December 12, 2014

Summary of Consolidated Financial Results for the Fiscal Year Ended October 31, 2014

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)
Stock code: 4355 URL: http://longlife-holding.co.jp
Representative: Masakazu Endo, CEO
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Scheduled date of Annual General Meeting of Shareholders: January 29, 2015
Scheduled date of filing of Annual Securities Report: January 29, 2015
Scheduled date of payment of dividend: January 13, 2015
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for analysts and institutional investors)

Note: The original disclosure in Japanese was released on December 12, 2014 at 15:30 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended October 31, 2015 (Nov. 1, 2014 – Oct. 31, 2015)

(1) Consolidated results of operations (Percentages shown for net sales and incomes 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, 2014	10,974	5.1	613	18.1	585	28.7	290	44.5
Fiscal year ended Oct. 31, 2013	10,445	5.4	520	25.1	454	20.9	200	(8.4)

Note: Comprehensive income (million yen) Fiscal year ended Oct. 31, 2014: 306 (up 51.5%)
Fiscal year ended Oct. 31, 2013: 202 (down 7.8%)

	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, 2014	27.32	-	10.2	5.0	5.6
Fiscal year ended Oct. 31, 2013	18.63	-	7.5	4.2	5.0

Reference: Investment gain (loss) by equity method (million yen) Fiscal year ended Oct. 31, 2014: (28)
Fiscal year ended Oct. 31, 2013: (22)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2014	11,948	2,944	24.6	278.06
As of Oct. 31, 2013	11,430	2,755	24.1	255.30

Reference: Shareholders' equity (million yen) As of Oct. 31, 2014: 2,944 As of Oct. 31, 2013: 2,754

(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, 2014	1,228	(133)	(528)	1,657
Fiscal year ended Oct. 31, 2013	848	(787)	312	1,090

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Oct. 31, 2014	-	0.00	-	5.00	5.00	53	26.8	2.0
Fiscal year ended Oct. 31, 2013	-	0.00	-	5.50	5.50	58	20.1	2.0
Fiscal year ending Oct. 31, 2015 (forecasts)	-	0.00	-	6.50	6.50		20.9	

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2015 (Nov. 1, 2014 – Oct. 31, 2015)

(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	5,880	9.5	370	14.5	340	(4.8)	190	(0.2)	17.88
Full year	11,900	8.4	690	12.4	640	9.3	330	13.6	31.05

*** Notes**

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

Newly added: - Excluded: 1 (L Care Higashinihon Co., Ltd.)

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting-based estimates: None
4) Restatements: None

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at end of period (including shares of treasury stock)
As of Oct. 31, 2014:11,190,400 shares As of Oct. 31, 2013:11,190,400 shares
2) Number of shares of treasury stock at end of period
As of Oct. 31, 2014:601,705 shares As of Oct. 31, 2013:401,657 shares
3) Average number of shares outstanding during the period
Fiscal year ended Oct. 31, 2014:10,629,484 shares Fiscal year ended Oct. 31, 2013:10,788,743 shares

For reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended October 31, 2014 (Nov. 1, 2013 – Oct. 31, 2014)

(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, 2014	679	(2.3)	183	(26.8)	158	(37.1)	88	(48.4)
Fiscal year ended Oct. 31, 2013	695	18.8	251	36.0	252	37.2	172	107.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Oct. 31, 2014	8.37	-
Fiscal year ended Oct. 31, 2013	15.98	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2014	1,951	666	34.2	62.97
As of Oct. 31, 2013	902	681	75.5	63.17

Reference: Shareholders' equity (million yen) As of Oct. 31, 2014: 666 As of Oct. 31, 2013: 681

2. Non-consolidated Forecast for the Fiscal Year Ending October 31, 2015 (Nov. 1, 2014 – Oct. 31, 2015)

(Percentages represent year-over-year changes)

	Net sales		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	400	17.7	120	3.4	75	5.9	7.06
Full year	805	18.4	240	51.2	140	57.4	13.17

Indication of audit procedure implementation status

The current financial report is not subject to the audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the audit procedures for the consolidated financial statements have not been completed.

Cautionary statement with respect to forecasts of future performance and special items

Forecasts of future performance in these materials are based on certain standards judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "1. Analysis of Business Results and Financial Position, (1) Analysis of Business Results" on page 2 of the attachments for assumptions for forecasts and notes of caution for usage.

Contents of Attachments

1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

During the current consolidated fiscal year, in the backdrop of economic policies, centered on financial expenditure, monetary easing, growth strategy by the government, the economy of our country has progressed and continued to recover slowly to improve revenues and employment/income environment, mainly in leading companies. On the other hand, personal consumption is still sluggish and the economic prospects remain uncertain due to rise in the consumption tax from April 2014, bad weather from July to middle of August, rise in consumer price owing soaring material price, etc.

In nursing care service industry, Long-term Care Insurance which is scheduled to be revised in 2015, sets forth to review self-pay ratio of people of high income class and measures for separating support needed persons from nursing care insurance benefit/sustainability of Long-term Care Insurance municipality transfer. Meanwhile, with the increase of elderly population, the demand for nursing care service has also been increasing every year, and to secure human resources as leaders of service has become an important task.

To appeal different working ways and working environments for human resource as leaders of next generation, our group has been engaged in various initiatives like improvement of work life balance, enhancement of training program, improvement of working terms and conditions, overseas business expansion, etc. Under these circumstances, the number of residents has been progressing smoothly for our group in Nursing home service, and in the in home nursing care business, customers are increasing thus we steadily building up the sales. Net sales increased 5.1 % from one year earlier to 10,974 million yen, operating income increased 18.1% to 613 million yen, ordinary income increased 28.7% to 585 million yen, and net income increased 44.5% to 290 million yen.

Business segment performance was as follows.

1) Nursing home business

In Nursing home business, at the end of current consolidated fiscal year, the numbers of homes were 21 and the total numbers of rooms were 807. By effectively improvement in operational system of Nursing home business and enhancement of sales in branding activity, etc., we can focus on rise in residential ratio.

Sales increased 3.1% to 4,000 million yen and ordinary income increased 69.7% to 293 million yen.

