

Presentation of Financial Results for the First Half of
Fiscal 2023, Ending September 30, 2023
DEAR LIFE CO., LTD.

May 12, 2023



DEAR LIFE (Securities code: 3245 on the Prime Market of the Tokyo Stock Exchange)

Overview of the Dear Life Group's Businesses



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



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



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



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



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

Equity-method affiliate. 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 2023



Sales of properties progressed on favorable terms.

DLX Holdings also showed an uptrend in performance and posted a significant year-on-year increase in profit.

	Fiscal 2022 1st half	Fiscal 2023 1st half (YoY change)
Net sales	¥11,512 million	¥11,713 million (+1.7%)
Operating profit	¥521 million	¥1,104 million (+111.9%)
Ordinary profit	¥473 million	¥1,104 million (+133.0%)
Profit attributable to owners of parent	¥647 million	¥701 million (+8.2%)

◎Real Estate Business

Sales: 10 properties handed over in first half. Five sales contracts also concluded toward the end of the fiscal year.

Acquisitions: 22 development sites and income-producing properties acquired. Business scale was also steadily expanded.

◎Sales Promotion Business

Significant year-on-year profit increase on progress with cost reductions, including centralization of headquarters functions.

Continued strengthening of personnel recruitment for outsourced staffing services, promotion of investment to stimulate new demand.

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Financial Results and Key Performance Indicators in the First Half of Fiscal 2023



Increased sales and profit on multiple large-scale property sales. Robust performance by DLX including improved profitability.

Operating profit and ordinary profit more than double previous year's figures.

(Millions of yen)	Fiscal 2022 1st half ①	Fiscal 2023 1st half ②	Difference ② - ①	Percentage change (②-①)/①
Net sales	11,512	11,713	201	1.7%
Operating profit	521	1,104	583	111.9%
Ordinary profit	473	1,104	631	133.0%
Profit attributable to owners of parent	647	701	54	8.2%
Earnings per share (Yen)	16.76	15.97	-0.79	-4.7%
Net cash used in operating activities	(12,262)	(11,501)	761	
Net cash provided by (used in) investing activities	(1,103)	36	1,139	
Net cash provided by financing activities	10,898	5,609	-5,289	
Cash and cash equivalents at end of period	12,250	13,822	1,572	
	As of Sept. 30, 2022 ①	As of Mar. 31, 2023 ②	Difference ② - ①	Percentage change (②-①)/①
Total assets	36,457	42,466	6,009	16.5%
Interest-bearing liabilities	11,852	18,942	7,090	59.8%
Shareholders' equity	20,866	20,177	-689	-3.3%
Capital-to-assets ratio (%)	57.2	47.5	-9.7	-17.0%
Debt-to-equity ratio	0.57	0.94	0.37	64.9%

Income Statement

- Sale with high profit margin of large-scale income-producing properties and development projects.
- DLX Holdings profit margin boosted with progress in cost reduction.
- Recorded gain on negative goodwill in fiscal 2022.
- Slight decrease in earnings per share due to capital increase (completed October 2022).

Cash Flow Statement

- Operating: Steady progress with acquisitions and developments
- Investing: Majority of fiscal 2022 expenditure for incorporation of ID as subsidiary
- Financing: Favorable borrowing conditions for real estate acquisition
- Progress with repayment from property sale proceeds contributed to reduced cash inflow compared to fiscal 2022

Balance Sheet, etc.

- Steady progress with acquisition of development sites and income-producing properties.
- Well-balanced utilization of borrowing and cash reserves.
- Slight decrease in shareholders' equity following dividend payout of over ¥1.8 billion.

Main Results from the Consolidated Income Statement in the First Half of Fiscal 2023



