



# Consolidated Financial Report for the Fiscal Year Ended March 31, 2021 (Japan GAAP)

May 14, 2021

Company name: Takara Leben Co., Ltd. Stock listed on: Tokyo Stock Exchange, First Section  
 Securities code: 8897 URL: <https://www.leben.co.jp>  
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 Scheduled date of annual general meeting of shareholders: June 25, 2021  
 Scheduled date for commencement of dividend payment: June 28, 2021  
 Scheduled date for release of annual securities report: June 25, 2021  
 Supplementary materials on financial results: Yes  
 Briefing for financial results: Yes (To prevent the spread of the COVID-19 coronavirus, the Company will distribute Representative Director's financial results presentation by video.)

(Amounts are rounded down to the nearest million)

## 1. Consolidated Operating Results for the Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

### (1) Consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	148,397	(11.9)	10,789	(9.3)	9,933	(11.3)	4,693	(12.5)
Year ended March 31, 2020	168,493	27.6	11,901	18.5	11,201	24.1	5,361	(16.6)

(Note) Comprehensive income: Year ended March 31, 2021: ¥5,327 million (2.4%) Year ended March 31, 2020: ¥5,202 million (18.8%)

	Profit per share	Diluted profit per share	Ratio of earnings to shareholders' equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	43.22	42.94	9.0	5.0	7.3
Year ended March 31, 2020	49.45	49.11	10.9	5.9	7.1

(Reference) Equity in profit of affiliates: Year ended March 31, 2021: ¥18 million Year ended March 31, 2020: ¥(4) million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	204,315	54,632	26.5	498.78
As of March 31, 2020	195,448	51,139	25.9	467.05

(Reference) Shareholders' equity: As of March 31, 2021: ¥54,194 million As of March 31, 2020: ¥50,634 million

### (3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	26,330	(25,090)	2,654	38,500
Year ended March 31, 2020	47,708	(32,136)	(1,608)	34,605

## 2. Dividends

	Annual dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	Q1	Q2	Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	6.00	–	13.00	19.00	2,059	38.4	4.2
Year ended March 31, 2021	–	4.00	–	10.00	14.00	1,521	32.4	2.9
Year ending March 31, 2022 (Forecast)	–	4.00	–	10.00	14.00		31.7	

## 3. Forecast for Consolidated Financial Results for the Year Ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	158,600	–	7,900	–	7,100	–	4,800	–	44.18

(Note) The Company will begin to apply the accounting standards for revenue recognition (ASBJ Statement No. 29) and others at the beginning of the fiscal year ending March 31, 2022. The forecast for consolidated financial results stated above represents figures after the application of these accounting standards. Changes from the previous fiscal year and from the same quarter in the previous fiscal year are not presented.

\* Notes

- (1) Changes in significant subsidiaries during the current fiscal year (Changes in specified subsidiaries resulting in changes in scope of consolidation):  
 New: None (Name) - None  
 Excluded: None (Name) -
- (2) Changes in accounting policies and accounting estimates, and restatements  
 (i) Changes in accounting policies due to revision of accounting standards: None  
 (ii) Changes in accounting policies other than (i): None  
 (iii) Changes in accounting estimates: None  
 (iv) Restatements: None
- (3) Number of shares issued and outstanding (common stock)  
 (i) Number of shares issued and outstanding at end of year (including treasury stock)  
 As of March 31, 2021: 121,000,000 shares  
 As of March 31, 2020: 121,000,000 shares  
 (ii) Number of treasury stock at end of year  
 As of March 31, 2021: 12,344,907 shares  
 As of March 31, 2020: 12,587,307 shares  
 (iii) Average number of shares during the year  
 Year ended March 31, 2021: 108,592,443 shares  
 Year ended March 31, 2020: 108,412,693 shares

(Reference) Overview of Non-consolidated Operating Results

Non-consolidated Operating Results for the Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Non-consolidated Operating Results (Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	96,949	(21.8)	7,799	(19.5)	8,682	(17.7)	3,257	(30.2)
Year ended March 31, 2020	123,908	25.4	9,683	14.3	10,548	31.8	4,667	(22.0)

	Profit per share		Diluted profit per share	
	Yen		Yen	
Year ended March 31, 2021	30.00		29.80	
Year ended March 31, 2020	43.05		42.75	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2021	144,796		47,803		32.9		438.12	
As of March 31, 2020	150,255		45,844		30.4		420.64	

(Reference) Shareholders' equity: As of March 31, 2021: ¥47,603 million As of March 31, 2020: ¥45,603 million

Reason for difference from non-consolidated operating results for the previous fiscal year

Differences in profit figures for the fiscal year in question are due mainly to a considerable decrease in gain on sales of facilities in electric power generation business and a decrease in valuation recorded at the time of changing the purposes of some hotel assets to residence.

\* This Consolidated Financial Report does not need to be audited by a certified public accountant or audit corporation.

\* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Caution concerning forward-looking statements, etc.)

The forward-looking statements presented above are based on the information available at the time of the release of this report and are not intended to guarantee that the Company will achieve such figures. Actual results may differ from these forecasts due to various factors in the future.

