

## Our Group Vision

# New Value, Real Value

Integrating all that is precious to people and communities,  
we build cities—dynamic stages that connect today with tomorrow’s possibilities,  
and embrace every moment of life’s pursuits.  
We create new value, social value, and above all, real value.

## Group Symbol “United N”



The “United N” symbol of the Nomura Real Estate Group is a design that represents our desire to build a better tomorrow and a better future, through all employees of our Group connecting with one another and through our connecting with customers and society.

The orange color in the design carries meanings of hospitality and spirit of challenge, while the purple color conveys originality and dignity.

With its vivid orange and purple, our symbol’s two-color structure expresses the clear vision for the future and the strength of will that characterize the Nomura Real Estate Group.

## To Our Shareholders

I would like to express my gratitude to all of our shareholders for your continuing patronage.

The fiscal year under review saw major unexpected events occur on global political and economic fronts, including Brexit in the UK and the election of Donald Trump as US President. In Japan, economy and corporate performance are steadily picking up under the economic and financial policies of the Abe administration and the Bank of Japan, as well as the effects of the weaker yen.

Real estate markets in Japan, including housing sales and office leasing, remain steady in general. However, changes in market conditions can also be seen, such as a decrease in the supply of new condominiums and an increase in large-scale redevelopment projects aimed at the Olympic Games.

Amid this environment, the Nomura Real Estate Group (the “Group”) posted performance as follows for the fiscal year ended March 2017: Operating revenue of ¥569.6 billion (a 0.0% increase year on year), operating revenue of ¥77.2 billion (a 4.5% decrease), ordinary profit of ¥68.9 billion (a 5.1% decrease), and profit attributable to owners of parent of ¥47.0 billion (a 0.4% decrease).

The Company’s basic policy regarding the distribution of profits is to aim for a payout ratio of approximately 30% over the medium to long term in accordance with business performance, comprehensively considering factors including the operating environment and capital investment plans, and taking retained earnings into consideration. Taking these into account, the Company will increase the dividend by ¥5.0 per share to a record high of ¥65.0 per share. With regard to dividends for the fiscal year ending March 2018, the Company plans to further increase the dividend by ¥5.0 to an annual dividend of ¥70.0 per share, marking the sixth successive fiscal year of dividend increases.

This year, Nomura Real Estate Development Co., Ltd., the core company of the Group, celebrates the 60th year since its founding in 1957. This achievement has been made possible entirely through the support of our shareholders and other stakeholders, for which I am extremely grateful.

With “New Value, Real Value” as our group vision, we will continue tackling transformation and challenges as we work to achieve lives of abundance for people through building cities that connect today with tomorrow’s possibilities.

I ask all of our shareholders for your continued support for the Company.

President and Representative Director  
Group CEO  
Eiji Kutsukake

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 13th Ordinary General Meeting of Shareholders of Nomura Real Estate Holdings, Inc. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Code: 3231)  
June 7, 2017

To: Shareholders

Eiji Kutsukake  
President and Representative Director  
Nomura Real Estate Holdings, Inc.  
1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo  
JAPAN

### Notice of Convocation of the 13th Ordinary General Meeting of Shareholders

Dear Shareholder:

You are cordially invited to attend the 13th Ordinary General Meeting of Shareholders of Nomura Real Estate Holdings, Inc., which will be held as follows.

If you are unable to attend the meeting in person, you may exercise your voting rights by mail or electronic method (via the Internet, etc.). Please review the attached reference documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:40 p.m. on June 28 (Wednesday), 2017.

#### **When Exercising Voting Rights by Mail**

Please indicate your approval or disapproval for the proposal on the enclosed proxy card, and return it so that it will reach us by the aforementioned exercise deadline.

#### **When Exercising Voting Rights by Electronic Method (via the Internet, etc.)**

Please review the "Exercising Voting Rights via the Internet" on page 6, and enter your approval or disapproval for the proposal listed thereon before the deadline stated above.

#### Description

1. Date and Time: Thursday, June 29, 2017, at 10:00 a.m.
2. Place: Meiji Kinenkan, Fuji room (2nd floor)  
2-2-23 Motoakasaka, Minato-ku, Tokyo
3. Agenda for the Meeting:  
Matters to be Reported:  
The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 13th term (from April 1, 2016 to March 31, 2017); and Report on Auditing Results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee  
  
Matter to be Resolved:  
Proposal No. 1: Election of Eight (8) Directors (Excluding Director & Audit & Supervisory Committee Members)  
Proposal No. 2: Election of Five (5) Director & Audit & Supervisory Committee Members

4. Handling the exercising of voting rights:

- (1) If you exercise your voting rights twice through voting by mail and by electronic method (via the Internet, etc.), we will deem the vote cast electronically to be the effective one.
- (2) If you exercise your voting rights more than once by electronic method (via the Internet, etc.) or redundantly using a computer, etc. and cell phone, we will deem the last vote cast to be the effective one.

\*If attending the meeting in person, please present the enclosed proxy card at the reception desk.

\*The following materials are published on the Company's website shown below and not attached to this notice in accordance with the relevant laws and regulations and Article 14 of the Articles of Incorporation. Also, the following materials are audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing their audit reports as part of the attached documents.

- 1) "Notes to consolidated financial statements" of consolidated financial statements
- 2) "Notes to non-consolidated financial statements" of non-consolidated financial statements

\*If circumstances arise whereby revisions should be made to the contents of the reference documents for the General Meeting of Shareholders, the business report, consolidated financial statements, and non-consolidated financial statements, such notification shall be published on the following Company's website.

[The Company's website]

<http://www.nomura-re-hd.co.jp/english/ir/>

## **Guide to Exercising Voting Rights**

Please review the attached reference documents for the General Meeting of Shareholders (pages 7 to 22), and exercise your voting rights.

There are three ways to exercise your voting rights as described below.

### **[By Attending the Meeting]**

Time and Date: 10:00 a.m. on June 29, 2017

Please present the enclosed proxy card at the reception desk.

If you attend the meeting, you do not need to mail the proxy card or exercise voting rights via the Internet, etc.

### **[By Mail]**

Exercise Due Date: To be received no later than 5:40 p.m. on June 28, 2017

Please indicate your approval or disapproval for the proposal on the enclosed proxy card, and return it.

### **[Via the Internet]**

Exercise Due Date: No later than 5:40 p.m. on June 28, 2017

For details, please refer to page 6.

### **For institutional investors**

Nominal shareholders such as management trust banks (including standing proxies) who have applied in advance for the use of the electronic voting platform operated by ICJ, Inc. may use such platform in addition to the aforementioned method of exercising voting rights via the Internet as a method for exercising voting rights electromagnetically.

## **Exercising Voting Rights via the Internet, etc.**

Exercise Due Date: **No later than 5:40 p.m. on Wednesday, June 28, 2017**

### **1. Access the Website for Exercising of Voting Rights**

Access the website for exercising voting rights (<http://www.evot.jp/>), and click the “Next” button.

### **2. Log-in**

Enter the “Log-in ID” and the “Temporary Password,” which are printed on the enclosed proxy card, and click the “Log-in” button.

>>>With this your log-in is complete. Next, please follow the guidance on the screen.

- \* The website for exercising voting rights is not operational from 2:00 a.m. to 5:00 a.m. due to maintenance and inspection.
- \* If you exercise your voting rights more than once by mail and via the Internet, only the vote cast via the Internet shall be deemed effective.
- \* If you exercise your voting rights via the Internet multiple times, only the last vote cast shall be deemed effective.
- \* The website for exercising voting rights may be unavailable by certain Internet settings, or by the service to which you are subscribed or the model of the device you use to access the website.
- \* Any costs including Internet connection fees and communication charges that might be required to access the website for exercising voting rights shall be borne by the shareholder.
- \* If you wish to receive the Notice of Convocation of the General Meeting of Shareholders by e-mail, please visit the website for exercising voting rights using either a PC or a smartphone and following the instructions that the website provides. (Cell phone address for text messages cannot be designated as the e-mail address for receiving the notice.)

#### **For Inquiries about the System Environment, etc.**

Please contact the help desk described below if you have any questions about exercising voting rights via the Internet, using a PC, a smartphone, or a cell phone.

**Corporate Agency Division (help desk)**

**Mitsubishi UFJ Trust and Banking Corporation**

Phone: 0120-173-027 (toll free only within Japan)

Available from Mondays to Fridays (excluding holidays) 9:00 – 21:00

## Reference Documents for the General Meeting of Shareholders

### **Proposal No. 1: Election of Eight (8) Directors (Excluding Director & Audit & Supervisory Committee Members)**

The term of office of all of the eight (8) Directors (excluding Director & Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, we would like you to elect eight (8) Directors.


The candidates for Director are as follows.


No.	Name		Position in the Company	Number of meetings of Board of Directors attended (13th term)
1	Atsushi Yoshikawa	New election	Advisor	—
2	Eiji Kutsukake	Reelection	President and Representative Director, and Chief Executive Officer	17/17
3	Seiichi Miyajima	Reelection	Executive Vice President and Representative Director	17/17
4	Toshiaki Seki	Reelection	Representative Director and Executive Officer	17/17
5	Hiroyuki Kimura	Reelection	Director and Executive Officer	17/17
6	Makoto Haga	New election	Executive Officer	—
7	Shigeru Matsushima	Reelection External Director Independent Director	External Director	17/17
8	Satoko Shinohara	Reelection External Director Independent Director	External Director	17/17








<p><u>No.</u></p> <p>2</p>	<p><b>Eiji Kutsukake</b></p> <p><u>Reelection</u> (Date of Birth: September 12, 1960)</p> <p>Shareholdings: 3,500 shares Attendance at meeting of Board of Directors: 17/17 (100%) Term of office: 3 years</p>	
<p>Apr. 1984 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.) Apr. 2007 Executive Managing Director of Nomura Securities Co., Ltd. Oct. 2008 Senior Managing Director of Nomura Securities Co., Ltd. Apr. 2009 Senior Corporate Managing Director of Nomura Securities Co., Ltd. Apr. 2011 Executive Vice President of Nomura Securities Co., Ltd. Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc. Apr. 2012 Executive Managing Director of Nomura Holdings, Inc. Aug. 2012 Deputy President of Nomura Securities Co., Ltd. Apr. 2013 Director and Deputy President of Nomura Securities Co., Ltd. Apr. 2014 Advisor of Nomura Real Estate Holdings, Inc. Jun. 2014 Representative Director and Executive Vice President of Nomura Real Estate Holdings, Inc. Jun. 2015 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Holdings, Inc. (present) Apr. 2017 Chair and Representative Director of Nomura Real Estate Development Co., Ltd. (present)</p> <p><b>Responsibilities</b></p> <p>Group CEO</p> <p><b>Significant Concurrent Positions</b></p> <p>Chair and Representative Director of Nomura Real Estate Development Co., Ltd.</p> <p><b>Reasons for Nomination as a Candidate for Director</b></p> <p>Eiji Kutsukake has extensive business and management experience in the Nomura Group as well as experience as President of the Company. He has been nominated as a candidate for Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on his substantial management experience and knowledge.</p> <p>Note: There is no special conflict of interest between Eiji Kutsukake and the Company.</p>		


<p>No.</p> <p>3</p>	<p><b>Seiichi Miyajima</b></p> <p><u>Reelection</u> (Date of Birth: August 3, 1958)</p> <p>Shareholdings: 48,100 shares Attendance at meeting of Board of Directors: 17/17 (100%) Term of office: 3 years</p>	
<p>Apr. 1981 Joined Nomura Real Estate Development Co., Ltd. Jun. 2004 Director of Nomura Real Estate Development Co., Ltd. Apr. 2008 Senior Executive Officer of Nomura Real Estate Development Co., Ltd. Apr. 2009 Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Apr. 2012 Representative Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. May 2012 Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2014 Representative Director and Executive Vice President of Nomura Real Estate Development Co., Ltd. Jun. 2014 Representative Director and Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2015 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd. (present) Apr. 2017 Executive Vice President and Representative Director of Nomura Real Estate Holdings, Inc. (present)</p> <p><b>Responsibilities</b></p> <p>Group COO</p> <p><b>Significant Concurrent Positions</b></p> <p>President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.</p> <p><b>Reasons for Nomination as a Candidate for Director</b></p> <p>Seiichi Miyajima has extensive business experience at the Group as well as experience as Director. He has been nominated as a candidate for Director because it is expected that he will continue contributing to achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on property development in the Residential Development Unit and other operations.</p> <p>Note: There is no special conflict of interest between Seiichi Miyajima and the Company.</p>		

