



Financial Results for the 2nd Quarter of Fiscal Year Ending July 31, 2025

SILVER LIFE CO., LTD.

The Standard Market of the Tokyo Stock Exchange (9262)



View of our booth



Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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Fiscal Year Ending July 2025 Q2 Performance (vs YoY)

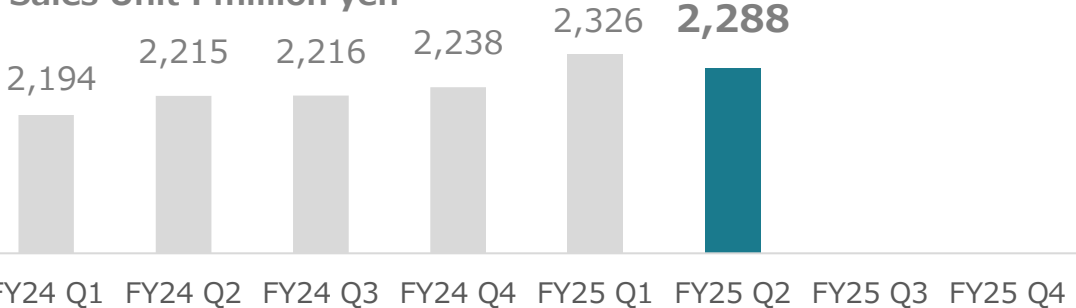


Net sales	+8.0%	Increase in all sales categories, contributed by price revisions at franchised stores and senior citizen facilities, etc.
Gross profit	+11.9%	Gross profit increased due to the in-house manufacturing ratio from 60% in the previous fiscal year to 70% in the current fiscal year and price revisions.
Operating profit	▲9.7%	Decrease in operating profit due to higher freight and labor costs resulting from internalization of logistics operations, as well as higher depreciation and amortization expenses

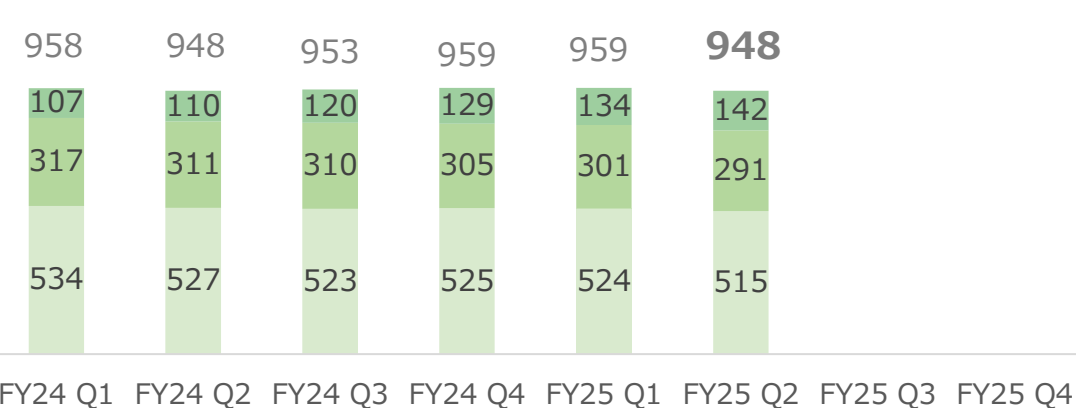
Unit : million yen	FY2025 Q2			Revised Plan Q2 Cumulative		FY2024 Q2	
	Actual	Vs. FY2024 Q2 Actual	Sales ratio	Plan	Sales ratio	Actual	Sales ratio
Net sales	7,246	+8.0%	-	7,246	-	6,710	-
Gross profit	2,455	+11.9%	33.9%	2,454	33.9%	2,194	32.7%
Operating profit	443	▲9.7%	6.1%	440	6.1%	490	7.3%
Ordinary profit	517	▲11.2%	7.1%	514	7.1%	582	8.7%
Profit	315	▲12.7%	4.4%	315	4.3%	361	5.4%

Franchise chains

Sales Unit : million yen



Number of Stores



■ Takushoku Life ■ Haishokuno Fureai ■ Magokoro Bento

Vs. FY2024 Q2 cumulative Actual

+ 4.6%

Sales : Slight increase due to price hikes

Price revision in September 2024 (4.5% increase for regular meals)
 Increase in sales due to higher rice prices (+2.5% impact on sales YOY)
 However, since rice is sold almost exclusively at cost, gross profit margin was negatively impacted. Existing stores sales YoY: 111.5%*1
 Of food sales to franchisees, 87% are regular meals and 13% are special meals*2

Regular meals are priced at 500 yen in stores, continued growth (+3.7%)
 Special meals: sales price at stores in the 700yen range, unchanged (+0.0%)
 → Special meals will be packaged in March 2025 to reduce production costs.
 →At the same time, we plan to offer it to merchants at a reduced price.

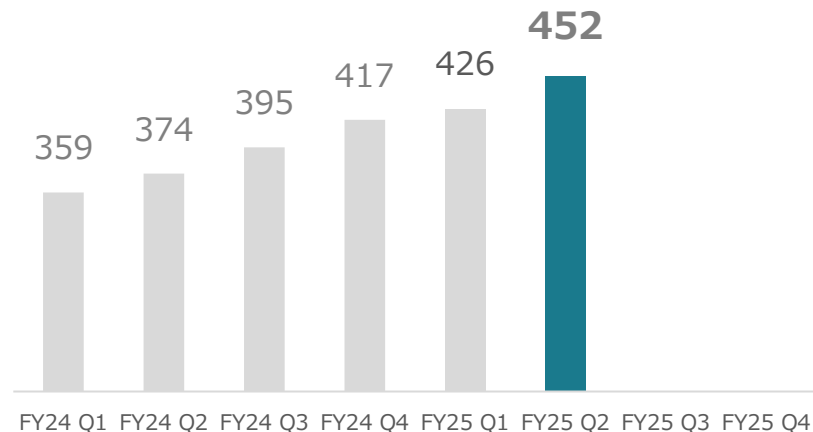
Number of stores: 948 stores, The seesaw (back-and-forth) of store openings and closings continues.

※1 Comparison between stores that existed in both the previous fiscal year and this fiscal year, excluding stores that were withdrawn.

※2 Special diets include carbohydrate calorie adjusted meals, protein adjusted meals, and mousse meals.

Facilities for the elderly

Unit : million yen



Vs. FY2024 Q2 cumulative Actual

+ 19.7%

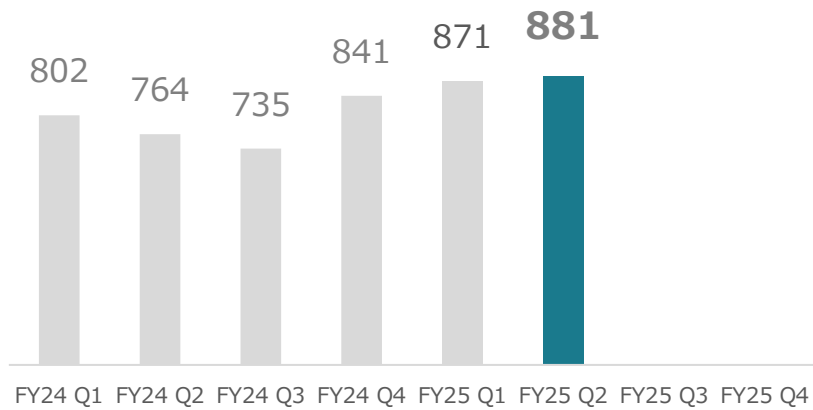
Chilled sales decrease, frozen sales increase
Demand for fully furnished products at facilities is strong due to labor shortage
Price revision in October 2024 (approx. 10% price increase)

New frozen bento with rice are now available.

Frozen: 70.4% of division sales
Chilled: 29.6% of division sales

Direct Sales/ Others

Unit : million yen



Vs. FY2024 Q2 cumulative Actual

+ 11.9%

Direct sales: 63.7% of total sales
Increase in sales due to price reductions, 10-15% price reduction in Q3 of previous fiscal year, significant increase in number of meals
Sales growth due to

OEM : Sales ratio in the division is 30.0%. Sales to existing customers increased

Warehousing: 6.4% of sales in the sector
Price hikes due to increased demand and remaining capacity adjustment
Increase in sales due to

