

First Quarter Consolidated Financial Report

for the Three Months Ended June 30, 2012 (Japan GAAP)

July 30, 2012

Takara Leben CO., LTD.

Shares listed on: First Section of the Tokyo Stock Exchange
 Security code: 8897
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Scheduled date for release of Quarterly Report: August 10, 2012
 Scheduled date for commencement of dividend payments: --
 Has the Company prepared supplementary briefing materials for the Quarter: No
 Has the Company held briefings concerning its quarterly financial results: No

1. Consolidated Operating Results for the Three Months Ended June 30, 2012 (April 1-June 30, 2012)

(Amounts are rounded down to the nearest million)

(1) Consolidated Operating Results (Year-to-Date)

(Percentage figures represent year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2012	16,938	298.8	1,398	-	1,284	-	888	-
Three months ended June 30, 2011	4,246	(39.7)	(350)	-	(563)	-	(602)	-

(Note) Comprehensive income: Three months ended June 30, 2012: 878 (-%) / Three months ended June 30, 2011: (599)(-%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2012	28.85	-
Three months ended June 30, 2011	(18.59)	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of June 30, 2012	75,419	21,499	28.5
As of March 31, 2012	70,277	21,138	30.1

<Reference> Shareholders' equity at end of period: June 30, 2012: ¥21,499 million / March 31, 2012: ¥21,138 million

2. Cash Dividends

	Annual Cash Dividends per Share				
	1Q	2Q	3Q	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Year Ending March 31, 2012	-	4.00	-	9.00	13.00
Year Ending March 31, 2013	-				
Year Ending March 31, 2013 (Forecast)		5.00	-	10.00	15.00

(Note) Has the Company changed its dividend forecast for the current quarter: No

(Note) Year-end dividends per share for the year ended March 31, 2012 include ordinary dividend of ¥7.00 and commemorative dividend of ¥2.00.

3. Consolidated Operating Results Forecast for the Fiscal Year Ending March 31, 2013 (April 1, 2012-March 31, 2013)

(Percentage figures represent year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	63,950	15.9	7,000	18.0	6,100	20.3	3,800	3.2	122.84

(Note) Has the Company changed its consolidated forecast during this quarter: No

4. Other Matters

(1) Changes in significant subsidiaries during the current fiscal year
(Changes in specified subsidiaries resulting in changes in scope of consolidation): No
Newly consolidated companies (--) Newly excluded companies (--)

(2) Application of Special Accounting Treatment Made in Preparation
of the Quarterly Consolidated Financial Statements: No

(3) Changes in Accounting Policies, Changes in Accounting Estimates or Restatement
A. Changes in accounting policies accompanying revision of accounting standards: Yes
B. Changes in accounting policies other than those in (1): No
C. Changes in accounting estimates: Yes
D. Restatement: No

(Note) These are subject to Article 10-5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Financial Statements. For more detailed information, refer to "2. Summary Information (Notes) (3) Changes in accounting policies and estimates, or retrospective restatements" on page 3.

(4) Number of shares issued (common stock)
a. Number of shares outstanding at the end of the period (including treasury stock)
b. Number of shares of treasury stock at the end of the period
c. Average number of shares during the period (quarter year-to-date)

a.	As of June 30, 2012:	33,386,070 shares	As of March 31, 2012:	33,386,070 shares
b.	As of June 30, 2012:	2,873,471 shares	As of March 31, 2012:	2,451,871 shares
c.	Three months ended June 30, 2012:	30,795,820 shares	Three months ended June 30, 2011:	32,403,299 shares

(Note) Explanation concerning implementation status of quarterly review procedure

This quarterly earnings report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly earnings report, the Company has not completed a quarterly review procedure for financial statements based on the Financial Instruments and Exchange Act.

(Note) Explanation concerning appropriate use of the projected operating results and other items to note

The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors.

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1. Qualitative Information Pertaining to Consolidated Operating Results for the Quarter

(1) Qualitative Information Pertaining to Consolidated Operating Performance

a. Performance by business segment

In the first-quarter year-to-date period of the Takara Leben Group's fiscal year ending in March 2013, sales from the real estate sales business amounted to ¥15,616 million, up 419.5% on a year-on-year basis. This reflected sales in the new built-for-sale condominium business, as well as sales in the newly-built detached housing business, renovations business and resale business.

