



October 26, 2017

Consolidated Financial Results

For the Six Months from April 1 to September 30, 2017
<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 and Representative Director
 Inquiries: Naoko Usami,
 General Manager, Corporate Communications Dept.
 Email: info@nomura-re-hd.com
 Scheduled submitting date of quarterly securities report: November 10, 2017
 Scheduled starting date for dividend payments: December 1, 2017
 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 six months from April 1 to September 30, 2017

(1) Consolidated business results

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months ended								
Sep. 30, 2017	273,045	10.0	34,497	3.3	30,375	4.1	20,115	(0.0)
Sep. 30, 2016	248,178	(15.3)	33,399	(18.0)	29,166	(20.3)	20,116	(10.5)

(Note) Comprehensive income: From April 1 to September 30, 2017 16,585 million yen (down 20.6%)
 From April 1 to September 30, 2016 20,894 million yen (down 10.5%)

	Basic earnings per share	Diluted earnings per share
First six months ended	Yen	Yen
Sep. 30, 2017	104.81	104.28
Sep. 30, 2016	104.92	104.51

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Sep. 30, 2017	1,692,997	504,318	29.0
Mar. 31, 2017	1,593,093	493,813	30.2

(Reference) Shareholders' equity: As of September 30, 2017 491,156 million yen As of March 31, 2017 481,364 million yen

II. Dividends

	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, 2017	-	30.00	-	35.00	65.00
Fiscal year ending Mar. 31, 2018	-	35.00			
Fiscal year ending Mar. 31, 2018 (Forecast)			-	35.00	70.00

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

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2017 to March 31, 2018

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

	Operating revenue		Operating profit		Ordinary profit		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, 2018	646,000	13.4	76,000	(1.6)	67,000	(2.8)	44,000	(6.4)	229.22

(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, 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 September 30	As of March 31
	2017	2017
1) Number of shares issued at end of period (including treasury shares)	191,987,601	191,877,801
2) Treasury shares at end of period	1,994	1,709
	From April 1 to September 30	From April 1 to September 30
	2017	2016
3) Average number of shares outstanding during the period	191,927,100	191,735,281

* Quarterly consolidated financial results are not required to be audited.

* Proper use of forecasts of financial results, and other special matters

Forward-looking statements in this document, including the forecasts of financial results, etc., are based on the information currently available to the Company and certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially from these forecasts due to various factors. For matters related to the forecasts of financial results, please refer to “1. Qualitative Information (3) Consolidated Operating Result Forecasts” on page 6 of the Attachments.

(How to obtain fact sheets)

The fact sheets will be disclosed on TDnet on October 26, 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 second quarter: Operating revenue of 273,045 million yen, which represents an increase of 24,866 million yen, or 10.0% year on year; operating profit of 34,497 million yen, an increase of 1,098 million yen, or 3.3%; ordinary profit of 30,375 million yen, an increase of 1,209 million yen, or 4.1%; and profit attributable to owners of parent of 20,115 million yen, a decrease of 0 million yen, or 0.0%.

An overview of business unit achievements is given below:

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

<Residential Development Business Unit>

Operating revenue in this business unit totaled 147,483 million yen, which represents an increase of 13,417 million yen, or 10.0% year on year, and operating profit totaled 10,058 million yen, which represents a decrease of 606 million yen, or 5.7% year on year, resulting in an increase in operating revenue and decrease in operating profit compared with the previous second quarter.

This was mainly due to a decrease of gross margin while an increase in the number of housing unit sales recorded in the housing sales business.

In regard to housing sales, we posted the sale of 2,199 units (an increase of 193 units year on year), including PROUD TOWER Kibakoen (Koto-ku, Tokyo), PROUD TOWER Musashiurawa Residence (Minami-ku, Saitama-shi, Saitama), PROUD Fuchu Station Arena (Fuchu-shi, Tokyo), PROUD TOWER Nagoya Sakae (Naka-ku, Nagoya-shi, Aichi) for condominiums, and PROUD SEASON Soshigayaokura (Setagaya-ku, Tokyo) for detached housing. Housing sales is making steady progress and the number of the housing contracted is 2,828 units (an increase of 552 units, year on year) for the first six months ended September 30, 2017. The contract progress rate for the planned 6,000 units of this consolidated fiscal year was 76.8% as of the end of the current second quarter.

The number of contracted but not recorded housing units totaled 3,408 units as of the end of the current second quarter (a decrease of 354 units compared with 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.

