



July 29, 2020

Consolidated Financial Results

For the Three Months from April 1 to June 30, 2020

<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.
Email:	nrehd-ir@nomura-re.co.jp
Scheduled submitting date of quarterly securities report:	August 11, 2020
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, 2020

(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, 2020	136,486	21.4	17,900	196.1	18,107	186.9	15,417	282.7	8,833	196.9
Jun. 30, 2019	112,448	(5.4)	6,046	(58.5)	6,312	(57.0)	4,028	(67.5)	2,975	(60.5)

(Note) Comprehensive income: From April 1, 2020 to June 30, 2020 : 6,170 million yen (up 48.2%)

From April 1, 2019 to June 30, 2019: 4,162 million yen (down 51.7%)

(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, 2020	48.67	48.49
Jun. 30, 2019	16.15	16.06

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2020	1,862,336	555,712	29.7
Mar. 31, 2020	1,801,273	565,120	30.5

(Reference) Shareholders' equity: As of June 30, 2020: 552,394 million yen As of March 31, 2020: 550,177 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, 2020	-	40.00	-	40.00	80.00
Fiscal year ending Mar. 31, 2021	-				
Fiscal year ending Mar. 31, 2021 (Forecasts)		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, 2020 to March 31, 2021

(% 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, 2021	600,000	(11.3)	61,000	(25.5)	60,000	(27.6)	49,000	(32.9)	31,000	(36.6)	170.76

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

*** Notes**

- (1) Significant changes to subsidiaries during the period (Changes in scope of consolidation of specified subsidiaries): None
- (2) Adoption of specific accounting policies for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, 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
	2020	2020
1) Number of shares issued at end of period (including treasury shares)	192,906,301	192,875,301
2) Treasury shares at end of period	11,364,580	11,367,181
	From April 1 to June 30,	From April 1 to June 30,
	2020	2019
3) Average number of shares outstanding during the period	181,520,271	184,247,179

(Note) 1,965,416 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. 1,967,366 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.

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

* Proper use of forecasts of operating 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 are due to various factors. For matters related to the forecasts of financial results, please refer to "1. Business Results and Financial Position (3) Consolidated Operating Result Forecasts" on page 7 of the Attachments.

(How to obtain the fact sheets)

The fact sheets will be disclosed on TDnet on July 29, 2020 and will be uploaded on the Company's website.

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1. Business Results and Financial Position

(1) Business Results

The Nomura Real Estate Group (the “Group”) posted the following consolidated performance for the three months ended June 30, 2020: Operating revenue of 136,486 million yen, which represents an increase of 24,037 million yen, or 21.4% year on year; operating profit of 17,900 million yen, an increase of 11,854 million yen, or 196.1%; business profit of 18,107 million yen, an increase of 11,795 million yen, or 186.9%; ordinary profit of 15,417 million yen, an increase of 11,388 million yen, or 282.7%; and profit attributable to owners of parent of 8,833 million yen, an increase of 5,858 million yen, or 196.9%.

(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:

(Note) 1. Operating revenue for each business unit includes internal sales and transfer amount among business units.

2. Total figures may not match due to the rounding of fractions.

3. From the first quarter, reportable segment, etc has been changed as follows.

(Changes in reportable segment, etc)

The overseas condominium development and sales business, which had been classified under the Residential Development Business Unit in Nomura Real Estate Development Co., Ltd. and the overseas office and other properties development and leasing business, and ZEN PLAZA CO., LTD., which had been classified under the Commercial Real Estate Business Unit in Nomura Real Estate Development Co., Ltd., have been reclassified under the Other.

