

Presentation of Financial Results for the First Half of
Fiscal 2022, Ending September 30, 2022
DEAR LIFE CO., LTD.

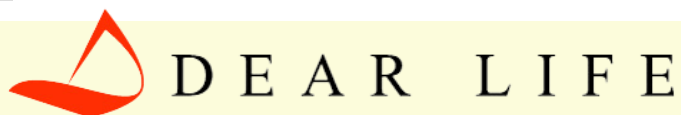


DEAR LIFE

Securities code 3245 on the Prime Market of the Tokyo Stock Exchange


May 13, 2022

Overview of the Dear Life Group's Businesses



Real Estate Business

- Development and sale of real estate in central Tokyo
- Development of urban residences and commercial buildings

 ID Inc. and ID Property Co., Ltd.
Note: Hereinafter, the "ID Group"

- Development of residences, apartments, and detached houses, and rental and sales brokerage business, mainly in Shinagawa Ward and Ota Ward



Sales Promotion Business

 N-STAFF  Cordially service

- Dispatching outbound-style call center staff to the finance/insurance sector.

 DEAR LIFE AGENCY

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



Palma Co., Ltd. (Affiliated Company)

- Palma provides BPO services and develops facilities for the self-storage market.



Securities code 3461
on the Growth Market
of the Tokyo Stock
Exchange

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Summary of Financial Results in the First Half of Fiscal 2022



The ID Group and DLX Holdings' performance contributed. Large sales of income-producing properties progressed with sales and profit increasing significantly year on year.

	Fiscal 2021 first half	Fiscal 2022 first half
Net sales	¥4,873 million	¥11,512 million
Operating profit	¥142 million	¥521 million
Ordinary profit	¥202 million	¥473 million
Profit attributable to owners of parent	¥103 million	¥647 million

◎Real Estate Business

Sales: 14 properties handed over in first half. Ten sales contracts also concluded toward the end of the fiscal year.

Acquisitions: Acquired 20 commercial sites and income-producing properties worth ¥13 billion in terms of the value of our property portfolio.

◎Sales Promotion Business

Orders for remote insurance sales by N-STAFF Co., Ltd. have been strong.

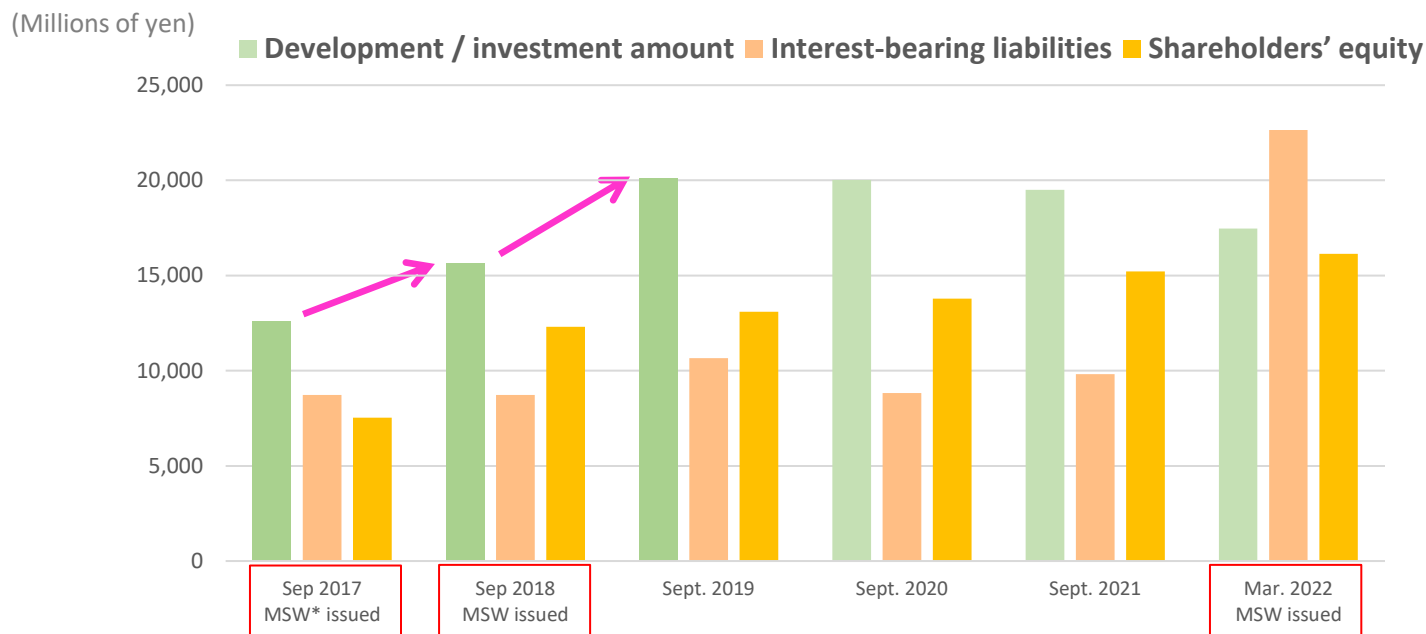
Aggressive initial investments made to increase number of dispatched personnel, such as increasing office floor space and better recruitment training for dispatched staff.

