



# Financial Results for the 1<sup>ST</sup> Quarter of Fiscal Year Ending July 31, 2024

**SILVER LIFE CO., LTD.**

The Standard Market of the Tokyo Stock Exchange (9262)

Frozen bento to be  
Launched in  
March 2023 "Life Meal"

# Fiscal Year Ending July 2024 1<sup>ST</sup> Quarter Performance Highlights

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# Fiscal Year Ending July 2024 Q1 Performance (vs YoY )

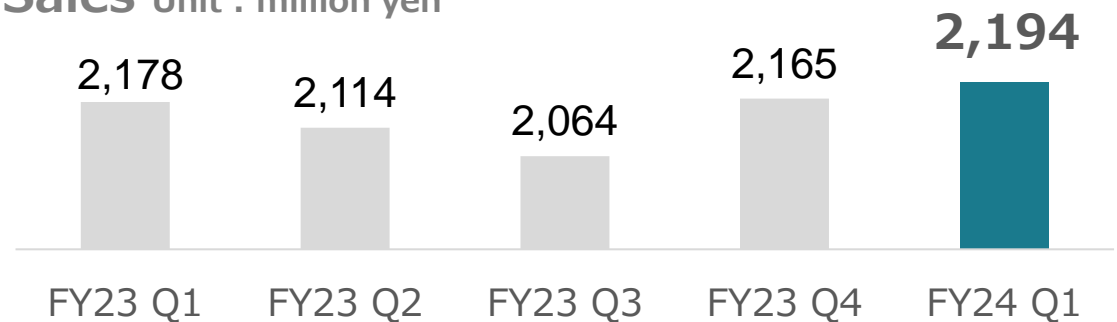


Sales increased by 11.3% compared to the previous quarter, due to an increase in sales to facilities, direct sales and others (OEM, frozen bento, warehousing)  
 Gross profit increased by 23.2% compared to the previous fiscal year, which was increased by about 20 million yen due to the delay in Q4 production in the previous fiscal year, but the majority was due to improved production efficiency.  
 Operating income increased by 0.2%, and profit margin decreased by -0.8% due to increased costs such as advertising expenses, personnel expenses (salaries increased by 8% in Q2 of the previous fiscal year), and fare costs.

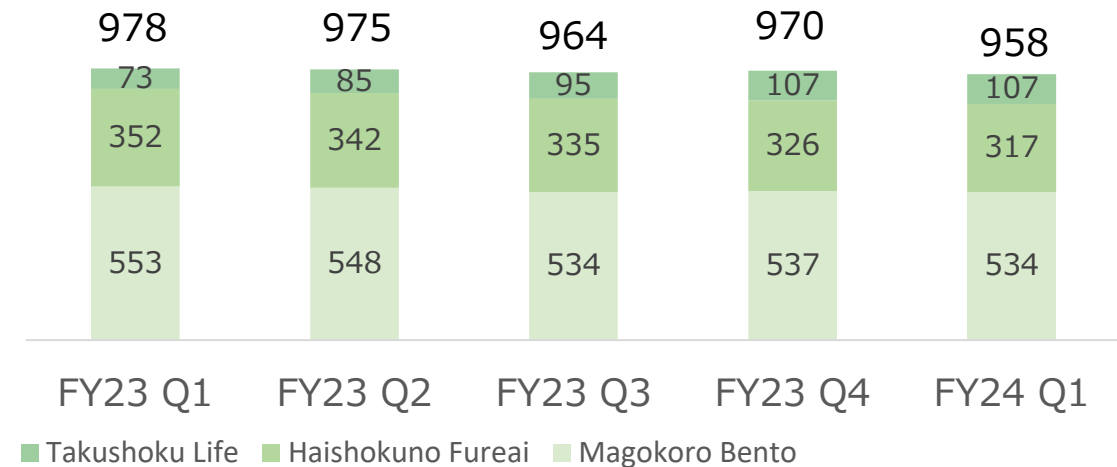
Unit : million yen	FY2024 Q1				FY2023 Q1		FY2024 Plan	
	Actual	Vs. FY2023 Q1 results	Sales ratio	Plan Progress rate	Results	Sales ratio	Plan	Sales ratio
Net sales	<b>3,356</b>	+11.3%	-	25.6%	<b>3,015</b>	-	<b>13,100</b>	-
Gross profit	<b>1,107</b>	+23.2%	33.0%	27.3%	<b>898</b>	29.8%	<b>4,060</b>	31.0%
Operating profit	<b>245</b>	+0.2%	7.3%	32.3%	<b>245</b>	8.1%	<b>760</b>	5.8%
Ordinary profit	<b>282</b>	-2.4%	8.4%	29.8%	<b>289</b>	9.6%	<b>950</b>	7.3%
Profit	<b>177</b>	-3.1%	5.3%	28.6%	<b>183</b>	6.1%	<b>620</b>	4.7%

## Franchise chains

Sales Unit : million yen



## Number of Stores



Vs. FY2023 Q1

**+0.7%**

Sales: Slowdown in growth, but the situation differs for each product  
80% of sales to member stores are regular meals and 20% are special meals\*1  
Regular food prices at stores are in the 500 yen range, and growth continues (+5.4%)  
Sales prices for special meals in stores are in the 700 yen range, a sharp decline (-12.6%)  
This is the first time in 16 years since the company's founding that the number of special meals has decreased.

Environmental changes in the 16th year = It is estimated that the company has been significantly eclipsed by the EC-based frozen bento services offered by "all our competitors" that are priced in the 600 yen range including shipping. As a countermeasure, we are preparing to reduce the cost of special meals. Special meals packed at the factory and delivered to stores in frozen bento will be changed to chilled packs, the same as regular meals.

→ From summer to fall 2024, special meals will be available for around 500 yen.

Existing stores continue to grow at 106.9% compared to the previous year\*2  
Number of stores: 958 stores; store openings continue to fluctuate due to sluggish growth

\*1 Special diets include carbohydrate calorie adjusted meals, protein adjusted meals, and mousse meals.

\*2 Comparison between stores that existed in both the previous fiscal year and this fiscal year, excluding stores that were withdrawn.

