



Oct. 26, 2023

Consolidated Financial Results
For the Six Months from April 1 to September 30, 2023
<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 : Satoshi Arai, President and Representative Director
 Inquiries : Hidehiro Sasaki,
 General Manager, Corporate Communications Dept.
 Email : nrehd-ir@nomura-re.co.jp
 Scheduled submitting date of quarterly securities report : November 13, 2023
 Scheduled starting date for dividend payments : December 1, 2023
 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, 2023 to September 30, 2023

(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, 2023	368,318	17.0	61,372	25.5	61,446	17.2	54,615	16.1	32,956	(2.7)
Sep. 30, 2022	314,756	22.4	48,884	21.1	52,449	29.6	47,046	33.9	33,874	44.1

(Note) Comprehensive income: From April 1, 2023 to September 30, 2023 : 37,871 million yen (down 2.6%)

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

(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, 2023	189.36	188.97
Sep. 30, 2022	190.66	190.14

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Sep. 30, 2023	2,130,310	682,083	31.9
Mar. 31, 2023	2,110,693	655,737	31.0

(Reference) Shareholders' equity: As of September 30, 2023 : 680,561 million yen As of March 31, 2023 : 653,307 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, 2023	-	55.00	-	65.00	120.00
Fiscal year ending Mar. 31, 2024	-	65.00			
Fiscal year ending Mar. 31, 2024 (Forecasts)			-	65.00	130.00

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

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2023 to March 31, 2024

(% 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, 2024	750,000	14.5	103,000	3.4	109,000	3.6	94,000	(0.1)	65,000	0.7	374.13

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

*** Notes**

- (1) Significant changes to subsidiaries during the period (Changes in scope of consolidation of specified subsidiaries): None
- (2) Adoption of specific accounting policies for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatements
- 1) Changes in accounting policies due to revision of accounting standards, etc. : None
 - 2) Changes in accounting policies other than the above : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None

(4) Number of shares issued (common stock)

	As of Sep. 30	As of Mar. 31
	2023	2023
1) Number of shares issued at end of period (including treasury shares)	183,154,537	182,938,437
2) Treasury shares at end of period	8,801,091	9,015,395
	From April 1 to September 30, 2023	From April 1 to September 30, 2022
3) Average number of shares outstanding during the period	174,040,195	177,666,427

(Note) The number of treasury shares at end of each period includes the shares of Nomura Real Estate Holdings, Inc. (the “Company”) owned by BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust (3,063,607 shares as of September 30, 2023 and 3,553,057 shares as of March 31, 2023). 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 (3,304,041 shares from April 1 to September 30, 2023 and 2,559,394 shares from April 1 to September 30, 2022).

* 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 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 six months ended September 30, 2023: Operating revenue of 368,318 million yen, which represents an increase of 53,562 million yen, or 17.0% year on year; operating profit of 61,372 million yen, an increase of 12,487 million yen, or 25.5%; business profit of 61,446 million yen, an increase of 8,997 million yen, or 17.2%; ordinary profit of 54,615 million yen, an increase of 7,569 million yen, or 16.1%; and profit attributable to owners of parent of 32,956 million yen, a decrease of 917 million yen, or 2.7%.

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

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, 2023, the merger has been carried out with PRIME X Co., Ltd. being the surviving company and Musashi Co., Ltd.

<Residential Development Business Unit>

Operating revenue in this Business Unit totaled 165,876 million yen, which represents an increase of 24,750 million yen, or 17.5% year on year, and business profit totaled 20,992 million yen, an increase of 8,250 million yen, or 64.7%, resulting in increases in both operating revenue and business profit compared with the financial results of the six months ended September 30, 2022.

This was mainly due to an improvement in gross profit ratio of housing sales and an increase in revenue from property sales of rental housing.

In regard to housing sales, 1,994 units were recorded as sales (a decrease of 64 units year on year) against the planned 4,500 units for this fiscal year. The contract progress rate was 91.6% as of 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 3,413 units as of the end of this second quarter (a decrease of 524 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 Sep. 30, 2022		First six months ended Sep. 30, 2023		Fiscal year ended Mar. 31, 2023	
		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	1,369 units	91,121	1,583 units	110,808	2,718 units	199,905
	Kansai area	290 units	16,556	168 units	9,862	650 units	34,730
	Other	398 units	19,873	243 units	10,905	773 units	39,025
	Subtotal (Detached housing)	2,058 units (235 units)	127,551 (17,057)	1,994 units (207 units)	131,576 (17,129)	4,142 units (353 units)	273,662 (25,186)
Rental housing (Note)		-	4,455	-	17,699	-	8,603
Senior / Other		-	9,119	-	16,600	-	20,214
Total		-	141,126	-	165,876	-	302,480

