



Consolidated Financial Results for the Fiscal Year Ended September 30, 2024 [JGAAP]

November 14, 2024

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 of the Annual General Meeting of Shareholders: Scheduled date to commence dividend payments:

December 19, 2024

December 3, 2024

Scheduled date to submit the Annual Securities Report: December 19, 2024

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 fiscal year ended September 30, 2024 (October 1, 2023–September 30, 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	%
Fiscal year ended September 30, 2024	46,880	7.8	4,619	-24.1	4,656	-24.7	3,170	-26.3
Fiscal year ended September 30, 2023	43,503	-16.2	6,087	6.1	6,181	9.1	4,304	2.5

(Note) Comprehensive income: Fiscal year ended September 30, 2024: ¥3,235 million (-24.7%)

Fiscal year ended September 30, 2023: ¥4,295 million (2.5%)

	Basic earnings per share	Diluted basic earnings per share	Return on equity (ROE)	Return on assets (ROA)	Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended September 30, 2024	72.44	72.44	13.1	10.5	9.9
Fiscal year ended September 30, 2023	97.93	97.92	19.3	15.8	14.0

(Reference) Equity method investment gain/loss: Fiscal year ended September 30, 2024: ¥31 million

Fiscal year ended September 30, 2023: ¥44 million

(2) Consolidated financial position

	Total assets	Net assets	Capital-to-assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	47,063	25,075	52.5	568.61
As of September 30, 2023	41,714	24,162	57.0	540.29

(Reference) Equity capital: As of September 30, 2024: ¥24,692 million

As of September 30, 2023: ¥23,780 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended September 30, 2024	(5,932)	141	2,581	18,710
Fiscal year ended September 30, 2023	1,365	346	529	21,920

2. Dividends

	Annual dividends per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2023	—	0.00	—	41.00	41.00	1,804	41.9	8.0
Fiscal year ended September 30, 2024	—	0.00	—	47.00	47.00	2,041	64.9	8.5
Fiscal year ending September 30, 2025 (Forecast)	—	0.00	—	62.00	62.00		40.0	

(Notes) 1. The annual dividend of ¥41 per share for the fiscal year ended September 30, 2023 includes a commemorative dividend of ¥2 due to record-high profits, in addition to an amount calculated by applying our target dividend payout ratio of 40% to the profit attributable to owners of parent, based on our consolidated earnings target for the fiscal year.

2. The annual dividend of ¥47 per share for the fiscal year ended September 30, 2024 includes a commemorative dividend in honor of our 20th anniversary, after taking into consideration the dividend on equity ratio (DOE), in addition to an amount calculated by applying our target dividend payout ratio of 40% to the profit attributable to owners of parent, based on our consolidated earnings target for the fiscal year.

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

(Percentage figures represent year-on-year change for the full fiscal year compared to the previous fiscal year, and for each quarter compared to the same quarter of the previous fiscal year)

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

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 fiscal year ended September 30, 2025 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
Newly added: None, Excluded: None

(2) 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

Note: For details, please refer to the attached document on page 16, “4. Consolidated Financial Statements and Notes (5) Notes on Consolidated Financial Statements (Changes in Accounting Policies).”

(3) 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 September 30, 2024	44,896,800 shares	As of September 30, 2023	44,896,800 shares
As of September 30, 2024	1,471,102 shares	As of September 30, 2023	883,190 shares
Fiscal year ended September 30, 2024	43,764,735 shares	Fiscal year ended September 30, 2023	43,951,686 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended September 30, 2024 (October 1, 2023–September 30, 2024)

(1) Non-consolidated operating results

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

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended September 30, 2024	36,029	5.5	3,619	-33.6	3,651	-32.6	2,545	-33.6
Fiscal year ended September 30, 2023	34,148	-20.6	5,449	4.6	5,418	5.6	3,834	8.3

	Basic earnings per share		Diluted basic earnings per share	
	Yen		Yen	
Fiscal year ended September 30, 2024	58.17		—	
Fiscal year ended September 30, 2023	87.25		87.24	

(2) Non-consolidated financial position

	Total assets	Net assets	Capital-to-assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	40,392	22,317	55.3	513.92
As of September 30, 2023	36,670	22,029	60.1	500.51

(Reference) Equity capital: As of September 30, 2024: ¥22,317 million

As of September 30, 2023: ¥22,029 million

Notes: 1. The financial results summary 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 financial results summary, “1. Overview of Operating Results, etc. (1) Analysis of Operating Results (ii) Performance Outlook for the Next Fiscal Year.”

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1. Overview of Operating Results, etc.

