
Consolidated Financial Statements for the Six Months from April 1 to September 30, 2012

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



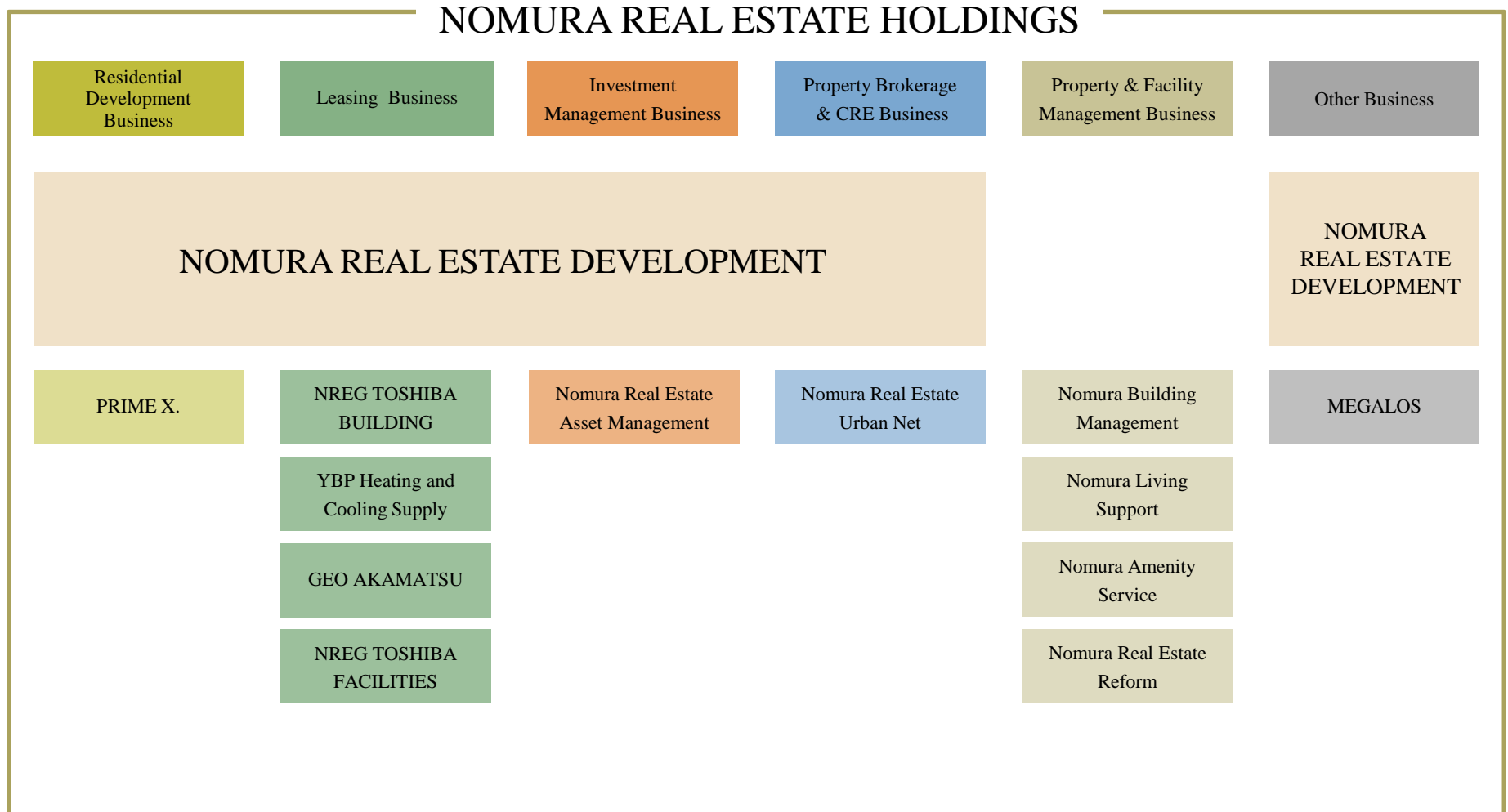
NOMURA REAL ESTATE HOLDINGS

Bringing Tomorrow Today ——— NOMURA REAL ESTATE GROUP

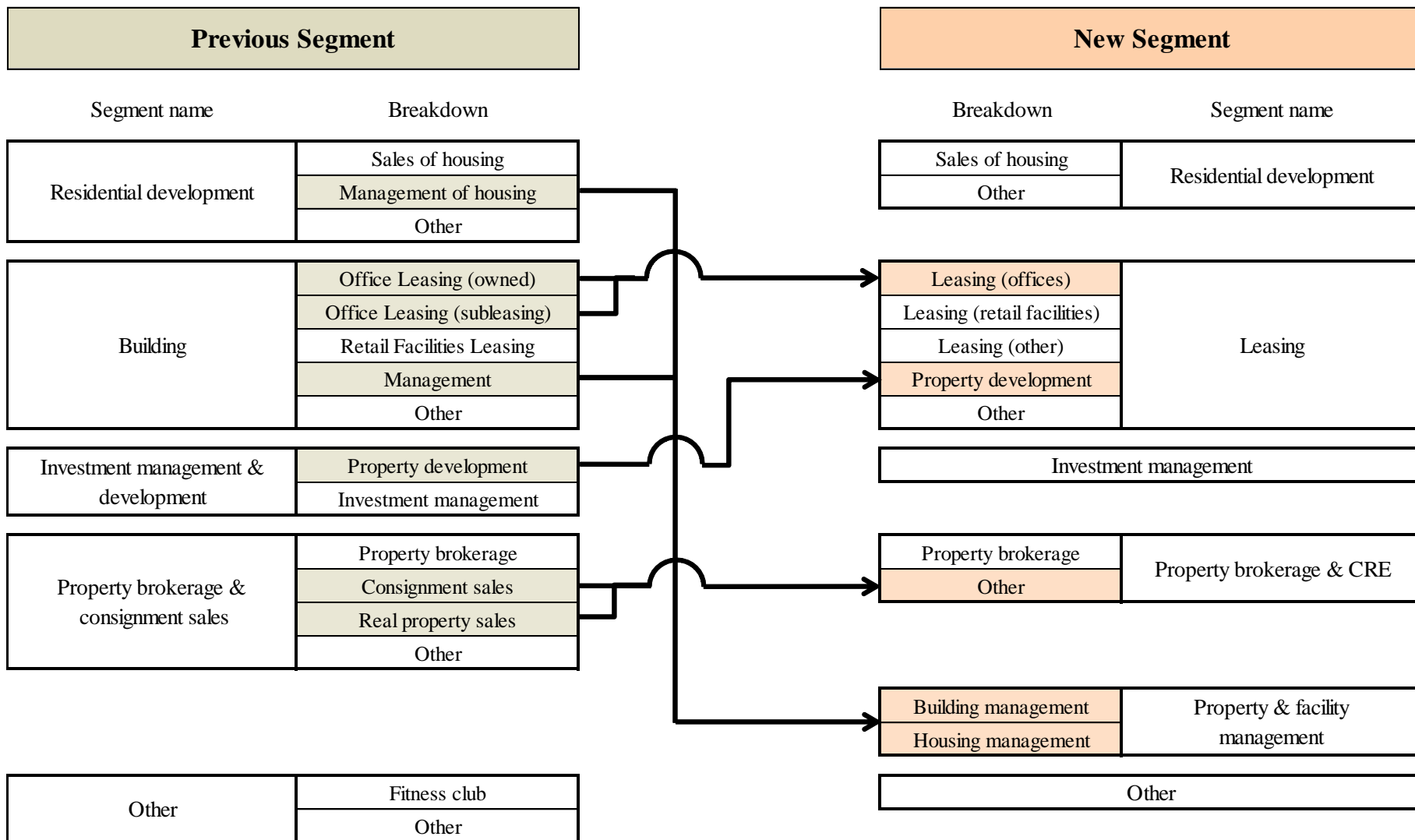
Outline of Consolidated Operating Results for the Six Months from April 1 to September 30, 2012