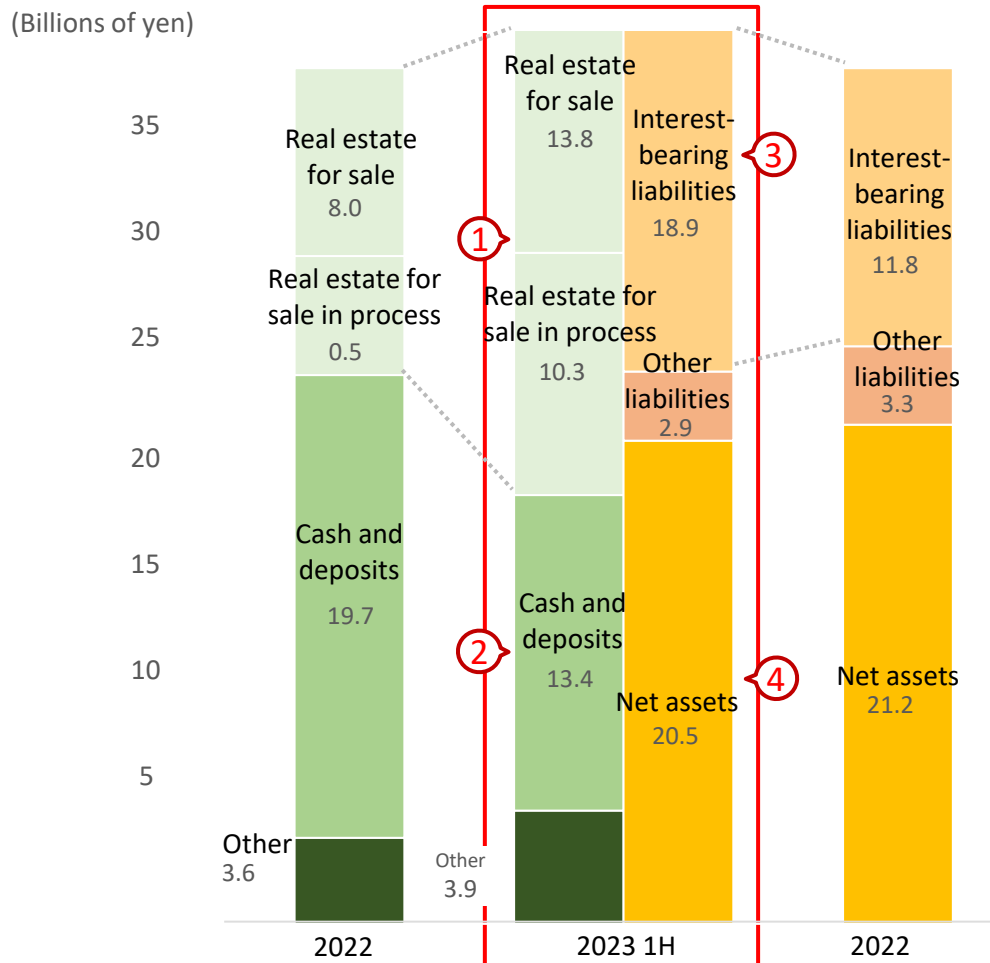
Increased revenue on conclusion of sales of a number of completed development projects and large-scale income-producing properties.
Improved profitability also in Sales Promotion Business on progress with cost efficiencies.

(Millions of yen)	Fiscal 2022 1st half ①	Fiscal 2023 1st half ②	Difference ② - ①	Percentage change (②-①)/①	
Net sales	11,512	11,713	201	1.7%	Net sales (Real Estate Business) Sales concluded on favorable conditions for large-scale income-producing properties and completed projects.
Real Estate Business	9,349	9,534	185	101.1%	(Sales Promotion Business) Solid level of contracts in outsourced staffing services.
Sales Promotion Business	2,163	2,178	15	- 4.8%	Growth achieved by new businesses launched in 2022.
Selling, general and administrative expenses	1,441	1,108	-333	- 23.1%	Non-operating expenses Active use of own capital procured in 2022. Reduction of borrowing interest.
Operating profit	521	1,104	583	111.9%	Ordinary profit Profit increased significantly due to progress in property sales.
Non-operating income	140	83	-57	- 40.7%	Extraordinary gain Gain recorded in fiscal 2022 on negative goodwill related to acquisition of ID shares.
Non-operating expenses	187	83	-104	- 55.6%	
Ordinary profit	473	1,104	631	133.0%	
Extraordinary gain	372	-	-372	- 100%	
Extraordinary loss	-	-	-	-	
Profit attributable to owners of parent	647	701	54	8.2%	Profit attributable to owners of parent Previous fiscal year's profit, including extraordinary gain, exceeded by results for main business alone.

Main Results from the Consolidated Balance Sheet as of the End of the First Half of Fiscal 2023



Active investment using own capital combined with bank borrowings.
Cash reserves remain ample despite decrease due to dividend and tax payments.



