



Jul. 28, 2022

Consolidated Financial Results
For the Three Months from April 1 to June 30, 2022
<under Japanese GAAP>

Note: The accompanying consolidated financial statements were not audited since they have been prepared only for reference purpose. All statements were based on Tanshin report prepared in accordance with the provisions set forth in accounting regulations and principals generally accepted in Japan.

Name of company listed : Nomura Real Estate Holdings, Inc.
 Shares traded : TSE
 Code number : 3231
 URL : <https://www.nomura-re-hd.co.jp/english/>
 Representative : Eiji Kutsukake, President and Representative Director
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 Scheduled submitting date of quarterly securities report : August 10, 2022
 Scheduled starting date for dividend payments : -
 Preparation of explanatory materials for financial results : Yes
 Information meetings arranged related to financial results : Yes (for institutional investors and analysts, in Japanese)

(Values of less than one million yen rounded down)

I. Consolidated operating results for the Three Months from April 1, 2022 to June 30, 2022

(1) Consolidated business results

(% indicates the rate of changes from previous fiscal term)

	Operating revenue		Operating profit		Business profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months ended										
Jun. 30, 2022	199,721	36.3	37,289	22.3	38,974	27.7	36,308	30.5	26,933	44.8
Jun. 30, 2021	146,544	7.4	30,493	70.3	30,519	68.5	27,825	80.5	18,606	110.6

(Note) Comprehensive income: From April 1, 2022 to June 30, 2022 : 30,925 million yen (up 32.4%)

From April 1, 2021 to June 30, 2021 : 23,364 million yen (up 278.7%)

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

	Basic earnings per share	Diluted earnings per share
First three months ended	Yen	Yen
Jun. 30, 2022	151.54	151.13
Jun. 30, 2021	103.16	102.78

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2022	2,005,770	641,888	31.9
Mar. 31, 2022	2,040,506	621,398	30.3

(Reference) Shareholders' equity: As of June 30, 2022 : 639,371 million yen As of March 31, 2022 : 618,762 million yen

II. Dividends

	Dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	-	42.50	-	55.00	97.50
Fiscal year ending Mar. 31, 2023	-				
Fiscal year ending Mar. 31, 2023 (Forecasts)		55.00	-	55.00	110.00

(Note) Revision of dividend forecasts during this quarter: No

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2022 to March 31, 2023

(% indicates the rate of changes from previous fiscal year)

	Operating revenue		Operating profit		Business profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending Mar. 31, 2023	680,000	5.4	90,500	(0.8)	97,000	4.6	85,000	3.0	57,000	3.1	321.77

(Note) Revision of operating results forecasts during this quarter: No

*** Notes**

(1) Significant changes to subsidiaries during the period (Changes in scope of consolidation of specified subsidiaries): None

(2) Adoption of specific accounting policies for quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revision of accounting standards, etc. : Yes

2) Changes in accounting policies other than the above : None

3) Changes in accounting estimates : None

4) Restatements : None

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 14 of the Attachments.

(4) Number of shares issued (common stock)

	As of Jun. 30	As of Mar. 31
	2022	2022
1) Number of shares issued at end of period (including treasury shares)	182,720,937	182,604,637
2) Treasury shares at end of period	4,882,631	4,704,422
	From April 1 to June 30, 2022	From April 1 to June 30, 2021
3) Average number of shares outstanding during the period	177,727,147	180,373,100

(Note) The number of treasury shares at end of each period includes the shares of the company owned by BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust (2,330,346 shares as of June 30, 2022 and 2,522,837 shares as of March 31, 2022). The Company's share owned by executive compensation BIP trust and ESOP trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period (2,474,105 shares as of June 30, 2022 and 1,952,943 shares as of June 30, 2021).

* This Quarterly “Consolidated Financial Results” is not required to be audited by certified public accountants or audit corporations.