(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, 2022	As of Sep. 30, 2023	As of March 31, 2023
Tokyo metropolitan area	90 units	121 units	119 units
Kansai area	40 units	27 units	43 units
Other	65 units	64 units	60 units
Total	195 units	212 units	222 units
(Detached housing)	(8 units)	(6 units)	(0 unit)

Housing sales Period-end completed housing inventory (unreleased)

	As of Sep. 30, 2022	As of Sep. 30, 2023	As of March 31, 2023
Total	234 units	157 units	199 units
(Detached housing)	(0 units)	(3 unit)	(0 unit)

Housing sales Contracted but not recorded as housing sales

	As of Sep. 30, 2022		As of Sep. 30, 2023		As of March 31, 2023	
	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	2,995 units	232,634	2,468 units	240,878	2,968 units	251,819
Kansai area	473 units	24,553	415 units	22,262	421 units	23,501
Other	468 units	24,941	529 units	26,224	429 units	21,090
Total	3,937 units	282,129	3,413 units	289,366	3,819 units	296,411
(Detached housing)	(140 units)	(9,173)	(120 units)	(9,554)	(205 units)	(15,810)

<Commercial Real Estate Business Unit>

Operating revenue in this Business Unit totaled 126,402 million yen, which represents an increase of 23,770 million yen, or 23.2% year on year, and business profit totaled 28,873 million yen, an increase of 2,742 million yen, or 10.5%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2022.

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

Breakdown of operating revenue

	First six months ended Sep. 30, 2022 (Millions of yen)	First six months ended Sep. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Leasing (offices)	21,269	19,080	41,191
Leasing (retail facilities)	7,943	8,238	16,195
Leasing (other)	1,670	1,608	3,323
Property for sales (sale) (Note)	52,617	74,673	97,471
Property for sales (leasing) (Note)	7,851	8,984	16,786
Fitness	7,433	7,906	15,040
Other	3,845	5,910	9,301
Total	102,631	126,402	199,309

(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, 2022	As of Sep. 30, 2023	As of March 31, 2023
Offices	572,987 m ²	527,948 m ²	538,982 m ²
Retail facilities	157,991 m ²	158,137 m ²	158,102 m ²
Total	730,978 m ²	686,086 m ²	697,085 m ²

Vacancy rate (offices and retail facilities)

As of Sep. 30, 2022	As of Sep. 30, 2023	As of March 31, 2023
5.3%	4.0%	4.8%

<Overseas Business Unit>

Operating revenue in this Business Unit totaled 2,195 million yen, which represents an increase of 337 million yen, or 18.2% year on year, and business loss totaled 404 million yen (business profit of the first six months ended September 30, 2022 was 2,804 million yen), resulting in an increase in operating revenue and a decrease in business profit compared with the financial results of the first six months ended September 30, 2022. Share of loss of entities accounted for using equity method included in the business loss in this Business Unit was 336 million yen.

Breakdown of operating revenue

	First six months ended Sep. 30, 2022 (Millions of yen)	First six months ended Sep. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Housing sales	1,404	1,587	5,876
Leasing	348	260	657
Other	104	347	235
Total	1,857	2,195	6,770

<Investment Management Business Unit>

Operating revenue in this Business Unit totaled 7,339 million yen, which represents an increase of 514 million yen, or 7.5% year on year, and business profit totaled 4,598 million yen, an increase of 389 million yen, or 9.3%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2022.

	First six months ended Sep. 30, 2022 (Millions of yen)	First six months ended Sep. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Operating revenue	6,824	7,339	13,632

Assets under management

		As of Sep. 30, 2022 (Millions of yen)	As of Sep. 30, 2023 (Millions of yen)	As of Mar. 31, 2023 (Millions of yen)
Domestic asset manager	REITs	1,445,650	1,539,182	1,465,984
	Private funds, etc. (Note)	251,549	194,330	252,957
Overseas asset manager		358,807	263,546	238,735
Total		2,056,006	1,997,059	1,957,676

(Note) Private funds, etc. include assets under management of Nomura Real Asset Investment Co., Ltd. based on the Company's equity stake. The assets under management of Nomura Real Asset Investment Co., Ltd. totaled 94,300 million yen as of the end of this second quarter.