From the previous third quarter, the classification of the “period-end completed housing inventories” has changed. In accordance with this change, the figures as of the end of the previous second quarter have been calculated under the new classification.

Breakdown of operating revenue

		First six months ended September 30, 2016		First six months ended September 30, 2017		Fiscal year ended March 31, 2017	
		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	1,620 units	103,608	1,752 units	108,821	4,291 units	250,475
	Kansai area	168 units	8,942	167 units	10,780	807 units	35,890
	Other	217 units	10,445	278 units	15,591	468 units	22,594
	Subtotal (Detached housing)	2,006 units (185 units)	122,996 (11,416)	2,199 units (193 units)	135,193 (12,426)	5,567 units (682 units)	308,960 (38,735)
Other			11,069		12,290		20,827
Total			134,065		147,483		329,787

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

	As of September 30, 2016	As of September 30, 2017	As of March 31, 2017
Tokyo metropolitan area	288 units	264 units	187 units
Kansai area	47 units	27 units	38 units
Other	43 units	18 units	25 units
Total (Detached housing)	379 units (66 units)	311 units (19 units)	252 units (13 units)

Housing sales Period-end completed housing inventories (unreleased)

	As of September 30, 2016	As of September 30, 2017	As of March 31, 2017
Total (Detached housing)	332 units (44 units)	321 units (-)	402 units (33 units)

Housing sales Sold but not recorded housing units

	As of September 30, 2016		As of September 30, 2017		As of March 31, 2017	
	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	2,729 units	165,196	2,592 units	164,432	2,140 units	140,183
Kansai area	587 units	27,912	414 units	19,225	219 units	13,859
Other	445 units	23,528	401 units	18,206	420 units	21,851
Total (Detached housing)	3,762 units (243 units)	216,637 (12,728)	3,408 units (136 units)	201,864 (7,859)	2,779 units (111 units)	175,895 (6,489)

<Leasing Business Unit >

Operating revenue in this business unit totaled 61,160 million yen, which represents an increase of 8,772 million yen, or 16.7% year on year, and operating profit totaled 15,890 million yen, an increase of 1,197 million yen, or 8.1%, resulting in increases in both operating revenue and operating profit compared with the previous second quarter.

This was mainly due to an increase in leasing revenue from newly-built properties such as Yokohama Nomura Building (Nishi-ku, Yokohama-shi, Kanagawa) in the leasing business, as well as an increase in revenues from the sales of properties in the property development business.

Breakdown of operating revenue

	First six months ended September 30, 2016 (Millions of yen)	First six months ended September 30, 2017 (Millions of yen)	Fiscal year ended March 31, 2017 (Millions of yen)
Leasing (offices)	25,521	26,668	51,981
Leasing (retail facilities)	5,725	5,708	11,649
Leasing (other)	2,927	3,363	5,954
Property development (sale)	13,626	20,275	35,350
Property development (leasing)	1,855	2,315	4,054
Other	2,731	2,828	6,018
Total	52,387	61,160	115,009

Rentable area

	As of September 30, 2016	As of September 30, 2017	As of March 31, 2017
Offices	831,891 m ²	864,802 m ²	831,177 m ²
Retail facilities	144,797 m ²	174,710 m ²	144,797 m ²
Total	976,688 m ²	1,039,512 m ²	975,974 m ²

Vacancy rate (offices and retail facilities)

As of September 30, 2016	As of September 30, 2017	As of March 31, 2017
1.2%	0.6%	0.8%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 4,546 million yen, which represents a decrease of 646 million yen, or 12.5% year on year, and operating profit totaled 2,860 million yen, a decrease of 556 million yen, or 16.3%, resulting in decreases in both operating revenue and operating profit compared with the previous second quarter.

This was mainly due to the posting of asset acquisition fees associated with the merger between Nomura Real Estate Master Fund, Inc. and TOP REIT, Inc. in the previous second quarter.

	First six months ended September 30, 2016 (Millions of yen)	First six months ended September 30, 2017 (Millions of yen)	Fiscal year ended March 31, 2017 (Millions of yen)
Operating revenue	5,193	4,546	9,662

Assets under management

	As of September 30, 2016 (Millions of yen)	As of September 30, 2017 (Millions of yen)	As of March 31, 2017 (Millions of yen)
REITs	1,183,442	1,176,858	1,210,535
Private funds, etc.	62,794	50,698	49,529
Total	1,246,237	1,227,556	1,260,064

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 17,887 million yen, which represents an increase of 1,001 million yen, or 5.9% year on year, operating profit totaled 4,458 million yen, an increase of 1 million yen, or 0.0%, resulting in increases in both operating revenue and operating profit compared with the previous second quarter.

