

LIFE CORPORATION Financial Results Briefing For FY2024

(Fiscal year ended February 28, 2025)

Key points for full-year FY2024 earnings

Record-breaking Sales and Profit Growth

- (1) Operating revenue: ¥850.4 billion
- (2) Profit: ¥17.9 billion

- 1. Full-year FY2024 performance overview
- 2. FY2024 and FY2025 initiatives
- 3. Full-year forecast for FY2025
- 4. Capital policy and shareholder returns

1. Full-year FY2024 performance overview

Performance overview (consolidated)

Net sales exceeded ¥800.0 billion for the first time

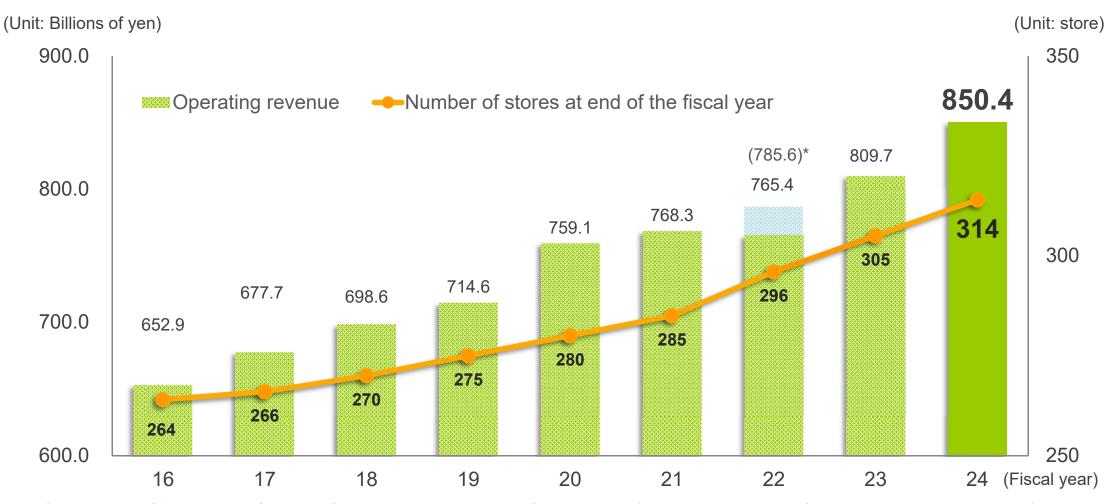
(Unit: Millions of yen, %)

| | Full-year FY2023 | Full-year FY2024 | Amount of Change | Rate of Change |
|--------------------|------------------|------------------|---------------------|-------------------|
| Operating revenue | 809,709 | 850,496 | +40,786 | +5.0 |
| Net sales | 780,028 | 818,892 | +38,864 | +5.0 |
| Operating profit | 24,118 | 25,270 | +1,152 | +4.8 |
| Ordinary profit | 24,948 | 26,205 | +1,257 | +5.0 |
| Profit | 16,938 | 17,948 | +1,009 | +6.0 |

Operating revenue trends (full year)

 Operating revenue reached a new record high, which in real terms achieved an increase for the 21st consecutive year

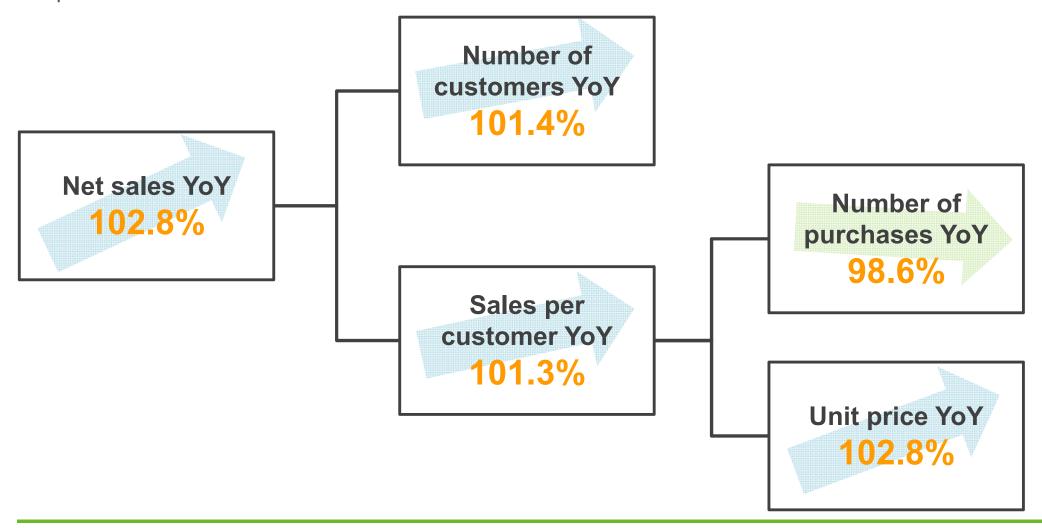
New stores (11 stores) and growth of existing stores (YoY net sales 102.8%) contributed to this



^{*}Application of "Accounting Standard for Revenue Recognition" from FY2022 (operating revenue before application: ¥785.6 billion)

