

Presentation of Financial Results for  
the First Half of Fiscal 2023, Ending  
September 30, 2024  
DEAR LIFE CO., LTD.

May 10, 2024

20

24

## Overview of First Half Financial Results

### KPI Highlights

Consolidated ordinary profit (H1)

**¥338 million**  
(down 69.4% YoY)

Profit attributable to owners of parent (H1)

**¥193 million**  
(down 72.4% YoY)

Property portfolio of acquired projects (H1)

**¥30.6 billion**  
(up 9.9% YoY)

Capital-to-assets ratio

**48.8%**  
(down 8.2 pts YoY)

Earnings per share

**¥4.42**  
(down 72.3% YoY)

Company shares acquired

**Total: ¥299 million**

Period: Nov. 15 – Dec. 15  
344,000 shares acquired

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# 01. Operating Results & Financial Status

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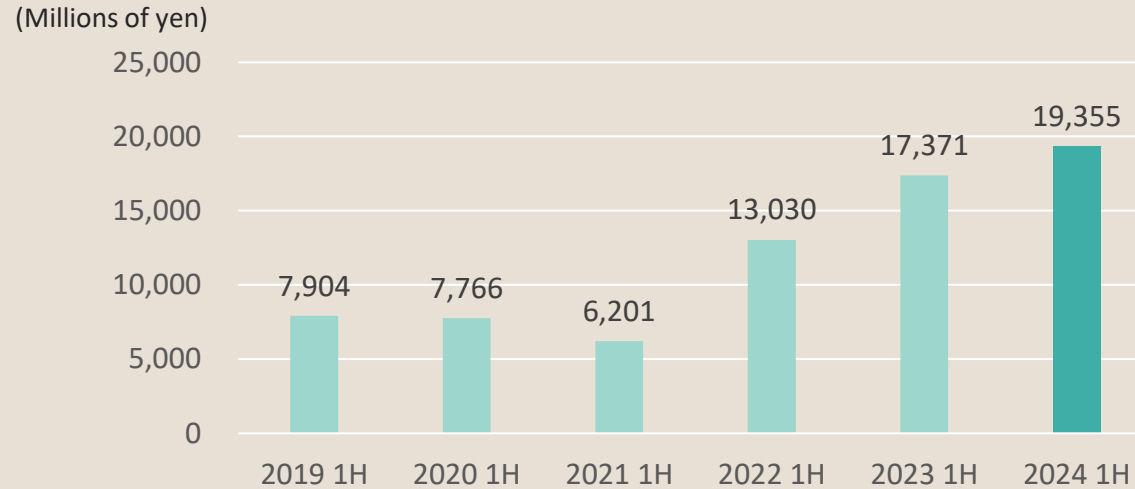
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# Operating Results

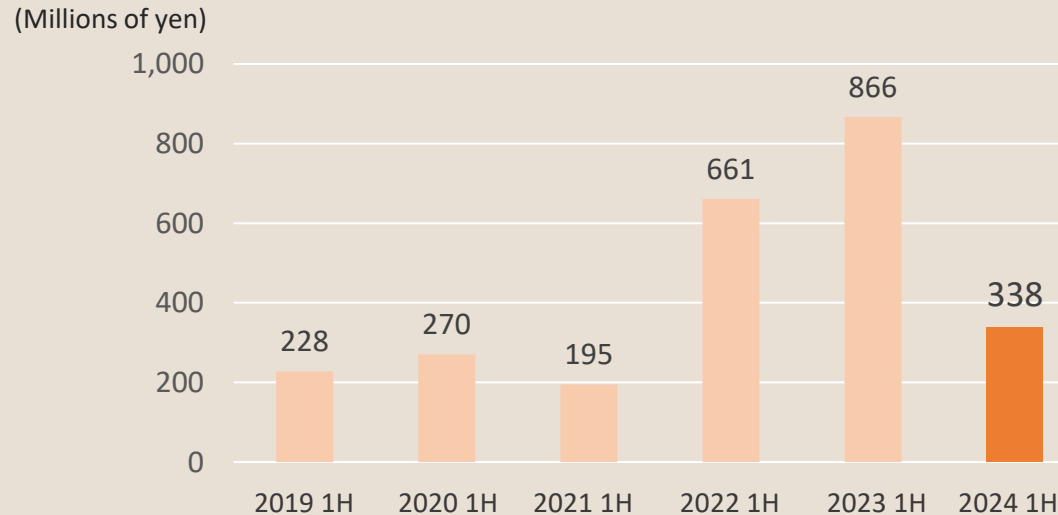
- Q2 Ordinary Profit

Secured real estate  
worth **¥19.3**  
billion in terms of  
property portfolio

Ordinary profit  
**¥330** million



Notes: 1. Aggregated portfolio of projects acquired and settled in the Real Estate Business during each quarter.  
2. 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 development projects and income-producing properties in the Real Estate Business.



# Financial Status

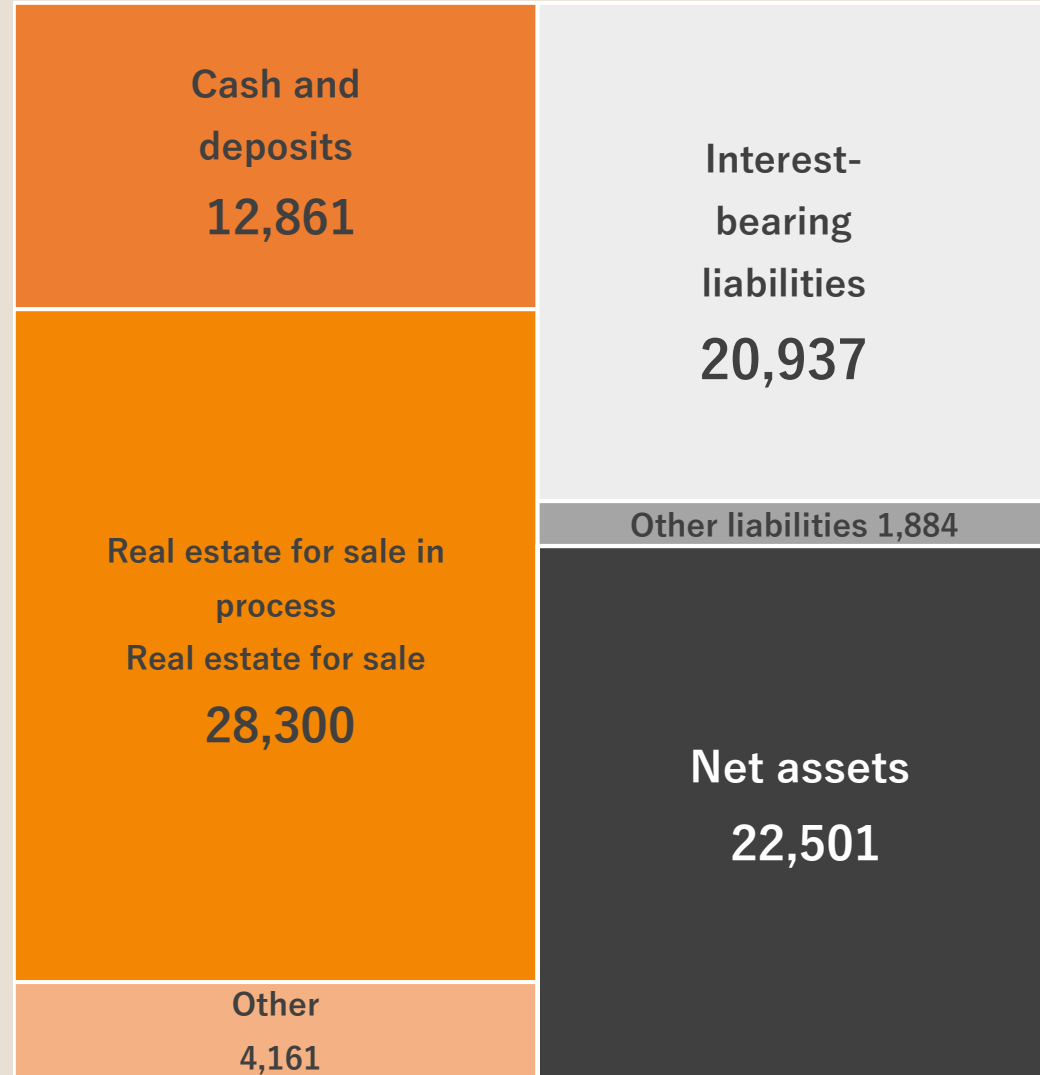
- Consolidated Balance Sheet

Capital-to-assets ratio

**48.8%**

Maintained solid financial base

(Millions of yen)