In the retail business, we opened the following new branches: Omiya Center (Omiya-ku, Saitama-shi, Saitama) and Tachikawa Center (Tachikawa-shi, Tokyo) in April 2017.

Breakdown of operating revenue

	First six months ended September 30, 2016 (Millions of yen)	First six months ended September 30, 2017 (Millions of yen)	Fiscal year ended March 31, 2017 (Millions of yen)
Property brokerage	14,873	16,225	30,283
Other	2,012	1,662	4,536
Total	16,886	17,887	34,820

Number of transactions and total transaction value of property brokerage

	First six months ended September 30, 2016	First six months ended September 30, 2017	Fiscal year ended March 31, 2017
Number of transactions	4,067	4,267	8,272
Total transaction value (Millions of yen)	371,729	420,676	745,147

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 48,638 million yen, which represents an increase of 2,972 million yen, or 6.5% year on year, and operating profit totaled 3,221 million yen, an increase of 218 million yen, or 7.3%, resulting in increases in both operating revenue and operating profit compared with the previous second quarter.

In the fitness club business, we opened MEGALOS_24 Nishiarai (Adachi-ku, Tokyo) in May 2017, MEGALOS_24 Tokiwadai (Itabashi-ku, Tokyo) and MEGALOS_Reflect Minatomirai (Nishi-ku, Yokohama-shi, Kanagawa) in June 2017.

Breakdown of operating revenue

	First six months ended September 30, 2016 (Millions of yen)	First six months ended September 30, 2017 (Millions of yen)	Fiscal year ended March 31, 2017 (Millions of yen)
Property & facility management	24,009	24,969	48,301
Construction ordered	11,620	12,696	26,857
Fitness club & elderly care	7,692	7,947	15,523
Other	2,343	3,024	5,081
Total	45,665	48,638	95,764

Number of properties under management

	As of September 30, 2016	As of September 30, 2017	As of March 31, 2017
Buildings under management	708	724	702
Condominiums under management (unit)	165,801	170,641	168,999

<Other Business Unit>

Operating revenue in this business unit totaled 52 million yen, which represents a decrease of 1 million yen, or 2.6% year on year, and operating loss totaled 1 million yen (the previous second quarter was operating loss of 17 million yen).

(2) Financial Position

	As of March 31, 2017 (Millions of yen)	As of September 30, 2017 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,593,093	1,692,997	99,903	6.3%
Total liabilities	1,099,280	1,188,679	89,398	8.1%
Net assets	493,813	504,318	10,505	2.1%
Shareholders' equity ratio	30.2%	29.0%	-	-

Total assets were 1,692,997 million yen, which represents an increase of 99,903 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in securities (an increase of 35,000 million yen) and inventories (an increase of 35,522 million yen).

Total liabilities totaled 1,188,679 million yen, an increase of 89,398 million yen from the end of the previous fiscal year. This was mainly due to an increase in commercial papers (increased by 32,000 million yen) and short-term loans payable (increased by 64,500 million yen), while deposits received (decreased by 21,125 million yen) decreased.

Net assets totaled 504,318 million yen, an increase of 10,505 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in retained earnings (increased by 13,399 million yen).

The shareholders' equity ratio was 29.0%, a decrease of 1.2 percentage points from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of the current second quarter totaled 88,700 million yen, which represents an increase of 41,001 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 49,461 million yen (a year-on-year decrease of 2,123 million yen). This was mainly due to outflows resulted by the decrease in deposits received and the increase in inventories.

Net cash provided by (used in) investment activities decreased by 33,295 million yen (a year-on-year decrease of 6,403 million yen).

This mainly reflected the purchase of tangible and intangible assets.

Net cash provided by (used in) financing activities increased by 123,770 million yen (a year-on-year increase of 61,990 million yen).
The reason for this was fundraising by issuance of commercial papers and short-term loans payable and long-term loans payable.