(1) Analysis of Operating Results

(i) Results for the Consolidated Fiscal Year Ended September 30, 2024

In the consolidated fiscal year ended September 30, 2024, the Japanese economy experienced cost-push inflation driven by yen depreciation. However, there were also a series of news reports on wage increases in early spring, signaling a gradual economic recovery as Japan moved away from deflation. The Bank of Japan's unprecedented monetary easing policy began to shift back to a normal monetary policy, with the policy interest rate target raised to around 0.25%, reaching a level not seen in 16 years. On the other hand, due to the economic situation in the United States, there was ongoing uncertainty in the capital and financial markets, with events such as a plunge in the Nikkei Stock Average surpassing Black Monday levels and a rapid appreciation of the yen.

In the real estate industry in which the Dear Life Group operates, the impact of the Bank of Japan's policy interest rate revision was limited, with strong demand persisting in both the sales and rental markets.

Factors such as an increase in job openings within Tokyo, a decrease in office building vacancy rates, and rising rents indicate a trend of singles and dual-income, no kids (DINKs) households—our target market for rental residences—returning to urban areas, with a continued net inflow into the 23 wards of Tokyo.

In the sales market, rising land prices and construction costs have driven up new condominium prices, particularly in Tokyo, resulting in increased demand for used properties and rental units.

While the Bank of Japan raised interest rates, and central banks in the U.S. and Europe, including the Federal Open Market Committee (FOMC), decided to cut rates, the yield gap remains significant compared to major countries. Additionally, with expected increases in household numbers and wages in Tokyo, there is growing anticipation of rental price increases for rental housing in the area, keeping expected property yields at low levels. Despite the backdrop of rapidly rising construction costs, demand for development land within Tokyo has remained exceptionally high.

As the difficulty of acquiring land for development increases, we have intensified recruitment efforts and expanded our workforce to deepen our real estate acquisition activities in Tokyo, working to expand both the volume and scale of development projects and making investments in income-producing properties. Additionally, we decided to enter the hotel business, starting with the acquisition of a hotel facing Onjuku Beach in Chiba Prefecture, to diversify our revenue streams.

In our development projects, we have focused on acquiring properties with large land areas that allow for relatively low-rise development. Additionally, we have prioritized minimizing construction risk and accelerating capital recovery by promoting our Asset Design & Resale Business, which involves the sales of development land after conducting demolition work, soil contamination surveys, rights adjustments, and obtaining permits.

We have also concentrated on acquiring income-producing properties that are already operational, aiming to achieve stable revenue while enhancing property value and expanding our business of selling to investors.

In the Human Resources Services Division, we strengthened our management structure by consolidating previously separated businesses under the holding company system into Arciel Co., Ltd., thereby streamlining and improving efficiency in overlapping business units and redundant operations. This integration has allowed us to manage each business division more cohesively, expanding opportunities for utilizing Group personnel.

Despite these efforts, the timing of sales for multiple projects, including large-scale properties, was postponed beyond the end of the fiscal year ended September 30, 2024. As a result, the business performance for the consolidated fiscal year ended September 30, 2024 fell short of targets, with net sales at ¥46,880 million (up 7.8% year on year), operating profit at ¥4,619 million (down 24.1%), ordinary profit at ¥4,656 million (down 24.7%), and profit attributable to owners of parent at ¥3,170 million (down 26.3%).

An overview by segment is as follows.

Real Estate Business

During the consolidated fiscal year ended September 30, 2024, we met diverse demand from real estate investment companies, developers, real estate sales companies, and overseas operators. As a result, we sold a total of 38 properties, primarily through Asset Design & Resale (optimizing land for development) projects, including the Komagome VI Project (Toshima Ward, Tokyo) and the Oji II Project (Kita Ward, Tokyo).

Additionally, by reviewing management costs and implementing renovations, we enhanced revenue value and sold 37 income-producing properties located in central Tokyo, including DeLCCS Shiodome (Minato Ward, Tokyo) and DeLCCS Harajuku (Shibuya Ward, Tokyo).

In terms of acquisitions, we focused on areas with higher anticipated demand and acquired 49 parcels of development land for urban residences, such as the Otorii III Project (Ota Ward, Tokyo) and the Koenji IV Project (Suginami Ward, Tokyo), along

with commercial development land. Additionally, we acquired 24 income-producing properties, including DeLCCS Otemachi (Chiyoda Ward, Tokyo) and DeLCCS GINZA VIII (Chuo Ward, Tokyo).

As a result, net sales amounted to ¥42,826 million (up 8.9% year on year), and operating profit reached ¥5,417 million (down 21.1%).

