




Takara Leben Co., Ltd.


Earnings Results Briefing
for the Six Months Ended
September 30, 2020

November 5, 2020



Security code
8897

-  Business Outlook for the Year Ended March 2021 / Shareholder Return P. 2
-  Summary of Business Results for the Six Months Ended September 2020 P.17
-  Appendix P.26



Business Outlook for the Year Ended March 2021 / Shareholder Return



Summary of Business Results for the
Six Months Ended September 2020



Appendix

Summary of Business Outlook for the Year Ended March 2021

- ◆ As it is difficult to properly and reasonably estimate the impact of the spread of the new coronavirus infection on the Company's financial results, the Company has not yet decided its financial forecast for the year ended March 2021. However taking into account the gradual resumption of economic activity and the impact of the spread of the new coronavirus infection on the Company's business activities and results in the first quarter, the Company has announced forecast based on the information available at the time.
- ◆ In the fiscal year ended March 2021, sales and profit are expected to decrease compared to the previous year.

【Main reasons for the decrease in profit (on a gross profit basis)】

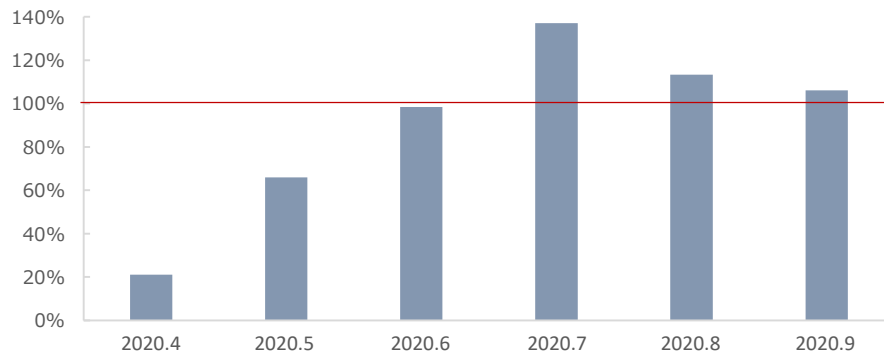
- Decrease in sales of real estate sales business
(decrease in the number of new built-for-sale condominium units sold
※year ended March 2020:1,913 units
year ended March 2021:1,850 units (excluding JV))
(decrease in sales of liquidation business) ➤ Approximately 2.3 billion yen
- Decrease in sales of power generation facilities
in electric power generation business ➤ Approximately 2.5 billion yen
- Decrease in rental income in the real estate rental business
(due to sale of real estate) ➤ Approximately 0.5 billion yen

Effects of the New Coronavirus Infection (New Built-for-Sale Condominium ①)

Impact on the Company and customer sentiment

➤ **The impact of the new coronavirus infection is limited, and the needs of actual demand are strong**

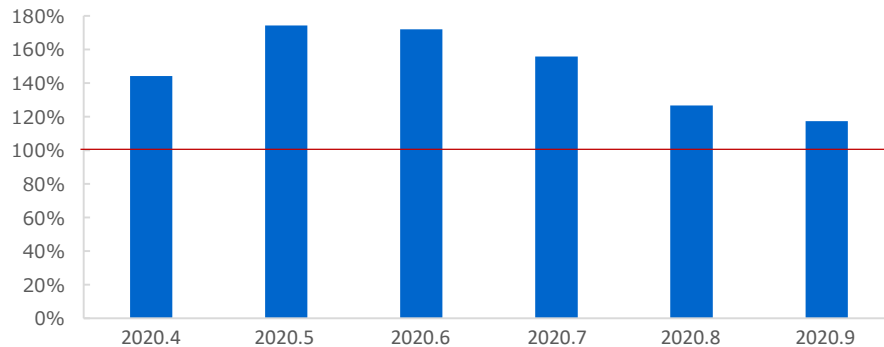
A 【Number of visitors to model rooms per unit (YOY)】



- ◆ Introduction of non-face-to-face methods, such as online tours
- ◆ In April and May, when the state of emergency was declared, the number of visitors dropped temporarily due to the closure of model rooms, however the number of visitors has been recovering since June
- ◆ The number of visitors in August 2020 was a record high

※Same months in the previous year converted to 100%

B 【Number of visitors to residence website (YOY)】



- ◆ The number of visitors to residence website has increased year-on-year since April
- ◆ Due to the increase in telecommuting, customers are not only looking for residence near stations, but also for residence in the suburbs of capital area

※Same months in the previous year converted to 100%

※Aggregate number of accesses on PCs and smartphones

Effects of the New Coronavirus Infection (New Built-for-Sale Condominium ②)

Contract progress for new built-for-sale condominium delivery

- ◆ Steady progress in delivery schedule for the current term
- ◆ Sales launch delayed due to the impact of the new coronavirus infection in delivery schedule for the next term
Sales are scheduled to begin in the second half of the year

Delivery schedule for the current term (units)

Period	Units schedule for delivery	Number of contracted units as of the end of 2Q	Contract progress ratio
Year ended March, 2020	1,950 (1,908)	1,539 (1,507)	78.9% (79.0%)
Year ended March, 2021	1,980 (1,850)	1,772 (1,645)	89.5% (88.9%)

Delivery schedule for the next term (units)

Period	Units schedule for delivery	Number of contracted units as of the end of 2Q
Year ended March, 2020	2,200	506 (486)
Year ended March, 2021	—	115 (108)

※Figures in parentheses indicate the number of units excluding JV and the contract progress ratio

Completion schedule

- ◆ As in the previous year, completion is concentrated in 4Q
- ◆ Approximately 500 completed stock are expected to be carried over to the next year

The Mid-Term Management Plan

	Year ended March 2020	Year ended March 2021
Sold units	1,950units	2,200units
Metropolitan area ratio※	50.0%	50.0%

※Metropolitan area :
Capital area, Chubu area and Kinki area

	Year ended March 2020 Sold units	Year ended March 2021 Completion units
1Q	53units	169units
2Q	617units	581units
3Q	196units	162units
4Q	1,089units	1,470units
Total	1,955units	2,382units
Metropolitan area ratio	42.7%	55.4%

Effects of the New Coronavirus Infection (Liquidation/Electric Power Generation)

Liquidation

Market

- ◆ The residential market has been stable
- ◆ In the office and retail market, trading was slightly weak due to the uncertainty in economic activity caused by the new coronavirus infection
- ◆ The hotel market is stagnant



Continue to build a portfolio centered on residences

- ◆ Carefully monitor market trends and determine an appropriate time to sell
If it does not reach the expected profit, own the lease for the time being
- ◆ Continue to proactively invest in new excellent projects
- ◆ Considering in-house hotel operations