<u>No.</u>  4	<p><b>Toshiaki Seki</b></p> <p style="text-align: center;"><u>Reelection</u> (Date of Birth: March 27, 1958)</p> <p>Shareholdings: 31,000 shares Attendance at meeting of Board of Directors: 17/17 (100%) Term of office: 3 years</p>	
<p>Apr. 1980 Joined Nomura Real Estate Development Co., Ltd. Jun. 2003 Director of Nomura Real Estate Development Co., Ltd. Mar. 2007 Managing Director of Nomura Real Estate Development Co., Ltd. Apr. 2007 President and Representative Director of NOMURA LIVING SUPPORT CO., LTD. (currently, Nomura Real Estate Partners Co., Ltd.) Apr. 2008 President and Representative Director, and Chief Executive Officer of NOMURA LIVING SUPPORT CO., LTD. Dec. 2010 President and Representative Director of Nomura Real Estate Reform Co., Ltd. May 2012 Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2013 Director of NOMURA BUILDING MANAGEMENT CO., LTD. (currently, Nomura Real Estate Partners Co., Ltd.) Apr. 2014 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Partners Co., Ltd. Jun. 2014 Representative Director and Executive Officer of Nomura Real Estate Holdings, Inc. (present) Apr. 2015 Director of Nomura Real Estate Urban Net Co., Ltd. Chair and Representative Director of Nomura Real Estate Partners Co., Ltd. (present) President and Representative Director of Nomura Real Estate Wellness Co., Ltd. (present) Jun. 2015 Director of MEGALOS CO., LTD. (currently, Nomura Real Estate Life &amp; Sports Co., Ltd.) (present)</p>		
<p><b>Responsibilities</b></p> <p>Unit Manager of Property &amp; Facility Management Unit</p>		
<p><b>Significant Concurrent Positions</b></p> <p>Chair and Representative Director of Nomura Real Estate Partners Co., Ltd. Director of Nomura Real Estate Life &amp; Sports Co., Ltd. President and Representative Director of Nomura Real Estate Wellness Co., Ltd.</p>		
<p><b>Reasons for Nomination as a Candidate for Director</b></p> <p>Toshiaki Seki has extensive business experience at the Group as well as experience as Director. He has been nominated as a candidate for Director because it is expected that he will continue contributing to achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on property development, property &amp; facility management, and other operations.</p> <p>Note: There is no special conflict of interest between Toshiaki Seki and the Company.</p>		

<u>No.</u>          <b>5</b>	<p><b>Hiroyuki Kimura</b></p> <p style="text-align: center;"><u>Reelection</u> (Date of Birth: March 30, 1962)</p> <p>Shareholdings: 16,600 shares Attendance at meeting of Board of Directors: 17/17 (100%) Term of office: 3 years</p>	
<p>Apr. 1984 Joined Nomura Real Estate Development Co., Ltd. Apr. 2009 Executive Officer of Nomura Real Estate Development Co., Ltd. Jun. 2009 Director of Nomura Real Estate Holdings, Inc. Apr. 2010 President and Representative Director of Nomura Real Estate Investment Management Co., Ltd. Director of Nomura Real Estate Capital Management Co., Ltd. Director of Nomura Real Estate Asset Management Co., Ltd. (currently, Nomura Real Estate Capital Management Co., Ltd.) Oct. 2011 Managing Director of Nomura Real Estate Asset Management Co., Ltd. May 2012 Executive Officer of Nomura Real Estate Holdings, Inc. Jun. 2012 Director and Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2013 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Jun. 2013 Executive Officer of Nomura Real Estate Holdings, Inc. Jun. 2014 Director and Executive Officer of Nomura Real Estate Holdings, Inc. (present)</p>		
<p><b>Responsibilities</b></p> <p>Group CFO and Investor Relations</p>		
<p><b>Reasons for Nomination as a Candidate for Director</b></p> <p>Hiroyuki Kimura has extensive business experience at the Group as well as experience as Director. He has been nominated as a candidate for Director because it is expected that he will continue contributing to achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on finance and accounting, and other operations.</p> <p>Note: There is no special conflict of interest between Hiroyuki Kimura and the Company.</p>		

<p>No.</p> <p>6</p>	<p><b>Makoto Haga</b></p> <p><b>New election</b> (Date of Birth: June 22, 1966)</p> <p>Shareholdings: 4,100 shares Attendance at meeting of Board of Directors: – Term of office: –</p>	
<p>Apr. 1989 Joined Nomura Real Estate Development Co., Ltd. Oct. 2010 General Manager of Management Planning Department of Nomura Real Estate Development Co., Ltd. Oct. 2011 Director and Senior General Manager of Investment Management Division of Nomura Real Estate Capital Management Co., Ltd. Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd. May 2012 Executive Officer of Nomura Real Estate Holdings, Inc. (present) Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Apr. 2017 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (present) Director of NREG TOSHIBA BUILDING Co., Ltd. (present) Director of Nomura Real Estate Life &amp; Sports Co., Ltd. (present) Director of Geo Akamatsu Co., Ltd. (present) Director of Nomura Real Estate Reform Co., Ltd. (present) Director of PRIME X. Co., Ltd. (present) Director of Nomura Real Estate Wellness Co., Ltd. (present)</p> <p><b>Responsibilities</b></p> <p>Supervisor of Management Division, Management of Affiliated Companies</p> <p><b>Significant Concurrent Positions</b></p> <p>Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Director of NREG TOSHIBA BUILDING Co., Ltd. Director of Nomura Real Estate Life &amp; Sports Co., Ltd. Director of Geo Akamatsu Co., Ltd. Director of Nomura Real Estate Reform Co., Ltd. Director of PRIME X. Co., Ltd. Director of Nomura Real Estate Wellness Co., Ltd.</p> <p><b>Reasons for Nomination as a Candidate for Director</b></p> <p>Makoto Haga has extensive business experience at the Group. He has been nominated as a candidate for Director because it is expected that he will contribute to achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on corporate planning and management of affiliated companies, and other operations.</p> <p>Note: There is no special conflict of interest between Makoto Haga and the Company.</p>		

<p>No.</p> <p>7</p>	<p><b>Shigeru Matsushima</b></p> <p>Reelection External Director Independent Director</p> <p>(Date of Birth: October 31, 1949)</p> <p>Shareholdings: —</p> <p>Attendance at meeting of Board of Directors: 17/17 (100%)</p> <p>Term of office: 4 years</p>	
<p>Apr. 1973 Joined Ministry of International Trade and Industry (currently, Ministry of Economy, Trade and Industry)</p> <p>Jun. 1998 Deputy Director-General for Agency of Industrial Science and Technology of Ministry of International Trade and Industry</p> <p>Sep. 1999 Director-General of Chubu Bureau of International Trade and Industry of Ministry of International Trade and Industry</p> <p>Apr. 2001 Professor, Faculty of Business Administration, Hosei University</p> <p>Mar. 2007 External Director of CAC Corporation (currently, CAC Holdings Corporation) (present)</p> <p>Apr. 2008 Professor, Tokyo University of Science Graduate School</p> <p>Jun. 2008 External Audit &amp; Supervisory Board Member of Nomura Real Estate Holdings, Inc.</p> <p>Apr. 2012 External Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd.</p> <p>Jun. 2013 External Director of Nomura Real Estate Holdings, Inc. (present)</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>External Director of CAC Holdings Corporation</p>		
<p><b>Reasons for Nomination as a Candidate for External Director</b></p>		
<p>Shigeru Matsushima has been nominated as a candidate for External Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and ensuring fair and transparent management by drawing on his wealth of knowledge, experience, and profound insights acquired in his long career as an expert in business administration, although he has no previous experience directly involved in the management of a company.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>Shigeru Matsushima is a candidate for External Director.</li> <li>There is no special conflict of interest between Shigeru Matsushima and the Company.</li> <li>Shigeru Matsushima is, at present, External Director of the Company. His term of office as External Director will be four years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>The Company has entered into agreement with Shigeru Matsushima to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If his election is approved, the Company will continue the said agreement with him to limit his liability. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>Shigeru Matsushima is an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. If his election is approved, the Company will continue to designate him as Independent Director/Auditor.</li> </ol>		

<p>No.</p> <p>8</p>	<p><b>Satoko Shinohara</b></p> <p>Reelection External Director Independent Director</p> <p>(Date of Birth: September 3, 1958)</p> <p>Shareholdings: — Attendance at meeting of Board of Directors: 17/17 (100%) Term of office: 3 years</p>	
<p>Apr. 1983 Joined Koyama Atelier May 1987 Director of Spatial Design Studio Oct. 1990 Director of Kengo Kuma and Associates Nov. 2000 Representative Director of Spatial Design Studio (present) Mar. 2009 Representative Director of Kengo Kuma and Associates (present) Feb. 2010 Representative Partner of Satoko Shinohara Living Design Institute LLC (present) Apr. 2010 Professor of Japan Women's University (present) Jun. 2014 External Director of Nomura Real Estate Holdings, Inc. (present)</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>Professor of Japan Women's University Representative Director of Spatial Design Studio Representative Director of Kengo Kuma and Associates Representative Partner of Satoko Shinohara Living Design Institute LLC</p>		
<p><b>Reasons for Nomination as a Candidate for External Director</b></p>		
<p>Satoko Shinohara has been nominated as a candidate for External Director because it is expected that she will continue contributing to strengthening the supervisory function of the Board of Directors and ensuring fair and transparent management by drawing on her wealth of knowledge, experience, and profound insights in the field of architecture acquired in her long career as an architect.</p>		
<p>Notes:</p>		
<ol style="list-style-type: none"> <li>1. Satoko Shinohara is a candidate for External Director. The name of Satoko Shinohara as described here and above is her professional name, but her name on the family register is Satoko Kuma.</li> <li>2. Satoko Shinohara is, at present, External Director of the Company. Her term of office as External Director will be three years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>3. The Company has entered into agreement with Satoko Shinohara to limit her liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If her election is approved, the Company will continue the said agreement with her to limit her liability. The maximum amount of liability based on the said agreement, on condition that she performs her duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>4. If the election of Satoko Shinohara is approved, the company will designate her as Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. Although the companies that Satoko Shinohara represents have transactions, as described below, with both the Company and the Company's subsidiaries, mainly in consulting for community designs, the Company deems Satoko Shinohara to be independent. <ol style="list-style-type: none"> <li>(1) Kengo Kuma and Associates, for which Satoko Shinohara serves as Representative Director, has the above described transactions with both the Company and the Company's wholly owned subsidiary, Nomura Real Estate Development Co., Ltd. The transaction amount in the most recent business year represents less than 2% of the net sales of said company and of the consolidated operating revenue of the Company.</li> <li>(2) Spatial Design Studio, for which Satoko Shinohara serves as Representative Director, has the above described transactions with Nomura Real Estate Development Co., Ltd. The transaction amount in the most recent business year represents less than 2% of the sales of said company and of the consolidated operating revenue of the Company.</li> <li>(3) The sum of the amounts stipulated in above (1) and (2) represents less than 2% of the consolidated operating revenue of the Company.</li> </ol> </li> </ol>		

## Proposal No. 2: Election of Five (5) Director & Audit & Supervisory Committee Members

The term of office of all of the five (5) Director & Audit & Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders.


Accordingly, we would like you to elect five (5) Director & Audit & Supervisory Committee Members.


Audit & Supervisory Committee has consented to this proposal.


The candidates for Director & Audit & Supervisory Committee Member are as follows.


No.	Name		Position in the Company	Number of meetings of Board of Directors attended (13th term)	Number of meetings of Audit & Supervisory Committee attended (13th term)
1	Takao Orihara	Reelection	Director (Audit & Supervisory Committee Member)	17/17	11/11
2	Shigeki Fujitani	Reelection	Director (Audit & Supervisory Committee Member)	17/17	11/11
3	Satoshi Ogishi	Reelection External Director Independent Director	External Director (Audit & Supervisory Committee Member)	17/17	11/11
4	Akira Yamate	Reelection External Director Independent Director	External Director (Audit & Supervisory Committee Member)	16/17	11/11
5	Akira Ono	Reelection External Director Independent Director	External Director (Audit & Supervisory Committee Member)	17/17	11/11




<u>No.</u>  1	<p style="text-align: center;"><b>Takao Orihara</b></p> <p style="text-align: center;"><u>Reelection</u> (Date of Birth: Feb. 6, 1958)</p> <p>Shareholdings: 40,100 shares Attendance at meeting of Board of Directors: 17/17 (100%) Attendance at meeting of Audit &amp; Supervisory Committee: 11/11 (100%) Term of office: 2 years</p>	
<p>Apr. 1980 Joined Nomura Real Estate Development Co., Ltd. Jun. 2005 Director of Nomura Real Estate Holdings, Inc. Director of Nomura Real Estate Development Co., Ltd. Apr. 2008 Director and Senior Executive Officer of Nomura Real Estate Development Co., Ltd. Apr. 2009 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Apr. 2010 Director of NREG TOSHIBA BUILDING Co., Ltd. May 2012 Director and Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2014 Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (present) Audit &amp; Supervisory Board Member of Geo Akamatsu Co., Ltd. (present) Advisor of Nomura Real Estate Holdings, Inc. Jun. 2014 Audit &amp; Supervisory Board Member of Nomura Real Estate Holdings, Inc. External Audit &amp; Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. External Audit &amp; Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. External Audit &amp; Supervisory Board Member of MEGALOS CO., LTD. (currently, Nomura Real Estate Life &amp; Sports Co., Ltd.) Jun. 2015 Director (Audit &amp; Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present) Audit &amp; Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. (present) Audit &amp; Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. (present) Audit &amp; Supervisory Board Member of NREG TOSHIBA BUILDING Co., Ltd. Oct. 2015 Audit &amp; Supervisory Board Member of MEGALOS CO., LTD. (currently, Nomura Real Estate Life &amp; Sports Co., Ltd.) (present)</p>		
<p><b>Significant Concurrent Positions</b></p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd. Audit &amp; Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. Audit &amp; Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit &amp; Supervisory Board Member of Nomura Real Estate Life &amp; Sports Co., Ltd. Audit &amp; Supervisory Board Member of GEO AKAMATSU CO., LTD.</p>		
<p><b>Reasons for Nomination as a Candidate for Director</b></p> <p>Takao Orihara has extensive business experience in Nomura Real Estate Development Co., Ltd., as well as experience as a Director and an Audit &amp; Supervisory Board Member. He has been nominated as a candidate for Director &amp; Audit &amp; Supervisory Committee Member because it is expected that his extensive experience and knowledge concerning finance and accounting will continue to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>There is no special conflict of interest between Takao Orihara and the Company.</li> <li>The Company has entered into agreement with Takao Orihara to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If the election of Takao Orihara is approved, the Company will continue the said agreement with him to limit his liabilities. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> </ol>		

