

Outline of Consolidated Financial Statements

For the Six Months from April 1 to September 30, 2016

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 :	Eiji Kutsukake, President
IR contact :	Naoko Usami, General Manager of Corporate Communications Dept. info@nomura-re-hd.com
Scheduled submitting date of quarterly securities report :	November 9, 2016
Scheduled starting date for dividend payments :	December 1, 2016
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 Six Months from April 1 to September 30, 2016

(1) Consolidated business results

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months								
FY2016	248,178	(15.3)	33,399	(18.0)	29,166	(20.3)	20,116	(10.5)
FY2015	292,905	20.5	40,751	39.5	36,599	48.1	22,468	92.3

(Note) Comprehensive income: From April 1 to September 30, 2016 ¥20,894 million (down 10.5%)
From April 1 to September 30, 2015 ¥23,345 million (up 42.7%)

	Earnings per share	Earnings per share after adjusting for dilution
First six months	yen	yen
FY2016	104.92	104.51
FY2015	117.45	116.96

(2) Consolidated financial status

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
Sep. 30, 2016	1,536,254	472,103	29.9
Mar. 31, 2016	1,485,449	456,408	29.9

(Reference) Shareholders' equity: At September 30, 2016 ¥ 459,970 million At March 31, 2016 ¥444,854 million

II. Dividends

	Dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
FY2015	—	27.50	—	30.00	57.50
FY2016	—	30.00			
FY2016 (Forecast)			—	30.00	60.00

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

III. Forecasts of Consolidated Operating Results for the Fiscal Year from April 1, 2016 to March 31, 2017

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2016	585,000	2.7	76,000	(6.1)	67,000	(7.8)	43,000	(8.9)	224.22

(Note) Revision of operating result forecasts during this quarter: Yes

* 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. : None
- 2) Changes in accounting policies other than the above : None
- 3) Changes in accounting estimates : None
- 4) Restatements : None

(4) Number of shares issued (common stock)

	At September 30	At March 31
	2016	2015
1) Number of shares outstanding (including treasury shares)	191,816,701	191,679,601
2) Treasury shares	1,601	1,508
	From April 1 to September 30	From April 1 to September 30
	2016	2015
3) Average number of shares during the term	191,735,281	191,304,867

* 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.

* Use of earnings forecasts and other special remarks

(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. For the detail of forecasts, please refer to the Appendix P.7 "1. Qualitative Information (3) Consolidated Operating Result Forecasts."

(How to obtain fact sheets)

The fact sheets will be disclosed on TDnet on October 27, 2016 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 second quarter: Operating revenue of 248,178 million yen, which represents a decrease of 44,727 million yen, or 15.3% year on year; operating income of 33,399 million yen, a decrease of 7,352 million yen, or 18.0%; ordinary income of 29,166 million yen, a decrease of 7,432 million yen, or 20.3 %; and profit attributable to owners of parent of 20,116 million yen, a decrease of 2,351 million yen, or 10.5%.

An overview of unit achievements is given below:

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

From the first quarter of the current accounting period, Yokohama Business Park Heating and Cooling Supply Co., Ltd., which had been classified under the Leasing Unit, was transferred to the Property & Facility Management Unit to promote business in conjunction with the property and management business. Yokohama Business Park Heating and Cooling Supply Co., Ltd changed its corporate name to Nomura Real Estate Heating & Cooling Supply Co., Ltd on October 1, 2016.

The results of the second quarter and full-year of the previous fiscal year were calculated under the newly adopted unit classification.

<Residential Development Unit>

Operating revenue in this unit totaled 134,065 million yen, which represents a decrease of 58,811 million yen, or 30.5% year on year, and operating income was 10,665 million yen, a decrease of 10,645 million yen, or 50.0%. This was mainly due to a decrease of the number of housing units recorded, while both prices of housing unit recorded and gross margin increased.

We posted the sale of 2,006 units (a decrease of 1,411 units year on year), including PROUD TOWER Tachikawa (Tachikawa-shi, Tokyo), PROUD CITY Shiki-Honcho (Shiki-chi, Saitama), PROUD CITY Asagaya (Suginami-ku, Tokyo), PROUD Sekime (Joutou-ku, Osaka-shi, Osaka) for condominiums, and PROUD SEASON Chitose-Karasuyama Hikari no Machi (Setagaya-ku, Tokyo) for detached houses. The contract progress rate for the planned 5,650 units of this consolidated fiscal year was 77.1 % as of the end of the current second quarter.

