



January 31, 2017

Consolidated Financial Results

for the First Nine Months from April 1 to December 31, 2016

<under Japanese GAAP>

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.

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
Inquiries:	Naoko Usami, General Manager, Corporate Communications Dept.
Email:	info@nomura-re-hd.com
Scheduled submitting date of quarterly securities report :	February 10, 2017
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)

(Values of less than one million yen rounded down)

I. Consolidated operating results for the first nine months from April 1 to December 31, 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 nine months ended								
Dec. 31, 2016	368,989	(3.1)	49,130	(7.4)	42,965	(8.8)	29,185	2.7
Dec. 31, 2015	380,749	8.0	53,048	31.2	47,131	40.4	28,431	70.5

(Note) Comprehensive income: From April 1 to December 31, 2016 31,577 million yen (up 8.8%)
From April 1 to December 31, 2015 29,015 million yen (up 16.4%)

	Basic earnings per share	Diluted earnings per share
First nine months ended	yen	yen
Dec. 31, 2016	152.20	151.57
Dec. 31, 2015	148.53	147.92

(2) Consolidated financial position

As of	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
Dec. 31, 2016	1,578,102	477,069	29.5
Mar. 31, 2016	1,485,449	456,408	29.9

(Reference) Shareholders' equity: As of December 31, 2016 464,770 million yen As of March 31, 2016 444,854 million yen

II.Dividends

	Annual dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended Mar. 31,2016	-	27.50	-	30.00	57.50
Fiscal year ending Mar. 31, 2017	-	30.00	-		
Fiscal year ending Mar. 31,2017 (Forecast)				30.00	60.00

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

III. Forecasts of consolidated operating results from April 1, 2016 to March 31, 2017

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending Mar. 31, 2017	585,000	2.7	76,000	(6.1)	67,000	(7.8)	43,000	(8.9)	224.22

* 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, changes in 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)

	As of December 31	As of March 31
	2016	2016
1) Number of shares issued at end of period (including treasury shares)	191,822,601	191,679,601
2) Treasury shares at end of period	1,709	1,508
	From April 1 to December 31	From April 1 to December 31
	2016	2015
3) Average number of shares outstanding during the period	191,762,845	191,412,431

* Implementation status of auditing procedure

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

The 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 and reasonable 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 more details of the forecast, please refer to the Appendix P.6 "1. Business Results and Financial Position (1) Business Results 3) Forecasts of financial results for the fiscal year ending March 31, 2017."

(How to obtain explanatory materials for financial results)

Explanatory materials for financial results ("The fact sheets") will be disclosed on TDnet on January 31, 2017 and will be uploaded on the Company's website.

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1. Qualitative Information

(1) Business Results

The Nomura Real Estate Group (“the Group”) posted the following consolidated performance for the current third quarter: Operating revenue of 368,989 million yen, which represents a decrease of 11,759 million yen, or 3.1% year on year; operating income of 49,130 million yen, a decrease of 3,918 million yen, or 7.4%; ordinary income of 42,965 million yen, a decrease of 4,165 million yen, or 8.8 %; and profit attributable to owners of parent of 29,185 million yen, an increase of 754 million yen, or 2.7%.

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, Nomura Real Estate 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.

The results of the third 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 200,027 million yen, which represents a decrease of 16,907 million yen, or 7.8 % year on year, and operating income was 14,889 million yen, a decrease of 4,254 million yen, or 22.2%. This was mainly due to a decrease of the number of housing units sold, while both prices of housing unit recorded and gross margin ratio increased.

We posted the sale of 3,074 units (a decrease of 711 units year on year), including PROUD TOWER Tachikawa (Tachikawa-shi, Tokyo), PROUD CITY Shiki-Honcho (Shiki-shi, Saitama), OHANA Kita-Narashino (Funabashi-shi, Chiba), PROUD Sekime (Joutou-ku, Osaka-shi, Osaka) for condominiums, and PROUD SEASON Sengawa Ryokukei no Machi (Chofu-shi, Tokyo) for detached housing. The contract progress rate for the planned 5,650 units of this consolidated fiscal year was 90.1 % as of the end of the current third quarter.

The number of contracted but not recorded housing units totaled 3,866 units as of the end of the current third quarter (a decrease of 831 units compared to the previous third quarter).