2) In-home nursing care business

In -home nursing care business,There were 147 service in this business segment at the end of fiscal year.Major activities include opening new locations to provide services, increasing the utilization rates of existing locations and conducting extensive sales activities for the provision of welfare services for persons with handicapped Persons. In addition, on 1st January, 2014, “L Care Higashinihon Co., Ltd.”, was extinguished due to merger into our surviving consolidated subsidiary, “L Care Co., Ltd.”.

Sales increased 4.0% to 5,569 million yen and ordinary income increased 164.8% to 150 million yen.

3) Nursing care equipment business

In this business segment, extensive support is provided by nursing care equipment specialists who have much expertise and skill in the nursing care field. The aim is to provide services that assist seniors in living on their own

Sales increased 13.0% to 1,177 million yen and ordinary income increased 139.7% to 66 million yen.

4) Food business

The food business mainly involves the preparation of meals which are served at our 42 nursing homes.

The LONGLIFE Group has made its brand more powerful by focusing on reinforcing operations to serve customers outside the Group. This involves the use of catering and other activities to strengthen business operations.

Sales increased 109.5% to 32 million yen and ordinary income increased 21 million yen (a loss of 2 million yen one year earlier).

5) Others

Others consist of three companies-consolidated subsidiary "Long Life Pharmacy Corporation" which operates dispensing pharmacy service, consolidated subsidiary "Long Life Casita Corporation" which operates education training service, and consolidated subsidiary "Long Life International Business Investment Co., Ltd." which operates investment service in international and domestic company.
Sales increased 29.3% to 194 million yen and there was an ordinary loss of 79 million yen (a loss of 26 million yen one year earlier).

Regarding the outlook for the fiscal year ending on October 31, 2015, 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 has brought about a reduction in the large number of elderly care service providers.

The Company 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 its inception. The Company 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, our highest priority is increasing the occupancy rate at existing facilities by using the Group's expertise in operating nursing homes to increase the number of occupants. In the in-home nursing care business, the goal is to extend operations to more areas of Japan by opening more day-service facilities and helper station facilities. Another goal of raising profit margin at the existing facilities, the Company will promote business operations to offer services that are not covered by nursing care insurance.

In addition, together with Chinese and Indonesian mergers or Korean in the in home nursing care business, we promote to expand care service business in the future too, positively expand business overseas, familiarize care service to the world which we have cultivated so far, try to expand the group and improve corporate value. And, we will also try to increase customers in dispensing pharmacy service.
Based on this outlook, the Company forecasts net sales of 11,900 million yen, operating income of 690 million yen, ordinary income of 640 million yen and net income of 330 million yen in the fiscal year ending on October 31, 2015.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

Total assets increased by 518 million yen over the end of the previous fiscal year to 11,948 million yen at the end of the current fiscal year.

Current assets increased by 884 million yen to 4,907 million yen. This was primarily attributable to increases of 566 million yen in cash and deposits, 323 million yen in deposits paid, and a decrease of 33 million yen in notes and accounts receivable.

Noncurrent assets decreased by 366 million yen to 7,041 million yen. The primary causes were decreases of 445 million yen in property, plant and equipment, 23 million yen in intangible assets.

Current liabilities increased by 524 million yen to 6,434 million yen. This was mainly caused by increases of 609 million yen in advances received, 71 million yen in provision for bonuses, 27 million yen in Income taxes payable, 25 million yen in accrued expenses, and decreases of 92 million yen in current portion of long-term loans payable, 101 million yen in short-term loans payable.

Noncurrent liabilities decreased by 194 million yen to 2,569 million yen mainly because of an a increase of 9 million yen in deferred tax liabilities, and decreases of 156 million yen in long-term loans payable, 34 million yen in lease obligations, 10 million yen in deferred revenue of home nursing care apart from general revenue.

Net assets increased by 188 million yen to 2,944 million yen, and the equity ratio was 24.6%.

2) Consolidated cash flows

There was a net increase of 566 million yen in cash and cash equivalents from the end of the previous fiscal year to 1,657 million yen at the end of the current fiscal year.

Cash flows during the fiscal year and major components were as follows.

Cash flows from operating activities

Net cash provided by operating activities was 1,228 million yen compared with 848 million yen provided one year earlier.

The major sources of cash were a 609 million yen increase in advances received, income before income taxes of 541 million yen, depreciation and amortization of 314 million yen, an increase in accounts payable-other of 105 million yen, and in provision for bonuses of 71 million yen. The major uses of cash were 323 million yen of increase in deposits paid, and a 250 million yen in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities was 133 million yen compared with 787 million yen used one year earlier.

The major sources of cash was Proceeds from sales of property, plant and equipment of 472 million yen, Cash was mainly used for payments of 471 million yen for the purchase of property, 81 million yen for Purchase of investment securities, and 27 million yen for Purchase of investment payments of subsidiaries and affiliates.

Cash flows from financing activities

Net cash used in financing activities was 528 million yen compared with 312 million yen provided one year earlier.

The major source of cash was the proceeds of 390 million yen from long-term loans payable. The major uses of cash were repayments of 639 million yen in long-term loans payable, a net decrease of 101 million yen in short-term loans payable, and 64 million yen for purchase of treasury stock

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

	FY10/13	FY10/14
Shareholders’ equity ratio (%)	24.1	24.6
Shareholders’ equity ratio based on market value (%)	24.3	31.0
Interest-bearing debt to cash flow ratio (years)	4.2	2.6
Interest coverage ratio (times)	12.4	19.2

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 payments use the amount of interest expenses paid stated on the consolidated statements of cash flows.

(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 Company. 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 5.5 yen per share will be paid for the fiscal year ended on October 31, 2014 by taking into consideration the operating environment and other factors. For the fiscal year ending on October 31, 2015, a dividend of 6.5 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 LONGLIFE Group.

1) 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 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. Revenue is stable in the nursing care business because payments by public-sector institutions cover about 90% of the cost of nursing care services. On the other hand, nursing care insurance payments can change if laws are amended. Consequently, a problem concerning profitability may occur that is unrelated to the Group's status of business operations.

To help ensure that sound and trouble-free operation of the nursing care insurance business, the nursing care insurance system is revised every five years and nursing care reimbursement rates are revised every three years. However, there are a number of issues. One is the decrease in insurance premium income caused by the economic downturn. Another problem is the falling number of people who help pay for this system because of Japan's declining number of children and aging population. Dealing with these issues may result in revisions to the framework for providing nursing care due to major changes in social security systems and taxes in Japan. These changes may have an effect on the Group's business operations.

