



May 1, 2020

Consolidated Financial Results

For the Fiscal Year Ended March 31, 2020

<under Japanese GAAP>

Note: The accompanying consolidated financial statements were not audited since they have been prepared only for reference purpose. All statements were based on Tanshin report prepared in accordance with the provisions set forth in accounting regulations and principals generally accepted in Japan.

Name of company listed :	Nomura Real Estate Holdings, Inc.
Shares traded :	TSE (First section)
Code number :	3231
URL :	http://www.nomura-re-hd.co.jp/english/
Representative :	Eiji Kutsukake, President and Representative Director
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Date of Ordinary General Meeting of shareholders:	June 23, 2020
Scheduled starting date for dividend payments:	June 9, 2020
Scheduled submitting date of securities report:	June 23, 2020
Preparation of explanatory materials for financial results :	Yes
Information meetings arranged related to financial results :	Yes (for institutional investors and analysts, in Japanese)

(Values of less than one million yen rounded down)

I. Consolidated operating results for the fiscal year from April 1, 2019 to March 31, 2020

(1) Consolidated business results

(% indicates the rate of changes from previous fiscal year)

	Operating revenue		Operating profit		Business profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2019	676,495	1.2	81,905	3.5	82,833	4.0	73,077	5.4	48,886	6.6
FY2018	668,510	7.2	79,162	3.3	79,623	-	69,323	1.9	45,873	(0.3)

(Note) Comprehensive income: FY2019: 46,084 million yen (down 3.6%) FY2018: 47,795 million yen (up 9.6%)

(Note) Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit margin on total assets	Operating profit margin
	Yen	Yen	%	%	%
FY2019	267.21	265.88	9.1	4.1	12.1
FY2018	245.99	244.55	8.9	4.0	11.8

(Reference) Share of profit (loss) of entities accounted for using equity method: FY2019: 313 million yen FY2018: 167 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
Mar. 31, 2020	1,801,273	565,120	30.5	3,031.15
Mar. 31, 2019	1,759,455	541,562	29.9	2,854.21

(Reference) Shareholders' equity: As of March 31, 2020: 550,177 million yen As of March 31, 2019: 526,748 million yen

(3) Consolidated cash flows

	Cash flows from (used in) operating activities	Cash flows from (used in) investing activities	Cash flows from (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2019	56,618	(30,490)	(66,821)	77,611
FY2018	89,964	(46,699)	13,723	118,330

II. Dividends

	Dividend per share					Total amount of dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2018	-	37.50	-	37.50	75.00	14,001	30.5	2.7
FY2019	-	40.00	-	40.00	80.00	14,729	30.1	2.7
FY2020 (Forecast)	-	40.00	-	40.00	80.00		-	

(Note) Revision of dividend forecasts during this quarter: None

(Note) The total amount of dividends include the amount of dividends paid to the executive compensation BIP (Board Incentive Plan) trust and the ESOP (Employee Stock Ownership Plan) trust for granting stock (73 million yen in the fiscal year ended March 31, 2019 and 157 million yen in the fiscal year ended March 31, 2020). The payout ratio is calculated by dividing the total amount of dividends by the profit attributable to owners of parent.

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2020 to March 31, 2021

Forecasts of consolidated operating results for fiscal year ending March 31, 2021 is to be determined, as it is difficult to reasonably calculate the impact of the spread of novel coronavirus disease (COVID-19) on business activities and business results. The information will be disclosed once it is possible to make rational calculations in future.

*** Notes**

- (1) Significant changes to subsidiaries during the period (Changes in scope of consolidation of specified subsidiaries): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements
 - 1) Changes in accounting policies due to revision of accounting standards, etc. : None
 - 2) Changes in accounting policies other than the above : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None

(3) Number of shares issued (common stock)

	As of Mar. 31	As of Mar. 31
	2020	2019
1) Number of shares issued at end of period (including treasury shares)	192,875,301	192,373,101
2) Treasury shares at end of period	11,367,181	7,821,664
	Fiscal year ended	Fiscal year ended
	March 31, 2020	March 31, 2019
3) Average number of shares outstanding during the period	182,954,299	186,489,418

(Note) 1,968,017 shares of the Company's share owned by executive compensation BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust for granting stock are included to the number of treasury shares at end of period. 1,937,442 shares owned by the executive compensation BIP (Board Incentive Plan) trust and the ESOP (Employee Stock Ownership Plan) trust for granting stock trust are also included to the number of treasury shares deducted in the calculation of average number of shares outstanding during the period.

* This Consolidated Financial Results is not required to be audited by certified public accountants or audit corporations.

* Proper use of forecasts of operating results, and other special matters

Forecasts of consolidated operating results for the fiscal year ending March 31, 2021 is to be determined as it is difficult to calculate reasonably. The information will be disclosed once it is possible to make rational calculations in future.

(How to obtain the fact sheets)

The fact sheets will be disclosed on TDnet on May 1, 2020 and will be uploaded on the Company's website.

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1. Business Results and Financial Position

(1) Business Results

In this business environment, the Nomura Real Estate Group (the “Group”) posted the following consolidated performance for this consolidated fiscal year: Operating revenue of 676,495 million yen, which represents an increase of 7,985 million yen, or 1.2% year on year; operating profit of 81,905 million yen, an increase of 2,743 million yen, or 3.5%; business profit of 82,833 million yen, an increase of 3,209 million yen, or 4.0%; ordinary profit of 73,077 million yen, an increase of 3,754 million yen, or 5.4%; and profit attributable to owners of parent of 48,886 million yen, an increase of 3,012 million yen, or 6.6%.

