

**Earnings Results Briefing
For the Year Ended
March 31, 2013**

May 21, 2013

Takara Leben Co., Ltd.



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Company Profile

Company name : Takara Leben CO.,LTD.

Head office's location : Shinjuku-Sumitomo bldg. 26F2-6-1,
Nishi-shinjuku, Shinjuku-ku, Tokyo, Japan

Capitalization : 4,819 million yen (As of March 31,2013)

Established : September 21, 1972

Number of Employees : 219 (As of March 31,2013)

Security Code : 8897, the First Section of TSE

Contact : irinfo@leben.co.jp



Four Decades of Business

1972年

- Established Takara Komuten Co.,Ltd. (the present Takara Leben)
Launched sales of detached houses

1982年

- Launched real estate leasing business

1988年

- Established Takara Management Co.,Ltd. (the present Leben Community)
Launched real estate management business

1994年

- Launched sales of condominiums "Leben Heim"

2000年

- Changed company name to "Takara Leben Co.,Ltd."

2001年

- Launched financial brokering business
Established Tafuko Co.,Ltd.

2003年

- Listed on the second section of the Tokyo Stock Exchange

2004年

- Listed on the first section of the Tokyo Stock Exchange
- Established Relivel Leben Co.,Ltd.(the present Live Net Home Co.,Ltd.)
Launched trustee division for real estate sales
Established AS Partners Co.,Ltd.
Launched nursing care businesses for seniors

2008年

- Made Marunouchi Servicer Co.,Ltd. its subsidiary

- Released new corporate logo

2010年

- Launched detached housing business (buidt by Takara Leben)

- Capital increase based on Japan's first rights offering

2011年

- Joined an open house and began sales of custom-built houses

- 40th anniversary of the founding

2012年

- Introduced New Condominium Brand

- Introduced Corporate character

- Establish Yokohama branch

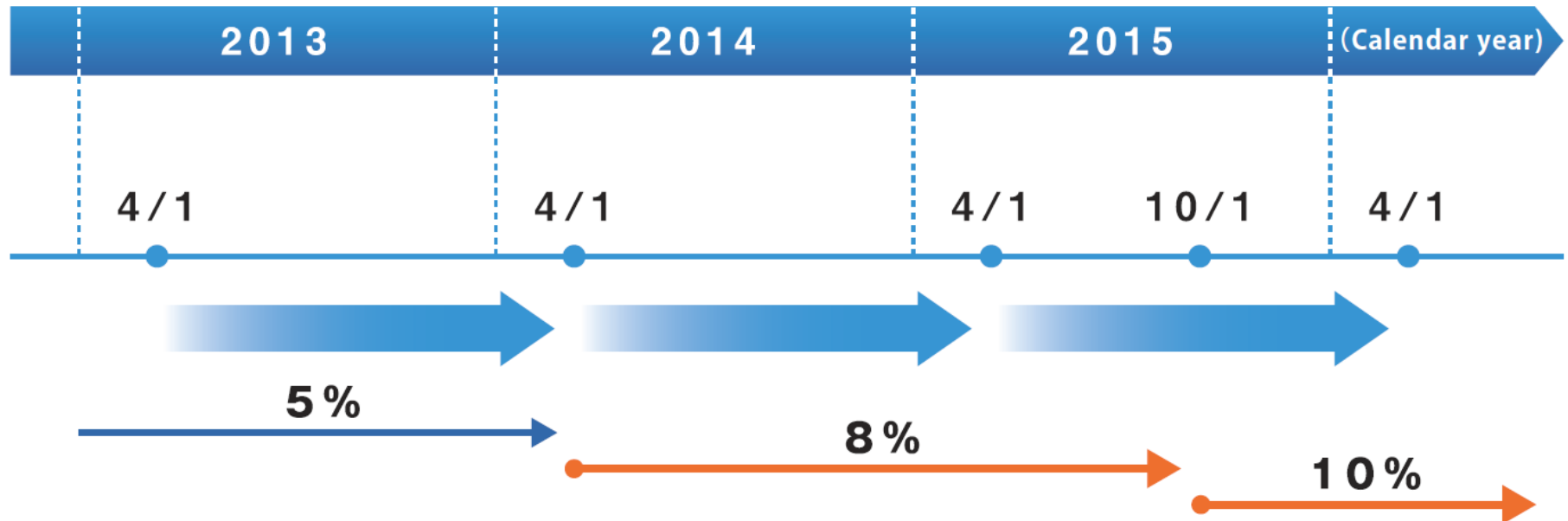
- Made Takara Housing Co.,Ltd.(the present Takara Property Co.,Ltd.) its subsidiary
Rental business management operations

Response to Increase in Consumption Taxes

Consumption tax system

August 10, 2012

“Bill for the partial revision of the Consumption Tax Act, etc. for the fundamental reform of the taxation system to secure revenue to fund the increased cost of social security” was passed and enacted.



※ Transitional measures and tax credit are expected to be considered

Response to Increase in Consumption Taxes

Flexibility in timing of purchase

- (1) Less flexible about the timing of the purchase as the buying motive is life cycle
- (2) Flexibility is limited due to the attributes of the target customers



**Impact to the industry
is insignificant**

Price elasticity

Price elasticity is high due to the attributes of the target customers



**Maintains supply
with a real price**

Assuming consumption taxes of 10%
from the land purchase stage

Impact of Abenomics and BOJ's monetary easing

Abenomics

Monetary policies
Fiscal policies
Growth strategies



Monetary easing of
different dimension by
BOJ

Correction of excessively strong yen
and a rising stock market

Expectations for an end to deflation
and economic recovery

Impact on real estate industry and our views

Real estate sales prices

Trending upward in suburban areas

We are raising prices based on an assessment of prices in the area

Land purchasing prices

Expected to start rising in the future

We are currently increasing purchases

Construction costs

Could rise in the future

We foresee no imminent price increases, given the deterioration in steel prices

Financial trends

Increased bank lending and continued low interest rates are forecast



Year Ended March 31, 2013 Summary

Consolidated Income Statements

(Unit Amount=Million yen)

| | Year ended March 31, 2012 | Year ended March 31, 2013 | YOY change |
|------------------|------------------------------|------------------------------|---------------|
| Net sales | 55,191 | 64,907 | 17.6% |
| Operating profit | 5,930 | 6,361 | 7.3% |
| Ordinary profit | 5,071 | 5,792 | 14.2% |
| Net income | 3,681 | 4,074 | 10.7% |

Segment Information 【 Breakdown of Real Estate Sales Business 】 (Reference)

