

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

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1. FY24/3 Financial results

(1) Financial results summary

| | | | |
|--|---------------------------------|--------------------------------------|--|
| FY24/3 Financial results | Consolidated | | Operating revenue; 734.7 billion yen (up 12.2% YoY); operating profit; 112.1 billion yen (up 12.6% YoY); business profit*1, 2; 113.6 billion yen (up 8.1% YoY); ordinary profit; 98.2 billion yen (up 4.4% YoY); and profit attributable to owners of parent; 68.1 billion yen (up 5.6% YoY). |
| | Develop- ment | Residential Development | Operating revenue and business profit increased due to increase of revenue from rental housing sales. |
| | | Commercial Real Estate | Both operating revenue and business profit increased, due to an increase of revenue from property for sale business, and hotel and fitness business. |
| | | Overseas | Business profit decreased, mainly because profit declined in housing sales in Viet Nam and China, while business progressed steadily in housing sales in Thailand. |
| | Service & Manage- ment | Investment Management | Both operating revenue and business profit increased because the management fee increased due to the expansion of the AUM of private REIT, and acquisition and sale of properties by listed REIT, private REIT, and private funds. |
| | | Property Brokerage & CRE | Operating revenue increased due to an increase in transaction value in each of the three businesses, retail, middle*3, and wholesale. |
| | | Property & Facility Management | Both property & facility management and construction ordered progressed steadily, resulting in increases in operating revenue and business profit. |
| Financial result and dividend forecast | | | <p>Business profit and other profits are expected to reach record high.</p> <p>The dividend forecast, which was announced in April, 2023, was revised to ¥140.0 per share (up ¥10.0 compared to forecast) for the annual dividend for the fiscal year ended March 31, 2024.</p> <p>The annual dividend per share for the fiscal year ending March 31, 2025, is expected to increase to 165.0 yen per share (up ¥25.0 YoY) with the 13 consecutive fiscal year of dividend increases.</p> |

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

*2 "Gain or loss on sale of equity interest in project companies in the Overseas Business Unit" will be added to the existing definition of business profit. The change to this definition will be applied from the fiscal year ending March 31, 2025.

*3 Middle business: Real estate brokerage business for small and midsize companies, business owners, some individual investors and high net worth individuals

1. FY24/3 Financial results

(2) FY24/3 Financial results

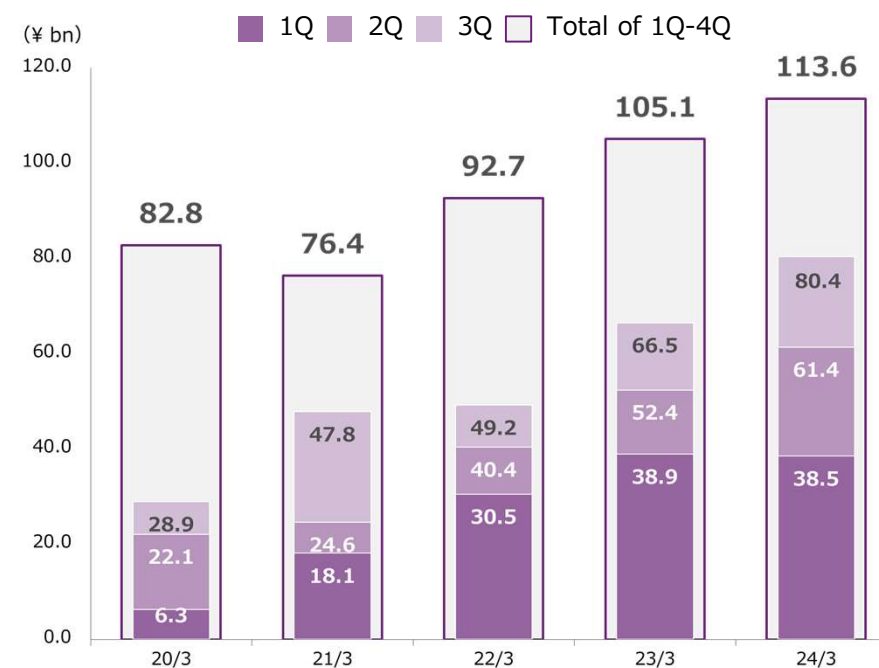
- Operating revenue; 734.7 billion yen (up 12.2% YoY); business profit; 113.6 billion yen (up 8.1% YoY); and profit attributable to owners of parent; 68.1 billion yen (up 5.6% YoY).
- Business profit and other profits are expected to reach record high.

Statements of Income

| (¥bn) | 23/3 Actual ① | 24/3 Actual ② | Changes ② - ① |
|---|---------------------|---------------------|------------------|
| Operating revenue | 654.7 | 734.7 | +79.9 |
| Operating profit | 99.5 | 112.1 | +12.5 |
| Share of profit (loss) of entities | 4.8 | 1.0 | -3.8 |
| Amortization of intangible assets | 0.7 | 0.5 | -0.1 |
| Business profit* | 105.1 | 113.6 | +8.4 |
| Non-operating income | 6.0 | 1.9 | -4.1 |
| Non-operating expenses | 11.5 | 15.7 | +4.2 |
| Ordinary profit | 94.1 | 98.2 | +4.1 |
| Extraordinary income | 6.8 | 5.9 | -0.8 |
| Extraordinary losses | 12.9 | 7.5 | -5.3 |
| Income taxes | 23.3 | 28.4 | +5.0 |
| Profit attributable to owners of parent | 64.5 | 68.1 | +3.6 |
| Basic earnings per share (¥) | 365.26 | 392.29 | +27.03 |
| Cash dividends per share (¥) | 120.00 | 140.00 | +20.00 |

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

Business Profit



1. FY24/3 Financial results

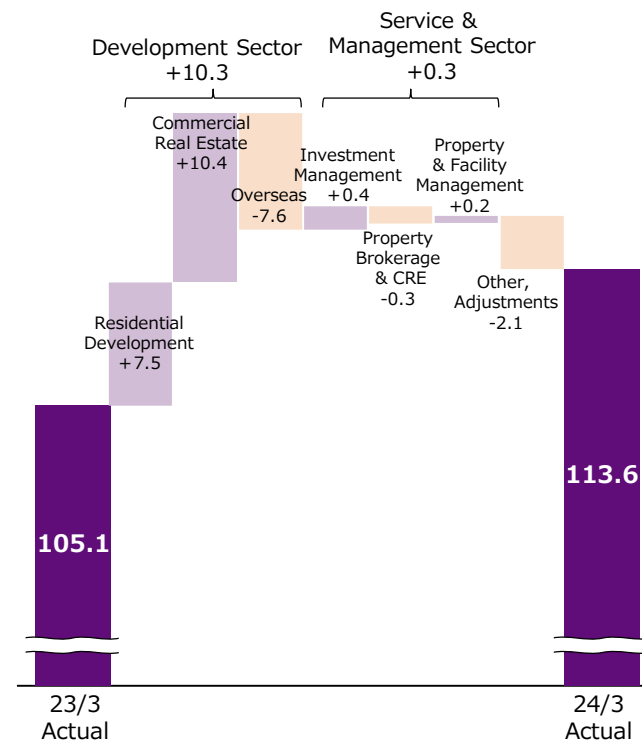
(3) FY24/3 Financial results by Business Units

- In Residential Development BU, operating revenue and business profit increased due to increase of revenue from rental housing sales.
- In Commercial Real Estate BU, Both operating revenue and business profit increased, due to an increase of revenue from property for sale business, and hotel and fitness business.

Statements of Income by Business Unit

| (¥bn) | 23/3 Actual ① | 24/3 Actual ② | Changes ②-① | Main factors for increase/decrease |
|--------------------------------|---------------------|---------------------|----------------|--|
| Operating revenue | 654.7 | 734.7 | +79.9 | |
| Development | | | | |
| Residential Development | 302.4 | 351.8 | +49.3 | Increase of number of housing sales units, and rental housing sales |
| Commercial Real Estate | 199.3 | 223.7 | +24.4 | Increase of property sales, and revenue from hotel and fitness business |
| Overseas | 6.7 | 4.6 | -2.1 | Decrease of housing sales in China |
| Service & Management | | | | |
| Investment Management | 13.6 | 14.3 | +0.7 | |
| Property Brokerage & CRE | 47.7 | 49.5 | +1.8 | |
| Property & Facility Management | 105.4 | 108.1 | +2.7 | |
| Other, Adjustments | -20.6 | -17.6 | +3.0 | |
| Business profit* | 105.1 | 113.6 | +8.4 | |
| Development | | | | |
| Residential Development | 33.3 | 40.8 | +7.5 | Increase of gross profit from rental housing sales |
| Commercial Real Estate | 39.5 | 49.9 | +10.4 | Increase of gross profit from property sales, and gross profit from hotel and fitness business |
| Overseas | 7.2 | -0.3 | -7.6 | Decrease of housing sales in Viet Nam and China |
| Service & Management | | | | |
| Investment Management | 8.0 | 8.5 | +0.4 | |
| Property Brokerage & CRE | 13.8 | 13.4 | -0.3 | |
| Property & Facility Management | 9.8 | 10.0 | +0.2 | |
| Other, Adjustments | -6.7 | -8.9 | -2.1 | |

Main factors for changes in Business Profit
(compared to Y/Y)



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

1. FY24/3 Financial results

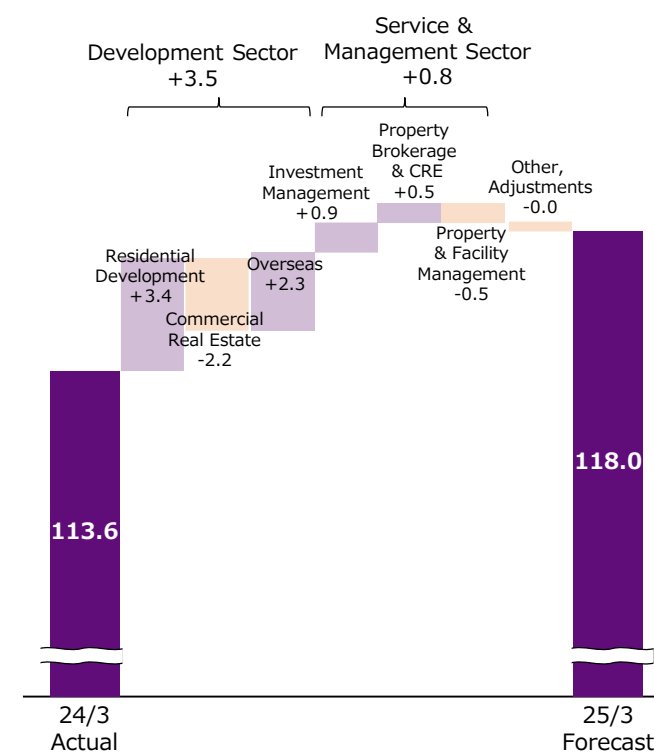
(4) FY25/3 Earnings forecast (Compared to FY24/3 actual)

- Compared to FY24/3, business profit and other profits are expected to reach record high due to an increase of gross profit from housing sales in Residential Development BU.

Statements of Income by Business Unit

| (¥bn) | 24/3 Actual ① | 25/3 Forecast ② | Changes ②-① | Main factors for increase/decrease |
|---|---------------------|-----------------------|----------------|---|
| Operating revenue | 734.7 | 790.0 | +55.2 | |
| Residential Development *1 | 359.1 | 380.0 | +20.8 | Increase of revenue from hotel business and contribution from UDS, increase in the selling housing prices |
| Development Commercial Real Estate *1 | 216.3 | 240.0 | +23.6 | Increase of property sales |
| Overseas | 4.6 | 8.0 | +3.3 | Increase of housing sales in Viet Nam |
| Investment Management | 14.3 | 15.0 | +0.6 | |
| Service & Management Property Brokerage & CRE | 49.5 | 52.0 | +2.4 | |
| Property & Facility Management | 108.1 | 110.0 | +1.8 | |
| Other, Adjustments | -17.6 | -15.0 | +2.6 | |
| Business profit*2 | 113.6 | 118.0 | +4.3 | |
| Residential Development *1 | 41.5 | 45.0 | +3.4 | Increase of gross profit from housing sales, increase of profit from hotel business and contribution from UDS |
| Development Commercial Real Estate *1 | 49.2 | 47.0 | -2.2 | Increase of depreciation and expenses due to the completion of the Shibaura Project. |
| Overseas | △ 0.3 | 2.0 | +2.3 | Increase of housing sales in Viet Nam |
| Investment Management | 8.5 | 9.5 | +0.9 | |
| Service & Management Property Brokerage & CRE | 13.4 | 14.0 | +0.5 | |
| Property & Facility Management | 10.0 | 9.5 | -0.5 | |
| Other, Adjustments | -8.9 | -9.0 | -0.0 | |
| Operating profit | 112.1 | 114.0 | +1.8 | |
| Ordinary profit | 98.2 | 100.0 | +1.7 | |
| Profit attributable to owners of parent | 68.1 | 70.0 | +1.8 | |
| Basic earnings per share (¥) | 392.29 | 405.53 | +13.24 | |
| Cash dividends per share (¥) | 140.00 | 165.00 | +25.00 | |

Main factors for changes in Business Profit
(compared to 24/3 actual)



*1 From the fiscal year ending March 31, 2025, the hotel business which had been classified under the "Commercial Real Estate Business Unit", have been reclassified. Due to this change, the figures listed for the fiscal year ended March 31, 2024 are changed.

