March-2018 Fact Sheets

(For the Fiscal Year Ended March 31, 2018)

Released on April 26, 2018

Nomura Real Estate Holdings, Inc.

[Consolidated Financial Summary 1]

(Millions of yen)

	2015/03	2016/03	2017/03	2018/03				2019/03
	FY	FY	FY	1Q Apr-Jun '17	2Q Apr-Sep '17	3Q Apr-Dec '17	FY	FY(F)
Operating revenue	567,159	569,545	569,680	132,149	273,045	409,652	623,762	700,000
Operating gross profit	162,051	177,973	177,241	41,566	84,704	126,870	182,053	—
(Gross margin ratio)	28.6%	31.2%	31.1%	31.5%	31.0%	31.0%	29.2%	—
Selling, general and administrative expenses	90,157	97,061	99,970	25,126	50,206	75,167	105,393	—
(SGAE ratio on revenue)	15.9%	17.0%	17.5%	19.0%	18.4%	18.3%	16.9%	—
Operating profit	71,894	80,912	77,271	16,440	34,497	51,702	76,660	81,000
(Operating margin ratio)	12.7%	14.2%	13.6%	12.4%	12.6%	12.6%	12.3%	11.6%
Non-operating income	1,699	1,555	698	269	333	442	773	—
Interest and dividend income	1,173	1,079	304	47	69	100	121	—
Other	525	475	393	221	263	341	651	—
Non-operating expenses	9,912	9,787	9,017	2,184	4,455	6,605	9,400	—
Interest expenses	8,851	7,817	7,539	1,826	3,666	5,529	7,334	—
Other	1,060	1,970	1,477	358	789	1,076	2,065	—
Ordinary profit	63,681	72,679	68,952	14,524	30,375	45,539	68,033	72,000
(Ordinary profit ratio on revenue)	11.2%	12.8%	12.1%	11.0%	11.1%	11.1%	10.9%	10.3%
Extraordinary income	2,547	—	946	—	—	—	3,766	—
Extraordinary losses	8,170	1,705	591	250	256	3,856	4,077	—
Impairment loss	8,170	1,426	254	67	67	3,614	3,614	—
Loss on building reconstruction	—	—	337	182	189	242	462	—
Loss on valuation of investment securities	—	278	—	—	—	—	—	—
Profit before income taxes	58,058	70,974	69,307	14,274	30,118	41,682	67,722	—
Profit attributable to owners of parent	38,441	47,182	47,005	9,603	20,115	27,489	46,029	47,000

[Consolidated Financial Summary 2] (Millions of yen)

	2015/03 FY	2016/03 FY	2017/03 FY	2018/03 1Q Jun 30 '17	2018/03 2Q Sep 30 '17	2018/03 3Q Dec 31 '17	2018/03 FY	2019/03 FY(F)
Total assets	1,369,226	1,485,449	1,593,093	1,629,361	1,692,997	1,688,447	1,673,692	—
Current assets	549,300	608,779	684,306	716,081	757,728	740,334	724,547	—
<Inventories>	<429,764>	<496,910>	<570,888>	<611,206>	<606,410>	<621,281>	<592,996>	—
<Equity investment >	<6,316>	<819>	<2,567>	<2,422>	<6,477>	<8,440>	<9,612>	—
Fixed assets	819,926	876,670	908,786	913,280	935,268	948,112	949,145	—
Net assets	461,031	456,408	493,813	494,258	504,318	499,291	514,982	—
Shareholders' equity ratio	28.8%	29.9%	30.2%	29.6%	29.0%	28.8%	30.0%	—
Interest-bearing debt	616,700	721,900	810,100	883,100	940,700	947,700	877,800	—

	2015/03 FY	2016/03 FY	2017/03 FY	2018/03 1Q Apr-Jun '17	2018/03 2Q Apr-Sep '17	2018/03 3Q Dec 31 '17	2018/03 FY	2019/03 FY(F)
Capital investment (*1)	38,871	50,367	61,300	4,657	34,086	55,975	71,665	—
Depreciation (*2)	15,258	16,026	16,877	4,601	9,314	14,063	18,824	—

	2015/03 FY	2016/03 FY	2017/03 FY	2018/03 1Q Apr-Jun '17	2018/03 2Q Apr-Sep '17	2018/03 3Q Dec 31 '17	2018/03 FY	2019/03 FY(F)
Cash flows from operating activities	23,837	13,258	(31,889)	(62,298)	(49,461)	(59,481)	21,498	—
Cash flows from investing activities	(32,476)	(59,714)	(54,558)	(4,906)	(33,295)	(55,342)	(51,637)	—
Cash flows from financing activities	(8,983)	53,637	76,575	66,260	123,770	118,795	43,787	—
Cash and cash equivalents	50,418	57,591	47,699	46,737	88,700	51,673	61,347	—

(*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 represents the amount shown for “Depreciation” on the consolidated statements of cash flows.

