

Takara Leben Co., Ltd.

**F A C T B O O K**

Six Months Ended September 30, 2016



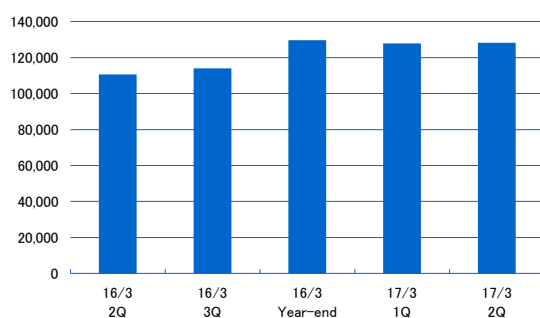
# Consolidated Financial Highlights



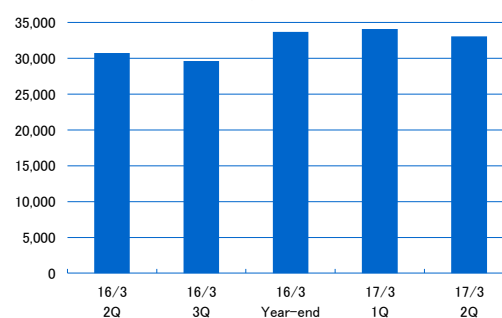
	16/3 2Q	16/3 3Q	16/3 Year-end	17/3 1Q	17/3 2Q	(Million yen) 17/3 (forecast)
Net Sales	26,536	34,452	76,268	21,196	37,121	105,000
Real Estate Sales Business	20,541	25,469	63,383	9,872	22,296	—
Real Estate Rental Business	2,107	3,201	4,307	1,229	2,471	—
Real Estate Management Business	1,660	2,501	3,362	909	1,814	—
Other Business	2,226	3,280	5,215	8,565	9,194	—
Gross Profit	6,555	8,216	17,835	619	1,345	—
Operating Profit	1,812	1,057	7,563	5,999	8,689	15,000
Ordinary Profit	1,461	405	6,708	3,033	2,994	13,900
Net Income	875	190	4,308	2,731	2,457	9,000
Total Assets	110,579	114,079	129,744	127,893	128,326	—
Net Assets	30,734	29,609	33,677	34,088	33,088	—
Equity Ratio (%)	27.7	25.8	25.8	26.5	26.4	—

\*Described in the total period.

■ Total Assets (Million yen)



■ Net Assets (Million yen)



## Profitability-related Indicators

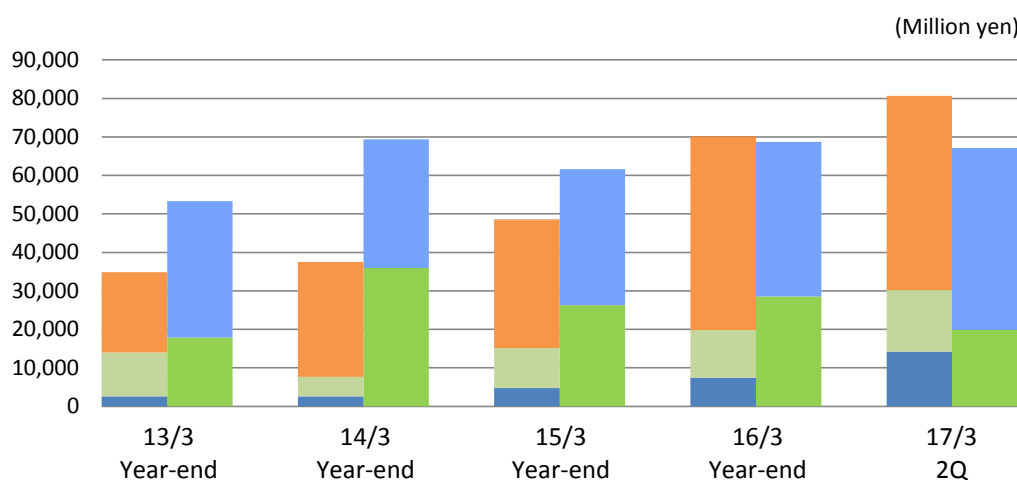
	16/3 2Q	16/3 3Q	16/3 Year-end	17/3 1Q	17/3 2Q
Gross Profit Margin	24.7	23.8	23.4	28.3	23.4
Operating Profit Margin	6.8	3.1	9.9	14.3	8.1
Ordinary Profit Margin	5.5	1.2	8.8	12.9	6.6
Net Income Margin	3.3	0.6	5.6	8.4	4.2

