


# Consolidated Financial Results for the Six Months from April 1 to September 30, 2014 & Business Overview



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# Highlights of 2Q Financial Results

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# Outline of Consolidated Financial Results for 2Q of FY ending March 31, 2015

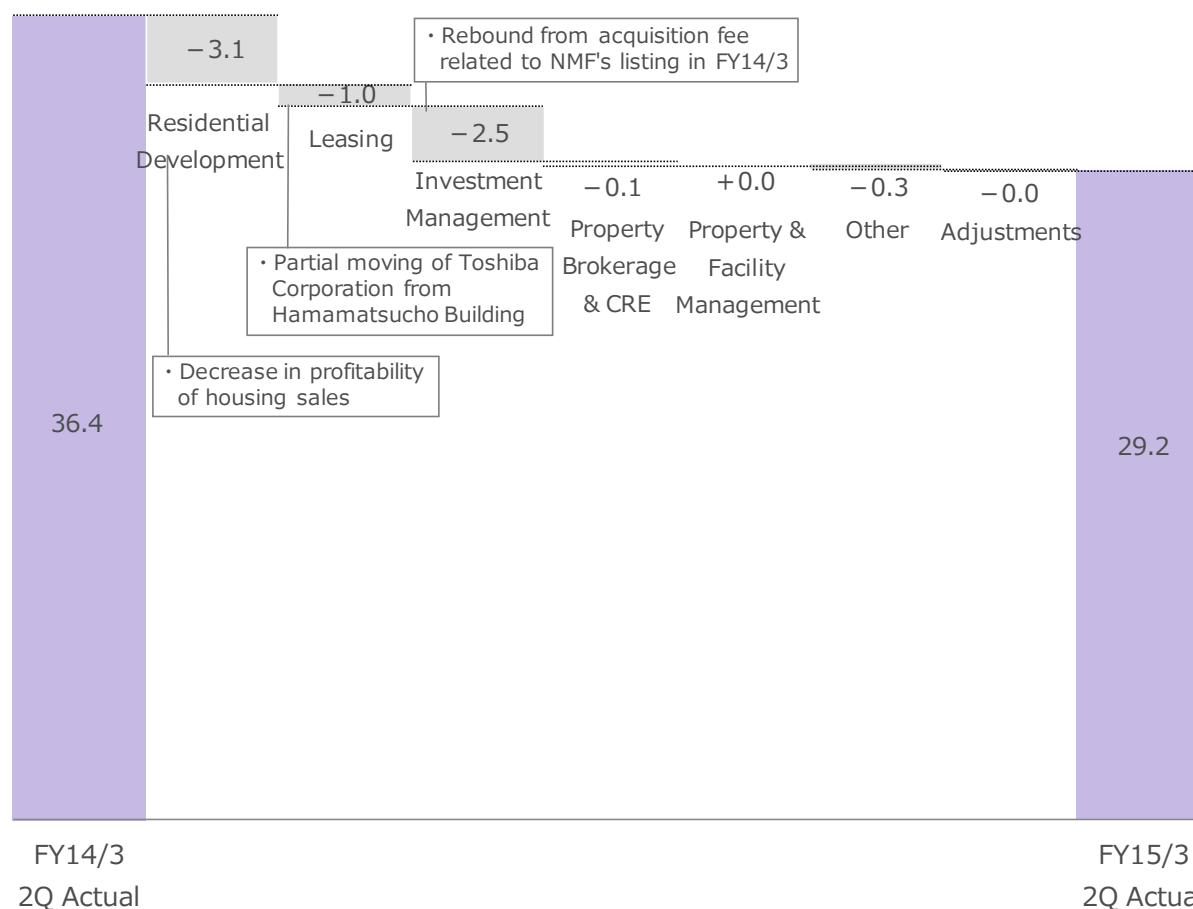
(Billions of yen) *Figures rounded down to the nearest 100 million yen	FY14/3 2Q Actual ①	FY15/3 2Q Actual ②	Changes ② – ①	Key Factors
Operating revenue	251.9	243.0	–8.8	<Operating revenue & Operating income>
Operating gross profit	76.7	71.8	–4.9	• Decrease in profitability of housing sales
Selling, general and administrative expenses	40.3	42.6	+2.3	• Partial moving of Toshiba Corporation from Hamamatsucho Building
Operating income	36.4	29.2	–7.2	• Rebound from the recording of asset acquisition fee related to the listing of Nomura Real Estate Master Fund in FY14/3
Non-operating income	0.7	0.5	–0.2	
Non-operating expenses	6.0	5.0	–1.0	
Ordinary income	31.1	24.7	–6.4	
Extraordinary income	0.5	2.5	+2.0	<Extraordinary income & losses>
Extraordinary losses	0.2	6.0	+5.8	• Impairment loss associated with write-down of fixed assets
Income taxes	12.1	8.3	–3.8	
Minority interests in income	1.7	1.1	–0.5	
Net income	17.5	11.6	–5.8	
Net income per share (yen)	92.05	61.20	–30.85	
Cash dividends per share (yen)	15.00	20.00	+5.00	
Total assets	1,323.7	1,343.4	+19.7	• Increase in inventories including lands for residential development
Total interest-bearing debt	624.9	643.6	+18.6	• Increase in short-term loans payable
Shareholders' equity	348.8	367.4	+18.5	
Shareholders' equity ratio	26.4%	27.3%	+0.9P	
Debt/equity ratio	1.8	1.8	–0.0	
Net cash provided by (used in) operating activities	+61.8	–23.9	–85.7	
Net cash provided by (used in) investment activities	–19.4	–17.6	+1.8	
Net cash provided by (used in) financing activities	–47.0	+21.8	+68.8	
Cash and cash equivalents at end of period	57.9	48.2	–9.6	

# Segment Outline of Financial Results for 2Q of FY ending March 31, 2015

- Both revenue and income dropped year-on-year mainly due to a decrease in profitability in the Residential Development Business, the impact of a partial moving of Toshiba Corporation from Hamamatsucho Building in the Leasing Business, and a decrease in fee income related to the listing of Nomura Real Estate Master Fund in the Investment Management Business.

(Billions of yen)	FY14/3 2Q Actual ①	FY15/3 2Q Actual ②	Changes ② – ①
Operating revenue	251.9	243.0	–8.8
Residential Development	144.3	141.7	–2.6
Leasing	49.5	48.0	–1.5
Investment Management	7.4	4.5	–2.8
Property Brokerage & CRE	13.2	13.3	+0.1
Property & Facility Management	32.4	33.5	+1.0
Other	9.7	8.0	–1.7
Adjustments	–4.9	–6.1	–1.1
Operating income	36.4	29.2	–7.2
Residential Development	14.2	11.1	–3.1
Leasing	14.1	13.1	–1.0
Investment Management	4.8	2.3	–2.5
Property Brokerage & CRE	3.2	3.1	–0.1
Property & Facility Management	2.0	2.0	+0.0
Other	0.2	–0.0	–0.3
Adjustments	–2.5	–2.5	–0.0

## Key Factors of Changes by Segment



# Outline of Consolidated Balance Sheets as of September 30, 2014

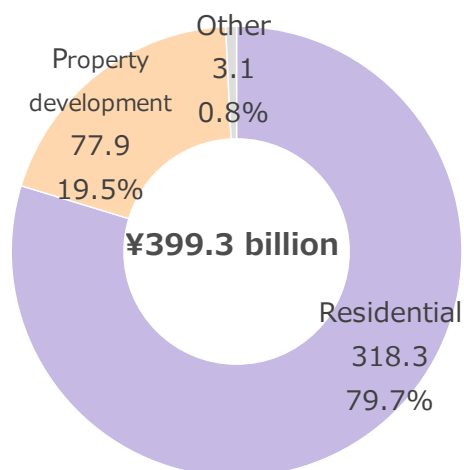
(Billions of yen)	As of Mar 31, 2014 ①	As of Sep 30, 2014 ②	Changes ② – ①	Key Factors
<b>Assets</b>	<b>1,313.8</b>	<b>1,343.4</b>	<b>+29.6</b>	
Current assets	496.9	523.9	+26.9	<Inventories>
(Breakdown)				
Cash and deposits / Short-term investment securities	67.9	48.2	-19.7	Residential 281.6 318.3 +36.6
Notes and accounts receivable-trade	14.7	12.2	-2.4	Property development 64.0 77.9 +13.8
Inventories	349.1	399.3	+50.1	Other business 3.4 3.1 -0.3
Equity investments	7.1	6.5	-0.6	Adjustments -0.0 -0.0 ±0
Other current assets	57.9	57.5	-0.3	Total 349.1 399.3 +50.1
Noncurrent assets	816.9	819.5	+2.6	* Residential...Residential Development Business
Property, plant and equipment	716.0	726.1	+10.0	* Property development...Leasing, Investment Management, and Property Brokerage & CRE Businesses
Intangible assets	9.3	9.9	+0.5	* Other...Property & Facility Management, Other Businesses
Investments and other assets	91.4	83.4	-7.9	<Property, plant and equipment >
(Breakdown)				• Increase associated with the commercialization of MM21 Block-No.46
Investment securities	47.6	40.3	-7.2	
Lease and guarantee deposits	19.2	19.9	+0.7	
Other noncurrent assets	24.5	23.1	-1.4	
<b>Liabilities</b>	<b>895.1</b>	<b>911.8</b>	<b>+16.6</b>	
Current liabilities	288.0	333.6	+45.5	
(Breakdown)				
Notes and accounts payable-trade	37.6	37.3	-0.3	<Total interest-bearing debt &
Short-term loans payable, etc.	162.6	212.5	+49.8	Cash and deposits / Short-term investment securities>
Deposits received	9.1	13.2	+4.0	• Cash withdrawal and increase in loans in accordance with an
Other current liabilities	78.6	70.5	-8.0	increase in inventories
Noncurrent liabilities	607.0	578.1	-28.8	
(Breakdown)				
Bonds payable	23.0	23.0	±0	
Long-term loans payable	431.9	408.1	-23.8	
Lease and guarantee deposits received	57.1	57.7	+0.6	
Other noncurrent liabilities	95.0	89.3	-5.7	
<Total interest-bearing debt>	617.5	643.6	+26.0	
<b>Net assets</b>	<b>418.6</b>	<b>431.6</b>	<b>+12.9</b>	
<b>Total liabilities and net assets</b>	<b>1,313.8</b>	<b>1,343.4</b>	<b>+29.6</b>	
Shareholders' equity ratio	27.1%	27.3%	+0.2P	<Shareholders' equity>
Debt/equity ratio	1.7	1.8	+0.1	• Mar. 31, 2014: ¥355.6 billion → Sep. 30, 2014: ¥367.4 billion

# Outline of Consolidated Balance Sheets as of September 30, 2014

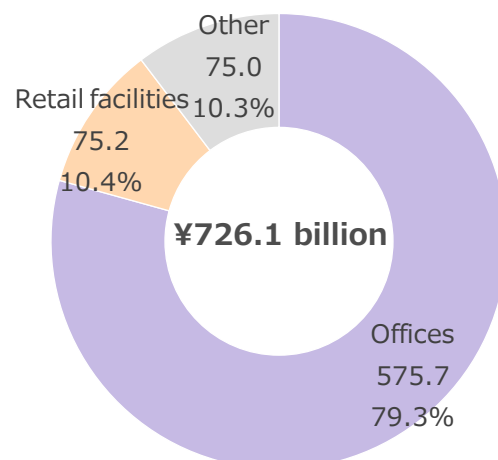
Total Assets : 1,343.4 billion yen

Current assets	523.9	Liabilities	911.8
Cash and deposits / Short-term investment securities	48.2	Interest-bearing debt	643.6
Notes and accounts receivable-trade	12.2	Short-term loans payable, etc.	212.5
Inventories	399.3	Bonds payable	23.0
Residential	318.3	Long-term loans payable	408.1
Property development	77.9	Notes and accounts payable-trade	37.3
Other	3.1	Deposits received	13.2
Corporate and eliminates	-0.0	Other current liabilities	70.5
Equity investments	6.5	Lease and guarantee deposits receive	57.7
Other current assets	57.5	Other noncurrent liabilities	89.3
Noncurrent assets	819.5		
Property, plant and equipment	726.1	Net assets	431.6
Offices	575.7	Equity	367.4
Commercial facilities	75.2	Subscription rights to shares	1.6
Other	75.0	Minority interests	62.5
Intangible assets	9.9		
Investments and other assets	83.4		

