

**Earnings Results Briefing  
for the Six Months Ended  
September 30, 2015**

**November 6, 2015**

**Takara Leben Co.,Ltd.**



Summary for The Six months Ended September 30, 2015	.....	P 2
Metropolitan area condominium market trends	.....	P 6
Progress in the business during the first half of the 44 <sup>th</sup> term	.....	P 8
Topics for The Six months Ended September 30, 2015 & Strategies going forward	.....	P 17
Year Ending March 2016 Dividends, and Financial Result Forecast for The Year	.....	P 21

# History

<b>1972</b>	Established Takara Komuten Co.,Ltd. (the present Takara Leben) Launched sales of detached houses	<b>2011</b>	40th anniversary of the founding
<b>1982</b>	Launched real estate leasing business	<b>2012</b>	Introduced New Condominium Brand  Introduced Corporate character  Established Yokohama branch
<b>1988</b>	Established Takara Management Co.,Ltd. (the present Leben Community) Launched real estate management business		Made Takara Housing Co.,Ltd. (the present Takara Property Co.,Ltd.) its subsidiary Rental business management operations
<b>1994</b>	Launched sales of condominiums "Leben Heim"	<b>2013</b>	Entry to mega-solar business  Established Takara Asset Management Co.,Ltd. Launched investment management business Esstablished Takara Investments Co.,Ltd. Launched real estate investment business
<b>2000</b>	Changed company name to "Takara Leben Co.,Ltd."		Made Sunwood Corporation it's associated company accounted for by the equity method
<b>2001</b>	Launched financial brokering business Established Tafuko Co.,Ltd.	<b>2014</b>	Established Hokuriku Office Established Tohoku Office
<b>2003</b>	Listed on the second section of the Tokyo Stock Exchange		Made Oasis Co.,Ltd.(the present Takara Leben Realnet) its subsidiary
<b>2004</b>	Listed on the first section of the Tokyo Stock Exchange  Established AS Partners Co.,Ltd. Launched nursing care businesses for seniors		Made Nikko kensetsu Co.,Ltd. its subsidiary
<b>2008</b>	Made Marunouchi Servicer Co.,Ltd. its subsidiary  Released new corporate logo	<b>2015</b>	Made Livenet home Co.,Ltd.(the present Takara Leben Tohoku) its subsidiary Made Jutakujoyouhoukan Co.,Ltd. its subsidiary
<b>2010</b>	Launched detached housing business (buidt by Takara Leben)		



Leben Kotesashi REVOLVE

# Summary for The Six months Ended September 30, 2015

# Consolidated Income Statements

(Unit Amount=Million yen )

	Six months ended September 30, 2014	Six months ended September 30, 2015	YOY change ( % )
Net sales	18,784	26,536	41.3%
Operating profit	719	1,812	152.1%
Ordinary profit	243	1,461	499.6%
Net income	165	875	427.4%

# Segment Information 【 Net Sales 】

(Unit Amount=Million yen )

	Six months ended September 30, 2014	Ratio (%)	Six months ended September 30, 2015	Ratio (%)
Real estate sales business	15,431	82.1%	20,541	77.4%
Real estate rental business	896	4.8%	2,107	7.9%
Real estate management business	1,449	7.7%	1,660	6.3%
Other businesses	1,007 (selling electric power in the mega-solar: 163)	5.4%	2,226 (selling electric power in the mega-solar: 429)	8.4%
Total	18,784	100%	26,536	100%

# Consolidated Balance Sheets

(Unit Amount=Million yen )

	Year ended March 2014	Six months ended September 30, 2015	YOY change ( % )
<b>Current assets</b>	<b>67,319</b>	<b>68,776</b>	<b>2.2%</b>
Cash and cash equivalents	26,281	21,222	△19.2%
Inventories	35,345	42,121	19.2%
Real estate held for sale	4,901	3,710	△24.3%
Real estate for sale under construction	30,444	38,411	26.2%
<b>Fixed assets</b>	<b>34,400</b>	<b>41,770</b>	<b>21.4%</b>
<b>Total assets</b>	<b>101,738</b>	<b>110,579</b>	<b>8.7%</b>
<b>Current liabilities</b>	<b>34,800</b>	<b>35,330</b>	<b>1.5%</b>
Notes and accounts payable, trade	10,023	6,249	△37.7%
Debts (short-term borrowings, long-term debt within one year)	15,120	20,850	37.9%
<b>Fixed liabilities</b>	<b>35,748</b>	<b>44,514</b>	<b>24.5%</b>
Long-term borrowings	33,235	41,722	25.5%
<b>Total liabilities</b>	<b>70,549</b>	<b>79,845</b>	<b>13.2%</b>
<b>Net assets</b>	<b>31,189</b>	<b>30,734</b>	<b>△1.5%</b>
Capital	4,819	4,819	—
Other shareholder equity	26,369	25,914	△1.7%
<b>Total liabilities and net assets</b>	<b>101,738</b>	<b>110,579</b>	<b>8.7%</b>



