

**Earnings Results Briefing  
for the Six Months Ended  
September 30, 2014**

November 5, 2014

**Takara Leben Co.,Ltd.**



Summary for The Six months Ended September 30, 2014	.....	P 3
Metropolitan area condominium market trends	.....	P 11
Topics for The Six months Ended September 30, 2014	.....	P 13
Major strategies going forward	.....	P 26
Year Ending March 2015 Dividends, and Financial Result Forecast for The Year	.....	P 31

<b>1972</b>	Established Takara Komuten Co.,Ltd. (the present Takara Leben) Launched sales of detached houses	<b>2010</b>	Launched detached housing business (buidt by Takara Leben)  Capital increase based on Japan's first rights offering
<b>1982</b>	Launched real estate leasing business	<b>2011</b>	40th anniversary of the founding
<b>1988</b>	Established Takara Management Co.,Ltd. (the present Leben Community) Launched real estate management business	<b>2012</b>	Introduced New Condominium Brand  Introduced Corporate character
<b>1994</b>	Launched sales of condominiums "Leben Heim"		Established Yokohama branch
<b>2000</b>	Changed company name to "Takara Leben Co.,Ltd."		Made Takara Housing Co.,Ltd. (the present Takara Property Co.,Ltd.) its subsidiary Rental business management operations
<b>2001</b>	Launched financial brokering business Established Tafuko Co.,Ltd.	<b>2013</b>	Entry to mega-solar business
<b>2003</b>	Listed on the second section of the Tokyo Stock Exchange		Established Takara Asset Management Co.,Ltd. Launched investment management business
<b>2004</b>	Listed on the first section of the Tokyo Stock Exchange  Established AS Partners Co.,Ltd. Launched nursing care businesses for seniors		Esstablished Takara Investments Co.,Ltd. Launched real estate investment business
<b>2008</b>	Made Marunouchi Servicer Co.,Ltd. its subsidiary  Released new corporate logo	<b>2014</b>	Made Sunwood Corporation it's associated company accounted for by the equity method  Established Hokuriku Office Established Tohoku Office  Made Oasis Co.,Ltd.(the present Takara Leben Realnet) its subsidiary  Made Nikko kensetsu Co.,Ltd. its subsidiary



Leben Wako solarea

# Summary for The Six months Ended September 30, 2014

# Consolidated Income Statements

(Unit Amount=Million yen )

	Six months ended September 30, 2013	Six months ended September 30, 2014	YOY change ( % )
Net sales	17,916	18,784	4.8%
Operating profit	542	719	32.6%
Ordinary profit	159	243	52.9%
Net income	257	165	△35.5%

# Segment Information 【 Net Sales 】

(Unit Amount=Million yen )

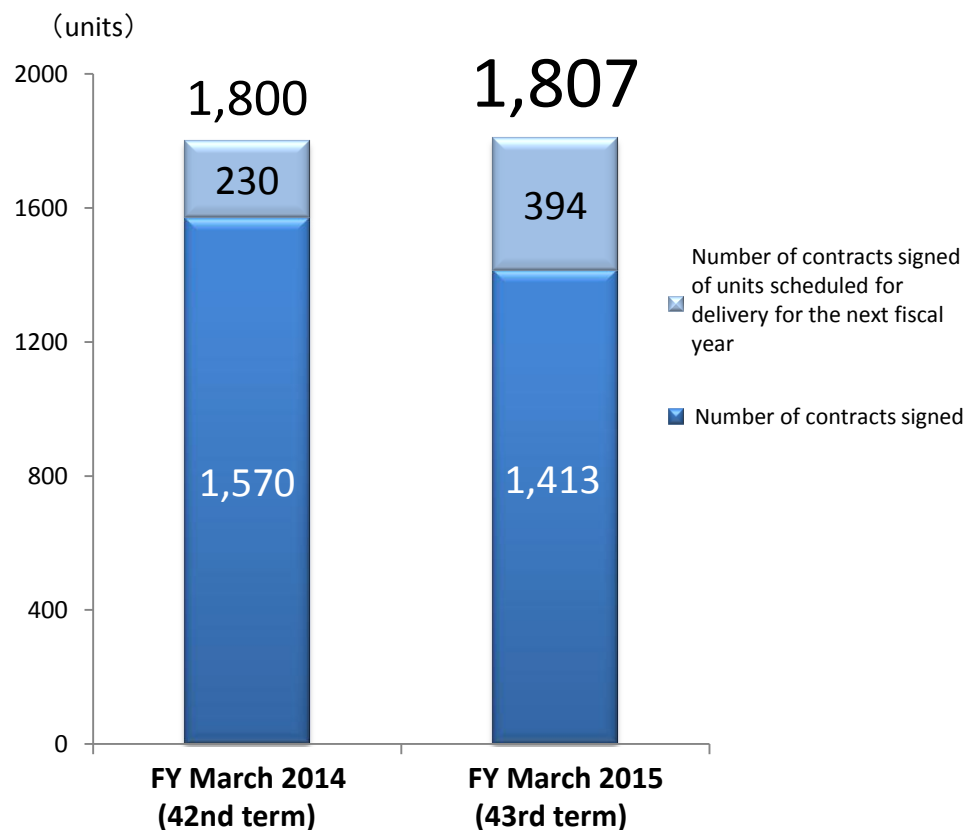
	Six months ended September 30, 2013	Ratio (%)	Six months ended September 30, 2014	Ratio (%)
Real estate sales business	15,172	84.7%	15,431	82.1%
Real estate rental business	833	4.7%	896	4.8%
Real estate management business	1,353	7.6%	1,449	7.7%
Other businesses	557	3.1%	1,007 (selling electric power in the mega-solar : 163)	5.4%
Total	17,916	100%	18,784	100%

