

# First Quarter Consolidated Financial Report

## for the Three Months Ended June 30, 2022 (Japan GAAP)

July 29, 2022

### Takara Leben CO., LTD.

Shares listed on: Prime market of the Tokyo Stock Exchange  
 Security code: 8897  
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Scheduled date for release of Quarterly Report: August 10, 2022  
 Scheduled date for commencement of dividend payments: --  
 Has the Company prepared supplementary briefing materials for the Quarter: No  
 Has the Company held briefings concerning its quarterly financial results: No

## 1. Consolidated Operating Results for the Three Months Ended June 30, 2022 (April 1-June 30, 2022)

(Amounts are rounded down to the nearest million)

### (1) Consolidated Operating Results (Year-to-Date)

(Percentage figures represent year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	28,325	54.5	597	—	398	—	206	—
Three months ended June 30, 2021	18,337	—	(900)	—	(1,271)	—	(1,080)	—

(Note) Comprehensive income: Three months ended June 30, 2022 ¥134million (—%) / Three months ended June 30, 2021 (¥888) million (—%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2022	1.89	1.88
Three months ended June 30, 2021	(9.94)	—

(Note) 1. As the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the previous fiscal year, the figures for the first quarter of the fiscal year ended March 31, 2022 are after the application of the said accounting standard, etc., and the percentage change from the same quarter of the previous year is not stated.

2. At the end of the fiscal year ended March 31, 2022, the Company finalized the provisional accounting treatment for the business combination, and each figure for the first quarter of the fiscal year ended March 31, 2022 reflects the details of the finalization of the provisional accounting treatment.

## (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	243,519	58,069	23.7
As of March 31, 2022	223,473	59,601	26.5

(Reference) Shareholders' equity at end of period: June 30, 2022: ¥57,708 million / March 31, 2022: ¥59,109 million

## 2. Cash Dividends

	Annual Cash Dividends per Share				
	1Q	2Q	3Q	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2022	—	4.00	—	14.00	18.00
Year Ending March 31, 2023	—				
Year Ending March 31, 2023 (Forecast)		4.00	—	16.00	20.00

(Note) Has the Company changed its dividend forecast for the current quarter: No

## 3. Consolidated Operating Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022-March 31, 2023)

(Percentage figures represent year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	173,500	6.6	11,900	0.2	10,300	0.4	7,000	12.6	64.19

(Note) Has the Company changed its consolidated forecast during this quarter: No

\*Notes

- (1) Changes in significant subsidiaries during the current fiscal year  
(Changes in specified subsidiaries resulting in changes in scope of consolidation): No  
Newly consolidated companies (--) Newly excluded companies (--)
- (2) Application of Special Accounting Treatment Made in Preparation  
of the Quarterly Consolidated Financial Statements: No
- (3) Changes in Accounting Policies, Changes in Accounting Estimates or Restatement  
A. Changes in accounting policies accompanying revision of accounting standards: No  
B. Changes in accounting policies other than those in (A): No  
C. Changes in accounting estimates: No  
D. Restatement: No
- (4) Number of shares issued (common stock)  
a. Number of shares outstanding at the end of the period (including treasury stock)  
b. Number of shares of treasury stock at the end of the period  
c. Average number of shares during the period (quarter year-to-date)

a.	Three months ended June 30, 2022:	121,000,000 shares	As of March 31, 2022:	121,000,000 shares
b.	Three months ended June 30, 2022:	11,948,807 shares	As of March 31, 2022:	11,948,807 shares
c.	Three months ended June 30, 2022:	109,051,193 shares	Three months ended June 30, 2021 :	108,655,093 shares

\*This quarterly earnings report is exempt from the quarterly review based on the Financial Instruments and Exchange Act.

\*Explanation concerning appropriate use of the projected operating results and other items to note  
The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors.

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## 1. Qualitative Information Pertaining to Consolidated Operating Results for the Quarter

Since the provisional accounting treatment for the business combination conducted in the first quarter of the previous fiscal year was finalized at the end of the previous fiscal year, comparisons and analysis with the same quarter of the previous fiscal year are based on the amount after reflecting a significant revision of the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment. The Company has adopted the provisional accounting treatment for corporate combinations.