Leben Moriya THE BRIDGE

# Metropolitan area condominium market trends



## Inner city condominium market trends

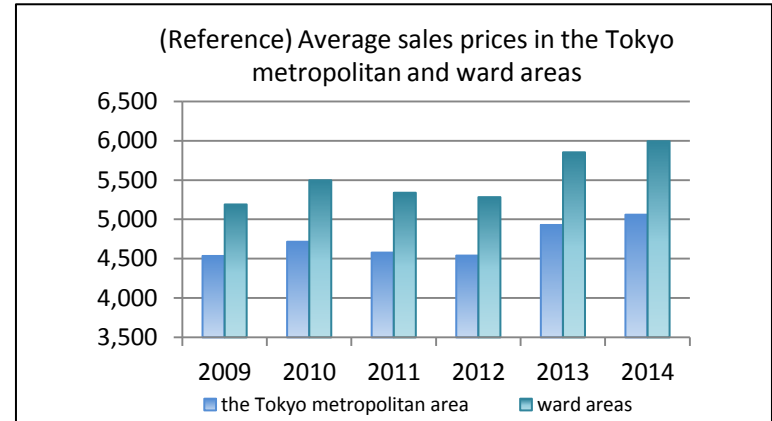
### ■ Background

- Elected to host the 2020 Tokyo Olympics and Paralympics
- The expectations for it to escape deflation by abenomics

**Sales prices rising**

Exodus of first-time buyers from the metropolitan area to the suburbs

(Unit Amount=10 thousand yen)



(Source: Condominium Market Trends by Real Estate Economic Institute Co., Ltd)

## Metropolitan area suburbs condominium market trends

- ### ■ Background
- Decline in the number of developers and supplied units after the Lehman Shock

The market environment remained sound as a sustained demand for condominiums continued to be strong.

[Types of existing suppliers of built-for-sale suburban condominiums]

- (i) Suppliers that emphasize proximity to stations and convenience
- (ii) Suppliers that emphasize locations within 10 minutes of the nearest station and in a good housing environment
- (iii) Suppliers that emphasize prices (supply at low prices) irrespective of the distance from the nearest station

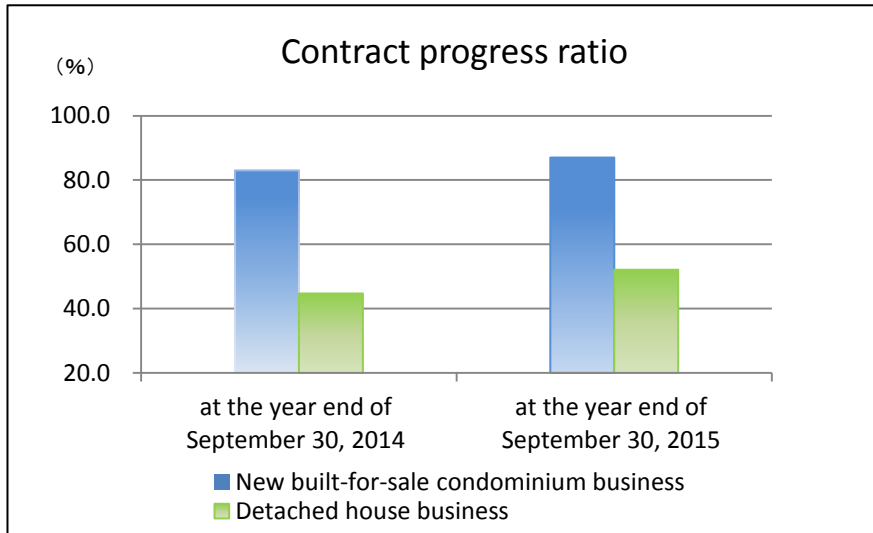
Supply of properties with high specifications in good locations = Differentiation from competitors ⇒ Solid progress in contracts signed



