December 10, 2010

Summary of Financial Results for the Fiscal Year Ended October 31, 2010

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Osaka Securities Exchange (JASDAQ)
Stock code: 4355 URL: http://www.longlife-holding.co.jp
Representative: Masakazu Endo, CEO
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Scheduled date of Annual General Meeting of Shareholders: January 27, 2011
Scheduled date of filing of Annual Securities Report: January 27, 2011
Scheduled date of payment of dividend: January 13, 2011

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended October 31, 2010 (November 1, 2009 – October 31, 2010)

(1) Consolidated results of operations

(Percentages shown for net sales, operating income, ordinary income and net income represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Oct. 31, 2010	8,088	(0.7)	397	3.4	368	7.6	158	43.5
Fiscal year ended Oct. 31, 2009	8,148	(3.6)	384	-	342	-	110	-

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Fiscal year ended Oct. 31, 2010	2,931.21	-	6.3	4.1	4.9
Fiscal year ended Oct. 31, 2009	2,010.70	-	4.6	3.9	4.7

Reference: Investment gain (loss) by equity method (million yen) Oct. 31, 2010: - Oct. 31, 2009: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2010	9,185	2,569	28.0	47,635.50
As of Oct. 31, 2009	8,592	2,456	28.6	44,708.46

Reference: Shareholders' equity (million yen): Oct. 31, 2010: 2,569 Oct. 31, 2009: 2,456

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Oct. 31, 2010	417	(86)	180	1,370
Fiscal year ended Oct. 31, 2009	834	(73)	(599)	858

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Yearend	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Oct. 31, 2009	-	0.00	-	300.00	300.00	16	14.9	0.7
Fiscal year ended Oct. 31, 2010	-	0.00	-	500.00	500.00	26	17.1	1.1
Fiscal year ending Oct. 31, 2011 (forecasts)	-	0.00	-	700.00	700.00		18.9	

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2011 (November 1, 2010 – October 31, 2011)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	4,300	8.3	190	2.3	175	2.8	70	79.6	1,297.64
Full year	9,000	11.3	450	13.1	400	8.6	200	26.1	3,707.55

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): Yes

Newly added: 1 (Long Life International Business Investment Co., Ltd.) Excluded:

Please refer to "Corporate Structure" on page 7 for further information.

(2) Changes in accounting principles, procedures and presentation methods for preparation of consolidated financial statements

1) Changes caused by revision of accounting standards: None

2) Other changes: None

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at end of period (including treasury stock):

As of Oct. 31, 2010: 55,952 shares As of Oct. 31, 2009: 55,952 shares

2) Number of treasury stock at end of period:

As of Oct. 31, 2010: 2,008 shares As of Oct. 31, 2009: 1,008 shares

(For reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended October 31, 2010 (November 1, 2009 – October 31, 2010)

(1) Non-consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Oct. 31, 2010	482	(19.5)	132	(43.4)	134	(43.9)	79	(70.8)
Fiscal year ended Oct. 31, 2009	599	(78.8)	233	129.9	239	143.6	272	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Oct. 31, 2010	1,470.76	-
Fiscal year ended Oct. 31, 2009	4,953.92	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2010	511	473	92.6	8,777.34
As of Oct. 31, 2009	577	439	76.1	7,995.36

Reference: Shareholders' equity (million yen): Oct. 31, 2010: 473 Oct. 31, 2009: 439

2. Non-consolidated Forecast for the Fiscal Year Ending October 31, 2011 (November 1, 2010 – October 31, 2011)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	245	(2.3)	60	(23.6)	61	(23.5)	30	(36.4)	556.13
Full year	490	1.5	127	(3.8)	128	(4.6)	65	(18.3)	1,204.95

*** Cautionary statement with respect to forward-looking statements**

The above forecasts are based on judgments made in accordance with information currently available. Forecasts therefore include uncertainty and actual results may differ from these forecasts due to changes in the business environment and other factors.

1. Business Results

(1) Analysis of business results

During the past fiscal year, Japan's economy staged a brief recovery that was backed by the benefits of government stimulus measures and the economic growth in emerging countries. However, the pace of the recovery weakened due primarily to slowing growth in exports and production. In addition, there is still uncertainty about the economic outlook, including the risk of a downturn caused by a slower growth of the global economy as well as persistently weak job markets and the yen staying strong.

In the nursing care services sector, there is a steady improvement in the remuneration of nursing care workers at nursing care business sites throughout Japan. For all nursing care business sites nationwide, there was an application rate of more than 80% for nursing care worker compensation improvement subsidy program in fiscal 2009. Regarding the nursing care insurance system, there are a number of issues to be resolved. Examples include starting a 24-hour regional home visitation service and an elderly daytime care service with overnight stays.

The Long Life Group (Longlife Holding Co., Ltd. and its consolidated subsidiaries) maintained a high occupancy rate in the nursing home business by introducing new rate plans in some categories and taking other actions. Earnings were also strong in the in-home nursing care business. As a result, although consolidated net sales decreased 0.7% to 8,088 million yen, operating income increased 3.4% to 397 million yen, ordinary income increased 7.6% to 368 million yen and net income increased 43.5% to 158 million yen from one year earlier.

Regarding the outlook for the fiscal year ending on October 31, 2011, competition in Japan's nursing care sector is intense because of the increasing number of service providers from outside the elderly care service sector. New competitors are targeting opportunities created by expected growth of the senior market following enactment of the Long-Term Care Insurance Act. However, companies from other industries that have started offering nursing care services have not been able to offer these services effectively as a non-core business. Many companies are returning to a focus on their respective core businesses as a result. This situation is expected to bring about a reduction in the large number of elderly care service providers.

The Long Life Group will concentrate on expanding and upgrading all of the Group's business operations by utilizing the nursing care business know-how and experience gained since the Group's inception. The Group plans to develop new markets and create new services involving senior services with a focus on the nursing care business. In the nursing home business, the Group's highest priority is increasing the occupancy rate at existing facilities. In addition, preparations are under way to begin operations of a new nursing home in the fall of 2011 in the city of Nishinomiya in Hyogo prefecture. In the in-home nursing care business, the goal is to use the market domination strategy to extend operations to more areas of Japan by opening more facilities for daytime care service and helper station facilities. Another goal in this business is offering services that are not covered by nursing care insurance. In China, the Group is making preparations to start nursing care operations by forming joint ventures with Chinese partners. Based on this outlook, the Group forecasts sales of 9,000 million yen, operating income of 450 million yen, ordinary income of 400 million yen and net income of 200 million yen in the fiscal year ending on October 31, 2011.

The forecast for the year-end dividend is 700 yen per share.

Note: This forecast is based on information that was available when this document was released and incorporates a number of current assumptions about uncertainties that may affect future results of operations. Actual performance may differ significantly from this forecast for a number of reasons.

(2) Analysis of financial position

1) Assets, liabilities and net assets

Total assets were 9,185 million yen at the end of the fiscal year, 593 million yen higher than one year earlier.

Current assets increased 868 million yen to 3,303 million yen. This was primarily attributable to increases of 531 million yen in cash and deposits, 180 million yen in deposits paid and 80 million yen in suspense payments, which are included in other.

Noncurrent assets decreased 275 million yen to 5,882 million yen. The primary causes were decreases of 132 million in property, plant and equipment and 84 million yen in intangible assets.

Current liabilities increased 283 million yen to 5,409 million yen. This was mainly the result of increases of 121 million yen in provision for loss on litigation and 160 million yen in the current portion of long-term loans payable.

Noncurrent liabilities increased 196 million yen to 1,206 million yen mainly because of a 192 million yen increase in long-term loans payable.

Net assets increased 113 million yen from one year earlier to 2,569 million yen and the equity ratio was 28.0% at the end of the fiscal year.

2) Cash flows

There was a net increase of 511 million yen in cash and cash equivalents during the fiscal year to 1,370 million yen at the end of the fiscal year.

Cash flows from operating activities:

Net cash provided by operating activities was 417 million yen compared with 834 million yen one year earlier.
Major sources of cash were income before income taxes of 230 million yen, depreciation and amortization of 226 million yen, and a 148 million yen increase in advances received. A 180 million yen increase in deposits paid was a major use of cash.

Cash flows from investing activities:

Net cash used in investing activities was 86 million yen compared with 73 million yen one year earlier.
Proceeds of 51 million yen from the collection of guarantee deposits were a major source of cash. Cash was used for payments of 102 million yen for the purchase of property, plant and equipment, for a payment of 20 million yen into time deposits, and for other items.

Cash flows from financing activities:

Net cash provided by financing activities was 180 million yen compared with net cash used of 599 million yen one year earlier.
The major source of cash was 805 million yen proceeds from long-term loans payable. Major uses of cash were repayments of 452 million yen in long-term loans payable and a net decrease of 126 million yen in short-term loans payable.

