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## Summary of Non-consolidated Financial Results for the Year Ended July 31, 2022 [Based on Japanese GAAP]

September 13, 2022

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: Reiko Saito

Corporate Planning Division Manager

Phone: (03)6300-5629

Scheduled date of Annual General Meeting of Shareholders: October 26, 2022

Scheduled date of commencing dividend payments: -

Scheduled date of filing annual securities report: October 27, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Non-consolidated Financial Results for the Fiscal Year Ended July 31, 2022 (August 01, 2021 to July 31, 2022)

#### (1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended July 31, 2022	11,215	11.6	561	(33.1)	709	(27.1)	401	(26.4)
July 31, 2021	10,050	13.8	839	(10.1)	973	(10.4)	546	(19.5)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended July 31, 2022	37.26	36.66	7.9	8.3	5.0
July 31, 2021	50.93	49.85	11.8	14.0	8.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended July 31, 2022: ¥ - million  
Fiscal year ended July 31, 2021: ¥ - million

#### (2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of July 31, 2022	8,859	5,304	59.9	491.51
July 31, 2021	8,262	4,926	59.6	457.43

(Reference) Equity: As of July 31, 2022: ¥ 5,304 million  
As of July 31, 2021: ¥ 4,926 million

#### (3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended July 31, 2022	1,209	(1,470)	263	1,474
July 31, 2021	369	(2,689)	1,945	1,472

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
July 31, 2021	-	0.00	-	0.00	0.00	-	-	-
July 31, 2022	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending								
July 31, 2023 (Forecast)	-	0.00	-	15.00	15.00		29.43	

(Note) Breakdown of the year-end dividend for the fiscal year ended July 31, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2023 (August 01, 2022 to July 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended January 31, 2023	6,210	13.9	340	8.9	420	9.9	260	2.0	24.09
Full year	12,700	13.2	700	24.7	860	21.2	550	36.9	50.96

\* Notes:

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

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

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

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

July 31, 2022:	10,792,400 shares
July 31, 2021:	10,770,000 shares

2) Total number of treasury shares at the end of the period:

July 31, 2022:	399 shares
July 31, 2021:	399 shares

3) Average number of shares during the period:

Fiscal Year ended July 31, 2022:	10,786,519 shares
Fiscal Year ended July 31, 2021:	10,722,259 shares

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Thousand yen)

	As of July 31,2021	As of July 31,2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,472,438	1,474,844
Accounts receivable - trade	967,715	1,019,139
Merchandise and finished goods	186,720	287,792
Raw materials and supplies	16,032	28,053
Prepaid expenses	49,047	55,560
Accounts receivable - other	282,706	333,812
Other	400,565	92,089
Allowance for doubtful accounts	(39,487)	(58,705)
<b>Total current assets</b>	<b>3,335,739</b>	<b>3,232,587</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	2,908,964	3,477,453
Accumulated depreciation	(274,534)	(460,923)
Buildings, net	2,634,430	3,016,529
Structures	148,790	142,721
Accumulated depreciation	(12,734)	(25,755)
Structures, net	136,055	116,965
Machinery and equipment	1,530,357	1,968,042
Accumulated depreciation	(393,077)	(662,558)
Machinery and equipment, net	1,137,280	1,305,483
Vehicles	4,495	8,637
Accumulated depreciation	(4,495)	(5,838)
Vehicles, net	0	2,799
Tools, furniture and fixtures	125,841	146,997
Accumulated depreciation	(58,819)	(78,779)
Tools, furniture and fixtures, net	67,022	68,218
Land	330,644	575,900
Leased assets	-	3,276
Accumulated depreciation	-	(109)
Leased assets, net	-	3,166
Construction in progress	156,651	-
<b>Total property, plant and equipment</b>	<b>4,462,084</b>	<b>5,089,063</b>
<b>Intangible assets</b>		
Trademark right	4,094	2,360
Software	270,535	288,518
Other	6,609	38,267
<b>Total intangible assets</b>	<b>281,239</b>	<b>329,146</b>
<b>Investments and other assets</b>		
Long-term loans receivable	55,816	53,510
Distressed receivables	1,115	1,066
Long-term prepaid expenses	11,044	13,078
Deferred tax assets	71,209	92,131
Other	57,210	63,607
Allowance for doubtful accounts	(13,135)	(14,666)
<b>Total investments and other assets</b>	<b>183,260</b>	<b>208,727</b>
<b>Total non-current assets</b>	<b>4,926,584</b>	<b>5,626,937</b>

