

Evolution through Sustainable Change

— Bringing new norms to lifestyles —



Profile

Established as Takara Komuten Co., Ltd. in 1972, the Takara Leben Group began with its detached house business and this led to growth into our core built-for-sale condominium business. Having listed on a stock exchange in 2001,* we have been developing business to realize ideal lifestyles for people in a range of fields, such as general real estate business and electric power generation business and now the Group comprises 12 companies.

In four years' time, in 2022, the Takara Leben Group will be marking the 50th anniversary of its establishment and will be making steady progress to provide a better direction for people's lifestyles, for cities and for society, by bringing new norms to those lifestyles.

In the years to come, we will continue to respond to the expectations of our stakeholders while further enhancing our corporate value through the realization of our corporate vision, "THINK HAPPINESS AND MAKE HAPPINESS."

* Listed on the JASDAQ market in 2001, the Second Section of the Tokyo Stock Exchange in 2003, and the First Section of the Tokyo Stock Exchange in 2004



Real Estate Sales Business

The real estate sales business accounts for over 70% of the Takara Leben Group's total net sales. In this business segment, the Group's activities largely revolve around the planning, development, and sale of new built-for-sale condominiums while addressing the diverse needs of customers. Among a host of other endeavors, we are actively engaged in the construction and sale of detached houses as well as the renovation and resale of condominiums in this business segment.



Real Estate Rental Business

In the real estate rental business segment, the Group mainly leases condominiums and office buildings. We have been actively acquiring rental properties in various locations throughout Japan and also have hotels and guest houses.



Real Estate Management Business

Here, the Group is actively engaged in the management and operations of properties. In addition to managing properties that it has constructed in its own right, with its own meticulous services, the Group also manages properties built by other companies on a contract basis. In the real estate management business, the number of managed housing units continues to grow steadily.



Electric Power Generation Business

The Takara Leben Group generates a stable flow of earnings by marketing electricity to electric power companies. The Group also works diligently to contribute to society by producing renewable energy. Moving forward, in addition to our solar generation facilities, we will look to develop other renewable energy facilities.



Other Businesses

The Takara Leben Group receives commissions derived from other segments and is active across a wide range of fields, including construction contracting and large-scale repair work. Looking ahead, management fees are projected to expand in line with the increase in infrastructure fund, REIT, and other assets.

Flow Businesses

In addition to the Group's built-for-sale condominiums for families and single people in the Tokyo metropolitan area, Takara Leben has positioned its condominium buildings business to target both active seniors residing in major regional cities and its reconstruction and redevelopment business as key earnings pillars. Takara Leben is establishing a nationwide network of Group company bases for condominium buildings in major regional cities. Through these bases and other means, we are making steady progress in expanding our areas of operation.



Including LEBEN Asaka Regenes (Above) and NEBEL Togoshi-Koen (Below), we are selling new built-for-sale condominiums in accordance with a variety of needs, such as those of family and single-person households.

Stock and Fee-Based Businesses

The Takara Leben Group is working to roll out its real estate rental, real estate management, electric power generation, and other businesses and to expand its business activities. More specifically, we established Takara Leben Infrastructure Fund Inc. in a bid to promote the effective use of such renewable forms of energy as sunlight as a part of our electric power generation business activities and we are steadily increasing the number of these operating facilities. In addition, in July 2018, we listed Takara Leben Real Estate Investment Corporation, a comprehensive REIT, on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market. Looking ahead, we will endeavor to further expand our business.



The Company acquires rental properties through its real estate rental business. (Above: LUXENA Nagareyama Otaka no Mori). In its electric power generation business, the Company advances the development and operation of power-generation facilities. (Below: Leben Solar [L.S] Shizuoka Omaezaki power-generation facility)

Cover The cover is an expression of our corporate vision, "THINK HAPPINESS AND MAKE HAPPINESS," which we achieve by creating lifestyles for society and people

through the services of the Takara Leben Group,

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Other Disclosure Information

<https://www.leben.co.jp/en/>

- Materials related to the Company's Settlement of Accounts
- Quarterly Financial Results Reports
- Business Report
- Ordinary General Meeting of Shareholders Information
- Other

Editorial Policy and Cautionary Statements Regarding Forward-Looking Statements

This report, which for the most part provides details of the Takara Leben Group's operations in fiscal 2018, the fiscal year ended March 31, 2018, has been designed to provide stakeholders with a deeper understanding of our business activities, management strategies, performance, and other non-financial information, including interaction with society and the environment.

This document was prepared to provide information regarding the Company's consolidated results in fiscal 2018 and should not be construed as a solicitation for investment in securities issued by Takara Leben Co., Ltd. The information provided in this report is fundamentally based on data available as of March 31, 2018. Any forward-looking statements including opinions and forecasts are based on the best judgments of management as of the time this report was prepared. Accordingly, Takara Leben does not guarantee or promise that any forward-looking statements will be realized or achieved or provide any assurance as to the accuracy or integrity of information. Moreover, the content of this report is subject to change without prior notice.

Financial/Non-Financial Highlights

Financial

	Millions of yen			Rate of increase/decrease
	2016.3	2017.3	2018.3	2017.3/2018.3
Net sales	¥ 76,268	¥103,599	¥110,851	7.0%
Real estate sales business	63,383	79,638	79,341	-0.4
Real estate rental business	4,307	5,056	5,472	8.2
Real estate management business	3,362	3,665	4,000	9.1
Electric Power Generation Business	909	11,108	18,239	64.2
Other businesses	4,305	4,130	3,797	-8.1
Gross profit	17,835	21,869	25,779	17.9
Operating income	7,563	10,349	12,597	21.7
Ordinary income	6,708	9,496	11,792	24.2
Net income	4,308	6,107	7,367	20.6
Total assets	129,744	139,874	177,975	27.2
Net assets	33,677	36,792	42,907	16.6
Per Share Information:				
Net income per share (Yen)	38.99	56.14	68.12	21.3
Net assets per share (Yen)	304.71	339.29	394.90	16.4
Dividends per share (Yen)	13.0	15.0	16.0	6.7
Financial Indicators:				
ROE (%)	13.3	17.4	18.6	1.2 pt
ROA (%)	3.7	4.5	4.6	0.1
Equity ratio (%)	25.8	26.2	24.0	-2.2
Dividend payout ratio (%)	33.3	26.7	23.5	-3.2

Non-Financial

Cumulative Total Units of New Built-for-sale Condominiums (As of March 31, 2018)

29,013

Nationwide, in Top 10 for Five Consecutive Years

No. 10

(Source: Real Estate Economic Institute Co., Ltd.)

2017 Condominium Supply Ranking

Tohoku Area for Three Consecutive Years

No. 1

(Source: Surveys by the Daily Engineering & Construction News)

Under the basic concept of "ideal, affordable housing that anyone can buy with confidence," we are continuing to create products that meet a range of needs of customers throughout Japan.

Having established bases nationwide and aggressively expanded into regional cities, we have been in the top 10 in the nationwide condominium supply ranking for five consecutive years. Also, in the Tohoku area, we have held the No. 1 spot in the supply ranking for three consecutive years.

Fiscal 2018 Highlights

Takara Leben Real Estate Investment Corporation Listed on Tokyo Stock Exchange Real Estate Investment Trust Securities Market

July

A comprehensive J-REIT that invests primarily in offices, homes, hotels and commercial facilities and is sponsored by four companies, including the Company, Takara Leben Real Estate Investment Corporation was newly listed.



Representative Office Established in Hanoi, Vietnam

March

As one of our growth strategies, we opened a base in Vietnam as the first step in overseas business.



Sales commenced for LEBEN Hiroshima Nakahiro-dori, THE RESIDENCE, First in Chugoku Region

February 2018

In the city of Hiroshima, Hiroshima Prefecture, we commenced sales of LEBEN Hiroshima Nakahiro-dori, THE RESIDENCE, which enables direct access to the city center and offers high levels of transportation and lifestyle convenience.



LEBEN Moriya THE SQUARE Model Rooms Opened

LEBEN Moriya THE SQUARE is a condominium building that adopted Japan's first ENE-FARM™ solar-power generation system* for domestic-use fuel cells and allows electric power sales to each individual condominium.

*1 Source: Survey by Real Estate Economic Institute Co., Ltd.
*2 ENE-FARM is a registered trademark of Tokyo Gas Co., Ltd., Osaka Gas Co., Ltd., and JXTG Nippon Oil & Energy Corporation.



Omotenashi Standard Certification, Gold Certificate Obtained

That we provide stable service to our customers by using proprietary customer service manuals, including the highly regarded Omotenashi (Hospitality) Handbook and the Takara Leben Service Handbook. We obtained gold certification under the Omotenashi Standard Certification, the standard certification system for the visualization of quality of service established by the Ministry of Economy, Trade and Industry.

December

Dormy Inn Matsuyama Opened



As part of its stock and fee-based business, Dormy Inn Matsuyama, Takara Leben Group's first hotel property, was opened.

November

LEBEN Toyama Sakura-machi Sales Started



Part of the Sakura-machi, 1-chome type 1, urban district redevelopment project in Toyama City, Toyama Prefecture, this project follows on from the Chuo-dori Zone F, type 1 urban district redevelopment project (LUCIDA TOWER) in line with the City Center Revitalization Act.

July 2017

LS Shirahama Power Generation Facility Completed



We conducted a completion ceremony for the LS Shirahama power generation facility. Following on from the LS Nasu Nakagawa power generation facility, which began generating electricity in March 2016, this facility, the first in the Kansai region, makes effective use of a former golf course.



We will enhance our corporate value by adapting to changing lifestyles while continuing to evolve as a company.

Takara Leben announced details of its new Medium-Term Management Plan in May 2018. Guided by the overarching theme of this Plan, "Evolution through Sustainable Change—Bringing new norms to lifestyles—," we will respond swiftly to changes in both our internal and external environments while targeting sustainable and stable growth.

Kazuichi Shimada
Representative Director
and President

Kazuichi Shimada

Overview of Fiscal 2018 and Review of the Previous Version of the Medium-Term Management Plan from Fiscal 2016 to Fiscal 2019

Achieved record high profits with net income exceeding forecasts by approximately one billion yen

In the fiscal year under review, Takara Leben took steps to raise the gross margin in its core built-for-sale condominium business, undertook the additional sale of power generation facilities, and reduced costs such as selling, general and administrative expenses. As a result, the Company reported a second consecutive fiscal year of record-high profits. In specific terms, net income came in at 7,367 million yen, exceeding initial forecasts by approximately one billion yen.

