

Third Quarter Consolidated Financial Report

for the Nine Months Ended December 31, 2011 (Japan GAAP)

January 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: February 13, 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 Nine Months Ended December 31, 2011 (April 1-December 31, 2011)

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

(¥ millions, rounded down; percentage figures represent year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2011	31,268	17.8	2,614	(8.3)	1,983	6.7	1,740	(0.6)
Nine months ended December 31, 2010	26,534	(36.5)	2,849	18.9	1,859	3.1	1,751	(4.4)

(Note) Comprehensive income: Nine months ended December 31, 2011: ¥1,741 million ((0.5)%) / Nine months ended December 31, 2010: ¥1,750 million (- %)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended December 31, 2011	54.71	-
Nine months ended December 31, 2010	59.31	-

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Million yen	Million yen	%
As of December 31, 2011	66,478	19,237	28.9
As of March 31, 2011	61,054	18,361	30.1

<Reference> Shareholders' equity at end of period: December 31, 2011: ¥19,237 million / March 31, 2011: ¥18,361 million

2. Cash Dividends

	Annual Cash Dividends per Share				
	1Q	2Q	3Q	Year-End	Full-Year
	Yen	Yen	Yen	Yen	Yen
Year Ending March 31, 2011	-	3.00	-	6.00	9.00
Year Ending March 31, 2012	-	4.00	-		
Year Ending March 31, 2012 (Forecast)				9.00	13.00

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

3. Consolidated Operating Results Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011-March 31, 2012)

(¥ millions, rounded down; percentage figures represent year-on-year compared with prior consolidated fiscal year and the prior consolidated fiscal year interim (year-to-date) period)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
As of March 31, 2012	57,150	21.9	6,170	(8.7)	5,160	(6.6)	3,600	(29.2)	111.10

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

4. Other (For details please refer to [Attachments] Page 3 “Other Information”)

(1) Changes in the status of material subsidiaries during the period: Yes

(Changes in specific subsidiaries during the quarterly accounting period under review in conjunction with a change in the scope of consolidation.)

Newly consolidated companies (--) Newly excluded companies (1) Takara Live Net Co., Ltd.,

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

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

(i) Changes in accounting policies accompanying revision of accounting standards: No

(ii) Changes in accounting policies other than those in (1): No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(4) Number of shares issued (common stock)

(i) Number of shares outstanding at the end of the period (including treasury stock)

(ii) Number of shares of treasury stock at the end of the period

(iii) Average number of shares during the period (quarter year-to-date)

(i)	As of December 31, 2011:	33,386,070shares	As of March 31, 2011:	33,386,070 shares
(ii)	As of December 31, 2011:	2,339,671shares	As of March 31, 2011:	982,771 shares
(iii)	Nine months ended December 31, 2011:	31,812,885shares	Nine months ended December 31, 2010:	29,527,003 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 First Three Quarters

(1) Qualitative Information Pertaining to Consolidated Operating Performance

(i) Performance by business segment

Looking at the performance of each business segment of the Takara Leben Group for the first three quarters of the consolidated fiscal year ending March 2012, the real estate sales business recorded sales of ¥27,599 million, reflecting the results of the new built-for-sale condominium business, the newly built detached housing business, the renovations business, and the resale business.

The real estate rental business recorded sales of ¥1,065 million. This reflected rental revenue from condominiums for rent and from office and store space leasing.

The real estate management business posted sales of ¥1,692 million, reflecting revenues from the management of 27,892 units of residential condominiums.

Sales from other businesses amounted to ¥910 million, mainly attributable to commissions from real estate agency services and revenues from orders for repair work.

As a result, net sales for the first three quarters of the consolidated fiscal year under review stood at ¥31,268 million.

(ii) Overall business progress

The Takara Leben Group achieved 54.7% of its full-year sales plan during the first three quarters of the fiscal year under review. This reflects the fact that sales from the new built-for-sale condominium business, the Group's mainstay business, are recorded after the delivery of properties and are concentrated in the fourth quarter.