*2 Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions + gain or loss on sale of equity interest in project companies in the Overseas Business Unit

1. FY24/3 Financial results

(5) Balance sheets

- Investment securities and equity investments increased due to an expansion of domestic and overseas business.
- Although interest-bearing debt increased due to an expanded investments, shareholder's equity ratio remained sound at 30.7%.

| (¥bn) | 23/3 ① | 24/3 ② | Changes ②-① | Main factors for increase/decrease |
|----------------------------------|-----------|-----------|----------------|---|
| Assets | 2,110.6 | 2,251.4 | + 140.7 | |
| Cash and deposits and others | 29.0 | 54.9 | + 25.8 | |
| Inventories | 999.1 | 1,011.9 | + 12.7 | Progress in both acquisitions of land held for development and sales of real estate for sale |
| Residential Development BU | 514.7 | 487.0 | -27.6 | |
| Commercial Real Estate BU | 485.1 | 525.8 | +40.6 | |
| Other BU | 0.3 | 0.0 | -0.3 | |
| Equity investments | 32.3 | 48.0 | + 15.6 | Increase of equity investments in overseas business unit |
| Property, plant and equipment | 706.4 | 740.3 | + 33.8 | |
| Office | 506.8 | 528.1 | + 21.2 | |
| Retail | 92.5 | 89.3 | -3.2 | |
| Others | 107.0 | 122.8 | + 15.7 | |
| Investment securities | 142.0 | 178.9 | + 36.9 | Acquisition of additional NMF investment units, increase of share of profit (loss) of entities accounted for using equity method in overseas bussiness unit |
| Other assets | 201.6 | 217.3 | + 15.6 | |
| Liabilities | 1,454.9 | 1,559.0 | + 104.0 | |
| Interest-bearing debt | 1,121.5 | 1,192.7 | + 71.1 | Increase of long-term borrowings |
| Other liabilities | 333.4 | 366.2 | + 32.8 | |
| Net assets | 655.7 | 692.4 | + 36.7 | Retained earnings (+45.0), purchase of treasury shares (-6.4) |
| Total liabilities and net assets | 2,110.6 | 2,251.4 | + 140.7 | |
| Shareholders' equity ratio | 31.0% | 30.7% | -0.3P | |

1. FY24/3 Financial results

(6) Progress of the Mid- to Long-term Business Plan

- Business profit is expected to be ¥118.0 bn in FY25/3. We plan to achieve business profit target of ¥115.0 bn as presented in the Mid- to Long-term Business Plan Phase I (FY25/3).
- Average annual business profit growth rate is expected to be 8.4% in Phase I (FY23/3-FY25/3). We project to exceed the target rate, which is around the 8% level.

Business Profit



Investment and recovery on balance sheets

| | (¥ bn) | |
|-------------------------|-----------------|---|
| | Actual | Plan |
| | FY23/3 - FY24/3 | Mid- to Long-term Business Plan Phase I (FY23/3 - FY25/3) |
| Residential Development | | |
| Investment | 497.0 | 850.0 |
| Recovery | 468.0 | 800.0 |
| Commercial Real Estate | | |
| Investment | 307.0 | 700.0 |
| Recovery | 201.0 | 450.0 |
| Overseas | | |
| Investment | 98.0 | 150.0 |
| Recovery | 28.0 | 50.0 |
| Total | | |
| Investment | 902.0 | 1,700.0 |
| Recovery | 697.0 | 1,300.0 |
| Net investment | 205.0 | 400.0 |

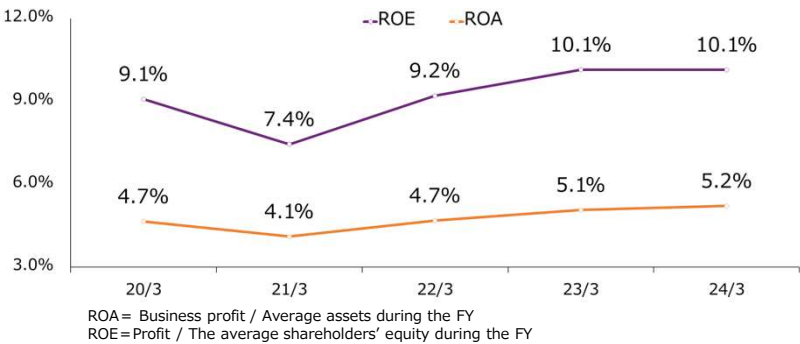
* Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions
* "Gain or loss on sale of equity interest in project companies in the Overseas Business Unit" will be added to the existing definition of business profit. The change to this definition will be applied from the fiscal year ending March 31, 2025.
* Regarding the table at progress of investment and recovery on balance sheets, figures in actual are rounded down to the nearest ¥1.0 bn and figures in Plan are rounded down to the nearest ¥50.0 bn.

1. FY24/3 Financial results

(7) FY24/3 Financial data

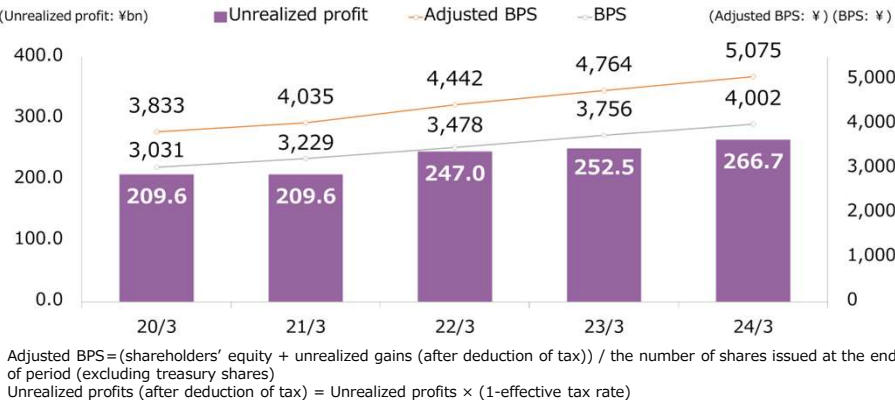
ROA/ROE

Against the Mid- to Long-term Business Plan in Phase I target of ROA of 4.5% level and ROE of 9% level, ROA was 5.2% and ROE was 10.1% in FY24/3.



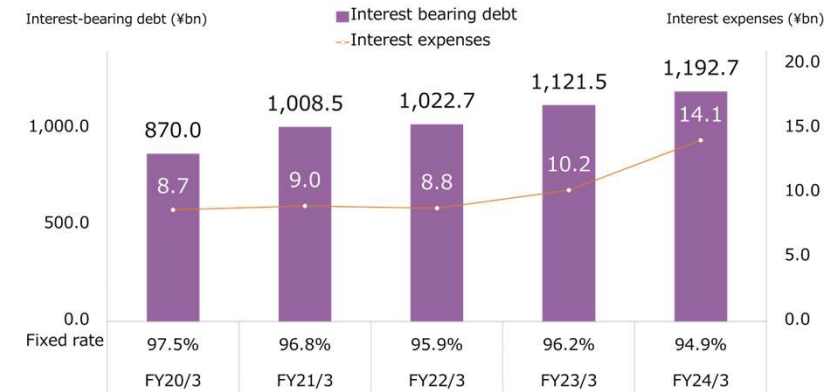
Unrealized profit/BPS and Adjusted BPS

BPS was ¥ 4,002(up ¥246 YoY),
Adjusted BPS was ¥ 5,075(up ¥311 YoY)



Interest-bearing debt/Interest expenses

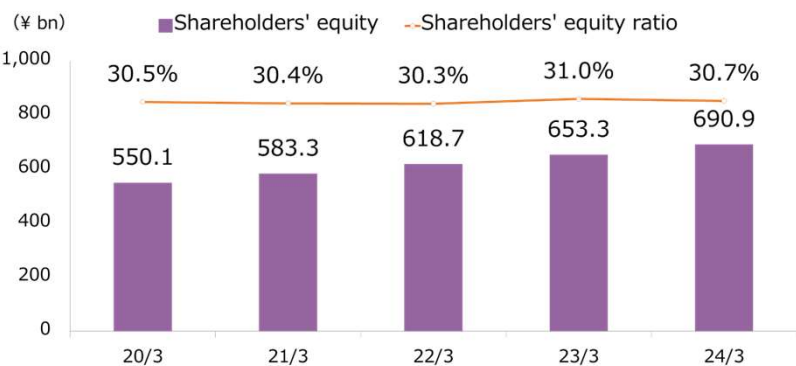
Sustainability finance progressed in FY24/3, as approx.
¥160.0 bn was procured through sustainability linked loans.



*Interest expenses including currency hedging cost

Shareholders' equity/Shareholders' equity ratio

Shareholders' equity ratio was 30.7%, maintaining the 30% level of our financial discipline.

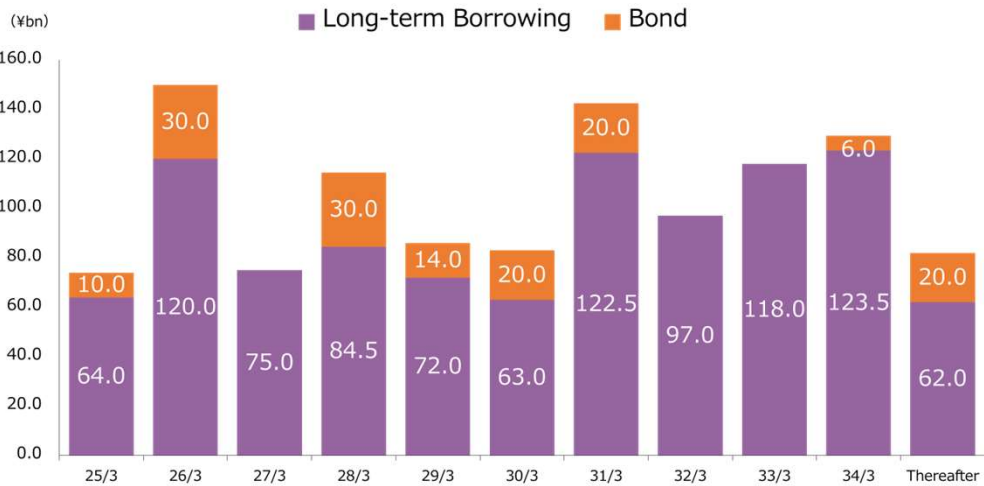


1. FY24/3 Financial results

(8) Financial Basis

- Maintain the high ratio of long-term and fixed-interest debts and diversify the amount of repayment by year.
- We plan to procure additional 500.0 billion yen (cumulative 700.0 billion yen) by FY28/3, as a sustainable finance to contribute to the development of a sustainable society.
- Our issuer credit rating were raised by two domestic credit rating agencies in August 2023.

Long-term borrowing maturity schedule (as of March 31, 2024)



| | |
|------------------------------|-----------|
| Average Duration *1 | 5.7 years |
| Ratio of Long-term Debt | 97.6 % |
| Ratio of Fixed-Interest Debt | 94.9 % |

*1 Including both long-term and short-term borrowings

Credit rating (as of April 25, 2024)

| | Long-term | Short-term |
|------------|-------------|------------|
| R&I rating | A (Stable) | a-1 |
| JCR rating | A+ (Stable) | J-1 |

* The figures represent the Company’s domestic yen funding and do not include foreign currency procurement by SPCs related to overseas business and subsidiaries.

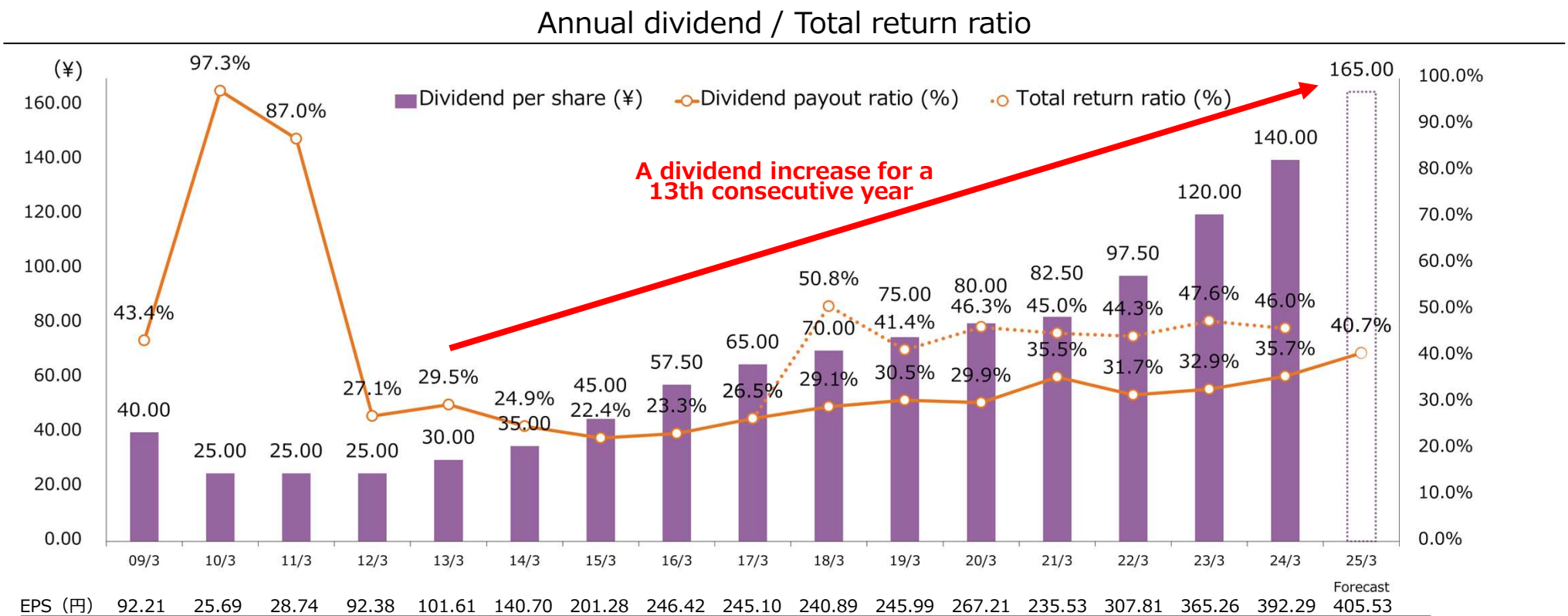
* Hybrid finance is calculated as the due date using its first redemption before maturity or redemption date.

* Amount scheduled to be repaid towards borrowings, etc. as of Mar. 31, 2024. “Thereafter” refers to the sum of the borrowings that will be scheduled to be repaid from FY35/3.

1. FY24/3 Financial results

(9) Shareholder returns

- Based on the achievement of record high business profit exceeding earnings forecast, we decided to increase dividend per share by ¥10.0 (¥130.0→¥140.0), resulting in 35.7% of dividend payout ratio and 46.0% of total return ratio.
- In FY25/3, dividend per share is expected to increase to ¥165.0 per share with the 13 consecutive FY of dividend increase. Dividend payout ratio is expected to be 40.7%.