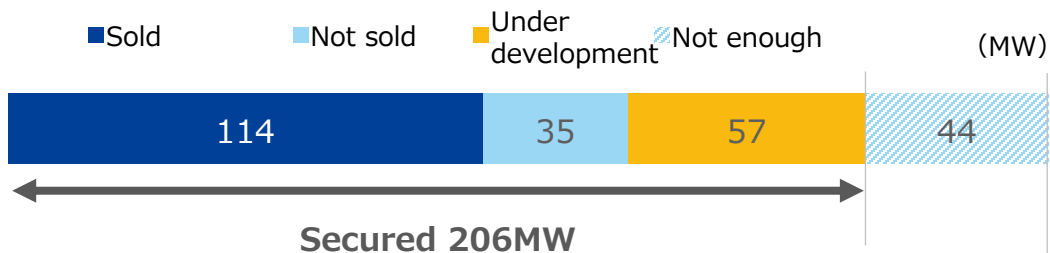
Electric power generation business

- ◆ No impact from the new coronavirus infection



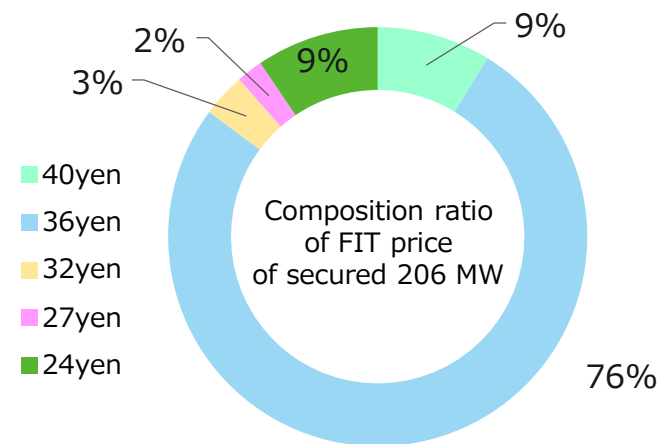
Expanding the scale of generation capacity while considering renewable energy sources other than solar power

Operating generation capacity (cumulative)



Mid-term management plan target **250MW**

Year ended March, 2021



Business Outlook for the Year Ended March 2021—Consolidated Income Statement

(Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Net sales	168,493	136,800	△18.8%	170,000	△19.5%
Real estate sales business	129,649	106,300	△18.0%	129,950	△18.2%
Real estate rental business	5,965	5,500	△7.8%	6,300	△12.7%
Real estate management business	5,046	5,400	7.0%	5,400	—
Electric power generation business	15,983	7,550	△52.8%	17,000	△55.6%
Facilities sale	4,999	5,450	9.0%	4,200	29.8%
Electricity sale					
Other businesses	6,850	6,600	△3.6%	7,150	△7.7%
Cost of sales	137,977	111,900	△18.9%	135,500	△17.4%
Gross profit	30,516	24,900	△18.4%	34,500	△27.8%
Selling, general and administrative expenses	18,614	18,900	1.5%	20,000	△5.5%
Operating income	11,901	6,000	△49.6%	14,500	△58.6%
Ordinary income	11,201	5,000	△55.4%	13,000	△61.5%
Net income attributable to owners of parent	5,361	3,400	△36.6%	9,000	△62.2%

Business Outlook—Net Sales and Gross Profit by Segment^①

		Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
		(Million yen)				
Real estate sales business	Net sales	129,649	106,300	△18.0%	129,950	△18.2%
	Gross profit	22,619	20,300	△10.3%	25,750	△21.2%
New built-for-sale condominium	Net sales	77,171	74,000	△4.1%	84,500	△12.4%
	Gross profit	15,650	15,000	△4.2%	18,600	△19.4%
New detached house	Net sales	7,808	5,900	△24.4%	14,850	△60.3%
	Gross profit	720	500	△30.6%	1,950	△74.4%
Renewal resale	Net sales	3,431	4,200	22.4%	3,400	23.5%
	Gross profit	421	700	66.1%	400	75.0%
Liquidation	Net sales	37,854	20,000	△47.2%	24,000	△16.7%
	Gross profit	4,828	4,000	△17.2%	4,400	△9.1%
Others	Net sales	3,382	2,200	△35.0%	3,200	△31.3%
	Gross profit	997	100	△90.0%	400	△75.0%

Business Outlook—Net Sales and Gross Profit by Segment②

		Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
	(Million yen)					
Real estate rental business	Net sales	5,965	5,500	△7.8%	6,300	△12.7%
	Gross profit	1,589	1,100	△30.8%	1,575	△30.2%
Real estate management business	Net sales	5,046	5,400	7.0%	5,400	—
	Gross profit	576	600	4.1%	700	△14.3%
Electric power generation business (Facilities sale)	Net sales	15,983	7,550	△52.8%	17,000	△55.6%
	Gross profit	3,020	540	△82.1%	2,700	△80.0%
Electric power generation business (Electricity sale)	Net sales	4,999	5,450	9.0%	4,200	29.8%
	Gross profit	116	60	△48.6%	210	△71.4%
Other businesses	Net sales	6,850	6,600	△3.6%	7,150	△7.7%
	Gross profit	2,593	2,300	△11.3%	3,565	△35.5%
Total	Net sales	168,493	136,800	△18.8%	170,000	△19.5%
	Gross profit	30,516	24,900	△18.4%	34,500	△27.8%

Business Outlook—Real Estate Sales Business : New Built-for-Sale Condominium

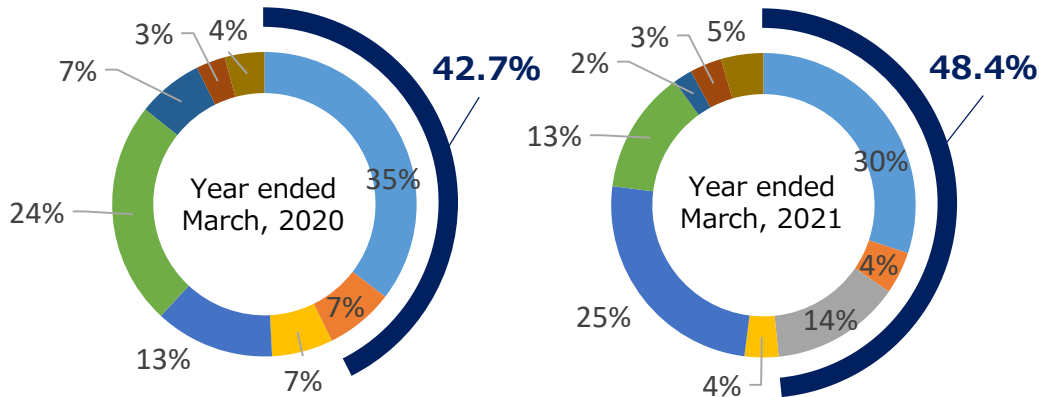
- ◆ The number of units sold decreased due to the impact of the new coronavirus infection
- ◆ Gross profit margin is expected to be flat year on year

(Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Net sales	77,171	74,000	△4.1%	84,500	△12.4%
Gross profit	15,650	15,000	△4.2%	18,600	△19.4%
Gross profit margin	20.3% (20.2%)	20.3%	—	22.0%	△1.7P
Sold units	1,955units	1,980units	25units	2,200units	△220units
Excluding JV	1,913units	1,850units	△63units		

