

**Earnings Results Briefing
For the Year Ended
March 31, 2016**

May 13, 2016

Takara Leben Co., Ltd.



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Company Profile



LEBEN Gotanno Luna Tower

Company name : Takara Leben CO.,LTD.

Head office's location : Shinjuku-Sumitomo bldg. 26F 2-6-1, Nishi-shinjuku, Shinjuku-ku, Tokyo, Japan

Representative: Kazuichi Shimada, President

Capitalization : 4,819 million yen (As of March 31,2016)

Established : September 21, 1972

Number of Employees : 284 (As of March 31,2016)

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 AS Partners Co.,Ltd.
Launched nursing care businesses for seniors

2008

Made Marunouchi Servicer Co.,Ltd.
its subsidiary

Released new corporate logo

2010

Launched detached housing business (buidt by Takara Leben)

2011

40th anniversary of the founding

2012

Introduced New Condominium Brand

Established Yokohama branch

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

2013

Entry to mega-solar business
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

2014

Established Hokuriku Office
Established Tohoku Office

Made Oasis Co.,Ltd.(the present Takara Leben Realnet) its subsidiary

2015

Made Nikko kensetsu Co.,Ltd. its subsidiary

Made Livenet home Co.,Ltd.(the present Takara Leben Tohoku) its subsidiary

Made Jutakujoyouhoukan Co.,Ltd. its subsidiary

2016

Made Nikko property Co., Ltd. its subsidiary

Changed company name from Nikko kensetsu Co., Ltd. to "Nikko Takara Co., Ltd."



LEBEN Kotesashi Revolve

Year Ended March 31, 2016 Summary

Consolidated Income Statements

(Unit Amount=Million yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | YOY change |
|------------------|------------------------------|------------------------------|---------------|
| Net sales | 76,956 | 76,268 | △0.9% |
| Operating profit | 9,257 | 7,563 | △18.3% |
| Ordinary profit | 8,540 | 6,708 | △21.4% |
| Net income | 5,718 | 4,308 | △24.7% |

Consolidated Income Statements

(Unit Amount=Million yen)

| | Revisions to earnings estimates (January 25, 2016) | Year ended March 31, 2016 | Difference |
|------------------|-------------------------------------------------------|------------------------------|------------|
| Net sales | 75,200 | 76,268 | 1,068 |
| Operating profit | 7,350 | 7,563 | 213 |
| Ordinary profit | 6,340 | 6,708 | 368 |
| Net income | 4,000 | 4,308 | 308 |

Segment Information 【 Net Sales 】

(Unit Amount=Million yen)

| | Year ended March 31, 2015 | Year ended March 31, 2016 | YOY change |
|---------------------------------------|------------------------------|------------------------------|------------|
| Real estate sales business | 66,907 | 63,383 | △5.3% |
| Real estate rental business | 2,898 | 4,307 | 48.6% |
| Real estate management business | 2,978 | 3,362 | 12.9% |
| Other businesses | 4,172 | 5,215 | 25.0% |

Consolidated Balance Sheets

| | Year ended March 31, 2015 | Year ended March 31, 2016 | YOY change |
|---------------------------------------------------------------|------------------------------|------------------------------|------------|
| Current assets | 67,319 | 75,753 | 12.5% |
| Cash and cash equivalents | 26,281 | 28,515 | 8.5% |
| Inventories | 35,345 | 40,208 | 13.8% |
| Real estate held for sale | 4,901 | 4,073 | △16.9% |
| Real estate for sale under construction | 30,444 | 36,134 | 18.7% |
| Fixed assets | 34,400 | 53,945 | 56.8% |
| Total assets | 101,738 | 129,744 | 27.5% |
| Current liabilities | 34,800 | 42,859 | 23.2% |
| Notes and accounts payable, trade | 10,023 | 12,037 | 20.1% |
| Debts (short-term borrowings, long-term debt within one year) | 15,120 | 19,823 | 31.1% |
| Fixed liabilities | 35,748 | 53,207 | 48.8% |
| Long-term borrowings | 33,235 | 50,147 | 50.9% |
| Total liabilities | 70,549 | 96,066 | 36.2% |
| Net assets | 31,189 | 33,677 | 8.0% |
| Capital | 4,819 | 4,819 | — |
| Other shareholder equity | 26,369 | 28,857 | 9.4% |
| Total liabilities and net assets | 101,738 | 129,744 | 27.5% |

(Unit Amount
=Million yen)