To obtain the supplementary materials on financial results:

Supplementary materials on financial results have been posted on the Company's website. The materials are also accessible through TDnet.

To access the details of briefing for financial results:

The briefing for financial results will be distributed by video on the Company's website.

○ Contents of Attachment

1. Overview of Operating Results, Etc. ....	4
(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2021 .....	4
(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2021 .....	5
(3) Overview of Cash Flow for the Fiscal Year Ended March 31, 2021 .....	6
(4) Future Outlook.....	7
(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years .....	7
2. Basic Concept of Selection of Accounting Standards .....	7
3. Consolidated Financial Statements and Major Notes .....	8
(1) Consolidated Balance Sheet.....	8
(2) Consolidated Statements of Income and Comprehensive Income.....	10
Consolidated Statement of Income.....	10
Consolidated Statement of Comprehensive Income.....	11
(3) Consolidated Statement of Changes in Shareholders' Equity .....	12
(4) Consolidated Statement of Cash Flows.....	14
(5) Notes to the Consolidated Financial Statements .....	15
(Notes Regarding the Going Concern Assumption) .....	15
(Consolidated Balance Sheet) .....	15
(Consolidated Statement of Income) .....	15
(Rental Properties, Etc.) .....	16
(Segment Information) .....	17
(Per Share Information).....	20
(Significant Subsequent Events) .....	21
4. Other.....	22
Production, Orders Received and Sales .....	22

## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the Fiscal Year Ended March 31, 2021

During the fiscal year under review, the slowdown of economic activities in Japan and around the world expanded due to the COVID-19 pandemic. Japan declared a state of emergency twice, in April 2020 and in January 2021. The end of the pandemic is still not in sight and the economic outlook remains uncertain. If the vaccine rollout controls infection, the economy will gradually trend upward. Even so, it will take some time for the economy to recover to its pre-COVID level.

In the real estate sales market in which the Group operates, there were no major changes in consumer appetite during the pandemic, although changes were seen in what customers want from residences. Following increases in single-person and dual-income households and changes in consumer values, end-user lifestyles are diversifying. There is increasing need for convenient locations and lifestyle convenience and demand for compact condominium units is also increasing. 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 of compact city development.

In the Tokyo metropolitan area, the supply-demand balance continues to be favorable, with the number of condominium units supplied remaining at the 30,000 level in recent years, although the number of condominium units supplied in the area in 2020 decreased 12.8% from the previous year to 27,228 (a survey made by Real Estate Economic Institute Co., Ltd.). Sales prices, despite the apparent plateauing of increases in recent years, are still at high levels.

The number of nationwide condominium units supplied decreased 15.2% from the previous year to 59,907 (a survey made by Real Estate Economic Institute Co., Ltd.) due to the COVID-19 coronavirus. In these conditions, the Company was the eleventh largest condominium developer based on the number of condominium units sold. As an independent general real estate developer, the Company plays a role in the maintenance of stable supply in the real estate sales market.

The Company announced its new mid-term management plan on May 14, 2021. It will engage in CSR activities beyond the growth of profit through its business to help resolve social issues and achieve the Sustainable Development Goals (SDGs) and to earn the trust of society and diverse stakeholders to secure sustainable development.

Featuring the “Leben” series of self-designed new built-for-sale condominiums as its main brand, the Company always seeks to offer products that reflect its basic concept of “ideal, affordable housing that anyone can buy with confidence.” In doing so, the Company continues to work on planning products that accurately capture the time background, while also envisioning the happiness of all stakeholders, including its customers, and promoting activities to realize happiness under its corporate mission of “thinking of happiness; creating happiness.”

In the fiscal year under review, the Company recorded consolidated net sales of ¥148,397 million (down 11.9% year on year), consolidated operating profit of ¥10,789 million (down 9.3% year on year), consolidated ordinary profit of ¥9,933 million (down 11.3% year on year) and profit attributable to owners of parent of ¥4,693 million (down 12.5% year on year).

#### (i) Performance by Business Segment

##### <Real Estate Sales Business>

Revenues from the real estate sales business amounted to ¥117,200 million, down 9.6% year on year, as a result of revenues of ¥79,435 million from the sales of new built-for-sale condominiums, revenues of ¥22,376 million from the sale of profit-generating real estate, and revenues of ¥15,389 million from the sales of new detached houses and used condominiums, etc.

##### <Real Estate Rental Business>

Revenues from the real estate rental business amounted to ¥5,753 million, down 3.5% year on year, including rent revenues from the rental of apartments, condominium units and offices.

##### <Real Estate Management Business>

Revenues from the real estate management business representing management fees from 66,037 units under management amounted to ¥5,446 million, up 7.9% year on year.

##### <Electric Power Generation Business>

Revenues from the electric power generation business amounted to ¥13,485 million, down 35.7% year on year, including revenue from sales of power generation facilities that were already operating and revenues from the sale of electricity generated by other electric power generation facilities.

##### <Other Business>

Revenues from other business totaled ¥6,512 million, down 4.9% year on year, including revenues from contracts for construction works, orders for large-scale repair works, and commission income, etc.