The number of sold but not recorded housing units totaled 3,762 units as of the end of the current second quarter (an increase of 128 units over the end of the previous second quarter).

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

Breakdown of operating revenue

		FY2015 2Q		FY2016 2Q		FY2015	
		Housing units sold	Operating revenue (Millions of yen)	Housing units sold	Operating revenue (Millions of yen)	Housing units sold	Operating revenue (Millions of yen)
Housing sales	Tokyo metropolitan area	3,120 units	171,211	1,620 units	103,608	4,721 units	260,494
	Kansai area	232 units	9,321	168 units	8,942	857 units	38,223
	Other	64 units	3,316	217 units	10,445	427 units	20,078
	Subtotal (Detached houses)	3,417 units (174 units)	183,849 (11,795)	2,006 units (185 units)	122,996 (11,416)	6,006 units (643 units)	318,795 (39,514)
Other			9,027		11,069		15,719
Total			192,876		134,065		334,514

Housing sales Period-end completed housing inventories

	As of September 30, 2015	As of September 30, 2016	As of March 31, 2016
Tokyo metropolitan area	133 units	613 units	285 units
Kansai area	13 units	55 units	38 units
Other	13 units	43 units	25 units
Total (Detached houses)	160 units (59 units)	712 units (110 units)	349 units (140 units)

Housing sales Sold but not recorded housing units

	As of September 30, 2015		As of September 30, 2016		As of March 31, 2016	
	Housing units	Outstanding contract amount (Millions of yen)	Housing units	Outstanding contract amount (Millions of yen)	Housing units	Outstanding contract amount (Millions of yen)
Tokyo metropolitan area	2,508 units	152,360	2,729 units	165,196	2,569 units	162,146
Kansai area	688 units	31,077	587 units	27,912	535 units	26,577
Other	437 units	19,881	445 units	23,528	389 units	21,235
Total (Detached houses)	3,634 units (106 units)	203,318 (6,508)	3,762 units (243 units)	216,637 (12,728)	3,493 units (74 units)	209,959 (4,613)

<Leasing Unit>

Operating revenue in this unit totaled 52,387 million yen, which represents an increase of 9,750 million yen, or 22.9% year on year, and operating income totaled 14,693 million yen, an increase of 1,686 million yen, or 13.0%.

This was mainly due to an increase in rental revenue lead by improvement of vacancy rate etc. and an increase in the number of properties sold in the property development business.

From the first quarter of the current accounting period, Yokohama Business Park Heating and Cooling Supply Co., Ltd., which had been classified under the Leasing Unit, was transferred to the Property & Facility Management Unit. In accordance with this change, the figures for the second quarter and full year results of the previous fiscal year were calculated under the new classification..

Breakdown of operating revenue

	FY2015 2Q (Millions of yen)	FY2016 2Q (Millions of yen)	FY2016 (Millions of yen)
Leasing (offices)	24,695	25,521	49,594
Leasing (retail facilities)	5,351	5,725	10,873
Leasing (other)	2,922	2,927	5,882
Property development (sale)	4,496	13,626	33,260
Property development (leasing)	1,842	1,855	3,320
Other	3,327	2,731	7,295
Total	42,636	52,387	110,226

Rentable area

	As of September 30, 2015	As of September 30, 2016	As of March 31, 2016
Offices	828,171 m ²	831,891 m ²	829,312 m ²
Retail facilities	108,178 m ²	144,797 m ²	144,815 m ²
Total	936,348 m ²	976,688 m ²	974,127 m ²

Vacancy rate (offices and retail facilities)

As of September 30, 2015	As of September 30, 2016	As of March 31, 2016
3.4%	1.2%	2.2%

<Investment Management Unit>

Operating revenue in this unit totaled 5,193 million yen, which represents an increase of 96 million yen, or 1.9 % year on year, and operating income totaled 3,416 million yen, an increase of 44 million yen, or 1.3%.

The assets under management increased from the previous second quarter, due to the merger between Nomura Real Estate Master Fund, Inc. and Top REIT, Inc. in September 2016.