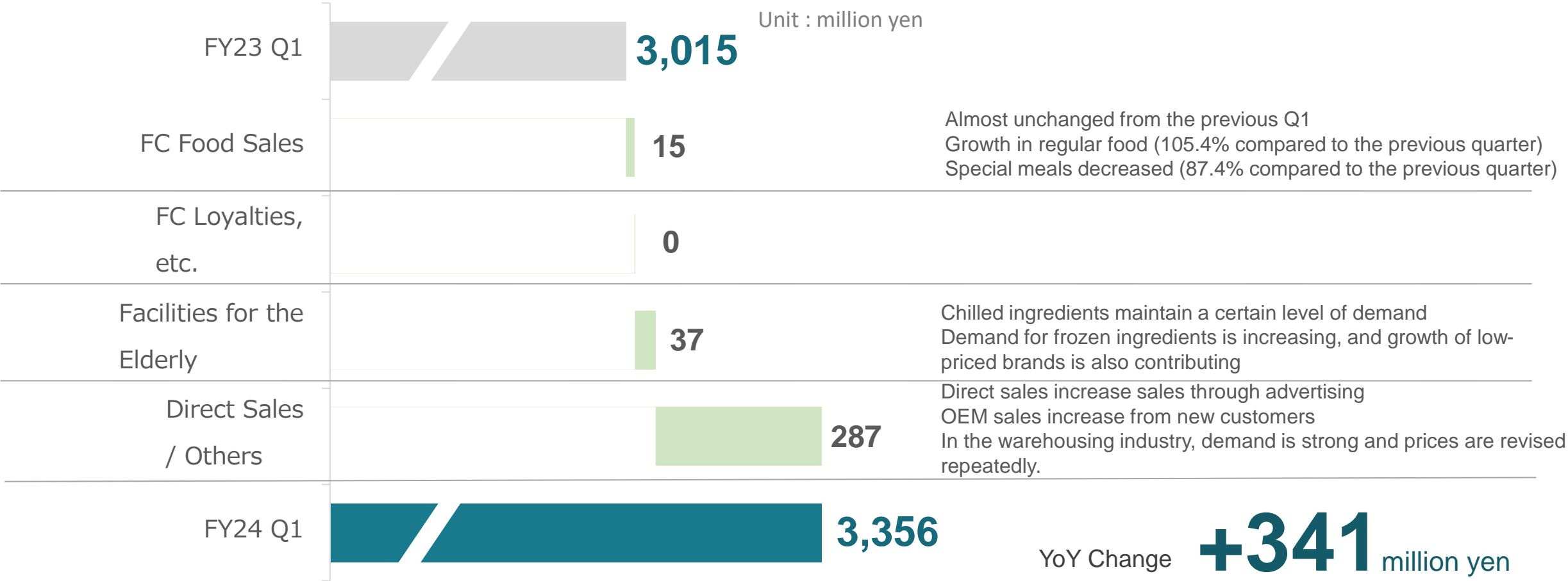
# Sales per Category



# Change Analysis of Sales

+11.3% YoY

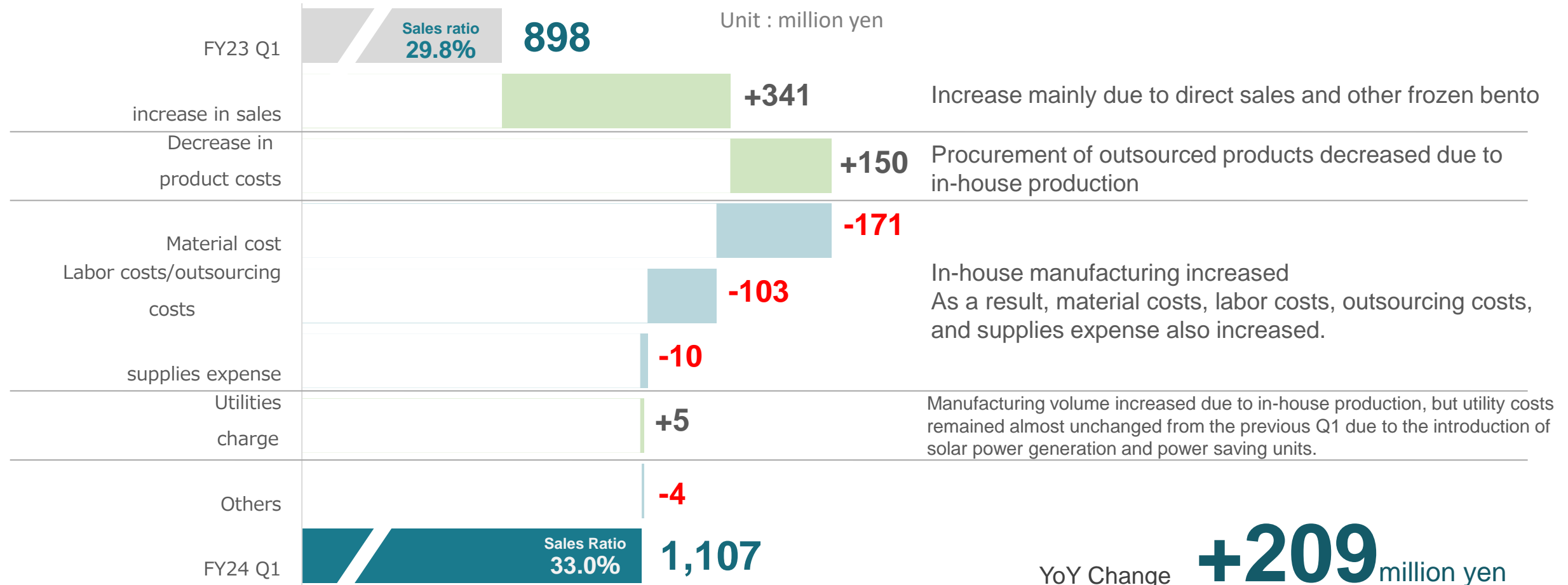
FC sales increased slightly despite the impact of a decrease in the number of stores  
Facilities for the elderly, etc. are increasing due to strong sales of frozen foods while maintaining sales of chilled foods.  
Direct sales and other sales increased as frozen bento sales via our own e-commerce, OEM sales, and warehousing business all remained strong.



# Change Analysis of Gross Profit

The amount increased by 23.2%, and the gross profit margin improved by 3.2% (of which, the improvement in actual ability was 2%)  
Gross profit has been increased by about 1% due to the impact of period lag due to stock manufacturing in the Q4 of the previous fiscal year.

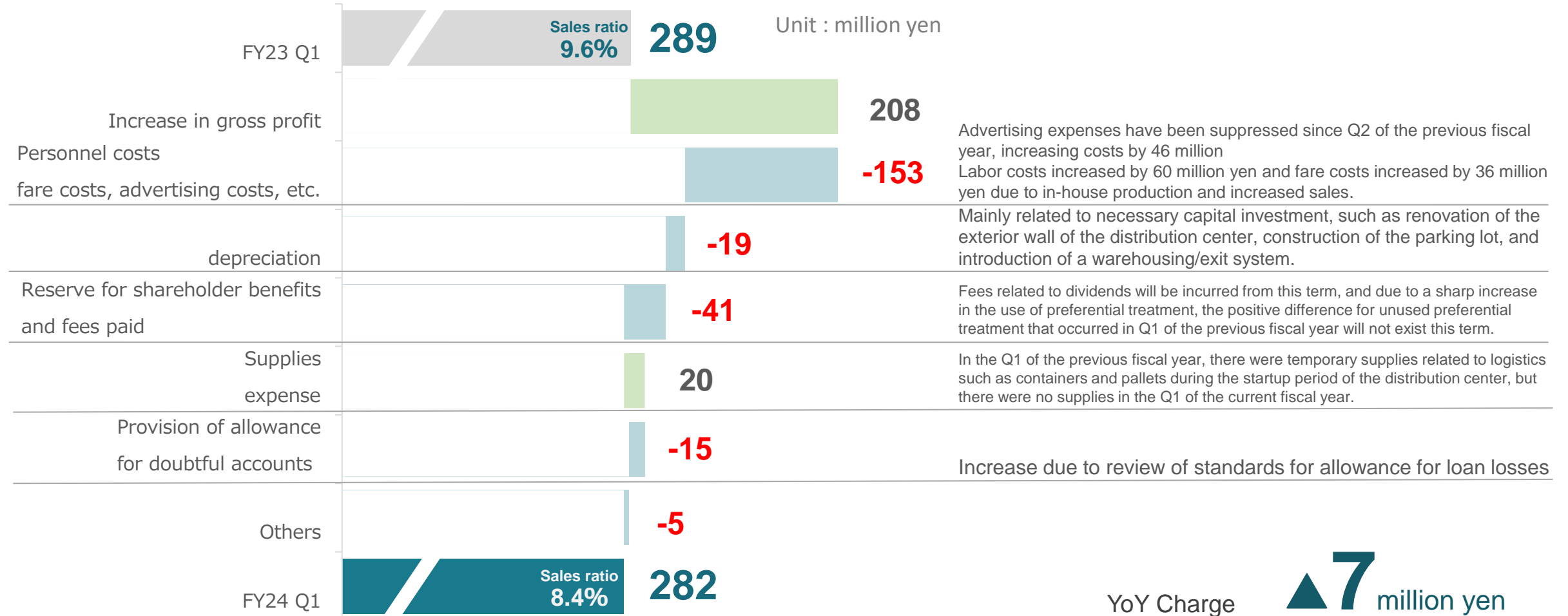
Since in-house production started in October at the end of the first quarter of the previous fiscal year, the effect of in-house production in the previous fiscal year was 1 month, but this fiscal year it contributed 3 months.





