

**Earnings Results Briefing
For the Year Ended
March 31, 2014**

May 19, 2014

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

Representative: Kazuichi Shimada, President

Capitalization : 4,819 million yen (As of March 31,2014)

Established : September 21, 1972

Number of Employees : 244 (As of March 31,2014)

Security Code : 8897, the First Section of TSE

Contact : irinfo@leben.co.jp

Four Decades of Business

1972

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

1982

- Launched real estate leasing business

1988

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

1994

- Launched sales of condominiums "Leben Heim"

2000

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

2001

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

2003

- Listed on the second section of the Tokyo Stock Exchange

2004

- 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

- Made Marunouchi Servicer Co.,Ltd. its subsidiary

2010

- Released new corporate logo
- Launched detached housing business (buidt by Takara Leben)

2011

- Capital increase based on Japan's first rights offering
- Joined an open house and began sales of custom-built houses

2012

- 40th anniversary of the founding
- Introduced New Condominium Brand

2013

- Introduced Corporate character
- Established Yokohama branch
- Made Takara Housing Co.,Ltd. (the present Takara Property Co.,Ltd.) its subsidiary
Rental business management operations
- Entry to mega-solar business

2014

- Established Takara Asset Management Co.,Ltd.
Launched investment management business
Established Takara Investments Co.,Ltd.
Launched real estate investment business
- Made Sunwood Corporation it's associated company accounted for by the equity method
- Established Hokuriku Office
Established Tohoku Office



Year Ended March 31, 2014 Summary

Consolidated Income Statements

(Unit Amount=Million yen)

	Year ended March 31, 2013	Year ended March 31, 2014	YOY change
Net sales	64,907	71,963	10.9%
Operating profit	6,361	9,798	54.0%
Ordinary profit	5,792	9,181	58.5%
Net income	4,074	5,869	44.1%

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

(Unit Amount=Million yen)

	Year ended March 31, 2013	Year ended March 31, 2014	YOY change
Real estate sales business	59,310	65,757	10.9%
Real estate rental business	1,485	1,696	14.2%
Real estate management business	2,582	2,739	6.1%
Other businesses	1,529	1,768	15.7%