(ii) Performance Review by Item

<Net Sales>

In the real estate sales business, net sales amounted to ¥117,200 million, reflecting sales of 2,129 units of new built-for-sale condominiums (including JV equity interests), profit-generating real estate, as well as new detached houses and used condominiums. In the real estate rental business, net sales stood at ¥5,753 million due to rental revenues of apartments, condominiums and offices, etc. In the real estate management business, net sales came to ¥5,446 million due to management fees, etc. from 66,037 units managed. In the power generation business, net sales were ¥13,485 million, including revenues from sales of power generation facilities that were already operating and revenues from the sale of electricity generated by other electric power generation facilities. In other business, net sales were ¥6,512 million, reflecting contracts for construction works, orders for large-scale repair works, and commission income, etc.

As a result, consolidated net sales in the fiscal year under review stood at ¥148,397 million, down 11.9% year on year.

<Cost of Sales>

The cost of sales decreased 14.1% year on year to ¥118,469 million, reflecting a decrease in sales of the real estate sales business and the recovery of the profit rate.

<Selling, General and Administrative Expenses>

Selling, general and administrative expenses increased 2.8% year on year to ¥19,139 million, chiefly due to an increase in staff following the expansion of business.

<Non-Operating Income and Expenses>

Non-operating income increased 18.5% year on year to ¥687 million, explained mainly by a rise in share of profit of entities accounted for using the equity method for equity-method affiliates.

Non-operating expenses increased 20.5% year on year to ¥1,542 million, chiefly due to an increase in interest on bonds.

<Extraordinary Income and Losses>

Extraordinary losses increased ¥646 million year on year, to ¥2,761 million, primarily due to the recording of impairment losses.

As a result, consolidated net sales amounted to ¥148,397 million, down 11.9% year on year, consolidated operating profit came to ¥10,789 million, down 9.3% year on year, consolidated ordinary profit was ¥9,933 million, down 11.3% year on year, and profit attributable to owners of parent was ¥4,693 million, down 12.5% year on year, in the fiscal year under review.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2021

With regard to the status of consolidated assets, liabilities and net assets of the Group for the fiscal year under review, total assets increased ¥8,866 million from the end of the previous fiscal year, to ¥204,315 million, mainly reflecting an increase in cash and deposits due to the delivery of new built-for-sale condominiums.

<Current assets>

Current assets rose ¥10,372 million from the end of the previous fiscal year, to ¥125,686 million, chiefly reflecting an increase in cash and deposits due to the delivery of new built-for-sale condominiums.

<Non-current assets>

Non-current assets declined ¥1,343 million year on year, to ¥78,531 million. The decline mainly reflected the transfer of assets to real estate for sale and power generation facilities for sale although business assets were purchased steadily.

<Current liabilities>

Current liabilities decreased ¥9,966 million from the end of the previous fiscal year to ¥55,649 million, mainly due to repayments of short-term loans payable.

<Non-current liabilities>

Non-current liabilities increased ¥15,340 million from the end of the previous fiscal year to ¥94,033 million, mainly due to an increase in loans payable following new purchases.

<Net assets>

Net assets increased ¥3,492 million from the end of the previous fiscal year, to ¥54,632 million, chiefly because the recorded amount of profit attributable to owners of parent exceeded amounts such as dividends of surplus.

(3) Overview of Cash Flow for the Fiscal Year Ended March 31, 2021

Cash and cash equivalents (“funds”) as of March 31, 2021 amounted to ¥38,500 million, an increase of ¥3,894 million from March 31, 2020.

<Cash flows from operating activities>

Net cash provided by operating activities was ¥26,330 million (cash provided of ¥47,708 million in the previous fiscal year). This mainly reflects a decrease in inventories.

<Cash flows from investing activities>

Net cash used in investing activities was ¥25,090 million (cash used of ¥32,136 million in the previous fiscal year), due chiefly to purchase of property, plant and equipment.

<Cash flows from financing activities>

Net cash provided by financing activities was ¥2,654 million (cash used of ¥1,608 million in the previous fiscal year). This is primarily attributable to an increase in loans payable.

(Reference) Changes in Cash Flow Indicators

	Year ended March 2019	Year ended March 2020	Year ended March 2021
Equity ratio (%)	25.6	25.9	26.5
Equity ratio at market value (%)	20.2	19.4	19.8
Debt repayment period (years)	5.0	2.4	4.5
Interest coverage ratio (times)	20.2	41.4	21.7

Equity ratio: Shareholders' equity/Total assets

Equity ratio at market value: Equity market capitalization/Total assets

Debt repayment period: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/Interest expense

\* These indicators are all calculated using consolidated financial data.

\* Interest-bearing debt includes all debts recorded on the consolidated balance sheet on which interest is paid.

#### (4) Future Outlook

The Company has created a plan for the next fiscal year based on the new mid-term management plan announced on May 14, 2021.

In the real estate sales business, the new built-for-sale condominium business will work to increase supplies not only in the Tokyo metropolitan area but also in central urban areas in provincial regions. It is expected that 1,800 units will be delivered, including 1,750 concerned with the Company's equity interest after allocation within a joint venture.

In the real estate sales business, the new detached house business is expected to deliver 170 detached houses.

In the real estate sales business, the renewal resale business will strive to increase its own properties in an aim to establish a stable business cycle.