* Dividend payout ratio= Dividend per share / EPS; Total return ratio= (Dividend per share + The amount of acquisition of treasury shares per share) / EPS

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1. FY24/3 Financial results

(10) Change to shareholder returns policy with greater emphasis on dividends

- In FY25/3, we increased the dividend payout ratio to 40.7%. (FY24/3: 35.7%)
- We newly added a policy of a DOE* of 4% as the lower limit for the annual dividend with the aim of increasing the stability of dividends. *DOE = Annual dividend / Average shareholders' equity during the period

Strengthening shareholder returns

| | FY24/3 | FY25/3 | |
|-----------------------|--------|------------------------------|------------------------------|
| | Actual | Initial forecast | Policy |
| Dividend payout ratio | 35.7% | 40.7% | DOE of 4% as the lower limit |
| Total return ratio | 46.0% | Total return ratio of 40–50% | |

Shareholder returns policy

| | |
|----------|---|
| Previous | Target total return ratio of 40-50% in Phase I (FY23/3 to FY25/3); target dividend payout ratio of 40% from Phase II onward (FY26/3 onward). |
| Current | Given the uncertain business environment, DOE, which is a KPI based on shareholders' equity, was introduced to increase the stability of dividends. ⇒ <u>Added a policy of a DOE of 4% as the lower limit</u> |

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2. Performance highlights by Business Unit

(1) Residential Development : Business outline

- Both revenue and profit increased mainly due to an increase of revenue from rental housing sales.
- In FY25/3 forecast, both revenue and profit are expected to increase mainly due to increases of gross profit ratio in the housing sales and revenue from hotel business, and contribution of UDS.

| (¥bn) | 23/3 | 24/3 | Changes ②-① | Main factors for increase/decrease | * 24/3 Actual (new class.) ③ | 25/3 | Changes ④-② |
|--|--------|--------|----------------|--|--|----------|----------------|
| | Actual | Actual | | | | Forecast | |
| | ① | ② | | | | ④ | |
| Operating revenue | 302.4 | 351.8 | +49.3 | | 359.1 | 380.0 | +20.8 |
| Housing sales | 273.6 | 282.9 | +9.3 | Housing sales +156units | | | |
| Rental housing (sales) | 6.3 | 32.9 | +26.6 | Increase of property sales to investors | | | |
| Rental housing (leasing revenue) | 2.3 | 2.7 | +0.4 | | | | |
| Senior | 1.4 | 1.8 | +0.4 | | | | |
| Other | 18.8 | 31.3 | +12.4 | Increase in sales of renovation business | | | |
| Operating profit | 33.3 | 40.8 | +7.4 | | | | |
| Share of profit (loss) of entities accounted for using equity method | -0.0 | 0.0 | +0.0 | | | | |
| Amortization of intangible assets associated with corporate acquisitions | 0.0 | 0.0 | — | | | | |
| Business profit | 33.3 | 40.8 | +7.5 | | 41.5 | 45.0 | +3.4 |

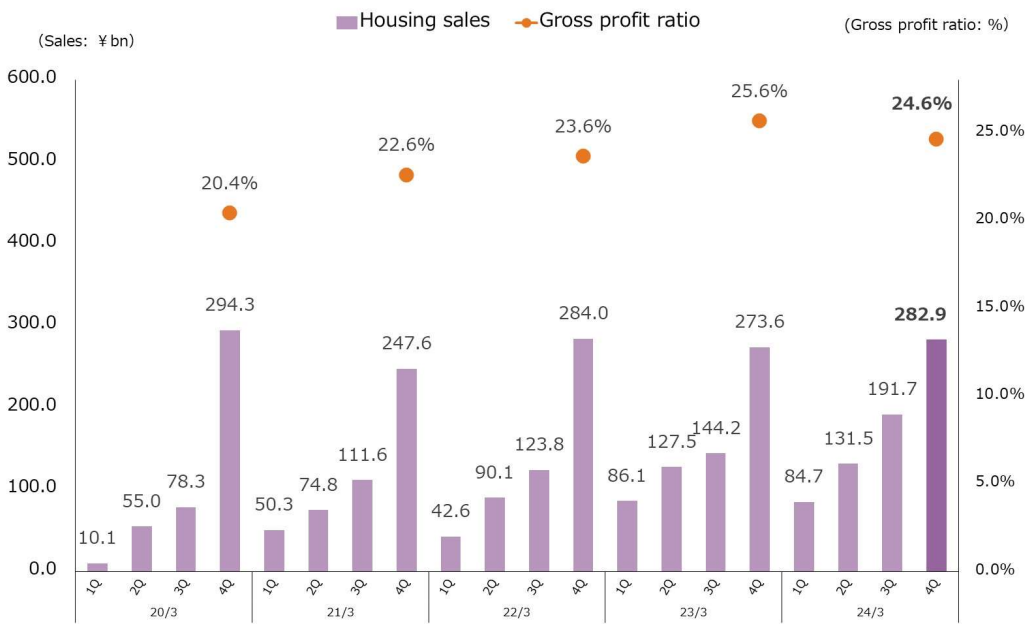
* From the fiscal year ending March 31, 2025, the hotel business which had been classified under the “Commercial Real Estate Business Unit”, have been reclassified. Due to this change, the figures listed for the fiscal year ended March 31, 2024 are changed.

2. Performance highlights by Business Unit

(1) Residential Development : Housing sales (Sales amount / Gross profit ratio / Housing sales indicators)

- In FY24/3, sales for housing was ¥282.9 bn and gross profit ratio was 24.6%.
- Gross profit ratio for FY25/3 will be 25% range.

Housing sales amount (Quarterly total) / Gross profit ratio



Housing sales indicators

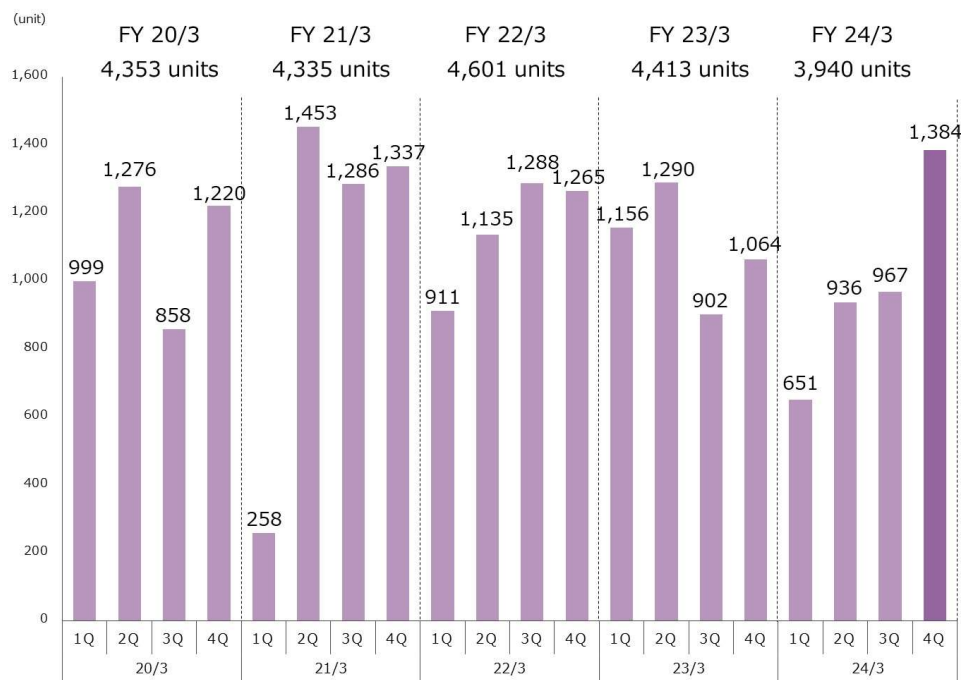
| | 23/3 Actual ① | 24/3 Actual ② | Changes ②-① | 25/3 Forecast ③ | Changes ③-② |
|--|---------------------|---------------------|----------------|-----------------------|----------------|
| Housing sales (unit) | 4,142 | 4,298 | +156 | 4,000 | -298 |
| Condominiums | 3,789 | 3,913 | +124 | 3,600 | -313 |
| Detached housing | 353 | 385 | +32 | 400 | +15 |
| Tokyo metropolitan area | 2,718 | 3,069 | +351 | 3,000 | -69 |
| Osaka metropolitan area | 650 | 582 | -68 | 500 | -82 |
| Other area | 773 | 647 | -126 | 500 | -147 |
| Average sales price (¥mn) | 66.06 | 65.82 | -0.24 | — | — |
| Gross profit ratio (%) | 25.6% | 24.6% | -1.0P | — | — |
| Period-end housing contracted but not sold(unit) | 3,819 | 3,461 | -358 | — | — |
| Period-end completed housing inventory (unit) | 421 | 527 | +106 | — | — |
| released for sale | 222 | 248 | +26 | — | — |
| unreleased | 199 | 279 | +80 | — | — |

2. Performance highlights by Business Unit

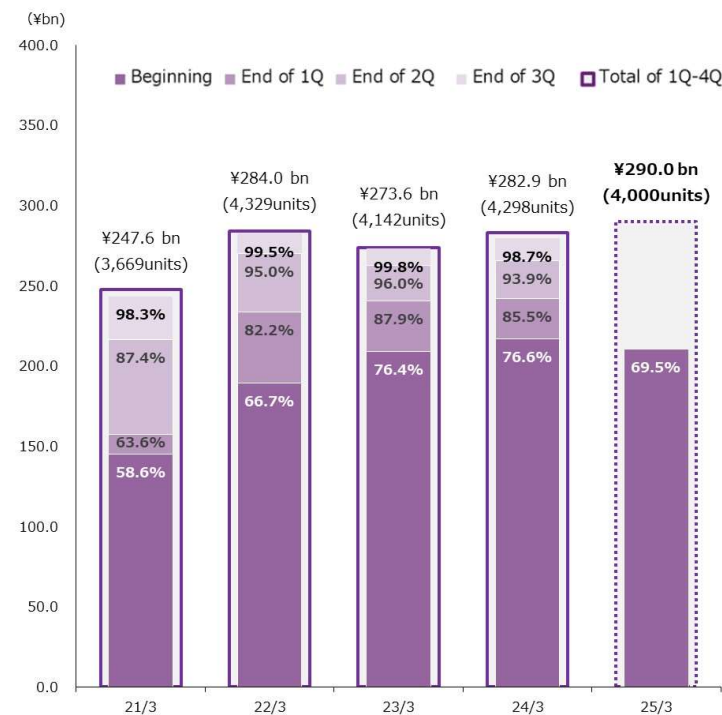
(1) Residential Development : Housing sales (Contracted number / Contract progress rate)

- In FY24/3, contracted 3,940 units (down 473 units YoY). Contract progress was almost as planned.
- Contract progress rate was 69.5% against the FY25/3 scheduled housing sales of ¥290.0 bn.

Number of housing contracted



Contract progress rate
(against the scheduled housing sales)



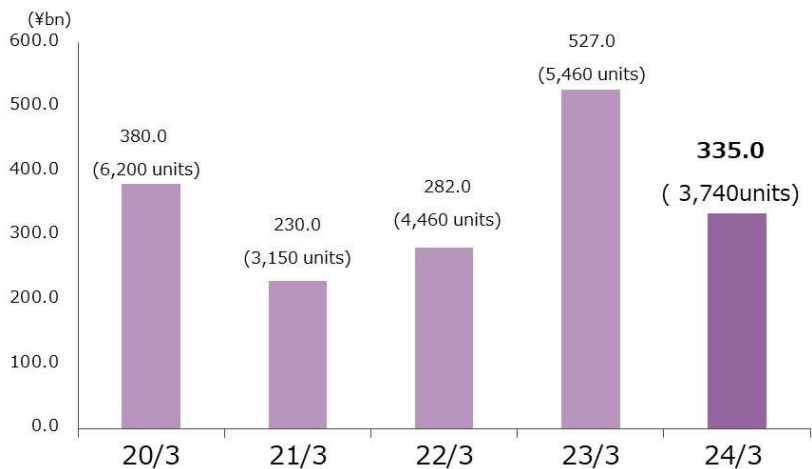
* Contract progress rate against the FY25/3 was corrected on May 10, 2024.
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2. Performance highlights by Business Unit

(1) Residential Development : Housing sales (Land acquisition / Land bank)

- In FY24/3, acquired land worth of ¥335.0 bn (3,740 units).
- We secured land bank for housing sales equivalent to ¥1,922.0 bn.

Land acquisition

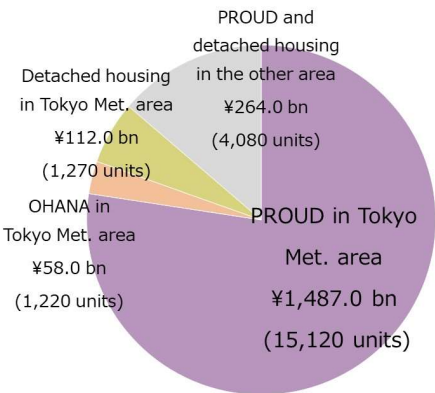


| Property type | | |
|---|------------|----------|
| | Units | Sales |
| PROUD in Tokyo Met. Area | 2,700units | ¥229.0bn |
| OHANA in Tokyo Met. area | 90units | ¥4.0bn |
| Detached housing in Tokyo Met. area | 250units | ¥33.0bn |
| PROUD and detached housing in other area | 680units | ¥68.0bn |
| Total | 3,740units | ¥335.0bn |
| including Redevelopment / Rebuilding projects | 720units | ¥45.0bn |

Land bank

¥1,922.0 bn (21,700 units)
including Redevelopment / Rebuilding projects:
¥803.0 bn (8,210 units)

Area / Property type



Redevelopment / Rebuilding projects under planning: **6,800 units**

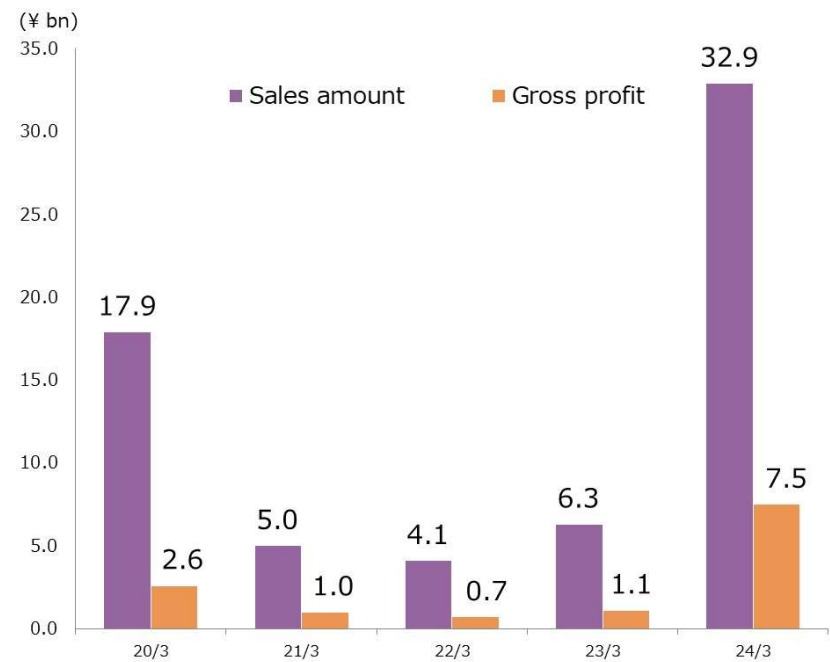
- Land bank:
The projects that we have decided to acquire land or participate in redevelopment or rebuilding and that are expected to be recorded as sales.
(Excluding projects already recorded as of the end of FY24/3)
- Redevelopment / Rebuilding projects under planning:
These projects are in the phase before “Land bank”. We have not regarded them to be counted as future sales, however we have signed certain agreements in terms of the development.

