
Consolidated Financial Statements for the Nine Months from April 1 to December 31, 2013 & 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, 2013

(billions of yen) *Figures rounded down to the nearest 100 million yen	FY13/3 3Q Actual ①	FY14/3 3Q Actual ②	Changes ②－①	Key Factors
Operating revenue	314.2	391.0	+76.7	< Operating revenue & income >
Operating gross profit	83.9	119.8	+35.9	• Increase in the number of housing units sold
Selling, general and administrative expenses	51.4	61.3	+9.8	
Operating income	32.5	58.5	+26.0	< Operating income >
Non-operating income	3.4	1.0	-2.3	• Increase in the number of housing units sold
Non-operating expenses	11.6	9.3	-2.3	• Rebound from recording write-down of equity investments in FY13/3 3Q
Ordinary income	24.3	50.3	+26.0	
Extraordinary income	0.4	0.8	+0.4	< Ordinary income & Net income >
Extraordinary losses	0.3	7.3	+7.0	• Increase in operating income
Income taxes	9.8	17.6	+7.7	• Recognition of extraordinary losses
Minority interests	2.5	1.0	-1.4	
Net income	12.0	25.1	+13.1	
Net income per share (yen)	63.06	131.78	+68.72	
Cash dividends per share (yen)	15.00	15.00	±0	
Total assets	1,360.5	1,300.6	-59.9	• Decrease in equity investments
<Total interest-bearing debts>	730.8	619.3	-111.5	• Decrease in current portion of long-term loans payable
Shareholder's equity	324.0	353.8	+29.8	
Shareholder's equity ratio	23.8%	27.2%	+3.4P	
Debt/equity ratio	2.3	1.8	-0.5	
Net cash provided by (used in) operating activities	10.4	52.7	+42.2	
Net cash provided by (used in) investment activities	-14.2	-20.9	-6.6	
Net cash provided by (used in) financing activities	-33.0	-56.1	-23.0	
Cash and cash equivalents at end of period	33.5	38.1	+4.5	

Segment Outline of Consolidated Operating Results for the Nine Months from April 1 to December 31, 2013

(billions of yen)	FY13/3 Q Actual ①	FY14/3 Q Actual ②	Changes ②-①	Key Factors
Operating revenue	314.2	391.0	+76.7	< Operating revenue >
Residential Development Business	173.3	231.7	+58.4	• Increase in the number of housing units sold
Leasing Business	68.2	67.7	-0.5	
Investment Management Business	7.5	15.7	+8.1	• Sales of a property in FY14/3
Property Brokerage & CRE Business	18.0	20.3	+2.2	• Increase in commission fees
Property & Facility Management Business	45.7	49.9	+4.2	• Increase in property management fees
Other Business	10.9	13.8	+2.9	
Adjustments	-9.6	-8.3	+1.2	
Operating income	32.5	58.5	+26.0	< Operating income >
Residential Development Business	14.9	26.8	+11.8	• Increase in the number of housing units sold
Leasing Business	18.3	20.9	+2.6	• Rebound from recording write-down and loss on sales of properties in FY13/3 Q
Investment Management Business	-2.7	7.5	+10.2	• Rebound from recording write-down of equity investments in FY13/3 Q
Property Brokerage & CRE Business	3.4	5.3	+1.9	• Increase in commission fees
Property & Facility Management Business	2.8	3.2	+0.4	
Other Business	0.4	0.4	+0.0	
Adjustments	-4.6	-5.7	-1.1	

Revision of Consolidated Operating Results Forecast for FY Ending March 31, 2014

(billions of yen)	FY13/3 Actual	FY 14/3 Previous Forecast ①	FY14/3 Revised Forecast ②	Changes ②-①	Key Factors
Operating revenue	517.7	520.0	523.0	+3.0	< Operating revenue >
Residential Development Business	308.4	309.0	309.0	±0	
Leasing Business	106.6	92.0	93.5	+1.5	• Higher-than-expected sales price of properties
Investment Management Business	11.1	18.0	18.0	±0	
Property Brokerage & CRE Business	26.0	25.0	26.5	+1.5	• Increase in commission fees
Property & Facility Management Business	66.3	70.0	70.0	±0	
Other Business	14.9	17.0	17.0	±0	
Adjustments	-15.9	-11.0	-11.0	±0	
Operating income	58.3	65.0	70.0	+5.0	< Operating income >
Residential Development Business	32.7	31.0	33.0	+2.0	• Improvement in gross margin ratio of housing sales • Decrease in cost
Leasing Business	23.3	24.0	25.5	+1.5	• Higher-than-expected sales price of properties
Investment Management Business	-2.7	8.0	8.0	±0	
Property Brokerage & CRE Business	6.1	5.5	7.0	+1.5	• Increase in commission fees
Property & Facility Management Business	4.4	4.5	4.5	±0	
Other Business	0.4	0.5	0.5	±0	
Adjustments	-6.1	-8.5	-8.5	±0	
Ordinary income	45.8	54.0	60.0	+6.0	
Net income	19.3	22.0	25.0	+3.0	
Net income per share (yen)	101.61	115.33	131.04	+15.71	
Cash dividends per share (yen)	30.00	30.00	30.00	±0	

