
Consolidated Financial Statements for the Three Months from April 1 to June 30, 2012

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 Three Months from April 1 to June 30, 2012

(billions of yen) *Figures rounded down to the nearest 100 million yen	2012/3 1Q Actual ①	2013/3 1Q Actual ②	Changes ②-①	Key Factors
Operating Revenue	73.3	113.3	+40.0	< Operating Revenue > • Increase in housing units sold in residential development business
Operating Gross Profit	23.8	34.3	+10.5	
Selling, General and Administrative Expenses	13.8	17.3	+3.5	
Operating Income	10.0	16.9	+6.9	< Operating Income > • Increase in housing units sold and improvement of margins in residential development business
Non-operating Income	0.1	1.4	+1.3	
Non-Operating Expenses	3.8	3.4	-0.4	
Ordinary Income	6.2	14.9	+8.7	
Extraordinary Income	—	—	—	
Extraordinary Losses	—	—	—	
Income Taxes	2.4	5.9	+3.4	
Minority Interests	0.7	0.7	+0.0	
Net Income	3.0	8.2	+5.1	< Net Income > • Increase in operating income and non-operating income (dividends income)
Net income per share (yen)	15.97	43.09	+27.12	
Cash Dividends per share (yen)	—	—	—	
Total Assets	1,418.1	1,385.6	-32.4	• Decrease in inventories and property, plant and equipment
<Total interest-bearing debts>	806.1	754.7	-51.4	
Shareholder's equity	304.8	321.7	+16.9	• Increase in retained earnings
Shareholder's equity ratio	21.5%	23.2%	+1.7P	
Debt/equity ratio	2.6	2.3	-0.3	
Net Cash Provided by (used in) Operating Activities	-35.2	-0.5	+34.6	
Net Cash Provided by (Used in) Investment Activities	-2.7	-0.9	+1.7	
Net Cash Provided by (Used in) Financing Activities	-13.2	-6.2	+6.9	
Cash and Cash Equivalents at End of Period	30.8	62.6	+31.7	

Segment Outline of Consolidated Operating Results for the Three Months from April 1 to June 30, 2012

(billions of yen)	2012/3 IQ Actual ①	2013/3 IQ Actual ②	Changes ②-①	Key Factors
Operating Revenue	73.3	113.3	+40.0	< Operating Revenue >
Residential development business	31.1	77.0	+45.8	• Increase in housing units sold (12/3 IQ 475 units → 13/3 IQ 1,167 units)
Building business	23.4	25.0	+1.5	
Investment management & development business	11.2	4.6	-6.5	• Decrease in sales of profit-generating properties
Property brokerage & consignment sales business	5.2	6.3	+1.0	
Other business	3.8	4.1	+0.3	
Eliminations or corporate	-1.6	-3.8	-2.2	• Transfer of inventory assets to another segment
Operating Income	10.0	16.9	+6.9	< Operating Income >
Residential development business	1.4	9.9	+8.5	• Increase in housing units sold and improvement of margins in residential development business
Building business	5.9	5.9	+0.0	
Investment management & development business	3.3	1.9	-1.3	• Decrease in sales of profit-generating properties
Property brokerage & consignment sales business	0.5	0.7	+0.2	
Other business	-0.1	-0.0	+0.0	
Eliminations or corporate	-1.1	-1.6	-0.5	

Consolidated Balance Sheets

(billions of yen)	2012/3	2013/3 1Q	Changes
	①	②	②-①
Assets	1,402.6	1,385.6	- 16.9
Current assets	585.3	573.1	- 12.1
(Breakdown)			
Cash and deposits / Short-term investment securities	70.4	62.6	- 7.8
Notes and accounts receivable-trade	13.1	9.0	- 4.1
Inventories	396.8	396.2	- 0.6
Equity investments	41.8	41.6	- 0.1
Other current assets	62.9	63.6	+ 0.6
Noncurrent assets	817.2	812.5	- 4.7
Property, plant and equipment	709.7	706.9	- 2.7
Intangible assets	9.8	9.6	- 0.1
Investments and other Assets	97.7	95.8	- 1.8
(Breakdown)			
Investment securities	45.9	43.8	- 2.1
Lease and guarantee deposits	23.6	23.9	+ 0.2
Other noncurrent assets	28.1	28.1	+ 0.0
Liabilities	1,026.1	1,003.7	- 22.4
Current liabilities	257.3	292.8	+ 35.4
(Breakdown)			
Notes and accounts payable-trade	36.3	29.3	- 7.0
Short-term loans payable	148.2	201.8	+ 53.6
Deposits received	14.4	11.6	- 2.8
Other current liabilities	58.2	50.0	- 8.2
Noncurrent liabilities	768.7	710.9	- 57.8
(Breakdown)			
Bonds payable	33.0	33.0	±0
Long-term loans payable	577.3	519.8	- 57.4
Lease and guarantee deposits received	55.6	56.0	+ 0.3
Other noncurrent liabilities	102.8	102.0	- 0.7
< Total interest-bearing debts >	758.5	754.7	- 3.8
Net assets	376.4	381.9	+ 5.4
Total liabilities and net assets	1,402.6	1,385.6	- 16.9
Shareholder's equity ratio	22.6%	23.2%	+ 0.6P
Debt/equity ratio	2.4	2.3	- 0.1

