

# Financial Report

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For the Fiscal Year Ended March 31, 2024

# 2024

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# Management's Discussion and Analysis

## Progress and Results of Business

Regarding the real estate market conditions, the housing sales market saw sales prices rise, as a result of continued strong demand while the number of units supplied per year in the Tokyo metropolitan area fell for the second year in a row. Background factors fueling the strong demand included stable mortgage interest rates and higher household income among buyers due to a rise in dual-income households. In the leasing office market, we saw demand for higher value-added offices in line with the diversification of work styles, and vacancy rates improved mainly in the central areas of Tokyo. In addition, in the retail facilities and hotel market, which had been severely affected by the COVID pandemic, service consumption and inbound demand continued to recover after restrictions on movement and entry into Japan were generally lifted. In the real estate investment market, although long-term interest rates are on a gradual upward trend in Japan, the volume of property transactions remained strong due to the continued good domestic fund procurement environment and strong appetite for investment among investors, and the size of the market continued to grow. The real estate brokerage market for used housing remained robust, with the number of transactions for used condominiums in the Tokyo metropolitan area proceeding at a high level and transaction prices continuing to rise, etc., due to strong demand.

In this business environment, the Nomura Real Estate Group (the "Group") posted the following consolidated performance for the fiscal year ended March 31, 2024: Operating revenue of ¥734,715 million, which represents an increase of 12.2% year on year; operating profit of ¥112,114 million, an increase of 12.6%; business profit<sup>\*1</sup> of ¥113,665 million, an increase of 8.1%; ordinary profit of ¥98,248 million, an increase of 4.4%; and profit attributable to owners of parent of ¥68,164 million, an increase of 5.6%.

## Operating Results by Segment

An overview of segment achievements is given below:

### ■ Residential Development Business Unit

Operating revenue in the Residential Development Business Unit totaled ¥351,812 million, which represents an increase of ¥49,332 million or 16.3% year on year, and business profit totaled ¥40,848 million, an increase of ¥7,514 million or 22.5%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

In regard to housing sales, 4,298 units were recorded as sales (an increase of 156 units year on year), including condominiums at PROUD TOWER Meguro MARC (Shinagawa-ku, Tokyo), PROUD CITY Toyoda Tamadaira no Mori (Hino-shi, Tokyo), and PROUD CITY Otsukyo (Otsu-shi, Shiga), and detached housing units at PROUD SEASON Hikarigaoka Grace (Nerima-ku, Tokyo).

The number of housing units contracted but not recorded as sales was 3,461 units as of the end of the fiscal year ended March 31, 2024 (a decrease of 358 units year on year) and the contract progress rate against the scheduled housing sales for the next fiscal year was 69.5% at the beginning of the fiscal year ending March 31, 2025.

As an initiative in the fiscal year ended March 31, 2024, we newly opened PROUD SEASON Gallery Komazawa. It offers a place for customers to consider a range of luxury built-for-sale detached housing in the Jonan and Josai areas of the 23 wards of Tokyo. We are actively promoting the sale of luxury built-for-sale detached housing units, for which demand is growing.

As an example of external valuation on our PROUD condominiums, we were honored with the Grand Prize in the Overall Evaluation of the SUUMO AWARD 2023.

Please note that from the fiscal year ending March 31, 2025, the hotel business, which has belonged to the Commercial Real Estate Business Unit, will now belong to the Residential Development Business Unit.

### ■ Commercial Real Estate Business Unit

Operating revenue in the Commercial Real Estate Business Unit totaled ¥223,752 million, which represents an increase of ¥24,442 million or 12.3% year on year, and business profit totaled ¥49,976 million, an increase of ¥10,447 million or 26.4%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

Construction of 20 facilities including the PMO Ginza II office building and the Landport Toda logistics facility have been completed.

The Group has large-scale mixed-use developments scheduled, including the BLUE FRONT SHIBAURA (Shibaura Project) (location: Minato-ku, Tokyo; major uses: office, commerce, hotel, and housing; scheduled for completion: South Tower in fiscal year ending March 31, 2025 and North Tower in fiscal year ending March 31, 2031), and the Nihonbashi 1-chome Central District Redevelopment (location: Chuo-ku, Tokyo; major uses: office, commerce, hotel, housing, and conference; scheduled for completion: fiscal year ending March 31, 2026).

In the fiscal year ended March 31, 2024, we completed construction of the Nomura Real Estate Tameikesanno Building, a wooden sustainable office building. This building uses wood for construction materials and for the interior, and is designed to be environmentally friendly and conducive to the wellness of people who work in the building while ensuring fire resistance and earthquake resistance. The Nomura Real Estate Tameikesanno Building was selected by the Ministry of Land, Infrastructure, Transport and Tourism for the 2021 Leading Project for Sustainable Buildings (Wooden Construction Leading Type)<sup>\*2</sup>.

\*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 This initiative by the Ministry of Land, Infrastructure, Transport and Tourism highlights leading examples of construction of large-scale wooden buildings that make extensive use of wood, a renewable recyclable resource. Its aim is to contribute to the advancement of construction techniques using wood while promoting and raising public awareness about wooden buildings.

#### ■ Overseas Business Unit

Operating revenue in the Overseas Business Unit totaled ¥4,616 million, which represents a decrease of ¥2,153 million or 31.8% year on year, and business loss totaled ¥(357) million, a decrease of ¥7,645 million, resulting in decreases in both operating revenue and business profit compared with the previous fiscal year. Share of profit (loss) of entities accounted for using equity method included in business profit in this Business Unit was ¥851 million.

In the housing sales business, sales continued to be recorded for delivery of residential condominiums of GrandPark Phase 3 in Ho Chi Minh City, Vietnam and other projects from the previous fiscal year.

In the fiscal year ended March 31, 2024, we decided to participate in The Fitzrovia, an office building development project, and to acquire 55 St James's Street, an existing office building, in London, U.K. To meet growing demand throughout Europe for environmental performance, both projects have obtained high environmental indicators.

In addition, in Manila, the Philippines, the retail facility MITSUKOSHI BGC, in a large-scale mixed-use development of housing and commercial facilities, had its grand opening. With a carefully designed exterior and interior aesthetic that conveys the uniqueness of Japan, it represents the idea of a bridge between the Philippines and Japan, and has attracted Japanese companies among its tenants.

In the mid- to long-term business plan, the Group has positioned its overseas business as a growth field. We have set a policy of investing approximately ¥550 billion in the overseas business from fiscal year ended March 31, 2023 to fiscal year ending March 31, 2031 and growing overseas business profit to a 15% or more share of our total profit.

#### ■ Investment Management Business Unit

Operating revenue in the Investment Management Business Unit totaled ¥14,356 million, which represents an increase of ¥724 million or 5.3% year on year, and business profit totaled ¥8,571 million, an increase of ¥481 million or 6.0%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

Assets under management steadily increased in the domestic REIT business with Nomura Real Estate Master Fund, Inc. (NMF) and Nomura Real Estate Private REIT, Inc. (NPR) having acquired a total of 19 properties (total transaction amount of ¥80,225 million) including MEFULL Chayamachi and PROUD FLAT Shibuya Sasazuka from Nomura Real Estate Development Co., Ltd., in addition to progress in the formation of private equity funds meeting the needs of investors.

As an initiative in the fiscal year ended March 31, 2024, Nomura Real Asset Investment Co., Ltd., a joint venture with Nomura Holdings, Inc., launched a fund management business. From the beginning, this business has various assets worth about ¥90 billion under management, including offices, housing, hotels, healthcare facilities and land. Through it, we aim to provide high-quality management services.

Furthermore, NMF received a four-star rating in the Global Real Estate Sustainability Benchmark (GRESB)<sup>\*1</sup> Real Estate Assessment and the highest A-level rating in the GRESB Public Disclosure Assessment, and NPR received the highest five-star rating in the GRESB Real Estate Assessment. The ESG initiatives and disclosures of these companies received high evaluations.

#### ■ Property Brokerage & CRE<sup>2</sup> Business Unit

Operating revenue in the Property Brokerage & CRE Business Unit totaled ¥49,588 million, which represents an increase of ¥1,888 million or 4.0% year on year, and business profit totaled ¥13,447 million, a decrease of ¥375 million or 2.7%, resulting in an increase in operating revenue and a decrease in business profit compared with the previous fiscal year.

In the retail business of this Business Unit, the Tsudanuma Center opened in January 2024, bringing the total number of branches for individual customers to 88 as of the end of the fiscal year ended March 31, 2024.

As initiatives in the fiscal year ended March 31, 2024, we have introduced a "hashtag-based floor plan search" function on our nomu.com real estate information website as a way of identifying floor plans with the features customers want. We have also started offering AI ANSWER Plus (beta version)<sup>\*3</sup>, a chat communication consultation AI service, which we co-developed with LIFULL Co., Ltd. We are using AI to offer new services and experiences in our provision of real estate information.

Furthermore, we have started operating an official nomu.com LINE account. Through LINE, which is used by around 80% of the population in Japan, we share regular content such as recommended properties and mortgage loans, and customers can also book property tours.

We offer customers greater convenience in their search for a home.

#### ■ Property & Facility Management Business Unit

Operating revenue in the Property & Facility Management Business Unit totaled ¥108,190 million, which represents an increase of ¥2,716 million or 2.6% year on year, and business profit totaled ¥10,088 million, an increase of ¥209 million or 2.1%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

As of the end of the fiscal year ended March 31, 2024, the number of buildings under management was 794 buildings (up 12 from the end of the previous fiscal year), and the number of condominiums under management was 193,959 units (up 4,385).

As initiatives in the fiscal year ended March 31, 2024, our approach for Urbanity Oji, which this Business Unit manages under contract, was selected as a pioneering regeneration model type (repair work support) in the 2023 model project for extending the life of condominium stock, which is supported by the Ministry of Land, Infrastructure, Transport and Tourism. We also received the highest award in the construction and maintenance category of the Condominium Value Up Award 2023 sponsored by the Condominium Management Companies Association. These initiatives improve the soundness of repair reserve funds needed to properly maintain and manage aging condominiums, whose numbers are set to rise sharply in Japan in the near future. The pioneering approach and ingenuity of the initiatives for prolonging the lifespan of condominiums have earned strong praise.

Furthermore, we received the Grand Prize in the overall evaluation in the customer satisfaction ranking of the SUUMO AWARD 2023 (Condominium Management Company category of Kansai Area). In addition, we also received the Grand Prize / Excellence award in three other categories, including the Hospitality category.

#### ■ Other

Operating revenue totaled ¥280 million, which represents a decrease of ¥1 million year on year, and business profit totaled ¥161 million, an increase of ¥13 million year on year.

\*1 GRESB is an annual benchmark assessment that measures ESG considerations for property companies and funds.

\*2 Corporate Real Estate. Real estate strategy support services for enterprises (such as consulting on the effective utilization and trading of real estate).

\*3 Notes on the beta version: The beta version may differ from the official version. We do not guarantee that the same features, services, design, performance, etc. that are provided in the official version will be provided in the beta version.

## Analysis of Financial Position

### ■ Assets

Total assets were ¥2,251,456 million, which represents an increase of ¥140,762 million compared with the end of the previous fiscal year. This was mainly because investment securities increased by ¥36,918 million, construction in progress increased by ¥28,246 million, advance payments to suppliers increased by ¥28,111 million, and cash and deposits increased by ¥25,879 million.

### ■ Liabilities

Total liabilities were ¥1,559,015 million, which represents an increase of ¥104,059 million compared with the end of the previous fiscal year. This was mainly because interest-bearing debt increased by ¥71,179 million, notes and accounts payable - trade increased by ¥12,845 million, and deposits received increased by ¥10,296 million.

### ■ Net Assets

Net assets were ¥692,440 million, which represents an increase of ¥36,702 million compared with the end of the previous fiscal year. This was mainly because retained earnings increased by ¥45,088 million, while the Company acquired treasury shares (decreased by ¥6,447 million).

The shareholders' equity ratio was 30.7%, a decrease of 0.3 percentage point from the end of the previous fiscal year.

## Cash Flows

### ■ Cash Flows From Operating Activities

Net cash provided by (used in) operating activities increased by ¥70,878 million (a year-on-year increase of ¥113,687 million). This was mainly because profit before income taxes of ¥96,653 million was recorded, while income taxes were paid.

### ■ Cash Flows From Investing Activities

Net cash provided by (used in) investing activities decreased by ¥83,638 million (a year-on-year decrease of ¥20,741 million). This was mainly due to the purchases of property, plant and equipment and intangible assets, and investment securities, despite the sales and liquidation of property, plant and equipment and intangible assets, and investment securities.

### ■ Cash Flows From Financing Activities

Net cash provided by (used in) financing activities increased by ¥39,921 million (a year-on-year decrease of ¥25,753 million). This was mainly due to the fund procurement by long-term borrowings, despite the payment of dividends and the redemption of bonds.

## Facilities Situation

In the fiscal year ended March 31, 2024, the Group's total capital investments amounted to ¥66,059 million, including 55 St James's Street (London, UK) and BLUE FRONT SHIBAURA (Shibaura Project, Minato-ku, Tokyo).

The breakdown of capital investment by Business Unit is as follows.

| Business Unit (Millions of yen)  | Previous fiscal year<br>(April 1, 2022 to<br>March 31, 2023) | Current fiscal year<br>(April 1, 2023 to<br>March 31, 2024) | Change  |
|----------------------------------|--|---|---------|
| Residential Development          | ¥ 2,103  | ¥ 1,930   | ¥ (172) |
| Commercial Real Estate           | 28,806   | 45,356  | 16,550  |
| Overseas                         | 948  | 14,987  | 14,038  |
| Investment Management            | 25   | 4   | (20)    |
| Property Brokerage and CRE       | 947  | 1,575   | 628     |
| Property and Facility Management | 251  | 961   | 710     |
| Other                            | 0  | 2   | 2       |
| Subtotal                         | 33,082   | 64,818  | 31,736  |
| Adjustments                      | 2,058  | 1,241   | (816)   |
| Total                            | ¥35,140  | ¥66,059   | ¥30,919 |

The following facilities, for which construction was still in progress at the end of the previous fiscal year, were completed in the fiscal year ended March 31, 2024.

| Company Name                             | Property Name<br>(Location)                             | Business<br>Unit       | Major Use | Size of Construction or Details of Facility, etc.                      | Area (m <sup>2</sup> )       | Book Value<br>(Millions of<br>yen) |
|--|---|------------------------|-----------|--|------------------------------|------------------------------------|
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Tameikesanno Building (Minato-ku, Tokyo) | Commercial Real Estate | Office    | Steel-framed construction, 1 floor below ground, 9 floors above ground | Building: 5,402<br>Land: 690 | ¥7,787                             |

The following facilities were acquired in the fiscal year ended March 31, 2024.

| Company Name  | Property Name<br>(Location)                                      | Business<br>Unit       | Major Use                             | Size of Construction or Details of Facility, etc.                      | Area (m <sup>2</sup> )       | Book Value<br>(Millions of<br>yen) |
|---|--|------------------------|---------------------------------------|--|------------------------------|------------------------------------|
| Nomura Real Estate Development Co., Ltd.                | NOHGA HOTEL SHINJUKU GYOEN (tentative name) (Shinjuku-ku, Tokyo) | Commercial Real Estate | Land slated for building construction | —  | Land: 619                    | ¥9,879                             |
| NREA 55 St James's Street 1 Limited and 1 other company | 55 St James's Street (London, UK)                                | Overseas               | Office                                | Steel-framed construction, 1 floor below ground, 7 floors above ground | Building: 2,472<br>Land: 436 | ¥12,161                            |

The following facility was sold during the fiscal year ended March 31, 2024.

| Company Name                             | Property Name<br>(Location)             | Business<br>Unit       | Major Use   | Size of Construction or Details of Facility, etc.  | Area (m <sup>2</sup> )           | Book Value<br>(Millions of<br>yen) |
|--|---|------------------------|-------------|--|----------------------------------|------------------------------------|
| Nomura Real Estate Development Co., Ltd. | Creare Toshiba Fuchu (Fuchu-shi, Tokyo) | Commercial Real Estate | Residential | Reinforced concrete construction (partially steel-framed reinforced concrete construction), 10 floors above ground | Building: 26,352<br>Land: 20,590 | ¥4,756                             |

## Major Facilities and Equipment

Major facilities and equipment in the Nomura Real Estate Group (Nomura Real Estate Holdings, Inc. and its consolidated subsidiaries) are as follows.

### (1) Commercial Real Estate Business Unit

#### 1) Office and retail facilities, etc.

| Company Name                             | Property Name (Location)  | Major Use                             | Size of Construction or Details of Facility, etc.  | Total Floor Area (m <sup>2</sup> ) | Completion or [Time of Acquisition] | Land Area (m <sup>2</sup> ) | Book Value (Millions of yen) |          |       |          |
|--|---|---------------------------------------|--|------------------------------------|-------------------------------------|-----------------------------|------------------------------|----------|-------|----------|
|  |   |                                       |  |                                    |                                     |                             | Building                     | Land     | Other | Total    |
| Nomura Real Estate Development Co., Ltd. | Hamamatsucho Building / Toshiba Building (Minato-ku, Tokyo)               | Office                                | Steel-framed reinforced concrete construction (partially steel-framed and reinforced concrete construction), 3 floors below ground, 39 floors above ground | 158,732                            | March 1984                          | 33,921                      | ¥7,546                       | ¥129,809 | ¥315  | ¥137,671 |
| Nomura Real Estate Development Co., Ltd. | Yokohama Business Park <sup>2</sup> (Hodogaya-ku, Yokohama-shi, Kanagawa) | Office                                | Steel-framed construction (partially steel-framed reinforced concrete construction), 2 floors below ground, 21 floors above ground, 11 other buildings     | 245,200                            | Mainly February 1990                | 70,693                      | 24,065                       | 14,557   | 654   | 39,277   |
| Nomura Real Estate Development Co., Ltd. | KAMEIDO CLOCK <sup>2,3</sup> (Koto-ku, Tokyo)                             | Retail facility                       | Steel-framed construction (partially reinforced concrete and steel-framed reinforced concrete construction), 1 floor below ground, 6 floors above ground   | 55,491                             | March 2022                          | 8,622                       | 13,567                       | 21,391   | 810   | 35,769   |
| Nomura Real Estate Development Co., Ltd. | TOKYO TORANOMON GLOBAL SQUARE <sup>4</sup> (Minato-ku, Tokyo)             | Office                                | Steel-framed construction (partially steel-framed reinforced concrete construction), 4 floors below ground, 24 floors above ground                         | 20,860                             | June 2020                           | 1,183                       | 10,841                       | 22,187   | 248   | 33,277   |
| Nomura Real Estate Development Co., Ltd. | LAZONA Kawasaki Toshiba Building (Saiwai-ku, Kawasaki-shi, Kanagawa)      | Office                                | Steel-framed construction, 15 floors above ground  | 98,428                             | March 2013                          | 9,764                       | 10,225                       | 22,245   | 482   | 32,953   |
| Nomura Real Estate Development Co., Ltd. | Nihonbashi Muromachi Nomura Building (Chuo-ku, Tokyo)                     | Office                                | Steel-framed construction (partially reinforced concrete and steel-framed reinforced concrete construction), 5 floors below ground, 21 floors above ground | 44,989                             | September 2010                      | 2,737                       | 10,170                       | 19,227   | 289   | 29,688   |
| Nomura Real Estate Development Co., Ltd. | Former Nomura Fudosan Nihonbashi-honcho Building (Chuo-ku, Tokyo)         | Land slated for building construction | —  | —                                  | —                                   | 3,196                       | —                            | 23,436   | —     | 23,436   |
| Nomura Real Estate Development Co., Ltd. | Shinjuku Nomura Building <sup>2,4</sup> (Shinjuku-ku, Tokyo)              | Office                                | Steel-framed reinforced concrete construction (partially reinforced concrete and steel-framed construction), 5 floors below ground, 50 floors above ground | 58,512                             | May 1978                            | 4,639                       | 5,114                        | 16,303   | 197   | 21,615   |
| Nomura Real Estate Development Co., Ltd. | HOTEL NIWA TOKYO (Chiyoda-ku, Tokyo)                                      | Hotel                                 | Steel-framed construction (partially steel-framed reinforced concrete construction), 16 floors above ground, 2 other buildings                             | 9,280                              | March 2009                          | 1,710                       | 2,905                        | 16,515   | 118   | 19,539   |
| Midosuji Mirai Development, LLC          | Midosuji Nomura Building <sup>2</sup> (Chuo-ku, Osaka-shi, Osaka)         | Office                                | Steel-framed construction (partially reinforced concrete construction), 2 floors below ground, 14 floors above ground                                      | 20,420                             | February 2009                       | 1,939                       | 3,080                        | 15,707   | 10    | 18,798   |

| Company Name                             | Property Name (Location)   | Major Use                             | Size of Construction or Details of Facility, etc.  | Total Floor Area (m <sup>2</sup> ) | Completion or [Time of Acquisition] | Land Area (m <sup>2</sup> ) | Book Value (Millions of yen) |         |       |         |
|--|--|---------------------------------------|--|------------------------------------|-------------------------------------|-----------------------------|------------------------------|---------|-------|---------|
|  |  |                                       |  |                                    |                                     |                             | Building                     | Land    | Other | Total   |
| Nomura Real Estate Development Co., Ltd. | Morisia Tsudanuma <sup>2</sup> (Narashino-shi, Chiba)  | Retail facility                       | Steel-framed reinforced concrete construction (partially reinforced concrete construction), 3 floors below ground, 12 floors above ground, 1 other building                | 105,491                            | Mainly October 1978                 | 19,194                      | ¥364                         | ¥16,885 | ¥24   | ¥17,273 |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Ginza Building <sup>4</sup> (Chuo-ku, Tokyo)                                  | Office                                | Steel-framed reinforced concrete construction (partially reinforced concrete and steel-framed construction), 5 floors below ground, 17 floors above ground                 | 13,641                             | March 1982                          | 1,624                       | 1,693                        | 11,565  | 19    | 13,278  |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Shibadaimon Building (Minato-ku, Tokyo)                                       | Office                                | Steel-framed construction (partially steel-framed reinforced concrete construction), 2 floors below ground, 11 floors above ground   | 15,700                             | April 2010                          | 2,447                       | 2,391                        | 10,650  | 45    | 13,087  |
| Nomura Real Estate Development Co., Ltd. | Toshiba Hamamatsucho Building (Minato-ku, Tokyo)   | Office                                | Steel-framed reinforced concrete construction, 8 floors above ground   | 13,482                             | July 1974                           | 2,907                       | 341                          | 10,956  | 1     | 11,299  |
| Nomura Real Estate Development Co., Ltd. | NOHGA HOTEL KIYOMIZU KYOTO (Higashiyama-ku, Kyoto-shi, Kyoto)                                | Hotel                                 | Steel-framed construction (partially reinforced concrete construction), 1 floor below ground, 6 floors above ground  | 8,906                              | January 2022                        | 2,514                       | 3,542                        | 6,885   | 431   | 10,858  |
| Nomura Real Estate Development Co., Ltd. | SOCOLA Minamigyotoku <sup>2</sup> (Ichikawa-shi, Chiba)                                      | Retail facility                       | Steel-framed construction (partially reinforced concrete construction), 2 floors below ground, 2 floors above ground   | 35,612                             | April 2000                          | 16,503                      | 5,741                        | 4,942   | 146   | 10,830  |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Otemachi North Building (Chiyoda-ku, Tokyo)                                   | Office                                | Steel-framed construction (partially reinforced concrete construction), 1 floor below ground, 10 floors above ground   | 7,768                              | June 2021                           | 886                         | 3,269                        | 7,472   | 58    | 10,799  |
| Nomura Real Estate Development Co., Ltd. | NOHGA HOTEL SHINJUKU GYOEN (tentative name) (Shinjuku-ku, Tokyo)                             | Land slated for building construction | —  | —                                  | [January 2024]                      | 619                         | —                            | 9,879   | —     | 9,879   |
| Nomura Real Estate Development Co., Ltd. | bono Sagamiono Shopping Center <sup>4</sup> (Minami-ku, Sagami-hara-shi, Kanagawa)           | Retail facility                       | Reinforced concrete construction (partially steel-framed construction), 1 floor below ground, 11 floors above ground   | 43,059                             | January 2013                        | 5,797                       | 4,120                        | 4,649   | 67    | 8,837   |
| Nomura Real Estate Development Co., Ltd. | Fuchu Toshiba Building (Fuchu-shi, Tokyo)  | Office                                | Steel-framed construction (partially steel-framed reinforced concrete and reinforced concrete construction), 1 floor below ground, 8 floors above ground, 1 other building | 32,299                             | April 1993                          | 8,290                       | 2,719                        | 5,247   | 28    | 7,995   |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Tameikesanno Building (Minato-ku, Tokyo)                                      | Office                                | Steel-framed construction, 1 floor below ground, 9 floors above ground   | 5,402                              | October 2023                        | 690                         | 2,408                        | 5,311   | 67    | 7,787   |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Midousujihoncho Building / Toshiba Osaka Building (Chuo-ku, Osaka-shi, Osaka) | Office                                | Steel-framed reinforced concrete construction, 4 floors below ground, 10 floors above ground   | 15,220                             | October 1965                        | 1,307                       | 878                          | 5,989   | 5     | 6,873   |



| Company Name                             | Property Name (Location)   | Major Use                             | Size of Construction or Details of Facility, etc.  | Total Floor Area (m <sup>2</sup> ) | Completion or [Time of Acquisition] | Land Area (m <sup>2</sup> ) | Book Value (Millions of yen) |        |       |        |
|--|--|---------------------------------------|--|------------------------------------|-------------------------------------|-----------------------------|------------------------------|--------|-------|--------|
|  |  |                                       |  |                                    |                                     |                             | Building                     | Land   | Other | Total  |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Midosuji Building / NREG Midosuji Building (Chuo-ku, Osaka-shi, Osaka)              | Office                                | Steel-framed reinforced concrete construction, 2 floors below ground, 10 floors above ground   | 21,007                             | April 1974                          | 2,366                       | ¥1,038                       | ¥5,768 | ¥11   | ¥6,817 |
| Nomura Real Estate Development Co., Ltd. | Nihonbashi 1-chome Central District Urban Area Redevelopment Project <sup>6</sup> (Chuo-ku, Tokyo) | Land slated for building construction | —  | —                                  | [March 2008]                        | 18,996                      | —                            | 6,161  | —     | 6,161  |
| Nomura Real Estate Development Co., Ltd. | NREG Kawasaki Logistics Center (Kawasaki-ku, Kawasaki-shi, Kanagawa)                               | Logistics facility                    | Reinforced concrete construction (partially steel-framed construction), 5 floors above ground  | 49,046                             | March 2014                          | 27,866                      | 2,798                        | 3,109  | 246   | 6,154  |
| Nomura Real Estate Development Co., Ltd. | NOHGA HOTEL AKIHABARA TOKYO (Chiyoda-ku, Tokyo)  | Hotel                                 | Steel-framed construction, 10 floors above ground  | 4,016                              | June 2020                           | 663                         | 1,508                        | 4,169  | 222   | 5,900  |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Ichigaya Building (Chiyoda-ku, Tokyo)   | Office                                | Steel-framed reinforced concrete construction, 2 floors below ground, 9 floors above ground  | 6,753                              | January 1982                        | 1,220                       | 2,390                        | 3,182  | 5     | 5,579  |
| Nomura Real Estate Development Co., Ltd. | SOCOLA Musashikoganei Cross <sup>7</sup> <sup>8</sup> (Koganei-shi, Tokyo)                         | Retail facility                       | Reinforced concrete construction (partially steel-framed construction), 4 floors above ground  | 10,040                             | March 2020                          | 1,643                       | 3,812                        | 1,301  | 142   | 5,256  |
| Nomura Real Estate Development Co., Ltd. | Tsurumi Toshiba Building (Tsurumi-ku, Yokohama-shi, Kanagawa)                                      | Office                                | Steel-framed reinforced concrete construction, 1 floor below ground, 10 floors above ground  | 20,648                             | March 1991                          | 3,501                       | 2,078                        | 3,073  | 23    | 5,175  |
| Nomura Real Estate Development Co., Ltd. | LAZONA Kawasaki Plaza <sup>4</sup> <sup>5</sup> (Saiwai-ku, Kawasaki-shi, Kanagawa)                | Retail facility                       | Steel-framed reinforced concrete construction (partially reinforced concrete and steel-framed construction), 1 floor below ground, 6 floors above ground   | 98,254                             | September 2006                      | 72,013                      | 4,717                        | —      | 299   | 5,017  |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Kaigan Building (Minato-ku, Tokyo)  | Office                                | Steel-framed construction, 8 floors above ground   | 5,262                              | February 1992                       | 1,307                       | 1,317                        | 3,465  | 2     | 4,784  |
| Nomura Real Estate Development Co., Ltd. | PMO Nihonbashi Muromachi <sup>4</sup> (Chuo-ku, Tokyo)   | Office                                | Steel-framed construction (partially steel-framed reinforced concrete construction), 1 floor below ground, 9 floors above ground                           | 5,333                              | January 2013                        | 701                         | 880                          | 3,716  | 45    | 4,642  |
| Nomura Real Estate Development Co., Ltd. | Former Fukuoka Tenjin Center Building <sup>2</sup> <sup>3</sup> (Chuo-ku, Fukuoka-shi, Fukuoka)    | Land slated for building construction | —  | —                                  | —                                   | 2,256                       | 0                            | 4,624  | 0     | 4,624  |
| Nomura Real Estate Development Co., Ltd. | Toshiba Manseibashi Building <sup>5</sup> (Chiyoda-ku, Tokyo)                                      | Office                                | Reinforced concrete construction, 1 floor below ground, 9 floors above ground  | 5,319                              | September 1961                      | 681                         | 148                          | 3,551  | 0     | 3,700  |
| Nomura Real Estate Development Co., Ltd. | GICROS GINZA GEMS (Chuo-ku, Tokyo)   | Retail facility                       | Steel-framed construction (partially steel-framed reinforced concrete and reinforced concrete construction), 3 floors below ground, 11 floors above ground | 2,683                              | July 2019                           | 312                         | 1,606                        | 2,015  | 15    | 3,636  |



| Company Name                             | Property Name (Location)  | Major Use | Size of Construction or Details of Facility, etc.  | Total Floor Area (m <sup>2</sup> ) | Completion or [Time of Acquisition] | Land Area (m <sup>2</sup> ) | Book Value (Millions of yen) |        |       |        |
|--|---|-----------|--|------------------------------------|-------------------------------------|-----------------------------|------------------------------|--------|-------|--------|
|  |   |           |  |                                    |                                     |                             | Building                     | Land   | Other | Total  |
| Nomura Real Estate Development Co., Ltd. | Toshiba Sendai Building <sup>*4*5</sup> (Aoba-ku, Sendai-shi, Miyagi)           | Hotel     | Steel-framed construction (partially reinforced concrete construction), 2 floors below ground, 11 floors above ground                                    | 16,179                             | April 1975                          | 1,731                       | ¥628                         | ¥2,817 | ¥9    | ¥3,455 |
| Nomura Real Estate Development Co., Ltd. | Nomura Fudosan Nishi-Shinjuku Kyodo Building <sup>*4</sup> (Shinjuku-ku, Tokyo) | Office    | Steel-framed construction (partially steel-framed reinforced concrete and reinforced concrete construction), 1 floor below ground, 8 floors above ground | 6,716                              | October 1993                        | 1,249                       | 729                          | 2,700  | 1     | 3,432  |

Notes: 1. "Building" represents building accounts, "Land" represents land and leasehold interests in land accounts and "Other" represents structures; machinery and equipment; tools, furniture and fixtures; vehicles; and leased asset accounts. "Total" represents the sum of leasehold interests in land accounts and property, plant and equipment excluding construction in progress accounts.

