January 30, 2015

Outline of Consolidated Financial Statements

For the Nine Months from April 1 to December 31, 2014

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 :	Kamezo Nakai, President
IR contact :	Daisuke Kitai, General Manager of Corporate Communications & Investor Relations Dept.
	info@nomura-re-hd.com
Scheduled submitting date of quarterly securities report:	February 13, 2015
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)

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.

(Values of less than one million yen rounded off.)

I. Consolidated Operating Results for the Nine Months from April 1 to December 31, 2014

(1) Consolidated business results

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

	Operating revenue		Operating income		Ordinary income		Net income	
First nine months	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2014	352,575	(9.8)	40,421	(31.0)	33,565	(33.3)	16,676	(33.7)
FY2013	391,006	24.4	58,563	80.1	50,337	107.1	25,137	109.3

(Note) Comprehensive income: From April 1 to December 31, 2014 ¥24,930 million (4.3%)
From April 1 to December 31, 2013 ¥23,911 million (63.5%)

	Net income per share	Net income per share after adjusting for dilution
First nine months	yen	yen
FY2014	87.33	87.02
FY2013	131.78	131.33

(2) Consolidated financial status

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
Dec. 31, 2014	1,348,403	436,429	27.6
Mar. 31, 2014	1,313,887	418,697	27.1

(Reference) Shareholders' equity: At December 31, 2014 ¥371,767 million At March 31, 2014 ¥355,680 million

II. Dividends

	Dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
FY2013	—	15.00	—	20.00	35.00
FY2014	—	20.00	—		
FY2014 (Forecast)				20.00	40.00

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

III. Forecasts of Consolidated Operating Results for the Fiscal Year from April 1, 2014 to March 31, 2015

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

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2014	560,000	5.3	65,000	(12.5)	55,000	(14.1)	29,000	8.0	151.85

(Note) Revision of operating result 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, 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) Please refer to the Appendix P.7 "2. Summary Information (Notes), (2) Changes in Accounting Policies, Accounting Estimates, and Restatements" for more details.

(4) Number of shares issued (common stock)

	At December 31	At March 31
	2014	2014
1) Number of shares outstanding (including treasury shares)	191,030,100	190,906,800
2) Treasury shares	1,206	1,206

	From April 1 to December 31	From April 1 to December 31
	2014	2013
3) Average number of shares during the term	190,955,401	190,759,031

* Implementation status of quarterly auditing procedure

The financial summary and the accompanying materials including the consolidated financial statements are not subject to the quarterly review procedure by external auditors that are based on Financial Instruments and Exchange Act. The quarterly review procedure accordance with the Financial Instruments and Exchange Act is not completed at the point of release of this financial summary.

* Use of earnings forecasts and other special remarks

(Forward-looking statements)

Certain statements other than historical facts in this document are forward-looking statements that reflect the company's plans and estimates based on currently available information. The Company has no intention to promise the accomplishment of the forecasts. These statements include known and unknown risks, uncertainties, and other factors that may cause the company's actual future performance to differ from the forward-looking statements contained herewith. For the consolidated operating result forecasts, please refer to the Appendix P.6 "1. Qualitative Information (3) Consolidated Operating Result Forecasts."

(How to obtain fact sheets)

The fact sheets will be disclosed on TDnet on January 30, 2015 and will be uploaded on the Company's website.

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1. Qualitative Information

(1) Business Results

The Nomura Real Estate Group posted the following consolidated performance for the current third quarter: Operating revenue of 352,575 million yen, which represents a decrease of 38,430 million yen, or 9.8% year on year; operating income of 40,421 million yen, a decrease of 18,142 million yen, or 31.0%; ordinary income of 33,565 million yen, a decrease of 16,771 million yen, or 33.3%; and net income of 16,676 million yen, a decrease of 8,460 million yen, or 33.7%.

An overview of segment achievements is given below:

Operating revenue for each segment includes internal sales and transfer amount among segments. Due to the rounding of fractions, total figures may not match.