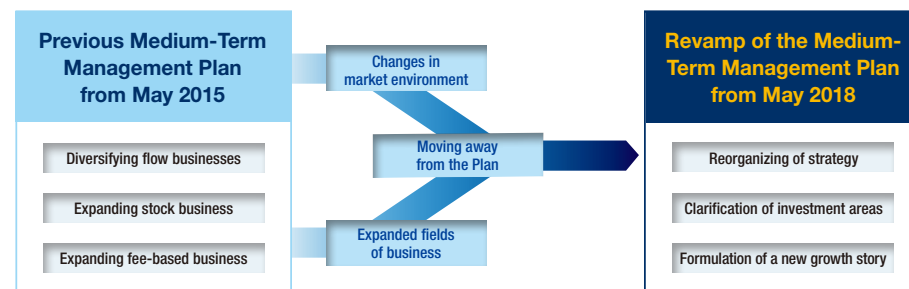
In the built-for-sale condominium business, in addition to establishing Takara Leben Tohoku Co., Ltd. and Takara Leben West Japan Co., Ltd., the Company also newly established a Takara Leben Osaka Branch and a Takara Leben Osaka Office and by so doing created the general infrastructure for nationwide business expansion. As an effect of establishing the new bases, business projects in the Kansai area in particular are growing in number. We are also conducting appropriate investment, not only for the built-for-sale condominium business but also in profitable real estate, such as acquiring lots for the hotel business in Kyoto and Osaka prefectures. With regard to the current fiscal year, we will also sell power generation facilities to infrastructure funds, and the results of having expanded our investment areas are also steadily improving. In addition to

building a stable business cycle, in the years to come we will expand our areas of investment into supplying pipelines to infrastructure funds and REITs.

A Look Back at Previous Version of the Medium-Term Management Plan and Changes in Takara Leben Group's Operating Environment

Formulated in May 2015, the previous version of the Medium-Term Management Plan was promoted under the adopted themes of "Diversifying the Flow Business" and "Expanding the Stock and Fee-Based Businesses." Especially in the electric power generation business, which we have been promoting as a pillar of our stock and fee-based businesses, we consider the listing of Takara Leben Infrastructure Fund Inc. as the first listing on the Tokyo Stock Exchange Infrastructure Fund Market a major achievement. Toward the constituting of a REIT, we are confirming that the preparations for the expansion of our investment areas, such as actively investing in the acquisition and development of profitable real estate, have been carried out sufficiently. In accordance with the expansion of these investment areas, we were able to achieve the planned figures for net sales. In contrast, the number of units sold in the built-for-sale condominium business, impacted by the generally three- to four-month business cycles having been pushed

Background to the New Medium-Term Management Plan



President's Message

back, has not been reached in each period due to factors that include rises in construction costs and the prolongation of the required construction periods. Also, for each profit item, the cost of selling, general and administrative expenses, such as personnel expenses associated with the expansion of our business areas, has increased significantly over

what was originally expected, and there were situations in which divergence occurred.

To respond promptly and accurately to various internal and external changes in our operating environment, we revamped our Medium-Term Management Plan in May 2018.

The New Medium-Term Management Plan from Fiscal 2019 to Fiscal 2021

Takara Leben has identified "Evolution through Sustainable Change—Bringing new norms to lifestyles—" as the overarching theme of its new Medium-Term Management Plan. In carrying out the basic policy of the plan, we will implement three key initiatives. In specific terms, we will:

- Establish stable and sustainable foundations for growth
- Diversify the business portfolio, and
- Respond to environmental, social, and governance (ESG) concerns.

In addition to promoting the establishment of a stable and sustainable growth foundation in the real estate sales business, which is our core business, we will work on the diversification of our business portfolio, through such efforts as the expansion of various peripheral businesses derived from

our real estate sales business, electric power generation business and overseas business. Having established "bringing new norms to lifestyles" as a theme, we are aiming to create new norms through product planning and supply that responds to diversification of lifestyles without being bound by conventional stereotypes.

In our core built-for-sale condominium business, there might be many people who feel uneasy about the future due to the aging population and population decline, but even when taking into account new condominium needs and market environments due to changes in lifestyles, I believe that there is still room for growth in the market. We are planning to steadily increase the number of units sold every fiscal period by accurately ascertaining customer needs and sup-

plying products that match demand. Breaking this down by region, we aim to supply a 50:50 ratio, half to the Tokyo metropolitan, Kinki and Chukyo areas (the three major metropolitan areas) and half to local cities. In the three major metropolitan areas, we will develop sales geared toward families as well as single- and double-income households, while developing the LEBEN and NEBEL brands toward active seniors in the local cities, NEBEL is a compact condominium brand geared toward singles, DINKs and senior citizens. Having opened a permanent salon in Ginza, we are trying to attract customers in the Tokyo metropolitan area in a unified manner.

In the real estate management business, we are working to set ourselves apart from our competitors by means of our own management system, especially in terms of real estate management, and have greatly increased the number of managed units. Apart from contract management from our own Group, we have acquired replacement projects for properties managed by other companies and think that we are very strong competitively, for example, more than 40% of the nearly 50,000 managed units as of the end of the fiscal year under review were properties supplied from outside our Group. In the years to come, we intend to continue to add to the number of managed units and would like to expand to include large-scale repair work orders derived from the management business.

In the real estate liquidation business, we will purchase real estate that maximizes the leveraging of the Group's know-how and develop offices, residences and hotels and we will proceed with the sale of properties to REITs and private funds. Having built an appropriate cycle of investment and recovery, we will grow it as a pillar of new business.

Sustainable Growth

I believe that ESG initiatives are very important in bringing about the sustainable growth of a company. For that reason, ESG initiatives are positioned as one of the long-term management strategies and each element—the environment, society, and governance—is actively promoted throughout the Group.



In the electric power generation business, I would naturally like sales of power generation facilities to Takara Leben Infrastructure Fund Inc. to lead into other areas, such as the maintenance of power generation facilities. Not confining ourselves to solar power, we will also give appropriate consideration to other forms of renewable energy.

With regard to overseas business, we are currently targeting Southeast Asia focusing on the real estate sales business. As a first step, we opened a representative office in Hanoi, the capital city of Vietnam. In the same way as the domestic real estate sales business, we believe that overseas operations should target actual demand based on real living requirements rather than an investment focus.

This kind of business portfolio diversification is expected to increase the revenue opportunities derived from each segment. We will endeavor to expand earnings without missing out on these opportunities.

We also recognize the importance of engagement with all our stakeholders and shareholder returns. In particular, we have set a dividend payout ratio for shareholders of 25% to 30% under the new Medium-Term Management Plan, but by steadily implementing a raft of measures would like to achieve results beyond the planned figures and aim to return more than the target ratio to shareholders.

Medium-Term Management Plan performance (quantitative) goals

		Fiscal 2019	Fiscal 2020	Fiscal 2021
Real estate sales business	(millions of yen)	105,700	120,920	129,950
Real estate rental business	(millions of yen)	5,500	6,000	6,300
Real estate management business	(millions of yen)	4,300	5,000	5,400
Electric power generation business	(millions of yen)	10,800	21,100	21,200
Other businesses	(millions of yen)	3,700	6,980	7,150
Total net sales	(millions of yen)	130,000	160,000	170,000
Operating income	(millions of yen)	10,700	13,000	14,500
Ordinary income	(millions of yen)	9,600	11,800	13,000
Net income attributable to owners of parent	(millions of yen)	6,300	8,000	9,000

Medium-Term Management Plan

47th to 49th
Year Ending March 2019 to
Year Ending March 2021



—Bringing new norms to lifestyles—

In any era, a new outlook on common sense has been guiding people's lifestyles in a better direction. In what kind of homes will people choose to live? We believe this is closely equated to asking, what kind of lifestyles will people choose to live?

Begun as a small construction firm in 1972, Takara Leben has worked to realize ideal ways of living taking into account all perspectives through its comprehensive real estate business. We have taken a close look at people and towns and at changes in society, and from this, we have developed choices different from those of yesterday.

In 2022, the Takara Leben Group approaches the 50th anniversary of its establishment.

With that "certain something" that can be found nowhere else and that no one else has done, we are combining a diverse range of methods to make an impact never seen before, we are changing people's lifestyles. With all of this, we continue to take on the challenge together and look toward when our approach becomes the new norm.

Theme of the Medium-Term Management Plan

Evolution through Sustainable Change

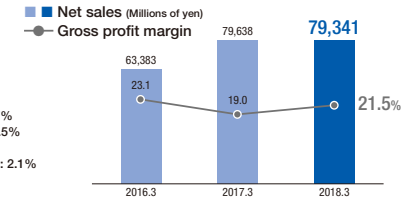
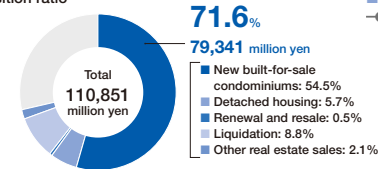
—Bringing new norms to lifestyles—



Review of Operations Real Estate Sales Business

Takara Leben designs, develops, and sells new built-for-sale condominiums including the LEBEN and NEBEL brands nationwide, mainly targeting families, single-person households, and double-income households without children in the Tokyo metropolitan area as well as active seniors in regional cities

Sales composition ratio
(Fiscal 2018)



Fiscal 2018 Review and Strategies

In the fiscal year under review, the Company opened the new Osaka Branch and Sapporo Office in April, while Group company Takara Leben West Japan opened its Fukuoka Head Office. All of these actions have accelerated the Company's ability to acquire land for condominiums throughout Japan. The number of new condominiums supplied nationwide in 2017 rose for the first time in four years but remained at the 70,000 unit level for a third consecutive year. The Company was ranked in the top 10 for the fifth consecutive year^{*1} for the number of new condominiums supplied nationwide and, in turn, has continued to provide a stable supply of new condominiums nationwide. Ranked No. 1 in condominium supply for three-straight years in the Tohoku area,^{*2} Takara Leben has expanded its market share and established a solid position for itself in this region.

The new built-for-sale condominium business sold 1,619 units compared to its sales plan 1,600 units. In contrast, the detached housing business sold 116 units versus the plan of

160 units. As a result, revenues from the real estate sales business for the fiscal year under review amounted to 79,341 million yen, down 0.4% year on year, based on revenues of 60,368 million yen from the sales of new, built-for-sale condominiums and revenues of 18,973 million yen from the sales of new detached houses and used condominiums. In addition, gross profit margin for the new built-for-sale condominium business rose from 20.6% to 22.1% owing to reductions in costs and sales amount overshoots.

In the new built-for-sale condominium business, we will proactively engage in the supply of condominiums that reflect lifestyle and environmental changes and plan to deliver 1,700 units in the current fiscal year. In detached housing, we plan to deliver 190 units. In order to supplement the new built-for-sale condominium business, we will expand the detached housing, renewal resale, and liquidation businesses line with market trends.



LEBEN Toyama Sakuramachi



LP Itabashi sky residence

^{*1}: According to surveys by the Real Estate Economic Institute Co., Ltd. ^{*2}: According to surveys by the Daily Engineering & Construction News

New Built-for-Sale Condominium Business

In the fiscal year under review, we unveiled the new NEBEL series of urban-style compact properties for single-person households and double-income households without children.

