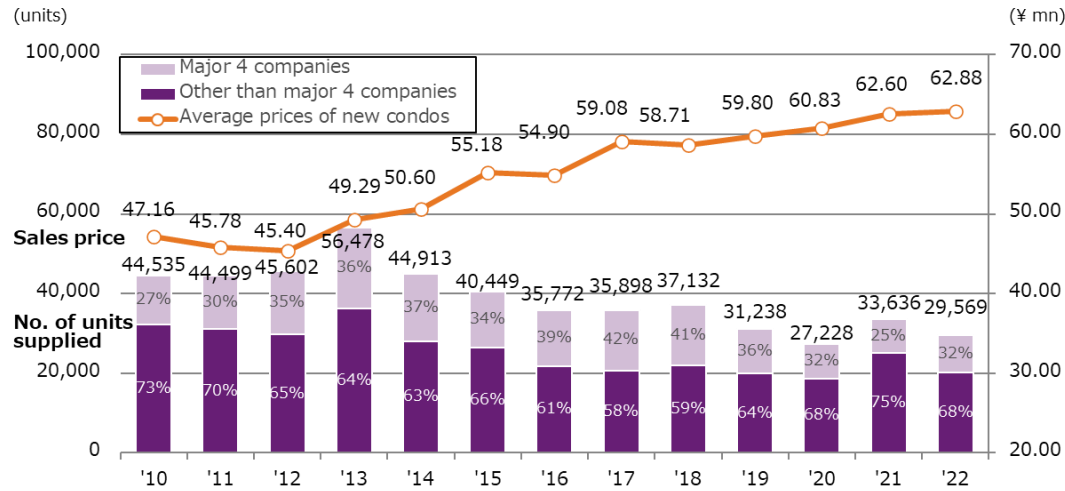
Aim to procure another **¥500.0 bn** in sustainability finance in the next five years.

## 5. Reference materials

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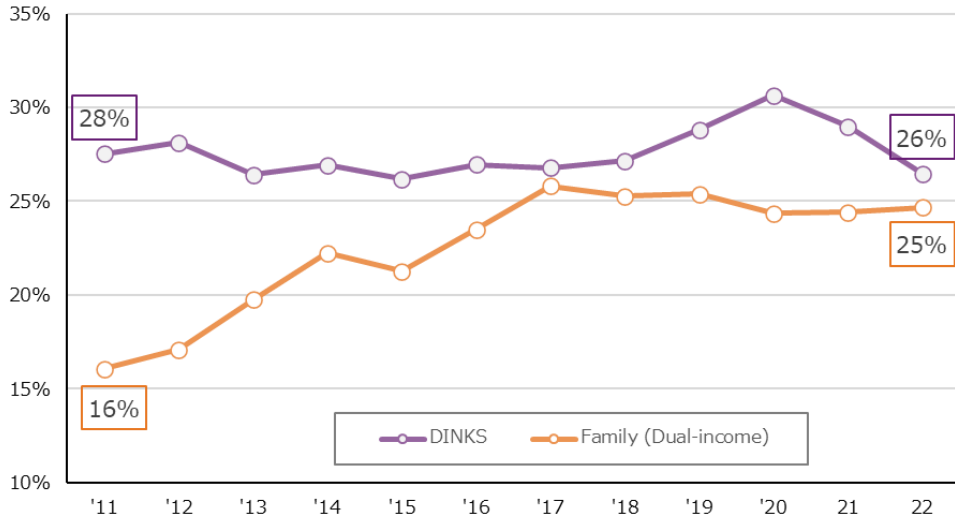
# (1) Business environment: Residential market

