



Mid- to Long-term Business Plan through 2022/3

Creating Value through Change

Framework of Mid- to Long-term Business Plan

This Mid- to Long-term Business Plan

sets forth the vision and policies the Nomura Real Estate Group will pursue over the 10 years through the fiscal year ending March 31, 2022, and establishes stepwise growth scenarios over 3 phases.

Phase I, the first phase of the Plan, is regarded as “3-year Plan (through 2016/3)”

for which quantitative goals will be set.



I. Mid- to Long-term Business Plan

- *Creating Value through Change* -

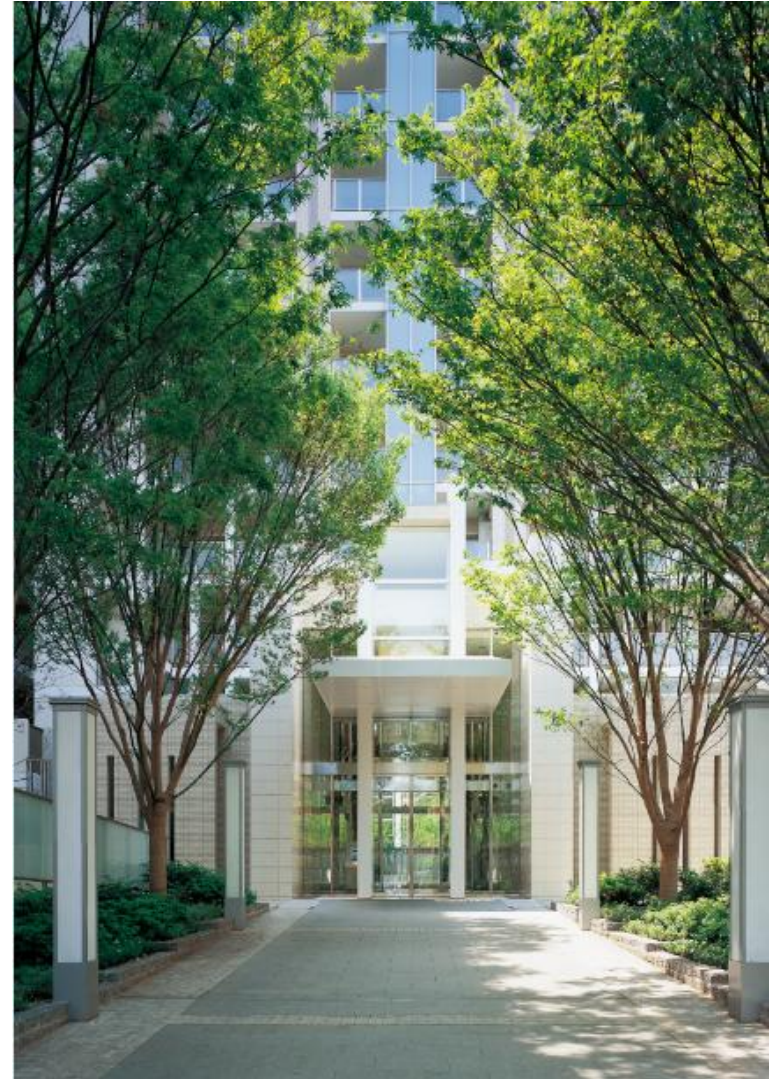
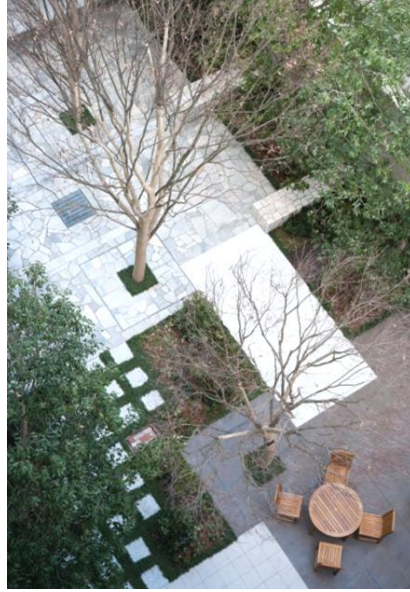
- Recognition of Changes in Environment and Challenges
- Vision of the Plan
- Management Policies
- Priority Strategies
- Policies of Constructing Business Portfolio
- Three Management Indices
- Stepwise Growth Plan

II. 3-year Plan (through 2016.3)

- Summary of the 3-year Plan
- Business Strategies
- Segment Operating Income

III. Business Strategies

- Development of the Residential Development Business
- Development of the Leasing Business
- Development of the Investment Management Business
- Development of the Property Brokerage & CRE Business
- Development of the Property & Facility Management Business
- Strengthening of Development in Retail and Logistics Sectors
- Promotion of Global Business Expansion
- Strengthening of R&D
- Business Process Innovation

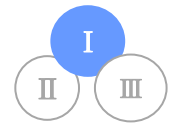


*I. Mid- to Long-term Business Plan
- Creating Value through Change -*

II. 3-year Plan (through 2016/3)

III. Business Strategies

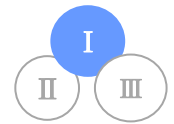




– Creating Value through Change –

*Becoming an enterprise group that continues to create
high value through sustainable change*

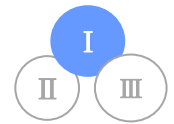
**We will pursue change toward the future by constantly accepting new challenges,
thereby continuing to create high value that can meet
the increasingly diverse needs of the society and customers.**



- **To establish a “brand of trust” that continues to be chosen by customers**
 - We will build a deep trust from customers through the provision of high value in each business.

- **To create value through sustainable change filled with a challenging spirit**
 - We will continue to challenge the task of creating values that are rich with innovation and offering them to meet the increasingly diverse needs of the society and customers.

- **To demonstrate the collective strength of the Group through the organic coordination among group companies**
 - We will make the best use of group-wide knowhow and resources and exercise a multi-faceted capability to develop products and provide services on a group-wide basis.



Construction of a highly profitable business portfolio

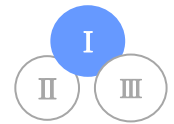
Regarding the development area (residential and leasing businesses),
We will improve the asset efficiency and expand the earnings base in the leasing business,
in addition to sustaining stable growth of the residential development business, which is our core business.