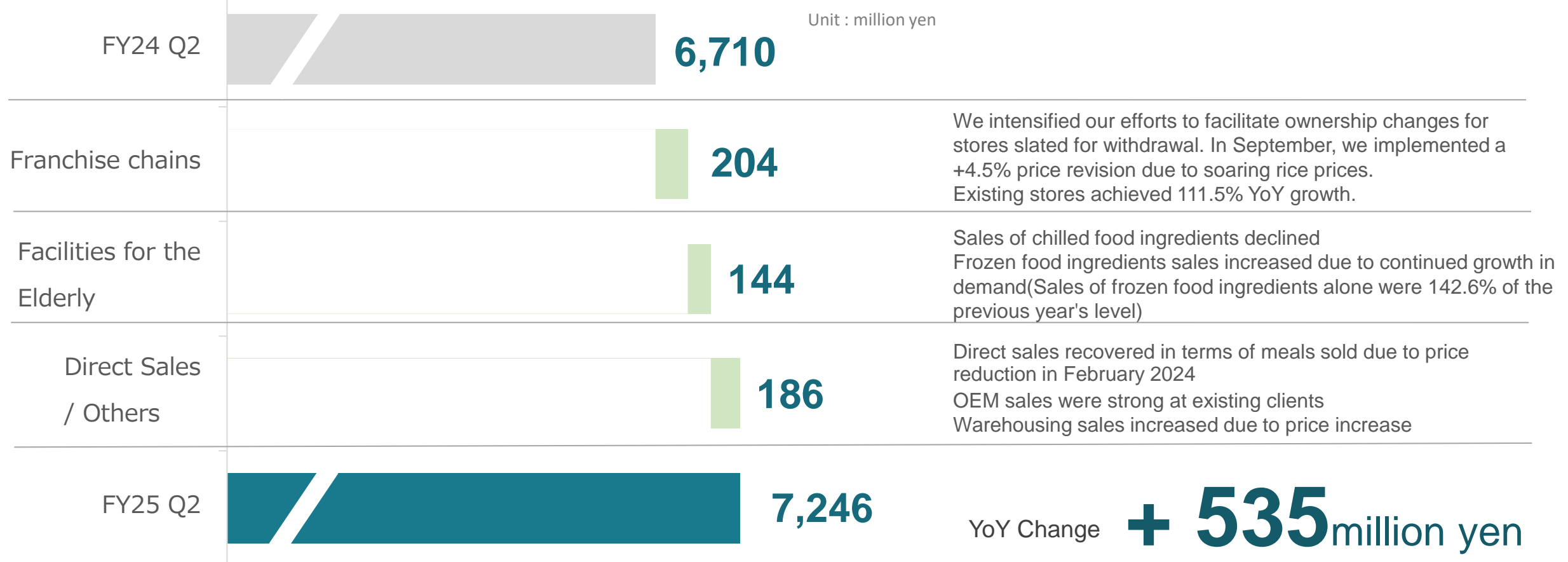
Change Analysis of Sales

Sales YoY +8.0%

Sales to franchisees increased due to the price revision in September and the rise in rice prices, but the number of meals served decreased due to a shortage of delivery staff.

Sales of food ingredients for senior citizen facilities, etc. (sales of food ingredients to facilities) increased due to price revisions in October and increased demand associated with labor shortages.

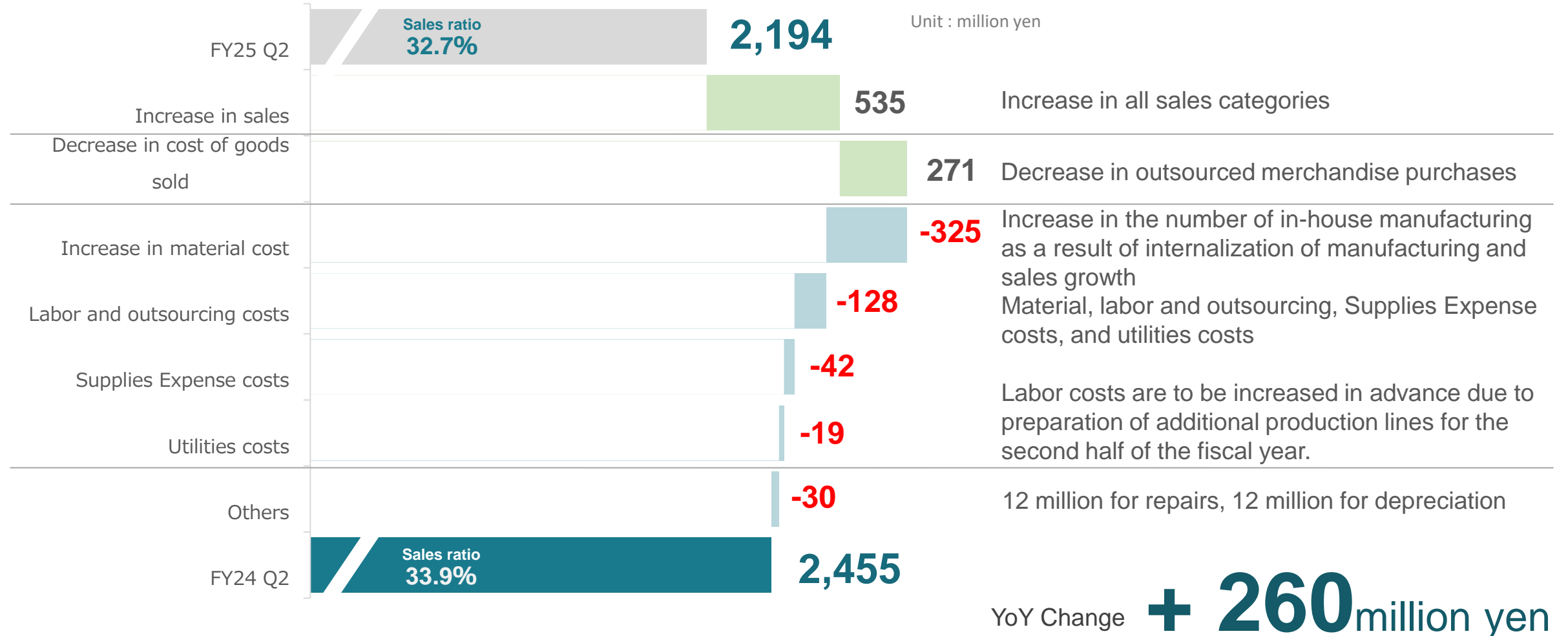
Sales in direct sales and others increased due to a pricing strategy that incorporates price reductions and price hikes, as well as strong performance by existing OEM customers.



Change Analysis of Gross Profit

Value increased 11.9% YoY, gross margin improved 1.2% YoY.

Although the ratio of in-house manufacturing increased from 60% to 70% from the previous quarter, cost of goods sold decreased due to a decrease in the purchase of outsourced food materials, resulting in an increase in gross profit.

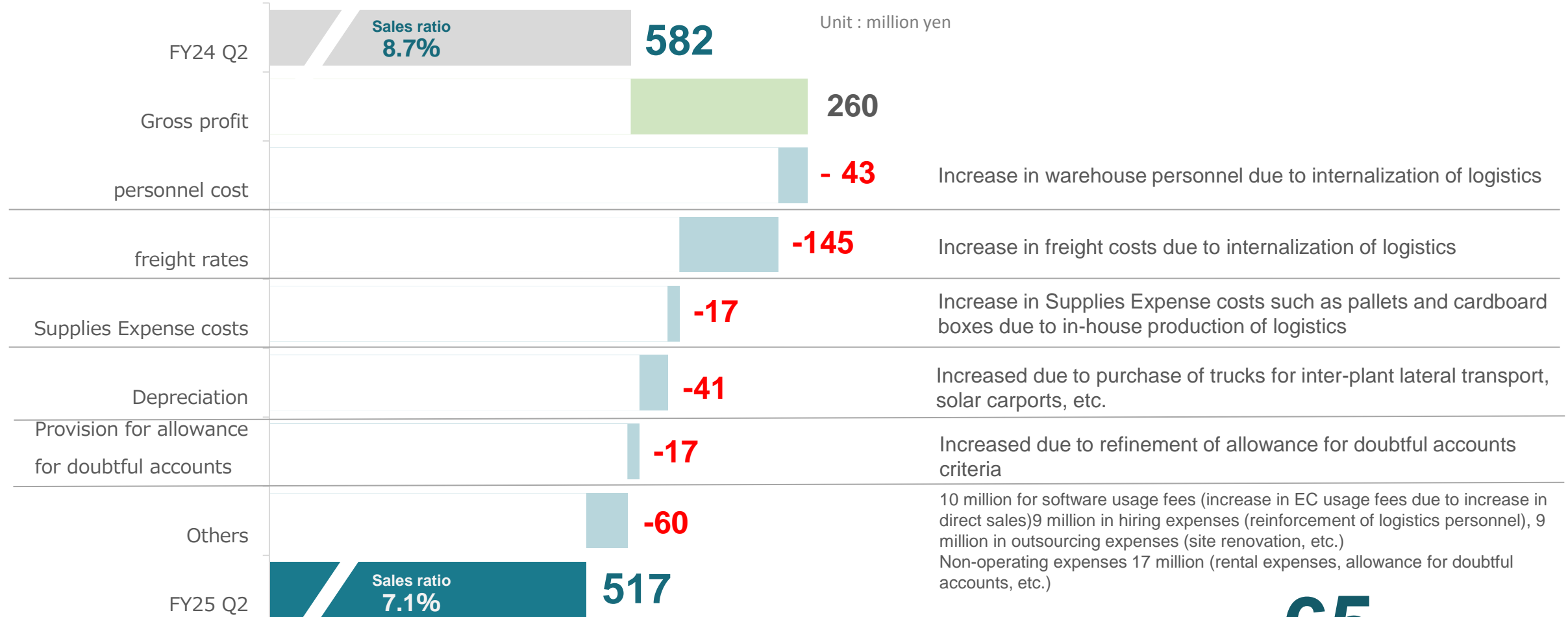


Change Analysis of Ordinary Profit

Recurring profit declined 11.2%, and recurring profit margin deteriorated 1.5%.