(Note) Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

An overview of business unit achievements is given below:

Operating revenue for each business unit includes internal sales and transfer amount among business units. Due to the rounding of fractions, total figures may not match.

From this consolidated fiscal year, Leasing Business Unit has been renamed Commercial Real Estate Business Unit. Nomura Real Estate Life & Sports Co., Ltd., and the senior business of Nomura Real Estate Wellness Co., Ltd. and Nomura Real Estate Development Co., Ltd., which had been classified under the Property & Facility Management Business Unit, have been reclassified under the Commercial Real Estate Business Unit and the Residential Development Business Unit, respectively. The rental housing business of Nomura Real Estate Development Co., Ltd., which had been classified under the Commercial Real Estate Business Unit, has been reclassified under the Residential Development Business Unit.

In line with this change, the financial results of the fiscal year ended March 31, 2019 are calculated under the new classification.

As a result of the transfer of a portion of shares in NF Power Service Co., Ltd., the company ceased being a consolidated subsidiary on April 1, 2019.

<Residential Development Business Unit>

Operating revenue in this business unit totaled 334,710 million yen, which represents a decrease of 40,663 million yen, or 10.8% year on year, and business profit totaled 24,905 million yen, which represents a decrease of 126 million yen, or 0.5% year on year, resulting in decreases in both operating revenue and business profit compared with the previous fiscal year.

This was mainly due to a decrease in the number of housing units sold in the housing sales business, but the gross profit margin ratio for this business improved to 20.4% (19.1% in the previous fiscal year), and our business profit is at the same level compared with the previous fiscal year.

In regard to housing sales, 4,739 units were recorded as sales (a decrease of 1,151 units year on year), including PROUD Ebisu Hillside Garden (Shibuya-ku, Tokyo), PROUD CITY Hiyoshi Residence I (Kohoku-ku, Yokohama-shi, Kanagawa), OHANA Hashimoto (Midori-ku, Sagami-hara-shi, Kanagawa), PROUD TOWER Nagoya Hisaya Odori Park (Higashi-ku, Nagoya-shi, Aichi) for condominiums, and PROUD SEASON Setagaya Kinuta (Setagaya-ku, Tokyo) for detached housings.

Number of units, sales, and outstanding contract amount as sold for the joint-venture projects are calculated based on the Group’s share.

Breakdown of operating revenue

		FY2018 (From April 1, 2018 to March 31, 2019)		FY2019 (From April 1, 2019 to March 31, 2020)	
		Housing units sold	Operating revenue (Millions of yen)	Housing units sold	Operating revenue (Millions of yen)
Housing sales	Tokyo metropolitan area	4,295 units	264,695	3,448 units	225,349
	Kansai area	830 units	40,719	690 units	36,149
	Other	764 units	36,641	600 units	32,878
	Subtotal (Detached housing)	5,890 units (647 units)	342,055 (44,378)	4,739 units (470 units)	294,376 (30,780)
Rental Housing (Note)			12,237		19,001
Senior / Others		-	21,079	-	21,332
Total		-	375,373	-	334,710

(Note) Rental Housing refers to properties developed for real estate investment market.

Housing sales Period-end completed housing inventory (released for sale)

	As of March 31, 2019	As of March 31, 2020
Tokyo metropolitan area	147 units	261 units
Kansai area	62 units	5 units
Other	19 units	55 units
Total	229units	321 units
(Detached housing)	(35 units)	(22 units)

Housing sales Period-end completed housing inventory (unreleased)

	As of March 31, 2019	As of March 31, 2020
Total	47 units	187 units
(Detached housing)	(9 units)	(3 units)

Housing sales Contracted but not recorded as housing sales

	As of March 31, 2019		As of March 31, 2020	
	Housing units	Outstanding contract amount (Millions of yen)	Housing units	Outstanding contract amount (Millions of yen)
Tokyo metropolitan area	2,204 units	156,292	2,067 units	154,938
Kansai area	410 units	21,694	248 units	14,097
Other	381 units	22,222	295 units	17,039
Total	2,996 units	200,209	2,611 units	186,075
(Detached housing)	(21 units)	(1,608)	(60 units)	(3,604)

<Commercial Real Estate Business Unit >

Operating revenue in this business unit totaled 215,820 million yen, which represents an increase of 44,208 million yen, or 25.8% year on year, and business profit totaled 39,238 million yen, an increase of 1,195 million yen, or 3.1%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

This was mainly due to increases in revenues of properties for sales.

Breakdown of operating revenue

	FY2018 (From April 1, 2018 to March 31, 2019) (Millions of yen)	FY2019 (From April 1, 2019 to March 31, 2020) (Millions of yen)
Leasing (offices)	53,975	48,792
Leasing (retail facilities)	13,817	12,910
Leasing (other)	7,974	8,375
Property for sales (sale) (Note)	65,350	106,816
Property for sales (leasing) (Note)	4,533	7,037
Fitness	16,647	15,757
Other	9,312	16,131
Total	171,612	215,820

(Note) Property for sales refers to properties such as office building, retail facility and logistic facility developed for real estate investment market.