Furthermore, we will aggressively expand the businesses in the service and management areas
(investment management, property brokerage and CRE, and Property & facility management businesses),
thereby constructing a highly profitable business portfolio in the Group as a whole.

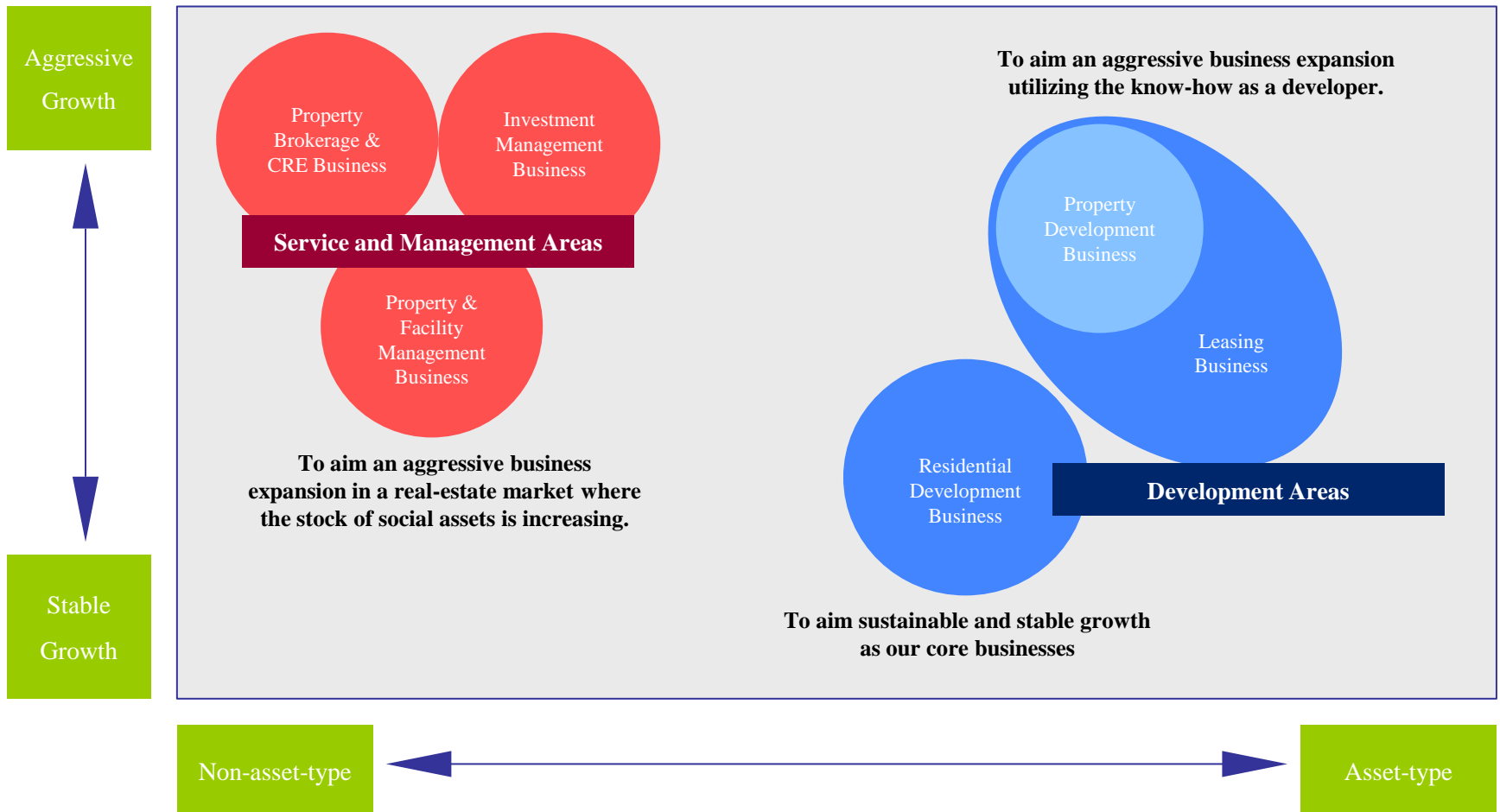
Earnings growth through sustainable change

We will aim at further earnings growth by continuing to provide high value in response to market needs
and working to expand the business domain and create a new business model in each business.

Policies of Constructing Business Portfolio



We aim to create an optimal business portfolio through evaluating growth potential, stability, and risk.



We will develop into a corporate group with presence by establishing a highly stable financial base and a highly efficient profit structure.

Shareholders' Equity Ratio



Over 30%

- To secure financial foundation for new investments and challenges toward the company's sustainable growth.
- To attain a level at which business activities can be continued stably even amid the turbulence of an unstable economic and business environment.

ROA



Over 5.5%

- To construct a business portfolio that promotes improvement of asset efficiency and is characterized by high profit efficiency.
- To increase the earning power by aggressive expansion in service and management areas in addition to development areas.

