

Financial Report

For the Fiscal Year Ended March 31, 2026

2026

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Management's Discussion and Analysis

Progress and Results of Business

During the fiscal year ended March 31, 2026, the Japanese economy continued its gradual recovery, driven by solid consumer spending backed by improvements in the employment and wage environments, capital investment and AI demand, and the effects of various government measures. However, it will continue to be necessary to closely monitor the impacts of geopolitical risk, changes in the capital market, and the impact of commodity price trends on the domestic and global economies.

In this business environment, the Nomura Real Estate Group (the "Group") posted the following consolidated performance for the fiscal year ended March 31, 2026: Operating revenue of 942,505 million yen, which represents an increase of 24.4% year on year; operating profit of 138,242 million yen, an increase of 16.2%; business profit of 147,384 million yen, an increase of 17.8%; ordinary profit of 124,807 million yen, an increase of 16.9%; and profit attributable to owners of parent of 82,880 million yen, an increase of 10.8%.

Operating Results by Segment

An overview of segment achievements is given below:

■ Residential Development Business Unit

In regard to housing sales, 3,473 units were recorded as sales (a decrease of 287 units year on year), including condominium at PROUD TOWER Sagami Ono Cross (Sagamihara-shi, Kanagawa) and PROUD Jingumae (Shibuya-ku, Tokyo) and detached housing units in PROUD SEASON Mitaka Shimorenjaku (Mitaka-shi, Tokyo). The Group also opened PROUD GALLERY Shibaura, its largest sales site for newly built condominiums.

■ Commercial Real Estate Business Unit

TOWER S, the first of the twin towers in the BLUE FRONT SHIBAURA (Minato-ku, Tokyo) large-scale mixed-use development, fully opened for business in September 2025. Furthermore, the Group completed construction of the H¹O Hamamatsucho (Minato-ku, Tokyo) serviced office and the Landport Tokai Obu I (Obu-shi, Aichi) logistics facility.

■ Overseas Business Unit

In the housing sales business, sales were recorded for delivery of projects primarily in Vietnam, including GrandPark Phase 3 in Ho Chi Minh City. In addition, we are advancing projects centered on properties developed for sale in the U.K. and the U.S., and have secured investments totaling approximately 840,000 million yen for our share of the total project costs.

■ Investment Management Business Unit

In the REIT business, assets under management by Nomura Real Estate Master Fund, Inc. and by Nomura Real Estate Private REIT, Inc. were 1,126,600 million yen and 558,600 million yen, respectively, as a result of the acquisition of properties including development properties of Nomura Real Estate Development. In the private equity fund business, in addition to further expanding our product lineup to capture demand for alternative investments from institutional investors in Japan, in the U.S. the Group also began operating its first specified-property fund aimed at overseas real estate development projects.

■ Property Brokerage & CRE Business Unit

Both transaction value and the number of transactions increased for the retail business. Total transaction value increased for the middle business and wholesale business^{*}. In the retail business, the Group opened the Tokorozawa Center in April 2025, bringing the total number of locations for individual customers to 88 branches as of the fiscal year ended March 31, 2026.

■ Property & Facility Management Business Unit

As of the fiscal year ended March 31, 2026, the number of buildings under management was 805 buildings (up 2 from the end of the fiscal year ended March 31, 2025), and the number of condominiums under management was 201,357 (up 3,451 from the end of the fiscal year ended March 31, 2025). In the fiscal year ended March 31, 2026, we rationalized the timing of our large-scale repair work and began the full-fledged launch of the re:Sati-Nas[®] service for shortfalls in repair reserve funds.

■ Other

Operating revenue totaled 280 million yen, which represents a decrease of 1 million yen year on year, and business profit totaled 94 million yen, a decrease of 41 million yen year on year.

Note: Retail business: real estate brokerage business for individuals

Middle business: real estate brokerage business for small- and medium-sized enterprises, business owners, and some individual investors and wealthy individuals

Wholesale business: real estate brokerage business for large corporations, funds, and overseas investors

Analysis of Financial Position

■ Assets

Total assets were 2,811,989 million yen, which represents an increase of 125,419 million yen compared to the end of the previous fiscal year. This increase was mainly because real estate for sale increased by 134,178 million yen and investment securities by 56,379 million yen, while land decreased by 90,536 million yen.

■ Liabilities

Total liabilities were 2,009,259 million yen, which represents an increase of 74,130 million yen compared to the end of the previous fiscal year. This increase was mainly because long-term borrowings increased by 160,226 million yen, while short-term borrowings decreased by 69,166 million yen and commercial papers by 34,000 million yen.

■ Net Assets

Net assets were 802,729 million yen, which represents an increase of 51,289 million yen compared to the end of the previous fiscal year. This increase was mainly because retained earnings increased by 51,889 million yen and remeasurements of defined benefit plans by 4,658 million yen, while treasury shares decreased by 6,137 million yen.

The shareholders' equity ratio was 28.5%, an increase of 0.6 percentage point from the end of the previous fiscal year.

Cash Flows

■ Cash Flows From Operating Activities

Net cash provided by operating activities amounted to 44,906 million yen. This was mainly due to an increase in cash inflow from profit before income taxes (109,478 million yen), despite increases in cash outflows from inventories (40,354 million yen) and income taxes paid (37,718 million yen).

■ Cash Flows From Investing Activities

Net cash used in investing activities amounted to 59,067 million yen. This was mainly due to cash outflows from purchase of property, plant and equipment and intangible assets (69,165 million yen) and purchase of investment securities (48,673 million yen), despite an increase in a cash inflow from proceeds from sale of property, plant and equipment and intangible assets (39,147 million yen).

■ Cash Flows From Financing Activities

Net cash provided by financing activities amounted to 15,643 million yen. This was mainly due to a cash inflow from proceeds from long-term borrowings (239,824 million yen), despite cash outflows mainly from repayments of long-term borrowings (124,139 million yen) and decrease of commercial papers (34,000 million yen).

Facilities Situation

In the fiscal year ended March 31, 2026, the Group's total capital investments amounted to 63,438 million yen, including BLUE FRONT SHIBAURA TOWER S (Minato-ku, Tokyo) and Nomura Real Estate Takebashi Building (Chiyoda-ku, Tokyo).

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

Business Unit (Millions of yen)	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)	Change
Residential Development	¥ 9,860	¥ 11,694	¥ 1,834
Commercial Real Estate	145,757	41,532	(104,224)
Overseas	4,346	870	(3,475)
Investment Management	11	55	43
Property Brokerage and CRE	2,211	1,305	(906)
Property and Facility Management	1,372	1,614	241
Other	0	33	32
Subtotal	163,561	57,105	(106,456)
Adjustments	10,857	6,332	(4,525)
Total	¥174,419	¥63,438	¥(110,981)

The following facilities were acquired in the fiscal year ended March 31, 2026.

Company Name	Property Name (Location)	Business Unit	Major Use	Size of Construction or Details of Facility, etc.	Area (m ²)	Acquisition Value (Millions of yen)
Nomura Real Estate Development Co., Ltd.	Nomura Real Estate Takebashi Building (Chiyoda-ku, Tokyo)	Commercial Real Estate	Office	Reinforced concrete construction, 2 floors below ground, 9 floors above ground	Building: 12,169 Land: 2,105	¥9,038

In the fiscal year ended March 31, 2026, the following non-current assets have been transferred to real estate for sale.

Company Name	Property Name (Location)	Business Unit	Major Use	Size of Construction or Details of Facility, etc.	Area (m ²)	Acquisition Value (Millions of yen)
Nomura Real Estate Development Co., Ltd.	HOTEL NIWA TOKYO (Chiyoda-ku, Tokyo) ¹ and 11 other properties	Residential Development	Hotel	Steel-framed construction (partially steel-framed reinforced concrete construction), 16 floors above ground, 2 other buildings	Building: 9,280 Land: 1,710	¥59,299
Nomura Real Estate Development Co., Ltd.	Nomura Fudosan Shibadaimon Building (Minato-ku, Tokyo) ² and 11 other properties	Commercial Real Estate	Office	Steel-framed construction (partially steel-framed reinforced concrete construction), 2 floors below ground, 11 floors above ground	Building: 15,700 Land: 2,447	49,333

Notes: 1. The information shown for "Property Name," "Major Use," "Size of Construction or Details of Facility, etc." and "Area" is for "HOTEL NIWA TOKYO."

2. The information shown for "Property Name," "Major Use," "Size of Construction or Details of Facility, etc." and "Area" is for "Nomura Fudosan Shibadaimon Building."

The following facilities were sold in the fiscal year ended March 31, 2026.

Company Name	Property Name (Location)	Business Unit	Major Use	Size of Construction or Details of Facility, etc.	Area (m ²)	Acquisition Value (Millions of yen)
Midosuji Mirai Development, LLC	Midosuji Nomura Building* (Chuo-ku, Osaka-shi, Osaka)	Commercial Real Estate	Office	Steel-framed construction (partially reinforced concrete construction), 2 floors below ground, 14 floors above ground	Building: 20,420 Land: 1,939	¥20,051

Note: * Includes the trust beneficial right.

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 ²)	Completion or [Time of Acquisition]	Land Area (m ²)	Book Value (Millions of yen) ¹⁾			
							Building	Land	Other	Total
Nomura Real Estate Development Co., Ltd.	BLUE FRONT SHIBAURA ²⁾ (Minato-ku, Tokyo)	Office	Steel-framed construction (partially steel-framed reinforced concrete construction), 3 floors below ground, 43 floors above ground	432,621	February 2025	35,389	¥145,093	¥140,668	¥8,474	¥294,236
Nomura Real Estate Development Co., Ltd.	Yokohama Business Park ³⁾ (Hodogaya-ku, Yokohama-shi, Kanagawa)	Office	Steel-framed construction (partially steel-framed reinforced concrete construction), 2 floors below ground, 21 floors above ground, 8 other buildings	193,991	Mainly February 1990	70,693	20,851	14,557	494	35,903
Nomura Real Estate Development Co., Ltd.	KAMEIDO CLOCK ^{3)*4)} (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	12,186	21,391	620	34,198
Nomura Real Estate Development Co., Ltd.	TOKYO TORANOMON GLOBAL SQUARE ⁵⁾ (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	9,657	22,187	135	31,980
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	8,883	22,245	450	31,579
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	9,212	19,227	342	28,782
Nomura Real Estate Development Co., Ltd.	Former Nomura Fudosan Nihonbashi-honcho Building (Chuo-ku, Tokyo)	Land slated for building construction	—	—	—	3,196	—	24,815	—	24,815
Nomura Real Estate Development Co., Ltd.	Shinjuku Nomura Building ^{3)*5)} (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	5,594	16,303	287	22,185
Nomura Real Estate Development Co., Ltd.	Nomura Real Estate Shinjuku Minamiguchi Building (Shibuya-ku, Tokyo)	Office	Steel-framed reinforced concrete construction, 2 floors below ground, 8 floors above ground	9,044	January 1973	1,353	949	12,745	34	13,729
Nomura Real Estate Development Co., Ltd.	Nomura Fudosan Ginza Building ⁵⁾ (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	1,405	11,565	14	12,985

Company Name	Property Name (Location)	Major Use	Size of Construction or Details of Facility, etc.	Total Floor Area (m ²)	Completion or [Time of Acquisition]	Land Area (m ²)	Book Value (Millions of yen) ¹⁾			
							Building	Land	Other	Total
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	2,955	7,472	40	10,468
Nomura Real Estate Development Co., Ltd.	Nomura Real Estate Takebashi Building (Chiyoda-ku, Tokyo)	Office	Reinforced concrete construction, 2 floors below ground, 9 floors above ground	12,169	March 1973	2,105	542	8,621	87	9,251
Nomura Real Estate Development Co., Ltd.	Morisia Tsudanuma ^{*3 *10} (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	106	8,786	22	8,915
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	10,827	2,430	5,247	21	7,698
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	2,182	5,311	52	7,545
Nomura Real Estate Development Co., Ltd.	Nomura Fudosan Midosujihoncho 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	976	5,989	23	6,989
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	951	5,768	28	6,748
Nomura Real Estate Development Co., Ltd.	Nihonbashi 1-chome Central District Urban Area Redevelopment Project ^{*7} (Chuo-ku, Tokyo)	Land slated for building construction	—	—	—	18,996	—	6,267	—	6,267
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	2,203	3,182	3	5,389
Nomura Real Estate Development Co., Ltd.	Former Fukuoka Tenjin Center Building ^{*3 *4} (Chuo-ku, Fukuoka-shi, Fukuoka)	Land slated for building construction	—	—	—	2,256	—	5,388	—	5,388
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	1,219	3,787	2	5,008
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	1,875	3,073	17	4,966
Nomura Real Estate Development Co., Ltd.	SOCOLA Musashikoganei Cross ^{*8 *9} (Koganei-shi, Tokyo)	Retail facility	Reinforced concrete construction (partially steel-framed construction), 4 floors above ground	10,040	March 2020	1,643	3,439	1,301	109	4,850

Company Name	Property Name (Location)	Major Use	Size of Construction or Details of Facility, etc.	Total Floor Area (m ²)	Completion or [Time of Acquisition]	Land Area (m ²)	Book Value (Millions of yen) ¹⁾			
							Building	Land	Other	Total
Nomura Real Estate Development Co., Ltd.	PMO Nihonbashi Muromachi ⁵⁾ (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	752	3,716	24	4,494
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	1,443	2,979	9	4,431
Shibaura Hotel Management LLC	Facilities related to Fairmont Tokyo (Minato-ku, Tokyo)	Hotel	—	—	July 2025	—	1,523	—	2,363	3,886
Nomura Real Estate Development Co., Ltd.	Toshiba Manseibashi Building ⁶⁾ (Chiyoda-ku, Tokyo)	Office	Reinforced concrete construction, 1 floor below ground, 9 floors above ground	5,319	September 1961	681	136	3,551	0	3,687
Nomura Real Estate Development Co., Ltd.	Toshiba Sendai Building ⁵⁾ ⁶⁾ (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	654	2,817	35	3,507

- 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. BLUE FRONT SHIBAURA refers to BLUE FRONT SHIBAURA TOWER S and the land slated for building construction of BLUE FRONT SHIBAURA TOWER N, including the Hamamatsucho Building/Toshiba Building and Toshiba Hamamatsucho Building, etc. The information shown for "Major Use," "Size of Construction or Details of Facility, etc." and "Completion or [Time of Acquisition]" is for BLUE FRONT SHIBAURA TOWER S. In addition, the book values include the figures for Hamamatsucho Building/Toshiba Building and Toshiba Hamamatsucho Building, which are scheduled to be rebuilt, and the book values (building) for these two properties as of March 31, 2026 were ¥494 million and ¥0 million, respectively.
3. Includes the trust beneficial right.
4. Figures for "Land Area" are presented in proportion to the ownership share.
5. Figures for both "Total Floor Area" and "Land Area" are presented in proportion to the ownership share.
6. Land area includes leased land.
7. Land area is the site area for the entire redevelopment project.
8. Total floor area represents the exclusive element of a unit ownership building. Also, figures for "Land Area" are presented in proportion to the ownership share.
9. Size of Construction or Details of Facility, etc. represents the retail facilities portion of unit ownership building.
10. Closed as of the end of the fiscal year ended March 31, 2026.