Sales-related indicators for existing stores

- The number of customers increased due to the expansion of our lineup of unique products, the appeal of the affordable prices, and refined promotion measures
- Unit prices remained high mainly due to growth in value-added products and rising procurement costs



Net sales/gross profit ratio (full year)

• The growth rate of 106.5% for the Tokyo Region surpassed that of 103.4% for the Osaka Region, and net sales (¥414.1 billion) for the Tokyo Region surpassed those (¥404.7 billion) for the Osaka Region for the first time for the full year

| | | Net sales | (Unit: | Millions of yen, %) | Gross profit ratio (Unit: %, P) | |
|-----|-------------------------|-----------|------------------|------------------------|---------------------------------|------------|
| | | | Full-year FY2024 | | Full-year FY2024 | |
| | Department | | All stores YoY | Existing stores YoY | Gross profit ratio | YoY change |
| Foo | d | 726,711 | 105.4 | 103.1 | 31.3 | (0.3) |
| | Agricultural Produce | 108,569 | 107.9 | 105.5 | 29.6 | (0.2) |
| | Marine Products | 63,258 | 104.3 | 102.0 | 33.1 | +0.5 |
| | Meat Products | 90,990 | 104.5 | 102.2 | 28.7 | (1.8) |
| | Delicatessen | 96,978 | 106.3 | 103.4 | 54.4 | (0.4) |
| | Process and Daily | 366,914 | 104.9 | 102.7 | 26.1 | (0.1) |
| Nor | n-food | 92,181 | 101.5 | 100.5 | 29.5 | (0.1) |
| | Lifestyle Products | 69,337 | 102.5 | 101.2 | 26.4 | (0.2) |
| | Apparel | 22,843 | 98.7 | 98.5 | 38.9 | +0.4 |
| | Total | 818,892 | 105.0 | 102.8 | 31.1 | (0.2) |

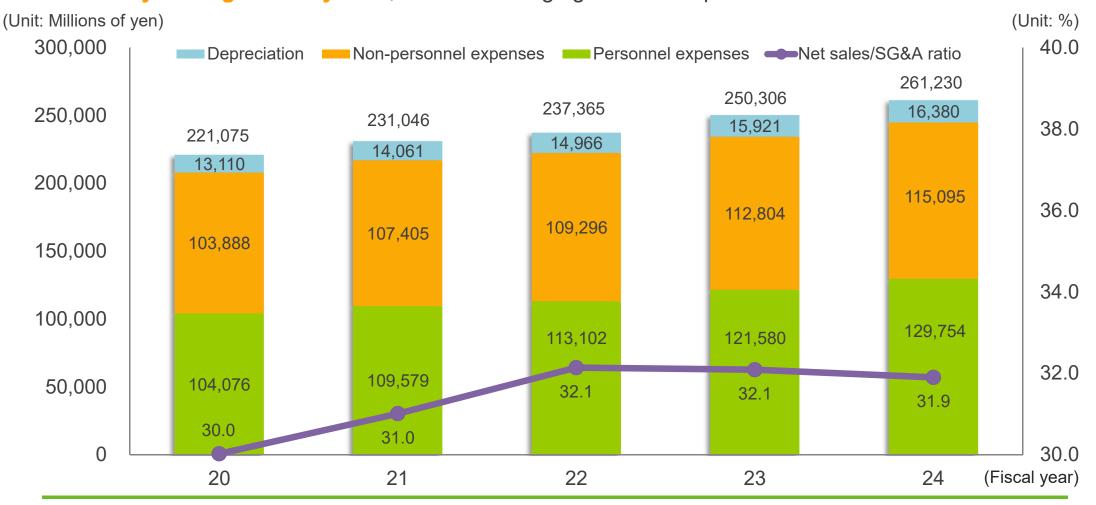
Reference: Gross profit ratio trends

In H2, the gross profit ratio was as planned. Although faced with negatives such as
rising chicken prices for Meat Products and soaring rice prices for Delicatessen, this impact
was controlled through efforts including product revamps and discontinuations

