

Presentation of Financial Results for Fiscal 2021,
Ended September 30, 2021
DEAR LIFE CO., LTD.

November 12, 2021



DEAR LIFE

Securities code 3245 on the First Section of the
Tokyo Stock Exchange

Overview of the Dear Life Group's Businesses



Real Estate Business



- Development and sale of real estate in central Tokyo
- Development is focused on urban condominium Buildings.¹



Sales Promotion Business



- Operating mainly in the real estate industry, provides outsourcing of sales and administrative staff and offers various promotional support services.

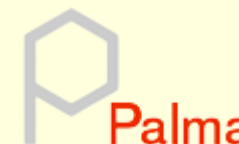


- Provides call center staff outsourcing to insurance companies and other businesses through the subsidiaries, NSTAFF Co., Ltd. and Cordially Service, Inc.
- Was made a subsidiary in January 2021 through acquisition of more than 51% of its stock.

Palma Co., Ltd. (Affiliated Company)

Securities code 3461 on the Mothers section of the Tokyo Stock Exchange

- Palma provides BPO services² and develops facilities for the self-storage market.
- It established a capital alliance with the Japan Post Group in 2018 with the aim of jointly creating synergies.
- Handling about 60% of Japan's self storage facilities³, Palma is the country's largest service.



1. Urban condominium buildings are designed for singles and DINKs, and are situated within walking distance of the nearest train station in the Tokyo area.
2. BPO services are self storage business process outsourcing services with payment guarantee conditions, and cover contract administration, inspections, payment administration, delinquent payment administration, and removal of abandoned items in storage.
3. Self storage facilities are rental storage facilities, including trunk rooms.

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Summary of Fiscal 2021 Financial Results



✓ Business Overview: Exceeded initial targets, new record profits

	FY2020	FY2021
Net sales	¥27,649 million	¥26,367 million
Operating profit	¥2,603 million	¥4,016 million
Ordinary profit	¥2,717 million	¥4,114 million
Profit attributable to owners of parent	¥1,851 million	¥2,686 million

◎ Real Estate Business

Sales: Favorable progress made on the back of weakening market uncertainty and global monetary easing. Energetic sales activities centered on development, planning and sale business has been successful.

Acquisitions: 21 development sites and 11 income-producing properties in the year.

13 contracts already completed so far in fiscal 2022 making for a total of ¥10.5 billion in acquired business.

◎ Sales Promotion Business

Dear Life Agency (DLA) secured the same level of sales and profits as the previous year amid a prolonged state of emergency.

Sales increased from the third quarter due to the addition of remote insurance sales by N-STAFF.

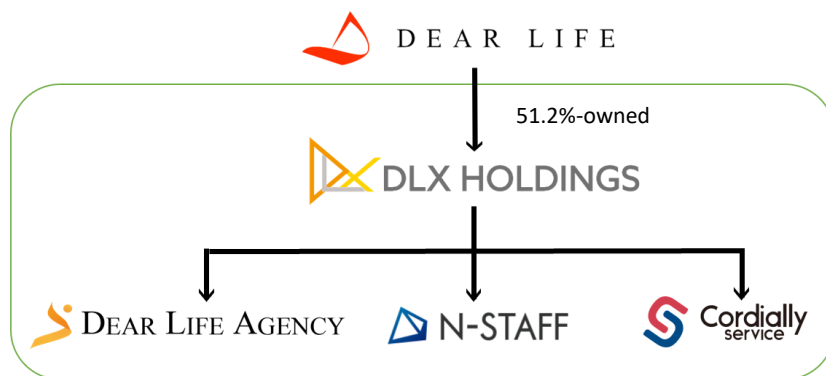
As well as securing stable profits, dispatched staff numbers are drastically increasing.

Summary of Fiscal 2021 Financial Results



✓ Expanded the Sales Promotion Business through M&A.

Improved management efficiency mainly due to DLX Holdings. Building a foundation for growth.



History of DLX Holdings Co., Ltd.

Dec. 2020: Established by NFC HOLDINGS, Inc.
Makes N-STAFF Co., Ltd. a subsidiary.

Jan. 2021: DEAR LIFE receives a third-party share allocation making the company a DEAR LIFE subsidiary.

Sep. 2021: Acquisition of Cordially Service, Inc. as a subsidiary.

Acquisition of Dear Life Agency Co., Ltd. as a subsidiary.

✓ In addition to a payout ratio of 40%, a record profit commemorative dividend of ¥30 per share was achieved.

Total amount: ¥1,132,379,640. The payout ratio, including ¥2 commemorative dividend, was 42.6%.

✓ Acquisition of Company Shares

The Company acquired 1.13 million of its own shares worth approximately ¥500 million over the period from November 2020 to May 2021.

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Consolidated Financial Results and Key Performance Indicators in Fiscal 2021



DEAR LIFE

	FY2020	FY2021	Difference	Percentage change
(Millions of yen)	(1)	(2)	(2) - (1)	(2)/(1)
Net sales	27,649	26,367	-1,282	95.4%
Operating profit	2,603	4,016	1,413	154.3%
Ordinary profit	2,717	4,114	1,397	151.4%
Profit attributable to owners of parent	1,851	2,686	835	145.1%
Earnings per share (yen)	47.71	70.41	22.70	147.6%
Net cash provided by operating activities	6,354	1,752	-4,602	
Net cash provided by (used in) investing activities	(415)	278	693	
Net cash used in financing activities	(3,024)	(369)	2,655	
Cash and cash equivalents at end of period	13,056	14,717	1,661	
	As of Sept. 30, 2020	As of Sept. 30, 2021	Difference	Percentage change
(Millions of yen)	(1)	(2)	(2) - (1)	(2)/(1)
Total assets	25,092	27,738	2,646	111%
Interest-bearing liabilities	8,828	9,815	987	111%
Shareholders' equity	13,783	15,210	1,427	110%
Capital-to-assets ratio (%)	54.9	54.8	-0.1	100%
Debt-to-equity ratio (times)	0.64	0.65	0.01	102%

Income Statement

Hand over of completed properties went ahead as planned, and energetic sales centered on development, planning and sale business was also successful.

