

**Items Disclosed on the Internet
in relation to the Notice of Convocation of
the 15th Ordinary General Meeting of Shareholders**

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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 <https://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 15th 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>

Business Report

Current status of the Group

Principal businesses (as of March 31, 2019)

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, 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, design and entrusted management of retail facilities, and planning and operation of hotels
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, remodeling construction, management of fitness clubs, operation of local cooling and heat supply business, 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

Principal business offices of major subsidiaries (as of March 31, 2019)

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-shi, Kanagawa
Geo Akamatsu Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Wellness Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Hotels Co., Ltd.	Head office	Shinjuku-ku, Tokyo
UHM Co., Ltd.	Head office	Chiyoda-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
Lothbury Investment Management Limited	Head office	London, England

Share acquisition rights, etc.

Status of share acquisition rights (as of March 31, 2019)

Name of share acquisition rights	Date of resolution on issuance	Number of share acquisition rights	Number of common shares subject to share acquisition rights	Exercise period of share acquisition rights	Exercise price of share acquisition rights per share (Yen)
The 1st share acquisition rights in FY2012	July 26, 2012	84	8,400	From August 23, 2014 to August 22, 2019	1
The 2nd share acquisition rights in FY2012	July 26, 2012	147	14,700	From August 23, 2014 to August 22, 2019	1
The 3rd share acquisition rights in FY2012	July 26, 2012	475	47,500	From August 23, 2014 to August 22, 2019	1,451
The 1st share acquisition rights in FY2013	June 27, 2013	64	6,400	From July 23, 2015 to July 22, 2020	1
The 2nd share acquisition rights in FY2013	June 27, 2013	294	29,400	From July 23, 2015 to July 22, 2020	1
The 3rd share acquisition rights in FY2013	June 27, 2013	2,188	218,800	From July 23, 2015 to July 22, 2020	2,429
The 1st share acquisition rights in FY2014	June 27, 2014	234	23,400	From July 23, 2016 to July 22, 2021	1
The 2nd share acquisition rights in FY2014	June 27, 2014	707	70,700	From July 23, 2016 to July 22, 2021	1
The 3rd share acquisition rights in FY2014	June 27, 2014	2,122	212,200	From July 23, 2016 to July 22, 2021	2,016
The 1st share acquisition rights in FY2015	June 26, 2015	278	27,800	From July 23, 2018 to July 22, 2023	1
The 2nd share acquisition rights in FY2015	June 26, 2015	920	92,000	From July 23, 2018 to July 22, 2023	1
The 3rd share acquisition rights in FY2015	June 26, 2015	3,705	370,500	From July 23, 2018 to July 22, 2023	2,741
The 4th share acquisition rights in FY2015	September 17, 2015	12	1,200	From October 14, 2018 to October 13, 2023	1
The 5th share acquisition rights in FY2015	September 17, 2015	230	23,000	From October 14, 2018 to October 13, 2023	2,355
The 1st share acquisition rights in FY2016	June 29, 2016	567	56,700	From July 22, 2019 to July 21, 2024	1
The 2nd share acquisition rights in FY2016	June 29, 2016	2,503	250,300	From July 22, 2019 to July 21, 2024	1
The 3rd share acquisition rights in FY2016	June 29, 2016	4,136	413,600	From July 22, 2019 to July 21, 2024	1,927
The 1st share acquisition rights in FY2017	June 29, 2017	398	39,800	From July 21, 2020 to July 20, 2025	1
The 2nd share acquisition rights in FY2017	June 29, 2017	2,283	228,300	From July 21, 2020 to July 20, 2025	1

Name of share acquisition rights	Date of resolution on issuance	Number of share acquisition rights	Number of common shares subject to share acquisition rights	Exercise period of share acquisition rights	Exercise price of share acquisition rights per share (Yen)
The 3rd share acquisition rights in FY2017	June 29, 2017	4,514	451,400	From July 21, 2020 to July 20, 2025	2,400
The 1st share acquisition rights in FY2018	June 26, 2018	107	10,700	From July 19, 2021 to July 18, 2026	1
The 2nd share acquisition rights in FY2018	June 26, 2018	494	49,400	From July 19, 2021 to July 18, 2026	1