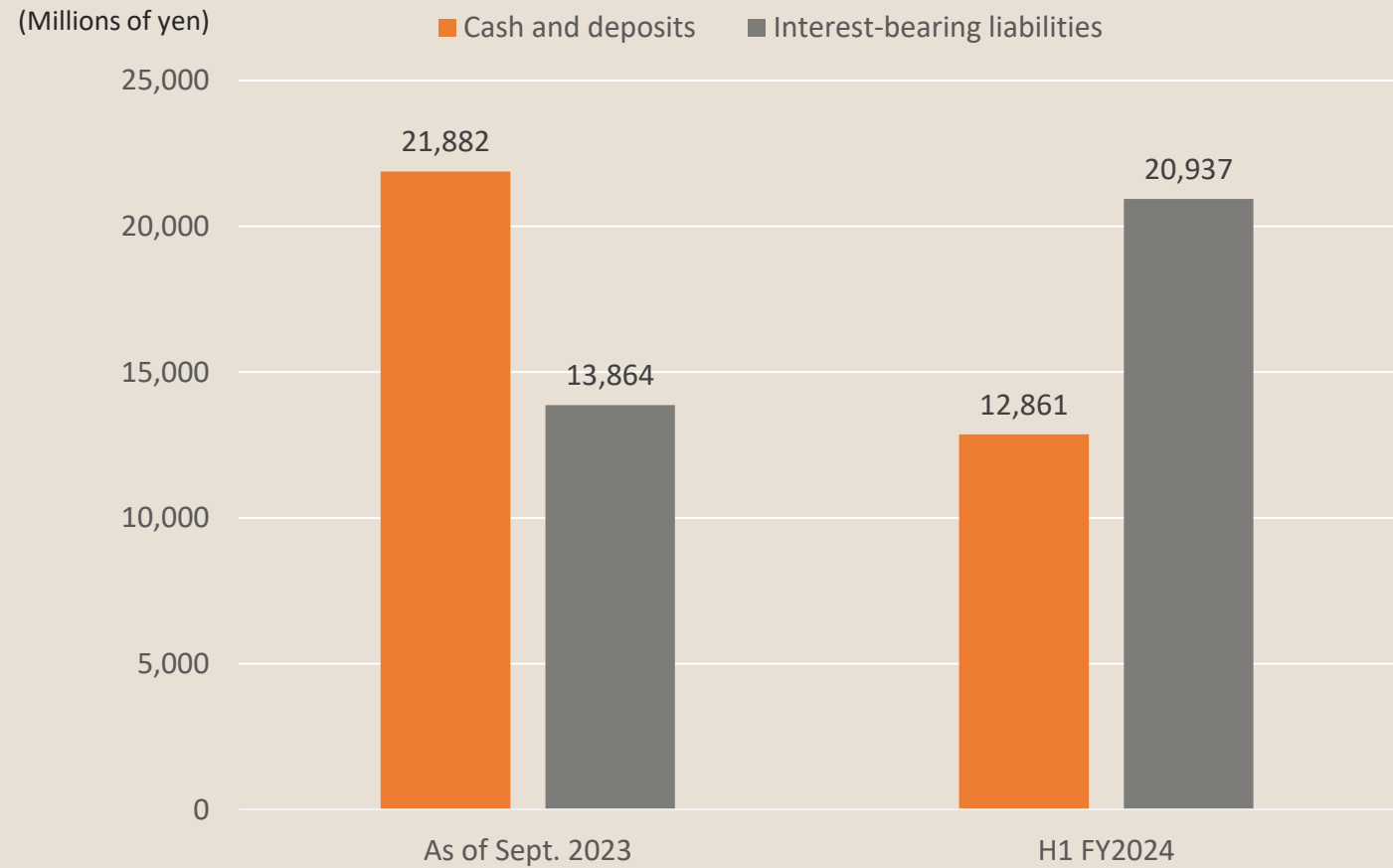


## Financial Status

- Cash and Deposits & Interest-Bearing Liabilities

Priority **focus on**  
**purchasing**  
properties

Active investment of own  
capital while utilizing  
borrowings

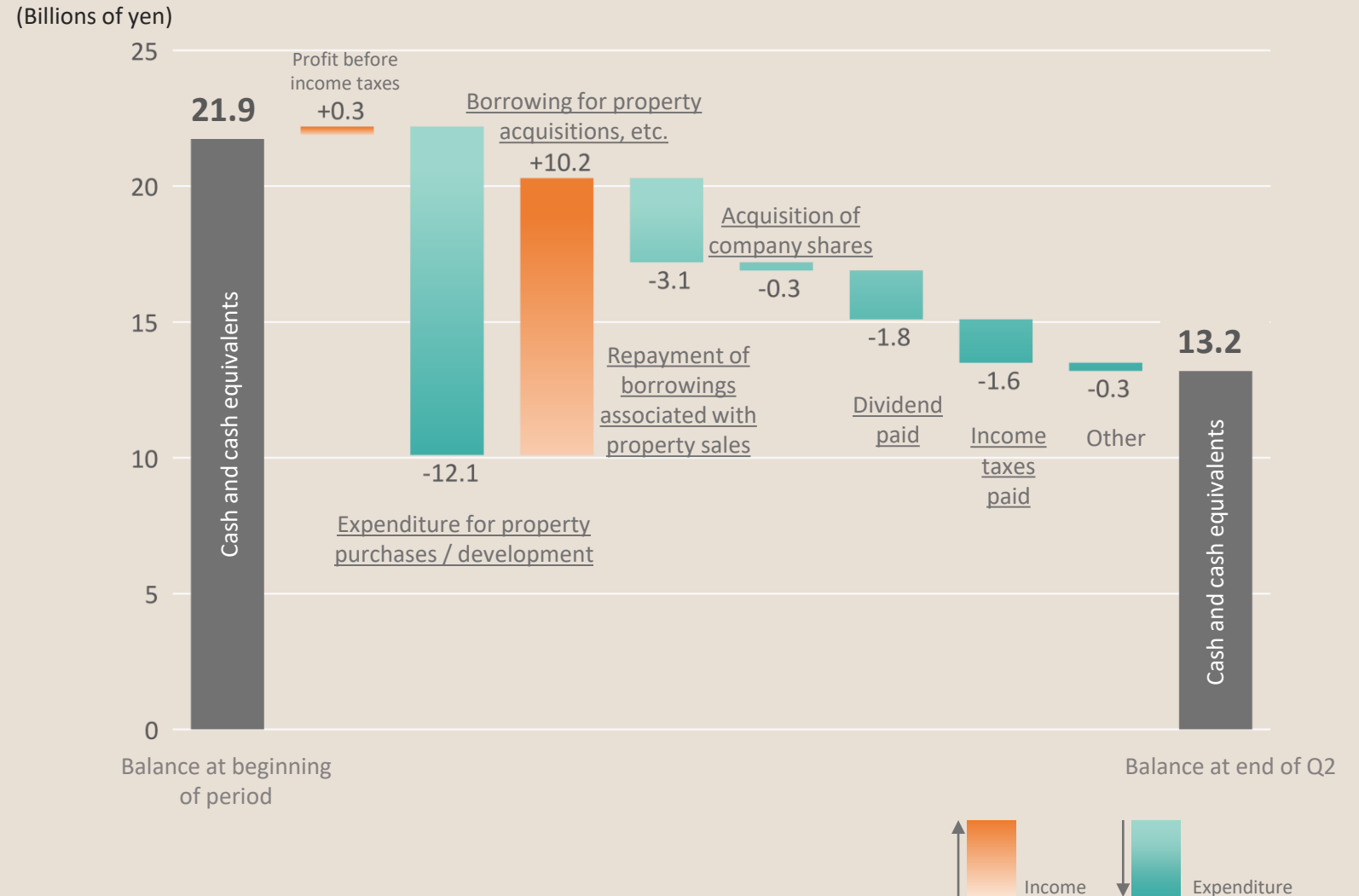


# Financial Status

## - Cash Flow

Active utilization of own funds

