

Takara Leben Co., Ltd.

F A C T B O O K

Six Months Ended September 30, 2019

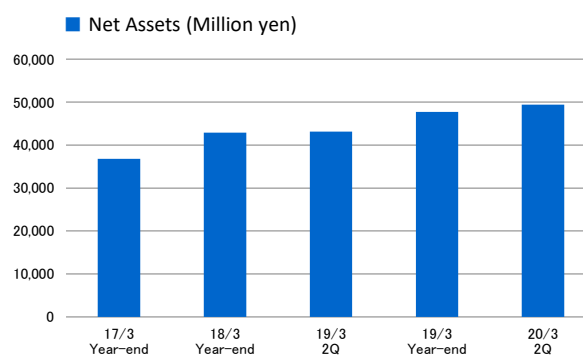
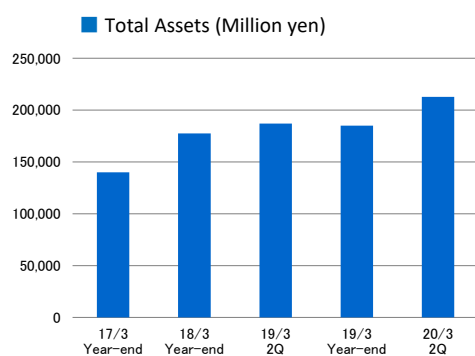


Takara
Leben

Consolidated Financial Highlights



	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	(Million yen) 20/3 (forecast)
Net Sales	103,599	110,851	49,662	132,005	57,998	160,000
Real Estate Sales Business	79,638	79,341	34,025	104,823	46,102	120,720
Real Estate Rental Business	5,056	5,472	2,858	5,829	2,886	6,000
Real Estate Management Business	3,665	4,000	2,179	4,512	2,468	5,200
Electric Power Generation Business	11,108	18,239	8,004	10,794	3,311	21,100
Other Businesses	4,130	3,797	2,593	6,045	3,230	6,980
Gross Profit	21,869	25,779	9,893	26,886	12,490	31,500
Operating Income	10,349	12,597	2,486	10,046	3,879	13,000
Ordinary Income	9,496	11,792	1,925	9,027	3,414	11,800
Net Income Attributable to Owners of Parent	6,107	7,367	1,209	6,426	2,260	8,000
Total Assets	139,874	177,588	187,057	184,893	212,721	—
Net Assets	36,792	42,907	43,148	47,734	49,394	—
Equity Ratio (%)	26.2	24.1	22.8	25.6	23.0	—



Profitability-related Indicators

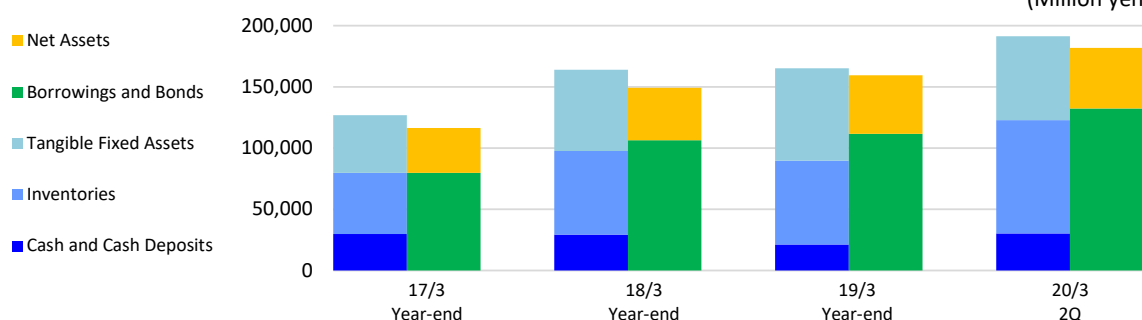
	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Gross Profit Margin (%)	21.1	23.3	19.9	20.4	21.5	19.7
Operating Income Margin (%)	10.0	11.4	5.0	7.6	6.7	8.1
Ordinary Income Margin (%)	9.2	10.6	3.9	6.8	5.9	7.4
Net Income Margin (%)	5.9	6.6	2.4	4.9	3.9	5.0

