Items Excluded From Paper-Based Documents Delivered Upon Request in relation to the Convocation of the 20th Ordinary General Meeting of Shareholders

Business Report
- **Current status of the Group**
  - **Principal businesses**
  - **Principal business offices of major subsidiaries**
- **Share acquisition rights, etc.**
  - **Status of share acquisition rights**
  - **Status of share acquisition rights held by the officers of the Company**
  - **Status of share acquisition rights delivered to employees, etc., during the fiscal year under review**
  - **Other important matters relating to share acquisition rights, etc.**
- **System to ensure the appropriateness of operations and the operational status of that system**

Consolidated Financial Statements
- **Consolidated Statement of Changes in Shareholders' Equity**
- **Notes to Consolidated Financial Statements**

Non-Consolidated Financial Statements
- **Non-Consolidated Statement of Changes in Shareholders' Equity**
- **Notes to Non-Consolidated Financial Statements**

In accordance with the provisions of laws and regulations and the Company's Articles of Incorporation, the above information is excluded from the paper-based documents delivered to shareholders who have made a request for delivery of such documents.

Nomura Real Estate Holdings, Inc.

Please note that the following is an unofficial English translation of Japanese original text of the Items Disclosed on the Internet in relation to the Notice of Convocation of the 20th Ordinary General Meeting of Shareholders of Nomura Real Estate Holdings, Inc. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Business Report

Current status of the Group

Principal businesses (as of March 31, 2024)

A brief description of the businesses of the Nomura Real Estate Group (the “Group”) is as follows:

Unit	Principal businesses
Residential Development Business Unit	Development and sale of condominiums and detached housing, development and sale of rental condominiums, development and operation of housing for the elderly, internet ad agency business, and businesses aimed at providing assistance to customers concerning their homes arrangements, etc.
Commercial Real Estate Business Unit	Development, lease, sale and entrusted management of office buildings, retail facilities and logistics facilities, planning, lease and operation of hotels, operation of fitness clubs, planning and management of construction work, etc.
Overseas Business Unit	Development and sale of condominiums and detached housing, development and lease of office buildings, etc.
Investment Management Business Unit	Investment management business including REIT, privately placed real estate funds, and real estate securitization products
Property Brokerage & CRE Business Unit	Real estate brokerage and consulting, insurance agency businesses, etc.
Property & Facility Management Business Unit	Operation, management and construction of condominiums and office buildings, remodeling construction business, operation of local cooling and heat supply business, entrusted management of cleaning of office buildings, etc.
Other	Purchase and sale and lease of land and buildings that do not belong to the above business units, etc.

Principal business offices of major subsidiaries (as of March 31, 2024)

Company name	Name	Location
Nomura Real Estate Development Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Asset Management Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Solutions Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Partners Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Life & Sports Co., Ltd.	Head office	Nakano-ku, Tokyo
Nomura Real Estate Heating and Cooling Supply Co., Ltd.	Head office	Hodogaya-ku, Yokohama-shi, Kanagawa
Nomura Real Estate Retail Properties Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Wellness Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Hotels Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Nomura Real Estate Amenity Service Co., Ltd.	Head office	Shinjuku-ku, Tokyo
PRIME X. Co., Ltd.	Head office	Shinjuku-ku, Tokyo
First Living Assistance Co., Ltd.	Head office	Shinjuku-ku, Tokyo
Lothbury Investment Management Limited	Head office	London, England
ZEN PLAZA CO., LTD	Head office	Ho Chi Minh City, Vietnam

Share acquisition rights, etc.

Status of share acquisition rights (as of March 31, 2024)

Name of share acquisition rights	Date of resolution on issuance	Number of share acquisition rights	Number of common shares subject to share acquisition rights	Exercise period of share acquisition rights	Exercise price of share acquisition rights per share (Yen)
The 1st share acquisition rights in FY2016	June 29, 2016	76	7,600	From July 22, 2019 to July 21, 2024	1
The 2nd share acquisition rights in FY2016	June 29, 2016	429	42,900	From July 22, 2019 to July 21, 2024	1
The 3rd share acquisition rights in FY2016	June 29, 2016	725	72,500	From July 22, 2019 to July 21, 2024	1,927
The 1st share acquisition rights in FY2017	June 29, 2017	237	23,700	From July 21, 2020 to July 20, 2025	1
The 2nd share acquisition rights in FY2017	June 29, 2017	547	54,700	From July 21, 2020 to July 20, 2025	1
The 3rd share acquisition rights in FY2017	June 29, 2017	1,489	148,900	From July 21, 2020 to July 20, 2025	2,400
The 1st share acquisition rights in FY2018	June 26, 2018	74	7,400	From July 19, 2021 to July 18, 2026	1
The 2nd share acquisition rights in FY2018	June 26, 2018	143	14,300	From July 19, 2021 to July 18, 2026	1

Notes: 1. The number of the shares subject to a share acquisition right is 100.
2. In principle, a person who has received the allotment of the share acquisition rights must be in a position of Director, Audit & Supervisory Board Member, Executive Officer, Senior Advisor, Advisor, Special Officer, Special Advisor or employee of the Company or any of its subsidiaries, or in an equivalent position thereto until the time of exercise of the share acquisition rights on a continuing basis.
3. The number of share acquisition rights and the number of common shares subject to share acquisition rights are the numbers as of March 31, 2024.
4. The Company abolished the existing stock option with issuance of share acquisition rights using stock option as of the fiscal year ended March 31, 2018, and no share acquisition rights using stock option have been issued since then.

Status of share acquisition rights held by the officers of the Company (as of March 31, 2024)

Name of share acquisition rights	Directors (excluding Audit & Supervisory Committee Members and External Directors)		Directors (Audit & Supervisory Committee Members)	
	Number of share acquisition rights	Number of holders	Number of share acquisition rights	Number of holders
The 1st share acquisition rights in FY2016	–	–	76	1
The 2nd share acquisition rights in FY2016	–	–	–	–
The 3rd share acquisition rights in FY2016	–	–	–	–
The 1st share acquisition rights in FY2017	88	1	61	1
The 2nd share acquisition rights in FY2017	51	1	–	–
The 3rd share acquisition rights in FY2017	77	2	–	–
The 1st share acquisition rights in FY2018	28	1	18	1
The 2nd share acquisition rights in FY2018	15	1	–	–

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

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

Not applicable.

Other important matters relating to share acquisition rights, etc.

Not applicable.

System to ensure the appropriateness of operations and the operational status of that system

<Outline of resolution on system to ensure the appropriateness of operations>

The Company has passed the following resolutions at meetings of the Board of Directors regarding systems to ensure that Directors' execution of their duties is in compliance with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of operations.

<table>
<tr><td rowspan="3">1) System to ensure that the execution of duties of the Directors and Executive Officers complies with laws and regulations and the Articles of Incorporation</td><td>a. Aiming to be a trusted corporate group that prospers together with its customers and society, the Board of Directors has formulated the Nomura Real Estate Group Code of Action which sets forth the behavior that all officers and employees should strive to exemplify. Directors and Executive Officers shall lead by example and comply with this Code of Action.</td></tr>
<tr><td>b. The Company has formulated the Board of Directors Regulations and the Organization and Resolutions Rules, which form the basis for referring matters to, and reporting to, the Board of Directors. Directors and Executive Officers shall execute their duties in accordance with these Regulations and Rules.</td></tr>
<tr><td>c. The execution of the duties by Directors and Executive Officers shall be audited by the Audit & Supervisory Committee.</td></tr>
<tr><td>2) System for the retention and management of information relating to the execution of duties of the Directors and Executive Officers</td><td>The Company has formulated the Information Security Provisions, which stipulate the basic matters concerning the information management system and the handling of information, to ensure that minutes of General Meetings of Shareholders, minutes of the Board of Directors meetings, and other documents containing information related to the execution of duties by Directors (excluding Directors as Audit & Supervisory Committee Members) and Executive Officers are stored in an appropriate place and saved for the stipulated period of time, so that they can be quickly accessed upon request by Directors or Executive Officers at any time.</td></tr>
<tr><td rowspan="3">3) Rules and other systems for management of risk of loss</td><td>a. The Board of Directors shall exercise overall control of risk management in accordance with the Risk Management Regulations, develop a system to ensure effective mutual check functions, assign personnel appropriately, provide education for the development of human resources, fully disseminate the importance of risk management to all Officers and employees, and formulate appropriate measures to prevent accidents.</td></tr>
<tr><td>b. To deliberate business risks, the Company has established a Risk Management Committee comprising Directors, Executive Officers, etc. of the Company and Group companies designated by the Board of Directors as a subordinate body to the Executive Committee, with the Executive Committee set as the core of total risk management, to periodically monitor, assess, and analyze risks, and deliberate basic principles for measures to prevent risks that may occur during corporate management and business development, to respond when risks arise, and to prevent recurrence, in accordance with the Risk Management Regulations and the Meeting Bodies Rules. In addition, the Company has established a Group Risk Meeting comprising Directors, Executive Officers, etc. of Group companies designated by the chairman of the Risk Management Committee to share risk information and response policies within the Group. The Risk Management Committee and Group Risk Meeting shall in principle meet bimonthly or when necessary, respectively, and shall report the content of deliberations to the Board of Directors at least once every six months.</td></tr>
<tr><td>c. When a risk requiring immediate action arises, in accordance with the Risk Management Regulations, the chairman of the Risk Management Committee and Executive Officers and general managers of departments and branch offices in charge of Group risk management, PR, management of affiliated companies, corporate administration, and finance stipulated by the Risk Management Regulations shall discuss and determine the basic policy for measures to address the risk. The Company and Group companies shall respond in accordance with this basic policy.</td></tr>
<tr><td rowspan="3">4) System to ensure the efficient execution of duties of the Directors and Executive Officers</td><td>a. To facilitate flexible decision-making concerning the execution of business, certain matters determined by resolution of the Board of Directors among the matters concerning the execution of business at all Group companies shall be decided through the Executive Committee or through an internal approval system.</td></tr>
<tr><td>b. The Company has introduced an Executive Officer system aiming to strengthen Group management by separating management oversight and decision-making function from business execution function, thereby enhancing the execution function.</td></tr>
<tr><td>c. The Board of Directors shall, by resolution, appoint Executive Officers in charge of the execution of business, stipulate their business, and delegate the</td></tr>
</table>