Key Factors			
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< Inventories >

	2012/3	2012/6	Changes
Residential	300.5	297.9	- 2.5
Property development	90.8	92.6	+ 1.8
Other business	6.1	6.3	+ 0.1
Eliminations or corporate	- 0.6	- 0.6	- 0.0
Total	396.8	396.2	- 0.6

*Residential...Residential, Building segment / Property development...Investment management & development, Property brokerage & consignment sales business segment

< Total interest-bearing debts >

• Increase in short-term loans payable and decrease in long-term loans payable by increase in current portion of long-term loans payable

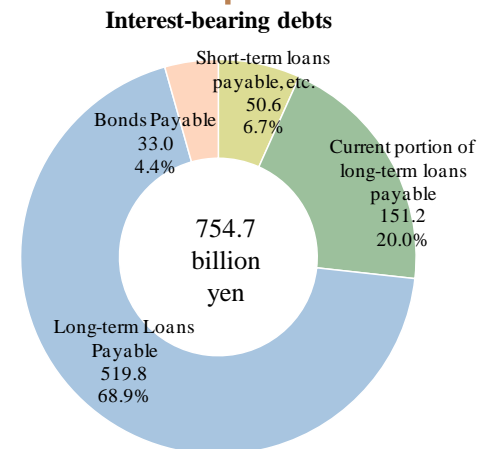
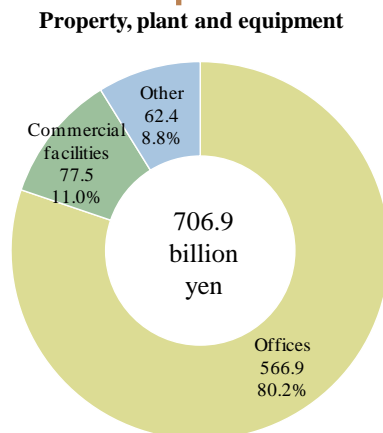
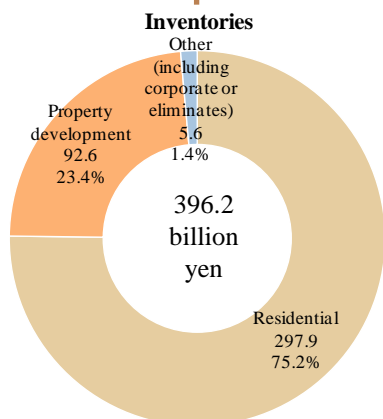
< Shareholder's Equity >

2012/3 317.0 billion yen → 2013/3 1Q 321.7 billion yen

Outline of Consolidated Balance Sheets at the End of June 30, 2012

Total Assets : 1,385.6 billion yen

Current assets		Liabilities	
Cash and deposits / Short-term investment securities	62.6	Interest-bearing debts	754.7
Notes and accounts receivable-trade	9.0	Short-term loans payable	201.8
Inventories	396.2	Bonds payable	33.0
Residential	297.9	Long-term loans payable	519.8
Property development	92.6	Notes and accounts payable-trade	29.3
Other	6.3	Deposits received	11.6
Corporate and eliminates	-0.6	Other current liabilities	50.0
Equity investments	41.6	Lease and guarantee deposits received	56.0
Other current assets	63.6	Other noncurrent liabilities	102.0
Noncurrent assets	812.5		
Property, plant and equipment	706.9		
Offices	566.9		
Commercial facilities	77.5		
Other	62.4		
Intangible assets	9.6	Net assets	381.9
Investments and other assets	95.8	Equity	321.7
		Subscription rights to shares	0.7
		Minority interests	59.4



*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.