<p>No.</p> <p>2</p>	<p><b>Shigeki Fujitani</b></p> <p><u>Reelection</u> (Date of Birth: Mar. 13, 1957)</p> <p>Shareholdings: –</p> <p>Attendance at meeting of Board of Directors: 17/17 (100%)</p> <p>Attendance at meeting of Audit &amp; Supervisory Committee: 11/11 (100%)</p> <p>Term of office: 2 years</p>	
<p>Apr. 1981 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)</p> <p>Apr. 2008 Executive Managing Director of Nomura Asset Management Co., Ltd.</p> <p>Oct. 2008 Executive Officer of Nomura Holdings, Inc.</p> <p>Apr. 2013 External Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd.</p> <p>Jun. 2013 External Audit &amp; Supervisory Board Member of Nomura Real Estate Holdings, Inc. External Audit &amp; Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. External Audit &amp; Supervisory Board Member of Nomura Building Management Co., Ltd. (currently, Nomura Real Estate Partners Co., Ltd.)</p> <p>Apr. 2014 Audit &amp; Supervisory Board Member of PRIME X. Co., Ltd. (present)</p> <p>Jun. 2014 External Audit &amp; Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. External Audit &amp; Supervisory Board Member of NREG TOSHIBA BUILDING Co., Ltd.</p> <p>Jun. 2015 Director (Audit &amp; Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present) Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd. (present) Audit &amp; Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. (present) Audit &amp; Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. (present) Audit &amp; Supervisory Board Member of NREG TOSHIBA BUILDING Co., Ltd. (present)</p> <p>Apr. 2016 Audit &amp; Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. (present)</p> <p>Jun. 2016 Audit &amp; Supervisory Board Member of Nomura Real Estate Reform Co., Ltd. (present)</p> <p><b>Significant Concurrent Positions</b></p>		
<p>Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Partners Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of NREG TOSHIBA BUILDING Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of Nomura Real Estate Reform Co., Ltd.</p> <p>Audit &amp; Supervisory Board Member of PRIME X. Co., Ltd.</p> <p><b>Reasons for Nomination as a Candidate for Director</b></p>		
<p>Shigeki Fujitani has extensive business experience in the Nomura Group, as well as experience as an Audit &amp; Supervisory Board Member. He has been nominated as a candidate for Director &amp; Audit &amp; Supervisory Committee Member because it is expected that his extensive experience and knowledge concerning finance and auditing will continue to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. There is no special conflict of interest between Shigeki Fujitani and the Company.</li> <li>2. The Company has entered into agreement with Shigeki Fujitani to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If the election of Shigeki Fujitani is approved, the Company will continue the said agreement with him to limit his liabilities. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> </ol>		

<p>No.</p> <p>3</p>	<p><b>Satoshi Ogishi</b></p> <p>Reelection External Director Independent Director</p> <p>(Date of Birth: Mar. 18, 1957)</p> <p>Shareholdings: –</p> <p>Attendance at meeting of Board of Directors: 17/17 (100%)</p> <p>Attendance at meeting of Audit &amp; Supervisory Committee: 11/11 (100%)</p> <p>Term of office: 2 years</p>	
<p>Dec. 1981 Registered with Dai-ichi Tokyo Bar Association Joined Nishimura &amp; Sanada (currently, Nishimura &amp; Asahi)</p> <p>Jan. 1987 Partner of Nishimura &amp; Sanada (currently, Nishimura &amp; Asahi) (present)</p> <p>Apr. 2005 Professor of Tokai University Law School Executive Director of Nozomi Servicing Co., Ltd. (present)</p> <p>Aug. 2011 External Director of Oracle Corporation Japan (present)</p> <p>Jun. 2012 External Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd. External Audit &amp; Supervisory Board Member of Nomura Real Estate Holdings, Inc.</p> <p>Jun. 2015 External Director (Audit &amp; Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)</p>		
<p><b>Significant Concurrent Positions</b></p>		
<p>Partner of Nishimura &amp; Asahi Executive Director of Nozomi Servicing Co., Ltd. External Director of Oracle Corporation Japan</p>		
<p><b>Reasons for Nomination as a Candidate for External Director</b></p>		
<p>Satoshi Ogishi has great knowledge, experience and profound insights as a legal expert acquired through his many years working as a lawyer. He has been nominated as a candidate for External Director &amp; Audit &amp; Supervisory Committee Member because it is expected that his extensive experience and knowledge will continue to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.</p>		
<p>Notes:</p>		
<ol style="list-style-type: none"> <li>1. Satoshi Ogishi is a candidate for External Director.</li> <li>2. Satoshi Ogishi is, at present, an External Director of the Company. His term of office as External director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>3. The Company has entered into agreement with Satoshi Ogishi to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If the election of Satoshi Ogishi is approved, the Company will continue the said agreement with him to limit his liabilities. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>4. Satoshi Ogishi is an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. If his election is approved, the Company will continue to designate him as an Independent Director/Auditor. The Company and its subsidiaries engage in transactions concerning legal services with Nishimura &amp; Asahi, of which Satoshi Ogishi is a Partner. However, the transaction amount in the most recent business year represents less than 2% of the sales of said law office and of the consolidated operating revenue of the Company. Accordingly, the Company deems Satoshi Ogishi to be independent.</li> </ol>		

<p>No.</p> <p>4</p>	<p><b>Akira Yamate</b></p> <p><u>Reelection</u> <u>External Director</u> <u>Independent Director</u></p> <p>(Date of Birth: Nov. 23, 1952)</p> <p>Shareholdings: —</p> <p>Attendance at meeting of Board of Directors: 16/17 (94%)</p> <p>Attendance at meeting of Audit &amp; Supervisory Committee: 11/11 (100%)</p> <p>Term of office: 2 years</p>	
<p>Nov. 1977 Joined Price Waterhouse &amp; Co.</p> <p>Jul. 1991 Representative Partner of Aoyama Audit Corporation Partner of Price Waterhouse</p> <p>Apr. 2000 Representative Partner of Chuo Aoyama Audit Corporation Partner of PricewaterhouseCoopers</p> <p>Sep. 2006 Representative Partner of PricewaterhouseCoopers Arata (currently, PricewaterhouseCoopers Arata LLC)</p> <p>Jun. 2013 External Audit &amp; Supervisory Board Member of Nomura Real Estate Development Co., Ltd. External Audit &amp; Supervisory Board Member of Nomura Real Estate Holdings, Inc.</p> <p>Jun. 2015 External Director (Audit &amp; Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present) Outside Director of Mitsubishi UFJ Financial Group, Inc. (present) External Audit &amp; Supervisory Board Member of Prudential Holdings of Japan, Inc. (present)</p> <p><b>Significant Concurrent Positions</b></p> <p>Outside Director of Mitsubishi UFJ Financial Group, Inc. External Audit &amp; Supervisory Board Member of Prudential Holdings of Japan, Inc.</p> <p><b>Reasons for Nomination as a Candidate for External Director</b></p> <p>Akira Yamate has great knowledge and experience and profound insights as an expert at accounting and auditing acquired through his many years working as a Certified Public Accountant. He has been nominated as a candidate for External Director &amp; Audit &amp; Supervisory Committee Member because it is expected that his extensive experience and knowledge will continue to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. Akira Yamate is a candidate for External Director.</li> <li>2. There is no special conflict of interest between Akira Yamate and the Company.</li> <li>3. Akira Yamate is, at present, an External Director of the Company. His term of office as External Director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>4. The Company has entered into agreement with Akira Yamate to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If the election of Akira Yamate is approved, the Company will continue the said agreement with him to limit his liabilities. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>5. Akira Yamate is an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. If his election is approved, the Company will continue to designate him as an Independent Director/Auditor.</li> </ol>		

<p>No.</p> <p>5</p>	<p><b>Akira Ono</b></p> <p>Reelection External Director Independent Director</p> <p>(Date of Birth: Dec. 28 1971)</p> <p>Shareholdings: –</p> <p>Attendance at meeting of Board of Directors: 17/17 (100%)</p> <p>Attendance at meeting of Audit &amp; Supervisory Committee: 11/11 (100%)</p> <p>Term of office: 2 years</p>	
<p>Apr. 1998 Registered with Tokyo Bar Association Joined Tokyo Aoyama Law Office (currently, Baker &amp; McKenzie [Gaikokuho Joint Enterprise])</p> <p>Mar. 1999 Joined Okinobu, Ishihara &amp; Sei Law Office (currently, Spring Partners)</p> <p>Jan. 2006 Partner of Spring Partners (present)</p> <p>Jun. 2012 External Audit &amp; Supervisory Board Member of MEGALOS CO., LTD. (currently, Nomura Real Estate Life &amp; Sports Co., Ltd.)</p> <p>Jun. 2015 External Director (Audit &amp; Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. (present)</p> <p><b>Significant Concurrent Positions</b></p> <p>Partner of Spring Partners</p> <p><b>Reasons for Nomination as a Candidate for External Director</b></p> <p>Akira Ono has great knowledge, experience and profound insights as a legal expert acquired through his many years working as a lawyer. He has been nominated as a candidate for External Director &amp; Audit &amp; Supervisory Committee Member because it is expected that his extensive experience and knowledge will continue to contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure although he has no experience in the management of a company.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. Akira Ono is a candidate for External Director.</li> <li>2. There is no special conflict of interest between Akira Ono and the Company.</li> <li>3. Akira Ono is, at present, an External Director of the Company. His term of office as External Director will be two years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>4. The Company has entered into agreement with Akira Ono to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If the election of Akira Ono is approved, the Company will continue the said agreement with him to limit his liabilities. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.</li> <li>5. Akira Ono is an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. If his election is approved, the Company will continue to designate him as an Independent Director/Auditor.</li> </ol>		

Reference: Nomura Real Estate Holdings, Inc. Criteria for Determining Impartiality of Independent External Directors

In addition to Independent Director impartiality criteria set by the Tokyo Stock Exchange, the Board of Directors establishes criteria concerning the impartiality of Independent External Directors and nominates Independent External Directors having confirmed that they do not correspond to any of the following items.

1. Individuals who execute business for any other company with which the Company or our subsidiaries have a reciprocal employment relationship as each other's External Directors;
2. Individuals who are employees of the Company's or our subsidiaries' major business partners (\*1) or who are employees at companies that consider the Company or our subsidiaries to be their major business partner (\*1) (or individuals involved in the execution of business if such business partner is a corporation);
3. Consultants, accounting experts, or legal experts who receive money, or other property gains in excess of ¥10 million in addition to Directors compensation from the Company or subsidiaries during the most recent business year;
4. Individuals affiliated to companies, etc. that provide professional services such as law firms, accounting firms, and consulting companies that receive large sums of money or other property gains (\*2) from the Company or subsidiaries;
5. Individuals who are or were involved in the execution of business at one of the Company's major shareholders (individuals who are or were involved in the execution of business at such corporation if the major shareholder is a corporation), or lead managing underwriter; or
6. Close relatives of individuals stated in 1. to 5.

\*1. A major business partner means a business partner whose transactions with the Group exceed 2% of the Company's or such business partner's annual consolidated sales in the most recent business year.

\*2. Large sums of money or other property gains means gains that exceed 2% of that company's annual consolidated sales in the most recent business year.

(Attached documents)

## **Business Report**

(From April 1, 2016 to March 31, 2017)

### 1. Current status of the Group

#### (1) Status of operations for the fiscal year under review

##### 1) Progress and results of business

We are pleased to announce a summary of operating results of our 13th term (April 1, 2016 to March 31, 2017).

During the fiscal year under review, the Japanese economy showed a tone of gradual recovery overall with an increase in exports, underpinned by a shift toward recovery in the global economy and a trend of yen depreciation in the latter half of the fiscal year, and continuing improvement in corporate production activities, despite continuing weakness in consumer spending. In regard to the economic outlook, the gradual recovery is expected to continue into the future with pickups in consumer spending expected as a result of improvements in the employment and personal income environments on the back of improved corporate earnings, although it is necessary to pay careful attention to the economic trends of the advanced countries of Europe and North America.

In the house sales market, the housing sales market was characterized by impressions that sales prices were expensive due to persistently high construction costs and intensified demand for the purchase of land, which led to a buyer shift to the used-housing market, a drop in the rate of contracts and adjustments in the number of supplied housing units in the Tokyo metropolitan area. In the office market, vacancy rates remain at a low level against the backdrop of improvements in the employment environment and corporate earnings despite the rise in large properties in the Tokyo metropolitan area. In addition, the rent level continues to rise gradually, particularly in the central area of Tokyo.

