

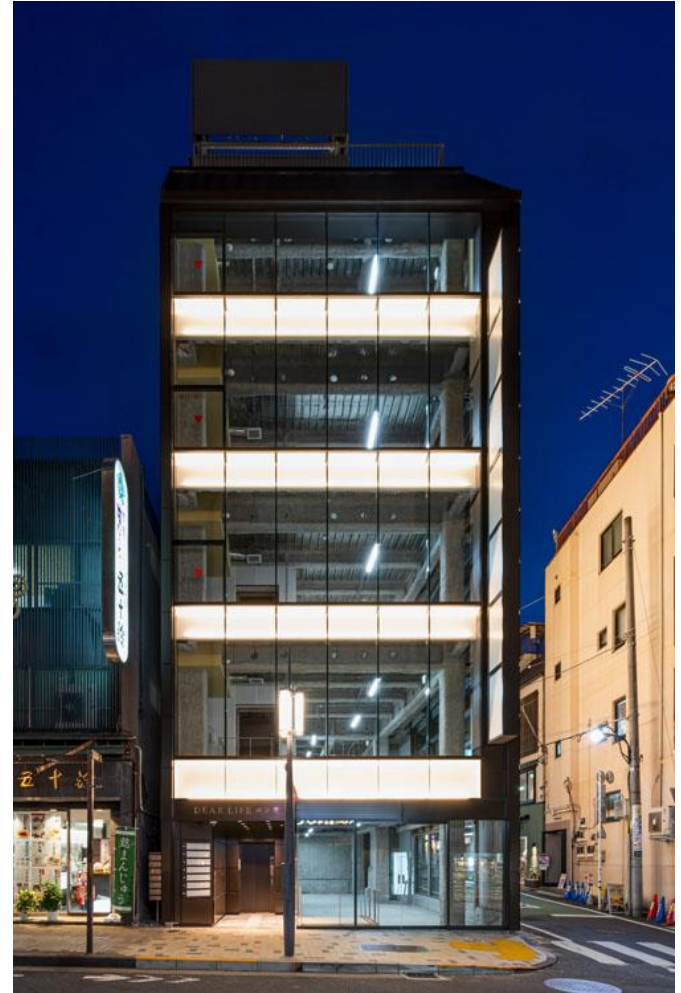
Presentation of Financial Results for
Fiscal 2023, Ended September 30, 2023

DEAR LIFE CO., LTD.

November 14, 2023



(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



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

DLX HOLDINGS (Sales Promotion Business)



- 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 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



✓ Summary of Fiscal 2023 Financial Results	4
▶ Business Overview: Successfully achieved first year targets for the medium-term management plan.	
▶ Highlights: (1) Formulation of the medium-term management plan—Breakthrough 2025 (2) 40% dividend payout ratio + ¥41 per share distributed with record profit commemorative dividend	
✓ Explanation of Fiscal 2023 Financial Results	8
▶ Financial Results and Key Performance Indicators	
▶ Income Statement and Balance Sheet, and analysis of cash flow	
✓ Explanation of Fiscal 2023 Financial Results by Business Segment	13
▶ Real Estate Business: (1) Properties Sold (2) Property Portfolio Expansion	
▶ Overview of Affiliates: Sales Promotion Business: Palma Co., Ltd.	
✓ Outlook for Fiscal 2024	18
▶ Profit Targets for Fiscal 2024	
▶ Shareholder Returns Policy Dividend payout ratio stays at 40%. Resolved to repurchase company shares totaling ¥300 million.	
▶ Medium-term management plan—Breakthrough 2025: First year progress and key initiatives (1) Segment Overview (Real Estate Business, Sales Promotion Business) (2) Strengthening the Management Foundation and ESG Management	

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Summary of Fiscal 2023 Financial Results

Achieved targets for the first year of the medium-term management plan, setting record high profits for third consecutive year

	FY2022	Fiscal 2023 (YoY change)
Net sales	¥51,905 million	¥43,503 million (-16.2%)
Operating profit	¥5,736 million	¥6,087 million (+6.1%)
Ordinary profit	¥5,666 million	¥6,181 million (+9.1%)
Profit attributable to owners of parent	¥4,199 million	¥4,304 million (+2.5%)

◎Real Estate Business

Sales: Achieved sales at high profit margin due to carefully selected locations and expanded business scale.
 Acquisitions: 65 development sites and income-producing properties acquired. Scale of business over ¥56 billion.

◎Sales Promotion Business

Greater offering of proprietary non-face-to-face services. Expanded into wider range of industries with increased number of outsourced employees.
 Strengthened personnel recruitment for outsourced staffing services and cost reductions, including centralization of headquarters functions.



Fiscal 2023 Highlights (1)

Formulation of the medium-term management plan—Breakthrough 2025, with ordinary profit target for fiscal 2025 set at ¥10 billion

In addition to numerical targets, aim to strengthen the management foundation, including people and trust that support the Group's sustainable growth.