(billions of yen) *Figures rounded down to the nearest 100 million yen	2012/3 2Q Actual ①	2013/3 2Q Actual ②	Changes ②-①	Key Factors
Operating Revenue	151.4	222.5	+71.1	< Operating Revenue >
Operating Gross Profit	47.0	66.1	+19.0	• Increase in housing units sold in housing sales segment
Selling, General and Administrative Expenses	28.8	35.2	+6.3	
Operating Income	18.2	30.9	+12.7	< Operating Income >
Non-operating Income	0.4	2.0	+1.5	• Increase in housing units sold and improvement of profit margin in housing sales
Non-Operating Expenses	7.7	7.6	-0.0	
Ordinary Income	10.9	25.2	+14.3	< Ordinary Income >
Extraordinary Income	0.0	—	-0.0	• Increase in operating income, and increase in recoveries of investments in commercial mortgage-backed securities (CMBS), etc.
Extraordinary Losses	—	—	—	
Income Taxes	4.6	10.1	+5.5	
Minority Interests	1.3	1.7	+0.4	
Net Income	5.0	13.2	+8.2	
Net income per share (yen)	26.44	69.73	+43.29	
Cash Dividends per share (yen)	12.50	15.00	+2.50	
Total Assets	1,431.3	1,366.9	-64.4	• Decrease in inventories and equity investments
<Total interest-bearing debts>	810.3	720.1	-90.2	
Shareholder's equity	305.4	328.0	+22.6	• Increase in retained earnings
Shareholder's equity ratio	21.3%	24.0%	+2.7P	
Debt/equity ratio	2.7	2.2	-0.5	
Net Cash Provided by (used in) Operating Activities	-37.3	+25.7	+63.0	
Net Cash Provided by (Used in) Investment Activities	-3.1	-3.1	+0.0	
Net Cash Provided by (Used in) Financing Activities	-9.0	-40.8	-31.8	
Cash and Cash Equivalents at End of Period	32.5	52.1	+19.6	

- ◆ Business segments were changed following a revision of our segmentation in development of the Mid- to Long-term Business Plan.



Changes in Segmentation



* The chart only illustrates changes in segmentation of major business operations, and there are also other business operations with which changes have been made.

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

(billions of yen)	2012/3 2Q Actual ①	2013/3 2Q Actual ②	Changes ②-①	Key Factors
Operating Revenue	151.4	222.5	+71.1	< Operating Revenue >
Residential development business	53.3	123.9	+70.6	• Increase in housing units sold in housing sales
Leasing business	46.6	48.8	+2.1	• Decrease in sales of profit-generating properties and recording of sales figures of TOSHIBA BUILDING's residential development business
Investment management business	6.2	5.3	-0.9	• Decrease in rent revenues following sales of properties in the previous period, and decrease in dividends
Property brokerage & CRE business	18.9	12.4	-6.4	• Increase in commission fees and recording of sales due to changes in segmentation for inventories in the previous period
Property & facility management business	30.5	31.9	+1.4	• Increase in management revenues and contracted construction
Other business	6.8	7.3	+0.4	• Increase in sales with contributions from fitness club newly opened in the previous period
Eliminations or corporate	-11.1	-7.3	+3.7	• Sales consolidation elimination due to changes in segmentation of inventories in the previous period
Operating Income	18.2	30.9	+12.7	< Operating Income >
Residential development business	1.3	12.8	+11.5	• Increase in housing units sold and improvement of profit margin in housing sales
Leasing business	13.0	14.2	+1.1	• Decrease in office and other leasing costs and recording of sales figures of TOSHIBA BUILDING's residential development business
Investment management business	3.7	2.7	-1.0	• Decrease in rent revenues following sales of properties in the previous period, and decrease in dividends
Property brokerage & CRE business	0.1	2.2	+2.0	• Increase in commission fees, and recording of write-down of profit-generating properties in the previous period
Property & facility management business	1.7	1.8	+0.1	
Other business	-0.0	0.2	+0.2	
Eliminations or corporate	-1.9	-3.3	-1.4	

Revisions to Consolidated Operating Results Forecasts for FY Ending March 31, 2013

(billions of yen)	FY 2012/3	FY 2013/3	FY 2013/3	Changes ②-①	Key Factors
	Actual	Initial forecast ①	Revised forecast ②		
Operating Revenue	450.8	523.0	516.0	-7.0	< Operating Revenue >
Residential development business	217.5	300.0	304.0	+4.0	• Increase in sales due to changes of rental properties for investors
Leasing business	123.4	116.0	107.0	-9.0	• Decrease in properties sold following a revision in timing of the sale for profit-generating properties
Investment management business	12.9	10.0	10.0	±0	
Property brokerage & CRE business	34.3	22.0	23.0	+1.0	• Increase in commission fees
Property & facility management business	67.3	70.0	70.0	±0	
Other business	14.5	16.0	16.0	±0	
Eliminations or corporate	-19.4	-11.0	-14.0	-3.0	• Increase in properties transferred among segments
Operating income	49.9	55.0	55.0	±0	< Operating Income >
Residential development business	20.9	27.0	29.0	+2.0	• Improvement of profit margin in housing sales
Leasing business	19.6	24.0	24.0	±0	
Investment management business	6.5	3.0	0.5	-2.5	• Preparation for recording of additional loss on equity investments
Property brokerage & CRE business	1.9	3.0	3.5	+0.5	• Increase in commission fees
Property & facility management business	4.4	4.5	4.5	±0	
Other business	0.4	0.5	0.5	±0	
Eliminations or corporate	-4.0	-7.0	-7.0	±0	
Ordinary income	34.1	40.0	42.0	+2.0	• Increase in recoveries of investments in commercial mortgage-backed securities (CMBS), etc.
Net income	17.5	19.0	19.0	±0	
Net income per share (yen)	92.38	99.76	99.74	-0.02	
Cash dividends per share (yen)	25.00	30.00	30.00	±0	

