Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2013

May 13, 2013

Company name: Takara Leben CO., LTD.
Stock listed on: Tokyo Stock Exchange, First Section
Securities code: 8897 (URL http://www.leben.co.jp)
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Scheduled date of annual general meeting of shareholders: June 20, 2013
Scheduled date for commencement of dividend payment: June 21, 2013
Scheduled date for release of annual securities report: June 20, 2013
Supplementary materials on financial results: Yes
Briefing for financial results: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million)

1. Consolidated Financial Results for the Year Ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(1) Consolidated operating results (Percentage figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2013	64,907	17.6	6,361	7.3	5,792	14.2	4,074	10.7
Year ended March 31, 2012	55,191	17.7	5,930	(12.2)	5,071	(8.2)	3,681	(27.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2013: ¥4,084 million (10.6%)
Fiscal year ended March 31, 2012: ¥3,692 million ((27.4)%)

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2013	134.45	134.32	18.0	8.0	9.8
Year ended March 31, 2012	116.49	—	18.6	7.7	10.7

(Reference) Equity in net income of affiliates: Fiscal year ended March 31, 2013: ¥57 million
Fiscal year ended March 31, 2012: ¥19 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2013	75,013	24,147	32.2	807.58
March 31, 2012	70,277	21,138	30.1	683.33

(Reference) Shareholders' equity: March 31, 2013: ¥24,131 million
March 31, 2012: ¥21,138 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2013	875	(1,590)	1,229	17,893
Year ended March 31, 2012	11,464	(792)	(2,685)	17,377

2. Dividends

(Record date)	Annual dividends per share					Total dividends (annual)	Dividends payout ratio (consolidate)	Ratio of dividends to net assets (consolidated)
	Q1	Q2	Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2012	—	4.00	—	9.00	13.00	404	11.2	2.0
Year ended March 31, 2013	—	5.00	—	10.00	15.00	450	11.2	2.0
Year ending March 31, 2014 (forecast)	—	6.00	—	12.00	18.00		10.7	

(Note) Year-end dividends per share for the year ended March 31, 2013 include ordinary dividend of ¥10.00.
Stock split at the ratio of 1:4 for one common stock effective as of July 1, 2013 was decided by resolution at the Board of Directors' meeting held on May 13, 2013. Dividend for the year ending March 31, 2014 after reflecting the stock split will be ¥4.5 (1st half dividend: ¥1.5, Year-end dividend: ¥3.0).

3. Forecast of Consolidated Financial Results for the Year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Percentage figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	71,650	10.4	9,300	46.2	8,515	47.0	5,030	23.5	168.34

(Note) Stock split at the ratio of 1:4 for one common stock effective as of July 1, 2013 was decided by resolution at the Board of Directors' meeting held on May 13, 2013. Net income per share for the year ending March 31, 2014 after the stock split will be ¥42.08.

***Notes**

(1) Changes in significant subsidiaries during the current fiscal year
(Changes in specified subsidiaries resulting in changes in scope of consolidation): No
New: None Excluded: None (Name) -

(2) Changes in accounting policies and accounting estimates, and restatements
(i) Changes in accounting policies due to revision of accounting standards: Yes
(ii) Changes in accounting policies other than (i): None
(iii) Changes in accounting estimates: Yes
(iv) Restatements: None
(Note) These items fall under Article 14-7 of "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (cases in which changes in accounting policies are difficult to distinguish from changes in accounting estimates). For details, please refer to "4. Consolidated Financial Statements (5) Notes to Consolidated Financial Statements (Change in Accounting Policies)" on page 21 of the attached material.

(3) Number of shares issued and outstanding (common stock)
(i) Number of shares issued and outstanding at end of year (including treasury stock)
(a) As of December 31, 2013: 33,386,070 shares
(b) As of December 31, 2012: 33,386,070 shares
(ii) Number of treasury stock at end of year
(a) As of December 31, 2013: 3,505,271 shares
(b) As of December 31, 2012: 2,451,871 shares
(iii) Average number of shares during the year
(a) As of December 31, 2013: 30,302,354 shares
(b) As of December 31, 2012: 31,607,112 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Year Ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(1) Non-consolidated operating results (Percentage figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2013	60,502	17.5	5,936	8.4	5,360	14.4	3,726	4.9
Year ended March 31, 2012	51,502	19.6	5,474	(16.2)	4,685	(12.1)	3,552	(29.0)

	Net income per share	Diluted net income per share
	yen	yen
Year ended March 31, 2013	122.98	122.86
Year ended March 31, 2012	112.41	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2013	72,025	22,283	30.9	745.18
March 31, 2012	67,904	19,701	29.0	636.87

(Reference) Shareholders' equity: March 31, 2013: ¥22,266 million
March 31, 2012: ¥19,701 million

2. Forecast of Non-Consolidated Financial Results for the Year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Percentage figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	66,900	10.6	8,900	49.9	8,150	52.0	4,750	27.5	158.96

(Note) Stock split at the ratio of 1:4 for one common stock effective as of July 1, 2013 was decided by resolution at the Board of Directors' meeting held on May 13, 2013. Net income per share for the year ending March 31, 2014 after the stock split will be 39.74.

* Status of Audit Procedures

This summary of consolidated financial results for the year ended December 31, 2013 is not subject to audit procedures under the Financial Instruments and Exchange Act, and the audit procedures for the consolidated financial statements are not complete at the time of the disclosure.

* Explanation about the proper use of the financial results forecasts, and other matters

The forward-looking statements presented above are based on the information available at the time of the release of this report and are not intended to guarantee that the Company would achieve such figures. Actual results may differ from these forecasts due to various factors in the future.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

Overview

During the consolidated fiscal year ended March 31, 2013, uncertainty about the Japanese economy's future still lingered due to external factors including continuously unstable financial conditions in European countries and internal factors including employment insecurity, but it started to show a positive sign of recovery after the change of the administration in December 2012 as the market expectation for the economic policy by the new administration led to correction of strong yen and rising stock price.

Amid this environment, in the new built-for-sale condominium business industry, properties utilizing natural energy have been attracting attention since the Great East Japan Earthquake, and properties in suburban areas also started to gather attention due to improved accessibility to downtown area as a result of direct connections among trains.

Under such circumstances, the Company completed the construction of Japan's first 'solar-powered condominiums with individual storage batteries that allow individual units to sell surplus energy' and actively plans and develops properties utilizing natural energy in suburban areas as it continues to focus on the supply of properties primarily in the suburbs of Tokyo and Saitama, our home turf.

With its 'Leben' series of in-house planned new condominiums as its main brand, the Company will remain committed to its basic concept of 'ideal, affordable housing that anyone can buy with confidence' as well as its corporate vision of 'thinking of happiness; making happiness' and its corporate mission of 'creating together with eager minds, sincere efforts and ample talent,' and continue to work on product plans capturing the needs of the time and promote business activities focusing on its customers as its ultimate supporters.

(i) Operating Results for the Year Ended March 31, 2013

a) Performance review

At the parent level, Takara Leben Co., Ltd., the built-for-sale condominium business delivered 1,686 units including Leben Revale Yokohama Tsurugamine Hills, Japan's first 'solar-powered condominiums with individual storage batteries that allow individual units to sell surplus energy.' Also, the Company ranked first in the ranking of the number of 'solar-powered condominiums (available in each individual home unit)' units supplied in Japan in 2012 for the second consecutive year.

The detached housing business delivered 99 units, and the Company will continue to aim at stable supply.

In the renovation and resale business, the number of units delivered fell below the plan as certain deliveries were postponed to the next fiscal year. As for the purchase, the Company will continue to promote purchases at appropriate prices, based on the proper judgment of the market trend, to supplement the built-for-sale condominium operations.

The real estate rental business recorded sales essentially in line with the plan.

As a result, the Company recorded net sales of ¥60,502 million (up 17.5% year-on-year), operating income of ¥5,936 million (up 8.4% year-on-year), ordinary income of ¥5,360 million (up 14.4% year-on-year), and net income of ¥3,726 million (up 4.9% year-on-year).

At Leben Community Co., Ltd., the number of units managed under consignment expanded steadily to 33,030. Especially, of the increase achieved during the fiscal year, 61% was accounted for by units entrusted from other companies, as efforts to secure other companies' properties paid off. Peripheral operations also fared well, including renovation, merchandise sales, and repair work.

At Tafuko Co., Ltd., business expanded essentially as planned, supported by steady commission income.

In As Partners Co., Ltd., nine existing nursing care facilities are operating and capacity utilization remained high at 88%.

Takara Property Co., Ltd., engaging in rental management business, became a consolidated subsidiary in October 2012.

As a result of the above, the Group recorded net sales of ¥64,907 million (up 17.6% year-on-year), operating income of ¥6,361 million (up 7.3% year-on-year), ordinary income of ¥5,792 million (up 14.2% year-on-year), and net income of ¥4,074 million (up 10.7% year-on-year).

b) Performance by Business Segment

＜Real Estate Sales Business＞

Sales from the real estate sales business amounted to ¥59,310 million, up 18.0% from the previous fiscal year, including sales of ¥54,827 million for 1,686 new build-for-sale condominium units and sales of ¥4,482 million from sales of detached houses and renovation and resale business.

＜Real Estate Rental Business＞

Revenues from the real estate rental business amounted to ¥1,485 million, up 4.6% from the previous fiscal year, including rent revenues from the rental of apartments, condominium units, and offices.

＜Real Estate Management Business＞

Revenues from real estate management business representing management fees from 33,030 units under management amounted to ¥2,582 million, up 13.1% from the previous fiscal year.

＜Other Business＞

Revenues from other businesses amounted to ¥1,529 million, up 26.7% from the previous fiscal year, including revenues from repair work.

c) Performance Review by Item

＜Net Sales＞

Net sales of the real estate sales business amounted to ¥59,310 million, including sales of 1,686 new built-for-sale condominium units and sales from new detached housing and renovation and resale business.

Revenues from the real estate rental business amounted to ¥1,485 million, including rent revenues from the rental of apartments, condominium units, and offices.

Revenues from the real estate management business representing management fees from 33,030 units under management amounted to ¥2,582 million.

Revenues from other businesses include revenues from repair work and amounted to ¥1,529 million.

As a result, net sales for the consolidated fiscal year ended March 31, 2013 amounted to ¥64,907 million, up 17.6% from the previous fiscal year.

＜Cost of Sales＞

Cost of sales increased by 21.2% to ¥50,528 million as the number of units delivered in the real estate sales business increased by 394 units from the previous fiscal year to 1,686 units.

＜Selling, General and Administrative Expenses＞

Despite the continued cost-cutting efforts, selling, general and administrative expenses increased from the previous fiscal year by 6.0% to ¥8,017 million due to an increase in selling expenses resulting from increased contracted ratio and number of units delivered.

＜Non-Operating Income and Expenses＞

Non-operating income increased by 36.4% from the previous fiscal year to ¥212 million due to commission income.

Non-operating expenses decreased by 23.0% from the previous fiscal year to ¥781 million due to a decrease in interest expense as a result of repayment of borrowings for projects.

＜Extraordinary Income and Loss＞

Extraordinary income amounted to ¥120 million consisting of reversal of allowance for directors' retirement benefits due to termination of directors' retirement benefits plan and gains on negative goodwill arising from an increase of consolidated subsidiaries.

Extraordinary loss decreased by 88.5% from the previous year to ¥43 million consisting of loss on disposal of fixed assets.

As a result, net sales for the consolidated fiscal year ended March 31, 2013 amounted to ¥64,907 million, up 17.6% on a year-on-year basis; operating income amounted to ¥6,361 million, up 7.3% on a year-on-year basis; Ordinary income amounted to ¥5,792 million, up 14.2% on a year-on-year basis; and net income amounted to ¥4,074 million, up 10.7% on a year-on-year basis.

(ii) Outlook for the Year Ending March 31, 2014

Based on the new medium-term business plan announced in September 2012, the business plan for the fiscal year ending March 31, 2014 was drafted as follows.

