Financial Report for the Fiscal Year Ended March 31, 2009

May 14, 2009
Shares listed on the First Section of the Tokyo Stock Exchange

Takara Leben Co., Ltd.
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Scheduled date of Regular General Meeting of Shareholders June 23, 2009
Scheduled date of dividend payment commencement To be announced
Scheduled date of Securities Report (Yuka Shoken Hokoku-sho) release June 23, 2009

(Amounts rounded down to millions of yen)

1. CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Operating Results

(% column indicates percentage change from previous period)

	Net sales		Operating income		Ordinary income		Current net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year Ended March 31, 2009	57,652	(11.0)	(8,751)	—	(9,787)	—	(12,471)	—
Year Ended March 31, 2008	64,778	11.7	7,272	17.8	6,205	10.3	3,506	11.0

	Current net income per share	Diluted net income per share	Net income to shareholders' equity	Recurring profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year Ended March 31, 2009	(753.21)	—	(96.9)	(11.4)	(15.2)
Year Ended March 31, 2008	210.34	209.03	19.5	6.8	11.2

Reference: Equity in net income of affiliates: Fiscal year ended March 31, 2009 (¥ — million)
Fiscal year ended March 31, 2008 (¥ — million)

(2) Financial Position (consolidated)

	Total assets	Total net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	%
Year Ended March 31, 2009	71,486	6,420	9.0	387.80
Year Ended March 31, 2008	99,842	19,318	19.3	1,166.76

Note: Shareholders' equity: Fiscal year ended March 31, 2009: 6,420Million yen
Fiscal year ended March 31, 2008: 19,318Million yen

(3) Cash Flow Position (consolidated)

	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
Year Ended March 31, 2009	6,653	(4,144)	(11,671)	3,733
Year Ended March 31, 2008	(1,841)	(7,615)	12,584	12,896

2. Dividends

	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Net assets-to-dividend ratio (consolidated)
(Record date)	Q1	Q2	Q3	Year-end	Total annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year Ended March 31, 2009	—	12.00	—	12.00	24.00	397	11.4	2.2
Year Ended March 31, 2008	—	12.00	—	0.00	12.00	198	—	1.5
Fiscal year ending March 31, 2010 （forecast）	—	0.00	—	2.00	2.00		8.3	

3. CONSOLIDATED RESULTS FORECAST FOR FISCAL YEAR ENDING MARCH 31, 2010 (From April 1, 2008 to March 31, 2009)

(Percentage figures for the full fiscal year represent the change from the previous fiscal year, while percentage figures for the interim period represent the change from the previous interim period.)

	Net sales		Operating income		Ordinary income		Current net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	25,080	1.7	30	(98.7)	(500)	—	(730)	—	(44.09)
Full-year	56,070	(2.7)	1,940	—	830	—	400	—	24.16

4. Other

(1) Changes in the status of material subsidiaries during the current fiscal year
(changes in the scope of consolidation as a result of changes in the status of specific subsidiaries)

One new company (Marunouchi Servicer)   One company excluded (AS PARTNERS)

(2) Changes to consolidated financial statement principles, preparation processes, disclosure methods, etc.
(Description of changes to important items fundamental to financial statement preparation)

① Changes accompanying amendment of accounting principles: Yes

② Changes other than "①": None

(Note) For further details, please refer to "Changes to Important Items Fundamental to Consolidated Financial Statement Preparation" on page 25.

(3) Number of outstanding shares (common stock)

① Outstanding shares at period-end (including treasury stock)
Fiscal year ended March 31, 2009: 17,540,333 shares
Fiscal year ended March 31, 2008: 17,540,333 shares

② Treasury stock at period end
Fiscal year ended March 31, 2009: 982,682 shares
Fiscal year ended March 31, 2008: 982,642 shares

(Note) For information on the number of shares which serve as the basis for calculation of current net income per share (consolidated), please refer to "Per Share Information" on page 46.

(Reference) Non-consolidated Earnings Overview

1. Non-consolidated Financial Results for Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(1) Non-consolidated Operating Results

(The percentage figures shown in the net sales, operating income, ordinary income, and current net income columns represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Current net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year Ended March 31, 2009	52,388	(10.1)	(9,292)	—	(10,311)	—	(12,817)	—
Year Ended March 31, 2008	58,256	6.7	6,881	14.8	5,838	6.4	3,301	6.1

	Current net income per share	Diluted net income per share
	Yen	Yen
Year Ended March 31, 2009	(774.13)	—
Year Ended March 31, 2008	198.07	196.84

(2) Non-consolidated Financial Position

	Total assets	Total net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year Ended March 31, 2009	69,349	5,487	7.9	331.40
Year Ended March 31, 2008	96,565	18,758	19.4	1,132.91

Note: Shareholders' equity: Fiscal year ended March 31, 2009: 5.487 billion yen
Fiscal year ended March 31, 2008: 18.758 billion yen

2. Non-consolidated Earnings Forecasts for the Fiscal Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(Percentage figures for the full fiscal year represent the change from the previous fiscal year, while percentage figures for the interim period represent the change from the previous interim period.)

	Net sales		Operating income		Ordinary income		Current net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	23,800	8.8	(120)	—	(650)	—	(750)	—	(45.30)
Full-year	53,330	1.8	1,540	—	430	—	250	—	15.10

* Explanation of the proper use of these earnings forecasts and other matters:
The above forecasts are estimated based on information available at the time of the release of this report. Actual results may differ from these forecasts due to various factors in the future.

1. Operating Results

(1) Analysis of Operating Results

Overview

The world economy continues to be troubled over capital shortages amongst the financial institutions of Europe and the United States, and policymakers, experts and others continue to look for ways to dispose of the financial instituions' toxic assets which are at the root of this crisis. Whether or not the major countries of the world can successfully implement an action plan which will help emerging economies to overcome the crisis which is facing them will have a fundamental impact on the course of the global economy; however, a mountain of issues, such as slow responses, lessened international cooperation, and reforming financial regulations and international instituions to prevent the reoccurrence of such a crisis, remain.

Within the Japanese economy as well, the various measures being implemented by policymakers are all cosmetic; no clear vision for economic recovery has been put forward. With consumers now more wary than ever, comprehensive action is needed.

The real estate industry is acutely aware that it has strangled itself and that it cannot look to outside forces for help; the trust of customers, partners and shareholders will be restored once the industry makes a full-scale effort on its own behalf which produces results.

Thus, under the mantra of "ideal, affordable housing that anyone can buy with confidence", Takara Leben will utilize a consistent sales concept focused on first-time buyers with its "Leben Heim" planned condominium series as its main brand. And guided by its corporate vision of "Thinking of Happiness. Making Happiness." and its corporate mission of "creating together with eager minds, sincere efforts and ample talent", Takara Leben will actively implement needed corporate activities which emphasize the customers who constitute its bedrock supporters.

① Operating Results during the Year

a) Performance Review

Despite having a roughly 60% share of the condominium market in Saitama Prefecture and Tokyo and, while maintaining a balance in placement characteristic to Takara Leben, delivered large-scale properties in Washimiya Town, Saitama Prefecture and Hachioji City, Tokyo, the effects of the worsening sales environment have greatly affected Takara Leben such that, even after its sales promotion efforts and other initiatives, the gross profit margin rate overall is only 15.4%.

Regarding sales of newly built detached houses, deliveries proceeded approximately in accordance with plans; however, the gross profit margin rate dropped to 20.1%, indicating tighter competition and necessitating the rapid establishment of new sales methods.

With respect to sales of pre-owned residences including Le Art Series items, all 49 units purchased in the current fiscal year in Takatsu Ward, Kawasaki City were sold within approximately four months, demonstrating the ample price advantage of Takara Leben properties have over other surrounding new properties. And properties to be sold in the next term in Chuo Ward, Chiba City have already been purchased.

With respect to the fullscale purchasing and reselling begun in this term, three properties with 69 units have been purchased, and the contracts for all units have completed; and despite the handover of some units during the next term, they demonstrate the profitability of this business in the short term. Also, delivery in the next term will include one building and 112 units which have been purchased, and for the future, Takara Leben will assign a supplemental role to its new condominium business: carefully assessing the market as it seeks out properties that can be purchased at a fair value.

As for lease income, owing to the sale of asset properties, new purchases have been kept down; however, compared with performance projections there a 5.2% increase.

Thus compared with performance projection, nonconsolidated results showed net sales down 11 million yen; operating income was down 11.122 billion yen after the application of "Accounting Principles relating to the Assessment of Inventory Assets" and a 600 million yen increase in advertising expenses; ordinary income was down 11.041 billion yen; and current net income was down 12.917 billion yen.

Leben Community Co., Ltd. increased the number of residential units under its commissioned management to 19,979, thus increase the number of units from its target of 19,000. In particular, the number of units newly managed on behalf of other companies showed a significant 70.3% increase, and the Company increased its share for the year under review to 75.0%, demonstrating that its efforts to acquire other companies' properties are steadily paying off. Despite steady progress made in the fields of renovation and remodeling, property sales, construction orders and other peripheral business fields, the Company's business target were not met for its real estate business. Compared with performance projections, net sales decreased 137 million yen, and current net income decreased 6 million yen.

TAFUKO Co., Ltd., sustained stable commission income in its financial business as well as peripheral business fields and was, therefore, able to develop its operations in accordance with plans.

Takara Live Net Co., Ltd. saw significant exapansion in its real estate sales agent services business, and thanks to this it saw significant growth for all items compared with performance projections. Its net sales were up 71 million yen and current net income up 26 million yen.

Regarding the nursing care business of As Partners Co., Ltd., it added two facilities during the current fiscal year, bringing its total to seven; and excluding these two new facilities, the utilization ratio for the other five facilities was maintained at a steady 89.2%, signaling entrance into a period of stability.

Marunouchi Servicer Co., Ltd., which has become a consolidated subsidiary from the current fiscal year, has posted a current net loss of 31 million yen.

Overall results for the Takara Lebel Group compared with performance projections show decreased net sales (551 million yen), operating income (11.091 billion yen), ordinary income (11.017 billion yen) and current net income (12.871 billion yen).

b) Consolidated Performance by Business Segment

<Real Estate Sales Business>

Revenues from the real estate sales business amounted to 51.495 billion yen, down 12.9% from the previous fiscal year, reflecting 33.886 billion yen in net sales from the sale of 1,151 built-for-sale condominium units in 17 condominium buildings and 17.609 billion yen in net sales from the sale of newly built detached houses and pre-owned condominiums as well as other purchasing and reselling business.

<Real Estate Rental Business>

Net sales for real estate rental business amounted to 1.442 billion yen, up 15.2% from the previous fiscal year, reflecting increased leasing revenues from rental condominium units, offices and store space.

<Management Services Business>

In the management services business, revenues totaled 1.792 billion yen, up 24.5% from the previous fiscal year, from the management of 392 condominium buildings with 19,979 condominium units.

<Other Business>

Revenues from other businesses came to 2.921 billion yen, up 1.8% from the previous fiscal year, mainly from the nursing care business, from orders for optional construction work associated with condominium sales, and real estate sales agency commissions.

c) Consolidated Performance by Performance Indicator

<Net Sales>

Net sales amounted to 57.652 billion yen, down 11.0% from the previous fiscal year, reflecting 33.886 billion yen in net sales from the sale of 1,151 built-for-sale condominium units in 17 condominium buildings; 17.609 billion yen in net sales from the sale of newly built detached houses and pre-owned condominiums as well as other purchasing and reselling business; 1.442 billion yen in net sales from the rental fees of rental condominium units, offices and store space; and 1.792 billion yen in net sales from management services business.
Net sales from other businesses, mainly from the nursing care business and from orders for optional construction work associated with condominium sales, amounted to 2.921 billion yen.

<Cost of Sales>

Cost of sales came to 56.867 billion yen, up 16.3% from the previous fiscal year, mainly reflecting the cost of sales associated with built-for-sale condominium units, newly built detached houses and pre-owned condominiums. The cost of sales ratio increased 23.2 points, up 98.6% from the previous fiscal year, as a result of valuation loss for real estate held for sale and construction in progress during this period.

<Selling and General Administrative Expenses>

Selling and general administrative expenses totaled 9.536 billion yen, up 10.7% from the previous fiscal year, reflecting increases in the cost of various sales promotion-related services, borrowing-related registration fees, paid compensation, and allowances for doubtful accounts.

<Non-Operating Income and Expenses>

Non-operating income totaled 258 million yen, down 18.1% from the previous fiscal year, mainly reflecting a decrease in personnel transfer expenses.
Non-operating expenses totaled 1.294 billion yen, down 6.4% from the previous fiscal year, mainly reflecting a decrease in interest expense associated with borrowings to fund projects.

<Extraordinary Gains and Losses>

Extraordinary gains totaled 97 million yen, mainly reflecting income from sales of investment securities.
Extraordinary losses totaled 1.985 billion yen, up 678.3% from the previous fiscal year, mainly reflecting posted impairment losses.

Thus, consolidated sales at the Group totaled 57.652 billion yen, down 11.0% from the previous fiscal year. Operating loss totaled 8.751 billion yen (operating income for the previous fiscal year totaled 7.272 billion yen); ordinary loss totaled 9.787 billion yen (ordinary income for the previous fiscal year totaled 6.205 billion yen); and the current net loss totaled 12.471 billion yen (current net income totaled for the previous fiscal year totaled 3.506 billion yen).

② Outlook for Current Fiscal Year (The 38th Fiscal Year or the Fiscal Year Ending March 31, 2010)

Despite efforts by the Company to restrain pursuit of excessive profits, the desire to enjoy the benefits of high sale prices derailed the Company and affected the soundness of its operations; and the Company understands that if it does not quickly win back the trust of its stakeholders, future opportunties will remain closed off to it. Thus, in order to quickly get the Company back on track, a plan and projection have been formulated for the next business year.

The causes of sluggish sales have been identified, and a plan has been formulated which will adjust sale prices to make them more appropriate in line with the Takara Leben mantra of "ideal, affordable housing that anyone can buy with confidence". The plan will also restrain the current amount of completed stock and will improve asset balance by continuing the revision of the total inventories which was started in the current fiscal year.

The outlook for each of the Takara Leben Group's businesses is as follows:

In the real estate sales business, regarding built-for-sale condominiums, despite the delivery of 900 units (calculated from the 50% contracted ratio for the current fiscal year), it is expected that in the next term there will be a slight decrease in the excessive supply of completed stock and this, combined with stock to be completed in the next term, will result in the delivery of 1,290 units.

Next, looking at newly built detached houses, flexible sales systems are being implemented for built-for-sale houses, land sold for houses, and land subdivision.

With regard to the sale of pre-owned residences centered on the Le Art Series, superiority in cost difference compared with new condominiums is apparent, and of the roughly 150 units in the supply plan, 120 units (including units whose contracts finished in the previous term) are expected to be delivered.

In the real estate rental business, there has been a change in direction from the active purchasing performed up through the previous term; some fixed assets were disposed of during the current fiscal year, but nevertheless, lease income increased. Judging from the fact that it will be necessary to establish the ongoing stability of this business, it is anticipated that the current situation will be maintained by changing out stock through purchases and sales in order to increase asset values.

For management services business, the number of residential units under the Company's commissioned management for the next term is estimated at 22,000 units, and additional measures taken to strengthen internal management systems are nearly complete in this term and systems for the commissioned management of condominiums on behalf of other companies and plans call for expanding operations from the management services business into peripheral derivative business fields are being undertaken.

Consequently, the consolidated performance projections for the fiscal year ending March 31, 2010 are as follows:

Net sales	53.330 billion yen (down 2.8% YOY)
Operating income	1.540 billion yen
Ordinary income	430 million yen
Current net income	250 million yen

③ Progress in Implementing the Medium-Term Management Plan, Etc.

Target Attainment in the Current fiscal year under the Revised Medium-Term Management Plan

In light of performance results up through the third quarter of the current fiscal year, operating performance projections for the fourth quarter were revised and the the medium-term management plan was revised; despite this, however, extreme market modulation has resulted in liquidation selling and price revisioning for completed stock and a large increase in discounted properties; this has created an "outlet condominium" mood in the public's mind, drastically changing the market environment and making price the overwhelming consideration in customers' minds. As a result, sales for condominium and investment and development business fell just short of the post-revision targets, and together with the application of "Accounting Principles relating to the Assessment of Inventory Assets", this meant that after a severe revision of inventory valuation, current net loss was 12.471 billion yen: far below the post-revision medium-term management plan. However, from the next term onward, new revised medium-term management plan business plans will continue to be strongly promoted.

