June-2016 Fact Sheets

(For the 1st Quarter of Fiscal Year Ending March 31, 2017)

Released on July 28, 2016

NOMURA REAL ESTATE HOLDINGS

[Consolidated Financial Summary 1] (Millions of yen)

	2013/03		2014/03		2015/03		2016/03		2017/03	
	1Q Apr-Jun '12	FY	1Q Apr-Jun '13	FY	1Q Apr-Jun '14	FY	1Q Apr-Jun '15	FY	1Q Apr-Jun '16	FY(F)
Operating revenue	113,363	517,740	139,720	532,016	113,639	567,159	101,887	569,545	78,475	589,000
Operating gross profit	34,328	134,571	41,620	159,335	33,909	162,051	31,497	177,973	29,139	–
(Gross margin ratio)	30.3%	26.0%	29.8%	29.9%	29.8%	28.6%	30.9%	31.2%	37.1%	–
Selling, general and administrative expenses	17,374	76,263	20,691	85,027	20,739	90,157	20,556	97,061	20,304	–
(SGAE ratio on revenue)	15.3%	14.7%	14.8%	16.0%	18.3%	15.9%	20.2%	17.0%	25.9%	–
Operating income	16,953	58,308	20,928	74,307	13,169	71,894	10,941	80,912	8,835	76,000
(Operating margin ratio)	15.0%	11.3%	15.0%	14.0%	11.6%	12.7%	10.7%	14.2%	11.3%	12.9%
Non-operating income	1,460	4,122	280	1,442	248	1,699	168	1,555	232	–
Interest and dividend income	1,371	3,543	144	964	53	1,173	95	1,079	81	–
Other	88	578	135	478	194	525	72	475	150	–
Non-operating expenses	3,450	16,623	3,250	11,692	2,449	9,912	2,674	9,787	2,264	–
Interest expenses	3,278	12,541	2,691	10,026	2,341	8,851	2,045	7,817	1,924	–
Other	171	4,081	559	1,666	107	1,060	629	1,970	339	–
Ordinary income	14,963	45,806	17,958	64,058	10,968	63,681	8,435	72,679	6,802	67,000
(Ordinary profit ratio on revenue)	13.2%	8.8%	12.9%	12.0%	9.7%	11.2%	8.3%	12.8%	8.7%	11.4%
Extraordinary income	–	592	494	961	206	2,547	–	–	653	–
Extraordinary losses	–	11,405	244	16,572	–	8,170	280	1,705	–	–
Loss on impairment	–	11,405	244	16,572	–	8,170	–	1,426	–	–
Loss on valuation of investment securities	–	–	–	–	–	–	280	278	–	–
Income before income taxes and minority interests	14,963	34,993	18,208	48,447	11,174	58,058	8,154	70,974	7,456	–
Profit attributable to owners of parent	8,207	19,357	10,164	26,844	6,018	38,441	4,467	47,182	4,824	43,000

[Consolidated Financial Summary 2] (Millions of yen)

	2013/03		2014/03		2015/03		2016/03		2017/03	
	1Q Apr-Jun '12	FY	1Q Apr-Jun '13	FY	1Q Apr-Jun '14	FY	1Q Apr-Jun '15	FY	1Q Apr-Jun '16	FY(F)
Total assets	1,385,694	1,369,949	1,326,971	1,313,887	1,303,457	1,369,226	1,371,452	1,485,449	1,516,601	–
Current assets	573,172	535,103	489,108	496,978	488,979	549,300	539,607	608,779	628,424	–
<Inventories>	<396,244>	<369,667>	<354,779>	<349,167>	<380,105>	<429,764>	<437,288>	<496,910>	<527,209>	–
<Equity investment >	<41,697>	<29,578>	<29,682>	<7,128>	<6,522>	<6,316>	<6,281>	<819>	<1,866>	–
Fixed assets	812,522	834,845	837,862	816,909	814,478	819,926	831,844	876,670	888,177	–
Net assets	381,973	398,276	402,647	418,697	424,618	461,031	457,479	456,408	455,053	–
Shareholders' equity ratio	23.2%	24.5%	25.6%	27.1%	27.7%	28.8%	28.7%	29.9%	29.2%	–
Interest-bearing debt	754,711	669,268	657,655	617,583	627,516	616,700	671,100	721,900	812,900	–
Capital investment (*1)	1,519	18,963	15,040	21,938	7,118	38,871	15,521	50,367	25,149	–
Depreciation (*2)	3,303	13,513	3,483	14,333	3,757	15,258	3,913	16,026	4,133	–
Cash flows from operating activities	(583)	89,295	11,259	83,535	(30,675)	23,837	(41,652)	13,258	(77,593)	–
Cash flows from investing activities	(980)	(2,588)	(22,470)	(20,191)	(6,693)	(32,476)	(15,362)	(59,714)	(19,048)	–
Cash flows from financing activities	(6,289)	(94,666)	(14,378)	(57,858)	5,703	(8,983)	45,020	53,637	85,066	–
Cash and cash equivalents	62,602	62,496	36,907	67,982	36,317	50,418	38,424	57,591	46,010	–