Outline of Consolidated Balance Sheets at the End of 3Q

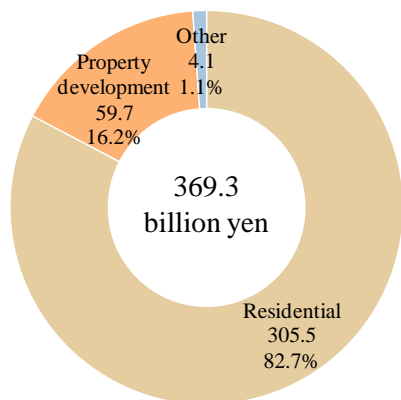
(billions of yen)	2013/3	2013/12	Changes	Key Factors
	①	②	②-①	
Assets	1,369.9	1,300.6	-69.3	
Current assets	535.1	481.8	-53.2	< Inventories >
(Breakdown)				
Cash and deposits / Short-term investment securities	62.4	38.1	-24.3	Residential 296.7 305.5 +8.8
Notes and accounts receivable-trade	13.2	11.3	-1.9	Property development 67.1 59.7 -7.4
Inventories	369.6	369.3	-0.3	Other business 5.9 4.1 -1.8
Equity investments	29.5	7.8	-21.6	Adjustments -0.1 -0.0 +0.0
Other current assets	60.0	55.1	-4.9	Total 369.6 369.3 -0.3
Noncurrent assets	834.8	818.7	-16.0	* Residential...Residential Development Business Segment
Property, plant and equipment	737.3	719.9	-17.4	Property development...Leasing Business, Investment Management Business, and Property Brokerage & CRE Business Segments
Intangible assets	9.4	9.2	-0.1	Other...Property & Facility Management Business, Other Business Segments
Investments and other assets	88.0	89.5	+1.5	< Equity investments >
(Breakdown)				• Collection of equity investments of private funds
Investment securities	46.1	48.3	+2.1	
Lease and guarantee deposits	17.7	18.8	+1.1	
Other noncurrent assets	24.1	22.3	-1.7	
Liabilities	971.6	884.1	-87.4	
Current liabilities	314.8	262.5	-52.3	
(Breakdown)				
Notes and accounts payable-trade	49.3	37.7	-11.5	< Notes and accounts payable-trade >
Short-term loans payable	167.5	151.4	-16.1	• Payment of construction cost in housing sales, etc.
Deposits received	21.2	11.8	-9.3	
Other current liabilities	76.6	61.4	-15.2	
Noncurrent liabilities	656.8	621.6	-35.1	
(Breakdown)				
Bonds payable	33.0	23.0	-10.0	< Total interest-bearing debts >
Long-term loans payable	468.6	444.8	-23.8	• Repayment of some loans payable by cash and deposits and collected funds of equity investments
Lease and guarantee deposits received	55.1	55.9	+0.7	
Other noncurrent liabilities	99.9	97.7	-2.1	
< Total interest-bearing debts >	669.2	619.3	-49.9	
Net assets	398.2	416.4	+18.1	< Shareholder's Equity >
Total liabilities and net assets	1,369.9	1,300.6	-69.3	2013/3 336.2 billion yen → 2013/12 353.8 billion yen
Shareholder's equity ratio	24.5%	27.2%	+2.7P	
Debt/equity ratio	2.0	1.8	-0.2	

Outline of Consolidated Balance Sheets at the End of 3Q

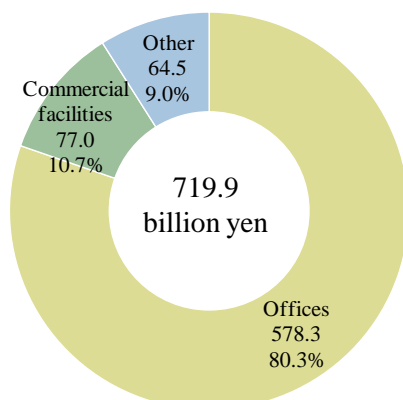
Total Assets : 1,300.6 billion yen

Current assets		Liabilities	
Cash and deposits / Short-term investment securities	38.1	Interest-bearing debts	619.3
Notes and accounts receivable-trade	11.3	Short-term loans payable, etc.	151.4
Inventories	369.3	Bonds payable	23.0
Residential	305.5	Long-term loans payable	444.8
Property development	59.7	Notes and accounts payable-trade	37.7
Other	4.1	Deposits received	11.8
Corporate and eliminates	-0.0	Other current liabilities	61.4
Equity investments	7.8	Lease and guarantee deposits received	55.9
Other current assets	55.1	Other noncurrent liabilities	97.7
Noncurrent assets		Net assets	
Property, plant and equipment	719.9	Equity	353.8
Offices	578.3	Subscription rights to shares	1.2
Commercial facilities	77.0	Minority interests	61.2
Other	64.5		
Intangible assets	9.2		
Investments and other assets	89.5		

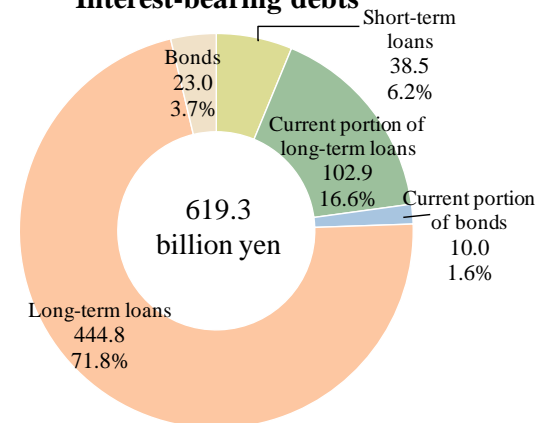
Inventories



Property, plant and equipment



Interest-bearing debts



*Residential...Residential Development Business
Property development...Leasing, Investment Management, and Property Brokerage & CRE Businesses

【Segment Information : Residential Development Business】

- ◆ A large increase in the number of units sold resulted in higher operating revenue and income.

The gross profit margin on sales of housing was **22.2%** (up 0.2 pp from FY13/3 3Q).