Favorable borrowing environment from financial institutions





## 02. Real Estate Business

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# Real Estate Business

## - Segment Sales & Profit

### Segment sales

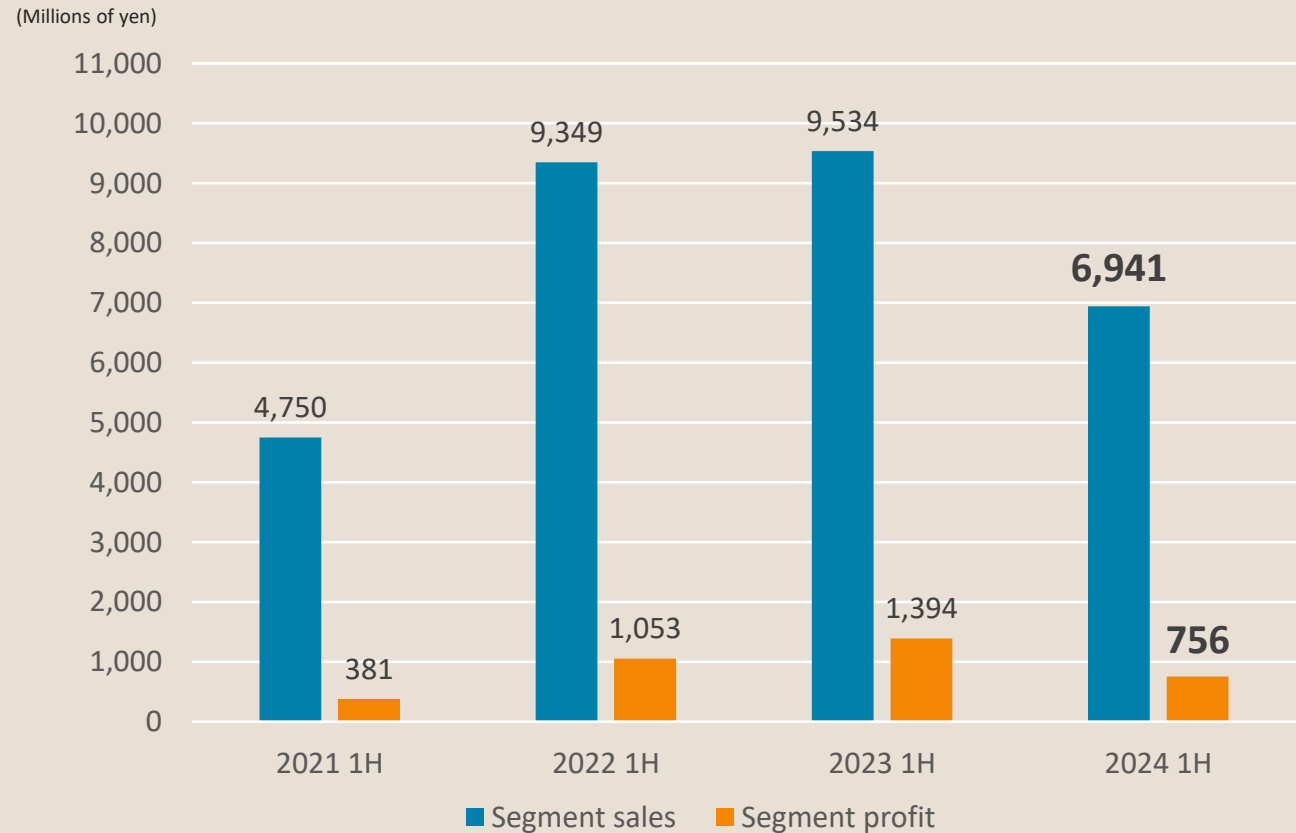
¥ **6,941** million

(down **27.2%** YoY)

### Segment profit

¥ **756** million

(down **45.7%** YoY)



