January 30, 2018

To Whom It May Concern

1-26-2 Nishishinjuku, Shinjuku Ward, Tokyo
Nomura Real Estate Holdings, Inc.
President and CEO: Eiji Kutsukake
(Code: 3231, First Section, Tokyo Stock Exchange)
Inquiries: Naoko Usami, Head of Corporate Communications
Telephone: (03)3348-8117)

Notice Concerning Issuance of Publicly Offered Hybrid Bonds (Bonds with Subordination Provision)

Nomura Real Estate Holdings hereby gives announce that it today submitted a revised shelf registration form for issuance of publicly offered hybrid bonds (bonds with subordination provision; hereafter referred to as "the Bonds") to the head of the Kanto Finance Bureau.

1. Purpose and Background to this Issuance

In order to achieve "Continuous expansion of revenue with ensured high asset efficiency," the growth model of the Nomura Group, Nomura Real Estate Holdings in November 2015 formulated its midterm plan (for April 2016 to March 2025) under the title of "Creating Value through Change" and is currently working to achieve the targets of this plan.

In light of this situation, we viewed hybrid bonds (bonds with subordination provision) and hybrid loans (loans with subordination provision) as a new method of funds procurement to improve both financial solvency and capital efficiency (e.g. ROE), and judged it as a means to supplement our growth strategy from the long-term view and enhance the flexibility of our financial strategies. Accordingly, we decided to issue the Bonds.

2. Key Features of the Bonds

The Bonds are one form of hybrid financing, with characteristics of both debt and equity. Because they are a form of equity, share dilution will not occur, but on the other hand they have characteristics similar to capital (e.g. voluntary deferral, ultra long-term maturity period, subordinated status in liquidation or bankruptcy proceedings), hence we expect them to be recognized for 50% capital of their procurement amount by both the Japan Credit Rating Agency and Rating and Investment Information.

3. Future Schedule

The Bonds shall be issued with Nomura Securities appointed as the lead manager. The issuing price and other conditions shall be decided early March this year, with reference to the level of demand.

In addition to raising funds via the Bonds, we are also considering raising further funds via hybrid

loans with capital equivalent to the Bonds. The total procurement funds from the hybrid financing (the Bonds and the hybrid loan) are expected to be JPY 100 billion, but the final procurement amount will be decided with collective consideration to demand and interest rate trends.