



October 27, 2022

Consolidated Financial Results
For the Six Months from April 1 to September 30, 2022
<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
 Code number : 3231
 URL : <https://www.nomura-re-hd.co.jp/english/>
 Representative : Eiji Kutsukake, President and Representative Director
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 Scheduled submitting date of quarterly securities report : November 14, 2022
 Scheduled starting date for dividend payments : December 1, 2022
 Preparation of explanatory materials for financial results : Yes
 Information meetings arranged related to financial results : Yes (for institutional investors and analysts, in Japanese)

(Values of less than one million yen rounded down)

I. Consolidated operating results for the Six Months from April 1, 2022 to September 30, 2022

(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 six months ended										
Sep. 30, 2022	314,756	22.4	48,884	21.1	52,449	29.6	47,046	33.9	33,874	44.1
Sep. 30, 2021	257,126	14.8	40,360	66.9	40,458	64.1	35,143	80.9	23,513	95.5

(Note) Comprehensive income: From April 1, 2022 to September 30, 2022: 38,876 million yen (up 47.4%)

From April 1, 2021 to September 30, 2021: 26,382 million yen (up 146.6%)

(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 six months ended	Yen	Yen
Sep. 30, 2022	190.66	190.14
Sep. 30, 2021	130.43	129.99

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Sep. 30, 2022	2,024,916	648,841	31.9
Mar. 31, 2022	2,040,506	621,398	30.3

(Reference) Shareholders' equity: As of September 30, 2022: 646,280 million yen As of March 31, 2022: 618,762 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, 2022	-	42.50	-	55.00	97.50
Fiscal year ending Mar. 31, 2023	-	55.00			
Fiscal year ending Mar. 31, 2023 (Forecasts)			-	55.00	110.00

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

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2022 to March 31, 2023

(% 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, 2023	680,000	5.4	90,500	(0.8)	97,000	4.6	85,000	3.0	57,000	3.1	322.35

(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. : Yes

2) Changes in accounting policies other than the above : None

3) Changes in accounting estimates : None

4) Restatements : None

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 14 of the Attachments

(4) Number of shares issued (common stock)

	As of Sep. 30	As of Mar. 31
	2022	2022
1) Number of shares issued at end of period (including treasury shares)	182,835,137	182,604,637
2) Treasury shares at end of period	5,688,053	4,704,422
	From April 1 to Sep 30, 2022	From April 1 to Sep 30, 2021
3) Average number of shares outstanding during the period	177,666,427	180,277,605

(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 (3,135,646 shares as of September 30, 2022 and 2,522,837 shares as of March 31, 2022). The Company’s share owned by executive compensation BIP trust and ESOP trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period (2,559,394 shares from April 1 to September 30, 2022 and 2,109,445 shares from April 1 to September 30, 2021).

* 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 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 October 27, 2022 and will be uploaded on the Company’s website.

Attachments- Contents

1. Business Results and Financial Position -----	2
(1) Business Results -----	2
(2) Financial Position -----	7
(3) Consolidated Operating Result Forecasts -----	7
2. Quarterly Consolidated Financial Statements and Notes -----	8
(1) Quarterly Consolidated Balance Sheets -----	8
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income ----	10
Quarterly Consolidated Statements of Income for the First Six Months from April 1 to September 30, 2022 -----	10
Quarterly Consolidated Statements of Comprehensive Income for the First Six Months from April 1 to September 30, 2022 -----	11
(3) Quarterly Consolidated Statement of Cash Flows -----	12
(4) Notes to Quarterly Consolidated Financial Statements -----	14
(Notes to Going Concern Assumptions) -----	14
(Notes to Significant Changes in Shareholder’s Equity) -----	14
(Changes in Accounting Policies) -----	14
(Segment Information) -----	15

1. Business Results and Financial Position

(1) Business Results

The Nomura Real Estate Group (the “Group”) posted the following consolidated performance for the six months ended September 30, 2022: Operating revenue of 314,756 million yen, which represents an increase of 57,629 million yen, or 22.4% year on year; operating profit of 48,884 million yen, an increase of 8,524 million yen, or 21.1%; business profit of 52,449 million yen, an increase of 11,990 million yen, or 29.6%; ordinary profit of 47,046 million yen, an increase of 11,902 million yen, or 33.9%; and profit attributable to owners of parent of 33,874 million yen, an increase of 10,361 million yen, or 44.1%.