BS-related Indicators

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 Year-end	20/3 2Q
Cash and Cash Deposits	29,780	29,223	21,165	30,239
Inventories	49,933	68,438	68,681	92,605
New Built-for-sale Condominiums	33,192	47,021	50,106	55,530
New Detached Houses	5,211	8,285	5,140	7,181
Renewal Resale	739	2,727	5,356	5,866
Liquidation	1,092	4,628	7,097	11,247
Power Generation Facilities	7,885	4,090	—	11,942
Others	1,811	1,686	980	837
Tangible Fixed Assets	47,146	66,340	75,224	68,617
Liquidation	33,733	52,724	52,137	50,582
Power Generation Facilities	9,747	11,067	20,853	15,701
Others	3,665	2,549	2,233	2,333
Cash and Cash Deposits, Inventories and Tangible Fixed Assets Total	126,860	164,003	165,072	191,461
Borrowings and Bonds	79,727	106,443	111,657	132,408
Net Assets	36,792	42,907	47,734	49,394
Borrowings and Bonds and Net Assets Total	116,520	149,350	159,392	181,802

(Million yen)



Liquidation Assets (Inventories and Tangible Fixed Assets)

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 Year-end	20/3 2Q
Residence	18,544	20,014	20,822	20,646
Office	8,693	15,406	11,295	14,856
Retail	2,818	7,203	7,653	7,330
Hotel	4,769	14,727	19,463	18,995
Total	34,825	57,352	59,234	61,829

Borrowings and Bonds Details

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 Year-end	20/3 2Q
New Built-for-sale Condominiums	31,318	38,787	41,588	45,492
New Detached Houses	4,615	8,245	4,667	5,803
Renewal Resale	1,534	2,481	3,055	3,741
Liquidation	24,903	38,258	38,947	42,884
Power Generation Facilities	14,167	17,297	18,546	27,312
Others	3,189	1,372	4,851	7,174
Total	79,727	106,443	111,657	132,408

Financial Soundness-related Indicators

	17/3 Year-end	18/3 Year-end	19/3 Year-end	20/3 2Q
Debt Ratio (multiple)	2.8	3.1	2.9	3.3
D/E Ratio (multiple)	2.2	2.5	2.3	2.7
Current Ratio (%)	171.5	182.0	168.3	170.7
Interest Expense (Million yen)	1,036	1,067	1,103	580
Inventory Turnover Ratio (times / year)	2.3	1.9	1.9	1.4

Consolidated Statements of Income

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	(Million yen) 20/3 2Q
Net Sales	103,599	110,851	49,662	132,005	57,998
Cost of Sales	81,729	85,072	39,768	105,119	45,507
Gross Profit	21,869	25,779	9,893	26,886	12,490
Selling, General and Administrative Expenses	11,520	13,182	7,407	16,839	8,611
Operating Income	10,349	12,597	2,486	10,046	3,879
Ordinary Income	9,496	11,792	1,925	9,027	3,414
Net Income before Income Taxes	8,547	10,817	2,117	9,326	3,701
Net Income Attributable to Owners of Parent	6,107	7,367	1,209	6,426	2,260

Consolidated Balance Sheets

	17/3 Year-end	18/3 Year-end	19/3 Year-end	(Million yen) 20/3 2Q
Assets				
Current Assets	86,585	102,931	98,512	132,556
Cash and Cash Deposits	29,780	29,223	21,165	30,239
Inventories	49,933	68,438	68,681	92,605
Real Estate for Sale	9,658	20,279	18,821	25,232
Power Generation Facilities for Sale	7,885	4,090	—	11,942
Real Estate for Sale in Progress	32,390	44,068	49,860	55,430
Fixed Assets	53,237	74,618	86,286	80,085
Total Assets	139,874	177,588	184,893	212,721
Liabilities				
Current Liabilities	50,482	56,876	58,539	77,634
Notes and Accounts Payable – Trade	12,173	15,786	7,790	11,620
Short-term Borrowings	16,490	18,389	17,831	19,944
Current Portion of Long-term Debt Due within One Year	13,098	12,838	19,743	31,045
Fixed Liabilities	52,599	77,804	78,619	85,692
Long-term Borrowings	48,439	75,015	73,882	81,218
Total Liabilities	103,081	134,681	137,158	163,327
Net Assets				
Capital Stock	4,819	4,819	4,819	4,819
Other Shareholders' Equity	31,972	38,087	42,914	44,575
Net Assets	36,792	42,907	47,734	49,394
Total Liabilities and Net Assets	139,874	177,588	184,893	212,721