- Assets
- ① Priority given to purchasing development sites and income-producing properties.
 - ② In addition to active use of cash and deposits in ①, expenditure of over ¥3.6 billion in dividend and tax payments.

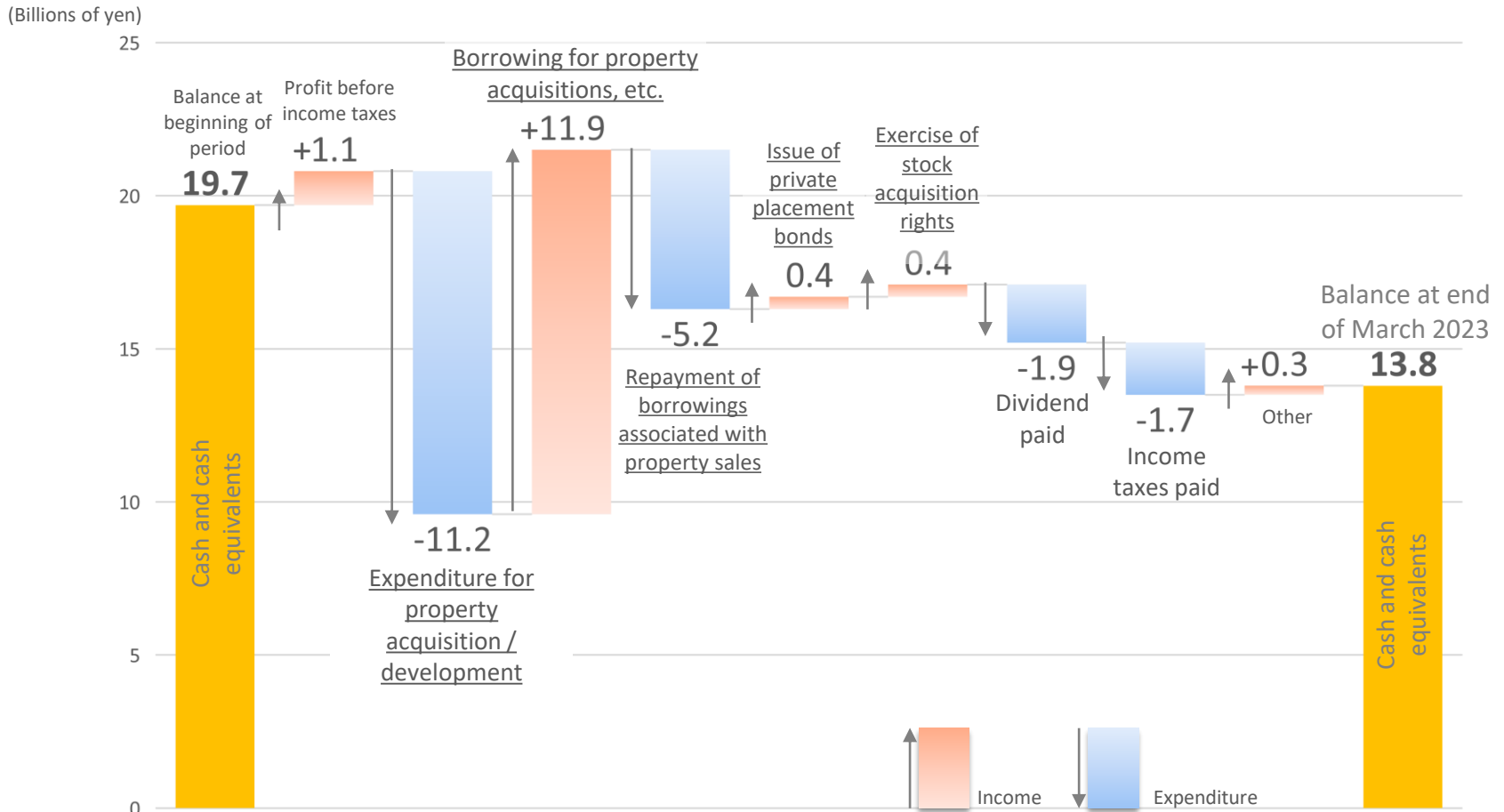
- Liabilities and net assets
- ③ increased in line with ①.
 - ✓ Active use of own capital.
 - ④ Dividend payout of ¥1.89 billion.