2) 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 helpers and other staff.

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 of 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.

3) Recruiting activities

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 its operations.

Although the Group is constantly conducting recruiting activities, primarily targeting individuals with certifications, there are concerns about a shortage of workers as demand for nursing care services increases and competition intensifies along with the growth of the nursing care industry in Japan. 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.

4) Safety and health management

The nursing home business and in-home nursing care business of the Group serves mainly seniors who have been certified as requiring nursing care. As a result, there is a possibility of a decline in their health and the occurrence of other problems as services are provided. There is also a risk of unforeseen accidents. Furthermore, there may be instances in which the provision of services must be suspended due to the worsening health of occupants or other problems. An epidemic of a new strain of influenza or other infectious disease is one example. Moreover, there is a possibility that a nursing care service may be unable to provide because staff members have become infected by a disease.

The Group is conducting business operations by training employees and ensuring that work complies with operation manuals. These activities are based on many years of experience with nursing care procedures, measures to prevent accidents and other items. However, if there is an accident or other problem involving the provision of services, or in the case of possible gross negligence by the Group in association with the spread of an infectious disease, there may be a negative effect on business operations and the Group’s performance.

5) Responses to disasters

If there is an earthquake, flood or other disaster or a fire at a nursing home, group home or other facility, evacuation of occupants from these facilities may be difficult or impossible because these individuals are mainly people who are certified as requiring nursing care. The Group has installed sprinklers at its facilities, has established rules for disaster responses, and conducts periodic evacuation drills at all locations to be prepared for a major natural catastrophe such as an earthquake or flood. Despite these measures, if there is a natural disaster that is more severe than anticipated, there may be a negative effect on the Group’s performance.

2. Corporate Group

The LONGLIFE Group (Longlife Holding Co., Ltd. and its consolidated subsidiaries) includes Longlife Holding Co., Ltd. and eight subsidiaries. These companies are engaged primarily in the nursing home, in-home nursing care, nursing care equipment and food businesses.

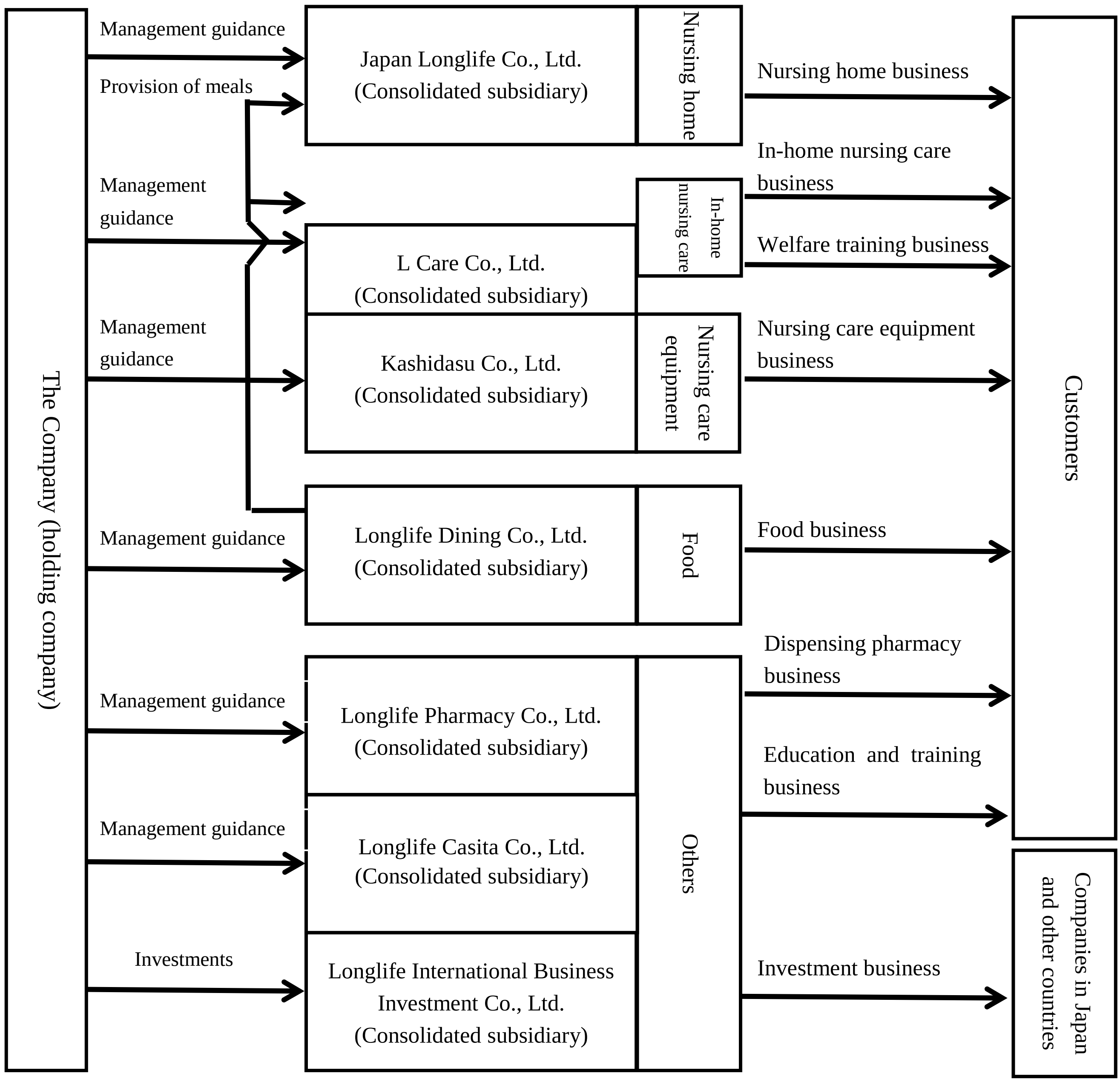
In the nursing home business, consolidated subsidiary Japan Longlife Co., Ltd. operates nursing homes and group homes.

In the in-home nursing care business, consolidated subsidiaries L Care Co., Ltd. provide a comprehensive lineup of in-home nursing care services and education training service. In addition, on 1st January, 2014, “L Care Higashinihon Co., Ltd.”, was extinguished due to merger into our surviving consolidated subsidiary, “L Care Co., Ltd.”.