For pre-owned renovated condominium business there is a sense of stability which accompanies accumulating performance results, and as a new limited-term business, the purchase and resale of other companies' completed stocks, completed-but-unsold properties, etc., emphasizing short-term profit and loss, is a medium-term issue to look at for supplementing new condominium sales.

With respect to Group management, it is hoped that these companies will demonstrate effective, independent operations within management services, sales and condominium-related peripheral services as well as within each company's respective field, not overly relying upon Takara Leben.

Organizational restructuring will require an "era of new responsibility" where past sterotypes are done away with, the establishment of a flexible yet durable business structure and the development of organizational strength. Through the better sharing of information a sense of direction will be established and greater awareness of "choices and focus" will be promoted.

Also, through the implementation of the new "Building Project" the corporate mission and vision will be put into practice, and this in turn will produce a further increase in corporate value

As for operational restructuring, until the financial environment and customer thinking return to normal, Takara Leben will continue to work with its partner companies to construct a business model which minimizes debt burden on Takara Leben, and they will strengthen risk and cost management functions using confirmation through Takara Leben's unique management indicators.

As for organizational restructuring, in order to promote clarification and rapid management decisions regarding company-wide "rights, responsibilities and roles", it is crucial to rebuild organizational strength through thorough structural reform; Takara Leben will also work to confirm that its internal controls are functioning appropriately to a truly public company.

④ Attaining Targets for Management Metrics

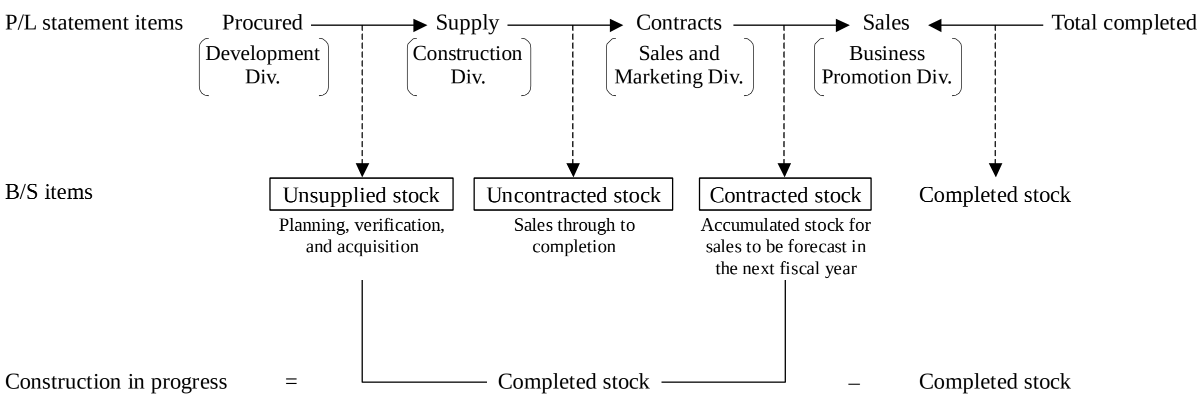
a) Reasons for Selected Metrics

Management's present policy is to focus on return on shareholders' equity (ROE) and return on assets (ROA) as the main management metrics. As our management objective is to ensure efficiency in how we manage funds in our operations, these main metrics will change during the course of our efforts to pursue this objective.

To raise the turnover of total capital used, a key component of both ROE and ROA, it is important to shorten the inventory turnover period, as it has an especially large impact on turnover of total capital used in the real estate sector. However, the stability and balance of this indicator are more important than lowering the inventory turnover period per se. To accomplish this, the Group has developed a proprietary balance factor chart for more effective inventory management.

This chart below tracks the linear progression of inventories from procurement to sales, and helps to ensure the proper balance by avoiding excessive buildups at each stage. The Group believes that the checks and balances mechanism embedded in the chart is one form of corporate governance.

b) Structure of the Balance Factor Chart



Since the terms in the above chart have been defined in previous operating results reviews we have issued, we make only the following brief explanatory comments.

- All items (both those from the income statement and balance sheet) in the process are wholly linked;
- The income statement and balance sheet items in the schematic in effect provide for a system of multiple checks and balances;
- This chart is used as the Group's management organization scheme for the interrelationships between respective divisions;
- This chart is used as a tool for time management adjustments both from a long-term and short-term perspective and for volume adjustments; and
- In addition to medium- and long-term management with annual charts, a monthly balance chart is used to make unit adjustments on a half-yearly and quarterly basis through the respective divisions. The Group is using these tools together with a progress chart that sets out specific projects to manage activities, and is gradually making progress in standardizing how the relevant items are recorded.

c) Specific Performance

	FY07	FY08	FY09
Number of units procured	3,459	1,350	16
Number of units delivered	1,400	1,484	686
Number of units contracted	1,491	1,257	897
Number of units sold	1,520	1,625	1,151

Unsupplied stock	3,123	2,989	2,319
Uncontracted stock	849	1,076	865
Contracted stock	1,068	700	446
Total stock	5,040	4,765	3,630
Completed stock	139	200	558
Contracted ratio	65.7%	50.0%	34.5%

(Figures for numbers of units are for newly built condominium units only.)

Evaluation of Balance Coefficients for the Fiscal Year under Review

- The inventory asset turnover period worsened from 35.2 months to 37.5 months; however, this is expected to improve to 24.3 months for the next term as purchasing is restrained and inventory is sold off.
- Regarding supply, high purchase prices and construction costs are responsible for significant delays, and improvement in this situation is needed quickly.
- While the decline in the number of new contracts is attributable the above decrease in supply and a worsening market environment, by taking prompt action to strengthen the marketing system, the Company aims to achieve stable sales of 1,600 units.
- Regarding the increase in completed stock, the main factor responsible is a lack of new contracts; this represents the largest ever number of unutilized units, with the ratio varying dramatically from area to area. In the future it is important that better assessment of areas be made.
- Regarding the share of contracted units within the completed unit inventory, a 50% share is the minimum level of the target range and must be maintained. Increasing this ratio during the next term is an important objective. Thus, an issue for the next term is what can be done to improve this ratio.

ROA Trends

- ROA declined 12.43% as a result of a decline in total-asset turnover and recurring profit margin.

ROE Trends

- ROE declined 105.73% for the current fiscal year as a result of the inability of the three elements comprising ROE to secure a high profit-to-turnover ratio and a decline in total-asset turnover.

Trends in ROE and ROA also indicate the need to shrink inventory assets in the next fiscal year and subsequently.

Management Based on Consideration of a Set of These and Other Indicators

- Management measures are being undertaken based on a balanced consideration of a set of indicators that include the components of the balance coefficient chart along with trends in the equity ratio, cash flows, and the Company’s share price and credit rating.

(2) Analyses Related to Financial Position

At the end of the fiscal year under review, the Group's total assets amounted to 71.486 billion yen, down 28.356 billion yen from the end of the previous fiscal year. This was primarily due to valuation loss of real estate held for sale and under construction.

① Analyses of Financial Position Related to Assets, Liabilities and Net Assets

a) Current Assets

Current assets totaled 47.366 billion yen, down 28.222 billion yen from the end of the previous fiscal year as a result of a decrease in cash and deposits due to the repayment of debt and redemption of commercial paper, and as a result of valuation loss for real estate held for sale and real estate in progress held for sale.

b) Fixed Assets

Fixed assets totaled 24.120 billion yen, down 133 million yen from the end of the previous fiscal year as a result of a decrease in tangible fixed assets through sale; this is despite an increase produced from the acquisition of profit-generating properties.

c) Current Liabilities

Current liabilities totaled 48.599 billion yen, down 1.042 billion yen from the end of the previous fiscal year as a result of the redemption of commercial paper.

d) Fixed Liabilities

Fixed liabilities totaled 16.466 billion yen, down 14.416 billion yen from the end of the previous fiscal year as a result of a decrease in long-term borrowings due to repayment and the transfer of debt between long and short-term segments.

e) Net Assets

Net assets totaled 6.420 billion yen, down 12.897 billion yen from the end of the previous fiscal year as a result of a net deficit recorded for the current fiscal year.

② Cash Flow Analysis

Cash and cash equivalents (hereinafter, "funds") at the end of the current consolidated fiscal year, totaled 3.733 billion yen, down 9.162 billion from the end of the previous fiscal year.

a) Cash Flows from Operating Activities

Cash flows from operating activities totaled 6.653 billion yen (down 1.841 billion yen from the end of the previous fiscal year). This is primarily the result of a decrease in inventory.

b) Cash Flows from Investing Activities

Cash flows from investing activities totaled 4.144 billion yen (down 7.615 billion yen from the end of the previous fiscal year). This is primarily the result of an increase in tangible fixed assets stemming from the acquisition of profit-generating properties.

c) Cash flows from financing activities

Cash flows from financing activities totaled 11.671 billion yen (up 12.584 billion yen from the end of the previous fiscal year.
This is primarily the result of spending accompanying the repayment of debt and the redemption of commercial paper.

③ Shift in Indicators Related to Cash Flow

	FY2007	FY2008	FY2009
Shareholders' Equity Ratio (%)	20.1	19.3	9.0
Shareholders' Equity Ratio Those at market value (%)	33.8	9.0	3.9
Debt Repayment from Cash Flow (Years)	—	—	7.8
Interest Coverage Ratio (multiples)	—	—	5.5

Equity ratio: shareholders' equity / total assets
Shareholders' Equity Ratio Those at market value (%): Equity Market Capitalization / Total Assets
Debt Repayment from Cash Flow (Years): Interest-Bearing Debt / Operating Cash Flow
Interest Coverage Ratio (Times): Operating Cash Flow / Interest Expense
* These indicators are all calculated using consolidated financial data.
* Interest-bearing debt is defined to include all debt recorded on the consolidated balance sheet on which interest is paid.

* Since cash flows from operating activities were negative in fiscal 2007 and fiscal 2008, there is no calculation for the debt repayment from cash flow and interest coverage ratio for these interim periods in the above table.

④ Business Risks

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

Items in the text which pertain to the future have been assessed by the Group as of the end of the current consolidated fiscal year.

a) 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, Moneylending 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.

Also, the amended Building Standards Act which went into force on June 20, 2007, requires lengthened building certification and more precise certification applications, and this has had the effect already of making it more difficult to apply to make changes once certification has been granted. The added cost burden associated with these amendments may potentially impact the performance and financial situation of the Group.

b) 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.; however, when increased interest, changed financial conditions or other unfavorable circumstances arise, this may potentially impact the performance and financial situation of the Group.

c) Degree of Dependency on Borrowing

From the purchase of land to the completion of construction for condominiums, etc., development funds are procured primarily through loans from financial institutions, and the percentage of interest-bearing debt accounting for total assets is 72.5% at the end of the current consolidated fiscal year. Thus, factors such as interest-rate movement, worsened financial conditions, or lowered creditworthiness for the Group can restrict fund procurement and may potentially impact the performance and financial situation of the Group.

d) Impact of Demands Trends amongst Buyers

Sales of condominiums (a core Group business) are greatly affected by demand trends amongst buyers, and buyer demand is easily affected by such factors as economic trends, interest-rate movement, housing taxes, consumption taxes, and fluctuations in land price. Thus, conditions which impact demand amongst buyers may potentially impact the performance and financial situation of the Group.

e) Impact of Supply Trends

Sales of condominiums (a core Group business) are greatly affected by supply trends, such as land procurement cost and subcontracting cost fluctuations and interest-rate movement. Also, the commercial land available in the primary areas where the Group operates (Saitama, Tokyo and its surrounding environs) is highly sought after, and thus there are many competitors operating in the same areas.

For these reasons, conditions which impact trends amongst suppliers may potentially impact the performance and financial situation of the Group.

Also, properties intended for delivery at the end of the current fiscal year may have their delivery delayed until the next fiscal year as a result of the progress of construction, and this may potentially impact the performance and financial situation of the Group.

f) 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 in creating a development plan; and holds information sessions for local residents prior to the start of construction in order to encourage understanding. However, as a result of such concerns as construction noise, blocked sunlight, or environmental disruption, cases arise of opposition to construction by surrounding residents; and the planning changes, construction delays, additional costs, etc., that this opposition creates may potentially impact the performance and financial situation of the Group.

g) 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 collecting and administering this information, as evidenced by such measures as the introduction of software designed to prevent the leaking of personal information, the creation and maintenance of rules for collecting and administering personal information, the creation of manuals aimed at employees, and the hosting of employee training seminars; however, in the unlikely event that a leak of personal information occurred, it may potentially impact the performance and financial situation of the Group.

h) Possibility of Lawsuits

From the procurement of land for condominiums, etc., to the completion of construction, the Group makes careful considerations from a variety of perspectives; however, the possibility exists of a lawsuit being brought as a result of building defects, soil contamination, etc., and the building plans may have to be changed as a result. Such cases may potentially impact the performance and financial situation of the Group.

i) Fabrication of Structural Calculation Sheets

With regard to the legitimacy of structural calculation sheets, quality control is carried out through the confirmation of structural calculation results from the architectural office, regular onsite inspections by the construction site supervisor, additional inspections by another person besides the construction site supervisor, confirmation testing of any corrections made and other measures. However, in the event that an architectural or construction-related defect is discovered after completion of construction, the additional costs created by the resultant delays, compensation, etc., may potentially impact the performance and financial situation of the Group.

j) Utilization of Special Purpose Corporations

The Group employs a scheme which utilizes special purpose corporations in its business. In the event that a special purpose corporation goes bankrupt, etc., this may potentially impact the performance and financial situation of the Group within the scope of the contribution to capital.

Within the scheme employed, the Company is not involved in substantive operational decision-making and does not apply control standards which would make the special purpose corporation subject to consolidation. However, should they become subject to consolidation in subsequent fiscal years or as a result of changes in business practices, this may potentially impact the performance and financial situation of the Group.

k) Impact of Competition

The Group sells real estate in and aroud the Tokyo Metropolitan Area, and this area contains a great deal of competition which can lead to excessive cost competition that can have an affect on marketing or can make it difficult to sell at the price anticipated by the Company. Such situations may potentially impact the performance and financial situation of the Group.

(3) Fundamental Policy on Profit Distribution/Dividends Applicable to the Fiscal Year under Review and the Current Fiscal Year

Considering the provision of shareholder returns to be among the most important of its tasks, 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.

With respect to "corporate life cycle" (growth process) stages, the Company views itself as moving from a period of rapid growth, transitioning through a period of stable growth, and then moving forward to an additional period of growth. In order to move up to the next stage, the company is addressing the issues it has faced in the 37th fiscal year in order to make it lighter and more adaptable, and despite recording losses, the Company has maintained fundamentally stable management operations and will pay dividends in line with business performance.

Specifically, plans call for dividends to be set at the following levels.

		1st Half Dividends	Year-end Dividends	Total
37th FY (forecast)	Ordinary dividends	12.0 yen	0.0 yen	12.0 yen
		1st Half Dividends	Year-end Dividends	Total
38th FY (forecast)	Ordinary dividends	0.0 yen	2.0 yen	2.0 yen

Rather than focusing exclusively on dividend payout ratio levels, basic decisions regarding dividend levels are made based on a comprehensive evaluation of dividend payout ratio levels along with such various other factors as dividends on equity (DOE) and dividend yield, and dividend levels are set with an eye to long-term stability rather than short-term optimization. Moreover, the Company is aiming to build a company that is highly appealing to shareholders who maintain their shareholdings over the long term regardless of fluctuations in share prices.

2. The Takara Leben Group

The Takara Leben Group, consisting of Takara Leben Co., Ltd., and its four consolidated subsidiaries, is developing real estate business in a region centered on Tokyo and on Saitama, Chiba, and Kanagawa prefectures.

The parent company mainly engages in the planning, development, and marketing of Leben Heim-series condominium units, detached houses, and other properties.

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

Consolidated subsidiary TAFUKO Co., Ltd., primarily arranges bridge financing for approved housing loan borrowers.

Consolidated subsidiary Takara Live Net Co., Ltd., primarily provides real estate sales agent services and remarketing services for previously owned properties.

Consolidated subsidiary Marunouchi Servicer Co., Ltd., primarily oversees collection on claims in line with the Act on Special Measures concerning the Claims Servicing Business.