Significant increase in logistics volume and freight rates for shipments to our own bases due to the in-house production of logistics in the Q4 of the previous fiscal year

Focus on creating a foundation for various improvement measures, including P10-11 fares, through investments in the first half of the year



YoY Change

▲ **65** million yen

Activities in the current term

Sales Increase Measures

- ✓ Sep Morinaga Milk Industry products started to be handled by franchisees
- ✓ Oct Started handling Furusato tax returns
- ✓ Oct Began selling frozen bento with rice for senior citizen facilities.
- ✓ Jan Slight price increase for Magokoro Care meals (10 yen per meal)
- ✓ Feb Added 50 new products to Life Meal
- ✓ scheduled for Mar Wakearina Okazu-ya-san (Sales of surplus manufactured goods) EC site to be released
- ✓ scheduled for Jun Shokupack (chilled packaged food ingredients for individuals) EC site to be released
- ✓ scheduled for Jun Plans for new OEM contracts

Cost Reduction Measures

- ✓ Aug Improvement of cardboard size in warehouse
- ✓ Aug Internalization of support services for foreign specified skills in factories
- ✓ Dec In-house production of horizontal delivery service from factory to warehouse and between company's own bases
- ✓ Jan Okinawa store delivery parcel delivery service → route delivery service
- ✓ scheduled for Mar In-house production of store route delivery in Kanagawa Prefecture
Chilled packaged sugar-calorie adjusted meal production
- ✓ scheduled for Apr Internalization of store route delivery service in Tama area
→ route delivery Store delivery service in Kyushu/Hokkaido/Kansai
In-house laundering of uniforms at factories
- ✓ scheduled for May In-house production of store route delivery in Chiba
- ✓ scheduled for Jun In-house production of store route flights in Tokyo and North Kanto
- ✓ scheduled for Jul In-house production of special meals (second type)
- ✓ Early next fiscal year Automation of warehouse operations (introduction of conveyors and AGVs)

Internalization of logistics operations from Q4 of the previous fiscal year and improvement in the freight rate ratio, which had temporarily deteriorated

Freight rate ratio: Q4 last term: 9.0% → Q2 this term: 7.6%, an improvement of 1.4

Ordinary profit Margin: Q4 of the previous term: 4.1% → Q2 of the current term: 8.5%, an improvement of 4.4%.

First Half Result Further improvement from Q4 of the previous fiscal year to Q1 of the current fiscal year to Q2 of the current fiscal year.

Reduction of freight within SG&A expenses: Allocation of deliveries to stores/facilities/individual homes to lower unit price delivery requests

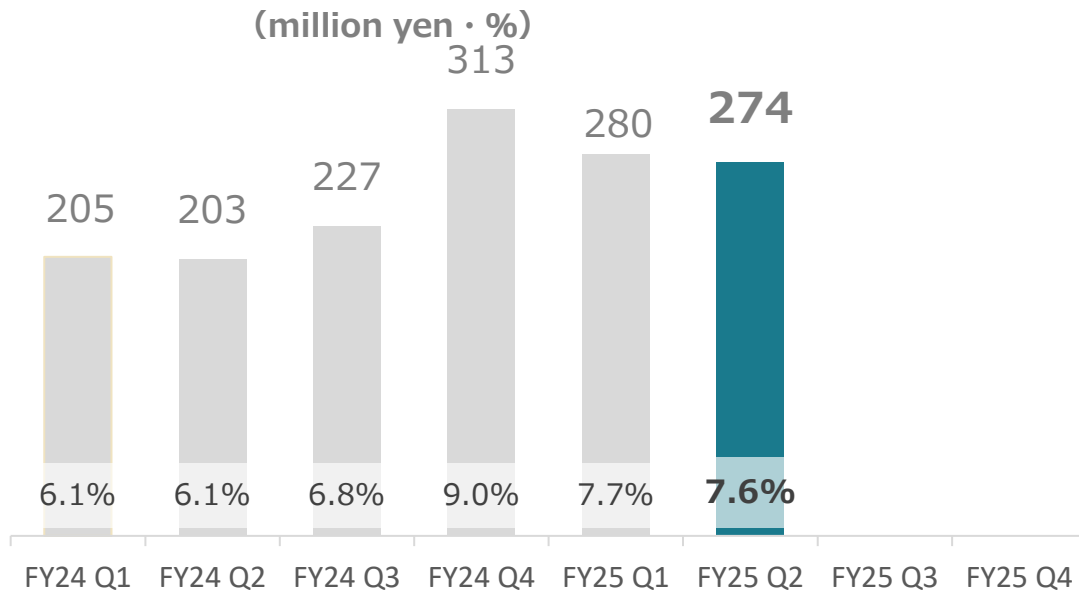
Reduction of freight costs in cost of goods: Add own trucks, reduce costs by going to suppliers to pick up raw materials/In-house horizontal deliveries between plants/warehouses.

Out of the entire delivery network, home delivery service in major areas will be converted to outsourced route delivery service, and Kanto, which used to be outsourced route delivery service, will be brought in-house.

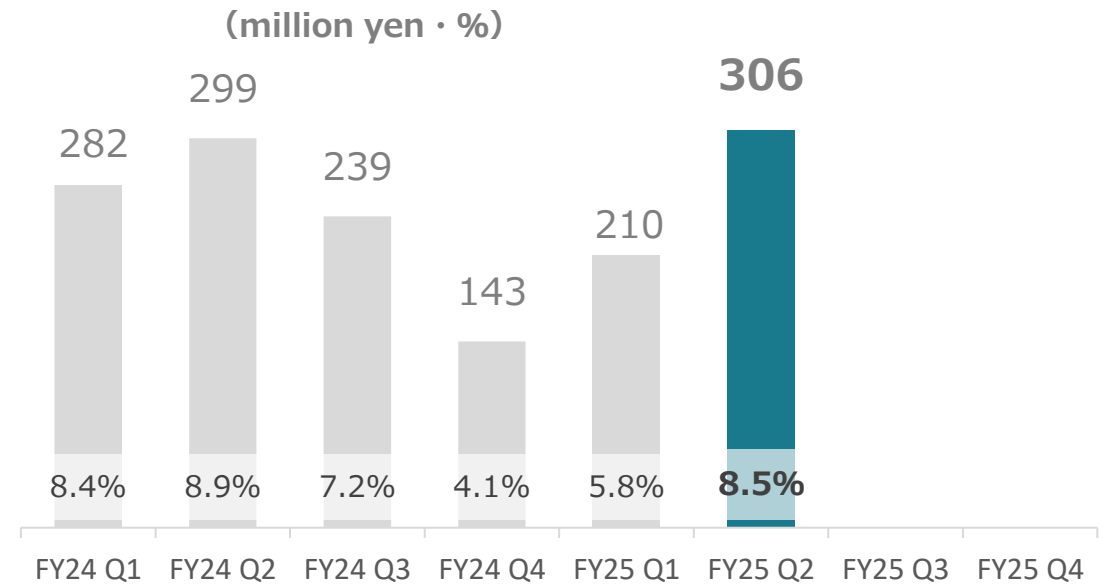
Start with foodstuffs for franchise stores; in the future, plan to use established routes to co-deliver frozen bento to facilities and e-commerce sales

In the second half of the year, prepare for fare increases starting April 2025.

Freight and freight ratio within SG&A expenses



Ordinary Profit and Ordinary Profit Margin



Investment in Equipment

Results of introduction in the first half of the year: Purchase of trucks to improve freight rates, vertical pillow wrapping machine for in-house production of sauce sachets, and installation of additional solar panels at the Kazo warehouse to reduce electricity costs.

Plans for introduction in the second half of the year: Continued purchase of trucks to improve freight rates, new line of heating and cooling equipment to increase production capacity and tunnel freezer (relocation)



Trucks for inter-plant haulage
20 million yen



5 light vehicles for own route delivery
20 million yen



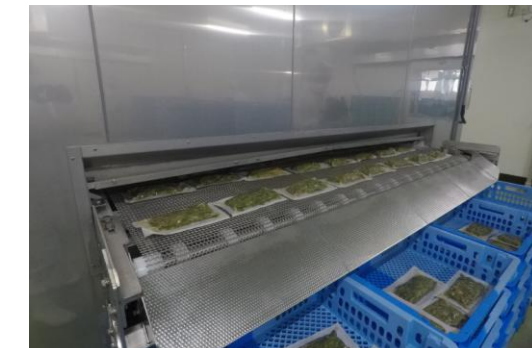
Vertical Pillow Packaging Machine
40 million yen



Additional solar panels installed
Total **100** million yen



Heating and cooling equipment
Total **130** million yen



Tunnel freezer (relocation)
40 million yen

Activities in this term

✓ Oct **Began selling frozen bento with rice to senior citizen facilities.**

Launched frozen bento with one main dish and two side dishes with well-balanced rice for senior citizen facilities.

