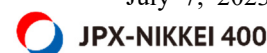


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Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 29, 2024 (under Japanese GAAP)



July 7, 2023



Company name: **LIFE CORPORATION**
 Listing: Tokyo Stock Exchange
 Securities code: 8194
 URL: <http://www.lifecorp.jp/>
 Representative: Takaharu Iwasaki, Representative Director and President
 Inquiries: Kazuo Kaneko, Executive Officer, Deputy Division COO, Corporate Finance and Accounting Division, and General Manager, Investor Relations Department
 TEL: +81-3-5807-5111 (from overseas)

Scheduled date to file Quarterly Securities Report: July 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results meeting: None

(Amounts less than one million yen are rounded down.)

1. Consolidated financial results for the first three months of the fiscal year ending February 29, 2024 (from March 1, 2023 to May 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
May 31, 2023	195,864	5.4	6,347	15.0	6,559	14.7	4,418	11.0
May 31, 2022	185,780	–	5,520	(34.4)	5,720	(33.5)	3,981	(34.4)

Note: Comprehensive income
 Three months ended May 31, 2023: ¥4,360 million [10.5%]
 Three months ended May 31, 2022: ¥3,944 million [(33.8)%]

Reference: Operating revenue is the total of net sales and receipts from operating revenue.

Net sales
 Three months ended May 31, 2023: ¥188,981 million [5.4%]
 Three months ended May 31, 2022: ¥179,223 million [–%]
 Receipts from operating revenue
 Three months ended May 31, 2023: ¥6,882 million [5.0%]
 Three months ended May 31, 2022: ¥6,556 million [–%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2023	94.16	–
May 31, 2022	84.95	–

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc., from the beginning of the first quarter of the fiscal year ended February 28, 2023. Figures for the three months ended May 31, 2022 represent the amounts after applying the said accounting standard, etc., and do not include year-on-year changes for operating revenue.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2023	277,537	124,717	44.9	2,657.64
February 28, 2023	280,810	122,002	43.4	2,599.79

Reference: Equity

As of May 31, 2023: ¥124,717 million

As of February 28, 2023: ¥122,002 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2023	–	35.00	–	35.00	70.00
Fiscal year ending February 29, 2024	–				
Fiscal year ending February 29, 2024 (Forecast)		40.00	–	40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 29, 2024	801,000	4.6	19,800	3.4	20,500	2.4	13,500	1.3	288.02

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting treatment to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 - i. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - ii. Changes in accounting policies due to other reasons: None
 - iii. Changes in accounting estimates: None
 - iv. Restatement: None
- (4) Number of issued shares (ordinary shares)
 - i. Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2023	49,450,800 shares
As of February 28, 2023	49,450,800 shares
 - ii. Number of treasury shares at the end of the period

As of May 31, 2023	2,522,879 shares
As of February 28, 2023	2,522,786 shares
 - iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2023	46,927,963 shares
Three months ended May 31, 2022	46,867,292 shares

Note: The number of treasury shares at the end of the period includes the Company's shares (84,300 shares as of May 31, 2023, and 84,300 shares as of February 28, 2023) held by Custody Bank of Japan, Ltd. (Trust Account) as the trust assets for the "Trust for Delivering Shares to Directors."

In addition, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury shares that are excluded from the calculation of the average number of shares during the period. (84,300 shares for the three months ended May 31, 2023, and 90,300 shares for the three months ended May 31, 2022)

* Quarterly financial results reports are not required to be subjected to quarterly financial reviews conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to "1. Qualitative information on quarterly financial results, (3) Explanation of consolidated earnings forecasts and other such forward-looking information" on page 3 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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1. Qualitative information on quarterly financial results

(1) Explanation of operating results

During the first three months of the current fiscal year, the outlook for the Japanese economy remained uncertain due to ongoing inflation stemming from the rise in resource prices under the unstable international situation, financial instability, particularly in the U.S. and economic stagnation due to global scale monetary tightening, as well as the impact from the depreciation of the yen. However, further advancements were made in the normalization of socioeconomic activities due to the change in the legal status of COVID-19 and the abolition of activity restrictions. As a result, with the support from the recovery in consumer spending and inbound demand, the Group's operating revenue as well as all profit items exceeded the results of the same period of the previous fiscal year.

In the food supermarket industry, which is the Group's area of business, the environment surrounding corporate operations is unpredictable due to intensifying competition across industries and business categories, rising procurement costs for raw materials, soaring utilities expenses, labor expenses and other costs, and the heightened tendency to economize due to declining real wages attributed to higher prices such as the successive hikes in food prices. In this economic environment, based on the reflections of the 6th Medium-Term Plan and changes in the external environment, the Group is working on the 7th Medium-Term Plan with the following three key themes from the current fiscal year to realize our Corporate Philosophy, Vision, and the "True to LIFE Declaration," with a view to looking toward to what we want to be in fiscal 2030.