On the whole, sales progressed on favorable terms with profit levels recovering.

Achieved record profits.

Cash Flow Statement

For operating activities, profit before income taxes was ¥4 billion due to the above.

For investing activities, an increase of ¥202 million was recorded due to the acquisition of DLX and CDS as subsidiaries.

Moved office to increase number of N-STAFF employees.

For investing activities, borrowings were paid off by selling real estate at the end of the fiscal year.

Balance Sheet, etc.

Cash and deposits increased due to the sale of properties.

→ Capital-to-assets ratio of over 50%. Leading to effective debt-freedom.

Main Results from the Consolidated Income Statement in Fiscal 2021



☑ New record profits. DLX Holdings' 6-month performance also contributed.

	FY2020	FY2021	Difference	Percentage change
(Millions of yen)	(1)	(2)	(2) – (1)	(2)/(1)
Net sales	27,649	26,367	-1,282	95%
Real Estate Business	27,426	24,703	-2,723	90%
Sales Promotion Business	223	1,663	1,440	746%
Selling, general and administrative expenses	1,369	1,344	-25	98%
Operating profit	2,603	4,016	1,413	154%
Non-operating income	254	215	-39	85%
Non-operating expenses	140	117	-23	84%
Ordinary profit	2,717	4,114	1,397	151%
Extraordinary loss	38	98	60	258%
Profit attributable to owners of parent	1,851	2,686	835	145%

Net sales

(Real Estate Business)

On the whole, sales proceeded under favorable conditions with improved profit margins.

(Sales Promotion Business)

Increased revenue from the acquisition of DLX Holdings Co., Ltd., as a subsidiary.

Ordinary profit

Interest payments decreased thanks to use of shareholders' equity. Achieved target of ¥4 billion in ordinary profit.

Extraordinary loss

Impairment conducted on the value of investee shares.

Final profit

New record profits.

Main Results from the Consolidated Balance Sheet in Fiscal 2021



✓ Property sales making great progress. Expanded scale of business while making proactive use of cash reserves.