1. Real Estate Business

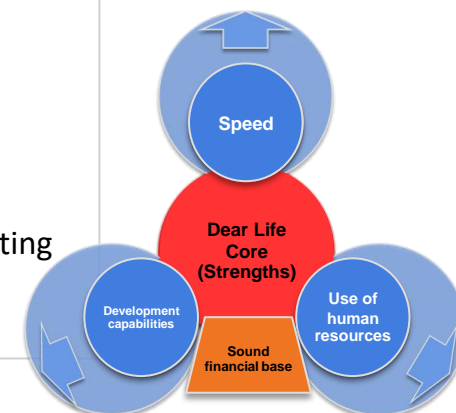
- ✓ Expand urban residence business volume and scale
- ✓ Develop and provide products and services to meet demand

2. Sales Promotion Business

- ✓ Strengthen non-face-to-face sales with IT and expand business areas
- ✓ Offer diverse work styles
- ✓ Improve profitability and strengthen governance in anticipation of DLX Holdings listing

3. Strengthening the Management Foundation

4. ESG Management



Past medium-term management plans and performance trends

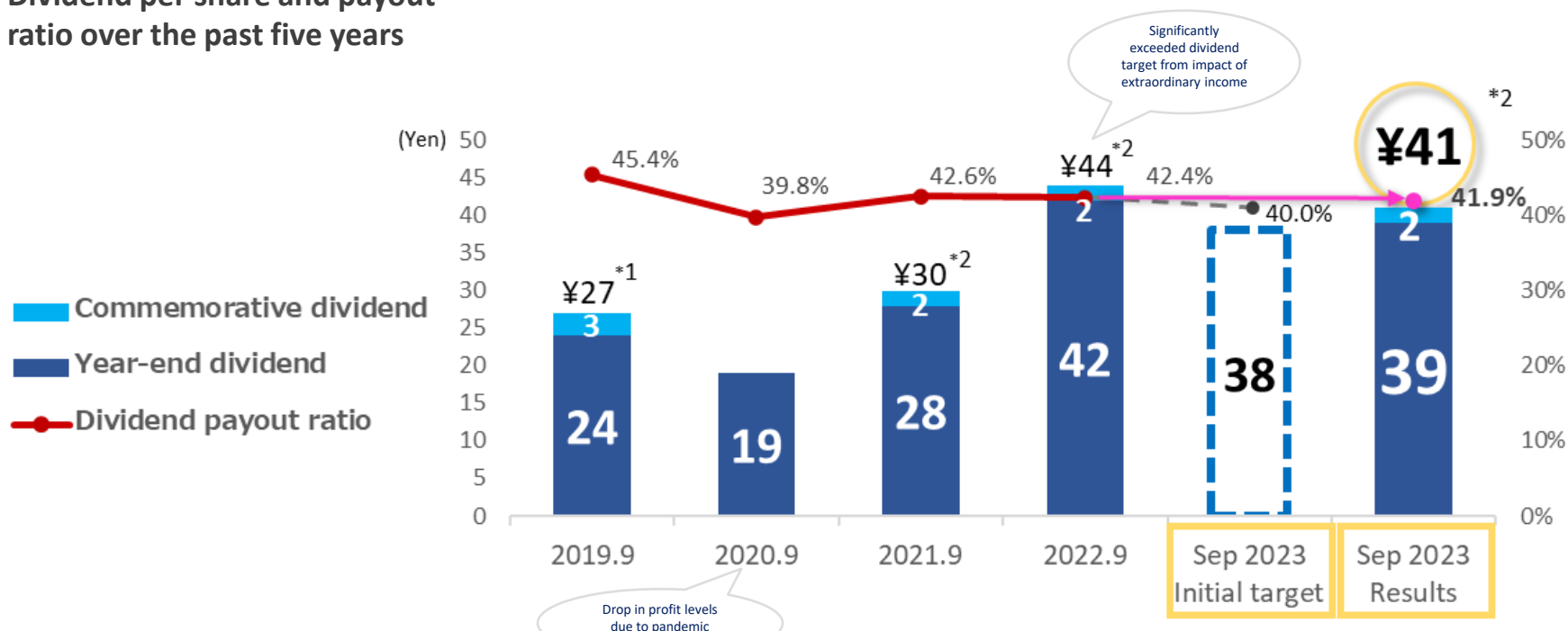


FY2023 Highlights (2)

In addition to an ordinary dividend with a payout ratio of 40%, a record profit commemorative dividend of ¥2 was paid out

Total dividends of approximately ¥1.8 billion, record profit commemorative dividend paid for third consecutive year, dividend payout ratio of 41.9%

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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Consolidated Financial Results and Key Performance Indicators in Fiscal 2023



Although sales declined, profits were up due to improved profit margins off the back of large-scale property sales on favorable terms

Active purchasing activities to achieve medium-term management plan

(Millions of yen)	FY2022 ①	FY2023 ②	Difference ② - ①	Percentage change (②-①)/①
Net sales	51,905	43,503	-8,402	- 16.2%
Operating profit	5,736	6,087	351	6.1%
Ordinary profit	5,666	6,181	515	9.1%
Profit attributable to owners of parent	4,199	4,304	105	2.5%
Earnings per share (Yen)	103.69	97.93	-5.76	- 5.6%
Net cash provided by operating activities	5,045	1,365	-3,680	
Net cash provided by (used in) investing activities	-1,104	346	1,450	
Net cash provided by financing activities	1,019	529	-490	
Cash and cash equivalents at end of period	19,677	21,920	2,243	

(Millions of yen)	FY2022 ①	FY2023 ②	Difference ② - ①	Percentage change (②-①)/①
Total assets	36,457	41,714	5,257	14.4%
Interest-bearing liabilities	11,852	13,864	2,012	17.0%
Shareholders' equity	20,866	23,780	2,914	14.0%
Capital-to-assets ratio (%)	57.2	57.0	-0.3	- 0.5%
Debt-to-equity ratio	0.57	0.58	0.01	2.3%

Income Statement

- Profit margins increased significantly due to sale of many properties under favorable conditions, owing to successful business scale expansion
- Promptly sold completed properties
- Improved operating profit margin by reducing SG&A expenses
- Recorded gain on negative goodwill in fiscal 2022
- Earnings per share fell due to exercise of stock acquisition rights completed last year

Cash Flow Statement

- Operating: Cash flow up by ¥1.3 billion off record profits and active purchasing
- Financing: Actively utilized own funds for purchasing

Balance Sheet, etc.

