

## For the Six Months from April 1 to September 30, 2008

## Outline of Consolidated Financial Statements

|   |   |
|---|---|
| Name of company listed :                                | Nomura Real Estate Holdings, Inc.   |
| Code number :   | 3231  |
| Shares traded :   | TSE (First section)   |
| URL :   | <a href="http://www.nomura-re-hd.co.jp/english/index.html">http://www.nomura-re-hd.co.jp/english/index.html</a>   |
| Representative :  | President, Hirohisa Suzuki  |
| IR contact :  | Masaomi Katayama, General Manager of Corporate Communications & Investor Relations Dept.<br>info@nomura-re-hd.com |
| Adoption of U.S. accounting standards :                 | No  |
| Scheduled starting date for dividend payments:          | December 2, 2008  |
| Scheduled submitting date of the second quarter report: | November 14, 2008   |

Note: The accompanying consolidated financial statements were not audit 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.

(Values of less than one million yen rounded off.)

## 1. Consolidated operating results for the six months from April 1 to September 30, 2008

## (1) Consolidated business results

(% indicates the rate of changes from previous fiscal term)

|         | Revenue from operations |      | Operating income |      | Ordinary profit |      | Quarterly net income |      |
|---------|-------------------------|------|------------------|------|-----------------|------|----------------------|------|
|         | Millions of yen         | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen      | %    |
| 2008/09 | 150,501                 | —    | 18,746           | —    | 14,427          | —    | 8,910                | —    |
| 2007/09 | 186,749                 | 17.6 | 36,367           | 32.8 | 32,246          | 32.0 | 18,857               | 34.1 |

|         | Quarterly net income per share | Quarterly net income per share after adjusting for dilution |
|---------|--------------------------------|---|
|         | yen                            | yen   |
| 2008/09 | 59.67                          | 59.63   |
| 2007/09 | 126.29                         | —   |

## (2) Consolidated financial status

|         | Total assets    | Net assets      | Total shareholders' equity ratio | Net assets per share |
|---------|-----------------|-----------------|----------------------------------|----------------------|
|         | Millions of yen | Millions of yen | %                                | yen                  |
| 2008/09 | 987,369         | 241,090         | 24.1                             | 1,594.48             |
| 2008/03 | 891,700         | 235,551         | 26.1                             | 1,558.96             |

(Reference) Total shareholders' equity: At September 30, 2008 ¥ 238,094 million, At March 31, 2008 ¥ 232,790 million

## 2. Cash dividends per share

| Cash dividends per share |                 |                 |                 |                 |        |
|--------------------------|-----------------|-----------------|-----------------|-----------------|--------|
|                          | 1st Quarter end | 2nd Quarter end | 3rd Quarter end | Fiscal year end | Annual |
|                          |                 | yen             |                 | yen             | yen    |
| 2008/03                  | —               | 15.00           | —               | 15.00           | 30.00  |
| 2009/03                  | —               | 20.00           | ****            | ****            | ****   |
| FY 2009/03 forecast      | ****            | ****            | —               | 20.00           | 40.00  |

(Note) Revision of cash dividends forecast for this term : None

### 3. Forecasts of consolidated operating results for the fiscal year from April 1, 2008 to March 31, 2009

(% indicates the rate of changes from previous fiscal year)

|                   | Revenue from operations |      | Operating income |       | Ordinary profit |       | Net income      |       | Net income per Share |
|-------------------|-------------------------|------|------------------|-------|-----------------|-------|-----------------|-------|----------------------|
|                   | Millions of yen         | %    | Millions of yen  | %     | Millions of yen | %     | Millions of yen | %     | yen                  |
| <b>FY 2009/03</b> | 480,000                 | 16.6 | 67,000           | △ 4.0 | 56,000          | △ 7.1 | 32,000          | △ 9.2 | 214.30               |