In the real estate sales business, the new built-for-sale condominium operation will aggressively promote solar-powered condominiums and expect to deliver 1,710 units.

The detached housing business will supply through projects in medium- and large-sized land and expects to deliver 150 houses.

The renovation and resale business will continue to promote purchases at appropriate prices, based on the proper judgment of the market trend, to supplement its new built-for-sale condominium operations.

The real estate rental business intends to improve its stable stock business through well-selected purchases.

The real estate management business has set a target for management contract to be 36,000 units and aims at further expansion of peripheral operations such as large-scale repair work.

Based on the above, the Company's performance projections for the year ending March 31, 2014 are as follows:

Net sales:	¥71,650 million	(up 10.4% on a year-on-year basis)
Operating income:	¥9,300 million	(up 46.2% on a year-on-year basis)
Ordinary income:	¥8,515 million	(up 47.0% on a year-on-year basis)
Net income:	¥5,030 million	(up 23.5% on a year-on-year basis)

(New built-for-sale condominiums: Contracts signed versus number of units scheduled for delivery in the fiscal year ending March 31, 2014)

	Scheduled for delivery (units)	Of which, number of contracts signed (units)	Contracted ratio (%)
As of March 31, 2013	1,710	1,020	59.6

(iii) Progress of the Mid-Term Management Plan, etc.

The Company developed the new mid-term management plan "Takara Leben Next Stage 2016" in September 2012 and set five main measures: "Steady increase in number of units sold," "Promote solar-powered condominiums," "Entry to mega-solar business," "Stable supply of condominiums in central area in local cities," and "Restructure the detached house business." In the next fiscal year ending March 31, 2014, the ratio of solar-powered condominium is expected to reach approximately 40% (in number of building).

(iv) Achievement of Targeted Operating Index

The Company manages business with a focus on equity and cash and deposit balance. The new mid-term management plan announced in September 2012 sets goals for the final year of the plan ending March 31, 2016 to be ¥33 billion for both cash and deposit and equity. During the year ended March 31, 2013, equity increased by ¥3,009 million from March 31, 2012 despite the acquisition of treasury stock of ¥792 million. Equity ratio also rose 2.1 points from March 31, 2012 to 32.2%.

(2) Analysis of Financial Position

With regard to assets, liabilities, and net assets of the Group as of March 31, 2013, total assets amounted to ¥75,013 million, an increase of ¥4,736 million from March 31, 2012, mainly due to an increase in cash and deposits and an increase in inventories from new purchases.

(i) Analysis of Assets, Liabilities and Net Assets

a) Current assets

Current assets amounted to ¥55,932 million, an increase of ¥5,012 million from March 31, 2012, mainly due to an increase in inventories from new purchases.

b) Non-current assets

Non-current assets amounted to ¥19,081 million, a decrease of ¥276 million from March 31, 2012, mainly due to sales of business assets.

c) Current liabilities

Current liabilities amounted to ¥29,025 million, a decrease of ¥8,347 million from March 31, 2012, mainly due to repayment of borrowings and a decrease in notes and accounts payable, trade as a result of payment of construction fees.

d) Non-current liabilities

Non-current liabilities amounted to ¥21,840 million, an increase of ¥10,074 million from March 31, 2012, mainly due to an increase of borrowings associated with new purchases.

e) Net assets

Net assets increased by ¥3,009 million from March 31, 2012 to ¥24,147 million as net income for the year exceeded distribution of surplus and purchase of treasury stock.

(ii) Analysis of Cash Flows

Cash and cash equivalents (“funds”) as of March 31, 2013 amounted to ¥17,893 million, an increase of ¥515 million from March 31, 2012.

a) Cash flows from operating activities

Net cash provided by operating activities was ¥875 million (Year ended March 31, 2012: ¥11,464 million), mainly attributable to net income before income taxes and minority interests.

b) Cash flows from investing activities

Net cash used in investing activities was ¥(1,590) million (Year ended March 31, 2012: ¥(792) million), mainly attributable to purchase of fixed assets.

c) Cash flows from financing activities

Net cash provided by financing activities was ¥1,229 million (Year ended March 31, 2012: ¥(2,685) million), mainly attributable to new borrowings.

(iii) Cash Flow Indicators

③Changes in indicators related to cash flows

	FY2011/3	FY2012/3	FY2013/3
Equity ratio (%)	30.1	30.1	32.2
Equity ratio at market value (%)	25.9	34.3	58.3
Debt repayment period (years)	4.3	2.8	39.8
Interest coverage ratio (times)	6.8	11.8	1.1

Equity ratio: Shareholders’ equity / Total assets

Equity ratio at market value: Equity market capitalization / Total assets

Debt repayment period: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows / Interest expense

* These indicators are all calculated using consolidated financial data.

* Interest-bearing debt includes all debt recorded on the Consolidated balance sheet on which interest is paid.

(3) Basic Policy for Profit Sharing and Dividends for the Current and Next Fiscal Years

Returning profits to the shareholder is one of the most important tasks for the Company. And the Company has the fundamental policy of striving to sustain stable levels of dividends at levels deemed appropriate based on due consideration of corporate performance trends and of the amount of internally retained funds required to expand and strengthen business operations. The new mid-term management plan sets a policy to allocate over 30% of the bottom line to dividends and treasury stock purchase.

Specifically, the plans for dividends are set as follows:

		1st half dividend	Year-end dividend	Total
Year ended March 31, 2013 (forecast)	Ordinary dividends	¥5.0	¥10.0	¥15.0

		1st half dividend	Year-end dividend	Total
Year ended March 31, 2014 (forecast)	Ordinary dividends	¥6.0	¥12.0	¥18.0

※ Stock split at the ratio of 1:4 for one common stock effective as of July 1, 2013 was decided by resolution at the Board of Directors' meeting held on May 13, 2013. Dividend for the year ending March 31, 2014 after reflecting the stock split will be ¥4.5 (1st half dividend: ¥1.5, Year-end dividend: ¥3.0).

The Company does not decide dividends based solely on specific benchmarks but on a comprehensive assessment, with an aim to make the Company attractive for long-term investment by numerous shareholders.

(4) Business Risks

The following items present potential risk for the operating results, share price, financial position, etc. of the Group.

Forward-looking statements hereby are based on the assessment by the Group as of the end of the current consolidated fiscal year.

a) Earthquakes and other natural disasters

Earthquakes and other natural disasters may directly damage the Company or the construction companies used for execution, or may make it difficult for these construction companies to procure building materials. Any of these events may delay construction work, as well as hamper sales and collection activity of the Company, and thus impact the performance and financial position of the Group.

b) Legal regulations

The business of the Group is subject to the National Land Use Planning Act, Building Lots and Buildings Transaction Business Act, Building Standards Act, City Planning Act, Money lending Control Act, Act on Advancement of Proper Condominium Management, Long-Term Care Insurance Act and other applicable national laws as well as applicable ordinances, etc., of the various local governments. Should these laws, ordinances, etc., be revised or new ones created, this will create new burdens for the Group and may potentially impact its performance and business development.

c) Degree of dependency on borrowing

Purchase of land is funded primarily by loans from financial institutions, and the ratio of interest-bearing debt to total assets is 46.4% at the end of the current consolidated fiscal year. Thus, in case the funding is restricted or interest rates increase rapidly due to worsened financial conditions, the performance and financial position of the Group may be affected.

d) Home buyer sentiment

The Company's core business, new built-for-sale condominiums, tends to be swayed by changes in home buyer sentiment. Home buyer sentiment is affected by factors such as the overall economy, residential tax regulations, consumption taxes, land prices, and interest rates. A pronounced deterioration in home buyer sentiment may impact the performance and financial position of the Group.

e) Impact of home loans

The Group makes use of home loans from home financing support organizations and financial institutions for the sale of condominiums, etc.; therefore, credit crunch caused by unfavorable changes in financial conditions may potentially impact the performance and financial situation of the Group.

f) Impact of supply trends

Sales of new build-for-sale condominiums, a core business of the Group, are greatly affected by supply trends, such as land procurement cost and subcontracting cost fluctuations and interest rate changes. For these reasons, conditions which impact supply trends may potentially impact the performance and financial position of the Group.

g) Impact of competition

The Group sells real estate in and around the Tokyo Metropolitan Area, and an excessive price competition in this area may prolong marketing activities or cause difficulties to sales at the price anticipated by the Company. Such situations may potentially impact the performance and financial situation of the Group.

h) Subcontractors

The Group entrusts the construction of its condominiums to building contractors. However, increases in building material costs and labor costs may raise building contract costs, thus depressing profitability. Also, construction companies entrusted with the construction work may become insolvent, which may delay construction work or force the construction company to default on its contract. Any of these events, as well as failure by the construction company to provide the due compensation in the future, may impact the performance and financial position of the Group.

i) Opposition to condominium construction from surrounding residents

When constructing condominiums, the Group carefully considers the environment surrounding the construction location; reviews relevant national laws and local ordinances when creating a development plan; and holds information sessions for local residents prior to the start of construction in order to facilitate understanding. However, issues such as construction noise, sunlight block or environmental disruption may sometimes lead to an opposition campaign against the construction by surrounding residents and cause the change of plans, construction delays, and additional costs, etc., which may potentially impact the performance and financial situation of the Group.

j) Possibility of lawsuits

When constructing condominiums, the Group takes careful considerations from a variety of perspectives; however, lawsuits may be brought against the Group as a result of building defects, soil contamination, etc., and as a result, the building plans may have to be changed. Such cases may potentially impact the performance and financial position of the Group.

k) Personal information

The Group handles a large amount of personal information in the course of selling and managing condominiums, etc. Extreme care is taken in handling and administering such information through measures such as implementation of software designed to prevent personal information leak, creation and maintenance of relevant rules, creation of employees manuals, and provision of employee training seminars; however, if a leak of personal information occurs, it may potentially impact the performance and financial position of the Group.

2. The Takara Leben Group

The Takara Leben Group, consisting of the Company, four consolidated subsidiaries and one affiliate, operates real estate business primarily in the Tokyo metropolitan area, including Tokyo, Saitama, Chiba, and Kanagawa prefectures.

The Company mainly engages in the planning, development, and marketing of ‘Leben-series’ new built-for-sale condominiums.

Leben Community Co., Ltd., a consolidated subsidiary, primarily engages in comprehensive management services for condominium buildings.

TAFUKO Co., Ltd., a consolidated subsidiary, primarily engages in loan collection agency business and other commission-based businesses.

Marunouchi Servicer Co., Ltd., a consolidated subsidiary, primarily engages in claims servicing business pursuant to the Act on Special Measures concerning the Claims Servicing Business.

Takara Property Co., Ltd., a consolidated subsidiary, primarily engages in rental management business.

As Partners Co., Ltd., an affiliate accounted for by using the equity method, primarily operates residential facilities with nursing capabilities for elderly people.

(1) Real estate sales business

The Company primarily engages in planning, development and marketing of ‘Leben-series’ new built-for-sale condominiums in the suburbs of the Tokyo metropolitan area.

(2) Real estate rental business

The Company engages in rental business for apartments, condominiums, and offices in the Tokyo metropolitan area. Also Takara Property Co., Ltd., a consolidated subsidiary, engages in rental management business.

(3) Real estate management business

Leben Community Co., Ltd., a consolidated subsidiary, provides comprehensive management service for built-for-sale condominiums.

(4) Other businesses

・Loan collection agency business

TAFUKO Co., Ltd., a consolidated subsidiary, provides loan collection service.

・Claims servicing business

Marunouchi Servicer Co., Ltd., a consolidated subsidiary, engages in claims servicing business pursuant to the Act on Special Measures concerning the Claims Servicing Business.