2) Fitness club, etc.

Company Name	Property Name (Location)	Major Use	Size of Construction or Details of Facility, etc.	Total Floor Area (m ²)	Completion or [Time of Acquisition]	Land Area (m ²)	Book Value (Millions of yen)			
							Building	Land	Other	Total
Nomura Real Estate Life & Sports Co., Ltd.	MEGALOS Chikusa and others (Nagoya-shi, Aichi and others)	Fitness club	—	—	—	—	¥4,961	—	¥368	¥5,330

- Note: 1. "Building" represents building accounts and "Other" represents structures; machinery and equipment; tools, furniture and fixtures; vehicles; and leased asset accounts. "Total" represents the total amount of property, plant and equipment excluding construction in progress accounts.

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 ²)
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 ²)	Completion or [Time of Acquisition]	Land Area (m ²)	Book Value (Millions of yen)			
							Building	Land	Other	Total
127 Charing Cross Road Limited	127 Charing Cross Road (London, UK)	Office	Reinforced concrete construction (partially steel-framed construction), 1 floor below ground, 7 floors above ground	7,233	January 2025	1,244	¥11,900	¥9,639	0	¥21,539
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	October 2015	436	¥6,048	¥7,802	—	¥13,850

Facilities Establishment and Renovation

As of the end of the fiscal year ended March 31, 2026, 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)	Segment	Major Use	Size of Construction or Details of Facility, etc. ¹	Planned Aggregate Investment (Millions of yen)		Sources of funding	Schedule	
					Total	Amount Paid		Start	Completion
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), 5 floors below ground, 52 floors above ground, 2 other buildings	73,417	23,739	Borrowings and own funds	Fiscal year ended March 31, 2022	Fiscal year ending March 31, 2027
Nomura Real Estate Development Co., Ltd.	Fukuoka Tenjin Center Building Rebuilding Project (Chuo-ku, Fukuoka-shi, Fukuoka)	Commercial Real Estate	Office	Steel-framed construction, 3 floors below ground, 21 floors above ground	48,523	6,388	Borrowings and own funds	Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2029
Nomura Real Estate Development Co., Ltd.	Nomura Fudosan Nihonbashi-honcho Building (Chuo-ku, Tokyo)	Commercial Real Estate	Office	Steel-framed construction, 1 floor below ground, 17 floors above ground	48,075	29,826	Borrowings and own funds	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2027
Nomura Real Estate Development Co., Ltd.	Nishiazabu 3-chome District Urban Area Redevelopment Project (Minato-ku, Tokyo)	Residential Development	Hotel ²	Reinforced concrete construction, 4 floors below ground, 54 floors above ground	38,564	1,954	Borrowings and own funds	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2030
Nomura Real Estate Development Co., Ltd.	Yokohama Business Park Lab Office Project (Hodogaya-ku, Yokohama-shi, Kanagawa)	Commercial Real Estate	Office	Steel-framed construction, 7 floors above ground	22,906	3,349	Borrowings and own funds	Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2028

Notes: 1. The Size of Construction or Details of Facility, etc. are presented for the entire facility.

2. The Major Use related to the installation of new facilities is displayed. The Major Use of the overall plan is intended to be residential.

(2) Renovation of major facilities

Company Name	Property Name (Location)	Segment	Planned Aggregate Investment (Millions of yen)		Construction Period	Note
			Total	Amount Paid		
Nomura Real Estate Development Co., Ltd.	Morisia Tsudanuma (Narashino-shi, Chiba)	Commercial Real Estate	¥8,463	¥17	May 2026 – August 2028	Construction for renovation
Nomura Real Estate Development Co., Ltd.	— [*]	Commercial Real Estate	7,705	—	April 2026 – March 2027	Construction for facility renovation, etc.

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

The Group has set the year-end dividend for the fiscal year ended March 31, 2026 at 22.0 yen per share, as announced on January 28, 2026. Combined with the interim dividend already paid, the annual dividend will be 40.0 yen per share. As a result, the dividend payout ratio for this fiscal year is 41.4%.

Under the Long-term Management Policy, which was formulated in April 2025, Nomura Real Estate Holdings, Inc. (the "Company") set financial policies of the total return ratio to be 40-50% and of setting a level that meets DOE of 4% as the lower limit for annual dividend. Based on these policies, the Company intends to set both the interim dividend and the year-end dividend for the next fiscal year ending March 31, 2027 at 22.0 yen per share; therefore, the annual dividend is expected to be 44.0 yen per share.

(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.

Under 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.

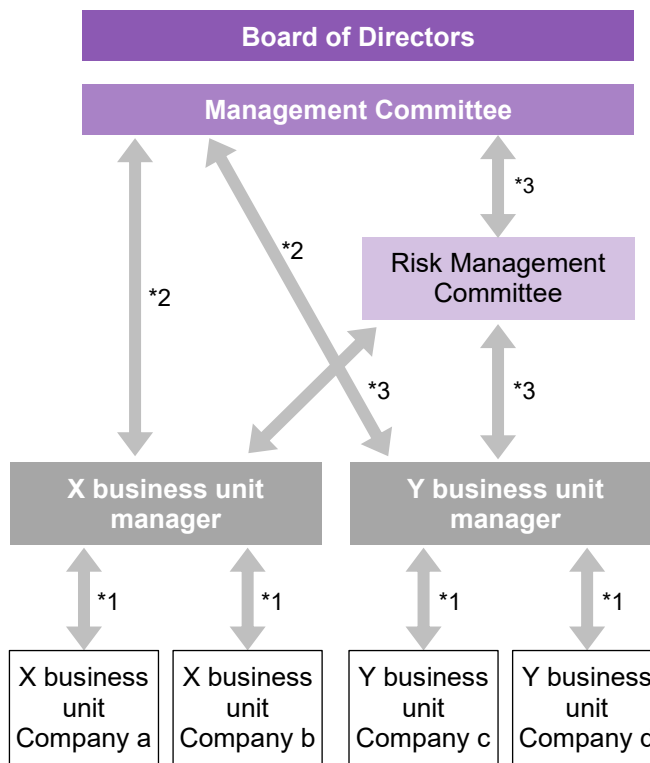
The Management Committee, which is the integrated management body, directly monitors "A: Investment risk" and "B: External risk," while the Risk Management Committee, established as a subordinate organization of the Management Committee, conducts regular monitoring, evaluation and analysis of "C: Disaster 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.

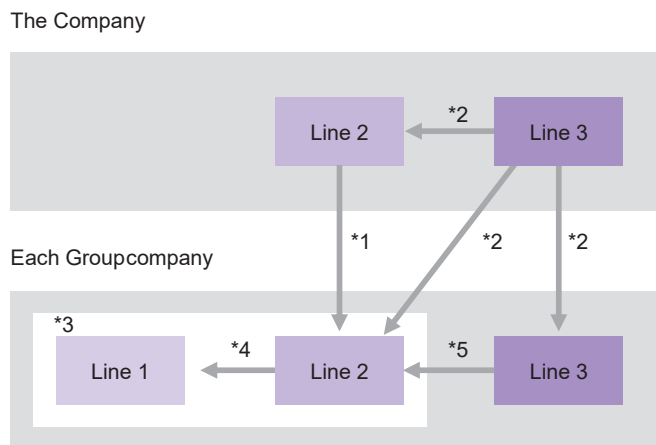
In the event of a major problem requiring urgency, the chair of the Risk Management Committee decides the basic policies such as countermeasures upon consulting with the executives responsible for relevant departments in accordance with the Risk Management Regulations and reports to the President and 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, 2027 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 the fiscal year ended March 31, 2026. 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, corporate investments (M&A), etc.)	1) Risks associated with real estate investment 2) Risks associated with corporate investments (M&A) and new businesses
(B) External risk	Risks related to external factors influencing business	3) Risks associated with market changes 4) Risks generated by changes in economic conditions 5) Risks generated by changes in political/social conditions/systems (law, tax systems, accounting, others) 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 9) Risks related to quality defects 10) Risks related to occurrence of information system crisis 11) Risks from inadequate responses to matters related to human resources 12) Risks related to occurrence of fraud and negligence

(Risks requiring particular attention)

(A) Investment risk	<ul style="list-style-type: none"> Risk of inability to secure the expected business volume and making it difficult to achieve the profit growth projected in the Business Plan due to the rise of construction costs, intensifying competition for land acquisition, etc. Risk of not earning the expected revenue due to the rise of construction costs caused by soaring materials prices, delays in construction periods, soaring energy procurement costs, etc. Risk of delays in anticipated project schedule or significant revisions or interruptions of projects due to changes in economic conditions and the rise of construction costs for projects with long-term project timeframes and large investment budgets, such as redevelopment projects Risk of inability to achieve initially planned profit growth, synergy effectiveness, etc. in corporate investments (M&A) and new businesses
(B) External risk	<ul style="list-style-type: none"> Risk arising from the impacts to sale prices on housing and properties for sale, as well as the lease revenue from held assets, due to changes in Japan's real estate market and financial conditions Risk of soaring prices and delays in the supply of raw materials, and other changes in the business environment arising through factors, such as disruptions in international supply chains, due to the emergence of geopolitical risks, which may impact Company's business Risk of increased financial costs due to interest rate rises beyond expectations, which may impact the Company's financial position 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 Risk of a reduced competitive advantage of the Company's businesses due to delays in response to changes and diversification in lifestyles and values, response to the increase in inbound travelers, high net worth individuals, and single-person households, response to the continuous rise in real estate investment needs, response to accelerating advances in digital technology, and response to sustainability and human resources, etc.
(C) Disaster risk	<ul style="list-style-type: none"> Risk of inability to continue business due to increasingly intense natural disasters such as earthquakes, typhoons, and torrential rains
(D) Internal risk	<ul style="list-style-type: none"> Risk due to inadequate design and construction in the real estate development business Risk due to delays in the penetration of personnel systems and development of environments that enable diverse talent to continue playing an active role, which may hinder talent acquisition Risk due to information leak by cyberattack and system failures, impact on business continuity, and incurrence and expansion of damage, etc. Risk of threatening our customers' safety due to inadequate response in operation and management of facilities and services

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

Risk item	Risk category	Risk details	Main initiatives
1. Risks associated with real estate investment	(A) Investment risk	<ul style="list-style-type: none"> 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. 	<p>Decisions on the real estate investment/development business are made at the meetings such as the Board of Directors or the Management Committee 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 Board of Directors or the Management Committee 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. Risks associated with corporate investments (M&A) and new businesses	(A) Investment risk	<ul style="list-style-type: none"> Risk associated with corporate investments (M&A), wherein 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. 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. 	<p>In executing corporate investments (M&A), factors such as the synergies with the Group's existing businesses, and business plans, financial details and contract-related matters of target companies shall be carefully examined and considered and corporate investments (M&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&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 business plans. The Company enters a new business 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, it will put to deliberation by the Board of Directors or the Management Committee of the Company or group companies.</p>
3. Risks associated with market changes	(B) External risk	<ul style="list-style-type: none"> 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. 	<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. Risks generated by changes in economic conditions	(B) External risk	<ul style="list-style-type: none"> • 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. • 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. • 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. • 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. 	<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 and Line 2, 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 Board of Directors or the Management Committee of the Company or group companies as necessary.</p>

Risk item	Risk category	Risk details	Main initiatives
5. Risks generated by changes in political/ social conditions/ systems (law, tax systems, accounting, others)	(B) External risk	<ul style="list-style-type: none"> • 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. • 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. • 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 new laws and regulations become applicable due to an expansion in the business scope in the future. • 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. • 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. 	<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, we are working on building and operating a human rights due diligence process based on the United Nations "Guiding Principles on Business and Human Rights." The Sustainability Committee, chaired by the President and Executive Officer (Group CEO), and its subordinate body, the "Human Rights Subcommittee," develop policies aligned with the "Nomura Real Estate Group Human Rights Policy," monitor progress towards various goals, and deliberate on action plans.</p>

Risk item	Risk category	Risk details	Main initiatives
6. Risks due to lagging behind in innovation and changes in the structure of society	(B) External risk	<ul style="list-style-type: none"> • 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. • 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. • 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. 	<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 dedicated organizations, 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 Corporate 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 diversity & inclusion and wellness, which will lead to the "creation of the work environment." Please refer to P.22 to P.23 of Annual Securities Report issued on June 23, 2026 (Japanese only) for the Group's initiatives on the human capital management.</p> <p>In addition, please refer to P.15 to P.23 of Annual Securities Report issued on June 23, 2026 (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. Risks related to by disasters (earthquakes, typhoons, floods, tsunamis, volcanic eruptions, major fires, infectious disease epidemics, etc.) that have a major impact on customers and business continuity	(C) Disaster risk	<ul style="list-style-type: none"> • 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. • 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. 	<p>The Group recognizes that the increasing severity and frequency of disasters in recent years 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 a large 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 Group 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 continuing and 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 expansion phases of 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 large earthquakes, storms, floods, and other sudden accidents caused by disasters, we have set up regulations in quality manual 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>