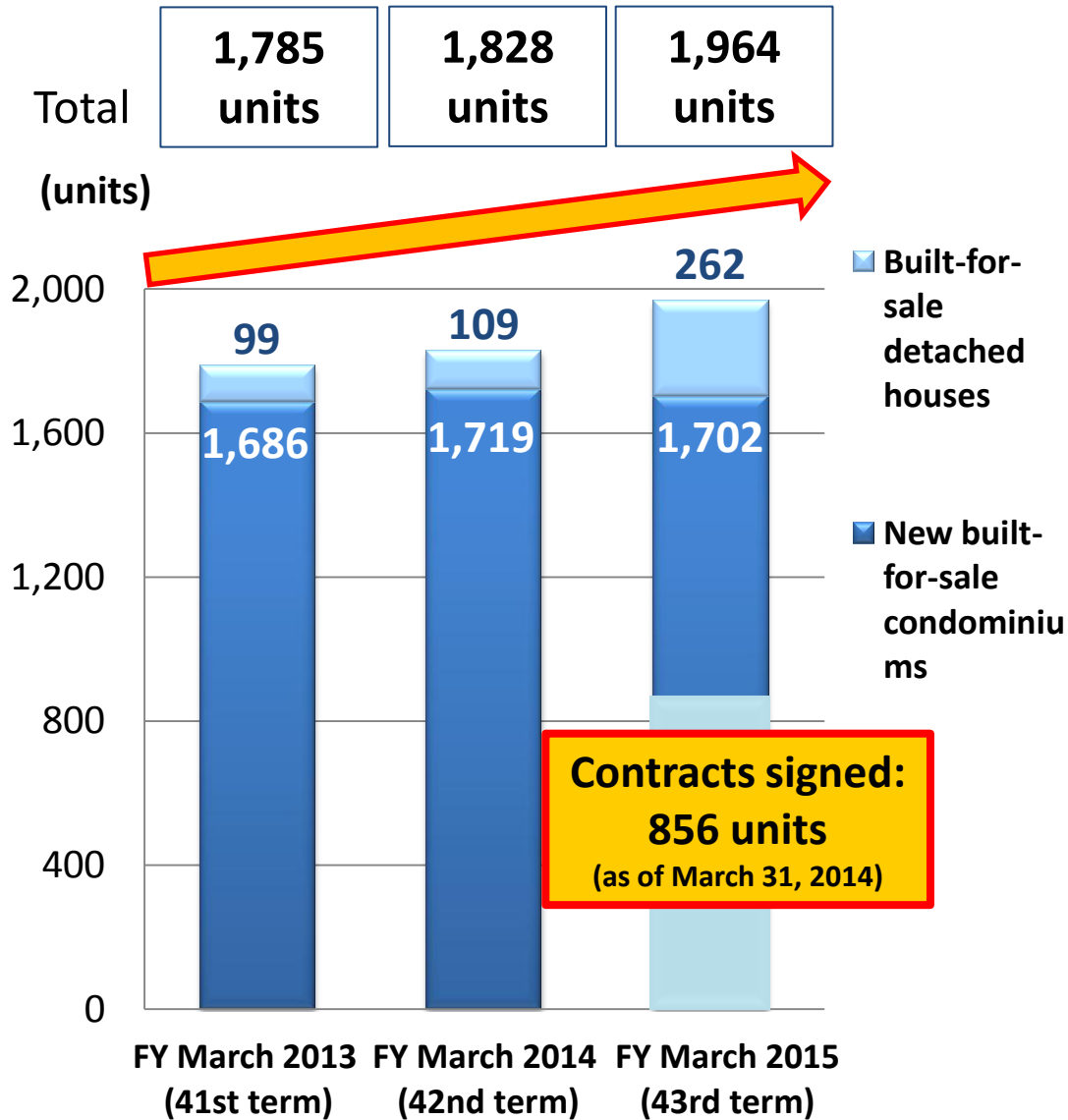
Consolidated Balance Sheets

	Year ended March 31, 2013	Year ended March 31, 2014	YOY change	(Unit Amount =Million yen)
Current assets	55,932	72,524	29.7%	
Cash and cash equivalents	17,911	35,964	100.8%	
Inventories	35,376	33,445	△5.5%	
Real estate held for sale	2,067	1,156	△44.1%	
Real estate for sale under construction	33,308	32,288	△3.1%	
Fixed assets	19,081	23,366	22.5%	
Total assets	75,013	95,891	27.8%	
Current liabilities	29,025	37,711	29.9%	
Notes and accounts payable, trade	7,920	20,692	161.3%	
Debts (short-term borrowings, long-term debt within one year)	14,004	7,692	△45.1%	
Fixed liabilities	21,840	31,041	42.1%	
Long-term borrowings	20,849	29,861	43.2%	
Total liabilities	50,866	68,752	35.2%	
Net assets	24,147	27,138	12.4%	
Capital	4,819	4,819	—	
Other shareholder equity	19,328	22,318	15.5%	
Total liabilities and net assets	75,013	95,891	27.8%	



Overview of FY March 2014

Delivery Results & Contract Status (new built-for-sale condominiums)



Year ended March 31, 2014

(new built-for-sale condominiums)

Delivery planned 1,710 units



**Delivery results:
1,719 units**

Year ending March 31, 2015

(new built-for-sale condominiums)

Delivery planned 1,702 units



**Contracts signed:
856 units**

Progress rate: 50.2%

(as of March 31, 2014)

Progress of Medium-Term Management Plan

(Unit: million yen)

	Medium-term management plan (announced in September 2012)	Results for year ended March 31, 2014	Difference
Number of units sold (new built-for-sale condominiums)	1,710 units	→ 1,719 units	9 units
Sales	68,400	→ 71,963	3,563
Operating profit	8,000	→ 9,798	1,798
Ordinary profit	7,200	→ 9,181	1,981

(Unit: 10 thousand yen)

	Purchase price	Sold
Sales price per unit (excluding tax)	3,242	→ 3,411

The number of units sold increased slightly, while sales and profits increased significantly because of the rise in sales prices.