Summary of Financial Results in the First Half of Fiscal 2022



Raised approximately ¥1.3 billion by exercising third-party allocation of stock acquisition rights

As of the end of March, 45% had been allocated. Attempts made to further expand real estate investment portfolio through capital expansion.



* MSW refers to moving strike warrants.

Allocated to	SMBC Nikko Securities Inc.
Number of dilutive shares	6,000,000 (15.9% with voting rights as of September 30, 2021)
Estimated funds raised	Approx. ¥3.68bn
Exercise period	Approx. 3 years (December 7, 2021–December 30, 2024)

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Financial Results and Key Performance Indicators in the First Half of Fiscal 2022



Increased sales and profits through selling a large number of properties. Property acquisitions also going well, expanding balance sheet.

(Millions of yen)	Fiscal 2021 1st half ①	Fiscal 2022 1st half ②	Difference ② - ①	Percentage change ②/①
Net sales	4,873	11,512	6,639	236%
Operating profit	142	521	379	367%
Ordinary profit	202	473	271	234%
Profit attributable to owners of parent	103	647	544	628%
Earnings per share (Yen)	2.67	16.70	14.03	625%
Net cash used in operating activities	(7,797)	(12,262)	-4,465	
Net cash provided by (used in) investing activities	474	(1,103)	-1,577	
Net cash provided by financing activities	3,987	10,898	6,911	
Cash and cash equivalents at end of period	9,721	12,250	2,529	
	As of Sept. 30, 2021 ①	As of Mar. 31, 2022 ②	Difference ② - ①	Percentage change ②/①
Total assets	27,738	41,163	13,425	148%
Interest-bearing liabilities	9,815	22,644	12,829	231%
Shareholders' equity	15,210	16,110	900	106%
Capital-to-assets ratio (%)	54.8	39.1	-15.7	71%
Debt-to-equity ratio	0.65	1.42	0.77	218%

Income Statement

- In addition to DLX Holdings, results from ID Inc. this year have helped boost performance.
- Significant increase in revenue due to property sales exceeding those in same period of previous year.

Cash Flow Statement

- Operating: Promoted purchasing and development at a pace significantly higher than last year
- Investing: Negative mainly due to expenditure on acquiring ID
- Financing: Borrowing was good in line with real estate purchases

Balance Sheet, etc.

- Total assets have expanded rapidly with the acquisition of ID.
- Highest priority on property purchases.
- Borrowing increased with the acquisition of development sites.
- Capital-to-assets ratio remains at a healthy level, outpacing industry average of 30%.

Main Results from the Consolidated Income Statement in the First Half of Fiscal 2022



Increased sales and profits due to the sale of many properties including income-producing real estate.

(Millions of yen)	Fiscal 2021 1st half ①	Fiscal 2022 1st half ②	Difference ② – ①	Percentage change ②/①	
Net sales	4,873	11,512	6,639	236%	Net sales (Real Estate Business) Increased revenue from the sale of many income-producing properties.
Real Estate Business	4,750	9,349	4,599	197%	(Sales Promotion Business) Increased revenue from the acquisition of DLX Holdings Co., Ltd., as a subsidiary.
Sales Promotion Business	122	2,163	2,041	1773%	
Selling, general and administrative expenses	425	1,441	1,016	339%	
Operating profit	142	521	379	-	Non-operating expenses Interest paid also increased due to ID becoming a subsidiary and growing number of properties.
Non-operating income	112	140	28	125%	
Non-operating expenses	53	187	134	353%	
Ordinary profit	202	473	271	234%	Ordinary profit Profit increased significantly due to progress in property sales.
Extraordinary gain	-	372	-	-	
Extraordinary loss	34	-	-	-	Extraordinary gain Recorded gain on negative goodwill related to acquisition of ID shares.
Profit attributable to owners of parent	103	647	544	628%	

Main Results from the Consolidated Balance Sheet as of the End of the First Half of Fiscal 2022



Purchasing going ahead at a pace significantly higher than last year. Expanded significantly with the addition of the ID Group.

