

Outline of Consolidated Financial Statements

For the Three Months from April 1 to June 30, 2014

Name of company listed :	Nomura Real Estate Holdings, Inc.
Shares traded :	TSE (First section)
Code number :	3231
URL :	http://www.nomura-re-hd.co.jp/english/
Representative :	Kamezo Nakai, President
IR contact :	Daisuke Kitai, General Manager of Corporate Communications & Investor Relations Dept. info@nomura-re-hd.com
Scheduled submitting date of quarterly securities report:	August 14, 2014
Scheduled starting date for dividend payments :	—
Preparation of explanatory materials for financial results :	Yes
Information meetings arranged related to financial results :	Yes (for institutional investors and analysts, in Japanese)

Note: The accompanying consolidated financial statements were not audited 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.)

I. Consolidated Operating Results for the Three Months from April 1 to June 30, 2014

(1) Consolidated business results

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

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months								
FY2014	113,639	(18.7)	13,169	(37.1)	10,968	(38.9)	6,018	(40.8)
FY2013	139,720	23.3	20,928	23.4	17,958	20.0	10,164	23.8

(Note) Comprehensive income: From April 1 to June 30, 2014 ¥8,491 million (20.0%) From April 1 to June 30, 2013 ¥7,076 million (down 9.9%)

	Net income per share	Net income per share after adjusting for dilution
First three months	yen	yen
FY2014	31.52	31.43
FY2013	53.31	53.15

(2) Consolidated financial status

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
Jun. 30, 2014	1,303,457	424,618	27.7
Mar. 31, 2014	1,313,887	418,697	27.1

(Reference) Shareholders' equity: At June 30, 2014 ¥361,208 million At March 31, 2014 ¥355,680 million

II. Dividends

	Dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
FY2013	—	15.00	—	20.00	35.00
FY2014	—				
FY2014 (Forecast)		20.00	—	20.00	40.00

(Note) Revision of dividend forecasts during this quarter: None

III. Forecasts of Consolidated Operating Results for the Fiscal Year from April 1, 2014 to March 31, 2015

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

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2014	560,000	5.3	65,000	(12.5)	55,000	(14.1)	29,000	8.0	151.90

(Note) Revision of operating result forecasts during this quarter: None

* Notes

- (1) Significant changes to subsidiaries during the period (Changes in scope of consolidation of specified subsidiaries): None
- (2) Adoption of specific accounting policies for quarterly consolidated financial statements :None
- (3) Changes in accounting policies, accounting estimates, and restatements
 - 1) Changes in accounting policies due to revision of accounting standards, etc. : Yes
 - 2) Changes in accounting policies other than the above : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None

(Note) Please refer to the Appendix P.6 “2. Summary Information (Notes), (1) Changes in Accounting Policies, Accounting Estimates, and Restatements” for more details.

- (4) Number of shares issued (common stock)

	At June 30	At March 31
	2014	2014
Number of shares outstanding (including treasury stock)	190,924,400	190,906,800
Treasury shares	1,206	1,206
	From April 1 to June 30	From April 1 to June 30
	2014	2013
Average number of shares during the term	190,910,106	190,665,839

* Implementation status of quarterly auditing procedure

The financial summary and the accompanying materials including the consolidated financial statements are not subject to the quarterly review procedure by external auditors that are based on Financial Instruments and Exchange Act.

The quarterly review procedure has not yet finished at the point of releasing this financial summary.

* Forward-looking statements

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. Therefore, the Company has no intention to promise the accomplishment of the forecasts. 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.

(How to obtain fact sheets)

The fact sheets will be disclosed on TDnet on July 30, 2014 and will be uploaded on the Company's website.

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1. Qualitative Information

(1) Business Results

The Nomura Real Estate Group posted the following consolidated performance for the current first quarter: Operating revenue of 113,639 million yen, which represents a decrease of 26,081 million yen, or 18.7% from the previous first quarter; operating income of 13,169 million yen, a decrease of 7,758 million yen, or 37.1%; ordinary income of 10,968 million yen, a decrease of 6,989 million yen, or 38.9%; and net income of 6,018 million yen, a decrease of 4,146 million yen, or 40.8%.

An overview of segment achievements is given below.

Operating revenue for each segment includes internal sales and transfer amount among segments. Due to the rounding of fractions, total figures may not match.

