

To Our Shareholders

I would like to express my gratitude to all of our shareholders for your continuing patronage.

During the fiscal year under review, an initial year of new Mid- to Long-term Business Plan (for the fiscal year ended March 2020 through the fiscal year ending March 2028), toward realizing the creation of “New Value, Real Value,” the Company has proceeded to strategically cope with changes in the various environment, such as the progress of a super-aging population, diversifying workstyles and lifestyles, and accelerated progress of technologies, from the mid- to long-term viewpoint.

From the end of the fiscal year under review, the social conditions and business environment has changed drastically with the spread of the novel coronavirus disease (COVID-19) having an extremely large impact on the Japanese and global economies.

Even under such conditions, the Group intends to accurately grasp the changes in the social structure and further engage in the creation of new added value by utilizing its strengths such as development capabilities based on a market-in approach and commitment to quality in urban development and real estate-related services.

We fully realize that we need to dramatically change the existing idea, and will continue tackling transformation and challenges with our Group Vision of “New Value, Real Value.”

I ask all of our shareholders for your continued support for the Company.

President and Representative Director
Group CEO
Eiji Kutsukake

Our Group Vision “New Value, Real Value”

New Value, Real Value

Integrating all that is precious to people and communities,
we build cities—dynamic stages that connect today with tomorrow’s possibilities—
and embrace every moment of life’s pursuits.

We create new value, social value, and above all, real value.

Action Guideline “What We Value”

Client-first approach

We maintain our “client-first” approach as well as our attitude to ensure trust and fulfill expectations, which we have valued since the foundation of the company.

Creating new value based on original ideas

We pursue creating new value with free and out-of-the-box thinking, placing importance on anticipating future and global perspectives.

Always being a challenger

We always bear in mind that we are a challenger and take on new challenges with humility and ambition.

Acknowledging our growth with society

Ever mindful of our responsibility and pride in creating the future for people and cities, we contribute to society and continue to be a company on which it relies.

Working with vigor and achieving wellness

Recognizing that working with vigor brings growth to both the company and ourselves, we take the utmost care of our mental and physical health.

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 16th 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.

(Code: 3231)
June 8, 2020

To: Shareholders

Eiji Kutsukake
President and Representative Director
Nomura Real Estate Holdings, Inc.
1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
JAPAN

Notice of Convocation of the 16th Ordinary General Meeting of Shareholders

Dear Shareholder:

We are pleased to announce the 16th Ordinary General Meeting of Shareholders of Nomura Real Estate Holdings, Inc. (the “Company”), which will be held as follows.

Having carefully considered the situation of the spread of COVID-19, the Company has decided to hold the General Meeting of Shareholders on the date below, taking appropriate measures beforehand to avoid infection.

However, in order to prevent the spread of COVID-19, the Company would like to ask all of our shareholders to exercise your voting rights either by mail or via the Internet, etc. in advance, and refrain from participating the meeting in person.

Please review the attached reference documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:40 p.m. on June 22 (Monday), 2020.

When Exercising Voting Rights by Mail

Please indicate your approval or disapproval for the proposal on the enclosed proxy card, and return it so that it will reach us by the aforementioned exercise deadline.

When Exercising Voting Rights by Electronic Method (via the Internet, etc.)

Please review the “Guide to Exercising Voting Rights via the Internet, etc.” on page 7, and enter your approval or disapproval for the proposal listed thereon before the deadline stated above.

Description

1. Date and Time: Tuesday, June 23, 2020, at 10:00 a.m.
2. Place: Meiji Kinenkan, Fuji room (2nd floor)
2-2-23 Motoakasaka, Minato-ku, Tokyo
The number of seats available this year has been significantly reduced due to spacing seats to prevent the spread of COVID-19. Even shareholders who come to the venue may not be allowed to enter. We appreciate your understanding in advance.
3. Agenda for the Meeting:
Matters to be Reported: The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 16th term (from April 1, 2019 to March 31, 2020); and Report on Auditing Results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee

Matter to be Resolved:

- Proposal No. 1: Partial Amendments to the Articles of Incorporation
- Proposal No. 2: Election of Seven (7) Directors (Excluding Directors as Audit & Supervisory Committee Members)
- Proposal No. 3: Election of One (1) Director as Audit & Supervisory Committee Member
- Proposal No. 4: Revision of Amounts of Remuneration, etc. for Directors as Audit & Supervisory Committee Members

4. Handling the exercising of voting rights:

- (1) If you exercise your voting rights twice through voting by mail and by electronic method (via the Internet, etc.), we will deem the vote cast by electronic method to be the effective one.
- (2) If you exercise your voting rights more than once by electronic method (via the Internet, etc.) or redundantly using a computer, etc. and cell phone, we will deem the last vote cast to be the effective one.

*If attending the meeting in person, please present the enclosed proxy card at the reception desk.

*The following materials are published on the Company's website shown below and not attached to this notice in accordance with the relevant laws and regulations and Article 14 of the Articles of Incorporation. Also, with respect to the following materials, when the Audit & Supervisory Committee prepared the audit report, it audited 1) through 3) as part of the attached documents, and when the Accounting Auditor prepared the audit report, it audited 2) and 3) as part of the attached documents. 1) "Principal businesses," "Principal business offices of major subsidiaries" of "Principal business offices," "Share acquisition rights, etc." and "System to ensure the appropriateness of operations and the operational status of that system," of the business report, 2) "Consolidated statement of changes in net assets" and "Notes to consolidated financial statements" of consolidated financial statements, and 3) "Non-consolidated statement of changes in net assets" and "Notes to non-consolidated financial statements" of non-consolidated financial statements.

*If circumstances arise whereby revisions should be made to the contents of the reference documents for the General Meeting of Shareholders, the business report, consolidated financial statements, and non-consolidated financial statements, such notification shall be published on the following Company's website.

[The Company's website]

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

<Requests to Shareholders>

*Depending on the future developments of spread of the infection and announcements from the government or authorities, we may be forced to change the venue or time of the General Meeting of Shareholders. Please check the information provided on the website below.

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

*As stated above, in order to prevent the spread of COVID-19, the Company would like to ask all of our shareholders to exercise your voting rights either by mail or via the Internet, etc. in advance, and again, refrain from participating the meeting in person.

*Please use the alcohol disinfectant that we will place around the reception area at the venue for our shareholders. If you plan to attend the meeting in person, we kindly ask for your cooperation on bringing and wearing a face mask.

*Your temperature will be taken near the entrance to the venue, and you may be requested to refrain from entering the venue, if you have a fever, are in poor physical condition, or entered Japan from overseas within 14 days prior to the meeting. Please contact the reception, if you entered Japan from overseas within 14 days prior to the meeting.

*Officers attending the meeting and staff members will participate the meeting wearing a face mask, after undergoing physical check, including body temperature measurement test.

*Detailed explanations of reportable matters (including audit reports) and proposals may be omitted at the meeting from the perspective of shortening the meeting to prevent the spread of COVID-19.

We ask that you read the Notice of Convocation of the General Meeting of Shareholders in advance. As stated in the "Information on Receiving Questions in Advance" below, questions will be received from shareholders in advance, and an overview of questions thought to be of great interest for shareholders will be provided at the meeting. Furthermore, after the conclusion of the meeting, a summary of the

Q&A shall be published on the Company's website for the advance questions explained at the meeting and the questions asked at the meeting.

Guide to Exercising Voting Rights

Please review the attached reference documents for the General Meeting of Shareholders (pages 9 to 30), and exercise your voting rights.

There are three ways to exercise your voting rights as described below.

[By Mail]

Exercise Due Date: To be received no later than 5:40 p.m. on June 22, 2020

Please indicate your approval or disapproval for the proposals on the enclosed proxy card, and return it.

[Via the Internet]

Exercise Due Date: No later than 5:40 p.m. on June 22, 2020

For details, please refer to page 7.

[By Attending the Meeting]

Time and Date: 10:00 a.m. on June 23, 2020

Please present the enclosed proxy card at the reception desk.

If you attend the meeting, you do not need to mail the proxy card or exercise voting rights via the Internet, etc.

For institutional investors

Nominal shareholders such as management trust banks (including standing proxies) who have applied in advance for the use of the electronic voting platform operated by ICJ, Inc. may use such platform in addition to the aforementioned method of exercising voting rights via the Internet as a method for exercising voting rights electromagnetically.

Introducing “Notice of Convocation via smartphone” service

With the purpose of enriching the communication with our shareholders, we offer “Notice of Convocation via smartphone” service, where you can browse the Notice of Convocation and its related information, as well as exercising your voting rights conveniently.

[How to access “Notice of Convocation via smartphone”]

Please access the site via QR code presented on the left side. You can also access by visiting <https://p.sokai.jp/3231/> (please input the characters in single digits)

This service is a non-mandatory service with the purpose of improving our shareholders’ convenience. Please note that depending on your device or communication environments, you may not be able to browse the contents. If you exercise your voting rights via this service, please refer to the instruction on page 7 of this document.

Guide to Exercising Voting Rights via the Internet, etc.

Scanning QR code

You can simply login to the website for exercising voting rights without entering your log-in ID and temporary password printed on the proxy card.

1. Please scan the QR code located on the right side of the proxy card.
* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Indicate your approval or disapproval by following the instructions on the screen.

Note that you can exercise voting rights only once by using QR code.

If you wish to redo your vote or exercise your voting rights without using QR code, please refer to the “Entering log-in ID and temporary password” on the right.

Entering log-in ID and temporary password

Website for Exercising Voting Rights	https://evote.tr.mufg.jp/
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1. Access the Website for Exercising Voting Rights.
2. Enter the “Log-in ID and Temporary Password,” which are printed on the enclosed proxy card.
3. Please register a new password.
4. Indicate your approval or disapproval by following the instructions on the screen.

Please contact the help desk described below if you have any questions about exercising voting rights via the Internet, using a PC, a smartphone, or a cell phone.

Corporate Agency Division Help Desk
Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027

(toll free only within Japan / 9:00 – 21:00)

Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

- * The website for exercising voting rights is not operational from 2:00 a.m. to 5:00 a.m. due to maintenance and inspection.
- * If you exercise your voting rights more than once by mail and via the Internet, only the vote cast via the Internet shall be deemed effective.
- * If you exercise your voting rights via the Internet multiple times, only the last vote cast shall be deemed effective.
- * The website for exercising voting rights may be unavailable depending on certain Internet settings, or depending on the service to which you are subscribed or the model of the device you use to access the website.
- * Any costs including Internet connection fees and communication charges that might be required to access the website for exercising voting rights shall be borne by the shareholder.
- * If you wish to receive the Notice of Convocation of the General Meeting of Shareholders by e-mail, please visit the website for exercising voting rights using either a PC or a smartphone and following the instructions that the website provides. (Please note that it is not possible to complete this procedure via your cell phone, nor is it possible to designate cell phone address for text messages as the e-mail address for receiving the notice.)

Information on Receiving Questions in Advance

In order to prevent the spread of COVID-19, you are requested to refrain from traveling to the venue on the date of the meeting. Therefore, we will accept questions from shareholders about the matters to be reported and the matters to be resolved at the 16th Ordinary General Meeting of Shareholders over the Internet.

Please send any questions you have via the website below.

URL for the website for receiving questions in advance

[Questions received from 9:00 a.m. on June 8 (Mon) until 5:40 p.m. on June 16, 2020 (Tue)]

<https://krs.bz/nomura-re/m/generalmeeting>

Of the questions received, those thought to be of great interest for shareholders will be discussed at the meeting.

- * Please understand that we are unable to separately answer questions asked in advance.
- * Questions not covered in the general meeting will be used for future reference.

Video of the General Meeting of Shareholders and a summary of the questions and answers at the meeting will be published on the corporate website below in mid-July.

https://www.nomura-re-hd.co.jp/ir/ir_library/generalMeeting.html

- * The video of the General Meeting of Shareholders will exclude the questions and answers.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Partial Amendments to the Articles of Incorporation

This is to make a change of the number of Directors as Audit & Supervisory Committee Members set by the existing article 17 of the Articles of Incorporation (number of members) from five (5) or less to six (6) or less in order to strengthen the foundation of the corporate governance system for the purpose of further improving the soundness and transparency of our management.

The partial amendment to the Articles of Incorporation in this proposal shall take effect at the time of the conclusion of this Ordinary General Meeting of Shareholders.