<table>
<tr><td rowspan="2"></td><td>business operations of the Company. Individual Executive Officers shall execute business based on the administrative authorities delegated in accordance with internal regulations, etc. and based on Company policies determined by the Board of Directors, decisions regarding business execution made by the Executive Committee, and the directions of the Chief Executive Officer.</td></tr>
<tr><td>d. The Board of Directors shall create annual budgets and mid-term business plans, and manage progress on a monthly basis. The results of monthly progress management shall be reflected into the execution of duties.</td></tr>
<tr><td rowspan="4">5) System to ensure that the execution of duties of the employees complies with laws and regulations and the Articles of Incorporation</td><td>As a holding company, the Company established the following compliance system covering not just the Company itself but the entire corporate group.</td></tr>
<tr><td>a. Aiming to be a trusted corporate group that prospers together with its customers and society, the Company has established the Nomura Real Estate Group Code of Action which sets forth the behavior that all Officers and employees should strive to exemplify, and ensures that all Officers and employees comply with the Code of Action.</td></tr>
<tr><td>b. The Company has established the Risk Management Committee and Group Legal & Compliance Department, and promotes continual education and enlightenment activities for Officers and employees to increase awareness of compliance.</td></tr>
<tr><td>c. The Company has established the Nomura Real Estate Group Help Line as an internal whistleblowing system for shared use by all Group companies. Reports and questions can be directed to internal parties (the chairman of the Risk Management Committee and the Group Legal & Compliance Department) and external parties (attorneys at law and external contractors). Those engaged in Help Line operations (including those cooperating in the investigation) are obligated to maintain confidentiality to prevent informants from receiving adverse treatment based on having provided information.</td></tr>
<tr><td rowspan="8">6) System to ensure the appropriateness of operations in the corporate group consisting of the Company, its parent company and subsidiaries</td><td>The corporate group comprising the Company and its subsidiaries forms the Nomura Real Estate Group centered on the Company as the holding company. The Nomura Real Estate Group has established the following systems to ensure appropriate operations.</td></tr>
<tr><td>a. Aiming to be a trusted corporate group that prospers together with its customers and society, the Company has established the Nomura Real Estate Group Code of Action which sets forth the behavior that all Officers and employees should strive to exemplify, and ensures that all Officers and employees comply with the Code of Action.</td></tr>
<tr><td>b. The Executive Committee has been established in the Company to discuss important matters related to Group management, overall Group company business execution, and risks pertaining to Group management, and to determine certain matters related to overall Group company business execution. In addition, the Executive Committee ensures the common purpose of Group management through these activities.</td></tr>
<tr><td>c. The Risk Management Committee has been established in the Company to discuss matters concerning disaster risks for the entire Group as well as matters related to internal risks, and to promote the sharing of information.</td></tr>
<tr><td>d. The Company has established the Group Organizational Management Regulations that require Group companies to discuss with or report to the Company in advance when determining important matters.</td></tr>
<tr><td>e. The Company has established the Group Internal Audit Department, which reviews internal audits performed by Group companies in accordance with the Group Internal Audit Regulations, thereby maintaining and improving the quality of audits throughout the entire Group.</td></tr>
<tr><td>f. The Company has established the Sustainability Committee and Sustainability Management Department, and promotes continual education and enlightenment activities to increase CSR and ESG awareness throughout the entire Group.</td></tr>
<tr><td>g. The Company has established the Nomura Real Estate Group Help Line as an internal whistleblowing system for shared use by all Group companies. Reports and questions can be directed to internal parties (the chairman of the Risk Management Committee and the Group Legal & Compliance Department) and external parties (attorneys at law and external contractors). Those engaged in Help Line operations (including those cooperating in the investigation) are obligated to maintain confidentiality to prevent informants from receiving adverse treatment based on having provided information.</td></tr>
</table>

7) System to ensure the reliability of financial reporting	The Company has established the Internal Control Regulations for Financial Reporting for the Group in accordance with the Financial Instruments and Exchange Act and other related laws to ensure the reliability of the Nomura Real Estate Group's financial reporting. Based on the Regulations, the Company develops and operates the internal controls related to financial reporting and evaluates their effectiveness.
8) Items related to the Directors and employees aiding the duties of the Audit & Supervisory Committee, items related to the independence of these Directors and employees from other Directors (excluding Directors as Audit & Supervisory Committee Members), and items related to ensuring the effectiveness of the instructions from the Audit & Supervisory Committee to these Directors and employees	The Company has established the Audit & Supervisory Committee Department to assist duties of the Audit & Supervisory Committee, and dedicated staffs assigned to this department perform duties in accordance with the directions and orders issued by Audit & Supervisory Committee Members. Directors shall obtain the consent of the Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee with respect to personnel matters concerning dedicated staff of the Audit & Supervisory Committee Department.
9) System for the Directors, Executive Officers and employees to report to the Audit & Supervisory Committee, system for Directors, Audit & Supervisory Board Members, Executive Officers, and employees of subsidiaries, and persons receiving reports from them to report to the Audit & Supervisory Committee, and system to ensure that these people conducting the reporting shall not be subjected to adverse treatment due to such reporting	a. When matters arise that may result in significant damage to the Company or Group companies or violate laws and regulations or the Articles of Incorporation, Directors, Executive Officers, and employees of the Company and Group companies, and Audit & Supervisory Board Members of Group companies shall immediately report such matters to the Audit & Supervisory Committee. b. The Group Internal Audit Department shall report to the Audit & Supervisory Committee the results of internal audits, the status of improvements, and the status of evaluations of internal controls related to financial reporting. c. Upon a request from Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee, Directors, Executive Officers, and employees of the Company and Group companies shall report the status of business execution at their respective companies. d. The chairman of the Risk Management Committee shall report the content of reports submitted to the Nomura Real Estate Group Help Line to the Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee. e. Informants in all of the above items shall be protected against receiving adverse treatment based on having reported information.
10) Items related to the policies on procedures for the prepayment or reimbursement of expenses arising from the execution of duties of the Audit & Supervisory Committee Members, and the handling of other expenses or obligations arising from the execution of these duties	The Company shall bear the expenses deemed necessary for the execution of duties by Audit & Supervisory Committee Members. The Audit & Supervisory Committee may retain attorneys at law, certified public accountants, consultants, or other external advisors as necessary to perform audits.
11) Other systems to ensure the audits of the Audit & Supervisory Committee are implemented effectively	a. The Audit & Supervisory Committee shall periodically exchange opinions with the President. b. Audit & Supervisory Committee Members shall attend meetings of the Executive Committee and other important meeting bodies of the Company, to gather information and express their opinions on the execution of business. c. Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee may ask the Company and Group companies for explanations and reports about the execution of business, and investigate the state of business and finances when necessary. d. The Audit & Supervisory Committee shall closely cooperate with the Accounting Auditor and the Group Internal Audit Department. This cooperation

	shall include the periodic exchange of opinions and information concerning audits.
	e. The Group Internal Audit Department shall obtain the consent of the Audit & Supervisory Committee regarding the establishment of internal audit plans. In addition, the Audit & Supervisory Committee may provide the Group Internal Audit Department recommendations and instructions on changes in internal audit plans, additional audits, necessary investigations, etc., when necessary.
	f. Directors shall consult with the Audit & Supervisory Committee in advance with respect to appointments of responsible personnel in the Group Internal Audit Department.

<Outline of the operational status of the system to ensure the appropriateness of operations>

The outline of the operational status of the system to ensure the appropriateness of operations in the fiscal year under review is as follows.

