



January 30, 2018

Consolidated Financial Results

For the Nine Months from April 1 to December 31, 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:	February 9, 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 nine months from April 1 to December 31, 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 nine months ended								
Dec. 31, 2017	409,652	11.0	51,702	5.2	45,539	6.0	27,489	(5.8)
Dec. 31, 2016	368,989	(3.1)	49,130	(7.4)	42,965	(8.8)	29,185	2.7

(Note) Comprehensive income: From April 1 to December 31, 2017 23,445 million yen (down 25.8%)
From April 1 to December 31, 2016 31,577 million yen (up 8.8%)

	Basic earnings per share	Diluted earnings per share
First nine months ended	Yen	Yen
Dec. 31, 2017	143.39	142.61
Dec. 31, 2016	152.20	151.57

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Dec. 31, 2017	1,688,447	499,291	28.8
Mar. 31, 2017	1,593,093	493,813	30.2

(Reference) Shareholders' equity: As of December 31, 2017 485,887 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)	230.05

(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 December 31	As of March 31
	2017	2017
1) Number of shares issued at end of period (including treasury shares)	192,042,501	191,877,801
2) Treasury shares at end of period	2,116,956	1,709
	From April 1 to December 31	From April 1 to December 31
	2017	2016
3) Average number of shares outstanding during the period	191,704,748	191,762,845

* 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 January 30, 2018 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 409,652 million yen, which represents an increase of 40,663 million yen, or 11.0% year on year; operating profit of 51,702 million yen, an increase of 2,572 million yen, or 5.2%; ordinary profit of 45,539 million yen, an increase of 2,573 million yen, or 6.0%; and profit attributable to owners of parent of 27,489 million yen, a decrease of 1,696 million yen, or 5.8%.

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.

From the third quarter of the fiscal year under review, Nomura Real Estate Hotels Co., Ltd., established in October 2017, has been classified under the Leasing Business Unit to promote business in conjunction with the Leasing Business.

<Residential Development Business Unit>

Operating revenue in this business unit totaled 224,765 million yen, which represents an increase of 24,738 million yen, or 12.4% year on year, and operating profit totaled 15,644 million yen, which represents an increase of 755 million yen, or 5.1% year on year, resulting in an increases in both operating revenue and operating profit compared with the previous third quarter.

This was mainly due to 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 3,447 units (an increase of 373 units year on year), including PROUD TOWER Kibakoen (Koto-ku, Tokyo), PROUD Fuchu Station Arena (Fuchu-shi, Tokyo), OHANA Machida Oak Court (Minami-ku, Sagami-hara-shi, Kanagawa), 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 4,410 units (an increase of 964 units, year on year) for the first nine months ended December 31, 2017. The contract progress rate for the planned 6,000 units of this fiscal year was 89.7% as of the end of the current third quarter.

The number of contracted but not recorded housing units totaled 3,742 units as of the end of the current third quarter (a decrease of 124 units compared with the end of 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.

Breakdown of operating revenue

		First nine months ended December 31, 2016		First nine months ended December 31, 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	2,560 units	159,283	2,756 units	170,371	4,291 units	250,475
	Kansai area	256 units	13,568	206 units	13,723	807 units	35,890
	Other	256 units	12,291	485 units	24,081	468 units	22,594
	Subtotal (Detached housing)	3,074 units (418 units)	185,143 (23,600)	3,447 units (290 units)	208,176 (18,364)	5,567 units (682 units)	308,960 (38,735)
Other			14,883		16,589		20,827
Total			200,027		224,765		329,787

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

	As of December 31, 2016	As of December 31, 2017	As of March 31, 2017
Tokyo metropolitan area	263 units	229 units	187 units
Kansai area	33 units	21 units	38 units
Other	22 units	19 units	25 units
Total	318 units	270 units	252 units
(Detached housing)	(45 units)	(22units)	(13 units)