Consolidated Balance Sheets

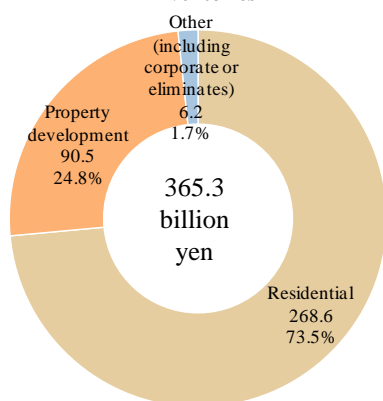
(billions of yen)	2012/3	2013/3 2Q	Changes	Key Factors
	①	②	②-①	
Assets	1,402.6	1,366.9	-35.6	
Current assets	585.3	534.7	-50.5	
(Breakdown)				< Inventories >
Cash and deposits / Short-term investment securities	70.4	52.1	-18.2	
Notes and accounts receivable-trade	13.1	10.3	-2.8	
Inventories	396.8	365.3	-31.5	
Equity investments	41.8	41.1	-0.7	
Other current assets	62.9	65.7	+2.8	
Noncurrent assets	817.2	832.1	+14.8	
Property, plant and equipment	709.7	727.0	+17.3	
Intangible assets	9.8	9.5	-0.2	
Investments and other Assets	97.7	95.5	-2.2	
(Breakdown)				< Property, plant and equipment >
Investment securities	45.9	44.3	-1.5	
Lease and guarantee deposits	23.6	23.4	-0.1	
Other noncurrent assets	28.1	27.7	-0.4	
* Residential··Residential development business segment				
Property development...Leasing business, Investment management business, and				
Property brokerage & CRE business segments				
Other··Property & facility management business, Other business segments				
Total	396.8	365.3	-31.5	
Liabilities	1,026.1	977.4	-48.7	
Current liabilities	257.3	296.4	+39.0	
(Breakdown)				< Total interest-bearing debts >
Notes and accounts payable-trade	36.3	26.3	-10.0	
Short-term loans payable	148.2	197.7	+49.5	
Deposits received	14.4	12.6	-1.8	
Other current liabilities	58.2	59.7	+1.4	
Noncurrent liabilities	768.7	680.9	-87.7	
(Breakdown)				
Bonds payable	33.0	33.0	±0	
Long-term loans payable	577.3	489.3	-87.9	
Lease and guarantee deposits received	55.6	56.8	+1.2	
Other noncurrent liabilities	102.8	101.7	-1.0	
< Total interest-bearing debts >	758.5	720.1	-38.4	
* Repayment of debts by cash flow during period and reversal of cash and deposits / short-term investment securities				
Net assets	376.4	389.5	+13.0	< Shareholder's Equity >
Total liabilities and net assets	1,402.6	1,366.9	-35.6	2012/3 317.0 billion yen → 2013/3 2Q 328.0 billion yen
Shareholder's equity ratio	22.6%	24.0%	+1.4P	
Debt/equity ratio	2.4	2.2	-0.2	

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

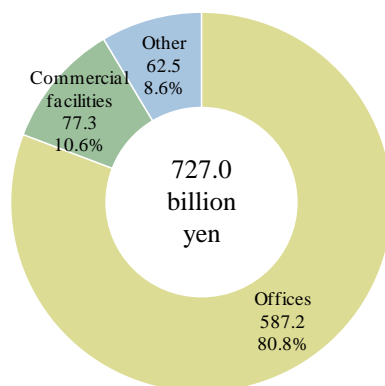
Total Assets : 1,366.9 billion yen

Current assets		Liabilities	
Cash and deposits / Short-term investment securities	52.1	Interest-bearing debts	720.1
Notes and accounts receivable-trade	10.3	Short-term loans payable	197.7
Inventories	365.3	Bonds payable	33.0
Residential	268.6	Long-term loans payable	489.3
Property development	90.5	Notes and accounts payable-trade	26.3
Other	6.2	Deposits received	12.6
Corporate and eliminates	-0.1	Other current liabilities	59.7
Equity investments	41.1	Lease and guarantee deposits received	56.8
Other current assets	65.7	Other noncurrent liabilities	101.7
Noncurrent assets	832.1	Net assets	389.5
Property, plant and equipment	727.0	Equity	328.0
Offices	587.2	Subscription rights to shares	0.9
Commercial facilities	77.3	Minority interests	60.4
Other	62.5		
Intangible assets	9.5		
Investments and other assets	95.5		

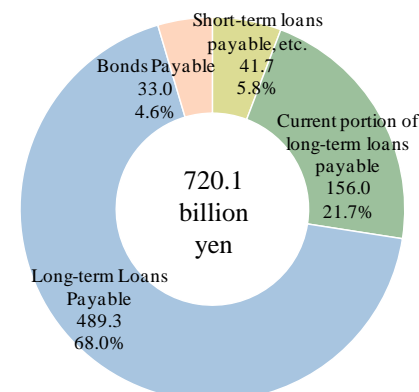
Inventories



Property, plant and equipment



Interest-bearing debts



*Residential**Residential development business segment

Property development***Leasing business, Investment management business, and Property brokerage & CRE business segments

【Segment Information –Residential Development Business】

- ◆ An increase in units sold by difference in timing of delivery from the previous period and improvement of gross margin ratio resulted in higher sale revenues and profits.

The gross margin ratio on sales of housing increased to **22.5%** (a rise of 2.4 percentage points from the same period a year ago).