(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:

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. As of April 1, 2022, the Company made the following changes and an organization restructure.

*Overseas Business Unit was newly established and the classification of Overseas Business Division of Nomura Real Estate Development Co., Ltd. and overseas subsidiaries, etc., which had been classified under the “Other”, have been reclassified.

*Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Building Co., Ltd. were merged. (Nomura Real Estate Development Co., Ltd. as the surviving company) Due to this change, partial revisions were made to the method used to calculate the breakdown of operating revenue and to the method used to calculate the net lettable area and the vacancy rate. (The figures for the six months ended September 30, 2021, and the fiscal year ended March 31, 2022, are also calculated in accordance with the above change.)

*Nomura Real Estate Hotels Co., Ltd. and UHM Co., Ltd. were merged. (Nomura Real Estate Hotels Co., Ltd. as the surviving company)

<Residential Development Business Unit>

Operating revenue in this Business Unit totaled 141,126 million yen, which represents an increase of 42,032 million yen, or 42.4% year on year, and business profit totaled 12,742 million yen, an increase of 6,610 million yen, or 107.8% resulting in increases in both operating revenue and business profit compared with the financial results of the six months ended September 30, 2021.

This was mainly due to an increase in the number of housing units sold in the housing sales business.

In regard to housing sales, 2,058 units were recorded as sales (an increase of 652 units year on year) against the planned 4,300 units for this fiscal year. The contract progress rate was 93.8% at the end of this second quarter against the projected operating revenue of housing sales for this fiscal year.

The number of housing contracted but not recorded as sales were 3,937 units as of the end of this second quarter (an increase of 21 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 six months ended Sep. 30, 2021		First six months ended Sep. 30, 2022		Fiscal year ended Mar. 31, 2022	
		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	1,021 units	69,768	1,369 units	91,121	2,944 units	210,413
	Kansai area	131 units	7,074	290 units	16,556	496 units	26,522
	Other	253 units	13,279	398 units	19,873	889 units	47,079
	Subtotal (Detached housing)	1,406 units (232 units)	90,121 (15,113)	2,058 units (235 units)	127,551 (17,057)	4,329 units (451 units)	284,015 (29,990)
Rental housing (Note)		-	739	-	4,455	-	5,621
Senior / Other		-	8,232	-	9,119	-	19,588
Total		-	99,094	-	141,126	-	309,225

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

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

	As of Sep. 30, 2021	As of Sep. 30, 2022	As of Mar. 31, 2022
Tokyo metropolitan area	97 units	90 units	74 units
Kansai area	35 units	40 units	18 units
Other	30 units	65 units	38 units
Total (Detached housing)	163 units (6 units)	195 units (8 units)	130 units (0 unit)

Housing sales period-end completed housing inventory (unreleased)

	As of Sep. 30, 2021	As of Sep. 30, 2022	As of Mar. 31, 2022
Total (Detached housing)	79 units (1 unit)	234 units (0 unit)	253 units (0 unit)

Housing sales contracted but not recorded as housing sales

	As of Sep. 30, 2021		As of Sep. 30, 2022		As of Mar. 31, 2022	
	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	2,671 units	202,424	2,995 units	232,634	2,555 units	197,478
Kansai area	480 units	26,305	473 units	24,553	439 units	23,687
Other	764 units	40,745	468 units	24,941	553 units	28,705
Total (Detached housing)	3,916 units (189 units)	269,476 (12,708)	3,937 units (140 units)	282,129 (9,173)	3,548 units (226 units)	249,870 (15,689)

<Commercial Real Estate Business Unit>

Operating revenue in this Business Unit totaled 102,631 million yen, which represents an increase of 10,909 million yen, or 11.9% year on year, and business profit totaled 26,131 million yen, an increase of 1,351 million yen, or 5.5%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2021.

This was mainly due to an increase in revenue from property for sales business.