<Property Brokerage & CRE Business Unit>

Operating revenue in this Business Unit totaled 24,197 million yen, which represents an increase of 441 million yen, or 1.9% year on year, and business profit totaled 6,931 million yen, a decrease of 602 million yen, or 8.0%, resulting in an increase in operating revenue and a decrease in business profit compared with the financial results of the first six months ended September 30, 2022.

Breakdown of operating revenue

	First six months ended Sep. 30, 2022 (Millions of yen)	First six months ended Sep. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Property brokerage	22,393	23,256	45,257
(retail business)	(12,159)	(12,537)	(24,071)
(middle business)	(4,314)	(6,173)	(9,613)
(wholesale business)	(5,919)	(4,544)	(11,571)
Other	1,362	941	2,442
Total	23,755	24,197	47,700

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 Sep. 30, 2022	First six months ended Sep. 30, 2023	Fiscal year ended Mar. 31, 2023
Number of transactions	5,056	5,085	9,985
Total transaction value (Millions of yen)	531,950	615,707	1,060,313

<Property & Facility Management Business Unit>

Operating revenue in this Business Unit totaled 50,065 million yen, which represents an increase of 2,337 million yen, or 4.9% year on year, and business profit totaled 4,076 million yen, a decrease of 37 million yen, or 0.9%, resulting in an increase in operating revenue and a decrease in business profit compared with the financial results of the first six months ended September 30, 2022.

Breakdown of operating revenue

	First six months ended Sep. 30, 2022 (Millions of yen)	First six months ended Sep. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Property & facility management	29,402	30,241	59,502
Construction ordered	15,166	16,703	39,875
Other	3,158	3,120	6,096
Total	47,727	50,065	105,474

Number of properties under management

	As of Sep. 30, 2022	As of Sep. 30, 2023	As of Mar. 31, 2023
Buildings under management	791	783	782
Condominiums under management (unit)	187,970	190,889	189,574

<Other>

Operating revenue totaled 136 million yen, which represents an increase of 3 million yen, or 2.4% year on year, and business profit totaled 80 million yen, which represents an increase of 9 million yen, or 13.6% year on year.

(2) Financial Position

	As of March 31, 2023 (Millions of yen)	As of Sep. 30, 2023 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	2,110,693	2,130,310	19,616	0.9%
Total liabilities	1,454,956	1,448,226	(6,729)	(0.5%)
Net assets	655,737	682,083	26,346	4.0%
Shareholders' equity ratio	31.0%	31.9%	-	-

Total assets were 2,130,310 million yen, which represents an increase of 19,616 million yen compared to the end of the previous fiscal year. This was mainly because investment securities increased by 30,157 million yen and cash and deposits increased by 29,061 million yen, while inventories decreased by 31,825 million yen.

Total liabilities were 1,448,226 million yen, which represents a decrease of 6,729 million yen compared to the end of the previous fiscal year. This was mainly because notes and accounts payable - trade decreased by 20,202 million yen, while other non-current liabilities increased by 7,476 million yen and interest-bearing debt increased by 5,037 million yen.

Net assets were 682,083 million yen, which represents an increase of 26,346 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 21,412 million yen and foreign currency translation adjustment increased by 4,771 million yen.

The shareholders' equity ratio was 31.9%, an increase of 1.0 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 56,978 million yen, which represents an increase of 29,208 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities increased by 80,370 million yen (a year-on-year increase of 135,583 million yen). This was mainly due to the recording of profit before income taxes of 48,286 million yen and a decrease in inventories.

Net cash provided by (used in) investing activities decreased by 44,156 million yen (a year-on-year decrease of 34,958 million yen). This was mainly due to the purchase of investment securities and the purchase of property, plant and equipment and intangible assets, despite the sales and liquidation of investment securities.

Net cash provided by (used in) financing activities decreased by 7,680 million yen (a year-on-year decrease of 47,427 million yen). This was mainly due to redemption of bonds, payment of dividends and repayments of short-term borrowings, despite the fund procurement by long-term borrowings.