※(): Except the impact of lower of cost or market value method

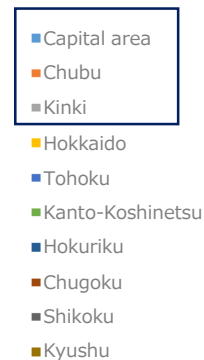


Metropolitan area ratio



※Metropolitan area : Capital area, Chubu and Kinki

Metropolitan area



A LEBEN NAGANO THE MID TOWER
129units

B LEBEN MORIOKA CHUO-DORI THE BIRTH
96units

C NEBEL OSAKA UEHOMMACHI
98units

Business Outlook—Real Estate Sales Business : Detached House/Renewal Resale

Detached house

- ◆ Expected to decrease due to the narrowing of the coverage area

(Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Net sales	7,808	5,900	△24.4%	14,850	△60.3%
Gross profit	720	500	△30.6%	1,950	△74.4%
Gross profit margin	9.2%	8.5%	△0.7P	13.1%	△4.6P
Sold units	154units	126units	△28units	270units	△144units



LEBEN PLATZ
NERIMAMINAMIOIZUMI
La Lucie

Renewal resale

- ◆ Contribution from resale properties purchased in the previous year

※From sale (Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Net sales	3,431	4,200	22.4%	3,400	23.5%
Gross profit	421	700	66.1%	400	75.0%
Gross profit margin	12.3%	16.7%	4.4P	11.8%	4.9P
Purchased units	271units	110units	△161units	300units	△190units
Owned units of end of FY	386units	371units	△15units	500units	△129units



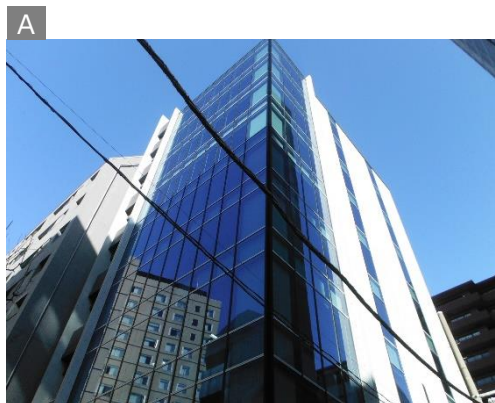
LEBEN PLATZ SHINKEMIGAWA
SKY BRIGHT

Business Outlook—Real Estate Sales Business : Liquidation

- ◆ Plan to invest at the same level as the previous year in accordance with the new investment policy
- ◆ Newly developed properties are expected to contribute to higher gross profit margin

(Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Investment amount	30,200	30,000	△0.7%	30,000	—
Sales amount	37,854	20,000	△47.2%	24,000	△16.7%
Gross profit	4,828	4,000	△17.2%	4,400	△9.1%
Gross profit margin	12.8% (15.4%)	20.0%	7.2P (4.6P)	18.3%	1.7P

※():Except the impact of lower of cost or market value method



A L.Biz SUIDOBASHI
【Office】

B Hermitage Namba Minami V
【Residence】

Business Outlook—Real Estate Rental Business/Real Estate Management Business

Real estate rental business

- ◆ Slight decrease in revenue is expected due to progress in the liquidation business

(Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Net sales	5,965	5,500	△7.8%	6,300	△12.7%
Gross profit margin	26.7%	20.0%	△6.7P	25.0%	△5.0P

Real estate management business

- ◆ Steady growth in the number of managed units

(Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Net sales	5,046	5,400	7.0%	5,400	—
Gross profit margin	11.4%	11.1%	△0.3P	13.0%	△1.9P
Number of managed units	59,747units	64,200units	4,453units	61,900units	2,300units
Percentage of non-group units managed	49.5%	50.0%	0.5P	49.3%	0.7P

Business Outlook—Electric Power Generation Business

- ◆ Decrease in the number of power generation facilities available for sale

	(Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Facilities sale	Net sales	15,983	7,550	△52.8%	17,000	△55.6%
	Gross profit	3,020	540	△82.1%	2,700	△80.0%
	Gross profit margin	18.9%	7.2%	△11.7P	15.9%	△8.7P
Electricity sale	Net sales	4,999	5,450	9.0%	4,200	29.8%
	Gross profit	116	60	△48.6%	210	△71.4%
	Gross profit margin	2.3%	1.1%	△1.2P	5.0%	△3.9P
Purchased generation capacity (including under development)		57MW	62MW	5MW	50MW	12MW
Operating generation capacity (cumulative)		125MW	197MW	72MW	250MW	△53MW

Operational power generation facilities



LS MIYAGI MATSUSHIMA
power generation facility

Generation capacity : 14.25MW
FIT price : 24yen



LS FUKUSHIMA KAGAMIISHI 1
power generation facility

Generation capacity : 1.42MW
FIT price : 27yen

Business Outlook—Other Businesses/Management Index

Other businesses

◆ Forecast to be about the same as the previous year

(Million yen)	Year ended March 2020 Actual	Year ended March 2021 Forecast	YoY change	Year ended March 2021 Plan	vs. Plan Change
Net sales	6,850	6,600	△3.6%	7,150	△7.7%
Sale and brokerage fees	760	500	△34.2%	1,200	△58.3%
Management compensation	994	830	△16.5%	1,000	△17.0%
Revenue from repair work	1,429	1,640	14.7%	2,000	△18.0%
Revenue from construction work	2,652	2,610	△1.6%	2,600	0.4%
Others	1,012	1,020	0.7%	350	191.4%

Management index

◆ Aiming to achieve the management index in the mid-term management plan

Mid-Term Management Plan

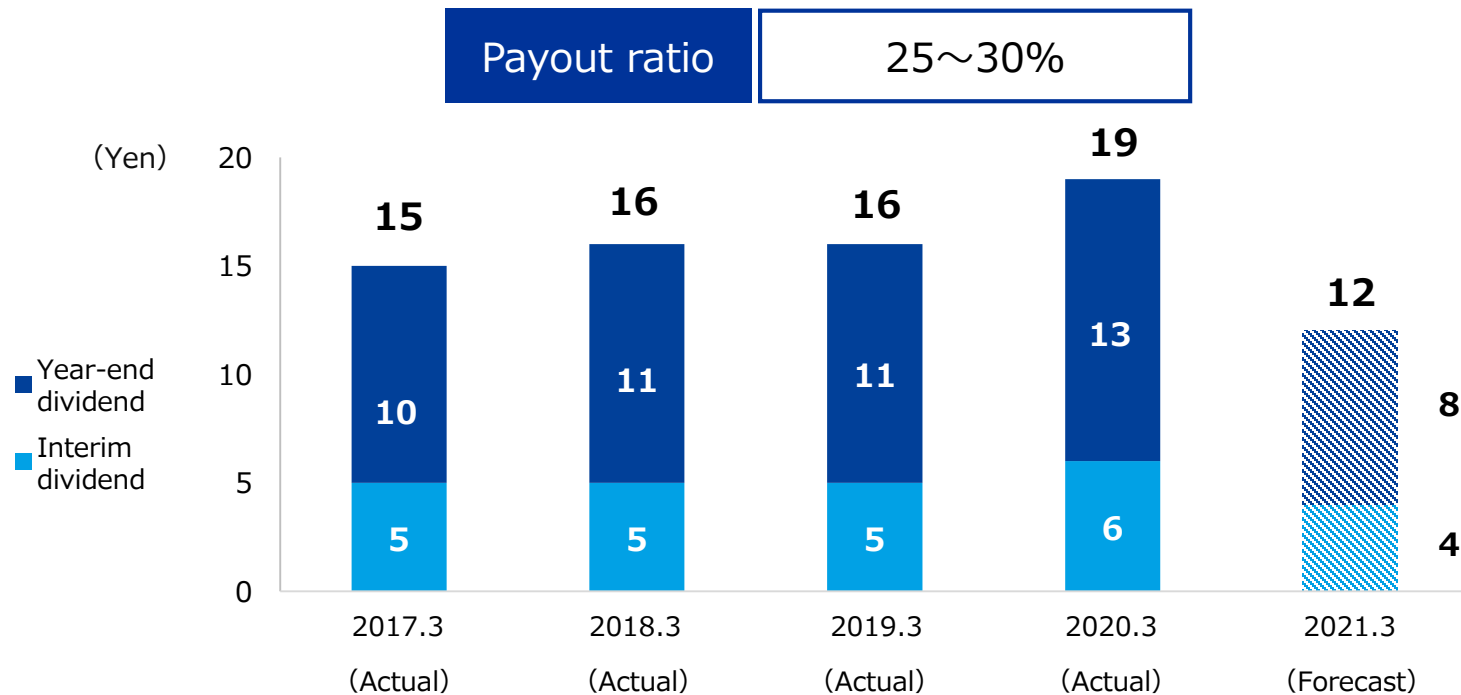
Year Ended March 2019 to Year Ended March 2021