LEBEN THE TSUKUBA

Progress in the business during the first half of  
the 44<sup>th</sup> term

## Contract Progress



### ■ Contract progress ratio

#### ◆ at the year end of September 30, 2015

- New built-for-sale condominium business  
⇒ **86%** (Previous fiscal year 83%)
- Detached house business  
⇒ **52%** (Previous fiscal year 45%)

Solid trend of contracts signed continued from the previous period

## Delivery Results

### ■ Delivery progress ratio

#### ◆ New built-for-sale condominium business

- at the year end of September 30, 2014  
⇒ 22%
- at the year end of September 30, 2015  
⇒ **27%**

#### ◆ Detached house business

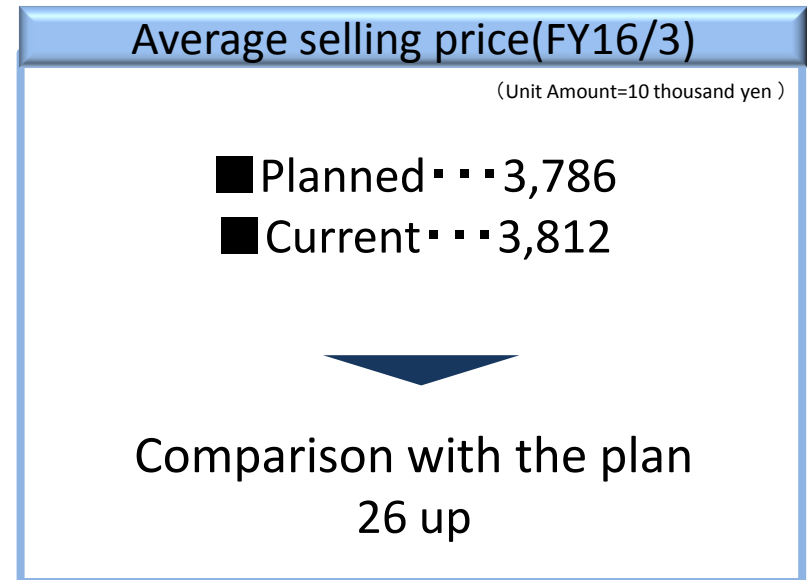
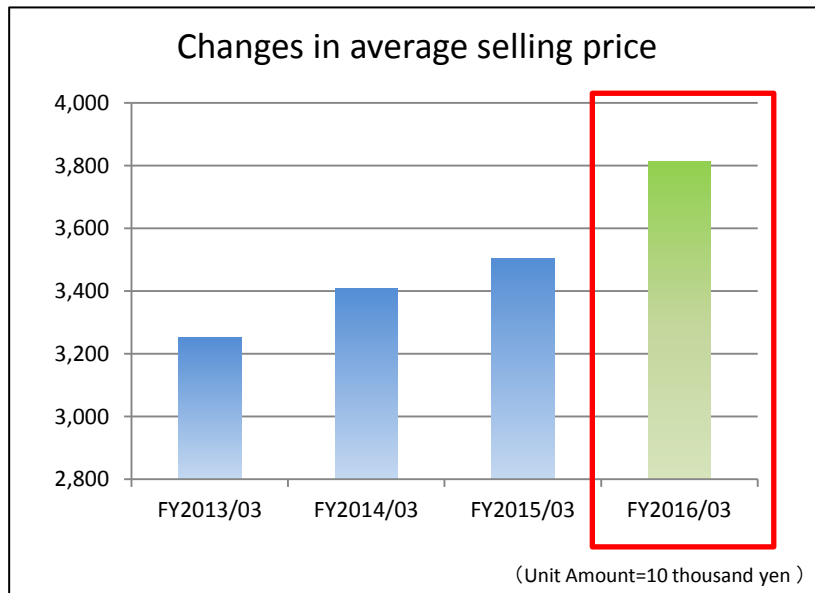
- at the year end of September 30, 2014  
⇒ 21%
- at the year end of September 30, 2015  
⇒ **33%**

Same level of deliveries as the previous period, indicating that a concentration of deliveries is expected to occur in the fourth quarter