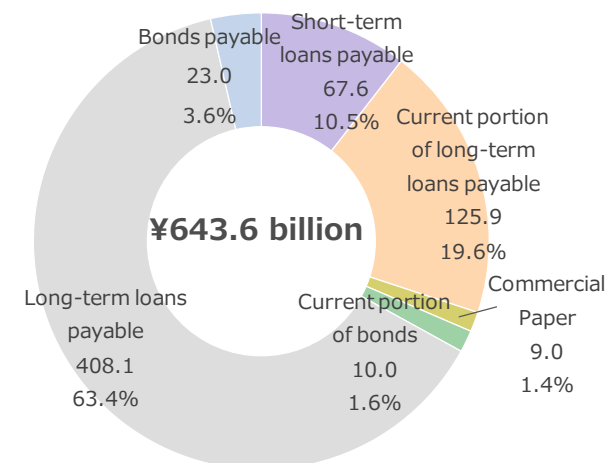
**Inventories**



**Property, plant and equipment**



**Interest-bearing debt**



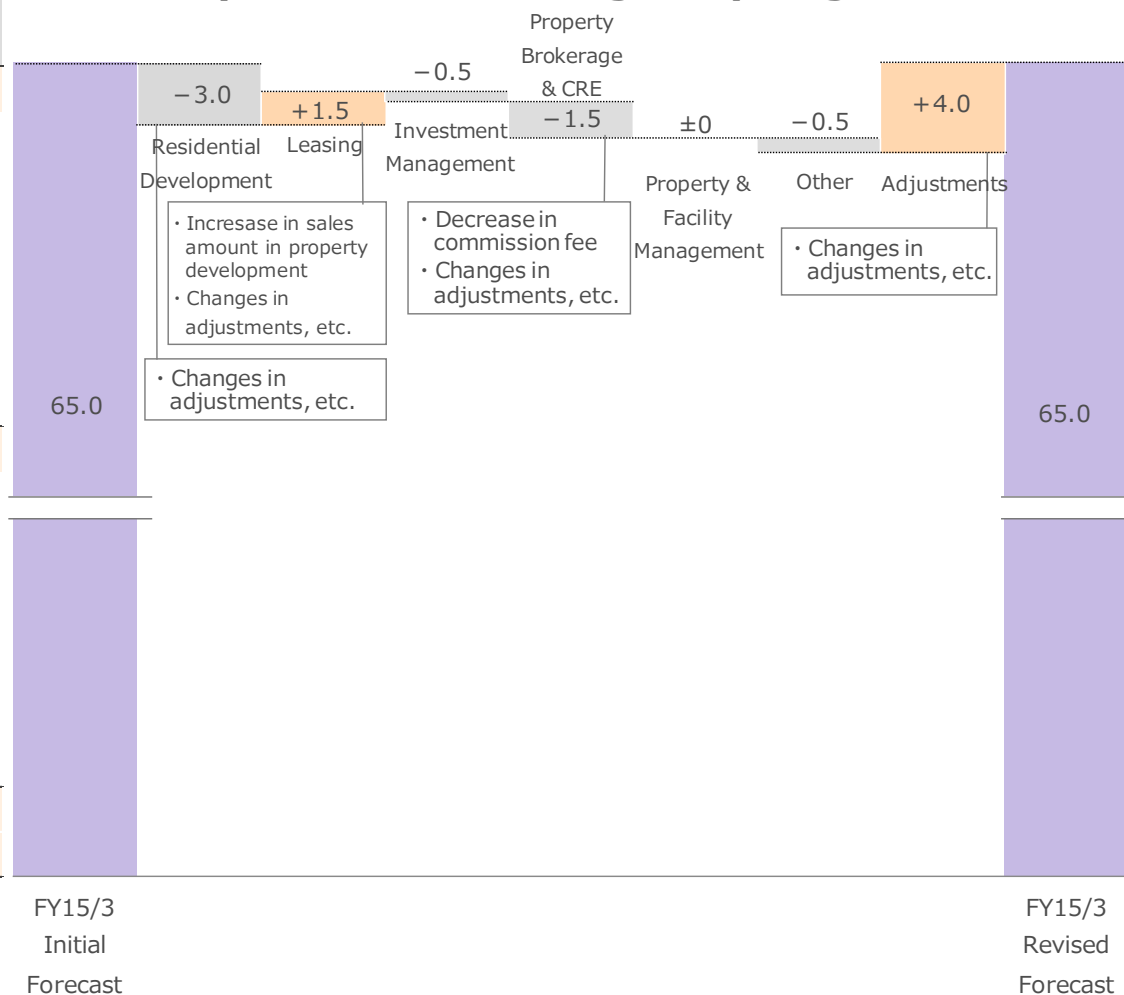
Residential...Residential Development Business  
Property development...Leasing, Investment Management, and  
Property Brokerage & CRE Businesses

# Revision of Consolidated Operating Result Forecasts

- We revised the consolidated operating result forecasts in light of business performance and changed the allocation of a part of costs among adjustments to each business segment.

(Billions of yen)	FY15/3 Initial Forecast ①	FY15/3 Revised Forecast ②	Changes ② - ①	Breakdown	
				Revision of Operating Result Forecast	Changes in Adjustments, etc.
Operating revenue	560.0	560.0	±0	±0	±0
Residential Development	356.0	349.0	-7.0	-3.0	-4.0
Leasing	88.0	96.0	+8.0	+4.0	+4.0
Investment Management	9.0	9.0	±0	±0	±0
Property Brokerage & CRE	28.0	27.0	-1.0	-1.0	±0
Property & Facility Management	73.0	73.0	±0	±0	±0
Other	17.0	18.0	+1.0	+1.0	±0
Adjustments	-11.0	-12.0	-1.0	-1.0	±0
Operating income	65.0	65.0	±0	±0	±0
Residential Development	34.0	31.0	-3.0	+0.5	-3.5
Leasing	22.0	23.5	+1.5	+2.0	-0.5
Investment Management	5.0	4.5	-0.5	-0.5	±0
Property Brokerage & CRE	7.5	6.0	-1.5	-1.0	-0.5
Property & Facility Management	5.0	5.0	±0	±0	±0
Other	0.5	0.0	-0.5	-0.5	±0
Adjustments	-9.0	-5.0	+4.0	-0.5	+4.5
Ordinary income	55.0	55.0	±0	±0	±0
Net income	29.0	29.0	±0	±0	±0

## Key Factors of Changes by Segment



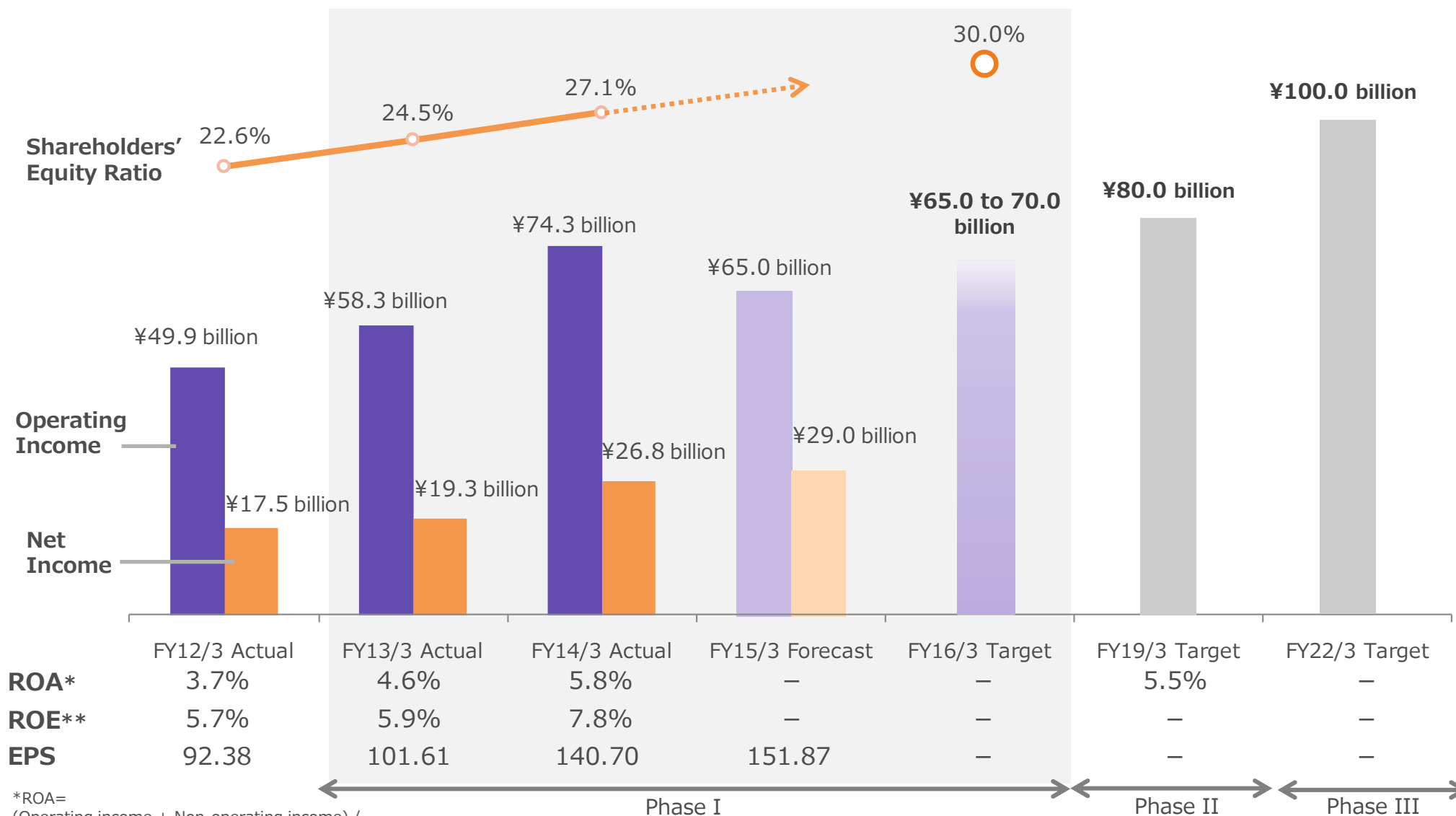


# Progress of Mid- to Long-term Business Plan

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# Progress of Mid- to Long-term Business Plan

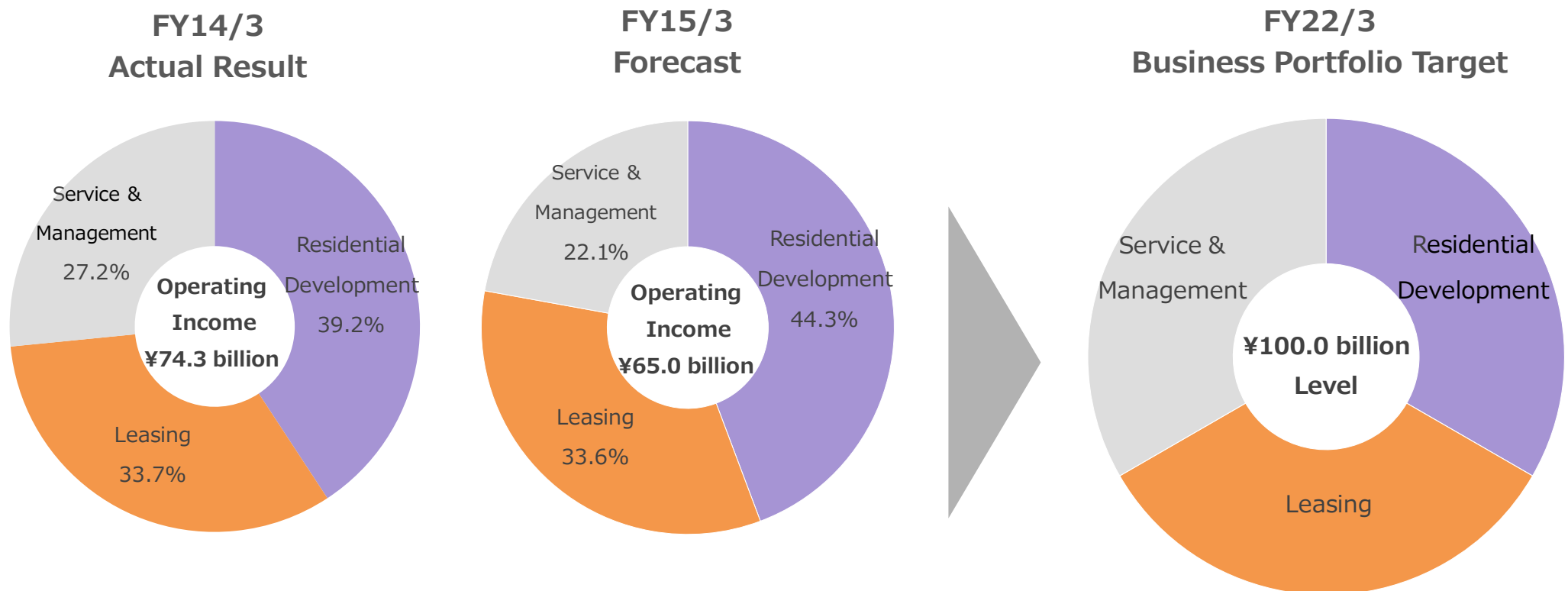
- Operating income of FY16/3, the final year of Phase I, is predicted to exceed the target of 65 billion yen, and balance sheet improvement is also expected to proceed.