# Consolidated Balance Sheets

(Unit Amount=Million yen )

	Year ended March 2013	Six months ended September 30, 2014	YOY change ( % )
<b>Current assets</b>	<b>72,524</b>	<b>69,271</b>	<b>△4.5%</b>
Cash and cash equivalents	35,964	21,261	△40.9%
Inventories	33,445	42,718	27.7%
Real estate held for sale	1,156	242	△79.1%
Real estate for sale under construction	32,288	42,476	31.6%
<b>Fixed assets</b>	<b>23,366</b>	<b>26,654</b>	<b>14.1%</b>
<b>Total assets</b>	<b>95,891</b>	<b>95,926</b>	<b>0.0%</b>
<b>Current liabilities</b>	<b>37,711</b>	<b>36,042</b>	<b>△4.4%</b>
Notes and accounts payable, trade	20,692	9,269	△55.2%
Debts (short-term borrowings, long-term debt within one year)	7,692	18,695	143.0%
<b>Fixed liabilities</b>	<b>31,041</b>	<b>33,247</b>	<b>7.1%</b>
Long-term borrowings	29,861	31,318	4.9%
<b>Total liabilities</b>	<b>68,752</b>	<b>69,290</b>	<b>0.8%</b>
<b>Net assets</b>	<b>27,138</b>	<b>26,635</b>	<b>△1.9%</b>
Capital	4,819	4,819	—
Other shareholder equity	22,318	21,816	△2.2%
<b>Total liabilities and net assets</b>	<b>95,891</b>	<b>95,926</b>	<b>0.0%</b>