* Proper use of forecasts of operating results, and other special matters

Forward-looking statements in this document, including the forecasts of financial results, etc., are based on the information currently available to the Company and certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially from these forecasts are due to various factors. For matters related to the forecasts of financial results, please refer to “1. Business Results and Financial Position (3) Consolidated Operating Result Forecasts” on page 7 of the Attachments.

(How to obtain the fact sheets)

The fact sheets will be disclosed on TDnet on July 28, 2022 and will be uploaded on the Company's website.

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1. Business Results and Financial Position

(1) Business Results

The Nomura Real Estate Group (the “Group”) posted the following consolidated performance for the three months ended June 30, 2022: Operating revenue of 199,721 million yen, which represents an increase of 53,177 million yen, or 36.3% year on year; operating profit of 37,289 million yen, an increase of 6,795 million yen, or 22.3%; business profit of 38,974 million yen, an increase of 8,455 million yen, or 27.7%; ordinary profit of 36,308 million yen, an increase of 8,482 million yen, or 30.5%; and profit attributable to owners of parent of 26,933 million yen, an increase of 8,327 million yen, or 44.8%.

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

An overview of business unit achievements is given below:

1. Operating revenue for each business unit includes internal sales and transfer amount among business units.
2. Total figures may not match due to the rounding of fractions.
3. As of April 1, 2022, the Company made the following changes and an organization restructure.

*Overseas Business Unit was newly established and the classification of Overseas Business Division of Nomura Real Estate Development Co., Ltd. and overseas subsidiaries, etc., which had been classified under the “Other”, have been reclassified.

*Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Building Co., Ltd. were merged. (Nomura Real Estate Development Co., Ltd. as the surviving company) Due to this change, partial revisions were made to the method used to calculate the breakdown of operating revenue and to the method used to calculate the net lettable area and the vacancy rate. (The figures for the three months ended June 30, 2021, and the fiscal year ended March 31, 2022, are also calculated in accordance with the above change.)

*Nomura Real Estate Hotels Co., Ltd. and UHM Co., Ltd. were merged. (Nomura Real Estate Hotels Co., Ltd. as the surviving company)

<Residential Development Business Unit>

Operating revenue in this Business Unit totaled 91,374 million yen, which represents an increase of 44,772 million yen, or 96.1% year on year, and business profit totaled 10,118 million yen, an increase of 8,383 million yen, or 483.3% resulting in increases in both operating revenue and business profit compared with the financial results of the three months ended June 30, 2021.

This was mainly due to increases in the number of housing units sold and improvement in the gross margin ratio in the housing sales business.

In regard to housing sales, 1,378 units were recorded as sales (an increase of 731 units year on year) against the planned 4,300 units for this fiscal year. The contract progress rate was 86.0% at the end of this first quarter against the projected operating revenue of housing sales for this fiscal year.

The number of housing contracted but not recorded as sales were 3,326 units as of the end of this first quarter (a decrease of 214 units year on year).

Number of units, sales, and outstanding contract amount as sold for the joint-venture projects are calculated based on the business’s share.

Breakdown of operating revenue

		First three months ended Jun. 30, 2021		First three months ended Jun. 30, 2022		Fiscal year ended Mar. 31, 2022	
		Housing units sold	Operating revenue (Millions of yen)	Housing units sold	Operating revenue (Millions of yen)	Housing units sold	Operating revenue (Millions of yen)
Housing sales	Tokyo metropolitan area	406 units	29,325	1,039 units	69,093	2,944 units	210,413
	Kansai area	87 units	4,627	21 units	1,002	496 units	26,522
	Other	154 units	8,726	317 units	16,067	889 units	47,079
	Subtotal (Detached housing)	647 units (138 units)	42,679 (8,931)	1,378 units (156 units)	86,164 (11,175)	4,329 units (451 units)	284,015 (29,990)
Rental housing (Note)		-	318	-	490	-	5,621
Senior / Other		-	3,604	-	4,720	-	19,588
Total		-	46,602	-	91,374	-	309,225

(Note) Rental Housing refers to properties developed for real estate investment market.