\*ROA=  
(Operating income + Non-operating income) /  
Total assets at end of fiscal year  
\*\* ROE=  
Net income / Equity (as average over fiscal year)

# Policy of Business Portfolio Construction

- Aiming to change the current business portfolio weighted in Residential Development Business to the portfolio each business account for a share of one-third by the fiscal year ending March 2022, the final year of the Mid- to Long-term Business Plan.



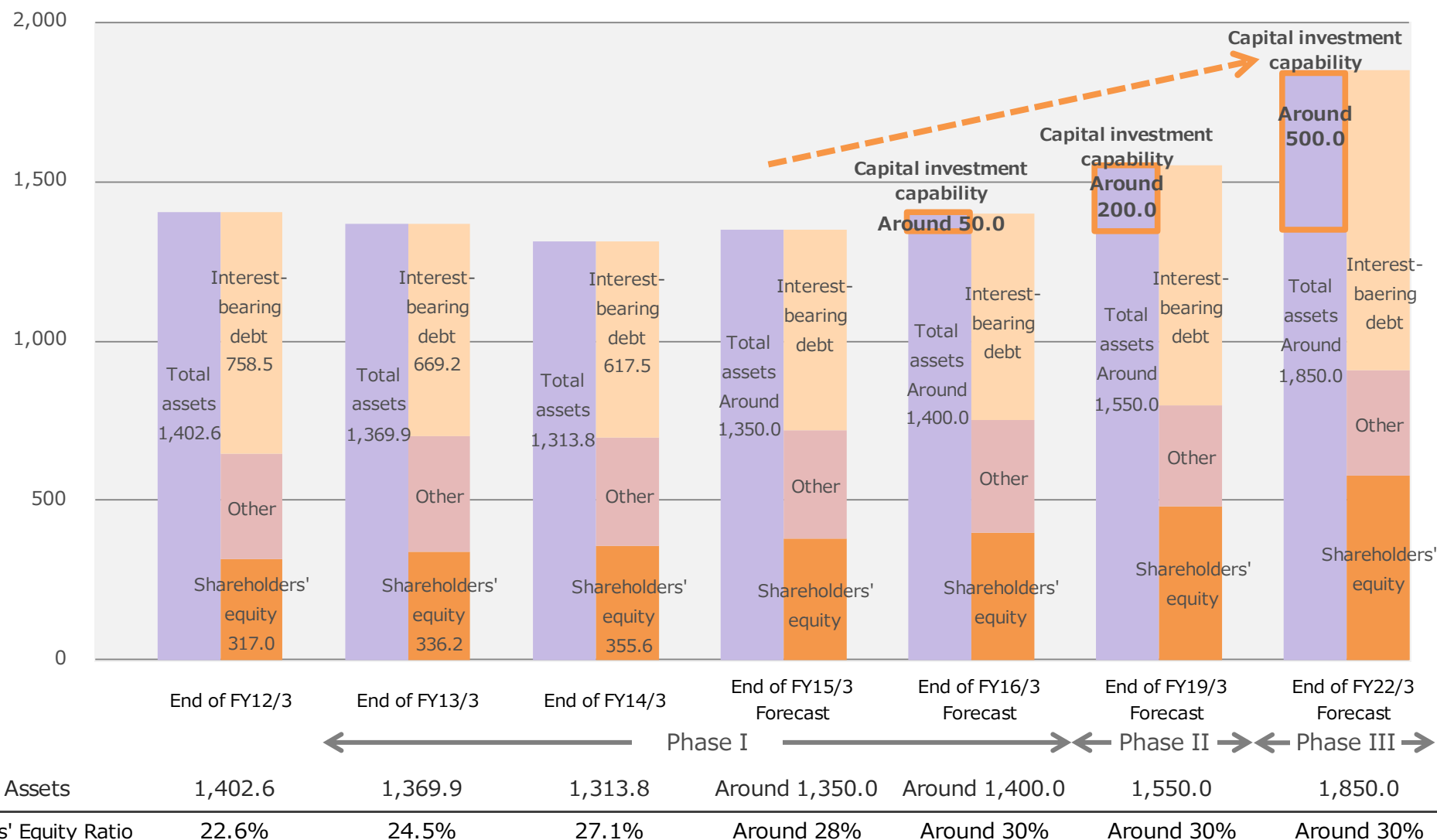
\*Service & Management = Invest Management, Property Brokerage & CRE, Property & Facility Management, and Other Businesses  
The composition ratio of consolidated operating income by each business is calculated based on a simple total amount.

# Balance Sheet Expansion & Capital Investment Capability

- Fully leveraging our capital investment capability of Balance Sheet, we plan to invest around 500 billion yen in growing business fields by FY22/3 in Phase III.

(billion yen)

## Expansion Plan of Balance Sheet



# Operating Results by Segment

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# 【Segment Information: Residential Development Business】

- Both operating revenue and income decreased due mainly to lower average sales prices and profit margin of properties sold compared to the previous 2Q.

Gross profit margin ratio of housing sales was 20.6% (down 1.0 pp from FY14/3 2Q).

(Billions of yen)	FY14/3 2Q Actual ①	FY15/3 2Q Actual ②	Changes ②－①	FY14/3 Actual ③	FY15/3 Revised Forecast ④	Changes ④－③	FY15/3 Initial Forecast ⑤	Changes ④－⑤	
Operating revenue	144.3	141.7	－2.6	307.6	349.0	+41.3	356.0	－7.0	Forecast revision－3.0 Adjustments, etc.－4.0
Housing sales	138.7	137.4	－1.2	295.9	—	—	—	—	
Other	5.6	4.2	－1.4	11.7	—	—	—	—	
Operating income	14.2	11.1	－3.1	31.1	31.0	－0.1	34.0	－3.0	Forecast revision+0.5 Adjustments, etc.－3.5

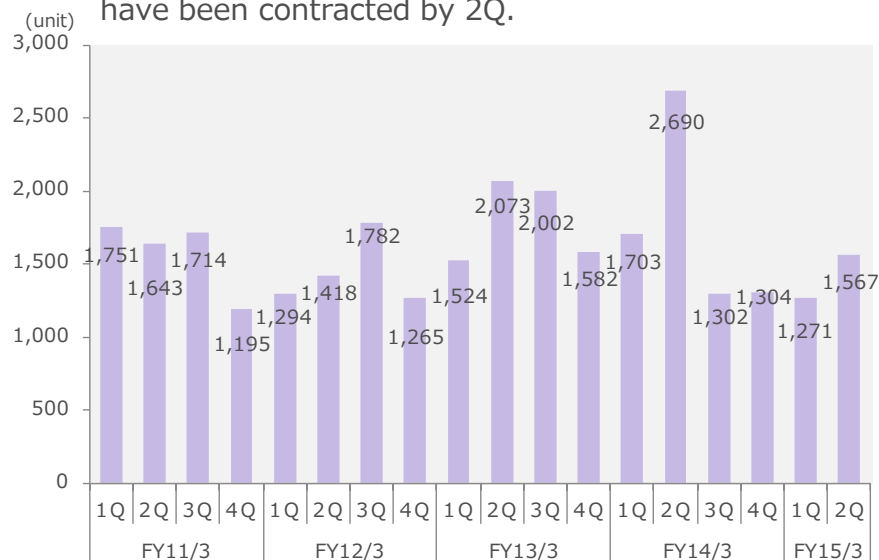
## 【Housing sales indicators】

Housing sales (unit)	2,740	2,927	+187	6,209	7,000	+791	7,000	±0
Condominiums	2,474	2,604	+130	5,491	6,000	+509	6,000	±0
Detached housing	266	323	+57	718	1,000	+282	1,000	±0
Tokyo metropolitan area	2,234	2,401	+167	4,723	5,450	+727	5,450	±0
Osaka metropolitan area	345	242	－103	930	1,000	+70	1,000	±0
Other area	160	283	+123	555	550	－5	550	±0
Contracted unrecorded units	7,053	6,100	－953	6,189	—	—	—	—
Completed housing inventories (unit)	42	172	+130	31	—	—	—	—
Average price (million yen)	50.62	46.96	－3.65	47.65	—	—	—	—
Gross margin ratio (%)	21.6%	20.6%	－1.0P	21.7%	—	—	—	—

# 【Reference】 Changes in Key Indicators of Housing Sales

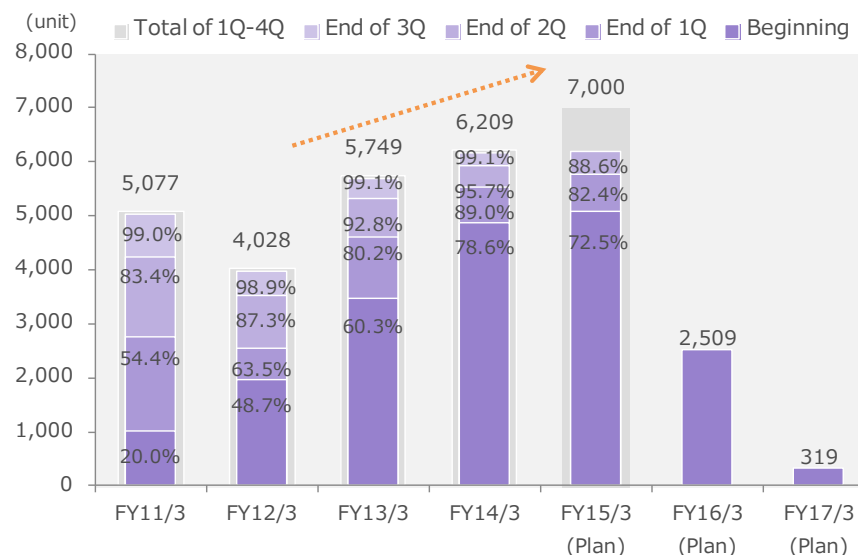
## Number of Contracted Housing Units

- Housing sales have remained solid as 2,838 units have been contracted by 2Q.



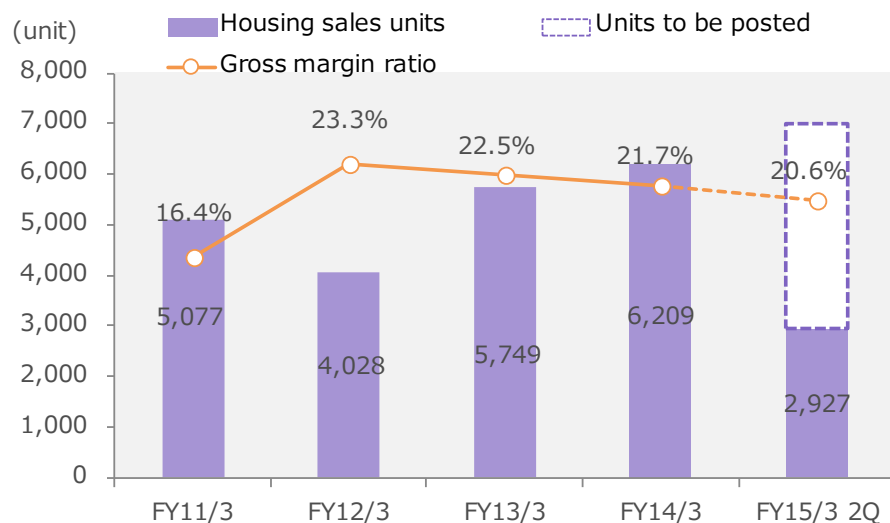
## Contract Rates

- 6,198 units (88.6%) have been contracted by the end of 2Q.



