



Consolidated Financial Results for the Six Months Ended March 31, 2026 [JGAAP]

May 12, 2026

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 six months of the fiscal year ending September 30, 2026 (October 1, 2025–March 31, 2026)

(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, 2026	13,986	-46.6	405	-79.5	509	-75.3	302	-78.4
Six months ended March 31, 2025	26,186	191.7	1,975	517.4	2,064	510.0	1,401	623.3

(Note) Comprehensive income: Six months ended March 31, 2026: ¥305 million (-78.6%)

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

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
Six months ended March 31, 2026	6.35	—
Six months ended March 31, 2025	32.24	—

(2) Consolidated financial position

	Total assets	Net assets	Capital-to-assets ratio
	Millions of yen	Millions of yen	%
As of March 31, 2026	68,050	32,951	47.8
As of September 30, 2025	47,376	28,492	59.3

(Reference) Equity capital: As of March 31, 2026: ¥32,544 million

As of September 30, 2025: ¥28,096 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, 2025	—	0.00	—	63.00	63.00
Fiscal year ending September 30, 2026	—	0.00			
Fiscal year ending September 30, 2026 (Forecast)			—	64.00	64.00

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

3. Performance targets for the fiscal year ending September 30, 2026 (October 1, 2025–September 30, 2026)

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

Full year	Ordinary profit		Profit attributable to owners of parent	
	Millions of yen 10,000	% 27.7	Millions of yen 6,800	% 27.8

(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: None

(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)

As of March 31, 2026	51,626,800 shares	As of September 30, 2025	44,896,800 shares
As of March 31, 2026	1,283,726 shares	As of September 30, 2025	1,379,921 shares
Six months ended March 31, 2026	47,634,410 shares	Six months ended March 31, 2025	43,470,691 shares

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

(iii) Average number of shares during the period (six-months)

Notes: 1. The consolidated financial results for the six months ended March 31, 2026 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 of 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, 2026, inflation in the Japanese economy remained at a high level, although signs of a slowdown began to emerge toward the end of March. Under these conditions, the employment environment remained firm against the backdrop of labor shortages, and personal consumption also showed a modest recovery in line with moves toward wage improvement. In the spring wage negotiations in March, a series of responses indicated high wage increases of more than 5%, and there were also signs that real wages would turn positive.

On the other hand, rising crude oil prices amid heightened tensions in the Middle East have raised concerns about renewed upward pressure on domestic prices and the impact on corporate earnings. In addition, geopolitical risks in Europe and trends in monetary policies in various countries mean that the outlook remains uncertain.

In the real estate industry in which the Dear Life Group operates, demand remained firm in both the sales and rental markets. The concentration of our main target demographics for rental residences—single individuals and dual-income, no kids (DINKs) households—in central Tokyo has continued, and the population of Tokyo's 23 wards remains on an upward trend. In addition, against the backdrop of an increase in the number of foreign visitors to Japan, demand for the development of hotels and other properties also remains high, and this has become a factor pushing up land prices in central Tokyo.

In the sales market, construction costs have continued to rise due to higher land prices, worsening labor shortages, and persistently high materials prices. As a result, prices of new condominiums have remained high, while the number of units supplied has remained sluggish. Consequently, particularly in Tokyo, demand for used properties and rental units has also remained firm. Although the Bank of Japan raised its policy interest rate in December 2025 to the highest level in approximately 30 years, it remains low compared with rates in Europe and the United States. Combined with the continuing weak yen in the foreign exchange market, investment appetite among domestic and overseas investors for real estate in Tokyo remains strong, and expected yields have remained low. Under these conditions, competition in the acquisition environment for development land and existing income-producing properties in Tokyo has become even more intense, and the ability to carefully assess projects has continued to become increasingly important.

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 a decrease in net sales to ¥13,986 million (down 46.6% year on year), operating profit of ¥405 million (down 79.5%), ordinary profit of ¥509 million (down 75.3%), and profit attributable to owners of parent of ¥302 million (down 78.4%).

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, 2026, 42 development land and income-producing properties, including the "Kotake-Mukaihara III Project" and "DeLCCS Higashi-Shinjuku," were acquired. Transactions for future acquisitions are also progressing smoothly, with contracts finalized for seven properties.

As a result, net sales amounted to ¥11,999 million (down 50.5% year on year), and operating profit reached ¥1,048 million (down 59.2%).