Sales Promotion Business

In the sales promotion business operated by our consolidated subsidiary, Arciel Co., Ltd., we have invested in initiatives such as promoting non-face-to-face sales and strengthening recruitment for dispatch personnel. In addition to steady performance in existing businesses, we have pursued business expansion by launching new ventures and stimulating demand in other industries to broaden our scope.

As a result, net sales amounted to ¥4,053 million (a 3.0% decrease year on year), and operating profit was ¥20 million (compared to an operating loss of ¥16 million in the previous fiscal year).

(ii) Performance Outlook for the Next Fiscal Year

In the next fiscal year (ending September 30, 2025), corporate performance is expected to improve, and wages are likely to continue rising due to ongoing labor shortages, contributing to a steady economic outlook. In Japan, there is a recovery in the trend of employees returning to the office, with continued population concentration anticipated in major cities, including Tokyo.

In Europe and the United States, inflation is beginning to stabilize, and monetary policy is entering a transitional phase, while in China, the real estate market remains unstable. It will be essential to continue monitoring the impact of these varied national monetary policies on exchange rates and investor sentiment.

In Japan's real estate industry in which the Dear Life Group operates, although the Bank of Japan's monetary easing has come to an end, Japanese real estate remains an attractive investment option as an inflation hedge due to its higher yield gap compared to Western real estate and the political stability in Japan.

In our core real estate business, strong demand is anticipated to continue for housing aimed at singles and DINKs households. Therefore, we will continue to make proactive investments in residential real estate, particularly in the Tokyo metropolitan area, and focus on expanding the supply of properties that offer exceptional stability and liquidity.

It has been three years since we made ID Inc. a wholly owned subsidiary, and we will continue to strengthen our collaboration with them to further capture business opportunities in Tokyo's real estate market.

In the sales promotion business, we will focus on enhancing both the quality and quantity of our staff, expanding transactions with existing clients, and diversifying the service fields we offer. Additionally, we aim to maximize synergies within the Group by promoting cost reduction and cross-utilization of personnel, thereby driving profit maximization.

We will also continue to make proactive investments to create new business pillars that can support us in the medium to long term.

The Group's consolidated performance targets for the next fiscal year (ending September 30, 2025) are as follows.

(Billions of yen)

	Full-year performance targets	Fiscal year ended September 30, 2024	Compared to fiscal year ended September 30, 2024
Ordinary profit	10	4.6	+5.3
Profit attributable to owners of parent	6.8	3.1	+3.6

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 fiscal year ending September 30, 2025 as a management goal instead of the consolidated earnings forecast, which is calculated based on reasonably assumed conditions.

(2) Analysis of Financial Position

(i) Assets, liabilities, and net assets

Current assets

As of September 30, 2024, the balance of current assets was ¥44,914 million (up 13.7% from the end of the previous fiscal year). This increase was primarily due to real estate sales progress within the real estate business, resulting in a ¥3,229 million decrease in cash and deposits. At the same time, progress in the acquisition of development land and used income-producing properties led to a ¥5,689 million increase in real estate for sale in process and a ¥2,739 million increase in real estate for sale.

Non-current assets

As of September 30, 2024, the balance of non-current assets was ¥2,148 million (down 2.8% from the end of the previous fiscal year).

Current liabilities

As of September 30, 2024, the balance of current liabilities was ¥6,463 million (up 29.3% from the end of the previous fiscal year). This was primarily due to a decrease of ¥249 million in notes and accounts payable - trade, while current portion of bonds payable increased by ¥900 million.

Non-current liabilities

As of September 30, 2024, the balance of non-current liabilities was ¥15,524 million (up 23.7% from the end of the previous fiscal year). This was primarily due to an increase of ¥3,788 million in long-term borrowings due to the purchase of real estate.

Net assets

As of September 30, 2024, the balance of net assets was ¥25,075 million (up 3.8% from the end of the previous fiscal year). This was primarily due to a dividends of surplus of ¥1,804 million, despite posting ¥3,170 million in profit attributable to owners of parent. As a result, the capital-to-assets ratio was 52.5%.

(ii) Cash flows

At the end of the consolidated fiscal year, cash and cash equivalents (hereinafter referred to as "funds") decreased by ¥3,209 million compared to the end of the previous fiscal year, totaling ¥18,710 million at the fiscal year-end.

The status and factors of each cash flow during the consolidated fiscal year ended September 30, 2024 are as follows.