# Change Analysis of Ordinary Profit

Slight decrease. Increased labor and fare costs due to in-house production and increased sales, increased advertising costs (advertisements were held back in the first quarter of the previous fiscal year, as we were waiting for equipment to arrive and operations at logistics bases to stabilize), Allowance for shareholder special benefit, Due to an increase in fees due to dividends, etc.





# FY2024 Financial Plan

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Sales are expected to grow 6.7%, mainly from Franchise chains and Direct Sales / Others.  
Operating profit margin is expected to improve by 0.3% due to the improvement of production and Distribution systems, personnel allocation, cost control

Unit : million yen

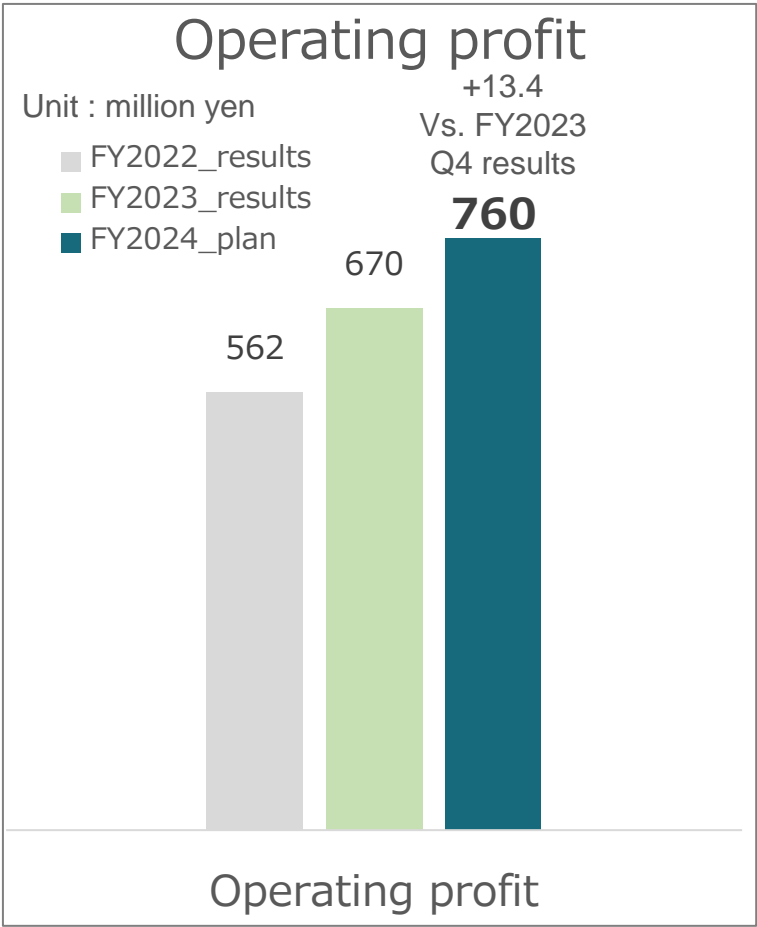
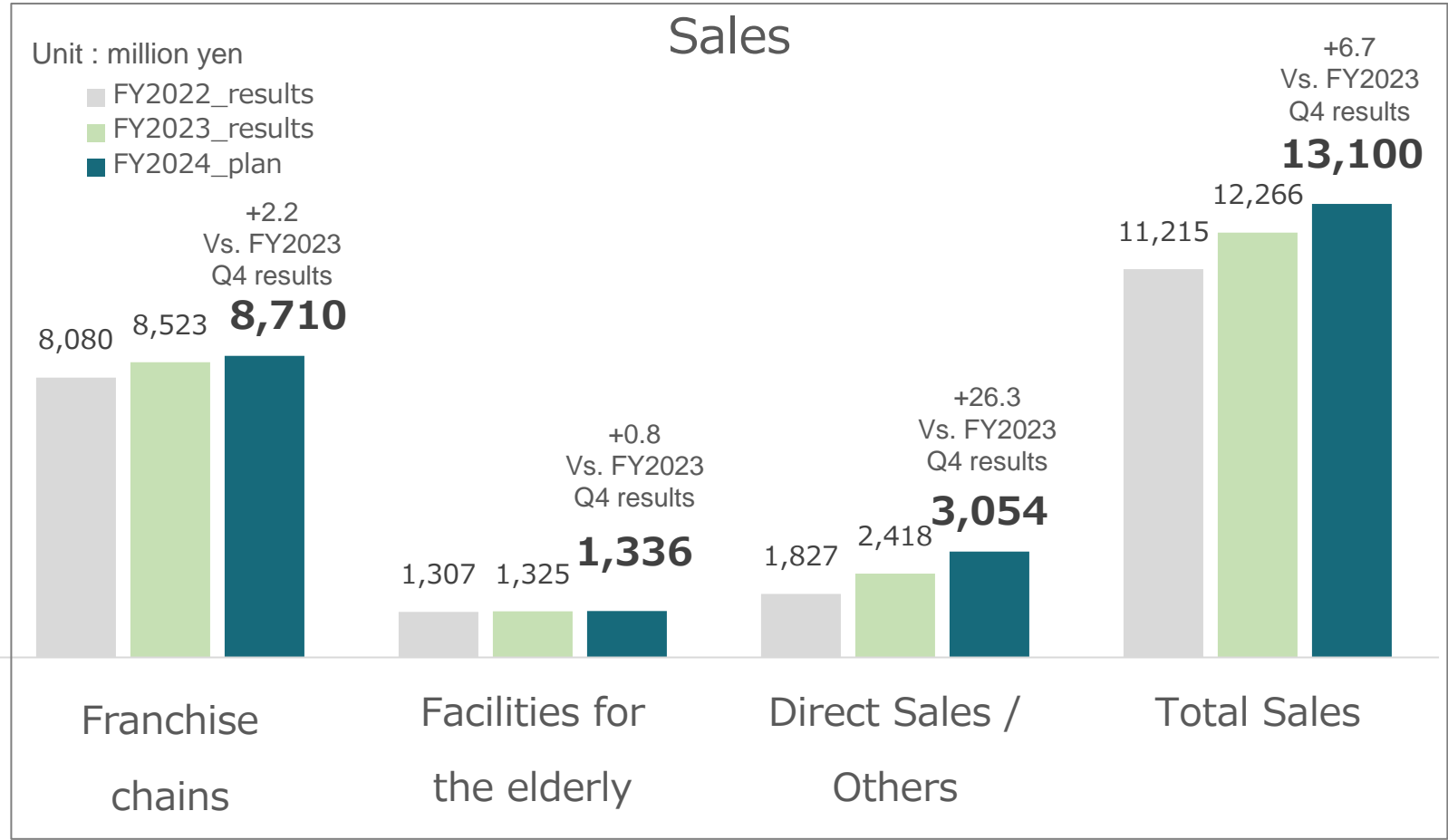
	FY2023 Results	FY2024 Plan	fluctuation
Net Sales	12,266	13,100	+833
Operating Profit	670 Sales ratio 5.5%	760 5.8%	+89 +0.3%
Ordinary Profit	857 Sales ratio 7.0%	950 7.3%	+92 +0.3%
Profit	602 Sales ratio 4.9%	620 4.7%	+17 -0.2%