Sales Promotion Business

In the sales promotion business operated by our consolidated subsidiary, Arciel Co., Ltd., we continued to expand added value by improving the quality of dispatch services. In addition, we focused our investment on recruitment activities and worked to secure personnel in order to meet firm demand.

As a result, net sales amounted to ¥1,987 million (up 1.9% year on year), and operating profit reached ¥22 million (down 42.7%).

(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, 2026, is as follows.

Current assets

At the end of the six-month period ended March 31, 2026, the balance of current assets was ¥66,101 million (up 45.7% from the end of the previous fiscal year). This was primarily due to an increase of ¥2,805 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 ¥22,934 million in real estate for sale, despite a decrease of ¥6,556 million in cash and deposits.

Non-current assets

At the end of the six-month period ended March 31, 2026, the balance of non-current assets was ¥1,948 million (down 3.7% from the end of the previous fiscal year).

Current liabilities

At the end of the six-month period ended March 31, 2026, the balance of current liabilities was ¥6,387 million (up 3.3% from the end of the previous fiscal year). This was primarily due to an increase of ¥2,183 million in the current portion of long-term borrowings, despite a decrease of ¥910 million in the current portion of bonds payable and a decrease of ¥1,706 million in income taxes payable due to tax payments.

Non-current liabilities

At the end of the six-month period ended March 31, 2026, the balance of non-current liabilities was ¥28,712 million (up 126.1% from the end of the previous fiscal year). This was primarily due to an increase of ¥15,337 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, 2026, the balance of net assets was ¥32,951 million (up 15.6% from the end of the previous fiscal year). This was primarily due to an increase of ¥6,790 million in capital and legal capital surplus resulting from the issuance of shares, and the recording of profit attributable to owners of parent of ¥302 million, while dividends of surplus of ¥2,741 million were paid.

The capital-to-assets ratio decreased by 11.5 points from the end of the previous fiscal year to 47.8%.

(ii) Cash flows

At the end of the six-month period ended March 31, 2026, cash and cash equivalents (hereinafter referred to as “funds”) decreased by ¥6,145 million compared to the end of the previous fiscal year, totaling ¥21,019 million.

The status and factors of each cash flow during the six-month consolidated period ended March 31, 2026, are as follows.

Cash flows from operating activities

Funds used in operating activities was ¥27,656 million (compared with a net outflow of ¥15,372 million in the same period of the previous fiscal year). This was primarily due to the recording of ¥522 million in profit before income taxes, offset by an increase of ¥25,914 million in inventories resulting from the acquisition of land for condominium development and income-producing properties.

Cash flows from investing activities

Funds used in investing activities was ¥124 million (compared with a net inflow of ¥55 million in the same period of the previous fiscal year).

Cash flows from financing activities

Funds provided by financing activities was ¥21,635 million (compared with a net inflow of ¥11,659 million in the same period of the previous fiscal year). This was primarily due to proceeds of ¥6,754 million from issuance of shares and proceeds of

¥26,494 million from long-term borrowings for the acquisition of condominium development land and income-producing properties, offset by ¥8,973 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, 2026, from the full-year consolidated performance targets announced on November 14, 2025.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	27,104	20,548
Accounts receivable—trade	410	413
Securities	312	771
Real estate for sale	12,184	35,118
Real estate for sale in process	4,616	7,421
Other	725	1,829
Total current assets	45,352	66,101
Non-current assets		
Property, plant and equipment	157	216
Intangible assets		
Goodwill	164	128
Other	7	6
Total intangible assets	171	134
Investments and other assets	1,694	1,597
Total non-current assets	2,023	1,948
Total assets	47,376	68,050
Liabilities		
Current liabilities		
Notes and accounts payable—trade	317	382
Short-term borrowings	300	900
Current portion of bonds payable	1,070	160
Current portion of long-term borrowings	1,261	3,444
Income taxes payable	1,854	148
Other	1,380	1,350
Total current liabilities	6,184	6,387
Non-current liabilities		
Bonds payable	860	1,280
Long-term borrowings	11,675	27,013
Deferred tax liabilities	—	18
Asset retirement obligations	29	56
Other	134	343
Total non-current liabilities	12,699	28,712
Total liabilities	18,884	35,099
Net assets		
Shareholders' equity		
Capital	4,125	7,520
Capital surplus	4,986	8,425
Retained earnings	19,763	17,324
Treasury shares	(854)	(794)
Total shareholders' equity	28,020	32,476
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	75	68
Total accumulated other comprehensive income	75	68
Non-controlling interests	395	406
Total net assets	28,492	32,951
Total liabilities and net assets	47,376	68,050