Lettable area

	As of March 31, 2019	As of March 31, 2020
Offices	784,122 m ²	779,834 m ²
Retail facilities	169,497 m ²	145,136 m ²
Total	953,620 m ²	924,970 m ²

Vacancy rate (offices and retail facilities)

As of March 31, 2019	As of March 31, 2020
4.7%	4.0%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 12,059 million yen, which represents an increase of 2,417 million yen, or 25.1% year on year, and business profit totaled 7,149 million yen, an increase of 1,179 million yen, or 19.8%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

This was mainly due to an increase in a domestic asset manager's assets under management and the full year contribution of revenue and profit of Lothbury Investment Management, a real estate investment manager in the UK which became a consolidated subsidiary of the Company in the previous fiscal year.

	FY2018 (From April 1, 2018 to March 31, 2019) (Millions of yen)	FY2019 (From April 1, 2019 to March 31, 2020) (Millions of yen)
Operating revenue	9,641	12,059

Assets under management

		As of Mar. 31, 2019 (Millions of yen)	As of Mar. 31, 2020 (Millions of yen)
Domestic asset manager	REITs	1,290,999	1,367,758
	Private funds, etc.	75,474	130,211
Overseas asset manager		303,002	300,614
Total		1,669,476	1,798,583

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 39,110 million yen, which represents an increase of 1,811 million yen, or 4.9% year on year, and business profit totaled 9,109 million yen, an increase of 938 million yen, or 11.5%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

This was mainly due to an increase in brokerage commission fee, resulting from increases in the number of transactions and total transaction value in retail business.

Breakdown of operating revenue

	FY2018 (From April 1, 2018 to March 31, 2019) (Millions of yen)	FY2019 (From April 1, 2019 to March 31, 2020) (Millions of yen)
Property brokerage	33,136	35,156
Other	4,162	3,954
Total	37,298	39,110

Number of transactions and transaction value of property brokerage

	FY2018 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2019 to March 31, 2020)
Number of transactions	8,922	9,515
Total transaction value (Millions of yen)	767,324	872,337

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 92,982 million yen, which represents an increase of 1,608 million yen, or 1.8% year on year, and business profit totaled 8,181 million yen, an increase of 717 million yen, or 9.6%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

This was mainly due to an increase in construction ordered.

Breakdown of operating revenue

	FY2018 (From April 1, 2018 to March 31, 2019) (Millions of yen)	FY2019 (From April 1, 2019 to March 31, 2020) (Millions of yen)
Property & facility management	51,524	53,210
Construction ordered	32,371	34,354
Other	7,478	5,417
Total	91,374	92,982

Number of properties under management

	As of March 31, 2019	As of March 31, 2020
Buildings under management	732	723
Condominiums under management (unit)	177,582	182,230

<Other Business Unit>

Operating revenue in this business unit totaled 168 million yen, which represents an increase of 73 million yen, or 77.4% year on year, and business loss totaled 106 million yen (business loss of the previous fiscal year was 43 million yen).

(2) Financial Position

	As of Mar. 31, 2019 (Millions of yen)	As of Mar. 31, 2020 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,759,455	1,801,273	41,818	2.4%
Total liabilities	1,217,893	1,236,153	18,260	1.5%
Of which, Interest-bearing debt	(914,000)	(870,000)	(44,000)	(4.8%)
Net assets	541,562	565,120	23,557	4.3%
Shareholders' equity ratio	29.9%	30.5%	-	-
Debt / equity ratio	1.7	1.6	-	-

(Note) Debt / equity ratio = Interest-bearing debt / Shareholder's equity

Total assets were 1,801,273 million yen, which represents an increase of 41,818 million yen compared to the end of the previous fiscal year. This was mainly because inventories increased by 77,809 million yen, while securities decreased by 37,000 million yen.

Total liabilities were 1,236,153 million yen, which represents an increase of 18,260 million yen compared to the end of the previous fiscal year. This was mainly because notes and accounts payable-trade increased by 40,270 million yen and deposits received increased by 8,648 million yen, while borrowings decreased by 44,000 million yen.

Net assets were 565,120 million yen, which represents an increase of 23,557 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 34,510 million yen, while there was a decrease in net assets due to the acquisition of

treasury shares by 8,551 million yen.

The shareholders' equity ratio was 30.5%, an increase of 0.6 percentage point from the end of the previous fiscal year.

(3) Cash Flows

Cash and cash equivalents as of the end of this consolidated fiscal year totaled 77,611 million yen, which represents a decrease of 40,718 million yen compared to the end of the previous fiscal year.

The state and factors associated with each cash flow of this consolidated fiscal year are shown below.

Net cash provided by (used in) operating activities increased by 56,618 million yen (a year-on-year decrease of 33,345 million yen). This was mainly due to 73,090 million yen in profit before income taxes was recorded and trade payables increased while there was an increase in inventories and there were payments of income taxes.

Net cash provided by (used in) investing activities decreased by 30,490 million yen (a year-on-year increase of 16,208 million yen). This was mainly due to the payment of plant and equipment and intangible assets and the purchase of investment securities through equity method investments in overseas development projects.

Net cash provided by (used in) financing activities decreased by 66,821 million yen (a year-on-year decrease of 80,545 million yen). This was mainly due to the repayments of long-term borrowings and the payment of cash dividends.

(4) Basic Policy regarding Profit Distribution and Dividends for the Current and Next Fiscal Year

Under the Mid- to Long-term Business Plan, which was formulated in April 2019, the company has targeted the total return ratio to be around 40-50% in Phase 1 (from fiscal year ended March 31, 2020 to fiscal year ending March 31, 2022).

As for dividend, the Company intends to set the year-end dividend for the fiscal year ended March 31, 2020 at 40.0 yen per share as forecasted. Combined with the second quarter-end dividend, the annual dividend per share will be 80.0 yen. As a result, total return ratio during this consolidated fiscal year, which included the acquisition of treasury shares, was 46.5%.