Risk item	Risk category	Risk details	Main initiatives
8. Risks related to the violation of laws and ordinances	(D) Internal risk	<ul style="list-style-type: none"> 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, Proper Transactions Act, and other related laws and regulations, resulting in loss of credibility and the imposition of administrative penalties and fines, etc. 	<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 established by each Group companies, 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>
9. Risks related to quality defects	(D) Internal risk	<ul style="list-style-type: none"> 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. 	<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 creditability 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>

Risk item	Risk category	Risk details	Main initiatives
10. Risks related to occurrence of information system crisis	(D) Internal risk	<ul style="list-style-type: none"> 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. 	<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. Risks from inadequate responses to risk matters related to human resources	(D) Internal	<ul style="list-style-type: none"> • Risk that long working hours damage the health of employees in the event that the working hours of Group employees are not properly ascertained. • 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. • 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. • 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. 	<p>In order to promote the success of diverse talent, we formulated and announced our Group's D&I promotion policy and promotion roadmap, and we have engaged in fostering D&I awareness as Level 1. Going forward, we will further promote "D&I awareness cultivation" and aim for Level 2, which is to "create a culture where D&I is integrated into business activities" by advancing initiatives such as building a framework for inclusive design efforts. Additionally, our Group has established the Human Resource, Wellness, D&I Committee, which is chaired by the President and Executive Officer (Group CEO). This committee discusses matters such as the placement, appointment, development, and retention of talent, wellness, and ensuring diversity of talent across the Group companies.</p> <p>Along with introducing various systems, including recommendations to take paid leave 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.</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.</p> <p>The compliance of our personnel system and its operation is regularly verified by outside experts to prevent the emergence of risks.</p> <p>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>Please refer to 5. Information about employees (1) Basic policy regarding the human resources strategy of Annual Securities Report issued on June 23, 2026 (Japanese only) for the Group's policy on the human capital management.</p>

Risk item	Risk category	Risk details	Main initiatives
12. Risks related to occurrence of fraud and negligence	(D) Internal risk	<ul style="list-style-type: none"> • 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 perpetuated by executives and employees, information leakage due to improper management, and operational negligence. • Risk of threatening customers' safety and leading to accidents and the spread of damage due to inadequate response (insufficient facility inspection, inadequate management operations, inadequate management of contractors, etc.) in operation and management of facilities and services, which may impact the Group's operating results through loss of credibility, liability for damages, brand value damage, etc. 	<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> <p>The Company positions ensuring customer safety as one of its most important issues, and is working to strengthen its safety management system in relation to operation and management of facilities and services, such as by developing facility inspection and maintenance practice standards and enforcing regular inspections, as well as developing a manual on site operation and checking the state of compliance. Furthermore, in addition to sharing risk assessment and near miss event case studies to prevent the occurrence of accidents and malfunctions and establishing a framework for swift reporting and response when they occur, the Company will continuously conduct safety education and training for executives and employees to increase safety awareness and ensure the prevention of recurrence.</p>

Consolidated Balance Sheet

Nomura Real Estate Holdings, Inc. and its subsidiaries
March 31, 2025 and 2026

	(Millions of yen)	
Assets	As of March 31, 2025	As of March 31, 2026
Current Assets		
Cash and deposits	¥ 37,265	¥ 38,288
Notes and accounts receivable - trade, and contract assets (Note 5)	32,432	38,199
Real estate for sale (Note 5)	527,417	661,595
Real estate for sale in process (Note 5)	370,730	376,640
Land held for development (Note 5)	264,096	272,873
Equity investments (Note 5)	103,060	131,545
Other (Notes 5)	149,582	128,386
Allowance for doubtful accounts	(22)	(16)
Total current assets	1,484,563	1,647,512
Non-Current Assets		
Property, plant and equipment		
Buildings and structures	546,472	501,265
Accumulated depreciation	(225,717)	(211,543)
Buildings and structures, net (Note 5)	320,755	289,722
Land (Note 5)	513,933	423,396
Other	78,126	80,680
Accumulated depreciation	(22,565)	(21,493)
Other, net (Note 5)	55,561	59,186
Total property, plant and equipment	890,250	772,305
Intangible assets	36,278	38,815
Investments and other assets		
Investment securities (Note 5)	189,916	246,296
Leasehold and guarantee deposits	36,880	41,892
Deferred tax assets	21,666	21,602
Retirement benefit asset	—	13,700
Other (Note 5)	27,624	30,645
Allowance for doubtful accounts	(611)	(782)
Total investments and other assets	275,476	353,355
Total non-current assets	1,202,005	1,164,476
Total Assets	¥2,686,569	¥2,811,989

See notes to consolidated financial statements.

(Millions of yen)

Liabilities	As of March 31, 2025	As of March 31, 2026
Current Liabilities		
Notes and accounts payable - trade	¥ 94,382	¥ 87,759
Short-term borrowings	211,799	142,632
Commercial papers	110,000	76,000
Current portion of bonds payable	30,000	—
Income taxes payable	19,733	20,550
Deposits received	21,330	32,427
Provision for bonuses	15,829	17,486
Provision for bonuses for directors (and other officers)	656	803
Other	96,890	79,541
Total current liabilities	600,622	457,202
Non-Current Liabilities		
Bonds payable	140,000	167,000
Long-term borrowings (Note 5)	1,053,505	1,213,732
Leasehold and guarantee deposits received	63,338	70,034
Deferred tax liabilities	43,497	34,763
Deferred tax liabilities for land revaluation (Note 5)	4,021	4,021
Provision for share awards	6,624	7,293
Retirement benefit liability	5,848	12,089
Other	17,671	43,121
Total non-current liabilities	1,334,506	1,552,056
Total Liabilities	1,935,129	2,009,259
Net Assets		
Shareholders' Equity		
Share capital	119,706	119,836
Capital surplus	115,712	115,843
Retained earnings	519,307	571,197
Treasury shares	(36,220)	(42,357)
Total shareholders' equity	718,506	764,519
Accumulated Other Comprehensive Income		
Valuation difference on available-for-sale securities	4,038	8,268
Deferred gains or losses on hedges	2,822	911
Revaluation reserve for land (Note 5)	7,761	7,761
Foreign currency translation adjustment	10,658	8,932
Remeasurements of defined benefit plans	6,260	10,918
Total accumulated other comprehensive income	31,542	36,792
Share acquisition rights	130	6
Non-controlling interests	1,260	1,411
Total Net Assets	751,439	802,729
Total Liabilities and Net Assets	¥2,686,569	¥2,811,989

See notes to consolidated financial statements.

Consolidated Statements of Income

Nomura Real Estate Holdings, Inc. and its subsidiaries
Years ended March 31, 2025 and 2026

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating Revenue (Note 6)	¥ 757,638	¥ 942,505
Operating Costs (Note 6)	491,037	639,923
Operating Gross Profit	266,601	302,581
Selling, General and Administrative Expenses (Note 6)	147,643	164,339
Operating Profit	118,958	138,242
Non-Operating Income		
Interest income	195	236
Dividend income	137	131
Share of profit of entities accounted for using equity method	5,008	6,877
Other	558	914
Total non-operating income	5,899	8,160
Non-Operating Expenses		
Interest expenses	15,851	18,856
Other	2,265	2,738
Total non-operating expenses	18,117	21,595
Ordinary Profit	106,740	124,807
Extraordinary Income		
Gain on sale of non-current assets (Note 6)	—	17,351
Gain on sale of investment securities	—	858
Other	—	1,287
Total extraordinary income	—	19,497
Extraordinary Losses		
Impairment losses (Note 6)	417	20,073
Loss on building reconstruction	2,033	14,753
Total extraordinary losses	2,450	34,826
Profit before Income Taxes	104,289	109,478
Income Taxes-Current	33,682	37,874
Income Taxes-Deferred	(4,344)	(11,352)
Total Income Taxes	29,337	26,521
Profit	74,951	82,956
Profit Attributable to Non-Controlling Interests	116	75
Profit Attributable to Owners of Parent	¥74,835	¥82,880

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Nomura Real Estate Holdings, Inc. and its subsidiaries
Years ended March 31, 2025 and 2026

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	¥74,951	¥82,956
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(1,271)	4,230
Deferred gains or losses on hedges	7,116	(1,911)
Revaluation reserve for land	(114)	(0)
Foreign currency translation adjustment	6,759	(43)
Remeasurements of defined benefit plans, net of tax	4,181	4,658
Share of other comprehensive income of entities accounted for using equity method	(678)	(1,683)
Total other comprehensive income (Note 7)	15,992	5,250
Comprehensive Income	¥90,944	¥88,206
Comprehensive income attributable to (Breakdown)		
Comprehensive income attributable to owners of parent	¥90,828	¥88,130
Comprehensive income attributable to non-controlling interests	115	75

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, 2025 and 2026

(Millions of yen)

	Shareholders' Equity				Accumulated other comprehensive income									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	Share acquisition rights	Non-controlling interests	
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
Changes during period														
Issuance of new shares	226	226	—	—	453	—	—	—	—	—	—	—	—	453
Dividends of surplus	—	—	(27,680)	—	(27,680)	—	—	—	—	—	—	—	—	(27,680)
Profit attributable to owners of parent	—	—	74,835	—	74,835	—	—	—	—	—	—	—	—	74,835
Purchase of treasury shares	—	—	—	(4,999)	(4,999)	—	—	—	—	—	—	—	—	(4,999)
Disposal of treasury shares	—	—	—	683	683	—	—	—	—	—	—	—	—	683
Change in ownership interest of parent due to transactions with non-controlling interests	—	(166)	—	—	(166)	—	—	—	—	—	—	—	—	(166)
Net changes in items other than shareholders' equity	—	—	—	—	—	(1,271)	7,116	(114)	6,082	4,181	15,993	(224)	105	15,874
Total changes during period	226	59	47,155	(4,316)	43,125	(1,271)	7,116	(114)	6,082	4,181	15,993	(224)	105	58,999
Balance at March 31, 2025	¥119,706	¥115,712	¥519,307	¥(36,220)	¥718,506	¥4,038	¥2,822	¥7,761	¥10,658	¥6,260	¥31,542	¥130	¥1,260	¥751,439
Changes during period														
Issuance of new shares	130	130	—	—	260	—	—	—	—	—	—	—	—	260
Dividends of surplus	—	—	(30,990)	—	(30,990)	—	—	—	—	—	—	—	—	(30,990)
Profit attributable to owners of parent	—	—	82,880	—	82,880	—	—	—	—	—	—	—	—	82,880
Purchase of treasury shares	—	—	—	(8,197)	(8,197)	—	—	—	—	—	—	—	—	(8,197)
Disposal of treasury shares	—	—	—	2,060	2,060	—	—	—	—	—	—	—	—	2,060
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	4,230	(1,911)	(0)	(1,726)	4,658	5,250	(124)	151	5,276
Total changes during period	130	130	51,889	(6,137)	46,012	4,230	(1,911)	(0)	(1,726)	4,658	5,250	(124)	151	51,289
Balance at March 31, 2026	¥119,836	¥115,843	¥571,197	¥(42,357)	¥764,519	¥8,268	¥911	¥7,761	¥8,932	¥10,918	¥36,792	¥6	¥1,411	¥802,729

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nomura Real Estate Holdings, Inc. and its subsidiaries
Years ended March 31, 2025 and 2026

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash Flows from Operating Activities		
Profit before income taxes	¥104,289	¥109,478
Depreciation	20,888	29,366
Impairment losses	417	20,073
Gain on sale of non-current assets	—	(17,351)
Loss (gain) on sale of investment securities	—	(858)
Share of loss (profit) of entities accounted for using equity method	(5,008)	(6,877)
Increase (decrease) in allowance for doubtful accounts	208	164
Decrease (increase) in retirement benefit asset	—	(13,700)
Increase (decrease) in retirement benefit liability	(6,951)	6,242
Interest and dividend income	(332)	(367)
Interest expenses	15,851	18,856
Decrease (increase) in trade receivables	(3,090)	(5,872)
Decrease (increase) in inventories	(149,959)	(40,354)
Decrease (increase) in equity investments	(49,703)	(27,661)
Increase (decrease) in trade payables	15,319	(6,446)
Increase (decrease) in deposits received	(8,779)	11,095
Other, net	(28,229)	16,774
Subtotal	(95,078)	92,558
Interest and dividends received	2,271	9,510
Interest paid	(15,355)	(19,443)
Income taxes paid	(25,630)	(37,718)
Net cash provided by (used in) operating activities	(133,793)	44,906
Cash Flows from Investing Activities		
Purchase of investment securities	(8,637)	(48,673)
Proceeds from sales and liquidation of investment securities	619	15,303
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(20,963)	—
Purchase of property, plant and equipment and intangible assets	(167,343)	(69,165)
Proceeds from sale of property, plant and equipment and intangible assets	99	39,147
Payments of leasehold and guarantee deposits	(4,234)	(4,539)
Proceeds from refund of leasehold and guarantee deposits	3,581	5,326
Repayments of lease and guarantee deposits received	(3,846)	(11,609)
Proceeds from lease and guarantee deposits received	5,204	15,979
Other, net	(7,843)	(835)
Net cash provided by (used in) investing activities	(203,364)	(59,067)
Cash Flows from Financing Activities		
Net increase (decrease) in short-term borrowings	57,067	(25,162)
Repayments of finance lease liabilities	(394)	(327)
Net increase (decrease) in commercial papers	110,000	(34,000)
Proceeds from long-term borrowings	254,505	239,824
Repayments of long-term borrowings	(90,344)	(124,139)
Proceeds from issuance of shares	237	151
Proceeds from share issuance to non-controlling shareholders	—	100
Proceeds from issuance of bonds	29,858	26,858
Redemption of bonds	(10,000)	(30,000)
Proceeds from sale of treasury shares	436	1,454
Purchase of treasury shares	(5,143)	(8,197)
Dividends paid	(27,680)	(30,990)
Dividends paid to non-controlling interests	(30)	(35)
Proceeds from investments in silent partnerships	—	107
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(53)	—
Net cash provided by (used in) financing activities	318,459	15,643
Effect of exchange rate change on cash and cash equivalents	782	81
Net increase (decrease) in cash and cash equivalents	(17,916)	1,565
Cash and cash equivalents at beginning of period	53,811	35,894
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	(617)
Cash and cash equivalents at end of period (Note 10)	¥35,894	¥36,842

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nomura Real Estate Holdings, Inc. and its subsidiaries
March 31, 2025 and 2026

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

44 companies

Nomura Real Estate US, PJ AM I, LLC, Nomura Real Estate US, PJ V, LLC, NRE & TAO Entertainment Partners LLC, Nomura Real Estate US, PJ AM II, LLC, and NC Green Net No. 1 LLC, which were all newly established in the fiscal year, have been included in the scope of consolidation. In addition, N-Seed LLC and N-Seed No. 1 LLC are included in the scope of consolidation because the Company newly acquired equity interests in these companies in the fiscal year ended March 31, 2026.