The proposed amendment is as follows:

(Amendment underlined)

Current Articles of Incorporation	Proposed amendments
Article 1. to Article 16. (Omitted) (Number of directors) Article 17. The Company shall have not more than twelve (12) directors (excluding directors as audit & supervisory committee members). The number of directors appointed as directors as audit & supervisory committee members shall be not more than <u>five</u> (5).	Article 1. to Article 16. (Unchanged) (Number of directors) Article 17. The Company shall have not more than twelve (12) directors (excluding directors as audit & supervisory committee members). The number of directors appointed as directors as audit & supervisory committee members shall be not more than <u>six</u> (6).
Article 18. to Article 34. (Omitted)	Article 18. to Article 34. (Unchanged)

Proposal No. 2: Election of Seven (7) Directors (Excluding Directors as Audit & Supervisory Committee Members)

The term of office of all of the seven (7) Directors (excluding Directors as Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, we would like you to elect seven (7) Directors.

The terms of office of Directors elected at this Ordinary General Meeting of Shareholders shall be until the conclusion of the Ordinary General Meeting of Shareholders to be held in June 2021.

Nomination of the candidates for Director has passed through the deliberation process of the Advisory Committee Relating to Nominations and Compensation, a majority of whose members are External Directors.

Also, the Audit & Supervisory Committee has expressed the opinion that this proposal is appropriate and there are no matters of concern.

The candidates for Director are as follows.

No.	Name		Current Position in the Company	Number of meetings of Board of Directors attended (16th term)			
1	Atsushi Yoshikawa	<table border="1"> <tr><td>Reelection</td></tr> <tr><td>Non-executive</td></tr> </table>	Reelection	Non-executive	Director, and Chairman of the Board of Directors	16/16	
Reelection							
Non-executive							
2	Eiji Kutsukake	<table border="1"> <tr><td>Reelection</td></tr> </table>	Reelection	President and Representative Director, and Chief Executive Officer	16/16		
Reelection							
3	Seiichi Miyajima	<table border="1"> <tr><td>Reelection</td></tr> </table>	Reelection	Executive Vice President and Representative Director	16/16		
Reelection							
4	Toshiaki Seki	<table border="1"> <tr><td>Reelection</td></tr> </table>	Reelection	Executive Vice President and Representative Director	16/16		
Reelection							
5	Makoto Haga	<table border="1"> <tr><td>Reelection</td></tr> </table>	Reelection	Director and Executive Officer	16/16		
Reelection							
6	Tetsuro Higashi	<table border="1"> <tr><td>Reelection</td></tr> <tr><td>External Director</td></tr> <tr><td>Independent Director</td></tr> </table>	Reelection	External Director	Independent Director	External Director	13/13*
Reelection							
External Director							
Independent Director							
7	Shoichi Nagamatsu	<table border="1"> <tr><td>New election</td></tr> <tr><td>Non-executive</td></tr> <tr><td>Part-time</td></tr> </table>	New election	Non-executive	Part-time	—	—
New election							
Non-executive							
Part-time							

* The number of meetings of the Board of Directors held during the business year under review is shown since the appointment of Director on June 25, 2019.

<p>No.</p> <p>2</p>	<p>Eiji Kutsukake</p> <p>Reelection</p> <p>(Date of Birth: September 12, 1960)</p> <p>Shareholdings: 12,800 shares</p> <p>Attendance at meeting of Board of Directors: 16/16 (100%)</p> <p>Term of office: 6 years</p>	
<p>Apr. 1984 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)</p> <p>Apr. 2007 Executive Managing Director of Nomura Securities Co., Ltd.</p> <p>Oct. 2008 Senior Managing Director of Nomura Securities Co., Ltd.</p> <p>Apr. 2009 Senior Corporate Managing Director of Nomura Securities Co., Ltd.</p> <p>Apr. 2011 Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc. Executive Vice President of Nomura Securities Co., Ltd.</p> <p>Apr. 2012 Executive Managing Director of Nomura Holdings, Inc.</p> <p>Aug. 2012 Deputy President of Nomura Securities Co., Ltd.</p> <p>Apr. 2013 Director and Deputy President of Nomura Securities Co., Ltd.</p> <p>Apr. 2014 Advisor of Nomura Real Estate Holdings, Inc.</p> <p>Jun. 2014 Representative Director and Executive Vice President of Nomura Real Estate Holdings, Inc.</p> <p>Jun. 2015 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Holdings, Inc. (present)</p> <p>Apr. 2017 Chair and Representative Director of Nomura Real Estate Development Co., Ltd. (present)</p> <p>Responsibilities</p> <p>Group CEO</p> <p>Significant Concurrent Positions</p> <p>Chair and Representative Director of Nomura Real Estate Development Co., Ltd.</p> <p>Reasons for Nomination as a Candidate for Director</p> <p>Eiji Kutsukake has extensive business and management experience in the Nomura Group as well as experience as President of the Company. He has been nominated as a candidate for Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on his substantial management experience and knowledge.</p> <p>Note: There is no special conflict of interest between Eiji Kutsukake and the Company.</p>		

<u>No.</u> 3	<p style="text-align: center;">Seiichi Miyajima</p> <p style="text-align: center;"><u>Reelection</u> (Date of Birth: August 3, 1958)</p> <p>Shareholdings: 67,800 shares Attendance at meeting of Board of Directors: 16/16 (100%) Term of office: 6 years</p>	
<p>Apr. 1981 Joined Nomura Real Estate Development Co., Ltd. Jun. 2004 Director of Nomura Real Estate Development Co., Ltd. Apr. 2008 Senior Executive Officer of Nomura Real Estate Development Co., Ltd. Apr. 2009 Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Apr. 2012 Representative Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. May 2012 Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2014 Representative Director and Executive Vice President of Nomura Real Estate Development Co., Ltd. Jun. 2014 Representative Director and Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2015 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd. (present) Apr. 2017 Executive Vice President and Representative Director of Nomura Real Estate Holdings, Inc. (present)</p>		
<p>Responsibilities</p> <p>Group COO</p>		
<p>Significant Concurrent Positions</p> <p>President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.</p>		
<p>Reasons for Nomination as a Candidate for Director</p> <p>Seiichi Miyajima has extensive business and management experience at the Group as well as experience as Executive Vice President of the Company. He has been nominated as a candidate for Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on property development, architecture and other operations.</p> <p>Note: There is no special conflict of interest between Seiichi Miyajima and the Company.</p>		

<p>No.</p> <p>4</p>	<p>Toshiaki Seki</p> <p style="text-align: center;"><u>Reelection</u> (Date of Birth: March 27, 1958)</p> <p>Shareholdings: 45,100 shares Attendance at meeting of Board of Directors: 16/16 (100%) Term of office: 6 years</p>	
<p>Apr. 1980 Joined Nomura Real Estate Development Co., Ltd. Jun. 2003 Director of Nomura Real Estate Development Co., Ltd. Mar. 2007 Managing Director of Nomura Real Estate Development Co., Ltd. Apr. 2007 President and Representative Director of NOMURA LIVING SUPPORT CO., LTD. (currently, Nomura Real Estate Partners Co., Ltd.) Apr. 2008 President and Representative Director, and Chief Executive Officer of NOMURA LIVING SUPPORT CO., LTD. May 2012 Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2013 Director of NOMURA BUILDING MANAGEMENT CO., LTD. (currently, Nomura Real Estate Partners Co., Ltd.) Apr. 2014 President and Representative Director, and Chief Executive Officer of Nomura Real Estate Partners Co., Ltd. Jun. 2014 Representative Director and Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2015 Director of Nomura Real Estate Urban Net Co., Ltd. Chair and Representative Director of Nomura Real Estate Partners Co., Ltd. President and Representative Director of Nomura Real Estate Wellness Co., Ltd. Jun. 2015 Director of MEGALOS CO., LTD. (currently, Nomura Real Estate Life & Sports Co., Ltd.) (present) Apr. 2018 Executive Vice President and Representative Director of Nomura Real Estate Holdings, Inc. (present) President and Representative Director of NF Power Service Co., Ltd. Apr. 2019 Executive Vice President and Representative Director of Nomura Real Estate Development Co., Ltd. (present) Director of NREG TOSHIBA BUILDING Co., Ltd. (currently, Nomura Real Estate Building Co., Ltd.) (present)</p>		
<p>Responsibilities</p>		
<p>Business Unit Manager of Commercial Real Estate Business Unit</p>		
<p>Significant Concurrent Positions</p>		
<p>Executive Vice President and Representative Director of Nomura Real Estate Development Co., Ltd. Director of Nomura Real Estate Building Co., Ltd. Director of Nomura Real Estate Life & Sports Co., Ltd.</p>		
<p>Reasons for Nomination as a Candidate for Director</p>		
<p>Toshiaki Seki has extensive business and management experience at the Group as well as experience as Executive Vice President of the Company. He has been nominated as a candidate for Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on property development, property & facility management, and other operations.</p>		
<p>Note: There is no special conflict of interest between Toshiaki Seki and the Company.</p>		

<u>No.</u> 5	<p>Makoto Haga</p> <p style="text-align: center;"><u>Reelection</u> (Date of Birth: June 22, 1966)</p> <p>Shareholdings: 15,600 shares Attendance at meeting of Board of Directors: 16/16 (100%) Term of office: 3 years</p>	
<p>Apr. 1989 Joined Nomura Real Estate Development Co., Ltd. Oct. 2011 Director and Senior General Manager of Investment Management Division of Nomura Real Estate Capital Management Co., Ltd. Apr. 2012 Executive Officer of Nomura Real Estate Development Co., Ltd. May 2012 Executive Officer of Nomura Real Estate Holdings, Inc. Apr. 2015 Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Apr. 2017 Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd. Director of NREG TOSHIBA BUILDING Co., Ltd. (currently, Nomura Real Estate Building Co., Ltd.) Director of Nomura Real Estate Life & Sports Co., Ltd. Director of Geo Akamatsu Co., Ltd. Director of PRIME X. Co., Ltd. Director of Nomura Real Estate Wellness Co., Ltd. Jun. 2017 Director and Executive Officer of Nomura Real Estate Holdings, Inc. (present) Apr. 2020 Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd. (present)</p>		
<p>Responsibilities</p> <p>Group CFO, Supervisor of Management Division, Investor Relations</p>		
<p>Significant Concurrent Positions</p> <p>Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.</p>		
<p>Reasons for Nomination as a Candidate for Director</p> <p>Makoto Haga has extensive business and management experience at the Group as well as experience as Director of the Company. He has been nominated as a candidate for Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on substantial experience and knowledge he has accumulated on corporate planning and financial and capital policies of the Group, and other operations.</p> <p>Note: There is no special conflict of interest between Makoto Haga and the Company.</p>		

<p>No.</p> <p>6</p>	<p>Tetsuro Higashi</p> <p> Reelection External Director Independent Director </p> <p>(Date of Birth: August 28, 1949)</p> <p>Shareholdings: —</p> <p>Attendance at meeting of Board of Directors: 13/13 (100%)*</p> <p>Term of office: 1 year</p>	
<p>Apr. 1977 Joined Tokyo Electron Ltd.</p> <p>Dec. 1990 Director of Tokyo Electron Ltd.</p> <p>Apr. 1994 Managing Director of Tokyo Electron Ltd.</p> <p>Jun. 1996 Representative Director, President of Tokyo Electron Ltd.</p> <p>Jun. 2003 Representative Director, Chairman of the Board of Tokyo Electron Ltd.</p> <p>Jun. 2011 Director, Chairman of the Board of Tokyo Electron Ltd.</p> <p>Jun. 2012 Outside Director of Ube Industries, Ltd.</p> <p>Apr. 2013 Representative Director, Chairman, President & CEO of Tokyo Electron Ltd.</p> <p>Jun. 2015 Representative Director, President & CEO of Tokyo Electron Ltd.</p> <p>Jan. 2016 Corporate Director, Corporate Advisor of Tokyo Electron Ltd.</p> <p>May 2018 Outside Director of Seven & i Holdings Co., Ltd. (present)</p> <p>Jun. 2019 External Director of Nomura Real Estate Holdings, Inc. (present)</p> <p>Outside Director of Ube Industries, Ltd. (present)</p>		
<p>Significant Concurrent Positions</p>		
<p>Outside Director of Seven & i Holdings Co., Ltd.</p> <p>Outside Director of Ube Industries, Ltd.</p>		
<p>Reasons for Nomination as a Candidate for External Director</p>		
<p>Tetsuro Higashi has been nominated as a candidate for External Director because it is expected that he will continue contributing to strengthening the supervisory function of the Board of Directors and ensuring fair and transparent management by drawing on his wealth of knowledge, experience, and profound insights related to corporate management in his long career as a manager.</p>		
<p>Notes:</p>		
<ol style="list-style-type: none"> 1. Tetsuro Higashi is a candidate for External Director. 2. There is no special conflict of interest between Tetsuro Higashi and the Company. 3. Tetsuro Higashi is, at present, an External Director of the Company. His term of office as External Director will be one year at the conclusion of this Ordinary General Meeting of Shareholders. 4. The Company has entered into agreement with Tetsuro Higashi to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. If his election is approved, the Company will continue the said agreement with him to limit his liability. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act. 5. Tetsuro Higashi is an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange. If his election is approved, the Company will continue to designate him as Independent Director/Auditor. 		
<p>* The number of meetings of the Board of Directors held during the business year under review is shown since the appointment of Director on June 25, 2019.</p>		

