

Third Quarter Consolidated Financial Report

for the Nine Months Ended December 31, 2012 (Japan GAAP)

January 28, 2013

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 12, 2013
 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, 2012 (April 1- December 31, 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	%
Nine months ended December 31, 2012	55,003	75.9	5,984	128.9	5,597	182.2	3,837	120.5
Nine months ended December 31, 2011	31,268	17.8	2,614	(8.3)	1,983	6.7	1,740	(0.6)

(Note) Comprehensive income: Nine months ended December 31, 2012: ¥3,834 million (120.3%) / Nine months ended December 31, 2011: ¥1,741 million ((0.5%))

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended December 31, 2012	126.10	125.98
Nine months ended December 31, 2011	54.71	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of December 31, 2012	70,603	23,932	33.9
As of March 31, 2012	70,277	21,138	30.1

<Reference> Shareholders' equity at end of period: December 31, 2012: ¥23,915 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 Ended 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): Yes
Newly consolidated companies (1) Takara Property Co., Ltd., Newly excluded companies (--)
(For details please refer to [Attachments] Page 3 “Summary Information (Notes)”)
- (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 December 31, 2012:	33,386,070 shares	As of March 31, 2012:	33,386,070 shares
b.	As of December 31, 2012:	3,470,271 shares	As of March 31, 2012:	2,451,871 shares
c.	Nine months ended December 31, 2012:	30,434,590 shares	Nine months ended December 31, 2011:	31,812,885 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 third-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 ¥50,825 million, up 84.2% 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.

In the real estate rental business, sales totaled ¥1,083million, up 1.6% 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 32,325 units of residential condominiums were ¥1,919 million, up 13.4% on a year-on-year basis.

Sales from other businesses amounted to ¥1,174 million, up 29.0% 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 third-quarter year-to-date period of the current consolidated fiscal year amounted to ¥55,003 million, up 75.9% on a year-on-year basis; Operating income amounted to ¥5,984 million, up 128.9% on a year-on-year basis; Ordinary income amounted to ¥5,597 million, up 182.2% on a year-on-year basis; and Net income amounted to ¥3,837 million, up 120.5% on a year-on-year basis.

b. Overview

The built-for-sale condominium business delivered 1,473 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'.

Sales for the real estate rental business and the real estate management business also remain steady, with a consolidated sales ratio of 86.0% for the third quarter under review versus estimated full-year consolidated sales, and 101.0% versus estimated full-year consolidated net income.

c. Contracted ratio status

With regard to sales performance in the third-quarter year-to-date period of the current consolidated fiscal year, contracts were concluded for 1,673 units, compared with a full-year target of 1,630 units scheduled for delivery. The contract ratio exceeded 100%.

(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) (%)
Year Ending March 31, 2013	1,630	1,673	102.6	92.4
Year Ending March 31, 2014	1,710	576	33.7	40.2

(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 third-quarter consolidated accounting period under review, total assets were ¥70,603 million, an increase of ¥325 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 ¥873 million compared with the end of the previous consolidated fiscal year to ¥51,792 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 decreased ¥547 million compared with the end of the previous consolidated fiscal year to ¥18,810 million, mainly due to the business assets were sold.

(Current Liabilities)

Current liabilities decreased ¥8,242 million compared with the end of the previous consolidated fiscal year to ¥29,130 million, mainly due to factors including the inclusion of the debt repayment.

(Fixed Liabilities)

Fixed liabilities increased ¥5,774 million compared with the end of the previous consolidated fiscal year to ¥17,540 million, mainly due to an increase in borrowings in conjunction with new purchases.

(Net Assets)

Total net assets increased ¥2,793 million compared with the end of the previous consolidated fiscal year to ¥23,932 million. The increase was attributed to the net assets for the third 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 third-Quarter Year-to-Date Period

Takara Housing Co., Ltd. is included in the consolidated companies from the third quarter of the current fiscal year, as the Company recently acquired all of the issued shares of Takara Housing. In addition, gains on negative goodwill of ¥66 million arising from the acquisition of Takara Housing are included in extraordinary gains in the quarterly consolidated statements of income.