✓ Nov **Exhibited at Care TEX One Yokohama 2024 Care Food Exhibition**

Pre-prepared foodstuffs, mainly as products for institutional use

✓ Dec **FSSC22000 certification acquired at Tochigi Plant**

Obtained FSSC 22000 certification, an international standard for food safety management systems, for our system for providing safe food products to customers.

✓ Jan **Began posting monthly sales bulletins**

Sales for the previous month are posted on the Company's website by 8:30 a.m. on the 15th of each month (or the next business day if the 15th falls on a Saturday, Sunday or holiday).

✓ Feb **Exhibited at Care TEX Tokyo '25 Care Food Exhibition**

Pre-prepared foodstuffs, mainly as products for institutional use

✓ Feb **Added 50 new products to Life Meal**

In addition to the “30g sugar standard” products, a “15g sugar standard” menu item has been added to the “30g sugar standard” products to keep the taste and satisfaction while reducing sugar content.

◆ Frozen bento with rice for senior citizen facilities



◆ A scene from Care TEX Tokyo '25



◆ New products to be added to Life Meal



Hamburger steak with demi-glace sauce bento



grilled red fish bento

ESG Initiatives

Environmental Initiatives

Use of solar power (to produce electricity)

Installation of solar power in all factories and warehouses in 2022
 Additional installation in carports at Kazo warehouse in October 2024



Kazo Warehouse

Reduction of GHG emissions through the use of EV vehicles

We have been renting small EV vehicles to our franchisees since 2021 for use in delivering bento to the elderly, and by the end of January 2025, the number of rented vehicles will reach 72 (up 6 from the end of the previous fiscal year). We will continue to work to increase the number of rental vehicles as part of our efforts to reduce transportation and other costs, as well as CO2 emissions.

Reduction of food waste

- 2021 Introduction of vacuum cooking method at Tochigi Plant
- 2023 Increase in the amount of residuals due to in-house production of external food ingredients
- 2024 Introduction of food waste disposers at the Gunma and Tochigi plants
- 2024 Start sales of “Magokoro Care Shoku Omakase Kobachi” as part of efforts to reduce food loss
- 2025 Plans to expand sales of food loss reduction products

Food Residue Estimates for the Current Year

※% (disposal rate) = amount disposed of ÷ amount produced

280.8t	168.8t	4.5%
5.1%	2.7%	
FY24	FY25 Forecast	FY25 Target

The introduction of a food waste disposal machine has led to a significant improvement from the previous term (and also succeeded in reducing waste disposal fees).

Diversity & Inclusion

Submission of action plan to the Law for Measures to Support the Development of the Next Generation and the Law for the Promotion of Women's Activities in August 2023.

Target ratio of women in management positions to be 30% or more by 2028

Percentage of female managers

25.0%	25.0%	30.0%
FY24	FY25 Q2	FY28 Target

Targeting an average of less than 15 hours of overtime for all employees

Average employee overtime hours

15h 10m	10h 18m	15h 0m
FY24	FY25 Q2	FY28 Target

Promote employment of persons with disabilities

Legal employment rate target of 3.0% by July 2026

Number and Percentage of Employees with Disabilities

2.50%	3.02%	3.00%
FY24	FY25 Q2	FY26 Target

Employee Engagement

Promoting the use of annual paid leave

Annual Paid Leave Utilization Rate

68%	78%	65%
FY23	FY24	FY25 Q2

Scholarship Repayment Support Program

Number of Users

12名	21名	24名
FY23	FY24	FY25 Q2

The company will repay the full amount of the scholarship in 7-year installments on behalf of the student.

Strengthening Corporate Governance

Committee Meetings

Nomination and Compensation Committee

3回
FY25 Q2

Audit and Supervisory Committee

10回
FY25 Q2

Compliance and Risk Committee

2回
FY25 Q2

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first half of the year upward revision, Unchanged in the second half of the year

first half of the year : Steady sales and better-than-expected improvements in cost of sales and freight charges

Full year: Unchanged due to concerns about the scope of freight rate hikes and raw material price hikes

※Excerpts below, disclosed on February 17, 2025, revised earnings forecast

2025年7月期第2四半期（中間期）業績予想の修正に関するお知らせ

最近の業績動向を踏まえ、2024年9月12日公表いたしました2025年7月期第2四半期（中間期）の業績予想を下記の通り修正いたしましたのでお知らせいたします。

2. 修正の理由

当第2四半期（中間期）期間において、売上は概ね計画どおり順調に推移いたしました。また、営業利益については、原価率及び運賃の改善が想定よりも順調に推移したことから業績予想を大きく上回りました。

なお、通期業績予想につきましては、4月からの運賃の値上げ幅が未定であること、米に代表される各種原材料価格の高騰が今後本格的に波及してくると予想されること等に鑑み、2024年9月12日に公表いたしました2025年7月期業績予想は据え置くことといたしました。今後の状況を踏まえ、修正が必要と判断される場合には、速やかに開示いたします。

FY2025 Financial Plan

Considering price revisions by category in relation to sales, expecting overall growth of 7.0%.
 Price increase of +4.5% in September for franchised stores, and price reduction of about -1% in the special meal portion due to the shift to chilled packs of frozen bento in February next year.
 Price increases for institutional customers are expected to be +2% in October, and +10% for warehousing customers in October.
 No price revision is currently planned for frozen bento sold directly to customers. Operating profit margin is expected to improve by 0.2% due to the improvement of logistics system, appropriate personnel allocation, cost control, etc.

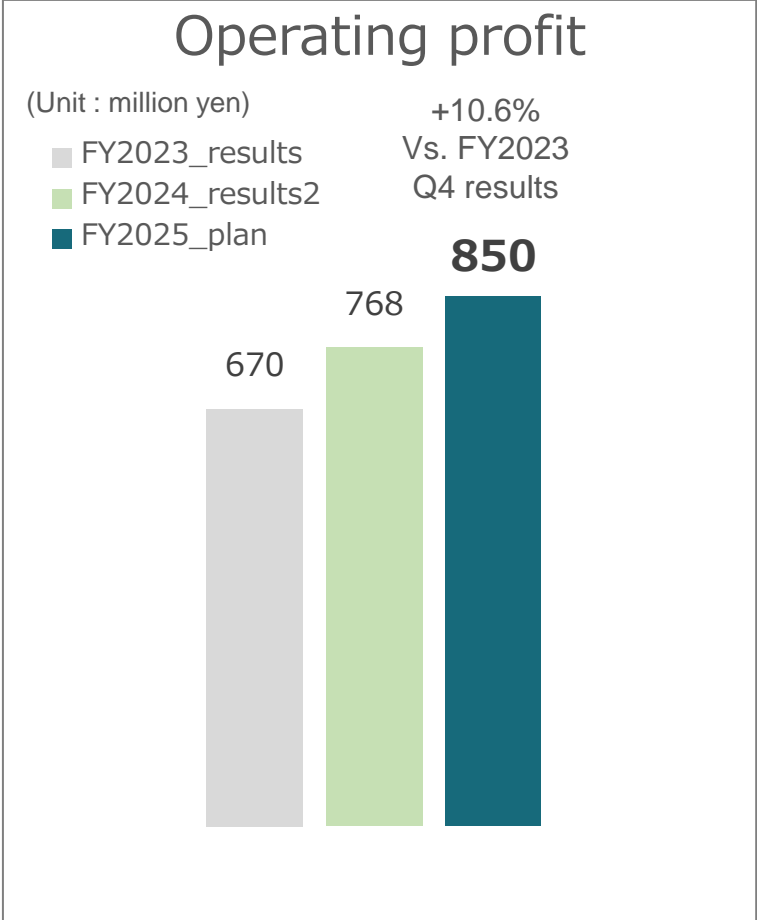
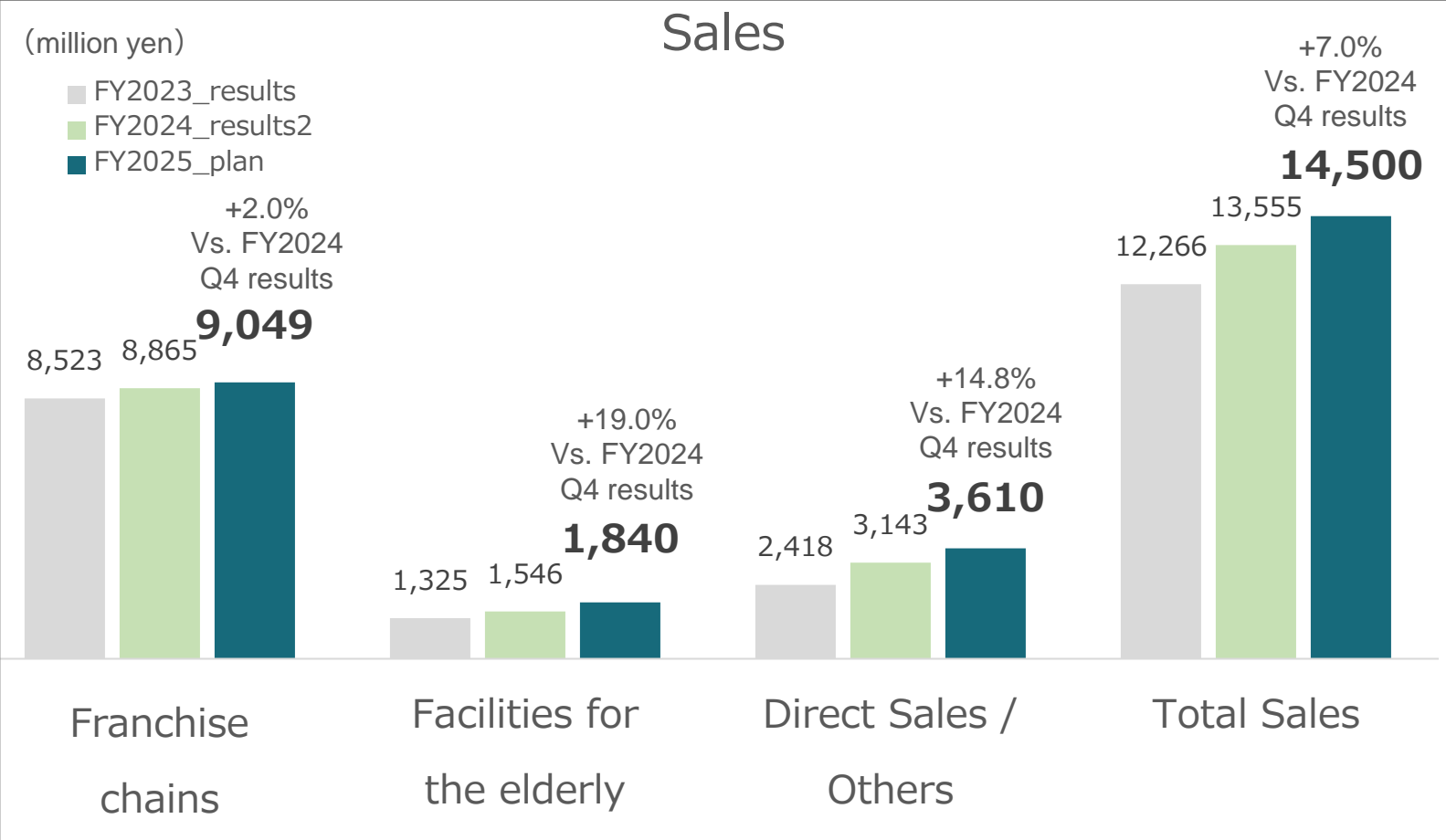
Unit : million yen