No.	Shoichi Nagamatsu <div style="display: flex; justify-content: space-around; margin-top: 5px;"> New election Non-executive </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> Part-time </div> <p>(Date of Birth: July 6, 1958)</p>	
7	Shareholdings: — Attendance at meeting of Board of Directors: — Term of office: —	
<p>Apr. 1982 Joined Nomura Securities Co., Ltd. (currently, Nomura Holdings, Inc.)</p> <p>Apr. 2004 Executive Managing Director of Nomura Securities Co., Ltd.</p> <p>Oct. 2008 Executive Managing Director of Nomura Holdings, Inc. Senior Managing Director of Nomura Securities Co., Ltd.</p> <p>Jun. 2010 Senior Corporate Managing Director Chief Operating Officer of Nomura Holdings, Inc. Senior Corporate Managing Director of Nomura Securities Co., Ltd.</p> <p>Jun. 2012 Representative Executive Managing Director and Senior Corporate Managing Director of Nomura Securities Co., Ltd.</p> <p>Apr. 2013 Executive Managing Director and Chief of Staff of Nomura Holdings, Inc. Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.</p> <p>Apr. 2016 Deputy President of Nomura Securities Co., Ltd.</p> <p>Apr. 2017 Representative Executive Officer and Deputy President, and Chief of Staff of Nomura Holdings, Inc. Director of Nomura Securities Co., Ltd.</p> <p>Apr. 2018 Representative Executive Officer and Deputy President of Nomura Holdings, Inc.</p> <p>Jun. 2018 Director, and Representative Executive Officer and Deputy President of Nomura Holdings, Inc.</p> <p>Apr. 2020 Director of Nomura Holdings, Inc.</p>		
<p>Significant Concurrent Positions</p>		
<p>None.</p>		
<p>Reasons for Nomination as a Candidate for Director</p>		
<p>Shoichi Nagamatsu has extensive business and management experience in the Nomura Group. He has been nominated as a candidate for Director because it is expected that he will contribute to strengthening the supervisory function of the Board of Directors and achieving sustained growth and increased corporate value of the Company by drawing on his substantial experience and knowledge he has accumulated on management. If he is elected, the Company will designate him as a Director who is not execute business.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> 1. There is no special conflict of interest between Shoichi Nagamatsu and the Company. 2. Shoichi Nagamatsu is scheduled to resign as Director of Nomura Holdings, Inc. and be appointed as Adviser of that company on June 23, 2020. 3. If the election of Shoichi Nagamatsu is approved, the Company plans to enter into agreement with him to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act. 		

Proposal No. 3: Election of One (1) Director as Audit & Supervisory Committee Member

As the Company elected a Director who is an Audit & Supervisory Committee Member with a term of office that differs from the previously elected Directors who are Audit & Supervisory Committee Members, we would like you to elect one (1) Director who is an Audit & Supervisory Committee Member for the purpose of ensuring the continuity of Audit & Supervisory Committee Members.

The terms of office of the Director who is an Audit & Supervisory Committee Member elected at this Ordinary General Meeting of Shareholders shall be until the conclusion of the Ordinary General Meeting of Shareholders to be held in June 2022.

Nomination of the candidates for Director as Audit & Supervisory Committee Member has passed through the deliberation process of the Advisory Committee Relating to Nominations and Compensation, a majority of whose members are External Directors.

Also, the Audit & Supervisory Committee has consented to this proposal. The resolution pertaining to this proposal shall take effect on the condition that the amendment to the Articles of Incorporation pertaining to Proposal No. 1 takes effect.

The candidate for Director as Audit & Supervisory Committee Member is as follows.

Tetsu Takahashi

New election External Director
Independent Director

(Date of Birth: October 24, 1956)



Shareholdings: –
Attendance at meeting of Board of Directors: –
Attendance at meeting of Audit & Supervisory Committee: –
Term of office: –

Apr. 1986 Registered with Tokyo Bar Association
Joined Miyakezaka Law Offices
Jul. 2003 Representative Partner of KASUMIGASEKI PARTNERS LAW OFFICE (present)
Mar. 2006 Outside Audit & Supervisory Board Member of Apple Japan Co., Ltd.
Mar. 2007 External Auditor of McDonald's Holdings Company (Japan), Ltd.
External Director of McDonald's Company (Japan), Ltd. (present)
Jun. 2007 Outside Audit & Supervisory Board Member of Gro-Bels Co., Ltd.
Oct. 2007 Outside Audit & Supervisory Board Member of Bit-isle Inc. (currently, Bit-isle Equinix Inc.)
Jan. 2012 Outside Audit & Supervisory Board Member of Boox Co., Ltd.
Feb. 2012 Outside Audit & Supervisory Board Member of ZOOM CORPORATION
Jun. 2015 Outside Director (Audit and Supervisory Committee Member) of ZOOM CORPORATION
(present)
Oct. 2016 Outside Audit & Supervisory Board Member of eBook Initiative Japan Co., Ltd. (present)

Significant Concurrent Positions

Representative Partner of KASUMIGASEKI PARTNERS LAW OFFICE
External Director of McDonald's Company (Japan), Ltd.
Outside Director (Audit and Supervisory Committee Member) of ZOOM CORPORATION
Outside Audit & Supervisory Board Member of eBook Initiative Japan Co., Ltd.

Reasons for Nomination as a Candidate for External Director

Tetsu Takahashi has great knowledge, experience and profound insights as a legal expert acquired through his many years working as a lawyer. He has never in the past been involved in the management of a company except as an outside director, however he has been nominated as a candidate for External Director as Audit & Supervisory Committee Member because it is expected that his extensive experience and knowledge as a representative of a law firm and an outside director and outside audit & supervisory board member of other companies will contribute to strengthening the supervisory function of the Board of Directors and the corporate governance structure, as well as to enhancing the auditing structure.

Notes:

1. Tetsu Takahashi is a candidate for External Director.
2. There is no special conflict of interest between Tetsu Takahashi and the Company.
3. If the election of Tetsu Takahashi is approved, the Company will enter into agreement with him to limit his liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability based on the said agreement, on condition that he performs his duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.
4. If the election of Tetsu Takahashi is approved, the Company will designate him as Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange.

Reference: Nomura Real Estate Holdings, Inc. Criteria for Determining Impartiality of Independent External Directors

In addition to Independent Director impartiality criteria set by the Tokyo Stock Exchange, the Board of Directors establishes criteria concerning the impartiality of Independent External Directors and nominates Independent External Directors having confirmed that they do not correspond to any of the following items.

1. Individuals who execute business for any other company with which the Company or its subsidiaries have a reciprocal employment relationship as each other's External Directors;
2. Individuals who are employees of the Company's or its subsidiaries' major business partners (*1) or who are employees at companies that consider the Company or its subsidiaries to be their major business partner (*1) (or individuals involved in the execution of business if such business partner is a corporation);
3. Consultants, accounting experts, or legal experts who receive money, or other property gains in excess of ¥10 million in addition to Directors compensation from the Company or its subsidiaries during the most recent business year;
4. Individuals affiliated to companies, etc. that provide professional services such as law firms, accounting firms, and consulting companies that receive large sums of money or other property gains (*2) from the Company or its subsidiaries;
5. Individuals who are or were involved in the execution of business at one of the Company's major shareholders (individuals who are or were involved in the execution of business at such corporation if the major shareholder is a corporation), or lead managing underwriter; or
6. Close relatives of individuals stated in 1. to 5.
 - *1. A major business partner means a business partner whose transactions with the Group exceed 2% of the Company's or such business partner's annual consolidated sales in the most recent business year.
 - *2. Large sums of money or other property gains means gains that exceed 2% of that company's annual consolidated sales in the most recent business year.

Reference:

The composition and expertise of the Board of Directors if Proposal No. 1, Proposal No. 2 and Proposal No. 3 are approved in this Ordinary General Meeting of Shareholders are outlined below.

Name				Audit & Supervisory Committee Member	Years as director	Gender	Fields of expectation for directors						
							Corporate management	Finance*	Finance and audit	Legal and audit	Overseas business	Architectural design	ICT
Atsushi Yoshikawa	Reelection	Non-executive			3 years	Male	○	○			○		
Eiji Kutsukake	Reelection				6 years	Male	○	○					
Seiichi Miyajima	Reelection				6 years	Male	○					○	
Toshiaki Seki	Reelection				6 years	Male	○						
Makoto Haga	Reelection				3 years	Male	○	○	○			○	
Tetsuro Higashi	Reelection	External	Independent		1 year	Male	○	○			○		○
Shoichi Nagamatsu	New election	Non-executive	Part-time		—	Male	○	○	○				
Takao Orihara		Non-executive		○	5 years	Male	○	○	○				
Yasushi Takayama		Non-executive		○	1 year	Male		○	○	○	○		
Akira Ono		External	Independent	○	5 years	Male				○			
Yoshio Mogi		External	Independent	○	1 year	Male	○	○	○		○		
Akiko Miyakawa		External	Independent	○	1 year	Female			○		○		
Tetsu Takahashi	New election	External	Independent	○	—	Male				○			

* Knowledge of capital markets and business experience in capital procurement, etc.

* The above list does not represent all of the knowledge and experience of the Directors.

Proposal No. 4: Revision of Amounts of Remuneration, etc. for Directors as Audit & Supervisory Committee Members

The amount of remuneration of the Company's Directors as Audit & Supervisory Committee Members has been resolved in the 11th Ordinary General Meeting of Shareholders held on June 26, 2015 to be within ¥150 million for Directors as Audit & Supervisory Committee Members, and this remains in place to the present day.

In association with the proposal to increase the maximum number of Directors as Audit & Supervisory Committee Members by one (1) in Proposal No. 1 "Partial Amendments to the Articles of Incorporation," the Company intends to revise the amount of remuneration of the Company's Directors as Audit & Supervisory Committee Members to be within ¥170 million considering circumstances such as recent economic conditions. At present, the number of Directors as Audit & Supervisory Committee Members is five (5) (including three (3) External Directors), and if Proposal No. 1 and Proposal No. 3 are approved as proposed, the number of Directors as Audit & Supervisory Committee Members will be six (6) (including four (4) External Directors).

This revision has passed through the deliberation process of the Advisory Committee Relating to Nominations and Compensation, a majority of whose members are External Directors.

Also, the resolution for this proposal will take effect on the condition that the amendment of the Articles of Incorporation under Proposal No. 1 takes effect.

Reference: Compensation Plan of Directors

Outline of compensation plan of Directors

The Company's compensation of Directors (excluding Audit & Supervisory Committee Members and External Directors) consists of fixed compensation, comprising base compensation, and variable compensation, comprising bonus and share-based compensation. Each compensation item is as follows.

Base compensation

The amount of base compensation is determined according to the role and position as a Director.

Bonus

The amount of bonus is determined according to the Company's business performance, such as consolidated business profit, and evaluation of individuals.

The individual evaluation is used to evaluate the progress of initiatives for single-year and the medium-to long-term, for which achievements are difficult to measure based only on financial results.

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Business profit* (Millions of yen)	79,623	82,833
Year-on-year	–	+4.0%

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

Share-based compensation

The share-based compensation consists of a performance-based portion, and a non-performance-based portion. The performance-based compensation adopts performance-sharing ("PS") providing incentive for enhancement of medium-term performance such as by delivering the Company's shares and payment of an amount equivalent to the proceeds of converting the Company's shares into cash ("delivery, etc.") after three years of the commencement of each business year, and non-performance-based compensation adopts restricted shares ("RS") providing an incentive for long-term contributions and enhancement of corporate value by delaying delivery, etc. until retirement as an officer.

