



# Consolidated Financial Results for the Six Months Ended March 31, 2025 [JGAAP]

May 9, 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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Scheduled date to submit the semiannual securities report: May 9, 2025

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 six months of the fiscal year ending September 30, 2025 (October 1, 2024–March 31, 2025)

(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)	%
Six months ended March 31, 2025	26,186	191.7	1,975	517.4	2,064	510.0	1,401	623.3
Six months ended March 31, 2024	8,977	-23.4	320	-71.0	338	-69.4	193	-72.4

(Note) Comprehensive income: Six months ended March 31, 2025: ¥1,428 million (295.0%)

Six months ended March 31, 2024: ¥361 million (-49.4%)

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
Six months ended March 31, 2025	32.24	—
Six months ended March 31, 2024	4.42	4.42

(2) Consolidated financial position

	Total assets	Net assets	Capital-to-assets ratio
	(Millions of yen)	(Millions of yen)	%
As of March 31, 2025	59,488	24,576	40.6
As of September 30, 2024	47,063	25,075	52.5

(Reference) Equity capital: As of March 31, 2025: ¥24,177 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	—	0.00			
Fiscal year ending September 30, 2025 (Forecast)			—	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	
	(Millions of yen)	%	(Millions of yen)	%
Full year	10,000	114.8	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 period: None

(2) Application of accounting procedures specific to the preparation of 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 (six-months)

As of March 31, 2025	44,896,800 shares	As of September 30, 2024	44,896,800 shares
As of March 31, 2025	1,361,721 shares	As of September 30, 2024	1,471,102 shares
Six months ended March 31, 2025	43,470,691 shares	Six months ended March 31, 2024	43,825,438 shares

Notes: 1. The consolidated financial results for the six months ended March 31, 2025 is not subject to audit by a certified public accountant or auditing firm

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 consolidated financial results, “1. Qualitative Information on the Six-Month Financial Results (3) Explanation on Forecast Information such as Consolidated Earnings Forecasts.”

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## 1. Qualitative Information on the Six-Month Financial Results

### (1) Explanation of Consolidated Operating Results

During the six-month period ended March 31, 2025, the Japanese economy experienced continued price increases. At the same time, supported by a persistent labor shortage, the employment environment improved, leading to a modest recovery trend in personal consumption, albeit with some weakness. In March 2025, following the previous year, there were a series of announcements regarding corporate wage hikes, further raising expectations for a continued moderate economic recovery backed by real improvement. On the other hand, policy developments under the Trump administration, which began in January, have heightened uncertainty about the future. Attention must also be paid to the impact of tariff policies and the ongoing war between Russia and Ukraine on the real economy, in conjunction with monetary policies in various countries.

In the real estate industry in which the Dear Life Group operates, strong demand continued in both the sales and rental markets. The concentration of our target demographics—single individuals and dual-income, no kids (DINKs) households—in central Tokyo has remained steady, and the population within the 23 wards continues to grow.

In the sales market, rising land prices and construction costs have continued to drive up the prices of new condominiums. As a result, particularly in Tokyo, demand for used properties and rental units has remained firm.

More than a year has passed since the Bank of Japan announced the end of its negative interest rate policy. However, policy rates remain low compared to those in Europe and the United States, and as a result, investment demand for real estate in Tokyo has remained strong, with expected yields on properties also staying at low levels. Consequently, the environment for acquiring development land and existing income-producing properties in central Tokyo has remained extremely challenging.

Under these circumstances, we have continued to actively acquire urban residential development sites and income-producing properties in central Tokyo, where long-term stable demand is expected. At the same time, we have proceeded with the expansion of investment projects.

As a result of these activities, the Group's business performance for the six-month consolidated cumulative period showed an increase in net sales to ¥26,186 million (up 191.7% year on year), operating profit of ¥1,975 million (up 517.4%), ordinary profit of ¥2,064 million (up 510.0%), and profit attributable to owners of parent of ¥1,401 million (up 623.3%).

An overview by segment is as follows.

#### Real Estate Business

In the real estate business operated by the Dear Life Group, development projects and income-producing properties were sold to developers and general business corporations. In addition, during the six-month period ended March 31, 2025, 42 development land and income-producing properties, including the “Eifukucho Project” and “DeLCCS Minami-Aoyama II,” were acquired. Transactions for future acquisitions are also progressing smoothly, with contracts finalized for 12 properties.

As a result, net sales amounted to ¥24,236 million (up 249.1% year on year), and operating profit reached ¥2,572 million (up 239.9%).

