

**Items Disclosed on the Internet
in relation to the Notice of Convocation of
the 13th Ordinary General Meeting of Shareholders**

(1) Notes to Consolidated Financial Statements	1
(2) Notes to Non-Consolidated Financial Statements	9

The above information is provided to shareholders by means of disclosure through the Internet (on the website of Nomura Real Estate Holdings, Inc. (the “Company”) at <http://www.nomura-re-hd.co.jp/english/ir/>) pursuant to the provisions of laws and regulations and Article 14 of the Company’s Articles of Incorporation.

Nomura Real Estate Holdings, Inc.

<p>Please note that the following is an unofficial English translation of Japanese original text of the Items Disclosed on the Internet in relation to 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.</p>
--

Notes to Consolidated Financial Statements

1. Notes to Significant Matters for the Basis for the Preparation of Consolidated Financial Statements

(1) Scope of Consolidation

1) Consolidated subsidiaries

- Number of consolidated subsidiaries: 24
- Names of principal consolidated subsidiaries:

The names of principal consolidated subsidiaries are listed in “1. Current status of the Group (3) Status of parent company and major subsidiaries 2) Major subsidiaries” of the Business Report.

First Living Assistance Co., Ltd., NOMURA REAL ESTATE HONG KONG LIMITED and HCMC office investment Limited are included in the scope of consolidation because they were newly established in the fiscal year under review. NREAM Investors America, LLC is included in the scope of consolidation due to an increase in materiality in the fiscal year under review.

TJ Properties Special Purpose Company and Falcon Investment Special Purpose Company are excluded from the scope of consolidation due to the completion of liquidation.

2) Unconsolidated subsidiaries

- Name of principal unconsolidated subsidiary:

Nomura Real Estate UK Limited

- Reason for the exclusion from the scope of consolidation:

Unconsolidated subsidiaries are excluded from the scope of consolidation because they are all small companies and the Company’s interests in their respective total assets, operating revenue and profit and loss (the amount equivalent to equity shareholdings) as well as retained earnings (the amount equivalent to equity shareholdings) do not significantly affect the consolidated financial statements of the Nomura Real Estate Group (the “Group”).

(2) Application of Equity Method

1) Unconsolidated subsidiaries accounted for using the equity method

- Number of unconsolidated subsidiaries accounted for using the equity method: 2
- Name of principal unconsolidated subsidiary:

Nomura Real Estate UK Limited

2) Affiliated companies accounted for using the equity method

- Number of affiliated companies accounted for using the equity method: 5
- Name of principal affiliated company:

Ginza Parking Center Co., Ltd.

NREAM Investors America, LLC is excluded from the scope of application of the equity method because it was included in the scope of consolidation from the fiscal year under review. Phu Hung Thai Development Joint Stock Company and Japan Life Design Inc. are included under affiliated company accounted for using the equity method because the Company newly acquired their shares in the fiscal year under review.

(3) Fiscal Year, Etc. of the Consolidated Subsidiaries

Among consolidated subsidiaries, the account closing date of Toranomom Real Estate Co., Ltd. and UNJ Properties, LLC is December 31.

Provisional financial statements for these companies as of the consolidated account closing date are used in the preparation of consolidated financial statements.

Among consolidated subsidiaries, the account closing date of Nomura Real Estate Consulting (Beijing) Co., Ltd., NOMURA REAL ESTATE ASIA PTE. LTD., NOMURA REAL ESTATE HONG KONG LIMITED, NREAM Investors America, LLC and HCMC office investment Limited is December 31. The account closing date of Midosuji Mirai Development, LLC and Shinjuku Mirai Development, LLC is February 28.

Financial statements for these companies as of that date are used in the preparation of consolidated

financial statements. In the case of significant transactions that took place between the account closing date of the consolidated subsidiaries and the consolidated account closing date, necessary adjustments are made for consolidation purposes.

