

**Earnings Results Briefing
For the Year Ended
March 31, 2012**



May 16, 2012

Takara Leben Co., Ltd.



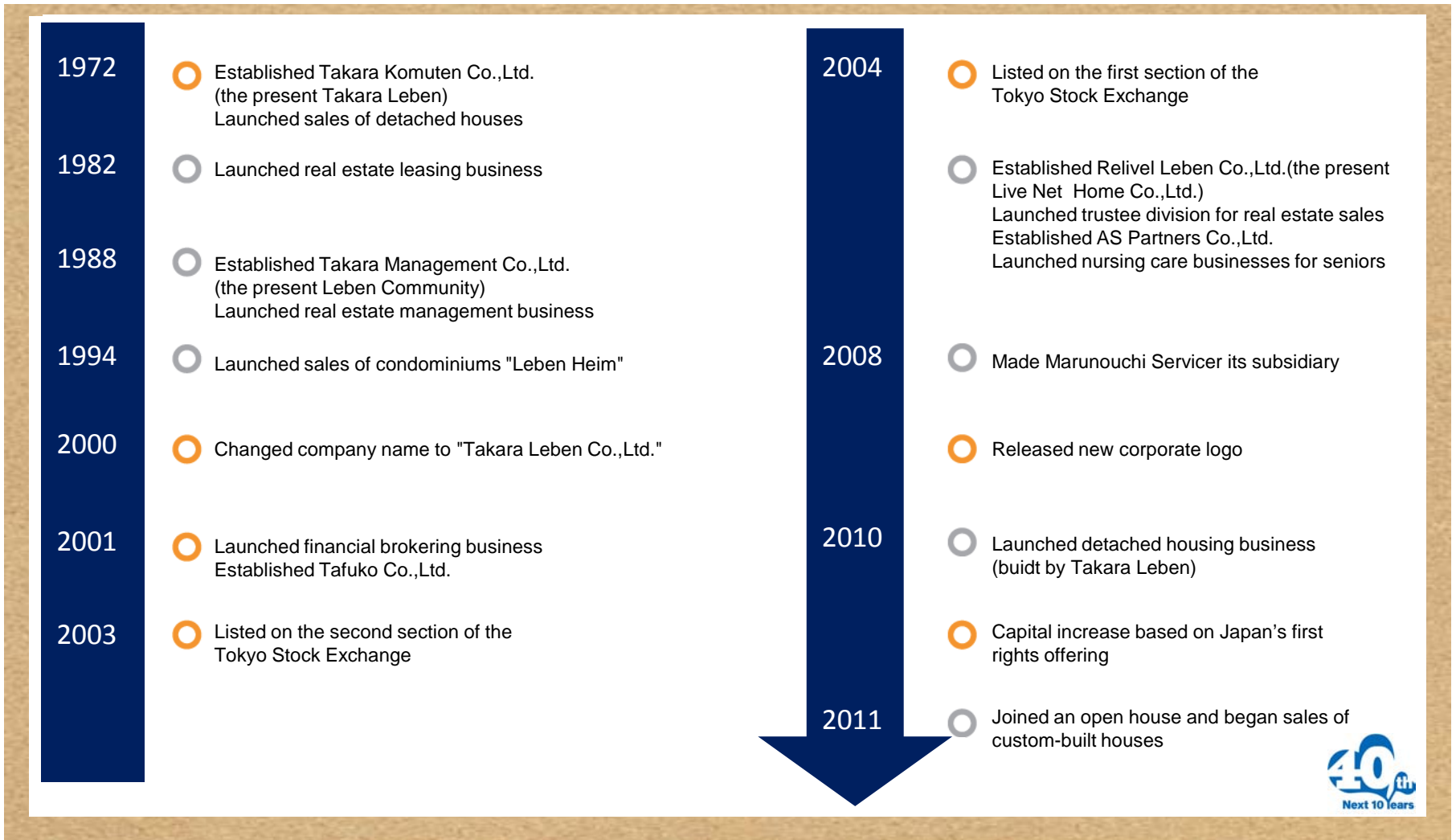
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Using trust built over 40 years toward expectations for the future