# New built-for-sale condominium business in the metropolitan area

## Trends in Sales Prices ( New built-for-sale condominium )

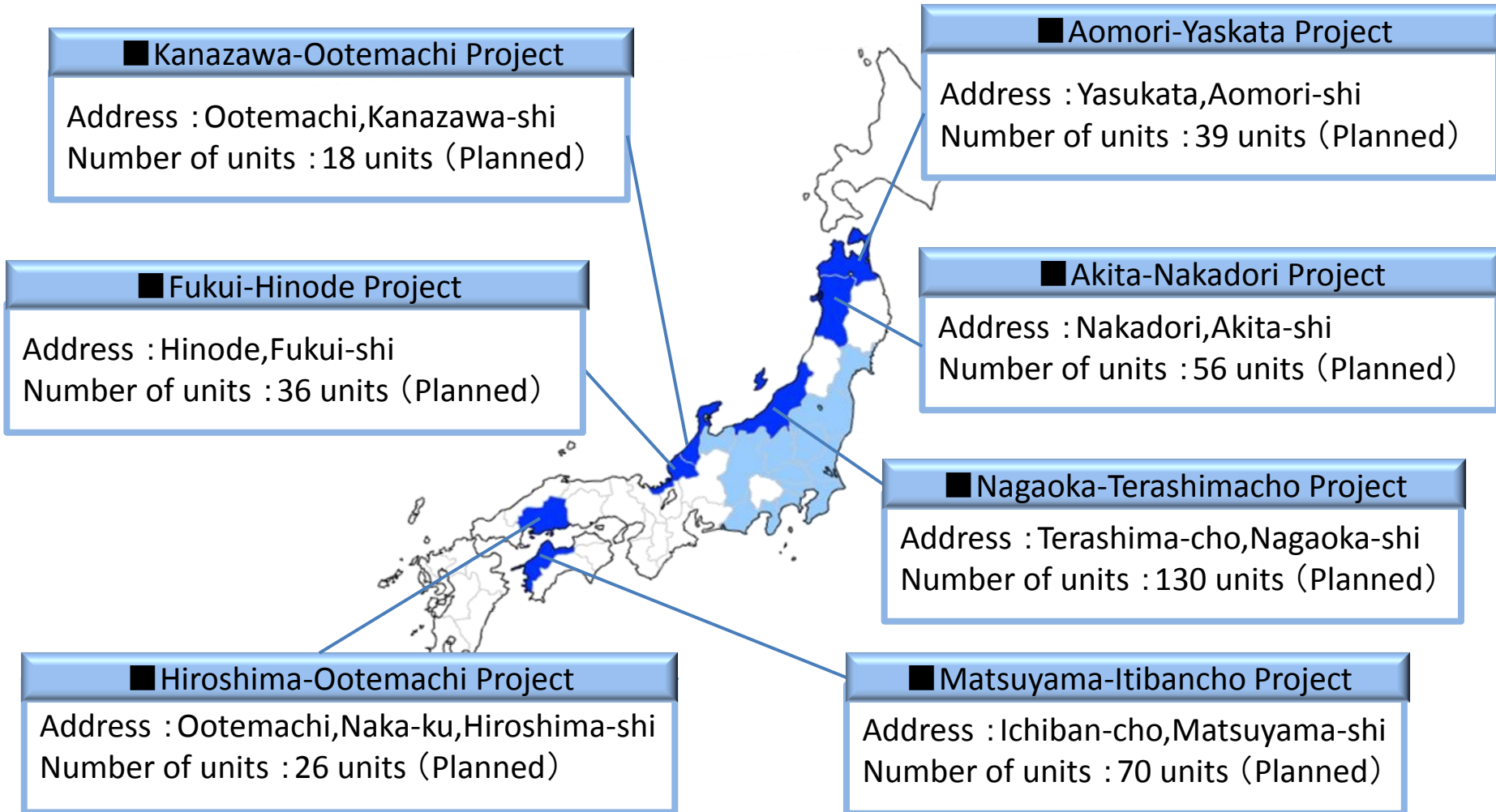
- Rise in the exodus of first-time buyers to the suburbs due to the increase in prices in the metropolitan area
- Gap between property prices in areas near suburban stations and the prices of expensive properties offered by the Zaibatsu conglomerates



**Aim to sell at the highest possible prices within a reasonable pricing range based on the deliberate analysis of market trends**

# Local city strategy (1)

## Project of the area to advance newly



Steady expansion of areas toward the establishment of a system capable of managing 1,000 units per year in regional cities.

