
Consolidated Financial Statements for the nine months from April 1 to December 31, 2011 & Business Overview

Nomura Real Estate Holdings, Inc.
(First section of TSE: 3231)



NOMURA REAL ESTATE HOLDINGS

Bringing Tomorrow Today ——— NOMURA REAL ESTATE GROUP

Outline of Consolidated Operating Results for the Nine Months from April 1 to December 31, 2011

(billions of yen) *Figures rounded down to the nearest 100 million yen	Interim Results			Key Factors
	2010/12 Actual	2011/12 Actual	Changes from Previous Year	
Operating Revenue	243.5	261.7	+ 18.2	< Operating Revenue > • Sales of profit-generating properties declined, but an increase in the number of housing units sold, and in revenues from additional ownership shares acquired in the previous fiscal year and new office buildings made positive contributions.
Operating Gross Profit	61.7	74.5	+ 12.7	
Selling, General and Administrative Expenses	42.4	44.3	+ 1.9	
Operating Income	19.2	30.1	+ 10.8	< Operating Income > • Inventory write-downs were recorded for profit-generating properties, etc., but margins on housing units sold improved and additional ownership shares acquired in the previous fiscal year and newly-completed office buildings made positive contributions.
Non-operating Income	0.3	0.5	+ 0.1	
Non-Operating Expenses	12.3	11.6	- 0.7	
Ordinary Income	7.3	19.0	- 11.7	
Extraordinary Income	0.1	0.1	- 0	
Extraordinary Losses	16.2	0.2	- 15.9	
Income Taxes	- 2.9	- 0.7	+ 2.2	< Net Income > In addition to favorable progress in each category of business, we posted a considerable increase in profits due to rebound from losses on valuation of equity investments related to CMBS reported as extraordinary losses in the previous fiscal year and reversal of deferred tax assets and liabilities following a reduction in corporate tax rates for this fiscal year.
Minority Interests	1.6	5.9	+ 4.3	
Net Income	- 7.3	13.6	+ 21.0	
Net income per share (yen)	-38.85	71.77	+ 110.62	
Cash Dividends per share (yen)	12.5	12.5	—	
Total Assets	1,490.0	1,428.4	- 61.6	< B/S > • Compared to the same period last year, decreases in inventories of profit-generating properties, etc. and in interest-bearing debts, and accumulation of profits for the period helped to improve the shareholders' equity and D/E ratios.
<Total interest-bearing debts	891.9	799.6	- 92.3	
Shareholder's equity	292.0	311.2	+ 19.2	
Shareholder's equity ratio	19.6%	21.8%	+ 2.2P	
Debt/equity ratio	3.1	2.6	- 0.5	
Net Cash Provided by (used in) Operating Activities	- 67.3	- 24.7	+ 42.5	
Net Cash Provided by (Used in) Investment Activities	- 48.7	1.3	+ 50.0	
Net Cash Provided by (Used in) Financing Activities	67.5	- 22.2	- 89.8	
Cash and Cash Equivalents at End of Period	40.8	36.4	- 4.4	

Segment Outline of Consolidated Operating Results for the nine months from April 1 to December 31, 2011

(billions of yen)	Interim Results			Key Factors
	2010/12	2011/12	Changes from Previous Year	
	Actual	Actual		
Operating Revenue	243.5	261.7	+ 18.2	< Operating Revenue >
Residential development business	96.9	120.6	+ 23.6	<ul style="list-style-type: none"> Increases in the number of residential units sold and average sales price, and sales of leasing residential property
Building business	70.6	77.0	+ 6.4	<ul style="list-style-type: none"> Additional acquisition of TOSHIBA Building in previous year, Completion of Nihonbashi Muromachi Nomura Building, etc.
Investment management & development business	46.5	36.9	- 9.5	<ul style="list-style-type: none"> Decrease in sales of profit-generating properties
Property brokerage & consignment sales business	22.1	26.7	+ 4.6	<ul style="list-style-type: none"> Transfer of inventory assets to another segment
Other business	13.0	12.0	- 0.9	
Eliminations or corporate	- 5.6	- 11.6	- 5.9	<ul style="list-style-type: none"> Transfer of inventory assets to another segment (consolidation elimination)
Operating Income	19.2	30.1	+ 10.8	< Operating Income >
Residential development business	- 1.0	7.7	+ 8.8	<ul style="list-style-type: none"> Increases in the number of residential units sold and improvement in housing unit profit margin
Building business	16.8	19.5	+ 2.6	<ul style="list-style-type: none"> Full-year contribution of TOSHIBA building, etc. increases in sales of detached houses by Toshiba Real Estate
Investment management & development business	5.3	3.7	- 1.6	<ul style="list-style-type: none"> Loss on sale of profit-generating property and loss on valuation of inventory
Property brokerage & consignment sales business	1.3	1.5	+ 0.2	
Other business	0.1	0.1	+ 0	
Eliminations or corporate	- 3.3	- 2.7	+ 0.6	

- < Breakdown of write-downs in inventories (2.8 billion yen)
- Residential development business 0.3 billion yen
 - Investment management & development business 2.4 billion yen
 - Property brokerage & consignment sales business 0.1 billion yen