(Unit Amount=Million yen)

| | Year ended March 31, 2012 | Year ended March 31, 2013 | YOY change |
|--|--------------------------------------|--------------------------------------|-----------------------|
| Real estate sales business | 50,281 | 59,310 | 18.0% |
| Real estate rental business | 1,419 | 1,485 | 4.6% |
| Real estate management business | 2,282 | 2,582 | 13.1% |
| Other businesses | 1,206 | 1,529 | 26.7% |

Consolidated Balance Sheets

| | Year ended March 31, 2012 | Year ended March 31, 2013 | YOY change |
|---|------------------------------|------------------------------|------------|
| Current assets | 50,919 | 55,932 | 9.8% |
| Cash and cash equivalents | 17,394 | 17,911 | 3.0% |
| Inventories | 30,294 | 35,376 | 16.8% |
| Real estate held for sale | 7,430 | 2,067 | △72.2% |
| Real estate for sale under construction | 22,863 | 33,308 | 45.7% |
| Fixed assets | 19,357 | 19,081 | △1.4% |
| Total assets | 70,277 | 75,013 | 6.7% |
| Current liabilities | 37,372 | 29,025 | △22.3% |
| Notes and accounts payable, trade | 10,165 | 7,920 | △22.1% |
| Debts (short-term borrowings, long-term debt within one year) | 21,381 | 14,004 | △34.5% |
| Fixed liabilities | 11,765 | 21,840 | 85.6% |
| Long-term borrowings | 10,774 | 20,849 | 93.5% |
| Total liabilities | 49,138 | 50,866 | 3.5% |
| Net assets | 21,138 | 24,147 | 14.2% |
| Capital | 4,819 | 4,819 | — |
| Other shareholder equity | 16,318 | 19,328 | 18.4% |
| Total liabilities and net assets | 70,277 | 75,013 | 6.7% |

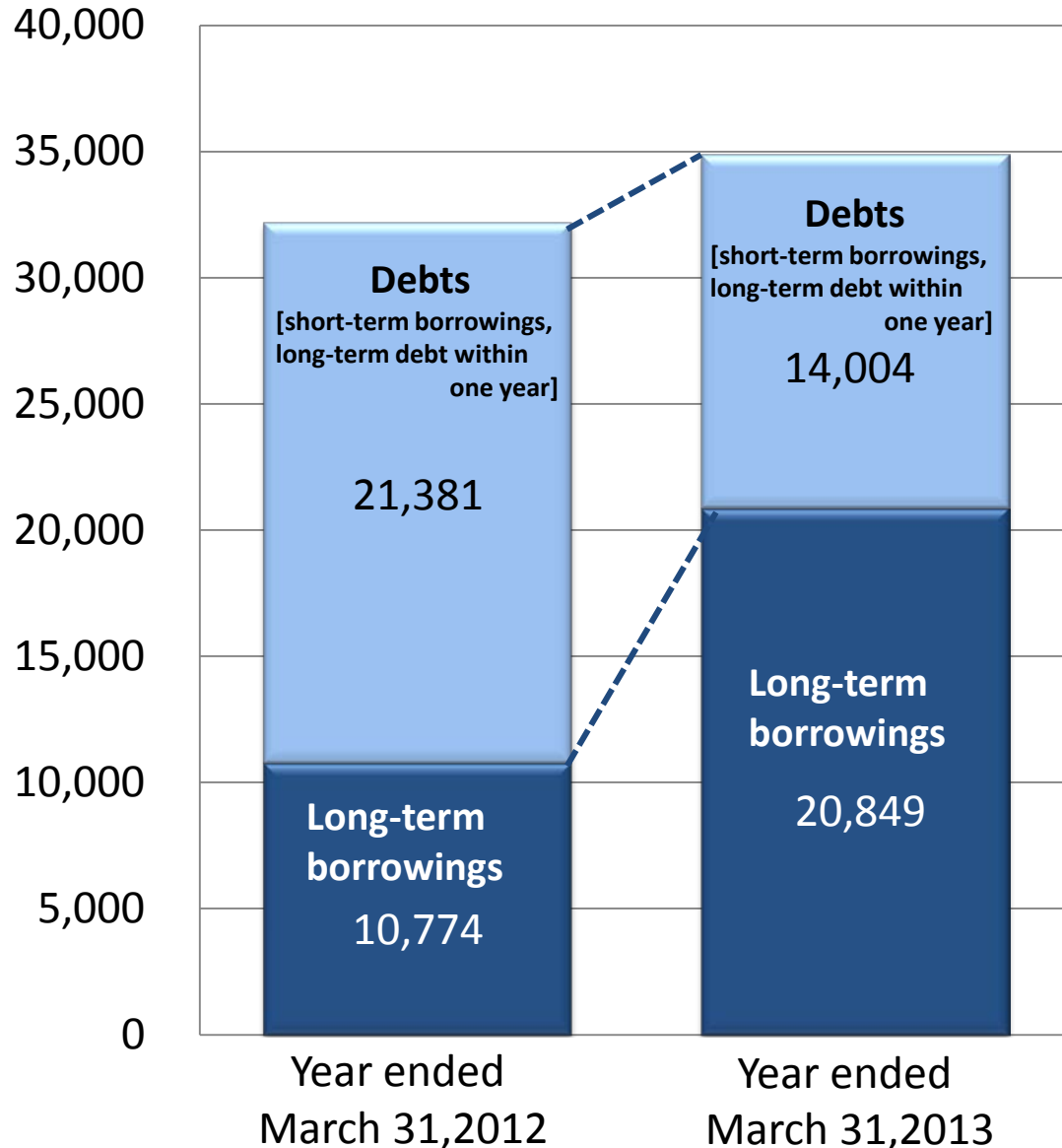
(Unit Amount
=Million yen)

Stock Price Index

| | Year ended March 31, 2011 | Year ended March 31, 2012 | Year ended March 31, 2013 |
|---|------------------------------|------------------------------|------------------------------|
| Earning per share (yen) | 168.14 | 116.49 | 134.45 |
| book-value per share (yen) | 566.66 | 683.33 | 807.58 |
| Average number of shares outstanding during the term | 30,236,227 | 31,607,112 | 30,302,354 |

Financial Topics (1)

(Million yen)



➤ Long-term borrowings

Year ended March 31, 2012

10,774 million yen

Year ended March 31, 2013

20,849 million yen

(Increased 93.5%)

➤ Debts [short-term borrowings, long-term debt within one year]