Cash flows from operating activities

Funds used in operating activities was ¥5,932 million. This was primarily due to a profit before income taxes of ¥4,653 million, offset by an increase in inventories of ¥8,726 million and income taxes paid amounting to ¥1,798 million.

Cash flows from investing activities

Funds generated from investing activities amounted to ¥141 million. This was primarily due to proceeds of ¥155 million from the sale of securities.

Cash flows from financing activities

Funds generated from financing activities amounted to ¥2,581 million. This was primarily due to proceeds of ¥24,519 million from long-term borrowings, offset by expenditures of ¥20,078 million for the repayment of long-term borrowings and ¥1,804 million for dividend payments.

(3) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended September 30, 2024 and Next Fiscal Year Ending September 30, 2025

(i) Basic policy on profit distribution

Dear Life recognizes shareholder returns as a key management priority, while also focusing on strengthening our financial foundation and securing internal reserves. For profit distribution through dividends, we aim for a consolidated payout ratio of 40%, implementing dividends with consideration for each fiscal year's performance. From the consolidated fiscal year ended September 30, 2024, we have also considered DOE to ensure stable returns. Additionally, we will proactively conduct share buybacks as a means of improving capital efficiency, taking into account stock price trends, financial conditions, and other factors.

(ii) Dividend for the fiscal year ended September 30, 2024

Regarding the year-end dividend for the fiscal year ended September 30, 2024, following the dividend policy outlined above, we have set it at ¥47 per share. This amount was determined in line with our basic profit distribution policy and in celebration of the 20th anniversary of our founding. The consolidated dividend payout ratio for the fiscal year ended September 30, 2024, will be 64.9%.

(iii) Dividend for the next fiscal year

The year-end dividend for the next fiscal year ending September 30, 2025 has been set at ¥62 per share. This amount is based on our target dividend payout ratio of 40%, applied to the projected profit attributable to owners of parent for the fiscal year ending September 30, 2025.

2. Status of the Corporate Group

The Dear Life Group consists of our company, five consolidated subsidiaries, and one affiliate. The business activities of our Group, as well as the roles of our company and the main affiliated companies in these activities, are outlined below.

A breakdown of operations by segment is as follows.

Segment	Scope of Business	Company Name
(1) Real Estate Business	Real estate development and planning, investment and management of income-producing properties, solutions, real estate brokerage and management, etc.	Dear Life Co., Ltd. ID Inc. ID Property Co., Ltd.
(2) Sales Promotion Business	Personnel dispatch and placement for sales support roles in real estate, insurance, and finance industries, call center operations, etc.	Arciel Co., Ltd.

The operational activities for each segment are as follows.

Real Estate Business

We engage in solutions services related to real estate, including real estate development and planning, investment and management of income-producing properties, and real estate brokerage.

Primarily in the Tokyo metropolitan area and surrounding regions, we develop urban residences (rental apartments aimed at single individuals and DINKs households), conduct asset design & resale (optimizing land for development), and enhance the value of income-producing properties such as residential real estate, offices, and commercial buildings. We also handle selling these properties are then sold to real estate companies, corporate clients, real estate investment funds, end-users, and real estate owners.

Furthermore, we provide solution services and real estate brokerage services related to discovering properties that meet investor and user needs, as well as services for real estate investment, development, and operation. These are supported by our expertise, built up from dealings across various markets—from real estate investment funds and REITs to individual investors—as well as our capabilities in property evaluation, building planning, construction management, real estate operations, and our information network within the market.

Sales Promotion Business

In this business, we provide staffing services to the real estate, insurance, and financial industries.