2. Includes the trust beneficial right.

3. Land area is the equity conversion areas.

4. Both the total floor area and land area are the equity conversion areas.

5. Land area includes leased land.

6. Land area is the site area for the entire redevelopment project.

7. Total floor area represents the exclusive element of a unit ownership building. Also, land area is multiplied by our ownership ratio.

8. Size of Construction or Details of Facility, etc. represents the retail facilities portion of unit ownership building.

## 2) Fitness club, etc.

| Company Name                               | Property Name (Location)  | Major Use    | Size of Construction or Details of Facility, etc.                             | Total Floor Area (m <sup>2</sup> ) | Completion or [Time of Acquisition] | Land Area (m <sup>2</sup> ) | Book Value (Millions of yen) |      |       |        |
|--|---|--------------|---|------------------------------------|-------------------------------------|-----------------------------|------------------------------|------|-------|--------|
|  |   |              |   |                                    |                                     |                             | Building                     | Land | Other | Total  |
| Nomura Real Estate Life & Sports Co., Ltd. | MEGALOS Kashiwa and other 36 facilities (Kashiwa-shi, Chiba and others) | Fitness club | Reinforced concrete construction, 3 floors, 1 other building and fitness club | 15,321                             | June 2002                           | 15,430                      | ¥6,987                       | ¥—   | ¥675  | ¥7,663 |

Notes: 1. "Building" represents building accounts, "Land" represents land and leasehold interests in land accounts and "Other" represents structures; machinery and equipment; tools, furniture and fixtures; vehicles; and leased asset accounts. "Total" represents the sum of leasehold interests in land accounts and property, plant and equipment excluding construction in progress accounts.

2. "Total Floor Area" represents the total area of MEGALOS Kashiwa, MEGALOS Chikusa and MEGALOS Saginuma, which own the buildings, etc. "Land Area" represents the leased land area of these facilities. Excluding these three facilities, 34 facilities are operated through building leases, etc. "Size of Construction or Details of Facility, etc." and "Completion or [Time of Acquisition]" are in reference to MEGALOS Kashiwa.

In addition to the table above, the main subleased buildings leased by the Group in the Commercial Real Estate Business Unit are as follows.

| Company Name                             | Property Name (Location)                          | Rentable Area (m <sup>2</sup> ) |
|--|---|---------------------------------|
| Nomura Real Estate Development Co., Ltd. | Across Shin Osaka (Yodogawa-ku, Osaka-shi, Osaka) | 17,298                          |

## (2) Overseas Business Unit

| Company Name  | Property Name (Location)                        | Major Use | Size of Construction or Details of Facility, etc.                             | Total Floor Area (m <sup>2</sup> ) | Completion or [Time of Acquisition] | Land Area (m <sup>2</sup> ) | Book Value (Millions of yen) |        |       |         |
|---|---|-----------|---|------------------------------------|-------------------------------------|-----------------------------|------------------------------|--------|-------|---------|
|   |   |           |   |                                    |                                     |                             | Building                     | Land   | Other | Total   |
| 127 Charing Cross Road Limited                          | 127-133 Charing Cross Road Project (London, UK) | Office    | Reinforced concrete construction, 1 floor below ground, 4 floors above ground | 4,672                              | [February 2021]                     | 1,244                       | ¥2,177                       | ¥8,244 | ¥—    | ¥10,422 |
| NREA 55 St James's Street 1 Limited and other 1 company | 55 St James's Street (London, UK)               | Office    | Steel-framed construction, 1 floor below ground, 7 floors above ground        | 2,472                              | [March 2024]                        | 436                         | ¥5,423                       | ¥6,737 | ¥—    | ¥12,161 |

## Facilities Establishment, Removal and Others

As of March 31, 2024, the following facilities are scheduled to be established or renovated. There was no major expansion or removal of facilities.

(1) Establishment of major facilities

| Company Name                             | Property Name (Location)  | Business Unit          | Major Use | Size of Construction or Details of Facility, etc.   | Planned Aggregate Investment (Millions of yen) |             | Sources of funding       | Schedule                         |                                   |
|--|---|------------------------|-----------|---|--|-------------|--------------------------|----------------------------------|-----------------------------------|
|  |   |                        |           |   | Total  | Amount Paid |                          | Start                            | Completion                        |
| Nomura Real Estate Development Co., Ltd. | BLUE FRONT SHIBAURA (Shibaura Project South Tower) S tower (Minato-ku, Tokyo)         | Commercial Real Estate | Office    | Steel-framed construction (partially steel-framed reinforced concrete and reinforced concrete construction), 3 floors below ground, 43 floors above ground                    | ¥228,104                                       | ¥107,436    | Borrowings and own funds | Fiscal year ended March 31, 2022 | Fiscal year ending March 31, 2025 |
| Nomura Real Estate Development Co., Ltd. | Nihonbashi 1-chome Central District Urban Area Redevelopment Project (Chuo-ku, Tokyo) | Commercial Real Estate | Office    | Steel-framed construction (partially reinforced concrete and steel-framed reinforced concrete construction), 2 floors below ground, 51 floors above ground, 2 other buildings | 73,417   | 23,605      | Borrowings and own funds | Fiscal year ended March 31, 2022 | Fiscal year ending March 31, 2026 |

(2) Renovation of major facility

| Company Name                             | Property Name (Location) | Business Unit          | Planned Aggregate Investment (Millions of yen) |             | Construction Period     | Note                                 |
|--|--------------------------|------------------------|--|-------------|-------------------------|--------------------------------------|
|  |                          |                        | Total  | Amount Paid |                         |                                      |
| Nomura Real Estate Development Co., Ltd. | —                        | Commercial Real Estate | ¥3,754   | ¥—          | April 2024 – March 2025 | Construction for facility renovation |

Note: Refers to renovation of major facilities of several existing properties owned by Nomura Real Estate Co., Ltd.

## Basic Policy Concerning Profit Distribution and Dividends

As for dividends, the Company set the year-end dividend for the fiscal year ended March 31, 2024 at ¥75.0 per share, which is an increase of ¥10.0 from forecasted. Combined with the second quarter-end dividend, the annual dividend per share is ¥140.0. As a result, total return ratio during this fiscal year, which included the acquisition of treasury shares, is 46.0%.

Under the Mid- to Long-term Business Plan, which was formulated in April 2022, the Company set a policy of the total return ratio to be 40-50% in Phase 1 (from fiscal year ended March 31, 2023 to fiscal year ending March 31, 2025). In addition, from the fiscal year ending March 31, 2025, the Company has set a policy of setting a level that meets DOE of 4% as the lower limit for annual dividend with the aim of increasing stability of dividends. Based on these policies, in regard to the dividend for the next fiscal year, the Company intends to set both the second quarter-end and the year-end dividend for the fiscal year ending March 31, 2025 at ¥82.5 per share, therefore the annual dividend per share is expected to be ¥165.0.

(Note) DOE = annual dividend / average shareholders' equity during the period

## Risks Affecting the Business of Nomura Real Estate Group

### (1) Basic policy for risk management

The Group regards risk management as a "business management methodology that aims to improve corporate value by managing all risks related to the attainment of corporate group organizational and business objectives in an integrated and unified manner while controlling risk within the company's risk tolerance limits." With the aim of ensuring the soundness of business management through proper management and operation of risks, the Group has formulated the Risk Management Regulations.

As its basic policy, the Group assures business continuity and stable development by implementing risk management and classifies its main risks into four categories, namely "A: Investment risk," "B: External risk," "C: Disaster risk," "D: Internal risk." Among them, risks listed below are regarded as important risks that should be managed, and performing effective and efficient risk management is provided according to the scale and characteristics of each risk.

<Important risks needing to be managed among main risks>

- Risks that could have a major impact on Group management
- Risks that could have a major impact on society
- Risk of litigation or other serious problems
- Other major risks that should be managed by the Group

### (2) Risk management structure

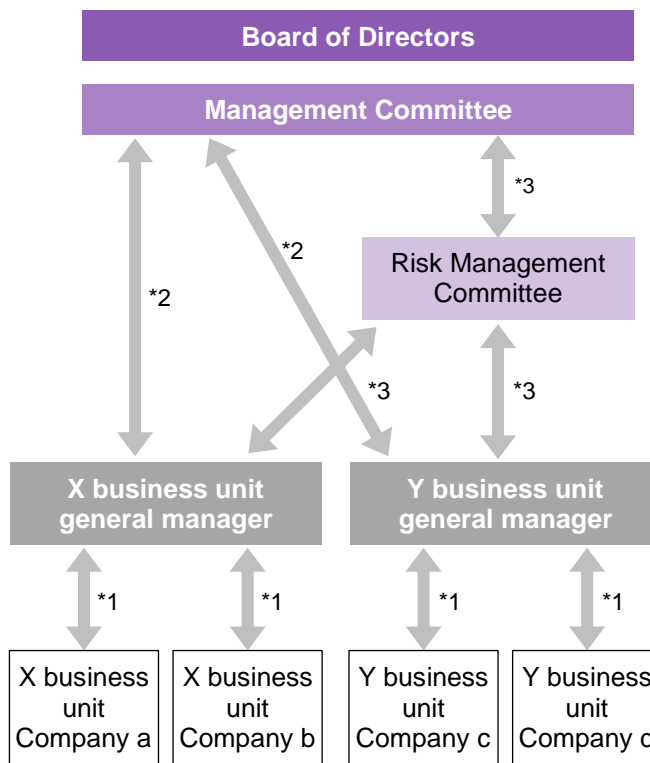
To discuss various risks related to group management, the Company has prescribed the Management Committee as the integrated risk management body and operates a system to regularly monitor, evaluate and analyze the state of main risks, provide necessary guidance and advice to each business unit and Group company while regularly reporting details to the Board of Directors. The Management Committee, which is the integrated management body, directly monitors "A: Investment risk" and "B: External risk," while the Risk Management Committee, established as a subordinate organization of the Management Committee, conducts regular monitoring, evaluation and analysis of "C: Disaster risk" and "D: Internal risk" and these committees discuss basic response policies regarding risk prevention, response when risk occurs, and prevention of recurrence after risk occurs. Moreover, we established the Group Risk Meeting consisting of directors and executive officers of each Group company appointed by the Chair of the Risk Management Committee to share risk information and response policies within the Group.

With regard to risk management, each business unit manager will supervise the risk management of their affiliated business unit and report on the situation to the Management Committee or Risk Management Committee as necessary. Concurrently, the president of each group company (the head of each division at Nomura Real Estate Development Co., Ltd.) are responsible for reporting risk management matters to the business unit manager in a timely and appropriate manner.

In addition, we have defined the organization in charge of business in each group company as the "first line" of risk management, the organization in charge of corporate operations at the Company and each group company as the "second line" of risk management, and the organization in charge of internal audits at the Company and each group company as the "third line" of risk management. With each "line" playing its role in risk management, for example, the "second line" and "third line" of the Company providing support, guidance and cooperation to the "second line" and "third line" of the group companies, respectively, we have established efficient organizations and processes that support governance and risk management.

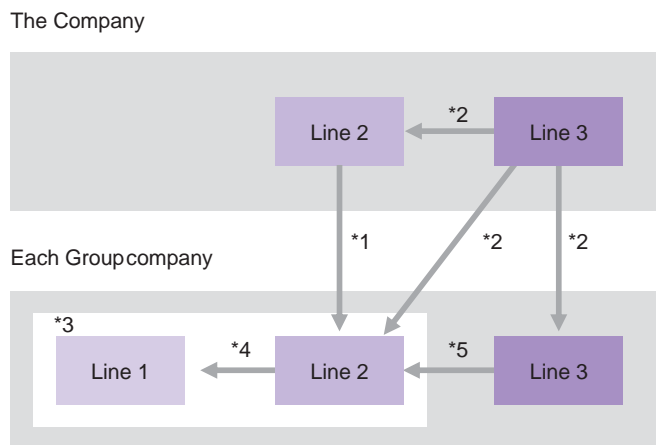
In the event of a major problem requiring urgency, the chair of the Risk Management Committee decides the basic policies such as countermeasures upon consulting with the executives responsible for relevant departments in accordance with the Risk Management Regulations and reports to the President and Executive Officer (Group CEO) and provides instructions such as response in accordance with the basic policy.

Risk Management System (conceptual diagram)



- \*1. Each company reports on risks to the business unit manager of the affiliated business unit and the business unit manager provides guidance and monitors the risk management of each company.
- \*2. The head of each business unit reports to the Management Committee on "A: Investment risk" and "B: External risk" that pertains to their own department and the Management Committee provides guidance and monitors the risk management associated with "A: Investment risk" and "B: External risk" of each department.
- \*3. The head of each business unit reports to the Risk Management Committee on "C: Disaster risk" and "D: Internal risk" that pertains to their own department and the Risk Management Committee provides guidance and monitors the risk management associated with "C: Disaster risk" and "D: Internal risk" of each business unit. Furthermore, the Risk Management Committee reports to the Management Committee on the details of its own deliberations and on the status of each business unit's risk management associated with "C: Disaster risk" and "D: Internal risk."

Three Lines Model (conceptual diagram)



- \*1. The Company's second defense line provides appropriate support and guidance for each group company's second defense line with respect to overall risk management based on the Group's management policy and strategic objectives and monitors each group company's second-line activities.
- \*2. The Company's third line monitors activities of Group companies by providing appropriate guidance to and cooperating with the third lines of each Group company. Concurrently, it audits matters relating to risk management of the second line of the Company, or of the first and second lines of each Group company when necessary, and verifies their effectiveness and efficiency and provides necessary advice.
- \*3. The first line of each Group company recognizes, evaluates, and controls risks associated with each business, establishes and operates a system that responds to risks, and carries out appropriate risk-taking.
- \*4. The second line of each group company supports the risk management of the first line of its own company while monitoring to verify whether the risk management of the first line is being properly undertaken.
- \*5. The third line of each Group company audits matters related to risk management of each department of the first line and second line of its own company, verifies the effectiveness and efficiency, and provides necessary advice.

(3) Details of main risks

The following are the main risks that the management recognizes that have the potential to significantly influence the financial position, business performance and cash flows of the Company and the consolidated subsidiaries. From these main risks the Company has selected risks requiring particular attention during the fiscal year ending March 31, 2025 taking into consideration factors such as the magnitude of the potential impact on the Group's businesses and the external environment.

Matters concerning the future and the recognition of risks in the text are as determined by the Group as of the end of this fiscal year. The following, however, does not include all risks. Risks that are unpredictable or deemed insignificant at this point in time may impact on businesses in the future.

(Major risks)

| Risk category       | Definition   | Main risk items  |
|---------------------|--|--|
| (A) Investment risk | Risks related to individual investments (real estate investments, strategic investments (M&A), etc.) | 1) Risks associated with real estate investment<br>2) Risks associated with strategic investment (M&A) and new businesses  |
| (B) External risk   | Risks related to external factors influencing business   | 3) Risks associated with market changes<br>4) Risks generated by changes in economic conditions<br>5) Risks generated by changes in political/social conditions/systems (law, tax systems, accounting, others)<br>6) Risks due to lagging behind in innovation and changes in the structure of society related to the business |
| (C) Disaster risk   | Risks generated by disasters that have a large impact on customers and business continuity           | 7) Risks related to disasters (earthquakes, typhoons, floods, tsunamis, volcanic eruptions, major fires, epidemics of infectious disease epidemics, etc.) that have a major impact on customers and business continuity  |
| (D) Internal risk   | Operational risks occurring at the Company and each group company                                    | 8) Risks related to the violation of laws and ordinances<br>9) Risks related to quality defects<br>10) Risks related to occurrence of information system crisis<br>11) Risks from inadequate responses to matters related to human resources<br>12) Risks related to occurrence of fraud and negligence                        |

(Risks requiring particular attention)

|                     |  |
|---------------------|--|
| (A) Investment risk | <ul style="list-style-type: none"> <li>• Risk of inability to secure the expected business volume and making it difficult to secure the expected business volume and achieve the profit growth projected in the Mid- to Long-term Business Plan due to intensifying competition for land acquisition, etc.</li> <li>• Risks related to new construction, such as costs rising above the expected expenses budgeted for in the business plan, extension of the construction period, constraints on acceptance of project orders by general contractors and other risks that could detrimentally affect project revenue</li> <li>• Risk of profitability deterioration and delays in anticipated project schedule due to changes in economic conditions regarding projects with long-term project timeframes and large investment budgets, such as redevelopment projects</li> </ul> |
| (B) External risk   | <ul style="list-style-type: none"> <li>• Risks arising from the impacts on housing, property, as well as sale prices of asset replacement properties, due to changes in Japan's real estate market and financial conditions</li> <li>• Risk arising from deterioration in profitability and delay in profit recovery timing in overseas business due to deterioration in economies and real estate markets, deterioration in the financial condition of general contractors and JV partners, and other factors in countries overseas</li> <li>• Risk of a reduced competitive advantage of the Company's businesses due to delays in response to changes in lifestyles and values, response to accelerating advances in digital technology, and response to sustainability and human resources, etc.</li> </ul>  |
| (C) Disaster risk   | <ul style="list-style-type: none"> <li>• Risk of inability to continue business due to increasingly intense natural disasters such as earthquakes, typhoons, and torrential rains</li> </ul>   |
| (D) Internal risk   | <ul style="list-style-type: none"> <li>• Risk due to inadequate design and construction in the real estate development business</li> <li>• Risk due to delay in the development and penetration of personnel systems to secure diverse human resources and enable human resources to continue playing an active role</li> <li>• Risk due to information leak by cyberattack and system failures, impact on business continuity, and incurrance and expansion of damage, etc.</li> <li>• Risk of violating laws and regulations and hindering the realization of smooth transactions with counterparties due to delays in strengthening the transaction system to realize the passing of appropriate price on to customers in light of rising material prices, energy costs, among other costs</li> </ul>   |

(The details of each major risk item and main initiatives)

| Risk item   | Risk category          | Risk details  | Main initiatives   |
|---|------------------------|---|--|
| 1. Risk associated with real estate investment                        | (A)<br>Investment risk | <ul style="list-style-type: none"> <li>Risk that the Group's business performance, etc. may be affected as a result of delays in the timing of sales recording and deterioration of profitability due to unexpected discovery of soil pollution, delays in obtaining permits and licenses, occurrence of additional construction work, constraints on acceptance of construction project orders by general contractors, extensions of project construction periods, and increases in construction and energy costs.</li> </ul>                            | <p>Decisions on the real estate investment/development business are made at the meetings such as the Management Committee or the Board of Directors of the Company or of group companies upon identifying, analyzing and evaluating risk in advance and considering risk taking or risk avoidance policies. In particular, regarding risks of increases in construction costs, the Company takes certain measures when acquiring land for development such as allowing for additional costs, and at the Board of Directors meetings or Management Committee meetings, we conduct regular monitoring of the trend of construction costs and the impact of that on construction cost increases.</p> <p>Following the acquisition of the land for development, the department in charge of the business ascertains the risk of any schedule delay and the state of construction costs. Should an especially important event occur, after deliberation by the Management Committee or the Board of Directors of the Company or group companies when necessary, the department shall respond to the issues.</p> <p>In addition, for businesses that are in progress and completed, the progress of each business is monitored, and the results are reviewed so that issues and trends, etc., for each business type are grasped and analyzed.</p> |
| 2. Risk associated with strategic investment (M&A) and new businesses | (A)<br>Investment risk | <ul style="list-style-type: none"> <li>Risk that the Group's financial position and business performance, etc. may be affected if the Group fails to achieve profit growth or synergy expected by the target companies in which it invests in strategic investments (M&amp;A).</li> <li>Risk that the Group's financial position and business performance may be affected due to the inability to execute business according to original plans or achieve synergies with group companies in new businesses and investments in new asset types.</li> </ul> | <p>In executing strategic investment (M&amp;A), factors such as the synergies with the Group's existing businesses, and business plans, financial details and contract-related matters of targeted companies shall be carefully examined and considered and strategic investment (M&amp;A) shall be implemented when it is determined that this will contribute to the Group's business results in the future. In addition, after the M&amp;A is executed, the Board of Directors or the Management Committee shall regularly monitor the status of the integration process between the target company and the Group, management issues, and response policies.</p> <p>In considering new businesses, the Company carefully investigates and examines the synergies with the Group's existing businesses as well as business plans. A new business is commenced when judgement is made that it will contribute to the business performance of the Group in the future. After entering a new business, its performance is regularly monitored, and if deemed necessary to make modifications or a re-start, it will put to deliberation by Management Committee or the Board of Directors of the Company or group companies.</p>  |
| 3. Risk associated with market changes                                | (B)<br>External risk   | <ul style="list-style-type: none"> <li>Risk that the Group's financial position and business performance, etc. may be affected by trends of competitors, the emergence of innovative new entrants, changes in economic, political, and social conditions, and the emergence of geopolitical risks, and the occurrence of disasters, etc., which may lead to changes in the business environment and market conditions.</li> </ul>   | <p>The Group regularly updates its awareness of the external environment of each business and works to ascertain impacts on business results, monitor the progress of business and improve precision.</p> <p>When making investment decisions in the real estate investment/development business, our basic policy is to understand and forecast the current and future market conditions and confirm past market trends and curb to a certain extent the impact from changes in market conditions.</p> <p>Moreover, we formulate an investment budget upon undertaking risk assessment to ensure a certain level of soundness regarding our financial position even if market conditions change rapidly.</p>  |

| Risk item  | Risk category        | Risk details  | Main initiatives   |
|--|----------------------|---|--|
| 4. Risk caused by changes in economic conditions | (B)<br>External risk | <ul style="list-style-type: none"> <li>• Risk that the Group's financial position and business performance, etc. may be affected by a decline in customers' purchase appetite in the housing sales business, a decline in the rent level of office buildings, etc., and an increase in the vacancy rate due to domestic and overseas economic recessions.</li> <li>• Risk that the Group's financial position and business performance, etc. may be affected by an increase in the Group's financing costs, a decline in customer desire to purchase in the housing sales business due to higher housing loan interest rates, resulting from a rise in market interest rates, and a decline in asset prices owing to a rise in cap rates.</li> <li>• Risk that the Group's financial position and business performance, etc. may be affected by fluctuations in the amounts of investment and collection translated into yen and fluctuations in assets and liabilities denominated in foreign currencies on the consolidated financial statements, due to fluctuations in exchange rates.</li> <li>• Risk that the Group's financial position and business performance, etc. may be affected by deterioration in the profitability of overseas businesses and delays in the timing of collecting profits due to deterioration in the financial condition of general contractors and JV partners in overseas countries, etc.</li> </ul> | <p>Regarding changes in economic conditions, the Group regularly updates its awareness of the external environment and works to ascertain impacts on business results.</p> <p>In our funding through borrowings, we respond to the risk of rises in short-term interest rates by using mainly long-term and fixed-rate borrowings.</p> <p>In the real estate investment and development business, we make investment decisions that limit the impact to a certain extent even in the event of a decline in asset prices due to a decline in rents and a rise in cap rates.</p> <p>For foreign exchange fluctuation risk, we have established a foreign exchange hedging policy that considers the types of businesses we undertake overseas and we operate in accordance with this policy.</p> <p>In addition, with regard to the status of general contractors and JV partners in overseas business, in addition to regular monitoring by Line 1, we regularly confirm and deliberate on events that affect our business and their responses through the Overseas Business Risk Committee, etc., and deliberate at the Management Committee or the Board of Directors of the Company or group companies as necessary.</p> |



| Risk item  | Risk category        | Risk details   | Main initiatives   |
|--|----------------------|--|--|
| 5. Risk caused by changes in political/ social conditions/ systems (law, tax system, accounting, others) | (B)<br>External risk | <ul style="list-style-type: none"> <li>• Risk that the Group's financial position and business performance, etc. may be affected by rising construction and energy expenses, the occurrence of delays in business schedule, etc., due to disruptions in the foreign exchange market, energy market, and supply chain in the event of changes to the political and social situations, such as the emergence of geopolitical risks.</li> <li>• In overseas business, risk that the Group's financial position and business performance, etc. may be affected due to obstacles to promote business in case there are changes in political and social situations that have been unexpected at the beginning of conducting business in each country, as there are risks specific to each country's political and social situations.</li> <li>• Risk that the Group's financial position and business performance, etc. may be affected as a result of the occurrence of new obligations and expenses in case there are changes in various types of laws and regulations in Japan and overseas applicable to each of the Group's businesses or other laws and regulations become applicable due to an expansion in the business scope in the future.</li> <li>• Risk that the Group's financial position and business performance, etc. may be affected as a result of increased costs for acquiring, holding, and selling assets, a decline in customer desire to purchase, a shift in corporate facility strategy, and revision of investment plans in the case of changes to various tax systems and accounting systems in Japan and overseas that have an impact on the real estate business.</li> <li>• Risk that failure to take appropriate response to human rights issues within the value chain could result in restriction of business activities due to cessation of transactions with clients or other limitations, or damage to brand value of the Group.</li> </ul> | <p>We collect and analyze information on trends in political and social situations, various laws and regulations, tax systems and accounting systems in Japan and overseas from industry groups, external experts, business partners, and consider responses at each of the Company's respective organizations on the "second line" and discuss those matters expected to have a significant impact at the Board of Directors or the Management Committee depending on the details.</p> <p>In overseas business in particular, we seek the knowledge of external experts regarding the forecast of the future political and social situations as well as applicable laws, regulations and tax laws when starting a business overseas, and after starting a business we regularly confirm the state of changes to the political and social situations as well as important related laws and regulations that have an impact on business strategy, revenue and expenditures, and progress in countries where we do business through the Overseas Business Risk Committee, etc. In the case that there are any changes, discussions are carried out at the Board of Directors or the Management Committee upon evaluating the impact and discussing response policies.</p> <p>Concerning human rights, the Sustainability Committee, which is chaired by the President and Executive Officer (Group CEO), develops policies aligned with the "Nomura Real Estate Group Human Rights Policy," monitors progress towards various goals, and deliberates on action plans. Furthermore, the "Human Rights Subcommittee," an organizational body beneath the aforementioned committee, focuses its efforts on building and operating a human rights due diligence process based on the United Nations "Guiding Principles on Business and Human Rights."</p> |

| Risk item  | Risk category        | Risk details   | Main initiatives   |
|--|----------------------|--|--|
| 6. Risk from lagging behind innovation and changes in the social structure related to the business | (B)<br>External risk | <ul style="list-style-type: none"> <li>• Risk that the Group's financial position and business performance, etc. may be affected by a decline in the competitive advantage of the Company's products and services if there are delays in responding to changes in the social structure and changes in the industrial structure resulting from rapid technological innovation and the emergence of innovative new participants.</li> <li>• Risk that difficulties in securing human resources due to the declining birthrate and aging population will limit the Company's ability to develop products and services.</li> <li>• Risk that the Group's financial position and business performance, etc., may be affected by a decline in the competitive advantage of the Company's products and services if there are delays in responding to changes in demands related to the customer environment, energy conservation and disaster prevention resulting from the implementation and strengthening of greenhouse gas reduction regulations, etc., and technologies related to high environmental performance and energy performance.</li> </ul> | <p>In the midst of a changing business environment, the Group has been creating new and highly unique value for society and customers by leveraging its strengths, such as real estate development capabilities based on the "market-in" concept and a commitment to quality in urban development and real estate-related services.</p> <p>Drawing on these strengths, in order to respond to changes in social and industrial structure and the growing awareness of society and customers toward sustainability, we have established the DX &amp; Innovation Planning Dept. and the Sustainability Management Dept., which are responsible for the research and development of new business fields, planning, and promotion of innovation creation, digital strategies, as well as initiatives for sustainability, etc.</p> <p>We have also established the "Innovation Promotion System" with the "DX &amp; Innovation Planning Dept." serving as the secretariat. This system allows employees of each Group company to conduct initiatives beyond the boundaries of their daily work with the objective of nurturing innovative talent and advancing exploration activities in new areas.</p> <p>Additionally, through corporate venture capital which we invest in, we continue to collaborate with venture companies that possess innovative technologies and services, while providing services utilizing digital technology.</p> <p>To help foster a corporate culture of embracing challenges for creating value and to strengthen collaboration within the Group, we have established the Nomura Real Estate Group Awards, an internal award system with the Corporate Communications Dept. serving as the secretariat.</p> <p>Furthermore, in response to the difficulty of securing human resources, we are working to improve operational efficiency and conserve labor by utilizing digital technology, while also assigning, promoting, developing and securing human resources, which will lead to the "right people in the right positions," and taking various measures for D&amp;I and wellness, which will lead to the "creation of the work environment. Please refer to P.29 to P.30 of Annual Securities Report issued on June 21, 2024 (Japanese only) for the Group's initiatives on the human capital management.</p> <p>In addition, please refer to P.22 to P.30 of Annual Securities Report issued on June 21, 2024 (Japanese only) for the Group's sustainability initiatives, including reducing greenhouse gases and improving the environmental and energy performance of the Company's products and services.</p> |