1) Compliance	The Group regards compliance, including the observance of laws and regulations and corporate ethics, as one of the most important management issues. As a set of relevant guidelines, the Company has formulated the Nomura Real Estate Group Code of Action. Moreover, the Company has established the Risk Management Committee and Group Legal & Compliance Department in the Company to promote continual education and enlightenment activities for the officers and employees of the entire Group, and to provide support, guidance and monitoring to Group companies. In the fiscal year under review, compliance training (via online live streaming or pre-recorded videos and held in-person) for officers and employees was held 32 times, in addition to training and enlightenment activities such as e-learning for all officers and employees and the regular distribution of topics, etc. related to compliance.
2) Risk management	The Group regards risk management as a "business management methodology that aims to improve corporate value by managing all risks related to the attainment of corporate group organizational and business objectives in an integrated and unified manner while controlling risk within the Company's risk tolerance limits." With the aim of ensuring the soundness of business management through proper management and operation of risks, the Group has formulated the Risk Management Regulations. Furthermore, to discuss various risks related to group management, the Company set the Executive Committee as the core of total risk management to periodically monitor, evaluate, and analyze the status of major risks, and provide necessary guidance and advice to each business unit and Group company while periodically reporting details to the Board of Directors. Monitoring of "A: Investment risk" and "B: External risk" within the risk categories prescribed in the Risk Management Regulations is carried out by the Executive Committee, which is the core of total risk management. The Risk Management Committee, which was established as a subordinate body of the Executive Committee, periodically monitors, evaluates and analyzes "C: Disaster risk" and "D: Internal risk," and discusses the basic policy for countermeasures with regard to prevention before occurrence, response in the event of occurrence, prevention of recurrence, etc. In addition, the Company has established a Group Risk Meeting comprising Directors, Executive Officers, etc. of Group companies designated by the chairman of the Risk Management Committee to share risk information and response policies within the Group. During the fiscal year under review, the Risk Management Committee and the Group Risk Meeting held 13 meetings in total.
3) Internal audits	The Company has established the Group Internal Audit Department, which works to oversee, monitor and evaluate the internal audit function of the entire Group, as well as perform audits of each department within the Company. Also, results of audits are reported to the Board of Directors, and a system is in place to report results to the Audit & Supervisory Committee, aimed at collaboration with the Accounting Auditor. During the fiscal year under review, audit results were reported to the Board of Directors four times, and reported to the Audit & Supervisory Committee 11 times, thereby sharing both the problems identified through internal audits as well as improvement measures. Furthermore, the Company held 11 meetings with the audit departments of each Group company and carried out joint training sessions four times in order to improve the quality of audits throughout the entire Group and share information. The Company also exchanged information with these departments individually.
4) Sustainability	The Group recognizes that it must fulfill its responsibility to future generations by solving various social issues for the realization of a sustainable society, and promotes sustainability initiatives in the environment and society as a member of society. The Group has established a Sustainability Committee consists of Directors and Executive Officers of the Company and Group companies (chaired by the President and Representative Director of the Company) which carries out discussions regarding sustainability-related policies, action plans, etc. In the fiscal year under review, the Sustainability Committee meeting was held three times and details of the matters discussed were reported to the Board of Directors two times. Furthermore, the Group in the fiscal year under review

	promotes initiatives in line with the Sustainability Policy formulated and published in the previous fiscal year, which clearly verbalized the Group's vision for 2050, and with its priority issues (materiality) that should be worked on in particular by 2030 to realize this vision.
5) Execution of duties of the Directors	The Board of Directors, in principle, holds its meeting on a monthly basis, decides important corporate matters, such as basic management policies, and supervises the execution of duties by Directors and business operations by Executive Officers. In order to strengthen the supervisory function of the Board of Directors and realize highly fair and transparent management, four out of the 11 Directors are Independent External Directors. The Company has introduced an Executive Officer system aiming to strengthen Group management by separating management oversight and decision-making function from business execution function, both of which have traditionally been the responsibility of Directors, to enhance the execution function. Individual Executive Officers appointed by the Board of Directors execute business based on the administrative authorities delegated in accordance with internal regulations, etc. and based on Company policies determined by the Board of Directors and the directions of the Chief Executive Officer. The Company's Executive Committee comprises the Chief Executive Officer and Executive Officers nominated by the Board of Directors. The Executive Committee meets once a week in principle, and determines certain matters regarding overall Group company business execution. During the fiscal year under review, the Board of Directors meeting was held 13 times. At these meetings, in addition to deliberating and making decisions about important matters concerning company management, the Board of Directors regularly received reports from Directors and Executive Officers, allowing the Board of Directors to oversee the execution of duties and business. The Executive Committee meeting was held 46 times, and certain matters related to business execution by the Company and Group companies were deliberated and decided upon.
6) Execution of duties of the Audit & Supervisory Committee	The Audit & Supervisory Committee receives regular reports from the internal audit department on the implementation status and results of internal audits. When necessary, the Audit & Supervisory Committee may request a report to Directors, Executive Officers, or business execution departments of the Company or Group companies. The Audit & Supervisory Committee also audits and supervises the execution of duties by Directors and business operations by Executive Officers while cooperating with the Accounting Auditor as needed. Audit & Supervisory Committee Members attend the Board of Directors meetings, the Executive Committee meetings and other important meetings and request reports from business execution departments as necessary to collect information on the Company's execution of business operations. The Company has established the Audit & Supervisory Committee Department in order to assist the duties of the Audit & Supervisory Committee and assigns dedicated staff to implement measures for increasing the effectiveness of audit operations. During the fiscal year under review, the Audit & Supervisory Committee meeting was held 12 times.

Consolidated Financial Statements

Consolidated Statement of Changes in Shareholders' Equity for the year ended March 31, 2024

(Millions of yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2023	119,054	115,444	427,064	(25,456)	636,107
Changes during Period					
Issuance of New Shares	424	424			849
Dividends of Surplus			(23,068)		(23,068)
Profit Attributable to Owners of Parent			68,164		68,164
Purchase of Treasury Shares				(7,822)	(7,822)
Disposal of Treasury Shares				1,374	1,374
Change in Ownership Interest of Parent due to Transactions with Non-controlling Interests		(216)			(216)
Reversal of Revaluation Reserve for Land			(8)		(8)
Net Changes in Items Other Than Shareholders' Equity					–
Total Changes during Period	424	208	45,088	(6,447)	39,273
Balance at March 31, 2024	119,479	115,653	472,152	(31,903)	675,381

	Accumulated Other Comprehensive Income						Share Acquisition Rights	Non-controlling Interests	Total Net Assets
	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustment	Remeasure-ments of Defined Benefit Plans	Total Accumulated Other Comprehen-sive Income			
Balance at April 1, 2023	5,755	40	7,868	3,348	186	17,199	658	1,772	655,737
Changes during Period									
Issuance of New Shares									849
Dividends of Surplus									(23,068)
Profit Attributable to Owners of Parent									68,164
Purchase of Treasury Shares									(7,822)
Disposal of Treasury Shares									1,374
Change in Ownership Interest of Parent due to Transactions with Non-controlling Interests									(216)
Reversal of Revaluation Reserve for Land									(8)
Net Changes in Items Other Than Shareholders' Equity	(446)	(4,333)	8	1,227	1,892	(1,650)	(302)	(617)	(2,570)
Total Changes during Period	(446)	(4,333)	8	1,227	1,892	(1,650)	(302)	(617)	36,702
Balance at March 31, 2024	5,309	(4,293)	7,876	4,576	2,079	15,548	355	1,154	692,440

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

Notes to Consolidated Financial Statements

1. Notes to Significant Matters for the Basis for the Preparation of Consolidated Financial Statements

(1) Scope of Consolidation

1) Consolidated subsidiaries

・Number of consolidated subsidiaries: 45

・Names of principal consolidated subsidiaries:

The names of principal consolidated subsidiaries are listed in "1. Current status of the Group (3) Status of parent company and major subsidiaries 2) Major subsidiaries" of the Business Report.

247 TOTTENHAM COURT ROAD LIMITED, Nomura Real Estate US, PJ II, LLC, NREA 55 ST JAMES'S STREET 1 LIMITED, NREA 55 ST JAMES'S STREET 2 LIMITED, and Shibaura Hotel Management LLC, which were all newly established in the fiscal year under review, have been included in the scope of consolidation.

Meanwhile, MUSASHI Co., Ltd. was absorbed and merged into Prime X Co., Ltd., a consolidated subsidiary of the Company, in the fiscal year under review, and has been excluded from the scope of consolidation.

2) Unconsolidated subsidiaries

・Name of principal unconsolidated subsidiary:

Minami Azabu Kaihatsu Co., Ltd.

・Reason for the exclusion from the scope of consolidation:

Unconsolidated subsidiaries are excluded from the scope of consolidation because they are all small companies and the Company's interests in their respective total assets, operating revenue and profit and loss (the amount equivalent to equity shareholdings) as well as retained earnings (the amount equivalent to equity shareholdings) do not significantly affect the consolidated financial statements of the Nomura Real Estate Group (the "Group").

(2) Application of Equity Method

1) Unconsolidated subsidiaries accounted for using the equity method

・Number of unconsolidated subsidiaries accounted for using the equity method: 2

・Name of principal unconsolidated subsidiary:

Minami Azabu Kaihatsu Co., Ltd.

2) Affiliated companies accounted for using the equity method

・Number of affiliated companies accounted for using the equity method: 50

・Name of principal affiliated company: Ginza Parking Center Co., Ltd.

