



April 26, 2022

Consolidated Financial Results

For the Fiscal Year Ended March 31, 2022

<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
Code number :	3231
URL :	https://www.nomura-re-hd.co.jp/english/
Representative :	Eiji Kutsukake, President and Representative Director
Inquiries:	Hidehiro Sasaki, General Manager, Corporate Communications Dept.
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Scheduled date of Ordinary General Meeting of Shareholders:	June 24, 2022
Scheduled starting date for dividend payments:	June 6, 2022
Scheduled submitting date of securities report:	June 24, 2022
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, 2021 to March 31, 2022

(1) Consolidated business results

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

Fiscal year ended	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	%
Mar. 31, 2022	645,049	11.1	91,210	19.5	92,765	21.3	82,557	25.2	55,312	31.1
Mar. 31, 2021	580,660	(14.2)	76,333	(6.8)	76,448	(7.7)	65,965	(9.7)	42,198	(13.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2022 : 58,814 million yen (up 25.1%)

Fiscal year ended March 31, 2021 : 47,020 million yen (up 2.0%)

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

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit margin on total assets	Operating profit margin
	Yen	Yen	%	%	%
Mar. 31, 2022	307.81	306.89	9.2	4.2	14.1
Mar. 31, 2021	232.53	231.73	7.4	3.5	13.1

(Reference) Share of profit (loss) of entities accounted for using equity method: Fiscal year ended March 31, 2022 : 895 million yen

Fiscal year ended March 31, 2021 : (510) 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, 2022	2,040,506	621,398	30.3	3,478.14
Mar. 31, 2021	1,921,306	586,350	30.4	3,229.80

(Reference) Shareholders' equity: As of March 31, 2022: 618,762 million yen As of March 31, 2021: 583,328 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Mar. 31, 2022	52,793	(46,277)	(9,619)	67,793
Mar. 31, 2021	(63,504)	(55,789)	112,376	70,624

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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Mar. 31, 2021	-	40.00	-	42.50	82.50	15,102	35.5	2.6
Mar. 31, 2022	-	42.50	-	55.00	97.50	17,679	31.7	2.9
Mar. 31, 2023 (Forecast)	-	55.00	-	55.00	110.00		34.3	

(Note) Revision from previous dividend forecasts: Yes

(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 (161 million yen in the fiscal year ended March 31, 2021 and 245 million yen in the fiscal year ended March 31, 2022).

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2022 to March 31, 2023

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

	Operating revenue		Operating profit		Business profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending Mar. 31, 2023	680,000	5.4	90,500	(0.8)	97,000	4.6	85,000	3.0	57,000	3.1	321.02

*** 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. : Yes
 - 2) Changes in accounting policies other than the above : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None

(Note) For details, please refer to “4. Quarterly Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 20 of the Attachments.

- (3) Number of shares issued (common stock)

	As of Mar. 31	As of Mar. 31
	2022	2021
1) Number of shares issued at end of period (including treasury shares)	182,604,637	193,099,001
2) Treasury shares at end of period	4,704,422	12,490,613
	Fiscal year ended	Fiscal year ended
	March 31, 2022	March 31, 2021
3) Average number of shares outstanding during the period	179,695,784	181,479,078

(Note) The number of treasury shares at end of each period includes the shares of the company owned by BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust (2,522,837 shares as of March 31, 2022 and 1,962,549 shares as of March 31, 2021). The Company’s share owned by executive compensation BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period (2,300,241 shares in the fiscal year ended March 31, 2022 and 1,964,228 shares in the fiscal year ended March 31, 2021).

* 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

Forward-looking statements in this document, including the forecasts of financial results, etc., are based on the information currently available to the Company and certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially from these forecasts are due to various factors. For matters related to the forecasts of financial results, please refer to “1. Business Results and Financial Position (4) Consolidated Operating Result Forecasts” on page 7 of the Attachments.

(How to obtain the fact sheets)

The fact sheets will be disclosed on TDnet on April 26, 2022 and will be uploaded on the Company’s website.

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1. Business Results and Financial Position

(1) Business Results

During this fiscal year, the Japanese economy continued on an overall trend of recovery even amid the prolonged effects of COVID-19, with vaccinations being delivered on a broad scale, a dual focus being placed on infection prevention measures and economic and social activity, and corporate capital investment recovering, among other measures. However, a resurgence in infections in the latter part of the fiscal year due to the Omicron variants has led to a weakening of personal consumption in lodging, eating and drinking, etc., the Russia's invasion of Ukraine and other factors has caused increasing prices for raw materials and creating changes in financial capital markets, etc., which is evoking weakness and uncertainty in some areas.

Regarding the real estate market conditions, the housing sales market saw a robust sales trend with the number of housing units supplied recovering to pre-COVID levels, the first-month contract rate exceeding 70% for the first time in six years in the Tokyo metropolitan area, and other factors, underpinned by diversification of customer needs, the continuing low interest rate environment, etc. In the leasing office market, although vacancy rates are continuing at a high level for the recent few years, mainly in the central areas of Tokyo, the vacancy rates began declining in the middle of the fiscal year for certain areas, and for some areas we have begun to see demand emerging for office relocations with an eye to post-COVID business growth and further diversification of work styles. In addition, the logistics market continued to expand due to the spread of e-commerce and other factors, and the retail and hotel market, which was severely affected by the COVID pandemic, showed a gradual recovery trend. In the real estate investment market, property transactions were active mainly for logistics facilities and rental housing due to a good fund procurement environment and strong appetite for investment in domestic real estate by investors in Japan and overseas, and the size of the market continued to grow. Moreover, the real estate brokerage market continued robustly with the number of transactions and average transaction prices for used condominiums in the Tokyo metropolitan area proceeding at a high level, etc., particularly due to an increase in relocation demand and an ongoing price differences between new properties and used properties in the retail business.