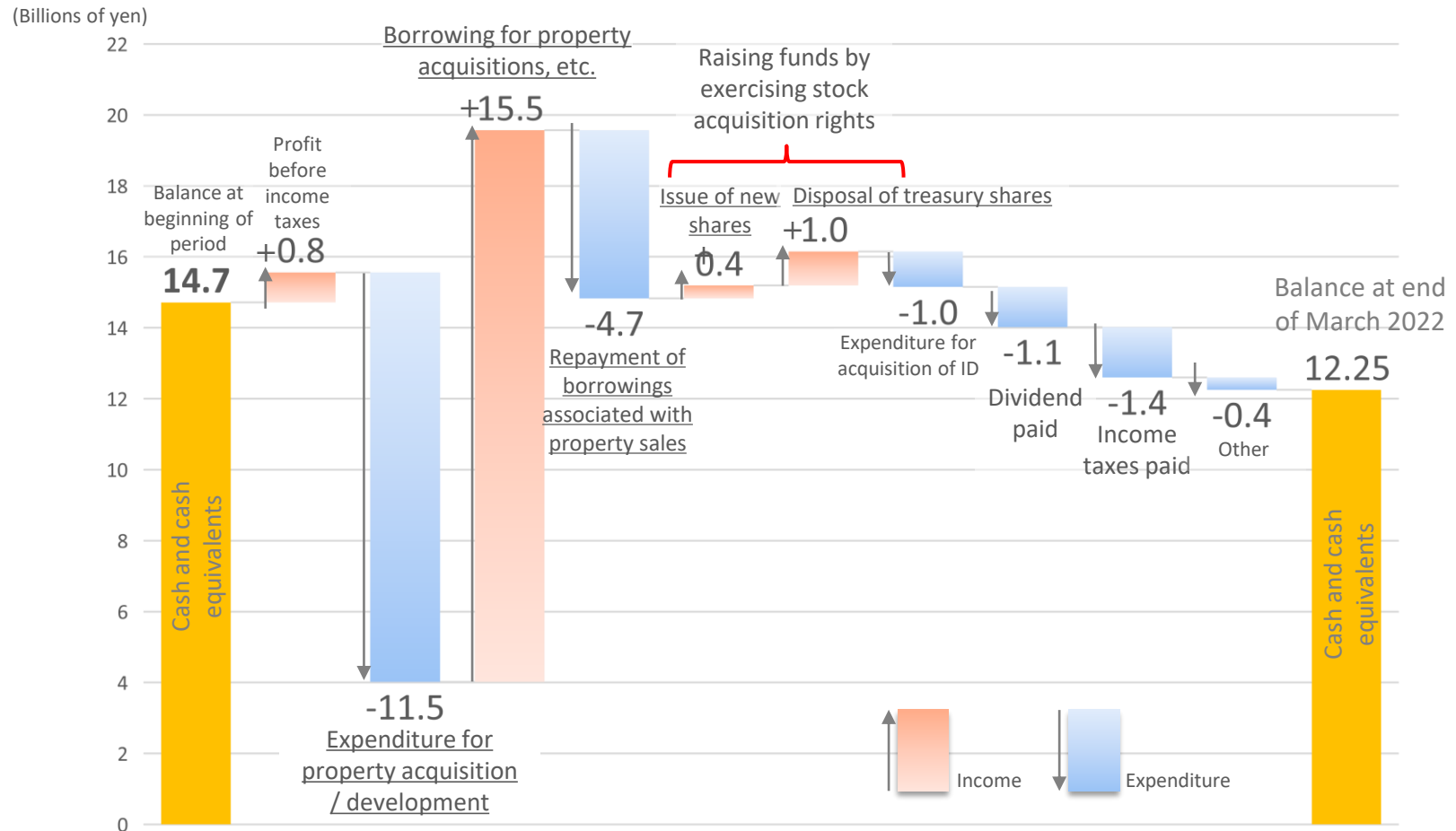
(Billions of yen)



- Assets
- ① Priority given to purchasing development sites and income-producing properties.
 - ② Despite a drain on funds from a ¥1.1 billion dividend payout and ① above, the exercise of stock acquisition rights and sale of properties have helped to maintain cash reserves.
- Liabilities and net assets
- ③ increased in line with ①
✓ Active use of own capital.
 - ④ Capital-to-assets ratio **39.1%**
(Real estate industry average: 30%)

Analysis of Consolidated Cash Flows in First Half of Fiscal 2022

✓ In addition to raising funds by exercising stock acquisition rights, progressed smoothly with funding from financial institutions.