Number of units, sales, and outstanding contract amount as sold for the joint-venture projects are calculated based on the Group’s share. From the current third quarter, the classification of the “period-end completed housing inventories” has changed. In accordance with this change, the figures for the third quarter and full year results of the previous fiscal year were calculated under the new classification.

Breakdown of operating revenue

		First nine months ended Dec. 31, 2015		First nine months ended Dec. 31, 2016		Fiscal year ended March 31, 2016	
		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	3,399 units	187,976	2,560 units	159,283	4,721 units	260,494
	Kansai area	262 units	11,771	256 units	13,568	857 units	38,223
	Other	124 units	6,072	256 units	12,291	427 units	20,078
	Subtotal (Detached housing)	3,785 units (288 units)	205,820 (18,637)	3,074 units (418 units)	185,143 (23,600)	6,006 units (643 units)	318,795 (39,514)
Other			11,113		14,883		15,719
Total			216,934		200,027		334,514

Housing sales Period-end completed housing inventories (released for sale)

	As of December 31, 2015	As of December 31, 2016	As of March 31, 2016
Tokyo metropolitan area	74 units	263 units	84 units
Kansai area	17 units	33 units	29 units
Other	15 units	22 units	20 units
Total (Detached housing)	107 units (43 units)	318 units (45 units)	134 units (46 units)

Housing sales Period-end completed housing inventories (unreleased)

	As of December 31, 2015	As of December 31, 2016	As of March 31, 2016
Total (Detached housing)	2 units (2 units)	222 units (35 units)	215 units (94 units)

Housing sales Contracted but not recorded housing units

	As of December 31, 2015		As of December 31, 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	3,132 units	188,975	2,753 units	165,260	2,569 units	162,146
Kansai area	952 units	43,742	594 units	28,448	535 units	26,577
Other	612 units	30,636	517 units	26,647	389 units	21,235
Total (Detached housing)	4,697 units (249 units)	263,354 (14,821)	3,866 units (206 units)	220,356 (12,266)	3,493 units (74 units)	209,959 (4,613)

<Leasing Unit >

Operating revenue in this unit totaled 77,060 million yen, which represents an increase of 280 million yen, or 0.4 % year on year, and operating income totaled 21,930 million yen, a decrease of 925 million yen, or 4.0%. This was mainly due to a decrease in sales of property development business while the improvement of vacancy rate led to the increase of rent revenue.

From the first quarter of the current accounting period, Nomura Real Estate 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 third quarter and full year results of the previous fiscal year were calculated under the new classification.

Breakdown of operating revenue

	First nine months ended Dec. 31, 2015 (Millions of yen)	First nine months ended Dec. 31, 2016 (Millions of yen)	Fiscal year ended Mar. 31, 2016 (Millions of yen)
Leasing (offices)	37,047	38,235	49,594
Leasing (retail facilities)	8,141	8,762	10,873
Leasing (other)	4,412	4,414	5,882
Property development (sale)	19,326	18,726	33,260
Property development (leasing)	2,608	2,852	3,320
Other	5,244	4,069	7,295
Total	76,780	77,060	110,226

Rentable area

	As of December 31, 2015	As of December 31, 2016	As of March 31, 2016
Offices	828,049 m ²	830,455 m ²	829,312 m ²
Retail facilities	108,194 m ²	144,797 m ²	144,815 m ²
Total	936,243 m ²	975,252 m ²	974,127 m ²

Vacancy rate (offices and retail facilities)

As of December 31, 2015	As of December 31, 2016	As of March 31, 2016
3.3%	1.0%	2.2%

<Investment Management Unit>

Operating revenue in this unit totaled 7,494 million yen, which represents a decrease of 1,781 million yen, or 19.2 % year on year, and operating income totaled 4,847 million yen, a decrease of 1,765 million yen, or 26.7%. This was mainly due to posting the acquisition fee associated with the merger of 3 listed REITs in the previous third quarter.

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

	First nine months ended Dec.31, 2015 (Millions of yen)	First nine months ended Dec.31, 2016 (Millions of yen)	Fiscal year ended Mar.31, 2016 (Millions of yen)
Operating revenue	9,275	7,494	10,973

Assets under management

	As of December 31, 2015 (Millions of yen)	As of December 31, 2016 (Millions of yen)	As of March 31, 2016 (Millions of yen)
REITs	945,628	1,188,694	1,012,630
Private funds, etc.	72,356	48,347	61,851
Total	1,017,984	1,237,042	1,074,481

<Property Brokerage & CRE Unit>

Operating revenue in this unit totaled 25,201 million yen, which represents an increase of 3,412 million yen, or 15.7% year on year, operating income totaled 6,494 million yen, an increase of 2,020 million yen, or 45.2%. This was mainly due to an increase in the number of transactions and transaction value.

