

Earnings Results Briefing for the Six Months Ended September 30, 2010

Second Quarter of the Fiscal Year Ending March 31, 2011

November 16, 2010

Takara Leben Co., Ltd.

Yoshio Murayama

President & Representative Director

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Foreword

Two years after the collapse of Lehman Brothers, Japan's real economy remains in a slump despite the fact personal consumption is exhibiting a comparatively steady recovery trend, and today firms find it essential to tread carefully and work to build a strong management base.

In the property market, on the other hand, a recovery trend is evident and the number of units being supplied in urban areas is rising. In the suburban areas on which Takara Leben focuses, however, few players are active and the number of units being supplied continues to decline. Consequently supply commensurate with demand cannot be assured, and we believe this situation calls for the supply of suburban-type family condominiums.

Because such circumstances create an opportunity for improving our earnings structure and returning to growth, based on the restart of aggressive property purchase and sale projects, cost reductions and funding through capital increases, the Takara Leben Group has announced a new medium-term business plan as part of its effort to focus on the next period.

At Takara Leben we will continue to aggressively pursue the roles and responsibilities Takara Leben should perform based on its concept of "ideal, affordable housing that anyone can buy with confidence," and focus on the consumers who provide our ultimate support.

Performance Overview for the Six Months Ended September 30, 2010



Consolidated Statements of Income

- Net sales totaled 16,616 million yen, mainly reflecting the delivery of 364 condominium units.
⇒ Net sales of 16,616 million yen included revenue from the sale of 364 condominiums and 32 detached houses and the management of 23,897 condominium units
- Operating income increased 15.9% year-on-year to 2,213 million yen.
⇒ Ensured profit margin based on strong sales of condominiums
- Interim period net income was 1,501 million yen.

Consolidated Balance Sheets

- Total assets fell 5.2% year-on-year to 58,226 million yen , particularly from progress in reducing inventory assets.
⇒ Although we began purchasing new units, the lower assets reflected progress in reducing inventory and the restart of sales.
- Total liabilities were reduced 18.8% year-on-year to 43,355 million yen as the Company continued to reduce debt.
⇒ Reflected progress in repaying interest-bearing debt as a result of shrinking inventory and maintaining profit margins.
- Equity ratio rose to 25.5% (a 9.6% point improvement year-on-year), as the Company improved its financial balance.

Consolidated Statements of Cash Flows

- Net cash provided by operating activities was 81 million yen, reflecting higher advances on contracts concluded.
- Net cash used in investing activities was 894 million yen, reflecting the purchase of fixed assets.
- Net cash provided by financing activities was 2,093 million yen, reflecting an increase in cash and deposits from the exercise of new share subscription rights.

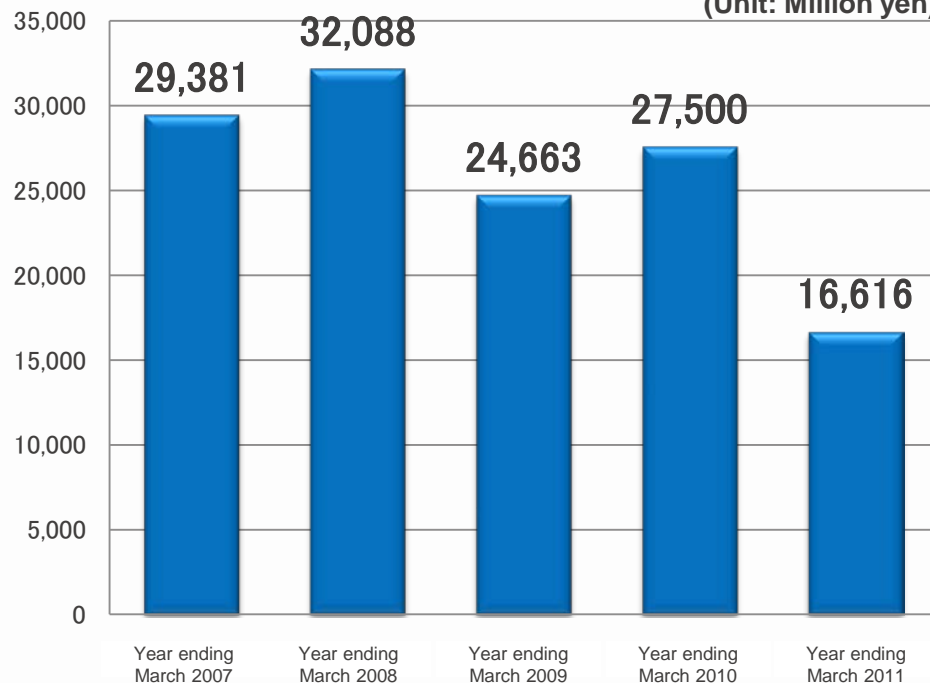
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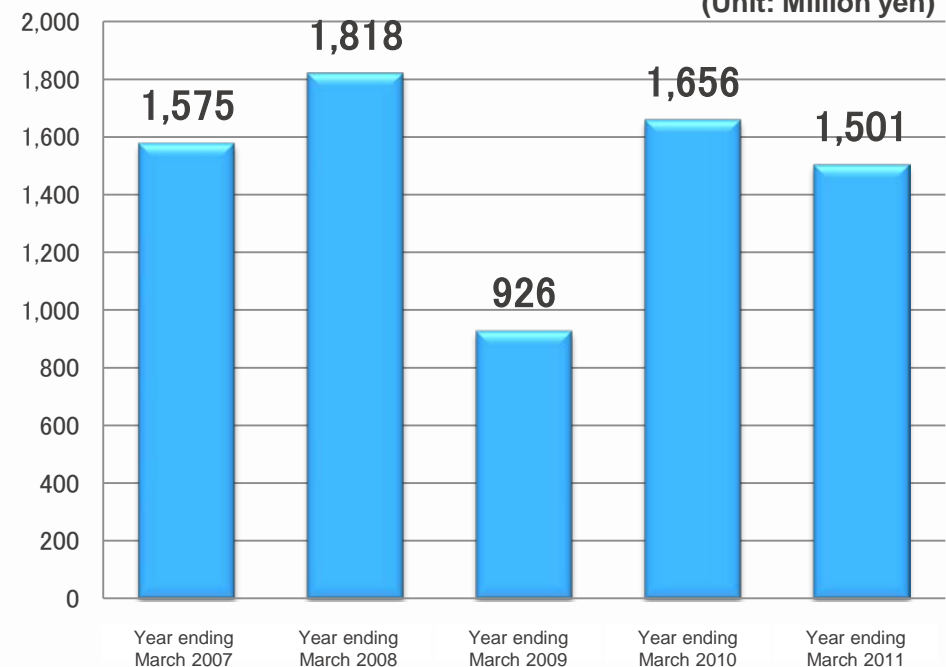
Change in Interim Period Net Sales