Affiliate company (equity method applied) As Partners Co., Ltd., primarily operates residential facilities with nursing capabilities for elderly people.

(1) Real estate sales business

The parent company undertakes the planning, development, and marketing of Leben Heim-series condominium units, detached houses, and other properties in the greater Tokyo metropolitan area, including Tokyo as well as Saitama, Chiba, and Kanagawa prefectures.

(2) Real estate rental business

The parent company owns rental apartment and rental condominium units, primarily in Tokyo and Saitama Prefecture, as well as other rental store and rental office properties, and it conducts rental business with these properties.

(3) Management services business

Consolidated subsidiary Leben Community Co., Ltd., provides a comprehensive range of management services for condominium buildings, including cleaning and security management services.

(4) Financial agency business

Consolidated subsidiary TAFUKO Co., Ltd., arranges bridge financing for approved housing loan borrowers to cover the period until housing loans are executed.

(5) Claims collection business

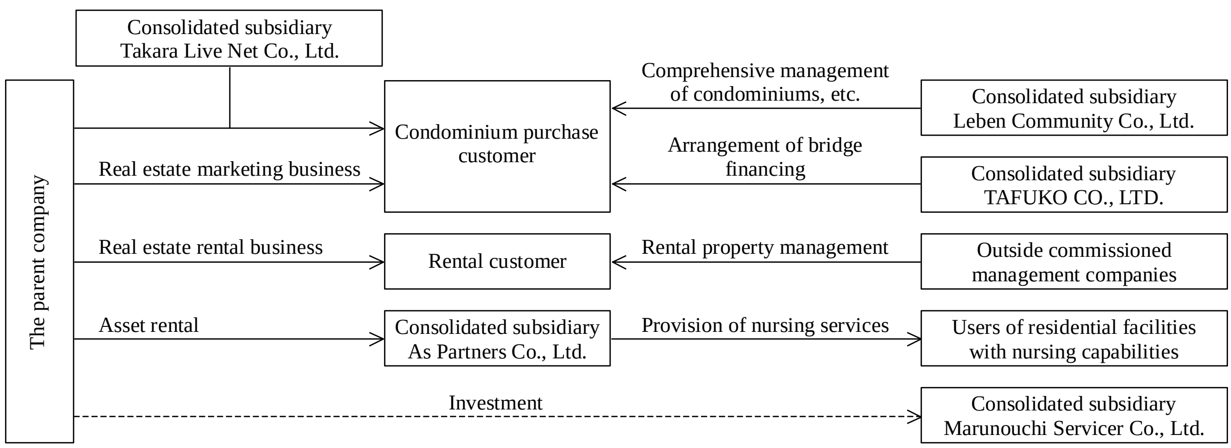
Consolidated subsidiary Marunouchi Servicer Co., Ltd., oversees collection on claims in line with the Act on Special Measures concerning the Claims Servicing Business.

(6) Nursing Care Business

Affiliate company (equity method applied) As Partners Co., Ltd., operates residential facilities with nursing capabilities for elderly people.

(7) Other business

The Group also engages in such other businesses as commissioned real estate marketing agency business.
The Group's businesses are organized as follows.



3. Management Policies

(1) The Company's Fundamental Management Policies

The following are Takara Leben'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) The Company's Medium-to-Long-Term Management Policies

<Overview of Strategies>

The current medium-term management plan also contains a long-term strategy for stable growth which will require structural reforms carried out under the strong leadership of mangers and top executives as well as an emphasis on a strengthened product strategy with cyclic elements that supplement core operations in condominiums with diverse detached housing, pre-owned housing, and real estate rental operations. On the other hand, the strategy calls for each Group company handling these products to make fuller use of the products' potential value to further increase their own value and cooperatively provide an array of excellent products that inspire customer loyalty. In this way, the Group can create loyal fans and gain recognition of its value throughout society.

<Specific Strategies>

A. Overview

- Within the context of the "Building Project", develop a foothold for future growth while promoting and spreading the corporate vision and mission Group-wide.
- Aim to become an unwavering, truly public company despite tough economic conditions by condensing overall assets and dramatically improiving asset balance.
- Allow operations and Group companies in each business segment to allocate resources and grow in line with the circumstances of each business segment. Just as the condominium business is not to grow independently without consideration of overall Group operations, however, the operations in each segment are not to grow independently but are to strive to grow while maximizing synergies with other Group units.

B. Individual Strategies

① Product Strategies

a) Area Strategies
While there is no change in the Company's basic stance of maintaining a 40% share in Saitama Prefecture and a 20% share in Tokyo, as they represent areas where it is strong, an area strategy which establishes certain location requirements while maintaining competitive superiority in these regions has been established. Also, business development aimed at garnering customer support over narrow, medium-sized and wide areas is being carried out while maintaining a blance between supply and demand in those areas.

b) Product Scale Strategies
Because of the downward trend, resulting from changes in the market, in consumer interest supporting large-scale properties (200 units or more), careful product planning emphasizing property strength for small and medium-sized properties is called for, and analyses of target areas to find the optimum property size and to diversify risk is needed so that completed stock is completely sold.

c) Price Strategies
By keeping from being misled by market fluctuations and by staying focused on the perspective of first-time buyers through a recommitment to the marketing concept of "ideal, affordable housing that anyone can buy with confidence", the Company will provide "ideal, affordable housing" which will lead to stable corporate growth. It is important that sale prices which diverge from the market be set at a level which allows for properties to be sold within an appropriate timeframe as the prices are adjusted to a fair market price.

② Sales Strategies

The Company will carry out product planning and sales which utilize meticulous customer service to instill a sense of familiarity and trust in order that a lasting relationship with customers can be created.

a) Sales Systems
Market fluctuations and specific external factors have adversely affected the Group and kept it from demonstrating its usual marketing strength, and this has resulted in a decrease in the number of units contracted. It is therefore necessary to foster an environment which encourages sales superiority through the reinvigoration of Group synergy; enhances the standard for balancing personnel placement for each property will sales speed; fosters sufficient marketing strength; and raises the level of customer loyalty.

b) Internet Marketing
Because of the introduction of a selection system for use in Internet marketing which allows customers to find the exact information they seek, the number of requests for materials has increased 26.3% over the previous fiscal year, and the number of visitors to model rooms has increase 33.6% over the previous fiscal year. As a result, the contracted ratio achieved via the homepage is 43.4%, demonstrating the considerable stength of Internet marketing.

c) Leben Club
The goal under the three year plan is to achieve a club membership of 50,000 people, and for the current fiscal year the number of members increased from approximately 19,000 for the previous term to around 33,000 (a year-on-year increase of 142.8%) thanks to membership-boosting efforts, such as renewal of the homepage; and this increase in membership has helped to greatly increase awareness of the Company. In addition, by providing club members with timely information via a members-only Web page, they receive a service which serves to increase their support for Company properties.

d) Corporate Partnerships (Corporate Intranet Advertising)
The Company is involved in corporate partnerships with 146 groups comprising 4.23 million people, and for the current fiscal year there were approximately 1,000 visits from corporate partners and approximately 200 corporate partnership agreements signed, demonstrating that ample strength continues to be found in the Group's corporate partnerships. For the future, a service providing corporate partners with a variety of information suited to their needs will be implemented, and a more active effort will be made to increase awareness of the Company.

e) Construction Planning Strategy
Despite a 15% drop in construction costs from their peak, a balanced adjustment with sale price to enable a steady supply to the market has not been achieved, and further coordination with construction firms is needed. In particular, the creation of a business model which enables construction and real estate businesses to form partnerships amidst the current economic doldrums is of paramount importance.

Thus the Company has worked with construction firms to put in motion the Naka-Itabashi Project: a first salvo in addressing the existing situation.

Also, the LUIC PROJECT, which centers on the theme of "water" as a fundamental motivating force in lifestyles, began full-scale operation in the current fiscal year. Its first offering was the *Takara-no-Mizu* water purifying system which is now being followed by the built-in *Takara-no-Microbubble* micro-bubble bath device for general household use (a first in Japan). Both of these are being offered as standard features and will help set the Company's properties apart from those of their competitors by helping customers move closer to a more ideal lifestyle.

C. Product Diversification Strategy

① Detached Houses Strategy

With respect to newly built detached houses, a sales system is being implemented which takes into consideration the market characteristics of the outer-suburb-type products currently being supplied and reflects the diverse needs of customers in flexibly incorporating built-for-sale houses, land sold for houses, and land subdivision. Also, it is important that business planning for suburb-type products focus on built-for-sale housing and that it demonstrate sufficient merit as a short-term business.

② Pre-Owned Condominium Strategy

With regard to pre-owned condominiums, because only those which meet certain conditions can be utilized, many of these condominiums are left unutilized; however, the performance of the Le Art Series is becoming increasingly recognized, and it is felt that two to three buildings can be stably supplied each year. Also, in light of the advances in pre-owned condominium renovations, and in light of the fact that customer needs for newly built condominiums are clearly defined, pre-owned condominium business is expected to move beyond simply supplementing new condominium business to becoming a revenue generating short-term business on par with detached homes.

③ Resale Business Strategy

The resale business has been operating full-scale from the current fiscal year, demonstrating short-term revenue-generating superiority through the successful delivery of 67 out of 69 units in three buildings; however, it is a limited-term business, and business development in this area will require a careful assessment of the market environment while balancing optimal sale price with procurement.

④ Income-Generating Properties Strategy

With regard to income-generating properties, the current asset balance requires further adjustment; however, at the same time it is also necessary to establish it as a stable "stock-type" business. Thus, by repeating a well-balanced cycle of procurement and sales in order to increase asset value, profitability can be increased and an optimal portfolio balance achieved which will allow for growth as a stable business.

D. Group Strategy

Takara Leben's medium-term management strategy calls for continued efforts to build a still-stronger public company while increasing information exchanges among Group units so as to more effectively generate mutually beneficial synergies. In addition, because the Company's main business developing and marketing condominiums is a "flow-type" business, an essential task for the Company is working to supplement it with "stock-type" businesses—including income-generating properties business, property management services, and nursing services businesses— to create a multidimensional service company that generates various kinds of synergies between its various components.

Leben Community Co., Ltd., is aiming to increase the number of buildings it manages to 30,000 over the medium term and has achieved its target of 19,000 for the current fiscal year. It is working to offer an even greater range of services to its customers and play a central role in enabling the Group to develop "stock-type" business operations. And expectation is high that, by serving as a contact point with customers that have already purchased properties from the Group, it will help develop opportunities for new business.

Takara Live Net Co., Ltd. is working to develop a broad distribution network not dependent upon intra-Group commissioned sales in order that it can restructure itself as a multifunctional sales company over the medium to long term.

TAFUKO Co., Ltd. has as its primary tasks to assist customers in finding solutions, such as finding home loans, and to strengthen cohesiveness amongst the Group in order to achieve stable business development.

Marunouchi Servicer Co., Ltd. helps to dispose of bad debt, fostering Group synergy and rejuvenating business through the valuation, processing, disposal, etc., of real estate which represents debt collateral, thereby providing a service which contributes to society.

(3) Issues to be addressed by the Company

As the global economic downturn stemming from the financial instability in the United States deepens, the direction of the real estate market is expected to grow more uncertain. Amidst this situation, Takara Leben has seen a rapid worsening in its cash flows and has posted large deficits for the current year under review. Faced with a declining equity ratio and other unfavorable business factors, the situation is one which raises serious questions about the Company as a going concern and makes finding opportunities for renewed growth a crucial task. With regard to the equity ratio, decreasing inventory through aggressive marketing will decrease interest-bearing debt and allow for improvement in medium to long term planning from the following fiscal year onward. Also, thanks to a revision of inventory valuation during the current year under review, profit planning projections for the following fiscal year put the Company in the black.

Takara Leben has overcome a number of difficult situations, including the collapse of Japan’s bubble economy, and will aim to overcome the current difficulty as well by reaffirming its corporate value as it strives for greater growth. Thus, Takara Leben is actively promoting its “Building Project”, which seeks to create financial stability through improved efficiency and profitability via a restructured business strategy that includes the rapid sale, resale, etc., of the Company’s completed stock at optimal, market-based prices. At the same time, a concerted effort is being made to strengthen the driving force of the organization through clarification of roles, responsibilities and rights both within the Company and the Group.

As a result of these efforts to raise the added value of the Company while contributing to a sustainable society through the housing that is created, the Company will overcome the difficult situation which it now faces and will achieve sound, stable corporate growth.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Units: million yen)

	Last consolidated fiscal year (Fiscal year ending March 31, 2008)	Current consolidated fiscal year (Fiscal year ending March 31, 2009)
Assets		
Current assets		
Cash and cash equivalents	12,935	3,865
Notes and accounts receivable, trade	438	49
Marketable securities	34	34
Inventories	[*1, *2] 56,269	—
Real estate held for sale	—	[*1, *2] 16,535
Real estate under construction	—	[*1, *2] 23,017
Deferred tax assets	529	359
Other	5,391	3,517
Allowance for doubtful accounts	(10)	(12)
Total current assets	75,589	47,366
Fixed assets		
Tangible fixed assets		
Buildings and structures	[*1, *2] 7,443	[*1, *2] 7,685
Cumulative depreciation	(2,151)	(1,976)
Buildings and structures (net)	5,292	5,708
Tools, furniture and fixtures	[*1] 192	[*1, *2] 187
Cumulative depreciation	(151)	(158)
Tools, furniture and fixtures (net)	41	29
Land	[*1, *2] 16,209	[*1, *2] 16,376
Lease assets	—	8
Cumulative depreciation	—	(1)
Lease assets (net)	—	7
Construction in progress	[*2] 77	[*1] 251
Total tangible fixed assets	21,620	22,372
Intangible fixed assets		
Goodwill amortization	7	—
Lease assets	—	87
Software suspense account	—	65
Other	[*1] 498	[*1, *2] 259
Total intangible fixed assets	506	412
Investments and other assets		
Investment securities	[*1] 896	[*1] 725
Long-term loans	34	100
Deferred tax assets	485	52
Other	724	748
Allowance for doubtful accounts	(14)	(292)
Total investments and other assets	2,126	1,334
Total fixed assets	24,253	24,120
Total assets	99,842	71,486

(Units: million yen)

	Last consolidated fiscal year (Fiscal year ending March 31, 2008)	Current consolidated fiscal year (Fiscal year ending March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable, trade	9,151	*1 9,393
Short-term borrowings	*1 11,886	*1 12,147
Long-term debt due within one year	*1 19,931	*1 24,134
Commercial paper	2,000	—
Lease obligations	—	21
Income taxes payable	1,522	121
Advances	2,952	1,330
Reserve for bonuses	225	164
Reserve for directors' bonuses	60	6
Other	1,911	1,279
Total current liabilities	49,641	48,599
Fixed liabilities		
Long-term borrowings	*1 29,607	*1 15,516
Lease obligations	—	77
Reserve for employees' retirement benefits	96	109
Reserve for directors' retirement benefits	53	60
Other	1,124	702
Total fixed liabilities	30,882	16,466
Total liabilities	80,524	65,065
Net assets		
Shareholders' capital		
Capital	2,442	2,442
Additional paid-in capital	2,572	2,572
Retained earnings	15,549	2,707
Treasury stock	(1,294)	(1,295)
Total shareholders' capital	19,269	6,428
Valuation and translation adjustments		
Net unrealized holding gains on other securities	48	(7)
Total valuation and translation adjustments	48	(7)
Total net assets	19,318	6,420
Total liabilities and net assets	99,842	71,486

(2) Consolidated Profit and Loss Statement

(Units: million yen)