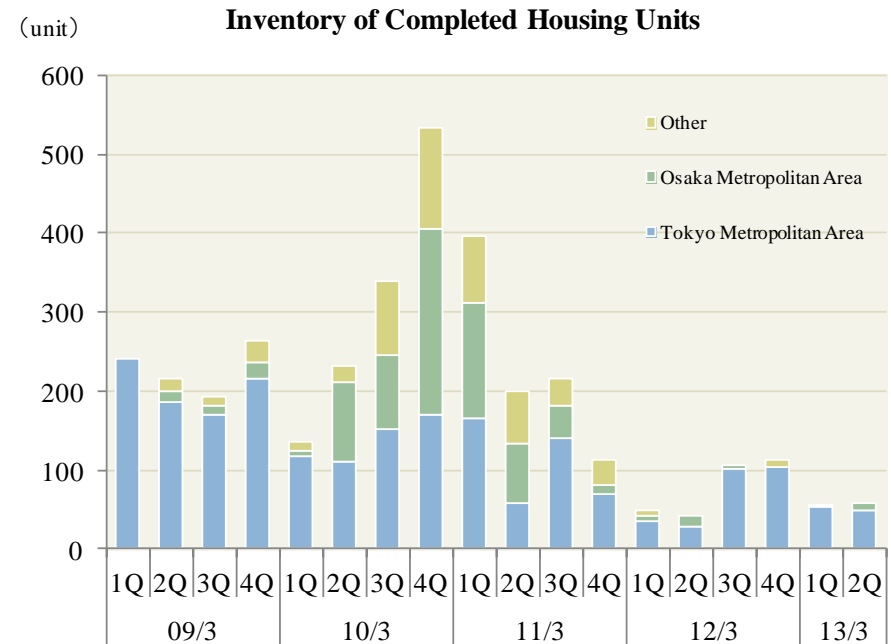
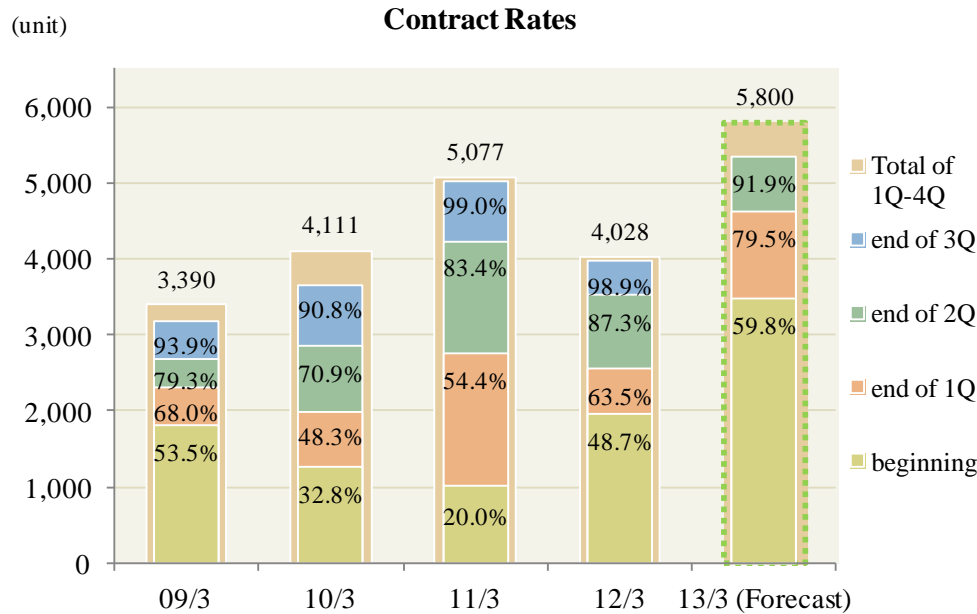
(billions of yen)	2012/3 2Q	2013/3 2Q	Changes	2012/3	2013/3	Changes	2013/3	Changes
	Actual	Actual		Actual	Forecast		Initial Forecast	
	①	②	②-①	③	④	④-③	⑤	④-⑤
Operating revenue	53.3	123.9	+70.6	217.5	304.0	+86.4	300.0	+4.0
Sales of housing	47.6	113.7	+66.0	193.3	—	—	—	—
Other	5.6	10.2	+4.5	24.2	—	—	—	—
Operating income	1.3	12.8	+11.5	20.9	29.0	+8.0	27.0	+2.0
【Housing sales indicators】								
Housing sales (unit)	961	2,114	+1,153	4,028	5,800	+1,772	5,800	±0
Condominiums	799	1,844	+1,045	3,397	5,100	+1,703	5,100	±0
Detached housing	162	270	+108	631	700	+69	700	±0
Tokyo metropolitan area	603	1,851	+1,248	2,907	4,500	+1,593	4,500	±0
Osaka metropolitan area	173	128	-45	541	720	+179	720	±0
Other area	184	135	-49	579	580	+1	580	±0
Contracted unrecorded units	3,989	5,451	+1,461	3,969	—	—	—	—
Completed housing inventories (unit)	42	58	+16	114	—	—	—	—
Average price (million yen)	49.60	53.78	+4.18	48.00	—	—	—	—
Gross margin ratio (%)	20.1%	22.5%	+2.4P	23.3%	—	—	—	—
Rental condominium sales for investors (unit)	22	296	+274	739	500	-239	500	±0

◆ Contract Rates

With the largest-ever period-sales projection, 5,800 units for the fiscal year ending March 2013, **5,332 units (91.9%)** of that figure already have been achieved as of the end of the second quarter.

◆ End-of-Period Completed Inventories

End-of-period completed inventories were still at a low level of **58 units** as of the end of the second quarter.



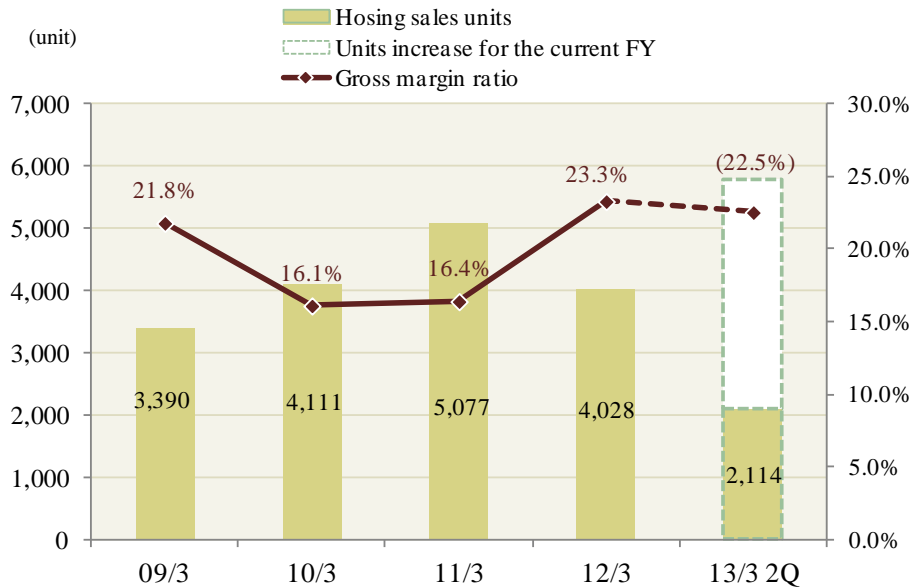
◆ Margins

Most properties sold in this second quarter were highly profitable following the previous period, and the gross margin ratio was **22.5%**.