Consolidated Balance Sheets at the End of December 31, 2011

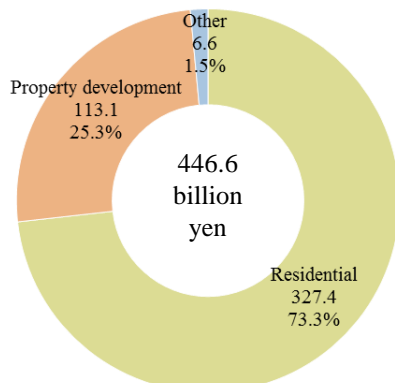
(billions of yen)	2011/3	2011/12	Changes from Previous FY	Key Factors
Assets	1,474.3	1,428.4	-45.9	
Current assets	636.9	607.5	-29.3	
(Breakdown)				< Cash and deposits / Short-term investment securities >
Cash and deposits / Short-term investment securities	82.0	36.4	-45.6	Payment for construction costs of condominiums, settlement of deposits received related to consignment sales business from JV proprietors
Notes and accounts receivable-trade	14.2	10.4	-3.8	
Inventories	433.3	446.6	+13.2	< Inventories >
Equity investments	60.9	58.1	-2.7	Acquisition of land for residential properties, etc.
Other current assets	46.2	55.8	+9.6	
Noncurrent assets	837.4	820.8	-16.5	
Property, plant and equipment	732.5	723.6	-8.9	
Intangible assets	10.0	9.8	-0.1	
Investments and other Assets	94.7	87.3	-7.4	< Investment Securities >
(Breakdown)				Decline in share prices for related REITs
Investment securities	43.1	36.1	-6.9	
Lease and guarantee deposits	23.7	23.4	-0.3	
Other noncurrent assets	27.8	27.7	-0.1	
Liabilities	1,116.9	1,058.2	-58.7	
Current liabilities	311.1	276.3	-34.7	
(Breakdown)				< Notes and accounts payable-trade >
Notes and accounts payable-trade	43.0	22.2	-20.8	Payment for construction costs of condominiums, etc.
Short-term loans payable, CP	180.8	176.0	-4.8	
Deposits received	29.2	19.8	-9.4	< Deposits received >
Other current liabilities	57.8	58.1	+0.3	Settlement of deposits received related to consignment sales business from JV proprietors
Noncurrent liabilities	805.8	781.8	-23.9	
(Breakdown)				
Bonds payable	33.0	33.0	-	
Long-term loans payable	603.0	590.5	-12.4	
Lease and guarantee deposits received	55.3	55.3	+0	
Other noncurrent liabilities	114.4	102.9	-11.4	
< Total interest-bearing debts >	816.9	799.6	-17.3	
Net assets	357.3	370.1	+12.7	< Shareholder's Equity >
Total liabilities and net assets	1,474.3	1,428.4	-45.9	2011/3 304.5 billion yen → 2011/12 311.2 billion yen
Shareholder's equity ratio	20.7%	21.8%	+1.1P	
Debt/equity ratio	2.7	2.6	-0.1	

Outline of Consolidated Balance Sheets at the End of December 31, 2011

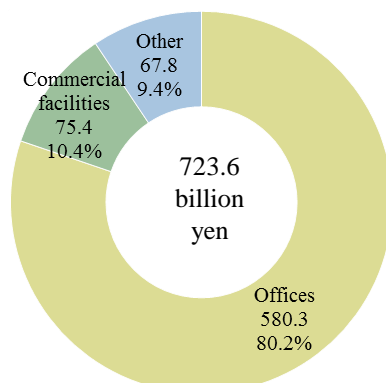
Total Assets : 1,428.4 billion yen

Current assets		Liabilities	
Cash and deposits / Short-term investment securities	607.5	Interest-bearing debts	1,058.2
Notes and accounts receivable-trade	36.4	Interest-bearing debts	799.6
Inventories	10.4	Short-term loans payable, CP	176.0
Residential	446.6	Bonds payable	33.0
Property development	327.4	Long-term loans payable	590.5
Other	113.1	Notes and accounts payable-trade	22.2
Corporate and eliminates	6.6	Deposits received	19.8
Equity investments	-0.5	Other current liabilities	58.1
Other current assets	58.1	Lease and guarantee deposits received	55.3
Noncurrent assets	820.9	Other noncurrent liabilities	103.0
Property, plant and equipment	723.6		
Offices	580.3		
Commercial facilities	75.4		
Other	67.8		
Intangible assets	9.8	Net assets	370.1
Investments and other assets	87.4	Equity	311.2
		Subscription rights to shares	0.7
		Minority interests	58.1