(3) Consolidated Operating Result Forecasts

No change in the consolidated operating result forecast which was announced on April 26, 2023.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	29,063	58,125
Notes and accounts receivable - trade, and contract assets	40,890	19,688
Real estate for sale	447,194	421,382
Real estate for sale in process	368,384	364,280
Land held for development	182,714	180,843
Equity investments	32,320	36,022
Other	81,751	82,795
Allowance for doubtful accounts	△14	△12
Total current assets	1,182,306	1,163,126
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	182,634	176,555
Land	477,013	478,104
Other, net	46,824	67,067
Total property, plant and equipment	706,472	721,727
Intangible assets	20,384	15,504
Investments and other assets		
Investment securities	142,031	172,188
Leasehold and guarantee deposits	31,763	32,817
Deferred tax assets	18,756	18,520
Other	8,979	6,425
Allowance for doubtful accounts	△0	△0
Total investments and other assets	201,529	229,951
Total non-current assets	928,387	967,183
Total assets	2,110,693	2,130,310

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	65,805	45,603
Short-term borrowings	117,864	106,215
Current portion of bonds payable	20,000	—
Income taxes payable	13,278	14,809
Deposits received	19,686	15,618
Provision for bonuses	11,204	10,765
Provision for bonuses for directors (and other officers)	600	254
Provision for loss on business liquidation	4	3
Other	79,385	82,031
Total current liabilities	327,829	275,300
Non-current liabilities		
Bonds payable	130,000	130,000
Long-term borrowings	853,684	890,370
Leasehold and guarantee deposits received	58,444	59,758
Deferred tax liabilities	45,829	46,448
Deferred tax liabilities for land revaluation	3,903	3,906
Provision for share awards	4,300	4,020
Retirement benefit liability	15,115	15,094
Other	15,849	23,326
Total non-current liabilities	1,127,127	1,172,926
Total liabilities	1,454,956	1,448,226
Net assets		
Shareholders' equity		
Share capital	119,054	119,348
Capital surplus	115,444	115,507
Retained earnings	427,064	448,476
Treasury shares	△25,456	△24,931
Total shareholders' equity	636,107	658,400
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,755	8,804
Deferred gains or losses on hedges	40	△3,016
Revaluation reserve for land	7,868	7,876
Foreign currency translation adjustment	3,348	8,120
Remeasurements of defined benefit plans	186	375
Total accumulated other comprehensive income	17,199	22,160
Share acquisition rights	658	448
Non-controlling interests	1,772	1,073
Total net assets	655,737	682,083
Total liabilities and net assets	2,110,693	2,130,310

(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, 2023)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenue	314,756	368,318
Operating costs	206,698	244,351
Operating gross profit	108,057	123,966
Selling, general and administrative expenses	59,173	62,593
Operating profit	48,884	61,372
Non-operating income		
Interest income	38	72
Dividend income	36	56
Share of profit of entities accounted for using equity method	3,217	—
Other	218	472
Total non-operating income	3,511	600
Non-operating expenses		
Interest expenses	4,778	6,578
Share of loss of entities accounted for using equity method	—	266
Other	571	511
Total non-operating expenses	5,349	7,357
Ordinary profit	47,046	54,615
Extraordinary income		
Gain on sale of non-current assets	6,729	—
Total extraordinary income	6,729	—
Extraordinary losses		
Impairment losses	5,855	5,662
Loss on building reconstruction	2,404	666
Total extraordinary losses	8,259	6,329
Profit before income taxes	45,516	48,286
Income taxes - current	14,928	15,312
Income taxes - deferred	△3,365	75
Total income taxes	11,562	15,388
Profit	33,953	32,898
Profit (loss) attributable to non-controlling interests	79	△58
Profit attributable to owners of parent	33,874	32,956

(Quarterly Consolidated Statements of Comprehensive Income for the First Six Months from April 1 to September 30, 2023)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	33,953	32,898
Other comprehensive income		
Valuation difference on available-for-sale securities	△60	3,048
Deferred gains or losses on hedges	2,402	△3,057
Revaluation reserve for land	△0	△0
Foreign currency translation adjustment	2,174	1,969
Remeasurements of defined benefit plans, net of tax	264	189
Share of other comprehensive income of entities accounted for using equity method	142	2,822
Total other comprehensive income	4,922	4,973
Comprehensive income	38,876	37,871
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	38,681	37,909
Comprehensive income attributable to non-controlling interests	195	△37