In this business environment, the Nomura Real Estate Group (the "Group") posted the following business results for this fiscal year: Operating revenue of 645,049 million yen, which represents an increase of 64,389 million yen, or 11.1% year on year; operating profit of 91,210 million yen, an increase of 14,876 million yen, or 19.5%; business profit of 92,765 million yen, an increase of 16,317 million yen, or 21.3%; ordinary profit of 82,557 million yen, an increase of 16,591 million yen, or 25.2%; and profit attributable to owners of parent of 55,312 million yen, an increase of 13,113 million yen, or 31.1%.

(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. Total figures may not match due to the rounding of fractions.

In Property Brokerage & CRE Business Unit, the real estate brokerage and consulting business had been conducted by two companies, Nomura Real Estate Development Co. Ltd. and Nomura Real Estate Urban Net Co. Ltd. by March 31, 2021. As of April 1, 2021, the Company restructured the organization as Nomura Real Estate Development Co. Ltd as splitting company and Nomura Real Estate Urban Net Co. Ltd. as successor company in absorption-type split to integrate location, personnel and function. In addition, Nomura Real Estate Urban Net Co., Ltd. changed its corporate name to Nomura Real Estate Solutions Co., Ltd on the same day.

As of January 14, 2022, the Company acquired all shares of Musashi Co., Ltd. and it had been classified under the Residential Development Business Unit.

<Residential Development Business Unit>

Operating revenue in this business unit totaled 309,225 million yen, which represents an increase of 36,647 million yen, or 13.4% year on year, and business profit totaled 32,550 million yen, an increase of 10,146 million yen, or 45.3%, resulting in increases in both in operating revenue and business profit compared with the previous fiscal year.

This was mainly due to an increase in the number of housings units sold and improvement in the gross margin ratio in the housing sales business.

In regard to housing sales, 4,329 units were recorded as sales (an increase of 660 units year on year), including PROUD TOWER Kameido Cross (Koto-ku, Tokyo), PROUD TOWER Higashi-Ikebukuro Station Arena (Toshima-ku, Tokyo), OHANA Nakaurawa (Sakura-ku, Saitama-shi, Saitama), PROUD TOWER Nagoya Nishiki (Naka-ku, Nagoya-shi, Aichi) for condominiums, and PROUD SEASON Tsukimino (Minami-ku, Sagami-hara-shi, Kanagawa) for detached housings.

The number of housing contracted but not recorded as sales was 3,548 units as of the end of this fiscal year (an increase of 272 units year on year) and the contract progress rate against the scheduled housings sales for the next fiscal year was 74.6% at the beginning of the fiscal year ending March 31, 2023.

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

Breakdown of operating revenue

		FY2020 (From April 1, 2020 to March 31, 2021)		FY2021 (From April 1, 2021 to March 31, 2022)	
		Housing units sold	Operating revenue (Millions of yen)	Housing units sold	Operating revenue (Millions of yen)
Housing sales	Tokyo metropolitan area	2,981 units	211,465	2,944 units	210,413
	Kansai area	312 units	18,081	496 units	26,522
	Other	375 units	18,062	889 units	47,079
	Subtotal (Detached housing)	3,669 units (372 units)	247,609 (22,741)	4,329 units (451 units)	284,015 (29,990)
Rental housing (Note)		-	5,960	-	5,621
Senior / Other		-	19,007	-	19,588
Total		-	272,577	-	309,225

(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, 2021	As of March 31, 2022
Tokyo metropolitan area	161 units	74 units
Kansai area	45 units	18 units
Other	33 units	38 units
Total	239 units	130 units
(Detached housing)	(18 units)	(0 units)

Housing sales period-end completed housing inventory (unreleased)

	As of March 31, 2021	As of March 31, 2022
Total	182 units	253 units
(Detached housing)	(5 units)	(0 units)

Housing sales contracted but not recorded as housing sales

	As of March 31, 2021		As of March 31, 2022	
	Housing units	Outstanding contract amount (Millions of yen)	Housing units	Outstanding contract amount (Millions of yen)
Tokyo metropolitan area	2,260 units	170,232	2,555 units	197,478
Kansai area	394 units	20,655	439 units	23,687
Other	622 units	34,075	553 units	28,705
Total	3,276 units	224,963	3,548 units	249,870
(Detached housing)	(159 units)	(10,425)	(226 units)	(15,689)

<Commercial Real Estate Business Unit>

Operating revenue in this business unit totaled 202,460 million yen, which represents an increase of 23,232 million yen, or 13.0% year on year, and business profit totaled 38,590 million yen, an increase of 3,120 million yen, or 8.8%, resulting in increases in both in operating revenue and business profit compared with the previous fiscal year.

This was mainly due to an increase in revenue from property sales.

