First Quarter Financial Reports
For the Three Months Ended June 30, 2007 - Consolidated

August 6, 2007

Company name: **Takara Leben Co., Ltd.**

Shares listed on: The First Section of Tokyo Stock Exchange
Security code: 8897
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1. Consolidated Financial Results for the Three Months Ended June 30, 2007 (April 1, 2007 to June 30, 2007)

(Amounts rounded down to million yen)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income	
	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2007	18,292	136.4	2,895	503.2	2,705	669.8
Three months ended June 30, 2006	7,738	51.2	480	-	351	-
Year ended March 31, 2007	58,007		6,174		5,626	

	Net income		Net income per share	Diluted net income per share
	million yen	%	yen	yen
Three months ended June 30, 2007	1,566	792.9	93.39	91.55
Three months ended June 30, 2006	175	-	10.48	10.11
Year ended March 31, 2007	3,157		187.77	182.80

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Three months ended June 30, 2007	92,904	17,930	19.3	1069.28
Three months ended June 30, 2006	74,028	14,075	19.0	838.57
Year ended March 31, 2007	82,635	16,577	20.1	988.59

(3) Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Three months ended June 30, 2007	(10,861)	(784)	10,550	8,673
Three months ended June 30, 2006	(10,074)	(2,962)	11,581	15,209
Year ended March 31, 2007	(17,848)	(6,431)	17,383	9,768

2. Consolidated Earnings Forecast for the Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

There are no changes from forecasts for interim and full-year announced on May 14, 2007.

3. Other Information

(1) Significant changes in subsidiaries during the period (Changes in the subsidiaries resulting in scope of consolidation.): None

(2) Use of simplified accounting method: Not used

(3) Change in accounting policies from the last accounting period: None

Operating Results and Financial Statements

1. Review of Consolidated Operating Results

(1) Sales by Business Segment

The Takara Leben Group's consolidated net sales totaled ¥18,292 million for the three months from April 1 through June 30, 2007.

By segment, revenues from the real estate sales business amounted to ¥16,882 million, reflecting sales of 463 newly constructed condominium units, and sales of newly constructed single unit houses and used condominiums.

In the rental property business, revenues came to ¥256 million, and were composed of rental income from condominium blocks, and office and store space.

In the management services business, revenues totaled ¥342 million, and were composed of income derived from the management of 268 blocks of residential condominiums (13,783 units).

Revenues from other businesses came to ¥810 million, primarily reflecting orders for optional works related to condominiums, real estate sales commissions and revenue from the nursing care business.

(2) Overview

During the three months under review, Takara Leben Co., Ltd., the parent entity, posted a 126.6% increase in net sales compared with the same period of the previous fiscal year and growth in net income of 550.6%. These results reflect an increase in the number of units delivered due to favorable progress in collections, including those on the high-income Resorsia series of condominiums.

Subsidiaries also displayed strong performance resulting in a 136.4% jump in consolidated net sales compared with the same period of the previous fiscal year, and outstanding growth in consolidated net income of 792.9%.Regarding the progress of collections, 28.1% of net sales for the full year have been collected along with 44.7% of net income.

(3) Contract Ratio for Condominiums to be Delivered

For the three months under review, the Company concluded contracts for 1,401 units including those already delivered during the period. As shown in the table below, solid progress is being made with contract ratios. Contracts have been concluded for 758 out of 804 units scheduled to be delivered during the interim period for a progressive contract ratio of 94.3%, and for 1,287 out of 1,676 units scheduled to be delivered during the full year for a ratio of 76.8%.

Progress of Contracts against Delivery Schedule

	No. units scheduled for delivery	No. of contracted units	Ratio (contracted / planned)	Ratio for same period of previous year
Interim	804	758	94.3	94.7
Full year	1,676	1,287	76.8	77.0
Next year	1,800	114	6.3	14.8

Note: The above figures represent condominiums only.

The contract ratio for newly constructed single unit houses and used condominiums, which excludes newly constructed condominiums, currently sits at 52.5%.

2. Review of Consolidated Financial Position

Total assets at the end of the three month period were up ¥10,268 million from the end of the previous fiscal year. This was primarily due to an increase in inventories as the Company actively purchased land for further business expansion.

Current Assets

Current assets increased ¥8,405 million from the end of the previous fiscal year, reflecting an increase in inventories as the Company actively purchased land for further business expansion.

Fixed Assets
Fixed assets increased ¥1,862 million from the end of the previous fiscal year, mainly reflecting the purchase of rental and other properties.