# BS-related Indicators

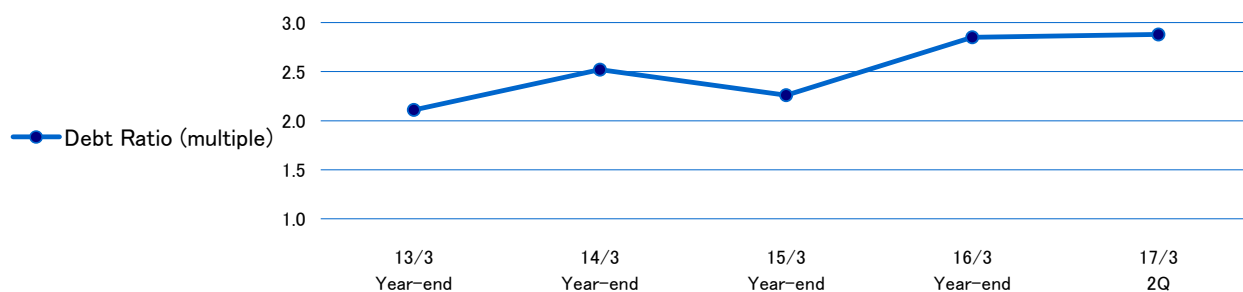
(Million yen)

	13/3 Year-end	14/3 Year-end	15/3 Year-end	16/3 Year-end	17/3 2Q
Cash and Cash Deposits	17,911	35,964	26,281	28,515	19,878
Inventories	35,376	33,445	35,345	40,208	47,262
Short-term Borrowings	2,629	2,590	4,742	7,412	14,228
Current Portion of Bonds	-	-	-	-	-
Current Portion of Long-term Borrowings	11,375	5,101	10,378	12,410	15,975
Long-term Borrowings	20,849	29,861	33,235	50,147	50,434
Bonds	-	-	200	200	200
Total	34,854	37,553	48,556	70,171	80,837

- Current Portion of Bonds
- Long-term Borrowings
- Current Portion of Long-term Borrowings
- Short-term Borrowings
- Inventories
- Cash and Cash Deposits



	13/3 Year-end	14/3 Year-end	15/3 Year-end	16/3 Year-end	17/3 2Q
Debt Ratio (multiple)	2.1	2.5	2.3	2.9	2.9
Current Ratio (%)	192.7	192.3	194.6	176.7	175.4
Interest Expense(Million yen)	766	832	892	996	512
Inventory Turnover Ratio (times / year)	2.0	2.1	2.2	2.0	1.7



## Consolidated Statements of Income



	(Million yen)				
	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	26,536	34,452	76,268	21,196	37,120
Cost of Sales	19,980	26,236	58,433	15,197	28,431
Gross Profit	6,555	8,216	17,835	5,999	8,689
Selling, General and Administrative Expenses	4,743	7,158	10,272	2,965	5,694
Operating Profit	1,812	1,057	7,563	3,033	2,994
Ordinary Profit	1,461	405	6,708	2,731	2,457
Income Before Income Taxes and Minority Interests	1,359	303	6,456	2,731	2,457
Net Income	875	190	4,308	1,788	1,549

\*Described in the total period.

## Consolidated Balance Sheets

	(Million yen)				
	13/3 Year-end	14/3 Year-end	15/3 Year-end	16/3 Year-end	17/3 2Q
<b>Assets</b>					
Current Assets	55,932	72,524	67,319	75,753	73,085
Cash and Cash Deposits	17,911	35,964	26,281	28,515	19,878
Inventories	35,376	33,445	35,345	40,208	47,262
Real Estate Held for Sale	2,067	1,156	4,901	4,073	6,181
Real Estate Held for Sale In Progress	33,308	32,288	30,444	36,134	41,081
Fixed Assets	19,081	23,366	34,400	53,945	55,173
Total Assets	75,013	95,891	101,738	129,744	128,325
<b>Liabilities</b>					
Current Liabilities	29,025	37,711	34,800	42,859	41,676
Notes and Accounts Payable, Trade	7,920	20,692	10,023	12,037	20,125
Short-term Borrowings	2,629	2,590	4,742	7,412	14,228
Current Portion of Long-term Debt Due within One Year	11,375	5,101	10,378	12,410	15,975
Fixed Liabilities	21,840	31,041	35,748	53,207	53,560
Long-term Borrowings	20,849	29,861	33,235	50,147	50,434
Total Liabilities	50,866	68,752	70,549	96,066	95,237
<b>Net Assets</b>					
Capital Stock	4,819	4,819	4,819	4,819	4,819
Other Shareholders' Equity	19,328	22,318	26,369	28,857	28,268
Net Assets	24,147	27,138	31,189	33,677	33,088
Total Liabilities and Net Assets	75,013	95,891	101,738	129,744	128,325