Consolidated Operating Results Forecasts for FY Ending March 31, 2013

(billions of yen)	FY 2012/3 Actual	FY 2013/3 Forecast	Changes	Key Factors
Operating Revenue	450.8	523.0	+72.1	< Operating Revenue >
Residential development business	244.5	326.0	+81.4	• Increase in housing units sold (12/3 4,028 units → 13/3 5,800 units)
Building business	105.7	110.0	+4.2	• Increase in housing units sold at NREG Toshiba Building Co. Ltd.
Investment management & development business	63.9	52.0	-11.9	• Decrease in sales of profit-generating properties
Property brokerage & consignment sales business	34.3	22.0	-12.3	• Recording of sales following the transfer of a segment in the fiscal year ended March 2012
Other business	19.0	20.0	+0.9	
Eliminations or corporate	-16.7	-7.0	+9.7	• Elimination following the transfer of a segment in the fiscal year ended March 2012
Operating income	49.9	55.0	+5.0	< Operating Income >
Residential development business	23.8	30.0	+6.1	• Increase in housing units sold
Building business	25.3	23.5	-1.8	• Decrease in leasing gross profits
Investment management & development business	2.5	5.0	+2.4	• Valuation loss recorded on profit-generating properties in the fiscal year ended March 2012, and valuation loss on private fund equity in the fiscal year ending March 2013
Property brokerage & consignment sales business	1.9	3.0	+1.0	• Valuation loss recorded on profit-generating properties in the fiscal year ended March 2012
Other business	0.7	0.5	-0.2	
Eliminations or corporate	-4.4	-7.0	-2.5	• Elimination following the transfer of a segment in the fiscal year ended March 2012
Ordinary income	34.1	40.0	+5.8	
Net income	17.5	19.0	+1.4	
Net income per share (yen)	92.38	99.76	+7.38	• 2013/3 Dividends increase
Cash dividends per share (yen)	25.00	30.00	+5.00	

【Segment Information –Residential Development Business】

- ◆ An increase in units sold by difference in timing of delivery following disasters of 2011 and improvement of gross margin ratio resulted in higher sale revenues and profits.

The gross margin ratio on sales of housing increased to **23.7%** (a rise of 5.2 percentage points the same period a year ago).

(billions of yen)	2012/3 1Q	2013/3 1Q	Changes ②－①	2012/3	2013/3	Changes ④－③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	31.1	77.0	+45.8	244.5	326.0	+81.4
Sales of housing	23.5	63.2	+39.6	193.3	—	—
Management of housing	5.2	5.2	－0.0	23.6	—	—
Other	2.2	8.5	+6.2	27.5	—	—
Operating income	1.4	9.9	+8.5	23.8	30.0	+6.1

【Housing sales indicators】

Housing sales (unit)	475	1,167	+692	4,028	5,800	+1,772
Condominiums	395	1,066	+671	3,397	5,100	+1,703
Detached housing	80	101	+21	631	700	+69
Tokyo metropolitan area	321	1,084	+763	2,907	4,500	+1,593
Osaka metropolitan area	57	0	－57	541	720	+179
Other area	97	82	－15	579	580	+1
Contracted unrecorded units	3,057	4,326	+1,269	3,969	—	—
Completed housing inventories (unit)	50	54	+4	114	—	—
Average price (million yen)	49.63	54.19	+4.56	48.00	—	—
Gross margin ratio (%)	18.5%	23.7%	+5.2P	23.3%	—	—

【Residential and other indicators】

Condominiums under management (unit)	128,276	131,983	+3,707	130,987	—	—
Rental condominium sales for investors (unit)	0	244	+244	739	500	－239