Equity ratio (%)	30% (Fiscal year ended March 2021)
LTV (%)	less than 60% (Every fiscal year ended March)
D/E ratio (Times)	less than 3 times (Every fiscal year ended March)
ROE (%)	15% (Every fiscal year)

Shareholder Return

Changes in dividends

- ◆ Maintain the payout ratio of 25% to 30%, as set out in the mid-term management plan
- ◆ Strive to secure the internal reserves necessary for business development and to strengthen the management base
- ◆ Dividends are planned to be reduced, however the payout ratio will remain at the same level as the previous year



Payout ratio (%)	26.7	23.5	27.0	38.4	38.3
Net income per share (yen)	56.14	68.12	59.33	49.45	31.36



Business Outlook for the Year Ended
March 2021 / Shareholder Return



Summary of Business Results for the
Six Months Ended September 2020



Appendix

Business Results for 2Q of March 2021—Summary

- ◆ Net sales for the second-quarter year-to-date period of the current consolidated fiscal year amounted to ¥51,581 million, down 11.1% on a year-on-year basis. Operating income amounted to ¥1,853 million, down 52.2% on a year-on-year basis. Ordinary income amounted to ¥1,620 million, down 52.5% on a year-on-year basis. Net income attributable to owners of parent amounted to ¥893 million, down 60.5% on a year-on-year basis.
- ◆ In new built-for-sale condominium business, as of the end of the second quarter, the contract progress ratio was 89.5% of the 1,980 units (1,850 units excluding JV) planned for the year, making steady progress.

Business Results for 2Q of March 2021—Consolidated Income Statement

(Million yen)	Six Months Ended September 2019 Actual	Six Months Ended September 2020 Actual	YOY change	Year ended March, 2021 Forecast	Progress ratio
Net sales	57,998	51,581	△11.1%	136,800	37.7%
Real estate sales business	46,102	40,190	△12.8%	106,300	37.8%
Real estate rental business	2,886	2,815	△2.5%	5,500	51.2%
Real estate management business	2,468	2,720	10.2%	5,400	50.4%
Electric power generation business	383	—	—	7,550	—
Facilities sale	—	—	—	—	—
Electricity sale	2,928	2,903	△0.8%	5,450	53.3%
Other businesses	3,230	2,951	△8.6%	6,600	44.7%
Cost of sales	45,507	41,200	△9.5%	111,900	36.8%
Gross profit	12,490	10,380	△16.9%	24,900	41.7%
Selling, general and administrative expenses	8,611	8,527	△1.0%	18,900	45.1%
Operating income	3,879	1,853	△52.2%	6,000	30.9%
Ordinary income	3,414	1,620	△52.5%	5,000	32.4%
Net income attributable to owners of parent	2,260	893	△60.5%	3,400	26.3%

Business Results for 2Q of March 2021—Net Sales and Gross Profit by Segment①

- ◆ In new built-for-sale condominium business, delivery of high gross profit margin condominiums
- ◆ Sale of liquidation business down

(Million yen)		Six Months Ended September 2019 Actual	Six Months Ended September 2020 Actual	YOY change	Year ended March, 2021 Forecast	Progress ratio
Real estate sales business	Net sales	46,102	40,190	△12.8%	106,300	37.8%
	Gross profit	9,872	8,678	△12.1%	20,300	42.8%
New built-for-sale condominium	Net sales	24,874	26,148	5.1%	74,000	35.3%
	Gross profit	5,780	6,490	12.3%	15,000	43.3%
	Sold units	670units	667units	△3units	1,980units	33.7%
New detached house	Net sales	2,092	2,268	8.4%	5,900	38.4%
	Gross profit	161	203	26.2%	500	40.8%
	Sold units	39units	48units	9units	126units	38.1%
Renewal resale	Net sales	1,578	1,920	21.6%	4,200	45.7%
	Gross profit	233	293	25.9%	700	41.9%
	Sold units	47units	67units	20units	125units	53.6%
Liquidation	Net sales	16,491	5,360	△67.5%	20,000	26.8%
	Gross profit	3,044	1,355	△55.5%	4,000	33.9%
Others	Net sales	1,065	4,493	321.8%	2,200	204.2%
	Gross profit	653	334	△48.8%	100	334.8%

Business Results for 2Q of March 2021—Net Sales and Gross Profit by Segment②

- ◆ Decline in profits from electricity sales due to insufficient solar radiation

		Six Months Ended September 2019 Actual	Six Months Ended September 2020 Actual	YOY change	Year ended March, 2021 Forecast	Progress ratio
	(Million yen)					
Real estate rental business	Net sales	2,886	2,815	△2.5%	5,500	51.2%
	Gross profit	753	575	△23.5%	1,100	52.4%
Real estate management business	Net sales	2,468	2,720	10.2%	5,400	50.4%
	Gross profit	257	264	2.4%	600	44.0%
Electric power generation business (Facilities sale)	Net sales	383	—	—	7,550	—
	Gross profit	172	—	—	540	—
Electric power generation business (Electricity sale)	Net sales	2,928	2,903	△0.8%	5,450	53.3%
	Gross profit	139	△189	△236.0%	60	△316.1%
Other businesses	Net sales	3,230	2,951	△8.6%	6,600	44.7%
	Gross profit	1,294	1,051	△18.8%	2,300	45.7%
Total	Net sales	57,998	51,581	△11.1%	136,800	37.7%
	Gross profit	12,490	10,380	△16.9%	24,900	41.7%

Business Results for 2Q of March 2021—Selling, General and Administrative Expenses

- ◆ Selling, general and administrative expenses remained at the same level as the same period of the previous year

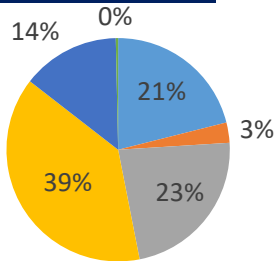
(Million yen)	Six Months Ended September 2019 Actual	Six Months Ended September 2020 Actual	YOY change
Selling, general and administrative expenses	8,611	8,527	△1.0%
Public relations fee	525	320	△39.0%
Sales expenses	2,889	2,783	△3.7%
Advertising expenses (Property sales)	2,699	2,662	△1.4%
Sales commission (Liquidation)	189	121	△36.3%
Personnel expenses	2,917	2,985	2.3%
Others	2,279	2,438	7.0%