Housing sales Period-end completed housing inventories (unreleased)

	As of December 31, 2016	As of December 31, 2017	As of March 31, 2017
Total	222 units	186 units	402 units
(Detached housing)	(35 units)	(10 units)	(33 units)

Housing sales Sold but not recorded housing units

	As of December 31, 2016		As of December 31, 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	2,753 units	165,260	2,736 units	172,033	2,140 units	140,183
Kansai area	594 units	28,448	672 units	30,364	219 units	13,859
Other	517 units	26,647	332 units	17,650	420 units	21,851
Total	3,866 units	220,356	3,742 units	220,048	2,779 units	175,895
(Detached housing)	(206 units)	(12,266)	(243 units)	(15,310)	(111 units)	(6,489)

<Leasing Business Unit >

Operating revenue in this business unit totaled 89,665 million yen, which represents an increase of 12,604 million yen, or 16.4% year on year, and operating profit totaled 24,051 million yen, an increase of 2,120 million yen, or 9.7%, resulting in increases in both operating revenue and operating profit compared with the previous third 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 in property development and land for business.

Breakdown of operating revenue

	First nine months ended December 31, 2016 (Millions of yen)	First nine months ended December 31, 2017 (Millions of yen)	Fiscal year ended March 31, 2017 (Millions of yen)
Leasing (offices)	38,235	40,006	51,981
Leasing (retail facilities)	8,762	9,274	11,649
Leasing (other)	4,414	5,172	5,954
Property development (sale)	18,726	20,275	35,350
Property development (leasing)	2,852	3,516	4,054
Other	4,069	11,418	6,018
Total	77,060	89,665	115,009

Rentable area

	As of December 31, 2016	As of December 31, 2017	As of March 31, 2017
Offices	830,455 m ²	862,313 m ²	831,177 m ²
Retail facilities	144,797 m ²	174,642 m ²	144,797 m ²
Total	975,252 m ²	1,036,954 m ²	975,974 m ²

Vacancy rate (offices and retail facilities)

As of December 31, 2016	As of December 31, 2017	As of March 31, 2017
1.0%	1.1%	0.8%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 7,088 million yen, which represents a decrease of 406 million yen, or 5.4% year on year, and operating profit totaled 4,501 million yen, a decrease of 345 million yen, or 7.1%, resulting in decreases in both operating revenue and operating profit compared with the previous third 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 third quarter.

	First nine months ended December 31, 2016 (Millions of yen)	First nine months ended December 31, 2017 (Millions of yen)	Fiscal year ended March 31, 2017 (Millions of yen)
Operating revenue	7,494	7,088	9,662

Assets under management

	As of December 31, 2016 (Millions of yen)	As of December 31, 2017 (Millions of yen)	As of March 31, 2017 (Millions of yen)
REITs	1,188,694	1,183,768	1,210,535
Private funds, etc.	48,347	51,246	49,529
Total	1,237,042	1,235,015	1,260,064

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 25,881 million yen, which represents an increase of 679 million yen, or 2.7% year on year, operating profit totaled 5,702 million yen, a decrease of 791 million yen, or 12.2%, resulting in an increase in operating revenue and a decrease in operating profit compared with the previous third quarter.

This was mainly due to an increase in expenses for new branches while the number of transactions and total transaction value in property brokerage increased.

In the retail business, we opened the following new branches: Omiya Center (Omiya-ku, Saitama-shi, Saitama), Tachikawa Center (Tachikawa-shi, Tokyo) in April 2017, Hatanodai Center (Shinagawa-ku, Tokyo), Komagome Center (Toshima-ku, Tokyo) and Abeno Center (Abeno-ku, Osaka-shi, Osaka) in October 2017.