As of April 1, 2020, the company acquired all shares of NREG TOSHIBA BUILDING Co., Ltd. held by non-controlling shareholders. In addition, NREG TOSHIBA BUILDING FACILITIES Co., Ltd., which had been a wholly owned subsidiary of it and had been classified under the Commercial Real Estate Business Unit, has been merged with Nomura Real Estate Partners Co., Ltd. which has been classified under the Property & Facility Management Business Unit. The merger has been carried out with NREG TOSHIBA BUILDING FACILITIES Co., Ltd. being the absorbed company and Nomura Real Estate Partners Co., Ltd. being the surviving company. As of the same date, NREG TOSHIBA BUILDING Co., Ltd., changed the corporate name to Nomura Real Estate Building Co., Ltd.

In line with this change, the financial results of the first three months ended June 30, 2019 and the fiscal year ended March 31, 2020 are based on the changed classification in the above and the new classification of business unit after the merger.

<Residential Development Business Unit>

Operating revenue in this business unit totaled 55,286 million yen, which represents an increase of 41,403 million yen, or 298.2% year on year, and business profit totaled 4,188 million yen (business loss of the first three months ended June 30, 2019 was 4,573 million yen) resulting in increases in both operating revenue and business profit compared with the financial results of the three months ended June 30, 2019.

This was mainly due to an increase in the number of housing units sold in the housing sales business and an improvement of the gross profit margin ratio.

In regard to housing sales, 608 units were recorded as sales (an increase of 400 units year on year) against the planned 3,700 units for this fiscal year. The contract progress rate was 63.0% at the end of this first quarter against the projected operating revenue of housing sales for this fiscal year.

The number of housing contracted but not recorded as sales were 2,260 units as of the end of this first quarter (a decrease of 1,527 units year on year).

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

Breakdown of operating revenue

		First three months ended Jun. 30, 2019		First three months ended Jun. 30, 2020		Fiscal year ended Mar. 31, 2020	
		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	160 units	8,211	561 units	47,413	3,448 units	225,349
	Kansai area	31 units	1,376	26 units	1,727	690 units	36,149
	Other	17 units	608	20 units	1,159	600 units	32,878
	Subtotal (Detached housing)	208 units (15 units)	10,196 (1,043)	608 units (43 units)	50,300 (2,700)	4,739 units (470 units)	294,376 (30,780)
Rental housing (Note)		-	1,360	-	210	-	19,001
Senior / Other		-	2,326	-	4,775	-	20,558
Total		-	13,883	-	55,286	-	333,966

(Note) Rental Housing refers to properties developed for real estate investment market.

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

	As of Jun. 30, 2019	As of Jun. 30, 2020	As of Mar. 31, 2020
Tokyo metropolitan area	72 units	297 units	261 units
Kansai area	19 units	8 units	5 units
Other	5 units	48 units	55 units
Total (Detached housing)	97 units (34 units)	353 units (25 units)	321 units (22 units)

Housing sales Period-end completed housing inventory (unreleased)

	As of Jun. 30, 2019	As of Jun. 30, 2020	As of Mar. 31, 2020
Total (Detached housing)	23 units (10 units)	407 units (10 units)	187 units (3 units)

Housing sales Contracted but not recorded as housing sales

	As of Jun. 30, 2019		As of Jun. 30, 2020		As of Mar. 31, 2020	
	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	2,817 units	196,940	1,695 units	120,159	2,067 units	154,938
Kansai area	511 units	27,035	236 units	13,127	248 units	14,097
Other	458 units	26,167	328 units	18,533	295 units	17,039
Total (Detached housing)	3,787 units (119 units)	250,142 (8,090)	2,260 units (30 units)	151,821 (1,608)	2,611 units (60 units)	186,075 (3,604)

<Commercial Real Estate Business Unit >

Operating revenue in this business unit totaled 52,872 million yen, which represents a decrease of 18,531 million yen, or 26.0% year on year, and business profit totaled 10,362 million yen, an increase of 2,213 million yen, or 27.2%, 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, 2019.

Revenue decreased mainly due to the decline in revenues of property sales and the suspension of operations for a certain period in the fitness business due to the spread of the COVID-19, while the sales profit in property for sales business increased.