From the second quarter, a partial revision in the method of allocating costs to each segment of the Company has been incorporated to enhance the management of each segment. The residential leasing business has also been transferred from the Residential Development Business Segment to the Leasing Business Segment to facilitate comprehensive strategic judgment regarding the Company's leasing asset portfolio. The results of the third quarter and full year of the previous fiscal year were calculated in line with the newly adopted method of cost allocation and segment classification.

<Residential Development Business Segment>

Operating revenue in this segment totaled 205,802 million yen, which represents a decrease of 23,098 million yen, or 10.1% year on year, and operating income was 15,716 million yen, a decrease of 9,124 million yen, or 36.7%. This was mainly due to the fact that the number of housing units sold and profitability have decreased year on year in housing sales sector.

Housing sales have remained strong, and we posted the sale of 4,232 units (a decrease of 354 units year on year), including PROUD Fuchu Marks (Fuchu-shi, Tokyo), PROUD Omiya (Omiya-ku, Saitama-shi, Saitama), OHANA Fujimino-Uenodai Blossom (Fujimino-shi, Saitama), PROUD Yagoto-Fujimi (Showa-ku, Nagoya-shi, Aichi) for condominiums, and PROUD SEASON Hanakoganei Garden Terrace (Kodaira-shi, Tokyo) for detached houses.

The number of sold but not recorded housing units totaled 6,248 units as of the end of the current third quarter (a decrease of 260 units over the end of the previous third quarter).

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

Breakdown of operating revenue

		FY2013 3Q		FY2014 3Q		FY2013	
		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	3,515 units	176,476	3,585 units	172,088	4,723 units	236,853
	Kansai area	714 units	27,398	305 units	11,494	930 units	35,143
	Other	356 units	16,294	342 units	14,567	555 units	23,925
	Subtotal (Detached houses)	4,586 units (481 units)	220,168 (25,617)	4,232 units (445 units)	198,151 (25,101)	6,209 units (718 units)	295,923 (37,748)
Other			8,733		7,651		11,702
Total			228,901		205,802		307,625

Housing sales　Period-end completed housing inventories

	As of December 31, 2013	As of December 31, 2014	As of March 31, 2014
Tokyo metropolitan area	49 units	108 units	31 units
Kansai area	2 units	3 units	-
Other	-	-	-
Total (Detached houses)	51 units (13 units)	111 units (23 units)	31 units (5 units)

Housing sales　Sold but not recorded housing units

	As of December 31, 2013		As of December 31, 2014		As of March 31, 2014	
	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	5,106 units	274,803	4,705 units	264,803	4,995 units	270,318
Kansai area	762 units	27,159	1,047 units	41,366	697 units	25,429
Other	638 units	26,264	495 units	21,736	495 units	20,896
Total (Detached houses)	6,508 units (275 units)	328,227 (14,131)	6,248 units (311 units)	327,905 (19,342)	6,189 units (185 units)	316,643 (9,431)

<Leasing Business Segment >

Operating revenue in this segment totaled 67,030 million yen, which represents a decrease of 3,549 million yen, or 5.0% year on year, and operating income totaled 17,584 million yen, a decrease of 3,312 million yen, or 15.9%. This was mainly due to a decrease in the sale of properties in property development sector, and a partial moving-out of a tenant from the Hamamatsucho Building (Mianto-ku, Tokyo) to the LAZONA Kawasaki Toshiba Building (Saiwai-ku, Kawasaki-shi, Kanagawa), which started operation in the third quarter of the previous fiscal year in the leasing sector.

In leasing business sector, NREG Kawasaki Logistics Center (Kawasaki-ku, Kawasaki-shi, Kanagawa) which completed in the previous fiscal year contributed to income. In property development sector, we posted the sale of PMO Kanda-Tsukasamachi (Chiyoda-ku, Tokyo).