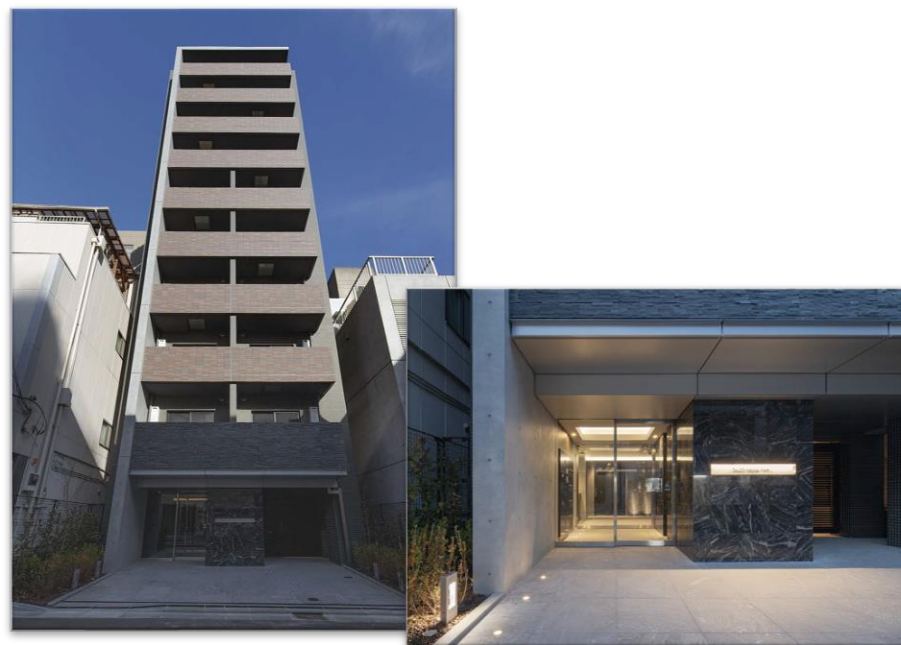
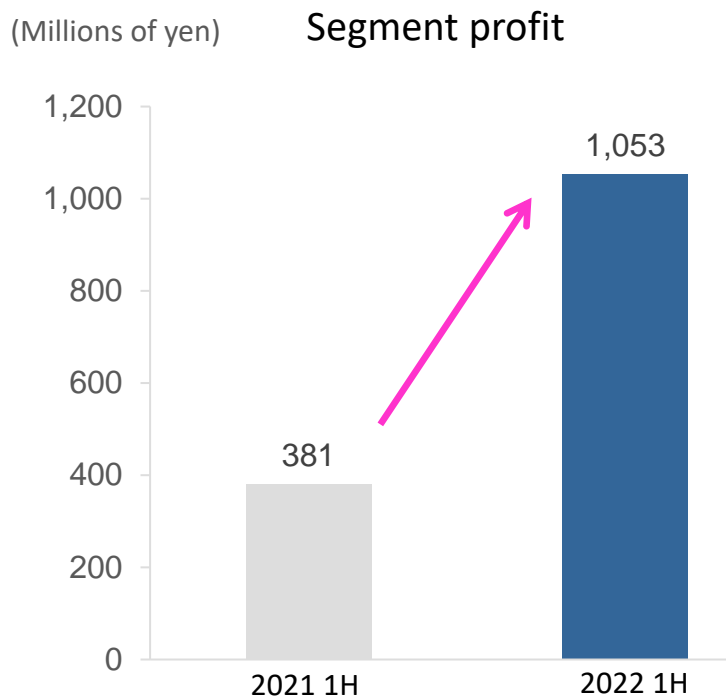


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Real Estate Business (1): Properties Sold in the First Half of Fiscal 2022

14 properties were handed over in the first half to domestic and overseas investors.

- Of the 14 legally transferred, ID sold three, which included development sites and detached houses.
- Ten sales contracts also concluded toward the end of the fiscal year.
- High level of interest on real estate companies and investment funds in the Tokyo real estate market where supply is limited.



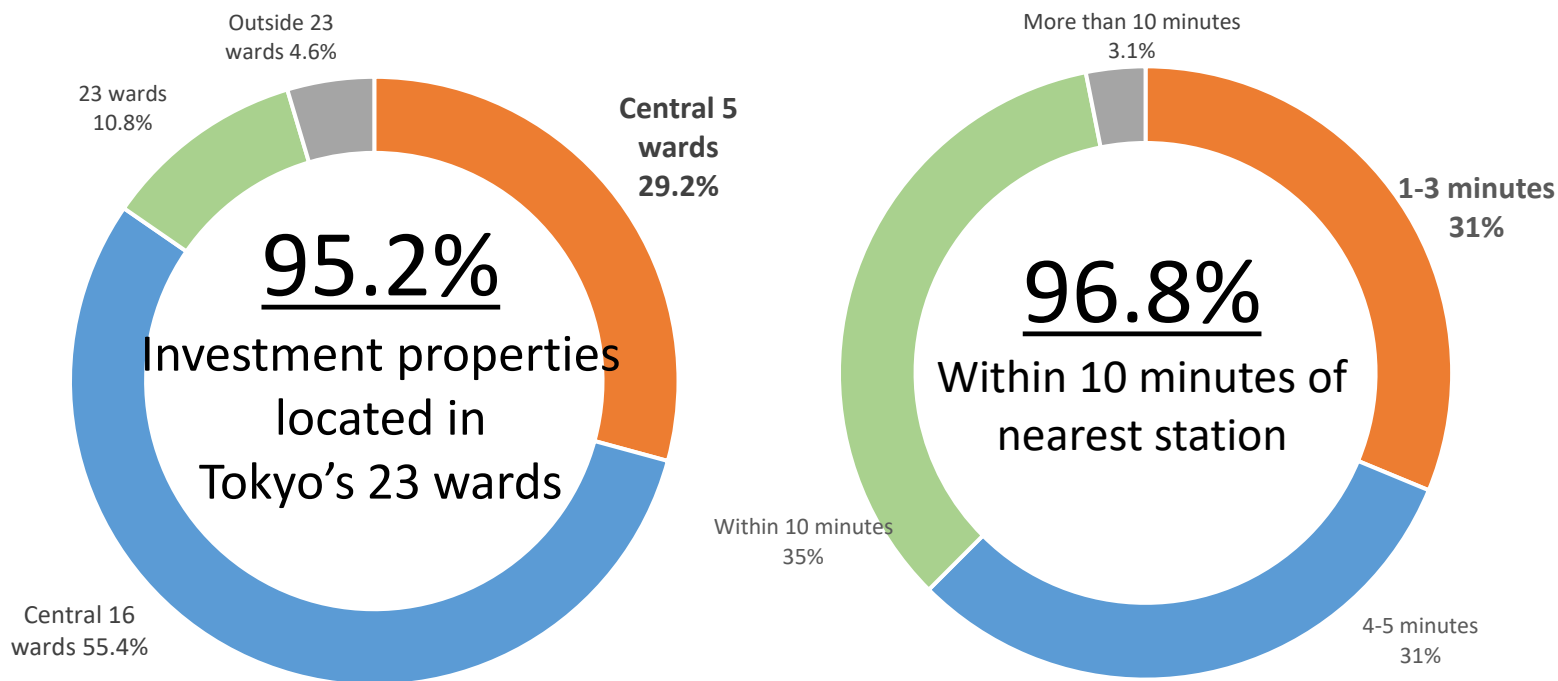
Ryogoku Ekimae project: Sold January 2022

