



Jan 28, 2021

Consolidated Financial Results

For the Nine Months from April 1 to December 31, 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:	February 8, 2021
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, 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 nine months ended										
Dec. 31, 2020	373,361	12.6	47,515	68.6	47,802	65.3	40,050	82.6	25,962	77.1
Dec. 31, 2019	331,560	(5.5)	28,183	(23.8)	28,920	(22.6)	21,935	(27.2)	14,662	(28.7)

(Note) Comprehensive income: From April 1, 2020 to December 31, 2020: 26,681 million yen (up 48.4%)

From April 1, 2019 to December 31, 2019: 17,984 million yen (down 12.2%)

(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 nine months ended	Yen	Yen
Dec. 31, 2020	142.98	142.49
Dec. 31, 2019	79.98	79.57

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Dec. 31, 2020	1,862,456	568,724	30.4
Mar. 31, 2020	1,801,273	565,120	30.5

(Reference) Shareholders' equity: As of December 31, 2020: 565,684 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	-	40.00	-		
Fiscal year ending Mar. 31, 2021 (Forecasts)				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	580,000	(14.3)	71,000	(13.3)	70,000	(15.5)	59,000	(19.3)	37,000	(24.3)	203.90

(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 Dec. 31	As of Mar. 31
	2020	2020
1) Number of shares issued at end of period (including treasury shares)	193,015,101	192,875,301
2) Treasury shares at end of period	11,361,713	11,367,181
	From April 1 to Dec 31,	From April 1 to Dec 31,
	2020	2019
3) Average number of shares outstanding during the period	181,581,205	183,335,002

(Note) The number of treasury shares at end of each period includes the shares of the company owned by BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust (1,962,549 shares as of December 31, 2020 and 1,968,017 shares as of March 31, 2020).

The Company's share owned by executive compensation BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period. (1,964,732 shares as of December 31, 2020 and 1,927,325 shares as of December 31, 2019)

*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 6 of the Attachments.

(How to obtain the fact sheets)

The fact sheets will be disclosed on TDnet on January 28, 2021 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 nine months ended December 31, 2020: Operating revenue of 373,361 million yen, which represents an increase of 41,800 million yen, or 12.6% year on year; operating profit of 47,515 million yen, an increase of 19,331 million yen, or 68.6%; business profit of 47,802 million yen, an increase of 18,881 million yen, or 65.3%; ordinary profit of 40,050 million yen, an increase of 18,114 million yen, or 82.6%; and profit attributable to owners of parent of 25,962 million yen, an increase of 11,299 million yen, or 77.1%.

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

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. As of October 1, 2020, Geo Akamatsu Co., Ltd. changed the corporate name to Nomura Real Estate Retail Properties Co., Ltd.

(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 nine months ended December 31, 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 129,417 million yen, which represents an increase of 36,104 million yen, or 38.7% year on year, and business profit totaled 2,194 million yen (business loss of the first nine months ended December 31, 2019 was 7,989 million yen) resulting in increases in both operating revenue and business profit compared with the financial results of the nine months ended December 31, 2019.

This was mainly due to increases in the number of housings sales and the average price of housing units sold, and an improvement of the gross profit margin ratio in the housing sales business.

In regard to housing sales, 1,585 units were recorded as sales (an increase of 206 units year on year) . For this fiscal year, the plan was to record 3,700 units for housing sales, but based on the future outlook, it was revised to 3,650 units.

The contract progress rate was 99.3% at the end of this third quarter against the revised projected operating revenue of housing sales for this fiscal year.