# Consolidated Segment Information

## 【Real Estate Sales Business – Condominiums】

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	11,664	2,381	34,787	7,882	6,182
Gross Profit (Before the cost transfer)	3,410	541	8,533	1,729	934
Gross Profit Margin (%) (Before the cost transfer)	29.2	22.7	24.5	21.9	15.1
Cost (General and administrative expenses)	45	21	208	32	24
Gross Profit (After the cost transfer)	3,365	520	8,324	1,696	910
Gross Profit Margin (%) (After the cost transfer)	28.8	21.8	23.9	21.5	14.7
Impact of Lower of Cost or Market Value Method	—	—	—	—	—
Gross Profit (Except the impact of lower of cost or market value method)	3,365	520	8,324	1,696	910
Gross Profit Margin (%) (Except the impact of lower of cost or market value method)	28.8	21.8	23.9	21.5	14.7

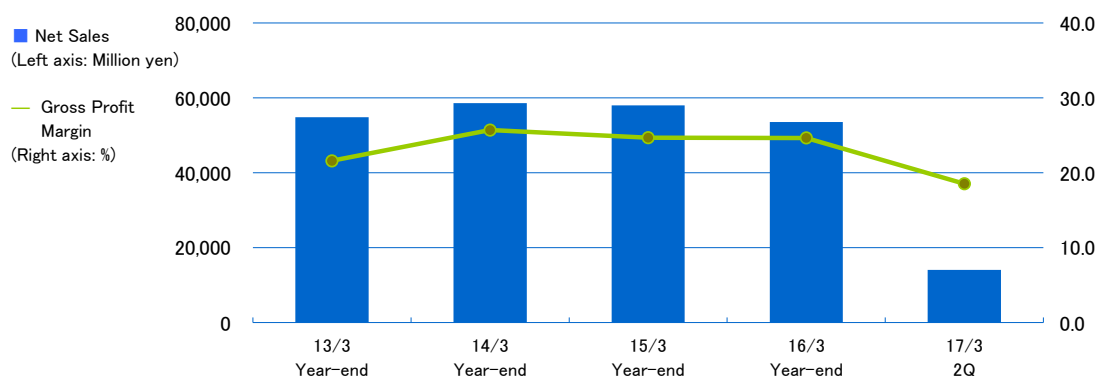
\*Described in the accounting period.

## 【Real Estate Sales Business – Condominiums】

(Million yen)

	13/3 Year-end	14/3 Year-end	15/3 Year-end	16/3 Year-end	17/3 2Q
Net Sales	54,827	58,597	57,963	53,558	14,065
Gross Profit (Before the cost transfer)	12,159	15,396	14,609	13,514	2,663
Gross Profit Margin (%) (Before the cost transfer)	22.2	26.3	25.2	25.2	18.9
Cost (General and administrative expenses)	326	344	305	311	57
Gross Profit (After the cost transfer)	11,832	15,052	14,303	13,203	2,606
Gross Profit Margin (%) (After the cost transfer)	21.6	25.7	24.7	24.7	18.5
Impact of Lower of Cost or Market Value Method	△ 119	—	—	—	—
Gross Profit (Except the impact of lower of cost or market value method)	11,713	15,052	14,303	13,203	2,606
Gross Profit Margin (%) (Except the impact of lower of cost or market value method)	21.4	25.7	24.7	24.7	18.5

\*Described in the total period.