Details of Increase in Borrowings

Factors contributing to increase

Cash flows
from investing activities

△19,861 million

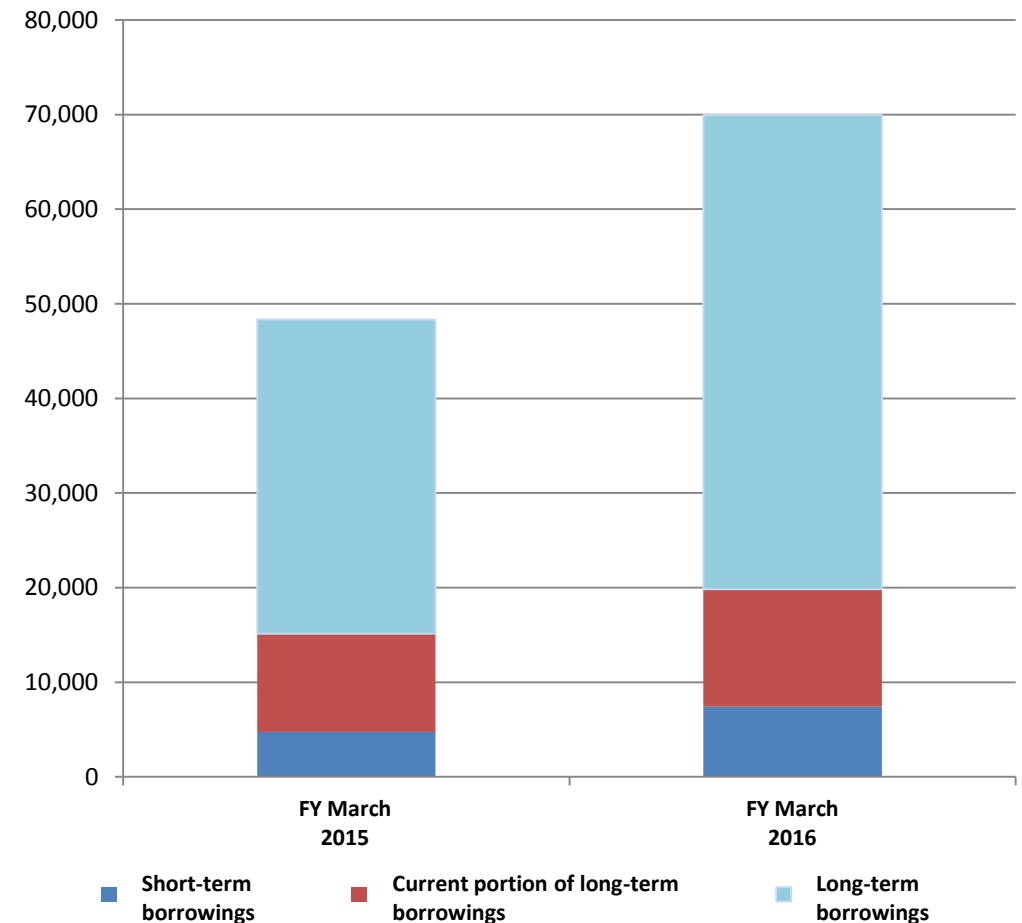
Cash flows
from financing activities

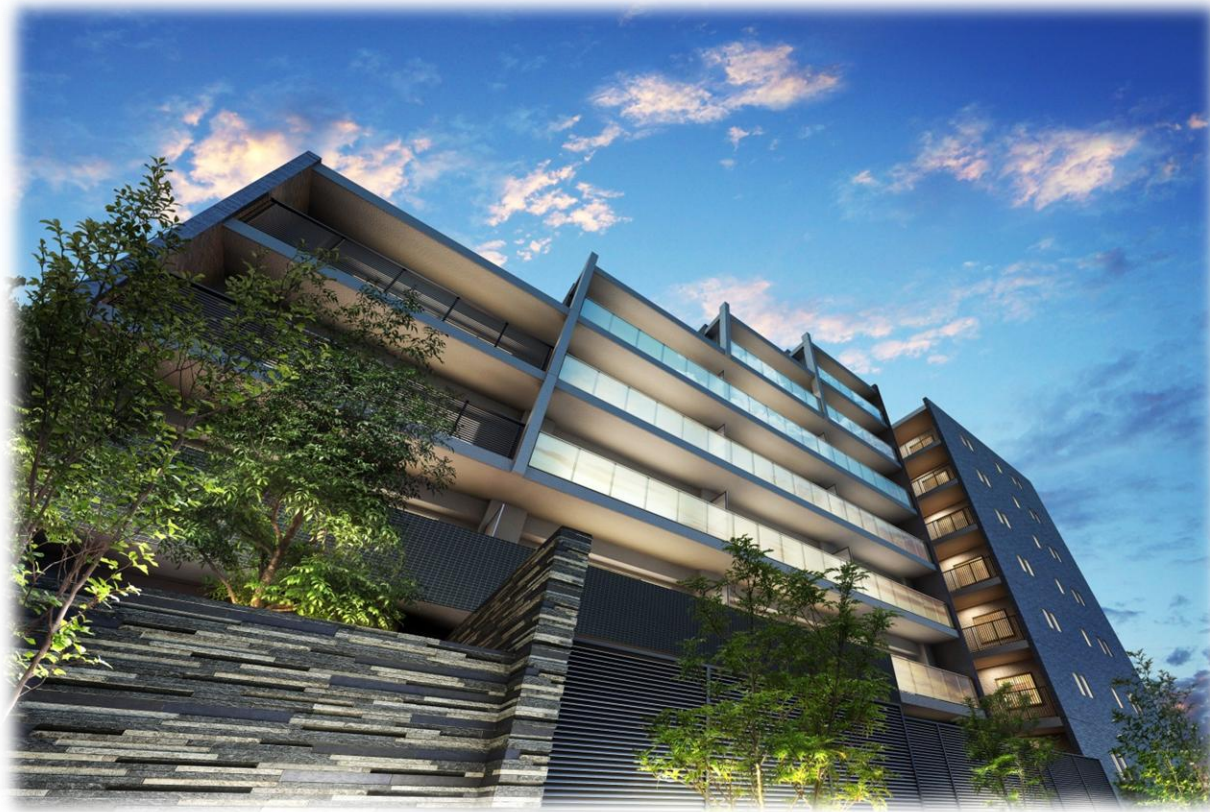
19,663 million

Purchase of
non-current assets

19,558 million up

(Unit Amount=Million yen) **Comparison of borrowings**





LEBEN Urawamisono Bauklasse

Year Ending March 2016 Topics

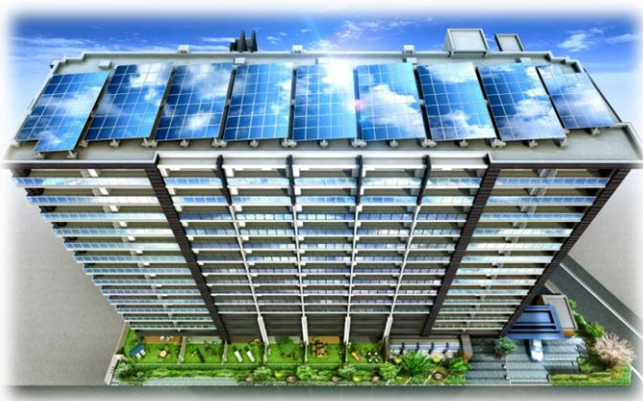
Unit-based Solar-powered Condominium Supply Ranking