Business Results for 2Q of March 2021—Consolidated Balance Sheet

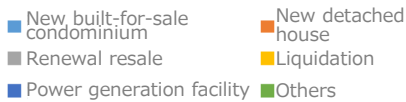
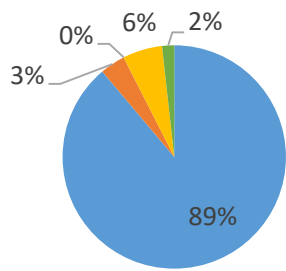
(Million yen)	As of the end of March 2020	As of the end of September 2020	YoY change	
Assets	195,448	207,947	6.4%	
Current assets	115,314	130,484	13.2%	
Cash and deposits	35,311	27,879	△21.0%	
Inventories	69,964	90,641	29.6%	
Real estate for sale	23,861	32,353	35.6%	※ 1 Increase in liquidation business assets
Real estate for sale in progress	46,102	52,954	14.9%	
Power generation facility for sale	—	5,334	—	※ 2 Increase due to progress in land purchases
Fixed assets	79,874	77,254	△3.3%	
Liabilities	144,309	157,060	8.8%	
Current liabilities	65,616	65,013	△0.9%	
Notes and accounts payable-trade	11,858	10,066	△15.1%	
Short-term and current portion of long-term borrowings	39,268	43,316	10.3%	
Current portion of bonds	296	296	—	
Fixed liabilities	78,692	92,047	17.0%	
Long-term borrowings	69,656	82,343	18.2%	
Bonds payable	4,804	5,506	14.6%	
Net assets	51,139	50,886	△0.5%	
Capital stock	4,819	4,819	—	
Total liabilities and net assets	195,448	207,947	6.4%	

Business Results for 2Q of March 2021—Consolidated Balance Sheet (Details)

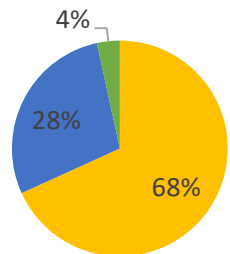
Real estate for sale



Real estate for sale in progress



Property, plant and equipment

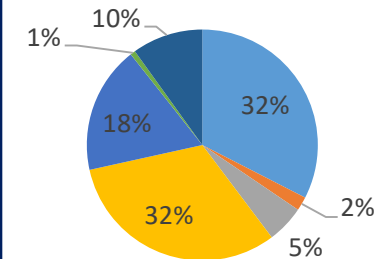
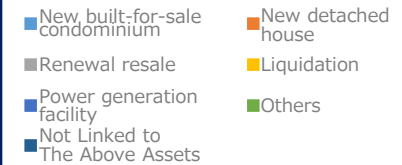


Total assets (207,947 M) (as of the end of September 2020)

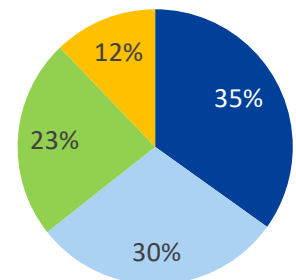
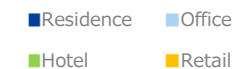
Current assets	130,484	Liabilities	157,060
Cash and deposits	27,879	Short-term borrowings, etc.	43,316
Inventories	90,641	Current portion of bonds	296
New built-for-sale condominium	54,992	Long-term borrowings	82,343
New detached house	3,038	Bonds payable	5,506
Renewal resale	8,638		
Liquidation	17,581		
Power generation facility	5,334		
Others	1,056		
Fixed assets	77,254	Net assets	50,886
Property, plant and equipment	64,110	Shareholders' equity	50,317
Intangible assets	1,641	Subscription rights to shares	199
Investments and other assets	11,502	Non-controlling interests	235

(Million yen)

Borrowings and bonds



Liquidation



Business Results for 2Q of March 2021—Assets, Borrowings and Bonds by Segment

(Million yen)	Real estate for sale	Real estate for sale in progress	Property, plant and equipment	Assets total	Borrowings and bonds
Total	37,687	52,954	64,110	154,752	131,462
New built-for-sale condominium	7,940	47,051	—	54,992	42,757
New detached house	1,106	1,931	—	3,038	2,556
Renewal resale	8,633	4	—	8,638	6,926
Liquidation	14,544	3,036	43,728	61,310	41,813
Power generation facility	5,334	—	18,189	23,523	23,423
Others	127	929	2,192	3,249	936
Borrowings and bonds not linked to the above assets	—	—	—	—	13,048 ※

※ Including bonds payable of 5,802 million yen



Business Outlook for the Year Ended
March 2021 / Shareholder Return



Summary of Business Results for the
Six Months Ended September 2020



Appendix

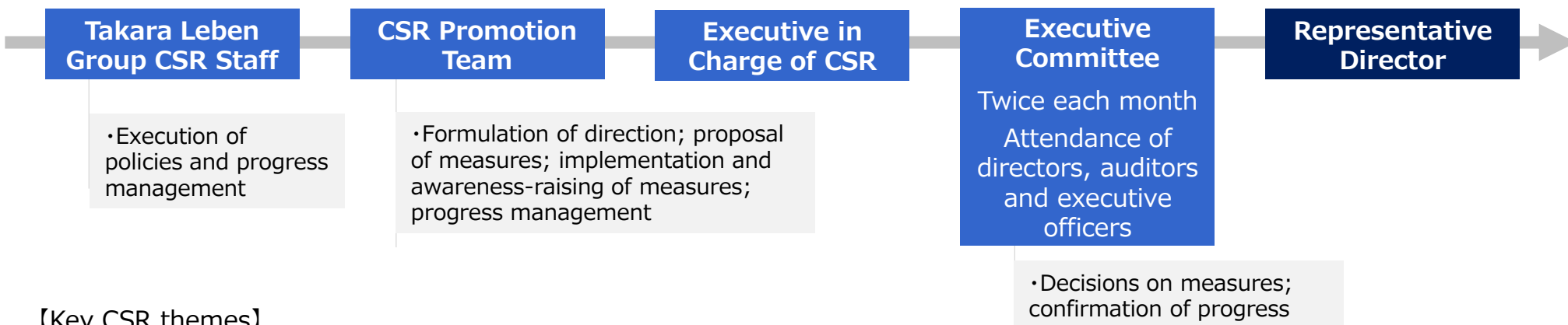
Promotion of ESG Initiatives①

- ◆ After formulating CSR basic policy and establishing CSR Promotion Team in 2018, the entire group promoted CSR activities
【CSR basic policy】

The Takara Leben Group will achieve its corporate vision of “THINK HAPPINESS AND MAKE THE HAPPINESS” while working to earn the trust of various stakeholders and society. We will contribute to solutions to social issues and achieving SDGs (Sustainable Development Goals) by undertaking CSR initiatives through our business including supplying housing and introducing natural energy as we strive for continuous growth.

