

Quarterly Securities Report

(Third Quarter of the 38th Term)
For the three months ended December 31, 2009

Takara Leben CO., LTD.

2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

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Pursuant to: Article 24-4 (7), paragraph (1) of the Financial Instruments and Exchange Act

Submitted to: Director-General of the Kanto Local Finance Bureau

Date of submission: February 12, 2010

Period of Quarterly Financial Report: Third quarter of the 38th term (for the three months ended December 31, 2009)

Company name (Japanese): *Kabushikigaisha Takara Re-ben*

Company name (English): Takara Leben CO., LTD.

Title and name of representative: Yoshio Murayama, President and Representative Director

Place of head office: 2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Telephone number: (03)-5324-8720

Contact: Kazuichi Shimada, Vice President, Chief Director of General Planning

Place of contact: 2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Telephone number: (03)-5324-8720

Contact: Kazuichi Shimada, Vice President, Chief Director of General Planning

Place of general inspection: Takara Leben CO., LTD. Kita Kanto Branch
(2-272 Sakuragi-cho, Omiya-ku, Saitama City, Saitama Prefecture)
Tokyo Stock Exchange Group, Inc.
(2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

PART I CORPORATE INFORMATION

ITEM 1 Corporate Overview

1 Selected Financial Data

| | Nine months ended December 31, 2008 | Nine months ended December 31, 2009 | Three months ended December 31, 2008 | Three months ended December 31, 2009 | Year ended March 31, 2009 |
|--|---|---|--|--|------------------------------|
| Sales (Millions of yen) | 41,902 | 41,800 | 17,239 | 14,300 | 57,652 |
| Ordinary income (losses) (Millions of yen) | 1,082 | 1,804 | (597) | 272 | (9,787) |
| Net income (losses) (Millions of yen) | 482 | 1,832 | (443) | 176 | (12,471) |
| Net assets (Millions of yen) | - | - | 19,340 | 8,236 | 6,420 |
| Total assets (Millions of yen) | - | - | 86,178 | 58,068 | 71,486 |
| Net assets per share (Yen) | - | - | 1,168.05 | 497.42 | 387.80 |
| Net income (losses) per share, basic (Yen) | 29.15 | 110.69 | (26.81) | 10.64 | (753.21) |
| Net income (losses) per share, diluted (Yen) | - | - | - | - | - |
| Shareholders' equity ratio (%) | - | - | 22.4 | 14.2 | 9.0 |
| Net cash provided by operating activities (Millions of yen) | 5,617 | 12,389 | - | - | 6,653 |
| Net cash provided by investing activities (Millions of yen) | (3,466) | (197) | - | - | (4,144) |
| Net cash provided by financing activities (Millions of yen) | (11,752) | (12,445) | - | - | (11,671) |
| Cash and cash equivalents at the end of period (Millions of yen) | - | - | 3,294 | 3,479 | 3,733 |
| Number of employees | - | - | 552 | 316 | 333 |

(Notes)

1. The Company prepares its consolidated financial statements, and therefore non-consolidated financial data is not prepared.
2. Consumption tax and other taxes are not included in sales.
3. Diluted net income per share for the respective period is not presented as there is no share with dilutive effect.

2 Business Overview

There were no material changes in the business operated by Takara Leben Group (the Company and its subsidiaries and affiliates) during the third quarterly period for the three months ended December 31, 2009. There were also no changes in major subsidiaries and affiliates.

3 Subsidiaries and Affiliates

There were no material changes in major subsidiaries and affiliates during the third quarterly period for the three months ended December 31, 2009.

4 Employees

(1) The Company and Consolidated Subsidiaries

As of December 31, 2009

| | |
|---------------------|-----------|
| Number of employees | 316 (137) |
|---------------------|-----------|

(Notes)

1. Number of employees represents the number of people employed.
2. The number within the parentheses () in the column for Number of employees represents the average number of temporary employees (converted as one person working 8 hours per day) employed during the third quarterly period for the three months ended December 31, 2009.

(2) The Company

As of December 31, 2009

| | |
|---------------------|----------|
| Number of employees | 164 (21) |
|---------------------|----------|

(Notes)

1. Number of employees represents the number of people employed.
2. The number within the parentheses () in the column for Number of employees represents the average number of temporary employees (converted as one person working 8 hours per day) employed during the third quarterly period for the three months ended December 31, 2009.

ITEM 2 Operating and Financial Review

1 Operating Results

(1) Sales

| Name of business division | Three months ended December 31, 2009 | |
|---------------------------------|--------------------------------------|---|
| | Amount (Millions of yen) | Change from the corresponding quarterly period of the previous year (%) |
| Real estate sales business | 13,167 | 84.0 |
| Real estate rental business | 321 | 99.8 |
| Real estate management business | 504 | 110.3 |
| Other business | 306 | 39.4 |
| Total | 14,300 | 83.0 |

(Note) Consumption tax and other taxes are not included in the above amounts.

(2) Number of housing units contracted during the period

| Name of business division, etc. | Three months ended December 31, 2009 | | | |
|---------------------------------|--------------------------------------|--|--------------------------|--|
| | Number of housing units | Change from corresponding quarterly period of the previous fiscal year (%) | Amount (Millions of yen) | Change from corresponding quarterly period of the previous fiscal year (%) |
| Real estate sales business | 309 | 103.7 | 9,846 | 101.2 |
| Total | 309 | 103.7 | 9,846 | 101.2 |

(Note) Consumption tax and other taxes are not included in the above amounts.

(3) Contracted ratio

| Name of business division, etc. | As of December 31, 2009 | | | |
|---------------------------------|-------------------------|--|--------------------------|--|
| | Number of housing units | Change from corresponding quarterly period of the previous fiscal year (%) | Amount (Millions of yen) | Change from corresponding quarterly period of the previous fiscal year (%) |
| Real estate sales business | 347 | 53.6 | 11,229 | 59.8 |
| Total | 347 | 53.6 | 11,229 | 59.8 |

(Note) Consumption tax and other taxes are not included in the above amounts.

