



Consolidated Financial Results for the Three Months Ended December 31, 2024 [JGAAP]

February 7, 2025

Company Name: DEAR LIFE CO., LTD.

Stock Exchange Listing: Tokyo

Securities Code: 3245

URL <https://www.dear-life.co.jp/english/>

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Availability of supplementary briefing material on financial results: Yes

Financial results briefing session: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the first three months of the fiscal year ending September 30, 2025

(October 1, 2024–December 31, 2024)

(1) Consolidated operating results

(% figures are the rate of year-on-year increase or decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2024	11,449	154.8	945	301.8	1,028	284.1	682	286.8
Three months ended December 31, 2023	4,493	-8.2	235	-5.9	267	12.4	176	34.6

(Note) Comprehensive income: Three months ended December 31, 2024: ¥702 million (73.5%)

Three months ended December 31, 2023: ¥404 million (196.7%)

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
Three months ended December 31, 2024	15.71	—
Three months ended December 31, 2023	4.02	—

(2) Consolidated financial position

	Total assets	Net assets	Capital-to-assets ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	46,958	23,737	49.7
As of September 30, 2024	47,063	25,075	52.5

(Reference) Equity capital: As of December 31, 2024: ¥23,341 million

As of September 30, 2024: ¥24,692 million

2. Dividends

	Annual dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	0.00	—	47.00	47.00
Fiscal year ending September 30, 2025	—				
Fiscal year ending September 30, 2025 (Forecast)		0.00	—	62.00	62.00

(Note) Revision of dividend forecast from the latest announcement: None

3. Performance targets for the fiscal year ending September 30, 2025 (October 1, 2024–September 30, 2025)

(% figures are the rate of year-on-year increase or decrease)

	Ordinary profit		Profit attributable to owners of parent	
Full year	Millions of yen 10,000	% 114.8	Millions of yen 6,800	% 114.5

(Notes) 1. Revision of performance forecast from the latest announcement: None

2. Group performance can fluctuate significantly depending on real estate purchase and sale trends within our core Real Estate Business. Given the many uncertainties affecting our full-year forecast at this time, we are disclosing the consolidated performance targets for the current consolidated fiscal year as a management goal instead of the consolidated earnings forecast, which is calculated based on reasonably assumed conditions.

Notes:

(1) Significant changes in the scope of consolidation during the current quarter: None

Newly added: None, Excluded: None

(2) Application of accounting procedures specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates or retrospective restatements

(i) Changes in accounting policies due to revisions to accounting standards: Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(4) Number of shares issued (common stock)

(i) Number of shares issued at the end of the period (including treasury shares)

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares during the period

As of December 31, 2024	44,896,800 shares	As of September 30, 2024	44,896,800 shares
As of December 31, 2024	1,473,521 shares	As of September 30, 2024	1,471,102 shares
Three months ended December 31, 2024	43,424,096 shares	Three months ended December 31, 2023	43,907,349 shares

Notes: 1. Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

2. Explanation regarding the appropriate use of earnings forecasts and other special notes

The forward-looking statements, such as earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable. These statements do not guarantee the achievement of projected results. Actual performance may differ significantly due to various factors.

For the conditions underlying the performance targets and precautions when using these performance targets, please refer to page 3 of the financial results summary, “1. Qualitative Information on the Quarterly Financial Results (3) Explanation of Forecast Information such as Consolidated Earnings Forecasts.”

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1. Qualitative Information on the Quarterly Financial Results

(1) Qualitative Information on Consolidated Operating Results

As a result of these activities, the Group's business performance for the first quarter consolidated cumulative period showed an increase in net sales to ¥11,449 million (up 154.8% year on year), operating profit of ¥945 million (up 301.8%), ordinary profit of ¥1,028 million (up 284.1%), and profit attributable to owners of parent of ¥682 million (up 286.8%).

An overview of business performance by each segment is as follows.

Real Estate Business

In the real estate business operated by Dear Life and our consolidated subsidiary, ID Inc., development projects and income-producing properties were sold to developers and general business corporations. In addition, during the first quarter consolidated accounting period, 14 development land and income-producing properties, including the “Kagurazaka Bentencho Project” and “DeLCCS Asakusa Kaminarimon,” were acquired. Transactions for future acquisitions are also progressing smoothly, with contracts finalized for 23 properties.

As a result, net sales amounted to ¥10,450 million (up 200.0% year on year), and operating profit reached ¥1,194 million (up 163.4%).