【CSR Promotion Framework】

To link CSR activities to the improvement of corporate value for all Group companies, we are building a promotion framework which spans across all companies. We are also building a vertical promotion framework unifying management with business activities by making decisions and reporting at our Executive Committee meetings as appropriate.



【Key CSR themes】

Adopting ESG concerns as one of the basic policies of the mid-term management plan, and promoting solutions to social issues through our business based on four important themes



◆ Signed the UN Global Compact

Signed the UN Global Compact in August 2020. We support the ten principles of the UN Global Compact, which consists of the four areas of "human rights", "labor", "the environment" and "anti-corruption" and through the Group Vision of "THINK HAPPINESS AND MAKE THE HAPPINESS", we aim to build a sustainable society.

WE SUPPORT



◆ 「FY2020 Sustainable Building Initiative Project (Next-Generation Housing Type)」 Project selected

Nikko Takara Corporation, a subsidiary of the Company, has been selected by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) as the first project selected for the "FY2020 Sustainable Building Initiative Project (Next-Generation Housing Type)" in August 2020.

From the perspective of childcare support, intend to reduce the burden of housework and save time by making the home IOT with home appliances and introducing the communication robot "BOCCOemo". Proposing a living space that enriches lives.

➤ Expected benefits

- Improving the natural rhythm of life with notifications at set times
- Reducing anxiety for children at home and parents on the go by functions
- Prompting children's interest in helping and other activities and the growth of spontaneity etc.

➤ MLIT leading project 「Sustainable Building Initiative Project (Next-Generation Housing Type)」

Based on the social conditions such as the increase in the number of single-person households, the declining birthrate and aging population, and the shortage of human resources in the nursing care sector, this project provides support for leading housing and building projects that use IoT and other technologies to improve the quality of housing and living, and that contribute to the creation and expansion of new housing and building-related business markets

【Business company】



Focusing on the detached house sales business, we propose the "ideal home of high quality" that our customers seek at "a price that makes them feel more secure in their purchase", taking advantage of our integrated system of in-house development and construction



【The communication robot "BOCCOemo"】



Redevelopment Projects

◆ Participation in 「THREE」, an excellent building development project in the Shinmachi 1-chome area of Aomori City

Takara Leben Tohoku, a subsidiary of the Company, has decided to participate in 「THREE」, an excellent building development project in the Shinmachi 1-chome area of Aomori City (the former site of the Nakasan Department Aomori main store) promoted by Shinmachi Machi Zukuri Co., Ltd. and MiK Co., Ltd. 「THREE」 is a 14 floors tower residence that combines the three key elements of “clothing/ medical care”, “food” and “housing”. There are commercial facilities on the 1st to 4th floors and 86 residential units on the 5th floor and above. The Group company will acquire their reserved residential floors and take on the housing subdivision business. Construction is scheduled to be completed in 2022, with the grand opening scheduled for the following spring.

➤ Architecture and facility overview (plans)

THREE

Facility name : THREE

Address : 1-7-1 Shinmachi, Aomori City, Aomori Prefecture

Main application : Stores, condominiums and parking lots

Proprietor of the business : Shinmachi Machi Zukuri Co., Ltd.

Developer of the business : MiK Co., Ltd.

Condominium developer of the business : Takara Leben Tohoku Co., Ltd.

Design : Kanno Hiroshi Architect Office Co., Ltd. and Kudo Mahito Architect Office Co., Ltd. 's design collaboration

	(Main building) Commercial facilities	Parking lot building	(Main building) Condominiums
Lot size	3,119.80㎡	1,902.80㎡	Residence・ Common use 7,477.30㎡
Total floor size	9,407.68㎡	7,301.61㎡	
Number of floors	1st to 4th floors	5 floors	5th to 14th floors
Floor composition, etc.	1st to 3rd floors Retail and restaurant floor 4th floor Medical and health floor	1st floor Food market 1st to 5th floors 226 car parking spaces	Number of units to be sold 86 units



※Appearance image

➤ Condominium business company



Condominium sales business in six prefectures in the Tohoku region
No. 1 condominium supply in the Tohoku area in fiscal 2019 for the fourth time

Consolidated Balance Sheet (Changes)

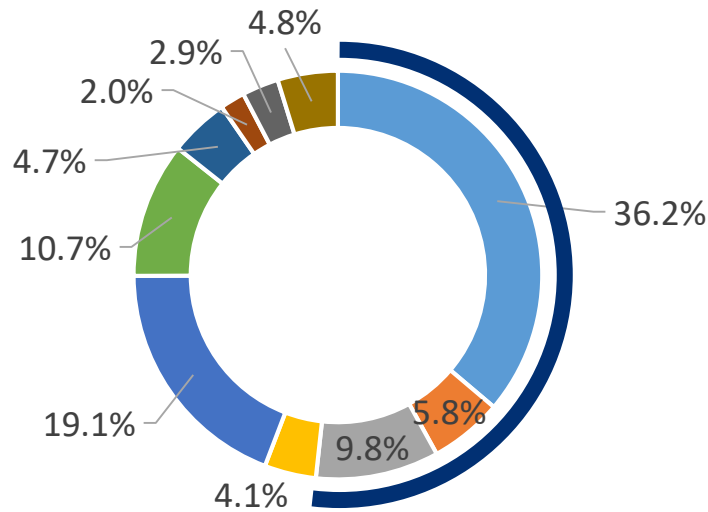
(Million yen)	As of the end of March 2019	As of the end of March 2020	As of the end of September 2020
Real estate for sale	18,821	23,861	37,687
New built-for-sale condominium	5,727	4,673	7,940
New detached house	2,579	2,740	1,106
Renewal resale	4,993	8,871	8,633
Liquidation	5,510	7,538	14,544
Power generation facility	—	—	5,334
Others	10	37	127
Real estate for sale in progress	49,860	46,102	52,954
New built-for-sale condominium	44,379	41,399	47,051
New detached house	2,560	1,133	1,931
Renewal resale	362	28	4
Liquidation	1,587	2,893	3,036
Power generation facility	—	—	—
Others	970	647	929
Property, plant and equipment	75,224	67,220	64,110
Liquidation	52,137	46,674	43,728
Power generation facility	20,853	18,630	18,189
Others	2,233	1,914	2,192

(Million yen)	As of the end of March 2019	As of the end of March 2020	As of the end of September 2020
Liquidation	59,234	57,106	61,310
Residence	20,822	16,386	21,382
Office	11,295	19,438	18,082
Hotel	19,463	14,293	14,385
Retail	7,653	6,988	7,460
Borrowings and bonds	111,657	114,025	131,462
New built-for-sale condominium	41,588	36,657	42,757
New detached house	4,667	2,237	2,556
Renewal resale	3,055	6,857	6,926
Liquidation	38,947	38,131	41,813
Power generation facility	18,546	18,995	23,423
Others	—	418	936
Borrowings and bonds not linked to the above assets	4,851	10,727	13,048