Nationwide **Ranked 1st**※

※Unit-based Solar-powered Condominium Supply Ranking(available in each individual home unit)
※Source: Real Estate Economic Institute Co., Ltd.

The supply number of condominium units
in 2015 (annual)

657 units



LEBEN Yachiyo Midorigaoka Luce
(Completed in February, 2016)

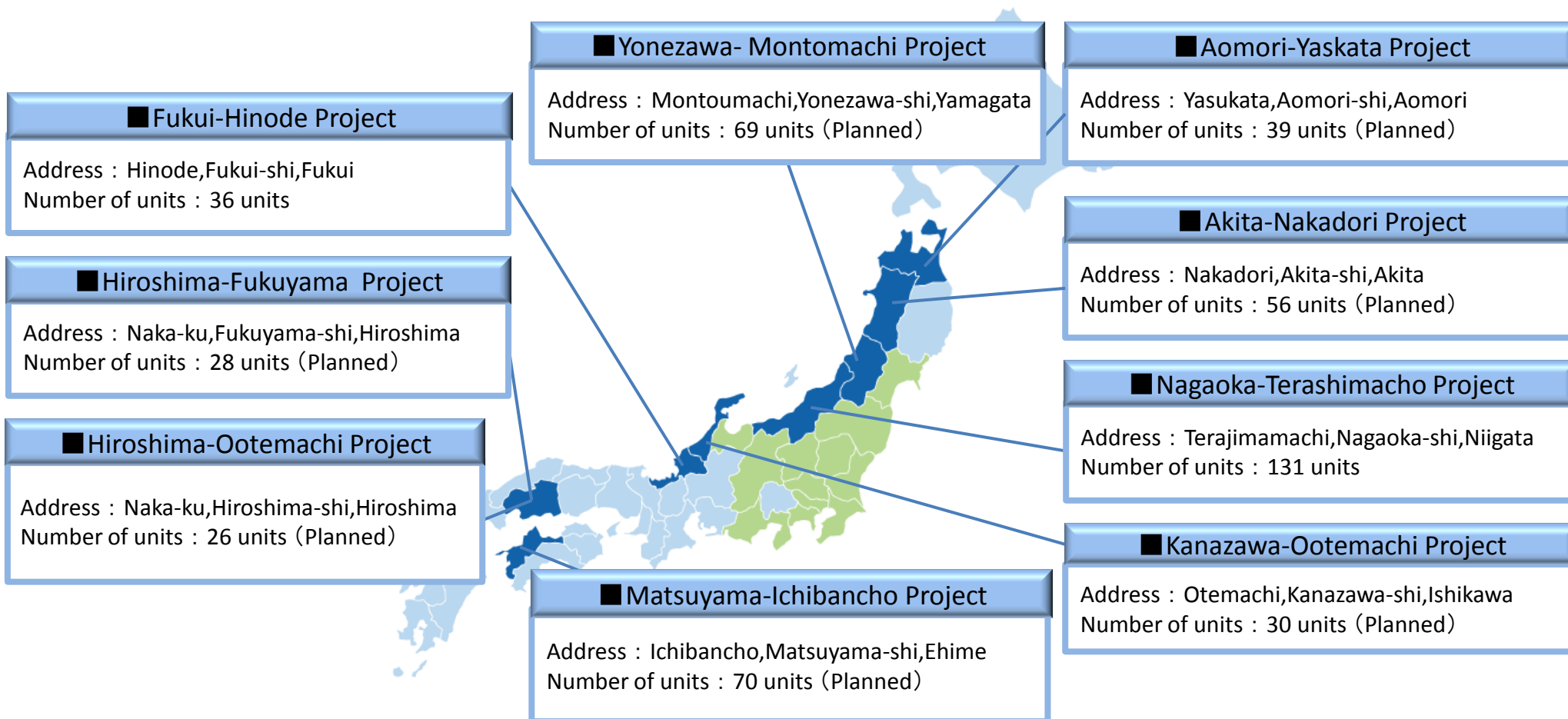
The supply number of condominium units
in 2015 (total)

4,367 units



LEBEN Moriya The Bridge
(Completed in March, 2016)

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.