(Unit: Million yen)



Change in Interim Period Net Income

(Unit: Million yen)

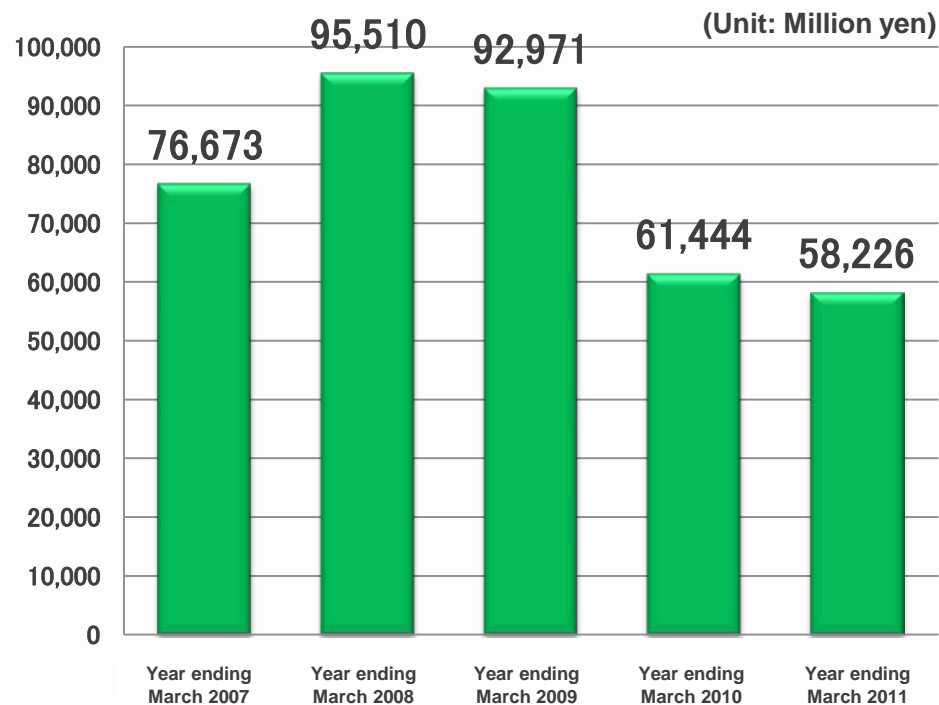


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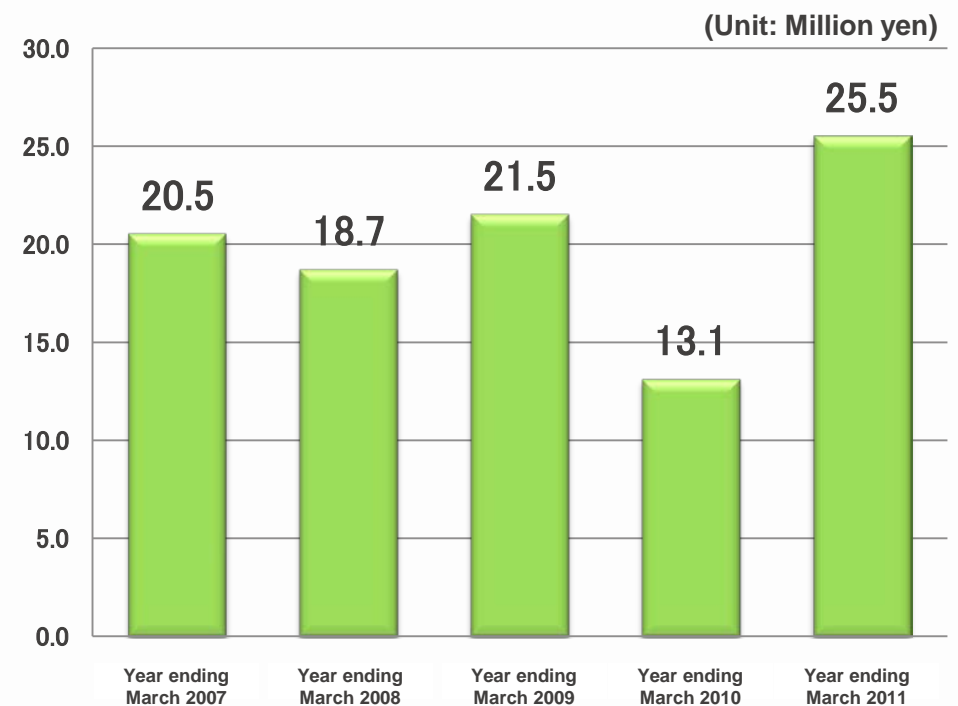
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Change in Total Assets at End of Interim Period



Change in Interim Period Net Income



Contracted Ratio

Sales of built-for-sale condominiums

Number of units
planned for sale

Number of units
contracted as of 9/30

Contracted ratio

Current fiscal year projects

1,078 units **874** units **81.1%**

As of October 31

1,078 units **958** units **88.9%**

Next fiscal year projects

1,398 units **197** units **14.1%**

As of October 31

1,398 units **294** units **21.0%**

**81.1% of units for delivery in current FY
contracted**
**14.1% of units for delivery next FY
contracted**

Built-for-sale condominium inventory

Last fiscal year projects

BOP inventory

Inventory as of 9/30

Number of units sold

174 units ↓ **22** units (**152** units)

Current fiscal year projects

Completed during
interim period

Inventory as of 9/30

Number of units sold

319 units ↓ **107** units (**212** units)

Total

493 units ↓ **129** units (**364** units)

**Reduced inventory from
174 units ⇒ 129 units**

Consolidated Statements of Income (Reference)

(Unit: Amount = Million yen; ratio =%)

	Six months ended September 30, 2010		Six months ended September 30, 2009		YOY change
	Amount	% of total	Amount	% of total	% change
Net sales	16,616	100	27,500	100	-39.6
Real estate sales business	14,309	86.1	25,333	92.1	-43.5
Real estate rental business	717	4.3	649	2.4	10.5
Real estate management business	1,048	6.3	952	3.5	10.1
Other businesses	540	3.3	564	2.1	-4.2
Cost of sales	11,292	68.0	21,917	79.7	-48.5
Gross profit	5,323	32.0	5,582	20.3	-4.6
Selling, general and administrative expenses	3,110	18.7	3,673	13.4	-15.3
Operating income	2,213	13.3	1,909	6.9	15.9
Ordinary income	1,530	9.2	1,532	5.6	-0.1
Net income	1,501	9.0	1,656	6.0	-9.4

POINT

The number of contracted units is increasing well with the steady recovery in the market, but net sales declined because deliveries are concentrated in the second half.