Trends in cash flow indicators of the Group are as follows:

	FY2009	FY2010
Shareholders’ equity ratio (%)	28.6	28.0
Shareholders’ equity ratio based on market value (%)	17.0	16.8
Interest-bearing debt to cash flow ratio (years)	2.4	5.4
Interest coverage ratio (times)	16.9	8.8

Shareholders’ equity ratio: Shareholders’ equity / Total assets
Shareholders’ equity ratio based on market value: Closing share price at period end × outstanding shares at period end (excluding treasury stock) / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows
Interest coverage ratio: Operating cash flows / Interest payments

Notes: 1. All indices are calculated based on consolidated figures.
2. Interest-bearing debt includes all debt on the consolidated balance sheets that incur interest. Interest payment uses the amount of interest expenses paid stated on the consolidated cash flow statements.

(3) Basic policy for profit distribution, and dividends in the current and next fiscal years

Distributing earnings to shareholders is one of the highest priorities of the Long Life Group. The basic policy is to pay a stable dividend that reflects results of operations while retaining sufficient earnings to expand business operations. In accordance with this policy, a dividend of 500 yen per share will be paid for the fiscal year ended on October 31, 2010 by taking into consideration the operating environment and other factors. For the fiscal year ending on October 31, 2011, a dividend of 700 yen per share is planned.

(4) Business risk

Listed below are the risk factors that may affect operating results and financial position as well as the stock price and other performance indices of the Group.

1) Market conditions

Due to the steep downturns in the real estate market and real economy caused by the subprime loan crisis, there is a possibility of a decline in demand for the Group's nursing homes because of the level of expenses.

2) Competition

Japan's market for elderly care services is expected to grow significantly as the population continues to age. For example, local governments in Japan started offering nursing care services in fiscal 2000 based on the nursing care insurance system. A broad range of organizations, including public-sector, non-profit medical care companies and companies from outside the health care sector, are using the start of the nursing care insurance system as an opportunity to enter the elderly care market.

Increasingly heated competition resulting from new entrants to this market may have a negative effect on the Group's performance.

3) Provision of products and services to seniors

Seniors account for most of the users of the Group's nursing care services. As a result, the Group's business operations are highly vulnerable to rumors and public opinion. The Group conducts nursing care operations while paying close attention to adhering to the Group's high ethical standards. Nevertheless, if the Group's reputation is damaged for some reason or if a rumor spreads about the Group's operations, there may be a negative effect on the Group's performance.

4) Handling of personal information concerning customers and employees

A high percentage of the Group's customers require nursing care. In particular, with regard to group home operations, the Group gathers information of a highly private nature with regard to both residents and their families. In addition, the Group has a large volume of personal information involving registered staff members.

The Group handles this information with extreme care. However, there is a possibility of an increase in expenses required to manage this information. For example, the Group may need to use electronic methods to manage information due to growth in the number or customers or may require more sophisticated security systems. In addition, unauthorized access to information by an external party or the improper management of information by employees may result in a leak of customer information. If this occurs, the Group may suffer from a loss of public trust or be subject to litigation demanding the payment of damages.

5) Recruiting activities

The Group had a workforce of 668 at the end of October 2010 as well as 1,418 temporary workers (the average for the past year).

The Group's nursing care business requires individuals who have been certified as home helpers, nurses, care managers, nursing care workers and other certified specialists. Consequently, the Group requires a sufficient number of these specialists in order to maintain and increase the scale of their operations.

The Group conducts extensive activities aimed at recruiting workers, primarily individuals with certifications, and at developing the skills of employees by using internal education and training programs. Growth of the nursing care insurance business in Japan has caused an increase in demand for all individuals who are certified in fields associated with nursing care. Recruiting talented individuals is difficult in this environment. Furthermore, there is a risk that employees will not stay due to the need to restrict compensation because of measures to hold down payments for nursing care. These issues may result in declines in the volume of nursing care services offered, such as by preventing the addition of new facilities, and in the quality of those services. There may be a negative effect on the Group's performance as a result.

6) Laws and regulations

(The Japanese nursing care insurance system)

The nursing home business and in-home nursing care business, which are the two core businesses of the Long Life Group, provide services that are covered by the Long-Term Care Insurance Act. Consequently, nursing care insurance reimbursements account for about 90% of the cost of nursing care services. Services provided by the Group are thus determined by the Long-Term Care Insurance Act and associated rules and regulations irrespective of the status of the Group’s business operations. Due to this situation, this law and associated rules and regulations may create problems involving the profitability of the Group. Furthermore, the financial base for nursing care insurance is not sound enough because of a decline in total insurance premiums caused by economic downturns, a decline in the number of people paying for nursing care insurance as Japan’s population ages and the number of children falls, and other reasons. If this problem results in a hike in the percentage of nursing care that is not covered by insurance or in other changes, there may be a decrease in the number of new participants in the nursing care insurance system. The Long-Term Care Insurance Act includes a provision to ensure that the operations of nursing care service providers are sound and trouble-free. Specifically, once every three years following the April 1, 2000 enactment of this law, municipal and prefectural governments are to review business plans for insured nursing care services. By the fifth year following enactment of the law, a study of the entire nursing care insurance system is to be conducted. Based on the results of this review, necessary revisions and other actions are to be taken. Accordingly, the Long-Term Care Insurance Act was revised on April 1, 2006. One revision involved fee-based nursing home residents who make an up-front payment. The law now requires that a nursing home operator return the entire up-front payment to a resident who cancels the nursing home contract within 90 days, in general, of the date the residency contract was signed. This revision may cause an increase in the number of residents who signed provisional contracts but subsequently want to leave the nursing home for personal or other reasons. As a result, this requirement may have an effect on the Group’s performance.

The Long-Term Care Insurance Act and associated rules and regulations include extensive provisions concerning the actions of service providers with regard to nursing care users for the purpose of protecting these individuals. Laws and regulations require designated in-home service providers to conduct operations in accordance with these provisions. As a result, the business activities of the Group are subject to restrictions that are extremely stringent in relation to restrictions imposed on companies in ordinary business sectors. These restrictions may become an impediment to the Group’s ability to conduct its business operations as planned.

7) Risks concerning real estate leasing agreements

LONG LIFE AOTANI, which is a fee-based nursing home, signed a building leasing agreement and building management outsourcing agreement in May 2007 with Harima Special Purpose Company. Since then, this nursing home has used the building under this lease. However, the lease agreement includes a provision that allows Harima Special Purpose Company to terminate the lease if this company reaches the reasonable decision that the financial soundness of Long Life Holding Co., Ltd. has worsened significantly. If Harima Special Purpose Company reaches this decision, this lease agreement may be canceled.

2. Corporate Group

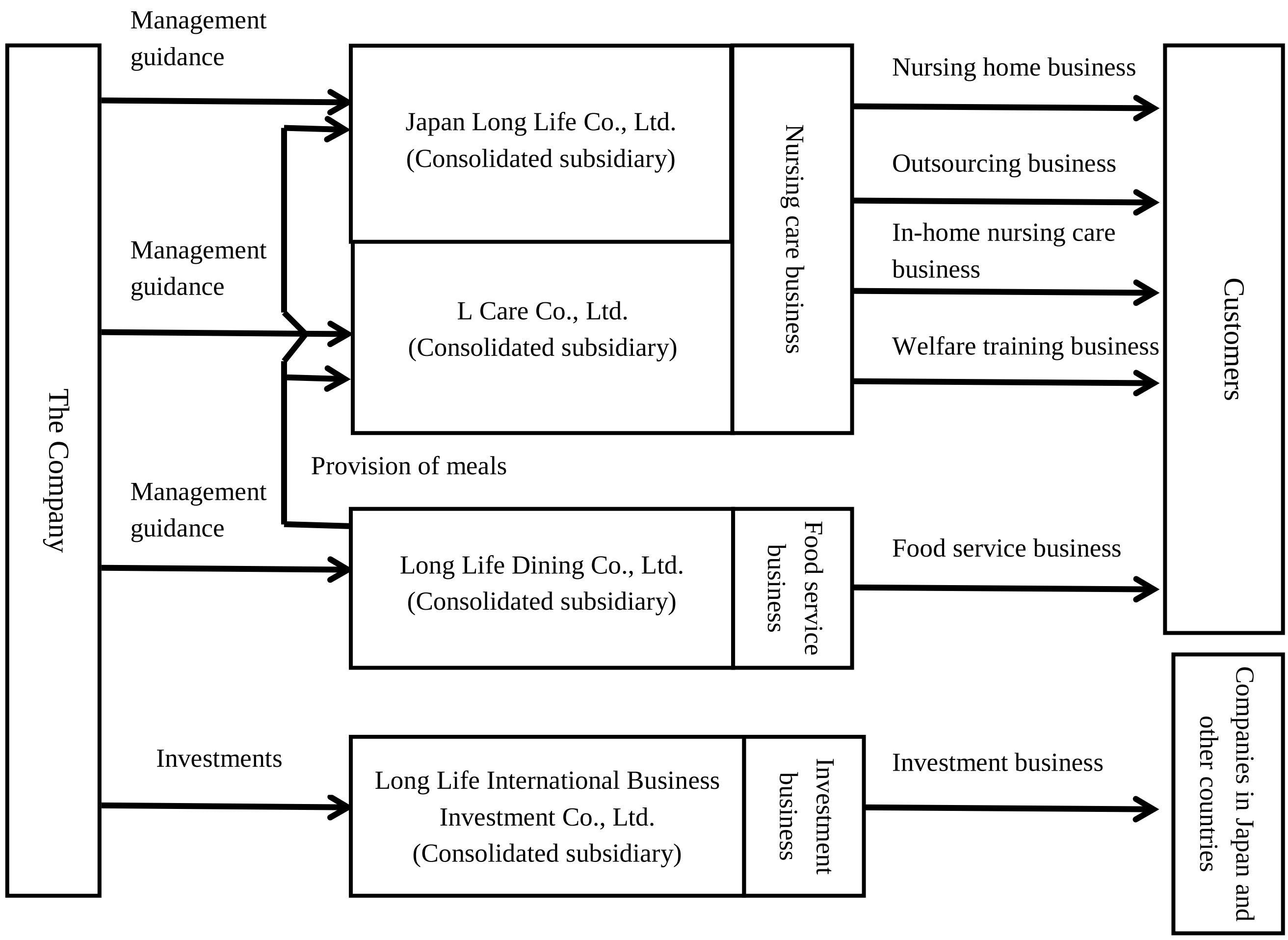
The Long Life Group includes four consolidated subsidiaries that are engaged in the nursing care, food service and investment businesses.