(Billions of yen) 3.0

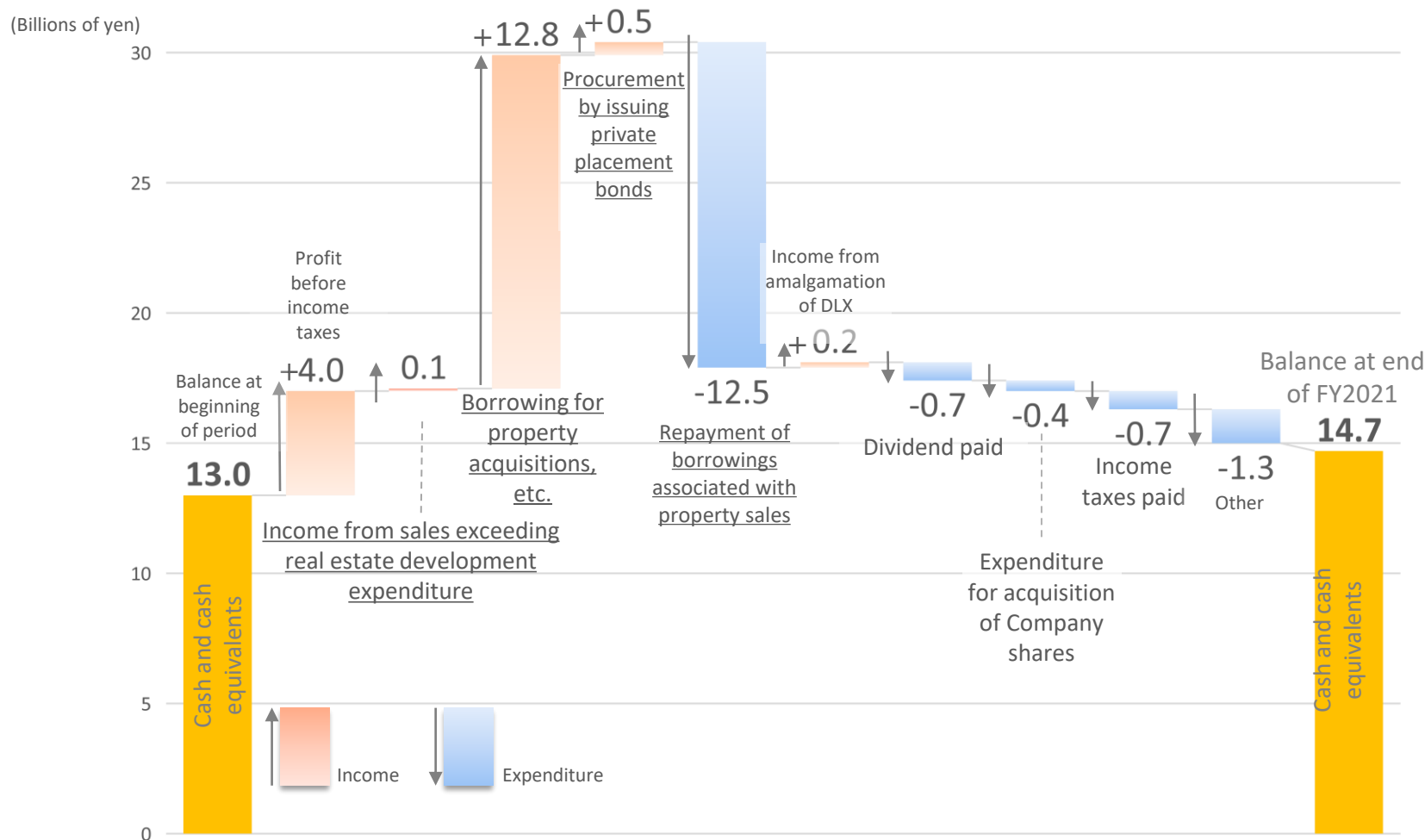


- Assets
- ① Sale of development projects going ahead very well. Increasing proportion of income-producing properties in the portfolio.
 - ② Sales proceeded under favorable conditions with an increase of cash reserves.
- Liabilities and net assets
- ③ Decreased due to sale of property
 - ✓ Increased amount of development using own capital.
 - ④ Capital-to-assets ratio **54.8%**
 - ✓ Effective debt-freedom.
- (Real estate industry average: 30%)



Analysis of Consolidated Cash Flow in Fiscal 2021

✓ The sale of property proceeded under favorable conditions with solid cash reserves of approximately ¥14.7 billion.



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✓ Residential market remains robust despite COVID pandemic

- 19 properties were sold and handed over in the fourth quarter. Segment profit margins also rose.
- Properties were sold to a diverse range of investors (individuals, general corporations, real estate companies, real estate investment funds, etc.), demonstrating our track record as a capable and dependable property supplier.



▶ Itabashi IV Project



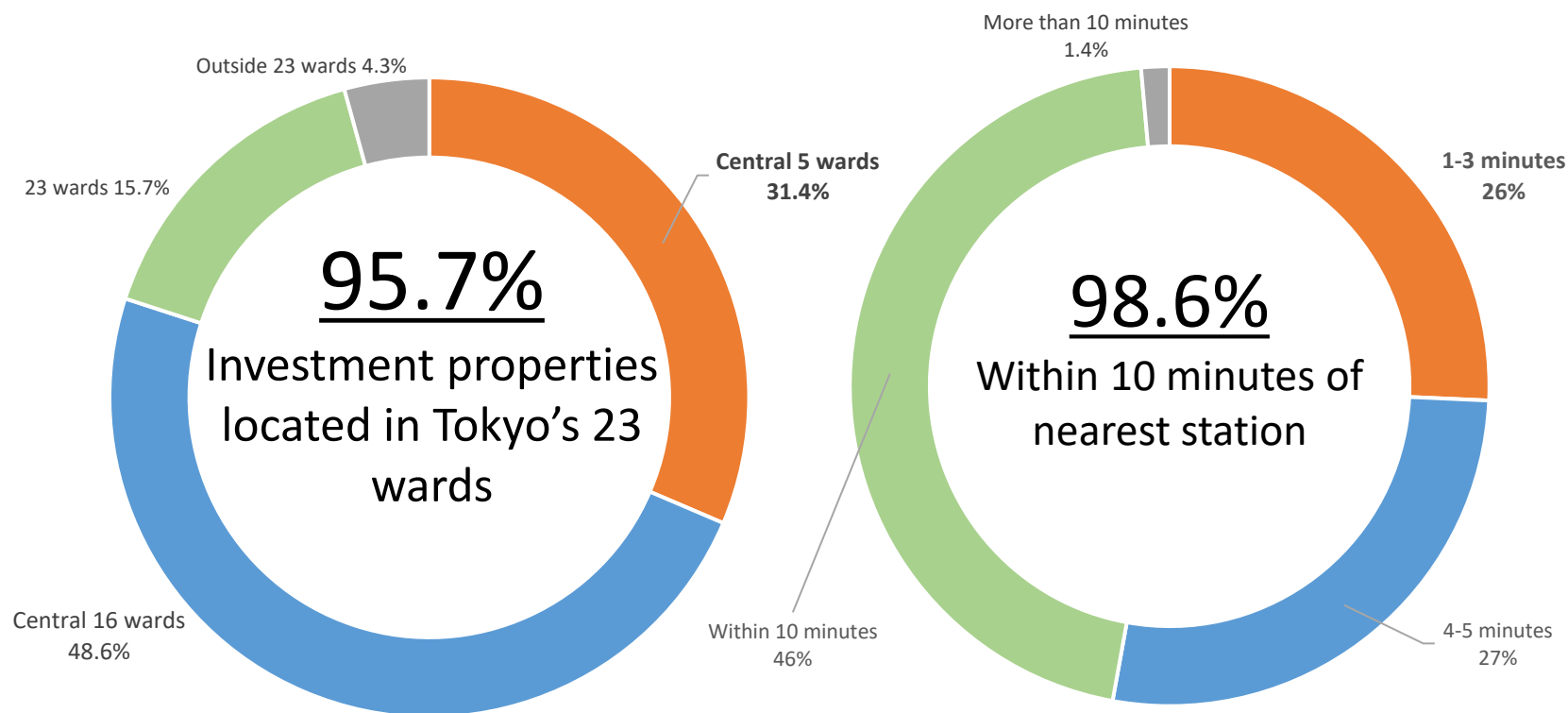
▶ Itabashi V Project



▶ DeLCCS Nakano Shimbashi

☑ Consistent investment policy of selective focus on central Tokyo

- In fiscal 2021, we acquired development sites and income-producing properties worth approximately ¥23.1 billion in terms of the value of our property portfolio.
- In line with increased project scale, further improvement in profit efficiency can be expected.