## Comparison of contracts signed units



※ as of the end of September  
※ including real estate sales agency services

## Contracts signed units

■ at the year end of September 30, 2013  
Contracts signed

**1,800 units**

■ at the year end of September 30, 2014  
Contracts signed

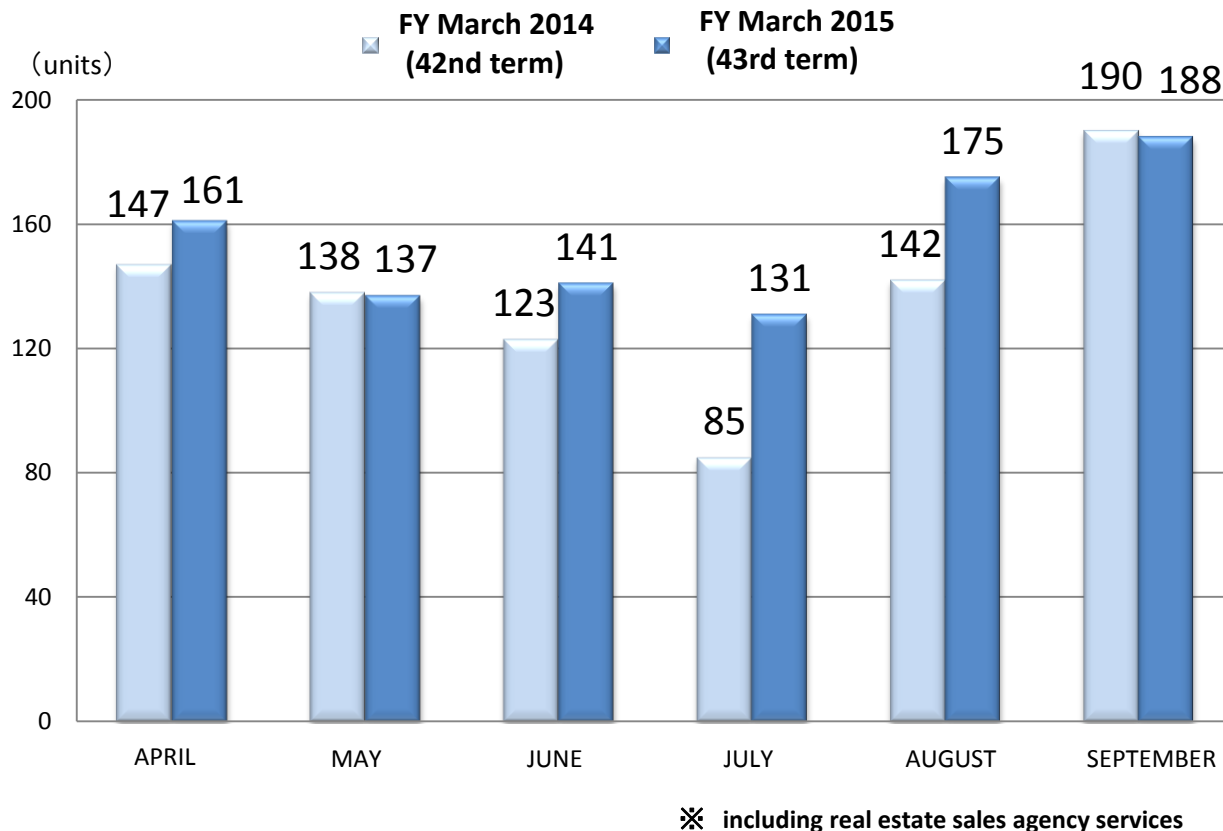
**1,807 units**



Number of contracts signed units above the level recorded in the previous year



## Changes in the monthly number of contracts signed units



Number of contracts signed units during 1st half of the year

■ Total Contract signed units from April to September, 2013

**825units**

■ Total Contract signed units from April to September, 2014

**933units**

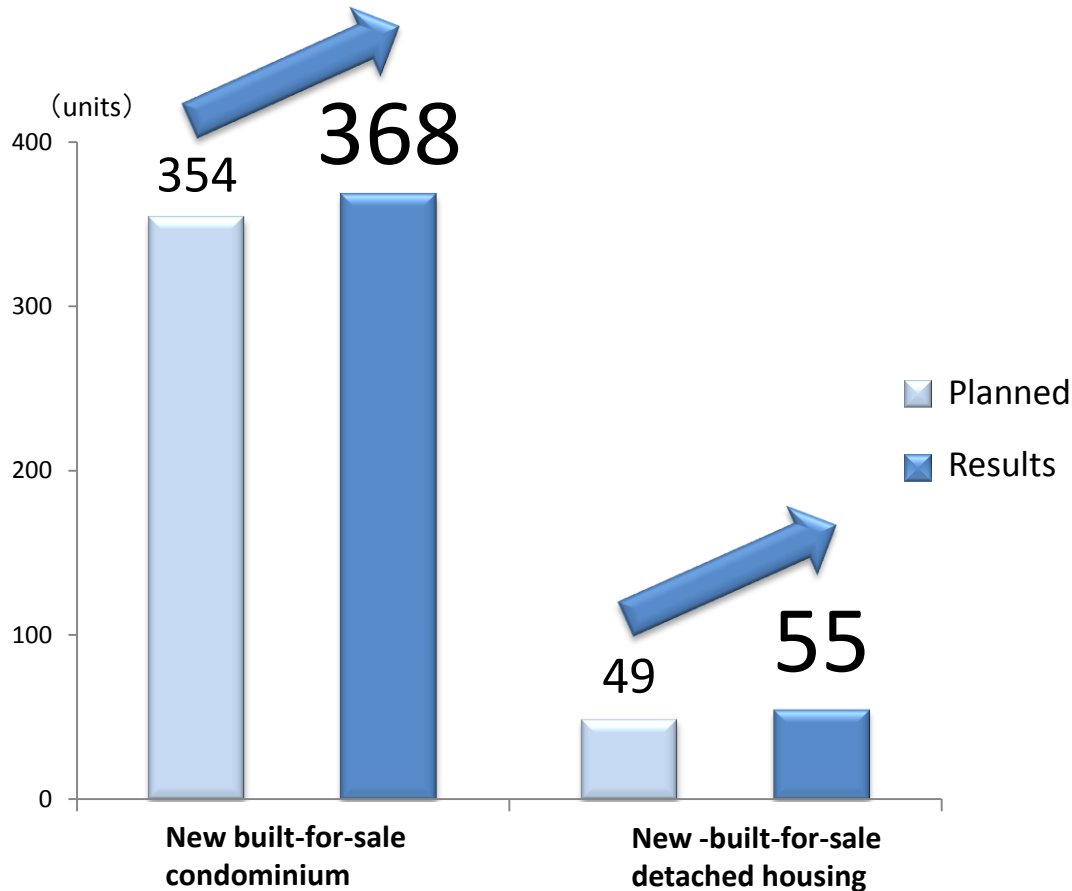


The number of contracts signed units in the first half of the term was substantially higher than the level of the previous term

The level of contracts signed units is substantially higher than that seen in the previous term, with no impact from the consumption tax hike