(4) Accounting Standards and Methods

1) Valuation standards and methods for principal assets

A. Securities

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

• Available-for-sale securities:

Available-for-sale securities with market value

Available-for-sale securities with market value are stated at fair market value based on market price, etc. at the account closing date. (Unrealized gains and losses are reported, net of the applicable taxes, as a separate component of Net Assets. Cost of securities sold is determined by the moving-average method.)

Available-for-sale securities without market value

Available-for-sale securities without market value are stated at cost by the moving-average method.

B. Derivatives

Derivatives are stated using the market value method.

C. Inventories

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

2) Depreciation and amortization method for significant depreciable assets

A. Property, plant and equipment (except for leased assets)

Property, plant and equipment are depreciated mainly by the straight-line method. Useful lives are generally as follows:

Buildings and structures 2 to 65 years

B. Intangible assets (except for leased assets)

Intangible assets are amortized by the straight-line method. Costs of software for internal use are amortized based on the useable period within the Company (5 years).

C. Leased assets

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

Of finance lease transactions not involving transfer of ownership, lease transactions which started on or before March 31, 2008 are accounted for in accordance with the method applicable to ordinary lease transactions.

3) Standards for the provision of significant allowances

A. Allowance for doubtful accounts

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

B. Provision for bonuses

To prepare for the payment of employee bonuses, an estimated amount corresponding to the portion of the bonus payments in the fiscal year under review is reserved.

C. Provision for directors' bonuses

To prepare for the payment of directors' bonuses, an estimated amount corresponding to the portion of the bonus payments in the fiscal year under review is reserved.

D. Provision for loss on business liquidation

An estimated amount of losses arising in connection with the withdrawal from businesses is reserved.

E. Provision for loss on subleasing business

For properties for which subleasing losses are highly likely to continue arising in the subleasing business, an estimated amount of losses for the next fiscal year and after is reserved.

4) Other significant matters for the preparation of consolidated financial statements

A. Standards for the recording of net defined benefit liability

• Method for attributing estimated retirement benefits to periods:

To calculate retirement benefit liabilities, the estimated amount of retirement benefits is attributed to the period up to the end of the fiscal year under review based on a benefit formula basis.

• Method for amortization of actuarial gains and losses and prior service costs:

Prior service costs are amortized by the straight-line method over a certain number of years (10 years) within the average number of remaining service years of the eligible employees at the time of accrual.

Actuarial gains and losses are amortized by the straight-line method over a certain number of years (mostly 10 years) within the average number of remaining service years of the eligible employees at the time of accrual in each fiscal year, and allocated proportionately from the fiscal year following the respective fiscal year of accrual.

B. Standards for the provision of significant revenues and expenses

• Basis for the recording of revenue and cost of completed work:

The percentage-of-completion method (percentage of completion is estimated based on cost method) is applied when the cost outcomes of the construction activities through until the end of the fiscal year under review can be measured with certainty; otherwise the completed-contract method is applied.

C. Standards for the translation of important foreign currency-based assets or liabilities into Japanese yen

All foreign currency-based monetary receivables and payables are translated into Japanese yen at the spot exchange rates in effect at the consolidated account closing date. Differences arising from such translation are recognized as gain or loss. The asset and liability accounts of the overseas subsidiaries and others are translated into Japanese yen at the spot exchange rates prevailing at the respective account closing dates of the subsidiaries and others and the revenue and expense accounts are translated into Japanese yen at the average rates of exchange for the year. Differences arising from such translation are presented as “Foreign currency translation adjustment” in Net Assets.

D. Significant hedge accounting method

• Hedge accounting method:

Hedging transactions are accounted for using deferral hedge accounting, which requires the unrealized gains or losses to be deferred as assets or liabilities until the losses or gains on the underlying hedged items are recognized. For interest rate swaps that meet certain hedging criteria, the Group applies exceptional treatment and for currency swaps that meet certain hedging criteria, the transactions are accounted for by the *furiate* (allocation) method.