Notes: 1. The property portfolio value is comprised of the total costs of development projects and the total acquisition price of income-producing properties.

2. Central 5 wards: Chiyoda, Chuo, Minato, Shibuya, and Shinjuku wards.

Central 16 wards: Central 5 wards plus Bunkyo, Taito, Sumida, Koto, Shinagawa, Ota, Meguro, Setagaya, Suginami, Nakano, and Toshima wards.

Overview of Affiliates

DEAR LIFE AGENCY (wholly owned subsidiary)

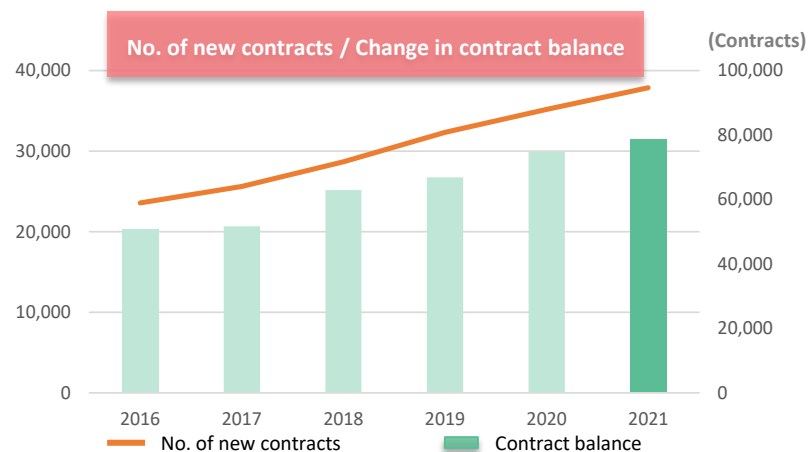
- Secured the same level of sales as the previous year even with a reduced number of dispatched staff amid a prolonged state of emergency.
- On-site interest and inquiries also on the rise with the increase in number of units sold by real estate companies.

DLX HOLDINGS (51.2%-owned subsidiary)

- Remote insurance sales by N-STAFF Co., Ltd. have greatly increased during the pandemic.
- Keenly considering strengthening ability to secure human resources, diversifying dispatched staff locations, and expanding the scale.

Palma (39.9%-owned equity-method affiliate)

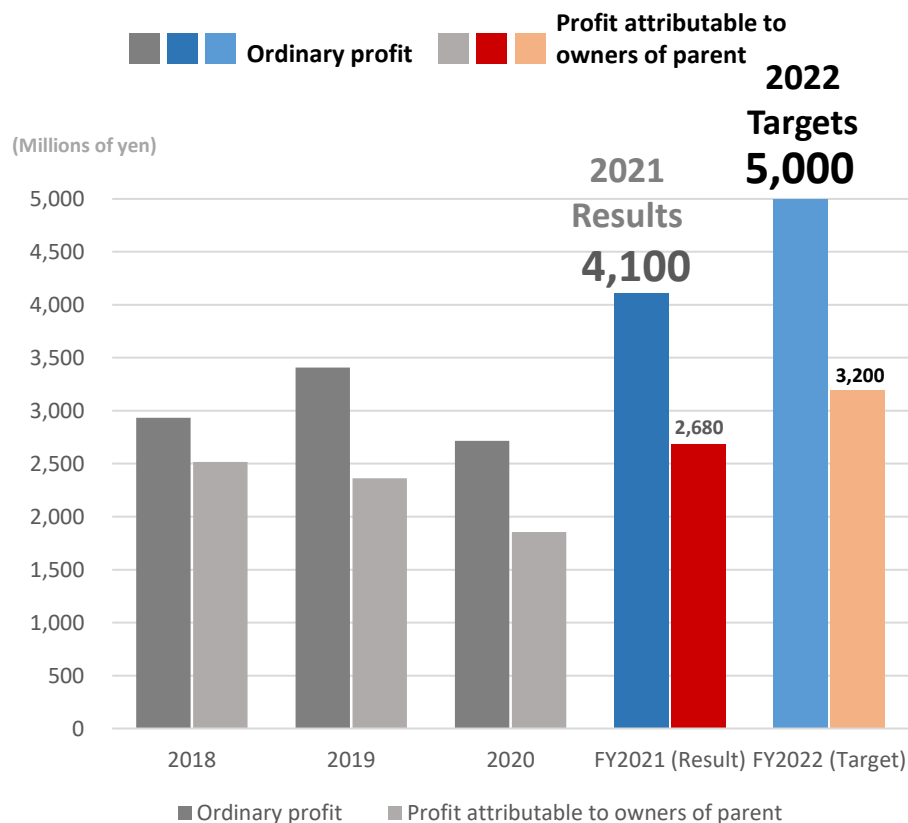
- **BPO services with payment guarantee conditions:**
Provision of smooth operational and user environments through reception and proxy contract services using non-physical channels such as the Internet.
Increased opportunities to secure commissions for a range of services.
- **Turnkey solutions services:**
Progress is being made on development, sale, and operational consulting services for two properties.