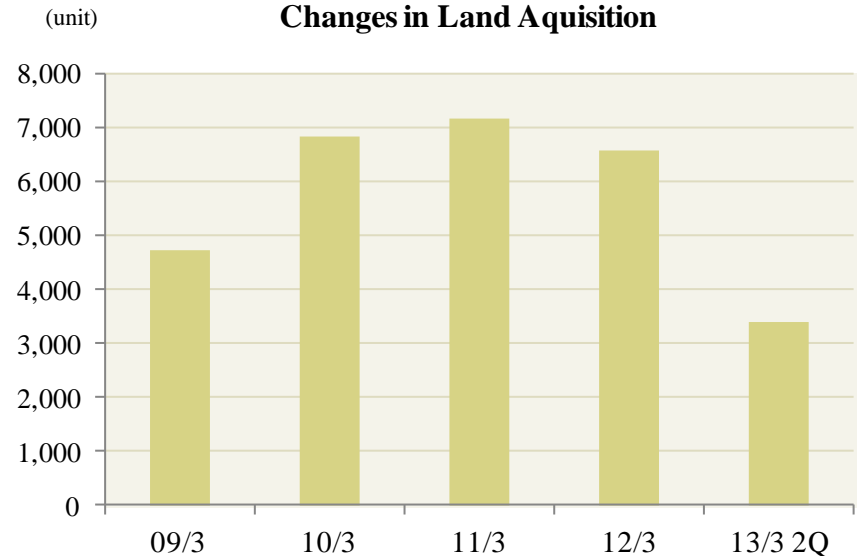
◆ Land Acquisitions

Land for **3,500 units** was acquired by the end of the second quarter, so that land bank after next fiscal year is now sufficient for **18,000 units**. This breaks down into 11,000 condominium units, 1,000 detached houses, and 6,000 units for redevelopment or rebuilding, etc.

Changes in Housing Sales and Gross Margin Ratio



Changes in Land Acquisition



Reference 【Housing Sales Segment】 Major Projects Upcoming

FY 13/3	FY 14/3	FY 15/3	FY 16/3~
PROUD Komaba (Meguro-ku, Tokyo 178 units *2)	PROUD TOWER Chiyoda Fujimi Residence (Chiyoda-ku, Tokyo 137 units)	PROUD TOWER Shirokanedai (Minato-ku, Tokyo 119 units)	Tsukishima 1chome Station Redevelopment Project (Chuo-ku, Tokyo 235 units *2)
PROUD TOWER Sagamiono (Minato-ku, Sagamihara-shi, Kanagawa 267 units)	PROUD TOWER Shinonome Canal Court (Koto-ku, Tokyo 600 units)	Oizumi-Gakuen North Gate Redevelopment Project (Nerima-ku, Tokyo 165 units)	Shinjuku Nishitomihisa Redevelopment Project (Shinjuku-ku, Tokyo 409 units *2)
PROUD CITY Urawa (Urawa-ku, Saitama-shi, Saitama 492 units *1)	PROUD Oji-honcho (Kita-ku, Tokyo 122 units)	Fuchu-Miyanshicho 1chome Project (Fuchu-shi, Tokyo 231 units)	Sakurajosui Housing Complex Rebuilding Project (Setagaya-ku, Tokyo 257 units *2)
PROUD TOWER Musashiurawa Marks (Minami-ku, Saitama-shi, Saitama 280 units)	PROUD CITY Motosumiyoshi (Nakahara-ku, Kawasaki-shi, Kanagawa 266 units *2)	PROUD TOWER Musashikosugi (Nakahara-ku, Kawasaki-shi, Kanagawa 303 units *2)	Asagaya Residence Rebuilding Project (Suginami-ku, Tokyo 305 units *1,2)
PROUD Funabashi (Funabashi-shi, Chiba 749 units *1,2)	PROUD CITY Fuchinobe (Chuo-ku, Sagamihara-shi, Kanagawa 340 units)	Yodogawa-ku Nishimiyahara 2chome Project (Yodogawa-ku, Osaka 310 units)	Kaga 1chome Project (Itabashi-ku, Tokyo 381 units)
OHANA Yasaka Hagiyamacho (Higashimurayama-shi, Tokyo 141 units)	OHANA Tamagawajosui Gardenia (Higashiyamato-shi, Tokyo 322 units)	Kamifukuoka Project (OHANA) (Fujimino-shi, Saitama 381 units)	Tachikawa Station North Gate Redevelopment Project (Tachikawa-shi, Tokyo 310 units)

*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.)



OHANA Tamagawajosui Gardenia



PROUD CITY Fuchinobe



Shinjuku Nishitomihisa Redevelopment Project

【 Segment Information: Leasing Business 】

- ◆ Both offices and commercial facilities have been operating well. Vacancy rate remains low level. Vacancy rate improved to 1.9% as of the end of the second quarter. (0.4 percentage point improvement from the end of the fiscal year ended March 31, 2012.)

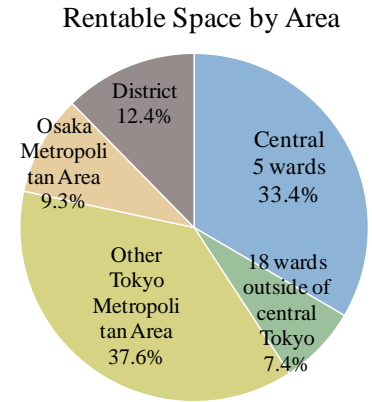
(billions of yen)	2012/3 Q Actual ①	2013/3 Q Actual ②	Changes ②-①	2012/3 Actual ③	2013/3 Forecast ④	Changes ④-③	2013/3 Initial Forecast ⑤	Changes ④-⑤
Operating revenue	46.6	48.8	+2.1	123.4	107.0	+16.4	116.0	-9.0
Leasing (offices)	24.1	23.5	-0.6	48.0	—	—	—	—
Leasing (commercial facilities)	3.9	4.1	+0.1	8.2	—	—	—	—
Leasing (other)	2.7	2.7	-0.0	5.4	—	—	—	—
Property development	13.0	10.1	-2.9	48.2	—	—	—	—
Other	2.5	8.2	+5.6	13.4	—	—	—	—
Operating income	13.0	14.2	+1.1	19.6	24.0	+4.3	24.0	±0
Rentable floor area (sqm)	839,632	821,396	-18,236	826,303	—	—	—	—
Offices	748,641	730,820	-17,822	735,415	—	—	—	—
Commercial facilities	90,990	90,576	-414	90,888	—	—	—	—
Vacancy rate	3.3%	1.9%	-1.4P	2.3%	—	—	—	—