Breakdown of operating revenue

	FY2013 3Q (Millions of yen)	FY2014 3Q (Millions of yen)	FY2013 (Millions of yen)
Leasing (offices)	35,873	34,387	48,131
Leasing (retail facilities)	7,862	7,766	10,544
Leasing (other)	3,857	4,152	5,151
Property development	14,631	10,101	25,608
Other	8,355	10,622	10,429
Total	70,579	67,030	99,866

(Note) Operating revenue of the residential leasing business which was transferred from the Residential Development Business Segment is allocated to "Property development."

Rentable area

	As of December 31, 2013	As of December 31, 2014	As of March 31, 2014
Offices	814,683 ㎡	827,025 ㎡	748,596 ㎡
Retail facilities	106,601 ㎡	106,580 ㎡	106,601 ㎡
Total	921,283 ㎡	933,604 ㎡	855,197 ㎡

Vacancy rate (offices and retail facilities)

As of December 31, 2013	As of December 31, 2014	As of March 31, 2014
2.9%	6.9%	2.9%

<Investment Management Business Segment>

Operating revenue in this segment totaled 6,877 million yen, which represents a decrease of 8,825 million yen, or 56.2% year on year, and operating income totaled 3,493 million yen, a decrease of 3,919 million yen, or 52.9%. This was mainly due to the recording of asset acquisition fee paid by Nomura Real Estate Master Fund, Inc. and income through the sale of SPC's property in the third quarter of the previous fiscal year.

	FY2013 3Q (Millions of yen)	FY2014 3Q (Millions of yen)	FY2013 (Millions of yen)
Operating revenue	15,702	6,877	18,326

Assets under management

	As of December 31, 2013 (Millions of yen)	As of December 31, 2014 (Millions of yen)	As of March 31, 2014 (Millions of yen)
REITs	901,478	982,554	941,385
Private funds, etc.	180,776	122,153	190,861
Total	1,082,255	1,104,707	1,132,246

<Property Brokerage & CRE Business Segment>

Operating revenue in this segment totaled 19,242 million yen, which represents a decrease of 1,086 million yen, or 5.3% year on year, operating income totaled 3,767 million yen, a decrease of 1,415 million yen, or 27.3%. This was mainly due to a decrease in the number of transactions and total transaction value in property brokerage.

In wholesale operations, we established a representative office in Hong Kong in October 2014 in order to address the needs of foreign investors to invest in Japanese real estate. In retail operations, we opened the following new branch stores: Kitasenju Center (Adachi-ku, Tokyo) in April 2014, Nishi-Kasai Center (Edogawa-ku, Tokyo) in July 2014, Musashi-Urawa Center (Saitama-shi, Saitama) in October 2014, and Toyosu Center (Koto-ku, Tokyo) and Sangenjaya Center (Setagaya-ku, Tokyo) in November 2014.

Breakdown of operating revenue

	FY2013 3Q (Millions of yen)	FY2014 3Q (Millions of yen)	FY2013 (Millions of yen)
Property brokerage	17,188	16,501	24,520
Other	3,140	2,741	4,647
Total	20,329	19,242	29,168

Number of transactions and total transaction value of property brokerage

	FY2013 3Q	FY2014 3Q	FY2013
Number of transactions	5,411	5,003	7,437
Total transaction value (Millions of yen)	449,140	437,598	672,774

<Property & Facility Management Business Segment>

Operating revenue in this segment totaled 51,254 million yen, which represents an increase of 1,267 million yen, or 2.5%year on year, and operating income totaled 3,474 million yen, an increase of 231 million yen, or 7.1%.

Due to the merger of Nomura Building Management Co., Ltd. and Nomura Living Support Co., Ltd. on April 1, 2014, the breakdown of operating revenue for this segment has been changed from "Building management" and "Housing management" to "Property & facility management" and "Construction ordered" since the first quarter of the current fiscal year. In line with this change, the figures for the third quarter and full-year results of the previous fiscal year are classified under the new classification.