In the Tokyo metropolitan area, an emphasis on site value has become even more prevalent in light of favorable supply-demand balance. Keeping the supply of condominiums to families, single-person households and double-income households without children in mind, we will work to supply condominiums with an emphasis on locations. In regional cities, we expect the revitalization of urban areas to accelerate on the back of trends toward compact cities.

Accordingly, we will continue to supply condominiums while accurately grasping these changes.

In the reconstruction business, with a considerable reserve of condominiums rebuilt under old earthquake resistance standards, we expect demand to emerge driven by measures following revisions to the Act on Facilitation of Reconstruction of Condominiums.

The redevelopment business actively participated in the first nationally certified project under the City Center Revitalisation Act. Following this, we have been promoting further development of this project. Looking ahead, Takara Leben will strengthen its planning/proposal abilities along with expanding its network with its joint venture partners.

Renewal Resale Business

In recent years, the used condominium market has expanded noticeably, with the number of used condominium sales exceeding that of new built-for-sale condominiums in the Tokyo metropolitan area. This reflects surging sales prices for new built-for-sale condominiums and less resistance towards used condominiums accompanying lifestyle changes. In light of this, we have made a comprehensive entry to the renewal resale business to meet the rising need for used condominiums. This business model involves purchasing rental properties, holding them as rental-income real estate, and then renovating and reselling them after the leaseholders have vacated. This model realizes a stable earnings cycle, as we are able to purchase properties that are less expensive than vacant properties and, in turn, generate rental income while properties are being held. Possessing a stock of 59 units as of March 31, 2018, we aim to increase our inventories over the near term and quickly develop this business cycle. Expecting net sales to steadily rise, we aim for holdings of 500 units in fiscal 2021.

Market conditions outlook in the Tokyo metropolitan area and regional cities

Tokyo Metropolitan Area

Market Predictions	Reduction in prospective customers due to population decline, dwindling birthrate and aging population
	Increased oligopolization of supply players
	Increased tendency to place importance on sites
	Good supply and demand balance

Tendency to Favor Convenience

Targets	<ul style="list-style-type: none"> Families Singles, DINKs
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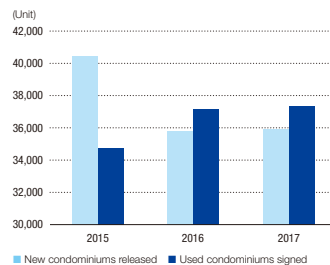
Regional Cities

Market Predictions	Reduction in prospective customers due to population decline, dwindling birthrate and aging population
	Further extension of compact cities
	Acceleration of redevelopment

Proper understanding of demand and supply balance

Targets	Active Senior Demographic
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Tokyo metropolitan area used condominium signings



Business Model

Purchase of currently rented family-type properties

- Can be purchased cheaper than vacant properties
- Actual demand rather than for investment

Maintained as rental real estate until vacated

- Able to generate rental income while properties are held

Carry out renovations once vacated

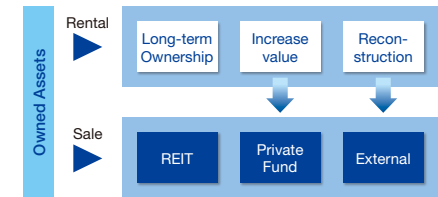
Sell

Liquidation Business

In addition to long-term real estate holdings, the Company is looking into to various exit strategies after asset values rise mainly on value enhancements and rebuilding that include selling them to REITs, private funds, and external buyers. While balancing investments and returns, we will take appropriate measures in line with investment amounts and projects in an effort to optimize our balance sheet. Takara Leben has invested around 50 billion yen over the past three years.

As for the composition of the Company's REIT, Takara Leben Real Estate Investment Corporation ("TLR") was listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market in July 2018. The assets of "TLR" are managed by Takara PAG Real Estate Advisory Limited and backed with the investments of four companies: Takara Leben, PAG Real Estate Holding Limited, Kyoritsu Maintenance Co., Ltd., and Yamada Denki Co., Ltd. Leveraging the unique business models and real estate networks of the four sponsors, TLR will harmonize REIT growth going forward. In addition, TLR will comprehensively support efforts targeting growth in secure stable earnings and managed assets by taking advantage of real estate development undertaken by Takara Leben to date.

Diversifying Exit Points



Project Development



LUXENA Heiwadai

Medium-Term Management Plan performance (quantitative) goals

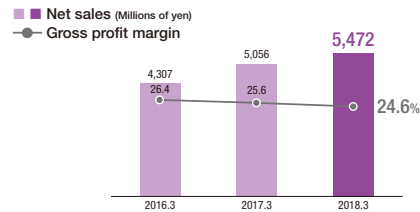
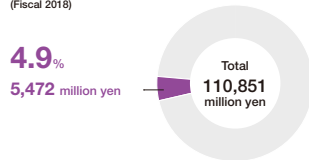
		Fiscal 2018 Results	Fiscal 2019 Plan	Fiscal 2020 Plan	Fiscal 2021 Plan
Units sold	Condominiums (Unit)	1,619	1,700	1,950	2,200
	Detached houses (Unit)	116	190	230	270

Breakdown by Segment (Net sales / gross profit)	Fiscal 2018 Results		Fiscal 2019 Plan		Fiscal 2020 Plan		Fiscal 2021 Plan	
	Net Sales	Gross Profit	Net Sales	Gross Profit	Net Sales	Gross Profit	Net Sales	Gross Profit
New built-for-sale condominium business (millions of yen)	60,368	13,313	60,000	13,000	76,000	16,500	84,500	18,600
New detached house business (millions of yen)	6,335	830	12,000	1,600	13,200	1,700	14,850	1,950
Renewal resale business (millions of yen)	588	78	1,700	220	2,720	320	3,400	400
Liquidation business (millions of yen)	9,707	2,322	30,000	5,500	26,000	4,700	24,000	4,400
Other businesses (millions of yen)	2,340	541	2,000	340	3,000	400	3,200	400
Total (millions of yen)	79,341	17,086	105,700	20,660	120,920	23,620	129,950	25,750

Review of Operations Real Estate Rental Business

The Takara Leben Group develops its apartment, condominium, and office rental business nationwide. Actively acquiring rental properties, we have established a REIT and are expanding our asset size.

Sales composition ratio
(Fiscal 2018)



Fiscal 2018 Review and Strategies

In the year under review, we aggressively pursued property purchases in order to increase our rental income and establish a REIT. Rental income has increased through the purchase of mainly hotels, offices, and residences. With hotel projects on the rise in recent years, Takara Leben opened the Dormy Inn Matsuyama (the first hotel developed by the Company) and REJOICE STAY Kyoto Karasuma Oike (which was changed from apartments for rent to guest houses) in December 2017. As a result, real estate rental business net sales amounted to 5,472 million yen, up 8.2% year on year, owing to rental income from a range of real estate.

Looking ahead, the Company aims to establish an even more stable stock business by purchasing and developing carefully selected prime properties.



Dormy Inn Matsuyama



REJOICE STAY Kyoto Karasuma Oike

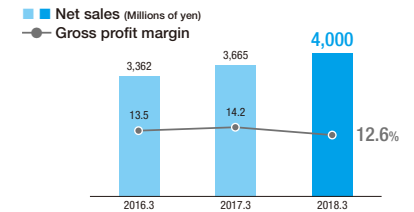
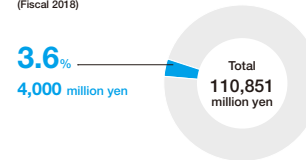
Medium-Term Management Plan performance (quantitative) goals

	Fiscal 2018 Results	Fiscal 2019 Plan	Fiscal 2020 Plan	Fiscal 2021 Plan
Net sales (millions of yen)	5,472	5,500	6,000	6,300

Review of Operations Real Estate Management Business

We are engaged in comprehensive management services for condominium buildings, which includes properties of not only the Takara Leben Group but also other company's condominiums.

Sales composition ratio
(Fiscal 2018)



Fiscal 2018 Review and Strategies

Amid increased awareness of condominium management, changes in management companies and so-called replacements are rising. Against this backdrop, the Takara Leben Group's Leben Community has acquired an overwhelming share of these replacements. As of March 31, 2018, the number of managed units rose by 4,994 units year on year to 49,650 units nationwide, and approximately 69% of this increase is accounted for by unit management on consignment from other companies. As a result, real estate management business net sales totaled 4,000 million yen, up 9.1% year on year, thanks to steady rises mainly in management fees.

Going forward, we will focus on increasing the number of units managed while at the same time expect earnings opportunities arising from large-scale repair work derived from these managed properties.

Market conditions and the Company's strengths

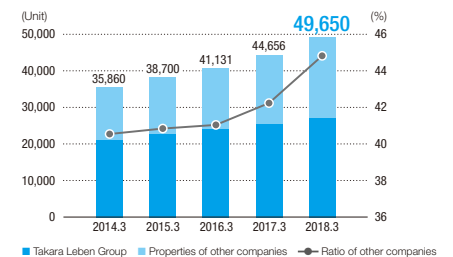
Management Business Market

- Increase in management replacements
- Intensifying cost competition
- Rising awareness of management

Strengths of our Group

- Overwhelming track record in replacing other companies in management
- High contract renewal rate (99.9%)
- Consulting services for management companies

Number of units of condominiums under management



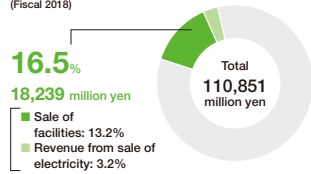
Medium-Term Management Plan performance (quantitative) goals

	Fiscal 2018 Results	Fiscal 2019 Plan	Fiscal 2020 Plan	Fiscal 2021 Plan
Net sales (millions of yen)	4,000	4,300	5,000	5,400
Number of managed units	49,650	53,300	57,600	61,900

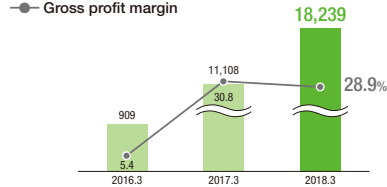
Review of Operations Electric Power Generation Business

The Takara Leben Group Company is engaged in power generation using renewable energy nationwide while aggressively acquiring and developing facilities to increase the scope of its infrastructure fund assets.

Sales composition ratio
(Fiscal 2018)



Net sales (Millions of yen)
Gross profit margin

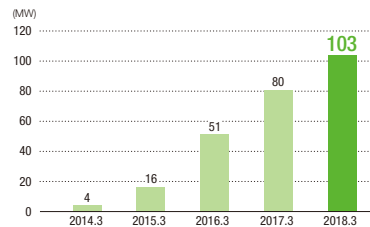


Fiscal 2018 Review and Strategies

In the fiscal year under review, Takara Leben infrastructure Fund Inc. undertook its first public offering. Moreover, the Company sold three additional facilities, and infrastructure fund assets are steadily growing. Total power generation volume for facilities operating at the end of the fiscal year (including sold facilities) came to 103MW. As a result, electric power generation business net sales were 18,239 million yen, up 64.2% year on year, due to sales revenue for power generation facilities already in operation and power-generation revenue from other facilities.