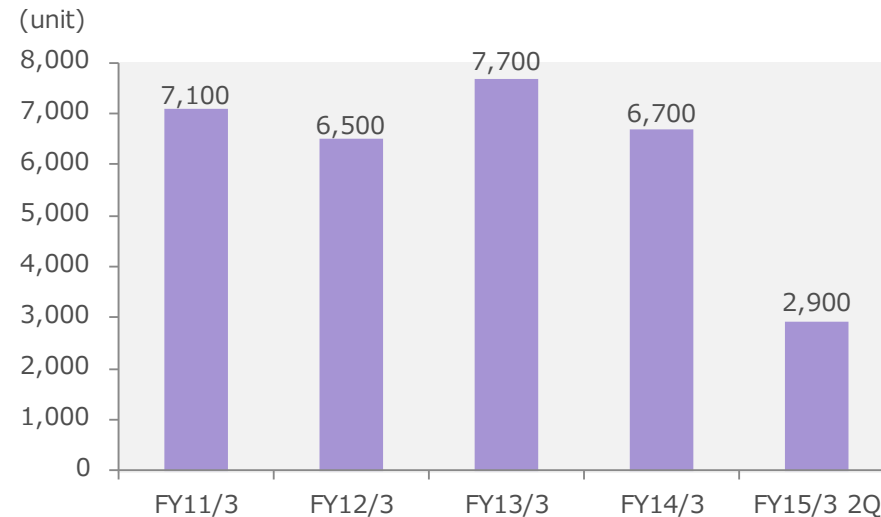
## Gross Profit Margin & Number of Housing Units Sold

- Gross profit margin remained high level although construction cost is on an upward trend.



## Land Acquisition

- Lands for 2,900 units were acquired by 2Q. Land bank for next fiscal year and after is now sufficient for 16,500 units.



## 【Reference】 Residential Large-scale Redevelopment & Rebuilding Business in Urban Area (1)

- Taking advantage of our No.1 track record in the industry and a wealth of know-how, we are promoting many projects in redevelopment and reconstruction that have potential for growth.

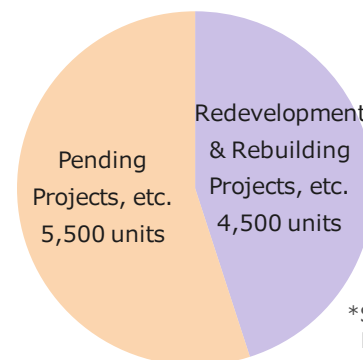
### Major Redevelopment & Rebuilding Projects

\*JV Project

Project name	No. of units (our share)	Construction schedule		
		Phase I (FY15/3 & FY16/3)	Phase II (FY17/3 - FY19/3)	Phase III (FY20/3 - FY22/3)
PROUD TOWER Musashikosugi*	303	Complete		
CAPITAL GATE PLACE*	238	Complete		
Tomihisa Cross Comfort Tower*	407	Complete		
Sakurajosui Gardens*	260	Start	Complete	
PROUD CITY Kamata*	112	Start	Complete	
PROUD TOWER Tachikawa	292	Start	Complete	
Asagaya Residence Rebuilding*	312	Start	Complete	
Fuchu South Gate No.1 Redevelopment	111	Start	Complete	
Nagoya Nayabashi East Redevelopment*	214	Start	Complete	
Wakashio Heights Rebuilding I*	208		Start	Complete
Musashi-Koganei Station South Gate Redevelopment	550		Start	Complete
Akasaka Yagenzaka West Redevelopment*	225		Start	Complete
Higashi-Ikebukuro Station-front Redevelopment	210		Start	Complete
Shakujii-Koen Station South Gate West Redevelopment	200		Start	Complete
Hirai Station North Gate Redevelopment	250		Start	Complete
Kawaguchi Sakaecho 3chome Redevelopment	400		Start	Complete
Nishi-Ojima Station-front Redevelopment*	420		Start	Complete
Tsukishima 3chome South Redevelopment*	225			Start
Nishi-Shinjuku 3chome West Redevelopment*	650			Start

All projects are currently in the planning stage and subject to change going forward.

### Site Stock for Residential Redevelopment & Rebuilding Projects, etc. : 10,000 units



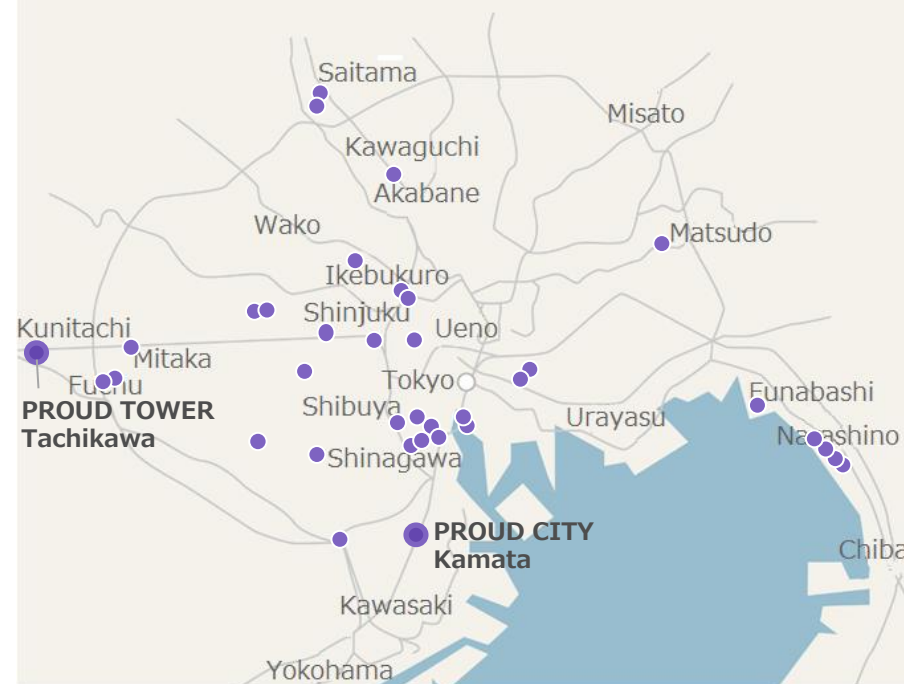
Nationwide site stock is sufficient for 10,000 units centering on the Tokyo metropolitan area.

This breaks down into **4,500 units** for projects accounted for stock, and **5,500 units** for pending projects.\*

\*Stock...Project schedule has been decided.  
Pending projects...Project schedule has not been decided.

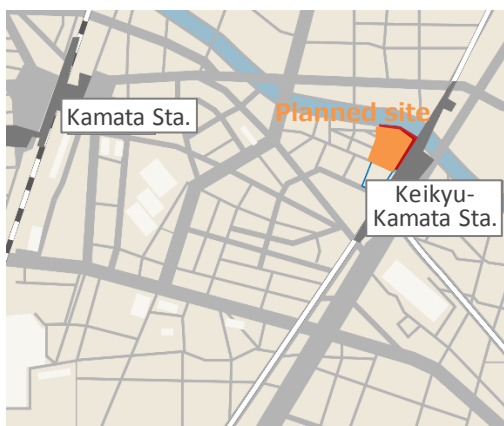
### Tokyo Metropolitan Area

● Redevelopment & rebuilding Project





## PROUD CITY Kamata



Location:  
Kamata 4chome, Ota-ku, Tokyo  
Total number of condominiums:  
320 units  
Number of condominiums for sale:  
161 units (our share: 112 units)  
Access:  
1-min walk from Keikyu-Kamata  
station  
Delivery timing:  
Late January, 2016 (plan)  
Average sales price:  
64 million yen  
\*JV Property

## PROUD TOWER Tachikawa



Location:  
Akebono-cho 2chome, Tachikawa-shi,  
Tokyo  
Total number of condominiums:  
319 units  
Number of condominiums for sale:  
292 units  
Access:  
2-min walk from JR Tachikawa station  
Delivery timing:  
Late August, 2016 (plan)  
Average sales price:  
75 million yen



# 【Reference】 Major Projects Upcoming

FY15/3	FY16/3	FY17/3	FY18/3~
The Residence Mita (Minato-ku, Tokyo 105 units *2)	CAPITAL GATE PLACE (Chuo-ku, Tokyo 238 units *2)	Tsurumaki 5chome Project (Setagaya-ku, Tokyo 175 units)	Fuchu South Gate Redevelopment Project (Fuchu-shi, Tokyo 111 units)
PROUD TOWER Shirokanedai (Minato-ku, Tokyo 122 units)	Tomihisa Cross Comfort Tower (Shinjuku-ku, Tokyo 407 units *2)	Asagaya Residence Rebuilding Project (Suginami-ku, Tokyo 312 units *2)	Kiba 3chome Project (Koto-ku, Tokyo 202 units)
PROUD TOWER Oizumi-Gakuen (Nerima-ku, Tokyo 165 units)	Sakurajosui Gardens (Setagaya-ku, Tokyo 260 units *2)	Nishi-Rokugo Project (Ota-ku, Tokyo 608 units)	Inagi Minamiyama Tobu Project (Detached housing) (Inagi-shi, Tokyo 498 units *1)
PROUD Fuchu Marks (Fuchu-shi, Tokyo 231 units)	PROUD CITY Kaga-Gakuen-dori (Itabashi-ku, Tokyo 363 units)	PROUD TOWER Tachikawa (Tachikawa-shi, Tokyo 292 units)	Urawa Station West Gate South Redevelopment Project (Urawa-ku, Saitama-shi 166 units)
PROUD TOWER Musashikosugi (Nakahara-ku, Kawasaki-shi 303 units *2)	OHANA Hachioji Oak Court (Hachioji-shi, Tokyo 346 units)	Miyazakidai Project (Miyamae-ku, Kawasaki-shi 435 units)	Tsudanuma Station-front Redevelopment Project (Tsudanuma-shi, Chiba 187 units *2)
OHANA Fujimino Uenodai Blossom (Fujimino-shi, Saitama 381 units)	JR Tsukaguchi Station-front Project (Amagasaki-shi, Hyogo 720 units *1,2)	PROUD CITY Shiki-Honcho (Shiki-shi, Saitama 402 units)	Nayabashi East District Redevelopment Project (Naka-ku, Nagoya-shi 214 units *2)

\*1 Projects to be posted in several fiscal years \*2 Joint-venture projects (The number refers to the Company's allotments.)

Unit numbers and schedule of projects above are subject to change.



PROUD CITY Kaga-Gakuen-dori



Sakurajosui Gardens



OHANA Hachioji Oak Court

# 【Segment Information: Leasing Business】

Both revenue and income decreased due to a partial moving of Toshiba Corporation from Hamamatsucho Building and a decrease in the sale of properties.

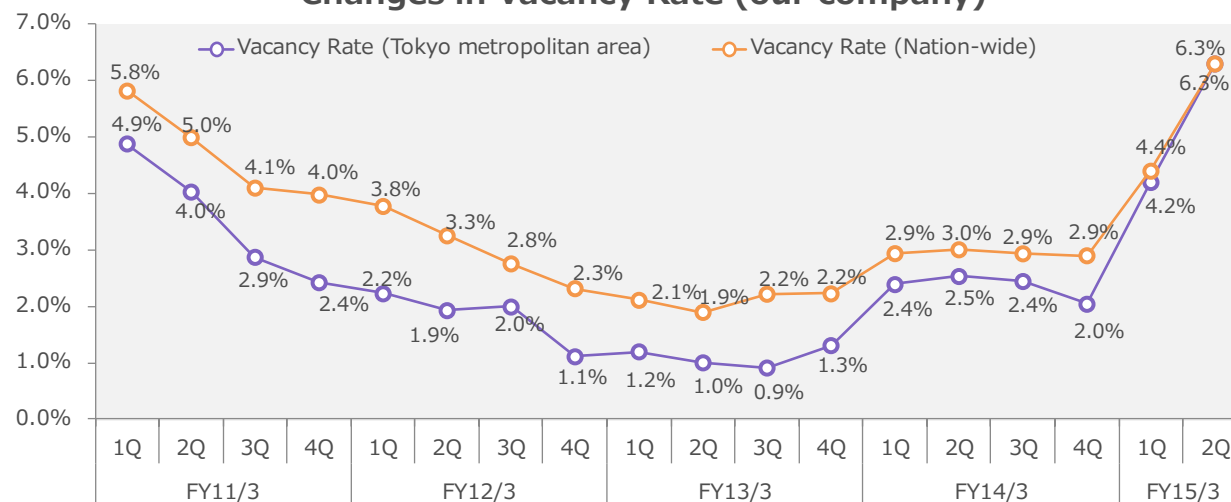
Vacancy rate as of the end of 2Q rose to 6.3% due to the moving. However, the leasing activity of the office is going well.