Capital-to-assets ratio 47.5%

(Real estate industry average: 30%)

Analysis of Consolidated Cash Flows in First Half of Fiscal 2023

Acquisitions proceed with expansion in number and scale of projects.
Favorable borrowing environment.



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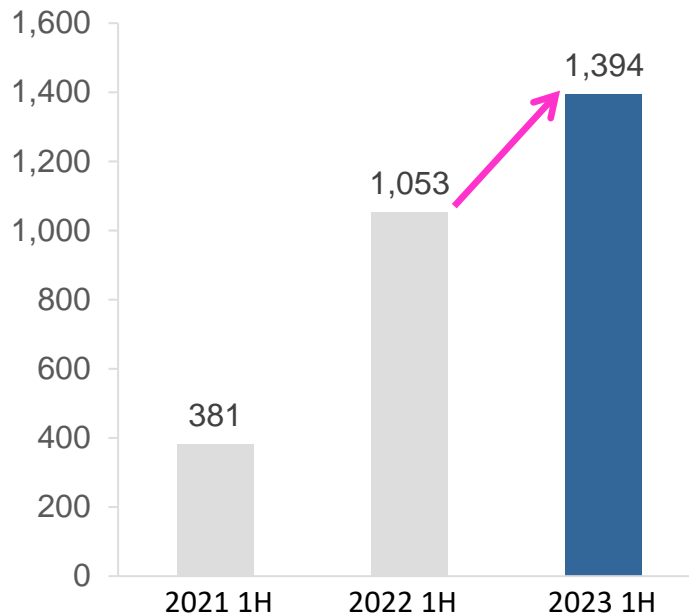
Real Estate Business (1): Properties Sold in the First Half of Fiscal 2022

Property sales to a wide-ranging customer base from individuals to real estate sales companies and investment funds.

- Continuing robust demand for residential rental property in central Tokyo.
- Progress with sale of large-scale income-producing properties, completed new residential properties, and resale condominium property.
- Steady completion of contracts with a view to handover by the fiscal year end.

Segment profit

(Millions of yen)



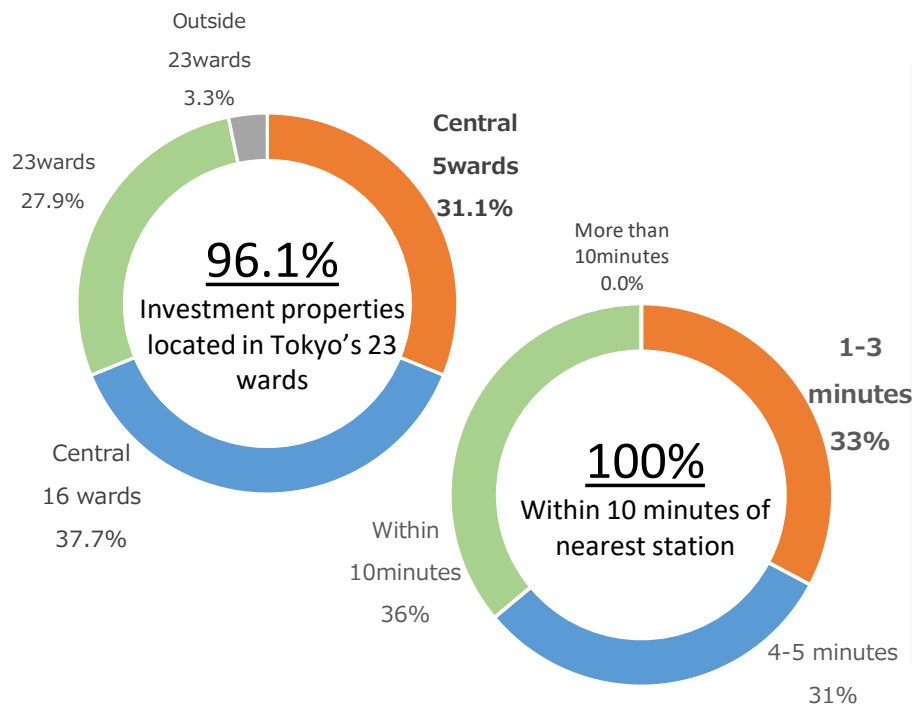
◀ Baraki-nakayama Station-front project

Real Estate Business (2): Property Portfolio Expansion in the First Half of Fiscal 2023



Rapid acquisition of central Tokyo development sites within 10 minutes of the nearest station.

