



October 27, 2022

**Consolidated Financial Results**  
**For the Six Months from April 1 to September 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 : November 14, 2022  
 Scheduled starting date for dividend payments : December 1, 2022  
 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 Six Months from April 1, 2022 to September 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 six months ended |                   |      |                  |      |                 |      |                 |      |   |      |
| Sep. 30, 2022          | 314,756           | 22.4 | 48,884           | 21.1 | 52,449          | 29.6 | 47,046          | 33.9 | 33,874                                  | 44.1 |
| Sep. 30, 2021          | 257,126           | 14.8 | 40,360           | 66.9 | 40,458          | 64.1 | 35,143          | 80.9 | 23,513                                  | 95.5 |

(Note) Comprehensive income: From April 1, 2022 to September 30, 2022: 38,876 million yen (up 47.4%)

From April 1, 2021 to September 30, 2021: 26,382 million yen (up 146.6%)

(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 six months ended | Yen                      | Yen                        |
| Sep. 30, 2022          | 190.66                   | 190.14                     |
| Sep. 30, 2021          | 130.43                   | 129.99                     |

(2) Consolidated financial position

|               | Total assets    | Net assets      | Shareholders' equity ratio |
|---------------|-----------------|-----------------|----------------------------|
| As of         | Millions of yen | Millions of yen | %                          |
| Sep. 30, 2022 | 2,024,916       | 648,841         | 31.9                       |
| Mar. 31, 2022 | 2,040,506       | 621,398         | 30.3                       |

(Reference) Shareholders' equity: As of September 30, 2022: 646,280 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<br>Mar. 31, 2022                 | -                  | 42.50           | -               | 55.00           | 97.50  |
| Fiscal year ending<br>Mar. 31, 2023                | -                  | 55.00           |                 |                 |        |
| Fiscal year ending<br>Mar. 31, 2023<br>(Forecasts) |                    |                 | -               | 55.00           | 110.00 |

(Note) Revision of dividend forecasts during this quarter: None

## 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<br>Mar. 31, 2023 | 680,000           | 5.4 | 90,500           | (0.8) | 97,000          | 4.6 | 85,000          | 3.0 | 57,000                                  | 3.1 | 322.35                   |

(Note) Revision of operating results forecasts during this quarter: None

**\* 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 and Notes (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 Sep. 30                   | As of Mar. 31                   |
|---|---------------------------------|---------------------------------|
|   | 2022                            | 2022                            |
| 1) Number of shares issued at end of period (including treasury shares) | 182,835,137                     | 182,604,637                     |
| 2) Treasury shares at end of period                                     | 5,688,053                       | 4,704,422                       |
|   | From April 1 to<br>Sep 30, 2022 | From April 1 to<br>Sep 30, 2021 |
| 3) Average number of shares outstanding during the period               | 177,666,427                     | 180,277,605                     |

(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 (3,135,646 shares as of September 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 (2,559,394 shares from April 1 to September 30, 2022 and 2,109,445 shares from April 1 to September 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 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 October 27, 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 six months ended September 30, 2022: Operating revenue of 314,756 million yen, which represents an increase of 57,629 million yen, or 22.4% year on year; operating profit of 48,884 million yen, an increase of 8,524 million yen, or 21.1%; business profit of 52,449 million yen, an increase of 11,990 million yen, or 29.6%; ordinary profit of 47,046 million yen, an increase of 11,902 million yen, or 33.9%; and profit attributable to owners of parent of 33,874 million yen, an increase of 10,361 million yen, or 44.1%.

(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 six months ended September 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 141,126 million yen, which represents an increase of 42,032 million yen, or 42.4% year on year, and business profit totaled 12,742 million yen, an increase of 6,610 million yen, or 107.8% resulting in increases in both operating revenue and business profit compared with the financial results of the six months ended September 30, 2021.

This was mainly due to an increase in the number of housing units sold in the housing sales business.

In regard to housing sales, 2,058 units were recorded as sales (an increase of 652 units year on year) against the planned 4,300 units for this fiscal year. The contract progress rate was 93.8% at the end of this second quarter against the projected operating revenue of housing sales for this fiscal year.