	FY2015 2Q (Millions of yen)	FY2016 2Q (Millions of yen)	FY2015 (Millions of yen)
Operating revenue	5,096	5,193	10,973

Assets under management

	As of September 30, 2015 (Millions of yen)	As of September 30, 2016 (Millions of yen)	As of March 31, 2016 (Millions of yen)
REITs	1,024,271	1,183,442	1,012,630
Private funds, etc.	73,102	62,794	61,851
Total	1,097,374	1,246,237	1,074,481

<Property Brokerage & CRE Unit>

Operating revenue in this unit totaled 16,886 million yen, which represents an increase of 1,878 million yen, or 12.5% year on year, and operating income totaled 4,457 million yen, an increase of 1,050 million yen, or 30.8%. This was due mainly to an increase in the number and amount of property brokerage transactions.

In terms of the wholesale operations, the operation was conducted by both the Corporate Real Estate Service Division, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Urban Net Co.,Ltd. up to present, however, the reorganization was undertaken effective on October 1, 2016, integrating offices, employees and functions into the Corporate Real Estate Service Division, Nomura Real Estate Development Co., Ltd.

In the retail operations, we opened the following new branch stores in April 2016: Iidabashi Center (Chiyoda-ku, Tokyo) and Toyonaka Center (Toyonaka-shi, Osaka).

Breakdown of operating revenue

	FY2015 2Q (Millions of yen)	FY2016 2Q (Millions of yen)	FY2015 (Millions of yen)
Property brokerage	12,636	14,873	28,028
Other	2,371	2,012	7,345
Total	15,007	16,886	35,373

Number of transactions and total transaction value of property brokerage

	FY2015 2Q	FY2016 2Q	FY2015
Number of transactions	3,732	4,067	7,710
Total transaction value (Millions of yen)	315,924	371,729	713,574

<Property & Facility Management Unit>

Operating revenue in this unit totaled 45,665 million yen, which represents an increase of 2,545 million yen, or 5.9% year on year, and operating income totaled 3,002 million yen, an increase of 444 million yen, or 17.4%. This was due mainly to an increase in the number of construction ordered.

In fitness club business sector, we opened MEGALOS_0+ Ebisu (Shibuya-ku, Tokyo) in April 2016, and MEGSLOS_Reflet Ebisu (Shibuya-ku, Tokyo) in June 2016.

From the first quarter of the current accounting period, Yokohama Business Park Heating and Cooling Supply Co., Ltd., which had been classified under the Leasing Unit, was transferred to the Property & Facility Management Unit. In accordance with this change, the figures for the second quarter and full year results of the previous fiscal year were calculated under the new classification.

Breakdown of operating revenue

	FY2015 2Q (Millions of yen)	FY2016 2Q (Millions of yen)	FY2015 (Millions of yen)
Property & facility management	23,738	24,009	47,952
Construction ordered	9,994	11,620	24,636
Fitness club & elderly care	7,408	7,692	14,995
Other	1,978	2,343	3,967
Total	43,120	45,665	91,552

Number of properties under management

	As of September 30, 2015	As of September 30, 2016	As of March 31, 2016
Buildings under management	736	708	705
Condominiums under management (unit)	160,100	165,801	163,036

<Other Business Unit>

Operating revenue in this unit totaled 53 million yen, which represents a decrease of 719 million yen, or 93.1% year on year, and operating loss totaled 17 million yen (the previous second quarter was operating loss of 80 million yen).

(2) Financial Position

	As of March 31, 2016 (Millions of yen)	As of September 30, 2016 (Millions of yen)	Changes (Millions of yen)	Changes (%)
Total assets	1,485,449	1,536,254	50,804	3.4
Total liabilities	1,029,041	1,064,150	35,109	3.4
Net assets	456,408	472,103	15,694	3.4
Shareholders' equity ratio	29.9%	29.9%	-	-

Total assets totaled 1,536,254 million yen, an increase of 50,804 million yen from the end of the previous fiscal year. This was mainly due to an increase in inventories (increased by 41,714 million yen) and land (increased by 15,221 million yen) while cash and deposit (decreased by 12,488 million yen) decreased.

Total liabilities totaled 1,064,150 million yen, an increase of 35,109 million yen from the end of the previous fiscal year. This was mainly due to an increase in long-term loans payable (increased by 34,600 million yen) and short-term loans payable (increased by 13,100 million yen), while deposits received (decrease by 14,118 million yen) decreased.