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	45,516	48,286
Depreciation	10,108	10,130
Impairment losses	5,855	5,662
Gain on sale of non-current assets	△6,729	—
Share of loss (profit) of entities accounted for using equity method	△3,217	266
Increase (decrease) in allowance for doubtful accounts	△0	△2
Increase (decrease) in provision for loss on business liquidation	△1	△1
Increase (decrease) in retirement benefit liability	138	△23
Interest and dividend income	△74	△128
Interest expenses	4,778	6,578
Decrease (increase) in trade receivables	3,633	21,278
Decrease (increase) in inventories	△53,123	31,825
Decrease (increase) in equity investments	△7,758	△3,046
Increase (decrease) in trade payables	△37,514	△20,260
Increase (decrease) in deposits received	△30,823	△4,071
Other, net	△3,404	1,062
Subtotal	△72,617	97,558
Interest and dividends received	297	3,531
Interest paid	△4,090	△4,939
Income taxes refund (paid)	21,196	△15,780
Net cash provided by (used in) operating activities	△55,213	80,370
Cash flows from investing activities		
Purchase of investment securities	△2,039	△31,127
Proceeds from sales and liquidation of investment securities	—	10,662
Purchase of property, plant and equipment and intangible assets	△23,586	△25,010
Proceeds from sale of property, plant and equipment and intangible assets	16,728	17
Payments of leasehold and guarantee deposits	△722	△1,368
Proceeds from refund of leasehold and guarantee deposits	927	1,444
Repayments of lease and guarantee deposits received	△3,445	△1,656
Proceeds from lease and guarantee deposits received	2,857	2,534
Other, net	83	348
Net cash provided by (used in) investing activities	△9,197	△44,156

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,500	△8,447
Repayments of finance lease liabilities	△140	△68
Proceeds from long-term borrowings	89,865	65,527
Repayments of long-term borrowings	△30,500	△32,493
Proceeds from issuance of shares	514	402
Redemption of bonds	△10,000	△20,000
Proceeds from sale of treasury shares	387	736
Purchase of treasury shares	△2,645	△831
Dividends paid	△9,923	△11,535
Dividends paid to non-controlling interests	△120	△38
Proceeds from investments in silent partnerships	810	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	△932
Net cash provided by (used in) financing activities	39,747	△7,680
Effect of exchange rate change on cash and cash equivalents	369	674
Net increase (decrease) in cash and cash equivalents	△24,294	29,208
Cash and cash equivalents at beginning of period	67,793	27,770
Cash and cash equivalents at end of period	43,499	56,978

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

【Segment information】

I 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 (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	140,799	101,457	1,857	6,732	22,652	41,126	314,625	131	314,756	-	314,756
Internal sales and transfer amount 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 (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) of entities accounted for using equity method (Note) 3	(6)	23	3,184	-	-	15	3,217	-	3,217	-	3,217
Amortization of intangible assets associated with corporate acquisitions (Note) 3	7	136	17	169	-	14	346	-	346	-	346
Segment profit or loss (Business profit or 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.

2. 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 a deduction 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.

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 Development	Commercial Real Estate	Overseas Business	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	5,855	-	-	-	-	5,855

II First six months from April 1 to September 30, 2023

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

(Millions of yen)

	Reportable segments							Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidate d financial statements (Note) 3
	Residential Develop ment	Commercial Real Estate	Overseas Business	Investment Manage ment	Property Brokerage & CRE	Property & Facility Manage ment	Subtotal				
Operating revenue											
External customers	165,337	125,171	2,195	7,242	23,574	44,662	368,184	134	368,318	-	368,318
Internal sales and transfer amount among segments	538	1,230	-	96	623	5,403	7,892	2	7,894	(7,894)	-
Subtotal	165,876	126,402	2,195	7,339	24,197	50,065	376,076	136	376,213	(7,894)	368,318
Operating profit (Note) 3	20,969	28,702	(86)	4,420	6,931	4,056	64,993	80	65,074	(3,702)	61,372
Share of profit (loss) of entities accounted for using equity method (Note) 3	15	34	(336)	0	-	19	(266)	-	(266)	-	(266)
Amortization of intangible assets associated with corporate acquisitions (Note) 3	7	136	19	177	-	-	341	-	341	-	341
Segment profit or loss (Business profit or loss) (Note) 3	20,992	28,873	(404)	4,598	6,931	4,076	65,067	80	65,148	(3,702)	61,446

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

- The deduction of 3,702 million yen shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of 1,639 million yen and a deduction of 5,341 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.
- Segment profit or loss (Business profit or loss) = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

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

(Significant impairment loss relating to non-current assets)

(Millions of yen)

	Residential Development	Commercial Real Estate	Overseas Business	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	174	-	5,487	-	-	5,662

For the first six months ended September 30, 2023, impairment losses of 5,487 million yen were recorded as extraordinary losses for intangible assets and goodwill associated with an asset group to which a UK subsidiary of the Investment Management Business Unit belongs. This was because that a request for cancellation from investors of real estate funds managed by that subsidiary were confirmed and the book value of the intangible assets and goodwill, which were recorded on the date of the business combination of that subsidiary, were written down to a recoverable amount.