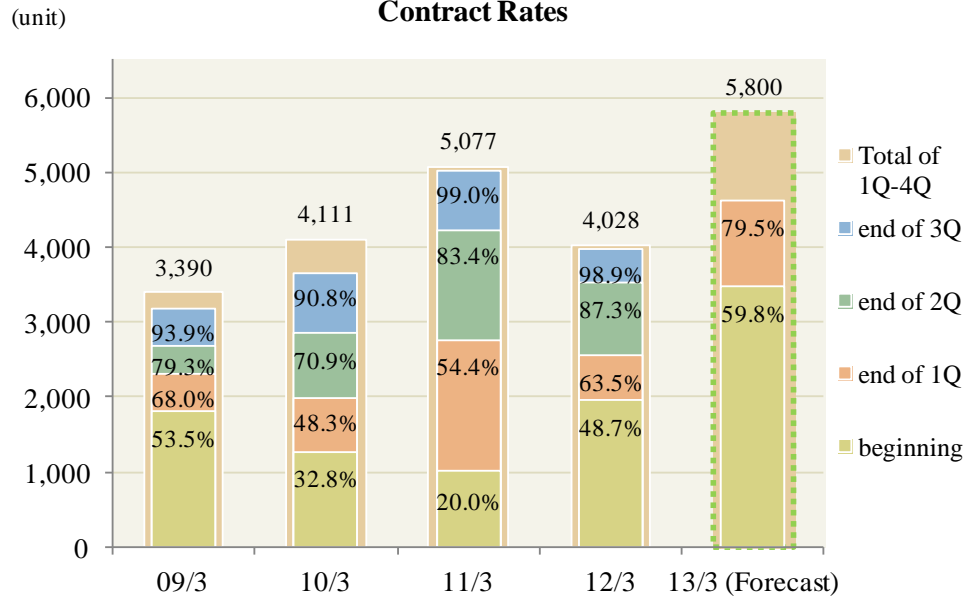
◆ Contract Rates

With the largest-ever period-sales projection, 5,800 units for the fiscal year ending March 2013, **4,610 units (79.5%)** of that figure already have been achieved as of the end of the first quarter.

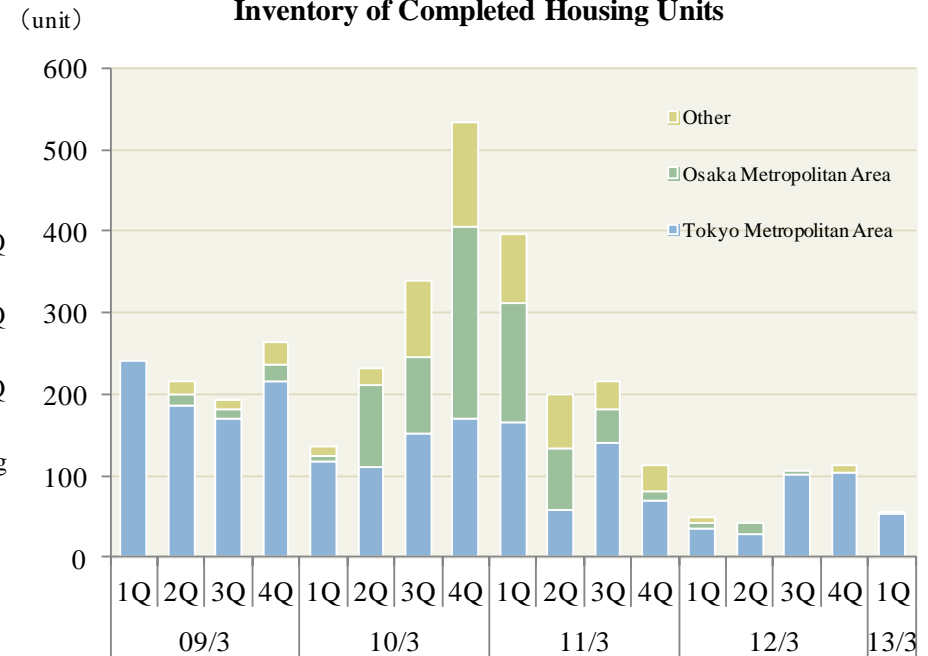
◆ End-of-Period Completed Inventories

End-of-period completed inventories were still at a low level of **54 units** as of the end of the first quarter.