	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
Net sales	64,778	57,652
Cost of sales	48,893	*1 56,867
Gross profit / gross loss on sales (minus)	15,884	784
Selling and general administrative expenses	*2 8,612	*2 9,536
Operating income / operating loss (minus)	7,272	(8,751)
Non-operating income		
Interest income	8	8
Dividend income	7	5
Commissions received	95	70
Dividends on silent partnerships	121	123
Personnel transfer expenses	44	18
Miscellaneous income	37	31
Total non-operating income	315	258
Non-operating expenses		
Interest paid	1,284	1,218
Miscellaneous losses	97	75
Total non-operating expenses	1,382	1,294
Ordinary income / ordinary loss (minus)	6,205	(9,787)
Extraordinary gains		
Gain on sale of investment securities	—	50
Gain on sale of stock of affiliated companies	—	12
Reversal of reserve for directors' bonuses	—	16
Reversal of reserve for bonuses	—	16
Other	—	1
Total extraordinary gains	—	97
Extraordinary losses		
Loss on disposal of fixed assets	*3 16	*3 13
Inventory asset valuation losses	145	—
Investment securities valuation losses	83	73
Goodwill amortization valuation losses	—	73
Loss on sale of investment securities	—	8
Impairment loss	—	*4 1,810
Other	9	5
Total extraordinary losses	255	1,985
Current net income before tax adjustments / Current net loss before tax adjustments (minus)	5,950	(11,675)
Corporate taxes, inhabitant taxes and business taxes	2,723	203
Corporate tax adjustments	(278)	590
Total corporate tax	2,444	793
Minority stockholder income		2
Current net income / current net loss (minus)	3,506	(12,471)

(3) Consolidated Statement of Changes in Shareholders' Capital

(Units: million yen)

	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
Shareholders' capital		
Capital		
Ending balance for last fiscal year	2,270	2,442
Changes for the current fiscal period		
Issuance of new shares	172	—
Total changes for the current fiscal period	172	—
Ending balance for the current fiscal year	2,442	2,442
Additional paid-in capital		
Ending balance for last fiscal year	2,400	2,572
Changes for the current fiscal period		
Issuance of new shares	172	—
Total changes for the current fiscal period	172	—
Ending balance for the current fiscal year	2,572	2,572
Retained earnings		
Ending balance for last fiscal year	12,426	15,549
Changes for the current fiscal period		
Distribution of retained earnings	(383)	(397)
Current net income / current net loss (minus)	3,506	(12,471)
Changes in the scope of consolidation	—	27
Total changes for the current fiscal period	3,122	(12,841)
Ending balance for the current fiscal year	15,549	2,707
Treasury stock		
Ending balance for last fiscal year	(675)	(1,294)
Changes for the current fiscal period		
Acquisition of treasury stock	(619)	(0)
Total changes for the current fiscal period	(619)	(0)
Ending balance for the current fiscal year	(1,294)	(1,295)
Total shareholders' capital		
Ending balance for last fiscal year	16,421	19,269
Changes for the current fiscal period		
Issuance of new shares	345	—
Distribution of retained earnings	(383)	(397)
Current net income / current net loss (minus)	3,506	(12,471)
Changes in the scope of consolidation	—	27
Acquisition of treasury stock	(619)	(0)
Total changes for the current fiscal period	2,848	(12,841)
Ending balance for the current fiscal year	19,269	6,428

(Units: million yen)

	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
Valuation and translation adjustments		
Net unrealized holding gains on other securities		
Ending balance for last fiscal year	156	48
Changes for the current fiscal period		
Net change in items other than shareholders' capital for the current fiscal period the period	(107)	(56)
Total changes for the current fiscal period	(107)	(56)
Ending balance for the current fiscal year	48	(7)
Total valuation and translation adjustments		
Ending balance for last fiscal year	156	48
Changes for the current fiscal period		
Net change in items other than shareholders' capital for the current fiscal period the period	(107)	(56)
Total changes for the current fiscal period	(107)	(56)
Ending balance for the current fiscal year	48	(7)
Total net assets		
Ending balance for last fiscal year	16,577	19,318
Changes for the current fiscal period		
Issuance of new shares	345	—
Distribution of retained earnings	(383)	(397)
Current net income / current net loss (minus)	3,506	(12,471)
Changes in the scope of consolidation	—	27
Acquisition of treasury stock	(619)	(0)
Net change in items other than shareholders' capital for the current fiscal period the period	(107)	(56)
Total changes for the current fiscal period	2,741	(12,897)
Ending balance for the current fiscal year	19,318	6,420

(4) Consolidated Statements of Cash Flows

(Units: million yen)

	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008 To March 31, 2009)
Cash flows from operating activities		
Current net income before tax adjustments (current net loss before tax adjustments)	5,950	(11,675)
Depreciation and amortization	361	362
Gain / Loss on sale of investment securities (gain)	—	(54)
Inventory asset valuation losses		—
Impairment loss	—	1,810
Goodwill amortization	1	1
Increase / Decrease in reserves (decrease)	15	228
Interest income and dividend income	(15)	(13)
Dividends on silent partnerships	(121)	(123)
Valuation gain / loss on investment securities (gain)	83	73
Goodwill amortization valuation losses	—	73
Interest paid	1,284	1,218
Loss on disposal of fixed assets	16	10
Increase / Decrease in trade receivables (increase)	(292)	389
Increase / Decrease in loans, trade (increase)	(332)	(29)
Increase / Decrease in inventories (increase)	(3,029)	19,304
Increase / Decrease in joint project investments (increase)	(3,288)	(181)
Increase / Decrease in accounts payable, trade (decrease)	2,169	242
Increase / Decrease in advances (decrease)	(1,958)	(704)
Other	1,295	(1,140)
Subtotal	2,285	9,790
Interest and dividend received	27	13
Interest paid	(1,621)	(1,199)
Corporate taxes paid	(2,533)	(1,950)
Cash flows from operating activities	(1,841)	6,653
Cash flows from investing activities		
Placements in time deposits	(12)	(232)
Withdrawls from time deposits	40	139
Increase / Decrease in short-term loans (increase)	1,108	(6)
Long-term loans made	(2)	(82)
Proceeds from collection of long-term loans	0	4
Purchase of bonds	(34)	(34)
Proceeds from redemption of bonds	35	34
Acquisition of tangible fixed assets	(8,767)	(3,368)
Acquisition of intangible fixed assets	(14)	(77)

(Units: million yen)

	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
Acquisition of investment securities	(55)	(0)
Income from sale of investment securities	—	68
Income resulting from the acquisition of subsidiaries' shares as a result of changes in the scope of consolidation	—	48
Expenses resulting from the sale of subsidiaries' shares as a result of changes in the scope of consolidation	—	(656)
Other	86	18
Cash flows from investing activities	(7,615)	(4,144)
Cash flows from financing activities		
Net increase / decrease in short-term borrowings (decrease)	(3,029)	311
Increase / Decrease in commercial paper (decrease)	2,000	(2,000)
Proceeds from long-term borrowings	23,909	7,044
Repayment of long-term borrowings	(9,292)	(16,630)
Payment for acquisition of treasury stock	(619)	(0)
Dividend payment	(382)	(396)
Cash flows from financing activities	12,584	(11,671)
Increase / decrease in cash and cash equivalents (decrease)	3,127	(9,162)
Cash and cash equivalents at the beginning of the year	9,768	*1 12,896
Cash and cash equivalents at the end of the year	*1 12,896	*1 3,733

Factors Calling into Question the Going Concern Assumption

No applicable items.

Important Items fundamental to the Creation of Consolidated Financial Statements

Item	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
1. Items related to the scope of consolidation	(1) No. of consolidated subsidiaries 4 Names of consolidated subsidiaries Leben Community Co., Ltd. TAFUKO Co., Ltd. Takara Live Net Co., Ltd. AS PARTNERS Co., Ltd.	(1) No. of consolidated subsidiaries 4 Names of consolidated subsidiaries Leben Community Co., Ltd. TAFUKO Co., Ltd. Takara Live Net Co., Ltd. Marunouchi Servicer Co., Ltd. Marunouchi Servicer Co., Ltd. was purchased during the current consolidated fiscal year and is thus listed as a consolidated subsidiary. Also, due to a decrease in equity, AS PARTNERS Co., Ltd. (listed as a consolidated subsidiary in the last consolidated fiscal year) has been removed from the scope of consolidated subsidiaries for the current consolidated fiscal year.
	(2) Names of important nonconsolidated subsidiaries No applicable items	(2) Names of important nonconsolidated subsidiaries Takara Housing Co., Ltd. (Reason for removing from scope of consolidation) Nonconsolidated subsidiary total assets, net sales, current net income and retained earnings were all small and had no significant impact upon consolidated financial statements.
	(Additional information) An overview of special purpose corporations for disclosure; an overview of transactions utilizing special purpose corporations for disclosure; and amounts of transactions conducted with special purpose corporations for disclosure are given under “Items related to Special Purpose Corporations for Disclosure”. From the current consolidated fiscal year, “Application Guidelines for Disclosures relating to Given Special Purpose Corporations” (Application Guidelines for Accounting Standards No. 15, March 29, 2007).	————
2. Items related to the application of the equity method	No applicable items as there are no nonconsolidated subsidiaries or affiliates.	No. of affiliates for which equity method is applied 1 Names of major companies AS PARTNERS Co., Ltd. As a result of the sale of equity, AS PARTNERS Co., Ltd. has been removed as a consolidated subsidiary and given the status of an affiliate for which the equity method in applied for the current consolidated fiscal year.
3. Items related to the business year for consolidated subsidiaries	Accounting dates for all consolidated subsidiaries are the same as the date for conosolidated accounting.	Same as on the left

Item	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
4. Items related to Accounting Standards (1) Assessment standards and methods for important assets	① Marketable securities a. Bonds held to maturity Amortized cost method (straight-line method) b. Other marketable securities Those at market value: Market value method based on market value at date of consolidated accounting (valuation difference is reported as a component of net assets, and the cost of securities sold is calculated using the moving average method) Those not at market value: Cost method based on the moving average method (however, silent partnership contributions to capitalare based on the specific cost method; specifics are given in "(5) Important items related to the creation of other consolidated financial statements, ② Accounting procedures for silent partnership contributions to capital") ② Inventories Cost method based on specific cost method	① Marketable securities a. Bonds held to maturity Same as on the left b. Other marketable securities Same as on the left ② Inventories Cost method based on specific cost method (Balance sheet amounts are calculated according to a write-down method based on decreased profitability) (Change in accounting policy) From the current consolidated fiscal year, "Accounting Principles relating to the Assessment of Inventory Assets" (Corporate Accounting Principles No. 9, July 5, 2006) are applied. As a result, operating income, ordinary income and current net income before tax adjustments have each shown a decrease of 10.448 billion yen. Impact on segment information is given in the relevant sections.

<table>
<tr><th>Item</th><th>Last consolidated fiscal year
(From April 1, 2007
To March 31, 2008)</th><th>Current consolidated fiscal year
(From April 1, 2008)
To March 31, 2009)</th></tr>
<tr><td>(2) Depreciation method for important depriciable assets</td><td>① Tangible fixed assets
a. Buildings
The declining balance method is adopted for headquarters, offices and other buildings.
Serviceable life and residual value are determined according to standards identical to those stipulated in corporation tax law.
However, the straight-line method is used for buildings (excluding attached structures) acquired after April 1, 1998.
In order to logically accommodate profit from rental buildings, an economically usable period estimate is created and a straight-line method based upon individual serviceable life employed.
The individual serviceable life for rental buildings is shown below.
<table><tr><th></th><th>Individual Useful Life (Years)</th></tr><tr><td>Reinforced concrete buildings</td><td>40</td></tr><tr><td>Steel-frame buildings</td><td>30</td></tr><tr><td>Wood buildings</td><td>15</td></tr><tr><td>Attached structures</td><td>15</td></tr></table>b. Tangible fixed assets other than those given above
The declining balance method is employed.
Serviceable life and residual value are determined according to standards identical to those stipulated in corporation tax law.</td><td>① Tangible fixed assets (excluding lease assets)
a. Buildings
Same as on the left

b. Tangible fixed assets other than those given above
Same as on the left</td></tr>
</table>

Item	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
	(Change in accounting policy) In accordance with revisions to the corporation tax law, from the current consolidated fiscal year Takara Leben and its consolidated subsidiaries have switched to a depreciation method for tangible fixed assets acquired after April 1, 2007 which is based on the revised corporation tax law. The resulting effect on operating income, ordinary income and current net income before tax adjustments is slight. (Additional information) For assets acquired prior to March 31, 2007 and in line with revisions to the corporation tax law, Takara Leben and its consolidated subsidiaries have used depreciation methods based on pre-revision corporation tax law to equally amortize the difference between 5% of the acquisition cost and the memorandum value over a span of five years from the consolidated financial year in which 5% of the acquisition cost was reached, and this has been included within depreciation expenses. The resulting effect on operating income, ordinary income and current net income before tax adjustments is slight.	
	② Intangible fixed assets A straight-line method based on the expected availability period (five years) for all software used within Takara Leben has been employed.	② Intangible fixed assets (excluding lease assets) Same as on the left
	―――――	③ Lease assets Lease assets related to finance and lease transactions not involving transfer of ownership A straight-line method was employed where the lease period was set as the serviceable life and the residual value was set as zero. Amongst finance and lease transactions not involving transfer of ownership, those lease transactions with a start date prior to March 31, 2008 follow accounting procedures based on methods for normal lease transactions.
	③ Long-term prepaid expenses A straight-line method has been employed.	④ Long-term prepaid expenses Same as on the left

Item	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
(3) Standards for recording important allowances	① Allowance for doubtful accounts In order to provide for loss resulting from bad debt, the loan loss ratio is used for general debt and specified claims, such as claims with default possibility, have their recoverability evaluated individually and the expected irrecoverable amount is posted.	① Allowance for doubtful accounts Same as on the left
	② Reserve for bonuses The expected amount of future payments for employee bonuses is recorded as an expense in the current consolidated fiscal year.	② Reserve for bonuses Same as on the left
	③ Reserve for directors' bonuses The expected amount of future payments for directors' bonuses is recorded as an expense in the current consolidated fiscal year.	③ Reserve for directors' bonuses Same as on the left
	④ Reserve for employees' retirement benefits Employee retirement benefits are based on the retirement allowance for the end of the current consolidated fiscal year	④ Reserve for employees' retirement benefits Same as on the left
	⑤ Reserve for directors' retirement benefits Director retirement benefits are based on internal regulations which govern such benefits and are recorded as a necessary payment for the end of the current consolidated fiscal year.	⑤ Reserve for directors' retirement benefits Same as on the left

Item	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
(4) Accounting methods for important lease transactions	With regard to finance and lease transactions other than those where ownership is transferred to the lessee, accounting procedures are based on methods used for standard lease transactions.	―――
(5) Important items related to the creation of other consolidated financial statements	① Accounting procedures for consumption taxes Accounting procedures for national and local consumption taxes are based on the tax excluded method. Also, consumption taxes not eligible for asset-related deduction are treated as period costs for the consolidated financial year in which they occur. ② Accounting procedures for silent partnership contributions to capital With regard to silent partnership contributions to capital, the amount of equity for the assets of silent partnerships is recorded as "investment securities". When capital injections are made to silent partnership, it is recorded as an "investment security", and the equity-equivalent of net profit or loss for the silent partnership is recorded as "silent partnership allocated profit / loss" and "investment securities" are adjusted by an equivalent amount; repayment of contributions to capital from firms is deducted from "investment securities".	① Accounting procedures for consumption taxes Same as on the left ② Accounting procedures for silent partnership contributions to capital Same as on the left
5. Items related to the valuation of assets and debts of consolidated subsidiaries	With regard to the valuation of assets and debts of consolidated subsidiaries, an overall marked to market method is employed.	Same as on the left
6. Items related to the amortization of positive and negative goodwill	With regard to the amortization of goodwill, equal amortization over a 10 year period is carried out. However with regard to small amounts, amortization is carried out all at once in the year in which it occurs.	Same as on the left
7. Scope of funds within the consolidated statement of cash flows	Comprised of cash on hand, deposits which can be drawn on as needed and short-term investments which can easily be converted into cash, carry small risk with regard to fluctuations in value and which reach their date of maturity within three months of the date of acquisition.	Same as on the left

Changes to important items fundamental to consolidated financial statement preparation

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
――――	(Accounting Principles for Lease Transactions) Finance and lease transactions not involving transfer of ownership have, traditionally, depended upon lease transaction-based accounting methods; however, from the current business year "Accounting Principles for Lease Transactions" (Accounting Standards No. 13 (June 17, 1993 (First Session of the Business Accounting Council), amended March 30, 2007)) and "Application Guidelines for Lease Transaction Accounting Principles" (Application Guidelines for Accounting Standards No. 16 (January 18, 1994 (Accounting System Committee of the Japanese Institute of Certified Public Accountants), amended March 30, 2007)) are applied and will depend upon normal sales transaction-based accounting methods. For finance and lease transactions not involving transfer of ownership which have a starting date preceeding these changes in accounting methods, normal lease transaction-based accounting methods will continue to apply. The effect on profit and loss of these changes for the current business year is minor.