The number of housing contracted but not recorded as sales were 3,937 units as of the end of this second quarter (an increase of 21 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 six months ended<br>Sep. 30, 2021 |  | First six months ended<br>Sep. 30, 2022 |  | Fiscal year ended<br>Mar. 31, 2022 |  |
|-----------------------|--------------------------------|---|--|---|--|------------------------------------|--|
|                       |                                | Housing units sold                      | Operating revenue<br>(Millions of yen) | Housing units sold                      | Operating revenue<br>(Millions of yen) | Housing units sold                 | Operating revenue<br>(Millions of yen) |
| Housing sales         | Tokyo metropolitan area        | 1,021 units                             | 69,768                                 | 1,369 units                             | 91,121                                 | 2,944 units                        | 210,413                                |
|                       | Kansai area                    | 131 units                               | 7,074                                  | 290 units                               | 16,556                                 | 496 units                          | 26,522                                 |
|                       | Other                          | 253 units                               | 13,279                                 | 398 units                               | 19,873                                 | 889 units                          | 47,079                                 |
|                       | Subtotal<br>(Detached housing) | 1,406 units<br>(232 units)              | 90,121<br>(15,113)                     | 2,058 units<br>(235 units)              | 127,551<br>(17,057)                    | 4,329 units<br>(451 units)         | 284,015<br>(29,990)                    |
| Rental housing (Note) |                                | -                                       | 739                                    | -                                       | 4,455                                  | -                                  | 5,621                                  |
| Senior / Other        |                                | -                                       | 8,232                                  | -                                       | 9,119                                  | -                                  | 19,588                                 |
| Total                 |                                | -                                       | 99,094                                 | -                                       | 141,126                                | -                                  | 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 Sep. 30, 2021    | As of Sep. 30, 2022    | As of Mar. 31, 2022   |
|-----------------------------|------------------------|------------------------|-----------------------|
| Tokyo metropolitan area     | 97 units               | 90 units               | 74 units              |
| Kansai area                 | 35 units               | 40 units               | 18 units              |
| Other                       | 30 units               | 65 units               | 38 units              |
| Total<br>(Detached housing) | 163 units<br>(6 units) | 195 units<br>(8 units) | 130 units<br>(0 unit) |

**Housing sales period-end completed housing inventory (unreleased)**

|                             | As of Sep. 30, 2021  | As of Sep. 30, 2022   | As of Mar. 31, 2022   |
|-----------------------------|----------------------|-----------------------|-----------------------|
| Total<br>(Detached housing) | 79 units<br>(1 unit) | 234 units<br>(0 unit) | 253 units<br>(0 unit) |

Housing sales contracted but not recorded as housing sales

|                         | As of Sep. 30, 2021 |   | As of Sep. 30, 2022 |   | As of Mar. 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 | 2,671 units         | 202,424                                       | 2,995 units         | 232,634                                       | 2,555 units         | 197,478                                       |
| Kansai area             | 480 units           | 26,305  | 473 units           | 24,553  | 439 units           | 23,687  |
| Other                   | 764 units           | 40,745  | 468 units           | 24,941  | 553 units           | 28,705  |
| Total                   | 3,916 units         | 269,476                                       | 3,937 units         | 282,129                                       | 3,548 units         | 249,870                                       |
| (Detached housing)      | (189 units)         | (12,708)                                      | (140 units)         | (9,173)                                       | (226 units)         | (15,689)                                      |

<Commercial Real Estate Business Unit>

Operating revenue in this Business Unit totaled 102,631 million yen, which represents an increase of 10,909 million yen, or 11.9% year on year, and business profit totaled 26,131 million yen, an increase of 1,351 million yen, or 5.5%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2021.

This was mainly due to an increase in revenue from property for sales business.

Breakdown of operating revenue

|                                     | First six months ended Sep. 30, 2021 (Millions of yen) | First six months ended Sep. 30, 2022 (Millions of yen) | Fiscal year ended Mar. 31, 2022 (Millions of yen) |
|-------------------------------------|--|--|---|
| Leasing (offices)                   | 23,060   | 21,269   | 45,666  |
| Leasing (retail facility)           | 5,862  | 7,943  | 12,302  |
| Leasing (other)                     | 2,055  | 1,670  | 4,131   |
| Property for sales (sale) (Note)    | 45,489   | 52,617   | 106,451   |
| Property for sales (leasing) (Note) | 6,569  | 7,851  | 13,977  |
| Fitness                             | 6,474  | 7,433  | 13,624  |
| Other                               | 2,208  | 3,845  | 6,306   |
| Total                               | 91,721   | 102,631  | 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 Sep. 30, 2021    | As of Sep. 30, 2022    | As of Mar. 31, 2022    |
|-------------------|------------------------|------------------------|------------------------|
| Offices           | 708,002 m <sup>2</sup> | 572,987 m <sup>2</sup> | 658,902 m <sup>2</sup> |
| Retail facilities | 120,358 m <sup>2</sup> | 157,991 m <sup>2</sup> | 131,874 m <sup>2</sup> |
| Total             | 828,360 m <sup>2</sup> | 730,978 m <sup>2</sup> | 790,776 m <sup>2</sup> |