- Notes: 1. The number of the shares subject to a share acquisition right is 100.
2. In principle, a person who has received the allotment of the share acquisition rights 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 share acquisition rights on a continuing basis.
3. The number of share acquisition rights and the number of common shares subject to share acquisition rights are the numbers as of March 31, 2019.
4. The Company abolished the existing stock option with issuance of share acquisition rights using stock option as of the fiscal year ended March 31, 2018, and no share acquisition rights using stock option have been issued since then.

Status of share acquisition rights held by the officers of the Company (as of March 31, 2019)

Name of share acquisition rights	Directors (excluding Audit & Supervisory Committee Members and External Directors)		Directors (Audit & Supervisory Committee Members)	
	Number of share acquisition rights	Number of holders	Number of share acquisition rights	Number of holders
The 3rd share acquisition rights in FY2012	70	3	27	1
The 2nd share acquisition rights in FY2013	26	1	–	–
The 3rd share acquisition rights in FY2013	103	4	33	1
The 1st share acquisition rights in FY2014	135	2	–	–
The 2nd share acquisition rights in FY2014	42	1	–	–
The 3rd share acquisition rights in FY2014	160	5	–	–
The 1st share acquisition rights in FY2015	204	4	–	–
The 2nd share acquisition rights in FY2015	42	1	–	–
The 3rd share acquisition rights in FY2015	193	5	–	–
The 1st share acquisition rights in FY2016	378	4	–	–
The 2nd share acquisition rights in FY2016	65	1	–	–
The 3rd share acquisition rights in FY2016	193	5	–	–
The 1st share acquisition rights in FY2017	398	6	–	–
The 3rd share acquisition rights in FY2017	249	6	–	–
The 1st share acquisition rights in FY2018	107	5	–	–

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

Status of share acquisition rights delivered to employees, etc., during the fiscal year under review

Name of share acquisition rights	Employees of the Company		Officers or employees of the Company's subsidiaries	
	Number of share acquisition rights delivered	Number of individuals to whom share acquisition rights have been delivered	Number of share acquisition rights delivered	Number of individuals to whom share acquisition rights have been delivered
The 2nd share acquisition rights in FY2018	–	–	494	36

Other important matters relating to share acquisition rights, etc.

Not applicable.

Consolidated Financial Statements

Consolidated Statement of Changes in Net Assets for the year ended March 31, 2019

(Millions of yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2018	117,072	110,316	275,299	(10,004)	492,683
Changes of Items during Year					
Issuance of New Shares	221	221			442
Dividends of Surplus			(13,602)		(13,602)
Profit Attributable to Owners of Parent			45,873		45,873
Purchase of Treasury Shares				(8,783)	(8,783)
Net Changes of Items Other Than Shareholders' Equity					
Total Changes of Items during Year	221	221	32,271	(8,783)	23,930
Balance at March 31, 2019	117,293	110,537	307,570	(18,787)	516,613

	Accumulated Other Comprehensive Income						Share Acquisition Rights	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, 2018	4,516	262	7,860	(225)	(3,605)	8,807	2,424	11,067	514,982
Changes of Items during Year									
Issuance of New Shares									442
Dividends of Surplus									(13,602)
Profit Attributable to Owners of Parent									45,873
Purchase of Treasury Shares									(8,783)
Net Changes of Items Other Than Shareholders' Equity	2,202	(521)	(0)	(451)	98	1,327	(77)	1,400	2,649
Total Changes of Items during Year	2,202	(521)	(0)	(451)	98	1,327	(77)	1,400	26,579
Balance at March 31, 2019	6,718	(259)	7,860	(677)	(3,507)	10,134	2,346	12,467	541,562

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

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: 39
- 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.