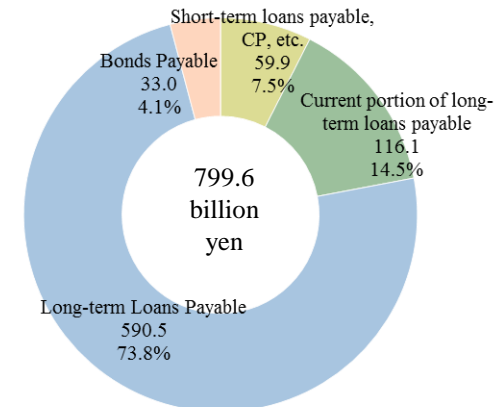
Inventories



Property, plant and equipment



Interest-bearing debts



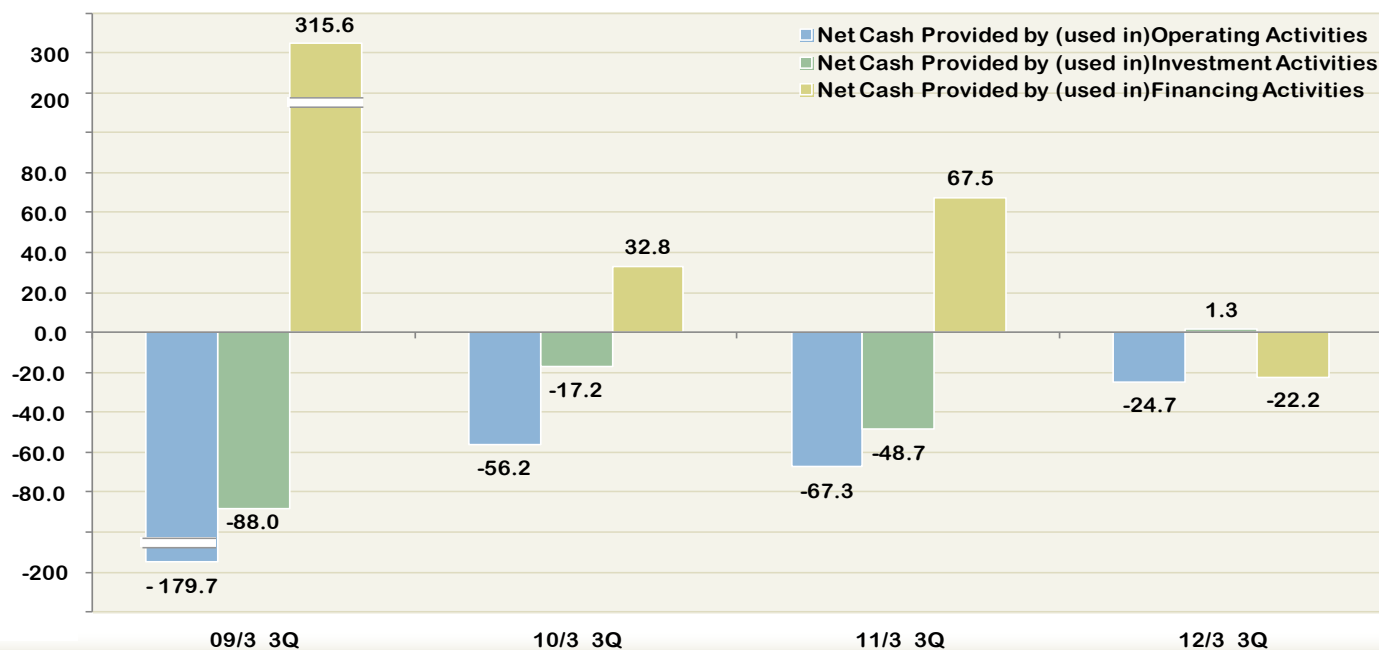
*Residential refers lands and buildings for "Residential Development" and "Building" business segment.

*Property development refers to lands and buildings for "Investment Management & Development" and "Property Brokerage & Consignment Sales" business segments.

Outline of Consolidated Cash Flows at the End of December 31, 2011

(billions of yen)	Interim Results			Major factors contributing to changes in 3Q for fiscal 2011
	2010/12 Actual	2011/12 Actual	Changes from Previous Year	
Net Cash Provided by (used in) Operating Activities	-67.3	-24.7	+42.5	<ul style="list-style-type: none"> • Condominium construction expense payments • Acquisition of land for residential properties to be sold, sales of profit-generating property, etc.
Net Cash Provided by (Used in) Investment Activities	-48.7	1.3	+50.0	<ul style="list-style-type: none"> • New investment and sales, and collection and repayment of lease and guarantee deposits, etc. in leasing of office buildings
Net Cash Provided by (Used in) Financing Activities	67.5	-22.2	-89.8	<ul style="list-style-type: none"> • Repayment of part of loans by using cash in hand, etc.
Cash and Cash Equivalents at End of Period	40.8	36.4	-4.4	

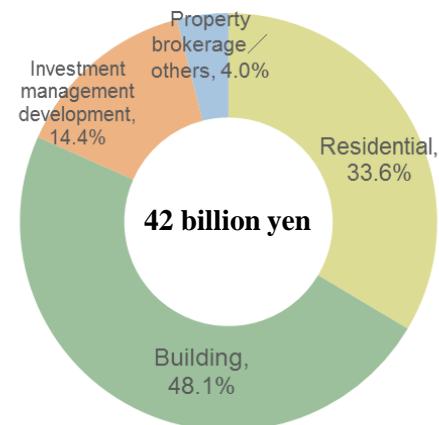
(billions of yen)



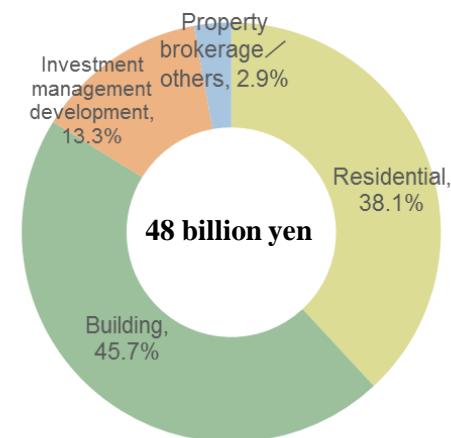
Consolidated Operating Results Forecasts for FY Ending March 31,2012

(billions of yen)	FY 2011/3 Actual	FY 2012/3 Forecast	Changes from Previous Year
Operating Revenue	480.9	438.0	-42.9
Residential development business	286.1	241.0	-45.1
Building business	100.3	105.0	+4.6
Investment management & development business	56.0	55.0	-1.0
Property brokerage & consignment sales business	28.9	33.0	+4.0
Other business	20.9	18.5	-2.4
Eliminations or corporate	-11.5	-14.5	-2.9
Operating income	42.0	48.0	+5.9
Residential development business	15.8	20.0	+4.1
Building business	22.6	24.0	+1.3
Investment management & development business	6.7	7.0	+0.2
Property brokerage & consignment sales business	1.2	1.0	-0.2
Other business	0.6	0.5	-0.1
Eliminations or corporate	-5.0	-4.5	+0.5
Ordinary income	26.1	32.0	+5.8
Net income	5.4	15.0	+9.5
Net income per share (yen)	28.74	78.77	+50.03
Cash dividends per share (yen)	25.00	25.00	—

Operating Income 11/3



12/3(forecast)



(Note)The composition ratio of consolidated operating income by each business segment is calculated based on a simple total amount.
 ※Since the fiscal year ended March 31,2008, some segments have been reclassified. As for the fiscal year ended March 31,2005, the amounts have not been reclassified to reflect the current segmentation.