Consolidated Segment Information

【Total for Each Segment】

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	(Million yen) 20/3 (forecast)
Net Sales	103,599	110,851	49,662	132,005	57,998	160,000
Real Estate Sales Business	79,638	79,341	34,025	104,823	46,102	120,720
Percentage of Net Sales	76.9%	71.6%	68.5%	79.4%	79.5%	75.5%
Real Estate Rental Business	5,056	5,472	2,858	5,829	2,886	6,000
Percentage of Net Sales	4.9%	4.9%	5.8%	4.4%	5.0%	3.8%
Real Estate Management Business	3,665	4,000	2,179	4,512	2,468	5,200
Percentage of Net Sales	3.5%	3.6%	4.4%	3.4%	4.3%	3.3%
Electric Power Generation Business	11,108	18,239	8,004	10,794	3,311	21,100
Percentage of Net Sales	10.7%	16.5%	16.1%	8.2%	5.7%	13.2%
Other Businesses	4,130	3,797	2,593	6,045	3,230	6,980
Percentage of Net Sales	4.0%	3.4%	5.2%	4.6%	5.6%	4.4%

【Real Estate Sales Business – New Built-for-sale Condominiums】

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	(Million yen) 20/3 (forecast)
Net Sales	52,988	60,368	17,036	57,203	24,874	75,000
Gross Profit	10,925	13,313	3,737	11,977	5,780	15,500
Gross Profit Margin (%)	20.6	22.1	21.9	20.9	23.2	20.7
Impact of Lower of Cost or Market Value Method	2	57	—	101	△ 26	—
Gross Profit (Except the impact of lower of cost or market value method)	10,927	13,370	3,737	12,079	5,754	15,500
Gross Profit Margin (%) (Except the impact of lower of cost or market value method)	20.6	22.1	21.9	21.1	23.1	20.7
Number of Delivery Units	1,503	1,619	419	1,656	670	1,950
Metropolitan Area Ratio(%)	52.8	48.7	51.3	54.5	28.4	47.3

※Metropolitan Area = Capital Area, Kinki, Chukyo, Fukuoka and Sapporo

【Real Estate Sales Business – New Detached Houses】

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	(Million yen) 20/3 (forecast)
Net Sales	11,237	6,335	2,617	8,817	2,092	10,000
Gross Profit	1,701	830	34	701	161	1,000
Gross Profit Margin (%)	15.1	13.1	1.3	8.0	7.7	10.0
Impact of Lower of Cost or Market Value Method	—	4	58	△ 1	△ 2	—
Gross Profit (Except the impact of lower of cost or market value method)	1,701	834	93	699	158	1,000
Gross Profit Margin (%) (Except the impact of lower of cost or market value method)	15.1	13.2	3.6	7.9	7.6	10.0
Number of Delivery Units	275	116	33	131	39	200

Consolidated Segment Information

【Real Estate Sales Business – Liquidation】

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	11,830	9,707	12,507	33,502	16,491	30,000
Gross Profit	1,245	2,322	2,208	7,235	3,044	6,300
Gross Profit Margin (%)	10.5	23.9	17.7	21.6	18.5	21.0

【Real Estate Sales Business – Renewal Resale】

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	468	588	1,629	3,305	1,578	2,720
Gross Profit	131	78	250	537	233	320
Gross Profit Margin (%)	28.0	13.4	15.4	16.3	14.8	11.8

【Real Estate Sales Business – Others】

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	3,114	2,340	234	1,993	1,065	3,000
Gross Profit	1,122	541	44	608	653	400
Gross Profit Margin (%)	36.1	23.1	18.9	30.5	61.3	13.3
Impact of Lower of Cost or Market Value Method	210	—	—	△155	—	—
Gross Profit (Except the impact of lower of cost or market value method)	1,333	541	44	452	653	400
Gross Profit Margin (%) (Except the impact of lower of cost or market value method)	42.8	23.1	18.9	22.7	61.3	13.3