Year ended March 31, 2012

21,381 million yen

Year ended March 31, 2013

14,004 million yen

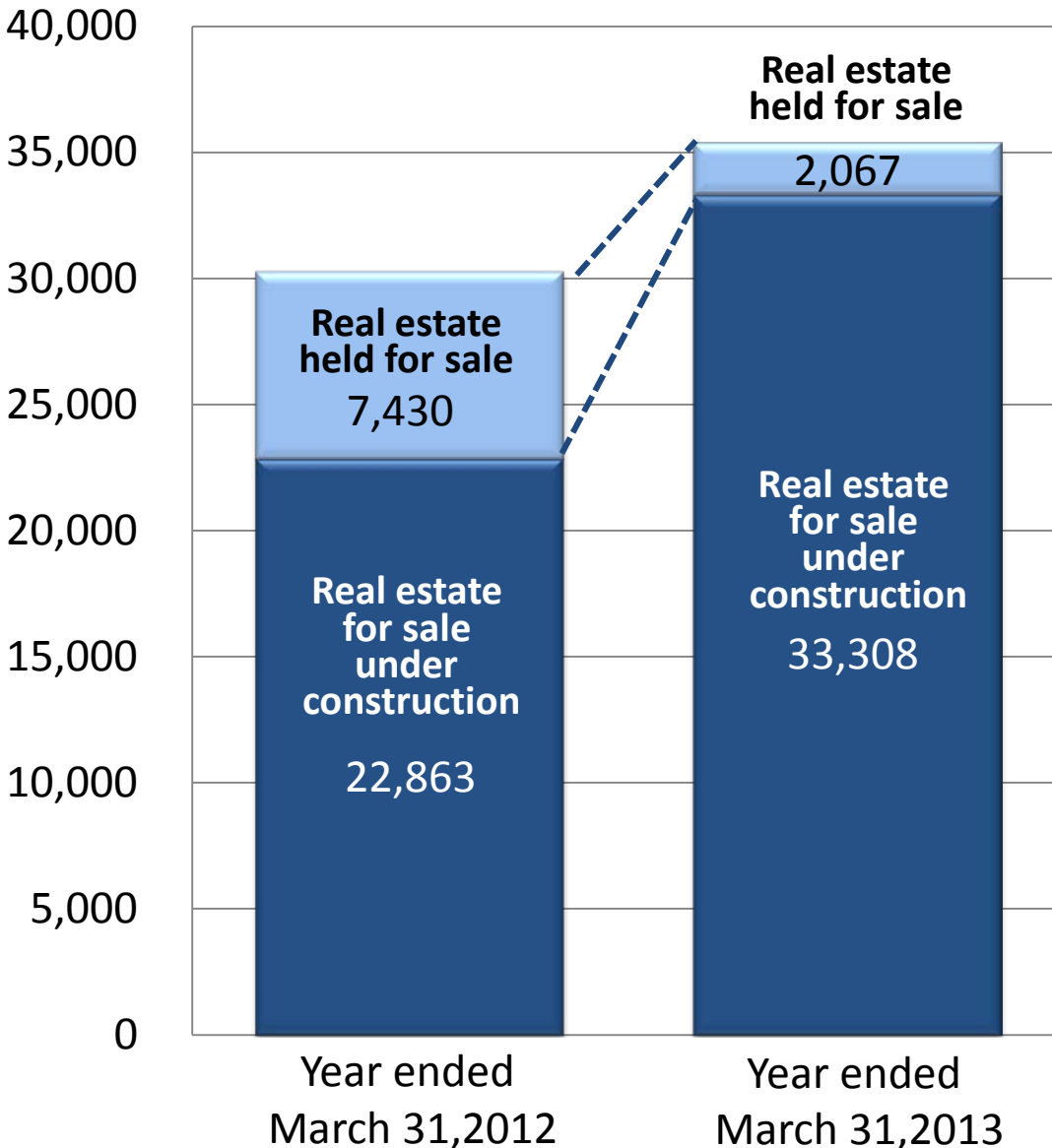
(Decreased 34.5%)

- ◆ Long-term borrowings increase
- ◆ short-term borrowings/long-term debt within one year decrease

Moving towards smooth business cycle

Financial Topics (2)

(Million yen)



➤ Real estate for sale under construction

Year ended March 31, 2012

22,863 million yen

Year ended March 31, 2013

33,308 million yen

(increase 45.7%)

➤ Real estate held for sale

Year ended March 31, 2012

7,430 million yen

Year ended March 31, 2013

2,067 million yen

(decrease 72.2%)

■ Good progress with purchases

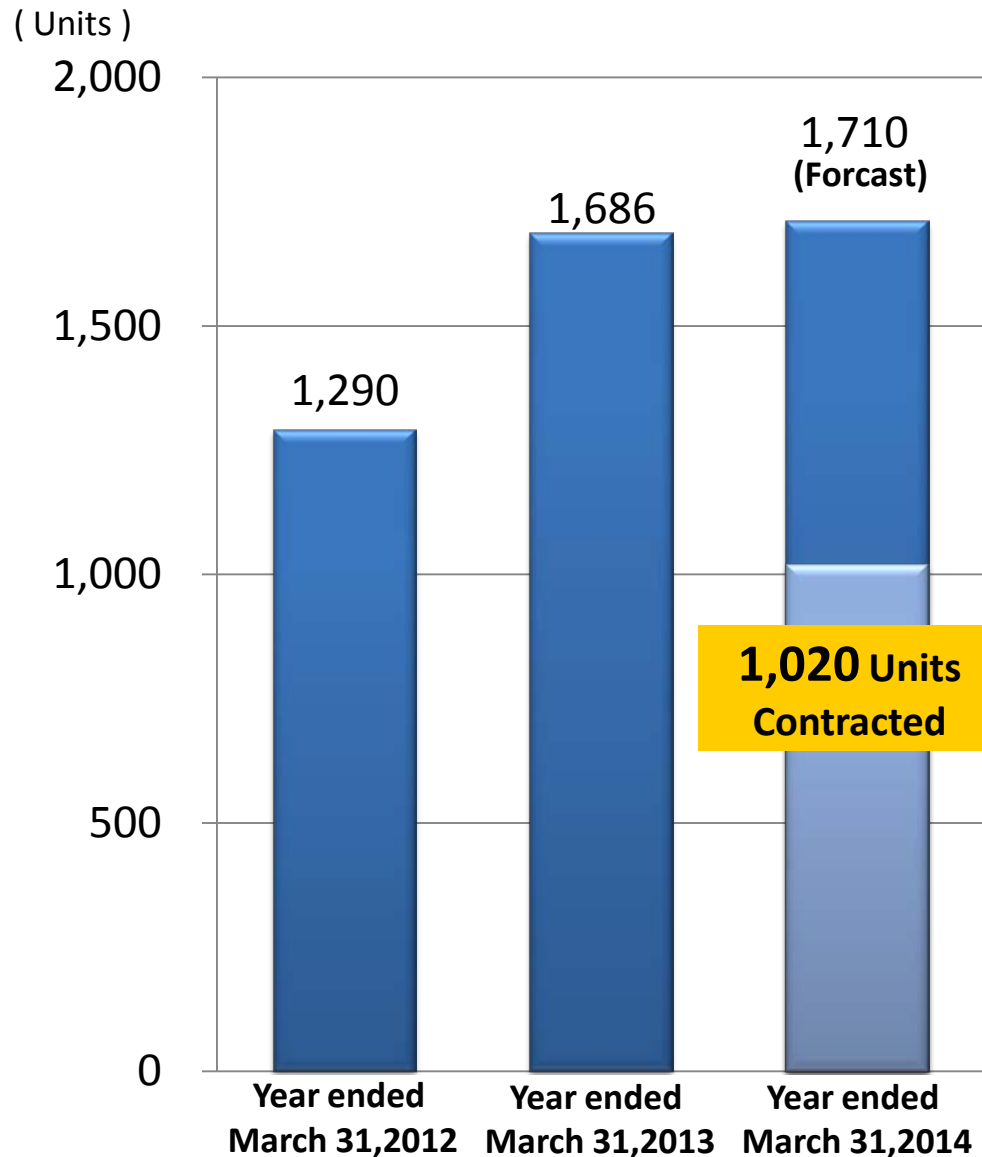
Against number of units completed of the new built-for-sale condominium in 41th term : 1,469 units, increase in the amount of real estate in process