Vacancy rate (offices and retail facilities)

| As of Sep. 30, 2021 | As of Sep. 30, 2022 | As of Mar. 31, 2022 |
|---------------------|---------------------|---------------------|
| 5.6%                | 5.3%                | 5.9%                |

**<Overseas Business Unit>**

Operating revenue in this Business Unit totaled 1,857 million yen, which represents an increase of 541 million yen, or 41.2% year on year, and business profit totaled 2,804 million yen (business loss of the first six months ended September 30, 2021 was 547 million yen), resulting in increases in both operating revenue and business profit compared with the financial results of the six months ended September 30, 2021. Share of profit of entities accounted for using equity method included in the business profit in this Business Unit was 3,184 million yen.

## Breakdown of operating revenue

|               | First six months ended<br>Sep. 30, 2021<br>(Millions of yen) | First six months ended<br>Sep. 30, 2022<br>(Millions of yen) | Fiscal year ended<br>Mar. 31, 2022<br>(Millions of yen) |
|---------------|--|--|---|
| Housing sales | 909  | 1,404  | 1,785   |
| Leasing       | 345  | 348  | 692   |
| Other         | 60   | 104  | 150   |
| Total         | 1,315  | 1,857  | 2,628   |

**<Investment Management Business Unit>**

Operating revenue in this Business Unit totaled 6,824 million yen, which represents an increase of 576 million yen, or 9.2% year on year, and business profit totaled 4,208 million yen, an increase of 323 million yen, or 8.3%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2021.

|                   | First six months ended<br>Sep. 30, 2021<br>(Millions of yen) | First six months ended<br>Sep. 30, 2022<br>(Millions of yen) | Fiscal year ended<br>Mar. 31, 2022<br>(Millions of yen) |
|-------------------|--|--|---|
| Operating revenue | 6,248  | 6,824  | 12,804  |

## Assets under management

|                              |                     | As of Sep. 30, 2021<br>(Millions of yen) | As of Sep. 30, 2022<br>(Millions of yen) | As of Mar. 31, 2022<br>(Millions of yen) |
|------------------------------|---------------------|--|--|--|
| Domestic<br>asset<br>manager | REITs               | 1,399,523                                | 1,445,650                                | 1,424,772                                |
|                              | Private funds, etc. | 182,758                                  | 251,549                                  | 196,370                                  |
| Overseas asset manager       |                     | 312,891                                  | 358,807                                  | 326,929                                  |
| Total                        |                     | 1,895,173                                | 2,056,006                                | 1,948,071                                |

**<Property Brokerage & CRE Business Unit>**

Operating revenue in this Business Unit totaled 23,755 million yen, which represents an increase of 3,056 million yen, or 14.8% year on year, and business profit totaled 7,533 million yen, an increase of 2,489 million yen, or 49.3%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2021.

This was mainly due to increases in the number of transactions and transaction value in property brokerage business.

## Breakdown of operating revenue

|                      | First six months ended<br>Sep. 30, 2021<br>(Millions of yen) | First six months ended<br>Sep. 30, 2022<br>(Millions of yen) | Fiscal year ended<br>Mar. 31, 2022<br>(Millions of yen) |
|----------------------|--|--|---|
| Property brokerage   | 18,719   | 22,398   | 39,833  |
| (retail business)    | (10,447)   | (12,159)   | (21,825)  |
| (middle business)    | (3,675)  | (4,319)  | (8,326)   |
| (wholesale business) | (4,596)  | (5,919)  | (9,681)   |



|       |        |        |        |
|-------|--------|--------|--------|
| Other | 1,979  | 1,357  | 3,929  |
| Total | 20,699 | 23,755 | 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 six months ended<br>Sep. 30, 2021 | First six months ended<br>Sep. 30, 2022 | Fiscal year ended<br>Mar. 31, 2022 |
|--|---|---|------------------------------------|
| Number of transactions                       | 4,909                                   | 5,059                                   | 10,081                             |
| Total transaction value<br>(Millions of yen) | 456,499                                 | 532,159                                 | 964,882                            |

<Property & Facility Management Business Unit>

Operating revenue in this Business Unit totaled 47,727 million yen, which represents an increase of 1,093 million yen, or 2.3% year on year, and business profit totaled 4,113 million yen, an increase of 157 million yen, or 4.0%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2021.