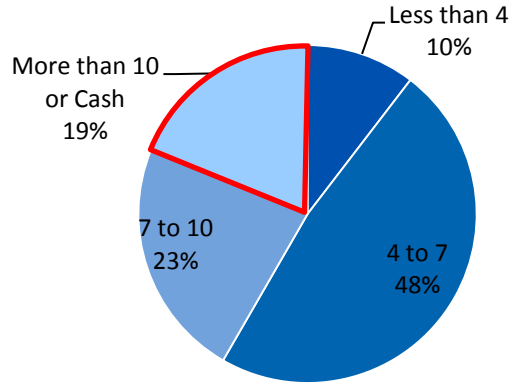
# Local city strategy (2)

## Comparison of customer attributes ~ Metropolitan area vs Local city ~

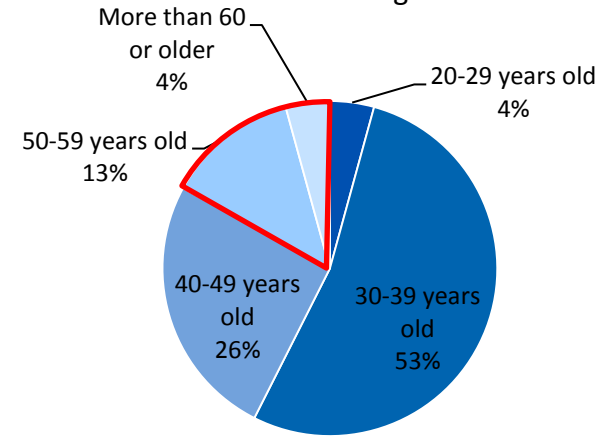
LEBEN Gotanno LUNA TOWER



LEBEN Gotanno LUNA TOWER  
an annual income



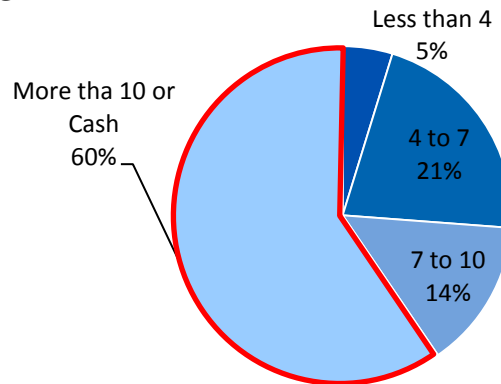
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contractor age



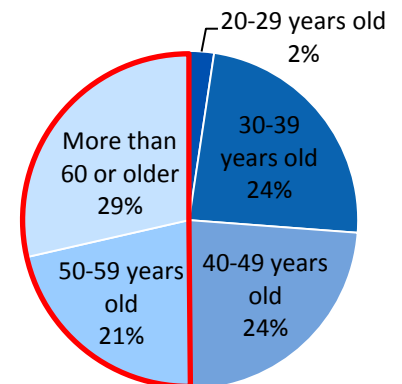
LEBEN ToyamaSogawa Residence



LEBEN Toyama Sogawa Residence  
an annual income



LEBEN Toyama Sogawa Residence  
contractor age



(Unit Amount=10 thousand yen )

Active seniors are the main target for properties in local cities



## Start of new sales – Properties in regional areas

### ■ LEBEN Koriyama PRINCIPAL TOWER

Address : 33-1, Tsutsumishita-machi,  
Koriyama-shi, Fukushima

Access : 14-minutes walk from Koriyama  
Station on JR Tohoku Main Line

Number of units : 71 units



### ■ LEBEN Toyama VALEST TOWER

Address : 134, Ushijima-cho, Toyama-shi, Toyama

Access : 3-minutes walk from Toyama Station  
on JR Hokuriku Shinkansen

Number of units : 119 units



### ■ LEBEN Nagano-Minamichitose

Address : 2-2-1, Minamichitose, Nagano-shi,  
Nagano

Access : 7-minutes walk from Nagano Station  
on JR Hokuriku Shinkansen and  
JR Shinetsu Main Line

