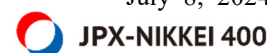


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Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2025 (under Japanese GAAP)



July 8, 2024



Company name: **LIFE CORPORATION**
 Listing: Tokyo Stock Exchange
 Securities code: 8194
 URL: <http://www.lifecorp.jp/>
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Scheduled date to file Quarterly Securities Report: July 12, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: None

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

1. Consolidated financial results for the first three months of the fiscal year ending February 28, 2025 (from March 1, 2024 to May 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
May 31, 2024	206,382	5.4	6,945	9.4	7,151	9.0	4,867	10.2
May 31, 2023	195,864	5.4	6,347	15.0	6,559	14.7	4,418	11.0

Note: Comprehensive income

Three months ended May 31, 2024: ¥5,015 million [15.0%]
 Three months ended May 31, 2023: ¥4,360 million [10.5%]

Reference: Operating revenue is the total of net sales and receipts from operating revenue.

Net sales

Three months ended May 31, 2024: ¥198,640 million [5.1%]
 Three months ended May 31, 2023: ¥188,981 million [5.4%]

Receipts from operating revenue

Three months ended May 31, 2024: ¥7,741 million [12.5%]
 Three months ended May 31, 2023: ¥6,882 million [5.0%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2024	103.72	–
May 31, 2023	94.16	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2024	292,000	139,520	47.8	2,972.87
February 29, 2024	287,146	136,855	47.7	2,916.09

Reference: Equity

As of May 31, 2024: ¥139,520 million

As of February 29, 2024: ¥136,855 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 29, 2024	—	40.00	—	50.00	90.00
Fiscal year ending February 28, 2025	—				
Fiscal year ending February 28, 2025 (Forecast)		50.00	—	50.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2025	853,400	5.4	24,700	2.4	25,500	2.2	17,000	0.4	362.23

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting treatment to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 - i. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - ii. Changes in accounting policies due to other reasons: None
 - iii. Changes in accounting estimates: None
 - iv. Restatement: None
- (4) Number of issued shares (ordinary shares)
 - i. Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2024	49,450,800 shares
As of February 29, 2024	49,450,800 shares
 - ii. Number of treasury shares at the end of the period

As of May 31, 2024	2,519,556 shares
As of February 29, 2024	2,519,531 shares
 - iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2024	46,931,262 shares
Three months ended May 31, 2023	46,927,963 shares

Note: The number of treasury shares at the end of the period includes the Company's shares (80,500 shares as of May 31, 2024, and 84,300 shares as of February 29, 2024) held by Custody Bank of Japan, Ltd. (Trust Account) as the trust assets for the "Trust for Delivering Shares to Directors."
In addition, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury shares that are excluded from the calculation of the average number of shares during the period. (80,500 shares for the three months ended May 31, 2024, and 84,300 shares for the three months ended May 31, 2023)

* Quarterly financial results reports are not required to be subjected to quarterly financial reviews conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to "1. Qualitative information on quarterly financial results, (3) Explanation of consolidated earnings forecasts and other such forward-looking information" on page 4 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Attached material

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1. Qualitative information on quarterly financial results

(1) Explanation of operating results

During the first three months of the current fiscal year, the Japanese economy followed a track of mild recovery despite stagnation in some areas. On the other hand, the outlook remains uncertain due to the impact from the depreciation of the yen, geopolitical risks, and uncertainties in the global economy.

In the food supermarket industry, which is the Group's area of business, the environment surrounding corporate operations is unpredictable due to intensifying competition across industries and business categories, and rising costs on a variety of fronts such as personnel expenses, despite strong revenue mainly due to increased product prices.

In this economic environment, to realize our Corporate Philosophy, Vision, and the "True to LIFE Declaration," with a view to looking toward what we want to be in fiscal 2030, the entire Group is continuing in the current fiscal year to work on the 7th Medium-Term Plan, which started in fiscal 2023, with the following three main themes.

- Investment in employees – We invest in growth of personnel and a motivating workplace environment because we recognize that increased motivation through employee growth and satisfaction, will advance the 7th Medium-Term Plan and lead to company growth.
- Breaking away from homogeneous competition – We aim to provide customers with a comfortable shopping experience by refining our unique products and services, expanding our internet business, and providing information through the LIFE app available on smartphones, in order to realize seamless and convenient shopping environment.
- Contributing towards the realization of a sustainable and flourishing society – As a "lifeline for the community" – we are implementing initiatives to realize a sustainable and flourishing society (reduction of environmental impacts, contribution to the local community, etc.).

In addition, even in a business environment in which costs are increasing due to labor shortages, caused by a shrinking population, and rising prices for goods and services, all employees are working on their own to implement "Kaizen" activities centered on improving productivity and optimizing costs in order to steadily promote management strategies, including the three themes, toward what we want to be in fiscal 2030.