2 Risk Factors

Items in the text which pertain to the future have been assessed by the Group as of the date on which this Quarterly Report was filed.

(1) In the third quarterly period for the three months ended December 31, 2009, there were no new risks or material changes or new risks for the business of Takara Leben Group.

(2) Key events pertaining to going concern assumptions

There were net losses in the amount of 12,471 million yen in the previous consolidated fiscal year, along with a decrease in equity ratio and a sudden worsening of cash position.

Under those circumstances, Takara Leben Group has actively promoted the “Building Project,” in its attempt to decrease interest-bearing debts through early sales of inventories with appropriate market price settings. Our efforts to stabilize finances with improved efficiency and profitability by rebuilding the business strategy include promotion of resale business, etc. At the same time, we put our efforts to enforce our organizational mobility by clarifying roles, responsibilities and authority within Takara Leben Group.

Further, our efforts to reduce selling, general and administrative expenses include appropriate human resources allocation, office relocation and business location consolidation, decrease of management remuneration, etc. As a result, during the nine months period ended December 31, 2009, favorable changes in resale and renovation properties, price bargaining practice have largely reduced in sales transactions, early realization of costs reduction in sales and general administrative expenses contributed the net income of 1,832 million yen. Accordingly, an equity ratio became 14.2%, a recovery of 5.2 points from the previous consolidated fiscal year, making the continuing doubtful situation improved.

However, the surrounding environment of the real estate industry remains unforeseeable, while we anticipate a significant improvement in profitability in the current fiscal year, the cash position has not been sufficiently improved, and we are aware that we are still in the critical situation.

Therefore, the strategies listed above will continue to be implemented within Takara Leben Group in our efforts to achieve stable and sound corporate growth.

3 Material Contracts

In the third quarterly period for the the months ended December 31, 2009, there were no decisions or execution of material contracts that may impact the operating results of the Company.

4 Operating, Financial and Cash Flow Analysis

Items in the text which pertain to the future have been assessed by Takara Leben Group as of the date on which this Quarterly Report was filed.

(1) Analysis of operating results and financial position

1) Sales by business segment

In the third quarterly period for the three months ended December 31, 2009, Takara Leben Group posted sales of 13,167 million yen for the real estate sales business, due to sales of 395 built-for sale condominiums, as well as sales, renewal, and resale of detached houses.

In the real estate rental business, sales totaled 321 million yen, consisting of easing revenues received from tenants in condominium blocks, offices, and shops.

The real estate management business generated 504 million yen in sales, mainly from management of 451 blocks of residential condominiums (22,552 units in total).

Sales from other business came to 306 million yen, mainly from orders for optional construction work arising from the sale of condominiums, commissions from real estate sales agency services, etc.

Based on the above, consolidated net sales amounted to 14,300 million yen in the third quarterly period for the three months ended December 31, 2009.

2) Analysis of financial position

With regard to the state of assets, liabilities, and net assets of Takara Leben Group as of December 31, 2009, consolidated total assets amounted to 58,068 million yen, indicating a 13,418 million yen decrease as compared to the end of the previous consolidated fiscal year due to a decrease in inventories and repayment of borrowings, etc.

(Current assets)

Current assets have decreased 10,901 million yen from the end of the previous consolidated fiscal year, to 36,465 million yen, mainly reflecting a decrease in inventories due to compression of complete stock and a decrease in inventories due to strict control of new purchases.

(Fixed assets)

Fixed assets have decreased 2,517 million yen from the end of the previous consolidated fiscal year, to 21,602 million yen, due to a transfer of business assets to inventory and a reduction in investment securities due to refunds from investment partnerships.

(Current liabilities)

Current liabilities have decreased 18,584 million yen from the end of the previous consolidated fiscal year, to 30,015 million yen, due to a decrease in accounts payable-trade and repayment of borrowings.

(Long-term liabilities)

Long-term liabilities have increased 3,349 million yen from the end of the previous consolidated fiscal year, to 19,816 million yen, due to an increase in long-term borrowings.

(Net assets)

Net assets totaled 8,236 million yen, have increased 1,815 million yen from the end of the previous consolidated fiscal year, due to recording of net income.

(2) Cash flows

As of December 31, 2009, cash and cash equivalents (hereinafter referred to as “cash”) amounted to 3,479 million yen, a decrease of 784 million yen from September 30, 2009.

(Cash flows from operating activities)

The increase in cash provided by operating activities amounted to 2,708 million yen (6,837 million yen increase in the corresponding quarterly period of the previous year). This was due mainly to a decrease in inventories.

(Cash flows from investing activities)

The decrease in cash used in investing activities totaled 829 million yen (616 million yen decrease in the corresponding quarterly period of the previous year). This was due mainly to acquisition of tangible fixed assets.

(Cash flows from financing activities)

The decrease in cash used in financing activities was 2,664 million yen (7,849 million yen decrease in the corresponding quarterly period of the previous year). This was due mainly to repayment of short-term borrowings.

(3) Business or financial issues that should be resolved

In the third quarterly period for the three months ended December 31, 2009, there were no new issues or important changes regarding issues pertaining to business and finances of the Company.

(4) Research and development activities

None.

(5) Factors having an significant impact on operating results

The condominium business, which is the Group's main product, has a tendency to be influenced by demand trends of purchasers and supply trends of suppliers. Demand trends of purchasers are easily affected by business trends, interest-rate trends, housing tax, consumption tax, trends in land process, etc., while supply trends are easily affected by the purchasing amount of land, fluctuations in subcontract prices of subcontractors such as general contractors, bankruptcy, etc. of contractors, difficulty of raising new funds, interest rates, etc. As a result, a fluctuation in these trends may have an important impact on operating results.

(6) Analysis and review regarding key events listed in Risk Factors, and measures to be taken to resolve or improve the said key events, etc.

The Group is making continuing efforts to resolve the key events, etc. described in "2 Risk Factors."