This share-based compensation system is expected to have an effect that it will function as an incentive to improve corporate value in the medium-to long-term and align interests with the Company's shareholders by linking Directors' compensation to the Company's share price.

Also, this share-based compensation system adopts the system of executive compensation BIP (Board Incentive Plan) trust (the "Trust"). The number of shares, etc. to be delivered, etc. is set at one Company's share per one point, according to the number of points calculated based on the below formula.

Calculation formula of points

- PS portion (performance-based portion)

The number of points (the "Number of PS Points") to be granted to Target Directors, etc. for each fiscal year during the covered period is calculated by dividing the amount of pre-determined base compensation with respect to each executive position by the share price as of the acquisition of the Company's shares by the Trust. The number of achievement-linked points shall be calculated by multiplying the Number of PS Points granted for each fiscal year by the achievement-linked coefficient determined based on the level of performance three years after the beginning of the applicable fiscal year. As the achievement-linked coefficient may vary in a range of 0-200% depending on the level of achievement of target ranges set based on the "business profit" from the viewpoint of profit growth, and return on equity (ROE) from the viewpoint of maintaining the capital efficiency, from the management benchmarks listed in the Mid- to Long-term Business Plan. This portion enhances the consistency with the features of the real estate business, which spans the medium-to long-term, and provides a clearer incentive toward better performance for the medium-to the long-term.

The range of management benchmarks was determined by the Board of Directors as shown in the table below based on the Mid- to Long-term Business Plan and the like after passing through the deliberation process of the Advisory Committee Relating to Nominations and Compensation, a majority of whose members are Independent External Directors.

(The ranges for the fiscal year ending March 2021, the third year from the start of the system in the fiscal year ended March 2019)

	Ranges
The achievement-linked coefficient	0% ~ 200%
Business profit	¥75,400 million ~ ¥105,600 million
ROE	6.5% ~ 12.5%

(The ranges for the fiscal year ending March 2022, the third year from the start of the system in the fiscal year ended March 2020)

	Ranges
The achievement-linked coefficient	0% ~ 200%
Business profit	¥70,800 million ~ ¥99,200 million
ROE	6.5% ~ 12.5%

- RS portion (non-performance-based portion)
The number of points (the “Number of RS Points”) to be granted to Target Directors, etc. for each fiscal year during the covered period is calculated by dividing the amount of pre-determined base compensation with respect to each executive position by the share price as of the acquisition of the Company’s shares by the Trust. By delaying the delivering, etc. of shares until retirement of each Director, etc. from the Group, this portion creates incentives to contribute to the Group and enhance corporate value over the long-term.

Policy on ratios between fixed and variable compensation

Compensation of Directors concurrently serving as Executive Officers (executive Director) consists of base compensation, bonus and share-based compensation so that it works as a clear incentive to improve performance not only for the short-term, but also for the medium-to long-term. The policy for the ratios of the compensation items is shown in the table below.

Compensation of the Chairman who is a non-executive Director and Chairman of the Board of Directors is made up of the base compensation and the RS portion of share-based compensation, taking into account the sharing of interests with shareholders based on holding a role of supervising execution of business from an objective standpoint and also holding a role of enhancing long-term corporate value.

Also, Compensation of External Directors and Directors as Audit & Supervisory Committee Members consists only of base compensation due to their role of overseeing the business execution from an objective standpoint.

	Fixed compensation	Variable compensation		
	Base compensation	Bonus	Share-based compensation	Total
Director and Executive Officer	50%	25%	25%	50%

Note: The ratios above indicate a basic model when the Company pays 100% of its standard variable compensation amount.

Decision-making process of compensation, etc. for Directors

Maximum compensation amounts

The maximum amount of compensation, etc. for Directors (excluding Directors as Audit & Supervisory Committee Members) is limited to up to ¥550 million per year in a separate framework from the performance-based, etc. according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2018. The number of directors (excluding Directors as Audit & Supervisory Committee Members) at the time of the resolution was 8 (2 External Directors).

Furthermore, as for the share-based compensation, the maximum amount of money to be contributed to the trust by the Company during the covered period (three fiscal years) is ¥730 million, and the maximum number of Company shares to be delivered, etc. to Directors of the Company is 423,000 shares according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2018. The number of Directors who were subject to the Plan at the time of the resolution was 6 (excluding 2 External Directors).

The maximum amount of compensation, etc. for Directors as Audit & Supervisory Committee Members is limited to up to ¥150 million per year according to a resolution at the Ordinary General Meeting of Shareholders held on June 26, 2015. The number of Directors as Audit & Supervisory Committee Members at the time of the resolution was 5 (including 3 External Directors). If Proposal No. 1 and Proposal No. 4 are approved as proposed, the amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members will be within ¥170 million, and if proposal No. 3 is approved as proposed, the number of Directors who are Audit & Supervisory Committee Members will be six (6) (including four (4) External Directors).

The amount of compensation for each Director

The amount of compensation for each Director (excluding Directors who are Audit & Supervisory Committee Members) is determined at the Board of Directors following discussions at the Advisory Committee Relating to Nominations and Compensation, for which the majority of committee members are Independent External Directors, and the amount of compensation for each Director as Audit & Supervisory Committee Member is determined by consultation of Audit & Supervisory Committee Members, within the maximum amount resolved at the aforementioned Ordinary General Meetings of Shareholders.

Operation, etc. of compensation plan

Operation and revision of the compensation plan for Directors and the amount of the compensation for Directors are determined by the Board of Directors based on deliberation by the Advisory Committee Relating to Nominations and Compensation and reporting to the Board of Directors.

The Advisory Committee Relating to Nominations and Compensation carries out periodic monitoring of the compensation plan of Directors and deliberates on general matters concerning the compensation for Directors. Furthermore, in reviewing the appropriateness of the compensation level and the content of the share-based compensation system that has been introduced at present, the Company makes a determination on the basis of factors such as the size of the Company and business characteristics, after obtaining advice from an external compensation consultant.

Reference: Mid- to Long-term Business Plan, “New Value, Real Value”

The Mid- to Long-term Business Plan “New Value, Real Value” (hereinafter referred to as “the Plan”) was established in April 2019 to enable the Group to create new value for society and realize growth of profits while maintaining high asset and capital efficiency.

Four Value Creation Themes Engaged in by the Group

The Plan sets forth four value creation themes. These are themes that serve as the compass for ensuring the Group utilizes its unique strengths and the kind of value that it continues to provide to society and customers.

1 Realization of enriched lifestyles and workstyles

- Realize enriched lifestyles and work styles by providing products and services that are one step ahead of customer needs.
- Extend the value we have created through our distinguished marketing and positioning, such as PROUD, PMO, and OUKAS, to new business fields.

2 Multifunctional urban development toward exceptional convenience, comfort, and safety

- Provide exceptional convenience, comfort, and safety to lifestyles through multifunctional urban development.
- Promote multifunctional urban development in various areas and schemes such as urban compact towns, station-front redevelopment.

3 Urban development and community building toward the future of the global environment and local communities

- Create sustainable cities and communities that are environmentally friendly and that grow together with local communities.
- Utilize digital technology to create a more convenient and comfortable future.

4 Global expansion of high-quality products and services

- Globally expand high-quality products and services mainly in Asia which are cultivated in Japan.
- Thoroughly implement market-in approach in overseas markets and develop businesses with local partners that cater to the lifestyles and work styles of each country.

Profit Plan (Business Profit*)

Realize sustainable profit growth while maintaining high asset and capital efficiency

	FY20/3 (Results)	→	FY22/3 (Phase 1)	→	FY25/3 (Phase 2)	→	FY28/3 (Phase 3)
	82.8		85.0		100.0		120.0-140.0

(Billions of yen)

Business Profit by Business Unit

*

Residential Development	24.9	30.0	36.0
Commercial Real Estate	39.2	33.0	36.0
Service & Management Sector	24.4	28.0	35.0
Investment Management	7.1	9.0	12.0
Property Brokerage & CRE	9.1	11.0	14.0
Property & Facility Management	8.1	8.0	9.0
Adjustments	(5.6)	(6.0)	(7.0)

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

Financial and Capital Policies

A balance of profit growth and shareholder returns based on the following mid- to long-term policy.

Asset Efficiency	Capital Efficiency	Shareholder Returns (Phase 1)
ROA: 5% or more	ROE: 10% or more	Total return ratio: Approx. 40–50%

	FY20/3 (Results)	FY22/3 Phase 1	FY25/3 Phase 2	FY28/3 Phase 3
ROA	4.7%	Approx. 4–5%	5% or more	
ROE	9.1%	Approx. 8–9%	10% or more	

Note: The Mid- to Long-term Business Plan was formulated in April 2019 and does not take into account the impact of the spread of COVID-19.

Reference: CSR/ESG Activities

The Group is engaging in CSR/ESG activities to face social issues that should be considered and to meet the expectations of stakeholders in all business activities. Within the framework of four key themes and two promotion foundations under the Nomura Real Estate Group CSR/ESG Policy, the Group has set quantitative and qualitative targets linking these themes to SDGs and business activities, and conducted activities while steadily implementing the PDCA cycle.

Sustainability/CSR/ESG Management Structure

The Group has established a CSR Committee (chaired by the Executive Vice President and Representative and Group COO of Nomura Real Estate Holdings, Inc.) to promote CSR/ESG activities, which has deliberated policies and action plans. The results of consideration by the committee are reported to the Board of Directors and reflected in management plans and business activities.

On April 1, 2020, the Company established a new Sustainability Management Dept. as a dedicated organization for strengthening and promoting these activities in future. Furthermore, the name of the CSR Committee was also changed to the Sustainability Committee (chaired by the Executive Vice President and Representative and Group COO of Nomura Real Estate Holdings, Inc.). These activities will be further promoted.

Sustainability/CSR Promotion Structure



Main Accomplishments of Activities in the Fiscal Year Ended March 31, 2020

CSR/ESG activities were also conducted in the fiscal year ended March 31, 2020. The main accomplishments of these activities were as follows. For information on activities by each division, please refer to the “Overview by Division” in the business report below.

- Signed the United Nations Global Compact, indicating resolve to contribute to a sustainable society.
- Strengthened response to climate change (30% CO₂ reduction per unit of floor space by 2030, consideration of risks and opportunities, etc.)
- Improved disclosure (website and integrated report, etc.)

Reference: The Nomura Real Estate Group’s Policy on CSR/ESG

	CSR Theme	Group Policy
E	Environment	The Nomura Real Estate Group recognizes that climate change, the depletion of natural resources, and the collapsing of ecosystems are important social issues. It contributes to the realization of a sustainable society through environmentally friendly urban development, including energy saving and low-carbon initiatives as well as the use of renewal energy and appropriate utilization of resources. It also complies with environmental laws, ordinances, and regulations, and promotes appropriate environmental management.
S	Four Key Themes Safety/Security	The Nomura Real Estate Group recognizes that building and infrastructure deterioration and obsolescence, reduced urban functions, and increased natural disasters are important social issues. It contributes to the realization of the safety and security of customers and local communities through the provision of products and services based on appropriate quality management and sustainable urban development. It also promotes the creation of work and living environments in which business and daily living can continue even in times of emergency.
	Community	The Nomura Real Estate Group recognizes that community dysfunction and reduced vitality, and the related weakening of communities due to factors such as the declining birth rate and aging population and the increase in the number of vacant dwellings are important social issues. The Group fosters connections with customers and local communities and supports the nurturing of communities by means of building design initiatives and operational services. Through these measures, it is promoting smooth mutual assistance in emergencies and community revitalization, and contributing to the realization of a cooperative society.
	Health and Well-being	The Nomura Real Estate Group recognizes that the declining birth rate and aging population, globalization, and the diversification of individual values and lifestyles are important social issues. It communicates with stakeholders and provides products and services for a healthy and comfortable life to all sorts of people, regardless of their attributes. In that way, it respects diversity and contributes to the realization of a healthy and vigorous society.
	Two Promotion Foundations Human Capital	The Nomura Real Estate Group aims to provide “wellness management” so that all its officers and employees can carry out their work energetically and in good physical and mental health, which leads to sustainable corporate growth. In this way, it contributes to the realization of a sustainable society, the continuation of business activities, and increased corporate value. The Group also promotes the occupational safety and health maintenance of its employees and suppliers, recognizing that those matters are important management issues. Also, recognizing that the innovations brought about by diversity are important for the continued creation of new value, the Group works to promote diversity and create fair and rewarding workplaces so that human capital with a variety of perspectives and ways of thinking, regardless of their attributes, can fully demonstrate their personalities and capabilities.
G	Two Promotion Foundations Management Structure	The Nomura Real Estate Group promotes the strengthening of compliance as well as risk management and corporate governance, recognizing that they are important management issues for the realization of a sustainable society, the continuation of business activities, and increased corporate value. It also conducts its business activities with respect for the human rights of all people, including customers, local communities, employees, and suppliers.