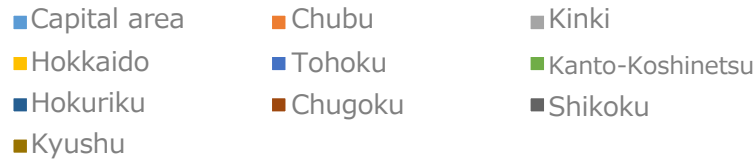
Land Bank · Supply Area

Land bank

Total in Japan **6,803**units



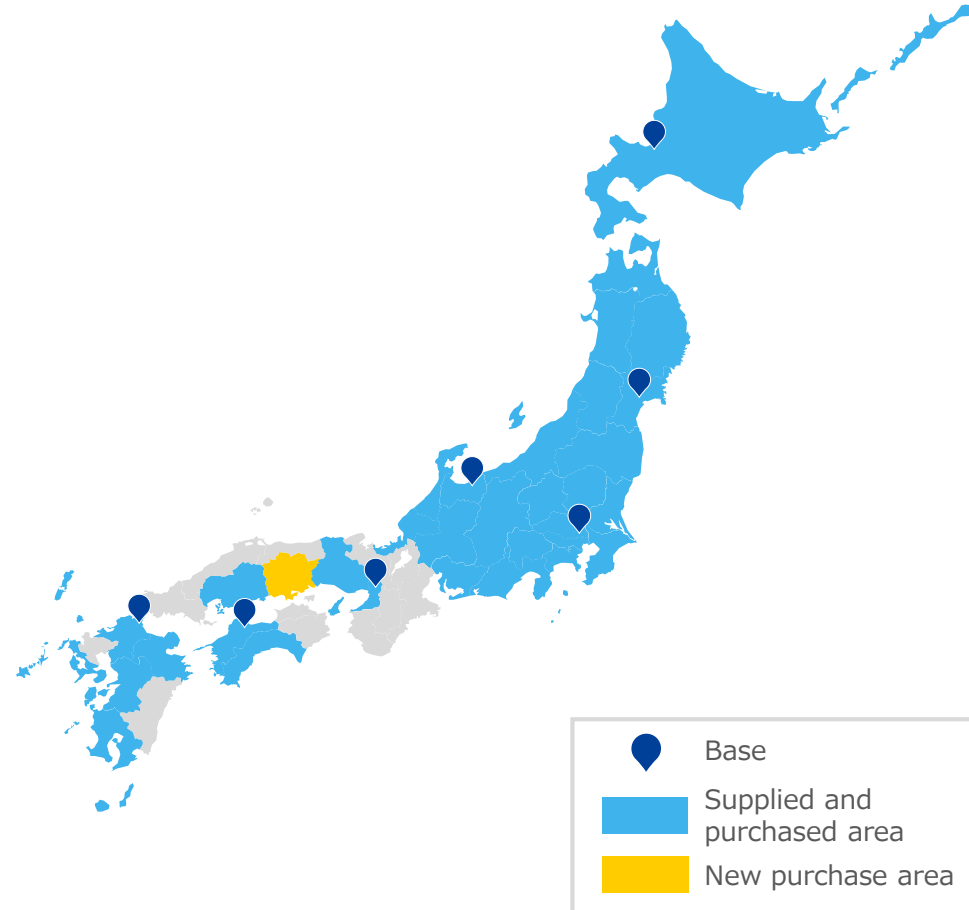
Metropolitan area ratio **51.7%**



※Metropolitan area : Capital area, Chubu and Kinki

Supply area

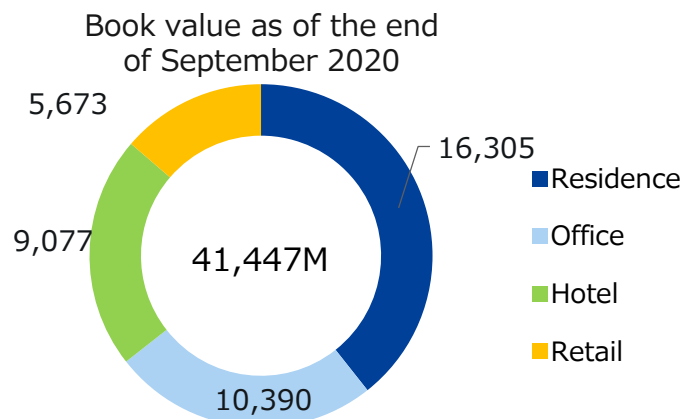
- ◆ Advanced to **34** prefectures
- ◆ New purchase in Okayama prefecture



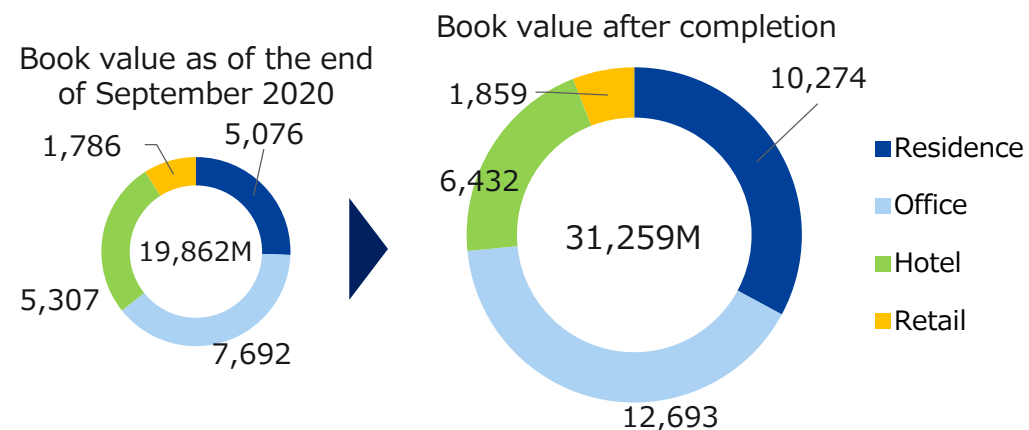
Liquidation : Assets Size

Liquidation : Assets Size

Existing and built-up property (Million yen)

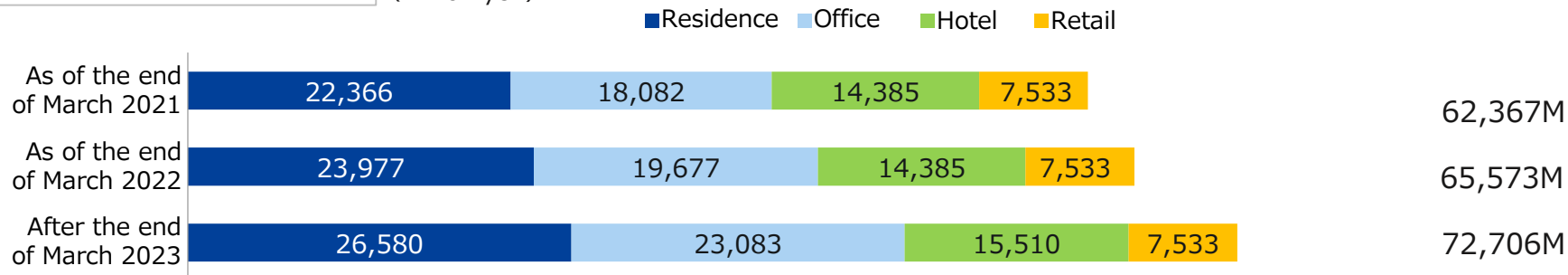


Under development property (Million yen)