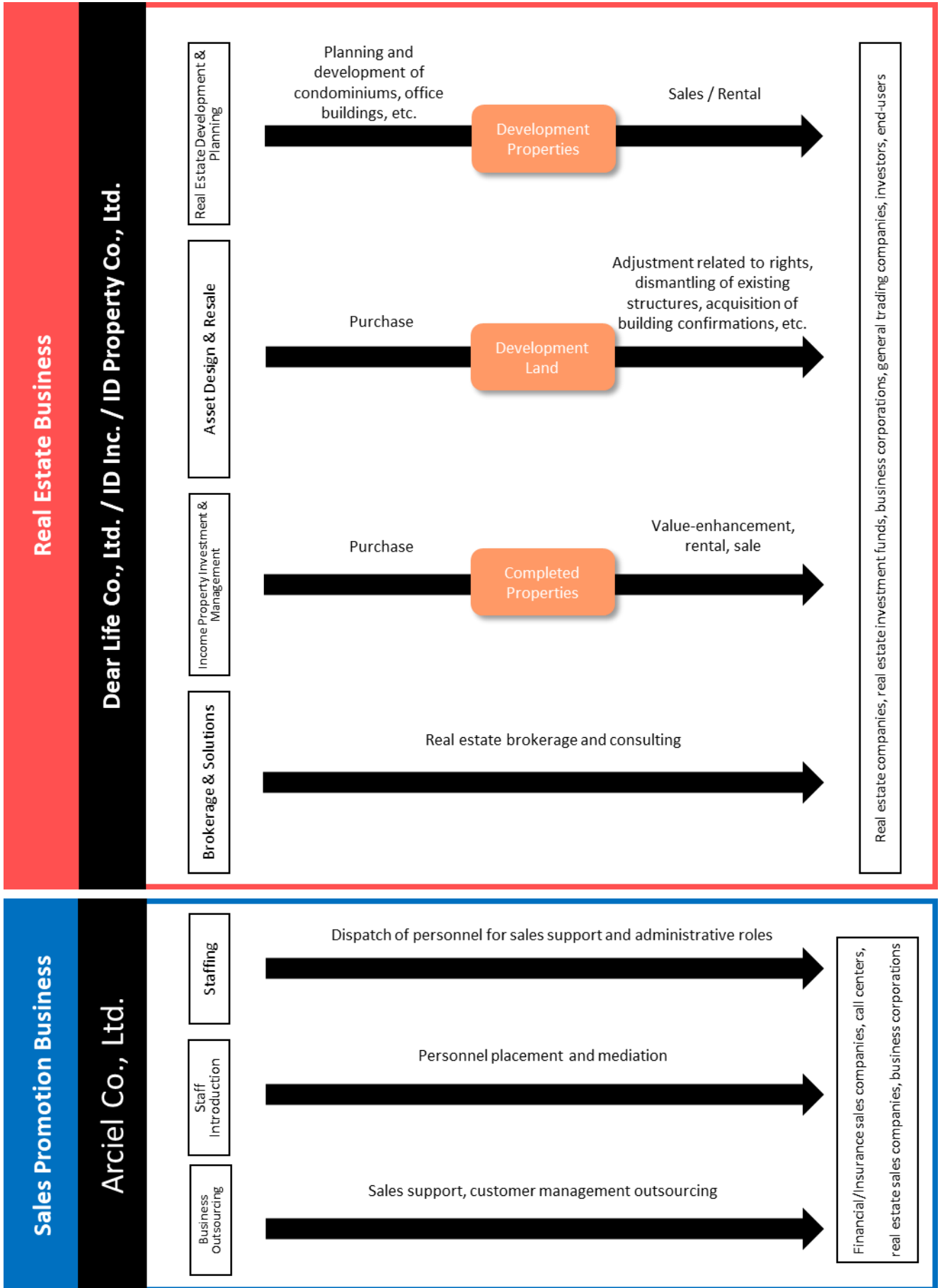
In the real estate industry, our staffing and placement services primarily focus on sales support roles, such as on-site staff for condominium model rooms and leasing staff for rental apartments, as well as administrative roles.

We provide flexible staffing support for promoting sales and rentals across various condominium projects, regardless of property size, location (from city center to suburban areas), or type (from single-occupancy units to high-end serviced apartments). Based on our experience and track record, we implement specialized training programs to equip personnel with professional knowledge in real estate and customer service skills, placing them according to the specific needs of each client.

In the insurance and financial industries, we provide staffing services mainly for sales support roles, such as outbound sales staff for insurance products, as well as for client management administration and call center staff.

For outbound sales in particular, since interactions with clients are conducted entirely remotely from initial contact to closing, we dispatch personnel who have not only obtained the qualifications required under the Insurance Business Act but have also undergone training to acquire professional knowledge in insurance consulting and comprehensive compliance training for insurance solicitation.

The above-mentioned items are illustrated in the following business organization chart.



3. Fundamental Approach to the Selection of Accounting Standards

The majority of Dear Life Group's stakeholders are domestic shareholders, creditors, and business partners, and there is little need for overseas funding. Therefore, we apply Japanese accounting standards.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	21,882	18,653
Accounts receivable—trade	395	398
Securities	10	36
Real estate for sale	11,400	14,139
Real estate for sale in process	4,954	10,644
Other	860	1,042
Total current assets	39,504	44,914
Non-current assets		
Property, plant and equipment		
Buildings	142	167
Accumulated depreciation	(39)	(49)
Buildings, net	102	118
Machinery, equipment and vehicles	11	13
Accumulated depreciation	(9)	(7)
Machinery, equipment and vehicles, net	2	6
Tools, furniture and fixtures	129	140
Accumulated depreciation	(48)	(69)
Tools, furniture and fixtures, net	81	70
Total property, plant and equipment	185	195
Intangible assets		
Goodwill	407	302
Other	5	9
Total intangible assets	413	312
Investments and other assets		
Investment securities	923	1,062
Deferred tax assets	363	293
Other	324	284
Total investments and other assets	1,610	1,641
Total non-current assets	2,209	2,148
Total assets	41,714	47,063