In regard to the dividend for the next fiscal year, the annual dividend per share will be 80.0 yen as with this fiscal year.

2. Group Companies

Major business contents of the Nomura Real Estate Group and 69 affiliated companies (40 consolidated subsidiaries, and 29 affiliates and unconsolidated subsidiaries accounted for using the equity method), and consolidated subsidiaries involved in the relevant businesses, as well as the role of said consolidated subsidiaries are given below.

<Residential Development Business Unit>

- Nomura Real Estate Development Co., Ltd. is engaged in the development and sale of condominiums, detached housing and development and sale of rental housing and senior housing.
- Nomura Real Estate Wellness Co., Ltd. is engaged in the development, planning, and operation of housing services for the elderly.
- Prime X. Co., Ltd. is engaged in Internet advertisings.
- First Living Assistance Co., Ltd. provides services aimed at providing assistance to customers concerning their homes and living arrangements.

<Commercial Real Estate Business Unit >

- Nomura Real Estate Development Co., Ltd. is engaged in the development, leasing and sale of office buildings, retail facilities and logistic facilities, and also in the entrusted management of office buildings and logistic facilities. The Company is also involved in the planning and management of construction work.
- NREG TOSHIBA BUILDING Co., Ltd. is engaged in the development, leasing and sale of office building, retail facility, rental housing, and other properties.
- Nomura Real Estate Life & Sports Co., Ltd. is engaged in the management of fitness club business.
- Geo Akamatsu Co., Ltd. is engaged in the design and entrusted management of retail facilities.
- Nomura Real Estate Hotels Co., Ltd. is engaged in the planning and operation of hotels.
- UHM Co., Ltd. is engaged in the planning and operation of hotels.
- NREG TOSHIBA BUILDING FACILITIES Co., Ltd. is engaged in the maintenance and cleaning services for office buildings entrusted by NREG TOSHIBA BUILDING Co., Ltd.
- ZEN PLAZA CO., LTD is engaged in leasing business of office building in Vietnam (Ho Chi Minh City).

<Investment Management Business Unit >

- Nomura Real Estate Asset Management Co., Ltd. provides investment management services including real estate investment trusts (REITs), private funds and real estate securitization products.
Nomura Real Estate Development Co., Ltd. also has equity interest in the funds managed by Nomura Real Estate Asset Management Co., Ltd.
- Lothbury Investment Management Limited provides investment management services including private funds and real estate securitization products.

<Property Brokerage & CRE Business Unit >

- Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Urban Net Co., Ltd. are engaged in real estate brokerage and consulting. Nomura Real Estate Urban Net Co., Ltd. also handles consignment sales for condominiums and detached housing, as well as the insurance agency business .

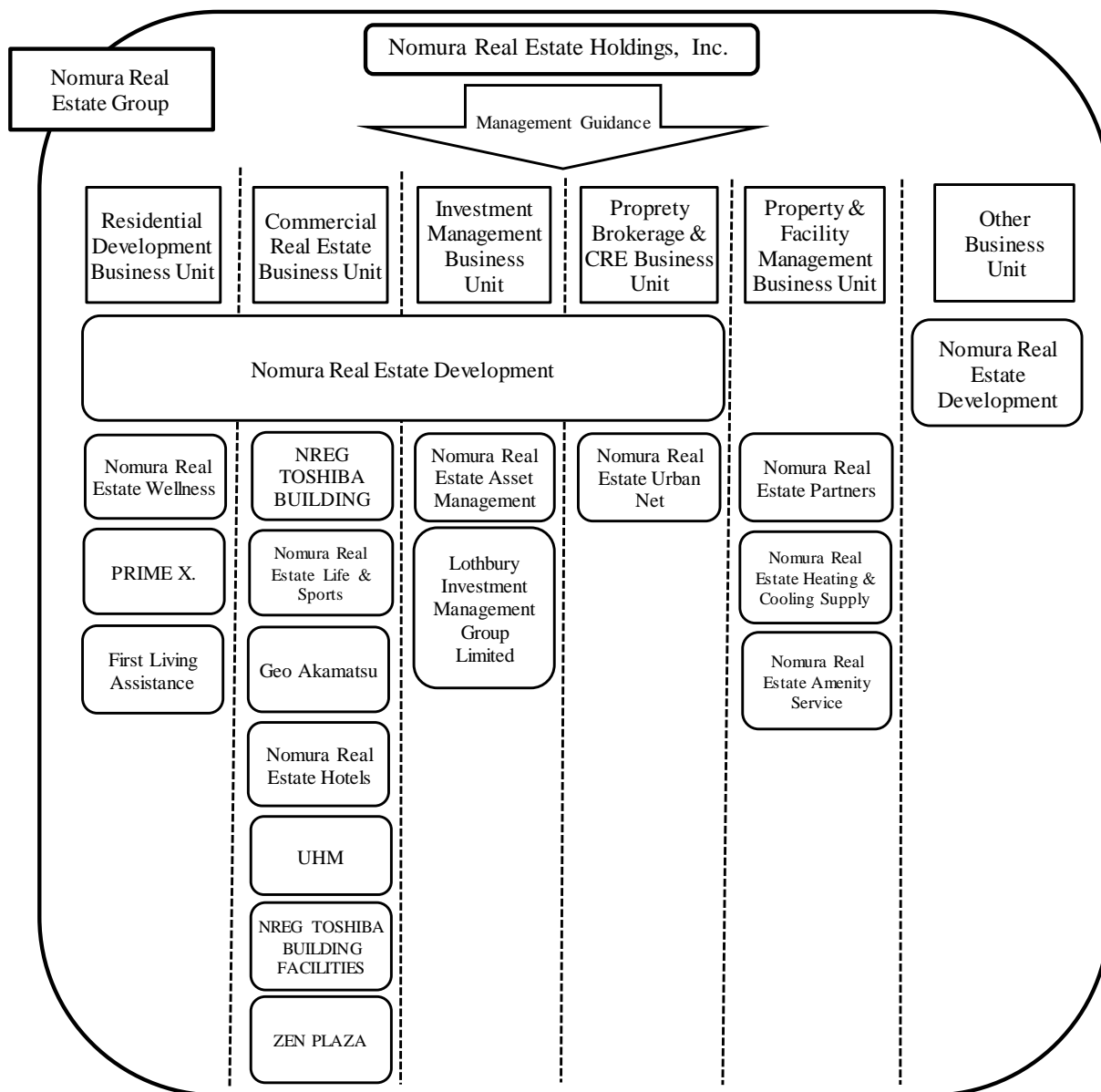
<Property & Facility Management Business Unit >