Start of new sales – Properties in regional areas

■ LEBEN Koriyama Principal Tower

Sold out



Completion scheduled
in March 2017

■ LEBEN Nagano Minamichitose

Sold out



Completion scheduled
in January 2017

■ LEBEN Sendai Silvista

Sold out



Completion scheduled
in December 2016

■ LEBEN Fukui Levista

Address : 2-1202-2, Hinode, Fukui-shi, Fukui
Access : 5-minutes walk from Fukui Station
on JR Hokuriku Main Line
Number of units : 36 units



Completion scheduled
in February 2017

■ 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



Completion scheduled
in March 2017

■ LEBEN Nagaoka Terajimamachi Verticalier

Address : 308-11, Terajimamachi, Nagaoka-shi, Niigata
Access : 13-minutes bus from Nagaoka Station
and 6-minutes walk
Number of units : 131 units



Completion scheduled
in March 2017

Solid progress in contracts signed for respective properties

Construction on Mega-solar at Former Golf Course

~ Japan's first extra high voltage mega-solar power plant using small inverters ~

【Completion figure】



LEBEN SOLAR NASUNAKAGAWA (started of operation on March,2016)

- 【Address】 Minowa, Nakagawa,
Tochigi Prefecture, Japan
- 【Site Size】 400,000m²
- 【 Installed number of solar panel】
120,000 units (165W/per)
- 【Power generation】 19.8MW

Power generation now in operation (As of March 31,2016)

53.1MW

With the goal of listing on market for investments

Asset operational company

- **Company name**
Takara Asset Management Co.,Ltd
- **Location of head office**
1-5-1,Oote-machi,Chiyoda-ku,Tokyo
- **Date of establishment**
October,2013

Infrastructure investment corporation

- **Company name**
Takara Leben Infrastructure Fund, Inc.
- **Location of head office**
1-5-1,Oote-machi,Chiyoda-ku,Tokyo
- **Date of establishment**
August,2015

Proactive purchase and development of profitable properties

■ Matsuyama Hotel plan

Address : Minamimachi,Mito-shi,Ibaraki

■ Nagoya-Toukaidori building

Address : Toukaidori,Minato-ku,Nagoya-shi,Aichi

■ Hakozaki-Yusen building

Address : Okaido,Matsuyama-shi,Ehime

■ FURUNESUSAYAMA(Ayase)

Address : Ayase,Adachi-ku,Tokyo



Nagoya-Toukaidori building



Matsuyama Hotel plan



Hakozaki-Yusen building

Aim to participate in REIT

Groupwide promotion of the acquisition of profitable properties

**New property purchase, About 12 billion yen
(Takara Leben Group)**

Takara Leben Tohoku Co.,Ltd

- Sendai-Nikko building
- President city building
- Sunvario saikon



Sendai-Nikko building



Sunvario saikon



Prestige AC



Casa-Grande Tsukiyama

Jyutaku -jyouhoukan Co.,Ltd

- Prestige AC
- Casa-Grande Riverside
- Casa-Grande Tsukiyama

Aim to participate in REIT



LEBEN Kitakoiwa Discovery

Year Ending March 2017 Outlook

Year Ending March 2017 Outlook (Consolidated)

| | Year ended March 31, 2016 | Year ending March 31, 2017 (Forecast) | YOY change |
|--------------------------------------------------------------------------|------------------------------|---------------------------------------------|---------------|
| Units sold (New built-for-sale condominium +detached house) | 1,642 | 1,888 | 15.0% |
| Net sales (¥million) | 76,268 | 105,000 | 37.7% |
| Operating profit (¥million) | 7,563 | 15,000 | 98.3% |
| Ordinary profit (¥million) | 6,708 | 13,900 | 107.2% |
| Net income (¥million) | 4,308 | 9,000 | 108.9% |