ORIGIN PLAY BANGSAEN COMPANY LIMITED, ORIGIN PLACE BANGSAEN COMPANY LIMITED, ORIGIN TAOPOON COMPANY LIMITED, M&G Fitzrovia GP Limited, M&G Fitzrovia Limited Partnership, and ORIGIN BANG WA COMPANY LIMITED are included under affiliated companies accounted for using the equity method because the Company newly acquired equity interests in these companies in the fiscal year under review.

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

Among consolidated subsidiaries, the account closing date of NOMURA REAL ESTATE ASIA PTE. LTD., NOMURA REAL ESTATE HONG KONG LIMITED, HCMC office investment Limited, LIM HOLDINGS LTD, Lothbury Investment Management Group Limited and other 12 companies, Zen Plaza Investment Limited, ZEN PLAZA CO., LTD, NOMURA REAL ESTATE VIETNAM CO., LTD, NOMURA REAL ESTATE (THAILAND) CO., LTD, NOMURA REAL ESTATE UK LIMITED, 127 Charing Cross Road Limited, Nomura Real Estate Consulting (Shanghai) and Nomura Real Estate US, LLC, 247 TOTTENHAM COURT ROAD LIMITED, Nomura Real Estate US, PJ II, LLC, NREA 55 ST JAMES'S STREET 1 LIMITED, and NREA 55 ST JAMES'S STREET 2 LIMITED is December 31. The account closing date of Midosuji Mirai Development, LLC and HNO, LLC is February 28.

Non-consolidated financial statements for these companies as of that date are used in the preparation of consolidated financial statements. In the case of significant transactions that took place between the account closing date of the consolidated subsidiaries and the consolidated account closing date, necessary adjustments are made for consolidation purposes.

(4) Accounting Standards and Methods

1) Valuation standards and methods for principal assets

A. Securities

・Held-to-maturity debt securities: Held-to-maturity debt securities are stated at amortized cost (by the straight-line method).

・Available-for-sale securities:

Securities, other than shares, etc. without a market price

Securities, other than shares, etc. without a market price, are stated at fair market value. (Unrealized gains and losses are reported, net of the applicable taxes, as a separate component of net assets. Cost of securities sold is determined by the moving-average method.)

Shares, etc. without a market price

Shares, etc. without a market price are stated at cost by the moving-average method.

B. Derivatives: Derivatives are stated using the market value method.

C. Inventories: Inventories are mainly stated at cost, determined by the specific identification cost method (the amounts of inventories in the Balance Sheet are determined by the write-down method reflecting decreased profitability).

2) Depreciation and amortization method for significant depreciable assets

A. Property, plant and equipment (except for leased assets)

Property, plant and equipment are depreciated mainly by the straight-line method. Useful lives are generally as follows:

Buildings and structures 2 to 65 years

B. Intangible assets (except for leased assets)

Intangible assets are amortized by the straight-line method. Costs of software for internal use are amortized based on the useable period within the Company (5 years).

C. Leased assets: Leased assets are depreciated using the straight-line method, assuming the lease period to be the useful life and the residual value to be zero.

Of finance lease transactions not involving transfer of ownership, lease transactions which started on or before March 31, 2008 are accounted for in accordance with the method applicable to ordinary lease transactions.

3) Standards for the provision of significant allowances

A. Allowance for doubtful accounts

In order to prepare for possible bad debt losses on notes and accounts receivable - trade, loans and others, allowance for doubtful accounts is provided at an amount calculated on the basis of a historical bad debt ratio for normal claims, and at an estimated uncollectible amount determined on the basis of individual assessments of collectability for specific claims with potential losses.

B. Provision for bonuses

To prepare for the payment of employee bonuses, an estimated amount corresponding to the portion of the bonus payments in the fiscal year under review is reserved.

C. Provision for bonuses for directors (and other officers)

To prepare for the payment of bonuses for directors (and other officers), an estimated amount corresponding to the portion of the bonus payments in the fiscal year under review is reserved.

D. Provision for loss on business liquidation

An estimated amount of losses arising in connection with the withdrawal from businesses is reserved.

E. Provision for share awards

To prepare for the delivery of the Company’s shares to officers and employees pursuant to the share delivery regulation, an estimated cost as of the end of the fiscal year under review is reserved.

4) Other significant matters for the preparation of consolidated financial statements

A. Standards for the recording of retirement benefit liability

・Method for attributing estimated retirement benefits to periods:

To calculate retirement benefit liabilities, the estimated amount of retirement benefits is attributed to the period up to the end of the fiscal year under review based on a benefit formula basis.

・Method for amortization of actuarial gains and losses and prior service costs:

Prior service costs are amortized by the straight-line method over a certain number of years (10 years) within the average number of remaining service years of the eligible employees at the time of accrual.

Actuarial gains and losses are amortized by the straight-line method over a certain number of years (mostly 10 years) within the average number of remaining service years of the eligible employees at the time of accrual in each fiscal year, and allocated proportionately from the fiscal year following the respective fiscal year of accrual.

B. Standards for the provision of significant revenues and expenses

・Accounting standard for revenue recognition

Details of the main performance obligations in the principal businesses related to the Group’s revenues from contracts with customers and the usual time at which the performance obligations are satisfied (the usual time at which revenues are recognized) are as follows. In addition, the amount of consideration does not include any significant financial component.

i Residential Development Business

The residential development business is mainly engaged in the development and sale of condominiums and detached housing (housing sales business) and the development and sale of rental condominiums (sales of property development). For the housing sales business and sales of property development, the Company is obligated to hand over the subject property based on the real estate sales contract with the customer, and recognizes revenue at the time the customer obtains control of the property upon handover. In the housing sales business, the Company generally receives a deposit when the contract is concluded and receives payment of the balance at the time of handover, and in the sales of property development, the Company generally receives payment of the purchase price at the time of handover.

ii Commercial Real Estate Business

The commercial real estate business is mainly engaged in the development, lease and sale of office buildings, retail facilities, logistics facilities and other properties (sales of property development). For the sales of property development, the Company is obligated to hand over the subject property based on the real estate sales contract with the customer, recognizes revenue at the time the customer obtains control of the property upon handover and generally receives payment of the purchase price at the time of handover. Real estate lease revenue is accounted for in accordance with Accounting Standard for Lease Transactions (ASBJ Statement No. 13), and revenue is recognized over the lease term.

iii Overseas Business

The overseas business is mainly engaged in providing advice in real estate development. For this business, the Company is obligated to carry out quality improvement, etc. based on the service agreement, etc. with the customer, and revenue is recognized over a certain period of time because control is conveyed to the customer as the service is provided. Payment is generally received within approximately three months from the time when the performance obligations are satisfied.

iv Investment Management Business

The investment management business is mainly engaged in providing investment management services including REITs, privately placed real estate funds and real estate securitization. For this business, the Company is obligated to carry out fund management, etc. based on the asset management agreement, etc. with the customer, and revenue is recognized over a certain period of time because control is conveyed to the customer as the service is provided. The revenue is calculated by multiplying the total assets, etc. of the managed fund by the commission rate stipulated in the agreement, and payment is received within approximately three months from the time when the performance obligations are satisfied.

v Property Brokerage & CRE Business

The property brokerage & CRE business is mainly engaged in the real estate brokerage business. For this business, the Company is obligated to carry out a series of operations based on the brokerage agreement with the customer, such as the performance procedures from the work for concluding the real estate sales contract to the handover of the subject property, and recognizes revenue at the time of handover of the property in the real estate sales contract concluded through brokerage. The Company generally receives payment of half of the remuneration amount at the conclusion of the real estate sales contract concluded through brokerage, and receives payment of the balance at the handover of the subject property.

vi Property & Facility Management Business

The property & facility management business is mainly engaged in the operation and management of condominiums and office buildings, as well as contracting for repair and tenant works associated with management. For this business, the Company is obligated to carry out facility management and cleaning, building maintenance and repairs, etc. based on the real estate property management agreement, construction contract, etc. with the customer, and revenue is recognized over a certain period of time because control is conveyed to the customer as the service is provided.

However, for construction contracts for which the period from the commencement date of the transaction in the contract to the date the performance obligation is expected to be fully satisfied is very short, revenue is not recognized over a certain period of time. Instead, the Company judges that its performance obligation is satisfied at the time of handover and recognizes revenue at that time. For operation and management, payment is generally received within approximately one month from the time when the performance obligations are satisfied, and for contracting, payment is generally received within approximately three months from the time of handover.

・Basis for the recording of advertising expenses

In the housing sales business, in order to appropriately reflect revenues and any related expenses, advertising expenses as selling expenses, incurred before the handover of property to customers are recognized as prepaid expenses and collectively expensed upon handover.

C. Standards for the translation of important foreign currency-based assets or liabilities into Japanese yen

All foreign currency-based monetary receivables and payables are translated into Japanese yen at the spot exchange rates in effect at the consolidated account closing date. Differences arising from such translation are recognized as gain or loss. The asset and liability accounts of the overseas subsidiaries and others are translated into Japanese yen at the spot exchange rates prevailing at the respective account closing dates of the subsidiaries and others and the revenue and expense accounts are translated into Japanese yen at the average rates of exchange for the year. Differences arising from such translation are presented as “Foreign currency translation adjustment” in Net Assets.