- Nomura Real Estate Partners Co., Ltd. is engaged in the operation and management of condominiums and office buildings, as well as contracting for repair and tenant works associated with management, and also engages in operations in renovation business.
- Nomura Real Estate Heating and Cooling Supply Co., Ltd. operates a local cooling and heat supply business in Yokohama Business Park (Hodogaya-ku, Yokohama, Kanagawa).
- Nomura Real Estate Amenity Service Co., Ltd. is engaged in the entrusted cleaning of office buildings, mainly from Nomura Real Estate Partners Co., Ltd.

<Other Business Unit >

- Nomura Real Estate Development Co., Ltd. is engaged in the sale and lease of land and buildings.

The matters described above are shown in the following systematic business diagram.



(Note)

As of April 1, 2020, the Company made the following changes:

The Company acquired shares in NREG TOSHIBA BUILDING Co., Ltd held by minority shareholders and made it into a wholly-owned subsidiary. The company's name has been changed to Nomura Real Estate Building Co., Ltd.

NREG TOSHIBA BUILDING FACILITIES Co., Ltd. was merged with Nomura Real Estate Partners Co., Ltd being the surviving company in an absorption-type merger.

3. Basic Policies for Selecting Accounting Standards

The Group creates consolidated financial statements in accordance with the Japanese standards taking account of comparability of the consolidated financial statements over different accounting periods and between companies. The Group will adopt International Accounting Standards, as appropriate, considering shareholder composition and the movement of other domestic companies in the industry.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	81,351	78,401
Notes and accounts receivable - trade	26,601	25,359
Securities	37,000	—
Real estate for sale	161,224	234,973
Real estate for sale in process	290,398	298,787
Land held for development	184,650	180,358
Equity investments	18,066	30,983
Other	50,274	57,882
Allowance for doubtful accounts	(39)	(20)
Total current assets	849,528	906,726
Non-current assets		
Property, plant and equipment		
Buildings and structures	394,979	380,420
Accumulated depreciation	(171,594)	(173,461)
Buildings and structures, net	223,385	206,958
Land	544,226	526,809
Other	29,885	33,781
Accumulated depreciation	(10,464)	(11,227)
Other, net	19,421	22,553
Total property, plant and equipment	787,033	756,321
Intangible assets	18,104	20,223
Investments and other assets		
Investment securities	50,522	58,952
Leasehold and guarantee deposits	25,448	27,999
Deferred tax assets	20,863	22,696
Other	7,956	8,354
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	104,789	118,003
Total non-current assets	909,926	894,547
Total assets	1,759,455	1,801,273

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	53,927	94,197
Short-term borrowings	79,500	72,000
Current portion of bonds payable	—	20,000
Income taxes payable	13,318	19,476
Deposits received	26,915	35,564
Provision for bonuses	8,176	8,410
Provision for bonuses for directors (and other officers)	495	473
Provision for loss on business liquidation	26	19
Other	49,513	51,927
Total current liabilities	231,873	302,068
Non-current liabilities		
Bonds payable	140,000	120,000
Long-term borrowings	694,500	658,000
Leasehold and guarantee deposits received	59,249	62,392
Deferred tax liabilities	61,563	61,389
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for share-based remuneration	719	1,541
Provision for loss on subleasing business	15	—
Retirement benefit liability	18,175	18,705
Other	7,895	8,157
Total non-current liabilities	986,019	934,084
Total liabilities	1,217,893	1,236,153
Net assets		
Shareholders' equity		
Share capital	117,293	117,822
Capital surplus	110,537	111,065
Retained earnings	307,570	342,081
Treasury shares	(18,787)	(27,339)
Total shareholders' equity	516,613	543,630
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,718	2,915
Deferred gains or losses on hedges	(259)	1,044
Revaluation reserve for land	7,860	7,860
Foreign currency translation adjustment	(677)	(1,322)
Remeasurements of defined benefit plans	(3,507)	(3,950)
Total accumulated other comprehensive income	10,134	6,547
Share acquisition rights	2,346	1,850
Non-controlling interests	12,467	13,091
Total net assets	541,562	565,120
Total liabilities and net assets	1,759,455	1,801,273