【Segment Information –Residential Development Business】

- ◆ Housing sales segment achieved an increase in revenue and income due to solid sales and improvement of margins.
 - Gross margin ratio was improved to 21.2% (7.9 percentage points higher than the same period a year ago.)

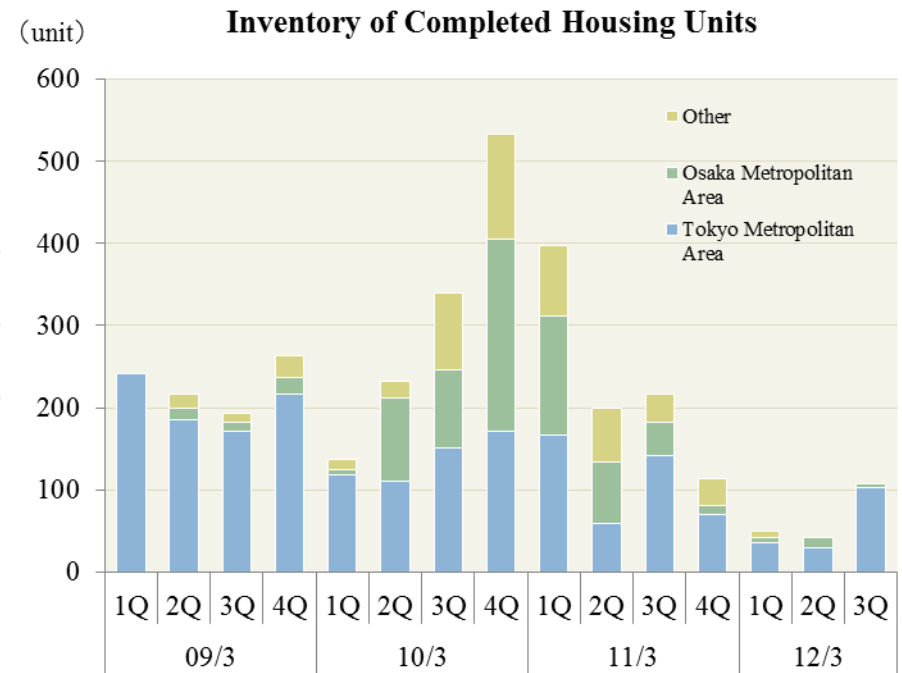
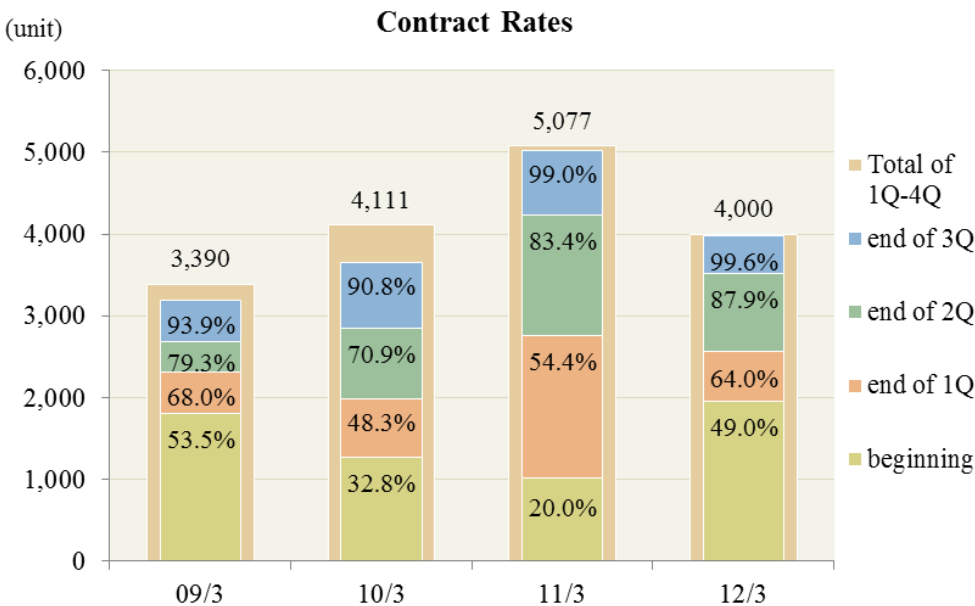
(billions of yen)	Interim Results			FY		
	2010/12	2011/12	Changes ②－①	2011/3	2012/3	Changes ④－③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	96.9	120.6	+23.6	286.1	241.0	－45.1
Sales of housing	70.7	88.1	+17.4	245.9	—	—
Management of housing	16.7	16.7	+0	23.6	—	—
Other	9.5	15.7	+6.1	16.5	—	—
Operating income	－1.0	7.7	+8.8	15.8	20.0	+4.1
【Housing sales indicators】						
Housing sales (unit)	1,528	1,687	+159	5,077	4,000	－1,077
Condominiums	1,214	1,347	+133	4,497	3,400	－1,097
Detached housing	314	340	+26	580	600	+20
Tokyo metropolitan area	1,025	1,219	+194	3,543	2,900	－643
Osaka metropolitan area	275	247	－28	953	500	－453
Other area	228	220	－8	581	600	+19
Contracted unrecorded units	4,592	5,045	+453	2,238	—	—
Completed housing inventories (unit)	217	107	－110	113	—	—
Average price (million yen)	46.27	52.27	+6.00	48.45	—	—
Gross margin ratio (%)	13.3%	21.2%	+7.9P	16.4%	—	—
【Residential and other indicators】						
Condominiums under management (unit)	123,740	129,041	+5,301	127,567	—	—
Rental condominium sales for investors (unit)	138	343	+205	138	600	+462

◆ Contract rates are steady.

- Against the 4,000 unit objective for the fiscal year, the contract rate was **99.6%** as of the interim date.
- A total of **2,525 units** will be ready for recording next fiscal year.

◆ Inventories of completed units remain low level.