# Real Estate Business

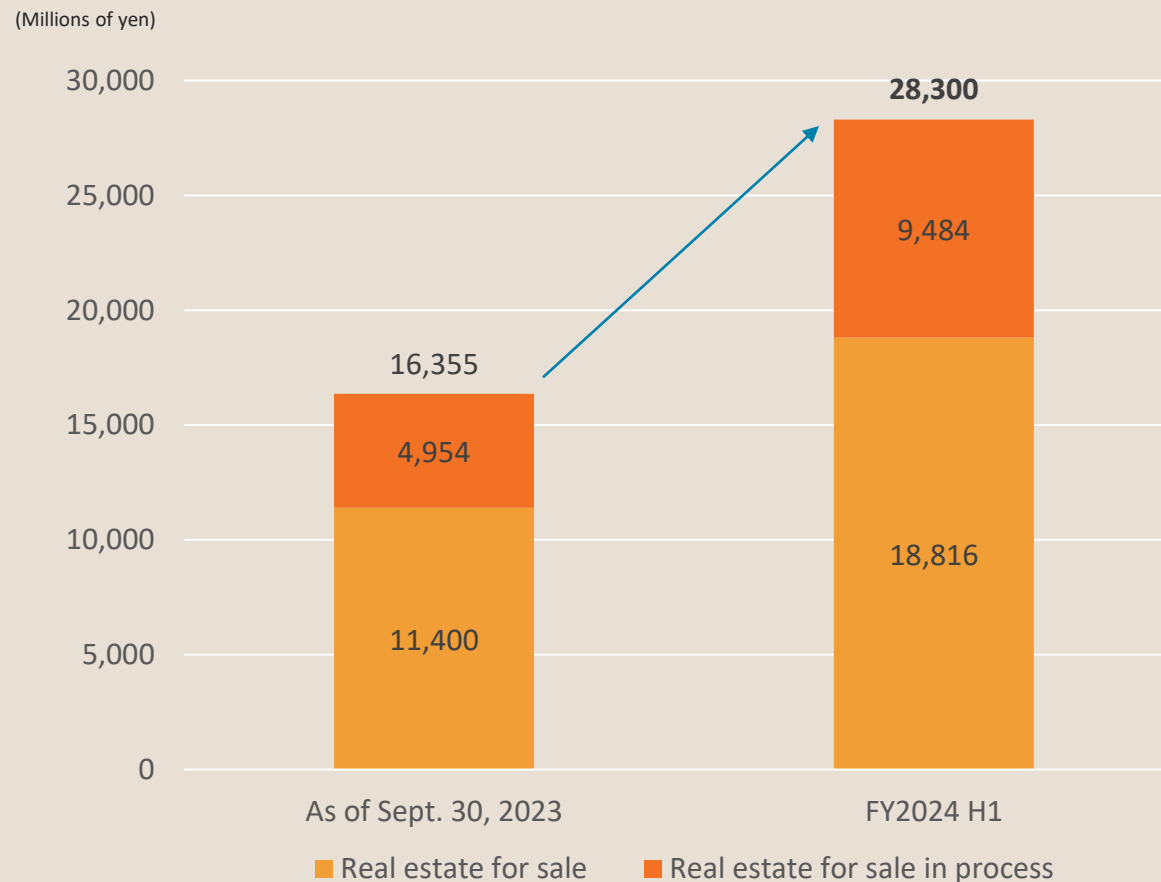
## - Inventory

Inventory balance

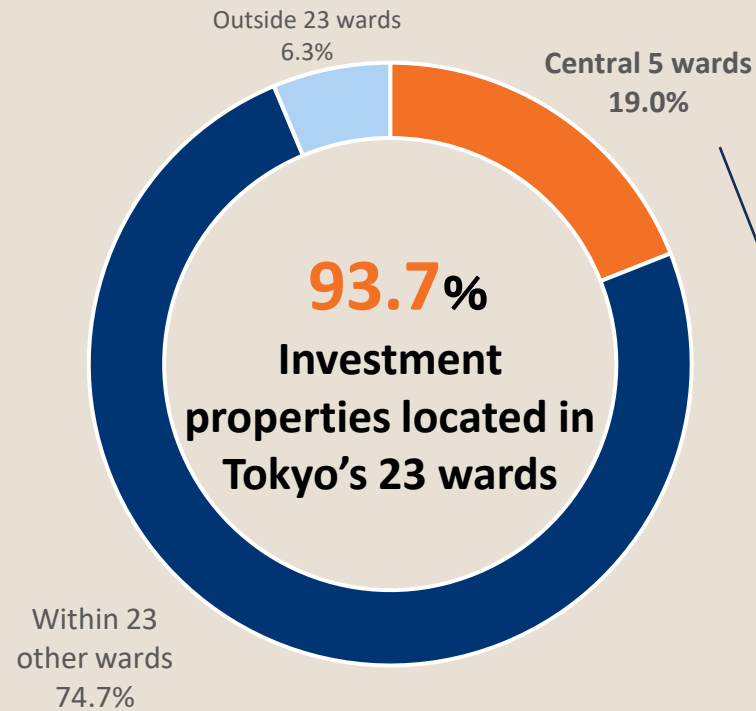
¥**28,300** million

(up **73.0%** vs. Sept. 30, 2023)

Purchasing activities  
progressed well



Continued investment  
in **23 wards** where  
demand is strong



▪ Tachikawa V Project (Tachikawa City, Tokyo), and others

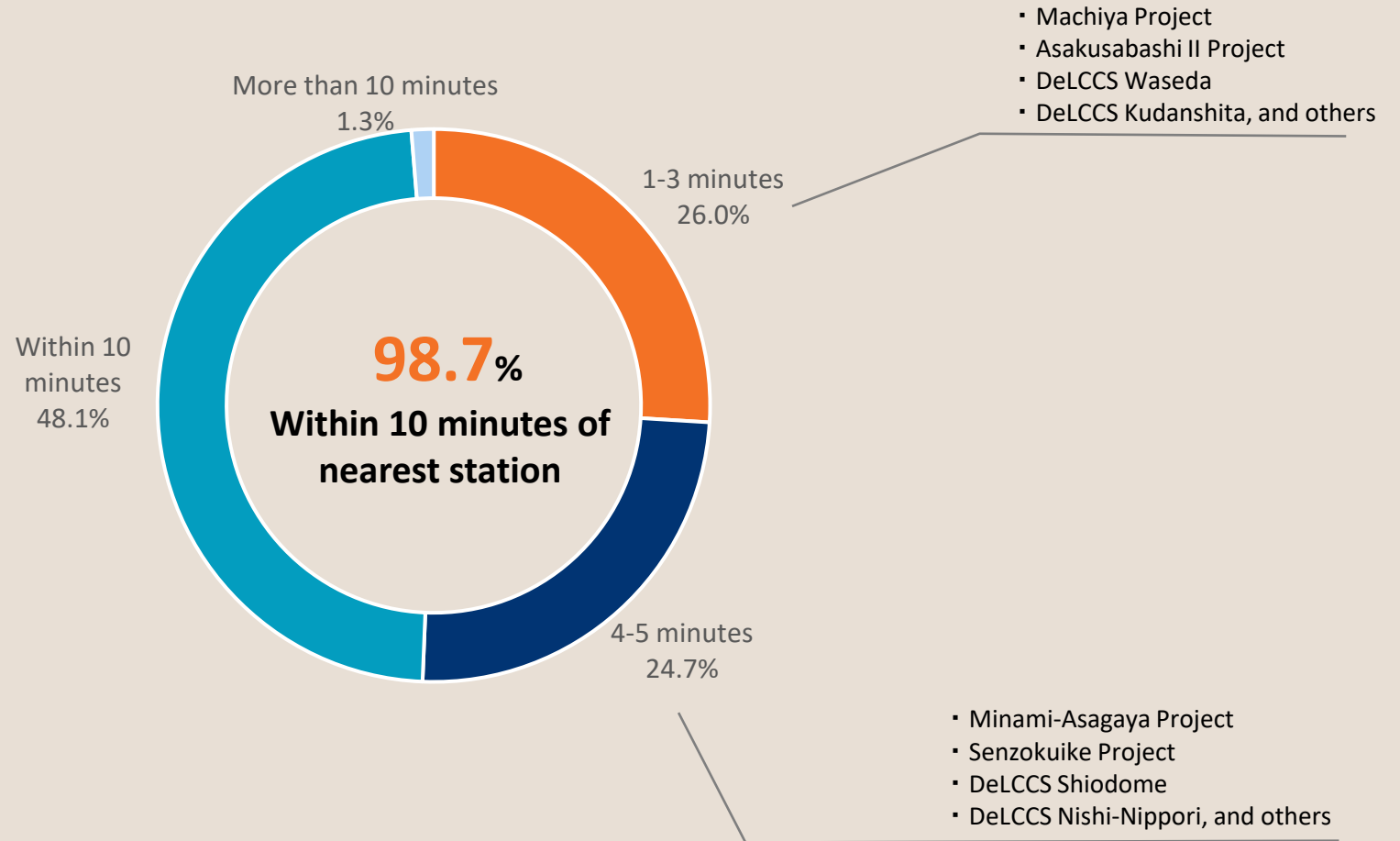
- Kagurazaka 2-chome land with leasehold interest (Shinjuku Ward)
- Ginza Apartment House (Chuo Ward)
- DeLCCS Harajuku (Shibuya Ward)
- DeLCCS Kudanshita (Chiyoda Ward), and others

\* Central 5 wards: Chiyoda, Chuo, Minato, Shibuya, and Shinjuku wards

# Real Estate Business

## - Purchasing Activities

Carefully selected investments in real estate located **within 10 minute-walk of nearest station** favored by singles and DINKs