\*Profit for the FY2023 includes a tax credit of 35 million due to the first dividend

# FY2024 Financial Plan (Sales and operating profit by sales category)

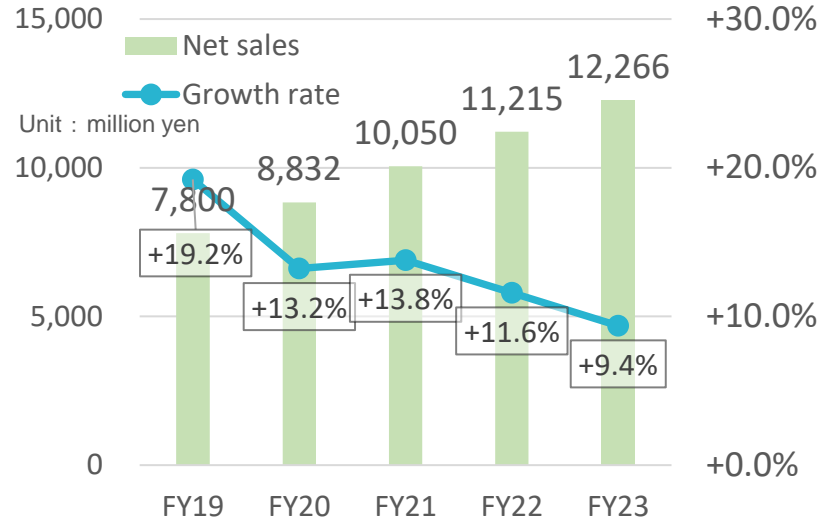


Sales are expected to grow only moderately in Franchise chains, Facilities for the elderly. Direct Sales / Others grew strongly with increased demand for frozen bento meals, with overall growth of 6.7%. Operating profit improved significantly due to the in-house production that had been undertaken since the Q1 of the previous year

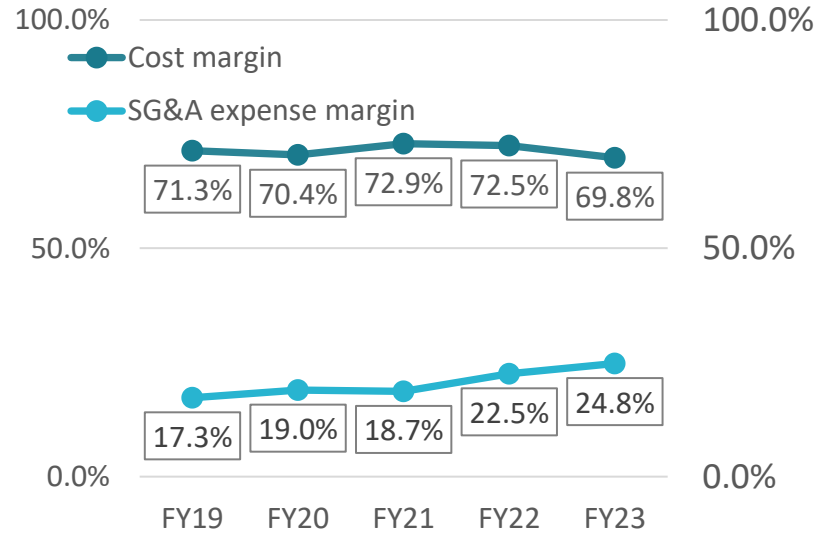


# Reference : Management index

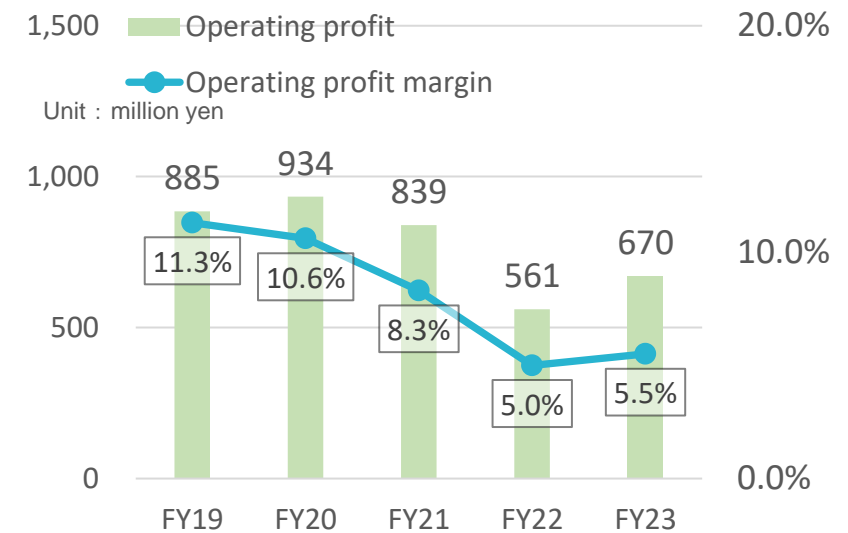
## Net sales



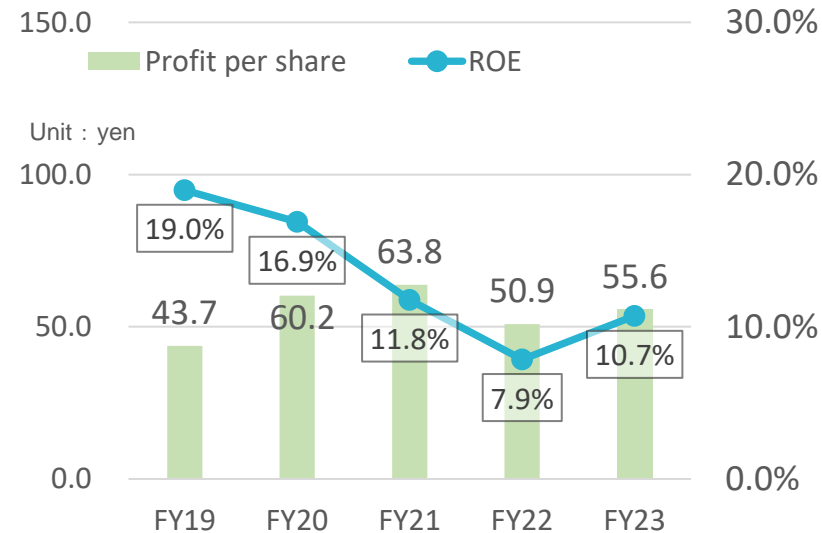
## Cost of sales margin & SG&A expense margin