D. Significant hedge accounting method

・Hedge accounting method: Hedging transactions are accounted for using deferral hedge accounting, which requires the unrealized gains or losses to be deferred as assets or liabilities until the losses or gains on the underlying hedged items are recognized. For interest rate swaps that meet certain hedging criteria, the Group applies exceptional treatment and for currency swaps that meet certain hedging criteria, the transactions are accounted for by the *furiate* (allocation) method.

・Hedging instruments and hedged items:

<Hedging instruments>	<Hedged items>
Interest rate swap contracts	Borrowings
Currency swaps and foreign exchange forward contracts	Securities denominated in foreign currencies

・Hedge policy: In accordance with internal rules, interest rate fluctuation and foreign exchange fluctuation risks are hedged.

・Method for assessing the effectiveness of hedges:

The Group evaluates hedge effectiveness based on the ratio of changes determined by comparing the cumulative changes in cash flows or cumulative market fluctuations of the hedged items to the cumulative changes in cash flows or cumulative market fluctuations of the hedging instrument. However, the Group omits the assessment of hedge effectiveness in the case of interest rate swaps for which the Group applies the exceptional treatment.

E. Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over a period of 5 to 20 years.

F. Accounting for non-deductible consumption taxes

Non-deductible consumption taxes on assets are included in the acquisition costs, and other non-deductible consumption taxes are expensed as incurred.

2. Notes on Accounting Estimates

(1) Valuation of Inventories

Inventories held by the Group mainly consist of property held for housing sale and rental housing held for sale.

1) Amount recorded in the consolidated financial statements for the fiscal year under review
Loss on valuation of inventories: ¥715 million

2) Information that contributes to understanding the content of accounting estimates

A. Property held for housing sale

i Calculation method

For property held for housing sale, the net selling value is compared to the book value to calculate a loss on valuation. The net selling value is based on the selling price set in each business plan that is developed at the time of land acquisition, construction order placement, and the start of sales, as well as the cost, and other variables. In addition to the above timings, the net selling value may be changed depending on the business progress or the selling situation.

ii Main assumptions

The main assumptions used to determine the net selling value are the selling price and the cost. The Company estimates them on the basis of the location, scale, and salability of a property, surrounding cases, market outlook, amount expected from past experience, and other information.

iii Effects on consolidated financial statements for the next fiscal year

Estimation of selling prices and costs, which are the main assumptions, involves uncertainty. The estimates of selling prices may differ from the future results for reasons including any change in housing market conditions, and estimates of costs may differ from the future results for reasons including any change in construction market conditions, additional construction work, or delays in construction.

B. Rental housing held for sale

i Calculation method

For rental housing held for sale, the net selling value is compared to the book value to calculate a loss on valuation. The net selling value is based on the expected selling price set at the time of land acquisition, construction order placement, the start of leasing (recruiting of tenants), and decision of selling, as well as the cost, and other variables. For rental housing held for sale for which there is concern about declining profitability given the progress of tenant leasing, the appraisal value by a real estate appraiser is used as the expected selling price.

ii Main assumptions

The main assumptions used to determine the net selling value are the expected selling price and the cost. The Company estimates them on the basis of the location, scale, and salability of a property, surrounding cases, market outlook, and rents, occupancy rates, and capitalization rates from past experience, and other information.

iii Effects on consolidated financial statements for the next fiscal year

Estimation of expected selling prices and costs, which are the main assumptions, involves uncertainty. The estimates of expected selling prices may differ from the future results for reasons including any change in the market conditions of real estate leasing or investment, and estimates of costs may differ from the future results for reasons including any change in construction market conditions, additional construction work, or delays in construction.

(2) Impairment of Non-Current Assets

Non-current assets held by the Group mainly consist of office buildings, retail facilities, logistics facilities, hotels and other real estate (“leasable real estate, etc.”) in Japan.

1) Amount recorded in the consolidated financial statements for the fiscal year under review
Impairment losses: ¥6,537 million

Note: Amounts that arose from intangible assets and goodwill, etc. recorded on the date of a business combination of subsidiaries that are not included in leasable real estate, etc. are included.

2) Information that contributes to understanding the content of accounting estimates

i Calculation method

If there is an indication that the book value of leasable real estate, etc. may not be recoverable, a determination is made regarding whether or not the property is impaired, and if it is, impairment losses are calculated.

(Indication of impairment)

The Group considers the following events as indications of an impairment of leasable real estate, etc.

- Property that reports or is expected to report an operating loss for a second consecutive term
- Property in which any change that decreases its recoverable amount materially has occurred or is expected to occur
- Property whose business environment has deteriorated or is expected to deteriorate significantly
- Property whose market price has significantly declined (around 50% or more)

(Recognition and measurement of impairment losses)

If the Group determines that there is an indication that a property may be impaired, the Group compares its book value to the total amount of undiscounted future cash flows and deems it necessary to recognize impairment losses if the book value is larger. The Group measures impairment losses for such property as the difference between the book value and the recoverable amount.

The recoverable amount of a property is its net selling value or its value in use. Appraisal value by a real estate appraiser or other value is used as the net selling value, and the value in use is calculated by discounting future cash flows.

ii Main assumptions

The main assumptions used to determine undiscounted future cash flows and the value in use are lease revenue, cost of lease revenue, etc. and discount rates. The Group estimates them on the basis of the location and scale of a property, surrounding leasing cases and market outlook; rents, guest room rates, occupancy rates and capitalization rates from past results; and other information.

iii Effects on consolidated financial statements for the next fiscal year

Estimation of lease revenue, cost of lease revenue, etc. which are the main assumptions, involves uncertainty, and the estimates may differ from the future results for reasons including any change in the market conditions related to leasable real estate, etc.

3. Notes to Consolidated Balance Sheet

(1) Pledged Assets and Secured Liabilities

1) Investment securities in the amount of ¥232 million are pledged as collateral for a portion of liabilities of investee companies.

2) Non-recourse liabilities and assets corresponding to non-recourse liabilities

Non-recourse liabilities

Non-recourse long-term borrowings	¥3,200 million
Total	¥3,200 million

Assets corresponding to non-recourse liabilities

Real estate for sale in process	¥5,799 million
Total	¥5,799 million

(2) Accumulated Depreciation of Property, Plant and Equipment ¥236,284 million

(3) Contingent Liabilities

1) Guaranteed Obligations

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

Customers using housing loans	¥64,492 million
Joint operators of EBS buildings	¥6 million
Haneda Mirai Special Purpose Company	¥65 million
Total	¥64,564 million

2) Additional Capital Contribution Obligations, etc.
The Company has additional capital contribution obligations, etc. to the following subsidiaries and associates according to the capital contribution ratio with business partners in relation to loans received from financial institutions by the companies.
The outstanding loans payable by the subsidiaries and associates are as follows, and the figures in parentheses indicate the amount based on the Company's capital contribution ratio to the companies.

Origin One Thonglor Co., Ltd.	¥2,009 million (¥984 million)
ORIGIN RAMINTRA COMPANY LIMITED	¥1,679 million (¥822 million)
ORIGIN RAMKHAMHAENG INTERCHANGE COMPANY LIMITED	¥297 million (¥145 million)
KNIGHTSBRIDGE KASET INTERCHANGE COMPANY LIMITED	¥1,646 million (¥806 million)
SO ORIGIN PHAHOL 69 STATION COMPANY LIMITED	¥1,612 million (¥790 million)
ORIGIN PLUG&PLAY SAMUTPRAKAN COMPANY LIMITED	¥998 million (¥489 million)
BRITANIA BANGNA KM.17 COMPANY LIMITED	¥777 million (¥381 million)
STABLE TOWN COMPANY LIMITED	¥678 million (¥332 million)
ORIGIN PLAY SRI UDOM STATION COMPANY LIMITED	¥1,059 million (¥519 million)
Origin One Sukhumvit 24 Co., Ltd.	¥2,464 million (¥1,207 million)
ORIGIN PLAY BANGKHUNNON COMPANY LIMITED	¥713 million (¥349 million)
SO ORIGIN SIRIRAJ COMPANY LIMITED	¥615 million (¥301 million)
Origin One Phromphong Co., Ltd.	¥2,822 million (¥1,383 million)
ORIGIN PLUG & PLAY PHETKASEM COMPANY LIMITED	¥533 million (¥261 million)
ORIGIN PLAY BANGSAEN COMPANY LIMITED	¥341 million (¥167 million)
ORIGIN PLACE BANGSAEN COMPANY LIMITED	¥505 million (¥247 million)
Total	¥18,756 million (¥9,190 million)

(4) Revaluation of Land

Under the "Act on Revaluation of Land" (Act No. 34 of March 31, 1998), the Company revalued its land held for business use. The tax amount for the valuation difference is accounted for as "Deferred tax liabilities for land revaluation" in Liabilities and the difference net of such tax amount is recorded as "Revaluation reserve for land" in Net Assets.

· Method of revaluation:
  The value of land is determined based on a reasonable adjustment to the assessed value of fixed assets as stipulated in Item 3, Article 2 of the "Order for Enforcement of the Act on Revaluation of Land" (Cabinet order No. 119 of March 31, 1998).
· Date of revaluation: March 31, 2002

(5) As a result of reviewing the purpose of holding assets, ¥1,878 million was transferred from non-current assets to real estate for sale, etc.