Total assets	8,262,323	8,859,525
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(Thousand yen)

	As of July 31,2021	As of July 31,2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	541,269	570,916
Current portion of long-term borrowings	167,400	239,400
Accounts payable - other	433,990	403,436
Accrued expenses	15,117	18,242
Income taxes payable	190,254	54,512
Deposits received	9,706	14,933
Provision for shareholder benefit program	31,720	61,527
Lease liabilities	-	720
Other	12,352	43,827
Total current liabilities	1,401,809	1,407,517
Non-current liabilities		
Long-term borrowings	1,762,850	1,951,450
Lease liabilities	-	2,762
Guarantee deposits received	168,118	169,085
Other	3,210	24,331
Total non-current liabilities	1,934,178	2,147,630
<b>Total liabilities</b>	<b>3,335,987</b>	<b>3,555,147</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	724,137	725,645
Capital surplus		
Legal capital surplus	714,137	715,645
Total capital surplus	714,137	715,645
Retained earnings		
Other retained earnings		
Retained earnings brought forward	3,488,980	3,864,006
Total retained earnings	3,488,980	3,864,006
Treasury shares	(919)	(919)
Total shareholders' equity	4,926,335	5,304,378
<b>Total net assets</b>	<b>4,926,335</b>	<b>5,304,378</b>
<b>Total liabilities and net assets</b>	<b>8,262,323</b>	<b>8,859,525</b>

## Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended July 31,2021	For the fiscal year ended July 31,2022
Net sales	10,050,070	11,215,914
Cost of sales		
Beginning inventory of merchandise and finished goods	63,166	186,720
Cost of products manufactured	3,196,750	3,839,887
Cost of purchased goods	4,256,347	4,388,231
Total	7,516,264	8,414,839
Ending inventory of merchandise and finished goods	186,720	287,792
Total cost of sales	7,329,544	8,127,046
Gross profit	2,720,526	3,088,868
Selling, general and administrative expenses		
Salaries and allowances	214,584	268,658
Freight costs	440,131	537,780
Depreciation	70,564	119,264
Outsourcing expenses	257,503	232,166
Advertising expenses	277,663	445,876
Bad debt expenses	3,437	7,945
Provision of allowance for doubtful accounts	7,278	23,419
Provision for shareholder benefit program	31,720	44,340
Other	577,834	847,855
Total selling, general and administrative expenses	1,880,718	2,527,305
Operating profit	839,808	561,562
Non-operating income		
Interest income	10,733	12,354
Compensation income	104,001	132,022
Commission income	23,847	29,450
Other	19,699	18,701
Total non-operating income	158,283	192,529
Non-operating expenses		
Interest expenses	1,602	5,073
Rental expenses	16,427	17,462
Depreciation	-	12,216
Provision of allowance for doubtful accounts	6,895	5,775
Other	38	4,112
Total non-operating expenses	24,963	44,640
Ordinary profit	973,127	709,451
Extraordinary income		
Gain on sale of non-current assets	88	22,916
Total extraordinary income	88	22,916
Extraordinary losses		
Loss on sale of non-current assets	4,055	-
Loss on retirement of non-current assets	27,915	19,293
Impairment losses	74,738	95,478
Total extraordinary losses	106,709	114,772
Profit before income taxes	866,506	617,595
Income taxes - current	354,114	224,768
Income taxes - deferred	(33,717)	(9,064)
Total income taxes	320,397	215,703
Profit	546,109	401,891