- Investment in people – We invest in growth of personnel and a motivating workplace environment because we recognize that increased motivation through employee growth and satisfaction, will advance the 7th Medium-Term Plan and lead to company growth.
- Breaking away from homogeneous competition – We aim to provide customers with a comfortable shopping experience by refining our unique products and services, expanding our internet business, and providing information through the LIFE app available on smartphones, in order to realize seamless and convenient shopping environment.
- Contributing towards the realization of a sustainable and flourishing society – As a "lifeline for the community" – we are implementing initiatives to realize a sustainable and flourishing society (reduction of environmental impacts, contribution to the local community, etc.).

In promoting the three themes, all employees will personally engage in "kaizen" activities under the slogan of "Linking the Circle of Kaizen" in order to optimize costs while also increasing productivity to accomplish the 7th Medium-Term Plan, even in the current situation of labor shortages.

We opened following new stores: Takarazuka Nakayamadera Store (Hyogo) and BIO-RAL PARCO_ya Ueno Store (Tokyo) in March, Kawasaki Tsukagoshi Store (Kanagawa) and Central Square LaLaport Kadoma Store (Osaka), which was our 300th store, in April. As for existing stores, we undertook major renovations at Oizumigakuen Ekimae Store, expanding the sales floor area by a multiple of approximately 1.8, and substantially enhancing the product lineups such as BIO-RAL brand products and frozen foods.

The Group's operating revenue totaled ¥195,864 million (up 5.4% year on year) as a result of the expansion of new stores and online supermarkets, the strengthening of private brand products such as "BIO-RAL," and implementing product initiatives that sought to enhance taste of our products. On the other hand, as for selling, general and administrative expenses, the Group saw increases in utilities expenses, various property expenses such as rent expenses from opening new stores, and personnel expenses from increased hiring activities. However, as a result of initiatives to reduce further costs overall, operating profit was ¥6,347 million (up 15.0% year on year), ordinary profit

was ¥6,559 million (up 14.7% year on year), and profit attributable to owners of parent was ¥4,418 million (up 11.0% year on year).

Results by segment are as follows:

(Retail Business)

Operating revenue was ¥195,807 million (up 5.4% year on year), with net sales of ¥188,981 million (up 5.4% year on year), and segment profit of ¥6,452 million (up 14.1% year on year).

Net sales by department were ¥82,441 million (up 4.7% year on year) for fresh produce, ¥84,630 million (up 6.6% year on year) for general food, ¥16,231 million (up 4.5% year on year) for lifestyle products, and ¥5,677 million (up 1.6% year on year) for apparel.

(Other Business)

Operating revenue from LIFE FINANCIAL SERVICE was ¥679 million (up 9.4% year on year), with segment profit of ¥106 million (up 66.8% year on year).

(2) Explanation of financial position

Assets, liabilities, and net assets

Total assets at the end of the first quarter of the current fiscal year were ¥277,537 million, a decrease of ¥3,273 million from the end of the previous fiscal year.

Current assets totaled ¥76,354 million, a decrease of ¥4,136 million from the end of the previous fiscal year. This was mainly due to a ¥5,923 million decrease in accounts receivable - other (other current assets), while accounts receivable - trade increased by ¥968 million, and merchandise and finished goods increased by ¥1,464 million.

Non-current assets totaled ¥201,183 million, an increase of ¥863 million from the end of the previous fiscal year. This was mainly due to an increase of ¥565 million in property, plant and equipment after depreciation and an increase of ¥146 million in guarantee deposits, resulting from new store openings.

Total liabilities at the end of the first quarter of the current fiscal year were ¥152,819 million, a decrease of ¥5,987 million from the end of the previous fiscal year. This was mainly due to a ¥16,350 million decrease in the total of short-term borrowings and long-term borrowings, while accounts payable - trade increased by ¥6,079 million, income taxes payable increased by ¥747 million, and provision for bonuses increased by ¥2,403 million.

Total net assets at the end of the first quarter of the current fiscal year were ¥124,717 million, an increase of ¥2,714 million from the end of the previous fiscal year. This was mainly due to a ¥2,773 million increase in retained earnings.

(3) Explanation of consolidated earnings forecasts and other such forward-looking information

There is no change in the consolidated earnings forecasts for the fiscal year ending February 29, 2024 from that announced on April 10, 2023 in the “Consolidated Financial Results for the Fiscal Year Ended February 28, 2023.”