As with the first half of the year, Takara Leben Group is also working in the second half to actively promote the "Building Project" in its attempt to decrease interest-bearing debts through early sales of inventories with appropriate market price settings. Our efforts to stabilize finances with improved efficiency and profitability by rebuilding the business strategy include promotion of resale business, etc. At the same time, we put effort to enforce our organizational mobility by clarifying roles, responsibilities and authority within the Company and the Group.

Further, our efforts to reduce selling, general and administrative expenses include appropriate human resources allocation, office relocation and business location consolidation, decrease of management remuneration, etc.

Therefore, the strategies listed above will continue to be implemented within the Group in our effort to achieve stable and sound corporate growth.

ITEM 3 Properties and Equipments**(1) Major properties and equipments**

In the third quarterly period for the three months ended , there were no changes in major properties and equipments.

(2) Plans for acquisitions and disposals of properties and equipments

During the third quarterly period for the three months ended December 31, 2009, there were no significant changes in plans for acquisitions, disposals of important properties and equipments.

ITEM 4 Overview of the Company

1 Stock Information

(1) Total number of shares

1) Total number of shares

| Type | Number of shares authorized (Shares) |
|--------------|--------------------------------------|
| Common stock | 62,000,000 |
| Total | 62,000,000 |

2) Issued shares

| Type | Number of shares issued as of December 31, 2009 | Number of shares issued as of the filing date (February 12, 2010) | Name of exchange where financial instruments are listed, or name of authorized financial instruments firms association to which securities are registered | Contents |
|--------------|---|---|---|---|
| Common stock | 17,540,333 | 17,540,333 | Tokyo Stock Exchange (First Section) | Standard shares of the Company of which there are no limitations to rights; trading unit is 100 shares. |
| Total | 17,540,333 | 17,540,333 | - | - |

(2) Subscription rights

Not applicable.

(3) Rights plan

Not applicable.

(4) The number of shares issued and capital stock

| Date | Increase (decrease) in number of shares issued | Shares issued | Increase (decrease) in capital stock (Millions of yen) | Capital stock (Millions of yen) | Increase (decrease) in capital reserve (Millions of yen) | Capital reserve (Millions of yen) |
|--------------------------------------|--|---------------|--|---------------------------------|--|-----------------------------------|
| October 1, 2009 to December 31, 2009 | - | 17,540,333 | - | 2,442 | - | 2,440 |

(5) Major shareholders

In the third quarterly period for the three months ended December 31, 2009, a copy of a large shareholding report dated December 31, 2009 was sent from Fidelity International Limited, in which Fidelity International Limited's ownership of 1,398 thousand shares as of December 31, 2009 was reported. However, as we are unable to confirm the information in the current share registry, such shareholding had not been confirmed.

The contents of the large shareholding report filed by Fidelity International Limited are as follows.

| | |
|---|-----------------------------------|
| Large shareholder | Fidelity International Limited |
| Address | 4-3-1 Toranomon, Minato-ku, Tokyo |
| Number of share certificates, etc. owned | 1,398,700 shares |
| Ownership ratio of share certificates, etc. | 7.97% |

(6) Voting rights

As we are unable to confirm the information in the share registry as of December 31, 2009, the following information is based on the share registry of the most recent record date (September 30, 2009).

1) Shares issued and outstanding

As of December 31, 2009

| | Number of shares (Shares) | Number of voting rights | Contents |
|--|---------------------------|-------------------------|---|
| Nonvoting shares | - | - | - |
| Shares with restricted voting right (Treasury shares, etc.) | - | - | - |
| Shares with restricted voting right (Other) | - | - | - |
| Full voting right shares (Treasury shares, etc.) | Common stock 982,600 | - | Standard shares of the Company of which there are no limitations to rights; trading unit is 100 shares. |
| Full voting right shares (Other) | Common stock 16,555,900 | 165,559 | Same as above. |
| Shares less than one unit | Common stock 1,833 | - | Shares of less than 1 trading unit (100 shares) |
| Total number of shares issued and outstanding | 17,540,333 | - | - |
| Total number of voting rights of shareholders | - | 165,559 | - |

(Note) "Full voting right shares (Other)" includes 400 shares in the name of Japan Securities Depository Center, Inc. In addition "Number of voting rights" includes 4 voting rights pertaining to complete voting right shares in the name of Japan Securities Depository Center, Inc.

2) Treasury shares, etc.

As of December 31, 2009

| Name of owner | Address of owner | Directly held shares | Indirectly held shares | Total | Percentage to number of shares issued and outstanding (%) |
|------------------------|--|----------------------|------------------------|---------|---|
| Takara Leben CO., LTD. | 2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo | 982,600 | - | 982,600 | 5.6 |
| Total | - | 982,600 | - | 982,600 | 5.6 |

2 Share Prices History

High and low

| Month | April 2009 | May | June | July | August | September | October | November | December |
|------------|------------|-----|------|------|--------|-----------|---------|----------|----------|
| High (yen) | 231 | 207 | 226 | 228 | 387 | 521 | 725 | 632 | 637 |
| Low (yen) | 146 | 151 | 184 | 166 | 219 | 320 | 352 | 473 | 502 |

(Note) Highs and lows prices refer to those in the First Section of the Tokyo Stock Exchange.

3 Directors and Senior Management

There has been a change in management during the period from the date of filing of the annual securities report for the previous fiscal year and the date of filing of this Quarterly Securities Report, as follows.

Change in position

| New position title | New job title | Old position title | Old job title | Name | Date of transfer |
|--------------------|------------------------------------|--------------------|---|------------------|------------------|
| Vice President | Chief Director of General Planning | Vice president | Chief Director of General Planning, Manager of Business Planning Office | Kazuichi Shimada | February 1, 2010 |

ITEM 5 Financial Statements

1. Preparation of quarterly consolidated financial statements

The Company prepared its quarterly consolidated financial statements in accordance with Regulations concerning the Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64, 2007; hereinafter referred to as “Quarterly Consolidated Financial Statement Regulations”).

