First Quarter Consolidated Financial Report
For the Three Months Ended June 30, 2009

July 29, 2009
Shares listed on the First Section of the Tokyo Stock Exchange

Takara Leben Co., Ltd.
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(Amounts rounded down to millions of yen)

1. CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED June 30, 2009 (April 1 – June 30, 2009)

(1) Operating Results (Year-to-date)

(% figures represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three Months Ended March 31, 2009	9,447	(34.9)	94	(96.0)	(165)	—	(208)	—
Three Months Ended March 31, 2008	14,510	—	2,359	—	2,107	—	1,193	—

	Net income per share	Diluted net income per share
	Yen	Yen
Three Month Ended March 31, 2009	(12.57)	—
Three Months Ended March 31, 2008	72.07	—

(2) Financial Position (consolidated)

	Total assets	Total net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	%
Three Month Ended June 30, 2009	68,724	6,206	9.0	374.82
Year Ended March 31, 2009	71,486	6,420	9.0	387.80

Note: Shareholders' equity: Three months ended June 30, 2009: 6,206 million yen
Fiscal year ended March 31, 2009: 6,420 million yen

2. Dividends

	Dividends per share				
(Record date)	Q1	Q2	Q3	Term-end	Total annual
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2009	—	12.00	—	0.00	12.00
Year Ending March 31, 2010	—				
Fiscal year ending March 31, 2010 (forecast)		0.00	—	2.00	2.00

Note: Changes to dividends forecast for Q1 under review: None

3. CONSOLIDATED RESULTS FORECAST FOR FISCAL YEAR ENDING MARCH 31, 2010 (From 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	26,910	9.1	1,510	(33.3)	965	(42.6)	770	(16.9)	46.50
Full-year	50,440	(12.5)	2,015	—	890	—	500	—	30.20

Note: Changes to consolidated forecast for Q1 under review: Yes

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): None

(2) Use of simplified accounting method or special accounting method for quarterly financial reporting: Yes

(Note) For further details, please refer to "4. Other" under Qualitative Data and Financial Statements on page 3.

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

a. Changes accompanying amendment of accounting principles: None
b. Changes other than "a.": None

(Note) For further details, please refer to "4. Other" under Qualitative Data and Financial Statements on page 3.

(4) Number of outstanding shares (common stock)

a. Shares outstanding (including treasury stock)
Three months ended June 30, 2009: 17,540,333 shares
Fiscal year ended March 31, 2009: 17,540,333 shares
b. Treasury stock
Three months ended June 30, 2009: 982,682 shares
Fiscal year ended March 31, 2009: 982,682 shares
c. Average shares outstanding (term under review)
Three months ended June 30, 2009: 16,557,651 shares
Fiscal year ended March 31, 2009: 16,557,691 shares

Explanation of proper use of performance 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 significantly from these forecasts due to various factors in the future. For more information, see "3. Consolidated Forecasts for Year Ending March 2010" under Qualitative Data and Financial Statements on page 3.

[Qualitative Data and Financial Statements]

1. Qualitative Data for Operating Results

(1) Sales by business segment

In the first quarter (three-month period from April 1 to June 30, 2009), the Takara Leben Group posted consolidated sales of 9.447 billion yen.

Sales from real estate sales business amounted to 8.413 billion yen, which reflects sales of 261 newly built condominium units, as well as sales of newly built detached houses and pre-owned condominiums.

In the real estate rental business, sales totaled 330 million yen, consisting of leasing revenues received from tenants in condominium blocks, offices and shops.

The management services business generated 469 million yen in revenue from the management of 419 blocks of residential condominiums (20,956 units in total).

Sales from other business came to 234 million yen, mainly from orders for optional construction work arising from the sale of condominiums and commissions from real estate sales agency services.

(2) Overview

In the quarter under review, Takara Leben Co., Ltd. (the parent company) did not reach its sales target for newly built condominium units, thus keeping sales gains to date for the year at 16.3%; however, reductions in sales and general administrative expenses as well as administrative overhead has contributed to an increase in quarterly net earnings of 518 million yen compared to forecast.