Sales Promotion Business

In the sales promotion business operated by our consolidated subsidiary, Arciel Co., Ltd., we successfully increased dispatch rates by improving the quality of dispatched personnel. However, due to the expiration of contracts with certain clients, net sales amounted to ¥998 million (down 1.1% year on year). Additionally, significant progress was made in cost reductions through efficiencies gained from the merger and office relocations, resulting in an operating profit of ¥27 million (up 1,062.8%).

(2) Qualitative Information on Consolidated Financial Position

(i) Analysis of Financial Position

The status of assets, liabilities, and net assets as of the end of the first quarter of the fiscal year ending September 30, 2025.

Current assets

At the end of the first quarter of the fiscal year ending September 30, 2025, the balance of current assets was ¥44,915 million (up 0.00% from the end of the previous fiscal year). This was primarily due to an increase in real estate for sale, and real estate for sale in process of ¥1,802 million resulting from the acquisition of condominium development land and income-producing properties, despite a decrease in cash and deposits of ¥2,213 million due to dividend payments, tax payments, property acquisitions, and development expenses.

Non-current assets

At the end of the first quarter of the fiscal year ending September 30, 2025, the balance of non-current assets was ¥2,043 million (down 4.9% from the end of the previous fiscal year). There were no significant fluctuations.

Current liabilities

At the end of the end of the first quarter of the fiscal year ending September 30, 2025, the balance of current liabilities was ¥6,306 million (down 2.4% from the end of the previous fiscal year). This was primarily due to a decrease of ¥1,105 million in income taxes payable due to tax payments, despite an increase of ¥900 million in bonds payable within one year.

Non-current liabilities

At the end of the first quarter of the fiscal year ending September 30, 2025, the balance of non-current liabilities was ¥16,915 million (up 9.0% from the end of the previous fiscal year). This was primarily due to an increase of ¥2,359 million in long-term borrowings for the acquisition of condominium development land and income-producing properties.

Net assets

At the end of the first quarter of the fiscal year ending September 30, 2025, the balance of net assets was ¥23,737 million (down 5.3% from the end of the previous fiscal year). This was primarily due to the recording of ¥682 million in profit attributable to owners of parent, while dividend payments of ¥2,041 million resulted in a ¥1,358 million decrease in retained earnings.

The capital-to-assets ratio decreased by 2.8 points from the end of the previous fiscal year to 49.7%.

(3) Explanation of Forecast Information such as Consolidated Earnings Forecasts

There are no changes to the full-year consolidated performance targets for the fiscal year ending September 30, 2025, from the full-year consolidated performance targets announced on November 14, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	18,653	16,439
Accounts receivable—trade	398	414
Securities	36	127
Real estate for sale	14,139	15,312
Real estate for sale in process	10,644	11,261
Other	1,042	1,359
Total current assets	44,914	44,915
Non-current assets		
Property, plant and equipment	195	188
Intangible assets		
Goodwill	302	276
Other	9	8
Total intangible assets	312	285
Investments and other assets	1,641	1,570
Total non-current assets	2,148	2,043
Total assets	47,063	46,958
Liabilities		
Current liabilities		
Notes and accounts payable—trade	357	290
Short-term borrowings	1,065	1,565
Current portion of bonds payable	920	1,820
Current portion of long-term borrowings	1,626	1,189
Income taxes payable	1,361	255
Other	1,133	1,185
Total current liabilities	6,463	6,306
Non-current liabilities		
Bonds payable	1,210	310
Long-term borrowings	14,029	16,388
Deferred tax liabilities	—	27
Asset retirement obligations	29	29
Other	256	159
Total non-current liabilities	15,524	16,915
Total liabilities	21,987	23,221
Net assets		
Shareholders' equity		
Capital	4,125	4,125
Capital surplus	4,941	4,941
Retained earnings	16,484	15,125
Treasury shares	(923)	(923)
Total shareholders' equity	24,627	23,268
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64	72
Total accumulated other comprehensive income	64	72
Non-controlling interests	383	395
Total net assets	25,075	23,737
Total liabilities and net assets	47,063	46,958