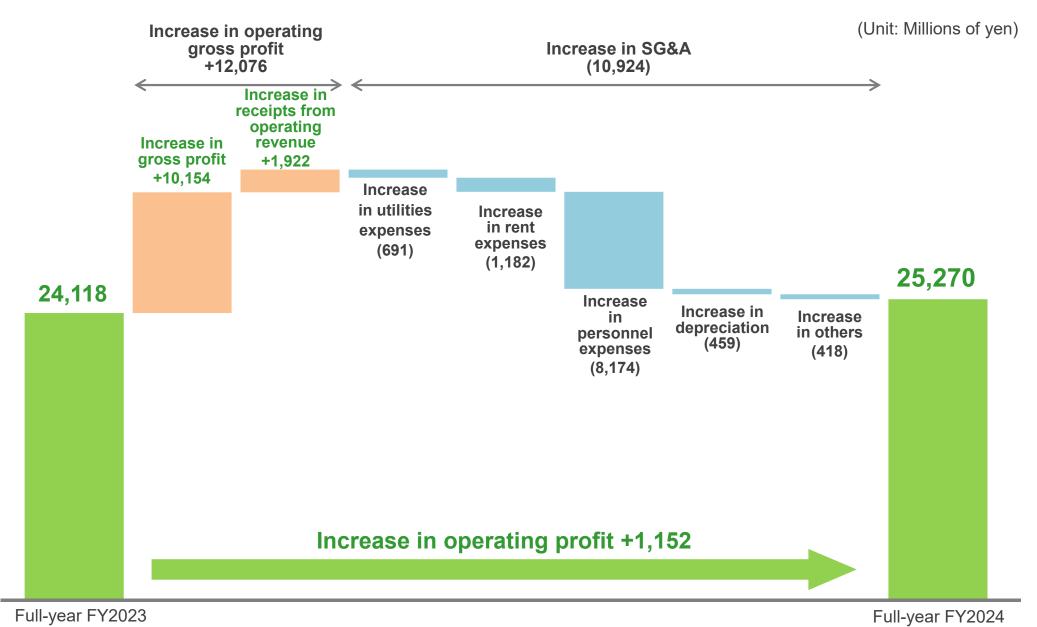
| | Gross profit ratio trends for FY2024 (Unit: %, P) | | | | | | | |
|----|---|--------------------|------------|--------------------|------------|--------------------|------------|--|
| | | H1 | | H2 | | Full-year | | |
| | Department | Gross profit ratio | YoY change | Gross profit ratio | YoY change | Gross profit ratio | YoY change | |
| Fo | od | 30.8 | (0.4) | 31.8 | (0.1) | 31.3 | (0.3) | |
| | Agricultural Produce | 29.1 | (0.2) | 30.1 | (0.2) | 29.6 | (0.2) | |
| | Marine Products | 33.0 | +0.5 | 33.2 | +0.4 | 33.1 | +0.5 | |
| | Meat Products | 27.9 | (2.2) | 29.5 | (1.4) | 28.7 | (1.8) | |
| | Delicatessen | 54.6 | (0.5) | 54.1 | (0.3) | 54.4 | (0.4) | |
| | Process and Daily | 25.5 | (0.2) | 26.8 | ±0.0 | 26.1 | (0.1) | |
| No | n-food | 29.5 | (0.2) | 29.5 | ±0.0 | 29.5 | (0.1) | |
| | Lifestyle Products | 26.3 | (0.2) | 26.5 | (0.1) | 26.4 | (0.2) | |
| | Apparel | 39.1 | +0.2 | 38.6 | +0.7 | 38.9 | +0.4 | |
| | Total | 30.7 | (0.4) | 31.6 | (0.1) | 31.1 | (0.2) | |

SG&A (Net sales/SG&A ratio)

 Personnel expenses rose due to investment in employees, such as the largest-ever treatment improvement and the promotion of direct hiring by food process centers.
 Meanwhile, although there were negatives such as higher utilities expenses, we made progress in optimizing non-personnel expenses, including the establishment of our own facility management system, such as arranging for store repairs



Factors of changes in operating profit (full year)



Reference: Ordinary profit trends for each half

 Ordinary profit made solid progress toward the plan, reaching a record high of ¥13.4 billion for H2



Consolidated balance sheet

| | Unit: Millions of yen | End-February, 2024 | End-February, 2025 | Change |
|------|----------------------------------|--------------------|--------------------|---------|
| Tota | al current assets | 82,849 | 96,348 | +13,499 |
| | Cash and deposits | 8,606 | 8,366 | (239) |
| | Inventories | 28,173 | 30,355 | +2,182 |
| | Accounts receivable - trade | 9,560 | 18,577 | +9,017 |
| | Accounts receivable - other | 32,072 | 34,427 | +2,355 |
| | Others | 4,436 | 4,621 | +185 |
| Tota | al non-current assets | 204,297 | 209,678 | +5,381 |
| | Property, plant and equipment | 156,315 | 161,351 | +5,035 |
| | Intangible assets | 5,484 | 5,851 | +367 |
| | Investments and other assets | 42,497 | 42,476 | (21) |
| | Total assets | 287,146 | 306,027 | +18,881 |
| Tota | al liabilities | 150,290 | 167,592 | +17,301 |
| | Interest-bearing liabilities | 53,094 | 71,062 | +17,967 |
| Tota | al net assets | 136,855 | 138,435 | +1,579 |
| | Total liabilities and net assets | 287,146 | 306,027 | +18,881 |

Consolidated cash flow

| Unit: Millions of yen | Full-year FY2023 | Full-year FY2024 | Change |
|--|------------------|------------------|----------|
| Cash flows from operating activities | 41,700 | 22,319 | (19,381) |
| Cash flows from investing activities | (17,357) | (22,662) | (5,305) |
| Cash flows from financing activities | (25,464) | 503 | +25,967 |
| Cash and cash equivalents at end of period | 8,206 | 8,366 | +160 |

2. FY2024 and FY2025 initiatives

Governance

Transitioned to a company with an Audit and Supervisory Committee in May 2024

[Change in institutional design] Company with an Audit and Supervisory Committee

Separation of management and supervision
The Board of Directors delegates broad decisionmaking authority for business execution to Directors

Accelerate decision-making

- Delegate authority to Executive Officers and below through revisions to related regulations
- Promote the growth of human resources

Strengthen the supervisory function of the Board of Directors

- Enhance corporate governance
- Improve the effectiveness of the Board of Directors

