



Jul. 27, 2023

Consolidated Financial Results
For the Three Months from April 1 to June 30, 2023
<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/>
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 Scheduled submitting date of quarterly securities report : August 9, 2023
 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, 2023 to June 30, 2023

(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, 2023	209,366	4.8	38,485	3.2	38,593	(1.0)	35,471	(2.3)	24,318	(9.7)
Jun. 30, 2022	199,721	36.3	37,289	22.3	38,974	27.7	36,308	30.5	26,933	44.8

(Note) Comprehensive income: From April 1, 2023 to June 30, 2023 : 26,132 million yen (down 15.5%)

From April 1, 2022 to June 30, 2022 : 30,925million yen (up 32.4%)

(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, 2023	139.91	139.60
Jun. 30, 2022	151.54	151.13

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2023	2,100,034	669,690	31.8
Mar. 31, 2023	2,110,693	655,737	31.0

(Reference) Shareholders' equity: As of June 30, 2023 : 667,988 million yen As of March 31, 2023 : 653,307 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, 2023	-	55.00	-	65.00	120.00
Fiscal year ending Mar. 31, 2024	-				
Fiscal year ending Mar. 31, 2024 (Forecasts)		65.00	-	65.00	130.00

(Note) Revision of dividend forecasts during this quarter: No

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2023 to March 31, 2024

(% 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, 2024	750,000	14.5	103,000	3.4	109,000	3.6	94,000	(0.1)	65,000	0.7	373.34

(Note) Revision of operating results forecasts during this quarter: No

*** 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
	2023	2023
1) Number of shares issued at end of period (including treasury shares)	183,034,937	182,938,437
2) Treasury shares at end of period	9,009,451	9,015,395
	From April 1 to June 30, 2023	From April 1 to June 30, 2022
3) Average number of shares outstanding during the period	173,823,908	177,727,147

(Note) The number of treasury shares at end of each period includes the shares of Nomura Real Estate Holdings, Inc. (the “Company”) owned by BIP (Board Incentive Plan) trust and ESOP (Employee Stock Ownership Plan) trust (3,272,013 shares as of June 30, 2023 and 3,553,057 shares as of March 31, 2023). 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 (3,482,516 shares from April 1 to June 30, 2023 and 2,474,105 shares from April 1 to June 30, 2022).

* 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 27, 2023 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, 2023: Operating revenue of 209,366 million yen, which represents an increase of 9,645 million yen, or 4.8% year on year; operating profit of 38,485 million yen, an increase of 1,196 million yen, or 3.2%; business profit of 38,593 million yen, a decrease of 381 million yen, or 1.0%; ordinary profit of 35,471 million yen, a decrease of 836 million yen, or 2.3%; and profit attributable to owners of parent of 24,318 million yen, a decrease of 2,614 million yen, or 9.7%.

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

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, 2023, the merger has been carried out with PRIME X Co., Ltd. being the surviving company and Musashi Co., Ltd.

<Residential Development Business Unit>

Operating revenue in this Business Unit totaled 107,208 million yen, which represents an increase of 15,833 million yen, or 17.3% year on year, and business profit totaled 17,102 million yen, an increase of 6,984 million yen, or 69.0%, resulting in increases in both operating revenue and business profit compared with the financial results of the three months ended June 30, 2022.

This was mainly due to an improvement in gross profit ratio of housing sales and an increase in revenue from property sales of rental housing.

In regard to housing sales, 1,372 units were recorded as sales (a decrease of 6 units year on year) against the planned 4,500 units for this fiscal year. The contract progress rate was 83.4% as of 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 3,099 units as of the end of this first quarter (a decrease of 227 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, 2022		First three months ended Jun. 30, 2023		Fiscal year ended Mar. 31, 2023	
		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	1,039 units	69,093	1,203 units	76,155	2,718 units	199,905
	Kansai area	21 units	1,002	62 units	3,844	650 units	34,730
	Other	317 units	16,067	106 units	4,755	773 units	39,025
	Subtotal (Detached housing)	1,378 units (156 units)	86,164 (11,175)	1,372 units (147 units)	84,756 (11,149)	4,142 units (353 units)	273,662 (25,186)
Rental housing (Note)		-	490	-	13,583	-	8,603
Senior / Other		-	4,720	-	8,868	-	20,214
Total		-	91,374	-	107,208	-	302,480