Breakdown of operating revenue

	First three months ended Jun. 30, 2019 (Millions of yen)	First three months ended Jun. 30, 2020 (Millions of yen)	Fiscal year ended Mar. 31, 2020 (Millions of yen)
Leasing (offices)	11,986	11,560	48,562
Leasing (retail facilities)	3,151	1,590	12,910
Leasing (other)	2,062	1,499	8,375
Property for sales (sale) (Note)	39,527	33,270	106,816
Property for sales (leasing) (Note)	1,890	2,872	7,037
Fitness	4,222	1,168	15,757
Other	8,563	909	12,674
Total	71,404	52,872	212,133

(Note) Property for sales refers to properties such as office building, retail facility and logistic facility developed for real estate investment market.

Lettable area

	As of Jun. 30, 2019	As of Jun. 30, 2020	As of Mar. 31, 2020
Offices	783,515 m ²	762,091 m ²	768,310 m ²
Retail facilities	169,609 m ²	122,068 m ²	145,136 m ²
Total	953,124 m ²	884,159 m ²	913,446 m ²

Vacancy rate (offices and retail facilities)

As of Jun. 30, 2019	As of Jun. 30, 2020	As of Mar. 31, 2020
4.1%	4.2%	4.0%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 3,378 million yen, which represents an increase of 234 million yen, or 7.4% year on year, and business profit totaled 2,221 million yen, an increase of 290 million yen, or 15.1%, resulting in increases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2019.

This was mainly due to an increase in a domestic asset manager's assets under management.

	First three months ended Jun. 30, 2019 (Millions of yen)	First three months ended Jun. 30, 2020 (Millions of yen)	Fiscal year ended Mar. 31, 2020 (Millions of yen)
Operating revenue	3,144	3,378	12,059

Assets under management

		As of Jun. 30, 2019 (Millions of yen)	As of Jun. 30, 2020 (Millions of yen)	As of Mar. 31, 2020 (Millions of yen)
Domestic asset manager	REITs	1,298,679	1,388,126	1,367,758
	Private funds, etc.	90,391	130,693	130,211
Overseas asset manager		308,450	270,951	300,614
Total		1,697,521	1,789,771	1,798,583

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 8,575 million yen, which represents an increase of 723 million yen, or 9.2% year on year, and business profit totaled 1,627 million yen, an increase of 1,070 million yen, or 192.4%, resulting in increases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2019.

This was mainly due to an increase in brokerage commission fee, resulting from increases in the total transaction value of wholesale business in property brokerage.

Breakdown of operating revenue

	First three months ended Jun. 30, 2019 (Millions of yen)	First three months ended Jun. 30, 2020 (Millions of yen)	Fiscal year ended Mar. 31, 2020 (Millions of yen)
Property brokerage	7,343	7,593	35,156
(retail business)	(5,638)	(4,843)	(24,017)
(wholesale business)	(1,705)	(2,750)	(11,138)
Other	508	981	3,954
Total	7,852	8,575	39,110

Number of transactions and transaction value of property brokerage

	First three months ended Jun. 30, 2019	First three months ended Jun. 30, 2020	Fiscal year ended Mar. 31, 2020
Number of transactions	2,336	1,984	9,515
Total transaction value (Millions of yen)	179,354	183,144	872,337

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 19,789 million yen, which represents a decrease of 1,351 million yen, or 6.4% year on year, and business profit totaled 1,194 million yen, a decrease of 134 million yen, or 10.1%, resulting in decreases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2019.

Breakdown of operating revenue

	First three months ended Jun. 30, 2019 (Millions of yen)	First three months ended Jun. 30, 2020 (Millions of yen)	Fiscal year ended Mar. 31, 2020 (Millions of yen)
Property & facility management	13,545	14,132	55,530
Construction ordered	6,348	4,377	37,327
Other	1,247	1,279	5,417
Total	21,140	19,789	98,274

Number of properties under management

	As of Jun. 30, 2019	As of Jun. 30, 2020	As of Mar. 31, 2020
Buildings under management	807	801	786
Condominiums under management (unit)	177,490	181,504	182,259

<Other>

Operating revenue totaled 295 million yen (operating revenue of the first three months ended June 30, 2019 was 20 million yen) and business loss totaled 602 million yen (business loss of the first three months ended June 30, 2019 was 356 million yen).