Breakdown of operating revenue

|                                | First six months ended<br>Sep. 30, 2021<br>(Millions of yen) | First six months ended<br>Sep. 30, 2022<br>(Millions of yen) | Fiscal year ended<br>Mar. 31, 2022<br>(Millions of yen) |
|--------------------------------|--|--|---|
| Property & facility management | 28,981   | 29,402   | 58,264  |
| Construction ordered           | 14,893   | 15,166   | 35,215  |
| Other                          | 2,759  | 3,158  | 5,750   |
| Total                          | 46,634   | 47,727   | 99,230  |

Number of properties under management

|                                     | As of Sep. 30, 2021 | As of Sep. 30, 2022 | As of Mar. 31, 2022 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Buildings under management          | 782                 | 791                 | 772                 |
| Housings under management<br>(unit) | 183,184             | 187,970             | 186,549             |

<Other>

Operating revenue totaled 133 million yen which represents an increase of 105 million yen, or 372.8% year on year, and business profit totaled 71 million yen (business loss of the first six months ended September 30, 2021 was 96 million yen).

## (2) Financial Position

|                            | As of Mar. 31, 2022<br>(Millions of yen) | As of Sep. 30, 2022<br>(Millions of yen) | Changes<br>(Millions of yen) | Changes |
|----------------------------|--|--|------------------------------|---------|
| Total assets               | 2,040,506                                | 2,024,916                                | (15,589)                     | (0.8%)  |
| Total liabilities          | 1,419,107                                | 1,376,074                                | (43,032)                     | (3.0%)  |
| Net assets                 | 621,398                                  | 648,841                                  | 27,443                       | 4.4%    |
| Shareholders' equity ratio | 30.3%                                    | 31.9%                                    | -                            | -       |

Total assets were 2,024,916 million yen, which represents a decrease of 15,589 million yen compared to the end of the previous fiscal year. This was mainly because other in current assets, including tax receivable due to income tax refund, decreased by 41,485 million yen, cash and deposits decreased by 24,359 million yen and land decreased by 15,754 million yen, while inventories increased by 62,948 million yen.

Total liabilities were 1,376,074 million yen, which represents a decrease of 43,032 million yen compared to the end of the previous fiscal year. This was mainly because notes and accounts payable - trade decreased by 37,475 million yen, deposits received decreased by 30,817 million yen and accounts payable decreased by 15,678 million yen, while interest-bearing debt increased by 51,238 million yen.

Net assets were 648,841 million yen, which represents an increase of 27,443 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 23,951 million yen, deferred gains or losses on hedges increased by 2,402 million yen and foreign currency translation adjustment increased by 2,202 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 second quarter totaled 43,499 million yen, which represents a decrease of 24,294 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 55,213 million yen (a year-on-year increase of 22,071 million yen). This was mainly due to an increase in inventories and a decrease in trade payables, while profit before income taxes of 45,516 million yen was recorded.

Net cash provided by (used in) investing activities decreased by 9,197 million yen (a year-on-year increase of 13,430 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 39,747 million yen (a year-on-year decrease of 19,592 million yen). This was mainly due to fund procurement by long-term borrowings, while there were redemption of bonds and payment of 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 and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