	FY13/3 3Q Actual ①	FY14/3 3Q Actual ②	Changes ②-①	FY13/3 Actual ③	FY14/3 Revised Forecast ④	Changes ④-③	FY14/3 Previous Forecast ⑤	Changes ④-⑤
Operating revenue	173.3	231.7	+58.4	308.4	309.0	+0.5	309.0	±0
Sales of housing	152.5	220.1	+67.6	281.8	—	—	—	—
Other	20.8	11.6	-9.2	26.5	—	—	—	—
Operating income	14.9	26.8	+11.8	32.7	33.0	+0.2	31.0	+2.0
【Housing sales indicators】								
Housing sales (unit)	2,879	4,586	+1,707	5,749	6,200	+451	6,200	±0
Condominiums	2,494	4,105	+1,611	5,111	5,450	+339	5,450	±0
Detached housing	385	481	+96	638	750	+112	750	±0
Tokyo metropolitan area	2,443	3,515	+1,072	4,410	4,750	+340	4,750	±0
Osaka metropolitan area	266	714	+447	739	900	+161	900	±0
Other area	169	356	+187	600	550	-50	550	±0
Contracted unrecorded units	6,688	6,508	-180	5,400	—	—	—	—
Completed housing inventories (unit)	51	51	±0	42	—	—	—	—
Average price (million yen)	52.97	48.00	-4.97	49.02	—	—	—	—
Gross margin ratio (%)	22.0%	22.2%	+0.2P	22.5%	—	—	—	—
Rental condominium sales for investors (unit)	501	133	-368	534	133	-401	133	±0

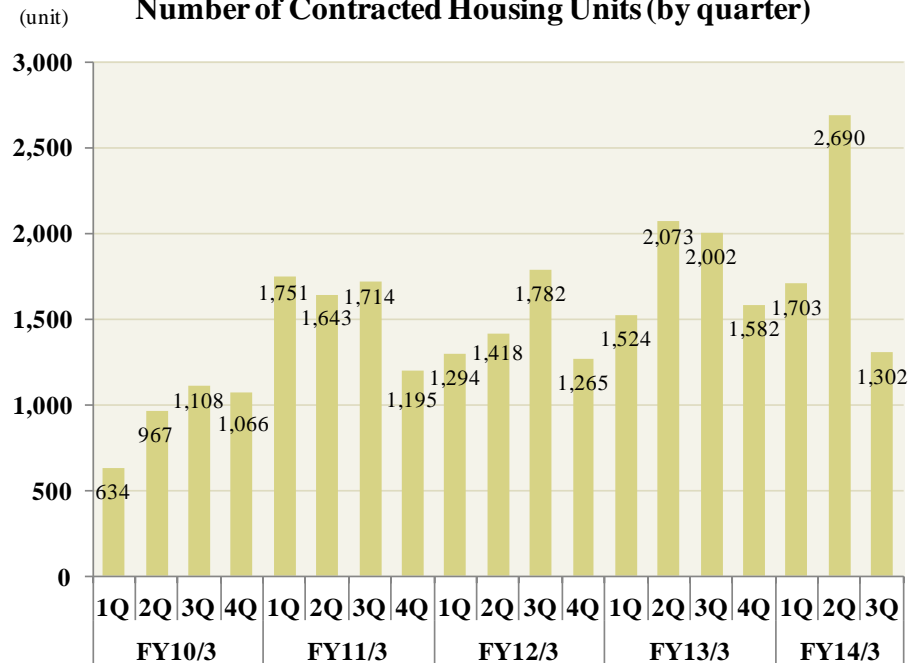
◆ Number of Contracted Housing Units

The number of contracts in 3Q was **1,302 units** because many large-scale properties were supplied in 2Q.
(**5,695 units** in total for 1Q -3Q)

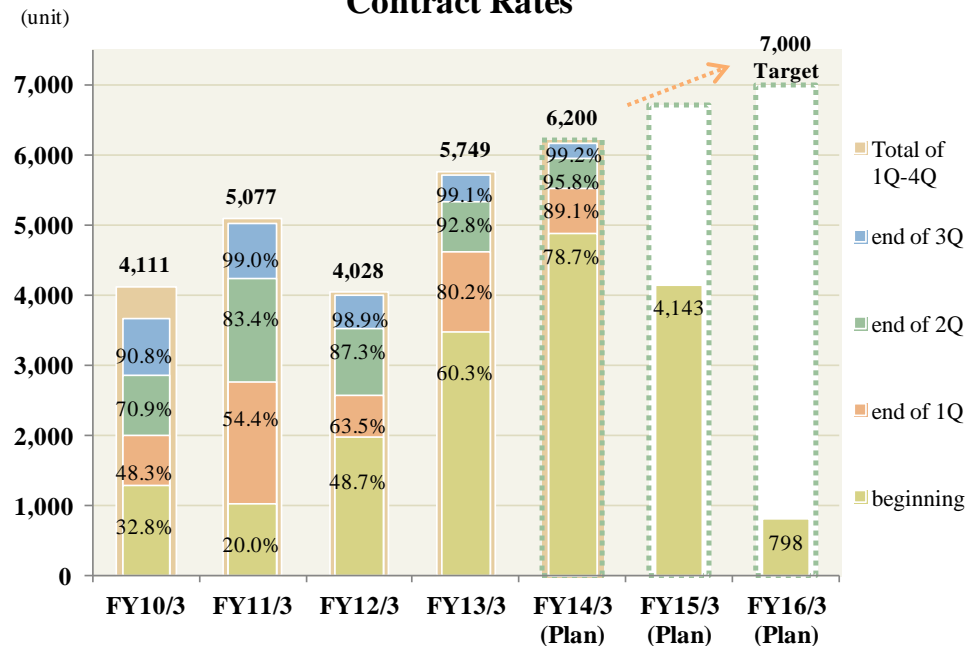
◆ Contract Rates

Towards the largest-ever period-sales projection, 6,200 units for FY14/3, **6,152 units (99.2%)** have been contracted as of the end of 3Q. In addition, **4,143 units** for FY15/3 and **798 units** for FY16/3 have already been contracted.