Breakdown of operating revenue

	FY2013 3Q (Millions of yen)	FY2014 3Q (Millions of yen)	FY2013 (Millions of yen)
Property & facility management	37,783	38,252	50,967
Construction ordered	12,203	13,002	21,183
Total	49,987	51,254	72,150

Number of properties under management

	As of December 31, 2013	As of December 31, 2014	As of March 31, 2014
Buildings under management	711	733	703
Condominiums under management (unit)	145,967	153,438	147,516

<Other Business Segment>

Operating revenue in this segment totaled 12,000 million yen, which represents a decrease of 1,891 million yen, or 13.6% year on year, and operating income totaled 29 million yen, a decrease of 403 million yen, or 93.1%. This was mainly due to a decrease in the sale of assets owned by a sector other than the fitness club business.

In the fitness club business sector, we newly opened Dayos24 Unoki-Ekimae (Ota-ku, Tokyo) in June 2014 and Dayos24 Idogaya (Minami-ku, Yokohama-shi, Kanagawa) in October 2014.

	FY2013 3Q (Millions of yen)	FY2014 3Q (Millions of yen)	FY2013 (Millions of yen)
Operating revenue	13,891	12,000	18,640

(2) Financial Position

	As of March 31, 2014 (Millions of yen)	As of December 31, 2014 (Millions of yen)	Changes (Millions of yen)	Changes (%)
Total assets	1,313,887	1,348,403	34,516	2.6
Total liabilities	895,190	911,974	16,783	1.9
Net assets	418,697	436,429	17,732	4.2
Shareholders' equity ratio	27.1%	27.6%	-	-

Total assets totaled 1,348,403 million yen, an increase of 34,516 million yen from the end of the previous fiscal year. This was mostly due to an increase in inventories including real estate for sale (increased by 50,185 million yen), while short-term investment securities decreased (decreased by 22,500 million yen).

Total liabilities totaled 911,974 million yen, an increase of 16,783 million yen from the end of the previous fiscal year. This was mainly due to an increase in short-term loans payable (increased by 39,516 million yen), while long-term loans payable decreased (decreased by 21,800 million yen).

Net assets totaled 436,429 million yen, an increase of 17,732 million yen from the end of the previous fiscal year. This was due mainly to an increase in retained earnings (increased by 9,316 million yen) and valuation difference on available-for-sale securities (increased by 6,579 million yen).

The shareholders' equity ratio was 27.6%, an increase of 0.5 points from the end of the previous fiscal year.

(Cash Flows)

Cash and cash equivalents as of the end of the current third quarter totaled 39,766 million yen, which represents a decrease of 28,215 million yen from the end of the previous fiscal year.

Net cash provided by (used in) operating activities decreased by 16,290 million yen, a decrease of 68,991 million yen year on year. This was due mainly to an increase in inventories.

Net cash provided by (used in) investment activities decreased by 33,567 million yen, a decrease of 12,610 million yen year on year. This mainly reflected the purchase of property, plant and equipment and intangible assets.

Net cash provided by (used in) financing activities increased by 21,605 million yen, an increase of 77,738 million yen year on year. This was due mainly to funding through short-term loans payable, while long-term loans payable were paid back.

(3) Consolidated Operating Result Forecasts

There is no change in the consolidated operating result forecasts announced on October 30, 2014.

2. Summary Information (Notes)

(1) Transfer of Important Subsidiaries during the Current Cumulative Third Quarter

There were no applicable subsidiaries.

However, along with the Company's plans for commercialization utilizing land owned by Yokohama Mirai 46 Tokutei Mokuteki Kaisha, the Company included it in the scope of consolidation from the second quarter. Please see the Notice of Transfer of Subsidiary (Consolidation of a Special Purpose Company) released on October 30, 2014 for more details.