(*1) Capital investment represents the amount shown for “Purchase of property, plant and equipment and intangible assets” on the consolidated statements of cash flows.
(*2) Depreciation and amortization represents the amount shown for “Depreciation and amortization” on the consolidated statements of cash flows.

[Unit Information 1] (Millions of yen)

Operating revenue	2013/03 1Q Apr-Jun '12	2013/03 FY	2014/03 (*2) 1Q Apr-Jun '13	2014/03 (*2) FY	2015/03(*2) 1Q Apr-Jun '14	2015/03(*2) FY
Residential Development	71,450	308,467	91,024	307,625	67,042	359,397
Housing sales	63,242	281,876	87,976	295,923	64,940	332,999
Other	8,208	26,591	3,048	11,702	2,101	26,397
Leasing	18,383	106,665	22,373	99,866	21,949	92,878
Leasing (offices)	11,709	47,834	11,541	48,131	11,311	46,563
Leasing (retail facilities)	2,025	8,883	2,561	10,544	2,649	10,323
Leasing (other)	1,390	5,429	1,278	5,151	1,395	5,552
Property development	1,869	27,336	1,463	25,608	555	16,026
Other	1,388	17,181	5,528	10,429	6,038	14,413
Investment Management	2,292	11,133	3,173	18,326	2,281	9,166
Property Brokerage & CRE	6,374	26,093	6,328	29,168	6,021	30,232
Property brokerage	3,819	19,217	5,186	24,520	4,992	25,833
Other	2,555	6,876	1,141	4,647	1,029	4,399
Property & Facility Management (*1)	14,138	66,376	14,512	72,150	15,137	71,635
Property & facility management	11,437	48,149	12,311	48,743	12,109	49,794
Construction ordered	2,701	18,226	2,201	23,406	3,027	21,841
Other	3,608	14,962	4,586	18,640	3,787	17,753
Adjustments (eliminations or corporate)	(2,885)	(15,958)	(2,277)	(13,761)	(2,580)	(13,905)
Total	113,363	517,740	139,720	532,016	113,639	567,159

Operating revenue	2015/03 (*3) 1Q Apr-Jun '14	2015/03 (*3) FY	2016/03 (*3) 1Q Apr-Jun '15	2016/03 (*3) FY	2016/03 (*6) 1Q Apr-Jun '15	2016/03 (*6) FY	2017/03 (*6) 1Q Apr-Jun '16	2017/03 (*6) FY(F)
Residential Development	66,941	359,397	52,559	334,514	52,559	334,514	29,592	339,000
Housing sales	64,940	332,999	49,505	318,795	49,505	318,795	25,405	–
Other	2,000	26,397	3,053	15,719	3,053	15,719	4,187	–
Leasing (*5)	22,050	92,878	22,632	110,625	22,517	110,226	20,007	121,000
Leasing (offices)	11,311	46,563	12,143	49,594	12,143	49,594	12,597	–
Leasing (retail facilities)	2,649	10,323	2,575	10,873	2,575	10,873	2,898	–
Leasing (other)	1,395	5,552	1,447	5,882	1,447	5,882	1,468	–
Property development (sale)	–	12,318	3,800	33,260	3,800	33,260	840	–
Property development (leasing)	602	3,167	906	3,320	906	3,320	847	–
Other	6,091	14,953	1,759	7,694	1,644	7,295	1,355	–
Investment Management	2,281	9,166	1,766	10,973	1,766	10,973	2,203	8,000
Property Brokerage & CRE	6,021	30,232	6,564	35,373	6,564	35,373	7,841	35,000
Property brokerage	4,992	25,833	5,858	28,028	5,858	28,028	7,207	–
Other	1,029	4,399	706	7,345	706	7,345	634	–
Property & Facility Management (*1,4)	18,577	85,837	20,653	90,294	20,975	91,552	21,165	96,000
Property & facility management	12,303	49,511	12,278	50,662	11,696	47,952	11,791	–
Construction ordered	2,691	21,583	4,754	24,636	4,754	24,636	4,520	–
Fitness club & elderly care	3,581	14,742	3,621	14,995	3,621	14,995	3,811	–
Other					903	3,967	1,040	–
Other	206	3,008	194	1,353	194	1,353	24	0
Adjustments (eliminations or corporate)	(2,437)	(13,362)	(2,483)	(13,590)	(2,690)	(14,449)	(2,359)	(10,000)
Total	113,639	567,159	101,887	569,545	101,887	569,545	78,475	589,000