(3) Consolidated Operating Result Forecasts

No change in the consolidated operating result forecast which was announced on April 27, 2017.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	47,701	53,702
Notes and accounts receivable - trade	16,535	13,797
Securities	—	35,000
Real estate for sale	120,385	120,950
Real estate for sale in process	249,663	265,031
Land held for development	199,812	220,019
Equity investments	2,567	6,477
Deferred tax assets	5,555	5,297
Other	42,123	37,483
Allowance for doubtful accounts	(37)	(31)
Total current assets	684,306	757,728
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	241,888	252,117
Land	549,671	572,550
Other, net	17,265	13,995
Total property, plant and equipment	808,825	838,663
Intangible assets	10,985	10,921
Investments and other assets		
Investment securities	46,252	41,134
Lease and guarantee deposits	21,738	22,711
Deferred tax assets	14,992	15,130
Other	5,992	6,707
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	88,975	85,683
Total non-current assets	908,786	935,268
Total assets	1,593,093	1,692,997

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,612	28,717
Short-term loans payable	106,300	170,800
Commercial papers	—	32,000
Current portion of bonds	10,000	10,000
Income taxes payable	16,052	10,592
Deposits received	29,459	8,334
Deferred tax liabilities	20	19
Provision for bonuses	7,516	7,687
Provision for directors' bonuses	639	328
Provision for loss on business liquidation	47	41
Other	50,149	41,677
Total current liabilities	255,799	310,199
Non-current liabilities		
Bonds payable	70,000	90,000
Long-term loans payable	623,800	637,900
Lease and guarantee deposits received	57,597	60,143
Deferred tax liabilities	63,592	61,582
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for loss on subleasing business	257	216
Net defined benefit liability	18,931	18,769
Other	5,402	5,968
Total non-current liabilities	843,481	878,479
Total liabilities	1,099,280	1,188,679
Net assets		
Shareholders' equity		
Capital stock	116,779	116,883
Capital surplus	110,023	110,127
Retained earnings	242,704	256,104
Treasury shares	(3)	(4)
Total shareholders' equity	469,503	483,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,947	4,301
Deferred gains or losses on hedges	119	(165)
Revaluation reserve for land	7,860	7,860
Foreign currency translation adjustment	62	(28)
Remeasurements of defined benefit plans	(4,129)	(3,923)
Total accumulated other comprehensive income	11,860	8,045
Subscription rights to shares	1,986	2,445
Non-controlling interests	10,462	10,715
Total net assets	493,813	504,318
Total liabilities and net assets	1,593,093	1,692,997

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
 (Quarterly Consolidated Statements of Income for the First Six Months from April 1 to September 30)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Operating revenue	248,178	273,045
Operating cost	167,708	188,340
Operating gross profit	80,470	84,704
Selling, general and administrative expenses	47,071	50,206
Operating profit	33,399	34,497
Non-operating income		
Interest income	25	23
Dividend income	79	46
Share of profit of entities accounted for using equity method	83	37
Gain on transfer of right to request purchase of shares	—	112
Other	142	114
Total non-operating income	331	333
Non-operating expenses		
Interest expenses	3,886	3,666
Other	677	789
Total non-operating expenses	4,563	4,455
Ordinary profit	29,166	30,375
Extraordinary income		
Gain on sales of non-current assets	945	—
Total extraordinary income	945	—
Extraordinary losses		
Impairment loss	—	67
Loss on building reconstruction	—	189
Total extraordinary losses	—	256
Profit before income taxes	30,112	30,118
Income taxes - current	7,655	9,923
Income taxes - deferred	2,055	(205)
Total income taxes	9,711	9,718
Profit	20,401	20,400
Profit attributable to non-controlling interests	285	285
Profit attributable to owners of parent	20,116	20,115

(Quarterly Consolidated Statements of Comprehensive Income for the First Six Months from April 1 to September 30)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	20,401	20,400
Other comprehensive income		
Valuation difference on available-for-sale securities	222	(3,644)
Deferred gains or losses on hedges	127	(285)
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	(30)	(13)
Remeasurements of defined benefit plans, net of tax	173	205
Share of other comprehensive income of entities accounted for using equity method	—	(76)
Total other comprehensive income	492	(3,815)
Comprehensive income	20,894	16,585
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,609	16,300
Comprehensive income attributable to non-controlling interests	284	285