Progress Status of Targeted Figures

Targets

Cash and deposits
(¥ 100 million)

Equity(¥ 100 million)

EPS(¥)

※ Excluding treasury shares,
based on ordinary income

330

**Cash on hand and
in banks
(million yen)**

**Net worth
(million yen)**

EPS (yen)

※Excluding treasury shares,
based on ordinary income

35,964

27,084

316

(after splitting 79yen)

Achieved

Operating Status of Mega Solar Business

LEBEN SOLAR SHIOYA



Address
Tochigi Prefecture
power generation
2.99 MW
Site area
36,727m²

LEBEN SOLAR TONE



Address
Ibaraki Prefecture
power generation
0.17 MW
Site area
2,373m²

LEBEN SOLAR CHIBA WAKABA



Address
Chiba Prefecture
power generation
0.5 MW
Site area
5,555m²

LEBEN SOLAR CHIKUSEI



Address
Ibaraki Prefecture
power generation
1.08 MW
Site area
18,904m²

Promote solar-powered condominiums

Unit-based Solar-powered Condominium

Supply Ranking

Nationwide **Ranked 1st**

※Unit-based Solar-powered Condominium Supply Ranking(available in each individual home unit)

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



LEBEN Shin-Kawasaki DUALISM

(Completed in December, 2013)

LEBEN Higashi-Washinomiya Terrace

(Completed in March, 2014)



LEBEN Chiba New Town

(Completed in May, 2013)



Received Good Design Award



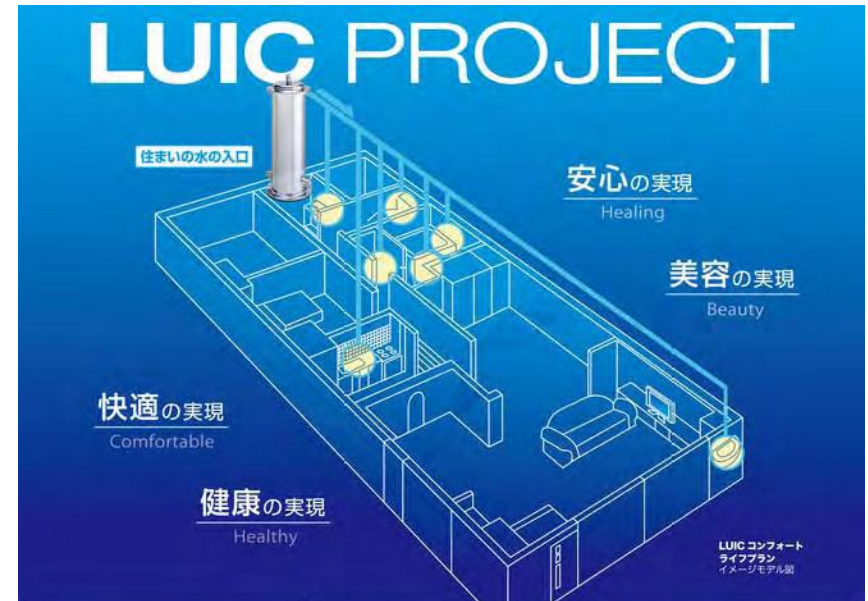
SORA PAWA PROJECT
Next-generation energy system for
condominiums