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Net sales	26,186	13,986
Cost of sales	22,790	12,021
Gross profit	3,395	1,964
Selling, general and administrative expenses	1,419	1,559
Operating profit	1,975	405
Non-operating income		
Gain on investments in securities	163	182
Gain on sale of investment securities	22	50
Share of profit of entities accounted for using equity method	13	24
Other	19	56
Total non-operating income	217	314
Non-operating expenses		
Interest expenses	121	162
Share issuance costs	—	36
Amortization of long-term prepaid expenses	4	3
Commission expenses	1	7
Other	0	0
Total non-operating expenses	128	211
Ordinary profit	2,064	509
Extraordinary gain		
Gain on sale of non-current assets	—	1
Gain on sale of investment securities	—	11
Total extraordinary income	—	13
Profit before income taxes	2,064	522
Income taxes - current	552	100
Income taxes - deferred	94	107
Total income taxes	647	208
Net income	1,417	313
Profit attributable to non-controlling interests	15	11
Profit attributable to owners of parent	1,401	302

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Net income	1,417	313
Other comprehensive income		
Valuation difference on available-for-sale securities	11	(7)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	11	(7)
Comprehensive income	1,428	305
Comprehensive income attributable to:		
Owners of parent	1,412	294
Non-controlling interests	15	11

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,064	522
Depreciation	157	204
Amortization of goodwill	52	35
Interest expenses	121	162
Share of loss (profit) of entities accounted for using equity method	(13)	(24)
Loss (gain) on investments in securities	(163)	(182)
Loss (gain) on sale and valuation of investment securities	(22)	(61)
Share issuance costs	—	36
Decrease (increase) in trade receivables	(23)	(3)
Decrease (increase) in inventories	(16,376)	(25,914)
Increase (decrease) in trade payables	8	64
Other	226	(601)
Subtotal	(13,966)	(25,763)
Interest and dividends received	23	63
Interest paid	(139)	(191)
Income taxes paid	(1,290)	(1,765)
Net cash used in operating activities	(15,372)	(27,656)
Cash flows from investing activities		
Proceeds from sale/purchase of short-term and long-term investment securities, net	58	(75)
Purchase of property, plant and equipment	(2)	(60)
Proceeds from sale of property, plant and equipment	—	2
Purchase of intangible assets	(0)	(0)
Other	0	9
Net cash provided by (used in) investing activities	55	(124)
Cash flows from financing activities		
Proceeds from short-term borrowings	500	600
Repayments of short-term borrowings	(965)	—
Proceeds from long-term borrowings	26,623	26,494
Repayments of long-term borrowings	(12,449)	(8,973)
Proceeds from issuance of bonds	800	485
Redemption of bonds	(810)	(990)
Proceeds from issuance of shares	—	6,754
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,039)	(2,734)
Net cash provided by financing activities	11,659	21,635
Net increase (decrease) in cash and cash equivalents	(3,656)	(6,145)
Cash and cash equivalents at beginning of period	18,710	27,164
Cash and cash equivalents at end of period	15,054	21,019

(4) Notes on Consolidated Financial Statements

Notes on Going Concern Assumption

None

Notes on Significant Changes in the Amount of Shareholders' Equity

At a meeting of the Board of Directors held on November 25, 2025, the Company resolved to issue new shares through a public offering and a third-party allotment, and the payment was completed on December 26, 2025. As a result, capital and capital surplus each increased by ¥3,395 million, bringing capital to ¥7,520 million and capital surplus to ¥8,425 million as of March 31, 2026.

Notes on Segment Information, etc.

Segment Information

I. 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

II. Results for the six-month period from October 1, 2025 to March 31, 2026

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	11,999	1,987	13,986
Intersegment net sales or transfers	—	2	2
Total	11,999	1,989	13,988
Segment profit	1,048	22	1,071

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	1,071
Elimination of intersegment transactions	0
Group-wide expenses (Note)	(666)
Operating profit in consolidated statement of income	405

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