<Residential Development Business Segment>

Residential Development Business Segment reported the sale of 1,312 units (a decrease of 373 units from the previous first quarter), including PROUD Omiya (Omiya-ku, Saitama-shi, Saitama), PROUD Tokyo-hatchobori (Chuo-ku, Tokyo), OHANA Hiratsuka-sodegahama (Hiratsuka-shi, Kanagawa), PROUD Senriyamada Front (Suita-shi, Osaka) for condominiums, and PROUD SEASON Tanashi-hoyacho (Nishitokyo-shi, Tokyo) for detached houses.

Housing sales have remained strong, and the number of contracted unrecorded housing units as of the end of the current first quarter totaled 6,148 units (an increase of 730 units over the end of the previous first quarter).

As a result, operating revenue in this segment totaled 67,042 million yen, which represents a decrease of 23,982 million yen, or 26.3% from the previous first quarter, and operating income was 6,468 million yen, a decrease of 4,629 million yen, or 41.7%. This was due mainly to the fact that the large-scale condominium PROUD TOWER Shinonome Canal Court was recorded in sales in the previous first quarter.

Number of units, sales, and outstanding contract amount sold for the joint-venture are calculated based on the Group's allotments.

Breakdown of operating revenue

		FY2013 1Q		FY2014 1Q		FY2013	
		Sales volume, etc.	Operating revenue (Millions of yen)	Sales volume, etc.	Operating revenue (Millions of yen)	Sales volume, etc.	Operating revenue (Millions of yen)
Housing sales	Tokyo metropolitan area	1,585 units	83,529	993 units	51,983	4,723 units	236,853
	Kansai area	1 unit	60	179 units	7,334	930 units	35,143
	Other	98 units	4,386	139 units	5,623	555 units	23,925
	Subtotal (Of which, number of detached housing)	1,685 units (149 units)	87,976 (8,565)	1,312 units (162 units)	64,940 (8,155)	6,209 units (718 units)	295,923 (37,748)
Other			3,048		2,101		14,656
Total			91,024		67,042		310,579

Housing sales Period-end completed housing inventories

	As of June 30, 2013	As of June 30, 2014	As of March 31, 2014
Tokyo metropolitan area	44 units	79 units	31 units
Kansai area	-	-	-
Other	-	-	-
Total (Of which, number of detached housing)	44 units (3 units)	79 units (8 units)	31 units (5 units)

Housing sales Contracted unrecorded housing units

	As of June 30, 2013		As of June 30, 2014		As of March 31, 2014	
	Number of units	Outstanding contract amount (Millions of yen)	Number of units	Outstanding contract amount (Millions of yen)	Number of units	Outstanding contract amount (Millions of yen)
Tokyo metropolitan area	3,858 units	197,706	5,022 units	264,092	4,995 units	270,318
Kansai area	1,033 units	39,036	700 units	24,719	697 units	25,429
Other	527 units	21,572	425 units	18,506	495 units	20,896
Total (Of which, number of detached housing)	5,418 units (128 units)	258,315 (6,291)	6,148 units (146 units)	307,318 (8,351)	6,189 units (185 units)	316,643 (9,431)

<Leasing Business Segment >

We enhanced business activities and operations to meet tenant needs and maximize satisfaction in the leasing business sector. We also promoted business in the property development sector with an emphasis on the sale of properties in the office building, retail and logistics business sectors.

As a result, operating revenue in this segment totaled 21,949 million yen, which represents a decrease of 423 million yen, or 1.9% from the previous first quarter, and operating income totaled 5,928 million yen, a decrease of 1,306 million yen, or 18.1%. This was due mainly to the vacancy caused by a partial moving of a tenant from the Hamamatsucho Building (Mianto-ku, Tokyo) to the LAZONA Kawasaki Toshiba Building (Saiwai-ku, Kawasaki-shi, Kanagawa), which started operation in the third quarter of the previous fiscal year.

Breakdown of operating revenue

	FY2013 1Q (Millions of yen)	FY2014 1Q (Millions of yen)	FY2013 (Millions of yen)
Leasing (offices)	11,541	11,311	48,131
Leasing (retail facilities)	2,561	2,649	10,544
Leasing (other)	1,278	1,395	5,151
Property development	1,463	555	22,654
Other	5,528	6,038	10,429
Total	22,373	21,949	96,912

Rentable floor area

	As of June 30, 2013	As of June 30, 2014	As of March 31, 2014
Offices	739,900 m ²	756,270 m ²	748,596 m ²
Retail facilities	106,877 m ²	106,601 m ²	106,601 m ²
Total	846,778 m ²	862,871 m ²	855,197 m ²

Vacancy rate (offices and retail facilities)

As of June 30, 2013	As of June 30, 2014	As of March 31, 2014
2.9%	4.4%	2.9%

<Investment Management Business Segment>

In the Investment Management Business, we focused on stable management of each of funds operated by the Nomura Real Estate Group.