	CSR Theme	Material Issues	Related SDGs	
E	Environment	Upgrades to environmental management		
		Responding to climate change	  	
		Effective utilization of water resources		
		Consideration for biodiversity		
		Appropriate utilization of resources and pollution control		
S	Four Key Themes	Safety/Security	Improved safety/security in design and construction	
			Improved quality of safety/security in operation and management	  
			Initiatives for longer life and increased durability	
			Safety and security in disasters	
	Community	Care for communities and support for revitalization	  	
	Health and Well-being	Response to aging population and diversity and support for health	  	
		Improved customer satisfaction and comfort		
	Two Promotion Foundations	Human Capital	Health and safety of employees	
			Promotion of diversity	  
Creation of fair and rewarding workplaces				
Improvements to human capital				
Supplier safety				
G	Management Structure	Corporate governance		
		Compliance		
		Risk management	  	
		Human rights		
		Improved supplier management		



(Attached documents)

Business Report

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

1. Current status of the Group

(1) Status of operations for the fiscal year under review

1) Progress and results of business

We are pleased to announce a summary of operating results of our 16th term (April 1, 2019 to March 31, 2020).

During the fiscal year under review, economic sentiment in Japan generally underwent a moderate recovery as consumer spending recovered due to improvements in the employment and personal income. However, there were signs of weakness in exports and manufacturing, and economic activity stagnated as the impact of the spread of COVID-19 on society emerged toward the end of the fiscal year.

In the real estate market, the residential market saw sales prices continue to rise while supply volume declined due to factors such as intensification of competition for land acquisition, and there continued to be a significant impact on sales based on differences in the levels of the convenience of the regions and the properties themselves. In the office market, there was a trend of many deals due to the need for more space and relocations in connection with reconstruction of buildings, and declining vacancy rates and increasing rent revenue continued nationwide. Also, in the real estate investment market, the total market size steadily expanded thanks to the favorable domestic real estate market conditions.

However, the impact of COVID-19 on the real estate market has emerged through a decline in hotel occupancy rates and decreased sales of retail facilities.

In the Group's business, efforts have been focused mainly on hotels, fitness clubs and retail facilities from the perspective of actively preventing the spread of COVID-19 based on requests from the national government and local governments, but the impact on the results for the fiscal year under review was insignificant.

In this business environment, the Nomura Real Estate Group (the "Group") posted record operating revenue and profit with the following consolidated performance for this consolidated fiscal year: Operating revenue of ¥676,495 million, which represents an increase of 1.2% year on year; operating profit of ¥81,905 million, an increase of 3.5%; business profit* of ¥82,833 million, an increase of 4.0%; ordinary profit of ¥73,077 million, an increase of 5.4%; and profit attributable to owners of parent of ¥48,886 million, an increase of 6.6%.

From this consolidated fiscal year, Leasing Business Unit has been renamed Commercial Real Estate Business Unit. Nomura Real Estate Life & Sports Co., Ltd., and Nomura Real Estate Wellness Co., Ltd. and the senior business of Nomura Real Estate Development Co., Ltd., which had been classified under the Property & Facility Management Business Unit, have been reclassified under the Commercial Real Estate Business Unit and the Residential Development Business Unit, respectively. The rental housing business of Nomura Real Estate Development Co., Ltd., which had been classified under the Commercial Real Estate Business Unit, has been reclassified under the Residential Development Business Unit. The figures for comparisons with the year-before in the unit-by-unit performance section have been recalculated and represented according to the changes made in these reclassifications. As a result of the transfer of a portion of shares in NF Power Service Co., Ltd., the Company ceased being a consolidated subsidiary on April 1, 2019.

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

[Residential Development Business Unit]

Operating revenue in the Residential Development Business Unit totaled ¥334,710 million, which represents a decrease of 10.8% year on year, and business profit totaled ¥24,905 million, a decrease of 0.5% year on year, resulting in a decrease in operating revenue and business profit almost at the same level as the previous fiscal year.

Although there was a decrease in the number of housing units sold in the housing sales business, the gross profit margin ratio for this business improved to 20.4% (19.1% in the previous fiscal year).

In regard to housing sales, 4,739 units were recorded as sales (a decrease of 1,151 units year on year), including PROUD Ebisu Hillside Garden (Shibuya-ku, Tokyo), PROUD CITY Hiyoshi Residence I (Kohoku-ku, Yokohama-shi, Kanagawa) for condominiums, and PROUD SEASON Setagaya Kinuta (Setagaya-ku, Tokyo) for detached housings. As of the end of the fiscal year under review, the number of completed housing inventories totaled 509 units (an increase of 233 units compared with the end of the previous fiscal year) and the number of contracted but not recorded housing units totaled 2,611 units (a decrease of 385 units compared with the end of the previous fiscal year).

In development projects in regional core cities in Japan and overseas, the Group has engaged in joining a redevelopment project in Takasaki Station East Exit (Takasaki-shi, Gunma) in Japan and expanding its business in Ho Chi Minh City, Vietnam and Changzhou, China. Furthermore, the Group is promoting the creation of housing aimed at net zero energy use through insulation, power saving and power generation in Proud Takadanobaba (Shinjuku-ku, Tokyo) which was selected by the Ministry of the Environment for the High-rise ZEH-M (Net Zero Energy House - Condominium) Support Project*.

* The High-rise ZEH-M (Net Zero Energy House - Condominium) Support Project included in projects to promote the reduction of carbon emissions through the FY2019 ZEH (Net Zero Energy House) subsidy for business expenses for reducing carbon dioxide emissions.

[Commercial Real Estate Business Unit]

Operating revenue in the Commercial Real Estate Business Unit totaled ¥215,820 million, which represents an increase of 25.8% year on year, and business profit totaled ¥39,238 million, an increase of 3.1%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

This was mainly due to increases in revenues of properties for sales resulting from the sale of properties to REITs, etc. in the Investment Management Business Unit, and strategic replacement of assets aimed at the creation of a highly competitive rental asset portfolio.

Construction of facilities including the PMO Nishishinjuku office building (Shinjuku-ku, Tokyo), the Landport Narashino logistics facility (Narashino-shi, Chiba) and the GICROS GINZA GEMS retail facility (Chuo-ku, Tokyo) have been completed.

Furthermore, in order to respond to changes in diversifying customer needs, the Group launched and began operation of the new brands of H¹O serviced small offices and H¹T satellite shared offices based on the concept of “humans first” in the office business, and the MEFULL service-specialized retail facilities and SOCOLA community-based retail facilities in the retail business.

In overseas business, the Group acquired the entirety of ZEN PLAZA CO., LTD, which owns and operates the Zen Plaza office building in Ho Chi Minh City, Vietnam, and made it into a wholly-owned subsidiary in June 2019.

Furthermore, the Group is engaged in the resolution of social issues and provision of new value through business activities, such as office brands meeting changes in companies’ needs and workstyles (PMO, H¹O and H¹T), efforts to eliminate CO₂ emissions due to electric power purchased utilizing the “CO₂ Zero Plan” in the NOHGA HOTEL Series and Hotel Niwa, and Nomura Real Estate Life & Sports Co., Ltd., which operates the MEGALOS sports club receiving the industry’s first award for the Tokyo Sports Promotion Model Company.

[Investment Management Business Unit]

Operating revenue in the Investment Management Business Unit totaled ¥12,059 million, which represents an increase of 25.1% year on year, and business profit totaled ¥7,149 million, an increase of 19.8%, resulting in increases in both operating revenue and business profit compared with the previous fiscal year.

This was mainly due to an increase in assets under management at the domestic asset manager Nomura Real Estate Asset Management Co., Ltd., and the full year contribution of revenue and profit of Lothbury Investment Management Limited, a real estate investment manager in the UK which became a consolidated subsidiary of the Company in the previous fiscal year.

Assets under management steadily increased in the core domestic REIT business, such as Nomura Real Estate Master Fund, Inc. and Nomura Real Estate Private REIT, Inc. acquiring a total of 15 properties (total transaction amount of ¥55,081 million) including PMO Akihabara North (Taito-ku, Tokyo), Landport Narashino (Narashino-shi, Chiba), GEMS Sangenjaya (Setagaya-ku, Tokyo) and Proud Flat Shibuya Tomigaya (Shibuya-ku, Tokyo) from Nomura Real Estate Development Co., Ltd., in addition to progress in the formation of private equity funds meeting the needs of investors.

Furthermore, Nomura Real Estate Asset Management Co., Ltd. has been actively engaged in the provision of new value including consideration of ESG (environment, society and governance) in real estate investment, and received the 21st Century Principles of Financial Action Minister of the Environment Award (Best Practice Example). This is because Nomura Real Estate Master Fund, Inc., which is entrusted with investment, obtained and registered third-party certification for the “Eco Action 21” environmental management system, which is a first for J-REITs*, and was recognized for contributing to the promotion of efforts for making REITs and the entire real estate industry greener.

* J-REIT: Real Estate Investment Trust Securities listed on Japanese stock exchanges

[Property Brokerage & CRE Business Unit]

Operating revenue in the Property Brokerage & CRE* Business Unit totaled ¥39,110 million, which represents an increase of 4.9% year on year, business profit totaled ¥9,109 million, an increase of 11.5%, resulting in an increases in operating revenue and business profit compared with the previous fiscal year.

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

We have expanded the business areas in the retail business by opening the Yotsuya Center (Shinjuku-ku, Tokyo), Akabane Center (Kita-ku, Tokyo), Kyoto Center (Shimogyo-ku, Kyoto-shi, Kyoto) and Kobe Sannomiya Center (Chuo-ku, Kobe-shi, Hyogo), bringing the total number of branch stores to 85, and in the wholesale business by opening the Hiroshima Sales Office (Naka-ku, Hiroshima-shi, Hiroshima) and the Sendai Sales Office (Aoba-ku, Sendai-shi, Miyagi).

Furthermore, Nomura Real Estate Urban Net Co., Ltd., which operates retail business, is engaged in the provision of new services to customers by actively utilizing ICT (Information and Communication Technology) such as introducing “VR Home Staging” that uses virtual reality technology utilizing AI to reproduce spaces within residential properties and coordinating the furniture in rooms.

In addition, the Company was also ranked first in both the “Detached housing sales” and “Condominium purchases” rankings of real estate brokerage companies in the 2019 Oricon Customer Satisfaction Survey for the fourth consecutive year.

* CRE: Corporate Real Estate. Real estate strategy support services for enterprises (such as consulting on the effective utilization and trading of real estate).

[Property & Facility Management Business Unit]

Operating revenue in the Property & Facility Management Business Unit totaled ¥92,982 million, which represents an increase of 1.8% year on year, and business profit totaled ¥8,181

million, an increase of 9.6%, resulting in increases in both revenue and business profit compared with the previous fiscal year.

This was mainly due to an increase in revenue of property and facility management associated with the increase in the number of residential properties under management and an increase in revenue from construction orders due to the provision of re:Premium large-scale repair works providing long-term warranties for Proud condominiums.

In addition, as of the end of the fiscal year under review, the number of buildings under management was 723 buildings (down 9 from the end of the previous fiscal year), and the number of condominiums under management was 182,230 units (up 4,648).

Five facilities such as Landport Ome II commenced operation in the solar power generation business, and the number of renewable energy facilities using the rooftops of logistics facilities reached 18.

Furthermore, in Nomura Real Estate Partners Co., Ltd., initiatives that contributed to the creation of high-quality housing stock were promoted through business activities such as the three large-scale repair works of the Proud series utilizing re:Premium being certified for “Good Condominium Management” under the FY2019 “Project to Promote Long-term Good Housing Renovation,” which is supported by the Ministry of Land, Infrastructure, Transport and Tourism.

In addition, the Company was ranked first in the 2019 SumaiSurfin “Management Company Customer Satisfaction Survey for the 11th consecutive year and also ranked first in the “Tokyo Metropolitan Area Condominium Management Company” ranking in the 2019 Oricon Customer Satisfaction Survey for the third consecutive year.

