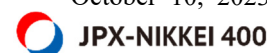


Note: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

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



October 10, 2023



Company name: **LIFE CORPORATION**
 Listing: Tokyo Stock Exchange
 Securities code: 8194
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Scheduled date to file Quarterly Securities Report: October 13, 2023
 Scheduled date to commence dividend payments: November 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the first six months of the fiscal year ending February 29, 2024 (from March 1, 2023 to August 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	%
Six months ended August 31, 2023	400,148	6.0	12,410	39.2	12,851	37.7	8,534	33.1
August 31, 2022	377,563	–	8,914	(41.6)	9,331	(40.2)	6,412	(40.5)

Note: Comprehensive income
 Six months ended August 31, 2023: ¥8,580 million [32.7%]
 Six months ended August 31, 2022: ¥6,468 million [(39.2)%]

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

Net sales
 Six months ended August 31, 2023: ¥385,663 million [5.9%]
 Six months ended August 31, 2022: ¥364,251 million [–%]
 Receipts from operating revenue
 Six months ended August 31, 2023: ¥14,484 million [8.8%]
 Six months ended August 31, 2022: ¥13,311 million [–%]

	Earnings per share	Diluted earnings per share
Six months ended August 31, 2023	Yen 181.87	Yen –
August 31, 2022	136.83	–

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 six months ended August 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
August 31, 2023	279,673	128,945	46.1	2,747.53
February 28, 2023	280,810	122,002	43.4	2,599.79

Reference: Equity

As of August 31, 2023: ¥128,945 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	–	40.00			
Fiscal year ending February 29, 2024 (Forecast)			–	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: Yes
 - iv. Restatement: None

Note: For details, please refer to 2. Quarterly consolidated financial statements and significant notes thereto, (4) Notes to quarterly consolidated financial statements, “Changes in accounting estimates” on page 10 of the attached material.

- (4) Number of issued shares (ordinary shares)
 - i. Total number of issued shares at the end of the period (including treasury shares)

As of August 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 August 31, 2023	2,519,389 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)

Six months ended August 31, 2023	46,929,037 shares
Six months ended August 31, 2022	46,869,043 shares

Note: The number of treasury shares at the end of the period includes the Company’s shares (80,500 shares as of August 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. (83,136 shares for the six months ended August 31, 2023, and 88,520 shares for the six months ended August 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 4 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Attached material

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1. Qualitative information on quarterly financial results

(1) Explanation of operating results

During the first six months of the current fiscal year, the outlook for the Japanese economy remained uncertain mainly due to ongoing inflation stemming from the continuing high resource prices, economic stagnation due to global scale monetary tightening, as well as the impact from the depreciation of the yen. However, as the economic activities normalized in Japan due to the change in the legal classification of COVID-19 and the abolition of activity restrictions, the rate of economic growth for the three months April to June showed underlying strength and companies had strong earnings results.

In the food supermarket industry, which is the Group's area of business, the environment surrounding corporate operations is unpredictable due to not only concerns over consumer confidence weakening in the future on account of higher prices and declining real wages but also rising costs on a variety of fronts such as personnel expenses, electricity expenses and logistics expenses, despite signs of recovery overall in revenue due to increased product prices.

In this economic environment, based on what we have built up through 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 main 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 employees – We invest in growth of employee 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, even in the current situation of labor shortages, we are steadily getting all employees to conduct their activities while engaging in "kaizen" 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.

In terms of specific initiatives carried out this fiscal year, in July, we renewed the LIFE app, adding more convenient and valuable features. Also, the number of members of the LIFE credit card "LC JCB CARD" exceeded 500,000 and as a limited-time offer, point campaigns were offered once per month for the months from June to August.

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, and Umejima Ekimae Store (Tokyo) and BIO-RAL Ariake Garden Store (Tokyo), which our first "Large BIO-RAL Cafe" is attached to, in June. As for existing stores, we undertook major renovations at Oizumigakuen Ekimae Store and Kema Store substantially enhancing the product lineups such as BIO-RAL brand products and frozen foods.

The Group's operating revenue totaled ¥400,148 million (up 6.0% 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, initiatives to increase productivity and optimize costs led to the results exceeding the plan, and operating profit was ¥12,410 million (up 39.2% year on year), ordinary profit was ¥12,851 million (up 37.7% year on year), and profit attributable to owners of parent was ¥8,534 million (up 33.1% year on year).

Results by segment are as follows:

(Retail Business)

Operating revenue was ¥400,040 million (up 6.0% year on year), with net sales of ¥385,663 million (up 5.9% year on year), and segment profit of ¥12,644 million (up 37.7% year on year).

Net sales by department were ¥166,895 million (up 4.8% year on year) for fresh produce, ¥173,498 million (up 7.2% year on year) for general food, ¥33,541 million (up 5.4% year on year) for lifestyle products, and ¥11,728 million (up 3.9% year on year) for apparel.