2. Performance highlights by Business Unit

(1) Residential Development : Housing sales and land bank (Rental housing)

- In FY24/3, property sales amount was ¥32.9 bn and the gross profit was ¥7.5 bn.
- In FY24/3, acquired 8 properties, total investment of ¥29.1 bn.

Sales and gross profit



Rental housing

Properties developed : 138 (including plans)

FY 24/3 : Land acquisition

| No. of properties | Total investment |
|-------------------|------------------|
| 8 | ¥29.1bn |

Land bank

| Total ¥102.0 bn (¥64.6 bn out of total is on Balance Sheet) | | | | | | | |
|--|---------------|-------------------|---------------|------------------|-------------------|---------------|------------------|
| Construction completed | | Under development | | | Total | | |
| No. of properties | Balance on BS | No. of properties | Balance on BS | Total investment | No. of properties | Balance on BS | Total investment |
| 18 | ¥48.9bn | 18 | ¥15.7bn | ¥53.3bn | 36 | ¥64.6bn | ¥102.0bn |

2. Performance highlights by Business Unit

(1) Residential Development : Major projects scheduled to be recorded in FY25/3

- In FY25/3, the number of housings sold is expected to be about 4,000.

| Major projects | Our share scheduled to be recorded in FY25/3 |
|---------------------------------------|---|
| PROUD City Kotakemukaihara | 181 |
| PROUD City Musashiurawa Station Arena | 231 |
| OHANA Kashiwatanaka Park Front | 141 |
| PROUD City Toyodatamadairanomori | 192 |
| PROUD City Honancho | 188 |
| PROUD Gotanda | 174 |
| PROUD Mukogaokayuen | 168 |
| PROUD Shinurayasu Park Marina | 155 |
| OHANA Soga Gardenia | 76 |
| PROUD Toritsudaigaku | 135 |
| PROUD City Otsukyo | 127 |
| PROUD Tower Hisayaodorikoen South | 100 |
| PROUD Ochanomizu | 98 |



PROUD Shinurayasu Park Marina



PROUD Mukogaokayuen



PROUD Toritsudaigaku



PROUD SEASON Todoroki
Sokeinomachi

Diversify sales methods,
such as consolidating
sales branches
and opening online salons



PROUD Gallery Shinjuku



PROUD Gallery
Musashikosugi



PROUD SEASON Gallery Komazawa
(Detached housing)

2. Performance highlights by Business Unit

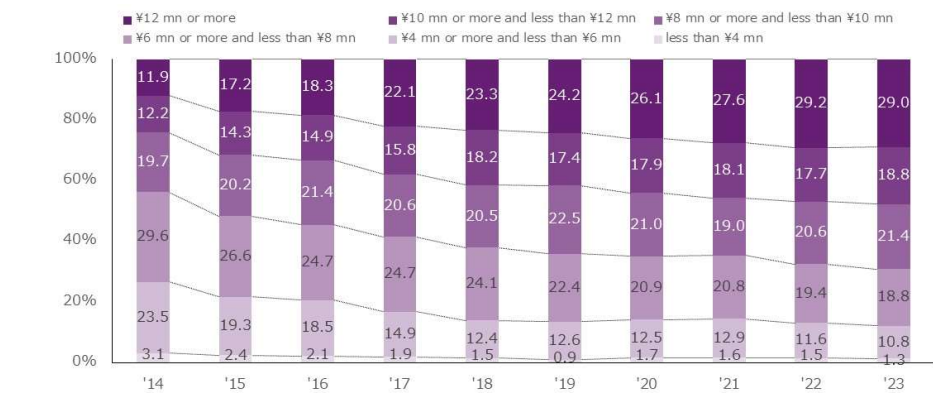
(1) Residential Development : Business environment

The number of new condos and housing prices (Tokyo Metropolitan Area)



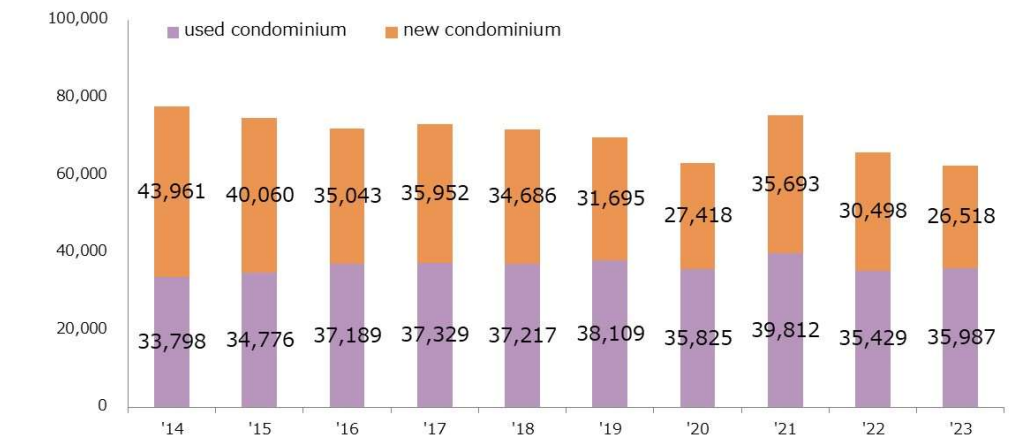
Source by Real Estate Economic Institute Co., Ltd
Major 4 companies; NRE, Sumitomo Realty & Development Co., Ltd., Mitsui Fudosan Co., Ltd, Mitsubishi Estate Co., Ltd.

Dual-income ratio of buyers of new condo (Tokyo Metropolitan Area)



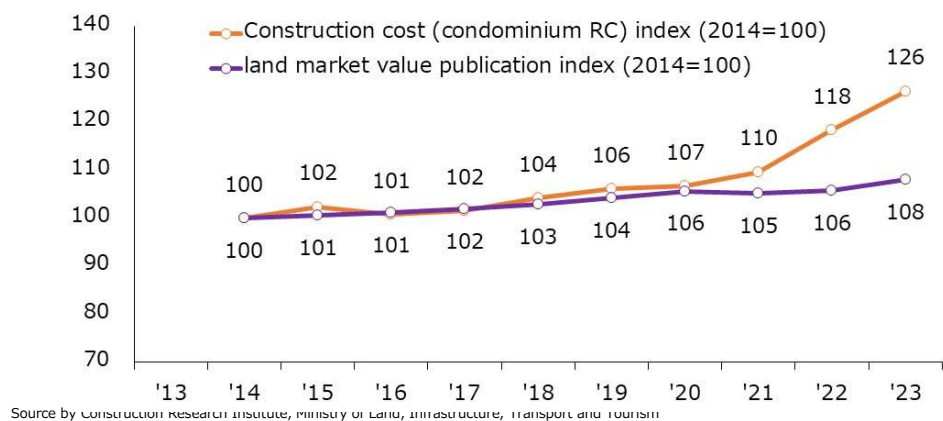
Source by NREH based on SUUMO of the survey of Tokyo Metropolitan Area's new condos contractors trend in 2023

The contract number of new and used condominiums (Tokyo Metropolitan Area)



Source by NREH based on Real Estate Economic Institute Co., Ltd, Reins

Construction cost and land price



Source by Construction Research Institute, Ministry of Land, Infrastructure, Transport and Tourism

2. Performance highlights by Business Unit

(2) Commercial Real Estate: Business outline

- Both operating revenue and business profit increased, due to an increase of revenue from property for sale business, and hotel and fitness business.
- In FY25/3 forecast, operating revenue is expected to increase, while business profit is expected to decrease. This is mainly because an increase of depreciation and expenses due to the completion of the Shibaura Project.

| (¥bn) | 23/3 Actual ① | 24/3 Actual ② | Changes ②-① | Main factors for increase/decrease | 24/3 Actual (new class.)* ③ | 25/3 Forecast ④ | Changes ④-③ |
|--|---------------------|---------------------|----------------|------------------------------------|--------------------------------------|-----------------------|----------------|
| Operating revenue | 199.3 | 223.7 | + 24.4 | | 216.3 | 240.0 | + 23.6 |
| Leasing (offices) | 41.1 | 37.7 | -3.4 | | | | |
| Leasing (retail facilities) | 16.1 | 16.4 | + 0.2 | | | | |
| Leasing (other) | 3.3 | 3.1 | -0.1 | | | | |
| Property for sales (sale) | 97.4 | 115.5 | + 18.0 | Increase of property sales | | | |
| Property for sales (leasing) | 16.7 | 17.4 | + 0.6 | | | | |
| Fitness | 15.0 | 16.1 | + 1.0 | | | | |
| Other | 9.3 | 17.3 | + 8.0 | | | | |
| Operating profit | 39.2 | 49.6 | + 10.4 | | | | |
| Share of profit (loss) of entities accounted for using equity method | 0.0 | 0.0 | +0.0 | | | | |
| Amortization of intangible assets associated with corporate acquisitions | 0.2 | 0.2 | — | | | | |
| Business Profit | 39.5 | 49.9 | + 10.4 | | 49.2 | 47.0 | -2.2 |

【Reference】 Leasing revenue change analysis

Changes

Main factors

New and full period operation buildings

-0.0

Existing buildings

-1.1

Impact of tenants moving out from properties under rebuilding plan

Sold and reclassification

-1.9

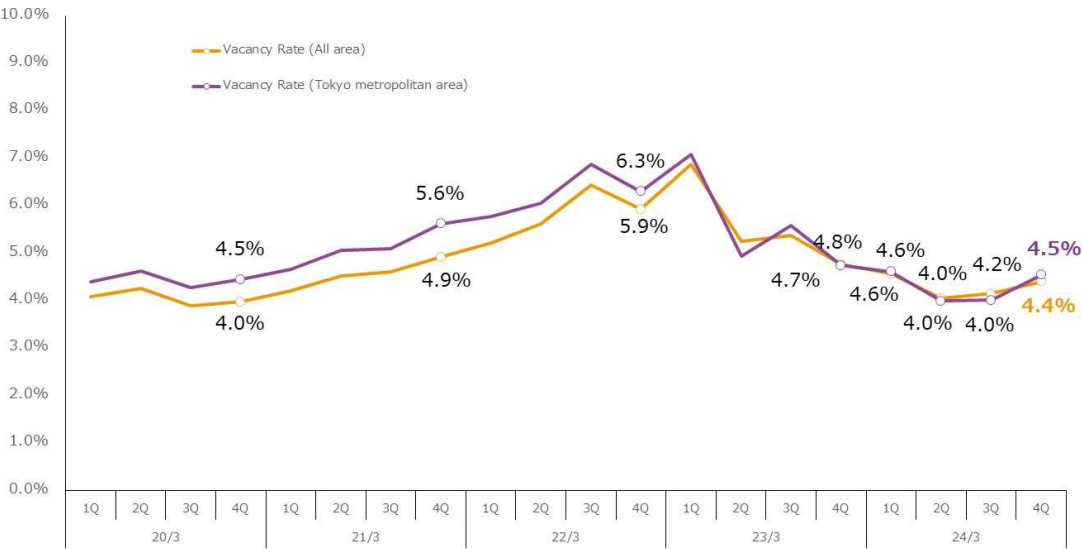
* From the fiscal year ending March 31, 2025, the hotel business which had been classified under the "Commercial Real Estate Business Unit", have been reclassified. Due to this change, the figures listed for the fiscal year ended March 31, 2024 are changed.

2. Performance highlights by Business Unit

(2) Commercial Real Estate: Vacancy rate, Net lettable area

Vacancy rate

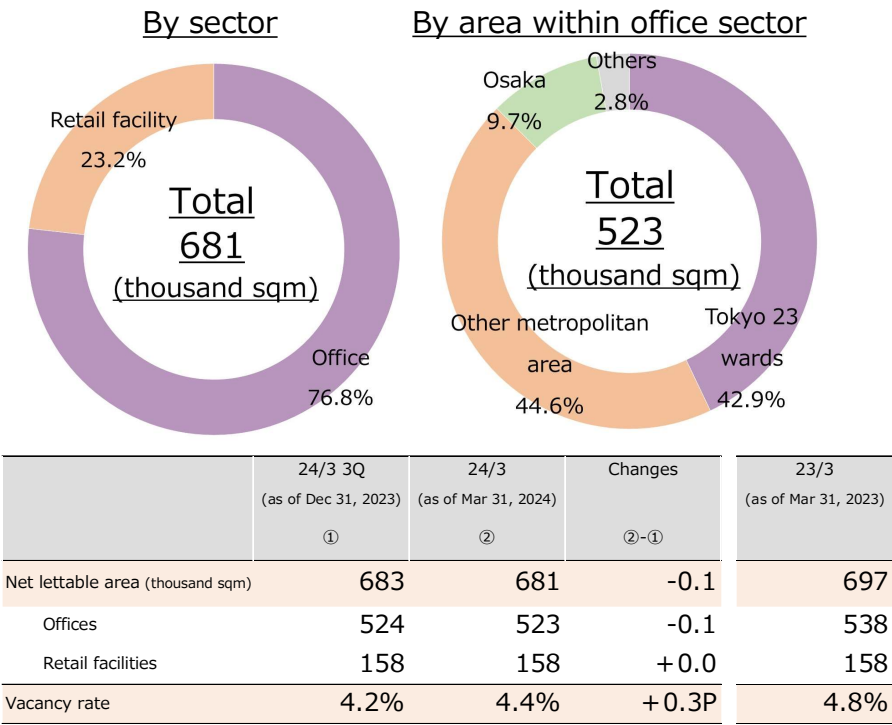
(Offices and retail facilities of non-current assets)



* Vacancy rate change above includes the impact of the net lettable area decrease due to the transfer of properties to inventories and promotion of rebuilding projects.

Net lettable area

(Offices and retail facilities of non-current assets)



2. Performance highlights by Business Unit

(2) Commercial Real Estate: Property sale, land bank

- The property sales progressed with sales amount of ¥115.5 bn and gross profit of ¥36.2 bn in FY24/3.
- In FY24/3, acquired 18 properties, land worth of ¥244.0 bn. Total investment ¥993.0 bn is secured.