Contract Rates



Inventory of Completed Housing Units



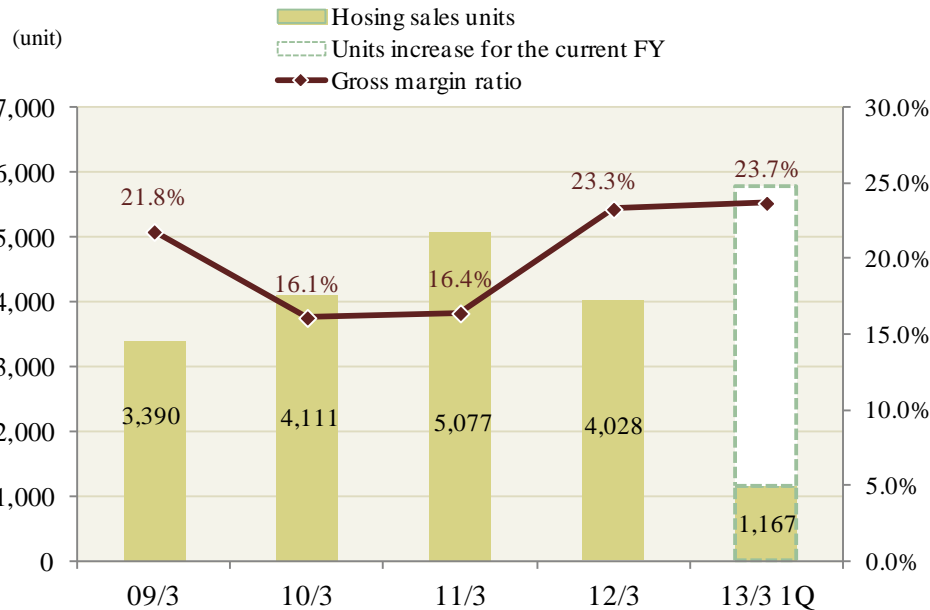
◆ Margins

Most properties sold in this first quarter were highly profitable following the previous fiscal year, and the gross margin ratio rose to **23.7%**.

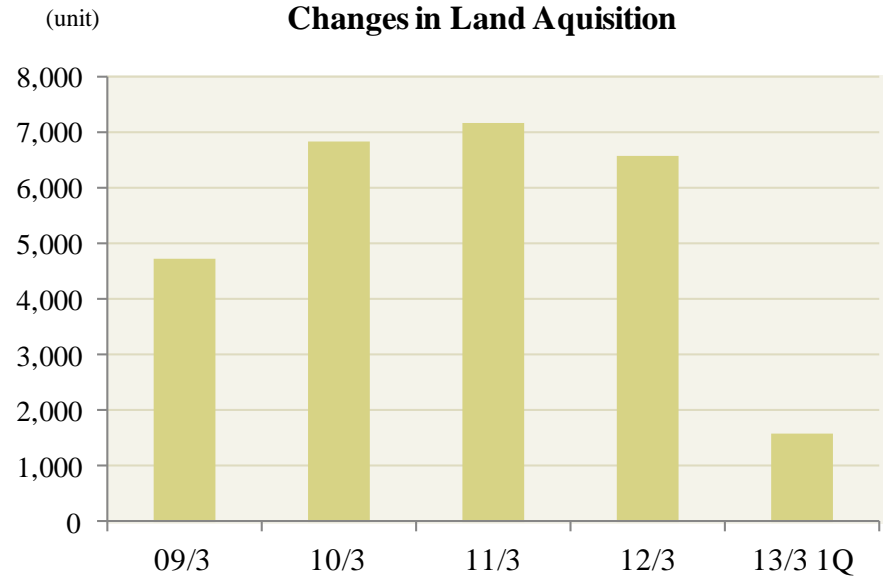
◆ Land Acquisitions

Land for **1,500 units** was acquired by the end of the first quarter, so that land bank after this fiscal year is now sufficient for **22,000 units**. This breaks down into 13,000 condominium units, 1,500 detached housings, and 7,500 units for redevelopment or renovation.

Changes in Housing Sales and Gross Margin Ratio



Changes in Land Acquisition



Reference 【Residential Development Business】 Major Projects Upcoming

FY 13/3	FY 14/3	FY 15/3	FY 16/3~
PROUD Komaba (Meguro-ku, Tokyo 178 units *2)	Chiyoda Fujimi Project (Chiyoda-ku, Tokyo 137 units)	Shirokanedai Reconstruction Project (Minato-ku, Tokyo 119 units)	Redevelopment Project in Tsukishima 1-chome (Chuo-ku, Tokyo 226 units *2)
PROUD TOWER Sagami-Ono (Sagamihara-city, Kanagawa 267 units)	PROUD TOWER Shinonome Canal Court (Koto-ku, Tokyo 600 units)	Project for Reconstruction of Public Apartments in Sakurajosui (Setagaya-ku, Tokyo 257 units *2)	Redevelopment Project in Shinjuku Nishi-tomihisa (Shinjuku-ku, Tokyo 408 units *2)
PROUD CITY Urawa (Urawa-ku, Saitama 492 units *1)	Oji-honcho Project (Kita-ku, Tokyo 122 units)	Project for Reconstruction of Asagaya Residence (Suginami-ku, Tokyo 305 units *1,2)	Redevelopment Project in West Gate of Keikyu-Kamata Station (Ota-ku, Tokyo 130 units *2)
PROUD TOWER Musashirawa Marks (Minami-ku, Saitama 280 units)	PROUD CITY Motosumiyoshi (Nakahara-ku, Kawasaki-city, Kanagawa 266 units *2)	Fuchu Miyanishicho 1-chome Project (Fuchu-shi, Tokyo 224 units)	Sengawa-cho 2-chome Project (Chofu-shi 275 units)
PROUD Funabashi (Funabashi-city, Chiba 749 units *1,2)	Fuchinobe Project (Chuo-ku, Sagami-hara-city, Kanagawa 335 units)	Redevelopment Project in Musashi-kosugi (Nakahara-ku Kawasaki city, Kanagawa 303 units *2)	Redevelopment Project in North Gate of Tachikawa Station (Tachikawa-shi, Tokyo 310 units)
OHANA Yasaka Hagiya-macho (Higashimurayama-city, Tokyo 141 units)	OHANA Tamagawa-jyosui Project (Higashiyamato-city, Tokyo 323 units)	Yodogawa-ku Nishi-Miyahara 2-chome Project (Yodogawa-ku, Osaka 310 units)	First Redevelopment Project in South Gate of Fuchu Station (Fuchu-shi, Tokyo 130 unit)