(2) Financial Position

	As of Mar. 31, 2020 (Millions of yen)	As of Jun. 30, 2020 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,801,273	1,862,336	61,062	3.4%
Total liabilities	1,236,153	1,306,623	70,469	5.7%
Net assets	565,120	555,712	(9,407)	(1.7%)
Shareholders' equity ratio	30.5%	29.7%	-	-

Total assets were 1,862,336 million yen, which represents an increase of 61,062 million yen compared to the end of the previous fiscal year. This was mainly because inventories increased by 39,270 million yen and cash and deposits increased by 27,311 million yen, while notes and accounts receivable-trade decreased by 11,468 million yen.

Total liabilities were 1,306,623 million yen, which represents an increase of 70,469 million yen compared to the end of the previous fiscal year. This was mainly because interest-bearing debt increased by 159,500 million yen, while notes and accounts payable-trade decreased by 65,843 million yen and deposits received decreased by 17,024 million yen.

Net assets were 555,712 million yen, which represents a decrease of 9,407 million yen compared to the end of the previous fiscal year. This was mainly because non-controlling interests decreased by 11,583 million yen and deferred gains or losses on hedges decreased by 1,534 million yen, while retained earnings increased by 3,175 million yen.

The shareholders' equity ratio was 29.7%, a decrease of 0.9 percentage point from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of this first quarter totaled 104,916 million yen, which represents an increase of 27,304 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 120,573 million yen (a year-on-year decrease of 67,408 million yen). This was mainly due to a decrease in trade payables, an increase in inventories, and there were payments of income taxes.

Net cash provided by (used in) investing activities increased by 4,190 million yen (a year-on-year increase of 7,251 million yen). This was mainly due to revenues from sales of property, plant and equipment and intangible assets.

Net cash provided by (used in) financing activities increased by 143,821 million yen (a year-on-year increase of 146,416 million yen). This was mainly due to the purchase of shares of subsidiaries, the payment of cash dividends and the fund procurement by long-term borrowings and issuance of bonds payable.

(3) Consolidated Operating Result Forecasts

<Consolidated>

The forecasts for the fiscal year ending March 31, 2021 is operating revenue of 600,000 million yen, operating profit of 61,000 million yen, business profit of 60,000 million yen, ordinary profit of 49,000 million yen, and profit attributable to owners of parent of 31,000 million yen.

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

The forecasts for the fiscal year ending March, 2021 is based on the assumption that economic activity will resume and the business environment will gradually recover. That takes into account of the impact of the COVID-19 on the company's business activities and financial results during this first quarter.

	Fiscal year ending March 31, 2021 Forecasts (Millions of yen)	Fiscal year ended March 31, 2020 (Millions of yen)	Changes (Millions of yen)
Operating revenue	600,000	676,495	(76,495)
Operating profit	61,000	81,905	(20,905)
Business profit	60,000	82,833	(22,833)
Ordinary profit	49,000	73,077	(24,077)
Profit attributable to owners of parent	31,000	48,886	(17,886)

<Forecasts by units>

The forecasts of operating results for the fiscal year ending March 31, 2021 by units is as follows.