### (1) Qualitative Information Pertaining to Consolidated Operating Performance

During the first quarter of the current fiscal year, the Japanese economy was in a lull in the outbreak of the COVID-19 infection, but the situation continues to require close monitoring due to its re-expansion. In addition, the rapidly advancing financial market volatility and heightened geopolitical tensions due to Russia's invasion of Ukraine have affected the prices of various materials, and the outlook for the global economy as a whole remains uncertain.

In accordance with the "Notice of Business Segment Change" announced on March 14, 2022, the Group has changed the classification of its segments from five business segments to four business segments effective from the first quarter of the current fiscal year. The figures for the first quarter of the previous fiscal year in the explanation of each segment below have been reclassified to reflect the new segments.

(Millions of yen)

Segment name	Q1 FY 2021		Q1 FY 2022		Year-on-Year	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Real Estate Business	14,930	(1,000)	24,835	809	9,905	1,809
Energy Business	2,646	22	2,643	(163)	(3)	(186)
Asset Management Business	200	52	250	73	50	21
Other Businesses	560	24	595	(122)	35	(147)
Total	18,337	(900)	28,325	597	9,988	1,497

#### a. Performance by business segment

In the real estate business, from new built-for-sale condominium, new detached house, renewal resale, liquidation, real estate rental, real estate management, and real estate other amounted to ¥24,835 million (up 66.3% year-on-year).

In the energy business, net sales were ¥2,643 million (down 0.1% year-on-year) due to income from the sale of electricity generated by power generation facilities.

In the asset management business, net sales amounted to ¥250 million (up 25.3% year-on-year) due to asset management fees and other factors.

In the other businesses, net sales were ¥595 million (up 6.3% year-on-year) due to construction contracts and other factors.

As a result, Net sales for the first-quarter year-to-date period of the current consolidated fiscal year amounted to ¥28,325 million (up 54.5% year-on-year). Operating income amounted to ¥597 million (¥900 million operating loss in the same period of the previous fiscal year). Ordinary income of ¥398 million (¥1,271 million ordinary loss in the same period of the previous fiscal year). And net income attributable to owners of parent of amounted to ¥206 million (¥1,080 million net loss attributable to owners of parent of amounted in the same

period of the previous fiscal year).

#### b. Progress of Contracts

With regard to sales performance in the first-quarter year-to-date period of the current consolidated fiscal year, contracts were concluded for 1,433 units, compared with a full-year target of 1,780 units scheduled for delivery. The contract ratio was at 80.5%.

(Contracts signed versus number of units forecast for New built-for-sale condominium delivery)

	Units scheduled for delivery (units)	Number of contracts signed (units)	Contracted ratio (%)	Number of contracts signed from April 1-June 30 (units)
Three months ended June 30, 2021	1,800	1,268	70.4	514
Three months ended June 30, 2022	1,780	1,433	80.5	635

## (2) Qualitative Information Pertaining to Consolidated Financial Position

### Assets, Liabilities and Net Assets

With regard to the assets, liabilities, and net assets of the Group at the end of the first-quarter consolidated accounting period under review, total assets were ¥243,519 million, an increase of ¥20,046 million compared with the end of the previous consolidated fiscal year. The increase mainly reflected an increase in inventories associated with new purchases.

#### (Current Assets)

Current assets increased ¥23,284 million compared with the end of the previous consolidated fiscal year to ¥165,909 million. This mainly reflected an increase in inventory in conjunction with new purchase.

#### (Fixed Assets)

Fixed assets decreased ¥3,230 million compared with the end of the previous consolidated fiscal year to ¥77,561 million, mainly due to the transfer to real estate for sale and power generation facilities for sale, despite the steady purchase of business assets.

#### (Current Liabilities)

Current liabilities increased ¥8,862 million compared with the end of the previous consolidated fiscal year to ¥83,873 million, mainly due to increase in short-term borrowings and the reclassification of short term and long term borrowings payable.

#### (Fixed Liabilities)

Fixed liabilities increased ¥12,715 million compared with the end of the previous consolidated fiscal year, to ¥101,576 million, mainly due to an increase in borrowings resulting from new purchases, etc.

#### (Net Assets)

Total net assets amounted to ¥58,069 million, down ¥1,532 million from the end of the previous consolidated fiscal year, mainly due to the fact that dividends from retained earnings exceeded the amount of net income

attributable to owners of the parent and other factors.