- Total assets increased due to steady purchasing and recording profits
- Created financial base to achieve medium-term management plan
- Capital-to-assets ratio above 50% again this fiscal year with cash on hand exceeding interest-bearing debt, effectively debt-free

Main Results from the Consolidated Income Statement in Fiscal 2023



Sales with high profit margin of large-scale income-producing properties and multiple development projects.

Successfully reduced selling, general and administrative expenses, including brokerage fees at time of sale.

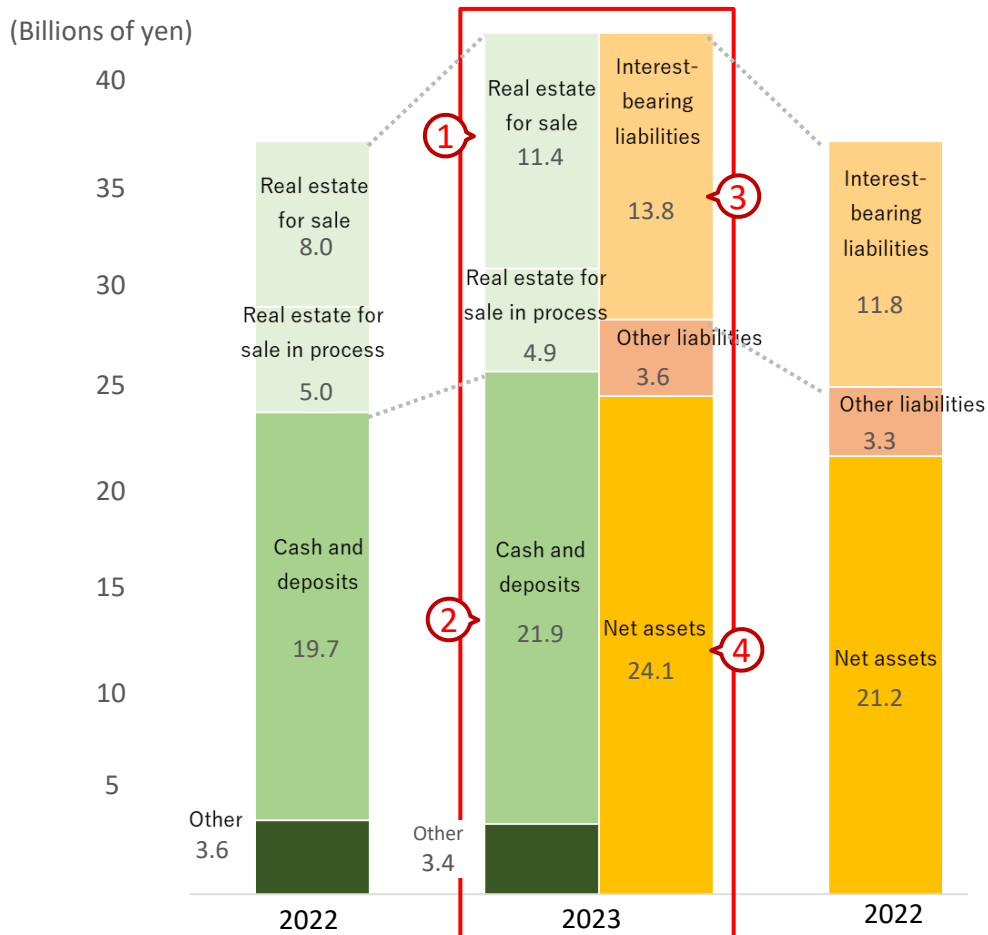
Posted record high profits despite lack of extraordinary gains seen in fiscal 2022

(Millions of yen)	FY2022 ①	FY2023 ②	Difference ② - ①	Percentage change (②-①)/①	
Net sales	51,905	43,503	-8,402	-16.2%	Net sales (Real Estate Business) Increased profits by completing numerous development projects under favorable terms (Sales Promotion Business) Although affected by reduced number of outsourced staff to some companies, maintained roughly same sales as previous year due to new business, stronger non-face-to-face sales, and improved productivity
Real Estate Business	47,621	39,325	-8,296	-8.3%	
Sales Promotion Business	4,283	4,177	-106	-2.3%	
Selling, general and administrative expenses	2,982	2,472	-510	-17.1%	Selling, general and administrative expenses Successfully reduced payments of brokerage fees by utilizing network cultivated over many years
Operating profit	5,736	6,087	351	6.1%	Non-operating expenses Active use of own funds to reduce interest on loans
Non-operating income	224	269	45	20.1%	
Non-operating expenses	294	175	-119	-40.5%	
Ordinary profit	5,666	6,181	515	9.1%	Ordinary profit Achieved targets for current fiscal year and record profits
Extraordinary gain	372	14	-358	-96.2%	
Extraordinary loss	27	35	8	29.6%	
Profit attributable to owners of parent	4,199	4,304	105	2.5%	Profit attributable to owners of parent Extraordinary income (gain on negative goodwill accrued at time of acquisition of ID) higher than previous fiscal year Achieved record high profit even on bottom line

Main Results from the Consolidated Balance Sheet in Fiscal 2023

More active use of own capital than in fiscal 2022, and active investment by optimizing portfolio with bank loans

In parallel with sales activities, favorable progress in purchasing on track to achieve medium-term management plan



Assets

(1) Real estate development and sales completed under favorable terms

At the same time, purchases to achieve the medium-term management plan progressed well

(2) Maintained strong cash position with solid recorded profits.

Covers the more than ¥3.6 billion for dividends and tax payments.

Liabilities and net assets

(3) Borrowings also increased in line with purchases with favorable terms

More active use of own capital than in fiscal 2022.