LEBEN Kawasaki Suzukicho Gran'nex

Plans of FY March 2017

Overview of Strategies of Mid-term management plan

Maximize the Group's strengths

Strategy for local cities

Redevelopment & Rebuilding business

Detached house business

Business charged with effective use of land

Diversifying flow businesses

Mega-solar business

Real estate rental business

Real estate management business

Real estate distribution business

Expanding stock and fee-based businesses

Beginning of a new era for Takara Leben

Metropolitan area condominium market trends

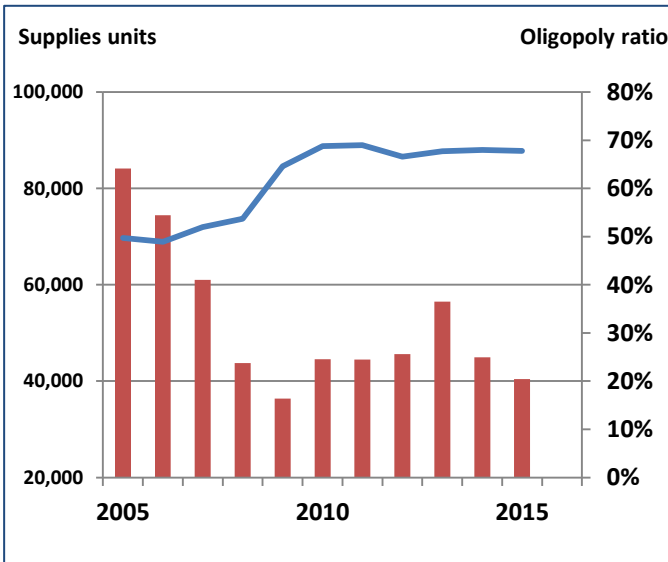
■ Strengthened oligopoly by High supply company

■ Reduction of the number of units supplied

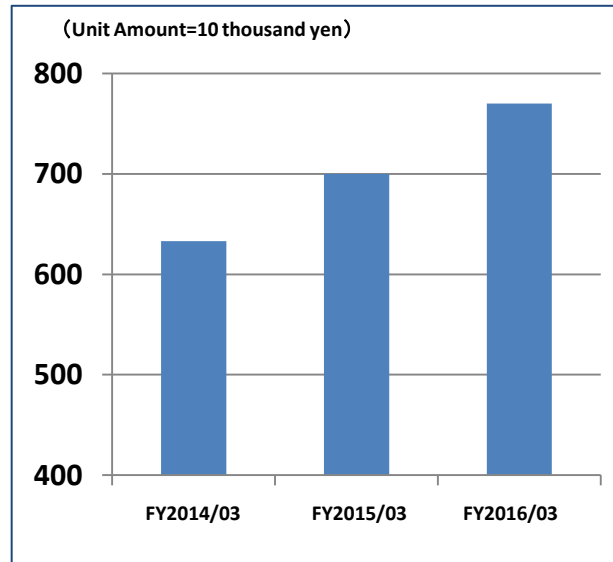
■ Increase in customers' annual income

■ Sales prices rising

Oligopolization



Customer attributes



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

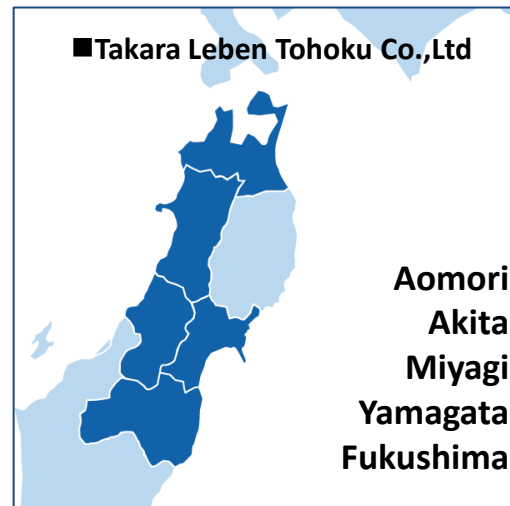
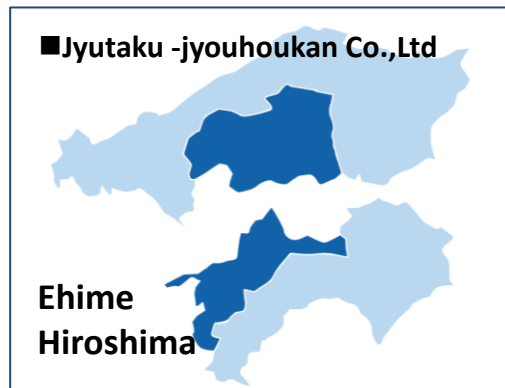
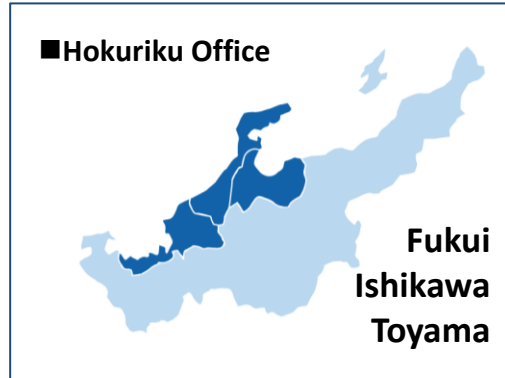
■ Current ... 36.98 million yen
 ■ Planned ... 39 million yen

