



# Takara Leben Group Mid-Term Management Plan

Year Ending March 2022  
to Year Ending March 2025  
Security code: 8897

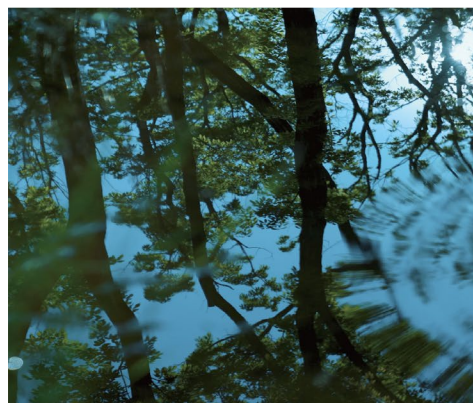
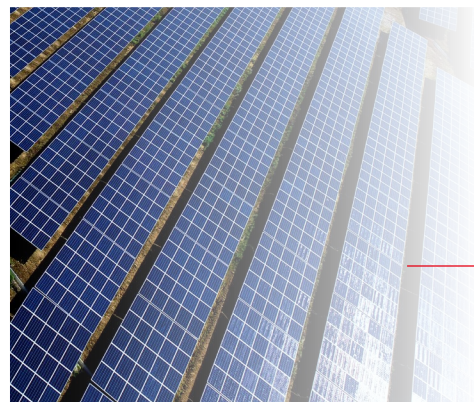
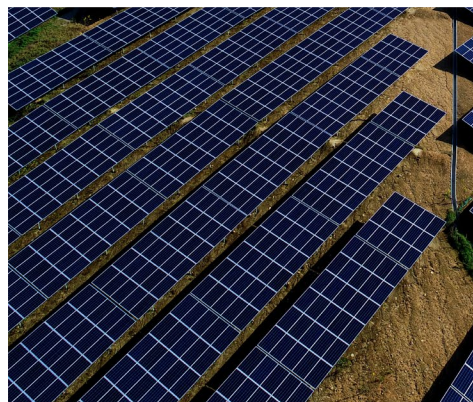
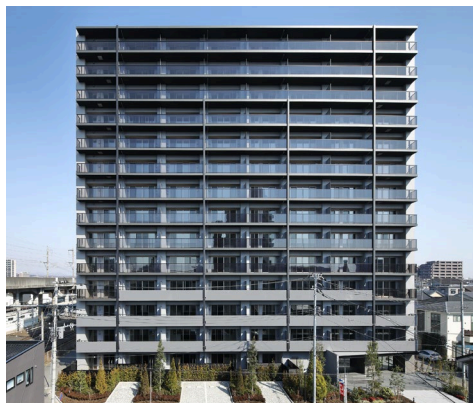


Takara Leben

THINK HAPPINESS AND  
MAKE THE HAPPINESS

May 14, 2021

© Takara Leben group.



**PART  
00**

**Index**

**00**

**PART  
01**

Approach to Formulating the  
Mid-Term Management Plan  
P.02

**01**

**PART  
02**

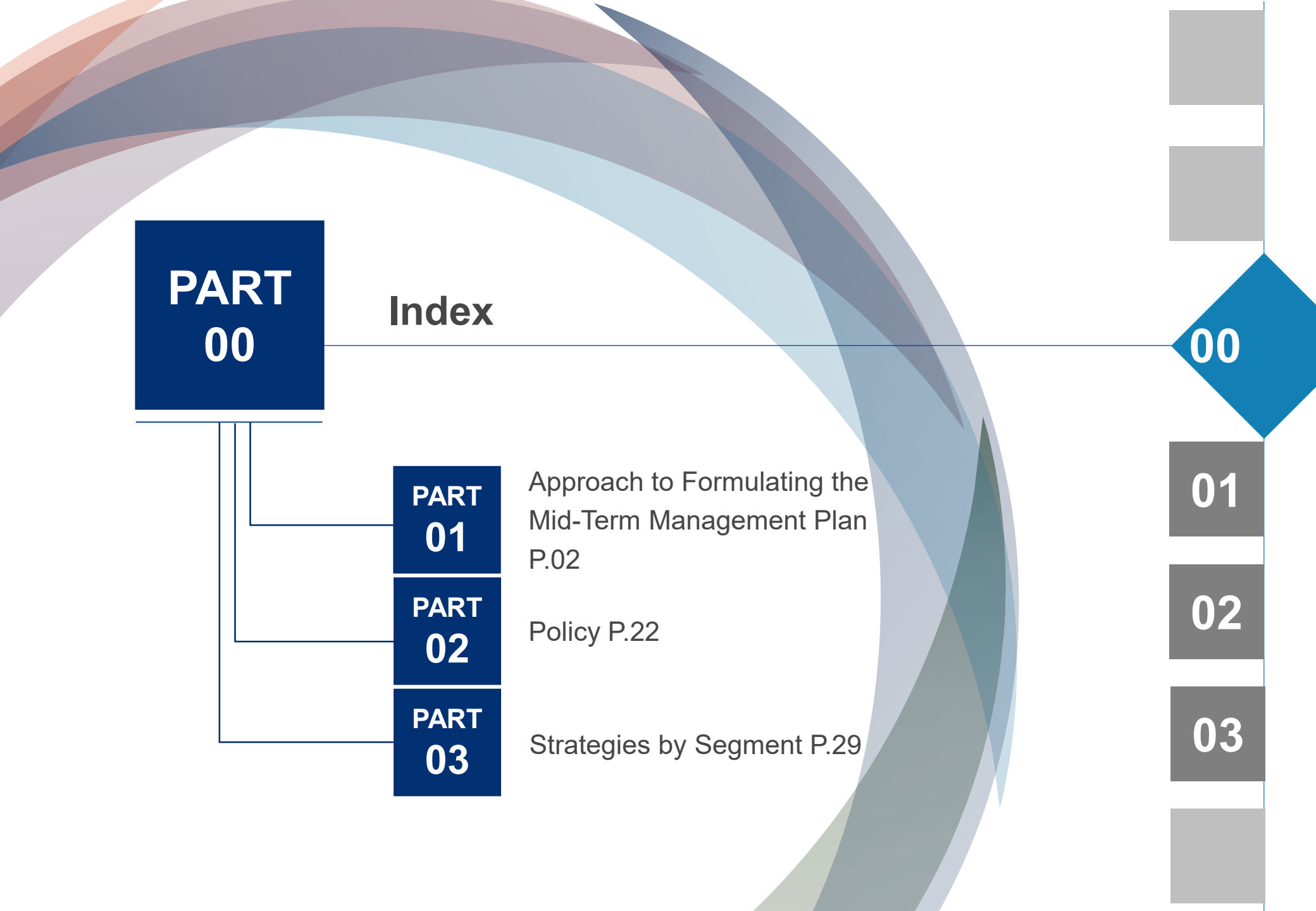
Policy P.22

**02**

**PART  
03**

Strategies by Segment P.29

**03**



**PART  
01**

**Approach to Formulating the  
Mid-Term Management Plan**

**1-1**

Previous Mid-Term Management  
Plan Review

**1-2**

Initiatives towards the 50th  
Anniversary of the Group's  
Founding

**1-3**

Recognizing the Operating  
Environment

00

01

02

03

**Theme**

**Evolution through Sustainable Change**  
 ——— Innovation for a New Lifestyle. ———



**Establishing stable and sustainable foundations for growth**

Building a system with which we can **supply over 2,000** new built-for-sale condominiums nationwide

Active replacements from other company properties and commissioning **more managed units than planned**



**Diversifying the business portfolio**

**Liquidation business** growing to be another mainstay of the Group business

**Expansion of the fund business**, including Infrastructure fund, REIT, and private fund



**Responding to ESG**

Continuous development of **the electric power generation business** leveraging renewable energies

**Active ESG considerations** by identifying key issues and setting KPIs

# Previous Mid-Term Management Plan Review – Overall Summary



## Year 1

FY2019/3

### Progressed mostly as planned

- Achieved the planned net sales and net income
- Operating income and ordinary income fell short of the goals due to increased sales and personnel expenses following the extension across the nation

## Year 2

FY2020/3

### Booked valuation writedowns of some hotel project inventories as impact of COVID-19 began to emerge toward end of term

- Achieved planned net sales with a record high number
- Income fell short of the goal with accrued lower-of-cost-or-market loss of 1,008 million yen and impairment losses of 2,071 million yen for hotel assets

## Year 3

FY2021/3

### Growing impact of COVID-19 epidemic

- For our core, new built-for-sale condominium business, actual demand prospered, resulting in record-high net sales and delivered units
- Facility sales schedule postponed in electric power generation business due to careful selection of projects and delayed construction

**Significantly fell short of the goals in FY2021/3 due to growing impact of the COVID-19 epidemic.**

Plan (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	130,000	160,000	170,000
Gross profit	26,400	31,500	34,500
Operating income	10,700	13,000	14,500
Ordinary income	9,600	11,800	13,000
Net income attributable to owners of parent	6,300	8,000	9,000



Results (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	132,005	168,493	148,397
Gross profit	26,886	30,516	29,928
Operating income	10,046	11,901	10,789
Ordinary income	9,027	11,201	9,933
Net income attributable to owners of parent	6,426	5,361	4,693

The results were favorable for the most part thanks to the underlying strength of needs in actual demand except for detached house business under tough competitive environment, despite the changes observed in consumer's lifestyles and needs due to the COVID-19 epidemic since FY2020/3.