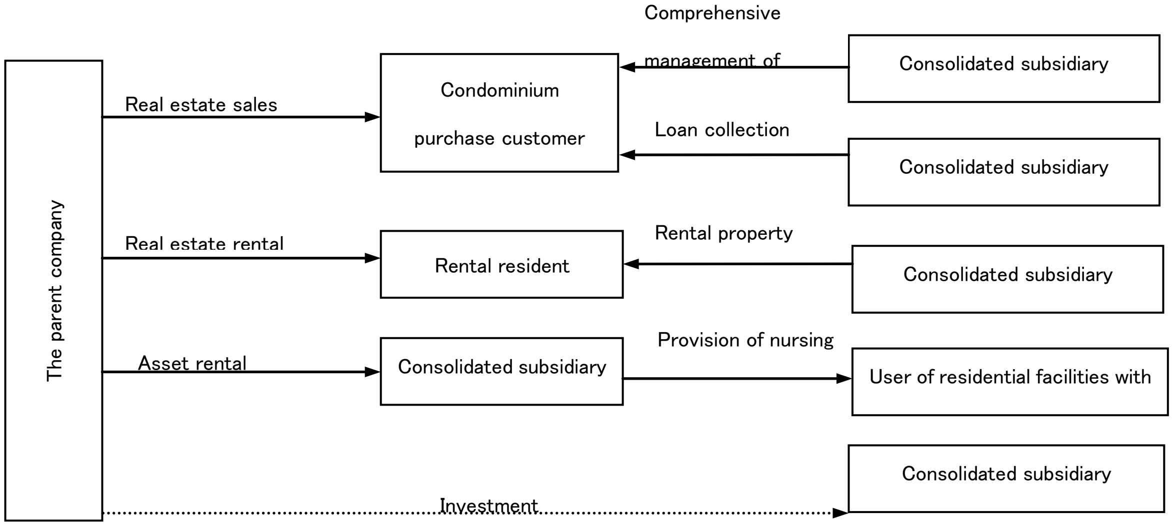
・Nursing care business

As Partners Co., Ltd., an affiliate accounted for by using the equity method, operates residential facilities with nursing capabilities for elderly people.　Also, Leben Community Co., Ltd., a consolidated subsidiary, provides rehabilitation-focused day-care nursing service.

・Other businesses

The Group also engages in other businesses such as commissioned real estate marketing agency business.

The Group’s businesses are organized as follows.



3. Management Policy

(1) Basic Management Policy

The followings are the Company's corporate vision and corporate mission.

<u>Takara Leben's Corporate Vision: The Way We Should Be</u>

Thinking of Happiness. Making Happiness

As a builder, we take your happiness more seriously than anyone else;
when we build for you, we build to make your living dreams come true.

When we develop, we consider the well-being of the community more deeply than anyone else, the world gets new towns where all people live in comfort.

To build a happy future, we plan and work more fruitfully than anyone else; we propose earth-friendly, sustainable development for the environment.

Thinking of Happiness.　Making Happiness.
That's Takara Leben's corporate vision.

<u>Takara Leben's Corporate Mission: The Beliefs We Value</u>

Creating Together

with Eager Minds

Putting our heads together with customers, eagerly,
to think up and create new market values

with Sincere Efforts

Prizing the sincere efforts of our partners,
for the comfort and security of living together

with Ample Talent

Prizing the talents of every corporate member,
for the rich and seamless development of a shared tomorrow.

(2) Medium and Long-Term Business Strategy

＜Overview of Strategies＞

The Company developed the new mid-term management plan "Takara Leben Next Stage 2016" in September 2012 for the period ending March 31, 2016, with a theme of 'For Solid Steps towards Regrowth' and five main measures listed below.　It also has a subtitle of 'As a Pioneer of Solar-Powered Condominium.'

・Steady increase in number of units sold
・Promote solar-powered condominiums
・Entry to mega-solar business
・Stable supply of condominiums in central area in local cities
・Restructure the detached house business

＜Specific Strategies＞

Ａ．Basic Policy

The Company aims to achieve its basic concept of 'ideal, affordable housing that anyone can buy with confidence' by maintaining and improving basic strategies of the previous mid-term management plan: 'procurement strategy,' 'merchandising strategy,' 'sales strategy,' and 'financing strategy.'

B． Individual Strategies

(i) New built-for-sale condominium business

a) Promote solar-powered condominiums

Drawing on the achievement of the top supplier of ‘solar-powered condominiums (available in each individual home unit)’ units for the second consecutive year, the Company will continue to promote planning and development of solar-powered condominiums. The goal for the final year of the new mid-term management plan ending March 31, 2016 is to increase the ratio of solar-powered condominiums in new properties to over 50% (in number of buildings).

b) Development in central areas in local cities

The Company will continue to work on revitalization of central areas in local cities including Toyama and Nagano where we have already been delivering results. As supply and demand trends are quite important in local cities, we will purchase lands based on careful monitoring of the trends and aim at stable annual supply of over 200 units.

c) Reinforce Yokohama area

With our new Yokohama branch established in October 2012, we will reinforce Yokohama area to make it our second core area while continuing to focus on our primary core area of Saitama and Tokyo.

d) Obtain lands for medium- to long-term projects

We will secure lands for medium- to long-term project with terms of over three years in order to mitigate future risk and aim at long-term stability.

(ii) Detached housing business

a) Own construction detached house

We created a team specializing in land purchase to enhance land purchase system for detached house. Also, instead of engaging in small-sized land development which is highly competitive, we purchase land for medium- to large-sized projects and promote product planning which is different from competitors such as combined plan of condominiums and detached houses, in order to achieve the goal of annual delivery of 250 units.

b) Custom-built house

We will differentiate our products by offering unique products with condo-taste and functional themes of ‘solar-power’ and ‘earthquake resistant.’

(iii) Other businesses

a) Mega-solar business

With our goal to ease concerns over the electric power supply, we will develop mega-solar business as part of social contribution. We will aim to achieve operation goals of over 10 mega watts in total based on the assessment of proper fixed buy-out price.

b) Real estate management business

We will aim to secure 3,000 units annually as a pillar of stock business by enhancing entrustment from other companies.

c) Real estate rental business

The Company aims to further enhance stable stock business through well-selected purchases.

d) Renovation business

We will purchase at appropriate price based on the proper judgment of market trends and consider further development of the business.

C． Group Strategies

In order to build a strong corporate group which will not be affected by external factors, the Company will improve information exchange within the Group and establish a corporate structure that can create synergy effects. Especially, since the Company’s core business, the new built-for-sale condominium business, is a flow-type business, it is essential for the Company to expand stock-type business such as rental, management service and nursing service business.

(3) Issues to be Addressed

The Company overcame the rough times after the Lehman Shock and recovered enough to develop ‘Takara Leben Next Stage 2016.’ Under such conditions, the Company considers its immediate priority to be cultivation of human resources. Especially, in order to establish sustainable organization, it is absolutely imperative to cultivate middle-level personnel. Through providing trainings according to employee level and reinforcing corporate culture, we aim to build stronger organization while maintaining the speedy decision making.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2012)	Current Consolidated Fiscal Year (March 31, 2013)
Assets		
Current assets		
Cash and deposits	17,394	17,911
Notes and accounts receivable, trade	377	323
Real estate held for sale	※2, ※3 7,430	※2, ※3 2,067
Real estate held for sale in progress	※2 22,863	※2, ※3 33,308
Deferred tax assets	290	250
Other	2,608	2,102
Allowance for doubtful accounts	(46)	(32)
Total current assets	50,919	55,932
Fixed assets		
Tangible fixed assets		
Buildings and structures	6,856	7,726
Accumulated depreciation	(2,319)	(2,714)
Buildings and structures, net	※2, ※3 4,537	※2, ※3 5,011
Tools, furniture and fixtures	169	170
Accumulated depreciation	(139)	(142)
Tools, furniture and fixtures, net	※2 29	※2 27
Land	※2, ※3 13,487	※2, ※3 12,471
Lease assets	53	137
Accumulated depreciation	(13)	(42)
Lease assets, net	39	95
Total tangible fixed assets	18,095	17,606
Intangible fixed assets		
Lease assets	181	129
Other	※2 272	※2 421
Total intangible fixed assets	453	551
Investments and other assets		
Investment securities	150	166
Long-term loans	89	81
Deferred tax assets	169	269
Other	※1 616	※1 519
Allowance for doubtful accounts	(217)	(112)
Total investments and other assets	808	924
Total fixed assets	19,357	19,081
Total assets	70,277	75,013

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2012)	Current Consolidated Fiscal Year (March 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable, trade	※2 10,165	7,920
Short-term borrowings	※2 5,494	※2 2,629
Current portion of long-term borrowings	※2 15,887	※2 11,375
Lease obligations	62	70
Income taxes payable	515	1,608
Advance received	3,794	3,955
Allowance for bonuses	197	207
Allowance for compensation for complete work	59	70
Other	1,196	1,188
Total current liabilities	37,372	29,025
Noncurrent liabilities		
Long-term borrowings	※2 10,774	※2 20,849
Lease obligations	172	171
Allowance for employees' retirement benefits	171	178
Allowance for directors' retirement benefits	76	24
Asset retirement obligations	21	22
Other	548	594
Total noncurrent liabilities	11,765	21,840
Total liabilities	49,138	50,866
Net assets		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,949	4,947
Retained earnings	13,266	16,991
Treasury stock	(1,890)	(2,630)
Total Shareholders' equity	21,145	24,127
Accumulated other comprehensive income		
Net unrealized losses (gains) on available-for-sale securities	(7)	3
Total accumulated other comprehensive income	(7)	3
New share subscription rights	—	16
Total net assets	21,138	24,147
Total liabilities and net assets	70,277	75,013

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Net sales	55,191	64,907
Cost of sales	※1 41,700	※1 50,528
Gross profit	13,490	14,378
Selling, general and administrative expenses	※2 7,560	※2 8,017
Operating income	5,930	6,361
Non-operating income		
Interest income	5	4
Dividend income	3	4
Commissions received	87	106
Income from equity method investment	19	57
Miscellaneous income	39	40
Total non-operating income	155	212
Non-operating expenses		
Interest expense	979	766
Miscellaneous losses	35	15
Total non-operating expense	1,014	781
Ordinary income	5,071	5,792
Extraordinary gains		
Reversal of allowance for directors' retirement benefits	—	53
Gain on negative goodwill	—	66
Total extraordinary gains	—	120
Extraordinary losses		
Loss on disposal of fixed assets	※3 6	※3 23
Loss on valuation of investment securities	10	—
Loss on sale of subsidiaries' stock	49	—
Impairment loss	※4 186	※4 18
Loss from legal proceedings	※5 117	—
Other	5	0
Total extraordinary losses	375	43
Income before income taxes and minority interests	4,695	5,869
Income taxes - current	571	1,865
Income taxes – deferred	442	(70)
Total income taxes	1,014	1,795
Income before minority interests	3,681	4,074
Net income	3,681	4,074

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Income before minority interests	3,681	4,074
Other comprehensive income		
Net unrealized gains on available-for-sale securities	11	10
Total other comprehensive income	※1 11	※1 10
Comprehensive income	3,692	4,084
(Comprising)		
Comprehensive income attributable to parent	3,692	4,084

(3) Consolidated Statement of Changes in Shareholders’ Equity

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Shareholders’ equity		
Capital stock		
Balance at beginning of year	4,819	4,819
Changes during the year		
Total changes during the year	―	―
Balance at end of year	4,819	4,819
Capital surplus		
Balance at beginning of year	4,949	4,949
Changes during the year		
Disposition of treasury stock	―	(1)
Total changes during the year	―	(1)
Balance at end of year	4,949	4,947
Retained earnings		
Balance at beginning of year	9,905	13,266
Changes during the year		
Dividends from surplus	(320)	(429)
Net income	3,681	4,074
Change in scope of consolidation	―	79
Total changes during the year	3,361	3,724
Balance at end of year	13,266	16,991
Treasury stock		
Balance at beginning of year	(1,295)	(1,890)
Changes during the year		
Acquisition of treasury stock	(595)	(792)
Disposition of treasury stock	―	52
Total changes during the year	(595)	(740)
Balance at end of year	(1,890)	(2,630)
Total shareholders’ equity		
Balance at beginning of year	18,380	21,145
Changes during the year		
Dividends from surplus	(320)	(429)
Net income	3,681	4,074
Change in scope of consolidation	―	79
Acquisition of treasury stock	(595)	(792)
Disposition of treasury stock	―	50
Total changes during the year	2,765	2,981
Balance at end of year	21,145	24,127