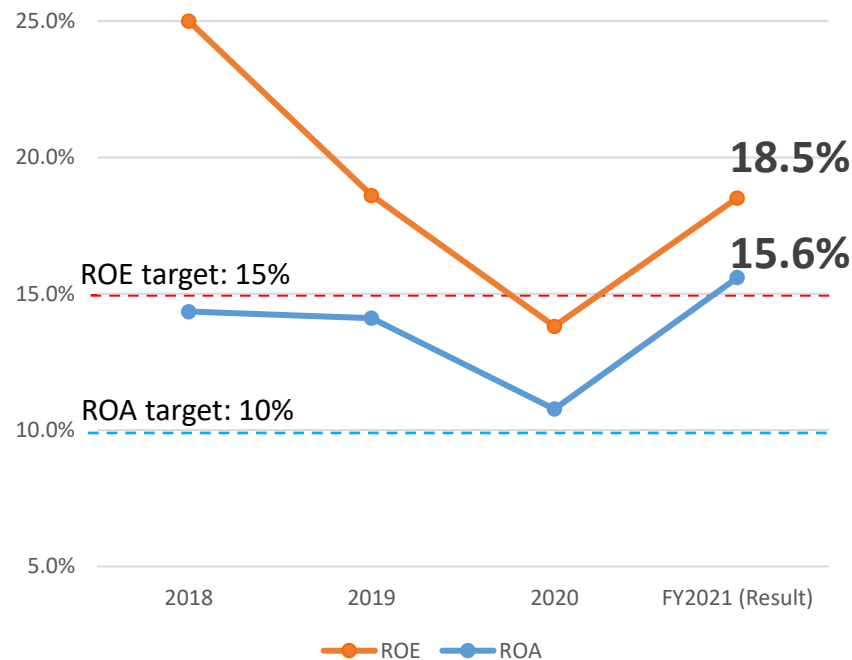
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Profit Targets for Fiscal 2022

- ☑ Aiming to achieve medium-term management plan with goal of ordinary profit of ¥5 billion.
- ☑ DLX Holdings, which became a subsidiary, puts ID on a path of growth.



Fiscal year targets and results for ROE and ROA



Initiatives to Broaden Businesses: Acquisition of ID Inc. as a subsidiary

- ✓ An all-round real estate company rooted in Shinagawa Ward and Ota Ward.
- ✓ Further cultivate the real estate market in the central Tokyo by differentiating areas and development scale.

ID Series

New reinforced concrete condominium buildings
 Average business size: Approx. ¥300-1,000 million
 Areas: Shinagawa, Ota, Taito, etc.



IV Series

New wooden framed apartment buildings
 Average business size: Approx. ¥50-100 million
 Areas: Shinagawa, Ota, etc.