| Risk item  | Risk category        | Risk details  | Main initiatives  |
|--|----------------------|---|---|
| 7. Risk caused by disasters (earthquakes, typhoons, floods, tsunamis, volcanic eruptions, major fires, epidemics of infectious diseases, etc.) that have a major impact on customers and business continuity | (C)<br>Disaster risk | <ul style="list-style-type: none"> <li>• Risk of difficulty in continuing business of the Group due to delays in securing the human resources necessary for business continuity due to disasters, including large earthquakes, storms and flood damage, and infectious disease epidemics, that threaten the lives and physical safety of the Group's executives and employees.</li> <li>• Risk of damage to properties, etc. sold, leased or managed by the Group due to disasters, including large earthquakes, storms and flood damage, and of threats to the safety and security of customers, etc. related to those properties, etc.</li> </ul> | <p>The Group recognizes that the frequency of various disasters has increased, and this is an important social issue. Based on discussions with government and disaster preparedness experts, we are working to ensure the safety and security in the event a disaster occurs. We engage in disaster preparedness activities to ensure that, if a disaster occurs, its impact is minimized and the Group and its employees are able to continue business and their normal lives. We have formulated a business continuity action plan (BCP) in the event of a disaster.</p> <p>In preparing for an earthquake, and storm and flood damage, under the BCP we have determined an emergency chain of command, assigned duties to ensure business continuity, and established a system to minimize the impact of disasters. Once per year we hold Disaster Task Force Establishment Drills to ensure the prescribed details are effective, ensuring the safety of executives and employees and establishing a chain of command system, so that we are prepared for restoring business after an emergency. Concerning infectious diseases, based on the Group's response results to novel coronavirus infections (COVID-19), we have formulated a BCP for infectious diseases that summarizes responses according to the infection situation (establishment of a chain of command system, selection of core businesses for business continuity, formulation of common rules for infection prevention, etc.) from the time of infection confirmation to the spread of new infectious diseases in preparation for the emergence of new infectious diseases in the future. We have also formulated a BCP for not only in Japan but also overseas, stipulating initial responses, standards for evacuation from countries and other measures regarding various geopolitical risks, terrorism, natural disasters, and so forth.</p> <p>Regarding earthquakes, fires, storms, floods, and other sudden accidents, we have set up regulations for responses to torrential rains and flooding, formulated a disaster response manual, and created a disaster preparedness guidebook for distribution to residents, management associations, tenants, and facility users in the properties we own to ensure their safety and bring them peace of mind when a disaster occurs.</p> |
| 8. Risk of violations of laws and ordinances   | (D)<br>Internal risk | <ul style="list-style-type: none"> <li>• Risk that the business performance may be affected by violation of the Real Estate Brokerage Act, the Building Standards Act, the Financial Instruments and Exchange Act, Companies Act, Act on the Protection of Personal Information, Antimonopoly Act, Subcontract Act, and other related laws and regulations, resulting in loss of credibility and the imposition of administrative penalties and fines, etc.</li> </ul>  | <p>The Group has formulated the Nomura Real Estate Group Code of Action for executives and employees to comply with laws and regulations and internal rules, and act with higher ethical standards, and it also has provided education on an ongoing basis.</p> <p>For primary laws such as the Real Estate Brokerage Act, we formulate a business work flow specific to each law to ensure legal compliance, ensure a thorough awareness through training and on-the-job training (OJT), and implement regular voluntary inspections for the status of compliance. Concerning the Antimonopoly Act, etc., in order to realize an appropriate passing of price increases on to customers that takes into account increases in material prices, energy costs, etc., we are working to strengthen our legal compliance system by formulating business rules according to the business characteristics and the scale of each Group company's business, creating manuals, and conducting training. In addition, regarding the inappropriate entertainment of foreign public officials and other civil servants, the Company has established regulations, etc. The Company is implementing regular training for executives, employees and overseas local hires related to overseas businesses.</p>   |

| Risk item   | Risk category        | Risk details  | Main initiatives  |
|---|----------------------|---|---|
| 9. Risk of quality defect                           | (D)<br>Internal risk | <ul style="list-style-type: none"> <li>Risk that the business performance may be affected by the loss of trust, unexpected costs and delays in development plans and operation plans due to management deficiencies such as design and construction defects, etc. in the real estate development business or in the case of a management deficiency in the properties for leasing or under management.</li> </ul>   | <p>In the real estate development business, to secure quality in design and construction upon placing an order for the design and construction work of a building with a third party who has a certain level of credibility and technical capabilities, the Group prescribed the Design and Construction Standards (structure, construction, equipment, and electrical), the Quality Manuals, etc. and ensure thorough compliance from the parties while also checking the state of construction and carrying out quality inspections as the ordering party (However, in joint ventures with other companies and redevelopment projects led by redevelopment associations, different methods may be adopted depending on the business form.) Regarding leased and managed properties, we will prepare business standard documents related to property management and safety and temporary construction guidelines for repair work as we undertake business. We will also provide property insurance for damages in the unlikely event of a deficiency or accident.</p>  |
| 10. Risk of occurrence of information system crisis | (D)<br>Internal risk | <ul style="list-style-type: none"> <li>Risk that the Group's business performance, etc. may be affected as a result of the delays in the Group's sales activities and business processing and the loss of credibility, and the resulting decrease in sales and damage compensation costs in the unlikely case the Company's information system cannot be used normally or in case personal information is leaked to the outside due to unexpected circumstances such as cyberattacks, system failures and unauthorized access.</li> </ul> | <p>In a situation where we are actively promoting DX initiatives to realize business transformation and sustainable growth using the Internet and cloud services, ensuring information security is becoming more critical than ever. We have installed security systems that block unauthorized access from the Internet, scan information terminals for viruses, and detect the behavior of malware, bots, and other intruders to prevent unauthorized transmission if they enter. In addition, alerts from these systems are monitored to ensure that the ICT environment is prepared for cyber-attacks and information leaks. Also, security checks are conducted prior to the use of cloud services to ensure that they are used safely.</p> <p>As a response to system failures impacting business continuity, we monitor the operation of networks and systems, and are actively working on expanding and improving rapid recovery measures and alternative business operations in readiness for such failures.</p> <p>The Company is also striving to comply with relevant laws and regulations for personal information and to ensure proper handling of this information. Moreover, with the aim of realizing organized management of information and maintaining and improving security levels within the Group, we have prescribed the Information Security Regulations and the Information Handling Guidelines, regularly provide information security enlightenment to our officers and employees, protect the rights and interests of our customers and ensure the stable operation of an ICT environment within the Group.</p> <p>In addition, the Company has cyber insurance in preparation for an unlikely accident such as an information leakage.</p> |

| Risk item   | Risk category        | Risk details   | Main initiatives  |
|---|----------------------|--|---|
| 11. Risk of inadequate response to matters related to human resources | (D)<br>Internal risk | <ul style="list-style-type: none"> <li>• Risk that long working hours damage the health of employees in the event that the working hours of Group employees are not properly ascertained.</li> <li>• Risk that the Group's business performance, etc. may be affected as a result of the outflow of the Group's human resources, the loss of trust, and the imposition of fines in case we receive administrative sanctions from government authorities because our personnel system and its operation do not comply with labor standards and related laws and regulations.</li> <li>• Risk that delays in the establishment of a labor environment that takes in a diverse range of human resources (employees that work short hours mainly due to childcare and nursing, sexual minorities, people with disabilities, seniors, foreign nationals and others) may result in the Group being unable to secure the necessary personnel, or the inability of secured personnel to continue working, leading to a decline in corporate competitiveness.</li> <li>• In terms of personnel and labor management at overseas bases, risk of administrative sanctions by government authorities for introducing or operating a system that violates local labor laws and customs, risk of losing know-how due to the retirement of local employees, and risk that the health of employees will be damaged due to the lack of systems to provide appropriate support for living in a foreign country.</li> </ul> | <p>The Group prescribes working with vigor and achieving wellness as its action guideline. The Group aims to provide wellness management so that all its executives and employees can carry out their work energetically and in good physical and mental health, which leads to sustainable corporate growth.</p> <p>Along with introducing various systems, including recommendations to take paid leave, the promotion of teleworking, and a program for taking time off or working shorter hours for childcare and nursing and to build a labor environment conducive for a diverse workforce, we are working to improve the level of understanding related to diversity among executives and employees through regular training sessions. In addition, some group companies, such as Nomura Real Estate Development, have partially implemented paid leave for male employees' birth childcare leave and introduced an accumulated paid leave system.</p> <p>In order to properly grasp working hours, we have introduced an attendance management system to manage it, and especially for long working hours, we regularly monitor the situation. Furthermore, the compliance of our personnel system and its operation is regularly verified by outside experts to prevent the emergence of risks.</p> <p>Moreover, overseas there are local laws, cultures, and customs. Therefore, we utilize the knowledge of external experts to build personnel/labor systems, establish consultation desks for staff stationed overseas, and provide services to help the staffs find, and provide support for visits to, medical institutions.</p> <p>The Group established the Human Resource, Wellness, D&amp;I Committee (name changed from Wellness and D&amp;I Management Committee), which is chaired by the President and Executive Officer (Group CEO), in order to integrally promote wellness, work-style reforms and the ensuring of diverse human resources, and the Wellness and D&amp;I Management Sect. in the Group Human Resources Development Dept. as the dedicated organization for the promotion of diversity &amp; inclusion. In the previous fiscal year, we formulated and announced our Group's D&amp;I promotion policy and medium- and short-term promotion roadmap. We have engaged in fostering D&amp;I awareness as Step 1 until this fiscal year. From the following fiscal year, as Step II, we will continue our efforts, this time framing them as "D&amp;I awareness cultivation." During this step, we aim to "create a culture where D&amp;I is integrated into business activities" and have set the key goals of "(1) promoting D&amp;I in preparation for the new work styles at our Group's new head office" and "(2) continuing to raise awareness and conduct participatory workshops relating to inclusive design."</p> <p>In addition, in this fiscal year, we have established a "Human Capital Task Force" with participation from all companies within the Nomura Real Estate Group, to promote "human capital management" aligned with our management and talent strategies. We are discussing policies related to human capital management. Please refer to P.29 to P.30 of Annual Securities Report issued on June 21, 2024 (Japanese only) for the Group's policy on the human capital management.</p> |

| Risk item                                      | Risk category        | Risk details  | Main initiatives   |
|--|----------------------|---|--|
| 12. Risk of occurrence of fraud and negligence | (D)<br>Internal risk | <ul style="list-style-type: none"> <li>Risk that the business performance may be affected as a result of the loss of credibility and the resulting decrease in sales and damage compensation costs due to fraud perpetrated by executives and employees, information leakage due to improper management, and operational negligence.</li> </ul> | <p>Group executives and employees comply with laws and regulations as well as with the internal rules, etc. established by each company of the Group. Furthermore, we have established the Nomura Real Estate Group Code of Ethics with the aim of acting in accordance with even higher ethical standards, and we continuously provide education and training sessions to executives and employees.</p> <p>In addition, the Company has established a system to enhance the effectiveness of compliance activities in each workplace by assigning a compliance promotion officer to each department, office and branch of the Company and Group companies. Furthermore, with the “Nomura Real Estate Group Risk Helpline,” an internal whistleblowing system shared by all Group companies, the Company has set up internal and external contact points for reporting wrongdoing and seeking advice on how to proceed, and has developed and implemented systems based on the Whistleblower Protection Act.</p> |

# Consolidated Balance Sheets

Nomura Real Estate Holdings, Inc. and its subsidiaries  
March 31, 2023 and 2024

|  | (Millions of yen)    |                      |
|--|----------------------|----------------------|
| <b>Assets</b>  | As of March 31, 2023 | As of March 31, 2024 |
| <b>Current Assets</b>                                      |                      |                      |
| Cash and deposits  | ¥ 29,063             | ¥ 54,942             |
| Notes and accounts receivable - trade, and contract assets | 40,890               | 27,534               |
| Real estate for sale (Note 5)                              | 447,194              | 499,137              |
| Real estate for sale in process                            | 368,384              | 340,601              |
| Land held for development                                  | 182,714              | 171,401              |
| Equity investments (Notes 5,12)                            | 32,320               | 48,014               |
| Other  | 81,751               | 115,155              |
| Allowance for doubtful accounts                            | (14)                 | (10)                 |
| <b>Total current assets</b>                                | <b>1,182,306</b>     | <b>1,256,777</b>     |
| <b>Non-Current Assets</b>                                  |                      |                      |
| Property, plant and equipment                              |                      |                      |
| Buildings and structures                                   | 388,798              | 392,111              |
| Accumulated depreciation                                   | (206,164)            | (217,310)            |
| Buildings and structures, net                              | 182,634              | 174,801              |
| Land (Note 5)  | 477,013              | 490,547              |
| Other  | 63,586               | 93,927               |
| Accumulated depreciation                                   | (16,761)             | (18,974)             |
| Other, net   | 46,824               | 74,953               |
| <b>Total property, plant and equipment</b>                 | <b>706,472</b>       | <b>740,301</b>       |
| Intangible assets  | 20,384               | 17,336               |
| Investments and other assets                               |                      |                      |
| Investment securities (Notes 5,12,13)                      | 142,031              | 178,949              |
| Leasehold and guarantee deposits (Note 11)                 | 31,763               | 32,467               |
| Deferred tax assets (Note 17)                              | 18,756               | 19,367               |
| Other  | 8,979                | 6,255                |
| Allowance for doubtful accounts                            | (0)                  | (0)                  |
| <b>Total investments and other assets</b>                  | <b>201,529</b>       | <b>237,039</b>       |
| <b>Total non-current assets</b>                            | <b>928,387</b>       | <b>994,678</b>       |
| <b>Total Assets</b>  | <b>¥2,110,693</b>    | <b>¥2,251,456</b>    |

See notes to consolidated financial statements.



(Millions of yen)

| <b>Liabilities</b>                                       | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| <b>Current Liabilities</b>                               |                      |                      |
| Notes and accounts payable - trade                       | ¥ 65,805             | ¥ 78,651             |
| Short-term borrowings (Note 25)                          | 117,864              | 97,688               |
| Current portion of bonds payable                         | 20,000               | 10,000               |
| Income taxes payable (Note 17)                           | 13,278               | 17,467               |
| Deposits received  | 19,686               | 29,983               |
| Provision for bonuses                                    | 11,204               | 12,667               |
| Provision for bonuses for directors (and other officers) | 600                  | 564                  |
| Provision for loss on business liquidation               | 4                    | 1                    |
| Other  | 79,385               | 84,040               |
| <b>Total current liabilities</b>                         | <b>327,829</b>       | <b>331,064</b>       |
| <b>Non-Current Liabilities</b>                           |                      |                      |
| Bonds payable (Notes 12,25)                              | 130,000              | 140,000              |
| Long-term borrowings (Notes 12,25)                       | 853,684              | 945,040              |
| Leasehold and guarantee deposits received                | 58,444               | 60,057               |
| Deferred tax liabilities (Note 17)                       | 45,829               | 42,240               |
| Deferred tax liabilities for land revaluation (Note 5)   | 3,903                | 3,906                |
| Provision for share awards                               | 4,300                | 5,016                |
| Retirement benefit liability (Note 15)                   | 15,115               | 12,798               |
| Other  | 15,849               | 18,892               |
| <b>Total non-current liabilities</b>                     | <b>1,127,127</b>     | <b>1,227,951</b>     |
| <b>Total Liabilities</b>                                 | <b>1,454,956</b>     | <b>1,559,015</b>     |
| <b>Net Assets</b>  |                      |                      |
| <b>Shareholders' Equity (Note 9)</b>                     |                      |                      |
| Share capital  | 119,054              | 119,479              |
| Capital surplus  | 115,444              | 115,653              |
| Retained earnings  | 427,064              | 472,152              |
| Treasury shares  | (25,456)             | (31,903)             |
| <b>Total shareholders' equity</b>                        | <b>636,107</b>       | <b>675,381</b>       |
| <b>Accumulated Other Comprehensive Income</b>            |                      |                      |
| Valuation difference on available-for-sale securities    | 5,755                | 5,309                |
| Deferred gains or losses on hedges                       | 40                   | (4,293)              |
| Revaluation reserve for land (Note 5)                    | 7,868                | 7,876                |
| Foreign currency translation adjustment                  | 3,348                | 4,576                |
| Remeasurements of defined benefit plans (Note 15)        | 186                  | 2,079                |
| <b>Total accumulated other comprehensive income</b>      | <b>17,199</b>        | <b>15,548</b>        |
| Share acquisition rights                                 | 658                  | 355                  |
| Non-controlling interests                                | 1,772                | 1,154                |
| <b>Total Net Assets</b>                                  | <b>655,737</b>       | <b>692,440</b>       |
| <b>Total Liabilities and Net Assets</b>                  | <b>¥2,110,693</b>    | <b>¥2,251,456</b>    |

See notes to consolidated financial statements.

# Consolidated Statements of Income

Nomura Real Estate Holdings, Inc. and its subsidiaries  
Years ended March 31, 2023 and 2024

|   | (Millions of yen)                   |                                     |
|---|-------------------------------------|-------------------------------------|
|   | Fiscal year ended<br>March 31, 2023 | Fiscal year ended<br>March 31, 2024 |
| Operating Revenue   | ¥ 654,735                           | ¥ 734,715                           |
| Operating Costs   | 432,073                             | 490,250                             |
| Operating Gross Profit  | 222,662                             | 244,464                             |
| Selling, General and Administrative Expenses                  | 123,064                             | 132,349                             |
| Operating Profit  | 99,598                              | 112,114                             |
| Non-Operating Income  |                                     |                                     |
| Interest income   | 111                                 | 136                                 |
| Dividend income   | 54                                  | 78                                  |
| Share of profit of entities accounted for using equity method | 4,872                               | 1,035                               |
| Other   | 1,011                               | 661                                 |
| Total non-operating income                                    | 6,050                               | 1,911                               |
| Non-Operating Expenses  |                                     |                                     |
| Interest expenses   | 10,221                              | 14,093                              |
| Other   | 1,306                               | 1,684                               |
| Total non-operating expenses                                  | 11,527                              | 15,777                              |
| Ordinary Profit   | 94,121                              | 98,248                              |
| Extraordinary Income  |                                     |                                     |
| Gain on sale of non-current assets (Note 6)                   | 6,873                               | 5,983                               |
| Total extraordinary income                                    | 6,873                               | 5,983                               |
| Extraordinary Losses  |                                     |                                     |
| Impairment losses (Notes 1,6)                                 | 7,911                               | 6,537                               |
| Loss on building reconstruction                               | 4,993                               | 1,041                               |
| Total extraordinary losses                                    | 12,905                              | 7,578                               |
| Profit before Income Taxes                                    | 88,088                              | 96,653                              |
| Income Taxes-Current  | 27,737                              | 31,280                              |
| Income Taxes-Deferred   | (4,349)                             | (2,811)                             |
| Total Income Taxes (Note 17)                                  | 23,387                              | 28,469                              |
| Profit  | 64,701                              | 68,184                              |
| Profit Attributable to Non-Controlling Interests              | 180                                 | 19                                  |
| Profit Attributable to Owners of Parent                       | ¥64,520                             | ¥68,164                             |

See notes to consolidated financial statements.

# Consolidated Statements of Comprehensive Income

Nomura Real Estate Holdings, Inc. and its subsidiaries  
Years ended March 31, 2023 and 2024

|  | (Millions of yen)                   |                                     |
|--|-------------------------------------|-------------------------------------|
|  | Fiscal year ended<br>March 31, 2023 | Fiscal year ended<br>March 31, 2024 |
| Profit   | ¥64,701                             | ¥68,184                             |
| Other Comprehensive Income (Note 7)  |                                     |                                     |
| Valuation difference on available-for-sale securities                                | (1,589)                             | (446)                               |
| Deferred gains or losses on hedges   | 373                                 | (4,333)                             |
| Revaluation reserve for land   | (0)                                 | (0)                                 |
| Foreign currency translation adjustment  | 1,328                               | 393                                 |
| Remeasurements of defined benefit plans, net of tax                                  | 1,667                               | 1,892                               |
| Share of other comprehensive income of entities accounted for<br>using equity method | 813                                 | 858                                 |
| Total other comprehensive income   | 2,593                               | (1,635)                             |
| Comprehensive Income   | ¥67,294                             | ¥66,548                             |
| Comprehensive income attributable to   |                                     |                                     |
| (Breakdown)  |                                     |                                     |
| Comprehensive income attributable to owners of parent                                | ¥67,073                             | ¥66,505                             |
| Comprehensive income attributable to non-controlling interests                       | 221                                 | 43                                  |

See notes to consolidated financial statements.

# Consolidated Statements of Changes in Net Assets

Nomura Real Estate Holdings, Inc. and its subsidiaries  
Years ended March 31, 2023 and 2024

(Millions of yen)

|   | Shareholders' Equity |                 |                   |                 |                            | Accumulated other comprehensive income                |                                    |                              |   |   |  |       | Share acquisition rights | Non-controlling interests | Total net assets |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|---|------------------------------------|------------------------------|---|---|--|-------|--------------------------|---------------------------|------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |       |                          |                           |                  |
| Balance at March 31, 2022   | ¥118,604             | ¥114,993        | ¥382,382          | ¥(11,864)       | ¥604,115                   | ¥7,337  | ¥(332)                             | ¥7,868                       | ¥1,254                                  | ¥(1,481)                                | ¥14,646                                      | ¥927  | ¥1,708                   | ¥621,398                  |                  |
| Changes during period   |                      |                 |                   |                 |                            |   |                                    |                              |   |   |  |       |                          |                           |                  |
| Issuance of new shares  | 450                  | 450             | —                 | —               | 901                        | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | 901                       |                  |
| Dividends of surplus  | —                    | —               | (19,838)          | —               | (19,838)                   | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | (19,838)                  |                  |
| Profit attributable to owners of parent   | —                    | —               | 64,520            | —               | 64,520                     | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | 64,520                    |                  |
| Purchase of treasury shares   | —                    | —               | —                 | (14,325)        | (14,325)                   | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | (14,325)                  |                  |
| Disposal of treasury shares   | —                    | —               | —                 | 734             | 734                        | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | 734                       |                  |
| Change in ownership interest of parent due to transactions with non-controlling interests | —                    | —               | —                 | —               | —                          | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | —                         |                  |
| Reversal of revaluation reserve for land  | —                    | —               | —                 | —               | —                          | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | —                         |                  |
| Net changes in items other than shareholders' equity                                      | —                    | —               | —                 | —               | —                          | (1,582)   | 373                                | (0)                          | 2,093                                   | 1,667                                   | 2,552  | (269) | 63                       | 2,346                     |                  |
| Total changes during period   | 450                  | 450             | 44,681            | (13,591)        | 31,992                     | (1,582)   | 373                                | (0)                          | 2,093                                   | 1,667                                   | 2,552  | (269) | 63                       | 34,338                    |                  |
| Balance at March 31, 2023   | ¥119,054             | ¥115,444        | ¥427,064          | ¥(25,456)       | ¥636,107                   | ¥5,755  | ¥40                                | ¥7,868                       | ¥3,348                                  | ¥186                                    | ¥17,199                                      | ¥658  | ¥1,772                   | ¥655,737                  |                  |
| Changes during period   |                      |                 |                   |                 |                            |   |                                    |                              |   |   |  |       |                          |                           |                  |
| Issuance of new shares  | 424                  | 424             | —                 | —               | 849                        | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | 849                       |                  |
| Dividends of surplus  | —                    | —               | (23,068)          | —               | (23,068)                   | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | (23,068)                  |                  |
| Profit attributable to owners of parent   | —                    | —               | 68,164            | —               | 68,164                     | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | 68,164                    |                  |
| Purchase of treasury shares   | —                    | —               | —                 | (7,822)         | (7,822)                    | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | (7,822)                   |                  |
| Disposal of treasury shares   | —                    | —               | —                 | 1,374           | 1,374                      | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | 1,374                     |                  |
| Change in ownership interest of parent due to transactions with non-controlling interests | —                    | (216)           | —                 | —               | (216)                      | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | (216)                     |                  |
| Reversal of revaluation reserve for land  | —                    | —               | (8)               | —               | (8)                        | —   | —                                  | —                            | —                                       | —                                       | —  | —     | —                        | (8)                       |                  |
| Net changes in items other than shareholders' equity                                      | —                    | —               | —                 | —               | —                          | (446)   | (4,333)                            | 8                            | 1,227                                   | 1,892                                   | (1,650)                                      | (302) | (617)                    | (2,570)                   |                  |
| Total changes during period   | 424                  | 208             | 45,088            | (6,447)         | 39,273                     | (446)   | (4,333)                            | 8                            | 1,227                                   | 1,892                                   | (1,650)                                      | (302) | (617)                    | 36,702                    |                  |
| Balance at March 31, 2024   | ¥119,479             | ¥115,653        | ¥472,152          | ¥(31,903)       | ¥675,381                   | ¥5,309  | ¥(4,293)                           | ¥7,876                       | ¥4,576                                  | ¥2,079                                  | ¥15,548                                      | ¥355  | ¥1,154                   | ¥692,440                  |                  |

See notes to consolidated financial statements.

# Consolidated Statements of Cash Flows

Nomura Real Estate Holdings, Inc. and its subsidiaries  
Years ended March 31, 2023 and 2024

|  | (Millions of yen)                   |                                     |
|--|-------------------------------------|-------------------------------------|
|  | Fiscal year ended<br>March 31, 2023 | Fiscal year ended<br>March 31, 2024 |
| <b>Cash Flows from Operating Activities</b>  |                                     |                                     |
| Profit before income taxes   | ¥88,088                             | ¥96,653                             |
| Depreciation   | 20,593                              | 20,445                              |
| Impairment losses  | 7,911                               | 6,537                               |
| Gain on sale of non-current assets   | (6,873)                             | (5,983)                             |
| Share of loss (profit) of entities accounted for using equity method                 | (4,872)                             | (1,035)                             |
| Increase (decrease) in allowance for doubtful accounts                               | (6)                                 | (3)                                 |
| Increase (decrease) in provision for loss on business liquidation                    | (3)                                 | (2)                                 |
| Increase (decrease) in retirement benefit liability                                  | (1,530)                             | (2,318)                             |
| Interest and dividend income   | (165)                               | (214)                               |
| Interest expenses  | 10,221                              | 14,093                              |
| Decrease (increase) in trade receivables   | (18,824)                            | 13,434                              |
| Decrease (increase) in inventories   | (85,968)                            | (10,901)                            |
| Decrease (increase) in equity investments  | 2,135                               | (14,658)                            |
| Increase (decrease) in trade payables  | (15,208)                            | 12,765                              |
| Increase (decrease) in deposits received   | (24,176)                            | 10,268                              |
| Other, net   | (11,378)                            | (30,977)                            |
| <b>Subtotal</b>  | <b>(40,058)</b>                     | <b>108,103</b>                      |
| Interest and dividends received  | 385                                 | 3,627                               |
| Interest paid  | (9,484)                             | (11,992)                            |
| Income taxes paid  | 6,348                               | (28,860)                            |
| <b>Net cash provided by (used in) operating activities</b>                           | <b>(42,809)</b>                     | <b>70,878</b>                       |
| <b>Cash Flows from Investing Activities</b>  |                                     |                                     |
| Purchase of investment securities  | (34,486)                            | (43,273)                            |
| Proceeds from sales and liquidation of investment securities                         | —                                   | 10,662                              |
| Purchase of property, plant and equipment and intangible assets                      | (44,064)                            | (66,013)                            |
| Proceeds from sale of property, plant and equipment and intangible assets            | 16,749                              | 13,888                              |
| Payments of leasehold and guarantee deposits   | (1,516)                             | (2,838)                             |
| Proceeds from refund of leasehold and guarantee deposits                             | 1,601                               | 3,325                               |
| Repayments of lease and guarantee deposits received                                  | (5,779)                             | (3,856)                             |
| Proceeds from lease and guarantee deposits received                                  | 4,646                               | 4,563                               |
| Other, net   | (46)                                | (96)                                |
| <b>Net cash provided by (used in) investing activities</b>                           | <b>(62,896)</b>                     | <b>(83,638)</b>                     |
| <b>Cash Flows from Financing Activities</b>  |                                     |                                     |
| Net increase (decrease) in short-term borrowings                                     | (756)                               | (8,374)                             |
| Repayments of finance lease liabilities  | (234)                               | (178)                               |
| Proceeds from long-term borrowings   | 178,204                             | 157,148                             |
| Repayments of long-term borrowings   | (69,000)                            | (78,159)                            |
| Proceeds from issuance of shares   | 639                                 | 573                                 |
| Proceeds from issuance of bonds  | —                                   | 19,892                              |
| Redemption of bonds  | (10,000)                            | (20,000)                            |
| Proceeds from sale of treasury shares  | 388                                 | 757                                 |
| Purchase of treasury shares  | (14,379)                            | (7,860)                             |
| Dividends paid   | (19,838)                            | (23,068)                            |
| Dividends paid to non-controlling interests  | (158)                               | (38)                                |
| Proceeds from investments in silent partnerships                                     | 810                                 | 210                                 |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | —                                   | (979)                               |
| <b>Net cash provided by (used in) financing activities</b>                           | <b>65,675</b>                       | <b>39,921</b>                       |
| Effect of exchange rate change on cash and cash equivalents                          | 6                                   | (1,119)                             |
| <b>Net increase (decrease) in cash and cash equivalents</b>                          | <b>(40,023)</b>                     | <b>26,041</b>                       |
| Cash and cash equivalents at beginning of period                                     | 67,793                              | 27,770                              |
| <b>Cash and cash equivalents at end of period</b>                                    | <b>¥27,770</b>                      | <b>¥53,811</b>                      |

See notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

Nomura Real Estate Holdings, Inc. and its subsidiaries  
March 31, 2023 and 2024

## 1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan and its related accounting regulations, and accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP, and translated into English for the benefit of readers outside Japan. In addition, the notes to the consolidated financial statements include information which may not be required under Japanese GAAP but is presented herein as additional information.

### (Significant Accounting Policies)

#### 1. Matters related to the scope of consolidation

##### (1) Number of consolidated subsidiaries

45 companies

247 TOTTENHAM COURT ROAD LIMITED, Nomura Real Estate US, PJ II, LLC, NREA 55 ST JAMES'S STREET 1 LIMITED, NREA 55 ST JAMES'S STREET 2 LIMITED, and Shibaura Hotel Management LLC, which were all newly established in the fiscal year, have been included in the scope of consolidation.

Meanwhile, MUSASHI Co., Ltd. was absorbed and merged into Prime X Co., Ltd., a consolidated subsidiary of the Company, in the fiscal year, and has been excluded from the scope of consolidation.

##### (2) Names of major unconsolidated subsidiaries, etc.

Main non-consolidated subsidiaries

Minami-Azabu Development Co., Ltd.

##### (Reason for exclusion from the scope of consolidation)

Non-consolidated subsidiaries are excluded from the scope of consolidation because they are small and their combined total assets, revenues, net profit (amount corresponding to the Company's equity interest), retained earnings (amount corresponding to the Company's equity interest), etc., do not have a material impact on the consolidated financial statements.

#### 2. Application of the equity method

##### (1) Number of non-consolidated subsidiaries accounted for using the equity method

2 companies

Main company's name: Minami-Azabu Development Co., Ltd.

##### (2) Number of affiliated companies accounted for using the equity method

50 companies

Main company's name: Ginza Parking Center Co., Ltd.

ORIGIN PLAY BANGSAEN COMPANY LIMITED, ORIGIN PLACE BANGSAEN COMPANY LIMITED, ORIGIN TAOPOON COMPANY LIMITED, M&G Fitzrovia GP Limited, M&G Fitzrovia Limited Partnership, and ORIGIN BANG WA COMPANY LIMITED are included under affiliated companies accounted for using the equity method because the Company newly acquired equity interests in these companies in the fiscal year.

#### 3. Matters related to the fiscal years of consolidated subsidiaries

Of the consolidated subsidiaries, the fiscal years of the following companies end on December 31: NOMURA REAL ESTATE ASIA PTE. LTD., NOMURA REAL ESTATE HONG KONG LIMITED, HCMC office investment Limited, LIM HOLDINGS LTD, Lothbury Investment Management Group Limited and 12 other companies, Zen Plaza Investment Limited, ZEN PLAZA CO., LTD., NOMURA REAL ESTATE VIETNAM CO, LTD., NOMURA REAL ESTATE (THAILAND) CO., LTD., NOMURA REAL ESTATE UK LIMITED, 127 Charing Cross Road Limited, Nomura Real Estate Consulting (Shanghai), Nomura Real Estate US, LLC., 247 TOTTENHAM COURT ROAD LIMITED, Nomura Real Estate US, PJ II, LLC, NREA 55 ST JAMES'S STREET 1 LIMITED, and NREA 55 ST JAMES'S STREET 2 LIMITED. In addition, the fiscal years of Midosuji Mirai Development LLC and HNO, LLC end on February 28.