Real Estate Business (2): Property Portfolio Expansion in the First Half of Fiscal 2022



☑ Purchases made with selective focus on Central Tokyo even in a competitive environment

- In the first half of fiscal 2022, we acquired development sites and income-producing properties worth approximately ¥13 billion in terms of the value of our property portfolio.
- The total property portfolio of the projects purchased in the first half of the year reached ¥27.9 billion.
- Purchasing in exceptional locations is directly linked to smooth selling activities.



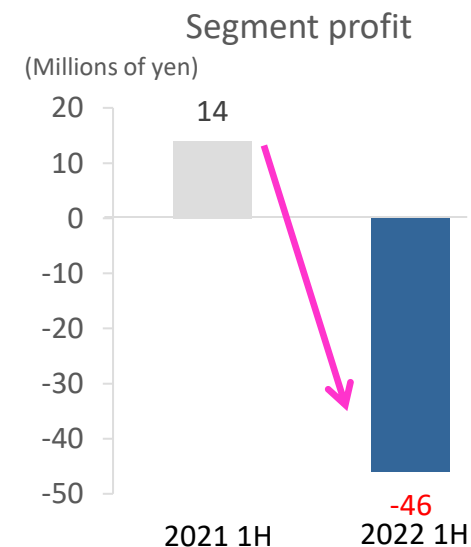
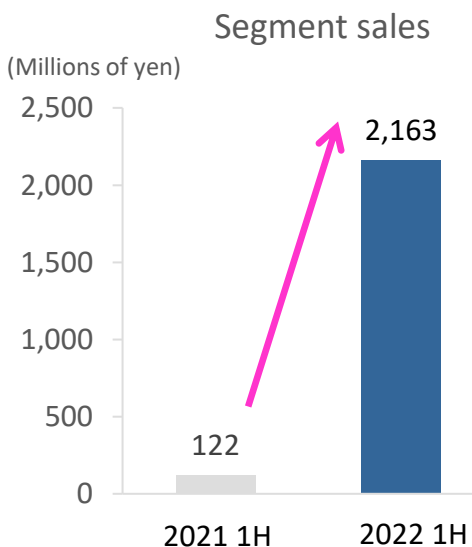
Notes: 1. The above property portfolio figures are comprised of the total invested in Dear Life stand-alone development projects and income-producing properties.
2. Central 5 wards: Chiyoda, Chuo, Minato, Shibuya, and Shinjuku wards.
Central 16 wards: Central 5 wards plus Bunkyo, Taito, Sumida, Koto, Shinagawa, Ota, Meguro, Setagaya, Suginami, Nakano, and Toshima wards.

ID Inc. and ID Property Co., Ltd.

- Became subsidiaries on October 1. Promotes high profitability through organizational restructuring and sharing of knowledge.
- Using the fund raising strength of Dear Life to help keep costs down.
- Three properties were sold in first half, which included development sites and detached houses.

DLX HOLDINGS (51.2%-owned subsidiary)

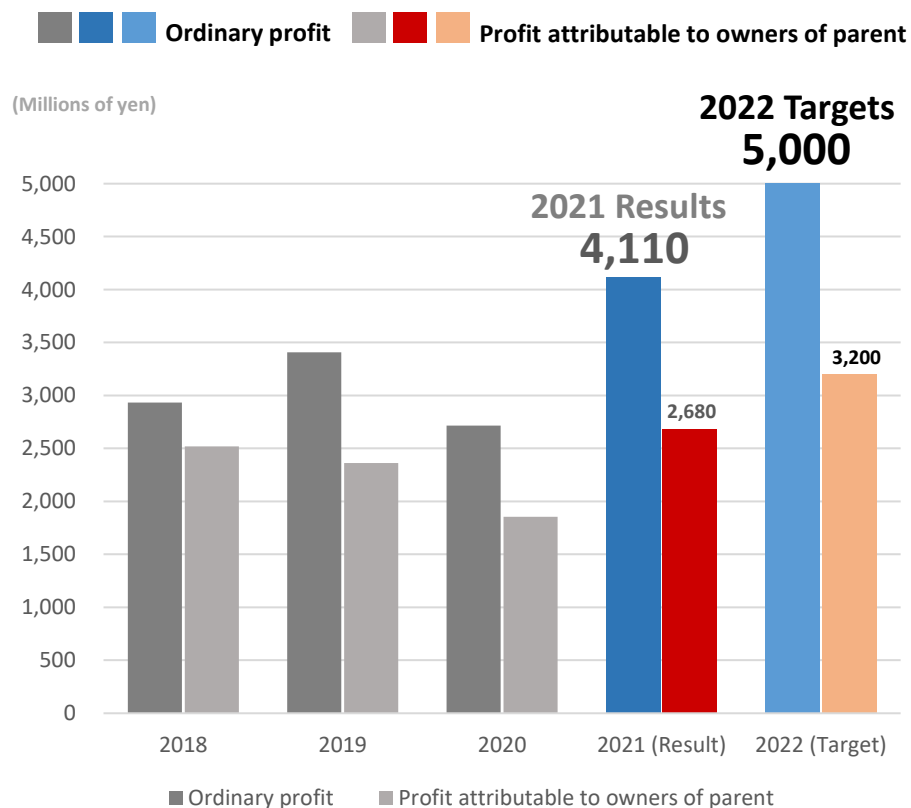
- Orders for remote insurance sales by N-STAFF Co., Ltd. continue to be strong.
- Segment profit has dropped as a result of increasing office floor space to grow numbers of dispatched personnel, and improving initial training for dispatched staff.