For the third quarterly period for the three months ended December 31, 2008 and the cumulative total for the nine months ended December 31, 2008, quarterly consolidated financial statements were prepared in accordance with Quarterly Consolidated Financial Statement Regulations before their amendment; for the third quarterly period for the three months ended December 31, 2009 and the cumulative total for the nine months ended December 31, 2009 quarterly consolidated financial statements were prepared in accordance with Quarterly Consolidated Financial Statement Regulations after their amendment.

2. Quarterly review certificate

Pursuant to articles No. 193-2 Section 1 of the Financial Instruments and Exchange Act, Grant Thornton Taiyo ASG performed quarterly review of the consolidated financial statements for the third quarterly period for the three months ended December 31, 2008 and the cumulative total for the nine months ended December 31, 2008, the third quarterly period for the three months ended December 31, 2009 and the cumulative total for the nine months ended December 31, 2009.

1 Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| | December 31, 2009 | March 31, 2009 |
|---|-------------------|----------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | 3,526 | 3,865 |
| Notes and account receivables | 6 | 49 |
| Securities | - | 34 |
| Real property for sale | *2,*3 9,486 | *2,*3 16,535 |
| Real property for sale in progress | *2,*3 21,054 | *2,*3 23,017 |
| Other | 2,403 | 3,876 |
| Loan loss reserves | (12) | (12) |
| Total Current Assets | 36,465 | 47,366 |
| Fixed Assets: | | |
| Tangible fixed assets | | |
| Buildings and structures, net | *1,*2,*3 5,380 | *1,*2,*3 5,708 |
| Land | *2,*3 15,066 | *2,*3 16,376 |
| Other, net | *1,*2,*3 59 | *1,*2,*3 287 |
| Total Tangible Fixed Assets | 20,507 | 22,372 |
| Intangible fixed assets | | |
| Investments and other assets | *2 472 | *2,*3 412 |
| Other | 893 | *2 1,626 |
| Loan loss reserves | (270) | (292) |
| Total Investments and Other Assets | 623 | 1,334 |
| Total Fixed Assets | 21,602 | 24,120 |
| Total Assets | 58,068 | 71,486 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Notes and account payables | *2 7,762 | *2 9,393 |
| Short-term borrowings | *2 3,819 | *2 12,147 |
| Long-term debt due within one year | *2 16,622 | *2 24,134 |
| Income taxes payable | 76 | 121 |
| Reserve | 77 | 170 |
| Other | 1,657 | 2,631 |
| Total Current Liabilities | 30,015 | 48,599 |
| Fixed Liabilities: | | |
| Long-term debts | *2 18,911 | *2 15,516 |
| Reserve | 145 | 169 |
| Other | 758 | 779 |
| Total Fixed Liabilities | 19,816 | 16,466 |
| Total Liabilities | 49,831 | 65,065 |

(Millions of yen)

| | December 31, 2009 | March 31, 2009 |
|--|-------------------|----------------|
| NET ASSETS | | |
| Shareholders' Capital: | | |
| Capital | 2,442 | 2,442 |
| Additional paid-in capital | 2,572 | 2,572 |
| Retained earnings | 4,540 | 2,707 |
| Treasury stock | (1,295) | (1,295) |
| Total Shareholders' Capital | 8,260 | 6,428 |
| Valuation and Translation Adjustments: | | |
| Net unrealized gains on other securities | (24) | (7) |
| Total Valuation and Translation Adjustments | (24) | (7) |
| Total Net Assets | 8,236 | 6,420 |
| Total Liabilities and Net Assets | 58,068 | 71,486 |

(2) Consolidated Statements of Income
 Nine-month Period

(Millions of yen)

| | Nine months ended December 31, 2008 | Nine months ended December 31, 2009 |
|---|--|--|
| Sales | 41,902 | 41,800 |
| Cost of sales | 33,130 | 33,902 |
| Gross Profit | 8,772 | 7,898 |
| Selling, general and administrative expenses | * 6,880 | * ¹ 5,501 |
| Operating Income | 1,892 | 2,396 |
| Non-Operating Income: | | |
| Interest income | 5 | 5 |
| Dividend income | 5 | 2 |
| Commissions received | 47 | 75 |
| Investment returns | 91 | 110 |
| Other income | 40 | 52 |
| Total Non-Operating Income | 190 | 246 |
| Non-Operating Expenses: | | |
| Interest expenses | 927 | 822 |
| Other | 73 | 15 |
| Total Non-Operating Expenses | 1,000 | 838 |
| Ordinary Income | 1,082 | 1,804 |
| Extraordinary Gains: | | |
| Gain on sales of investment securities | 50 | 1 |
| Reversal of allowance for doubtful accounts | - | 20 |
| Reversal of reserve for directors' bonuses | 14 | - |
| Reversal of reserve for bonuses | - | 29 |
| Gain from settlement of silent investment partnership | - | * ² 232 |
| Gain on exemption of affiliates debt | - | * ³ 11 |
| Total Extraordinary Gains | 65 | 294 |
| Extraordinary Losses: | | |
| Loss on disposal of fixed assets | 1 | 25 |
| Loss on valuation of contribution to capital | - | 2 |
| Impairment loss | 126 | 72 |
| Office relocation expenses | - | 8 |
| Loss on late payment charge of affiliates | - | * ³ 7 |
| Loss on valuation of investments securities | 49 | - |
| Loss on sale of investment securities | 8 | - |
| Total Extraordinary Losses | 185 | 116 |
| Income (losses) before income taxes | 962 | 1,982 |
| Income and other taxes | 135 | 153 |
| Income tax refund | - | (9) |
| Income tax adjustments | 343 | 5 |
| Total income taxes | 479 | 149 |
| Net income | 482 | 1,832 |