	FY2024 Plan			FY2025 Plan			Gap
	full financial year	(first half of the year)	(second half of the fiscal year)	full financial year	(first half of the year)	(second half of the fiscal year)	
Net Sales	13,555	6,710	6,844	14,500	7,246	7,254	+944
Operating Profit Operating profit ratio	768 5.7%	490 7.3%	277 4.1%	850 5.9%	440 6.1%	410 5.7%	+81 +0.2%
Ordinary Profit Ordinary Profit ratio	965 7.1%	582 8.7%	382 5.6%	1,030 7.1%	514 7.1%	516 7.1%	+64 0.0%
Net profit Net profit ratio	668 4.9%	361 5.4%	306 4.5%	700 4.8%	315 4.3%	385 5.3%	+31 ▲0.1%

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

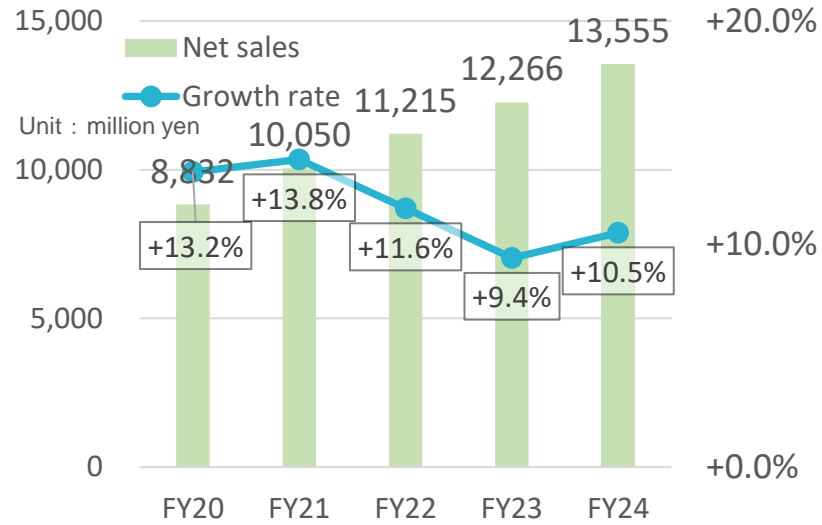


Net sales are expected to grow only moderately in franchise store sales
 Sales from senior care facilities, direct sales, and others are expected to grow significantly due to an increase in demand for frozen food and frozen bento.
 Operating profit is expected to increase 10.6% yoy due to cost reduction measures and sales growth.

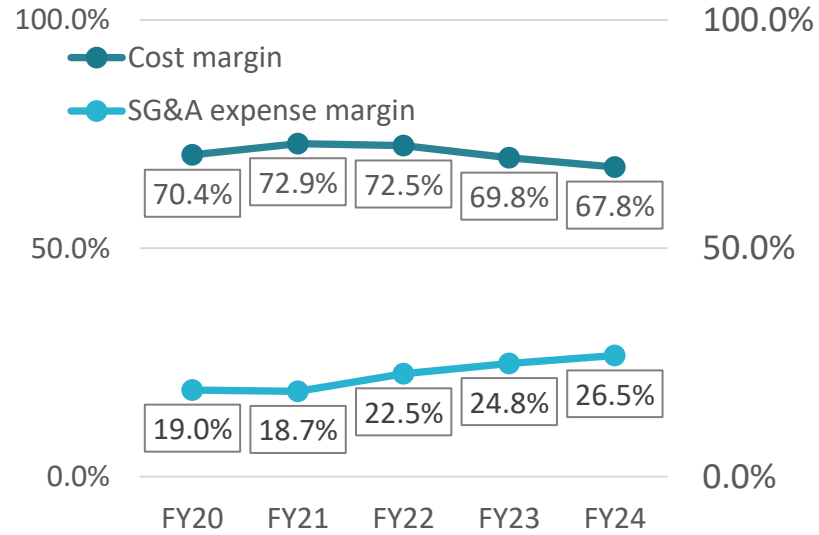


Reference : Management index

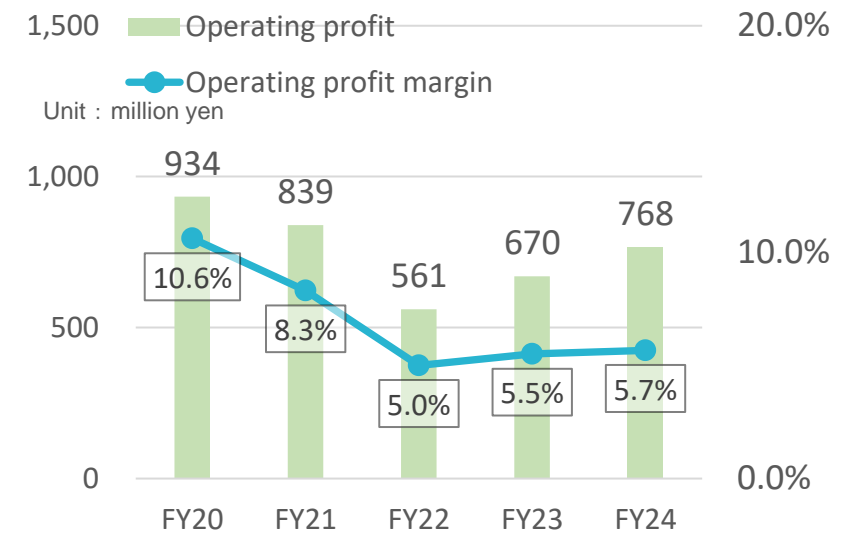
Net sales



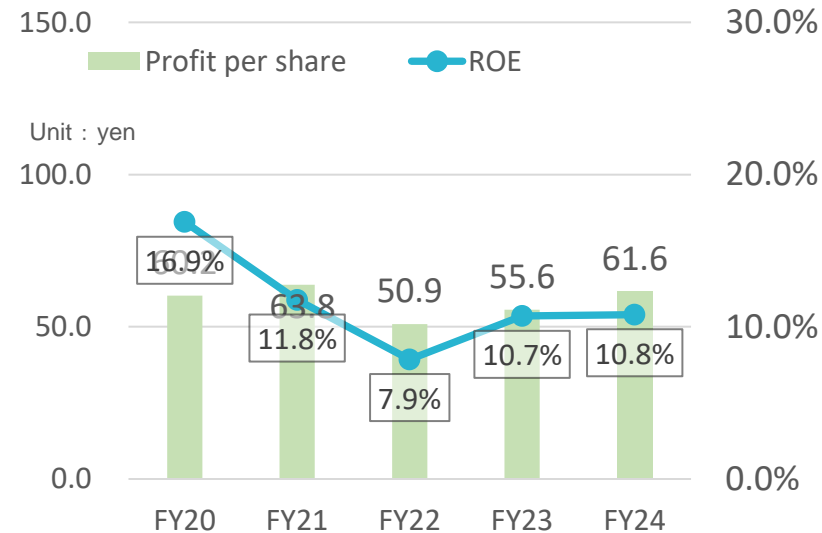
Cost of sales margin & SG&A expense margin