In preparing the consolidated financial statements, the financial statements of these companies as of their respective closing dates are used.

However, necessary adjustments have been made in consolidation for significant transactions that occurred between their respective closing dates and the consolidated closing date.

#### 4. Matters related to accounting policies

##### (1) Valuation standards and methods for significant assets

###### 1) Securities

###### Held-to-maturity debt securities

Held-to-maturity debt securities are stated at amortized cost by the straight-line method.

###### Available-for-sale securities

Securities, other than shares, etc. without market value

Securities, other than shares, etc. without market value, are stated at fair market value. (All valuation differences are processed by the direct net assets method, and the selling cost is calculated by the moving average method)

Shares, etc. without market value

Shares, etc. without market value are stated at cost by the moving-average method.

## **2) Derivatives**

The market value method is adopted.

## **3) Inventories**

Inventories are mainly stated at cost, determined by the specific identification cost method (the amounts of inventories in the accompanying Consolidated Balance Sheet are computed based on the write-down method reflecting decreased profitability).

### **(2) Depreciation method for significant depreciable assets**

#### **1) Property, plant and equipment (except for leased assets)**

Depreciation of property, plant and equipment is computed mainly by the straight-line method.

Estimated useful lives used in the computation of depreciation are generally as follows:

Buildings and structures: 2 to 65 years

#### **2) Intangible assets (except for leased assets)**

Amortization of intangible assets is computed by the straight-line method.

Estimated useful life for costs of software is 5 years, which can be useful in the company.

#### **3) Leased assets**

Leased assets are depreciated using the straight-line method, assuming the lease period to be the useful life and the residual value to be zero.

Finance leases, other than those that transfer ownership that started on or before March 31, 2008, are accounted for as operating leases.

### **(3) Standards for recognition of material allowances**

#### **1) Allowance for doubtful accounts**

In order to prepare for possible bad debt losses on notes and accounts receivable and loans, allowance for doubtful accounts is provided at an amount calculated on the basis of a historical bad debt ratio for a certain reference period for normal claims, plus an estimated uncollectible amount determined on the basis of individual assessments for specific claims with potential losses.

#### **2) Provision for bonuses**

The estimated amount of payments attributable to the current fiscal year is recorded to allocate expenditures for bonuses paid to employees.

#### **3) Provision for bonuses for directors (and other officers)**

The estimated amount of payments attributable to the current fiscal year is recorded to allocate expenditures for bonuses paid to directors.

#### **4) Provision for losses on business liquidation**

The estimated amounts of losses occurring due to withdrawal from businesses are recorded.

#### **5) Provision for share awards**

The amount to be incurred estimated at the end of the current fiscal year is recorded to prepare for the issuance of shares of the Company's stock to directors and employees based on stock delivery regulations.

### **(4) Provision for retirement benefits**

#### **1) Period attribution method for expected retirement benefits**

To calculate retirement benefit obligations, the estimated amount of retirement benefits attributable to the fiscal year is determined based on the benefit formula method.

#### **2) Method for recording actuarial gains and losses and expenses for prior service costs**

Prior service costs are amortized as incurred by the straight-line method over 10 years, which is within the average number of remaining service years of the eligible employees.

Actuarial gains and losses are amortized in the following fiscal year in which the gain or loss is recognized by the straight-line method mainly 10 years, which is within the average number of remaining service years of the eligible employees.

### **(5) Recognition of significant revenues and related costs**

#### **1) Accounting standard for revenue recognition**

Details of the main performance obligations in the principal businesses related to the Group's revenues from contracts with customers and the usual timing at which point the performance obligations are satisfied (the usual time at which revenues are recognized) are as follows. In addition, the amount of consideration does not include any significant financing component.

##### **i. Residential development business**

The residential development business is mainly engaged in the development and sale of condominiums and detached housing (housing sales business) and the development and sale of rental housings (sales of property development). For the housing sales business and sales of property development, the Company is obligated to transfer the subject property based on the real estate sales contract with the customer, and recognizes revenue at the time the customer obtains control of the property upon transfer. In the housing sales business, the Company generally receives a deposit when the contract is concluded and receives payment of the balance at the time of transfer, and in the sales of property development, the Company generally receives payment of the purchase price at the time of transfer.

##### **ii. Commercial real estate business**

The commercial real estate business is mainly engaged in the development, lease and sale of office buildings, retail facilities, logistics facilities and other properties (sales of property development). For the sales of property development, the Company is obligated to transfer the subject property based on the real estate sales contract with the customer, recognizes revenue at the time the customer obtains control of the property upon transfer and generally receives payment of the purchase price at the time of transfer. Real estate lease revenue is accounted for in accordance with Accounting Standard for Lease



Transactions (ASBJ Statement No. 13), and revenue is recognized over the lease term.

iii. Overseas business

The overseas business is mainly engaged in providing advice in real estate development. For this business, the Company is obligated to carry out quality improvement, etc. based on the service agreement, etc. with the customer, and revenue is recognized over a certain period of time because control is conveyed to the customer as the service is provided. Payment is generally received within approximately three months from the time when the performance obligations are satisfied.

iv. Investment management business

The investment management business is mainly engaged in providing investment management services including REITs, private funds and real estate securitization products. For this business, the Company is obligated to carry out fund management, etc. based on the asset management agreement, etc. with the customer, and revenue is recognized over a certain period of time because control is conveyed to the customer as the service is provided. The revenue is calculated by multiplying the total assets, etc. of the managed fund by the commission rate stipulated in the agreement, and payment is received within approximately three months from the time when the performance obligations are satisfied.

v. Property brokerage & CRE business

The property brokerage & CRE business is mainly engaged in the real estate brokerage business. For this business, the Company is obligated to carry out a series of operations based on the brokerage agreement with the customer, such as the performance procedures from the work for concluding the real estate sales contract to the transfer of the subject property, and recognizes revenue at the time of transfer of the property in the real estate sales contract concluded through brokerage. The Company generally receives payment of half of the remuneration amount at the conclusion of the real estate sales contract concluded through brokerage, and receives payment of the balance at the transfer of the subject property.

vi. Property & facility management business

The property & facility management business is mainly engaged in the operation and management of condominiums and office buildings, as well as contracting for repair and tenant works associated with management. For this business, the Company is obligated to carry out facility management and cleaning, building maintenance and repairs, etc. based on the real estate property management agreement, construction contract, etc. with the customer, and revenue is recognized over a certain period of time because control is conveyed to the customer as the service is provided.

However, for construction contracts for which the period from the commencement date of the transaction in the contract to the date the performance obligation is expected to be fully satisfied is very short, revenue is not recognized over a certain period of time. Instead, the Company judges that its performance obligation is satisfied at the time of transfer and recognizes revenue at that time. For operation and management, payment is generally received within approximately one month from the time when the performance obligations are satisfied, and for contracting, payment is generally received within approximately three months from the time of transfer.

**2) Accounting standards for advertising expenses**

In the housing sales business, to appropriately match expenses and revenues, advertising expenses of selling expenses incurred prior to delivery to customers are recorded as prepaid expenses and they are expensed in one lump at the time of delivery.

**(6) Standard for translation of significant foreign-currency-denominated assets or liabilities into Japanese yen**

All current and non-current accounts denominated in foreign currencies are translated into Japanese yen at the spot exchange rates in effect on the consolidated balance sheet date. Differences arising from this translation are recognized as gain or loss.

The asset and liability accounts of the overseas subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing on the respective balance sheet dates of the subsidiaries and affiliates and the revenue and expense accounts are translated into Japanese yen at the average rates of exchange for the year.

**(7) Significant hedge accounting method**

**1) Hedge accounting method**

Deferred hedge accounting is adopted. In addition, exceptional treatment is applied when interest rate swaps meet the conditions for exceptional treatment, and allocation treatment is applied when currency swaps meet the requirements for allocation treatment.

**2) Hedging instruments and hedged items**

| <Hedging instruments>                                 | <Hedged items>                               |
|---|--|
| Interest rate swap contracts                          | Borrowings                                   |
| Currency swaps and foreign exchange forward contracts | Securities denominated in foreign currencies |

**3) Hedging policy**

Hedging is used for interest rate fluctuation risk and foreign exchange fluctuation risk as prescribed by internal rules.

**4) Evaluation of effectiveness**

The Group evaluates hedge effectiveness by comparing changes in market fluctuations or in the cumulative cash flows of the hedged items with the corresponding changes in the hedging derivative instruments and using the ratio of the fluctuations. However, the evaluation of effectiveness is omitted for the interest rate swaps for which exceptional treatment is applied.

**(8) Amortization of goodwill**

Goodwill is amortized using the straight-line method over a period of 5 to 20 years.

**(9) Scope of funds in the Consolidated Statements of Cash Flows**

In preparing the Consolidated Statements of Cash Flows, cash on hand, readily-available deposits and short-term, highly liquid investments with a maturity of three months or less at the time of purchase and with an insignificant risk of market value fluctuation are considered to be cash and cash equivalents.

## (10) Other significant matters for preparing the consolidated financial statements

### Accounting for non-deductible consumption taxes

Non-deductible consumption taxes related to assets are included in the acquisition cost and other consumption taxes are expensed in the fiscal year as incurred.

## 2. Significant Accounting Estimates

### 1. Valuation of inventories

Inventories held by the Group consist mainly of housing held for sale and commercial property held for sale.

#### (1) Amounts recorded in the consolidated financial statements for the fiscal years ended March 31, 2023 and 2024

|                                  | (Millions of yen) |      |
|----------------------------------|-------------------|------|
|                                  | 2023              | 2024 |
| Loss on valuation of inventories | ¥176              | ¥715 |

#### (2) Other information that contributes to the understanding of users of consolidated financial statements

##### 1) Housing held for sale

###### i. Calculation method

The Company calculates this by comparing the net realizable value of the housing held for sale with the book value thereof. The net realizable value is based on the sale price, product cost, etc. determined in the business plan formulated at the time of site acquisition, construction order, and start of sale. In addition to the above, the net realizable value is subject to change depending on the progress of the business and sales.

###### ii. Key assumptions

The key assumptions used in the calculation of the net realizable value are the estimated sale price and the product cost, and these are estimated based on the location, size, product marketability, actual transactions in the surrounding area, market forecasts, and rents, occupancy rates, and cap rates based on past experience.

###### iii. Impact on consolidated financial statements of the following fiscal year

Estimated sale prices and product costs, which are key assumptions, are subject to uncertainty. The estimated sale prices may differ from future results due to changes in the housing market and other factors, and estimates of product costs may differ from future results due to the changes in the construction market, the occurrence of additional construction, schedule delays, and other factors.

##### 2) Commercial property held for sale

###### i. Calculation method

The Company performs calculations by comparing the net realizable value of commercial property held for sale with the book value thereof. The net realizable value is based on the estimated sale price, product cost, etc. determined at the time of site acquisition, construction order, start of leasing (tenant recruitment), and decision to sell. For commercial property held for sale where there is concern about a decline in profitability due to the progress of tenant recruitment, etc., the estimated sale price is based on the appraisal value of a real estate appraiser, etc.

###### ii. Key assumptions

The key assumptions used in the calculation of the net realizable value are the estimated sale price and the product cost, and these are estimated based on the location, size, product marketability, actual transactions in the surrounding area, market forecasts, and rents, occupancy rates, and cap rates based on past experience.

###### iii. Impact on consolidated financial statements of the following fiscal year

Estimated sale prices and product costs, which are key assumptions, are subject to uncertainty. The estimated sale prices may differ from future results due to changes in real estate leasing and real estate investment markets, and estimated product costs may differ from future results due to the changes in the construction market, the occurrence of additional construction, schedule delays, and other factors.

### 2. Impairment of non-current assets

Non-current assets held by the Group mainly consist of office buildings, retail facilities, logistics facilities, hotels and other real estate (hereinafter "leasable real estate, etc.") in Japan.

#### (1) Amounts recorded in the consolidated financial statements for the fiscal years ended March 31, 2023 and 2024

|                   | (Millions of yen) |        |
|-------------------|-------------------|--------|
|                   | 2023              | 2024   |
| Impairment losses | ¥7,911            | ¥6,537 |

(Note) For the fiscal year, amounts that arose from intangible assets and goodwill, etc. recorded on the date of a business combination of subsidiaries that are not included in leasable real estate, etc. are included.

#### (2) Other information that contributes to the understanding of users of consolidated financial statements

##### i. Calculation method

When an indication arises that the carrying amount of leasable real estate, etc. may not be recoverable, the Company assesses and calculates the impairment losses on the relevant real estate.

##### (Indications of Impairment)

The Group considers the following events as indications of an impairment of leasable real estate, etc.

- Property that reports or is expected to report an operating loss for two consecutive terms
- Property in which any change that decreases its recoverable amount materially has occurred or is expected to occur
- Property whose business environment has deteriorated or is expected to deteriorate significantly
- Property whose market price has significantly declined (around 50% or more)

##### (Recognition and Measurement of Impairment)

For properties that are judged to have signs of impairment, they are compared the book value with the total amount of undiscounted future cash flows, and recognized that it is necessary to carry out impairment if the book value is larger.

For properties that are considered to be impaired, impairment losses are measured by reducing the book value to the

recoverable amount.

The recoverable amount is calculated based on the net realizable value or the value in use. Net realizable value is based on the appraisal value of a real estate appraiser, etc. The value in use is calculated by discounting the future cash flows.

ii. Key assumptions

The key assumptions used in the calculation of undiscounted future cash flows and value in use are leasing revenues, leasing costs, etc., and discount rates. These are estimated based on the property's location, size, actual leasing transactions in the surrounding area, market forecasts, historical rents, guest room rates, occupancy rates, and cap rates.

iii. Impact on consolidated financial statements of the following fiscal year

Estimates of leasing revenues, leasing costs, etc., which are key assumptions, are subject to uncertainty, and future results may differ from these estimates due to changes in the market conditions related to leasable real estate, etc. and other factors.

### 3. Accounting Standards Published But Not Yet Applied

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- On October 28, 2022, the ASBJ issued "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27)
- On October 28, 2022, the ASBJ issued "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25)
- On October 28, 2022, the ASBJ issued "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28)

#### (1) Overview

The ASBJ Statement No.28 "Partial Amendments to Accounting Standard for Tax Effect Accounting", etc. (hereinafter "ASBJ Statement No. 28, etc.") was issued on February 2018, and completed the transfer of practical guidelines on tax effect accounting at the Japanese Institute of Certified Public Accountants (JICPA) to the ASBJ. In the process of the deliberations, the following two issues, which were to be considered again after the release of ASBJ Statement No. 28, etc., were discussed and released.

- Classification of income taxes when taxes are imposed on other comprehensive income
- Treatment of tax effect related to the sale of shares of subsidiaries and other securities (shares of subsidiaries or associates) when group tax system is applied

#### (2) Scheduled date of adoption

The Company expects to adopt the accounting standards and related implementation guidance from the beginning of the fiscal year ending March 31, 2025.

#### (3) Impact of the adoption of accounting standard and implementation guidance

The Company is currently evaluating the effect of the adoption of the accounting standards and related implementation guidance on its consolidated financial statements.

### 4. Additional Information

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#### Performance-based share-based compensation plan, etc. for Directors and Executive Officers

The Company and certain consolidated subsidiaries have introduced a performance-based share-based compensation plan (the "Plan") as an incentive plan for Directors, Executive Officers or any other persons equivalent to these (excluding Directors serving as Audit & Supervisory Committee Members and non-residents of Japan etc.; "the Directors, etc."). The Plan is a compensation scheme that functions as an incentive for improving medium- to long-term corporate value of the Company and enables interests to be shared with the Company's shareholders by linking the compensation paid to the Directors, etc. to the Company's share price. Specifically, it utilizes the mechanism of an executive compensation Board Incentive Plan trust ("BIP trust"). The Company's shares are acquired in advance by an executive compensation BIP trust, and the Company's shares and an amount equivalent to the proceeds of converting the Company's shares into cash are delivered and paid to the Directors, etc. according to their position, etc.

The shares of the Company remaining in the trust are recorded as treasury shares under net assets at the book value within the trust. The book value and number of such treasury shares were ¥6,982 million and 2,552,143 shares, respectively, as of March 31, 2024.

Furthermore, the estimated amount of the above executive compensation at the end of the fiscal year ended March 31, 2024 is recorded as provision for share awards.

#### ESOP Trust for Granting Stock

The Company and certain consolidated subsidiaries have introduced an "Employee Stock Ownership Plan trust ("ESOP trust") for Granting Stock" (the "Plan") as an incentive plan for employees. The Plan is a compensation scheme that encourages employees to execute their duties with an awareness of the Company's share price because employees can enjoy economic benefits from an increase in the price of the Company's shares, and is expected to have the effect of increasing the motivation of employees and enable them to share interests with the Company's shareholders. Specifically, it utilizes the mechanism of ESOP trust for granting stock. The ESOP trust acquires the Company's shares in advance and grants them to employees who satisfy certain requirements.

The shares of the Company remaining in the trust are recorded as treasury shares under net assets at the book value within the trust. The book value and number of such treasury shares were ¥1,420 million and 501,108 shares, respectively, as of March 31, 2024.

Furthermore, the estimated amount of the above compensation scheme at the end of the fiscal year ended March 31, 2024 is recorded as provision for share awards.

## 5. Notes to Consolidated Balance Sheet

### 1. Amounts of receivables from contracts with customers and contract assets

Among notes and accounts receivable - trade, and contract assets, the amounts of receivables from contracts with customers and contract assets are shown in 3. (1) Balances, etc. of contract assets and contract liabilities under 20. Revenue Recognition in the Notes to Consolidated Financial Statements.

### 2. Matters related to non-consolidated subsidiaries and affiliates are as follows:

|   | (Millions of yen)                  |                                    |
|---|------------------------------------|------------------------------------|
|   | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Equity investments (shares, etc.)                               | ¥32,181                            | ¥47,283                            |
| Investment securities (shares, etc.)                            | 101,670                            | 118,603                            |
| Other (capital contribution) under investments and other assets | ¥211                               | ¥211                               |

### 3. Pledged assets and secured liabilities

Investment securities of ¥232 million are pledged as collateral for the debt of the investee.

### 4. Non-recourse liabilities are as follows:

|                                   | (Millions of yen)                  |                                    |
|-----------------------------------|------------------------------------|------------------------------------|
|                                   | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Non-recourse long-term borrowings | ¥3,000                             | ¥3,200                             |

Assets corresponding to non-recourse liabilities are as follows:

|                                 | (Millions of yen)                  |                                    |
|---------------------------------|------------------------------------|------------------------------------|
|                                 | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Real estate for sale in process | ¥—                                 | ¥5,799                             |
| Land held for development       | 5,327                              | —                                  |
| Total                           | ¥5,327                             | ¥5,799                             |

### 5. Guaranteed liabilities

The Company has guaranteed borrowings from financial institutions, etc. by the following customers. The Company is obligated, along with the joint venture partner, to guarantee the debt of Origin One Phromphong Co., Ltd. in proportion to the percentage equity stake. The amounts of the Company's guarantee obligations, which are based on its percentage equity stakes in the two companies, are indicated in parentheses.

| (Millions of yen)                     |            |                                       |            |
|---------------------------------------|------------|---------------------------------------|------------|
| FY2023/3<br>(as of March 31, 2023)    |            | FY2024/3<br>(as of March 31, 2024)    |            |
| Customers using housing loans         | ¥ 55,375   | Customers using housing loans         | ¥ 64,492   |
| EBS Building Co-operators             | 87         | EBS Building Co-operators             | 6          |
| Haneda Mirai Specific Purpose Company | 65         | Haneda Mirai Specific Purpose Company | 65         |
| Origin One Phromphong Co., Ltd.       | 2,033      | Origin One Phromphong Co., Ltd.       | —          |
|                                       | (996)      |                                       | (—)        |
| Total                                 | 57,561     | Total                                 | 64,564     |
|                                       | ¥ (56,524) |                                       | ¥ (64,564) |

## 6. Additional investment obligations, etc.

The Company, along with the joint venture partners, has additional investment obligations, etc. toward the following affiliated companies in connection with their borrowings from financial institutions, and these obligations are based on the percentage equity stake. The outstanding balances of borrowings by the affiliates are as follows, and the amounts of the Company's obligations, which are based on its percentage equity stakes, are indicated in parentheses.

(Millions of yen)

| FY2023/3<br>(as of March 31, 2023)              |            | FY2024/3<br>(as of March 31, 2024)              |           |
|---|------------|---|-----------|
| ORIGIN PARK T1 COMPANY LIMITED                  | ¥ 495      |   | —         |
|   | (242)      |   |           |
| Origin One Thonglor Co., Ltd.                   | 2,130      | Origin One Thonglor Co., Ltd.                   | ¥ 2,009   |
|   | (1,044)    |   | (984)     |
| PARK ORIGIN PRARAM 4 COMPANY LIMITED            | 5,454      |   | —         |
|   | (2,672)    |   |           |
| ORIGIN SUKHUMVIT SAILUAT COMPANY LIMITED        | 1,723      |   | —         |
|   | (844)      |   |           |
| ORIGIN RAMINTRA COMPANY LIMITED                 | 1,308      | ORIGIN RAMINTRA COMPANY LIMITED                 | 1,679     |
|   | (641)      |   | (822)     |
| PARK RATCHADA COMPANY LIMITED                   | 1,938      |   | —         |
|   | (950)      |   |           |
| ORIGIN RAMKHAMHAENG INTERCHANGE COMPANY LIMITED | 570        | ORIGIN RAMKHAMHAENG INTERCHANGE COMPANY LIMITED | 297       |
|   | (279)      |   | (145)     |
| KNIGHTSBRIDGE KASET INTERCHANGE COMPANY LIMITED | 1,047      | KNIGHTSBRIDGE KASET INTERCHANGE COMPANY LIMITED | 1,646     |
|   | (513)      |   | (806)     |
| SO ORIGIN PHAHOL 69 STATION COMPANY LIMITED     | 989        | SO ORIGIN PHAHOL 69 STATION COMPANY LIMITED     | 1,612     |
|   | (484)      |   | (790)     |
| ORIGIN PLUG&PLAY SAMUTPRAKAN COMPANY LIMITED    | 300        | ORIGIN PLUG&PLAY SAMUTPRAKAN COMPANY LIMITED    | 998       |
|   | (147)      |   | (489)     |
| BRITANIA BANGNA KM.17 COMPANY LIMITED           | 967        | BRITANIA BANGNA KM.17 COMPANY LIMITED           | 777       |
|   | (474)      |   | (381)     |
| STABLE TOWN COMPANY LIMITED                     | 828        | STABLE TOWN COMPANY LIMITED                     | 678       |
|   | (405)      |   | (332)     |
| ORIGIN PLAY SRI UDOM STATION COMPANY LIMITED    | 974        | ORIGIN PLAY SRI UDOM STATION COMPANY LIMITED    | 1,059     |
|   | (477)      |   | (519)     |
| Origin One Sukhumvit 24 Co.,Ltd.                | 1,970      | Origin One Sukhumvit 24 Co.,Ltd.                | 2,464     |
|   | (965)      |   | (1,207)   |
| ORIGIN PLAY BANGKHUNNON COMPANY LIMITED         | 656        | ORIGIN PLAY BANGKHUNNON COMPANY LIMITED         | 713       |
|   | (321)      |   | (349)     |
| SO ORIGIN SIRIRAJ COMPANY LIMITED               | 566        | SO ORIGIN SIRIRAJ COMPANY LIMITED               | 615       |
|   | (277)      |   | (301)     |
|   | —          | Origin One Phromphong Co.,Ltd.                  | 2,822     |
|   | —          |   | (1,383)   |
|   | —          | ORIGIN PLUG&PLAY PHETKASEM COMPANY LIMITED      | 533       |
|   | —          |   | (261)     |
|   | —          | ORIGIN PLAY BANGSAEN COMPANY LIMITED            | 341       |
|   | —          |   | (167)     |
|   | —          | ORIGIN PLACE BANGSAEN COMPANY LIMITED           | 505       |
|   | —          |   | (247)     |
| Total   | 21,921     | Total   | 18,756    |
|   | ¥ (10,741) |   | ¥ (9,190) |

## 7. In accordance with the Act on Revaluation of Land (Act No. 34 enacted on March 31, 1998), land used for business purposes was revalued.

The amount equivalent to the tax on the difference is recorded in the liabilities section as "Deferred tax liabilities related to land revaluation," and the amount deducted is recorded in the net assets section as "Revaluation reserve for land."

Method of revaluation: Calculated using a method that makes reasonable adjustments to the assessed value of non-current asset for property tax, as stipulated in Article 2, Item 3 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 enacted on March 31, 1998)

Date of revaluation: March 31, 2002

## 8. As a result of a review of the purposes of holding assets, the following amounts have been reclassified.

(Millions of yen)

|   | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
|---|------------------------------------|------------------------------------|
| From non-current assets to real estate for sale | ¥18,927                            | ¥1,878                             |

## 6. Notes to Consolidated Statements of Income

### 1. Amounts of revenue from contracts with customers

Operating revenue does not differentiate revenue from contracts with customers and revenue from other sources. The amounts of revenue from contracts with customers are shown in 1. Information on disaggregation of revenue from contracts with customers under 20. Revenue Recognition in the Notes to Consolidated Financial Statements.

### 2. Figures for end-of-term inventory reflect reductions in carrying value due to declines in profitability, and the following losses on valuation of inventories are included in the cost of sales:

| (Millions of yen) |      |
|-------------------|------|
| 2023              | 2024 |
| ¥176              | ¥715 |

### 3. Major components and amounts of selling, general and administrative expenses are as follows:

|  | (Millions of yen) |         |
|--|-------------------|---------|
|  | 2023              | 2024    |
| Advertising expenses   | ¥17,345           | ¥16,789 |
| Employee salaries and allowances                                     | 41,379            | 44,542  |
| Transfer of provision for bonuses                                    | 9,690             | 11,310  |
| Transfer of provision for bonuses for directors (and other officers) | 611               | 604     |
| Retirement benefit expenses  | 3,159             | 2,826   |
| Transfer of provision for allowance for doubtful accounts            | 3                 | 2       |
| Commissioned advisor fees  | ¥10,776           | ¥13,492 |

### 4. Research and development expenses included in selling, general and administrative expenses and operating costs are as follows:

| (Millions of yen) |      |
|-------------------|------|
| 2023              | 2024 |
| ¥18               | ¥19  |

### 5. The details of gain on sale of non-current assets are as follows:

|                     | (Millions of yen) |         |
|---------------------|-------------------|---------|
|                     | 2023              | 2024    |
| Land                | ¥1,000            | ¥8,392  |
| Buildings and other | 5,872             | (2,409) |
| Total               | ¥6,873            | ¥5,983  |

### 6. Impairment loss

The Group recorded an impairment loss on the following asset group:

FY2023/3 (From April 1, 2022 to March 31, 2023)

| Main purpose of use      | Type      | Location                |
|--------------------------|-----------|-------------------------|
| Stores and leased assets | Buildings | Chiyoda-ku, Tokyo, etc. |
| Other                    | Land      |                         |

(Total: 3 locations)

The Group has grouped its assets into the smallest units that generate cash flows that are largely independent of the cash flows of other assets or asset groups. The head office building and other buildings are considered to be common assets.

As a result, in the fiscal year ended March 31, 2023, the carrying values of 3 asset groups that are scheduled to be used for other purposes or be sold or for which income from operating activities has been continuously negative were reduced to their recoverable amounts. The amount of the reduction was recorded as an impairment loss (¥7,911 million) under extraordinary losses, and comprised ¥3,394 million on buildings and ¥4,516 million on land.

The recoverable amounts of these asset groups are measured based on the net selling price, and the net selling price is the appraisal value of a real estate appraiser, etc.

FY2024/3 (From April 1, 2023 to March 31, 2024)

| Main purpose of use      | Type                              | Location                 |
|--------------------------|-----------------------------------|--------------------------|
| Customer-related assets  | Intangible assets                 | United Kingdom etc.      |
| Other                    | Goodwill                          |                          |
| Stores and leased assets | Buildings                         | Naka-ku, Hiroshima, etc. |
|                          | Other tangible non-current assets |                          |

(Total: 14 locations)

#### Intangible assets and goodwill

The Group has grouped its assets into the smallest units that generate cash flows that are largely independent of the cash flows of other assets or asset groups.

As a result, in the fiscal year ended March 31, 2024, impairment losses of ¥5,762 million were recorded as extraordinary losses for intangible assets and goodwill associated with an asset group to which a UK subsidiary of the Company belongs. This was because requests for cancellation from investors of real estate funds managed by that subsidiary were confirmed and the

book values of the intangible assets and goodwill, which were recorded on the date of the business combination of that subsidiary, were written down to their recoverable amounts. This consists of intangible assets of ¥4,477 million, goodwill of ¥1,262 million, etc.

The recoverable amounts of these asset groups are measured based on the value in use, and the recoverable amounts are considered to be zero.

#### Buildings and other tangible non-current assets

The Group has grouped its assets into the smallest units that generate cash flows that are largely independent of the cash flows of other assets or asset groups. The head office building and other buildings are considered to be common assets.

As a result, in the fiscal year ended March 31, 2024, the carrying values of 13 asset groups that were used for other purposes or for which income from operating activities has been continuously negative were reduced to their recoverable amounts. The amount of the reduction was recorded as an impairment loss (¥775 million) under extraordinary losses, and comprised ¥772 million on buildings and ¥2 million on other tangible non-current assets.

The recoverable amounts of these asset groups are measured based on the value in use, and the recoverable amounts are considered to be zero.