*Already purchased 100% of business sites for 42nd term/43rd term
(42nd term plan 1,710 units, 43rd term plan 1,740 units)

■ Good progress with sales

Decrease in real estate for sale

Progress of delivery, contracts (new built-for-sale condominium)



Units for delivery

➤ Year ended March 31, 2013 (41th)

Delivered : **1,686** Units

※ Number of units completed of the new built-for-sale condominium in 41th term

: 1,469 units (19 buildings)

All of the units were contracted and delivered

➤ Year ending March 31, 2014 (42th)

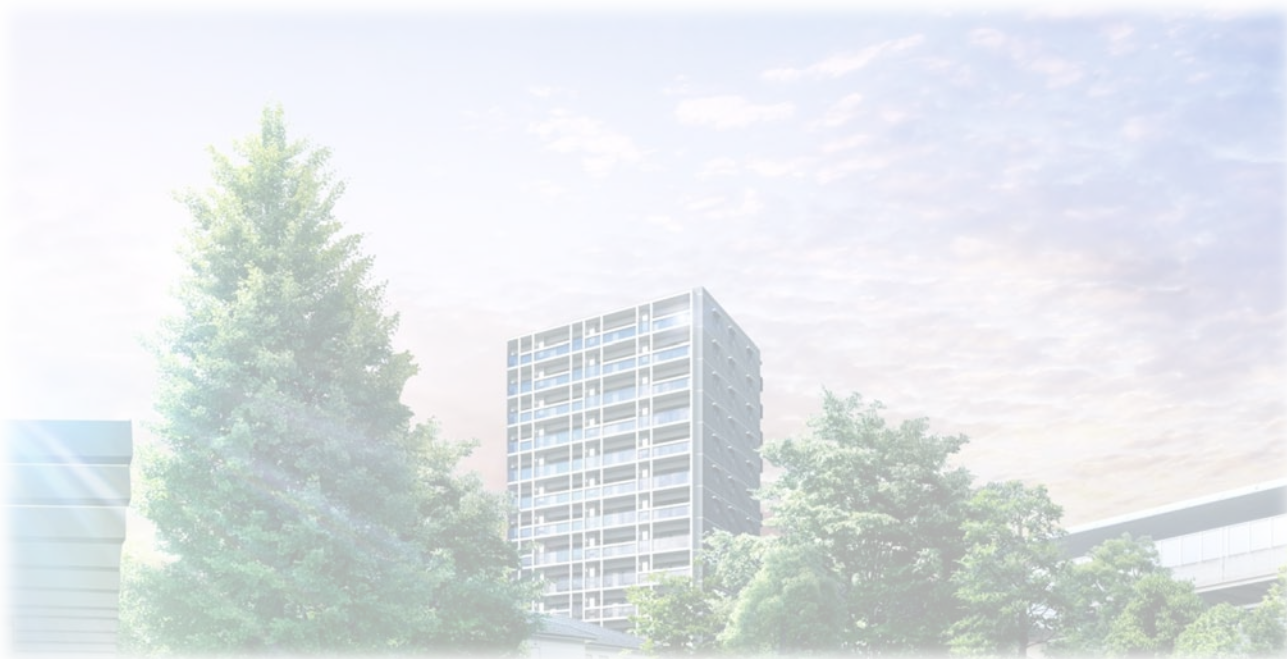
Scheduled for delivery : **1,710** units

※ 59.6% of units(1,020 units) for delivery Year ending March 2014 contracted

(at the year end of March 31, 2013)



Topics



Topics (1)

New Mid-Term Management Plan

Takara Leben Next Stage 2016 **「For Solid Steps towards Regrowth」** **~As a Pioneer of Solar-Powered Condominium~**



Takara Leben Next Stage 2016

Redevelop strategies towards “regrowth”

[From FY2008/3 through FY2012/3]

Theme of new mid-term management plan

「For Solid Steps towards Regrowth」
~As a Pioneer of Solar-Powered Condominium~

[From FY2008/3 through FY2012/3]

Make a leap with new growth strategies

[From FY2008/3 through FY2012/3]