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities		
Balance at beginning of year	(18)	(7)
Changes during the year		
Net changes of items other than shareholders' equity	11	10
Total changes during the year	11	10
Balance at end of year	(7)	3
Total accumulated other comprehensive income		
Balance at beginning of year	(18)	(7)
Changes during the year		
Net changes of items other than shareholders' equity	11	10
Total changes during the year	11	10
Balance at end of year	(7)	3
New share subscription rights		
Balance at beginning of year	―	―
Changes during the year		
Net changes of items other than shareholders' equity	―	16
Total changes during the year	―	16
Balance at end of year	―	16
Total net assets		
Balance at beginning of year	18,361	21,138
Changes during the year		
Dividends from surplus	(320)	(429)
Net income	3,681	4,074
Change in scope of consolidation	―	79
Acquisition of treasury stock	(595)	(792)
Disposition of treasury stock	―	50
Net changes of items other than shareholders' equity	11	27
Total changes during the year	2,776	3,009
Balance at end of year	21,138	24,147

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Cash flows from operating activities		
Net income before income taxes and minority interests	4,695	5,869
Depreciation and amortization	319	356
Impairment loss	186	18
Gains on negative goodwill	—	(66)
Increase (decrease) in allowances	137	(50)
Interest and dividend income	(9)	(8)
Equity-based compensation cost	—	67
Loss on valuation of investment securities	10	—
Loss on sale of subsidiaries' stock	49	—
Loss from legal proceedings	117	—
Interest expense	979	766
Loss on disposal of fixed assets	6	23
Decrease in accounts receivable, trade	38	54
Decrease in operating loans	58	79
Increase in inventories	(1,577)	(3,294)
Increase (decrease) in accounts payable, trade	6,380	(2,244)
Increase in advance received	1,469	161
Other	(286)	671
Subtotal	12,575	2,404
Interest and dividend received	9	8
Interest paid	(967)	(764)
Income taxes paid	(152)	(772)
Net cash provided by operating activities	11,464	875
Cash flows from investing activities		
Payments into time deposits	(14)	(1)
Withdrawals from time deposits	10	—
Increase in short-term loans	(28)	4
Outflow from extending long-term loans	(1)	—
Proceeds from collection of long-term loans	1	—
Acquisition of tangible fixed assets	(612)	(1,548)
Acquisition of intangible fixed assets	(31)	(42)
Acquisition of investment securities	(12)	(20)
Proceeds from sale of investment securities	—	16
Inflow from acquisition of subsidiaries' stock resulting in change of the scope of consolidation	—	※3 2
Outflow from sale of subsidiaries' stock resulting in change of the scope of consolidation	※3 (100)	—
Other	(0)	(0)
Net cash used in investing activities	(792)	(1,590)

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,378	(2,865)
Proceeds from long-term borrowings	12,803	18,520
Repayment of long-term borrowings	(16,129)	(13,127)
Proceeds from sale and lease back transaction	219	—
Repayment of lease obligations	(41)	(75)
Acquisition of treasury stock	(595)	(792)
Dividends paid	(320)	(429)
Net cash (used in) provided by financing activities	(2,685)	1,229
Increase in cash and cash equivalent	7,986	515
Cash and cash equivalent at beginning of year	9,391	※1 17,377
Cash and cash equivalent at end of year	※1 17,377	※1 17,893

(5) Notes to the Consolidated Financial Statements

(Notes Regarding to Going Concern Assumption)

Not applicable.

(Significant Basis for Preparation of the Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of Consolidated subsidiaries: 4

Names of consolidated subsidiaries

Leben Community Co., Ltd.

TAFUKO Co., Ltd.

Marunouchi Servicer Co., Ltd.

Takara Property Co., Ltd.

Takara Housing Co., Ltd. is included in the scope of consolidation as the Company acquired all of the issued shares of the company during the current consolidated fiscal year.

Also, the company's name of Takara Housing Co., Ltd. was changed to Takara Property Co., Ltd. as of November 1, 2012.

(2) Names of major nonconsolidated subsidiaries

Not applicable.

2. Application of the equity method

(1) Number of affiliates accounted for using the equity method: 1

Name of the affiliate

AS PARTNERS Co., Ltd.

(2) Non-consolidated subsidiaries not accounted for using the equity method

Not applicable.

3. Fiscal year of consolidated subsidiaries

During the current consolidated fiscal year, Takara Property Co., Ltd. changed its year-end to March 31 to conform to the consolidated fiscal-year end. The accounting period for the current consolidated fiscal year is five months.

4. Accounting policies

(1) Valuation basis and method for major assets

(i) Securities

a. Debt securities held to maturity

Debt securities held to maturity are stated at amortized cost using the straight-line method.

b. Available-for-sale securities

With fair value

Securities with fair value are marked to market based on the market value at the consolidated fiscal year-end. (Unrealized gains and losses are directly recorded in Net assets and cost of securities sold is calculated using the moving-average method)

Without fair value

Securities without fair value are stated at cost based on the moving-average method.

(ii) Inventories

Inventory is stated at cost based on the specific identification method.

(Book value is written down due to decline in profitability)

(2) Depreciation method for major depreciable assets

(i) Tangible fixed assets (excluding lease assets)

a. Buildings

Headquarters and business offices, etc. are depreciated using the declining balance method.

Useful lives and residual values are determined in accordance with the Corporate Tax Law of Japan.

However, buildings (excluding leasehold improvement) acquired after April 1, 2008 are depreciated using the straight-line method.

Buildings for rent are depreciated using the straight-line method over the individual estimated economic useful life in order to reasonably match the corresponding income.

Individual useful lives for buildings for rent are as follows:

	Individual useful lives (years)
Reinforced concrete buildings	40
Steel structure buildings	30
Wooden construction	15
Leasehold improvements	15

b. Tangible fixed assets other than above

The declining balance method is applied.

Useful lives and residual values are determined in accordance with the Corporate Tax Law of Japan.

(ii) Intangible fixed assets (excluding lease assets)

Software for internal use is amortized using the straight-line method over the estimated useful life of five years.

(iii) Lease assets

Lease assets under the finance lease arrangements where the ownership is transferred to lessees

Lease assets with ownership transfer are depreciated using the same depreciation method as fixed assets owned.

Lease assets under the finance lease arrangements where the ownership is not transferred to lessees

Lease assets without ownership transfer are depreciated using the straight-line method over the lease term with no residual value.

Lease assets without ownership transfer starting prior to March 31, 2008 are accounted for in the similar manner to operating lease transactions.

(iv) Long-term prepaid expenses

Long-term prepaid expenses are amortized using the straight-line method.

(3) Accounting for major allowances

(i) Allowance for doubtful accounts

For the estimated uncollectible amount, allowance for performing receivables is recorded based on the actual loss ratio, and allowance for certain receivables with doubtful collectibility is recorded based on the individual assessment of collectibility.

(ii) Allowance for bonuses

In order to provide for bonuses to be paid to employees, estimated bonus amount attributable to the current consolidated fiscal year is recorded.

(iii) Allowance for compensation for complete work

Allowance for compensation for complete work is recorded in order to provide for losses arising from defects after the delivery of self-executed constructions or compensation service costs based on the historical costs related to repair work of self-executed constructions.

(iv) Allowance for employees' retirement benefits

Allowance for employees' retirement benefits is provided based on the retirement benefit obligations as at the current consolidated fiscal year-end.

(v) Allowance for directors' retirement benefits

Allowance for directors' retirement benefits is provided in the amount payable at the current consolidated fiscal year-end in accordance with the regulations on directors' retirement benefits (internal regulations).

(Additional Information)

The Company decided to terminate the directors' retirement benefits plan by resolution at the Board of Directors meeting held on June 22, 2012. Following the termination of the plan, all directors unanimously agreed to reverse the entire outstanding balance of allowance for directors' retirement benefits, and gain on reversal of allowance for directors' retirement benefits of ¥53 million was recorded as extraordinary gain.

Certain consolidated subsidiaries still maintain directors' retirement benefits plan and continue to provide for the amount payable at the consolidated fiscal year-end in accordance with the internal regulations on directors' retirement benefits.

(4) Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over ten years.

However, goodwill of minor amounts is charged to income in the period of acquisition.

(5) Scope of cash and cash equivalent on the Consolidated statement of cash flows

Cash and cash equivalent consist of cash at hand, demand deposit, and short-term investments with an original maturity of three months or less that are readily convertible to cash and subject to insignificant risk of changes in value.

(6) Other significant matters for preparation of the consolidated financial statements

Accounting for consumption taxes

National and local consumption taxes are accounted for using the tax exclusive method. Non-deductible consumption taxes relating to assets are charged to income in the year of acquisition.

However, Consumption taxes of tax-exempt consolidated subsidiaries are accounted for using the tax inclusive method.

(Change of Accounting Policy)

(Change of depreciation method)

Following the revision of the Corporate Tax Law of Japan, the Company and its domestic subsidiaries changed the depreciation method for tangible fixed assets acquired after April 1, 2012, effective April 1, 2012, to the method under the revised Corporate Tax Law of Japan. The impact of this change on the earnings for the current consolidated fiscal year is insignificant.

(Consolidated Balance Sheet)

※1 Assets relating to affiliates are as follows: (Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2012)	Current Consolidated Fiscal Year (March 31, 2013)
Investments and other assets, Other (Affiliates' stock)	45	101

※2 Assets pledged as collateral and corresponding liabilities are as follows.

(1)Assets pledged as collateral (Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2012)	Current Consolidated Fiscal Year (March 31, 2013)
Real estate held for sale	6,091	474
Real estate held for sale in progress	21,841	28,922
Buildings and structures	4,090	4,515
Tools, furniture and fixtures	0	0
Land	11,247	9,705
Intangible fixed assets (land lease rights)	224	224
Affiliates' stock	30	―
Total	43,525	43,842

Affiliates' stock (March 31, 2012: ¥30 million) is eliminated in the consolidated financial statements.

(2) Corresponding liabilities (Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2012)	Current Consolidated Fiscal Year (March 31, 2013)
Short-term borrowings	5,489	2,619
Current portion of long-term borrowings	15,772	11,255
Long-term borrowings	10,217	20,252
Notes and accounts payable, trade	1,533	―
Total	33,011	34,127

※3 Change in purpose of asset holding

Previous consolidated fiscal year (as of March 31, 2012)

In line with the decision to reclassify part of real estate held for development and rent to real estate held for resale, Buildings and structures of ¥19 million and Land of ¥22 million were reclassified to Real estate held for sale during the year ended March 31, 2012.

Also, in line with the decision to reclassify part of real estate held for resale to real estate held for self-use, Real estate held for sale of ¥31 million was reclassified to Buildings and structures of ¥18 million and Land of ¥12 million during the year ended March 31, 2012.

Current consolidated fiscal year (as of March 31, 2013)

In line with the decision to reclassify part of real estate held for development and rent to real estate held for resale, Buildings and structures of ¥9 million and Land of ¥2,091 million were reclassified to Real estate held for sale and Real estate held for sale in progress during the year ended March 31, 2013.

Also, in line with the decision to reclassify part of real estate held for resale to real estate held for development and rent, Real estate held for sale in progress of ¥95 million was reclassified to Land during the year ended March 31, 2013.

4 Contingent liabilities (Guarantee liability)

Guarantee liability for borrowings from financial institutions by companies other than consolidated subsidiaries

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2012)	Current Consolidated Fiscal Year (March 31, 2013)
Joint and several guarantees in favor of financial institutions until the customers' residential mortgage loans are registered	5,846	1,207
Aruka Co., Ltd.	48	46
計	5,895	1,253

5 The Group maintains overdraft and credit lines agreement with one financial institutions (March 31, 2012: 3) in order to ensure efficient funding of operating capital. The unused balance of borrowings under these agreements at consolidated fiscal year-end is as follows: (Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2012)	Current Consolidated Fiscal Year (March 31, 2013)
Total maximum amount of overdraft and credit lines	2,978	600
Outstanding borrowing balance	978	475
Difference	2,000	125

(Consolidated Statement of Income)

※1 Inventories are stated at the amount after the write-down reflecting the decline in profitability. Loss on valuation of inventories included in Cost of sales is as follows. (Millions of yen)

Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
(1,499)	(220)

※2 Selling expenses account for approximately 55% and General and administrative expenses account for approximately 45% for the year ended March 31, 2012, and 55% and 45%, respectively, for the year ended March 31, 2013.