Sales and gross profit



FY24/3: Land acquisition for property for sales

| | Acquired | Total investment |
|-----------|-------------|------------------|
| Office | 12 projects | ¥102.0 bn |
| Retail | 2 projects | ¥11.0 bn |
| Logistics | 4 projects | ¥131.0 bn |
| Total | 18 projects | ¥244.0 bn |

* The scheduled total investment amount is rounded down to the nearest ¥1.0 bn.

Land bank

Total ¥993.0 bn(¥525.8 bn out of total is on BS)

| | Completed | Under development | | Total | |
|-----------|--------------|-------------------|------------------|--------------|------------------|
| | Amount on BS | Amount on BS | Total investment | Amount on BS | Total investment |
| Office | 181.9 | 105.3 | 230.0 | 287.2 | 412.0 |
| Retail | 41.3 | 5.1 | 13.0 | 46.4 | 55.0 |
| Logistics | 124.7 | 51.0 | 384.0 | 175.7 | 508.0 |
| Other | 16.2 | — | — | 16.2 | 16.0 |
| Total | 364.3 | 161.5 | 628.0 | 525.8 | 993.0 |

* Total investment amount is rounded down to the nearest ¥1.0 bn.

2. Performance highlights by Business Unit

(2) Commercial Real Estate: Major properties completed in FY24/3

- In FY24/3, 12 office buildings, 5 logistics facilities and 3 retail facilities were completed. Stock of property for sales increasing steadily.



PMO Ginza II



PMO Kanda Sudacho



PMO Ikebukuro



H1O Shibakoen



MEFULL Kiba



Nomura Real Estate Tameike Sanno building (Non-current assets)



PMO Ikebukuro II



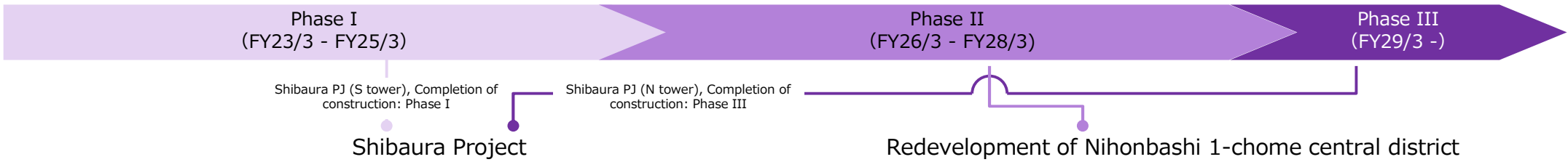
Landport Yokohama Fukuura



Landport Toda

2. Performance highlights by Business Unit

(2) Commercial Real Estate : Large- scale mixed- use development



Minato-ku, Tokyo
South tower (S tower): 43 floors with 3 basement
North tower (N tower): 45 floors with 3 basement
Land area: 40,104.29m²
Gross floor area: about 550,000m²
Office, retail, hotel, residence
Completion of construction: FY25/3 (S tower) FY31/3 (N tower)
Main participating companies:
Nomura Real Estate, East Japan Railway



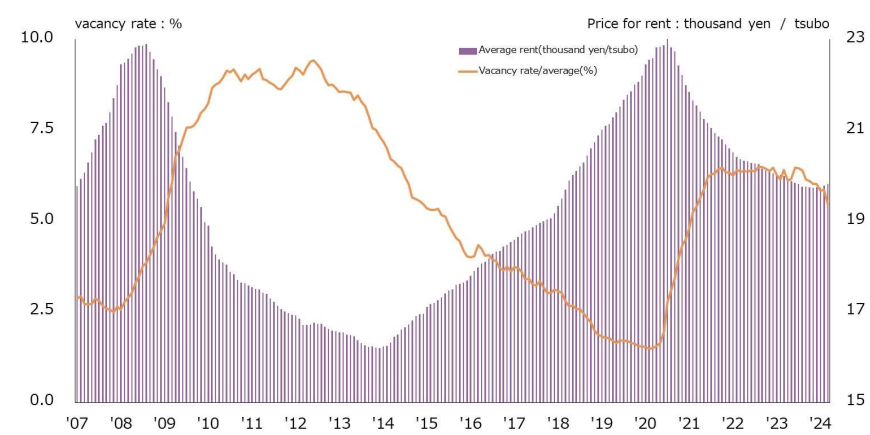
Chuo-ku, Tokyo
52 floors above ground, 5 basement floors (C block)
Land area: about 18,990m² Gross floor area: about 380,300m²
Office, retail, hotel, residence, conference center
Completion of construction: FY26/3
Main participating companies:
Nomura Real Estate, Mitsui Fudosan, Nomura Holdings

*Images are for reference only.

2. Performance highlights by Business Unit

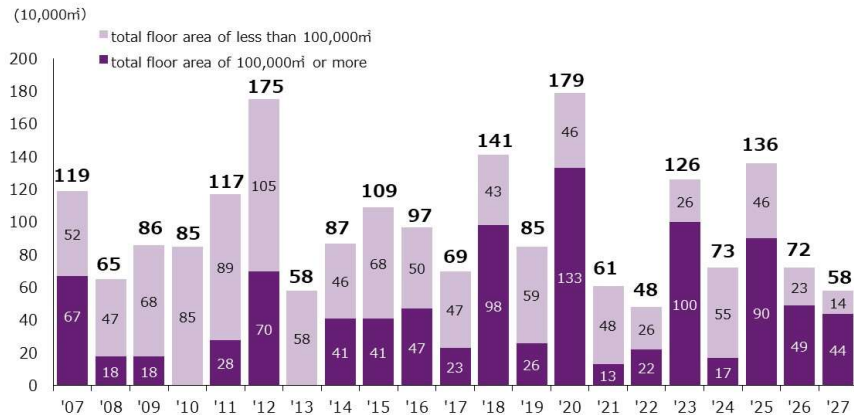
(2) Commercial Real Estate : Business environment

Rent and vacancy rate in Tokyo central five wards



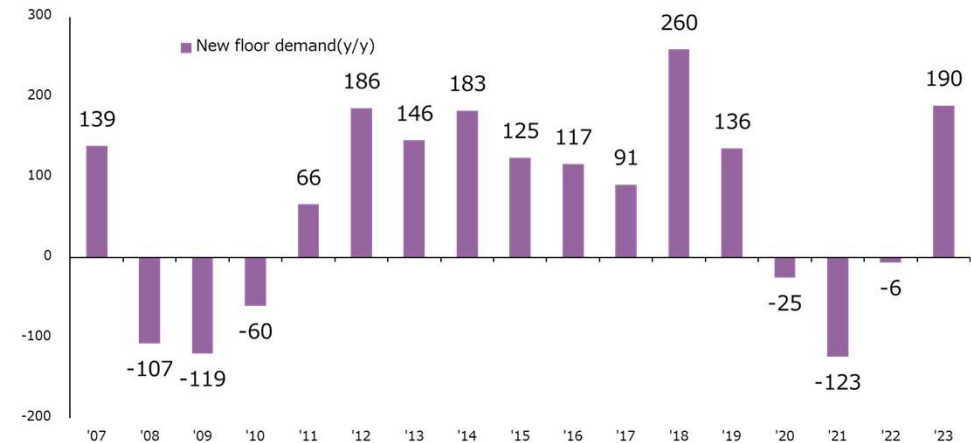
Source by Miki Shoji

The outlook for the new supply of office space in 23 wards of Tokyo (based on rental area)



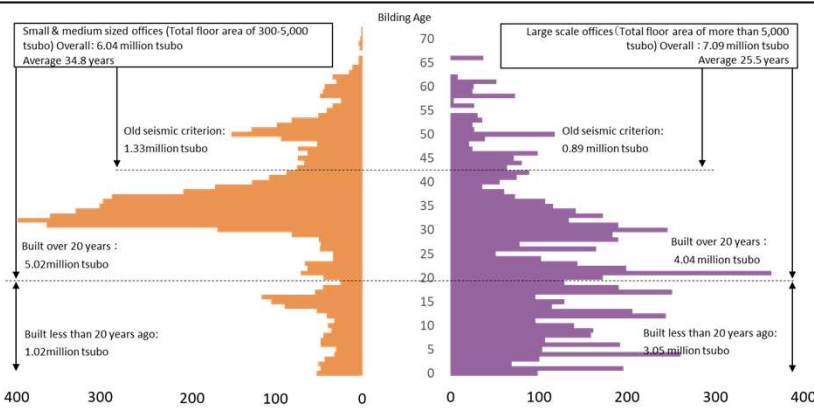
Source by NREH based on "2023 Survey of Large-scale Office Building Market in Tokyo's Core 23 Cities" (Mori Building)

An increasing trend in Tokyo central five wards' office rental area



Source by NREH based on the data of Miki Shoji. New floor = (rental area - vacant area) - (previous year rental area - previous year vacant area)

The distribution of office building age in 23 wards of Tokyo



Source by NREH based on "Tokyo 23 wards & Osaka City" office pyramid 2024" (XYMAX REAL ESTATE INSTITUTE Corporation)

2. Performance highlights by Business Unit

(3) Overseas : Business outline

- Business profit decreased, mainly because profit declined in housing sales in Viet Nam and China.
- In FY25/3, housing sales are expected to be recorded mainly in Viet Nam and Thailand.

| (¥bn) | 23/3 Actual ① | 24/3 Actual ② | Changes ②-① | Main factors for increase/decrease | 25/3 Forecast ③ | Changes ③-② |
|---|---------------------|---------------------|----------------|------------------------------------|-----------------------|----------------|
| Operating revenue | 6.7 | 4.6 | -2.1 | | 8.0 | +3.3 |
| Housing sales | 5.8 | 3.3 | -2.5 | Decrease in China | | |
| Leasing | 0.6 | 0.5 | -0.1 | | | |
| Other | 0.2 | 0.7 | +0.4 | | | |
| Operating profit | 2.4 | -1.2 | -3.6 | | | |
| Share of profit (loss) of entities accounted for using equity method | 4.8 | 0.8 | -3.9 | | | |
| Housing sales | 4.8 | 0.7 | -4.1 | Decrease in Viet Nam | | |
| Leasing | 0.3 | 0.3 | -0.0 | | | |
| Other | -0.3 | -0.2 | +0.1 | | | |
| Amortization of intangible assets associated with corporate acquisitions | 0.0 | 0.0 | +0.0 | | | |
| Business profit | 7.2 | -0.3 | -7.6 | | 2.0 | +2.3 |

(Reference information) Accounting treatment of overseas business

Overseas business are accounted for as equity investments or share of entities accounted for using equity method, depending on the project's type of participation and other reasons.
The accounting method for each project is described on the next page.

| | Equity investment | | | Share of entities accounted for using equity method |
|----|---|----------------------------|--|--|
| | Operating profit or loss | | | Non-operating profit or loss |
| PL | Profit or loss of the SPC (net profit/loss corresponding to the investment ratio) is included in the profit (loss) of equity investment. | SPC's accounting treatment | NREHD's accounting treatment | Profit or loss of the affiliates accounted for using equity method (net profit/loss corresponding to the investment ratio) is included in the profit (loss) of entities accounted for using equity method. |
| | | Plus (+) (profit) | Profit of the SPC=Sales of NREHD (equity investment profit) | |
| | | Minus (-) (loss) | Loss of the SPC=Cost of NREHD (equity investment loss) | |
| BS | Current assets (Equity investment) | | | Non-current assets (Shares of affiliated companies) |

2. Performance highlights by Business Unit

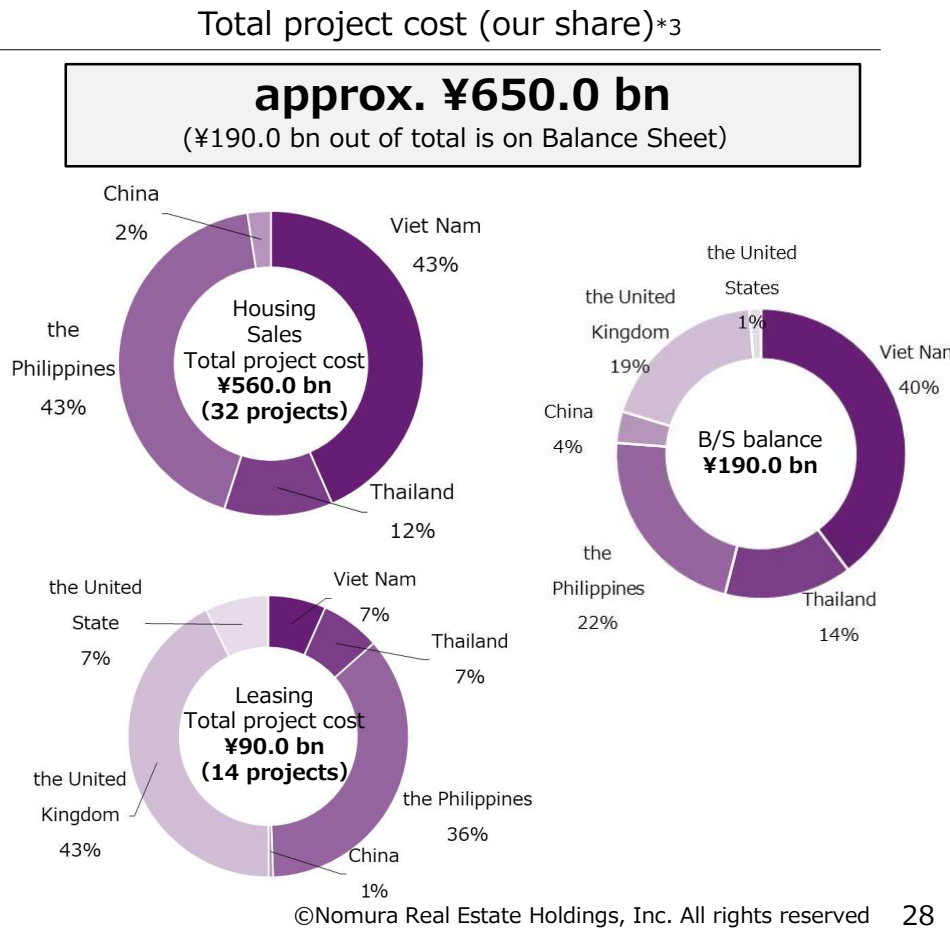
(3) Overseas : Overseas business expansion (projects participated)

- Promote business with a focus on high-growth Southeast Asia area. Total project cost (our share) approx. ¥650.0 bn is secured.
- In FY24/3, acquired 2 properties in UK. Continue acquiring and developing properties in developed countries, depending on market conditions.