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable—trade	606	357
Short-term borrowings	500	1,065
Current portion of bonds payable	20	920
Current portion of long-term borrowings	974	1,626
Income taxes payable	1,737	1,361
Other	1,159	1,133
Total current liabilities	4,998	6,463
Non-current liabilities		
Bonds payable	2,130	1,210
Long-term borrowings	10,240	14,029
Deferred tax liabilities	1	—
Asset retirement obligations	35	29
Other	145	256
Total non-current liabilities	12,553	15,524
Total liabilities	17,551	21,987
Net assets		
Shareholders' equity		
Capital	4,125	4,125
Capital surplus	4,911	4,941
Retained earnings	15,118	16,484
Treasury shares	(375)	(923)
Total shareholders' equity	23,780	24,627
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	64
Total accumulated other comprehensive income	(0)	64
Non-controlling interests	382	383
Total net assets	24,162	25,075
Total liabilities and net assets	41,714	47,063

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

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Net sales	43,503	46,880
Cost of sales	34,943	39,785
Gross profit	8,559	7,095
Selling, general and administrative expenses	2,472	2,475
Operating profit	6,087	4,619
Non-operating income		
Interest income	1	1
Dividend income	6	1
Gain on investments in securities	117	166
Gain on sale of investment securities	3	32
Share of profit of entities accounted for using equity method	44	31
Surrender value of insurance policies	51	—
Other	44	25
Total non-operating income	269	259
Non-operating expenses		
Interest expenses	146	191
Interest expenses on bonds	10	10
Amortization of long-term prepaid expenses	9	10
Commission expenses	1	4
Other	7	5
Total non-operating expenses	175	222
Ordinary profit	6,181	4,656
Extraordinary gain		
Gain on sale of non-current assets	—	1
Gain on sale of investment securities	14	6
Total extraordinary income	14	8
Extraordinary loss		
Loss on change in equity	—	1
Impairment losses	26	—
Loss on retirement of non-current assets	—	9
Loss on valuation of investment securities	8	—
Total extraordinary losses	35	11
Profit before income taxes	6,160	4,653
Income taxes - current	1,946	1,442
Income taxes - deferred	(81)	39
Total income taxes	1,864	1,482
Net income	4,295	3,171
Profit (loss) attributable to non-controlling interests	(8)	0
Profit attributable to owners of parent	4,304	3,170

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Net income	4,295	3,171
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	64
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	(0)	64
Comprehensive income	4,295	3,235
Comprehensive income attributable to:		
Owners of parent	4,304	3,234
Non-controlling interests	(8)	0

(3) Consolidated Statement of Changes in Equity

Fiscal year ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	3,911	4,674	12,709	(429)	20,866
Changes during period					
Issuance of new shares	213	213			427
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		22		53	76
Dividends of surplus			(1,894)		(1,894)
Profit attributable to owners of parent			4,304		4,304
Net changes in items other than shareholders' equity					
Changes during period	213	236	2,409	53	2,913
Balance at the end of the year	4,125	4,911	15,118	(375)	23,780

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at the beginning of the year	(0)	(0)	1	391	21,259
Changes during period					
Issuance of new shares					427
Purchase of treasury shares					(0)
Disposal of treasury shares					76
Dividends of surplus					(1,894)
Profit attributable to owners of parent					4,304
Net changes in items other than shareholders' equity	(0)	(0)	(1)	(8)	(10)
Changes during period	(0)	(0)	(1)	(8)	2,903
Balance at the end of the year	(0)	(0)	—	382	24,162

Fiscal year ended September 30, 2024

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	4,125	4,911	15,118	(375)	23,780
Changes during period					
Issuance of new shares					
Purchase of treasury shares				(629)	(629)
Disposal of treasury shares		29		81	111
Dividends of surplus			(1,804)		(1,804)
Profit attributable to owners of parent			3,170		3,170
Net changes in items other than shareholders' equity					
Changes during period		29	1,365	(547)	847
Balance at the end of the year	4,125	4,941	16,484	(923)	24,627