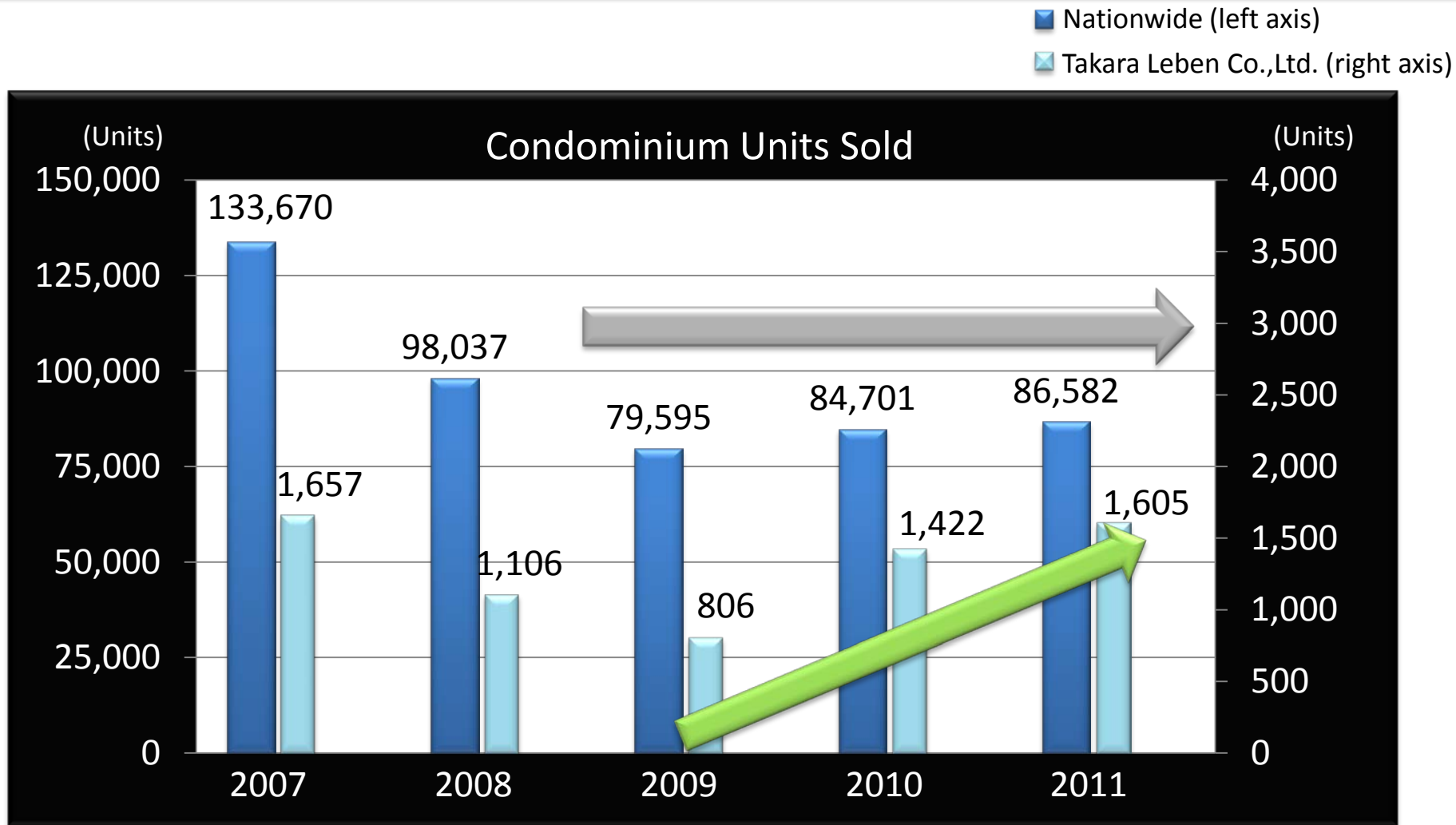
Four Decades of Business

Using trust built over 40 years toward expectations for the future



Since its foundation in 1972, Takara Leben has always strived to offer ideal houses anyone can purchase without heavy financial burden and has provided customers primarily in the Tokyo and surrounding areas with more than 19,000 houses while growing as a company. As we mark our 40th anniversary, we express our gratitude for our customers' patronage and have begun taking steps toward the decades ahead.

Condominium Units Sold Compared to the Market



■ in 2011, 86,000 condominium units were sold nationwide, an increase of 2.2%.

→ An increase for two consecutive years despite results below the pre-earthquake forecast (100,000 units). The expectation for 2012 is 100,000 units (up 15.5%)

Source: Real Estate Economic Institute Co., Ltd.

Our number of condominium units sold has been recovering at a stronger rate compared to the market.

Land Purchasing Trends

Overview

- Competing developers decreased after the Lehman Brothers collapse
- Large *zaibatsu*-affiliated companies recently entered the suburbs
- We focus on purchasing small- and medium-sized land to meet area demand

Construction Cost Trends

Overview

- Construction costs leveled off after the Lehman Brothers Collapse
- Costs remains unchanged since then
- The same level is expected to continue

Sales Trends

Overview

- The number of visitors temporarily declined immediately after the earthquake
- Both the number of visitors and contracted units exceeded the previous year in the time before the Golden Week (Japanese holiday week) period
- Demand of first-time home buyers is strong and stable, achieving a monthly average of more than 150 contracted units

Financial Market Trends

Overview

- Banks loan policies remain strict
- However, banks are proactive about providing mortgages
- We focus on small- and medium-sized financial institutions, and new transactions increased.