Maintained profit margins because of good sales.

⇒ "Lower of cost or market value method" applied in the prior fiscal year became a plus factor.

Large improvement of gross profit margin

Ratio of net income to sales recovered strongly to 9.0%.

Consolidated Balance Sheets (Reference)

(Unit: Amount = Million yen; ratio =%)

	As of September 30, 2010		As of September 30, 2009		YOY change
	Amount	% of total	Amount	% of total	% change
Current assets	36,478	62.7	39,023	63.5	-6.5
Cash and time deposits	5,023	8.6	4,298	7.0	16.9
Inventories	28,220	48.5	32,306	52.6	-12.6
Real property for sale	4,121	7.1	12,617	20.5	-67.3
Real property for sale in progress	24,099	41.4	19,688	32.0	22.4
Fixed assets	21,747	37.3	22,421	36.5	-3.0
Total assets	58,226	100.0	61,444	100.0	-5.2
Current liabilities	26,112	44.8	38,890	64.9	-34.5
Notes and accounts payable-trade	2,267	3.9	7,991	13.0	-71.6
Debts (short term, long-term debt due within one year)	21,115	36.3	29,429	47.9	-28.3
Fixed liabilities	17,243	29.6	13,492	22.0	27.8
Long-term borrowings	16,284	28.0	12,588	20.5	29.4
Total liabilities	43,355	74.5	53,383	86.9	-18.8
Net assets	14,870	25.5	8,061	13.1	84.5
Capital	4,819	8.3	2,442	4.0	97.3
Other equity capital	10,050	17.3	5,618	9.1	78.9
Total liabilities and net assets	58,226	100.0	61,444	100.0	-5.2

POINT

Reduced inventory assets 12.6% YOY through decrease of units and project restart.

Long-term debt rose because of borrowing in conjunction with restart of new site acquisitions. Because of debt repayments (short-term, long-term debt due within one year) from reduction of inventory assets as a result of property deliveries, however, reduced total liabilities 18.8% YOY

Net assets up 84.5% YOY from earnings and capital increase.

Equity capital ratio

13.1% → **25.5%**

Consolidated Statements of Cash Flows (Reference)

(Unit: Million yen)

	Six months ended September 30, 2010	Six months ended September 30, 2009
Income before tax adjustments	1,544	1,748
Net cash provided by (used in) operating activities	81	9,680
Decrease (increase) in accounts receivable	35	25
Decrease (increase) in inventories	(1,731)	8,518
(Decrease) increase in accounts payable	(614)	(1,411)
Net cash provided by (used in) investing activities	(894)	632
Net cash provided by (used in) financing activities	2,093	(9,781)
Increase (decrease) in cash and cash equivalents	1,280	531
Cash and cash equivalents at beginning of period	3,717	3,733
Cash and cash equivalents at end of period	4,998	4,264

POINT

Cash increase of 81 million yen from higher income before taxes and adjustments and advances received on contracted units

Used 894 million yen of cash for purchase of fixed assets

Cash provided from financing activities of 2,093 million yen reflected increase in cash from exercise of share subscription rights

Financial Highlights Consolidated (Reference)



(Unit: Million yen)

	Six months ended September 30, 2010	Six months ended September 30, 2009	Six months ended September 30, 2008	Six months ended September 30, 2007	Six months ended September 30, 2006
Net sales	16,616	27,500	24,663	32,088	29,381
(Year-on-year change: %)	(-39.6)	(11.5)	(-23.1)	(9.2)	(8.6)
Operating income	2,213	1,909	2,264	3,838	3,030
	(15.9)	(-15.7)	(-41.0)	(26.7)	(0.6)
Ordinary income	1,530	1,532	1,680	3,327	2,734
	(-0.1)	(-8.8)	(-49.5)	(21.7)	(0.1)
Net income	1,501	1,656	926	1,818	1,575
	(-9.4)	(78.8)	(-49.1)	(15.5)	(47.4)
Net income per share (yen)	53.46	100.05	55.96	108.42	93.84
	(-46.6)	(78.8)	(-48.4)	(15.5)	(28.5)
Total assets	58,226	61,444	92,971	95,510	76,673
	(-5.2)	(-33.9)	(-2.7)	(24.6)	(23.4)
Net assets	14,870	8,061	19,991	17,874	15,689
	(84.5)	(-59.7)	(11.8)	(13.9)	(48.3)
Net assets per share (yen)	458.92	486.8	1,207.38	1,078.07	923.98
	(-5.7)	(-59.7)	(12.0)	(16.7)	(27.6)

Main Management Indicators (1)

Profitability and Productivity (Reference)

	Six months ended September 30, 2010	Six months ended September 30, 2009	Six months ended September 30, 2008	Six months ended September 30, 2007	Six months ended September 30, 2006
ROA (%)	2.7 (0.4)	2.3 (0.6)	1.7 (-2.0)	3.7 (-0.1)	3.9 (-0.8)
ROE (%)	12.8 (-10.1)	22.9 (18.2)	4.7 (-5.8)	10.6 (0.0)	10.6 (-0.1)
Gross margin (%)	32.0 (11.7)	20.3 (-6.1)	26.4 (1.0)	25.4 (-0.5)	25.9 (1.1)
Operating income margin (%)	13.3 (6.4)	6.9 (-2.1)	9.2 (-2.8)	12.0 (1.6)	10.3 (-0.8)
Selling, general & administrative expenses to sales ratio (%)	18.7 (5.4)	13.4 (-3.9)	17.2 (3.8)	13.5 (-2.2)	15.6 (2.0)
Net income to sales ratio (%)	9.0 (3.0)	6.0 (2.3)	3.8 (-1.9)	5.7 (0.3)	5.4 (1.4)
Net sales per employee (million yen)	51.4 (-38.3)	83.3 (73.7)	48.0 (-32.6)	71.2 (-10.1)	79.2 (-17.4)
Ordinary income per employee (million yen)	4.7 (2.1)	4.6 (42.0)	3.3 (-55.7)	7.4 (0.2)	7.4 (-23.9)

※ Net sales per employee = Net sales ÷ ((Number of employees at beginning of period + Number of employees at end of period) ÷ 2)

※ Ordinary income per employee = Ordinary income ÷ ((Number of employees at beginning of period + Number of employees at end of period) ÷ 2)

※ Figures in parentheses in the table: (%) items = Change compared with the corresponding period of the previous fiscal year; (million yen) items = % change compared with the corresponding period of the previous fiscal year

Main Management Indicators (2)

Safety and Efficiency (Reference)