(2) Changes in Accounting Policies, Accounting Estimates, and Restatements

Changes in Accounting Policies

(Adoption of Accounting Standards for Retirement Benefits)

The Group has applied the "Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No.26 issued May, 17 2012; hereinafter "Retirement Benefits Accounting Standards") and "Guidance on Accounting Standards for Retirement Benefits" (ASBJ Guidance No.25 issued May, 17 2012; hereinafter "Guidance") from the first quarter of the current fiscal year. In accordance with the provisions stipulated in the main clause of Article 35 of the Retirement Benefits Accounting Standards and in the main clause of Article 67 of the Guidance, the Group reviewed the method of calculation for retirement benefit liabilities and service costs, and changed the method of attributing expected amount of retirement benefits to accounting periods from a straight-line attribution standard to a benefit formula, and changed the method of calculating discount rate from the use of the expected average remaining service years for employees to use of a single weighted average discount rate .

Adoption of the accounting standards for retirement benefits and Guidance is subject to the transitional treatment stipulated by Article 37 of the Retirement Benefits Accounting Standards, and the amount of financial impact at the beginning of the cumulative third quarter ended December 31, 2014 as a result of the adoption of the new calculation method for retirement benefit liabilities and service costs is added to/ removed from retained earnings.

As a result, retirement benefit liabilities at the beginning of the cumulative third quarter decreased by 2,445 million yen and retained earnings increased by 1,571 million yen. Consequently, operating income, ordinary income, and income before income taxes and minority interest in the cumulative third quarter each increased by 97 million yen.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

Assets	資産の部	FY2013 (As of March 31, 2014)	FY2014 3Q (As of December 31, 2014)
Current Assets:	流動資産合計	496,978	515,323
Cash and deposits	現金及び預金	45,484	39,768
Notes and accounts receivable-trade	受取手形及び売掛金	14,770	11,567
Short-term investment securities	有価証券	22,500	―
Real estate for sale	販売用不動産	45,047	66,335
Real estate for sale in process	仕掛販売用不動産	217,838	228,500
Land held for development	開発用不動産	85,974	103,935
Equity investments	営業エクイティ投資	7,128	6,577
Deferred tax assets	繰延税金資産	7,384	5,235
Other	その他	51,025	53,444
Allowance for doubtful accounts	貸倒引当金	(177)	(41)
Noncurrent Assets:	固定資産合計	816,909	833,080
Property, plant and equipment	有形固定資産合計	716,093	737,444
Buildings and structures, net	建物及び構築物(純額)	242,176	238,082
Land	土地	467,610	492,283
Other, net	その他(純額)	6,306	7,078
Intangible assets	無形固定資産合計	9,382	10,208
Investments and other assets	投資その他の資産合計	91,433	85,427
Investment securities	投資有価証券	47,630	45,943
Lease and guarantee deposits	敷金及び保証金	19,223	20,200
Deferred tax assets	繰延税金資産	21,860	16,418
Other	その他	2,720	2,866
Allowance for doubtful accounts	貸倒引当金	(1)	(1)
Total Assets	資産合計	1,313,887	1,348,403

(Millions of yen)

Liabilities	負債の部	FY2013 (As of March 31, 2014)	FY2014 3Q (As of December 31, 2014)
Current Liabilities :	流動負債合計	288,094	321,098
Notes and accounts payable-trade	支払手形及び買掛金	37,629	32,868
Short-term loans payable	短期借入金	152,683	192,200
Commercial papers	コマーシャル・ペーパー	—	12,000
Current portion of bonds	1年内償還予定の社債	10,000	—
Income taxes payable	未払法人税等	8,091	4,035
Deposits received	預り金	9,175	16,309
Deferred tax liabilities	繰延税金負債	148	262
Provision for bonuses	賞与引当金	6,087	3,133
Provision for directors' bonuses	役員賞与引当金	586	444
Provision for loss on business liquidation	事業整理損失引当金	112	91
Other	その他	63,580	59,754
Noncurrent Liabilities :	固定負債合計	607,095	590,875
Bonds payable	社債	23,000	33,000
Long-term loans payable	長期借入金	431,900	410,100
Lease and guarantee deposits received	受入敷金保証金	57,124	58,760
Deferred tax liabilities	繰延税金負債	67,421	67,147
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	4,537	4,537
Provision for loss on subleasing business	転貸事業損失引当金	473	417
Net defined benefit liability	退職給付に係る負債	14,901	12,290
Other	その他	7,737	4,622
Total Liabilities	負債合計	895,190	911,974
Net Assets	純資産の部		
Shareholders' Equity:	株主資本合計	348,347	357,858
Capital stock	資本金	116,024	116,121
Capital surplus	資本剰余金	93,353	93,451
Retained earnings	利益剰余金	138,971	148,288
Treasury shares	自己株式	(2)	(2)
Other Comprehensive Income:	その他の包括利益累計額合計	7,333	13,909
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(689)	5,889
Deferred gains or losses on hedges	繰延ヘッジ損益	25	14
Revaluation reserve for land	土地再評価差額金	7,224	7,224
Foreign currency translation adjustment	為替換算調整勘定	32	32
Remeasurements of defined benefit plans	退職給付に係る調整累計額	742	749
Subscription Rights to Shares:	新株予約権	1,273	1,606
Minority Interests:	少数株主持分	61,742	63,055
Total Net Assets	純資産合計	418,697	436,429
Total Liabilities and Net Assets	負債・純資産合計	1,313,887	1,348,403