The number of housing contracted but not recorded as sales were 4,023 units as of the end of this third quarter (a decrease of 727 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 nine months ended Dec. 31, 2019		First nine months ended Dec. 31, 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	1,027 units	61,034	1,439 units	103,275	3,448 units	225,349
	Kansai area	321 units	16,169	84 units	5,020	690 units	36,149
	Other	30 units	1,163	62 units	3,337	600 units	32,878
	Subtotal (Detached housing)	1,379 units (228 units)	78,367 (15,365)	1,585 units (274 units)	111,632 (16,266)	4,739 units (470 units)	294,376 (30,780)
Rental housing (Note)		-	3,554	-	5,726	-	19,001
Senior / Other		-	11,391	-	12,058	-	20,588
Total		-	93,313	-	129,417	-	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 Dec. 31, 2019	As of Dec. 31, 2020	As of Mar. 31, 2020
Tokyo metropolitan area	79 units	173 units	261 units
Kansai area	12 units	37 units	5 units
Other	0 unit	29 units	55 units
Total (Detached housing)	92 units (23 units)	239 units (18 units)	321 units (22 units)

Housing sales period-end completed housing inventory (unreleased)

	As of Dec. 31, 2019	As of Dec. 31, 2020	As of Mar. 31, 2020
Total (Detached housing)	27 units (7 units)	190 units (11 units)	187 units (3 units)

Housing sales contracted but not recorded as housing sales

	As of Dec. 31, 2019		As of Dec. 31, 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	3,514 units	247,804	2,839 units	209,201	2,067 units	154,938
Kansai area	560 units	30,996	437 units	23,526	248 units	14,097
Other	675 units	37,816	746 units	39,370	295 units	17,039
Total (Detached housing)	4,750 units (195 units)	316,617 (12,976)	4,023 units (148 units)	272,097 (9,439)	2,611 units (60 units)	186,075 (3,604)

<Commercial Real Estate Business Unit >

Operating revenue in this business unit totaled 153,248 million yen, which represents an increase of 8,589 million yen, or 5.9% year on year, and business profit totaled 32,550 million yen, an increase of 7,825 million yen, or 31.7%, resulting in increases in both operating revenue and business profit compared with the financial results of the first nine months ended December 31, 2019.

This was mainly due to an increase in revenue from property sales, while revenue of leasing (retail facilities) business and fitness business declined due to the COVID-19 impact.

Breakdown of operating revenue

	First nine months ended Dec. 31, 2019 (Millions of yen)	First nine months ended Dec. 31, 2020 (Millions of yen)	Fiscal year ended Mar. 31, 2020 (Millions of yen)
Leasing (offices)	36,485	35,588	48,562
Leasing (retail facilities)	9,798	7,915	12,910
Leasing (other)	6,190	4,361	8,375
Property for sales (sale) (Note)	62,729	85,207	106,816
Property for sales (leasing) (Note)	5,279	8,807	7,037
Fitness	12,862	8,201	15,757
Other	11,314	3,165	12,674
Total	144,658	153,248	212,133

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

Net lettable area

	As of Dec. 31, 2019	As of Dec. 31, 2020	As of Mar. 31, 2020
Offices	781,996 m ²	762,110 m ²	768,310 m ²
Retail facilities	171,877 m ²	122,068 m ²	145,136 m ²
Total	953,872 m ²	884,178 m ²	913,446 m ²

Vacancy rate (offices and retail facilities)

As of Dec. 31, 2019	As of Dec. 31, 2020	As of Mar. 31, 2020
3.9%	4.6%	4.0%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 9,839 million yen, which represents an increase of 774 million yen, or 8.5% year on year, and business profit totaled 6,275 million yen, an increase of 857 million yen, or 15.8%, resulting in increases in both operating revenue and business profit compared with the financial results of the first nine months ended December 31, 2019.

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

	First nine months ended Dec. 31, 2019 (Millions of yen)	First nine months ended Dec. 31, 2020 (Millions of yen)	Fiscal year ended Mar. 31, 2020 (Millions of yen)
Operating revenue	9,064	9,839	12,059

Assets under management

		As of Dec. 31, 2019 (Millions of yen)	As of Dec. 31, 2020 (Millions of yen)	As of Mar. 31, 2020 (Millions of yen)
Domestic asset manager	REITs	1,308,255	1,409,564	1,367,758
	Private funds, etc.	122,400	137,486	130,211
Overseas asset manager		282,252	267,468	300,614
Total		1,712,908	1,814,520	1,798,583

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 27,320 million yen, which represents an increase of 228 million yen, or 0.8% year on year, and business profit totaled 5,485 million yen, an increase of 549 million yen, or 11.1%, resulting in increases in both operating revenue and business profit compared with the financial results of the first nine months ended December 31, 2019.