	Six months ended September 30, 2010	Six months ended September 30, 2009	Six months ended September 30, 2008	Six months ended September 30, 2007	Six months ended September 30, 2006
Equity ratio (%)	25.5 (12.4)	13.1 (-8.4)	21.5 (2.8)	18.7 (-1.7)	20.5 (3.4)
Net interest-bearing debt (million yen)	32,376 (-14.2)	37,719 (-31.0)	54,656 (10.7)	49,364 (61.0)	30,655 (43.9)
Net D/E ratio (times)	2.2 (-2.5)	4.7 (1.9)	2.7 (-0.0)	2.8 (0.8)	2.0 (-0.1)
Interest coverage ratio (times)	3.6 (0.3)	3.4 (-0.2)	3.5 (-2.7)	6.3 (-1.3)	7.6 (-0.4)
Current ratio (%)	139.7 (41.9)	97.8 (-32.9)	130.7 (-39.0)	169.7 (24.9)	144.8 (3.8)
Asset turnover ratio (number of times/year)	0.6 (-0.2)	0.8 (0.3)	0.5 (-0.2)	0.7 (-0.1)	0.8 (-0.1)
Inventory turnover ratio (number of times/year)	1.2 (-0.3)	1.5 (0.6)	0.9 (-0.3)	1.2 (-0.3)	1.5 (-0.3)
Equity turnover ratio (number of times/year)	2.8 (-4.8)	7.6 (5.1)	2.5 (-1.2)	3.7 (-0.2)	3.9 (-1.3)

※ Net interest-bearing debt =
(Interest-bearing debt) – (cash and deposits)

※ Net D/E ratio = Net interest-bearing debt / Total equity

※ Interest coverage ratio = Business profit (Operating income + interest income and dividend income) ÷ Interest expense

※ Figures in parentheses in the table: (%), (times) and (number of times/year) items = Change compared with the corresponding period of the previous fiscal year; (million yen) items = % change compared with the corresponding period of the previous fiscal year

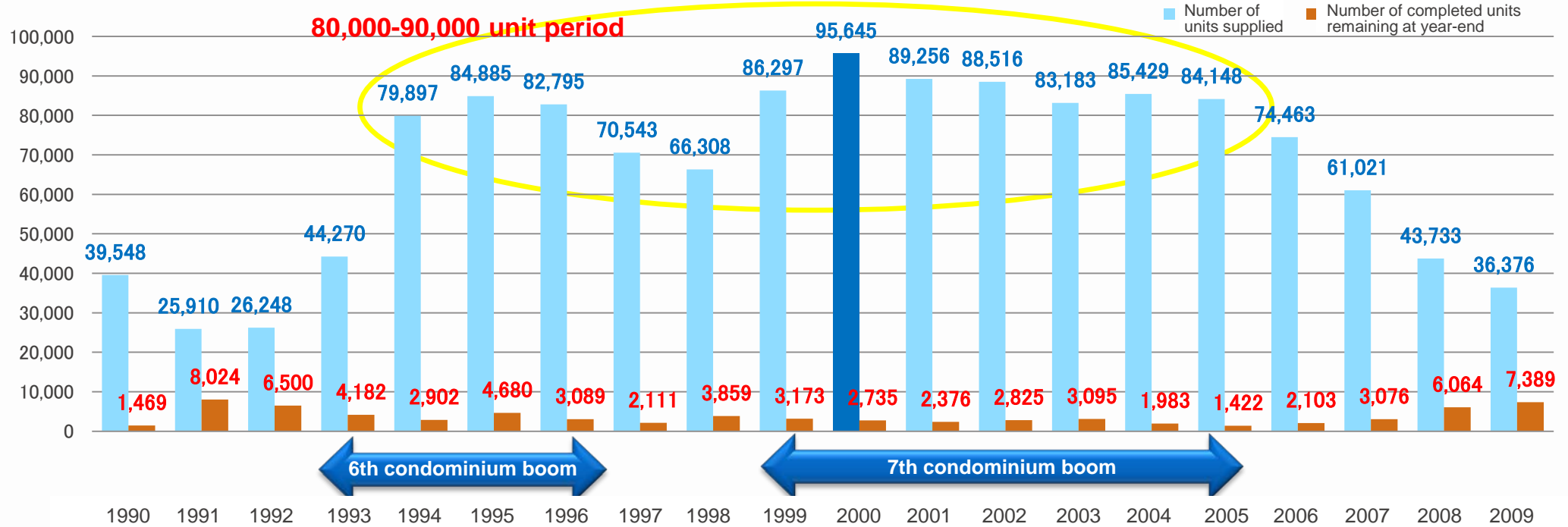
Takara Leben

Building Action 2011

~Capitalizing on a Year of Recovery with a New Medium-Term Business Plan Geared Towards Renewed Growth ~

Background to the New Medium-Term Business Plan Reforms (Condominium Market Trends 1)

Change in supply and completed unit inventory by year



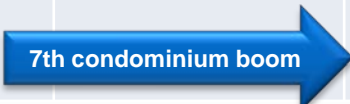
- ↑ Collapse of bubble economy in Japan
- ↑ Super-strong yen \$1 =¥79.75
- ↑ Yamaichi Securities voluntary liquidation
- ↑ Year of record supply
- ↑ Nikkei Average hits record post-bubble low of ¥7,603
- ↑ Structural calculation sheet forgery scandal
- ↑ Sharp rise in oil prices
Amendment of Building Standard Law
Subprime loan problem
- ↑ Collapse of Lehman Brothers

Data: Real Estate Economic Institute Co., Ltd. 2010 Tokyo Metropolitan Area Condominium Market Trends

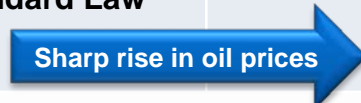
Background to the New Medium-Term Business Plan Reforms (Condominium Market Trends 2)

Change in number of condominium firms and number of units supplied in Tokyo metropolitan area

Fiscal year	2005	2006	2007	2008	2009	2010 (As of Aug. 31)
Number of firms	256	239	228	176	125	97
Change	—	-17 firms	-11 firms	-52 firms	-51 firms	-28 firms
Number of units supplied	84,148	74,463	61,021	43,733	36,376	26,567
Topics	<ul style="list-style-type: none"> ·End of 80,000 units/year era ·Aneha Incident (Structural Calculation Forgery Problem) 	<ul style="list-style-type: none"> ·Number of condominium units supplied declined 	<ul style="list-style-type: none"> ·Subprime loan problem ·Rapid increase in construction costs ·Amendment of Building Standard Law 	<ul style="list-style-type: none"> ·12,000 unsold condominium units ·Debut of discount condominiums ·Increase in bankruptcies of exchange listed firms ·Collapse of Lehman Brothers 	<ul style="list-style-type: none"> ·Number of unsold condominiums fell to 7,000 units as of September 	<ul style="list-style-type: none"> ·Recovery trend in number of condominium units supplied



7th condominium boom



Sharp rise in oil prices

The number of newly built condominiums supplied fell from 84,000 units in 2005 to 36,000 units in 2009 because of a gradual drop in the number of units supplied since the end of the 7th condominium boom, amendment of the Building Standard Law, the subprime loan problem and collapse of Lehman Brothers. The number of firms supplying condominiums in the Tokyo metropolitan area has declined by 159 companies from 256 to 97 firms.