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

Breakdown of operating revenue

	First nine months ended Dec.31, 2015 (Millions of yen)	First nine months ended Dec.31, 2016 (Millions of yen)	Fiscal year ended Mar.31, 2016 (Millions of yen)
Property brokerage	18,701	22,208	28,028
Other	3,087	2,992	7,345
Total	21,789	25,201	35,373

Number of transactions and total transaction value of property brokerage

	First nine months ended Dec.31, 2015	First nine months ended Dec.31, 2016	Fiscal year ended Mar.31, 2016
Number of transactions	5,541	5,984	7,710
Total transaction value (Millions of yen)	461,365	554,811	713,574

<Property & Facility Management Unit>

Operating revenue in this unit totaled 68,979 million yen, which represents an increase of 4,964 million yen, or 7.8 % year on year, and operating income totaled 4,639 million yen, an increase of 852 million yen, or 22.5%. This was mainly due to an increase in the number of construction ordered such as large-scale repair work of condominiums.

From the first quarter of the current accounting period, Nomura Real Estate 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 third quarter and full year results of the previous fiscal year were calculated under the new classification.

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

In the 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, Nomura Real Estate 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 third quarter and full year results of the previous fiscal year were calculated under the new classification.

Breakdown of operating revenue

	First nine months ended Dec.31, 2015 (Millions of yen)	First nine months ended Dec.31, 2016 (Millions of yen)	Fiscal year ended Mar.31, 2016 (Millions of yen)
Property & facility management	35,745	36,255	47,952
Construction ordered	14,200	17,605	24,636
Fitness club & elderly care	11,223	11,625	14,995
Other	2,846	3,493	3,967
Total	64,014	68,979	91,552

Number of properties under management

	As of December 31, 2015	As of December 31, 2016	As of March 31, 2016
Buildings under management	722	705	705
Condominiums under management (unit)	160,735	166,570	163,036

<Other Unit>

Operating revenue in this unit totaled 77 million yen, which represents a decrease of 1,137 million yen, or 93.6% year on year, and operating loss totaled 20 million yen (the previous third quarter was operating loss of 109 million yen).

(2) Financial Position

	As of March 31, 2016 (Millions of yen)	As of December 31, 2016 (Millions of yen)	Changes (Millions of yen)	Changes (%)
Total assets	1,485,449	1,578,102	92,652	6.2
Total liabilities	1,029,041	1,101,032	71,990	7.0
Net assets	456,408	477,069	20,661	4.5
Shareholders' equity ratio	29.9%	29.5%	-	-

Total assets totaled 1,578,102 million yen, an increase of 92,652 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in inventories (increased by 81,263 million yen) and land (increased by 15,305 million yen), while cash and deposit (decreased by 10,188 million yen) decreased.

Total liabilities totaled 1,101,032 million yen, an increase of 71,990 million yen from the end of the previous fiscal year. This was mainly due to an increase in short-term loans payable (increased by 50,600 million yen) and long-term loans payable (increased by 31,100 million yen), while notes and accounts payable-trade (decreased by 23,224 million yen) decreased.

Net assets totaled 477,069 million yen, an increase of 20,661 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in retained earnings (increased by 17,679 million yen).

The shareholders' equity ratio was 29.5% (decreased by 0.5 points compared to the end of the previous fiscal year).

(Cash Flows)

Cash and cash equivalents as of the end of the current third quarter totaled 47,403 million yen, which represents a decrease of 10,188 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 96,628 million yen (a decrease of 68,322 million yen year on year). This was mainly due to an increase in inventories and a decrease in notes and accounts payable-trade.

Net cash provided by (used in) investment activities decreased by 31,500 million yen (an increase of 3,860 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 117,992 million yen (an increase of 58,012 million yen year on year). This was mainly due to fundraising short-term loans, commercial papers and issuance of bonds.