We will closely monitor future economic and consumer spending trends, and if it becomes necessary to revise our consolidated earnings forecasts, we will disclose the promptly.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2023	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	9,727	9,553
Accounts receivable - trade	9,209	10,177
Merchandise and finished goods	25,811	27,276
Raw materials and supplies	250	273
Other	35,491	29,073
Total current assets	80,490	76,354
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	91,932	93,102
Land	39,614	39,614
Other, net	24,334	23,729
Total property, plant and equipment	155,880	156,445
Intangible assets	3,218	3,068
Investments and other assets		
Guarantee deposits	24,513	24,660
Other	16,749	17,050
Allowance for doubtful accounts	(41)	(42)
Total investments and other assets	41,220	41,668
Total non-current assets	200,319	201,183
Total assets	280,810	277,537

(Millions of yen)

	As of February 28, 2023	As of May 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	41,971	48,050
Short-term borrowings	44,120	23,300
Current portion of long-term borrowings	8,628	9,627
Income taxes payable	2,363	3,110
Provision for bonuses	2,764	5,168
Provision for sales promotion expenses	21	20
Other	28,367	29,503
Total current liabilities	128,236	118,781
Non-current liabilities		
Long-term borrowings	17,497	20,967
Provision for share awards for directors (and other officers)	43	43
Retirement benefit liability	889	918
Asset retirement obligations	5,350	5,468
Other	6,790	6,640
Total non-current liabilities	30,571	34,038
Total liabilities	158,807	152,819
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	5,696	5,696
Retained earnings	109,147	111,921
Treasury shares	(3,838)	(3,838)
Total shareholders' equity	121,010	123,783
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	588	560
Revaluation reserve for land	(1,154)	(1,154)
Remeasurements of defined benefit plans	1,558	1,527
Total accumulated other comprehensive income	992	933
Total net assets	122,002	124,717
Total liabilities and net assets	280,810	277,537

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended May 31, 2022	Three months ended May 31, 2023
Net sales	179,223	188,981
Cost of sales	123,722	129,831
Gross profit	55,501	59,150
Receipts from operating revenue	6,556	6,882
Operating gross profit	62,057	66,032
Selling, general and administrative expenses	56,536	59,684
Operating profit	5,520	6,347
Non-operating income		
Interest income	33	31
Dividend income	4	4
Income from recycling	78	89
Other	143	141
Total non-operating income	259	266
Non-operating expenses		
Interest expenses	43	45
Other	15	9
Total non-operating expenses	59	55
Ordinary profit	5,720	6,559
Extraordinary losses		
Loss on retirement of non-current assets	4	35
Other	-	8
Total extraordinary losses	4	44
Profit before income taxes	5,716	6,514
Income taxes - current	2,071	2,648
Income taxes - deferred	(336)	(552)
Total income taxes	1,735	2,095
Profit	3,981	4,418
Profit attributable to owners of parent	3,981	4,418

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 31, 2022	Three months ended May 31, 2023
Profit	3,981	4,418
Other comprehensive income		
Valuation difference on available-for-sale securities	(40)	(27)
Remeasurements of defined benefit plans, net of tax	4	(30)
Total other comprehensive income	(36)	(58)
Comprehensive income	3,944	4,360
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,944	4,360

(3) Notes to quarterly consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes on the event of significant changes in the amount of shareholders' equity

Not applicable.

Segment information, etc.

[Segment information]

I First three months of the previous fiscal year (March 1, 2022 to May 31, 2022)

1. Information on operating revenue and profit or loss by reportable segment and on disaggregation of revenue

(Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments	Amounts recorded in quarterly consolidated statement of income (Note 3)
	Retail Business				
Operating revenue (Note 1)					
Revenue from contracts with customers	184,418	265	184,683	–	184,683
Other revenue (Note 4)	1,096	–	1,096	–	1,096
Operating revenue from external customers	185,514	265	185,780	–	185,780
Intersegment operating revenue and transfers	218	356	574	(574)	–
Total	185,733	621	186,355	(574)	185,780
Segment profit	5,656	63	5,720	–	5,720

- Notes: 1. Operating revenue is the total of net sales and receipts from operating revenue.
 2. “Other” includes credit card business, etc.
 3. Segment profit is adjusted to ordinary profit in the quarterly consolidated statement of income.
 4. Other revenue includes real estate lease revenue based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

II First three months of the current fiscal year (March 1, 2023 to May 31, 2023)

1. Information on operating revenue and profit or loss by reportable segment and on disaggregation of revenue

(Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments	Amounts recorded in quarterly consolidated statement of income (Note 3)
	Retail Business				
Operating revenue (Note 1)					
Revenue from contracts with customers	194,471	296	194,768	–	194,768
Other revenue (Note 4)	1,095	–	1,095	–	1,095
Operating revenue from external customers	195,567	296	195,864	–	195,864
Intersegment operating revenue and transfers	240	383	623	(623)	–
Total	195,807	679	196,487	(623)	195,864
Segment profit	6,452	106	6,559	–	6,559

- Notes: 1. Operating revenue is the total of net sales and receipts from operating revenue.
2. “Other” includes credit card business, etc.
3. Segment profit is adjusted to ordinary profit in the quarterly consolidated statement of income.
4. Other revenue includes real estate lease revenue based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

Significant subsequent events

Not applicable.