As a result, operating revenue in this segment totaled 2,281 million yen, which represents a decrease of 891 million yen, or 28.1% from the previous first quarter, and operating income totaled 1,187 million yen, a decrease of 804 million yen, or 40.4%. This was due mainly to the recording of asset acquisition fee paid by Nomura Real Estate Master Fund, Inc. in the previous first quarter.

	FY2013 1Q (Millions of yen)	FY2014 1Q (Millions of yen)	FY2013 (Millions of yen)
Operating revenue	3,173	2,281	18,326

Asset under management

	As of June 30, 2013 (Millions of yen)	As of June 30, 2014 (Millions of yen)	As of March 31, 2014 (Millions of yen)
REITs	802,429	949,175	941,385
Private funds, etc.	226,463	164,935	190,861
Total	1,028,893	1,114,110	1,132,246

<Property Brokerage & CRE Business Segment>

In wholesale operations, we focused on providing appropriate solutions designed to meet the needs of effective utilization of corporate real estate owned by companies, and on implementing business activities to ensure a prompt response to changes in customer needs.

In retail operations, we worked on enhancing the Internet portal site “nomu.com.” and expanding our service brand “Nomura no Chukai+ (Plus).” We opened a new branch store, Kitasenju Center (Adachi-ku, Tokyo) in April 2014.

As a result, operating revenue in this segment totaled 6,021 million yen, which represents a decrease of 306 million yen, or 4.9% from the previous first quarter, operating income totaled 1,041 million yen, a decrease of 558 million yen, or 34.9%. This was due mainly to a decrease in the number of transactions.

Breakdown of operating revenue

	FY2013 1Q (Millions of yen)	FY2014 1Q (Millions of yen)	FY2013 (Millions of yen)
Property brokerage	5,186	4,992	24,520
Other	1,141	1,029	4,647
Total	6,328	6,021	29,168

Number of transactions and total transaction value of property brokerage

	FY2013 1Q	FY2014 1Q	FY2013
Number of transactions	1,852	1,606	7,437
Total transaction value (Millions of yen)	125,962	124,607	672,774

<Property & Facility Management Business Segment>

In the property & facility management sector, we expanded our stock of properties under management and improved our service offerings to further enhance customer satisfaction. In the construction ordered sector, we worked on increasing orders for construction at the properties under management through provision of the proposals that lead to maintenance and enhancement in the value of those properties.

As a result, operating revenue in this segment totaled 15,137 million yen, which represents an increase of 624 million yen, or 4.3% from the previous first quarter, and operating income totaled 610 million yen, a decrease of 55 million yen, or 8.4%.

Due to the merger of Nomura Building Management Co., Ltd. and Nomura Living Support Co., Ltd. on April 1, 2014, the breakdown of operating revenue for the Property & Facility Management Business segment has been changed from "Building management" and "Housing management" to "Property & facility management" and "Construction ordered" since the current first quarter. In line with this change, the figures for the first quarter and full-year results of the previous fiscal year are classified under the new classification.

Breakdown of operating revenue

	FY2013 1Q (Millions of yen)	FY2014 1Q (Millions of yen)	FY2013 (Millions of yen)
Property & facility management	12,311	12,393	50,976
Construction ordered	2,201	2,743	21,173
Total	14,512	15,137	72,150

Number of properties under management

	As of June 30, 2013	As of June 30, 2014	As of March 31, 2014
Buildings under management	724	715	703
Condominiums under management (unit)	139,325	149,082	147,516

<Other Business Segment>

In the fitness club business operations, we implemented various campaigns and events to recruit new members and improve customer satisfaction. In addition, we newly opened Dayos24 Unoki-ekimae (Ota-ku, Tokyo) in June 2014.

As a result, operating revenue in this segment totaled 3,787 million yen, which represents a decrease of 798 million yen, or 17.4% from the previous first quarter, and operating loss totaled 145 million yen (the previous first quarter was operating income of 157 million yen).