In the real estate investment market, there is a continuing environment of investment fund inflow backed by low interest rates. In J-REIT, there were a series of new listings on the market and capital increases through public offerings, and assets under management have solidly expanded as a result of an increase in property acquisitions mainly comprising logistics facilities and hotels.

In this business environment, the Nomura Real Estate Group (the “Group”) posted the following consolidated performance for the fiscal year under review: Operating revenue of ¥569,680 million, which represents an increase of 0.0% year on year; operating profit of ¥77,271 million, a decrease of 4.5%; ordinary profit of ¥68,952 million, a decrease of 5.1%; and profit attributable to owners of parent of ¥47,005 million, a decrease of 0.4%.

Also, concerning the summary of operating results by unit, Nomura Real Estate Heating and Cooling Supply Co., Ltd., which had been classified under the Leasing Unit, was transferred to the Property & Facility Management Unit. In accordance with this change, the figures for the previous fiscal year have been calculated under the new classification.

#### [Residential Development Unit]

Operating revenue in the Residential Development Unit totaled ¥329,787 million, which represents a decrease of 1.4% year on year, and operating profit totaled ¥27,787 million, a decrease of 12.9%, resulting in decreases in both revenue and operating profit compared with the previous fiscal year.

This was mainly due to a decrease in the number of housing unit sales recorded in the housing sales business.

In regard to housing sales, we posted the combined sales of condominiums and detached houses of 5,567 units (a decrease of 439 units year on year), including PROUD TOWER Tachikawa (Tachikawa-shi, Tokyo) and PROUD CITY Tsukaguchi Mark Forest (Amagasaki-shi, Hyogo), for condominiums, and PROUD SEASON Sengawa Ryokukei no Machi (Chofu-shi, Tokyo) for detached houses.

As of the end of the fiscal year under review, the number of completed housing inventories totaled 654 units (an increase of 305 units compared with the end of the previous fiscal year)



and the number of contracted but not recorded housing units totaled 2,779 units (a decrease of 714 units compared with the end of the previous fiscal year).

The Company is actively engaging in the development business in regional hub cities and overseas, including participation in projects in front of Shizuoka Station and Okayama Station and the launch of housing sales businesses in Ho Chi Minh, Vietnam, and Shenyang, China.

[Leasing Unit]

Operating revenue in the Leasing Unit totaled ¥115,009 million, which represents an increase of 4.3% year on year, and operating profit totaled ¥32,567 million, an increase of 2.7%, resulting in increases in both revenue and operating profit compared with the previous fiscal year.

This was mainly due to an increase in leasing revenue in the Leasing Business due to an improvement in the vacancy rate, as well as an increase in revenues from the sale of properties in the property development business.

The vacancy rate as of the end of the fiscal year under review has remained at a low level of 0.8% (a decrease of 1.4 percentage points compared with the end of the previous fiscal year). Construction of facilities including the Yokohama Nomura Building office building, the GEMS Kanda retail facility, and the Landport Komaki logistics facility has been completed.

[Investment Management Unit]

Operating revenue in the Investment Management Unit totaled ¥9,662 million, which represents a decrease of 11.9% year on year, and operating profit totaled ¥6,016 million, a decrease of 18.4%, resulting in decreases in both revenue and operating profit compared with the previous fiscal year.

This was mainly due to the posting of asset acquisition fees associated with the merger of three listed REITs in the previous fiscal year.

Assets under management increased due to the merger between Nomura Real Estate Master Fund, Inc. and TOP REIT, Inc. in September 2016 and totaled ¥1,260,064 million (an increase of ¥185,583 million compared with the end of the previous fiscal year) as of the end of the fiscal year under review.

In addition, the Company conducted replacement of assets between Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Master Fund, Inc., representing 11 properties and a transaction value of ¥60,855 million, in accordance with the Basic Agreement on the Leasing Value Chain concluded in May 2015.

[Property Brokerage & CRE Unit]

Operating revenue in the Property Brokerage & CRE Unit totaled ¥34,820 million, which represents a decrease of 1.6% year on year, and operating profit totaled ¥9,124 million, a decrease of 7.8%, resulting in decreases in both revenue and operating profit compared with the previous fiscal year.

This was mainly due to the booking of revenues from the sale of properties in the previous fiscal year, while the number of transactions and total transaction value in property brokerage increased.

In the retail business, we opened the following new branch stores: Iidabashi Center (Chiyoda-ku, Tokyo) and Toyonaka Center (Toyonaka-shi, Osaka) in April 2016, Oizumi-gakuen Center (Nerima-ku, Tokyo) in October 2016, and Ueno Center (Taito-ku, Tokyo) in November 2016, and the total number of branch stores is 73.

In the wholesale business, operations had been conducted by both the Corporate Real Estate Service Division of Nomura Real Estate Development Co., Ltd. and the Asset Sales Division of Nomura Real Estate Urban Net Co., Ltd. However, a reorganization was implemented on October, 2016, integrating employees and functions into the Corporate Real Estate Service Division of Nomura Real Estate Development Co., Ltd.

[Property & Facility Management Unit]

Operating revenue in the Property & Facility Management Unit totaled ¥95,764 million, which represents an increase of 4.6% year on year, and operating profit totaled ¥6,939



million, an increase of 21.9%, resulting in increases in both revenue and operating profit compared with the previous fiscal year.

This was mainly due to an increase in construction ordered for large-scale repair work for condominiums and an increase in membership fees in the fitness club business.

In fitness club business, we opened various types of fitness club such as a personal gym MEGALOS\_0+ Ebisu (Shibuya-ku, Tokyo), a woman-only studio MEGALOS\_Reflet Ebisu (Shibuya-ku, Tokyo), an around-the-clock MEGALOS\_24 Hamadayama (Suginami-ku, Tokyo). In addition, we are promoting the senior business under the brand name OUKAS. In addition, as of the end of the fiscal year under review, the number of buildings under management was 702 buildings (down 3 from the end of the previous fiscal year), and the number of condominiums under management was 168,999 units (up 5,963).

[Other Unit]

Operating revenue in the Other Unit totaled ¥106 million, which represents a decrease of 92.2% year on year, and operating loss totaled ¥30 million (the previous fiscal year was operating loss of ¥152 million).

2) Capital investment

In the fiscal year under review, the Company spent a total of ¥60,374 million on capital investment, including NOF Nihonbashi-honcho Building (Chuo-ku, Tokyo).

3) Financing

In the fiscal year under review, the Company procured necessary funds through loans from financial institutions, etc.

4) Business transfer, absorption-type company split or incorporation-type company split  
Not applicable.

5) Acquisitions of other companies' businesses  
Not applicable.

6) Successions of rights or duties related to the businesses of other legal entities, etc. due to absorption-type merger or absorption-type company split  
Not applicable.

7) Acquisitions and disposals of shares, other equities, and subscription rights to shares in other companies

On March 1, 2017, the Company established First Living Assistance Co., Ltd. together with Prestige International Inc. The Company's voting rights ratio is 51%.

The Company concluded a business tie-up agreement with SOUSEI JIGYODAN Co., Ltd. and performed an underwriting of a third-party capital increase toward Japan Life Design Inc., a 100% subsidiary of SOUSEI JIGYODAN Co., Ltd., and concluded a capital tie-up agreement. The Company's voting rights ratio is 49%.

(2) Trends in operating results and assets in and at the end of the fiscal year under review and the most recent three fiscal years

(Millions of yen)

Classification	10th term (Fiscal year ended March 31, 2014)	11th term (Fiscal year ended March 31, 2015)	12th term (Fiscal year ended March 31, 2016)	13th term (Fiscal year under review) (Fiscal year ended March 31, 2017)
Operating revenue	532,016	567,159	569,545	569,680
Operating profit	74,307	71,894	80,912	77,271
Ordinary profit	64,058	63,681	72,679	68,952
Profit attributable to owners of parent	26,844	38,441	47,182	47,005
Basic earnings per share (Yen)	140.70	201.28	246.42	245.10
Total assets	1,313,887	1,369,226	1,485,449	1,593,093
Net assets	418,697	461,031	456,408	493,813
Net assets per share (Yen)	1,863.12	2,061.86	2,320.84	2,508.73

## (3) Status of parent company and major subsidiaries

1) Parent company  
Not applicable.

## 2) Major subsidiaries

Name	Capital stock (Millions of yen)	Ratio of voting rights (%)	Principal businesses
Nomura Real Estate Development Co., Ltd.	2,000	100.0	General real estate business including sale and leasing of real estate
Nomura Real Estate Asset Management Co., Ltd.	300	100.0	Investment management services including REIT and privately placed real estate funds
Nomura Real Estate Urban Net Co., Ltd.	1,000	100.0	Brokerage and consignment sales of real estate
Nomura Real Estate Partners Co., Ltd.	100	100.0	General management of office buildings, condominiums, etc.
NREG TOSHIBA BUILDING Co., Ltd.	14,372	95.0	Leasing of office buildings, stores, etc.
Nomura Real Estate Life & Sports Co., Ltd.	1,509	100.0	Planning and operation of sports facilities
Nomura Real Estate Heating and Cooling Supply Co., Ltd.	480	100.0	Supply of heat as provided for under the Heat Supply Business Act
GEO AKAMATSU CO., LTD.	243	100.0	Planning and management of retail facilities
Nomura Real Estate Reform Co., Ltd.	100	100.0	Remodeling of condominiums, etc.
Nomura Real Estate Wellness Co., Ltd.	300	100.0	Development, planning, and operation of housing services for the elderly
Nomura Real Estate Amenity Service Co., Ltd.	10	100.0	Cleaning of buildings and condominiums
NREG TOSHIBA BUILDING FACILITIES Co., Ltd.	30	100.0	General management of office buildings, etc.
PRIME X. Co., Ltd.	100	60.0	Internet advertising
NF Power Service Co., Ltd.	100	51.0	Sale, intermediation, and supply of electric energy
First Living Assistance Co., Ltd.	100	51.0	Services aimed at providing assistance to customers concerning their homes and living arrangements

- Notes: 1. The Company established First Living Assistance Co., Ltd. on March 1, 2017 and made it a new major subsidiary.  
2. The name of Yokohama Business Park Heating and Cooling Supply Co., Ltd was changed to Nomura Real Estate Heating and Cooling Supply Co., Ltd, and the name of Nomura Amenity Service Co., Ltd was changed to Nomura Real Estate Amenity Service Co., Ltd. on October 1, 2016.  
3. The Company has no specified wholly owned subsidiary as of the end of the fiscal year under review.  
4. The ratios of voting rights of Nomura Real Estate Amenity Service Co., Ltd., NREG TOSHIBA BUILDING FACILITIES Co., Ltd., and PRIME X. Co., Ltd. include shares held by subsidiaries.

(4) Issues to address

Looking at the social and economic environments surrounding the Group, diverse changes have continued including the progress of urban renaissance in metropolitan areas, movements for regional revitalization, and the increase and/or obsolescence of the stock of existing properties, in addition to the aging population and declining birthrate, as well as the progress of women's advances in society. Furthermore, such phenomena as the expansion of the real estate investment market, the economic growth of the Asian zone and accelerated globalization are expected to have significant effects on the business environment of the Group in the future.

Given the aforementioned background, we formulated the Mid- to Long-Term Business Plan— *Creating Value through Change*— (from April 2016 to March 2025) in November 2015 to realize our growth model that emphasizes “Continuous expansion of revenue with ensured high asset efficiency” based on the streamlined financial foundation.

In light of the characteristics of real estate business that operates on a medium- to long-term basis, we have set financial goals for the period up to and including the fiscal year ending March 31, 2025, deployed growth strategies for their achievement, and divided the target period into three phases. Based on the key strategies of “Expand business volume and business domains in the Development Sector,” “Demonstrate differentiation and a competitive edge in the Service & Management Sector,” and “Increase and reinforce the customer base via Group-wide collaboration,” our quantitative goals by the fiscal year ending March 31, 2025 are to achieve the ¥150.0 billion level for operating profit and above ¥1 trillion for operating revenue.

In the Development Sector during the fiscal year under review, the first year of the plan, profitability declined in the Residential Development Unit due to market condition fluctuations. At the same time, we are steadily expanding business in office buildings and other existing sectors in the Leasing Unit. We are also steadily undertaking the expansion of new businesses, including business promotion in new areas such as regional hub cities and Asia, and entry into new businesses such as the renovation business and hotel business. In the Service & Management Sector, all units achieved greater than expected revenue and contributed to the growth of the Group.

Under the recognition that achieving the above Mid- to Long-Term Business Plan is the most significant management issue we must address, we will work to improve productivity through reform of working styles, with medium- and long-term growth as our goal. We will also engage in the expansion of business volume in the Development Sector, the restoration of project speed in the Residential Development Business, the growth of market share in the Service & Management Sector, and initiatives aimed at new businesses. In addition to the above, we will continue aiming to build a portfolio that balances the Residential Development Unit, Leasing Unit and Service & Management Sector, and, while maintaining a stable financial foundation and high asset efficiency, will pursue the achievement of sustainable revenue growth and the further improvement of our corporate value.