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Nine Months from April 1 to December 31, 2014)

(Millions of yen)

		FY2013 3Q (From April 1 to December 31, 2013)	FY2014 3Q (From April 1 to December 31, 2014)
Operating Revenue	営業収益	391,006	352,575
Operating Cost	営業原価	271,117	248,917
Operating Gross Profit	営業総利益	119,888	103,658
Selling, General and Administrative Expenses	販売費及び一般管理費	61,324	63,236
Operating Income	営業利益	58,563	40,421
Non-operating Income	営業外収益合計	1,090	697
Interest income	受取利息	59	39
Dividends income	受取配当金	651	229
Equity in earnings of affiliates	持分法による投資利益	9	17
Other	その他	369	409
Non-Operating Expenses	営業外費用合計	9,317	7,553
Interest expenses	支払利息	7,683	6,835
Other	その他	1,634	717
Ordinary Income	経常利益	50,337	33,565
Extraordinary Income	特別利益合計	847	2,547
Gain on sales of noncurrent assets	固定資産売却益	552	206
Reversal of provision for loss on disaster	災害損失引当金戻入額	295	－
Dividends distribution from silent partnership associated with impairment loss	減損損失に伴う匿名組合損益分配額	－	2,203
Other	その他	－	137
Extraordinary Losses	特別損失合計	7,373	6,099
Impairment loss	減損損失	7,373	6,099
Income before Income Taxes and Minority Interests	税金等調整前四半期純利益	43,811	30,012
Income taxes-current	法人税、住民税及び事業税	9,164	8,737
Income taxes-deferred	法人税等調整額	8,440	2,923
Total income taxes	法人税等合計	17,605	11,660
Income before minority interests	少数株主損益調整前四半期純利益	26,206	18,352
Minority interests in income	少数株主利益	1,068	1,675
Net Income	四半期純利益	25,137	16,676

(Quarterly Consolidated Statements of Comprehensive Income)

(Nine Months from April 1 to December 31, 2014)

(Millions of yen)

		FY2013 3Q (From April 1 to December 31, 2013)	FY2014 3Q (From April 1 to December 31, 2014)
Net Income before Minority Interests	少数株主損益調整前四半期純利益	26,206	18,352
Other Comprehensive Income	その他の包括利益合計	(2,294)	6,577
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(2,088)	6,581
Deferred gains or losses on hedges	繰延ヘッジ損益	(206)	(10)
Revaluation reserve for land	土地再評価差額金	(0)	(0)
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	―	7
Comprehensive Income	四半期包括利益	23,911	24,930
(Breakdown)	（内訳）		
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	22,845	23,252
Comprehensive income attributable to minority interests	少数株主に係る四半期包括利益	1,066	1,677