LUIC PROJECT
Housing that is particular about water



**GOOD DESIGN
AWARD 2013**

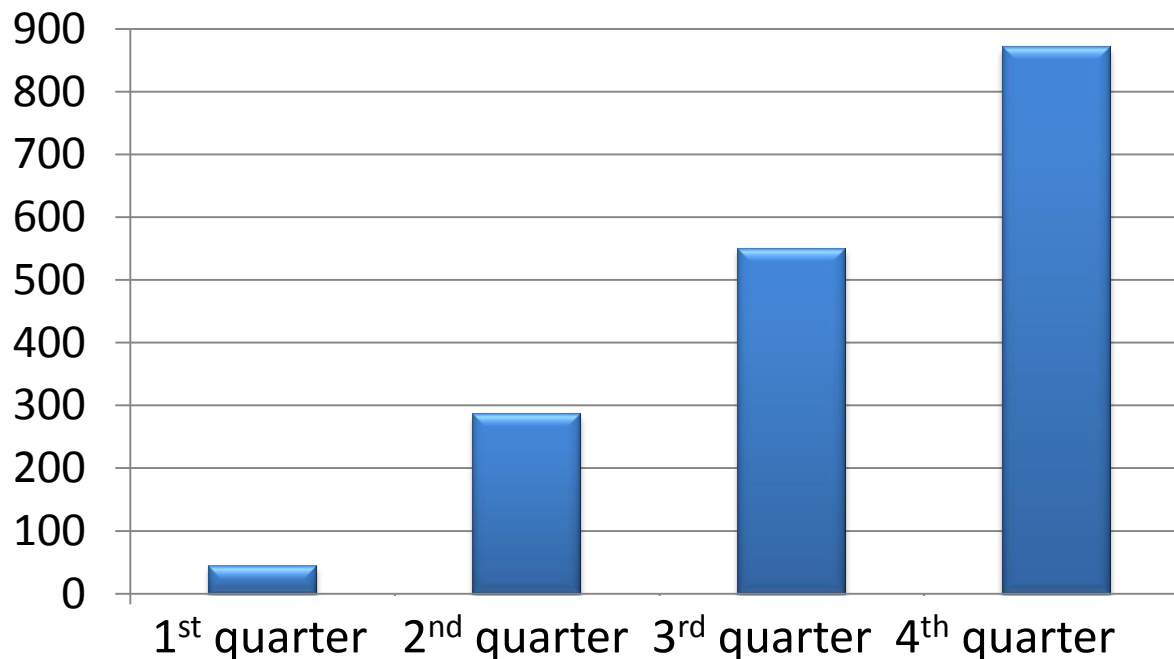




Plans of FY March 2015

FY March 2015 Construction Completion Schedule

(Unit: unit)



Properties to be completed in the 1 st half 6 properties (329 units)	Properties to be completed in the 2 nd half 13 properties (1,420 units)
--	---

Number of inventory units brought forward from the 42 nd term	49
Number of units to be completed in the 43 rd term	1,749
Number of units to be delivered in the 43 rd term	1,702
Number of inventory units carried forward to the 44 th term (plan)	96

The construction completion schedule is concentrated in the 2nd half, as in the previous year

Customer Trends in the Real Estate Market

	Land price	Construction expenses
Urban areas	UP significantly	UP significantly
Suburbs (in front of railway station)	UP significantly	UP significantly
Suburbs (emphasis on dwelling environment)	DOWN slightly	UP



Sharply rising prices in urban areas in the future

- (1) Improved convenience in suburbs**
- (2) No significant rise in annual income**



Toward suburbs?

Trends in Sales Prices & Costs (1)

(Unit: million yen)

Sales (total)	Purchase price	Sales price	Land & building costs	Gross margin (before Transferring costs)
FY March 2013 (41st term)	46,969	47,864	34,202	13,662
FY March 2014 (42nd term)	55,403	58,313	39,352	18,961
FY March 2015 (43rd term)	58,617	63,648 + α * (before reflecting price revisions)	44,654	18,994 + α *