As specific initiatives to promote management strategies based on the 7th Medium-Term Plan to break away from homogeneous competition steadily, we established the BIO-RAL Business Division in March, increased the number of BIO-RAL products in line with the concept of organic, local, healthy, and sustainable, opened two new BIO-RAL stores, and implemented other measures. Additionally, we are advancing initiatives to reduce workloads and carry out operational streamlining, such as by expanding the scope of the automated ordering service using AI-driven demand forecasting, which was first introduced for the daily delivery food section in February 2021, to orders for fresh produce departments, and having the system in operation in almost all of our stores. Furthermore, as part of our efforts to contribute towards the realization of a sustainable and flourishing society, we have made donations to children's cafeterias in Nerima-ku since March, and in Itabashi-ku and Edogawa-ku since May, for a total of six wards in Tokyo. We also continue to donate products to local children's cafeterias in the areas where we have opened stores and offer "on-demand classes" for elementary school students on food and the environment. The Company received the Grand Prize in the business activity category of the 2023 Osaka Environmental Award for its "efforts to reduce food waste that contribute towards the realization of a sustainable and flourishing society," including the biogas power generation business at its own food process centers.

We opened following new stores: Ikebukuro Sanhome Store (Tokyo) and BIO-RAL Minoh Q's MALL Store (Osaka) and BIO-RAL Kunitachi Ekimae Store (Tokyo) in March, SoCoLA

Tokorozawa Store (Saitama) in April and Meguro Yakumo Store (Tokyo) in May. Also, we have closed one store. As for existing stores, we undertook renovations at Minamitsumori Store enhancing the product lineups such as BIO-RAL brand products, frozen foods, ready-prepared foods, etc.

The Group's operating revenue totaled ¥206,382 million (up 5.4% year on year) as a result of the expansion of new stores and online supermarkets, the strengthening of private brand products such as "BIO-RAL," and implementing product initiatives that sought to enhance freshness and taste of our products. On the other hand, as for selling, general and administrative expenses, the Group saw increases in various property expenses such as rent expenses from opening new stores, and personnel expenses from investment in employees, improvement of compensation, etc. However, as a result of promoting productivity improvements and initiatives to optimize costs through Kaizen activities, operating profit was ¥6,945 million (up 9.4% year on year), ordinary profit was ¥7,151 million (up 9.0% year on year), and profit attributable to owners of parent was ¥4,867 million (up 10.2% year on year).

Results by segment are as follows:

(Retail Business)

Operating revenue was ¥206,310 million (up 5.4% year on year), with net sales of ¥198,640 million (up 5.1% year on year), and segment profit of ¥7,039 million (up 9.1% year on year).

Net sales by department were ¥86,823 million (up 5.3% year on year) for fresh produce, ¥89,425 million (up 5.7% year on year) for general food, ¥16,806 million (up 3.5% year on year) for lifestyle products, and ¥5,585 million (down 1.6% year on year) for apparel.

(Other Business)

Operating revenue from LIFE FINANCIAL SERVICE was ¥697 million (up 2.5% year on year), with segment profit of ¥111 million (up 4.7% year on year).

(2) Explanation of financial position

Assets, liabilities, and net assets

Total assets at the end of the first quarter of the current fiscal year were ¥292,000 million, an increase of ¥4,853 million from the end of the previous fiscal year.

Current assets totaled ¥86,592 million, an increase of ¥3,743 million from the end of the previous fiscal year. This was mainly due to a ¥6,158 million decrease in accounts receivable - other (other current assets), while cash and deposits increased by ¥817 million, accounts receivable - trade increased by ¥7,242 million, and merchandise and finished goods increased by ¥1,830 million.

Non-current assets totaled ¥205,407 million, an increase of ¥1,109 million from the end of the previous fiscal year. This was mainly due to an increase of ¥423 million in property, plant and equipment after depreciation, an increase of ¥131 million in intangible assets, and an increase of ¥280 million in investment securities (other in investments and other assets), resulting from new store openings.

Total liabilities at the end of the first quarter of the current fiscal year were ¥152,479 million, an increase of ¥2,189 million from the end of the previous fiscal year. This was mainly due to a ¥2,105 million decrease in income taxes payable, while accounts payable - trade increased by ¥5,556 million.

Total net assets at the end of the first quarter of the current fiscal year were ¥139,520 million, an increase of ¥2,664 million from the end of the previous fiscal year. This was mainly due to a ¥2,517 million increase in retained earnings.

(3) Explanation of consolidated earnings forecasts and other such forward-looking information

There is no change in the consolidated earnings forecasts for the fiscal year ending February 28, 2025 from that announced on April 10, 2024 in the “Consolidated Financial Results for the Fiscal Year Ended February 29, 2024.”