【Real Estate Rental Business】

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	5,056	5,472	2,858	5,829	2,886	6,000
Gross Profit	1,296	1,346	663	1,207	753	1,500
Gross Profit Margin (%)	25.6	24.6	23.2	20.7	26.1	25.0

【Real Estate Management Business】

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	3,665	4,000	2,179	4,512	2,468	5,200
Gross Profit	520	504	313	633	257	750
Gross Profit Margin (%)	14.2	12.6	14.4	14.0	10.4	14.4
Number of Managed Units	44,656	49,650	52,638	54,036	56,317	58,800

Consolidated Segment Information

【Electric Power Generation Business—The Company's own power generation】

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	2,703	3,552	2,614	4,694	2,928	4,100
Gross Profit	158	204	221	8	153	200
Gross Profit Margin(%)	5.9	5.7	8.5	0.2	5.2	4.9
MW of Facilities in Operation (Including Sale Amount)	80	103	107	119	119	150

【Electric Power Generation Business—Facilities sale】

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	8,405	14,687	5,390	6,100	383	17,000
Gross Profit	3,281	5,068	1,044	1,414	172	2,700
Gross Profit Margin(%)	39.0	34.5	19.4	23.2	45.0	15.9
Sold MW to Infrastructure Funds	19.1	35.9	15	17	1	40

【Electric Power Generation Business—Upfront expenditure】

(Million yen)

	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	—	—	—	—	—	—
Gross Profit	△ 49	—	—	—	△ 13	—
Gross Profit Margin(%)	—	—	—	—	—	—

【Other Businesses】

(Million yen)

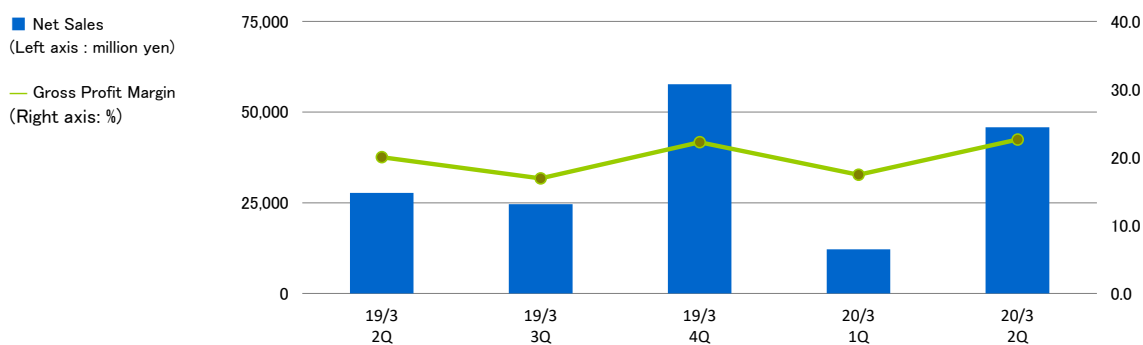
	17/3 Year-end	18/3 Year-end	19/3 2Q	19/3 Year-end	20/3 2Q	20/3 (forecast)
Net Sales	4,130	3,797	2,593	6,045	3,230	6,980
Gross Profit	1,507	1,568	1,374	2,561	1,294	2,830
Gross Profit Margin(%)	36.5	41.3	53.0	42.4	40.1	40.5

Quarterly Performance

(Million yen)