(Note) Revision of operating results forecasts for during this term : Yes

### 4. Other important indices / information

- (1) Significant changes to consolidated subsidiaries during the period: None  
Number of consolidations: Inclusion 0 (Company name: — ) Elimination 0 (Company name: — )
- (2) Simplified accounting and particular accounting in the elaboration of quarterly consolidated financial statement: None
- (3) Changes in accounting basis, procedure and presentation for the quarterly consolidated financial statements  
This information should be described in “Significant changes for presenting the quarterly consolidated financial statements”.
  - a) Changes in accounting principles: Yes
  - b) Other changes: None
- (4) Number of shares issued (common stock)

|  | At September 30              | At March 31                  |
|--|------------------------------|------------------------------|
|  | 2008                         | 2008                         |
| Number of shares outstanding<br>(including treasury stock) | 149,325,000                  | 149,325,000                  |
| Treasury stock   | 384                          | 250                          |
|  | From April 1 to September 30 | From April 1 to September 30 |
|  | 2008                         | 2007                         |
| Average number of shares during the term                   | 149,324,706                  | 149,324,878                  |

#### Forward-Looking Statements

1. The forecasts of consolidated operating results announced on May 2, 2008 have been changed in this document for the full year of FY2009 / 03.
2. Certain statements other than historical facts in this document are forward-looking statements that reflect the company’s plans and estimates based on currently available information. These statements include known and unknown risks, uncertainties, and other factors that may cause the company’s actual future performance to differ from the forward-looking statements contained herewith.

## Consolidated Balance Sheets

(Values of less than one million yen rounded off.)

(Millions of yen)