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at the beginning of the year	(0)	(0)	382	24,162
Changes during period				
Issuance of new shares				
Purchase of treasury shares				(629)
Disposal of treasury shares				111
Dividends of surplus				(1,804)
Profit attributable to owners of parent				3,170
Net changes in items other than shareholders' equity	64	64	0	65
Changes during period	64	64	0	913
Balance at the end of the year	64	64	383	25,075

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	6,160	4,653
Depreciation	231	335
Impairment losses	26	—
Amortization of goodwill	104	104
Interest and dividend income	(8)	(2)
Interest expenses	146	191
Interest expenses on bonds	10	10
Share of loss of entities accounted for using equity method	(44)	(31)
Loss (gain) on investments in securities	(117)	(166)
Loss (gain) on sale and valuation of investment securities	(9)	(38)
Loss (gain) on change in equity	—	1
Loss (gain) on sale and retirement of non-current assets	—	8
Surrender value of insurance policies	(51)	—
Decrease (increase) in trade receivables	(1)	(3)
Decrease (increase) in inventories	(3,462)	(8,726)
Increase (decrease) in trade payables	403	(249)
Other	119	(26)
Subtotal	3,508	(3,940)
Interest and dividends received	12	16
Interest paid	(156)	(209)
Income taxes paid	(1,998)	(1,798)
Net cash provided by (used in) operating activities	1,365	(5,932)
Cash flows from investing activities		
Payments into time deposits	(6)	(2)
Proceeds from withdrawal of time deposits	69	21
Proceeds from sale/purchase of short-term and long-term investment securities, net	260	155
Purchase of property, plant and equipment	(59)	(54)
Proceeds from sale of property, plant and equipment	—	1
Purchase of intangible assets	(3)	(5)
Proceeds from cancellation of insurance funds	77	—
Other	8	24
Net cash provided by investing activities	346	141

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	800	1,318
Repayments of short-term borrowings	(400)	(753)
Proceeds from long-term borrowings	19,710	24,519
Repayments of long-term borrowings	(18,478)	(20,078)
Proceeds from issuance of bonds	400	—
Redemption of bonds	(20)	(20)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	426	—
Purchase of treasury shares	(0)	(599)
Dividends paid	(1,893)	(1,804)
Other	(15)	—
Net cash provided by financing activities	529	2,581
Net increase (decrease) in cash and cash equivalents	2,242	(3,209)
Cash and cash equivalents at beginning of period	19,677	21,920
Cash and cash equivalents at end of period	21,920	18,710

(5) Notes on Consolidated Financial Statements

Notes on Going Concern Assumption

None

Notes on Segment Information, etc.

Segment Information

1. Overview of reportable segments

Our reportable segments are components of Dear Life for which separate financial information is available and which are regularly reviewed by the Board of Directors to make decisions on resource allocation and assess performance.

Dear Life is organized into segments by service, with two reportable segments: the Real Estate Business, which engages in solutions such as real estate development, sales, and brokerage; and the Sales Promotion Business, which provides personnel dispatch for sales and administrative support, primarily in the real estate, finance, and insurance industries.

2. Methods for calculating net sales, profit or loss, assets, liabilities, and other item amounts by reportable segment

The accounting methods for the reported business segments are the same as those described in “Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements.” Segment profit is based on operating profit. Internal revenue and transfers between segments are calculated with reference to market prices.

3. Information on net sales, profit or loss, assets, liabilities, and other item amounts by reportable segment

Fiscal year ended September 30, 2023

(Millions of yen)

	Reportable Segment			Total
	Real Estate Business	Sales Promotion Business	Total	
Net sales				
Net sales to external customers	39,325	4,177	43,503	43,503
Intersegment net sales or transfers	—	3	3	3
Total	39,325	4,181	43,506	43,506
Segment profit (loss)	6,867	(16)	6,851	6,851
Segment assets	20,567	2,172	22,740	22,740
Other items				
Depreciation	202	22	224	224
Increase in property, plant and equipment and intangible assets	0	63	63	63

Fiscal year ended September 30, 2024

(Millions of yen)

	Reportable Segment			Total
	Real Estate Business	Sales Promotion Business	Total	
Net sales				
Net sales to external customers	42,826	4,053	46,880	46,880
Intersegment net sales or transfers	—	3	3	3
Total	42,826	4,056	46,883	46,883
Segment profit	5,417	20	5,438	5,438
Segment assets	29,634	1,754	31,388	31,388
Other items				
Depreciation	304	22	327	327
Increase in property, plant and equipment and intangible assets	38	7	46	46

4. Differences between total reportable segment amounts and consolidated financial statement amounts (matters related to difference adjustment)

