Consolidated Financial Results for the Nine Months Ended June 30, 2026 [JGAAP]

August 13, 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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Scheduled date to commence dividend payments: －
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 nine months of the fiscal year ending September 30, 2026 (October 1, 2025–June 30, 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)	%
Nine months ended June 30, 2026	29,127	–17.8	2,771	–4.8	2,695	–10.4	1,844	–9.7
Nine months ended June 30, 2025	35,454	114.3	2,909	161.9	3,008	166.2	2,042	168.4

(Note) Comprehensive income: Nine months ended June 30, 2026: ¥1,856 million (-11.5%)
Nine months ended June 30, 2025: ¥2,098 million (134.2%)

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
Nine months ended June 30, 2026	38.01	－
Nine months ended June 30, 2025	46.96	－

(2) Consolidated financial position

	Total assets	Net assets	Capital-to-assets ratio
	(Millions of yen)	Millions of yen	%
As of June 30, 2026	70,648	34,502	48.2
As of September 30, 2025	47,376	28,492	59.3

(Reference) Equity capital: As of June 30, 2026: ¥34,085 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)

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

(Notes) 1. Revision of performance targets 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

(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: 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 June 30, 2026	51,626,800 shares	As of September 30, 2025	44,896,800 shares
(ii) Number of treasury shares at the end of the period	As of June 30, 2026	1,297,226 shares	As of September 30, 2025	1,379,921 shares
(iii) Average number of shares during the period	Nine months ended June 30, 2026	48,534,896 shares	Nine months ended June 30, 2025	43,489,985 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 Earnings Forecasts."

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1. Qualitative Information on the Quarterly Financial Results

(1) Explanation of Consolidated Operating Results

During the nine-month period ended June 30, 2026, the Japanese economy maintained a modest recovery trend. The rate of increase in consumer prices excluding fresh food declined from approximately 3% in October 2025, partly due to measures to reduce the burden of energy-related costs, and slowed to the 1% range in June 2026. Regarding the employment and income environment, job openings remained firm against the backdrop of labor shortages, and following wage increases of more than 5% in the spring wage negotiations, real wages were positive in some periods, while personal consumption showed a modest recovery.

Overseas, although tensions in the Middle East temporarily heightened, energy prices, including crude oil prices, regained stability after the United States and Iran agreed to end hostilities in June 2026. With geopolitical risks receding, the Nikkei Stock Average reached a record high at one point. Nevertheless, uncertainty surrounding U.S. trade policy and trends in monetary policies in various countries mean that the outlook remains unclear.

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

In the domestic real estate sales market, while energy prices have begun to regain stability, worsening labor shortages in the construction sector and persistently high materials prices have continued, and construction costs have remained on an upward trend. As a result, prices of new condominiums have risen further, while the number of units supplied has remained sluggish. Consequently, demand for used properties and rental units in Tokyo has also remained firm. In terms of financing, the Bank of Japan implemented additional interest rate hikes in December 2025 and June 2026, raising its policy interest rate to the highest level in approximately 30 years, although it remains low compared with rates in Europe and the United States. Combined with the continuing weak yen, investment appetite among domestic and overseas investors for real estate in Tokyo remains strong, and expected yields have remained low. Under these conditions, competition for the acquisition of development land and 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 focus on central Tokyo, where long-term stable demand is expected, actively acquiring urban residential development sites and income-producing properties, while proceeding with the expansion of investment projects.

As a result of these activities, the Group's business performance for the third quarter consolidated cumulative period showed a decrease in net sales to ¥29,127 million (down 17.8% year on year), operating profit of ¥2,771 million (down 4.8%), ordinary profit of ¥2,695 million (down 10.4%), and profit attributable to owners of parent of ¥1,844 million (down 9.7%).

An overview by segment is as follows.

Real Estate Business

In the real estate business operated by Dear Life and our consolidated subsidiary, ID Inc., we catered to a wide range of customer needs, including real estate investment companies, developers, general business corporations, and individual customers, through development projects and income-producing properties, and by the end of the third quarter of this fiscal year, we sold 31 properties. Meanwhile, we actively invested in the development of urban condominiums and income-producing properties in the Tokyo metropolitan area, acquiring 54 properties by the end of the nine-month period ended June 30, 2026.

As a result, for the third quarter consolidated cumulative period, net sales amounted to ¥26,094 million (down 19.7% year on year), and operating profit was ¥3,563 million (down 7.1% year on year).

Sales Promotion Business

In the sales promotion business operated by our consolidated subsidiary, Arciel Co., Ltd., the number of active personnel increased due to a recovery in hiring and a lower employee turnover rate, resulting in an expansion of temporary staffing orders. In particular, for the real estate industry, in addition to capturing demand during the peak rental season, we received numerous orders to dispatch temporary staff for various events associated with the handover of large-scale properties by developers.

As a result, net sales amounted to ¥3,032 million (up 3.2% year on year), and operating profit reached ¥49 million (up 11.7%).

(2) Explanation of Consolidated Financial Position

(i) Assets, liabilities, and net assets

The status of assets, liabilities, and net assets as of June 30, 2026 is as follows.

Current assets

At the end of the third quarter of the fiscal year ending September 30, 2026, the balance of current assets was ¥68,694 million (up 51.5% from the end of the previous fiscal year). This was primarily due to an increase in real estate for sale in process of ¥843 million due to the acquisition of land for condominium development, and an increase in real estate for sale of ¥27,694 million due to the acquisition of income-producing properties, despite a decrease in cash and deposits of ¥6,968 million.