(Other Business)

Operating revenue from LIFE FINANCIAL SERVICE was ¥1,373 million (up 8.5% year on year), with segment profit of ¥207 million (up 37.6% year on year).

(2) Explanation of financial position

(i) Assets, liabilities, and net assets

Total assets at the end of the second quarter of the current fiscal year were ¥279,673 million, a decrease of ¥1,136 million from the end of the previous fiscal year.

Current assets totaled ¥78,620 million, a decrease of ¥1,870 million from the end of the previous fiscal year. This was mainly due to decreases of ¥1,639 million in cash and deposits and ¥1,676 million in accounts receivable - other, while accounts receivable - trade increased by ¥1,595 million.

Non-current assets totaled ¥201,053 million, an increase of ¥733 million from the end of the previous fiscal year. This was mainly due to an increase of ¥786 million in intangible assets.

Total liabilities at the end of the second quarter of the current fiscal year were ¥150,728 million, a decrease of ¥8,079 million from the end of the previous fiscal year. This was mainly due to a ¥19,271 million decrease in the total of short-term borrowings and long-term borrowings, while accounts payable - trade increased by ¥6,415 million, income taxes payable increased by ¥2,629 million, and accounts payable - other (other current liabilities) increased by ¥1,167 million.

Total net assets at the end of the second quarter of the current fiscal year were ¥128,945 million, an increase of ¥6,942 million from the end of the previous fiscal year. This was mainly due to a ¥6,889 million increase in retained earnings.

(ii) Cash flows

Cash and cash equivalents (“cash”) at the end of the second quarter of the current fiscal year totaled ¥7,687 million (up 11.8% year on year).

The status of respective cash flows and their factors during the first six months of the current fiscal year are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥28,517 million in the first six months of the current fiscal year (up 58.1% year on year). This was mainly due to an increase of ¥6,415 million in

trade payables, as well as depreciation, a non-cash gain/loss item, of ¥7,675 million, and profit before income taxes of ¥12,587 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥8,557 million in the first six months of the current fiscal year (down 41.7% year on year). This was mainly due to expenditures of ¥7,290 million for the purchase of property, plant and equipment, including the construction of six new stores and renovation of existing stores.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥21,599 million in the first six months of the current fiscal year (up 267.2% year on year). This was mainly due to a net decrease in short-term borrowings and repayments of long-term borrowings of ¥32,271 million despite proceeds from long-term borrowings of ¥13,000 million.

(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 them 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 August 31, 2023
Assets		
Current assets		
Cash and deposits	9,727	8,087
Accounts receivable - trade	9,209	10,805
Merchandise and finished goods	25,811	26,841
Raw materials and supplies	250	302
Accounts receivable - other	29,664	27,988
Other	5,826	4,594
Total current assets	80,490	78,620
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	91,932	93,301
Land	39,614	39,614
Other, net	24,334	22,862
Total property, plant and equipment	155,880	155,778
Intangible assets	3,218	4,005
Investments and other assets		
Guarantee deposits	24,513	24,759
Other	16,749	16,553
Allowance for doubtful accounts	(41)	(42)
Total investments and other assets	41,220	41,270
Total non-current assets	200,319	201,053
Total assets	280,810	279,673

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	41,971	48,387
Short-term borrowings	44,120	16,020
Current portion of long-term borrowings	8,628	10,173
Income taxes payable	2,363	4,992
Provision for bonuses	2,764	2,995
Provision for sales promotion expenses	21	21
Other	28,367	30,271
Total current liabilities	128,236	112,861
Non-current liabilities		
Long-term borrowings	17,497	24,781
Provision for share awards for directors (and other officers)	43	35
Retirement benefit liability	889	933
Asset retirement obligations	5,350	5,548
Other	6,790	6,568
Total non-current liabilities	30,571	37,866
Total liabilities	158,807	150,728
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	5,696	5,696
Retained earnings	109,147	116,037
Treasury shares	(3,838)	(3,830)
Total shareholders' equity	121,010	127,907
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	588	695
Revaluation reserve for land	(1,154)	(1,154)
Remeasurements of defined benefit plans	1,558	1,496
Total accumulated other comprehensive income	992	1,038
Total net assets	122,002	128,945
Total liabilities and net assets	280,810	279,673

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

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Net sales	364,251	385,663
Cost of sales	252,407	265,804
Gross profit	111,843	119,858
Receipts from operating revenue	13,311	14,484
Operating gross profit	125,155	134,343
Selling, general and administrative expenses	*1 116,241	*1 121,932
Operating profit	8,914	12,410
Non-operating income		
Interest income	66	61
Dividend income	27	31
Income from recycling	166	182
Data offer fee	78	84
Other	202	203
Total non-operating income	540	564
Non-operating expenses		
Interest expenses	90	95
Other	33	27
Total non-operating expenses	123	123
Ordinary profit	9,331	12,851
Extraordinary losses		
Head office relocation expenses	–	80
Loss on store closings	–	61
Loss on retirement of non-current assets	15	59
Loss on disaster	–	*2 49
Other	–	13
Total extraordinary losses	15	264
Profit before income taxes	9,315	12,587
Income taxes - current	2,355	4,067
Income taxes - deferred	547	(14)
Total income taxes	2,902	4,052
Profit	6,412	8,534
Profit attributable to owners of parent	6,412	8,534