	FY2019/3	FY2020/3	FY2021/3	
Real estate sales business				
New built-for-sale condominium	○	○	△	While strong willingness to purchase condominiums for actual use is observed, we have built a system with capacity of supplying 2,000 units annually
New detached house	×	×	×	Restructured the system by handpicking the supply areas due to the tough competitive environment packed with contenders
Renewal resales	○	○	○	Successful uptake of the expanding used condominium needs led to a steady growth with increased year-end owned units
Liquidation	○	○	○	The amount of both purchased and sales increased, with high profit margin from the self-developed properties
Others	○	○	○	Land sales progressed mostly as planned

**With little impact from the COVID-19 epidemic, electric power generation business transitioned mostly as planned despite the partially delayed schedule.**

	FY2019/3	FY2020/3	FY2021/3	
Real estate rental business	○	○	△	Declined due to expansion of liquidation sales
Real estate management business	○	○	○	Achieved the plan through replacements from other company properties
Electric power generation business (Facilities sale)	○	○	×	Facility sale timing was delayed due to the postponed construction schedule
Electric power generation business (Electricity sale)	△	○	△	Gross profit went down due to the early depreciation after the completion of construction
Other businesses	○	○	○	Increase in fees due to expansion of scale of infrastructure fund and REIT, and expansion revenue from construction work



**Seeing a strong demand for new built-for-sale condominiums for actual use,  
 resulting in constant net sales growth.**

Plan (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	60,000	76,000	84,500
Gross profit	13,000	16,500	18,600
Gross profit margin	21.7%	21.7%	22.0%
Sold units	1,700 units	1,950 units	2,200 units
Metropolitan area ratio	55.5%	50.0%	50.0%



Results (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	57,203	77,171	79,435
Gross profit	11,977	15,650	17,339
Gross profit margin	20.9% (21.1%)	20.3% (20.2%)	21.8% (21.8%)
Sold units	1,656 units	1,955 units	2,129 units
Excluding JV	1,475 units	1,913 units	1,965 units
Metropolitan area ratio	57.8%	42.7%	49.6%

※( ):Except the impact of lower of cost or market value method

**Fell short of the goals throughout the period due to the mismatching purchased areas and price settings against the area needs.**

Plan (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	12,000	13,200	14,850
Gross profit	1,600	1,700	1,950
Gross profit margin	13.3%	12.9%	13.1%
Sold units	190 units	230 units	270 units



Results (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	8,817	7,808	5,329
Gross profit	701	720	523
Gross profit margin	8.0%	9.2%	9.8%
Sold units	131 units	154 units	110 units

**Successful uptake of the expanding used condominium demand led to profits substantially exceeding the plan.**

**Yet, the purchase goals were not achieved in the final FY due to the COVID-19 epidemic impact.**

※From sale	Plan	(million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales			1,700	2,720	3,400
Gross profit			220	320	400
Gross profit margin			12.9%	11.8%	11.8%
Purchased units			150 units	240 units	300 units
Owned units of end of FY			160 units	320 units	500 units



※From sale	Results	(million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales			3,305	3,431	3,866
Gross profit			537	421	613
Gross profit margin			16.3%	12.3%	15.9%
Purchased units			257 units	271 units	140 units
Owned units of end of FY			229 units	386 units	397 units

Due to careful proceeding of the investment activities in FY2021/3 affected by the COVID-19 epidemic, the invested amount fell short of the plan while achieving the profit plans throughout the period.

Plan (million yen)	FY2019/3	FY2020/3	FY2021/3
Investment amount	30,000	30,000	30,000
Sales amount	30,000	26,000	24,000
Gross profit	5,500	4,700	4,400
Gross profit margin	18.3%	18.1%	18.3%



Results (million yen)	FY2019/3	FY2020/3	FY2021/3
Investment amount	34,147	30,200	20,272
Sale amount	33,502	37,854	22,376
Gross profit	7,235	4,828	6,204
Gross profit margin	21.6%	12.8% (15.4%)	27.7%

※( ): Except the impact of lower of cost or market value method

Mostly achieved the plan through accumulated land sales, etc.

Plan (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	2,000	3,000	3,200
Gross profit	340	400	400
Gross profit margin	17.0%	13.3%	12.5%



Results (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	1,993	3,382	6,193
Gross profit	608	997	205
Gross profit margin	30.5% (22.7%)	29.5% (30.1%)	3.3% (9.1%)

※( ):Except the impact of lower of cost or market value method

**Net sales from rental declined due to the expanded liquidation selling.**

Plan (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	5,500	6,000	6,300
Gross profit margin	25.5%	25.0%	25.0%



Results (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	5,829	5,965	5,753
Gross profit margin	20.7%	26.7%	20.6%

**Successfully achieved the plan through enhanced replacement of other company properties in addition to our own properties.**

Plan (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	4,300	5,000	5,400
Gross profit margin	13.7%	13.0%	13.0%
Number of managed units	53,300 units	57,600 units	61,900 units
Percentage of non-group units managed	46.7%	48.1%	49.3%



Results (million yen)	FY2019/3	FY2020/3	FY2021/3
Net sales	4,512	5,046	5,446
Gross profit margin	14.0%	11.4%	9.5%
Number of managed units	54,036 units	59,747 units	66,037 units
Percentage of non-group units managed	47.4%	49.5%	51.3%

**Fell short of the goals from impact of delayed facility sale due to the postponed construction schedule by the COVID-19 epidemic and by the cost of early depreciation after the construction.**

Plan		FY2019/3	FY2020/3	FY2021/3	Results		FY2019/3	FY2020/3	FY2021/3
Facilities sale	Net sales	7,000	17,000	17,000	Facilities sale	Net sales	6,100	15,983	7,688
	Gross profit	1,430	2,700	2,700		Gross profit	1,414	3,020	973
	Gross profit margin	20.4%	15.9%	15.9%		Gross profit margin	23.2%	18.9%	12.7%
Electricity sale	Net sales	3,800	4,100	4,200	Electricity sale	Net sales	4,694	4,999	5,797
	Gross profit	200	200	210		Gross profit	8	116	▲290
	Gross profit margin	5.3%	5.0%	5.0%		Gross profit margin	0.2%	2.3%	▲5.0%
Cumulative generation capacity		147MW	200MW	250MW	Cumulative generation capacity	Operating generation capacity (cumulative)	119MW	125MW	206MW
						Generation capacity (cumulative)	150MW	206MW	240MW



**Progressed mostly as planned yet with some impact from the COVID-19 epidemic in FY2021/3.**

Net sales projections (million yen)	FY2019/3	FY2020/3	FY2021/3
Sales and brokerage fees	800	1,100	1,200
Management compensation	600	800	1,000
Revenue from repair work	1,000	1,600	2,000
Revenue from construction work	1,500	2,100	2,600

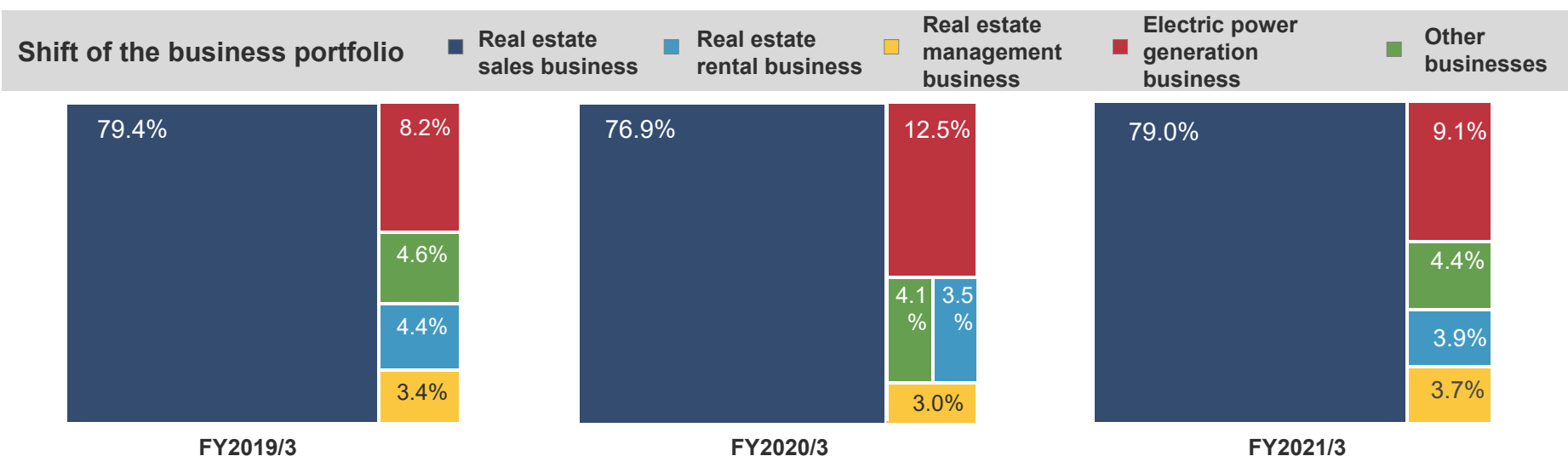


Net sales results (million yen)	FY2019/3	FY2020/3	FY2021/3
Sales and brokerage fees	725	760	1,006
Management compensation	1,037	994	865
Revenue from repair work	1,546	1,429	1,113
Revenue from construction work	1,597	2,652	2,326