Housing sales Period-end completed housing inventory (released for sale)

	As of Jun. 30, 2021	As of Jun. 30, 2022	As of March 31, 2022
Tokyo metropolitan area	109 units	111 units	74 units
Kansai area	47 units	2 units	18 units
Other	34 units	89 units	38 units
Total (Detached housing)	190 units (16 units)	202 units (3 units)	130 units (0 unit)

Housing sales Period-end completed housing inventory (unreleased)

	As of Jun. 30, 2021	As of Jun. 30, 2022	As of March 31, 2022
Total (Detached housing)	78 units (6 units)	215 units (0 unit)	253 units (0 unit)

Housing sales Contracted but not recorded as housing sales

	As of Jun. 30, 2021		As of Jun. 30, 2022		As of March 31, 2022	
	Housing units	Outstanding contract amount (Millions of yen)	Housing units	Outstanding contract amount (Millions of yen)	Housing units	Outstanding contract amount (Millions of yen)
Tokyo metropolitan area	2,540 units	187,479	2,418 units	189,245	2,555 units	197,478
Kansai area	390 units	21,252	532 units	28,200	439 units	23,687
Other	609 units	31,716	375 units	19,374	553 units	28,705
Total (Detached housing)	3,540 units (141 units)	240,447 (9,258)	3,326 units (142 units)	236,819 (9,547)	3,548 units (226 units)	249,870 (15,689)

<Commercial Real Estate Business Unit>

Operating revenue in this Business Unit totaled 75,231 million yen, which represents an increase of 7,630 million yen, or 11.3% year on year, and business profit totaled 22,118 million yen, a decrease of 1,154 million yen, or 5.0%, resulting an increase in operating revenue and a decrease in business profit compared with the financial results of the first three months ended June 30, 2021.

This was mainly due to revenue from property for sales business increased, while gross profit from sales decreased.

Breakdown of operating revenue

	First three months ended Jun. 30, 2021 (Millions of yen)	First three months ended Jun. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Leasing (offices)	11,139	10,652	45,666
Leasing (retail facilities)	2,943	3,969	12,302
Leasing (other)	1,002	831	4,131
Property for sales (sale) (Note)	45,489	50,538	106,451
Property for sales (leasing) (Note)	3,128	3,698	13,977
Fitness	2,921	3,670	13,624
Other	975	1,870	6,306
Total	67,600	75,231	202,460

(Note) Property for sales refers to properties such as office building, retail facility and logistic facility developed for real estate investment market.

Net lettable area

	As of Jun. 30, 2021	As of Jun. 30, 2022	As of March 31, 2022
Offices	714,166 m ²	635,797 m ²	658,902 m ²
Retail facilities	120,609 m ²	157,997 m ²	131,874 m ²
Total	834,775 m ²	793,794 m ²	790,776 m ²

Vacancy rate (offices and retail facilities)

As of Jun. 30, 2021	As of Jun. 30, 2022	As of March 31, 2022
5.2%	6.9%	5.9%

<Overseas Business Unit>

Operating revenue in this Business Unit totaled 916 million yen, which represents an increase of 298 million yen, or 48.2% year on year, and business profit totaled 1,536 million yen (business loss of the first three months ended June 30, 2021 was 302 million yen), resulting in increases in both operating revenue and business profit compared with the financial results of the three months ended June 30, 2021. Share of profit of entities accounted for using equity method included the business profit in this Business Unit was 1,471 million yen.

Breakdown of operating revenue

	First three months ended Jun. 30, 2021 (Millions of yen)	First three months ended Jun. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Housing sales	433	705	1,785
Leasing	160	166	692
Other	24	45	150
Total	618	916	2,628

<Investment Management Business Unit>

Operating revenue in this Business Unit totaled 3,828 million yen, which represents an increase of 375 million yen, or 10.9% year on year, and business profit totaled 2,549 million yen, an increase of 267 million yen, or 11.7%, resulting in increases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2021.