We will closely monitor future economic and consumer spending trends, and if it becomes necessary to revise our consolidated earnings forecasts, we will disclose them promptly.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	8,606	9,424
Accounts receivable - trade	9,560	16,803
Merchandise and finished goods	27,900	29,730
Raw materials and supplies	273	244
Accounts receivable - other	32,072	25,913
Other	4,436	4,476
Total current assets	82,849	86,592
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	91,732	92,445
Land	39,614	39,614
Other, net	24,969	24,679
Total property, plant and equipment	156,315	156,739
Intangible assets	5,484	5,616
Investments and other assets		
Guarantee deposits	25,360	25,482
Retirement benefit asset	851	822
Other	16,327	16,788
Allowance for doubtful accounts	(42)	(41)
Total investments and other assets	42,497	43,051
Total non-current assets	204,297	205,407
Total assets	287,146	292,000

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	45,332	50,888
Short-term borrowings	19,400	20,100
Current portion of long-term borrowings	10,342	9,906
Income taxes payable	5,335	3,230
Provision for bonuses	2,971	5,505
Provision for sales promotion expenses	19	19
Other	34,816	31,593
Total current liabilities	118,219	121,244
Non-current liabilities		
Long-term borrowings	19,922	19,189
Provision for share awards for directors (and other officers)	50	43
Asset retirement obligations	5,917	5,983
Other	6,180	6,018
Total non-current liabilities	32,071	31,235
Total liabilities	150,290	152,479
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	5,696	5,696
Retained earnings	122,560	125,078
Treasury shares	(3,831)	(3,831)
Total shareholders' equity	134,430	136,947
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	881	1,076
Revaluation reserve for land	(1,154)	(1,154)
Remeasurements of defined benefit plans	2,698	2,650
Total accumulated other comprehensive income	2,425	2,572
Total net assets	136,855	139,520
Total liabilities and net assets	287,146	292,000

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Net sales	188,981	198,640
Cost of sales	129,831	137,413
Gross profit	59,150	61,227
Operating revenue	6,882	7,741
Operating gross profit	66,032	68,969
Selling, general and administrative expenses	59,684	62,024
Operating profit	6,347	6,945
Non-operating income		
Interest income	31	28
Dividend income	4	4
Income from recycling	89	87
Other	141	147
Total non-operating income	266	268
Non-operating expenses		
Interest expenses	45	46
Other	9	14
Total non-operating expenses	55	61
Ordinary profit	6,559	7,151
Extraordinary losses		
Loss on store closings	-	9
Loss on retirement of non-current assets	35	0
Other	8	-
Total extraordinary losses	44	9
Profit before income taxes	6,514	7,141
Income taxes - current	2,648	2,737
Income taxes - deferred	(552)	(463)
Total income taxes	2,095	2,273
Profit	4,418	4,867
Profit attributable to owners of parent	4,418	4,867

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Profit	4,418	4,867
Other comprehensive income		
Valuation difference on available-for-sale securities	(27)	194
Remeasurements of defined benefit plans, net of tax	(30)	(47)
Total other comprehensive income	(58)	147
Comprehensive income	4,360	5,015
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,360	5,015

(3) Notes to quarterly consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes on the event of significant changes in the amount of shareholders' equity

Not applicable.

Segment information, etc.

[Segment information]

I First three months of the previous fiscal year (March 1, 2023 to May 31, 2023)

1. Information on operating revenue and profit or loss by reportable segment and on disaggregation of revenue

(Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments	Amounts recorded in quarterly consolidated statement of income (Note 3)
	Retail Business				
Operating revenue (Note 1)					
Revenue from contracts with customers	194,471	296	194,768	–	194,768
Other revenue (Note 4)	1,095	–	1,095	–	1,095
Operating revenue from external customers	195,567	296	195,864	–	195,864
Intersegment operating revenue and transfers	240	383	623	(623)	–
Total	195,807	679	196,487	(623)	195,864
Segment profit	6,452	106	6,559	–	6,559

- Notes: 1. Operating revenue is the total of net sales and receipts from operating revenue.
2. “Other” includes credit card business, etc.
3. Segment profit is adjusted to ordinary profit in the quarterly consolidated statement of income.
4. Other revenue includes real estate lease revenue based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

II First three months of the current fiscal year (March 1, 2024 to May 31, 2024)

1. Information on operating revenue and profit or loss by reportable segment and on disaggregation of revenue

(Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments	Amounts recorded in quarterly consolidated statement of income (Note 3)
	Retail Business				
Operating revenue (Note 1)					
Revenue from contracts with customers	204,944	319	205,263	–	205,263
Other revenue (Note 4)	1,118	–	1,118	–	1,118
Operating revenue from external customers	206,063	319	206,382	–	206,382
Intersegment operating revenue and transfers	246	377	624	(624)	–
Total	206,310	697	207,007	(624)	206,382
Segment profit	7,039	111	7,151	–	7,151

Notes: 1. Operating revenue is the total of net sales and receipts from operating revenue.

2. “Other” includes credit card business, etc.

3. Segment profit is adjusted to ordinary profit in the quarterly consolidated statement of income.

4. Other revenue includes real estate lease revenue based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

Significant subsequent events

Not applicable.