※Including securitized assets recorded in real estate held for sale

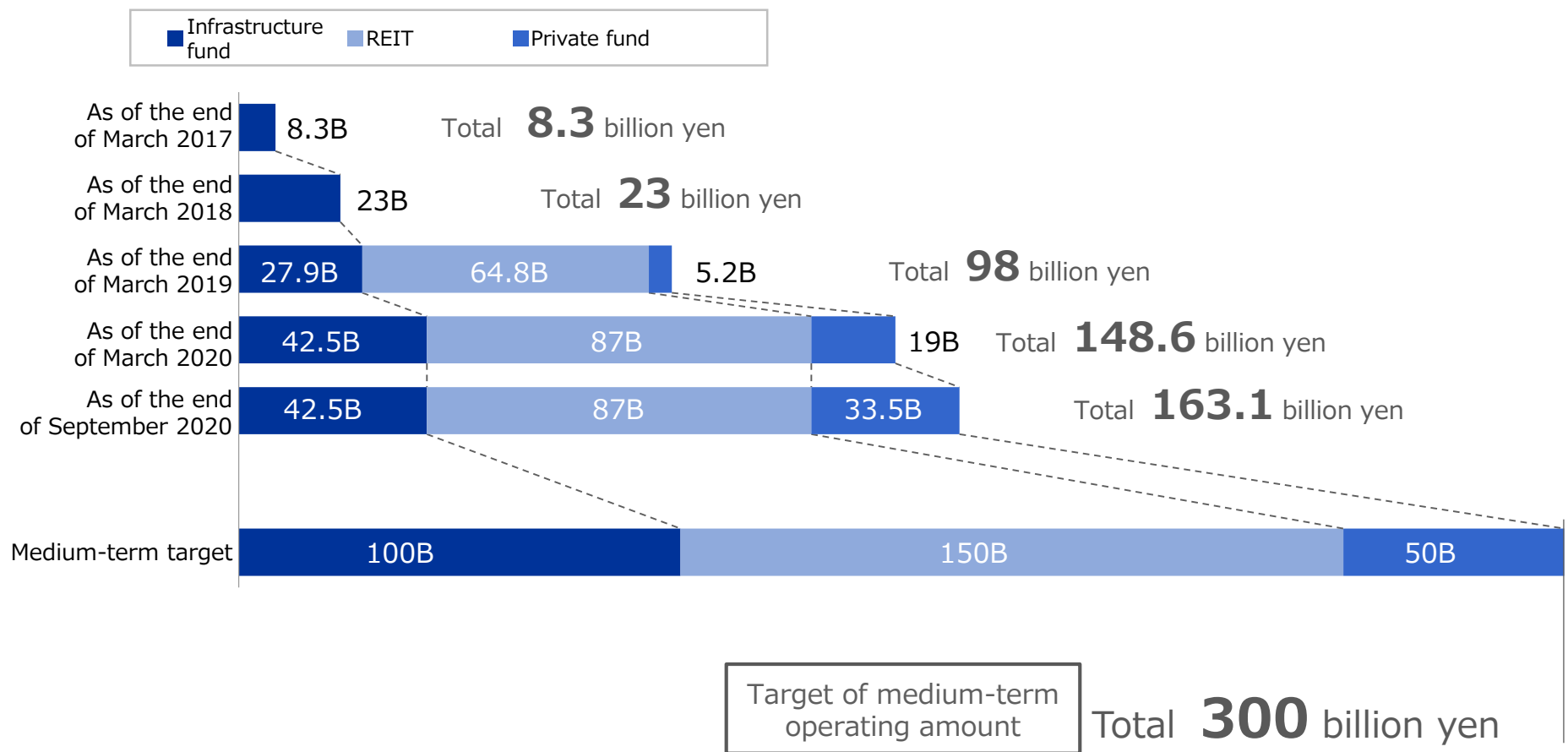
Asset amount after completion (Million yen)



Secured assets of 72,706 million yen including completed parts in the future

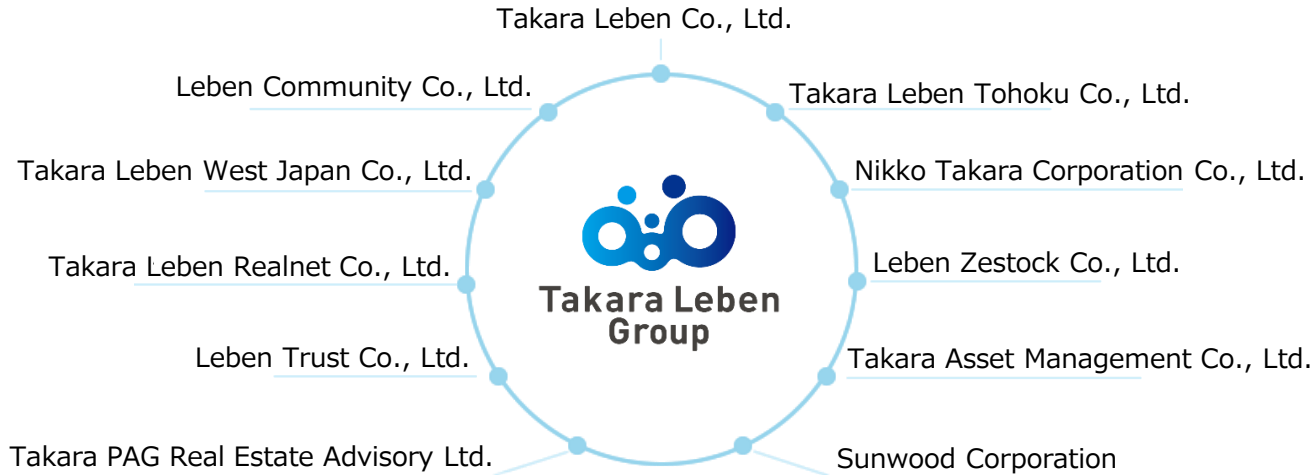
Amount of Asset Management

◆ Operating infrastructure fund, REIT and private fund



※Acquisition price basis

The Takara Leben Group's Corporate Philosophy and Vision



Corporate philosophy

THINK HAPPINESS AND MAKE THE HAPPINESS

We are most committed to giving thought to the happiness of people and lifestyles, and to realize housing which gives shape to each and every dream.

We think on the happiness of communities and society, and contribute to the development of towns where all people can live at ease.

We are most positive in a happy future, and propose the eco-friendly creation of a sustainable environment.

Think happiness and make the happiness.
This is what we, the Takara Leben Group, do.

Corporate vision

Creating Together

With a Rich Heart

Creating together new value for the market by cherishing our customers with a rich heart.

With Sincerity

Creating together, safety and peace for people and society with sincerity toward partners.

With Power to Act

Creating together perpetual growth into the future, with power to act demonstrated by each and every employee.

These materials were prepared based on data current as of September 30, 2020.

The plans, projections and so on contained in these materials are based on Takara Leben's best judgment at the time the materials were prepared, and do not constitute a guarantee or promise that anything contained herein will be realized or achieved, nor do they provide any guarantees or promises as to the accuracy or completeness of the information contained herein. The contents of these materials are subject to change without notice.

Contact for Inquiries	TEL	+81-3-6551-2130
Takara Leben Co., Ltd.	FAX	+81-3-6551-2139
Office of the President	E-mail	ir.info@leben.co.jp