# Delivery Results

## 1st half of FY March 2015 Delivery Results

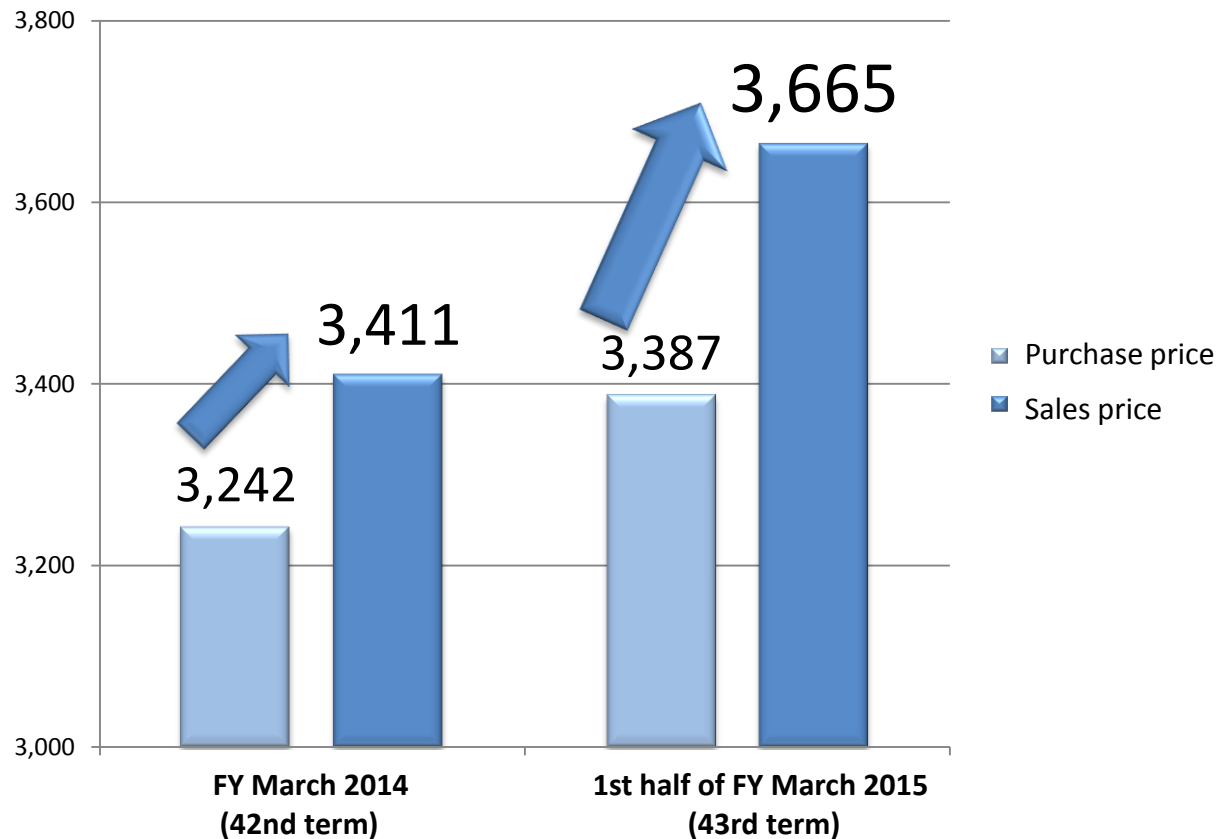


Delivery Results	
■ new built-for-sale condominiums	
Planned	354units
Results	<b>368units</b>
	(+14units)
■ new built-for-sale detached housing	
Planned	49units
Results	<b>55units</b>
	(+6units)

Delivery results above initial plan due to healthy pace of contracts signed

## Sales price per unit

(Unit: 10 thousand yen)



### Sales price per unit

(Unit: 10 thousand yen)

- FY March 2014**  
**3,242 ⇒ 3,411**  
**169 up**
- 1st half of FY March 2015**  
**3,387 ⇒ 3,665**  
**278 up**

**Sales prices stronger than recorded in previous year**



Leben Fujimino sola hills

## Metropolitan area condominium market trends

Elected to host the 2020  
Tokyo Olympics and Paralympics

Traffic convenience improving  
in suburban areas

Prices surge in the metropolitan area

Zaibatsu conglomerates aggressively  
supply properties in the suburbs  
of the Tokyo area

Exodus of high income clientele from the metropolitan area to the suburbs

**Sales prices rising, solid progress in signed contracts**



Leben Kashiwa Crystal I' II

## Topics for the Six Months Ended September 30, 2014

## Flow business

Business for first-time buyers

Business for active seniors

Redevelopment & Rebuilding Business

Business charged with effective  
use of land

## Stock business

Real estate management business

Real estate rental business

Real estate rental  
and management business

Mega-solar business

## Fee business

Real estate distribution business

**Diversifying flow businesses and expanding stock  
and fee-based businesses**

## 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 Wako solarea

- 626 solar power panels
- Heating and lighting expenses down by around 52%



Leben Platz Kashiwa Bright Hill

- All units installed with a solar power system
- Heating and lighting expenses down by around 55%