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

		FY2013 3Q (From April 1 to December 31, 2013)	FY2014 3Q (From April 1 to December 31, 2014)
Cash Flows from Operating Activities			
Income before income taxes and minority interests	税金等調整前四半期純利益	43,811	30,012
Depreciation and amortization	減価償却費	10,586	11,356
Equity in (earnings) losses of affiliates	持分法による投資損益	(9)	(17)
Increase (decrease) in allowance for doubtful accounts	貸倒引当金の増減額	(22)	(136)
Increase (decrease) in provision for retirement benefits	退職給付引当金の増減額	773	－
Increase (decrease) in provision for loss on business liquidation	事業整理損失引当金の増減額	(27)	(21)
Increase (decrease) in provision for loss on subleasing business	転貸事業損失引当金の増減額	(331)	(55)
Increase (Decrease) in Provision for Loss on Disaster	災害損失引当金の増減額	(303)	－
Increase (decrease) in net defined benefit liability	退職給付に係る負債の増減額	－	(154)
Interest and dividends income	受取利息及び受取配当金	(711)	(269)
Interest expenses	支払利息	7,683	6,835
Decrease (increase) in notes and accounts receivable-trade	売上債権の増減額	1,901	3,203
Decrease (increase) in inventories	たな卸資産の増減額	321	(50,185)
Decrease (increase) in equity investments	営業エクイティ投資の増減額	21,681	551
Increase (decrease) in notes and accounts payable-trade	仕入債務の増減額	(11,553)	(4,761)
Increase (decrease) in deposits received	預り金の増減額	(9,374)	7,133
Other, net	その他	6,471	(869)
Subtotal	**小計**	70,896	2,623
Interest and dividends income received	利息及び配当金の受取額	1,603	742
Interest expenses paid	利息の支払額	(8,069)	(7,105)
Income taxes paid	法人税等の支払額	(11,730)	(12,551)
Net Cash Provided by (Used in) Operating Activities	**営業活動によるキャッシュ・フロー**	52,700	(16,290)
Cash Flows from Investing Activities			
Purchase of investment securities	投資有価証券の取得による支出	(8,814)	(662)
Proceeds from sales and liquidation of investment securities	投資有価証券の売却及び清算による収入	1,297	549
Purchase of property, plant and equipment and intangible assets	有形及び無形固定資産の取得による支出	(20,215)	(34,416)
Proceeds from sales of property, plant and equipment and intangible assets	有形及び無形固定資産の売却による収入	6,595	905
Collection of loans receivable	貸付金の回収による収入	14	－
Payments for lease and guarantee deposits	敷金及び保証金の差入による支出	(372)	(431)
Proceeds from collection of lease and guarantee deposits	敷金及び保証金の回収による収入	1,063	950
Repayments of lease and guarantee deposits received	受入敷金保証金の返還による支出	(1,962)	(2,815)
Proceeds from lease and guarantee deposits received	受入敷金保証金の受入による収入	1,081	3,324
Other, net	その他	355	(971)
Net Cash Provided by (Used in) Investment Activities	**投資活動によるキャッシュ・フロー**	(20,956)	(33,567)

(Millions of yen)

		FY2013 3Q (From April 1 to December 31, 2013)	FY2014 3Q (From April 1 to December 31, 2014)
Cash Flows from Financing Activities			
Net increase (decrease) in short-term loans payable	短期借入金の純増減額	(3,000)	48,800
Increase (decrease) in commercial papers	コマーシャル・ペーパーの増減額	―	12,000
Repayments of finance lease obligations	ファイナンス・リース債務の返済による支出	(144)	(115)
Proceeds from long-term loans payable	長期借入れによる収入	58,500	64,500
Repayment of long-term loans Payable	長期借入金の返済による支出	(105,449)	(95,583)
Proceeds from issuance of bonds	社債の発行による収入	―	9,936
Redemption of bonds	社債の償還による支出	―	(10,000)
Proceeds from issuance of common stock	株式の発行による収入	396	82
Proceeds from stock issuance to minority shareholders	少数株主からの払込みによる収入	13	3
Purchase of treasury shares	自己株式の取得による支出	(0)	―
Cash dividends paid	配当金の支払額	(5,721)	(7,637)
Cash dividends paid to minority shareholders	少数株主への配当金の支払額	(727)	(379)
Net Cash Provided by (Used in) Financing Activities	**財務活動によるキャッシュ・フロー**	(56,132)	21,605
Net Increase (Decrease) in Cash and Cash Equivalents	**現金及び現金同等物の増減額**	(24,388)	(28,252)
Cash and Cash Equivalents at Beginning of Period	**現金及び現金同等物の期首残高**	62,496	67,982
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	**連結の範囲の変更に伴う現金及び現金同等物の増減額**	―	36
Cash and Cash Equivalents at End of Period	**現金及び現金同等物の四半期末残高**	38,108	39,766