Number of Contracted Housing Units (by quarter)



Contract Rates



◆ Margins

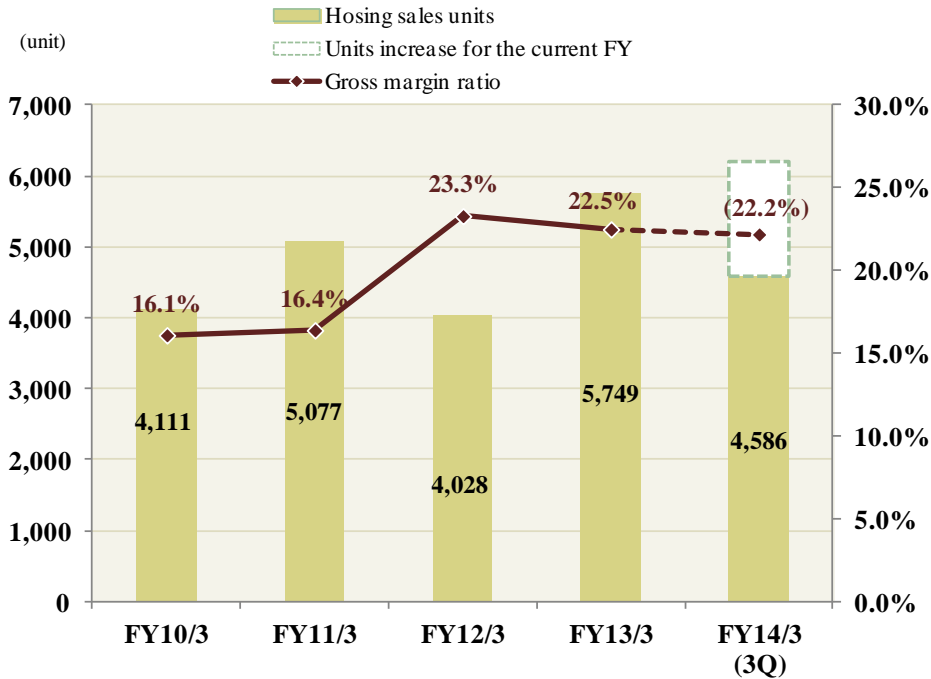
Gross profit margin remained at a high level of 22.2%.

◆ Land Acquisitions

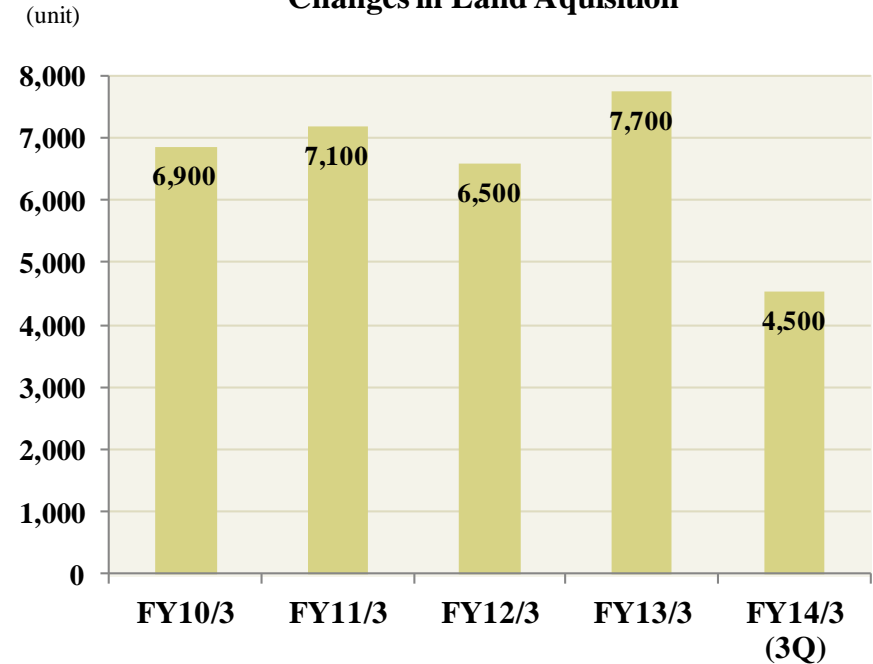
Lands for 4,500 units were acquired by the end of 3Q. Land bank in and after the next fiscal year is now sufficient for 17,800 units. This breaks down into 12,300 condominium units, 1,200 detached houses, and 4,300 units for redevelopment and rebuilding, etc.

*In addition, 4,700 units for redevelopment projects in the participation stage are stocked.

Changes in Housing Sales Units and Gross Profit Margin



Changes in Land Acquisition



Reference 【Residential Development Business】 Major Projects Upcoming

FY14/3	FY15/3	FY16/3	FY17/3~
PROUD TOWER Chiyoda Fujimi Residence (Chiyoda-ku, Tokyo 137 units)	The Residence Mita (Minato-ku, Tokyo 105 units *2)	CAPITAL GATE PLACE (Chuo-ku, Tokyo 247 units *1,2)	Asagaya Residence Rebuilding Project (Suginami-ku, Tokyo 308 units *2)
PROUD TOWER Shinonome Canal Court (Koto-ku, Tokyo 600 units)	PROUD TOWER Shirokanedai (Minato-ku, Tokyo 120 units)	Tomihisa Cross Comfort Tower (Shinjuku-ku, Tokyo 407 units *2)	Kiba 3chome Project (Koto-ku, Tokyo 202 units)
PROUD Oji-honcho (Kita-ku, Tokyo 122 units)	PROUD TOWER Oizumigakuen (Nerima-ku, Tokyo 165 units)	Sakurajosui Gardens (Setagaya-ku, Tokyo 259 units *2)	Fuchu Station South Gate Redevelopment Project (Fuchu-shi, Tokyo 111 units)
PROUD CITY Motosumiyoshi (Nakahara-ku, Kawasaki-shi, Kanagawa 266 units *2)	PROUD Fuchu Marks (Fuchu-shi, Tokyo 231 units)	Kaga Ichome Project (Itabashi-ku, Tokyo 381 units)	Tachikawa Station North Gate Redevelopment Project (Tachikawa-shi, Tokyo 292 units)
PROUD CITY Fuchinobe (Chuo-ku, Sagamihara-shi, Kanagawa 340 units)	PROUD TOWER Musashikosugi (Nakahara-ku, Kawasaki-shi, Kanagawa 303 units *2)	PROUD CITY Sengawa (Chofu-shi, Tokyo 275 units)	Miyazakidai Project (Miyamae-Ku, Kawasaki-shi, Kanagawa 435 units)
OHANA Tamagawajosui Gardenia (Higashiyamato-shi, Tokyo 322 units)	OHANA Fujimino Uenodai (Fujimino-shi, Saitama 381 units)	OHANA Hachioji Oak Court (Hachioji-shi, Tokyo 346 units)	Shiki Honcho 5chome Project (Shiki-shi, Saitama 392 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.)