In the nursing care equipment business, consolidated subsidiary Kashidasu Co., Ltd. rents and sells nursing care equipment.

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

Others consist of three companies-consolidated subsidiary “Longlife Pharmacy Corporation” which operates dispensing pharmacy service, consolidated subsidiary “Longlife Casita Corporation” which operates education training service, and consolidated subsidiary “Longlife International Business Investment Co., Ltd.” which operates investment service in international and domestic company.



3. Management Policies

(1) Basic Management Policy

Since its establishment, the LONGLIFE Group has been dedicated to being a major source of nursing care services in an aging society. As a private-sector provider of nursing care services, we pursue to achieve sustained growth while building a sound base for services, know-how and a powerful brand. Our philosophy is to have as many customers as possible experience the excitement of learning that “LONGLIFE can provide even this kind of service.” We will continue to aim to offer the best possible nursing care services so that we can be a source of dreams and emotions. The Group will fully utilize the resources accumulated thus far to achieve more progress and advance to the next stage of its development. To accomplish these goals, we will increase our investments in established businesses and reinforce our base of operations to establish a distinctive identity in the senior care services industry. As an organization dedicated to the “total support for ‘second life’,” we plan to offer high-quality nursing care services in China, Indonesia and other countries.

(2) Performance Targets

Based on its commitment to increasing profitability and the return on capital in order to generate returns for shareholders, the LONGLIFE 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%.

(3) Medium- and Long-term Business Plan Progress

The goal of the LONGLIFE 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. 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. (a) Opening more nursing homes in the nursing home business; (b) Extending operations into new areas in the in-home nursing care business while deepening roots in areas where operations already exist; (c) Expanding the meal service and meal delivery service operations in the food business; (d) Rental and sale of nursing care equipment; and (e) Make substantial investments to expand the nursing care business outside Japan.

(4) Challenges

Two goals of the LONGLIFE Group are increasing the occupancy rate in the nursing home business and adding more business sites for the in-home nursing care service. 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 train personnel. Accomplishing these goals will require the mutual growth and development of the nursing home business and in-home nursing care business.

The Group will take steps to raise the occupancy rate in the nursing home business and to conduct aggressive operations and improve profitability 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 LONGLIFE brand even more by conducting highly distinctive nursing home operations.

(a) 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 for two purposes. First is to prevent mistakes and improper behavior by employees when conducting business operations. Second is to establish an independent framework for overseeing business operations and an efficient administrative system.

(b) Recruit and train talented individuals

Recruiting and training talented individuals is vital to setting the LONGLIFE Group's services apart from those of competitors. For this strategic purpose, group companies will concentrate on using their own educational facilities and training programs to develop the capabilities of employees and enable employees to become managers with leadership skills. The Group positions recruiting activities as a one of its highest priorities. Improving the terms at which people are employed is one goal. Group companies are also giving their employees more career paths and offering more types of training programs. By taking these actions, the Group is committed to offering an appealing environment for workers and improving that environment in order to maintain a quality workforce.

(c) Establish a team care framework at nursing homes

The Group will use a service director system, management director system, GFCs* and other individuals with specialized skills in order to take a team approach for providing a broad range of support to residents in nursing homes.

(d) Opening more homes in the nursing home business

Pursuing a growth strategy that aims for growth in terms of scale and earnings is one of the Group's most important management objectives. The Group will use its expertise in operating nursing homes to increase occupancy rates by differentiating ourselves from competitors. We will operate these facilities as efficiently as possible.

(e) 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 even home-visit dental services and home-visit nursing. 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 LONGLIFE approach to nursing care that reflects traditional Japanese culture, the life style of each individual and other items. This approach allows providing new types of services that match the needs of people in Japan. The basis for these services is diversional therapy, which is a concept that originated in Australia. The Company 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)

	FY10/13 (As of Oct. 31, 2013)	FY10/14 (As of Oct. 31, 2014)
Assets		
Current assets		
Cash and deposits	1,125,502	1,692,287
Notes and accounts receivable-trade	1,486,120	1,452,615
Inventories	38,738	40,715
Deferred tax assets	82,546	111,728
Deposits paid	1,084,533	1,407,914
Other	204,955	202,037
Total current assets	4,022,397	4,907,299
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,312,485	5,858,133
Accumulated depreciation	(2,155,637)	(2,118,092)
Buildings and structures, net	4,156,847	3,740,040
Vehicles	5,756	4,956
Accumulated depreciation	(5,711)	(4,942)
Vehicles, net	44	13
Tools, furniture and fixtures	392,081	420,964
Accumulated depreciation	(307,601)	(331,812)
Tools, furniture and fixtures, net	84,480	89,152
Land	2,290,548	2,284,295
Lease assets	291,529	304,993
Accumulated depreciation	(116,537)	(172,677)
Lease assets, net	174,991	132,315
Construction in progress	-	15,320
Total property, plant and equipment	6,706,912	6,261,137
Intangible assets		
Goodwill	57,397	31,887
Other	22,857	24,996
Total intangible assets	80,254	56,883
Investments and other assets		
Investment securities	33,688	138,489
Stocks of subsidiaries and affiliates	13,767	13,767
Guarantee deposits	419,832	431,593
Long-term prepaid expenses	73,032	66,098
Claims provable in bankruptcy, claims provable in rehabilitation and other	200	-
Other	80,190	73,493
Allowance for doubtful accounts	(100)	-
Total investments and other assets	620,611	723,443
Total noncurrent assets	7,407,779	7,041,464
Total assets	11,430,176	11,948,764

(Thousands of yen)