In the real estate sales business, the liquidation business will work actively to acquire and develop profitable properties while changing properties owned.

The real estate rental business will selectively purchase properties to construct a more stable stock business.

The real estate management business sets a target of 70,000 units under management and strives to expand peripheral businesses including large-scale repair work.

Energy business (electric power generation business) will continue to develop solar power generation facilities. It will also work to construct a power purchase agreement (PPA) business.

In view of the above, the Company forecasts its performance for the next fiscal year as follows.

Net sales	¥158,600 million
Operating profit	¥7,900 million
Ordinary profit	¥7,100 million
Profit attributable to owners of parent	¥4,800 million

(Number of units scheduled to be delivered in comparison with contracts in the new built-for-sale condominium business, including the number of units involved in the joint venture)

	Number of units scheduled to be delivered in year ending March 2022	Of those, number of units contracted	Number of contracts for units scheduled to be delivered in year ending March 2023 and later	Total number of units contracted
End of March 2021	1,800	859	32	891

#### (5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Group set out the payout ratio of approximately 25% to 30% in the mid-term management plan announced in May 2018.

For the fiscal year under review, the Company plans to pay a year-end dividend of ¥10.0 per share, which reflects the upward revision in January 2021. The annual dividend comes to ¥14.0 per share including the interim dividend that has been already paid. The payout ratio comes to 32.4%.

For the next fiscal year, the Company will pay shareholder returns with a payout ratio between 30% and 35% as set out in the new mid-term management plan announced on May 14, 2021.

## 2. Basic Concept of Selection of Accounting Standards

The Group has adopted the Japanese accounting standards to ensure comparability with our domestic competitors.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2020)	Current Consolidated Fiscal Year (March 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	35,311	39,169
Notes and accounts receivable - trade	1,952	2,193
Real estate for sale	23,861	28,682
Real estate for sale in process	46,102	43,766
Costs incurred on uncompleted contracts	397	596
Other	7,689	11,418
Allowance for doubtful accounts	(2)	(141)
Total current assets	115,314	125,686
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,948	13,827
Accumulated depreciation	(1,682)	(1,725)
Buildings and structures, net	13,266	12,102
Machinery, equipment and vehicles	3,446	13,915
Accumulated depreciation	(578)	(710)
Machinery, equipment and vehicles, net	2,867	13,204
Tools, furniture and fixtures	381	524
Accumulated depreciation	(229)	(308)
Tools, furniture and fixtures, net	152	216
Land	33,903	33,739
Lease assets	70	67
Accumulated depreciation	(61)	(56)
Lease assets, net	8	11
Construction in progress	17,022	4,795
Total property, plant and equipment	67,220	64,070
Intangible assets		
Goodwill	1,145	960
Lease assets	2	–
Other	642	638
Total intangible assets	1,790	1,599
Investments and other assets		
Investment securities	4,428	5,194
Long-term loans receivable	0	0
Deferred tax assets	1,087	1,273
Other	5,354	6,407
Allowance for doubtful accounts	(6)	(13)
Total investments and other assets	10,863	12,861
Total non-current assets	79,874	78,531
Deferred assets	259	97
Total assets	195,448	204,315



(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2020)	Current Consolidated Fiscal Year (March 31, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,858	13,318
Short-term loans payable	17,148	9,208
Current portion of bonds payable	296	116
Current portion of long-term loans payable	22,119	17,524
Lease obligations	9	3
Income taxes payable	2,972	2,264
Advances received	4,269	5,657
Provision for bonuses	525	570
Provision for warranties for completed construction	454	463
Other	5,961	6,522
<b>Total current liabilities</b>	<b>65,616</b>	<b>55,649</b>
<b>Non-current liabilities</b>		
Long-term loans payable	69,656	85,721
Bonds payable	4,804	5,988
Lease obligations	1	8
Provision for directors' retirement benefits	97	119
Net defined benefit liability	653	863
Asset retirement obligations	58	24
Deferred tax liabilities	151	28
Other	3,269	1,278
<b>Total non-current liabilities</b>	<b>78,692</b>	<b>94,033</b>
<b>Total liabilities</b>	<b>144,309</b>	<b>149,683</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,819	4,819
Capital surplus	4,817	4,817
Retained earnings	45,817	48,649
Treasury shares	(4,695)	(4,604)
<b>Total shareholders' equity</b>	<b>50,759</b>	<b>53,682</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(97)	521
Foreign currency translation adjustment	(0)	(1)
Remeasurements of defined benefit plans	(27)	(8)
<b>Total accumulated other comprehensive income</b>	<b>(124)</b>	<b>512</b>
Share acquisition rights	241	199
Non-controlling interests	263	237
<b>Total net assets</b>	<b>51,139</b>	<b>54,632</b>
<b>Total liabilities and net assets</b>	<b>195,448</b>	<b>204,315</b>