Breakdown of operating revenue

	First six months ended Sep. 30, 2021 (Millions of yen)	First six months ended Sep. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Leasing (offices)	23,060	21,269	45,666
Leasing (retail facility)	5,862	7,943	12,302
Leasing (other)	2,055	1,670	4,131
Property for sales (sale) (Note)	45,489	52,617	106,451
Property for sales (leasing) (Note)	6,569	7,851	13,977
Fitness	6,474	7,433	13,624
Other	2,208	3,845	6,306
Total	91,721	102,631	202,460

(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 Sep. 30, 2021	As of Sep. 30, 2022	As of Mar. 31, 2022
Offices	708,002 m ²	572,987 m ²	658,902 m ²
Retail facilities	120,358 m ²	157,991 m ²	131,874 m ²
Total	828,360 m ²	730,978 m ²	790,776 m ²

Vacancy rate (offices and retail facilities)

As of Sep. 30, 2021	As of Sep. 30, 2022	As of Mar. 31, 2022
5.6%	5.3%	5.9%

<Overseas Business Unit>

Operating revenue in this Business Unit totaled 1,857 million yen, which represents an increase of 541 million yen, or 41.2% year on year, and business profit totaled 2,804 million yen (business loss of the first six months ended September 30, 2021 was 547 million yen), resulting in increases in both operating revenue and business profit compared with the financial results of the six months ended September 30, 2021. Share of profit of entities accounted for using equity method included in the business profit in this Business Unit was 3,184 million yen.

Breakdown of operating revenue

	First six months ended Sep. 30, 2021 (Millions of yen)	First six months ended Sep. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Housing sales	909	1,404	1,785
Leasing	345	348	692
Other	60	104	150
Total	1,315	1,857	2,628

<Investment Management Business Unit>

Operating revenue in this Business Unit totaled 6,824 million yen, which represents an increase of 576 million yen, or 9.2% year on year, and business profit totaled 4,208 million yen, an increase of 323 million yen, or 8.3%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2021.

	First six months ended Sep. 30, 2021 (Millions of yen)	First six months ended Sep. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Operating revenue	6,248	6,824	12,804

Assets under management

		As of Sep. 30, 2021 (Millions of yen)	As of Sep. 30, 2022 (Millions of yen)	As of Mar. 31, 2022 (Millions of yen)
Domestic asset manager	REITs	1,399,523	1,445,650	1,424,772
	Private funds, etc.	182,758	251,549	196,370
Overseas asset manager		312,891	358,807	326,929
Total		1,895,173	2,056,006	1,948,071

<Property Brokerage & CRE Business Unit>

Operating revenue in this Business Unit totaled 23,755 million yen, which represents an increase of 3,056 million yen, or 14.8% year on year, and business profit totaled 7,533 million yen, an increase of 2,489 million yen, or 49.3%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2021.

This was mainly due to increases in the number of transactions and transaction value in property brokerage business.

Breakdown of operating revenue

	First six months ended Sep. 30, 2021 (Millions of yen)	First six months ended Sep. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Property brokerage	18,719	22,398	39,833
(retail business)	(10,447)	(12,159)	(21,825)
(middle business)	(3,675)	(4,319)	(8,326)
(wholesale business)	(4,596)	(5,919)	(9,681)

Other	1,979	1,357	3,929
Total	20,699	23,755	43,762

The classification of property brokerage is as follows.

*Retail business: Real estate brokerage business for individuals

*Middle business: Real estate brokerage business for small and midsize companies, business owners, some individual investors and high net worth individuals

*Wholesale business: Real estate brokerage business for large corporations, funds and overseas investors

Number of transactions and transaction value of property brokerage

	First six months ended Sep. 30, 2021	First six months ended Sep. 30, 2022	Fiscal year ended Mar. 31, 2022
Number of transactions	4,909	5,059	10,081
Total transaction value (Millions of yen)	456,499	532,159	964,882

<Property & Facility Management Business Unit>

Operating revenue in this Business Unit totaled 47,727 million yen, which represents an increase of 1,093 million yen, or 2.3% year on year, and business profit totaled 4,113 million yen, an increase of 157 million yen, or 4.0%, resulting in increases in both operating revenue and business profit compared with the financial results of the first six months ended September 30, 2021.

Breakdown of operating revenue

	First six months ended Sep. 30, 2021 (Millions of yen)	First six months ended Sep. 30, 2022 (Millions of yen)	Fiscal year ended Mar. 31, 2022 (Millions of yen)
Property & facility management	28,981	29,402	58,264
Construction ordered	14,893	15,166	35,215
Other	2,759	3,158	5,750
Total	46,634	47,727	99,230

Number of properties under management

	As of Sep. 30, 2021	As of Sep. 30, 2022	As of Mar. 31, 2022
Buildings under management	782	791	772
Housings under management (unit)	183,184	187,970	186,549

<Other>

Operating revenue totaled 133 million yen which represents an increase of 105 million yen, or 372.8% year on year, and business profit totaled 71 million yen (business loss of the first six months ended September 30, 2021 was 96 million yen).

