

Translation

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**Summary of Non-Consolidated Financial Results
for the Nine Months Ended April 30, 2020
(Based on Japanese GAAP)**

June 9, 2020

Company name: SILVER LIFE CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 9262 URL <https://www.silver-life.co.jp/>
 Representative: President, CEO Takahisa Shimizu
 Inquiries: Director of Administration Jiro Imao TEL (03)6300-5629
 Scheduled date to file Quarterly Securities Report: June 10, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended April 30, 2020 (from August 1, 2019 to April 30, 2020)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|----------------------------------|-----------------|------|------------------|-------|-----------------|------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended April 30, 2020 | 6,433 | 11.8 | 656 | (2.2) | 765 | 1.1 | 478 | 2.6 |
| Nine months ended April 30, 2019 | 5,754 | 21.4 | 671 | 56.1 | 757 | 57.7 | 466 | 55.9 |

| | Earnings per share | | Diluted earnings per share | |
|----------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended April 30, 2020 | 45.03 | | 43.68 | |
| Nine months ended April 30, 2019 | 44.25 | | 42.60 | |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of April 30, 2020 | 5,168 | 4,159 | 80.5 |
| As of July 31, 2019 | 4,853 | 3,674 | 75.7 |

2. Cash dividends

| | Annual dividends per share | | | | |
|--------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended July 31, 2019 | – | 0.00 | – | 0.00 | 0.00 |
| Year ending July 31, 2020 | – | 0.00 | – | – | – |
| Year ending July 31, 2020 (Forecast) | – | – | – | 0.00 | 0.00 |

3. Forecast of non-consolidated financial results for the year ending July 31, 2020 (from August 1, 2019 to July 31, 2020)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit | | Earnings per share |
|-----------|-----------------|------|------------------|------|-----------------|-----|-----------------|-----|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 8,830 | 13.2 | 990 | 11.8 | 1,070 | 6.8 | 670 | 5.4 | 62.89 |

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

| | | | |
|----------------------|-------------------|---------------------|-------------------|
| As of April 30, 2020 | 10,653,200 shares | As of July 31, 2019 | 10,616,400 shares |
|----------------------|-------------------|---------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|------------|---------------------|------------|
| As of April 30, 2020 | 294 shares | As of July 31, 2019 | 294 shares |
|----------------------|------------|---------------------|------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Nine months ended April 30, 2020 | 10,624,395 shares | Nine months ended April 30, 2019 | 10,537,588 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

| | As of July 31, 2019 | As of April 30, 2020 |
|-------------------------------------|---------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,260,473 | 1,615,814 |
| Accounts receivable - trade | 744,807 | 794,325 |
| Merchandise and finished goods | 40,367 | 61,099 |
| Raw materials and supplies | 12,452 | 15,125 |
| Other | 266,852 | 296,925 |
| Allowance for doubtful accounts | (28,682) | (31,770) |
| Total current assets | 3,296,271 | 2,751,520 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 640,551 | 639,205 |
| Machinery and equipment, net | 308,653 | 290,455 |
| Construction in progress | 29,922 | 786,399 |
| Other, net | 345,766 | 361,803 |
| Total property, plant and equipment | 1,324,894 | 2,077,864 |
| Intangible assets | 140,939 | 229,552 |
| Investments and other assets | | |
| Other | 101,931 | 121,600 |
| Allowance for doubtful accounts | (10,184) | (11,899) |
| Total investments and other assets | 91,747 | 109,700 |
| Total non-current assets | 1,557,581 | 2,417,118 |
| Total assets | 4,853,852 | 5,168,638 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 483,705 | 491,038 |
| Income taxes payable | 259,561 | 104,533 |
| Other | 302,809 | 256,522 |
| Total current liabilities | 1,046,077 | 852,095 |
| Non-current liabilities | | |
| Other | 132,836 | 156,825 |
| Total non-current liabilities | 132,836 | 156,825 |
| Total liabilities | 1,178,913 | 1,008,921 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 710,656 | 713,828 |
| Capital surplus | 700,656 | 703,828 |
| Retained earnings | 2,264,308 | 2,742,742 |
| Treasury shares | (682) | (682) |
| Total shareholders' equity | 3,674,939 | 4,159,717 |
| Total net assets | 3,674,939 | 4,159,717 |
| Total liabilities and net assets | 4,853,852 | 5,168,638 |

Non-consolidated statements of income (cumulative)

(Thousands of yen)

| | Nine months ended April 30, 2019 | Nine months ended April 30, 2020 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 5,754,187 | 6,433,770 |
| Cost of sales | 4,109,801 | 4,543,423 |
| Gross profit | 1,644,385 | 1,890,347 |
| Selling, general and administrative expenses | 972,860 | 1,233,831 |
| Operating profit | 671,525 | 656,515 |
| Non-operating income | | |
| Interest income | 5,580 | 7,263 |
| Compensation income | 72,410 | 93,043 |
| Other | 20,133 | 26,592 |
| Total non-operating income | 98,125 | 126,899 |
| Non-operating expenses | | |
| Interest expenses | 29 | — |
| Rental expenses | 7,968 | 14,506 |
| Bad debts expenses | 1,589 | 131 |
| Provision of allowance for doubtful accounts | 2,300 | 2,763 |
| Other | 295 | 203 |
| Total non-operating expenses | 12,182 | 17,605 |
| Ordinary profit | 757,468 | 765,808 |
| Extraordinary income | | |
| Gain on sales of non-current assets | — | 1,209 |
| Total extraordinary income | — | 1,209 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 3,995 | 340 |
| Loss on retirement of non-current assets | 4,789 | 2,450 |
| Total extraordinary losses | 8,784 | 2,790 |
| Profit before income taxes | 748,683 | 764,228 |
| Income taxes - current | 279,575 | 277,063 |
| Income taxes - deferred | 2,807 | 8,730 |
| Total income taxes | 282,382 | 285,794 |
| Profit | 466,300 | 478,434 |