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Profit	6,412	8,534
Other comprehensive income		
Valuation difference on available-for-sale securities	46	107
Remeasurements of defined benefit plans, net of tax	8	(61)
Total other comprehensive income	55	46
Comprehensive income	6,468	8,580
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,468	8,580

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Cash flows from operating activities		
Profit before income taxes	9,315	12,587
Depreciation	7,385	7,675
Retirement benefit expenses	12	(88)
Increase (decrease) in provision for bonuses	320	230
Increase (decrease) in provision for sales promotion expenses	(7)	0
Increase (decrease) in contract liabilities	(95)	27
Increase (decrease) in retirement benefit liability	(26)	43
Increase (decrease) in provision for share awards for directors (and other officers)	(12)	(8)
Interest and dividend income	(93)	(93)
Interest expenses	90	95
Loss on retirement of non-current assets	15	59
Decrease (increase) in trade receivables	(1,992)	(1,595)
Decrease (increase) in inventories	(388)	(1,082)
Decrease (increase) in accounts receivable - other	2,524	1,678
Increase (decrease) in trade payables	4,599	6,415
Increase (decrease) in accounts payable - other	613	1,753
Other, net	(1,154)	2,409
Subtotal	21,107	30,109
Interest and dividends received	28	32
Interest paid	(84)	(89)
Income taxes paid	(3,013)	(1,534)
Net cash provided by (used in) operating activities	18,037	28,517
Cash flows from investing activities		
Payments into time deposits	(400)	(400)
Proceeds from withdrawal of time deposits	400	400
Purchase of property, plant and equipment	(13,257)	(7,290)
Proceeds from sale of property, plant and equipment	-	1
Purchase of intangible assets	(288)	(845)
Loan advances	(22)	(144)
Payments of guarantee deposits	(448)	(260)
Proceeds from refund of guarantee deposits	24	14
Other, net	(699)	(32)
Net cash provided by (used in) investing activities	(14,689)	(8,557)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,650)	(28,100)
Proceeds from long-term borrowings	5,500	13,000
Repayments of long-term borrowings	(5,258)	(4,171)
Repayments of lease liabilities	(598)	(684)
Dividends paid	(1,874)	(1,643)
Purchase of treasury shares	(0)	(1)
Net cash provided by (used in) financing activities	(5,881)	(21,599)
Net increase (decrease) in cash and cash equivalents	(2,533)	(1,639)
Cash and cash equivalents at beginning of period	9,409	9,327
Cash and cash equivalents at end of period	6,875	7,687

(4) 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.

Changes in accounting estimates

Changes in useful lives

At the Board of Directors meeting held on August 31, 2023, a resolution was passed concerning guidelines for the relocation of the Tokyo Head Office. In line with these guidelines, the term for the useful lives of non-current assets that will be no longer required was shortened to the scheduled date of relocation.

As a result, compared to the previous method, operating profit, ordinary profit, and profit before income taxes each decreased by ¥35 million for the first six months of the current fiscal year.

Notes to quarterly consolidated statement of income

*1 Major items and amounts of selling, general and administrative expenses

(Millions of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Salaries, allowances and bonuses	43,857	45,862
Provision for bonuses	2,870	2,989
Retirement benefit expenses	782	704

*2 Loss on disaster

First six months of the previous fiscal year (March 1, 2022 to August 31, 2022)

Not applicable.

First six months of the current fiscal year (March 1, 2023 to August 31, 2023)

An amount of ¥49 million was recorded as loss on abandonment of goods and waste disposal costs in association with Typhoon Lan (seventh named storm), which struck in August 2023.

Segment information, etc.

[Segment information]

I First six months of the previous fiscal year (March 1, 2022 to August 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	374,840	533	375,374	–	375,374
Other revenue (Note 4)	2,188	–	2,188	–	2,188
Operating revenue from external customers	377,029	533	377,563	–	377,563
Intersegment operating revenue and transfers	446	732	1,179	(1,179)	–
Total	377,476	1,265	378,742	(1,179)	377,563
Segment profit	9,180	150	9,331	–	9,331

- 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 six months of the current fiscal year (March 1, 2023 to August 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	397,360	594	397,955	–	397,955
Other revenue (Note 4)	2,192	–	2,192	–	2,192
Operating revenue from external customers	399,553	594	400,148	–	400,148
Intersegment operating revenue and transfers	487	778	1,265	(1,265)	–
Total	400,040	1,373	401,413	(1,265)	400,148
Segment profit	12,644	207	12,851	–	12,851

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.