LIM HOLDINGS LTD. and Zen Plaza Investment Limited are included in the scope of consolidation because they were newly established in the fiscal year under review, and Lothbury Investment Management Group Limited and 11 other companies, Ryubundo Co., Ltd. and UHM Co., Ltd. were each included in the scope of consolidation because the Company newly acquired their equity interests in the fiscal year under review.

Furthermore, Nomura Real Estate Reform Co., Ltd. was excluded from the scope of consolidation because it underwent an absorption-type merger with Nomura Real Estate Partners Co., Ltd., a consolidated subsidiary of the Company, in the fiscal year under review, and Toranomom Real Estate Co., Ltd. was excluded from the scope of consolidation because the Company sold its shares in the company in the fiscal year under review.

2) Unconsolidated subsidiaries

- Name of principal unconsolidated subsidiary:

Minami Azabu Kaihatsu Co., Ltd.

- 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:

Minami Azabu Kaihatsu Co., Ltd.

NREG Innovation No. 1 Investment Limited Partnership is included in the scope accounted for using the equity method because the Company newly acquired an equity interest in the fiscal year under review. Nomura Real Estate UK Limited was excluded from the scope accounted for using the equity method because liquidation was completed.

2) Affiliated companies accounted for using the equity method

- Number of affiliated companies accounted for using the equity method: 24
- Name of principal affiliated company:

Ginza Parking Center Co., Ltd.

Beijing Shokai Nomura Real Estate Management Co., Ltd. and Sunshine Fort North Bonifacio Commercial Management Corporation are included in the scope of consolidation because they were newly established in the fiscal year under review. Origin One Sukhumvit 24 Co., Ltd., Origin One Phromphong Co., Ltd., PARK ORIGIN RATCHATHEWI COMPANY LIMITED, DRIC Peridot Limited, Tokio Property Services Pte Ltd and PARK ORIGIN PRARAM 4 COMPANY LIMITED are included

under affiliated company accounted for using the equity method because the Company newly acquired their equity interests in the fiscal year under review.

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

Among consolidated subsidiaries, the account closing date of UNJ Properties, LLC is December 31. The account closing date of Ryubundo Co., Ltd. and UHM Co., Ltd. is February 28.

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, HCMC office investment Limited, LIM HOLDINGS LTD, Lothbury Investment Management Group Limited, other 11 companies and Zen Plaza 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.
- F. Provision for Stocks Payment
To prepare for the delivery of the Company's shares to officers and employees pursuant to the share delivery regulation, an estimated cost as of the end of the fiscal year under review 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.

(5) Additional Information

(Performance-based stock incentive plan, for Directors and Executive Officers)

The Company and certain consolidated subsidiaries have introduced a performance-based stock incentive plan (the “Plan”) as an incentive plan for Directors and Executive Officers (excluding Directors as Audit & Supervisory Committee Members, External Directors and non-residents of Japan; “Directors, etc.”) from the fiscal year under review. The Plan is a compensation scheme that functions as an incentive for improving medium- to long-term corporate value of the Company and enables interests to be shared with the Company’s shareholders by linking the compensation paid to Directors, etc. to the Company’s share price. Specifically, it utilizes the mechanism of an executive compensation BIP trust. The Company’s shares are acquired in advance by an executive compensation BIP trust, and the Company’s shares and a sum equivalent to the proceeds of converting the Company’s shares into cash are delivered and paid to Directors, etc. according to their position, etc.

The shares of the Company that remain in the trust are recorded as treasury shares under net assets

at the book value within the trust. The book value and number of such treasury shares were ¥3,782 million and 1,725,000 shares, respectively, at the end of the fiscal year under review.

Furthermore, the estimated amount of the above executive compensation at the end of the fiscal year under review was recorded as provision for stocks payment.

(ESOP Trust for Granting Stock)

The Company and certain consolidated subsidiaries have introduced an “ESOP Trust for Granting Stock” (the “Plan”) from the fiscal year under review as an incentive plan for employees. The Plan is a compensation scheme that encourages employees to execute their duties with an awareness of the share price because employees can receive economic gains from an increase in the price of the Company’s shares, and is expected to have the effect of increasing the motivation of employees to work and enable them to share interests with the Company’s shareholders. Specifically, it utilizes the mechanism of ESOP trust for granting stock. The ESOP trust acquires the Company’s shares in advance, and grants them to employees who satisfy certain requirements.