This was due mainly to a decrease in the sale of assets owned by a sector other than the fitness club business.

	FY2013 1Q (Millions of yen)	FY2014 1Q (Millions of yen)	FY2013 (Millions of yen)
Operating revenue	4,586	3,787	18,640

(2) Financial Position

	As of March 31, 2014 (Millions of yen)	As of June 30, 2014 (Millions of yen)	Changes (Millions of yen)	Changes (%)
Total assets	1,313,887	1,303,457	(10,429)	(0.8)
Total liabilities	895,190	878,839	(16,351)	(1.8)
Net assets	418,697	424,618	5,921	1.4
Shareholders' equity ratio	27.1%	27.7%	-	-

Total assets totaled 1,303,457 million yen, a decrease of 10,429 yen from the end of the previous fiscal year. This was mostly due to a decrease in short-term investment securities (a decrease of 22,500 million yen).

Total liabilities totaled 878,839 million yen, a decrease of 16,351 million yen from the end of the previous fiscal year. This was due mainly to a decrease in notes and accounts payable-trade (a decrease of 6,617 million yen) and income taxes payable (a decrease of 5,967 million yen).

Net assets totaled 424,618 million yen, an increase of 5,921 million yen from the end of the previous fiscal year. This was due mainly to an increase in retained earnings of 3,771 million yen.

The shareholders' equity ratio was 27.7%, an increase of 0.6 percentage points from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of the current first quarter totaled 36,317 million yen, decreased by 31,665 million yen from the previous fiscal year.

Net cash provided by (used in) operating activities in the current first quarter amounted to 30,675 million yen, a decrease of 41,935 million yen from the previous first quarter. This was due mainly to an increase in inventories.

Net cash provided by (used in) investment activities in the current first quarter amounted to 6,693 million yen, an increase of 15,777 million yen from the previous first quarter. This mainly reflected the purchase of property, plant and equipment and intangible assets.

Net cash provided by (used in) financing activities in the current first quarter amounted to 5,703 million yen, an increase of 20,082 million yen from the previous first quarter. This was mainly due to an increase in short-term loans payable.

(3) Consolidated Operating Result Forecasts

There is no change in the consolidated operating result forecasts announced on April 30, 2014.

2. Summary Information (Notes)

(1) Changes in Accounting Policies, Accounting Estimates, and Restatements

Changes in Accounting Policies

(Adoption of Accounting Standards for Retirement Benefits)

The Group has applied the "Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No.26 issued May, 17 2012; hereinafter "Retirement Benefits Accounting Standards") and "Guidance on Accounting Standards for Retirement Benefits" (ASBJ Guidance No.25 issued May, 17 2012; hereinafter "Guidance") from the first quarter of the consolidated accounting period under review. In accordance with the provisions stipulated in the main clause of Article 35 of the Retirement Benefits Accounting Standards and in the main clause of Article 67 of the Guidance, the Group reviewed the method of calculation for retirement benefit liabilities and service costs, and changed the method of attributing expected amount of retirement benefits to accounting periods from a straight-line attribution standard to a benefit formula, and changed the method of calculating discount rate from the use of the expected average remaining service years for employees to use of a single weighted average discount rate.

Adoption of the accounting standards for retirement benefits and Guidance is subject to the transitional treatment stipulated by Article 37 of the Retirement Benefits Accounting Standards, and the amount of financial impact at the beginning of the first quarter of the consolidated accounting period under review as a result of the adoption of the new calculation method for retirement benefit liabilities and service costs is added to/ removed from retained earnings.

As a result, retirement benefit liabilities at the beginning of the current first quarter decreased by 2,445 million yen and retained earnings increased by 1,571 million yen. Consequently, operating income, ordinary income, and net income in the cumulative first quarter ending June 30, 2014 each increased by 32 million yen.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