Changes to Display Methods

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
――――	(Consolidated balance sheets) In line with the application of the "Partial Revision to the Cabinet Office Regulations governing Financial Statement Terminology, Formats and Creation Methods" (August 7, 2008, Cabinet Office Regulation No. 50), those items listed as "inventory" for the last consolidated fiscal year, are listed in the "real estate held for sale" and "real estate in progress held for sale" segments from the current consolidated fiscal year. "Real estate held for sale" and "real estate in progress held for sale" included as "inventory" for the last consolidated fiscal year totaled 7.004 billion yen and 49.265 billion yen respectively.
(Consolidated Profit and Loss Statement) For the last consolidated fiscal year "personnel transfer expenses" was included under "miscellaneous income" for non-operating income; however, for the current consolidated fiscal year it has exceeded 1/10th of the total for non-operating income and thus has a separate segment listing. The amount of "personnel transfer expenses" for the last consolidated fiscal year was 36 million yen.	――――

Notes

(Items related to Consolidated Balance Sheets)

Last consolidated fiscal year (Fiscal year ending March 31, 2008)	Current consolidated fiscal year (Fiscal year ending March 31, 2009)
*1 Assets pledged as collateral and the corresponding liabilities are shown below. (1) Assets pledged as collateral Inventories 9,184 million yen Buildings and structures 4,504 Tools, furniture and fixtures 1 Land 9,894 Intangible fixed assets (land lease rights) 224 Total 23,809	*1 Assets pledged as collateral and the corresponding liabilities are shown below. (1) Assets pledged as collateral Real estate held for sale 14,590 million yen Real estate in progress held for sale 22,156 Buildings and structures 5,428 Tools, furniture and fixtures 1 Land 16,187 Construction in progress 251 Intangible fixed assets (land lease rights) 224 Total 58,840
(2) Liabilities corresponding to the above Short-term borrowings 914 million yen Long-term debt due within one year 3,214 Long-term borrowings 15,489 Total 19,618	(2) Liabilities corresponding to the above Short-term borrowings 11,711 million yen Long-term debt due within one year 23,974 Long-term borrowings 14,536 Notes and accounts payable, trade 9,075 Total 59,299
(3) In addition to the above, a right of pledge has been established using a 457 million yen silent partnership contribution to capital (investments and other assets "Investment Securities") for use as collateral on 1.110 billion yen in money borrowed by the Triumph Assets 2 Ltd. special purpose corporation.	(3) In addition to the above, a right of pledge has been established using a 581 million yen silent partnership contribution to capital (investments and other assets "Investment Securities") for use as collateral on 979 million yen in money borrowed by the Triumph Assets 2 Ltd. special purpose corporation.
*2 In line with the decision to shift away from development and leasing to resale for some properties, during the current consolidated fiscal year 1.910 billion yen for buildings and structures and 2.262 billion yen for land has been transferred to inventories. And, in line with the decision to shift away from resale to development and leasing for some properties, 163 million yen for buildings and structures, 4.625 billion yen for land and 84 million yen for construction in progress was transferred from inventories.	*2 In line with the decision to shift away from development and leasing to resale for some properties, during the current consolidated fiscal year 424 million yen for buildings and structures, 0 million yen for tools, furniture and fixtures, 1.077 billion yen for land, and 237 million for land lease rights (intangible fixed assets) has been transferred to real estate held for sale. And, in line with the decision to shift away from resale to development and leasing for some properties, during this business year 105 million yen for real estate held for sale and 758 million yen for real estate held for sale has been transferred to the 340 million yen for buildings and structures and 523 million yen for land.
3 Contingent liabilities Guarantee of liabilities has been made for borrowings from financial instituions for for correspondent firms other than consolidated subsidiaries Joint and several guarantees and liabilities towards financial institutions until registration of settlement of mortgage is completed 10,835 million yen Total 10,835	3 Contingent liabilities Guarantee of liabilities has been made for borrowings from financial instituions for for correspondent firms other than consolidated subsidiaries Joint and several guarantees and liabilities towards financial institutions until registration of settlement of mortgage is completed 4,135 million yen AS PARTNERS Co., Ltd. 164 Aruka Co., Ltd. 35 Total 4,335
4 The Group has concluded account overdraft agreements and lending commitment agreements with 11 financing banks in order to efficiently procure operating capital. Based on these agreements, the unexercised loan balance for the end of the current consolidated fiscal year is as follows. Account overdraft maximum and lending commitment total amount 17,355 million yen Exercised loan balance 10,419 Difference 6,936	4 Takara Leben has concluded account overdraft agreements and lending commitment agreements with 8 financing banks in order to efficiently procure operating capital. Based on these agreements, the unexercised loan balance for the end of the current consolidated fiscal year is as follows. Account overdraft maximum and lending commitment total amount 8,239 million yen Exercised loan balance 4,207 Difference 4,032

(Items related to Consolidated Profit and Loss Statements)

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
1 ―――――	*1 The ending inventory has the following post-write-down amount in line with the decrease in profitability, and the following inventory asset valuation losses are included in the cost of sales. 10,448 million yen
*2 Major expenses and amounts for selling and general administrative expenses are given below. Advertising expenses 2,920 million yen Sales commissions 144 Sales promotion expenses 1,597 Remuneration for sales representatives 26 Salaries 1,289 Miscellaneous salaries 42 Provision for employees' bonuses 212 Provision for directors' bonuses 59 Employee retirement benefit costs 34 Provision for directors' retirement benefits 2 Depreciation and amortization 56 Taxes and public charges 383 The general percentage of costs belonging to sales expenses is 54%; the general percentage of costs belonging to general administrative expenses is 46%.	*2 Major expenses and amounts for selling and general administrative expenses are given below. Advertising expenses 2,801 million yen Sales commissions 285 Sales promotion expenses 1,935 Remuneration for sales representatives 8 Salaries 1,366 Miscellaneous salaries 27 Provision for employees' bonuses 224 Provision for directors' bonuses 11 Employee retirement benefit costs 31 Provision for directors' retirement benefits 7 Depreciation and amortization 64 Taxes and public charges 360 The general percentage of costs belonging to sales expenses is 52.7%; the general percentage of costs belonging to general administrative expenses is 47.3%.
*3 The breakdown for loss on disposal of fixed assets is below. Buildings and structures 15 million yen Tools, furniture and fixtures 1 Total 16	*3 The breakdown for loss on disposal of fixed assets is below. Buildings and structures 10 million yen Tools, furniture and fixtures 3 Total 13

<table>
<tr><th>Last consolidated fiscal year
(From April 1, 2007
To March 31, 2008)</th><th>Current consolidated fiscal year
(From April 1, 2008)
To March 31, 2009)</th></tr>
<tr><td>4 ―――――</td><td>*4 impairment loss
Due to the drop in market value for rental properties and unutilized assets during the current consolidated fiscal year, the Takara Leben Group has recorded the following assets and asset groups as impairment losses (1.810 billion yen).
<table>
<tr><th>Use</th><th>Type</th><th>Location</th><th>Amount (million yen)</th></tr>
<tr><td>Commercial-use assets</td><td>Land, buildings</td><td>Nishi Ward, Saitama City, Saitama Prefecture</td><td>13</td></tr>
<tr><td>Rest facilities</td><td>Land, buildings, tools, furniture and fixtures</td><td>Atami City, Shizuoka Prefecture</td><td>11</td></tr>
<tr><td rowspan="10">Unutilized assets</td><td>Land</td><td>Nishi Ward, Saitama City, Saitama Prefecture</td><td>1</td></tr>
<tr><td>Land</td><td>Chuo Ward, Tokyo</td><td>369</td></tr>
<tr><td>Land</td><td>Matsudo City, Chiba Prefecture</td><td>84</td></tr>
<tr><td>Land</td><td>Chiyoda Ward, Tokyo</td><td>149</td></tr>
<tr><td>Land, buildings, tools, furniture and fixtures</td><td>Oyama City, Tochigi Prefecture</td><td>8</td></tr>
<tr><td>Land</td><td>Midori Ward, Saitama City, Saitama Prefecture</td><td>18</td></tr>
<tr><td>Land</td><td>Hakone Town, Ashigarashimo District, Kanagawa Prefecture</td><td>12</td></tr>
<tr><td>Land</td><td>Koga City, Ibaraki Prefecture</td><td>10</td></tr>
<tr><td>Land</td><td>Kamisato Town, Kodama District, Saitama Prefecture</td><td>5</td></tr>
<tr><td>Land, buildings</td><td>Itabashi Ward, Tokyo</td><td>39</td></tr>
<tr><td rowspan="11">Rental properties</td><td>Land, buildings</td><td>Suginami Ward, Tokyo</td><td>30</td></tr>
<tr><td>Land, buildings, tools, furniture and fixtures</td><td>Koshigaya City, Saitama Prefecture</td><td>25</td></tr>
<tr><td>Land, buildings</td><td>Toshima Ward, Tokyo</td><td>97</td></tr>
<tr><td>Land, buildings</td><td>Ota Ward, Tokyo</td><td>26</td></tr>
<tr><td>Land</td><td>Kawaguchi City, Saitama Prefecture</td><td>318</td></tr>
<tr><td>Land, buildings</td><td>Kuki City, Saitama Prefecture</td><td>35</td></tr>
<tr><td>Land, buildings</td><td>Matsudo City, Chiba Prefecture</td><td>13</td></tr>
<tr><td>Land, buildings</td><td>Nishi Ward, Saitama City, Saitama Prefecture</td><td>4</td></tr>
<tr><td>Land, buildings</td><td>Nerima Ward, Tokyo</td><td>190</td></tr>
<tr><td>Land, buildings</td><td>Tsukuba City, Ibaraki Prefecture</td><td>140</td></tr>
<tr><td>Land, buildings</td><td>Kawasaki City, Kanagawa Prefecture</td><td>205</td></tr>
<tr><td colspan="3">Total</td><td>1,810</td></tr>
</table></td></tr>
</table>

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
	When broken down, buildings accounts for 302 million yen; tools, furniture and fixtures for 0 million yen; and land for 1.507 billion yen. As a rule, Takara Leben groups commercial-use assets according to business type. However, rental properties and unutilized assets are grouped according to their specific property units. The recoverable amount is determined according to net sale value and utility value; net sale value is assessed based on the appraisal value, etc. of a real estate appraiser; and utility value is calculated at 6% less of future cash flow.

(Items relating to the Consolidated Statement of Changes in Shareholders' Capital)

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)

1. Type and Total of Shares Issued and Outstanding as well as Type and Number of Shares of Treasury Stock

	Outstanding shares at end of last consolidated fiscal year (shares)	Increase in shares for current consolidated fiscal year (shares)	Decrease in shares for current consolidated fiscal year (shares)	Outstanding shares at end of current consolidated fiscal year (shares)
Shares issued and outstanding				
Common stock (Note) 1	17,203,091	337,242	—	17,540,333
Total	17,203,091	337,242	—	17,540,333
Treasury stock				
Common stock (Note) 2	433,945	548,697	—	982,642
Total	433,945	548,697	—	982,642

(Note) 1. The 337,242 share increase for total shares of issued and outstanding common stock is a result of the execution of share subscription rights for newly issued shares.

2. The 548,697 share increase for common treasury stock is the result of a corporate resolution to purchase 548,500 shares and fractional shares totaling 197 shares.

2. Dividends

(1) Dividends Paid

(Resolution)	Share type	Total dividends (million yen)	Per-share dividends (yen)	Record date	Date of entry into force
June 26, 2007 Ordinary general meeting of shareholders	Common stock	184	11	March 31, 2007	June 27, 2007
November 12, 2007 Meeting of the Board of Directors	Common stock	198	12	September 30, 2007	December 7, 2007

(2) Dividends with a Record Date belonging to the Current Consolidated Fiscal Year which have a Date of Entry into Force for the Following Consolidated Fiscal Year

(Resolution)	Share type	Total dividends (million yen)	Dividend resource	Per-share Dividend amount (yen)	Record date	Date of entry into force
June 24, 2008 Ordinary general meeting of shareholders	common stock	198	Retained earnings	12	March 31, 2008	June 25, 2008

Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)

1. Type and Total of Shares Issued and Outstanding as well as Type and Number of Shares of Treasury Stock Shares

	Outstanding shares at end of last consolidated fiscal year (shares)	Increase in shares for current consolidated fiscal year (shares)	Decrease in shares for current consolidated fiscal year (shares)	Outstanding shares at end of current consolidated fiscal year (shares)
Shares issued and outstanding				
Common stock	17,540,333	—	—	17,540,333
Total	17,540,333	—	—	17,540,333
Treasury stock				
Common stock (Note) 1	982,642	40	—	982,682
Total	982,642	40	—	982,682

(Note) 1. The 40 share increase for common treasury stock is a result of purchases of fractional shares.

2. Dividends

(1) Dividends Paid

(Resolution)	Share type	Total dividends (million yen)	Per-share dividends (yen)	Record date	Date of entry into force
June 24, 2008 Ordinary general meeting of shareholders	common stock	198	12	March 31, 2008	June 25, 2008
October 27, 2008 Meeting of the Board of Directors	common stock	198	12	September 30, 2008	December 5, 2008

(2) Dividends with a Record Date belonging to the Current Consolidated Fiscal Year which have a Date of Entry into Force for the Following Consolidated Fiscal Year
No applicable items.

(Items related to Consolidated Statements of Cash Flows)

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
*1 Relationship between cash and cash equivalents and item amount recorded on consolidated balance sheets (As of March 31, 2008) Cash and cash accounts 12,935 million yen Deposit term over three months Fixed-term deposits (38) Cash and cash equivalents 12,896	*1 Relationship between cash and cash equivalents and item amount recorded on consolidated balance sheets (As of March 31, 2009) Cash and cash accounts 3,865 million yen Deposit term over three months Fixed-term deposits (131) Cash and cash equivalents 3,733
2 Content of important nonfund transactions Execution of new share subscription rights on convertible corporate bonds with new share subscription rights Amount of increase in capital through execution of new share subscription rights 172 million yen Amount of increase in capital surplus reserve through execution of new share subscription rights 172 Amount of decrease in corporate bonds with new share subscription rights through execution of new share subscription rights 345	2 Content of important nonfund transactions ―――
Amount transferred from fixed assets to inventories due to a change in purpose for real estate holdings 4,172 million yen	Amount transferred from fixed assets to real estate held for sale due to a change in purpose for real estate holdings 1,739 million yen
Amount transferred from inventories to fixed assets due to a change in purpose for real estate holdings 4,873 million yen	Amount transferred from real estate held for sale to fixed assets due to a change in purpose for real estate holdings 863 million yen

(Items related to Lease Transactions)

Omitted as disclosure is not deemed essential to the financial report.

(Items related to Marketable Securities)

1. Market Value for Other Marketable Securities

	Type	Last consolidated fiscal year (Fiscal year ending March 31, 2008)			Current consolidated fiscal year (Fiscal year ending March 31, 2009)		
		Acquisition cost (million yen)	Consolidated balance sheet amount (million yen)	Difference (million yen)	Acquisition cost (million yen)	Consolidated balance sheet amount (million yen)	Difference (million yen)
Consolidated balance sheet amount exceeds acquisition cost	(1) Shares	67	165	97	—	—	—
	(2) Bonds	—	—	—	—	—	—
	(3) Other	—	—	—	—	—	—
	Subtotal	67	165	97	—	—	—
Consolidated balance sheet amount does not exceed acquisition cost	(1) Shares	75	60	(15)	123	88	(35)
	(2) Bonds	—	—	—	—	—	—
	(3) Other	—	—	—	—	—	—
	Subtotal	75	60	(15)	123	88	(35)
Total		143	226	82	123	88	(35)

(Note) There was a 23 million yen impairment write-off of other marketable securities shares for the current consolidated fiscal year. All shares whose market value at the end of the consolidated fiscal year had decreased by 50% or more of the acquisition cost were used for an impairment write-off, and those shares whose market value had decreased by 30 – 50 % were used for an impairment write-off if an assessment of the importance, recoverability, etc., of their relevant value deemed this necessary.

