



January 26, 2023

**Consolidated Financial Results**  
**For the Nine Months from April 1 to December 31, 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 : <http://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: February 13, 2023  
 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 Nine Months from April 1, 2022 to December 31, 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 nine months ended										
Dec. 31, 2022	422,590	17.1	61,450	25.1	66,524	34.9	58,184	41.3	40,919	52.3
Dec. 31, 2021	361,004	(3.3)	49,135	3.4	49,299	3.1	41,178	2.8	26,859	3.5

(Note) Comprehensive income: From April 1, 2022 to December 31, 2022: 47,088 million yen (up 66.4%)

From April 1, 2021 to December 31, 2021: 28,300 million yen (up 6.1%)

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

	Basic earnings per share	Diluted earnings per share
First nine months ended	Yen	Yen
Dec. 31, 2022	230.85	230.24
Dec. 31, 2021	149.15	148.68

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Dec. 31, 2022	2,065,732	641,173	30.9
Mar. 31, 2022	2,040,506	621,398	30.3

(Reference) Shareholders' equity: As of December 31, 2022: 638,641 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	-	55.00	-		
Fiscal year ending Mar. 31, 2023 (Forecasts)				60.00	115.00

(Note) Revision from previous dividend forecasts: Yes

For the revision of dividend forecasts, please refer to "Announcement of Revision of Dividend Forecast" released today (January 26, 2023).

## 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	660,000	2.3	94,000	3.1	100,000	7.8	88,000	6.6	60,000	8.5	339.61

(Note) Revision from previous operating results forecasts: Yes

**\* 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 16 of the Attachments.

(4) Number of shares issued (common stock)

	As of Dec. 31	As of Mar. 31
	2022	2022
1) Number of shares issued at end of period (including treasury shares)	182,875,137	182,604,637
2) Treasury shares at end of period	7,053,864	4,704,422
	From April 1 to Dec 31, 2022	From April 1 to Dec 31, 2021
3) Average number of shares outstanding during the period	177,255,930	180,080,665

(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 (3,553,057 shares as of December 31, 2022 and 2,522,837 shares as of March 31, 2022).

The Company's share owned by executive compensation BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period. (2,857,593 shares from April 1 to December 31, 2022 and 2,233,462 shares from April 1 to December 31, 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 8 of the Attachments.

(How to obtain the fact sheets)

The fact sheets will be disclosed on TDnet on January 26, 2023 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 nine months ended December 31, 2022: Operating revenue of 422,590 million yen, which represents an increase of 61,585 million yen, or 17.1% year on year; operating profit of 61,450 million yen, an increase of 12,314 million yen, or 25.1%; business profit of 66,524 million yen, an increase of 17,225 million yen, or 34.9%; ordinary profit of 58,184 million yen, an increase of 17,006 million yen, or 41.3%; and profit attributable to owners of parent of 40,919 million yen, an increase of 14,059 million yen, or 52.3%.

(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 nine months ended December 31, 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 164,170 million yen, which represents an increase of 25,869 million yen, or 18.7% year on year, and business profit totaled 9,239 million yen, an increase of 3,367 million yen, or 57.4%, resulting in increases in both operating revenue and business profit compared with the financial results of the nine months ended December 31, 2021.

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

In regard to housing sales, 2,319 units were recorded as sales (an increase of 417 units year on year) against the planned 4,300 units for this fiscal year. The contract progress rate was 97.5% at the end of this third quarter against the projected operating revenue of housing sales for this fiscal year.

The number of housing contracted but not recorded as sales were 4,577 units as of the end of this third quarter (a decrease of 132 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 nine months ended Dec. 31, 2021		First nine months ended Dec. 31, 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	1,290 units	93,145	1,539 units	103,047	2,944 units	210,413
	Kansai area	277 units	13,452	329 units	18,700	496 units	26,522
	Other	335 units	17,293	451 units	22,507	889 units	47,079
	Subtotal (Detached housing)	1,902 units (364 units)	123,892 (23,683)	2,319 units (284 units)	144,255 (20,519)	4,329 units (451 units)	284,015 (29,990)
Rental housing (Note)		-	2,679	-	6,544	-	5,621
Senior / Other		-	11,729	-	13,370	-	19,588
Total		-	138,301	-	164,170	-	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 Dec. 31, 2021	As of Dec. 31, 2022	As of Mar. 31, 2022
Tokyo metropolitan area	78 units	69 units	74 units
Kansai area	23 units	31 units	18 units
Other	20 units	73 units	38 units
Total (Detached housing)	121 units (0 unit)	173 units (3 units)	130 units (0 unit)