Continuous supply of properties that utilize natural energy

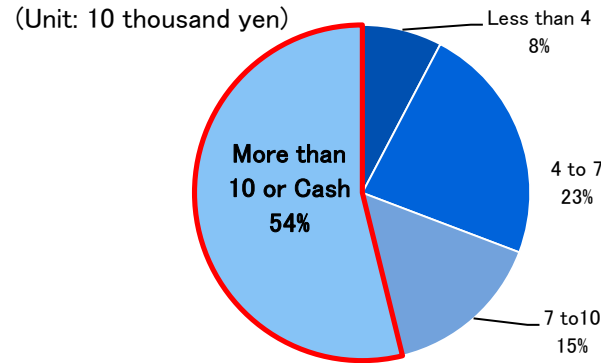


## Properties in local cities Customer Analysis

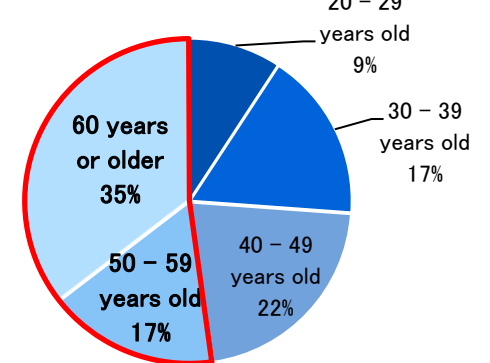


Leben Toyama THE PLATINUM  
(Completed in July, 2014)

Leben Toyama THE PLATINUM  
an annual income

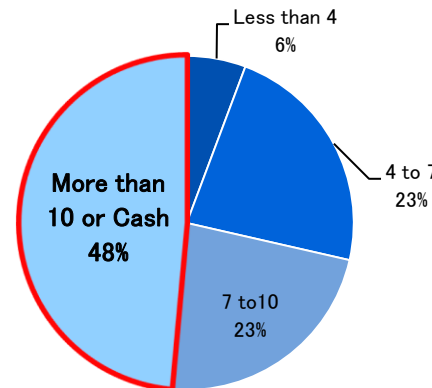


Leben Toyama THE PLATINUM  
Contractor age

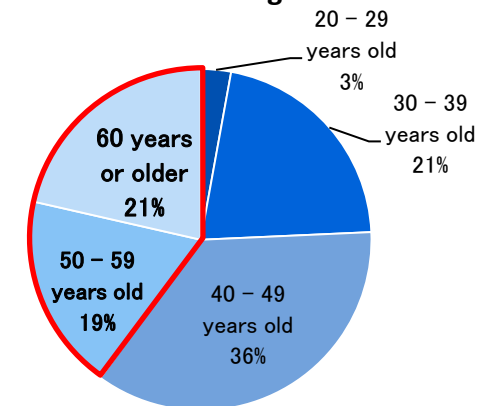


Leben Takasaki Freshia  
(Completion scheduled in February 2015)

Leben Takasaki Freshia  
an annual income



Leben Takasaki Freshia  
Contractor age



Active seniors are the main target for properties in local cities

## Business in central areas of provincial cities



Sakura-machi, Toyama-shi Urban Redevelopment Project

### Sakura-machi, Toyama-shi Urban Redevelopment Project

Address : Sakura-machi, Toyama-shi

Access : 3-minute walk from Toyama Station on JR Hokuriku Main Line

Number of units : 75 units (Planned)

※ Residential facilities, commercial facilities and accommodation facilities

### Ushijima-cho, Toyama-shi Project

Address : Ushijima-cho, Toyama-shi

Access : 3-minute walk from Toyama Station on JR Hokuriku Main Line

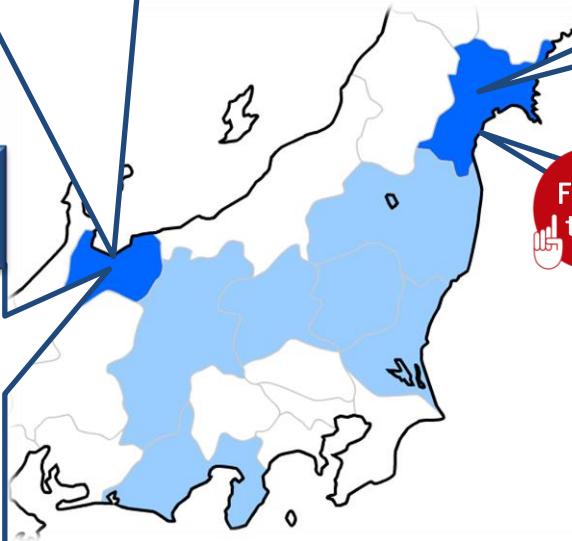
Number of units : 115 units (Planned)

### Odawara, Sendai-shi Project

Address : Odawara, Miyagino-ku, Sendai-shi

Access : 16-minute walk from Sendai Station on JR Senseki Line

Number of units : 436 units (Planned)



