



July 30, 2019

Consolidated Financial Results

For the Three Months from April 1 to June 30, 2019

<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:	Kensuke Ueha, General Manager, Corporate Communications Dept.
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Scheduled submitting date of quarterly securities report:	August 9, 2019
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 Three Months from April 1, to June 30, 2019

(1) Consolidated business results

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

	Operating revenue		Operating profit		Business profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months ended										
Jun. 30, 2019	112,448	(5.4)	6,046	(58.5)	6,312	(57.0)	4,028	(67.5)	2,975	(60.5)
Jun. 30, 2018	118,903	(10.0)	14,568	(11.4)	14,663	-	12,389	(14.7)	7,523	(21.7)

(Note) Comprehensive income: From April 1 to June 30, 2019: 4,162 million yen (down 51.7%)
From April 1 to June 30, 2018: 8,622 million yen (up 21.1%)

(Note) Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

	Basic earnings per share	Diluted earnings per share
First three months ended	Yen	Yen
Jun. 30, 2019	16.15	16.06
Jun. 30, 2018	40.01	39.75

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2019	1,717,562	536,690	30.4
Mar. 31, 2019	1,759,455	541,562	29.9

(Reference) Shareholders' equity: As of June 30, 2019: 521,735 million yen

As of March 31, 2019: 526,748 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, 2019	-	37.50	-	37.50	75.00
Fiscal year ending Mar. 31, 2020	-				
Fiscal year ending Mar. 31, 2020 (Forecast)		40.00	-	40.00	80.00

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

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2019 to March 31, 2020

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

	Operating revenue		Operating profit		Business 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	%	Millions of yen	%	Yen
Fiscal year ending Mar. 31, 2020	739,000	10.5	79,500	0.4	80,000	0.5	70,000	1.0	46,000	0.3	251.13

(Note) Revision of operating results 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 Jun. 30	As of Mar. 31
	2019	2019
1) Number of shares issued at end of period (including treasury shares)	192,420,601	192,373,101
2) Treasury shares at end of period	8,703,266	7,821,664
	From April 1 to June 30,	From April 1 to June 30,
	2019	2018
3) Average number of shares outstanding during the period	184,247,179	188,067,120

(Note) 1,972,702 shares of the Company's share owned by executive compensation BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust for granting stock are included to the number of treasury shares at end of period. 1,843,558 shares owned by the executive compensation BIP (Board Incentive Plan) trust and the ESOP (Employee Stock Ownership Plan) trust for granting stock trust are also included to the number of treasury shares deducted in the calculation of average number of shares outstanding during the period.

* Quarterly "Consolidated Financial Results" is not required to be audited by certified public accountants or audit corporations.

* 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 the fact sheets)

The fact sheets will be disclosed on TDnet on July 30, 2019 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 three months ended June 30, 2019: Operating revenue of 112,448 million yen, which represents a decrease of 6,454 million yen, or 5.4% year on year; operating profit of 6,046 million yen, a decrease of 8,522 million yen, or 58.5%; business profit of 6,312 million yen, a decrease of 8,351 million yen, or 57.0%; ordinary profit of 4,028 million yen, a decrease of 8,360 million yen, or 67.5%; and profit attributable to owners of parent of 2,975 million yen, a decrease of 4,548 million yen, or 60.5%.

(Note) Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

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 first quarter, Leasing Business Unit has been renamed Commercial Real Estate Business Unit. Nomura Real Estate Life & Sports Co., Ltd., and the senior business of Nomura Real Estate Wellness Co., Ltd. and Nomura Real Estate Development Co., Ltd., which had been classified under the Property & Facility Management Business Unit, have been reclassified under the Commercial Real Estate Business Unit and the Residential Development Business Unit, respectively. The rental housing business of Nomura Real Estate Development Co., Ltd., which had been classified under the Commercial Real Estate Business Unit, has been reclassified under the Residential Development Business Unit.