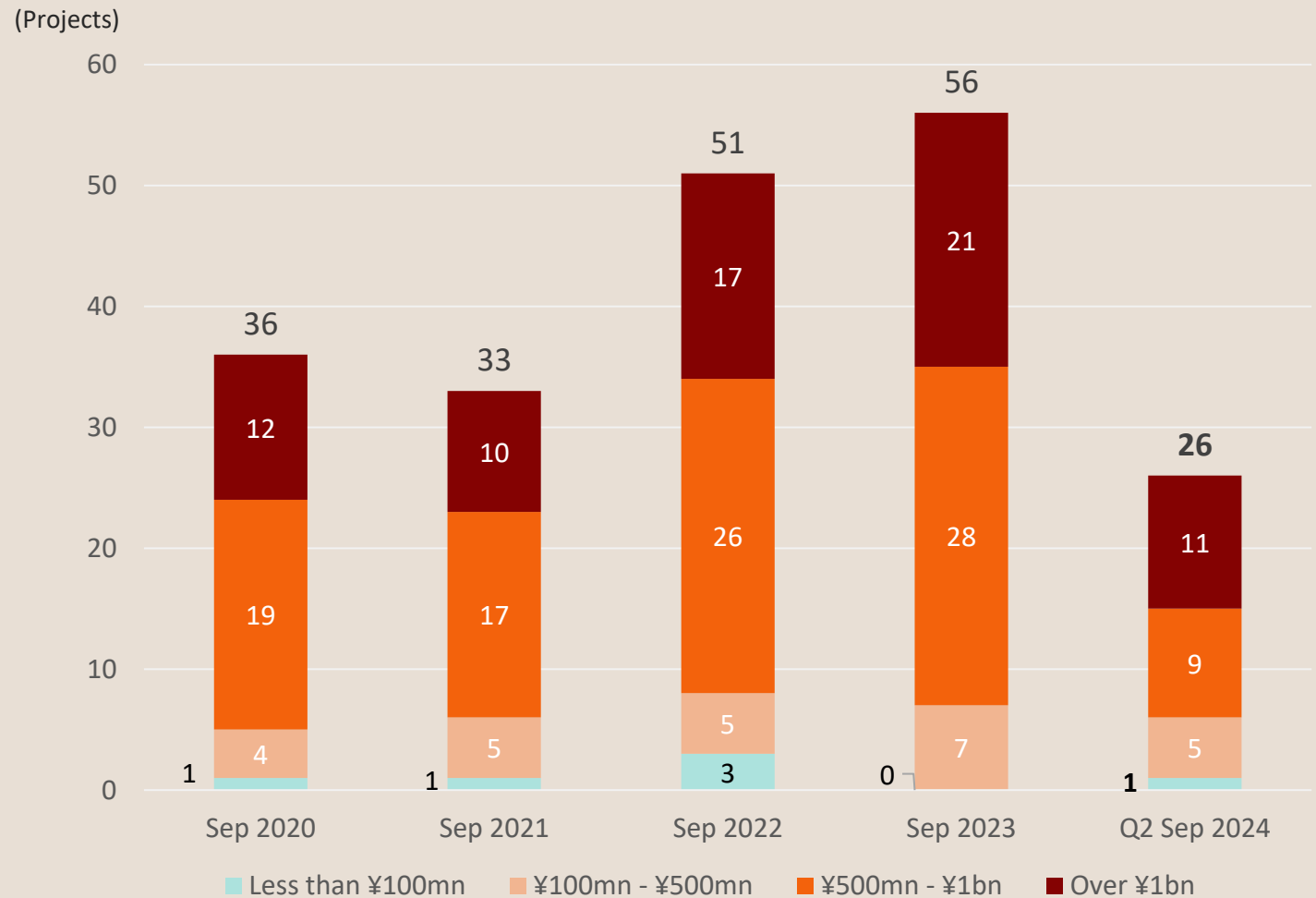


# Real Estate Business

## - Purchasing Activities

Good progress in purchasing large projects of over ¥1 billion in business scale

Plans already in place to acquire real estate worth ¥18 billion in business scale from Q3 onwards

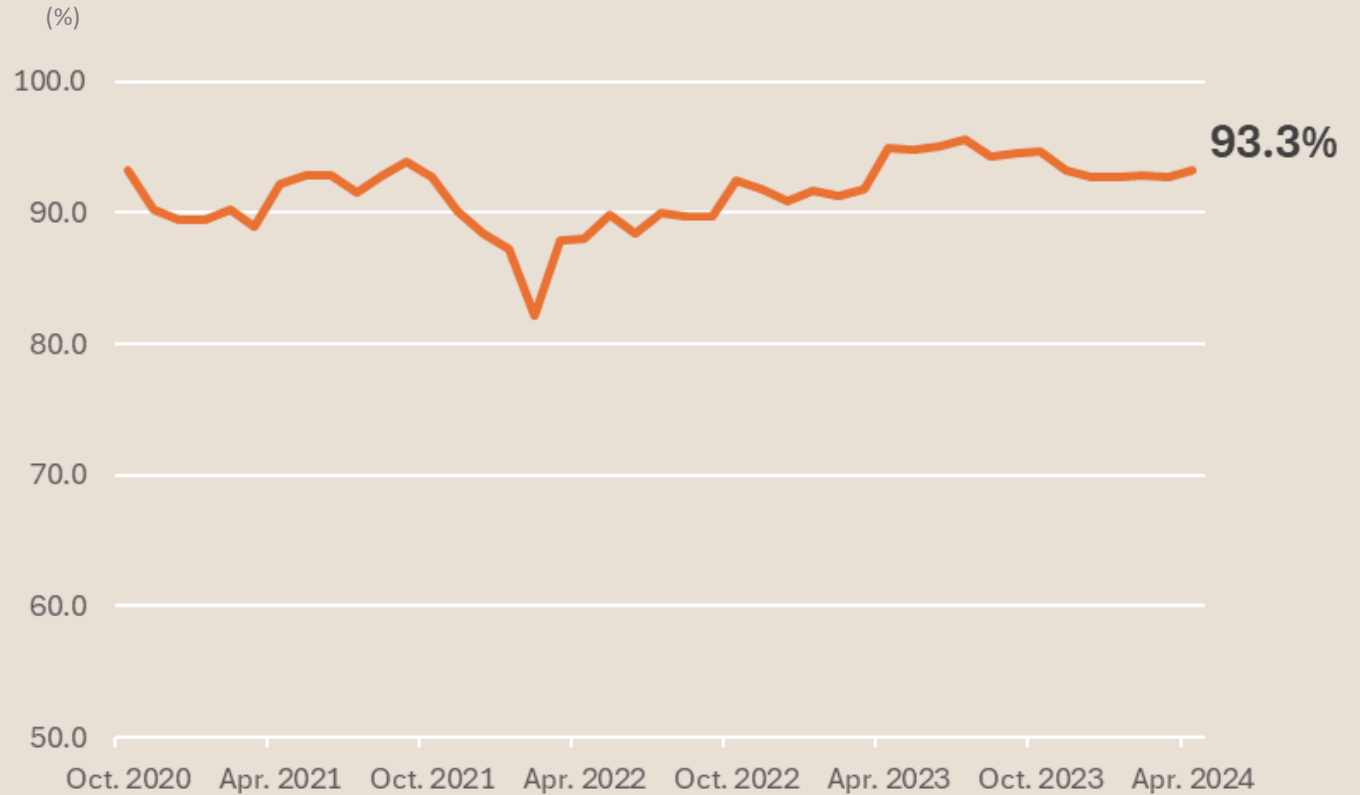


Notes: 1. The property portfolio is the total amount invested at the time of acquiring real estate.  
 2. Aggregated portfolio of projects acquired and settled in the Real Estate Business during the fiscal year.  
 The above property portfolio figures are comprised of the total invested in development projects and income-producing properties in the Real Estate Business.