Major components of Selling, general and administrative expenses and their amounts are as follows.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Advertising expenses	2,645	2,634
Sales promotion expenses	1,448	1,588
Salaries	1,198	1,208
Provision for allowance for bonuses	241	248
Retirement benefit costs	42	31
Provision for allowance for directors' retirement benefits	3	2
Provision for allowance for doubtful accounts	22	16

※3 The breakdown of Loss on disposal of fixed assets is as follows. (Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Buildings and structures	5	22
Tools, furniture and fixtures	0	0
Software	0	1
Total	6	23

※4 Impairment loss

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

During the year ended March 31, 2012, the Group recorded impairment loss of ¥186 million on the following assets or asset groups due to the decline in market value of rental properties.

Use	Type	Location	Amount (Millions of yen)
Idle assets	Land	Nishi-ku, Saitama, Saitama	1
	Land	Midori-ku, Saitama, Saitama	4
	Land	Miyoshi-cho, Iruma-gun, Saitama	6
	Land	Furukawa, Ibaraki	1
	Land	Ashigara-shimogun, Kanagawa	7
	Land	Oyama, Tochigi	7
Rental properties	Land	Matsudo, Chiba	0
	Land	Chiyoda-ku, Tokyo	156
Total			186

The amount consists of Land of ¥186 million.

Rental properties and idle assets are grouped based on an individual property.

The recoverable amount is measured using net sale value and use value. Net sale value is assessed based on the appraisal value by a real estate appraiser and use value is calculated by discounting future cash flows at a rate of 6%.

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

During the year ended March 31, 2013, the Group recorded impairment loss of ¥18 million on the following assets or asset groups due to the decline in market value of rental properties.

Use	Type	Location	Amount (Millions of yen)
Idle assets	Land	Furukawa, Ibaraki	2
	Land	Midori-ku, Saitama, Saitama	4
	Land	Miyoshi-cho, Iruma-gun, Saitama	1
	Land	Ashigara-shimogun, Kanagawa	0
	Land	Itabashi-ku, Tokyo	5
	Land	Oyama, Tochigi	3
Recreation facility	Land and buildings	Atami, Shizuoka	1
			18

The amount consists of Land of ¥17 million and Buildings of ¥0 million.

Idle assets and recreation facility are grouped based on an individual property.

The recoverable amount is measured using net sale value which is assessed based on the appraisal value by a real estate appraiser.

※5 Loss from legal proceedings

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

Loss from legal proceedings consists of legal settlement of ¥110 million and attorney’s fee of ¥7 million.

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

Not applicable.

(Consolidated Statement of Comprehensive Income)

※1 Reclassification adjustments of other comprehensive income and their tax effects. (Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Unrealized gains (losses) on available-for-sale securities :		
Recognized during the current year	3	12
Reclassification adjustments	7	(1)
Before tax effects	11	10
Tax effects	—	—
Unrealized gains (losses) on available-for-sale securities	11	10
Total other comprehensive income	11	10

(Consolidated Statement of Changes in Shareholders’ Equity)

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

1. Class and number of shares issued and outstanding and class and number of treasury stock

	Number of shares at April 1, 2011 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at March 31, 2012 (Shares)
Shares issued and outstanding				
Common stock	33,386,070	—	—	33,386,070
Total	33,386,070	—	—	33,386,070
Treasury stock				
Common stock (Note)	982,771	1,469,100	—	2,451,871
Total	982,771	1,469,100	—	2,451,871

(Note) The increase in number of common stock in treasury stock of 1,469,100 shares is due to acquisition of treasury stock based on the resolution by the Board of Directors meeting.

2. Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total dividends paid (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on June 21, 2011	Common stock	194	6	March 31, 2011	June 22, 2011
Board of Directors meeting on October 24, 2011	Common stock	126	4	September 30, 2011	December 6, 2011

(2) Dividends with a record date belonging to the current consolidated fiscal year but to be effective in the following fiscal year

(Resolution)	Class of shares	Total dividends paid (Millions of yen)	Source	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on June 22, 2012	Common stock	278	Retained earnings	9	March 31, 2012	June 25, 2012

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

1. Class and number of shares issued and outstanding and class and number of treasury stock

	Number of shares at April 1, 2012 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at March 31, 2013 (Shares)
Shares issued and outstanding				
Common stock	33,386,070	—	—	33,386,070
Total	33,386,070	—	—	33,386,070
Treasury stock				
Common stock (Notes 1,2)	2,451,871	1,124,400	71,000	3,505,271
Total	2,451,871	1,124,400	71,000	3,505,271

(Notes) 1. The increase in number of common stock in treasury stock of 1,124,400 shares is due to acquisition of treasury stock based on the resolution by the Board of Directors meeting.

2. The decrease in number of common stock in treasury stock of 71,000 shares is due to exercise of stock option.

2. Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total dividends paid (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on June 22, 2012	Common stock	278	9	March 31, 2012	June 25, 2012
Board of Directors meeting on October 29, 2012	Common stock	151	5	September 30, 2012	December 11, 2012

(2) Dividends with a record date belonging to the current consolidated fiscal year but to be effective in the following fiscal year

The following dividend is expected to be approved.

(Resolution)	Class of shares	Total dividends to be paid (Millions of yen)	Source	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on June 20, 2013	Common stock	298	Retained earnings	10	March 31, 2013	June 21, 2013

(Consolidated Statement of Cash Flows)

※1 A reconciliation of Cash and cash equivalent and the account balance on the Consolidated Balance Sheet

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Cash and deposits	17,394	17,911
Time deposits with maturity in excess of three months	(16)	(18)
Cash and cash equivalent	17,377	17,893

2 Significant non-cash transactions (Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
The amounts transferred from fixed assets to Real estate held for sale and Real estate held for sale in progress due to change in the purpose of real estate holding	42	2,101
The amounts transferred from Real estate held for sale and Real estate held for sale in progress to fixed assets due to change in the purpose of real estate holding	31	95

※2 Major components of assets and liabilities of the company excluded from the scope of consolidation as a result of sale of shares

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

Details of assets and liabilities of Takara Live Net Co., Ltd. (currently Live Net Home Co., Ltd.) at the time of the sale resulting in deconsolidation, selling price of the stock and cash flows from the sale are as follows:

	(Millions of yen)
Current assets	366
Fixed assets	19
Current liabilities	(270)
Noncurrent liabilities	(36)
Loss on sale of stock	(49)
Selling price of deconsolidated subsidiary’s stock	30
Cash and cash equivalent of deconsolidated subsidiary	(130)
Difference：Cash outflow due to sale	(100)

Major components of assets and liabilities of the company included in the scope of consolidation as a result of acquisition of shares

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

Details of assets and liabilities of Takara Property Co., Ltd. at the time of consolidation as a result of acquisition of shares, purchase price of the stock and cash flows (net) from acquisition of Takara Property Co., Ltd. are as follows:

	(Millions of yen)
Current assets	14
Fixed assets	338
Current liabilities	(130)
Noncurrent liabilities	(145)
Negative goodwill	(66)
Purchase price of newly consolidated subsidiary’s stock	10
Cash and cash equivalent of newly consolidated subsidiary’s stock	(12)
Difference：Cash inflow due to acquisition of newly consolidated subsidiary’s shares	2

(Rental Properties, etc)

The Company and its certain consolidated subsidiaries own office buildings (including land) and condominiums for rent in Tokyo and other areas. During the consolidated fiscal year ended March 31, 2012, net rent income from these rental properties amounted to ¥594 million (rent income is recorded in Net sales and major rent expenses are recorded in cost of sales), and impairment loss amounted to ¥186 million (recorded in Extraordinary losses). During the consolidated fiscal year ended March 31, 2013, net rent income from these rental properties amounted to ¥605 million (rent income is recorded in Net sales and major rent expenses are recorded in cost of sales), and impairment loss amounted to ¥17 million (recorded in Extraordinary losses).

The carrying amount of these rental properties on the Consolidated Balance Sheet, changes during the year and market value are as follows:

(Millions of yen)

		Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Consolidated Balance Sheet			
	Beginning balance	17,873	17,809
	Changes during the year	(63)	(428)
	Ending balance	17,809	17,381
Market value at end of year		19,660	19,215

(Notes) 1. The carrying amount on the Consolidated Balance Sheet represents acquisition cost, net of accumulated depreciation and amortization and accumulated impairment loss.

2. Of the changes during the year, the major increase during the year ended March 31, 2012 was acquisition of real estate (¥399 million), and major decreases include reclassification to Real estate held for sale (¥33 million), Depreciation (¥209 million), and Impairment loss (¥186 million). The major increases during the year ended March 31, 2013 include acquisition of real estate (¥1,175 million) and an increase in scope of consolidation (¥332 million), and major decreases include reclassification to Real estate held for sale and Real estate held for sale in progress (¥2,096 million), Depreciation (¥221 million), and Impairment loss (¥17 million).

3. Market value at end of year is based on the appraisal value by a third party real estate appraiser.

(Segment Information)

a. Segment Information

1. Overview of reportable segments

The reportable segments of the Group are components of the Company for which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.

The Group's core business is construction and sales of build-for-sale condominiums. The Group's reportable segments consist of the three business segments: "Real estate sales business," "Real estate rental business" and "Real estate management business."

"Real estate sales business" primarily engages in construction and sales of new build-for-sale condominiums and detached houses and condominium renovation.

"Real estate rental business" provides office and residential condominiums rental service, and "Real estate management business" provides condominium management service.

2. Calculation methods of net sales, income or loss, assets, liabilities and other items by reportable segment

Accounting policies for the reportable business segments are consistent with those described in "Significant Basis for Preparation of the Consolidated Financial Statements," except for valuation of inventories.

Inventories are stated at the value after the write-down reflecting the decline in profitability.

Reportable segment income represents operating income.

Inter-segment sales and transfers are valued at market prices.

3. Net sales, income or loss, assets, liabilities and other items by reportable segment

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable segments				Other (Note)	Total
	Real estate sales business	Real estate rental business	Real estate management business	Total		
Net sales						
Net sales to external customers	50,281	1,419	2,282	53,984	1,206	55,191
Inter-segment sales and transfers	64	10	10	85	113	199
Total	50,345	1,430	2,292	54,069	1,320	55,390
Segment income	4,729	604	212	5,546	221	5,768
Segment assets	32,985	18,073	241	51,300	820	52,121
Segment liabilities	37,354	10,310	192	47,857	657	48,514
Other items						
Depreciation and amortization	90	218	3	312	10	322
Interest expense	648	285	—	933	3	937
Increase in tangible and intangible fixed assets	311	404	3	719	29	749

(Note) "Other" represents business segments which are not included in any reportable segments and includes real estate agent services and repair work.

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total
	Real estate sales business	Real estate rental business	Real estate management business	Total		
Net sales						
Net sales to external customers	59,310	1,485	2,582	63,378	1,529	64,907
Inter-segment sales and transfers	—	24	8	33	92	126
Total	59,310	1,510	2,591	63,412	1,621	65,033
Segment income	5,234	592	173	5,999	350	6,349
Segment assets	37,387	17,559	266	55,213	1,164	56,377
Segment liabilities	40,349	9,200	220	49,771	849	50,620
Other items						
Depreciation and amortization	112	221	3	337	11	348
Interest expense	529	220	—	749	15	764
Increase in tangible and intangible fixed assets (Note 2)	195	1,589	2	1,788	195	1,983

(Notes) 1. "Other" represents business segments which are not included in any reportable segments and includes real estate agent services and repair work business.