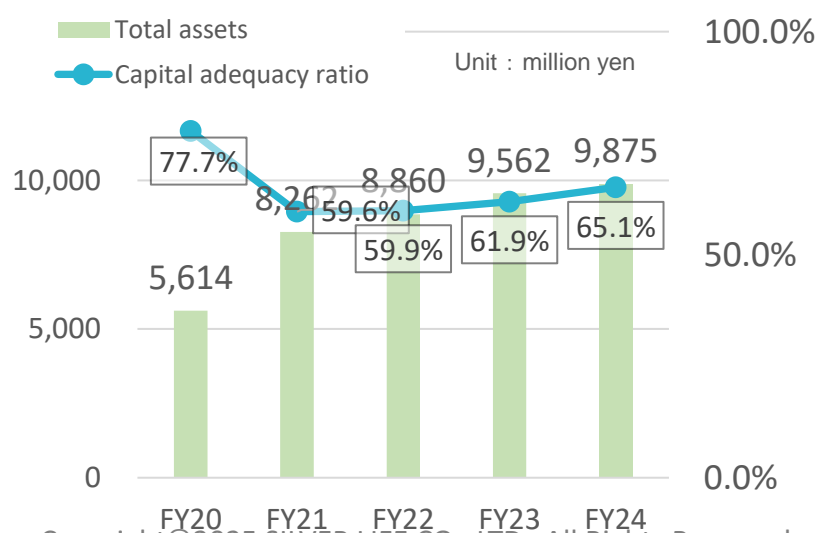
Operating profit margin



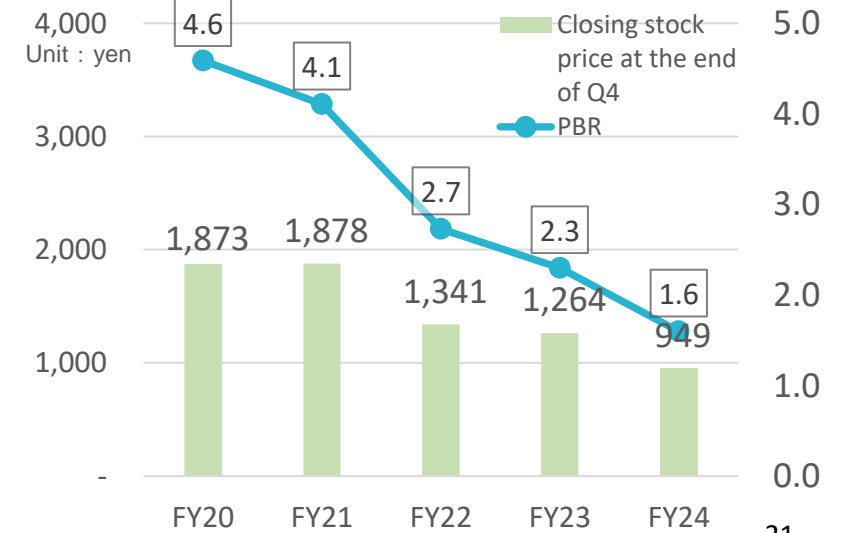
ROE



Capital adequacy margin



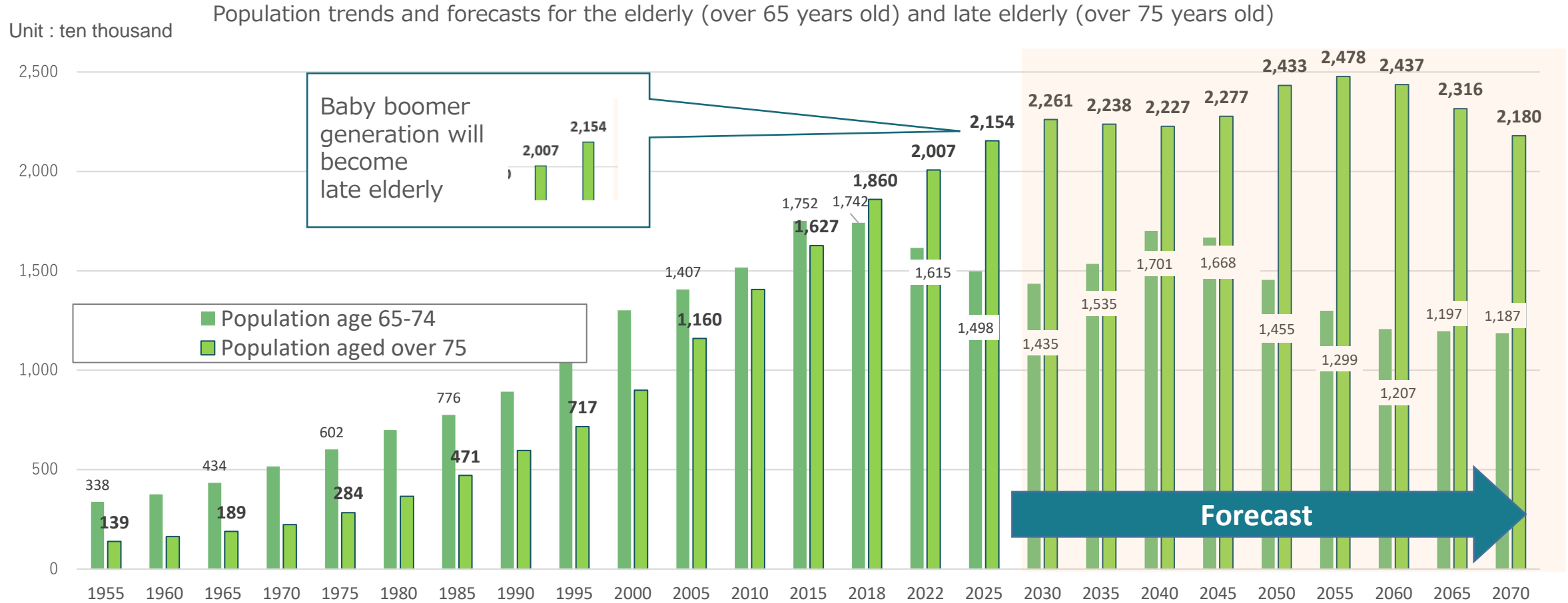
PBR



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Company Overview

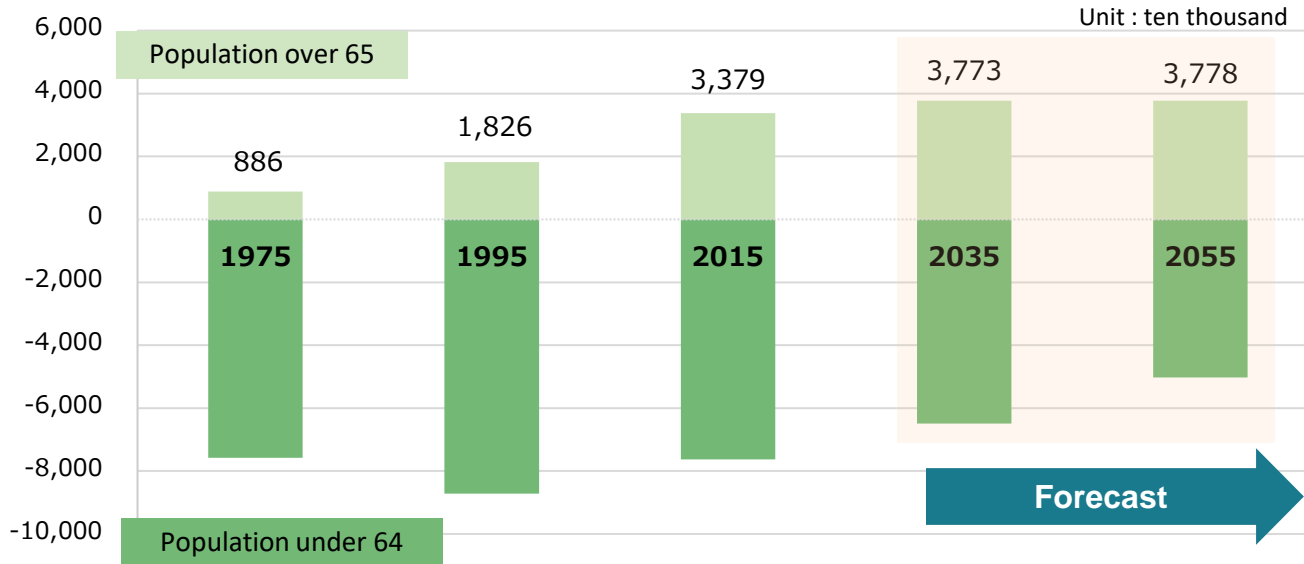
Our main target, the late elderly, will increase exponentially beyond 2025