Assets	資産の部	FY2013 (As of March 31, 2014)	FY2014 1Q (As of June 30, 2014)
Current Assets:	流動資産合計	496,978	488,979
Cash and Deposits	現金及び預金	45,484	36,319
Notes and Accounts Receivable-trade	受取手形及び売掛金	14,770	10,260
Short-term Investment Securities	有価証券	22,500	-
Real Estate for Sale	販売用不動産	45,047	50,106
Real Estate for Sale in Process	仕掛販売用不動産	217,838	212,419
Land Held for Development	開発用不動産	85,974	117,188
Equity Investments	営業エクイティ投資	7,128	6,522
Deferred Tax Assets	繰延税金資産	7,384	5,674
Other	その他	51,025	50,541
Allowance for Doubtful Accounts	貸倒引当金	(177)	(53)
Noncurrent Assets:	固定資産合計	816,909	814,478
Property, Plant and Equipment	有形固定資産合計	716,093	712,625
Buildings and Structures, Net	建物及び構築物(純額)	242,176	239,015
Land	土地	467,610	467,312
Other, Net	その他(純額)	6,306	6,297
Intangible Assets	無形固定資産合計	9,382	9,448
Investments and Other Assets	投資その他の資産合計	91,433	92,405
Investment Securities	投資有価証券	47,630	50,731
Lease and Guarantee Deposits	敷金及び保証金	19,223	19,077
Deferred Tax Assets	繰延税金資産	21,860	19,759
Other	その他	2,720	2,838
Allowance for Doubtful Accounts	貸倒引当金	(1)	(1)
Total Assets	資産合計	1,313,887	1,303,457

(Millions of yen)

Liabilities	負債の部	FY2013 (As of March 31, 2014)	FY2014 1Q (As of June 30, 2014)
Current Liabilities :	流動負債合計	288,094	294,883
Notes and Accounts Payable-trade	支払手形及び買掛金	37,629	31,011
Short-term Loans Payable	短期借入金	152,683	177,616
Commercial Papers	コマーシャル・ペーパー	-	5,000
Current Portion of Bonds	1年内償還予定の社債	10,000	10,000
Income Taxes Payable	未払法人税等	8,091	2,123
Deposits Received	預り金	9,175	13,768
Deferred Tax Liabilities	繰延税金負債	148	362
Provision for Bonuses	賞与引当金	6,087	3,127
Provision for Directors' Bonuses	役員賞与引当金	586	148
Provision for Loss on Business Liquidation	事業整理損失引当金	112	105
Other	その他	63,580	51,619
Noncurrent Liabilities :	固定負債合計	607,095	583,956
Bonds Payable	社債	23,000	23,000
Long-term Loans Payable	長期借入金	431,900	411,900
Lease and Guarantee Deposits Received	受入敷金保証金	57,124	56,589
Deferred Tax Liabilities	繰延税金負債	67,421	67,494
Deferred Tax Liabilities for Land Revaluation	再評価に係る繰延税金負債	4,537	4,537
Provision for Loss on Subleasing Business	転貸事業損失引当金	473	454
Net Defined Benefit Liability	退職給付に係る負債	14,901	12,265
Other	その他	7,737	7,714
Total Liabilities	負債合計	895,190	878,839
Net Assets	純資産の部		
Shareholders' Equity:	株主資本合計	348,347	352,149
Capital Stock	資本金	116,024	116,039
Capital Surplus	資本剰余金	93,353	93,369
Retained Earnings	利益剰余金	138,971	142,743
Treasury Shares	自己株式	(2)	(2)
Other Comprehensive Income:	その他の包括利益累計額合計	7,333	9,059
Valuation Difference on Available-for-sale Securities	その他有価証券評価差額金	(689)	925
Deferred Gains or Losses on Hedges	繰延ヘッジ損益	25	49
Revaluation Reserve for Land	土地再評価差額金	7,224	7,224
Foreign Currency Translation Adjustment	為替換算調整勘定	32	32
Remeasurements of Defined Benefit Plans	退職給付に係る調整累計額	742	827
Subscription Rights to Shares:	新株予約権	1,273	1,295
Minority Interests:	少数株主持分	61,742	62,114
Total Net Assets	純資産合計	418,697	424,618
Total Liabilities and Net Assets	負債・純資産合計	1,313,887	1,303,457

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Three Months from April 1 to June 30, 2014)

(Millions of yen)