2.02 million yen up

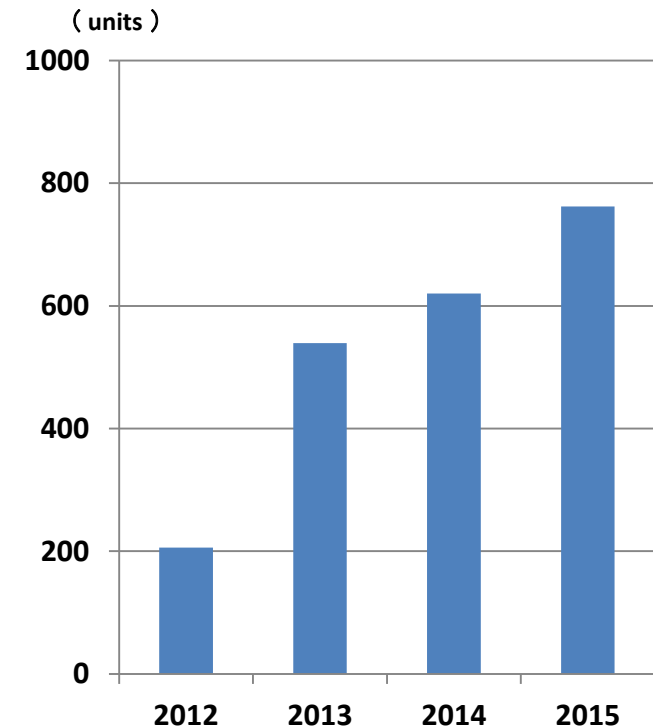
Favorable market environment has continued

Aim for 1,200 supplies units in FY March 2019

Extension of stocking area in each base



The supply number of apartments
in local cities



Supply target **1,000** units in FY March 2019

The number of rebuilding projects is expected to increase going forward

Unit owners



Hachioji-shi Matsugaya
more
About 1,000units

Used properties

- Asakusa, Taitou-ku, Tokyo
- Monzennakacho, Koutou-ku, Tokyo
- Togoshi, Shinagawa-ku, Tokyo
- Syakujidai, Nerima-ku, Tokyo
- Itabashi, Itabashi-ku, Tokyo
- Yoga, Setagaya-ku, Tokyo
- Minami-ku, Sagami-hara-shi, Kanagawa
- Nakagosyo, Nagano-shi, Nagano



more

Redevelopment

- Toyama-shi, Toyama
(Residential facilities • accommodation facilities • Residential facilities)
- Takaoka-shi, Toyama
(Residential facilities)
- Matsuyama-shi, Ehime
(accommodation facilities)



About 1,000units

Sites for future condominiums and profitable properties

Securing sites for medium-term, long-term, and super long-term businesses through large-scale reconstruction and redevelopment

Restructure the detached house business

Transfer the detached house business
to Nikko Construction Change the trade name to
Nikko Takara Corporation



Changed company name from Nikko kensetsu Co.,Ltd.
to "Nikko Takara Co., Ltd.

【 Aims for business integration 】

- Unify information on real estates of cooperating companies
(improve cost competitiveness)
- Enhance and expand effective land use
- Improve management efficiency and speed