In the real estate rental business, sales totaled ¥354million, down 0.6% on a year-on-year basis. This reflected rental revenue from condominiums for rent and from office and store space leasing.

In the real estate management business, sales from the management of 30,245 units of residential condominiums were ¥625 million, up 13.3% on a year-on-year basis.

Sales from other businesses amounted to ¥342 million, up 2.9% on a year-on-year basis, mainly attributable to commissions from real estate agency services and revenues from orders for repair work.

As a result, Net sales for the first-quarter year-to-date period of the current consolidated fiscal year amounted to ¥16,938 million, up 298.8% on a year-on-year basis; Operating income amounted to ¥1,398 million, Operating loss for the same period of the previous year was ¥350 million; Ordinary income amounted to ¥1,284 million, Ordinary loss for the same period of the previous year was ¥563 million; and Net income amounted to ¥888 million, Net loss for the same period of the previous year was ¥602 million.

b. Overview

The built-for-sale condominium business delivered 458 units including Leben Revale Yokohama Tsurugamine Hills, Japan's first 'solar-powered condominiums with individual storage batteries that allow individual units to sell surplus energy.'

In the real estate rental and management business, sales achieved 26.5% of its full-year sales plan during the first-quarter year-to-date period of the current consolidated fiscal year. These were essentially in line with the business plan.

c. Contracted ratio status

With regard to sales performance in the first-quarter year-to-date period of the current consolidated fiscal year, contracts were concluded for 1,312 units, compared with a full-year target of 1,630 units scheduled for delivery. The contract ratio was at 80.5%, which saw an increase of 18.6 percentage points compared to the same period of the previous year, showing a steady growth in the business.

(Contracts signed versus number of units forecast for delivery)

	Units scheduled for delivery (units)	Number of contracts signed (units)	Contracted ratio (%)	Contracted ratio (same period of the previous year) (%)
New built-for-sale condominium	1,630	1,312	80.5	61.9

(2) Qualitative Information Pertaining to Consolidated Financial Position

a. Assets, Liabilities and Net Assets

With regard to the assets, liabilities, and net assets of the Group at the end of the first-quarter consolidated accounting period under review, total assets were ¥75,419 million, an increase of ¥5,141 million compared with the end of the previous consolidated fiscal year. The increase mainly reflected an increase in cash and deposits in

conjunction with delivering new build-for-sale condominium units.

(Current Assets)

Current assets increased ¥5,077 million compared with the end of the previous consolidated fiscal year to ¥55,997 million. This mainly reflected an increase in cash and deposits as a result of delivering new build-for-sale condominium units.

(Fixed Assets)

Fixed assets increased ¥64 million compared with the end of the previous consolidated fiscal year to ¥19,421 million, mainly reflected an increase in Tangible fixed assets as the result of purchases of income-generating properties.

(Current Liabilities)

Current liabilities increased ¥1,778 million compared with the end of the previous consolidated fiscal year to ¥39,151 million, mainly due to an increase in notes and an increase in Short-term borrowings.

(Fixed Liabilities)

Fixed liabilities increased ¥3,002 million compared with the end of the previous consolidated fiscal year to ¥14,767 million, mainly due to an increase in borrowings in conjunction with new purchases.

(Net Assets)

Total net assets increased ¥360 million compared with the end of the previous consolidated fiscal year to ¥21,499 million. The increase was attributed to the net assets for the first quarter was well over capital surplus and purchase of treasury stock.

(3) Qualitative Information Pertaining to Forecasted Consolidated Operating Results

There is no change from the projected consolidated operating results released on May 14, 2012.

2. Summary Information (Notes)

(1) Changes to Material Subsidiaries during the First-Quarter Year-to-Date Period

The Company had no pertinent matters to report.

(2) Application of Special Accounting Treatment Made in Preparation of the Quarterly Consolidated Financial Statements

a. Calculation method for fixed-asset depreciation

The Company had no pertinent matters to report.