	FY10/13 (As of Oct. 31, 2013)	FY10/14 (As of Oct. 31, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	146,314	104,054
Short-term loans payable	306,568	204,668
Current portion of long-term loans payable	626,380	533,443
Lease obligations	58,765	55,420
Accounts payable-other	325,855	309,516
Accrued expenses	479,368	504,484
Income taxes payable	142,576	170,280
Advances received	3,574,497	4,183,820
Provision for bonuses	155,445	226,445
Allowance for cancellation of contract	24,830	23,323
Other	68,707	118,745
Total current liabilities	5,909,307	6,434,201
Noncurrent liabilities		
Long-term loans payable	2,466,515	2,309,982
Lease obligations	125,505	90,523
Deferred tax liabilities	20,380	29,499
Provision for retirement benefits	45,787	-
Net defined benefit liability	-	42,208
Deferred revenue of home nursing care apart from general revenue	10,800	-
Asset retirement obligations	81,516	88,600
Other	14,382	9,163
Total noncurrent liabilities	2,764,887	2,569,976
Total liabilities	8,674,195	9,004,177
Net assets		
Shareholders’ equity		
Capital stock	100,000	100,000
Retained earnings	2,698,609	2,935,075
Treasury stock	(62,440)	(126,806)
Total shareholders’ equity	2,736,168	2,908,269
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,107	19,874
Foreign currency translation adjustment	13,071	16,154
Total accumulated other comprehensive income	18,178	36,028
Minority interests	1,634	288
Total net assets	2,755,981	2,944,586
Total liabilities and net assets	11,430,176	11,948,764

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	FY10/13 (Nov. 1, 2012 – Oct. 31, 2013)	FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)
Net sales	10,445,116	10,974,683
Cost of sales	8,095,263	8,451,683
Gross profit	2,349,853	2,522,999
Selling, general and administrative expenses	1,829,813	1,909,006
Operating income	520,039	613,993
Non-operating income		
Interest income	235	348
Dividends income	2,175	1,801
Contribution for tenants received	11,322	15,005
Revenue of facility usage charge	872	1,373
Subsidy income	6,830	6,615
Contribution in income	-	51,908
Other	7,338	8,950
Total non-operating income	28,773	86,003
Non-operating expenses		
Interest expenses	67,574	64,047
Commission paid	-	20,705
Equity in losses of affiliates	22,490	28,052
Other	3,937	1,708
Total non-operating expenses	94,002	114,514
Ordinary income	454,811	585,482
Extraordinary income		
Gain on sales of investment securities	35,113	-
Gain on forgiveness of debt	7,341	-
Gain on donation of cash	9,935	-
Total extraordinary income	52,390	-
Extraordinary loss		
Loss on sales of noncurrent assets	52,093	18,005
Loss on retirement of noncurrent assets	2,307	4,025
Impairment loss	18,327	8,064
Office relocation fee	-	3,442
Loss on cancellation of leasehold contracts	1,460	2,055
Loss on cancellation of lease contracts	1,203	124
Settlement package	9,836	7,500
Loss on litigation	11,281	1,110
Total extraordinary losses	96,510	44,329
Income before income taxes and minority interests	410,691	541,152
Income taxes-current	221,923	281,030
Income taxes-deferred	(11,827)	(28,941)
Total income taxes	210,095	252,088
Income before minority interests	200,595	289,063
Minority interests in loss	(365)	(1,345)
Net income	200,961	290,409

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY10/13 (Nov. 1, 2012 – Oct. 31, 2013)	FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)
Income before minority interests	200,595	289,063
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,657)	14,767
Share of other comprehensive income of associates accounted for using equity method	11,656	3,083
Total other comprehensive income	1,998	17,850
Comprehensive income	202,594	306,913
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	202,960	308,259
Comprehensive income attributable to minority interests	(365)	(1,345)

(3) Consolidated Statements of Changes in Net Assets

FY10/13(Nov. 1, 2012 – Oct. 31, 2013)

(Thousands of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	100,000	2,535,408	(62,440)	2,572,967
Changes of items during the period				
Retained earnings		(37,760)		(37,760)
Net income		200,961		200,961
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	163,200	-	163,200
Balance at the end of current period	100,000	2,698,609	(62,440)	2,736,168

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total changes of items during the period		
Balance at the beginning of current period	14,764	1,415	16,179	-	2,589,147
Changes of items during the period					
Retained earnings					(37,760)
Net income					200,961
Net changes of items other than shareholders' equity	(9,657)	11,656	1,998	1,634	3,632
Total changes of items during the period	(9,657)	11,656	1,998	1,634	166,833
Balance at the end of current period	5,107	13,071	18,178	1,634	2,755,981

FY10/14(Nov. 1, 2013 – Oct. 31, 2014)

(Thousands of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	100,000	2,698,609	(62,440)	2,736,168
Changes of items during the period				
Retained earnings		(53,943)		(53,943)
Net income		290,409		290,409
Treasury Stock			(64,365)	(64,365)
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	236,465	(64,365)	172,100
Balance at the end of current period	100,000	2,935,075	(126,806)	2,908,269

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total changes of items during the period		
Balance at the beginning of current period	5,107	13,071	18,178	1,634	2,755,981
Changes of items during the period					
Retained earnings					(53,943)
Net income					290,409
Treasury Stock					(64,365)
Net changes of items other than shareholders' equity	14,767	3,083	17,850	(1,345)	16,504
Total changes of items during the period	14,767	3,083	17,850	(1,345)	188,604
Balance at the end of current period	19,874	16,154	36,028	288	2,944,586

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY10/13 (Nov. 1, 2013 – Oct. 31, 2013)	FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	410,691	541,152
Depreciation and amortization	335,451	314,955
Amortization of long-term prepaid expenses	11,250	11,081
Amortization of goodwill	32,547	25,509
Impairment loss	18,327	8,064
Increase (decrease) in allowance for doubtful accounts	(905)	(100)
Increase (decrease) in deferred revenue of home nursing care apart from general revenue	(1,080)	(10,800)
Increase (decrease) in provision for bonuses	(16,753)	71,000
Increase (decrease) in allowance for cancellation of contract	19,308	(1,507)
Increase (decrease) in provision for retirement benefits	6,292	-
Increase (decrease) in net defined benefit liability	-	(3,579)
Interest and dividends income	(2,410)	(2,149)
Interest expenses	67,574	64,047
Equity in (earnings) losses of affiliates	22,490	28,052
Loss (gain) on sales of investment securities	(35,113)	-
Loss (gain) on sales of noncurrent assets	52,093	18,005
Loss on retirement of property, plant and equipment	2,307	4,025
Office relocation fee	-	3,442
Contributed income	-	(51,908)
Decrease (increase) in notes and accounts receivable-trade	(223,534)	33,704
Decrease (increase) in inventories	(17,734)	(1,976)
Decrease (increase) in deposits paid	(97,126)	(323,380)
Increase (decrease) in notes and accounts payable-trade	74,483	(42,260)
Increase (decrease) in accounts payable-other	(8,646)	105,958
Increase (decrease) in advances received	497,644	609,323
Increase (decrease) in accrued consumption taxes	4,861	51,937
Decrease (increase) in consumption taxes refund receivable	7,685	6,027
Other, net	(9,416)	29,525
Subtotal	1,150,287	1,488,151
Interest and dividends income received	2,410	2,149
Interest expenses paid	(68,622)	(63,621)
Amount of contributed receivable	-	51,908
Income taxes paid	(235,173)	(250,344)
Net cash provided by (used in) operating activities	848,901	1,228,244