# Real Estate Business

- Average occupancy rates of properties owned by Dear Life

Owned real estate occupancy rates remain at high level above **90%**



# Real Estate Business

## - Main Properties under Development

**38** development projects  
and **47** income-producing  
properties underway

### Komagome VI Project

Urban residential project with **24** units

**9**-minute walk from **Komagome** and **Nishigahara** Stations on the Tokyo Metro Namboku Line

Direct access to **Yotsuya**, **Nagatacho**, and **Roppongi 1-chome**

### Machiya Project

Urban residential project with **48** units

**2**-minute walk from **Machiya** Station of Tokyo Metro Chiyoda Line

Direct access to **Otemachi**, **Kasumigaseki**, and **Omotesando**

### Otorii II Project

Urban residential project with **44** units

**7**-minute walk from **Otorii** Station of Keikyu Airport Line

Direct access to **Haneda Airport**, **Shinagawa**, and **Sengakuji**



## Real Estate Business - Main Properties under Development

**38** development projects  
and **47** income-producing  
properties underway

DeLCCS Waseda Natsumezaka Project **23** residential units and **1** commercial

**3**-minute walk from **Wakamatsu Kawada** Station of Toei Oedo Line

**8**-minute walk from **Waseda** Station of Tokyo Metro Tozai Line

Direct access to **Shinjuku**, **Aoyama 1-chome**, **Otemachi**, and **Nihombashi**

DeLCCS Shiodome Project **44** residential units and **1** commercial

**5**-minute walk from **Onarimon** Station of Toei Mita Line

**5**-minute walk from **Daimon** Station of Toei Oedo Line and Asakusa Line

**10**-minute walk from **Shimbashi** Station of JR Yamanote and other Lines

**13**-minute walk from **Kamiyacho** Station of Tokyo Metro Hibiya Line

Direct access to **Ginza**, **Mita**, **Hibiya**, and **Nihombashi**

DeLCCS Ichigaya Haraikatamachi Project **49** residential units

**6**-minute walk from **Ichigaya** Station of Tokyo Metro Namboku Line and Yurakucho Lines

**8**-minute walk from **Ushigome-Kagurazaka** Station of Toei Oedo Line

Direct access to **Shinjuku**, **Akihabara**, **Nagatacho**, and **Roppongi 1-chome**

# Key initiatives

- The current business environment
- Carefully selected properties acquired in prime Tokyo locations
- Push for larger projects

The current business  
environment is  
**favorable**

Residential demand in Tokyo  
remains strong

- **Job openings in Tokyo: up 7.4% YoY**  
(Moving average for the most recent 12 months calculated from the Job Offer and Job Application Balance Sheet, Tokyo Labor Bureau, Ministry of Health, Labour and Welfare)
- **Office vacancy rate in Tokyo: 5.47% (down 14.7% YoY)**  
(Average vacancy rate for new and existing properties, from “Office Market” and “Latest Office Building Market Conditions,” Miki Shoji Co., Ltd.)
- **Population inflow to Tokyo: 2023 inflow 1.5 times that of 2022**  
(Taken from the Report on Internal Migration in Japan Derived from the Basic Resident Registration, Statistics Bureau, Ministry of Internal Affairs and Communications)
- **Single type rentals (30m<sup>2</sup> or smaller) highest since records began—Breaking into 100,000 yen bracket**  
(Taken from At Home research, Rent Trends for Condominiums and Apartments in Major Cities in Japan)
- **Continued low interest rates**

# Ever greater selection of prime Tokyo locations

**Focus on acquiring residential  
and development sites for  
singles and DINKs who favor  
urban areas**

## ➤ Policy for more astute selection of locations

- Seek out real estate in central Tokyo which is highly marketable, scarce, and in demand for leasing
- Increase amount of property information with more staffing and Group collaboration

## ➤ Maintain agile and competitive organizational structure

- Quick and accurate investment decisions amid growing workforce
- Swift and flexible business planning through collaboration with partner companies and stronger function for in-house architects

Push for **larger** assets

High profits with small number of  
people



DeLCCS Ayase II



DeLCCS Shiodome

- Reduce risk of rising construction costs for development projects by purchasing large sites in terms of land area with potential for low-rise development
- Tendency for more diverse and global customers with more centrally located and larger assets
  - ⇒ Smooth sales activities

# 03. Sales Promotion Business

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# Sales Promotion Business

## - Segment Performance

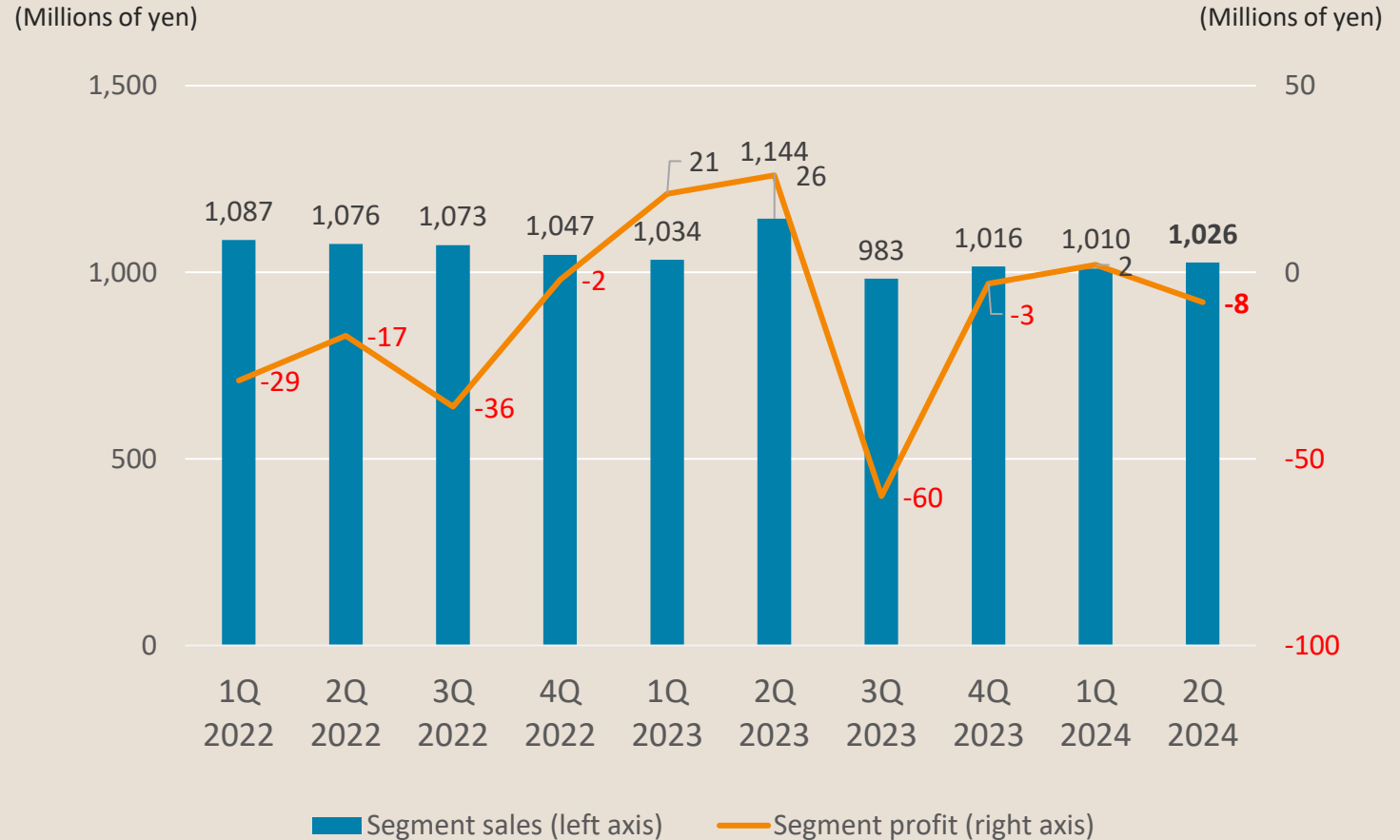
### Net sales

Secured consistent sales every month

Incentives gained through performance beyond customer expectations

### Segment profit

Reducing indirect costs by merger



# Key initiatives

- Launch of new company, Arciel Co., Ltd., on January 1
- Promoting measures to steadily secure human resources