In line with this change, the financial results of the first three months ended June 30, 2018 and the fiscal year ended March 31, 2019 are calculated under the new classification.

As a result of the transfer of a portion of shares in NF Power Service Co., Ltd., the company ceased being a consolidated subsidiary on April 1, 2019.

<Residential Development Business Unit>

Operating revenue in this business unit totaled 13,879 million yen, which represents a decrease of 36,745 million yen, or 72.6% year on year, and business loss totaled 4,853 million yen (business profit of the first three months ended June 30, 2018 was 408 million yen), resulting in decreases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2018.

This was mainly due to a decrease in the number of housing units sold. Compared to the previous fiscal year, larger portion of housings planned to be sold in this fiscal year are planned to be constructed and recorded as sales in the fourth quarter.

In regard to housing sales, 208 units were recorded as sales (a decrease of 462 units year on year).

The contract progress rate for the planned 5,100 units of the fiscal year was 66.5% at the end of the first quarter.

The number of housing contracted but not recorded as sales were 3,787 units as of the end of the first quarter (an increase of 243 units year on year).

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 three months ended Jun. 30, 2018		First three months ended Jun. 30, 2019		Fiscal year ended Mar. 31, 2019	
		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	547 units	28,848	160 units	8,211	4,295 units	264,695
	Kansai area	35 units	1,458	31 units	1,376	830 units	40,719
	Other	87 units	4,378	17 units	608	764 units	36,641
	Subtotal (Detached housing)	670 units (39 units)	34,684 (2,529)	208 units (15 units)	10,196 (1,043)	5,890 units (647 units)	342,055 (44,378)
Rental housing / Senior		-	9,271	-	1,473	-	12,615
Other		-	6,668	-	2,209	-	20,701
Total		-	50,625	-	13,879	-	375,373

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

	As of Jun. 30, 2018	As of Jun. 30, 2019	As of Mar. 31, 2019
Tokyo metropolitan area	112 units	72 units	147 units
Kansai area	65 units	19 units	62 units
Other	8 units	5 units	19 units
Total (Detached housing)	186 units (12 units)	97 units (34 units)	229 units (35 units)

Housing sales Period-end completed housing inventory (unreleased)

	As of Jun. 30, 2018	As of Jun. 30, 2019	As of Mar. 31, 2019
Total (Detached housing)	120 units (8 units)	23 units (10 units)	47 units (9 units)

Housing sales Contracted but not recorded as housing sales

	As of Jun. 30, 2018		As of Jun. 30, 2019		As of Mar. 31, 2019	
	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	2,673 units	168,366	2,817 units	196,940	2,204 units	156,292
Kansai area	472 units	23,909	511 units	27,035	410 units	21,694
Other	399 units	20,279	458 units	26,167	381 units	22,222
Total (Detached housing)	3,544 units (179 units)	212,556 (10,708)	3,787 units (119 units)	250,142 (8,090)	2,996 units (21 units)	200,209 (1,608)

<Commercial Real Estate Business Unit >

Operating revenue in this business unit totaled 72,166 million yen, which represents an increase of 31,381 million yen, or 76.9% year on year, and business profit totaled 8,330 million yen, a decrease of 2,649 million yen, or 24.1%, resulting in an increase in operating revenue and a decrease in business profit compared with the financial results of the first three months ended June 30, 2018.

This was mainly due to the adjusted expenses paid by the tenant moving out was recorded in the first three months ended June 30, 2018 while revenues from properties for sales increased.