(Thousands of yen)

	FY10/13 (Nov. 1, 2012 – Oct. 31, 2013)	FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)
Net cash provided by (used in) investing activities		
Payments into time deposits	(15,000)	(35,000)
Proceeds from withdrawal of time deposits	-	35,000
Purchase of investment securities	(22,859)	(81,331)
Proceeds from sales of investment securities	53,056	-
Purchase of property, plant and equipment	(793,275)	(471,442)
Proceeds from sales of property, plant and equipment	59,286	472,131
Purchase of intangible assets	(489)	(3,175)
Payments for lease and guarantee deposits	(22,920)	(26,315)
Proceeds from collection of lease and guarantee deposits	2,787	14,554
Purchase of long-term prepaid expenses	(13,275)	(6,380)
Purchase of stocks of subsidiaries and affiliates	(10,317)	-
Purchase of investment payments of subsidiaries and affiliates	-	(27,000)
Other, net	(24,688)	(4,410)
Net cash provided by (used in) investing activities	(787,696)	(133,369)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(357,100)	(101,900)
Proceeds from long-term loans payable	1,500,000	390,000
Repayment of long-term loans payable	(731,247)	(639,470)
Repayments of lease obligations	(53,148)	(59,051)
Redemption of bonds	(10,000)	-
Purchase of treasury stock	-	(64,365)
Cash dividends paid	(37,505)	(53,351)
Proceeds from stock issuance to minority shareholders	2,000	-
Net cash provided by (used in) financing activities	312,999	(528,137)
Effect of exchange rate change on cash and cash equivalents	0	47
Net increase (decrease) in cash and cash equivalents	374,204	566,784
Cash and cash equivalents at beginning of period	716,298	1,090,502
Cash and cash equivalents at end of period	1,090,502	1,657,287

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 7

Names of consolidated subsidiaries:

Japan Longlife Co., Ltd.
L Care Co., Ltd.
Kashidasu Co., Ltd.
Longlife Dining Co., Ltd.
Longlife Pharmacy Co., Ltd.
Longlife International Business Investment Co., Ltd.
Longlife Casita Co., Ltd.

In addition, on 1st January, 2014, “L Care Higashinihon Co., Ltd..”, was extinguished due to merger into our surviving consolidated subsidiary, “L Care Co., Ltd.”.

(2) Number of Non-consolidated subsidiaries: 1

Names of non-consolidated subsidiaries:

Qingdao Longlife Nursing Care Equipment Co., Ltd.

(Reason for exclusion from the scope of the consolidation)

Non-consolidated subsidiaries, is a small, total assets, sales, net income (equity in earnings) and retained earnings (equity in earnings), is relatively insignificant in the context of the consolidated financial statements. Even collectively, they do not have a material impact.

2. Application of the equity method

(1) Number of equity-method affiliates: 1

Name of equity-method affiliates:

HIKING (QINGDAO) LONGLIFE CARE SERVICE CO., LTD.

(2) Number of affiliates not accounted and Non-consolidated subsidiaries for by the equity method: 2

Name of affiliates not accounted and Non-consolidated subsidiaries for by the equity method:

Qingdao Longlife Nursing Care Equipment Co., Ltd.
Total Life Support Kenkyusho Co., Ltd.
PT. JABABEKA LONGLIFE CITY

Reason for exclusion from the scope of the application of the equity method

Qingdao Longlife Nursing Care Equipment Co., Ltd., Total Life Support Kenkyusho and PT. JABABEKA LONGLIFE CITY are excluded from the scope of the application of the equity method, since they have a very minor effect on net income/loss (equity in earnings/losses) and retained earnings (equity in earnings) and is relatively insignificant in the context of the consolidated financial statements. Even collectively, they do not have a material impact.

3. Fiscal years of consolidated subsidiaries

The fiscal years of consolidated subsidiaries end on the closing date of the consolidated financial statements.

4. Accounting standards

(1) Valuation standards and methods for principal assets

(a) Marketable securities

i) Stocks of subsidiaries and affiliates

Stated at cost determined by the moving-average method.

ii) Available-for-sale securities

Securities with market quotations are stated by the market value method based on market price, etc. 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.)

(b) Derivatives are valued by the market value method.

(c) Inventories

Merchandise is 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 are valued by the last purchase price method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

(2) Depreciation and amortization of significant depreciable assets

(a) Property, plant and equipment (excluding lease assets)

Depreciation of property, plant and equipment is computed by the declining-balance method.

However, depreciation of buildings (excluding attached structures) acquired on or after April 1, 1998 is computed by the straight-line method.

Useful lives of principal assets are as follows:

Buildings and structures:	3-50years
Tools, furniture and fixtures:	2-15 years

(b) Intangible assets (excluding lease assets)

Amortization of intangible assets is computed by the straight-line method.

Software for internal use is amortized over the expected useful lives of five years by the straight-line method.

(c) Lease assets

Lease assets associated with finance lease transaction where there is transfer of ownership are depreciated by the same method as depreciation method used for noncurrent assets held by the Company.

Lease assets associated with finance lease transaction where there is no transfer of ownership are depreciated by 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 October 31, 2008 is computed by an accounting method that is based on the method used for ordinary lease transactions.

(d) Long-term prepaid expenses are amortized by the straight-line method.

(3) Recognition of significant allowances

(a) Provision for bonuses

To provide for the payment of bonuses to employees, an amount accrued for the current fiscal year of the estimated future obligations is designated in the reserve account.

(b) 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) Accounting methods for retirement benefits

To provide for the payment of retirement benefits to 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 projected 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) Accounting for hedges

(a) Hedging method

Deferred hedge treatment is adopted. For interest rate swaps, the Company uses special treatment when the conditions are fulfilled.

(b) 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

(c) Hedging policy

Hedges are used to prevent changes in future cash flows caused by changes in interest rates.