Breakdown of operating revenue

	First nine months ended December 31, 2016 (Millions of yen)	First nine months ended December 31, 2017 (Millions of yen)	Fiscal year ended March 31, 2017 (Millions of yen)
Property brokerage	22,208	23,382	30,283
Other	2,992	2,498	4,536
Total	25,201	25,881	34,820

Number of transactions and total transaction value of property brokerage

	First nine months ended December 31, 2016	First nine months ended December 31, 2017	Fiscal year ended March 31, 2017
Number of transactions	5,984	6,226	8,272
Total transaction value (Millions of yen)	554,811	593,289	745,147

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 72,120 million yen, which represents an increase of 3,141 million yen, or 4.6% year on year, and operating profit totaled 4,624 million yen, a decrease of 14 million yen, or 0.3%, resulting in an increase in operating revenue and a decrease in operating profit compared with the previous third quarter.

In the fitness club business, we opened MEGALOS_24 Nishiarai (Adachi-ku, Tokyo) in May 2017, MEGALOS_24 Tokiwadai (Itabashi-ku, Tokyo), MEGALOS_Reflect Minatomirai (Nishi-ku, Yokohama-shi, Kanagawa) in June 2017, MEGALOS Shirokanedai (Minato-ku Tokyo), MEGALOS_Reflect Azabujyuban (Minato-ku Tokyo), MEGALOS_24 Terrasse Nayabashi (Naka-ku, Nagoya-shi Aichi) in October 2017, MEGALOS_Reflect Kawaramachisanjo (Nakagyo-ku, Kyoto-shi, Kyoto) and MEGALOS_24 Kawaramachisanjo (Nakagyo-ku, Kyoto-shi, Kyoto) in November 2017.

Breakdown of operating revenue

	First nine months ended December 31, 2016 (Millions of yen)	First nine months ended December 31, 2017 (Millions of yen)	Fiscal year ended March 31, 2017 (Millions of yen)
Property & facility management	36,255	37,714	48,301
Construction ordered	17,605	17,924	26,857
Fitness club & elderly care	11,625	11,988	15,523
Other	3,493	4,493	5,081
Total	68,979	72,120	95,764

Number of properties under management

	As of December 31, 2016	As of December 31, 2017	As of March 31, 2017
Buildings under management	705	724	702
Condominiums under management (unit)	166,570	171,420	168,999

<Other Business Unit>

Operating revenue in this business unit totaled 75 million yen, which represents a decrease of 2 million yen, or 3.2% year on year, and operating loss totaled 5 million yen (the previous third quarter was operating loss of 20 million yen).

(2) Financial Position

	As of March 31, 2017 (Millions of yen)	As of December 30, 2017 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,593,093	1,688,447	95,353	6.0%
Total liabilities	1,099,280	1,189,155	89,874	8.2%
Net assets	493,813	499,291	5,478	1.1%
Shareholders' equity ratio	30.2%	28.8%	-	-

Total assets totaled 1,688,447 million yen, which represents an increase of 95,353 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in land (an increase of 41,509 million yen) and inventories (an increase of 50,393 million yen).

Total liabilities totaled 1,189,155 million yen, an increase of 89,874 million yen from the end of the previous fiscal year. This was mainly due to an increase in commercial papers (increased by 46,000 million yen) and short-term loans payable (increased by 75,500 million yen), while deposits received (decreased by 19,552 million yen) decreased.

Net assets totaled 499,291 million yen, an increase of 5,478 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in retained earnings (increased by 14,054 million yen), while purchasing treasury shares (decreased by 5,295 million yen).

The shareholders' equity ratio was 28.8 %, a decrease of 1.4 percentage points from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of the current third quarter totaled 51,673 million yen, which represents an increase of 3,973 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 59,481 million yen (a year-on-year increase of 37,146 million yen). This was mainly due to an increase in inventories.

Net cash provided by (used in) investment activities decreased by 55,342 million yen (a year-on-year decrease of 23,842 million yen). This mainly reflected the purchase of property, plant and equipment and intangible assets.