### **Arciel Co., Ltd**

**Launched on January 1**



- Greater organizational efficiency and reduced costs by bringing management system of each division under one roof
- Enables flexible supply of human resources within the Group according to demands of dispatched staff location

Promoting measures to **steadily secure human resources**

- **Increased number of employees:** Provided more varied work styles to hire wide range of human resources
- **Increased retention rate:** Expanding employee training and follow-up systems  
Encouraged greater communication between employees  
Proactively set up opportunities to talk with management  
⇒ Improved retention rate will directly lead to more efficient recruitment

# 04. Shareholder Returns Policy

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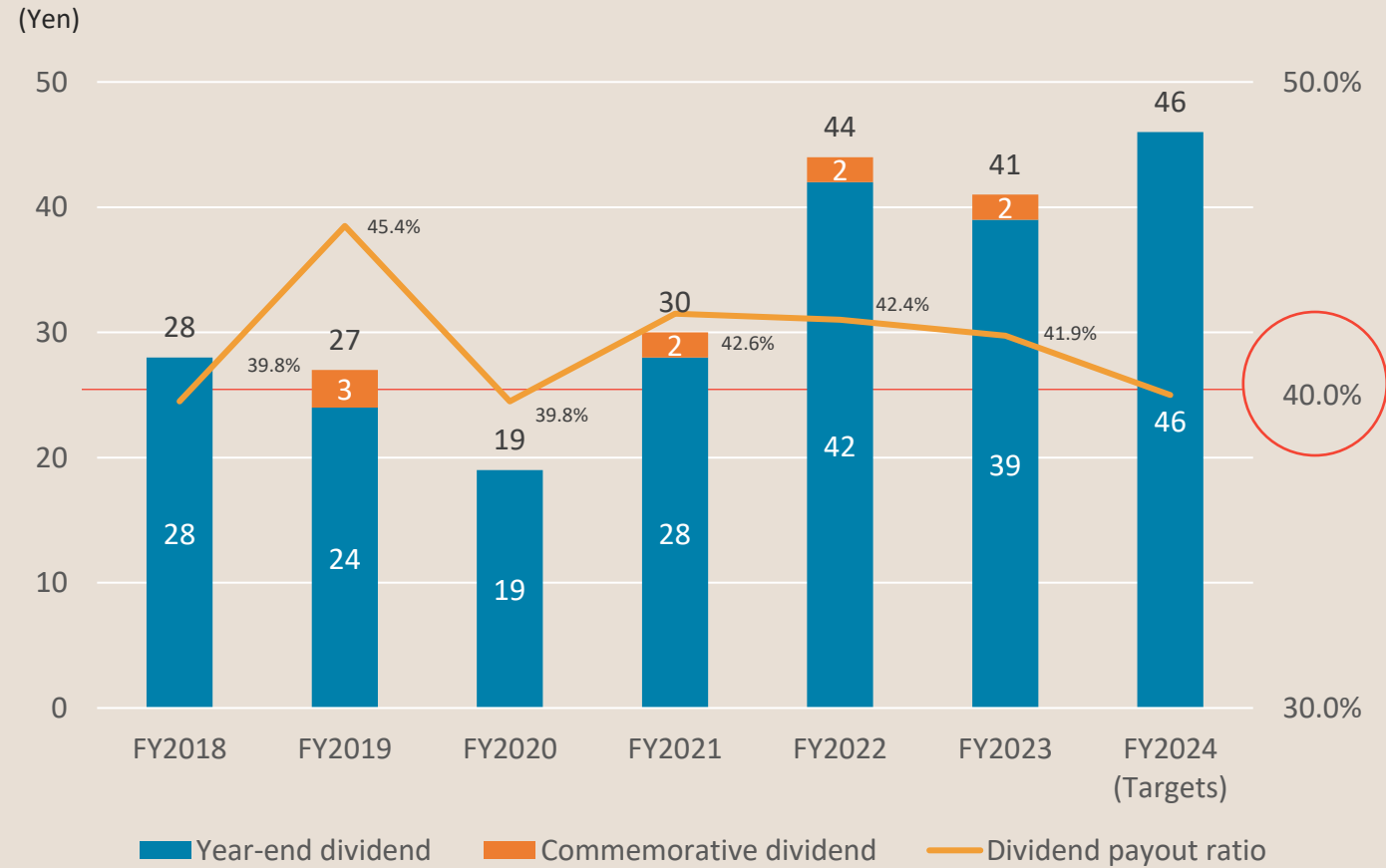
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# Shareholder Returns Policy

Implemented based on a

**40%** annual dividend payout ratio

Target of **¥46** per share for fiscal 2024 dividend



- Record-high profit commemorative dividend of ¥2 distributed in FY2021, FY2022, and FY2023
- Commemorative dividend of ¥3 distributed in FY2019 to commemorate the 15th anniversary of the Company's founding

# 05. Appendix

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# Appendix

## - Consolidated Income Statement

Focus on acquiring real estate

Results not yet reflected on  
income statement

	FY2023 H1	FY2024 H1	Change from 2023	Percentage change from 2023
(Millions of yen)	(1)	(2)	(2)-(1)	{(2)-(1)}/(1)
Net sales	11,713	8,977	-2,736	-23.4%
Real Estate Business	9,534	6,941	-2,593	-27.2%
Sales Promotion Business	2,178	2,036	-142	-6.5%
Selling, general and administrative expenses	1,108	1,145	37	3.3%
<b>Operating profit</b>	<b>1,104</b>	<b>320</b>	<b>-784</b>	<b>-71.0%</b>
Non-operating income	83	106	23	27.7%
Non-operating expenses	83	87	4	4.8%
<b>Ordinary profit</b>	<b>1,104</b>	<b>338</b>	<b>-766</b>	<b>-69.4%</b>
Extraordinary gain	0	6	6	—
Extraordinary loss	0	3	3	—
<b>Profit attributable to owners of parent</b>	<b>701</b>	<b>193</b>	<b>-508</b>	<b>-72.4%</b>

## Appendix

### - Consolidated Balance Sheet

Capital-to-assets ratio **48.8%**

D/E ratio **94.6%**

(Millions of yen)	As of Sept. 30, 2023	As of Mar. 31, 2024	Component ratio as of Mar. 31, 2024	Percentage change compared to Sept. 30, 2023
<b>Current assets</b>	39,504	<b>43,045</b>	95.0%	9.0%
Cash and deposits	21,882	<b>12,861</b>	28.4%	-41.2%
Real estate for sale in process	4,954	<b>9,484</b>	20.9%	91.4%
Real estate for sale	11,400	<b>18,816</b>	41.5%	65.1%
<b>Non-current assets</b>	2,209	<b>2,276</b>	5.0%	3.0%
<b>Total assets</b>	41,714	<b>45,322</b>	100.0%	8.6%
<b>Current liabilities</b>	4,998	<b>5,888</b>	13.0%	17.8%
(of which, interest-bearing liabilities)	1,494	<b>4,283</b>	9.5%	186.7%
<b>Non-current liabilities</b>	12,553	<b>16,931</b>	37.4%	34.9%
(of which, interest-bearing liabilities)	12,370	<b>16,654</b>	36.7%	34.6%
<b>Net assets</b>	24,162	<b>22,501</b>	49.6%	-6.9%
Capital	4,125	<b>4,125</b>	9.1%	0.0%
Capital surplus	4,911	<b>4,941</b>	10.9%	0.6%
Retained earnings	15,118	<b>13,507</b>	29.8%	-10.7%
Treasury stock	(375)	<b>(623)</b>	(1.4%)	66.1%
<b>Total liabilities and net assets</b>	41,714	<b>45,322</b>	100.0%	8.6%

# Overview of the Dear Life Group's Businesses

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## Overview of the Dear Life Group's Businesses



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

## Overview of the Dear Life Group's Businesses



ID Inc.