Current Real Estate Market (1)

Characteristics of the market as it begins to improve.

Tokyo metropolitan area condominium market trends for 2010 First Half

■ Characteristic #1: Supply excessively concentrated in central wards of Tokyo

	2008 1 st half	2009 1 st half	2010 1 st half
Central Tokyo	7,169 units	6,835 units	9,098 units
Outer Tokyo area	2,060 units	1,443 units	2,035 units
Kanagawa	6,142 units	3,997 units	4,648 units
Saitama	2,735 units	1,655 units	2,576 units
Chiba	3,376 units	1,958 units	1,814 units
Tokyo metropolitan area	21,482 units	15,888 units	20,171 units

(※Source: Real Estate Economic Institute Co., Ltd., *Tokyo Metropolitan Area Condominium Market Trends*)

■ Characteristic #2: Decline in share of units supplied for first-time buyer bracket

2009 Condominium Market Trends for First-time Buyers in the Tokyo Metropolitan Area

Selling price of 35 million yen or less

and

Living space of 60m² or more

	Number of units supplied in Tokyo metropolitan area	Share
2007	15,525 units	25.4%
2008	9,344 units	21.4%
2009	7,092 units	19.5%

	Saitama Prefecture	Chiba Prefecture
2007	3,847 units	6,171 units
2008	2,700 units	3,384 units
2009	2,172 units	1,870 units

Decline in share of comparatively low-priced condominiums in suburbs for families.

(※Source: Real Estate Economic Institute Co., Ltd., *Trend in Supply of Units for First-time Buyers in 2009*)

- **Characteristic #1:** Market configuration centered on “high-priced city center properties” continued, with much of supply targeted at the limited high-income earner bracket.
- **Characteristic #2:** Supply of suburban condominiums for families fell sharply because of successive bankruptcies of middle-market and small and medium-sized developers.
- **Result:** Supply is biased toward one segment of the high-income bracket, creating a need for supply of suburban condominiums for families that is aimed at the high-volume segment.

Supplying suburban condominiums for families, with a focus on the high-volume submarket, also is of major significance for revitalization of the market.

Current Real Estate Market (2)

Supply condominiums that serve the first-time buyer bracket, which is the largest submarket.

Takara Leben's unique aim is to focus on "long-term stable growth" while being supported by stable demand.

[Customer dominance]

■ Type of housing in Tokyo metropolitan area by annual income

<2003> (Unit: Households)

Annual income (10,000 yen)	Owned home	Rental	Shared	Other
300—400	860,400	875,600	11,300	400
400—500	835,400	711,800	10,300	400
500—700	1,383,400	831,300	15,900	300
700—1,000	1,508,200	535,500	13,100	200
1,000—1,500	860,900	192,100	6,100	200

(※Source: Ministry of Internal Affairs and Communications, 2003 Housing and Land Survey")

<2008> (Unit: Households)

Annual income (10,000 yen)	Owned home	Rental	Shared	Other
300—400	980,200	942,000	8,600	300
400—500	885,400	714,300	9,300	200
500—700	1,542,000	876,300	13,600	500
700—1,000	1,634,400	527,300	12,500	100
1,000—1,500	834,300	171,100	5,500	0

(※Source: Ministry of Internal Affairs and Communications, 2008 Housing and Land Survey)

[Price dominance]

■ Comparison of Tokyo metropolitan area average price and Takara Leben average price by region in the Tokyo metropolitan area

(※ "Takara Leben average price" calculated for April to March fiscal period)

	2009	
	Tokyo metropolitan area average price	Takara Leben average price
Central Tokyo	51.9 million yen	33.11 million yen
Outer Tokyo	43.35 million yen	
Kanagawa	42.41 million yen	27.73 million yen
Saitama	36.57 million yen	26.44 million yen
Chiba	36.76 million yen	27.18 million yen

(※Source: Real Estate Economic Institute Co., Ltd., Tokyo Metropolitan Area Condominium Market Trends)

■ Change in Tokyo metropolitan area average price and Takara Leben average price over the past 3 years

(※ "Takara Leben average price" calculated for April to March fiscal period)

	2007	2008	2009
Tokyo metropolitan area	46.44 million yen	47.75 million yen	45.35 million yen
Takara Leben	32.62 million yen	29.43 million yen	29.18 million yen

(※Source: Real Estate Economic Institute Co., Ltd., Tokyo Metropolitan Area Condominium Market Trends)

Summary of Medium-Term Business Plan (1)

Renewed growth strategy serving as a basis for looking further ahead and planning “additional growth”

“Three years for strengthening our base” in order to prove our worth in new markets based on the “management reorganization” undertaken in 2009 !

Theme of “Takara Leben Building Action 2011”

Strategic and tactical rebuilding aimed at “renewed growth”

Underlying concept

Follow-up to the framework of our former medium-term business plan “TAKARA LEBEN-BUILDING 2010”

Seek to **increase corporate value**, based on continuation of a decisive, long-term stable growth path.
Seek **continuous development** of the Takara Leben Group as a true public company.

Strategies

Build stable supply organization in the condominium business

Enjoy brand penetration and its results

Improve financial position based on strategic corporate activities

Promote flat organization and transparency

Synergistic effects across the entire Group

Results

Achievement of **absolute earnings base** and **brand penetration**

Achieve “**customer loyalty = customer satisfaction**”

Achieve “**firm loyalty = employee satisfaction**”

Increase corporate value

Realize **continuous development**

TAKARA LEBEN-BUILDING 2010

Fiscal 2008

Fiscal 2009

Fiscal 2010

Medium-term “recognition of issues” and “measures”

Expected Risks

- Overheated Tokyo metropolitan area and emerging competition for suburbs
- Repeat of rise in construction costs < Deterioration of earnings base >
- Profit planning after effects of lowest cost accounting revaluation and deferred tax credits are eliminated
- Lower equity ratio due to asset expansion < Financial balance deterioration >

Necessary Measures

- Establish superiority in key Tokyo metropolitan area suburban zones
- Business revenues and expenditures that reflect rising costs
- Rebuild absolute income base
- Establish a stable business cycle and financial strategy

Summary of Medium-Term Business Plan (2)