Sales gains for the Group compared to forecast for the year were 16.8%, with 23.0% for Leben Community Co., Ltd., 24.0% for TAFUKO Co., Ltd., and 24.3% for Takara Live Net Co., Ltd.

(3) Contract ratio

During the quarter, the number of contracts concluded for newly built condominiums totaled 757 units, including those that have already been delivered. As is shown in the figure below, compared with the cumulative delivery forecast of 681 units for the first two quarters, the Group has already signed contracts for 555 units, producing a contract ratio of 81.5%. Moreover, the delivery forecast for the entire fiscal year is 1,290 units, of which contracts have been signed for 757 units, producing a contract ratio of 58.7%.

(Contracts Signed versus Delivery Forecast for Newly Built Condominium Units)

	Number of forecast deliveries	Number of contracts signed	Current contracted ratio (%)	Contracted ratio (same period of previous year) (%)
Two quarters to Sept. 09	681	555	81.5	79.2
Year to March 2010	1,290	757	58.7	61.7

In addition, the contract ratio for properties other than newly built condominium units (i.e., newly built detached houses, pre-owned condominiums and other resale properties) was 141.8%, with contracts signed for 173 units from a cumulative delivery forecast of 122 units for the first two quarters.

(Contracts Signed versus Delivery Forecast for Newly Built Condominium Units, Pre-owned Condominiums and Resale Business)

	Number of forecast deliveries	Number of contracts signed	Current contracted ratio (%)	Contracted ratio (same period of previous year) (%)
Two quarters to Sept. 09	122	173	141.8	—

2. Qualitative Data for Financial Position

(1) Assets, liabilities and net assets

As of June 30, 2009, the Group had consolidated total assets of 68.724 billion yen, down 2.762 billion yen from March 31, 2009. Major changes in the balance sheets included decreases in inventories and repayment of short-term borrowings.

(Current assets)

Current assets declined 2.062 billion yen from the end of the previous fiscal year to 45.303 billion yen, mainly reflecting a decrease in cash and deposits due to repayment of short-term borrowings and a decrease in inventories due to a reduction in new purchasing.

(Fixed assets)

Fixed assets decreased 699 million yen from the end of the previous fiscal year to 23.420 billion yen, mainly due to the transfer of commercial-use assets to inventories.

(Current liabilities)

Despite an increase stemming from the repayment and transfer of debt between long and short-term segments, current liabilities decreased 32 million yen from the end of the previous year to 48.567 billion yen, mainly due to a decrease in accounts payable.

(Fixed liabilities)

Fixed liabilities decreased 2.514 billion yen from the end of the previous fiscal year to 13.951 billion yen, mainly due to the transfer of debt between long and short-term segments.

(Net assets)

Net assets decreased 214 million yen from the end of the previous fiscal year to 6.206 billion yen as a result of posted current net losses.

(2) Analysis of cash flows

At the end of the quarter, cash and cash equivalents amounted to 3.209 billion yen, down 524 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1.311 billion yen, mainly due to a decrease in inventories.

(Cash flows from investing activities)

Net cash used in investing activities totaled 70 million yen, mainly due to the purchase of fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities was 1.766 billion yen, mainly due to the repayment of short-term borrowings.

3. Qualitative Data for Consolidated Forecasts for Year Ending March 2010

Please refer to the notification of change in the forecasts announced on July 29, 2009.

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)

Not applicable

(2) Use of simplified accounting method or special accounting method for quarterly financial reporting

a. Simplified accounting method
   Method of depreciating fixed assets
      The method of depreciating fixed assets to which the declining-balance method applies is based on the depreciation expense for the entire year, divided proportionally according to the reporting period.

b. Special accounting method for quarterly financial reporting
      Not applicable

(3) Changes in accounting principles, processes or disclosure methods for quarterly financial reporting

Not applicable

(4) Key matters relating to the going concern assumption

As a result of valuation loss for real estate held for sale and construction in progress, a current net loss of 12.471 billion yen was incurred while serious decreases in net assets (6.420 billion yen) and the equity ratio (9.0%) were seen in the previous consolidated financial year. Also, factors such as sluggish property sales and the amount of time required until their completion had a drastically negative effect on cash flows.