(2) Financial Position

	As of Mar. 31, 2022 (Millions of yen)	As of Sep. 30, 2022 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	2,040,506	2,024,916	(15,589)	(0.8%)
Total liabilities	1,419,107	1,376,074	(43,032)	(3.0%)
Net assets	621,398	648,841	27,443	4.4%
Shareholders' equity ratio	30.3%	31.9%	-	-

Total assets were 2,024,916 million yen, which represents a decrease of 15,589 million yen compared to the end of the previous fiscal year. This was mainly because other in current assets, including tax receivable due to income tax refund, decreased by 41,485 million yen, cash and deposits decreased by 24,359 million yen and land decreased by 15,754 million yen, while inventories increased by 62,948 million yen.

Total liabilities were 1,376,074 million yen, which represents a decrease of 43,032 million yen compared to the end of the previous fiscal year. This was mainly because notes and accounts payable - trade decreased by 37,475 million yen, deposits received decreased by 30,817 million yen and accounts payable decreased by 15,678 million yen, while interest-bearing debt increased by 51,238 million yen.

Net assets were 648,841 million yen, which represents an increase of 27,443 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 23,951 million yen, deferred gains or losses on hedges increased by 2,402 million yen and foreign currency translation adjustment increased by 2,202 million yen.

The shareholders' equity ratio was 31.9%, an increase of 1.6 percentage point from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of this second quarter totaled 43,499 million yen, which represents a decrease of 24,294 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 55,213 million yen (a year-on-year increase of 22,071 million yen). This was mainly due to an increase in inventories and a decrease in trade payables, while profit before income taxes of 45,516 million yen was recorded.

Net cash provided by (used in) investing activities decreased by 9,197 million yen (a year-on-year increase of 13,430 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 increased by 39,747 million yen (a year-on-year decrease of 19,592 million yen). This was mainly due to fund procurement by long-term borrowings, while there were redemption of bonds and payment of dividends.

(3) Consolidated Operating Result Forecasts

No change in the consolidated operating result forecast which was announced on April 26, 2022.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	69,038	44,679
Notes and accounts receivable - trade, and contract assets	22,025	18,454
Real estate for sale	371,504	413,629
Real estate for sale in process	333,860	357,759
Land held for development	188,417	185,044
Equity investments	33,871	42,192
Other	108,106	67,488
Allowance for doubtful accounts	(20)	(20)
Total current assets	1,126,802	1,129,228
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	200,163	190,521
Land	497,599	481,844
Other, net	28,623	29,477
Total property, plant and equipment	726,386	701,843
Intangible assets	19,933	20,556
Investments and other assets		
Investment securities	101,155	113,418
Leasehold and guarantee deposits	30,047	31,008
Deferred tax assets	27,322	18,274
Other	8,858	10,586
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	167,383	173,287
Total non-current assets	913,703	895,688
Total assets	2,040,506	2,024,916

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	80,992	43,516
Short-term borrowings	108,500	111,500
Current portion of bonds payable	10,000	20,000
Income taxes payable	22,299	15,787
Deposits received	43,857	13,040
Provision for bonuses	9,934	9,818
Provision for bonuses for directors (and other officers)	549	277
Provision for loss on business liquidation	8	6
Other	81,838	66,944
Total current liabilities	357,980	280,891
Non-current liabilities		
Bonds payable	150,000	130,000
Long-term borrowings	754,235	812,474
Leasehold and guarantee deposits received	59,301	59,428
Deferred tax liabilities	58,207	46,874
Deferred tax liabilities for land revaluation	3,902	3,902
Provision for share awards	3,567	3,478
Retirement benefit liability	16,644	16,786
Other	15,267	22,237
Total non-current liabilities	1,061,127	1,095,183
Total liabilities	1,419,107	1,376,074
Net assets		
Shareholders' equity		
Share capital	118,604	118,932
Capital surplus	114,993	115,322
Retained earnings	382,382	406,333
Treasury shares	(11,864)	(13,761)
Total shareholders' equity	604,115	626,827
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,337	7,274
Deferred gains or losses on hedges	(332)	2,069
Revaluation reserve for land	7,868	7,868
Foreign currency translation adjustment	1,254	3,457
Remeasurements of defined benefit plans	(1,481)	(1,216)
Total accumulated other comprehensive income	14,646	19,453
Share acquisition rights	927	777
Non-controlling interests	1,708	1,783
Total net assets	621,398	648,841
Total liabilities and net assets	2,040,506	2,024,916