| Assets  | 資産                              | March 31, 2008        | September 30, 2008        |
|---|---------------------------------|-----------------------|---------------------------|
| <b>Current Assets:</b>                                  | <b>流動資産</b>                     | 630,916               | 725,781                   |
| 1 Cash and Deposits                                     | 現金及び預金                          | 31,512                | 28,060                    |
| 2 Notes and Accounts Receivable-trade                   | 受取手形及び売掛金                       | 9,041                 | 7,010                     |
| 3 Real Estate for Sale                                  | 販売用不動産                          | 200,533               | 213,047                   |
| 4 Real Estate for Sale in Process                       | 仕掛販売用不動産                        | 139,793               | 169,072                   |
| 5 Land Held for Development                             | 開発用不動産                          | 114,081               | 140,010                   |
| 6 Equity Investments                                    | 営業エクイティ投資                       | 92,873                | 123,565                   |
| 7 Deferred Tax Assets                                   | 繰延税金資産                          | 10,390                | 9,727                     |
| 8 Other   | その他                             | 32,763                | 35,355                    |
|   | Allowance for Doubtful Accounts | (72)                  | (67)                      |
| <b>Noncurrent Assets:</b>                               | <b>固定資産</b>                     | 260,783               | 261,588                   |
| 1 Property, Plant and Equipment                         | 有形固定資産                          | 195,271               | 196,514                   |
| (1) Buildings and Structures, Net                       | 建物及び建築物(純額)                     | 81,168                | 79,284                    |
| (2) Land  | 土地                              | 110,093               | 112,309                   |
| (3) Other, Net  | その他(純額)                         | 4,009                 | 4,920                     |
| 2 Intangible Assets                                     | 無形固定資産                          | 4,270                 | 4,104                     |
| 3 Investments and Other Assets                          | 投資その他の資産                        | 61,241                | 60,969                    |
| (1) Investment Securities                               | 投資有価証券                          | 19,585                | 18,998                    |
| (2) Lease and Guarantee Deposits                        | 敷金及び保証金                         | 27,633                | 27,474                    |
| (3) Deferred Tax Assets                                 | 繰延税金資産                          | 12,336                | 12,510                    |
| (4) Other   | その他                             | 1,803                 | 2,052                     |
|   | Allowance for Doubtful Accounts | (117)                 | (66)                      |
| <b>Total Assets</b>                                     | <b>総資産</b>                      | 891,700               | 987,369                   |
| <b>Liabilities</b>                                      | <b>負債</b>                       | <b>March 31, 2008</b> | <b>September 30, 2008</b> |
| <b>Current Liabilities :</b>                            | <b>流動負債</b>                     | 263,973               | 282,646                   |
| 1 Operating Accounts Payable                            | 営業未払金                           | 63,377                | 29,817                    |
| 2 Short-term Loans Payable                              | 短期借入金                           | 73,184                | 153,787                   |
| 3 Commercial Papers                                     | コマーシャル・ペーパー                     | —                     | 22,000                    |
| 4 Income Taxes Payable                                  | 未払法人税等                          | 14,826                | 3,889                     |
| 5 Deposits Received                                     | 預り金                             | 57,075                | 19,576                    |
| 6 Deferred Tax Liabilities                              | 繰延税金負債                          | 165                   | 184                       |
| 7 Provision for Bonuses                                 | 賞与引当金                           | 4,104                 | 4,663                     |
| 8 Provision for Directors' Bonuses                      | 役員賞与引当金                         | 590                   | 194                       |
| 9 Provision for Loss on Business Liquidation            | 事業整理損失引当金                       | 279                   | 247                       |
| 10 Other  | その他                             | 50,369                | 48,285                    |
| <b>Noncurrent Liabilities :</b>                         | <b>固定負債</b>                     | 392,175               | 463,632                   |
| 1 Bonds Payable   | 社債                              | 20,300                | 20,300                    |
| 2 Long-term Loans Payable                               | 長期借入金                           | 314,532               | 387,255                   |
| 3 Lease and Guarantee Deposits Received                 | 受入敷金保証金                         | 30,127                | 29,291                    |
| 4 Deferred Tax Liabilities                              | 繰延税金負債                          | 3,855                 | 2,867                     |
| 5 Deferred tax Liabilities for Land Revaluation         | 再評価に係る繰延税金負債                    | 3,904                 | 3,904                     |
| 6 Provision for Retirement Benefits                     | 退職給付引当金                         | 12,143                | 13,009                    |
| 7 Provision for Loss on Subleasing Business             | 転貸整理損失引当金                       | 2,890                 | 2,623                     |
| 8 Other   | その他                             | 4,422                 | 4,382                     |
| <b>Total Liabilities</b>                                | <b>負債合計</b>                     | 656,148               | 746,278                   |
| <b>Net Assets</b>                                       | <b>純資産</b>                      |                       |                           |
| <b>Share Holders' Equity:</b>                           | <b>株主資本</b>                     | 231,894               | 238,564                   |
| 1 Capital Stock   | 資本金                             | 82,646                | 82,646                    |
| 2 Capital Surplus                                       | 資本剰余金                           | 59,976                | 59,976                    |
| 3 Retained Earnings                                     | 利益剰余金                           | 89,272                | 95,942                    |
| 4 Treasury Stock  | 自己株式                            | (0)                   | (1)                       |
| <b>Valuation and Translation Adjustments:</b>           | <b>評価・換算差額等</b>                 | 896                   | (469)                     |
| 1 Valuation Difference on Available-for-sale Securities | その他有価証券評価差額金                    | 1,215                 | (242)                     |
| 2 Deferred Gains or Losses on Hedges                    | 繰越ヘッジ損益                         | (0)                   | 91                        |
| 3 Revaluation Reserve for Land                          | 土地再評価差額金                        | (326)                 | (327)                     |
| 4 Foreign Currency Translation Adjustment               | 為替換算調整勘定                        | 8                     | 8                         |
| <b>Subscription Rights to Shares:</b>                   | <b>新株予約権</b>                    | 217                   | 422                       |
| <b>Minority Interests:</b>                              | <b>少数株主持分</b>                   | 2,543                 | 2,573                     |
| <b>Total Net Assets</b>                                 | <b>純資産合計</b>                    | 235,551               | 241,090                   |
| <b>Total Liabilities and Net Assets</b>                 | <b>負債・純資産合計</b>                 | 891,700               | 987,369                   |

## Consolidated Statements of Income

(Values of less than one million yen rounded off.)

