

Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending October 31, 2017
(Three Months Ended January 31, 2017)

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)
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Scheduled date of filing of Quarterly Report: March 13, 2017

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on March 10, 2017 at 15:30 (GMT +9).

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

1. Consolidated Financial Results for the Three Months January 31, 2017 (Nov. 1, 2016 – Jan. 31, 2017)

(1) Consolidated results of operations

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jan. 31, 2017	2,892	7.6	96	81.4	75	208.5	(25)	-
Three months ended Jan. 31, 2016	2,687	(4.5)	53	(64.5)	24	(78.0)	(17)	-

Note: Comprehensive income (million yen)

Three months ended Jan. 31, 2017: (24) (- %)

Three months ended Jan. 31, 2016: (44) (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jan. 31, 2017	(2.44)	-
Three months ended Jan. 31, 2016	(1.64)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jan. 31, 2017	14,073	3,071	21.8	300.15
As of Oct. 31, 2016	14,794	3,173	21.5	310.08

Reference: Shareholders' equity (million yen)

As of Jan. 31, 2017: 3,071

As of Oct. 31, 2016: 3,173

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending Oct. 31, 2016	-	0.00	-	7.50	7.50
Fiscal year ending Oct. 31, 2017	-	-	-	-	-
Fiscal year ending Oct. 31, 2017 (forecasts)	-	0.00	-	8.00	8.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2017 (Nov. 1, 2016 – Oct. 31, 2017)

(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	5,960	8.0	180	35.9	150	80.0	30	188.1	2.91
Full year	12,500	8.0	700	32.4	630	40.0	330	50.4	31.98

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) 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

(4) Number of outstanding shares (common stock)

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

As of Jan. 31, 2017:11,190,400 shares As of Oct. 31, 2016:11,190,400 shares

2) Number of shares of treasury stock at end of period

As of Jan. 31, 2017:955,605 shares As of Oct. 31, 2016: 955,605 shares

3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2017:10,234,795 shares Three months ended Jan. 31, 2016:10,393,095 shares

Indication of quarterly review procedure implementation status

The current quarterly financial report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly consolidated financial statements have been completed.

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

Note concerning forward-looking statements

Forecasts of future performance in these materials are based on certain assumptions 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.

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1. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Not applicable.

(4) Additional information

(Application of ASBJ Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter ended January 31, 2017, the Company has applied the Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No.26, March 28, 2016)

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	FY10/16 (As of Oct. 31, 2016)	first quarter of FY10/17 (As of Jan. 31, 2017)
Assets		
Current assets		
Cash and deposits	2,428,006	2,113,347
Notes and accounts receivable-trade	1,525,821	1,433,439
Inventories	54,100	52,519
Deferred tax assets	107,747	36,226
Deposits paid	1,582,325	1,369,058
Other	362,768	373,545
Total current assets	6,060,769	5,378,136
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,023,393	7,039,203
Accumulated depreciation	(2,478,327)	(2,539,612)
Buildings and structures, net	4,545,065	4,499,591
Vehicles	5,516	4,830
Accumulated depreciation	(4,982)	(4,334)
Vehicles, net	533	495
Tools, furniture and fixtures	543,701	547,855
Accumulated depreciation	(359,341)	(367,743)
Tools, furniture and fixtures, net	184,359	180,112
Land	2,974,779	2,977,259
Lease assets	325,741	325,741
Accumulated depreciation	(263,612)	(270,439)
Lease assets, net	62,128	55,302
Construction in progress	75,252	88,516
Total property, plant and equipment	7,842,118	7,801,277
Intangible assets		
Other	25,364	23,620
Total intangible assets	25,364	23,620
Investments and other assets		
Investment securities	100,168	104,085
Stocks of subsidiaries and affiliates	0	0
Guarantee deposits	557,783	558,225
Long-term prepaid expenses	57,666	59,966
Other	150,643	148,420
Total investments and other assets	866,262	870,698
Total noncurrent assets	8,733,745	8,695,595
Total assets	14,794,515	14,073,732