Consistent Positioning

Basic principle

“Ideal, affordable housing that anyone can buy with confidence”

Main targets

- 1. Suburban Tokyo metropolitan area**
 ➔ Wealthy area with people making annual income of 4.0 – 7.0 million yen
- 2. First-time buyers (particularly for families)**
 ➔ Stable demand that is little affected by economy changes
- 3. 4.0–7.0 million annual income bracket**
 ➔ Renting households in the Tokyo metro area represent fertile latent demand
- 4. 50 - 100 units family condominiums**
 ➔ Consider balance between area demand and business period

Closely related topics

- 1. Decrease in competitors and properties**
 ➔ Reduction in inventory and competitors in each area and stabilization of supply and demand will provide an advantage in terms of purchasing and selling
- 2. Solid demand from primary target group**
 ➔ Despite the drop in consumer confidence during the recent economic downturn, demand is still stable among the primary target group
- 3. Increasing target group due to deflation**
 ➔ The recession and deflation are increasing the size of the 4.0-7.0 million yen income group. Also, employment insecurity is increasing the desire for inexpensive properties.
- 4. Area results enable risk taking**
 ➔ Possible to properly judge optimum business size in each area because of each area's ample actual results.

New Medium-Term Business Plan Roadmap

- Takara Leben Building Action 2011 -

Rebuild strategy and tactics aimed at “renewed growth”

39th Period FY
ending March 2011

40th Period FY
ending March 2012

41st Period FY
ending March 2013

Action plan

Purchasing strategy

Carefully select purchases based on Takara Leben's “three criteria”

Product strategy

Improve the revenue base through promotion of short-term revenue-generating business

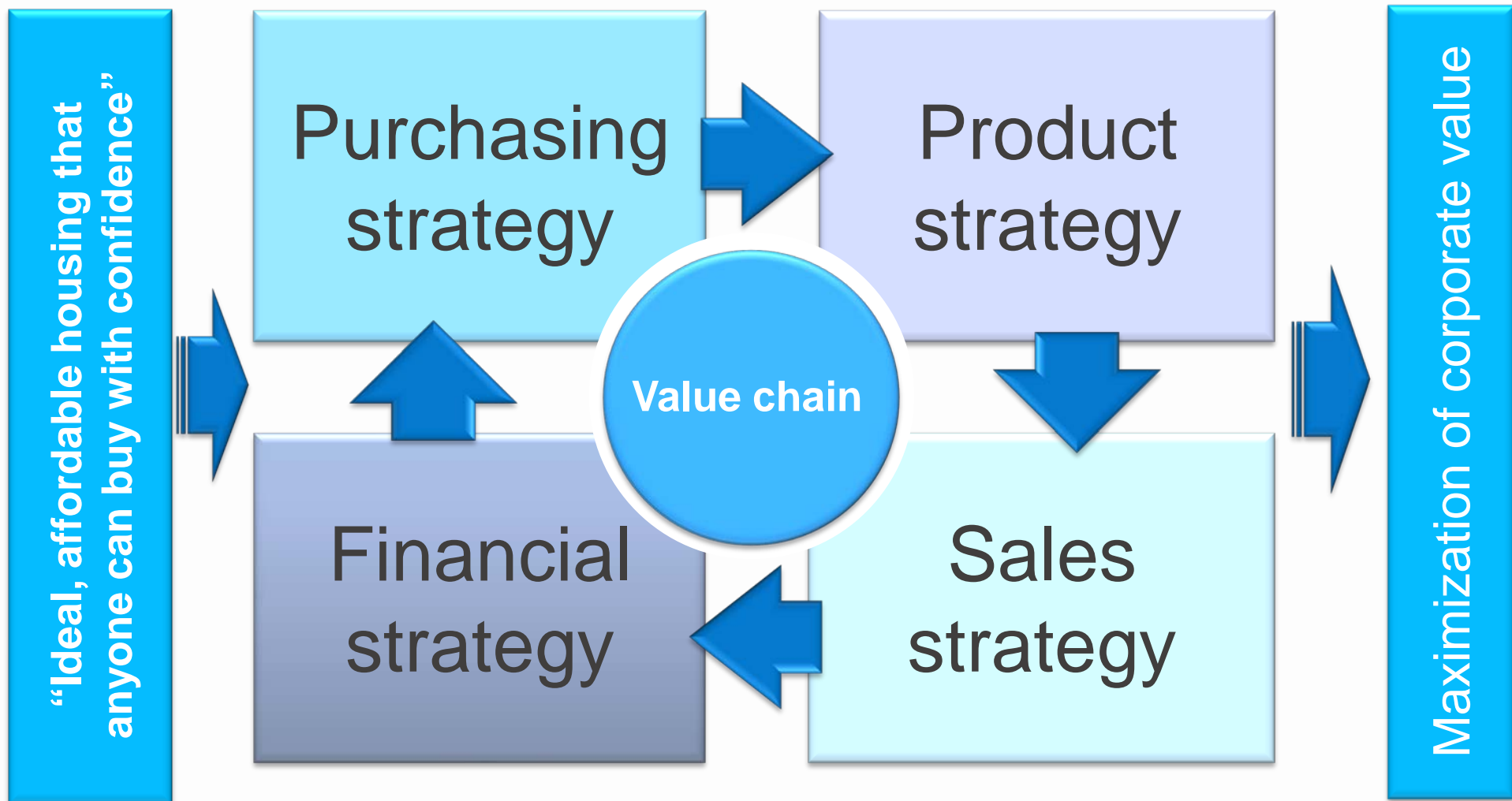
Sales strategy

Ensure a stable business plan and solid profit structure

Financial strategy

Establish a stable base via a thorough financial strategy

Positioning of Renewed Growth Strategy



Purchasing Strategy

Carefully select purchases based on Takara Leben's "three criteria"

● [Earnings Criteria]

- Ensure bottom line with gross margin of at least 25%

● [Location Criteria]

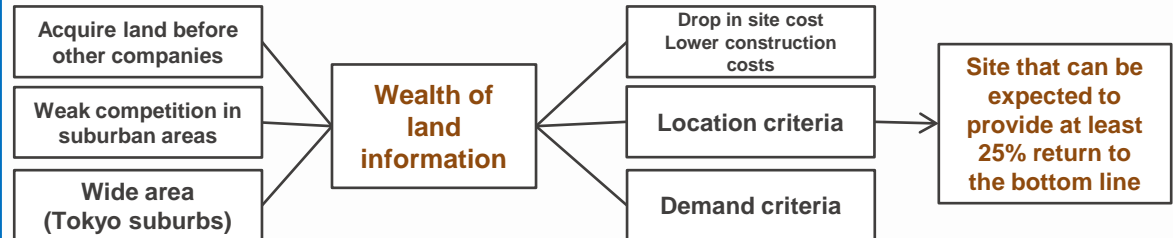
- Near stations (within a 10 min. walk from station)
- Ease of access to central Tokyo

● [Supply & Demand Criteria]

- Thorough area marketing

Purchasing Strategy "Three Criteria"

[Earnings Criteria] Dig through the wealth of land information to access profitability!