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



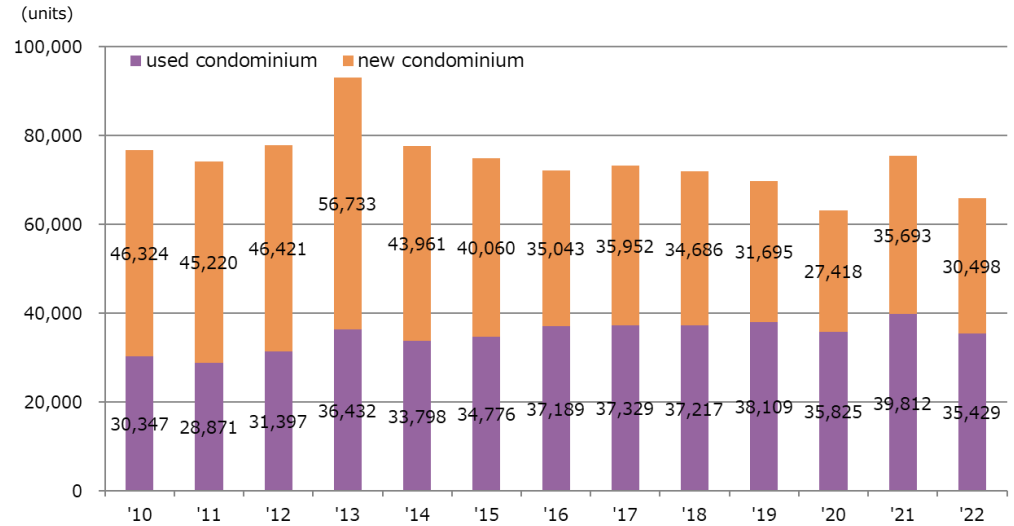
Source by Real Estate Economic Institute Co., Ltd  
 Major 4 companies; NRE, Sumitomo Realty & Development Co., Ltd., Mitsui Fudosan Co., Ltd, Mitsubishi Estate Co., Ltd.

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



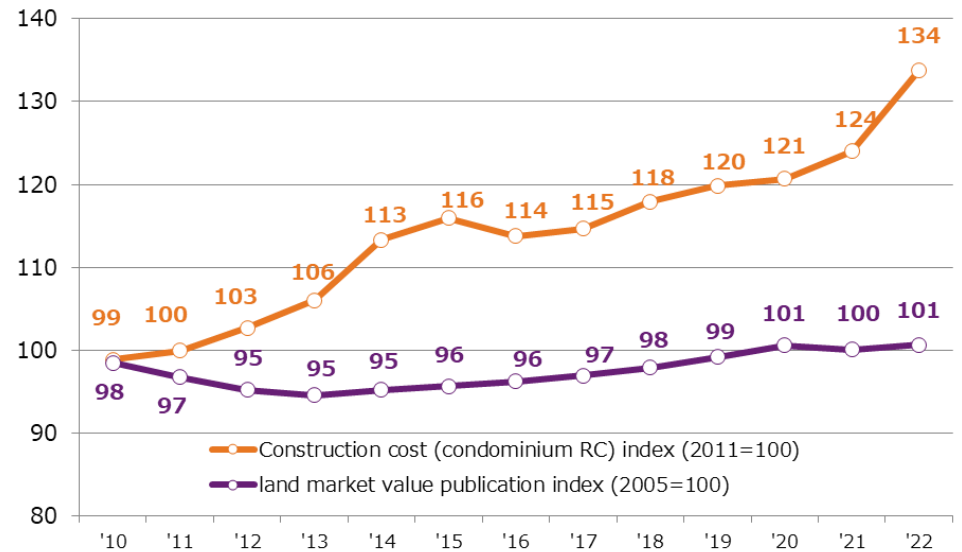
Source by NREH based on SUUMO of the survey of Tokyo Metropolitan Area's new condos contractors trend in 2022