The first quarter consolidated accounting term under review has also felt the effects of the bad environment currently facing the real estate industry, posting ordinary losses of 165 million yen and current net losses of 208 million yen.

This situation has generated questions regarding the going concern assumption.

The Group is working to stabilize its financial situation by improving efficiency and profitability with the restructuring of its business strategy through such means as the active promotion of the Building Project, which is intended to eliminate the current negative conditions through the reduction of interest-bearing debt by reducing inventories via prompt sales of completed stock at optimal, market-based prices and through the promotion of resale business. 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.

Furthermore, solid measures are being implemented which are aimed at reducing sales and general administrative expenses as well as administrative overhead, such as business location elimination and consolidation, including personnel distribution adjustment and office relocation, and reductions in executive pay.

During the first quarter of the consolidated accounting term under review, cost-cutting measures such as office relocation and reductions in executive pay were carried out and progress on other measures aimed at reducing sales and general administrative expenses as well as administrative overhead was made under strict supervision, and the effects of these reductions are already being felt.

All of these measures are expected to put profit planning back in the black for the current financial term and enable the Company to overcome the difficult situation which it now faces and achieve sound, stable corporate growth.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Units: million yen)

	Q1 Term-end Consolidated Accounting (As of June 30, 2009)	Condensed Consolidated Balance Sheet for End of Last Consolidated Fiscal Year (As of March 31, 2009)
Assets		
Current assets		
Cash and cash equivalents	3,341	3,865
Notes and accounts receivable, trade	61	49
Marketable securities	29	34
Real estate held for sale	17,342	16,535
Real estate under construction	21,731	23,017
Other	2,812	3,876
Allowance for doubtful accounts	(15)	(12)
Total current assets	45,303	47,366
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	5,614	5,708
Land	15,813	16,376
Other (net)	227	287
Total tangible fixed assets	21,654	22,372
Intangible fixed assets	413	412
Investments and other assets		
Other	1,643	1,626
Allowance for doubtful accounts	(290)	(292)
Total investments and other assets	1,352	1,334
Total fixed assets	23,420	24,120
Total assets	68,724	71,486
Liabilities		
Current liabilities		
Notes and accounts payable, trade	8,586	9,393
Short-term borrowings	10,486	12,147
Long-term debt due within one year	26,500	24,134
Income taxes payable	55	121
Reserve	139	170
Other	2,797	2,631
Total current liabilities	48,567	48,599
Fixed liabilities		
Long-term debt	13,046	15,516
Reserve	135	169
Other	769	779
Total fixed liabilities	13,951	16,466
Total liabilities	62,518	65,065

(Units: million yen)

	Q1 Term-end Consolidated Accounting (As of June 30, 2009)	Condensed Consolidated Balance Sheet for End of Last Consolidated Fiscal Year (As of March 31, 2009)
Net assets		
Shareholders’ capital		
Capital	2,442	2,442
Additional paid-in capital	2,572	2,572
Retained earnings	2,499	2,707
Treasury stock	(1,295)	(1,295)
Total shareholders’ capital	6,220	6,428
Valuation and translation adjustments		
Net unrealized holding gains on other securities	(13)	(7)
Total valuation and translation adjustments	(13)	(7)
Total net assets	6,206	6,420
Total liabilities and net assets	68,724	71,486

(2) Quarterly Consolidated Profit and Loss Statement
(Q1 of Total Period of Consolidation)

(Units: million yen)

	Q1 of Total Period of Consolidation for Previous Financial Year (April 1 – June 30, 2008)	Q1 of Total Period of Consolidation for Current Financial Year (April 1 – June 30, 2009)
Net sales	14,510	9,447
Cost of sales	10,049	7,410
Gross profit	4,460	2,036
Selling and general administrative expenses	2,100	1,941
Operating income	2,359	94
Non-operating income		
Interest income	1	1
Dividend income	4	1
Commissions received	12	14
Investment returns from silent partnerships	29	13
Miscellaneous income	18	13
Total non-operating income	66	44
Non-operating expenses		
Interest paid	309	294
Other	9	10
Total non-operating expenses	318	305
Ordinary income / ordinary loss (minus)	2,107	(165)
Extraordinary gains		
Gain on sale of investment securities	50	1
Reversal of reserve for bonuses	—	27
Total extraordinary gains	50	28
Extraordinary losses		
Loss on disposal of fixed assets	—	24
Impairment loss	39	12
Office relocation expenses	—	8
Investment securities valuation losses	49	—
Loss on sale of investment securities	8	—
Total extraordinary losses	97	45
Current net income before tax adjustments / Current net loss before tax adjustments (minus)	2,060	(182)
Corporate taxes, inhabitant taxes and business taxes	805	52
Corporate tax refund	—	(9)
Corporate tax adjustments	54	(17)
Total corporate tax	859	25
Minority stockholder income	8	—
Current net income / current net loss (minus)	1,193	(208)