This was mainly due to an increase in the domestic asset manager's assets under management.

	First three months ended Jun. 30, 2021 (Millions of yen)	First three months ended Jun. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Operating revenue	3,453	3,828	12,804

Assets under management

		As of Jun. 30, 2021 (Millions of yen)	As of Jun. 30, 2022 (Millions of yen)	As of Mar. 31, 2022 (Millions of yen)
Domestic asset manager	REITs	1,396,973	1,449,716	1,424,772
	Private funds, etc.	174,102	248,174	196,370
Overseas asset manager		306,835	345,675	326,929
Total		1,877,911	2,043,566	1,948,071

<Property Brokerage & CRE Business Unit>

Operating revenue in this Business Unit totaled 10,748 million yen, which represents an increase of 127 million yen, or 1.2% year on year, and business profit totaled 3,072 million yen, a decrease of 123 million yen, or 3.9%, resulting in an increase in operating revenue and a decrease in business profit compared with the financial results of the first three months ended June 30, 2021.

This was mainly due to an increase in total transaction value in property brokerage, on the other hand, there were investments in human resources, branches, and systems with looking ahead to expand the business volume.

Breakdown of operating revenue

	First three months ended Jun. 30, 2021 (Millions of yen)	First three months ended Jun. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Property brokerage	9,642	9,781	39,833
(retail business)	(5,390)	(6,021)	(21,825)
(middle business)	(1,693)	(1,718)	(8,326)
(wholesale business)	(2,558)	(2,041)	(9,681)
Other	978	966	3,929
Total	10,621	10,748	43,762

The classification of Property brokerage is as follows.

*Retail business: Real estate brokerage business for individuals

*Middle business: Real estate brokerage business for small and midsize companies, business owners, some individual investors and high net worth individuals

*Wholesale business: Real estate brokerage business for large corporations, funds and overseas investors

Number of transactions and transaction value of property brokerage

	First three months ended Jun. 30, 2021	First three months ended Jun. 30, 2022	Fiscal year ended Mar. 31, 2022
Number of transactions	2,499	2,467	10,081
Total transaction value (Millions of yen)	220,007	222,815	964,882

<Property & Facility Management Business Unit>

Operating revenue in this Business Unit totaled 21,283 million yen, which represents a decrease of 335 million yen, or 1.6% year on year, and business profit totaled 1,391 million yen, a decrease of 148 million yen, or 9.7%, resulting in decreases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2021.

Breakdown of operating revenue

	First three months ended Jun. 30, 2021 (Millions of yen)	First three months ended Jun. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Property & facility management	14,293	14,528	58,264
Construction ordered	6,013	5,359	35,215
Other	1,311	1,394	5,750
Total	21,618	21,283	99,230

Number of properties under management

	As of Jun. 30, 2021	As of Jun. 30, 2022	As of Mar. 31, 2022
Buildings under management	795	786	772
Condominiums under management (unit)	182,844	187,593	186,549

<Other>

Operating revenue totaled 65 million yen, which represents an increase of 52 million yen, or 406.8% year on year, and business profit totaled 39 million yen (business loss of the first three months ended June 30, 2021 was 43 million yen).

(2) Financial Position

	As of March 31, 2022 (Millions of yen)	As of Jun. 30, 2022 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	2,040,506	2,005,770	(34,735)	(1.7%)
Total liabilities	1,419,107	1,363,882	(55,225)	(3.9%)
Net assets	621,398	641,888	20,489	3.3%
Shareholders' equity ratio	30.3%	31.9%	-	-

Total assets were 2,005,770 million yen, which represents a decrease of 34,735 million yen compared to the end of the previous fiscal year. This was mainly because cash and deposits decreased by 39,904 million yen, while investment securities increased by 10,067 million yen.

Total liabilities were 1,363,882 million yen, which represents a decrease of 55,225 million yen compared to the end of the previous fiscal year. This was mainly because notes and accounts payable-trade decreased by 34,745 million yen and accounts payable decreased by 16,529 million yen.