Number of units : 42 units



### ■ LEBEN Mito THE PREMIERE

Address : 2-5, Minami-machi, Mito-shi, Ibaraki

Access : 8-minutes walk from Mito Station  
on JR Joban Line

Number of units : 158 units



Solid progress in contracts signed for respective properties

## Older properties near stations in the Tokyo metropolitan area

- Itabashi-ku Project ... 1-minute walk from Shin-itabashi Station on Toei Mita Line.
- Monzennakacho Project ... 1-minute walk from Monzennakacho Station on Tokyo-metro Tozai Line.
- Asakusa Project ... 7-minutes walk from Asakusa Station on Tsukuba-express Line.
- Sagamihara Project ... 4-minutes walk from OdakyuSagamihara Station on OdakyuOdawara Line.
- Togoshi Project ... 3-minutes walk from Togoshi Koen Station on Tokyu Oi Line.
- Yoga Project ... 1-minute walk from Yoga Station on Tokyu Denentoshi Line.

⇒Scrap and build within a few years

**Transition to rental business (offices, condominiums, etc.) or  
built-for-sale condominium business**

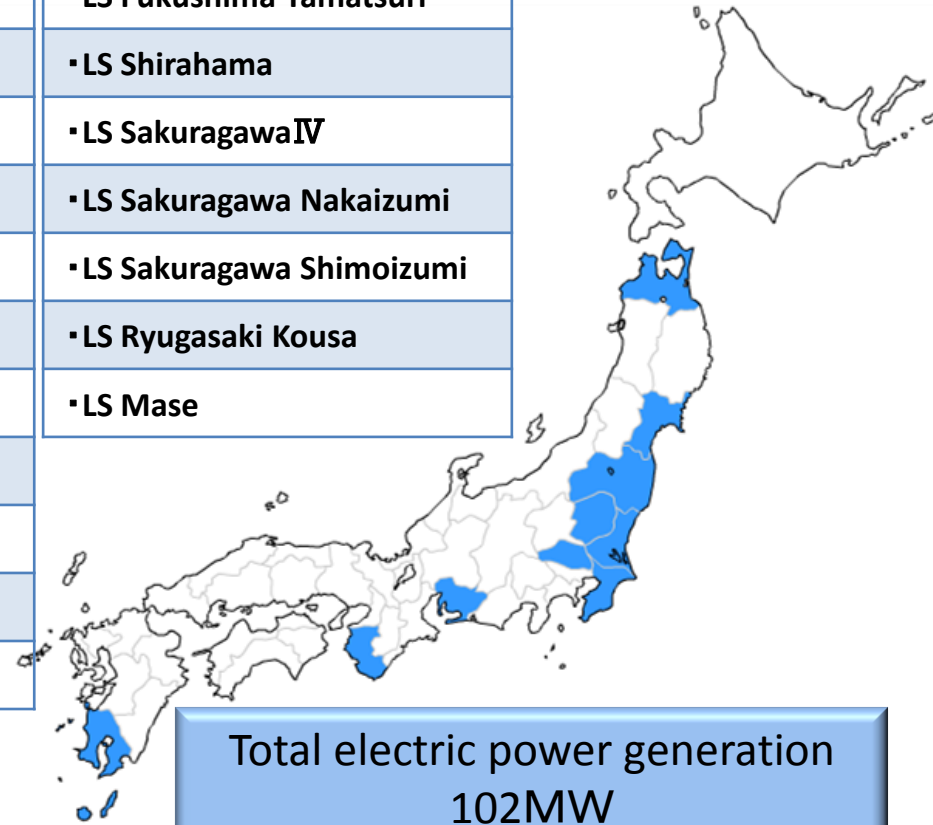


# Mega-solar power business

## Mega-solar power generation facilities

▪ LS Shioya	▪ LS Tone Fukawa	▪ LS Hokota Kamigama
▪ LS Koga Onanuma	▪ LS Miyakojima Gusukube	▪ LS Fukushima Yamatsuri
▪ LS Tone	▪ LS Inashiki Aranuma I	▪ LS Shirahama
▪ LS Chikusei	▪ LS Inashiki Aranuma II	▪ LS Sakuragawa IV
▪ LS Chiba Wakabaku	▪ LS Kamisu Hasaki	▪ LS Sakuragawa Nakaizumi
▪ LS Tsukuba Bouchi	▪ LS Nasu Nakagawa	▪ LS Sakuragawa Shimoizumi
▪ LS Miho	▪ LS Fujioka	▪ LS Ryugasaki Kousa
▪ LS Kirishima Kokubu	▪ LS Sakuragawa I	▪ LS Mase
▪ LS Sousa	▪ LS Sakuragawa II	
▪ LS Mito Takada	▪ LS Sakuragawa III	
▪ LS Miyagi Oosato	▪ LS Hannou Misugidai	
▪ LS Aomori Tsugaru Hirauchi	▪ LS Aichi Toyohashi	