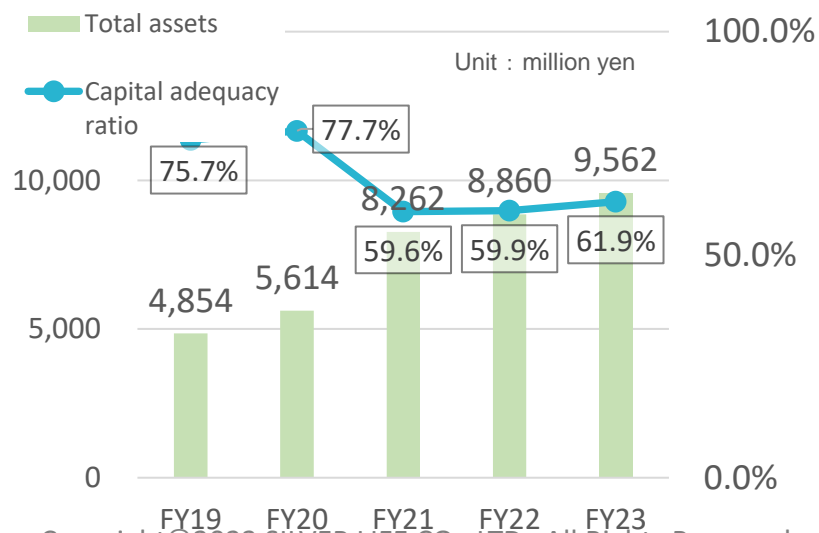
## Operating profit margin



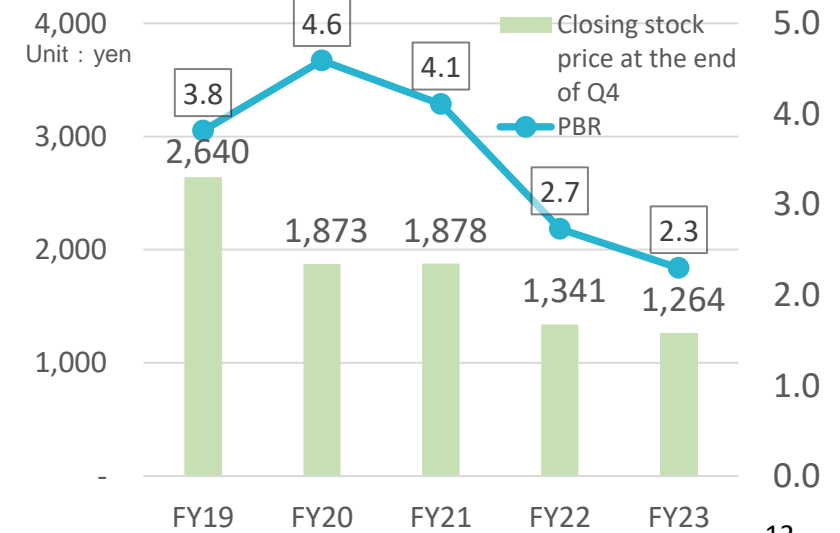
## ROE



## Capital adequacy margin



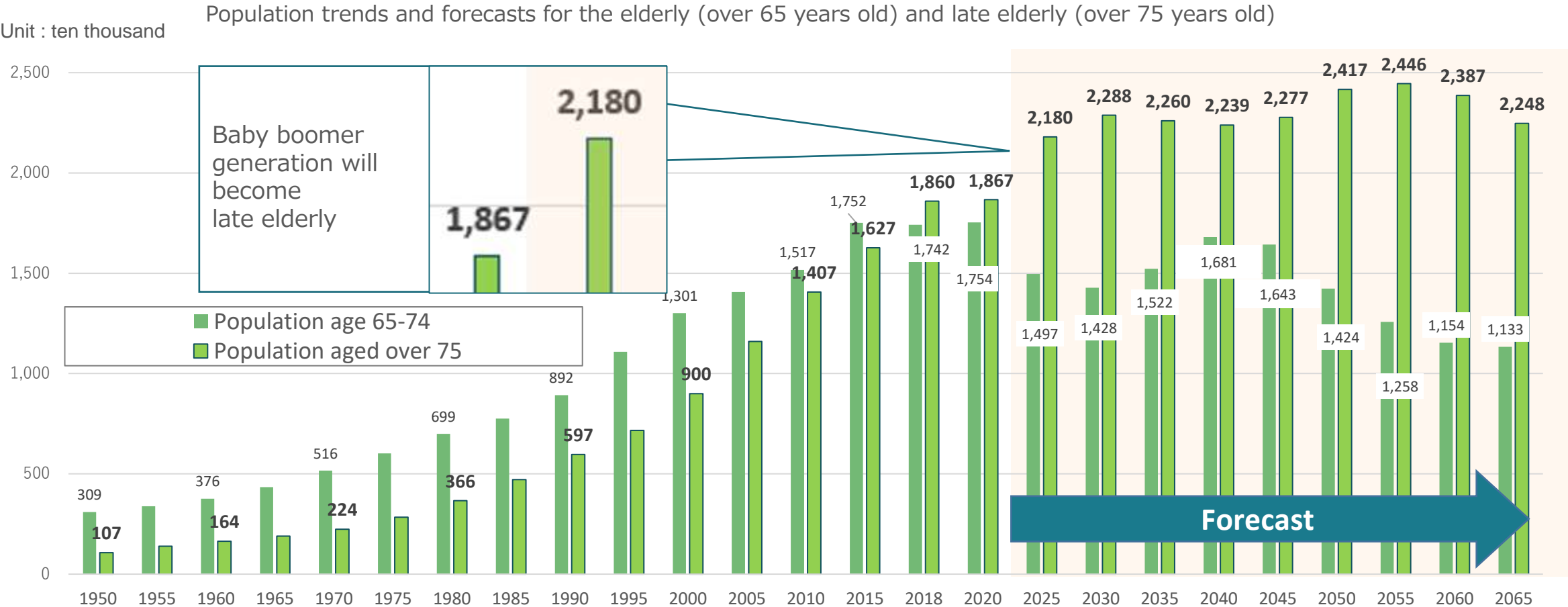
## PBR



# The Market to which we belong

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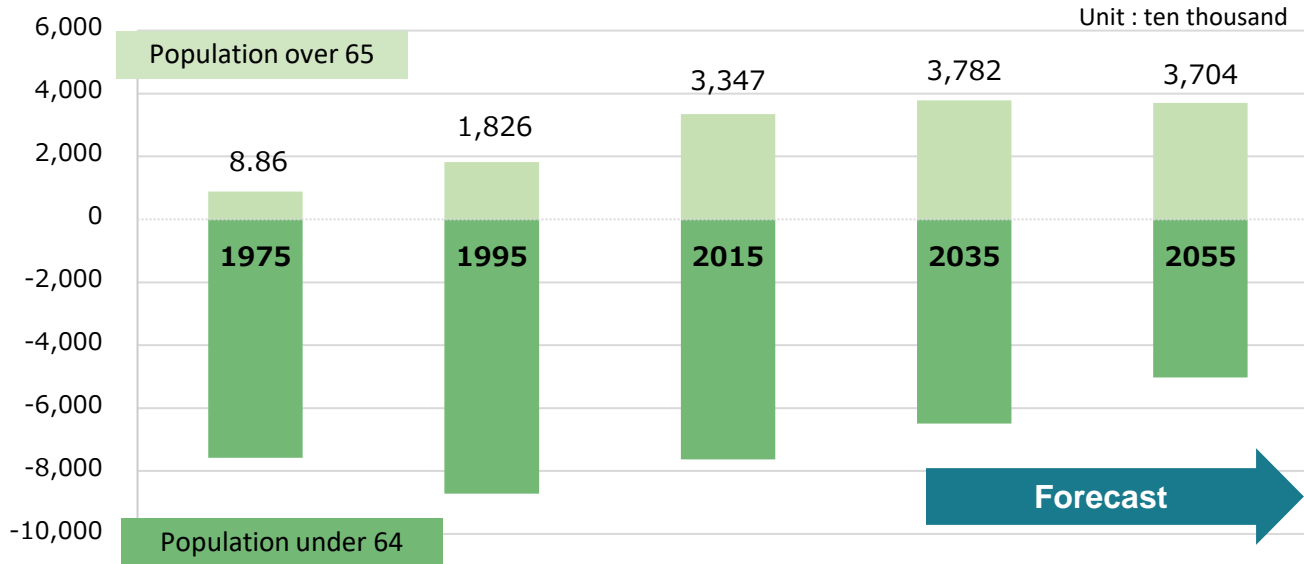
Our main target, the late elderly, will increase exponentially beyond 2025