Net cash provided by (used in) financing activities increased by 118,795 million yen (a year-on-year increase of 802 million yen). The reason for this was mainly fundraising by issuance of commercial papers and short-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 December 31, 2017
Assets		
Current assets		
Cash and deposits	47,701	51,675
Notes and accounts receivable - trade	16,535	15,161
Real estate for sale	120,385	113,366
Real estate for sale in process	249,663	294,029
Land held for development	199,812	213,236
Equity investments	2,567	8,440
Deferred tax assets	5,555	4,325
Other	42,123	40,129
Allowance for doubtful accounts	(37)	(31)
Total current assets	684,306	740,334
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	241,888	245,478
Land	549,671	591,181
Other, net	17,265	14,642
Total property, plant and equipment	808,825	851,302
Intangible assets	10,985	11,479
Investments and other assets		
Investment securities	46,252	41,185
Lease and guarantee deposits	21,738	22,567
Deferred tax assets	14,992	15,475
Other	5,992	6,102
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	88,975	85,330
Total non-current assets	908,786	948,112
Total assets	1,593,093	1,688,447

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,612	27,085
Short-term loans payable	106,300	181,800
Commercial papers	—	46,000
Current portion of bonds	10,000	—
Income taxes payable	16,052	4,600
Deposits received	29,459	9,907
Deferred tax liabilities	20	25
Provision for bonuses	7,516	4,123
Provision for directors' bonuses	639	493
Provision for loss on business liquidation	47	39
Other	50,149	45,465
Total current liabilities	255,799	319,539
Non-current liabilities		
Bonds payable	70,000	90,000
Long-term loans payable	623,800	629,900
Lease and guarantee deposits received	57,597	60,218
Deferred tax liabilities	63,592	60,580
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for loss on subleasing business	257	195
Net defined benefit liability	18,931	18,760
Other	5,402	6,060
Total non-current liabilities	843,481	869,616
Total liabilities	1,099,280	1,189,155
Net assets		
Shareholders' equity		
Capital stock	116,779	116,942
Capital surplus	110,023	110,186
Retained earnings	242,704	256,758
Treasury shares	(3)	(5,299)
Total shareholders' equity	469,503	478,587
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,947	3,634
Deferred gains or losses on hedges	119	(339)
Revaluation reserve for land	7,860	7,860
Foreign currency translation adjustment	62	(34)
Remeasurements of defined benefit plans	(4,129)	(3,821)
Total accumulated other comprehensive income	11,860	7,299
Subscription rights to shares	1,986	2,456
Non-controlling interests	10,462	10,948
Total net assets	493,813	499,291
Total liabilities and net assets	1,593,093	1,688,447

(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)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Operating revenue	368,989	409,652
Operating cost	249,055	282,782
Operating gross profit	119,933	126,870
Selling, general and administrative expenses	70,803	75,167
Operating profit	49,130	51,702
Non-operating income		
Interest income	39	34
Dividend income	244	65
Share of profit of entities accounted for using equity method	83	38
Gain on transfer of right to request purchase of shares	—	111
Other	204	191
Total non-operating income	571	442
Non-operating expenses		
Interest expenses	5,793	5,529
Other	941	1,076
Total non-operating expenses	6,735	6,605
Ordinary profit	42,965	45,539
Extraordinary income		
Gain on sales of non-current assets	945	—
Total extraordinary income	945	—
Extraordinary losses		
Impairment loss	125	3,614
Loss on building reconstruction	—	242
Total extraordinary losses	125	3,856
Profit before income taxes	43,785	41,682
Income taxes - current	11,115	13,933
Income taxes - deferred	3,059	(257)
Total income taxes	14,175	13,675
Profit	29,610	28,006
Profit attributable to non-controlling interests	424	517
Profit attributable to owners of parent	29,185	27,489