- Although completed units yet to be sold increased slightly in the metropolitan areas owing to completion of construction of property due for sale after completion, overall levels remained low. 107 units as of the end of 3Q.



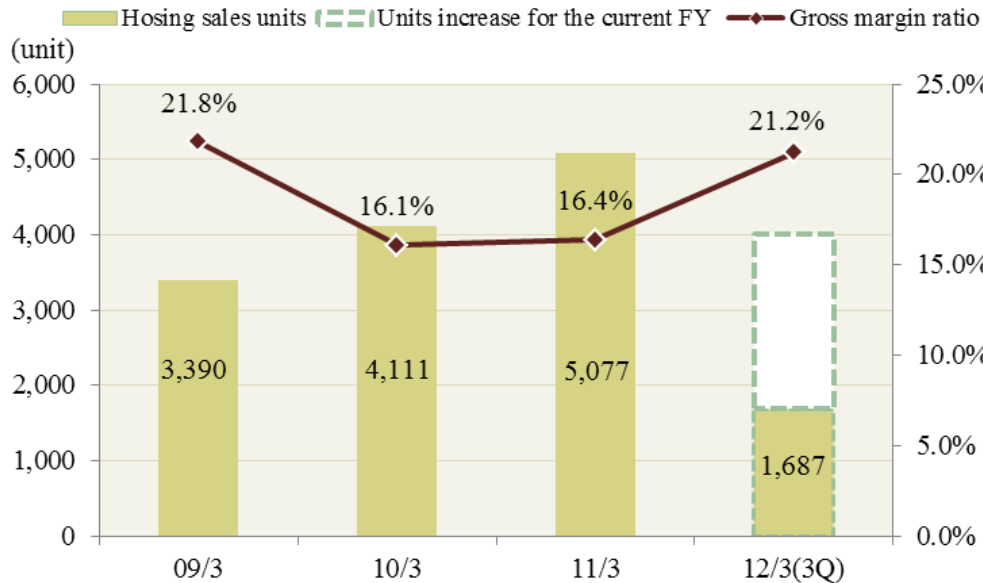
◆ Gross margin ratio was substantially improved.

- Housing sales are progressing steadily as expected, gross margin ratio was improved to **21.2%**.

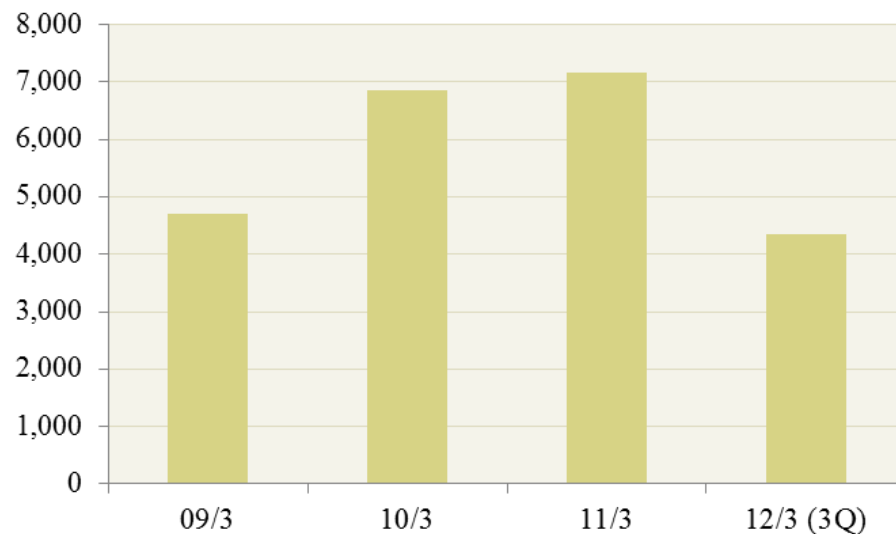
◆ Land acquisition progressed steadily.

- **4,300 units** acquired by the end of 3Q for this fiscal year
- Land bank of **19,000 units** to be sold in the next and later fiscal years

Changes in Housing Sales and Gross Margin Ratio



Changes in Land Acquisition



Reference 【Residential Development Business】 Major Projects Upcoming

FY 12/3	FY 13/3	FY 14/3	FY 15/3~
PROUD CITY Akabane (Kita-ku, Tokyo/ 285 units)	PROUD Komaba (Meguro-ku, Tokyo 178 units*2)	Chiyoda Fujimi Project (Chiyoda-ku, Tokyo 137 units)	Shirokanedai Reconstruction Project (Minato-ku, Tokyo 116 units)
PROUD Ichigaya Nakanochi Hilltop (Shinjuku-ku, Tokyo 73 units)	PROUD TOWER Sagami-Ono (Sagamihara-city, Kanagawa 267 units)	PROUD TOWER Shinonome Canal Court (Koto-ku, Tokyo 600 units)	Redevelopment Project in Tsukishima 1-chome (Chuo-ku, Tokyo 226 units*2)
PROUD Tsunashima (Kohoku-ku, Yokohama-city, Kanagawa 99 units)	PROUD CITY Urawa (Urawa-ku, Saitama 492 units*1)	Oji-honcho Project (Kita-ku, Tokyo 123 units)	Redevelopment Project in Shinjuku Nishi-tomihisa (Shinjuku-ku, Tokyo 410 units*2)
PROUD Yokohama Nakayama (Midori-ku, Yokohama-city, Kanagawa 97 units)	PROUD TOWER Musashiurawa Marks (Minami-ku, Saitama 280 units)	Motosumiyoshi Project (Nakahara-ku, Kawasaki-city, Kanagawa 266 units *2)	Project for reconstruction of Asagaya Residence (Suginami-ku, Tokyo 305 units*1,2)
PROUD CITY Inage-kaigan Residence (Mihama-ku, Chiba 555 units*1)	Shin-funabashi Project (Funabashi-city, Chiba 715 units *1,2)	Fuchinobe Project (Chuo-ku, Sagamihara-city, Kanagawa 335 units)	Project for reconstruction of public apartments in Sakurajosui (Setagaya-ku, Tokyo 257 units*2)
PROUD CITY Inage-kaigan Season (Detached housing) (Mihama-ku, Chiba 265 units*1)	OHANA Yasaka Hagiya-macho (Higashimurayama-city, Tokyo 141 units)	OHANA Tamagawa-jyosui Project (Higashiyamato-city, Tokyo 323 units)	Redevelopment Project in Musashi-kosugi (Nakahara-ku Kawasaki city, Kanagawa 303 units*2)

*1 Projects with *1 are planning to be posted in several fiscal years.