Breakdown of operating revenue

	FY2020 (From April 1, 2020 to March 31, 2021) (Millions of yen)	FY2021 (From April 1, 2021 to March 31, 2022) (Millions of yen)
Leasing (offices)	47,411	45,422
Leasing (retail facilities)	11,018	12,302
Leasing (other)	5,776	4,131
Property for sales (sale) (Note)	87,846	106,451
Property for sales (leasing) (Note)	11,239	13,977
Fitness	11,509	13,624
Other	4,426	6,550
Total	179,227	202,460

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

Net lettable area

	As of March 31, 2021	As of March 31, 2022
Office	706,771 m ²	655,663 m ²
Retail facility	120,966 m ²	131,874 m ²
Total	827,737 m ²	787,536 m ²

Vacancy rate (office and retail facility)

As of March 31, 2021	As of March 31, 2022
5.1%	6.0%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 12,804 million yen, which represents an increase of 348 million yen, or 2.8% year on year, and business profit totaled 7,836 million yen, an increase of 248 million yen, or 3.3%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

	FY2020 (From April 1, 2020 to March 31, 2021) (Millions of yen)	FY2021 (From April 1, 2021 to March 31, 2022) (Millions of yen)
Operating revenue	12,456	12,804

Assets under management

		As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)
Domestic asset manager	REITs	1,396,973	1,424,772
	Private funds, etc.	139,513	196,370
Overseas asset manager		279,159	326,929
Total		1,815,646	1,948,071

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 43,762 million yen, which represents an increase of 4,325 million yen, or 11.0% year on year, and business profit totaled 11,716 million yen, an increase of 2,739 million yen, or 30.5%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

This was mainly due to increases in the number of transactions and total transaction value in property brokerage (retail business).

Breakdown of operating revenue

	FY2020 (From April 1, 2020 to March 31, 2021) (Millions of yen)	FY2021 (From April 1, 2021 to March 31, 2022) (Millions of yen)
Property brokerage	34,718	39,833
(retail business)	(23,334)	(28,706)
(wholesale business)	(11,384)	(11,126)
Other	4,717	3,929
Total	39,436	43,762

Number of transactions and transaction value of property brokerage

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
Number of transactions	9,322	10,081
Total transaction value (Millions of yen)	893,423	964,882

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 99,230 million yen, which represents an increase of 845 million yen, or 0.9% year on year, and business profit totaled 9,205 million yen, a decrease of 76 million yen, or 0.8%, resulting in an increase in operating revenue and a decrease in business profit compared with the previous fiscal year.

Breakdown of operating revenue

	FY2020 (From April 1, 2020 to March 31, 2021) (Millions of yen)	FY2021 (From April 1, 2021 to March 31, 2022) (Millions of yen)
Property & facility management	56,783	58,264
Construction ordered	35,863	35,215
Other	5,737	5,750
Total	98,384	99,230

Number of properties under management

	As of March 31, 2021	As of March 31, 2022
Buildings under management	788	772
Housings under management (unit)	183,162	186,549

<Other>

Operating revenue totaled 2,755 million yen which represents an increase of 685 million yen, or 33.1% year on year, and business profit totaled 92 million yen (business loss of the previous fiscal year was 1,495 million yen).

(2) Financial Position

(Assets, liabilities and net assets)

	As of March 31, 2021 (Millions of yen)	As of March 31, 2022 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,921,306	2,040,506	119,199	6.2%
Total liabilities	1,334,956	1,419,107	84,151	6.3%
(Of which, Interest-bearing debt)	(1,008,500)	(1,022,735)	(14,235)	(1.4%)
Net assets	586,350	621,398	35,047	6.0%
Shareholders' equity ratio	30.4%	30.3%	-	-
Debt / equity ratio	1.7	1.7	-	-

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

Total assets were 2,040,506 million yen, which represents an increase of 119,199 million yen compared to the end of the previous fiscal year. This was mainly because other in current assets including withholding income tax on dividends from subsidiaries increased by 51,533 million yen, inventories increased by 18,708 million yen and investment securities increased by 14,726 million yen.

Total liabilities were 1,419,107 million yen, which represents an increase of 84,151 million yen compared to the end of the previous fiscal year. This was mainly because notes and accounts payable - trade increased by 19,829 million yen, deposits received increased by 18,717 million yen and interest-bearing debt increased by 14,235 million yen.

Net assets were 621,398 million yen, which represents an increase of 35,047 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 12,785 million yen. In this fiscal year, the company cancelled 27,004 million yen of treasury stock and acquired 8,957 million yen of treasury shares.

The shareholders' equity ratio was 30.3%.

(3) Cash Flows

Cash and cash equivalents as of the end of this fiscal year totaled 67,793 million yen, which represents a decrease of 2,831 million yen compared to the end of the previous fiscal year.

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

(Cash flows from operating activities)

Net cash provided by (used in) operating activities increased by 52,793 million yen (a year-on-year increase of 116,297 million yen). This was mainly due to the recording of 81,052 million yen in profit before income taxes and increases in trade payables and deposits received while there were payments of income taxes.

(Cash flows from investing activities)

Net cash provided by (used in) investing activities decreased by 46,277 million yen (a year-on-year increase of 9,511 million yen). This was mainly due to the purchase of property, plant and equipment and intangible assets and the purchase of investment securities.

(Cash flows from financing activities)

Net cash provided by (used in) financing activities decreased by 9,619 million yen (a year-on-year decrease of 121,995 million yen). This was mainly due to the payment of dividends and the redemption of bonds despite fund procurement by long-term borrowings.

(4) Consolidated Operating Result Forecasts

<Consolidated Forecasts>

The Group expects the following consolidated results for the fiscal year ending March 31, 2023: Operating revenue of 680,000 million yen; operating profit of 90,500 million yen; business profit of 97,000 million yen; ordinary profit of 85,000 million yen; and profit attributable to owners of parent of 57,000 million yen.