Looking ahead, we will leverage expertise and experience cultivated to date to develop power plants and purchase facilities currently operating with the aim reaching total power generation of volume 250MW in fiscal 2021. Planning to incorporate other forms of renewable energy later on, we are looking into operating wind power plants through fiscal 2021.

Electrical generation by Mega-solar



LS Takahagi Power Generation Facility

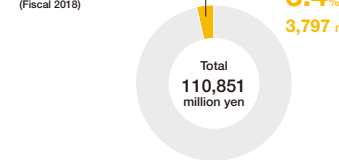
Medium-Term Management Plan performance (quantitative) goals

	Fiscal 2018 Results	Fiscal 2019 Plan	Fiscal 2020 Plan	Fiscal 2021 Plan
Net sales	Sale of Facilities (millions of yen)	14,687	7,000	17,000
	Revenue from Sale of Electricity (millions of yen)	3,552	3,800	4,100
Total power generation volume (MW)	103	147	200	250

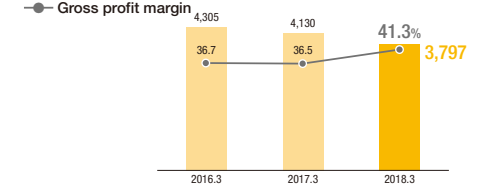
Review of Operations Other Businesses

This segment consists of commissions and management fees derived from our other business segments, and is currently promoting business development overseas.

Sales composition ratio
(Fiscal 2018)



Net sales (Millions of yen)
Gross profit margin



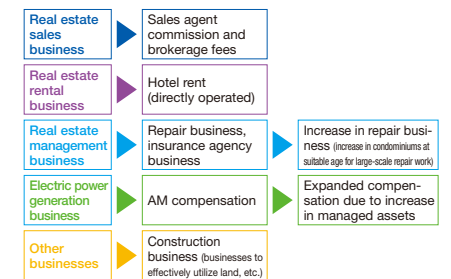
Fiscal 2018 Review and Strategies

The other businesses segment centers on fees derived from other segments as well as large-scale repair and construction work. In the year under review, other businesses net sales amounted to 3,797 million yen, down 8.1% year on year, as a result of lower construction contract business revenues.

Going forward, we anticipate management fees derived from asset size expansion particularly for REITs as well as orders from large-scale repair work for condominiums managed that have reached a suitable age.

In addition, the Company is working to position overseas business as a means to supplement domestic operations. Targeting Vietnam over the near term, we opened a representative office in the capital Hanoi City in March 2018. We will search for expanding businesses that extend investment areas beyond real estate sales to include management operations, collect project information, and discover partner companies within a reasonable range.

Expansion of Businesses Derived from Each Segment



Business Development Overseas



Opens a representative office in Vietnam's capital, Hanoi City

Medium-Term Management Plan performance (quantitative) goals

	Fiscal 2018 Results	Fiscal 2019 Plan	Fiscal 2020 Plan	Fiscal 2021 Plan
Net sales (millions of yen)	3,797	3,700	6,980	7,150

Corporate Governance

Basic Approach to Corporate Governance

Rather than simply pursuing profit, the Company strongly believes in compliance with laws and corporate ethics and carrying out its duties as a responsible member of society.

While maintaining close-knit relationships with its shareholders, customers, and employees—our basic stakeholders—the Company will work on responses in which constant thought is given to how we can deliver even greater satisfaction. In addition, we believe that reflecting on the feedback received from other diverse stakeholders in our business, while responding in ways that constantly keep in mind what a company should achieve and for whom, will eventually lead to the realization of sound, effective, and stable business management.

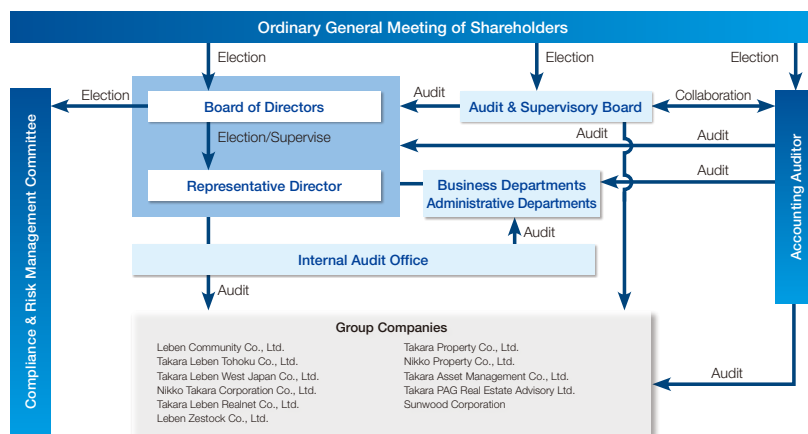
In addition, by not confining ourselves to check and balance functions by means of systems but rather by spreading the roots of checks and balances as indices or systems throughout the Company, we will work so that function works in synch with each person's awareness.

Corporate Governance System

Board of Directors

Takara Leben has appointed 11 directors, three of whom are outside directors. All three outside directors have been designated as independent officers. In addition to carrying out prudent and swift decision making, directors mutually supervise the status of business execution at Board of Directors' meetings, which, in principle, are held once a month, and at extraordinary Board of Directors' meetings that are held on an as-required basis.

Corporate Governance System



Auditors are always in attendance at Board of Directors' meetings and state their opinions as necessary. At the same time, auditors work closely with outside directors and, as necessary, audit and oversee the running of Board of Directors' meetings and the status of business execution.

Also in attendance at Board of Directors' meetings are executive officers, the head of the Internal Audit Office, and the heads of other departments, who have received requests from the Board of Directors based on internal regulations and express their opinions on each agenda item or matter contained in a report as required.

The Company holds an Executive Committee meeting (to discuss topics with regard to management) once every two weeks and a business conference (to discuss sales progress) on a weekly basis. In addition to sharing the achievement status of management targets at these and other meetings, the Company glean information on problem areas and issues in the form of performance reports from each department and deliberates important matters relating to overall management. The content of those reports is raised at Board of Directors' meetings on an as-required basis.

Executive Officer System

Having introduced an Executive Officer system, Takara Leben has clarified its directors' management oversight responsibilities and the business execution responsibilities of its executive officers and is working to further speed up its decision making and strengthen its business execution.

Audit & Supervisory Board

As a system for the check and balance of decision making, all three corporate auditors of Takara Leben are outside corporate auditors, and each possesses sufficient background, experience and mettle to make objective judgments and perform checks. In preparation for cases in which the number of corporate auditors would be fewer than that stipulated by laws and regulations, one reserve corporate auditor is also appointed. In addition to conducting audits for Takara Leben, the auditors are also involved in the audits of our Group companies, attend their board meetings, conduct interviews with their directors and maintain firm relationships with these companies. In addition, an accounting auditor mutually ascertains and adjusts each year's accounting schedule, accompanies corporate auditors on site inspections and model room surveys and endeavors to improve the effectiveness and efficiency of further audits by constantly exchanging information as appropriate.

Internal Audit Office

Takara Leben also formulated guidelines for internal audits as well as establishing an Internal Audit Office as an independent organization directly reporting to the President to enhance and strengthen our internal audits. In the proposal and execution of the internal audit plan, the office coordinates the schedules of auditors and the Accounting Auditor and adjusts the scopes of audits to seek efficient operation of various functions. Auditors accompany and witness operation audits conducted by the Internal Audit Office, and work on building an effective and efficient audit system by means such as verifying the scope of the audit and collecting opinions as appropriate.

Executive Remuneration

Directors' remuneration is determined on the basis of the degree of each director's contribution to business expansion and improvement in corporate value toward the Company's sustainable growth. The limit of the annual amount of remuneration is deemed to be 600 million yen or less (not including, however, the employee portion of the salary), and the limitation of the special stock option remuneration to 300 million yen or less annually which is decided by a resolution at an Ordinary General Meeting of Shareholders.

The remuneration of the Audit & Supervisory Board member is limited to an annual amount of 60 million yen or less.

Amounts of Director and Auditor Remuneration (As of March 31, 2018)

Position	Number of people	Amount of remuneration (Millions of yen)
Directors	10	410
Auditors	3	26
Total	13	437

- (Notes) 1. The amount paid to directors does not include the employee salaries of directors concurrently serving as employees.
 2. The remuneration limit for directors is up to a limit of 600 million yen per year (excluding any salaries as employees), as approved at the 45th General Meeting of Shareholders held on June 27, 2017. In addition, at the 43rd General Meeting of Shareholders, held on June 24, 2015, it was resolved that the annual amount of stock option remuneration would be up to a limit of 300 million yen.
 3. At the Extraordinary General Meeting of Shareholders held on July 16, 1999, a remuneration limit of 60 million yen per year was decided for corporate auditors.
 4. The total amounts of the aforementioned remuneration, etc. include the following amounts as the amount of expenses in the fiscal year related to stock acquisition rights allocated as stock option remuneration.
 • Six directors 74 million yen

Reasons for Nominations of Outside Directors and Frequency of Attendance at Board of Directors' Meetings

Position	Name	Reason for nomination	Attendance at Board of Directors' Meetings
Outside Director	Hitoshi Shida	Mr. Shida possesses an abundance of experience and achievements in management at financial institutions and business firms. Having already been receiving guidance and advice from him in his capacity as advisor, the Company appointed Mr. Shida as an Outside Director.	25 / 25
Outside Director	Katsumi Kasahara	As Mr. Kasahara has built up a wealth of experience and achievements as a lawyer, possesses extensive knowledge and insight, and is highly mindful of compliance with laws and regulations, the Company appointed him as an Outside Director.	25 / 25
Outside Director	Kenji Kawada*	Having been involved in management at a financial institution and a business firm, Mr. Kawada possesses abundant experience of and achievements in management as well as extensive knowledge and insight. He has therefore been reappointed as an Outside Director.	19 / 19

* Kenji Kawada was appointed at the General Meeting of Shareholders held June 27, 2017.
 Note: The Company has registered all of its outside directors with the Tokyo Stock Exchange as independent directors.

Compliance/Business Risks

Compliance

Compliance Basic Policy

To fulfill our corporate social responsibility, all organizations, officers and employees of the Takara Leben Group will comply with laws and regulations, social norms, and separately established ethical rules to be example to society.

Compliance Promotion Structure

Takara Leben has established a Compliance & Risk Management Committee chaired by our President. The Committee validates and reports all business-related risks, holds discussions and makes decisions on measures and management to counter or reduce risks, and works thoroughly on strengthening internal controls and preventing misconduct, lack of compliance, and other similar incidents. In addition, subcommittees—such as for business strategy, finance, IT & administration, and compliance—are established as necessary, and build systems which enable proactive proposals appropriate to risk management in each category. Furthermore, the scope of discussions for each subcommittee is reported and validated at the Compliance & Risk Management Committee as appropriate based on our Compliance & Risk Management Committee Rules. These are reported to our Board of Directors' meetings as necessary to build a system for swift decision-making that would be prepared for occurrences of risk.