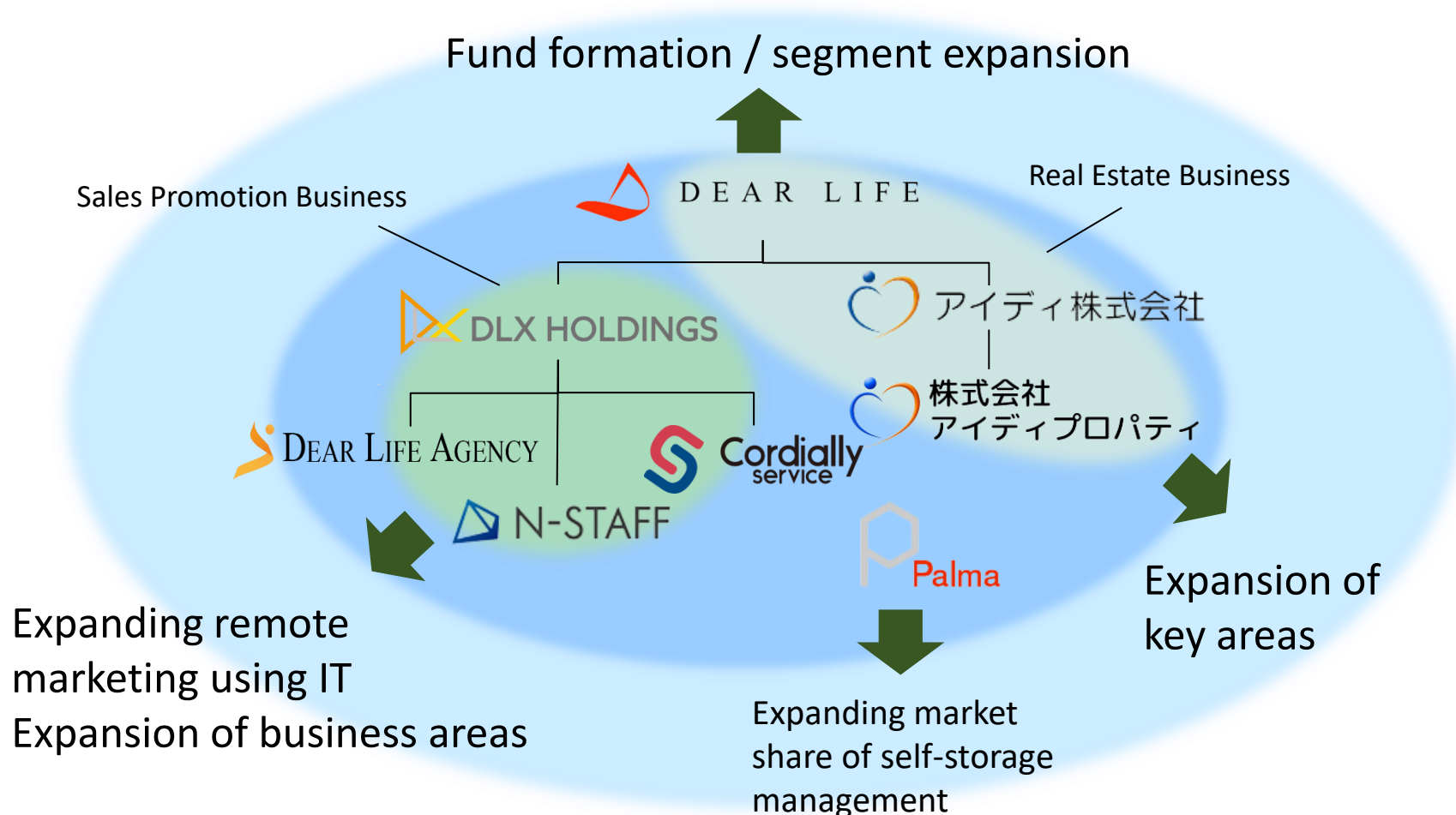


Address	2-13-8 Higashi-Oi, Shinagawa-ku, Tokyo
Business activities	Development of new reinforced concrete condominium buildings, new wooden framed apartment buildings, and wooden framed houses Design, management, construction and contracting of home renovations and interior decoration Rental of condominiums and apartments, and management of Japanese inns for private rental, etc.
Representative	Masahiro Ikeda, Representative Director
Established	June 1, 1979

The Group's Future Growth Strategy



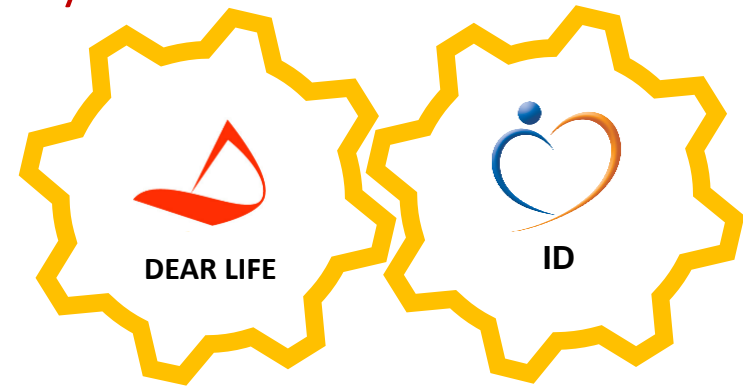
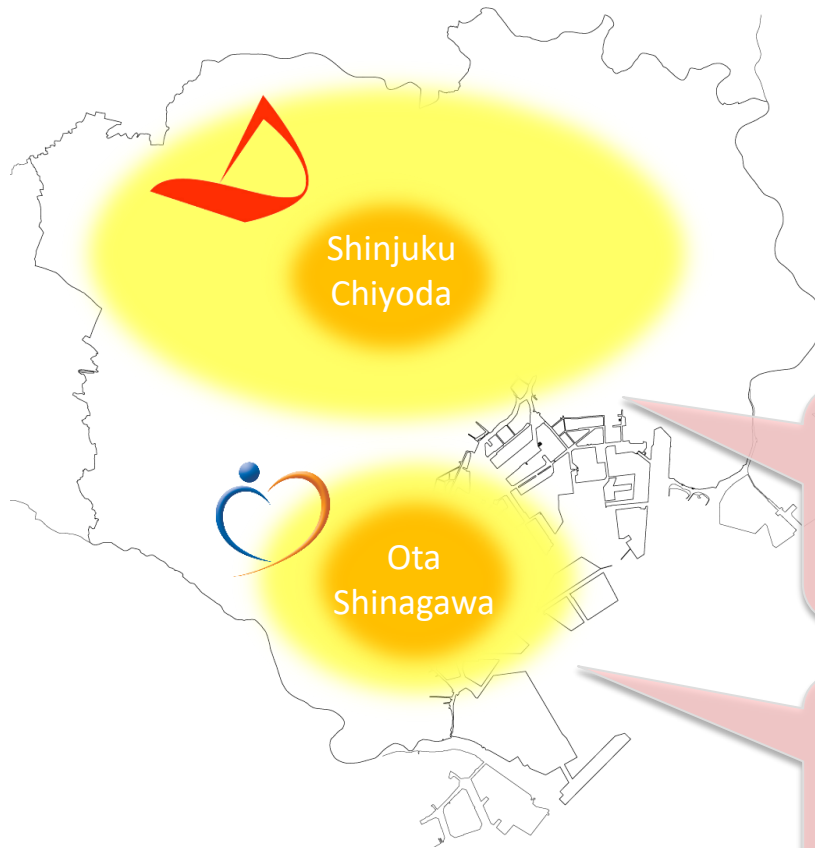
- Business reorganization completed to demonstrate the potential of each company. Accelerated investment in each segment.



The Group's Future Growth Strategy: Real Estate Business



- ✓ Both business volume and investment segment have expanded. Becoming an all-round real estate trading company.