**While equity ratio fell short of the plan, the goals were mostly achieved except for the valuation write downs on assets.**

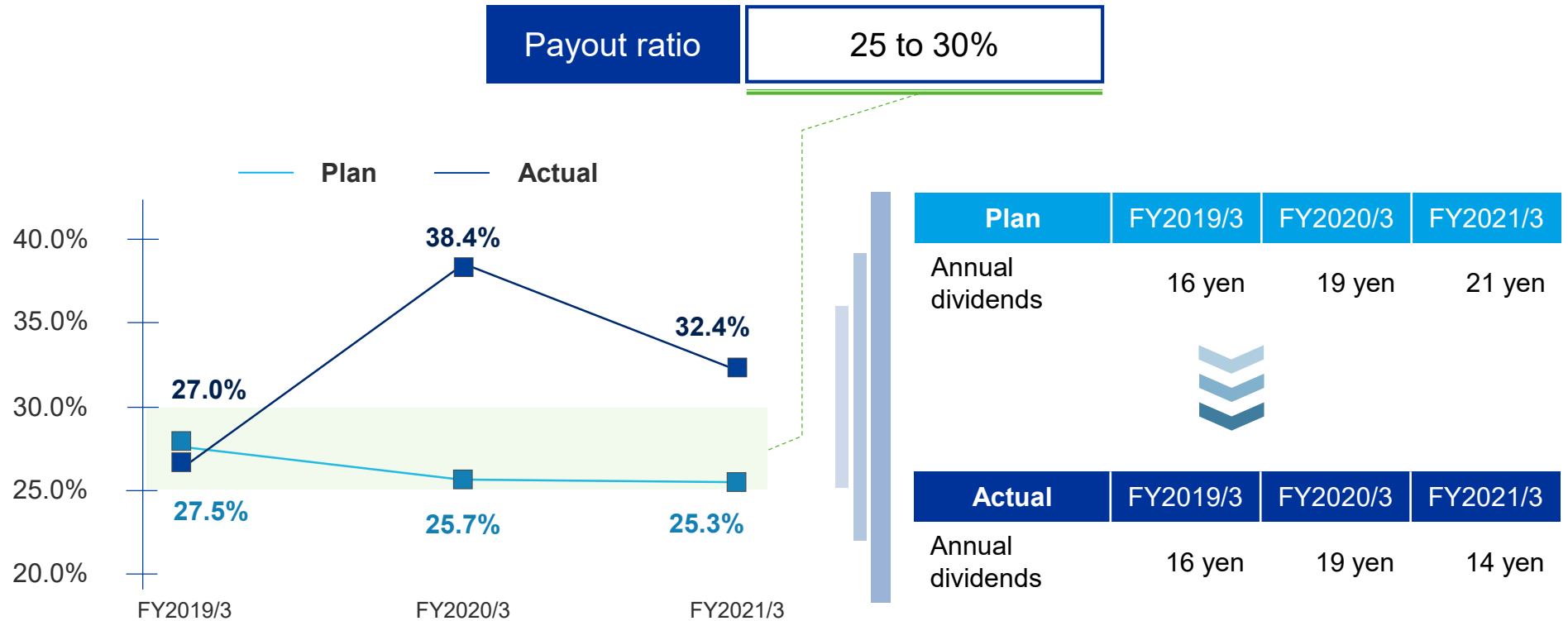
	Mid-Term Management Plan	FY2019/3	FY2020/3	FY2021/3
Equity ratio (%)	30% (Fiscal year ended March 2021)	25.6	25.9	26.5
LTV (%)	less than 60% (Every fiscal year ended March)	60.5	58.3	58.0
D/E ratio (Times)	less than 3 times (Every fiscal year ended March)	2.3	2.2	2.2
ROE (%)	15% (Every fiscal year)	14.3	10.9 ※ (17.2)	9.0 ※ (13.9)

※The numbers in ( ) for ROE exclude special factors such as inventory valuation losses and extraordinary losses (impairment losses)



**Achieved payout ratio of at least 25% throughout the periods.**

**We are committed to continuously securing proper returns by continued positioning of the shareholder returns as one of the most important management issues.**



## Identified 15 key issues and accordingly set the KPIs.

Key CSR Themes	Key Issues	Related SDGs	Policies
<b>Creating Lifestyles with Value</b> We contribute to improving the richness of people's lifestyles by creating new value.	<ul style="list-style-type: none"> <li>● Support for diversifying lifestyles and globalization</li> <li>● Responses to changes to business models brought by an ageing society and depopulation</li> </ul>		<ul style="list-style-type: none"> <li>● Provide products and services that respond to changing social issues and needs.</li> <li>● Provide lifestyles that harmonize residents and surrounding environments, such as the LEBEN or NEBEL brands.</li> </ul>
<b>Forming Communities</b> We form communities with stakeholders – such as local communities, trading partners, and employees – and aim for growth together.	<ul style="list-style-type: none"> <li>● Urban development and creating towns</li> <li>● Construction and maintenance of a corporate governance system</li> <li>● Promoting compliance</li> <li>● Employee health management</li> <li>● Encouraging employment of diverse human resources</li> </ul>		<ul style="list-style-type: none"> <li>● Contributing to the revitalization of regional areas through our regional city revitalization business, which connects urban and regional areas.</li> <li>● Improve our ability to respond to risk through thorough risk assessment and management.</li> <li>● Provide opportunities and environments where a diverse range of people can work energetically.</li> <li>● Corporate activities that can respond to social needs with an emphasis on dialogues with our stakeholders.</li> </ul>
<b>Providing Comfortable Spaces of High Quality</b> We support the comfortable and safe living of our customers by providing products bringing great satisfaction to our customers.	<ul style="list-style-type: none"> <li>● Providing safe, secure products and services</li> <li>● Improving customer satisfaction</li> <li>● Improving value of buildings</li> </ul>		<ul style="list-style-type: none"> <li>● Improve customer satisfaction levels through the use of our proprietary Service Quality Management System (SQMS®).</li> <li>● Create housing that combines both design and habitability, pursuing the performance of housing.</li> <li>● Improve building value through regular repairs and renovations to improve building comfort, functionality, and safety.</li> </ul>
<b>Developing Environments and Cultures</b> We contribute to a sustainable society by actively working on environmental issues, and at the same time, contribute to improving quality of life by providing opportunities for mental activities such as learning and practicing the arts.	<ul style="list-style-type: none"> <li>● Providing buildings and spaces that consider the environment and culture</li> <li>● Responses to global warming</li> <li>● Initiatives for renewable energy</li> <li>● Effective use of resources</li> <li>● Responses to disasters</li> </ul>		<ul style="list-style-type: none"> <li>● Reduce greenhouse gas emissions through supplying housing with high environmental performance and our renewable energy power generation business.</li> <li>● Provide seismic-resistant and fire-resistant housing that can withstand natural disasters.</li> <li>● Provide opportunities for cultural activities to our stakeholders.</li> </ul>

KPI

Driving forward the “50th Anniversary of the Group Founding Project” to enhance stakeholder relations and employee engagement in light of the coming important milestone.

## The 50th Anniversary logo designed



Designed the image of the signature company logo, harmonic circle image combined with a street scene impression. The circle symbolizes Takara Leben's gentle embrace of the city like the sun while the five lines underneath express its achievements accumulated over the past 50 years that lead to further prosperity of the city and the Group.