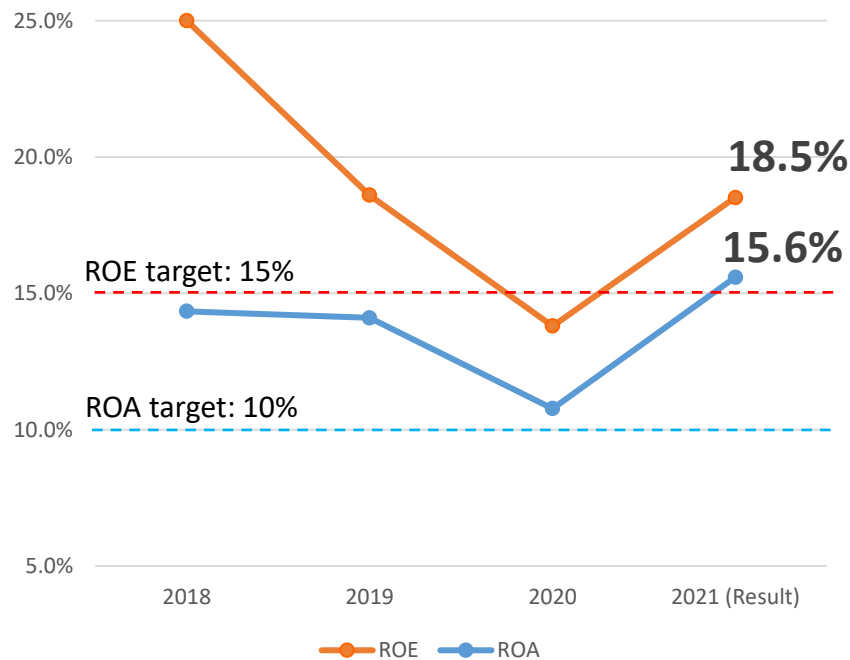
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Profit Targets for Fiscal 2022

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



Fiscal year targets and results for ROE and ROA



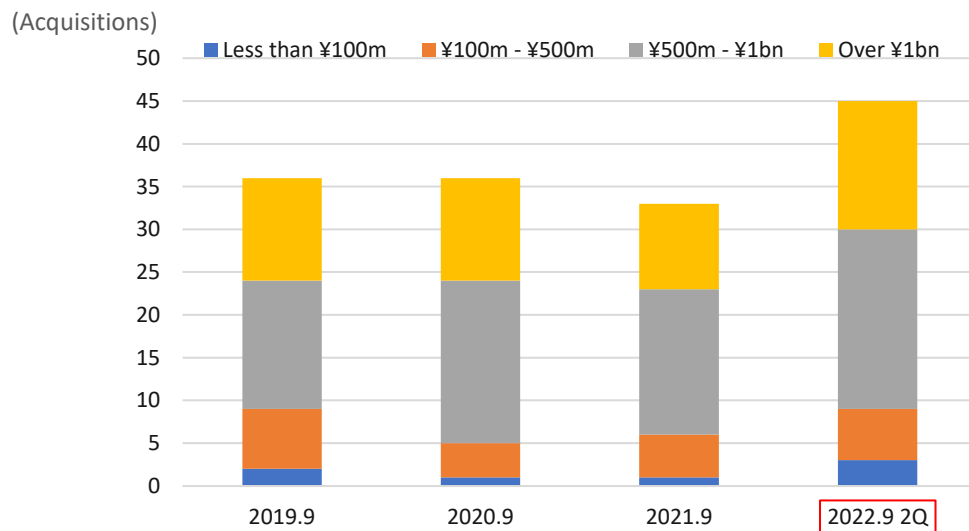


Real Estate Business: Investment Strategies in Fiscal 2022

- Carefully search for and select real estate in central Tokyo which is highly marketable, scarce, and in demand for leasing, even amid the COVID-19 pandemic.
- Strengthen extremely efficient sales style by expanding project scale for every development.
- Continue accumulating property information and broadening acquisition channels through strengthened recruitment and cooperation with ID.
- Swiftly and flexibly plan projects through collaboration with in-house architects and business partners.