(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, 2022	As of Jun. 30, 2023	As of March 31, 2023
Tokyo metropolitan area	111 units	134 units	119 units
Kansai area	2 units	22 units	43 units
Other	89 units	71 units	60 units
Total	202 units	227 units	222 units
(Detached housing)	(3 units)	(2 units)	(0 unit)

Housing sales Period-end completed housing inventory (unreleased)

	As of Jun. 30, 2022	As of Jun. 30, 2023	As of March 31, 2023
Total	215 units	227 units	199 units
(Detached housing)	(0 units)	(0 unit)	(0 unit)

Housing sales Contracted but not recorded as housing sales

	As of Jun. 30, 2022		As of Jun. 30, 2023		As of March 31, 2023	
	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	2,418 units	189,245	2,180 units	211,439	2,968 units	251,819
Kansai area	532 units	28,200	428 units	23,347	421 units	23,501
Other	375 units	19,374	490 units	23,862	429 units	21,090
Total	3,326 units	236,819	3,099 units	258,649	3,819 units	296,411
(Detached housing)	(142 units)	(9,547)	(101 units)	(8,510)	(205 units)	(15,810)

<Commercial Real Estate Business Unit>

Operating revenue in this Business Unit totaled 66,788 million yen, which represents a decrease of 8,442 million yen, or 11.2% year on year, and business profit totaled 16,881 million yen, a decrease of 5,237 million yen, or 23.7%, resulting in decreases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2022. This was mainly due to a decrease in revenue from property sales.

Breakdown of operating revenue

	First three months ended Jun. 30, 2022 (Millions of yen)	First three months ended Jun. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Leasing (offices)	10,652	9,460	41,191
Leasing (retail facilities)	3,969	4,025	16,195
Leasing (other)	831	802	3,323
Property for sales (sale) (Note)	50,538	41,377	97,471
Property for sales (leasing) (Note)	3,698	4,444	16,786
Fitness	3,670	3,830	15,040
Other	1,870	2,848	9,301
Total	75,231	66,788	199,309

(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 Jun. 30, 2022	As of Jun. 30, 2023	As of March 31, 2023
Offices	635,797 m ²	535,650 m ²	538,982 m ²
Retail facilities	157,996 m ²	158,137 m ²	158,102 m ²
Total	793,793 m ²	693,788 m ²	697,085 m ²

Vacancy rate (offices and retail facilities)

As of Jun. 30, 2022	As of Jun. 30, 2023	As of March 31, 2023
6.9%	4.6%	4.8%

<Overseas Business Unit>

Operating revenue in this Business Unit totaled 1,013 million yen, which represents an increase of 97 million yen, or 10.6% year on year, and business loss totaled 490 million yen (business profit of the first three months ended June 30, 2022 was 1,536 million yen), resulting in an increase in operating revenue and a decrease in business profit compared with the financial results of the first three months ended June 30, 2022. Share of loss of entities accounted for using equity method included in the business loss in this Business Unit was 139 million yen.

Breakdown of operating revenue

	First three months ended Jun. 30, 2022 (Millions of yen)	First three months ended Jun. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Housing sales	705	794	5,876
Leasing	166	78	657
Other	45	141	235
Total	916	1,013	6,770

<Investment Management Business Unit>

Operating revenue in this Business Unit totaled 4,105 million yen, which represents an increase of 276 million yen, or 7.2% year on year, and business profit totaled 2,777 million yen, an increase of 228 million yen, or 8.9%, resulting in increases in both operating revenue and business profit compared with the financial results of the first three months ended June 30, 2022.

	First three months ended Jun. 30, 2022 (Millions of yen)	First three months ended Jun. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Operating revenue	3,828	4,105	13,632

Assets under management

		As of Jun. 30, 2022 (Millions of yen)	As of Jun. 30, 2023 (Millions of yen)	As of Mar. 31, 2023 (Millions of yen)
Domestic asset manager	REITs	1,449,716	1,504,749	1,465,984
	Private funds, etc. (Note)	248,174	183,612	252,957
Overseas asset manager		345,675	243,273	238,735
Total		2,043,566	1,931,635	1,957,676

(Note) Private funds, etc. include assets under management of Nomura Real Asset Investment Co., Ltd. based on the Company's equity stake. The assets under management of Nomura Real Asset Investment Co., Ltd. totaled 94,300 million yen as of the end of this first quarter.