Main Measures

1

Steady increase in number of units sold

2

Promote solar-powered condominiums

3

Entry to mega - solar business

4

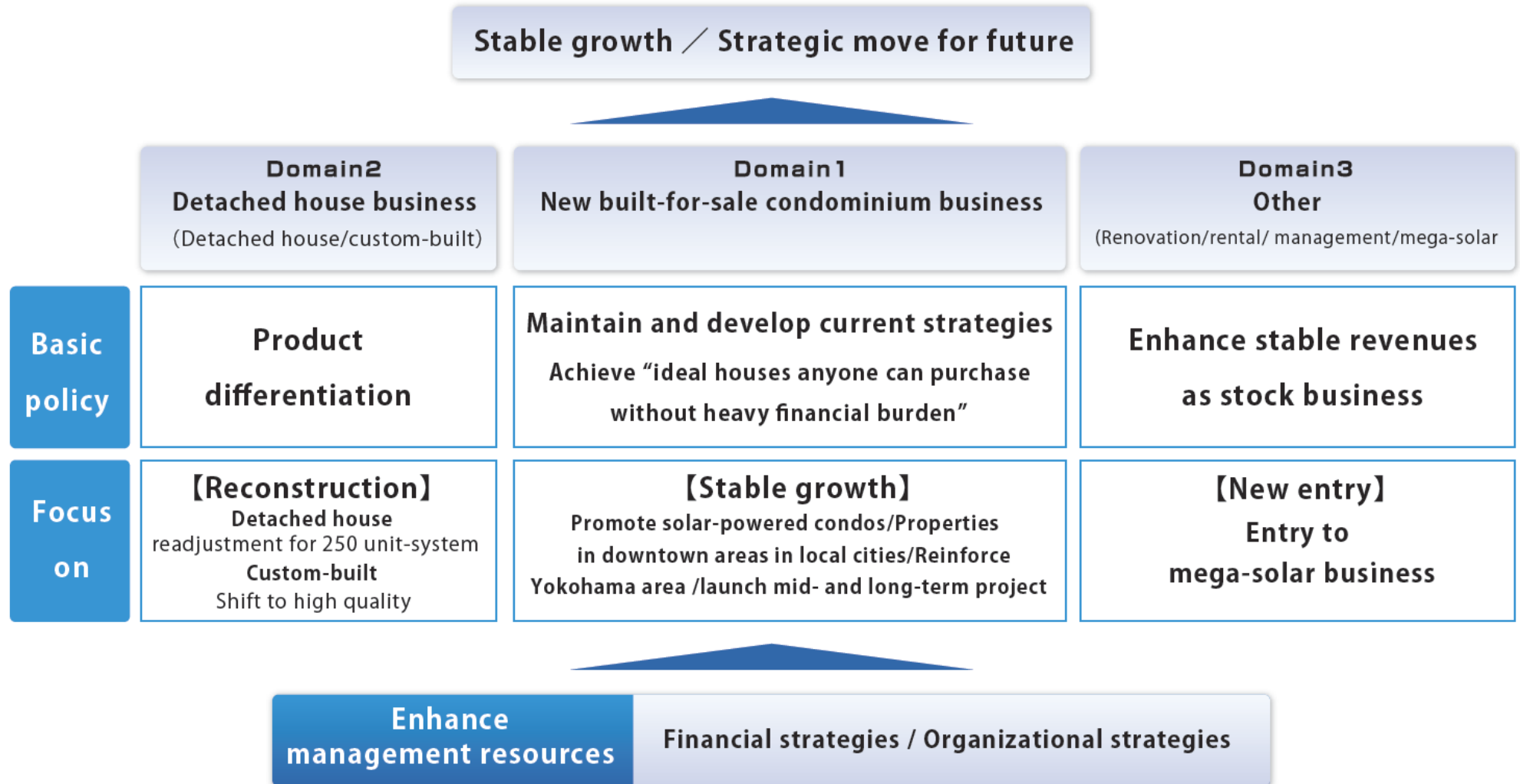
Stable supply of condominiums in central area in local cities

5

Restructure the detached house business

Aim for solid and stable growth without major organization changes

Overview of Strategies



Target

Consistent positioning

Offer “ideal houses anyone can purchase without heavy financial”

→strict adherence to area demands and area price

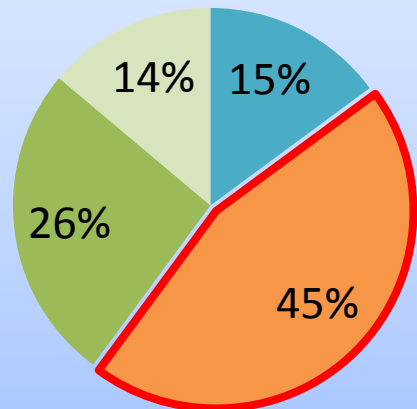
Supply to meet life - cycle needs

| | |
|----------|---|
| Area | Suburbs of Tokyo metropolitan area |
| Property | Family condos with 3LDK (70m ²) |
| Price | Approx. ¥ 30 million |
| Target | Volume zone (First-time buyer bracket with annual income of ¥ 4 to 6.99 million) |

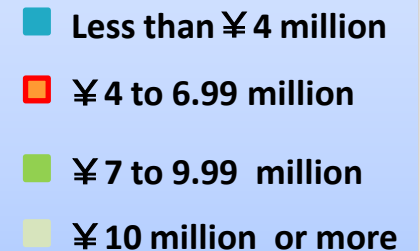
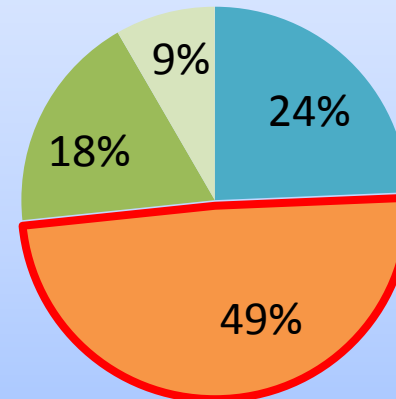
Three criteria for land purchase for condos

| | |
|-----------------|---|
| Location | Focused on living environment (near school, supermarkets, parks, etc) |
| Earnings | Gross margin of approx. 25% |
| Supply & demand | Thorough area marketing (The basic policy is not to oversupply in each area and exclude needs for wider area from the main target) |

【 Income distribution 】
Worker's households
(Two-or-more-person households)



【 Income distribution 】
Worker's households living in the rental housing
(Two-or-more-person households)





Topics (2)

Promote solar-powered condominiums

Promote solar-powered condominiums

Unit-based Solar-powered Condominium Supply Ranking



Increase the ratio of solar-powered condominiums in new properties to be constructed to over 50% in FY2016/3.