2. Other Marketable Securities sold during the Last Consolidated Fiscal Year and the Current Consolidated Fiscal Year

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)			Current consolidated fiscal year (From April 1, 2008 To March 31, 2009)		
Sale amount (million yen)	Total Profit on Sale (million yen)	Total Loss on Sale (million yen)	Sale amount (million yen)	Total Profit on Sale (million yen)	Total Loss on Sale (million yen)
—	—	—	61	50	8

3. Details for Major Marketable Securities not assessed Those at market value

	Last consolidated fiscal year (Fiscal year ending March 31, 2008)	Current consolidated fiscal year (Fiscal year ending March 31, 2009)
	Consolidated balance sheet amount (million yen)	Consolidated balance sheet amount (million yen)
(1) Bonds held to maturity		
Discount bank bonds	34	34
(2) Other marketable securities		
Unlisted shares	212	55
Other	457	581

4. Expected Redemption Value of Bonds and Other Marketable Securities held to Maturity

	Last consolidated fiscal year (Fiscal year ending March 31, 2008)				Current consolidated fiscal year (Fiscal year ending March 31, 2009)			
	Under one year (million yen)	Between one and five years (million yen)	Between five and 10 years (million yen)	Over 10 years (million yen)	Under one year (million yen)	Between one and five years (million yen)	Between five and 10 years (million yen)	Over 10 years (million yen)
1. Bonds								
(1) Government bonds, municipal bonds, etc.	—	—	—	—	—	—	—	—
(2) Corporate bonds	—	—	—	—	—	—	—	—
(3) Other	34	—	—	—	34	—	—	—
2. Other	—	—	—	—	—	—	—	—
Total	34	—	—	—	34	—	—	—

(Items related to Derivatives Trading)

1. Items related to Trading Status

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
The Group engages in no derivatives trading, and thus there are no applicable items.	Same as on the left

2. Items related to Trading Market Value

Last consolidated fiscal year (as of March 31, 2008)	Current consolidated fiscal year (as of March 31, 2009)
The Group engages in no derivatives trading, and thus there are no applicable items.	Same as on the left

(Items related to Employee Retirement Benefits)

1. Overview of Retirement Benefits System Adopted

The Group utilizes both a retirement lump sum payment system as a defined-benefit pension system and small and medium enterprise retirement allowance system as a defined contribution pension plan system.

2. Items related to Retirement Allowances

	Last consolidated fiscal year (Fiscal year ending March 31, 2008)	Current consolidated fiscal year (Fiscal year ending March 31, 2009)
Retirement allowance (million yen)	96	109
Reserve for employees' retirement benefits (million yen)	96	109

3. Items related to Employee Retirement Benefit Costs

	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
Employee retirement benefit costs (million yen)	44	37
Employee service costs (million yen)	44	37

(Note) Because the Group adopts the simplified method for small-scale businesses, the entire amount for employee retirement benefit costs is treated as employee service costs.

4. Items related to the Calculation Basis for Retirement Allowances

Last consolidated fiscal year (Fiscal year ending March 31, 2008)	Current consolidated fiscal year (Fiscal year ending March 31, 2009)
Because the Group adopts the simplified method for small-scale businesses, there are no applicable items.	Same as on the left

(Items related to Deferred Tax Accounting)

Last consolidated fiscal year (Fiscal year ending March 31, 2008)	Current consolidated fiscal year (Fiscal year ending March 31, 2009)
1. Breakdown of Major Causes for the Generation of Deferred Tax Assets and Deferred Tax Liabilities	1. Breakdown of Major Causes for the Generation of Deferred Tax Assets and Deferred Tax Liabilities

Last consolidated fiscal year (Fiscal year ending March 31, 2008)

Deferred tax assets	(million yen)
Maximum deductible amount for reserve for bonuses	117
Maximum deductible amount for allowance for doubtful accounts	6
Accrued enterprise tax disallowance	118
Tax effect related to the elimination of consolidated unrealized profit	81
Valuation loss disallowance for real estate held for sale	31
Disallowance for write-down for memberships	63
Maximum deductible amount for reserve for employees' retirement benefits	38
Maximum deductible amount for reserve for directors' retirement benefits	21
Maximum deductible amount for depreciation	2
Disallowance for valuation loss on telephone subscription rights	5
Impairment loss	320
Deferred consumption tax	28
Disallowance for defective work on property for sale in progress	173
Disallowance for compulsory devaluation of investment securities	34
Net unrealized holding gains on other securities	6
Other	5
Deferred tax assets - Subtotal	1,055
Valuation reserve	—
Deferred tax assets - Total	1,055
Deferred tax liability	
Net unrealized holding gains on other securities	(39)
Deferred tax liabilities - Total	(39)
Net deferred tax assets	1,015

(Note) Net deferred tax assets are included in the following consolidated balance sheet items.

	(million yen)
Current assets — Deferred tax assets	529
Fixed assets — Deferred tax assets	485
Current liabilities — Deferred tax liability	—
Fixed liabilities — Deferred tax liability	—

2. Major itemized breakdown of causes for any significant difference in the tax burden ratio between the normal effective statutory tax rate and the corporate tax, etc. following deferred tax accounting

The difference in the tax burden ratio between the normal effective statutory tax rate and the corporate tax, etc. following deferred tax accounting is less than 1/20th of the normal effective statutory tax rate and thus has been omitted.

Current consolidated fiscal year (Fiscal year ending March 31, 2009)

Deferred tax assets	(million yen)
Maximum deductible amount for reserve for bonuses	70
Maximum deductible amount for allowance for doubtful accounts	124
Tax effect related to the elimination of consolidated unrealized profit	29
Valuation loss disallowance for real estate held for sale	4,283
Disallowance for write-down for memberships	63
Maximum deductible amount for reserve for employees' retirement benefits	44
Maximum deductible amount for reserve for directors' retirement benefits	24
Maximum deductible amount for depreciation	171
Disallowance for valuation loss on telephone subscription rights	5
Impairment loss	695
Deferred consumption tax	32
Disallowance for defective work on property for sale in progress	109
Disallowance for compulsory devaluation of investment securities	50
Net unrealized holding gains on other securities	4
Loss carried forward	222
Valuation loss on contribution to capital	2
Deferred tax assets - Subtotal	5,934
Valuation reserve	(5,508)
Deferred tax assets - Total	423
Deferred tax liability	
Accrued enterprise tax refunds	(13)
Deferred tax liabilities - Total	(13)
Net deferred tax assets	411

(Note) Net deferred tax assets are included in the following consolidated balance sheet items.

	(million yen)
Current assets — Deferred tax assets	359
Fixed assets — Deferred tax assets	52
Current liabilities — Deferred tax liability	—
Fixed liabilities — Deferred tax liability	—

2. Major itemized breakdown of causes for any significant difference in the tax burden ratio between the normal effective statutory tax rate and the corporate tax, etc. following deferred tax accounting

Omitted because the loss before taxes is posted.

(Segment information)

a. Business type-specific segment information

Last consolidated fiscal year (from April 1, 2007 to March 31, 2008)

As the amount for real estate sales business net sales, operating income and assets accounted for over 90% of the total amount of net sales, operating income and assets for all segments, business type-specific segment information listings have been omitted.

Current consolidated fiscal year (from April 1, 2008 to March 31, 2009)

	Real estate sales business (million yen)	Other business (million yen)	Total (million yen)	Eliminated / Company-wide (million yen)	Consolidated (million yen)
Net sales					
(1) Net sales to external customers	51,495	6,156	57,652	—	57,652
(2) Intersegmental internal net sales / transfers	291	1,276	1,567	1,567	—
Total	51,786	7,432	59,219	1,567	57,652
Operating income / operating loss (minus)	(9,775)	900	(8,874)	(123)	(8,751)

(Note) 1. Method of business segmentation

Segmentation is performed in consideration of business segment content.

2. Main content of each business segment

Real estate sales business: sale of newly built condominiums

Other business: management of condominiums, real estate rental business, nursing facility operation, etc.

3. The above amounts do not include consumption tax.

4. Change in accounting policy (current consolidated fiscal year)

(Change in accounting policy)

As described under "Important Items fundamental to the Creation of Consolidated Financial Statements" 4. (1) ②: from the current consolidated fiscal year, "Accounting Principles relating to the Assessment of Inventory Assets" (Corporate Accounting Principles No. 9, July 5, 2006) are applied.

As a result, operating income, ordinary income and current net income before tax adjustments have each shown a decrease of 10.448 billion yen when compared with the traditional accounting method.

b. Location-specific segment information

Last consolidated fiscal year (from April 1, 2008 to March 31, 2009)

The Company had no consolidated subsidiaries or branches located in countries or regions outside of Japan. For this reason, geographical segment information is not included.

c. Overseas sales

Last consolidated fiscal year(From April 1, 2008) To March 31, 2009)

The Company did not post overseas sales. For this reason, overseas sales information is not included.

(Related Parties' Information)

Last consolidated fiscal year (from April 1, 2007 to March 31, 2008)

No applicable items.

Current consolidated fiscal year (from April 1, 2008 to March 31, 2009)

(Additional information)

From the current consolidated fiscal year "Accounting Principles related to the Display of Related Parties' Information" (Accounting Principles No.11, October 17, 2006) and "Application Guidelines for Accounting Principles related to the Display of Related Parties' Information" (Application Guidelines for Accounting Standards No. 13, October 17, 2006) have been applied. No change in the scope of disclosure has occurred as a result.

Directors and Individual Major Shareholders

Position	Name	Address	Capital or contribution to capital (million yen)	Job description or title	Ownership percentage of voting rights
Director	Yoshio Murayama	—	—	President and Representative Director	Direct 35.54%

Related information		Transaction content	Transaction amount (million yen)	Account Item	Term-end balance (million yen)
Concurrent positions	Relationship to business				
—	—	Borrowing	760	Loans payable	678

(Items related to Special Purpose Corporations for Disclosure)
Last consolidated fiscal year (from April 1, 2007 to March 31, 2008)

1. Overview of special purpose corporations for disclosure and overview of transactions utilizing special purpose corporations for disclosure

   In order to to diversify the sources of its fund procurement and clarify project administration, the Company invests in special purpose corporations (as defined by the Law on Special Limited Liability Companies and Asset Liquidation), and three such special purpose corporations are subject to disclosure. The relevant investments are for anticipated revenues from lease income from and sales of real estate acquired by special purpose corporations and sales of newly built condominiums; as of March 31, 2008, each of these businesses was progressing according to expectations.

   With regard to all of these special purpose corporations, neither the Company nor any of its consolidated subsidiaries has made investments with contingent voting rights, and no director or employee has been posted to these companies.

2. Transaction amounts with special purpose corporations in the current consolidated fiscal year

	Balance at the end of the consolidated financial year (million yen)	Major Losses / Gains	
		Item	Amount (million yen)
Contribution to capital (Note 1)	457	Non-operating income (Note 2)	121

(Note 1) The breakdown for contribution to capital is 457 million yen in investment securities as a silent partnership contribution to capital. A right of pledge has been established for use as collateral on 1.110 billion yen in money borrowed by the special purpose corporation.
(Note 2) The Company has posted profit-sharing for investments under non-operating income.

The main assets, liabilities, and total net assets (simple total) of special purpose corporations as of the most recent accounting date are as follows.
(Note 3)

Main assets (million yen)		Main liabilities and total net assets (million yen)	
Real estate	1,501	Loans payable	1,141
Other	134	Investment deposits payable (Note 4)	79
		Other	415
Total	1,635	Total	1,635

(Note 3) This does not include two special purpose corporations which have sold off all of their real estate as of the end of the consolidated financial year and whose asset amounts are of negligible importance.
(Note 4) Investment deposits payable are silent partnership investment deposits payable and include the amount of contribution from the Company. Please refer to (Note 1) regarding the term-end balance for these.

Current consolidated fiscal year (from April 1, 2008 to March 31, 2009)

1. Overview of special purpose corporations for disclosure and overview of transactions utilizing special purpose corporations for disclosure

   In order to to diversify the sources of its fund procurement and clarify project administration, the Company invests in special purpose corporations (as defined by the Law on Special Limited Liability Companies and Asset Liquidation), and three such special purpose corporations are subject to disclosure. The relevant investments are for anticipated revenues from lease income from and sales of real estate acquired by special purpose corporations and sales of newly built condominiums; as of March 31, 2009, each of these businesses was progressing according to expectations.

   With regard to all of these special purpose corporations, neither the Company nor any of its consolidated subsidiaries has made investments with contingent voting rights, and no director or employee has been posted to these companies.

2. Transaction amounts with special purpose corporations in the current consolidated fiscal year

	Balance at the end of the consolidated financial year (million yen)	Major Losses / Gains	
		Item	Amount (million yen)
Contribution to capital (Note 1)	581	Non-operating income (Note 2)	123

(Note 1) The breakdown for contribution to capital is 581 million yen in investment securities as a silent partnership contribution to capital. A right of pledge has been established for use as collateral on 979 billion yen in money borrowed by the special purpose corporation.

(Note 2) The Company has posted profit-sharing for investments under non-operating income.

The main assets, liabilities, and total net assets (simple total) of special purpose corporations as of the most recent accounting date are as follows.
(Note 3)

Main assets (million yen)		Main liabilities and total net assets (million yen)	
Real estate	1,473	Loans payable	1,012
Other	152	Investment deposits payable (Note 4)	79
		Other	534
Total	1,625	Total	1,625

(Note 3) This does not include two special purpose corporations which have sold off all of their real estate as of the end of the consolidated financial year and whose asset amounts are of negligible importance.

(Note 4) Investment deposits payable are silent partnership investment deposits payable and include the amount of contribution from the Company. Please refer to (Note 1) regarding the term-end balance for these.

(Per-share Information)

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
Net assets per share ¥1,166.76 Current net income per share ¥210.34 Diluted net income per share ¥209.03	Net assets per share ¥387.80 Current net loss per share ¥753.21 The diluted net income per share is the current net loss per share; and as there are no residual securities, they are not listed.

(Note) The basis for calculating current net income per share, current net loss per share and diluted net income per share is given below.