Operating income	2013/03 1Q Apr-Jun '12	2013/03 FY	2014/03 (*2) 1Q Apr-Jun '13	2014/03 (*2) FY	2015/03(*2) 1Q Apr-Jun '14	2015/03(*2) FY
Residential Development	9,290	32,790	11,098	31,177	6,468	33,811
Leasing	6,701	23,335	7,234	26,818	5,928	24,447
Investment Management	1,104	(2,724)	1,991	7,902	1,187	4,813
Property Brokerage & CRE	742	6,176	1,600	8,101	1,041	8,477
Property & Facility Management	610	4,455	666	5,107	610	5,477
Other	136	447	157	508	(145)	167
Adjustments (eliminations or corporate)	(1,632)	(6,172)	(1,820)	(5,307)	(1,920)	(5,300)
Total	16,953	58,308	20,928	74,307	13,169	71,894

Operating income	2015/03 (*3) 1Q Apr-Jun '14	2015/03 (*3) FY	2016/03 (*3) 1Q Apr-Jun '15	2016/03 (*3) FY	2016/03 (*6) 1Q Apr-Jun '15	2016/03 (*6) FY	2017/03 (*6) 1Q Apr-Jun '16	2017/03 (*6) FY(F)
Residential Development	5,803	33,811	2,206	31,909	2,206	31,909	(725)	30,500
Leasing	5,766	24,447	6,857	32,099	6,743	31,719	6,169	30,500
Investment Management	1,150	4,813	902	7,376	902	7,376	1,312	4,500
Property Brokerage & CRE	978	8,477	971	9,900	971	9,900	1,851	8,500
Property & Facility Management	569	5,758	778	5,314	891	5,693	923	6,000
Other	(104)	(113)	(44)	(152)	(44)	(152)	(11)	0
Adjustments (eliminations or corporate)	(993)	(5,300)	(729)	(5,536)	(729)	(5,535)	(685)	(4,000)
Total	13,169	71,894	10,941	80,912	10,941	80,912	8,835	76,000

(*1) The breakdown of operating revenue for the Property & Facility Management Unit has been changed from "Building management" and "Housing management" to "Property & facility management" and "Construction ordered" since the first quarter of the fiscal year ended March 31, 2015. According to this change, the figures for the fiscal year ended March 31, 2013 and after are classified under the new classification.
(*2) From the second quarter of the fiscal year ended March 31, 2015, a partially revised method of allocating company-wide costs among adjustments to each unit was incorporated. In addition, the house leasing business was transferred from the Residential Development Unit to the Leasing Unit. In line with this change, the full-year results of the fiscal year ended March 31, 2014 and the fiscal year ended March 31, 2015 are reflected in the published figures.
(*3) From the first quarter of the fiscal year ended March 31, 2016, the classification of MEGALOS Co., Ltd.(Present: Nomura Real Estate Life & Sports Co., Ltd.) has been changed to the Property & Facility Management Unit from the Other Unit. In line with this change, results of the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2016 are classified under the new classification.
(*4) From the first quarter of the fiscal year ended March 31, 2016, the breakdown of operating revenue has been changed due to the fact that MEGALOS CO., LTD. (Present: Nomura Real Estate Life & Sports Co., Ltd.) which used to be classified in the Other Unit, and Nomura Real Estate Wellness Co., Ltd. which was newly established in the first quarter of the fiscal year ended March 31, 2016 are classified in the Property & Facility Management Unit. In line with this change, the figures for the full-year results of the fiscal year ended March 31, 2015 are classified under the new classification.
(*5) The breakdown of operating revenue for the Leasing Unit has been changed since the second quarter of the fiscal year ended March 31, 2016. In line with this change, the figures for the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2016 are classified under the new classification.
(*6) From the fiscal year ending March 31, 2017, the classification of Yokohama Business Park Heating and Cooling Supply Co., Ltd has been changed from the Leasing Unit to the Property & Facility Management Unit. Due to this change, the first quarter and the full-year results for the fiscal year ended March 31, 2016 and the first quarter results and forecasts of the fiscal year ending March 31, 2017 are classified under the new classification.