Toward the enhancement of corporate value

Governance

Revised systems related to internal control with the aim of strengthening governance

Risk Management Committee

Chair: Group CEO of Corporate Functions
Group Headquarters
Secretariat: Compliance Department

- Changed committee members from being comprised mainly from corporate departments to <u>including each Group CEOs</u>
- Classified the 34 risks that should be considered into six categories, and <u>created</u> <u>a risk map</u> based on the impact and likelihood of occurrence

"Strategic risk" "Financial risk"

"Personnel risk" "Operational risk"

"Hazard risk" "Compliance risk"

 Reorganized the roles of each department based on the Three Lines Model to establish a more effective risk management system

Internal Control System Management Committee

Chair: President
Secretariat: Corporate Strategy and
Planning Department

- Monitored whether Directors, Executive Officers, and other managers are executing their duties appropriately and efficiently
- Reports on internal control over financial reporting

+

Systems necessary for ensuring the propriety of business activities of stock companies (internal controls as stipulated in the Companies Act)

Investment in stores (new stores)

- New stores opened as planned: 11 stores (2 stores closed)
- Total stores in the Tokyo and Osaka Regions expanded to 314 stores

(October) Saikaya Fujisawa Store



The first standard format LIFE store opened in a department store

Net sales vs. planned net sales

Approx. **120%**

New initiatives that take into account local needs

[Launched LIFE PREMIUM "Seiro-mushi (steamed foods)"]





[Japanese sweets that are fun to look at]







Investment in stores (renovation of existing stores)

Renovation of existing stores: 6 stores (H2: 4 stores)

Thoroughly

responding

to

local

needs

(May) Minamitsumori Store / (October) Takaida Store

Responded to major changes in the external environment, such as the opening of rival stores







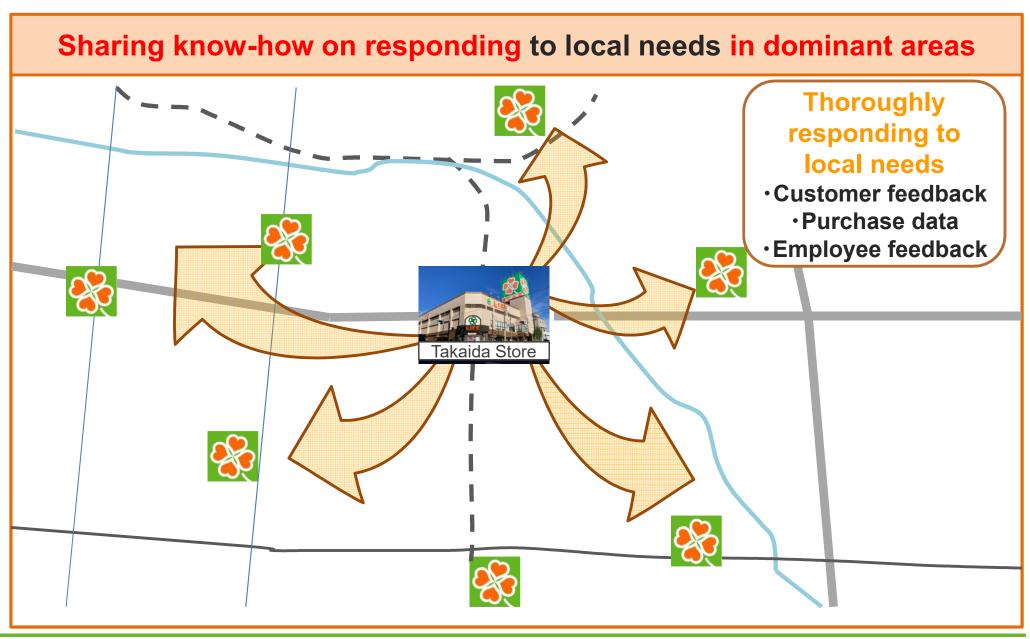
September to February Net sales YoY

103.9%

November to February Net sales YoY kept at

100.0%

Investment in stores (renovation of existing stores)



Breaking away from the homogeneous competition (unique products enhancement)

■ Received the Excellence Award in the 2025 Bento and Prepared Meal Awards











Japanese domestic yakitori, minced mature chicken, and dashi rolled egg bento box (over brown rice)

Specially selected seaweed bento (salmon)

Sush topped with 4 kinds of meat

■ PB product FY2024 results (full year)

| Pri | vate brand name | Net sales (Millions of yen) | YoY(%) | Sales composition (%) | Number of items |
|------------------|-----------------|--------------------------------|--------|-----------------------|-----------------|
| Sr xzt/li-517 | mile Life | 51,282 | 106.2 | 6.3 | 830 |
| LIFE COPREMIUM | FE PREMIUM | 7,614 | 98.2 | 0.9 | 145 |
| BIO-RAL | IO-RAL | 9,028 | 128.3 | 1.1 | 410 |
| starselect St | ar select | 11,725 | 99.8 | 1.4 | 212 |
| | Total | 79,651 | 106.4 | 9.7 | 1,597 |

Breaking away from the homogeneous competition (BIO-RAL business development)