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



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

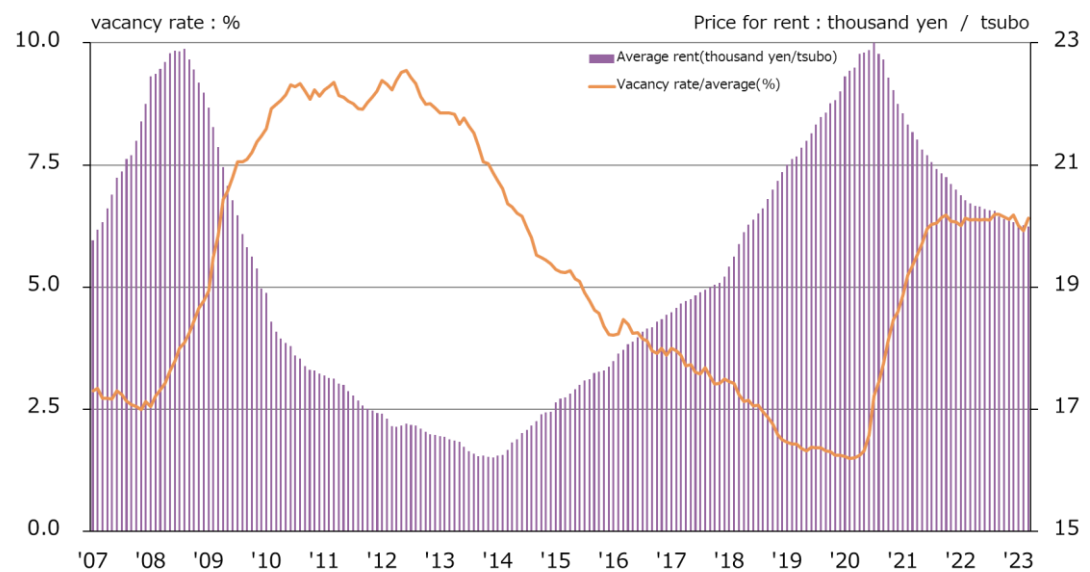
## ▶ Construction cost and land price



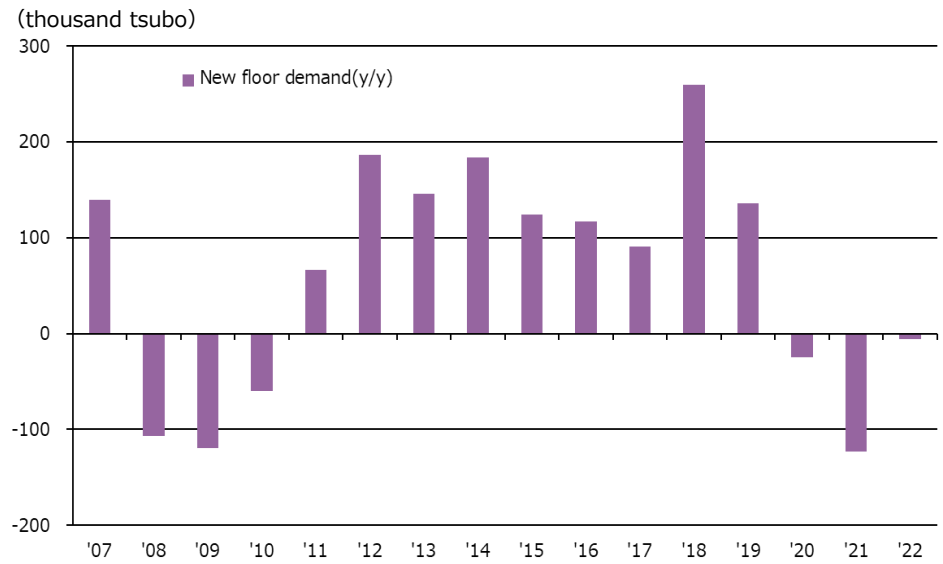
Source by Construction Research Institute, Ministry of Land, Infrastructure, Transport and Tourism.