Furthermore, the estimated amount of the above compensation scheme at the end of the fiscal year under review was recorded as provision for stocks payment.

2. Notes to Changes in Presentation Method

(Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28 issued on February 16, 2018) are applied from the start of the fiscal year under review, with deferred tax assets classified under investment and other assets and deferred tax liabilities classified under non-current liabilities.

3. Notes to Consolidated Balance Sheet

(1) Pledged Assets and Secured Liabilities

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 ¥182,059 million

(3) Contingent Liabilities

1) Guaranteed Obligations

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

Customers using housing loans	¥113,368 million
Joint operators of EBS buildings	¥393 million
Total	¥113,761 million

2) Additional Capital Contribution Obligations, etc.

The Company has additional capital contribution obligations, etc. to the following subsidiaries and associates according to the capital contribution ratio with business partners in relation to loans received from financial institutions by the companies.

The outstanding loans payable by the subsidiaries and associates are as follows, and the figures in parentheses indicate the amount based on the Company’s capital contribution ratio to the companies.

ORIGIN RAMKHAMHAENG COMPANY LIMITED	¥209 million (¥102 million)
ORIGIN PRIME 2 COMPANY LIMITED	¥191 million (¥94 million)
ORIGIN PARK T1 COMPANY LIMITED	¥6,980 million (¥3,420 million)
ORIGIN SPHERE COMPANY LIMITED	¥1,039 million (¥509 million)
ORIGIN VERTICAL COMPANY LIMITED	¥1,519 million (¥744 million)
Total	¥9,940 million (¥4,870 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
- (5) As a result of reviewing the purpose of holding assets, ¥77,033 million was transferred from non-current assets to real estate for sale, etc.

4. 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, 2018 (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares as of March 31, 2019 (Thousand shares)
Common stock	192,155	217	–	192,373

Note: The increase in the number of issued shares among common stock of 217 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 26, 2018 Meeting of the Board of Directors	Common stock	6,586	35	March 31, 2018	June 5, 2018
October 29, 2018 Meeting of the Board of Directors	Common stock	7,015	37.5	September 30, 2018	December 3, 2018

Note: The total amount of dividends resolved in the meeting of the Board of Directors held on October 29, 2018 includes ¥8 million in dividends for the Company’s shares held in the executive compensation BIP trust.

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 25, 2019 Meeting of the Board of Directors	Common stock	6,985	Retained earnings	37.5	March 31, 2019	June 4, 2019

Note: The total amount of dividends resolved in the meeting of the Board of Directors held on April 25, 2019 includes ¥64 million in dividends for the Company’s shares held in the executive compensation BIP trust.

(3) Share Acquisition Rights

The number of shares subject to the share acquisition rights (those for which the exercise period has arrived) as of March 31, 2019:

Nomura Real Estate Holdings, Inc.

The 1st share acquisition rights in FY2012	Common stock	8,400 shares
The 2nd share acquisition rights in FY2012	Common stock	14,700 shares
The 3rd share acquisition rights in FY2012	Common stock	47,500 shares
The 1st share acquisition rights in FY2013	Common stock	6,400 shares
The 2nd share acquisition rights in FY2013	Common stock	29,400 shares
The 3rd share acquisition rights in FY2013	Common stock	218,800 shares
The 1st share acquisition rights in FY2014	Common stock	23,400 shares
The 2nd share acquisition rights in FY2014	Common stock	70,700 shares
The 3rd share acquisition rights in FY2014	Common stock	212,200 shares
The 1st share acquisition rights in FY2015	Common stock	27,800 shares
The 2nd share acquisition rights in FY2015	Common stock	92,000 shares

The 3rd share acquisition rights in FY2015	Common stock	370,500 shares
The 4th share acquisition rights in FY2015	Common stock	1,200 shares
The 5th share acquisition rights in FY2015	Common stock	23,000 shares