As the first project of the 50th Anniversary Project, the "50th Anniversary Wrapped Train" designed with the 50th Anniversary logo will operate for a limited time from April 1, 2021 through March 2022 (TBD). (※1)

## [First project] Wrapped Train

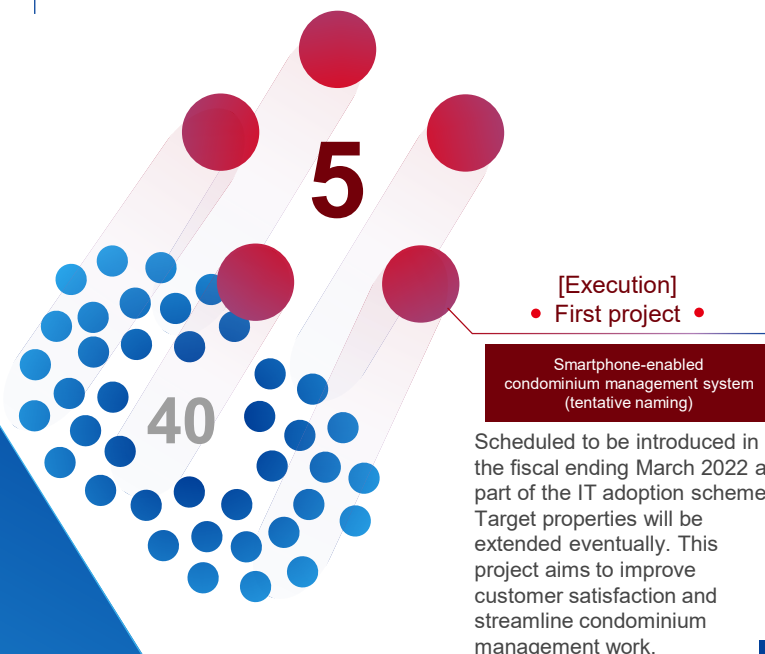


※1 Sakura Tram (ex-Toden Arakawa Line) (between Minowabashi and Waseda: 12.2km). Kindly refrain from asking about this project at the stations or to the staff.

50<sup>th</sup>  
Innovation for a New Lifestyle.

## New Lifestyle Development Project

Internally recruited ideas for new businesses and services that realize “Innovation for a New Lifestyle.” Ultimately adopted 5 ideas narrowed down from 40 proposals and the work to realize them is in progress.



In addition to the structural changes in the market that have been spreading for some time, such as the ageing society and depopulation and the promotion of smart cities, the spread of the new coronavirus infection has given rise to new values. Promising business opportunities exist even amid the uncertain end of the COVID-19 epidemic.



## Opportunities

The dawn of digitalization in real estate industry

Underlying strength of the buying motive in the actual demand segment

Prolonged low-interest policies

Increasing detached house needs

Expected vitalization of the renewable energy market

Reduced inbound demands

Extended COVID-19 streak

Construction costs remaining high

Aging society and depopulation

## Threats

**PART  
02**

**Policy**

2-1

Management Philosophy, Long-Term Vision

2-2

Grand Design

2-3

Mid-Term Management Plan:  
Performance (Quantitative) Goals

2-4

Management Index

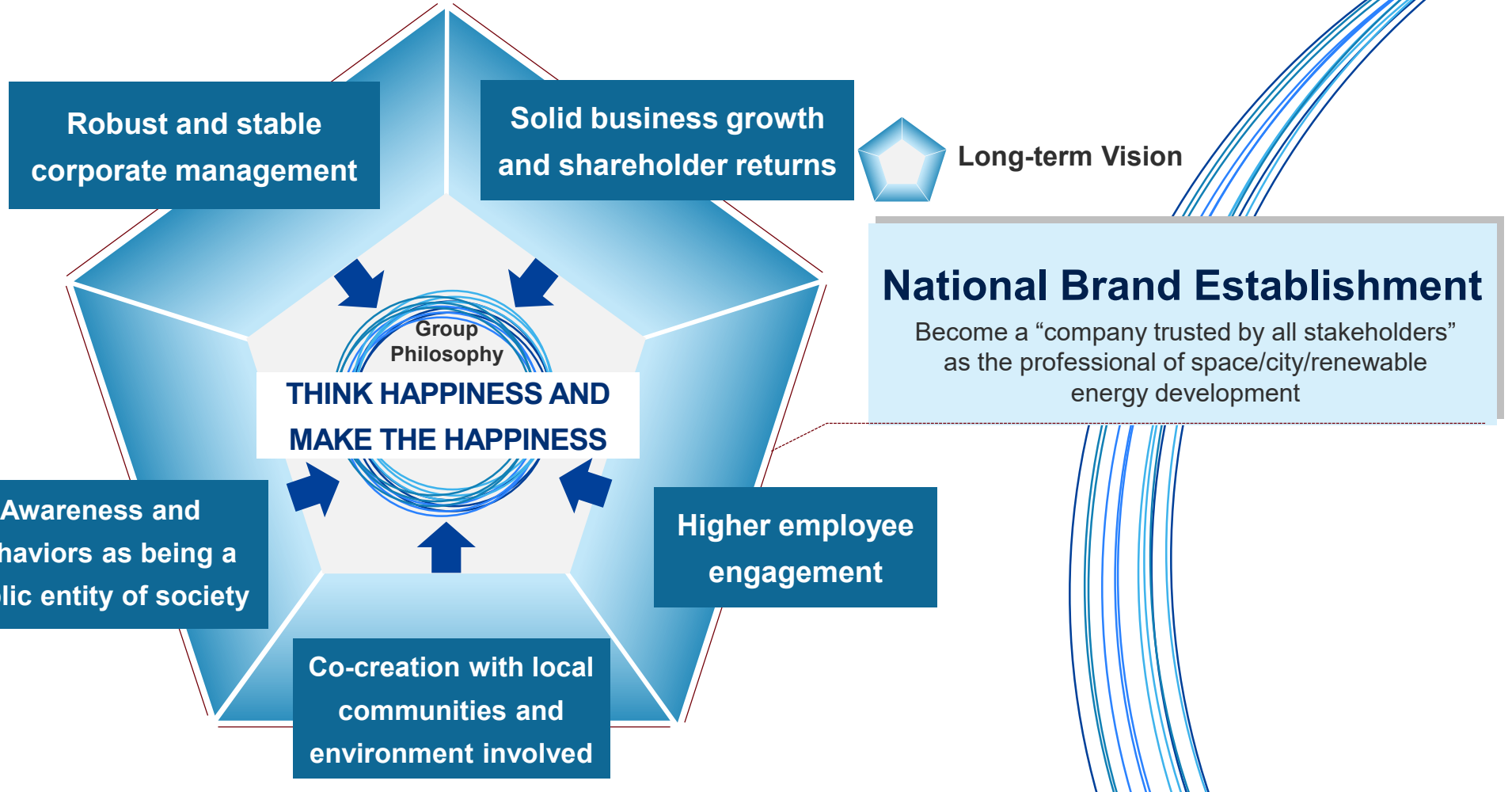
2-5

ESG Considerations

2-6

Shareholder Returns

Formulated the Group's long-term vision for the next decade incorporating the responsibility as a public entity of society and actions towards the realization of a sustainable society, on top of the profit growth.