## (2) Business environment: Office market

### ▶ Rent and vacancy rate in Tokyo central five wards

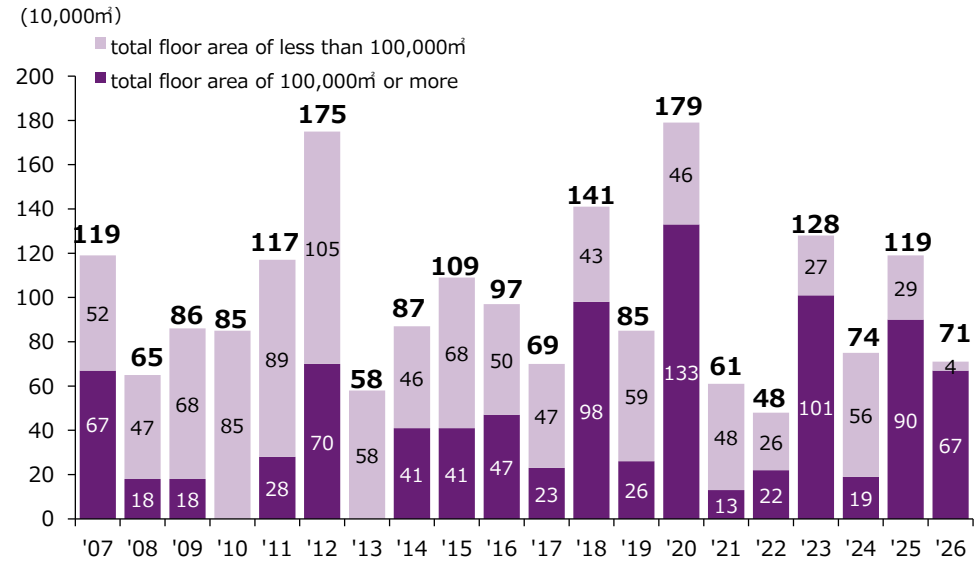


### ▶ An increasing trend in Tokyo central five wards' office rental area



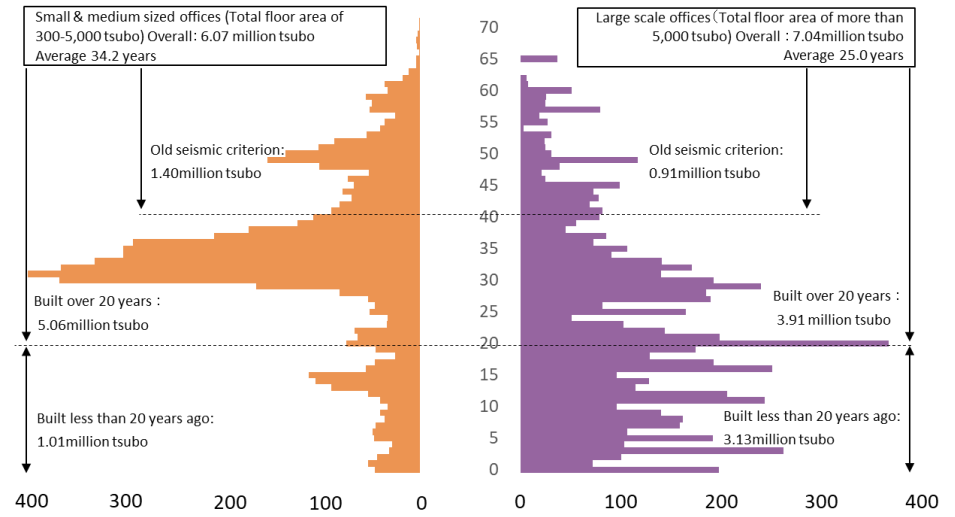
Source by NREH based on the increase amount of rent area based on the data of Miki Shoji

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



Source by NREH based on "2022 Survey of Large-scale Office Building Market in Tokyo's Core 23 Cities" (Mori Building)