[Location Criteria] Unbeatable access (walking distance) to major stations!

— **LEBEN REVALE Nakaitabashi Venus Tower** — — **LEBEN SQUARE Virtue of Residence** —



Location	Nakaitabashi, Itabashi-ku, Tokyo
Access	Tobu Tojo Line Nakaitabashi Station



Location	Taniguchi, Misato, Saitama Prefecture
Access	Tsukuba Express Line Misato-chuo Station

"1 minute to the station, 8 minutes to Ikebukuro" provides access comparable to living near Ikebukuro Station

"4 minutes on foot to the station, 20 minutes to Akihabara" provides access comparable to living near Akihabara Station

[Supply & Demand Criteria] Area-specific purchasing that focuses on the balance of supply and demand and emphasizes area demand!

— **Leben Heim Ofuna Partir** —

For example...
In recent years, purchasing has focused on areas with low supply but close to stations.



The Ofuna area is a popular area, but supply has been tight in recent years; by offering new supply at the right time, Takara Leben has been able to realize solid sales activity.

Individual Strategies (Product Strategy)

Product Strategy

Improve the revenue base through promotion of short-term revenue-generating business

Detached housing business
(built by Takara Leben)



Renewal business
(used property resale)



Resale business
(purchase and resale)

Other businesses and rental business



We are aiming to implement a supplemental earnings system constituting 30% of net sales!

We're more than just condominiums.
We've started "Takara no ie".



A system of consistent reliability means affordable housing prices.

Site acquisition

We begin by gathering the information you don't know about an area until you live there – where the closest stations and supermarkets are, and how the area changes in appearance during the day and at night and on weekdays and weekends. As homebuilding professionals, we scout out and acquire low-cost land

Purchasing

We scrutinize the costs of all materials that go into a property – every last piece of wood, nail or screw that is used. And by doing all of our purchasing in bulk, we are able to keep the total cost down.

Design and construction

Takara Leben not only carries out its own design, we perform our own construction as well as, utilizing partner construction firms to ensure reliability. Our middle-man margin is significantly reduced as a result.

Sales

Takara Leben products are directly sold by those most familiar with them – Takara Leben's sales staff. This helps to keep down excess costs.

10 Year Peace of Mind Guarantee

Takara Leben provides scrupulous after-care. Our 10 year guarantee offers reliable maintenance to customers. We also handle refurbishment and other after-care needs.

Individual Strategies (Sales Strategy)

Sales Strategy

Ensure a stable business plan and solid profit structure

Internet marketing



Company intranet



The Leben Club



Model room marketing



Raising the profile of Takara Leben properties through a variety of marketing activities allows us to sell high-quality, affordable housing to a large number of customers.

Internet Marketing

— Number of people requesting brochures —

Year ending March 2008	Year ending March 2009	Year ending March 2010
8,813	11,132	13,236

— Number of Model Room visitors —

Year ending March 2008	Year ending March 2009	Year ending March 2010
2,737	3,658	4,616

— Number of people reached by Internet who signed agreements —

Year ending March 2008	Year ending March 2009	Year ending March 2010
492	509	689

The Leben Club

— Number of Leben Club members —

Year ending March 2008	Year ending March 2009	Year ending March 2010
13,603	33,034	46,145

Company Intranet

— Number of corporate partners —

Year ending March 2008	Year ending March 2009	Year ending March 2010
132 companies	146 companies	149 companies

— Number of employee partners —

Year ending March 2008	Year ending March 2009	Year ending March 2010
3.92 million people	4.23 million people	4.27 million people

Financial Strategy

Establish a stable business base via a thorough financial strategy

Promotion of a small-scale funding business model

Strategic purchasing, sales and collection planning

Financial strategy not dependent on indirect financing

Build cooperative relationships with numerous financial institutions

Secure a stable cash position

Achieve a base equity ratio in the 30% range

What is a “small-scale funding business model”?

This business style involves a collaboration with construction companies, trading firms and other companies and partner companies engaged in the condominium business.

The commitment period of funding for condominiums is long (about one and a half to two years). By adopting a shared business style with partner companies, this commitment period can be shortened or the amount of funding decreased. This enables Takara Leben to put its funds to use effectively for its next projects.

< Partial acquisition with partner companies >

Joint Venture business with partner companies

“Land”

Partner company 50-70%

Takara Leben 30-50%

< Partner company land acquisition >

“Land”

Partner company 100%

Joint business between partner company and Takara Leben

Exclusive wholesale contract between partner company and Takara Leben

— Development example — **LEBEN REVALE Nakaitabashi Venus Tower** —



This project involved the sale of a former corporate headquarters building in Tokyo's Nakaitabashi area, with the land being leased and a forward commitment-type agreement (granting acquisition upon completion of construction) concluded with a construction firm.

The advantage of this setup was that, in addition to procuring funds from the sale of the land, essential zero capital would be required for this development project if all units were sold before the completion of construction.

Consolidated Income Statements

(Millions of yen, %)

	Results for 38 th financial period	Forecast results for 39 th financial period	Forecast results for 40 th financial period	Forecast results for 41 st financial period
Sales	51,955	47,760	56,220	60,190
Operating income	3,212	5,550	6,210	7,955
Ordinary income	2,378	4,345	5,090	6,830
Net income	2,244	4,000	4,315	4,260
Equity ratio	15.9	29.2	31.1	32.8

Recent Topics (1)

Purchasing and product development topics!

“Steady acquisition of project sites” and independent product development!

■ Successfully increased capital through first rights issues in Japan!

Form : Rights issue: Allotment of new share subscription rights without contribution (non-commitment)

A “rights issue” is a capital increase through an allotment of new shares on a preferential basis to existing shareholders. In contrast to a public offering of stock, such issues have been used in Europe and other markets as a means to avoid the dilution of existing shareholders’ interests, and since last year the Tokyo Stock Exchange had sought to expand the use of this mechanism in Japan.

Purpose : Achieve more rapid acquisition of locations using flexible funding!