<Property Brokerage & CRE Business Unit>

Operating revenue in this Business Unit totaled 11,089 million yen, which represents an increase of 340 million yen, or 3.2% year on year, and business profit totaled 2,792 million yen, a decrease of 279 million yen, or 9.1%, resulting in an increase in operating revenue and a decrease in business profit compared with the financial results of the first three months ended June 30, 2022.

Breakdown of operating revenue

	First three months ended Jun. 30, 2022 (Millions of yen)	First three months ended Jun. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Property brokerage	9,777	10,682	45,257
(retail business)	(6,021)	(6,177)	(24,071)
(middle business)	(1,714)	(3,062)	(9,613)
(wholesale business)	(2,041)	(1,442)	(11,571)
Other	971	406	2,442
Total	10,748	11,089	47,700

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 three months ended Jun. 30, 2022	First three months ended Jun. 30, 2023	Fiscal year ended Mar. 31, 2023
Number of transactions	2,466	2,469	9,985
Total transaction value (Millions of yen)	222,079	275,374	1,060,313

<Property & Facility Management Business Unit>

Operating revenue in this Business Unit totaled 22,546 million yen, which represents an increase of 1,263 million yen, or 5.9% year on year, and business profit totaled 1,349 million yen, a decrease of 42 million yen, or 3.0%, resulting in an increase in operating revenue and a decrease in business profit compared with the financial results of the first three months ended June 30, 2022.

Breakdown of operating revenue

	First three months ended Jun. 30, 2022 (Millions of yen)	First three months ended Jun. 30, 2023 (Millions of yen)	Fiscal year ended Mar. 31, 2023 (Millions of yen)
Property & facility management	14,528	14,958	59,502
Construction ordered	5,359	6,129	39,875
Other	1,394	1,458	6,096
Total	21,283	22,546	105,474

Number of properties under management

	As of Jun. 30, 2022	As of Jun. 30, 2023	As of Mar. 31, 2023
Buildings under management	786	783	782
Condominiums under management (unit)	187,593	190,476	189,574

<Other>

Operating revenue totaled 67 million yen which represents an increase of 2 million yen, or 3.1% year on year, and business profit totaled 46 million yen, which represents an increase of 6 million yen, or 15.8% year on year.

(2) Financial Position

	As of March 31, 2023 (Millions of yen)	As of Jun. 30, 2023 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	2,110,693	2,100,034	(10,658)	(0.5%)
Total liabilities	1,454,956	1,430,344	(24,612)	(1.7%)
Net assets	655,737	669,690	13,953	2.1%
Shareholders' equity ratio	31.0%	31.8%	-	-

Total assets were 2,100,034 million yen, which represents a decrease of 10,658 million yen compared to the end of the previous fiscal year. This was mainly because inventories decreased by 31,302 million yen, while investment securities increased by 23,208 million yen.

Total liabilities were 1,430,344 million yen, which represents a decrease of 24,612 million yen compared to the end of the previous fiscal year. This was mainly because notes and accounts payable - trade decreased by 30,533 million yen, while interest-bearing debt increased by 8,290 million yen.

Net assets were 669,690 million yen, which represents an increase of 13,953 million yen compared to the end of the previous fiscal year. This was mainly because retained earnings increased by 12,783 million yen and valuation difference on available-for-sale securities increased by 2,763 million yen.

The shareholders' equity ratio was 31.8 %, an increase 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 38,053 million yen, which represents an increase of 10,283 million yen compared to the end of the previous fiscal year.

Net cash provided by (used in) operating activities increased by 37,683 million yen (a year-on-year increase of 79,146 million yen). This was mainly due to the recording of profit before income taxes of 35,256 million yen and a decrease in inventories, despite an increase in trade payables.

Net cash provided by (used in) investing activities decreased by 23,382 million yen (a year-on-year decrease of 2,330 million yen). This was mainly due to the purchase of investment securities and the purchase of property, plant and equipment and intangible assets.

Net cash provided by (used in) financing activities decreased by 4,215 million yen (a year-on-year decrease of 26,888 million yen). This was mainly due to redemption of bonds and repayments of short-term borrowings, despite the fund procurement by the issuance of commercial papers.