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

	As of Dec. 31, 2021	As of Dec. 31, 2022	As of Mar. 31, 2022
Total (Detached housing)	66 units (0 unit)	161 units (0 unit)	253 units (0 unit)

Housing sales contracted but not recorded as housing sales

	As of Dec. 31, 2021		As of Dec. 31, 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	3,293 units	246,068	3,396 units	269,169	2,555 units	197,478
Kansai area	466 units	26,658	624 units	33,153	439 units	23,687
Other	948 units	50,392	557 units	28,997	553 units	28,705
Total (Detached housing)	4,709 units (194 units)	323,119 (13,538)	4,577 units (167 units)	331,320 (11,545)	3,548 units (226 units)	249,870 (15,689)

<Commercial Real Estate Business Unit >

Operating revenue in this Business Unit totaled 148,426 million yen, which represents an increase of 20,627 million yen, or 16.1% year on year, and business profit totaled 33,052 million yen, an increase of 5,346 million yen, or 19.3%, resulting in increases in both operating revenue and business profit compared with the financial results of the first nine months ended December 31, 2021.

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

Breakdown of operating revenue

	First nine months ended Dec. 31, 2021 (Millions of yen)	First nine months ended Dec. 31, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Leasing (offices)	34,258	31,258	45,666
Leasing (retail facilities)	8,923	12,016	12,302
Leasing (other)	3,089	2,477	4,131
Property for sales (sale) (Note)	57,062	73,000	106,451
Property for sales (leasing) (Note)	10,170	12,185	13,977
Fitness	10,020	11,231	13,624
Other	4,274	6,256	6,306
Total	127,799	148,426	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 Dec. 31, 2021	As of Dec. 31, 2022	As of Mar. 31, 2022
Offices	707,466 m <sup>2</sup>	563,225 m <sup>2</sup>	658,902 m <sup>2</sup>
Retail facilities	133,626 m <sup>2</sup>	157,991 m <sup>2</sup>	131,874 m <sup>2</sup>
Total	841,092 m <sup>2</sup>	721,216 m <sup>2</sup>	790,776 m <sup>2</sup>

Vacancy rate (offices and retail facilities)

As of Dec. 31, 2021	As of Dec. 31, 2022	As of Mar. 31, 2022
6.4%	5.4%	5.9%

**<Overseas Business Unit>**

Operating revenue in this Business Unit totaled 5,360 million yen, which represents an increase of 3,845 million yen, or 253.9% year on year, and business profit totaled 6,755 million yen (business loss of the first nine months ended December 31, 2021 was 1,317 million yen), resulting in increases in both operating revenue and business profit compared with the financial results of the nine months ended December 31, 2021. Share of profit of entities accounted for using equity method included in the business profit in this Business Unit was 4,487 million yen.

## Breakdown of operating revenue

	First nine months ended Dec. 31, 2021 (Millions of yen)	First nine months ended Dec. 31, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Housing sales	894	4,677	1,785
Leasing	521	511	692
Other	98	171	150
Total	1,514	5,360	2,628

**<Investment Management Business Unit>**

Operating revenue in this Business Unit totaled 10,447 million yen, which represents an increase of 843 million yen, or 8.8% year on year, and business profit totaled 6,416 million yen, an increase of 388 million yen, or 6.4%, resulting in increases in both operating revenue and business profit compared with the financial results of the first nine months ended December 31, 2021.

	First nine months ended Dec. 31, 2021 (Millions of yen)	First nine months ended Dec. 31, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Operating revenue	9,603	10,447	12,804

## Assets under management

		As of Dec. 31, 2021 (Millions of yen)	As of Dec. 31, 2022 (Millions of yen)	As of Mar. 31, 2022 (Millions of yen)
Domestic asset manager	REITs	1,397,078	1,441,211	1,424,772
	Private funds, etc.	194,101	252,376	196,370
Overseas asset manager		310,865	314,260	326,929
Total		1,902,045	2,007,848	1,948,071

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

Operating revenue in this Business Unit totaled 34,251 million yen, which represents an increase of 2,585 million yen, or 8.2% year on year, and business profit totaled 10,202 million yen, an increase of 1,971 million yen, or 23.9%, resulting in increases in both operating revenue and business profit compared with the financial results of the first nine months ended December 31, 2021.