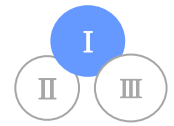
Operating Income



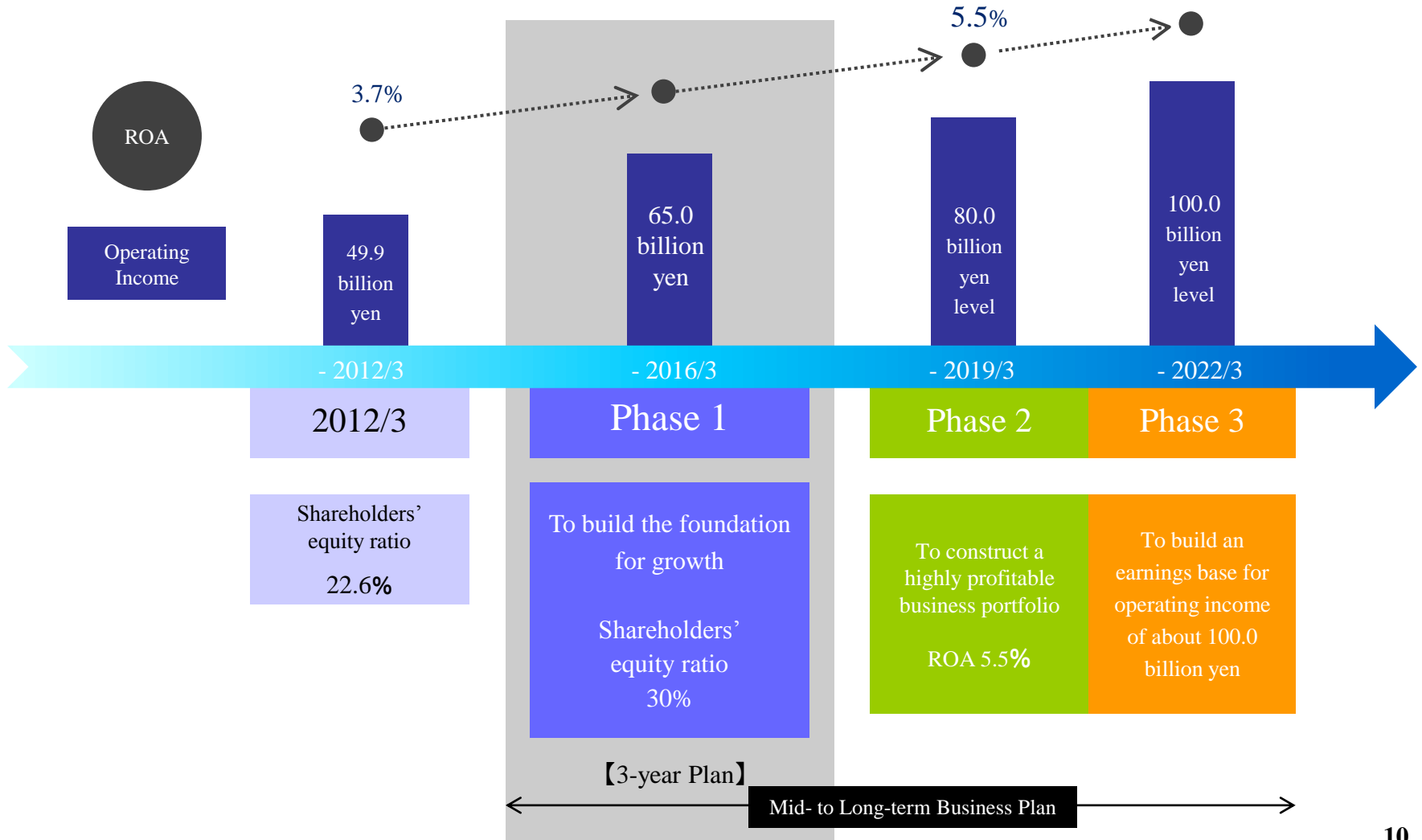
Earnings base for
100.0 billion yen

- To become a corporate group with a strong presence as a comprehensive real estate enterprise.
- To realize further earnings growth by expanding existing business domain and creating a new business model.

Stepwise Growth Plan



We will achieve stepwise growth in 3 phases.





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Significance

Period for establishing a foundation for achieving progressive growth

Basic Strategies

■ To secure earnings growth in existing businesses

- We will secure earnings growth in existing businesses through the steady implementation of their respective business strategies.

■ To secure financial foundation toward further growth

- In addition to improving the shareholders' equity ratio through the accumulation of periodic profit, we will promote efforts toward the improvement of asset efficiency.

■ To make aggressive efforts toward the realization of growth from the long-term perspective

- We will make a strategic foothold leading to a progressive growth of the Group toward the realization of the long-term vision.

Quantitative Goals

- Operating Income: 65.0 billion yen
- Shareholders' Equity Ratio: 30%

Sustainable and stable growth in our core residential development business

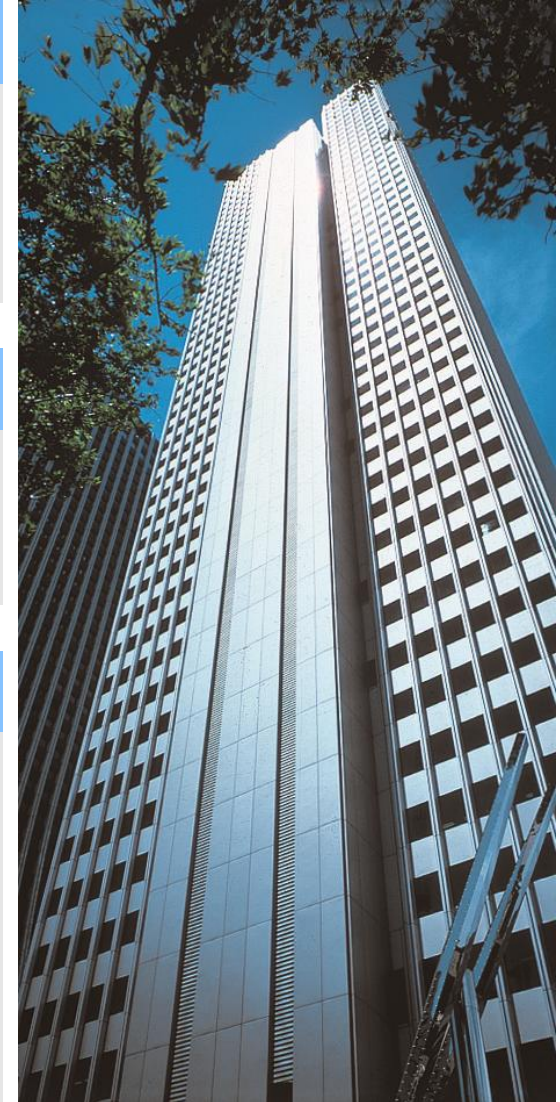
- Increase in business volume toward the realization of an annual residential sales of 7,000 units
- Provision of a broad product line-up meeting diverse customer needs and the effective use of extensive business know-how
- Deepening of the brand value through providing services appropriate to housing life cycle

Aggressive pursuit of investment opportunities in the real estate leasing business

- More diverse development options
- Provision of operation services that effectively satisfy the needs of tenants and facility users

Aggressive expansion in the service and management areas

- Strengthened responses to cross-border investment needs in the investment management business
- Property brokerage and CRE business
 - Retail Division: Workforce and branch network expansion and strengthening of the Internet strategy, and the improvement of brand recognition
 - Wholesale Division: Strengthening of the ability to provide CRE solutions leveraging the functions within the Group
- Expansion and the effective use of asset stocks for management and service enhancements in the property & facility management business

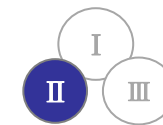


New initiatives to accelerate the growth of each business from the long-term perspective