	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
Current net income per share		
Current net income / current net loss (minus) (million yen)	3,506	(12,471)
Amount not belonging to the common stockholders (million yen)	—	—
Current net income / current net loss relating to common stock (minus) (million yen)	3,506	(12,471)
Interim average share number (thousands of shares)	16,669	16,557
Diluted net income per share		
Adjusted current net income (million yen)	—	—
Increase in common stock (thousands of shares)	103	—
(Subset which are convertible corporate bonds with new share subscription rights) (thousands of shares)	(103)	—

(Important Post-balance Sheet Events)

Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)	Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)
The FLEX Corporation, a business partner and investment destination of Takara Leben, filed for bankruptcy in Tokyo District Court on May 30, 2008; the petition was accepted the same day. As of that date, Takara Leben had 239 million yen in joint project investments in the FLEX Corporation and 166,000 shares of stock (acquisition cost: 49 million yen). It is possible that these investments and shares will result in losses in the next business year.	―――

5. Individual Financial Statements

(1) Balance sheet

(Units: million yen)

	Preceding Business Year (Fiscal year ending March 31, 2008)	Current Business Year (Fiscal year ending March 31, 2009)
Assets		
Current assets		
Cash and cash equivalents	11,741	3,358
Trade notes receivable	399	—
Trade accounts receivable	18	39
Accounts due	371	1,170
Marketable securities	34	34
Real estate held for sale	*1, *2 6,841	*1, *2 16,528
Real estate in progress held for sale	*1, *2 49,126	*1, *2 23,015
Joint project investments	2,274	275
Money advanced	115	—
Prepaid expenses	950	719
Short-term loans receivable	6	44
Deferred tax assets	388	294
Other	412	199
Allowance for doubtful accounts	(1)	(23)
Total current assets	72,681	45,657
Fixed assets		
Tangible fixed assets		
Buildings	*1, *2 7,289	*1, *2 7,321
Cumulative depreciation	(2,098)	(1,916)
Buildings (net)	5,190	5,405
Structures	*1, *2 104	*1, *2 119
Cumulative depreciation	(43)	(47)
Structures (net)	60	72
Tools, furniture and fixtures	*1 173	*1, *2 160
Cumulative depreciation	(144)	(141)
Tools, furniture and fixtures (net)	29	19
Land	*1, *2 16,125	*1, *2 16,203
Lease assets	—	3
Cumulative depreciation	—	(0)
Lease assets(net)	—	2
Construction in progress	*2 77	*1 251
Total tangible fixed assets	21,484	21,954
Intangible fixed assets		
Land lease rights	*1 461	*1, *2 224
Software	24	17
Lease assets	—	73
Software suspense account	—	65
Total intangible fixed assets	485	380

(Units: million yen)

	Preceding Business Year (Fiscal year ending March 31, 2008)	Current Business Year (Fiscal year ending March 31, 2009)
Investments and other assets		
Investment securities	*1 896	*1 725
Affiliate companies' shares	94	82
Contribution to capital	14	11
Membership	14	14
Security deposits and guarantee deposits	373	363
Long-term loans	33	98
Long-term accounts receivable	—	274
Deferred tax assets	478	43
Other	23	24
Allowance for doubtful accounts	(14)	(281)
Total investments and other assets	1,914	1,356
Total fixed assets	23,884	23,692
Total assets	96,565	69,349
Liabilities		
Current liabilities		
Notes payable	8,701	*1 1,251
Accounts payable - trade	466	*1 8,377
Short-term borrowings	*1 11,736	*1 12,147
Long-term debt due within one year	*1 19,777	*1 24,041
Commercial paper	2,000	—
Lease obligations	—	17
Payments due	891	574
Accrued expenses	76	73
Income taxes payable	1,404	10
Advances	2,007	1,258
Deposits payable	426	148
Revenue received in advance	51	30
Reserve for bonuses	132	110
Reserve for directors' bonuses	48	—
Other	—	0
Total current liabilities	47,723	48,041
Fixed liabilities		
Long-term borrowings	*1 28,835	*1 14,908
Security deposits and guarantee deposits	1,118	696
Lease obligations	—	62
Reserve for employees' retirement benefits	78	90
Reserve for directors' retirement benefits	51	57
Other	—	6
Total fixed liabilities	30,083	15,821

(Units: million yen)

	Preceding Business Year (Fiscal year ending March 31, 2008)	Current Business Year (Fiscal year ending March 31, 2009)
Total liabilities	77,807	63,862
Net assets		
Shareholders' capital		
Capital	2,442	2,442
Additional paid-in capital		
Capital surplus reserve	2,440	2,440
OtherAdditional paid-in capital	132	132
Additional paid-in capitalTotal	2,572	2,572
Retained earnings		
Earned surplus reserve	92	92
OtherRetained earnings		
Contingent reserves	10,250	12,700
Earned surplus carried forward	4,646	(11,018)
Retained earningsTotal	14,988	1,773
Treasury stock	(1,294)	(1,295)
Total shareholders' capital	18,709	5,494
Valuation and translation adjustments		
Net unrealized holding gains on other securities	48	(7)
Total valuation and translation adjustments	48	(7)
Total net assets	18,758	5,487
Total liabilities and net assets	96,565	69,349

(2) Earnings Statement

(Units: million yen)

	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
Net sales		
Real estate net sales	56,896	50,885
Income from real estate lease	1,285	1,425
Other income	74	77
Total net sales	58,256	52,388
Cost of sales		
Real estate cost of sales	42,737	*1 51,896
Real estate leasing costs	870	956
Total cost of sales	43,607	52,852
Gross profit / gross loss on sales (minus)	14,648	(464)
Selling and general administrative expenses	*2 7,766	*2 8,828
Operating income / operating loss (minus)	6,881	(9,292)
Non-operating income		
Interest income	4	5
Dividend income	7	8
Commissions received	92	62
Dividends on silent partnerships	121	123
Personnel transfer expenses	61	33
Miscellaneous income	32	26
Total non-operating income	321	259
Non-operating expenses		
Interest paid	1,274	1,209
Miscellaneous losses	90	69
Total non-operating expenses	1,364	1,278
Ordinary income / ordinary loss (minus)	5,838	(10,311)
Extraordinary gains		
Gain on sale of investment securities	—	50
Gain on sale of stock of affiliated companies	—	6
Reversal of reserve for directors’ bonuses	—	14
Total extraordinary gains	—	71
Extraordinary losses		
Loss on disposal of fixed assets	*3 12	*3 6
Valuation loss for property for sale in progress	145	—
Investment securities valuation losses	83	73
Valuation loss on affiliate companies’ shares	—	100
Loss on sale of investment securities	—	8
Impairment loss	—	*4 1,810
Other	—	5
Total extraordinary losses	241	2,005
Current net profit / loss before taxes (minus)	5,597	(12,245)

(Units: million yen)

	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
Corporate taxes, inhabitant taxes and business taxes	2,523	3
Corporate tax adjustments	(228)	568
Total corporate tax	2,295	572
Current net income / current net loss (minus)	3,301	(12,817)

Cost of Sales Statement

1. Real Estate Cost of Sale

		Preceding Business Year (From April 1, 2007 To March 31, 2008)		Current Business Year (From April 1, 2008) To March 31, 2009)	
Segment	Note No.	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)
Land purchase cost		14,010	32.8	26,013	49.2
Outsourced construction cost		27,786	65.0	25,076	47.5
Other		940	2.2	1,761	3.3
Real Estate Cost of Sale		42,737	100.0	52,852	100.0

(Note) The method for cost accounting is based on job order cost accounting.

2. Real estate leasing costs

		Preceding Business Year (From April 1, 2007 To March 31, 2008)		Current Business Year (From April 1, 2008) To March 31, 2009)	
Segment	Note No.	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)
Taxes and public charges		134	15.5	180	18.8
Depreciation and amortization		310	35.7	293	30.7
Administrative and maintenance expenses		424	48.8	482	50.5
Real estate leasing costs		870	100.0	956	100.0

(3) Statements of Shareholders' Equity

(Units: million yen)

	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
Shareholders' capital		
Capital		
Ending balance for last fiscal year	2,270	2,442
Changes for the current fiscal period		
Issuance of new shares	172	—
Total changes for the current fiscal period	172	—
Ending balance for the current fiscal year	2,442	2,442
Additional paid-in capital		
Capital surplus reserve		
Ending balance for last fiscal year	2,267	2,440
Changes for the current fiscal period		
Issuance of new shares	172	—
Total changes for the current fiscal period	172	—
Ending balance for the current fiscal year	2,440	2,440
OtherAdditional paid-in capital		
Ending balance for last fiscal year	132	132
Changes for the current fiscal period		
Total changes for the current fiscal period	—	—
Ending balance for the current fiscal year	132	132
Additional paid-in capitalTotal		
Ending balance for last fiscal year	2,400	2,572
Changes for the current fiscal period		
Issuance of new shares	172	—
Total changes for the current fiscal period	172	—
Ending balance for the current fiscal year	2,572	2,572
Retained earnings		
Earned surplus reserve		
Ending balance for last fiscal year	92	92
Changes for the current fiscal period		
Total changes for the current fiscal period	—	—
Ending balance for the current fiscal year	92	92
OtherRetained earnings		
Contingent reserves		
Ending balance for last fiscal year	7,950	10,250
Changes for the current fiscal period		
Funding for contingent reserves	2,300	2,450
Total changes for the current fiscal period	2,300	2,450
Ending balance for the current fiscal year	10,250	12,700
Earned surplus carried forward		
Ending balance for last fiscal year	4,028	4,646

(Units: million yen)

	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
Changes for the current fiscal period		
Funding for contingent reserves	(2,300)	(2,450)
Distribution of retained earnings	(383)	(397)
Current net income / current net loss (minus)	3,301	(12,817)
Total changes for the current fiscal period	618	(15,665)
Ending balance for the current fiscal year	4,646	(11,018)
Retained earningsTotal		
Ending balance for last fiscal year	12,070	14,988
Changes for the current fiscal period		
Funding for contingent reserves	—	—
Distribution of retained earnings	(383)	(397)
Current net income / current net loss (minus)	3,301	(12,817)
Total changes for the current fiscal period	2,918	(13,215)
Ending balance for the current fiscal year	14,988	1,773
treasury stock		
Ending balance for last fiscal year	(675)	(1,294)
Changes for the current fiscal period		
Acquisition of treasury stock	(619)	(0)
Total changes for the current fiscal period	(619)	(0)
Ending balance for the current fiscal year	(1,294)	(1,295)
Total shareholders' capital		
Ending balance for last fiscal year	16,065	18,709
Changes for the current fiscal period		
Issuance of new shares	345	—
Distribution of retained earnings	(383)	(397)
Current net income / current net loss (minus)	3,301	(12,817)
Acquisition of treasury stock	(619)	(0)
Total changes for the current fiscal period	2,643	(13,215)
Ending balance for the current fiscal year	18,709	5,494
Valuation and translation adjustments		
Net unrealized holding gains on other securities		
Ending balance for last fiscal year	156	48
Changes for the current fiscal period		
Net change in items other than shareholders' capital for the current fiscal period the period	(107)	(56)
Total changes for the current fiscal period	(107)	(56)
Ending balance for the current fiscal year	48	(7)
Total valuation and translation adjustments		
Ending balance for last fiscal year	156	48
Changes for the current fiscal period		
Net change in items other than shareholders' capital for the current fiscal period the period	(107)	(56)

(Units: million yen)

	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
Total changes for the current fiscal period	(107)	(56)
Ending balance for the current fiscal year	48	(7)
Total net assets		
Ending balance for last fiscal year	16,221	18,758
Changes for the current fiscal period		
Issuance of new shares	345	—
Distribution of retained earnings	(383)	(397)
Current net income / current net loss (minus)	3,301	(12,817)
Acquisition of treasury stock	(619)	(0)
Net change in items other than shareholders' capital for the current fiscal period the period	(107)	(56)
Total changes for the current fiscal period	2,536	(13,271)
Ending balance for the current fiscal year	18,758	5,487

Factors Calling into Question the Going Concern Assumption

No applicable items.

Significant Accounting Policies

Item	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
(1) Assessment standards and methods for marketable securities	(1) Bonds held to maturity Amortized cost method (straight-line method) (2) Subsidiaries' shares Cost method based on the moving average method (3) Other marketable securities Those at market value: Market value method based on market value at date of consolidated accounting (valuation difference is reported as a component of net assets, and the cost of securities sold is calculated using the moving average method) Those not at market value: Cost method based on the moving average method (however, silent partnership contributions to capital are based on the specific cost method; specifics are given in "(6) Important items fundamental to financial statement preparation, ② Accounting procedures for silent partnership contributions to capital")	(1) Bonds held to maturity Same as on the left (2) Subsidiaries' and affiliate companies' shares Same as on the left (3) Other marketable securities Those at market value: Same as on the left Those not at market value Same as on the left
2. Assessment standards and methods for inventories	Cost method based on specific cost method	Cost method based on specific cost method (Balance sheet amounts are calculated according to a write-down method based on decreased profitability) (Change in accounting policy) From the current consolidated fiscal year, "Accounting Principles relating to the Assessment of Inventory Assets" (Corporate Accounting Principles No. 9, July 5, 2006) are applied. As a result, operating income, ordinary income and current net income before tax adjustments have each shown a decrease of 10.448 billion yen.

<table>
<tr><th>Item</th><th>Preceding Business Year
(From April 1, 2007
To March 31, 2008)</th><th>Current Business Year
(From April 1, 2008)
To March 31, 2009)</th></tr>
<tr><td>3. Depreciation method for fixed assets</td><td>(1) Tangible fixed assets
① Buildings
The declining balance method is adopted for headquarters, offices and other buildings.
Serviceable life and residual value are determined according to standards identical to those stipulated in corporation tax law.
However, the straight-line method is used for buildings (excluding attached structures) acquired after April 1, 1998.
In order to logically accommodate profit from rental buildings, an economically usable period estimate is created and a straight-line method based upon individual serviceable life employed.
The individual serviceable life for rental buildings is shown below.
<table>
<tr><th></th><th>Individual Useful Life (Years)</th></tr>
<tr><td>Reinforced concrete buildings</td><td>40</td></tr>
<tr><td>Steel-frame buildings</td><td>30</td></tr>
<tr><td>Wood buildings</td><td>15</td></tr>
<tr><td>Attached structures</td><td>15</td></tr>
</table>
② Tangible fixed assets other than those given above
The declining balance method is employed.
Serviceable life and residual value are determined according to standards identical to those stipulated in corporation tax law.</td><td>(1) Tangible fixed assets (excluding lease assets)
① Buildings
Same as on the left
② Tangible fixed assets other than those given above
Same as on the left</td></tr>
</table>

Item	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
	(Change in accounting policy) In accordance with revisions to the corporation tax law, from the current consolidated fiscal year Takara Leben and its consolidated subsidiaries have switched to a depreciation method for tangible fixed assets acquired after April 1, 2007 which is based on the revised corporation tax law. The resulting effect on operating income, ordinary income and current net income before tax adjustments is slight. (Additional information) For assets acquired prior to March 31, 2007 and in line with revisions to the corporation tax law, Takara Leben and its consolidated subsidiaries have used depreciation methods based on pre-revision corporation tax law to equally amortize the difference between 5% of the acquisition cost and the memorandum value over a span of five years from the consolidated financial year in which 5% of the acquisition cost was reached, and this has been included within depreciation expenses. The resulting effect on operating income, ordinary income and current net income before tax adjustments is slight.	
	(2) Intangible fixed assets A straight-line method based on the expected availability period (five years) for all software used within Takara Leben has been employed.	(2) Intangible fixed assets (excluding lease assets) Same as on the left
	————	(3) Lease assets Lease assets related to finance and lease transactions not involving transfer of ownership A straight-line method was employed where the lease period was set as the serviceable life and the residual value was set as zero. Amongst finance and lease transactions not involving transfer of ownership, those lease transactions with a start date prior to March 31, 2008 follow accounting procedures based on methods for normal lease transactions.

Item	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
4. Standards for posting allowance reserves	(1) Allowance for doubtful accounts In order to provide for loss resulting from bad debt, the loan loss ratio is used for general debt and specified claims, such as claims with default possibility, have their recoverability evaluated individually and the expected irrecoverable amount is posted. (2) Reserve for bonuses The expected amount of future payments for employee bonuses is recorded as an expense in the current consolidated fiscal year. (3) Reserve for directors' bonuses The expected amount of future payments for directors' bonuses is recorded as an expense in the current business year. (4) Reserve for employees' retirement benefits Employee retirement benefits are based on the retirement allowance for the end of the current business year. (5) Reserve for directors' retirement benefits Director retirement benefits are based on internal regulations which govern such benefits and are recorded as a necessary payment for the end of the current consolidated fiscal year.	(1) Allowance for doubtful accounts Same as on the left (2) Reserve for bonuses Same as on the left (3) Reserve for directors' bonuses Same as on the left (4) Reserve for employees' retirement benefits Same as on the left (5) Reserve for directors' retirement benefits Same as on the left
5. Accounting methods for important lease transactions	With regard to finance and lease transactions other than those where ownership is transferred to the lessee, accounting procedures are based on methods used for standard lease transactions.	―――――
6. Important items related to the creation of other consolidated financial statements	(1) Accounting procedures for consumption taxes Accounting procedures for national and local consumption taxes are based on the tax excluded method. Also, consumption taxes not eligible for asset-related deduction are treated as period costs for the consolidated financial year in which they occur. (2) Accounting procedures for silent partnership contributions to capital With regard to silent partnership contributions to capital, the amount of equity for the assets of silent partnerships is recorded as "investment securities". When capital injections are made to silent partnership, it is recorded as an "investment security", and the equity-equivalent of net profit or loss for the silent partnership is recorded as "silent partnership allocated profit / loss" and "investment securities" are adjusted by an equivalent amount; repayment of contributions to capital from firms is deducted from "investment securities".	(1) Accounting procedures for consumption taxes Same as on the left (2) Accounting procedures for silent partnership contributions to capital Same as on the left

Changes to Accounting Procedures

Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
———	(Accounting Principles for Lease Transactions) Finance and lease transactions not involving transfer of ownership have, traditionally, depended upon lease transaction-based accounting methods; however, from the current business year "Accounting Principles for Lease Transactions" (Accounting Standards No. 13 (June 17, 1993 (First Session of the Business Accounting Council), amended March 30, 2007)) and "Application Guidelines for Lease Transaction Accounting Principles" (Application Guidelines for Accounting Standards No. 16 (January 18, 1994 (Accounting System Committee of the Japanese Institute of Certified Public Accountants), amended March 30, 2007)) are applied and will depend upon normal sales transaction-based accounting methods. For finance and lease transactions not involving transfer of ownership which have a starting date preceeding these changes in accounting methods, normal lease transaction-based accounting methods will continue to apply. The effect on profit and loss of these changes for the current business year is minor.