Business charged with effective
use of land

Detached house business



Kohoku-ku PJ



Chigasaki-Chuo building



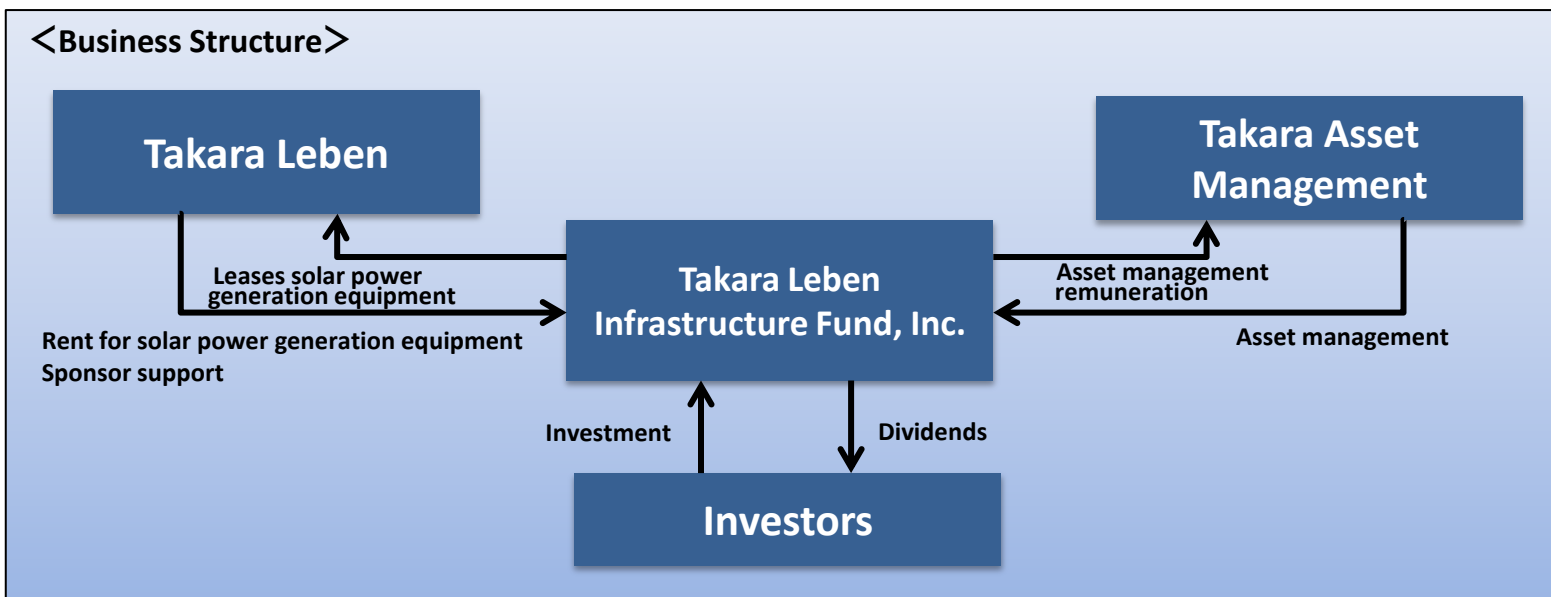
Leben Platz Tsujido-Higashikaigan



Leben Platz Shiroy Seasons Garden

Supply target **500** units in FY March 2019

Expand electric power sales business



Planning 80MW in operation in FY March 2017

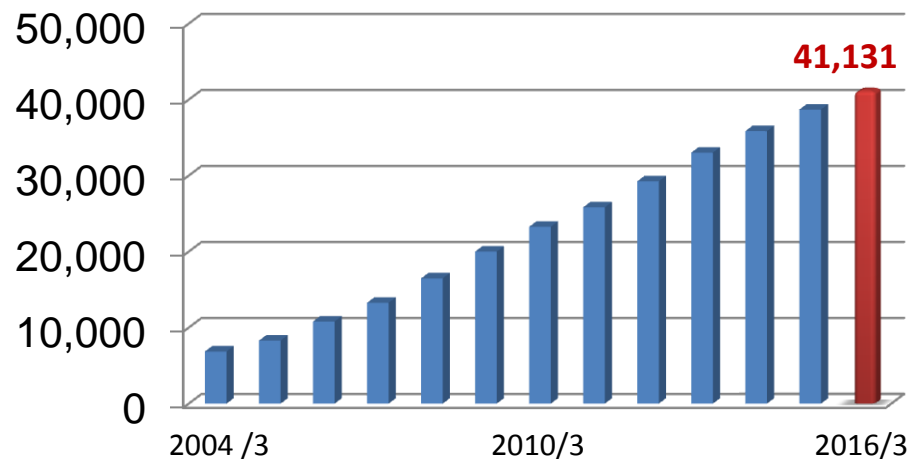
Expanding stock business

Increase the number of offices nationwide

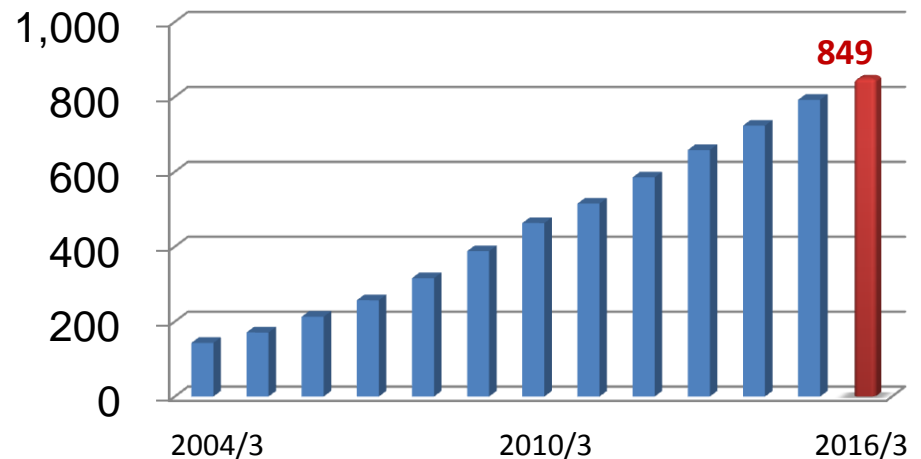
■ Open 4 offices nationwide

Tohoku (Sendai)、North Kanto (Utsunomiya)、East Kanto (Tsukuba)、Hokuriku (Toyama)