White Paper on Aging Society 2024, Cabinet Office, Government of Japan

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

Changes in the Working Generation and the Elderly Population

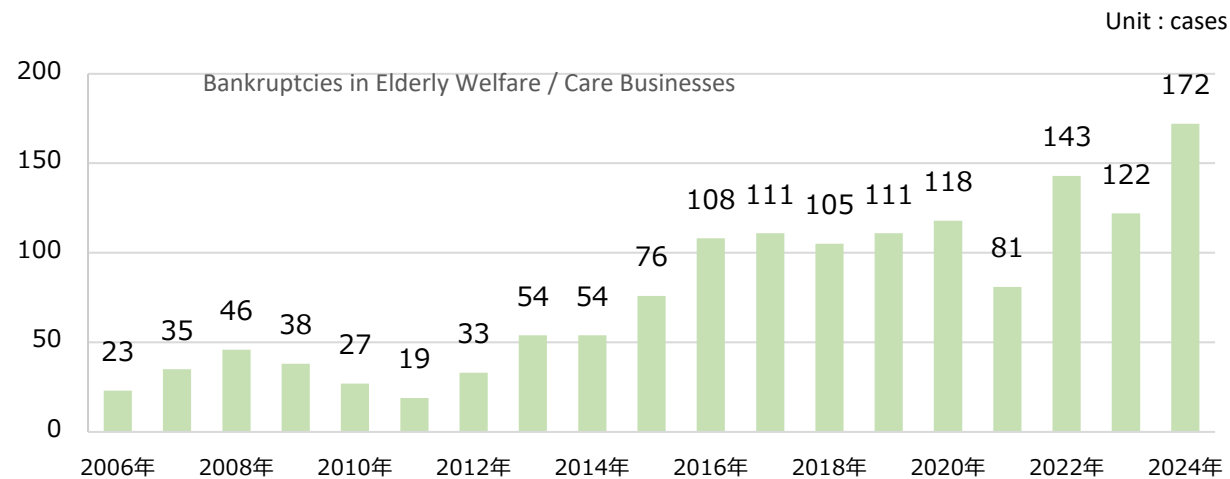


Source: Government materials

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

Declining working population makes it even more difficult to secure financial resources for nursing care and welfare. In addition, nursing care providers face a labor shortage and high prices.



Source: local Government materials

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

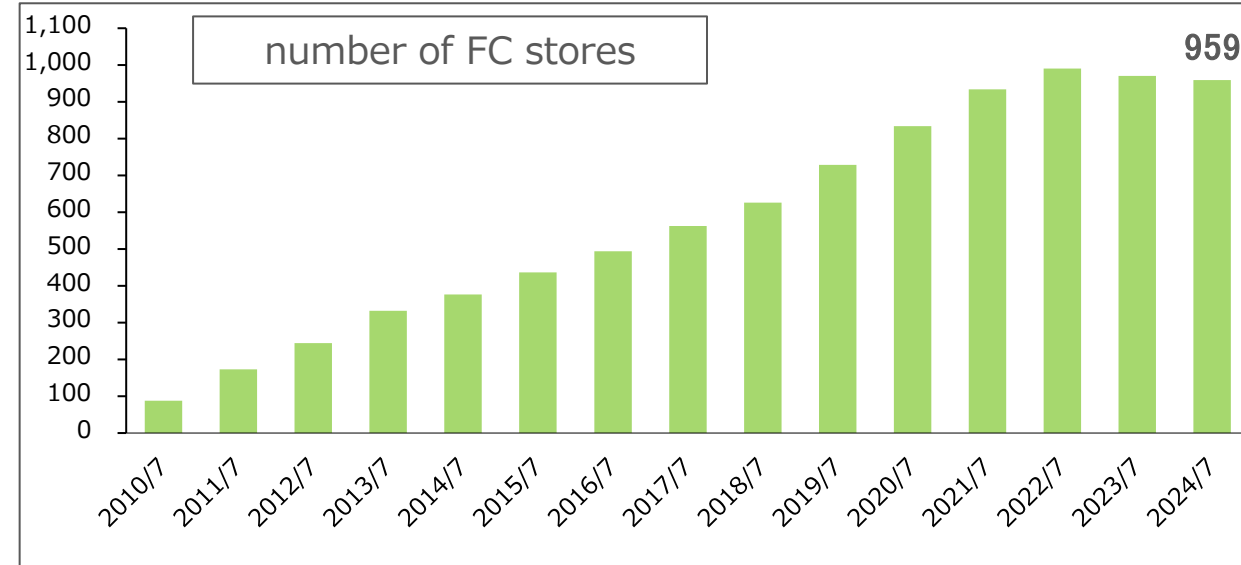
In this upcoming era, only businesses such as food distribution services for the elderly, which can be managed without relying on insurance, can support the lives of the rapidly increasing elderly population

Our Company Advantages

Our Advantage : FC Network

Overwhelming number of stores

Since opening its first store in “Setagaya” in November 2007, it has 959 stores as of the end of July 2024. 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 (If the owner enters the store)

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 : Production System

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 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 with rice



Frozen bento Top Seal type

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 80 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.

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]
35 registered dietitians
4 nutritionists
7 health managers



(Product Development)

Quality and Sanitation Management

- Gunma Factory and Tochigi 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 provided to customers, tastings are held every day



(foreign matter inspection)



(Bacterial testing)

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>

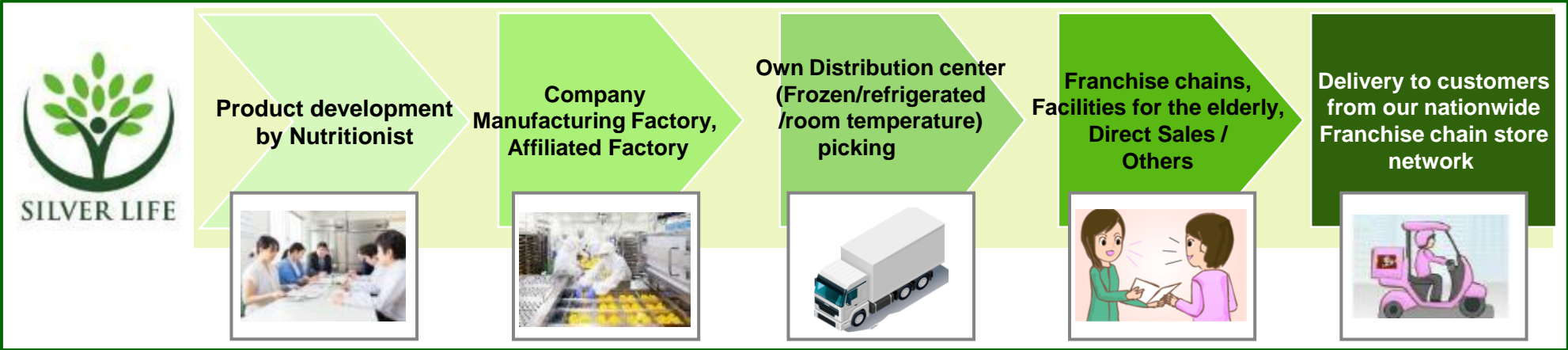
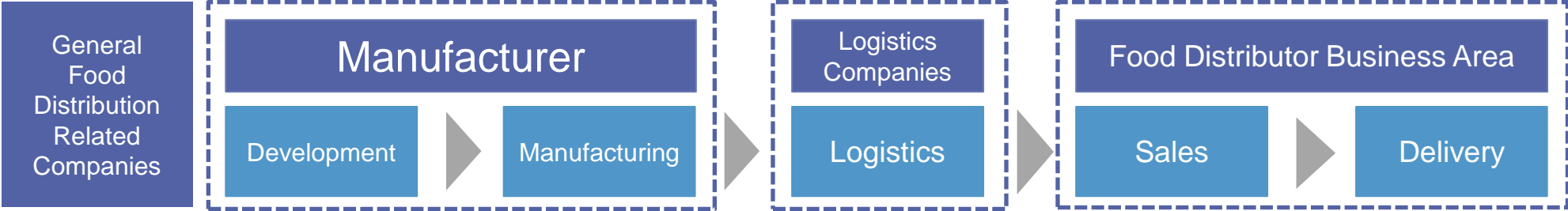
Business introduction



Business Introduction

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

Our Advantage : Consistent System



Feedback from franchise chain stores and customers

<p>Purpose and Features</p>	<ul style="list-style-type: none"> • Cost advantage due to mass production • Product development based on customer feedback (franchise chain stores) • Ensure the "Safety and Security" 	<ul style="list-style-type: none"> • Efficiency of storage and delivery • OEM sales expansion 	<p>Food distribution service for the elderly</p>
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Company Overview