(d) 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) Method and period of goodwill amortization

Goodwill is amortized by the straight-line method over a period of five years.

(7) Scope of cash and cash equivalents on the consolidated 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.

(8) Other significant accounting policies in the preparation of the consolidated 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” (deferred consumption taxes) in “Investments and other assets” and amortized over five years by the straight-line method.

Reclassifications

(Related to Consolidated Balance Sheets) With application of "Accounting Standard for Retirement Benefit" (ASBJ Statement No.26 on May 17,2012) and of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Statement No.25 on May 17,2012), "Provision for retirement benefits" presented in previous consolidated fiscal year has been presented as "Net defined benefit liability" from the current consolidated fiscal year. In accordance with transitional accounting as stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits.

(Related to Consolidated Statements of Cash Flows)

(1) With application of "Accounting Standards on Retirement Benefit" (Application Guideline 26 of 17 May 2012, hereinafter, "Accounting Standards of Retirement Benefits") and "Application Guideline of Retirement Benefits" (Application Guideline 25 of 17 May 2012, hereinafter, "Application Guideline of Retirement Benefits), "Increase (decrease) in provision for retirement benefits" presented in previous consolidated fiscal year has been presented as "Increase (decrease) in net defined benefit liability" from the current consolidated fiscal year. Application of Accounting Standards for Retirement Benefits", etc., have followed Transitional Treatment which Accounting Standards for Retirement Benefits, Article 37 set forth, have not been rearranged in the presentation.

(2) "Loss on cancel of lease contracts" of "Net cash provided by (used in) operating activities" which was stated separately in previous consolidated fiscal year, due to less relevance of amount, has been presented in "Other,net" from the current consolidated fiscal year. To reflect change of this presentation, we rearranged Consolidated Financial Statements of previous consolidated fiscal year. As a result, 1,203 thousand yen which was presented in "Loss on cancel of lease contracts" of "Net cash provided by (used in) operating activities" in the Consolidated Statements of Cash Flow of previous consolidated fiscal year, has been rearranged as "Other,net".

Segment and Other Information

a. Segment data

1. Overview of reportable segment

Segments used for financial reporting are the Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The LONGLIFE Group uses a pure holding company structure in which individual operating companies determine comprehensive strategies for their respective activities in Japan and other countries and conduct those activities.

Consequently, there are four reportable business segments that are determined by service categories based on the activities of operating companies: the nursing home business, the in-home nursing care business, the nursing care equipment business, and the food business.

2. Calculation methods for sales, profit (or loss), assets, liabilities, and other items for each reportable segment

The accounting methods for reportable segments are generally the same as those listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are generally ordinary income figures.

Inter-segment sales or transfers are based on market prices.

3. Information related to sales, profit (or loss), assets, liabilities, and other items for each reportable segment

FY10/12 (Nov. 1, 2012 – Oct. 31, 2013)

(Thousands of yen)

	Reportable segment					Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Subtotal		
Sales							
External sales	3,879,440	5,357,786	1,041,948	15,724	10,294,900	150,216	10,445,116
Inter-segment sales or transfers	12,200	5,138	53,208	408,166	478,713	2,254	480,967
Total	3,891,640	5,362,924	1,095,157	423,891	10,773,614	152,470	10,926,084
Segment profit (loss)	172,955	57,004	27,625	(2,840)	254,745	(26,727)	228,017
Segment assets	8,600,994	1,673,573	420,423	107,696	10,802,688	148,611	10,951,299
Other items							
Depreciation and amortization	228,570	65,071	27,083	2,743	323,469	1,475	324,944
Amortization of goodwill	-	7,037	-	-	7,037	-	7,037
Interest expenses	49,321	14,202	906	642	65,072	724	65,797
Impairment loss	18,327	-	-	-	18,327	-	18,327
Equity in losses of affiliates	-	-	-	-	-	22,490	22,490
Investment in equity-method affiliates	-	-	-	-	-	44,604	44,604
Increase in property, plant and equipment and intangible assets	979,108	164,487	25,030	902	1,169,529	9,496	1,179,026

Note: "Others" segment is not included in any of the reportable segments and includes dispensing pharmacy business, education and training business and investment business.

FY10/13 (Nov. 1, 2013 – Oct. 31, 2014)

(Thousands of yen)

	Reportable segment					Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Subtotal		
Sales							
External sales	4,000,008	5,569,644	1,177,879	32,947	10,780,480	194,203	10,974,683
Inter-segment sales or transfers	5,210	9,217	48,725	475,302	538,456	4,724	543,180
Total	4,005,218	5,578,862	1,226,605	508,249	11,318,936	198,927	11,517,863
Segment profit (loss)	293,467	150,933	66,229	21,052	531,683	(79,578)	452,105
Segment assets	9,193,039	1,994,017	388,360	130,550	11,705,967	233,008	11,938,976
Other items							
Depreciation and amortization	200,934	69,552	28,936	2,349	301,772	2,366	304,139
Amortization of goodwill	-	-	-	-	-	-	-
Interest expenses	49,215	11,807	1,233	457	62,713	2,101	64,814
Impairment loss	-	8,064	-	-	8,064	-	8,064
Equity in losses of affiliates	-	-	-	-	-	28,052	28,052
Investment in equity-method affiliates	-	-	-	-	-	19,634	19,634
Increase in property, plant and equipment and intangible assets	107,335	30,697	13,979	1,449	153,461	9,025	162,487

Note: "Others" segment is not included in any of the reportable segments and includes dispensing pharmacy business, education and training business and investment business.

4. Reconciliation of reported consolidated financial statements with total profit (or loss) for reportable segments

Reconciliation items (Thousands of yen)

Sales	FY10/13	FY10/14
Total for reportable segments	10,773,614	11,318,936
Sales attributable to “Others”	152,470	198,927
Eliminations for inter-segment transactions	(480,967)	(543,180)
Sales on the consolidated financial statements	10,445,116	10,974,683

(Thousands of yen)

Profit	FY10/13	FY10/14
Total for reportable segments	254,745	531,683
Profits attributable to “Others”	(26,727)	(79,578)
Adjustments on unrealized profits	152	149
Amortization of goodwill	(25,509)	(25,509)
Corporate revenue/expenses (note 1)	252,270	158,736
Others (note 2)	(118)	-
Ordinary income on the consolidated financial statements	454,811	585,482

Notes: 1. Corporate revenue/expenses represent consulting fee income from the group companies to the Company and costs of the Company for administration of the group companies.