*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 Shinonome Canal Coat



PROUD CITY Urawa



PROUD CITY Motosumiyoshi

【 Segment Information: Building Business 】

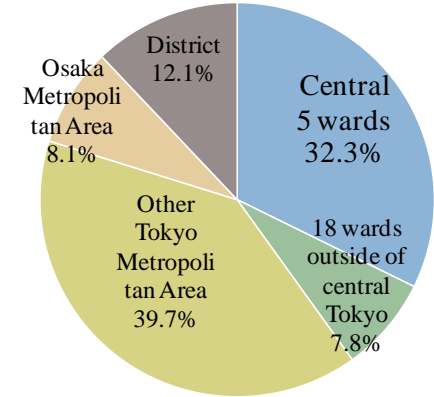
- ◆ Both offices and commercial facilities have been operating well. Vacancy rate remains low level.
Vacancy rate improvement to 2.2% as of the end of the first quarter.
(1.6 percentage point improvement from the same period a year ago)

(billions of yen)	2012/3 1Q			2012/3		
	Actual ①	Actual ②	Changes ②-①	Actual ③	Forecast ④	Changes ④-③
Operating revenue	23.4	25.0	+1.5	105.7	110.0	+4.2
Offices (owned)	10.0	9.9	-0.1	40.1	—	—
Offices (subleasing)	1.1	1.1	-0.0	4.4	—	—
Commercial facilities	1.7	1.7	+0.0	7.2	—	—
Property and facility management	6.6	6.7	+0.1	27.3	—	—
Other	3.9	5.4	+1.5	26.5	—	—
Operating income	5.9	5.9	+0.0	25.3	23.5	-1.8
Rentable floor area (sqm)	783,445	773,861	-9,584	771,640	—	—
Offices (owned)	633,381	629,045	-4,336	632,768	—	—
Offices (subleasing)	64,204	59,453	-4,751	53,114	—	—
Commercial facilities	85,859	85,362	-497	85,757	—	—
Vacancy rate	3.8%	2.2%	-1.6P	2.4%	—	—