Year Ended March 2012 Our Initiatives and Results

Summary of Medium-Term business plan

Positioning of Year Ended March 2012

Recovery through own efforts Improvement of financial position

Fiscal year

Ended March

2011

Ended March

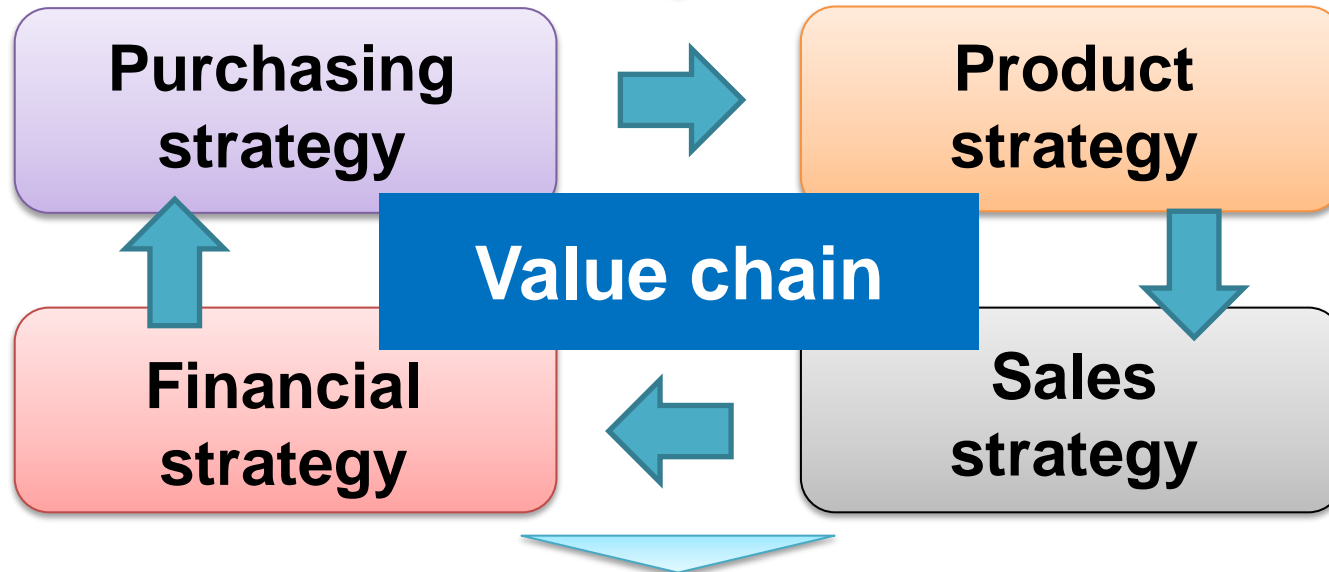
2012

Ending March

2013

Consistent Positioning

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



Maximization of corporate value

Year Ended March 2012 Our Initiatives 1

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

Main targets

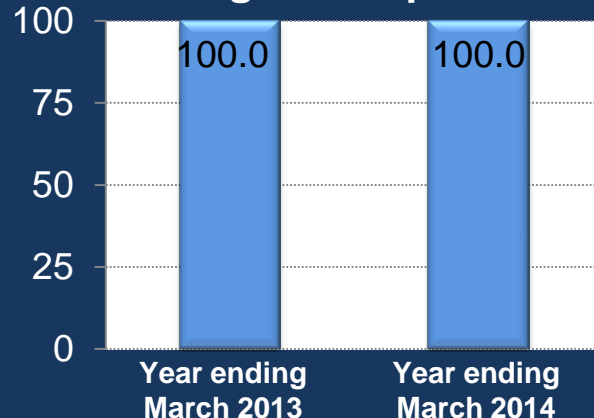
4.0–6.0 million annual income bracket (first-time buyer bracket)
(Buyer who buy condominiums by the Life Cycle(enroll in school, marriage, childbirth))

- ▶ **Percentage of rented households in the Tokyo metropolitan Area**
40.4% of 13,100 thousand households (5,290 thousand households) rented
- ▶ **Percentage of target households in the rented**
47.8% of 5,290 thousand households are 4.0-6.0 million annual income bracket
(target households)

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

Purchasing Strategy that suits Lifecycle Needs.

Progress of purchases



Year ending March 2013
United scheduled for
delivery : 1,630 units
100% purchased

Year ending March 2014
United scheduled for
delivery : about 1,600 units
100% purchased

Carefully select purchases based on “three criteria”

- 1 Earnings Criteria**
Ensure bottom line with gross margin of around 25%
- 2 Location Criteria**
Near stations (within walking distance)
Ease of access to central Tokyo
Near schools, parks
- 3 Supply & Demand Criteria**
Thorough area marketing
Area-specific purchasing that focuses on the balance of supply and demand and emphasizes area demand!

Our Initiatives 2: Unit-based Solar-powered Condominiums

“ Unit-based Solar-powered Condominiums ”

- ▶ First condominiums in the Tokyo metropolitan area to use “solar power generation that enables individual condominiums to sell electric power”
- ▶ Japan’s first unit-based solar-powered condominiums with individual storage of electric power

Six solar panels per unit
Six solar panels for each unit are installed on the rooftop of the condominium, supplying 1.26 kW of power generated directly to each household. Any surplus power can be sold to power companies.

Sellable extra power makes it economical

Effective use of solar power is environmentally friendly

There are no complicated operations
Simple and reliable

Features of Power Storage System

- ❑ The combination of storage and sale of electricity is enabled by limiting the use of storage batteries to emergencies
- ❑ Power supply automatically switches to the storage battery during temporary blackouts
- ❑ Solar power can be charged directly to the storage battery during blackouts



Our Initiatives 3: Resort Condominiums and Custom-built Houses

LEBEN RESORSIA resort condominiums completed

LEBEN RESORSIA Atami Seaside Tower



Sold Out

Completed Oct. 2010

- 10-min. walk from Atami Station on the JR Tokaido and Tokaido Shinkansen lines
- Reinforced concrete structure (seismic isolation), partially reinforced concrete structure, and steel-frame structure (20 stories)
- 115 units in total

Sales began after the Lehman Brothers collapse
Seismic isolation structure and natural hot springs are popular

LEBEN RESORSIA Vesti Blue



Completed Mar. 2012

- 14-min. walk from Yugawara Station on JR Tokaido Line
- Reinforced concrete structure (7 stories aboveground and one basement floor)
- 221 units in total

Common area facilities that create extraordinary settings
Ocean view from entire facilities
Six natural hot springs

Our own construction, custom-built houses



Features of Takara Leben's custom-built houses

- ◆ Environmentally friendly specifications that focus on light, water, and air
- ◆ Reasonable prices even with the same specifications as large housing manufacturers
- ◆ Safe and reliable design focusing on disaster prevention

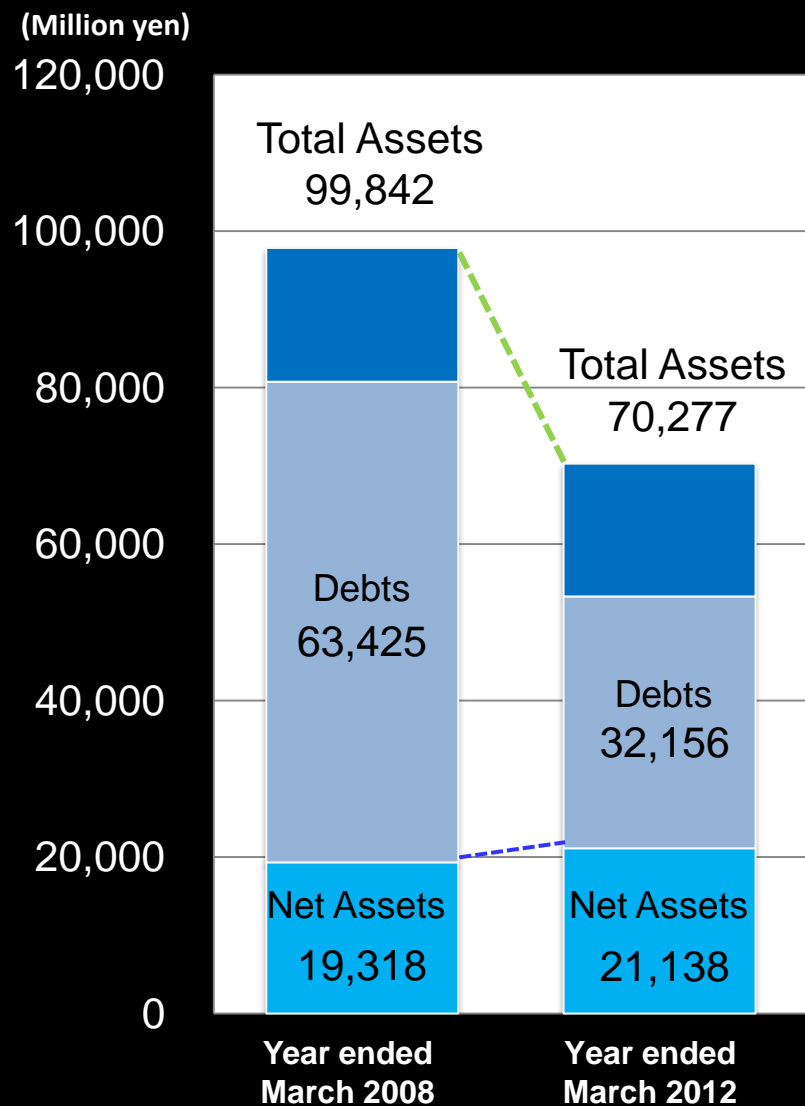
Standard specifications

- ① Sellable solar power system
- ② Storage battery system
- ③ Full-building air conditioning system
- ④ Takara No Mizu, Micro-Bubble System
- ⑤ Vibration control damper, etc.