Operating revenue

	Fiscal year ending March 31, 2021 Forecasts (Millions of yen)	Fiscal year ended March 31, 2020 (Millions of yen)	Changes (Millions of yen)
Residential Development Business	290,000	333,966	(43,966)
Commercial Real Estate Business	190,000	212,133	(22,133)
Investment Management Business	12,000	12,059	(59)
Property Brokerage & CRE Business	34,000	39,110	(5,110)
Property & Facility Management Business	95,000	98,274	(3,274)
Other	1,000	1,143	(143)
Adjustments	(22,000)	(20,193)	(1,806)
Total	600,000	676,495	(76,495)

Business profit

	Fiscal year ending March 31, 2021 Forecasts (Millions of yen)	Fiscal year ended March 31, 2020 (Millions of yen)	Changes (Millions of yen)
Residential Development Business	18,000	25,339	(7,339)
Commercial Real Estate Business	32,000	39,247	(7,247)
Investment Management Business	7,000	7,149	(149)
Property Brokerage & CRE Business	4,000	9,088	(5,088)
Property & Facility Management Business	7,000	8,566	(1,566)
Other	(3,000)	(1,012)	(1,987)
Adjustments	(5,000)	(5,545)	545
Total	60,000	82,833	(22,833)

(Note) From the first quarter, reportable segment, etc has been changed as follows.

(Changes in reportable segment, etc)

The overseas condominium development and sales business, which had been classified under the Residential Development Business Unit in Nomura Real Estate Development Co., Ltd. and the overseas office and other properties development and leasing business, and ZEN PLAZA CO., LTD., which had been classified under the Commercial Real Estate Business Unit in Nomura Real Estate Development Co., Ltd., have been reclassified under the Others.

As of April 1, 2020, the company acquired all shares of NREG TOSHIBA BUILDING Co., Ltd. held by non-controlling shareholders. In addition, NREG TOSHIBA BUILDING FACILITIES Co., Ltd., which had been a wholly owned subsidiary of it and had been classified under the Commercial Real Estate Business Unit, has been merged with Nomura Real Estate Partners Co., Ltd. which has been classified under the Property & Facility Management Business Unit. The merger has been carried out with NREG TOSHIBA BUILDING FACILITIES Co., Ltd. being the absorbed company and Nomura Real Estate Partners Co., Ltd. being the surviving company. As of the same date, NREG TOSHIBA BUILDING Co., Ltd., changed the corporate name to Nomura Real Estate Building Co., Ltd.

In line with this change, the financial results of the fiscal year ended March 31, 2020 and the financial results forecasts of fiscal year ending March 31, 2021 disclosed are based on the changed classification in the above and the reclassified figure of business unit after the merger.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	78,401	105,712
Notes and accounts receivable - trade	25,359	13,891
Real estate for sale	234,973	244,730
Real estate for sale in process	298,787	304,404
Land held for development	180,358	204,565
Equity investments	30,983	29,005
Other	57,882	56,573
Allowance for doubtful accounts	(20)	(25)
Total current assets	906,726	958,858
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	206,958	222,211
Land	526,809	528,188
Other, net	22,553	16,411
Total property, plant and equipment	756,321	766,811
Intangible assets	20,223	19,362
Investments and other assets		
Investment securities	58,952	57,874
Leasehold and guarantee deposits	27,999	28,632
Deferred tax assets	22,696	22,888
Other	8,354	7,909
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	118,003	117,303
Total non-current assets	894,547	903,478
Total assets	1,801,273	1,862,336

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable – trade	94,197	28,354
Short-term borrowings	72,000	69,000
Commercial papers	-	30,000
Current portion of bonds payable	20,000	30,000
Income taxes payable	19,476	4,743
Deposits received	35,564	18,539
Provision for bonuses	8,410	4,823
Provision for bonuses for directors (and other officers)	473	121
Provision for loss on business liquidation	19	17
Other	51,927	63,610
Total current liabilities	302,068	249,210
Non-current liabilities		
Bonds payable	120,000	150,000
Long-term borrowings	658,000	750,500
Leasehold and guarantee deposits received	62,392	63,085
Deferred tax liabilities	61,389	61,537
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for share-based remuneration	1,541	1,818
Retirement benefit liability	18,705	18,354
Other	8,157	8,216
Total non-current liabilities	934,084	1,057,413
Total liabilities	1,236,153	1,306,623
Net assets		
Shareholders' equity		
Share capital	117,822	117,851
Capital surplus	111,065	114,241
Retained earnings	342,081	343,575
Treasury shares	(27,339)	(27,333)
Total shareholders' equity	543,630	548,335
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,915	2,171
Deferred gains or losses on hedges	1,044	(490)
Revaluation reserve for land	7,860	7,860
Foreign currency translation adjustment	(1,322)	(1,762)
Remeasurements of defined benefit plans	(3,950)	(3,720)
Total accumulated other comprehensive income	6,547	4,058
Share acquisition rights	1,850	1,810
Non-controlling interests	13,091	1,507
Total net assets	565,120	555,712
Total liabilities and net assets	1,801,273	1,862,336