Breakdown of operating revenue

	First three months ended Jun. 30, 2018 (Millions of yen)	First three months ended Jun. 30, 2019 (Millions of yen)	Fiscal year ended Mar. 31, 2019 (Millions of yen)
Leasing (offices)	15,194	11,986	53,975
Leasing (retail facilities)	3,486	3,151	13,817
Leasing (other)	1,917	2,062	7,974
Property for sales (sale)	13,963	39,527	65,350
Property for sales (leasing)	784	1,890	4,533
Fitness	4,028	4,222	16,647
Other	1,409	9,325	9,312
Total	40,785	72,166	171,612

Rentable area

	As of Jun. 30, 2018	As of Jun. 30, 2019	As of Mar.31, 2019
Offices	828,483 m ²	795,097 m ²	784,122 m ²
Retail facilities	174,666 m ²	169,609 m ²	169,497 m ²
Total	1,003,149 m ²	964,706 m ²	953,620 m ²

Vacancy rate (offices and retail facilities)

As of Jun. 30, 2018	As of Jun. 30, 2019	As of Mar.31, 2019
0.7%	4.1%	4.7%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 3,144 million yen, which represents an increase of 533 million yen, or 20.4% year on year, and business profit totaled 1,931 million yen, an increase of 175 million yen, or 10.0%, resulting in increases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2018.

This was mainly due to an increase in assets under management of a domestic asset management company and Lothbury, a real estate investment manager in the UK, became a consolidated subsidiary of the Company in the previous fiscal year.

	First three months ended Jun. 30, 2018 (Millions of yen)	First three months ended Jun. 30, 2019 (Millions of yen)	Fiscal year ended Mar. 31, 2019 (Millions of yen)
Operating revenue	2,611	3,144	9,641

Assets under management

		As of Jun. 30, 2018 (Millions of yen)	As of Jun. 30, 2019 (Millions of yen)	As of Mar.31, 2019 (Millions of yen)
Domestic asset manager	REITs	1,231,343	1,298,679	1,290,999
	Private funds, etc.	76,013	90,391	75,474
Overseas asset manager		-	308,450	303,002
Total		1,307,356	1,697,521	1,669,476

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 7,852 million yen, which represents a decrease of 47 million yen, or 0.6% year on year, and business profit totaled 560 million yen, a decrease of 430 million yen, or 43.4%, resulting in decreases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2018.

This was mainly due to a decrease in the number of units sold in the new construction consignment sales business and an increase in selling, general and administrative expenses while the number of transactions and total transaction value in property brokerage increased.

Breakdown of operating revenue

	First three months ended Jun. 30, 2018 (Millions of yen)	First three months ended Jun. 30, 2019 (Millions of yen)	Fiscal year ended Mar. 31, 2019 (Millions of yen)
Property brokerage	7,107	7,343	33,136
Other	791	508	4,162
Total	7,899	7,852	37,298

Number of transactions and transaction value of property brokerage

	First three months ended Jun. 30, 2018	First three months ended Jun. 30, 2019	Fiscal year ended Mar. 31, 2019
Number of transactions	2,193	2,336	8,922
Transaction value (Millions of yen)	163,543	179,354	767,324

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 19,878 million yen, which represents a decrease of 202 million yen, or 1.0% year on year, and business profit totaled 1,218 million yen, an increase of 90 million yen, or 8.0%, resulting in a decrease in operating revenue and an increase in business profit compared with the financial results of the first three months ended June 30, 2018.

Breakdown of operating revenue

	First three months ended Jun. 30, 2018 (Millions of yen)	First three months ended Jun. 30, 2019 (Millions of yen)	Fiscal year ended Mar. 31, 2019 (Millions of yen)
Property & facility management	12,700	12,994	51,524
Construction ordered	5,732	5,636	32,371
Other	1,648	1,247	7,478
Total	20,080	19,878	91,374

Number of properties under management

	As of Jun. 30, 2018	As of Jun. 30, 2019	As of Mar.31, 2019
Buildings under management	726	745	732
Condominiums under management (unit)	173,667	177,461	177,582

<Other Business Unit>

Operating revenue in this business unit totaled 23 million yen, which represents an increase of 0 million yen, or 2.3% year on year, and business loss totaled 1 million yen (business loss of the first three months ended June 30, 2018 was 5 million yen).