- Hedging instruments and hedged items:

<Hedging instruments>	<Hedged items>
Interest rate swap contracts	Borrowings
Currency swaps and foreign exchange forward contracts	Securities denominated in foreign currencies
- Hedge policy: In accordance with internal rules, interest rate fluctuation and foreign exchange fluctuation risks are hedged.
- Method for assessing the effectiveness of hedges:

The Group evaluates hedge effectiveness based on the ratio of changes determined by comparing the cumulative changes in cash flows or cumulative market fluctuations of the hedged items to the cumulative changes in cash flows or cumulative market fluctuations of the hedging instrument. However, the Group omits the assessment of hedge effectiveness in the case of interest rate swaps for which the Group applies the exceptional treatment.
- E. Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over a period of 14 to 20 years.
- F. Accounting for consumption taxes

The tax-exclusion method is used to account for national and local consumption taxes. However, non-deductible consumption taxes on fixed assets and others are included in “Other” under Investments and other assets and amortized over 5 years, non-deductible consumption taxes on land as inventories are included in the acquisition costs, and other non-deductible consumption taxes are expensed as incurred.

2. Notes to Consolidated Balance Sheet

(1) Pledged Assets and Secured Liabilities

1) Pledged assets and secured liabilities

Pledged assets

Buildings and structures

¥190 million

Secured liabilities

Lease and guarantee deposits received

¥37 million

2) Investment securities in the amount of ¥10 million are pledged as collateral for a portion of liabilities of investee companies.

(2) Accumulated Depreciation of Property, Plant and Equipment ¥161,506 million

(3) Guaranteed Obligations

The following are customers for which bank loans, etc. have been guaranteed.

Customers using housing loans

¥64,277 million

Joint operators of EBS buildings

¥537 million

Total

¥64,815 million

(4) Revaluation of Land

Under the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998), the Company revalued its land held for business use. The tax amount for the valuation difference is accounted for as “Deferred tax liabilities for land revaluation” in Liabilities and the difference net of such tax amount is recorded as “Revaluation reserve for land” in Net Assets.

· Method of revaluation:

The value of land is determined based on a reasonable adjustment to the assessed value of fixed assets as stipulated in Item 3, Article 2 of the “Order for Enforcement of the Act on Revaluation of Land” (Cabinet order No. 119 of March 31, 1998).

· Date of revaluation: March 31, 2002

3. Notes to Consolidated Statement of Changes in Net Assets

(1) Total Number of Shares Issued

Type of shares	Number of shares as of April 1, 2016 (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares as of March 31, 2017 (Thousand shares)
Common stock	191,679	198	–	191,877

Note: The increase in the number of issued shares among common stocks of 198 thousand shares consists of an increase due to the exercise of stock options.

(2) Dividends from Surplus

1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
April 28, 2016 Meetings of the Board of Directors	Common stock	5,750	30	March 31, 2016	June 8, 2016
October 27, 2016 Meetings of the Board of Directors	Common stock	5,754	30	September 30, 2016	December 1, 2016

2) Dividends whose record date is in the fiscal year under review but whose effective date is thereafter

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend resource	Dividends per share (Yen)	Record date	Effective date
April 27, 2017 Meetings of the Board of Directors	Common stock	6,715	Retained earnings	35	March 31, 2017	June 8, 2017

(3) Subscription Rights to Shares

The number of shares subject to the subscription rights to shares (those for which the exercise period has arrived) as of March 31, 2017:

Nomura Real Estate Holdings, Inc.

The 3rd subscription rights to shares in FY2010	Common stock	31,300 shares
The 2nd subscription rights to shares in FY2011	Common stock	3,500 shares
The 3rd subscription rights to shares in FY2011	Common stock	71,500 shares
The 1st subscription rights to shares in FY2012	Common stock	8,400 shares
The 2nd subscription rights to shares in FY2012	Common stock	49,300 shares
The 3rd subscription rights to shares in FY2012	Common stock	104,200 shares
The 1st subscription rights to shares in FY2013	Common stock	6,400 shares
The 2nd subscription rights to shares in FY2013	Common stock	61,900 shares
The 3rd subscription rights to shares in FY2013	Common stock	279,000 shares
The 1st subscription rights to shares in FY2014	Common stock	34,700 shares
The 2nd subscription rights to shares in FY2014	Common stock	117,400 shares
The 3rd subscription rights to shares in FY2014	Common stock	343,200 shares