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended July 31,2021

(Thousand yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings			
Balance at beginning of period	716,103	706,103	706,103	2,942,871	2,942,871	(682)	4,364,396	4,364,396
Cumulative effects of changes in accounting policies							-	-
Restated balance	716,103	706,103	706,103	2,942,871	2,942,871	(682)	4,364,396	4,364,396
Changes during period								
Issuance of new shares - exercise of share acquisition rights	8,033	8,033	8,033				16,067	16,067
Purchase of treasury shares						(236)	(236)	(236)
Profit				546,109	546,109		546,109	546,109
Total changes during period	8,033	8,033	8,033	546,109	546,109	(236)	561,939	561,939
Balance at end of period	724,137	714,137	714,137	3,488,980	3,488,980	(919)	4,926,335	4,926,335

For the fiscal year ended July 31,2022

(Thousand yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings			
Balance at beginning of period	724,137	714,137	714,137	3,488,980	3,488,980	(919)	4,926,335	4,926,335
Cumulative effects of changes in accounting policies				(26,865)	(26,865)		(26,865)	(26,865)
Restated balance	724,137	714,137	714,137	3,462,115	3,462,115	(919)	4,899,470	4,899,470
Changes during period								
Issuance of new shares - exercise of share acquisition rights	1,508	1,508	1,508				3,016	3,016
Purchase of treasury shares							-	-
Profit				401,891	401,891		401,891	401,891
Total changes during period	1,508	1,508	1,508	401,891	401,891	-	404,907	404,907
Balance at end of period	725,645	715,645	715,645	3,864,006	3,864,006	(919)	5,304,378	5,304,378

## Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended July 31,2021	For the fiscal year ended July 31,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	866,506	617,595
Depreciation	336,289	610,147
Impairment losses	74,738	95,478
Increase (decrease) in allowance for doubtful accounts	10,594	20,749
Increase (decrease) in provision for shareholder benefit program	31,720	29,807
Interest and dividend income	(10,733)	(12,354)
Interest expenses	1,602	5,073
Loss on retirement of property, plant and equipment	12,079	19,293
Loss (gain) on sale of property, plant and equipment	3,967	(22,916)
Loss on retirement of intangible assets	15,836	-
Decrease (increase) in trade receivables	(97,308)	(51,424)
Decrease (increase) in inventories	(124,023)	(113,093)
Increase (decrease) in trade payables	1,463	29,647
Increase (decrease) in accrued consumption taxes	(319,236)	328,731
Other, net	(52,490)	3,563
Subtotal	751,003	1,560,298
Interest and dividends received	10,733	12,354
Interest paid	(1,913)	(5,062)
Income taxes paid	(390,424)	(357,709)
Net cash provided by (used in) operating activities	369,399	1,209,881
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,580,233)	(1,419,238)
Proceeds from sale of property, plant and equipment	5,593	65,016
Purchase of intangible assets	(123,098)	(120,529)
Loan advances	(35,759)	(16,000)
Proceeds from collection of loans receivable	16,029	14,495
Payments of leasehold and guarantee deposits	(238)	(1,168)
Proceeds from refund of leasehold and guarantee deposits	131	372
Refund of guarantee deposits received	(2,460)	(9,000)
Guarantee deposits received	36,540	20,961
Purchase of other investments	(5,844)	(5,879)
Net cash provided by (used in) investing activities	(2,689,339)	(1,470,971)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	2,000,000	500,000
Repayments of long-term borrowings	(69,750)	(239,400)
Proceeds from exercise of employee share options	16,067	3,016
Purchase of treasury shares	(236)	-
Repayments of lease liabilities	(894)	(120)
Net cash provided by (used in) financing activities	1,945,186	263,495
Net increase (decrease) in cash and cash equivalents	(374,754)	2,405
Cash and cash equivalents at beginning of period	1,847,192	1,472,438
Cash and cash equivalents at end of period	1,472,438	1,474,844