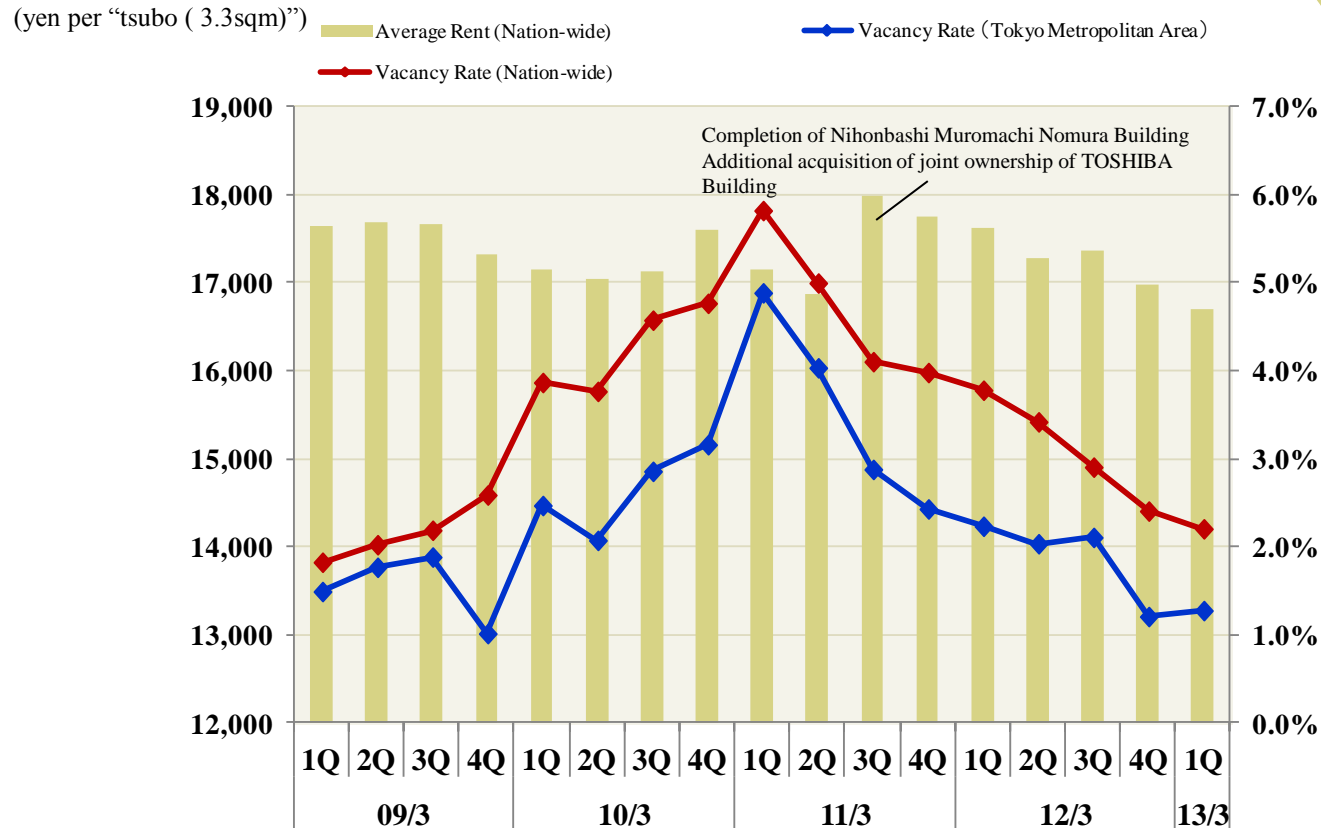
【Reference】 Rent revenue change analysis	Changes
Newly Completed Buildings	+0.1
Existing buildings	-0.0
Ownership transfer · Sold buildings	-0.2

- ◆ The vacancy rate is trending lower after peaking at the end of the first quarter in the fiscal year ended March 2011.
- ◆ Average rents remain under downward pressure, but seem to hit the bottom as the rate of renewals with flat rents has increased in regular contract revisions with tenants.

Rentable Space by Area



Changes in Vacancy Rate and Average Rent



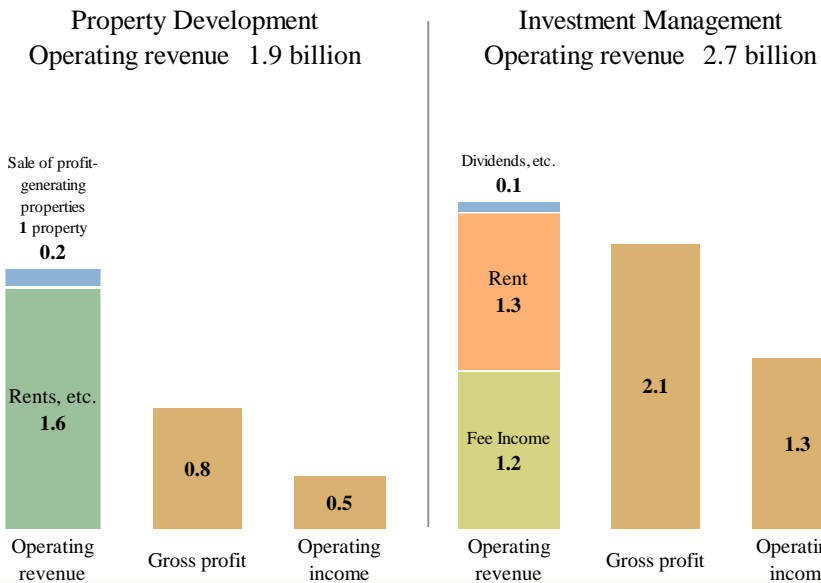
※ Average rent is equal to total rents and common area fees for offices (owned and subleasing) and commercial facilities in this segment divided by the average of the floor space (in terms of 3.3m² sections, tsubo) figures as of the end of the quarter being examined and the end of the previous quarter