▼ Changes in scale of acquisitions over past three years

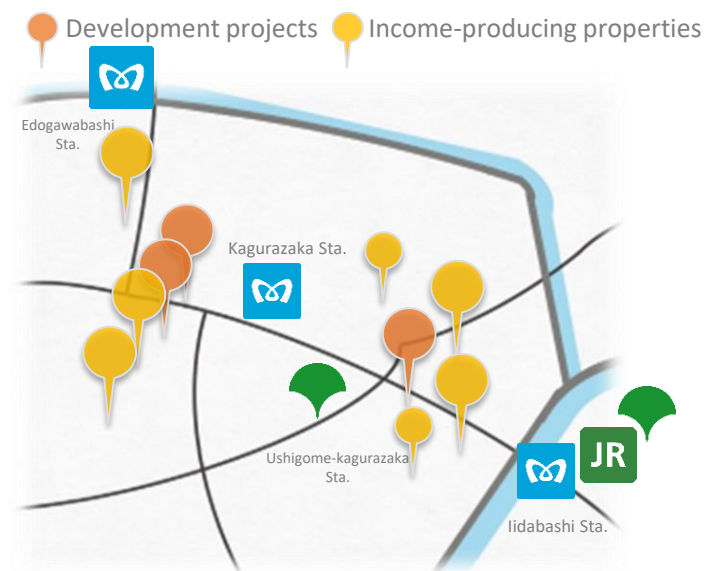
- The number of projects with business scale exceeding ¥1bn has increased.
- Both the number and scale of acquisitions are higher than the previous year even by the end of first half.



Notes: 1. Dear Life stand-alone aggregates portfolio of projects acquired and settled during each fiscal year.
 2. The property portfolio is the total amount invested at the time of acquiring real estate.

▼ Status of initiatives in our key areas

- Multiple projects are underway simultaneously in the Iidabashi and Kagurazaka areas.



Real Estate Business: Sales Strategies in Fiscal 2022

- ☑ Steady level of interest in assets invested in or operated by the Company.
- ☑ Focus on development, planning and sale projects that have a short turnaround time without missing out on profit-making opportunities.
- ☑ Energetic sales activity concentrating mainly on sales companies and funds investing in one-room condominium developments.

Development of urban residences and commercial buildings

Comprehensively evaluate the location, flow of people and other factors, planning so that the purpose is fit for the place.

Mainly residences designed for singles and DINKs.



Development, planning and sale

Develop properties in suitable locations after completing development plans, demolition, and selecting construction firms.



Income-producing properties

Complete renovations, upgrade facilities to reduce operational costs, and lease up properties.



Investment target

Asset management and private use

Real estate funds and J-REIT

Real estate companies

Real estate developers

Wealthy individuals

Corporations

* Development, planning and sale involves creating and executing a development plan for real estate that is suitable to a site after demolishing buildings on the site, conducting soil pollution tests, settling property rights, and obtaining permits have been approved) and then selling the property.



(Reference material) List of Main Property Projects



Kagurazaka-Yaraicho II project



Omori VI project



Kinshicho IV project

Main development projects currently underway

Project name	Project type	Location	Nearest station
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
Kagurazaka 5-chome	Commercial and office building development	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Ushigome-Kagurazaka Station of Toei Oedo Subway Line
Itabashi Honcho III	Condominium building development	Itabashi Ward, Tokyo	Approx. 8-minute walk from Itabashi-Honcho Station of Toei Mita Subway Line
Suitengumae II	Condominium building development	Koto Ward, Tokyo	Approx. 9-minute walk from Suitengumae Station of Tokyo Metro Hanzomon Line
Higashi Nakano	Condominium building development	Nakano Ward, Tokyo	Approx. 2-minute walk from Higashi-Nakano Station of Toei Oedo Subway Line and JR Sobu Line
Higashi Matsubara	Commercial and office building development	Setagaya Ward, Tokyo	Approx. 1-minute walk from Higashi-Matsubara Station of Keio Inokashira Line
Asakusa IX	Development, planning and sale	Sumida Ward, Tokyo	Approx. 6-minute walk from Asakusa Station of Toei Asakusa Subway Line
Hikawadai	Development, planning and sale	Nerima Ward, Tokyo	Approx. 5-minute walk from Hikawadai Station of Tokyo Metro Fukutoshin Line and Yurakucho Line
Itabashi Honcho IV	Development, planning and sale	Itabashi Ward, Tokyo	Approx. 7-minute walk from Itabashi-Honcho Station of Toei Mita Subway Line
Kamata III	Development, planning and sale	Ota Ward, Tokyo	Approx. 2-minute walk from Hasunuma Station of Tokyo Ikegami Line

In addition to these, 27 other projects are currently underway.