Net assets totaled 472,103 million yen, an increase of 15,694 million yen from the end of the previous fiscal year. This was mainly due to an increase in earned surplus (increased by 14,365 million yen). The shareholders' equity ratio was 29.9%.

(Cash Flows)

Cash and cash equivalents as of the end of the current second quarter totaled 45,103 million yen, which represents a decrease of 12,488 million yen from the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 47,337 million yen (a decrease of 84,775 million yen year on year). This was mainly due to a decrease in deposits received, while inventories increased.

Net cash provided by (used in) investment activities decreased by 26,892 million yen (an increase of 3,262 million yen year on year). This mainly reflected the purchase of property, plant and equipment and intangible assets.

Net cash provided by (used in) financing activities increased by 61,779 million yen (an increase of 75,154 million yen year on year). This is due mainly to fundraising including long-term and short-term loans and issuance of bonds.

(3) Consolidated Operating Result Forecasts

The consolidated operating result forecasts for the fiscal year ending March 31, 2017 were revised from the figures announced on April 28, 2016, in light of the fact that the performance of Investment Management Units is expected to grow more than the initial forecasts while the performance of Residential Development Unit is expected to lower than the initial forecasts.

<Consolidation>

The Group expects the following consolidated performance for the fiscal year ending March 31, 2017: Operating revenue of 585,000 million yen; operating income of 76,000 million yen; ordinary income of 67,000 million yen; and profit attributable to owners of parent of 43,000 million yen.

Changes from the previous consolidated result forecasts are as follows:

	Operating revenue	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	589,000	76,000	67,000	43,000	224.33
Revised forecasts (B)	585,000	76,000	67,000	43,000	224.22
Changes (B-A)	(4,000)	-	-	-	-
Changes (%)	(0.7)	-	-	-	-
Actual results for the previous fiscal year	569,545	80,912	72,679	47,182	246.42

<By business unit>

Forecasts for the fiscal year ending March 31, 2017 by business unit are as follows:

Operating revenue

	Previous forecasts (Millions of yen)	Revised forecasts (Millions of yen)	Changes (Millions of yen)
Residential Development	339,000	336,000	(3,000)
Leasing	121,000	119,000	(2,000)
Investment Management	8,000	9,000	1,000
Property Brokerage & CRE	35,000	36,000	1,000
Property & Facility Management	96,000	97,000	1,000
Other	0	0	-
Adjustments	(10,000)	(12,000)	(2,000)
Total	589,000	585,000	(4,000)

Operating income

	Previous forecasts (Millions of yen)	Revised forecasts (Millions of yen)	Changes (Millions of yen)
Residential Development	30,500	29,000	(1,500)
Leasing	30,500	30,500	-
Investment Management	4,500	5,500	1,000
Property Brokerage & CRE	8,500	9,000	500
Property & Facility Management	6,000	6,500	500
Other	0	0	-
Adjustments	(4,000)	(4,500)	(500)
Total	76,000	76,000	-

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY2015 (As of March 31, 2016)	FY2016 2Q (As of September 30, 2016)
Assets		
Current Assets		
Cash and deposits	57,593	45,105
Notes and accounts receivable-trade	15,371	15,565
Real estate for sale	78,132	115,735
Real estate for sale in process	269,546	270,438
Land held for development	148,729	152,129
Equity investments	819	2,323
Deferred tax assets	5,285	4,506
Other	33,338	35,924
Allowance for doubtful accounts	(38)	(36)
Total current assets	608,779	641,691
Noncurrent Assets		
Property, plant and equipment		
Buildings and structures, net	235,068	232,335
Land	523,696	538,918
Other, net	20,325	26,747
Total property, plant and equipment	779,091	798,001
Intangible assets	10,681	10,935
Investments and other assets		
Investment securities	45,511	44,106
Lease and guarantee deposits	21,379	21,577
Deferred tax assets	14,840	14,957
Other	5,167	4,984
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	86,897	85,625
Total noncurrent assets	876,670	894,562
Total Assets	1,485,449	1,536,254

(Millions of yen)