[Unit Information 2]

(Millions of yen)

Assets	2013/03		2014/03(*1)		2015/03 (*1)		2015/03 (*2)		2016/03 (*2)		2016/03 (*3)		2017/03 (*3)	
	1Q Apr-Jun '12	FY	1Q Apr-Jun '13	FY	1Q Apr-Jun '14	FY	1Q Apr-Jun '14	FY	1Q Apr-Jun '15	FY	1Q Apr-Jun '15	FY	1Q Apr-Jun '16	FY(F)
Residential Development	316,945	337,120	324,693	331,779	368,786	382,585	359,592	382,585	382,343	414,812	382,343	414,812	430,948	–
Leasing	811,401	790,735	786,247	776,097	769,772	849,885	778,966	849,885	869,250	922,748	865,656	918,710	947,736	–
Investment Management	111,496	91,853	100,574	67,346	64,172	40,555	64,172	40,555	38,476	36,692	38,476	36,692	33,713	–
Property Brokerage & CRE	13,867	26,903	13,632	21,142	18,294	22,606	18,294	22,606	13,733	32,047	13,733	32,047	15,462	–
Property & Facility Management	22,436	30,468	22,908	32,891	24,715	32,375	42,239	49,696	44,511	51,403	48,357	55,695	47,753	–
Other	37,989	37,168	36,771	34,133	34,120	19,833	16,553	2,485	2,310	1,565	2,310	1,565	937	–
Adjustments (eliminations or corporate)	71,558	55,699	42,142	50,496	23,595	21,383	23,638	21,411	20,827	26,180	20,575	25,926	40,049	–
Total	1,385,694	1,369,949	1,326,971	1,313,887	1,303,457	1,369,226	1,303,457	1,369,226	1,371,452	1,485,449	1,371,452	1,485,449	1,516,601	–
Inventories														
Residential Development	271,449	296,715	284,068	281,698	318,252	338,530	309,263	338,530	339,452	377,849	339,452	377,849	389,810	–
Leasing	112,241	61,274	59,609	62,918	57,330	88,446	66,319	88,446	95,073	118,277	95,073	118,277	136,465	–
Investment Management	4,452	4,572	4,539	–	–	–	–	–	–	–	–	–	–	–
Property Brokerage & CRE	1,720	1,291	1,176	1,162	1,157	1,184	1,157	1,184	1,137	–	1,137	–	–	–
Property & Facility Management	64	47	142	92	88	49	283	168	366	271	366	271	1,046	–
Other	6,316	5,906	5,384	3,380	3,361	1,638	3,166	1,519	1,342	638	1,342	638	13	–
Adjustments (eliminations or corporate)	–	(140)	(140)	(84)	(84)	(84)	(84)	(84)	(84)	(126)	(84)	(126)	(126)	–
Total	396,244	369,667	354,779	349,167	380,105	429,764	380,105	429,764	437,288	496,910	437,288	496,910	527,209	–
Return on Assets (ROA) of each Unit														
Residential Development	–	9.7%	–	9.4%	–	8.8%	–	8.8%	–	7.7%	–	7.7%	–	–
Leasing	–	3.0%	–	3.5%	–	2.9%	–	2.9%	–	3.5%	–	3.5%	–	–
Investment Management	–	–	–	11.7%	–	11.9%	–	11.9%	–	20.1%	–	20.1%	–	–
Property Brokerage & CRE	–	23.0%	–	38.3%	–	37.5%	–	37.5%	–	30.9%	–	30.9%	–	–
Property & Facility Management	–	14.6%	–	15.5%	–	16.9%	–	11.6%	–	10.3%	–	10.2%	–	–
Other	–	1.2%	–	1.5%	–	0.8%	–	–	–	–	–	–	–	–
Total	–	4.6%	–	5.8%	–	5.4%	–	5.4%	–	5.6%	–	5.6%	–	–

ROA of each Unit = Unit operating income/Unit assets at end-FY

Total ROA = (Operating income + Non-operating income)/Total assets at end-FY

(*1) From the second quarter of the fiscal year ended March 31, 2015, a partially revised method of allocating company-wide costs among adjustments to each Unit was incorporated. In addition, the house leasing business was transferred from the Residential Development Unit to the Leasing Unit. The third quarter and full-year results for the fiscal year ended March 31, 2014 and the fiscal year ended March 31, 2015 are reflected in the published figures.