The company's name of Takara Housing Co., Ltd. was changed to Takara Property Co., Ltd. on November 1, 2012.

(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 third 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 December 31, 2012
ASSETS		
Current assets:		
Cash and deposits	17,394	20,000
Notes and accounts receivable, trade	377	429
Real estate held for sale	7,430	3,457
Real estate held for sale in progress	22,863	25,098
Other	2,899	2,849
Allowance for doubtful accounts	(46)	(42)
Total current assets	50,919	51,792
Fixed assets:		
Tangible fixed assets		
Buildings and structures (net)	4,537	4,780
Land	13,487	12,480
Other (net)	69	132
Total tangible fixed assets	18,095	17,393
Intangible fixed assets	453	554
Investments and other assets		
Other	1,026	977
Allowance for doubtful accounts	(217)	(115)
Total investments and other assets	808	861
Total fixed assets	19,357	18,810
Total assets	70,277	70,603
LIABILITIES		
Current liabilities:		
Notes and accounts payable, trade	10,165	11,571
Short-term borrowings	5,494	3,671
Current portion of long-term borrowings	15,887	8,093
Income taxes payable	515	1,533
Reserve	257	167
Other	5,052	4,093
Total current liabilities	37,372	29,130
Noncurrent liabilities		
Long-term borrowings	10,774	16,539
Reserve	248	202
Other	743	797
Total noncurrent liabilities	11,765	17,540
Total liabilities	49,138	46,670

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
NET ASSETS		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,949	4,947
Retained earnings	13,266	16,754
Treasury stock	(1,890)	(2,596)
Total shareholders' equity	21,145	23,925
Accumulated other comprehensive income		
Net unrealized losses on available-for-sale Securities	(7)	(10)
Total accumulated other comprehensive income	(7)	(10)
Share warrant	—	16
Total net assets	21,138	23,932
Total liabilities and net assets	70,277	70,603

(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, 2011	Nine Months Ended December 31, 2012
Net sales	31,268	55,003
Cost of sales	23,210	43,017
Gross profit	8,057	11,985
Selling, general and administrative expenses	5,442	6,000
Operating income (loss)	2,614	5,984
Non-Operating income:		
Interest income	4	3
Dividend income	3	4
Commissions received	54	92
Income from equity method investment	29	78
Miscellaneous income	32	50
Total Non-Operating income	124	228
Non-Operating expenses:		
Interest expense	731	603
Miscellaneous losses	23	12
Total Non-Operating expenses	755	615
Ordinary income (loss)	1,983	5,597
Extraordinary gains		
Reserve for directors' retirement benefits	—	53
Gains on negative goodwill	—	66
Total extraordinary gains	—	120
Extraordinary losses		
Loss on sales of shares in subsidiaries	49	—
Loss on disposal of fixed assets	6	21
Loss on valuation of investment securities	3	—
Other	—	1
Total extraordinary losses	59	23
Net income (loss) before income taxes	1,924	5,694
Income taxes, inhabitant taxes and business taxes	119	1,797
Income tax adjustments	64	58
Total income and other taxes	184	1,856
Income (loss) before minority interests	1,740	3,837
Net income (loss)	1,740	3,837

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

(Millions of yen)

	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012
Income (loss) before minority interests	1,740	3,837
Other comprehensive income:		
Net unrealized gains on available-for-sale securities	0	(2)
Total other comprehensive income	0	(2)
Comprehensive income	1,741	3,834
(Comprising)		
Comprehensive income attributable to parent	1,741	3,834

(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 third quarter of the consolidated fiscal year under review, the Company purchased 1,089,400 shares of treasury stock at ¥758 million, by resolution of the meeting of the Board of Directors held on May 14, 2012.

In addition to the above, with the disposal of treasury stock through the exercise of stock options representing 71,000 shares, which amounted to ¥52 million, the number and amount of treasury stock at the end of the third quarter of the fiscal year under review were 3,470,271 shares and ¥2,596 million, respectively