2. Increase in tangible and intangible fixed assets of Real estate rental business segment includes ¥332 million associated with consolidation of Takara Property Co. Ltd. as a subsidiary.

4. Reconciliation of the total reportable segments and the amount on the consolidated financial statements (difference adjustments)

(Millions of yen)

Net sales	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total reportable segments	54,069	63,412
Net sale of "Other" category	1,320	1,621
Elimination of inter-segment transactions	(199)	(126)
Net sales on the consolidated financial statements	55,191	64,907

(Millions of yen)

Income	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total reportable segments	5,546	5,999
Income of "Other" category	221	350
Elimination of inter-segment transactions	162	11
Operating income on the consolidated financial statements	5,930	6,361

(Millions of yen)

Assets	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total reportable segments	51,300	55,213
Assets of "Other" category	820	1,164
Elimination of due from parent administrative division	(55)	(332)
Corporate assets (Note)	18,211	18,968
Total assets on the consolidated financial statements	70,277	75,013

(Note) Corporate assets represent assets not attributable to any reportable segments and primarily consist of cash and deposits, assets attributable to administrative division, and deferred tax assets.

(Millions of yen)

Liabilities	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total reportable segments	47,857	49,771
Liabilities of “Other” category	657	849
Elimination of due to parent administrative division	(128)	(521)
Corporate liabilities (Note)	752	767
Total liabilities on the consolidated financial statements	49,138	50,866

(Note) Corporate liabilities represent liabilities not attributable to any reportable segments and primarily consist of borrowings.

(Millions of yen)

Other items	Total reportable segments		Other		Adjustments		Consolidated financial statements	
	Previous FY	Current FY	Previous FY	Current FY	Previous FY	Current FY	Previous FY	Current FY
Depreciation and amortization	312	337	10	11	(3)	8	319	356
Interest expense	933	749	3	15	41	1	979	766
Increase in tangible and intangible fixed assets	719	1,788	29	195	55	7	805	1,991

(Note) Adjustments for increase in tangible and intangible fixed assets represent capital expenditure for the headquarter building and elimination of inter-segment transactions.

b. Impairment loss on fixed assets by reportable segment

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

(Millions of yen)

	Real estate sales business	Real estate rental business	Real estate management business	Other	Corporate / Elimination	Total
Impairment loss	—	186	—	—	—	186

Current consolidated fiscal year (From April 1, 2012 to March 31, 2013)

(Millions of yen)

	Real estate sales business	Real estate rental business	Real estate management business	Other	Corporate / Elimination	Total
Impairment loss	1	17	—	—	—	18

(Special Purpose Companies subject to Disclosure)

Not applicable.

(Per Share Information)

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Net assets per share	¥683.33	¥807.58
Earnings per share	¥116.49	¥134.45
Diluted earnings per share	―	¥134.32

(Notes) 1. Diluted earnings per share for the year ended March 31, 2012 is not disclosed as the Company then had no dilutive shares.

2. Basis for calculation of earnings per share and diluted earnings per share is as follows.

	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)
Earnings per share		
Net income (Millions of yen)	3,681	4,074
Amount not attributable to common stockholders (Millions of yen)	―	―
Net income attributable to common stock (Millions of yen)	3,681	4,074
Average number of shares during the year (thousand shares)	31,607	30,302
Diluted earnings per share		
Net income adjustments (Millions of yen)	―	―
Increase in number of common stock (thousand shares)	―	29
(Of those, stock option through acquisition of treasury stock (thousand shares))	―	(29)
Overview of dilutive shares not included in calculation of diluted earnings per share due to its anti-dilutive effect	―	―

(Significant Subsequent Events)

(Issuance of stock options for equity-based compensation)

The Board of Directors resolved at the meeting held on April 8, 2013 to issue new share subscription rights as stock options for equity-based compensation to directors and executive officers of the Company, pursuant to Articles 236, 238 and 240 of the Companies Act.

Please refer to news release dated April 8, 2013, "Announcement concerning issuance of stock options for equity-based compensation (Class A new share subscription rights)" and "Announcement concerning issuance of stock options for equity-based compensation (Class B new share subscription rights)," for more detail.

(Acquisition of treasury stock)

The Board of Directors resolved at the meeting held on May 13, 2013 to acquire treasury stock and determined the details of purchase method, pursuant to Article 156 of the Companies Act as applied with relevant changes in interpretation in accordance with the provision of Article 165, Paragraph 3 of the Companies Act.

1. Reason for acquisition of treasury stock

To improve capital efficiency and increase shareholders' value.

2. Contents of the resolution at the Board of Directors meeting regarding treasury stock acquisition

(i) Type of shares to be acquired

Common stock of the Company

(ii) Total number of shares that may be acquired

2,000,000 shares (maximum)

(6.7% of the total number of shares issued and outstanding (excluding treasury stock))

(iii) Acquisition period

From May 13, 2013 to March 31, 2014

(iv) Total purchase price

¥4,000 million (maximum)

(v) Purchase method

Through purchase on the open market on the Tokyo Stock Exchange and off-auction own share repurchase transaction (ToSTNeT-3) on the Tokyo Stock Exchange

(Cancellation of treasury stock)

The Board of Directors resolved at the meeting held on May 13, 2013 to cancel treasury stock owned pursuant to Article 178 of the Companies Act.

(i) Reason for cancellation

To increase shareholders' value by decreasing the number of shares issued.

(ii) Type of share to be cancelled

Common stock of the Company

(iii) Total number of share to be cancelled

386,070 shares

(1.2% of the total number of shares issued and outstanding before cancellation)

(iv) Expected date of cancellation

May 15, 2013

(Stock split and partial amendment of the articles of incorporation)

The Board of Directors resolved at the meeting held on May 13, 2013 to execute stock split and amend a part of the articles of incorporation.

1. Purpose of stock split

To increase liquidity of the Company's stock and further expand investor base by lowering the value per investment unit.

2. Overview of stock split

(1) Method of stock split

Shares will be split at a ratio of 1:4 for one common stock owned by shareholders recorded on the Shareholder Registry at the closing of the record date of Sunday, June 30, 2013 (practically, it will be Friday, June 28, 2013 since both 30th and the previous day are not a business day of the shareholder registry administrator).

(2) Increase in the number of shares as a result of stock split

(i) Number of shares issued and outstanding before stock split

33,000,000 shares

(ii) Increase in the number of shares as a result of stock split

99,000,000 shares

(iii) Number of shares issued and outstanding after stock split

132,000,000 shares

(iv) Number of authorized shares after stock split

248,000,000 shares

※ The number of shares in (i) or (iv) above is based on the number of shares issued and outstanding as of May 13 and reflects the cancellation of treasury stock announced by "Announcement of Cancelation of Treasury Stock" dated May 13.

(3) Schedule of split

(i) Date of announcement of the record date

Thursday, June 13, 2013

(ii) Record date

Sunday, June 30, 2013

Practically, it will be Friday, June 28, 2013 since both 30th and the previous day are not a business day of the shareholder registry administrator.

(iii) Effective date

Monday, July 1, 2013

(4) Other

Per share information assuming that the stock split had taken place at the beginning of the previous consolidated fiscal year would be as follows.

Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)		Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)	
Net asset per share	¥170.83	Net asset per share	¥201.90
Earnings per share	¥29.12	Earnings per share	¥33.61
Diluted earnings per share	¥—	Diluted earnings per share	¥33.58

(Note) Diluted earnings per share for the year ended March 31, 2012 is not disclosed as the Company then had no dilutive shares.

3. Partial amendment of the articles of incorporation

(1) Reason for amendment

Following the stock split, the number of authorized shares stipulated in Article 6 of the Company's articles of incorporation will be amended effective Monday, July 1, 2013, pursuant to Article 184, Paragraph 2 of the Companies Act.

(2) Contents of amendment

(Amended part is underlined)

Before amendment	After amendment
(Number of authorized shares) Article 6 The number of authorized shares of the Company is <u>62,000,000</u> shares.	(Number of authorized shares) Article 6 The number of authorized shares of the Company is <u>248,000,000</u> shares.

(3) Schedule

Effective date of partial amendment of the articles of incorporation

Monday, July 1, 2013

5. Non-Consolidated Financial Statements

(1) Balance Sheet

(Millions of yen)

	Previous Fiscal Year (March 31, 2012)	Current Fiscal Year (March 31, 2013)
Assets		
Current assets		
Cash and deposits	16,499	16,635
Accounts receivable, trade	126	53
Other receivables	125	9
Real estate held for sale	※1, ※2 7,380	※1, ※2 2,035
Real estate held for sale in progress	※1 22,827	※1, ※2 33,282
Advance payments	593	65
Prepaid expenses	978	962
Short-term loans	4	4
Deferred tax assets	262	224
Other	247	267
Allowance for doubtful accounts	(11)	(8)
Total current assets	49,034	53,530
Fixed assets		
Tangible fixed assets		
Buildings	6,532	7,145
Accumulated depreciation	(2,247)	(2,444)
Buildings, net	※1, ※2 4,284	※1, ※2 4,700
Structures	85	87
Accumulated depreciation	(45)	(51)
Structures, net	※1 39	※1 35
Tools, furniture and fixtures	135	133
Accumulated depreciation	(113)	(114)
Total tools, furniture and fixtures, net	※1 21	※1 18
Land	※1, ※2 13,332	※1, ※2 12,141
Lease assets	47	128
Accumulated depreciation	(9)	(36)
Lease assets, net	38	91
Total tangible fixed assets	17,716	16,987
Intangible fixed assets		
Land lease rights	※1 224	※1 224
Software	41	70
Lease assets	177	128
Total intangible fixed assets	442	423
Investments and other assets		
Investment securities	133	150
Affiliates’ stock	※1 52	82
Investments in capital	1	2
Membership	9	9

(Millions of yen)

	Previous Fiscal Year (March 31, 2012)	Current Fiscal Year (March 31, 2013)
Security deposits and guarantee deposits	269	245
Long-term loans	89	81
Long-term loans to affiliates	86	361
Long-term other receivables	206	195
Deferred tax assets	140	231
Other	15	1
Allowance for doubtful accounts	(295)	(276)
Total investments and other assets	709	1,083
Total fixed assets	18,869	18,494
Total assets	67,904	72,025
Liabilities		
Current liabilities		
Notes payable	5,968	6,200
Accounts payable, trade	※1 4,106	1,607
Short-term borrowings	※1 5,489	※1 2,619
Current portion of long-term borrowings	※1 15,793	※1 11,261
Lease obligations	57	68
Other payables	684	648
Accrued expenses	82	93
Income taxes payable	425	1,517
Advance received	3,739	3,918
Deposits received	276	96
Unearned revenues	10	17
Allowance for bonuses	145	148
Allowance for compensation for complete work	59	70
Other	—	99
Total current liabilities	36,840	28,368
Noncurrent liabilities		
Long-term borrowings	※1 10,446	※1 20,476
Security deposits and guarantee deposits received	543	586
Lease obligations	170	169
Allowance for employees' retirement benefits	121	116
Allowance for directors' retirement benefits	54	—
Asset retirement obligations	19	19
Other	5	4
Total noncurrent liabilities	11,362	21,373
Total liabilities	48,203	49,742

(Millions of yen)

	Previous Fiscal Year (March 31, 2012)	Current Fiscal Year (March 31, 2013)
Net assets		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus		
Capital reserve	4,817	4,817
Other capital surplus	132	130
Total capital surplus	4,949	4,947
Retained earnings		
Legal reserve	92	92
Other retained earnings		
General reserve	6,681	9,681
Retained earnings carried forward	5,055	5,352
Total retained earnings	11,829	15,126
Treasury stock	(1,890)	(2,630)
Total shareholders' equity	19,708	22,262
Valuation and translation adjustments		
Net unrealized (losses) gains on available-for-sale securities	(7)	3
Total valuation and translation adjustments	(7)	3
New share subscription rights	—	16
Total net assets	19,701	22,283
Total liabilities and net assets	67,904	72,025

(2) Statement of Income

(Millions of yen)

	Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
Net sales		
Net sales - real estate	50,166	59,194
Income from real estate rental	1,121	1,137
Other income	213	171
Total net sales	51,502	60,502
Cost of sales		
Cost of sales - real estate	※1 38,406	※1 46,589
Cost of sales - real estate rental	554	587
Total cost of sales	38,961	47,176
Gross profit	12,540	13,326
Selling, general and administrative expenses	※2 7,065	※2 7,390
Operating income	5,474	5,936
Non-operating income		
Interest income	7	11
Dividend income	94	44
Commissions received	81	106
Secondment fee received	0	6
Miscellaneous income	35	30
Total non-operating income	219	199
Non-operating expenses		
Interest expense	977	764
Miscellaneous losses	30	10
Total non-operating expense	1,007	775
Ordinary income	4,685	5,360
Extraordinary gains		
Reversal of allowance for directors’ retirement benefits	—	53
Total extraordinary gains	—	53
Extraordinary losses		
Loss on disposal of fixed assets	※3 6	※3 23
Loss on valuation of investment securities	10	—
Impairment loss	※4 186	※4 18
Loss from legal proceedings	※5 117	—
Other	5	—
Total extraordinary losses	325	42
Income before income taxes	4,360	5,371
Income taxes - current	416	1,697
Income taxes - deferred	390	(52)
Total income taxes	807	1,645
Net income	3,552	3,726

Cost of Sales Statement

1. Cost of sales - real estate

		Previous Fiscal Year (From April 1, 2011 to March 31, 2012)		Current Fiscal Year (From April 1, 2012 to March 31, 2013)	
Category	Notes	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Land purchase cost	2, 3	11,185	29.1	15,117	32.4
Outsourced construction cost		26,434	68.8	30,777	66.1
Other		787	2.1	694	1.5
Cost of sales - real estate		38,406	100.0	46,589	100.0

(Note) 1. Cost of sales is calculated using the job order costing system.
2. Land purchase cost of the previous fiscal year includes loss on valuation of inventories of ¥ (1,499) million.
3. Land purchase cost of the current fiscal year includes loss on valuation of inventories of ¥ (220) million.

2. Cost of sales - real estate rental

		Previous Fiscal Year (From April 1, 2011 to March 31, 2012)		Current Fiscal Year (From April 1, 2012 to March 31, 2013)	
Category	Notes	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Taxes and public charges		101	18.3	106	18.1
Depreciation and amortization		214	38.6	214	36.5
Maintenance and administrative expenses		239	43.1	266	45.4
Cost of sales - real estate rental		554	100.0	587	100.0

(3) Statement of Changes in Shareholders' Equity

(Millions of yen)

	Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at beginning of year	4,819	4,819
Changes during the year		
Total changes during the year	—	—
Balance at end of year	4,819	4,819
Capital surplus		
Capital reserve		
Balance at beginning of year	4,817	4,817
Changes during the year		
Total changes during the year	—	—
Balance at end of year	4,817	4,817
Other capital surplus		
Balance at beginning of year	132	132
Disposition of treasury stock	—	(1)
Changes during the year		
Total changes during the year	—	(1)
Balance at end of year	132	130
Total capital surplus		
Balance at beginning of year	4,949	4,949
Changes during the year		
Disposition of treasury stock	—	(1)
Total changes during the year	—	(1)
Balance at end of year	4,949	4,947
Retained earnings		
Legal reserve		
Balance at beginning of year	92	92
Changes during the year		
Total changes during the year	—	—
Balance at end of year	92	92
Other retained earnings		
General reserve		
Balance at beginning of year	2,681	6,681
Changes during the year		
Funding for general reserve	4,000	3,000
Total changes during the year	4,000	3,000
Balance at end of year	6,681	9,681

(Millions of yen)

	Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
Retained earnings carried forward		
Balance at beginning of year	5,823	5,055
Changes during the year		
Funding for general reserve	(4,000)	(3,000)
Dividends from surplus	(320)	(429)
Net income	3,552	3,726
Total changes during the year	(767)	296
Balance at end of year	5,055	5,352
Total retained earnings		
Balance at beginning of year	8,597	11,829
Changes during the year		
Dividends from surplus	(320)	(429)
Net income	3,552	3,726
Total changes during the year	3,232	3,296
Balance at end of year	11,829	15,126
Treasury stock		
Balance at beginning of year	(1,295)	(1,890)
Changes during the year		
Acquisition of treasury stock	(595)	(792)
Disposition of treasury stock	—	52
Total changes during the year	(595)	(740)
Balance at end of year	(1,890)	(2,630)
Total shareholders' equity		
Balance at beginning of year	17,071	19,708
Changes during the year		
Dividends from surplus	(320)	(429)
Net income	3,552	3,726
Acquisition of treasury stock	(595)	(792)
Disposition of treasury stock	—	50
Total changes during the year	2,636	2,554
Balance at end of year	19,708	22,262

(Millions of yen)

	Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
Valuation and translation adjustments		
Unrealized gains (losses) on available-for-sale securities		
Balance at beginning of year	(18)	(7)
Changes during the year		
Net changes of items other than shareholders' equity	11	10
Total changes during the year	11	10
Balance at end of year	(7)	3
Total valuation and translation adjustments		
Balance at beginning of year	(18)	(7)
Changes during the year		
Net changes of items other than shareholders' equity	11	10
Total changes during the year	11	10
Balance at end of year	(7)	3
New share subscription rights		
Balance at beginning of year	—	—
Changes during the year		
Net changes of items other than shareholders' equity	—	16
Total changes during the year	—	16
Balance at end of year	—	16
Total net assets		
Balance at beginning of year	17,053	19,701
Changes during the year		
Dividends from surplus	(320)	(429)
Net income	3,552	3,726
Acquisition of treasury stock	(595)	(792)
Disposition of treasury stock	—	50
Net changes of items other than shareholders' equity	11	27
Total changes during the year	2,647	2,582
Balance at end of year	19,701	22,283

(4) Notes to the Non-Consolidated Financial Statements

(Notes Regarding to the Going Concern Assumption)

Not applicable.

(Significant Accounting Policies)

1. Valuation basis and method for securities

(1) Debt securities held to maturity

Debt securities held to maturity are stated at amortized cost using the straight-line method.

(2) Subsidiaries' and affiliates' stock

Subsidiaries' and affiliates' stock is stated at cost based on the moving-average method.

(3) Available-for-sale securities

With fair value

Securities with fair value are marked to market based on the market value at the fiscal year-end (Unrealized gains and losses are directly recorded in Net assets and cost of securities sold is calculated using the moving-average method).

Without fair value

Securities without fair value are stated at cost based on the moving-average method.

2. Valuation basis and method for inventories

Inventory is stated at cost based on the specific identification method (Book value is written down due to decline in profitability).

3. Depreciation method for fixed assets

(1) Tangible fixed assets (excluding lease assets)

(i) Buildings

Headquarters and business offices, etc. are depreciated using the declining balance method.

Useful lives and residual values are determined in accordance with the Corporate Tax Law of Japan.

However, buildings (excluding leasehold improvement) acquired after April 1, 2008 are depreciated using the straight-line method.

Buildings for rent are depreciated using the straight-line method over the individual estimated economic useful life in order to reasonably match the corresponding income.

Individual useful lives for buildings for rent are as follows:

	Individual useful lives (years)
Reinforced concrete buildings	40
Steel structure buildings	30
Wooden construction	15
Leasehold improvements	15

(ii) Other tangible fixed assets

The declining balance method is applied.

Useful lives and residual values are determined in accordance with the Corporate Tax Law of Japan.

(2) Intangible fixed assets (excluding lease assets)

Software for internal use is amortized using the straight-line method over the estimated useful life of five years.

(3) Lease assets

Lease assets under the finance lease arrangements where the ownership is transferred to lessees

Lease assets with ownership transfer are depreciated using the same depreciation method as fixed assets owned.

Lease assets under the finance lease arrangements where the ownership is not transferred to lessees

Lease assets without ownership transfer are depreciated using the straight-line method over the lease term with no residual value.

Lease assets without ownership transfer starting prior to March 31, 2008 are accounted for in the similar manner to operating lease transactions.

4. Accounting for allowances

(1) Allowance for doubtful accounts

For the estimated uncollectible amount, allowance for performing receivables is recorded based on the actual loss ratio, and allowance for certain receivables with doubtful collectibility is recorded based on the individual assessment of collectibility.

(2) Allowance for bonuses

In order to provide for bonuses to be paid to employees, estimated bonus amount attributable to the current fiscal year is recorded.

(3) Allowance for compensation for complete work

Allowance for compensation for complete work is recorded in order to provide for losses arising from defects after the delivery of self-executed constructions or compensation service costs based on the historical costs related to repair work of self-executed constructions.

(4) Allowance for employees' retirement benefits

Allowance for employees' retirement benefits is provided based on the retirement benefit obligations as at the current fiscal year-end.

5. Other significant basis for preparation of the financial statements

Accounting for consumption taxes

National and local consumption taxes are accounted for using the tax exclusive method. Non-deductible consumption taxes relating to assets are charged to income in the year of acquisition.

(Change of Accounting Policy)

(Change of depreciation method)

Following the revision of the Corporate Tax Law of Japan, the Company changed the depreciation method for tangible fixed assets acquired after April 1, 2012, effective April 1, 2012, to the method under the revised Corporate Tax Law of Japan. The impact of this change on the earnings for the current consolidated fiscal year is insignificant.

(Additional Information)

(Termination of directors' retirement benefits plan)

The Company decided to terminate the directors' retirement benefits plan by resolution at the Board of Directors meeting held on June 22, 2012. Following the termination of the plan, all directors unanimously agreed to reverse the entire outstanding balance of allowance for directors' retirement benefits, and gain on reversal of allowance for directors' retirement benefits of ¥53 million was recorded as extraordinary gain for the year ended March 31, 2013.

(Balance Sheet)

※1 Assets pledged as collateral and corresponding liabilities are as follows.

(1) Assets pledged as collateral (Millions of yen)

	Previous Fiscal Year (March 31, 2012)	Current Fiscal Year (March 31, 2013)
Real estate held for sale	6,091	474
Real estate held for sale in progress	21,841	28,922
Buildings	4,059	4,420
Structures	30	19
Tools, furniture and fixtures	0	0
Land	11,247	9,567
Land lease rights	224	224
Affiliates' stock	30	―
Total	43,525	43,630

(2) Corresponding liabilities (Millions of yen)

	Previous Fiscal Year (March 31, 2012)	Current Fiscal Year (March 31, 2013)
Short-term borrowings	5,489	2,619
Current portion of long-term borrowings	15,772	11,240
Long-term borrowings	10,217	20,170
Accounts payable, trade	1,533	―
Total	33,011	34,029

※2 Change in purpose of asset holding

Previous fiscal year (as of March 31, 2012)

In line with the decision to reclassify part of the real estate held for resale to real estate held for self-use, Real estate held for sale of ¥31 million was reclassified to Buildings of ¥18 million and Land of ¥12 million during the year ended March 31, 2012.

Current fiscal year (as of March 31, 2013)

In line with the decision to reclassify part of the real estate held for development and rent to real estate held for resale, Buildings of ¥3 million and Land of ¥2,082 million were reclassified to Real estate held for sale and Real estate held for sale in progress during the year ended March 31, 2013.

Also, in line with the decision to reclassify part of the real estate held for resale to real estate held for development and rent, Real estate held for sale in progress of ¥95 million was reclassified to Land during the year ended March 31, 2013.

3 Contingent liabilities

The Company provides guarantees for borrowings from financial institutions by affiliates and others listed below.

(Millions of yen)

	Previous Fiscal Year (March 31, 2012)	Current Fiscal Year (March 31, 2013)
Joint and several guarantees in favor of financial institutions until the customers' residential mortgage loans are registered	5,846	1,207
TAFUKO Co., Ltd.	421	327
Takara Property Co., Ltd.	―	83
Aruka Co., Ltd.	48	46
Total	6,317	1,663

4 The Company maintains overdraft and credit lines agreement with one financial institutions (March 31, 2012: 3) in order to ensure efficient funding of operating capital. The unused balance of borrowings under these agreements at fiscal year-end is as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2012)	Current Fiscal Year (March 31, 2013)
Total maximum amount of overdraft and credit lines	2,978	600
Outstanding borrowing balance	978	475
Difference	2,000	125

(Statement of Income)

※1 Real estate held for sale and Real estate held for sale in progress at year-end are stated at the amount after the write-down reflecting the decline in profitability. Loss on valuation of inventories included in Cost of sales is as follows.