**01.** ● Further growth of core businesses

**02.** ● Maximized group synergies

**03.** ● Optimized business portfolio

**04.** ● Establishment of a stable financial ground

**05.** ● Improvement of productivity and creation of new services through promotion of DX

**06.** ● Proactive ESG considerations

**07.** ● Personnel development and establishment of the rewarding workplace environment

# Mid-Term Management Plan: Performance (Quantitative) Goals

## ■ Overall Summary

Unit: million yen

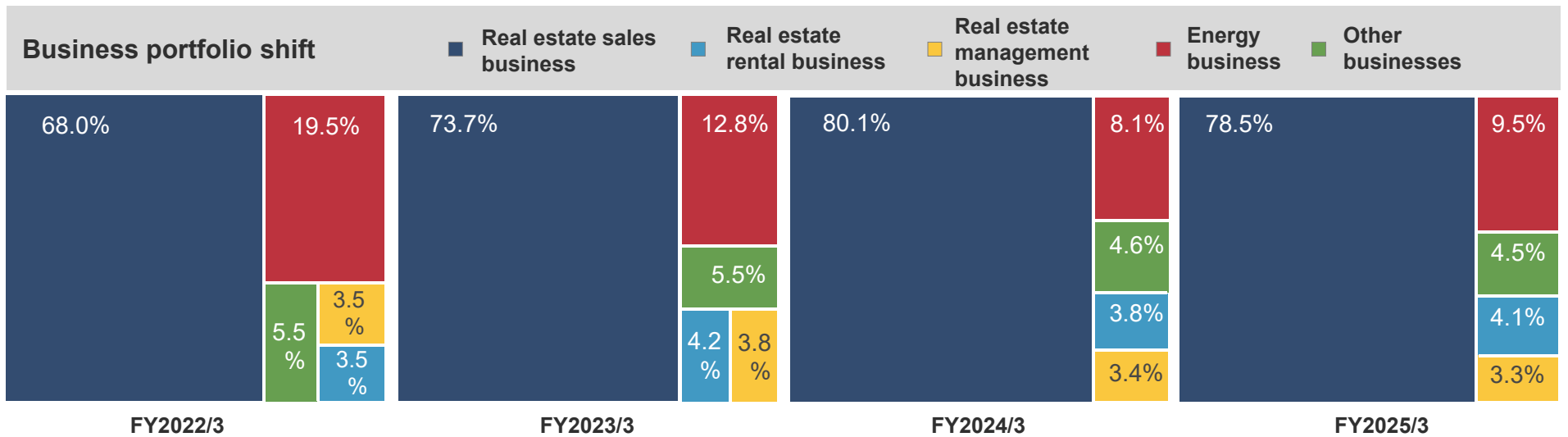
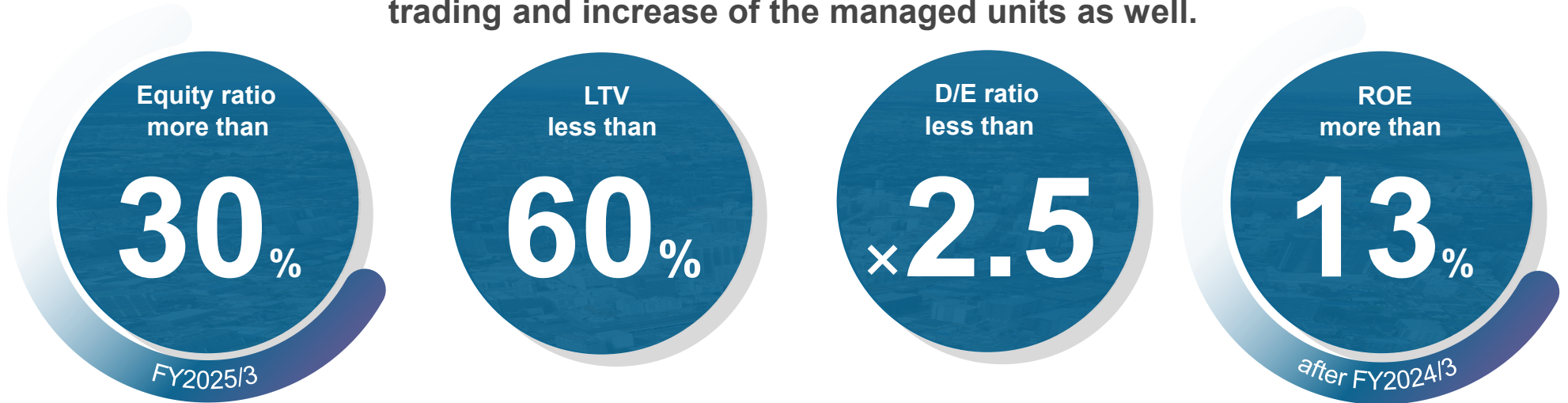
Planned Income Statement	FY2022/3	FY2023/3	FY2024/3	FY2025/3
Net sales	158,600	155,200	187,100	203,700
Gross profit	29,100	28,400	35,200	38,700
Operating income	7,900	8,000	13,200	15,700
Ordinary income	7,100	7,400	12,500	15,000
Net income attributable to owners of parent	4,800	5,000	8,500	10,000

## ■ By Segment

Breakdown of net sales/gross profit	FY2022/3		FY2023/3		FY2024/3		FY2025/3	
	Net sales	Gross profit	Net sales	Gross profit	Net sales	Gross profit	Net sales	Gross profit
New built-for-sale condominium business	70,000	14,000	58,000	12,000	93,500	19,500	101,500	21,500
New detached house business	8,900	900	11,000	1,500	12,200	1,600	13,500	1,800
Renewal resale business	5,900	900	6,400	1,000	7,100	1,100	8,500	1,300
Liquidation business	22,000	3,100	38,000	5,400	36,000	5,100	36,000	5,100
Other business of real estate sales	1,100	200	1,000	300	1,000	300	1,000	300
Real estate rental business	5,400	1,600	6,500	2,000	7,100	2,200	8,100	2,600
Real estate management business	5,500	600	5,900	600	6,300	700	6,700	800
Energy business (※)	31,000	4,500	19,900	1,900	15,200	900	19,200	1,300
Other businesses	8,800	3,300	8,500	3,700	8,700	3,800	9,200	4,000

※Energy business: Renamed from "Electric power generation business," starting with this plan

While keeping continuous expansion of our core, real estate sales as the linchpin business, we aim to grow the stock fee business including penetration to the direct and bilateral energy trading and increase of the managed units as well.

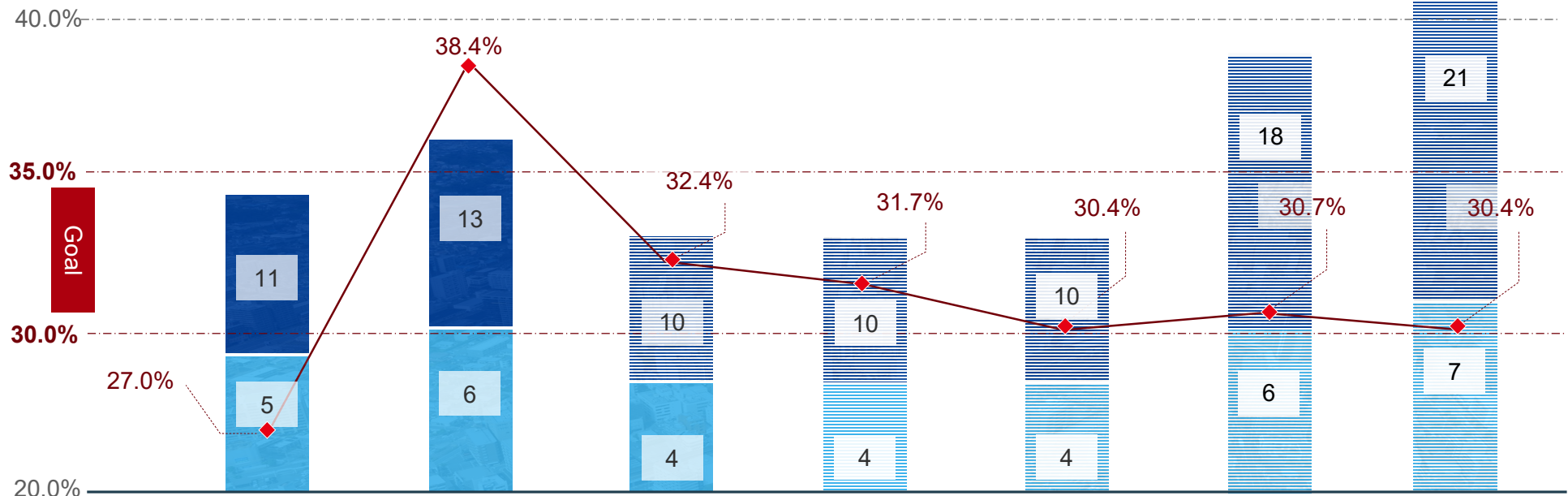


A total of 43 indicators have been set as the KPIs for respective areas.  
 We will proactively advance the efforts of ESG considerations while reviewing the indicators according to the degree of achievement, including stretching the goals.

<h2>Creating Lifestyles with Value</h2>		<h2>Forming Communities</h2>	
<ol style="list-style-type: none"> <li>1 Supply new built-for-sale condominiums overseas</li> <li>2 Supply NEBEL</li> <li>3 Proposition of new services to different lifestyles</li> </ol>	<ol style="list-style-type: none"> <li>1 Number of redevelopment projects</li> <li>2 Rate of persons with disabilities employed</li> <li>3 Rate of women in management</li> <li>4 Local community support</li> <li>5 Evaluation of the effectiveness of the board of directors</li> <li>6 Enhance / strengthened of corporate governance system</li> <li>7 Consideration of the clawback clause implementation</li> <li>8 Anti-corruption education and training</li> <li>9 Promoting understanding of the human rights issues by the officers and employees</li> <li>10 Cases involving detrimental treatment</li> <li>11 Grasp of the recognition rate of the whistleblower system using questionnaires</li> <li>12 Medical checkup rate</li> <li>13 Stress checkup rate</li> <li>14 Paid leave usage rate</li> <li>15 Rate of reinstatement from maternity / childcare leave</li> <li>16 Hours of training per person</li> <li>17 Sales staff questionnaire satisfaction</li> </ol>		
<h2>Providing Comfortable Spaces of High Quality</h2>		<h2>Developing Environments and Cultures</h2>	
<ol style="list-style-type: none"> <li>1 SQMS® Master development (excluding operation management departments)</li> <li>2 Rate of Obtaining Housing Performance Evaluation Reports</li> <li>3 Supplier research results</li> <li>4 Number of non-conformities business processes and quality standard</li> <li>5 Implementation of the sharing meetings on preventive measures</li> <li>6 Rate of disaster frequency / Rate of leave frequency (covering the Leben Community employees)</li> <li>7 Number of lost-worktime injuries (covering the Nikko Takara Corporation employees)</li> <li>8 Implementation of the customer satisfaction surveys</li> <li>9 Safety Gatherings</li> <li>10 Safety Patrols (safety checks)</li> <li>11 Number of implemented safety and health trainings (covering the Leben Community employees)</li> <li>12 Rate of disaster frequency / Rate of leave frequency (covering the Nikko Takara Corporation supplier)</li> </ol>	<ol style="list-style-type: none"> <li>1 Total generation capacity</li> <li>2 Obtain ZEH-M Certificate</li> <li>3 Obtain CASBEE Certificate</li> <li>4 Formulation of environmental policy</li> <li>5 Capture and disclosure of CO2 emissions</li> <li>6 Set CO2 emission reduction target</li> <li>7 Number of energy-saving grade (Flat 35) certificates obtained</li> <li>8 Support for cultural development</li> <li>9 Amount of newly operating power generation from the mega solar power generation facilities</li> <li>10 Maximized effective use of resources/water</li> <li>11 Development of the BCP Control manual</li> </ol>		