(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, 2020)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Operating revenue	112,448	136,486
Operating costs	82,587	94,569
Operating gross profit	29,861	41,917
Selling, general and administrative expenses	23,815	24,016
Operating profit	6,046	17,900
Non-operating income		
Interest income	11	22
Dividend income	32	17
Share of profit of entities accounted for using equity method	114	49
Gain on sales of non-current assets	—	91
Gain on sales of investment securities	88	—
Other	96	120
Total non-operating income	342	301
Non-operating expenses		
Interest expenses	2,155	2,220
Other	204	565
Total non-operating expenses	2,359	2,785
Ordinary profit	4,028	15,417
Extraordinary losses		
Loss on COVID-19	—	1,715
Total extraordinary losses	—	1,715
Profit before income taxes	4,028	13,701
Income taxes - current	2,141	4,025
Income taxes - deferred	(1,297)	904
Total income taxes	844	4,930
Profit	3,184	8,770
Profit (loss) attributable to non-controlling interests	209	(62)
Profit attributable to owners of parent	2,975	8,833

(Quarterly Consolidated Statements of Comprehensive Income for the First Three Months from April 1 to June 30, 2020)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	3,184	8,770
Other comprehensive income		
Valuation difference on available-for-sale securities	412	(745)
Deferred gains or losses on hedges	330	(1,534)
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	219	(537)
Remeasurements of defined benefit plans, net of tax	56	229
Share of other comprehensive income of entities accounted for using equity method	(40)	(13)
Total other comprehensive income	977	(2,600)
Comprehensive income	4,162	6,170
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,898	6,344
Comprehensive income attributable to non-controlling interests	263	(174)

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from operating activities		
Profit before income taxes	4,028	13,701
Depreciation	4,854	4,925
Share of loss (profit) of entities accounted for using equity method	(114)	(49)
Increase (decrease) in allowance for doubtful accounts	0	4
Increase (decrease) in provision for loss on business liquidation	(1)	(1)
Increase (decrease) in provision for loss on subleasing business	(4)	—
Increase (decrease) in retirement benefit liability	(12)	(349)
Interest and dividend income	(43)	(39)
Interest expenses	2,155	2,220
Decrease (increase) in trade receivables	12,057	11,437
Decrease (increase) in inventories	(16,087)	(39,270)
Decrease (increase) in equity investments	(293)	1,978
Increase (decrease) in trade payables	(27,209)	(65,805)
Increase (decrease) in deposits received	(9,419)	(17,023)
Other, net	(4,665)	(6,641)
Subtotal	(34,754)	(94,915)
Interest and dividends received	46	46
Interest paid	(1,404)	(1,364)
Income taxes paid	(17,052)	(24,339)
Net cash provided by (used in) operating activities	(53,165)	(120,573)
Cash flows from investing activities		
Purchase of investment securities	(174)	(604)
Proceeds from sales and liquidation of investment securities	696	69
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	(4,000)	(13,285)
Proceeds from sales of property, plant and equipment and intangible assets	—	17,798
Payments of leasehold and guarantee deposits	(628)	(424)
Proceeds from refund of leasehold and guarantee deposits	409	467
Repayments of lease and guarantee deposits received	(788)	(1,881)
Proceeds from lease and guarantee deposits received	1,213	1,922
Other, net	109	129
Net cash provided by (used in) investing activities	(3,061)	4,190
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10,000	1,000
Net increase (decrease) in commercial papers	—	30,000
Repayments of finance lease obligations	(75)	(92)