### ▶ 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
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
FY24/3-	PROUD City Tamadairanomori	Hino-shi, Tokyo	637 units	637 units
FY25/3	PROUD City Musashiurawa Station Arena*	Saitama-shi, Saitama	275 units	231 units
FY25/3	PROUD Gotanda	Shinagawa-ku, Tokyo	174 units	174 units
FY25/3	PROUD Mukogaokayuen	Kawasaki-shi, Kanagawa	168 units	168 units
FY25/3	PROUD Sangubashi	Shibuya-ku, Tokyo	19 units	19 units
FY26/3-	Sagamiohno project	Sagamihara-shi, Kanagawa	687 units	687 units

### ▶ Major projects (redevelopment and rebuilding)

Schedule for sales	Property name	Location	Total number of housings	Our share
FY23/3-	PROUD TOWER Kawaguchi Cross	Kawaguchi-shi, Saitama	450 units	450 units
FY23/3-	PROUD Hankyu Tsukaguchi Station-Front	Amagasaki-shi, Hyogo	415 units	415 units
FY25/3	PROUD TOWER Hirai*	Edogawa-ku, Tokyo	268 units	188 units
FY25/3	PROUD City Kotakemukaiharu*	Itabashi-ku, Tokyo	329 units	180 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	511 units	approx.367 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.286 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
after FY27/3 (TBD)	Gihu Station north exit central west District Redevelopment*	Gihu-shi, Gihu	approx.250 units	approx.240 units
after FY27/3 (TBD)	Gihu Station north exit central east District Redevelopment*	Gihu-shi, Gihu	approx.160 units	approx.60 units

\*JV projects



PROUD TOWER Meguro MARC



PROUD Kagurazaka Hill Top



### (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	Retail, Office, Hotel. Residence, Public facility	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 + H<sup>1</sup>O.



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 <sup>1</sup> O property/ Incorporate in NRE's building and developed property's floors	Develop PMO property	Mix-use development/ Develop entire property
	 <p>Number of members: approx. <b>3,600</b> companies / approx. <b>400,000</b> people                  Number of offices: <b>248</b> including affiliated offices</p>	 <p>Number of properties including planned ones: <b>18</b></p>	 <p>Number of properties including planned ones: <b>72</b></p>	 <p>TOKYO TORANOMON GLOBAL SQUARE started operation in July 2020. Promoting large-scale mix-used development with a focus on redevelopment projects</p>



(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 40,000m<sup>2</sup>  
 Gross floor area: about 550,000m<sup>2</sup>  
 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. 18,990m<sup>2</sup>  
 Gross floor area: about 380,300m<sup>2</sup>  
 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 EX Yodoyabashi	Osaka-shi, Osaka	2022/10
7	PMO Hachobori V	Chuo-ku, Tokyo	2023/4 (plan)
8	PMO Shinbashi	Minato-ku, Tokyo	2023/4 (plan)
9	PMO Yodoyabashi (tentative name)	Osaka-shi, Osaka	2023/7 (plan)
10	PMO Ikebukuro	Toshima-ku, Tokyo	2023/8 (plan)
11	PMO Kanda Sudacho	Chiyoda-ku, Tokyo	2023/8 (plan)
12	PMO Hamamatsucho III	Minato-ku, Tokyo	2023/9 (plan)
13	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
4	H1O Shibakouen (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. 3,600 companies /  
 approx. 400,000 people  
 Number of offices: 248 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

### 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



47 properties (including plans)  
developed or under development /  
27 properties (out of 47) 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	LOGIBASE Atsugi Aikawamachi	Aiko-gun, Kanagawa	2023/1*
4	Landport Kyoto Minami	Muko-shi, Kyoto	2023/2
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	2024/1 (plan)
8	Landport Kashiwa I	Kashiwa-shi, Chiba	2024/3 (plan)