Tomihisa Cross Comfort Tower



Sakurajosui Gardens



CAPITAL GATE PLACE

【Segment Information: Leasing Business】

- ◆ Lazona Kawasaki TOSHIBA Building newly started operation in November 2013. Rent of existing buildings stayed flat. The vacancy rate was 2.9% as of the end of 3Q (up 0.7 pp from the end of FY13/3).

(billions of yen)	FY13/3 3Q Actual ①	FY14/3 3Q Actual ②	Changes ②-①	FY13/3 Actual ③	FY14/3 Revised Forecast ④	Changes ④-③	FY14/3 Previous Forecast ⑤	Changes ④-⑤
Operating revenue	68.2	67.7	-0.5	106.6	93.5	-13.1	92.0	+1.5
Leasing (offices)	35.7	35.8	+0.1	47.8	—	—	—	—
Leasing (retail facilities)	5.9	7.8	+1.8	8.8	—	—	—	—
Leasing (other)	4.0	3.8	-0.2	5.4	—	—	—	—
Property development	12.9	11.7	-1.1	27.3	—	—	—	—
Other	9.4	8.3	-1.1	17.1	—	—	—	—
Operating income	18.3	20.9	+2.6	23.3	25.5	+2.1	24.0	+1.5
Rentable floor area (sqm)	832,921	921,283	+ 88,362	835,115	—	—	—	—
Offices	742,423	814,683	+ 72,260	728,236	—	—	—	—
Retail facilities	90,498	106,601	+ 16,103	106,879	—	—	—	—
Vacancy rate	2.2%	2.9%	+ 0.7P	2.2%	—	—	—	—

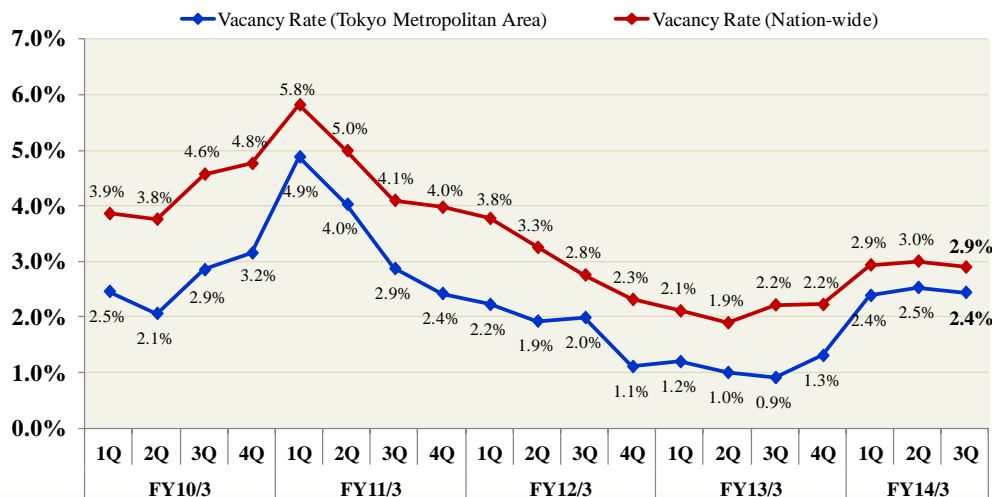
* Leasing (offices) includes subleasing properties

【Reference】 Rent revenue change analysis

Changes

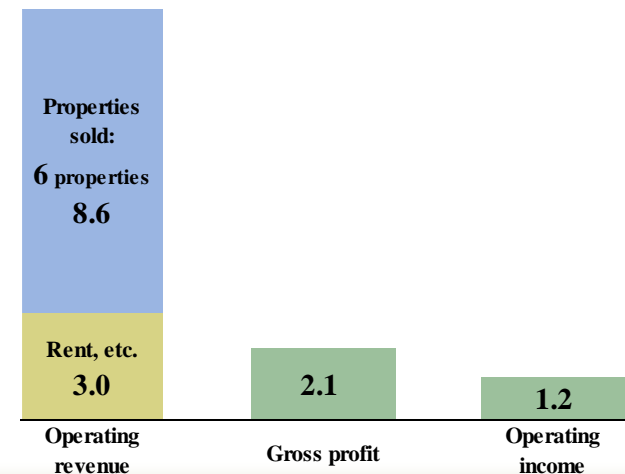
Newly completed buildings	+3.1	Lazona Kawasaki TOSHIBA Building, bono Sagamiono Shopping Center, etc.
Existing buildings	+0.0	
Sold / Termination	-1.1	Termination of sublease agreements for some sublease properties

Our Company's Changes in Vacancy Rates



Breakdown of Property Development

Operating revenue: 11.7 billion yen



Reference 【Leasing Business】 The Group's Major Buildings

	Name	Address	Leased floor area *our share	Completion
1	Yokohama Business Park	Hodogaya-ku, Yokohama-shi, Kanagawa	156,385m ²	1990/1, etc.
2	Hamamatsucho Building (TOSHIBA Building)	Minato-ku, Tokyo	102,033m ²	1984/3
3	Lazona Kawasaki TOSHIBA Building	Saiwai-ku, Kawasaki-shi, Kanagawa	78,609m ²	2013/3
4	Lazona Kawasaki Plaza	Saiwai-ku, Kawasaki-shi, Kanagawa	46,988m ²	2006/9
5	Shinjuku Nomura Building	Shinjuku-ku, Tokyo	31,467m ²	1978/5
6	Fukagawa GATHARIA Tower N	Koto-ku, Tokyo	27,688m ²	2007/1
7	Nihonbashi Muromachi Nomura Building	Chuo-ku, Tokyo	22,259m ²	2010/9
8	Nomura Real Estate Musashikosugi Building N wing & S wing	Nakahara-ku, Kawasaki-shi, Kanagawa	20,519m ²	2010/3
9	Umeda Sky Building	Kita-ku, Osaka-shi, Osaka	20,067m ²	1993/3
10	bono Sagamiono Shopping Center	Minami-ku, Saagamihara-shi, Kanagawa	16,380m ²	2013/1
11	Midosuji Nomura Building	Chuo-ku, Osaka-shi, Osaka	13,428m ²	2009/2