We appreciate the continued support and encouragement of our shareholders.

(5) Principal businesses (as of March 31, 2017)

The Group's business operations are comprised of the Residential Development Business, Leasing Business, Investment Management Business, Property Brokerage & CRE Business, Property & Facility Management Business, and Other Business. The details of each business are outlined below.

Unit	Principal businesses
Residential Development Business	Development and sale of condominiums and detached housing, contract for remodeling construction, etc., internet ad agency services, and services aimed at providing assistance to customers concerning their homes and living arrangements, etc.
Leasing Business	Development and lease of office buildings and retail facilities, development and sale of profitable properties for the real-estate investment market, planning and management of construction work, and design and entrusted management of retail facilities
Investment Management Business	Investment management services including REIT, privately placed real estate funds, and real estate securitization products
Property Brokerage & CRE Business	Real estate brokerage and consulting, consignment sales for condominiums and detached housing, and insurance agency services
Property & Facility Management Business	Management and tenant construction of office buildings, management and repair of condominiums, management of fitness clubs, development, planning, and operation of housing services for the elderly, and sale, intermediation, and supply of electric energy
Other Business	Sale and lease of land and buildings

(6) Principal business offices (as of March 31, 2017)

1) Business office of the Company

Head office: 1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo

2) Principal business offices of major subsidiaries

Company name	Name	Location
Nomura Real Estate Development Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Asset Management Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Urban Net Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Partners Co., Ltd.	Head office	Shinjuku-ku, Tokyo
NREG TOSHIBA BUILDING Co., Ltd.	Head office	Minato-ku, Tokyo
Nomura Real Estate Life & Sports Co., Ltd.	Head office	Nakano-ku, Tokyo
Nomura Real Estate Heating and Cooling Supply Co., Ltd.	Head office	Hodogaya-ku, Yokohama, Kanagawa
GEO AKAMATSU CO., LTD.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Reform Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Wellness Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Amenity Service Co., Ltd.	Head office	Shinjuku-ku, Tokyo
NREG TOSHIBA BUILDING FACILITIES Co., Ltd.	Head office	Minato-ku, Tokyo
PRIME X. Co., Ltd.	Head office	Shinjuku-ku, Tokyo
NF Power Service Co., Ltd.	Head office	Shinjuku-ku, Tokyo
First Living Assistance Co., Ltd.	Head office	Shinjuku-ku, Tokyo

(7) Status of employees (as of March 31, 2017)

1) Employees in the Group

Unit	Number of employees	
Residential Development Unit	1,190	(153)
Leasing Unit	597	(56)
Investment Management Unit	156	(1)
Property Brokerage & CRE Unit	1,423	(98)
Property & Facility Management Unit	2,769	(3,042)
Other Unit	2	(0)
Group overall (in common)	330	(16)
Total	6,467	(3,367)

- Notes: 1. The number of employees refers to the number of working employees. The temporary employees not included in this number are represented by the number in parentheses, which indicates the annual average number calculated using a baseline of prescribed labor hours of regular employees of the respective company. Due to the rounding of fractions, total figures may not match.
2. The figure stated in “Group overall (in common)” indicates the number of employees who belong to administrative departments, which cannot be categorized as specified business units.

2) Employees in the Company

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average years of service
31	Increase of 1	44.7	2.5

- Notes: 1. The number of employees refers to the number of working employees (the figure excludes such employees seconded from the Company to another company but includes employees seconded to the Company from another company).
2. The employees are mainly employees seconded to the Company from Group companies such as Nomura Real Estate Development Co., Ltd. The figure for the average years of service refers to the average length of service at the Company, and the number of years of service at the company of origin is not included in the calculation.
3. In addition to the above-listed employees, there are 181 employees of Nomura Real Estate Development Co., Ltd. who concurrently serve for both companies.

(8) Status of principal lenders (as of March 31, 2017)

The Group follows a general principle of Group financing whereby it is chiefly the Company that procures financing and supplies these funds to its subsidiaries and affiliates. Status of principal lenders as of the end of the fiscal year under review is as follows:

(Millions of yen)

Lender	Amount borrowed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	101,000
Sumitomo Mitsui Banking Corporation	96,000
Mizuho Bank, Ltd.	81,000
Sumitomo Mitsui Trust Bank, Limited	48,000
Resona Bank, Limited	46,000
Mitsubishi UFJ Trust and Banking Corporation	46,000

- (9) Other important matters relating to the current status of the Group  
Not applicable.

2. Status of the Company

(1) Shares of the Company (as of March 31, 2017)

- 1) Total number of shares authorized to be issued by the Company: 450,000,000 shares  
 2) Total number of shares issued: 191,877,801 shares  
 (including 1,709 treasury shares)

Note: The total number of shares issued increased by 198,200 shares due to the exercise of stock options.

3) Number of shareholders: 39,407

4) Major shareholders (top 10)

Name	Number of shares held (Hundreds of shares)	Shareholding ratio (%)
Nomura Holdings, Inc.	647,775	33.76
Japan Trustee Services Bank, Ltd. (Trust account)	88,285	4.60
BNYML - NON TREATY ACCOUNT	70,284	3.66
Japan Trustee Services Bank, Ltd. (Trust account 9)	68,474	3.56
The Master Trust Bank of Japan, Ltd. (Trust account)	62,922	3.27
HSBC BANK PLC A/C CLIENTS 1	33,769	1.75
THE BANK OF NEW YORK 133972	33,686	1.75
Nomura Real Estate Holdings Employee Shareholding Association	30,732	1.60
STATE STREET BANK - WEST PENSION FUND CLIENTS - EXEMPT 505233	28,574	1.48
Japan Trustee Services Bank, Ltd. (Trust account 5)	24,062	1.25

Note: The 1,709 treasury shares are excluded in the calculation of the shareholding ratio.

- 5) Other important matters relating to shares  
 Not applicable.

## (2) Subscription rights to shares, etc.

## 1) Status of subscription rights to shares (as of March 31, 2017)

Name of subscription rights to shares	Date of resolution on issuance	Number of subscription rights to shares	Number of common shares subject to subscription rights to shares	Exercise period of subscription rights to shares	Exercise price of subscription rights to shares per share (Yen)
The 3rd subscription rights to shares in FY2010	July 29, 2010	2,264	226,400	From August 23, 2012 to August 22, 2017	1,194
The 3rd subscription rights to shares in FY2011	July 28, 2011	2,278	227,800	From August 23, 2013 to August 22, 2018	1,457
The 1st subscription rights to shares in FY2012	July 26, 2012	315	31,500	From August 23, 2014 to August 22, 2019	1
The 3rd subscription rights to shares in FY2012	July 26, 2012	2,427	242,700	From August 23, 2014 to August 22, 2019	1,451
The 1st subscription rights to shares in FY2013	June 27, 2013	202	20,200	From July 23, 2015 to July 22, 2020	1
The 2nd subscription rights to shares in FY2013	June 27, 2013	1,433	143,300	From July 23, 2015 to July 22, 2020	1
The 3rd subscription rights to shares in FY2013	June 27, 2013	3,333	333,300	From July 23, 2015 to July 22, 2020	2,429
The 1st subscription rights to shares in FY2014	June 27, 2014	407	40,700	From July 23, 2016 to July 22, 2021	1
The 3rd subscription rights to shares in FY2014	June 27, 2014	3,523	352,300	From July 23, 2016 to July 22, 2021	2,016
The 1st subscription rights to shares in FY2015	June 26, 2015	357	35,700	From July 23, 2018 to July 22, 2023	1
The 3rd subscription rights to shares in FY2015	June 26, 2015	3,809	380,900	From July 23, 2018 to July 22, 2023	2,741
The 1st subscription rights to shares in FY2016	June 29, 2016	567	56,700	From July 22, 2019 to July 21, 2024	1
The 2nd subscription rights to shares in FY2016	June 29, 2016	2,503	250,300	From July 22, 2019 to July 21, 2024	1
The 3rd subscription rights to shares in FY2016	June 29, 2016	4,218	421,800	From July 22, 2019 to July 21, 2024	1,927

- Notes: 1. The number of the shares subject to a subscription right to shares is 100.  
2. In principle, a person who has received the allotment of the subscription rights to shares must be in a position of Director, Audit & Supervisory Board Member, Executive Officer, Senior Advisor, Advisor, Special Officer, Special Advisor or employee of the Company or any of its subsidiaries, or in an equivalent position thereto until the time of exercise of the subscription rights to shares on a continuing basis.

2) Status of subscription rights to shares held by the officers of the Company (as of March 31, 2017)

Name of subscription rights to shares	Directors (excluding Audit & Supervisory Committee Members and External Directors)		Directors (Audit & Supervisory Committee Members)	
	Number of subscription rights to shares	Number of holders	Number of subscription rights to shares	Number of holders
The 3rd subscription rights to shares in FY2010	–	–	27	1
The 3rd subscription rights to shares in FY2011	93	3	27	1
The 1st subscription rights to shares in FY2012	84	1	–	–
The 3rd subscription rights to shares in FY2012	131	4	27	1
The 1st subscription rights to shares in FY2013	64	1	–	–
The 2nd subscription rights to shares in FY2013	88	2	–	–
The 3rd subscription rights to shares in FY2013	164	5	33	1
The 1st subscription rights to shares in FY2014	347	5	–	–
The 3rd subscription rights to shares in FY2014	217	6	–	–
The 1st subscription rights to shares in FY2015	357	6	–	–
The 3rd subscription rights to shares in FY2015	249	6	–	–
The 1st subscription rights to shares in FY2016	567	6	–	–
The 3rd subscription rights to shares in FY2016	249	6	–	–

Note: Subscription rights to shares held by Directors (Audit & Supervisory Committee Members) were delivered to them before they assumed the office of Director (Audit & Supervisory Committee Member).

3) Status of subscription rights to shares delivered to employees, etc., during the fiscal year under review

Name of subscription rights to shares	Employees of the Company		Officers or employees of the Company's subsidiaries	
	Number of subscription rights to shares delivered	Number of individuals to whom subscription rights to shares have been delivered	Number of subscription rights to shares delivered	Number of individuals to whom subscription rights to shares have been delivered
The 2nd subscription rights to shares in FY2016	–	–	2,503	83
The 3rd subscription rights to shares in FY2016	–	–	3,969	309

4) Other important matters relating to subscription rights to shares, etc.  
Not applicable.



## (3) Status of company officers

## 1) Directors (as of March 31, 2017)

Name	Position and responsibility in the Company	Significant concurrent positions
Kamezo Nakai	Chair and Representative Director	Chair and Representative Director of Nomura Real Estate Development Co., Ltd.
Eiji Kutsukake	President and Representative Director, and Chief Executive Officer	—
Seiichi Miyajima	Representative Director and Executive Officer	President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.
Toshiaki Seki	Representative Director and Executive Officer Unit Manager of Property & Facility Management Unit In charge of Senior Business Management Dept.	Chair of Nomura Real Estate Partners Co., Ltd. Director of Nomura Real Estate Life & Sports Co., Ltd. President and Representative Director of Nomura Real Estate Wellness Co., Ltd.
Hiroyuki Kimura	Director and Executive Officer Chief Financial Officer In charge of investor relations	—
Yukoh Yoshida	Director and Executive Officer Supervisor of Management Division, In charge of management of affiliated companies	Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Director of NREG TOSHIBA BUILDING Co., Ltd. Director of Nomura Real Estate Life & Sports Co., Ltd. Director of GEO AKAMATSU CO., LTD. Director of Nomura Real Estate Reform Co., Ltd. Director of Nomura Real Estate Wellness Co., Ltd. Director of PRIME X. Co., Ltd.
Shigeru Matsushima	Director	Professor of Tokyo University of Science Graduate School External Director of CAC Holdings Corporation
Satoko Shinohara	Director	Professor of Japan Women's University Representative Director of Spatial Design Studio Representative Director of Kengo Kuma and Associates Representative Partner of Satoko Shinohara Living Design Institute LLC
Takao Orihara	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Life & Sports Co., Ltd. Audit & Supervisory Board Member of GEO AKAMATSU CO., LTD.
Shigeki Fujitani	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. External Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit & Supervisory Board Member of NREG TOSHIBA BUILDING Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Reform Co., Ltd. Audit & Supervisory Board Member of PRIME X. Co., Ltd.