Long Life International Business Investment Co., Ltd. was established on October 12, 2010 for the purpose of starting a jointly operated business in China.

In the nursing care business, consolidated subsidiary Japan Long Life Co., Ltd. operates nursing homes, group homes and other facilities and has a contract to operate a nursing home of the Hyogo Prefectural Housing Corporation. Consolidated subsidiary L Care Co., Ltd. provides a full line of in-home nursing care services and operates a welfare training business.

In the food service business, consolidated subsidiary Long Life Dining Co., Ltd. provides meals and other services to nursing homes and other facilities.

In the investment business, consolidated subsidiary Long Life International Business Investment Co., Ltd. makes investments in companies in Japan and other countries.



3. Management Policies

All of our activities are based on the desire to "take on the challenge of providing comprehensive elderly care services with value and outstanding quality on a daily basis" as the populations of Japan and other countries age rapidly. The Long Life Group is a pioneer in the field of nursing care for seniors. The Group will continue to provide high-quality nursing care services while taking many actions to capitalize on opportunities created by further growth of the market for elderly care services. The group is dedicated to achieving more growth in corporate value by focusing on improving results of operations while fulfilling its social responsibilities as the population of seniors continues to climb.

(1) Basic management policy

The Long Life Group provides customers with a broad array of services with much added value. To fulfill its social mission, the Group is guided by the corporate concept of serving as a "comprehensive second-life producer." The Group's goal is to become the leader in the provision of a full lineup of services for middle-age individuals and seniors. All activities are aimed at becoming an organization in the growing senior care market with the following strengths.

1) A leading company in terms of specialized skills and innovative thinking that clearly distinguishes itself from competitors
2) A leading company in terms of growth potential in the nursing care industry
3) A leading company in terms of operations that do not rely on nursing care insurance
4) A leading company in terms of the ability to offer a variety of life styles to middle-age individuals and seniors
5) A leading company in terms of the ability to offer services that meet the expectations of high-net-worth individuals

(2) Basic policy for earnings distributions

Distributing earnings to shareholders is one of the highest priorities of the Long Life Group. The basic policy is to pay a stable dividend that reflects results of operations while retaining sufficient earnings to expand business operations.

(3) Performance targets

Based on its commitment to increasing profitability and the return on capital in order to generate returns for shareholders, the Long Life Group places priority on increasing earnings per share and the return on equity. In addition, the Group places importance on year-to-year sales growth and ordinary income as a percentage of sales as indicators of its ability to achieve strong growth and maintain consistent profitability. The medium-term targets are maintaining double-digit sales growth and achieving an ordinary income-to-sales ratio of at least 10%.

(4) Medium- and long-term business plan progress

The goal of the Long Life Group is to help create a pleasant and fulfilling society in which seniors account for a large share of the population. To accomplish this goal, the Group provides a comprehensive selection of nursing care services, with a focus on nursing homes and in-home nursing care, so that seniors of all types can enjoy their lives with confidence.

The Group will continue to accurately monitor changes in the needs of seniors from a medium and long-term perspective. Operations are based on the concept of "making growing older an experience to enjoy rather than endure." Seniors should be able to live without any worries and enjoy life styles with freedom and independence. The Group is committed to creating living environments that enable people to lead the vibrant lives they want and to supplying value-added services that cater to a diverse range of customer needs. To accomplish these goals, the Group is taking many actions. (1) Expand operations as a comprehensive nursing care services company able to provide a full line of services while positioning nursing home operations and in-home nursing care as the Group's two core businesses. (2) Conduct operations in a manner that reflects trends in demand, focusing on nursing homes primarily in major metropolitan areas (Tokyo and Osaka areas). (3) Emphasize quality over quantity by targeting high-net-worth individuals. (4) Invest aggressively in overseas nursing care businesses. (5) Use mergers and acquisitions to grow. (6) Provide a broad array of value-added services to middle-age individuals and seniors. (7) Focus on innovative employee development and training programs to create a workforce able to provide high-quality services. (8) Make substantial earnings distributions to shareholders.

(5) Challenges

Two goals of the Long Life Group are increasing the occupancy rate in the nursing home business and adding more business sites for the in-home nursing care service. Accomplishing these goals will require the mutual growth and development of the nursing home business and in-home nursing care business. To upgrade nursing home and in-home nursing care operations, the Group must strengthen its internal systems and internal controls. To provide better quality services with speed, the Group must establish a team care framework and train personnel. To function as a one-stop source of nursing care services, the Group aims to become a comprehensive nursing care organization. The Group will take steps to improve profitability by raising the occupancy rate in the nursing home business and conducting aggressive operations in the in-home nursing care business. In addition, the Group will increase the number of good feeling coordinators (GFC*), establish a team care framework and take other steps to differentiate itself clearly from competitors. The objective is to raise awareness of the Long Life brand even more by conducting highly distinctive nursing home operations.

1) Strengthen internal systems and internal controls
Expanding the scale of operations will require management personnel with leadership skills at each business site along with the establishment of a sound framework for operations. In addition, the Group will strengthen internal controls in order to establish an efficient administrative system.

2) Recruit and train talented individuals
Recruiting and training talented individuals is vital to setting the Long Life Group’s services apart from those of competitors. Group companies will concentrate on using their own training facilities and programs to develop the capabilities of employees and on training individuals who can become managers with leadership skills.

3) Establish a team care framework at nursing homes
The Group will use a service director system, management director system, GFCs and other measures to provide a broad range of support to individuals living in the Group’s nursing homes.

4) Increase the number of business sites for the in-home nursing care business
In the in-home nursing care business, the Group offers a comprehensive lineup of nursing care services that include daytime care services, in-home dental services and other assistance. Group companies will work on further increasing the number of customers and business sites by improving the quality of services.

* Good feeling coordinators (GFCs) are professionals who use an exclusive Long Life approach to nursing care in order to provide new types of services that match the needs of people in Japan. Care incorporates traditional Japanese culture and many other items. The basis for these services is diversional therapy, which is a concept that originated in Australia. The Long Life Group gives GFCs the training to devise and implement many types of programs, such as concert outings and travel, that can be a source of enjoyment for customers. These coordinators are also skilled at creating living spaces and environments that are more comfortable and pleasant.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY2009 (As of Oct. 31, 2009)	FY2010 (As of Oct. 31, 2010)
Assets		
Current assets		
Cash and deposits	858,429	1,390,120
Notes and accounts receivable-trade	*3 865,922	892,685
Inventories	*1 6,711	*1 4,717
Deferred tax assets	35,441	88,710
Deposits paid	*4 518,826	*4 699,634
Other	150,634	229,631
Allowance for doubtful accounts	(1,739)	(2,339)
Total current assets	2,434,226	3,303,160
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	*3 4,666,090	*3 4,737,096
Accumulated depreciation	(1,382,831)	(1,578,273)
Buildings and structures, net	3,283,258	3,158,822
Tools, furniture and fixtures	330,953	296,517
Accumulated depreciation	(253,870)	(231,406)
Tools, furniture and fixtures, net	77,082	65,111
Land	*2,*3 1,966,891	*3 1,967,967
Construction in progress	-	2,583
Total property, plant and equipment	5,327,232	5,194,484
Intangible assets		
Goodwill	260,388	175,938
Other	22,135	21,617
Total intangible assets	282,523	197,555
Investments and other assets		
Investment securities	25,178	27,289
Guarantee deposits	435,611	387,854
Long-term prepaid expenses	78,762	71,008
Claims provable in bankruptcy, claims provable in rehabilitation and other	5,517	-
Other	8,582	4,042
Allowance for doubtful accounts	(5,241)	-
Total investments and other assets	548,410	490,194
Total noncurrent assets	6,158,167	5,882,234
Total assets	8,592,393	9,185,395