## 7. Consolidated Statements of Comprehensive Income

### 1. The amount of recycling and amount of income tax effects associated with other comprehensive income

|  | (Millions of yen) |                 |
|--|-------------------|-----------------|
|  | 2023              | 2024            |
| Valuation difference on available-for-sale securities:                                   |                   |                 |
| Amount recognized during the year  | ¥(2,281)          | ¥(704)          |
| Amount of recycling  | (6)               | 66              |
| Before income tax effect   | (2,288)           | (638)           |
| Income tax effect  | 698               | 191             |
| Valuation difference on available-for-sale securities                                    | (1,589)           | (446)           |
| Deferred gains or losses on hedges:  |                   |                 |
| Amount recognized during the year  | (1,356)           | (6,643)         |
| Amount of recycling  | 1,896             | 401             |
| Before income tax effect   | 539               | (6,242)         |
| Income tax effect  | (165)             | 1,908           |
| Deferred gains or losses on hedges   | 373               | (4,333)         |
| Revaluation reserve for land:  |                   |                 |
| Income tax effect  | (0)               | (0)             |
| Foreign currency translation adjustment:   |                   |                 |
| Amount recognized during the year  | 1,328             | 393             |
| Amount of recycling  | 0                 | —               |
| Before income tax effect   | 1,328             | 393             |
| Income tax effect  | —                 | —               |
| Foreign currency translation adjustment  | 1,328             | 393             |
| Remeasurements of defined benefit plans:   |                   |                 |
| Amount recognized during the year  | 1,639             | 2,399           |
| Amount of recycling  | 763               | 328             |
| Before income tax effect   | 2,402             | 2,727           |
| Income tax effect  | (735)             | (834)           |
| Remeasurements of defined benefit plans  | 1,667             | 1,892           |
| Share of other comprehensive income of affiliates accounted for using the equity method: |                   |                 |
| Amount recognized during the year  | 3,634             | 1,236           |
| Amount of recycling  | (2,462)           | —               |
| Before income tax effect   | 1,172             | 1,236           |
| Income tax effect  | (358)             | (378)           |
| Share of other comprehensive income of affiliates accounted for using the equity method  | 813               | 858             |
| <b>Total other comprehensive income</b>  | <b>¥2,593</b>     | <b>¥(1,635)</b> |



## 8. Consolidated Statements of Changes in Net Assets

### FY2023/3 (From April 1, 2022 to March 31, 2023)

#### 1. Shares outstanding and treasury shares

|                                 | Number of shares<br>as of April 1, 2022<br>(Thousands of shares) | Increase<br>(Thousands of shares) | Decrease<br>(Thousands of shares) | Number of shares<br>as of March 31, 2023<br>(Thousands of shares) |
|---------------------------------|--|-----------------------------------|-----------------------------------|---|
| Shares issued                   |  |                                   |                                   |   |
| Common stock <sup>1</sup>       | 182,604  | 333                               | —                                 | 182,938   |
| Total                           | 182,604  | 333                               | —                                 | 182,938   |
| Treasury shares                 |  |                                   |                                   |   |
| Common stock <sup>2, 3, 4</sup> | 4,704  | 4,619                             | 308                               | 9,015   |
| Total                           | 4,704  | 4,619                             | 308                               | 9,015   |

Notes: 1. The increase of 333,000 outstanding shares of common stock was due to the exercise of stock options.  
2. The number of treasury shares in common stock includes the shares held by the BIP Trust and the ESOP Trust (3,553,000 shares as of March 31, 2023).  
3. The increase of 4,619,000 treasury shares in common stock was due to the increase of 3,280,000 shares acquired upon a resolution by the Board of Directors, the purchase of 1,339,000 treasury shares by the BIP Trust and the ESOP Trust, and the purchase of 0 thousand shares related to the purchase of shares of less than one share unit.  
4. The decrease of 308,000 treasury shares in common stock was due to the delivery and sale of 308,000 shares of treasury shares for the BIP Trust and the ESOP Trust.

#### 2. Share acquisition rights and treasury share acquisition rights

| Company        | Description                         | Type of shares to be issued | Number of shares to be issued (in thousands) |          |          | Balance as of March 31, 2023<br>(Millions of yen) |
|----------------|-------------------------------------|-----------------------------|--|----------|----------|---|
|                |                                     |                             | As of April 1, 2022                          | Increase | Decrease |   |
| Parent company | Acquisition rights as stock options | —                           | —  | —        | —        | 658   |

#### 3. Dividends

##### (1) Dividends paid

| Resolution  | Type of shares | Total dividends<br>(Millions of yen) | Dividends per share<br>(Yen) | Record date        | Effective date   |
|---|----------------|--------------------------------------|------------------------------|--------------------|------------------|
| Meeting of the Board of Directors on April 26, 2022   | Common stock   | 9,923                                | 55.00                        | March 31, 2022     | June 6, 2022     |
| Meeting of the Board of Directors on October 27, 2022 | Common stock   | 9,915                                | 55.00                        | September 30, 2022 | December 1, 2022 |

Notes: 1. The total amount of dividends resolved at the meeting of the Board of Directors held on April 26, 2022 includes dividends distributed of ¥138 million pertaining to shares of the Company stock held by the BIP Trust and the ESOP Trust.  
2. The total amount of dividends resolved at the meeting of the Board of Directors held on October 27, 2022 includes dividends distributed of ¥172 million pertaining to shares of the Company stock held by the BIP Trust and the ESOP Trust.

##### (2) Dividends for which the record date was in the year ended March 31, 2023 and the effective date is in the year ended March 31, 2024

| Resolution  | Type of shares | Total dividends<br>(Millions of yen) | Source of dividends | Dividends per share<br>(Yen) | Record date    | Effective date |
|---|----------------|--------------------------------------|---------------------|------------------------------|----------------|----------------|
| Meeting of the Board of Directors on April 26, 2023 | Common stock   | 11,535                               | Retained earnings   | 65.00                        | March 31, 2023 | June 5, 2023   |

Note: The total amount of dividends resolved at the meeting of the Board of Directors held on April 26, 2023 includes dividends distributed of ¥230 million pertaining to shares of the Company stock held by the BIP Trust and the ESOP Trust.

## FY2024/3 (From April 1, 2023 to March 31, 2024)

### 1. Shares outstanding and treasury shares

|                                 | Number of shares<br>as of April 1, 2023<br>(Thousands of shares) | Increase<br>(Thousands of shares) | Decrease<br>(Thousands of shares) | Number of shares<br>as of March 31, 2024<br>(Thousands of shares) |
|---------------------------------|--|-----------------------------------|-----------------------------------|---|
| Shares issued                   |  |                                   |                                   |   |
| Common stock <sup>1</sup>       | 182,938  | 329                               | —                                 | 183,268   |
| Total                           | 182,938  | 329                               | —                                 | 183,268   |
| Treasury shares                 |  |                                   |                                   |   |
| Common stock <sup>2, 3, 4</sup> | 9,015  | 2,140                             | 499                               | 10,656  |
| Total                           | 9,015  | 2,140                             | 499                               | 10,656  |

Notes: 1. The increase of 329,000 outstanding shares of common stock was due to the exercise of stock options.  
2. The number of treasury shares in common stock includes the shares held by the BIP Trust and the ESOP Trust (3,053,000 shares as of March 31, 2024).  
3. The increase of 2,140,000 treasury shares in common stock was due to the increase of 2,140,000 shares acquired upon a resolution by the Board of Directors, and the increase of 0 thousand shares related to the purchase of shares of less than one share unit.  
4. The decrease of 499,000 treasury shares in common stock was due to the delivery and sale of 499,000 shares of treasury shares by the BIP Trust and the ESOP Trust.

### 2. Share acquisition rights and treasury share acquisition rights

| Company        | Description                         | Type of shares to be issued | Number of shares to be issued (in thousands) |          |          | Balance as of March 31, 2024 (Millions of yen) |
|----------------|-------------------------------------|-----------------------------|--|----------|----------|--|
|                |                                     |                             | As of April 1, 2023                          | Increase | Decrease |  |
| Parent company | Acquisition rights as stock options | —                           | —  | —        | —        | 355  |

### 3. Dividends

#### (1) Dividends paid

| Resolution  | Type of shares | Total dividends (Millions of yen) | Dividends per share (Yen) | Record date        | Effective date   |
|---|----------------|-----------------------------------|---------------------------|--------------------|------------------|
| Meeting of the Board of Directors on April 26, 2023   | Common stock   | 11,535                            | 65.00                     | March 31, 2023     | June 5, 2023     |
| Meeting of the Board of Directors on October 26, 2023 | Common stock   | 11,532                            | 65.00                     | September 30, 2023 | December 1, 2023 |

Notes: 1. The total amount of dividends resolved at the meeting of the Board of Directors held on April 26, 2023 includes dividends distributed of ¥230 million pertaining to shares of the Company stock held by the BIP Trust and the ESOP Trust.  
2. The total amount of dividends resolved at the meeting of the Board of Directors held on October 26, 2023 includes dividends distributed of ¥199 million pertaining to shares of the Company stock held by the BIP Trust and the ESOP Trust.

#### (2) Dividends for which the record date was in the year ended March 31, 2024 and the effective date is in the year ending March 31, 2025

| Resolution  | Type of shares | Total dividends (Millions of yen) | Source of dividends | Dividends per share (Yen) | Record date    | Effective date |
|---|----------------|-----------------------------------|---------------------|---------------------------|----------------|----------------|
| Meeting of the Board of Directors on April 25, 2024 | Common stock   | 13,174                            | Retained earnings   | 75.00                     | March 31, 2024 | June 3, 2024   |

Note: The total amount of dividends resolved at the meeting of the Board of Directors held on April 25, 2024 includes dividends distributed of ¥228 million pertaining to shares of the Company stock held by the BIP Trust and the ESOP Trust.

## 9. Shareholders' Equity

Under the Companies Act of Japan (the "Act"), all funds obtained through the issuance of common stock must be treated as common stock and, by resolution of the board of directors, an amount equivalent to less than half of those funds may be appropriated to the capital reserve (a component of capital surplus).

The Act provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the share capital account.

As of March 31, 2024, the Group's capital reserve amounted to ¥115,653 million, and no legal reserve was recorded.

## 10. Supplementary Cash Flow Information

A reconciliation of cash and deposits in the Consolidated Balance Sheet and cash and cash equivalents in the Consolidated Statements of Cash Flows is as follows:

|   | (Millions of yen) |         |
|---|-------------------|---------|
|   | 2023              | 2024    |
| Cash and deposits                                       | ¥29,063           | ¥54,942 |
| Time deposits with maturities of more than three months | (1,293)           | (1,131) |
| Cash and cash equivalents                               | ¥27,770           | ¥53,811 |

## 11. Leases

### Lessees

#### 1. Finance leases

The note has been omitted due to the lack of materiality.

#### 2. Operating leases

Future lease payments under non-cancellable leases of operating lease transactions

|                   | (Millions of yen)                  |                                    |
|-------------------|------------------------------------|------------------------------------|
|                   | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Due within 1 year | ¥4,763                             | ¥4,342                             |
| Due after 1 year  | 14,719                             | 27,980                             |
| Total             | ¥19,482                            | ¥32,322                            |

### Lessors

#### 1. Finance leases

The note has been omitted due to the lack of materiality.

#### 2. Operating leases

Future lease receipts under non-cancellable leases of operating lease transactions

|                   | (Millions of yen)                  |                                    |
|-------------------|------------------------------------|------------------------------------|
|                   | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Due within 1 year | ¥27,534                            | ¥26,928                            |
| Due after 1 year  | 75,391                             | 60,329                             |
| Total             | ¥102,925                           | ¥87,257                            |

## 12. Financial Instruments

### 1. Matters concerning financial instruments

#### (1) Policies on financial instruments

It is the policy of the Group to limit its fund management to safe and highly liquid deposits while raising funds primarily through borrowings from financial institutions and the issuance of corporate bonds. Derivatives are utilized for hedging against the risks described below not for speculative purposes.

#### (2) Details of financial instruments and risks

Equity investments and investment securities primarily consist of shares, investment units and others held for the purpose of business promotion, all of which are exposed to market price fluctuations and issuer credit risk. In some derivative instruments, including currency swaps, forward exchange contracts are used to hedge risks from exchange rate fluctuations on securities in foreign currencies.

Interest rate swaps are used to hedge risks arising from fluctuations in interest rates on long-term borrowings.

Derivative transactions are interest rate swap transactions for the purpose of hedging against the risk of fluctuations in interest payments related to borrowings, currency swap transactions for the purpose of hedging against the risk of fluctuations in foreign currencies related to foreign currency-denominated securities, and foreign exchange contract transactions. In addition, regarding hedging instruments, hedged items, hedging policy and evaluation of hedge effectiveness, see Note 1. "Basis of Presentation of Consolidated Financial Statements" "4. Matters related to accounting policies (7) Significant hedge accounting method."

#### (3) Policies and systems for risk management

The Company regularly checks the fair value of equity investments and investment securities, as well as the financial positions of their issuers.

The Finance Department conducts execution of derivative transactions and risk management based on the risk management policies and operational plan determined by the Director in charge of Finance. The Finance Department also reports the status of transactions and risk information to the Director on a regular basis. The consolidated subsidiaries conduct execution of derivative transactions and risk management in accordance with internal policies. The Company considers credit risk associated with these transactions is limited because of the transactions being conducted only with highly credit-worthy financial institutions.

Based on the reports from consolidated subsidiaries and all departments within the Group, the Finance Department of the Company creates and updates cash flow plans in a timely manner, managing liquidity risk through such methods as ensuring that a specific amount of on-hand liquidity is always available.

#### (4) Supplemental information on fair values

As various factors are incorporated into the fair value measurement of financial instruments, the resulting values may vary if different assumptions are provided. The contract amount shown in Note 14. Derivative Financial Instruments does not represent the market risk regarding the derivative transactions.

## 2. Fair values of financial instruments

The book values, fair values and differences of financial instruments are as follows.

| FY2023/3 (as of March 31, 2023)        | Book value        | Fair value | Difference |
|--|-------------------|------------|------------|
|  | (Millions of yen) |            |            |
| (1) Investment securities <sup>3</sup> | ¥37,691           | ¥37,697    | ¥5         |
| Total assets                           | 37,691            | 37,697     | 5          |
| (1) Bonds payable <sup>4</sup>         | 150,000           | 147,730    | (2,269)    |
| (2) Long-term borrowings <sup>5</sup>  | 932,798           | 931,286    | (1,511)    |
| Total liabilities                      | 1,082,798         | 1,079,016  | (3,781)    |
| Derivative transactions <sup>6</sup>   | ¥1,000            | ¥1,000     | ¥—         |

| FY2024/3 (as of March 31, 2024)        | Book value        | Fair value | Difference |
|--|-------------------|------------|------------|
|  | (Millions of yen) |            |            |
| (1) Investment securities <sup>3</sup> | ¥57,154           | ¥57,141    | ¥(12)      |
| Total assets                           | 57,154            | 57,141     | (12)       |
| (1) Bonds payable <sup>4</sup>         | 150,000           | 147,377    | (2,622)    |
| (2) Long-term borrowings <sup>5</sup>  | 1,012,244         | 1,003,659  | (8,584)    |
| Total liabilities                      | 1,162,244         | 1,151,036  | (11,207)   |
| Derivative transactions <sup>6</sup>   | ¥(7,639)          | ¥(7,639)   | ¥—         |

Notes: 1. The figures for "Cash and deposits" and "Short-term borrowings" are omitted as the fair values approximate their book values because they are cash and settled in a short period of time.

2. The book values in the Consolidated Balance Sheet for shares, etc. without market value and investments in partnerships are as follows, and are not included in (1) Investment securities. Shares, etc. without market value are unlisted shares, etc. and are not subject to disclosure of their fair values. Investments in partnerships are investments for business entities that are recorded in the Consolidated Balance Sheet as the net amount equivalent to equity, and are not subject to disclosure of their fair values.

| Classification                    | (Millions of yen)                  |                                    |
|-----------------------------------|------------------------------------|------------------------------------|
|                                   | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Shares, etc. without market value | ¥104,545                           | ¥121,889                           |
| Investments in partnerships       | ¥33,565                            | ¥49,259                            |

3. Includes government bonds presented as lease and guarantee deposits and preferred equity securities presented as equity investments, etc. on the Consolidated Balance Sheet. Investment securities include investment trusts whose investment trust assets are real estate, to which the net asset value is deemed to be the fair value.

4. Current portion of bonds payable is included in (1) Bonds payable.

5. Current portion of long-term borrowings is included in (2) Long-term borrowings.

6. For derivative transactions, stated values are the net amounts of receivables and payables arising from the transactions. Figures in parentheses are liability amounts.

## Notes: 1. Redemption schedule for financial assets with maturities

| FY2023/3 (as of March 31, 2023)               | (Millions of yen) |                                |                                  |               |
|---|-------------------|--------------------------------|----------------------------------|---------------|
|   | Within 1 year     | Over 1 year but within 5 years | Over 5 years but within 10 years | Over 10 years |
| Cash and deposits                             | ¥29,063           | ¥—                             | ¥—                               | ¥—            |
| Securities and investment securities          |                   |                                |                                  |               |
| Held-to-maturity debt securities              |                   |                                |                                  |               |
| (1) Government and municipal bonds, etc.      | 110               | 727                            | 648                              | —             |
| (2) Corporate bonds                           | —                 | —                              | —                                | —             |
| Available-for-sale securities with maturities |                   |                                |                                  |               |
| (1) Debt securities                           | —                 | —                              | —                                | —             |
| (2) Others                                    | —                 | —                              | —                                | —             |
| <b>Total</b>                                  | <b>¥29,174</b>    | <b>¥727</b>                    | <b>¥648</b>                      | <b>¥—</b>     |

| FY2024/3 (as of March 31, 2024)               | (Millions of yen) |                                |                                  |               |
|---|-------------------|--------------------------------|----------------------------------|---------------|
|   | Within 1 year     | Over 1 year but within 5 years | Over 5 years but within 10 years | Over 10 years |
| Cash and deposits                             | ¥54,942           | ¥—                             | ¥—                               | ¥—            |
| Securities and investment securities          |                   |                                |                                  |               |
| Held-to-maturity debt securities              |                   |                                |                                  |               |
| (1) Government and municipal bonds, etc.      | 280               | 525                            | 570                              | —             |
| (2) Corporate bonds                           | —                 | —                              | —                                | —             |
| Available-for-sale securities with maturities |                   |                                |                                  |               |
| (1) Debt securities                           | —                 | —                              | —                                | —             |
| (2) Others                                    | —                 | —                              | —                                | —             |
| <b>Total</b>                                  | <b>¥55,223</b>    | <b>¥525</b>                    | <b>¥570</b>                      | <b>¥—</b>     |

## 2. Repayment schedule for bonds payable and long-term borrowings at March 31, 2023 and 2024

| FY2023/3 (as of March 31, 2023) | Within 1 year     | 1-2 years      | 2-3 years       | 3-4 years      | 4-5 years      | Over 5 years    |
|---------------------------------|-------------------|----------------|-----------------|----------------|----------------|-----------------|
|                                 | (Millions of yen) |                |                 |                |                |                 |
| Short-term borrowings           | ¥38,750           | ¥—             | ¥—              | ¥—             | ¥—             | ¥—              |
| Bonds payable                   | 20,000            | 10,000         | 30,000          | —              | —              | 90,000          |
| Long-term borrowings            | 79,113            | 66,849         | 121,411         | 75,422         | 87,500         | 502,500         |
| <b>Total</b>                    | <b>¥137,864</b>   | <b>¥76,849</b> | <b>¥151,411</b> | <b>¥75,422</b> | <b>¥87,500</b> | <b>¥592,500</b> |

| FY2024/3 (as of March 31, 2024) | Within 1 year     | 1-2 years       | 2-3 years      | 3-4 years      | 4-5 years      | Over 5 years    |
|---------------------------------|-------------------|-----------------|----------------|----------------|----------------|-----------------|
|                                 | (Millions of yen) |                 |                |                |                |                 |
| Short-term borrowings           | ¥30,483           | ¥—              | ¥—             | ¥—             | ¥—             | ¥—              |
| Bonds payable                   | 10,000            | 30,000          | —              | —              | 14,000         | 96,000          |
| Long-term borrowings            | 67,204            | 122,529         | 76,719         | 87,790         | 72,000         | 586,000         |
| <b>Total</b>                    | <b>¥107,688</b>   | <b>¥152,529</b> | <b>¥76,719</b> | <b>¥87,790</b> | <b>¥86,000</b> | <b>¥682,000</b> |

### 3. Breakdown by level of fair values of financial instruments

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of inputs used in the fair value measurement.

Level 1 fair value: Of the observable inputs in the fair value measurement, the fair value is measured based on quoted prices in an active market for the subject asset or liability.

Level 2 fair value: Of the observable inputs in the fair value measurement, the fair value is measured using inputs other than those used for Level 1.

Level 3 fair value: The fair value is measured using inputs that cannot be observed.

When multiple inputs that have a significant effect on the fair value measurement are used and the inputs are within different levels of the fair value hierarchy, the fair value is classified as the lowest level of those inputs in the fair value hierarchy.

#### (1) Financial instruments with fair values whose book values are recorded on the Consolidated Balance Sheet

FY2023/3 (as of March 31, 2023)

(Millions of yen)

| Classification                    | Fair value |         |         | Total   |
|-----------------------------------|------------|---------|---------|---------|
|                                   | Level 1    | Level 2 | Level 3 |         |
| Investment securities             | ¥32,746    | ¥1,455  | ¥355    | ¥34,557 |
| Derivative transactions           |            |         |         |         |
| Currency-related derivatives      | —          | 978     | —       | 978     |
| Interest rate-related derivatives | —          | 21      | —       | 21      |
| Total assets                      | ¥32,746    | ¥2,456  | ¥355    | ¥35,557 |

Investment trusts whose investment trust assets are real estate are not included in the above table. The amount of such investment trusts in the consolidated balance sheet is ¥3,139 million.

FY2024/3 (as of March 31, 2024)

(Millions of yen)

| Classification                    | Fair value |         |         | Total   |
|-----------------------------------|------------|---------|---------|---------|
|                                   | Level 1    | Level 2 | Level 3 |         |
| Investment securities             | ¥52,089    | ¥1,326  | ¥472    | ¥53,888 |
| Derivative transactions           |            |         |         |         |
| Interest rate-related derivatives | —          | 32      | —       | 32      |
| Total assets                      | 52,089     | 1,359   | 472     | 53,921  |
| Derivative transactions           |            |         |         |         |
| Currency-related derivatives      | —          | 7,672   | —       | 7,672   |
| Total liabilities                 | ¥—         | ¥7,672  | ¥—      | ¥7,672  |

Investment trusts whose investment trust assets are real estate are not included in the above table. The amount of such investment trusts in the consolidated balance sheet is ¥3,253 million.

#### (2) Financial instruments with fair values whose book values are not recorded on the Consolidated Balance Sheet

FY2023/3 (as of March 31, 2023)

(Millions of yen)

| Classification       | Fair value |            |         | Total      |
|----------------------|------------|------------|---------|------------|
|                      | Level 1    | Level 2    | Level 3 |            |
| Bonds payable        | ¥—         | ¥147,730   | ¥—      | ¥147,730   |
| Long-term borrowings | —          | 931,286    | —       | 931,286    |
| Total liabilities    | ¥—         | ¥1,079,016 | ¥—      | ¥1,079,016 |

FY2024/3 (as of March 31, 2024)

(Millions of yen)

| Classification       | Fair value |            |         | Total      |
|----------------------|------------|------------|---------|------------|
|                      | Level 1    | Level 2    | Level 3 |            |
| Bonds payable        | ¥—         | ¥147,377   | ¥—      | ¥147,377   |
| Long-term borrowings | —          | 1,003,659  | —       | 1,003,659  |
| Total liabilities    | ¥—         | ¥1,151,036 | ¥—      | ¥1,151,036 |

#### Notes:

##### 1. Explanation of the valuation techniques and inputs used in the fair value measurement

###### Investment securities

For shares and investment units, fair values are determined mainly at the price quoted on an exchange. If transactions are conducted in an active market, the fair value is classified as Level 1 fair value, and if transactions are not conducted in an active market, the fair value is classified as Level 2 fair value.

The fair value of preferred equity securities is classified as Level 3 fair value because the fair value measurement uses some inputs that cannot be observed.

###### Bonds payable

These items are issued mainly by the Company and the fair values are calculated based on the market prices. However, because bonds issued by the Company are not traded on an active market, the fair value is classified as Level 2 fair value.

###### Long-term borrowings

For long-term borrowings, the fair value is calculated by discounting the total amount of principal and interest at an interest rate that would be charged for similar new loans, and the fair value is classified as Level 2 fair value.

For floating-rate long-term borrowings that are subject to exceptional treatment of interest rate swaps, the fair value is calculated by discounting the total amount of principal and interest that were treated as a part of the interest rate swaps at an interest rate that would be charged for similar loans, and the fair value is classified as Level 2 fair value.

**Derivatives**

Because the fair value is determined based on the prices obtained from counterparty financial institutions, etc., the fair value is classified as Level 2 fair value.

**2. Information on Level 3 fair value financial assets and financial liabilities with fair values whose book values are recorded on the Consolidated Balance Sheet**

Information on Level 3 fair value financial instruments is omitted because they are immaterial.

**3. Reconciliation of investment trusts whose investment trust assets are real estate**

Reconciliation of beginning balance to ending balance is omitted, because the book value recorded in the consolidated balance sheet for investment trusts whose investment trust assets are real estate is immaterial.

# 13. Securities

## 1. Held-to-maturity debt securities with fair value

| FY2023/3 (as of March 31, 2023)                         | (Millions of yen) |            |            |
|---|-------------------|------------|------------|
|   | Book value        | Fair value | Difference |
| Securities whose fair value exceeds book value:         |                   |            |            |
| (1) Government and municipal bonds, etc.                | ¥1,060            | ¥1,067     | ¥6         |
| (2) Bonds payable                                       | —                 | —          | —          |
| (3) Other   | —                 | —          | —          |
| Subtotal  | 1,060             | 1,067      | 6          |
| Securities whose fair value does not exceed book value: |                   |            |            |
| (1) Government and municipal bonds, etc.                | 423               | 422        | (0)        |
| (2) Bonds payable                                       | —                 | —          | —          |
| (3) Other   | —                 | —          | —          |
| Subtotal  | 423               | 422        | (0)        |
| Total   | ¥1,483            | ¥1,489     | ¥5         |

| FY2024/3 (as of March 31, 2024)                          | (Millions of yen) |            |            |
|--|-------------------|------------|------------|
|  | Book value        | Fair value | Difference |
| Securities whose fair value exceed book value:           |                   |            |            |
| (1) Government and municipal bonds, etc.                 | ¥480              | ¥482       | ¥1         |
| (2) Bonds payable  | —                 | —          | —          |
| (3) Other  | —                 | —          | —          |
| Subtotal   | 480               | 482        | 1          |
| Securities whose fair value does not exceeds book value: |                   |            |            |
| (1) Government and municipal bonds, etc.                 | 892               | 878        | (14)       |
| (2) Bonds payable  | —                 | —          | —          |
| (3) Other  | —                 | —          | —          |
| Subtotal   | 892               | 878        | (14)       |
| Total  | ¥1,372            | ¥1,360     | ¥(12)      |

## 2. Available-for-sale securities with fair value

| FY2023/3 (as of March 31, 2023)                               | (Millions of yen) |                  |            |
|---|-------------------|------------------|------------|
|   | Book value        | Acquisition cost | Difference |
| Securities whose book value exceeds acquisition cost:         |                   |                  |            |
| (1) Shares  | ¥1,427            | ¥746             | ¥681       |
| (2) Bonds   |                   |                  |            |
| 1) Government and municipal bonds, etc.                       | —                 | —                | —          |
| 2) Bonds payable  | —                 | —                | —          |
| 3) Other  | —                 | —                | —          |
| (3) Other   | 34,640            | 27,049           | 7,591      |
| Subtotal  | 36,068            | 27,795           | 8,272      |
| Securities whose book value does not exceed acquisition cost: |                   |                  |            |
| (1) Shares  | —                 | —                | —          |
| (2) Bonds   |                   |                  |            |
| 1) Government and municipal bonds, etc.                       | —                 | —                | —          |
| 2) Bonds payable  | —                 | —                | —          |
| 3) Other  | —                 | —                | —          |
| (3) Other   | 138               | 138              | —          |
| Subtotal  | 138               | 138              | —          |
| Total   | ¥36,207           | ¥27,934          | ¥8,272     |



| FY2024/3 (as of March 31, 2024)                               | (Millions of yen) |                  |            |
|---|-------------------|------------------|------------|
|   | Book value        | Acquisition cost | Difference |
| Securities whose book value exceeds acquisition cost:         |                   |                  |            |
| (1) Shares  | ¥2,356            | ¥746             | ¥1,609     |
| (2) Bonds   |                   |                  |            |
| 1) Government and municipal bonds, etc.                       | —                 | —                | —          |
| 2) Bonds payable  | —                 | —                | —          |
| 3) Other  | —                 | —                | —          |
| (3) Other   | 53,174            | 47,297           | 5,876      |
| Subtotal  | 55,530            | 48,044           | 7,486      |
| Securities whose book value does not exceed acquisition cost: |                   |                  |            |
| (1) Shares  | —                 | —                | —          |
| (2) Bonds   |                   |                  |            |
| 1) Government and municipal bonds, etc.                       | —                 | —                | —          |
| 2) Bonds payable  | —                 | —                | —          |
| 3) Other  | —                 | —                | —          |
| (3) Other   | 251               | 251              | —          |
| Subtotal  | 251               | 251              | —          |
| Total   | ¥55,781           | ¥48,295          | ¥7,486     |

# 14. Derivative Financial Instruments

## 1. Derivatives to which hedge accounting is not applied

### (1) Currency-related derivatives

|   |   | FY2023/3 (as of March 31, 2023) |                                    |            |                        |
|---|---|---------------------------------|------------------------------------|------------|------------------------|
| Category                                    | Type of derivatives   | Contract amount                 | Contract amount due after one year | Fair value | Valuation gain or loss |
| (Millions of yen)                           |   |                                 |                                    |            |                        |
| Transactions other than market transactions | Forward exchange contract<br>Sell Australian dollars / Buy yen    | ¥225                            | ¥—                                 | ¥3         | ¥3                     |
| Transactions other than market transactions | Currency swaps<br>Receipts in yen /<br>Payments in British pounds | ¥477                            | ¥—                                 | ¥(22)      | ¥(22)                  |

|   |  | FY2024/3 (as of March 31, 2024) |                                    |            |                        |
|---|--|---------------------------------|------------------------------------|------------|------------------------|
| Category                                    | Type of derivatives  | Contract amount                 | Contract amount due after one year | Fair value | Valuation gain or loss |
| (Millions of yen)                           |  |                                 |                                    |            |                        |
| Transactions other than market transactions | Forward exchange contract<br>Sell Australian dollars / Buy yen | ¥338                            | ¥—                                 | ¥(26)      | ¥(26)                  |