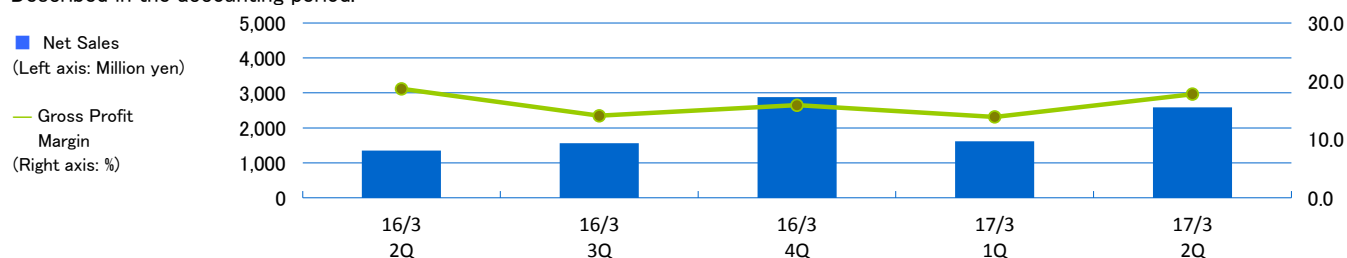
# Consolidated Segment Information

## 【Real Estate Sales Business – Detached Housing】

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	1,352	1,565	2,877	1,617	2,584
Gross Profit (Before the cost transfer)	281	263	512	243	515
Gross Profit Margin (%) (Before the cost transfer)	20.8	16.8	17.8	15.1	20.0
Cost (General and administrative expenses)	29	42	55	19	54
Gross Profit (After the cost transfer)	252	220	457	224	461
Gross Profit Margin (%) (After the cost transfer)	18.7	14.1	15.9	13.9	17.8
Impact of Lower of Cost or Market Value Method	△ 33	△ 30	-	-	-
Gross Profit (Except the impact of lower	219	189	457	224	461
Gross Profit Margin (%) (Except the impact of lower	16.2	12.1	15.9	13.9	17.8

\*Described in the accounting period.

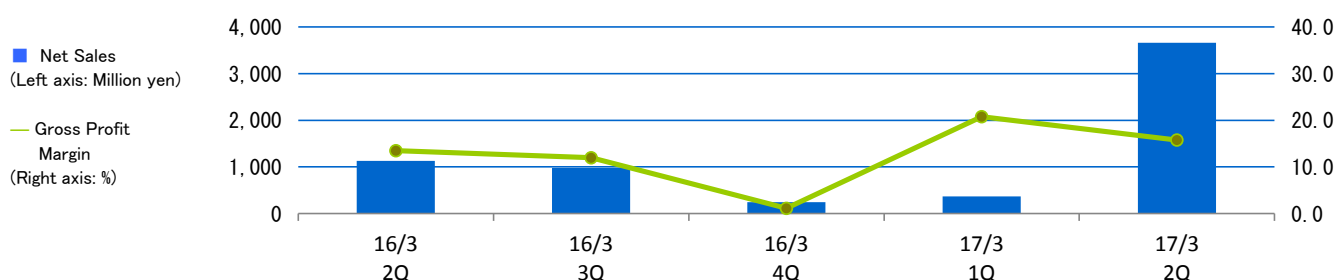


## 【Real Estate Sales Business – Other】

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	1,129	980	248	371	3,657
Gross Profit (Before the cost transfer)	155	117	6	83	591
Gross Profit Margin (%) (Before the cost transfer)	13.8	12.0	2.5	22.6	16.2
Cost (General and administrative expenses)	3	0	3	6	15
Gross Profit (After the cost transfer)	152	117	2	77	576
Gross Profit Margin (%) (After the cost transfer)	13.5	12.0	1.1	20.8	15.8

\*Described in the accounting period.



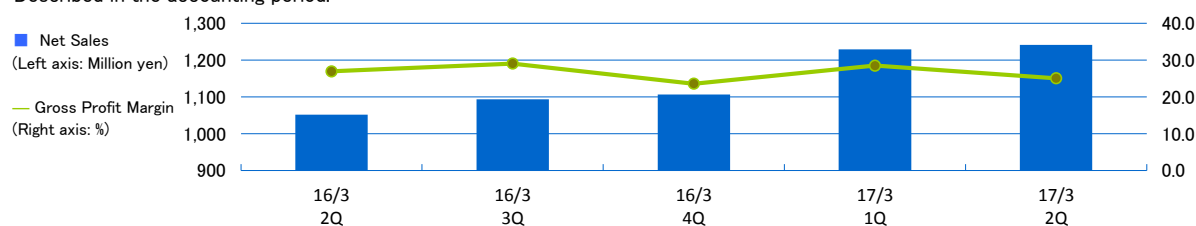
# Consolidated Segment Information

## 【Real Estate Rental Business】

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	1,051	1,093	1,106	1,229	1,241
Gross Profit (Before the cost transfer)	282	317	260	349	310
Gross Profit Margin (%) (Before the cost transfer)	26.9	29.0	23.6	28.4	25.0
Cost (General and administrative expenses)	△2	5	7	7	19
Gross Profit (After the cost transfer)	285	311	253	342	290
Gross Profit Margin (%) (After the cost transfer)	27.1	28.5	22.9	27.8	23.4

\*Described in the accounting period.

