



Summary of Non-consolidated Financial Results for the Year Ended July 31, 2024 [Based on Japanese GAAP]

September 12, 2024

Company name: SILVER LIFE CO., LTD.

Listing: Tokyo

Securities code: 9262

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

Representative: Takahisa Shimizu

President, CEO

Inquiries: Hirokazu Masuyama

Director, Administration Manager

Telephone: +81-03)6300-5629

Scheduled date of annual general meeting of shareholders: October 29, 2024

Scheduled date to commence dividend payments: October 30, 2024

Scheduled date to file annual securities report: October 30, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated Financial Results for the Fiscal Year Ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended July 31, 2024	13,555	10.5	768	14.7	965	12.6	668	10.9
July 31, 2023	12,266	9.4	670	19.3	857	20.9	602	49.9

	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, 2024	61.58	61.02	10.8	9.9	5.7
July 31, 2023	55.74	55.02	10.7	9.3	5.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended July 31, 2024: ¥ - million
Fiscal year ended July 31, 2023: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2024	9,875	6,423	65.1	591.51
July 31, 2023	9,562	5,916	61.9	545.65

(Reference) Equity: As of July 31, 2024: ¥ 6,423 million
As of July 31, 2023: ¥ 5,916 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended July 31, 2024	1,315	(1,157)	(400)	1,265
July 31, 2023	1,201	(937)	(230)	1,507

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	Millions of yen	%	%
July 31, 2023	-	0.00	-	15.00	15.00	162	26.9	2.9
July 31, 2024	-	0.00	-	15.00	15.00	162	24.4	2.6
Fiscal year ending July 31, 2025 (Forecast)	-	0.00	-	16.00	16.00		24.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended July 31, 2024 :

Commemorative dividend - yen

Special dividend - yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2025 (August 1, 2024 to July 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending January 31, 2025	7,080	5.5	330	(32.8)	420	(27.9)	285	(21.1)	26.27
Full year	14,500	7.0	850	10.6	1,030	6.7	700	4.8	64.53

* Notes:

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(2) Number of issued shares (common shares)

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

July 31, 2024: 10,860,400 shares

July 31, 2023: 10,842,800 shares

2) Number of treasury shares at the end of the period:

July 31, 2024: 422 shares

July 31, 2023: 422 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended July 31, 2024: 10,848,052 shares

Fiscal Year ended July 31, 2023: 10,811,156 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

	(Thousands of yen)	
	As of July 31, 2023	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	1,507,524	1,265,092
Accounts receivable - trade	1,138,985	1,296,993
Merchandise and finished goods	420,316	417,266
Raw materials and supplies	45,642	112,768
Prepaid expenses	58,071	87,367
Accounts receivable - other	381,663	403,401
Other	106,139	116,397
Allowance for doubtful accounts	(78,858)	(113,567)
Total current assets	3,579,485	3,585,719
Non-current assets		
Property, plant and equipment		
Buildings	3,733,475	4,065,599
Accumulated depreciation	(697,423)	(957,667)
Buildings, net	3,036,051	3,107,932
Structures	206,896	207,146
Accumulated depreciation	(38,794)	(55,717)
Structures, net	168,101	151,429
Machinery and equipment	2,366,110	2,805,655
Accumulated depreciation	(944,782)	(1,251,861)
Machinery and equipment, net	1,421,328	1,553,794
Vehicles	34,260	110,537
Accumulated depreciation	(17,087)	(39,696)
Vehicles, net	17,172	70,840
Tools, furniture and fixtures	201,290	240,964
Accumulated depreciation	(115,202)	(143,592)
Tools, furniture and fixtures, net	86,088	97,371
Land	575,900	649,211
Leased assets	3,276	3,276
Accumulated depreciation	(764)	(1,419)
Leased assets, net	2,511	1,856
Construction in progress	52,085	76,932
Total property, plant and equipment	5,359,240	5,709,367
Intangible assets		
Trademark right	1,168	343
Software	366,997	345,846
Other	31,513	10,326
Total intangible assets	399,679	356,517
Investments and other assets		
Long-term loans receivable	46,367	37,601
Distressed receivables	1,066	1,066
Long-term prepaid expenses	28,427	30,904
Deferred tax assets	105,370	103,459
Other	57,139	64,457
Allowance for doubtful accounts	(14,278)	(14,019)
Total investments and other assets	224,092	223,470
Total non-current assets	5,983,012	6,289,355
Total assets	9,562,497	9,875,074

(Thousands of yen)

	As of July 31, 2023	As of July 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	591,357	648,335
Current portion of long-term borrowings	239,400	239,400
Accounts payable - other	564,476	590,305
Accrued expenses	31,383	40,985
Income taxes payable	173,545	168,523
Deposits received	17,797	18,336
Provision for shareholder benefit program	57,923	21,826
Contract liabilities	8,681	5,956
Lease liabilities	720	720
Other	67,497	84,215
Total current liabilities	1,752,782	1,818,605
Non-current liabilities		
Long-term borrowings	1,712,050	1,472,650
Lease liabilities	2,042	1,321
Guarantee deposits received	163,290	149,901
Long term contract liabilities	12,927	5,571
Other	3,210	3,210
Total non-current liabilities	1,893,520	1,632,654
Total liabilities	3,646,302	3,451,259
Net assets		
Shareholders' equity		
Share capital	730,286	731,387
Capital surplus		
Legal capital surplus	720,286	721,387
Total capital surplus	720,286	721,387
Retained earnings		
Other retained earnings		
Retained earnings brought forward	4,466,578	4,971,996
Total retained earnings	4,466,578	4,971,996
Treasury shares	(956)	(956)
Total shareholders' equity	5,916,194	6,423,815
Total net assets	5,916,194	6,423,815
Total liabilities and net assets	9,562,497	9,875,074