[Other Business Unit]

Operating revenue in the Other Business Unit totaled ¥168 million, which represents an increase of 77.4% year on year, and business loss totaled ¥106 million (the previous fiscal year was business loss of ¥43 million).

2) Capital investment

In the fiscal year under review, the Company spent a total of ¥20,360 million on capital investment, including KAMEIDO PROJECT large retail facility section (tentative name) (Koto-ku, Tokyo).

3) Financing

In the fiscal year under review, the Company procured necessary funds through loans from financial institutions, etc.

4) Business transfer, absorption-type company split or incorporation-type company split

Not applicable.

5) Acquisitions of other companies' businesses

Not applicable.

6) Successions of rights or duties related to the businesses of other legal entities, etc. due to absorption-type merger or absorption-type company split

Not applicable.

7) Acquisitions and disposals of shares, other equities, and share acquisition rights in other companies

On April 1, 2019, the Company transferred part of its shares in NF Power Service Co., Ltd. The Group company Nomura Real Estate Development Co., Ltd. acquired the entirety of ZEN PLAZA CO., LTD, which owns and operates the Zen Plaza office building in Vietnam, on June 20, 2019.

(2) Trends in operating results and assets in and at the end of the fiscal year under review and the most recent three fiscal years

(Millions of yen)

Classification	13th term (Fiscal year ended March 31, 2017)	14th term (Fiscal year ended March 31, 2018)	15th term (Fiscal year ended March 31, 2019)	16th term (Fiscal year under review) (Fiscal year ended March 31, 2020)
Operating revenue	569,680	623,762	668,510	676,495
Operating profit	77,271	76,660	79,162	81,905
Business profit	–	–	79,623	82,833
Ordinary profit	68,952	68,033	69,323	73,077
Profit attributable to owners of parent	47,005	46,029	45,873	48,886
Basic earnings per share (Yen)	245.10	240.89	245.99	267.21
Total assets	1,593,093	1,673,099	1,759,455	1,801,273
Net assets	493,813	514,982	541,562	565,120
Net assets per share (Yen)	2,508.73	2,664.70	2,854.21	3,031.15

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

(3) Status of parent company and major subsidiaries

1) Parent company

Not applicable.

2) Major subsidiaries

Name	Share Capital (Millions of yen)	Ratio of voting rights (%)	Principal businesses
Nomura Real Estate Development Co., Ltd.	2,000	100.0	General real estate business including sale and leasing of real estate
Nomura Real Estate Asset Management Co., Ltd.	300	100.0	Investment management services including REIT and privately placed real estate funds
Nomura Real Estate Urban Net Co., Ltd.	1,000	100.0	Brokerage and consignment sales of real estate
Nomura Real Estate Partners Co., Ltd.	200	100.0	General management of office buildings, condominiums, etc.
NREG TOSHIBA BUILDING Co., Ltd.	14,372	95.0	Leasing of office buildings, stores, etc.
Nomura Real Estate Life & Sports Co., Ltd.	100	100.0	Planning and operation of sports facilities
Nomura Real Estate Heating and Cooling Supply Co., Ltd.	480	100.0	Supply of heat as provided for under the Heat Supply Business Act
Geo Akamatsu Co., Ltd.	243	100.0	Planning and management of retail facilities
Nomura Real Estate Wellness Co., Ltd.	300	100.0	Development, planning, and operation of housing services for the elderly
Nomura Real Estate Hotels Co., Ltd.	100	100.0	Planning and operation of hotels
UHM Co., Ltd.	32	100.0	Operation of hotels
Nomura Real Estate Amenity Service Co., Ltd.	10	100.0	Cleaning of buildings and condominiums
NREG TOSHIBA BUILDING FACILITIES Co., Ltd.	30	100.0	General management of office buildings, etc.
PRIME X. Co., Ltd.	100	60.0	Internet advertising
First Living Assistance Co., Ltd.	100	51.0	Services aimed at providing assistance to customers concerning their homes
Lothbury Investment Management Limited	120 million pound	100.0	Investment management services including privately placed real estate funds in the UK
ZENPLAZA CO., LTD	213,306 million Vietnamese dong	100.0	Owning and operating office buildings in Vietnam

- Notes:
1. On April 1, 2019, the Company transferred part of the shares of NF Power Service Co., Ltd., which was removed from the scope of consolidation.
 2. On June 20, 2019, the entirety of ZEN PLAZA CO., LTD was acquired, and it became a new major subsidiary.
 3. On April 1, 2020, the Company acquired shares in NREG TOSHIBA BUILDING Co., Ltd held by minority shareholders and made it into a wholly-owned subsidiary. The company's name has been changed to Nomura Real Estate Building Co., Ltd.
 4. As of April 1, 2020, the merger has been completed with Nomura Real Estate Partners Co., Ltd. being the surviving company and NREG TOSHIBA BUILDING FACILITIES Co., Ltd. being the absorbed company in absorption-type merger.
 5. The Company has no specified wholly-owned subsidiary as of the end of the fiscal year under review.
 6. The ratios of voting rights of UHM Co., Ltd., Nomura Real Estate Amenity Service Co., Ltd., NREG TOSHIBA BUILDING FACILITIES Co., Ltd., PRIME X. Co., Ltd., Lothbury Investment Management Limited, and ZEN PLAZA CO., LTD are calculated based on shares held by subsidiaries of the Company.

(4) Issues to address

Regarding Mid- to Long-term business conditions surrounding the Group, there are social issues such as the progress of a super-aging population, a declining population, and a labor shortage in Japan. In addition, the increase in the number of single and dual-income households, the diversification of lifestyles and workstyles, and the evolution of digital technologies are expected to become increasingly prominent. Furthermore, there will be further changes to the way people live, work, gather and consume due to the impact of COVID-19, and we recognize the need to focus on trends in the previously robust domestic real estate market, as well as economic conditions in Asian countries and Europe and the United States.

With this view of the environment, we will also ascertain the impact of COVID-19 on each business according to each business characteristic, deal with the possible dramatic changes in the business environment, and conduct business while maintaining financial soundness.

Additionally, the Group will realize growth by further accelerating initiatives based on the four following themes of value creation for society and customers set forth in the Mid- to Long-term Business Plan "New Value, Real Value" established in April 2019.

- ◇ Realization of enriched lifestyles and workstyles
- ◇ Multifunctional urban development toward exceptional convenience, comfort, and safety
- ◇ Urban development and community building toward the future of the global environment and local communities
- ◇ Global expansion of high-quality products and services

Amid the significant changes in the environment, the Group has already created highly original new value and provided it to society and customers utilizing its strengths of real estate development capabilities based on market-in approach and commitment to the quality in urban development and real estate-related services. We will respond to the ever-changing business environment while pursuing the creation of new value in future.

Meanwhile, in sustainability, CSR and ESG activities, the Group has set the four key themes of Safety/Security, Environment, Community, and Health and Well-being, and will create social and environmental value through its business activities. We will continue to establish systems for further accelerating sustainability/CSR/ESG initiatives, and aim to contribute to the realization of a sustainable society and the sustainable increase of corporate value while increasing engagement with stakeholders.

ROA of 5% or more, ROE of 10% or more and total return ratio of approximately 40-50% (in Phase I) have been established as mid- to long-term guidelines as we seek to achieve sustainable profit growth and enhance shareholder returns while maintaining high asset and capital efficiency.

We appreciate the continued support and encouragement of our shareholders.

(5) Principal business offices (as of March 31, 2020)
 Business office of the Company
 Head office: 1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo

(6) Status of employees (as of March 31, 2020)

1) Employees in the Group

Business Unit	Residential Development Business Unit	Commercial Real Estate Business Unit	Investment Management Business Unit	Property Brokerage & CRE Business Unit	Property & Facility Management Business Unit	Other Business Unit	Group overall (in common)	Total
Number of employees	1,138	1,404	193	1,654	2,378	3	406	7,176
Number of temporary employees	163	649	6	146	2,738	0	18	3,720

- Notes: 1. The number of employees refers to the number of working employees. The number of temporary employees indicates the annual average number calculated using a baseline of prescribed labor hours of regular employees of the respective company. Due to the rounding of fractions, total figures may not match.
2. The figure stated in “Group overall (in common)” indicates the number of employees who belong to administrative departments, which cannot be categorized as specified business units.

2) Employees in the Company

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average years of service
24	Decrease of 7	47.8	2.8

- Notes: 1. The number of employees refers to the number of working employees (the figure excludes such employees seconded from the Company to another company but includes employees seconded to the Company from another company).
2. The employees are mainly employees seconded to the Company from Group companies such as Nomura Real Estate Development Co., Ltd. The figure for the average years of service refers to the average length of service at the Company, and the number of years of service at the Company of origin is not included in the calculation.
3. In addition to the above-listed employees, there are 229 employees of Nomura Real Estate Development Co., Ltd. who concurrently serve for both companies.

(7) Status of principal lenders (as of March 31, 2020)

The Group follows a general principle of Group financing whereby it is chiefly the Company that procures financing and supplies these funds to its subsidiaries and associates. Status of principal lenders as of the end of the fiscal year under review is as follows:

(Millions of yen)

Lender	Amount borrowed
MUFG Bank, Ltd.	146,500
Sumitomo Mitsui Banking Corporation	100,500
Mizuho Bank, Ltd.	85,500
Sumitomo Mitsui Trust Bank, Limited	44,000
Resona Bank, Limited	42,000

(8) Other important matters relating to the current status of the Group

Not applicable.

2. Status of the Company

(1) Shares of the Company (as of March 31, 2020)

- 1) Total number of shares authorized to be issued by the Company: 450,000,000 shares
- 2) Total number of shares issued: 192,875,301 shares
(including 9,399,164 treasury shares)

Note: The total number of shares issued increased by 502,200 shares due to the exercise of stock options. The number of treasury shares above does not include 1,715,202 shares held by the executive compensation BIP (Board Incentive Plan) trust and 252,815 shares held by the ESOP (Employee Stock Ownership Plan) trust for granting stock for employees.

- 3) Number of shareholders: 26,113
- 4) Major shareholders (top 10)

Name	Number of shares held (Hundreds of shares)	Shareholding ratio (%)
Nomura Holdings, Inc.	647,775	35.30
Japan Trustee Services Bank, Ltd. (Trust account)	82,760	4.51
The Master Trust Bank of Japan, Ltd. (Trust account)	81,909	4.46
Japan Trustee Services Bank, Ltd. (Trust account 9)	31,540	1.71
Nomura Real Estate Holdings Employee Shareholding Association	28,734	1.56
Japan Trustee Services Bank, Ltd. (Trust account 5)	24,426	1.33
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	23,847	1.29
Japan Trustee Services Bank, Ltd. (Trust account 7)	21,035	1.14
JP MORGAN CHASE BANK 385151	20,159	1.09
STATE STREET BANK WEST CLIENT - TREATY 505234	19,523	1.06

- Notes: 1. Although the Company holds 9,399,164 treasury shares, it is excluded from the list of major shareholders above.
2. The 9,399,164 treasury shares are excluded in the calculation of the shareholding ratio.

5) Other important matters relating to shares

The Company resolved the acquisition of treasury shares, under Article 459, Paragraph 1 of the Companies Act and Article 32 of the Company's Articles of Incorporation, at the meetings of the Board of Directors held on April 25, 2019 and October 28, 2019, and made the acquisition as follows.

Acquisition of treasury shares by resolution at the meeting of the Board of Directors held on April 25, 2019

Type and number of shares acquired:	1,763,500 common shares
Total amount of shares acquired:	3,999 million yen
Period of acquisition:	From April 26, 2019 to October 8, 2019

Acquisition of treasury shares by resolution at the meeting of the Board of Directors held on October 28, 2019

Type and number of shares acquired:	1,539,000 common shares
Total amount of shares acquired:	3,999 million yen
Period of acquisition:	From October 29, 2019 to March 11, 2020

The Company has introduced a performance-based stock incentive plan for Directors (excluding Directors as Audit & Supervisory Committee Members, External Directors and non-residents of Japan) ("executive compensation BIP trust"), according to a resolution at the 14th Ordinary General Meeting of Shareholders held on June 26, 2018. At the end of the fiscal year under review (March 31, 2020), the number of shares of the Company held by the executive compensation BIP trust, including those of major subsidiaries such as Nomura Real Estate Development Co., Ltd which introduced same plan, was 1,715,202 shares.