(*2) From the first quarter of the fiscal year ended March 31, 2016, the classification of MEGALOS CO., LTD.(Present: Nomura Real Estate Life & Sports Co., Ltd.) has been changed to the Property & Facility Management Unit from the Other Unit. In line with this change, results for the fiscal year ended March 31, 2015 and the fiscal year 2016 ended March 31, 2016 are classified under the new classification.

(*3) From the fiscal year ending March 31, 2017, the classification of Yokohama Business Park Heating and Cooling Supply Co., Ltd has been changed from the Leasing Unit to the Property & Facility Management Unit. Due to this change, the first quarter and the full-year results for the fiscal year ended March 31, 2016 and the first quarter and forecast of the fiscal year ending March 31, 2017 are classified under the new classification.

[Unit Information 3]

Unit operating results	2013/03 1Q Apr-Jun '12	2013/03 2Q Apr-Sep '12	2013/03 3Q Apr-Dec '12	2013/03 FY	2014/03 1Q Apr-Jun '13	2014/03 2Q Apr-Sep '13	2014/03 3Q Apr-Dec '13	2014/03 FY	2015/03 1Q Apr-Jun '14	2015/03 2Q Apr-Sep '14	2015/03 3Q Apr-Dec '14	2015/03 FY	2016/03 1Q Apr-Jun '15	2016/03 2Q Apr-Sep '15	2016/03 3Q Apr-Dec '15	2016/03 FY	2017/03 1Q Apr-Jun '16	2017/03 FY(F)
① Condominiums sales (unit)	1,066	1,844	2,494	5,111	1,536	2,474	4,105	5,491	1,150	2,604	3,787	6,162	819	3,242	3,497	5,363	382	5,100
① Detached housing sales (unit)	101	270	385	638	149	266	481	718	162	323	445	859	52	174	288	643	69	650
① Gross margin ratio of housing sales	23.7%	22.5%	22.0%	22.5%	22.1%	21.6%	22.2%	21.7%	21.6%	20.6%	20.4%	21.1%	19.9%	22.0%	21.8%	21.9%	21.8%	–
① Completed housing inventories (unit)	54	58	51	42	44	42	51	31	79	172	111	89	153	160	109	349	343	–
② Vacancy rate	2.1%	1.9%	2.2%	2.2%	2.9%	3.0%	2.9%	2.9%	4.4%	6.3%	7.0%	4.5%	4.7%	3.4%	3.3%	2.2%	1.4%	–
③ Outstanding assets under management (millions of yen)	1,146,143	1,132,896	1,130,884	1,127,495	1,028,893	1,090,351	1,082,255	1,132,246	1,114,110	1,097,352	1,104,707	1,123,188	1,115,604	1,097,374	1,017,984	1,074,481	1,072,356	–
④ Brokerage: Number of transactions	1,494	3,050	4,655	6,494	1,852	3,701	5,411	7,437	1,606	3,357	5,003	7,174	1,792	3,732	5,541	7,710	2,034	–
④ Brokerage: Total transaction value (millions of yen)	105,124	265,948	379,316	540,698	125,962	294,523	449,140	672,774	124,607	314,916	437,598	710,980	142,450	315,924	461,365	713,574	186,111	–
⑤ Buildings under management	706	709	713	723	724	724	711	703	715	716	733	729	737	736	722	705	710	–
⑤ Condominiums under management (unit)	131,983	132,788	135,068	137,745	139,325	141,712	145,967	147,516	149,082	151,641	153,438	155,706	156,640	160,100	160,735	163,036	163,224	–
⑤ Members of MEGALOS	135,519	138,061	133,254	132,196	135,699	139,857	137,292	141,564	143,409	145,902	141,603	140,395	144,629	147,779	145,581	144,263	142,161	–

Unit information noted:

①Residential Development ②Leasing ③Investment Management ④Property Brokerage & CRE ⑤Property & Facility Management