\*Warehouse building



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

	Name	Location	Net lettable area	Completion
			*Our share	
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	120,406m <sup>2</sup>	1990/1, etc.
2	Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	94,262m <sup>2</sup>	1984/3
3	LAZONA Kawasaki Toshiba Building	Saiwai-ku, Kawasaki-shi, Kanagawa	78,437m <sup>2</sup>	2013/3
4	LAZONA Kawasaki Plaza	Saiwai-ku, Kawasaki-shi, Kanagawa	46,989m <sup>2</sup>	2006/9
5	Morisia Tsudanuma	Narashino-shi, Chiba	39,579m <sup>2</sup>	1978/10
6	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	30,710m <sup>2</sup>	1978/5
7	KAMEIDO CLOCK	Koto-ku, Tokyo	26,123m <sup>2</sup>	2022/3
8	Fuchu Toshiba Building	Fuchu-shi, Tokyo	23,740m <sup>2</sup>	1993/4
9	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,247m <sup>2</sup>	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

## 6. Outline of Nomura Real Estate Group

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# (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



▶ **1990**

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

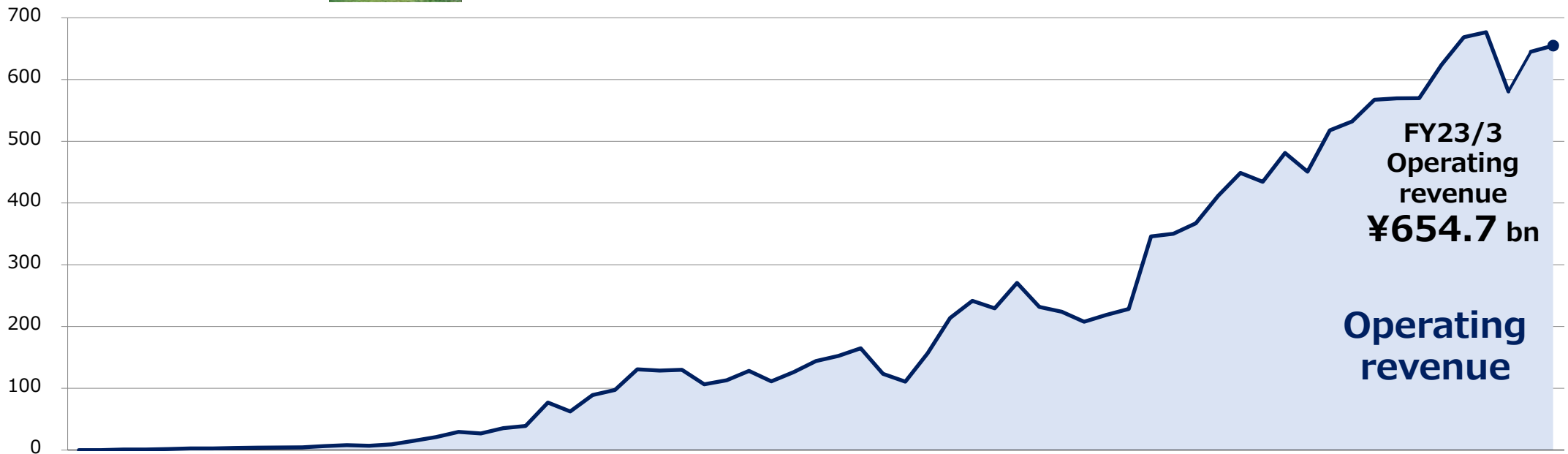


▶ **2022**

Forms Federal Land NRE Global in the Philippines, a joint venture company



(¥bn)