Furthermore, the Company has introduced the “ESOP (Employee Stock Ownership Plan) trust for granting stock,” an incentive plan for employees of the Company and the Group, according to a resolution at the meeting of the Board of Directors held on February 21, 2019. At the end of the fiscal year under review (March 31, 2020), the number of shares of the Company held by the ESOP (Employee Stock Ownership Plan) trust for granting stock was 252,815 shares.

(2) Status of company officers

1) Directors (as of March 31, 2020)

Name	Position and responsibility in the Company	Significant concurrent positions
Atsushi Yoshikawa	Director and Chairman of the Board of Directors	Director of Nomura Real Estate Development Co., Ltd. Outside Director of Ryohin Keikaku Co., Ltd.
Eiji Kutsukake	President and Representative Director, and Chief Executive Officer Group CEO	Chair and Representative Director of Nomura Real Estate Development Co., Ltd.
Seiichi Miyajima	Executive Vice President and Representative Director Group COO	President and Representative Director, and Chief Executive Officer of Nomura Real Estate Development Co., Ltd.
Toshiaki Seki	Executive Vice President and Representative Director Business Unit Manager of Commercial Real Estate Business Unit	Executive Vice President and Representative Director of Nomura Real Estate Development Co., Ltd. Director of NREG TOSHIBA BUILDING Co., Ltd. Director of Nomura Real Estate Life & Sports Co., Ltd.
Makoto Haga	Director and Executive Officer Group CFO Supervisor of Management Division Investor relations Corporate Communications Dept.	Director and Managing Executive Officer of Nomura Real Estate Development Co., Ltd.
Satoko Shinohara	Director	Professor of Japan Women's University Representative Director of Spatial Design Studio Representative Director of Kengo Kuma and Associates
Tetsuro Higashi	Director	Outside Director of Seven & i Holdings Co., Ltd. Outside Director of Ube Industries, Ltd.
Takao Orihara	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Life & Sports Co., Ltd.
Yasushi Takayama	Director (Full-time Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. Audit & Supervisory Board Member of NREG TOSHIBA BUILDING Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Wellness Co., Ltd. Audit & Supervisory Board Member of Nomura Real Estate Hotels Co., Ltd. Audit & Supervisory Board Member of Ryubundo Co., Ltd. Audit & Supervisory Board Member of UHM Co., Ltd. Audit & Supervisory Board Member of PRIME X. Co., Ltd.
Akira Ono	Director (Audit & Supervisory Committee Member)	Partner of Spring Partners
Yoshio Mogi	Director (Audit & Supervisory Committee Member)	—

Name	Position and responsibility in the Company	Significant concurrent positions
Akiko Miyakawa	Director (Audit & Supervisory Committee Member)	Representative of Akiko Miyakawa CPA Office

- Notes: 1. Tetsuro Higashi was elected as Director at the Ordinary General Meeting of Shareholders held on June 25, 2019, and assumed his office.
2. Yasushi Takayama, Yoshio Mogi and Akiko Miyakawa were elected as Director (Audit & Supervisory Committee Member) at the Ordinary General Meeting of Shareholders held on June 25, 2019, and assumed their respective offices.
3. Directors Hiroyuki Kimura and Shigeru Matsushima retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2019, due to the expiry of their terms of office.
4. Directors (Audit & Supervisory Committee Members) Shigeki Fujitani, Satoshi Ogishi and Akira Yamate retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2019, due to the expiry of their terms of office.
5. Directors Satoko Shinohara and Tetsuro Higashi, and Directors (Audit & Supervisory Committee Members) Akira Ono, Yoshio Mogi and Akiko Miyakawa are External Directors.
6. Directors Satoko Shinohara and Tetsuro Higashi, and Directors (Audit & Supervisory Committee Members) Akira Ono, Yoshio Mogi and Akiko Miyakawa are Independent Directors/Auditors as stipulated under the regulations of the Tokyo Stock Exchange.
7. Director (Audit & Supervisory Committee Member) Takao Orihara has extensive knowledge of finance and accounting from his many years of business experience in finance.
8. Director (Audit & Supervisory Committee Member) Yasushi Takayama has extensive knowledge of finance and accounting from his many years of business experience in finance.
9. Director (Audit & Supervisory Committee Member) Yoshio Mogi has extensive knowledge of finance and accounting due to his business experience as CFO at a company listed on the First Section of the Tokyo Stock Exchange.
10. Director (Audit & Supervisory Committee Member) Akiko Miyakawa has great knowledge and experience and profound insights as an expert at accounting and auditing acquired through her many years working as a Certified Public Accountant.
11. The Company appoints full-time Audit & Supervisory Committee Members to strengthen the auditing and supervising function by collecting information from the Directors (excluding Audit & Supervisory Committee Members), Executive Officers, employees, etc., attending at important company meetings, and ensuring sufficient coordination between the committee and the internal audit department and others.
12. The name of Director Satoko Shinohara as described here and above is her professional name, but her name on the family register is Satoko Kuma.
13. NREG TOSHIBA BUILDING Co., Ltd., where Director Toshiaki Seki and Director (Audit & Supervisory Committee Member) Yasushi Takayama concurrently serve in significant positions, changed its corporate name to Nomura Real Estate Building Co., Ltd. on April 1, 2020.
14. As of April 1, 2020, positions and responsibilities and significant concurrent positions of Director Makoto Haga are as follows:

Name	Position and responsibility in the Company	Significant concurrent positions
Makoto Haga	Director and Executive Officer Group CFO Supervisor of Management Division Investor relations	Director and Senior Managing Executive Officer of Nomura Real Estate Development Co., Ltd.

2) Outline of limited liability agreements

Directors Atsushi Yoshikawa, Satoko Shinohara and Tetsuro Higashi, and five Directors (Audit & Supervisory Committee Members), have entered into agreements with the Company to limit their liability for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability based on the said agreements, on condition that they perform their duties in good faith and without gross negligence, shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act.

3) Total amount of compensation, etc. to Directors

Category	Total number of persons paid	Total payment amount (Millions of yen)	Breakdown					
			Base compensation (Millions of yen)		Bonus (Millions of yen)		Share-based compensation (Millions of yen)	
			Number of persons paid	Amount paid	Number of persons paid	Amount paid	Number of persons paid	Amount paid
Directors (excluding Audit & Supervisory Committee Members)	9	495	9	287	4	101	5	106
(Of which, External Directors)	(3)	(27)	(3)	(27)	(–)		(–)	
Directors (Audit & Supervisory Committee Members)	8	144	8	144	–		–	
(Of which, External Directors)	(5)	(42)	(5)	(42)	(–)		(–)	
Total	17	639	17	431	4	101	5	106

- Notes: 1. The number of Directors (excluding Directors as Audit & Supervisory Committee Members) is currently seven (of which two are External Directors) as of the end of the fiscal year under review. The reason for the difference with the number of persons paid shown above is the inclusion of two Directors who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2019.
2. The number of Directors (Audit & Supervisory Committee Members) is currently five (of which three are External Directors) as of the end of the fiscal year under review. The reason for the difference with the number of persons paid shown above is the inclusion of three Directors (Audit & Supervisory Committee Members) who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2019.
3. The compensation amount (“base compensation” and “bonus”) of Directors has been set as no greater than ¥550 million per year for Directors (excluding Directors as Audit & Supervisory Committee Members) per the proposal approved at the Ordinary General Meeting of Shareholders held on June 26, 2018, and no greater than ¥150 million per year for Directors (Audit & Supervisory Committee Members) per the proposal approved at the Ordinary General Meeting of Shareholders held on June 26, 2015. The compensation amount of Directors is shown as the amount recorded by the Company as an expense during the fiscal year under review regardless of whether it was paid during the fiscal year under review.
4. Apart from the compensation amount for Directors in Note 3 above, a performance-based stock incentive plan for Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members) was introduced, and the Company’s contribution to a trust as compensation for Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members) will not be an amount of more than ¥730 million over the relevant period of three fiscal years, per the proposal approved at the Ordinary General Meeting of Shareholders held on June 26, 2018. The amount paid as “share-based compensation” above includes performance-based stock incentive recorded as an expense for the fiscal year under review.
5. The amount paid as “share-based compensation” above includes the compensation amount in the form of stock options recorded as an expense during the fiscal year under review (¥3 million for five Directors (excluding External Directors and Directors as Audit & Supervisory Committee Members)). Compensation in the form of stock options is paid within the annual maximum amount of ¥650 million per the proposal approved at the Ordinary General Meeting of Shareholders held on June 26, 2015, prior to the introduction of the compensation plans shown in Notes 3 and 4 above. The Company has determined to abolish the current stock options system and stop granting new stock options after granting stock options as compensation for Directors for the fiscal year ended March 2018.

4) External Officers

a. Relations between other organizations where significant concurrent positions are assumed and the Company

Category	Name	Significant concurrent positions	Relationship with the Company
Director	Satoko Shinohara	Professor of Japan Women's University	Not applicable
		Representative Director of Spatial Design Studio	Not applicable
		Representative Director of Kengo Kuma and Associates	Not applicable
Director	Tetsuro Higashi	Outside Director of Seven & i Holdings Co., Ltd.	Not applicable
		Outside Director of Ube Industries, Ltd.	Not applicable
Director (Audit & Supervisory Committee Member)	Akira Ono	Partner of Spring Partners	Not applicable
Director (Audit & Supervisory Committee Member)	Yoshio Mogi	–	–
Director (Audit & Supervisory Committee Member)	Akiko Miyakawa	Representative of Akiko Miyakawa CPA Office	Not applicable

- Notes: 1. The Company's wholly-owned subsidiary, Nomura Real Estate Development Co., Ltd. has transactions with Japan Women's University, where Director Satoko Shinohara holds an important concurrent position, mainly in consulting for community designs. The transaction amount in the most recent business year is minor and represents less than 2% of the consolidated operating revenue of the Company and of the revenue of said university.
2. Nomura Real Estate Development Co., Ltd. has transactions with Kengo Kuma and Associates, where Director Satoko Shinohara holds an important concurrent position, mainly in consulting for community designs. The transaction amount in the most recent business year is minor and represents less than 2% of the consolidated operating revenue of the Company and of the net sales of said company.

b. Main activities for the fiscal year under review

Category	Name	Main activities
Director	Satoko Shinohara	Ms. Shinohara attended 15 out of 16 meetings of the Board of Directors held during the fiscal year under review and asked questions and expressed opinions on proposals, deliberations and other matters as necessary.
Director	Tetsuro Higashi	Mr. Higashi attended 13 out of 13 meetings of the Board of Directors held after he assumed the position on June 25, 2019, and asked questions and expressed opinions on proposals, deliberations and other matters as necessary.
Director (Audit & Supervisory Committee Member)	Akira Ono	Mr. Ono attended 15 out of 16 meetings of the Board of Directors and 13 out of 13 meetings of the Audit & Supervisory Committee held during the fiscal year under review and asked questions and expressed opinions on proposals, deliberations and other matters as necessary.
Director (Audit & Supervisory Committee Member)	Yoshio Mogi	Mr. Mogi attended 13 out of 13 meetings of the Board of Directors and 9 out of 9 meetings of the Audit & Supervisory Committee held after he assumed the position on June 25, 2019, and asked questions and expressed opinions on proposals, deliberations and other matters as necessary.
Director (Audit & Supervisory Committee Member)	Akiko Miyakawa	Ms. Miyakawa attended 13 out of 13 meetings of the Board of Directors and 9 out of 9 meetings of the Audit & Supervisory Committee held after she assumed the position on June 25, 2019, and asked questions and expressed opinions on proposals, deliberations and other matters as necessary.

(3) Accounting Auditor

1) Name

Ernst & Young ShinNihon LLC

2) Amount of compensation, etc.

Category	Amount of payment (Millions of yen)
Amount of compensation, etc. to be paid to the Accounting Auditor for the fiscal year under review	83
Total amount of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	195

- Notes: 1. Since the audit contract between the Company and the Accounting Auditor does not clearly distinguish between the amounts of compensation, etc. for audits conducted based on the Companies Act and based on the Financial Instruments and Exchange Act, respectively and it is not possible to substantively distinguish them, the amount of compensation, etc. to be paid to the Accounting Auditor for the fiscal year under review is the total amount for both.
2. The Audit & Supervisory Committee obtained necessary resources and received reports from the Directors, finance division and the Accounting Auditor, and upon doing so, it confirmed the Accounting Auditor's record of achievements and record of compensation in the past and examined the Accounting Auditor's audit plan and grounds of the calculation of the compensation estimate for the fiscal year under review. As a result, the Audit & Supervisory Committee judged that the Accounting Auditor's amount of compensation, etc. was suitable and provided its consent pursuant to Article 399, Paragraph 1 of the Companies Act.
3. Of the Company's major subsidiaries, Lothbury Investment Management Limited, and ZEN PLAZA CO., LTD are subject to auditing by Certified Public Accountants and auditing firms (including those with equivalent qualifications overseas) other than the Company's Accounting Auditor.