(Thousands of yen)

	FY2009 (As of Oct. 31, 2009)	FY2010 (As of Oct. 31, 2010)
Liabilities		
Current liabilities		
Accounts payable-trade	64,786	58,780
Short-term loans payable	*3 646,824	*3 520,800
Current portion of long-term loans payable	*3 398,448	*3 559,160
Accounts payable-other	159,627	155,044
Accrued expenses	352,887	381,922
Income taxes payable	119,311	77,479
Advances received	3,165,192	3,313,650
Provision for loss on litigation	-	121,795
Provision for bonuses	94,711	80,449
Allowance for contract cancelations	8,111	10,821
Other	116,541	129,824
Total current liabilities	5,126,442	5,409,727
Noncurrent liabilities		
Long-term loans payable	*3 979,192	*3 1,171,292
Deferred tax liabilities	2,316	3,357
Provision for retirement benefits	7,663	12,131
Allowance for subsequent expenses for nursing home care	15,120	14,040
Other	5,198	5,198
Total noncurrent liabilities	1,009,489	1,206,018
Total liabilities	6,135,931	6,615,746
Net assets		
Shareholders’ equity		
Capital stock	100,000	100,000
Retained earnings	2,385,373	2,527,447
Treasury stock	(32,301)	(62,431)
Total shareholders’ equity	2,453,072	2,565,015
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,389	4,634
Total valuation and translation adjustments	3,389	4,634
Total net assets	2,456,461	2,569,649
Total liabilities and net assets	8,592,393	9,185,395

(2) Consolidated Statements of Income

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Net sales	*2 8,148,090	*2 8,088,829
Cost of sales	*1 6,362,810	6,319,904
Gross profit	1,785,279	1,768,924
Selling, general and administrative expenses	*3 1,400,650	*3 1,371,129
Operating income	384,629	397,795
Non-operating income		
Interest income	321	239
Dividends income	-	1,473
Occupants' out-of-pocket reimbursements	5,240	8,068
Facilities fee income	1,153	1,262
Contribution	-	3,000
Other	6,337	4,766
Total non-operating income	13,053	18,809
Non-operating expenses		
Interest expenses	48,716	46,841
Other	6,423	1,336
Total non-operating expenses	55,139	48,177
Ordinary income	342,542	368,427
Extraordinary income		
Gain on sales of noncurrent assets	*4 129	*4 173
Gain on sales of subsidiaries and affiliates' stocks	17,134	-
Office taxes refunded	-	7,987
Reversal of allowance for doubtful accounts	-	170
Total extraordinary income	17,263	8,331
Extraordinary loss		
Loss on retirement of noncurrent assets	*5 6,446	*5 393
Loss on valuation of inventories	*1 32,767	-
Loss on closing of stores	28,246	-
Provision of allowance for doubtful accounts	5,241	-
Provision for loss on litigation	-	121,795
Loss on cancellation of leasehold contracts	2,389	2,498
Taxes related to assets depreciated in prior periods	-	8,531
Settlement package	-	10,519
Impairment loss	*6 22,989	-
Other	5,800	2,605
Total extraordinary losses	103,881	146,342
Income before income taxes	255,924	230,415
Income taxes-current	128,815	125,127
Income taxes-deferred	16,632	(53,268)
Total income taxes	145,448	71,859
Net income	110,476	158,556

(3) Consolidated Statements of Changes in Net Assets

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,114,139	100,000
Changes of items during the period		
Capital reduction	(1,014,139)	-
Total changes of items during the period	(1,014,139)	-
Balance at the end of current period	100,000	100,000
Capital surplus		
Balance at the end of previous period	1,113,376	-
Changes of items during the period		
Capital reduction	1,014,139	-
Deficit disposition	(2,127,515)	-
Total changes of items during the period	(1,113,376)	-
Balance at the end of current period	-	-
Retained earnings		
Balance at the end of previous period	147,382	2,385,373
Changes of items during the period		
Dividends from surplus	-	(16,483)
Deficit disposition	2,127,515	-
Net income	110,476	158,556
Total changes of items during the period	2,237,991	142,073
Balance at the end of current period	2,385,373	2,527,447
Treasury stock		
Balance at the end of previous period	(32,301)	(32,301)
Changes of items during the period		
Purchase of treasury stock	-	(30,130)
Total changes of items during the period	-	(30,130)
Balance at the end of current period	(32,301)	(62,431)
Total shareholders' equity		
Balance at the end of previous period	2,342,596	2,453,072
Changes of items during the period		
Dividends from surplus	-	(16,483)
Net income	110,476	158,556
Purchase of treasury stock	-	(30,130)
Total changes of items during the period	110,476	111,942
Balance at the end of current period	2,453,072	2,565,015

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	2,786	3,389
Changes of items during the period		
Net changes of items other than shareholders’ equity	602	1,244
Total changes of items during the period	602	1,244
Balance at the end of current period	3,389	4,634
Total net assets		
Balance at the end of previous period	2,345,382	2,456,461
Changes of items during the period		
Dividends from surplus	-	(16,483)
Net income	110,476	158,556
Purchase of treasury stock	-	(30,130)
Net changes of items other than shareholders’ equity	602	1,244
Total changes of items during the period	111,079	113,187
Balance at the end of current period	2,456,461	2,569,649

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	255,924	230,415
Depreciation and amortization	271,316	226,803
Amortization of long-term prepaid expenses	17,775	14,421
Amortization of goodwill	84,450	84,450
Impairment loss	22,989	-
Increase (decrease) in allowance for doubtful accounts	6,932	(4,641)
Increase (decrease) in provision for bonuses	46,798	(14,262)
Increase (decrease) in allowance for subsequent expenses for nursing home care	(1,080)	(1,080)
Increase (decrease) in allowance for contract cancelations	(11,870)	2,710
Increase (decrease) in provision for loss on litigation	-	121,795
Increase (decrease) in provision for retirement benefits	1,626	4,468
Interest and dividends income	(802)	(1,712)
Interest expenses	48,716	46,841
Loss (gain) on sales of stocks of subsidiaries and affiliates	(17,134)	-
Loss (gain) on sales of noncurrent assets	(129)	(173)
Loss on retirement of noncurrent assets	6,446	393
Decrease (increase) in notes and accounts receivable-trade	171,503	(21,245)
Decrease (increase) in inventories	35,541	1,994
Decrease (increase) in deposits paid	(102,085)	(180,808)
Increase (decrease) in notes and accounts payable-trade	(56,075)	(6,005)
Increase (decrease) in advances received	114,668	148,458
Increase (decrease) in accrued consumption taxes	(6,713)	1,218
Other, net	43,637	58,681
Subtotal	932,439	712,722
Interest and dividends income received	802	1,712
Interest expenses paid	(49,334)	(47,550)
Payment for deposit to court	-	(80,000)
Income taxes paid	(49,886)	(169,225)
Net cash provided by (used in) operating activities	834,019	417,658

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(20,000)
Purchase of investment securities	(9,576)	(299)
Purchase of property, plant and equipment	(65,454)	(102,071)
Proceeds from sales of property, plant and equipment	2,622	638
Purchase of intangible assets	(7,672)	(6,838)
Proceeds from collection of guarantee deposits	-	51,433
Payments for lease and guarantee deposits	(33,290)	(5,157)
Increase in long-term prepaid expenses	(1,382)	(2,985)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	24,858	-
Other, net	16,265	(1,457)
Net cash provided by (used in) investing activities	(73,629)	(86,738)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(199,676)	(126,024)
Proceeds from long-term loans payable	800,000	805,000
Repayment of long-term loans payable	(1,099,696)	(452,188)
Redemption of bonds	(100,000)	-
Cash dividends paid	(124)	(15,886)
Purchase of treasury stock	-	(30,130)
Net cash provided by (used in) financing activities	(599,496)	180,771
Net increase (decrease) in cash and cash equivalents	160,893	511,691
Cash and cash equivalents at beginning of period	697,535	858,429
Cash and cash equivalents at end of period	*1 858,429	*1 1,370,120

(5) Going Concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

Item	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 3 Name of consolidated subsidiaries: Japan Long Life Co., Ltd. Long Life Dining Co., Ltd. L Care Co., Ltd. (Changes in scope of consolidation) Consolidated subsidiaries Long Life Agency Co., Ltd. and Long Life Planning Co., Ltd. were dissolved following their merger with Japan Long Life Co., Ltd. and all shares of consolidated subsidiary Long Life Support Co., Ltd. (formerly L Care Support Co., Ltd.) have been sold. As a result, these three companies are no longer included in the consolidation in the current fiscal year. (2) Number of non-consolidated subsidiaries: None.	(1) Number of consolidated subsidiaries: 4 Name of consolidated subsidiaries: Japan Long Life Co., Ltd. Long Life Dining Co., Ltd. L Care Co., Ltd. Long Life International Business Investment Co., Ltd. Long Life International Business Investment Co., Ltd. was included in the consolidation due to its establishment in the current fiscal year. (2) Number of non-consolidated subsidiaries: Same as on the left.
2. Application of equity method	Number of non-consolidated subsidiaries not accounted for under equity-method: None.	Same as on the left.
3. Fiscal year of consolidated subsidiaries	The fiscal years of consolidated subsidiaries end on the closing date of consolidated financial statements.	Same as on the left.
4. Accounting standards	(1) Valuation standards and methods for principal assets 1) Marketable securities Available-for-sale securities Securities with market quotations Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.) ————	(1) Valuation standards and methods for principal assets 1) Marketable securities Available-for-sale securities Same as on the left. 2) Derivatives Stated at fair value.