Business Risks

The following items present potential risk for the operating results, share price, financial position, etc. of the Takara Leben Group. Forward-looking statements hereby are based on the assessment by the Takara Leben Group as of the end of the current consolidated fiscal year.

Earthquakes and other natural disasters

Earthquakes and other natural disasters may directly damage the Takara Leben Group or the construction companies used for execution, or may make it difficult for these construction companies to procure building materials. Any of these events may delay construction work, as well as hamper sales and collection activity of the Takara Leben Group, and thus impact the performance and financial position of the Takara Leben Group.

Home buyer sentiment

The Takara Leben Group's core business, new built-for-sale condominiums, tends to be swayed by changes in home buyer sentiment, which is affected by factors such as the overall economy, residential tax regulations, consumption taxes, land prices, and interest rates. A pronounced deterioration in home buyer sentiment may impact the performance and financial position of the Takara Leben Group.

Impact of home loans

In the purchase of condominiums, etc., our customers often make use of home loans from home financing support organizations and financial institutions, and therefore credit crunches caused by unfavorable changes in financial conditions may potentially impact the performance and financial position of the Takara Leben Group.

Impact of competition

The Group sells real estate on a nationwide basis, but an excessive price competition may prolong marketing activities or cause sales at the estimated price to be difficult. Such situations may potentially impact the performance and financial position of the Takara Leben Group.

Subcontractors

The Takara Leben Group submits orders for the construction of condominiums to construction company operators, but in the event of a rise in the building contract costs due to the soaring prices for building materials and construction labor costs, there is the possibility of a decline in profitability. Should the construction company entrusted with the construction work become insolvent, there is also the possibility that this would give rise to delays in the construction work or to a default on the construction contract. Also, in the event of the construction company having not provided the contracted amount of due compensation in the future, this may potentially impact the performance and financial position of the Takara Leben Group.

Other risks are identified as follows.

- Possibility of Lawsuits
- Personal Information, etc.

CSR

CSR Basic Policy

The Takara Leben Group will realize our corporate vision of "THINK HAPPINESS AND MAKE THE HAPPINESS," and work hard to earn the trust of various stakeholders and society. We will strive for continuous growth by incorporating CSR initiatives into our business (e.g. supplying housing, utilizing natural energy) to leverage our strengths in contributing to solving social issues



CSR Themes

The Takara Leben Group is working on the identification of critical issues (materiality).

In FY 2017, we worked on grasping the current situation, sorting information, and promoting understanding within the company as a preparation stage.

Moving forward, we will be identifying critical issues based on Takara Leben's perspective, and the priorities from the perspectives of stakeholders. We aim to report the results in our report for FY 2018 together with information disclosing to the Global Reporting Initiative (GRI) Standards.

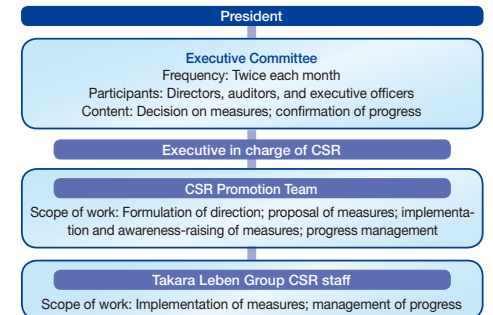


CSR Promotion Structure

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.

In addition, we are organizing training for executives of all Group companies and staff in charge of CSR. We are also considering opportunities for information sharing and discussion with ground staff.

Moving forward, we will create new value by creating environments where employees can take ownership in working on CSR, and further strengthen our activities by reaffirming awareness of critical issues.



For more details on activities, please see our CSR Report 2018.
<https://www.leben.co.jp/en/ir/csr.html>



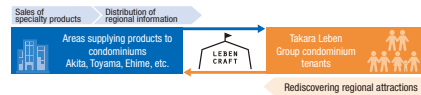
Creating Lifestyles with Value

Under the concept of “realizing harmony between residents and the surrounding environment in an optimal form,” the Takara Leben Group aims to create lifestyles of merit through the supply of homes that deliver comfort and aesthetic design.

LebenCraft Project

Regional revitalization project that links regional cities with the Tokyo metropolitan area

LEBENCRAFT is a system that enables a condominium tenant living in a city to utilize the Condominium Concierge smartphone app to purchase regional specialty products supplied to condominiums by the Takara Leben Group. We are contributing to regional revitalization by linking people living in urban condominiums with the regions. Unique to the Takara Leben Group, this initiative not only develops the Tokyo metropolitan area but also conducts regional city revitalization business.



Solar Power Projects/Luic Projects

In the case of the solar power projects, assuming the introduction of energy systems such as solar power generation, planning, design, and construction will be conducted from the time of the land purchase. Doing this makes it possible to limit the utility costs to less than half than normal. In the years to come, we will set up new power generating facilities not limited to solar power generation, and aim to disseminate electricity using lower cost renewable energy.

Focusing on water that is indispensable in our daily lives, the Luic projects are proposals for housing that incorporate unprecedented water environments. Among the features we are adopting is the Takara Water System, a whole house water purification system, and the Takara Microbubble Tornado O₂, a bath system that removes waste and impurities and is gentle on the skin.

Developing Environments and Cultures

The Takara Leben Group not only improves the environment through adopting renewable energy, but also contributes to improving energy self-sufficiency and regional revitalization including the use of idle land. In addition, we work on improving the quality of life for people by providing opportunities for cultural and social activities.

Providing Condominiums Installed with Solar Power Generation Systems

The Takara Leben Group provides condominiums installed with solar power generation systems, which utilize renewable energy that does not emit CO₂—a greenhouse gas, during the operation of systems. Solar panels are installed on the rooftops of condominiums, which allows for all the electricity generated by the panels to be sold to electric



LEBEN Moriya THE SQUARE

companies over a long-term period (20 years). In addition, all-electric condominiums also adopt good-value electricity rate plans.

Sponsorship for Tohoku Rakuten Golden Eagles

To deepen communication with local residents, Takara Leben sponsors the Miyagi Prefecture-based Tohoku Rakuten Golden Eagles professional baseball team. On the Eagles Kids Day held in May 2017, we gave away uniforms to 5,000 children.



Sponsoring the Eagle Kids Day

Giving away baseball uniforms

Providing Comfortable Spaces of High Quality

So that all people live with peace of mind. The Takara Leben Group pursues the performance necessary for housing that supports the happiness of families, offers a certain quality that combines design and comfort, and a comfortable space that allows people to live with peace of mind forever.

Condominium Management:

The Foundation of Trust and Peace of Mind

Service Quality Management System (SQMS™)

To continue managing customers' valuable assets over the long term, Leben Community Co., Ltd., which is responsible for managing condominiums, is adopting its own service quality management system (SQMS™). This represents the original management know-how that forms the cornerstone of our company and which, developed from the ISO 9001 international standard for quality management systems, repeatedly provides feedback on long-term experience to the system. The system enables us to carry out quality control and business management in parallel and can maintain quality standards of service even if consultant staff and managers are replaced.



Initiative to Improve Quality by Acquiring

ISO 9001 Certification

For the purpose of improving the quality of our comprehensive support to customers in building comfortable living environments, Leben Community and Nikko Takara Corporation have prepared quality management systems in accordance with ISO 9001, the international standard for quality management systems formulated by the International Standards Organization, and obtained this certification.



Lobbies with high-class interior



Adopting the most fitting equipment for each property

Forming Communities

The Takara Leben Group works on regional revitalization — such as participation in redevelopment and local events — and the strengthening of communications with customers, employees, and shareholders. We build ties with stakeholders, and contribute to the formation and growth of communities.

Community Activities of Leben Community Co., Ltd.

Leben Community proactively proposes and supports activities toward the formation of communities among condominium residents. The communications required for condominiums depend, for example, on the number of elapsed years, residents' age groups and regional characteristics. Leben Community brings together the know-how of various properties that we have cultivated over many years and proposes the creation of a community that suits that condominium. We naturally support the creation of good communities from all angles, through participation in events, such as festivals and disaster prevention drills, while also supporting the management association's board of directors and general meetings.

Regional Revitalization Through Redevelopment Business

Through redevelopment projects, we are improving the functionality and comfort of cities by solving various issues faced by modern-day cities, such as population declines

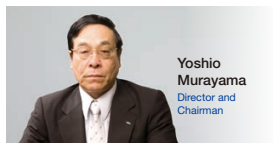
and aging, and realizing safe, secure and attractive cities. Improve convenience by upgrading infrastructure, creating busy hubs by improving parks and urban areas and improving child care support facilities, we plan redevelopments that realize a high-quality lifestyle and exude the qualities that typify that region. Together with the owners of land and buildings, we work with the local government administration and fully benefit from any easing of building regulations and from subsidy systems to form three-party partnership to bring about the resurrection of a city's vitality.



LUCIDA TOWER in Toyama City under its downtown redevelopment project based on its basic plan for city center revitalization and Japan's Urban Renewal Act

Directors and Audit & Supervisory Board Members

(As of June 27, 2018)



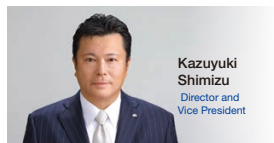
Yoshio Murayama
Director and Chairman

Sep. 1972 Established the Company
Senior Managing Director
Apr. 2012 Representative Director, President and CEO
Apr. 2014 Representative Director and Chairman
Jun. 2016 Director and Chairman (Incumbent)



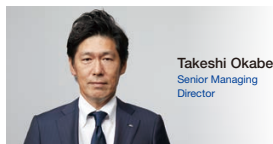
Kazuichi Shimada
Representative Director and President

May 1987 Joined the Company
Jun. 2006 Representative Director, Vice President, and Executive General Manager of the Development Division
Apr. 2014 Representative Director, President, CEO, COO, and CFO (Incumbent)



Kazuyuki Shimizu
Director and Vice President

Oct. 2004 Joined Leben Community Co., Ltd.
May 2014 Senior Managing Director, Leben Community Co., Ltd.
May 2016 Representative Director and Vice President, Leben Community Co., Ltd.
Jun. 2018 Representative Director, Takara Leben West Japan Co., Ltd. (Incumbent)
Director and Vice President (Responsible for Corporate Planning) (Incumbent)



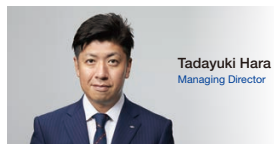
Takeshi Okabe
Senior Managing Director

Apr. 1998 Joined the Company
Apr. 2015 Senior Managing Director, Executive Officer, and Executive General Manager of the Sales Division
Jun. 2016 Director, Jutakujohokan Co., Ltd. (name changed to Takara Leben West Japan Co., Ltd. effective April 1, 2017)
Apr. 2017 Senior Managing Director, Executive Officer, and Executive General Manager of the Investment Development Division (Incumbent)
Jan. 2018 Representative Director, Leben Zestock Co., Ltd. (Incumbent)