(2) Financial Position

	As of Mar. 31, 2019 (Millions of yen)	As of Jun. 30, 2019 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,759,455	1,717,562	(41,893)	(2.4%)
Total liabilities	1,217,893	1,180,871	(37,021)	(3.0%)
Net assets	541,562	536,690	(4,871)	(0.9%)
Shareholders' equity ratio	29.9%	30.4%	-	-

Total assets were 1,717,562 million yen, which represents a decrease of 41,893 million yen compared to the end of the previous fiscal year. This was mainly due to decreases in securities (decreased by 37,000 million yen) and cash and deposits (decreased by 21,768 million yen) while an increase in inventories (increased by 16,087 million yen).

Total liabilities were 1,180,871 million yen, which represents a decrease of 37,021 million yen compared to the end of the previous fiscal

year. This was mainly due to decreases in notes and accounts payable-trade (decreased by 27,187 million yen) and income taxes payable (decreased by 10,668 million yen).

Net assets were 536,690 million yen, which represents a decrease of 4,871 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease in retained earnings (decreased by 4,009 million yen).

The shareholders' equity ratio was 30.4%, an increase of 0.4 percentage point from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of the current first quarter totaled 59,559 million yen, which represents a decrease of 58,771 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 53,165 million yen (a year-on-year decrease of 25,791 million yen). This was mainly due to a decrease in trade payables and the payment of income taxes payable.

Net cash provided by (used in) investment activities decreased by 3,061 million yen (a year-on-year increase of 6,825 million yen). This was mainly due to the purchase of property, plant and equipment and intangible assets.

Net cash provided by (used in) financing activities decreased by 2,594 million yen (a year-on-year decrease of 40,746 million yen). This was mainly due to the payment of dividends and the purchase of treasury shares while the procurement of funds by long-term and short-term borrowings.

(3) Consolidated Operating Result Forecasts

No change in the consolidated operating result forecast which was announced on April 25, 2019.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	81,351	59,583
Notes and accounts receivable - trade	26,601	14,574
Securities	37,000	—
Real estate for sale	161,224	141,990
Real estate for sale in process	290,398	297,919
Land held for development	184,650	212,465
Equity investments	18,066	18,360
Other	50,274	60,563
Allowance for doubtful accounts	(39)	(40)
Total current assets	849,528	805,417
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	223,385	221,077
Land	544,226	544,378
Other, net	19,421	19,430
Total property, plant and equipment	787,033	784,886
Intangible assets	18,104	21,454
Investments and other assets		
Investment securities	50,522	50,764
Leasehold and guarantee deposits	25,448	25,608
Deferred tax assets	20,863	21,636
Other	7,956	7,795
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	104,789	105,804
Total non-current assets	909,926	912,145
Total assets	1,759,455	1,717,562

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	53,927	26,739
Short-term borrowings	79,500	91,000
Income taxes payable	13,318	2,650
Deposits received	26,915	17,495
Provision for bonuses	8,176	4,144
Provision for bonuses for directors (and other officers)	495	113
Provision for loss on business liquidation	26	24
Other	49,513	56,494
Total current liabilities	231,873	198,663
Non-current liabilities		
Bonds payable	140,000	140,000
Long-term borrowings	694,500	689,500
Leasehold and guarantee deposits received	59,249	59,645
Deferred tax liabilities	61,563	61,936
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for loss on subleasing business	15	11
Retirement benefit liability	18,175	18,163
Provision for share-based remuneration	719	929
Other	7,895	8,123
Total non-current liabilities	986,019	982,208
Total liabilities	1,217,893	1,180,871
Net assets		
Shareholders' equity		
Share capital	117,293	117,337
Capital surplus	110,537	110,581
Retained earnings	307,570	303,560
Treasury shares	(18,787)	(20,801)
Total shareholders' equity	516,613	510,677
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,718	7,131
Deferred gains or losses on hedges	(259)	71
Revaluation reserve for land	7,860	7,860
Foreign currency translation adjustment	(677)	(554)
Remeasurements of defined benefit plans	(3,507)	(3,451)
Total accumulated other comprehensive income	10,134	11,058
Share acquisition rights	2,346	2,310
Non-controlling interests	12,467	12,644
Total net assets	541,562	536,690
Total liabilities and net assets	1,759,455	1,717,562