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended July 31, 2023	For the fiscal year ended July 31, 2024
Net sales	12,266,758	13,555,288
Cost of sales		
Beginning inventory of merchandise and finished goods	287,792	420,316
Cost of products manufactured	5,519,832	6,319,884
Cost of purchased goods	3,173,034	2,867,178
Total	8,980,659	9,607,380
Ending inventory of merchandise and finished goods	420,316	417,266
Total cost of sales	8,560,343	9,190,113
Gross profit	3,706,414	4,365,174
Selling, general and administrative expenses		
Salaries and allowances	331,624	414,939
Freight costs	718,631	950,035
Depreciation	218,380	298,500
Outsourcing expenses	122,928	135,840
Advertising expenses	481,081	491,969
Bad debt expenses	2,362	7,704
Provision of allowance for doubtful accounts	20,929	43,605
Provision for shareholder benefit program	25,055	-
Other	1,115,268	1,254,170
Total selling, general and administrative expenses	3,036,262	3,596,766
Operating profit	670,152	768,408
Non-operating income		
Interest income	12,853	11,680
Compensation income	165,890	170,959
Commission income	33,364	35,167
Other	17,520	26,225
Total non-operating income	229,629	244,032
Non-operating expenses		
Interest expenses	4,456	4,717
Rental expenses	18,198	27,170
Depreciation	12,259	3,483
Bad debt expenses	3,368	5,376
Provision of allowance for doubtful accounts	1,532	4,702
Other	2,118	1,461
Total non-operating expenses	41,933	46,910
Ordinary profit	857,848	965,529
Extraordinary losses		
Loss on retirement of non-current assets	1,320	9,108
Other	-	500
Total extraordinary losses	1,320	9,608
Profit before income taxes	856,528	955,920
Income taxes - current	267,195	285,956
Income taxes - deferred	(13,238)	1,910
Total income taxes	253,956	287,867
Profit	602,571	668,053

Non-consolidated Statements of Changes in Equity

For the fiscal year ended July 31, 2023

(Thousands of 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	725,645	715,645	715,645	3,864,006	3,864,006	(919)	5,304,378	5,304,378
Changes during period								
Issuance of new shares - exercise of share acquisition rights	4,640	4,640	4,640				9,281	9,281
Purchase of treasury shares						(36)	(36)	(36)
Dividends of surplus							-	-
Profit				602,571	602,571		602,571	602,571
Total changes during period	4,640	4,640	4,640	602,571	602,571	(36)	611,816	611,816
Balance at end of period	730,286	720,286	720,286	4,466,578	4,466,578	(956)	5,916,194	5,916,194

For the fiscal year ended July 31, 2024

(Thousands of 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	730,286	720,286	720,286	4,466,578	4,466,578	(956)	5,916,194	5,916,194
Changes during period								
Issuance of new shares - exercise of share acquisition rights	1,101	1,101	1,101				2,203	2,203
Purchase of treasury shares							-	-
Dividends of surplus				(162,635)	(162,635)		(162,635)	(162,635)
Profit				668,053	668,053		668,053	668,053
Total changes during period	1,101	1,101	1,101	505,417	505,417	-	507,620	507,620
Balance at end of period	731,387	721,387	721,387	4,971,996	4,971,996	(956)	6,423,815	6,423,815

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended July 31, 2023	For the fiscal year ended July 31, 2024
Cash flows from operating activities		
Profit before income taxes	856,528	955,920
Depreciation	689,725	797,865
Increase (decrease) in allowance for doubtful accounts	19,765	34,449
Increase (decrease) in provision for shareholder benefit program	(3,604)	(36,097)
Interest and dividend income	(12,853)	(11,680)
Interest expenses	4,456	4,717
Loss on retirement of property, plant and equipment	1,320	8,029
Loss on retirement of intangible assets	-	1,079
Decrease (increase) in trade receivables	(119,846)	(158,007)
Decrease (increase) in inventories	(150,112)	(64,075)
Increase (decrease) in trade payables	20,440	56,978
Increase (decrease) in accrued consumption taxes	43,242	11,799
Increase (decrease) in contract liabilities	(10,971)	(10,081)
Other, net	12,401	9,611
Subtotal	1,350,491	1,600,508
Interest and dividends received	12,853	11,680
Interest paid	(4,400)	(4,861)
Income taxes paid	(157,515)	(292,069)
Net cash provided by (used in) operating activities	1,201,428	1,315,257
Cash flows from investing activities		
Purchase of property, plant and equipment	(787,429)	(1,074,228)
Purchase of intangible assets	(171,387)	(88,898)
Loan advances	(8,574)	(3,618)
Proceeds from collection of loans receivable	12,580	12,389
Payments of leasehold and guarantee deposits	(1,249)	(2,737)
Proceeds from refund of leasehold and guarantee deposits	13,372	1,345
Refund of guarantee deposits received	(8,000)	(6,800)
Guarantee deposits received	18,470	11,337
Purchase of other investments	(5,655)	(5,927)
Net cash provided by (used in) investing activities	(937,873)	(1,157,136)
Cash flows from financing activities		
Repayments of long-term borrowings	(239,400)	(239,400)
Proceeds from exercise of employee share options	9,281	2,203
Purchase of treasury shares	(36)	-
Dividends paid	-	(162,635)
Repayments of lease liabilities	(720)	(720)
Net cash provided by (used in) financing activities	(230,876)	(400,553)
Net increase (decrease) in cash and cash equivalents	32,679	(242,431)
Cash and cash equivalents at beginning of period	1,474,844	1,507,524
Cash and cash equivalents at end of period	1,507,524	1,265,092