Third Quarter of Consolidated Fiscal Period

(Millions of yen)

| | Three months ended December 31, 2008 | Three months ended December 31, 2009 |
|--|---|---|
| Sales | 17,239 | 14,300 |
| Cost of sales | 14,980 | 11,984 |
| Gross Profit | 2,258 | 2,315 |
| Selling, general and administrative expenses | * 2,630 | *1 1,828 |
| Operating Income or Operating Loss (minus) | (372) | 486 |
| Non-Operating Income: | | |
| Interest income | 1 | 1 |
| Dividend income | 1 | 0 |
| Commissions received | 19 | 28 |
| Investment returns | 31 | - |
| Other income | 8 | 11 |
| Total non-operating income | 61 | 42 |
| Non-Operating Expenses: | | |
| Interest expenses | 285 | 253 |
| Other | 1 | 4 |
| Total Non-Operating Expenses | 287 | 257 |
| Ordinary Income or Ordinary Losses (minus) | (597) | 272 |
| Extraordinary Gains: | | |
| Reversal of allowance for doubtful accounts | - | 5 |
| Reversal of reserve for directors' bonuses | 14 | - |
| Reversal of reserve for bonuses | - | 0 |
| Gain from settlement of silent investment partnership | - | *2 0 |
| Total Extraordinary Gains | 14 | 5 |
| Extraordinary Losses: | | |
| Loss on disposal of fixed assets | 1 | 0 |
| Impairment loss | 72 | 43 |
| Total Extraordinary Losses | 73 | 43 |
| Income (losses) before income taxes | (656) | 234 |
| Income taxes and other, taxes | (325) | 43 |
| Income tax adjustments | 123 | 14 |
| Total income tax | (201) | 58 |
| Minority interest (losses) | (10) | - |
| Net income (losses) | (443) | 176 |

(3) Consolidated Statements of Cash Flow

(Millions of yen)

| | Nine months ended December 31, 2008 | Nine months ended December 31, 2009 |
|---|--|--|
| Net Cash Provided by (used in) Operating Activities | | |
| Net income or losses before tax adjustments | 962 | 1,982 |
| Depreciation and amortization | 258 | 277 |
| Impairment losses | 126 | 72 |
| Reversal of reserve for bonuses | - | (29) |
| Increase (Decrease) in reserves | (113) | (66) |
| Interest and dividend income | (11) | (7) |
| Amortization of goodwill | 0 | - |
| Gain (Loss) from investment partnerships | (91) | (110) |
| Loss (Gain) on sales of investment securities and valuation | 8 | (1) |
| Interest expenses | 927 | 822 |
| Loss on disposal of fixed assets | - | 25 |
| Gain from settlement of investment partnership | - | (232) |
| Decrease (Increase) in account receivables | 401 | 43 |
| Decrease (Increase) in inventories | 7,862 | 11,534 |
| Increase (Decrease) in account payables | 804 | (1,570) |
| Other | (2,673) | 619 |
| Subtotal | 8,462 | 13,357 |
| Interest and dividend received | 11 | 7 |
| Interest paid | (905) | (773) |
| Income taxes paid | (1,950) | (203) |
| Net Cash Provided by (used in) Operating Activities | 5,617 | 12,389 |
| Net Cash Provided by (used in) Investing Activities | | |
| Payments for time deposits | (131) | (14) |
| Withdrawals from time deposits | 39 | 100 |
| Payments for purchase of marketable and investment securities | (34) | - |
| Proceeds of redemption from investment securities | 34 | 34 |
| Payments for purchase of tangible fixed assets | (3,372) | (1,151) |
| Payments for purchase of intangible fixed assets | (19) | (101) |
| Proceeds from sales of investment securities | 68 | 13 |
| Repayment from investment partnership | - | 924 |
| Other | (51) | (3) |
| Net Cash Provided by (used in) Investing Activities | (3,466) | (197) |

(Millions of yen)

| | Nine months ended December 31, 2008 | Nine months ended December 31, 2009 |
|---|--|--|
| Net Cash Provided by (used in) Financing Activities | | |
| Increase (Decrease) in short-term debt | (1,785) | (7,928) |
| Increase (Decrease) in commercial paper | (2,000) | - |
| Proceeds from long-term debt | 5,820 | 7,776 |
| Repayment of long-term debt | (13,393) | (12,293) |
| Acquisition of treasury stock | (0) | - |
| Cash dividends paid | (393) | (0) |
| Net Cash Provided by (used in) Financing Activities | (11,752) | (12,445) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (9,602) | (253) |
| Cash and Cash Equivalents at Beginning of the Period | 12,896 | 3,733 |
| Cash and Cash Equivalents at End of Period | * 3,294 | * 3,479 |

Changes to important items fundamental to financial statement preparation

None.

Simplified accounting method

| | Nine months ended December 31, 2009 |
|---|--|
| Method for calculating depreciation of fixed assets | In calculation of the depreciated value of fixed assets, the declining-balance method is employed, where the depreciated value for the entire year is first calculated, and then being divided proportionally to the corresponding reporting period. |
| Method for evaluating inventories | Devaluation of book prices of inventories were made only on such item's profitability had become evidently lower. |

Use of special accounting method for creating quarterly consolidated financial statements

None.