This was mainly due to an increase in commission fee in consignment of sales of new housings and increase in the number of transactions and total transaction value of wholesale business in property brokerage.

Breakdown of operating revenue

	First nine months ended Dec. 31, 2019 (Millions of yen)	First nine months ended Dec. 31, 2020 (Millions of yen)	Fiscal year ended Mar. 31, 2020 (Millions of yen)
Property brokerage	25,158	24,509	35,156
(retail business)	(17,390)	(16,257)	(24,017)
(wholesale business)	(7,767)	(8,251)	(11,138)
Other	1,933	2,811	3,954
Total	27,092	27,320	39,110

Number of transactions and transaction value of property brokerage

	First nine months ended Dec. 31, 2019	First nine months ended Dec. 31, 2020	Fiscal year ended Mar. 31, 2020
Number of transactions	6,948	6,725	9,515
Total transaction value (Millions of yen)	643,494	644,467	872,337

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 66,936 million yen, which represents a decrease of 3,441 million yen, or 4.9% year on year, and business profit totaled 5,287 million yen, a decrease of 457 million yen, or 8.0%, resulting in decreases in both operating revenue and business profit compared with the financial results of the first nine months ended December 31, 2019.

Breakdown of operating revenue

	First nine months ended Dec. 31, 2019 (Millions of yen)	First nine months ended Dec. 31, 2020 (Millions of yen)	Fiscal year ended Mar. 31, 2020 (Millions of yen)
Property & facility management	41,495	42,444	55,530
Construction ordered	24,943	20,285	37,327
Other	3,939	4,206	5,417
Total	70,378	66,936	98,274

Number of properties under management

	As of Dec. 31, 2019	As of Dec. 31, 2020	As of Mar. 31, 2020
Buildings under management	792	793	786
Housings under management (unit)	177,717	182,206	182,259

<Other>

Operating revenue totaled 1,689 million yen which represents an increase of 1,115 million yen, or 194.2% year on year, and business loss totaled 651 million yen (business loss of the first nine months ended December 31, 2019 was 1,206 million yen).

(2) Financial Position

	As of Mar. 31, 2020 (Millions of yen)	As of Dec. 31, 2020 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,801,273	1,862,456	61,182	3.4%
Total liabilities	1,236,153	1,293,732	57,578	4.7%
Net assets	565,120	568,724	3,603	0.6%
Shareholders' equity ratio	30.5%	30.4%	-	-

Total assets were 1,862,456 million yen, which represents an increase of 61,182 million yen compared to the end of the previous fiscal year. This was mainly because inventories increased by 89,356 million yen and investment securities increased by 20,305 million yen, while cash and deposits decreased by 34,246 million yen and advance payments - trade which is included in other in current assets decreased by 10,875 million yen.

Total liabilities were 1,293,732 million yen, which represents an increase of 57,578 million yen compared to the end of the previous fiscal year. This was mainly because interest-bearing debt increased by 159,000 million yen, while notes and accounts payable - trade decreased by 67,318 million yen.

Net assets were 568,724 million yen, which represents an increase of 3,603 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 11,279 million yen and capital surplus increased by 3,277 million yen, while non-controlling interests decreased by 11,551 million yen.

The shareholders' equity ratio was 30.4%, a decrease of 0.2 percentage point from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of this third quarter totaled 43,164 million yen, which represents a decrease of 34,447 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 128,935 million yen (a year-on-year decrease of 12,595 million yen). This was mainly due to an increase in inventories and a decrease in trade payables.

Net cash provided by (used in) investing activities decreased by 41,051 million yen (a year-on-year decrease of 17,966 million yen). This was mainly due to the purchase of property, plant and equipment and intangible assets and the purchase of investment securities.