## 2. Derivatives to which hedge accounting is applied

### (1) Currency-related derivatives

|                           |  |  | FY2023/3 (as of March 31, 2023) |                                    |            |
|---------------------------|--|--|---------------------------------|------------------------------------|------------|
| Hedge accounting method   | Type of derivatives  | Major hedged items                           | Contract amount                 | Contract amount due after one year | Fair value |
| (Millions of yen)         |  |  |                                 |                                    |            |
| Deferral hedge accounting | Currency swaps<br>Receipts in yen /<br>Payments in U.S. dollars    | Securities denominated in foreign currencies | ¥35,946                         | ¥9,394                             | ¥(738)     |
| Deferral hedge accounting | Currency swaps<br>Receipts in yen /<br>Payments in Chinese Yuan    | Securities denominated in foreign currencies | 3,010                           | —                                  | (104)      |
| Deferral hedge accounting | Currency swaps<br>Receipts in yen /<br>Payments in Philippine peso | Securities denominated in foreign currencies | 1,829                           | —                                  | (348)      |
| Deferral hedge accounting | Currency swaps<br>Receipts in yen /<br>Payments in British pounds  | Securities denominated in foreign currencies | 14,558                          | 1,802                              | (411)      |
| Deferral hedge accounting | Forward exchange contract<br>Sell U.S. dollars / Buy yen           | Securities denominated in foreign currencies | 17,322                          | —                                  | 496        |
| Deferral hedge accounting | Forward exchange contract<br>Sell Thai baht / Buy yen              | Securities denominated in foreign currencies | 10,323                          | —                                  | (15)       |
| Deferral hedge accounting | Forward exchange contract<br>Buy Philippine peso / Sell yen        | Securities denominated in foreign currencies | 14,605                          | —                                  | 2,079      |
| Deferral hedge accounting | Forward exchange contract<br>Sell Chinese Yuan / Buy yen           | Securities denominated in foreign currencies | 3,436                           | —                                  | 40         |
| Total                     |  |  | ¥101,032                        | ¥11,196                            | ¥997       |

|                           |  |   | FY2024/3 (as of March 31, 2024) |                                    |                 |
|---------------------------|--|---|---------------------------------|------------------------------------|-----------------|
|                           |  |   | (Millions of yen)               |                                    |                 |
| Hedge accounting method   | Type of derivatives  | Major hedged items                              | Contract amount                 | Contract amount due after one year | Fair value      |
| Deferral hedge accounting | Currency swaps<br>Receipts in yen /<br>Payments in U.S. dollars    | Securities denominated<br>in foreign currencies | ¥41,124                         | ¥—                                 | ¥(4,453)        |
| Deferral hedge accounting | Currency swaps<br>Receipts in yen /<br>Payments in Philippine peso | Securities denominated<br>in foreign currencies | 2,244                           | 2,244                              | (255)           |
| Deferral hedge accounting | Currency swaps<br>Receipts in yen /<br>Payments in British pounds  | Securities denominated<br>in foreign currencies | 20,441                          | —                                  | (1,076)         |
| Deferral hedge accounting | Forward exchange contract<br>Sell U.S. dollars / Buy yen           | Securities denominated<br>in foreign currencies | 31,193                          | —                                  | (1,255)         |
| Deferral hedge accounting | Forward exchange contract<br>Sell Thai baht / Buy yen              | Securities denominated<br>in foreign currencies | 9,850                           | —                                  | (58)            |
| Deferral hedge accounting | Forward exchange contract<br>Buy Philippine peso / Sell yen        | Securities denominated<br>in foreign currencies | 1,658                           | —                                  | 20              |
| Deferral hedge accounting | Forward exchange contract<br>Sell Chinese Yuan / Buy yen           | Securities denominated<br>in foreign currencies | 6,007                           | —                                  | (29)            |
| Deferral hedge accounting | Forward exchange contract<br>Sell British pounds / Buy yen         | Securities denominated<br>in foreign currencies | 13,192                          | —                                  | (537)           |
| <b>Total</b>              |  |   | <b>¥125,712</b>                 | <b>¥2,244</b>                      | <b>¥(7,646)</b> |

## (2) Interest rate-related derivatives

|   |  |                    | FY2023/3 (as of March 31, 2023) |                                    |            |
|---|--|--------------------|---------------------------------|------------------------------------|------------|
|   |  |                    | (Millions of yen)               |                                    |            |
| Hedge accounting method                       | Type of derivatives  | Major hedged items | Contract amount                 | Contract amount due after one year | Fair value |
| Deferral hedge accounting                     | Interest rate swaps<br>Receive floating rate /<br>Pay fixed rate | Long-term debt     | ¥1,500                          | ¥1,500                             | ¥21        |
| Exceptional treatment for interest rate swaps | Interest rate swaps<br>Receive floating rate /<br>Pay fixed rate | Long-term debt     | 161,674                         | 126,160                            | (Note)     |
| <b>Total</b>                                  |  |                    | <b>¥163,174</b>                 | <b>¥127,660</b>                    | <b>¥21</b> |

Note: The fair value of the interest rate swaps which qualify for exceptional treatment for interest rate swaps is considered to be included in the fair value of the long-term debt.

|   |  |                    | FY2024/3 (as of March 31, 2024) |                                    |            |
|---|--|--------------------|---------------------------------|------------------------------------|------------|
|   |  |                    | (Millions of yen)               |                                    |            |
| Hedge accounting method                       | Type of derivatives  | Major hedged items | Contract amount                 | Contract amount due after one year | Fair value |
| Deferral hedge accounting                     | Interest rate swaps<br>Receive floating rate /<br>Pay fixed rate | Long-term debt     | ¥1,500                          | ¥1,500                             | ¥32        |
| Exceptional treatment for interest rate swaps | Interest rate swaps<br>Receive floating rate /<br>Pay fixed rate | Long-term debt     | 128,329                         | 101,617                            | (Note)     |
| <b>Total</b>                                  |  |                    | <b>¥ 129,829</b>                | <b>¥103,117</b>                    | <b>¥32</b> |

Note: The fair value of the interest rate swaps which qualify for exceptional treatment for interest rate swaps is considered to be included in the fair value of the long-term debt.

## 15. Retirement Benefits

### 1. Outline of retirement benefit plans

The Company does not have a retirement benefit plan. As defined benefit plans, certain subsidiaries have the lump-sum pension plan and the defined benefit corporate pension plan, and defined contribution pension plans. In certain cases, additional retirement benefit payments may be made. For the lump-sum pension plan and the defined benefit corporate pension plan used by certain subsidiaries, retirement benefit liability and retirement benefit expenses are calculated by the simplified method.

### 2. Defined benefit plan

#### (1) A reconciliation of the changes in retirement benefit obligations for the fiscal years ended March 31, 2023 and 2024 (excluding plans applying a simplified method stated in (3))

|   | (Millions of yen) |         |
|---|-------------------|---------|
|   | 2023              | 2024    |
| Retirement benefit obligations at the beginning of the year | ¥42,332           | ¥41,064 |
| Service cost  | 2,070             | 1,936   |
| Interest cost   | 198               | 370     |
| Actuarial gain or loss                                      | (2,321)           | (129)   |
| Retirement benefit payments                                 | (1,215)           | (1,084) |
| Retirement benefit obligations at the end of the year       | ¥41,064           | ¥42,156 |

#### (2) A reconciliation of the changes in balance of plan assets for the fiscal years ended March 31, 2023 and 2024 (excluding plans applying a simplified method stated in (3))

|  | (Millions of yen) |         |
|--|-------------------|---------|
|  | 2023              | 2024    |
| Fair value of plan assets at the beginning of the year | ¥27,444           | ¥27,576 |
| Expected return on plan assets                         | 466               | 468     |
| Actuarial gain or loss                                 | (670)             | 2,302   |
| Employer contributions                                 | 893               | 926     |
| Retirement benefit payments                            | (556)             | (540)   |
| Fair value of plan assets at the end of the year       | ¥27,576           | ¥30,734 |

#### (3) A reconciliation of the changes in balance of retirement benefit liability applying a simplified method for the fiscal years ended March 31, 2023 and 2024

|   | (Millions of yen) |        |
|---|-------------------|--------|
|   | 2023              | 2024   |
| Retirement benefit liability at the beginning of the year | ¥1,755            | ¥1,627 |
| Retirement benefit expenses                               | 122               | 109    |
| Retirement benefit payments                               | (224)             | (335)  |
| Contributions to plan                                     | (25)              | (26)   |
| Other   | 0                 | 0      |
| Retirement benefit liability at the end of the year       | ¥1,627            | ¥1,375 |

#### (4) A reconciliation of retirement benefit obligations as well as plan assets at March 31, 2023 and 2024, and retirement benefit liability on the Consolidated Balance Sheet

|   | (Millions of yen)                  |                                    |
|---|------------------------------------|------------------------------------|
|   | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Funded retirement benefit obligations             | ¥33,787                            | ¥34,703                            |
| Fair value of plan assets                         | (27,814)                           | (30,967)                           |
| Subtotal  | 5,972                              | 3,736                              |
| Unfunded retirement benefit obligations           | 9,142                              | 9,061                              |
| Net liabilities on the Consolidated Balance Sheet | 15,115                             | 12,798                             |
| Retirement benefit liability                      | 15,115                             | 12,798                             |
| Net liabilities on the Consolidated Balance Sheet | ¥15,115                            | ¥12,798                            |

Note: It includes the plans applying a simplified method.

#### (5) Breakdown of retirement benefit expenses

|   | (Millions of yen) |        |
|---|-------------------|--------|
|   | 2023              | 2024   |
| Service cost  | ¥2,070            | ¥1,936 |
| Interest cost   | 198               | 370    |
| Expected return on plan assets                                  | (466)             | (468)  |
| Amortization of actuarial gain or loss                          | 751               | 295    |
| Retirement benefit expenses calculated by the simplified method | 122               | 109    |
| Other   | 50                | 19     |
| Retirement benefit expenses for defined benefit plan            | ¥2,726            | ¥2,262 |

**(6) Remeasurements of defined benefit plans**

Breakdown of items recorded in the Consolidated Statements of Comprehensive Income as remeasurements of defined benefit plans, before tax is as follows.

|                        | (Millions of yen) |        |
|------------------------|-------------------|--------|
|                        | 2023              | 2024   |
| Actuarial gain or loss | ¥2,402            | ¥2,727 |
| Total                  | ¥2,402            | ¥2,727 |

**(7) Remeasurements of defined benefit plans**

Breakdown of items recorded in the Consolidated Balance Sheet as remeasurements of defined benefit plans, before tax is as follows.

|                                     | (Millions of yen)                  |                                    |
|-------------------------------------|------------------------------------|------------------------------------|
|                                     | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Unrecognized actuarial gain or loss | ¥268                               | ¥2,995                             |
| Total                               | ¥268                               | ¥2,995                             |

**(8) Composition of plan assets by major classifications****1) Major components of plan assets**

The ratio of each major category to total plan assets is as follows.

|                 | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
|-----------------|------------------------------------|------------------------------------|
| Claims          | 22%                                | 22%                                |
| Equity          | 23%                                | 27%                                |
| General account | 21%                                | 19%                                |
| Other           | 34%                                | 32%                                |
| Total           | 100%                               | 100%                               |

**2) Method for setting the expected long-term rate of return on plan assets**

The expected long-term rate of return on plan assets has been estimated based on the current and projected allocation of plan assets and the current and expected long-term rate of return on diverse assets which comprise plan assets.

**(9) Calculation basis for actuarial calculations****Calculation basis for major actuarial calculations**

|  | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
|--|------------------------------------|------------------------------------|
| Discount rate                          | 0.2-1.0%                           | 0.2-1.0%                           |
| Expected rate of return on plan assets | 1.7%                               | 1.7%                               |
| Expected salary increase rate          | 2.0-7.5%                           | 1.7-7.5%                           |

**3. Defined contribution plan**

The required contributions to the defined contribution plans of consolidated subsidiaries for the fiscal years ended March 31, 2023 and 2024 are ¥607 million and 713 million, respectively.

**16. Stock Options****1. Amount recorded as profit due to expiration due to non-exercise of rights**

| (Millions of yen) |      |
|-------------------|------|
| 2023              | 2024 |
| ¥6                | ¥26  |

## 2. Description, scale and fluctuation of stock options

### (1) Description

Nomura Real Estate Holdings, Inc.

| FY2016/3   | 1st issue of stock options   | 2nd issue of stock options   | 3rd issue of stock options  | 5th issue of stock options   |
|--|--|--|---|--|
| Settlement date  | June 26, 2015  | June 26, 2015  | June 26, 2015   | September 17, 2015   |
| Recipients   | Directors of the Company<br>(6 persons)  | Directors and executive officers of the Company's subsidiaries<br>(76 persons) | Directors of the Company<br>(6 persons)<br>Directors and executive officers of the Company's subsidiaries<br>(76 persons)<br>Employees of the Company's subsidiaries<br>(199 persons) | Directors of the Company's subsidiaries<br>(3 persons)<br>Employees of the Company's subsidiaries<br>(20 persons)                  |
| Type/number of shares reserved (Note 1)  | Common stock:<br>35,700 shares   | Common stock:<br>157,500 shares  | Common stock:<br>380,900 shares   | Common stock:<br>24,000 shares   |
| Grant date   | July 23, 2015  | July 23, 2015  | July 23, 2015   | October 14, 2015   |
| Vesting conditions   | No conditions attached   | No conditions attached   | No conditions attached  | No conditions attached   |
| Service period   | No period specified  | No period specified  | No period specified   | No period specified  |
| Exercisable period   | July 23, 2018 –<br>July 22, 2023   | July 23, 2018 –<br>July 22, 2023   | July 23, 2018 –<br>July 22, 2023  | October 14, 2018 –<br>October 13, 2023   |
| Number of share acquisition rights (units) (Note 2)  | -  | -  | -   | -  |
| Type, content and number of shares subject to the share acquisition rights (Note 2)  | -  | -  | -   | -  |
| Amount paid-in (¥) upon exercise of the share acquisition rights (Note 2)  | 1 per share  | 1 per share  | 2,741 per share<br>However, the said paid-in amount (hereinafter "exercise price") may be adjusted based on provisions in (Note 5).   | 2,355 per share<br>However, the said paid-in amount (hereinafter "exercise price") may be adjusted based on provisions in (Note 5) |
| Stock issuance price and capitalization amount (¥) in the event of issuance of shares upon exercise of the share acquisition rights (Note 2) | Issuance price: 2,261<br>Capitalization amount:<br>1,130.5   | Issuance price: 2,261<br>Capitalization amount:<br>1,130.5                     | Issuance price: 3,257<br>Capitalization amount:<br>1,628.5  | Issuance price: 2,891<br>Capitalization amount:<br>1,445.5   |
| Terms and conditions for exercising the share acquisition rights (Note 2)  | As indicated in (Note 3)   | As indicated in (Note 3)   | As indicated in (Note 6)  | As indicated in (Note 6)   |
| Matters related to the transfer of share acquisition rights (Note 2)   | Acquisition of share acquisition rights by transfer requires the approval of the Board of Directors of this Company. |  |   |  |
| Matters related to the grant of share acquisition rights in connection with corporate restructuring actions (Note 2)                         | As indicated in (Note 4)   | As indicated in (Note 4)   | As indicated in (Note 7)  | As indicated in (Note 7)   |

Nomura Real Estate Holdings, Inc.

FY2017/3

|  | 1st issue of stock options   | 2nd issue of stock options   | 3rd issue of stock options   |
|--|--|--|--|
| Settlement date  | June 29, 2016  | June 29, 2016  | June 29, 2016  |
| Recipients   | Directors of the Company<br>(6 persons)  | Directors and executive<br>officers of the Company's<br>subsidiaries<br>(83 persons) | Directors of the Company<br>(6 persons)<br><br>Directors and executive<br>officers of the Company's<br>subsidiaries<br>(83 persons)<br><br>Employees of the Company's<br>subsidiaries<br>(226 persons) |
| Type/number of shares reserved<br>(Note 1)   | Common stock:<br>56,700 shares   | Common stock:<br>250,300 shares  | Common stock:<br>421,800 shares  |
| Grant date   | July 22, 2016  | July 22, 2016  | July 22, 2016  |
| Vesting conditions   | No conditions attached   | No conditions attached   | No conditions attached   |
| Service period   | No period specified  | No period specified  | No period specified  |
| Exercisable period   | July 22, 2019 –<br>July 21, 2024   | July 22, 2019 –<br>July 21, 2024   | July 22, 2019 –<br>July 21, 2024   |
| Number of share acquisition rights<br>(units) (Note 2)   | 76 [-]   | 429 [283]  | 725 [563]  |
| Type, content and number of<br>shares subject to the share<br>acquisition rights (Note 2)  | Common stock:<br>7,600 shares<br>[-]   | Common stock:<br>42,900 shares<br>[28,300]   | Common stock:<br>72,500 shares<br>[56,300]   |
| Amount paid-in (¥) upon exercise<br>of the share acquisition rights<br>(Note 2)  | 1 per share  | 1 per share  | 1,927 per share<br>However, the said paid-in<br>amount (hereinafter "exercise<br>price") may be adjusted based<br>on provisions in (Note 5).   |
| Stock issuance price and<br>capitalization amount (¥) in the<br>event of issuance of shares upon<br>exercise of the share acquisition<br>rights (Note 2) | Issuance price: 1,594<br>Capitalization amount: 797  | Issuance price: 1,594<br>Capitalization amount: 797                                  | Issuance price: 2,304<br>Capitalization amount: 1,152  |
| Terms and conditions for<br>exercising the share acquisition<br>rights (Note 2)  | As indicated in (Note 3)   | As indicated in (Note 3)   | As indicated in (Note 6)   |
| Matters related to the transfer of<br>share acquisition rights (Note 2)  | Acquisition of share acquisition rights by transfer requires the approval of the Board of Directors of this Company. |  |  |
| Matters related to the grant of<br>share acquisition rights in<br>connection with corporate<br>restructuring actions (Note 2)                            | As indicated in (Note 4)   | As indicated in (Note 4)   | As indicated in (Note 7)   |

Nomura Real Estate Holdings, Inc.

| FY2018/3   | 1st issue of stock options   | 2nd issue of stock options   | 3rd issue of stock options   |
|--|--|--|--|
| Settlement date  | June 29, 2017  | June 29, 2017  | June 29, 2017  |
| Recipients   | Directors of the Company<br>(6 persons)  | Directors and executive<br>officers of the Company's<br>subsidiaries<br>(90 persons) | Directors of the Company<br>(6 persons)<br><br>Directors and executive<br>officers of the Company's<br>subsidiaries<br>(90 persons)<br><br>Employees of the Company's<br>subsidiaries<br>(241 persons) |
| Type/number of shares reserved<br>(Note 1)   | Common stock:<br>39,800 shares   | Common stock:<br>228,300 shares  | Common stock:<br>456,400 shares  |
| Grant date   | July 21, 2017  | July 21, 2017  | July 21, 2017  |
| Vesting conditions   | No conditions attached   | No conditions attached   | No conditions attached   |
| Service period   | No period specified  | No period specified  | No period specified  |
| Exercisable period   | July 21, 2020 –<br>July 20, 2025   | July 21, 2020 –<br>July 20, 2025   | July 21, 2020 –<br>July 20, 2025   |
| Number of share acquisition rights<br>(units) (Note 2)   | 237 [147]  | 547 [463]  | 1,489 [1,411]  |
| Type, content and number of<br>shares subject to the share<br>acquisition rights (Note 2)  | Common stock:<br>23,700 shares<br>[14,700]   | Common stock:<br>54,700 shares<br>[46,300]   | Common stock:<br>148,900 shares<br>[141,100]   |
| Amount paid-in (¥) upon exercise<br>of the share acquisition rights<br>(Note 2)  | 1 per share  | 1 per share  | 2,400 per share<br>However, the said paid-in<br>amount (hereinafter "exercise<br>price") may be adjusted based<br>on provisions in (Note 5).   |
| Stock issuance price and<br>capitalization amount (¥) in the<br>event of issuance of shares upon<br>exercise of the share acquisition<br>rights (Note 2) | Issuance price: 1,840<br>Capitalization amount: 920  | Issuance price: 1,840<br>Capitalization amount: 920                                  | Issuance price: 2,799<br>Capitalization amount: 1,399.5  |
| Terms and conditions for<br>exercising the share acquisition<br>rights (Note 2)  | As indicated in (Note 3)   | As indicated in (Note 3)   | As indicated in (Note 6)   |
| Matters related to the transfer of<br>share acquisition rights (Note 2)  | Acquisition of share acquisition rights by transfer requires the approval of the Board of Directors of this Company. |  |  |
| Matters related to the grant of<br>share acquisition rights in<br>connection with corporate<br>restructuring actions (Note 2)                            | As indicated in (Note 4)   | As indicated in (Note 4)   | As indicated in (Note 7)   |



Nomura Real Estate Holdings, Inc.

| FY2019/3   | 1st issue of stock options  | 2nd issue of stock options   |
|--|---|--|
| Settlement date  | June 26, 2018   | June 26, 2018  |
| Recipients   | Directors of the Company<br>(5 persons)   | Directors and executive<br>officers of the Company's<br>subsidiaries<br>(36 persons) |
| Type/number of shares reserved<br>(Note 1)   | Common stock:<br>10,700 shares  | Common stock:<br>49,400 shares   |
| Grant date   | July 19, 2018   | July 19, 2018  |
| Vesting conditions   | No conditions attached  | No conditions attached   |
| Service period   | No period specified   | No period specified  |
| Exercisable period   | July 19, 2021 –<br>July 18, 2026  | July 19, 2021 –<br>July 18, 2026   |
| Number of share acquisition rights<br>(units) (Note 2)   | 74  | 143 [125]  |
| Type, content and number of<br>shares subject to the share<br>acquisition rights (Note 2)  | Common stock:<br>7,400 shares   | Common stock:<br>14,300 shares<br>[12,500]   |
| Amount paid-in (¥) upon exercise<br>of the share acquisition rights<br>(Note 2)  | 1 per share   | 1 per share  |
| Stock issuance price and<br>capitalization amount (¥) in the<br>event of issuance of shares upon<br>exercise of the share acquisition<br>rights (Note 2) | Issuance price: 2,030<br>Capitalization amount: 1,015   | Issuance price: 2,030<br>Capitalization amount: 1,015                                |
| Terms and conditions for<br>exercising the share acquisition<br>rights (Note 2)  | As indicated in (Note 3)  | As indicated in (Note 3)   |
| Matters related to the transfer of<br>share acquisition rights (Note 2)  | Acquisition of share acquisition rights by transfer requires the<br>approval of the Board of Directors of this Company. |  |
| Matters related to the grant of<br>share acquisition rights in<br>connection with corporate<br>restructuring actions (Note 2)                            | As indicated in (Note 4)  | As indicated in (Note 4)   |

Notes: 1. Described in terms of the number of shares.

2. Information as of the end of the fiscal year ended March 31, 2024 is indicated. Any part of the information which was changed during the period from the end of the current fiscal year to the end of the month previous to the filing date (May 31, 2024) is indicated inside brackets [ ] as of the end of the month previous to the filing date, and no change has been made in any other parts since the end of the current fiscal year.
3. i) A person who has received the allotment of the share acquisition rights (the "Eligible Person") must be in a position of Director, Audit & Supervisory Board Member, Executive Officer, Counselor, Advisor, Special Officer, Special Advisor, or in an equivalent position thereto, or employee of the Company or any of its subsidiaries (collectively, the "Required Position") until the time of exercise of the share acquisition rights on a continuing basis.
- ii) Notwithstanding i) above, in the case the Eligible Person has lost the Required Position, the Eligible Person may exercise share acquisition rights only from and including whichever is later of the date of loss of the Required Position or the commencement date of "Exercisable period" in the above table (the "Exercise Period"), to and including the date on which one year has elapsed from the aforesaid date on the condition that the last day is on or before the expiration date of the Exercise Period.
- iii) When the Eligible Person has passed away, his/her heir is deemed to be able to succeed and exercise the share acquisition rights if the Eligible Person has met the conditions of i) above immediately before the death, or the Eligible Person had been able to exercise share acquisition rights in accordance with the provision of ii) above immediately before the death (such heir who succeeded the share acquisition rights is hereinafter referred to as the "Successor of Rights"); provided, however, that in the case of i) above, the Successor of Rights may exercise share acquisition rights only from and including whichever is later of the date of death of the Eligible Person or the commencement date of the Exercise Period, to and including the date on which one year has elapsed from the aforesaid date on the condition that the last day is on or before the expiration date of the Exercise Period, and in the case of ii) above, the Successor of Rights may exercise share acquisition rights during the same period as the period allowed for the Eligible Person to exercise those in accordance with ii) above.
- iv) When the Successor of Rights has passed away, his/her heir may not exercise the share acquisition rights.
- v) The Eligible Person or the Successor of Rights may not exercise the allotted share acquisition rights in more than two times.
- vi) A fraction of one share acquisition right may not be exercised.
- vii) Other terms and conditions shall be as per specifications in the "Share Acquisition Rights Allotment Agreement" to be entered into between the Company and the Eligible Person.
4. The Company, in the case of merger (limited only to cases in which the Company is dissolved by merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (collectively, "Reorganization"), may issue the share acquisition rights of the company that survives the merger, the company incorporated as a result of the merger, the company which succeeds, in whole or in part, to any rights and obligations that a company effecting an absorption-type company split holds in connection with its business, the company that is incorporated in the incorporation-type company split, the company that acquires all of the issued shares of the company effecting the share exchange, or the company incorporated as a result of the share transfer (collectively, "Reorganized Company") to each person holding share acquisition rights that remain outstanding at the time directly before when the effects of the Reorganization arises (collectively, "Remaining Share Acquisition Rights"), based on the conditions set forth below. In this case, the Remaining Share Acquisition Rights shall be extinguished and the Reorganized Company shall issue new share acquisition rights. However, this shall be limited to the case where the issuance of share acquisition rights of the Reorganized Company is stipulated in an absorption-type merger agreement, an incorporation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a stock exchange agreement, or a share transfer plan in accordance with following conditions.
- i) Number of share acquisition rights of the Reorganized Company to be delivered  
A number equal to the number of the Remaining Share Acquisition Rights shall be delivered to each such Eligible Person.
- ii) Class of shares of the Reorganized Company to be delivered upon exercise of share acquisition rights  
To be Ordinary shares of the Reorganized Company
- iii) Number of shares of the Reorganized Company to be delivered upon exercise of share acquisition rights  
To be determined in accordance with the "Number of shares underlying share acquisition rights" in the above table, taking into consideration the

- conditions, etc. of the Reorganization.
- iv) Value of property to be contributed upon exercise of share acquisition rights and calculation methods thereof  
The subject of contribution upon exercise of share acquisition rights shall be cash and the amount shall be obtained by multiplying ¥1, which is the price to be paid per share, by the number of shares of the Reorganized Company underlying the share acquisition rights determined in accordance with iii) above.
- v) Period during which share acquisition rights may be exercised  
Period during which share acquisition rights may be exercised shall begin on the date of commencement of the Exercise Period or the effective date of the Reorganization, whichever is later, and end on the expiration date of the Exercise Period.
- vi) Matters concerning share capital and legal capital surplus increases in event of issuance of shares upon exercise of share acquisition rights
- (1) The amount of share capital increase in the event of an issuance of shares upon exercise of the share acquisition rights shall be half the maximum amount of increase in share capital, etc., calculated in accordance with the provision in Paragraph 1, Article 17 of the Regulation on Accounting of Companies. Any fraction of less than ¥1 resulting from the calculation shall be rounded up to the nearest yen.
  - (2) The amount of legal capital surplus increase in the event of an issuance of shares upon exercise of the share acquisition rights shall be the amount obtained by subtracting the share capital increase stipulated in (1) above from the maximum amount of increase in share capital, etc., described in (1) above.
- vii) Restriction on acquisition of the share acquisition rights by transfer  
Any acquisition of the share acquisition rights by transfer is subject to the approval of the Reorganized Company.
- viii) Terms and conditions for exercise of share acquisition rights  
To be determined in accordance with the aforementioned Note 3.
- ix) Matters concerning acquisition of share acquisition rights  
In cases where the Board of Directors of the Company resolves to call a General Meeting of Shareholders to approve any of the following agenda items (or if a resolution by the General Meeting of Shareholders is not necessary, in cases where a resolution of the Board of Directors of the Company is made concerning any of the following agenda items), or in cases where there is a call from shareholders to hold such General Meeting of Shareholders, and when the acquisition date has been determined by the Board of Directors, the Company may acquire all or part of share acquisition rights without contribution upon arrival of the date.
- (1) Agenda item for approval of a merger agreement under which the Company shall become a disappearing company
  - (2) Agenda item for approval of absorption-type company split agreement or incorporation-type company split plan under which the Company shall become a split company
  - (3) Agenda item for approval of a share exchange agreement or share transfer plan under which the Company shall become a wholly-owned subsidiary
  - (4) Agenda item for an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of all shares to be issued by the Company shall require the approval of the Company
  - (5) Agenda item for an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of shares to be delivered upon exercise of the share acquisition rights shall require the approval of the Company or that the Company may acquire all of such class of shares by resolution at a General Meeting of Shareholders
- x) Treatment of any fractional shares arising upon exercise of share acquisition rights  
Any fraction of less than one share included in the number of shares to be delivered to a share acquisition rights holder shall be discarded.
5. If the Company conducts a share split or share consolidation of its common stock, the Exercise Price shall be adjusted using the following formula, and fractional yen amounts due to the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of share split or consolidation}}$$

In addition, in cases where the Company issues a call for subscribers for the shares of common stock that the Company thereby issued or the shares of common stock of the Company held by the Company thereby disposed of, and the amount to be paid in is particularly advantageous to the subscribers, the Exercise Price shall be adjusted in accordance with the following formula, and resulting fractions of less than ¥1 shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of outstanding shares} + \frac{\text{Number of newly issued shares} \times \text{Paid-in amount per share}}{\text{Fair value per share}}}{\text{Number of outstanding shares} + \text{Number of newly issued shares}}$$

"Number of outstanding shares" in the aforementioned formula is the total number of issued shares of the Company's common stock minus the number of treasury shares of the Company's common stock. For the disposal of treasury shares of the Company's common stock, "Number of newly issued shares" is replaced by "Number of treasury shares to be disposed" and "Paid-in amount per share" by "Disposal price per share."

Other than the above, in cases where the Company carries out an allotment without contribution of shares or share acquisition rights, or in other cases where it is necessary for the Company to adjust the Exercise Price, the Company shall adjust the Exercise Price as deemed necessary.