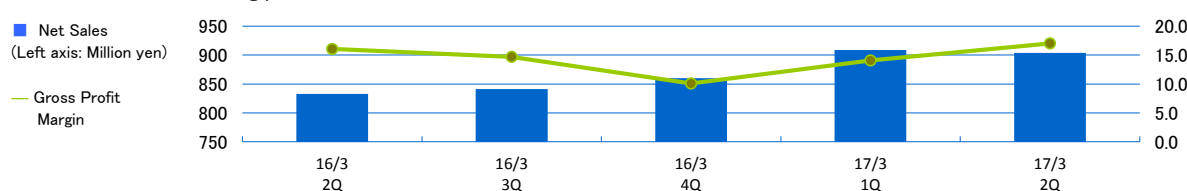


## 【Management Services Business】

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	833	841	860	909	904
Gross Profit (Before the cost transfer)	346	335	324	343	350
Gross Profit Margin (%) (Before the cost transfer)	41.6	39.8	37.8	37.8	38.8
Cost (General and administrative expenses)	212	211	238	215	196
Gross Profit (After the cost transfer)	133	123	86	128	154
Gross Profit Margin (%) (After the cost transfer)	16.1	14.7	10.1	14.1	17.0

\*Described in the accounting period.



## 【Electric power generation business—The Company's own power generation】

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	—	—	—	695	628
Gross Profit (Before the cost transfer)	—	—	—	215	30
Gross Profit Margin (%) (Before the cost transfer)	—	—	—	31.0	4.9

## 【Electric power generation business—Facilities sale】

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	—	—	—	7,870	—
Gross Profit (Before the cost transfer)	—	—	—	3056	—
Gross Profit Margin (%) (Before the cost transfer)	—	—	—	39	—

## 【Electric power generation business—Upfront expenditure】

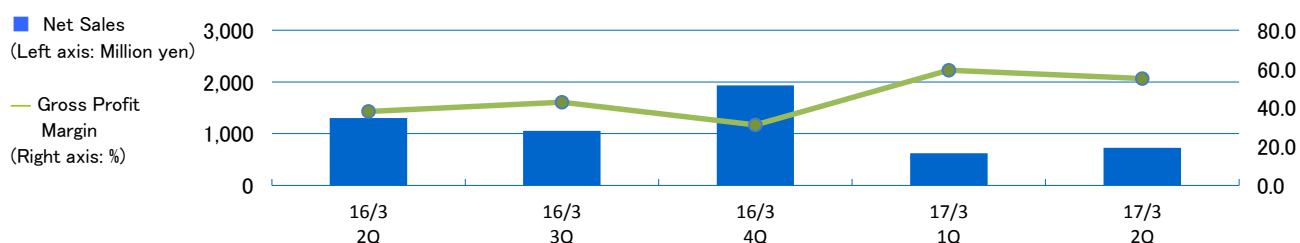
(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	—	—	—	—	—
Gross Profit (Before the cost transfer)	—	—	—	△ 23	△ 16
Gross Profit Margin (%) (Before the cost transfer)	—	—	—	—	—

## 【Other Business】

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	1,304	1,053	1,935	619	724
Gross Profit (Before the cost transfer)	497	451	603	367	399
Gross Profit Margin (%) (Before the cost transfer)	38.2	42.9	31.2	59.4	55.1
Cost (General and administrative expenses)	92	84	109	91	125
Gross Profit (After the cost transfer)	405	367	494	276	273
Gross Profit Margin (%) (After the cost transfer)	31.1	34.8	25.5	44.6	37.7