Net cash provided by (used in) financing activities increased by 135,647 million yen (a year-on-year increase of 59,497 million yen). This was mainly due to the fund procurement by long-term borrowings and issuance of bonds payable.

(3) Consolidated Operating Result Forecasts

The consolidated operating result forecasts for the fiscal year ending March 31, 2021 were revised from the figures announced on July 29, 2020, by examining the future outlook based on the operating results for the nine months ended December 31, 2020.

<Consolidation>

The Group expects the following consolidated operating result for the fiscal year ending March 31, 2021: Operating revenue of 580,000 million yen; operating profit of 71,000 million yen; business profit of 70,000 million yen; ordinary profit of 59,000 million yen; and profit attributable to owners of parent of 37,000 million yen.

Changes from the previous consolidated operating result forecasts are as follows:

	Operating revenue	Operating profit	Business profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	600,000	61,000	60,000	49,000	31,000	170.76
Revised forecasts (B)	580,000	71,000	70,000	59,000	37,000	203.90
Changes (B-A)	(20,000)	10,000	10,000	10,000	6,000	—
Changes (%)	(3.3%)	16.4%	16.7%	20.4%	19.4%	—
Actual results for the previous fiscal year	676,495	81,905	82,833	73,077	48,886	267.21

<By business unit>

Forecasts for the fiscal year ending March 31, 2021 by business unit are as follows:

Operating revenue

	Previous forecasts (Millions of yen)	Revised forecasts (Millions of yen)	Changes (Millions of yen)
Residential Development	290,000	270,000	(20,000)
Commercial Real Estate	190,000	180,000	(10,000)
Investment Management	12,000	12,000	—
Property Brokerage & CRE	34,000	38,000	4,000
Property & Facility Management	95,000	97,000	2,000
Other	1,000	2,000	1,000
Adjustments	(22,000)	(19,000)	3,000
Total	600,000	580,000	(20,000)

Business profit

	Previous forecasts (Millions of yen)	Revised forecasts (Millions of yen)	Changes (Millions of yen)
Residential Development	18,000	21,000	3,000
Commercial Real Estate	32,000	33,500	1,500
Investment Management	7,000	7,000	—
Property Brokerage & CRE	4,000	7,500	3,500
Property & Facility Management	7,000	8,000	1,000
Other	(3,000)	(2,500)	500
Adjustments	(5,000)	(4,500)	500
Total	60,000	70,000	10,000

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	78,401	44,155
Notes and accounts receivable - trade	25,359	17,173
Real estate for sale	234,973	241,574
Real estate for sale in process	298,787	371,888
Land held for development	180,358	189,878
Equity investments	30,983	28,806
Other	57,882	50,924
Allowance for doubtful accounts	(20)	(20)
Total current assets	906,726	944,379
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	206,958	216,604
Land	526,809	524,597
Other, net	22,553	21,148
Total property, plant and equipment	756,321	762,349
Intangible assets	20,223	18,358
Investments and other assets		
Investment securities	58,952	79,257
Leasehold and guarantee deposits	27,999	27,832
Deferred tax assets	22,696	22,003
Other	8,354	8,275
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	118,003	137,368
Total non-current assets	894,547	918,076
Total assets	1,801,273	1,862,456