(3) Consolidated Operating Result Forecasts

No change in the consolidated operating result forecast which was announced on April 26, 2023.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	29,063	39,045
Notes and accounts receivable - trade, and contract assets	40,890	17,613
Real estate for sale	447,194	419,791
Real estate for sale in process	368,384	363,538
Land held for development	182,714	183,406
Equity investments	32,320	33,029
Other	81,751	90,259
Allowance for doubtful accounts	△14	△14
Total current assets	1,182,306	1,146,671
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	182,634	178,990
Land	477,013	477,242
Other, net	46,824	55,161
Total property, plant and equipment	706,472	711,394
Intangible assets	20,384	20,665
Investments and other assets		
Investment securities	142,031	165,240
Leasehold and guarantee deposits	31,763	31,987
Deferred tax assets	18,756	17,484
Other	8,979	6,590
Allowance for doubtful accounts	△0	△0
Total investments and other assets	201,529	221,303
Total non-current assets	928,387	953,363
Total assets	2,110,693	2,100,034

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	65,805	35,272
Short-term borrowings	117,864	103,135
Commercial papers	—	27,000
Current portion of bonds payable	20,000	—
Income taxes payable	13,278	8,196
Deposits received	19,686	24,768
Provision for bonuses	11,204	5,242
Provision for bonuses for directors (and other officers)	600	127
Provision for loss on business liquidation	4	3
Other	79,385	74,361
Total current liabilities	327,829	278,108
Non-current liabilities		
Bonds payable	130,000	130,000
Long-term borrowings	853,684	869,703
Leasehold and guarantee deposits received	58,444	58,882
Deferred tax liabilities	45,829	47,738
Deferred tax liabilities for land revaluation	3,903	3,903
Provision for share awards	4,300	4,560
Retirement benefit liability	15,115	15,120
Other	15,849	22,327
Total non-current liabilities	1,127,127	1,152,235
Total liabilities	1,454,956	1,430,344
Net assets		
Shareholders' equity		
Share capital	119,054	119,188
Capital surplus	115,444	115,476
Retained earnings	427,064	439,847
Treasury shares	△25,456	△25,501
Total shareholders' equity	636,107	649,010
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,755	8,518
Deferred gains or losses on hedges	40	△3,493
Revaluation reserve for land	7,868	7,868
Foreign currency translation adjustment	3,348	5,765
Remeasurements of defined benefit plans	186	319
Total accumulated other comprehensive income	17,199	18,978
Share acquisition rights	658	574
Non-controlling interests	1,772	1,127
Total net assets	655,737	669,690
Total liabilities and net assets	2,110,693	2,100,034

(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, 2023)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Operating revenue	199,721	209,366
Operating costs	132,657	139,965
Operating gross profit	67,063	69,401
Selling, general and administrative expenses	29,774	30,915
Operating profit	37,289	38,485
Non-operating income		
Interest income	17	38
Dividend income	26	52
Share of profit of entities accounted for using equity method	1,514	—
Other	144	337
Total non-operating income	1,702	428
Non-operating expenses		
Interest expenses	2,338	3,155
Share of loss of entities accounted for using equity method	—	59
Other	345	228
Total non-operating expenses	2,684	3,443
Ordinary profit	36,308	35,471
Extraordinary losses		
Impairment losses	—	164
Loss on building reconstruction	—	50
Total extraordinary losses	—	214
Profit before income taxes	36,308	35,256
Income taxes - current	7,810	8,221
Income taxes - deferred	1,544	2,689
Total income taxes	9,355	10,910
Profit	26,952	24,345
Profit attributable to non-controlling interests	19	26
Profit attributable to owners of parent	26,933	24,318

(Quarterly Consolidated Statements of Comprehensive Income for the First Three Months from April 1 to June 30, 2023)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	26,952	24,345
Other comprehensive income		
Valuation difference on available-for-sale securities	1,353	2,763
Deferred gains or losses on hedges	850	△3,534
Revaluation reserve for land	△0	△0
Foreign currency translation adjustment	951	516
Remeasurements of defined benefit plans, net of tax	132	132
Share of other comprehensive income of entities accounted for using equity method	685	1,909
Total other comprehensive income	3,973	1,787
Comprehensive income	30,925	26,132
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,843	26,097
Comprehensive income attributable to non-controlling interests	82	35