Management units



Management building



Aim for 50,000 managed housing units in FY March 2019

Increase rent income

2015 Year ended rent income 2.8billion



2016 Year ended rent income 4.3billion



2019 Year ending rent income 6.0billion



Nagoya-Toukaidori building



Hakozaki-Yusen building

Purchase of fixed assets

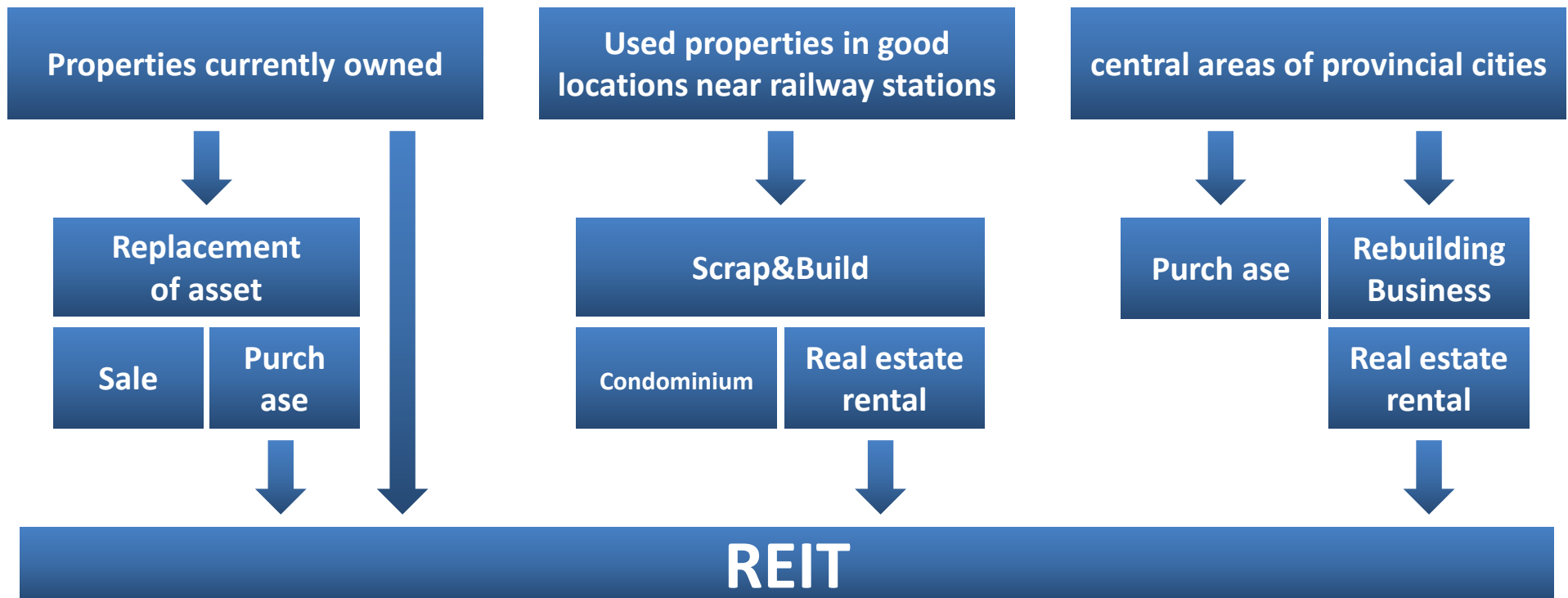


Aim to participate in REIT



Year Ending March 2017, Purchase target of fixed assets, 20 billion yen

Groupwide promotion of the acquisition of profitable properties



Establish REIT to create new forms of value

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

Approval of Initial Listing (Infrastructure Funds)

Company overview

■ Company Name

Takara Leben Infrastructure Fund, Inc.

■ Company Name

Takara Asset Management Co., LTD.

■ Date to decide investors to

whom dividends are paid

November and May

**June 2, 2016 Join the market (plan)
10 facilities 17.88MW**

**Mega-solar facilities to be operated in the future
+
Purchase from the secondary market**

In 2020, aim to generate 200MW

**+
Other renewable energy generation facilities**

**Solar power generation + Other renewable energies
→ Promote diversification**

Fund Scale

Takara Asset Management Co.,LTD.
(Takara Leben Infrastructure Fund, Inc.)

Takara Investments Co.,LTD
(Tentative name)
(Takara Leben Reit Investment corporation)

100 billion yen

100 billion yen

Year Ending March 2020, target of asset scale, 200 billion yen

Investment business

(Tentative name) Takara Capital

Investment at 0.5~1.0 billion a year

Energy technologies

New energy
businesses

Expand the infrastructure fund

Stable revenue in the future



LEBEN Chiba Newtown Chuo The Premium

Dividends - Capital Policy

Cash Dividends, Preferential treatment

| | 1 st half dividends | Year-end dividends | Total |
|-------------------------------------------|--------------------------------|--------------------|---------------|
| Year ending March 31, 2016 Forecast | 4 yen | 9 yen | 13 yen |
| Year ending March 31, 2017 Forecast | 5 yen | 10 yen | 15 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, 2015 | Year ended March 31, 2016 |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Acquisition period | From May 13, 2014 to March 31, 2015 | From May 12, 2015 to March 31, 2016 |
| Number of shares acquired | 2,668,500 shares | 1,531,000 shares |
| Total acquisition value | 1,217,109,000 yen | 970,552,700 yen |
| Treasury shares held on completion of acquisition (March 31) | 16,531,307 shares | 15,938,307 shares |

■ Cancellation of treasury stock

| | Year ended March 31, 2015 | Year ended March 31, 2016 |
|--------------------------------------------------------------------|---------------------------|---------------------------|
| Date of cancellation | December 22, 2014 | January 29, 2016 |
| Total number of shares to be cancelled | 2,000,000 shares | 2,000,000 shares |
| as percentage of total number of shares issued before cancellation | 1.54% | 1.56% |

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) **1.81%**
- ◆ Total acquisition value **1,500,000,000** yen (Upper limit)
- ◆ Acquisition period From May 10, 2016 to March 31, 2017
- ◆ Acquisition method Open market repurchase on the Tokyo Stock Exchange

■ Enquiries Relating to These Materials

Corporate Planning Division
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, 2016 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, 2016. 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.