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

	FY2022 (From April 1, 2022 to March 31, 2023) forecast (Millions of yen)	FY2021 (From April 1, 2021 to March 31, 2022) (Millions of yen)	Changes (Millions of yen)
Operating revenue	680,000	645,049	34,950
Operating profit	90,500	91,210	(710)
Business profit	97,000	92,765	4,234
Ordinary profit	85,000	82,557	2,442
Profit attributable to owners of parent	57,000	55,312	1,687

<By Business Unit>

Forecasts for the fiscal year ending March 31, 2023 by Business Unit are as follows. From April 2022, the Overseas Business Unit was newly established to clarify responsibility for revenue toward steady growth of overseas business, etc., and the classification of Overseas Business Division of Nomura Real Estate Development Co. Ltd. and overseas subsidiaries, etc., which had been classified under the "Other", have been changed. In line with this change, the financial results for the fiscal year ended March 31, 2022 and forecasts for the fiscal year ending March 31, 2023 by Business Unit are calculated under the new classification.

Operating revenue

	FY2022 (From April 1, 2022 to March 31, 2023) forecast (Millions of yen)	FY2021 (From April 1, 2021 to March 31, 2022) (Millions of yen)	Changes (Millions of yen)
Residential Development	325,000	309,225	15,774
Commercial Real Estate	210,000	202,460	7,539
Investment Management	13,000	12,804	195
Property Brokerage & CRE	44,000	43,762	237
Property & Facility Management	104,000	99,230	4,769
Overseas	4,000	2,628	1,371
Other	0	126	(126)
Adjustments	(20,000)	(25,188)	5,188
Total	680,000	645,049	34,950

Business profit

	FY2022 (From April 1, 2022 to March 31, 2023) forecast (Millions of yen)	FY2021 (From April 1, 2021 to March 31, 2022) (Millions of yen)	Changes (Millions of yen)
Residential Development	32,500	32,550	(50)
Commercial Real Estate	41,000	38,590	2,409
Investment Management	8,000	7,836	163
Property Brokerage & CRE	11,500	11,716	(216)
Property & Facility Management	9,000	9,205	(205)
Overseas	5,500	291	5,208
Other	0	(199)	199
Adjustments	(10,500)	(7,227)	(3,272)
Total	97,000	92,765	4,234

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

As for dividend, the Company set the year-end dividend for the fiscal year ended March 31, 2022 at 55.0 yen per share, which is an increase of 7.5 yen from forecasted. Combined with the second quarter-end dividend, the annual dividend per share is 97.5 yen. As a result, total return ratio during this fiscal year, which included the acquisition of treasury shares, is 44.3%.

Under the Mid- to Long-term Business Plan, which was disclosed today, the Company set a policy of the total return ratio to be 40-50% in Phase 1 (from fiscal year ending March 31, 2023 to fiscal year ending March 31, 2025). In regard to the dividend for the next fiscal year, the Company intends to set both the second quarter-end and the year-end dividend for the fiscal year ending March 31, 2023 at 55.0 yen per share, therefore the annual dividend per share is expected to be 110.0 yen.

2. Group Companies

Major business contents of the Group and 79 affiliated companies (42 consolidated subsidiaries, and 37 unconsolidated subsidiaries accounted for using the equity method and affiliates), 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 rental housing and the development of senior housing.
- Nomura Real Estate Wellness Co., Ltd. is engaged in the planning and operation of housings for the elderly.
- Prime X Co., Ltd. is engaged in Internet advertisings.
- Musashi Co., Ltd is engaged in the development and sale of systems related to real estate.
- First Living Assistance Co., Ltd. provides services aimed at providing assistance to customers concerning their homes 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, logistic facilities and other properties, 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.
- Nomura Real Estate 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.
- Nomura Real Estate Retail Properties Co., Ltd. is engaged in the design and entrusted management of retail facilities.
- Nomura Real Estate Hotels Co., Ltd. and UHM Co., Ltd. is engaged in the planning and operation of hotels.

<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. 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 Solutions Co., Ltd. is engaged in real estate brokerage and consulting business, consignment sales for condominiums and detached housing, as well as the insurance agency business.