Realizing ideal houses anyone can buy without heavy financial burden, even for detached houses

Results 1

Highest Net Assets and Cash and Cash Equivalents Ever!



➤ Total Assets

08/3 Year-end 99,842 Million yen

12/3 Year-end **70,277 Million yen**

(decrease 29,565 Million yen)

➤ Debts (interest-bearing liabilities)

08/3 Year-end 63,425 Million yen

12/3 Year-end **32,156 Million yen**

(decrease 31,269 Million yen)

➤ Net Assets

08/3 Year-end 19,318 Million yen

12/3 Year-end **21,138 Million yen**

(increase 1,820 Million yen)

Total assets and debts were reduced and net assets were a record high

Cash and cash equivalents

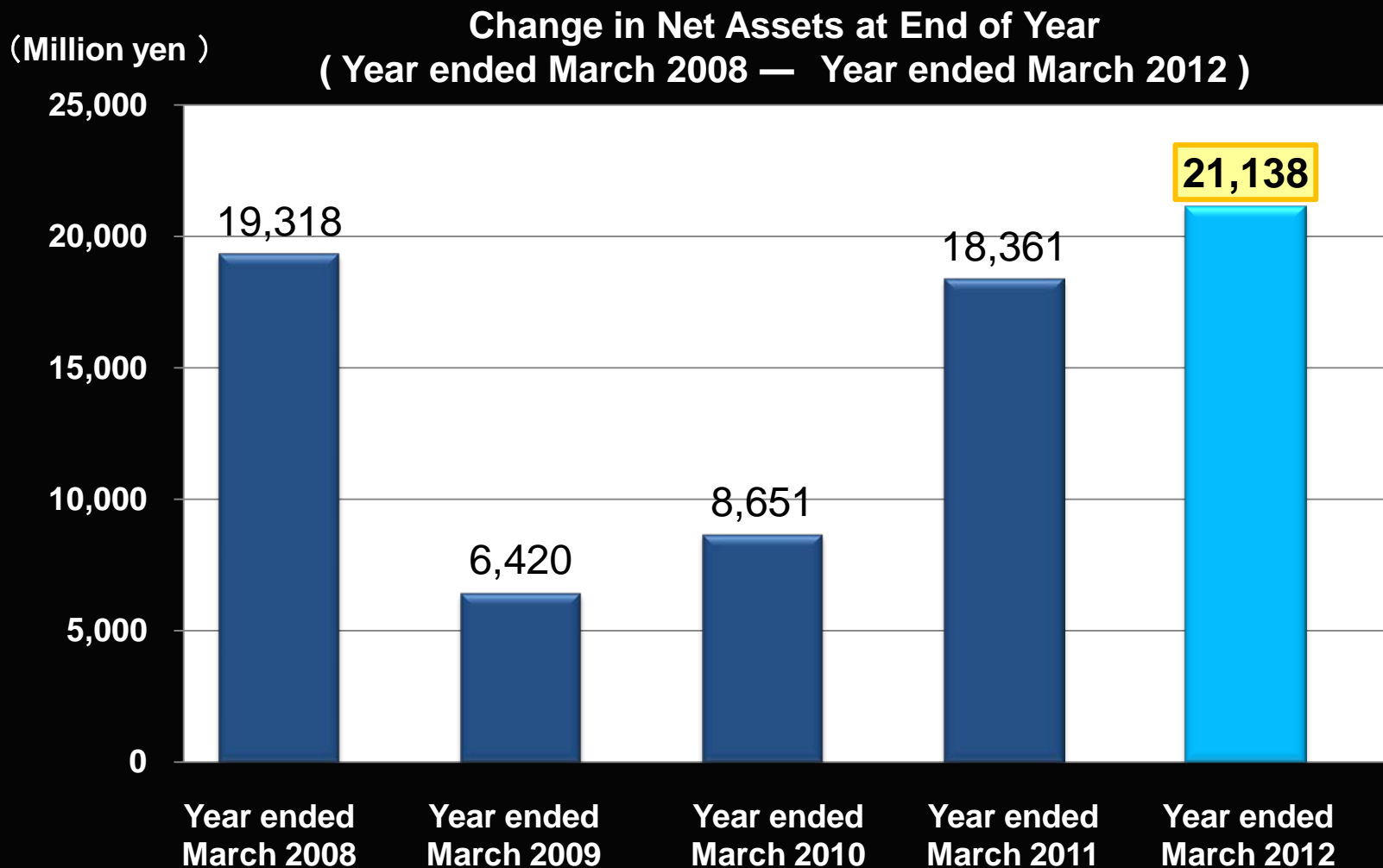
08/3 Year-end 12,935 Million yen

12/3 Year-end **17,394 Million yen**

(increase 4,459 Million yen)