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income for the First Three Months from April 1 to June 30, 2019)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Operating revenue	118,903	112,448
Operating cost	81,244	82,587
Operating gross profit	37,658	29,861
Selling, general and administrative expenses	23,090	23,815
Operating profit	14,568	6,046
Non-operating income		
Interest income	11	11
Dividend income	35	32
Share of profit of entities accounted for using equity method	28	114
Gain on sales of investment securities	—	88
Gain on donation of non-current assets	54	—
Other	45	96
Total non-operating income	175	342
Non-operating expenses		
Interest expenses	2,152	2,155
Other	201	204
Total non-operating expenses	2,354	2,359
Ordinary profit	12,389	4,028
Extraordinary losses		
Loss on transfer of non-current assets	1,091	—
Total extraordinary losses	1,091	—
Profit before income taxes	11,298	4,028
Income taxes - current	1,774	2,141
Income taxes - deferred	1,870	(1,297)
Total income taxes	3,645	844
Profit	7,652	3,184
Profit attributable to non-controlling interests	128	209
Profit attributable to owners of parent	7,523	2,975

(Quarterly Consolidated Statements of Comprehensive Income for the First Three Months from April 1 to June 30, 2019)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	7,652	3,184
Other comprehensive income		
Valuation difference on available-for-sale securities	1,340	412
Deferred gains or losses on hedges	(375)	330
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	(63)	219
Remeasurements of defined benefit plans, net of tax	76	56
Share of other comprehensive income of entities accounted for using equity method	(9)	(40)
Total other comprehensive income	969	977
Comprehensive income	8,622	4,162
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,493	3,898
Comprehensive income attributable to non-controlling interests	128	263

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from operating activities		
Profit before income taxes	11,298	4,028
Depreciation	4,669	4,854
Share of loss (profit) of entities accounted for using equity method	(28)	(114)
Increase (decrease) in allowance for doubtful accounts	1	0
Increase (decrease) in provision for loss on business liquidation	(2)	(1)
Increase (decrease) in provision for loss on subleasing business	(12)	(4)
Increase (decrease) in retirement benefit liability	(46)	(12)
Interest and dividend income	(46)	(43)
Interest expenses	2,152	2,155
Decrease (increase) in trade receivables	2,840	12,057
Decrease (increase) in inventories	5,081	(16,087)
Decrease (increase) in equity investments	305	(293)
Increase (decrease) in trade payables	(20,624)	(27,209)
Increase (decrease) in deposits received	(2,670)	(9,419)
Other, net	(9,806)	(4,665)
Subtotal	(6,889)	(34,754)
Interest and dividends received	50	46
Interest paid	(1,154)	(1,404)
Income taxes paid	(19,378)	(17,052)
Net cash provided by (used in) operating activities	(27,373)	(53,165)
Cash flows from investing activities		
Purchase of investment securities	(4,116)	(174)
Proceeds from sales and liquidation of investment securities	29	696
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	187
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(85)
Purchase of property, plant and equipment and intangible assets	(5,177)	(4,000)
Proceeds from sales of property, plant and equipment and intangible assets	0	—
Payments of leasehold and guarantee deposits	(148)	(628)
Proceeds from refund of leasehold and guarantee deposits	256	409
Repayments of lease and guarantee deposits received	(1,244)	(788)
Proceeds from lease and guarantee deposits received	430	1,213
Other, net	81	109
Net cash provided by (used in) investing activities	(9,887)	(3,061)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,000	10,000
Repayments of finance lease obligations	(50)	(75)
Proceeds from long-term borrowings	56,000	3,000