(3) Qualitative Information Pertaining to Forecasted Consolidated Operating Results

There is no change in the forecast of consolidated financial results for the full year announced on May 13, 2022.

## 2. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>ASSETS</b>		
Current assets:		
Cash and deposits	33,428	31,560
Notes, accounts receivable-trade and contract assets	2,886	6,023
Real estate held for sale	32,616	48,550
Power generation facilities for sale	1,001	3,596
Real estate held for sale in progress	58,036	63,599
Costs incurred on uncompleted contracts	12	63
Other	14,919	12,790
Allowance for doubtful accounts	(275)	(275)
Total current assets	142,625	165,909
Fixed assets:		
Property, plant and equipment		
Buildings and structures (net)	9,553	7,754
Land	36,948	37,394
Other (net)	17,237	15,695
Total property, plant and equipment	63,739	60,843
Intangible assets		
Goodwill	1,561	1,479
Other	948	954
Total intangible assets	2,510	2,433
Investments and other assets		
Other	14,554	14,297
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	14,542	14,284
Total fixed assets	80,792	77,561
Deferred assets	55	47
Total assets	223,473	243,519
<b>LIABILITIES</b>		
Current liabilities:		
Notes and accounts payable - trade	15,411	12,489
Short-term loans payable	14,189	27,083
Current portion of bonds payable	2,168	2,120
Current portion of long-term loans payable	25,298	25,400
Income taxes payable	2,089	277
Allowance	1,115	928
Other	14,738	15,573
Total current liabilities	75,010	83,873



(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Fixed liabilities		
Long-term loans payable	81,923	94,620
Bonds payable	4,070	4,060
Allowance	160	159
Liabilities related to retirement benefits	984	1,019
Other	1,722	1,716
Total fixed liabilities	88,860	101,576
Total liabilities	163,871	185,450

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
NET ASSETS		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,817	4,817
Retained earnings	53,395	52,074
Treasury stock	(4,456)	(4,456)
Total shareholders' equity	58,575	57,254
Accumulated other comprehensive income		
Valuation difference on other securities	548	464
Foreign currency translation adjustment	0	3
Remeasurements of defined benefit plans	(14)	(13)
Total accumulated other comprehensive income	534	454
Subscription rights to shares	197	197
Non-controlling interest	294	162
Total net assets	59,601	58,069
Total liabilities and net assets	223,473	243,519

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
 Quarterly Consolidated Statements of Income  
 First-Quarter Year-to-Date Period

(Millions of yen)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2022
Net sales	18,337	28,325
Cost of sales	14,570	22,485
Gross profit	3,766	5,839
Selling, general and administrative expenses	4,667	5,242
Operating income (loss)	(900)	597
Non-Operating income:		
Interest income	21	5
Dividend income	76	71
Commissions received	9	19
Gain from equity method investment	—	67
Miscellaneous income	49	52
Total Non-Operating income	155	216
Non-Operating expenses:		
Interest expense	436	360
Losses from equity method investment	65	—
Miscellaneous losses	25	53
Total Non-Operating expenses	526	414
Ordinary income (loss)	(1,271)	398
Income (loss) before income taxes and minority interests	(1,271)	398
Income taxes, inhabitant taxes and business taxes	158	143
Income tax adjustments	(352)	40
Total income and other taxes	(194)	184
Net income (loss)	(1,077)	214
Net income attributable to non-controlling shareholders	3	8
Net income attributable to owners of parent (loss)	(1,080)	206

Quarterly Consolidated Statements of Comprehensive Income  
 First-Quarter Year-to-Date Period

(Millions of yen)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2022
Net income (loss)	(1,077)	214
Other comprehensive income:		
Net unrealized gains on available-for-sale securities	187	(84)
Foreign currency translation adjustment	0	3
Remeasurements of defined benefit plans	0	1
Total other comprehensive income	188	(80)
Comprehensive income	(888)	134
(Comprising)		
Comprehensive income attributable to owners of parent	(891)	125
Comprehensive income attributable to non-controlling shareholders	3	8

(3) Notes on Quarterly Consolidated Financial Statements  
(Notes on Assumption of Going Concern)

The Company had no pertinent matters to report.

(Notes on a Significant Change in Shareholders' Equity)

The Company had no pertinent matters to report.