(3) Quarterly Consolidated Statements of Cash Flows

(Units: million yen)

	Q1 of Total Period of Consolidation for Previous Financial Year (April 1 – June 30, 2008)	Q1 of Total Period of Consolidation for Current Financial Year (April 1 – June 30, 2009)
Cash flows from operating activities		
Current net income before tax adjustments / Current net loss before tax adjustments (minus)	2,060	(182)
Depreciation and amortization	83	94
Reversal of reserve for bonuses	—	(27)
Impairment loss	39	12
Office relocation expenses	—	8
Increase / Decrease in reserves (decrease)	134	79
Interest income and dividend income	(5)	(2)
Investment returns from silent partnerships (increase)	(29)	(13)
Gain / Loss on sale of investment securities and valuation gain / loss on investment securities (gain)	8	(1)
Interest paid	309	294
Loss on disposal of fixed assets	—	24
Increase / Decrease in trade receivables (increase)	419	(11)
Increase / Decrease in inventories (increase)	633	1,664
Increase / Decrease in accounts payable, trade (decrease)	2,879	(806)
Other	(981)	581
Subtotal	5,550	1,713
Interest and dividend received	5	2
Interest paid	(322)	(292)
Corporate taxes paid	(1,513)	(111)
Cash flows from operating activities	3,720	1,311
Cash flows from investing activities		
Acquisition of securities	(5)	—
Proceeds from redemption of securities	5	5
Acquisition of tangible fixed assets	(1,760)	(52)
Acquisition of intangible fixed assets	(4)	(20)
Income from sale of investment securities	4	13
Other	(0)	(16)
Cash flows from investing activities	(1,761)	(70)
Cash flows from financing activities		
Net increase / decrease in short-term borrowings (decrease)	(1,133)	(1,660)
Increase / Decrease in commercial paper (decrease)	(1,000)	—
Proceeds from long-term borrowings	4,014	1,734
Repayment of long-term borrowings	(5,674)	(1,839)
Dividend payment	(176)	(0)
Cash flows from financing activities	(3,970)	(1,766)
Increase / decrease in cash and cash equivalents (decrease)	(2,011)	(524)
Cash and cash equivalents at the beginning of the year	12,896	3,733
Cash and cash equivalents at the end of the quarter	10,884	3,209

(4) Going concern assumptions

Not applicable

(5) Segment information

[Business type-specific segment information]

Q1 of the total period of consolidation for the previous financial year (April 1 – June 30, 2008)

Real estate sales business accounted for more than 90% of the Group's total business in terms of net sales, operating income, and total assets. For this reason, business segment information is not included in this report.

Q1 of Total Period of Consolidation for Current Financial Year (April 1 – June 30, 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	8,413	1,033	9,447	—	9,447
(2) Intersegmental internal net sales / transfers	—	196	196	(196)	—
Total	8,413	1,229	9,643	(196)	9,447
Operating income	(85)	188	103	(8)	94

(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, etc.
3. The above amounts do not include consumption tax.

[Location-specific segment information]

Q1 of the total period of consolidation for the previous financial year (April 1 − June 30, 2008) and
Q1 of the total period of consolidation for the current financial year (April 1 − June 30, 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.

[Overseas sales]

Q1 of the total period of consolidation for the previous financial year (April 1 − June 30, 2008) and
Q1 of the total period of consolidation for the current financial year (April 1 − June 30, 2009)

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

(6) Major changes in value of shareholder equity

Not applicable