(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 FY2013 3Q (Nine months from April 1 to December 31, 2013)

1. Information regarding revenue, and income or loss by reportable segment

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in Quarterly Consolidated Statements of Income (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	228,349	69,121	15,702	18,798	45,145	377,117	13,888	391,006	-	391,006
Inter-segment	552	1,458	0	1,530	4,841	8,384	2	8,387	(8,387)	-
Subtotal	228,901	70,579	15,702	20,329	49,987	385,501	13,891	399,393	(8,387)	391,006
Segment income	24,840	20,897	7,412	5,182	3,243	61,577	433	62,010	(3,446)	58,563

(Notes) 1. The "Other" category, which represents operating segments that are not included in reportable segments, includes fitness club and other businesses.

2. The deduction of 3,446 million yen shown in the adjustments column for segment income includes an addition of 600 million yen for the elimination of inter-segment transactions and a deduction of 4,047 million yen for corporate expenses not allocated to reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

3. The segment income is reconciled to the operating income stated in the Quarterly Consolidated Statements of Income.

2. Impairment loss on noncurrent assets or goodwill by reportable segment

(Significant impairment loss on noncurrent assets)

(Millions of yen)

	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	7,373	-	-	-	7,373

II FY2014 3Q (Nine months from April 1 to December 31, 2014)

1. Information regarding revenue, and income or loss by reportable segment

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in Quarterly Consolidated Statements of Income (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	205,212	65,482	6,874	17,740	45,269	340,579	11,996	352,575	-	352,575
Inter-segment	590	1,547	2	1,502	5,985	9,628	3	9,632	(9,632)	-
Subtotal	205,802	67,030	6,877	19,242	51,254	350,207	12,000	362,208	(9,632)	352,575
Segment income	15,716	17,584	3,493	3,767	3,474	44,036	29	44,066	(3,644)	40,421

(Notes) 1. The "Other" category, which represents operating segments that are not included in reportable segments, includes fitness club and other businesses.

2. The deduction of 3,644 million yen shown in the adjustments column for segment income includes a deduction of 121 million yen for the elimination of inter-segment transactions and a deduction of 3,523 million yen for corporate expenses not allocated to reportable segments. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

3. The segment income or loss is reconciled to the operating income stated in the Quarterly Consolidated Statements of Income.

2. Changes in reportable segments

From the second quarter of the current fiscal year, a partial revision in the method of allocating costs to each segment of the Company has been incorporated to enhance the management of each segment.

In addition, the house leasing business has been transferred from the Residential Development Business Segment to the Leasing Business Segment to facilitate comprehensive strategic judgment regarding the Company's leasing asset portfolio.

In line with these changes, segment income in the current cumulative third quarter decreased by 2,307 million yen in the Residential Development Business Segment, 567 million yen in the Leasing Business Segment, 130 million yen in the Investment Management Business Segment, and 260 million yen in the Property Brokerage & CRE Business Segment, and increased by 3,267 million yen in Adjustments.

In this regard, the segment information for the previous cumulative third quarter has been prepared in accordance with the revised classification and measurement.

3. Impairment loss on noncurrent assets or goodwill by reportable segment

(Significant impairment loss on noncurrent assets)

(Millions of yen)

	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	-	6,099	-	-	6,099