5. 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, etc., and these are held for the promotion of businesses. The fair values of stocks and investment units 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, 2019 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	81,351	81,351	–
(2) Securities	37,000	37,000	–
(3) Investment securities *1	40,846	40,886	39
Total assets	159,198	159,237	39
(1) Short-term loans payable *2	26,000	26,000	–
(2) Bonds payable	140,000	141,589	1,589
(3) Long-term loans payable *2	748,000	771,437	23,437
Total liabilities	914,000	939,027	25,027
Derivative transactions *3	(1,010)	(1,010)	–

*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 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) Securities

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

(3) Investment securities

The fair values of stocks, investment units, etc. are mainly based on the prices on exchanges.

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. *1, 2	29,279

*1. Unlisted stocks, etc. are excluded from “(3) Investment securities” described above because they do not have market prices and their fair values are deemed extremely difficult to determine.

*2. “Unlisted stocks, etc.” includes unlisted stocks, etc. recorded in “Equity Investments.”

6. 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, 2019
Real estate for rent	703,232	878,919
Properties including the portion used as real estate for rent	26,125	56,820

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, 2019 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.

7. Notes to Per Share Information

(1) Net Assets Per Share ¥2,854.21

(2) Basic Earnings Per Share ¥245.99

Note: The Company’s shares held in the executive compensation BIP trust are included in the number of treasury shares deducted from the total number of shares issued at the end of the fiscal year when calculating net assets per share. Furthermore, these are included in the treasury shares deducted in the calculation of the average number of shares during the period used in the calculation of basic

earnings per share. For the fiscal year under review, the number of these treasury shares deducted in the calculation of net assets per share was 1,725 thousand shares at the end of the period, and the average number of treasury shares during the period deducted in the calculation of basic earnings per share was 655 thousand shares.

8. Notes to Significant Subsequent Events

Not applicable.

9. Other Notes

Not applicable.

Non-Consolidated Financial Statements

Non-Consolidated Statements of Changes in Net Assets for the year ended March 31, 2019

(Millions of yen)

	Shareholders' Equity						
	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, 2018	117,072	117,436	117,436	52,621	52,621	(10,004)	277,126
Changes of Items during Year							
Issuance of New Shares	221	221	221				442
Dividends of Surplus				(13,602)	(13,602)		(13,602)
Profit				25,593	25,593		25,593
Purchase of Treasury Shares						(8,783)	(8,783)
Net Changes of Items Other Than Shareholders' Equity							
Total Changes of Items during Year	221	221	221	11,990	11,990	(8,783)	3,649
Balance at March 31, 2019	117,293	117,657	117,657	64,612	64,612	(18,787)	280,775

	Valuation and Translation Adjustments			Share Acquisition Rights	Total Net Assets
	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments		
Balance at April 1, 2018	3	–	3	2,424	279,554
Changes of Items during Year					
Issuance of New Shares					442
Dividends of Surplus					(13,602)
Profit					25,593
Purchase of Treasury Shares					(8,783)
Net Changes of Items Other Than Shareholders' Equity	(7)	(14)	(22)	(77)	(99)
Total Changes of Items during Year	(7)	(14)	(22)	(77)	3,549
Balance at March 31, 2019	(3)	(14)	(18)	2,346	283,103

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

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 without 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) Provision for Stocks Payment

To prepare for the delivery of the Company's shares to officers and employees pursuant to the share delivery regulation, an estimated cost as of the end of 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>

Interest rate swap contracts

<Hedged items>

Borrowings

- Hedge policy: In accordance with internal rules, interest rate fluctuation risks are hedged.
 - Method for assessing the effectiveness of hedges: The Company evaluates hedge effectiveness based on the ratio of changes determined 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 Company omits the assessment of hedge effectiveness in the case of interest rate swaps for which the Company applies the exceptional treatment.
- 3) Accounting for consumption taxes The tax-exclusion method is used to account for national and local consumption taxes.