As with the previous plan, the return of incomes to shareholders is positioned as one of the most important management issues, to secure constant and continuous dividend payouts that meet the performance.

Payout ratio **30 to 35%**



Dividend	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
Year-end	11 yen	13 yen	10 yen	10 yen	10 yen	18 yen	21 yen
Interim	5 yen	6 yen	4 yen	4 yen	4 yen	6 yen	7 yen

**PART  
03**

**Strategies by Segment**

3-1	New Built-for-Sale Condominium Business
3-2	Renewal Resale Business
3-3	Liquidation Business
3-4	Energy Business
3-5	Real Estate Management Business
3-6	Other Businesses



# Projection Overview for Key Segments



Segment	Year 1	Year 2	Year 3	Year 4
	FY2022/3	FY2023/3	FY2024/3	FY2025/3
New built-for-sale condominium business	Establish an integrated system for purchase, product planning and sales		Record 2,400 units sales	Record 2,600 units sales
	Expand the bases for the nationwide deployment			
		Construction cost control		
Liquidation business		Record gross profit of 5 billion yen constantly throughout the years		
		Develop profit-generating real estate for long-term ownership Perform constant investments		
Energy business	Develop FIT-based electric power generation facilities On-site PPA initiatives	Develop FIT-based electric power generation facilities Off-site PPA initiatives	Develop FIT-based electric power generation facilities On/off-site PPA initiatives Micro grid initiatives	

## Restructure the stable, nationwide supply system. Aim to record **2,500 units sales** in the mid-term.

Establish the robust, nationwide purchase, product, planning and sales system, including organizational optimization



### **Policy** Diversified targets through lateral spread

Extend target groups through further promotion of the nationwide rollouts and new brand development addressing different needs

**LEBEN** The signature brand thoughtfully addressing the "Life=Leben" of the residents

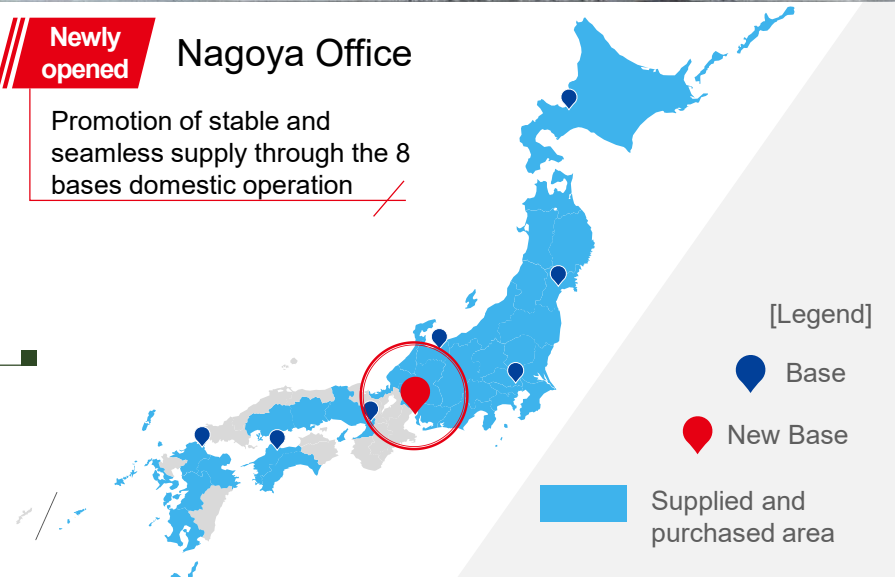
**THE LEBEN** Materializing higher average homes through the quest for higher quality

**NEBEL** Urban-style, compact condominiums addressing the diversified lifestyles

**+** Working on developing new brands for extended market share and customer satisfaction

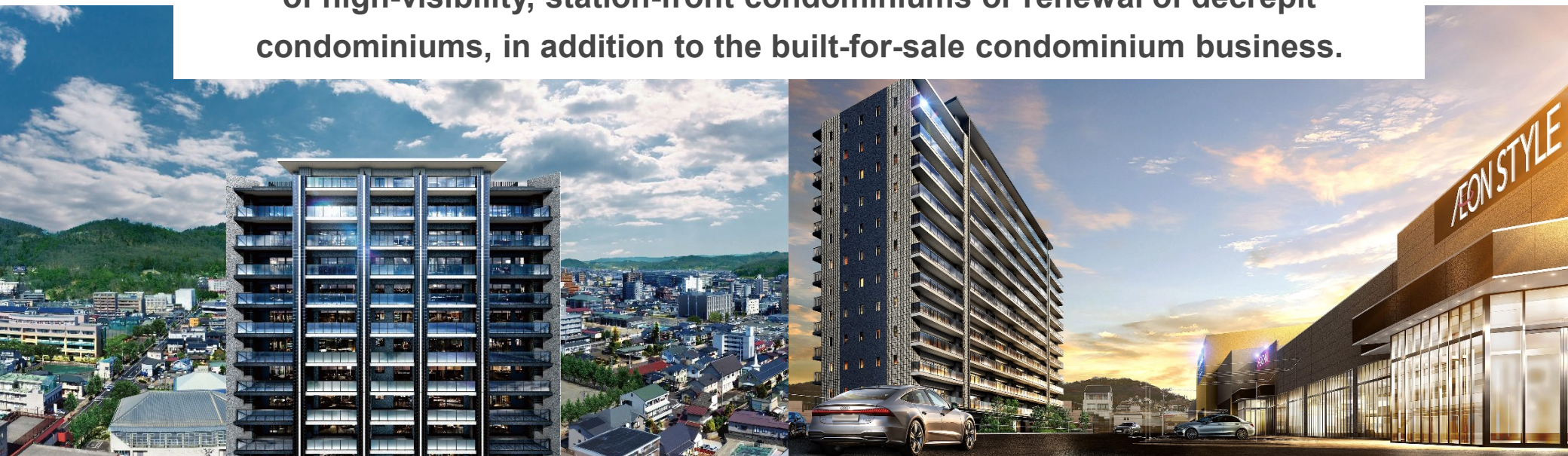
### **Newly opened** Nagoya Office

Promotion of stable and seamless supply through the 8 bases domestic operation





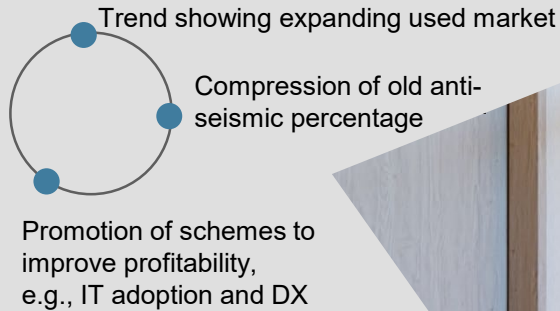
Promote active penetration in redevelopment projects such as reconstruction of high-visibility, station-front condominiums or renewal of decrepit condominiums, in addition to the built-for-sale condominium business.



	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
<b>Sold units (units)</b>	2,129	1,800	1,500	2,400	2,600
<b>Net sales (million yen)</b>	79,435	70,000	58,000	93,500	101,500
<b>Gross profit margin</b>	21.8%	20.0%	20.7%	20.9%	21.2%
<b>Metropolitan area ratio</b>		50.0%		50.0%	

## Establish a stable renewal business cycle.

Aiming **800 to 1,000** owned units.