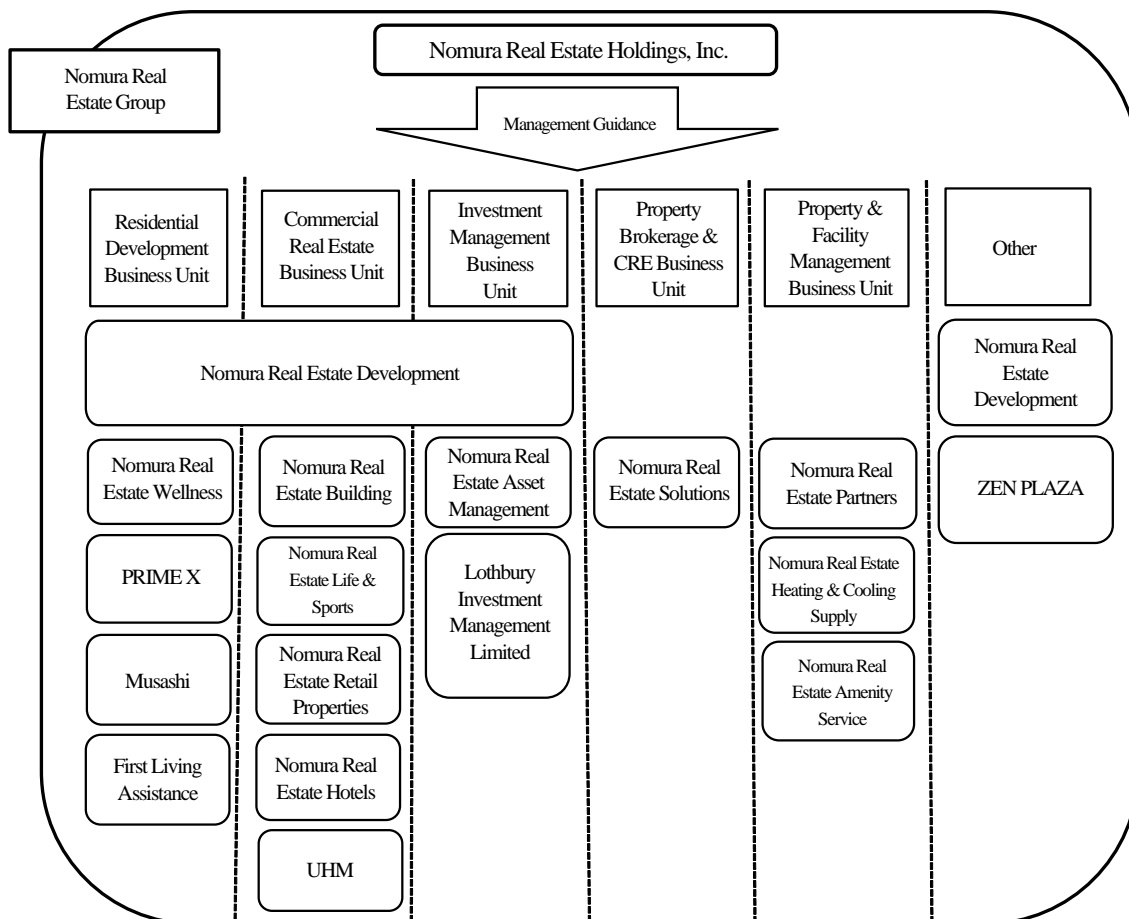
<Property & Facility Management Business Unit>

- 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>

- Nomura Real Estate Development Co., Ltd. is engaged in the overseas business of development and sale of condominiums, and the development and leasing of offices buildings and other properties, and in the domestic business of the sale and leasing of land and buildings.
- ZEN PLAZA CO., LTD is engaged in leasing business of office building in Vietnam (Ho Chi Minh City).

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



*(Note) As of January 14, 2022, the Company acquired all shares of Musashi Co., Ltd., which have been classified under the “Residential Development Business Unit”

As of April 1, 2022, the Company made the following changes and an organization restructure.

*Overseas Business Unit was newly established to clarify responsibility for revenue toward steady growth of overseas business, etc., and the classification of Overseas Business Division of Nomura Real Estate Development Co. Ltd. and overseas subsidiaries, etc., which had been classified under the “Other”, have been reclassified.

*In Commercial Real Estate Business Unit, Nomura Real Estate Development Co. Ltd. and Nomura Real Estate Building Co., Ltd was merged to unify development, leasing and management business. (Nomura Real Estate Development Co., Ltd as the surviving company)

*As for hotel operation business in Commercial Real Estate Business Unit, Nomura Real Estate Hotels Co., Ltd. and UHM Co., Ltd were merged to integrate expertise and human resources, as well as to maximize synergies among hotels and brands. (Nomura Real Estate Hotels Co., Ltd as the surviving company)

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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	71,625	69,038
Notes and accounts receivable - trade	19,635	—
Notes and accounts receivable - trade, and contract assets	—	22,025
Real estate for sale	336,308	371,504
Real estate for sale in process	326,165	333,860
Land held for development	212,727	188,417
Equity investments	28,770	33,871
Other	48,104	108,106
Allowance for doubtful accounts	(14)	(20)
Total current assets	1,043,321	1,126,802
Non-current assets		
Property, plant and equipment		
Buildings and structures	361,895	375,232
Accumulated depreciation	(176,168)	(175,069)
Buildings and structures, net	185,727	200,163
Land	506,097	497,599
Other	34,988	41,746
Accumulated depreciation	(12,589)	(13,123)
Other, net	22,399	28,623
Total property, plant and equipment	714,224	726,386
Intangible assets	18,468	19,933
Investments and other assets		
Investment securities	86,428	101,155
Leasehold and guarantee deposits	27,655	30,047
Deferred tax assets	23,097	27,322
Other	8,111	8,858
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	145,292	167,383
Total non-current assets	877,985	913,703
Total assets	1,921,306	2,040,506

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	61,162	80,992
Short-term borrowings	87,000	108,500
Current portion of bonds payable	10,000	10,000
Income taxes payable	18,572	22,299
Deposits received	25,140	43,857
Provision for bonuses	8,599	9,934
Provision for bonuses for directors (and other officers)	455	549
Provision for loss on business liquidation	13	8
Other	58,378	81,838
Total current liabilities	269,322	357,980
Non-current liabilities		
Bonds payable	160,000	150,000
Long-term borrowings	751,500	754,235
Leasehold and guarantee deposits received	58,855	59,301
Deferred tax liabilities	59,934	58,207
Deferred tax liabilities for land revaluation	3,891	3,902
Provision for share awards	2,734	3,567
Retirement benefit liability	16,216	16,644
Other	12,501	15,267
Total non-current liabilities	1,065,633	1,061,127
Total liabilities	1,334,956	1,419,107
Net assets		
Shareholders' equity		
Share capital	118,043	118,604
Capital surplus	114,433	114,993
Retained earnings	369,597	382,382
Treasury shares	(30,125)	(11,864)
Total shareholders' equity	571,948	604,115
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,827	7,337
Deferred gains or losses on hedges	(1,342)	(332)
Revaluation reserve for land	7,869	7,868
Foreign currency translation adjustment	(995)	1,254
Remeasurements of defined benefit plans	(1,979)	(1,481)
Total accumulated other comprehensive income	11,379	14,646
Share acquisition rights	1,406	927
Non-controlling interests	1,616	1,708
Total net assets	586,350	621,398
Total liabilities and net assets	1,921,306	2,040,506