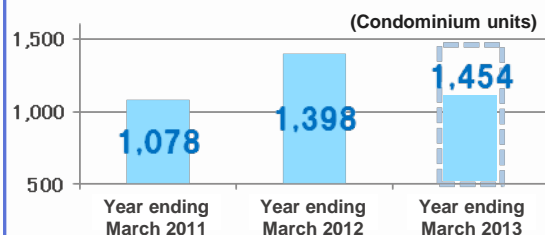
Result : Amount raised 4.7 billion yen / Rights exercised 95.7 %

Number of shares issues	17,540,333 shares → 33,386,070 shares
Capital amount	2,442 million yen → 4,819 million yen

■ Began making purchases again in July 2009! Responding aggressively to the “excellent site acquisition environment”!

Aggressively purchased profitable project sites, prior to development in suburban areas!

■ Projected unit sales over the next 3 years



With cash from rights issue in hand, we can purchase more aggressively!

Ensures lineup up to 60% for business period ending March 2013

■ Expand purchasing area! Improve market presence through strong purchasing results!

In base areas in Tokyo, Ibaraki north and south, Saitama area

Tama, Ofuna and Kamakura areas where supply has decreased in recent years

Popular areas in central Tokyo that Takara Leben has not previously targeted

(Tentative name)
LEBEN HEIM Asakusa

(Tentative name)
LEBEN HEIM Sugamo

■ Established a “detached housing business division” to strengthen our detached housing business using our built by Takara Leben organization!

Increased the number of employees in order to ensure an efficient supply organization as part of our effort to strengthen our short-term revenue generating business!

■ First condominiums in the Tokyo metropolitan area to use “solar power generation that enables individual condominiums to sell electric power”!

LEBEN HEIM Hikarigaoka Park

Number of units: 110



Recent Topics (2)

Sales activity topics! “Excellent sales progress” and “improved profit margins” !

- Steadily supply new sales properties with an eye on the next two business periods!

Adjust start of sales while carefully monitoring project duration and overall sales conditions.

- Steady sales centered on new projects because of a sense of housing scarcity among first-time homeowner bracket!



First dwellings in the Tokyo metro area that are easy on the environment and easy on the family budget!
 — Adoption of solar panel system that enables each condominium to sell its own electricity—

Leben Heim Hikarigaoka Park
 Total units: 110

Contract rate over 90% within 2 months from start of sales



Four minutes on foot to the station. 20 minutes direct to Akihabara.

Offers speedy access to central Tokyo
Leben Square Virtue of Residence
 Total units: 207

Contract rate over 80% within 7 months from start of sales



Central government × Prefecture × City × Redevelopment association

New large-scale redevelopment project

LUCIDA TOWER
 Total units: 110

Urban redevelopment project that received Class 1 certification from the central government

- Although the contracted ratio for number of units reported as sales is low, the contracted ratio for number of contracted units is already at a high-level!

Units delivered (total number of units sold) in the second quarter of the business period ending March 2011 and projected full-year contracted ratio

	Units planned for delivery	Number already delivered	Contracted ratio
FY ending 2nd half March 2011	1,078	364	33.8%

Contracted ratio for number of contracts and number of full-year units for delivery in the second quarter of the fiscal year ending March 2011

	Units planned for delivery	Number contracted	Contracted ratio
FY ending March 2011	1,078	874	81.1%
FY ending March 2012	1,398	197	14.1%

- Improved profit margin as a result of “solid sales activities” and “lower selling costs”

Achieved high contracted units ratio centered on newly marketed projects



Reduced customer acquisition costs by strengthening sales promotions using the Internet

Improved profit margin!



LEBEN HEIM

Our mainstay brand of family condominiums, designed with thorough attention to detail to provide a content family lifestyle

for Family

We offer high-quality homes where families can live comfortably at reasonable prices.

レーベンハイム

LEBEN HEIM

レーベンスクエア

LEBEN SQUARE

レーベンリヴァーレ

LEBEN REVALE

レーベンシティオ

LEBEN CITIO

レーベンリゾシア

LEBEN RISORSIA

レーベンプラッツ

LEBEN PLATZ

ル・アール

LeArt

Brand Range (1)



LEBEN HEIM

Our mainstay brand, with thorough attention to family lifestyles

A 5-minute walk to the station. Just 30 minutes to Shinjuku it. Two minutes to Keio-Hachioji Station. Built in a quiet residential area in a "Class 1 low-income bracket housing area." All units face southwest. Located in well-appointed surroundings offering convenient facilities, including a supermarket just 5 minutes by foot.



LEBEN HEIM
Hachioji Eastside Hills



LEBEN SQUARE

From just a residential area to a residential area where residents can enjoy life.

The Ciao Land Project is seeing more and more starts in Phase 2. Adjacent to a commercial facility. All-electric amenities, with parking for all units. Also offers many common facilities including a mini-theater, reception desk service and even a music hall.



LEBEN SQUARE
Higashi-washinomiya Bright Arena



LEBEN REVALE

Designer condominiums to stimulate your imagination

3LDK angled units in the 35 million yen range. On-site parking for all units and visitors. <Access to 3 stations and 4 rail lines> Direct access to Shimbashi in 18 minutes, just over 30 minutes to Shinagawa. The birth of 119 designer condominiums uniting history and landscape in Katsushika Ward.



LEBEN REVALE
River Suite



LEBEN CITIO

Offering an urban lifestyle for singles and couples with no children

Compact condominiums that achieve superb convenience, including comfortable access to the heart of the city, while combining the functionality, rationality and amenities demanded by the urban lifestyles of singles and couples.



LEBEN CITIO
Kawaguchi Panorama Stage

Brand Range (2)



New concept resort condominiums that meld leisure and living

221 condominiums – all with an ocean front view- just 45 minutes from Tokyo Station. A full range of amenities, including hot spring facility with outdoor and family baths, guestrooms, roof terrace, and bar and lounge. A residential gem overlooking the sea.



LEBEN RESORSIA
Vesti Blue



'Single family dwellings aimed at true serenity and rejuvenation

36 minutes direct to Ueno. 41 minutes to Tokyo Station. Each unit has two parking spaces plus a “super loft”. Superior 2x4 dwellings that combine amenities and durability.
<From 63 tsubo, starting at 23.8 million yen >



LEBEN PLATZ
Shiny Town



Created by adding living value to new renewal

The attraction of “refurbished condominiums”

- Affordable compared with newly built properties
- Confirm the actual property and rooms before purchasing
- Option system to realize your desired living space
- A single refurbishment from the building exterior to interior
- Selection of trustworthy, quality buildings from existing stocks



Le Art
Soga Premium Hills

A big new town, home to 1,500 households and families. Each residence enjoys its own two standard parking spaces. All electric amenities. Eligible for eco-points. Parks, educational facilities and shopping are all available within walking distance.



LEBEN PLATZ
Midorigaoka Sakura & Resort

Enquiries Relating to These Materials



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These materials were prepared to provide information regarding business performance for the six months ended September 30, 2010 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, 2010. 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 without prior notice.