|  | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| <b>Assets</b>  |                      |                          |
| Current assets   |                      |                          |
| Cash and deposits  | 69,038               | 44,679                   |
| Notes and accounts receivable - trade, and contract assets | 22,025               | 18,454                   |
| Real estate for sale                                       | 371,504              | 413,629                  |
| Real estate for sale in process                            | 333,860              | 357,759                  |
| Land held for development                                  | 188,417              | 185,044                  |
| Equity investments   | 33,871               | 42,192                   |
| Other  | 108,106              | 67,488                   |
| Allowance for doubtful accounts                            | (20)                 | (20)                     |
| <b>Total current assets</b>                                | <b>1,126,802</b>     | <b>1,129,228</b>         |
| Non-current assets   |                      |                          |
| Property, plant and equipment                              |                      |                          |
| Buildings and structures, net                              | 200,163              | 190,521                  |
| Land   | 497,599              | 481,844                  |
| Other, net   | 28,623               | 29,477                   |
| <b>Total property, plant and equipment</b>                 | <b>726,386</b>       | <b>701,843</b>           |
| Intangible assets  | 19,933               | 20,556                   |
| Investments and other assets                               |                      |                          |
| Investment securities                                      | 101,155              | 113,418                  |
| Leasehold and guarantee deposits                           | 30,047               | 31,008                   |
| Deferred tax assets  | 27,322               | 18,274                   |
| Other  | 8,858                | 10,586                   |
| Allowance for doubtful accounts                            | (0)                  | (0)                      |
| <b>Total investments and other assets</b>                  | <b>167,383</b>       | <b>173,287</b>           |
| <b>Total non-current assets</b>                            | <b>913,703</b>       | <b>895,688</b>           |
| <b>Total assets</b>  | <b>2,040,506</b>     | <b>2,024,916</b>         |

(Millions of yen)

|  | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| <b>Liabilities</b>                                       |                      |                          |
| Current liabilities                                      |                      |                          |
| Notes and accounts payable - trade                       | 80,992               | 43,516                   |
| Short-term borrowings                                    | 108,500              | 111,500                  |
| Current portion of bonds payable                         | 10,000               | 20,000                   |
| Income taxes payable                                     | 22,299               | 15,787                   |
| Deposits received  | 43,857               | 13,040                   |
| Provision for bonuses                                    | 9,934                | 9,818                    |
| Provision for bonuses for directors (and other officers) | 549                  | 277                      |
| Provision for loss on business liquidation               | 8                    | 6                        |
| Other  | 81,838               | 66,944                   |
| Total current liabilities                                | 357,980              | 280,891                  |
| Non-current liabilities                                  |                      |                          |
| Bonds payable  | 150,000              | 130,000                  |
| Long-term borrowings                                     | 754,235              | 812,474                  |
| Leasehold and guarantee deposits received                | 59,301               | 59,428                   |
| Deferred tax liabilities                                 | 58,207               | 46,874                   |
| Deferred tax liabilities for land revaluation            | 3,902                | 3,902                    |
| Provision for share awards                               | 3,567                | 3,478                    |
| Retirement benefit liability                             | 16,644               | 16,786                   |
| Other  | 15,267               | 22,237                   |
| Total non-current liabilities                            | 1,061,127            | 1,095,183                |
| Total liabilities  | 1,419,107            | 1,376,074                |
| <b>Net assets</b>  |                      |                          |
| Shareholders' equity                                     |                      |                          |
| Share capital  | 118,604              | 118,932                  |
| Capital surplus  | 114,993              | 115,322                  |
| Retained earnings  | 382,382              | 406,333                  |
| Treasury shares  | (11,864)             | (13,761)                 |
| Total shareholders' equity                               | 604,115              | 626,827                  |
| Accumulated other comprehensive income                   |                      |                          |
| Valuation difference on available-for-sale securities    | 7,337                | 7,274                    |
| Deferred gains or losses on hedges                       | (332)                | 2,069                    |
| Revaluation reserve for land                             | 7,868                | 7,868                    |
| Foreign currency translation adjustment                  | 1,254                | 3,457                    |
| Remeasurements of defined benefit plans                  | (1,481)              | (1,216)                  |
| Total accumulated other comprehensive income             | 14,646               | 19,453                   |
| Share acquisition rights                                 | 927                  | 777                      |
| Non-controlling interests                                | 1,708                | 1,783                    |
| Total net assets   | 621,398              | 648,841                  |
| <b>Total liabilities and net assets</b>                  | <b>2,040,506</b>     | <b>2,024,916</b>         |

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

(Millions of yen)