Net assets were 641,888 million yen, which represents an increase of 20,489 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 17,010 million yen, foreign currency translation adjustment increased by 1,575 million yen and valuation difference on available-for-sale securities increased by 1,351 million yen.

The shareholders' equity ratio was 31.9%, an increase of 1.6 percentage point from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of this first quarter totaled 28,106 million yen, which represents a decrease of 39,686 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 41,463 million yen (a year-on-year decrease of 17,018 million yen). This was mainly due to a decrease in trade payables and the payments of income taxes, while profit before income taxes was 36,308 million yen.

Net cash provided by (used in) investing activities decreased by 21,052 million yen (a year-on-year decrease of 16,178 million yen). This was mainly due to the purchase of property, plant and equipment and intangible assets.

Net cash provided by (used in) financing activities increased by 22,673 million yen (a year-on-year increase of 11,449 million yen). This was mainly due to the fund procurement by the issuance of commercial papers, while there was a payment of cash dividends.

(3) Consolidated Operating Result Forecasts

No change in the consolidated operating result forecast which was announced on April 26, 2022.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	69,038	29,134
Notes and accounts receivable - trade, and contract assets	22,025	16,608
Real estate for sale	371,504	376,403
Real estate for sale in process	333,860	360,050
Land held for development	188,417	150,488
Equity investments	33,871	40,062
Other	108,106	119,523
Allowance for doubtful accounts	(20)	(20)
Total current assets	1,126,802	1,092,249
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	200,163	196,571
Land	497,599	499,569
Other, net	28,623	29,599
Total property, plant and equipment	726,386	725,741
Intangible assets	19,933	20,358
Investments and other assets		
Investment securities	101,155	111,223
Leasehold and guarantee deposits	30,047	28,572
Deferred tax assets	27,322	17,266
Other	8,858	10,359
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	167,383	167,421
Total non-current assets	913,703	913,521
Total assets	2,040,506	2,005,770

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	80,992	46,246
Short-term borrowings	108,500	105,000
Commercial papers	—	29,000
Current portion of bonds payable	10,000	30,000
Income taxes payable	22,299	8,478
Deposits received	43,857	34,744
Provision for bonuses	9,934	4,922
Provision for bonuses for directors (and other officers)	549	138
Provision for loss on business liquidation	8	7
Other	81,838	59,305
Total current liabilities	357,980	317,843
Non-current liabilities		
Bonds payable	150,000	130,000
Long-term borrowings	754,235	762,177
Leasehold and guarantee deposits received	59,301	57,496
Deferred tax liabilities	58,207	50,969
Deferred tax liabilities for land revaluation	3,902	3,902
Provision for share awards	3,567	3,654
Retirement benefit liability	16,644	16,758
Other	15,267	21,080
Total non-current liabilities	1,061,127	1,046,039
Total liabilities	1,419,107	1,363,882
Net assets		
Shareholders' equity		
Share capital	118,604	118,770
Capital surplus	114,993	115,160
Retained earnings	382,382	399,393
Treasury shares	(11,864)	(12,509)
Total shareholders' equity	604,115	620,814
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,337	8,688
Deferred gains or losses on hedges	(332)	517
Revaluation reserve for land	7,868	7,868
Foreign currency translation adjustment	1,254	2,830
Remeasurements of defined benefit plans	(1,481)	(1,348)
Total accumulated other comprehensive income	14,646	18,556
Share acquisition rights	927	846
Non-controlling interests	1,708	1,670
Total net assets	621,398	641,888
Total liabilities and net assets	2,040,506	2,005,770