Name	Position and responsibility in the Company	Significant concurrent positions
Satoshi Ogishi	Director (Audit & Supervisory Committee Member)	Partner of Nishimura & Asahi Executive Director of Nozomi Servicing Co., Ltd. External Director of Oracle Corporation Japan
Akira Yamate	Director (Audit & Supervisory Committee Member)	Outside Director of Mitsubishi UFJ Financial Group, Inc. External Audit & Supervisory Board Member of Prudential Holdings of Japan, Inc.
Akira Ono	Director (Audit & Supervisory Committee Member)	Partner of Spring Partners

- Notes: 1. Directors Shigeru Matsushima and Satoko Shinohara, and Directors (Audit & Supervisory Committee Members) Satoshi Ogishi, Akira Yamate and Akira Ono are External Directors.
2. Director Shigeru Matsushima, and Directors (Audit & Supervisory Committee Members) Satoshi Ogishi, Akira Yamate and Akira Ono are Independent Directors/Auditors as stipulated under the regulations of the Tokyo Stock Exchange.
3. Director (Audit & Supervisory Committee Member) Takao Orihara has extensive knowledge of finance and accounting from his many years of business experience in finance.
4. Director (Audit & Supervisory Committee Member) Shigeki Fujitani has extensive knowledge of finance and audit from his many years of business experience in finance.
5. Director (Audit & Supervisory Committee Member) Akira Yamate has great knowledge and experience and profound insights as an expert at accounting and auditing acquired through his many years working as a Certified Public Accountant.
6. The Company appoints full-time Audit & Supervisory Committee Members to strengthen the auditing and supervising function by collecting information from the Directors (excluding Audit & Supervisory Committee Members), Executive Officers, employees, etc., attending at important company meetings, and ensuring sufficient coordination between the committee and the internal audit department and others.
7. The name of Director Satoko Shinohara as described here and above is her professional name, but her name on the family register is Satoko Kuma.
8. Director Shigeru Matsushima retired from his position as Professor of Tokyo University of Science Graduate School on March 31, 2017.
9. As of April 1, 2017, positions and responsibilities and significant concurrent positions of Kamezo Nakai, Eiji Kutsukake, Seiichi Miyajima, Toshiaki Seki, Hiroyuki Kimura, Yukoh Yoshida and Shigeru Matsushima are as follows:

Name	Position and responsibility in the Company	Significant concurrent positions
Kamezo Nakai	Chair and Representative Director	Director of Nomura Real Estate Development Co., Ltd.
Eiji Kutsukake	President and Representative Director, and Chief Executive Officer Group CEO	Chair and Representative Director of Nomura Real Estate Development Co., Ltd.
Seiichi Miyajima	Executive Vice President and Representative Director Group COO	Representative Director and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.
Toshiaki Seki	Representative Director and Executive Officer Unit Manager of Property & Facility Management Business Unit	Chair and Representative Director of Nomura Real Estate Partners Co., Ltd. Director of Nomura Real Estate Life & Sports Co., Ltd. President and Representative Director of Nomura Real Estate Wellness Co., Ltd.
Hiroyuki Kimura	Director and Executive Officer Group CFO In charge of investor relations	—
Yukoh Yoshida	Director	President and Representative Director and Chief Executive Officer of NREG TOSHIBA BUILDING Co., Ltd. President and Representative Director of NREG TOSHIBA BUILDING FACILITIES Co., Ltd.
Shigeru Matsushima	Director	External Director of CAC Holdings Corporation

2) Outline of limited liability agreements

Directors Shigeru Matsushima and Satoko Shinohara, and five Directors (Audit & Supervisory Committee Members), have entered into agreements with the Company to limit their liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability based on the said agreements, on condition that they perform their duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.

3) Total amount of compensation, etc. to Directors

Category	Number of persons paid	Amount paid (Millions of yen)
Directors (excluding Audit & Supervisory Committee Members)	8	542
(Of which, External Directors)	(2)	(26)
Directors (Audit & Supervisory Committee Members)	5	117
(Of which, External Directors)	(3)	(40)
Total	13	660

Notes: 1. The compensation amount of Directors has been set as no greater than ¥650 million per year for Directors (excluding Audit & Supervisory Committee Members) and no greater than ¥150 million per year for Directors (Audit & Supervisory Committee Members), per the proposal approved at the Ordinary General Meeting of Shareholders held on June 26, 2015.

2. The above amounts paid include provision for Directors' bonuses for the fiscal year under review (¥171 million for six Directors who are not External Directors (excluding Audit & Supervisory Committee Members) and ¥20 million for two Directors who are not External Directors (Audit & Supervisory Committee Members)) and the compensation in the form of stock options (¥98 million for six Directors who are not External Directors (excluding Audit & Supervisory Committee Members)).

4) External Officers

a. Relations between other organizations where important concurrent positions are assumed and the Company

Category	Name	Significant concurrent positions	Relationship with the Company
Director	Shigeru Matsushima	Professor of Tokyo University of Science Graduate School	Not applicable
		External Director of CAC Holdings Corporation	Not applicable
Director	Satoko Shinohara	Professor of Japan Women's University	Not applicable
		Representative Director of Spatial Design Studio	Not applicable
		Representative Director of Kengo Kuma and Associates	The Company has business relations with said firm in the form of receiving consulting services.
		Representative Partner of Satoko Shinohara Living Design Institute LLC	Not applicable
Director (Audit & Supervisory Committee Member)	Satoshi Ogishi	Partner of Nishimura & Asahi	The Company has business relations with said firm in the form of receiving legal services.
		Executive Director of Nozomi Servicing Co., Ltd.	Not applicable
		External Director of Oracle Corporation Japan	Not applicable
Director (Audit & Supervisory Committee Member)	Akira Yamate	Outside Director of Mitsubishi UFJ Financial Group, Inc.	Not applicable
		External Audit & Supervisory Board Member of Prudential Holdings of Japan, Inc.	Not applicable
Director (Audit & Supervisory Committee Member)	Akira Ono	Partner of Spring Partners	Not applicable

Note: Director Shigeru Matsushima was Professor of Tokyo University of Science Graduate School but he retired from his position on March 31, 2017.

b. Main activities for the fiscal year under review

Category	Name	Main activities
Director	Shigeru Matsushima	Mr. Matsushima attended 17 out of 17 meetings of the Board of Directors held during the fiscal year under review and asked questions and expressed opinions on proposals, deliberations and other matters when necessary.
Director	Satoko Shinohara	Ms. Shinohara attended 17 out of 17 meetings of the Board of Directors held during the fiscal year under review and asked questions and expressed opinions on proposals, deliberations and other matters when necessary.
Director (Audit & Supervisory Committee Member)	Satoshi Ogishi	Mr. Ogishi attended 17 out of 17 meetings of the Board of Directors and 11 out of 11 meetings of the Audit & Supervisory Committee held during the fiscal year under review and asked questions and expressed opinions on proposals, deliberations and other matters when necessary.
Director (Audit & Supervisory Committee Member)	Akira Yamate	Mr. Yamate attended 16 out of 17 meetings of the Board of Directors and 11 out of 11 meetings of the Audit & Supervisory Committee held during the fiscal year under review and asked questions and expressed opinions on proposals, deliberations and other matters when necessary.
Director (Audit & Supervisory Committee Member)	Akira Ono	Mr. Ono attended 17 out of 17 meetings of the Board of Directors and 11 out of 11 meetings of Audit & Supervisory Committee held during the fiscal year under review and asked questions and expressed opinions on proposals, deliberations and other matters when necessary.

(4) Accounting Auditor

1) Name

Ernst & Young ShinNihon LLC

2) Amount of remuneration, etc.

Category	Amount of payment (Millions of yen)
Amount of remuneration, etc. to be paid to the Accounting Auditor for the fiscal year under review	62
Total amount of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	178

Notes: 1 Since the audit contract between the Company and the Accounting Auditor does not clearly distinguish between the amounts of remuneration, etc. for audits conducted based on the Companies Act and based on the Financial Instruments and Exchange Act, respectively and it is not possible to substantively distinguish them, the amount of remuneration, etc. to be paid to the Accounting Auditor for the fiscal year under review is the total amount for both.

2. The Audit & Supervisory Committee obtained necessary resources and received reports from the Directors, finance division and the Accounting Auditor, and upon doing so, it confirmed the Accounting Auditor's record of achievements and record of remuneration in the past and examined the Accounting Auditor's audit plan and grounds of the calculation of the remuneration estimate for the fiscal year under review. As a result, the Audit & Supervisory Committee judged that the Accounting Auditor's amount of remuneration, etc. was suitable and provided its consent pursuant to Article 399, Paragraph 1 of the Companies Act.

3) Description of non-auditing services

Not applicable.

4) Policy for dismissal or non-reappointment decision of Accounting Auditor

If the Accounting Auditor is recognized as falling under any of the items listed in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Committee shall dismiss the Accounting Auditor with the unanimous consent of all Audit & Supervisory Committee Members.

In addition, notwithstanding the above, if it is recognized that the Accounting Auditor's fulfilment of appropriate auditing would be difficult due to the occurrence of reasons that compromise the eligibility or independence of the Accounting Auditor, the Audit & Supervisory Committee shall propose the dismissal or non-reappointment of the Accounting Auditor at a General Meeting of Shareholders.

5) Business suspension order to which the Accounting Auditor was subject during past two years

The outline of the disciplinary action issued by the Financial Services Agency on December 22, 2015 was as follows:

a. Subject of disciplinary action

Ernst & Young ShinNihon LLC

b. Content of disciplinary action

- Suspension from accepting new engagements for three months from January 1, 2016 to March 31, 2016
- Business improvement order (improvement of the operation control structure)

c. Reason for disciplinary action

- In regard to the audit of financial documents for TOSHIBA CORPORATION for the fiscal years ended March 31, 2010, 2012 and 2013, the above-mentioned Ernst & Young ShinNihon LLC's certified public accountants, in negligence of due care, attested that the financial statements contained no material misstatement, when in fact the statements contained material misstatement.
- The audit corporation's operation of services was found to be grossly inappropriate.

(5) System to ensure the appropriateness of operations and the operational status of that system

<Outline of resolution on system to ensure the appropriateness of operations>

The Company has passed the following resolutions at meetings of Board of Directors regarding systems to ensure that Directors' execution of their duties is in compliance with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of operations.

- 1) System to ensure that the execution of duties of the Directors and Executive Officers complies with laws and regulations and the Articles of Incorporation
  - a. Aiming to be a corporate group that prospers together with its customers and society, the Board of Directors has formulated the Nomura Real Estate Group Code of Action which sets forth the behavior that all Directors, officers and employees should strive to exemplify. Directors and Executive Officers shall lead by example and comply with this Code of Action.
  - b. The Company has formulated the Board of Directors Regulations and the Operating Guidelines for Internal Approvals and Procedures, which form the basis for referring matters to, and reporting to, the Board of Directors. Directors and Executive Officers shall execute their duties in accordance with these Regulations and Guidelines.
  - c. The execution of the duties by Directors and Executive Officers shall be audited by the Audit & Supervisory Committee.
- 2) System for the retention and management of information relating to the execution of duties of the Directors and Executive Officers

The Company has formulated the Information Security Provisions, which stipulate the basic matters concerning the information management system and the handling of information, to ensure that minutes of General Meetings of Shareholders, minutes of Board of Directors meetings, and other documents containing information related to the execution of duties by Directors (excluding Directors & Audit & Supervisory Committee Members) and Executive Officers are stored in an appropriate place and saved for the stipulated period of time, so that they can be quickly accessed upon request by Directors or Executive Officers at any time.
- 3) Rules and other systems for management of risk of loss
  - a. The Board of Directors shall exercise overall control of risk management in accordance with the Risk Management Regulations, develop a system to ensure effective mutual check functions, assign personnel appropriately, provide education for the development of human resources, fully disseminate the importance of risk management to all Directors, officers and employees, and formulate appropriate measures to prevent accidents.
  - b. To deliberate business risks, the Company has established a Risk Management Committee comprising Directors, Executive Officers, etc. of the Company and Group companies designated by the Board of Directors to periodically monitor, assess, and analyze risks, and deliberate basic principles for measures to prevent risks that may occur during corporate management and business development, to respond when risks arise, and to prevent recurrence, in accordance with the Risk Management Regulations and Risk Management Committee Operational Rules.

The Risk Management Committee shall in principle meet once per month or when necessary, and shall report the content of deliberations to the Board of Directors at least once every three months.
  - c. When a risk requiring immediate action arises, in accordance with the Risk Management Regulations, the chairman of the Risk Management Committee and Executive Officers and general managers of departments and branch offices in charge of Group risk management, PR, management of affiliated companies, corporate administration, and finance stipulated by the Risk Management Regulations shall discuss and determine the basic policy for measures to address the risk. The Company and Group companies shall respond in accordance with this basic policy.

- 4) System to ensure the efficient execution of duties of the Directors and Executive Officers
  - a. To facilitate flexible decision-making concerning the execution of business, certain matters determined by resolution of the Board of Directors among the matters concerning the execution of business at all Group companies shall be decided through the Management Committee or through an internal approval system.
  - b. The Company has introduced an Executive Officer system aiming to strengthen Group management by separating management oversight and decision-making function from business execution function, thereby enhancing the execution function.
  - c. The Board of Directors shall, by resolution, appoint Executive Officers in charge of the execution of business, stipulate their business, and delegate the business operations of the Company. Individual Executive Officers shall execute business based on the administrative authorities delegated in accordance with internal regulations, etc. and based on Company policies determined by the Board of Directors, decisions regarding business execution made by the Management Committee, and the directions of the chief Executive Officer.
  - d. The Board of Directors shall create annual budgets and mid-term management plans, and manage progress on a monthly basis. The results of monthly progress management shall be reflected into the execution of duties.
  
- 5) System to ensure that the execution of duties of the employees complies with laws and regulations and the Articles of Incorporation
 

As a holding company, the Company established the following compliance system covering not just the Company itself but the entire corporate group.