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Operating revenue	668,510	676,495
Operating costs	479,797	482,772
Operating gross profit	188,712	193,723
Selling, general and administrative expenses	109,549	111,817
Operating profit	79,162	81,905
Non-operating income		
Interest income	44	86
Dividend income	69	122
Share of profit of entities accounted for using equity method	167	313
Adjustment income for cancellation	—	398
Gain on sales of investment securities	—	102
Gain on donation of non-current assets	54	—
Other	409	327
Total non-operating income	746	1,350
Non-operating expenses		
Interest expenses	8,753	8,788
Other	1,831	1,389
Total non-operating expenses	10,584	10,178
Ordinary profit	69,323	73,077
Extraordinary income		
Gain on sales of non-current assets	—	393
Total extraordinary income	—	393
Extraordinary losses		
Impairment loss	1,989	121
Loss on building reconstruction	835	260
Loss on transfer of non-current assets	1,091	—
Total extraordinary losses	3,916	381
Profit before income taxes	65,407	73,090
Income taxes - current	23,263	24,388
Income taxes - deferred	(4,385)	(934)
Total income taxes	18,877	23,454
Profit	46,529	49,636
Profit attributable to non-controlling interests	655	749
Profit attributable to owners of parent	45,873	48,886

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	46,529	49,636
Other comprehensive income		
Valuation difference on available-for-sale securities	2,201	(3,804)
Deferred gains or losses on hedges	(521)	1,303
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	(216)	52
Remeasurements of defined benefit plans, net of tax	98	(442)
Share of other comprehensive income of entities accounted for using equity method	(296)	(660)
Total other comprehensive income	1,265	(3,551)
Comprehensive income	47,795	46,084
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	47,201	45,299
Comprehensive income attributable to non-controlling interests	594	785

(3) Consolidated Statements of Changes in Net Assets
 FY2018 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	117,072	110,316	275,299	(10,004)	492,683
Changes of items during period					
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)
Disposal of treasury shares				-	-
Net changes of items other than shareholders' equity					
Total changes of items during period	221	221	32,271	(8,783)	23,930
Balance at end of current period	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 beginning of current period	4,516	262	7,860	(225)	(3,605)	8,807	2,424	11,067	514,982
Changes of items during period									
Issuance of new shares									442
Dividends of surplus									(13,602)
Profit attributable to owners of parent									45,873
Purchase of treasury shares									(8,783)
Disposal of treasury shares									-
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 period	2,202	(521)	(0)	(451)	98	1,327	(77)	1,400	26,579
Balance at end of current period	6,718	(259)	7,860	(677)	(3,507)	10,134	2,346	12,467	541,562

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	117,293	110,537	307,570	(18,787)	516,613
Changes of items during period					
Issuance of new shares	528	528			1,056
Dividends of surplus			(14,375)		(14,375)
Profit attributable to owners of parent			48,886		48,886
Purchase of treasury shares				(8,573)	(8,573)
Disposal of treasury shares				21	21
Net changes of items other than shareholders' equity					
Total changes of items during period	528	528	34,510	(8,551)	27,016
Balance at end of current period	117,822	111,065	342,081	(27,339)	543,630

	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 plus	Total accumulated other comprehensive income			
Balance at beginning of current period	6,718	(259)	7,860	(677)	(3,507)	10,134	2,346	12,467	541,562
Changes of items during period									
Issuance of new shares									1,056
Dividends of surplus									(14,375)
Profit attributable to owners of parent									48,886
Purchase of treasury shares									(8,573)
Disposal of treasury shares									21
Net changes of items other than shareholders' equity	(3,803)	1,303	(0)	(644)	(442)	(3,587)	(495)	624	(3,458)
Total changes of items during period	(3,803)	1,303	(0)	(644)	(442)	(3,587)	(495)	624	23,557
Balance at end of current period	2,915	1,044	7,860	(1,322)	(3,950)	6,547	1,850	13,091	565,120

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	65,407	73,090
Depreciation	19,201	19,805
Impairment loss	1,989	121
Loss (gain) on sales of non-current assets	—	(393)
Share of loss (profit) of entities accounted for using equity method	(167)	(313)
Increase (decrease) in allowance for doubtful accounts	0	(19)
Increase (decrease) in provision for loss on business liquidation	(9)	(7)
Increase (decrease) in provision for loss on subleasing business	(87)	(15)
Increase (decrease) in retirement benefit liability	(291)	513
Interest and dividend income	(114)	(208)
Interest expenses	8,753	8,788
Decrease (increase) in trade receivables	(8,922)	1,266
Decrease (increase) in inventories	32,938	(53,594)
Decrease (increase) in equity investments	(8,454)	(12,916)
Increase (decrease) in trade payables	11,781	40,258
Increase (decrease) in deposits received	8,102	8,648
Other, net	(8,105)	(2,670)
Subtotal	122,023	82,352
Interest and dividends received	257	390
Interest paid	(8,181)	(8,197)
Income taxes paid	(24,134)	(17,927)
Net cash provided by (used in) operating activities	89,964	56,618
Cash flows from investing activities		
Purchase of investment securities	(4,971)	(15,779)
Proceeds from sales and liquidation of investment securities	143	1,375
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(21,544)	(3,461)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(85)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	520	—
Purchase of property, plant and equipment and intangible assets	(20,824)	(20,363)
Proceeds from sales of property, plant and equipment and intangible assets	0	7,819
Payments of leasehold and guarantee deposits	(649)	(2,393)
Proceeds from refund of leasehold and guarantee deposits	951	2,492
Repayments of lease and guarantee deposits received	(3,859)	(2,797)
Proceeds from lease and guarantee deposits received	3,219	3,272
Other, net	314	(569)
Net cash provided by (used in) investing activities	(46,699)	(30,490)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,000)	(4,000)
Repayments of finance lease obligations	(160)	(235)
Proceeds from long-term borrowings	112,500	14,500
Repayments of long-term borrowings	(68,300)	(54,500)
Proceeds from issuance of shares	122	524
Proceeds from sales of treasury shares	—	22
Purchase of treasury shares	(8,790)	(8,631)
Dividends paid	(13,602)	(14,375)
Dividends paid to non-controlling interests	(44)	(125)
Net cash provided by (used in) financing activities	13,723	(66,821)
Effect of exchange rate change on cash and cash equivalents	(5)	(24)
Net increase (decrease) in cash and cash equivalents	56,983	(40,718)
Cash and cash equivalents at beginning of period	61,347	118,330
Cash and cash equivalents at end of period	118,330	77,611