4. Notes to Financial Instruments

(1) Status of Financial Instruments

The Group restricts fund management to deposits and others with safe and high market liquidity, and fund procurement is mainly treated by bank loans and bond issuance. In accordance with internal rules, derivatives are not used for speculative purposes, but for managing exposure to financial risks as described in detail below.

Securities held by the Group are those that are safe with high market liquidity such as negotiable certificates of deposit, and these are held for temporary management of surplus funds.

Equity investments and investment securities are principally stocks, investment units, investment trusts, preferred equity investment, and investments in silent partnerships, and these are held for the promotion of businesses. The fair values of stocks, investment units and investment trusts are obtained at the end of each month. Although securities denominated in foreign currencies are exposed to foreign exchange fluctuation risks, they are hedged through derivative transactions (currency swaps and foreign exchange forward contracts). Floating-rate loans payable are exposed to interest rate fluctuation risks, but derivative transactions (interest rate swaps) are utilized as hedging instruments for floating-rate long-term loans payable to hedge risks of fluctuations in interests paid and fix interest expenses.

(2) Fair Values of Financial Instruments

Book values in the consolidated balance sheet, fair values, and the differences between these values as of March 31, 2017 are as follows. Financial instruments whose fair values are deemed extremely difficult to determine are not included in the following table. (Please refer to Note 2.)

(Millions of yen)

	Book value in the consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	47,701	47,701	–
(2) Investment securities *1	42,497	42,544	47
Total assets	90,198	90,245	47
(1) Short-term loans payable *2	45,500	45,500	–
(2) Bonds payable *3	80,000	80,890	890
(3) Long-term loans payable *2	684,600	697,963	13,363
Total liabilities	810,100	824,353	14,253
Derivative transactions *4	(206)	(206)	–

*1 The stated amount includes Japanese government bonds that have been recorded in lease and guarantee deposits.

*2 Current portion of long-term loans payable are included in “(3) Long-term loans payable.”

*3 Current portion of bonds are included in “(2) Bonds payable.”

*4 The value of assets and liabilities arising from derivatives is shown at net value. The figures in parenthesis indicate net liabilities.

Notes: 1. Method of fair value measurement of financial instruments

Assets

(1) Cash and deposits

Since these items are settled in a short period of time, the fair values approximate their book values. Accordingly, the book values are presented as their fair values.

(2) Investment securities

The fair values of stocks and investment units are mainly based on the prices on exchanges. With respect to investment trusts, reasonably calculated prices based on the reasonable estimates of the executive management are used.

Liabilities

(1) Short-term loans payable

Since these items are settled in a short period of time, the fair values approximate their book values. Accordingly, the book values are presented as their fair values.

(2) Bonds payable

These items are issued mainly by the Company and the fair values are based on the market prices.

(3) Long-term loans payable

The fair value of long-term loans payable is based on the method of calculation whereby the sum of principal and interest is discounted by an interest rate assumed when a new, similar loan is made. Long-term loans payable with floating interest rates are prescribed to be subject to exceptional treatment applicable to interest rate swaps. Hence, the fair value is based on the method of calculation whereby the sum of principal and interest, treated in combination with the said interest rate swap, is discounted by a reasonably estimable interest rate assumed when a similar loan is made.

Derivative transactions

The fair values of derivatives are based on the prices obtained from the counterparty financial institutions.

2. Financial instruments whose fair values are deemed extremely difficult to determine

(Millions of yen)

Category	Book value in the consolidated balance sheet
Unlisted stocks, etc.	7,765

Unlisted stocks, etc. are excluded from “(2) Investment securities” described above because they do not have market prices and their fair values are deemed extremely difficult to determine.