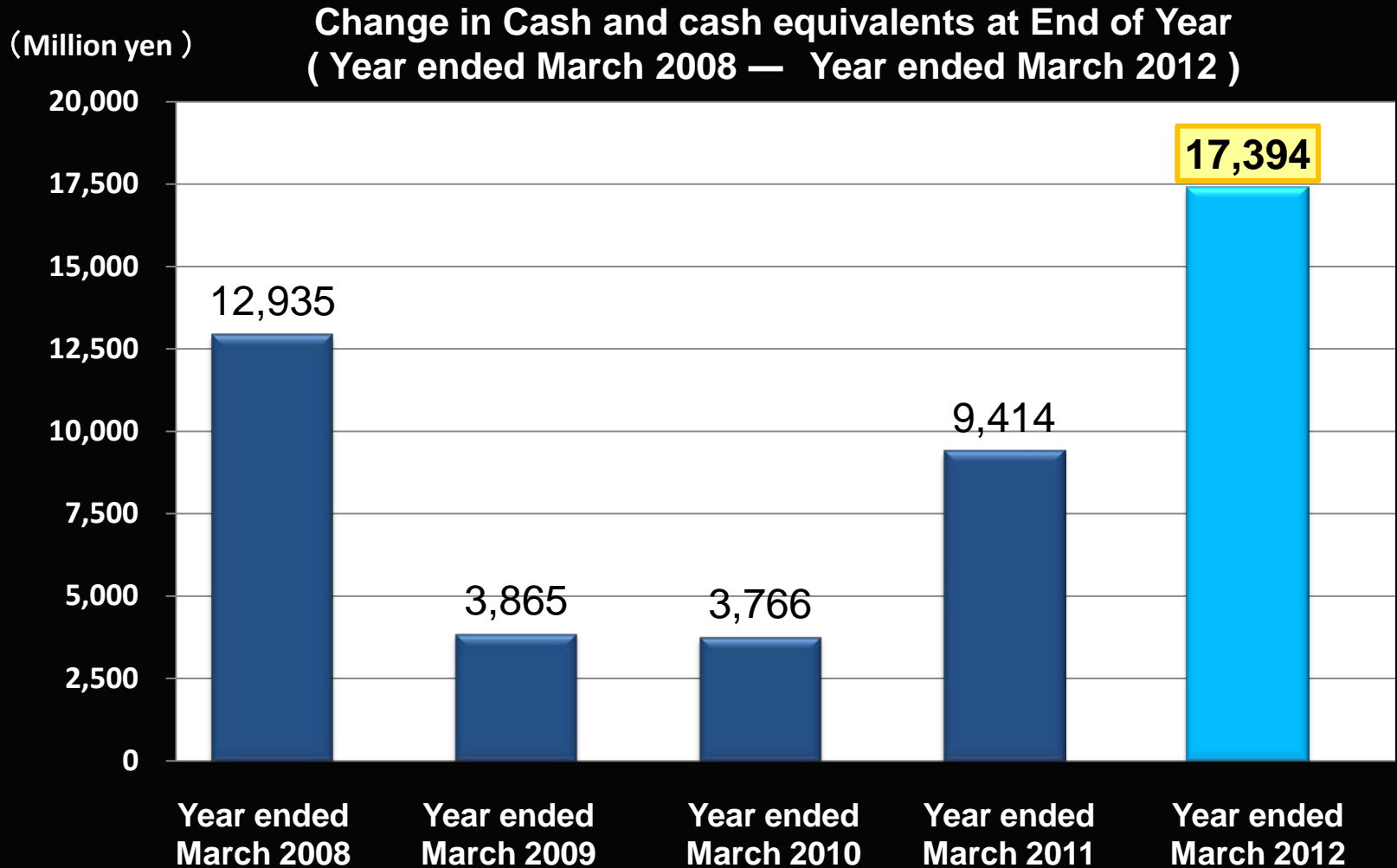
Cash and cash equivalents also again hit a record high

Results 2 : Net Assets



Year ended March 2012 Net Assets **21,138 million yen**

Results 3 : Cash and cash equivalents



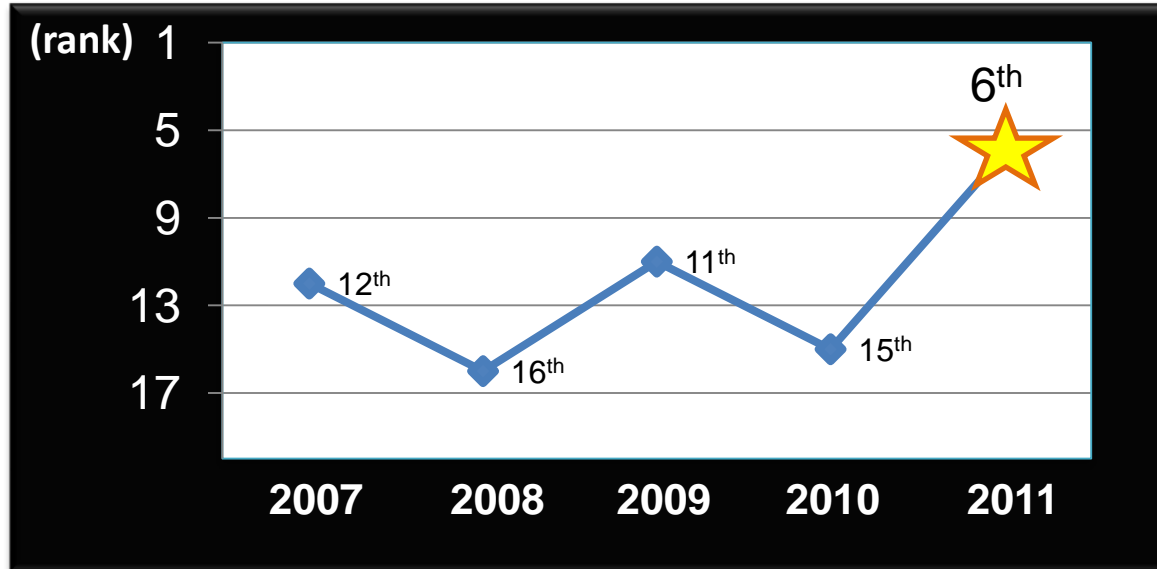
Year ended March 2012

Cash and cash equivalents **17,394 Million yen**

Results 4 : Supply Ranking

2011 Supply Ranking in the Tokyo metropolitan area

Based on Number of Condominium Units Supplied



Tokyo
Metropolitan Area
ranked **6th**

Source: Real Estate Economic Institute Co., Ltd.

Unit-based Solar-powered Condominium Supply Ranking for 2011

Based on Number of Condominium Units Supplied



Nationwide
ranked **1st**

Source: Real Estate Economic Institute Co., Ltd.