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue	580,660	645,049
Operating costs	※ 1 397,602	※ 1 439,737
Operating gross profit	183,057	205,312
Selling, general and administrative expenses	106,724	114,101
Operating profit	76,333	91,210
Non-operating income		
Interest income	95	70
Dividend income	63	97
Share of profit of entities accounted for using equity method	—	895
Gain on sale of non-current assets	96	19
Gain on reversal of share acquisition rights	123	25
Subsidy for cooperation income	—	269
Other	368	468
Total non-operating income	747	1,846
Non-operating expenses		
Interest expenses	9,015	8,825
Share of loss of entities accounted for using equity method	510	—
Other	1,590	1,673
Total non-operating expenses	11,115	10,499
Ordinary profit	65,965	82,557
Extraordinary income		
Subsidies for employment adjustment	565	—
Total extraordinary income	565	—
Extraordinary losses		
Impairment losses	1,285	568
Loss on COVID-19	1,715	281
Loss on building reconstruction	708	655
Total extraordinary losses	3,710	1,505
Profit before income taxes	62,820	81,052
Income taxes – current	24,752	32,301
Income taxes – deferred	(4,159)	(6,629)
Total income taxes	20,593	25,671
Profit	42,227	55,380
Profit attributable to non-controlling interests	28	68
Profit attributable to owners of parent	42,198	55,312

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	42,227	55,380
Other comprehensive income		
Valuation difference on available-for-sale securities	4,910	(487)
Deferred gains or losses on hedges	(2,386)	1,009
Revaluation reserve for land	8	(8)
Foreign currency translation adjustment	(531)	1,611
Remeasurements of defined benefit plans, net of tax	1,970	498
Share of other comprehensive income of entities accounted for using equity method	821	809
Total other comprehensive income	4,793	3,434
Comprehensive income	47,020	58,814
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	47,030	58,572
Comprehensive income attributable to non-controlling interests	(10)	242

(3) Consolidated Statements of Changes in Shareholders' equity
 FY2020 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	117,822	111,065	342,081	(27,339)	543,630
Changes during period					
Issuance of new shares	221	221			442
Dividends of surplus			(14,682)		(14,682)
Profit attributable to owners of parent			42,198		42,198
Purchase of treasury shares				(2,798)	(2,798)
Disposal of treasury shares				11	11
Transfer from retained earnings to capital surplus					
Cancellation of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests		3,146			3,146
Reversal of revaluation reserve for land					
Net changes in items other than shareholders' equity					
Total changes during period	221	3,367	27,516	(2,786)	28,318
Balance at end of period	118,043	114,433	369,597	(30,125)	571,948

	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 on reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,915	1,044	7,860	(1,322)	(3,950)	6,547	1,850	13,091	565,120
Changes during period									
Issuance of new shares									442
Dividends of surplus									(14,682)
Profit attributable to owners of parent									42,198
Purchase of treasury shares									(2,798)
Disposal of treasury shares									11
Transfer from retained earnings to capital surplus									
Cancellation of treasury shares									
Change in ownership interest of parent due to transactions with non-controlling interests									3,146
Reversal of revaluation reserve for land									
Net changes in items other than shareholders' equity	4,911	(2,386)	8	327	1,970	4,831	(444)	(11,475)	(7,087)
Total changes during period	4,911	(2,386)	8	327	1,970	4,831	(444)	(11,475)	21,230
Balance at end of period	7,827	(1,342)	7,869	(995)	(1,979)	11,379	1,406	1,616	586,350

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	118,043	114,433	369,597	(30,125)	571,948
Changes during period					
Issuance of new shares	560	560			1,120
Dividends of surplus			(15,515)		(15,515)
Profit attributable to owners of parent			55,312		55,312
Purchase of treasury shares				(8,957)	(8,957)
Disposal of treasury shares				214	214
Transfer from retained earnings to capital surplus		27,004	(27,004)		
Cancellation of treasury shares		(27,004)		27,004	
Change in ownership interest of parent due to transactions with non-controlling interests					
Reversal of revaluation reserve for land			(7)		(7)
Net changes in items other than shareholders' equity					
Total changes during period	560	560	12,785	18,260	32,167
Balance at end of period	118,604	114,993	382,382	(11,864)	604,115

	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 on reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	7,827	(1,342)	7,869	(995)	(1,979)	11,379	1,406	1,616	586,350
Changes during period									
Issuance of new shares									1,120
Dividends of surplus									(15,515)
Profit attributable to owners of parent									55,312
Purchase of treasury shares									(8,957)
Disposal of treasury shares									214
Transfer from retained earnings to capital surplus									
Cancellation of treasury shares									
Change in ownership interest of parent due to transactions with non-controlling interests									
Reversal of revaluation reserve for land									(7)
Net changes in items other than shareholders' equity	(489)	1,009	(0)	2,249	498	3,267	(478)	92	2,880
Total changes during period	(489)	1,009	(0)	2,249	498	3,267	(478)	92	35,047
Balance at end of period	7,337	(332)	7,868	1,254	(1,481)	14,646	927	1,708	621,398