Current Liabilities
Current liabilities rose ¥2,599 million from the end of the previous fiscal year, primarily reflecting an increase in borrowings to finance the purchase of land for construction projects.

Fixed Liabilities
Fixed liabilities increased ¥6,315 million from the end of the previous fiscal year, reflecting an increase in long-term borrowings associated with an increase in inventories.

The balance of cash and cash equivalents ("cash" below) amounted to ¥8,673 million at the end of the three month period, a decrease of ¥1,095 million from the end of the previous fiscal year. This primarily reflects a net cash outflow from operating activities due to a rise in inventories resulting from the purchase of land for condominiums, although this was covered to an extent with borrowings.

Cash Flow from Operating Activities
Net cash used in operating activities amounted to ¥10,861 million, primarily reflecting an increase in inventories as a result of land purchases, tax payments and a decrease in trade accounts payable.

Cash Flow from Investing Activities
Net cash used in investing activities amounted to ¥784 million, primarily reflecting an increase in tangible fixed assets resulting from the purchase of rental and other properties.

Cash Flow from Financing Activities
Net cash provided by financing activities during the three month period totaled ¥10,550 million. This is mainly attributable to increased borrowings used to finance purchases of land for condominium projects.

3. Forecasts of Consolidated Operating Results

Regarding forecasts of operating results for the fiscal year ending March 31, 2008, there are no changes from the forecasts for interim and full-year results released on May 14, 2007.

4. Other

(1) Transfers of important subsidiaries during the quarter (transfers of specified subsidiaries in conjunction with changes in the scope of consolidation)
Nothing applicable.

(2) Use of simplified accounting methods
Nothing applicable.

(3) Changes in accounting policies from previous consolidated accounting periods
Nothing applicable.

5. Summary of Consolidated Financial Statements

(1) Summary of Consolidated Balance Sheets

(In million yen)

	As of June 30, 2007	As of June 30, 2006	Increase/ decrease		As of March 31, 2007
	Amount	Amount	Amount	%	Amount
Assets					
I Current assets					
1. Cash and cash equivalents	8,724	15,263	(6,539)		9,835
2. Inventories	61,904	40,968	20,936		51,098
3. Other	5,202	4,342	860		6,490
Total current assets	75,830	60,573	15,256	25.2	67,425
II Fixed assets					
1. Tangible fixed assets	14,363	10,248	4,114	40.1	12,536
2. Intangible fixed assets	513	497	16	3.2	512
3. Investments and other assets	2,196	2,708	(511)	(18.9)	2,160
Total fixed assets	17,073	13,454	3,618	26.9	15,210
Total assets	92,904	74,028	18,875	25.5	82,635
Liabilities					
I Current liabilities					
1. Notes and accounts payable-trade	5,753	9,044	(3,290)		6,981
2. Short-term borrowings	17,167	13,365	3,802		14,916
3. Long-term debt due within one year	12,604	17,127	(4,523)		10,275
4. Advances received	4,058	4,202	(144)		4,910
5. Other	3,358	1,859	1,499		3,257
Total current liabilities	42,942	45,598	(2,655)	(5.8)	40,342
II Fixed liabilities					
1. Convertible bonds	345	582	(237)		345
2. Long-term debt	30,788	12,815	17,972		24,646
3. Other	897	957	(60)		724
Total fixed liabilities	32,030	14,354	17,675	123.1	25,715
Total liabilities	74,973	59,952	15,020	25.1	66,057
Net assets					
I Shareholders' capital					
1. Common stock	2,270	2,151	118	5.5	2,270
2. Additional paid-in capital	2,400	2,281	118	5.2	2,400

3. Retained earnings	13,808	9,604	4,204	43.8	12,426
4. Treasury stock	(675)	(247)	(428)	172.9	(675)
Total shareholders' capital	17,803	13,789	4,013	29.1	16,421
II Valuation and translation adjustments					
1. Net unrealized gains/losses on other securities	127	284	(156)	(55.0)	156
Total valuation and translation adjustments	127	284	(156)	(55.0)	156
III Minority interests	-	1	(1)	-	-
Total net assets	17,930	14,075	3,855	27.4	16,577
Total liabilities and net assets	92,904	74,028	18,875	25.5	82,635

(2) Summary of Consolidated Statements of Operations

(In million yen)