※LS=Leben Solar



Approximately 18MW is in operation, with the total electric power generation expected to be 102MW. Steady progress toward the generation of 130MW

## Procured properties to be posted as revenue for this term

### ■ Sendai-Nikko building

Address : Chuo,Aoba-ku,Sendai-shi,Miyagi

Access : 6-minutes walk from Sendai Station  
on JR Tohoku Shinkansen.

1-minute walk from Sendai Station  
on Subway Nanboku Line.

### ■ Joyful Kouenzi

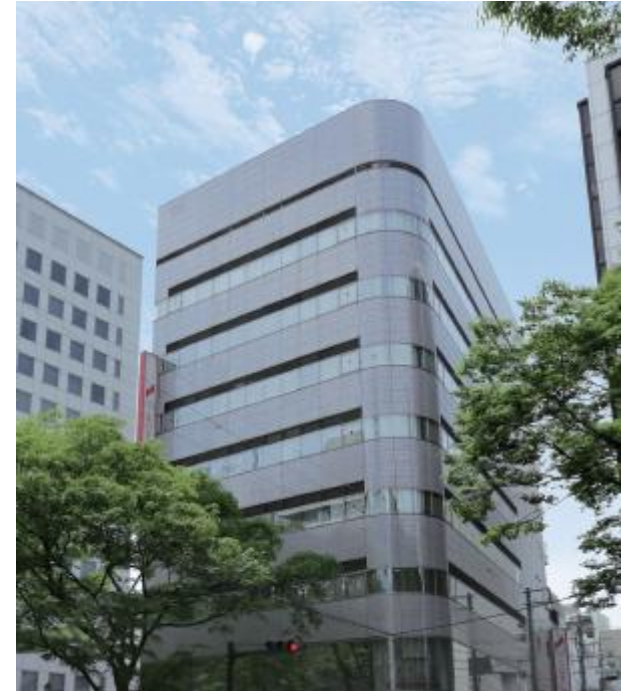
Address : Koenzi,Suginami-ku,Tokyo

Access : 5-minutes walk from Kouenzi Station  
on Chuo Line.

### ■ President city building

Address : Izumichuo,Sendai-shi,Miyagi

Access : 5-minutes walk from Izumichuo Station on Subway Nanboku Line.



Sendai Nikko building

Steady progress toward the achieving the goals of the plans



LEBEN Sendai SILVISTA

Topics for The Six months Ended September 30, 2015

Strategies going forward

## Establishment of infrastructure investment corporation

### Asset management company

- Company Name  
Takara Asset Management Co.,LTD.
- Address  
1-5-1,Ootemachi,Chiyoda-ku,Tokyo
- Established  
October 2013

### Infrastructure investment corporation

- Company Name  
Takara Leben Infrastructure  
Investment Company
- Address  
1-5-1,Ootemachi,Chiyoda-ku,Tokyo
- Established  
August 2015

## Effects of listing

- Enhancement of stock businesses
- Social contribution through the utilization of natural energy

Preparations are progressing steadily for listing at the earliest opportunity

## Main Measures & Segment Goals of Mid-term management plan

### Diversifying flow businesses

New built-for-sale  
condominium business

Redevelopment &  
Rebuilding Business

Detached house business

Units sales per year  
2,020units

(Previous Mid-term management plan)

Units sales per year  
2,700units

Condominium 2,200units  
Detached house 500units

(FY2019/3)

### Expanding stock and fee-based business

Mega-solar power business

Real estate management business

Real estate rental  
and management business

Real estate rental business

Real estate  
distribution business

Electric power generation  
16MW

The management units  
38,700units

The management units  
4,500units

Annual sales  
2.9billion

Annual sales  
0.4billion

(FY2015/3)