		FY2013 1Q (From April 1 to June 30, 2013)	FY2014 1Q (From April 1 to June 30, 2014)
Operating Revenue	営業収益	139,720	113,639
Operating Cost	営業原価	98,100	79,729
Operating Gross Profit	営業総利益	41,620	33,909
Selling, General and Administrative Expenses	販売費及び一般管理費	20,691	20,739
Operating Income	営業利益	20,928	13,169
Non-operating Income	営業外収益合計	280	248
Interest Income	受取利息	21	18
Dividends Income	受取配当金	123	35
Equity in Earnings of Affiliates	持分法による投資利益	9	17
Other	その他	126	176
Non-Operating Expenses	営業外費用合計	3,250	2,449
Interest Expenses	支払利息	2,691	2,341
Other	その他	559	107
Ordinary Income	経常利益	17,958	10,968
Extraordinary Income	特別利益合計	494	206
Gain on Sales of Noncurrent Assets	固定資産売却益	494	206
Extraordinary Losses	特別損失合計	244	-
Impairment Loss	減損損失	244	-
Income before Income Taxes and Minority Interests	税金等調整前四半期純利益	18,208	11,174
Income Taxes-current	法人税,住民税及び事業税	5,708	2,152
Income Taxes-deferred	法人税等調整額	1,329	2,255
Total Income Taxes	法人税等合計	7,037	4,408
Income before Minority Interests	少数株主損益調整前四半期純利益	11,170	6,766
Minority Interests in Income	少数株主利益	1,006	748
Net Income	四半期純利益	10,164	6,018

(Quarterly Consolidated Statements of Comprehensive Income)

(Three Months from April 1 to June 30, 2014)

(Millions of yen)

		FY2013 1Q (From April 1 to June 30, 2013)	FY2014 1Q (From April 1 to June 30, 2014)
Net income before Minority Interests	少数株主損益調整前四半期純利益	11,170	6,766
Other Comprehensive Income	その他の包括利益合計	(4,093)	1,725
Valuation Difference on Available-for-sale Securities	その他有価証券評価差額金	(4,027)	1,615
Deferred Gains or Losses on Hedges	繰延ヘッジ損益	(66)	24
Revaluation Reserve for Land	土地再評価差額金	(0)	(0)
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	-	85
Comprehensive Income	四半期包括利益	7,076	8,491
(Breakdown)	(内訳)		
Comprehensive Income Attributable to Owners of the Parent	親会社株主に係る四半期包括利益	6,072	7,744
Comprehensive Income Attributable to Minority Interests	少数株主に係る四半期包括利益	1,004	747

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

		FY2013 1Q (From April 1 to June 30, 2013)	FY2014 1Q (From April 1 to June 30, 2014)
Cash Flows from Operating Activities			
Income before Income Taxes and Minority Interests	税金等調整前四半期純利益	18,208	11,174
Depreciation and Amortization	減価償却費	3,483	3,757
Equity in (Earnings) Losses of Affiliates	持分法による投資損益	(9)	(17)
Increase (Decrease) in Allowance for Doubtful Accounts	貸倒引当金の増減額	1	(123)
Increase (Decrease) in Provision for Retirement Benefits	退職給付引当金の増減額	159	-
Increase (Decrease) in Provision for Loss on Business Liquidation	事業整理損失引当金の増減額	(9)	(7)
Increase (Decrease) in Provision for Loss on Subleasing Business	転貸事業損失引当金の増減額	(110)	(18)
Increase (Decrease) in Net Defined Benefit Liability	退職給付に係る負債の増減額	-	(57)
Interest and Dividends Income	受取利息及び受取配当金	(144)	(53)
Interest Expenses	支払利息	2,691	2,341
Decrease (Increase) in Notes and Accounts Receivable-trade	売上債権の増減額	2,887	4,510
Decrease (Increase) in Inventories	たな卸資産の増減額	14,888	(30,938)
Decrease (Increase) in Equity Investments	営業エクイティ投資の増減額	(103)	606
Increase (Decrease) in Notes and Accounts Payable-trade	仕入債務の増減額	(11,048)	(6,617)
Increase (Decrease) in Deposits Received	預り金の増減額	(5,988)	4,592
Other, Net	その他	(4,944)	(9,900)
Subtotal	小計	19,962	(20,752)
Interest and Dividends Income Received	利息及び配当金の受取額	1,253	528
Interest Expenses Paid	利息の支払額	(2,828)	(2,339)
Income Taxes Paid	法人税等の支払額	(7,127)	(8,113)
Net Cash Provided by (used in) Operating Activities	営業活動によるキャッシュ・フロー	11,259	(30,675)
Cash Flows from Investing Activities			
Purchase of Investment Securities	投資有価証券の取得による支出	(8,758)	(573)
Proceeds from Sales and Liquidation of Investment Securities	投資有価証券の売却及び清算による収入	101	549
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	(15,040)	(7,118)
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	1,305	904
Collection of Loans Receivable	貸付金の回収による収入	4	-
Payments for Lease and Guarantee Deposits	敷金及び保証金の差入による支出	(107)	(174)
Proceeds from Collection of Lease and Guarantee Deposits	敷金及び保証金の回収による収入	419	341
Repayments of Lease and Guarantee Deposits Received	受入敷金保証金の返還による支出	(1,014)	(1,318)
Proceeds from Lease and Guarantee Deposits Received	受入敷金保証金の受入による収入	280	769
Other, Net	その他	339	(73)
Net Cash Provided by (Used in) Investment Activities	投資活動によるキャッシュ・フロー	(22,470)	(6,693)