*2 Projects with *2 denote the joint-venture projects therefore the number refers to the Company's allotments.
(It might occur changes in unit numbers or schedule)



PROUD TOWER Sagami-Ono



PROUD Komaba



PROUD CITY Urawa

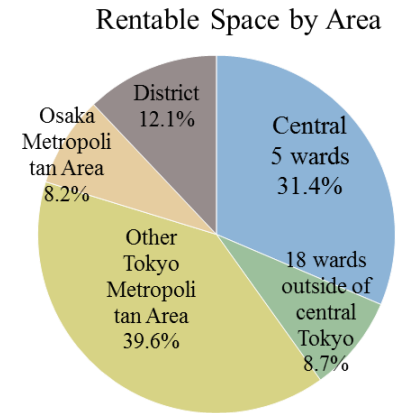
- ◆ Increases in sales and profits due to full-year contribution of “Toshiba Building”, etc. and sales of detached houses by NREG TOSHIBA BUILDING

- As of the end of 3Q, the vacancy rate had improved to 2.9% (1.2 percentage points lower than the same period a year ago, and 1.1 percentage points lower than the figure for the end of the previous fiscal year).

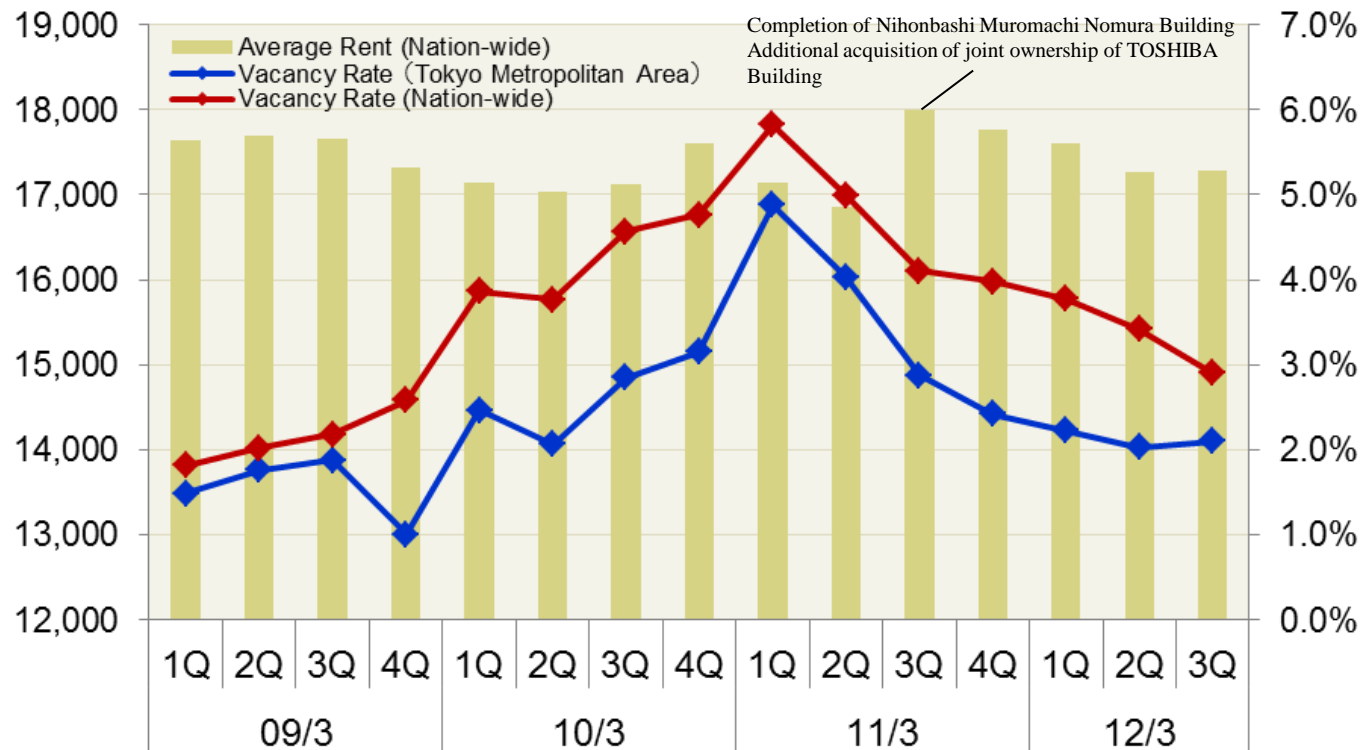
(billions of yen)	Interim Results			FY		
	2010/12 Actual ①	2011/12 Actual ②	Changes ②－①	2011/3 Actual ③	2012/3 Forecast ④	Changes ④－③
Operating revenue	70.6	77.0	+ 6.4	100.3	105.0	+ 4.6
Offices (owned)	26.5	30.1	+ 3.5	36.8	—	—
Offices (subleasing)	5.8	3.4	－ 2.3	7.0	—	—
Commercial facilities	5.4	5.2	－ 0.2	7.2	—	—
Property and facility management	18.3	20.4	+ 2.0	24.7	—	—
Other	14.4	17.8	+ 3.3	24.5	—	—
Operating income	16.8	19.5	+ 2.6	22.6	24.0	+ 1.3
Rentable floor area (sqm)	808,308	776,165	－ 32,143	788,374	—	—
Offices (owned)	629,548	632,794	+ 3,247	633,423	—	—
Offices (subleasing)	92,903	57,611	－ 35,292	69,093	—	—
Commercial facilities	85,857	85,759	－ 98	85,857	—	—
Vacancy rate	4.1%	2.9%	－ 1.2P	4.0%	—	—