- In the first half of fiscal 2023, we acquired development sites and income-producing properties worth approximately ¥17.3 billion in terms of the value of our property portfolio.
- Acquisitions with total property value of over ¥5.5 billion already envisaged while maintaining strict acquisition criteria.



◀ DeLCCS Ushigome-Kagurazaka Station-front project
Acquisition of income-producing property with direct access to Exit A3 of Ushigome-Kagurazaka Station

Notes: 1. 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.

2. Dear Life stand-alone aggregates portfolio of projects acquired and settled during each fiscal year.
The property portfolio is the total amount invested at the time of acquiring real estate.
The above property portfolio figures are comprised of the total invested in Dear Life stand-alone development projects and income-producing properties.

Overview of Affiliates

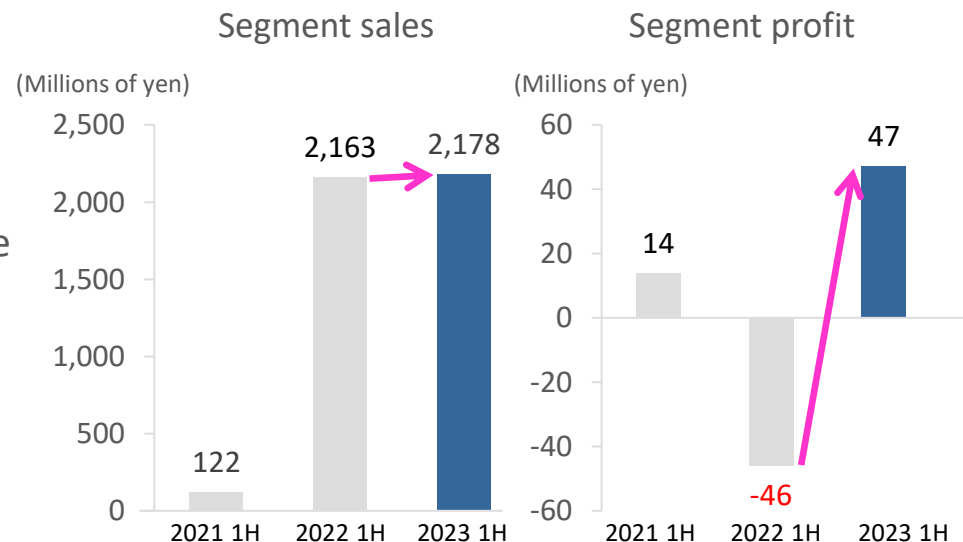


ID Inc. and ID Property Co., Ltd.

- Successful acquisition of development sites and income-producing properties in focus wards of Shinagawa and Ota.
- Cost reductions made with the help of Dear Life's fund raising capabilities.
- Robust sales across a wide range of market requirements from new residential properties to detached houses and resale properties.

DLX HOLDINGS (51.2%-owned subsidiary)

- Robust customer demand. Growth and monetization of new businesses launched in 2022.
- Significant year-on-year profit increase on progress with cost reductions including centralization of headquarters functions and review of contracts with business partners.



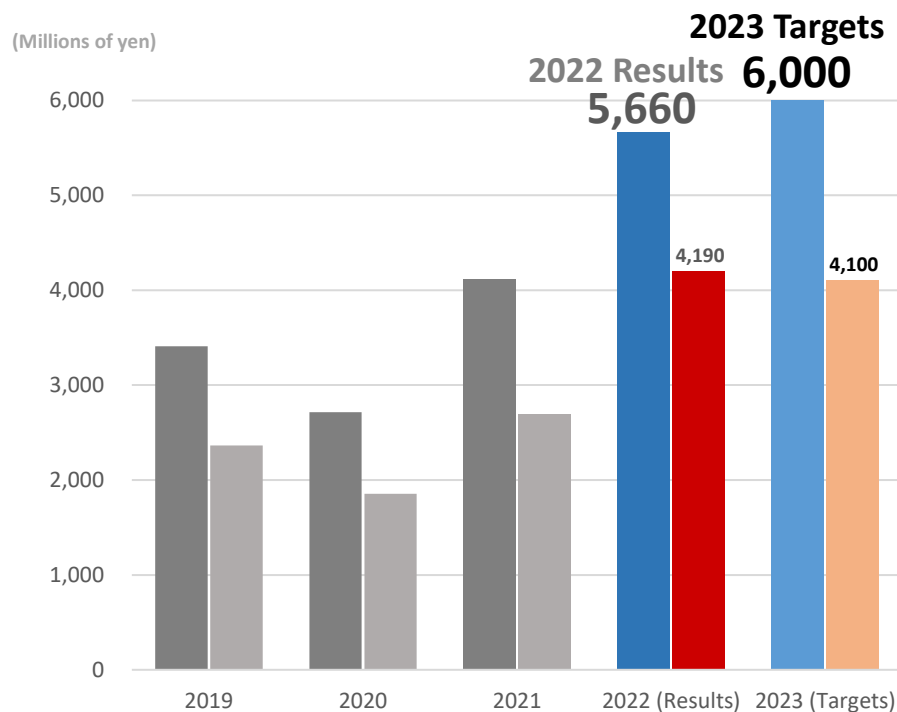
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Profit Targets for Fiscal 2023