LEBEN REVARE Yokohama Tsurugamine Hills



Year Ended March 2012 Summary

Consolidated Income Statements

(Unit Amount=Million yen)

	Year ended March 2011	Year ended March 2012	YOY change (%)
Net sales	46,884	55,191	17.7%
Operating profit	6,757	5,930	△12.2%
Ordinary profit	5,525	5,071	△8.2%
Net income	5,083	3,681	△27.6%

Segment Information [Breakdown of Real Estate Sales Business] (Reference)

(Unit Amount=Million yen)

	Year ended March 2011	Year ended March 2012	YOY change (%)
Real estate sales business	41,948	50,281	19.9%
Real estate rental business	1,426	1,419	△0.5%
Real estate management business	2,138	2,282	6.7%
Other businesses	1,370	1,206	△11.9%

Consolidated Balance Sheets

(Unit Amount=Million yen)

	Year ended March 2011	Year ended March 2012	YOY change (%)
Current assets	41,928	50,919	21.4%
Cash and cash equivalents	9,414	17,394	84.8%
Inventories	28,834	30,294	5.1%
Real estate held for sale	5,259	7,430	41.3%
Real estate for sale under construction	23,575	22,863	△3.0%
Fixed assets	19,126	19,357	1.2%
Total assets	61,054	70,277	15.1%
Current liabilities	28,151	37,372	32.8%
Notes and accounts payable, trade	3,785	10,165	168.6%
Debts (short-term borrowings, long-term debt within one year)	20,680	21,381	3.4%
Fixed liabilities	14,541	11,765	△19.1%
Long-term borrowings	13,669	10,774	△21.2%
Total liabilities	42,692	49,138	15.1%
Net assets	18,361	21,138	15.1%
Capital	4,819	4,819	—
Other shareholder equity	13,541	16,318	20.5%
Total liabilities and net assets	61,054	70,277	15.1%

Consolidated Statements of Cash Flows

(Unit Amount=Million yen)

	Year ended March 2011	Year ended March 2012
Net income before tax adjustments	5,295	4,695
Cash Flow from operating activities	7,897	11,464
Cash Flow from investing activities	△1,032	△792
Cash Flow from financing activities	△1,191	△2,685
Increase (decrease) in cash and cash equivalents	5,673	7,986
Cash and cash equivalents at beginning of year	3,717	9,391
Cash and cash equivalents at end of period	9,391	17,377

Stock Price Index

	Year ended March 2010	Year ended March 2011	Year ended March 2012
Earning per share (yen)	135.56	168.14	116.49
book-value per share (yen)	522.51	566.66	683.33
Average number of shares outstanding during the term	16,557,647	30,236,227	31,607,112



Year Ending March 2013 Topics

Final Fiscal Year of Medium-term Business Plan

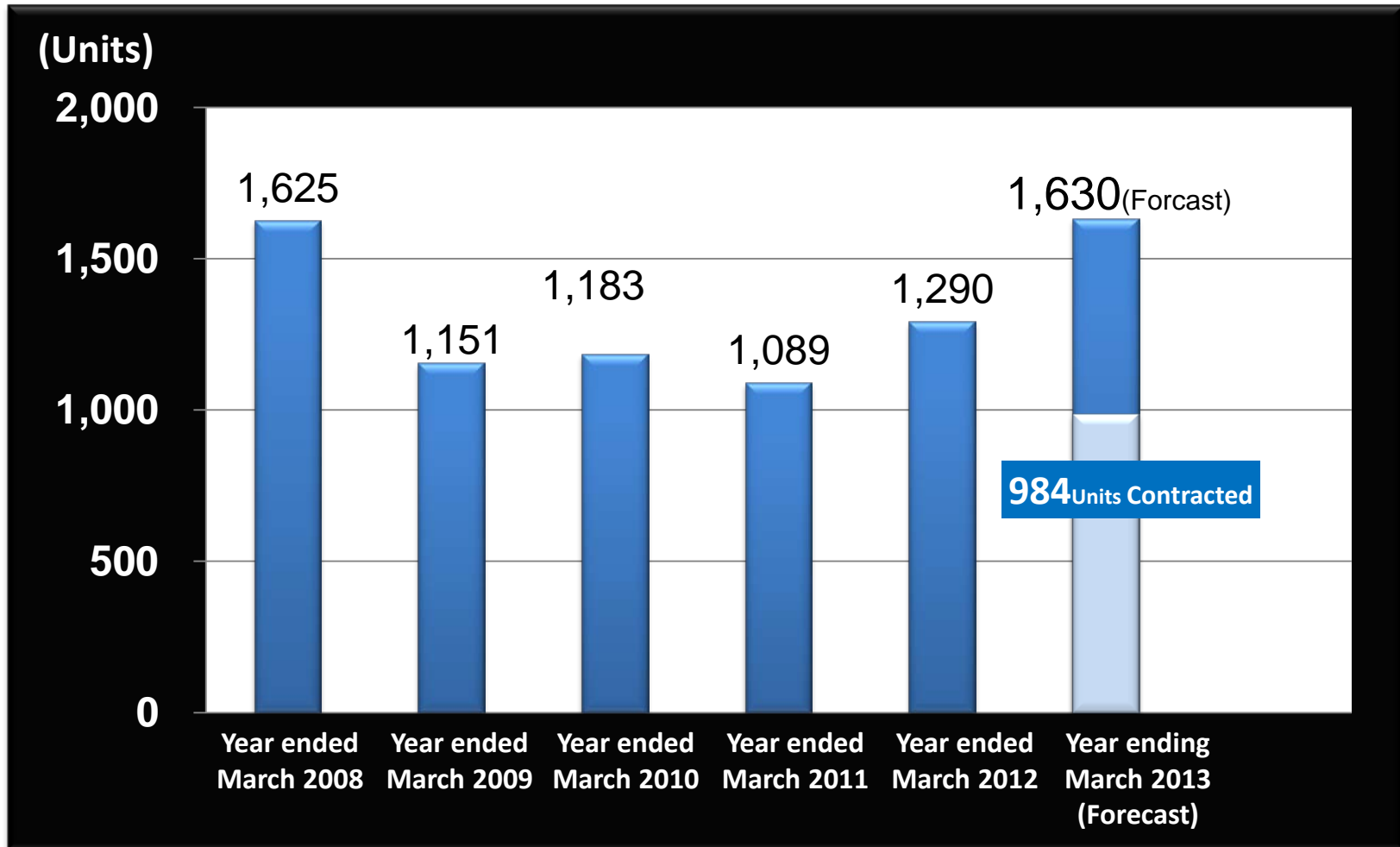
As the first step toward regrowth

Plan products in preparation for the future that will increase overall added value in order to *further increase corporate value*

– Business plans –

- ▶ Delivery of **1,630 units** is planned in new condominium business
- ▶ Delivery of **132 units** is planned in detached house business
- ▶ Aim to establish more stable stock business in real estate leasing
- ▶ Target **32,500 units** of contract management in real estate management

Units for delivery



- Delivery of **1,630 units** is planned in new condominium business
60.4% of units(984 units) for delivery Year ending March 2013 contracted
(at the year end of March 31, 2012)
- Delivery of **132 units** is planned in detached house business

Development Examples



Unit-based Solar-powered Condominiums with Individual Storage of Electric Power

* Source: Real Estate Economic Institute Co., Ltd.