Meanwhile, Nomura Real Estate Amenity Service Co., Ltd. was absorbed and merged into Nomura Real Estate Partners Co., Ltd., a consolidated subsidiary of the Company, in the fiscal year ended March 31, 2026, and has been excluded from the scope of consolidation. In addition, LIM HOLDINGS LTD., Lothbury Investment Management Group Limited, and 12 other companies are currently in the process of liquidation and have been excluded from the scope of consolidation as they are considered immaterial.

(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 or loss (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

3 companies

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

NREG NAKAZATO CONSTRUCTION CO., LTD. is included in the scope of affiliated companies accounted for using the equity method because the Company acquired a new equity interest in it in the fiscal year ended March 31, 2026.

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

65 companies

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

VIETINBANK TRADE – UNION INVESTMENT JOINT STOCK COMPANY, NOMURA CLAYTON AT THE RO LLC, TDC RO P1 CLAYTON, L.L.C., WS PRESERVE, LLC, CVH NAVY PTE. LTD., VN Shori Pte. Ltd., Monestine Pte. Ltd., Nha Be Real Estate Joint Stock Company, and DNS LLC 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 ended March 31, 2026.

Origin One Thonglor Co., Ltd. and PARK ORIGIN PRARAM 4 COMPANY LIMITED are excluded from the scope of affiliated companies accounted for using the equity method because the Company sold its equity interests in these companies in the fiscal year ended March 31, 2026. Additionally, DNS ASIA INVESTMENT PTE. LTD. has been excluded from the scope of affiliated companies accounted for using the equity method because its liquidation was completed in the fiscal year ended March 31, 2026.

3. Matters related to the fiscal years of consolidated subsidiaries

Of the consolidated subsidiaries, Midosuji Mirai Development LLC has a fiscal year that ends on February 28. Conventionally, consolidated financial statements were prepared based on the said subsidiary’s financial statements for the business year with necessary adjustments made for significant transactions between consolidated companies that occurred between the closing date and the consolidated closing date. However, in order to ensure more appropriate identification of management information and disclosure of consolidated financial statements, the Company has changed to the method of provisionally settling the accounts on the consolidated closing date, effective the fiscal year ended March 31, 2026.

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, 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, NREA 55 ST JAMES'S STREET 2 LIMITED, UDS Ltd., Okinawa UDS Ltd., NRE UK INVESTMENT 1 LIMITED, Nomura Real Estate US, PJ III, LLC, Nomura Real Estate US, PJ IV, LLC, NRET Development 1 Co., Ltd., and NRET Development 2 Co., Ltd, Nomura Real Estate US, PJ AM I, LLC, Nomura Real Estate US, PJ V, LLC, Nomura Real Estate US, PJ AM II, LLC, and NC Green Net No. 1 LLC. The fiscal years of N-Seed LLC and N-Seed No. 1 LLC end on January 31. The account closing date of HNO, LLC is 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 that do not transfer ownership and 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.

a. Residential development business

The residential development business is mainly engaged in the development and sale of condominiums and detached housing (housing sale business) and the development and sale of rental housings (property sale). For the housing sale business and property sale, 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 sale 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 property sale, the Company generally receives payment of the purchase price at the time of transfer.

b. 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 (property sale). For the property sale, 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.

c. Overseas business

The overseas business is mainly engaged in the real estate development advisory service and the project formation support and information provision service. For this business, based on the service agreement, etc. with the customer, in the advisory service the Company is obligated to carry out quality improvement, etc. and revenue is recognized over a certain period of time because control is conveyed to the customer as the service is provided. In the project formation support and information provision service, the Company is obligated to form projects and provide participation opportunities, etc. and revenue is recognized at the time when a customer participates in a project. For the advisory service, payment is generally received within approximately three months from the time when the performance obligations are satisfied, and for the project formation support and information provision service, payment is usually received upon participation in a project.

d. 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.

e. 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.

f. 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 sale 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. Differences arising from such translation are presented as "Foreign currency translation adjustment" in Net Assets.

(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 real estate held for housing sale and commercial property held for sale.

(1) Amounts recorded in the consolidated financial statements for the fiscal years ended March 31, 2025 and 2026

	(Millions of yen)	
	FY2025/3	FY2026/3
Loss on valuation of inventories	¥1,123	¥2,577

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

1) Housing held for sale

a. 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, the cost of real estate sales, 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.

b. Key assumptions

The key assumptions used in the calculation of the net realizable value are the estimated sale price and the cost of real estate sales, and these are estimated based on the location, size, product marketability, actual transactions in the surrounding area, changes in construction costs, market forecasts, and amount expected from past experience. For redevelopment projects in particular, the Company also considers the risk of potential profitability declines due to delays or changes in plans.

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

Estimated sale prices and cost of real estate sales, 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 cost of real estate sales may differ from future results due to the changes in the construction market, the occurrence of additional construction, schedule delays, and other factors.

2) Property held for sale

a. Calculation method

The Company performs calculations by comparing the net realizable value of property held for sale with the book value thereof. The net realizable value is based on the estimated sale price, the cost of real estate sales, etc. determined at the time of site acquisition, construction order, start of leasing (tenant recruitment), and decision to sell. For 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.

b. Key assumptions

The key assumptions used in the calculation of the net realizable value are the estimated sale price and the cost of real estate sales, and these are estimated based on the location, size, product marketability, actual transactions in the surrounding area, changes in construction costs, market forecasts, and rents, occupancy rates, and cap rates based on past experience. For redevelopment projects in particular, the Company also considers the risk of potential profitability declines due to delays or changes in plans.

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

Estimated sale prices and cost of real estate sales, 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 cost of real estate sales 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

Property, plant and equipment and intangible 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, as well as intangible assets resulting from the business combination of subsidiaries and goodwill, etc.

(1) Amounts recorded in the consolidated financial statements for the fiscal years ended March 31, 2025 and 2026

	(Millions of yen)	
	FY2025/3	FY2026/3
Impairment losses	¥417	¥20,073

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

a. 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)

When indications of impairment are identified in relation to a property, the Company compares the book value with the total amount of undiscounted future cash flows, and if the book value exceeds the total amount of undiscounted future cash flows, an impairment loss is recognized.

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.

b. 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, changes in construction costs, market forecasts, historical rents, guest room rates, occupancy rates, and cap rates. For redevelopment projects in particular, the Company also considers the risk of potential profitability declines due to delays or changes in plans.

c. 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 issued but not yet effective

1. Accounting Standard for Leases, etc.

- On September 13, 2024, the ASBJ issued "Accounting Standard for Leases" (ASBJ Statement No. 34)
- On September 13, 2024, the ASBJ issued "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33)

(1) Overview

As part of the efforts taken by ASBJ to align Japanese accounting standards with international standards, discussions have been held regarding the development of accounting standards for leases that require the recognition of assets and liabilities for all lessee leases, taking international accounting standards into consideration. The guiding principle is to base these standards on a single accounting model for lessees as outlined in IFRS 16; however, rather than adopting all the provisions of IFRS 16, the aim is to primarily incorporate the key provisions. This approach seeks to create a lease accounting standard that is simple, convenient, and, in principle, does not require modifications when applying the provisions of IFRS 16 to stand-alone financial statements.

For the accounting treatment of lessees concerning lease expense allocation, a single accounting model is applied for all leases, regardless of whether they are finance leases or operating leases, as outlined in IFRS 16. This model requires the recording of depreciation expense related to the right-of-use assets and interest expense related to the lease liability.

(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, 2028.

(3) Impact of the adoption

The Company is currently evaluating the effect of the adoption of the Accounting Standard for Leases and related implementation guidance on its consolidated financial statements.

2. Accounting Standard for Subsequent Events, etc.

- Accounting Standard for Subsequent Events (ASBJ Statement No. 41, January 9, 2026)
- Implementation Guidance on Accounting Standard for Subsequent Events (ASBJ Guidance No. 35, January 9, 2026)

(1) Overview

"Accounting Standard for Subsequent Events" and relevant guidance provide standards, etc. specified on accounting treatment and disclosure concerning subsequent events. They have been established with priority placed on instituting a comprehensive set of accounting standards covering the definition of subsequent events, accounting treatment, disclosure and other relevant matters, under the basic policy of following, in principle, the accounting related details presented in the Auditing Standards Committee Statement No. 560, Practical Guideline No. 1 "Audit Treatment concerning Subsequent Events" issued by the Auditing and Assurance Practice Committee of the Japanese Institute of Certified Public Accountants (JICPA) and transferring them to the Accounting Standards Board of Japan (ASBJ). In addition to the review of wording and the clarification of the evaluation period for subsequent events, guidelines were refined such as newly calling for the indication of notes concerning the approval for disclosure of financial statements.

(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, 2028.

4. Additional Information

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

The Company and certain consolidated subsidiaries have introduced a performance-based share 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 ¥11,446 million and 15,741,288 shares, respectively, as of March 31, 2026.

Furthermore, the estimated amount of the above executive compensation at the end of the fiscal year ended March 31, 2026 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 ¥2,409 million and 3,321,090 shares, respectively, as of March 31, 2026.

Furthermore, the estimated amount of the above compensation scheme at the end of the fiscal year ended March 31, 2026 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)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Equity investments (shares, etc.)	¥101,627	¥128,289
(Of which, investments in jointly controlled entities)	(14,314)	(29,241)
Investment securities (shares, etc.)	131,818	176,062
(Of which, investments in jointly controlled entities)	(-)	(4,643)
Other (capital contribution) under investments and other assets	¥211	¥211

3. Pledged assets and secured liabilities

Investment securities of ¥279 million are pledged as collateral for the debt of the investee.

4. Non-recourse liabilities are as follows:

	(Millions of yen)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Non-recourse long-term borrowings	¥3,700	¥6,000

Assets corresponding to non-recourse liabilities are as follows:

	(Millions of yen)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Real estate for sale in process	¥5,958	—
Real estate for sale	—	¥8,674

5. Guaranteed liabilities

The Company has guaranteed borrowings from financial institutions, etc. by the following customers.

(Millions of yen)			
FY2025/3 (as of March 31, 2025)		FY2026/3 (as of March 31, 2026)	
Customers using housing loans	¥45,268	Customers using housing loans	¥60,527
Haneda Mirai Specific Purpose Company	65	Haneda Mirai Specific Purpose Company	65
Total	¥45,333	Total	¥60,592

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)			
FY2025/3 (as of March 31, 2025)		FY2026/3 (as of March 31, 2026)	
Origin One Thonglor Co., Ltd.	¥1,553 (761)	—	
SO ORIGIN PHAHOL 69 STATION COMPANY LIMITED	1,119 (548)	SO ORIGIN PHAHOL 69 STATION COMPANY LIMITED	21 (10)
ORIGIN PLUG&PLAY SAMUTPRAKAN COMPANY LIMITED	2,700 (1,323)	ORIGIN PLUG&PLAY SAMUTPRAKAN COMPANY LIMITED	976 (478)
BRITANIA BANGNA KM.17 COMPANY LIMITED	422 (207)	—	
STABLE TOWN COMPANY LIMITED	379 (185)	STABLE TOWN COMPANY LIMITED	214 (105)
Origin One Sukhumvit 24 Co.,Ltd.	2,463 (1,207)	Origin One Sukhumvit 24 Co.,Ltd.	2,520 (1,235)
ORIGIN PLAY BANGKHUNNON COMPANY LIMITED	1,232 (603)	ORIGIN PLAY BANGKHUNNON COMPANY LIMITED	1,044 (511)
SO ORIGIN SIRIRAJ COMPANY LIMITED	883 (433)	SO ORIGIN SIRIRAJ COMPANY LIMITED	1,912 (936)
Origin One Phromphong Co.,Ltd.	2,716 (1,330)	Origin One Phromphong Co.,Ltd.	2,639 (1,293)
ORIGIN PLUG&PLAY PHETKASEM COMPANY LIMITED	696 (341)	ORIGIN PLUG&PLAY PHETKASEM COMPANY LIMITED	1,374 (673)
ORIGIN PLAY BANGSAEN COMPANY LIMITED	1,245 (610)	ORIGIN PLAY BANGSAEN COMPANY LIMITED	209 (102)
ORIGIN PLACE BANGSAEN COMPANY LIMITED	567 (278)	ORIGIN PLACE BANGSAEN COMPANY LIMITED	608 (298)
ORIGIN TAOPOON COMPANY LIMITED	1,220 (597)	ORIGIN TAOPOON COMPANY LIMITED	1,307 (640)
ORIGIN BANG WA COMPANY LIMITED	1,214 (595)	ORIGIN BANG WA COMPANY LIMITED	1,300 (637)
Total	¥18,415 (9,023)	Total	¥14,128 (6,923)

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)		
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
From non-current assets to real estate for sale	¥718	¥87,489
From non-current assets to real estate for sale in process	—	10,526
From non-current assets to land held for development	—	10,589
From non-current assets to other	—	26

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)	
FY2025/3	FY2026/3
¥1,123	¥2,577

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

	(Millions of yen)	
	FY2025/3	FY2026/3
Advertising expenses	¥16,346	¥18,407
Employee salaries and allowances	48,720	53,409
Transfer of provision for bonuses	13,952	15,508
Transfer of provision for bonuses for directors (and other officers)	664	830
Retirement benefit expenses	2,280	2,095
Transfer of provision for allowance for doubtful accounts	13	9
Commissioned advisor fees	¥18,519	¥19,875

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

(Millions of yen)	
FY2025/3	FY2026/3
¥34	¥29

5. Major components and amounts of gain on sale of non-current assets are as follows:

	(Millions of yen)	
	FY2025/3	FY2026/3
Land	¥—	¥18,288
Buildings and other	—	(936)
Total	¥—	¥17,351

6. Impairment loss

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

FY2025/3 (From April 1, 2024 to March 31, 2025)

Main purpose of use	Type	Location
Leased assets and stores	Buildings	Miyagino-ku, Sendai-shi, Miyagi, etc.
	Other tangible non-current assets	

(Total: 10 locations)

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, 2026, the carrying values of 10 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 (¥417 million) under extraordinary losses, and comprised ¥410 million on buildings and ¥7 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.