Yoshitaka Tejima
Senior Managing Director

Mar. 1997 Joined the Company
Jun. 2014 Director, Sunwood Corporation (Incumbent)
Oct. 2016 Director, Executive Officer, and Executive General Manager of the Development Division, General Manager of the Overall Development Group, General Manager of the Development Division, General Manager of Yokohama Branch, and General Manager of the Eco-Energy Division
Apr. 2018 Senior Managing Director and Executive Officer and Executive General Manager of Development Division (Incumbent)
Jun. 2018 Director, Takara Leben West Japan Co., Ltd. (Incumbent)



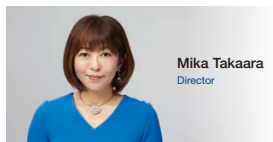
Tadayuki Hara
Managing Director

Aug. 2002 Joined the Company
Apr. 2017 Managing Director, Executive Officer, and Executive General Manager of the Sales Division, General Manager of the 1st Group of the Sales Division, General Manager of the 2nd Sales Division
Apr. 2018 Managing Director, Executive Officer and Executive General Manager of Sales Division (Incumbent)
Jun. 2018 Director, Takara Leben West Japan Co., Ltd. (Incumbent)



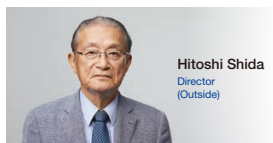
Masashi Yamamoto
Director

May 2016 Joined Company, General Manager of General Affairs Division
May 2017 Director, Leben Community Co., Ltd. (Incumbent)
Jun. 2017 Director, Executive Officer, and Executive General Manager of General Planning Division, General Manager of Control Group of Corporate Planning, General Manager of Personnel, General Manager of Corporate Planning
Apr. 2018 Director, Executive Officer, Executive General Manager of General Planning Division, General Manager of Control Group of Corporate Planning, and General Manager of Corporate Planning (Incumbent)



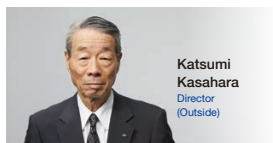
Mika Takaara
Director

Jan. 2000 Joined the Company
Jun. 2016 Director, Executive Officer, and General Manager of the Overall Sales Group – Sales Division, Manager of the Sales Promotion Department, and Manager of the Business Department
Jun. 2017 Director, Takara Leben Tohoku Co., Ltd. (Incumbent)
Apr. 2018 Director, Executive Officer and General Manager of Overall Sales Group, Sales Division (Incumbent)



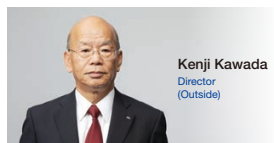
Hitoshi Shida
Director (Outside)

Apr. 1961 Joined Nippon-Sogo Bank, Ltd. (name changed to Sumitomo Mitsui Banking Corporation)
Jun. 1990 Director and General Manager of Akasaka Branch, The Sakura Bank, Limited (name changed to Sumitomo Mitsui Banking Corporation)
Jun. 1992 Managing Director, The Sakura Bank, Limited (name changed to Sumitomo Mitsui Banking Corporation)
Jun. 1994 President, The Taiheyo Bank Ltd. (name changed to Sumitomo Mitsui Banking Corporation)
Jun. 1997 Representative Director, Yoei Co., Ltd.
Jun. 2014 Director, Takara Leben Co., Ltd. (Incumbent)



Katsumi Kasahara
Director (Outside)

May 1973 Registered in the Roll of Attorneys (registration no.: 13897); Joined the Tokyo Bar Association
May 1999 Counselor, Japan Credit Counseling Organization
Apr. 2013 Legal Counsel and Member of the Ethics Committee, The Society for Preservation of Japanese Art Swords (Incumbent)
Jun. 2015 Director, Takara Leben Co., Ltd. (Incumbent)



Kenji Kawada
Director (Outside)

May 2003 Representative Director and President, Resona Holdings, Inc.
Jun. 2009 Chief Director, Resona Research Institute Co., Ltd.
Jan. 2013 Representative of TMA KAWADA OFFICE (Incumbent)
Apr. 2016 Adviser, FUJITSU RESEARCH INSTITUTE
Jun. 2017 Director, Takara Leben Co., Ltd. (Incumbent)

Six-Year Summary

	Millions of yen					2018.3
	2013.3	2014.3	2015.3	2016.3	2017.3	
Net sales	¥64,907	¥71,963	¥76,956	¥76,268	¥103,599	¥110,851
Gross profit	14,378	18,199	18,311	17,835	21,869	25,779
Operating income	6,361	9,798	9,257	7,563	10,349	12,597
Ordinary income	5,792	9,181	8,540	6,708	9,496	11,792
Net income	4,074	5,869	5,718	4,308	6,107	7,367
Cash flows from operating activities	875	22,996	(8,155)	2,428	22,644	9,869
Cash flows from investing activities	(1,590)	(4,567)	(7,998)	(19,816)	(27,540)	(34,463)
Cash flows from financing activities	1,229	(366)	6,314	19,663	6,129	24,012
Capital expenditure	1,658	4,163	8,095	22,756	20,814	30,302
Depreciation and amortization	356	437	717	1,192	2,397	1,943
Total assets	75,013	95,891	101,738	129,744	139,874	177,975
Current assets	55,932	72,524	67,319	75,753	86,585	103,498
Cash and deposits	17,911	35,964	26,281	28,515	29,780	29,223
Inventory	35,376	33,445	35,345	40,208	49,933	68,438
Real estate for sale	2,067	1,156	4,901	4,073	9,658	20,279
Power generation facilities for sale	—	—	—	—	7,885	4,090
Real estate held for sale in progress	33,308	32,288	30,444	36,134	32,390	44,068
Fixed assets	19,081	23,366	34,400	53,945	53,237	74,437
Net assets	24,147	27,138	31,189	33,677	36,792	42,907
Interest-bearing debt	35,096	37,765	48,812	70,396	79,864	106,663
Per Share Information:*						
Net income per share (Yen)	33.61	50.64	50.61	38.99	56.14	68.12
Net assets per share (Yen)	201.90	237.53	279.11	304.71	339.29	394.90
Dividends per share (Yen)	15.0	5.0	6.0	13.0	15.0	16.0
Operating Indices:						
ROE (%)	18.0	22.9	19.7	13.3	17.4	18.6
ROA (%)	5.6	6.9	5.8	3.7	4.5	4.6
Operating income margin (%)	9.8	13.6	12.0	9.9	10.0	11.4
Debt ratio (Times)	2.1	2.5	2.3	2.9	2.8	3.1
Current ratio (%)	192.7	192.3	193.4	176.7	171.5	182.0
Inventory turnover (Times/Year)	2.0	2.1	2.2	2.0	2.3	1.9
Equity ratio (%)	32.2	28.2	30.6	25.8	26.2	24.0
Dividend payout ratio (%)	11.2	9.9	11.9	33.3	26.7	23.5

* Takara Leben conducted a 4-for-1 stock split with the effective date of July 1, 2013. Dividends per share after the fiscal year ended March 31, 2014 take into account the impact of this stock split. Moreover, past net assets per share and net income per share data is presented after adjusting for the stock split.

Financial Review

Summary of Overall Results

During the fiscal year ended March 31, 2018, the Japanese economy continued to recover moderately amid improved corporate earnings backed by an environment of stronger employment and income, due to a range of fiscal measures implemented by the government. In the real estate sales market in which Takara Leben operates, sales are increasingly divided between weak and strong results in response to a rise in selling prices caused by soaring construction costs in the Tokyo metropolitan area. Upward trends were seen in demand for convenient locations and daily life and compact condominiums, reflecting changes in lifestyles caused by an increase in single-person households and dual-income households and changes in consumer values. Meanwhile, demand in regional urban centers remains strong, thanks in part to the demand of active seniors, which continues to be high, and the trend toward compact city development.

The number of nationwide condominium units sold increased in 2017 for the first time in four years, however it remains at the 70,000 level for the third consecutive year. Under these conditions, the Company ranked among the top 10 for the fifth consecutive year and plays the role of a stable supplier in the real estate sales market as an independent general real estate developer.

In this environment, the Company announced details of its new Medium-Term Management Plan on May 14, 2018 and will ensure stable earnings in addition to responding promptly and appropriately to changes in its external and internal environments.

Profit and Loss

In addition to robust sales of new built-for-sale condominiums in the core real estate sales business, the gross margin also rose substantially compared with initial plans thanks largely to reductions in the cost of sales and other factors. As a result, consolidated net sales in the fiscal year under review came to 110,851 million yen, up 7.0% year on year. From a profit perspective, operating income amounted to 12,597 million yen, 21.7% higher compared with the previous fiscal year. Ordinary income climbed 24.2%, to 11,792 million yen, and net income attributable to owners of parent grew 20.6%, to 7,367 million yen. This represented a second consecutive fiscal year of record high profit. Major factors that contributed to the Company's improved performance include the additional sale of power genera-

tion facilities in the electric power generation business and successful efforts to reduce selling, general and administrative (SG&A) expenses.

Operating Income

The cost of sales climbed 4.1% compared with the previous fiscal year, to 85,072 million yen. This was mainly due to the sale of power generation facilities that were already in operation. As a result, gross profit came to 25,779 million yen, a year-on-year increase of 17.9%. On this basis, the gross margin improved 2.2 percentage points compared with the previous fiscal year, to 23.3%.

SG&A expenses increased 14.4% year on year, to 13,182 million yen. Despite the continued implementation of comprehensive measures to reduce expenses from the previous fiscal year, this largely reflected increases in personnel, sales and promotion as well as advertising expenses associated with business expansion.

Taking each of these factors into consideration, operating income expanded 21.7% compared with the previous fiscal year, to 12,597 million yen on an operating income margin of 11.4%, up 1.4 percentage points year on year.

Net Income

Non-operating income grew 55.6% year on year, to 393 million yen, due largely to the distribution of equity method affiliate profits. Non-operating expenses rose 8.4% compared with the previous fiscal year, to 1,198 million yen. This was mainly attributable to an increase in interest expenses in line with new borrowings for project funds. Extraordinary losses increased 1.1% year on year, to 974 million yen, mainly as a result of posting impairment losses.

As a result, net income before income taxes amounted to 10,817 million yen, up 26.6% compared with the previous fiscal year. After deducting income taxes of 3,449 million yen, net income attributable to owners of parent came to 7,367 million yen, a year-on-year increase of 20.6%. Net income per share was 68.12 yen and ROE was 18.6% for the fiscal year under review.

Dividend Policy

Takara Leben considers that the return of profits to shareholders is one of its most important management issues. With this in mind, the Company's basic policy is to undertake the proper, stable, and continuous payment of dividends in line with operating results while retaining the funds necessary to expand its business and strengthen its business operations.

As a part of this basic policy, Takara Leben undertakes the distribution of surplus twice yearly through the payment of an interim and period-end dividend.