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income for the First Six Months from April 1 to September 30, 2022)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating revenue	257,126	314,756
Operating costs	163,497	206,698
Operating gross profit	93,629	108,057
Selling, general and administrative expenses	53,268	59,173
Operating profit	40,360	48,884
Non-operating income		
Interest income	37	38
Dividend income	63	36
Share of profit of entities accounted for using equity method	—	3,217
Other	293	218
Total non-operating income	393	3,511
Non-operating expenses		
Interest expenses	4,405	4,778
Share of loss of entities accounted for using equity method	227	—
Other	976	571
Total non-operating expenses	5,610	5,349
Ordinary profit	35,143	47,046
Extraordinary income		
Gain on sale of non-current assets	—	6,729
Total extraordinary income	—	6,729
Extraordinary losses		
Impairment losses	405	5,855
Loss on building reconstruction	—	2,404
Loss on COVID-19	281	—
Total extraordinary losses	686	8,259
Profit before income taxes	34,456	45,516
Income taxes - current	14,583	14,928
Income taxes - deferred	(3,694)	(3,365)
Total income taxes	10,889	11,562
Profit	23,567	33,953
Profit attributable to non-controlling interests	54	79
Profit attributable to owners of parent	23,513	33,874

(Quarterly Consolidated Statements of Comprehensive Income for the First Six Months from April 1 to September 30, 2022)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	23,567	33,953
Other comprehensive income		
Valuation difference on available-for-sale securities	(725)	(60)
Deferred gains or losses on hedges	1,615	2,402
Revaluation reserve for land	(8)	(0)
Foreign currency translation adjustment	1,190	2,174
Remeasurements of defined benefit plans, net of tax	259	264
Share of other comprehensive income of entities accounted for using equity method	482	142
Total other comprehensive income	2,814	4,922
Comprehensive income	26,382	38,876
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,185	38,681
Comprehensive income attributable to non-controlling interests	197	195

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	34,456	45,516
Depreciation	9,441	10,108
Impairment losses	405	5,855
Gain on sale of non-current assets	—	(6,729)
Share of loss (profit) of entities accounted for using equity method	227	(3,217)
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on business liquidation	(2)	(1)
Increase (decrease) in retirement benefit liability	190	138
Interest and dividend income	(100)	(74)
Interest expenses	4,405	4,778
Decrease (increase) in trade receivables	1,242	3,633
Decrease (increase) in inventories	(18,678)	(53,123)
Decrease (increase) in equity investments	(1,745)	(7,758)
Increase (decrease) in trade payables	(31,246)	(37,514)
Increase (decrease) in deposits received	(10,192)	(30,823)
Other, net	(2,245)	(3,404)
Subtotal	(13,839)	(72,617)
Interest and dividends received	386	297
Interest paid	(3,702)	(4,090)
Income taxes refund (paid)	(60,128)	21,196
Net cash provided by (used in) operating activities	(77,284)	(55,213)
Cash flows from investing activities		
Purchase of investment securities	(9,341)	(2,039)
Proceeds from sales and liquidation of investment securities	33	—
Purchase of property, plant and equipment and intangible assets	(15,166)	(23,586)
Proceeds from sale of property, plant and equipment and intangible assets	322	16,728
Payments of leasehold and guarantee deposits	(976)	(722)
Proceeds from refund of leasehold and guarantee deposits	795	927
Repayments of lease and guarantee deposits received	(2,717)	(3,445)
Proceeds from lease and guarantee deposits received	3,031	2,857
Other, net	1,390	83
Net cash provided by (used in) investing activities	(22,627)	(9,197)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,500	1,500
Repayments of finance lease liabilities	(133)	(140)
Net increase (decrease) in commercial papers	62,000	—
Proceeds from long-term borrowings	27,991	89,865
Repayments of long-term borrowings	(16,000)	(30,500)
Proceeds from issuance of shares	599	514
Redemption of bonds	(10,000)	(10,000)
Proceeds from sale of treasury shares	248	387
Purchase of treasury shares	(3,077)	(2,645)
Dividends paid	(7,759)	(9,923)
Dividends paid to non-controlling interests	(23)	(120)
Proceeds from investments in silent partnerships	—	810
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(5)	—
Net cash provided by (used in) financing activities	59,340	39,747
Effect of exchange rate change on cash and cash	214	369

equivalents		
Net increase (decrease) in cash and cash equivalents	(40,357)	(24,294)
Cash and cash equivalents at beginning of period	70,624	67,793
Cash and cash equivalents at end of period	30,267	43,499