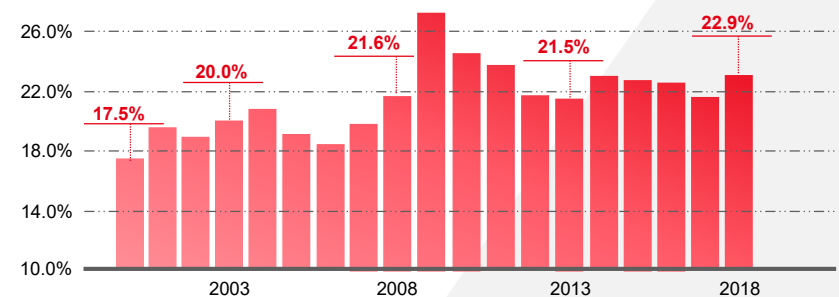


	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
<b>Purchased units (units)</b>	140	213	370	430	490
<b>Sold units (units)</b>	129	170	200	220	260
<b>Owned units of end of FY (units)</b>	397	440	610	820	1,050
<b>Net sales (million yen)</b>	3,866	5,900	6,400	7,100	8,500
<b>Gross profit margin</b>	15.9%	15.3%	15.6%	15.5%	15.3%

### Background Expansion and vitalization of used market

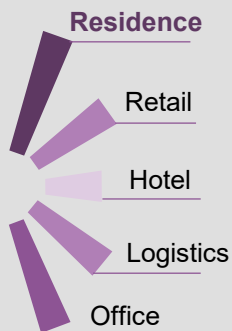
Actively proceed to secure inventories, and aim to promote the business as another mainstay next to the new built-for-sale condominium.

Existing house distribution share (vs. new constructions <owned houses>) ※1



※1 [Source] Portal Site of Official Statistics of Japan (e-Stat) (<https://www.e-stat.go.jp/>) Data processed/organized by the company based on the "Housing and Land Statistics Surveys"

**Maintain the investment pace of 30 to 50 billion yen per year.**  
**Actively promote rental residence development.**

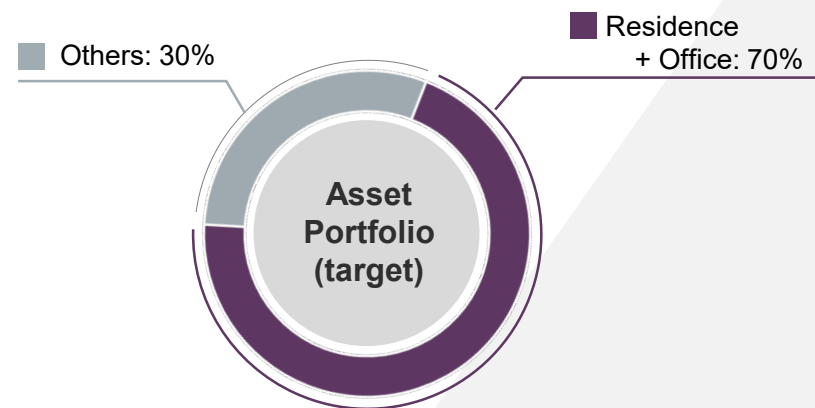


	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
Investment amount (million yen)	20,272	25,000	30,000	35,000	40,000
Sales amount (million yen)	22,376	22,000	38,000	36,000	36,000

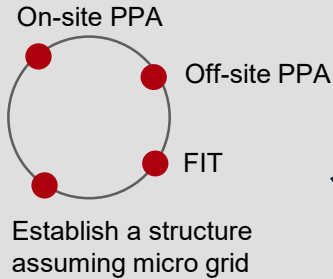
**Policy (1) Environment-friendly property development**

Promote Environment-friendly new development  
 Obtain CASBEE certificates for new development projects

**Policy (2) Optimization of asset portfolio**



# Develop a business model for de-FIT. Actively penetrate **direct and bilateral** energy trading.



	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3	
Facilities sale	Net sales (million yen)	7,688	23,260	11,000	6,000	10,000
	Gross profit margin	12.7%	16.9%	12.7%	6.7%	8.0%
Electricity sale	Net sales (million yen)	5,797	7,740	8,900	9,200	9,200
	Gross profit margin	▲5.0%	7.2%	5.6%	5.4%	5.4%

Generation capacity (cumulative MW)

FY2021/3  
240



FY2025/3  
360

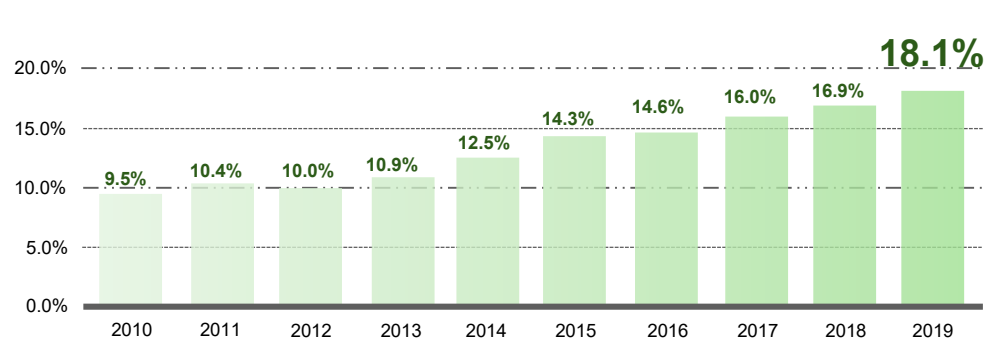
## Framework PPA / Micro grid framework

Aiming to implement the framework to address the ever-increasing popularity of renewable energies in Japan, the estimated sales figures on the above framework are not reflected in the business plan on the left (quantitative goals) as items still prohibited by law or not yet confirmed are included, .

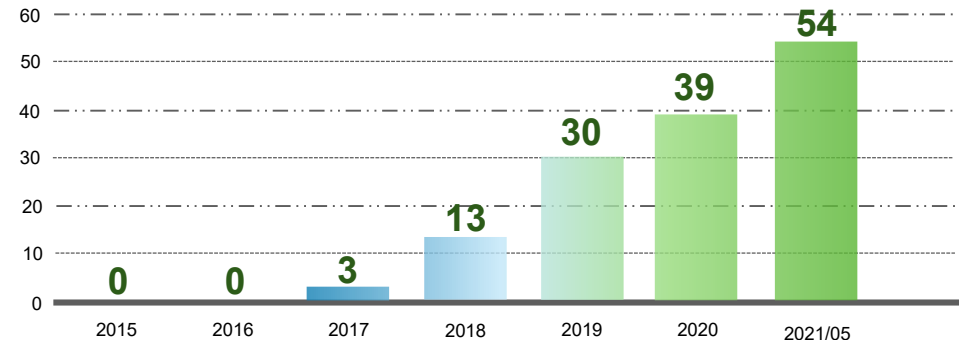
The renewable energy market continues to expand thanks to the global decarbonization and the technology development including improved power generation/storage efficiencies.

For the solar energy in particular, the Fifth Basic Energy Plan stipulates Japan's policy to turn it to a primary energy source, and further growth/expansion of the market is expected, including the supply/demand linkage to the market price by shifting to the FIP system.

## Transition of the "Renewable Energies<sup>※1</sup>" in total power generation<sup>※2</sup>



## Transition of the number of RE100 member companies (Japan, cumulative)<sup>※3</sup>



### Direct / bilateral energy trading PPA model

#### PPA model <sup>※4</sup>

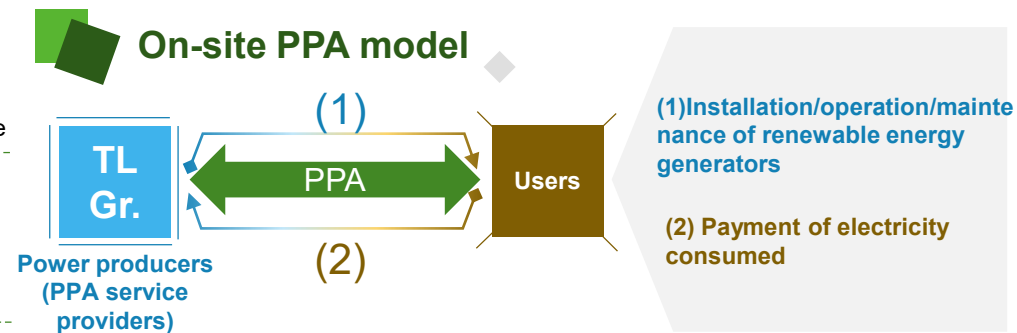
##### On-site PPA

Install power generation facilities on the user premises  
Primarily through the dedicated power line

##### Off-site PPA

Transmits power from the generation facilities off the user premises  
Often through the regular power grid