* For properties not yet sold, which are recorded by purchase price

Attributes of customers of properties delivered in the 42nd term

Number of properties delivered in the 42nd term: 1719 units

Average annual income of customers

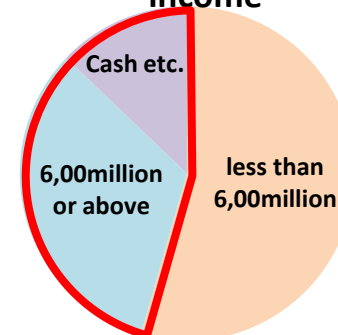
➔ **6.33 million yen***

Annual income 6.00 million or above → 562 units

Cash etc. → 221 units

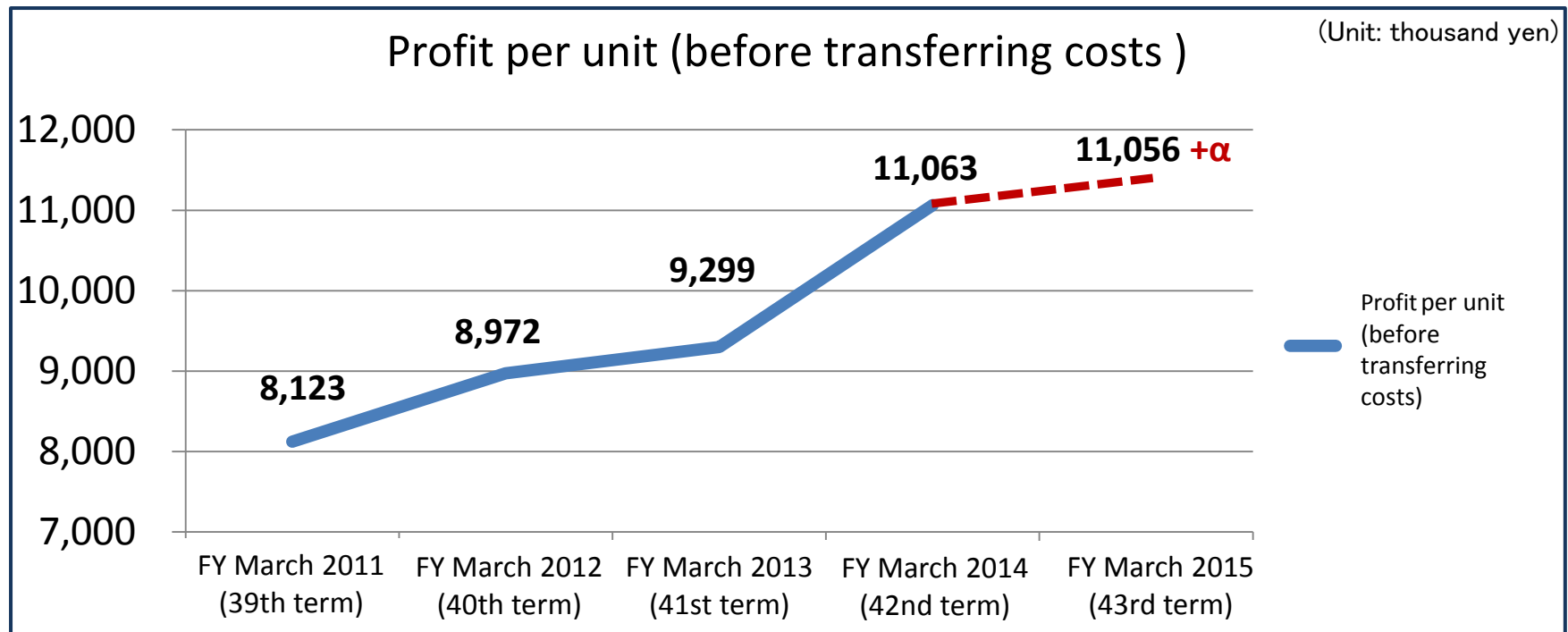
Total **783 units (46%)**

Ratio of customers' annual income



*Average of customers with loans

Trends in Sales Prices & Costs (2) (new built-for-sale condominiums)



Trends in sales prices

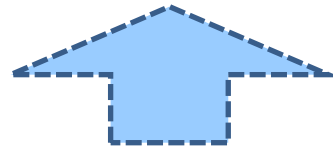
- (1) Draw customers from a wide area
- (2) Increase in customers' annual income
- (3) Improvement in standard specifications (solar, etc.)

Trends in land & building costs

- (1) Land prices are declining
- (2) Improvement in standard specifications (solar, etc.)
- (3) Inflation

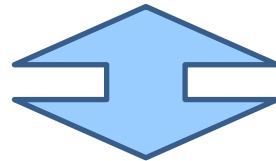
Initiatives for Establishing the Mega Solar Fund (1)

New infrastructure market (to be established in FY2015)



**Planning to
get listed**

Mega Solar Fund (investment corporation)



**AM
contract**

Takara Asset Management Co., Ltd.