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Net sales	4,493	11,449
Cost of sales	3,680	9,883
Gross profit	812	1,565
Selling, general and administrative expenses	577	620
Operating profit	235	945
Non-operating income		
Gain on investments in securities	61	111
Share of profit of entities accounted for using equity method	—	8
Other	12	25
Total non-operating income	74	145
Non-operating expenses		
Interest expenses	35	56
Share of loss of entities accounted for using equity method	2	—
Amortization of long-term prepaid expenses	2	2
Commission expenses	1	3
Other	0	0
Total non-operating expenses	42	62
Ordinary profit	267	1,028
Extraordinary gain		
Gain on sale of investment securities	6	—
Total extraordinary income	6	—
Quarterly net income before taxes and other adjustments	274	1,028
Income taxes - current	2	235
Income taxes - deferred	95	98
Total income taxes	97	333
Quarterly net income	176	694
Profit attributable to non-controlling interests	0	12
Profit attributable to owners of parent	176	682

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Quarterly net income	176	694
Other comprehensive income		
Valuation difference on available-for-sale securities	228	8
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	228	8
Quarterly comprehensive income	404	702
Comprehensive income attributable to:		
Owners of parent	404	690
Non-controlling interests	0	12

(3) Notes on Quarterly Consolidated Financial Statements

Notes on Going Concern Assumption

None

Notes on Significant Changes in the Amount of Shareholders' Equity

None

Notes on Changes in Accounting Policies

Application of Accounting Standard for Current Income Taxes, etc.

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, issued on October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") has been applied from the beginning of the first quarter of the fiscal year ending September 30, 2025.

With regard to the revision concerning the classification of income taxes, etc. (taxation on other comprehensive income), the transitional treatments stipulated in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of Paragraph 65-2(2) of the Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the "2022 Revised Implementation Guidance") have been applied. There is no impact on the quarterly consolidated financial statements for the three months ended December 31, 2024.

Additionally, with regard to the revision related to the treatment in the consolidated financial statements for tax deferral on gains or losses from the sale of subsidiary shares, etc., between consolidated companies, the 2022 Revised Implementation Guidance has been applied from the beginning of the first quarter of the fiscal year ending September 30, 2025. The change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements for the three month ended December 31, 2024 and the consolidated financial statements for the fiscal year ended September 30, 2024, have been restated to reflect this retrospective application. Furthermore, the change in accounting policy has had no impact on the quarterly consolidated financial statements for the previous three month ended December 31, 2023 or the consolidated financial statements for the fiscal year ended September 30, 2024.

Notes on Segment Information, etc.

Segment Information

I. Results for the three-month period from October 1, 2023 to December 31, 2023

1. Information regarding net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable Segment		Total
	Real Estate Business	Sales Promotion Business	
Net sales			
Net sales to external customers	3,483	1,010	4,493
Intersegment net sales or transfers	—	0	0
Total	3,483	1,010	4,494
Segment profit	453	2	456

2. Difference between the total amount of profits or losses of reportable segments and the amount recorded in the quarterly consolidated statement of income (matters related to difference adjustment)

(Millions of yen)

Profit (loss)	Amount
Total reportable segments	456
Elimination of intersegment transactions	0
Group-wide expenses (Note)	(221)
Operating profit in quarterly consolidated statement of income	235

Note: Group-wide expenses are mainly expenses related to Dear Life's administrative departments that do not belong to any reportable segment.

3. Information regarding impairment losses on non-current assets or goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

None

Significant changes in amount of goodwill

None

Significant gain on bargain purchase

None

II. Results for the three-month period from October 1, 2024 to December 31, 2024

1. Information regarding net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable Segment		Total
	Real Estate Business	Sales Promotion Business	
Net sales			
Net sales to external customers	10,450	998	11,449
Intersegment net sales or transfers	—	0	0
Total	10,450	999	11,450
Segment profit	1,194	27	1,222

2. Difference between the total amount of profits or losses of reportable segments and the amount recorded in the quarterly consolidated statement of income (matters related to difference adjustment)

(Millions of yen)

Profit (loss)	Amount
Total reportable segments	1,222
Elimination of intersegment transactions	0
Group-wide expenses (Note)	(277)
Operating profit in quarterly consolidated statement of income	945

Note: Group-wide expenses are mainly expenses related to Dear Life's administrative departments that do not belong to any reportable segment.

3. Information regarding impairment losses on non-current assets or goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

None

Significant changes in amount of goodwill

None

Significant gain on bargain purchase

None

Notes regarding quarterly consolidated statement of cash flows

A quarterly consolidated cash flow statement for the three months ended December 31, 2024 has not been prepared. Depreciation expenses (including amortization expenses related to intangible assets other than goodwill) and amortization of goodwill for the first quarter consolidated cumulative period are as follows.

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Depreciation	78	73
Amortization of goodwill	26	26