- In March 2024, we established the BIO-RAL Business Division to increase both quantity and quality
- We also focused on opening BIO-RAL dedicated stores



Status of BIO-RAL sections / PB products development

[Deployment status]

FY2021 to FY2023

Deployed at almost all stores

[Net sales of BIO-RAL sections]

Double-digit growth

at many stores even after the 2nd year of deployment

March 2025

Increased PB products by +100 items





Breaking away from the homogeneous competition (BIO-RAL business development)



Three BIO-RAL dedicated stores opened in March 2025

■ BIO-RAL Umekita Store







First BIO-RAL Cafe attached to the store in the Osaka Region

■ BIO-RAL Santica Store





First face-to-face delicatessen corner rolled out in the Osaka Region

■ BIO-RAL "Keio Department Store Shinjuku" Store

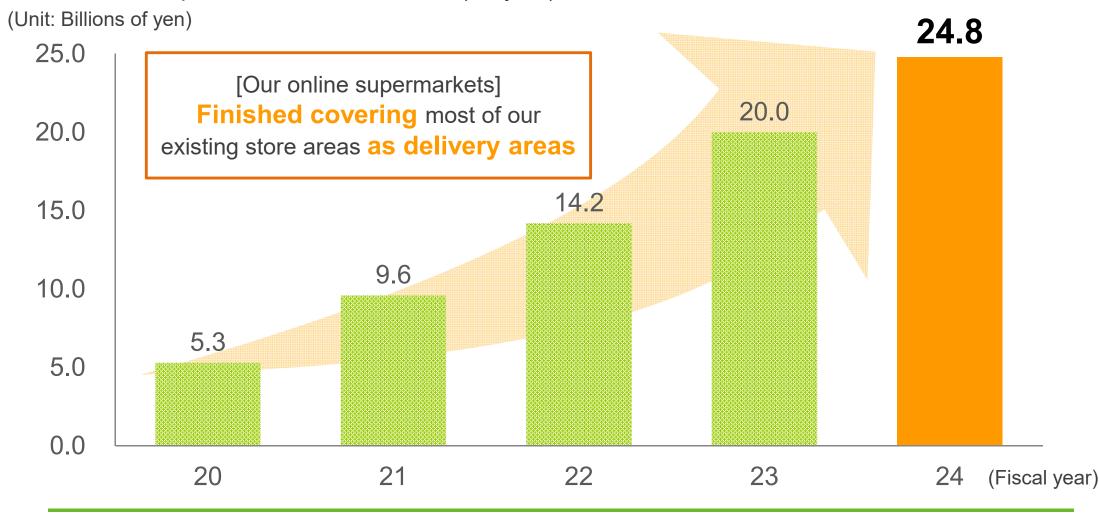




Over 2,000 types of product lineup even in compact sales sections

Breaking away from the homogeneous competition (seamless shopping environment)

- Net sales amounted to ¥24.8 billion (approx. 124% YoY) due to the opening of new locations and the expansion of shipment volume per store
- Online supermarket net sales trends (full year)



Investment in employees (fostering proactive thinking among young employees)

• The ideas born from opportunities for young employees to learn about the product development process are used to commercialize original products

Potato Chips Herb & Salt taste



Points

- (1) Part of an initiative to foster "an awareness of taking ownership of each and every step, and proactively thinking about and participating in the process" in young employees by providing them with opportunities to learn about the product development process
- (2) Ideas (seasoning and packaging proposals) born from this initiative are used to commercialize products





Investment in employees

(Treatment improvement and career design support)

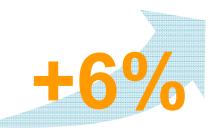
- We implemented the largest pay rises to date as part of our investment in employees for the 2nd consecutive year
- We held career design seminars as part of efforts to promote women's active participation

[Pay rises]

Full-time employees



Part-time employees



[Career design seminars]





- Seminars that require applications
 About 190 female employees applied
- We create opportunities for employees to visualize their career plans through lectures given by female employees who are active within the Company
- We also held lectures on useful skills for those aiming for store manager positions



Investment in employees (personnel system revision)

What we want to be

Personnel system revision

A company where employees say,

"I want to work at LIFE" and

"I want to keep working at LIFE"

- An environment where it is even easier to take on new challenges
- Excellent performance of specialized human resources
- Increase in attractiveness of store manager positions

Over the course of several years, we will create a personnel system in line with changes in values and the environment

Productivity improvement efforts

 Actively engaging in ongoing investment aimed at improving productivity, primarily focusing on stores

Expanded installation of full self-checkout registers_{*1}



[Installation progress]

Tokyo Region: 76 stores

(+43 stores YoY)

Osaka Region: 65 stores

(+32 stores YoY)

[Effects]

Number of checkout registers that can be managed by one employee

2–3 times that of semiself-checkout registers_{*2}

Expanded use of electronic shelf labels

[Installation progress]

Tokyo Region: all stores

Osaka Region: 103 stores

(+69 stores YoY)