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	62,820	81,052
Depreciation	20,021	19,089
Impairment losses	1,285	568
Share of loss (profit) of entities accounted for using equity method	510	(895)
Increase (decrease) in allowance for doubtful accounts	(5)	6
Increase (decrease) in provision for loss on business liquidation	(6)	(5)
Increase (decrease) in retirement benefit liability	(2,488)	426
Interest and dividend income	(159)	(167)
Interest expenses	9,015	8,825
Decrease (increase) in trade receivables	5,708	(2,690)
Decrease (increase) in inventories	(103,858)	1,092
Decrease (increase) in equity investments	2,213	(5,077)
Increase (decrease) in trade payables	(33,024)	20,233
Increase (decrease) in deposits received	(10,422)	18,714
Other, net	19,549	(9,592)
Subtotal	(28,840)	131,580
Interest and dividends received	284	427
Interest paid	(9,407)	(8,386)
Income taxes paid	(25,540)	(70,828)
Net cash provided by (used in) operating activities	(63,504)	52,793
Cash flows from investing activities		
Purchase of investment securities	(19,827)	(9,958)
Proceeds from sales and liquidation of investment securities	150	38
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,334)	(89)
Purchase of property, plant and equipment and intangible assets	(45,665)	(36,618)
Proceeds from sale of property, plant and equipment and intangible assets	18,445	237
Payments of leasehold and guarantee deposits	(1,734)	(2,489)
Proceeds from refund of leasehold and guarantee deposits	2,255	1,552
Repayments of lease and guarantee deposits received	(6,401)	(5,728)
Proceeds from lease and guarantee deposits received	5,192	5,536
Other, net	129	1,242
Net cash provided by (used in) investing activities	(55,789)	(46,277)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,000	8,500
Repayments of finance lease liabilities	(183)	(104)
Proceeds from long-term borrowings	149,500	71,722
Repayments of long-term borrowings	(50,000)	(56,053)
Proceeds from issuance of shares	105	667
Proceeds from issuance of bonds	49,737	—
Redemption of bonds	(20,000)	(10,000)
Proceeds from sale of treasury shares	11	248
Purchase of treasury shares	(2,803)	(8,982)
Dividends paid	(14,682)	(15,515)
Dividends paid to non-controlling interests	(83)	(97)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(8,226)	(5)
Net cash provided by (used in) financing activities	112,376	(9,619)
Effect of exchange rate change on cash and cash equivalents	(69)	273
Net increase (decrease) in cash and cash equivalents	(6,987)	(2,831)
Cash and cash equivalents at beginning of period	77,611	70,624
Cash and cash equivalents at end of period	70,624	67,793

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Changes in Accounting Policies)

1. Application of the Accounting Standard for Revenue Recognition

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020, Accounting Standards Board of Japan), from the beginning of the fiscal year ended March 31, 2022. It recognizes revenues for goods or services based on the amount estimated to be received in exchange for such goods or services at the point when control of the promised goods or services is conveyed to the customer.

The Company has applied the Accounting Standard for Revenue Recognition transitionally, in accordance with the proviso in Article 84 of the standard. The cumulative effect amount, applying with the new accounting policy retrospectively prior to the beginning of the fiscal year ended March 31, 2022, was adjusted to retained earnings at the beginning of the fiscal year ended March 31, 2022, and the Company has applied the new policy to the balance at the beginning of the fiscal year.

As a result, the impact of application of the Accounting Standard for Revenue Recognition on consolidated financial statements for the fiscal year ended March 31, 2022 is immaterial.

Due to the application of Accounting Standard for Revenue Recognition, “Notes and accounts receivable - trade” which were included in “Current assets” in the consolidated balance sheets for the previous fiscal year, are included in “Notes and accounts receivable - trade, and contract assets” from the fiscal year ended March 31, 2022. In accordance with the transitional treatment stipulated in Article 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation. Furthermore, notes to revenue recognition for the previous fiscal year have not been described as allowed by the transitional treatment stipulated in Article 89-3 of the Accounting Standard for Revenue Recognition.

2. Application of the Accounting Standard for Fair Value Measurement

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019, Accounting Standards Board of Japan), from the beginning of the fiscal year ended March 31, 2022. The Company has prospectively applied new accounting policies based on the Accounting Standard for Fair Value Measurement, in accordance with the transitional measurement in Article 19 of Accounting Standard for Fair Value Measurement and Article 44-2 of “Accounting Standard for Financial Instruments,” (ASBJ Statement No. 10, July 4, 2019). The impact of application of the Accounting Standard for Fair Value Measurement on consolidated financial statements for the fiscal year ended March 31, 2022 is immaterial.

(Notes to Consolidated Statements of Income)

*1 Inventory at the end of the fiscal year 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)	
	FY2020	FY2021	
	(From April 1, 2020 to March 31, 2021)	(From April 1, 2021 to March 31, 2022)	
	540	3,022	

(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)

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
Real estate for rent		
Book value in the consolidated balance sheets		
Balance at the beginning of the fiscal year	681,101	636,953
Changes during the fiscal year	(44,148)	2,071
Balance at the end of the fiscal year	636,953	639,024
Fair value at the end of the fiscal year	815,677	853,867
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	25,867	25,831
Changes during the fiscal year	(35)	(72)
Balance at the end of the fiscal year	25,831	25,758
Fair value at the end of the fiscal year	56,730	57,920

- (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, 2021 and 2022 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 reflected 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.