(Reference material) List of Main Property Projects



DeLCCS Kagurazaka-Tsukudocho



DeLCCS Yotsuya Arakicho

Main income-producing properties currently owned

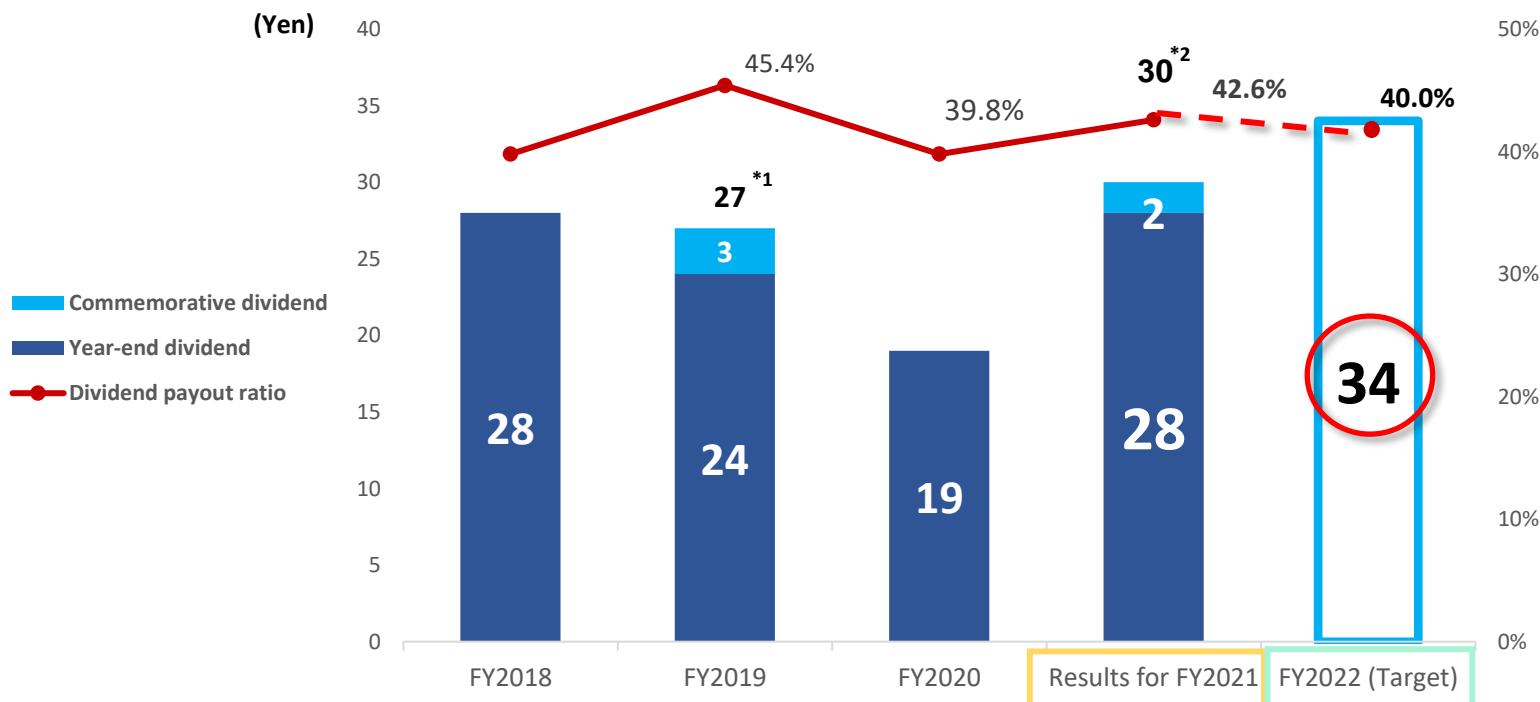
Project name	Asset type	Location	Nearest station
Philpark Omotesando	Commercial building	Shibuya Ward, Tokyo	Approx. 5-minute walk from Omotesando Station of Tokyo Metro Ginza Line, etc.
DeLCCS Kagurazaka-Tsukudocho	Commercial building	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Iidabashi Station of Tokyo Metro Tozai Line
DeLCCS Minami-Nagasaki	Residential	Toshima Ward, Tokyo	Approx. 4-minute walk from Higashi-Nagasaki Station on the Seibu Ikebukuro Line
DeLCCS Yamabuki Kagurazaka II	Residential	Shinjuku Ward, Tokyo	Approx. 5-minute walk from Edogawabashi Station of Tokyo Metro Yurakucho Line
DeLCCS Sendagi	Residential	Bunkyo Ward, Tokyo	Approx. 5-minute walk from Sendagi Station of Tokyo Metro Chiyoda Line
DeLCCS Denenchofu	Warehouse, garage and office	Setagaya Ward, Tokyo	Approx. 8-minute walk from Denenchofu Station of Tokyu Railway Toyoko Line
DeLCCS Yotsuya Arakicho	Commercial and residential complex	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Yotsuya-Sanchome Station of Tokyo Metro Marunouchi Line
DeLCCS Saginomiya	Residential	Nakano Ward, Tokyo	Approx. 2-minute walk from Toritsu-Kasei Station of Seibu Shinjuku Line

In addition to these, 24 other projects are currently underway.

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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



*1. Includes a ¥3 commemorative dividend to mark the Company's 15th anniversary

*2. Includes a ¥2 record profit commemorative dividend

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