“Taiyo no Oka” Project



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

* Source: Real Estate Economic Institute Co.,



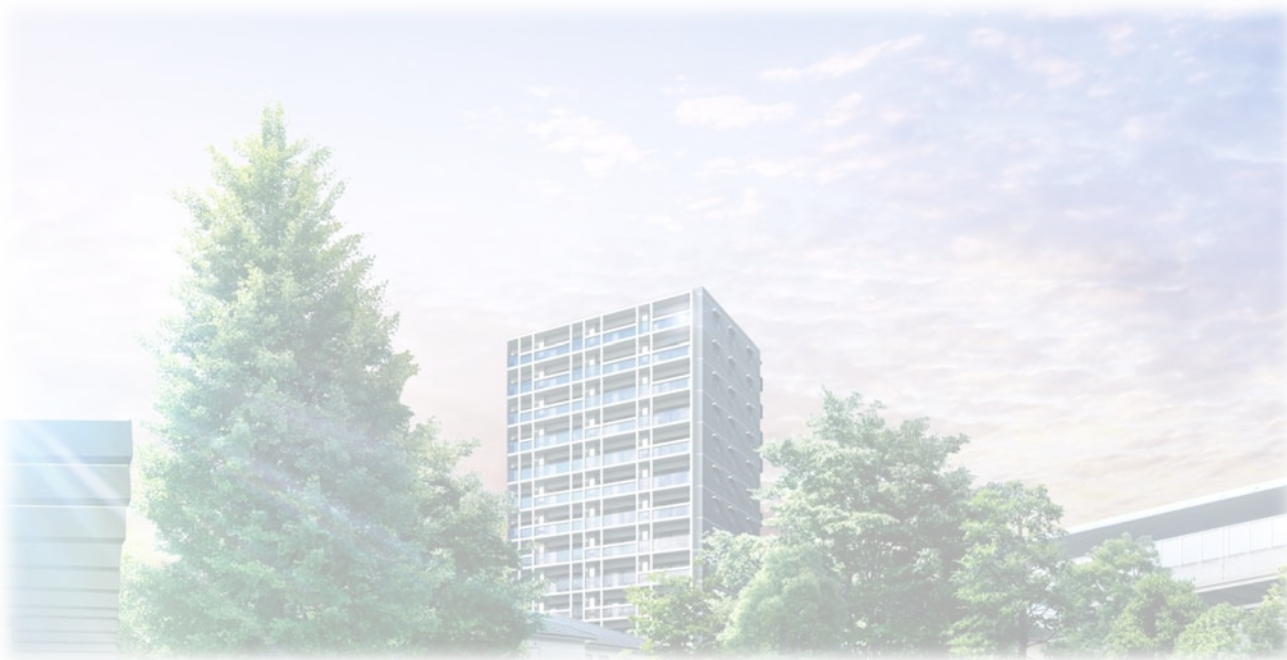
- A multifaceted plan to build a new town of 200 houses, comprising 2 newly built for sale condominium buildings with approximately 160 units* and approximately 40 new detached houses

(* 1st: LEBEN REVARE Yokohama Tsurugamine Hills 99units 2nd: LEBEN Yokohama Tsurugamine Terrace 59units)

Solar powered condominiums scheduled for delivery in the 42nd term

| Name | Location | Units |
|--------------------------------------|----------|-----------|
| LEBEN CHIBA NEW TOWN CHU-O | Chiba | 55 Units |
| LEBEN REVARE MACHIDA LOUGER TOWER | Tokyo | 111 Units |
| LEBEN YASHIO | Saitama | 77 Units |
| LEBEN TSUKUBA KENKYU GAKUEN | Ibaraki | 73 Units |
| LEBEN SHINKAWASAKI DUALISM | Kanagawa | 122 Units |
| LEBEN NAGAREYAMA OTAKANOMORI LUMINIA | Chiba | 65 Units |
| LEBEN MUSASHIURAWA | Saitama | 52 Units |
| LEBEN YOSHIKAWAMINAMI | Saitama | 102 Units |
| LEBEN HIGASHIWASHINOMIYA TERRCE | Saitama | 200 Units |

Solar power generation is adopted in 9 out of the 23 condominiums (around 40%) scheduled for delivery in the 42nd term



Topics (3)

Entry to mega - solar business

Entry to mega - solar business

Establishment of new Eco-energy Business Division Entry to mega - solar business

[Project No. 1]

Location : Shioya-gun, Tochigi Prefecture

Site area : 36,727.35m²

Power class : About 3 MW

Estimated generation volume

: About 3,000,000kWh/year

(enough to power up to 850 general households)

Estimated start-up

: August 2013

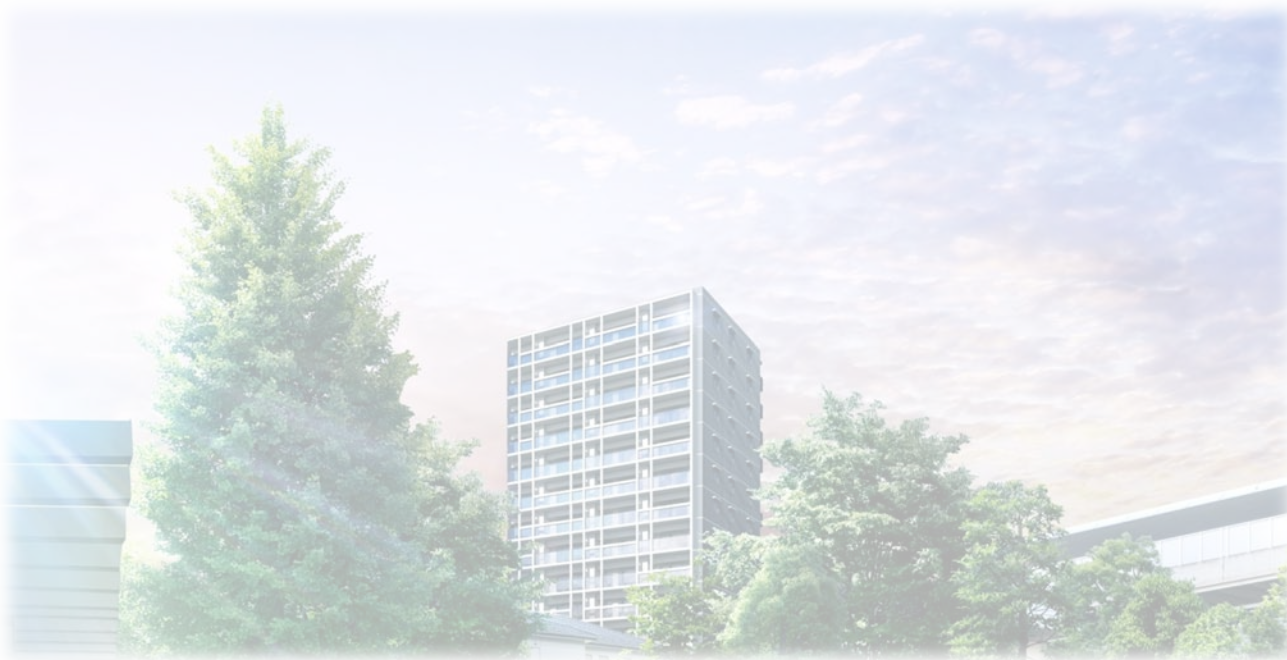
[Collaborative Projects]