Item	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
	2) Inventories Merchandise: Stated at cost determined by the specific identification method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). Supplies: Valued by the last purchased price method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). (Change in accounting policy) The Company has adopted "Accounting Standards for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9, July 5, 2006) from the current fiscal year. The effect of this change was to decrease operating income, ordinary income by 9,729 thousand yen and income before income taxes by 42,497 thousand yen respectively. (2) Depreciation and amortization of significant depreciable assets 1) Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method. Useful life of principle assets is as follows: Buildings and structures: 3-50 years Tools, furniture and fixtures: 2-15 years 2) Intangible assets (excluding lease assets) Amortization of intangible assets is calculated by the straight-line method. Software for internal use is amortized over an expected useful life of five years by the straight-line method. 3) Lease assets Depreciation equivalents are calculated based on the straight-line method, assuming the lease period to be the useful life and a residual value of zero. In addition, there were no new purchases of assets that should be included in lease assets during the current fiscal year. For finance lease transaction where there is no transfer of ownership that started on or before March 31, 2008, the Company uses an accounting method that is based on the method used for ordinary lease transactions.	3) Inventories Same as on the left. —————— (2) Depreciation and amortization of significant depreciable assets 1) Property, plant and equipment (excluding lease assets) Same as on the left. 2) Intangible assets (excluding lease assets) Same as on the left. 3) Lease assets Depreciation equivalents are calculated based on the straight-line method, assuming the lease period to be the useful life and a residual value of zero. For finance lease transaction where there is no transfer of ownership that started on or before March 31, 2008, the Company uses an accounting method that is based on the method used for ordinary lease transactions.

Item	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
	4) Long-term prepaid expenses By the straight-line method. (3) Recognition of significant allowances 1) Allowance for doubtful accounts To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are booked for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility. 2) Provision for bonuses To provide for employee bonus obligation, an amount accrued for the current fiscal year among the estimated future obligations is designated in the reserve account. 3) Allowance for contract cancelations To prepare for the future repayment of up-front deposits made by residents in the event that a contract is canceled in accordance with the cooling-off system, there is an allowance equal to the projected amount of these repayments based on the historical cancelation ratio. 4) Provision for retirement benefits To provide for accrued retirement benefits for employees, an allowance is provided based on projected benefit obligations at the end of the current fiscal year. The Company and its consolidated subsidiaries calculate employee retirement benefit obligations by using a simplified method in which these obligations are equal to the amount that would be paid if all employees voluntarily requested benefits at the end of the fiscal year. 5) Allowance for subsequent expenses for nursing home care Some nursing home contracts include a provision in which payments for rent and other revenue occurring prior to the current fiscal year were received as a whole life deposit. For these contracts, there is an allowance equal to the projected expenses for future services so that this deposit can be allocated to expenses as corresponding services are provided at nursing homes. (4) Recognition of revenues and expenses Standard for recognition of welfare training business Tuition is recognized as revenue in proportion to percentage of completion for each course.	4) Long-term prepaid expenses Same as on the left. (3) Recognition of significant allowances 1) Allowance for doubtful accounts Same as on the left. 2) Provision for bonuses Same as on the left. 3) Allowance for contract cancelations Same as on the left. 4) Provision for retirement benefits Same as on the left. 5) Allowance for subsequent expenses for nursing home care Same as on the left. (4) Recognition of revenues and expenses Standard for recognition of welfare education business Same as on the left.

Item	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
	――――― (5) Other significant accounting policies in the preparation of financial statements Accounting for consumption taxes All amounts stated are exclusive of consumption taxes. Consumption taxes that are not deductible are recorded as expenses in the corresponding fiscal years. However, non-deductible consumption taxes associated with noncurrent assets are included in "Other" (long-term prepaid consumption taxes) in "Investments and other assets" and amortized over 5 years by the straight-line method.	(5) Accounting for hedges 1) Hedging method Deferred hedge treatment is adopted. For interest rate swaps, the Company uses special treatment when the conditions are fulfilled. 2) Hedging instruments and risks hedged Hedging instrument: Interest rate swaps Risk hedged: Loans vulnerable to future changes in cash flows caused by changes in interest rates and other market-determined parameters 3) Hedging policy Hedges are used to prevent changes in future cash flows caused by changes in interest rates. 4) Evaluation method for the effectiveness of hedges During the time between establishment of a hedge and the determination of its effectiveness, the Company compares cumulative changes in the item hedged against cumulative changes in the market used as the hedging method or in cash flows. A decision is then reached based on the amount by which both have changed. For interest rate swaps that meet the requirements for special treatment, there is no evaluation of effectiveness on the settlement date. (6) Other significant accounting policies in the preparation of financial statements Accounting for consumption taxes Same as on the left.
5. Valuations on assets and liabilities of consolidated subsidiaries	Valuation of assets and liabilities of the consolidated subsidiaries are stated at fair value.	Same as on the left.
6. Amortization of goodwill and negative goodwill	Goodwill is amortized over 5 years by the straight-line method. However, amounts of goodwill that are negligible are recorded as an expense in the fiscal year in which the goodwill was recognized.	Same as on the left.

Item	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
7. Scope of cash and cash equivalents on statements of cash flows	For the purpose of statements of cash flows, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.	Same as on the left.

Reclassifications

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
(Consolidated statements of income) ――――――	(Consolidated statements of income) “Dividends income” included in “Other” under “Non-operating income” in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since it has increased materiality in the context of consolidated financial statements. “Dividends income” included in “Other” under “Non-operating income” in the previous fiscal year totaled 480 thousand yen.
(Consolidated statements of cash flows) 1. “Proceeds from collection of guarantee deposits” and “Deferred consumption taxes incurred” under “Net cash provided by (used in) investing activities,” stated as separate line items in the previous fiscal year, are included in “Other, net” in the current fiscal year. “Proceeds from collection of guarantee deposits” and “Deferred consumption taxes incurred” in the current fiscal year totaled 17,126 thousand yen and minus 988 thousand yen. 2. “Gain on sales of noncurrent assets” and “Loss on sales of noncurrent assets” stated as separate line items in the previous fiscal year, are presented as “Loss (gain) on sales of noncurrent assets” in the current fiscal year. The purpose is to better facilitate comparisons of financial statements in conjunction with the switch of the EDINET system to XBRL. “Gain on sales of noncurrent assets” in the current fiscal year totaled minus 129 thousand yen.	(Consolidated statements of cash flows) “Proceeds from collection of guarantee deposits” included in “Other, net” under “Net cash provided by (used in) investing activities” in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since it has increased materiality in the context of consolidated financial statements. “Proceeds from collection of guarantee deposits” included in “Other, net” under “Net cash provided by (used in) investing activities” in the previous fiscal year totaled 17,126 thousand yen.