Hamamatsucho Building
(TOSHIBA Building)



Nihonbashi Muromachi
Nomura Building



Shinjuku Nomura Building



Nomura Real Estate
Musashikosugi Building N wing



Lazona Kawasaki
TOSHIBA Building



Fukagawa GATHARIA
Tower N



Lazona Kawasaki Plaza



Yokohama Business Park



bono Sagamiono Shopping Center



Umeda Sky Building



Midosuji Nomura Building

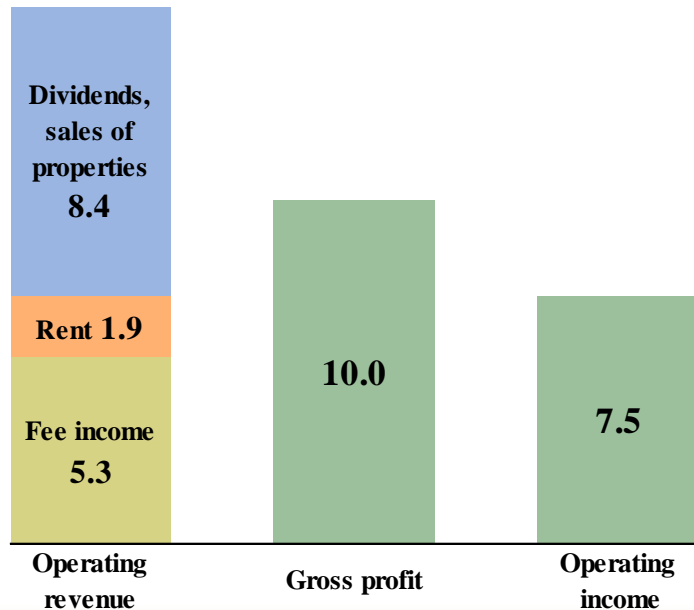
【 Segment Information: Investment Management Business 】

- ◆ Rebound from recording write-down of equity investments in FY13/3 resulted in higher operating revenue and income.

(billions of yen)	FY13/3 3Q	FY14/3 3Q	Changes ②－①	FY13/3	FY14/3	Changes ④－③	FY14/3	Changes ④－⑤
	Actual ①	Actual ②		Actual ③	Revised Forecast ④		Previous Forecast ⑤	
Operating revenue	7.5	15.7	+8.1	11.1	18.0	+6.8	18.0	±0
Operating income	-2.7	7.5	+10.2	-2.7	8.0	+10.7	8.0	±0
Outstanding assets under management	1,130.8	1,082.2	-48.6	1,127.4	—	—	—	—
REITs	597.0	901.4	+304.4	599.3	—	—	—	—
Private funds, etc.	533.8	180.7	-353.1	528.1	—	—	—	—

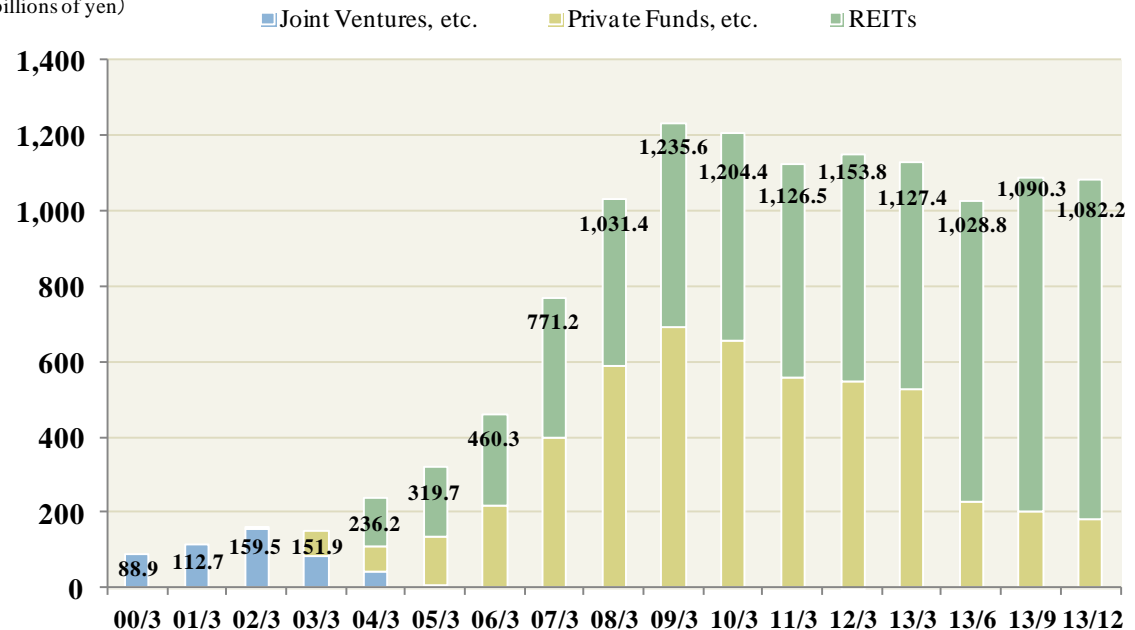
Breakdown of Revenue

Operating revenue: 15.7 billion yen



Changes in Assets under Management

(billions of yen)



【 Segment Information: Property Brokerage & CRE Business 】

◆ A large increase in commission fee resulted in higher operating revenue and income.

The commission fee was up 18.4% from FY13/3 3Q.