Onanuma, Koga-shi, Ibaraki Prefecture

Mihomura, Inashiki-gun,
Ibaraki Prefecture

Tonemachi, Kitasouma-gun,
Ibaraki Prefecture

Performance objective (FY2016) : More than 10 MW



Topics (4)

**Stable supply of condominiums in
central area in local cities**

Supply of condominiums in central area in local cities

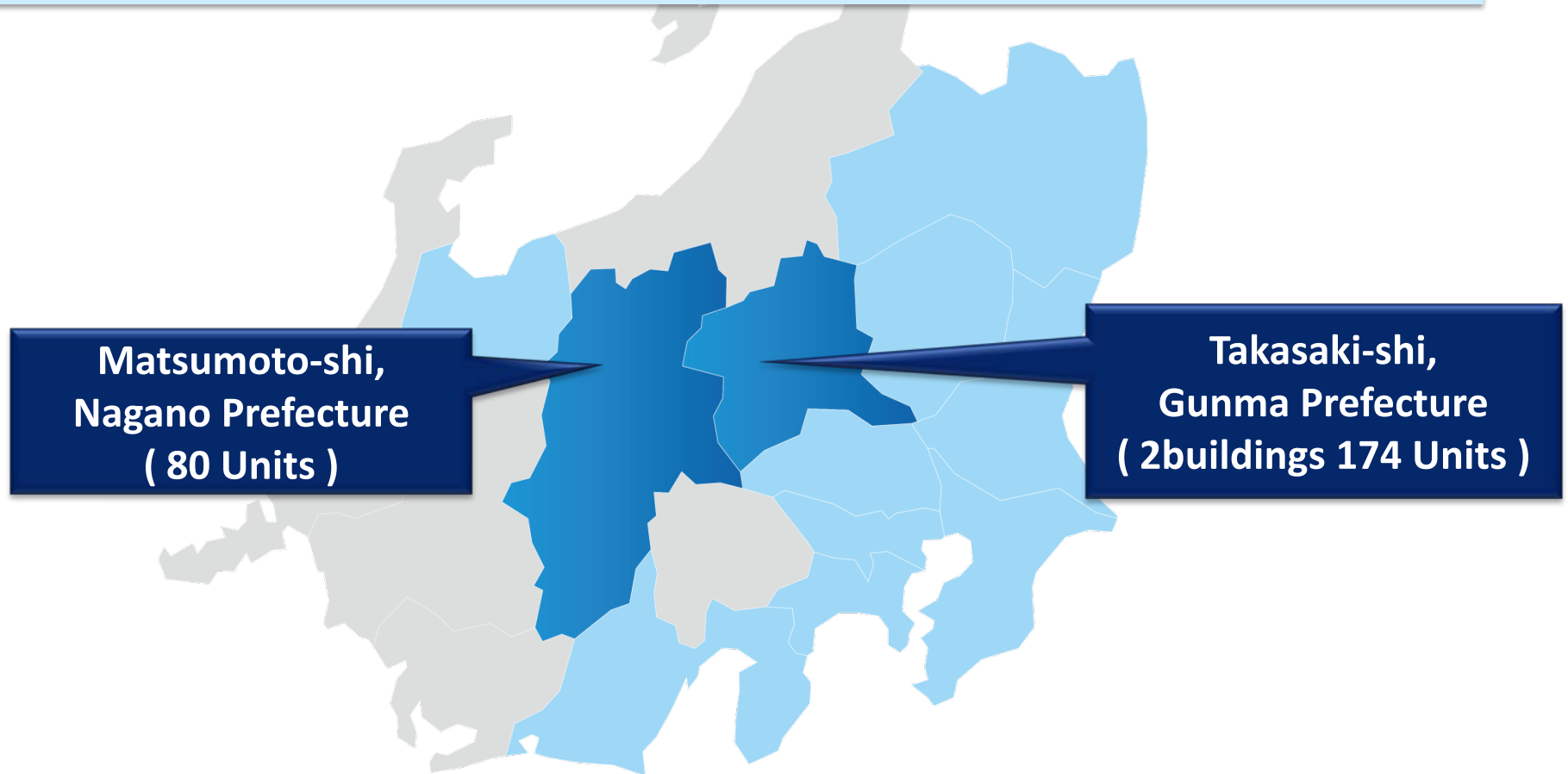
LEBEN TOYAMA THE PLATINUM



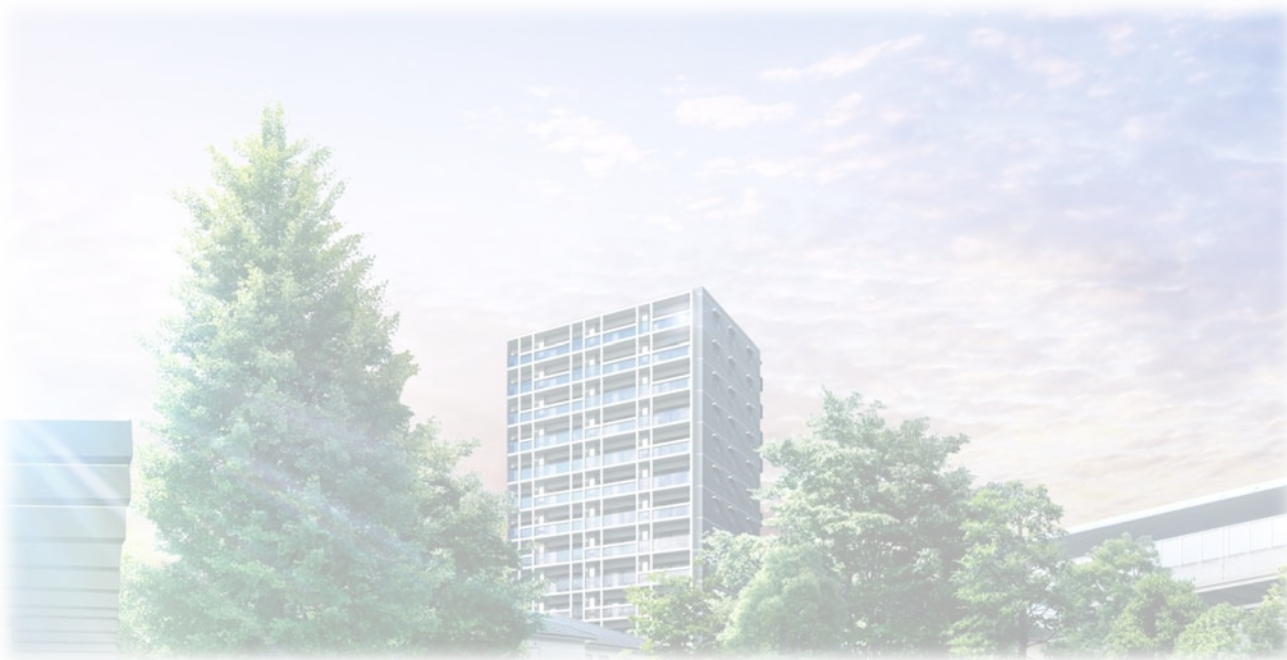
April, 2013 On Sale : 65 Units

Progress of purchases

Purchasing business sites in central urban areas in every region



Aim for stable supply of over 200 units annually



Topics (5)

Restructure the detached house business

Enhance land purchasing system for detached house



Create a team dedicated to land purchase activity

Established Purchasing Team in Detached House Headquarters

Purchases

Purchases of mid-sized plots of land

Already purchased 27 plots
(Oizumi-Gakuen)

Plan combining condominium and detached houses

Plan combining 164 condominium units and 127 detached houses currently being formulated (Kami-Fukuoka)

【 FY 2014 】 Delivery of 150 units is planned

Offer differentiated products



SERIES LIBO **GENEO**

Stylish, unique homes with all the features of the *LIBO* series and with room for self-expression.



SERIES **LIBO**

Ideal homes incorporating Light, Water and Air, essential elements for human life, into their design and providing peace of mind at a reasonable price.

Unique product planning



Topics (6)

Attainment of numerical targets

State of progress

■ Performance Goals

Cash and deposits
(¥ 100 million)

Equity (¥ 100 million)

EPS (¥)
※ Excluding treasury shares,
based on ordinary income

330

■ March 31, 2013

Cash and deposits
(¥ 100 million)

Equity
(¥ 100 million)

EPS (¥)
※ Excluding treasury shares,
based on ordinary income

179

241

194

Dividends/Capital policy

■ Performance Goals

Dividends + Treasury share purchase

= 30% or more

※based on net income

■ March 31, 2013

Dividends + Treasury share purchase

= 30.5%

※based on net income



Year Ending March 2014 Dividends/Capital Policy

Year Ending March 2014 Outlook (Consolidated)

| | Year ended March 31, 2013 | Year ending March 31, 2014 Forecast | YOY change |
|---|------------------------------|---|--------------|
| Units sold [New built-for-sale condominium + detached house] | 1,786 | 1,860 | — |
| Net sales [¥ million] | 64,907 | 71,800 | 10.6% |
| Operating profit [¥ million] | 6,361 | 9,300 | 46.2% |
| Ordinary profit [¥ million] | 5,792 | 8,515 | 47.0% |
| Net income [¥ million] | 4,074 | 5,030 | 23.5% |

Cash Dividends, Preferential treatment

| | 1 st half dividends | Year-end dividends | Total |
|---|--------------------------------|--------------------|---------------|
| Year ended March 31, 2013 Forecast | 5 yen | 10 yen | 15 yen |
| Year ending March 31, 2014 Forecast | 6 yen | 12 yen | 18 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) |

Acquisition and cancellation of treasury stock

Acquisition of treasury stock

| | Year ended March 31, 2012 | Year ended March 31, 2013 |