LEBEN REVARE Yokohama Tsurugamine Hills

Completed in April 2012

- Compound plan that includes 99 units (1st bldg.), 59 units (2nd bldg.), and approx. 40 houses
- Equipped with Japan's first individual power storage system
 - Allows both storage and sale of power
 - Power supply automatically switches to the storage battery during temporary blackouts
 - Solar power can be charged directly to the storage battery during blackouts



Six solar panels for each unit are installed on the rooftop of the condominium 26

Development Examples

Spacious Living Area over 100 m²



LEBEN REVARE Minamiosawa Hills, Terrace

Complete in June 2012



120 Units
Sold Out

- Premises over 15,000 m² on a hill with a magnificent panoramic view
- Complete common area facilities such as 100% parking on premises, Kitchen Stadium, theater room, guestroom

Development Examples

1st in Saitama! *

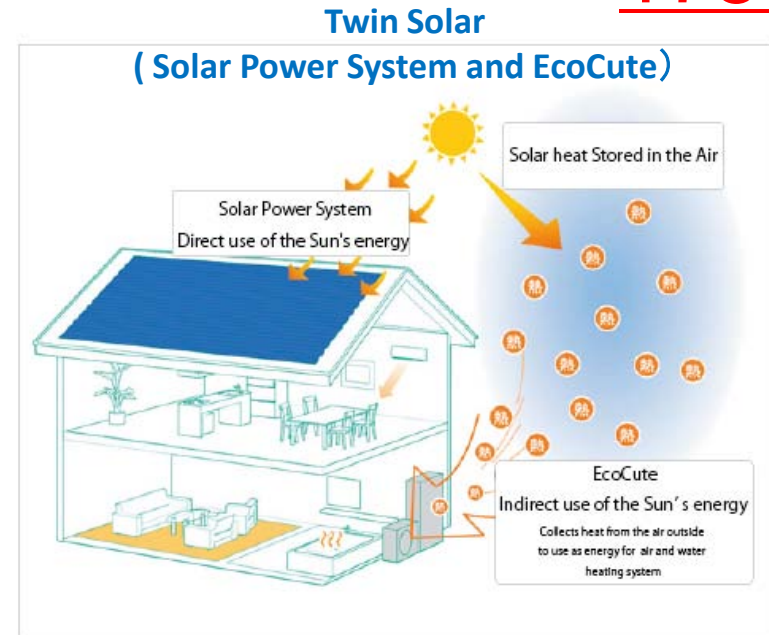
Condominiums with Twin Solar and Power Storage System

* Source: Real Estate Economic Institute Co., Ltd.



LEBEN HEIM Toda Sorarie Complete in November 2012

175 Units



- 1st in Saitama: Condominium with twin solar and power storage system is economic and environmentally friendly
- Adds colors to your living; various convenient common facilities help connect residents
- Bright living space with sunlight from southeast and southwest Functional floor plan with large storage capacity

Takara Leben's Promotional Activities for Regional Cities



LEBEN HEIM Nagano The Tower **Complete in December 2012**

87 Units



15-story earthquake-resistant tower

Convenient Nagano City areas

Nagano Station area in the south and Zenkoji Temple in the north

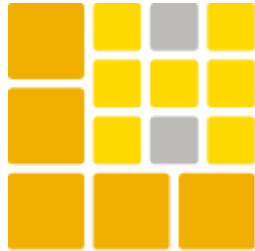
The environment with Ito Yokado, city hall, Nagano Chuo Hospital, etc. in the neighborhood provides daily convenience in addition to functions of the center of the city and prefecture

- 11-min. walk from Nagano Station on JR Nagano Shinkansen
- 3-min. walk from Shiyakushomae Station on Nagano Dentetsu Line

Brand Renovation

Merge Ex-condominium Brands into New Brand

Ex-condominium Brands



LEBEN HEIM

LEBEN HEIM

Our mainstay brand,
with thorough attention to
family lifestyles



LEBEN SQUARE

LEBEN SQUARE

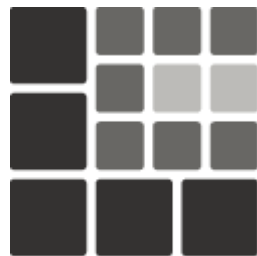
From just a residential area
to a residential area where
residents can enjoy life.



LEBEN REVALE

LEBEN REVALE

Designer condominiums to
stimulate your imagination



LEBEN CITIO

LEBEN CITIO

Offering an urban lifestyle
for singles and couples
with no children



LEBEN RESORSIA

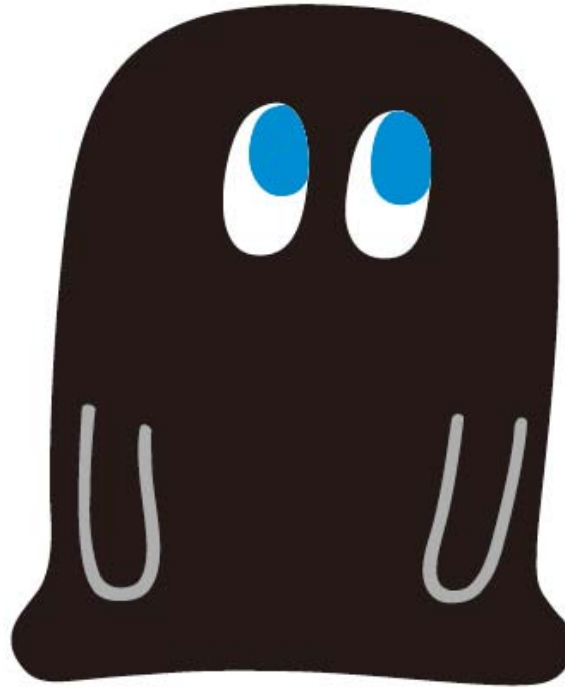
LEBEN RESORSIA

New concept resort
condominiums that meld
leisure and living

Brand Renovation: New Condominium Brand – LEBEN

LEBEN

We are developing our products as the Leben series to help our customers identify our condominiums and also based on our corporate stance of thinking about the lives (*leben* is the German word for life) of our customers. These condominiums are stylish yet they accommodate family life.