Major projects scheduled to be recorded in FY24/3 (housing sales)*1

| Country | Location | Project | Account method | Total number | Our share*2 |
|-----------------|------------------|-----------------------|-------------------------|----------------------|-------------|
| Viet Nam | Ho Chi Minh City | Midtown | Operating profit (loss) | approx. 2,400 units | 250 units |
| | | Grand Park 2nd period | Equity method | approx. 11,000 units | 3,200 units |
| | | Grand Park 3rd period | Equity method | approx. 9,600 units | 3,750 units |
| Thailand | Bangkok | Thong Lo | Operating profit (loss) | 1,187 units | 550 units |
| | | Ratchathew | Operating profit (loss) | 263 units | 100 units |
| | | Rama 4 | Operating profit (loss) | 501 units | 200 units |
| | | Sailuat | Operating profit (loss) | 1,001 units | 450 units |
| | | Ramintra | Operating profit (loss) | 679 units | 300 units |
| | | Huaykwang | Operating profit (loss) | 342 units | 150 units |
| | | Ramkhamhaeng 2 | Operating profit (loss) | 482 units | 200 units |
| | | Samutprakarn | | | |
| | | KM17 detached housing | Operating profit (loss) | 228 units | 100 units |
| | | KM17 town house | Operating profit (loss) | 352 units | 150 units |
| the Philippines | Manila | Sunshine Fort | Equity method | approx. 1,300 units | 250 units |
| China | Changzhou | Changzhou I & II | Operating profit (loss) | approx. 6,600 units | 800 units |

*1 All projects (including project name) are in planning stage and are subject to change.
*2 The number of our share is rounded down to the nearest 50 units. Our share partially includes the number of units that have been delivered.
*3 Total project cost (our share) and B/S balance for projects are rounded down to the nearest ¥1 bn.
Total project cost (our share) is the total of the projects scheduled to be recorded in FY24/3 and thereafter. Projects scheduled to be recorded in multiple fiscal years, the total project cost is the total cost for the entire period.
B/S balance is the balance of operating equity investments, investment securities, etc. to be recorded in the B/S in the Overseas BU as of the end of the quarter.



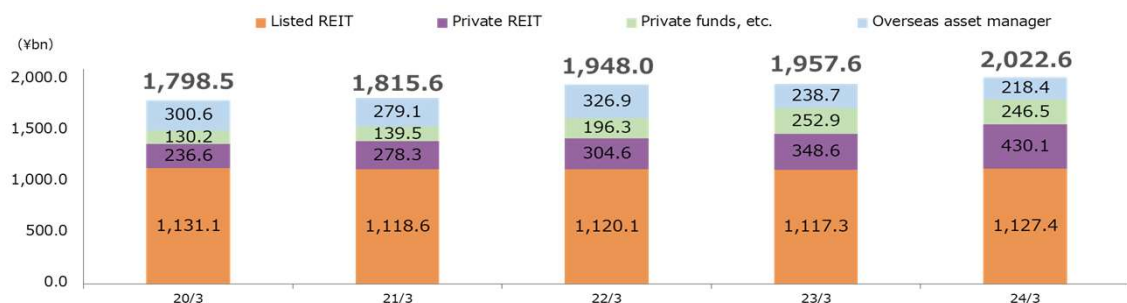
2. Performance highlights by Business Unit

(4) Investment Management: Business outline



- Both operating revenue and business profit increased because the management fee increased due to the expansion of the AUM of private REIT, and acquisition and sale of properties by listed REIT, private REIT, and private funds.
- In UK, the AUM is expected to decrease hereafter, because the sale of properties in response to the cancellation from investors.

| (¥bn) | 23/3 Actual ① | 24/3 Actual ② | Changes ②-① | Main factors for increase/decrease | 25/3 Forecast ④ | Changes ④-② |
|--|---------------------|---------------------|----------------|------------------------------------|-----------------------|----------------|
| Operating revenue | 13.6 | 14.3 | +0.7 | | 15.0 | +0.6 |
| Operating profit | 7.7 | 8.3 | +0.5 | | | |
| Share of profit (loss) of entities accounted for using equity method | -0.0 | 0.0 | +0.1 | | | |
| Amortization of intangible assets associated with corporate acquisitions | 0.3 | 0.1 | -0.1 | | | |
| Business profit | 8.0 | 8.5 | +0.4 | | 9.5 | +0.9 |

Assets under management



Major brands

| | MASTER FUND  | NOMURA REAL ESTATE PRIVATE REIT, INC.  |
|---|---|---|
| Feature | One of the largest diversified type J-REITs | Japan's first private REIT since 2010 |
| AUM (No. of properties) As of Mar. 31, 2024 | ¥1,127.4 bn (292 properties) | ¥430.1 bn (110 properties) |

* Assets under management of Listed REIT and private REIT is calculated by Total assets on the balance sheet (excluding unamortized goodwill) at the end of the latest fiscal period of each REIT+ Acquisition price of the assets acquired after the end of the period – Estimated book value of the assets disposed at the time of sales.

* Private funds, etc. include assets under management of Nomura Real Asset Investment Co., Ltd. based on the Company's equity stake. The assets under management of Nomura Real Asset Investment Co., Ltd. totaled 89,700 million yen as of the end of FY24/3.

2. Performance highlights by Business Unit

(5) Property Brokerage & CRE: Business outline

- Operating revenue increased due to an increase in transaction value in each of the three businesses, retail, middle, and wholesale*.

| (¥bn) | 23/3 Actual ① | 24/3 Actual ② | Changes ②-① | Main factors for increase/decrease | 25/3 Forecast ③ | Changes ③-② |
|--|---------------------|---------------------|----------------|--|-----------------------|----------------|
| Operating revenue | 47.7 | 49.5 | +1.8 | | 52.0 | +2.4 |
| Brokerage fee (retail business) | 24.0 | 25.6 | +1.5 | Increase of transaction value and the number of transactions | | |
| Brokerage fee (middle business) | 9.6 | 11.8 | +2.2 | Increase of transaction value and the number of transactions | | |
| Brokerage fee (wholesale business) | 11.5 | 10.1 | -1.3 | Decrease of commission rate while increase of transaction value and the number of transactions | | |
| Other | 2.4 | 1.8 | -0.6 | | | |
| Operating profit | 13.7 | 13.4 | -0.3 | | | |
| Share of profit (loss) of entities accounted for using equity method | +0.0 | +0.0 | -0.0 | | | |
| Amortization of intangible assets associated with corporate acquisitions | — | — | — | | | |
| Business profit | 13.8 | 13.4 | -0.3 | | 14.0 | +0.5 |

*Retail business: Real estate brokerage business for individuals.

*Middle business: Real estate brokerage business for small and midsize companies, business owners, some individual investors and high net worth individuals.

*Wholesale business: Real estate brokerage business for large corporations, funds, and overseas investors

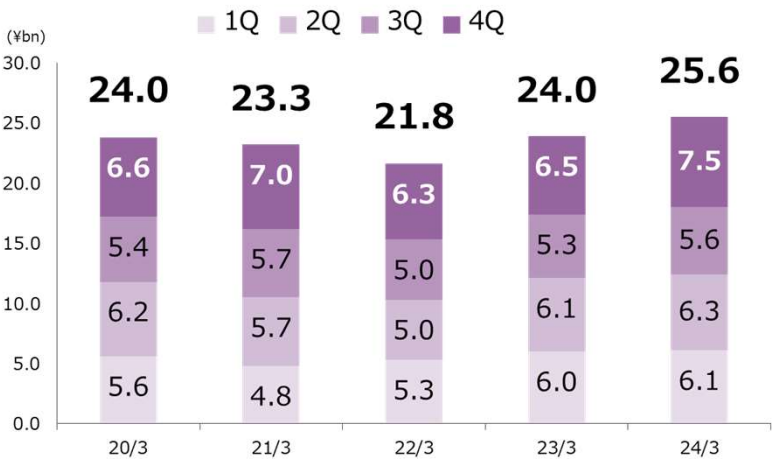
2. Performance highlights by Business Unit

(5) Property Brokerage & CRE: Brokerage fee

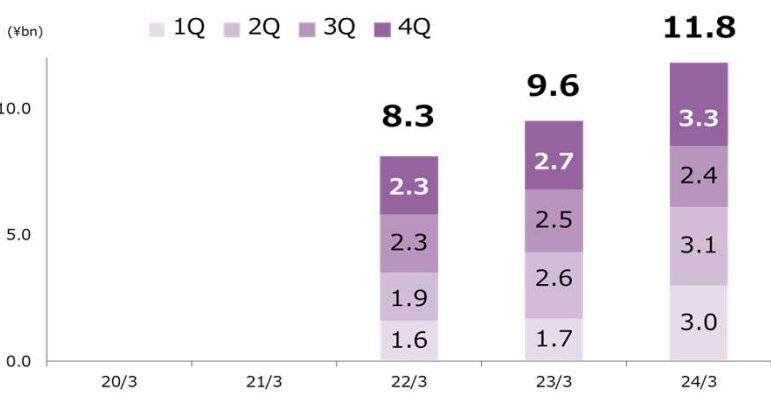
Brokerage indicators

| | 23/3 Actual ① | 24/3 Actual ② | Changes ②-① |
|--|---------------------|---------------------|----------------|
| Transaction value (¥bn) | 1,060.3 | 1,221.8 | + 161.5 |
| Number of transactions | 9,985 | 10,204 | + 219 |
| Commission fee (¥bn) | 45.2 | 47.7 | + 2.4 |
| Commission rate (%) | 4.3% | 3.9% | -0.4P |
| Number of branches for retail business | 88 | 88 | — |

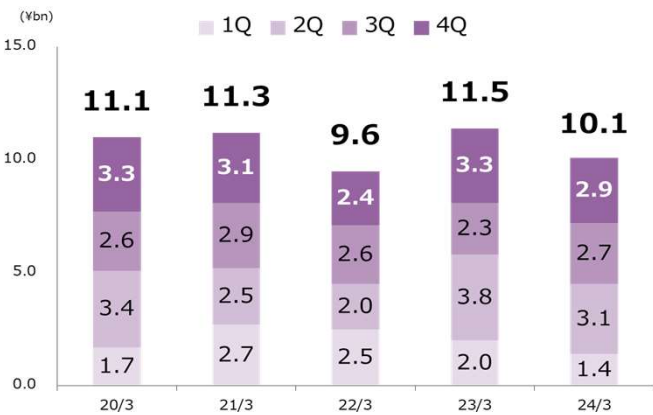
Brokerage fee for retail business



Brokerage fee for middle business



Brokerage fee for wholesale business



*From FY22/3, the property brokerage business has been changed to new classification as Retail, Middle, and Wholesale.

2. Performance highlights by Business Unit

(6) Property & Facility Management: Business outline

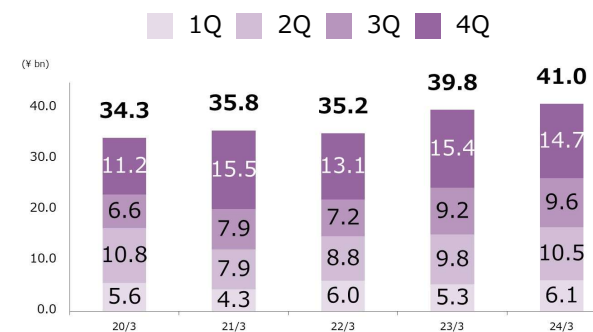
- Both property & facility management and construction ordered progressed steadily, resulting in increases in operating revenue and business profit.

| (¥bn) | 23/3 Actual ① | 24/3 Actual ② | Changes ②-① | Main factors for increase/decrease | 25/3 Forecast ③ | Changes ③-② |
|--|---------------------|---------------------|----------------|--|-----------------------|----------------|
| Operating revenue | 105.4 | 108.1 | +2.7 | | 110.0 | +1.8 |
| Property & facility management | 59.5 | 60.8 | +1.3 | Increase of housings under management | | |
| Construction ordered | 39.8 | 41.0 | +1.1 | Increase of completion of construction ordered | | |
| Other | 6.0 | 6.3 | +0.2 | | | |
| Operating profit | 9.8 | 10.0 | +0.2 | | | |
| Share of profit (loss) of entities accounted for using equity method | 0.0 | 0.0 | +0.0 | | | |
| Amortization of intangible assets associated with corporate acquisitions | 0.0 | — | -0.0 | | | |
| Business profit | 9.8 | 10.0 | +0.2 | | 9.5 | -0.5 |

Buildings / Housings under management



Revenue of construction ordered



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| 4. Action to implement management that is conscious of cost of capital and stock price | P.36 |
| 5. Reference materials | P.38 |

3. Topics

Strengthening of hotel business

- We will leverage the strengths of our Residential Development Business Unit and hotel business (existing hotels + UDS Ltd.) to achieve further growth of the hotel business.
- From FY25/3, our hotel business will be transferred from the Commercial Real Estate Business Unit to the Residential Development Business Unit to double the number of hotel rooms as quickly as possible.

Environment surrounding our hotel business

Perceived environment surrounding the hotel industry

Increase in inbound tourism demand

- ✓ Foreign visitors to Japan have increased **6.5** times year-on-year* (from 2022 to 2023)

Hotels becoming “homes”

- ✓ Length of stay has become **longer**
- ✓ Demand for **condominium hotels** is increasing

Our strengths

Planning and design capabilities cultivated through residential development

Experience in developing and operating lifestyle-oriented hotels

Ability to understand the needs of high net worth individuals, and our customer base

Forward-thinking, planning, design, and management capabilities of UDS Ltd.

*Ministry of Land, Infrastructure, Transport and Tourism, “Visitor Arrivals to Japan and Japanese Overseas Travelers” https://www.mlit.go.jp/kankocho/tokei_hakusyo/shutsunyukokushasu.html (in Japanese)

Projected growth of hotel business

Approx. 2,500 rooms
Participation of UDS Ltd.

Double the number of hotel rooms as quickly as possible

Approx. 680 rooms

UDS

NOHGA HOTEL

ホテルの底
HOTEL NOGA

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4. Action to implement management that is conscious of cost of capital and stock price

The Company's Policy for Corporate Value Enhancement

- The Group has been carrying out management with an awareness of the cost of equity and share price in accordance with the Mid- to Long-term Business Plan that was formulated in April 2022.

The Company's Thought

As a real estate developer that owns and utilizes assets, in addition to PBR, which is one of the market valuation standards, we recognize that we need to manage our business with an awareness of NAV*, which takes into account unrealized profit of assets.