Segment Information: Investment Management & Development Business

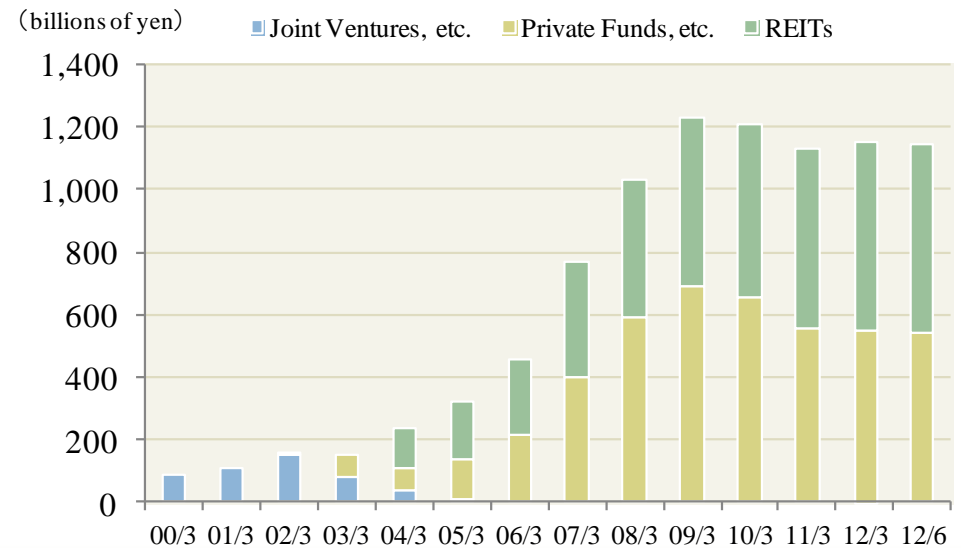
◆ A decrease in sales of profit-generating properties resulted in lower sales revenues and lower profits.

(billions of yen)	2012/3 1Q	2013/3 1Q	Changes ②-①	2012/3	2013/3	Changes ④-③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	11.2	4.6	-6.5	63.9	52.0	-11.9
Property development	8.1	1.9	-6.2	49.2	39.0	-10.2
Investment management	3.0	2.7	-0.2	14.7	13.0	-1.7
Operating income	3.3	1.9	-1.3	2.5	5.0	+2.4
Property development	1.6	0.5	-1.0	-5.0	1.0	+6.0
Investment management	1.6	1.3	-0.3	7.5	4.0	-3.5
Outstanding assets under management	1,112.1	1,146.1	+34.0	1,153.8	—	—
REITs	561.1	604.6	+43.4	603.8	—	—
Private funds, etc.	550.9	541.5	-9.4	550.0	—	—

Breakdown of Operating Revenue by Segment



Changes in Asset under Management



- ◆ Increases in transaction value and the number of transactions in the property brokerage resulted in higher sales revenues and profits.

(billions of yen)	2012/3 IQ	2013/3 IQ	Changes ②－①	2012/3	2013/3	Changes ④－③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	5.2	6.3	+1.0	34.3	22.0	－12.3
Property brokerage	3.5	3.8	+0.2	16.3	—	—
Consignment sales	0.1	0.4	+0.2	1.3	—	—
Real property sales	0.8	1.6	+0.8	7.2	—	—
Other	0.7	0.4	－0.2	9.2	—	—
Operating income	0.5	0.7	+0.2	1.9	3.0	+1.0
【Brokerage indicators】						
Total transaction value (billion yen)	99.4	105.1	+5.7	452.9	—	—
Number of transactions	1,331	1,494	+163	5,762	—	—
Commission fee (billion yen)	3.5	3.8	+0.2	16.3	—	—
Commission rate (%)	3.6%	3.6%	+0.0P	3.6%	—	—

- ◆ An increase in the number of members with opening new fitness club resulted in higher sales revenues.

(billions of yen)	2012/3 IQ	2013/3 IQ	Changes ②－①	2012/3	2013/3	Changes ④－③
	Actual ①	Actual ②		Actual ③	Forecast ④	
Operating revenue	3.8	4.1	+0.3	19.0	20.0	+0.9
Fitness club business	3.3	3.5	+0.1	13.9	—	—
Other	0.4	0.5	+0.1	5.1	—	—
Operating income	－0.1	－0.0	+0.0	0.7	0.5	－0.2
【Other business indicators】						
Members of MEGALOS	126,201	135,519	+9,318	133,033	—	—
Number of clubs	24	26	+2	26	—	—

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