#### Sales Promotion Business

In the sales promotion business operated by our consolidated subsidiary, Arciel Co., Ltd., we have continued to actively recruit dispatch personnel while also pursuing the development of new businesses at each subsidiary. On the other hand, efforts to streamline operations—such as consolidating headquarter functions and reviewing contracts with business partners—led to cost reductions. As a result, net sales amounted to ¥1,949 million (down 4.3% year on year), and operating profit was ¥39 million (compared to an operating loss of ¥6 million in the same six-month period of the previous year).

## **(2) Explanation of Consolidated Financial Position**

### **(i) Assets, liabilities, and net assets**

The status of assets, liabilities, and net assets as of the end of the six-month period ended March 31, 2025, is as follows.

#### **Current assets**

At the end of the six-month period ended March 31, 2025, the balance of current assets was ¥57,459 million (up 27.9% from the end of the previous fiscal year). This was primarily due to an increase of ¥2,487 million in real estate for sale in process resulting from the acquisition of land for condominium development and condominium development expenses, and an increase of ¥13,749 million in real estate for sale, despite a decrease of ¥4,033 million in cash and deposits.

#### **Non-current assets**

At the end of the six-month period ended March 31, 2025, the balance of non-current assets was ¥2,028 million (down 5.6% from the end of the previous fiscal year).

#### **Current liabilities**

At the end of the six-month period ended March 31, 2025, the balance of current liabilities was ¥6,112 million (down 5.4% from the end of the previous fiscal year). This was primarily due to an increase of ¥839 million in the current portion of long-term borrowings and an increase of ¥100 million in current portion of bonds payable, despite a decrease of ¥763 million in income taxes payable due to tax payments.

#### **Non-current liabilities**

At the end of the six-month period ended March 31, 2025, the balance of non-current liabilities was ¥28,798 million (up 85.5% from the end of the previous fiscal year). This was primarily due to an increase of ¥13,334 million in long-term borrowings from new loans for the acquisition of condominium development land and income-producing properties.

#### **Net assets**

At the end of the six-month period ended March 31, 2025, the balance of net assets was ¥24,576 million (down 2.0% from the end of the previous fiscal year). This was primarily due to dividends of surplus of ¥1,804 million, despite posting ¥1,401 million in profit attributable to owners of parent.

The capital-to-assets ratio decreased by 11.8 points from the end of the previous fiscal year to 40.6%.

### **(ii) Cash Flows**

At the end of the six-month period ended March 31, 2025, cash and cash equivalents (hereinafter referred to as “net cash”) decreased by ¥3,656 million compared to the end of the previous fiscal year, totaling ¥15,054 million.

The status and factors of each cash flow during the six-month consolidated period ended March 31, 2025, are as follows.

#### **Cash flows from operating activities**

Net cash used in operating activities was ¥15,372 million (compared with a net outflow of ¥13,646 million in the same period of the previous fiscal year). This was primarily due to the recording of ¥2,064 million in profit before income taxes, offset by an increase of ¥16,376 million in inventories resulting from the acquisition of land for condominium development and income-producing properties.

#### **Cash flows from investing activities**

Net cash provided by investing activities was ¥55 million (compared with a net outflow of ¥38 million in the same period of the previous fiscal year).

#### **Cash flows from financing activities**

Net cash provided by financing activities was ¥11,659 million (compared with a net inflow of ¥4,970 million in the same period of the previous fiscal year). This was primarily due to proceeds of ¥26,623 million from long-term borrowings for the acquisition of condominium development land and income-producing properties, offset by ¥12,449 million for repayments of long-term borrowings associated with the sale of real estate for sale.

## **(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. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	18,653	14,619
Accounts receivable—trade	398	422
Securities	36	160
Real estate for sale	14,139	27,889
Real estate for sale in process	10,644	13,131
Other	1,042	1,235
Total current assets	44,914	57,459
Non-current assets		
Property, plant and equipment	195	181
Intangible assets		
Goodwill	302	250
Other	9	8
Total intangible assets	312	258
Investments and other assets	1,641	1,588
Total non-current assets	2,148	2,028
Total assets	47,063	59,488
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	357	366
Short-term borrowings	1,065	600
Current portion of bonds payable	920	1,020
Current portion of long-term borrowings	1,626	2,465
Income taxes payable	1,361	598
Other	1,133	1,062
Total current liabilities	6,463	6,112
Non-current liabilities		
Bonds payable	1,210	1,100
Long-term borrowings	14,029	27,363
Deferred tax liabilities	—	25
Asset retirement obligations	29	29
Other	256	280
Total non-current liabilities	15,524	28,798
Total liabilities	21,987	34,911
<b>Net assets</b>		
Shareholders' equity		
Capital	4,125	4,125
Capital surplus	4,941	4,986
Retained earnings	16,484	15,844
Treasury shares	(923)	(854)
Total shareholders' equity	24,627	24,102
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64	75
Total accumulated other comprehensive income	64	75
Non-controlling interests	383	398
Total net assets	25,075	24,576
Total liabilities and net assets	47,063	59,488