(4) Dividend payout of ¥1.89 billion

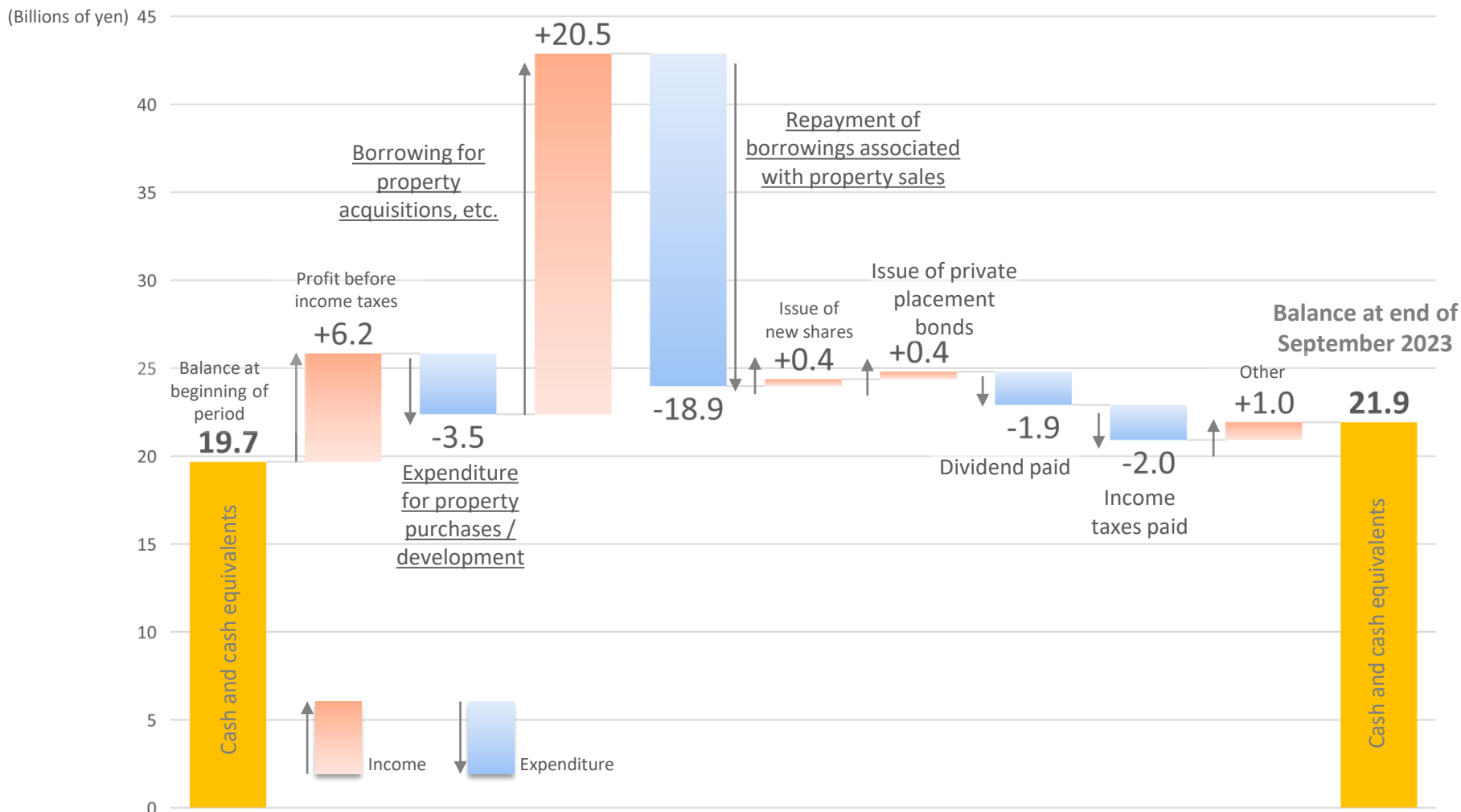
Capital-to-assets ratio **57.0%**

(Real estate industry average: 30%)



Analysis of Consolidated Cash Flow in Fiscal 2023

Sales of properties progressed quickly and on favorable terms, and cash reserves increased by about ¥2.2 billion (up 11%) in one year



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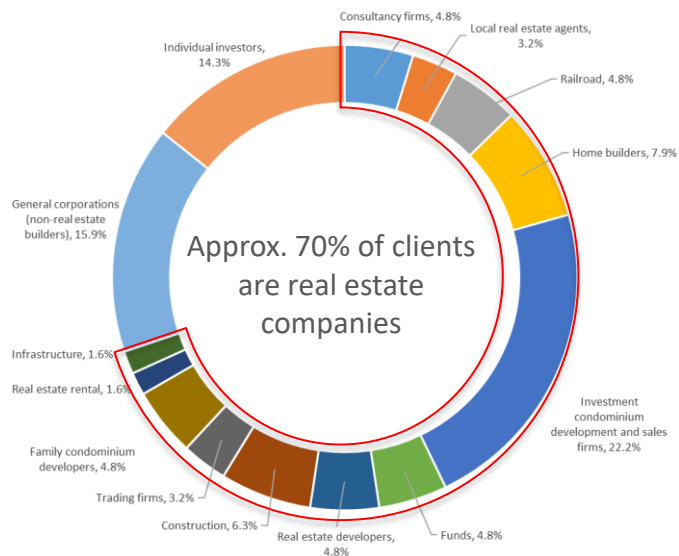
Real Estate Business (1): Properties Sold in Fiscal 2023