		Three months ended June 30, 2007	Three months ended June 30, 2006	Increase/decrease		Year ended March 31, 2007
		Amount	Amount	Amount	%	Amount
I	Net sales	18,292	7,738	10,554	136.4	58,007
II	Cost of sales	13,208	5,758	7,449	129.4	43,706
	Gross profit	5,083	1,979	3,104	156.8	14,300
III	Selling, general and administrative expenses	2,187	1,499	688	45.9	8,126
	Operating income	2,895	480	2,415	503.2	6,174
IV	Non-operating income	88	45	43	95.7	301
V	Non-operating expense	278	173	104	60.2	849
	Ordinary income	2,705	351	2,354	669.8	5,626
VI	Extraordinary gains	-	-	-	-	5
VII	Extraordinary losses	3	5	(1)	(30.9)	189
	Income before income taxes	2,702	346	2,356	680.4	5,442
	Income tax, inhabitants tax and enterprise tax	1,183	90	1,093	1,213.3	2,403
	Income tax adjustments	(47)	108	(155)	-	(108)
	Minority interests in loss of consolidated subsidiaries	-	27	(27)	-	11
	Net income	1,566	175	1,390	792.9	3,157

(3) Summary of Consolidated Statement of Changes in Shareholders' Capital
(April 1, 2007 – June 30, 2007)

(In million yen)

	Shareholders' capital					Valuation and translation adjustments	Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total share-holders' capital			
Balance as of March 31, 2007	2,270	2,400	12,426	(675)	16,421	156	-	16,577
Change during period								
Distribution of retained earnings			(184)		(184)			(184)
Net income			1,566		1,566			1,566
Purchase of treasury stock				(0)	(0)			(0)
Net change in items other than shareholders' capital during period						(28)		(28)
Total change during period	-	-	1,381	(0)	1,381	(28)	-	1,353
Balance as of June 30, 2007	2,270	2,400	13,808	(675)	17,803	127	-	17,930

(4) Summary of Consolidated Statements of Cash Flows

(In million yen)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Year ended March 31, 2007
	Amount	Amount	Amount
I Cash flows from operating activities:			
Net income before income taxes	2,702	346	5,442
Depreciation and amortization	77	60	255
Impairment losses	-	-	63
Interest expense	270	164	804
(Increase)/decrease in accounts receivable, trade	120	95	(50)
Increase in inventories	(11,984)	(6,550)	(15,930)
Decrease in accounts payable, trade	(1,227)	(1,484)	(3,547)
Other	881	(957)	(953)
Sub total	(9,159)	(8,326)	(13,914)
Interest and dividend received	16	7	16
Interest paid	(413)	(192)	(1,283)
Income taxes paid	(1,304)	(1,563)	(2,666)
Net cash used in operating activities	(10,861)	(10,074)	(17,848)
II Cash flows from investing activities:			
Payment for purchase of tangible fixed assets	(1,893)	(3,041)	(5,685)
Other	1,108	79	(746)
Net cash used in investing activities	(784)	(2,962)	(6,431)
III Cash flows from financing activities			
Net increase/decrease in short-term borrowings	2,251	7,525	9,076
Redemption of corporate bonds	-	-	(100)
Proceeds from long-term debt	10,963	7,119	27,871
Repayment of long-term debt	(2,492)	(2,908)	(18,680)
Payment for purchase of treasury stock	(0)	(0)	(428)
Dividend payment	(171)	(155)	(354)
Net cash provided by financing activities	10,550	11,581	17,383
IV Decrease in cash and cash equivalents	(1,095)	(1,455)	(6,896)
V Cash and cash equivalents at the beginning of the period	9,768	16,664	16,664
VI Cash and cash equivalents at the end of the period	8,673	15,209	9,768

6. Supplementary Information Regarding Net Sales or Net Sales Equivalents

(1) Net Sales by Business Segment

(In million yen)

	Three months ended June 30, 2007		Three months ended June 30, 2006	
	Amount	%	Amount	%
Real estate sales	16,882	92.3	7,010	90.6
Real estate rental	256	1.4	135	1.8
Management service	342	1.9	285	3.6
Other businesses	810	4.4	306	4.0
Total	18,292	100.0	7,738	100.0

Note: The above figures are stated net of consumption tax.

(2) Contracted Units

(In million yen)

	Three months ended June 30, 2007		Three months ended June 30, 2006	
	Unit	Amount	Unit	Amount
Real estate sales	385	12,844	418	15,227
Total	385	12,844	418	15,227

Note: The above figures are stated net of consumption tax.

(3) Outstanding Contracts

(In million yen)

	Three months ended June 30, 2007		Three months ended June 30, 2006	
	Unit	Amount	Unit	Amount
Real estate sales	1,004	32,994	1,363	42,402
Total	1,004	32,994	1,363	42,402

Note: The above figures are stated net of consumption tax.