* Leasing (offices) includes subleasing properties

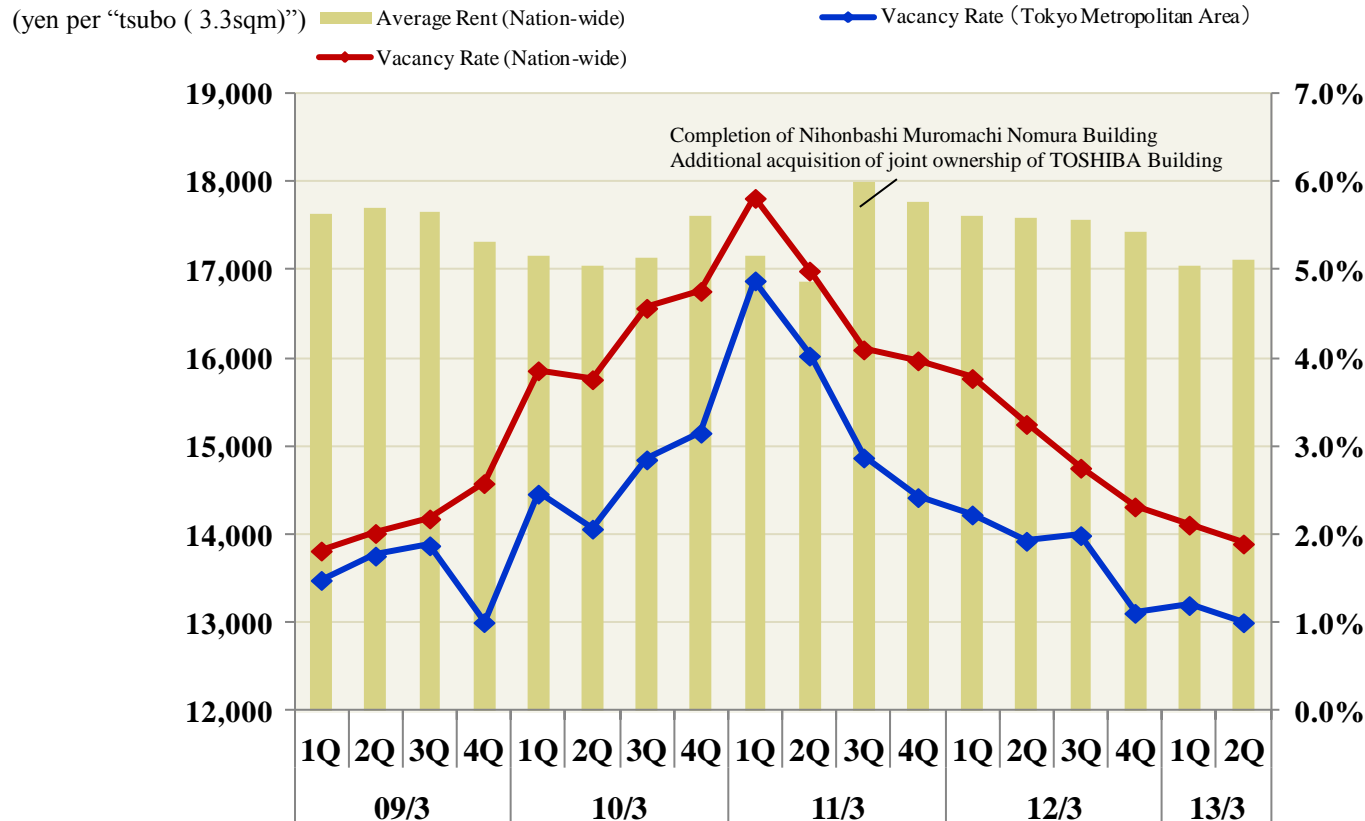
【Reference】 Rent revenue change analysis

	Changes
Newly Completed Buildings	—
Existing buildings	-0.0
Ownership transfer · Sold buildings	-0.4 Termination of sublease agreements for some sublease properties

- ◆ The vacancy rate remains in a downward trend.
 - The vacancy rate is still trending lower after peaking at the end of the first quarter in the fiscal year ended March 2011. (Vacancy rate improved to 1.9%)
 - Average rents are gradually stabilizing as the number of contract renewal with flat rent is increasing and declines in rent are going to stop.



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.

• Vacancy rates and average rents for the second quarter of the fiscal year ended March 31, 2012 and later reflect property transfers related to segment changes.

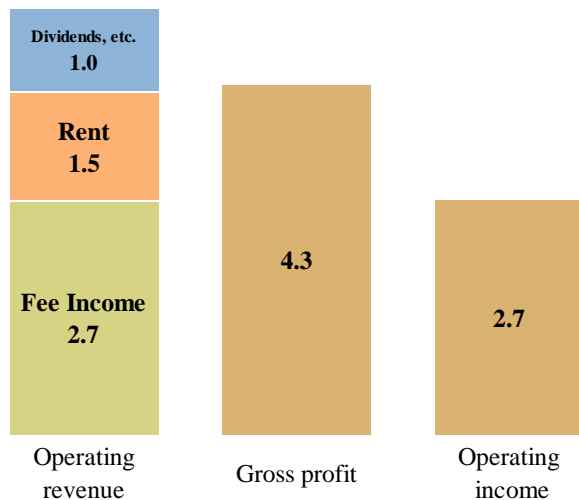
【 Segment Information: Investment Management Business 】

- ◆ A decrease in rent revenues following sales of properties in the previous period and dividends resulted in lower sales revenues and profits.