	FY2015 (As of March 31, 2016)	FY2016 2Q (As of September 30, 2016)
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	51,162	42,998
Short-term loans payable	137,300	150,400
Income taxes payable	13,232	7,949
Deposits received	29,617	15,499
Deferred tax liabilities	17	16
Provision for bonuses	7,073	7,280
Provision for directors' bonuses	738	300
Provision for loss on business liquidation	61	54
Other	49,903	42,760
Total current liabilities	289,107	267,259
Noncurrent Liabilities		
Bonds payable	60,000	80,000
Long-term loans payable	524,600	559,200
Lease and guarantee deposits received	63,766	64,739
Deferred tax liabilities	64,070	65,695
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for loss on subleasing business	313	288
Net defined benefit liability	18,018	17,863
Other	5,264	5,204
Total noncurrent liabilities	739,933	796,890
Total Liabilities	1,029,041	1,064,150
Net Assets		
Shareholders' Equity		
Capital stock	116,598	116,728
Capital surplus	109,842	109,971
Retained earnings	207,203	221,569
Treasury shares	(3)	(3)
Total shareholders' equity	433,642	448,265
Accumulated Other Comprehensive Income		
Valuation difference on available-for-sale securities	6,664	6,887
Deferred gains or losses on hedges	155	283
Revaluation reserve for land	7,861	7,861
Foreign currency translation adjustment	43	12
Remeasurements of defined benefit plans	(3,513)	(3,339)
Total accumulated other comprehensive income	11,212	11,705
Subscription Rights to Shares	1,685	2,005
Non-Controlling Interests	9,868	10,126
Total Net Assets	456,408	472,103
Total Liabilities and Net Assets	1,485,449	1,536,254

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Six Months from April 1 to September 30, 2016)

(Millions of yen)

	FY2015 2Q (From April 1 to September 30, 2015)	FY2016 2Q (From April 1 to September 30, 2016)
Operating Revenue	292,905	248,178
Operating Cost	203,824	167,708
Operating Gross Profit	89,081	80,470
Selling, General and Administrative Expenses	48,329	47,071
Operating Income	40,751	33,399
Non-Operating Income		
Interest income	31	25
Dividends income	838	79
Equity in earnings of affiliates	16	83
Other	123	142
Total non-operating income	1,009	331
Non-Operating Expenses		
Interest expenses	4,025	3,886
Other	1,136	677
Total non-operating expenses	5,161	4,563
Ordinary Income	36,599	29,166
Extraordinary Income		
Gain on sales of noncurrent assets	-	945
Total extraordinary income	-	945
Extraordinary Losses		
Loss on valuation of investment securities	274	-
Total extraordinary losses	274	-
Income before Income Taxes and Minority Interests	36,324	30,112
Income Taxes - Current	11,924	7,655
Income Taxes - Deferred	379	2,055
Total Income Taxes	12,304	9,711
Profit	24,020	20,401
Profit Attributable to Non-Controlling Interests	1,552	285
Profit Attributable to Owners of Parent	22,468	20,116

(Quarterly Consolidated Statements of Comprehensive Income)

(Six Months from April 1 to September 30, 2016)

(Millions of yen)

	FY2015 2Q (From April 1 to September 30, 2015)	FY2016 2Q (From April 1 to September 30, 2016)
Profit	24,020	20,401
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(556)	222
Deferred gains or losses on hedges	(21)	127
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	4	(30)
Remeasurements of defined benefit plans, net of tax	(101)	173
Total other comprehensive income	(675)	492
Comprehensive Income	23,345	20,894
(Breakdown)		
Comprehensive income attributable to owners of parent	21,792	20,609
Comprehensive income attributable to non-controlling interests	1,552	284