The Company recognizes that its capital costs are 7 to 8%, and believes that mid- to long-term profit growth is required to achieve ROE that exceeds this level.

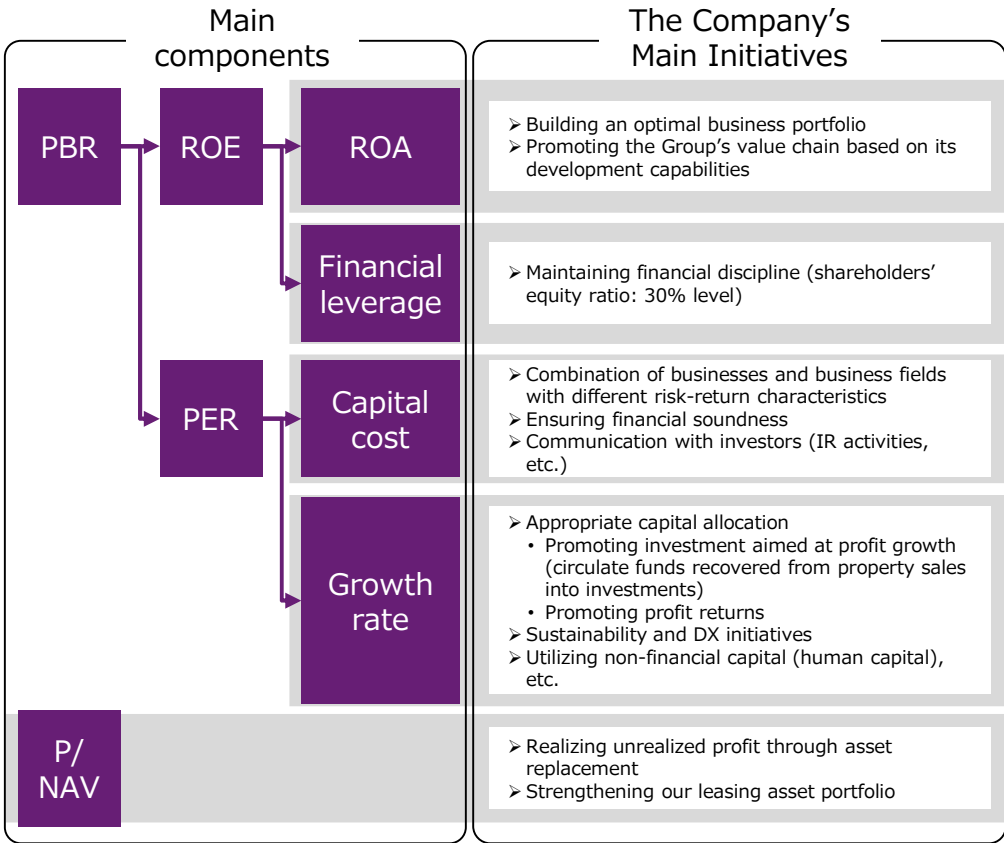
In accordance with 2030 Vision, "Be a 'Life & Time Developer,' as never seen before," the Company is aiming to enhance corporate value through the "realization of high profit growth and high asset and capital efficiency" in the Mid- to Long-term Business Plan.

As presented in this plan, the Company will continue to work to achieve its financial targets and 2030 Vision in accordance with the following policies.

- Realize an average annual profit growth rate of 8% level
- Pursue high asset and capital efficiency
- Provide a high level of returns to shareholders

* NAV (Net Asset Value) : Real net assets including unrealized gains on assets eld
NAV=(shareholders' equity + unrealized gains (after deduction of tax)) / the number of shares issued at the end of period (excluding treasury shares). See P9
* See P38 for Mid- to Long-term Business Plan: Financial Targets

Initiatives



* Please refer to our Integrated Report 2023, CFO Interview (page 28), for the details.
https://www.nomura-re-hd.co.jp/english/ir/pdf/AR2023_A3_e.pdf

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5. Reference materials

(1) Mid- to Long-term Business Plan: Financial Targets (released in April 2022)

Business Profit

- ▶ Realize annual average profit growth rate of **8% level**

| | Phase I (FY 23/3 - FY 25/3) | Phase II (FY 26/3 - FY 28/3) | Phase III (FY 29/3 - FY 31/3) |
|--|-----------------------------|------------------------------|-------------------------------|
| Business Profit | ¥115.0 bn (FY 25/3) | ¥140.0 bn or more (FY 28/3) | ¥180.0 bn or more (FY 31/3) |
| Annual average business profit growth rate | 8% level | | |

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

ROA/ROE

- ▶ Pursuit of high asset and capital efficiency

| | Phase I | Phase II | Phase III |
|-----|------------|-----------|-------------|
| ROA | 4.5% level | 5% level | 5% or more |
| ROE | 9% level | 10% level | 10% or more |

* ROA = Business profit / Average assets during the FY

Shareholder Returns Policy

- ▶ Implement high shareholder returns

| | Phase I | Phase II | Phase III |
|-----------------------------|------------------------------|---------------------------|-----------|
| Shareholders returns policy | Total return ratio of 40-50% | Payout ratio at 40% level | |

* Dividend payout ratio= Dividend per share / EPS; Total return ratio = (Dividend per share + The amount of acquisition of treasury shares per share) / EPS

5. Reference materials

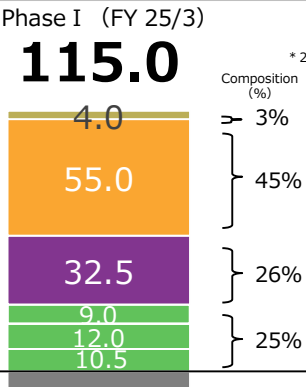
(1) Mid- to Long-term Business Plan: Business profit target (released in April 2022)

| Financial Targets | Phase I | Phase II | Phase III |
|--------------------|---------------------|-----------------------------|----------------------------|
| Business Profit *1 | ¥115.0 bn (FY 25/3) | ¥140.0 bn or more (FY 28/3) | ¥180.0 bn or more (FY31/3) |
| ROA/ROE | 4.5% level/9% level | 5% level/10% level | 5% or more/10% or more |

Business profit by Business Unit (¥ bn)

| | |
|---|--|
| Domestic real estate development business | Residential Development Business Unit |
| | Commercial Real Estate Business Unit |
| Service & Management Sector | Investment Management Business Unit |
| | Property Brokerage & CRE Business Unit |
| | Property & Facility Management Business Unit |
| Overseas Business Unit | |
| Other and Adjustment | |

| Phase I (FY25/3) | |
|------------------|------|
| | 32.5 |
| | 55.0 |
| | 9.0 |
| | 12.0 |
| | 10.5 |
| | 4.0 |
| | -0.8 |



Overseas Business Unit

Commercial Real Estate Business Unit

Residential Development Business Unit

Investment Management Business Unit

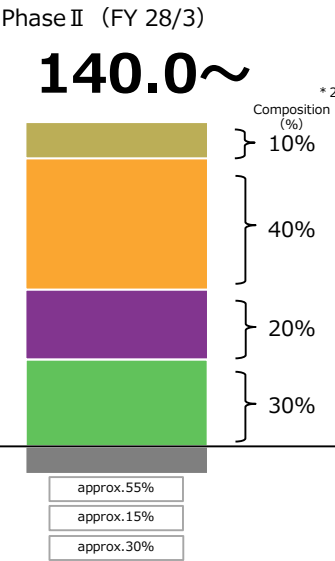
Property Brokerage & CRE Business Unit

Property & Facility Management Business Unit

Other and Adjustment

| | |
|--|----------------------|
| Business Profit Composition by Business Type | Property Sales |
| | Leasing |
| | Service & Management |

| |
|------------|
| approx.60% |
| approx.15% |
| approx.25% |



Phase III (FY 31/3)

180.0~



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

*2 Percentage of each Business Unit's profit is calculated based on the projected business profit, excluding other and adjustments

5. Reference materials

(1) Mid- to Long-term Business Plan: Financial Strategy (Investment and Recovery Strategy) (released in April 2022)

- Expanding net investment as well as maintaining and improving ROA and ROE for high profit growth.

(¥ bn)

| | Phase I (FY 23/3 - FY 25/3) | Phase II (FY 26/3 - FY 28/3) | Phase III (FY 29/3 - FY 31/3) | Total Phase I - Phase III |
|-------------------------|--------------------------------|---------------------------------|----------------------------------|------------------------------|
| Residential Development | | | | |
| Investment | 850.0 | 850.0 | 900.0 | 2,600.0 |
| Recovery | 800.0 | 850.0 | 900.0 | 2,550.0 |
| Commercial Real Estate | | | | |
| Investment | 700.0 | 800.0 | 1,000.0 | 2,500.0 |
| Recovery | 450.0 | 700.0 | 850.0 | 2,000.0 |
| Overseas | | | | |
| Investment | 150.0 | 200.0 | 200.0 | 550.0 |
| Recovery | 50.0 | 150.0 | 200.0 | 400.0 |
| Total | | | | |
| Investment | 1,700.0 | 1,850.0 | 2,100.0 | 5,650.0 |
| Recovery | 1,300.0 | 1,700.0 | 1,950.0 | 4,950.0 |
| Net investment | 400.0 | 150.0 | 150.0 | 700.0 |

* Figures are rounded down to the nearest ¥50.0 bn.

5. Reference materials

(2) Sustainability: Policy, Materiality / KPI

- Established Sustainability Policy (vision of 2050) in September, 2021.
- Set Priority issue (materiality) and KPI for 2030 (FY31/3).






Sustainability Policy
Earth Pride

Pursuing humanity

Maintaining harmony with nature

Building the future together

Priority issue for 2030 (materiality)

| Society and employees | | Climate change and natural environment | | |
|---|--|--|--|---|
|  Diversity & inclusion |  Human rights |  Decarbonization |  Biodiversity |  Circular design |

Key Performance Indicators (KPIs)

| | |
|---|--|
| <ul style="list-style-type: none">●Female manager and junior manager ratio: 20%●Childcare leave utilization rate by men and women: 100%●Procurement guideline survey implementation rate: 80%●Creation of human rights due diligence system●Percentage of participation in human rights training: 100%●Provision of products and services with inclusive design*1●Percentage of implementation of one-on-one meetings: 100% | <ul style="list-style-type: none">●Reduce CO2 emissions by 35% compared to 2020/03●Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards●Develop timber-based buildings: Carbon storage 10,000 t-CO2 per year●Obtain biodiversity certification●Initiatives to promote building longevity: Full implementation of the Group’s voluntary standards●Promote waste reduction and increase recycling rate: Reduction of industrial wastes by 20% |
|---|--|

*1 Design process involving people with diverse backgrounds, values, and challenges
*Please refer to our sustainability website for other details.
<https://www.nomura-re-hd.co.jp/english/sustainability/>

5. Reference materials

(2) Sustainability: Major KPIs for society and employees

- KPIs, for example Female manager and junior manager ratio, have been established to measure progress on priority issues (materiality).

Society and employees

Key Performance Indicators (KPIs) and Results

| By FY31/3 |
|---|
| <ul style="list-style-type: none">• Female manager and junior manager ratio:20% ^{*1}• Rate of acquisition of childcare leave by male and female:100%• Procurement guideline survey implementation rate:80%• Percentage of implementation of one-on-one meetings:100% etc. |

| Result | FY21/3 | FY22/3 | FY23/3 |
|---|--------|--------|---------------------|
| Female manager and junior manager ratio | 11.2% | 11.7% | 13.9% |
| Rate of acquisition of childcare leave by male and female | - | 96.2% | 64.5% ^{*2} |
| Procurement guideline survey implementation rate | - | 37% | 51% |
| Percentage of implementation of one-on-one meetings | - | 84% | 83% |

^{*1} Female manager and junior management ratio: Female manager + female management candidate / All manager + all management candidate

^{*2} From FY2023/3, the method for disclosure has been changed to secure conformity with a calculation formula for information disclosure via securities reports as stipulated under guidelines issued by the Ministry of Health, Labour and Welfare, which has made it mandatory to announce the status of childcare leave utilization

* Please refer to our sustainability website for other details.

<https://www.nomura-re-hd.co.jp/english/sustainability/>



5. Reference materials

(2) Sustainability: Major KPIs for Climate change and natural environment

- Set a target of 35% reduction in CO2 emissions.
- Aim to achieve ZEH / ZEB oriented standards.