Source: Government materials

# External Environment (a business that does not rely on care insurance)

Changes in the Working Generation and the Elderly Population



Source: Government materials

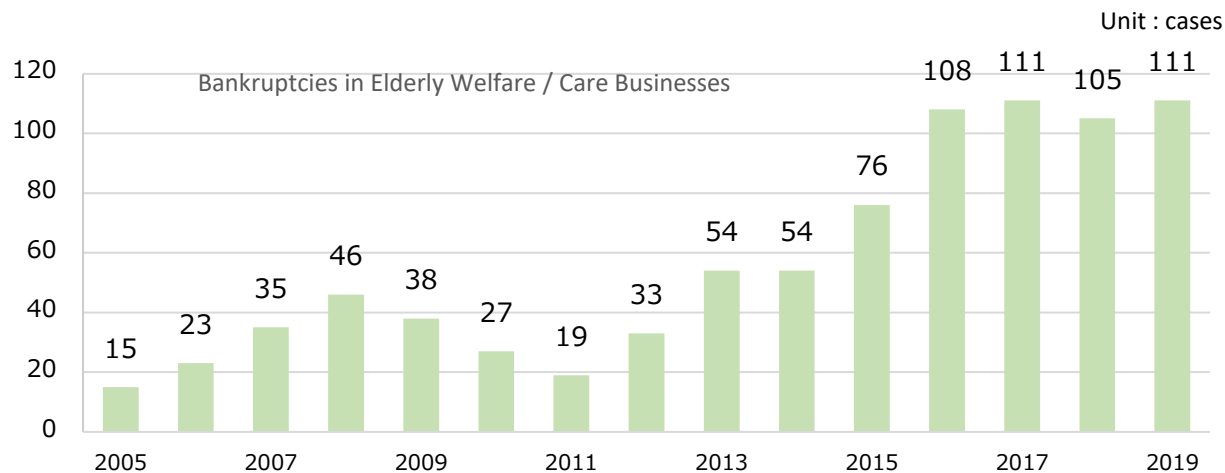
The working generation (15 to 64 years old) is decreasing, and the elderly population is increasing

Moving toward society where 1.3 people of the working generation will support 1 person aged over 65. Social security deposit benefits per person will decrease

The increase of expenditure toward COVID-19 measures in 2020 makes it even more difficult to secure financial resources for care and welfare

(90% of sales rely on care insurance)  
care business is destined to become difficult in the future.

In this upcoming era, only businesses such as food distribution services for the elderly, which can be managed without relying on insurance, can support the lives of the rapidly increasing elderly population



Source: local Government materials

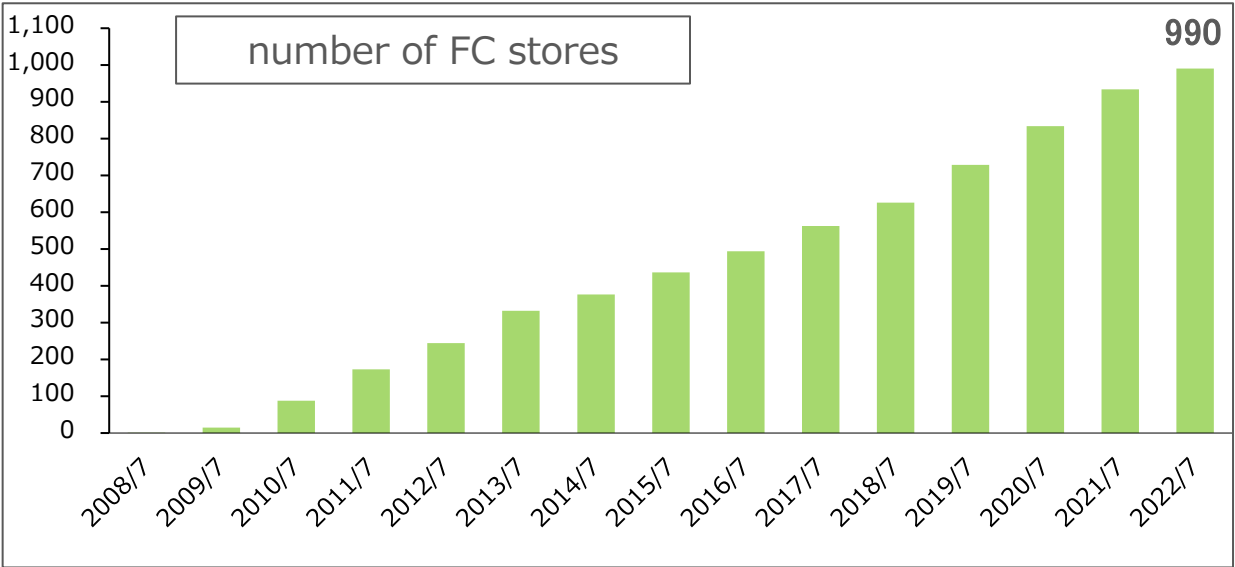


# Our Company Advantages

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## Overwhelming number of stores

Since opening its first store in “Setagaya” in November 2007, it has 990 stores as of the end of July 2022. This unparalleled number of stores in the industry enables you to enjoy economies of scale in terms of productivity, purchasing, and cost reduction



## Low-cost opening

Since the FC stores that we are developing are not visit-type stores, there are advantages such as a wide range of location options and rent reduction. In addition, we have prepared a plan that does not require a large kitchen facility and can be operated by one person, and a plan with a low initial cost

### profit and loss statement of FC stores

Sales	100	* Available at the lowest price on the market
Costs	40	* Stable purchase of high quality without cooking
Gross profit	60	
		* Easy operation without cooking
expenses	20	* Low initial investment and location-free rent
profit	40	* Low fixed cost ratio generates profits

# Our Advantage : variety of menus

## Food Pack

Menu : More than 1,000 items

Sold to : FC and Facilities for the Elderly

varieties : chilled • frozen

feature : Nutritional balance for the elderly

Food pack for FC stores, which are our main company. Since it is a daily meal, it is served refrigerated so that it does not lose its taste. In addition, we also provide frozen due to the expiration date loss and convenience required by the facility.



Chilled Pack



After serving at FC stores

## Frozen bento meals

menu : More than 70 items

Sold to : EC & FC

varieties : Health balance and large cuts

Carbohydrate calorie and protein adjustment

Moose diet and salt-restricted diet

feature : Suitable for all ages, short-time cooking, health management



We make frozen bento meals to meet diverse dietary needs, including convenience, time efficiency, and health management.

## High-mix random production

With an overwhelming number of stores, even the high-mix random production required for chilled food delivery services enjoys economies of scale in terms of purchasing and productivity

Manufacturing line required in a general food factory (dedicated line for a single product group)  
Meat bun factory (1 million meat buns a day flow from a machine dedicated to manju to the conveyor. Although there are differences in meat buns and bean buns, they are the same product group)

### Manufacturing line required for food distribution service (line that can handle random production of other varieties)

Since meals are distributed daily, the same product group cannot be provided every day.  
12 items made today, 12 items made , all should be different



## Diversity of products

In addition to more than 1,000 chilled meals, we manufacture a wide range of frozen bento boxes such as a variety of frozen meals, protein-adjusted meals, and mousse meals.

In addition, for frozen bento, both pillow type and top seal type can be manufactured.