|--|--------------------------------------|-------------------------------------|
| Acquisition period | From July 26, 2011 to March 31, 2012 | From May 15, 2012 to March 31, 2013 |
| Number of shares acquired | 1,469,100 shares | 1,124,400 shares |
| Total acquisition value | 595,523,700 yen | 792,849,400 yen |
| Treasury shares held on completion of acquisition (March 31) | 2,451,871 shares | 3,505,271 shares |

Cancellation of treasury stock

- ◆ **Type of shares to be cancelled** **Common stock of the Company**
- ◆ **Total number of shares to be cancelled** **386,070 shares**
(1.2% as percentage of total number of shares issued before cancellation)
- ◆ **Date of cancellation** **May 15, 2013**
- Total number of shares issued after cancellation** **33,000,000 shares**
- Number of treasury shares after cancellation** **3,119,201 shares** (9.5% as percentage of total number of shares issued after cancellation)

On acquisition of treasury stock

- ◆ Type of shares acquired Common stock of the Company
- ◆ Total number of shares for acquisition
 2,000,000 shares (Upper limit)
 Ratio to total number of
 outstanding shares (Excluding treasury stock) **6.7%**
- ◆ Total acquisition value **4,000,000,000** yen (Upper limit)
- ◆ Acquisition period From May 13, 2013 to March 31, 2014
- ◆ Acquisition method Open market repurchase
 and repurchase through off-auction
 own share repurchase trading (ToSTNeT-3)
 on the Tokyo Stock Exchange

Stock split

◆ Purpose of stock split

We will split our stock and reduce the investment unit amount of our shares for the purpose of improving our shareholder liquidity and further expanding our investor base.

◆ Method of stock split

Shares of common stock held by shareholders listed or recorded in the final registry of shareholders as of the record date of June 30, 2013 will be split at a ratio of **four** shares to one share.

◆ Increase in shares resulting from split

| | |
|--|--------------------|
| ① Total number of shares issued prior to the stock split | 33,000,000 shares |
| ② Increase in share resulting from stock split | 99,000,000 shares |
| ③ Total number of shares issued following the stock split | 132,000,000 shares |
| ④ Total number of shares authorized to be issued following the stock split | 248,000,000 shares |

◆ Schedule of split

| | |
|------------------------------------|--------------------------|
| ① Public notice of the record date | June 13, 2013 (Thursday) |
| ② Record date | June 30, 2013 (Sunday) |

*The actual record date is June 28, 2013 (Friday)

| | |
|------------------|-----------------------|
| ③ Effective date | July 1, 2013 (Monday) |
|------------------|-----------------------|

■ Enquiries Relating to These Materials

Marketing Planning Office
Management Planning Section



Takara Leben

E-mail : irinfo@leben.co.jp

These materials were prepared to provide information regarding business performance for the year ended March 31, 2013 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 March 31, 2013. 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.