

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



Summary of Non-Consolidated Financial Results for the Six Months Ended January 31, 2024 [Based on Japanese GAAP]

March 11, 2024

Company name: SILVER LIFE CO., LTD.

Stock exchange listing: Tokyo

Code number: 9262

URL: <https://www.silver-life.co.jp/>

Representative: Takahisa Shimizu

President, CEO

Contact: Hirokazu Masuyama

Director, Administration Manager

Phone: (03)6300-5629

Scheduled date of filing quarterly securities report: March 11, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Non-consolidated Financial Results for the Six Months Ended January 31, 2024 (August 1, 2023 to January 31, 2024)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended January 31, 2024	6,710	11.6	490	17.6	582	14.9	361	13.8
January 31, 2023	6,015	10.4	417	33.6	507	32.8	317	24.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended January 31, 2024	33.33	33.00
January 31, 2023	29.40	29.00

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of January 31, 2024	9,476	6,114	64.5
July 31, 2023	9,562	5,916	61.9

(Reference) Equity: As of January 31, 2024: ¥ 6,114 million

As of July 31, 2023: ¥ 5,916 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended July 31, 2023	-	0.00	-	15.00	15.00
Fiscal year ending July 31, 2024	-	0.00			
Fiscal year ending July 31, 2024 (Forecast)			-	15.00	15.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending July 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2024(August 1, 2023 to July 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	13,100	6.8	760	13.4	950	10.7	620	2.9	57.18

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly Non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

January 31, 2024:	10,842,800 shares
July 31, 2023:	10,842,800 shares

2) Number of treasury shares at the end of the period:

January 31, 2024:	422 shares
July 31, 2023:	422 shares

3) Average number of shares outstanding during the period:

Six months ended January 31, 2024:	10,842,378 shares
Six months ended January 31, 2023:	10,801,627 shares

Quarterly Non-consolidated Financial Statements
Quarterly Non-consolidated Balance Sheets

(Thousands of yen)

	As of July 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	1,507,524	1,458,087
Accounts receivable - trade	1,138,985	1,090,668
Merchandise and finished goods	420,316	391,648
Raw materials and supplies	45,642	54,886
Other	545,874	578,349
Allowance for doubtful accounts	(78,858)	(101,387)
Total current assets	3,579,485	3,472,252
Non-current assets		
Property, plant and equipment		
Buildings, net	3,036,051	3,041,163
Machinery and equipment, net	1,421,328	1,363,772
Construction in progress	52,085	153,478
Other, net	849,775	847,462
Total property, plant and equipment	5,359,240	5,405,877
Intangible assets	399,679	377,532
Investments and other assets		
Other	238,371	235,212
Allowance for doubtful accounts	(14,278)	(14,279)
Total investments and other assets	224,092	220,932
Total non-current assets	5,983,012	6,004,343
Total assets	9,562,497	9,476,596
Liabilities		
Current liabilities		
Accounts payable - trade	591,357	541,010
Contract liabilities	8,681	7,356
Lease liabilities	720	720
Accounts payable - other	564,476	431,326
Current portion of long-term borrowings	239,400	239,400
Income taxes payable	173,545	236,805
Provision for shareholder benefit program	57,923	24,532
Other	116,677	119,424
Total current liabilities	1,752,782	1,600,576
Non-current liabilities		
Long-term borrowings	1,712,050	1,592,350
Lease liabilities	2,042	1,681
Long term contract liabilities	12,927	8,670
Other	166,500	158,417
Total non-current liabilities	1,893,520	1,761,119
Total liabilities	3,646,302	3,361,696
Net assets		
Shareholders' equity		
Share capital	730,286	730,286
Capital surplus	720,286	720,286
Retained earnings	4,466,578	4,665,283
Treasury shares	(956)	(956)
Total shareholders' equity	5,916,194	6,114,899
Total net assets	5,916,194	6,114,899
Total liabilities and net assets	9,562,497	9,476,596

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended January 31, 2023	For the six months ended January 31, 2024
Net sales	6,015,308	6,710,884
Cost of sales	4,194,233	4,515,990
Gross profit	1,821,075	2,194,893
Selling, general and administrative expenses	1,403,763	1,704,040
Operating profit	417,312	490,853
Non-operating income		
Interest income	6,483	5,849
Compensation income	81,141	81,880
Other	24,365	29,428
Total non-operating income	111,990	117,157
Non-operating expenses		
Interest expenses	2,354	2,071
Rental expenses	9,146	11,992
Bad debt expenses	1,630	3,351
Provision of allowance for doubtful accounts	2,360	3,465
Depreciation	5,718	2,838
Other	827	1,411
Total non-operating expenses	22,038	25,131
Ordinary profit	507,264	582,879
Extraordinary losses		
Loss on retirement of non-current assets	13	1,079
Other	-	500
Total extraordinary losses	13	1,579
Profit before income taxes	507,251	581,300
Income taxes - current	186,870	219,079
Income taxes - deferred	2,805	879
Total income taxes	189,675	219,959
Profit	317,575	361,340

Quarterly Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended January 31, 2023	For the six months ended January 31, 2024
Cash flows from operating activities		
Profit before income taxes	507,251	581,300
Depreciation	322,564	371,189
Increase (decrease) in allowance for doubtful accounts	5,425	22,529
Increase (decrease) in provision for shareholder benefit program	(48,104)	(33,390)
Interest and dividend income	(6,483)	(5,849)
Interest expenses	2,354	2,071
Loss on retirement of property, plant and equipment	13	-
Decrease (increase) in trade receivables	92,542	48,317
Decrease (increase) in inventories	(109,394)	19,424
Increase (decrease) in trade payables	(69,761)	(50,346)
Loss on retirement of intangible assets	-	1,079
Increase (decrease) in accrued consumption taxes	32,210	(878)
Increase (decrease) in contract liabilities	(6,096)	(5,582)
Other, net	(50,804)	(91,031)
Subtotal	671,715	858,833
Interest and dividends received	6,483	5,849
Interest paid	(2,286)	(2,080)
Income taxes paid	(46,627)	(157,751)
Net cash provided by (used in) operating activities	629,284	704,851
Cash flows from investing activities		
Purchase of property, plant and equipment	(197,819)	(429,502)
Purchase of intangible assets	(77,749)	(46,624)
Loan advances	(630)	(660)
Proceeds from collection of loans receivable	6,719	5,622
Payments of leasehold and guarantee deposits	(207)	(153)
Proceeds from refund of leasehold and guarantee deposits	13,205	173
Other, net	2,692	(445)
Net cash provided by (used in) investing activities	(253,790)	(471,591)
Cash flows from financing activities		
Repayments of long-term borrowings	(119,700)	(119,700)
Purchase of treasury shares	(36)	-
Dividends paid	-	(162,635)
Repayments of lease liabilities	(360)	(360)
Other, net	3,241	-
Net cash provided by (used in) financing activities	(116,855)	(282,696)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	258,638	(49,436)
Cash and cash equivalents at beginning of period	1,474,844	1,507,524
Cash and cash equivalents at end of period	1,733,483	1,458,087