Aiming to get Mega Solar Fund listed in the new infrastructure market

Initiatives for Establishing the Mega Solar Fund (2)

Mega Solar Business Under Consultation Projects

Project name	Location	Power generation	Scheduled start of operation
LS Miho Power Plant	Inashiki-gun, Ibaraki	1.06 MW	August 2014
LS Tsukuba Bochi Power Plant	Tsukuba-shi, Ibaraki	2.48 MW	September 2014
LS Sosa Power Plant	Sosa-shi, Chiba	1.76 MW	October 2014
LS Miyagi Osato Power Plant	Kurokawa-gun, Miyagi	2.48 MW	October 2014
LS Kamisu Hasaki Power Plant	Kamisu-shi, Ibaraki	1.26 MW	January 2015
LS Fukuoka Kama 1	Kama-shi, Fukuoka	2.20 MW	February 2015
LS Fukuoka Kama 2	Kama-shi, Fukuoka	2.40 MW	February 2015
LS Ushiku Okubara Power Plant	Ushiku-shi, Ibaraki	2.03 MW	March 2015
LS Nasu Nakagawa Power Plant	Nasu-gun, Tochigi	16.85 MW	March 2016

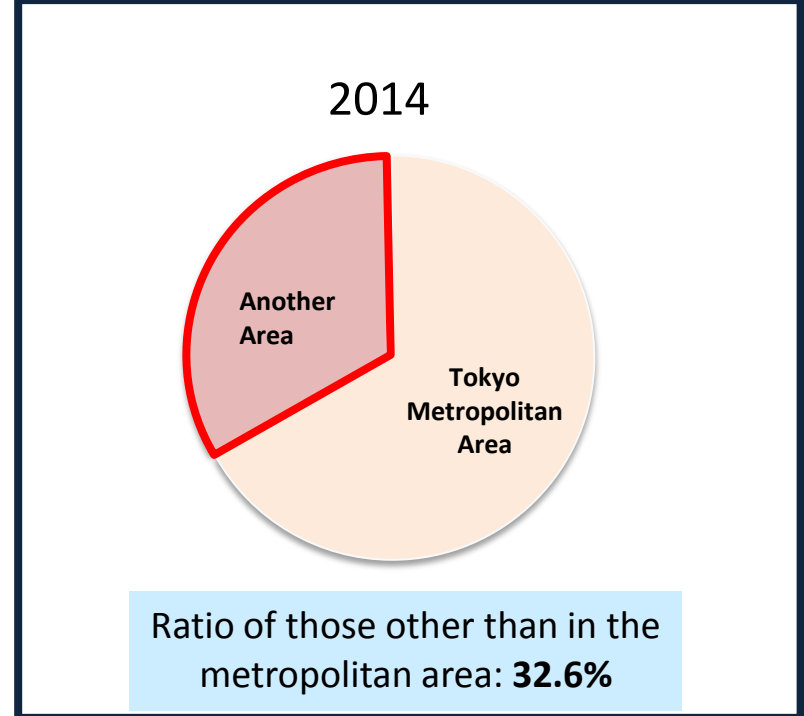
Total power generation: **37.32** MW(including those already in operation)

Boosting Local City Strategies (1)

Ranking of the number of condominiums units supplied in Japan (2013)

No	Company Name	units
1	Mitsui Fudosan Residential	7,476
2	Nomura Real Estate Development	6,517
3	Sumitomo Realty & Development	5,879
4	Mitsubishi Jisho Residence	5,599
5	Daikyo	2,913
6	Daiwa House Industry	2,905
7	Pressance Corporation	2,328
8	Tokyu land Corporation	2,211
9	Nippon Steel Kowa Real Estate	2,130
10	Takara Leben	1,705