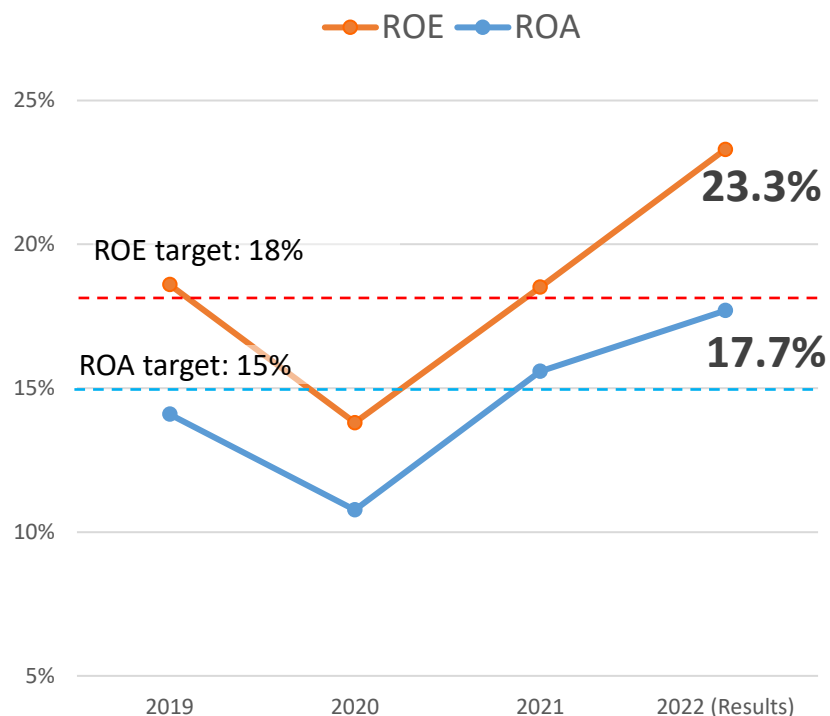
- ✓ Targets of ¥6.0 billion for ordinary profit and ¥4.1 billion for profit attributable to owners of parent.
- ✓ Additional focus on enhancing profitability and governance of DLX Holdings to accelerate growth of ID Group.

Ordinary profit

 Profit attributable to owners of parent



Fiscal year targets and results for ROE and ROA

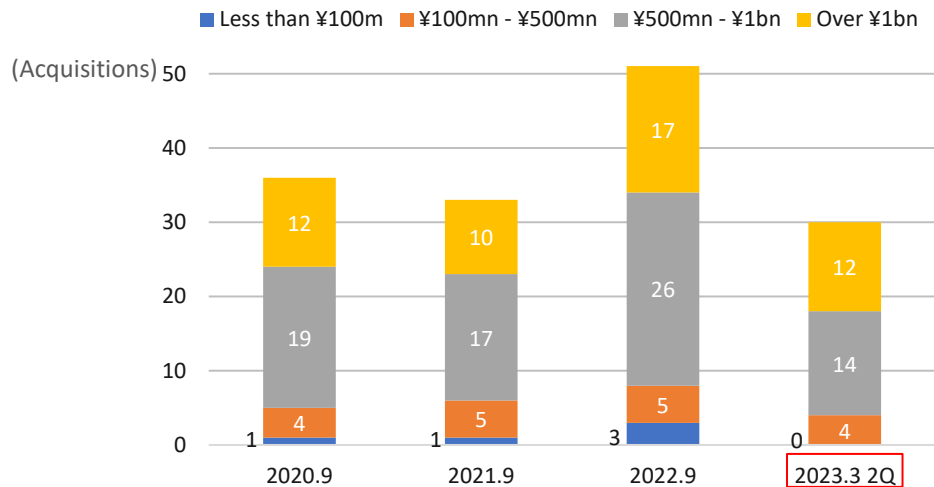


Real Estate Business: Investment Strategies in Fiscal 2023

- Carefully search for and select real estate in central Tokyo which is highly marketable, scarce, and in demand for leasing.
- 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.