4. Notes to Consolidated Statement of Changes in Shareholders' Equity

(1) Total Number of Shares Issued

Type of shares	Number of shares as of April 1, 2023 (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares as of March 31, 2024 (Thousand shares)
Common stock	182,938	329	-	183,268

Note: The increase in the number of issued shares among common stock of 329 thousand shares consists of an increase due to the exercise of stock options.

(2) Dividends from Surplus

1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
April 26, 2023 Meeting of the Board of Directors	Common stock	11,535	65.00	March 31, 2023	June 5, 2023
October 26, 2023 Meeting of the Board of Directors	Common stock	11,532	65.00	September 30, 2023	December 1, 2023

Notes: 1. The total amount of dividends resolved in the meeting of the Board of Directors held on April 26, 2023 includes ¥230 million in dividends for the Company's shares held in the executive compensation BIP trust and ESOP trust for granting stock for employees.
2. The total amount of dividends resolved in the meeting of the Board of Directors held on October 26, 2023 includes ¥199 million in dividends for the Company's shares held in the executive compensation BIP trust and ESOP trust for granting stock for employees.

2) Dividends whose record date is in the fiscal year under review but whose effective date is thereafter

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend resource	Dividends per share (Yen)	Record date	Effective date
April 25, 2024 Meeting of the Board of Directors	Common stock	13,174	Retained Earnings	75.00	March 31, 2024	June 3, 2024

Note: The total amount of dividends resolved in the meeting of the Board of Directors held on April 25, 2024 includes ¥228 million in dividends for the Company's shares held in the executive compensation BIP trust and ESOP trust for granting stock for employees.

(3) Share Acquisition Rights

The number of shares subject to the share acquisition rights (those for which the exercise period has arrived) as of March 31, 2024:

Nomura Real Estate Holdings, Inc.

The 1st share acquisition rights in FY2016	Common stock	7,600 shares
The 2nd share acquisition rights in FY2016	Common stock	42,900 shares
The 3rd share acquisition rights in FY2016	Common stock	72,500 shares
The 1st share acquisition rights in FY2017	Common stock	23,700 shares
The 2nd share acquisition rights in FY2017	Common stock	54,700 shares

The 3rd share acquisition rights in FY2017	Common stock	148,900 shares
The 1st share acquisition rights in FY2018	Common stock	7,400 shares
The 2nd share acquisition rights in FY2018	Common stock	14,300 shares

5. Notes to Financial Instruments

(1) Status of Financial Instruments

1) Policy on financial instruments

The Group restricts fund management to deposits and others with safe and high market liquidity, and fund procurement is mainly treated by bank loans and bond issuance. In accordance with internal rules, derivatives are not used for speculative purposes, but for managing exposure to financial risks as described in detail below.

2) Details of financial instruments and associated risks

Equity investments and investment securities are principally stocks, investment units, etc., and these are held for the promotion of businesses. These investments and securities are exposed to the risk of market price fluctuations and credit risks of the issuers. Although securities denominated in foreign currencies are exposed to foreign exchange fluctuation risks, a portion of those risks is hedged through derivative transactions (currency swaps and foreign exchange forward contracts).

Floating-rate borrowings are exposed to interest rate fluctuation risks, but derivative transactions (interest rate swaps) are utilized as hedging instruments for floating-rate long-term borrowings.

Derivative transactions include interest rate swaps for the purpose of hedging interest rate fluctuation risks associated with borrowings, and currency swaps and foreign exchange forward contracts for the purpose of hedging foreign exchange rate fluctuation risks associated with securities denominated in foreign currencies. With respect to hedging instruments and hedged items, hedging policy and method of assessing hedge effectiveness, please refer to “1. Notes to Significant Matters for the Basis for the Preparation of Consolidated Financial Statements, (4) Accounting Standards and Methods, 4) Other significant matters for the preparation of consolidated financial statements, D. Significant hedge accounting method” previously described.

3) Risk management system for financial instruments

The Company regularly checks the fair value of equity investments and investment securities and the financial position, etc. of the issuers.

For derivative transactions, the Company has a system in place whereby, after the officer in charge of the Finance Department determines and approves the risk management policy and operational plan in accordance with internal rules, the Finance Department executes the transactions, conducts risk management and regularly reports the status of the transactions to the officer in charge. Consolidated subsidiaries also execute the transactions and conduct the management using the prescribed procedures in accordance with internal rules. The Company considers there is limited credit risk associated with these transactions because it conducts the transactions only with highly creditworthy financial institutions.

Based on the reports from consolidated subsidiaries and all departments within the Group, the Finance Department of the Company creates and updates cash flow plans in a timely manner, managing liquidity risk through such methods as ensuring that a specific amount of on-hand liquidity is always available.

4) Supplementary explanation on fair values of financial instruments

As various factors are incorporated into the fair value measurement of financial instruments, the resulting values may vary if different assumptions, etc. are used.

(2) Fair Values of Financial Instruments

Book values in the consolidated balance sheet, fair values, and the differences between these values as of March 31, 2024 are as follows.

(Millions of yen)

	Book value in the consolidated balance sheet	Fair value	Difference
(1) Investment securities *3	57,154	57,141	(12)
Total assets	57,154	57,141	(12)
(1) Bonds payable *4	150,000	147,377	(2,622)
(2) Long-term borrowings *5	1,012,244	1,003,659	(8,584)
Total liabilities	1,162,244	1,151,036	(11,207)
Derivative transactions *6	(7,639)	(7,639)	–

*1. The figures for "Cash and deposits" and "Short-term borrowings" are omitted as the fair values approximate their book values because they are cash and settled in a short period of time.

*2. The book values in the consolidated balance sheet for shares, etc. without a market price and investments in partnerships are as follows, and are not included in "(1) Investment securities." Shares, etc. without a market price are unlisted stocks, etc. and are not subject to disclosure of their fair values. Investments in partnerships are investments for business entities that are recorded in the consolidated balance sheet as the net amount equivalent to equity, and are not subject to disclosure of their fair values.

(Millions of yen)

Category	Book value in the consolidated balance sheet
Shares, etc. without a market price	121,889
Investments in partnerships	49,259

*3. The stated amount includes Japanese government bonds that have been recorded in "Leasehold and guarantee deposits" and preferred equity securities that have been recorded in "Equity investments." Investment securities include investment trusts whose investment trust assets are real estate, to which the net asset value is deemed to be the fair value.

*4. Current portion of bonds are included in "(1) Bonds payable."

*5. Current portion of long-term borrowings are included in "(2) Long-term borrowings."

*6. The value of assets and liabilities arising from derivatives is shown at net value. The figures in parenthesis indicate net liabilities.

(3) Breakdown by Level of Fair Values of Financial Instruments

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of inputs used in the fair value measurement.

Level 1 fair value: Of the observable inputs in the fair value measurement, the fair value is measured based on quoted prices in an active market for the subject asset or liability.

Level 2 fair value: Of the observable inputs in the fair value measurement, the fair value is measured using inputs other than those used for Level 1.

Level 3 fair value: The fair value is measured using inputs that cannot be observed.

When multiple inputs that have a significant effect on the fair value measurement are used and the inputs are within different levels of the fair value hierarchy, the fair value is classified as the lowest level of those inputs in the fair value hierarchy.

1) Financial instruments with fair values whose book values are recorded on the consolidated balance sheet

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities	52,089	1,326	472	53,888
Derivative transactions				
Interest rate-related	–	32	–	32
Total assets	52,089	1,359	472	53,921
Derivative transactions				
Currency-related	–	7,672	–	7,672
Total assets	–	7,672	–	7,672

Investment trusts whose investment trust assets are real estate are not included in the above table. The amount of such investment trusts in the consolidated balance sheet is ¥3,253 million.

2) Financial instruments with fair values whose book values are not recorded on the consolidated balance sheet

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Bonds payable	–	147,377	–	147,377
Long-term borrowings	–	1,003,659	–	1,003,659
Total liabilities	–	1,151,036	–	1,151,036

Notes: 1. Explanation of the valuation techniques and inputs used in the fair value measurement

Investment securities

The fair values of stocks and investment units are mainly based on the prices on exchanges. If transactions are conducted in an active market, the fair value is classified as Level 1 fair value, and if transactions are not conducted in an active market, the fair value is classified as Level 2 fair value.

The fair value of preferred equity securities is classified as Level 3 fair value because the fair value measurement uses some inputs that cannot be observed.

Bonds payable

These items are issued mainly by the Company and the fair values are calculated based on the market prices. However, because bonds issued by the Company are not traded on an active market, the fair value is classified as Level 2 fair value.

Long-term borrowings

For long-term borrowings, the fair value is calculated by discounting the total amount of principal and interest at an interest rate that would be charged for similar new loans, and the fair value is classified as Level 2 fair value.

For floating-rate long-term borrowings that are subject to exceptional treatment of interest rate swaps, the fair value is calculated by discounting the total amount of principal and interest that were treated as a part of the interest rate swaps at an interest rate that would be charged for similar loans, and the fair value is classified as Level 2 fair value.