(3) Consolidated Operating Result Forecasts

No change in the consolidated operating result forecast which was announced on October 27, 2016.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	57,593	47,405
Notes and accounts receivable - trade	15,371	12,421
Real estate for sale	78,132	115,068
Real estate for sale in process	269,546	281,082
Land held for development	148,729	181,169
Equity investments	819	2,361
Deferred tax assets	5,285	3,228
Other	33,338	38,889
Allowance for doubtful accounts	(38)	(38)
Total current assets	608,779	681,587
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	235,068	229,854
Land	523,696	539,002
Other, net	20,325	28,821
Total property, plant and equipment	779,091	797,678
Intangible assets	10,681	10,922
Investments and other assets		
Investment securities	45,511	46,707
Lease and guarantee deposits	21,379	21,654
Deferred tax assets	14,840	14,978
Other	5,167	4,574
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	86,897	87,913
Total non-current assets	876,670	896,514
Total assets	1,485,449	1,578,102

(Millions of yen)

As of March 31, 2016

As of December 31, 2016

Liabilities	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	51,162	27,937
Short-term loans payable	137,300	187,900
Commercial papers	—	28,000
Current portion of bonds	—	10,000
Income taxes payable	13,232	3,820
Deposits received	29,617	11,057
Deferred tax liabilities	17	19
Provision for bonuses	7,073	3,900
Provision for directors' bonuses	738	451
Provision for loss on business liquidation	61	51
Other	49,903	43,857
Total current liabilities	289,107	316,995
Non-current liabilities		
Bonds payable	60,000	70,000
Long-term loans payable	524,600	555,700
Lease and guarantee deposits received	63,766	64,719
Deferred tax liabilities	64,070	66,079
Deferred tax liabilities for land revaluation	3,900	3,899
Provision for loss on subleasing business	313	276
Net defined benefit liability	18,018	17,825
Other	5,264	5,536
Total non-current liabilities	739,933	784,036
Total liabilities	1,029,041	1,101,032
Net assets		
Shareholders' equity		
Capital stock	116,598	116,733
Capital surplus	109,842	109,977
Retained earnings	207,203	224,883
Treasury shares	(3)	(3)
Total shareholders' equity	433,642	451,591
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,664	8,625
Deferred gains or losses on hedges	155	(92)
Revaluation reserve for land	7,861	7,860
Foreign currency translation adjustment	43	38
Remeasurements of defined benefit plans	(3,513)	(3,252)
Total accumulated other comprehensive income	11,212	13,179
Subscription rights to shares	1,685	2,032
Non-controlling interests	9,868	10,266
Total net assets	456,408	477,069
Total liabilities and net assets	1,485,449	1,578,102

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income for the First Nine Months from April 1 to December 31)

(Millions of yen)

	First nine months ended Dec. 31, 2015	First nine months ended Dec. 31, 2016
Operating revenue	380,749	368,989
Operating cost	259,359	249,055
Operating gross profit	121,389	119,933
Selling, general and administrative expenses	68,341	70,803
Operating income	53,048	49,130
Non-operating income		
Interest income	52	39
Dividend income	1,006	244
Share of profit of entities accounted for using equity method	16	83
Other	247	204
Total non-operating income	1,322	571
Non-operating expenses		
Interest expenses	5,945	5,793
Other	1,293	941
Total non-operating expenses	7,239	6,735
Ordinary income	47,131	42,965
Extraordinary income		
Gain on sales of non-current assets	—	945
Total extraordinary income	—	945
Extraordinary losses		
Impairment loss	950	125
Loss on valuation of investment securities	278	—
Total extraordinary losses	1,229	125
Profit before income taxes	45,901	43,785
Income taxes - current	13,229	11,115
Income taxes - deferred	2,547	3,059
Total income taxes	15,777	14,175
Profit	30,124	29,610
Profit attributable to non-controlling interests	1,693	424
Profit attributable to owners of parent	28,431	29,185

(Quarterly Consolidated Statements of Comprehensive Income for the First Nine Months from April 1 to December 31)

(Millions of yen)

	First nine months ended Dec. 31, 2015	First nine months ended Dec. 31, 2016
Profit	30,124	29,610
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(892)	1,960
Deferred gains or losses on hedges	(46)	(248)
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	(7)	(37)
Remeasurements of defined benefit plans, net of tax	(161)	260
Share of the other comprehensive income of associates accounted for using equity method	-	33
Total other comprehensive income	(1,108)	1,967
Comprehensive Income	29,015	31,577
(Breakdown)		
Comprehensive income attributable to owners of parent	27,322	31,153
Comprehensive income attributable to non-controlling interests	1,693	424