- Segment expansion with commercial facilities and office buildings, etc.
- Expanded investment in anticipation of future fund formation

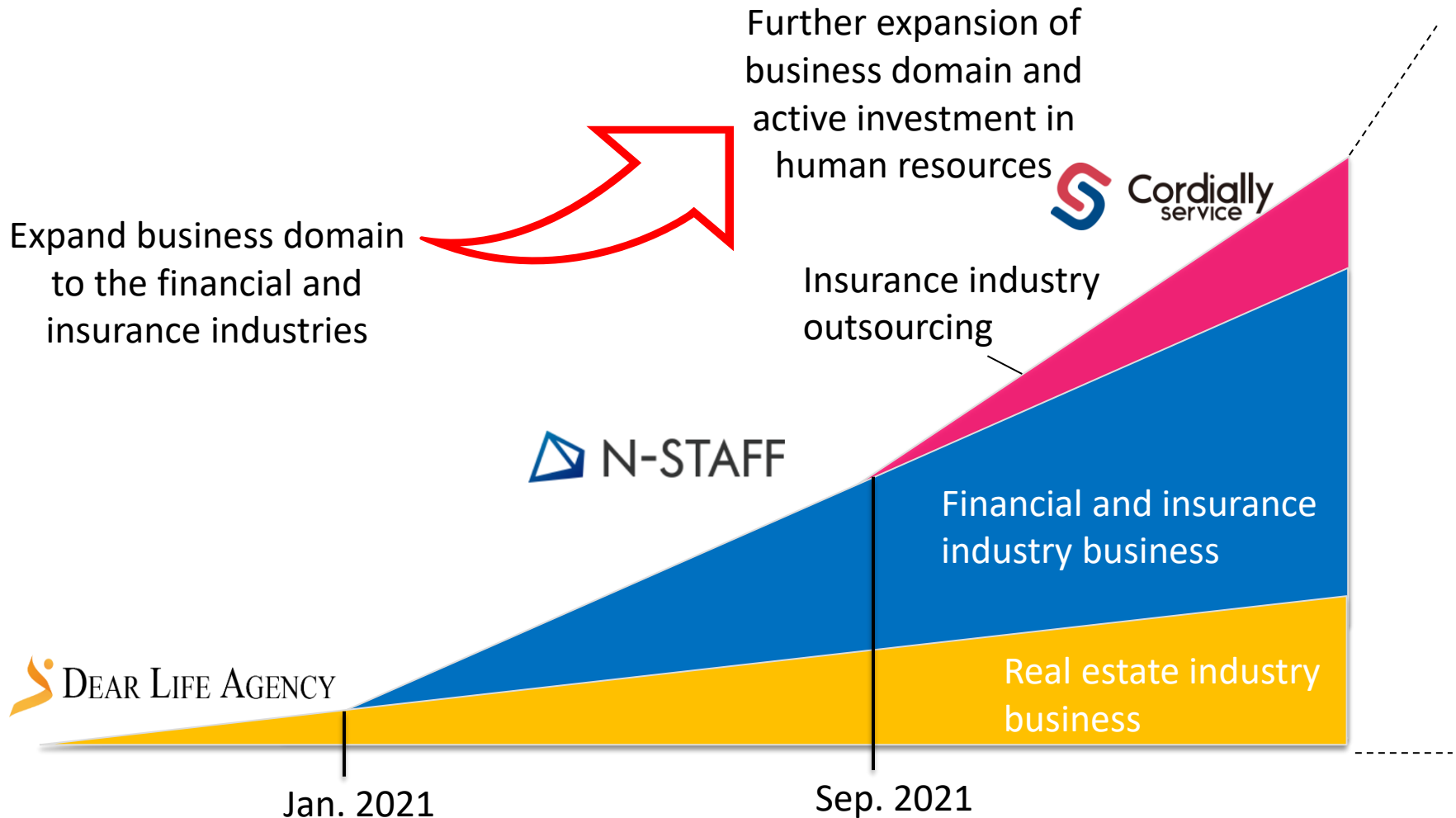
- Expanded key areas from Ota and Shinagawa
- Expanded investment aimed at future inbound demand



The Group's Future Growth Strategy: Sales Promotion Business



✓ Plan to further expand business domain by refining our human resources.



(Reference material) List of Main Property Projects



Ryogoku-Ekimae project



Omori VI project



Kinshicho IV project

Main development projects currently underway

Project name	Project type	Location	Nearest station
Kinshicho IV	Condominium building development	Koto Ward, Tokyo	Approx. 10-minute walk from Kinshicho Station of Tokyo Metro Hanzomon Line
Ryogoku-Ekimae	Condominium building development	Sumida Ward, Tokyo	Approx. 1-minute walk from Ryogoku Station of JR Sobu Line
Kiyosumi-shirakawa II	Condominium building development	Koto Ward, Tokyo	Approx. 1-minute walk from Kiyosumi-shirakawa Station of Tokyo Metro Hanzomon Line and Toei Oedo Subway Line
Omori VI	Condominium building development	Shinagawa Ward, Tokyo	Approx. 9-minute walk from Omori Station of JR Keihin-Tohoku Line
Kagurazaka-Yaraicho II	Condominium building development	Shinjuku Ward, Tokyo	Approx. 3-minute walk from Kagurazaka Station of Tokyo Metro Tozai Line
Higashi-Shinjuku IV	Condominium building development	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Higashi-Shinjuku Station of Toei Oedo Subway Line
Kagurazaka 5-chome	Commercial and office building development	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Ushigome-kagurazaka Station of Toei Oedo Subway Line
Kakinokizaka	Condominium building development	Meguro Ward, Tokyo	Approx. 7-minute walk from Toritsu-daigaku Station of Tokyu Railway Toyoko Line
Nakano-fujimicho	Condominium building development	Nakano Ward, Tokyo	Approx. 8-minute walk from Nakano-fujimicho Station of Tokyo Metro Marunouchi Line
Kagurazaka-Nishigokencho	Development, planning and sale	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Edogawabashi Station of Tokyo Metro Yurakucho Line
Hon-komagome II	Development, planning and sale	Bunkyo Ward, Tokyo	Approx. 6-minute walk from Hon-komagome Station of Tokyo Metro Namboku Line

In addition to these, 23 other projects are currently underway.