5. Notes to Real Estate for Rent

(1) Status of Real Estate for Rent

Some of the Company’s consolidated subsidiaries own rental office buildings and rental retail facilities (including land) in Tokyo and other regions.

(2) Fair Values of Real Estate for Rent

(Millions of yen)

	Book value in the consolidated balance sheet	Fair value as of March 31, 2017
Real estate for rent	766,973	892,524
Properties including the portion used as real estate for rent	26,122	54,500

Notes: 1. Book values in the consolidated balance sheet are the amounts determined by deducting accumulated depreciation from the acquisition cost.

2. Fair values as of March 31, 2017 are determined based primarily on values according to Real Estate Appraisal Standards (including adjustments based on certain indexes). However, if no significant fluctuations in certain appraisal values or indexes considered to appropriately reflecting market values have occurred since the time of acquisition from third party or the time of the most recent appraisal, the Group bases the fair value on an amount that has been adjusted using the aforesaid values or indexes.

3. Some rental office buildings are regarded as properties including the portion used as real estate for rent since they are used by the Company and certain consolidated subsidiaries.

6. Notes to Per Share Information

(1) Net Assets Per Share ¥2,508.73

(2) Basic Earnings Per Share ¥245.10

7. Notes to Significant Subsequent Events

Not applicable.

8. Other Notes

Not applicable.

Notes to Non-Consolidated Financial Statements

1. Notes to Matters for the Significant Accounting Policies

- (1) Valuation Standards and Methods for Assets
 - 1) Valuation standards and methods for securities
 - Shares of subsidiaries and affiliated companies
Shares of subsidiaries and affiliated companies are stated at cost by the moving-average method.
 - Available-for-sale securities:
Available-for-sale securities with market value
Available-for-sale securities without market value are stated at cost by the moving-average method.
 - 2) Valuation standards and methods for derivatives, etc.
Derivatives
Derivatives are stated using the market value method.
- (2) Depreciation and Amortization Method for Noncurrent Assets
 - 1) Property, plant and equipment (except for leased assets)
Property, plant and equipment are depreciated by the straight-line method.
 - 2) Intangible assets (except for leased assets)
Intangible assets are amortized by the straight-line method. Costs of software for internal use are amortized based on the useable period within the Company (5 years).
 - 3) Leased assets
Leased assets are depreciated using the straight-line method, assuming the lease period to be the useful life and the residual value to be zero.
- (3) Standards for the Provision of Allowances
 - 1) Allowance for doubtful accounts
In order to prepare for possible bad debt losses on notes and accounts receivable - trade, loans and others, allowance for doubtful accounts is provided at an amount calculated on the basis of a historical bad debt ratio for normal claims, and at an estimated uncollectible amount determined on the basis of individual assessments of collectability for specific claims with potential losses.
 - 2) Provision for bonuses
To prepare for the payment of employee bonuses, an estimated amount corresponding to the portion of the bonus payments in the fiscal year under review is reserved.
 - 3) Provision for directors' bonuses
To prepare for the payment of directors' bonuses, an estimated amount corresponding to the portion of the bonus payments in the fiscal year under review is reserved.
- (4) Other Basic Matters for the Preparation of Non-Consolidated Financial Statements
 - 1) Accounting for deferred assets
The costs are fully charged to income when disbursed.
 - 2) Significant hedge accounting method
 - Hedge accounting method:
Hedging transactions are accounted for using deferral hedge accounting, which requires the unrealized gains or losses to be deferred as assets or liabilities until the losses or gains on the underlying hedged items are recognized. For interest rate swaps that meet certain hedging criteria, the Group applies exceptional treatment.
 - Hedging instruments and hedged items:

<Hedging instruments>	<Hedged items>
Interest rate swap contracts	Borrowings
 - Hedge policy:
In accordance with internal rules, interest rate swap transactions are conducted to avoid interest rate fluctuation risks.
 - Method for assessing the effectiveness of hedges:

The Group evaluates hedge effectiveness by comparing the cumulative changes in cash flows of the hedged items to the cumulative changes in cash flows of the hedging instrument. However, the Group omits the assessment of hedge effectiveness in the case of interest rate swaps for which the Group applies the exceptional treatment.