Derivative transactions

Because the fair value is determined based on the prices obtained from counterparty financial institutions, etc., the fair value is classified as Level 2 fair value.

2. Information on Level 3 fair value financial assets and financial liabilities with fair values whose book

values are recorded on the consolidated balance sheet

Information on Level 3 fair value financial instruments is omitted because they are immaterial.

3. Reconciliation of investment trusts whose investment trust assets are real estate

Reconciliation of beginning balance to ending balance is omitted, because the book value recorded in the consolidated balance sheet for investment trusts whose investment trust assets are real estate is immaterial.

6. Notes to Real Estate for Rent

(1) Status of Real Estate for Rent

Some of the Company's consolidated subsidiaries own rental office buildings and rental retail facilities (including land) in Tokyo and other regions.

(2) Fair Values of Real Estate for Rent

(Millions of yen)

	Book value in the consolidated balance sheet	Fair value as of March 31, 2024
Real estate for rent	644,362	878,097
Properties including the portion used as real estate for rent	24,953	58,010

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, 2024 are determined based primarily on values according to Real Estate Appraisal Standards (including adjustments based on certain indexes). However, if no significant fluctuations in certain appraisal values or indexes considered to appropriately reflecting market values have occurred since the time of acquisition from third party or the time of the most recent appraisal, the Group bases the fair value on an amount that has been adjusted using the aforesaid values or indexes.

3. Some rental office buildings are regarded as properties including the portion used as real estate for rent since they are used by the Company and certain consolidated subsidiaries.

7. Notes to Revenue Recognition

(1) Information on Disaggregation of Revenue from Contracts with Customers

(Millions of yen)

		Operating revenue from external customers			Internal sales and transfer amount among segments	Total
		Revenue from contracts with customers	Revenue from other sources (Note 1)	Subtotal		
Reportable segments	Residential Development	335,207	15,415	350,622	1,189	351,812
	Housing sales	282,988	–	282,988	–	282,988
	Property development (sales)	26,780	6,138	32,918	–	32,918
	Other	25,439	9,277	34,716	1,189	35,906
	Commercial Real Estate	107,832	113,403	221,236	2,515	223,752
	Property development (sales)	69,722	45,795	115,517	–	115,517
	Other	38,109	67,608	105,718	2,515	108,234
	Overseas	720	3,896	4,616	–	4,616
	Investment Management	12,631	1,525	14,157	199	14,356
	Property Brokerage & CRE	48,252	–	48,252	1,336	49,588
	Property & Facility Management	95,512	42	95,554	12,636	108,190
	Subtotal	600,157	134,282	734,439	17,877	752,317
Other (Note 2)		8	266	275	5	280
Total		600,165	134,549	734,715	17,882	752,598
Adjustments		–	–	–	(17,882)	(17,882)
Amount recorded in consolidated financial statements		600,165	134,549	734,715	–	734,715

Notes: 1. "Revenue from other sources" includes revenue from sales of property development based on Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special-Purpose Companies (JICPA Accounting Practice Committee Statement No. 15, November 4, 2014) and lease revenue based on Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007).

2. The "Other" category represents operating segments that are not included in reportable segments.

(2) Information That Provides the Basis for Understanding Revenue from Contracts with Customers

Information that provides the basis for understanding revenue is stated in "1. Notes to Significant Matters for the Basis for the Preparation of Consolidated Financial Statements, (4) Accounting Standards and Methods, 4) Other significant matters for the preparation of consolidated financial statements, B. Standards for the provision of significant revenues and expenses."

(3) Information for understanding the amounts of revenue in the fiscal year under review and the following fiscal year

1) Balances, etc. of contract assets and contract liabilities

(Millions of yen)

	Fiscal year under review
Receivables arising from contracts with customers (Balance as of April 1, 2023)	31,936
Receivables arising from contracts with customers (Balance as of March 31, 2024)	19,747
Contract assets (Balance as of April 1, 2023)	2,929
Contract assets (Balance as of March 31, 2024)	2,374
Contract liabilities (Balance as of April 1, 2023)	41,334
Contract liabilities (Balance as of March 31, 2024)	42,347

Note: Contract liabilities are mainly advances received as deposits for contracts related to the housing sales business, and the performance obligation is satisfied and revenue is recognized at the time of handover of the residence to the customer. The contract liability balance related to the housing sales business was ¥34,797 million as of the beginning of the fiscal year under review, and of this amount, ¥24,646 million was recognized as revenue during the fiscal year under review. Regarding the contract liability balance as of the beginning of the fiscal year under review for contracts other than those for housing sales, the amount that was not recognized as revenue during the fiscal year under review was immaterial.

2) Transaction price allocated to the remaining performance obligations

The total amount at the end of the fiscal year under review of the transaction price allocated to performance obligations that were not satisfied as of the end of the fiscal year was ¥205,658 million, mainly in the housing sales business of the Residential Development business segment and in the sales of property development of the Residential Development business segment and Commercial Real Estate business segment, and the Company plans to recognize the revenue within approximately three years. In addition, in the consideration from contracts with customers, there are no significant amounts that were not included in the transaction price. For these notes, the Company has applied paragraph 80-22 of the Accounting Standard for Revenue Recognition.

8. Notes to Per Share Information

(1) Net Assets Per Share ¥4,002.79

(2) Basic Earnings Per Share ¥392.29

Note: The Company's shares held in the executive compensation BIP trust and ESOP trust for granting stock for employees are included in the number of treasury shares deducted from the total number of shares issued at the end of the fiscal year when calculating net assets per share. Furthermore, these are included in the treasury shares deducted in the calculation of the average number of shares during the period used in the calculation of basic earnings per share. For the fiscal year under review, the number of these treasury shares deducted in the calculation of net assets per share was 3,053 thousand shares at the end of the period, and the average number of treasury shares during the period deducted in the calculation of basic earnings per share was 3,191 thousand shares.

9. Notes to Significant Subsequent Events

(Business combination through acquisition)

1. Outline of business combination

At a meeting of the Board of Directors held on December 21, 2023, the Company resolved to acquire all the shares of UDS Ltd. and make it to a consolidated subsidiary. The Company concluded a share transfer agreement on the same day, and acquired all shares of UDS Ltd. on April 1, 2024.

(1) Name of the acquired company and details of the acquired business

Company name	UDS Ltd. and three other companies
Description of business	Planning, design and construction business Operation of hotels Operation of other facilities (shared houses, co-working offices, restaurants, cafeterias, etc.)

(2) Main reason for the business combination

In the Group's hotel operations, which show promise as a future growth pillar of the Group, customer needs are on the rise due to the increasing inbound needs and other factors. In response to such demand, the Group intends to establish a solid business foundation at the earliest opportunity and accelerate growth. Additionally, the Group aims to enhance and evolve the product appeal and further expand business opportunities in the development of various asset types.

(3) Date of the business combination

April 1, 2024

(4) Legal form of the business combination

The Company acquired equity in consideration for cash.

(5) Name of the acquired company after the business combination

Unchanged

(6) Ratio of voting rights of the acquired company after the combination

100%

(7) Main rationale for determining the acquired company

Through the acquisition of the equity interest of the acquired company in return for cash consideration paid by the Company.

2. Acquisition cost of the acquiree and its detail by type of consideration

Consideration for the acquisition	Cash	¥22,759 million
Acquisition costs		¥22,759 million

3. Nature and amount of major acquisition-related costs

Not finalized as of this date.

4. Amount of goodwill arisen, reason for the recognition thereof, method and period of amortization thereof

Not finalized as of this date.

5. Amounts classified by main item of assets acquired and liabilities assumed on the date of the business combination

Not finalized as of this date.

10. Other Notes

Not applicable.

Non-Consolidated Financial Statements

Non-Consolidated Statement of Changes in Shareholders' Equity for the year ended March 31, 2024

(Millions of yen)

	Shareholders' Equity							
		Capital Surplus		Retained Earnings				
				Other Retained Earnings				
	Share Capital	Legal Capital Surplus	Total Capital Surplus	Reserve for Purchase of Specific Shares	Retained Earnings Brought Forward	Total Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2023	119,054	119,418	119,418	71	283,032	283,103	(25,456)	496,121
Changes during Period								
Issuance of New Shares	424	424	424					849
Dividends of Surplus					(23,068)	(23,068)		(23,068)
Profit					28,302	28,302		28,302
Purchase of Treasury Shares							(7,822)	(7,822)
Disposal of Treasury Shares							1,374	1,374
Net Changes in Items Other Than Shareholders' Equity								–
Total Changes during Period	424	424	424	–	5,234	5,234	(6,447)	(363)
Balance at March 31, 2024	119,479	119,843	119,843	71	288,266	288,338	(31,903)	495,757

	Valuation and Translation Adjustments				
	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	Share Acquisition Rights	Total Net Assets
Balance at April 1, 2023	(40)	(0)	(40)	658	496,739
Changes during Period					
Issuance of New Shares					849
Dividends of Surplus					(23,068)
Profit					28,302
Purchase of Treasury Shares					(7,822)
Disposal of Treasury Shares					1,374
Net Changes in Items Other Than Shareholders' Equity	99	22	122	(302)	(179)
Total Changes during Period	99	22	122	(302)	(543)
Balance at March 31, 2024	59	22	82	355	496,195

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

Notes to Non-Consolidated Financial Statements

1. Notes to Matters for the Significant Accounting Policies

(1) Valuation Standards and Methods for Assets

1) Valuation standards and methods for securities

Shares of subsidiaries and affiliated companies

Shares of subsidiaries and affiliated companies are stated at cost by the moving-average method.