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	94,197	26,879
Short-term borrowings	72,000	80,500
Commercial papers	—	20,000
Current portion of bonds payable	20,000	20,000
Income taxes payable	19,476	6,885
Deposits received	35,564	15,437
Provision for bonuses	8,410	4,547
Provision for bonuses for directors (and other officers)	473	364
Provision for loss on business liquidation	19	14
Other	51,927	55,553
Total current liabilities	302,068	230,182
Non-current liabilities		
Bonds payable	120,000	150,000
Long-term borrowings	658,000	758,500
Leasehold and guarantee deposits received	62,392	62,202
Deferred tax liabilities	61,389	60,361
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for share-based remuneration	1,541	2,184
Retirement benefit liability	18,705	18,123
Other	8,157	8,279
Total non-current liabilities	934,084	1,063,550
Total liabilities	1,236,153	1,293,732
Net assets		
Shareholders' equity		
Share capital	117,822	117,953
Capital surplus	111,065	114,343
Retained earnings	342,081	353,361
Treasury shares	(27,339)	(27,327)
Total shareholders' equity	543,630	558,330
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,915	4,965
Deferred gains or losses on hedges	1,044	(337)
Revaluation reserve for land	7,860	7,860
Foreign currency translation adjustment	(1,322)	(1,651)
Remeasurements of defined benefit plans	(3,950)	(3,483)
Total accumulated other comprehensive income	6,547	7,353
Share acquisition rights	1,850	1,499
Non-controlling interests	13,091	1,539
Total net assets	565,120	568,724
Total liabilities and net assets	1,801,273	1,862,456

(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, 2020)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Operating revenue	331,560	373,361
Operating costs	228,509	251,203
Operating gross profit	103,051	122,157
Selling, general and administrative expenses	74,867	74,641
Operating profit	28,183	47,515
Non-operating income		
Interest income	43	70
Dividend income	69	59
Share of profit of entities accounted for using equity method	280	—
Gain on sales of non-current assets	—	96
Adjustment income for cancellation	398	—
Gain on sales of investment securities	102	—
Gain on reversal of share acquisition rights	29	123
Other	178	247
Total non-operating income	1,102	597
Non-operating expenses		
Interest expenses	6,584	6,818
Share of loss of entities accounted for using equity method	—	181
Other	766	1,062
Total non-operating expenses	7,350	8,062
Ordinary profit	21,935	40,050
Extraordinary income		
Subsidies for employment adjustment	—	548
Gain on sales of non-current assets	393	—
Total extraordinary income	393	548
Extraordinary losses		
Impairment loss	—	331
Loss on COVID-19	—	1,715
Loss on building reconstruction	241	—
Total extraordinary losses	241	2,047
Profit before income taxes	22,088	38,552
Income taxes - current	8,834	13,478
Income taxes - deferred	(1,972)	(891)
Total income taxes	6,861	12,587
Profit	15,227	25,964
Profit attributable to non-controlling interests	564	2
Profit attributable to owners of parent	14,662	25,962

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	15,227	25,964
Other comprehensive income		
Valuation difference on available-for-sale securities	3,624	2,048
Deferred gains or losses on hedges	(305)	(1,381)
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	(515)	(569)
Remeasurements of defined benefit plans, net of tax	168	466
Share of other comprehensive income of entities accounted for using equity method	(214)	152
Total other comprehensive income	2,757	717
Comprehensive income	17,984	26,681
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,512	26,768
Comprehensive income attributable to non-controlling interests	472	(86)

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from operating activities		
Profit before income taxes	22,088	38,552
Depreciation	14,735	14,892
Share of loss (profit) of entities accounted for using equity method	(280)	181
Increase (decrease) in allowance for doubtful accounts	(2)	0
Increase (decrease) in provision for loss on business liquidation	(5)	(4)
Increase (decrease) in provision for loss on subleasing business	(12)	—
Increase (decrease) in retirement benefit liability	(283)	(581)
Interest and dividend income	(113)	(130)
Interest expenses	6,584	6,818
Decrease (increase) in trade receivables	11,982	8,160
Decrease (increase) in inventories	(88,533)	(89,356)
Decrease (increase) in equity investments	(13,558)	2,176
Increase (decrease) in trade payables	(29,804)	(67,287)
Increase (decrease) in deposits received	(11,443)	(20,126)
Other, net	(4,611)	8,858
Subtotal	(93,259)	(97,845)
Interest and dividends received	304	260
Interest paid	(5,542)	(5,882)
Income taxes paid	(17,843)	(25,468)
Net cash provided by (used in) operating activities	(116,340)	(128,935)
Cash flows from investing activities		
Purchase of investment securities	(15,383)	(18,892)
Proceeds from sales and liquidation of investment securities	833	71
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,464)	—
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(85)	—
Purchase of property, plant and equipment and intangible assets	(12,518)	(39,840)
Proceeds from sales of property, plant and equipment and intangible assets	7,819	18,166
Payments of leasehold and guarantee deposits	(1,642)	(1,128)
Proceeds from refund of leasehold and guarantee deposits	976	1,504
Repayments of lease and guarantee deposits received	(2,105)	(4,741)
Proceeds from lease and guarantee deposits received	3,114	3,743
Other, net	(629)	64
Net cash provided by (used in) investing activities	(23,085)	(41,051)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	82,000	15,000
Net increase (decrease) in commercial papers	37,000	20,000
Repayments of finance lease obligations	(174)	(192)
Proceeds from long-term borrowings	7,500	133,000
Repayments of long-term borrowings	(29,500)	(39,000)
Proceeds from issuance of shares	319	18
Proceeds from issuance of bonds	—	39,801