(Segment Information)

【Segment information】

Information regarding sales, gains or losses, assets, liabilities and others, by reportable segment

FY2020 (From April 1, 2020 to March 31, 2021)

(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	271,767	173,851	12,456	36,611	83,929	578,616	2,043	580,660	-	580,660
Internal sales and transfer amount among segments	809	5,376	-	2,824	14,455	23,466	26	23,492	(23,492)	-
Subtotal	272,577	179,227	12,456	39,436	98,384	602,083	2,070	604,153	(23,492)	580,660
Operating profit (Note) 3	22,421	35,138	7,296	8,962	9,089	82,908	(798)	82,110	(5,776)	76,333
Share of profit (loss) of entities accounted for using equity method (Note) 3	(16)	57	-	13	163	217	(727)	(510)	-	(510)
Amortization of intangible assets associated with corporate acquisitions (Note) 3	-	273	291	-	29	594	30	624	-	624
Segment profit or loss (Business profit or loss) (Note) 3	22,404	35,469	7,587	8,976	9,281	83,720	(1,495)	82,224	(5,776)	76,448
Segment assets	505,976	1,160,805	42,868	25,201	50,095	1,784,946	89,237	1,874,184	47,122	1,921,306
Other items										
Depreciation	516	16,892	300	496	745	18,950	112	19,063	958	20,021
Investment in affiliates accounted for using equity method	529	973	-	87	262	1,852	72,638	74,490	576	75,067
Increase in property, plant and equipment and intangible assets	541	43,776	42	534	304	45,200	210	45,410	165	45,575

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

2. (1) The deduction of 5,776 million yen shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of 1,730 million yen and a deduction of 7,507 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 47,122 million yen shown in the adjustments column for segment assets includes a deduction of 56,823 million yen for the elimination of inter-segment transactions and an addition of 103,946 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

	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	308,214	195,524	12,724	40,564	85,334	642,361	2,687	645,049	-	645,049
Internal sales and transfer amount among segments	1,011	6,935	79	3,198	13,895	25,120	67	25,188	(25,188)	-
Subtotal	309,225	202,460	12,804	43,762	99,230	667,482	2,755	670,237	(25,188)	645,049
Operating profit (Note) 3	32,519	38,286	7,515	11,713	9,114	99,148	(711)	98,437	(7,227)	91,210
Share of profit (loss) of entities accounted for using equity method (Note) 3	27	30	-	3	61	122	772	895	-	895
Amortization of intangible assets associated with corporate acquisitions (Note) 3	3	273	321	-	29	628	31	659	-	659
Segment profit or loss (Business profit or loss) (Note) 3	32,550	38,590	7,836	11,716	9,205	99,900	92	99,992	(7,227)	92,765
Segment assets	514,546	1,204,549	43,220	35,787	48,881	1,846,985	117,787	1,964,772	75,733	2,040,506
Other items										
Depreciation	486	16,071	298	538	750	18,146	135	18,281	808	19,089
Investment in affiliates accounted for using equity method	556	1,011	-	95	323	1,987	92,711	94,698	683	95,382
Increase in property, plant and equipment and intangible assets	1,381	45,519	25	668	460	48,055	300	48,355	2,351	50,706

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

2. (1) The deduction of 7,227 million yen shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of 2,426 million yen and a deduction of 9,653 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 75,733 million yen shown in the adjustments column for segment assets includes a deduction of 69,609 million yen for the elimination of inter-segment transactions and an addition of 145,343 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.】

(Application of the Accounting Standard for Revenue Recognition)

The Company has applied the Accounting Standard for Revenue Recognition, and changed the way of accounting for revenue recognition from the beginning of the fiscal year ended March 31, 2022 as described in above “Changes in Accounting Policies.” Therefore, the Company has similarly changed the measuring method of segment profit or loss. The impact of the change on operating revenue and

profit or loss of reportable segments is immaterial.

【Impairment losses on non-current assets by reportable segment】

FY2020 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment losses	-	1,285	-	-	-	1,285

FY2021 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment losses	-	568	-	-	-	568

(Per Share Information)

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
Net assets per share	3,229.80 yen	3,478.14 yen
Basic earnings per share	232.53 yen	307.81 yen
Diluted earnings per share	231.73 yen	306.89 yen

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

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	42,198	55,312
Profit not attributed to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent available to common stock (Millions of yen)	42,198	55,312
Average number of shares of common stock outstanding during the period (Thousand shares)	181,479	179,695
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)	622	540
Of which, stock acquisition rights (Thousand shares)	(622)	(540)
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 FY2015 (Number of rights: 3,142) Nomura Real Estate Holdings, Inc. the 5th Stock Acquisition Rights in FY2015 (Number of rights: 220) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2017 (Number of rights: 4,356)	-

(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. The number of the treasury shares at the end of period deducted in calculating net assets per share was 1,962 thousand shares for the fiscal year ended March 31, 2021 and 2,522 thousand shares for the fiscal year ended March 31, 2022, and the average number of treasury shares during the period deducted in calculating the basic earnings per share and diluted earnings per share was 1,964 thousand shares for the fiscal year ended March 31, 2021 and 2,300 thousand shares for the fiscal year ended March 31, 2022.

(Significant Subsequent Events)

Not applicable