3) Account for consumption taxes

The tax-exclusion method is used to account for national and local consumption taxes.

2. Notes to Non-Consolidated Balance Sheet

(1) Accumulated Depreciation of Property, Plant and Equipment	¥42 million
(2) Monetary Receivables from and Payables to Subsidiaries and Associates	
1) Short-term monetary receivables	¥317,211 million
2) Short-term monetary payables	¥40,070 million

3. Notes to Non-Consolidated Statements of Income

Amount of business with subsidiaries and associates

Amount of operating transactions

Operating revenue	¥30,026 million
Operating expenses	¥427 million

4. Notes to Non-Consolidated Statements of Changes in Net Assets

The number of treasury shares

Type of shares	Number of shares as of April 1, 2016 (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares as of March 31, 2017 (Thousand shares)
Common stock	1	0	-	1

5. Notes to Tax Effect Accounting

Breakdown of deferred tax assets and deferred tax liabilities by major cause

Deferred tax assets	(Millions of yen)
Loss on valuation of shares of subsidiaries and associates	279
Share-based compensation expenses	439
Provision for bonuses	72
Accrued enterprise tax	63
Others	28
Subtotal deferred tax assets	882
Valuation allowance	(290)
Total deferred tax assets	592
Deferred tax liabilities	
Book value of shares of subsidiaries and associates	(12)
Total deferred tax liabilities	(12)
Net deferred tax liabilities	580

6. Notes to Related Party Transactions

(1) Subsidiaries, Affiliated Companies and Others

Type	Name	Voting rights holding or held (%)	Relationship with the Company	Transaction details	Amount of transaction (Millions of yen)	Items	Fiscal year-end balance (Millions of yen)
Subsidiary	Nomura Real Estate Development Co., Ltd.	Directly holding 100.0	Management guidance, borrowing and lending of funds	Lending of funds	403,926	Short-term loans receivable	283,324
					155,000	Long-term loans receivable from subsidiaries and associates	550,000
				Receipt of interest	10,211	–	–
Subsidiary	Nomura Real Estate Urban Net Co., Ltd.	Directly holding 100.0	Management guidance	Deposit of funds	71,094	Deposits received	15,530
Subsidiary	Nomura Real Estate Partners Co., Ltd.	Directly holding 100.0	Management guidance	Deposit of funds	90,908	Deposits received	14,830
Subsidiary	NREG TOSHIBA BUILDING Co., Ltd.	Directly holding 95.0	Management guidance, borrowing and lending of funds	Lending of funds	32,160	Short-term loans receivable	28,327
					15,000	Long-term loans receivable from subsidiaries and associates	60,000

Note: The interest rates for lending and deposit of funds are determined in a rational manner by considering market interest rates.

(2) Officers, Major Individual Shareholders and Others

Title	Name	Voting rights holding or held (%)	Relationship with the Company	Transaction details	Amount of transaction (Millions of yen) (Note 1)	Items	Fiscal year-end balance (Millions of yen)
Officer	Takao Orihara	Held 0.0	Director of the Company	Exercise of stock options (Note 2)	16	–	–
Officer	Seiichi Miyajima	Held 0.0	Director of the Company	Exercise of stock options (Note 2)	16	–	–
Officer	Yukoh Yoshida	Held 0.0	Director of the Company	Exercise of stock options (Note 2)	10	–	–
Officer	Minoru Hatada	Held 0.0	Executive Officer of the Company	Exercise of stock options (Note 2)	10	–	–

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

2. Stock options granted by the Company pursuant to the Companies Act.

7. Notes to Per Share Information

- (1) Net Assets Per Share ¥1,482.06
(2) Basic Earnings Per Share ¥75.14

8. Notes to Significant Subsequent Events

Not applicable.

9. Other Notes

Not applicable.