Notes

(Items related to Quarterly Consolidated Balance Sheets)

| December 31, 2009 | March 31, 2009 |
|---|---|
| *1 The total amount of depreciation and amortization of tangible fixed assets is 2,245 million yen. | *1 The total amount of depreciation and amortization of tangible fixed assets is 2,136 million yen. |
| *2 Assets that are offered as collateral and corresponding liabilities are as follows. | *2 Assets that are offered as collateral and corresponding liabilities are as follows. |
| (1) Assets offered as collateral | (1) Assets offered as collateral |
| Real property for sale 7,029 million yen | Real property for sale 14,590 million yen |
| Real property for sale in progress 20,644 | Real property for sale in progress 22,156 |
| Other current assets 97 | Buildings and structure, net 5,428 |
| Buildings and structure, net 5,140 | Land 16,187 |
| Land 14,898 | Other, net 252 |
| Other, net 19 | Intangible fixed assets (leasehold) 224 |
| Intangible fixed assets (leasehold) 224 | |
| Total 48,054 | Total 58,840 |
| (2) Liabilities for the above | (2) Liabilities for the above |
| Short-term borrowings 3,728 million yen | Short-term borrowings 11,711 million yen |
| Long-term debt due within one year 16,044 | Long-term debt due within one year 23,974 |
| Long-term debts 18,079 | Long-term debts 14,536 |
| Notes and account payable, trade 2,009 | Notes and account payable, trade 9,075 |
| Total 39,862 | Total 59,299 |
| | (3) In addition to the above, capital contribution in the amount of 581 million yen in <i>Tokumei Kumiai</i> (investment and other assets "Investment Securities") is used to secure 979 million loan borrowed by a special purpose company of the Triumph Assets 2 Ltd. |
| *3 As the purpose of holding of certain real properties has been changed from "development and leasing" to "resale" during the nine-month period ended December 31, 2009 of the current consolidated fiscal year, 1,255 million yen for buildings and structures, 1,272 million yen for land, and 0 million yen for other have been transferred to real property for sale (1,541 million yen) and real property for sale in progress (986 million yen). | *3 As the purpose of holding of certain real properties has been changed from "development and leasing" to "resale" during the previous consolidated fiscal year, 424 million yen for buildings and structures, 1,077 million yen for land, 0 million yen for other, and 237 million yen for leasehold (intangible fixed assets) have been transferred to real property for sale. In addition, as the purpose of holding of certain real properties has been changed from "resale" to "development and leasing" during the previous consolidated fiscal year, 105 million yen for real property for sale, 758 million yen for real property for sale in progress have been transferred to 340 million yen for buildings and structures and 523 million yen for land. |
| 4 Contingent liabilities (Guaranteed debts) | 4 Contingent liabilities (Guaranteed debts) |
| Guarantee made for borrowings from financial institutions by companies other than consolidated subsidiaries | Guarantee made for borrowings from financial institutions by companies other than consolidated subsidiaries |
| Joint and several guarantees and liabilities toward financial institutions until registration of mortgage is completed 462 million yen | Joint and several guarantees and liabilities toward financial institutions until registration of mortgage is completed 4,135 million yen |
| AS PARTNERS Co., Ltd. 156 | AS PARTNERS Co., Ltd. 164 |
| Aruka Co., Ltd. 44 | Aruka Co., Ltd. 35 |
| Total 663 | Total 4,335 |

| December 31, 2009 | | March 31, 2009 | |
|---|-------|--|-------|
| <p>5 Takara Leben Group has entered into certain overdraft agreements and commitment line agreements with 7 banks to efficiently procure operating capital. The unexecuted loan balances under such agreements as of the end of the third quarterly period of the current consolidated fiscal year is as follows.</p> | | <p>5 Takara Leben Group has entered into certain overdraft agreements and commitment line agreements with 8 banks to efficiently procure operating capital. The unexecuted loan balances under such agreements as of the end of the previous consolidated fiscal year is as follows.</p> | |
| <p>Total account of overdrafts and commitment lines 5,761 million yen</p> | | <p>Total account of overdrafts and commitment lines 8,239 million yen</p> | |
| Executed loan balances | 3,697 | Executed loan balances | 4,207 |
| Difference | 2,064 | Difference | 4,032 |

(Items related to Quarterly Consolidated Statement of Income)

| Nine months ended December 31, 2008 | Nine months ended December 31, 2009 |
|---|--|
| * Major expenses and amounts for selling and general administrative expenses are given below. | *1 Major expenses and amounts for selling and general administrative expenses are given below. |
| Advertising expenses 2,220 million yen | Advertising expenses 1,214 million yen |
| Sales commissions 243 | Sales commissions 135 |
| Sales promotion expenses 1,364 | Sales promotion expenses 1,638 |
| Salaries 1,012 | Salaries 941 |
| Provision for employees' bonuses 154 | Provision for employees' bonuses 111 |
| Provision for directors' bonuses 23 | Provision for directors' bonuses 3 |
| Employee retirement benefit costs 18 | Employee retirement benefit costs 22 |
| Depreciation and amortization 38 | Depreciation and amortization 49 |
| Taxes and public charges 263 | Taxes and public charges 179 |
| | *2 Gain from liquidation of investment partnership is consisted of dividends of income gained from the completion of the project with the special purpose company of Triumph Assets 2 Ltd. |
| | *3 Gain from forgiven debts and losses of defaulted affiliates incurred due to settlement of debts with former shareholders of Marunouchi Servicer Co., Ltd., which became one of Company's consolidated subsidiaries. |

| Three months ended December 31, 2008 | Three months ended December 31, 2009 |
|---|--|
| * Major expenses and amounts for selling and general administrative expenses are given below. | *1 Major expenses and amounts for selling and general administrative expenses are given below. |
| Advertising expenses 824 million yen | Advertising expenses 376 million yen |
| Sales commissions 91 | Sales commissions 45 |
| Sales promotion expenses 611 | Sales promotion expenses 550 |
| Salaries 332 | Salaries 308 |
| Provision for employees' bonuses 31 | Provision for employees' bonuses 38 |
| Employee retirement benefit costs 7 | Employee retirement benefit costs 6 |
| Depreciation and amortization 12 | Depreciation and amortization 17 |
| Taxes and public charges 104 | Taxes and public charges 69 |
| | *2 Gain from liquidation of investment partnership is consisted of dividends of income gained from the completion of the project with the special purpose company of Triumph Assets 2 Ltd. |

(Items related to Consolidated Statements of Cash Flows)

| Nine months ended December 31, 2008 | Nine months ended December 31, 2009 |
|---|---|
| * Relationship between cash and cash equivalents balance as of the end of the third quarterly period and the same item balance stated on quarterly consolidated balance sheets (As of December 31, 2008) | * Relationship between cash and cash equivalents balance as of the end of the third quarterly period and the same item balance stated on quarterly consolidated balance sheets (As of December 31, 2009) |
| Cash and cash accounts 3,425 million yen | Cash and cash accounts 3,526 million yen |
| Fixed-term deposits with deposit term over three months (131) | Fixed-term deposits with deposit term over three months 46 |
| Cash and cash equivalents <u>3,294</u> | Cash and cash equivalents <u>3,479</u> |

(Items Related to Shareholders' Capital)

As of December 31, 2009 and for the nine months ended December 31, 2009

1. Type and total of shares issued and outstanding

Common stock 17,540,333 shares

2. Type and number of shares of treasury stock

Common stock 982,682 shares

3. Items related to new subscription rights, etc.

None.