  - a. Aiming to be a corporate group that prospers together with its customers and society, the Company has established the Nomura Real Estate Group Code of Action which sets forth the behavior that all officers and employees should strive to exemplify, and ensures that all Directors, officers and employees comply with the Code of Action.
  - b. The Company has established the Risk Management Committee and Group Compliance Department, and promotes continual education and enlightenment activities for officers and employees to increase awareness of compliance.
  - c. The Company has established the Nomura Real Estate Group Help Line as an internal whistleblowing system for shared use by all Group companies. Reports and questions can be directed to internal parties (the chairman of the Risk Management Committee and the Group Compliance Department) and external parties (attorneys at law and contractors). Such reports remain strictly confidential to prevent informants from receiving adverse treatment based on having provided information.
  
- 6) System to ensure the appropriateness of operations in the corporate group consisting of the Company, its parent company and subsidiaries
 

The corporate group comprising the Company and its subsidiaries forms the Nomura Real Estate Group centered on the Company as the holding company. The Nomura Real Estate Group has established the following systems to ensure appropriate operations.

  - a. Aiming to be a corporate group that prospers together with its customers and society, the Company has established the Nomura Real Estate Group Code of Action which sets forth the behavior that all officers and employees should strive to exemplify, and ensures that all officers and employees comply with the Code of Action.
  - b. The Management Committee has been established in the Company to discuss important matters related to Group management and overall Group company business execution, and to determine certain matters related to overall Group company business execution. In addition, the Management Committee ensures the common purpose of Group management through these activities.
  - c. The Risk Management Committee has been established in the Company to discuss matters concerning internal controls for the entire Group as well as matters related to risks pertaining to Group management, and to promote the sharing of information.
  - d. The Company has established the Affiliated Company Management Regulations that require Group companies to discuss with or report to the Company in advance when determining important matters.

- e. The Company has established the Group Internal Audit Department, which reviews internal audits performed by Group companies in accordance with the Group Internal Audit Regulations, thereby maintaining and improving the quality of audits throughout the entire Group.
  - f. The Company has established the CSR Committee and Corporate Communications Department, and promotes continual education and enlightenment activities to increase CSR awareness throughout the entire Group.
  - g. The Company has established the Nomura Real Estate Group Help Line as an internal whistleblowing system for shared use by all Group companies. Reports and questions can be directed to internal parties (the chairman of the Risk Management Committee and the Group Compliance Department) and external parties (attorneys at law and contractors). Such reports remain strictly confidential to prevent informants from receiving adverse treatment based on having provided information.
- 7) System to ensure the reliability of financial reporting  
The Company has established the Internal Control Regulations for Financial Reporting for the Group in accordance with the Financial Instruments and Exchange Act and other related laws to ensure the reliability of the Nomura Real Estate Group's financial reporting. Based on the Regulations, the Company develops and operates the internal controls related to financial reporting and evaluates their effectiveness.
- 8) Items related to the Directors and employees aiding the duties of the Audit & Supervisory Committee, items related to the independence of these Directors and employees from other Directors (excluding Director & Audit & Supervisory Committee Members), and items related to ensuring the effectiveness of the instructions from the Audit & Supervisory Committee to these Directors and employees  
The Company has established the Audit & Supervisory Committee Department to assist duties of the Audit & Supervisory Committee, and dedicated staffs assigned to this department perform duties in accordance with the directions and orders issued by Audit & Supervisory Committee Members. Directors shall obtain the consent of the Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee with respect to personnel matters concerning dedicated staff of the Audit & Supervisory Committee Department.
- 9) System for the Directors, Executive Officers and employees to report to the Audit & Supervisory Committee, system for Directors, Audit & Supervisory Board Members, Executive Officers, and employees of subsidiaries, and persons receiving reports from them to report to the Audit & Supervisory Committee, and system to ensure that these people conducting the reporting shall not be subjected to adverse treatment due to such reporting
- a. When matters arise that may result in significant damage to the Company or Group companies or violate laws and regulations or the Articles of Incorporation, Directors, Executive Officers, and employees of the Company and Group companies, and Audit & Supervisory Board Members of Group companies shall immediately report such matters to the Audit & Supervisory Committee.
  - b. The Group Internal Audit Department shall report to the Audit & Supervisory Committee the results of internal audits, the status of improvements, and the status of evaluations of internal controls related to financial reporting.
  - c. Upon a request from Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee, Directors, Executive Officers, and employees of the Company and Group companies shall report the status of business execution at their respective companies.
  - d. The chairman of the Risk Management Committee shall report the content of reports submitted to the Nomura Real Estate Group Help Line to the Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee.
  - e. Informants in all of the above items shall be protected against receiving adverse treatment based on having reported information.



- 10) Items related to the policies on procedures for the prepayment or reimbursement of expenses arising from the execution of duties of the Audit & Supervisory Committee Members, and the handling of other expenses or obligations arising from the execution of these duties  
The Company shall bear the expenses deemed necessary for the execution of duties by Audit & Supervisory Committee Members. The Audit & Supervisory Committee may retain attorneys at law, certified public accountants, consultants, or other external advisors as necessary to perform audits.
- 11) Other systems to ensure the audits of the Audit & Supervisory Committee are implemented effectively
- a. The Audit & Supervisory Committee shall periodically exchange opinions with the President.
  - b. Audit & Supervisory Committee Members shall attend meetings of the Management Committee, CSR Committee, Budget Committee, Risk Management Committee, IT Planning Committee, and Leased Asset Strategy Committee, which are all important meeting bodies of the Company, to gather information and express their opinions on the execution of business.
  - c. Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee may ask the Company and Group companies for explanations and reports about the execution of business, and investigate the state of business and finances when necessary.
  - d. The Audit & Supervisory Committee shall closely cooperate with the Accounting Auditor and the Group Internal Audit Department. This cooperation shall include the periodic exchange of opinions and information concerning audits.
  - e. The Group Internal Audit Department shall obtain the consent of the Audit & Supervisory Committee regarding the establishment of internal audit plans. In addition, the Audit & Supervisory Committee may provide the Group Internal Audit Department recommendations and instructions on changes in internal audit plans, additional audits, necessary investigations, etc., when necessary.
  - f. Directors shall consult with the Audit & Supervisory Committee in advance with respect to appointments of responsible personnel in the Group Internal Audit Department.

<Outline of the operational status of the system to ensure the appropriateness of operations>

The outline of the operational status of the system to ensure the appropriateness of operations in the fiscal year under review is as follows.

1) Compliance

The Group regards compliance, including the observance of laws and regulations and corporate ethics, as one of the most important management issues. As a set of relevant guidelines, the Company has formulated the Nomura Real Estate Group Code of Action. Moreover, the Company has established the Risk Management Committee and Group Compliance Department in the Company to promote continual education and enlightenment activities for the officers and employees of the entire Group, and to provide advice, guidance and support to Group companies.

In the fiscal year under review, compliance training for officers and employees was held 16 times.

2) Risk management

The Group regards accurately addressing all risks related to business operations and ensuring the soundness of management as the foundation of corporate governance, and has established the Risk Management Regulations as the basic issues concerning risk management.

In addition, the Company has established a Risk Management Committee whose members include Directors, Executive Officers and others in the Company and Group companies, for the purpose of promoting risk management activities within the Group. The Committee meets once a month in principle, deliberates matters related to risk management, compliance, and information security for the entire Group, and discusses countermeasures in case risks arise.

The contents of deliberations are regularly reported to the Board of Directors. The Committee also provides necessary guidance, advice and support to Group companies.

During the fiscal year under review, the Risk Management Committee and the Group Risk Meeting held 12 meetings, and the contents of deliberations were reported to the Board of Directors.

3) Internal audits

The Company has established the Group Internal Audit Department, which works with the Accounting Auditor to oversee, monitor and evaluate the internal audit function of the entire Group, as well as perform audits of each department within the Company. Also, results of audits are reported to the Board of Directors, and a system is in place to report results to the Audit & Supervisory Committee.

During the fiscal year under review, audit results were reported to the Board of Directors four times, and reported to the Audit & Supervisory Committee 11 times, thereby sharing both the problems identified through internal audits as well as improvement measures.

4) CSR activities

The Group regards CSR activities as feasible efforts on a going basis, which aims to boost its corporate value by finding solutions to social issues and creating social values through business.

Based on that policy, we have established CSR Committee, of which members are Directors, Executive Officers, etc. of the Company and Group companies, as the organization in which basic policies and important issues of CSR activities of the Group are deliberated.

In the fiscal year under review, CSR Committee and CSR Promotion Committee were held six times in total.

5) Execution of duties of the Directors

The Board of Directors, in principle, holds its meeting on a monthly basis, decides important corporate matters, such as basic management policies, and supervises the execution of duties by Directors and business operations by Executive Officers.

By inviting External Directors, the Company bolsters the oversight function of the Board of Directors and ensures fair and highly-transparent management.

The Company has introduced an Executive Officer system aiming to strengthen Group management by separating management oversight and decision-making function from business execution function, both of which have traditionally been the responsibility of Directors, to enhance the execution function. Individual Executive Officers appointed by the Board of Directors execute business based on the administrative authorities delegated in accordance with internal regulations, etc. and based on Company policies determined by the Board of Directors and the directions of the Chief Executive Officer.

The Company's Management Committee comprises the chair, the Chief Executive Officer, and Executive Officers nominated by the Board of Directors. The Management Committee meets three or four times each month in principle, and determines certain matters regarding overall Group company business execution.

During the fiscal year under review, the Board of Directors meeting was held 17 times. At these meetings, in addition to deliberating and making decisions about important matters concerning company management, the Board of Directors regularly received reports from Directors and Executive Officers, allowing the Board of Directors to oversee the execution of duties and business. The Management Committee meeting was held 42 times, and certain matters related to business execution by the Company and Group companies were deliberated and decided upon.

6) Execution of duties of the Audit & Supervisory Committee

The Audit & Supervisory Committee receives regular reports from the internal audit department on the implementation status and results of internal audits. When necessary, the Audit & Supervisory Committee may request a report to Directors, Executive Officers, or business execution departments of the Company or Group companies. The Audit & Supervisory Committee also audits and supervises the execution of duties by Directors and business operations by Executive Officers while cooperating with the Accounting Auditor as needed.

Audit & Supervisory Committee Members attend Board of Directors meetings and other important meetings and request reports from business execution departments as necessary to collect information on the Company's execution of business operations.

The Company has established the Audit & Supervisory Committee Department in order to assist the duties of the Audit & Supervisory Committee and assigns dedicated staff to implement measures for increasing the effectiveness of audit operations.

During the fiscal year under review, the Audit & Supervisory Committee meeting was held 11 times.

(6) Policy regarding decisions on the dividends of surplus

The Company's basic policy regarding the distribution of profits is to aim for a payout ratio of approximately 30% over the medium to long term in accordance with business performance, comprehensively considering factors including the operating environment and capital investment plans, and taking retained earnings into consideration.

Concerning dividends for the fiscal year ended March 31, 2017, the Company has set a year-end dividend per share for the fiscal year ended March 31, 2017 of ¥35, which is ¥5 higher than the Company's most recent dividend forecast. Combined with the second quarter-end dividend already paid, the annual dividend per share will be ¥65.

## CONSOLIDATED BALANCE SHEET

As of March 31, 2017

(Millions of yen)

Assets		Liabilities	
<b>Current Assets:</b>	<b>684,306</b>	<b>Current Liabilities:</b>	<b>255,799</b>
Cash and Deposits	47,701	Notes and Accounts Payable - Trade	35,612
Notes and Accounts Receivable - Trade	16,535	Short-term Loans Payable	106,300
Real Estate for Sale	120,385	Current Portion of Bonds	10,000
Real Estate for Sale in Process	249,663	Income Taxes Payable	16,052
Land Held for Development	199,812	Deposits Received	29,459
Equity Investments	2,567	Deferred Tax Liabilities	20
Deferred Tax Assets	5,555	Provision for Bonuses	7,516
Other	42,123	Provision for Directors' Bonuses	639
Allowance for Doubtful Accounts	(37)	Provision for Loss on Business Liquidation	47
		Other	50,149
<b>Non-current Assets:</b>	<b>908,786</b>	<b>Non-current Liabilities:</b>	<b>843,481</b>
<b>Property, Plant and Equipment</b>	<b>808,825</b>	Bonds Payable	70,000
Buildings and Structures	241,888	Long-term Loans Payable	623,800
Land	549,671	Lease and Guarantee Deposits Received	57,597
Other	17,265	Deferred Tax Liabilities	63,592
<b>Intangible Assets</b>	<b>10,985</b>	Deferred Tax Liabilities for Land Revaluation	3,900
<b>Investments and Other Assets</b>	<b>88,975</b>	Provision for Loss on Subleasing Business	257
Investment Securities	46,252	Net Defined Benefit Liability	18,931
Lease and Guarantee Deposits	21,738	Other	5,402
Deferred Tax Assets	14,992	<b>Total Liabilities</b>	<b>1,099,280</b>
Other	5,992	<b>Net Assets</b>	
Allowance for Doubtful Accounts	(0)	<b>Shareholders' Equity:</b>	<b>469,503</b>
<b>Total Assets</b>	<b>1,593,093</b>	<b>Capital Stock</b>	<b>116,779</b>
		<b>Capital Surplus</b>	<b>110,023</b>
		<b>Retained Earnings</b>	<b>242,704</b>
		<b>Treasury Shares</b>	<b>(3)</b>
		<b>Accumulated Other Comprehensive Income:</b>	<b>11,860</b>
		<b>Valuation Difference on Available-for-sale Securities</b>	<b>7,947</b>
		<b>Deferred Gains or Losses on Hedges</b>	<b>119</b>
		<b>Revaluation Reserve for Land</b>	<b>7,860</b>
		<b>Foreign Currency Translation Adjustment</b>	<b>62</b>
		<b>Remeasurements of Defined Benefit Plans</b>	<b>(4,129)</b>
		<b>Subscription Rights to Shares:</b>	<b>1,986</b>
		<b>Non-controlling Interests:</b>	<b>10,462</b>
		<b>Total Net Assets</b>	<b>493,813</b>
		<b>Total Liabilities and Net Assets</b>	<b>1,593,093</b>

Note: The figures are denoted by rounding fractions down to the unit indicated.