|   | Six months ended<br>September 30, 2021 | Six months ended<br>September 30, 2022 |
|---|--|--|
| Operating revenue   | 257,126                                | 314,756                                |
| Operating costs   | 163,497                                | 206,698                                |
| Operating gross profit  | 93,629                                 | 108,057                                |
| Selling, general and administrative expenses                  | 53,268                                 | 59,173                                 |
| Operating profit  | 40,360                                 | 48,884                                 |
| Non-operating income  |  |  |
| Interest income   | 37                                     | 38                                     |
| Dividend income   | 63                                     | 36                                     |
| Share of profit of entities accounted for using equity method | —                                      | 3,217                                  |
| Other   | 293                                    | 218                                    |
| Total non-operating income                                    | 393                                    | 3,511                                  |
| Non-operating expenses  |  |  |
| Interest expenses   | 4,405                                  | 4,778                                  |
| Share of loss of entities accounted for using equity method   | 227                                    | —                                      |
| Other   | 976                                    | 571                                    |
| Total non-operating expenses                                  | 5,610                                  | 5,349                                  |
| Ordinary profit   | 35,143                                 | 47,046                                 |
| Extraordinary income  |  |  |
| Gain on sale of non-current assets                            | —                                      | 6,729                                  |
| Total extraordinary income                                    | —                                      | 6,729                                  |
| Extraordinary losses  |  |  |
| Impairment losses   | 405                                    | 5,855                                  |
| Loss on building reconstruction                               | —                                      | 2,404                                  |
| Loss on COVID-19  | 281                                    | —                                      |
| Total extraordinary losses                                    | 686                                    | 8,259                                  |
| Profit before income taxes                                    | 34,456                                 | 45,516                                 |
| Income taxes - current  | 14,583                                 | 14,928                                 |
| Income taxes - deferred                                       | (3,694)                                | (3,365)                                |
| Total income taxes  | 10,889                                 | 11,562                                 |
| Profit  | 23,567                                 | 33,953                                 |
| Profit attributable to non-controlling interests              | 54                                     | 79                                     |
| Profit attributable to owners of parent                       | 23,513                                 | 33,874                                 |

## (Quarterly Consolidated Statements of Comprehensive Income for the First Six Months from April 1 to September 30, 2022)

(Millions of yen)

|  | Six months ended<br>September 30, 2021 | Six months ended<br>September 30, 2022 |
|--|--|--|
| Profit   | 23,567                                 | 33,953                                 |
| Other comprehensive income   |  |  |
| Valuation difference on available-for-sale securities                                | (725)                                  | (60)                                   |
| Deferred gains or losses on hedges   | 1,615                                  | 2,402                                  |
| Revaluation reserve for land   | (8)                                    | (0)                                    |
| Foreign currency translation adjustment  | 1,190                                  | 2,174                                  |
| Remeasurements of defined benefit plans, net of tax                                  | 259                                    | 264                                    |
| Share of other comprehensive income of entities<br>accounted for using equity method | 482                                    | 142                                    |
| Total other comprehensive income   | 2,814                                  | 4,922                                  |
| Comprehensive income   | 26,382                                 | 38,876                                 |
| Comprehensive income attributable to   |  |  |
| Comprehensive income attributable to owners of<br>parent                             | 26,185                                 | 38,681                                 |
| Comprehensive income attributable to non-controlling<br>interests                    | 197                                    | 195                                    |