Notes to Consolidated Financial Statements

Notes to Consolidated Balance Sheets

(Thousands of yen)

FY2009 (As of Oct. 31, 2009)		FY2010 (As of Oct. 31, 2010)	
*1. Breakdown of inventories		*1. Breakdown of inventories	
Merchandise	6,516	Merchandise	4,306
Supplies	195	Supplies	411
Total	6,711	Total	4,717
*2. Change in purpose of holding real estate for sale During the current fiscal year, land totaling 302,000 thousand yen was transferred from inventories to noncurrent assets due to a change in the purpose of holding this land from the previous “real estate for sale.”		――	
*3. Assets pledged as collateral		*3. Assets pledged as collateral	
Accounts receivable-trade	596,337	Buildings and structures	2,131,079
Buildings and structures	2,212,856	Land	1,967,967
Land	1,966,891	Total	4,099,046
Total	4,776,085		
Liabilities corresponding to the above		Liabilities corresponding to the above	
Short-term loans payable	613,824	Short-term loans payable	317,112
Current portion of long-term loans payable	398,448	Current portion of long-term loans payable	350,188
Long-term loans payable	979,192	Long-term loans payable	820,254
Total	1,991,464	Total	1,487,554
*4. Deposits paid of 518,826 thousand yen include 232,314 thousand yen for a leasing contract with Harima Special Purpose Company for the LONG LIFE AOTANI nursing home and 286,006 thousand yen in association with an up-front deposit security trust contract with Asahi Trust Co., Ltd.		*4. Deposits paid of 699,634 thousand yen include 208,965 thousand yen for a leasing contract with Harima Special Purpose Company for the LONG LIFE AOTANI nursing home and 490,113 thousand yen in association with an up-front deposit security trust contract with Asahi Trust Co., Ltd.	

FY2009 (As of Oct. 31, 2009)	FY2010 (As of Oct. 31, 2010)
5. Contingent liabilities Significant litigation The Company is the defendant in a lawsuit that was filed on March 17, 2008. 1) Cause of lawsuit and events leading to filing The Korinkai Medical Company signed a leasing agreement with the Company on February 22, 2005 and has been providing health care services at a Company nursing home since then. The Company subsequently notified Korinkai of the termination of this leasing agreement on January 31, 2008. Korinkai objected to this termination and demanded the payment of an amount equal to six months' of health care revenues, relocation expenses and other items. 2) Party that instigated the lawsuit Name: Korinkai Medical Company Address: 1-18-18 Nakatsu, Kita-ku, Osaka 3) Description of lawsuit and payment demanded Description: Demand for payment of damages Amount: 140,272 thousand yen 4) The Company is currently contesting this lawsuit in court based on its belief that its termination of the lease was justified.	5. Contingent liabilities (Litigation) Korinkai Medical Company signed a leasing agreement with the Company and provided health care services at a Company nursing home. The Company subsequently notified Korinkai of the termination of the leasing agreement and Korinkai responded by filing a lawsuit demanding the payment of damages. Korinkai demanded payment of an amount equal to six months' of health care revenues, relocation expenses and other items. Although the Company contested this demand in court, the Osaka District Court on February 8, 2010 reached a verdict under which consolidated subsidiary Japan Long Life Co., Ltd. (the Company took over business operations following a May 1, 2008 divestiture; on June 11, 2009, Japan Long Life Co., Ltd. assumed responsibility for this litigation from the Company and on December 9, 2009 the Company was removed from this lawsuit) was ordered to pay Korinkai 105,776,442 yen in addition to interest at an annual rate of 6%. Japan Long Life submitted an appeal of this verdict to the Osaka High Court on February 12, 2010. However, to prepare for the possibility that the initial verdict of the Osaka District Court will be reaffirmed, the Company has established a provision for loss on litigation of 121,795 thousand yen. In addition, the Company paid a deposit of 80,000 thousand yen to the Osaka Legal Affairs Bureau on February 8, 2010 for the purpose of either stopping compulsory execution based on the declaration of provisional execution of the Osaka District Court or canceling a disposition of execution that had already been issued. The Company received from the Osaka District Court a decision terminating the compulsory execution on February 22, 2010 and canceling the disposition of compulsory execution on March 12, 2010.

Notes to Consolidated Statements of Income

(Thousands of yen)

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)		FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	
*1. Reduction in book value due to decline in profitability of inventories held for regular sales purpose		――――――	
Cost of sales	9,729		
Extraordinary loss	32,767		
*2. A provision of 8,111 thousand yen for the allowance for contract cancelations was deducted from revenue.		*2. A provision of 10,821 thousand yen for the allowance for contract cancelations was deducted from revenue.	
*3. Major items of selling, general and administrative expenses		*3. Major items of selling, general and administrative expenses	
Salaries and allowances	382,066	Advertising expenses	199,314
Directors' compensations	122,245	Salaries and allowances	410,066
Provision for bonuses	22,311	Directors' compensations	128,074
Retirement benefit expenses	1,633	Provision for bonuses	18,771
Advertising expenses	205,382		
Provision of allowance for doubtful accounts	1,691		
Taxes and dues	123,380		
Depreciation	14,512		
Amortization of goodwill	84,450		
*4. Breakdown of gain on sales of noncurrent assets		*4. Breakdown of gain on sales of noncurrent assets	
Tools, furniture and fixtures	129	Tools, furniture and fixtures	173
*5. Breakdown of loss on retirement of noncurrent assets		*5. Breakdown of loss on retirement of noncurrent assets	
Buildings and structures	1,567	Tools, furniture and fixtures	393
Vehicles	86		
Tools, furniture and fixtures	1,796		
Long-term prepaid expenses	2,091		
Other	904		
Total	6,446		

<table>
<tr><th>FY2009
(Nov. 1, 2008 – Oct. 31, 2009)</th><th>FY2010
(Nov. 1, 2009 – Oct. 31, 2010)</th></tr>
<tr><td>*6. Impairment loss
The Group recognized impairment losses on the following groups of assets.

(1) Impairment losses on assets
<table>
<tr><th>Location</th><th>Use</th><th>Item</th></tr>
<tr><td>Higashisumiyoshi-ku, Osaka</td><td>Employee housing</td><td>Buildings and structures, tools, furniture and fixtures</td></tr>
<tr><td>Nishi-ku, Osaka
Neyagawa city
Toyonaka city
Minoh city
Ibaraki city
Izumiotsu city</td><td>Business assets</td><td>Buildings and structures, tools, furniture and fixtures, long-term prepaid expenses</td></tr>
</table>

(2) Reason for decision to post impairment losses
For company housing, the decision was made to cancel the lease contract for the building used for employee housing. For assets used for business operations, the Company no longer expects to earn the initially projected profits because of continuing operating losses from these assets. As a result, book values were written down to the amounts that can be recovered and the reductions were recognized as an impairment loss under extraordinary loss.

(3) Impairment loss
<table>
<tr><td>Buildings and structures</td><td>21,720</td></tr>
<tr><td>Tools, furniture and fixtures</td><td>441</td></tr>
<tr><td>Long-term prepaid expenses</td><td>828</td></tr>
<tr><td>Total</td><td>22,989</td></tr>
</table>

(4) Method used to group assets
Assets are grouped in accordance with business categories by using primarily business sites, which are generally the smallest independent cash-flow generating units.
The amount of assets that can be recovered is determined by using the utilization value of assets. Since no cash flows are expected from these assets, the value of the assets was determined to be zero.</td><td>――――――</td></tr>
</table>

Notes to Consolidated Statements of Changes in Net Assets

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)

1. Type and number of outstanding shares and treasury stock (Shares)

	Number of shares as of Oct. 31, 2008	Increase	Decrease	Number of shares as of Oct. 31, 2009
Outstanding shares				
Common shares	55,952	-	-	55,952
Total	55,952	-	-	55,952
Treasury stock				
Common shares	1,008	-	-	1,008
Total	1,008	-	-	1,008

2. Items related to acquisition rights for new shares

Not applicable.

3. Dividends

(1) Dividend payment

Not applicable.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (thousands of yen)	Source of funds	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on December 11, 2009	Common shares	16,483	Retained earnings	300	Oct. 31, 2009	Jan. 13, 2010

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

1. Type and number of outstanding shares and treasury stock (Shares)

	Number of shares as of Oct. 31, 2009	Increase	Decrease	Number of shares as of Oct. 31, 2010
Outstanding shares				
Common shares	55,952	-	-	55,952
Total	55,952	-	-	55,952
Treasury stock				
Common shares	1,008	1,000	-	2,008
Total	1,008	1,000	-	2,008

Note: The increase in the number of common shares of treasury stock (1,000 shares) is due to the purchasing based on the decisions made at the Board of Directors' meeting on December 1, 2009.

2. Items related to acquisition rights for new shares

Not applicable.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (thousands of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on December 11, 2009	Common shares	16,483	300	Oct. 31, 2009	Jan. 13, 2010

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (thousands of yen)	Source of funds	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on December 13, 2010 (tentative)	Common shares	26,972	Retained earnings	500	Oct. 31, 2010	Jan. 13, 2011

Notes to Consolidated Statements of Cash Flows

(Thousands of yen)

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the current fiscal year is made as follows: (As of October 31, 2009) Cash and deposits 858,429 Cash and cash equivalents 858,429	*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the current fiscal year is made as follows: (As of October 31, 2010) Cash and deposits 1,390,120 Time deposit with maturities over 3 months (20,000) Cash and cash equivalents 1,370,120

Business Combinations

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)
Transaction under common control
1. Merger of Japan Long Life Co., Ltd. and Long Life Agency Co., Ltd., which are our consolidated subsidiaries
(1) Name and business of companies involving business combinations
Japan Long Life Co., Ltd. (our consolidated subsidiary): Nursing home business
Long Life Agency Co., Ltd. (our consolidated subsidiary): Advertising agency business

(2) Legal method of combination
The merger was an absorption-type merger: Japan Long Life Co., Ltd., the surviving company, took over all businesses of Long Life Agency Co., Ltd., which was dissolved.