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Repayments of long-term borrowings	(19,000)	(6,500)
Proceeds from issuance of shares	40	31
Proceeds from sales of treasury shares	—	12
Purchase of treasury shares	(1,206)	(2,027)
Dividends paid	(6,586)	(6,985)
Dividends paid to non-controlling interests	(44)	(49)
Net cash provided by (used in) financing activities	38,151	(2,594)
Effect of exchange rate change on cash and cash equivalents	(6)	49
Net increase (decrease) in cash and cash equivalents	885	(58,771)
Cash and cash equivalents at beginning of period	61,347	118,330
Cash and cash equivalents at end of period	62,232	59,559

(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 FY2018 1Q (Three months from April 1 to June 30, 2018)

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 consolidated financial statements (Note) 3
	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	50,358	40,317	2,611	7,620	17,972	118,880	23	118,903	-	118,903
Inter-segment	266	467	-	279	2,108	3,121	0	3,121	(3,121)	-
Subtotal	50,625	40,785	2,611	7,899	20,080	122,001	23	122,025	(3,121)	118,903
Segment profit or loss (Business profit or loss) (Note) 3	408	10,979	1,755	990	1,128	15,262	(5)	15,257	(594)	14,663
Amortization of intangible assets associated with corporate acquisitions (Note) 3										(66)
Share of profit (loss) of entities accounted for using equity method (Note) 3										(28)
Operating profit (Note) 3										14,568

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

2. The deduction of 594 million yen shown in the adjustments column for Segment profit or loss (Business profit or loss) includes elimination of intersegment transactions of 466 million yen and a deduction of 1,060 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

3. Segment profit or loss (Business profit or loss) = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

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

Not applicable

II FY2019 1Q (Three months from April 1 to June 30, 2019)

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 consolidated financial statements (Note) 3
	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	13,698	70,336	3,143	7,731	17,514	112,424	23	112,448	-	112,448
Inter-segment	180	1,830	0	120	2,363	4,495	0	4,496	(4,496)	-
Subtotal	13,879	72,166	3,144	7,852	19,878	116,920	23	116,944	(4,496)	112,448
Segment profit or loss (Business profit or loss) (Note) 3	(4,853)	8,330	1,931	560	1,218	7,187	(1)	7,185	(872)	6,312
Amortization of intangible assets associated with corporate acquisitions (Note) 3										(152)
Share of profit (loss) of entities accounted for using equity method (Note) 3										(114)
Operating profit (Note) 3										6,046

(Notes) 1. The “Other” category represents operating segments that are not included in reportable segments.

2. (1) The deduction of 872 million yen shown in the adjustments column for Segment profit or loss (Business profit or loss) includes an increase in elimination of intersegment transactions of 419 million yen and a deduction of 1,292 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.
3. Segment profit or loss (Business profit or loss) = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

2. Notes relating to changes in reportable segments etc.

From the first quarter, Leasing Business Unit has been renamed Commercial Real Estate Business Unit. Nomura Real Estate Life & Sports Co., Ltd., and the senior business of Nomura Real Estate Wellness Co., Ltd. and Nomura Real Estate Development Co., Ltd., which had been classified under the Property & Facility Management Business Unit, have been reclassified under the Commercial Real Estate Business Unit and the Residential Development Business Unit, respectively. The rental housing business of Nomura Real Estate Development Co., Ltd., which had been classified under the Commercial Real Estate Business Unit, has been reclassified under the Residential Development Business Unit.

The segment information for the previous consolidated fiscal year is prepared and disclosed based on the classification of reportable segments after this change.

3. Notes relating to changes in profit or loss calculation methods for each reportable segment

From this consolidated fiscal year, the Company changed the method of calculation of profit or loss for each reportable segment to "Business profit and loss" in consideration of profit or loss in overseas business and amortization associated with mergers and acquisitions. The effect of this change on segment profit or loss (business profit and loss) for the current first quarter was insignificant.

The segment information for the previous consolidated fiscal year is prepared and disclosed based on the calculation methods after this change.

4. Information regarding impairment loss on noncurrent assets or goodwill by reportable segment

Not applicable