In the fiscal year under review, energies were directed toward ensuring the stability of profits and restructuring the Company's financial condition in a bid to secure the corporate stamina required to overcome changes in the external environment. Emphasis was especially placed on profitability. In fiscal 2018, Takara Leben adopted a stringent approach toward profitability when determining business plans while working diligently to reduce costs. Through these means, positive steps were taken to secure stable profits. Against this backdrop, the Company plans to undertake the payment of dividends while balancing the need for retaining earnings geared toward future growth.

Looking ahead, Takara Leben will continue to promote stable management as the basis of its operations, pursue renewed growth, and undertake the payment of dividends commensurate with its business performance in accordance with its basic policy. On this basis, the annual dividend for the fiscal year under review has been set at 16 yen per share. This represents an interim dividend of 5 yen per share and a period-end dividend of 11 yen per share, which equates to a dividend payout ratio of 23.5%.

Outlook for Fiscal 2019

In fiscal 2019, the fiscal year ending March 31, 2019, Takara Leben is projecting net sales of 130,000 million yen, up 17.3% compared with the fiscal year under review. As far as earnings are concerned, operating income is forecast to come in at 10,700 million yen, a decrease of 15.1% year on year. Ordinary income is expected to decline 18.6%, to 9,600 million yen and net income attributable to owners of parent to fall 14.5%, to 6,300 million yen.

Financial Position

Funding Demand and Management of Liquidity

While recognizing that such factors as the market environment can have a significant impact on the Group's operating results, Takara Leben pays particular attention to monitoring its dependence on borrowings. As far as the core real estate sales business is concerned, operations are largely predicated on the level of borrowings. In principle, we target a borrowing dependency level of less than 60% in order to ensure stable business growth while securing the proper amount of shareholders' equity.

Turning to the source of the Takara Leben Group's capital as well as its overall funding liquidity, steps are taken to procure a portion of the finance necessary to fund activities undertaken by the core real estate sales business from financial and other institutions. These activities include the purchase of housing lots as well as construction. In addition, Takara Leben has concluded a commitment line of credit agreement totaling 41,320 million yen with its major banks and other institutions, enabling the Company to procure funds in a timely manner. While borrowings have increased in recent years in line with efforts to expand the scope of the Group's business and engage in investment activities, energies have been channeled toward putting in place an investment recovery cycle while at the same time improving the equity ratio. Coupled with efforts to build an optimal portfolio, these endeavors are helping to secure stable funding.

The balance of interest-bearing debt stood at 106,663 million yen as of the end of the fiscal year under review, compared with 79,864 million yen as of March 31, 2017. The ratio of interest-bearing debt to total assets and the current ratio as of the end of fiscal 2018 were 59.9% and 182.0%, respectively. Based on the aforementioned, the equity ratio came in at 24.0%.

Cash Flows

Cash and cash equivalents as of March 31, 2018 amounted to 29,042 million yen, a decrease of 581 million yen from March 31, 2017. Free cash flow came in at negative 24,593 million yen.

Cash Flows from Operating Activities

Net cash provided by operating activities was 9,869 million yen (cash provided of 22,644 million yen in the previous fiscal year). The major component was an increase in notes and accounts payable – trade. Depreciation and amortization amounted to 1,943 million yen, down 454 million yen compared with the previous fiscal year.

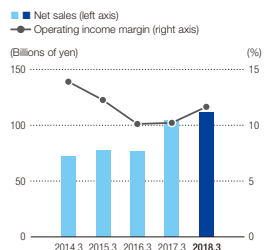
Cash Flows from Investing Activities

Net cash used in investing activities was 34,463 million yen (cash used of 27,540 million yen in the previous fiscal year), mainly due to the purchase of property, plant and equipment.

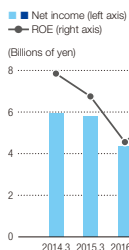
Cash Flows from Financing Activities

Net cash provided by financing activities was 24,012 million yen (cash provided of 6,129 million yen in the previous fiscal year), which was primarily attributable to an increase in loans payable.

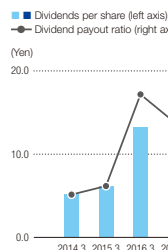
Net sales/Operating income margin



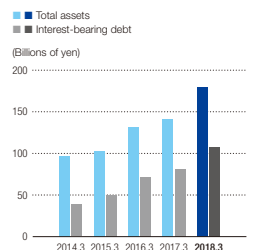
Net income/ROE



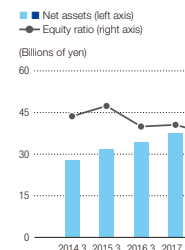
Dividends per share/Dividend payout ratio



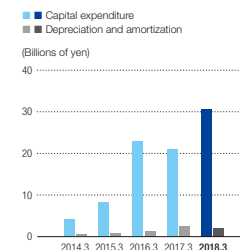
Total assets/Interest-bearing debt



Net assets/Equity ratio



Capital expenditure/Depreciation and amortization



Consolidated Balance Sheet

	Millions of yen	
	2017.3	2018.3
Assets		
Current assets		
Cash and deposits	¥ 29,780	¥ 29,223
Notes and accounts receivable—trade	1,331	1,539
Real estate held for sale	9,658	20,279
Power generation facilities for sale	7,885	4,090
Real estate held for sale in progress	32,390	44,068
Power generation facilities in process	—	29
Costs incurred on uncompleted contracts	15	129
Deferred tax assets	99	567
Other	5,549	3,680
Allowance for doubtful accounts	(124)	(110)
Total current assets	86,585	103,498
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,742	20,866
Accumulated depreciation	(3,506)	(2,584)
Buildings and structures, net	14,235	18,281
Machinery, equipment and vehicles	5,125	5,550
Accumulated depreciation	(525)	(881)
Machinery, equipment and vehicles, net	4,600	4,669
Tools, furniture and fixtures	148	291
Accumulated depreciation	(93)	(115)
Tools, furniture and fixtures, net	55	176
Land	23,821	35,899
Lease assets	231	273
Accumulated depreciation	(144)	(92)
Lease assets, net	87	180
Construction in progress	4,346	7,132
Total property, plant and equipment	47,146	66,340
Intangible assets		
Goodwill	889	1,265
Lease assets	42	27
Other	459	516
Total intangible assets	1,391	1,808
Investments and other assets		
Investment securities	1,228	2,501
Long-term loans receivable	31	1
Deferred tax assets	72	84
Other	3,375	3,707
Allowance for doubtful accounts	(9)	(6)
Total investments and other assets	4,699	6,287
Total non-current assets	53,237	74,437
Deferred assets	51	38
Total assets	¥139,874	¥177,975

	Millions of yen	
	2017.3	2018.3
Liabilities		
Current liabilities		
Notes and accounts payable, trade	¥ 12,173	¥ 15,786
Short-term loans payable	16,490	18,389
Current portion of bonds	60	—
Current portion of long-term loans payable	13,098	12,838
Lease obligations	51	55
Income taxes payable	2,976	3,547
Advance received	2,234	2,177
Provision for bonuses	323	363
Provision for warranties for completed construction	405	525
Deferred tax liabilities	269	—
Other	2,399	3,193
Total current liabilities	50,482	56,876
Noncurrent liabilities		
Long-term loans payable	48,439	75,015
Bonds payable	1,640	200
Lease obligations	85	164
Provision for directors' retirement benefits	56	73
Net defined benefit liability	331	436
Asset retirement obligations	22	22
Deferred tax liabilities	39	404
Other	1,984	1,873
Total noncurrent liabilities	52,599	78,191
Total liabilities	103,081	135,067
Net assets		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,817	4,823
Retained earnings	32,970	38,717
Treasury stock	(5,976)	(5,875)
Total shareholders' equity	36,630	42,485
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	262
Total accumulated other comprehensive income	4	262
Share acquisition rights	157	159
Total net assets	36,792	42,907
Total liabilities and net assets	¥139,874	¥177,975

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

	Millions of yen	
	2017.3	2018.3
Net sales	¥103,599	¥110,851
Cost of sales	81,729	85,072
Gross profit	21,869	25,779
Selling, general and administrative expenses	11,520	13,182
Operating income	10,349	12,597
Non-operating income		
Interest income	15	1
Dividend income	27	95
Commission fee	106	109
Share of profit of entities accounted for using equity	36	46
Miscellaneous income	65	139
Total non-operating income	252	393
Non-operating expenses		
Interest expense	1,036	1,067
Miscellaneous loss	69	131
Total non-operating expense	1,105	1,198
Ordinary income	9,496	11,792
Extraordinary income		
Gain on reversal of share acquisition rights	13	—
Total extraordinary income	13	—
Extraordinary losses		
Loss on retirement of non-current assets	—	42
Loss on sales of non-current assets	—	4
Impairment loss	651	593
Loss from compensation for complete work	170	174
Office transfer expenses	95	93
Loss on liquidation of subsidiaries and associates	45	—
Loss on transfer of receivables	—	66
Total extraordinary losses	963	974
Net income before income taxes	8,547	10,817
Income taxes – current	3,519	4,501
Income taxes – deferred	(1,080)	(1,051)
Total income taxes	2,439	3,449
Net income	6,107	7,367
Net income attributable to owners of parent	¥ 6,107	¥ 7,367

Consolidated Statement of Comprehensive Income

	Millions of yen	
	2017.3	2018.3
Net income	¥6,107	¥7,367
Other comprehensive income		
Valuation difference on available-for-sale securities	16	257
Total other comprehensive income	16	257
Comprehensive income	6,124	7,624
Net income attributable to		
Comprehensive income attributable to owners of parent	6,124	7,624

Consolidated Statement of Changes in Shareholders' Equity

	Millions of yen								
	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total accumulated other comprehensive income	New share subscription rights	
Balance at beginning of current period	¥4,819	¥4,817	¥29,011	¥(5,100)	¥33,548	¥(11)	¥(11)	¥140	¥33,677
Changes of items during period									
Dividends of surplus			(1,532)		(1,532)				(1,532)
Net income attributable to owners of parent			6,107		6,107				6,107
Purchase of treasury shares				(1,754)	(1,754)				(1,754)
Disposition of treasury shares		129		132	261				261
Retirement of treasury shares		(746)		746	—				—
Transfer to capital surplus from retained earnings		616	(616)		—				—
Net changes of items other than shareholders' equity						16	16	16	33
Total changes of items during period	—	—	3,958	(875)	3,082	16	16	16	3,115
Balance at end of current period	¥4,819	¥4,817	¥32,970	¥(5,976)	¥36,630	¥ 4	¥ 4	¥157	¥36,792