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income for the First Three Months from April 1 to June 30, 2022)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Operating revenue	146,544	199,721
Operating costs	89,774	132,657
Operating gross profit	56,769	67,063
Selling, general and administrative expenses	26,275	29,774
Operating profit	30,493	37,289
Non-operating income		
Interest income	20	17
Dividend income	30	26
Share of profit of entities accounted for using equity method	—	1,514
Other	122	144
Total non-operating income	172	1,702
Non-operating expenses		
Interest expenses	2,186	2,338
Share of loss of entities accounted for using equity method	135	—
Other	518	345
Total non-operating expenses	2,841	2,684
Ordinary profit	27,825	36,308
Extraordinary losses		
Impairment losses	405	—
Loss on COVID-19	281	—
Total extraordinary losses	686	—
Profit before income taxes	27,138	36,308
Income taxes - current	9,012	7,810
Income taxes - deferred	(491)	1,544
Total income taxes	8,521	9,355
Profit	18,617	26,952
Profit attributable to non-controlling interests	10	19
Profit attributable to owners of parent	18,606	26,933

(Quarterly Consolidated Statements of Comprehensive Income for the First Three Months from April 1 to June 30, 2022)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	18,617	26,952
Other comprehensive income		
Valuation difference on available-for-sale securities	1,797	1,353
Deferred gains or losses on hedges	1,250	850
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	1,194	951
Remeasurements of defined benefit plans, net of tax	133	132
Share of other comprehensive income of entities accounted for using equity method	372	685
Total other comprehensive income	4,747	3,973
Comprehensive income	23,364	30,925
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,220	30,843
Comprehensive income attributable to non-controlling interests	143	82

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	27,138	36,308
Depreciation	4,712	4,989
Share of loss (profit) of entities accounted for using equity method	135	(1,514)
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on business liquidation	(1)	(0)
Increase (decrease) in retirement benefit liability	184	112
Interest and dividend income	(50)	(44)
Interest expenses	2,186	2,338
Decrease (increase) in trade receivables	4,143	5,445
Decrease (increase) in inventories	(2,026)	6,639
Decrease (increase) in equity investments	(1,009)	(5,901)
Increase (decrease) in trade payables	(24,273)	(34,766)
Increase (decrease) in deposits received	38,095	(9,116)
Other, net	(6,610)	(18,311)
Subtotal	42,624	(13,821)
Interest and dividends received	172	59
Interest paid	(1,544)	(1,658)
Income taxes paid	(65,696)	(26,043)
Net cash provided by (used in) operating activities	(24,444)	(41,463)
Cash flows from investing activities		
Purchase of investment securities	(701)	(1,840)
Proceeds from sales and liquidation of investment securities	1	—
Purchase of property, plant and equipment and intangible assets	(6,694)	(19,178)
Proceeds from sale of property, plant and equipment and intangible assets	274	26
Payments of leasehold and guarantee deposits	(369)	(367)
Proceeds from refund of leasehold and guarantee deposits	301	609
Repayments of lease and guarantee deposits received	(901)	(2,246)
Proceeds from lease and guarantee deposits received	1,898	1,691
Other, net	1,317	253
Net cash provided by (used in) investing activities	(4,873)	(21,052)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,000	(2,000)
Repayments of finance lease liabilities	(77)	(65)
Net increase (decrease) in commercial papers	20,000	29,000
Proceeds from long-term borrowings	6,836	16,774
Repayments of long-term borrowings	(4,000)	(10,500)
Proceeds from issuance of shares	359	243
Redemption of bonds	(10,000)	—
Proceeds from sale of treasury shares	108	387
Purchase of treasury shares	(1,214)	(1,122)
Dividends paid	(7,759)	(9,923)
Dividends paid to non-controlling interests	(23)	(120)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(5)	—
Net cash provided by (used in) financing activities	11,224	22,673
Effect of exchange rate change on cash and cash equivalents	233	155
Net increase (decrease) in cash and cash equivalents	(17,861)	(39,686)

Cash and cash equivalents at beginning of period	70,624	67,793
Cash and cash equivalents at end of period	52,763	28,106

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021), from the beginning of the first three months from April 1 to June 30, 2022. The company has prospectively applied new accounting policies based on the Implementation Guidance on Accounting Standard for Fair Value Measurement, in accordance with the transitional measurement in Article 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement. The impact of application of Implementation Guidance on Accounting Standard for Fair Value Measurement, on consolidated financial statements on the first three months from April 1 to June 30, 2022 is immaterial.