【Reference】 Rent revenue change analysis	Changes
Newly completed buildings	+ 4.4 Nihonbashi Muromachi Nomura Building · TOSHIBA Building (additional acquisition of joint ownership), etc.
Existing buildings	－ 0.9
Ownership transfer · Sold buildings	－ 2.6 Canal Side Building · Ginza Seven Building, etc.

- ◆ Vacancy rates have been declining since peaking at the end of 1Q of the fiscal 2010.
- ◆ Average rent continue to trend lower. At the current moment, rents of existing tenants are going to stop falling .
*On the contract renewals with the existing tenants after October , half of the tenants made contracts on condition that the rents are the same as the last contracts.
(Nomura Real Estate’s properties)



(yen per “tsubo (3.3sqm)”) **Changes in Vacancy Rate and Average Rent**



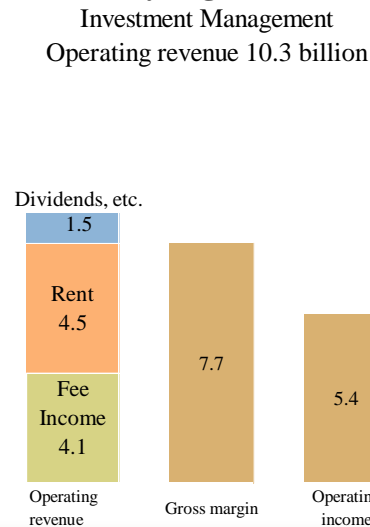
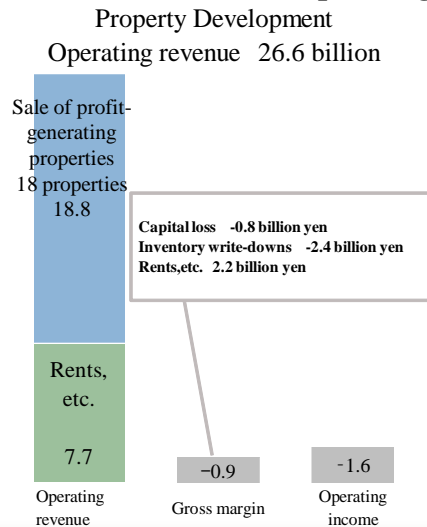
※ Average rent is equal to total rents and common area fees for offices (owned and subleasing) and commercial facilities in this segment divided by the average of the floor space (in terms of 3.3m² sections, tsubo) figures as of the end of the quarter being examined and the end of the previous quarter

【 Segment Information: Investment Management & Development Business 】

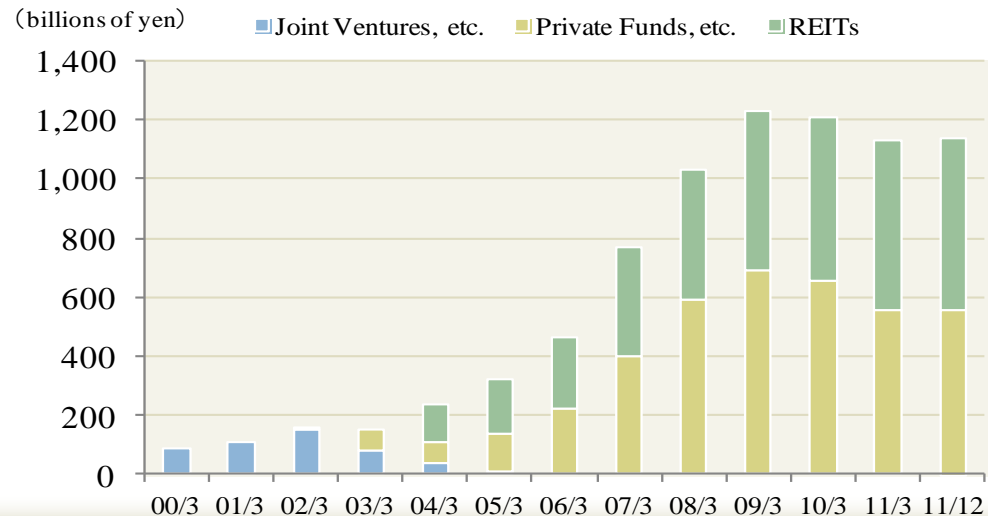
- ◆ Decreases in sales and profits due to a decrease in sales of profit-generating property and loss on sales thereof as well as an inventory asset write-down

(billions of yen)	Interim Results			FY		
	2010/12	2011/12	Changes ②-①	2011/3	2012/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	46.5	36.9	-9.5	56.0	55.0	-1.0
Property development	36.7	26.6	-10.1	42.7	41.0	-1.7
Investment management	9.7	10.3	+0.5	13.2	14.0	+0.7
Operating income	5.3	3.7	-1.6	6.7	7.0	+0.2
Property development	1.5	-1.6	-3.2	1.2	0	-1.2
Investment management	3.8	5.4	+1.6	5.5	7.0	+1.4
Outstanding assets under management	1,131.5	1,143.6	+12.0	1,126.6	—	—
REITs	567.7	580.9	+13.2	567.2	—	—
Private funds, etc.	563.8	562.7	-1.1	559.3	—	—

Breakdown of Operating Revenue by Segment



Asset under Management (as of the fiscal year end)