FY2026/3 (From April 1, 2025 to March 31, 2026)

Main purpose of use	Type	Location
Leased assets and stores	Buildings	Narashino-shi, Chiba, etc.
	Land	
	Other tangible non-current assets	

(Total: 25 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, 2026, the carrying values of 25 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 (¥20,073 million) under extraordinary

losses, and comprised ¥11,015 million on buildings, ¥9,039 million on land, and ¥17 million on other tangible non-current assets.

The recoverable amounts of these asset groups are measured based on the net selling price or the value in use, and the net selling price is the appraisal value of a real estate appraiser, etc. Furthermore, the value in use is assessed as zero because the future cash flow is expected to be negative.

7. Consolidated Statements of Comprehensive Income

1. Amount of recycling and amount of income taxes and tax effects associated with other comprehensive income

	(Millions of yen)	
	FY2025/3	FY2026/3
Valuation difference on available-for-sale securities:		
Amount recognized during the year	¥(1,763)	¥6,169
Amount of recycling	—	(1)
Before income taxes and tax effects	(1,763)	6,168
Income taxes and tax effects	491	(1,938)
Valuation difference on available-for-sale securities	(1,271)	4,230
Deferred gains or losses on hedges:		
Amount recognized during the year	6,192	(3,202)
Amount of recycling	3,748	594
Before income taxes and tax effects	9,941	(2,608)
Income taxes and tax effects	(2,825)	696
Deferred gains or losses on hedges	7,116	(1,911)
Revaluation reserve for land:		
Income taxes and tax effects	(114)	(0)
Foreign currency translation adjustment:		
Amount recognized during the year	6,759	1,106
Amount of recycling	—	(1,149)
Before income taxes and tax effects	6,759	(43)
Income taxes and tax effects	—	—
Foreign currency translation adjustment	6,759	(43)
Remeasurements of defined benefit plans:		
Amount recognized during the year	5,925	7,077
Amount of recycling	218	(277)
Before income taxes and tax effects	6,143	6,800
Income taxes and tax effects	(1,962)	(2,142)
Remeasurements of defined benefit plans	4,181	4,658
Share of other comprehensive income of affiliates accounted for using the equity method:		
Amount recognized during the year	1,099	(1,960)
Amount of recycling	(2,049)	(496)
Before income taxes and tax effects	(949)	(2,457)
Income taxes and tax effects	271	774
Share of other comprehensive income of affiliates accounted for using the equity method	(678)	(1,683)
Total other comprehensive income	¥15,992	5,250

8. Consolidated Statements of Changes in Net Assets

FY2025/3 (From April 1, 2024 to March 31, 2025)

1. Shares outstanding and treasury shares

	Number of shares as of April 1, 2024 (Thousands of shares)	Increase (Thousands of shares)	Decrease (Thousands of shares)	Number of shares as of March 31, 2025 (Thousands of shares)
Shares issued				
Common stock ¹	183,268	209	—	183,477
Total	183,268	209	—	183,477
Treasury shares				
Common stock ^{2, 3, 4}	10,656	1,359	291	11,723
Total	10,656	1,359	291	11,723

Notes: 1. The increase of 209,000 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 (2,791,000 shares as of March 31, 2025).
3. The increase of 1,359,000 treasury shares in common stock was due to the increase of 1,329,000 shares acquired upon a resolution by the Board of Directors, the acquisition of 29,000 shares of treasury shares by the ESOP Trust, and the increase of 0 thousand shares related to the purchase of shares of less than one share unit.
4. The decrease of 291,000 treasury shares in common stock was due to the delivery and sale of 291,000 shares of treasury shares by the BIP Trust and the ESOP Trust.
5. Although the Company conducted a stock split at a ratio of five shares for every one share of common stock on April 1, 2025, the matters stated in the notes are based on the number of shares before the stock split.

2. Share acquisition rights and treasury share acquisition rights

Company	Description	Type of shares to be issued	Number of shares to be issued			Balance as of March 31, 2025 (Millions of yen)
			As of April 1, 2024	Increase	Decrease	
Nomura Real Estate Holdings, Inc. (Parent company)	Acquisition rights as stock options	—	—	—	—	130

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 25, 2024	Common stock	13,174	75.00	March 31, 2024	June 3, 2024
Meeting of the Board of Directors on October 25, 2024	Common stock	14,505	82.50	September 30, 2024	December 2, 2024

Notes: 1. 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.
2. The total amount of dividends resolved at the meeting of the Board of Directors held on October 25, 2024 includes dividends distributed of ¥227 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, 2025 and the effective date is in the year ended March 31, 2026

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 24, 2025	Common stock	15,272	Retained earnings	87.50	March 31, 2025	June 5, 2025

Note: The total amount of dividends resolved at the meeting of the Board of Directors held on April 24, 2025 includes dividends distributed of ¥244 million pertaining to shares of the Company stock held by the BIP Trust and the ESOP Trust.

FY2026/3 (From April 1, 2025 to March 31, 2026)

1. Shares outstanding and treasury shares

	Number of shares as of April 1, 2025 (Thousands of shares)	Increase (Thousands of shares)	Decrease (Thousands of shares)	Number of shares as of March 31, 2026 (Thousands of shares)
Shares issued				
Common stock ¹	183,477	734,450	—	917,927
Total	183,477	734,450	—	917,927
Treasury shares				
Common stock ^{2, 3, 4}	11,723	55,746	3,743	63,725
Total	11,723	55,746	3,743	63,725

Notes: 1. The increase in the number of issued shares among common stock of 734,450 thousand shares consists of the increase of 733,910 thousand shares resulting from the stock split at a ratio of five shares for every one share of common stock on April 1, 2025, and the increase of 539 thousand shares 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 (19,062 thousand shares as of March 31, 2026).
3. The increase of 55,746 thousand treasury shares in common stock was due to the increase of 46,894 thousand shares resulting from the stock split at a ratio of

- five shares for every one share of common stock on April 1, 2025, the acquisition of 8,851 thousand shares of treasury shares by the BIP Trust and the ESOP Trust, and the increase of 0 thousand shares related to the purchase of shares of less than one share unit.
4. The decrease of 3,743 thousand treasury shares in common stock was due to the delivery and sale of 3,743 thousand 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			Balance as of March 31, 2026 (Millions of yen)
			As of April 1, 2025	Increase	Decrease	
Nomura Real Estate Holdings, Inc. (Parent company)	Acquisition rights as stock options	—	—	—	—	6

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 24, 2025	Common stock	15,272	87.50	March 31, 2025	June 5, 2025
Meeting of the Board of Directors on October 30, 2025	Common stock	15,718	18.00	September 30, 2025	December 1, 2025

Notes: 1. The total amount of dividends resolved at the meeting of the Board of Directors held on April 24, 2025 includes dividends distributed of ¥244 million pertaining to shares of the Company stock held by the BIP Trust and the ESOP Trust. The Company conducted a stock split at a ratio of five shares for every one share of common stock on April 1, 2025. The "dividends per share" amounts are stated based on the amounts before the stock split.

2. The total amount of dividends resolved at the meeting of the Board of Directors held on October 30, 2025 includes dividends distributed of ¥283 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, 2026 and the effective date is in the year ending March 31, 2027

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 24, 2026	Common stock	19,211	Retained earnings	22.00	March 31, 2026	June 4, 2026

Note: The total amount of dividends resolved at the meeting of the Board of Directors held on April 24, 2026 includes dividends distributed of ¥419 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, 2026, the Group's capital reserve amounted to ¥115,843 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)	
	FY2025/3	FY2026/3
Cash and deposits	¥37,265	¥38,288
Time deposits with maturities of more than three months	(1,370)	(1,445)
Cash and cash equivalents	¥35,894	¥36,842

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)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Due within 1 year	¥7,084	¥6,430
Due after 1 year	75,623	89,729
Total	¥82,708	¥96,159

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)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Due within 1 year	¥20,467	¥25,002
Due after 1 year	60,007	78,197
Total	¥80,475	¥103,199

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.

FY2025/3 (as of March 31, 2025)	Book value	Fair value	Difference
	(Millions of yen)		
(1) Investment securities ³	¥55,096	¥55,054	¥(41)
Total assets	55,096	55,054	(41)
(1) Bonds payable ⁴	170,000	163,264	(6,735)
(2) Long-term borrowings ⁵	1,177,429	1,148,135	(29,293)
Total liabilities	1,347,429	1,311,399	(36,029)
Derivative transactions ⁶	¥(651)	¥(651)	¥—

FY2026/3 (as of March 31, 2026)	Book value	Fair value	Difference
	(Millions of yen)		
(1) Investment securities ³	¥60,881	¥60,811	¥(69)
Total assets	60,881	60,811	(69)
(1) Bonds payable ⁴	167,000	157,099	(9,900)
(2) Long-term borrowings ⁵	1,293,699	1,230,655	(63,044)
Total liabilities	1,460,699	1,387,755	(72,944)
Derivative transactions ⁶	¥(6,070)	¥(6,070)	¥—

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)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Shares, etc. without market value	¥135,101	¥185,932
Investments in partnerships	¥104,186	¥132,446

3. Includes government bonds presented as lease and guarantee deposits and other current assets as well as 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

FY2025/3 (as of March 31, 2025)	(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	¥37,265	¥—	¥—	¥—
Securities and investment securities				
Held-to-maturity debt securities				
(1) Government and municipal bonds, etc.	300	325	805	—
(2) Corporate bonds	—	—	—	—
Available-for-sale securities with maturities				
(1) Debt securities	—	—	—	—
(2) Others	—	—	—	—
Total	¥37,565	¥325	¥805	¥—

FY2026/3 (as of March 31, 2026)	(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	¥38,288	¥—	¥—	¥—
Securities and investment securities				
Held-to-maturity debt securities				
(1) Government and municipal bonds, etc.	481	444	515	—
(2) Corporate bonds	—	—	—	—
Available-for-sale securities with maturities				
(1) Debt securities	—	—	—	—
(2) Others	—	—	—	—
Total	¥38,769	¥444	¥515	¥—

2. Repayment schedule for bonds payable and long-term borrowings at March 31, 2025 and 2026

FY2025/3 (as of March 31, 2025)	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(Millions of yen)					
Short-term borrowings	¥87,875	¥—	¥—	¥—	¥—	¥—
Bonds payable	30,000	—	—	14,000	30,000	96,000
Long-term borrowings	123,923	77,985	88,848	73,671	88,500	724,500
Total	¥241,799	¥77,985	¥88,848	¥87,671	¥118,500	¥820,500

FY2026/3 (as of March 31, 2026)	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(Millions of yen)					
Short-term borrowings	¥62,665	¥—	¥—	¥—	¥—	¥—
Bonds payable	—	—	14,000	30,000	47,000	76,000
Long-term borrowings	79,967	95,232	72,000	89,500	157,500	799,500
Total	¥142,632	¥95,232	¥86,000	¥119,500	¥204,500	¥875,500

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 recorded on the Consolidated Balance Sheet at fair value

FY2025/3 (as of March 31, 2025)

(Millions of yen)

Classification	Fair value			Total
	Level 1	Level 2	Level 3	
Investment securities	¥49,525	¥1,365	¥834	¥51,725
Derivative transactions				
Interest rate-related derivatives	—	82	—	82
Total assets	49,525	1,448	834	51,808
Derivative transactions				
Currency-related derivatives	—	733	—	733
Total liabilities	¥—	¥733	¥—	¥733

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 ¥3,329 million.

FY2026/3 (as of March 31, 2026)

(Millions of yen)

Classification	Fair value			Total
	Level 1	Level 2	Level 3	
Investment securities	¥55,095	¥1,348	¥925	¥57,369
Derivative transactions				
Interest rate-related derivatives	—	2,041	—	2,041
Total assets	55,095	3,390	925	59,411
Derivative transactions				
Currency-related derivatives	—	8,112	—	8,112
Total liabilities	¥—	¥8,112	¥—	¥8,112

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 ¥3,442 million.