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

|  | Six months ended<br>September 30, 2021 | Six months ended<br>September 30, 2022 |
|--|--|--|
| <b>Cash flows from operating activities</b>  |  |  |
| Profit before income taxes   | 34,456                                 | 45,516                                 |
| Depreciation   | 9,441                                  | 10,108                                 |
| Impairment losses  | 405                                    | 5,855                                  |
| Gain on sale of non-current assets   | —                                      | (6,729)                                |
| Share of loss (profit) of entities accounted for using equity method                 | 227                                    | (3,217)                                |
| Increase (decrease) in allowance for doubtful accounts                               | (0)                                    | (0)                                    |
| Increase (decrease) in provision for loss on business liquidation                    | (2)                                    | (1)                                    |
| Increase (decrease) in retirement benefit liability                                  | 190                                    | 138                                    |
| Interest and dividend income   | (100)                                  | (74)                                   |
| Interest expenses  | 4,405                                  | 4,778                                  |
| Decrease (increase) in trade receivables   | 1,242                                  | 3,633                                  |
| Decrease (increase) in inventories   | (18,678)                               | (53,123)                               |
| Decrease (increase) in equity investments  | (1,745)                                | (7,758)                                |
| Increase (decrease) in trade payables  | (31,246)                               | (37,514)                               |
| Increase (decrease) in deposits received   | (10,192)                               | (30,823)                               |
| Other, net   | (2,245)                                | (3,404)                                |
| Subtotal   | (13,839)                               | (72,617)                               |
| Interest and dividends received  | 386                                    | 297                                    |
| Interest paid  | (3,702)                                | (4,090)                                |
| Income taxes refund (paid)   | (60,128)                               | 21,196                                 |
| Net cash provided by (used in) operating activities                                  | (77,284)                               | (55,213)                               |
| <b>Cash flows from investing activities</b>  |  |  |
| Purchase of investment securities  | (9,341)                                | (2,039)                                |
| Proceeds from sales and liquidation of investment securities                         | 33                                     | —                                      |
| Purchase of property, plant and equipment and intangible assets                      | (15,166)                               | (23,586)                               |
| Proceeds from sale of property, plant and equipment and intangible assets            | 322                                    | 16,728                                 |
| Payments of leasehold and guarantee deposits   | (976)                                  | (722)                                  |
| Proceeds from refund of leasehold and guarantee deposits                             | 795                                    | 927                                    |
| Repayments of lease and guarantee deposits received                                  | (2,717)                                | (3,445)                                |
| Proceeds from lease and guarantee deposits received                                  | 3,031                                  | 2,857                                  |
| Other, net   | 1,390                                  | 83                                     |
| Net cash provided by (used in) investing activities                                  | (22,627)                               | (9,197)                                |
| <b>Cash flows from financing activities</b>  |  |  |
| Net increase (decrease) in short-term borrowings                                     | 5,500                                  | 1,500                                  |
| Repayments of finance lease liabilities  | (133)                                  | (140)                                  |
| Net increase (decrease) in commercial papers   | 62,000                                 | —                                      |
| Proceeds from long-term borrowings   | 27,991                                 | 89,865                                 |
| Repayments of long-term borrowings   | (16,000)                               | (30,500)                               |
| Proceeds from issuance of shares   | 599                                    | 514                                    |
| Redemption of bonds  | (10,000)                               | (10,000)                               |
| Proceeds from sale of treasury shares  | 248                                    | 387                                    |
| Purchase of treasury shares  | (3,077)                                | (2,645)                                |
| Dividends paid   | (7,759)                                | (9,923)                                |
| Dividends paid to non-controlling interests  | (23)                                   | (120)                                  |
| Proceeds from investments in silent partnerships                                     | —                                      | 810                                    |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (5)                                    | —                                      |
| Net cash provided by (used in) financing activities                                  | 59,340                                 | 39,747                                 |
| Effect of exchange rate change on cash and cash                                      | 214                                    | 369                                    |

|  |          |          |
|--|----------|----------|
| equivalents  |          |          |
| Net increase (decrease) in cash and cash equivalents | (40,357) | (24,294) |
| Cash and cash equivalents at beginning of period     | 70,624   | 67,793   |
| Cash and cash equivalents at end of period           | 30,267   | 43,499   |



(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)

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

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 six months from April 1 to September 30, 2022 is immaterial.

## (Segment Information)

## 【Segment information】

I First six months from April 1 to September 30, 2021

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

(Millions of yen)

|   | Reportable segments             |                           |                      |                               |                                |   |          | Other<br>(Note) 1 | Total   | Adjustments<br>(Note) 2 | Amount<br>recorded in<br>consolidated<br>financial<br>statements<br>(Note) 3 |
|---|---------------------------------|---------------------------|----------------------|-------------------------------|--------------------------------|---|----------|-------------------|---------|-------------------------|--|
|   | Residential<br>Develop-<br>ment | Commercial<br>Real Estate | Overseas<br>Business | Investment<br>Manage-<br>ment | Property<br>Brokerage<br>& CRE | Property &<br>Facility<br>Manage-<br>ment | Subtotal |                   |         |                         |  |
| Operating revenue   |                                 |                           |                      |                               |                                |   |          |                   |         |                         |  |
| External customers  | 98,761                          | 90,751                    | 1,315                | 6,223                         | 19,287                         | 40,762                                    | 257,100  | 25                | 257,126 | -                       | 257,126  |
| Internal sales and<br>transfer amount<br>among segments                                       | 332                             | 970                       | -                    | 25                            | 1,411                          | 5,871                                     | 8,612    | 2                 | 8,615   | (8,615)                 | -  |
| Subtotal  | 99,094                          | 91,721                    | 1,315                | 6,248                         | 20,699                         | 46,634                                    | 265,713  | 28                | 265,741 | (8,615)                 | 257,126  |
| Operating profit<br>(Note) 3  | 6,121                           | 24,612                    | (256)                | 3,725                         | 5,044                          | 3,904                                     | 43,151   | (96)              | 43,055  | (2,694)                 | 40,360   |
| Share of profit (loss)<br>of entities accounted<br>for using equity<br>method (Note) 3        | 10                              | 30                        | (305)                | -                             | -                              | 37  | (227)    | -                 | (227)   | -                       | (227)  |
| Amortization of<br>intangible assets<br>associated with<br>corporate acquisitions<br>(Note) 3 | -                               | 136                       | 15                   | 159                           | -                              | 14  | 326      | -                 | 326     | -                       | 326  |
| Segment profit or loss<br>(Business profit or<br>loss) (Note) 3                               | 6,131                           | 24,779                    | (547)                | 3,885                         | 5,044                          | 3,956                                     | 43,250   | (96)              | 43,153  | (2,694)                 | 40,458   |