【Management Philosophy】

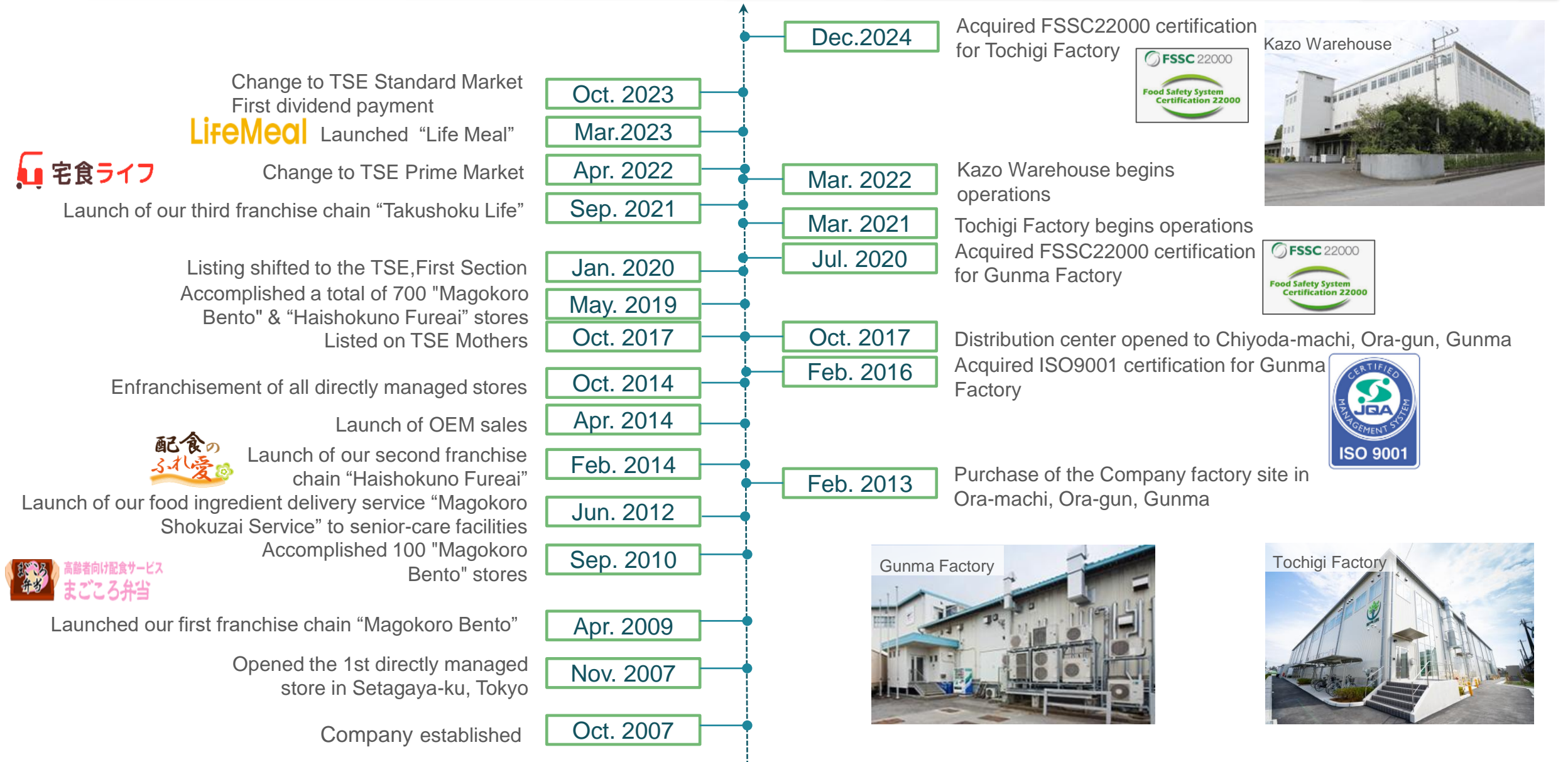
We will create a society where everyone can grow old with peace of mind from the perspective of food.

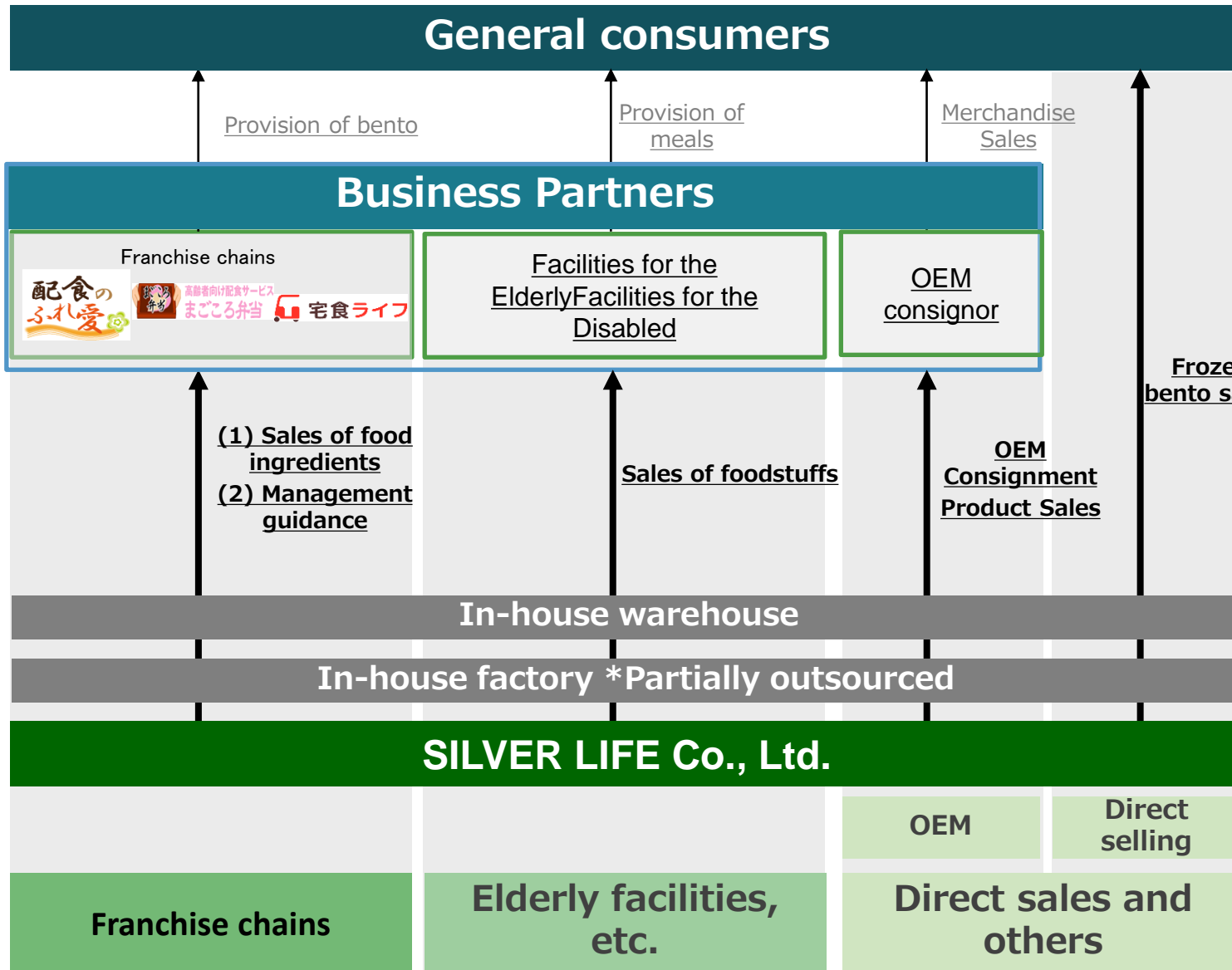
【Our Mission】

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	731 million yen (as of July 31, 2024)
Address	Highness Lofty Level 2, 4-32-4, Nishishinjuku, Shinjuku-ku, Tokyo, 160-0023, Japan
Businesses	<ul style="list-style-type: none">▪ Franchise management of food delivery service for the elderly (Service names: “Magokoro Bento”, “Haishokuno Fureai”, “Takushoku Life”)▪ Food ingredient sales to senior-care facilities (Service names: “Magokoro Shokuzai Service”, “Kodawari Chef”)▪ Own brand and OEM sales of frozen bento meals (Service name: “Magokoro Care Shoku”)
Website	https://www.silver-life.co.jp/
Employees	530 (Full-time: 305 / Part-time: 225) As of the end of July 2024
Factory	<ul style="list-style-type: none">▪ Gunma Factory:1678-1, Nakano, Ora-machi, Ora-gun, Gunma, 370-0603, Japan▪ Tochigi Factory:576-6, Hakaricho, Ashikaga-shi, Tochigi, 326-0327, Japan
Warehouse	<ul style="list-style-type: none">▪ Kazo Warehouse:376, Sakae, Kazo-shi, Saitama, 349-0213, Japan

Our History





Kazo Warehouse



Mainly hub for logistics of the company's own factory products
Sales Category: Warehousing (including storage and picking contracting)

Tochigi Factory



Mainly manufactures chilled food ingredients and OEM food ingredients
Sales categories: franchisees, elderly care facilities, etc., OEM

Gunma Factory



Mainly manufactures frozen bento
Sales categories: direct sales and others (own e-commerce site sales, OEM, etc.)

- 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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