▼ Change in scale of investment projects in last three years

- Robust growth in number of investment projects
- The number of projects with investment scale exceeding ¥1bn has increased



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.

▼ Development of commercial as well as residential facilities

- Promotion of plans rooted in the local community, specifically in Iidabashi and Kagurazaka areas. A number of projects are in progress.



◀ Kagurazaka 5-chome project

Completion due July 2023

Commercial and office development adjoining Kagurazaka shopping arcade



Real Estate Business: Sales Strategies in Fiscal 2023

- ✓ 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



Main development projects currently underway

Project name	Project type	Location	Nearest station
Kagurazaka 5-chome	Commercial and office building development	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Ushigome-Kagurazaka Station of Toei Oedo Subway Line
Mita	Commercial development projects	Minato Ward, Tokyo	Approx. 7-minute walk from Mita Station on the Toei Mita Subway Line, etc.
Kami-kitazawa	Condominium building development	Setagaya Ward, Tokyo	Approx. 7-minute walk from Kami-kitazawa Station of the Keio Line
Haneda II	Condominium building development	Ota Ward, Tokyo	Approx. 6-minute walk from Tenkubashi Station of the Keiyou Airport Line
Takadanobaba II	Condominium building development	Shinjuku Ward, Tokyo	Approx. 6-minute walk from Shimo-Ochiai Station of the Seibu Shinjuku Line
Oshiage II	Condominium building development	Sumida Ward, Tokyo	Approx. 3-minute walk from Hikifune Station of the Tobu Skytree and Kameido lines
Machiya	Condominium building development	Arakawa Ward, Tokyo	Approx. 2-minute walk from Machiya Station of Tokyo Metro Chiyoda Line
Heiwadai	Condominium building development	Nerima Ward, Tokyo	Approx. 2-minute walk from Heiwadai Station of Tokyo Metro Yurakucho Line
Kita-senju II	Condominium building development	Adachi Ward, Tokyo	Approx. 7-minute walk from Kita-senju Station of Tokyo Metro Chiyoda Line
Kikukawa VI	Condominium building development	Sumida Ward, Tokyo	Approx. 8-minute walk from Kikukawa Station of Toei Shinjuku Subway Line
Jujo II	Development, planning and sale	Kita Ward, Tokyo	Approx. 6-minute walk from Jujo Station of JR Saikyo Line
Hikawadai II	Development, planning and sale	Nerima Ward, Tokyo	Approx. 8-minute walk from Hikawadai Station of Tokyo Metro Fukutoshin Line and Yurakucho Line
Sadohara-cho	Development, planning and sale	Shinjuku Ward, Tokyo	Approx. 6-minute walk from Ichigaya Station of Tokyo Metro Yurakucho Line

In addition to these, 29 other projects are currently underway.

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 Yotsuya Arakicho	Commercial and residential complex	Shinjuku Ward, Tokyo	Approx. 4-minute walk from Yotsuya-Sancho Station of Tokyo Metro Marunouchi Line
DeLCCS Eifuku	Residential	Suginami Ward, Tokyo	Approx. 2-minute walk from Eifuku Station of Keio Inokashira Line
DeLCCS Akebonobashi	Residential	Shinjuku Ward, Tokyo	Approx. 2-minute walk from Akebonobashi Station of Toei Shinjuku Subway Line
DeLCCS Koenji	Residential	Suginami Ward, Tokyo	Approx. 5-minute walk from Koenji Station of the JR Chuo Line
Shinjuku Rex Heights	Residential	Shinjuku Ward, Tokyo	Approx. 5-minute walk from Ushigome-yanagicho Station of Toei Oedo Subway Line
DeLCCS Ushigome-Kagurazaka Station-front	Office building	Shinjuku Ward, Tokyo	Approx. 1-minute walk from Ushigome-Kagurazaka Station of Toei Oedo Subway Line
DeLCCS Ayase	Residential	Katsushika Ward, Tokyo	Approx. 2-minute walk from Ayase Station of Tokyo Metro Chiyoda Line