**CONSOLIDATED STATEMENT OF INCOME**

For the year ended March 31, 2017

(Millions of yen)

<b>Operating Revenue</b>		<b>569,680</b>
<b>Operating Cost</b>		<b>392,438</b>
<b>Operating Gross Profit</b>		<b>177,241</b>
<b>Selling, General and Administrative Expenses</b>		<b>99,970</b>
<b>Operating Profit</b>		<b>77,271</b>
<b>Non-operating Income</b>		<b>698</b>
Interest Income	52	
Dividend Income	252	
Share of Profit of Equities Accounted for Using Equity Method	83	
Other	310	
<b>Non-operating Expenses</b>		<b>9,017</b>
Interest Expenses	7,539	
Other	1,477	
<b>Ordinary Profit</b>		<b>68,952</b>
<b>Extraordinary Income</b>		<b>946</b>
Gain on Sales of Non-current Assets	946	
<b>Extraordinary Losses</b>		<b>591</b>
Impairment Loss	254	
Reconstruction Related Loss	337	
<b>Profit before Income Taxes</b>		<b>69,307</b>
<b>Income Taxes - Current</b>		<b>22,957</b>
<b>Income Taxes - Deferred</b>		<b>(1,177)</b>
<b>Profit</b>		<b>47,527</b>
<b>Profit Attributable to Non-controlling Interests</b>		<b>521</b>
<b>Profit Attributable to Owners of Parent</b>		<b>47,005</b>

Note: The figures are denoted by rounding fractions down to the unit indicated.

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2017

(Millions of yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2016	116,598	109,842	207,203	(3)	433,642
Changes of Items during Year					
Issuance of New Shares	180	180			361
Dividends of Surplus			(11,504)		(11,504)
Profit Attributable to Owners of Parent			47,005		47,005
Purchase of Treasury Shares				(0)	(0)
Reversal of Revaluation Reserve for Land			0		0
Net Changes of Items Other Than Shareholders' Equity					
Total Changes of Items during Year	180	180	35,500	(0)	35,861
Balance at March 31, 2017	116,779	110,023	242,704	(3)	469,503

	Accumulated Other Comprehensive Income						Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustment	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance at April 1, 2016	6,664	155	7,861	43	(3,513)	11,212	1,685	9,868	456,408
Changes of Items during Year									
Issuance of New Shares									361
Dividends of Surplus									(11,504)
Profit Attributable to Owners of Parent									47,005
Purchase of Treasury Shares									(0)
Reversal of Revaluation Reserve for Land									0
Net Changes of Items Other Than Shareholders' Equity	1,282	(36)	(0)	19	(616)	648	301	593	1,543
Total Changes of Items during Year	1,282	(36)	(0)	19	(616)	648	301	593	37,404
Balance at March 31, 2017	7,947	119	7,860	62	(4,129)	11,860	1,986	10,462	493,813

Note: The figures are denoted by rounding fractions down to the unit indicated.

## NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2017

(Millions of yen)

Assets		Liabilities	
<b>Current Assets:</b>	<b>347,088</b>	<b>Current Liabilities:</b>	<b>157,895</b>
Cash and Deposits	26,879	Short-term Loans Payable	105,800
Accounts Receivable - Trade	1,523	Current Portion of Bonds	10,000
Prepaid Expenses	42	Accounts Payable - Other	411
Short-term Loans Receivable	315,662	Accrued Expenses	939
Deferred Tax Assets	152	Income Taxes Payable	244
Other	2,827	Deposits Received	40,015
<b>Non-current Assets:</b>	<b>790,965</b>	Provision for Bonuses	234
<b>Property, Plant and Equipment</b>	<b>175</b>	Provision for Directors' Bonuses	191
Buildings	53	Other	59
Tools, Furniture and Fixtures	122	<b>Non-current Liabilities:</b>	<b>693,800</b>
<b>Intangible Assets</b>	<b>1,576</b>	Bonds Payable	70,000
Trademark Right	0	Long-term Loans Payable	623,800
Software	1,545	<b>Total Liabilities</b>	<b>851,695</b>
Other	30	<b>Net Assets</b>	
<b>Investments and Other Assets</b>	<b>789,214</b>	<b>Shareholders' Equity:</b>	<b>284,372</b>
Investment securities	200	<b>Capital Stock</b>	<b>116,779</b>
Shares of Subsidiaries and Associates	173,400	<b>Capital Surplus</b>	<b>117,143</b>
Long-term Loans Receivable from Subsidiaries and Associates	612,500	Legal Capital Surplus	117,143
Long-term Prepaid Expenses	2,685	<b>Retained Earnings</b>	<b>50,452</b>
Deferred Tax Assets	427	Other Retained Earnings	50,452
Other	0	Retained Earnings Brought Forward	50,452
		<b>Treasury Shares</b>	<b>(3)</b>
		<b>Subscription Rights to Shares:</b>	<b>1,986</b>
		<b>Total Net Assets</b>	<b>286,358</b>
<b>Total Assets</b>	<b>1,138,054</b>	<b>Total Liabilities and Net Assets</b>	<b>1,138,054</b>

Note: The figures are denoted by rounding fractions down to the unit indicated.

**NON-CONSOLIDATED STATEMENT OF INCOME**

For the year ended March 31, 2017

(Millions of yen)

<b>Operating Revenue</b>		<b>30,026</b>
Dividend Income	14,450	
Financial Revenue	11,623	
Business Advisory Fee	1,069	
Other	2,883	
<b>Operating Cost</b>		<b>7,564</b>
<b>Operating Gross Profit</b>		<b>22,462</b>
<b>Selling, General and Administrative Expenses</b>		<b>7,987</b>
<b>Operating Profit</b>		<b>14,474</b>
<b>Non-Operating Income</b>		<b>10</b>
Interest Income	0	
Gain on Forfeiture of Unclaimed Dividends	9	
Other	0	
<b>Non-Operating Expenses</b>		<b>6</b>
Loss on Retirement of Non-current Assets	6	
<b>Ordinary Profit</b>		<b>14,478</b>
<b>Extraordinary Income</b>		<b>42</b>
Gain on Reversal of Subscription Rights to Shares	42	
<b>Profit before Income Taxes</b>		<b>14,521</b>
<b>Income Taxes - Current</b>		<b>235</b>
<b>Income Taxes - Deferred</b>		<b>(125)</b>
<b>Profit</b>		<b>14,411</b>

Note: The figures are denoted by rounding fractions down to the unit indicated.



## NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2017

(Millions of yen)

	Shareholders' Equity							Subscription Rights to Shares	Total Net Assets
	Capital Stock	Capital Surplus		Retained Earnings		Treasury Shares	Total Shareholders' Equity		
		Legal Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings				
Balance at April 1, 2016	116,598	116,962	116,962	47,546	47,546	(3)	281,104	1,685	282,789
Changes of Items during Year									
Issuance of New Shares	180	180	180				361		361
Dividends of Surplus				(11,504)	(11,504)		(11,504)		(11,504)
Profit				14,411	14,411		14,411		14,411
Purchases of Treasury Shares						(0)	(0)		(0)
Net Changes of Items Other Than Shareholders' Equity								301	301
Total Changes of Items during Year	180	180	180	2,906	2,906	(0)	3,267	301	3,568
Balance at March 31, 2017	116,779	117,143	117,143	50,452	50,452	(3)	284,372	1,986	286,358

Note: The figures are denoted by rounding fractions down to the unit indicated.

**Audit Report of Accounting Auditor on Consolidated Financial Statements**  
(Translation)

**Independent Auditor's Report**

May 12, 2017

To the Board of Directors  
Nomura Real Estate Holdings, Inc.

**Ernst & Young ShinNihon LLC**  
Shuji Kaneko (Seal)  
Certified Public Accountant  
Designated and Engagement Partner  
Kazunori Takenouchi (Seal)  
Certified Public Accountant  
Designated and Engagement Partner  
Toru Nakagiri (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Nomura Real Estate Holdings, Inc. (the "Company") applicable to the fiscal year from April 1, 2016 through March 31, 2017.

*Management's Responsibility for the Consolidated Financial Statements*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the Auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Nomura Real Estate Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

**Audit Report of Accounting Auditor on Non-consolidated Financial Statements**  
(Translation)

**Independent Auditor's Report**

May 12, 2017

To the Board of Directors  
Nomura Real Estate Holdings, Inc.

**Ernst & Young ShinNihon LLC**  
Shuji Kaneko (Seal)  
Certified Public Accountant  
Designated and Engagement Partner  
Kazunori Takenouchi (Seal)  
Certified Public Accountant  
Designated and Engagement Partner  
Toru Nakagiri (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements and the related supplementary schedules of Nomura Real Estate Holdings, Inc. (the "Company") applicable to the 13th business year from April 1, 2016 through March 31, 2017.

*Management's Responsibility for the Non-consolidated Financial Statements, etc.*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on these non-consolidated financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the related supplementary schedules. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the Auditor considers internal controls relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the non-consolidated financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Nomura Real Estate Holdings, Inc. applicable to the 12th business year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

**Audit Report of the Audit & Supervisory Committee**  
(Translation)

**Audit Report**

The Audit & Supervisory Committee has conducted audit on the execution of duties by Directors for the 13th business year from April 1, 2016 to March 31, 2017, and hereby reports the methods, details and results of audit as follows:

1. The Methods and Details of the Audit

With regard to the resolution of the Board of Directors concerning the matters stipulated in Article 399-13, Paragraph 1, Item 1, (b) and (c) of the Companies Act, as well as the system (the internal control system) developed based on such resolution, the Audit & Supervisory Committee received reports regularly and requested explanation as necessary from the Directors, Executive Officers, employees, etc. on the establishment and operation of such system, expressed its opinion, and conducted audit by the following methods.

- 1) In accordance with the Audit & Supervisory Committee audit criteria established by the Audit & Supervisory Committee, as well as the auditing policies and allocation of duties, we cooperated with the internal control department of the Company; attended significant meetings; obtained reports on matters related to the execution of duties from Directors, Executive Officers, employees, etc.; requested explanation as necessary; reviewed documents which record approval of material matters; and conducted investigations regarding the status of the business operations and assets. With respect to subsidiaries, the Audit & Supervisory Committee communicated and exchanged information with Directors, Executive Officers, Audit & Supervisory Board Members, etc. of the subsidiaries, and received business reports from subsidiaries as necessary.
- 2) The Audit & Supervisory Committee monitored and verified if the Accounting Auditor kept its independent position and performed appropriate audit, received reports on the execution of duties from the Accounting Auditor, and requested explanation as necessary. Also, a notice informing that the “system to ensure appropriate execution of duties” (set forth in items of Article 131 of the Ordinance on Accounting of Companies) has been established in accordance with the standards for auditing quality control and others was received from the Accounting Auditor, and we requested explanation as necessary.

Based on the methods as described above, the Audit & Supervisory Committee examined the business report and supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements) and supplementary schedules, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and the notes to the consolidated financial statements) for the business year under review.

2. Results of Audit

(1) Audit results of business report and other documents concerned

- 1) We confirm that the business report and supplementary schedules comply with the laws and regulations and with the Articles of Incorporation and correctly represent the company status.
- 2) We have not detected any misconduct or material fact of violation of the relevant laws and regulations or the Articles of Incorporation in connection with the execution of duties by Directors.
- 3) We confirm that the content of the resolution of the Board of Directors concerning the internal control system is fair and reasonable. Furthermore, we have not found anything that should be pointed out with respect to the content of the business report and the execution of duties by Directors concerning the internal control system.

(2) Audit results of the non-consolidated financial statements and supplementary schedules

We confirm that the auditing methods and results of the Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

(3) Audit results of the consolidated financial statements

We confirm that the auditing methods and results of the Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

May 17, 2017

Nomura Real Estate Holdings, Inc. Audit & Supervisory Committee  
Audit & Supervisory Committee Member (Full-time) Takao Orihara (Seal)  
Audit & Supervisory Committee Member (Full-time) Shigeki Fujitani (Seal)  
Audit & Supervisory Committee Member Satoshi Ogishi (Seal)  
Audit & Supervisory Committee Member Akira Yamate (Seal)  
Audit & Supervisory Committee Member Akira Ono (Seal)

(Note) Audit & Supervisory Committee Members Satoshi Ogishi, Akira Yamate and Akira Ono are External Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.