Climate change and natural environment

Climate change / CO2 emission reduction target

| Target year FY31/3 | Base year compared to FY20/3 | Base year performance |
|-----------------------|--------------------------------|-----------------------|
| | • Scope1,2: reduce 35% | 150,000 t-CO2 |
| | • Scope3*1 : reduce 35% | 3,172,000 t-CO2 |

*1 Reduction targets are category 1 (purchased goods and services), category 11 (use of sold products).

| | |
|------------------------------------|--|
| Target for renewable electricity*2 | The power consumption in the Group will be 100% renewable electricity by 2050 |
| | Switching electricity consumed by all leasing properties owned by NRE to 100% renewable electricity by FY24/3 |

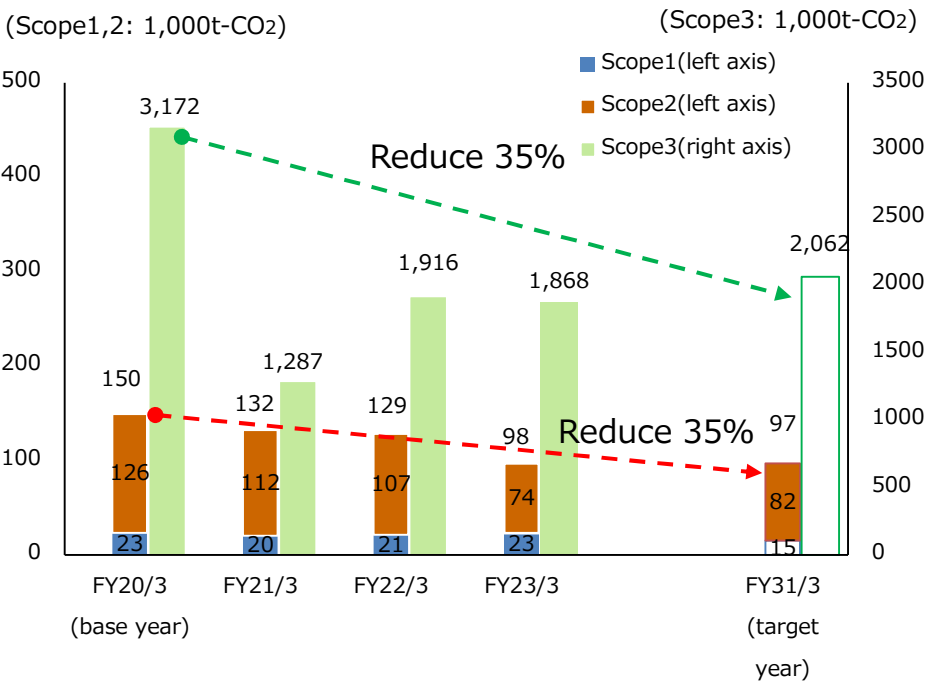
*2 Electricity in Scope 1 and 2

Our business and Scope 1, 2, 3

| | Our relevant business |
|---------------------------------|--|
| Scope1, 2 (Direct emissions) | • Leasing business • Service & Management Sector |
| Scope3 (Indirect emissions) | • Property sales business (housing sales, property for sales) |

* Please refer to our sustainability website for other details.
<https://www.nomura-re-hd.co.jp/english/sustainability/>

CO2 emission reduction (Scope1,2,3) plan



5. Reference materials

(3) Outline: Nomura Real Estate Group History



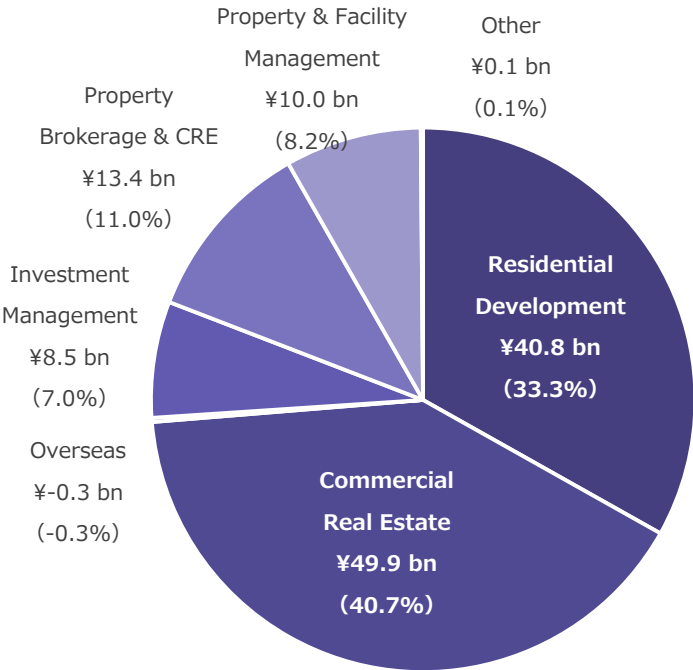
5. Reference materials

(3) Outline: Business Structure

| Operating revenue ¥734.7 bn | | |
|--|---|--|
| Property Sales Business | Leasing Business | Service Management Business |
| ①Residential Development : ¥351.8 bn | | |
| Development and sale of condominium, detached housing ¥282.9 bn PROUD | Development and sale of rental housing ¥32.9 bn PROUD FLAT | Leasing of rental housing, PROUD FLAT ¥3.6 bn |
| | | Development and management of senior housing ¥1.8 bn OUKAS |
| | | Other business related to real estate (Internet advertising, provides services aimed at providing assistance to customers concerning their homes arrangements, etc.) ¥30.4 bn PRIMECROSS FLA |
| ②Commercial Real Estate : ¥223.7 bn | | |
| Development and sales of office building, logistics facility, retail facility, etc. ¥115.5 bn | Leasing of office building and retail facility, etc. ¥74.7 bn | Other business related to real estate (management of hotel and fitness club, etc.) ¥33.5 bn |
| ③Overseas : ¥4.6 bn | | |
| Developing and selling housing, primarily in Southeast Asia ¥3.3 bn | Developing and leasing office buildings, serviced apartments in Southeast Asia, the U.K, and the US. ¥0.5 bn | Other ¥0.7 bn |
| ④Investment Management:¥14.3 bn Investment management services including listed and private real estate investment trusts (REITs), private funds and real estate securitization products | | |
| ⑤Property Brokerage & CRE:¥49.5 bn Real estate brokerage and consulting, etc. | | |
| ⑥Property & Facility Management:¥108.1 bn Operation and management of and contract work for condominiums, office buildings, etc. | | |

| Business profit ¥113.6 bn | |
|---------------------------|--|
|---------------------------|--|

*() is the composition ratio of business profit.



*Total figures for the consolidated operating revenue and business profit of each business are different from the total amount because the monetary amount for "Adjustments" in the unit information is not included.
The composition ratio of consolidated operating revenue and business profit by each unit are calculated based on a simple total amount.

5. Reference materials

(3) Outline: Asset Brands (Residential Development)

— <Housing sales>



Urban-type condominium
Cumulative number of housings supplied: approx. 79,000 units*1,*2



PROUD Tower Meguro MARC



PROUD Motoyoyogicho



PROUD Shirokanechojamaru (GOOD DESIGN AWARD 2023)



Detached housing
Cumulative number of housings supplied: approx. 9,000 units*1



PROUD SEASON Shonan Fujisawa Mutsuai



Suburban-type condominium
Cumulative number of housings supplied: approx. 6,000 units*1



OHANA Shin-Tokorozawa Duhare

— <Rental housing>



Rental housing
Number of developed properties: 138 properties*3



PROUD FLAT Ryogoku South



Health promoting senior rental housing
Number of developed properties: 11 properties*3



OUKAS Setagayasengawa (GOOD DESIGN AWARD 2023)

*1 As of March 31, 2024 *2 Cumulative number of PROUD condominiums and detached housing supplied
*3 As of March 31, 2024 (number of developed properties including plans)

5. Reference materials

(3) Outline: Asset Brands (Commercial Real Estate)

— <Office building>



Medium-sized high-grade office
75 properties*1



PMO Tamachi IV



PMOEX Nihonbashi Kayabacho



Human first salon in PMOEX Nihonbashi Kayabacho
(Lounge exclusively for tenant companies)



Small office with services
26 properties*1 *2



H1O Aoyama



Above: H1O Shibakoen roof garden



Below: H1O Toranomon Lounge



Satellite-type shared office
283 including affiliated
offices*1



H1T Shiodome



H1T Nishi-Funabashi



H1T Yokohama

— <Logistics facility>



Logistics facility with advanced and high functionality
51 properties*1



Landport Tama



Landport Ageo I

— <Retail facility>



Urban retail facility (mainly
restaurants)
23 properties*1



GEMS Roppongi



GEMS Nakameguro



GICROS GINZA GEMS



MEFULL Kawasaki



MEFULL Kiba



Urban retail facility (mainly
service industries)
9 properties*1

*1 As of March 31, 2024 (including plans)
*2 Including properties that entire building is PMO and part of the building is H1O

5. Reference materials

(3) Outline: 10 years data of Nomura Real Estate Group

| | units | 15/3 | 16/3 | 17/3 | 18/3 | 19/3 | 20/3 | 21/3 | 22/3 | 23/3 | 24/3 |
|---------------------------------------|-----------|---------|---------|---------|-----------|---------|---------|---------|---------|---------|---------|
| Financial data | | | | | | | | | | | |
| Operating revenue | ¥bn | 567.1 | 569.5 | 569.6 | 623.7 | 668.5 | 676.4 | 580.6 | 645.0 | 654.7 | 734.7 |
| Business profit*1 | ¥bn | 71.8 | 80.9 | 77.2 | 76.6 | 79.6 | 82.8 | 76.4 | 92.7 | 105.1 | 113.6 |
| Net profit | ¥bn | 38.4 | 47.1 | 47.0 | 46.0 | 45.8 | 48.8 | 42.1 | 55.3 | 64.5 | 68.1 |
| Total assets | ¥bn | 1,369.2 | 1,485.4 | 1,593.0 | 1,673.0 | 1,759.4 | 1,801.2 | 1,921.3 | 2,040.5 | 2,110.6 | 2,251.4 |
| Shareholders' equity | ¥bn | 394.0 | 444.8 | 481.3 | 501.4 | 526.7 | 550.1 | 583.3 | 618.7 | 653.3 | 690.9 |
| Shareholders' equity ratio | % | 28.8 | 29.9 | 30.2 | 30.0 | 29.9 | 30.5 | 30.4 | 30.3 | 31.0 | 30.7 |
| Debt/ equity ratio | times | 1.6 | 1.6 | 1.7 | 1.8 | 1.7 | 1.6 | 1.7 | 1.7 | 1.7 | 1.7 |
| Interest-bearing debt | ¥bn | 616.7 | 721.9 | 810.1 | 877.8 | 914.0 | 870.0 | 1,008.5 | 1,022.7 | 1,121.5 | 1,192.7 |
| Interest expenses | ¥bn | 8.8 | 7.8 | 7.5 | 7.3 | 8.7 | 8.7 | 9.0 | 8.8 | 10.2 | 14.0 |
| Debt/ ebitda ratio*2 | times | 7.5 | 7.6 | 8.6 | 9.4 | 9.8 | 8.6 | 11.0 | 9.4 | 9.4 | 9.1 |
| Unrealized gain*3 | ¥bn | 70.2 | 110.9 | 153.9 | 181.9 | 206.3 | 209.6 | 209.6 | 247.0 | 252.5 | 266.7 |
| Dividend payout ratio*4 | % | 22.4 | 23.3 | 26.5 | 29.1 | 30.5 | 29.9 | 35.5 | 31.7 | 32.9 | 35.7 |
| Total return ratio*5 | % | 22.4 | 23.3 | 26.5 | 50.8 | 41.4 | 46.3 | 45.0 | 44.3 | 47.6 | 46.0 |
| ROA*6 | % | 5.5 | 5.8 | 5.1 | 4.7 | 4.6 | 4.7 | 4.1 | 4.7 | 5.1 | 5.2 |
| ROE*7 | % | 10.3 | 11.2 | 10.1 | 9.4 | 8.9 | 9.1 | 7.4 | 9.2 | 10.1 | 10.1 |
| NAV per share*8 | yen/share | 2,298 | 2,708 | 3,063 | 3,333 | 3,630 | 3,833 | 4,035 | 4,442 | 4,764 | 5,075 |
| EPS | yen/share | 201.28 | 246.42 | 245.1 | 240.89 | 245.99 | 267.21 | 232.53 | 307.81 | 365.26 | 392.29 |
| DPS | yen/share | 45.00 | 57.50 | 65.00 | 70.00 | 75.00 | 80.00 | 82.50 | 97.50 | 120.00 | 140.00 |
| Stock market index | | | | | | | | | | | |
| PER | times | 14.2 | 9.9 | 7.9 | 10.7 | 8.5 | 6.9 | 12.0 | 10.2 | 8.5 | 11.6 |
| PBR | times | 1.1 | 0.9 | 0.7 | 1.0 | 0.8 | 0.6 | 0.9 | 0.9 | 0.8 | 1.1 |
| PNAV | times | 0.9 | 0.8 | 0.6 | 0.8 | 0.6 | 0.5 | 0.7 | 0.7 | 0.6 | 0.9 |
| Total Shareholder Return*9 | % | — | — | — | — | — | 86.4% | 133.1% | 150.3% | 155.8% | 231.5% |
| Key business indicator | | | | | | | | | | | |
| Revenue of housing sales | ¥bn | 332.9 | 318.7 | 308.9 | 336.8 | 342.0 | 294.3 | 247.6 | 284.0 | 273.6 | 282.9 |
| Gross profit ratio of housing sales | % | 21.1 | 21.9 | 21.7 | 19.1 | 19.1 | 20.4 | 22.6 | 23.6 | 25.6 | 24.6 |
| Net Lettable area*10 | ㎡ | 928,628 | 974,127 | 975,974 | 1,022,864 | 955,381 | 915,311 | 829,670 | 790,776 | 697,085 | 681,509 |
| Vacancy rate*10 | % | 4.5 | 2.2 | 0.8 | 0.7 | 4.6 | 4.0 | 4.9 | 5.9 | 4.8 | 4.4 |
| Sales amount of property for sales*11 | ¥bn | 12.3 | 33.2 | 35.3 | 43.3 | 77.0 | 124.7 | 92.8 | 110.5 | 103.8 | 148.4 |
| AUM(REITs and Private funds etc.) | ¥bn | 1,123.1 | 1,074.4 | 1,260.0 | 1,285.9 | 1,669.4 | 1,798.5 | 1,815.6 | 1,948.0 | 1,957.6 | 2,028.1 |
| Total brokerage transaction value | ¥bn | 710.9 | 713.5 | 745.1 | 800.7 | 767.3 | 872.3 | 893.4 | 964.8 | 1,060.3 | 1,221.8 |
| No. of housings under management | units | 155,706 | 163,036 | 168,999 | 173,705 | 177,582 | 182,259 | 183,162 | 186,549 | 189,574 | 193,959 |

*1: Business profit= operating profit+ share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions. Prior to FY19/3, figures are equivalent to operating profit.

*2: EBITDA=Profit before income taxes +interest expenses+ depreciation

*3: Unrealized gain = Fair value of real estate for rent at the end of the fiscal year - Balance of real estate for rent at the end of the fiscal year

*4: Dividend payout ratio= Dividend per share / EPS

*5: Total return ratio= (Dividend per share + The amount of acquisition of treasury shares per share) / EPS

*6: ROA= Business profit / Average assets during the fiscal year *Prior to FY18/3; ROA= (Operating profit + Non-operating income)÷ Average assets during the fiscal year

*7: ROE=Profit attributable to owners of parent / Average shareholders' equity during the fiscal year

*8: NAV per share=Shareholders' equity+ unrealized gains (after deduction of tax) / the number of shares issued at the end of the fiscal year (excluding treasury shares)

Unrealized gains (after deduction of tax)= unrealized gains×(1 - effective statutory tax rate) [Effective tax rate is the figure for each fiscal year].

*9: (Stock price as of the end of the fiscal year + accumulated dividend amount per share from FY20/3 to the fiscal year) / Stock price as of the end of FY19/3

*10: As of April 1, 2022, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Building Co., Ltd. were merged (Nomura Real Estate Development as the surviving company), and partial revision was made to the method used to calculate the net lettable area and the vacancy rate. Due to this change, the figures listed after FY18/3 are changed.

*11: Sales amount of property for sales refers to the sum of property development for sales in Residential Development BU and Commercial Real Estate BU.
(Property development for sales in Residential Development BU: Rental housings developed for real estate investment market)
(Property development for sales in Commercial Real Estate BU: Office building, retail facility and logistic facility developed for real estate investment market)

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