(2) Financial instruments other than those recorded on the Consolidated Balance Sheet at fair value

FY2025/3 (as of March 31, 2025)

(Millions of yen)

Classification	Fair value			Total
	Level 1	Level 2	Level 3	
Bonds payable	¥—	¥163,264	¥—	¥163,264
Long-term borrowings	—	1,148,135	—	1,148,135
Total liabilities	¥—	¥1,311,399	¥—	¥1,311,399

FY2026/3 (as of March 31, 2026)

(Millions of yen)

Classification	Fair value			Total
	Level 1	Level 2	Level 3	
Bonds payable	¥—	¥157,099	¥—	¥157,099
Long-term borrowings	—	1,230,655	—	1,230,655
Total liabilities	¥—	¥1,387,755	¥—	¥1,387,755

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

FY2025/3 (as of March 31, 2025)	(Millions of yen)		
	Book value	Fair value	Difference
Securities whose fair value exceeds book value:			
(1) Government and municipal bonds, etc.	¥199	¥200	¥0
(2) Bonds payable	—	—	—
(3) Other	—	—	—
Subtotal	199	200	0
Securities whose fair value does not exceed book value:			
(1) Government and municipal bonds, etc.	1,220	1,178	(41)
(2) Bonds payable	—	—	—
(3) Other	—	—	—
Subtotal	1,220	1,178	(41)
Total	¥1,420	¥1,378	¥(41)

FY2026/3 (as of March 31, 2026)	(Millions of yen)		
	Book value	Fair value	Difference
Securities whose fair value exceeds book value:			
(1) Government and municipal bonds, etc.	¥—	¥—	¥—
(2) Bonds payable	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Securities whose fair value does not exceed book value:			
(1) Government and municipal bonds, etc.	1,431	1,362	(69)
(2) Bonds payable	—	—	—
(3) Other	—	—	—
Subtotal	1,431	1,362	(69)
Total	¥1,431	¥1,362	¥(69)

2. Available-for-sale securities

FY2025/3 (as of March 31, 2025)	(Millions of yen)		
	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
(1) Shares	¥2,391	¥670	¥1,720
(2) Bonds			
1) Government and municipal bonds, etc.	—	—	—
2) Bonds payable	—	—	—
3) Other	—	—	—
(3) Other	51,284	47,375	3,909
Subtotal	53,675	48,046	5,629
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	—	—	—
Subtotal	—	—	—
Total	¥53,675	¥48,046	¥5,629

FY2026/3 (as of March 31, 2026)	(Millions of yen)		
	Book value	Acquisition cost	Difference
Securities whose book value exceeds acquisition cost:			
(1) Shares	¥4,087	¥903	¥3,184
(2) Bonds			
1) Government and municipal bonds, etc.	—	—	—
2) Bonds payable	—	—	—
3) Other	—	—	—
(3) Other	55,361	47,124	8,237
Subtotal	59,449	48,027	11,421
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	—	—	—
Subtotal	—	—	—
Total	¥59,449	¥48,027	¥11,421

3. Available-for-sale securities sold

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

	(Millions of yen)		
	Amount of sale	Total amount of gain on sale	Total amount of loss on sale
(1) Shares	¥89	¥1	¥21
(2) Bonds			
1) Government and municipal bonds, etc.	—	—	—
2) Bonds payable	—	—	—
3) Other	—	—	—
(3) Other	—	—	—
Total	¥89	¥1	¥21

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

	(Millions of yen)		
	Amount of sale	Total amount of gain on sale	Total amount of loss on sale
(1) Shares	¥35	¥—	¥12
(2) Bonds			
1) Government and municipal bonds, etc.	—	—	—
2) Bonds payable	—	—	—
3) Other	—	—	—
(3) Other	—	—	—
Total	¥35	¥—	¥12

14. Derivative Financial Instruments

1. Derivatives to which hedge accounting is not applied

(1) Currency-related derivatives

		FY2025/3 (as of March 31, 2025)			
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 Sell Australian dollars / Buy yen	¥401	¥—	¥7	¥7

		FY2026/3 (as of March 31, 2026)			
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 Sell Australian dollars / Buy yen	¥395	¥—	¥(63)	¥(63)

2. Derivatives to which hedge accounting is applied

(1) Currency-related derivatives

			FY2025/3 (as of March 31, 2025)		
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 Receipts in yen / Payments in U.S. dollars	Securities denominated in foreign currencies	¥47,410	¥—	¥(1,214)
Deferral hedge accounting	Currency swaps Receipts in yen / Payments in Philippine peso	Securities denominated in foreign currencies	2,269	673	(105)
Deferral hedge accounting	Currency swaps Receipts in yen / Payments in British pounds	Securities denominated in foreign currencies	22,181	—	0
Deferral hedge accounting	Currency swaps Receipts in U.S. dollars / Payments in British pounds	Securities denominated in foreign currencies	15,769	15,769	121
Deferral hedge accounting	Currency swaps Receipts in U.S. dollars / Payments in Singapore dollars	Securities denominated in foreign currencies	4,438	4,438	14
Deferral hedge accounting	Forward exchange contract Sell U.S. dollars / Buy yen	Securities denominated in foreign currencies	30,720	—	146
Deferral hedge accounting	Forward exchange contract Sell Thai baht / Buy yen	Securities denominated in foreign currencies	8,399	—	217
Deferral hedge accounting	Forward exchange contract Buy Philippine peso / Sell yen	Securities denominated in foreign currencies	1,677	—	(28)
Deferral hedge accounting	Forward exchange contract Sell British pounds / Buy U.S. dollars	Securities denominated in foreign currencies	13,309	—	108
Total			¥146,176	¥20,880	¥(741)

			FY2026/3 (as of March 31, 2026)		
			(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 Receipts in yen / Payments in U.S. dollars	Securities denominated in foreign currencies	¥16,366	¥—	¥(1,024)
Deferral hedge accounting	Currency swaps Receipts in yen / Payments in Philippine peso	Securities denominated in foreign currencies	673	673	(58)
Deferral hedge accounting	Currency swaps Receipts in yen / Payments in British pounds	Securities denominated in foreign currencies	16,223	—	(545)
Deferral hedge accounting	Currency swaps Receipts in U.S. dollars / Payments in British pounds	Securities denominated in foreign currencies	22,785	22,785	(1,015)
Deferral hedge accounting	Currency swaps Receipts in U.S. dollars / Payments in Singapore dollars	Securities denominated in foreign currencies	8,945	8,945	(234)
Deferral hedge accounting	Forward exchange contract Sell U.S. dollars / Buy yen	Securities denominated in foreign currencies	41,411	—	(4,019)
Deferral hedge accounting	Forward exchange contract Sell Thai baht / Buy yen	Securities denominated in foreign currencies	7,593	—	43
Deferral hedge accounting	Forward exchange contract Buy Philippine peso / Sell yen	Securities denominated in foreign currencies	1,604	—	24
Deferral hedge accounting	Forward exchange contract Sell Philippine peso / Buy yen	Securities denominated in foreign currencies	1,525	—	(41)
Deferral hedge accounting	Forward exchange contract Sell British pounds / Buy U.S. dollars	Securities denominated in foreign currencies	13,460	—	(543)
Deferral hedge accounting	Forward exchange contract Sell British pounds / Buy yen	Securities denominated in foreign currencies	6,818	—	(635)
Total			¥137,409	¥32,404	¥(8,049)

(2) Interest rate-related derivatives

			FY2025/3 (as of March 31, 2025)		
			(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 Receive floating rate / Pay fixed rate	Long-term debt	¥1,500	¥1,500	¥82
Exceptional treatment for interest rate swaps	Interest rate swaps Receive floating rate / Pay fixed rate	Long-term debt	103,454	86,182	(Note)
Total			¥104,954	¥87,682	¥82

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.

			FY2026/3 (as of March 31, 2026)		
			(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 Receive floating rate / Pay fixed rate	Long-term debt	¥48,500	¥48,500	¥2,041
Exceptional treatment for interest rate swaps	Interest rate swaps Receive floating rate / Pay fixed rate	Long-term debt	86,531	72,027	(Note)
Total			¥135,031	¥120,527	¥2,041

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, 2025 and 2026 (excluding plans applying a simplified method stated in (3))

	(Millions of yen)	
	FY2025/3	FY2026/3
Retirement benefit obligations at the beginning of the fiscal year	¥42,156	¥35,742
Service cost	1,989	1,536
Interest cost	380	769
Actuarial gain or loss	(7,466)	(4,734)
Retirement benefit payments	(1,317)	(1,665)
Retirement benefit obligations at the end of the fiscal year	¥35,742	¥31,647

(2) A reconciliation of the changes in balance of plan assets for the fiscal years ended March 31, 2025 and 2026 (excluding plans applying a simplified method stated in (3))

	(Millions of yen)	
	FY2025/3	FY2026/3
Plan assets at the beginning of the fiscal year	¥30,734	¥31,110
Expected return on plan assets	614	653
Actuarial gain or loss	(629)	2,342
Employer contributions	956	994
Retirement benefit payments	(564)	(705)
Plan assets at the end of the fiscal year	¥31,110	¥34,395

(3) A reconciliation of the changes in balance of retirement benefit liability applying a simplified method for the fiscal years ended March 31, 2025 and 2026

	(Millions of yen)	
	FY2025/3	FY2026/3
Retirement benefit liability at the beginning of the fiscal year	¥1,375	¥1,215
Retirement benefit expenses	86	65
Retirement benefit payments	(219)	(121)
Contributions to plan	(27)	(24)
Other	0	0
Retirement benefit liability at the end of the fiscal year	¥1,215	¥1,136

(4) A reconciliation of retirement benefit obligations as well as plan assets at March 31, 2025 and 2026, and retirement benefit liability on the Consolidated Balance Sheet

	(Millions of yen)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Funded retirement benefit obligations	¥29,126	¥20,925
Plan assets	(31,354)	(34,609)
Subtotal	(2,228)	(13,684)
Unfunded retirement benefit obligations	8,076	12,072
Net liabilities on the Consolidated Balance Sheet	5,848	(1,611)
Retirement benefit liability	5,848	12,089
Retirement benefit asset	—	(13,700)
Net liabilities on the Consolidated Balance Sheet	¥5,848	¥(1,611)

Note: It includes the plans applying a simplified method.

(5) Breakdown of retirement benefit expenses

	(Millions of yen)	
	FY2025/3	FY2026/3
Service cost	¥1,989	¥1,536
Interest cost	380	769
Expected return on plan assets	(614)	(653)
Amortization of actuarial gain or loss	(692)	(276)
Retirement benefit expenses calculated by the simplified method	86	65
Other	(0)	0
Retirement benefit expenses for defined benefit plan	¥1,148	¥1,440

(6) Remeasurements of defined benefit plans

Breakdown of items recorded in the Consolidated Statements of Comprehensive Income as remeasurements of defined benefit plans (before income taxes and tax effects) is as follows.

	(Millions of yen)	
	FY2025/3	FY2026/3
Actuarial gain or loss	¥6,143	¥6,800
Total	¥6,143	¥6,800

(7) Remeasurements of defined benefit plans

Breakdown of items recorded in the Consolidated Balance Sheet as remeasurements of defined benefit plans (before income taxes and tax effects) is as follows.

	(Millions of yen)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Unrecognized actuarial gain or loss	¥9,139	¥15,940
Total	¥9,139	¥15,940

(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.

	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Bonds	23%	23%
Equity	25%	29%
General account	19%	18%
Other	32%	30%
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

	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Discount rate	1.8-2.2%	1.8-3.3%
Expected rate of return on plan assets	2.0%	2.1%
Expected salary increase rate	1.7-7.5%	1.7%-6.3%

3. Defined contribution plan

The required contributions to the defined contribution plans of consolidated subsidiaries for the fiscal years ended March 31, 2025 and 2026 are ¥786 million and ¥835 million, respectively.

16. Stock Options

1. Amount recorded as profit due to expiration due to non-exercise of rights

(Millions of yen)	
FY2025/3	FY2026/3
¥8	¥12

2. Description, scale and fluctuation of stock options

(1) Description

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 (6 persons)	Directors and executive officers of the Company's subsidiaries (90 persons)	Directors of the Company (6 persons) Directors and executive officers of the Company's subsidiaries (90 persons) Employees of the Company's subsidiaries (241 persons)
Type/number of shares reserved (Note 1)	Common stock: 199,000 shares	Common stock: 1,141,500 shares	Common stock: 2,282,000 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 – July 20, 2025	July 21, 2020 – July 20, 2025	July 21, 2020 – July 20, 2025
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	480 per share 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: 368.8 Capitalization amount: 184.4	Issuance price: 368.8 Capitalization amount: 184.4	Issuance price: 559.8 Capitalization amount: 279.9
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)
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)

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 (5 persons)	Directors and executive officers of the Company's subsidiaries (36 persons)
Type/number of shares reserved (Note 1)	Common stock: 53,500 shares	Common stock: 247,000 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 – July 18, 2026	July 19, 2021 – July 18, 2026
Number of share acquisition rights (units) (Note 2)	–	30 [15]
Type, content and number of shares subject to the share acquisition rights (Note 2)	–	Common stock: 15,000 shares [7,500]
Amount paid-in (¥) upon exercise of the share acquisition rights (Note 2)	1 per share	1 per share
Stock issuance price and capitalization amount (¥) in the event of issuance of shares upon exercise of the share acquisition rights (Note 2)	Issuance price: 406.8 Capitalization amount: 203.4	Issuance price: 406.8 Capitalization amount: 203.4
Terms and conditions for exercising the share acquisition rights (Note 2)	As indicated in (Note 3)	As indicated in (Note 3)
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)

Notes: 1. The information is converted and presented as the number of shares. The Company conducted a stock split at a ratio of five shares for every one share of common stock on April 1, 2025. The matters stated in the notes are based on the number of shares after the stock split.

2. Information as of the end of the fiscal year ended March 31, 2026 is indicated. Any part of the information which was changed during the period from the end of the fiscal year ended March 31, 2026 to the end of the month previous to the filing date (May 31, 2026) 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 fiscal year ended March 31, 2026.

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 subject to the 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.

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

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 subject to the 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, 2026 is converted and presented as the number of shares.