This was mainly due to increases in total transaction value in property brokerage business.

## Breakdown of operating revenue

	First nine months ended Dec. 31, 2021 (Millions of yen)	First nine months ended Dec. 31, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Property brokerage	28,746	32,579	39,833
(retail business)	(15,517)	(17,520)	(21,825)



(middle business)	(5,976)	(6,829)	(8,326)
(wholesale business)	(7,252)	(8,230)	(9,681)
Other	2,919	1,672	3,929
Total	31,666	34,251	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 nine months ended Dec. 31, 2021	First nine months ended Dec. 31, 2022	Fiscal year ended Mar. 31, 2022
Number of transactions	7,313	7,355	10,081
Total transaction value (Millions of yen)	688,467	759,404	964,882

<Property & Facility Management Business Unit>

Operating revenue in this Business Unit totaled 73,410 million yen, which represents an increase of 3,464 million yen, or 5.0% year on year, and business profit totaled 6,351 million yen, an increase of 420 million yen, or 7.1%, resulting in increases in both operating revenue and business profit compared with the financial results of the first nine months ended December 31, 2021.

Breakdown of operating revenue

	First nine months ended Dec. 31, 2021 (Millions of yen)	First nine months ended Dec. 31, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Property & facility management	43,728	44,538	58,264
Construction ordered	22,098	24,394	35,215
Other	4,119	4,477	5,750
Total	69,946	73,410	99,230

Number of properties under management

	As of Dec. 31, 2021	As of Dec. 31, 2022	As of Mar. 31, 2022
Buildings under management	781	793	772
Housings under management (unit)	183,221	187,379	186,549

<Other>

Operating revenue totaled 211 million yen which represents an increase of 171 million yen, or 423.5% year on year, and business profit totaled 114 million yen (business loss of the first nine months ended December 31, 2021 was 161 million yen).

## (2) Financial Position

	As of Mar. 31, 2022 (Millions of yen)	As of Dec. 31, 2022 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	2,040,506	2,065,732	25,225	1.2%
Total liabilities	1,419,107	1,424,559	5,451	0.4%
Net assets	621,398	641,173	19,774	3.2%
Shareholders' equity ratio	30.3%	30.9%	-	-

Total assets were 2,065,732 million yen, which represents an increase of 25,225 million yen compared to the end of the previous fiscal year. This was mainly because inventories increased by 80,031 million yen and investment securities increased by 36,234 million yen, while other in current assets, including tax receivable due to income tax refund, decreased by 39,428 million yen, cash and deposits decreased by 38,075 million yen, and land decreased by 15,799 million yen.

Total liabilities were 1,424,559 million yen, which represents an increase of 5,451 million yen compared to the end of the previous fiscal year. This was mainly because interest-bearing debt increased by 124,503 million yen, while notes and accounts payable - trade decreased by 47,514 million yen, deposits received decreased by 30,912 million yen, income taxes payable decreased by 20,000 million yen and accounts payable decreased by 16,472 million yen.

Net assets were 641,173 million yen, which represents an increase of 19,774 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 21,080 million yen, foreign currency translation adjustment increased by 3,621 million yen and deferred gains or losses on hedges increased by 1,362 million yen, while the company acquired treasury shares (decreased by 7,934 million yen).

The shareholders' equity ratio was 30.9%, an increase of 0.6 percentage point from the end of the previous fiscal year.

### (Cash Flows)

Cash and cash equivalents as of the end of this third quarter totaled 29,638 million yen, which represents a decrease of 38,154 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 75,181 million yen (a year-on-year increase of 8,375 million yen). This was mainly due to an increase in inventories and a decrease in trade payables, while profit before income taxes of 55,384 million yen was recorded.

Net cash provided by (used in) investing activities decreased by 60,084 million yen (a year-on-year decrease of 32,147 million yen). This was mainly due to the purchase of property, plant and equipment and intangible assets and the purchase of investment securities.