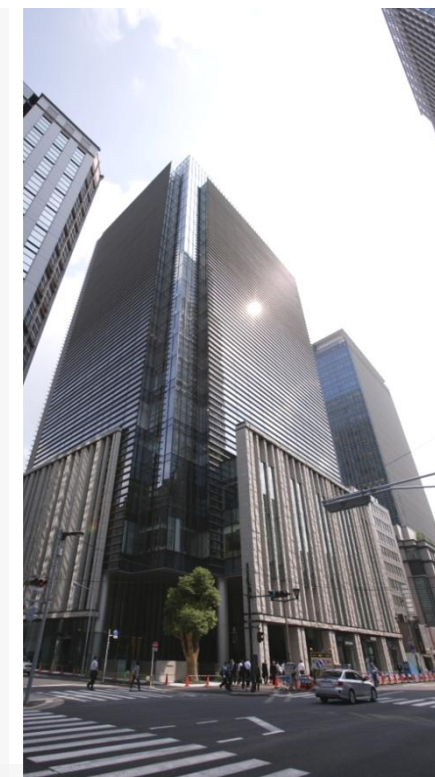
- Strengthening development in the retail and logistics sectors, and cooperation and mutual growth with existing business.
- Promotion of global business expansion leveraging inbound funds
- Strengthening R&D efforts aiming at highly competitive value creation
- Productivity improvement through business process innovation across group companies



Segment Operating Income



	12/3 Actual	13/3 Forecast	16/3 Plan	Changes from 12/3	Changes from 13/3
Consolidation	49.9 billion yen	55.0 billion yen	65.0 billion yen	+15.1 billion yen	+10.0 billion yen
Residential Development Business	20.9 billion yen	29.0 billion yen	26.0 billion yen	+5.1 billion yen	△3.0 billion yen
Leasing Business	19.6 billion yen	24.0 billion yen	25.0 billion yen	+5.4 billion yen	+1.0 billion yen
Investment Management Business	6.5 billion yen	0.5 billion yen	7.0 billion yen	+0.5 billion yen	+6.5 billion yen
Property Brokerage & CRE Business	1.9 billion yen	3.5 billion yen	6.0 billion yen	+4.1 billion yen	+2.5 billion yen
Property & Facility Management Business	4.4 billion yen	4.5 billion yen	6.0 billion yen	+1.6 billion yen	+1.5 billion yen





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We will strive to achieve steady growth as our core business by responding to diverse customer needs.

Broad product line-up meeting diverse customer needs

— PROUD —

— PROUD —
SEASON



OHANA

7,000 units

Construction of a stable supply system

Know-how capable of responding to various business opportunities

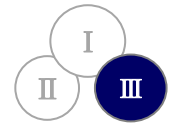
Redevelopment Business

Rebuilding Business

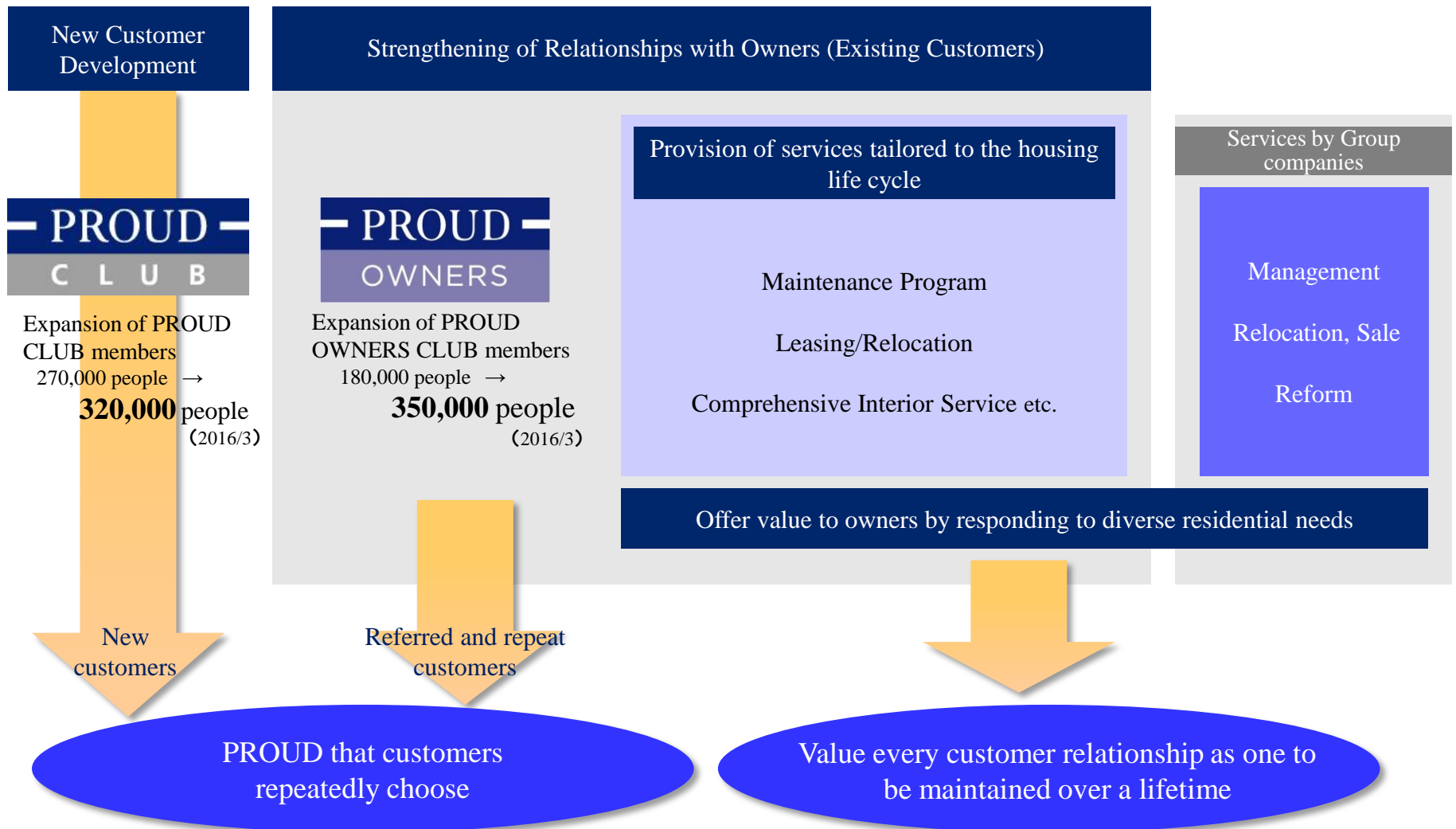
Land Readjustment
Business

Complex Development
Business
(Condominiums, detached houses,
and commercial facilities)

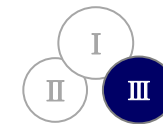
Development of the Residential Development Business



Customer base for a stable supply / Construction of a “residential value chain” that responds to owners’ trust



Development of the Leasing Business



We will expand the leasing business by drawing on the Group’s wealth of management know-how and the platforms of individual Group companies.