Non-current assets

At the end of the third quarter of the fiscal year ending September 30, 2026, the balance of non-current assets was ¥1,954 million (down 3.4% from the end of the previous fiscal year).

Current liabilities

At the end of the third quarter of the fiscal year ending September 30, 2026, the balance of current liabilities was ¥6,451 million (up 4.3% from the end of the previous fiscal year). This was primarily due to a decrease of ¥910 million in current portion of bonds payable within one year and a decrease of ¥1,117 million in income taxes payable due to tax payments, while the current portion of long-term borrowings increased by ¥1,842 million.

Non-current liabilities

At the end of the third quarter of the fiscal year ending September 30, 2026, the balance of non-current liabilities was ¥29,694 million (up 133.8% from the end of the previous fiscal year). This was primarily due to an increase of ¥16,210 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 third quarter of the fiscal year ending September 30, 2026, the balance of net assets was ¥34,502 million (up 21.1% 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 ¥1,844 million, while dividends of surplus of ¥2,741 million were paid.

The capital-to-assets ratio decreased by 11.1 points from the end of the previous fiscal year to 48.2%.

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

There are no changes to the consolidated performance targets for the fiscal year ending September 30, 2026 from the full-year consolidated performance targets announced on November 14, 2025.

2. Quarterly Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	27,104	20,136
Accounts receivable—trade	410	419
Securities	312	594
Real estate for sale	12,184	39,878
Real estate for sale in process	4,616	5,460
Other	725	2,204
Total current assets	45,352	68,694
Non-current assets		
Property, plant and equipment	157	205
Intangible assets		
Goodwill	164	110
Other	7	5
Total intangible assets	171	116
Investments and other assets	1,694	1,632
Total non-current assets	2,023	1,954
Total assets	47,376	70,648
Liabilities		
Current liabilities		
Notes and accounts payable—trade	317	239
Short-term borrowings	300	900
Current portion of bonds payable	1,070	160
Current portion of long-term borrowings	1,261	3,103
Income taxes payable	1,854	737
Other	1,380	1,311
Total current liabilities	6,184	6,451
Non-current liabilities		
Bonds payable	860	1,280
Long-term borrowings	11,675	27,886
Deferred tax liabilities	—	25
Asset retirement obligations	29	57
Other	134	445
Total non-current liabilities	12,699	29,694
Total liabilities	18,884	36,146
Net assets		
Shareholders' equity		
Capital	4,125	7,520
Capital surplus	4,986	8,425
Retained earnings	19,763	18,866
Treasury shares	(854)	(794)
Total shareholders' equity	28,020	34,018
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	75	67
Total accumulated other comprehensive income	75	67
Non-controlling interests	395	416
Total net assets	28,492	34,502
Total liabilities and net assets	47,376	70,648

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Nine months ended June 30, 2025	Nine months ended June 30, 2026
Net sales	35,454	29,127
Cost of sales	30,281	24,108
Gross profit	5,173	5,018
Selling, general and administrative expenses	2,264	2,247
Operating profit	2,909	2,771
Non-operating income		
Gain on investments in securities	263	126
Gain on sale of investment securities	31	55
Share of profit of entities accounted for using equity method	24	36
Other	34	69
Total non-operating income	353	288
Non-operating expenses		
Interest expenses	243	311
Share issuance costs	—	36
Amortization of long-term prepaid expenses	7	5
Commission expenses	2	8
Other	1	1
Total non-operating expenses	254	363
Ordinary profit	3,008	2,695
Extraordinary gain		
Gain on sale of non-current assets	—	1
Gain on sale of investment securities	—	11
Total extraordinary income	—	13
Quarterly net income before taxes and other adjustments	3,008	2,709
Income taxes - current	846	776
Income taxes - deferred	101	66
Total income taxes	948	843
Net income	2,059	1,865
Profit attributable to non-controlling interests	16	20
Profit attributable to owners of parent	2,042	1,844

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended June 30, 2025	Nine months ended June 30, 2026
Net income	2,059	1,865
Other comprehensive income		
Valuation difference on available-for-sale securities	39	(8)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	39	(8)
Quarterly comprehensive income	2,098	1,856
Comprehensive income attributable to:		
Owners of parent	2,081	1,836
Non-controlling interests	16	20

(3) Notes on Quarterly 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 June 30, 2026.

Notes on Segment Information, etc.

Segment Information

I. Results for the nine-month period from October 1, 2024 to June 30, 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	32,515	2,939	35,454
Intersegment net sales or transfers	―	2	2
Total	32,515	2,941	35,457
Segment profit (loss)	3,836	44	3,880

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	3,880
Elimination of intersegment transactions	―
Group-wide expenses (Note)	(971)
Operating profit in quarterly consolidated statement of income	2,909

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 nine-month period from October 1, 2025 to June 30, 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	26,094	3,032	29,127
Intersegment net sales or transfers	—	3	3
Total	26,094	3,036	29,130
Segment profit (loss)	3,563	49	3,613

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	3,613
Elimination of intersegment transactions	0
Group-wide expenses (Note)	(842)
Operating profit in quarterly consolidated statement of income	2,771

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

Notes regarding quarterly consolidated statement of cash flows

A quarterly consolidated cash flow statement for the current third quarter consolidated cumulative period has not been prepared. Depreciation expenses (including amortization expenses related to intangible assets other than goodwill) and amortization of goodwill for the third quarter consolidated cumulative period are as follows.

(Millions of yen)

	Nine months ended June 30, 2025	Nine months ended June 30, 2026
Depreciation	247	347
Amortization of goodwill	78	53