(Billions of yen)	FY14/3 2Q Actual ①	FY15/3 2Q Actual ②	Changes ②－①	FY14/3 Actual ③	FY15/3 Revised Forecast ④	Changes ④－③	FY15/3 Initial Forecast ⑤	Changes ④－⑤	
Operating revenue	49.5	48.0	－1.5	99.8	96.0	－3.8	88.0	+ 8.0	Forecast revision+4.0 Adjustments, etc. +4.0
Leasing (offices)	23.4	23.3	－0.1	48.1	—	—	—	—	
Leasing (retail facilities)	5.1	5.2	+0.1	10.5	—	—	—	—	
Leasing (other)	2.5	2.7	+0.2	5.1	—	—	—	—	
Property development	11.7	8.8	－2.8	25.6	—	—	—	—	
Other	6.6	7.7	+1.1	10.4	—	—	—	—	
Operating income	14.1	13.1	－1.0	26.8	23.5	－3.3	22.0	+ 1.5	Forecast revision+2.0 Adjustments, etc. －0.5
Rentable floor area (sqm)	846,936	888,353	+41,417	855,197	—	—	—	—	
Offices	740,138	781,752	+41,614	748,596	—	—	—	—	
Retail facilities	106,799	106,601	－198	106,601	—	—	—	—	
Vacancy rate	3.0%	6.3%	+ 3.3P	2.9%	—	—	—	—	

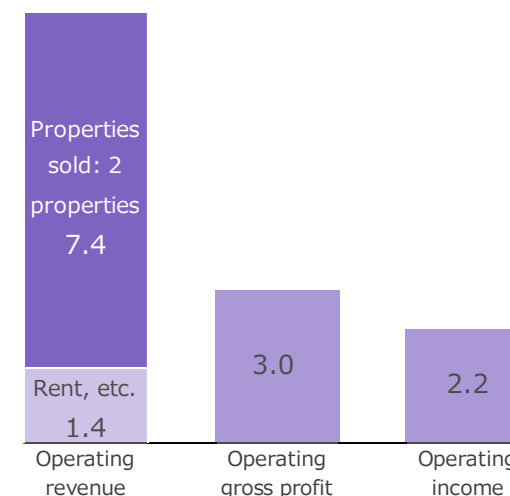
\* Leasing (offices) includes subleasing properties

【Reference】 Rent revenue change analysis	Changes	
Newly completed buildings	+ 2.2	LAZONA Kawasaki Toshiba Building, etc.
Existing buildings	－1.8	Hamamatsucho Building (Toshiba Building), etc.
Sold / Termination	－0.5	Termination of sublease agreements for some sublease properties, etc.

Changes in Vacancy Rate (our company)



Breakdown of Property Development



## 【Reference】 Promotion of Large-scale Redevelopment & Complex Development Business for Business Use in Central Tokyo (1)

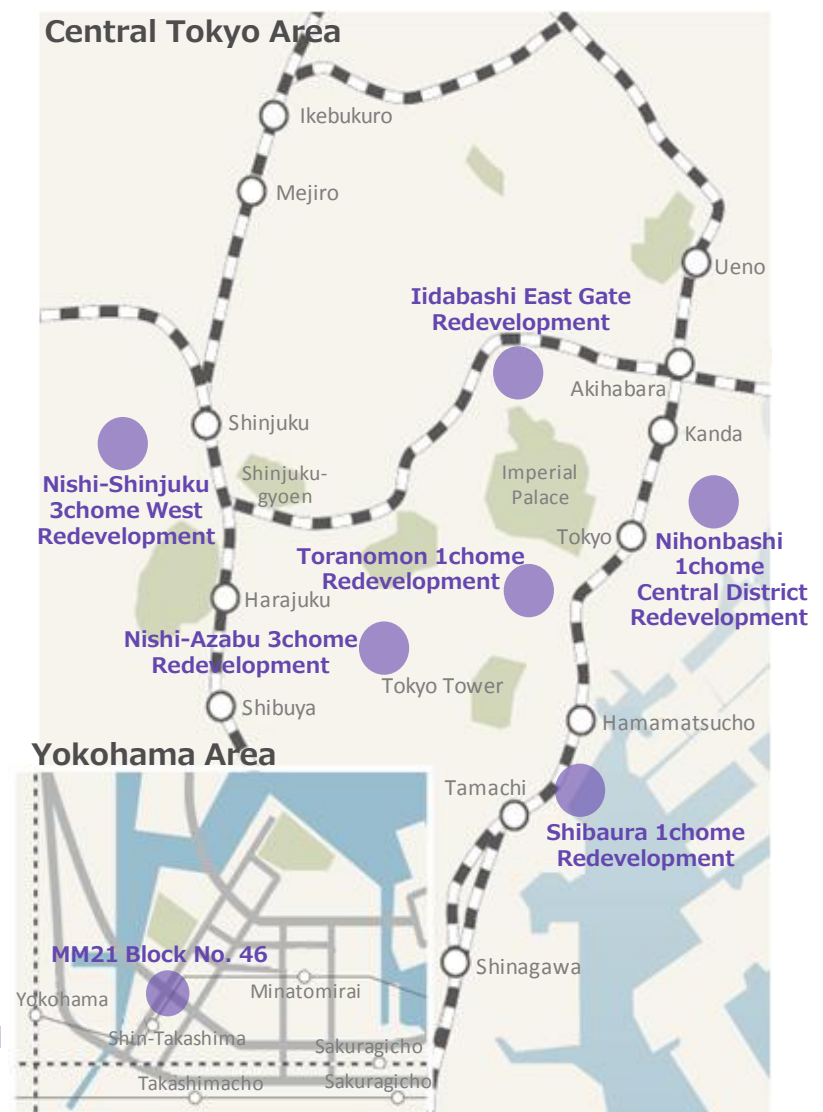
- We promote the redevelopment business of offices, retail facilities and others mainly in central Tokyo area where the relaxation of regulations is expected.

### Major Large-scale Redevelopment & Complex Development (business use)

Project name	Main use	Construction schedule		
		Phase I (FY15/3 & FY16/3)	Phase II (FY17/3 - FY19/3)	Phase III (FY20/3 - FY22/3)
MM21 Block No. 46	Office	Start	Complete	
Toranomon 1chome Redevelopment	Office		Start	Complete
Nishi-Azabu 3chome Redevelopment* (Proposed for National Strategic Special Zone)	Retail Residential		Start	Complete
Iidabashi East Gate Redevelopment	Office Residential			Start Complete
Nishi-Shinjuku 3chome West Redevelopment*	Retail Residential			Start
Shibaura 1chome Redevelopment* (Proposed for National Strategic Special Zone)	Office Retail			TBD
Nihonbashi 1chome Central District Redevelopment*	Office			TBD

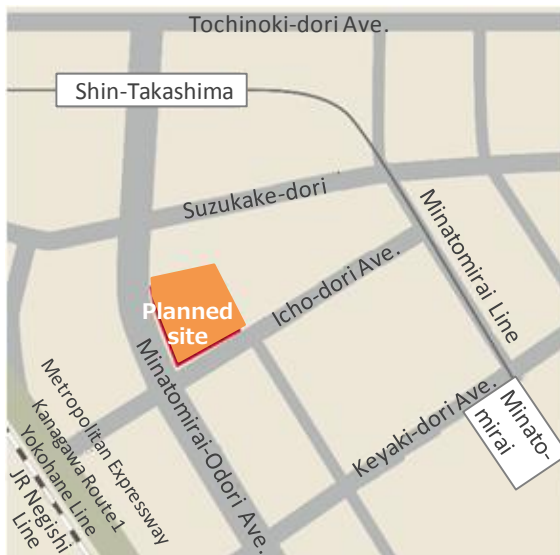
\*JV Project

All projects are currently in the planning stage and subject to change going forward.





## MM21 Block No. 46



Location:  
Block No. 46, Minato Mirai 21  
Central District, Yokohama-shi,  
Kanagawa

No. of stories :  
16 stories above ground

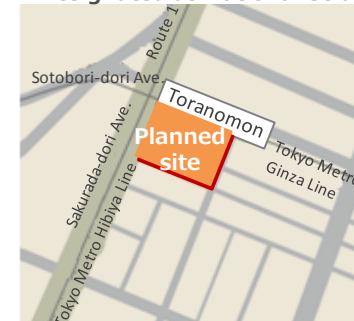
Area slated for redevelopment:  
About 0.9ha

Total floor area:  
About 80,000m<sup>2</sup>

Schedule:  
Plan to break ground in 2015,  
complete in 2017

## Toranomon 1chome Redevelopment

\*Designated as National Strategic Special Zone



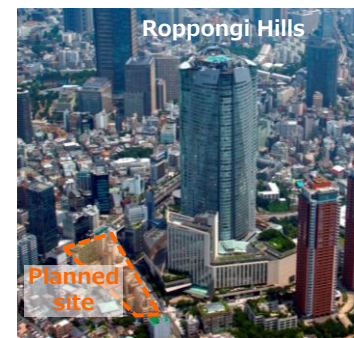
Location:  
Toranomon 1chome, Minato-ku

No. of stories:  
21 stories above ground /  
3 stories underground

Area slated for redevelopment:  
About 0.4ha

Area to be acquired: About 11,000m<sup>2</sup>

Schedule: Plan to break ground  
in 2017, complete in 2020



Location:  
Nishi-Azabu 3chome, Minato-ku

No. of stories:  
55 stories above ground /  
2 stories underground

Area slated for redevelopment:  
About 1.6ha

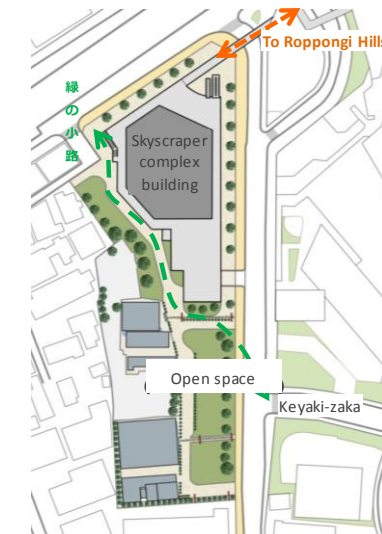
Our share of housing units:  
About 520 units

Area for office and retail (plan):  
About 5,000m<sup>2</sup>

Schedule: Plan to break ground  
in 2018, complete in 2022

## Nishi-Azabu 3chome Redevelopment

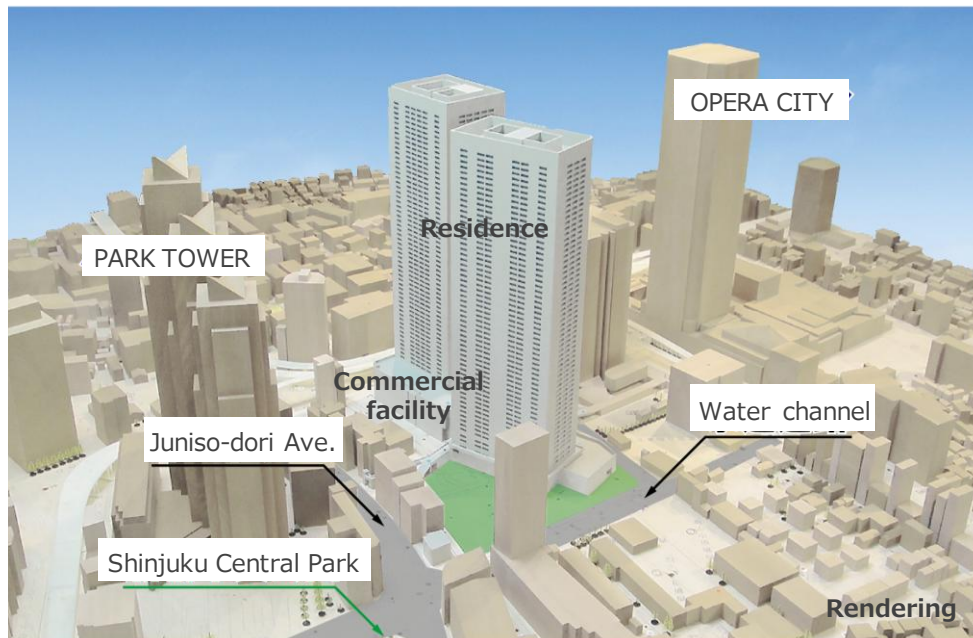
\*Proposed for National Strategic Special Zone



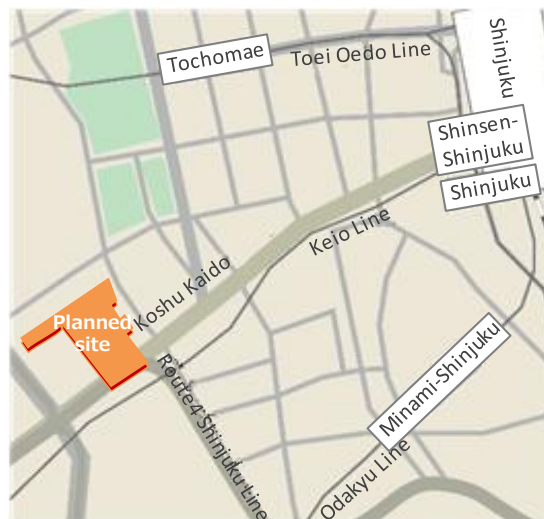
\*All projects are currently in the planning stage and subject to change going forward.