(Millions of yen)

|  |              | From April 1 to<br>September 30 |         |
|--|--------------|---------------------------------|---------|
|  |              | 2007                            | 2008    |
|  |              | Amount                          | Amount  |
| <b>I Operating Revenue</b>                               | 営業収益         | 186,749                         | 150,501 |
| <b>II Operating Cost</b>                                 | 営業原価         | 122,535                         | 102,046 |
| <b>Gross Operating Profit</b>                            | 営業総利益        | 64,213                          | 48,454  |
| <b>III Selling, General and Administrative Expenses</b>  | 販売費及び一般管理費   | 27,846                          | 29,707  |
| <b>Operating Income</b>                                  | 営業利益         | 36,367                          | 18,746  |
| <b>IV Non Operating Income</b>                           | 営業外収益        | 271                             | 155     |
| 1 Interest Income  | 受取利息         | 104                             | 61      |
| 2 Dividends Income                                       | 受取配当金        | 36                              | 25      |
| 3 Gain on Changes in Equity of Affiliates                | 持分法による投資利益   | 0                               | -       |
| 4 Other  | その他          | 129                             | 68      |
| <b>V Non Operating Expenses</b>                          | 営業外費用        | 4,391                           | 4,474   |
| 1 Interest Expenses                                      | 支払利息         | 3,607                           | 4,074   |
| 2 Equity in Losses of Affiliates                         | 持分法による投資損失   | -                               | 6       |
| 3 Other  | その他          | 784                             | 393     |
| <b>Ordinary Profit</b>                                   | 経常利益         | 32,246                          | 14,427  |
| <b>VI Extraordinary Gains</b>                            | 特別利益         | 474                             | -       |
| 1 Gain on Liquidation of an Affiliated Company           | 関係会社清算益      | 474                             | -       |
| <b>Income before Income Taxes and Minority Interests</b> | 税金等調整前四半期純利益 | 32,721                          | 14,427  |
| Income Taxes-current                                     | 法人税,住民税及び事業税 | 10,696                          | 4,978   |
| Income Taxes-deferred                                    | 法人税等調整額      | 3,017                           | 447     |
| Total Income Taxes                                       | 法人税等合計       | 13,713                          | 5,425   |
| Minority Interests in Income                             | 少数株主利益       | 150                             | 91      |
| <b>Net Quarterly Income</b>                              | 四半期純利益       | 18,857                          | 8,910   |

# Consolidated Statements of Cash Flows

(Values of less than one million yen rounded off.)

(Millions of yen)