**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

(Millions of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Net sales	8,977	26,186
Cost of sales	7,512	22,790
Gross profit	1,465	3,395
Selling, general and administrative expenses	1,145	1,419
Operating profit	320	1,975
Non-operating income		
Gain on investments in securities	81	163
Gain on sale of investment securities	14	22
Share of profit of entities accounted for using equity method	0	13
Other	8	19
Total non-operating income	106	217
Non-operating expenses		
Interest expenses	76	121
Amortization of long-term prepaid expenses	5	4
Commission expenses	3	1
Other	1	0
Total non-operating expenses	87	128
Ordinary profit	338	2,064
Extraordinary gain		
Gain on sale of investment securities	6	—
Total extraordinary income	6	—
Extraordinary loss		
Loss on retirement of non-current assets	3	—
Total extraordinary losses	3	—
Profit before income taxes	341	2,064
Income taxes - current	48	552
Income taxes - deferred	110	94
Total income taxes	159	647
Net income	181	1,417
Profit (loss) attributable to non-controlling interests	(12)	15
Profit attributable to owners of parent	193	1,401

# Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Net income	181	1,417
Other comprehensive income		
Valuation difference on available-for-sale securities	180	11
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	180	11
Comprehensive income	361	1,428
Comprehensive income attributable to:		
Owners of parent	373	1,412
Non-controlling interests	(12)	15



**(3) Consolidated Statement of Cash Flows**

(Millions of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	341	2,064
Depreciation	159	157
Amortization of goodwill	52	52
Interest expenses	76	121
Share of loss (profit) of entities accounted for using equity method	(0)	(13)
Loss (gain) on investments in securities	(81)	(163)
Loss (gain) on sale and valuation of investment securities	(21)	(22)
Decrease (increase) in trade receivables	(17)	(23)
Decrease (increase) in inventories	(12,087)	(16,376)
Increase (decrease) in trade payables	(452)	8
Other	96	226
Subtotal	(11,934)	(13,966)
Interest and dividends received	13	23
Interest paid	(79)	(139)
Income taxes paid	(1,646)	(1,290)
Net cash used in operating activities	(13,646)	(15,372)
Cash flows from investing activities		
Payments into time deposits	(2)	—
Proceeds from withdrawal of time deposits	21	—
Proceeds from sale/purchase of short-term and long-term investment securities, net	(13)	58
Purchase of property, plant and equipment	(41)	(2)
Purchase of intangible assets	—	(0)
Other	(2)	0
Net cash provided by (used in) investing activities	(38)	55
Cash flows from financing activities		
Proceeds from short-term borrowings	818	500
Repayments of short-term borrowings	—	(965)
Proceeds from long-term borrowings	9,374	26,623
Repayments of long-term borrowings	(3,109)	(12,449)
Proceeds from issuance of bonds	—	800
Redemption of bonds	(10)	(810)
Purchase of treasury shares	(299)	(0)
Dividends paid	(1,802)	(2,039)
Net cash provided by financing activities	4,970	11,659
Net increase (decrease) in cash and cash equivalents	(8,714)	(3,656)
Cash and cash equivalents at beginning of period	21,920	18,710
Cash and cash equivalents at end of period	13,206	15,054

#### (4) Notes on Consolidated Financial Statements

##### Notes on Going Concern Assumption

None

##### Notes on Changes in Accounting Policies

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 six-month period 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. This change in accounting policy had no impact on the consolidated financial statements.

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 six-month period of the fiscal year ending September 30, 2025. The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the six months ended March 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 consolidated financial statements for the previous six months ended March 31, 2024 or the consolidated financial statements for the fiscal year ended September 30, 2024.

##### Notes on Significant Changes in the Amount of Shareholders' Equity

None

##### Notes on Segment Information, etc.

###### Segment Information

I. Results for the six-month period from October 1, 2023 to March 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	6,941	2,036	8,977
Intersegment net sales or transfers	—	1	1
Total	6,941	2,037	8,979
Segment profit (loss)	756	(6)	750

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

(Millions of yen)

Profit (loss)	Amount
Total reportable segments	750
Elimination of intersegment transactions	1
Group-wide expenses (Note)	(431)
Operating profit in consolidated statement of income	320

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

## II. Results for the six-month period from October 1, 2024 to March 31, 2025

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	24,236	1,949	26,186
Intersegment net sales or transfers	—	1	1
Total	24,236	1,951	26,188
Segment profit	2,572	39	2,612

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

(Millions of yen)

Profit (loss)	Amount
Total reportable segments	2,612
Elimination of intersegment transactions	—
Group-wide expenses (Note)	(636)
Operating profit in consolidated statement of income	1,975

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