## Nishi-Shinjuku 3chome West Redevelopment

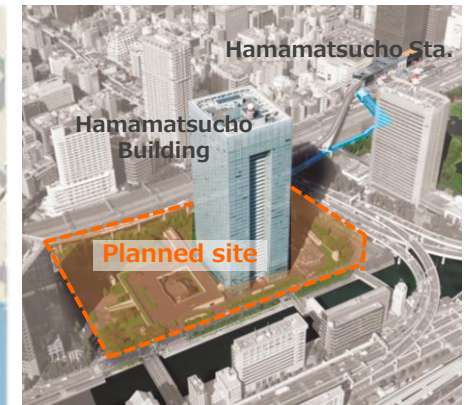
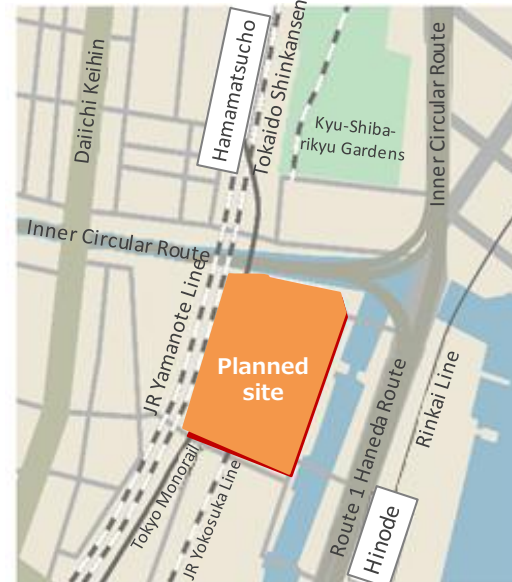


Location:  
Nishi-Shinjuku 3chome,  
Shinjuku-ku  
No. of stories :  
65 stories above ground  
Area slated for redevelopment:  
About 4.6ha  
Total No. of condominiums:  
About 3,100 units  
Our share:  
About 650 units  
Retail facility (area to be  
acquired):  
About 15,000m<sup>2</sup>  
Schedule:  
Plan to break ground in 2019



## Shibaura 1chome Redevelopment

(Hamamatsucho Building) \*Proposed for National Strategic Special Zone

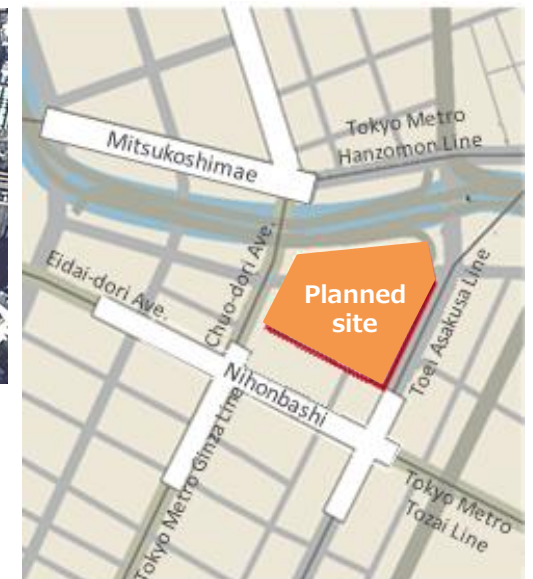


Location: Shibaura 1chome, Minato-ku  
No. of stories: TBD  
Area slated for redevelopment:  
About 4.3ha  
Total floor area: TBD  
Schedule: TBD

## Nihonbashi 1chome Central District



Location:  
Nihonbashi 1chome, Chuo-ku  
No. of stories: TBD  
Area to be acquired: TBD  
Schedule: TBD



\*Photo credit ... MILT Tokyo National Highway Office

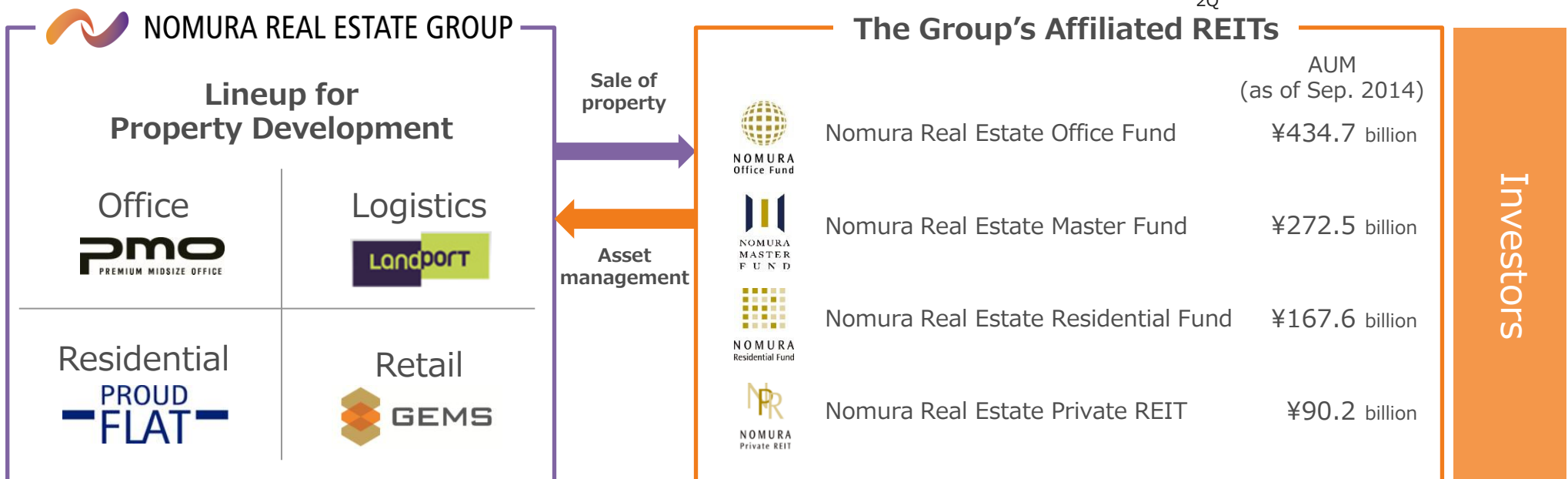
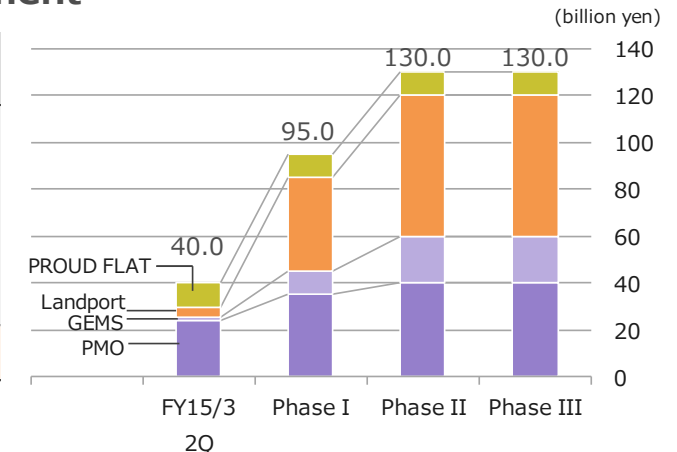
\*All projects are currently in the planning stage and subject to change going forward.

## 【Reference】 Expansion of Property Development Business & Mutual Growth in Corporation with the Group's Affiliated REITs (1)

- We aim to expand assets of properties for sale to 130 billion yen by FY19/3 of Phase II.
- We promote increased assets of properties for sale, accelerated mutual growth in cooperation with the Group's affiliated REITs, and increased property management fees.

### Expansion Plan of Property Development

(Billions of yen)	FY15/3 2Q Assets	Phase I (FY16/3)	Phase II (FY17/3 - FY19/3)	Phase III (FY20/3 - FY22/3)
PMO (office)	23.8	35.0	40.0	40.0
GEMS (retail)	1.5	10.0	20.0	20.0
Landport (logistics)	4.4	40.0	60.0	60.0
PROUD FLAT (residential)	10.3	10.0	10.0	10.0
Expansion Plan of Property Development	40.0	95.0	130.0	130.0





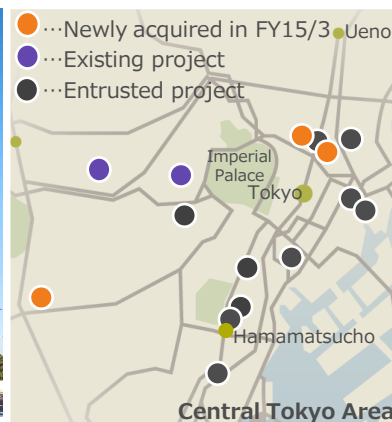
## Office 「PMO」



PMO Nihonbashi-Kayabacho



PMO Shibakoen



Name	Location	Completion	Status
PMO Tamachi	Shiba, Minato-ku	2014/2	In operation
PMO Ginza 8chome	Ginza, Chuo-ku	2014/4	In operation
PMO Nihonbashi-Kayabacho	Nihonbashi-Kayabacho, Chuo-ku	2014/8	In operation
PMO Shibakoen	Shibakoen, Minato-ku	2014/7	In operation
PMO Shibadaimon	Shibadaimon, Minato-ku	2014/9	In operation
PMO Nihonbashi Edo-dori Project	Nihonbashi-Kodenmacho, Chuo-ku	2016/6 (plan)	In construction
PMO Hirakawacho Project	Hirakawacho, Chiyoda-ku	2015/12 (plan)	In construction
PMO Nihonbashi-Honcho 3chome Project	Nihonbashi-Honcho, Chuo-ku	2016/2 (plan)	In construction
PMO Nihonbashi-Kabutocho Project	Nihonbashi-Kabutocho, Chuo-ku	2016/11 (plan)	In planning
PMO Nishi-Shinbashi Project	Nishi-Shinbashi, Minato-ku	2017/10 (plan)	In planning
PMO Shinjuku-Gyoen Project (Entrusted)	Shinjuku, Shinjuku-ku	2018/2 (plan)	In construction
PMO Hanzomon Project (Entrusted)	Kojimachi, Chiyoda-ku	2017/2 (plan)	In construction
PMO Nihonbashi-Honcho II Project	Nihonbashi-Honcho, Chuo-ku	2016/12 (plan)	In construction
PMO Shibuya 1chome Project	Shibuya, Shibuya-ku	2017/5 (plan)	In planning
PMO Uchi-Kanda Project	Uchi-Kanda, Chiyoda-ku	2018/2 (plan)	In planning