6. i) A person who has received the allotment of the share acquisition rights (the "Eligible Person") must be in a position of Director, Audit & Supervisory Board Member, Executive Officer, Counselor, Advisor, Special Officer, Special Advisor, or in an equivalent position thereto, or employee of the Company or any of its subsidiaries (collectively, the "Required Position") until the time of exercise of the share acquisition rights on a continuing basis.
- ii) With regard to the Eligible Person, there must not be a situation where retirement under instruction or punitive dismissal has been decided pursuant to the rules of employment of the Company or its subsidiaries, or a similar situation, as of the time of exercise of the share acquisition rights.
- iii) Notwithstanding i) above, share acquisition rights may be exercised even when the Eligible Person has lost the Required Position, if the reason for the loss of the Required Position is mandatory retirement at the age limit, retirement because of reaching contractual age-limit, retirement assigned by company, retirement mainly because of physical disability resulting from occupational injury or illness, dismissal because of unavoidable operational reason (layoff) or resignation or retirement similar to these. In this case, the Eligible Person may exercise share acquisition rights only from and including whichever is later of the date of loss of the Required Position or the commencement date of the Exercise Period, to and including the date on which one year has elapsed from the aforesaid date on the condition that the last day is on or before the expiration date of the Exercise Period.
- iv) When the Eligible Person has passed away, his/her heir is deemed to be able to succeed and exercise the share acquisition rights if the Eligible Person has met the conditions of i) and ii) above immediately before the death, or the Eligible Person had been able to exercise share acquisition rights in accordance with the provision of iii) above immediately before the death; provided, however, that in the case of i) above, the Successor of Rights may exercise share acquisition rights only from and including whichever is later of the date of death of the Eligible Person or the commencement date of the Exercise Period, to and including the date on which one year has elapsed from the aforesaid date on the condition that the last day is on or before the expiration date of the Exercise Period, and in the case of iii) above, the Successor of Rights may exercise share acquisition rights during the same period as the period allowed for the Eligible Person to exercise those in accordance with iii) above.
- v) When the Successor of Rights passed away, his/her heir may not exercise the share acquisition rights.
- vi) The Eligible Person or Successor of Rights may not exercise the share acquisition rights in multiple installments exceeding two installments.
- vii) A fraction of one share acquisition right may not be exercised.
- viii) Other terms and conditions shall be as per specifications in the "Share Acquisition Rights Allotment Agreement" to be entered into between the Company and the Eligible Person.
7. The Company, in the case of merger (limited only to cases in which the Company is dissolved by merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (collectively, "Reorganization"), may issue the share acquisition rights of the company that survives the merger, the company incorporated as a result of the merger, the company which succeeds, in whole or in part, to any rights and obligations that a company effecting an absorption-type company split holds in connection with its business, the company that is incorporated in the incorporation-type company split, the company that acquires all of the issued shares of the company effecting the share exchange, or the company incorporated as a result of the share transfer (collectively, "Reorganized Company") to each person holding share acquisition rights that remain outstanding at the time directly before when the effects of the Reorganization arises (collectively, "Remaining Share Acquisition Rights"), based on the conditions set forth below. In this case, the Remaining Share Acquisition Rights shall be extinguished and the Reorganized Company shall issue new share acquisition rights. However, this shall be limited to the case where the issuance of share acquisition rights of the Reorganized Company is stipulated in an absorption-type merger agreement, an incorporation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a stock exchange agreement or a share transfer plan in accordance with following conditions.
- i) Number of share acquisition rights of the Reorganized Company to be delivered  
A number equal to the number of the Remaining Share Acquisition Rights shall be delivered to each such Eligible Person.
  - ii) Class of shares of the Reorganized Company to be delivered upon exercise of share acquisition rights  
Ordinary shares of the Reorganized Company
  - iii) Number of shares of the Reorganized Company to be delivered upon exercise of share acquisition rights  
To be determined in accordance with the "Number of shares underlying share acquisition rights" in the above table, taking into consideration the conditions, etc. of the Reorganization.
  - iv) Value of property to be contributed upon exercise of share acquisition rights and calculation methods thereof

- The subject of contribution upon exercise of share acquisition rights shall be cash, and the amount shall be obtained by multiplying the price determined in accordance with the Exercise Price of "Paid-in amount on exercise of share acquisition rights" stated in the table by taking into consideration the conditions and other factors of the Reorganization, by the number of shares of the Reorganized Company underlying share acquisition rights in iii) above.
- v) Period during which share acquisition rights may be exercised  
Period during which share acquisition rights may be exercised shall begin on the date of commencement of the Exercise Period or the effective date of the Reorganization, whichever is later, and end on the expiration date of the Exercise Period.
  - vi) Matters concerning share capital and legal capital surplus increases in event of issuance of shares upon exercise of share acquisition rights
    - (1) The amount of share capital increase in the event of an issuance of shares upon exercise of the share acquisition rights shall be half the maximum amount of increase in share capital, etc., calculated in accordance with the provision in Paragraph 1, Article 17 of the Regulation on Accounting of Companies. Any fraction of less than ¥1 resulting from the calculation shall be rounded up to the nearest yen.
    - (2) The amount of legal capital surplus increase in the event of an issuance of shares upon exercise of the share acquisition rights shall be the amount obtained by subtracting the share capital increase stipulated in (1) above from the maximum amount of increase in share capital, etc., described in (1) above.
  - vii) Restriction on acquisition of the share acquisition rights by transfer  
Any acquisition of the share acquisition rights by transfer is subject to the approval of the Reorganized Company.
  - viii) Terms and conditions for exercise of share acquisition rights  
To be determined in accordance with the aforementioned Note 6.
  - ix) Matters concerning acquisition of share acquisition rights  
In cases where the Board of Directors of the Company resolves to call a General Meeting of Shareholders to approve any of the following agenda items (or if a resolution by the General Meeting of Shareholders is not necessary, in cases where a resolution of the Board of Directors of the Company is made concerning any of the following agenda items), or in cases where there is a call from shareholders to hold such General Meeting of Shareholders, and when the acquisition date has been determined by the Board of Directors, the Company may acquire all or part of share acquisition rights without contribution upon arrival of the date.
    - (1) Agenda item for approval of a merger agreement under which the Company shall become a disappearing company
    - (2) Agenda item for approval of absorption-type company split agreement or incorporation-type company split plan under which the Company shall become a split company
    - (3) Agenda item for approval of a share exchange agreement or share transfer plan under which the Company shall become a wholly-owned subsidiary
    - (4) Agenda item for an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of all shares to be issued by the Company shall require the approval of the Company
    - (5) Agenda item for an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of shares to be delivered upon exercise of the share acquisition rights shall require the approval of the Company or that the Company may acquire all of such class of shares by resolution at a General Meeting of Shareholders
  - x) Treatment of any fractional shares arising upon exercise of share acquisition rights  
Any fraction of less than one share included in the number of shares to be delivered to a share acquisition rights holder shall be discarded.

## (2) Outline of and changes in stock options

The number of stock options outstanding during the fiscal year ended March 31, 2024 is converted and presented as the number of shares.

### 1) Number of stock options

#### Nomura Real Estate Holdings, Inc.

| FY2016/3                 | 1st issue of stock options | 2nd issue of stock options | 3rd issue of stock options | 5th issue of stock options |
|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Non-vested: (shares)     |                            |                            |                            |                            |
| Previous fiscal year end | —                          | —                          | —                          | —                          |
| Granted                  | —                          | —                          | —                          | —                          |
| Forfeited                | —                          | —                          | —                          | —                          |
| Vested:                  | —                          | —                          | —                          | —                          |
| End of the year          | —                          | —                          | —                          | —                          |
| Vested: (shares)         |                            |                            |                            |                            |
| Previous fiscal year end | 4,900                      | 25,800                     | 137,400                    | 12,200                     |
| Vested:                  | —                          | —                          | —                          | —                          |
| Exercised                | 4,900                      | 25,800                     | 87,100                     | 11,200                     |
| Forfeited                | —                          | —                          | 50,300                     | 1,000                      |
| End of the year          | —                          | —                          | —                          | —                          |

#### Nomura Real Estate Holdings, Inc.

| FY2017/3                 | 1st issue of stock options | 2nd issue of stock options | 3rd issue of stock options |
|--------------------------|----------------------------|----------------------------|----------------------------|
| Non-vested: (shares)     |                            |                            |                            |
| Previous fiscal year end | —                          | —                          | —                          |
| Granted                  | —                          | —                          | —                          |
| Forfeited                | —                          | —                          | —                          |
| Vested:                  | —                          | —                          | —                          |
| End of the year          | —                          | —                          | —                          |
| Vested: (shares)         |                            |                            |                            |
| Previous fiscal year end | 25,200                     | 64,500                     | 137,000                    |
| Vested:                  | —                          | —                          | —                          |
| Exercised                | 17,600                     | 21,600                     | 64,500                     |
| Forfeited                | —                          | —                          | —                          |
| End of the year          | 7,600                      | 42,900                     | 72,500                     |

| Nomura Real Estate Holdings, Inc. |                            |                            |                            |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| FY2018/3                          | 1st issue of stock options | 2nd issue of stock options | 3rd issue of stock options |
| Non-vested: (shares)              |                            |                            |                            |
| Previous fiscal year end          | —                          | —                          | —                          |
| Granted                           | —                          | —                          | —                          |
| Forfeited                         | —                          | —                          | —                          |
| Vested:                           | —                          | —                          | —                          |
| End of the year                   | —                          | —                          | —                          |
| Vested: (shares)                  |                            |                            |                            |
| Previous fiscal year end          | 28,800                     | 65,600                     | 225,400                    |
| Vested:                           | —                          | —                          | —                          |
| Exercised                         | 5,100                      | 10,900                     | 76,500                     |
| Forfeited                         | —                          | —                          | —                          |
| End of the year                   | 23,700                     | 54,700                     | 148,900                    |

| Nomura Real Estate Holdings, Inc. |                            |                            |
|-----------------------------------|----------------------------|----------------------------|
| FY2019/3                          | 1st issue of stock options | 2nd issue of stock options |
| Non-vested: (shares)              |                            |                            |
| Previous fiscal year end          | —                          | —                          |
| Granted                           | —                          | —                          |
| Forfeited                         | —                          | —                          |
| Vested:                           | —                          | —                          |
| End of the year                   | —                          | —                          |
| Vested: (shares)                  |                            |                            |
| Previous fiscal year end          | 7,400                      | 18,900                     |
| Vested:                           | —                          | —                          |
| Exercised                         | —                          | 4,600                      |
| Forfeited                         | —                          | —                          |
| End of the year                   | 7,400                      | 14,300                     |

## 2) Unit price data

| Nomura Real Estate Holdings, Inc. |                            |                            |                            |                            |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| FY2016/3                          | 1st issue of stock options | 2nd issue of stock options | 3rd issue of stock options | 5th issue of stock options |
| Exercise price (¥)                | 1                          | 1                          | 2,741                      | 2,355                      |
| Average price upon exercise (¥)   | 3,454                      | 3,469                      | 3,418                      | 3,705                      |
| Fair value on grant date (¥)      | 2,260                      | 2,260                      | 516                        | 536                        |

| Nomura Real Estate Holdings, Inc. |                            |                            |                            |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| FY2017/3                          | 1st issue of stock options | 2nd issue of stock options | 3rd issue of stock options |
| Exercise price (¥)                | 1                          | 1                          | 1,927                      |
| Average price upon exercise (¥)   | 3,473                      | 3,807                      | 3,683                      |
| Fair value on grant date (¥)      | 1,593                      | 1,593                      | 377                        |

| Nomura Real Estate Holdings, Inc. |                            |                            |                            |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| FY2018/3                          | 1st issue of stock options | 2nd issue of stock options | 3rd issue of stock options |
| Exercise price (¥)                | 1                          | 1                          | 2,400                      |
| Average price upon exercise (¥)   | 3,709                      | 3,544                      | 3,685                      |
| Fair value on grant date (¥)      | 1,839                      | 1,839                      | 399                        |

| Nomura Real Estate Holdings, Inc. |                            |                            |
|-----------------------------------|----------------------------|----------------------------|
| FY2019/3                          | 1st issue of stock options | 2nd issue of stock options |
| Exercise price (¥)                | 1                          | 1                          |
| Average price upon exercise (¥)   | —                          | 3,574                      |
| Fair value on grant date (¥)      | 2,029                      | 2,029                      |

## 3. Estimation of the number of vested options

The estimation of the number of vested options is made based on the actual number of forfeited options due to difficulty in reasonably estimating future forfeitures.

## 17. Income Taxes

### 1. Breakdown of major causes of deferred tax assets and liabilities

|  | (Millions of yen)                  |                                    |
|--|------------------------------------|------------------------------------|
|  | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024) |
| Deferred tax assets:                   |                                    |                                    |
| Unrealized profits                     | ¥12,567                            | ¥12,458                            |
| Deferred losses on hedges              | 5,599                              | 10,153                             |
| Excess of depreciation                 | 5,541                              | 6,318                              |
| Impairment losses                      | 5,550                              | 4,021                              |
| Retirement benefit liability           | 4,628                              | 3,919                              |
| Provision for bonuses                  | 3,182                              | 3,606                              |
| Inventory write-downs                  | 498                                | 694                                |
| Revaluation of assets on consolidation | 298                                | 300                                |
| Other                                  | 15,814                             | 16,224                             |
| <b>Gross deferred tax assets</b>       | <b>53,682</b>                      | <b>57,695</b>                      |
| Valuation allowance                    | (5,885)                            | (5,280)                            |
| <b>Total deferred tax assets</b>       | <b>47,797</b>                      | <b>52,415</b>                      |
| Deferred tax liabilities:              |                                    |                                    |
| Revaluation of assets on consolidation | (41,511)                           | (38,399)                           |
| Reserve for deferred income taxes      | (17,639)                           | (19,383)                           |
| Other                                  | (15,719)                           | (17,504)                           |
| <b>Total deferred tax liabilities</b>  | <b>(74,870)</b>                    | <b>(75,288)</b>                    |
| <b>Net deferred tax liabilities</b>    | <b>¥(27,072)</b>                   | <b>¥(22,873)</b>                   |

### 2. Breakdown of major causes of the difference between the effective statutory tax rate and the effective income tax rate after the application of tax effect accounting

|   | FY2023/3<br>(as of March 31, 2023) | FY2024/3<br>(as of March 31, 2024)  |
|---|------------------------------------|---|
| Statutory tax rate  | 30.6%                              | The note has been omitted because the difference between the statutory tax rate and the effective tax rate is less than 5% of the statutory tax rate. |
| (Adjustment)  |                                    |   |
| Entertainment and other expenses that are permanently non-deductible        | (0.2)%                             |   |
| Tax effect related to investments in subsidiaries                           | 0.5%                               |   |
| Share of profit (loss) of entities accounted for using equity method        | (1.7)%                             |   |
| Tax credit  | (1.0)%                             |   |
| Others  | (1.7)%                             |   |
| <b>Effective income tax rate after application of tax effect accounting</b> | <b>26.5%</b>                       |   |

## 18. Schedule of Asset Retirement Obligations

The note has been omitted due to the lack of materiality.

## 19. Real Estate for Rent

Some of the Company's consolidated subsidiaries own rental office buildings and rental retail facilities (including land) in Tokyo and other regions. Some rental office buildings are regarded as properties including the portion used as rental properties since they are used by the Company and certain consolidated subsidiaries.

The book values in the Consolidated Balance Sheet, changes during the fiscal year and fair values of these rental properties and properties including the portion used as rental properties are as follows.

|   | (Millions of yen) |          |
|---|-------------------|----------|
|   | 2023              | 2024     |
| Real estate for rent  |                   |          |
| Book value in the Consolidated Balance Sheet                  |                   |          |
| Balance at the beginning of the fiscal year                   | ¥639,024          | ¥618,122 |
| Changes during the fiscal year                                | (20,901)          | 26,240   |
| Balance at the end of the fiscal year                         | 618,122           | 644,362  |
| Fair value at the end of the fiscal year                      | ¥836,951          | ¥878,097 |
| Properties including the portion used as real estate for rent |                   |          |
| Book value in the Consolidated Balance Sheet                  |                   |          |
| Balance at the beginning of the fiscal year                   | ¥25,758           | ¥25,340  |
| Changes during the fiscal year                                | (418)             | (387)    |
| Balance at the end of the fiscal year                         | 25,340            | 24,953   |
| Fair value at the end of the fiscal year                      | ¥59,040           | ¥58,010  |

Notes: 1. Book values in the Consolidated Balance Sheet are the amounts determined by deducting accumulated depreciation from the acquisition cost.

2. Fair values as of March 31, 2023 and 2024 are determined based primarily on values according to Real Estate Appraisal Standards (including adjustments based on certain indexes). However, if no significant fluctuations in certain appraisal values or indexes considered to appropriately reflect market values have occurred since the time of acquisition from third party or the time of the most recent appraisal, the Group bases the fair value on an amount that has been adjusted using the aforesaid values or indexes.

Income and loss on rental properties and other properties used as rental properties are as follows.

|   | (Millions of yen) |         |
|---|-------------------|---------|
|   | 2023              | 2024    |
| Rental properties                                 |                   |         |
| Operating profit                                  | ¥18,335           | ¥20,031 |
| Others (gains (losses) on sale of property, etc.) | (1,065)           | 4,715   |
| Other properties used as rental properties        |                   |         |
| Operating profit                                  | 865               | 753     |
| Others (gains (losses) on sale of property, etc.) | ¥—                | ¥—      |

Notes: 1. As real estate of which some portions are used as rental property includes portions used by the Company and certain consolidated subsidiaries for providing services as well as management and administration, operating profit for this type of real estate is not recorded.

2. Others include gain on sale of non-current assets (¥5,983 million) and loss on building reconstruction (¥1,041 million) in the fiscal year ended March 31, 2024.

## 20. Revenue Recognition

### 1. Information on disaggregation of revenue from contracts with customers

|  | (Millions of yen)                         |                                     |          |   |          |          |
|--|---|-------------------------------------|----------|---|----------|----------|
|  | Operating revenue from external customers |                                     |          | Internal sales and transfer amount among segments | Total    |          |
|  | Revenue from contracts with customers     | Revenue from other sources (Note 1) | Subtotal |   |          |          |
| Reportable segments                                  | Residential Development                   | ¥296,091                            | ¥5,405   | ¥301,496  | ¥983     | ¥302,480 |
|  | Housing sales                             | 273,662                             | —        | 273,662   | —        | 273,662  |
|  | Property development (sales)              | 4,800                               | 1,500    | 6,300   | —        | 6,300    |
|  | Other                                     | 17,629                              | 3,905    | 21,534  | 983      | 22,518   |
|  | Commercial Real Estate                    | 100,334                             | 96,509   | 196,844   | 2,465    | 199,309  |
|  | Property development (sales)              | 70,762                              | 26,708   | 97,471  | —        | 97,471   |
|  | Other                                     | 29,572                              | 69,800   | 99,373  | 2,465    | 101,838  |
|  | Overseas business                         | 235                                 | 6,534    | 6,769   | 0        | 6,770    |
|  | Investment Management                     | 12,185                              | 1,258    | 13,444  | 187      | 13,632   |
|  | Property Brokerage & CRE                  | 45,419                              | —        | 45,419  | 2,280    | 47,700   |
|  | Property & Facility Management            | 90,438                              | 44       | 90,482  | 14,991   | 105,474  |
|  | Subtotal                                  | 544,705                             | 109,752  | 654,457   | 20,908   | 675,366  |
|  | Other (Note 2)                            | 8                                   | 269      | 277   | 4        | 282      |
|  | Total                                     | 544,713                             | 110,022  | 654,735   | 20,913   | 675,649  |
| Adjustments  | —   | —                                   | —        | (20,913)  | (20,913) |          |
| Amount recorded in Consolidated Financial Statements | ¥544,713                                  | ¥110,022                            | ¥654,735 | ¥—  | ¥654,735 |          |

Notes: 1. "Revenue from other sources" includes revenue from sales of property development based on Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special-Purpose Companies (JICPA Accounting Practice Committee Statement No. 15, November 4, 2014) and lease revenue based on Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007).

2. The "Other" category represents operating segments that are not included in reportable segments.

|  | Operating revenue from external customers |                                     |          | Internal sales and transfer amount among segments | Total    |          |
|--|---|-------------------------------------|----------|---|----------|----------|
|  | Revenue from contracts with customers     | Revenue from other sources (Note 1) | Subtotal |   |          |          |
| Reportable segments                                  | Residential Development                   | ¥335,207                            | ¥15,415  | ¥350,622  | ¥1,189   | ¥351,812 |
|  | Housing sales                             | 282,988                             | —        | 282,988   | —        | 282,988  |
|  | Property development (sales)              | 26,780                              | 6,138    | 32,918  | —        | 32,918   |
|  | Other                                     | 25,439                              | 9,277    | 34,716  | 1,189    | 35,906   |
|  | Commercial Real Estate                    | 107,832                             | 113,403  | 221,236   | 2,515    | 223,752  |
|  | Property development (sales)              | 69,722                              | 45,795   | 115,517   | —        | 115,517  |
|  | Other                                     | 38,109                              | 67,608   | 105,718   | 2,515    | 108,234  |
|  | Overseas business                         | 720                                 | 3,896    | 4,616   | —        | 4,616    |
|  | Investment Management                     | 12,631                              | 1,525    | 14,157  | 199      | 14,356   |
|  | Property Brokerage & CRE                  | 48,252                              | —        | 48,252  | 1,336    | 49,588   |
|  | Property & Facility Management            | 95,512                              | 42       | 95,554  | 12,636   | 108,190  |
|  | Subtotal                                  | 600,157                             | 134,282  | 734,439   | 17,877   | 752,317  |
|  | Other (Note 2)                            | 8                                   | 266      | 275   | 5        | 280      |
| Total  | 600,165                                   | 134,549                             | 734,715  | 17,882  | 752,598  |          |
| Adjustments  | —   | —                                   | —        | (17,882)  | (17,882) |          |
| Amount recorded in Consolidated Financial Statements | ¥600,165                                  | ¥134,549                            | ¥734,715 | ¥—  | ¥734,715 |          |

Notes: 1. "Revenue from other sources" includes revenue from sales of property development based on Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special-Purpose Companies (JICPA Accounting Practice Committee Statement No. 15, November 4, 2014) and lease revenue based on Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007).  
2. The "Other" category represents operating segments that are not included in reportable segments.

## 2. Information that provides the basis for understanding revenue from contracts with customers

Information that provides the basis for understanding revenue is stated in "1. Basis of Presentation of Consolidated Financial Statements, 4. Matters related to accounting policies, (5) Recognition of significant revenues and related costs."

## 3. Information on the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from those contracts, and the amount and timing of revenue expected to be recognized for the next and subsequent fiscal years from contracts with customers existing as of the end of the fiscal year

### (1) Balances, etc. of contract assets and contract liabilities

(Millions of yen)

|   | 2023    | 2024    |
|---|---------|---------|
| Receivables arising from contracts with customers (Beginning balance) | ¥15,418 | ¥31,936 |
| Receivables arising from contracts with customers (Ending balance)    | 31,936  | 19,747  |
| Contract assets (Beginning balance)                                   | 2,157   | 2,929   |
| Contract assets (Ending balance)                                      | 2,929   | 2,374   |
| Contract liabilities (Beginning balance)                              | 34,483  | 41,334  |
| Contract liabilities (Ending balance)                                 | ¥41,334 | ¥42,347 |

Note: Contract liabilities are mainly advances received as deposits for contracts related to the housing sales business, and the performance obligation is satisfied and revenue is recognized at the time of transfer of the residence to the customer. The contract liability balance related to the housing sales business was ¥28,179 million as of the beginning of the fiscal year ended March 31, 2023, and of this amount, ¥23,306 million was recognized as revenue during the fiscal year ended March 31, 2023. Regarding the contract liability balance as of the beginning of the fiscal year ended March 31, 2023 for contracts other than those for housing sales, the amount that was not recognized as revenue during the fiscal year ended March 31, 2023 was immaterial.

The contract liability balance related to the housing sales business was ¥34,797 million as of the beginning of the fiscal year ended March 31, 2024, and of this amount, ¥24,646 million was recognized as revenue during the fiscal year ended March 31, 2024. Regarding the contract liability balance as of the beginning of the fiscal year ended March 31, 2024 for contracts other than those for housing sales, the amount that was not recognized as revenue during the fiscal year ended March 31, 2024 was immaterial.

### (2) Transaction price allocated to the remaining performance obligations

The total amount at the end of the fiscal year ended March 31, 2023 of the transaction price allocated to performance obligations that were not satisfied as of March 31, 2023 was ¥194,582 million, mainly in the housing sales business of the Residential Development business segment and in the sales of property development of the Residential Development business segment and Commercial Real Estate business segment, and the Company plans to recognize the revenue within approximately three years. In addition, in the consideration from contracts with customers, there are no significant amounts that were not included in the transaction price.

The total amount at the end of the fiscal year ended March 31, 2024 of the transaction price allocated to performance obligations that were not satisfied as of March 31, 2024 was ¥205,658 million, mainly in the housing sales business of the Residential Development business segment and in the sales of property development of the Residential Development business segment and Commercial Real Estate business segment, and the Company plans to recognize the revenue within approximately three years. In addition, in the consideration from contracts with customers, there are no significant amounts that were not included in the transaction price.

For these notes, the Company has applied paragraph 80-22 of the Accounting Standard for Revenue Recognition.

## 21. Segment Information, etc.

### Segment information

#### 1. Segment summary

The reportable segments of the Group comprise those business units for which separate financial information is available, and which are subject to a regular review conducted by the Company's Board of Directors in order to determine the allocation of management resources and evaluate their performance.

With the Company as a pure holding company, the Group consists of business companies and divisions, such as Nomura Real Estate Development Co., Ltd. The business companies (or business divisions within Nomura Real Estate Development) formulate comprehensive strategies on respective products and services handled by them and conduct business activities based on such strategies.

Therefore, business segments of the Group are distinguished by products and services, primarily by business companies (or by business divisions within Nomura Real Estate Development).

#### 2. Methods for calculating net sales, income (loss), assets, liabilities and other items by reportable segment

The accounting method for reportable segments is almost equivalent to that specified in "Significant Accounting Policies."

Reportable segment income is presented based on business profit. Intersegment sales and transfer amounts are presented based on market prices.

#### 3. Information regarding sales, gains or losses, assets, liabilities and other items by reportable segment

Results by segment for the fiscal year ended March 31, 2023

|   | (Millions of yen)       |                        |          |                       |                          |                                |           |                |           | Amount Recorded in Consolidated Financial Statements (Note 3) |                      |
|---|-------------------------|------------------------|----------|-----------------------|--------------------------|--------------------------------|-----------|----------------|-----------|---|----------------------|
|   | Reportable segments     |                        |          |                       |                          |                                |           | Other (Note 1) | Total     |   | Adjustments (Note 2) |
|   | Residential Development | Commercial Real Estate | Overseas | Investment Management | Property Brokerage & CRE | Property & Facility Management | Subtotal  |                |           |   |                      |
| Operating revenue   |                         |                        |          |                       |                          |                                |           |                |           |   |                      |
| External customers  | 301,496                 | 196,844                | 6,769    | 13,444                | 45,419                   | 90,482                         | 654,457   | 277            | 654,735   | —   | 654,735              |
| Inter-segment   | 983                     | 2,465                  | 0        | 187                   | 2,280                    | 14,991                         | 20,908    | 4              | 20,913    | (20,913)  | —                    |
| Subtotal  | 302,480                 | 199,309                | 6,770    | 13,632                | 47,700                   | 105,474                        | 675,366   | 282            | 675,649   | (20,913)  | 654,735              |
| Operating profit or loss (Note 3)   | 33,323                  | 39,231                 | 2,414    | 7,796                 | 13,785                   | 9,816                          | 106,368   | 147            | 106,516   | (6,917)   | 99,598               |
| Share of profit (loss) of entities accounted for using equity method (Note 3)     | (6)                     | 23                     | 4,836    | (51)                  | 37                       | 32                             | 4,872     | —              | 4,872     | —   | 4,872                |
| Amortization of intangible assets associated with corporate acquisitions (Note 3) | 15                      | 273                    | 37       | 344                   | —                        | 29                             | 700       | —              | 700       | —   | 700                  |
| Segment profit or loss (Business profit or loss) (Note 3)                         | 33,333                  | 39,529                 | 7,288    | 8,089                 | 13,822                   | 9,878                          | 111,942   | 147            | 112,089   | (6,917)   | 105,172              |
| Segment assets  | 607,382                 | 1,225,125              | 160,942  | 44,064                | 29,088                   | 51,368                         | 2,117,972 | 1,324          | 2,119,296 | (8,602)   | 2,110,693            |
| Other items   |                         |                        |          |                       |                          |                                |           |                |           |   |                      |
| Depreciation  | 1,131                   | 16,313                 | 149      | 354                   | 569                      | 749                            | 19,269    | 9              | 19,278    | 1,314   | 20,593               |
| Investment in affiliates accounted for using equity method                        | 550                     | 1,025                  | 130,400  | 559                   | 142                      | 355                            | 133,034   | —              | 133,034   | 817   | 133,852              |
| Increase in property, plant and equipment and intangible assets                   | 2,103                   | 28,806                 | 948      | 25                    | 947                      | 251                            | 33,082    | —              | 33,082    | 2,058   | 35,140               |

Notes: 1. The "Other" category represents operating segments that are not included in reportable segments.

2. (1) The deduction of ¥6,917 million shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of ¥3,187 million and a deduction of ¥10,105 million for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

(2) The deduction of ¥8,602 million shown in the adjustments column for segment assets includes a deduction of ¥59,013 million for the elimination of inter-segment transactions and an addition of ¥50,410 million for corporate assets not allocated to each reportable segment.

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



## Results by segment for the fiscal year ended March 31, 2024

|   | (Millions of yen)       |                        |          |                       |                          |                                |           |       |                | Amount Recorded in Consolidated Financial Statements (Note 3) |           |
|---|-------------------------|------------------------|----------|-----------------------|--------------------------|--------------------------------|-----------|-------|----------------|---|-----------|
|   | Reportable segments     |                        |          |                       |                          |                                |           |       | Other (Note 1) |   | Total     |
|   | Residential Development | Commercial Real Estate | Overseas | Investment Management | Property Brokerage & CRE | Property & Facility Management | Subtotal  |       |                |   |           |
| Operating revenue   |                         |                        |          |                       |                          |                                |           |       |                |   |           |
| External customers  | 350,622                 | 221,236                | 4,616    | 14,157                | 48,252                   | 95,554                         | 734,439   | 275   | 734,715        | —   | 734,715   |
| Inter-segment   | 1,189                   | 2,515                  | —        | 199                   | 1,336                    | 12,636                         | 17,877    | 5     | 17,882         | (17,882)  | —         |
| Subtotal  | 351,812                 | 223,752                | 4,616    | 14,356                | 49,588                   | 108,190                        | 752,317   | 280   | 752,598        | (17,882)  | 734,715   |
| Operating profit or loss (Note 3)   | 40,803                  | 49,668                 | (1,248)  | 8,303                 | 13,444                   | 10,050                         | 121,023   | 161   | 121,184        | (9,070)   | 112,114   |
| Share of profit (loss) of entities accounted for using equity method (Note 3)     | 28                      | 34                     | 851      | 81                    | 2                        | 37                             | 1,035     | —     | 1,035          | —   | 1,035     |
| Amortization of intangible assets associated with corporate acquisitions (Note 3) | 15                      | 273                    | 39       | 186                   | —                        | —                              | 515       | —     | 515            | —   | 515       |
| Segment profit or loss (Business profit or loss) (Note 3)                         | 40,848                  | 49,976                 | (357)    | 8,571                 | 13,447                   | 10,088                         | 122,574   | 161   | 122,735        | (9,070)   | 113,665   |
| Segment assets  | 596,016                 | 1,287,099              | 216,896  | 58,865                | 29,091                   | 49,920                         | 2,237,889 | 1,310 | 2,239,199      | 12,256  | 2,251,456 |
| Other items   |                         |                        |          |                       |                          |                                |           |       |                |   |           |
| Depreciation  | 842                     | 16,132                 | 142      | 226                   | 635                      | 742                            | 18,721    | 9     | 18,730         | 1,714   | 20,445    |
| Investment in affiliates accounted for using equity method                        | 578                     | 1,046                  | 162,488  | 530                   | 144                      | 393                            | 165,183   | —     | 165,183        | 703   | 165,886   |
| Increase in property, plant and equipment and intangible assets                   | 1,930                   | 45,356                 | 14,987   | 4                     | 1,575                    | 961                            | 64,816    | 2     | 64,818         | 1,241   | 66,059    |

Notes: 1. The "Other" category represents operating segments that are not included in reportable segments.