Net sales per man-hour

YoY 103.8%

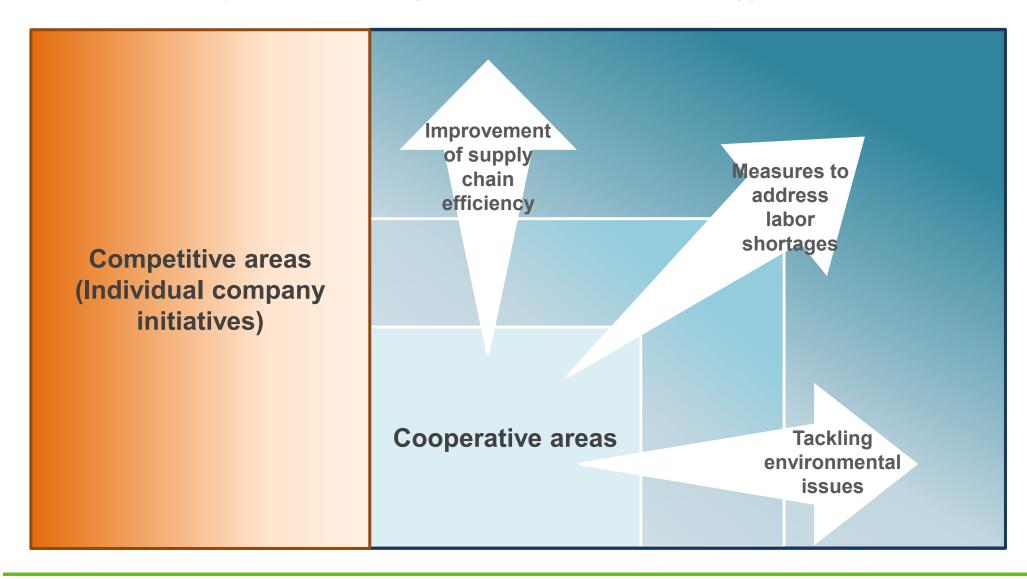
Greater than increase in unit price, a sign that productivity is steadily improving

^{*1:} Checkout registers where customers handle product scanning and payment entirely on their own

^{*2:} Checkout registers where customers handle payment on their own

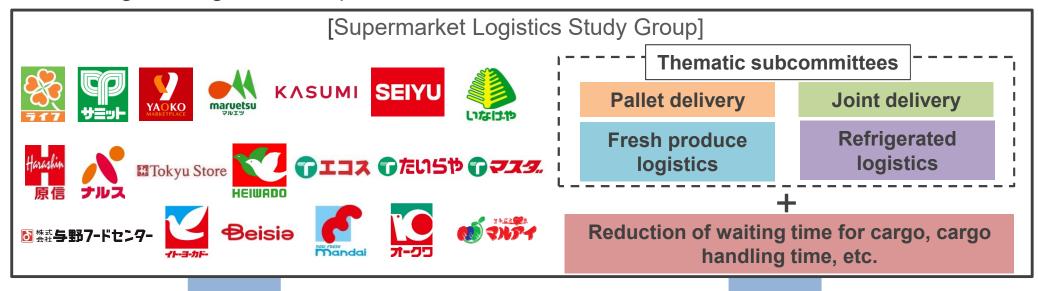
Shift away from competitive areas toward cooperative areas

In a manner that does not inconvenience our customers, we will expand our industry-wide
initiatives in cooperative areas as part of the infrastructure that supports local communities



Shift away from competitive areas toward cooperative areas (improvement of supply chain efficiency)

 The Supermarket Logistics Study Group researches and considers measures to improve logistics efficiency through cooperation with other companies to avoid logistics crises including the "Logistics 2024 problem"



[Tokyo Region Supermarket Logistics Study Group]

- March 2023: Launched with four companies including LIFE CORPORATION
 September 2024: Expanded to 16 participating companies
- Companies from the Tokyo Region and Hokuriku area participated

[Kansai Supermarket Logistics Study Group]

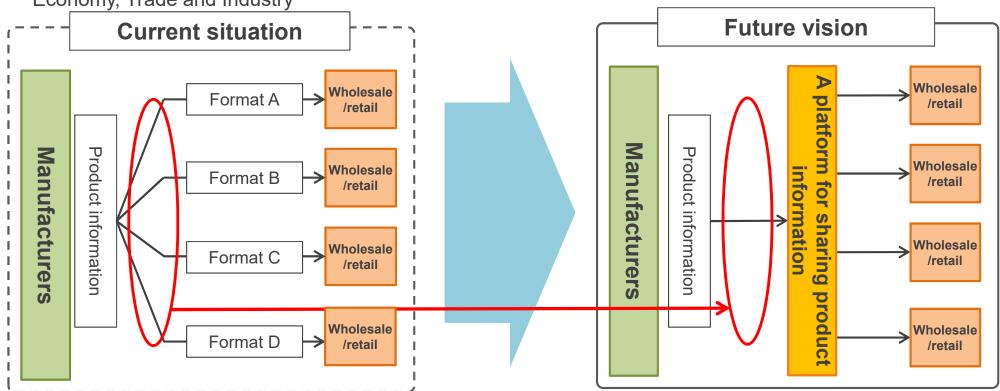
- December 2024: Launched with four companies including LIFE CORPORATION
 March 2025: Expanded to 5 participating companies
- Discussed logistics issues in the Kansai area

Shift away from competitive areas toward cooperative areas (improvement of supply chain efficiency)