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	30,112	30,118
Depreciation	8,332	9,314
Share of (profit) loss of entities accounted for using equity method	(83)	(37)
Increase (decrease) in allowance for doubtful accounts	(2)	(5)
Increase (decrease) in provision for loss on business liquidation	(6)	(5)
Increase (decrease) in provision for loss on subleasing business	(24)	(41)
Increase (decrease) in net defined benefit liability	(155)	(162)
Interest and dividend income	(105)	(69)
Interest expenses	3,886	3,666
Decrease (increase) in notes and accounts receivable - trade	(195)	2,736
Decrease (increase) in inventories	(41,714)	(42,359)
Decrease (increase) in equity investments	(1,504)	(3,910)
Increase (decrease) in notes and accounts payable – trade	(8,163)	(6,894)
Increase (decrease) in deposits received	(14,118)	(21,125)
Other, net	(5,806)	(1,861)
Subtotal	(29,549)	(30,636)
Interest and dividend income received	99	60
Interest expenses paid	(3,955)	(3,488)
Income taxes paid	(13,932)	(15,396)
Net cash provided by (used in) operating activities	(47,337)	(49,461)
Cash flows from investing activities		
Purchase of investment securities	(517)	(388)
Proceeds from sales and liquidation of investment securities	1,329	64
Purchase of property, plant and equipment and intangible assets	(33,669)	(34,086)
Proceeds from sales of property, plant and equipment and intangible assets	4,234	43
Payments for lease and guarantee deposits	(678)	(719)
Proceeds from collection of lease and guarantee deposits	501	616
Repayments of lease and guarantee deposits received	(1,349)	(891)
Proceeds from lease and guarantee deposits received	2,254	2,369
Other, net	1,002	(303)
Net cash provided by (used in) investing activities	(26,892)	(33,295)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	20,500	56,000
Increase (decrease) in commercial papers	—	32,000
Repayments of finance lease obligations	(79)	(72)
Proceeds from long-term loans payable	59,000	47,000
Repayments of long-term loans payable	(31,800)	(24,400)
Proceeds from issuance of bonds	19,869	19,869
Proceeds from issuance of common shares	66	121
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(5,750)	(6,715)
Dividends paid to non-controlling interests	(26)	(31)
Net cash provided by (used in) financing activities	61,779	123,770
Effect of exchange rate change on cash and cash equivalents	(43)	(12)
Net increase (decrease) in cash and cash equivalents	(12,493)	41,001
Cash and cash equivalents at beginning of period	57,591	47,699
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	4	—
Cash and cash equivalents at end of period	45,103	88,700

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

1. Information regarding sales, gains or losses, by reportable segment

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in quarterly consolidated financial statements (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 profit 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 represents operating segments that are not included in reportable segments.

2. The deduction of 2,818 million yen shown in the adjustments column for segment profit 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 profit stated in the Quarterly Consolidated Statements of Income.

2. Information regarding impairment loss on noncurrent assets or goodwill by reportable segments

Not applicable

II FY2017 2Q (Six months from April 1 to September 30, 2017)

1. Information regarding sales, gains or losses, by reportable segment

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in quarterly consolidated financial statements (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	147,017	59,966	4,546	16,722	44,740	272,993	52	273,045	-	273,045
Inter-segment	465	1,193	-	1,165	3,897	6,722	0	6,722	(6,722)	-
Subtotal	147,483	61,160	4,546	17,887	48,638	279,715	52	279,767	(6,722)	273,045
Segment profit or loss	10,058	15,890	2,860	4,458	3,221	36,488	(1)	36,486	(1,988)	34,497

- (Notes)
- The "Other" category represents operating segments that are not included in reportable segments.
 - The deduction of 1,988 million yen shown in the adjustment column for segment profit or loss includes an addition of 1,418 million yen for the elimination of inter-segment transactions and a deduction of 3,406 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.
 - The segment profit or loss is reconciled to the operating profit stated in the Quarterly Consolidated Statements of Income.

2. Information regarding 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	-	67	-	-	-	67

(Subsequent Events)

Acquisition of treasury shares

The Company has resolved the acquisition of treasury shares, under Article 459, Paragraph 1 of the Companies Act and Article 32 of the Company's Articles of Incorporation, at the meeting of the Board of Directors held on October 26, 2017.

1. Reasons for treasury stock acquisition

To enhance shareholder returns and improve capital efficiency.

2. Contents of acquisition

- Type of shares to be acquired : Common Stock of the Company
- Total number of shares to be acquired : Up to 5,000,000 shares

(Ratio to the number of outstanding shares (excluding treasury shares) : 2.60%)

- Total value of shares to be acquired : Up to 10 billion yen
- Period of acquisition : From October 27, 2017 to March 31, 2018
- Method of acquisition : Open market purchase on the Tokyo Stock Exchange