(Millions of yen)

Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
(1,499)	(220)

※2 Selling expenses account for approximately 61% and 59% for the year ended March 31, 2012 and 2013, respectively, and General and administrative expenses account for approximately 39% and 41%, for the year ended March 31, 2012 and 2013, respectively.

Major components of Selling, general and administrative expenses and their amounts are as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
Advertising expenses	2,617	2,608
Sales commissions	211	180
Sales promotion expenses	1,484	1,585
Salaries	950	994
Provision for allowance for bonuses	212	216
Retirement benefit costs	27	12
Depreciation and amortization	90	112
Provision for allowance for directors’ retirement benefits	4	－
Provision for allowance for doubtful accounts	3	－

※3 The breakdown of Loss on disposal of fixed assets is as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
Buildings	－	22
Structures	5	－
Tools, furniture and fixtures	0	0
Software	0	1
Total	6	23

※4 Impairment loss

Previous fiscal year (From April 1, 2011 to March 31, 2012)

During the year ended March 31, 2012, the Company recorded impairment loss of ¥186 million on the following assets or asset groups due to the decline in market value of rental properties.

Use	Type	Location	Amount (Millions of yen)
Idle assets	Land	Nishi-ku, Saitama, Saitama	1
	Land	Midori-ku, Saitama, Saitama	4
	Land	Miyoshi-cho, Iruma-gun, Saitama	6
	Land	Furukawa, Ibaraki	1
	Land	Ashigara-shimogun, Kanagawa	7
	Land	Oyama, Tochigi	7
Rental properties	Land	Matsudo, Chiba	0
	Land	Chiyoda-ku, Tokyo	156
Total			186

The amount consists of Land of ¥186 million.

Rental properties and idle assets are grouped based on an individual property.

The recoverable amount is measured using net sale value and use value. Net sale value is assessed based on the appraisal value by a real estate appraiser and use value is calculated by discounting future cash flows at a rate of 6%.

Current fiscal year (From April 1, 2012 to March 31, 2013)

During the year ended March 31, 2013, the Company recorded impairment loss of ¥18 million on the following assets or asset groups due to the decline in market value of rental properties.

Use	Type	Location	Amount (Millions of yen)
Idle assets	Land	Furukawa, Ibaraki	2
	Land	Midori-ku, Saitama, Saitama	4
	Land	Miyoshi-cho, Iruma-gun, Saitama	1
	Land	Ashigara-shimogun, Kanagawa	0
	Land	Itabashi-ku, Tokyo	5
	Land	Oyama, Tochigi	3
Recreation facility	Land and buildings	Atami, Shizuoka	1
Total			18

The amount consists of Land of ¥17 million and Buildings of ¥0 million.

Idle assets and recreation facility are grouped based on an individual property.

The recoverable amount is measured using net sale value which is assessed based on the appraisal value by a real estate appraiser.

※5 Loss from legal proceedings

Previous fiscal year (From April 1, 2011 to March 31, 2012)

Loss from legal proceedings consists of legal settlement of ¥110 million and attorney’s fee of ¥7 million.

Current fiscal year (From April 1, 2012 to March 31, 2013)

Not applicable.

(Statement of Changes in Shareholders’ Equity)

Previous fiscal year (From April 1, 2011 to March 31, 2012)

Class and number of treasury stock

	Number of shares at April 1, 2011 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at March 31, 2012 (Shares)
Common stock (Note)	982,771	1,469,100	—	2,451,871
Total	982,771	1,469,100	—	2,451,871

(Note) The increase in number of common stock in treasury stock of 1,469,100 shares is due to acquisition of treasury stock based on the resolution by the Board of Directors meeting.

Current fiscal year (From April 1, 2012 to March 31, 2013)

Class and number of treasury stock

	Number of shares at April 1, 2012 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at March 31, 2013 (Shares)
Common stock (Notes 1,2)	2,451,871	1,124,400	71,000	3,505,271
Total	2,451,871	1,124,400	71,000	3,505,271

(Note) 1. The increase in number of common stock in treasury stock of 1,124,400 shares is due to acquisition of treasury stock based on the resolution by the Board of Directors meeting.

2. The decrease in number of common stock in treasury stock of 71,000 shares is due to exercise of stock option.

(Per Share Information)

	Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
Net assets per share	¥636.87	¥ 745.18
Earnings per share	¥112.41	¥122.98
Diluted earnings per share	¥—	¥122.86

(Notes) 1. Diluted earnings per share for the year ended March 31, 2012 is not disclosed as the Company then had no dilutive shares.

2. Basis for calculation of earnings per share and diluted earnings per share is as follows.

	Previous Fiscal Year (From April 1, 2011 to March 31, 2012)	Current Fiscal Year (From April 1, 2012 to March 31, 2013)
Earnings per share		
Net income (Millions of yen)	3,552	3,726
Amount not attributable to common stockholders (Millions of yen)	—	—
Net income attributable to common stock (Millions of yen)	3,552	3,726
Average number of shares during the year (thousand shares)	31,607	30,302
Diluted earnings per share		
Net income adjustments (Millions of yen)	—	—
Increase in number of common stock (thousand shares)	—	29
(Of those, stock option through acquisition of treasury stock (thousand shares))	—	(29)
Overview of dilutive shares not included in calculation of diluted earnings per share due to its anti-dilutive effect	—	—

(Significant Subsequent Events)

(Issuance of stock options for equity-based compensation)

The Board of Directors resolved at the meeting held on April 8, 2013 to issue new share subscription rights as stock options for equity-based compensation to directors and executive officers of the Company, pursuant to Articles 236, 238 and 240 of the Companies Act.

Please refer to news release dated April 8, 2013, “Announcement concerning issuance of stock options for equity-based compensation (Class A new share subscription rights)” and “Announcement concerning issuance of stock options for equity-based compensation (Class B new share subscription rights),” for more detail.

(Acquisition of treasury stock)

The Board of Directors resolved at the meeting held on May 13, 2013 to acquire treasury stock and determined the details of purchase method, pursuant to Article 156 of the Companies Act as applied with relevant changes in interpretation in accordance with the provision of Article 165, Paragraph 3 of the Companies Act.

1. Reason for acquisition of treasury stock

To improve capital efficiency and increase shareholders’ value.

2. Contents of the resolution at the Board of Directors’ meeting regarding treasury stock acquisition

(i) Type of shares to be acquired

Common stock of the Company

(ii) Total number of shares that may be acquired

2,000,000 shares (maximum)

(6.7% of the total number of shares issued and outstanding (excluding treasury stock))

(iii) Acquisition period

From May 13, 2013 to March 31, 2014

(iv) Total purchase price

¥4,000 million (maximum)

(v) Purchase method

Through purchase on the open market on the Tokyo Stock Exchange and off-auction own share repurchase transaction (ToSTNeT-3) on the Tokyo Stock Exchange

(Cancellation of treasury stock)

The Board of Directors resolved at the meeting held on May 13, 2013 to cancel treasury stock owned pursuant to Article 178 of the Companies Act.

(i) Reason for cancellation

Treasury stock will be cancelled to increase shareholders’ value by decreasing the number of shares issued.

(ii) Type of share to be cancelled

Common stock of the Company

(iii) Total number of share to be cancelled

386,070 shares

(1.2% of the total number of shares issued and outstanding before cancellation)

(iv) Expected date of cancellation

May 15, 2013

(Stock split and partial amendment of the articles of incorporation)

The Board of Directors resolved at the meeting held on May 13, 2013 to execute stock split and amend a part of the articles of incorporation.

1. Purpose of stock split

To increase liquidity of the Company’s stock and further expand investor base by lowering the value per investment unit.

2. Overview of stock split

(1) Method of stock split

Shares will be split at a ratio of 1:4 for one common stock owned by shareholders recorded on the Shareholder Registry at the closing of the record date of Sunday, June 30, 2013 (practically, it will be Friday, June 28, 2013 since both 30th and the previous day are not a business day of the shareholder registry administrator).。

(2) Increase in the number of shares as a result of stock split

(i) Number of shares issued and outstanding before stock split

33,000,000 shares

(ii) Increase in the number of shares as a result of stock split

99,000,000 shares

(iii) Number of shares issued and outstanding after stock split

132,000,000 shares

(iv) Number of authorized shares after stock split

248,000,000 shares

※ The number of shares in (i) or (iv) above is based on the number of shares issued and outstanding as of May 13 and reflects the cancellation of treasury stock announced by “Announcement of Cancelation of Treasury Stock” dated May 13.

(3) Schedule of split

(i) Date of announcement of the record date

Thursday, June 13, 2013

(ii) Record date

Sunday, June 30, 2013

Practically, it will be Friday, June 28, 2013 since both 30th and the previous day are not a business day of the shareholder registry administrator.

(iii) Effective date

Monday, July 1, 2013

(4) Other

Per share information assuming that the stock split had taken place at the beginning of the previous fiscal year would be as follows.

Previous Fiscal Year (From April 1, 2011 to March 31, 2012)		Current Fiscal Year (From April 1, 2012 to March 31, 2013)	
Net asset per share	¥159.22	Net asset per share	¥186.29
Earnings per share	¥28.10	Earnings per share	¥30.75
Diluted earnings per share	¥－	Diluted earnings per share	¥30.72

(Note) Diluted earnings per share for the year ended March 31, 2012 is not disclosed as the Company then had no dilutive shares.

3. Partial amendment of the articles of incorporation

(1) Reason for amendment

Following the stock split, the number of authorized shares stipulated in Article 6 of the Company’s articles of incorporation will be amended effective Monday, July 1, 2013, pursuant to Article 184, Paragraph 2 of the Companies Act.

(2) Contents of amendment

(Amended part is underlined)

Before amendment	After amendment
(Number of authorized shares) Article 6 The number of authorized shares of the Company is <u>62,000,000</u> shares.	(Number of authorized shares) Article 6 The number of authorized shares of the Company is <u>248,000,000</u> shares.

(3) Schedule

Effective date of partial amendment of the articles of incorporation

Monday, July 1, 2013

6. Other

(1) Changes of Officers

To be disclosed when the information to be disclosed is determined.

(2) Production, Orders Received and Sales

(i) Number of units contracted during the year

Segment name	Previous Consolidated Fiscal Year (From April 1, 2011 to March 31, 2012)		Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)		Year-on-Year (%)
	Number of units	Amounts (Millions of yen)	Number of units	Amounts (Millions of yen)	
Real estate sales business	1,852	59,721	1,813	61,118	102.3
Total	1,852	59,721	1,813	61,118	102.3

(Note) The above amounts do not include consumption taxes.

(ii) Balance of contract

Segment name	Previous Consolidated Fiscal Year-End (March 31, 2012)		Current Consolidated Fiscal Year-End (March 31, 2013)		Year-on-Year (%)
	Number of units	Amounts (Millions of yen)	Number of units	Amounts (Millions of yen)	
Real estate sales business	1,092	34,824	1,094	36,632	105.2
Total	1,092	34,824	1,094	36,632	105.2

(Note) The above amounts do not include consumption taxes.

(iii) Net sales

Segment name		Current Consolidated Fiscal Year (From April 1, 2012 to March 31, 2013)	Year-on-Year (%)
Real estate sales business	(Millions of yen)	59,310	118.0
Real estate rental business	(Millions of yen)	1,485	104.6
Real estate management business	(Millions of yen)	2,582	113.1
Total reportable segments	(Millions of yen)	63,378	117.4
Other	(Millions of yen)	1,529	126.7
Total	(Millions of yen)	64,907	117.6

(Notes) 1. Inter-segment transactions are eliminated.

2. The above amounts do not include consumption taxes.