[Business Unit Information 1] (Millions of yen)

Operating revenue	2015/03 FY	2016/03 (*1) FY	2017/03 FY	2018/03 1Q Apr-Jun '17	2018/03 2Q Apr-Sep '17	2018/03 3Q Apr-Dec '17	2018/03 FY	2018/03(*2) FY	2019/03 FY(F)
Residential Development	359,397	334,514	329,787	73,519	147,483	224,765	358,745	355,445	379,000
Housing sales	332,999	318,795	308,960	66,568	135,193	208,176	336,819	–	–
Other	26,397	15,719	20,827	6,951	12,290	16,589	21,926	–	–
Leasing	92,878	110,226	115,009	28,368	61,160	89,665	134,941	134,941	173,000
Leasing (offices)	46,563	49,594	51,981	13,095	26,668	40,006	53,312	–	–
Leasing (retail facilities)	10,323	10,873	11,649	2,841	5,708	9,274	12,686	–	–
Leasing (other)	5,552	5,882	5,954	1,654	3,363	5,172	7,193	–	–
Property development (sale)	12,318	33,260	35,350	8,313	20,275	20,275	43,301	–	–
Property development (leasing)	3,167	3,320	4,054	1,051	2,315	3,516	4,724	–	–
Other	14,953	7,295	6,018	1,413	2,828	11,418	13,722	–	–
Investment Management	9,166	10,973	9,662	2,578	4,546	7,088	9,378	9,378	9,500
Property Brokerage & CRE	30,232	35,373	34,820	8,930	17,887	25,881	35,703	35,703	40,500
Property brokerage	25,833	28,028	30,283	7,945	16,225	23,382	31,637	–	–
Other	4,399	7,345	4,536	984	1,662	2,498	4,065	–	–
Property & Facility Management	85,837	91,552	95,764	21,804	48,638	72,120	101,087	104,581	112,000
Property & facility management	49,511	47,952	48,301	12,188	24,969	37,714	50,387	–	–
Construction ordered	21,583	24,636	26,857	4,266	12,696	17,924	28,339	–	–
Fitness club & elderly care	14,742	14,995	15,523	3,923	7,947	11,988	16,065	–	–
Other		3,967	5,081	1,425	3,024	4,493	6,294	–	–
Other	3,008	1,353	106	23	52	75	107	107	0
Adjustments (eliminations or corporate)	(13,362)	(14,449)	(15,470)	(3,075)	(6,722)	(9,942)	(16,202)	(16,396)	(14,000)
Total	567,159	569,545	569,680	132,149	273,045	409,652	623,762	623,762	700,000

Operating profit									
Residential Development	33,811	31,909	27,787	4,275	10,058	15,644	24,516	24,523	26,500
Leasing	24,447	31,719	32,567	7,258	15,890	24,051	35,232	35,232	35,000
Investment Management	4,813	7,376	6,016	1,750	2,860	4,501	5,911	5,911	6,000
Property Brokerage & CRE	8,477	9,900	9,124	2,327	4,458	5,702	8,452	8,452	10,500
Property & Facility Management	5,758	5,693	6,939	1,014	3,221	4,624	7,076	7,078	7,500
Other	(113)	(152)	(30)	3	(1)	(5)	(10)	(10)	0
Adjustments (eliminations or corporate)	(5,300)	(5,535)	(5,132)	(190)	(1,988)	(2,817)	(4,517)	(4,527)	(4,500)
Total	71,894	80,912	77,271	16,440	34,497	51,702	76,660	76,660	81,000

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

(*2) From the fiscal year ended March 31, 2019, the classification of Nomura Real Estate Reform Co., Ltd. has been changed from Residential Development Business Unit to the Property & Facility Management Business Unit. Due to this change,the full-year results for the fiscal year ended March 31, 2018 are classified under the new classification.