2. Notes to Changes in Presentation Method

The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28 issued on February 16, 2018) are applied from the start of the fiscal year under review, with deferred tax assets classified under investment and other assets and deferred tax liabilities classified under non-current liabilities.

3. Notes to Non-Consolidated Balance Sheet

- | | |
|---------------------------------------------------------------------------|------------------|
| (1) Accumulated Depreciation of Property, Plant and Equipment | ¥101 million |
| (2) Monetary Receivables from and Payables to Subsidiaries and Associates | |
| 1) Short-term monetary receivables | ¥219,817 million |
| 2) Short-term monetary payables | ¥41,267 million |

4. Notes to Non-Consolidated Statements of Income

Amount of business with subsidiaries and associates

Amount of operating transactions

- | | |
|--------------------|-----------------|
| Operating revenue | ¥42,733 million |
| Operating expenses | ¥306 million |

5. 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, 2018 (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares as of March 31, 2019 (Thousand shares)
Common stock	3,956	3,864	–	7,821

Notes: 1. The above treasury shares include the treasury shares held in the trust account of the “executive compensation BIP trust.”

2. The 3,864 thousand shares increase in treasury shares of common stock is due to an increase of 2,139 thousand shares from the purchase of treasury shares by resolution of the Board of Directors, an increase of 1,725 thousand shares due to acquisition of the Company’s shares by the “executive compensation BIP trust” and an increase of 0 thousand shares due to purchase of shares of less than one share unit.

6. Notes to Tax Effect Accounting

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

Deferred tax assets	(Millions of yen)
Share-based compensation expenses	531
Loss on valuation of shares of subsidiaries and associates	319
Accrued enterprise tax	96
Provision for bonuses	80
Others	37
Subtotal deferred tax assets	1,065
Valuation allowance	(331)
Total deferred tax assets	734
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(1)
Total deferred tax liabilities	(1)
Net deferred tax liabilities	733

7. 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	356,984	Short-term loans receivable	179,171
					195,000	Long-term loans receivable from subsidiaries and associates	710,000
				Receipt of interest	11,613	–	–
Subsidiary	Nomura Real Estate Urban Net Co., Ltd.	Directly holding 100.0	Management guidance	Deposit of funds	63,160	Deposits received	19,823
Subsidiary	Nomura Real Estate Partners Co., Ltd.	Directly holding 100.0	Management guidance	Deposit of funds	100,863	Deposits received	13,835
Subsidiary	NREG TOSHIBA BUILDING Co., Ltd.	Directly holding 95.0	Management guidance, borrowing and lending of funds	Lending of funds	35,162	Short-term loans receivable	36,694
					–	Long-term loans receivable from subsidiaries and associates	30,000
Subsidiary	Nomura Real Estate Life & Sports Co., Ltd.	Directly holding 100.0	Management guidance, borrowing and lending of funds	Lending of funds	13,320	Short-term loans receivable	1,990
					2,000	Long-term loans receivable from subsidiaries and associates	5,000

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	Minoru Hatada	Held 0.0	Executive Officer of the Company	Exercise of stock options (Note 2)	22	–	–
Officer	Toshiaki Seki	Held 0.0	Director of the Company	Exercise of stock options (Note 2)	11	–	–
Officer	Masaomi Katayama	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.

8. Notes to Per Share Information

(1) Net Assets Per Share ¥1,521.03

(2) Basic Earnings Per Share ¥137.24

Note: The Company's shares held in the executive compensation BIP trust are included in treasury shares deducted from the total number of shares issued at the end of the fiscal year when calculating net assets per share. Furthermore, these are included in the treasury shares deducted in the calculation of the average number of shares during the period used in the calculation of basic earnings per share. For the fiscal year under review, the number of these treasury shares deducted in the calculation of net assets per share was 1,725 thousand shares at the end of the period, and the average number of treasury shares during the period deducted in the calculation of basic earnings per share was 655 thousand shares.

9. Notes to Significant Subsequent Events

Not applicable.

10. Other Notes

Not applicable.