Property acquired in FY15/3

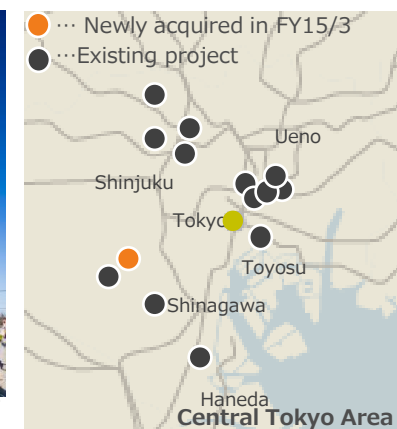
## Residential 「PROUD FLAT」



PROUD FLAT Tsurumi I



PROUD FLAT Sangenjaya II



Name	Location	No. of units	Completion	Status
PROUD FLAT Tsurumi I	Yokohama-shi, Kanagawa	200 units	2009/3	In operation
PROUD FLAT Sangenjaya II	Setagaya-ku, Tokyo	70 units	2014/1	In operation
PROUD FLAT Hatchobori	Chuo-ku, Tokyo	33 units	2014/6	In operation
PROUD FLAT Itabashi-Honcho	Itabashi-ku, Tokyo	41 units	2014/7	In operation
Kotobashi 1chome Project	Sumida-ku, Tokyo	36 units	2015/1 (plan)	In construction
Minami-Oi 6chome Project	Shinagawa-ku, Tokyo	49 units	2014/11 (plan)	In construction
Higashi-Kanda 1chome Project	Chiyoda-ku, Tokyo	38 units	2015/3 (plan)	In construction
Higashi-Nakano 5chome Project	Nakano-ku, Tokyo	49 units	2015/3 (plan)	In construction
Chitose 2chome Project	Sumida-ku, Tokyo	46 units	2015/10 (plan)	In construction
Nihonbashi-Honcho 4chome Project	Chuo-ku, Tokyo	40 units	2015/7 (plan)	In construction
Shinjuku-ku Enokicho Project	Shinjuku-ku, Tokyo	35 units	2015/4 (plan)	In construction
Meguro-Honcho II Project	Meguro-ku, Tokyo	36 units	2015/7 (plan)	In planning
Sotokanda 2chome Project	Chiyoda-ku, Tokyo	75 units	2016/3 (plan)	In planning
Sugamo II Project	Toshima-ku, Tokyo	33 units	2015/11 (plan)	In planning
Tomigaya 2chome Project	Shibuya-ku, Tokyo	30 units	2016/1 (plan)	In planning
Noborito Project	Kawasaki-shi, Kanagawa	79 units	2016/3 (plan)	In planning

Property acquired in FY15/3



## Retail Facilities 「GEMS」



GEMS Shibadaimon



GEMS Ichigaya



Nomura Fudosan  
Kichijoji Building



- ... Newly acquired in FY15/3
- ... Existing project



Name	Location	Completion	Status
Nomura Fudosan Kichijoji Building	Kichijoji-Honcho, Musashino-shi	2014/7	In operation
GEMS Ichigaya	Rokubancho, Chiyoda-ku	2014/10	Completed
GEMS Daimon Project	Shibadaimon, Minato-ku	2016/2 (plan)	In construction
GEMS Kanda Project	Chiyoda-ku (Kanda area)	2016/6 (plan)	In planning
GEMS Nishi-Shinjuku Project	Shinjuku-ku (Nishi-Shinjuku area)	2017/10 (plan)	In planning
GEMS Tamachi Project	Minato-ku (Tamachi area)	2017/10 (plan)	In planning

Property acquired in FY15/3

## Logistics Facilities 「Landport」



Landport  
Iwatsuki



- ... Newly acquired in FY15/3
- ... Existing project



Name	Location	Completion	Status
Landport Hachioji II Project	Hachioji-shi, Tokyo	2016/8 (plan)	In planning
Landport Kashiwanuma-Minami Project	Kashiwa-shi, Chiba	2016/3 (plan)	In planning
Landport Kashiwa-Washinoya Project	Kashiwa-shi, Chiba	2016/1 (plan)	In planning
Landport Iwatsuki Project	Saitama-shi, Saitama	2016/8 (plan)	In planning
Landport Takatsuki Project	Takatsuki-shi, Osaka	2017/6 (plan)	In planning

Property acquired in FY15/3

# Reference 【Leasing】 The Group's Major Buildings

	Name	Location	Leased floor area *Our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	156,362m <sup>2</sup>	1990/1, etc.
2	Hamamatsucho Building (Toshiba Building)	Minato-ku, Tokyo	86,350m <sup>2</sup>	1984/3
3	LAZONA Kawasaki Toshiba Building	Saiwai-ku, Kawasaki-shi, Kanagawa	78,609m <sup>2</sup>	2013/3
4	LAZONA Kawasaki Plaza	Saiwai-ku, Kawasaki-shi, Kanagawa	46,988m <sup>2</sup>	2006/9
5	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,466m <sup>2</sup>	1978/5
6	Fukagawa GATHARIA Tower N	Koto-ku, Tokyo	27,688m <sup>2</sup>	2007/1
7	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,259m <sup>2</sup>	2010/9
8	Nomura Real Estate Musashikosugi Building N Wing & S Wing	Nakahara-ku, Kawasaki-shi, Kanagawa	20,519m <sup>2</sup>	2010/3
9	Umeda Sky Building	Kita-ku, Osaka-shi, Osaka	19,425m <sup>2</sup>	1993/3
10	bono Sagamiono Shopping Center	Minami-ku, Sagamihara-shi, Kanagawa	16,380m <sup>2</sup>	2013/1
11	Midosuji Nomura Building	Chuo-ku, Osaka-shi, Osaka	13,428m <sup>2</sup>	2009/2



Hamamatsucho Building  
(Toshiba Building)



Nihonbashi Muromachi  
Nomura Building



Shinjuku Nomura Building



Nomura Real Estate  
Musashikosugi Building N Wing



LAZONA Kawasaki  
Toshiba Building



Fukagawa  
GATHARIA Tower N



LAZONA Kawasaki Plaza



Yokohama Business Park



bono Sagamiono Shopping Center



Umeda Sky Building



Midosuji Nomura  
Building

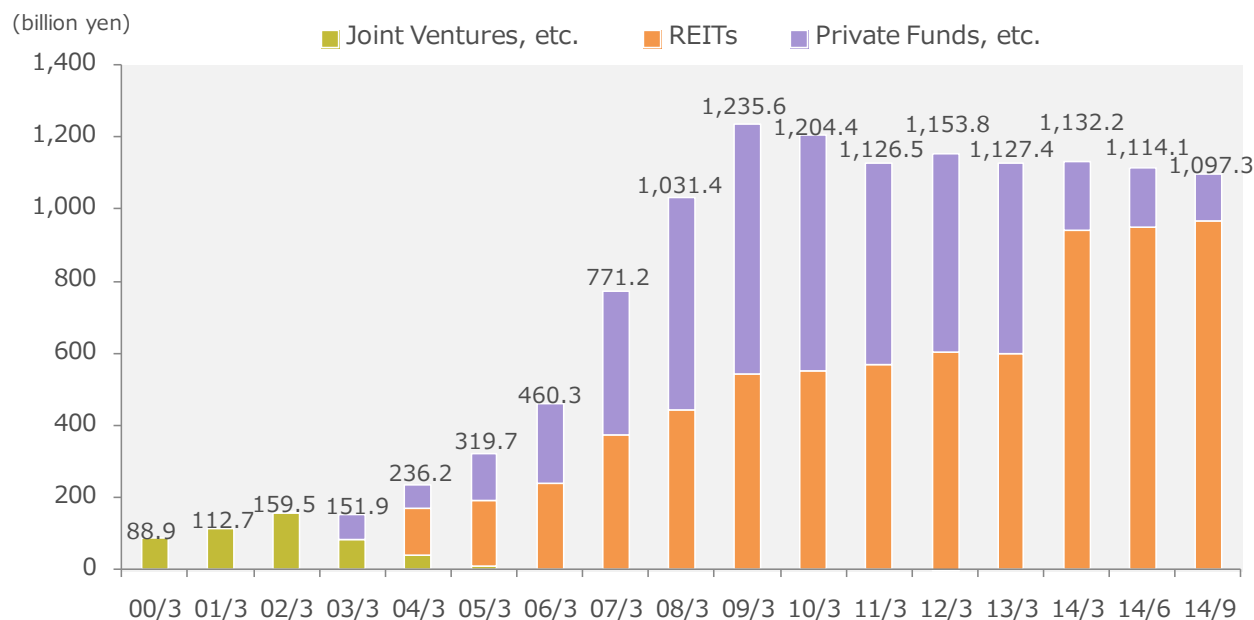
# 【Segment Information: Investment Management Business】

Both revenue and income decreased due to the recording of asset acquisition fee related to the listing of Nomura Real Estate Master Fund in FY14/3.

(Billions of yen)	FY14/3 2Q Actual ①	FY15/3 2Q Actual ②	Changes ②－①	FY14/3 Actual ③	FY15/3 Revised Forecast ④	Changes ④－③	FY15/3 Initial Forecast ⑤	Changes ④－⑤
Operating revenue	7.4	4.5	－2.8	18.3	9.0	－9.3	9.0	±0
Operating income	4.8	2.3	－2.5	7.9	4.5	－3.4	5.0	－0.5
Assets under management	1,090.3	1,097.3	+7.0	1,132.2	—	—	—	—
REITs	890.0	965.2	+75.1	941.3	—	—	—	—
Private funds, etc.	200.3	132.1	－68.1	190.8	—	—	—	—