### Teppou-machi, Sendai-shi Project

Address : Teppou-machi, Miyagino-ku Sendai-shi

Access : 16-minute walk from Sendai Station on JR Tohoku Main Line

Number of units : 144 units (Planned)

Holds land for projects totaling around 2,800 units  
in central areas of provincial cities

Boosting purchases of properties near stations in the metropolitan area

## Overview of properties near the station

- **Itabashi-ku Project** ... 1-minute walk from Shin-itabashi Station on Toei Mita Line.  
Number of units /68 units
- **Monzennakacho Project** ... 1-minute walk from Monzennakacho Station on Tokyo-metro Tozai Line.  
Number of units /28 units
- **Asakusa Project** ... 4-minute walk from Asakusa Station on Tsukuba-express Line.  
Number of units /52 units
- **Sagamihara Project** ... 4-minute walk from OdakyuSagamihara Station on OdakyuOdawara Line.  
Number of units /48 units

etc.

Switching to fixed-term rental contract;  
to become a business in 3-5 years

Condominiums for active seniors

## Rebuilding Business for Hachioji-shi Matsugaya Housing Complex



Rebuilding Business for Hachioji-shi Matsugaya Housing Complex Perspective drawing

### Existing condominiums

Age of building	1976 (built 38 years ago)
Site area	9,235.57m <sup>2</sup>
Number of units	80 units
Number of floors/buildings	5 floors/3 buildings

### Rebuilt condominiums (schedule)

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

### Property overview

- Access : 18-minute walk from Tama Center Station on Keio Sagami-hara Line and Odakyu Line  
8-minute walk from Matsugaya Station at Tama Monorail
- Address: 17, Matsugaya, Hachioji-shi, Tokyo

## Rebuilding Business for Tachikawa-shi Fujimi-cho Housing Complex



Current photo

### Existing condominiums

Age of building	1967 (built 47 years ago)
Number of units	876units

### Rebuilt condominiums

Completion schedule	2019
Number of units	Have consultation

### Property overview

**Access :** 15-minute by bus from Tachikawa Station on JR Chuo Line  
 15-minute walk from Nishi-Tachikawa Station on JR Oume Line  
**Address :** 16 Fujimi-cho, Tachikawa-shi, Tokyo

### [Business objectives]

- A town in which various generations can safely reside in
- A town in which an excellent environment has been recreated
- A town that is kind and safe to the elderly
- A town that is extremely convenient and one that can sustain asset value

Has been decided to participate in a rebuilding business as a business partner

The consolidated subsidiary of Nikko kensetsu

## Company overview

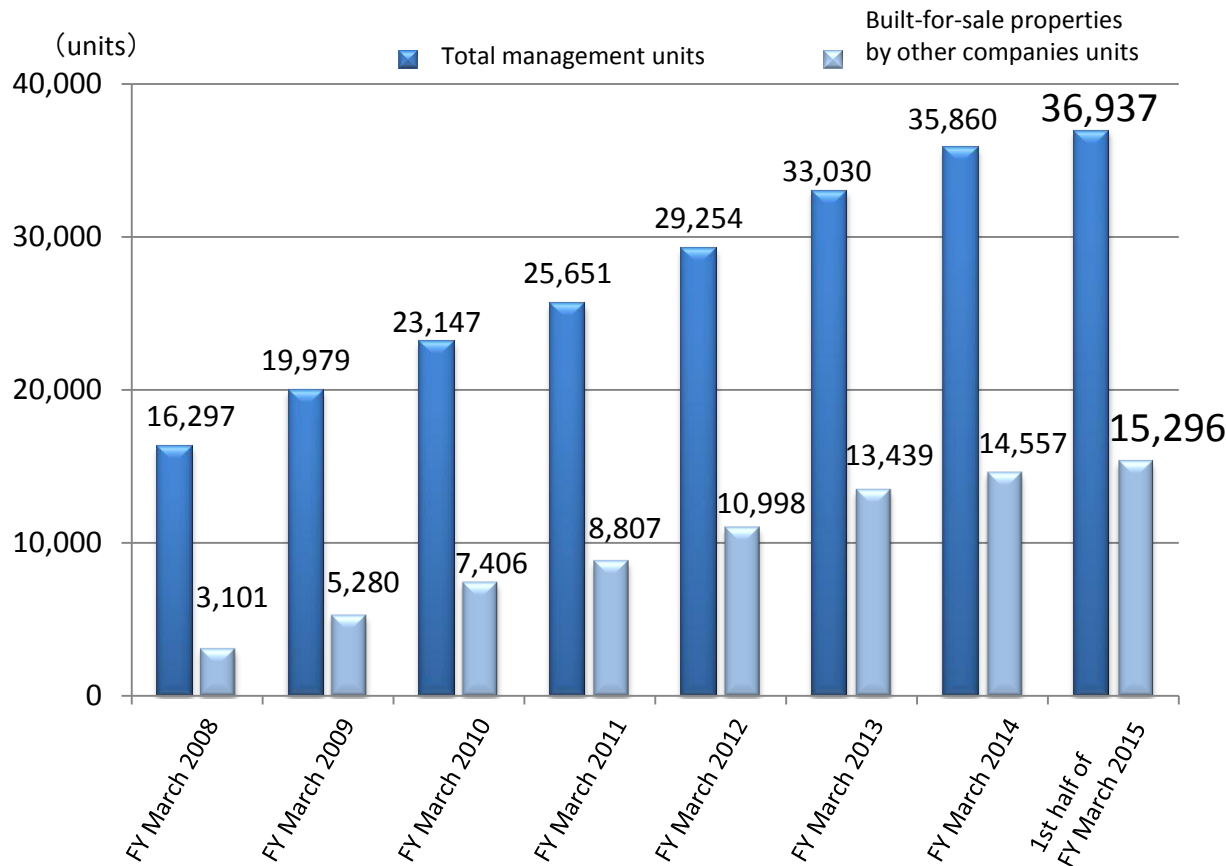
- Company Name  
Nikko kensetsu Co.,LTD
- Address  
Tsuzuki-ku, Yokohama-shi, Kanagawa
- Principal businesses  
General construction industry、  
Real estate industry