The Group’s Management Assets

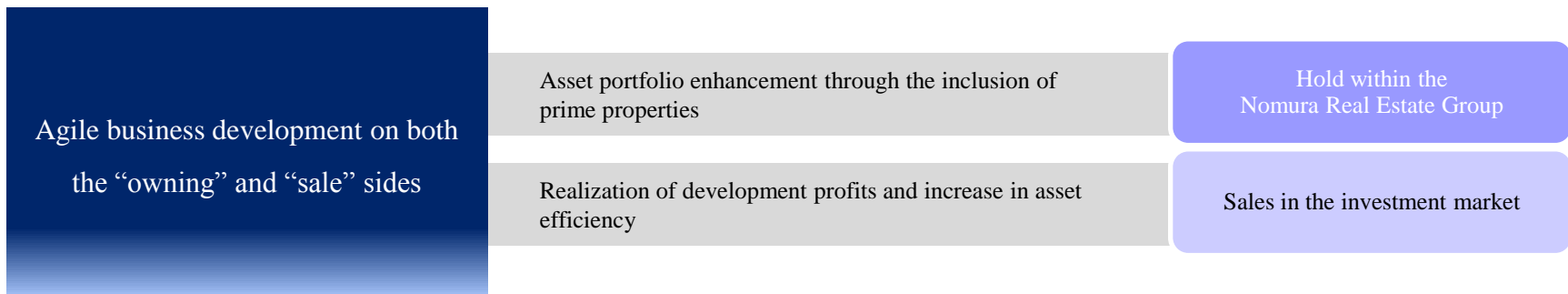
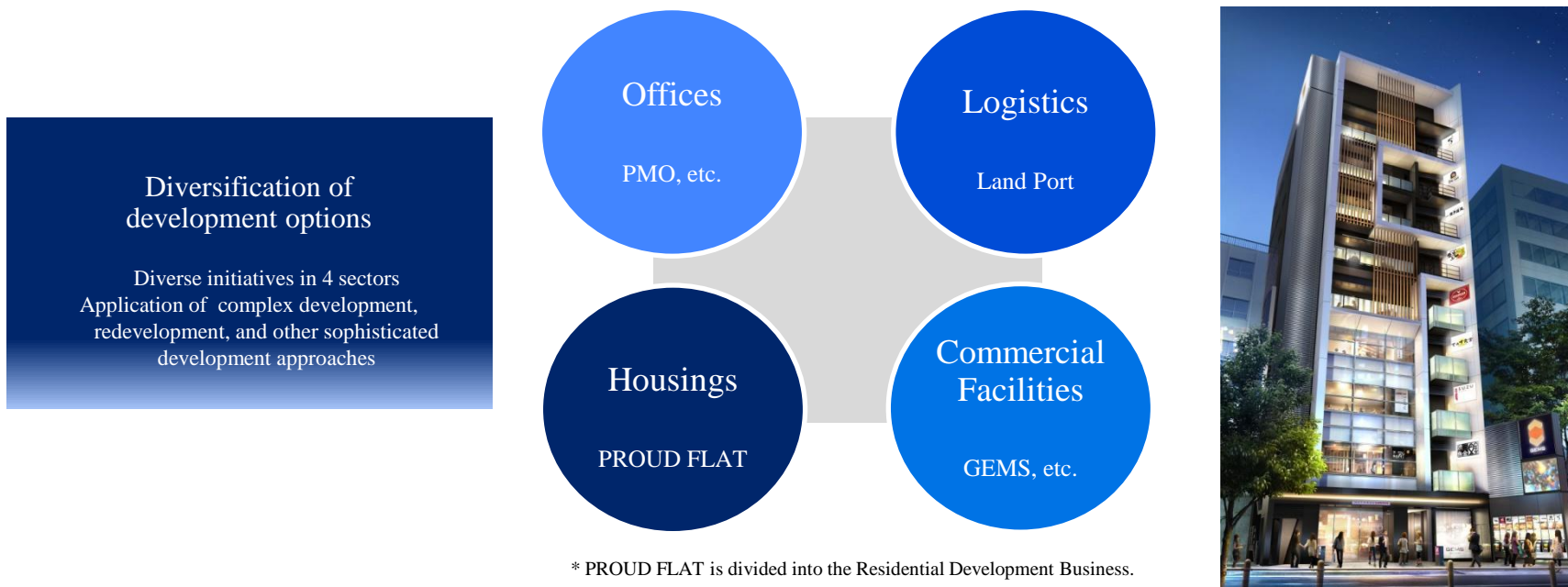
Offices Floor space: about 360,000 tsubo Number of properties : 116 properties	Logistics Floor space: about 180,000 tsubo Number of properties: 18 properties
Housings Number of Units: about 12,000 units Number of houses: 204 houses	Commercial Facilities Floor space: about 125,000 tsubo Number of properties: 38 properties

*1 tsubo = 3.3 square meters

Each Group Company’s Platform



We will take a more aggressive stance in the development of lease properties.



We will deliver property management services that win high satisfaction based on their customer orientation.