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2015 2Q (From April 1 to September 30, 2015)	FY2016 2Q (From April 1 to September 30, 2016)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	36,324	30,112
Depreciation and amortization	7,898	8,332
Equity in (earnings) losses of affiliates	(16)	(83)
Increase (decrease) in allowance for doubtful accounts	0	(2)
Increase (decrease) in provision for loss on business liquidation	(10)	(6)
Increase (decrease) in provision for loss on subleasing business	(59)	(24)
Increase (decrease) in net defined benefit liability	(91)	(155)
Interest and dividends income	(869)	(105)
Interest expenses	4,025	3,886
Decrease (increase) in notes and accounts receivable-trade	(19,746)	(195)
Decrease (increase) in inventories	(2,878)	(41,714)
Decrease (increase) in equity investments	5,310	(1,504)
Increase (decrease) in notes and accounts payable-trade	(12,041)	(8,163)
Increase (decrease) in deposits received	39,224	(14,118)
Other, net	(3,162)	(5,806)
Subtotal	53,906	(29,549)
Interest and dividends income received	858	99
Interest expenses paid	(3,998)	(3,955)
Income taxes paid	(13,328)	(13,932)
Net cash provided by (used in) operating activities	37,438	(47,337)
Cash Flows from Investing Activities		
Purchase of investment securities	(356)	(517)
Proceeds from sales and liquidation of investment securities	2,377	1,329
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,692)	-
Purchase of property, plant and equipment and intangible assets	(21,266)	(33,669)
Proceeds from sales of property, plant and equipment and intangible assets	5	4,234
Payments for lease and guarantee deposits	(302)	(678)
Proceeds from collection of lease and guarantee deposits	1,050	501
Repayments of lease and guarantee deposits received	(1,940)	(1,349)
Proceeds from lease and guarantee deposits received	2,202	2,254
Other, net	(2,232)	1,002
Net cash provided by (used in) investment activities	(30,154)	(26,892)

(Millions of yen)

	FY2015 2Q (From April 1 to September 30, 2015)	FY2016 2Q (From April 1 to September 30, 2016)
Cash Flows from Financing Activities		
Increase (decrease) in commercial papers	4,100	20,500
Repayments of finance lease obligations	(76)	(79)
Proceeds from long-term loans payable	78,000	59,000
Repayment of long-term loans payable	(59,300)	(31,800)
Proceeds from issuance of bonds	9,936	19,869
Proceeds from issuance of common stock	404	66
Proceeds from share issuance to non-controlling shareholders	56	-
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(4,777)	(5,750)
Dividends paid to non-controlling interests	(1,465)	(26)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(40,253)	-
Net cash provided by (used in) financing activities	(13,374)	61,779
Effect of Exchange Rate Change on Cash and Cash Equivalents	3	(43)
Net Increase (Decrease) in Cash and Cash Equivalents	(6,086)	(12,493)
Cash and Cash Equivalents at Beginning of Period	50,418	57,591
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	-	4
Cash and Cash Equivalents at End of Period	44,331	45,103

(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 FY2015 2Q (Six months from April 1 to September 30, 2015)

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

(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	192,551	41,216	5,096	13,716	39,550	292,132	773	292,905	-	292,905
Inter-segment	325	1,420	0	1,290	3,570	6,606	0	6,606	(6,606)	-
Subtotal	192,876	42,636	5,096	15,007	43,120	298,739	773	299,512	(6,606)	292,905
Segment income or loss	21,310	13,007	3,372	3,406	2,558	43,655	(80)	43,575	(2,823)	40,751

(Notes) 1. The "Other" category includes operating segments that are not included in reportable segments.

2. The deduction of 2,823 million yen shown in the adjustments column for segment income or loss includes an addition of 526 million yen for the elimination of inter-segment transactions and a deduction of 3,350 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.

II FY2016 2Q (Six months from April 1 to September 30, 2016)

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

(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	133,868	51,125	5,193	15,883	42,053	248,124	53	248,178	-	248,178
Inter-segment	196	1,262	-	1,002	3,612	6,073	0	6,073	(6,073)	-
Subtotal	134,065	52,387	5,193	16,886	45,665	254,198	53	254,251	(6,073)	248,178
Segment income or loss	10,665	14,693	3,416	4,457	3,002	36,235	(17)	36,217	(2,818)	33,399

(Notes) 1. The "Other" category includes operating segments that are not included in reportable segments.

2. The deduction of 2,818 million yen shown in the adjustments column for segment income or loss includes an addition of 673 million yen for the elimination of inter-segment transactions and a deduction of 3,491 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. Changes in reportable segments

Since this first quarter of the current accounting period, Yokohama Business Park Heating and Cooling Supply Co., Ltd., which had been classified under the Leasing Unit, was transferred to the Property & Facility Management Unit to promote business in conjunction with the property and facility management business.

In this regard, the segment information for the second quarter of the previous accounting period has been prepared in accordance with the newly adopted segment classification.

3. Impairment loss on noncurrent assets or goodwill by reportable segment

Not applicable.