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Consolidated Statements of Income)

*1 Closing inventory is the amount after devaluation of the book value in connection with decline in profitability, and the following loss on valuation of inventories is included in the cost of sales.

	(Millions of yen)	
	FY2018 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2019 to March 31, 2020)
	-	22

(Real Estate for Rent)

Some of the Company's consolidated subsidiaries own rental office buildings and rental retail facilities (including land) in Tokyo and other regions. Some rental office buildings are regarded as properties including the portion used as rental properties since they are used by the Company and certain consolidated subsidiaries.

The book values in the Consolidated Balance Sheet, changes during the fiscal year, and fair values of these rental properties and properties including the portion used as rental properties are as follows.

	(Millions of yen)	
	FY2018 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2019 to March 31, 2020)
Real estate for rent		
Book value in the consolidated balance sheets		
Balance at the beginning of the fiscal year	794,478	703,232
Changes during the fiscal year	(91,246)	(22,130)
Balance at the end of the fiscal year	703,232	681,101
Fair value at the end of the fiscal year	878,919	859,620
Properties including the portion used as real estate for rent		
Book value in the consolidated balance sheets		
Balance at the beginning of the fiscal year	26,026	26,125
Changes during the fiscal year	98	(258)
Balance at the end of the fiscal year	26,125	25,867
Fair value at the end of the fiscal year	55,820	57,030

(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 and 2020 are determined based primarily on values according to Real Estate Appraisal Standards (including adjustments based on certain indexes). However, if no significant fluctuations in certain appraisal values or indexes considered to appropriately reflect market values have occurred since the time of acquisition from third party or the time of the most recent appraisal, the Group bases the fair value on an amount that has been adjusted using the aforesaid values or indexes.

Income and loss on rental properties and other properties used as rental properties are as follows.

	(Millions of yen)	
	FY2018 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2019 to March 31, 2020)
Rental properties		
Operating profit	29,169	24,908
Others (gains (losses) on sale of property, etc.)	(52)	-
Other properties used as rental properties		
Operating profit	1,094	1,135

Others (gains (losses) on sale of property, etc.)	-	-
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(Notes) 1. As real estate of which some portions are used as rental property includes portions used by the Company and certain consolidated subsidiaries for providing services as well as management and administration, operating profit for this type of real estate is not recorded.

2. Others include impairment loss (38 million yen) in the fiscal year ended March 31, 2019.

(Segment Information)

【Segment information】

I FY2018 (From April 1, 2018 to March 31, 2019)

1. Information regarding sales, gains or losses, assets, liabilities and other items by reportable segment

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	374,473	169,587	9,639	35,157	79,557	668,415	94	668,510	-	668,510
Inter-segment	899	2,024	2	2,141	11,816	16,884	0	16,885	(16,885)	-
Subtotal	375,373	171,612	9,641	37,298	91,374	685,300	94	685,395	(16,885)	668,510
Operating profit (Note) 3	25,069	37,600	5,943	8,170	7,434	84,219	(43)	84,176	(5,013)	79,162
Share of profit (loss) of entities accounted for using equity method (Note) 3	(37)	204	-	-	-	167	-	167	-	167
Amortization of intangible assets associated with corporate acquisitions (Note) 3	-	238	26	-	29	294	-	294	-	294
Segment profit or loss (Business profit or loss) (Note) 3	25,032	38,043	5,969	8,170	7,464	84,680	(43)	84,637	(5,013)	79,623
Segment assets	463,277	1,086,064	42,463	28,228	42,294	1,662,328	929	1,663,258	96,197	1,759,455
Other items										
Depreciation	455	16,938	49	506	542	18,493	2	18,495	705	19,201
Investment in affiliates accounted for using equity method	20,474	7,461	-	76	-	28,012	-	28,012	114	28,127
Increase in property, plant and equipment and intangible assets	537	16,816	10	488	755	18,609	19	18,628	1,148	19,776

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

2. (1) The deduction of 5,013 million yen shown in the adjustments column for segment profit or loss includes an increase in elimination of intersegment transactions of 2,642 million yen and a deduction of 7,655 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

(2) The addition of 96,197 million yen shown in the adjustments column for segment assets includes a deduction of 49,241 million yen for the elimination of inter-segment transactions and an addition of 145,439 million yen for corporate assets not allocated to each reportable segment.