3. Items related to dividends

None.

(Segment Information)

Performance by Business Segment

Three months ended December 31, 2008

| | Real estate sales business (Millions of yen) | Other business (Millions of yen) | Total (Millions of yen) | Eliminated/ Company-wide (Millions of yen) | Consolidated (Millions of yen) |
|---|---|-------------------------------------|----------------------------|--|-----------------------------------|
| Sales | | | | | |
| (1) Sales to external customers | 15,680 | 1,558 | 17,239 | - | 17,239 |
| (2) Intersegmental internal sales / transfers | 314 | 306 | 621 | (621) | - |
| Total | 15,994 | 1,865 | 17,860 | (621) | 17,239 |
| Operating income (losses) | (703) | 264 | (439) | 66 | (372) |

Three months ended December 31, 2009

| | Real estate sales business (Millions of yen) | Real estate rental business (Millions of yen) | Real estate management business (Millions of yen) | Other business (Millions of yen) | Total (Millions of yen) | Eliminated/ Company-wide (Millions of yen) | Consolidated (Millions of yen) |
|---|---|--|--|-------------------------------------|----------------------------|--|-----------------------------------|
| Sales | | | | | | | |
| (1) Sales to external customers | 13,167 | 321 | 504 | 306 | 14,300 | - | 14,300 |
| (2) Intersegmental internal sales / transfers | - | 2 | 2 | 348 | 353 | (353) | - |
| Total | 13,167 | 323 | 507 | 655 | 14,654 | (353) | 14,300 |
| Operating income (losses) | 224 | 110 | 69 | 75 | 479 | 6 | 486 |

Nine months ended December 31, 2008

| | Real estate sales business (Millions of yen) | Other business (Millions of yen) | Total (Millions of yen) | Eliminated/ Company-wide (Millions of yen) | Consolidated (Millions of yen) |
|---|---|-------------------------------------|----------------------------|--|-----------------------------------|
| Sales | | | | | |
| (1) Sales to external customers | 37,422 | 4,480 | 41,902 | - | 41,902 |
| (2) Intersegmental internal sales / transfers | 330 | 765 | 1,095 | (1,095) | - |
| Total | 37,752 | 5,245 | 42,998 | (1,095) | 41,902 |
| Operating income (losses) | 1,163 | 628 | 1,792 | 99 | 1,892 |

Nine months ended December 31, 2009

| | Real estate sales business (Millions of yen) | Real estate rental business (Millions of yen) | Real estate management business (Millions of yen) | Other business (Millions of yen) | Total (Millions of yen) | Eliminated/ Company-wide (Millions of yen) | Consolidated (Millions of yen) |
|---|---|--|--|-------------------------------------|----------------------------|--|-----------------------------------|
| Sales | | | | | | | |
| (1) Sales to external customers | 38,501 | 970 | 1,457 | 871 | 41,800 | - | 41,800 |
| (2) Intersegmental internal sales / transfers | - | 6 | 8 | 1,009 | 1,025 | (1,025) | - |
| Total | 38,501 | 977 | 1,466 | 1,880 | 42,825 | (1,025) | 41,800 |
| Operating income (losses) | 1,695 | 281 | 150 | 255 | 2,381 | 14 | 2,396 |

(Notes)

1. Method for Segmenting Businesses
Business segments are created considering the type of business involved.
2. Description Each Segment
Real estate sales business: Built-for-sale condominiums, etc.
Real estate rental business: Renting of offices, storefronts, etc.
Real estate management business: Management of condominiums, etc.
Other: Sales representation
3. The above values do not include consumption tax, etc.
4. Previously, real estate rental and real estate management were classified as “Other business,” but since the importance of these segments increased, those businesses have been classified as “Real estate rental business” and “Real estate management business” for the three months ended December 31, 2009.

Location-specific segment information

During the three months ended December 31, 2008 and the three months ended December 31, 2009, as well as the nine months ended December 31, 2008 and the nine months ended December 31, 2009, the Company had no consolidated subsidiaries or branches located in countries or regions outside of Japan. For this reason, location-specific segment information is not included in this report.

Overseas sales

During the three months ended December 31, 2008 and the three months ended December 31, 2009, as well as the nine months ended December 31, 2008 and the nine months ended December 31, 2009, the Company did not post overseas sales. For this reason, overseas sales information is not included in this report.

(Items Related to Securities)

As of December 31, 2009

As other marketable securities with a market price were not important in the management of business, and since significant fluctuations as compared to the last date of the previous consolidated fiscal year were not recognized, items related to marketable securities are not included in this report.

(Items Related to Derivatives Trading)

As of December 31, 2009

The Group engages in no derivatives trading, and thus there are no applicable items.

(Items Related to Stock Options, etc.)

During the three months ended December 31, 2009

Not applicable.