(iii) Progress of contracts signed

The contracted ratio as at the end of December 2011 stood at 92.4%, with 1,240 units being signed against 1,342 units to be delivered for the fiscal year under review. The contracted ratio against the number of units scheduled to be delivered in the next term amounted to 40.2%, significantly higher than that for the same period of the previous year.

(Table of Contracts Signed Versus Number of Full-Year Forecast Units for Delivery)

	Units scheduled for delivery (units)	Number of contracts (units)	Contract ratio (%)	Contract ratio for the same period of the previous year (%)
Fiscal year ending March 2012	1,342	1,240	92.4	99.7
Fiscal year ending March 2013	1,553	624	40.2	30.0

In addition to the new built-for-sale condominium business, the newly built detached housing business, the renovations business, and the resale business have also been performing steadily.

(2) Qualitative Information Pertaining to Consolidated Financial Position

Assets, Liabilities and Net Assets

With regard to the assets, liabilities, and net assets of the Takara Leben Group at the end of the first three quarters of the consolidated fiscal year under review, total assets were ¥66,478 million, an increase of ¥5,424 million compared with the end of the previous consolidated fiscal year. The increase mainly reflected an increase in inventories in conjunction with new purchases.

(Current Assets)

Current assets increased ¥5,068 million compared with the end of the previous consolidated fiscal year, to ¥46,996 million. This principally reflected an increase in inventories as a result of new purchases.

(Fixed Assets)

Fixed assets increased ¥356 million compared with the end of the previous consolidated fiscal year, to ¥19,482 million, mainly as a result of purchases of business assets.

(Current Liabilities)

Current liabilities increased ¥5,813 million compared with the end of the previous consolidated fiscal year, to ¥33,964 million, mainly as a result of an increase in advances received on contracts concluded and a rise in short-term borrowings.

(Fixed Liabilities)

Fixed liabilities decreased ¥1,265 million compared with the end of the previous consolidated fiscal year, to ¥13,276 million, mainly because of the shift in debt maturities from long-term to short-term borrowings.

(Net Assets)

Total net assets increased ¥876 million compared with the end of the previous consolidated fiscal year, to ¥19,237 million. The increase was attributable to the recording of net income, which exceeded the amount used to repurchase treasury stock and pay dividends from retained earnings.

(3) Qualitative Information Pertaining to Forecast Consolidated Operating Results

There is no change from the projected consolidated operating results released on July 25, 2011.

2. Matters Pertaining to Summary Information (Others)

(1) Changes to Material Subsidiaries during the First Three Quarters of the Consolidated Fiscal Year Under Review
On September 26, 2011, the Company sold all shares of Takara Live Net Co., Ltd. (currently Live Net Home Co., Ltd.), its consolidated subsidiary. As a result, it excluded Takara Live Net Co., Ltd. from the scope of consolidated subsidiaries in the second quarter of the consolidated fiscal year under review.

(2) Adoption of special accounting policies for quarterly financial statements

(i) Calculation method for fixed asset depreciation

For assets for which it has adopted the declining balance method, the Company calculates the amount of depreciation and amortization pertaining to the consolidated fiscal year and allocates an amount on a pro-rata basis for each reporting period.

(ii) Valuation method for inventories

The Company calculates write-downs of the inventory book value by estimating the net sale value only of assets for which there has been a clear decrease in profitability and then writing down the book value to the estimated amount.

(3) Changes in accounting standard, accounting estimation change, and error correction