(Millions of yen)

Net sales	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Total reportable segments	43,506	46,883
Elimination of intersegment transactions	(3)	(3)
Net sales in consolidated financial statements	43,503	46,880

(Millions of yen)

Profit	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Total reportable segments	6,851	5,438
Elimination of intersegment transactions	5	1
Group-wide expenses (Note)	(769)	(820)
Operating profit in consolidated financial statements	6,087	4,619

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

(Millions of yen)

Assets	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Total reportable segments	22,740	31,388
Elimination of intersegment transactions	(800)	(500)
Corporate assets (Note)	19,774	16,175
Total assets in consolidated financial statements	41,714	47,063

Note: Corporate assets mainly consist of Dear Life's surplus funds (cash and deposits) and assets related to administrative departments.

(Millions of yen)

Other items	Total reportable segments		Adjustments		Amounts in consolidated financial statements	
	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Depreciation (Note)	224	327	6	7	231	335
Increase in property, plant and equipment and intangible assets (Note)	63	46	—	13	63	59

Note: Adjustments mainly include depreciation of assets related to the head office and administrative departments, and increases in property, plant and equipment and intangible assets.

Related Information

Fiscal year ended September 30, 2023

1. Information by product and service

Since the classification of products and services is the same as that of the reportable segments, this information has been omitted.

2. Information by region

(1) Net sales

No applicable items as there are no net sales to external customers outside Japan.

(2) Property, plant and equipment

No applicable items as there is no property, plant and equipment located outside of Japan.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Relevant segment
Aoyama Zaisan Networks Co., Ltd.	4,788	Real Estate Business

Fiscal year ended September 30, 2024

1. Information by product and service

Since the classification of products and services is the same as that of the reportable segments, this information has been omitted.

2. Information by region

(1) Net sales

No applicable items as there are no net sales to external customers outside Japan.

(2) Property, plant and equipment

No applicable items as there is no property, plant and equipment located outside of Japan.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Relevant segment
Daiichi Realtor Co., Ltd.	6,254	Real Estate Business

Information Regarding Impairment Losses on Non-Current Assets by Reportable Segment

Fiscal year ended September 30, 2023

(Millions of yen)

	Reportable Segment			Other	Corporate or elimination	Total
	Real Estate Business	Sales Promotion Business	Total			
Impairment losses	26	—	26	—	—	26

Fiscal year ended September 30, 2024

None

Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment

Fiscal year ended September 30, 2023

(Millions of yen)

	Real Estate Business	Sales Promotion Business	Total	Corporate or elimination	Total
Amortization for period	—	104	104	—	104
Balance at the end of the year	—	407	407	—	407

Fiscal year ended September 30, 2024

(Millions of yen)

	Real Estate Business	Sales Promotion Business	Total	Corporate or elimination	Total
Amortization for period	—	104	104	—	104
Balance at the end of the year	—	302	302	—	302

Information Regarding Gain on Bargain Purchases by Reportable Segment

Fiscal year ended September 30, 2023

None

Fiscal year ended September 30, 2024

None

Per Share Information

(Yen)

Item	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Net assets per share	540.29	568.61
Basic earnings per share	97.93	72.44
Diluted basic earnings per share	97.92	72.44

Note: The basis for calculation is as follows.

(1) The basis for calculating net assets per share is as follows.

Item	As of September 30, 2023	As of September 30, 2024
Total net assets on consolidated balance sheet (millions of yen)	24,162	25,075
Amount deducted from total net assets on consolidated balance sheet (millions of yen)	(382)	(383)
Net assets related to common stock (millions of yen)	23,780	24,692
Number of common shares issued	44,896,800	44,896,800
Number of treasury shares of common stock	(883,190)	(1,471,102)
Number of common shares used for net assets per share calculation	44,013,610	43,425,698

(2) The basis for calculating basic earnings per share and diluted basic earnings per share is as follows.

Item	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Basic earnings per share		
Profit attributable to owners of parent on the consolidated statement of income (millions of yen)	4,304	3,170
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common stock (millions of yen)	4,304	3,170
Average number of common shares during the period	43,951,686	43,764,735
Diluted basic earnings per share		
Adjustments to profit attributable to owners of parent (millions of yen)	(0)	(0)
[of which, adjustments related to diluted shares of equity-method affiliates]	[(0)]	[(0)]
Increase in number of common shares	1,948	—
[of which, increase due to share acquisition rights]	[1,948]	[—]
Overview of diluted shares not included in calculation of diluted basic earnings per share due to lack of dilutive effect	None	None

Significant Subsequent Events

None