3) Description of non-auditing services

Not applicable.

4) Policy for dismissal or non-reappointment decision of Accounting Auditor

If the Accounting Auditor is recognized as falling under any of the items listed in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Committee shall dismiss the Accounting Auditor with the unanimous consent of all Audit & Supervisory Committee Members.

In addition, notwithstanding the above, if it is recognized that the Accounting Auditor's fulfilment of appropriate auditing would be difficult due to the occurrence of reasons that compromise the eligibility or independence of the Accounting Auditor, the Audit & Supervisory Committee shall propose the dismissal or non-reappointment of the Accounting Auditor at a General Meeting of Shareholders.

(4) Policy regarding decisions on the dividends of surplus

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

Based on these guidelines, the Company has set the year-end dividend for the fiscal year ended March 31, 2020 at ¥40.0 per share as forecasted based on the policy of ensuring stable increases in dividends based on growth in earnings. Combined with the second quarter-end dividend, the annual dividend per share will be ¥80.0.

During the fiscal year under review, 3,302,500 treasury shares were purchased at a total cost of ¥7,999 million based on comprehensive consideration of factors such as financial soundness, share price and the business environment. As a result, the total return ratio for the fiscal year under review was 46.5%.

In regard to the dividend for the next fiscal year, the annual dividend per share will be ¥80.0 based on the policy of continuing to provide stable dividends.

CONSOLIDATED BALANCE SHEET

As of March 31, 2020

(Millions of yen)

Assets		Liabilities	
Current Assets:	906,726	Current Liabilities:	302,068
Cash and Deposits	78,401	Notes and Accounts Payable - Trade	94,197
Notes and Accounts Receivable - Trade	25,359	Short-term Borrowings	72,000
Real Estate for Sale	234,973	Current Portion of Bonds Payable	20,000
Real Estate for Sale in Process	298,787	Income Taxes Payable	19,476
Land Held for Development	180,358	Deposits Received	35,564
Equity Investments	30,983	Provision for Bonuses	8,410
Other	57,882	Provision for Bonuses for Directors (and other officers)	473
Allowance for Doubtful Accounts	(20)	Provision for Loss on Business Liquidation	19
		Other	51,927
Non-current Assets:	894,547	Non-current Liabilities:	934,084
Property, Plant and Equipment	756,321	Bonds Payable	120,000
Buildings and Structures	206,958	Long-term Borrowings	658,000
Land	526,809	Leasehold and Guarantee Deposits Received	62,392
Other	22,553	Deferred Tax Liabilities	61,389
		Deferred Tax Liabilities for Land Revaluation	3,900
Intangible Assets	20,223	Provision for Share-based Remuneration	1,541
Investments and Other Assets	118,003	Retirement Benefit Liability	18,705
Investment Securities	58,952	Other	8,157
Leasehold and Guarantee Deposits	27,999	Total Liabilities	1,236,153
Deferred Tax Assets	22,696	Net Assets	
Other	8,354	Shareholders' Equity:	543,630
Allowance for Doubtful Accounts	(0)	Share Capital	117,822
		Capital Surplus	111,065
		Retained Earnings	342,081
		Treasury Shares	(27,339)
		Accumulated Other Comprehensive Income:	6,547
		Valuation Difference on Available-for-sale Securities	2,915
		Deferred Gains or Losses on Hedges	1,044
		Revaluation Reserve for Land	7,860
		Foreign Currency Translation Adjustment	(1,322)
		Remeasurements of Defined Benefit Plans	(3,950)
		Share Acquisition Rights:	1,850
		Non-controlling Interests:	13,091
		Total Net Assets	565,120
Total Assets	1,801,273	Total Liabilities and Net Assets	1,801,273

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

CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2020

(Millions of yen)

Operating Revenue		676,495
Operating Costs		482,772
Operating Gross Profit		193,723
Selling, General and Administrative Expenses		111,817
Operating Profit		81,905
Non-operating Income		1,350
Interest Income	86	
Dividend Income	122	
Share of Profit of Entities Accounted for Using Equity Method	313	
Adjustment Income for Cancellation	398	
Gain on Sales of Investment Securities	102	
Other	327	
Non-operating Expenses		10,178
Interest Expenses	8,788	
Other	1,389	
Ordinary Profit		73,077
Extraordinary Income		393
Gain on Sales of Non-current Assets	393	
Extraordinary Losses		381
Impairment Loss	121	
Loss on Building Reconstruction	260	
Profit before Income Taxes		73,090
Income Taxes - Current		24,388
Income Taxes - Deferred		(934)
Profit		49,636
Profit Attributable to Non-controlling Interests		749
Profit Attributable to Owners of Parent		48,886

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

NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2020

(Millions of yen)

Assets		Liabilities	
Current Assets:	382,501	Current Liabilities:	131,166
Cash and Deposits	50,127	Short-term Borrowings	72,000
Accounts Receivable - Trade	1,858	Current Portion of Bonds Payable	20,000
Prepaid Expenses	173	Accounts Payable - Other	466
Short-term Loans Receivable	325,277	Accrued Expenses	1,029
Other	5,064	Income Taxes Payable	255
Non-current Assets:	816,282	Deposits Received	36,911
Property, Plant and Equipment	150	Provision for Bonuses	264
Buildings	39	Provision for Bonuses for Directors (and other officers)	101
Tools, Furniture and Fixtures	111	Other	138
Intangible Assets	2,196	Non-current Liabilities:	781,403
Software	2,188	Bonds Payable	120,000
Other	8	Long-term Borrowings	658,000
Investments and Other Assets	813,935	Provision for Share-based Remuneration	198
Investment Securities	238	Other	3,204
Shares of Subsidiaries and Associates	179,647	Total Liabilities	912,569
Long-term Loans Receivable from Subsidiaries and Associates	629,300	Net Assets	
Long-term Prepaid Expenses	4,138	Shareholders' Equity:	284,381
Deferred Tax Assets	609	Share Capital	117,822
Other	0	Capital Surplus	118,185
		Legal Capital Surplus	118,185
		Retained Earnings	75,712
		Other Retained Earnings	75,712
		Retained Earnings Brought Forward	75,712
		Treasury Shares	(27,339)
		Valuation and Translation Adjustments:	(17)
		Valuation Difference on Available-for-sale Securities	(2)
		Deferred Gains or Losses on Hedges	(14)
		Share Acquisition Rights:	1,850
		Total Net Assets	286,214
Total Assets	1,198,784	Total Liabilities and Net Assets	1,198,784

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

NON-CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2020

(Millions of yen)

Operating Revenue		43,018
Dividends from Subsidiaries and Associates	25,155	
Financial Revenue	12,595	
Business Advisory Fee	858	
Other	4,408	
Operating Costs		7,914
Operating Gross Profit		35,103
Selling, General and Administrative Expenses		9,407
Operating Profit		25,696
Non-operating Income		51
Interest Income	1	
Dividend Income	34	
Gain on Forfeiture of Unclaimed Dividends	7	
Interest on Refund of Income Taxes	5	
Other	2	
Non-operating Expenses		84
Commission fee	58	
Loss on Investments in Partnership	25	
Other	0	
Ordinary Profit		25,662
Extraordinary Income		31
Gain on Reversal of Share Acquisition Rights	31	
Profit before Income Taxes		25,694
Income Taxes - Current		95
Income Taxes - Deferred		123
Profit		25,476

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

Independent Auditor's Report

May 19, 2020

To the Board of Directors
Nomura Real Estate Holdings, Inc.

Ernst & Young ShinNihon LLC
Shuji Kaneko (Seal)
Certified Public Accountant
Designated and Engagement Partner
Toru Nakagiri (Seal)
Certified Public Accountant
Designated and Engagement Partner
Natsuki Saiki (Seal)
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Nomura Real Estate Holdings, Inc. (the "Company") applicable to the fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Nomura Real Estate Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2019 in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and Audit & Supervisory Committee's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

Audit Report of Accounting Auditor on Non-consolidated Financial Statements
(Translation)

Independent Auditor's Report

May 19, 2020

To the Board of Directors
Nomura Real Estate Holdings, Inc.

Ernst & Young ShinNihon LLC
Shuji Kaneko (Seal)
Certified Public Accountant
Designated and Engagement Partner
Toru Nakagiri (Seal)
Certified Public Accountant
Designated and Engagement Partner
Natsuki Saiki (Seal)
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements and the related supplementary schedules of Nomura Real Estate Holdings, Inc. (the "Company") (hereinafter referred to as the "non-consolidated statements, etc.") applicable to the 16th business year from April 1, 2019 through March 31, 2020.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of Nomura Real Estate Holdings, Inc. applicable to the 15th business year ended March 31, 2019 in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's and Audit & Supervisory Committee's Responsibility for the Non-consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Audit Report of the Audit & Supervisory Committee
(Translation)

Audit Report

The Audit & Supervisory Committee has conducted audit on the execution of duties by Directors for the 16th business year from April 1, 2019 to March 31, 2020, and hereby reports the methods, details and results of audit as follows:

1. The Methods and Details of the Audit

With regard to the resolution of the Board of Directors concerning the matters stipulated in Article 399-13, Paragraph 1, Item 1, (b) and (c) of the Companies Act, as well as the system (the internal control system) developed based on such resolution, the Audit & Supervisory Committee received reports regularly and requested explanation as necessary from the Directors, Executive Officers, employees, etc. on the establishment and operation of such system, expressed its opinion, and conducted audit by the following methods.

- 1) In accordance with the Audit & Supervisory Committee audit criteria established by the Audit & Supervisory Committee, as well as the auditing policies and allocation of duties, we cooperated with the internal control department of the Company; attended significant meetings; obtained reports on matters related to the execution of duties from Directors, Executive Officers, employees, etc.; requested explanation as necessary; reviewed documents which record approval of material matters; and conducted investigations regarding the status of the business operations and assets. With respect to subsidiaries, the Audit & Supervisory Committee communicated and exchanged information with Directors, Executive Officers, Audit & Supervisory Board Members, etc. of the subsidiaries, and received business reports from subsidiaries as necessary.
- 2) The Audit & Supervisory Committee monitored and verified if the Accounting Auditor kept its independent position and performed appropriate audit, received reports on the execution of duties from the Accounting Auditor, and requested explanation as necessary. Also, a notice informing that the “system to ensure appropriate execution of duties” (set forth in items of Article 131 of the Ordinance on Accounting of Companies) has been established in accordance with the standards for auditing quality control and others was received from the Accounting Auditor, and we requested explanation as necessary.

Based on the methods as described above, the Audit & Supervisory Committee examined the business report and supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements) and supplementary schedules, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and the notes to the consolidated financial statements) for the business year under review.

2. Results of Audit

(1) Audit results of business report and other documents concerned

- 1) We confirm that the business report and supplementary schedules comply with the laws and regulations and with the Articles of Incorporation and correctly represent the Company status.
- 2) We have not detected any misconduct or material fact of violation of the relevant laws and regulations or the Articles of Incorporation in connection with the execution of duties by Directors.
- 3) We confirm that the content of the resolution of the Board of Directors concerning the internal control system is fair and reasonable. Furthermore, we have not found anything that should be pointed out with respect to the content of the business report and the execution of duties by Directors concerning the internal control system.

(2) Audit results of the non-consolidated financial statements and supplementary schedules

We confirm that the auditing methods and results of the Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

(3) Audit results of the consolidated financial statements

We confirm that the auditing methods and results of the Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

May 20, 2020

Nomura Real Estate Holdings, Inc. Audit & Supervisory Committee
Audit & Supervisory Committee Member (Full-time) Takao Orihara (Seal)
Audit & Supervisory Committee Member (Full-time) Yasushi Takayama (Seal)
Audit & Supervisory Committee Member Akira Ono (Seal)
Audit & Supervisory Committee Member Yoshio Mogi (Seal)
Audit & Supervisory Committee Member Akiko Miyakawa (Seal)

(Note) Audit & Supervisory Committee Members Akira Ono, Yoshio Mogi and Akiko Miyakawa are External Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.