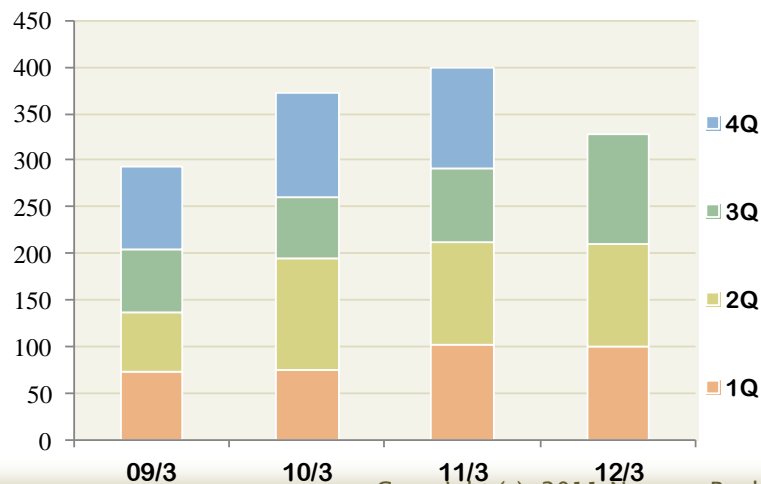
【 Segment Information: Property Brokerage & Consignment Sales Business 】

◆ Increases in sales and profits in property brokerage business due to an increase in transaction volume

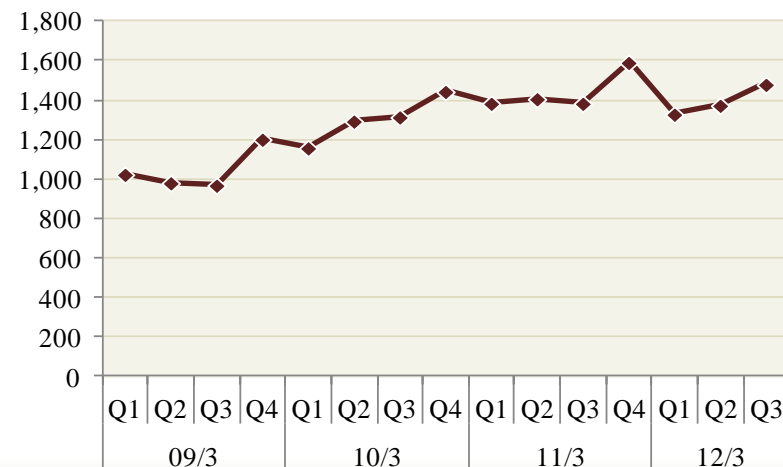
(billions of yen)	Interim Results			FY		
	2010/12	2011/12	Changes ②-①	2011/3	2012/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	22.1	26.7	+4.6	28.9	33.0	+4.0
Property brokerage	11.0	11.7	+0.7	15.6	—	—
Consignment sales	0.6	0.8	+0.2	1.6	—	—
Real property sales	8.0	5.6	-2.4	8.7	—	—
Other	2.3	8.4	+6.1	2.9	—	—
Operating income	1.3	1.5	+0.2	1.2	1.0	-0.2
【Brokerage indicators】						
Total transaction value (billion yen)	318.4	325.4	+6.9	425.2	—	—
Number of transactions	4,181	4,189	+0.8	5,774	—	—
Commission fee (billion yen)	11.0	11.7	+0.7	15.6	—	—
Commission rate (%)	3.5%	3.7%	+0.2P	3.7%	—	—

(billions of yen)

Total transaction value



Number of transactions

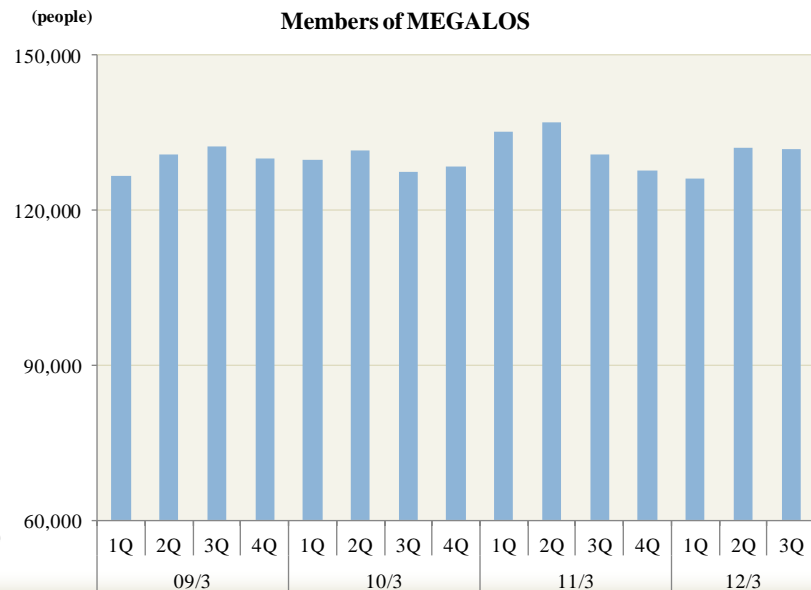


- ◆ While steady performance in fitness club business, declined construction subcontracting, etc. resulted in lower sales.

(billions of yen)	Interim Results			FY		
	2010/12	2011/12	Changes ②-①	2011/3	2012/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	13.0	12.0	-0.9	20.9	18.5	-2.4
Fitness club business	10.5	10.3	-0.1	13.9	—	—
Other	2.4	1.6	-0.8	7.0	—	—
Operating income	0.1	0.1	+0	0.6	0.5	-0.1
【Other business indicators】						
Members of MEGALOS	130,886	131,898	+1,012	127,707	—	—
Number of clubs	24	26	+2	24	—	—



Megalos Kaminagaya (opened in December, 2011)



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