(Reference material) List of Main Property Projects



DeLCCS Kagurazaka-Tsukudocho



DeLCCS Kasai II

Main income-producing properties currently owned

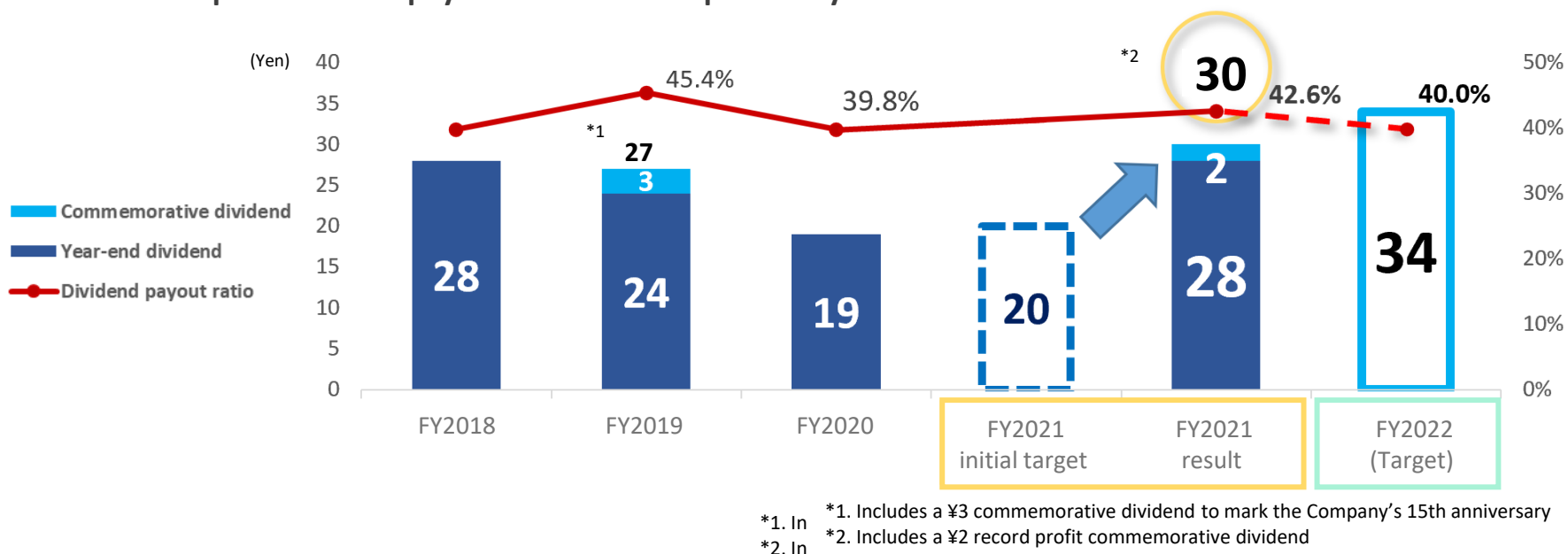
Project name	Asset type	Location	Nearest station
Philpark Omotesando	Commercial building	Shibuya Ward, Tokyo	Approx. 5-minute walk from Omotesando Station of Tokyo Metro Ginza Line, etc.
DeLCCS Kagurazaka-Tsukudocho	Commercial building	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Iidabashi Station of Tokyo Metro Tozai Line
DeLCCS Kagurazaka Yarai Park	Residential	Shinjuku Ward, Tokyo	Approx. 5-minute walk from Kagurazaka Station of Tokyo Metro Tozai Line
DeLCCS Higashi-Komagata	Residential	Sumida Ward, Tokyo	Approx. 6-minute walk from Nishi-sugamo Station of Toei Asakusa Subway Line
DeLCCS Takinogawa	Residential	Kita Ward, Tokyo	Approx. 6-minute walk from Nishi-sugamo Station of Toei Mita Subway Line
Monzen-nakacho III	Warehouse, garage and office	Koto Ward, Tokyo	Approx. 8-minute walk from Monzen-nakacho Station of Tokyo Metro Tozai Line, etc.
DeLCCS Kasai II	Commercial and residential complex	Edogawa Ward, Tokyo	Approx. 2-minute walk from Kasai Station of Tokyo Metro Tozai Line
DeLCCS Urayasu	Residential	Urayasu City, Chiba Prefecture	Approx. 2-minute walk from Urayasu Station of Tokyo Metro Tozai Line

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- ☑ **Dividend:** Plans to implement a dividend payout ratio of 40% for fiscal 2022. Target of ¥34 per share for year-end dividend.

Dividend per share and payout ratio over the past five years



☑ Acquisition of Company Shares

We will continue to flexibly acquire own shares while taking into account trends in the stock market and share price. We aim to improve PER and ROE.

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