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

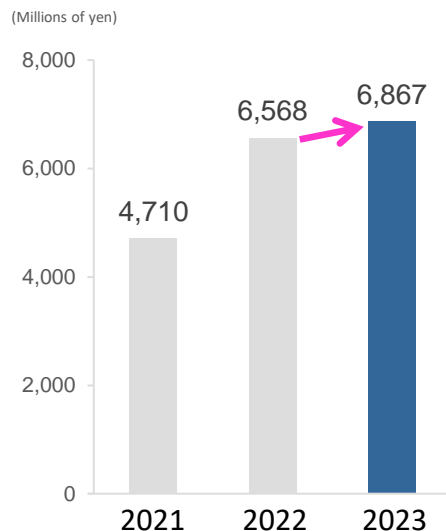
- Continued robust demand for prominent real estate in central Tokyo, especially for residential rental plots in the Tokyo Metropolitan area
- Recognized for our quick procurement and planning, selling new residential properties and large-scale income-producing properties for development

Buyer attributes (FY2023)

Sales leveraging our extensive network cultivated over the years



Year-on-year segment profit growth

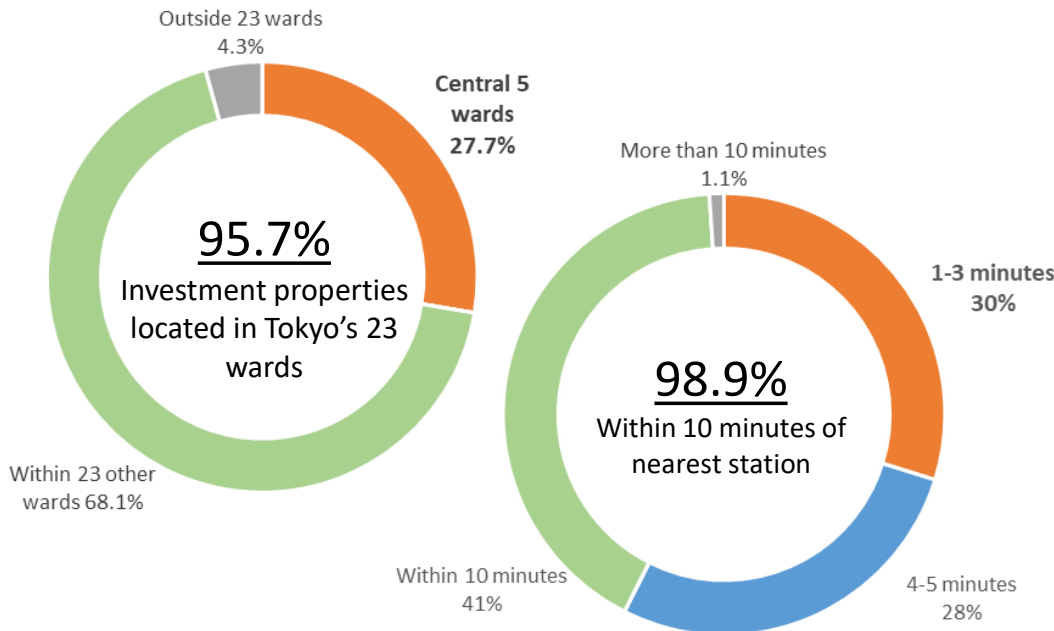


Kagurazaka 5-chome project
Commercial and office development adjoining Kagurazaka shopping arcade
Completed and sold in September 2023
Photo: Kitani Hajime (studio BAUHAUS)

Real Estate Business (2): Property Portfolio Expansion in Fiscal 2023

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

- Acquired development sites and income-producing properties worth approximately ¥56.0 billion in terms of the value of our property portfolio.
- Acquisitions with total property value of over ¥19.4 billion already envisaged while maintaining strict acquisition criteria.



DeLCCS Waseda Natsumezaka project

Notes: 1. Central 5 wards: Chiyoda, Chuo, Minato, Shibuya, and Shinjuku wards.

2. Aggregated portfolio of projects acquired and settled during fiscal year in Real Estate Unit.

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.

(Reference material) List of Main Property Projects

Main development projects currently underway

Project name	Project type	Location	Nearest station
Higashi-Matsubara	Condominium building development (joint venture)	Setagaya Ward, Tokyo	Approx. 1-minute walk from Higashi-Matsubara Station of Keio Inokashira Line
Takadanobaba II	Condominium building development (joint venture)	Shinjuku Ward, Tokyo	Approx. 6-minute walk from Shimo-Ochiai Station of the Seibu Shinjuku Line
Keikyu Kamata	Condominium building development (joint venture)	Ota Ward, Tokyo	Approx. 3-minute walk from Keikyu-Kamata Station of Keikyu Line
Komagome VI	Condominium building development	Toshima Ward, Tokyo	Approx. 9-minute walk from Nishigahara and Komagome Stations on the Tokyo Metro Namboku Line
Kita-senju II	Condominium building development	Adachi Ward, Tokyo	Approx. 7-minute walk from Kita-senju Station of Tokyo Metro Chiyoda Line
Oji II	Condominium building development	Kita Ward, Tokyo	Approx. 6-minute walk from Oji Station of Tokyo Metro Namboku Line
Nishi Ogikubo II	Condominium building development	Suginami Ward, Tokyo	Approx. 4-minute walk from Nishi-Ogikubo Station of JR Chuo Line
Asakusabashi II	Condominium building development	Taito Ward, Tokyo	Approx. 2-minute walk from Asakusabashi Station of Toei Asakusa Line