Chilled and frozen meals



Frozen bento pillow type



Frozen bento Top Seal type



### Products for FC



<https://www.magokoro-bento.com/>

### Products for Elderly Facilities



<https://kodawari-chef.com/lp>

### EC site



<https://magokoro-care-shoku.com/>

### EC site



<https://l-meal.com/>

### OEM Business Site



OEM Business

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

### Business introduction



Business  
Introduction

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

## Product Development

- Our Product Development Office is situated in our factory, facilitating close collaboration with the production team for high-quality and authentic product reproduction
- Our product development team consists mainly of qualified registered dietitians who utilize their advanced knowledge to achieve optimal nutritional balance and deliciousness

**【qualification holders】**  
**28 registered dietitians**  
**3 nutritionists**  
**6 health managers**



(Product Development)

## Quality and Sanitation Management

- Gunma Factory acquires FSSC 22000 certification, building an advanced safety management system that meets international standards
- Sanitation management team conducts bacterial testing, hygiene guidance and supervision in the factory.
- In order to improve the taste of the bento boxes provided to customers, tastings are held every day

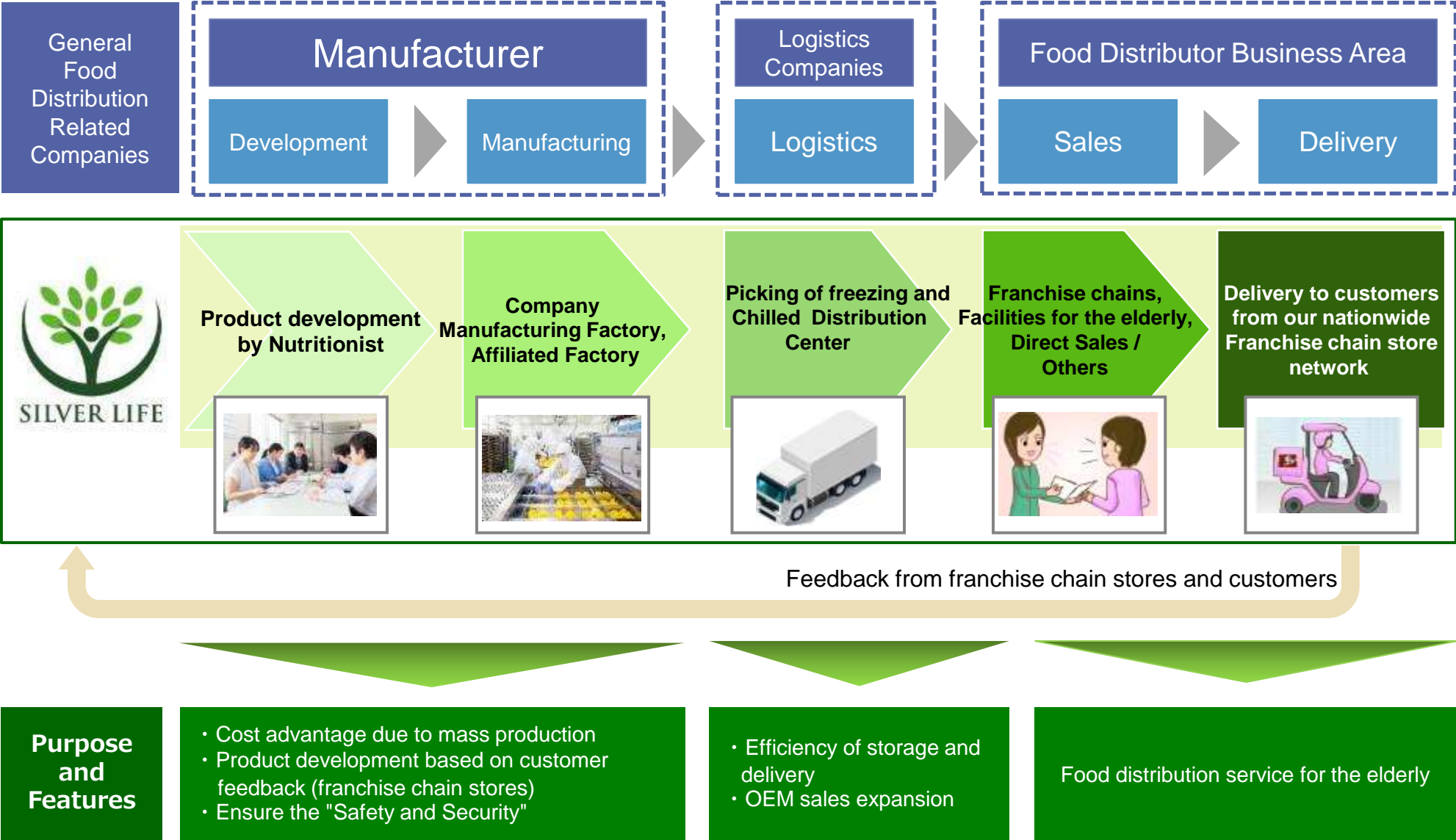


(foreign matter inspection)



(Bacterial testing)

# Our Advantage : Consistent System





# Company Overview

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# Our Management Philosophy and Mission



## 【Management Philosophy】

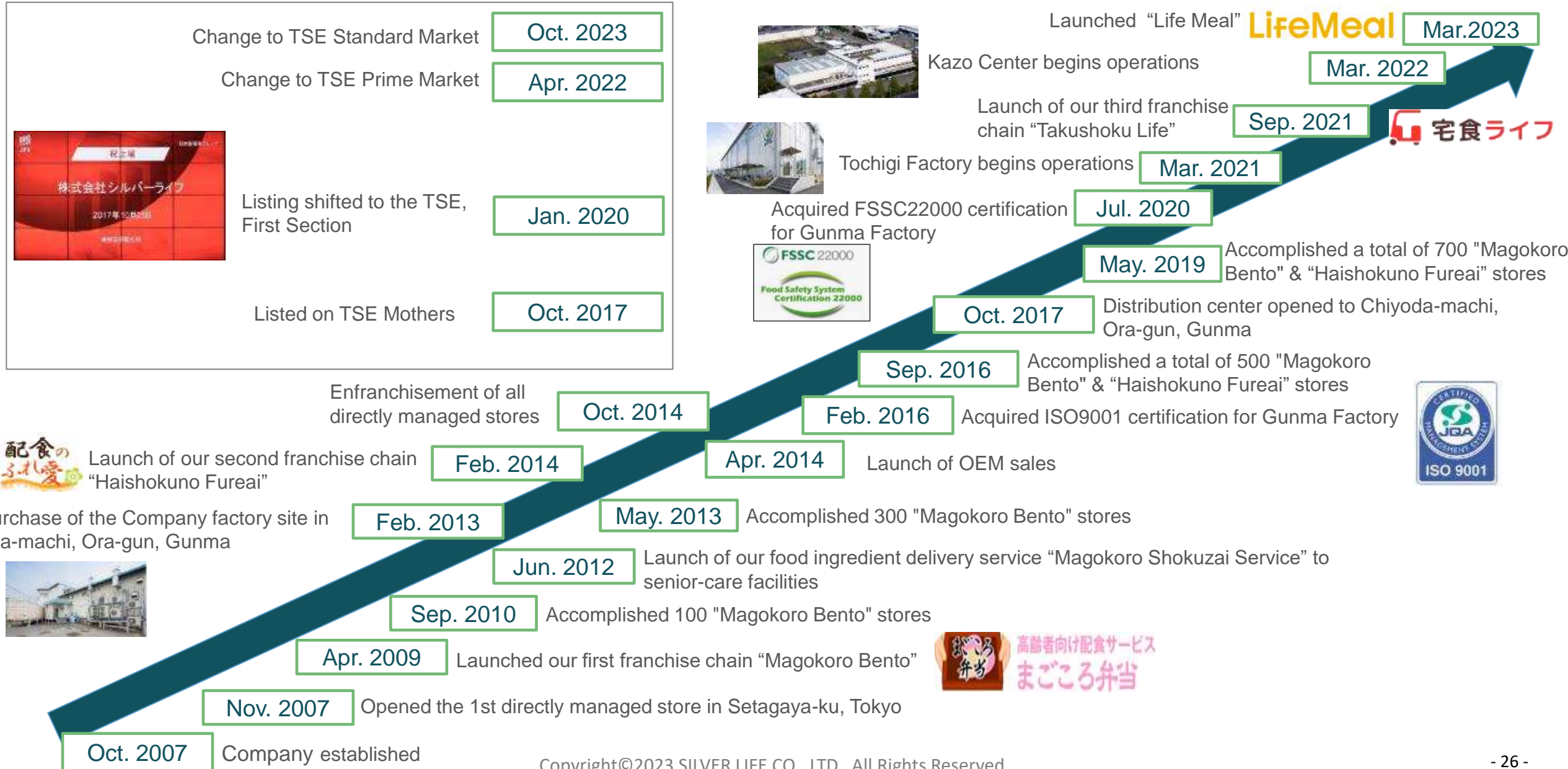
We will create a society where everyone can grow old with peace of mind from the perspective of food.