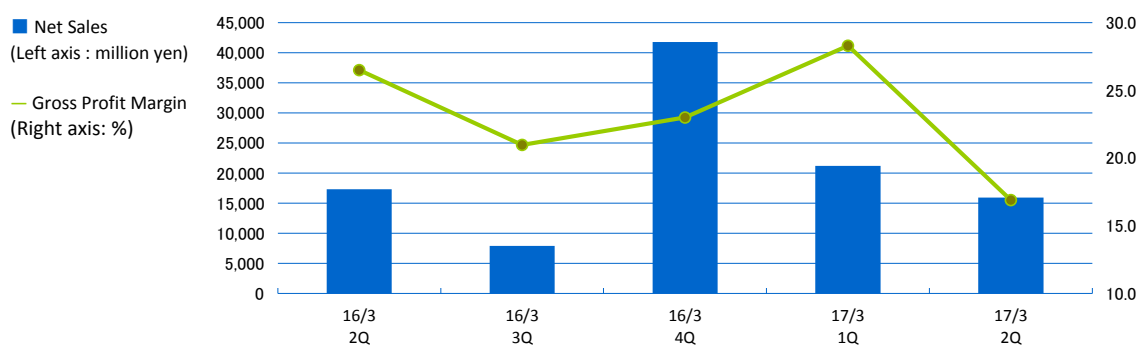


## Quarterly Performance

(Million yen)

	16/3 2Q	16/3 3Q	16/3 4Q	17/3 1Q	17/3 2Q
Net Sales	17,336	7,915	41,815	21,196	15,923
Gross Profit	4,594	1,660	9,618	5,999	2,690
Gross Profit Margin (%)	26.5	21.0	23.0	28.3	16.9
Operating Profit	2,128	△ 755	6,505	3,033	△ 38
Ordinary Profit	1,994	△ 1,056	6,302	2,731	△ 273
Net Income	1,285	△ 684	4,117	1,788	△ 239

\*Described in the accounting period.



## Cash Dividends

	13/3 Year-end	14/3 Year-end	15/3 Year-end	16/3 Year-end	17/3 (forecast)
Cash Dividends (yen)	15.0	5.0 *	6.0	13.0	15.0
Total Dividends(annual) (Million yen)	429	572	671	1,430	1,650
Dividends Yield(%)	1.0	1.6	0.9	2.0	-
Dividend Payout Ratio (consolidated) (%)	11.2	9.9	11.9	33.3	18.3
Dividend on Equity Ratio (consolidated) (%)	1.9	2.3	2.3	4.4	-

※ Stock split at the ratio of 1:4 for one common stock effective as of July 1, 2013.

# Supply Ranking

## 【Companies In Japan】

	10	11	12	13	14
1	Daikyo	Mitsubishi Estate	Nomura Real Estate Development	Mitsui Fudosan Residential	Sumitomo Realty & Development
2	Mitsui Fudosan Residential	Nomura Real Estate Development	Mitsui Fudosan Residential	Nomura Real Estate Development	Mitsubishi Estate
3	Nomura Real Estate Development	Mitsui Fudosan Residential	Mitsubishi Estate	Sumitomo Realty & Development	Nomura Real Estate Development
4	Sumitomo Realty & Development	Daikyo	Sumitomo Realty & Development	Mitsubishi Estate	Mitsui Fudosan Residential
5	Towa Real Estate Development	Sumitomo Realty & Development	Daiwa House Industry	Daikyo	Tokyu land Corporation
6	Daiwa House Industry	Daiwa House Industry	Daikyo	Daiwa House Industry	Daiwa House Industry
7	Mitsubishi Estate	Tokyu land Corporation	ANABUKI KOSAN	Pressance Corporation	Pressance Corporation
8	Orix Real Estate	Pressance Corporation	Pressance Corporation	Tokyu land Corporation	Daikyo
9	Tokyu land Corporation	KINTETSU Real Estate	KINTETSU Real Estate	Nippon Steel Kowa Real Estate	Takara Leben
10	Tokyo Tatemono	ANABUKI KOSAN	Tokyu land Corporation	Takara Leben	Meitetsu Real Estate Development
11	Pressance Corporation	Takara Leben	Tokyo Tatemono	Tokyo Tatemono	Tokyo Tatemono
12	KINTETSU Real Estate	Marimo	Hankyu Realty	NTT Urban Development Company	Hajime Construction
13	Cosmos Initia	Orix Real Estate	Takara Leben	KINTETSU Real Estate	Hankyu Realty
14	Meitetsu Real Estate Development	ITOCHU Property development	Orix Real Estate	Sumitomo Corporation	ANABUKI KOSAN
15	Takara Leben	Meitetsu Real Estate Development	ANABUKI Construction	Sekisui House	Nippon Steel Kowa Real Estate
16	ANABUKI KOSAN	Cosmos Initia	Meitetsu Real Estate Development	ANABUKI KOSAN	KINTETSU Real Estate
17	ITOCHU Property development	Hankyu Realty	Marimo	ITOCHU Property development	NTT Urban Development Company
18	Nice Corporation	Yuraku Real Estate	NIHON ESLEAD Corporation	Hankyu Realty	Taisei-Yuraku Real Estate
19	Yuraku Real Estate	Nice Corporation	ITOCHU Property development	Meitetsu Real Estate Development	ITOCHU Property development
20	Toray Construction	Tokyo Tatemono	Sekisui House	NIHON ESLEAD Corporation	NIHON ESLEAD Corporation

