

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended January 31, 2022 (Based on Japanese GAAP)

March 10, 2022

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 11, 2022
 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, 2022 (from August 1, 2021 to January 31, 2022)

(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, 2022	5,450	11.5	312	(49.0)	382	(43.1)	254	(39.0)
Six months ended January 31, 2021	4,888	16.1	611	48.6	671	38.2	417	38.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended January 31, 2022	23.63		23.23	
Six months ended January 31, 2021	39.04		38.15	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of January 31, 2022	8,702	5,157	59.2
As of July 31, 2021	8,262	4,926	59.6

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, 2021	–	0.00	–	0.00	0.00
Year ending July 31, 2022	–	0.00			
Year ending July 31, 2022 (Forecast)			–	0.00	0.00

3. Forecast of non-consolidated financial results for the year ending July 31, 2022 (from August 1, 2021 to July 31, 2022)

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	11,720	16.6	550	(34.5)	680	(30.1)	430	(21.3)	39.84

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: Yes

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, 2022	10,792,400 shares	As of July 31, 2021	10,770,000 shares
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Number of treasury shares at the end of the period

As of January 31, 2022	399 shares	As of July 31, 2021	399 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, 2022	10,781,127 shares	Six months ended January 31, 2021	10,700,815 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of July 31, 2021	As of January 31, 2022
Assets		
Current assets		
Cash and deposits	1,472,438	1,483,681
Accounts receivable - trade	967,715	896,402
Merchandise and finished goods	186,720	237,847
Raw materials and supplies	16,032	20,302
Other	732,319	474,155
Allowance for doubtful accounts	(39,487)	(43,148)
Total current assets	3,335,739	3,069,241
Non-current assets		
Property, plant and equipment		
Buildings, net	2,634,430	2,770,973
Machinery and equipment, net	1,137,280	1,232,071
Construction in progress	156,651	396,219
Other, net	533,722	771,355
Total property, plant and equipment	4,462,084	5,170,619
Intangible assets	281,239	298,584
Investments and other assets		
Other	196,396	175,915
Allowance for doubtful accounts	(13,135)	(12,214)
Total investments and other assets	183,260	163,701
Total non-current assets	4,926,584	5,632,905
Total assets	8,262,323	8,702,146
Liabilities		
Current liabilities		
Accounts payable - trade	541,269	549,419
Accounts payable - other	433,990	288,697
Current portion of long-term borrowings	167,400	239,400
Income taxes payable	190,254	122,172
Provision for shareholder benefit program	31,720	22,797
Other	37,176	58,701
Total current liabilities	1,401,809	1,281,190
Non-current liabilities		
Long-term borrowings	1,762,850	2,071,150
Other	171,328	192,532
Total non-current liabilities	1,934,178	2,263,682
Total liabilities	3,335,987	3,544,872
Net assets		
Shareholders' equity		
Share capital	724,137	725,645
Capital surplus	714,137	715,645
Retained earnings	3,488,980	3,716,903
Treasury shares	(919)	(919)
Total shareholders' equity	4,926,335	5,157,274
Total net assets	4,926,335	5,157,274
Total liabilities and net assets	8,262,323	8,702,146

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended January 31, 2021	Six months ended January 31, 2022
Net sales	4,888,371	5,450,333
Cost of sales	3,428,618	4,068,227
Gross profit	1,459,752	1,382,106
Selling, general and administrative expenses	847,904	1,069,834
Operating profit	611,848	312,271
Non-operating income		
Interest income	5,398	6,146
Compensation income	45,070	61,705
Other	19,932	23,884
Total non-operating income	70,401	91,736
Non-operating expenses		
Interest expenses	–	2,615
Rental expenses	8,347	8,733
Bad debt expenses	–	4,003
Provision of allowance for doubtful accounts	1,971	2,281
Other	38	4,259
Total non-operating expenses	10,356	21,894
Ordinary profit	671,892	382,114
Extraordinary income		
Gain on sale of non-current assets	–	22,900
Total extraordinary income	–	22,900
Extraordinary losses		
Loss on sale of non-current assets	4,055	–
Loss on retirement of non-current assets	0	7,090
Total extraordinary losses	4,055	7,090
Profit before income taxes	667,836	397,923
Income taxes - current	246,695	110,747
Income taxes - deferred	3,341	32,388
Total income taxes	250,036	143,135
Profit	417,799	254,788

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended January 31, 2021	Six months ended January 31, 2022
Cash flows from operating activities		
Profit before income taxes	667,836	397,923
Depreciation	88,273	279,603
Increase (decrease) in allowance for doubtful accounts	781	2,739
Increase (decrease) in provision for shareholder benefit program	–	(8,922)
Interest and dividend income	(5,398)	(6,146)
Interest expenses	–	2,615
Loss (gain) on sale of property, plant and equipment	4,055	(22,900)
Loss on retirement of property, plant and equipment	0	7,298
Decrease (increase) in trade receivables	46,500	71,312
Decrease (increase) in inventories	(80,365)	(55,397)
Increase (decrease) in trade payables	(45,366)	8,150
Increase (decrease) in accrued consumption taxes	79,707	322,177
Other, net	(70,299)	(103,389)
Subtotal	685,726	895,064
Interest and dividends received	5,398	6,146
Interest paid	–	(2,559)
Income taxes paid	(214,071)	(177,812)
Net cash provided by (used in) operating activities	477,053	720,840
Cash flows from investing activities		
Purchase of property, plant and equipment	(909,733)	(1,115,653)
Proceeds from sale of property, plant and equipment	5,443	65,000
Purchase of intangible assets	(88,489)	(43,450)
Loan advances	(20,665)	(7,150)
Proceeds from collection of loans receivable	8,056	7,970
Payments of leasehold and guarantee deposits	(98)	(89)
Proceeds from refund of leasehold and guarantee deposits	131	135
Refund of guarantee deposits received	(860)	(7,800)
Guarantee deposits received	18,799	10,953
Purchase of other investments	(2,827)	(2,827)
Net cash provided by (used in) investing activities	(990,242)	(1,092,913)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	500,000
Repayments of long-term borrowings	–	(119,700)
Proceeds from exercise of employee share options	5,520	3,016
Purchase of treasury shares	(167)	–
Repayments of lease obligations	(10,954)	–
Net cash provided by (used in) financing activities	(5,601)	383,316
Net increase (decrease) in cash and cash equivalents	(518,790)	11,242
Cash and cash equivalents at beginning of period	1,847,192	1,472,438
Cash and cash equivalents at end of period	1,328,402	1,483,681