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

2. The deduction of 2,694 million yen shown in the adjustments column for segment profit or loss (Business profit or loss) includes elimination of intersegment transactions of 1,305 million yen and corporate expenses not allocated to each reportable segment of 4,000 million yen. 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. 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<br>Development | Commercial<br>Real Estate | Overseas<br>Business | Investment<br>Management | Property Brokerage<br>&<br>CRE | Property &<br>Facility<br>Management | Total |
|-----------------|----------------------------|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------------------|-------|
| Impairment loss | -                          | 405                       | -                    | -                        | -                              | -                                    | 405   |

II First six months from April 1 to September 30, 2022

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

(Millions of yen)

|   | Reportable segments            |                           |                      |                              |                                |  |          | Other<br>(Note) 1 | Total   | Adjustments<br>(Note) 2 | Amount<br>recorded in<br>consolidated<br>financial<br>statements<br>(Note) 3 |
|---|--------------------------------|---------------------------|----------------------|------------------------------|--------------------------------|--|----------|-------------------|---------|-------------------------|--|
|   | Residential<br>Develop<br>ment | Commercial<br>Real Estate | Overseas<br>Business | Investment<br>Manage<br>ment | Property<br>Brokerage<br>& CRE | Property &<br>Facility<br>Manage<br>ment | Subtotal |                   |         |                         |  |
| Operating revenue   |                                |                           |                      |                              |                                |  |          |                   |         |                         |  |
| External customers  | 140,799                        | 101,457                   | 1,857                | 6,732                        | 22,652                         | 41,126                                   | 314,625  | 131               | 314,756 | -                       | 314,756  |
| Internal sales and<br>transfer amount<br>among segments                                       | 327                            | 1,173                     | -                    | 92                           | 1,103                          | 6,601                                    | 9,299    | 2                 | 9,301   | (9,301)                 | -  |
| Subtotal  | 141,126                        | 102,631                   | 1,857                | 6,824                        | 23,755                         | 47,727                                   | 323,924  | 133               | 324,057 | (9,301)                 | 314,756  |
| Operating profit<br>(Note) 3  | 12,740                         | 25,970                    | (397)                | 4,038                        | 7,533                          | 4,082                                    | 53,969   | 71                | 54,040  | (5,155)                 | 48,884   |
| Share of profit (loss)<br>of entities accounted<br>for using equity<br>method (Note) 3        | (6)                            | 23                        | 3,184                | -                            | -                              | 15                                       | 3,217    | -                 | 3,217   | -                       | 3,217  |
| Amortization of<br>intangible assets<br>associated with<br>corporate acquisitions<br>(Note) 3 | 7                              | 136                       | 17                   | 169                          | -                              | 14                                       | 346      | -                 | 346     | -                       | 346  |
| Segment profit or loss<br>(Business profit or<br>loss) (Note) 3                               | 12,742                         | 26,131                    | 2,804                | 4,208                        | 7,533                          | 4,113                                    | 57,533   | 71                | 57,604  | (5,155)                 | 52,449   |

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

- The deduction of 5,155 million yen shown in the adjustments column for segment profit or loss (Business profit or loss) includes elimination of intersegment transactions of 744 million yen and corporate expenses not allocated to each reportable segment of 5,900 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. 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 six months from April 1 to September 30, 2021 are classified under the new reportable segment.

3. 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<br>Development | Commercial<br>Real Estate | Overseas<br>Business | Investment<br>Management | Property Brokerage<br>&<br>CRE | Property &<br>Facility<br>Management | Total |
|-----------------|----------------------------|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------------------|-------|
| Impairment loss | -                          | 5,855                     | -                    | -                        | -                              | -                                    | 5,855 |