3. Segment profit or loss (Business profit or loss) = operating profit + share of profit (loss) of entities accounted for using equity

method + amortization of intangible assets associated with corporate acquisitions

FY2019 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	333,914	212,534	12,058	37,229	80,589	676,327	168	676,495	-	676,495
Inter-segment	795	3,286	0	1,880	12,393	18,356	0	18,356	(18,356)	-
Subtotal	334,710	215,820	12,059	39,110	92,982	694,683	168	694,852	(18,356)	676,495
Operating profit (Note) 3	24,925	38,669	6,853	9,117	8,089	87,656	(106)	87,549	(5,644)	81,905
Share of profit (loss) of entities accounted for using equity method (Note) 3	(20)	279	-	(8)	62	313	-	313	-	313
Amortization of intangible assets associated with corporate acquisitions (Note) 3	-	289	296	-	29	614	-	614	-	614
Segment profit or loss (Business profit or loss) (Note) 3	24,905	39,238	7,149	9,109	8,181	88,584	(106)	88,478	(5,644)	82,833
Segment assets	505,710	1,126,619	43,053	19,136	44,474	1,738,995	937	1,739,933	61,340	1,801,273
Other items										
Depreciation	531	16,712	297	507	658	18,707	2	18,710	1,094	19,805
Investment in affiliates accounted for using equity method	47,940	7,997	-	75	98	56,111	-	56,111	315	56,427
Increase in property, plant and equipment and intangible assets	738	16,452	181	405	1,770	19,548	14	19,563	796	20,360

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

2. (1) The deduction of 5,644 million yen shown in the adjustments column for segment profit or loss includes an increase in elimination of intersegment transactions of 2,120 million yen and a deduction of 7,764 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.
- (2) The addition of 61,340 million yen shown in the adjustments column for segment assets includes a deduction of 45,897 million yen for the elimination of inter-segment transactions and an addition of 107,237 million yen for corporate assets not allocated to each reportable segment.
3. Segment profit or loss (Business profit or loss) = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

【Notes relating to changes in reportable segments etc.】

From this consolidated fiscal year, Leasing Business Unit has been renamed Commercial Real Estate Business Unit. Nomura Real Estate Life & Sports Co., Ltd., and the senior business of Nomura Real Estate Wellness Co., Ltd. and Nomura Real Estate Development Co., Ltd., which had been classified under the Property & Facility Management Business Unit, have been reclassified under the Commercial Real Estate Business Unit and the Residential Development Business Unit, respectively. The rental housing business of

Nomura Real Estate Development Co., Ltd., which had been classified under the Commercial Real Estate Business Unit, has been reclassified under the Residential Development Business Unit.

The segment information for the previous consolidated fiscal year is prepared and disclosed based on the calculation methods after this change.

【Notes relating to changes in profit or loss calculation methods for each reportable segment】

From this consolidated fiscal year, the Company changed the method of calculation of profit or loss for each reportable segment to "Business profit and loss" in consideration of profit or loss in overseas business and amortization associated with mergers and acquisitions. The effect of this change on segment profit or loss (business profit and loss) for the fiscal year ended March, 2020 was insignificant.

The segment information for the fiscal year ended March, 2019 is prepared and disclosed based on the calculation methods after this change.

【Related information】

FY2018 (From April 1, 2018 to March 31, 2019)

Information by major customer

(Millions of yen)

Name of customer	Operating revenue	Relevant segment
Nomura Real Estate Master Fund, Inc.	73,523	Commercial Real Estate Business

FY2019 (From April 1, 2019 to March 31, 2020)

Information by major customer

Information by major customer is omitted because there is no specific external customer that accounts for 10% or more of operating revenue in the consolidated statements of income.

【Impairment loss on noncurrent assets by reportable segment】

FY2018 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	1,989	-	-	-	1,989

FY2019 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	121	-	-	-	121

(Per Share Information)

	FY2018 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2019 to March 31, 2020)
Net assets per share	2,854.21 yen	3,031.15 yen
Basic earnings per share	245.99 yen	267.21 yen
Diluted earnings per share	244.55 yen	265.88 yen

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

	FY2018 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2019 to March 31, 2020)
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Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	45,873	48,886
Profit not attributed to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent available to common stock (Millions of yen)	45,873	48,886
Average number of shares of common stock outstanding during the period (Thousand shares)	186,489	182,954
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Millions of yen)	-	-
Increase in number of shares of common stock (Thousand shares)	1,097	913
Of which, stock acquisition rights (Thousand shares)	1,097	913
Description of potentially dilutive common shares not included in the computation of diluted earnings per share because of their anti-dilutive effect	Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2013 (Number of rights: 2,188) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2015 (Number of rights: 3,705) Nomura Real Estate Holdings, Inc. the 5th Stock Acquisition Rights in FY2015 (Number of rights: 230) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2017 (Number of rights: 4,514)	Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2013 (Number of rights: 1,664) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2015 (Number of rights: 3,238) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2017 (Number of rights: 4,418)

(Note) For the purposes of calculating net assets per share, the Company's shares owned by the executive compensation BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) are included in the treasury shares deducted from the total number of shares issued at end of period. In calculating the basic earnings per share and diluted earnings per share, the said shares are included in the treasury shares deducted in the calculation of the average number of shares outstanding during the period. For the fiscal year ended March 31, 2020, the number of the treasury shares at the end of period deducted in calculating net assets per share was 1,968 thousand shares, and the average number of treasury shares during the period deducted in calculating the basic earnings per share and diluted earnings per share was 1,937 thousand shares.

(Significant Subsequent Events)

Prolonged exposure to the spread of novel coronavirus disease (COVID-19) could have a material effect on business results and financial position of the Company and its consolidated subsidiaries. As of the submission date, it is difficult to estimate the scope and amount of the impact that can be reasonably calculated.