 With a sense of urgency that it will be difficult to maintain the same level of service currently offered in the future due to labor shortages and other factors, companies work together across manufacturing, distribution, and sales operations to improve supply chain efficiency

We participated in the Study Group on Standards for Sharing Product Information held by the Ministry of

Economy, Trade and Industry



Currently, each company uses a different format, resulting in duplicate data entry work

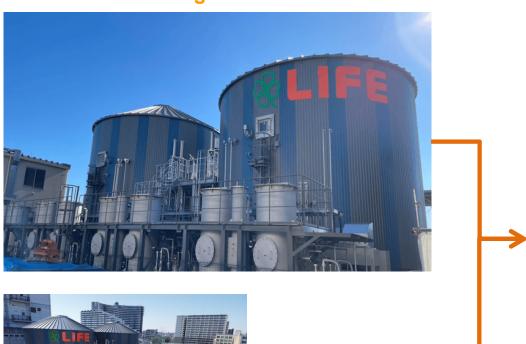
→ We aim to resolve this by standardizing and centralizing basic product information related to product master data

Shift away from competitive areas toward cooperative areas (tackling environmental issues)

In February 2025, we newly established a biogas power generation facility at the Kurihashi Food Process Center in the Tokyo Region

By contributing to the realization of a sustainable and flourishing society and also actively disseminating and sharing success stories, tackling environmental issues will lead to the expansion of cooperative areas

across business categories



Amount of food residues reduced (total)

Approx. 10,000 tons per year

(Tokyo Region and Osaka Region: 5,000 tons each)

Amount of power generated (total)

Approx. 1.4 million kWh per year (Tokyo Region and Osaka Region: 700,000 kWh each)

Tokyo Region

Shift away from competitive areas toward cooperative areas (tackling environmental issues)

 Expanded donations to children's cafeterias, promoted a demonstration experiment of a daily food donation model, and actively disseminated information with a view to raising interest in contributing to local communities and reducing food waste

Increasing donations to children's cafeterias









Tokyo Region: Donations expanded to a total of seven wards

in Tokyo

Osaka Region: Donations are being made in all four prefectures in

which our stores are located

→ Donations expanded to Osaka City, Kobe City, etc.

Demonstration experiment using existing food donation platform



Agricultural produce

Total of about 259 kg over two months

Daily foods



- In collaboration with Nessu Inc. and the Sustainable Food Chain Association
- (1) Vegetables, fruits, and daily foods that are still edible but cannot be sold are stored in the handover refrigerator
- (2) A system for eligible organizations and individuals to select products themselves and take them home
- Based on the know-how gained from the demonstration experiment, we will work to create a sustainable system

3. Full-year forecast for FY2025

Full-year forecast for FY2025 (consolidated)

Aim to increase sales and profit centered on the growth of existing stores

| Unit: Millions of yen, % | Full-year FY2024 | Full-year FY2025 | Amount of Change | Rate of Change |
|-----------------------------|------------------|------------------|---------------------|-------------------|
| Operating revenue | 850,496 | 885,000 | +34,503 | +4.1 |
| Net sales | 818,892 | 852,000 | +33,107 | +4.0 |
| Operating profit | 25,270 | 25,700 | +429 | +1.7 |
| Ordinary profit | 26,205 | 26,500 | +294 | +1.1 |
| Profit | 17,948 | 18,000 | +51 | +0.3 |

Investment plan

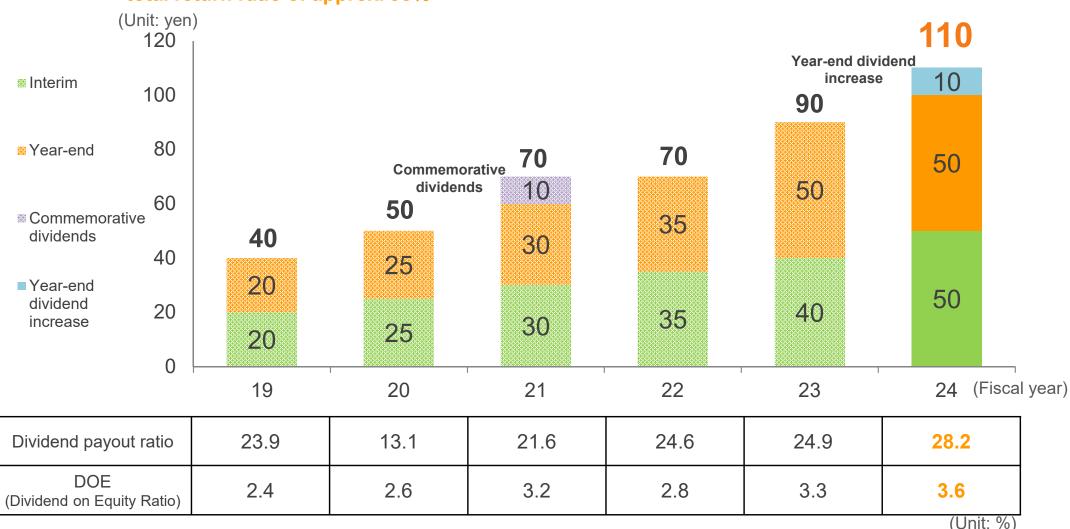
| Unit: Millions of yen | Full-year FY2024 | Full-year FY2025 | Major contents |
|---|------------------|------------------|--|
| New stores | 9,522 | 5,500 | Open 6 new stores |
| Renovations | 1,103 | 3,300 | 12 store renovations |
| IT and digital systems | 4,392 | 6,100 | Expanding use of electronic shelf labels Cash register-related equipment, etc. |
| Process center | 2,315 | 2,600 | Production facilities, etc. |
| Others (expensive equipment, major repairs, etc.) | 7,762 | 3,700 | Existing store facilities, etc. |
| Total | 25,094 | 21,200 | |