(3) Name of post-acquisition company
Japan Long Life Co., Ltd.

(4) Summary of transaction including purpose
The two subsidiaries were merged with Japan Long Life Co., Ltd. as the surviving company for the purpose of improving the efficiency of their operations (merger date: April 1, 2009).

(5) Summary of accounting method
Accounting methods used for this merger as a transaction under common control are based on “Accounting Standard for Business Combination” (Business Accounting Council, October 31, 2003) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, November 15, 2007).

2. Merger of Japan Long Life Co., Ltd. and Long Life Planning Co., Ltd., which are our consolidated subsidiaries
(1) Name and business of companies involving business combinations
Japan Long Life Co., Ltd. (our consolidated subsidiary): Nursing home business
Long Life Planning Co., Ltd. (our consolidated subsidiary): Real estate business

(2) Legal method of combination
The merger was an absorption-type merger: Japan Long Life Co., Ltd., the surviving company, took over all businesses of Long Life Planning Co., Ltd., which was dissolved.

(3) Name of post-acquisition company
Japan Long Life Co., Ltd.

(4) Summary of transaction including purpose
The two subsidiaries were merged with Japan Long Life Co., Ltd. as the surviving company for the purpose of improving the efficiency of their operations (merger date: May 1, 2009).

(5) Summary of accounting method
Accounting methods used for this merger as a transaction under common control are based on “Accounting Standard for Business Combination” (Business Accounting Council, October 31, 2003) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, November 15, 2007).

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Not applicable.

Segment Information

a. Operating segment information

FY2009 (Nov. 1, 2008 – Oct. 31, 2009) and FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

Operating segment information is not presented since net sales, operating income and assets amounts of Nursing care business segment represents more than 90% of total segment sales, operating income and assets amounts, respectively.

b. Geographical segment information

FY2009 (Nov. 1, 2008 – Oct. 31, 2009) and FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

Not applicable since the Company has no consolidated subsidiaries or branch offices in countries and regions other than Japan.

c. Overseas sales

FY2009 (Nov. 1, 2008 – Oct. 31, 2009) and FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

Not applicable since the Company had no overseas sales.

Per Share Information

(Yen)

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Net assets per share 44,708.46 Net income per share 2,010.70 Diluted net income per share is not presented since the Company has no outstanding dilutive securities.	Net assets per share 47,635.50 Net income per share 2,931.21 Diluted net income per share is not presented since the Company has no outstanding dilutive securities.

Note: The following is a reconciliation of net income per share

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Net income per share		
Net income	110,476	158,556
Amounts not available to common shareholders	-	-
Net income available to common shares	110,476	158,556
Average number of shares outstanding during the period	54,944.00 shares	54,092.52 shares
Summary of potential stock not included in the calculation of “Diluted net income per share” since there was no dilutive effect in the period	――――	――――

Subsequent Events

Not applicable.

Omission of Disclosure

Disclosure of the notes on leases, financial instruments, marketable securities, deliberatives, retirement benefits, stock options, deferred tax accounting, rental and other properties, and related party information was omitted due to the minor necessity of disclosure.

5. Non-consolidated Financial Statements

(1) Balance Sheets

(Thousands of yen)

	FY2009 (As of Oct. 31, 2009)	FY2010 (As of Oct. 31, 2010)
Assets		
Current assets		
Cash and deposits	426,169	278,114
Prepaid expenses	4,881	4,509
Deferred tax assets	12,514	4,104
Accounts receivable-other	*2 4,225	*2 6,817
Other	*2 5,747	*2 1,699
Total current assets	453,538	295,246
Noncurrent assets		
Property, plant and equipment		
Buildings	17,601	17,601
Accumulated depreciation	(5,303)	(6,097)
Buildings, net	12,297	11,504
Tools, furniture and fixtures	36,054	33,861
Accumulated depreciation	(31,955)	(30,522)
Tools, furniture and fixtures, net	4,099	3,339
Total property, plant and equipment	16,396	14,843
Intangible assets		
Software	6,503	3,601
Telephone subscription right	1,498	1,498
Total intangible assets	8,001	5,100
Investments and other assets		
Investment securities	25,178	27,289
Stocks of subsidiaries and affiliates	40,000	140,000
Investments in capital	100	110
Guarantee deposits	33,692	28,126
Other	675	381
Total investments and other assets	99,645	195,907
Total noncurrent assets	124,044	215,852
Total assets	577,583	511,098

(Thousands of yen)

	FY2009 (As of Oct. 31, 2009)	FY2010 (As of Oct. 31, 2010)
Liabilities		
Current liabilities		
Accounts payable-other	*2 5,364	*2 11,002
Accrued expenses	9,955	10,466
Income taxes payable	110,738	-
Provision for bonuses	5,346	7,403
Other	*2 4,107	*2 4,488
Total current liabilities	135,512	33,360
Noncurrent liabilities		
Deferred tax liabilities	2,316	3,357
Provision for retirement benefits	458	895
Total noncurrent liabilities	2,774	4,252
Total liabilities	138,286	37,613
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Capital surplus		
Other capital surplus	190,000	190,000
Retained earnings		
Other retained earnings		
Retained earnings brought forward	178,208	241,282
Total retained earnings	178,208	241,282
Treasury stock	(32,301)	(62,431)
Total shareholders' equity	435,907	468,850
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,389	4,634
Total valuation and translation adjustments	3,389	4,634
Total net assets	439,296	473,484
Total liabilities and net assets	577,583	511,098

(2) Statements of Income

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Net sales		
Business advisory fee	*1 598,750	-
Other revenue	600	-
Total net sales	599,350	-
Gross profit	599,350	-
Selling, general and administrative expenses		
Advertising expenses	26,374	-
Directors’ compensations	67,626	-
Salaries and allowances	83,967	-
Bonuses	1,077	-
Provision for bonuses	5,346	-
Retirement benefit expenses	329	-
Legal welfare expenses	23,695	-
Welfare expenses	2,349	-
Rents	41,802	-
Traveling and communication expenses	13,045	-
Taxes and dues	14,197	-
Commission fee	44,834	-
Depreciation	8,408	-
Other	32,948	-
Total selling, general and administrative expenses	366,004	-
Operating revenue		
Consulting fee income	-	*1 482,160
Other operating revenue	-	600
Total operating revenue	-	482,760
Operating expenses		
Advertising expenses	-	24,714
Directors’ compensations	-	75,762
Salaries and allowances	-	81,080
Provision for bonuses	-	7,403
Legal welfare expenses	-	19,426
Rents	-	34,201
Commission fee	-	43,241
Depreciation	-	5,901
Other	-	58,245
Total operating expenses	-	349,977
Operating income	233,345	132,782

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Non-operating income		
Interest income	*2 2,950	135
Dividends income	477	1,469
Facilities fee income	309	213
Other	3,336	609
Total non-operating income	7,074	2,428
Non-operating expenses		
Interest expenses	274	-
Interest on bonds	163	-
Other	630	304
Total non-operating expenses	1,067	304
Ordinary income	239,352	134,905
Extraordinary income		
Reversal of provision for loss on guarantees	*3 112,492	-
Gain on sales of subsidiaries and affiliates’ stocks	40,400	-
Total extraordinary income	152,892	-
Extraordinary loss		
Loss on retirement of noncurrent assets	255	-
Total extraordinary losses	255	-
Income before income taxes	391,989	134,905
Income taxes-current	108,743	46,938
Income taxes-deferred	11,058	8,410
Total income taxes	119,801	55,349
Net income	272,187	79,556

(3) Statements of Changes in Net Assets

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,114,139	100,000
Changes of items during the period		
Capital reduction	(1,014,139)	-
Total changes of items during the period	(1,014,139)	-
Balance at the end of current period	100,000	100,000
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	1,113,376	-
Changes of items during the period		
Reversal of legal capital surplus	(1,113,376)	-
Total changes of items during the period	(1,113,376)	-
Balance at the end of current period	-	-
Other capital surplus		
Balance at the end of previous period	190,000	190,000
Changes of items during the period		
Capital reduction	1,014,139	-
Reversal of legal capital surplus	1,113,376	-
Deficit disposition	(2,127,515)	-
Total changes of items during the period	-	-
Balance at the end of current period	190,000	190,000
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	8,700	-
Changes of items during the period		
Deficit disposition	(8,700)	-
Total changes of items during the period	(8,700)	-
Balance at the end of current period	-	-
Other retained earnings		
General reserve		
Balance at the end of previous period	25,000	-
Changes of items during the period		
Deficit disposition	(25,000)	-
Total changes of items during the period	(25,000)	-
Balance at the end of current period	-	-
Retained earnings brought forward		
Balance at the end of previous period	(2,255,194)	178,208
Changes of items during the period		
Dividends from surplus	-	(16,483)
Deficit disposition	2,161,215	-
Net income	272,187	79,556
Total changes of items during the period	2,433,403	63,073
Balance at the end of current period	178,208	241,282