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

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	29,610	28,006
Other comprehensive income		
Valuation difference on available-for-sale securities	1,960	(4,312)
Deferred gains or losses on hedges	(248)	(459)
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	(37)	(20)
Remeasurements of defined benefit plans, net of tax	260	307
Share of other comprehensive income of entities accounted for using equity method	33	(76)
Total other comprehensive income	1,967	(4,560)
Comprehensive income	31,577	23,445
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,153	22,928
Comprehensive income attributable to non-controlling interests	424	517

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from operating activities		
Profit before income taxes	43,785	41,682
Depreciation	12,585	14,063
Share of (profit) loss of entities accounted for using equity method	(83)	(38)
Increase (decrease) in allowance for doubtful accounts	(0)	(5)
Increase (decrease) in provision for loss on business liquidation	(10)	(8)
Increase (decrease) in provision for loss on subleasing business	(37)	(62)
Increase (decrease) in net defined benefit liability	(193)	(170)
Interest and dividend income	(283)	(100)
Interest expenses	5,793	5,529
Decrease (increase) in notes and accounts receivable - trade	2,946	1,373
Decrease (increase) in inventories	(81,263)	(57,227)
Decrease (increase) in equity investments	(1,508)	(5,872)
Increase (decrease) in notes and accounts payable - trade	(23,221)	(8,528)
Increase (decrease) in deposits received	(18,560)	(19,552)
Other, net	(9,648)	(522)
Subtotal	(69,698)	(29,440)
Interest and dividend income received	272	82
Interest expenses paid	(5,818)	(5,082)
Income taxes paid	(21,384)	(25,041)
Net cash provided by (used in) operating activities	(96,628)	(59,481)
Cash flows from investing activities		
Purchase of investment securities	(768)	(4,067)
Proceeds from sales and liquidation of investment securities	1,369	2,689
Purchase of property, plant and equipment and intangible assets	(38,103)	(55,975)
Proceeds from sales of property, plant and equipment and intangible assets	4,240	139
Payments for lease and guarantee deposits	(823)	(837)
Proceeds from collection of lease and guarantee deposits	619	980
Repayments of lease and guarantee deposits received	(1,737)	(1,336)
Proceeds from lease and guarantee deposits received	2,584	2,791
Other, net	1,118	273
Net cash provided by (used in) investing activities	(31,500)	(55,342)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	68,500	65,500
Increase (decrease) in commercial papers	28,000	46,000
Repayments of finance lease obligations	(116)	(112)
Proceeds from long-term loans payable	75,000	60,000
Repayments of long-term loans payable	(61,800)	(43,900)
Proceeds from issuance of bonds	19,869	19,869
Redemption of bonds	—	(10,000)
Proceeds from issuance of common shares	71	206
Purchase of treasury shares	(0)	(5,301)
Cash dividends paid	(11,504)	(13,435)
Dividends paid to non-controlling interests	(26)	(31)
Net cash provided by (used in) financing activities	117,992	118,795
Effect of exchange rate change on cash and cash equivalents	(57)	3
Net increase (decrease) in cash and cash equivalents	(10,193)	3,973
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	47,403	51,673

(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 3Q (Nine months from April 1 to December 31, 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	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 profit 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. 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	-	125	-	-	-	125

II FY2017 3Q (Nine months from April 1 to December 31, 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	224,108	87,878	7,088	24,243	66,258	409,577	74	409,652	-	409,652
Inter-segment	657	1,786	-	1,637	5,861	9,942	0	9,942	(9,942)	-
Subtotal	224,765	89,665	7,088	25,881	72,120	419,520	75	419,595	(9,942)	409,652
Segment profit or loss	15,644	24,051	4,501	5,702	4,624	54,525	(5)	54,520	(2,817)	51,702

- (Notes)
1. The "Other" category represents operating segments that are not included in reportable segments.
 2. The deduction of 2,817 million yen shown in the adjustment column for segment profit or loss includes an addition of 1,888 million yen for the elimination of inter-segment transactions and a deduction of 4,705 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 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	-	3,614	-	-	-	3,614