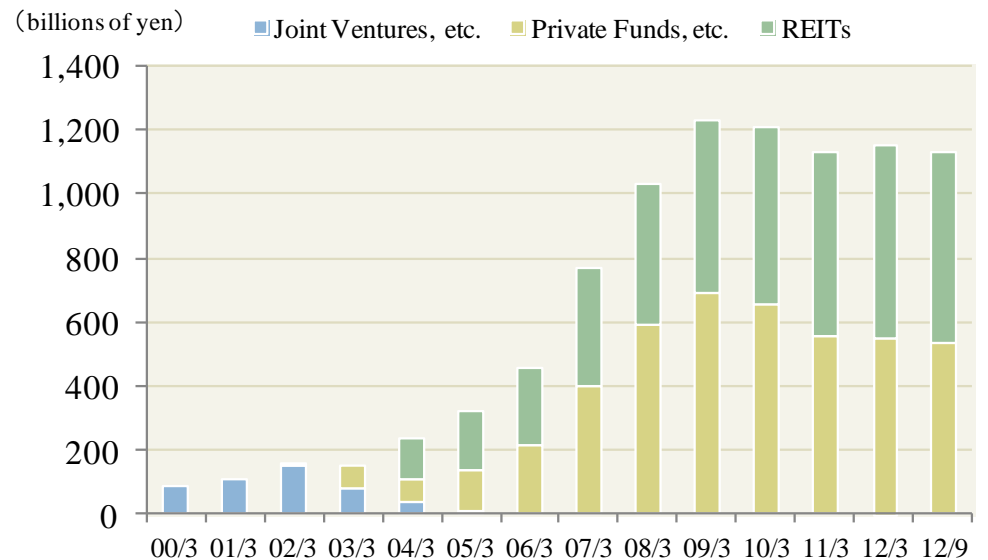
(billions of yen)	2012/3 2Q	2013/3 2Q	Changes ②-①	2012/3	2013/3	Changes ④-③	2013/3	Changes ④-⑤
	Actual ①	Actual ②		Actual ③	Forecast ④		Initial Forecast ⑤	
Operating revenue	6.2	5.3	-0.9	12.9	10.0	-2.9	10.0	±0
Operating income	3.7	2.7	-1.0	6.5	0.5	-6.0	3.0	-2.5
Outstanding assets under management	1,102.9	1,132.8	+29.9	1,153.8	—	—	—	—
REITs	559.2	598.0	+38.8	603.8	—	—	—	—
Private funds, etc.	543.6	534.7	-8.8	550.0	—	—	—	—

Breakdown of Operating Revenue

Operating revenue 5.3 billion



Changes in Asset under Management



Segment Information: Property Brokerage & CRE Business

- ◆ An Increase in commission fees and a decrease in sales of profit-generating properties resulted in lower sales revenues and higher profits.

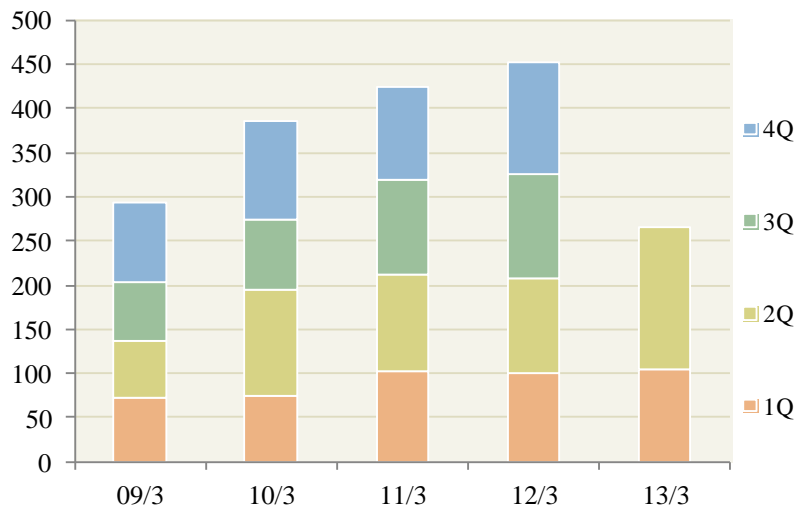
(billions of yen)	2012/3 2Q Actual ①	2013/3 2Q Actual ②	Changes ②-①	2012/3 Actual ③	2013/3 Forecast ④	Changes ④-③	2013/3 Initial Forecast ⑤	Changes ④-⑤
Operating revenue	18.9	12.4	-6.4	34.3	23.0	-11.3	22.0	+1.0
Property brokerage	7.4	8.6	+1.1	16.3	—	—	—	—
Other	11.4	3.8	-7.6	17.9	—	—	—	—
Operating income	0.1	2.2	+2.0	1.9	3.5	+1.5	3.0	+0.5

【Brokerage indicators】

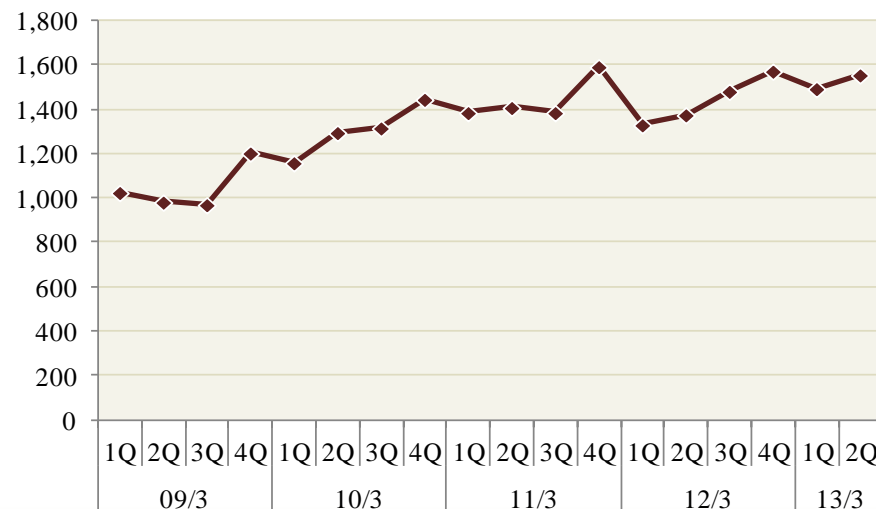
Total transaction value (billion yen)	206.9	265.9	+58.9	452.9	—	—	—	—
Number of transactions	2,707	3,050	+343	5,762	—	—	—	—
Commission fee (billion yen)	7.4	8.6	+1.1	16.3	—	—	—	—
Commission rate (%)	3.6%	3.2%	-0.4P	3.6%	—	—	—	—

(billions of yen)