Electric power generation  
130MW

The management units  
50,000units

The management units  
6,200units

Annual sales  
6.0billion

Annual sales  
1.0billion

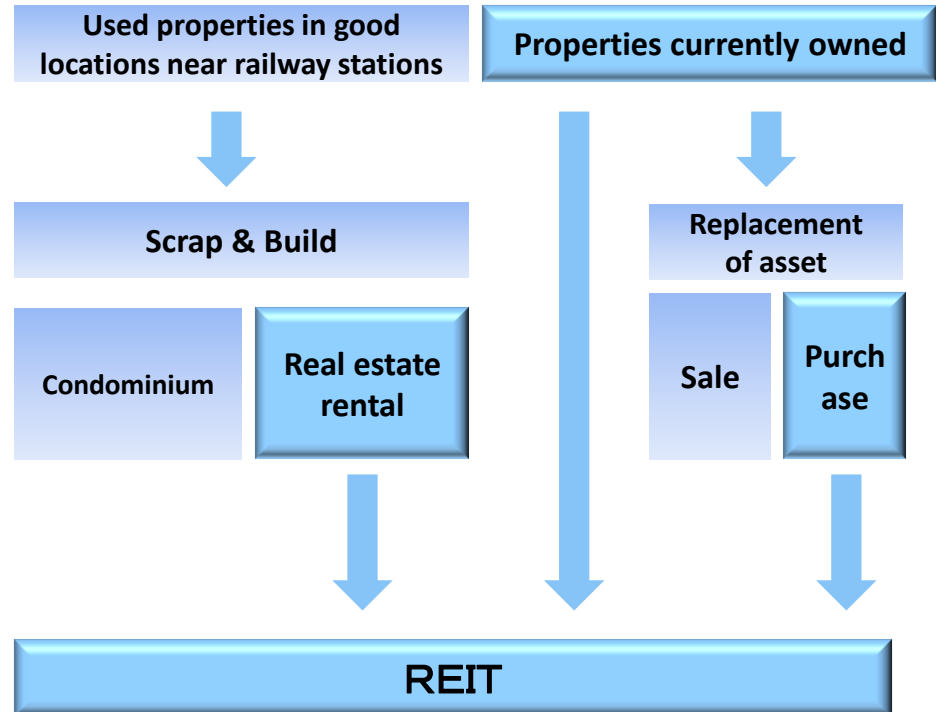
(FY2019/3)

## Entry into the REIT market

### Company overview

- Company Name  
Takara Investments Co.,LTD
- Address  
2-6-1,Nishi-shinjuku,Shinjuku-ku,  
Tokyo
- Established  
October 2013
- Principal businesses  
Real estate investment business

### Future business development



Takara Investment Co., LTD began operation, aiming to be listed as a REIT in 2017





Leben Kenkyugakuen NEXIO

## Year Ending March 2016 Dividends, and Financial Result Forecast for The Year

# Year Ending March 2016 Outlook (Consolidated)

(Unit Amount=Million yen )

	Year ended March 31, 2015	Year ending March 31, 2016 (Forecast)	YOY change
<b>Units sold</b> (New built-for-sale condominium+detached house)	<b>1,905</b>	<b>1,686</b>	<b>△9.8%</b>
<b>Net sales</b> (¥million)	<b>76,956</b>	<b>93,800</b>	<b>21.9%</b>
<b>Operating profit</b> (¥million)	<b>9,257</b>	<b>13,350</b>	<b>44.2%</b>
<b>Ordinary profit</b> (¥million)	<b>8,540</b>	<b>12,400</b>	<b>45.2%</b>
<b>Net income</b> (¥million)	<b>5,718</b>	<b>8,150</b>	<b>42.5%</b>



# Cash Dividends, Preferential treatment

	1 <sup>st</sup> half dividends	Year-end dividends	Total
Year ended March 2015	<b>2.0</b> Yen	<b>4.0</b> Yen	<b>6.0</b> Yen
Year ending March 2016 Forecast	<b>4.0</b> Yen	<b>6.0</b> Yen	<b>10.0</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 : 2,000,000 shares(Upper limit)  
Ratio to total number of outstanding shares (Excluding treasury stock) 1.79%
- ◆ Total acquisition value : 1,500,000,000 yen(Upper limit)
- ◆ Acquisition period : From May 12,2015 to March 31,2016
- ◆ Acquisition method : Open market repurchase on the Tokyo Stock Exchange
- ◆ Status of acquisition (Total number of shares acquired as at the end of October) :  
1,531,000 shares / 970,552,700 yen

## Enquiries Relating to These Materials

Corporate Planning Division  
Management Planning Section



**Takara Leben**

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