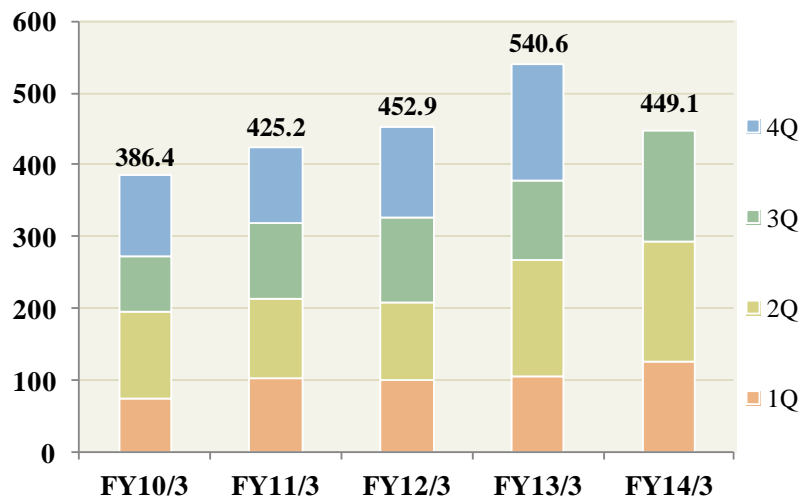
(billions of yen)	FY13/3 3Q Actual ①	FY14/3 3Q Actual ②	Changes ②-①	FY13/3 Actual ③	FY14/3 Revised Forecast ④	Changes ④-③	FY14/3 Previous Forecast ⑤	Changes ④-⑤
Operating revenue	18.0	20.3	+2.2	26.0	26.5	+0.4	25.0	+1.5
Property brokerage	13.2	17.1	+3.9	19.2	—	—	—	—
Other	4.8	3.1	-1.6	6.8	—	—	—	—
Operating income	3.4	5.3	+1.9	6.1	7.0	+0.8	5.5	+1.5

【 Brokerage indicators 】

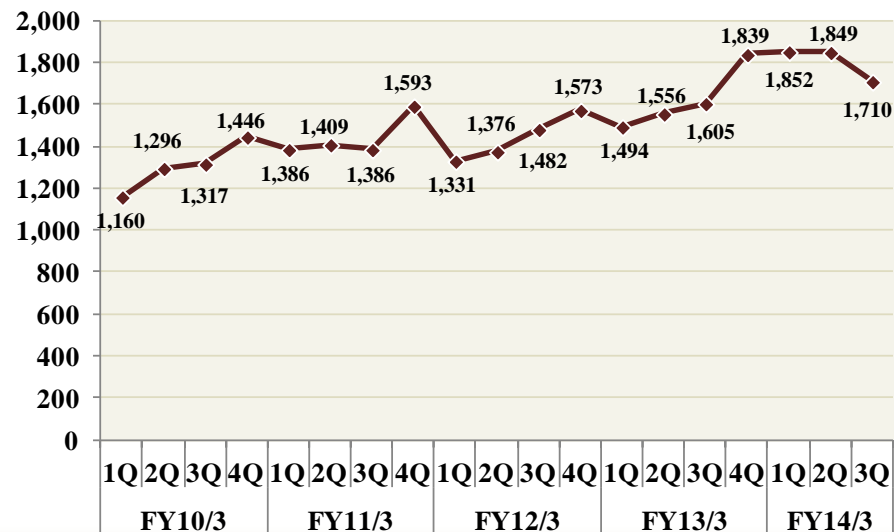
Total transaction value (billion yen)	379.3	449.1	+69.8	540.6	—	—	—	—
Number of transactions	4,655	5,411	+756	6,494	—	—	—	—
Commission fee (billion yen)	13.2	17.1	+3.9	19.2	—	—	—	—
Commission rate (%)	3.5%	3.8%	+0.3P	3.6%	—	—	—	—

(billions of yen)