- Strengthening of total management through coordination among group companies
- Provision of operation services that effectively satisfy the needs of tenants, facility users, and local communities.
- Strengthened responses to changing and diverse customer needs

PMO PREMIUM MIDSIZE OFFICE	Services	Foster communication among tenants Promote electric power efficiency Support BCP manual preparation
Needs		
Business Activity Support Saving Cost Safety & Security		

“bono” Sagamiono	Services	Tenant mix tailored to the lifestyles of area residents Events that invigorate the local economy Creating a space that contributes to the strengthening of local communities
Needs		
Convenience Pleasure Comfort		

Development/Owning
Nomura Real Estate Development

Property Management
Nomura Building Management

Operation
GEO AKAMATSU

Development/Owning
Nomura Real Estate Development

Property Management
Nomura Building Management

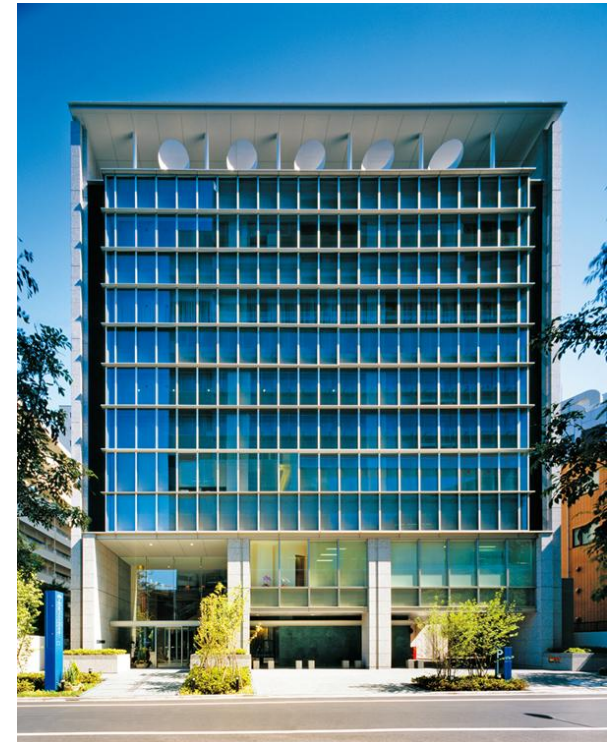
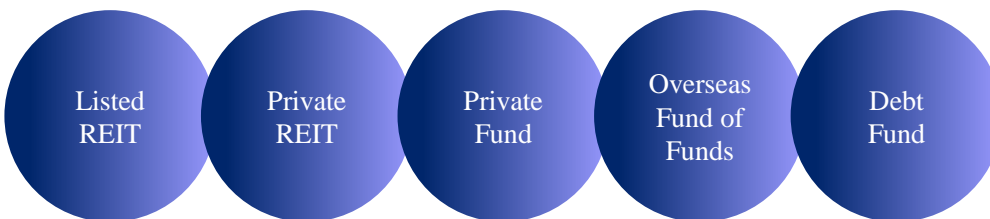
We will strengthen our fund management and origination capabilities.

- Exercise of the management capabilities of a comprehensive real estate group

Further strengthening of fund management capabilities applying the expertise of Group companies in areas such as real estate development and management

- Further enhancement of a product line benefiting from a wealth of fund origination experience

Origination of listed and private placement, equity and debt, and other types of products to meet the diverse investment needs of investors in Japan and abroad



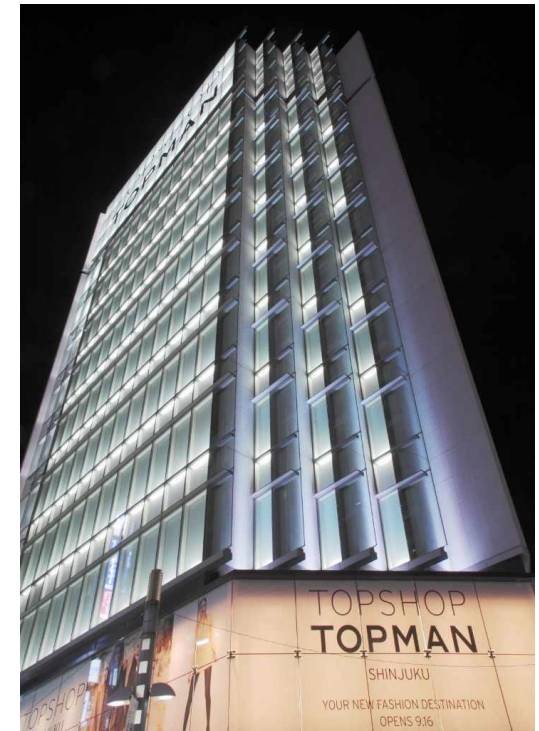
We will expand our business by responding to cross-border investment needs.

- Strengthening of identification on the domestic real estate investment needs of foreign investors

Business expansion based on global capital from rapidly rising countries and other sources

- Offering of products for the overseas real estate investment needs of Japanese investors

Offering of a wide selection of investment opportunities through the development of overseas funds of funds and other such products



Creation of business opportunities for Group companies through the expansion of the balance of assets under management

Strengthening of fund management and origination capabilities
Responses to cross-border investment