Total transaction value



Number of transactions

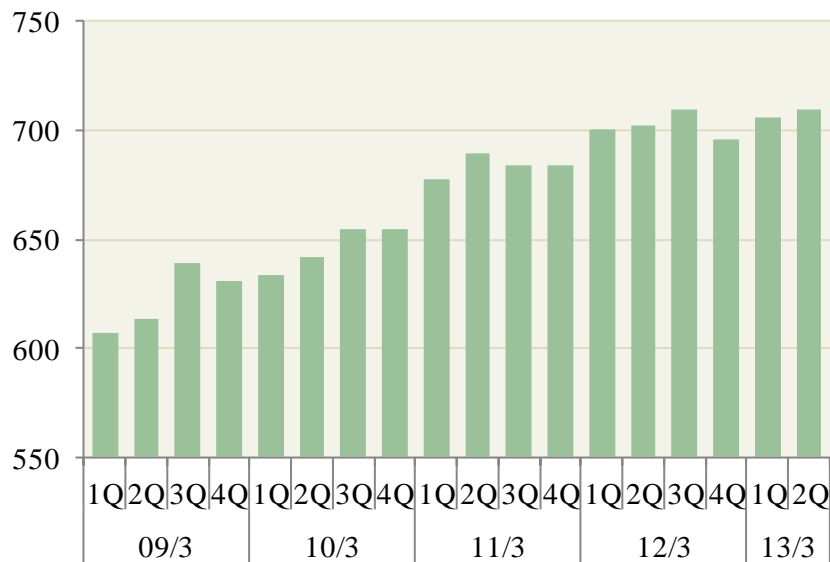


【 Segment Information: Property & Facility Management Business 】

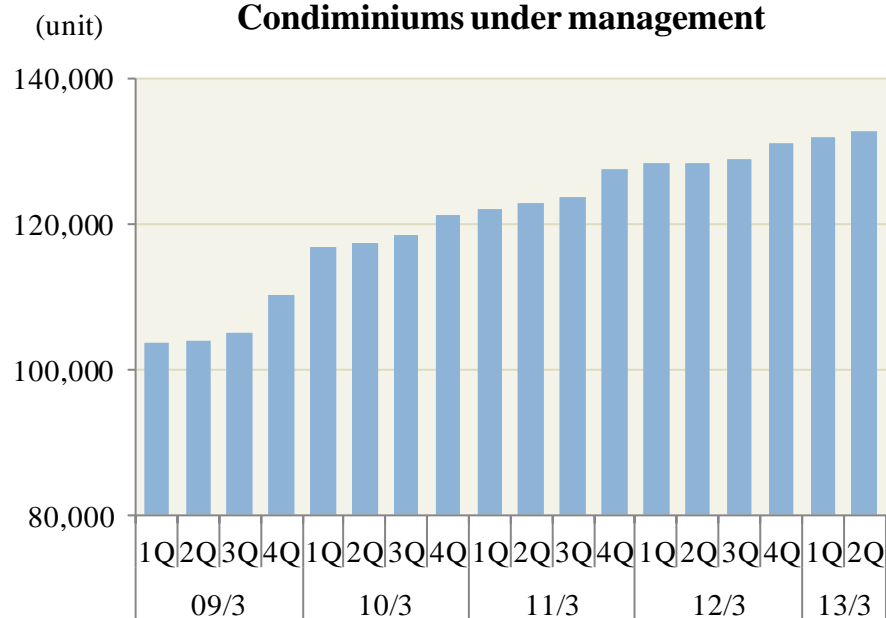
- ◆ An increase in management revenues generated by the steady rise in properties under management and contracted construction resulted in higher sales revenues and profits.

(billions of yen)	2012/3 2Q Actual ①	2013/3 2Q Actual ②	Changes ②-①	2012/3 Actual ③	2013/3 Forecast ④	Changes ④-③	2013/3 Initial Forecast ⑤	Changes ④-⑤
Operating revenue	30.5	31.9	+1.4	67.3	70.0	+2.6	70.0	±0
Building management	18.5	19.4	+0.8	41.6	—	—	—	—
Housing management	11.9	12.5	+0.5	25.7	—	—	—	—
Operating income	1.7	1.8	+0.1	4.4	4.5	+0.0	4.5	±0
Buildings under management	702	709	+7	696	—	—	—	—
Condominiums under management	128,291	132,788	+4,497	130,987	—	—	—	—

Buildings under management



Condominiums under management



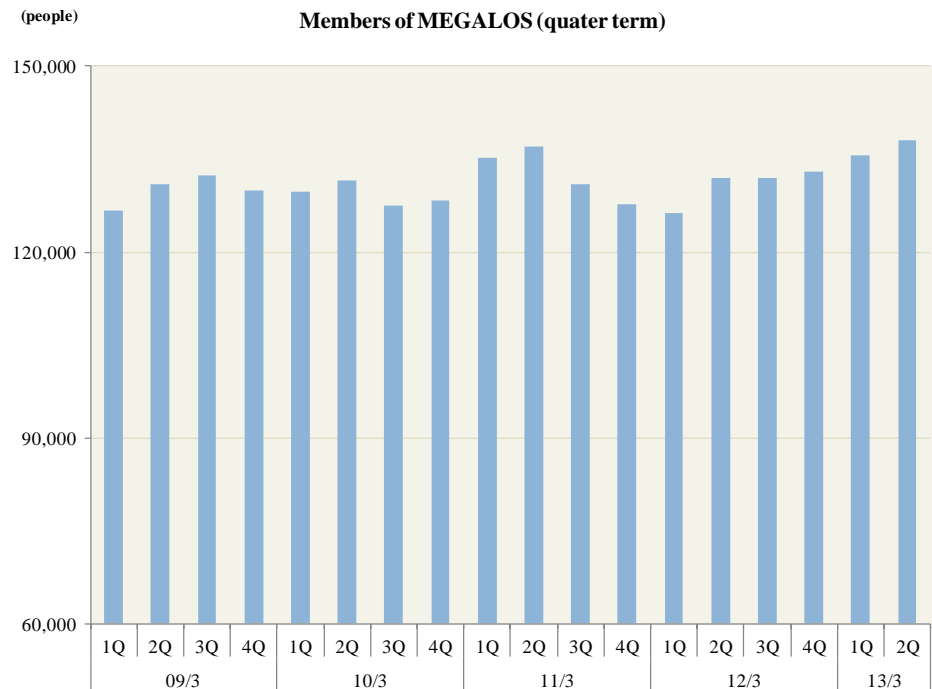
【 Segment Information: Other Business 】

◆ Contribution from fitness club (MEGALOS) newly opened in the previous period resulted in higher sales revenues and profits.

(billions of yen)	2012/3 2Q	2013/3 2Q	Changes	2012/3	2013/3	Changes	2013/3	Changes
	Actual	Actual	②-①	Actual	Forecast	④-③	Initial Forecast	④-⑤
	①	②		③	④		⑤	
Operating revenue	6.8	7.3	+0.4	14.5	16.0	+1.4	16.0	±0
Operating income	-0.0	0.2	+0.2	0.4	0.5	+0.0	0.5	±0
Members of MEGALOS	132,003	138,061	+6,058	133,033	—	—	—	—
Number of clubs	25	26	+1	26	—	—	—	—



Megalos Sagamiono (scheduled to open in the spring of 2013), a part of Sagamiono Station Redevelopment Commercial Facility Project. (tentative name)



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