- Strengthen information network in the Yokohama area
- Expand portfolio of new business, such as a business charged with effective use of land
- Has around 3,000 managed properties ⇒ Strengthen stock business

Strengthen the Yokohama area and expand business charged with effective use of land

## Changes in the management units



### The management units

■ **Total management units**  
(as of the end of September 2014 )

**36,937 units**

■ **Number of built-for-sale properties by other companies out of the total**

**15,296 units (40%)**



Healthy increase also in the number of managed built-for-sale properties by other

Aiming at further increase in the number of managed properties owned by other companies

## Real estate rental business

### Promoting the asset replacement

- Around 1.7 billion yen in rental income from 20 billion yen in assets
- Promoting replacing older properties with new ones

## Real estate rental management business

### Rental management of one's own properties

- Company Name  
Takara Property
- Address  
2-14-4, Ikebukuro, Toshima-ku,  
Tokyo
- Principal businesses  
Real estate rental management business



### Rental management of properties held by other companies

The consolidated subsidiary  
of Nikko kensetsu



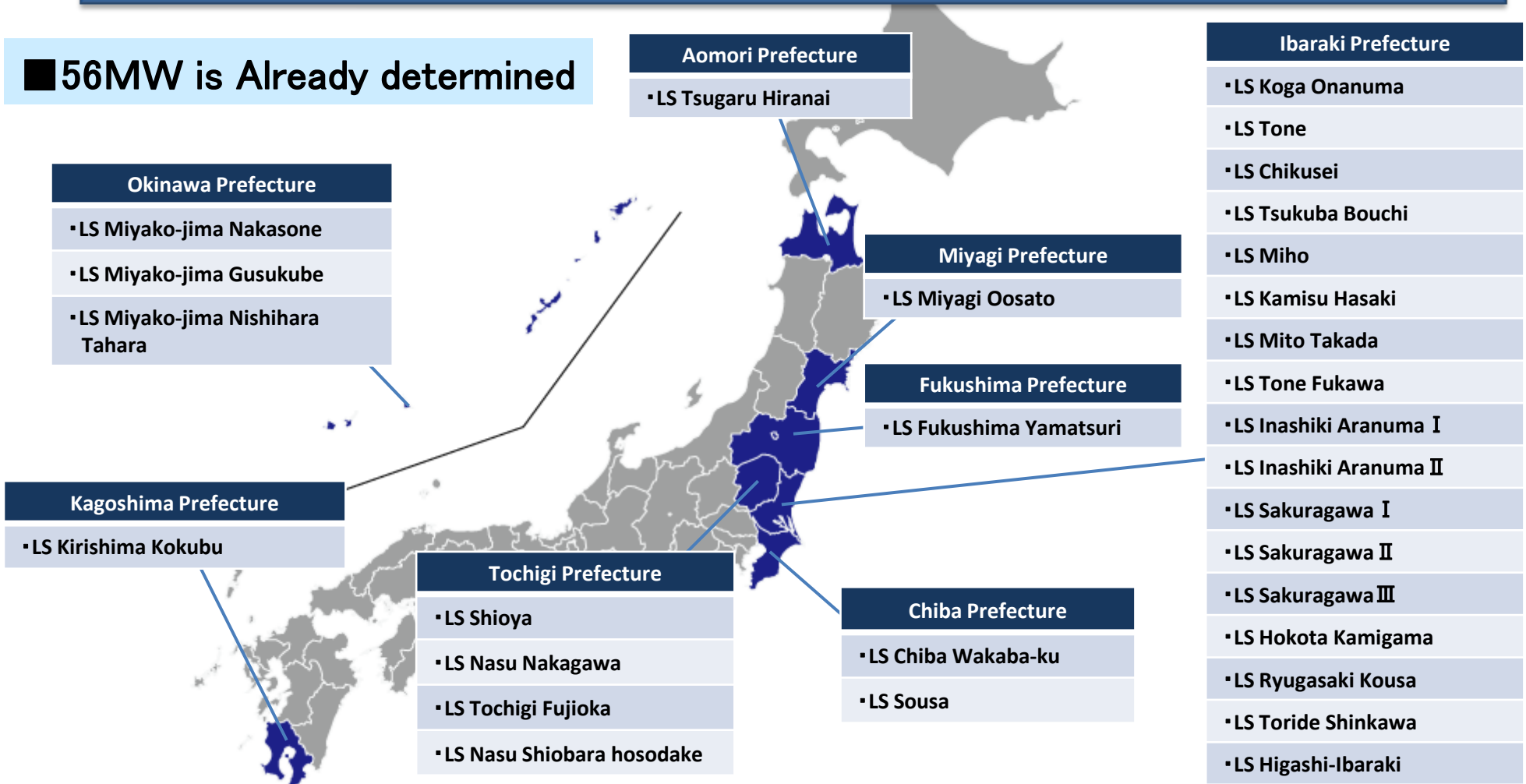
Strengthen management of properties held by  
other companies