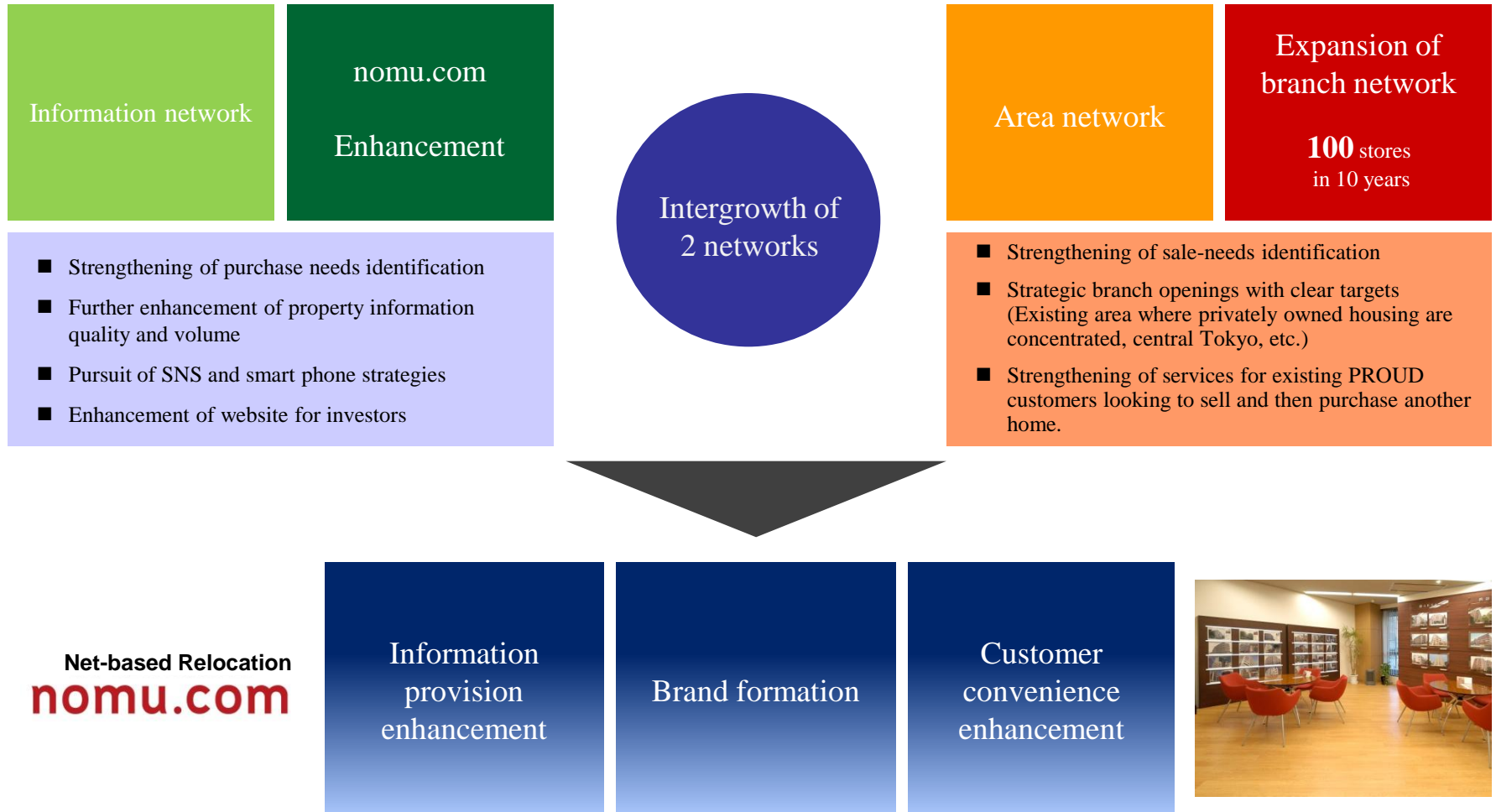


Expansion of assets under management



Expansion of business opportunities for Group companies such as development, management, etc.

[Retail] We will enhance our service-offering and brand power by strengthening our net and branch-opening strategies.



[Wholesale] As a group of professionals, we will offer valuable services by responding to all client needs.



Diversification and expansion of needs related to the buying/selling and effective application of assets

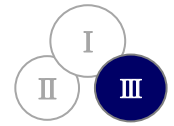
- Strengthening of customer relationships from a long-term perspective and abilities to identify needs
- Business recommendations (Development, asset management, property management) applying the capabilities of Group companies
- Strengthening of ties to the Nomura Group



Offering of enhanced solutions



Development of the Property & Facility Management Business



We will expand the business base through increasing the stock of properties under management and pursue business opportunities leveraging stocks.

Business Base Expansion

Expansion of the stock of properties under management through ties with Group businesses (Residential development, Leasing, Investment management Businesses)



Expansion of the stock of properties under management through the use of expertise and technical capabilities



Expansion of ancillary businesses through leveraging the stock of properties



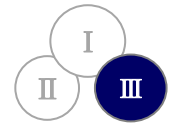
Home renovation

Large-scale repair/maintenance, and renovation projects

Tenant move-in/move-out construction

Cleaning of exclusive space

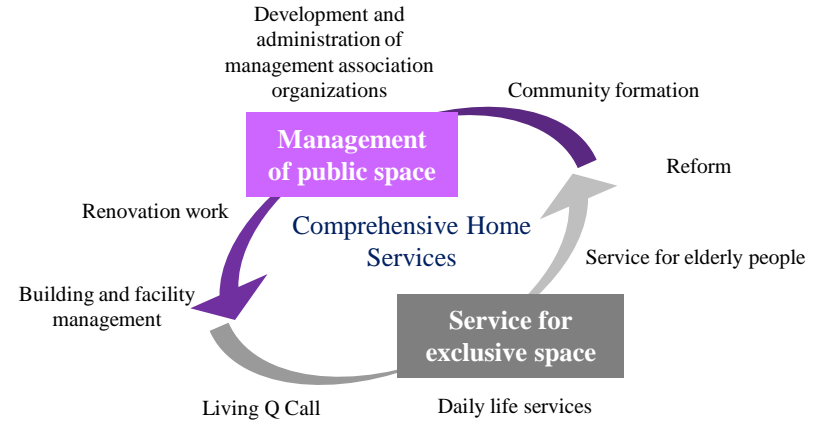




We will enhance comprehensive services in ways that win high customer satisfaction.

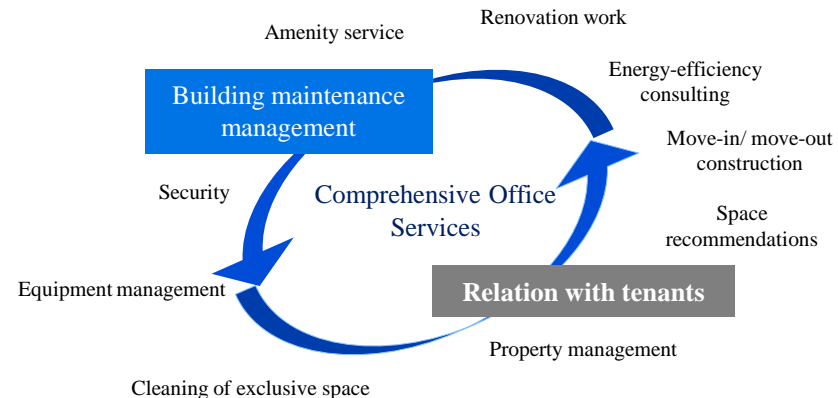
Enhancement of Services for Exclusive Space

- Increase in number of properties offering Living Q Call
- Expansion of the Living Q Call service menu
- Active development of renovation and housecleaning services



Strengthening of Comprehensive Services to Increase Building Owner/Tenant Satisfaction

- Promotion of integrated property management and building maintenance
- Recommendation of space designs to meet tenant needs
- Recommendation of renovation work to increase facility user satisfaction



We will achieve growth for all concerned businesses through the expanded development of the retail and logistics sectors.