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

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)		Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)	
Net sales		168,493		148,397
Cost of sales	*1	137,977	*1	118,469
Gross profit		30,516		29,928
Selling, general and administrative expenses	*2	18,614	*2	19,139
Operating profit		11,901		10,789
Non-operating income				
Interest income		0		0
Dividend income		347		292
Commission fee		119		118
Share of profit of entities accounted for using equity method		–		18
Miscellaneous income		113		257
Total non-operating income		579		687
Non-operating expenses				
Interest expense		1,147		1,226
Share of loss of entities accounted for using equity method		4		–
Miscellaneous loss		128		316
Total non-operating expenses		1,279		1,542
Ordinary profit		11,201		9,933
Extraordinary income				
Gain on sales of investment securities		72		–
Penalty income		214		–
Total extraordinary income		286		–
Extraordinary losses				
Loss on sale of non-current assets		–		171
Impairment loss	*3	2,071	*3	2,589
Loss on valuation of investment securities		42		–
Total extraordinary losses		2,114		2,761
Profit before income taxes		9,373		7,172
Income taxes - current		4,181		3,078
Income taxes - deferred		(235)		(597)
Total income taxes		3,945		2,481
Profit		5,427		4,691
Profit (loss) attributable to non-controlling interests		66		(2)
Profit attributable to owners of parent		5,361		4,693

## (Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
Profit	5,427	4,691
Other comprehensive income		
Valuation difference on available-for-sale securities	(218)	619
Foreign currency translation adjustment	(0)	(1)
Remeasurements of defined benefit plans, net of tax	(5)	18
Total other comprehensive income	(224)	636
Comprehensive income	5,202	5,327
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,136	5,329
Comprehensive income attributable to non-controlling interests	66	(2)

(3) Consolidated Statement of Changes in Shareholders' Equity  
 Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,819	4,817	42,299	(4,695)	47,241
Changes of items during period					
Dividends of surplus			(1,843)		(1,843)
Profit attributable to owners of parent			5,361		5,361
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	3,517	-	3,517
Balance at end of current period	4,819	4,817	45,817	(4,695)	50,759

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	121	-	(21)	100	196	197	47,734
Changes of items during period							
Dividends of surplus							(1,843)
Profit attributable to owners of parent							5,361
Net changes of items other than shareholders' equity	(218)	(0)	(5)	(224)	45	66	(113)
Total changes of items during period	(218)	(0)	(5)	(224)	45	66	3,404
Balance at end of current period	(97)	(0)	(27)	(124)	241	263	51,139

## Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,819	4,817	45,817	(4,695)	50,759
Changes of items during period					
Dividends of surplus			(1,843)		(1,843)
Profit attributable to owners of parent			4,693		4,693
Disposal of treasury shares		(16)		90	73
Transfer to capital surplus from retained earnings		16	(16)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,832	90	2,922
Balance at end of current period	4,819	4,817	48,649	(4,604)	53,682

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	(97)	(0)	(27)	(124)	241	263	51,139
Changes of items during period							
Dividends of surplus							(1,843)
Profit attributable to owners of parent							4,693
Disposal of treasury shares							73
Transfer to capital surplus from retained earnings							-
Net changes of items other than shareholders' equity	619	(1)	18	637	(41)	(25)	569
Total changes of items during period	619	(1)	18	637	(41)	(25)	3,492
Balance at end of current period	521	(1)	(8)	512	199	237	54,632

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	9,373	7,172
Depreciation	2,031	1,803
Impairment loss	2,071	2,589
Amortization of goodwill	235	234
Increase (decrease) in provision	(43)	222
Increase (decrease) in net defined benefit liability	101	237
Interest and dividend income	(347)	(292)
Share-based compensation expenses	45	36
Interest expense	1,147	1,226
Loss (gain) on valuation of investment securities	42	–
Loss (gain) on sales of investment securities	(72)	–
Loss (gain) on sale of property, plant and equipment	–	171
Penalty income	(214)	–
Decrease (increase) in notes and accounts receivable - trade	113	(258)
Decrease (increase) in inventories	33,787	19,454
Increase (decrease) in notes and accounts payable - trade	4,067	1,459
Increase (decrease) in advances received	(5)	(611)
Other	2	(2,469)
Subtotal	52,338	30,975
Interest and dividends received	347	292
Interest expenses paid	(1,152)	(1,211)
Income taxes paid	(4,039)	(3,726)
Penalty income received	214	–
Net cash provided by (used in) operating activities	47,708	26,330
Cash flows from investing activities		
Payments into time deposits	(152)	(127)
Proceeds from withdrawal of time deposits	155	145
Decrease (increase) in short-term loans receivable	0	0
Purchase of property, plant and equipment	(29,251)	(25,771)
Proceeds from sales of property, plant and equipment	8	901
Purchase of intangible assets	(229)	(94)
Purchase of shares of subsidiaries and associates	(1,074)	(75)
Purchase of investment securities	(623)	(41)
Proceeds from sales of investment securities	486	4
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	4	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,224)	(0)
Other	(236)	(32)
Net cash provided by (used in) investing activities	(32,136)	(25,090)
Cash flows from financing activities		
Net increase in short-term loans payable	(1,542)	(7,835)
Proceeds from long-term loans payable	81,623	66,404
Repayment of long-term loans payable	(84,593)	(55,038)
Proceeds from issuance of bonds	4,900	1,300
Redemption of bonds	–	(296)
Repayment of lease obligations	(152)	(12)
Cash dividends paid	(1,842)	(1,842)
Dividends paid to non-controlling interests	–	(23)
Net cash provided by (used in) financing activities	(1,608)	2,654
Net increase (decrease) in cash and cash equivalents	13,963	3,894
Cash and cash equivalents at beginning of year	20,642	34,605
Cash and cash equivalent at end of year	34,605	38,500

(5) Notes to the Consolidated Financial Statements

(Notes Regarding the Going Concern Assumption)

Not applicable.