\*Source: "Real Estate Economic Institute"

**【Stock Information】**

Total number of authorized shares	248,000,000
Total number of shares issued	126,000,000
Number of shares of treasury stock	17,553,207
Number of shareholders	7,518

**【Share Distribution by Owner】**

Owner Category	Percentage of shareholders	Percentage of Total Number
Japanese individuals and others	95.41	29.51
Japanese financial institutions	0.51	15.12
Other Japanese corporations	0.92	3.16
Foreign institutions and individuals	2.61	37.19
Treasury stock	0.01	13.93
Financial instruments firms	0.55	1.08
Total	100	100

**【Major Shareholders】**

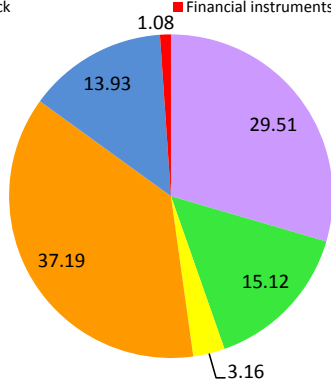
Name of Shareholder	Shares Held (number:thousand)	Shareholding Ratio (%)
Yoshio Murayama	25,633	20.34
Takara Leben Co., Ltd.	17,553	13.93
Japan Trustee Services Bank, Ltd.	5,174	4.10
The Master Trust Bank of Japan, Ltd.	3,385	2.68
STATE STREET BANK AND TRUST COMPANY	3,287	2.60
JP MORGAN CHASE BANK 380634	2,659	2.11
BNYM SA/NV FOR BNYM FOR FMSF-FRANKLIN MUTUAL FINANCIAL SERVICES FUND	2,419	1.92
ML PRO SEGREGATION ACCOUNT	2,109	1.67
STATE STREET BANK AND TRUST COMPANY	2,015	1.59
Murayama Kikaku Co., Ltd.	2,000	1.58

**【Shareholder Distribution by Region】**

Region	Percentage of shareholders	Region	Percentage of Total Number
Hokkaido	1.57	Chugoku	3.99
Tohoku	2.90	Shikoku	2.26
Kanto	50.09	Kyushu, Okinawa	4.62
Chubu	14.45	Overseas regions	2.53
Kinki	17.58	Total	100

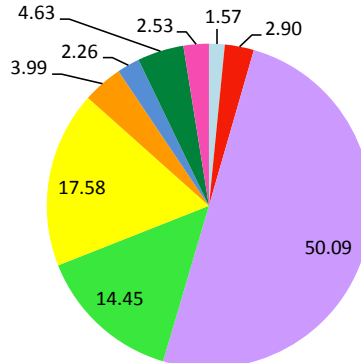
【Percentage of Total Number of Shares】

- Japanese individuals and others
- Japanese financial institutions
- Other Japanese corporations
- Foreign institutions and individuals
- Treasury stock
- Financial instruments firms



【Shareholder Distribution by Region】

- Hokkaido
- Tohoku
- Kanto
- Chubu
- Kinki
- Chugoku
- Shikoku
- Kyushu, Okinawa
- Overseas regions



**Disclaimer**

These materials were prepared to provide information regarding business performance for the six months ended September 30, 2016 and do not constitute a solicitation for investment in securities issued by Takara Leben Co., Ltd. These materials were prepared based on data available as of September 30, 2016. These materials, as well as answers, projections, estimates, and other information provided in the subsequent question and answer session are based on Takara Leben's best judgment as of the preparation of this material, and do not constitute a guarantee or promise that anything contained within will be realized or achieved, nor do they provide any guarantees or promises with regard to the accuracy or completeness of the information. The content of these materials is subject to change.