Available-for-sale securities

Shares, etc. without a market price

Shares, etc. without a market price are stated at cost by the moving-average method.

2) Valuation standards and methods for derivatives, etc.

Derivatives — Derivatives are stated using the market value method.

(2) Depreciation and Amortization Method for Non-current Assets

1) Property, plant and equipment (except for leased assets)

Property, plant and equipment are depreciated by the straight-line method.

2) Intangible assets (except for leased assets)

Intangible assets are amortized by the straight-line method. Costs of software for internal use are amortized based on the useable period within the Company (5 years).

3) Leased assets — Leased assets are depreciated using the straight-line method, assuming the lease period to be the useful life and the residual value to be zero.

(3) Standards for the Provision of Allowances

1) Allowance for doubtful accounts — In order to prepare for possible bad debt losses on notes and accounts receivable - trade, loans and others, allowance for doubtful accounts is provided at an amount calculated on the basis of a historical bad debt ratio for normal claims, and at an estimated uncollectible amount determined on the basis of individual assessments of collectability for specific claims with potential losses.

2) Provision for bonuses — To prepare for the payment of employee bonuses, an estimated amount corresponding to the portion of the bonus payments in the fiscal year under review is reserved.

3) Provision for bonuses for directors (and other officers)

To prepare for the payment of bonuses for directors (and other officers), an estimated amount corresponding to the portion of the bonus payments in the fiscal year under review is reserved.

4) Provision for share awards — To prepare for the delivery of the Company's shares to officers and employees pursuant to the share delivery regulation, an estimated cost as of the end of the fiscal year under review is reserved.

5) Provision for loss on business of subsidiaries and associates

To prepare for possible losses on business of subsidiaries and associates, an estimated loss amount determined in consideration of individual assessment of financial position, etc. of subsidiaries and associates is reserved.

(4) Standards for the Provision of Revenues and Expenses

The Company provides management guidance, IT infrastructure, etc. to subsidiaries, and the subsidiaries are mainly the customers of the Company. Regarding contracts related to the provision of management guidance, IT infrastructure, etc., the Company identifies the provision of guidance for management, planning, etc., IT infrastructure, etc. to subsidiaries of the Company as performance obligations. For these performance obligations, revenue is recognized over the contract period because the performance obligations are satisfied over time. Payment of the transaction consideration is received in installments mostly within the contact period, and the amount of consideration does not include any significant financial component.

(5) Other Basic Matters for the Preparation of Non-Consolidated Financial Statements

1) Accounting for deferred assets — The costs are fully charged to income when disbursed.

2) Significant hedge accounting method

・Hedge accounting method: Hedging transactions are accounted for using deferral hedge accounting, which requires the unrealized gains or losses to be deferred as assets or liabilities until the losses or gains on the underlying hedged items are recognized. For interest rate swaps that meet certain hedging criteria, the Company applies exceptional treatment.

・Hedging instruments and hedged items:

<Hedging instruments>	<Hedged items>
Interest rate swap contracts	Borrowings

・Hedge policy: In accordance with internal rules, interest rate fluctuation risks are hedged.

・Method for assessing the effectiveness of hedges:
The Company evaluates hedge effectiveness based on the ratio of changes determined by comparing the cumulative changes in cash flows of the hedged items to the cumulative changes in cash flows of the hedging instrument. However, the Company omits the assessment of hedge effectiveness in the case of interest rate swaps for which the Company applies the exceptional treatment.

2. Notes to Non-Consolidated Balance Sheet

(1) Accumulated Depreciation of Property, Plant and Equipment ¥643 million

(2) Monetary Receivables from and Payables to Subsidiaries and Associates

1) Short-term monetary receivables ¥342,718 million
2) Short-term monetary payables ¥46,085 million

(3) Contingent Liabilities
Guaranteed obligations
The following are the subsidiaries and associates for which bank loans, etc. have been guaranteed.

NOMURA REAL ESTATE (THAILAND) CO., LTD	¥11,079 million
Total	¥11,079 million

3. Notes to Non-Consolidated Statement of Income

Amount of business with subsidiaries and associates
Amount of operating transactions
Operating revenue ¥56,958 million
Operating expenses ¥580 million
Amount of non-operating transactions ¥223 million

4. Notes to Non-Consolidated Statement of Changes in Shareholders' Equity

The number of treasury shares

Type of shares	Number of shares as of April 1, 2023 (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares as of March 31, 2024 (Thousand shares)
Common stock	9,015	2,140	499	10,656

Notes: 1. The above treasury shares include the treasury shares held in the trust account of the executive compensation BIP trust and ESOP trust for granting stock for employees.
2. The increase in the number of treasury shares among common stock of 2,140 thousand shares is due to the purchase of 2,140 thousand shares of treasury shares by resolution of the Board of Directors, and the purchase of 0 thousand shares related to the purchase of shares of less than one share unit.

3. The decrease in the number of treasury shares among common stock of 499 thousand shares is due to the delivery and sale of 499 thousand shares of treasury shares for the executive compensation BIP trust and the employee ESOP trust.

5. Notes to Tax Effect Accounting

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

	(Millions of yen)
Deferred tax assets	
Loss on valuation of shares of subsidiaries and associates	3,431
Allowance for doubtful accounts	658
Share-based payment expenses	162
Provision for loss on business of subsidiaries and associates	146
Provision for bonuses	138
Accrued enterprise tax	22
Others	204
Subtotal deferred tax assets	4,765
Valuation allowance	(4,267)
Total deferred tax assets	498
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(26)
Other	(10)
Total deferred tax liabilities	(36)
Net deferred tax assets	461

6. Notes to Related Party Transactions

(1) Subsidiaries, Affiliated Companies and Others

Type	Name	Voting rights holding or held (%)	Relationship with the Company	Transaction details	Amount of transaction (Millions of yen)	Items	Fiscal year-end balance (Millions of yen)
Subsidiary	Nomura Real Estate Development Co., Ltd.	Directly holding 100.0	Management guidance, borrowing and lending of funds	Lending of funds	716,179	Short-term loans receivable	333,625
					–	Long-term loans receivable from subsidiaries and associates	1,170,000
				Receipt of interest	18,735	–	–
Subsidiary	Nomura Real Estate Solutions Co., Ltd.	Directly holding 100.0	Management guidance	Deposit of funds	56,523	Deposits received	18,077
Subsidiary	Nomura Real Estate Partners Co., Ltd.	Directly holding 100.0	Management guidance	Deposit of funds	127,893	Deposits received	16,765

Note: The interest rates for lending and deposit of funds are determined in a rational manner by considering market interest rates.

(2) Officers, Major Individual Shareholders and Others

Title	Name	Voting rights holding or held (%)	Relationship with the Company	Transaction details	Amount of transaction (Millions of yen) (Note 1)	Items	Fiscal year-end balance (Millions of yen)
Officer	Daisaku Matsuo	Held 0.0	Director of the Company	Exercise of stock options (Note 2)	34	–	–
Officer	Makoto Haga	Held 0.0	Director of the Company	Exercise of stock options (Note 2)	33	–	–
Officer	Eiji Kutsukake	Held 0.0	Director of the Company	Exercise of stock options (Note 2)	31	–	–
Officer	Kazuhiro Toida	Held 0.0	Executive Officer of the Company	Exercise of stock options (Note 2)	23	–	–

Officer	Hiroyuki Kimura	Held 0.0	Director of the Company	Exercise of stock options (Note 2)	20	–	–
Officer	Shigeyuki Yamamoto	Held 0.0	Executive Officer of the Company	Exercise of stock options (Note 2)	18	–	–
Officer	Haruhiko Nakamura	Held 0.0	Executive Officer of the Company	Exercise of stock options (Note 2)	18	–	–
Officer	Naoko Usami	Held 0.0	Executive Officer of the Company	Exercise of stock options (Note 2)	10	–	–

Notes: 1. Amount of transaction does not include consumption taxes.
2. Stock options granted by the Company pursuant to the Companies Act.

7. Notes to Per Share Information

(1) Net Assets Per Share ¥2,872.57
(2) Basic Earnings Per Share ¥162.88

Note: The Company's shares held in the executive compensation BIP trust and ESOP trust for granting stock for employees are included in the number of treasury shares deducted from the total number of shares issued at the end of the fiscal year when calculating net assets per share. Furthermore, these are included in the treasury shares deducted in the calculation of the average number of shares during the period used in the calculation of basic earnings per share. For the fiscal year under review, the number of these treasury shares deducted in the calculation of net assets per share was 3,053 thousand shares at the end of the period, and the average number of treasury shares during the period deducted in the calculation of basic earnings per share was 3,191 thousand shares.

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(Business combination through acquisition)

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9. Other Notes

Not applicable.