(Consolidated Balance Sheet)

The Group maintains overdraft and credit line agreements with 61 financial institutions (March 31, 2020: 57) in order to ensure the efficient funding of operating capital. The unused balance of borrowings under these agreements at the consolidated fiscal year-end is as follows. (Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2020)	Current Consolidated Fiscal Year (March 31, 2021)
Total maximum amount of overdraft and credit lines	58,996	70,930
Outstanding borrowing balance	28,929	39,380
Difference	30,067	31,550

(Consolidated Statement of Income)

\*1. Inventories are stated at the amount after the write-down reflecting the decline in profitability. Loss on valuation of inventories included in Cost of sales is as follows. (Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
	911	305

\*2. Selling expenses account for approximately 43% for the year ended March 31, 2020 and 40% for the year ended March 31, 2021, and general and administrative expenses account for approximately 57% and 60%, respectively.

Major components of Selling, general and administrative expenses and their amounts are as follows. (Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
Advertising expenses	4,646	4,007
Sales promotion expenses	2,311	2,475
Salaries and allowances	3,157	3,385
Provision for allowance for bonuses	660	688
Retirement benefit costs	121	255
Provision for allowance for directors' retirement benefits	27	27
Provision for allowance for doubtful accounts	–	146

\*3. Impairment loss

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

Mainly due to the declining profitability of real estate for the hotel business, the Group recorded impairment losses (¥2,071 million) for the following assets or asset groups in the consolidated fiscal year under review.

Use	Type	Location	Amount (Millions of yen)
Hotels	Land, buildings	Kyoto-shi, Kyoto	746
	Land, buildings	Kyoto-shi, Kyoto	230
	Land	Kyoto-shi, Kyoto	658
	Land	Osaka-shi, Osaka	435
Total			2,071

The itemized totals are ¥1,515 million for land and ¥556 million for buildings, respectively.

The Group classifies hotels by individual property.

The recoverable amount is measured using net sale value, which is assessed based on the appraisal value by a real estate appraiser.

Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)

Mainly due to the declining profitability of rental properties, hotels and idle assets, the Group recorded impairment losses (¥2,589 million) for the following assets or asset groups in the consolidated fiscal year under review.

Use	Type	Location	Amount (Millions of yen)
Rental properties	Land, buildings	Kyoto-shi, Kyoto	388
Hotels	Land, buildings	Kyoto-shi, Kyoto	995
	Land, buildings	Kyoto-shi, Kyoto	593
	Land	Kyoto-shi, Kyoto	113
	Land, buildings	Kyoto-shi, Kyoto	467
Idle assets	Land	Tochigi-shi, Tochigi	30
Total			2,589

The itemized totals are ¥1,404 million for land and ¥1,185 million for buildings, respectively.

The Group classifies rental properties, hotels and idle assets by individual property.

The recoverable amount is measured using net sale value, which is assessed based on the appraisal value by a real estate appraiser.

(Rental Properties, etc.)

The Company and its certain consolidated subsidiaries own office buildings for lease (including land) and condominiums for lease in Tokyo and other areas. During the fiscal year ended March 31, 2020, net rent income from these rental properties amounted to ¥809 million (rent income is recorded in net sales and major rent expenses are recorded in cost of sales). During the fiscal year ended March 31, 2021, net rent income from these rental properties amounted to ¥210 million (rent income is recorded in net sales and major rent expenses are recorded in cost of sales).

The carrying amount of these rental properties on the Consolidated Balance Sheet, changes during the year and market value are as follows.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
Consolidated balance sheet		
Beginning balance	45,030	38,250
Changes during the year	(6,780)	1,459
Ending balance	38,250	39,709
Market value at end of year	38,319	39,099

(Notes) 1. The carrying amount on the Consolidated Balance Sheet represents the acquisition cost net of accumulated depreciation and amortization and accumulated impairment loss.

2. Of the changes during the year, the major increases during the year ended March 31, 2020 include the acquisition of real estate (¥9,766 million), and major decreases include transfer to real estate held for sale and real estate held for sale in progress (¥23,587 million) and depreciation (¥511 million). For the year ended March 31, 2021, the major increases include the acquisition of real estate (¥11,746 million) and change in purpose to rental properties, etc. (¥5,251 million) and the major decreases include transfer to real estate held for sale and real estate held for sale in progress (¥15,375 million), depreciation (¥433 million) and impairment loss (¥856 million).

3. Market value at the end of the year is based on the appraisal value by a third party real estate appraiser.

4. Assets under construction are not included in the above table as it is not practicable to obtain their market value.



## (Segment Information)

### a. Segment Information

#### 1. Overview of reportable segments

The reportable segments of the Group are components of the Company for which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.