[Business Unit Information 2] (Millions of yen)

Assets	2015/03 FY	2016/03 (*1) FY	2017/03 FY	2018/03 1Q Apr-Jun '17	2018/03 2Q Apr-Sep '17	2018/03 3Q Apr-Dec '17	2018/03 FY	2018/03(*2) FY	2019/03 FY(F)
Residential Development	382,585	414,812	450,698	475,382	470,363	482,673	448,966	448,412	—
Leasing	849,885	918,710	993,985	1,010,428	1,039,720	1,060,753	1,061,328	1,061,328	—
Investment Management	40,555	36,692	35,649	33,119	33,156	33,806	34,840	34,840	—
Property Brokerage & CRE	22,606	32,047	22,873	16,751	14,679	14,733	17,181	17,181	—
Property & Facility Management	49,696	55,695	56,529	50,023	54,795	54,221	62,188	62,781	—
Other	2,485	1,565	929	922	919	918	921	921	—
Adjustments (eliminations or corporate)	21,411	25,926	32,427	42,732	79,363	41,339	48,266	48,227	—
Total	1,369,226	1,485,449	1,593,093	1,629,361	1,692,997	1,688,447	1,673,692	1,673,692	—
Inventories									
Residential Development	338,530	377,849	403,232	435,999	425,055	436,525	401,099	401,030	—
Leasing	88,446	118,277	166,997	173,826	178,129	181,373	187,299	187,299	—
Investment Management	—	—	—	—	—	—	—	—	—
Property Brokerage & CRE	1,184	—	—	—	—	—	—	—	—
Property & Facility Management	168	271	964	1,732	3,649	3,807	5,021	5,091	—
Other	1,519	638	13	13	13	13	13	13	—
Adjustments (eliminations or corporate)	(84)	(126)	(319)	(365)	(437)	(437)	(437)	(437)	—
Total	429,764	496,910	570,888	611,206	606,410	621,281	592,996	592,996	—
Return on Assets (ROA) of Each Business Unit									
Residential Development	8.8%	7.7%	6.2%	—	—	—	5.5%	5.5%	—
Leasing	2.9%	3.5%	3.3%	—	—	—	3.3%	3.3%	—
Investment Management	11.9%	20.1%	16.9%	—	—	—	17.0%	17.0%	—
Property Brokerage & CRE	37.5%	30.9%	39.9%	—	—	—	49.2%	49.2%	—
Property & Facility Management	11.6%	10.2%	12.3%	—	—	—	11.4%	11.3%	—
Other	—	—	—	—	—	—	—	—	—
Total	5.4%	5.6%	4.9%	—	—	—	4.6%	4.6%	—

ROA of each business unit = Business unit operating profit / Business unit assets at end-FY
Total ROA = (Operating profit + Non-operating profit)/Total assets at end-FY

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

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[Business Unit Information 3]

Business unit operating results	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 2Q Apr-Sep '16	2017/03 3Q Apr-Dec '16	2017/03 FY	2018/03 1Q Apr-Jun '17	2018/03 2Q Apr-Sep '17	2018/03 3Q Apr-Dec '17	2018/03 FY	2019/03 FY(F)
① Condominiums sales (unit)	1,150	2,604	3,787	6,162	819	3,242	3,497	5,363	382	1,821	2,656	4,885	1,007	2,006	3,157	5,258	5,400
① Detached housing sales (unit)	162	323	445	859	52	174	288	643	69	185	418	682	82	193	290	607	700
① Gross margin ratio of housing sales	21.6%	20.6%	20.4%	21.1%	19.9%	22.0%	21.8%	21.9%	21.8%	22.8%	22.4%	21.7%	21.0%	20.8%	20.6%	19.1%	–
① Completed housing inventories (released for sale) (unit) (*)	54	116	86	87	119	131	107	134	160	379	318	252	292	311	270	239	–
① Completed housing inventories (unreleased) (unit) (*)	25	56	25	2	34	29	2	215	182	332	222	402	409	321	186	218	–
② Vacancy rate (offices, retail facilities)	4.4%	6.3%	7.0%	4.5%	4.7%	3.4%	3.3%	2.2%	1.4%	1.2%	1.0%	0.8%	0.6%	0.6%	1.1%	0.7%	–
③ Outstanding assets under management (millions of yen)	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	1,246,237	1,237,042	1,260,064	1,233,905	1,227,556	1,235,015	1,285,903	–
④ Brokerage: Number of transactions	1,606	3,357	5,003	7,174	1,792	3,732	5,541	7,710	2,034	4,067	5,984	8,272	2,129	4,267	6,226	8,561	–
④ Brokerage: Total transaction value (millions of yen)	124,607	314,916	437,598	710,980	142,450	315,924	461,365	713,574	186,111	371,729	554,811	745,147	202,616	420,676	593,289	800,739	–
⑤ Buildings under management	715	716	733	729	737	736	722	705	710	708	705	702	720	724	724	723	–
⑤ Condominiums under management (unit)	149,082	151,641	153,438	155,706	156,640	160,100	160,735	163,036	163,224	165,801	166,570	168,999	170,337	170,641	171,420	173,705	–
⑤ Members of MEGALOS	143,409	145,902	141,603	140,395	144,629	147,779	145,581	144,263	142,161	143,646	140,879	140,743	141,028	140,901	139,656	139,836	–

Business unit information noted:

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