

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended January 31, 2021 (Based on Japanese GAAP)

March 11, 2021

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: Corporate Planning Division Manager Reiko Saito TEL (03)6300-5629
 Scheduled date to file Quarterly Securities Report: March 12, 2021
 Scheduled date to commence dividend payments: –
 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. Non-consolidated financial results for the six months ended January 31, 2021 (from August 1, 2020 to January 31, 2021)

(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	%
Six months ended January 31, 2021	4,888	16.1	611	48.6	671	38.2	417	38.3
Six months ended January 31, 2020	4,212	11.1	411	(5.0)	486	(0.2)	302	0.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended January 31, 2021	39.04		38.15	
Six months ended January 31, 2020	28.45		27.57	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of January 31, 2021	7,161	4,787	66.9
As of July 31, 2020	5,613	4,364	77.7

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, 2020	–	0.00	–	0.00	0.00
Year ending July 31, 2021	–	0.00			
Year ending July 31, 2021 (Forecast)			–	0.00	0.00

3. Forecast of non-consolidated financial results for the year ending July 31, 2021 (from August 1, 2020 to July 31, 2021)

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	9,530	7.9	650	(30.4)	770	(29.1)	460	(32.2)	42.92

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 January 31, 2021	10,717,200 shares	As of July 31, 2020	10,688,800 shares
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Number of treasury shares at the end of the period

As of January 31, 2021	371 shares	As of July 31, 2020	294 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended January 31, 2021	10,700,815 shares	Six months ended January 31, 2020	10,616,106 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
Assets		
Current assets		
Cash and deposits	1,847,192	1,328,402
Accounts receivable - trade	870,406	823,906
Merchandise and finished goods	63,166	139,560
Raw materials and supplies	15,563	19,534
Other	312,940	384,052
Allowance for doubtful accounts	(29,913)	(32,995)
Total current assets	3,079,355	2,662,459
Non-current assets		
Property, plant and equipment		
Buildings, net	644,716	831,531
Machinery and equipment, net	303,509	283,189
Construction in progress	839,688	2,500,030
Other, net	359,233	446,546
Total property, plant and equipment	2,147,148	4,061,296
Intangible assets	262,420	297,757
Investments and other assets		
Other	137,136	149,523
Allowance for doubtful accounts	(12,115)	(9,814)
Total investments and other assets	125,021	139,709
Total non-current assets	2,534,590	4,498,763
Total assets	5,613,946	7,161,223
Liabilities		
Current liabilities		
Accounts payable - trade	539,806	494,439
Accounts payable - other	277,115	1,433,017
Income taxes payable	228,017	261,827
Other	44,849	22,215
Total current liabilities	1,089,788	2,211,499
Non-current liabilities		
Other	159,761	162,175
Total non-current liabilities	159,761	162,175
Total liabilities	1,249,550	2,373,674
Net assets		
Shareholders' equity		
Share capital	716,103	718,863
Capital surplus	706,103	708,863
Retained earnings	2,942,871	3,360,670
Treasury shares	(682)	(849)
Total shareholders' equity	4,364,396	4,787,548
Total net assets	4,364,396	4,787,548
Total liabilities and net assets	5,613,946	7,161,223

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended January 31, 2020	Six months ended January 31, 2021
Net sales	4,212,111	4,888,371
Cost of sales	2,986,054	3,428,618
Gross profit	1,226,057	1,459,752
Selling, general and administrative expenses	814,201	847,904
Operating profit	411,855	611,848
Non-operating income		
Interest income	4,913	5,398
Compensation income	63,984	45,070
Other	18,162	19,932
Total non-operating income	87,060	70,401
Non-operating expenses		
Rental expenses	9,616	8,347
Bad debts expenses	131	–
Provision of allowance for doubtful accounts	2,966	1,971
Other	87	38
Total non-operating expenses	12,802	10,356
Ordinary profit	486,113	671,892
Extraordinary losses		
Loss on sales of non-current assets	–	4,055
Loss on retirement of non-current assets	2,114	0
Total extraordinary losses	2,114	4,055
Profit before income taxes	483,999	667,836
Income taxes - current	180,639	246,695
Income taxes - deferred	1,325	3,341
Total income taxes	181,965	250,036
Profit	302,034	417,799

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended January 31, 2020	Six months ended January 31, 2021
Cash flows from operating activities		
Profit before income taxes	483,999	667,836
Depreciation	80,628	88,273
Increase (decrease) in allowance for doubtful accounts	5,264	781
Interest and dividend income	(4,913)	(5,398)
Loss (gain) on sales of property, plant and equipment	–	4,055
Loss on retirement of property, plant and equipment	2,114	0
Decrease (increase) in trade receivables	42,321	46,500
Decrease (increase) in inventories	(15,282)	(80,365)
Increase (decrease) in trade payables	(51,227)	(45,366)
Increase (decrease) in accrued consumption taxes	(52,292)	79,707
Other, net	(18,969)	(70,299)
Subtotal	471,641	685,726
Interest and dividends received	4,913	5,398
Income taxes paid	(243,650)	(214,071)
Net cash provided by (used in) operating activities	232,905	477,053
Cash flows from investing activities		
Purchase of property, plant and equipment	(683,496)	(909,733)
Proceeds from sales of property, plant and equipment	–	5,443
Purchase of intangible assets	(66,462)	(88,489)
Loan advances	(9,932)	(20,665)
Collection of loans receivable	5,975	8,056
Payments of leasehold and guarantee deposits	(13,601)	(98)
Proceeds from refund of leasehold and guarantee deposits	295	131
Refund of guarantee deposits received	(2,400)	(860)
Guarantee deposits received	17,793	18,799
Purchase of other investments	(2,827)	(2,827)
Net cash provided by (used in) investing activities	(754,654)	(990,242)
Cash flows from financing activities		
Proceeds from exercise of employee share options	–	5,520
Purchase of treasury shares	–	(167)
Repayments of lease obligations	(1,523)	(10,954)
Net cash provided by (used in) financing activities	(1,523)	(5,601)
Net increase (decrease) in cash and cash equivalents	(523,272)	(518,790)
Cash and cash equivalents at beginning of period	2,260,473	1,847,192
Cash and cash equivalents at end of period	1,737,201	1,328,402