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021), from the beginning of the first three months from April 1 to June 30, 2022. The company has prospectively applied new accounting policies based on the Implementation Guidance on Accounting Standard for Fair Value Measurement, in accordance with the transitional measurement in Article 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement. The impact of application of Implementation Guidance on Accounting Standard for Fair Value Measurement, on consolidated financial statements on the first six months from April 1 to September 30, 2022 is immaterial.

(Segment Information)

【Segment information】

I First six months from April 1 to September 30, 2021

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 Develop- ment	Commercial Real Estate	Overseas Business	Investment Manage- ment	Property Brokerage & CRE	Property & Facility Manage- ment	Subtotal				
Operating revenue											
External customers	98,761	90,751	1,315	6,223	19,287	40,762	257,100	25	257,126	-	257,126
Internal sales and transfer amount among segments	332	970	-	25	1,411	5,871	8,612	2	8,615	(8,615)	-
Subtotal	99,094	91,721	1,315	6,248	20,699	46,634	265,713	28	265,741	(8,615)	257,126
Operating profit (Note) 3	6,121	24,612	(256)	3,725	5,044	3,904	43,151	(96)	43,055	(2,694)	40,360
Share of profit (loss) of entities accounted for using equity method (Note) 3	10	30	(305)	-	-	37	(227)	-	(227)	-	(227)
Amortization of intangible assets associated with corporate acquisitions (Note) 3	-	136	15	159	-	14	326	-	326	-	326
Segment profit or loss (Business profit or loss) (Note) 3	6,131	24,779	(547)	3,885	5,044	3,956	43,250	(96)	43,153	(2,694)	40,458

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

2. The deduction of 2,694 million yen shown in the adjustments column for segment profit or loss (Business profit or loss) includes elimination of intersegment transactions of 1,305 million yen and corporate expenses not allocated to each reportable segment of 4,000 million yen. 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

(Significant impairment loss relating to non-current assets)

(Millions of yen)

	Residential Development	Commercial Real Estate	Overseas Business	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	405	-	-	-	-	405

II First six months from April 1 to September 30, 2022

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 Develop ment	Commercial Real Estate	Overseas Business	Investment Manage ment	Property Brokerage & CRE	Property & Facility Manage ment	Subtotal				
Operating revenue											
External customers	140,799	101,457	1,857	6,732	22,652	41,126	314,625	131	314,756	-	314,756
Internal sales and transfer amount among segments	327	1,173	-	92	1,103	6,601	9,299	2	9,301	(9,301)	-
Subtotal	141,126	102,631	1,857	6,824	23,755	47,727	323,924	133	324,057	(9,301)	314,756
Operating profit (Note) 3	12,740	25,970	(397)	4,038	7,533	4,082	53,969	71	54,040	(5,155)	48,884
Share of profit (loss) of entities accounted for using equity method (Note) 3	(6)	23	3,184	-	-	15	3,217	-	3,217	-	3,217
Amortization of intangible assets associated with corporate acquisitions (Note) 3	7	136	17	169	-	14	346	-	346	-	346
Segment profit or loss (Business profit or loss) (Note) 3	12,742	26,131	2,804	4,208	7,533	4,113	57,533	71	57,604	(5,155)	52,449

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

- The deduction of 5,155 million yen shown in the adjustments column for segment profit or loss (Business profit or loss) includes elimination of intersegment transactions of 744 million yen and corporate expenses not allocated to each reportable segment of 5,900 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.
- 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 three months from April 1 to June 30, 2022, Overseas Business Unit was added as a reportable segment with a review of the organizational structure. The Overseas Business Division of Nomura Real Estate Development Co., Ltd. and overseas subsidiaries, etc., which had been classified under the Other, have been reclassified under the Overseas Business Unit.

The figures by reportable segment for the first six months from April 1 to September 30, 2021 are classified under the new reportable segment.

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	Overseas Business	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	5,855	-	-	-	-	5,855