Changes to Display Methods

Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
(Earnings Statement) Up until the preceeding business year "personnel transfer expenses" has been included under "miscellaneous income" for non-operating income; however, for the current business year it has exceeded $1/10^{th}$ of the total for non-operating income and thus has a separate segment listing. The amount of "personnel transfer expenses" for the preceeding business year was 79 million yen.	———

Notes

(Items related to Balance Sheets)

<table>
<tr><th>Preceding Business Year
(Fiscal year ending March 31, 2008)</th><th>Current Business Year
(Fiscal year ending March 31, 2009)</th></tr>
<tr><td>
*1 Assets pledged as collateral and the corresponding liabilities are shown below.

(1) Assets pledged as collateral
Real estate held for sale 2,242 million yen
Real estate in progress held for sale 6,740
Buildings 4,465
Structures 38
Tools, furniture and fixtures 1
Land 9,894
Land lease rights 224
Total 23,606

(2) Collateralized debt corresponding to the above
Short-term borrowings 764 million yen
Long-term debt due within one year 3,214
Long-term borrowings 15,489
Total 19,468

(3) In addition to the above, a right of pledge has been established using a 457 million yen silent partnership contribution to capital (investments and other assets “Investment Securities”) for use as collateral on 1.110 billion yen in money borrowed by the Triumph Assets 2 Ltd. special purpose corporation.

*2 In line with the decision to shift away from development and leasing to resale for some properties, during this business year 1.884 billion yen for buildings, 25 million yen for structures, and 2.262 billion yen for land has been transferred to the 1.898 billion yen for real estate in progress held for sale and the 2.273 billion yen for real estate held for sale.
And, in line with the decision to shift away from resale to development and leasing for some properties, during this business year 4.825 billion yen for real estate in progress held for sale and 47 million yen for real estate held for sale has been transferred to the 163 million yen for buildings, 4.625 billion yen for land, and 84 million yen for construction in progress.

3 Contingent liabilities
Guarantee of liabilities has been made for borrowings from financial instituions for the following affiliates, etc.
Joint and several guarantees and liabilities towards financial institutions until registration of settlement of mortgage is completed 10,835 million yen
TAFUKO Co., Ltd 690
AS PARTNERS Co., Ltd. 174
Total 11,700
</td><td>
*1 Assets pledged as collateral and the corresponding liabilities are shown below.

(1) Assets pledged as collateral
Real estate held for sale 14,590 million yen
Real estate in progress held for sale 22,156
Buildings 5,363
Structures 65
Tools, furniture and fixtures 1
Land 16,187
Construction in progress 251
Land lease rights 224
Total 58,840

(2) Collateralized debt corresponding to the above
Short-term borrowings 11,711 million yen
Long-term debt due within one year 23,974
Long-term borrowings 14,536
Notes payable 1,500
Accounts payable - trade 7,575
Total 59,299

(3) In addition to the above, a right of pledge has been established using a 581 million yen silent partnership contribution to capital (investments and other assets “Investment Securities”) for use as collateral on 979 million yen in money borrowed by the Triumph Assets 2 Ltd. special purpose corporation.

*2 In line with the decision to shift away from development and leasing to resale for some properties, during this business year 423 million yen for buildings, 1 million yen for structures, 0 million yen for tools, furniture and fixtures, 1.077 billion yen for land, and 237 million yen for land lease rights has been transferred to real estate held for sale.
And, in line with the decision to shift away from resale to development and leasing for some properties, during this business year 714 million yen for real estate in progress held for sale and 63 million yen for real estate held for sale has been transferred to the 299 million yen for buildings, and 478 million yen for land.

3 Contingent liabilities
Guarantee of liabilities has been made for borrowings from financial instituions for the following affiliates, etc.
Joint and several guarantees and liabilities towards financial institutions until registration of settlement of mortgage is completed 4,135 million yen
TAFUKO Co., Ltd. 701
AS PARTNERS Co., Ltd. 164
Aruka Co., Ltd. 35
Total 5,037
</td></tr>
</table>

Preceding Business Year (Fiscal year ending March 31, 2008)	Current Business Year (Fiscal year ending March 31, 2009)
4 Takara Leben has concluded account overdraft agreements and lending commitment agreements with 11 financing banks in order to efficiently procure operating capital. Based on these agreements, the unexercised loan balance for the end of this business year is as follows. Account overdraft maximum and lending commitment total amount 17,255 million yen Exercised loan balance 10,419 Difference 6,836	4 Takara Leben has concluded account overdraft agreements and lending commitment agreements with 8 financing banks in order to efficiently procure operating capital. Based on these agreements, the unexercised loan balance for the end of this business year is as follows. Account overdraft maximum and lending commitment total amount 8,239 million yen Exercised loan balance 4,207 Difference 4,032

(Items related to Earnings Statements)

Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
1 ――――	*1 The value of real estate held for sale and real estate in progress held for sale have the following post-write-down amount in line with the decrease in profitability, and the following inventory asset valuation losses are included in the cost of sales. 10.448 billion yen
*2 Major expenses and amounts for selling and general administrative expenses are given below. Advertising expenses 2,809 million yen Sales commissions 179 Sales promotion expenses 1,631 Remuneration for sales representatives 26 Salaries 990 Miscellaneous salaries 38 Provision for employees' bonuses 166 Provision for directors' bonuses 48 Employee retirement benefit costs 25 Depreciation and amortization 44 Provision for directors' retirement benefits 2 Taxes and public charges 341 The general percentage of costs belonging to sales expenses is 59%; the general percentage of costs belonging to general administrative expenses is 41%.	*2 Major expenses and amounts for selling and general administrative expenses are given below. Advertising expenses 2,788 million yen Sales commissions 473 Sales promotion expenses 1,972 Remuneration for sales representatives 8 Salaries 1,005 Miscellaneous salaries 24 Provision for employees' bonuses 170 Employee retirement benefit costs 25 Depreciation and amortization 42 Provision for directors' retirement benefits 7 Taxes and public charges 292 The general percentage of costs belonging to sales expenses is 59.3%; the general percentage of costs belonging to general administrative expenses is 40.7%.
*3 The breakdown for loss on disposal of fixed assets is below. Buildings 11 million yen Tools, furniture and fixtures 1 Total 12	*3 The breakdown for loss on disposal of fixed assets is below. Buildings 1 million yen Tools, furniture and fixtures 5 Total 6

Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
4 ――――	*4 impairment loss

Due to the drop in market value for rental properties and unutilized assets during the current fiscal year, Takara Leben has recorded the following assets and asset groups as impairment losses (1.810 billion yen).

Use	Type	Location	Amount (million yen)
Commercial-use assets	Land, buildings	Nishi Ward, Saitama City, Saitama Prefecture	13
Rest facilities	Land, buildings, tools, furniture and fixtures	Atami City, Shizuoka Prefecture	11
Unutilized assets	Land	Nishi Ward, Saitama City, Saitama Prefecture	1
	Land	Chuo Ward, Tokyo	369
	Land	Matsudo City, Chiba Prefecture	84
	Land	Chiyoda Ward, Tokyo	149
	Land, buildings, tools, furniture and fixtures	Oyama City, Tochigi Prefecture	8
	Land	Midori Ward, Saitama City, Saitama Prefecture	18
	Land	Hakone Town, Ashigarashimo District, Kanagawa Prefecture	12
	Land	Koga City, Ibaraki Prefecture	10
	Land	Kamisato Town, Kodama District, Saitama Prefecture	5
	Land, buildings	Itabashi Ward, Tokyo	39
Rental properties	Land, buildings	Suginami Ward, Tokyo	30
	Land, buildings, tools, furniture and fixtures	Koshigaya City, Saitama Prefecture	25
	Land, buildings	Toshima Ward, Tokyo	97
	Land, buildings	Ota Ward, Tokyo	26
	Land	Kawaguchi City, Saitama Prefecture	318
	Land, buildings	Kuki City, Saitama Prefecture	35
	Land, buildings	Matsudo City, Chiba Prefecture	13
	Land, buildings	Nishi Ward, Saitama City, Saitama Prefecture	4
	Land, buildings	Nerima Ward, Tokyo	190
	Land, buildings	Tsukuba City, Ibaraki Prefecture	140
	Land, buildings	Kawasaki City, Kanagawa Prefecture	205
Total			1,810

Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
	When broken down, buildings accounts for 291 million yen; structures for 11 Million yen; tools, furniture and fixtures for 0 million yen; and land for 1.507 billion yen. As a rule, Takara Leben groups commercial-use assets according to business type. However, rental properties and unutilized assets are grouped according to their specific property units. The recoverable amount is determined according to net sale value and utility value; net sale value is assessed based on the appraisal value, etc. of a real estate appraiser; and utility value is calculated at 6% less of future cash flow.

(Items related to Statements of Shareholders' Equity)

Preceding Business Year (from April 1, 2007 to March 31, 2008)

Items related to Type and Number of Shares of Treasury Stock

	Number of Shares at End of Preceding Business Year (shares)	Increased Number of Shares for Current Business Year (shares)	Decreased Number of Shares for Current Business Year (shares)	Number of Shares at End of Current Business Year (shares)
Common stock (see note)	433,945	548,697	—	982,642
Total	433,945	548,697	—	982,642

(Note) The 548,697 share increase for common treasury stock is the result of a corporate resolution to purchase 548,500 shares and fractional shares totaling 197 shares.

Current Business Year(From April 1, 2008) To March 31, 2009)

Items related to Type and Number of Shares of Treasury Stock

	Number of Shares at End of Preceding Business Year (shares)	Increased Number of Shares for Current Business Year (shares)	Decreased Number of Shares for Current Business Year (shares)	Number of Shares at End of Current Business Year (shares)
Common stock (see note)	982,642	40	—	982,682
Total	982,642	40	—	982,682

(Note) The 40 share increase for common treasury stock is a result of purchases of fractional shares.

(Items related to Marketable Securities)

Preceding Business Year (from April 1, 2007 to March 31, 2008) and Current Business Year (from April 1, 2008) to March 31, 2009)

Not Those at market value for subsidiaries' and affiliates' shares.

(Items related to Lease Transactions)

Omitted as disclosure is not deemed essential to the financial report.

(Items related to Deferred Tax Accounting)

Preceding Business Year (Fiscal year ending March 31, 2008)

1. Breakdown of Major Causes for the Generation of Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets	(million yen)
Maximum deductible amount for reserve for bonuses	73
Maximum deductible amount for allowance for doubtful accounts	5
Accrued enterprise tax disallowance	108
Valuation loss disallowance for real estate held for sale	31
Disallowance for write-down for memberships	63
Maximum deductible amount for reserve for employees' retirement benefits	32
Maximum deductible amount for reserve for directors' retirement benefits	20
Maximum deductible amount for depreciation	2
Disallowance for valuation loss on telephone subscription rights	5
Impairment loss	320
Deferred consumption tax	28
Disallowance for defective work on property for sale in progress	173
Disallowance for compulsory devaluation of investment securities	34
Net unrealized holding gains on other securities	6
Other	1
Deferred tax assets - Total	907
Deferred tax liability	
Net unrealized holding gains on other securities	(39)
Deferred tax liabilities - Total	(39)
Net deferred tax assets	867

(Note) Net deferred tax assets are included in the following balance sheet items.

	(million yen)
Current assets—Deferred tax assets	388
Fixed assets—Deferred tax assets	478
Current liabilities—Deferred tax liability	—
Fixed liabilities—Deferred tax liability	—

2. Major itemized breakdown of causes for any significant difference in the tax burden ratio between the normal effective statutory tax rate and the corporate tax, etc. following deferred tax accounting

The difference in the tax burden ratio between the normal effective statutory tax rate and the corporate tax, etc. following deferred tax accounting is less than 1/20th of the normal effective statutory tax rate and thus has been omitted.

Current Business Year (Fiscal year ending March 31, 2009)

1. Breakdown of Major Causes for the Generation of Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets	(million yen)
Maximum deductible amount for reserve for bonuses	44
Maximum deductible amount for allowance for doubtful accounts	124
Valuation loss disallowance for real estate held for sale	4,283
Disallowance for write-down for memberships	63
Maximum deductible amount for reserve for employees' retirement benefits	36
Maximum deductible amount for reserve for directors' retirement benefits	23
Maximum deductible amount for depreciation	171
Disallowance for valuation loss on telephone subscription rights	5
Impairment loss	695
Deferred consumption tax	32
Disallowance for defective work on property for sale in progress	109
Disallowance for compulsory devaluation of investment securities	50
Net unrealized holding gains on other securities	4
Loss carried forward	222
Disallowance for valuation loss on contribution to capital	2
Deferred tax assets - Subtotal	5,870
Valuation reserve	(5,508)
Deferred tax assets - Total	361
Deferred tax liability	
Accrued enterprise tax refunds	(23)
Deferred tax liabilities - Total	(23)
Net deferred tax assets	337

(Note) Net deferred tax assets are included in the following balance sheet items.

	(million yen)
Current assets—Deferred tax assets	294
Fixed assets—Deferred tax assets	43
Current liabilities—Deferred tax liability	—
Fixed liabilities—Deferred tax liability	—

2. Major itemized breakdown of causes for any significant difference in the tax burden ratio between the normal effective statutory tax rate and the corporate tax, etc. following deferred tax accounting

Omitted because the loss before taxes is posted.

(Per-share Information)

Preceding Business Year (From April 1, 2007 To March 31, 2008)		Current Business Year (From April 1, 2008) To March 31, 2009)	
Net assets per share Current net income per share Diluted net income per share	¥1,132.91 ¥198.07 ¥196.84	Net assets per share Current net loss per share The diluted net income per share is the current net loss per share; and as there are no residual securities, they are not listed.	¥331.40 ¥774.13

(Note) The basis for calculating current net income per share, current net loss per share and diluted net income per share is given below.

	Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
Current net income per share		
Current net income / current net loss (minus) (million yen)	3,301	(12,817)
Amount not belonging to the common stockholders (million yen)	—	—
Current net income / current net loss relating to common stock (minus) (million yen)	3,301	(12,817)
Interim average share number (thousands of shares)	16,669	16,557
Diluted net income per share		
Adjusted current net income (million yen)	—	—
Increase in common stock (thousands of shares)	103	—
(Subset which are convertible corporate bonds with new share subscription rights) (thousands of shares)	(103)	—

(Important Post-Balance Sheet Events)

Preceding Business Year (From April 1, 2007 To March 31, 2008)	Current Business Year (From April 1, 2008) To March 31, 2009)
The FLEX Corporation, a business partner and investment destination of Takara Leben, filed for bankruptcy in Tokyo District Court on May 30, 2008; the petition was accepted the same day. As of that date, Takara Leben had 239 million yen in joint project investments in the FLEX Corporation and 166,000 shares of stock (acquisition cost: 49 million yen). It is possible that these investments and shares will result in losses in the next business year.	―――

6. Other

(1) Changes amongst Executive Officers
This information will be disclosed as soon as it is confirmed.

(2) Production, Ordering and Sales

① Interim Number of Units Contracted

Segment	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)		Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)		YOY (%)
	Number of units	Amount (million yen)	Number of units	Amount (million yen)	
Real estate sales business	1,391	44,038	1,236	44,393	100.8
Total	1,391	44,038	1,236	44,393	100.8

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

② Contracted Ratio

Segment	Year end for the last consolidated fiscal year (As of March 31, 2008)		Year end for the current consolidated fiscal year (As of March 31, 2009)		YOY (%)
	number of units	Amount (million yen)	number of units	Amount (million yen)	
Real estate sales business	720	21,959	460	13,722	62.5
Total	720	21,959	460	13,722	62.5

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

③ Net Sales

Segment	Last consolidated fiscal year (From April 1, 2007 To March 31, 2008)		Current consolidated fiscal year (From April 1, 2008) To March 31, 2009)		YOY (%)
	Amount (million yen)	Composition ratio (%)	Amount (million yen)	Composition ratio (%)	
Real estate sales business	59,111	91.3	51,495	89.3	87.1
Real estate rental business	1,252	1.9	1,442	2.5	115.2
Management services business	1,439	2.2	1,792	3.1	124.5
Other business	2,975	4.6	2,921	5.1	98.2
Total net sales	64,778	100.0	57,652	100.0	89.0

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