	Millions of yen								
	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total accumulated other comprehensive income	New share subscription rights	
Balance at beginning of current period	¥4,819	¥4,817	¥32,970	¥(5,976)	¥36,630	¥ 4	¥ 4	¥157	¥36,792
Changes of items during period									
Dividends of surplus			(1,620)		(1,620)				(1,620)
Net income attributable to owners of parent			7,367		7,367				7,367
Purchase of treasury shares					—				—
Disposition of treasury shares		6		101	108				108
Retirement of treasury shares					—				—
Transfer to capital surplus from retained earnings					—				—
Net changes of items other than shareholders' equity						257	257	2	259
Total changes of items during period	—	6	5,747	101	5,855	257	257	2	6,114
Balance at end of current period	¥4,819	¥4,823	¥38,717	¥(5,875)	¥42,485	¥262	¥262	¥159	¥42,907

Consolidated Statement of Cash Flows

	Millions of yen	
	2017.3	2018.3
Cash flows from operating activities		
Net income before income taxes	¥ 8,547	¥10,817
Depreciation	2,397	1,943
Impairment loss	651	593
Amortization of goodwill	117	176
Increase (decrease) in provision	197	160
Increase (decrease) in net defined benefit liability	24	105
Interest and dividend income	(43)	(97)
Gain on reversal of share acquisition rights	(13)	—
Share-based compensation expenses	291	110
Loss on retirement of non-current assets	1,036	1,067
Decrease (increase) in notes and accounts receivable—trade	—	42
Decrease (increase) in operating loans receivable	(367)	(180)
Decrease (increase) in inventories	85	274
Increase (decrease) in notes and accounts payable—trade	12,529	(3,379)
Increase (decrease) in advances received	136	3,613
Increase (decrease) in advances received	(875)	(57)
Other	568	(483)
Subtotal	25,283	14,703
Interest and dividend income received	43	97
Interest expenses paid	(942)	(1,010)
Income taxes paid	(1,739)	(3,922)
Cash flows from operating activities	22,644	9,869
Cash flows from investing activities		
Payments into time deposits	(202)	(167)
Proceeds from withdrawal of time deposits	171	142
Decrease (increase) in short-term loans receivable	8	4
Purchase of property, plant and equipment	(23,860)	(30,144)
Proceeds from sales of property, plant and equipment	—	9
Purchase of intangible assets	(62)	(132)
Purchase of shares of subsidiaries and associates	—	(541)
Purchase of investment securities	(832)	(929)
Proceeds from sales of shares of subsidiaries	—	70
Purchase of shares of subsidiaries	—	(491)
Outflow from acquisition of subsidiaries' stock resulting in change in the scope of consolidation	(2,755)	(2,321)
Other	(6)	37
Net cash used in investing activities	(27,540)	(34,463)
Cash flows from financing activities		
Net increase in short-term borrowings	9,077	1,839
Proceeds from long-term borrowings	42,456	62,190
Repayment of long-term borrowings	(43,477)	(36,829)
Proceeds from issuance of bonds	1,477	—
Redemption of bonds	—	(1,500)
Repayment of lease obligations	(118)	(67)
Purchase of treasury shares	(1,754)	—
Cash dividends paid	(1,531)	(1,619)
Cash flows from financing activities	6,129	24,012
Net increase (decrease) in cash and cash equivalents	1,233	(581)
Cash and cash equivalents at beginning of period	28,390	29,623
Cash and cash equivalent at end of year	¥29,623	¥29,042

History

1971–1980

1972	Established as Takara Komuten Co., Ltd. in Yamato-cho, Itabashi-ku
1974	Relocated the Company's head office to Nakaitabashi, Itabashi-ku
1975	Purchased the Company's head office to the Nakaitabashi Head Office Buildings (Dai-ichi Takara Building)

1981–1990

1982	Launched the real estate rental business
1986	Established Takara Jyuhan Co., Ltd. in an effort to expand sales and intermediary operations
1988	Established Takara Management Co., Ltd. as a real estate management company

1991–2000

1994	Set up the Condominium Division at Takara Jyuhan Co., Ltd. Commenced sales of the "Leben Heim" series of condominiums
1996	Changed the name of Takara Management Co., Ltd. to Leben Community Co., Ltd.
1999	Undertook the absorption-type merger of Takara Jyuhan Co., Ltd.
2000	Changed the name of Takara Komuten Co., Ltd. to Takara Leben Co., Ltd.

2001–2010

2001	Relocated the Company's head office to Ikebukuro following completion of the Takara Leben Head Office Building Listed on the JASDAQ market Established TAFUKO Co., Ltd. as a financial brokering business
2003	Listed on the Second Section of the Tokyo Stock Exchange
2004	Listed on the First Section of the Tokyo Stock Exchange Made the real estate brokerage company Relivel Leben Co., Ltd. into a subsidiary company Established AS Partners Co., Ltd. as a nursing care business
2006	Relocated the Company's head office to the Shinjuku-Sumitomo Building
2008	Launched the new Takara Leben brand
2009	Converted AS Partners Co., Ltd. from a subsidiary company to an affiliate accounted for by the equity method following the sale of a portion of the company's shares
2010	Launched the detached housing business with detached housing built by the Company in its own right

2011–Present

2011	Commenced sales of custom-built houses; exhibited products at the Tachikawa Housing Exhibition Center
2012	Launched the new LEBEN condominium brand Made the real estate rental and management business Takara Housing Co., Ltd. (current Takara Property Co., Ltd.) into a subsidiary company
2013	Entered the electric power generation business Established Takara Asset Management Co., Ltd. as an investment management business Made Sunwood Corporation into an affiliate accounted for by the equity method
2014	Set up the Hokuriku Office Set up the Tohoku Office Made the real estate distribution business Oasis Co., Ltd. (current Takara Leben Realnet Co., Ltd.) into a subsidiary company Made Nikko Kensetsu Co., Ltd. into a subsidiary company
2015	Closed the Tohoku Office. Made Live Net Home Co., Ltd. (current Takara Leben Tohoku Co., Ltd.) into a subsidiary company; relocated to Sendai City, Miyagi Prefecture Made Jyutakujiyouhoukan Co., Ltd. into a subsidiary company Made Nikko Property Co., Ltd. into a subsidiary company Changed the name of Nikko Kensetsu Co., Ltd. to Nikko Takara Corporation Co., Ltd.
2016	Completed steps for Takara Leben Infrastructure Fund Inc. to be the first to list on the Tokyo Stock Exchange Infrastructure Fund Market Closed Yokohama Branch; set up Osaka Branch
2017	Set up the Sapporo Office Changed the name of Jutakujiyouhokan Co., Ltd. to Takara Leben West Japan Co., Ltd. Established Fukuoka Head Office Relocated the Company's head office to the TEKKO BUILDING in Marunouchi, Chiyoda-ku
2018	Changed company name from TAFUKO Co., Ltd. to "Leben Zestock Co., Ltd." Made its subsidiary PAG Investment Management Ltd.(the present Takara PAG Real Estate Advisory Ltd.) Introduced new condominium brand NEBEL Established REPRESENTATIVE OFFICE OF TAKARA LEBEN CO.,LTD. IN HANOI CITY Takara Leben Real Estate Investment Corporation was listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market

Company Profile

Company name	Takara Leben Co., Ltd.
Representative	Kazuichi Shimada, Representative Director and President
Established	September 1972
Capital stock (As of March 31, 2018)	4,819 million yen
Net sales (Fiscal year ended March 31, 2018)	110,851 million yen
No. of employees (As of March 31, 2018)	286
Head office	Tekko Building 16F 1-8-2 Marunouchi, Chiyoda-ku, Tokyo, Japan 100-0005 TEL.: +81-3-6551-2100

Related companies (As of March 31, 2018)

Leben Community Co., Ltd.	Chiyoda-ku, Tokyo
Takara Leben Tohoku Co., Ltd.	Sendai City, Miyagi Prefecture
Takara Leben West Japan Co., Ltd.	Matsuyama City, Ehime Prefecture
Nikko Takara Corporation Co., Ltd.	Chuo-ku, Tokyo
Takara Leben Realnet Co., Ltd.	Chuo-ku, Tokyo
Leben Zestock Co., Ltd.	Chiyoda-ku, Tokyo
Takara Property Co., Ltd.	Toshima-ku, Tokyo
Nikko Property Co., Ltd.	Yokohama City, Kanagawa Prefecture
Takara Asset Management Co., Ltd.	Chiyoda-ku, Tokyo
Takara PAG Real Estate Advisory Ltd.	Minato-ku, Tokyo
Sunwood Corporation	Minato-ku, Tokyo

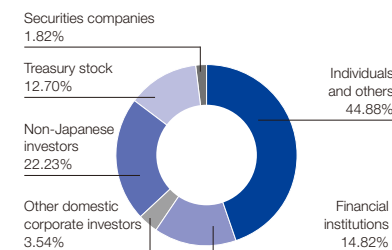
Stock Information

Securities code	8897
Stock exchange listing	First Section, Tokyo Stock Exchange
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Ltd. 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Total number of shares outstanding (As of March 31, 2018)	124,000,000 shares
Trading unit of shares	100 shares
Number of shareholders (As of March 31, 2018)	28,832

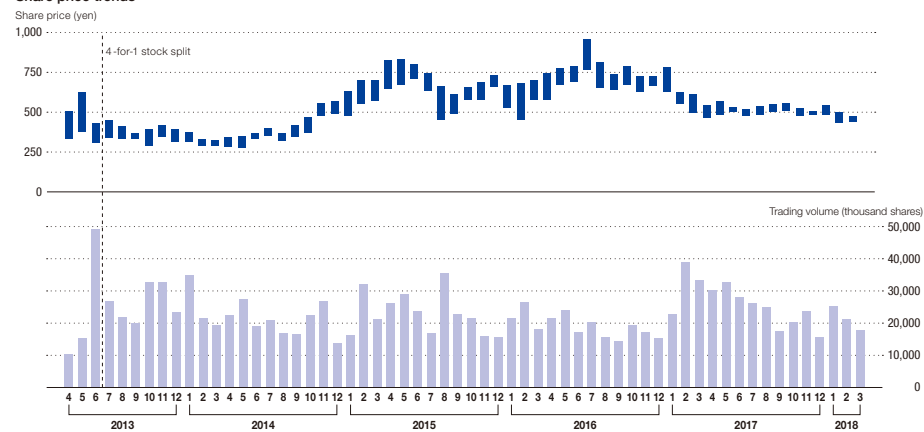
Major shareholders (Top 10) (As of March 31, 2018)

Name of shareholder	Shares (Thousands)	Percentage share (%)
Yoshio Murayama	25,633	20.67
Takara Leben Co., Ltd.	15,750	12.70
Japan Trustee Services Bank, Ltd. (Trust Account)	3,103	2.50
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,545	2.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,312	1.86
JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	2,000	1.61
Murayama Kikaku Co., Ltd.	2,000	1.61
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,765	1.42
THE BANK OF NEW YORK 133612	1,750	1.41
JP MORGAN CHASE BANK 385166	1,673	1.34

Number of shares held by investor segment (As of March 31, 2018)



Share price trends



* Takara Leben conducted a 4-for-1 stock split with the effective date of July 1, 2013. All past share prices are listed at the share price after the stock split.



Takara Leben Co., Ltd.

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