Net cash provided by (used in) financing activities increased by 97,075 million yen (a year-on-year increase of 17,731 million yen). This was mainly due to the fund procurement by long-term borrowings and the issuance of commercial papers, while there were payment of dividends and redemption of bonds.

### (3) Consolidated Operating Result Forecasts

The consolidated operating result forecasts for the fiscal year ending March 31, 2023 were revised from the figures announced on April 26, 2022, by examining the future outlook based on the operating results for the nine months ended December 31, 2022.

#### <Consolidated Forecasts>

The Group expects the following consolidated operating result for the fiscal year ending March 31, 2023: Operating revenue of 660,000 million yen; operating profit of 94,000 million yen; business profit of 100,000 million yen; ordinary profit of 88,000 million yen; and profit attributable to owners of parent of 60,000 million yen.

Changes from the previous consolidated operating result forecasts are as follows:

	Operating revenue	Operating profit	Business profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	680,000	90,500	97,000	85,000	57,000	321.02
Revised forecasts (B)	660,000	94,000	100,000	88,000	60,000	339.61
Changes (B-A)	(20,000)	3,500	3,000	3,000	3,000	
Changes (%)	(2.9%)	3.9%	3.1%	3.5%	5.3%	
Actual results for the previous fiscal year	645,049	91,210	92,765	82,557	55,312	307.81

#### <Forecasts by Business Unit>

Forecasts for the fiscal year ending March 31, 2023 by business unit are as follows:

##### Operating revenue

	Previous forecasts (Millions of yen)	Revised forecasts (Millions of yen)	Changes (Millions of yen)
Residential Development	325,000	300,000	(25,000)
Commercial Real Estate	210,000	210,000	-
Overseas Business	4,000	5,000	1,000
Investment Management	13,000	13,000	-
Property Brokerage & CRE	44,000	45,000	1,000
Property & Facility Management	104,000	104,000	-
Other	0	0	-
Adjustments	(20,000)	(17,000)	3,000
Total	680,000	660,000	(20,000)

Business profit

	Previous forecasts (Millions of yen)	Revised forecasts (Millions of yen)	Changes (Millions of yen)
Residential Development	32,500	32,500	-
Commercial Real Estate	41,000	41,000	-
Overseas Business	5,500	6,500	1,000
Investment Management	8,000	8,000	-
Property Brokerage & CRE	11,500	12,500	1,000
Property & Facility Management	9,000	9,500	500
Other	0	0	-
Adjustments	(10,500)	(10,000)	500
Total	97,000	100,000	3,000

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	69,038	30,962
Notes and accounts receivable - trade, and contract assets	22,025	17,846
Real estate for sale	371,504	410,184
Real estate for sale in process	333,860	378,622
Land held for development	188,417	184,534
Equity investments	33,871	32,014
Other	108,106	92,605
Allowance for doubtful accounts	(20)	(16)
<b>Total current assets</b>	<b>1,126,802</b>	<b>1,146,753</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	200,163	187,642
Land	497,599	481,799
Other, net	28,623	34,584
<b>Total property, plant and equipment</b>	<b>726,386</b>	<b>704,026</b>
Intangible assets	19,933	20,613
Investments and other assets		
Investment securities	101,155	137,389
Leasehold and guarantee deposits	30,047	30,917
Deferred tax assets	27,322	17,424
Other	8,858	8,608
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>167,383</b>	<b>194,339</b>
<b>Total non-current assets</b>	<b>913,703</b>	<b>918,978</b>
<b>Total assets</b>	<b>2,040,506</b>	<b>2,065,732</b>