(Per Share Information)

1. Net assets per share

| As of December 31, 2009 | | As of March 31, 2009 | |
|-------------------------|------------|----------------------|------------|
| Net assets per share | 497.42 yen | Net assets per share | 387.80 yen |

2. Current net income (losses) per share

| For the nine months ended December 31, 2008 | For the nine months ended December 31, 2009 |
|--|---|
| Current net income per share 29.15 yen Diluted net income per share for the nine-month ended December 31, 2008 was not presented as there is no share with dilutive effect. | Current net income per share 110.69 yen Diluted net income per share for the nine-month ended December 31, 2009 was not presented as there is no share with dilutive effect. |

(Note) The basis for calculating current net income (losses) per share is given below.

| | For the nine months ended December 31, 2008 | For the nine months ended December 31, 2009 |
|---|---|---|
| Current net income (losses) (Millions of yen) | 482 | 1,832 |
| Amount not belonging to the common stockholders (Millions of yen) | - | - |
| Current net income (losses) relating to common stock (Millions of yen) | 482 | 1,832 |
| Average share number during the period (Thousands of shares) | 16,557 | 16,557 |

| For the three months ended December, 2008 | For the three months ended December 31, 2009 |
|--|---|
| Current net income (losses) per share(26.81) yen Diluted net income per share for the nine-month ended December 31, 2008 was not presented as there is no share with dilutive effect. | Current net income per share 10.64 yen Diluted net income per share for the nine-month ended December 31, 2009 was not presented as there is no share with dilutive effect |

(Note) The basis for calculating current net income (losses)per share is given below.

| | For the three months ended December 31, 2008 | For the three months ended December 31, 2009 |
|---|--|--|
| Current net income (losses) (Millions of yen) | (443) | 176 |
| Amount not belonging to the common stockholders (Millions of yen) | - | - |
| Current net income (losses) relating to common stock (Millions of yen) | (443) | 176 |
| Average share number during the period (Thousands of shares) | 16,557 | 16,557 |

(Important Post-balance Sheet Events)

None.

(Items Related to Lease Transactions)

For the three months ended December 31, 2009

Omitted as there were no significant changes.

2 Other

Not applicable.

PART II INFORMATION ON GUARANTOR OF THE COMPANY

Not applicable.

Independent Accountants' Quarterly Review Report

February 13, 2009

Board of Directors of
Takara Leben CO., LTD.

Grant Thornton Taiyo ASG

Designated Limited Liability Partner,
Operating Partner,
Certified Public Accountant: Toshio Yanagishita
(Seal)

Designated Limited Liability Partner,
Operating Partner,
Certified Public Accountant: Hideaki Takahashi
(Seal)

Pursuant to the first clause of Article 193-2 of the Financial Instruments and Exchange Act, we have performed a quarterly review of the quarterly consolidated financial statements included in the Financial Statements section, which include the quarterly consolidated balance sheets, quarterly consolidated statements of income, and quarterly consolidated statements of cash flow, for the three months ended December 31, 2008, as well as the nine months ended December 31, 2008 of Takara Leben CO., LTD in the consolidated fiscal year from April 1, 2008 to March 31, 2009. These quarterly financial statements are the responsibility of the Company's management, and our responsibility is to independently express a conclusion on these quarterly financial statements.

We conducted our quarterly review in accordance with quarterly review standards generally accepted in Japan. A review of quarterly financial information consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, applying analytical and other quarterly review procedures. A review is substantially less in scope than an audit of fiscal year financial statements conducted in accordance with auditing standards generally accepted in Japan.

Based on our quarterly review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above do not present fairly, in all material aspects, the consolidated financial position of Takara Leben CO., LTD. and its consolidated subsidiaries as of December 31, 2008, and the consolidated results of their operations for the three months period then ended, the nine months period then ended and their cash flows for the three months period then ended as well as those for the nine months period then ended in conformity with accounting principles generally accepted in Japan

Takara Leben CO., LTD., our firm and our Operating Partners do not have any interest which should be disclosed under the provisions of the Certified Public Accountants Law.

(Notes)

1. The document presented above is an electronic version of the original of the "Independent Accountants' Review Report", and the original report is kept separately by Takara Leben CO., LTD. (the filing company of the Quarterly Securities Report).
2. The scope of the quarterly consolidated financial statements does not include the XBRL data itself.

Independent Accountants' Quarterly Review Report

February 12, 2010

Board of Directors of
Takara Leben CO., LTD.

Grant Thornton Taiyo ASG

Designated Limited Liability Partner,
Operating Partner,
Certified Public Accountant: Toshio Yanagishita
(Seal)

Designated Limited Liability Partner,
Operating Partner,
Certified Public Accountant: Hideaki Takahashi
(Seal)

Pursuant to the first clause of Article 193-2 of the Financial Instruments and Exchange Act, we have performed a quarterly review of the quarterly consolidated financial statements included in the Financial Statements section, which include the quarterly consolidated balance sheets, quarterly consolidated statements of income, and quarterly consolidated statements of cash flow, for the three months ended December 31, 2009, as well as the nine months ended December 31, 2009 of Takara Leben CO., LTD in the consolidated fiscal year from April 1, 2009 to March 31, 2010. These quarterly financial statements are the responsibility of the Company's management, and our responsibility is to independently express a conclusion on these quarterly financial statements.

We conducted our quarterly review in accordance with quarterly review standards generally accepted in Japan. A review of quarterly financial information consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, applying analytical and other quarterly review procedures. A review is substantially less in scope than an audit of fiscal year financial statements conducted in accordance with auditing standards generally accepted in Japan.

Based on our quarterly review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above do not present fairly, in all material aspects, the consolidated financial position of Takara Leben CO., LTD. and its consolidated subsidiaries as of December 31, 2009, and the consolidated results of their operations for the three months period then ended, the nine months period then ended and their cash flows for the three months period then ended as well as those for the nine months period then ended in conformity with accounting principles generally accepted in Japan

Takara Leben CO., LTD., our firm and our Operating Partners do not have any interest which should be disclosed under the provisions of the Certified Public Accountants Law.

(Notes)

1. The document presented above is an electronic version of the original of the "Independent Accountants' Review Report", and the original report is kept separately by Takara Leben CO., LTD. (the filing company of the Quarterly Securities Report).
2. The cope of quarterly consolidated financial statements does not include the XBRL data itself.