Redemption of bonds	—	(10,000)
Proceeds from sales of treasury shares	22	11
Purchase of treasury shares	(6,518)	—
Dividends paid	(14,375)	(14,682)
Dividends paid to non-controlling interests	(122)	(82)
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	76,150	135,647
Effect of exchange rate change on cash and cash equivalents	(128)	(107)
Net increase (decrease) in cash and cash equivalents	(63,404)	(34,447)
Cash and cash equivalents at beginning of period	118,330	77,611
Cash and cash equivalents at end of period	54,926	43,164

(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 nine months from April 1 to December 31, 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	92,768	141,887	9,064	26,684	60,581	330,986	574	331,560	—	331,560
Internal sales and transfer amount among segments	545	2,771	0	407	9,796	13,520	0	13,520	(13,520)	—
Subtotal	93,313	144,658	9,064	27,092	70,378	344,507	574	345,081	(13,520)	331,560
Operating profit (Note) 3	(7,983)	24,487	5,195	4,935	5,674	32,310	(1,419)	30,890	(2,707)	28,183
Share of profit (loss) of entities accounted for using equity method (Note) 3	(5)	32	—	—	48	74	205	280	—	280
Amortization of intangible assets associated with corporate acquisitions (Note) 3	—	205	221	—	21	448	7	456	—	456
Segment profit or loss (Business profit or loss) (Note) 3	(7,989)	24,724	5,417	4,935	5,745	32,833	(1,206)	31,627	(2,707)	28,920

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

2. The deduction of 2,707 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 1,550 million yen and a deduction of 4,257 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 non-current assets or goodwill by reportable segment

Not applicable

II First nine months from April 1 to December 31, 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	128,915	149,127	9,839	25,652	58,137	371,672	1,688	373,361	—	373,361
Internal sales and transfer amount among segments	502	4,120	—	1,668	8,798	15,089	0	15,090	(15,090)	—
Subtotal	129,417	153,248	9,839	27,320	66,936	386,762	1,689	388,451	(15,090)	373,361
Operating profit (Note) 3	2,212	32,287	6,057	5,485	5,163	51,206	(351)	50,855	(3,339)	47,515
Share of profit (loss) of entities accounted for using equity method (Note) 3	(18)	57	—	—	102	141	(322)	(181)	—	(181)
Amortization of intangible assets associated with corporate acquisitions (Note) 3	—	205	218	—	21	445	22	468	—	468
Segment profit or loss (Business profit or loss) (Note) 3	2,194	32,550	6,275	5,485	5,287	51,793	(651)	51,142	(3,339)	47,802

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

2. The deduction of 3,339 million yen shown in the adjustments column for segment profit or loss includes elimination of intersegment transactions of 1,608 million yen and a deduction of 4,948 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 first nine months ended December 31, 2019 is based on the changed classification.

3. Information regarding impairment loss on non-current assets or goodwill by reportable segment
(Significant impairment loss relating to non-current assets)

(Millions of yen)

	Residential Development	Commercial Real Estate	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	331	-	-	-	331