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	80,992	33,477
Short-term borrowings	108,500	116,000
Commercial papers	—	46,000
Current portion of bonds payable	10,000	20,000
Income taxes payable	22,299	2,298
Deposits received	43,857	12,945
Provision for bonuses	9,934	5,341
Provision for bonuses for directors (and other officers)	549	412
Provision for loss on business liquidation	8	5
Other	81,838	72,827
<b>Total current liabilities</b>	<b>357,980</b>	<b>309,308</b>
Non-current liabilities		
Bonds payable	150,000	130,000
Long-term borrowings	754,235	835,239
Leasehold and guarantee deposits received	59,301	58,881
Deferred tax liabilities	58,207	48,299
Deferred tax liabilities for land revaluation	3,902	3,902
Provision for share awards	3,567	3,862
Retirement benefit liability	16,644	16,927
Other	15,267	18,137
<b>Total non-current liabilities</b>	<b>1,061,127</b>	<b>1,115,250</b>
<b>Total liabilities</b>	<b>1,419,107</b>	<b>1,424,559</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	118,604	118,984
Capital surplus	114,993	115,374
Retained earnings	382,382	403,463
Treasury shares	(11,864)	(19,799)
<b>Total shareholders' equity</b>	<b>604,115</b>	<b>618,023</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,337	7,927
Deferred gains or losses on hedges	(332)	1,029
Revaluation reserve for land	7,868	7,868
Foreign currency translation adjustment	1,254	4,875
Remeasurements of defined benefit plans	(1,481)	(1,083)
<b>Total accumulated other comprehensive income</b>	<b>14,646</b>	<b>20,617</b>
Share acquisition rights	927	745
Non-controlling interests	1,708	1,785
<b>Total net assets</b>	<b>621,398</b>	<b>641,173</b>
<b>Total liabilities and net assets</b>	<b>2,040,506</b>	<b>2,065,732</b>

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
(Quarterly Consolidated Statements of Income for the First Nine Months from April 1 to December 31, 2022)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Operating revenue	361,004	422,590
Operating costs	233,466	275,029
Operating gross profit	127,538	147,561
Selling, general and administrative expenses	78,402	86,111
Operating profit	49,135	61,450
Non-operating income		
Interest income	50	63
Dividend income	81	52
Share of profit of entities accounted for using equity method	—	4,552
Other	423	327
Total non-operating income	555	4,996
Non-operating expenses		
Interest expenses	6,638	7,425
Share of loss of entities accounted for using equity method	326	—
Other	1,548	836
Total non-operating expenses	8,513	8,261
Ordinary profit	41,178	58,184
Extraordinary income		
Gain on sale of non-current assets	—	6,873
Total extraordinary income	—	6,873
Extraordinary losses		
Impairment losses	405	6,642
Loss on building reconstruction	617	3,030
Loss on COVID-19	281	—
Total extraordinary losses	1,304	9,673
Profit before income taxes	39,873	55,384
Income taxes - current	16,076	15,960
Income taxes - deferred	(3,085)	(1,629)
Total income taxes	12,991	14,331
Profit	26,881	41,053
Profit attributable to non-controlling interests	22	134
Profit attributable to owners of parent	26,859	40,919

## (Quarterly Consolidated Statements of Comprehensive Income for the First Nine Months from April 1 to December 31, 2022)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	26,881	41,053
Other comprehensive income		
Valuation difference on available-for-sale securities	(512)	590
Deferred gains or losses on hedges	212	1,362
Revaluation reserve for land	(8)	(0)
Foreign currency translation adjustment	1,088	2,205
Remeasurements of defined benefit plans, net of tax	386	397
Share of other comprehensive income of entities accounted for using equity method	251	1,478
Total other comprehensive income	1,418	6,034
Comprehensive income	28,300	47,088
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,155	46,890
Comprehensive income attributable to non-controlling interests	144	197



## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	39,873	55,384
Depreciation	14,142	15,317
Impairment losses	405	6,642
Gain on sale of non-current assets	—	(6,873)
Share of loss (profit) of entities accounted for using equity method	326	(4,552)
Increase (decrease) in allowance for doubtful accounts	0	(3)
Increase (decrease) in provision for loss on business liquidation	(3)	(2)
Increase (decrease) in retirement benefit liability	372	280
Interest and dividend income	(131)	(116)
Interest expenses	6,638	7,425
Decrease (increase) in trade receivables	2,490	4,234
Decrease (increase) in inventories	(28,844)	(70,205)
Decrease (increase) in equity investments	(1,663)	2,520
Increase (decrease) in trade payables	(31,375)	(47,540)
Increase (decrease) in deposits received	(7,397)	(30,918)
Other, net	(2,583)	(7,405)
Subtotal	(7,750)	(75,813)
Interest and dividends received	401	327
Interest paid	(5,438)	(6,107)
Income taxes refund (paid)	(70,769)	6,411
Net cash provided by (used in) operating activities	(83,556)	(75,181)
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(9,669)	(25,505)
Proceeds from sales and liquidation of investment securities	35	—
Purchase of property, plant and equipment and intangible assets	(19,494)	(31,418)
Proceeds from sale of property, plant and equipment and intangible assets	212	16,748
Payments of leasehold and guarantee deposits	(1,503)	(988)
Proceeds from refund of leasehold and guarantee deposits	1,105	1,151
Repayments of lease and guarantee deposits received	(4,250)	(4,943)
Proceeds from lease and guarantee deposits received	4,266	3,504
Net decrease (increase) in short-term loans receivable	—	(18,707)
Other, net	1,360	75
Net cash provided by (used in) investing activities	(27,937)	(60,084)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	23,500	(500)
Repayments of finance lease liabilities	(189)	(221)
Net increase (decrease) in commercial papers	87,000	46,000
Proceeds from long-term borrowings	31,408	133,660
Repayments of long-term borrowings	(32,500)	(45,000)
Proceeds from issuance of shares	635	586
Redemption of bonds	(10,000)	(10,000)
Proceeds from sale of treasury shares	248	388
Purchase of treasury shares	(5,140)	(8,689)
Dividends paid	(15,515)	(19,838)
Dividends paid to non-controlling interests	(97)	(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	79,344	97,075
Effect of exchange rate change on cash and cash equivalents	172	35

Net increase (decrease) in cash and cash equivalents	(31,975)	(38,154)
Cash and cash equivalents at beginning of period	70,624	67,793
Cash and cash equivalents at end of period	38,648	29,638

(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 nine months from April 1 to December 31, 2022 is immaterial.

(Segment Information)

【Segment information】

I First nine months from April 1 to December 31, 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	137,809	121,381	1,514	9,562	29,822	60,876	360,967	37	361,004	-	361,004
Internal sales and transfer amount among segments	491	6,417	-	40	1,844	9,070	17,863	3	17,867	(17,867)	-
Subtotal	138,301	127,799	1,514	9,603	31,666	69,946	378,831	40	378,872	(17,867)	361,004
Operating profit (Note) 3	5,850	27,470	(897)	5,788	8,231	5,844	52,287	(161)	52,126	(2,990)	49,135
Share of profit (loss) of entities accounted for using equity method (Note) 3	21	30	(442)	-	-	64	(326)	-	(326)	-	(326)
Amortization of intangible assets associated with corporate acquisitions (Note) 3	-	205	22	240	-	21	490	-	490	-	490
Segment profit or loss (Business profit or loss) (Note) 3	5,872	27,706	(1,317)	6,028	8,231	5,931	52,452	(161)	52,290	(2,990)	49,299

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

2. The deduction of 2,990 million yen shown in the adjustments column for segment profit or loss (Business profit or loss) includes elimination of intersegment transactions of 2,033 million yen and corporate expenses not allocated to each reportable segment of 5,024 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. Notes relating to changes in reportable segments etc.

(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 nine months from April 1 to December 31, 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 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	163,601	146,682	5,360	10,307	32,899	63,530	422,381	208	422,590	-	422,590
Internal sales and transfer amount among segments	569	1,744	0	139	1,352	9,880	13,686	2	13,689	(13,689)	-
Subtotal	164,170	148,426	5,360	10,447	34,251	73,410	436,067	211	436,279	(13,689)	422,590
Operating profit (Note) 3	9,230	32,823	2,240	6,173	10,202	6,273	66,944	114	67,058	(5,608)	61,450
Share of profit (loss) of entities accounted for using equity method (Note) 3	(2)	23	4,487	(13)	-	56	4,552	-	4,552	-	4,552
Amortization of intangible assets associated with corporate acquisitions (Note) 3	11	205	27	256	-	21	522	-	522	-	522
Segment profit or loss (Business profit or loss) (Note) 3	9,239	33,052	6,755	6,416	10,202	6,351	72,019	114	72,133	(5,608)	66,524

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

- The deduction of 5,608 million yen shown in the adjustments column for segment profit or loss (Business profit or loss) includes elimination of intersegment transactions of 1,347 million yen and corporate expenses not allocated to each reportable segment of 6,955 million yen. 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 nine months from April 1 to December 31, 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 Development	Commercial Real Estate	Overseas Business	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	6,642	-	-	-	-	6,642