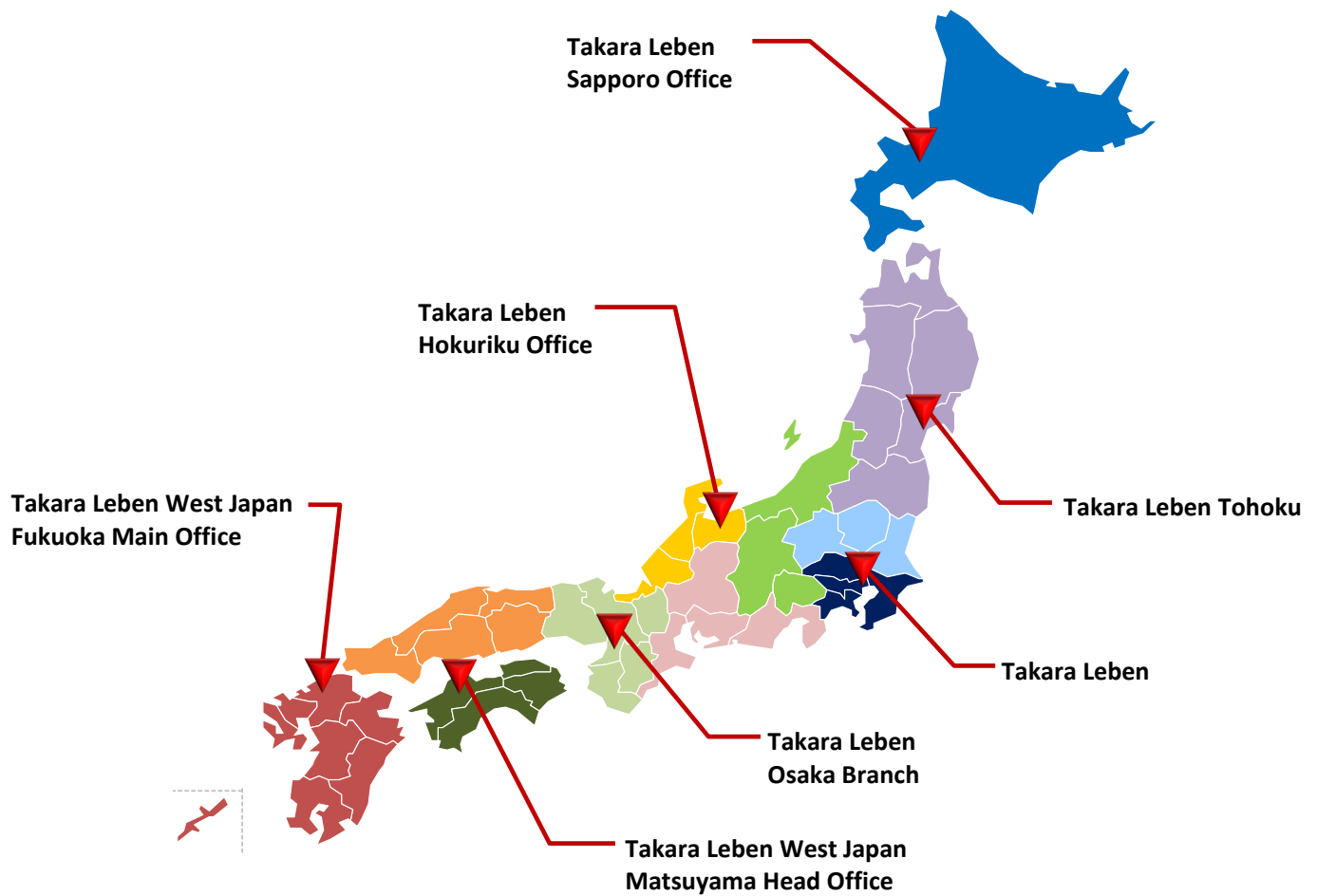
	19/3 2Q	19/3 3Q	19/3 4Q	20/3 1Q	20/3 2Q
Net Sales	27,710	24,631	57,711	12,192	45,806
Gross Profit	5,554	4,167	12,824	2,125	10,365
Gross Profit Margin(%)	20.0	16.9	22.2	17.4	22.6
Operating Income	1,693	175	7,384	△ 1,753	5,633
Ordinary Income	1,389	△ 136	7,238	△ 2,036	5,451
Net Income Attributable to Owners of Parent	832	△ 18	5,236	△ 1,556	3,816

*Described in the accounting period.