2. (1) The deduction of ¥9,070 million shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of ¥2,979 million and a deduction of ¥12,049 million for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

(2) The deduction of ¥12,256 million shown in the adjustments column for segment assets includes a deduction of ¥55,070 million for the elimination of inter-segment transactions and an addition of ¥67,327 million for corporate assets not allocated to each reportable segment.

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

### Related Information

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

#### 1. Information by product and service

Information by product and service is omitted because this same information is disclosed in, "3. Information regarding sales, gains or losses, assets, liabilities and other items by reportable segment."

#### 2. Information by region

Information by region is omitted because sales to external customers in Japan and the amount of property, plant and equipment located in Japan exceeded 90% of sales in the Consolidated Statements of Income and the amount of property and equipment in the Consolidated Balance Sheet.

#### 3. Information by major customer

Information by major customer is omitted because there is no specific external customer that accounts for 10% or more of operating revenue in the Consolidated Statements of Income.

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

#### 1. Information by product and service

Information by product and service is omitted because this same information is disclosed in, "3. Information regarding sales, gains or losses, assets, liabilities and other items by reportable segment."

#### 2. Information by region

Information by region is omitted because sales to external customers in Japan and the amount of property, plant and equipment located in Japan exceeded 90% of sales in the Consolidated Statements of Income and the amount of property and equipment in the Consolidated Balance Sheet.

#### 3. Information by major customer

Information by major customer is omitted because there is no specific external customer that accounts for 10% or more of operating revenue in the Consolidated Statements of Income.

**Impairment loss on noncurrent assets by reportable segment**

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

| 2023            | (Millions of yen)       |                        |          |                       |                          |                                |       |                   |        |
|-----------------|-------------------------|------------------------|----------|-----------------------|--------------------------|--------------------------------|-------|-------------------|--------|
|                 | Residential Development | Commercial Real Estate | Overseas | Investment Management | Property Brokerage & CRE | Property & Facility Management | Other | Adjustment amount | Total  |
| Impairment loss | ¥—                      | ¥7,911                 | ¥—       | ¥—                    | ¥—                       | ¥—                             | ¥—    | ¥—                | ¥7,911 |

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

| 2024            | (Millions of yen)       |                        |          |                       |                          |                                |       |                   |        |
|-----------------|-------------------------|------------------------|----------|-----------------------|--------------------------|--------------------------------|-------|-------------------|--------|
|                 | Residential Development | Commercial Real Estate | Overseas | Investment Management | Property Brokerage & CRE | Property & Facility Management | Other | Adjustment amount | Total  |
| Impairment loss | ¥—                      | ¥775                   | ¥—       | ¥5,762                | ¥—                       | ¥—                             | ¥—    | ¥—                | ¥6,537 |

**Information on amortization of goodwill and the unamortized balance by reportable segment**

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

| 2023                      | (Millions of yen)       |                        |          |                       |                          |                                |       |                   |        |
|---------------------------|-------------------------|------------------------|----------|-----------------------|--------------------------|--------------------------------|-------|-------------------|--------|
|                           | Residential Development | Commercial Real Estate | Overseas | Investment Management | Property Brokerage & CRE | Property & Facility Management | Other | Adjustment amount | Total  |
| Amortization              | ¥15                     | ¥273                   | ¥37      | ¥75                   | ¥—                       | ¥29                            | ¥—    | ¥—                | ¥431   |
| Balance at March 31, 2023 | ¥59                     | ¥1,960                 | ¥452     | ¥1,189                | ¥—                       | ¥—                             | ¥—    | ¥—                | ¥3,663 |

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

| 2024                      | (Millions of yen)       |                        |          |                       |                          |                                |       |                   |        |
|---------------------------|-------------------------|------------------------|----------|-----------------------|--------------------------|--------------------------------|-------|-------------------|--------|
|                           | Residential Development | Commercial Real Estate | Overseas | Investment Management | Property Brokerage & CRE | Property & Facility Management | Other | Adjustment amount | Total  |
| Amortization              | ¥15                     | ¥273                   | ¥39      | ¥40                   | ¥—                       | ¥—                             | ¥—    | ¥—                | ¥370   |
| Balance at March 31, 2024 | ¥43                     | ¥1,687                 | ¥442     | ¥—                    | ¥—                       | ¥—                             | ¥—    | ¥—                | ¥2,173 |

**Information concerning gain on negative goodwill by reportable segment**

Not applicable.

## 22. Information on Related Parties

### 1. Transactions between the Company and related parties

(1) Officers and major shareholders of companies submitting consolidated financial statements (limited to individuals), etc.  
Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

| Type                        | Name                | Location | Stated capital or capital contribution (Millions of yen) | Description of business or profession   | Voting rights holding or held (%) | Relationship with the Company | Transaction details       | Amount of transaction (Millions of yen) | Items | Fiscal year-end balance (Millions of yen) |
|-----------------------------|---------------------|----------|--|---|-----------------------------------|-------------------------------|---------------------------|---|-------|---|
| Officer                     | Eiji Kutsukake      | —        | —  | President and Executive Officer of the Company                                    | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | ¥22                                     | —     | —   |
| Officer of major subsidiary | Seiichi Miyajima    | —        | —  | Senior President of Nomura Real Estate Development Co., Ltd.                      | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 21                                      | —     | —   |
| Officer of major subsidiary | Kouichiro Suzuki    | —        | —  | Managing Executive Officer of Nomura Real Estate Development Co., Ltd.            | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 21                                      | —     | —   |
| Officer                     | Hiroshi Kurokawa    | —        | —  | Executive Officer of the Company  | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 17                                      | —     | —   |
| Officer of major subsidiary | Eiji Enomoto        | —        | —  | Executive Vice President of Nomura Real Estate Solutions Co., Ltd.                | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 16                                      | —     | —   |
| Officer of major subsidiary | Seiichiro Wada      | —        | —  | Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 14                                      | —     | —   |
| Officer of major subsidiary | Masatsugu Matsuzaki | —        | —  | Managing Executive Officer of Nomura Real Estate Development Co., Ltd.            | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 14                                      | —     | —   |
| Officer                     | Makoto Haga         | —        | —  | Executive Officer of the Company  | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 13                                      | —     | —   |
| Officer of major subsidiary | Noriyuki Jinbo      | —        | —  | Managing Executive Officer of Nomura Real Estate Development Co., Ltd.            | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 12                                      | —     | —   |
| Officer                     | Toshihide Tsukasaki | —        | —  | Executive Officer of the Company  | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 12                                      | —     | —   |
| Officer                     | Takashi Kaku        | —        | —  | Executive Officer of the Company  | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 11                                      | —     | —   |
| Officer of major subsidiary | Kyosuke Segawa      | —        | —  | Managing Executive Officer of Nomura Real Estate Development Co., Ltd.            | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 11                                      | —     | —   |
| Officer of major subsidiary | Shingo Iwakiri      | —        | —  | Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd.         | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 11                                      | —     | —   |
| Officer of major subsidiary | Tetsuji Kobayashi   | —        | —  | Managing Executive Officer of Nomura Real Estate Partners Co., Ltd.               | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 11                                      | —     | —   |
| Officer of major subsidiary | Noriaki Ido         | —        | —  | Executive Officer of Nomura Real Estate Development Co., Ltd.                     | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 11                                      | —     | —   |
| Officer of major subsidiary | Juntaro Kimura      | —        | —  | Advisor of Nomura Real Estate Solutions Co., Ltd.                                 | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 10                                      | —     | —   |
| Officer of major subsidiary | Minoru Hatada       | —        | —  | Chair and Director of Nomura Real Estate Solutions Co., Ltd.                      | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 10                                      | —     | —   |
| Officer                     | Shigeyuki Yamamoto  | —        | —  | Executive Officer of the Company  | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 10                                      | —     | —   |
| Officer                     | Hiroyuki Kimura     | —        | —  | Director of the Company   | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 10                                      | —     | —   |
| Officer                     | Tokuji Nakamura     | —        | —  | Executive Officer of the Company  | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | ¥10                                     | —     | —   |

Notes: 1. Amount of transaction does not include consumption taxes.

2. Stock options were exercised by the Company pursuant to the Companies Act.

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

| Type                        | Name               | Location | Stated capital or capital contribution (Millions of yen) | Description of business or profession                                  | Voting rights holding or held (%) | Relationship with the Company | Transaction details       | Amount of transaction (Millions of yen) | Items | Fiscal year-end balance (Millions of yen) |
|-----------------------------|--------------------|----------|--|--|-----------------------------------|-------------------------------|---------------------------|---|-------|---|
| Officer of major subsidiary | Takashi Kaku       | —        | —  | Advisor of Nomura Real Estate Development Co., Ltd.                    | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | ¥54                                     | —     | —   |
| Officer                     | Daisaku Matsuo     | —        | —  | Executive Vice President, Representative Director of the Company       | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 34                                      | —     | —   |
| Officer                     | Makoto Haga        | —        | —  | Executive Vice President, Representative Director of the Company       | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 33                                      | —     | —   |
| Officer                     | Eiji Kutsukake     | —        | —  | Chair and Director   | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 31                                      | —     | —   |
| Officer                     | Kazuhiro Toida     | —        | —  | Executive Officer of the Company                                       | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 23                                      | —     | —   |
| Officer                     | Hiroyuki Kimura    | —        | —  | Director of the Company  | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 20                                      | —     | —   |
| Officer of major subsidiary | Akihiro Fukuda     | —        | —  | Advisor of Nomura Real Estate Partners Co., Ltd.                       | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 18                                      | —     | —   |
| Officer                     | Shigeyuki Yamamoto | —        | —  | Executive Officer of the Company                                       | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 18                                      | —     | —   |
| Officer                     | Haruhiko Nakamura  | —        | —  | Executive Officer of the Company                                       | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 18                                      | —     | —   |
| Officer of major subsidiary | Kouichiro Suzuki   | —        | —  | Managing Executive Officer of Nomura Real Estate Development Co., Ltd. | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 17                                      | —     | —   |
| Officer of major subsidiary | Seiichi Miyajima   | —        | —  | Full-Time Advisor of Nomura Real Estate Development Co., Ltd.          | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 17                                      | —     | —   |
| Officer of major subsidiary | Eidai Yokoyama     | —        | —  | Executive Officer of Nomura Real Estate Development Co., Ltd.          | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 15                                      | —     | —   |
| Officer of major subsidiary | Masao Hirose       | —        | —  | Managing Executive Officer of Nomura Real Estate Development Co., Ltd. | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 12                                      | —     | —   |
| Officer                     | Naoko Usami        | —        | —  | Executive Officer of the Company                                       | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | 10                                      | —     | —   |
| Officer of major subsidiary | Hiroshi Morishima  | —        | —  | Executive Fellow of Nomura Real Estate Development Co., Ltd.           | Held 0.0%                         | Exercise of stock options     | Exercise of stock options | ¥10                                     | —     | —   |

Notes: 1. Amount of transaction does not include consumption taxes.

2. Stock options were exercised by the Company pursuant to the Companies Act.

(2) Transactions between consolidated subsidiaries of the Company and related parties

Officers, major individual shareholders and others of the Company

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

| Type                        | Name             | Location | Stated capital or capital contribution (Millions of yen) | Description of business or profession                         | Voting rights holding or held (%) | Relationship with the Company | Transaction details | Amount of transaction (Millions of yen) | Items | Fiscal year-end balance (Millions of yen) |
|-----------------------------|------------------|----------|--|---|-----------------------------------|-------------------------------|---------------------|---|-------|---|
| Officer                     | Yoshio Mogi      | —        | —  | Director of the Company                                       | Held 0.0%                         | Remodeling works              | Remodeling works    | ¥10                                     | —     | —   |
| Officer of major subsidiary | Seiichi Miyajima | —        | —  | Director of Nomura Real Estate Development Co., Ltd.          | Held 0.0%                         | Condominium sales             | Condominium sales   | 70                                      | —     | —   |
| Officer of major subsidiary | Noriaki Ido      | —        | —  | Executive Officer of Nomura Real Estate Development Co., Ltd. | Held 0.0%                         | Remodeling works              | Remodeling works    | ¥14                                     | —     | —   |

Notes: 1. Amount of transaction does not include consumption taxes.

2. Terms of transactions are determined in the same way as for generally accepted practices and with reference to market prices.

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

| Type                                   | Name                                       | Location | Stated capital<br>or capital<br>contribution<br>(Millions of yen) | Description of<br>business or<br>profession | Voting rights<br>holding<br>or held (%) | Relationship with<br>the Company | Transaction<br>details | Amount of<br>transaction<br>(Millions of yen) | Items | Fiscal year-end<br>balance<br>(Millions of yen) |
|--|--|----------|---|---|---|----------------------------------|------------------------|---|-------|---|
| Officer and his/her<br>close relatives | Close relatives of<br>Tetsumi<br>Yoshimura | —        | —   | —   | —                                       | Condominium<br>sales             | Condominium<br>sales   | ¥64   | —     | —   |

Notes: 1. Amount of transaction does not include consumption taxes.

2. Terms of transactions are determined in the same way as for generally accepted practices and with reference to market prices.

## 23. Per Share Information

|  | (Yen)     |           |
|--|-----------|-----------|
|  | 2023      | 2024      |
| Net assets per share   | ¥3,756.30 | ¥4,002.79 |
| Basic earnings per share   | 365.26    | 392.29    |
| Diluted earnings per share   | ¥364.35   | ¥391.57   |
| The basis for the calculation of basic earnings per share and diluted earnings per share is as follows.  |           |           |
|  | 2023      | 2024      |
| Basic earnings per share   |           |           |
| Profit attributable to owners of parent<br>(Millions of yen)   | ¥64,520   | ¥68,164   |
| Profit not attributed to common shareholders<br>(Millions of yen)  | —         | —         |
| Profit attributable to owners of parent available to common stock<br>(Millions of yen)   | 64,520    | 68,164    |
| Average number of shares of common stock outstanding during the period<br>(Thousand shares)  | 176,640   | 173,759   |
| Diluted earnings per share   |           |           |
| Adjustment for profit attributable to owners of parent<br>(Millions of yen)  | —         | —         |
| Increase in number of shares of common stock<br>(Thousand shares)  | 443       | 321       |
| Of which, share acquisition rights<br>(Thousand shares)  | (443)     | (321)     |
| Description of potentially dilutive common shares not included in the computation<br>of diluted earnings per share because of their anti-dilutive effect | —         | —         |

Note: For the purposes of calculating net assets per share, the Company's shares owned by the executive compensation BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) are included in the treasury shares deducted from the total number of shares issued at end of period. In calculating the basic earnings per share and diluted earnings per share, the said shares are included in the treasury shares deducted in the calculation of the average number of shares outstanding during the period. For the fiscal year ended March 31, 2023, the number of the treasury shares at the end of period deducted in calculating net assets per share was 3,553 thousand shares and 3,053 thousand shares for the fiscal year ended March 31, 2024, and the average number of treasury shares during the period deducted in calculating the basic earnings per share and diluted earnings per share was 3,018 thousand shares for the fiscal year ended March 31, 2023 and 3,191 thousand shares for the fiscal year ended March 31, 2024.

## 24. Significant Subsequent Events

(Business combination through acquisition)

### 1 Outline of business combination

At a meeting of the Board of Directors held on December 21, 2023, the Company resolved to acquire all the shares of UDS Ltd. and make it a consolidated subsidiary. On the same day, the Company concluded a share transfer agreement. The Company acquired all the shares of UDS Ltd. on April 1, 2024.

(1) Name of the acquired company and description of business

Company name: UDS Ltd. and three other companies

Description of business:

Planning, design and construction business

Operation of hotels

Operation of other facilities (shared houses, coworking offices, restaurants, cafeterias, etc.)

(2) Main reason for the business combination

In the Group's hotel operations, which show promise as a future growth pillar of the Group, customer needs are on the rise due to the increasing inbound needs and other factors. In response to such demand, the Group intends to establish a solid business foundation at the earliest opportunity and accelerate growth. Additionally, the Group aims to enhance and evolve the product appeal and further expand business opportunities in the development of various asset types.

(3) Date of the business combination

April 1, 2024

(4) Legal form of the business combination

Acquisition of equity in consideration for cash

(5) Name of the acquired company after the business combination

Unchanged.

(6) Ratio of voting rights acquired

100%

(7) Main grounds for determining the acquiring company

The Company acquired equity interest in exchange for cash payment.

**2. Breakdown of acquisition cost of the acquired company, and consideration by type**

|                                   |      |                    |
|-----------------------------------|------|--------------------|
| Consideration for the acquisition | Cash | 22,759 million yen |
| Acquisition cost                  |      | 22,759 million yen |

**3 Details and amount of major acquisition-related expenses**

Not finalized at this time.

**4. Amount of goodwill that occurred, cause for the occurrence, amortization method, and amortization period**

Not finalized at this time.

**5 Amount of assets acquired and liabilities assumed on the date of the business combination, and major breakdown thereof**

Not finalized at this time.

## 25. Consolidated Supplemental Schedules

### Schedule of Bonds Payable

| Name                              | Description  | Date of issuance   | Balance at the beginning of current fiscal year (Millions of yen) | Balance at the end of current fiscal year (Millions of yen) | Interest rate (%) | Collateral | Maturity           |
|-----------------------------------|--|--------------------|---|---|-------------------|------------|--------------------|
| Nomura Real Estate Holdings, Inc. | 4th unsecured bonds  | October 28, 2014   | ¥10,000   | ¥10,000 (10,000)  | 0.8               | None       | October 28, 2024   |
| Nomura Real Estate Holdings, Inc. | 5th unsecured bonds  | June 1, 2015       | 10,000  | 10,000  | 0.9               | None       | May 30, 2025       |
| Nomura Real Estate Holdings, Inc. | 7th unsecured bonds  | January 28, 2016   | 10,000  | 10,000  | 0.8               | None       | January 28, 2026   |
| Nomura Real Estate Holdings, Inc. | 9th unsecured bonds  | June 2, 2016       | 10,000  | 10,000  | 1.0               | None       | June 2, 2036       |
| Nomura Real Estate Holdings, Inc. | 11th unsecured bonds   | September 12, 2017 | 10,000  | 10,000  | 1.0               | None       | September 11, 2037 |
| Nomura Real Estate Holdings, Inc. | 12th unsecured bonds   | June 2, 2020       | 20,000  | —   | 0.1               | None       | June 9, 2023       |
| Nomura Real Estate Holdings, Inc. | 13th unsecured bonds   | June 2, 2020       | 10,000  | 10,000  | 0.2               | None       | June 9, 2025       |
| Nomura Real Estate Holdings, Inc. | 14th unsecured bonds   | June 2, 2020       | 10,000  | 10,000  | 0.5               | None       | June 7, 2030       |
| Nomura Real Estate Holdings, Inc. | 15th unsecured bonds (Sustainability bonds)  | February 26, 2021  | 10,000  | 10,000  | 0.4               | None       | February 26, 2031  |
| Nomura Real Estate Holdings, Inc. | 16th unsecured bonds   | October 19, 2023   | —   | 6,000   | 1.3               | None       | October 18, 2033   |
| Nomura Real Estate Holdings, Inc. | 17th unsecured bonds   | October 19, 2023   | —   | 14,000  | 0.7               | None       | October 18, 2028   |
| Nomura Real Estate Holdings, Inc. | Unsecured bonds with 1st deferred interest payment clause/early redemption clause (with subordination agreement) | March 13, 2018     | 30,000  | 30,000  | 1.3               | None       | March 13, 2058     |
| Nomura Real Estate Holdings, Inc. | Unsecured bonds with 2nd deferred interest payment clause/early redemption clause (with subordination agreement) | March 13, 2018     | 20,000  | 20,000  | 1.5               | None       | March 12, 2060     |
| <b>Total</b>                      | <b>—</b>   | <b>—</b>           | <b>¥150,000</b>   | <b>¥150,000 (10,000)</b>                                    | <b>—</b>          | <b>—</b>   | <b>—</b>           |

Notes: 1. The figures in parentheses are the scheduled redemption amounts within one year.

2. The scheduled redemption amounts for the five years subsequent to the end of the fiscal year ended March 31, 2024 are as follows.

|              | Due within one year | Due after one year but within two years | Due after two years but within three years | Due after three years but within four years | Due after four years but within five years |
|--------------|---------------------|---|--|---|--|
| <b>Bonds</b> | <b>¥10,000</b>      | <b>¥30,000</b>                          | <b>—</b>                                   | <b>—</b>                                    | <b>¥14,000</b>                             |

### Schedule of Borrowings

| Category  | Balance at the beginning of current fiscal year (Millions of yen) | Balance at the end of current fiscal year (Millions of yen) | Average interest rate (%) | Maturity     |
|---|---|---|---------------------------|--------------|
| Short-term borrowings   | ¥38,750   | ¥30,483   | 0.4                       | —            |
| Current portion of long-term borrowings                       | 79,113  | 67,204  | 0.7                       | —            |
| Current portion of lease liabilities                          | 321   | 328   | —                         | —            |
| Long-term borrowings (excluding current portion)              | 850,684   | 941,840   | 0.8                       | 2025 to 2042 |
| Non-recourse long-term borrowings (excluding current portion) | 3,000   | 3,200   | 1.3                       | 2027         |
| Lease liabilities (excluding current portion)                 | 1,635   | 1,728   | —                         | 2025 to 2036 |
| <b>Total</b>  | <b>¥973,505</b>   | <b>¥1,044,785</b>   | <b>—</b>                  | <b>—</b>     |

Notes: 1. For the average interest rate, the weighted average interest rate for the balance of borrowings at year-end borrowings is stated.

2. The average interest rate on lease liabilities is not stated because some consolidated subsidiaries record lease liabilities on the consolidated balance sheet at an amount before deducting the interest equivalent amount included in the total lease fees.

3. The scheduled redemption amounts of long-term borrowings payable, non-recourse long-term borrowings, and lease liabilities (excluding current portion) for the five years subsequent to the end of the fiscal year ended March 31, 2024 are as follows.

|  | Due after one year but within two years | Due after two years but within three years | Due after three years but within four years | Due after four years but within five years |
|--|---|--|---|--|
| <b>Long-term borrowings</b>              | <b>¥122,529</b>                         | <b>¥76,719</b>                             | <b>¥84,590</b>                              | <b>¥72,000</b>                             |
| <b>Non-recourse long-term borrowings</b> | <b>—</b>                                | <b>—</b>                                   | <b>3,200</b>                                | <b>—</b>                                   |
| <b>Lease liabilities</b>                 | <b>365</b>                              | <b>272</b>                                 | <b>231</b>                                  | <b>215</b>                                 |

### Schedule of Asset Retirement Obligations

The schedule of asset retirement obligations at the beginning and end of the fiscal year is omitted in accordance with paragraph 92-2 of the Regulations for Consolidated Financial Statements because the amounts of asset retirement obligations were not larger than 1% of total liabilities and net assets at the beginning and end of the fiscal year.



**Other**

## Quarterly financial information for the fiscal year ended March 31, 2024

|   | 1st Quarter<br>(Three months ended<br>June 30, 2023) | 2nd Quarter<br>(Six months ended<br>September 30, 2023) | 3rd Quarter<br>(Nine months ended<br>December 31, 2023) | 4th Quarter<br>(Fiscal year ended<br>March 31, 2024) |
|---|--|---|---|--|
| Cumulative period   |  |   |   |  |
| Operating revenue (Millions of yen)                       | ¥209,366   | ¥368,318  | ¥518,345  | ¥734,715   |
| Profit before income taxes (Millions of yen)              | 35,256   | 48,286  | 62,979  | 96,653   |
| Profit attributable to owners of parent (Millions of yen) | 24,318   | 32,956  | 43,225  | 68,164   |
| Basic earnings per share (Yen)                            | 139.91   | 189.36  | 248.41  | 392.29   |
| Each quarter  |  |   |   |  |
| Basic earnings per share (Yen)                            | ¥139.91  | ¥49.57  | ¥59.00  | ¥144.09  |

## Independent Auditor's Report

The Board of Directors  
Nomura Real Estate Holdings, Inc.

### *The Audit of the Consolidated Financial Statements*

#### **Opinion**

We have audited the accompanying consolidated financial statements of Nomura Real Estate Holdings, Inc. (the Company) and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2024, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

| Valuation of commercial property held for sale   |  |
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| Description of Key Audit Matter  | Auditor's Response   |
| The Company recorded real estate for sale of ¥499,137 million, real estate for sale in process of ¥340,601 million and land held for development of ¥171,401 million under inventory on the consolidated balance sheet of which the primary components are housing | <p>We performed the following procedures in relation to the assessment of write-downs of commercial property held for sale, among others.</p> <ul style="list-style-type: none"> <li>In order to understand factors affecting the valuation such as difficulties in</li> </ul> |

held for sale, mainly the development and sales of condominiums in Japan, and domestic commercial properties held for sale to real estate funds, such as REITs, and other businesses (hereinafter, “commercial property for sale”).

Commercial property for sale is subject to risks such as trends in the commercial property market as well as development delays, difficulties in making leasing arrangements and changes in buyer preferences or the financing environment, which may result in declines in selling prices and therefore write-downs.

As described in (2) 2) of 1. Valuation of inventories under (Significant Accounting Estimates) in Notes to Consolidated Financial Statements, the amount of write-downs of commercial property for sale is measured by comparing net realizable value with the book value. Net realizable value is calculated by deducting sales costs from the selling price of properties, and in cases of property under development, also deducting estimated construction costs to be incurred in the future. The Company’s selling price is based on the planned sales price included in the business plan for each property. The Company uses a valuation report prepared by an independent third-party real estate appraiser (hereinafter, “external evaluation”) for each of the properties that the Company recognizes as subject to relatively higher risks based on its own risk criteria in determining which properties require an external evaluation due to factors such as delays in leasing the property.

The significant assumptions in the calculation of net realizable value are the rents, occupancy rates, and discount rates as factors in calculating the selling price. These assumptions should reflect the individual circumstances and risks for each property. In particular, for property under development that is not yet available for lease and property for which specifications and uses are less common and limited to certain particular users, the

making leasing arrangements, we reviewed the minutes of the board of directors’ meetings and other meetings and made inquiries of management and the relevant departments and evaluated whether those factors were considered in the valuation.

- We evaluated the risk criteria established by the Company to determine which property requires an external evaluation, and examined whether the Company then obtained external evaluations following the determination in accordance with such criteria.
- We evaluated the expertise, capabilities, and objectivity of the external real estate appraisers engaged by the Company.
- We reviewed all external evaluations used by the Company. Furthermore, we selected certain properties using our own specific criteria and compared the rents, occupancy rates, and discount rates, which are significant assumptions used for the external valuation, to past performance and publicly available external data such as information disclosed by listed REITs.

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| <p>subjectivity of these assumptions becomes relatively higher.</p> <p>In addition, the Company holds numerous commercial properties for sale, and must extensively consider various factors and specific circumstances for each property in its evaluation, which is complex. Moreover, the book value of each commercial property for sale is significant, and the potential impact on the consolidated financial statements in cases of write-downs is also significant. Therefore, we have determined valuation of commercial property for sale to be a key audit matter.</p> |  |
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| Impairment of commercial property mainly held for leasing business   |   |
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| Description of Key Audit Matter  | Auditor's Response  |
| <p>The Company recorded property, plant and equipment of ¥740,301 million and intangible assets of ¥17,336 million on the consolidated balance sheet. The main components are real estate used for domestic office space, commercial facilities, logistics facilities, and hotels (hereinafter, "rental property").</p> <p>Rental property is exposed to risks such as changes in market conditions for rental properties, and furthermore, decreases in rents, average daily rates (ADR), occupancy rates and/or market prices may bring its book value to be irrecoverable. Those risks vary depending on the characteristics of each property such as type, use, location, and building specifications.</p> <p>As described in (2) of 2. Impairment of non-current assets under (Significant Accounting Estimates) in Notes to Consolidated Financial Statements, in impairment testing of rental property, the Company must determine whether or not any indications of impairment exist, and if so, the Company must determine whether recognizing an impairment loss is necessary.</p> <p>In assessing whether there is any decline in market prices, which is one indicator of impairment, the Company uses a valuation report prepared by an independent third-party real estate appraiser (hereinafter, "external</p> | <p>We performed the following procedures on the estimation of market prices and future cash flows in the determination of indications of impairment and of impairment loss recognition of the rental property, among others.</p> <ol style="list-style-type: none"> <li>(1) In order to understand factors affecting the valuation such as major tenants vacating the properties and/or building reconstructions as well as the occupancy of properties, we reviewed the minutes of the board of directors' meetings and other meetings, made inquiries of management and the relevant departments, and for certain properties, conducted onsite visits, and evaluated whether those factors were considered in the impairment assessment.</li> <li>(2) We evaluated the expertise, capabilities, and objectivity of external real estate appraisers engaged by the Company.</li> <li>(3) With regard to a decline in market price, which is one indicator of impairment, we examined whether there were any properties whose market price had declined to a certain level and whose book value was relatively significant among those properties that the Company determined not to be subject to</li> </ol> |

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| <p>evaluation”) in determining the market price. In addition, the Company mainly uses external evaluations to calculate the undiscounted future cash flows that are compared against the book value in assessing whether recognizing any impairment loss is necessary; for certain properties, internal estimates are made without using the external evaluations.</p> <p>Rents, ADR, occupancy rates, and discount rates, which are significant assumptions used in both the external evaluations and the internal estimates to calculate the market price and future cash flows, should reflect the individual circumstances and risks for each property. In particular, for properties with variable rents and property of which specifications and uses are not common and limited to certain particular users, the subjectivity of such assumptions becomes relatively higher.</p> <p>In addition, the Company has numerous rental properties, and is required to comprehensively consider the unique characteristics of each property in the valuation, which is complex. Moreover, the book value of each rental property is significant and the potential impact on the consolidated financial statements in cases of impairment is also significant. Therefore, we have determined impairment of rental property to be a key audit matter.</p> | <p>a significant decline in market price.</p> <p>(4) For properties of which indications of impairment were identified, we considered the followings for the undiscounted future cash flows.</p> <ul style="list-style-type: none"> <li>• We considered the rents, ADR, occupancy rates, and discount rates for the estimated periods, which are significant assumptions, by comparing them to past performance and publicly available external data such as information disclosed by listed REITs.</li> <li>• For properties undergoing redevelopment and other such large projects and for which estimation of the valuation involves a relatively high level of uncertainty, complexity, and subjectivity, we involved valuation specialists from our network firm to consider significant assumptions such as rents, occupancy rates, and discount rates.</li> </ul> |
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## Other Information

The other information comprises the information included in Financial Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor’s report thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group’s reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***Fee-related Information***

The fees for the audits of the financial statements of Nomura Real Estate Holdings, Inc. and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2024 are 264 million yen and 5 million yen, respectively.



## **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

June 21, 2024

Toshihiro Morishige

Toshihiro Morishige  
Designated Engagement Partner  
Certified Public Accountant

Kenji Sato

Kenji Sato  
Designated Engagement Partner  
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Masahiro Yawata  
Designated Engagement Partner  
Certified Public Accountant