2. “Other” is the write-down of depreciable assets resulting from revisions of book values based on the fair valuations of these assets.

(Thousands of yen)

Assets	FY10/13	FY10/14
Total for reportable segments	10,802,688	11,705,967
Assets attributable to the “Others”	148,611	233,008
Offsetting of receivables	(423,753)	(1,941,748)
Corporate assets (note)	902,630	1,951,536
Total assets on the consolidated financial statements	11,430,176	11,948,764

Note: Corporate assets represent the assets of the Company.

(Thousands of yen)

Other items	Total for reportable segments		Others		Adjustments		Amounts shown on consolidated financial statements	
	FY10/13	FY10/14	FY10/13	FY10/14	FY10/13	FY10/14	FY10/13	FY10/14
Depreciation and amortization	323,469	301,772	1,475	2,366	10,506	10,815	335,451	314,955
Amortization of goodwill	7,037	-	-	-	25,509	25,509	32,547	25,509
Interest expenses	65,072	62,713	724	2,101	1,777	(766)	67,574	64,047
Equity in losses of affiliates	-	-	22,490	28,052	-	-	22,490	28,052
Impairment loss	18,327	8,064	-	-	-	-	18,327	8,064
Investment in equity-method affiliates	-	-	44,604	19,634	-	-	44,604	19,634
Increase in property, plant and equipment and intangible assets	1,169,529	153,461	9,496	9,025	9,893	211,968	1,188,919	374,456

Notes: 1. Adjustments to depreciation and amortization consist of adjustments to corporate expenses and to unrealized profits.

2. Adjustments to amortization of goodwill are not allocated to reportable segments.

3. Adjustments to interest expenses are not allocated to reportable segments.

4. Adjustments to an increase in property, plant and equipment and intangible assets consist of the capital investments in the Company.

b. Related information

FY10/13 (Nov. 1, 2012 – Oct. 31, 2013)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

Not applicable since the Company has no external sales outside Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside Japan.

3. Information by major client

(Thousands of yen)

Company name	Net sales	Business segment
Osaka Federation of National Health Insurance Organizations	4,413,482	Nursing home, in-home nursing care, nursing care equipment

FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

Not applicable since the Company has no external sales outside Japan.

(2) Property, plant and equipment

.This information is omitted because the Company has no external sales outside Japan.

3. Information by major client

(Thousands of yen)

Company name	Net sales	Business segment
Osaka Federation of National Health Insurance Organizations	4,669,349	Nursing home, in-home nursing care, nursing care equipment

c. Information related to impairment of noncurrent assets for each reportable segment

FY10/13 (Nov. 1, 2012 – Oct. 31, 2013)

(Thousands of yen)

	Nursing home	In-home nursing care	Food	Nursing care equipment	Others	Elimination or corporate	Total
Impairment loss	18,327	-	-	-	-	-	18,327

FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)

(Thousands of yen)

	Nursing home	In-home nursing care	Food	Nursing care equipment	Others	Elimination or corporate	Total
Impairment loss	-	8,064	-	-	-	-	8,064

d. Information related to goodwill amortization and the unamortized balance for each reportable segment

FY10/13 (Nov. 1, 2012– Oct. 31, 2013)

(Thousands of yen)

	Nursing home	In-home nursing care	Food	Nursing care equipment	Others	Elimination or corporate	Total
Amortization for the period	-	7,037	-	-	-	25,509	32,547
Balance at end of period	-	-	-	-	-	57,397	57,397

Note: Elimination or corporate is the amortization of goodwill associated with the acquisition of stock of a subsidiary that cannot be allocated to any reportable segment.

FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)

(Thousands of yen)

	Nursing home	In-home nursing care	Food	Nursing care equipment	Others	Elimination or corporate	Total
Amortization for the period	-	-	-	-	-	25,509	25,509
Balance at end of period	-	-	-	-	-	31,887	31,887

Note: Elimination or corporate is the amortization of goodwill associated with the acquisition of stock of a subsidiary that cannot be allocated to any reportable segment.

e. Information related to gain on bargain purchase for each reportable segment

FY10/13 (Nov. 1, 2012 – Oct. 31, 2013)

Not applicable.

FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)

Not applicable.

Per Share Information

(Yen)

	FY10/13 (Nov. 1, 2012 – Oct. 31, 2013)	FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)
Net assets per share	255.30	278.06
Net income per share	18.63	27.32

Notes: 1. Diluted net income per share is not presented since the Company has no outstanding dilutive securities.

2. The following is a reconciliation of net income per share (Thousands of yen)

Items	FY10/13 (Nov. 1, 2012 – Oct. 31, 2013)	FY10/14 (Nov. 1, 2013 – Oct. 31, 2014)
Net income	200,961	290,409
Amounts not available to common shareholders	-	-
Net income available to common shares	200,961	290,409
Average number of common shares outstanding during the period	10,788,743 shares	10,629,484 shares

Subsequent Events

(Syndicate Loan Contract)

Based on the resolution of the board of directors held on 17 November, 2014, we have entered Syndicate Loan Contract to raise operational funds steadily and effectively.

(1) Date of contract: 26 November, 2014

(2) Financial Institutions: Kansai Urban Banking Corporation, The Osaka City Shinkin Bank

(3) Contract amount: 1,000 million yen

(4) Uses of funds: Long-term operational funds

(5) Loan period: From 28 November, 2014 to 30 November, 2024

(6) Assets pledged as securities: buildings of 6 homes which Japan Longlife Corporation owns,
book value of building: 1,667 million yen,
book value of land: 1,504 million yen

(7) Financial covenants: the total amount of net assets, equivalent to 75% of total amount of net assets in Non-Consolidated and Consolidated Balance Sheets of October 2013, or equivalent to 75% of total amount of net assets in Non-Consolidated and Consolidated Balance Sheets of the previous accounting term, or whichever amount is greater in Non-Consolidated and Consolidated Balance Sheets of accounting term of each year should be maintained. Operational losses and gains and ordinary losses and gains in Consolidated and Non-Consolidated Balance Sheets at the end of accounting term of each year should not be a loss for two consecutive terms.

5. Other

(1) Change in Directors

Not applicable.

(2) Other

Not applicable.

This summary 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.