In addition to these, 22 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 Higashi-Matsubara II	Residential	Setagaya Ward, Tokyo	Approx. 3-minute walk from Higashi-Matsubara Station of Keio Inokashira Line
DeLCCS Monzennakacho II	Commercial and residential complex	Koto Ward, Tokyo	Approx. 2-minute walk from Monzennakacho Station of Toei Oedo Subway Line
DeLCCS Koenji	Commercial, office, residential	Suginami Ward, Tokyo	Approx. 5-minute walk from Koenji Station of the JR Chuo Line
DeLCCS Yutenji	Residential	Meguro Ward, Tokyo	Approx. 8-minute walk from Yutenji Station of Tokyu Railway Toyoko Line
DeLCCS Harajuku	Office building	Shibuya Ward, Tokyo	Approx. 6-minute walk from Kitasando Station of Tokyo Metro Fukutoshin Line
DeLCCS Waseda	Commercial, office, residential	Shinjuku Ward, Tokyo	Approx. 1-minute walk from Waseda Station of Tokyo Metro Tozai Line
DeLCCS Komagome Somei	Commercial, office, residential	Toshima Ward, Tokyo	Approx. 3-minute walk from Komagome Station of JR Yamanote Line and Tokyo Metro Namboku Line

In addition to these, 28 other projects are currently underway.

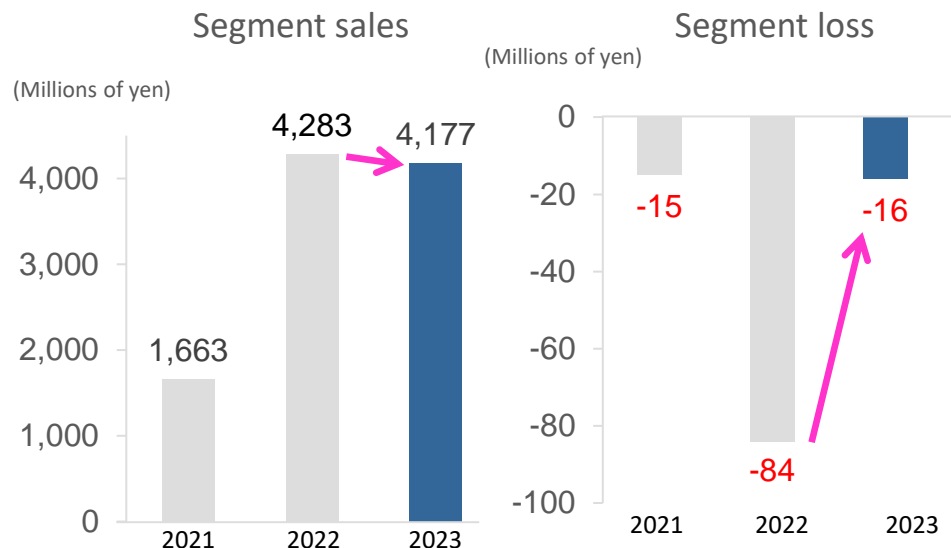
Overview of Affiliates

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 and apartments to detached houses
- Completed sale of very difficult project and strengthened purchasing for next stage growth

DLX HOLDINGS (51.2%-owned subsidiary)

- Robust customer demand. Growth and monetization of new businesses launched in 2022.
- Significant progress with cost reductions including centralization of headquarters functions and review of contracts with business partners.
- Maintained upfront investments in recruitment and training costs. Steady expansion of business areas



* Results for FY2021 are for 9 months of the year

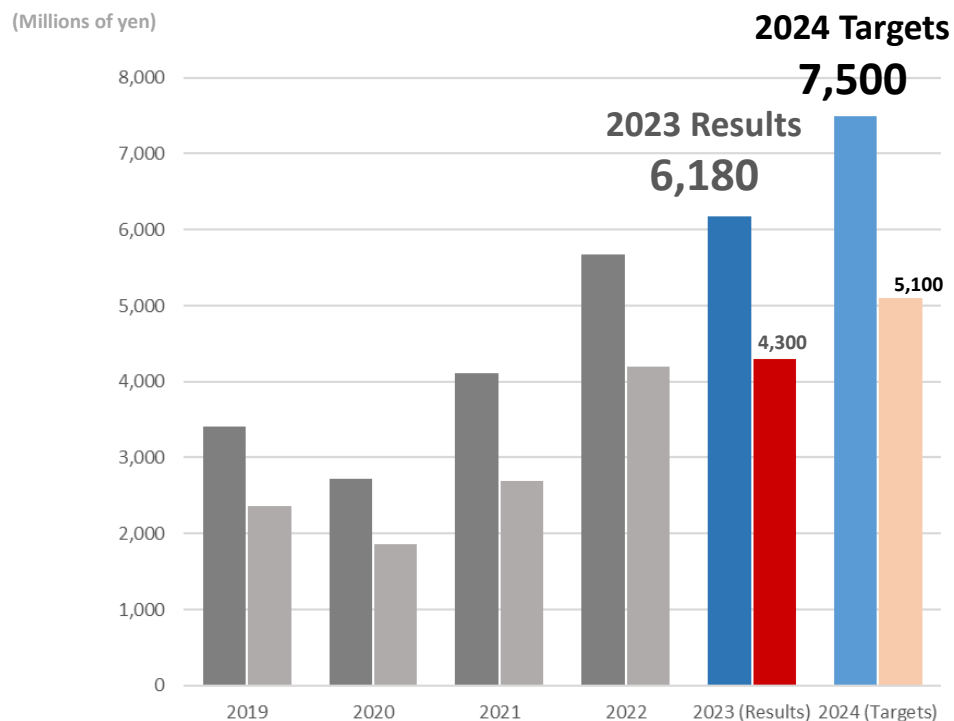
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Profit Targets for Fiscal 2024