Not applicable

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	9,414	9,824
Notes and accounts receivable, trade	416	461
Real estate held for sale	5,259	4,107
Real estate for sale under construction	23,575	29,422
Other	3,301	3,224
Allowance for doubtful accounts	(38)	(44)
Total current assets	41,928	46,996
Fixed assets:		
Tangible fixed assets		
Buildings and structures (net)	4,654	4,578
Land	13,259	13,670
Other (net)	38	73
Total tangible fixed assets	17,951	18,322
Intangible fixed assets	484	457
Investments and other assets		
Other	915	917
Allowance for doubtful accounts	(225)	(215)
Total investments and other assets	689	702
Total fixed assets	19,126	19,482
Total assets	61,054	66,478
LIABILITIES		
Current liabilities:		
Notes and accounts payable, trade	3,785	4,215
Short-term borrowings	3,720	5,916
Long-term debt due within one year	16,960	18,749
Income taxes payable	93	61
Reserve	176	102
Other	3,416	4,918
Total current liabilities	28,151	33,964
Fixed liabilities:		
Long-term borrowings	13,669	12,258
Reserve	231	246
Other	640	770
Total fixed liabilities	14,541	13,276
Total liabilities	42,692	47,240

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
NET ASSETS		
Shareholders' capital:		
Capital	4,819	4,819
Additional paid-in capital	4,949	4,949
Retained earnings	9,905	11,325
Treasury stock	(1,295)	(1,839)
Total shareholders' capital	18,380	19,255
Other accumulated comprehensive income:		
Other Valuation difference on available-for-sale securities	(18)	(17)
Total other accumulated comprehensive income	(18)	(17)
Total net assets	18,361	19,237
Total liabilities and net assets	61,054	66,478

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statements of Income

Third-Quarter Year-to-Date Period

(Millions of yen)

	Nine Months Ended December 31, 2010	Nine Months Ended December 31, 2011
Net sales	26,534	31,268
Cost of sales	18,780	23,210
Gross profit	7,753	8,057
Selling, general and administrative expenses	4,904	5,442
Operating income (loss)	2,849	2,614
Non-Operating income:		
Interest income	11	4
Dividend income	3	3
Commissions received	43	54
Equity in earnings of affiliates	2	29
Miscellaneous income	14	32
Total Non-Operating income	74	124
Non-Operating expenses:		
Interest expense	917	731
New share issuance costs	126	—
Miscellaneous losses	20	23
Total Non-Operating expenses	1,065	755
Ordinary income (loss)	1,859	1,983
Extraordinary gains:		
Reversal of provision for loans	17	—
Reversal of provision for bonuses	5	—
Gain on prior periods adjustment	49	—
Gain on liquidation of silent investment partnership	1	—
Other	0	—
Total extraordinary gains	75	—
Total extraordinary losses:		
Loss on sales of shares in subsidiaries	—	49
Loss on disposal of fixed assets	3	6
Loss on adjustment for changes of accounting standard for asset retirement obligations	10	—
Income taxes for prior periods	0	—
Impairment loss	78	—
Office relocation costs	0	—
Loss on valuation of investment securities	8	3
Loss on sale of investment securities	2	—
Prior fiscal year taxes	32	—
Other	0	—
Total extraordinary losses	135	59
Net income (loss) before income taxes	1,799	1,924
Income taxes, inhabitant taxes and business taxes	83	119
Income tax refund	(12)	—

Income tax adjustments	(23)	64
Total income and other taxes	47	184
Income (loss) before minority interests	1,751	1,740
Net income (loss)	1,751	1,740

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

(Millions of yen)

	Nine Months Ended December 31, 2010	Nine Months Ended December 31, 2011
Income (loss) before minority interests	1,751	1,740
Other comprehensive income:		
Other Valuation difference on available-for-sale securities	(0)	0
Other comprehensive income (total)	(0)	0
Comprehensive income	1,750	1,741
(Comprising)		
Comprehensive income attributable to parent	1,750	1,741

(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 1,356,900 shares of treasury stock at ¥544 million, by resolution of the meeting of the Board of Directors held on July 25, 2011.

As a result, as at the end of the first three quarters of the consolidated fiscal year under review, the Company held 2,339,671 shares of treasury stock at ¥1,839 million.

(5) Important Subsequent Events

Not applicable

(Omissions of disclosures)

Among the disclosure items, quarterly consolidated statements of cash flows, segment information, other notes, non-consolidated operating and financial information, and supplemental information have been omitted, because the Company has judged that there is no significant need for disclosure of these items in the consolidated financial report for the first three quarters of the fiscal year under review.