The Group's core business is construction and sales of built-for-sale condominiums. The Group's reportable segments consist of four business segments: the real estate sales business, the real estate rental business, the real estate management business and the electric power generation business.

The real estate sales business primarily engages in sales of new built-for-sale condominiums, profit-generating real estate, detached houses and condominium renovation.

The real estate rental business provides the office and residential condominiums rental service, and the real estate management business provides the condominium management service.

The electric power generation business engages in electric power generation using renewable energy.

#### 2. Calculation methods of net sales, profit or loss, assets, liabilities and other items by reportable segment

Accounting policies for the reportable business segments are consistent with those used to prepare the consolidated financial statements, except for the valuation of inventories.

Inventories are stated at the value after the write-down, reflecting the decline in profitability.

Reportable segment profit represents operating profit.

Inter-segment sales and transfers are valued at market prices.

#### 3. Net sales, profit or loss, assets, liabilities and other items by reportable segment

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segments					Other (Note)	Total
	Real estate sales business	Real estate rental business	Real estate management business	Electric power generation business	Total		
Net sales							
Net sales to external customers	129,649	5,965	5,046	20,982	161,643	6,850	168,493
Inter-segment sales and transfers	0	84	228	–	313	621	934
Total	129,649	6,049	5,275	20,982	161,956	7,471	169,427
Segment profit (loss)	7,500	981	(46)	3,325	11,760	880	12,640
Segment assets	82,472	43,008	691	25,343	151,516	9,193	160,709
Segment liabilities	71,705	32,080	1,371	26,941	132,097	8,273	140,371
Other items							
Depreciation and amortization	126	516	6	1,089	1,737	125	1,863
Amortization of goodwill	–	78	–	–	78	–	78
Interest expense	560	282	–	108	951	84	1,036
Increase in property, plant and equipment and intangible assets	251	16,392	13	9,212	25,868	2,975	28,843

(Note) "Other" represents business segments that are not included in any reportable segments and includes investment management business, the construction contract business and the repair work business.

Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments					Other (Note)	Total
	Real estate sales business	Real estate rental business	Real estate management business	Electric power generation business	Total		
Net sales							
Net sales to external customers	117,200	5,753	5,446	13,485	141,885	6,512	148,397
Inter-segment sales and transfers	3,056	53	224	34	3,368	893	4,262
Total	120,256	5,807	5,671	13,519	145,254	7,405	152,660
Segment profit (loss)	9,542	580	(150)	944	10,917	751	11,669
Segment assets	86,333	43,969	1,283	34,500	166,087	2,721	168,808
Segment liabilities	71,374	37,043	1,390	32,691	142,499	1,740	144,240
Other items							
Depreciation and amortization	129	442	6	921	1,500	153	1,654
Amortization of goodwill	–	78	–	–	78	–	78
Interest expense	615	341	–	173	1,130	0	1,131
Increase in property, plant and equipment and intangible assets	194	12,708	8	12,565	25,476	98	25,575

(Note) “Other” represents business segments that are not included in any reportable segments and includes investment management business, the construction contract business and the repair work business.

4. Reconciliation of the total reportable segments and the amount on the consolidated financial statements (difference adjustments)  
(Millions of yen)

Net sales	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total reportable segments	161,956	145,254
Net sales of "Other" category	7,471	7,405
Elimination of inter-segment transactions	(934)	(4,262)
Net sales on the consolidated financial statements	168,493	148,397

(Millions of yen)

Profit	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total reportable segments	11,760	10,917
Profit of "Other" category	880	751
Elimination of inter-segment transactions	(582)	(724)
Amortization of goodwill	(156)	(155)
Operating profit on the consolidated financial statements	11,901	10,789

(Millions of yen)

Assets	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total reportable segments	151,516	166,087
Assets of "Other" category	9,193	2,721
Elimination of amounts due from the parent administrative division	(14,247)	(14,308)
Corporate assets (Note)	48,986	49,815
Total assets in the consolidated financial statements	195,448	204,315

(Note) Corporate assets represent assets not attributable to any reportable segments and primarily consist of cash and deposits, assets attributable to the administrative division, and deferred tax assets.

(Millions of yen)

Liabilities	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total reportable segments	132,097	142,499
Liabilities of "Other" category	8,273	1,740
Elimination of amounts due to the parent administrative division	(12,039)	(12,167)
Corporate liabilities (Note)	15,977	17,609
Total liabilities in the consolidated financial statements	144,309	149,683

(Note) Corporate liabilities represent liabilities not attributable to any reportable segments and primarily consist of borrowings.

(Millions of yen)

Other items	Total reportable segments		Other		Adjustments		Consolidated financial statements	
	Previous FY	Current FY	Previous FY	Current FY	Previous FY	Current FY	Previous FY	Current FY
Depreciation and amortization	1,737	1,500	125	153	167	149	2,031	1,803
Amortization of goodwill	78	78	–	–	156	155	235	234
Interest expense	951	1,130	84	0	110	95	1,147	1,226
Increase in property, plant and equipment and intangible assets (Note)	25,868	25,476	2,975	98	(1)	91	28,841	25,666

(Note) Adjustments for increase in property, plant and equipment and intangible assets represent goodwill incurred but not allocated to reportable segments, capital expenditure for the headquarters building and the elimination of inter-segment transactions.

b. Impairment loss on non-current assets by reportable segment

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Real estate sales business	Real estate rental business	Real estate management business	Electric power generation business	Other (Note)	Corporate / elimination	Total
Impairment loss	–	–	–	–	2,071	–	2,071

(Note) “Other” represents the amount related to the hotel business.

Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Real estate sales business	Real estate rental business	Real estate management business	Electric power generation business	Other (Note)	Corporate / elimination	Total
Impairment loss	–	856	–	30	1,703	–	2,589

(Note) “Other” represents the amount related to the hotel business.

(Per Share Information)

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
Net assets per share	467.05 yen	498.78 yen
Profit per share	49.45 yen	43.22 yen
Diluted profit per share	49.11 yen	42.94 yen

(Note) The basis for the calculation of profit per share and diluted profit per share is as follows.

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
Profit per share		
Profit attributable to owners of parent (millions of yen)	5,361	4,693
Amount not attributable to common stockholders (millions of yen)	–	–
Profit attributable to owners of parent with respect to common stock (millions of yen)	5,361	4,693
Average number of shares during the year (thousand shares)	108,412	108,592
Diluted profit per share		
Adjustments to profit attributable to owners of parent (millions of yen)	–	–
Increase in number of common stock (thousand shares)	754	716
(Of those, share acquisition rights (thousand shares))	(754)	(716)
Overview of dilutive shares not included in the calculation of diluted profit per share due to its anti-dilutive effect	–	–

### (Significant Subsequent Events)

The Company's extraordinary meeting of the Board of Directors held on April 12, 2021 adopted a resolution to approve the Company's acquisition of all issued shares of ACA Clean Energy Co., Ltd. and to reorganize it into a consolidated subsidiary. On the same date, the Company concluded a share acquisition agreement and accordingly acquired ACA Clean Energy's shares on April 13, 2021.

#### 1. Reason for the share acquisition

In 2016, Takara Leben Infrastructure Fund, Inc. became first to be listed on the Infrastructure Fund Market of the Tokyo Stock Exchange in 2016. The Company has pushed ahead with its mega-solar power business as a large operator of renewable energy power generation. To supply more renewable energy in view of the future realization of a zero-carbon society, the Company decided to acquire the shares of ACA Clean Energy, based in Chuo-ku, Tokyo, and make it a consolidated subsidiary. This company has since its foundation been engaged in the development of small solar power generation facilities all over the country and has amassed a considerable track record. Amid growing demand for renewable energy in Japan, it keeps on-site and off-site power purchase agreement (PPA) models and the idea of local microgrids in mind to establish a business model that is not dependent on the feed-in tariff (FIT) program. The Company believed that the reorganization of this company into a consolidated subsidiary would greatly aid the continued strengthening of the Group's electric power generation business and the future expansion of the energy business, so the Company made its decision to acquire all shares of ACA Clean Energy.

#### 2. Name of the company whose shares were acquired

ACA Clean Energy Co., Ltd.

#### 3. Name, business and scale of the company acquired

(1) Name of company acquired: ACA Energy Co., Ltd.

(2) Business: Operations involving the planning, design, construction, management and other operations of power sales facilities and secondary use facilities and systems in the renewable energy business as well as related consulting services.

(3) Capital: ¥655 million

#### 4. Date of share acquisition

April 13, 2021

#### 5. Number of shares acquired, acquisition value and ratio of ownership after acquisition

(1) Number of shares acquired: 130,500

(2) Ratio of ownership after acquisition: 100.0%

The acquisition value is not disclosed in accordance with the agreement between the parties involved. The shares were acquired at a fair and appropriate value.

#### 6. Financing of payment and payment method

The Company's funds on hand were used for the payment.

#### 4. Other

##### Production, Orders Received and Sales

###### (i) Number of units contracted during the year

Segment name	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)		Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)		Year-on-Year (%)
	Number of units	Amounts (millions of yen)	Number of units	Amounts (millions of yen)	
Real estate sales business	2,410	138,627	2,310	106,736	77.0
Total	2,410	138,627	2,310	106,736	77.0

(Note) The above amounts do not include consumption tax.

###### (ii) Balance of contract

Segment name	Previous Consolidated Fiscal Year (March 31, 2020)		Current Consolidated Fiscal Year (March 31, 2021)		Year-on-Year (%)
	Number of units	Amounts (millions of yen)	Number of units	Amounts (millions of yen)	
Real estate sales business	1,090	47,736	944	37,272	78.1
Total	1,090	47,736	944	37,272	78.1

(Note) The above amounts do not include consumption tax.

###### (iii) Net sales

Segment name	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021) (millions of yen)	Year-on-Year (%)
Real estate sales business	117,200	90.4
Real estate rental business	5,753	96.5
Real estate management business	5,446	107.9
Electric power generation business	13,485	64.3
Total reportable segments	141,885	87.8
Other	6,512	95.1
Total	148,397	88.1

(Notes) 1. Inter-segment transactions are eliminated.

2. The above amounts do not include consumption tax.