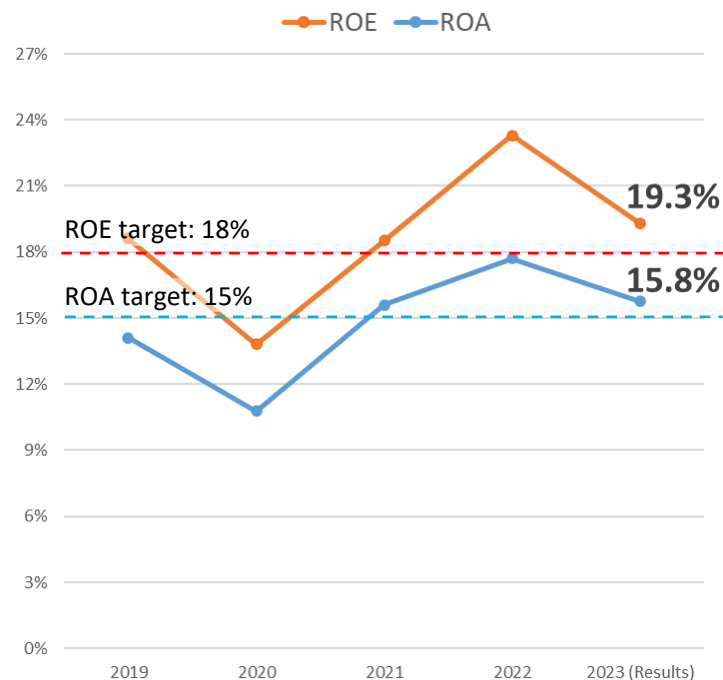
- ✓ Targets of ¥7.5 billion for ordinary profit and ¥5.1 billion for profit attributable to owners of parent.
- ✓ Additional focus on enhancing profitability and governance of DLX Holdings to accelerate growth of ID Group.

Ordinary profit

 Profit attributable to owners of parent



Fiscal year targets and results for ROE and ROA

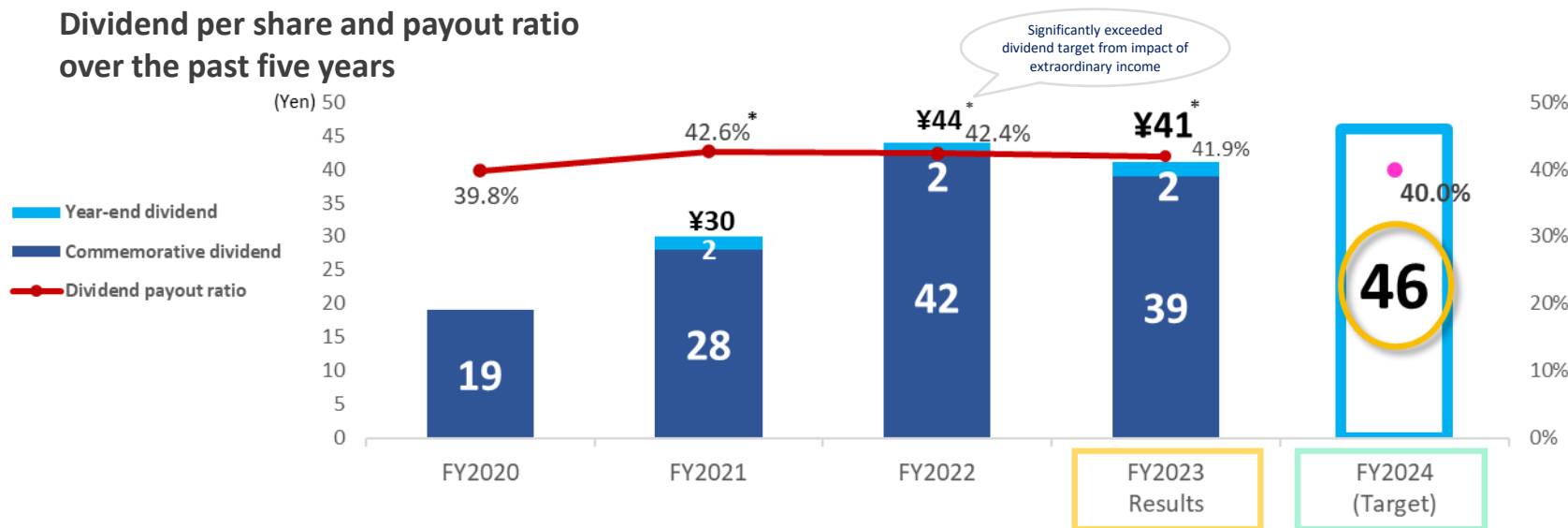




Shareholder Returns Policy

✓ Dividend: Plans to implement a dividend payout ratio of 40% for fiscal 2023. Target of ¥46 per share for year-end dividend.

Dividend per share and payout ratio over the past five years



*Includes a ¥2 record profit commemorative dividend

✓ Acquisition of Company Shares

Decided to repurchase 420,000 company shares totaling ¥300 million

Acquisition period	From November 15 to December 15, 2023
Number of shares to be acquired (max.)	420,000 (0.95% of total shares issued, excluding treasury shares)
Total amount (max.)	¥300 million
Acquisition method	Market purchase on the Tokyo Stock Exchange

Breakthrough 2025 Key Initiatives Achievements and Progress in 2023

Promoting key themes in every field toward the goal of ¥10 billion in ordinary income

Breakthrough 2025 Key Themes

Real Estate Segment

- Expand urban residence business volume and scale
- Develop and provide products and services to meet demand



2023 Achievements and Progress

- Expansion in both business scale and number of projects
- Increased number of sales of income-producing properties
- Built up expertise by completing commercial development projects
- Three joint ventures underway



Human Resources Services Segment

- Strengthen non-face-to-face sales with IT and expand business areas
- Offer diverse work styles
- Improve profitability and strengthen governance in anticipation of listing



- Leading the industry with proprietary online marketing
- Expanded outsource staffing business outside of existing industries
- Started development and dispatch of IT human resources
- Decision to merge four companies on January 1, 2024. Promoted further business efficiencies and stronger governance.