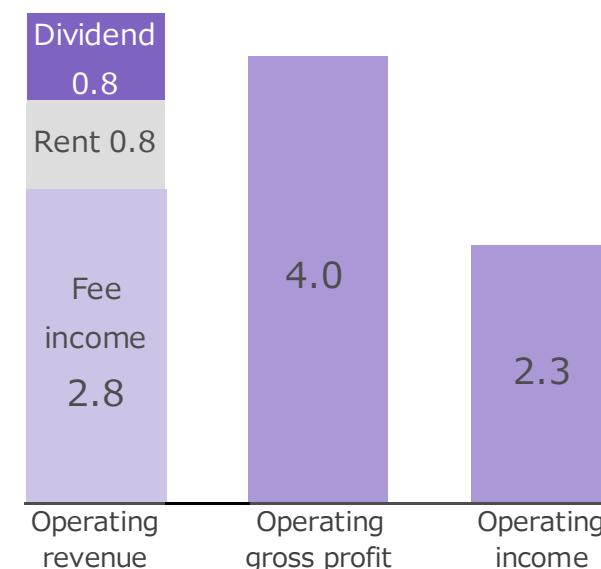
Forecast revision－0.5

## Changes in Assets under Management



## Breakdown of Revenue

Operating revenue: ¥4.5 billion

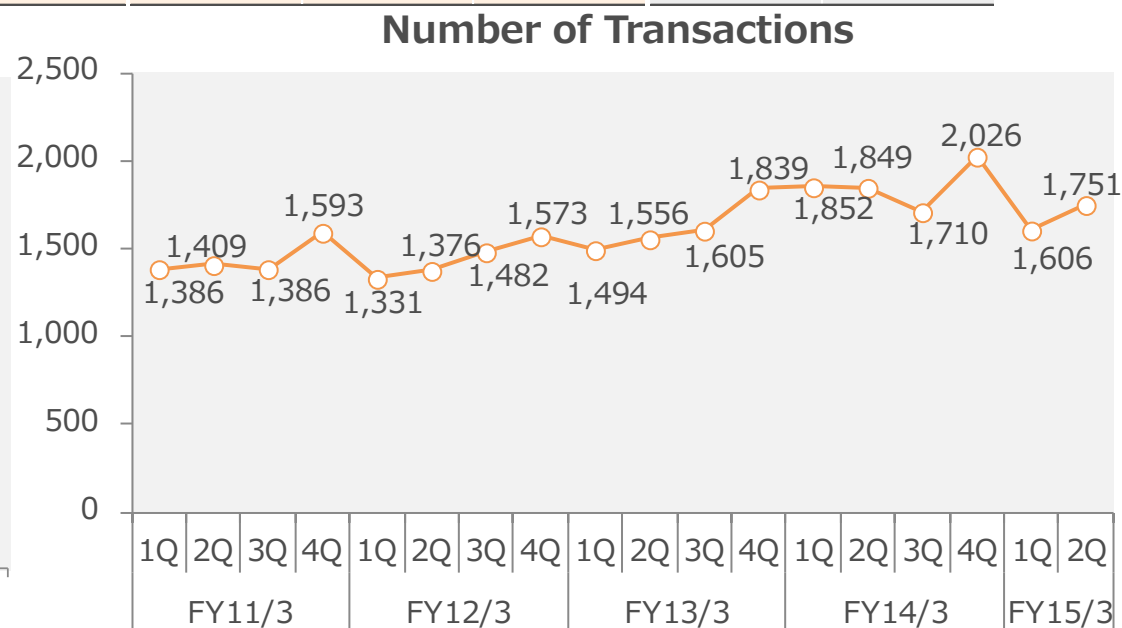
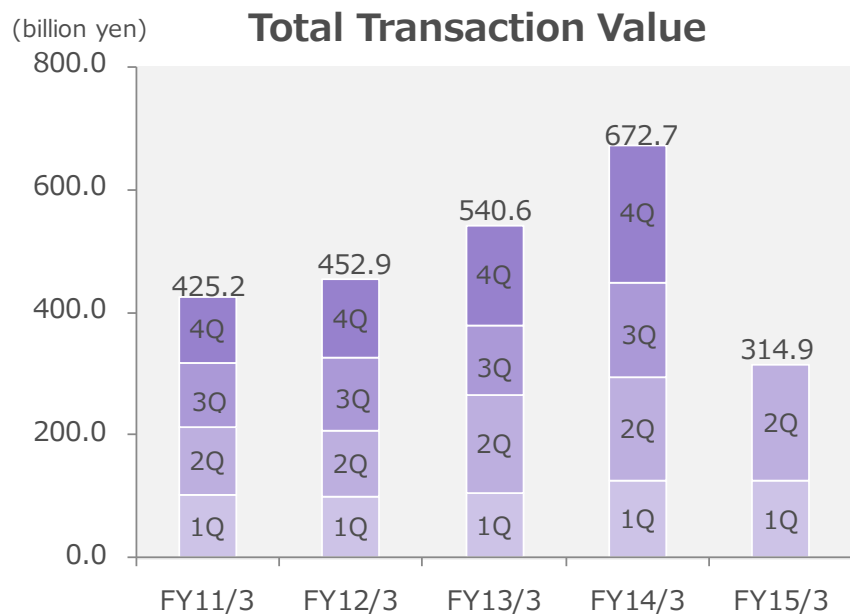




# 【Segment Information: Property Brokerage & CRE Business】

- In property brokerage, total transaction value is on the increase though the number of transactions decreased. The number of retail stores has stably expanded to 58 mainly in Tokyo.

(Billions of yen)	FY14/3 2Q Actual ①	FY15/3 2Q Actual ②	Changes ②－①	FY14/3 Actual ③	FY15/3 Revised Forecast ④	Changes ④－③	FY15/3 Initial Forecast ⑤	Changes ④－⑤	
Operating revenue	13.2	13.3	+0.1	29.1	27.0	-2.1	28.0	-1.0	Forecast revision -1.0
Property brokerage	11.2	11.2	-0.0	24.5	—	—	—	—	
Other	2.0	2.1	+0.1	4.6	—	—	—	—	
Operating income	3.2	3.1	-0.1	8.1	6.0	-2.1	7.5	-1.5	Forecast revision -1.0 Adjustments, etc. -0.5
【Brokerage indicators】									
Total transaction value (billion yen)	294.5	314.9	+20.3	672.7	—	—	—	—	
Number of transactions	3,701	3,357	-344	7,437	—	—	—	—	
Commission fee (billion yen)	11.2	11.2	-0.0	24.5	—	—	—	—	
Commission rate (%)	3.8%	3.6%	-0.2P	3.6%	—	—	—	—	
Number of retail stores	54	58	+4	56	—	—	—	—	

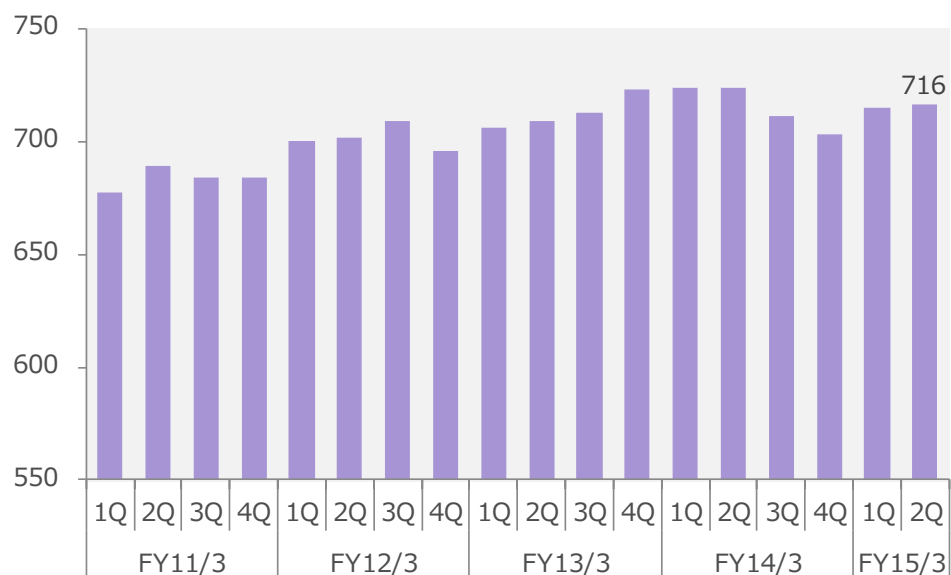


# 【Segment Information: Property & Facility Management Business】

- An increase in income from property and facility management and construction ordered resulted in higher revenue.

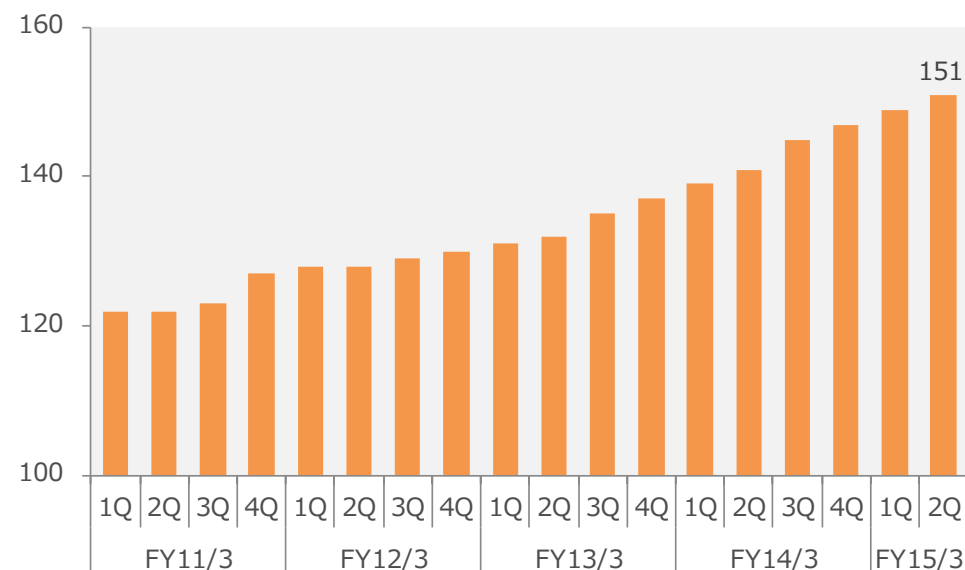
(Billions of yen)	FY14/3 2Q Actual ①	FY15/3 2Q Actual ②	Changes ②－①	FY14/3 Actual ③	FY15/3 Revised Forecast ④	Changes ④－③	FY15/3 Initial Forecast ⑤	Changes ④－⑤
Operating revenue	32.4	33.5	+1.0	72.1	73.0	+0.8	73.0	±0
Property & facility management	25.0	25.3	+0.2	50.9	—	—	—	—
Construction ordered	7.3	8.1	+0.7	21.1	—	—	—	—
Operating income	2.0	2.0	+0.0	5.1	5.0	−0.1	5.0	±0
Buildings under management	724	716	−8	703	—	—	—	—
Condominiums under management	141,712	151,641	+9,929	147,516	—	—	—	—

## Buildings under Management



## Housings under Management

(thousand unit)



# 【Segment Information: Other Business】

- Both revenue and income decreased due to a decrease in the sale of inventories.

(Billions of yen)	FY14/3 2Q Actual ①	FY15/3 2Q Actual ②	Changes ②－①	FY14/3 Actual ③	FY15/3 Revised Forecast ④	Changes ④－③	FY15/3 Initial Forecast ⑤	Changes ④－⑤	
Operating revenue	9.7	8.0	－1.7	18.6	18.0	－0.6	17.0	+ 1.0	Forecast revision + 1.0
Operating income	0.2	－0.0	－0.3	0.5	0.0	－0.5	0.5	－0.5	Forecast revision －0.5
Members of MEGALOS	139,857	145,902	+ 6,045	141,564	—	—	—	—	
Number of clubs	27	28	+ 1	27	—	—	—	—	



MEGALOS Nakanobu (tentative name)  
(Plan to open in June 2015)



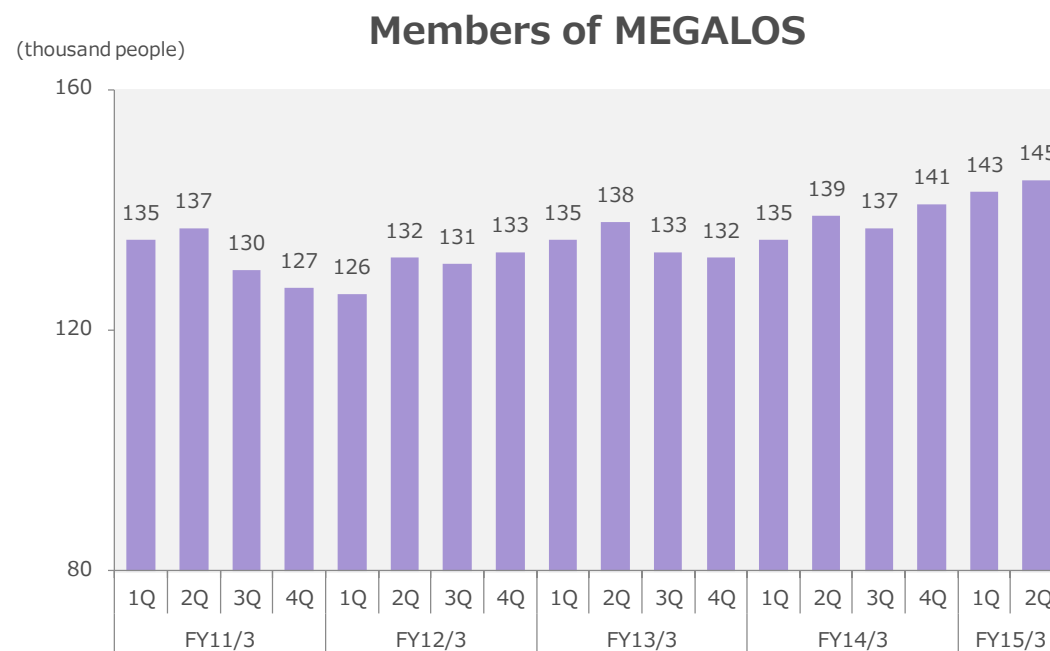
Dayos24 Narimasu  
(Opened in January 2014)



Dayos24 Unoki-Ekimae  
(Opened in June 2014)



Dayos24 Idogaya  
(Opened in October 2014)



## Initiatives in New Business Fields

- **Promotion of senior business**
  - We officially determined the commercialization of senior business after a review by a dedicated task force.
  - Senior Business Planning Dept. will be newly established in November 2014.
- **Promotion of overseas business**
  - International Dept. was established in April 2014. We are considering to expand business overseas targeting Asian countries.
- **Promotion of energy business**
  - Our property and facility management company decided to enter high-pressure bulk electricity supply service for entire condominium buildings business in September 2014.

Nomura Real Estate Holdings, Inc.  
Corporate Communications & Investor Relations Dept.

General Manager	Daisuke Kitai
Manager	Yusuke Hirano
	Hideaki Chikusa
	Akari Nishiyama
TEL	+81-3-3348-8117
E-mail	info@nomura-re-hd.com

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