1) Number of stock options

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 fiscal year	—	—	—
Vested: (shares)			
Previous fiscal year end	30,500	138,500	442,500
Vested	—	—	—
Exercised	30,500	134,000	308,500
Forfeited	—	4,500	134,000
End of the fiscal year	—	—	—

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 fiscal year	—	—
Vested: (shares)		
Previous fiscal year end	37,000	44,500
Vested	—	—
Exercised	37,000	29,500
Forfeited	—	—
End of the year	—	15,000

2) Unit price data

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	480
Average price upon exercise (¥)	869	858	858
Fair value on grant date (¥)	367.8	367.8	79.8

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 (¥)	968	919
Fair value on grant date (¥)	405.8	405.8

Note: The Company conducted a stock split at a ratio of five shares for every one share of common stock on April 1, 2025. The matters stated in the notes are based on the number of shares after the stock split.

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)	
	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Deferred tax assets:		
Deferred losses on hedges	¥9,664	¥12,634
Unrealized profits	12,463	11,611
Impairment losses	3,148	8,377
Excess of depreciation	7,684	7,921
Provision for bonuses	4,509	5,129
Retirement benefit liability	1,832	3,812
Inventory write-downs	1,206	1,859
Revaluation of assets on consolidation	314	18
Other	21,777	26,159
Gross deferred tax assets	62,599	77,527
Valuation allowance	(8,732)	(7,046)
Total deferred tax assets	53,867	70,480
Deferred tax liabilities:		
Revaluation of assets on consolidation	(37,849)	(37,037)
Reserve for deferred income taxes	(19,080)	(19,857)
Other	(18,768)	(26,747)
Total deferred tax liabilities	(75,698)	(83,641)
Net deferred tax liabilities	¥(21,830)	¥(13,161)

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

	FY2025/3 (as of March 31, 2025)	FY2026/3 (as of March 31, 2026)
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Change in valuation allowance	1.0	(2.3)
Entertainment and other expenses that are permanently non-deductible	0.6	1.3
Dividend income and other income that are permanently non-taxable	(0.7)	(2.5)
Share of profit (loss) of entities accounted for using equity method	(1.5)	(1.9)
Loss (gain) on equity investments	(0.6)	(0.2)
Tax credit	(1.3)	(1.8)
Increase adjustment to deferred tax assets (liabilities) at end of period due to tax rate change	1.3	-
Others	(1.2)	0.9
Effective income tax rate after application of tax effect accounting	28.1%	24.2%

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)	
	FY2025/3	FY2026/3
Real estate for rent		
Book value in the Consolidated Balance Sheet		
Balance at the beginning of the fiscal year	¥644,362	¥473,378
Changes during the fiscal year	(Note 2) (170,984)	(44,700)
Balance at the end of the fiscal year	473,378	428,678
Fair value at the end of the fiscal year	¥677,140	¥643,840
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	¥24,953	¥328,324
Changes during the fiscal year	(Note 3) 303,371	(29,157)
Balance at the end of the fiscal year	328,324	299,167
Fair value at the end of the fiscal year	¥448,445	¥401,274

- Notes: 1. Book values in the Consolidated Balance Sheet are the amounts determined by deducting accumulated depreciation from the acquisition cost.
2. From the fiscal year ended March 31, 2025, due to the completion of BLUE FRONT SHIBAURA TOWER S, the amounts recorded on the consolidated balance sheet for Hamamatsucho Building and other properties have been reclassified from "Real estate for rent" to "Properties including the portion used as real estate for rent." The change from this reclassification is a deduction of ¥189,494 million.
3. Among the changes for the fiscal year ended March 31, 2025, the main increase relates to completion of BLUE FRONT SHIBAURA TOWER S and reclassification from "Real estate for rent" (total of ¥303,361 million).
4. Fair values as of March 31, 2025 and 2026 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)	
	FY2025/3	FY2026/3
Rental properties		
Operating profit	¥14,422	¥11,785
Others (gains (losses) on sale of property, etc.)	(2,167)	8,505
Other properties used as rental properties		
Operating profit	4,169	(6,471)
Others (gains (losses) on sale of property, etc.)	¥(14)	¥(20,301)

- 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 (¥17,351 million), impairment losses (¥14,759 million), and loss on building reconstruction (¥14,389 million) in the fiscal year ended March 31, 2026.

20. Revenue Recognition

1. Information on disaggregation of revenue from contracts with customers

FY2025/3	(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	¥350,265	¥16,821	¥367,087	¥1,369	¥368,456
	Housing sale	284,234	—	284,234	—	284,234
	Property sale	11,575	6,543	18,118	—	18,118
	Other	54,456	10,278	64,734	1,369	66,104
	Commercial Real Estate	102,991	107,455	210,447	2,902	213,349
	Property sale	72,872	40,437	113,309	—	113,309
	Other	30,119	67,018	97,137	2,902	100,040
	Overseas business	2,562	6,838	9,401	—	9,401
	Investment Management	13,126	2,227	15,354	239	15,593
	Property Brokerage & CRE	55,840	—	55,840	1,347	57,188
	Property & Facility Management	99,186	44	99,230	14,659	113,889
	Subtotal	623,973	133,388	757,361	20,518	777,880
	Other (Note 2)	8	268	276	4	281
Total	623,981	133,657	757,638	20,523	778,161	
Adjustments	—	—	—	(20,523)	(20,523)	
Amount recorded in Consolidated Financial Statements	¥623,981	¥133,657	¥757,638	¥—	¥757,638	

- Notes: 1. "Revenue from other sources" includes revenue from sales of property based on Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special-Purpose Companies (Transferred Guidance No. 10, July 1, 2024) 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	¥409,982	¥21,740	¥431,723	¥1,685	¥433,408
	Housing sale	311,163	—	311,163	—	311,163
	Property sale	23,934	5,350	29,284	—	29,284
	Other	74,883	16,390	91,274	1,685	92,959
	Commercial Real Estate	128,840	189,870	318,711	6,078	324,789
	Property sale	95,814	122,581	218,396	—	218,396
	Other	33,026	67,288	100,314	6,078	106,392
	Overseas business	517	3,200	3,718	—	3,718
	Investment Management	13,626	2,476	16,102	238	16,340
	Property Brokerage & CRE	62,322	—	62,322	2,040	64,363
	Property & Facility Management	109,608	44	109,653	20,216	129,869
	Subtotal	724,898	217,332	942,230	30,259	972,489
Other (Note 2)	8	266	275	4	280	
Total	724,906	217,598	942,505	30,264	972,769	
Adjustments	—	—	—	(30,264)	(30,264)	
Amount recorded in Consolidated Financial Statements	¥724,906	¥217,598	¥942,505	¥—	¥942,505	

- Notes: 1. "Revenue from other sources" includes revenue from sales of property based on Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special-Purpose Companies (Transferred Guidance No. 10, July 1, 2024) 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)

	FY2025/3	FY2026/3
Receivables arising from contracts with customers (Beginning balance)	¥19,747	¥23,327
Receivables arising from contracts with customers (Ending balance)	23,327	25,560
Contract assets (Beginning balance)	2,374	3,226
Contract assets (Ending balance)	3,226	4,475
Contract liabilities (Beginning balance)	42,347	48,063
Contract liabilities (Ending balance)	¥48,063	¥40,395

Note: Contract liabilities are mainly advances received as deposits for contracts related to the housing sale 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 sale business was ¥39,011 million as of the beginning of the fiscal year ended March 31, 2025, and of this amount, ¥25,848 million was recognized as revenue during the fiscal year ended March 31, 2025. Regarding the contract liability balance as of the beginning of the fiscal year ended March 31, 2025 for contracts other than those for housing sale, the amount that was not recognized as revenue during the fiscal year ended March 31, 2025 was immaterial. The contract liability balance related to the housing sale business was ¥43,816 million as of the beginning of the fiscal year ended March 31, 2026, and of this amount, ¥26,390 million was recognized as revenue during the fiscal year ended March 31, 2026. Regarding the contract liability balance as of the beginning of the fiscal year ended March 31, 2026 for contracts other than those for housing sale, the amount that was not recognized as revenue during the fiscal year ended March 31, 2026 was immaterial.

(2) Transaction price allocated to the remaining performance obligations

The total amount at the end of the fiscal year ended March 31, 2025 of the transaction price allocated to performance obligations that were not satisfied as of March 31, 2025 was ¥242,924 million, mainly in the housing sale business of the Residential Development business segment and in the property sales 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, 2026 of the transaction price allocated to performance obligations that were not satisfied as of March 31, 2026 was ¥213,798 million, mainly in the housing sale business of the Residential Development business segment and in the property sale 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 operating revenue, profit or 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 operating revenue, profit or loss, assets, liabilities and other items by reportable segment

Results by segment for the fiscal year ended March 31, 2025

	Reportable segments							Other (Note 1)	Total	Adjustments (Note 2)	Amount Recorded in Consolidated Financial Statements (Note 3)
	Residential Development	Commercial Real Estate	Overseas	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue											
External customers	367,087	210,447	9,401	15,354	55,840	99,230	757,361	276	757,638	—	757,638
Inter-segment	1,369	2,902	—	239	1,347	14,659	20,518	4	20,523	(20,523)	—
Subtotal	368,456	213,349	9,401	15,593	57,188	113,889	777,880	281	778,161	(20,523)	757,638
Operating profit or loss (Note 3)	47,894	41,326	1,736	9,757	16,575	11,952	129,242	136	129,379	(10,420)	118,958
Share of profit (loss) of entities accounted for using equity method (Note 3)	29	52	4,840	98	(1)	(11)	5,008	—	5,008	—	5,008
Amortization of intangible assets associated with corporate acquisitions (Note 3)	859	235	42	—	—	—	1,137	—	1,137	—	1,137
Gain or loss on sale of equity interest in project companies in the Overseas Business Unit (Note 3)	—	—	—	—	—	—	—	—	—	—	—
Segment profit or loss (Business profit or loss) (Note 3)	48,782	41,614	6,620	9,856	16,573	11,941	135,388	136	135,524	(10,420)	125,104
Segment assets	784,460	1,454,584	296,730	59,851	36,484	53,104	2,685,216	1,295	2,686,511	57	2,686,569
Other items											
Depreciation	2,451	15,064	357	57	628	789	19,350	9	19,359	1,529	20,888
Investment in affiliates accounted for using equity method	608	1,083	230,145	628	146	382	232,995	—	232,995	451	233,446
Increase in property, plant and equipment and intangible assets	9,860	145,757	4,346	11	2,211	1,372	163,560	0	163,561	10,857	174,419

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

2. (1) The deduction of ¥10,420 million shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of ¥3,095 million and a deduction of ¥13,516 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 addition of ¥57 million shown in the adjustments column for segment assets includes a deduction of ¥65,692 million for the elimination of inter-segment transactions and an addition of ¥65,749 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 + gain or loss on sale of equity interest in project companies (*1) in the Overseas Business Unit.

*1 They refer to SPCs, etc. which are mainly engaged in holding/development of real estate.

Results by segment for the fiscal year ended March 31, 2026

	Reportable segments								(Millions of yen)		
	Residential Development	Commercial Real Estate	Overseas	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal	Other (Note 1)	Total	Adjustments (Note 2)	Amount Recorded in Consolidated Financial Statements (Note 3)
Operating revenue											
External customers	431,723	318,711	3,718	16,102	62,322	109,653	942,230	275	942,505	—	942,505
Inter-segment	1,685	6,078	—	238	2,040	20,216	30,259	4	30,264	(30,264)	—
Subtotal	433,408	324,789	3,718	16,340	64,363	129,869	972,489	280	972,769	(30,264)	942,505
Operating profit or loss (Note 3)	60,588	53,710	(4,723)	10,421	18,982	13,493	152,472	94	152,566	(14,323)	138,242
Share of profit (loss) of entities accounted for using equity method (Note 3)	20	42	6,616	153	12	33	6,877	—	6,877	—	6,877
Amortization of intangible assets associated with corporate acquisitions (Note 3)	1,127	235	42	—	—	—	1,405	—	1,405	—	1,405
Gain or loss on sale of equity interest in project companies in the Overseas Business Unit (Note 3)	—	—	858	—	—	—	858	—	858	—	858
Segment profit or loss (Business profit or loss) (Note 3)	61,736	53,987	2,792	10,575	18,994	13,526	161,613	94	161,708	(14,323)	147,384
Segment assets	824,225	1,470,334	343,962	65,494	37,698	58,262	2,799,977	2,118	2,802,096	9,893	2,811,989
Other items											
Depreciation	2,622	21,555	787	96	1,121	1,111	27,295	8	27,303	2,062	29,366
Investment in affiliates accounted for using equity method	1,100	11,005	289,793	1,399	164	416	303,881	—	303,881	470	304,351
Increase in property, plant and equipment and intangible assets	11,694	41,532	870	55	1,305	1,614	57,072	33	57,105	6,332	63,438

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

2. (1) The deduction of ¥14,323 million shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of ¥5,068 million and a deduction of ¥19,392 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 addition of ¥9,893 million shown in the adjustments column for segment assets includes a deduction of ¥68,604 million for the elimination of inter-segment transactions and an addition of ¥78,497 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 + gain or loss on sale of equity interest in project companies (*1) in the Overseas Business Unit.

*1 They refer to SPCs, etc. which are mainly engaged in holding/development of real estate.