Strengthening the Management Foundation and ESG Management

- Improve capital efficiency to promote business
- Human capital management
- Foster next-generation management
- Make use of alliances and M&A



- Continued to promote highly efficient management with ROE of 15.8% and ROA of 19.3% in fiscal 2023.
- Created an environment where employees can grow with a sense of fulfillment through a results-oriented approach coupled with policy where employees are always supervised by a responsible person
- Established a Sustainability Committee
- Japan M&A Solution Incorporated, which we invested in, listed on stock exchange

Breakthrough 2025 Key Initiatives:

(1) Real Estate Business

Expand urban residence business volume and scale

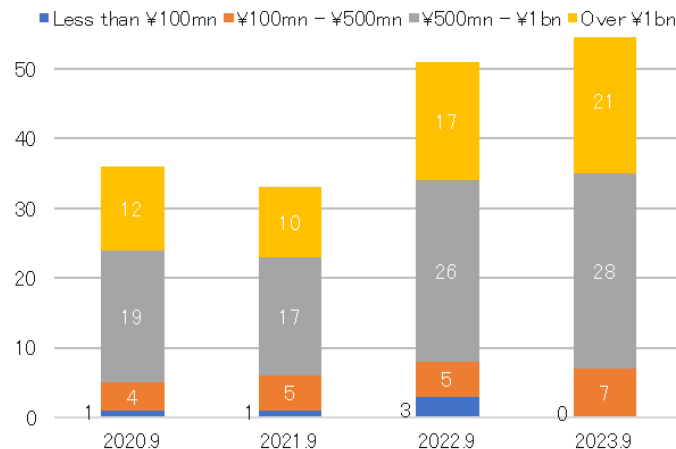
- ✓ Acquired carefully selected properties in good locations in Tokyo. Continued development for single people and DINKs who prefer urban areas.
- ✓ Expertise gained with development of commercial buildings contributed to greater investment opportunities → Further rise in achievements.
- ✓ Promoted sales at best timing while taking into account the market from planning stage to property completion.
- ✓ Purchase and sale of large-scale profitable assets in prime locations in 23 wards.

Develop and provide products and services to meet demand

- ✓ Improved our ability to plan commercial and office buildings based on our track record in commercial areas such as Kagurazaka and Omotesando.
- ✓ Three joint venture projects utilizing expertise cultivated to date now underway.
- ✓ Proposed the best business plans for acquired assets with quick decision-making and strong assessment capabilities, earning high praise from business partners.

Number and scale of business per project

(Acquisitions)



Breakthrough 2025 Key Initiatives:

(2) Sales Promotion Business

Strengthen non-face-to-face sales with IT and expand business areas

- Expand into diverse industries by leveraging marketing know-how that allows us to make contracts remotely.
- Complete education function for IT human resources in the SES business launched in the previous fiscal year. Start dispatching staff who have completed training to software development projects.
- Since the quality of our dispatched staff is rated highly in the real estate industry, plan to receive orders for large-scale projects of 1,500 units.

Offer diverse work styles

- Promoting active participation of women in the workplace with services tailored to the real estate industry
- Providing opportunities to work despite time and place restrictions



Improve profitability and strengthen governance in anticipation of listing

- Decision to merge four companies as of January 1, 2024, aim to raise profitability as Arciel Co., Ltd.



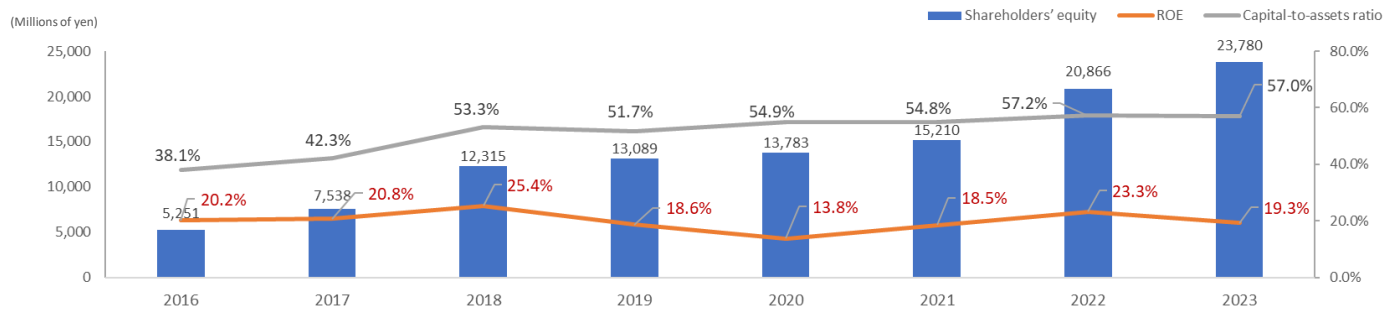
Breakthrough 2025 Key Initiatives

Strengthening the Management Foundation/ESG Management



Strengthening the Management Foundation

- Continued to promote highly efficient management with ROA of 15.8% and ROE of 19.3% in fiscal 2023.



◀ Shareholders' equity is approximately 4.5 times higher than in 2016. Accelerated growth of profits and shareholder equity while maintaining a dividend payout ratio of 40%.

ESG Management

- Discover high-growth businesses following on from Palma Co., Ltd. and support startups. **✓ Japan M&A Solution Incorporated listed on the TSE Growth Market in October 2023.**
- Redefine and strengthen past initiatives with ESG at the heart of our efforts.
- Continue to maintain diligent governance through efficient management with small number of people.



Rooftop greening in a Dear Life development project ▶



Contact details for enquiries regarding this presentation

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