ID Property Co., Ltd.

Wide rollout of development of residences, apartments, and detached houses, rental and sales brokerage, design and construction, and rental management business mainly in Shinagawa Ward and Ota Ward

## Overview of the Dear Life Group's Businesses



Dispatches outbound-style call center staff to the finance/insurance sector, and sales/admin staff to the real estate industry

## Overview of the Dear Life Group's Businesses



(Equity-method affiliate: 3461 TSE Growth Market)

Provides business process outsourcing (BPO) services for the self-storage market

Develops self-storage spaces, etc.

# Business Environment

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# Real Estate Business

## - Business Environment

Both population and number of households expected to increase in Tokyo

Population trends and forecast for Japan, Tokyo, and 23 wards in Tokyo

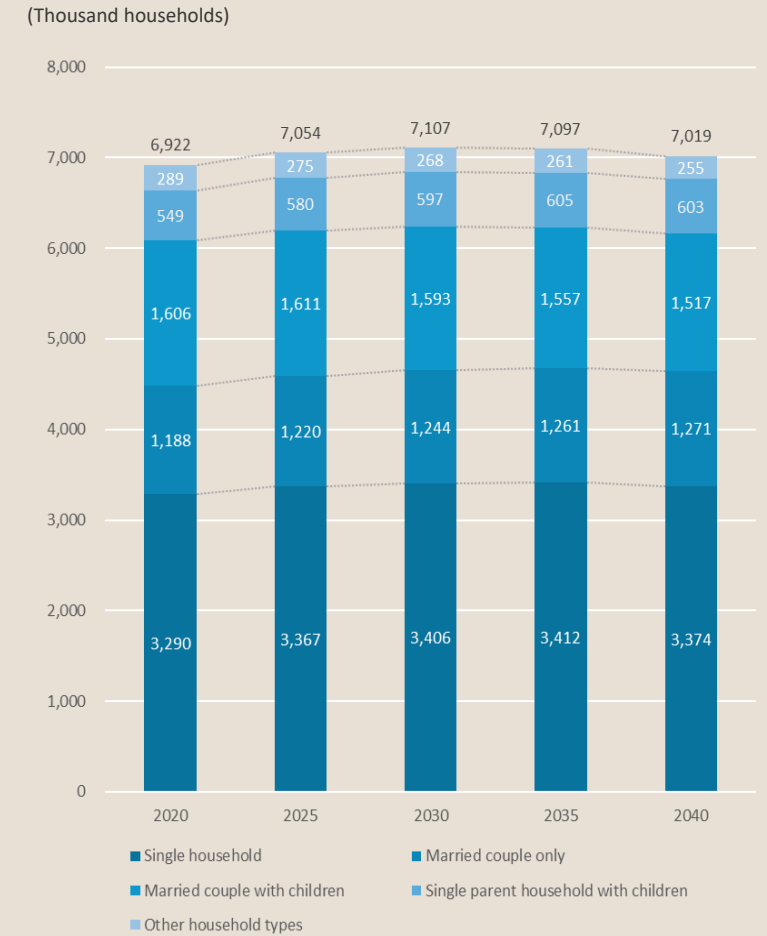
While the population across Japan and in the Tokyo metropolitan area decreases, the population within Tokyo's 23 wards is expected to continue to rise until 2045.



Created by Dear Life based on Population Census from Japan's Ministry of Internal Affairs and Communications and on Population Projections for Japan (2023) and Average Fertility Projections, Regional Population Projections for Japan (2023) by Japan's National Institute of Population and Social Security Research

Number of households by family type in Tokyo

The number of single-person/DINKS households targeted by Dear Life is expected to continue increasing until 2035 and 2040, respectively.



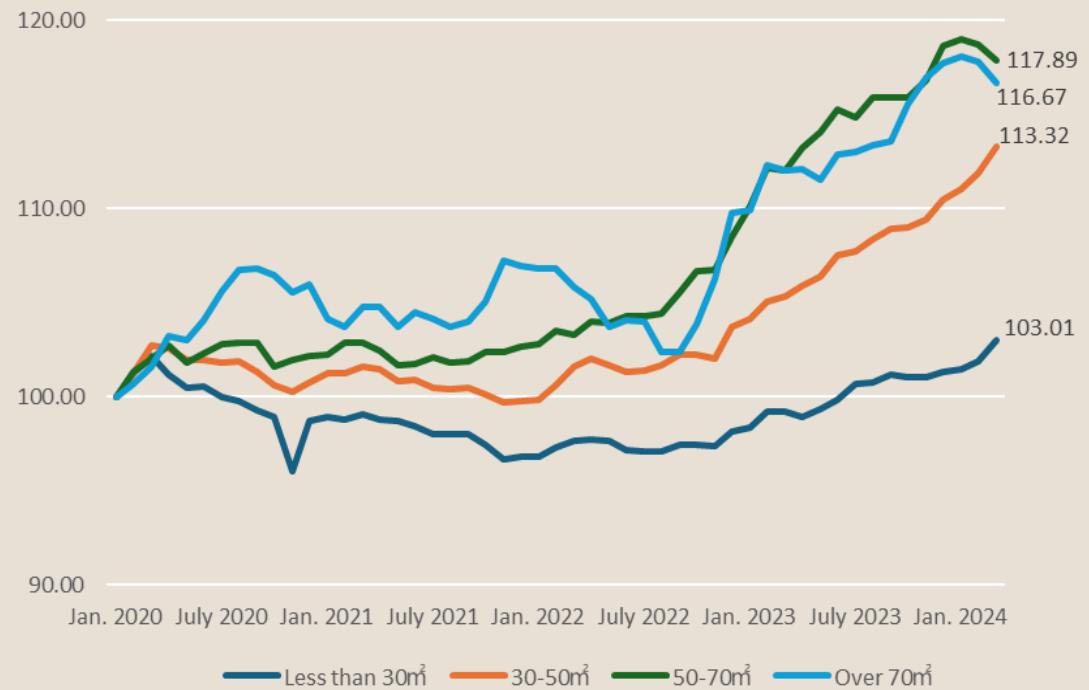
Created by Dear Life based on Household Projections by Prefecture for Japan (2019), National Institute of Population and Social Security Research

# Real Estate Business

## - Business Environment

Rents for small apartments (30m<sup>2</sup> range) for single people hit a record high in the 100,000 yen bracket

Asking Rent Trends in Tokyo's 23 Wards (changes indexed with January 2020 set at 100)  
Rents continue to rise for singles and DINKs



Created by Dear Life based on At Home research, Rent Trends for Condominiums and Apartments in Major Cities in Japan



## Contact details for inquiries regarding this presentation

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