#### On-site PPA model



※1 Renewable energies: Hydro + solar + wind + geothermal + biomass

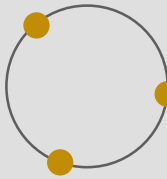
※2 [Source] Agency for Natural Resources and Energy website (<https://www.enecho.meti.go.jp/>) Data from "Total energy statistics (timetable)" processed and organized by the company

※3 [Source] Data from RE100 website (<https://www.there100.org/>) and JCLP website (<https://japan-clp.jp/>) processed and organized by the company

※4 PPA (Power Purchase Agreement): Agreement on power purchases to be executed by and between the power producers and users

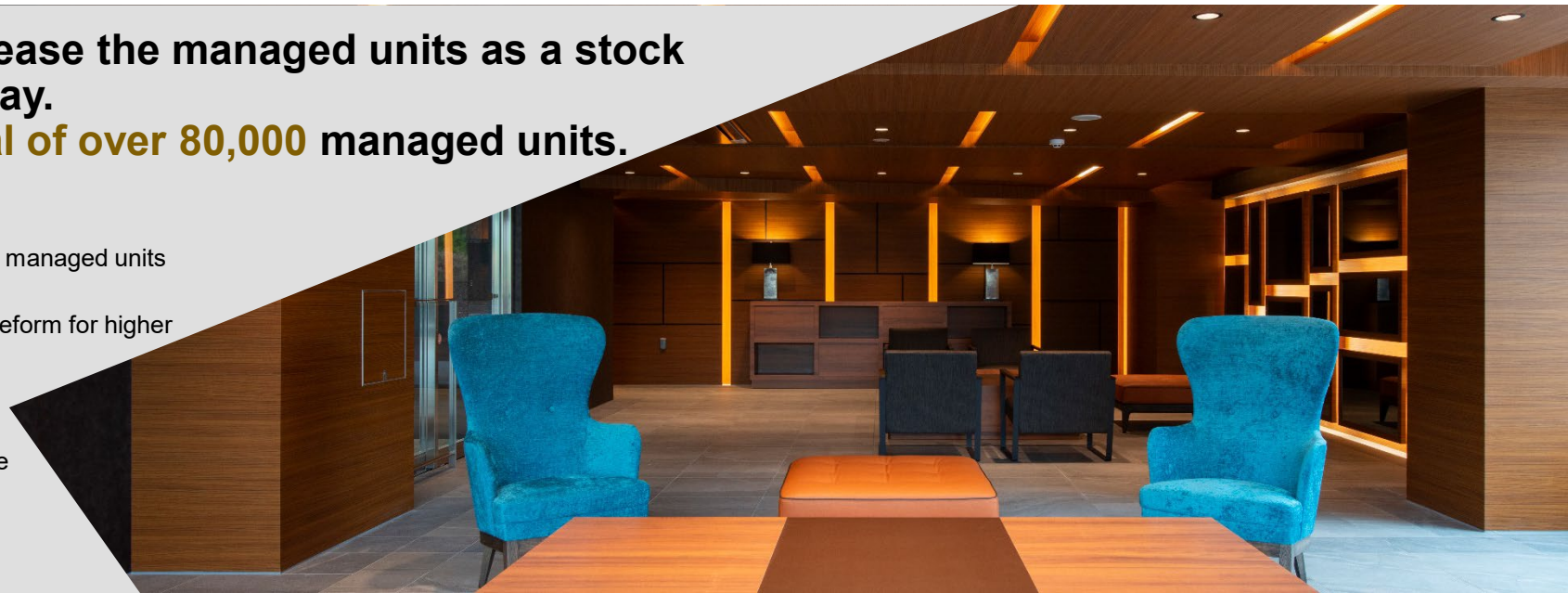
**Continue to increase the managed units as a stock business mainstay.**  
**Aiming for a total of over 80,000 managed units.**

Continued increase of the managed units



Structural reform for higher profitability

Enhancement of derivative businesses



	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
<b>Number of managed units (units)</b>	66,037	70,000	74,500	78,800	83,000
<b>Percentage of non-group units managed</b>	51.3%	52.0%	52.5%	53.0%	53.5%
<b>Net sales (million yen)</b>	5,446	5,500	5,900	6,300	6,700
<b>Gross profit margin</b>	9.5%	10.9%	10.2%	11.1%	11.9%



## Detached House Business

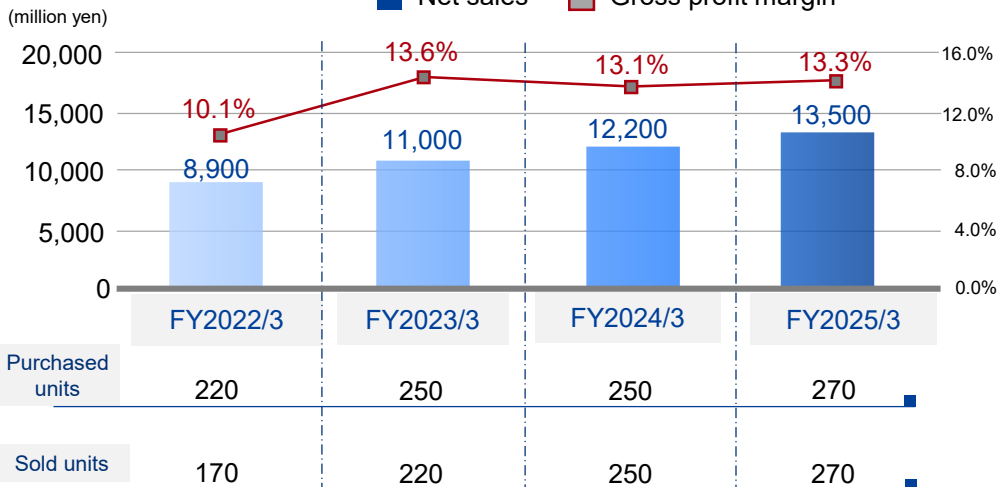
Restructuring purchase / supply system through enhanced area marketing

Enhanced area marketing

Determine the supply / demand balance and handpick the purchase areas

### Quantitative goals

■ Net sales ■ Gross profit margin



## Overseas Business

Continued overseas business extensions with focus on Vietnam

Two main Vietnam bases

Haiphong and Hanoi

Business diversification

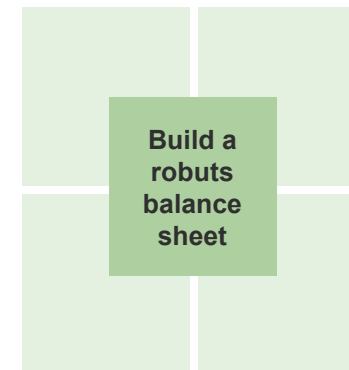
New built-for-sale condominium business, real estate management business, renewal resale business, etc.



Expansion of AM fees / repair work and establishment of the own hotel brand

**04**

## Establishment of a stable financial ground



- **Build area-specific financial institution networks**
- **Diversify the financing schemes**
- **Actively use the off-balance schemes**
- **Secure funds for growth investments**



# 05

## Improvement of productivity and creation of new services through promotion of DX

Group ICT promotion	DX promotion
Productivity improvement	Group security reinforcement

- Challenge for AI-enabled marketing capabilities and create new services through DX promotion

- Organizing a seamless work environment through the inter-group ICT promotion addressing the workstyle reforms, including the “With COVID-19” lifestyle

- Group ICT promotion and reinforcement of the security structure

- Improved productivity by promoting digitalization of operations

### Model initiatives

Introduction of a smartphone-enabled condominium management system and IT-enabled condominium business promotion work, etc.

**06**

## Proactive ESG considerations

Environment-friendliness	Governance controls
Carbon neutrality	Risk management measures

- **Promote energy business and disclosure of non-financial information such as the environmental data**
- **Implement various schemes to achieve carbon neutrality within the Group**
- **Control corporate governance through such effort as raising percentage of outside and / or female directors**
- **Establish and reinforce the risk management structure**

07

## Personnel development and establishment of the rewarding workplace environment

Personnel development	Workstyle reforms
50th Anniversary Project	Enhanced engagement

- Promote career development programs
- Proactive support for the workstyle reforms
- Enhanced engagement through promotion of the inner branding including the 50th Anniversary Project

These materials were prepared based on data current as of the end of April 2021.

The plans, projections, and so on, provided herein are based on Takara Leben's best judgment at the time the materials were prepared, and do not constitute a guarantee or promise that anything contained herein will be realized or achieved, nor do they provide any guarantees or promises as to the accuracy or completeness of the information contained herein. Additionally, adopting "Accounting Standard for Revenue Recognition" since FY 2022/3, its impact on the year-over-year comparison of the results is ignorable, and is therefore not taken into account.

The contents of these materials are subject to change without notice.



Contact for  
Inquiries

Office of the President

Tel

+81-3-6551-2130

Fax

+81-3-6551-2139

E-mail

[ir.info@leben.co.jp](mailto:ir.info@leben.co.jp)