Proceeds from long-term borrowings	3,000	96,500
Repayments of long-term borrowings	(6,500)	(8,000)
Proceeds from issuance of bonds	—	40,000
Proceeds from issuance of shares	31	10
Proceeds from sales of treasury shares	12	5
Purchase of treasury shares	(2,027)	—
Dividends paid	(6,985)	(7,339)
Dividends paid to non-controlling interests	(49)	(36)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(8,226)
Net cash provided by (used in) financing activities	(2,594)	143,821
Effect of exchange rate change on cash and cash equivalents	49	(134)
Net increase (decrease) in cash and cash equivalents	(58,771)	27,304
Cash and cash equivalents at beginning of period	118,330	77,611
Cash and cash equivalents at end of period	59,559	104,916

(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 First 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	13,702	69,596	3,143	7,731	18,254	112,428	20	112,448	-	112,448
Internal sales and transfer amount among segments	180	1,807	0	120	2,886	4,995	0	4,996	(4,996)	-
Subtotal	13,883	71,404	3,144	7,852	21,140	117,424	20	117,444	(4,996)	112,448
Operating profit (Note) 3	(4,566)	8,049	1,854	556	1,303	7,197	(427)	6,770	(724)	6,046
Share of profit (loss) of entities accounted for using equity method (Note) 3	(6)	32	-	-	18	43	70	114	-	114
Amortization of intangible assets associated with corporate acquisitions (Note) 3	-	68	76	-	7	152	-	152	-	152
Segment profit or loss (Business profit or loss) (Note) 3	(4,573)	8,149	1,931	556	1,328	7,393	(356)	7,036	(724)	6,312

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

2. The deduction of 724 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 381 million yen and a deduction of 1,105 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 First three months from April 1 to June 30, 2020

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	55,126	52,459	3,378	8,017	17,208	136,190	295	136,486	-	136,486
Internal sales and transfer amount among segments	159	413	-	557	2,580	3,711	0	3,711	(3,711)	-
Subtotal	55,286	52,872	3,378	8,575	19,789	139,902	295	140,197	(3,711)	136,486
Operating profit (Note) 3	4,197	10,237	2,147	1,627	1,156	19,365	(580)	18,784	(883)	17,900
Share of profit (loss) of entities accounted for using equity method (Note) 3	(8)	57	-	-	30	79	(29)	49	-	49
Amortization of intangible assets associated with corporate acquisitions (Note) 3	-	68	74	-	7	149	7	157	-	157
Segment profit or loss (Business profit or loss) (Note) 3	4,188	10,362	2,221	1,627	1,194	19,594	(602)	18,991	(883)	18,107

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

2. The deduction of 883 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 618 million yen and a deduction of 1,502 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 this first quarter, in accordance with the review of the organizational structure, as of April 1, 2020, NREG TOSHIBA BUILDING FACILITIES Co., Ltd., which had been classified under the Commercial Real Estate Business Unit, had been an absorbed company in an absorption-type merger with Nomura Real Estate Partners Co., Ltd. being the surviving company, which is the company's consolidated subsidiary and has been classified under the Property Management & Facility Business Unit.

The overseas condominium development and sales business, which had been classified under the Residential Development Business Unit in Nomura Real Estate Development Co., Ltd. and the overseas offices and other properties development and leasing business, and ZEN PLAZA CO., LTD., which had been classified under the Commercial Real Estate Business Unit in Nomura Real Estate Development Co., Ltd., have been reclassified under the Other.

In line with this change, the segment information disclosed for the fiscal year ended March 31, 2020 is based on the changed classification.

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

Not applicable