4. Capital policy and shareholder returns

Dividend trends (results up to FY2024)

FY2024: increased year-end dividends by ¥10 per share, bringing the annual dividend to a record high total
of ¥110 per share

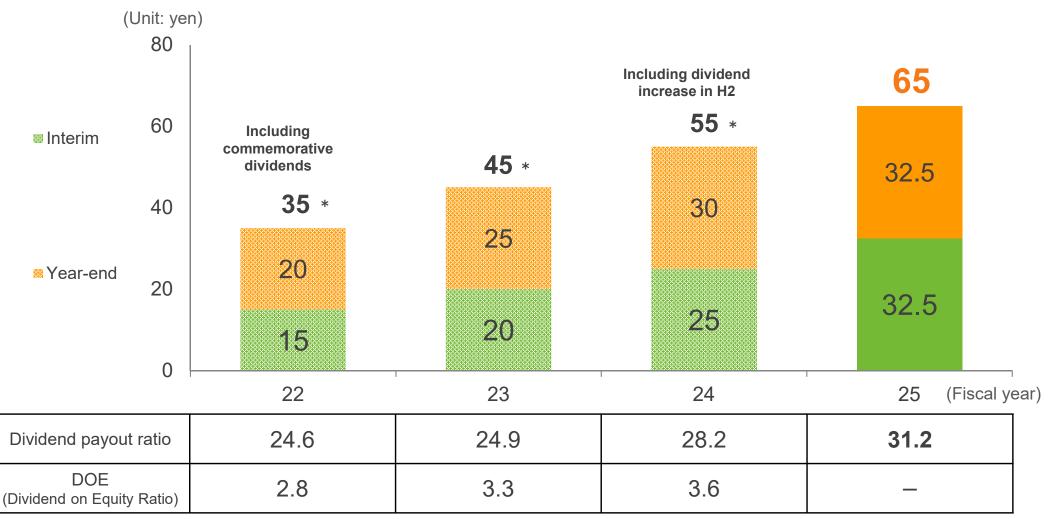
Combined with the results of the acquisition and tender offer for treasury shares, this resulted in a total return ratio of approx. 93%



Reference: Dividend forecast (after share split)

 FY2025: plan for a full-year total dividend of ¥65 per share (¥130 per share without taking into account the share split)

We forecast a dividend payout ratio of 31.2%



^{*} As a 2-for-1 share split was conducted on March 1, 2025, the post-split ratios have been provided for reference

(Unit: %)

Capital policy implemented in FY2024 (1)

Tender offer for treasury shares

(In response to a notification from a shareholder holding shares for policy purposes of their intent to sell in November 2024)

[Tender offer periods]

October 8, 2024 to November 6, 2024 •

[Notes]

- Implemented at a 10% discount on the market price
- Rating also maintained

[Results]

Number of shares purchased:

Approx. 3.67 million

(approx. 8% of issued shares excluding treasury shares)

Total acquisition amount:

Approx. ¥11.8 billion

[Increase in our capital efficiency] [Return of profit to shareholders]

Capital policy implemented in FY2024 (2)

Share split

(Conducted with February 28, 2025 as the record date)

[Purposes]

- Lower the amount per investment unit
- Create an environment more conducive to investment

[Details]

 Conducted 2-for-1 share split of ordinary shares

[Improvement in the liquidity of shares] [Expansion of the investor base]

Capital policy implemented in FY2024 (3)

Establishment of a shareholder benefit program

(Newly established with the last day of the fiscal year on or after February 28, 2025 as the record date)

[Purposes]

- Increase the attractiveness of investing in the Company's shares
- Encourage more shareholders to hold shares over the medium to long term





[Details]

 Depending on the number of shares held and the duration of ownership, shareholders can choose from:

A LIFE gift certificates
A PB product assortment set
A donation to social contribution
organizations

that are equivalent to ¥2,000 to ¥6,000

Through the experience of shopping at our stores, we aim for shareholders to gain a deeper understanding of our business and become even greater fans of the Company



Initiatives Related to Capital Policy

Changes in market environment

From saving to investing (launch of the new NISA)

Management that is conscious of cost of capital and stock price

Our thoughts based on our Corporate Philosophy

Further strengthen communication with all stakeholders, including shareholders, investors, customers, business partners and employees, and contribute towards the realization of a sustainable and flourishing society

Things we have been working on and the ways we think

Payment of stable dividends without reductions since listing

Focus on returns to shareholders while steadily investing for growth (New shareholder return policy established in April 2023)

As a community-based supermarket, we would like even more people to become shareholders and fans of the Company