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Treasury stock		
Balance at the end of previous period	(32,301)	(32,301)
Changes of items during the period		
Purchase of treasury stock	-	(30,130)
Total changes of items during the period	-	(30,130)
Balance at the end of current period	(32,301)	(62,431)
Total shareholders' equity		
Balance at the end of previous period	163,719	435,907
Changes of items during the period		
Dividends from surplus	-	(16,483)
Net income	272,187	79,556
Purchase of treasury stock	-	(30,130)
Total changes of items during the period	272,187	32,943
Balance at the end of current period	435,907	468,850
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	2,786	3,389
Changes of items during the period		
Net changes of items other than shareholders' equity	602	1,244
Total changes of items during the period	602	1,244
Balance at the end of current period	3,389	4,634
Total net assets		
Balance at the end of previous period	166,505	439,296
Changes of items during the period		
Dividends from surplus	-	(16,483)
Net income	272,187	79,556
Purchase of treasury stock	-	(30,130)
Net changes of items other than shareholders' equity	602	1,244
Total changes of items during the period	272,790	34,188
Balance at the end of current period	439,296	473,484

(4) Going Concern Assumption

Not applicable.

Significant Accounting Policies

Item	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
1. Valuation standards and methods for marketable securities	(1) Subsidiaries' stocks Stated at cost determined by the moving-average method. (2) Available-for-sale securities Securities with market quotations Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)	(1) Subsidiaries' stocks Same as on the left. (2) Available-for-sale securities Same as on the left.
2. Depreciation and amortization of noncurrent assets	(1) Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method. Useful life of principle assets is as follows: Buildings: 8-50 years Tools, furniture and fixtures: 2-10 years (2) Intangible assets (excluding lease assets) Amortization of intangible assets is calculated by the straight-line method. Software for internal use is amortized over an expected useful life of five years by the straight-line method. 3) Lease assets Depreciation equivalents are calculated based on the straight-line method, assuming the lease period to be the useful life and a residual value of zero. In addition, there were no new purchases of assets that should be included in lease assets during the current fiscal year. For finance lease transaction where there is no transfer of ownership that started on or before March 31, 2008, the Company uses an accounting method that is based on the method used for ordinary lease transactions.	(1) Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method. Useful life of principle assets is as follows: Buildings: 8-50 years Tools, furniture and fixtures: 2-8 years (2) Intangible assets (excluding lease assets) Same as on the left. 3) Lease assets Depreciation equivalents are calculated based on the straight-line method, assuming the lease period to be the useful life and a residual value of zero. For finance lease transaction where there is no transfer of ownership that started on or before March 31, 2008, the Company uses an accounting method that is based on the method used for ordinary lease transactions.
3. Recognition of allowances	(1) Provision for bonuses To provide for employee bonus obligation, an amount accrued for the current fiscal year among the estimated future obligations is designated in the reserve account.	(1) Provision for bonuses Same as on the left.

Item	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
	(2) Provision for retirement benefits To provide for accrued retirement benefits for employees, an allowance is provided based on projected benefit obligations at the end of the current fiscal year. The Company calculates employee retirement benefit obligations by using a simplified method in which these obligations are equal to the amount that would be paid if all employees voluntarily requested benefits at the end of the fiscal year.	(2) Provision for retirement benefits Same as on the left.
4. Other significant accounting policies in the preparation of financial statements	Accounting for consumption taxes All amounts stated are exclusive of consumption taxes. Consumption taxes that are not deductible are recorded as expenses in the corresponding fiscal years. However, non-deductible consumption taxes associated with noncurrent assets are included in “Other” (long-term prepaid consumption taxes) in “Investments and other assets” and amortized over 5 years by the straight-line method.	Accounting for consumption taxes Same as on the left.

Reclassifications

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
(Statements of income) ――――――	(Statements of income) Revenues from the operations conducted by the Company, stated as “Net sales” in the previous fiscal year, are presented as “Operating revenues” in the current fiscal year. In addition, former “Selling, general and administrative expenses” are now re-stated as “Operating expenses.” These changes are made to reflect clearly that the Company operates as the Group’s holding company.

Notes to Non-consolidated Financial Statements

Notes to Balance Sheets

(Thousands of yen)

FY2009 (As of Oct. 31, 2009)

1. Contingent liabilities

(1) Guarantees

The Company guarantees following affiliates' bank loans.

Companies receiving guarantees	Amount
Japan Long Life Co., Ltd.	1,179,034
Long Life Dining Co., Ltd.	25,000
L Care Co., Ltd.	724,430
Total	1,928,464

(2) Joint guarantees resulting from concomitant liabilities

Japan Long Life Co., Ltd. 1,815,535

The Company assumed concomitant liabilities associated with loans from financial institutions and advances received from nursing home occupants that were assumed by Japan Long Life Co., Ltd. due to a divestiture that took place on May 1, 2008.

(3) Significant litigation

The Company is the defendant in a lawsuit that was filed on March 17, 2008.

1) Cause of lawsuit and events leading to filing

The Korinkai Medical Company signed a leasing agreement with the Company on February 22, 2005 and has been providing health care services at a Company nursing home since then. The Company subsequently notified Korinkai of the termination of this leasing agreement on January 31, 2008. Korinkai objected to this termination and demanded the payment of an amount equal to six months' of health care revenues, relocation expenses and other items.

2) Party that instigated the lawsuit

Name: Korinkai Medical Company

Address: 1-18-18 Nakatsu, Kita-ku, Osaka

3) Description of lawsuit and payment demanded

Description: Demand for payment of damages

Amount: 140,272 thousand yen

4) The Company is currently contesting this lawsuit in court based on its belief that its termination of the lease was justified.

*2. Assets and liabilities applicable to affiliates

Current assets	
Accounts receivable-other	2,986
Other	622
Total	3,608
Current liabilities	
Accounts payable-other	1,995
Other	216
Total	2,212

FY2010 (As of Oct. 31, 2010)

1. Contingent liabilities

(1) Guarantees

The Company guarantees following affiliates' bank loans.

Companies receiving guarantees	Amount
Japan Long Life Co., Ltd.	1,308,460
Long Life Dining Co., Ltd.	41,672
L Care Co., Ltd.	867,432
Total	2,217,564

(2) Joint guarantees resulting from concomitant liabilities

Japan Long Life Co., Ltd. 1,266,103

The Company assumed concomitant liabilities associated with advances received from nursing home occupants that were assumed by Japan Long Life Co., Ltd. due to a divestiture that took place on May 1, 2008.

―――――

*2. Assets and liabilities applicable to affiliates

Current assets	
Accounts receivable-other	2,467
Other	88
Total	2,555
Current liabilities	
Accounts payable-other	2,276
Other	20
Total	2,297

Notes to Statements of Income

(Thousands of yen)

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)		FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	
*1. Revenue associated with affiliates		*1. Revenue associated with affiliates	
Business advisory fee	598,750	Consulting fee income	482,160
*2. Non-operating income associated with affiliates		―――	
Interest income	2,850		
*3. Reversal of provision for loss on guarantees		―――	
For guarantee provided to affiliates			

Notes to Statements of Changes in Net Assets

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)

Type and number of treasury stock (Shares)

	Number of shares as of Oct. 31, 2008	Increase	Decrease	Number of shares as of Oct. 31, 2009
Common shares	1,008	-	-	1,008

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

Type and number of treasury stock (Shares)

	Number of shares as of Oct. 31, 2009	Increase	Decrease	Number of shares as of Oct. 31, 2010
Common shares	1,008	1,000	-	2,008

Note: The increase in the number of common shares of treasury stock (1,000 shares) is due to the purchasing based on the decisions made at the Board of Directors' meeting on December 1, 2009.

Per Share Information

(Yen)

FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Net assets per share 7,995.36 Net income per share 4,953.92 Diluted net income per share is not presented since the Company has no outstanding dilutive securities.	Net assets per share 8,777.34 Net income per share 1,470.76 Diluted net income per share is not presented since the Company has no outstanding dilutive securities.

Note: The following is a reconciliation of net income per share

(Thousands of yen)

	FY2009 (Nov. 1, 2008 – Oct. 31, 2009)	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)
Net income per share		
Net income	272,187	79,556
Amounts not available to common shareholders	-	-
Net income available to common shares	272,187	79,556
Average number of shares outstanding during the period	54,944.00 shares	54,092.52 shares
Summary of potential stock not included in the calculation of “Diluted net income per share” since there was no dilutive effect in the period	――――	――――

6. Other

(1) Change in directors

Not applicable.

(2) Other

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.