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

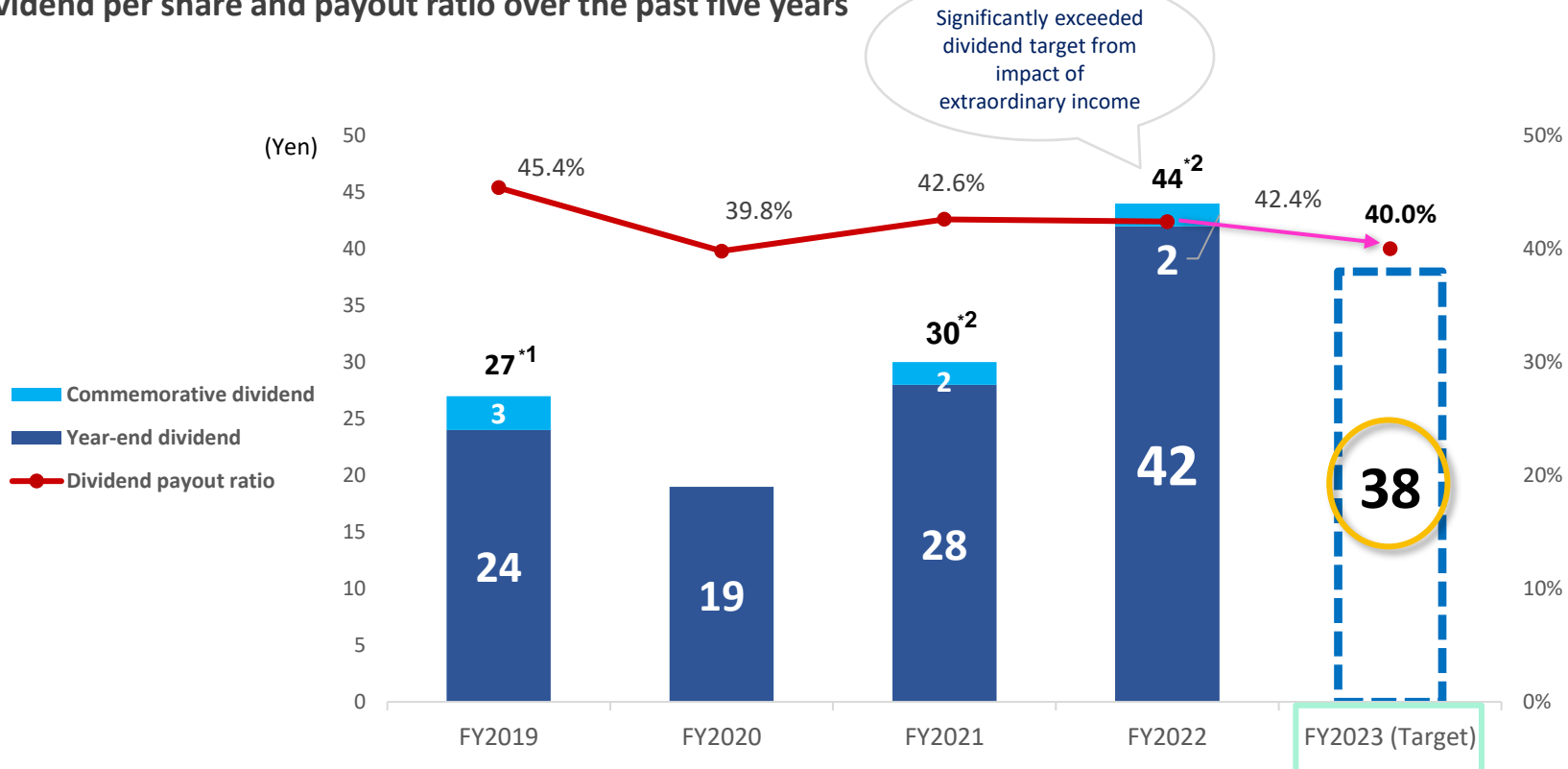
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Shareholder Returns Policy



✓ Dividend: Plans to implement a dividend payout ratio of 40% for fiscal 2023. Target of ¥38 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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