What is Lebe?

Like Zashikiwarashi, a protective deity of the home, Lebe is a gentle fairy that moves into happy homes. He is fun, likes children, and plays with them, but sometimes he can be a trouble-maker who hides things and uses the bath without permission.

Lebe is a deity that protects home, but children only think of him as a funny friend.





Year Ending March 2013
Outlook, Cash Dividends, Future Prospects

Year Ending March 2013 Outlook (Consolidated)

(Unit Amount=Million yen)

	Year ended March 2012	Year ending March 2013 Full-year Forecast	YOY change
Net sales	55,191	63,950	15.9%
Operating profit	5,930	7,000	18.0%
Ordinary profit	5,071	6,100	20.3%
Net income	3,681	3,800	3.2%

Cash Dividends, Preferential treatment

Cash Dividends · Preferential treatment (gift certificates)

	1 st half dividends	Year-end dividends	Total
Year ended March 2012 Forecast	4 yen	9 yen	13 yen
Year ending March 2013 Forecast	5 yen	10 yen	15 yen

	100 shares or more to less than 1,000 shares	1,000 shares or more
gift certificates for packages of rice	2kg (880Yen)	5kg (2,200Yen)

Future Prospects

Development of New Medium-Term Business Plan

Aug. 2010 New three-year medium-term business plan: Takara Leben-Building Action 2011

Various measures implemented to redevelop strategies/tactics for regrowth

Recovery of financial performance: Balance of cash and cash equivalents and net assets reached the highest level ever

Fall 2012 New medium-term business plan will be developed

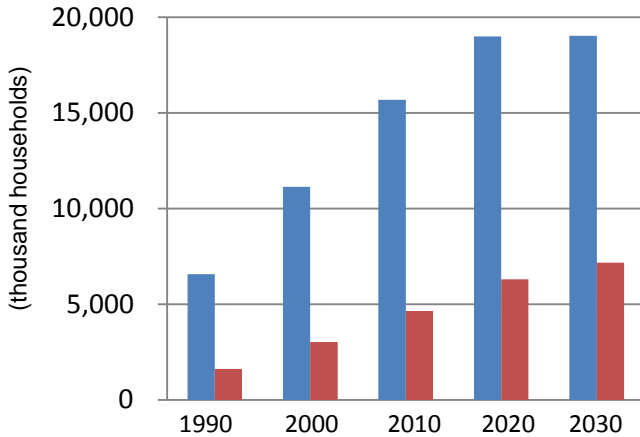
New medium-term business plan will be developed during the fiscal year ending March 2013, one year ahead of the plan

Long-Term Prospects

Response to aging society

Estimated number of households in Japan in the future (nationwide)

- Number of households 65 or above
- Number of households of singles 65 or above



Source: National Institute of Population and Social Security Research, March 2008

Promotional Activities for Regional Cities



LUCIDA TOWER
(TOYAMA City)



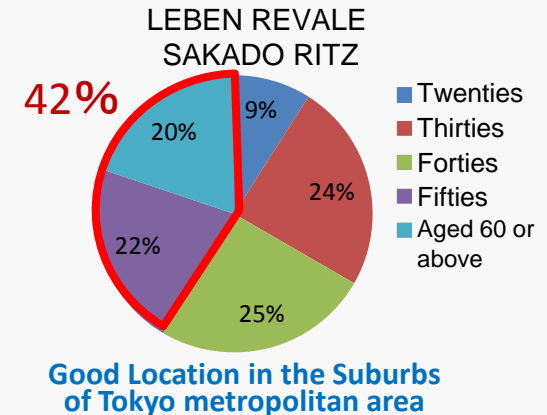
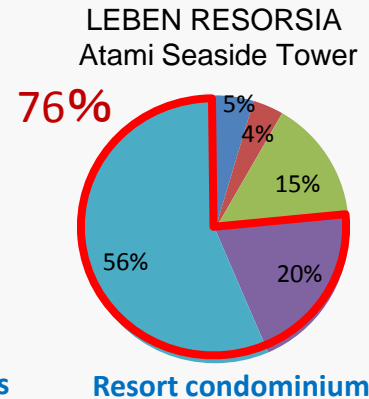
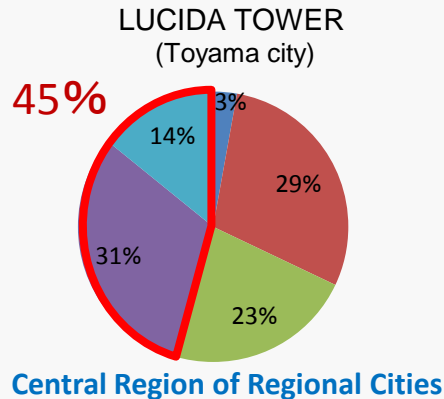
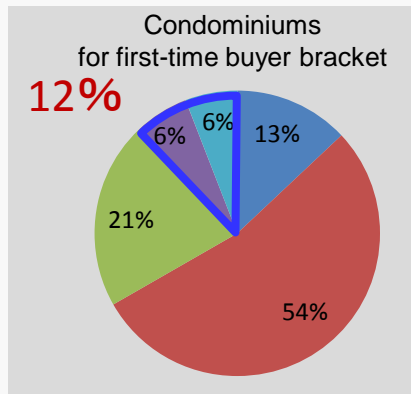
LEBEN HEIM
NAGANO the Tower



LEBEN RESORSIA
Atami Seaside Tower

Resort condominium

Age distribution of property holders (percentage of our property holders aged 50 or above)



Applied to future condominium development

Enquiries Relating to These Materials

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Takara Leben

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