# Mega-solar business

Around 10MW in operation mainly in the Kanto area

■ 56MW is Already determined



Targeting 100MW in operation in FY March 2019

## Consolidated subsidiary Takara Leben Realnet

### Company overview

- **Company Name**  
Takara Leben Realnet
- **Address**  
2-6-1, Nishi-Shinjuku, Shinjuku-ku  
Tokyo
- **Principal businesses**  
Real estate distribution business



**Takara Leben Realnet**

- **Strengthen real estate distribution businesses, such as real estate sales, brokerage and management**

**Further strengthening of the real estate distribution business**



Leben THE TSUKUBA

**Major strategies going forward**

# Major strategies going forward ①

## Expand hubs nationwide

- Expand the supply area of condominiums for active seniors to central areas of provincial cities (reinvigorate regions)
- Aiming at supplying 200 units annually per area

【Hokuriku District】  
Hokuriku Office

【Hokkaido District】  
In advance preparation

【Tohoku District】  
Tohoku Office

【Kyusyu・Chugoku District】  
In advance preparation

【Shikoku District】  
In advance preparation

Establish a structure that supplies 1,000 units  
per year in provincial cities

## Newly establish an urban renewal section

- A specialized unit responsible for rebuilding, redevelopment and other similar businesses
- Considering participation in around 20 projects at all times

### Rebuilding business

### Redevelopment business

### Scrap & Build

- Potential rebuilding demand for over 1 million units
- Rebuilding done based on 100% consent  
⇒ Possible with 80% consent

- Basic plan for reinvigorating central areas
- Urban Renewal Act

- Older properties near stations (Buildings, condominiums, etc.)
- The next generation of active seniors

Aiming at stable supply of around 300 units per year

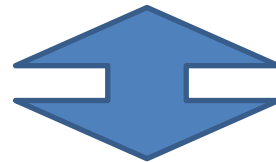
Aiming to get Mega Solar Fund listed in the new infrastructure market

New infrastructure market (to be established in FY2015)



**Planning to  
get listed**

Mega Solar Fund (investment corporation)



**AM  
contract**

Takara Asset Management Co., Ltd.



Strengthen the Group's power by clarifying each company's role



Leben Kohoku Broad Square

## Year Ending March 2015 Dividends, and Financial Result Forecast for The Year



# Year Ending March 2015 Outlook (Consolidated)

(Unit Amount=Million yen )

	Year ended March 31, 2014	Year ending March 31, 2015 (Forecast)	Year ending March 31, 2015 revision to the results forecast	YOY change
Net sales	71,963	77,050	77,150	0.1%
Operating profit	9,798	10,300	10,500	1.9%
Ordinary profit	9,181	9,500	9,700	2.1%
Net income	5,869	5,900	6,000	1.7%

# Cash Dividends, Preferential treatment

	1 <sup>st</sup> half dividends	Year-end dividends	Total
Year ended March 2014	<b>1.5</b> Yen	<b>3.5</b> Yen	<b>5.0</b> Yen
Year ending March 2015 Forecast	<b>2.0</b> Yen	<b>4.0</b> Yen	<b>6.0</b> Yen

	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)

- ◆ 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
- ◆ Status of acquisition (Total number of shares acquired as at the end of October) :  
1,197,300 shares / 428,448,00 yen

## Enquiries Relating to These Materials

Corporate Planning Division  
Management Planning Section



**Takara Leben**

E-mail : [irinfor@leben.co.jp](mailto:irinfor@leben.co.jp)

These materials were prepared to provide information regarding business performance for the six months ended September 30, 2014 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, 2014. 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.