**FY23/3  
 Operating revenue  
 ¥654.7 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	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3	22/3	23/3
<b>Financial data</b>											
Operating revenue	¥bn	532.0	567.1	569.5	569.6	623.7	668.5	676.4	580.6	645.0	<b>654.7</b>
Business profit*1	¥bn	74.3	71.8	80.9	77.2	76.6	79.6	82.8	76.4	92.7	<b>105.1</b>
Net profit	¥bn	26.8	38.4	47.1	47.0	46.0	45.8	48.8	42.1	55.3	<b>64.5</b>
Total assets	¥bn	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	<b>2,110.6</b>
Shareholders' equity	¥bn	355.6	394.0	444.8	481.3	501.4	526.7	550.1	583.3	618.7	<b>653.3</b>
Shareholders' equity ratio	%	27.1	28.8	29.9	30.2	30.0	29.9	30.5	30.4	30.3	<b>31.0</b>
Debt/ equity ratio	times	1.7	1.6	1.6	1.7	1.8	1.7	1.6	1.7	1.7	<b>1.7</b>
Interest-bearing debt	¥bn	617.5	616.7	721.9	810.1	877.8	914.0	870.0	1,008.5	1,022.7	<b>1,121.5</b>
Interest expenses	¥bn	10.0	8.8	7.8	7.5	7.3	8.7	8.7	9.0	8.8	<b>10.2</b>
Debt/ ebitda ratio*2	times	8.5	7.5	7.6	8.6	9.4	9.8	8.6	11.0	9.4	<b>9.4</b>
Unrealized gain*3	¥bn	41.2	70.2	110.9	153.9	181.9	206.3	209.6	209.6	247.0	<b>252.5</b>
Dividend payout ratio*4	%	24.9	22.4	23.3	26.5	29.1	30.5	29.9	35.5	31.7	<b>32.9</b>
Total return ratio*5	%	24.9	22.4	23.3	26.5	50.8	41.4	46.3	45.0	44.3	<b>47.6</b>
ROA*6	%	5.6	5.5	5.8	5.1	4.7	4.6	4.7	4.1	4.7	<b>5.1</b>
ROE*7	%	7.8	10.3	11.2	10.1	9.4	8.9	9.1	7.4	9.2	<b>10.1</b>
NAV per share*8	yen/share	1,997	2,298	2,708	3,063	3,333	3,630	3,833	4,035	4,442	<b>4,764</b>
EPS	yen/share	140.7	201.28	246.42	245.1	240.89	245.99	267.21	232.53	307.81	<b>365.26</b>
DPS	yen/share	35.00	45.00	57.50	65.00	70.00	75.00	80.00	82.50	97.50	<b>120.00</b>

**Stock market index**

PER	times	15.0	14.2	9.9	7.9	10.7	8.5	6.9	12.0	10.2	<b>8.5</b>
PBR	times	1.1	1.1	0.9	0.7	1.0	0.8	0.6	0.9	0.9	<b>0.8</b>
PNAV	times	1.0	0.9	0.8	0.6	0.8	0.6	0.5	0.7	0.7	<b>0.6</b>
Total Shareholder Return*9	%	—	—	—	—	—	87.6%	76.0%	115.5%	130.1%	<b>134.8%</b>

**Key business indicator**

Revenue of housing sales	¥bn	295.9	332.9	318.7	308.9	336.8	342.0	294.3	247.6	284.0	<b>273.6</b>
Gross profit ratio of housing sales	%	21.7	21.1	21.9	21.7	19.1	19.1	20.4	22.6	23.6	<b>25.6</b>
Net Lettable area*10	m <sup>2</sup>	855,197	928,628	974,127	975,974	1,022,864	955,381	915,311	829,670	790,776	<b>697,085</b>
Vacancy rate*10	%	2.9	4.5	2.2	0.8	0.7	4.6	4.0	4.9	5.9	<b>4.8</b>
Sales amount of property for sales*11	¥bn	16.7	12.3	33.2	35.3	43.3	77.0	124.7	92.8	110.5	<b>103.8</b>
AUM(REITs and Private funds etc.)	¥bn	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	<b>1,957.6</b>
Total brokerage transaction value	¥bn	672.7	710.9	713.5	745.1	800.7	767.3	872.3	893.4	964.8	<b>1,060.3</b>
No. of housings under management	units	147,516	155,706	163,036	168,999	173,705	177,582	182,259	183,162	186,549	<b>189,574</b>

\*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 FY19/3 to the fiscal year) / Stock price as of the end of FY18/3

\*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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