Cash Dividends

	16/3 Year-end	17/3 Year-end	18/3 Year-end	19/3 Year-end	20/3 (forecast)
Cash Dividends (yen)	13.0	15.0	16.0	16.0	19.0
Total Dividends(annual) (Million yen)	1,430	1,622	1,731	1,734	2,059
Dividends Yield(%)	2.0	3.0	3.5	4.7	—
Dividend Payout Ratio (consolidated)(%)	33.3	26.7	23.5	27.0	25.7
Dividend on Equity Ratio (consolidated)(%)	4.4	4.6	4.3	3.8	—



*as of September 30, 2019 (Units)

Hokuriku	202	Hokkaido	251
Tokai	418	Tohoku	972
Kinki	757	Northern Kanto	725
Chugoku	221	Capital Area	2,273
Shikoku	170	Koshinetsu	390
Kyusyu, Okinawa	383	Total	6,762

【Stock Information】

Total number of authorized shares	248,000,000
Total number of shares issued	121,000,000
Number of shares of treasury stock	12,587,307
Number of shareholders	38,422

【Share Distribution by Owner】

Owner Category	Percentage of shareholders	Percentage of Total Number
Japanese individuals and others	98.79	50.87
Japanese financial institutions	0.08	15.77
Other Japanese corporations	0.46	4.25
Foreign institutions and individuals	0.58	16.19
Treasury stock	0.00	10.40
Financial instruments firms	0.09	2.51
Total	100	100

【Major Shareholders】

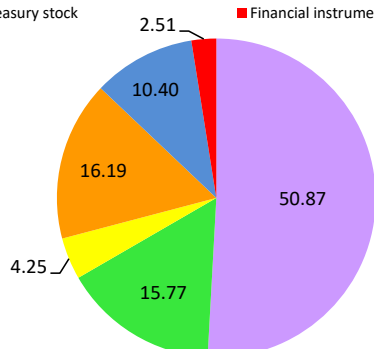
Name of Shareholder	Shares Held (number:thousand)	Shareholding Ratio (%)
Yoshio Murayama	25,633	21.18
Takara Leben Co., Ltd.	12,587	10.40
The Master Trust Bank of Japan, Ltd. (for trust account)	4,672	3.86
JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	2,482	2.05
Japan Trustee Services Bank, Ltd. (for trust account)	2,155	1.78
Japan Trustee Services Bank, Ltd. (for trust account 9)	2,067	1.71
Murayama Kikaku Co., Ltd.	2,000	1.65
Japan Trustee Services Bank, Ltd. (for trust account 5)	1,829	1.51
JP MORGAN CHASE BANK 385151	1,380	1.14
Japan Trustee Services Bank, Ltd. (for trust account 1)	1,241	1.03

【Shareholder Distribution by Region】

Region	Percentage of shareholders	Region	Percentage of shareholders
Hokkaido	2.19	Chugoku	4.41
Tohoku	3.48	Shikoku	2.38
Kanto	46.75	Kyushu, Okinawa	4.89
Chubu	16.74	Overseas regions	0.42
Kinki	18.72	Total	100

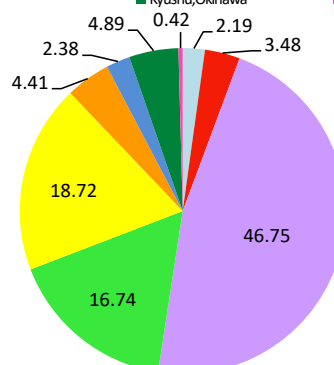
【Percentage of Total Number of Shares】

- Japanese individuals and others
- Japanese financial institutions
- Other Japanese corporations
- Foreign institutions and individuals
- Treasury stock
- Financial instruments firms



【Shareholder Distribution by Region】

- Hokkaido
- Chubu
- Shikoku
- Tohoku
- Kinki
- Kyushu, Okinawa
- Kanto
- Chugoku
- Overseas regions



Disclaimer

These materials were prepared to provide information regarding business performance for the year ended March 31, 2020 and do not constitute a solicitation for investment in securities issued by Takara Leben Co., Ltd. These materials were prepared based on data available as of September 30, 2019. These materials, as well as answers, projections, estimates, and other information provided in the subsequent question and answer session are based on Takara Leben's best judgment as of the preparation of this material, and do not constitute a guarantee or promise that anything contained within will be realized or achieved, nor do they provide any guarantees or promises with regard to the accuracy or completeness of the information. The content of these materials is subject to change.