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First nine months ended Dec. 31, 2015	First nine months ended Dec. 31, 2016
Cash flows from operating activities		
Profit before income taxes	45,901	43,785
Depreciation	11,901	12,585
Share of (profit) loss of entities accounted for using equity method	(16)	(83)
Increase (decrease) in allowance for doubtful accounts	(13)	(0)
Increase (decrease) in provision for loss on business liquidation	(16)	(10)
Increase (decrease) in provision for loss on subleasing business	(81)	(37)
Increase (decrease) in net defined benefit liability	(224)	(193)
Interest and dividend income	(1,058)	(283)
Interest expenses	5,945	5,793
Decrease (increase) in notes and accounts receivable - trade	3,344	2,946
Decrease (increase) in inventories	(37,683)	(81,263)
Decrease (increase) in equity investments	5,398	(1,508)
Increase (decrease) in notes and accounts payable - trade	(20,599)	(23,221)
Increase (decrease) in deposits received	(14,230)	(18,560)
Other, net	(594)	(9,648)
Subtotal	(2,026)	(69,698)
Interest and dividend income received	1,047	272
Interest expenses paid	(5,948)	(5,818)
Income taxes paid	(21,377)	(21,384)
Net cash provided by (used in) operating activities	(28,306)	(96,628)
Cash flows from investing activities		
Purchase of investment securities	(3,023)	(768)
Proceeds from sales and liquidation of investment securities	2,907	1,369
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,692)	—
Purchase of property, plant and equipment and intangible assets	(24,795)	(38,103)
Proceeds from sales of property, plant and equipment and intangible assets	175	4,240
Payments for lease and guarantee deposits	(526)	(823)
Proceeds from collection of lease and guarantee deposits	1,201	619
Repayments of lease and guarantee deposits received	(2,160)	(1,737)
Proceeds from lease and guarantee deposits received	2,790	2,584
Other, net	(2,237)	1,118
Net cash provided by (used in) investing activities	(35,360)	(31,500)

(Millions of yen)

	First nine months ended Dec. 31, 2015	First nine months ended Dec. 31, 2016
Cash flows from Financing Activities		
Net increase (decrease) in short-term loans payable	52,700	68,500
Increase (decrease) in commercial papers	26,000	28,000
Repayments of finance lease obligations	(112)	(116)
Proceeds from long-term loans payable	109,000	75,000
Repayments of long-term loans payable	(86,300)	(61,800)
Proceeds from issuance of bonds	9,936	19,869
Proceeds from issuance of common shares	416	71
Proceeds from share issuance to non-controlling shareholders	105	—
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(10,047)	(11,504)
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	59,980	117,992
Effect of exchange rate change on cash and cash equivalents	(5)	(57)
Net increase (decrease) in cash and cash equivalents	(3,692)	(10,193)
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	46,726	47,403

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholder's Equity)

Not applicable.

(Segment Information)

Segment information

I First Nine months from April 1 to December, 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	216,486	74,777	9,275	20,258	58,736	379,533	1,215	380,749	-	380,749
Inter-segment	448	2,003	0	1,531	5,278	9,261	0	9,261	(9,261)	-
Subtotal	216,934	76,780	9,275	21,789	64,014	388,795	1,215	390,010	(9,261)	380,749
Segment income or loss	19,143	22,856	6,612	4,473	3,786	56,872	(109)	56,762	(3,714)	53,048

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

2. The deduction of 3,714 million yen shown in the adjustments column for segment income or losses includes an addition of 872 million yen for the elimination of inter-segment transactions and a deduction of 4,587 million yen for corporate expenses not allocated to each reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

3. The segment income or loss are 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	-	-	-	-	950	950

II First Nine Months from April 1 to December 31, 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	199,718	75,211	7,494	23,682	62,804	368,911	77	368,989	-	368,989
Inter-segment	309	1,849	-	1,518	6,174	9,851	0	9,581	(9,851)	-
Subtotal	200,027	77,060	7,494	25,201	68,979	378,763	77	378,841	(9,851)	368,989
Segment income or loss	14,889	21,930	4,847	6,494	4,639	52,801	(20)	52,780	(3,650)	49,130

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

2. The deduction of 3,650 million yen shown in the adjustments column for segment income or losses includes an addition of 950 million yen for the elimination of inter-segment transactions and a deduction of 4,601 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 losses are 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, Nomura Real Estate 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 third 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

(Significant impairment loss on noncurrent assets)

(Millions of yen)

	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	125	-	-	-	125