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	36,308	35,256
Depreciation	4,989	5,055
Impairment losses	—	164
Share of loss (profit) of entities accounted for using equity method	△1,514	59
Increase (decrease) in allowance for doubtful accounts	△0	—
Increase (decrease) in provision for loss on business liquidation	△0	△0
Increase (decrease) in retirement benefit liability	112	4
Interest and dividend income	△44	△91
Interest expenses	2,338	3,155
Decrease (increase) in trade receivables	5,445	23,292
Decrease (increase) in inventories	6,639	31,302
Decrease (increase) in equity investments	△5,901	△594
Increase (decrease) in trade payables	△34,766	△30,560
Increase (decrease) in deposits received	△9,116	5,082
Other, net	△18,311	△12,996
Subtotal	△13,821	59,130
Interest and dividends received	59	86
Interest paid	△1,658	△2,071
Income taxes paid	△26,043	△19,461
Net cash provided by (used in) operating activities	△41,463	37,683
Cash flows from investing activities		
Purchase of investment securities	△1,840	△13,354
Purchase of property, plant and equipment and intangible assets	△19,178	△10,900
Proceeds from sale of property, plant and equipment and intangible assets	26	17
Payments of leasehold and guarantee deposits	△367	△838
Proceeds from refund of leasehold and guarantee deposits	609	968
Repayments of lease and guarantee deposits received	△2,246	△717
Proceeds from lease and guarantee deposits received	1,691	1,108
Other, net	253	334
Net cash provided by (used in) investing activities	△21,052	△23,382

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△2,000	△13,765
Repayments of finance lease liabilities	△65	△15
Net increase (decrease) in commercial papers	29,000	27,000
Proceeds from long-term borrowings	16,774	24,458
Repayments of long-term borrowings	△10,500	△9,487
Proceeds from issuance of shares	243	175
Redemption of bonds	—	△20,000
Proceeds from sale of treasury shares	387	726
Purchase of treasury shares	△1,122	△831
Dividends paid	△9,923	△11,535
Dividends paid to non-controlling interests	△120	△38
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	△900
Net cash provided by (used in) financing activities	22,673	△4,215
Effect of exchange rate change on cash and cash equivalents	155	197
Net increase (decrease) in cash and cash equivalents	△39,686	10,283
Cash and cash equivalents at beginning of period	67,793	27,770
Cash and cash equivalents at end of period	28,106	38,053

(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, 2022

1. Information regarding sales, gains or losses, by reportable segment

	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	91,198	74,619	916	3,783	10,231	18,908	199,657	64	199,721	-	199,721
Internal sales and transfer amount among segments	176	612	-	45	517	2,374	3,726	0	3,727	(3,727)	-
Subtotal	91,374	75,231	916	3,828	10,748	21,283	203,383	65	203,448	(3,727)	199,721
Operating profit (Note) 3	10,121	22,026	56	2,466	3,072	1,357	39,101	39	39,141	(1,851)	37,289
Share of profit (loss) of entities accounted for using equity method (Note) 3	(7)	23	1,471	-	-	26	1,514	-	1,514	-	1,514
Amortization of intangible assets associated with corporate acquisitions (Note) 3	3	68	8	82	-	7	170	-	170	-	170
Segment profit or loss (Business profit or loss) (Note) 3	10,118	22,118	1,536	2,549	3,072	1,391	40,786	39	40,826	(1,851)	38,974

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

2. The deduction of 1,851 million yen shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of 787 million yen and a deduction of 2,639 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

(Significant impairment loss relating to non-current assets) Not applicable

II First three months from April 1 to June 30, 2023

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 consolidate d 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	106,948	66,179	1,013	4,080	10,766	20,311	209,300	66	209,366	-	209,366
Internal sales and transfer amount among segments	260	608	-	24	323	2,235	3,452	1	3,453	(3,453)	-
Subtotal	107,208	66,788	1,013	4,105	11,089	22,546	212,753	67	212,820	(3,453)	209,366
Operating profit (Note) 3	17,088	16,778	(360)	2,693	2,792	1,313	40,305	46	40,351	(1,865)	38,485
Share of profit (loss) of entities accounted for using equity method (Note) 3	10	34	(139)	(1)	-	35	(59)	-	(59)	-	(59)
Amortization of intangible assets associated with corporate acquisitions (Note) 3	3	68	9	85	-	-	167	-	167	-	167
Segment profit or loss (Business profit or loss) (Note) 3	17,102	16,881	(490)	2,777	2,792	1,349	40,413	46	40,459	(1,865)	38,593

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

2. The deduction of 1,865 million yen shown in the adjustments column for segment profit or loss (business profit or loss) includes elimination of intersegment transactions of 976 million yen and a deduction of 2,842 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

(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	-	164	-	-	-	-	164