Total Transaction Value



Number of Transactions

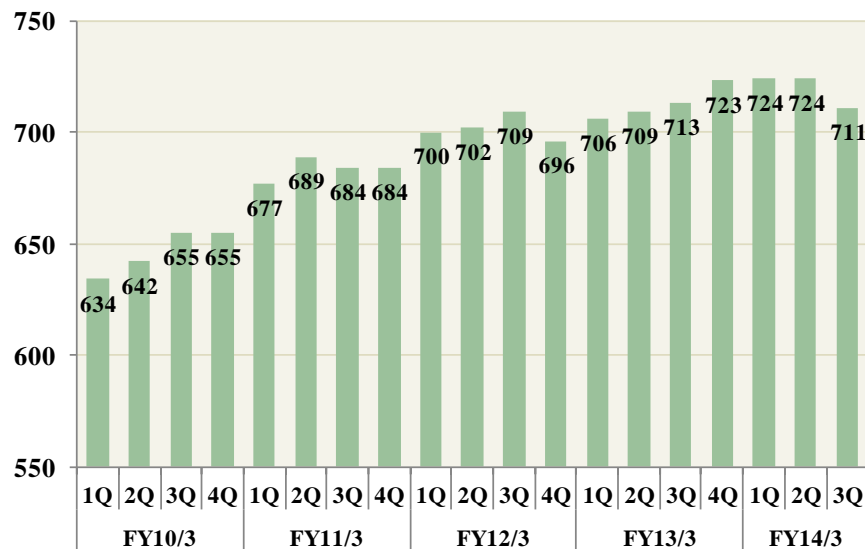


【 Segment Information: Property & Facility Management Business 】

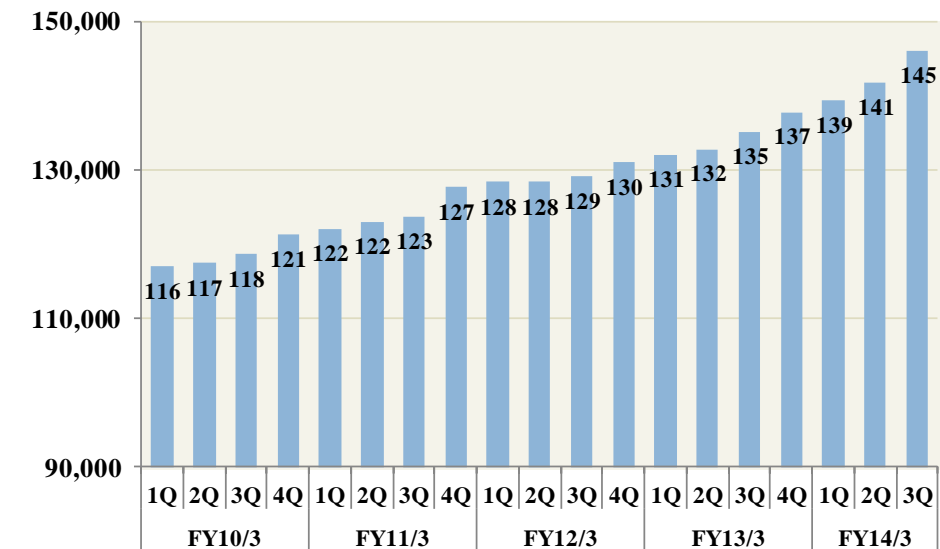
- ◆ An increase in management fee and revenue from contract construction resulted in higher operating revenue and income.

(billions of yen)	FY13/3 Q	FY14/3 Q	Changes ②-①	FY13/3	FY14/3	Changes ④-③	FY14/3	Changes ④-⑤
	Actual ①	Actual ②		Actual ③	Revised Forecast ④		Previous Forecast ⑤	
Operating revenue	45.7	49.9	+4.2	66.3	70.0	+3.6	70.0	±0
Building management	28.8	31.4	+2.5	42.4	—	—	—	—
Housing management	16.9	18.5	+1.6	23.9	—	—	—	—
Operating income	2.8	3.2	+0.4	4.4	4.5	+0.0	4.5	±0
Buildings under management	713	711	-2	723	—	—	—	—
Condominiums under management	135,068	145,967	+10,899	137,745	—	—	—	—

Buildings under Management

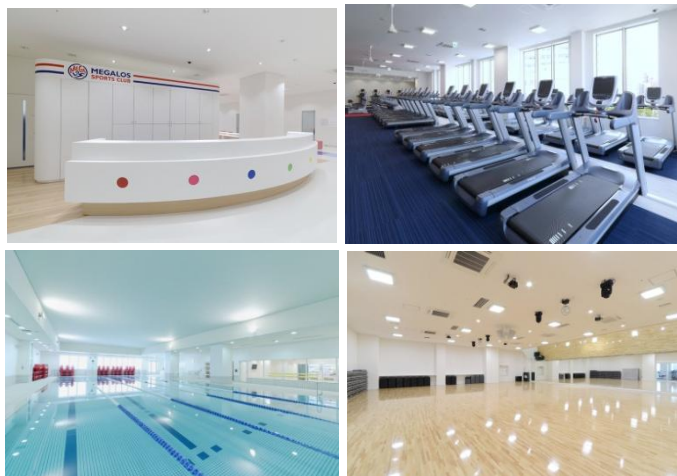


Condominiums under Management



◆ Fitness club business is progressing steadily.

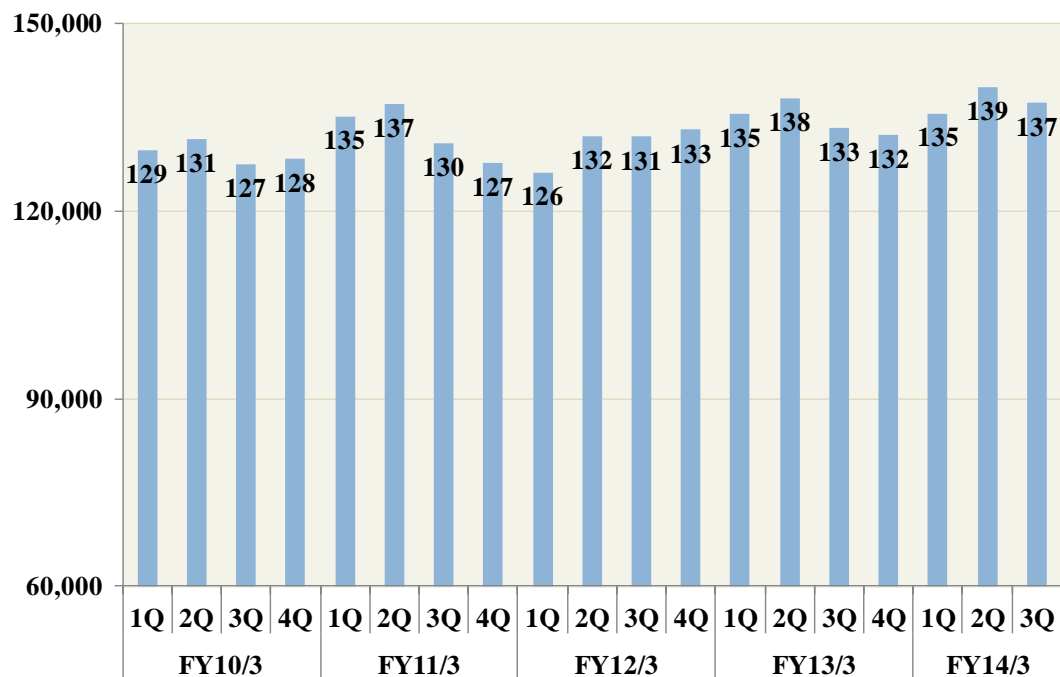
(billions of yen)	FY13/3 3Q	FY14/3 3Q	Changes	FY13/3	FY14/3	Changes	FY14/3	Changes
	Actual ①	Actual ②	②-①	Actual ③	Revised Forecast ④	④-③	Previous Forecast ⑤	④-⑤
Operating revenue	10.9	13.8	+2.9	14.9	17.0	+2.0	17.0	±0
Operating income	0.4	0.4	+0.0	0.4	0.5	+0.0	0.5	±0
Members of MEGALOS	133,254	137,292	+4,038	132,196	—	—	—	—
Number of clubs	26	26	±0	26	—	—	—	—



MEGALOS Sagamiono (opened in May 2013), in “bono Sagamiono Shopping Center.”

(thousand people)

Members of MEGALOS



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