Ratio of supply by prefecture



Target for supply in local area

Medium-term Management Plan:
200 to 300 units



Annual target for supply in 2014 and beyond: **500 units**

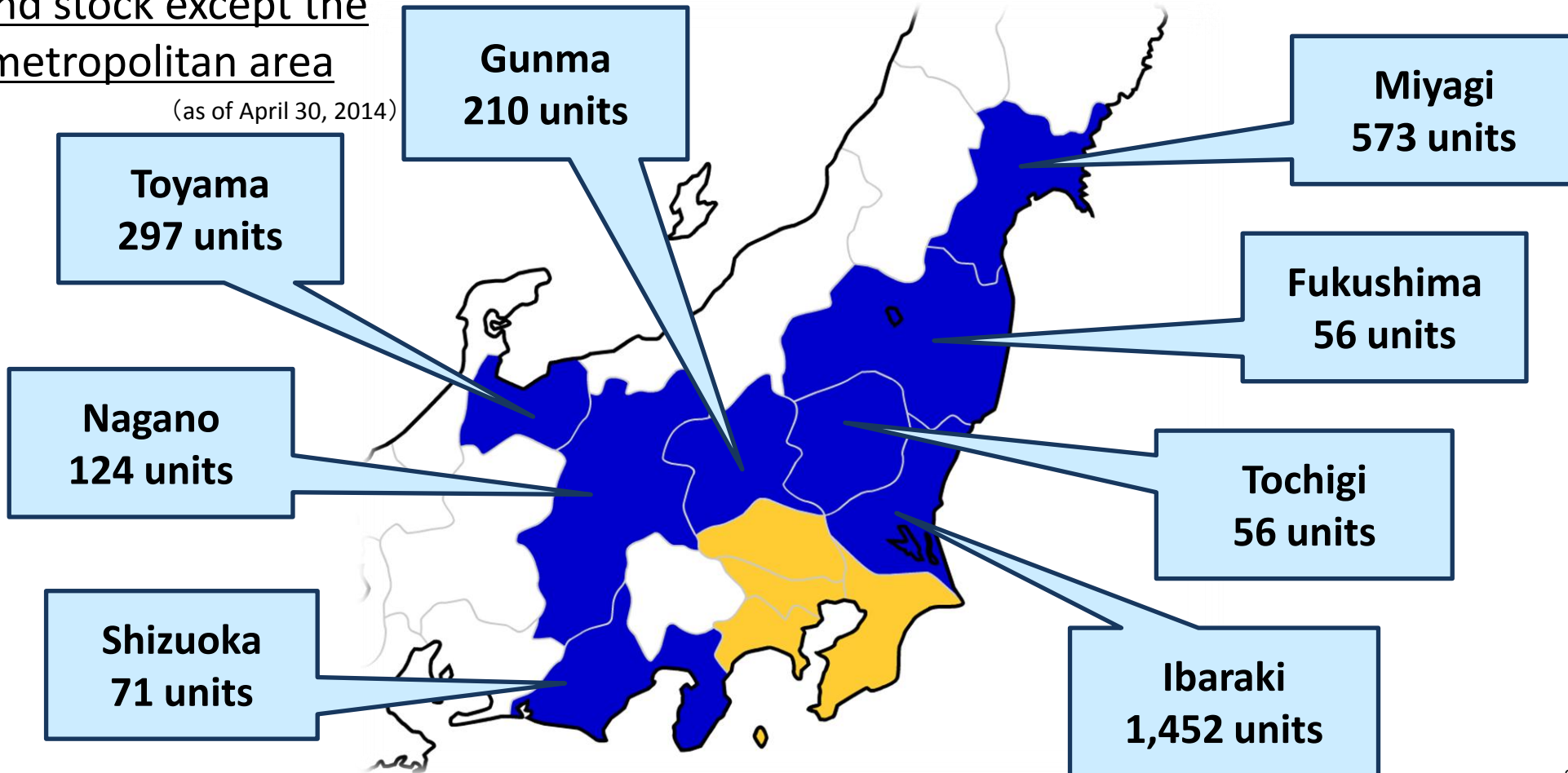
Boosting Local City Strategies (2)

April 1, 2014 Establishment of the Office

Hokuriku Office
(Toyama-shi, Toyama)

Tohoku Office
(Sendai-shi, Miyagi)

Land stock except the metropolitan area
(as of April 30, 2014)



Redevelopment Projects & Rebuilding Business (1)

Urban Redevelopment Business Type I at 1-4, Sakura-machi, Toyama-shi

Access	: 3-minute walk from south exit of Toyama Station on JR Hokuriku Main Line
Site area	: Approx. 3,400 m ²
Main uses	: Residential facilities, commercial facilities and accommodation facilities
Total number of units	: Condominiums 75 units

Construction of new Toyama Station building



Image of planned grade separated crossing



The construction of a new station building and grade separated crossing is now in progress in preparation for the launch of Hokuriku Shinkansen in the spring of 2015.