Development/Operation Track Record

Commercial Facilities

- Urban Commercial Facilities
GEMS Shibuya, etc.
- Suburban Supply Chain
bono Sagamiono, etc.

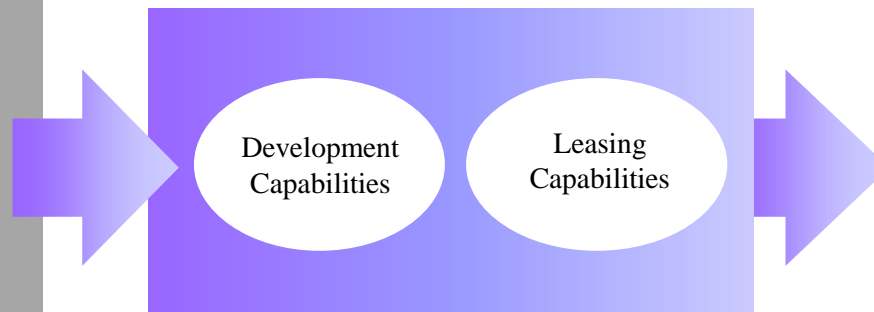
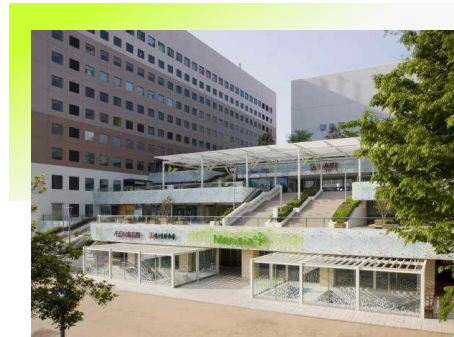
Operation by GEO AKAMATSU

Logistics Facilities

Development Track Record

Land Port series 6 properties,
90,000 tsubo

Operation by fund management



Ties to and Intergrowth with Each Concerned Business

Greater Added Value for the Residential and Office Sectors
(Complex Development)

Construction of Business Models Focused on Operations

Ties to Asset Management Business through the Provision of Development Projects to Funds

Ties to Property Management through the Management of Development Projects

Ties to Brokerage and CRE Business through site procurement and leasing

We will pursue global business development through opportunities provided by taking in inbound capital.

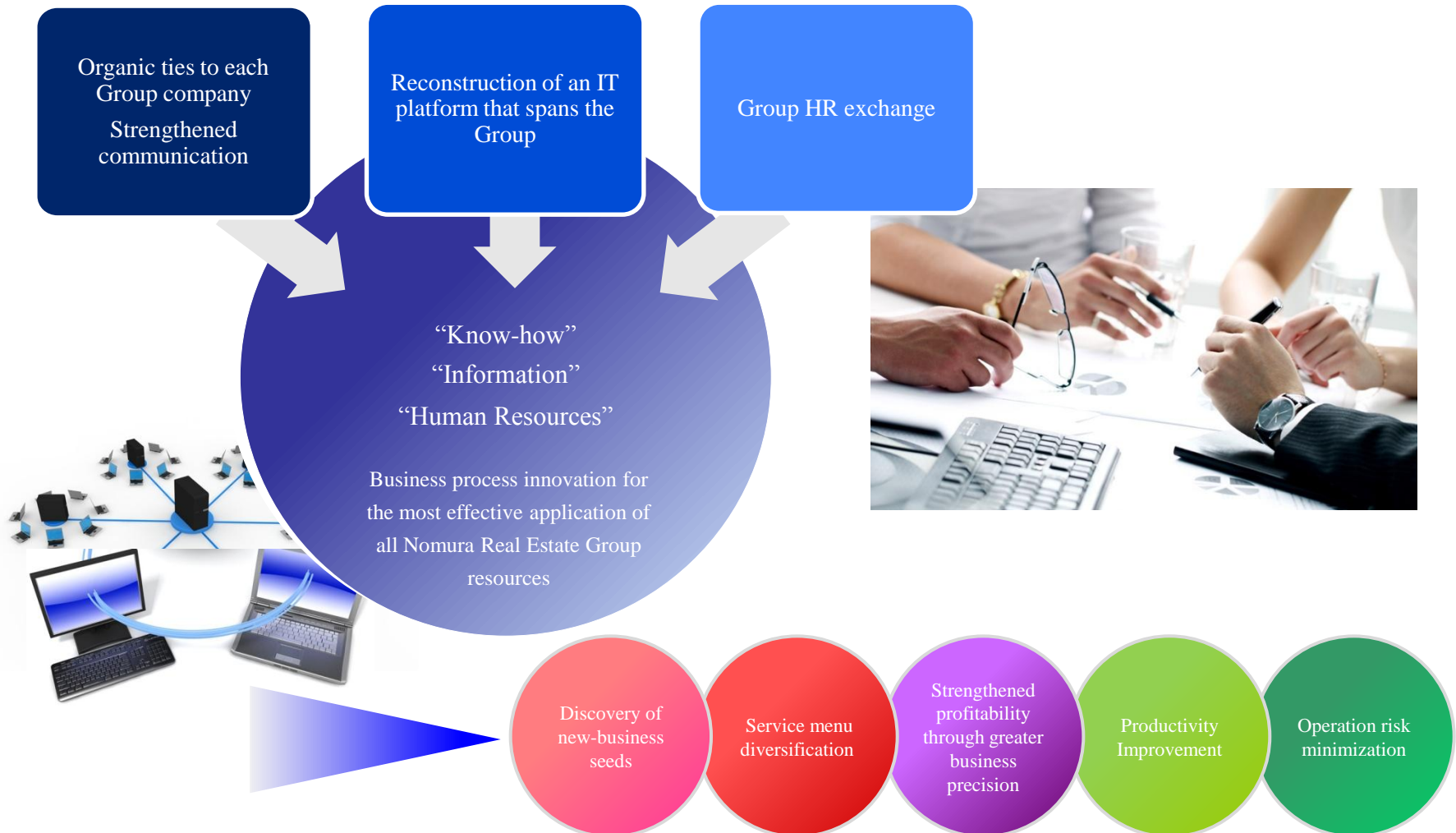


- Ties to the Nomura Group's global network
- Strategic location of overseas branches, mainly in high-growth Asia

We will promote Research & Development unrestricted to particular projects from a long-term perspective.



We will achieve greater business productivity and added-value creation through Group-wide business process innovation.



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