## 【Our Mission】

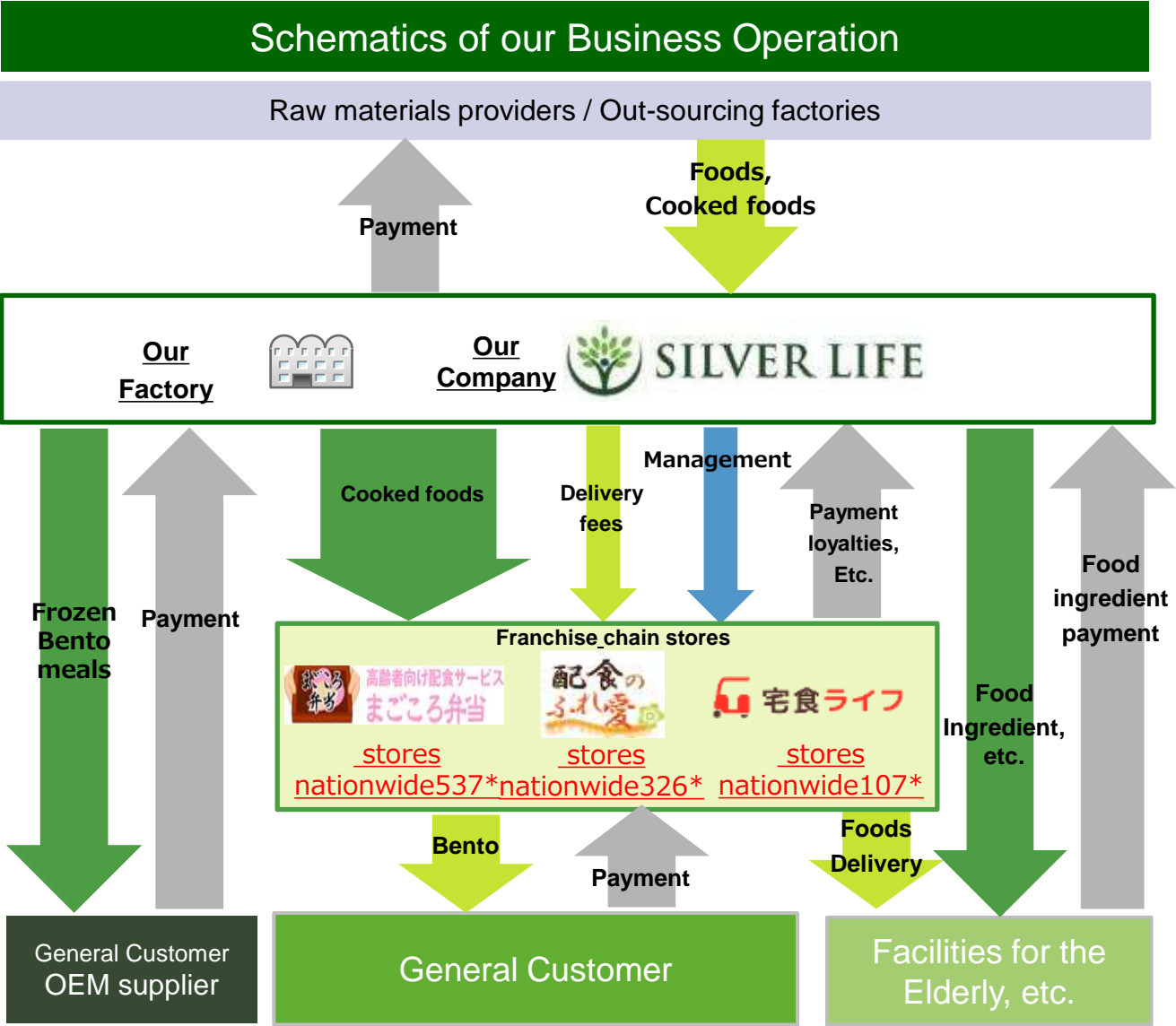
We prepare bento's at reasonable prices and deliver to your home every day so that elderly people living alone or needing care who have difficulty cooking or going out to shop can eat without any trouble.

Company Name	SILVER LIFE Co., Ltd.
Representative	President, CEO : Takahisa Shimizu
Established	October 2007
Capital Stock	730 million yen (as of July 31, 2023)
Address	Highness Lofty Level 2, 4-32-4, Nishishinjuku, Shinjuku-ku, Tokyo, 160-0023, Japan
Businesses	<ul style="list-style-type: none"><li>▪ Franchise management of food delivery service for the elderly (Service names: “Magokoro Bento”, “Haishokuno Fureai”, “Takushoku Life”)</li><li>▪ Food ingredient sales to senior-care facilities (Service names: “Magokoro Shokuzai Service”, “Kodawari Chef”)</li><li>▪ Own brand and OEM sales of frozen bento meals (Service name: “Magokoro Care Shoku”)</li></ul>
Website	<a href="https://www.silver-life.co.jp/">https://www.silver-life.co.jp/</a>
Employees	417 (Full-time: 232 / Part-time: 185) As of the end of July 2023
Factory	<ul style="list-style-type: none"><li>▪ Gunma Factory:1678-1, Nakano, Ora-machi, Ora-gun, Gunma, 370-0603, Japan</li><li>▪ Tochigi Factory:576-6, Hakaricho, Ashikaga-shi, Tochigi, 326-0327, Japan</li></ul>
Distribution Center	<ul style="list-style-type: none"><li>▪ Kazo Center:376, Sakae, Kazo-shi, Saitama, 349-0213, Japan</li></ul>

# Our History







**FY2023 Sales composition**



**Mainly Wholesale Ingredients**

A continuous profit system in which our food net sales increases proportionally to the growth in net sales (number of meals) of franchise chain stores.  
(Food net sales include sales for facilities for the elderly, Direct Sales and OEM.)

\*As of the end of July 2023

- The statements in this document regarding future-prospects are based on current information and may fluctuate due to economic trends, market environment, our related industry trends, and other internal and external factors. Therefore, please have in mind that there are risks and uncertainties that the actual results may differ from those described in this document regarding future-prospects.
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