Redevelopment business for the future central area of Toyama-shi

Redevelopment Projects & Rebuilding Business (2)

Rebuilding Business for Hachioji-shi Matsugaya Housing Complex

Rebuilding Facilitation Law (Law for the Facilitation of Rebuilding of Condominiums)
As a rapid increase in the number of decrepit condominiums is expected in the coming years, the law aims to facilitate the rebuilding of condominiums by unit owners to ensure a good residential environment.



Perspective drawing

Access : 18-minute walk from Tama Center Station on Keio
Sagamihara Line and Odakyu Line
8-minute walk from Matsugaya Station at Tama Monorail

Address : 17, Matsugaya, Hachioji-shi, Tokyo

Existing condominiums	
Age of building	1976 (built 37 years ago)
Site area	9,235.57m ²
Number of units	80 units
Number of floors/buildings	5 floors/3 buildings



Rebuilt condominiums	
Completion schedule	2016
Site area	9,235.57m ²
Number of units	259 units
Number of floors/buildings	11 floors/8 floors/5 floors/3 buildings

In the years ahead, rebuilding business based on the Rebuilding Facilitation Law

FY March 2015 Property Topics

First supply of THE LEBEN Property

**THE LEBEN Otsuka Yamanote
Hill Top Season**
(Completion scheduled in February 2015)



— THE —
LEBEN

First joint business property with Sunwood Corporation

(Tentative name) Nagayama Project
(Completion scheduled in March 2015)





financial result forecast for the year

Year Ending March 2015 Outlook (Consolidated)

	Year ended March 31, 2014	Mid-Term Management Plan	Year ending March 31, 2015 Forecast	YOY change
Units sold [New built-for-sale condominium+ detached house]	1,828	1,940	1,964	—
Net sales [¥ million]	71,963	71,900	77,050	7.1%
Operating profit [¥ million]	9,798	8,800	10,300	17.0%
Ordinary profit [¥ million]	9,181	8,000	9,500	18.7%
Net income [¥ million]	5,869	—	5,900	—



Dividends - Capital Policy

Cash Dividends, Preferential treatment

	1 st half dividends	Year-end dividends	Total
Year ending March 31, 2014 Forecast	1.5 yen	3.5 yen	5.0 yen
Year ending March 31, 2015 Forecast	2.0 yen	4.0 yen	6.0 yen

Preferential treatment	gift certificates for packages of rice
100 shares or more to less than 500 shares	1kg (440Yen)
500 shares or more to less than 1,000 shares	3kg (1,320Yen)
1,000 shares or more	5kg (2,200Yen)

Acquisition and cancellation of treasury stock

■ Acquisition of treasury stock

	Year ended March 31, 2013	Year ended March 31, 2014
Acquisition period	From May 15, 2012 to March 31, 2013	From May 13, 2013 to March 31, 2014
Number of shares acquired	1,124,400 shares	5,601,900 shares
Total acquisition value	792,849,400 yen	2,496,175,200 yen
Treasury shares held on completion of acquisition (March 31)	3,505,271 shares	15,974,807 shares

■ Cancellation of treasury stock

	Year ended March 31, 2014	
Date of cancellation	May 15, 2013	March 25, 2014
Total number of shares to be cancelled	386,070 shares (After splitting 1,544,280 shares)	2,000,000 shares
as percentage of total number of shares issued before cancellation	1.2%	1.5%

Dividends • Capital Policy

Target

Dividends + Treasury share purchase

= **30%** or more

※based on net income

Year ended
March 31, 2013

30.5%

Achieved

Year ended
March 31, 2014

51.7%

Achieved

On acquisition of treasury stock

- ◆ Type of shares acquired Common stock of the Company
- ◆ Total number of shares for acquisition
 5,000,000 shares (Upper limit)
 Ratio to total number of
 outstanding shares (Excluding treasury stock) **4.38%**
- ◆ Total acquisition value **1,500,000,000** yen (Upper limit)
- ◆ Acquisition period From May 13, 2014 to March 31, 2015
- ◆ Acquisition method Open market repurchase on the Tokyo Stock Exchange

■ Enquiries Relating to These Materials

Corporate Planning Division
Management Planning Section



Takara Leben

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