(Millions of yen)

		FY2013 1Q (From April 1 to June 30, 2013)	FY2014 1Q (From April 1 to June 30, 2014)
Cash Flows from Financing Activities			
Net Increase (Decrease) in Short-term Loans Payable	短期借入金の純増減額	21,850	23,500
Increase (Decrease) in Commercial Papers	コマーシャル・ペーパーの増減額	-	5,000
Repayments of Finance Lease Obligations	ファイナンス・リース債務の返済による支出	(49)	(40)
Proceeds from Long-term Loans Payable	長期借入れによる収入	8,000	8,000
Repayment of Long-term Loans Payable	長期借入金の返済による支出	(41,463)	(26,567)
Proceeds from Issuance of Common Stock	株式の発行による収入	151	6
Proceeds from Stock Issuance to Minority Shareholders	少数株主からの払込みによる収入	11	-
Cash Dividends Paid	配当金の支払額	(2,858)	(3,818)
Cash Dividends Paid to Minority Shareholders	少数株主への配当金の支払額	(19)	(376)
Net Cash Provided by (Used in) Financing Activities	財務活動によるキャッシュ・フロー	(14,378)	5,703
Net Increase (Decrease) in Cash and Cash Equivalents	現金及び現金同等物の増減額	(25,589)	(31,665)
Cash and Cash Equivalents at Beginning of Period	現金及び現金同等物の期首残高	62,496	67,982
Cash and Cash Equivalents at End of Period	現金及び現金同等物の四半期末残高	36,907	36,317

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

Segment information

I FY2013 1Q (Three months from April 1 to June 30, 2013)

1. Information regarding revenue, and income or loss by reportable segments

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in Quarterly Consolidated Statements of Income (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	90,876	21,930	3,172	5,790	13,364	135,134	4,585	139,720	-	139,720
Inter-segment	147	442	0	537	1,147	2,276	0	2,277	(2,277)	-
Subtotal	91,024	22,373	3,173	6,328	14,512	137,411	4,586	141,998	(2,277)	139,720
Segment income	11,098	7,234	1,991	1,600	666	22,590	157	22,748	(1,820)	20,928

(Notes) 1. The "Other" category, which represents operating segments that are not included in reportable segments, includes fitness club and other businesses.

2. The deduction of 1,820 million yen shown in the adjustments column for segment income includes an addition of 201 million yen for the elimination of inter-segment transactions and a deduction of 2,021 million yen for corporate expenses not allocated to reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

3. The segment income is reconciled to the operating income stated in the Quarterly Consolidated Statements of Income.

2. Impairment loss on noncurrent assets or goodwill by reportable segments

(Significant impairment loss on noncurrent assets)

(Millions of yen)

	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	244	-	-	-	244

II FY2014 1Q (Three months from April 1 to June 30, 2014)

1. Information regarding revenue, and income or loss by reportable segments

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in Quarterly Consolidated Statements of Income (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	66,840	21,427	2,281	5,383	13,920	109,852	3,786	113,639	-	113,639
Inter-segment	201	521	0	637	1,217	2,578	1	2,580	(2,580)	-
Subtotal	67,042	21,949	2,281	6,021	15,137	112,431	3,787	116,219	(2,580)	113,639
Segment income or loss	6,468	5,928	1,187	1,041	610	15,235	(145)	15,090	(1,920)	13,169

(Notes) 1. The "Other" category, which represents operating segments that are not included in reportable segments, includes fitness club and other businesses.

2. The deduction of 1,920 million yen shown in the adjustments column for segment income includes an addition of 13 million yen for the elimination of inter-segment transactions and a deduction of 1,934 million yen for corporate expenses not allocated to reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

3. The segment income or loss is reconciled to the operating income stated in the Quarterly Consolidated Statements of Income.

2. Impairment loss on noncurrent assets or goodwill by reportable segments

Not applicable.