Related Information

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

1. Information by product and service

Information by product and service is omitted because the same information is disclosed in, "3. Information regarding operating revenue, profit or loss, 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, 2026 (From April 1, 2025 to March 31, 2026)

1. Information by product and service

Information by product and service is omitted because the same information is disclosed in "3. Information regarding operating revenue, profit or loss, 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, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

FY2025/3	Residential Development	Commercial Real Estate	Overseas	Investment Management	Property Brokerage & CRE	Property & Facility Management	Other	Adjustment amount	Total
Impairment loss	¥—	¥417	¥—	¥—	¥—	¥—	¥—	¥—	¥417

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

FY2026/3	Residential Development	Commercial Real Estate	Overseas	Investment Management	Property Brokerage & CRE	Property & Facility Management	Other	Adjustment amount	Total
Impairment loss	¥163	¥19,909	¥—	¥—	¥—	¥—	¥—	¥—	¥20,073

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

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

FY2025/3	Residential Development	Commercial Real Estate	Overseas	Investment Management	Property Brokerage & CRE	Property & Facility Management	Other	Adjustment amount	Total
Amortization	¥859	¥235	¥42	¥—	¥—	¥—	¥—	¥—	¥1,137
Balance at March 31, 2025	¥16,932	¥883	¥449	¥—	¥—	¥—	¥—	¥—	¥18,265

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

FY2026/3	Residential Development	Commercial Real Estate	Overseas	Investment Management	Property Brokerage & CRE	Property & Facility Management	Other	Adjustment amount	Total
Amortization	¥1,127	¥235	¥42	¥—	¥—	¥—	¥—	¥—	¥1,405
Balance at March 31, 2026	¥15,804	¥647	¥400	¥—	¥—	¥—	¥—	¥—	¥16,852

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, 2025 (From April 1, 2024 to March 31, 2025)

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	Shigeyuki Yamamoto	—	—	Executive Officer of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	¥21	—	—
Officer	Tetsumi Yoshimura	—	—	Executive Officer of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	16	—	—
Officer	Eiji Kutsukake	—	—	Chair and Director of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	16	—	—
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	16	—	—
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	15	—	—
Officer	Hiroyuki Kimura	—	—	Director of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	12	—	—
Officer	Kazuhiro Toida	—	—	Executive Officer of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	11	—	—
Officer of major subsidiary	Daisuke Kimura	—	—	Executive Officer of Nomura Real Estate Asset Management 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.

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

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	Daisaku Matsuo	—	—	Executive Vice President, Representative Director of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	¥20	—	—
Officer	Eiji Kutsukake	—	—	Chair and Director of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	19	—	—
Officer	Tetsumi Yoshimura	—	—	Executive Officer of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	16	—	—
Officer	Kazuhiro Toida	—	—	Executive Officer of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	16	—	—
Officer	Shigeyuki Yamamoto	—	—	Executive Officer of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	14	—	—
Officer of major subsidiary	Daisuke Kimura	—	—	Auditor of Nomura Real Estate Development Co., Ltd.	Held 0.0%	Exercise of stock options	Exercise of stock options	14	—	—
Officer	Hiroyuki Kimura	—	—	Director of the Company	Held 0.0%	Exercise of stock options	Exercise of stock options	11	—	—

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, 2025 (From April 1, 2024 to March 31, 2025)
Not applicable.

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

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)
Subsidiary of other affiliated company	Nomura Properties, Inc. (Subsidiary of Nomura Holdings, Inc.)	Chuo- ku, Tokyo	¥480	Rental and management of properties	—	Sale of beneficial interests in trust	Sale of beneficial interests in trust Gain on sale	¥31,700 11,437	—	—
Close relatives of officer of major subsidiary	Close relatives of Hiroataka Furugori	—	—	—	—	Remodeling works	Remodeling works	14	—	—
Officer of major subsidiary	Shinji Ono	—	—	—	—	Condominium sales	Condominium sales	54	—	—
Officer of major subsidiary and his/her close relatives	Close relatives of Shinji Ono	—	—	—	—	Condominium sales	Condominium sales	67	—	—

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

2. Terms of transactions are determined and consistent with generally accepted practices and with reference to market prices.

23. Per Share Information

	(Yen)	
	FY2025/3	FY2026/3
Net assets per share	¥873.40	¥938.08
Basic earnings per share	86.77	96.69
Diluted earnings per share	¥86.69	¥96.67

Notes: 1. The Company conducted a stock split at a ratio of five shares for every one share of common stock on April 1, 2025. "Net assets per share," "Basic earnings per share" and "Diluted earnings per share" have been calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. The basis for the calculation of basic earnings per share and diluted earnings per share is as follows.

	FY2025/3	FY2026/3
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	¥74,835	¥82,880
Profit not attributed to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent available to common stock (Millions of yen)	74,835	82,880
Average number of shares of common stock outstanding during the period (Thousand shares)	862,447	857,167
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Millions of yen)	—	—
Increase in number of shares of common stock (Thousand shares)	761	142
Of which, share acquisition rights (Thousand shares)	(761)	(142)
Description of potentially dilutive common shares not included in the computation 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, 2025, the number of the treasury shares at the end of period deducted in calculating net assets per share was 13,955 thousand shares and 19,062 thousand shares for the fiscal year ended March 31, 2026, and the average number of treasury shares during the period deducted in calculating the basic earnings per share and diluted earnings per share was 14,206 thousand shares for the fiscal year ended March 31, 2025 and 15,956 thousand shares for the fiscal year ended March 31, 2026.

24. Significant Subsequent Events

Not applicable.

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.	5th unsecured bonds	June 1, 2015	¥10,000	—	0.9	None	May 30, 2025
Nomura Real Estate Holdings, Inc.	7th unsecured bonds	January 28, 2016	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.	13th unsecured bonds	June 9, 2020	10,000	—	0.2	None	June 9, 2025
Nomura Real Estate Holdings, Inc.	14th unsecured bonds	June 9, 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	14,000	14,000	0.7	None	October 19, 2028
Nomura Real Estate Holdings, Inc.	17th unsecured bonds	October 19, 2023	6,000	6,000	1.3	None	October 19, 2033
Nomura Real Estate Holdings, Inc.	18th unsecured bonds	July 10, 2024	30,000	30,000	0.9	None	July 10, 2029
Nomura Real Estate Holdings, Inc.	19th unsecured bonds	June 17, 2025	—	27,000	1.4	None	June 17, 2030
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
Total	—	—	¥170,000	¥167,000	—	—	—

Note: The scheduled redemption amounts for the five years subsequent to the end of the fiscal year ended March 31, 2026 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
Bonds	—	—	¥14,000	¥30,000	¥47,000

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	¥87,875	¥62,665	1.0	—
Current portion of long-term borrowings	123,923	79,967	0.6	—
Current portion of lease liabilities	361	123	—	—
Long-term borrowings (excluding current portion)	1,049,805	1,207,732	1.1	2027 to 2042
Non-recourse long-term borrowings (excluding current portion)	3,700	6,000	2.1	2027
Lease liabilities (excluding current portion)	1,677	833	—	2027 to 2036
Other interest-bearing debt	110,000	76,000	0.9	—
Commercial papers (current portion)	—	—	—	—
Total	¥1,377,343	¥1,433,322	—	—

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, 2026 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
Long-term borrowings	¥89,232	¥72,000	¥89,500	¥157,500
Non-recourse long-term borrowings	6,000	—	—	—
Lease liabilities	¥160	¥154	¥152	¥105

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, 2026

	1st Quarter (Three months ended June 30, 2025)	2nd Quarter (Six months ended September 30, 2025)	3rd Quarter (Nine months ended December 31, 2025)	4th Quarter (Fiscal year ended March 31, 2026)
Cumulative period				
Operating revenue (Millions of yen)	¥221,419	¥397,749	¥581,562	¥942,505
Profit before income taxes (Millions of yen)	33,164	44,005	50,088	109,478
Profit attributable to owners of parent (Millions of yen)	23,192	31,358	42,940	82,880
Basic earnings per share (Yen)	¥26.99	¥36.48	¥50.04	¥96.69
Each quarter				
Basic earnings per share (Yen)	¥26.99	¥9.49	¥13.55	¥46.76

Note: The Company prepares quarterly financial information for the first and third quarters in accordance with the rules set by the financial instruments exchange, but this quarterly financial information has not been subject to interim review.

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, 2026, 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, 2026, 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, including those applicable to audits of financial statements of public interest entities, 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	
Description of Key Audit Matter	Auditor's Response
The Company recorded real estate for sale of ¥661,595 million, real estate for sale in process of ¥376,640 million and land held for development of ¥272,873 million under inventory on the	We performed the following procedures in relation to the assessment of write-downs of commercial property for sale, among others.



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consolidated balance sheet of which the primary components are housing 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 properties for sale may experience a decline in profitability and potential write-downs due to risks such as trends in the commercial property market, developments in leasing arrangements, fluctuations in construction costs, increased financing costs resulting from rising market interest rates, and delays or changes associated with redevelopment projects.

As described in (2) 2) of 1. Valuation of inventories under (Significant Accounting Estimates) in Notes to Consolidated Financial Statements, the amounts of write-downs of commercial property for sale are 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 the case of property under development, by 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 valuations”) 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 external valuations due to factors such as delays in leasing the property.

The significant assumptions used in the calculation of net realizable value, including rents, occupancy rates, discount rates, and construction costs that factor into real estate sales, must adequately reflect the individual circumstances and risks associated with each property. In particular, for properties under development that are not yet available for lease, properties with

(1) In order to identify factors leading to a decrease in property profitability, such as difficulties in making leasing arrangements, rising construction costs, and delays or changes in redevelopment project plans, we reviewed the minutes of the board of directors’ meetings and other meetings, made inquiries of management and the relevant departments, and evaluated whether those factors were considered in the valuation.

(2) We evaluated the risk criteria established by the Company to determine which properties require external evaluations and examined whether the Company subsequently obtained external evaluations following the determination in accordance with those criteria.

(3) We evaluated the expertise, capabilities, and objectivity of the external real estate appraisers engaged by the Company.

(4) We reviewed all external valuations 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 identified as significant assumptions used for external valuations, to past performance and publicly available external data, such as information disclosed by listed REITs.



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<p>specifications and uses that are less common and limited to certain particular users, and redevelopment projects that have experienced delays or changes, the subjectivity and uncertainty of the estimates become 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 the valuation process, which involves complex estimations. 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 the valuation of commercial property held for sale to be a key audit matter.</p>	
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Impairment of commercial property mainly held for the leasing business	
Description of Key Audit Matter	Auditor’s Response
<p>The Company recorded property, plant and equipment of ¥772,305 million and intangible assets of ¥38,815 million on the consolidated balance sheet. The main components are real estate used for domestic office space, commercial facilities, logistics facilities, and hotels (hereinafter, “leasable real estate, etc.”).</p> <p>Leasable real estate, etc., are exposed to risks such as future changes in market conditions. Factors including decreases in rents, occupancy rates, and/or market prices, as well as delays or changes in redevelopment project plans due to fluctuations in construction costs, may reduce the profitability of these properties, leading to the risk that their book values may not be recoverable.</p> <p>As described in (2) of 2. Impairment of non-current assets under (Significant Accounting Estimates) in Notes to Consolidated Financial Statements, the Company must determine whether or not any indications of impairment exist in impairment testing of leasable real estate, etc., and</p>	<p>We performed the following procedures to determine whether there are any indications of impairment and whether an impairment loss should be recognized for leasable real estate, etc., among others.</p> <p>(1) In order to identify factors leading to declines in the profitability of properties, such as major tenants vacating, building reconstruction, occupancy rates, and delays or changes in redevelopment project plans due to fluctuations in construction costs, we reviewed the minutes of the board of directors’ meetings and other meetings, made inquiries of management and the relevant departments, conducted onsite visits for certain properties, and evaluated whether those factors were considered in the impairment assessment.</p> <p>(2) We evaluated the expertise, capabilities, and objectivity of external real estate appraisers engaged by the Company.</p>



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if so, the Company must determine whether recognizing an impairment loss is necessary. Impairment losses for properties subject to impairment recognition are measured as the difference between the book values and the recoverable amounts.

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 valuations”) in determining the market price. In addition, the Company mainly uses external valuations 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 valuations. In measuring impairment losses, recoverable amounts are determined based on net selling prices or value in use. The Company also uses the external valuations to determine net selling prices. External valuations are also primarily used to estimate future cash flows in determining value in use.

Significant assumptions, including rents, occupancy rates, discount rates, leasing costs, and construction costs, which are used in both external valuations and internal estimates to calculate market prices and future cash flows, must adequately reflect the individual circumstances and risks associated with each property. In particular, for redevelopment projects that have experienced delays or changes, the subjectivity and uncertainty of the estimates become higher.

(3) We examined whether there were any properties whose market price had declined to a certain level and whose book value was material for those properties that the Company determined not to be subject to a significant decline in market price (fair value).

(4) For properties where indicators of impairment were identified, we considered the following factors in estimating undiscounted future cash flows.

- To examine the calculation methods used for undiscounted future cash flows, we reviewed the minutes of the board of directors' meetings and other meetings, and made inquiries of management and the relevant departments to understand how management performed the accounting estimates.
- We considered the rents, occupancy rates, and cap rates for the estimated periods, which are identified as significant assumptions, by comparing them to past performance and publicly available external data such as information disclosed by listed REITs.

(5) For properties for which impairment losses are recognized, in order to evaluate the appraisal values contained in the real estate appraisal reports used by the Company in determining net selling price and value in use, we performed the following procedures in addition to those relating to the significant assumptions described above.

- We inspected real estate appraisal reports and verified that real estate appraisal values were calculated in accordance with real estate appraisal standards.
- We reconciled data on major repair expenses and capital expenditures with source documents.



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<p>In addition, the Company has numerous leasable real estate, etc. and is required to comprehensively consider the unique characteristics of each property in the valuation process, which involves complex estimations. Moreover, the book value of each piece of leasable real estate, etc. is significant and the potential impact on the consolidated financial statements in cases of impairment is also significant. Therefore, we have determined the impairment of leasable real estate, etc. to be a key audit matter.</p>	<ul style="list-style-type: none">• We involved valuation specialists from our network firm to assess the significant assumptions of rents, occupancy rates, and discount rates, as well as the data on repair expenses and capital expenditures.
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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, 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.



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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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review 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.



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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, 2026 are 351 million yen and 76 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 23, 2026

Toshihiro Morishige

Toshihiro Morishige
Designated Engagement Partner
Certified Public Accountant

Kenji Sato

Kenji Sato
Designated Engagement Partner
Certified Public Accountant

Masahiro Yawata

Masahiro Yawata
Designated Engagement Partner
Certified Public Accountant