| Cash Flows  | From April 1 to September 30     |                 |                  |
|---|----------------------------------|-----------------|------------------|
|   | 2007                             | 2008            |                  |
| <b>I. Net Cash Provided by (Used in) Operating Activities</b>   |                                  |                 |                  |
| Income Before Income Taxes and Minority Interests   | 税金等調整前四半期純利益                     | 32,721          | 14,427           |
| Depreciation and Amortization   | 減価償却費                            | 2,396           | 2,498            |
| Equity in (Earnings) Losses of Affiliates   | 持分法による投資損益                       | (0)             | 6                |
| Increase (Decrease) in Allowance for Doubtful Accounts  | 貸倒引当金の増減額                        | (12)            | (55)             |
| Increase (Decrease) in Provision for Retirement Benefits  | 退職給付引当金の増減額                      | 615             | 865              |
| Increase (Decrease) in Provision for Loss on Business Liquidation   | 事業整理損失引当金の増減額                    | (278)           | (32)             |
| Increase (Decrease) in Provision for Loss on Subleasing Business  | 転貸事業損失引当金の増減額                    | (283)           | (266)            |
| Interest and Dividends Income   | 受取利息及び受取配当金                      | (141)           | (87)             |
| Interest Expenses   | 支払利息                             | 3,607           | 4,074            |
| Decrease (Increase) in Notes and Accounts Receivable-trade  | 売上債権の増減額                         | 3,161           | 2,030            |
| Decrease (Increase) in Inventories  | たな卸資産の増減額                        | (9,030)         | (67,911)         |
| Decrease (Increase) in Equity Investments   | 営業エクイティ投資の増減額                    | 16,421          | (30,692)         |
| Increase (Decrease) in Notes and Accounts Payable-trade   | 仕入債務の増減額                         | (9,092)         | (33,559)         |
| Increase (Decrease) in Deposits Received  | 預り金の増減額                          | (34,527)        | (37,499)         |
| Other, Net  | その他                              | (398)           | (2,785)          |
| <b>Subtotal</b>   | <b>小計</b>                        | <b>5,157</b>    | <b>(148,987)</b> |
| Interest and Dividends Income Received  | 利息及び配当金の受取額                      | 43              | 72               |
| Interest Expenses Paid  | 利息の支払額                           | (3,509)         | (3,771)          |
| Income Taxes Paid   | 法人税等の支払額                         | (17,013)        | (17,520)         |
| <b>Net Cash Provided by (used in) Operating Activities</b>  | <b>営業活動によるキャッシュ・フロー</b>          | <b>(15,321)</b> | <b>(170,207)</b> |
| <b>II. Net Cash Provided by (Used in) Investment Activities</b>   |                                  |                 |                  |
| Purchase of Investment Securities   | 投資有価証券の取得による支出                   | (5)             | (1,483)          |
| Proceeds from Sale of Investment Securities   | 投資有価証券の売却及び清算                    | 166             | -                |
| Purchase of Subsidiaries' Shares Resulting in Changes in Scope of Consolidation                             | 連結範囲の変更を伴う子会社株式の取得               | (996)           | -                |
| Purchase of Property, Plant and Equipment and Intangible Assets   | 有形及び無形固定資産の取得による支出               | (4,032)         | (4,060)          |
| Proceeds from Sales of Property, Plant and Equipment and Intangible Assets                                  | 有形及び無形固定資産の売却による収入               | 11              | 13               |
| Payments of Loans Receivable  | 貸付けによる支出                         | (15)            | (15)             |
| Collection of Loans Receivable  | 貸付金の回収による収入                      | 5,118           | 12               |
| Payments for Lease and Guarantee Deposits   | 敷金及び保証金の差入による支出                  | (463)           | (399)            |
| Proceeds from Collection of Lease and Guarantee Deposits  | 敷金及び保証金の回収による収入                  | 1,381           | 578              |
| Repayments of Lease and Guarantee Deposits Received   | 受入敷金保証金の返還による支出                  | (2,697)         | (1,512)          |
| Proceeds from Lease and Guarantee Deposits Received   | 受入敷金保証金の受入による収入                  | 1,479           | 711              |
| Other, Net  | その他                              | 317             | (113)            |
| <b>Net Cash Provided by (Used in) Investment Activities</b>   | <b>投資活動によるキャッシュ・フロー</b>          | <b>265</b>      | <b>(6,269)</b>   |
| <b>III. Net Cash Provided by (Used in) Financing Activities</b>   |                                  |                 |                  |
| Net Increase (Decrease) in Short-term Loans Payable   | 短期借入金の純増減額                       | 19,850          | 54,200           |
| Increase (Decrease) in Commercial Papers  | コマーシャル・ペーパーの増減額                  | -               | 22,000           |
| Proceeds from Long-term Loans Payable   | 長期借入れによる収入                       | 19,260          | 117,135          |
| Repayment of Long-term Loans Payable  | 長期借入金の返済による支出                    | (21,967)        | (18,009)         |
| Proceeds from Issuance of Shares to Minority Shareholders   | 少数株主からの払込みによる収入                  | 1               | 0                |
| Purchase of Treasury Stock  | 自己株式の取得による支出                     | (0)             | (0)              |
| Cash Dividends Paid   | 配当金の支払額                          | (2,986)         | (2,239)          |
| Cash Dividends Paid to Minority Shareholders  | 少数株主への配当金の支払額                    | (6)             | (57)             |
| <b>Net Cash Provided by (Used in) Financing Activities</b>  | <b>財務活動によるキャッシュ・フロー</b>          | <b>14,150</b>   | <b>173,027</b>   |
| <b>IV. Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <b>現金及び現金同等物の増減額</b>             | <b>(906)</b>    | <b>(3,448)</b>   |
| <b>V. Cash and Cash Equivalents at Beginning of the Period</b>  | <b>現金及び現金同等物の期首残高</b>            | <b>28,437</b>   | <b>31,510</b>    |
| <b>VI. Increase (decrease) in Cash and Cash Equivalents Resulting from Change in Scope of Consolidation</b> | <b>連結の範囲の変更に伴う現金および現金同等物の増減額</b> | <b>(3)</b>      | <b>(4)</b>       |
| <b>VII. Cash and Cash Equivalents at End of the Period</b>  | <b>現金及び現金同等物の四半期末残高</b>          | <b>27,527</b>   | <b>28,058</b>    |