(3) Changes in Accounting Policies, Changes in Accounting Estimates or Restatement

(Changes in Calculation method for fixed-asset depreciation)

Accompanying a revision in the Corporate Tax Act, from the first quarter of the current fiscal year, the Takara Leben Group has changed the depreciation method for tangible fixed assets acquired after April 1, 2012 to a method based on the Corporation Tax Act after the revision. Note that this change has not caused a material impact on profit and loss for the first quarter of the current fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of June 30, 2012
ASSETS		
Current assets:		
Cash and deposits	17,394	22,925
Notes and accounts receivable, trade	377	419
Real estate held for sale	7,430	6,192
Real estate held for sale in progress	22,863	24,172
Other	2,899	2,329
Allowance for doubtful accounts	(46)	(41)
Total current assets	50,919	55,997
Fixed assets:		
Tangible fixed assets		
Buildings and structures (net)	4,537	4,500
Land	13,487	13,525
Other (net)	69	76
Total tangible fixed assets	18,095	18,102
Intangible fixed assets	453	441
Investments and other assets		
Other	1,026	1,090
Allowance for doubtful accounts	(217)	(213)
Total investments and other assets	808	877
Total fixed assets	19,357	19,421
Total assets	70,277	75,419
LIABILITIES		
Current liabilities:		
Notes and accounts payable, trade	10,165	13,069
Short-term borrowings	5,494	6,910
Current portion of long-term borrowings	15,887	13,311
Income taxes payable	515	342
Reserve	257	162
Other	5,052	5,355
Total current liabilities	37,372	39,151
Noncurrent liabilities		
Long-term borrowings	10,774	13,844
Reserve	248	191
Other	743	731
Total noncurrent liabilities	11,765	14,767
Total liabilities	49,138	53,919

(Millions of yen)

	As of March 31, 2012	As of June 30, 2012
NET ASSETS		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,949	4,949
Retained earnings	13,266	13,876
Treasury stock	(1,890)	(2,129)
Total shareholders' equity	21,145	21,516
Accumulated other comprehensive income		
Net unrealized losses on available-for-sale Securities	(7)	(16)
Total accumulated other comprehensive income	(7)	(16)
Total net assets	21,138	21,499
Total liabilities and net assets	70,277	75,419

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
 Quarterly Consolidated Statements of Income
 First-Quarter Year-to-Date Period

(Millions of yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Net sales	4,246	16,938
Cost of sales	2,887	13,604
Gross profit	1,359	3,334
Selling, general and administrative expenses	1,709	1,935
Operating income (loss)	(350)	1,398
Non-Operating income:		
Interest income	1	1
Dividend income	1	1
Commissions received	8	30
Subsidy income	11	—
Income from equity method investment	7	42
Miscellaneous income	6	27
Total Non-Operating income	38	103
Non-Operating expenses:		
Interest expense	235	215
Miscellaneous losses	15	1
Total Non-Operating expenses	251	217
Ordinary income (loss)	(563)	1,284
Extraordinary gains		
Reserve for directors' retirement benefits	—	53
Total extraordinary gains	—	53
Extraordinary losses		
Loss on disposal of fixed assets	6	1
Loss on valuation of investment securities	3	—
Total extraordinary losses	9	1
Net income (loss) before income taxes	(572)	1,336
Income taxes, inhabitant taxes and business taxes	48	339
Income tax adjustments	(18)	108
Total income and other taxes	29	447
Income (loss) before minority interests	(602)	888
Net income (loss)	(602)	888

Quarterly Consolidated Statements of Comprehensive Income
 First-Quarter Year-to-Date Period

(Millions of yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Income (loss) before minority interests	(602)	888
Other comprehensive income:		
Net unrealized gains on available-for-sale securities	2	(9)
Total other comprehensive income	2	(9)
Comprehensive income	(599)	878
(Comprising)		
Comprehensive income attributable to parent	(599)	878

(3) Notes Pertaining to the Going Concern Assumption

The Company had no pertinent matters to report.

(4) Notes on Significant Changes to Shareholders' Equity

(Purchase of treasury stock)

In the first three quarters of the consolidated fiscal year under review, the Company purchased 421,600 shares of treasury stock at ¥239 million, by resolution of the meeting of the Board of Directors held on May 14, 2012. As a result, as at the end of the first three quarters of the consolidated fiscal year under review, the Company held 2,873,471 shares of treasury stock at ¥2,129 million.