(Segment Information)

【Segment information】

I First three months from April 1 to June 30, 2021

1. Information regarding sales, gains or losses, by reportable segment

(Millions of yen)

	Reportable segments							Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Residential Develop- ment	Commercial Real Estate	Overseas Business	Investment Manage- ment	Property Brokerage & CRE	Property & Facility Manage- ment	Subtotal				
Operating revenue											
External customers	46,422	67,125	618	3,443	9,689	19,231	146,531	12	146,544	-	146,544
Internal sales and transfer amount among segments	179	474	-	9	931	2,386	3,982	0	3,983	(3,983)	-
Subtotal	46,602	67,600	618	3,453	10,621	21,618	150,514	12	150,527	(3,983)	146,544
Operating profit (Note) 3	1,726	23,174	(112)	2,204	3,195	1,508	31,698	(43)	31,654	(1,161)	30,493
Share of profit (loss) of entities accounted for using equity method (Note) 3	7	30	(198)	-	-	23	(135)	-	(135)	-	(135)
Amortization of intangible assets associated with corporate acquisitions (Note) 3	-	68	7	77	-	7	161	-	161	-	161
Segment profit or loss (Business profit or loss) (Note) 3	1,734	23,273	(302)	2,282	3,195	1,540	31,723	(43)	31,680	(1,161)	30,519

(Notes) 1. The “Other” category represents operating segments that are not included in reportable segments.

- The deduction of 1,161 million yen shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of 667 million yen and a deduction of 1,828 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.
- Segment profit or loss (Business profit or loss) = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

2. Information regarding impairment loss on non-current assets or goodwill by reportable segment

(Significant impairment loss relating to non-current assets)

(Millions of yen)

	Residential Development	Commercial Real Estate	Overseas Business	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	405	-	-	-	-	405

II First three months from April 1 to June 30, 2022

1. Information regarding sales, gains or losses, by reportable segment

(Millions of yen)

	Reportable segments							Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidate d financial statements (Note) 3
	Residential Development	Commercial Real Estate	Overseas Business	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue											
External customers	91,198	74,619	916	3,783	10,231	18,908	199,657	64	199,721	-	199,721
Internal sales and transfer amount among segments	176	612	-	45	517	2,374	3,726	0	3,727	(3,727)	-
Subtotal	91,374	75,231	916	3,828	10,748	21,283	203,383	65	203,448	(3,727)	199,721
Operating profit (Note) 3	10,121	22,026	56	2,466	3,072	1,357	39,101	39	39,141	(1,851)	37,289
Share of profit (loss) of entities accounted for using equity method (Note) 3	(7)	23	1,471	-	-	26	1,514	-	1,514	-	1,514
Amortization of intangible assets associated with corporate acquisitions (Note) 3	3	68	8	82	-	7	170	-	170	-	170
Segment profit or loss (Business profit or loss) (Note) 3	10,118	22,118	1,536	2,549	3,072	1,391	40,786	39	40,826	(1,851)	38,974

(Notes) 1. The “Other” category represents operating segments that are not included in reportable segments.

2. The deduction of 1,851 million yen shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of 787 million yen and a deduction of 2,639 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.
3. Segment profit or loss (Business profit or loss) = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

2. Notes relating to changes in reportable segments etc.

From the first three months from April 1 to June 30, 2022, Overseas Business Unit was added as a reportable segment with a review of the organizational structure. The Overseas Business Division of Nomura Real Estate Development Co., Ltd. and overseas subsidiaries, etc., which had been classified under the Other, have been reclassified under the Overseas Business Unit.

The figures by reportable segment for the first three months from April 1 to June 30, 2021 are classified under the new reportable segment.

3. Information regarding impairment loss on non-current assets or goodwill by reportable segment

Not applicable