	(Thousands of yen)	
	FY10/16 (As of Oct. 31, 2016)	first quarter of FY10/17 (As of Jan. 31, 2017)
Liabilities		
Current liabilities		
Accounts payable-trade	177,806	133,242
Short-term loans payable	170,000	170,000
Current portion of long-term loans payable	454,312	526,328
Lease obligations	26,964	25,236
Accounts payable-other	651,711	322,632
Accrued expenses	538,560	501,257
Income taxes payable	81,557	25,380
Advances received	5,315,225	5,273,576
Provision for bonuses	269,633	100,487
Allowance for cancellation of contract	17,651	8,819
Other	95,871	96,301
Total current liabilities	7,799,294	7,183,261
Noncurrent liabilities		
Long-term loans payable	3,592,104	3,587,762
Lease obligations	40,966	35,014
Deferred tax liabilities	26,448	28,769
Net defined benefit liability	67,766	71,748
Asset retirement obligations	92,387	93,426
Other	1,925	1,800
Total noncurrent liabilities	3,821,598	3,818,521
Total liabilities	11,620,892	11,001,783
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Retained earnings	3,307,006	3,205,239
Treasury stock	(251,175)	(251,175)
Total shareholders' equity	3,155,831	3,054,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,482	21,575
Foreign currency translation adjustment	(3,690)	(3,690)
Total accumulated other comprehensive income	17,791	17,884
Total net assets	3,173,622	3,071,948
Total liabilities and net assets	14,794,515	14,073,732

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
**Quarterly Consolidated Statements of Income
(For the Three-month Period)**

(Thousands of yen)

	First Three months of FY10/16 (Nov. 1, 2015 – Jan. 31, 2016)	First Three months of FY10/17 (Nov. 1, 2016 – Jan. 31, 2017)
Net sales	2,687,456	2,892,599
Cost of sales	2,059,529	2,220,563
Gross profit	627,926	672,035
Selling, general and administrative expenses	574,921	575,890
Operating income	53,004	96,145
Non-operating income		
Interest income	0	132
Dividends income	402	448
Foreign exchange gains	142	34
Contribution for tenants received	3,591	4,401
Revenue of facility usage charge	228	228
Other	962	361
Total non-operating income	5,327	5,607
Non-operating expenses		
Interest expenses	15,217	15,243
Commission fee	11,826	10,457
Share of loss of entities accounted for using equity method	6,245	—
Other	730	1,050
Total non-operating expenses	34,020	26,750
Ordinary income	24,312	75,002
Extraordinary income		
Gain on sales of investments in capital of subsidiaries and associates	108,360	—
Gain on sales of non-current assets	—	1
Total extraordinary income	108,360	1
Extraordinary losses		
Loss on retirement of non-current assets	—	163
Total extraordinary losses	—	163
Income before income taxes and minority interests	132,672	74,841
Income taxes-current	37,021	29,318
Income taxes-deferred	112,693	70,528
Total income taxes	149,714	99,846
Profit (loss)	(17,042)	(25,005)
Profit (loss) attributable to owners of parent	(17,042)	(25,005)

Quarterly Consolidated Statements of Comprehensive Income
(For the Three-month Period)

(Thousands of yen)

	First three months of FY10/16 (Nov. 1, 2015 – Jan. 31, 2016)	First three months of FY10/17 (Nov. 1, 2016 – Jan. 31, 2017)
Profit (loss)	(17,042)	(25,005)
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,603)	92
Share of other comprehensive income of entities accounted for using equity method	(20,760)	-
Total other comprehensive income	(27,364)	92
Comprehensive income	(44,406)	(24,913)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(44,406)	(24,913)
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

I. First three months of FY10/16 (Nov. 1, 2015 – Jan. 31, 2016)

1. Information related to sales and profit (or loss) for each reportable segment

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	990,815	1,331,691	282,076	17,417	-	2,622,001	65,455	2,687,456
Inter-segment sales or transfers	-	117	12,717	138,100	-	150,934	4,558	155,493
Total	990,815	1,331,808	294,793	155,518	-	2,772,936	70,013	2,842,949
Segment profit (loss)	(35,370)	(5,468)	13,484	8,708	(26,109)	(44,755)	(5,017)	(49,773)

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

2. Reconciliation of reported quarterly consolidated statements of income with total profit (or loss) for reportable segments

Reconciliation items

(Thousands of yen)

Profit	Amount
Total for reportable segments	(44,755)
Profits (losses) attributable to "Others"	(5,017)
Adjustments on unrealized profits	35
Amortization of goodwill	(6,377)
Corporate revenue/expenses (note)	80,426
Ordinary income on the quarterly consolidated statements of income	24,312

Note: 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.

3. Information related to impairment losses on noncurrent assets, goodwill, etc. for each reportable segment

Not applicable.

II. First three months of FY10/17 (Nov. 1, 2016 – Jan. 31, 2017)

1. Information related to sales and profit (or loss) for each reportable segment

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	1,051,196	1,409,860	325,043	16,886	17,375	2,820,363	72,235	2,892,599
Inter-segment sales or transfers	-	404	12,914	149,550	407	163,276	10,431	173,708
Total	1,051,196	1,410,265	337,957	166,437	17,783	2,983,640	82,666	3,066,307
Segment profit (loss)	469	32,170	13,496	4,943	(64,464)	(13,384)	4,245	(9,139)

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

2. Reconciliation of reported quarterly consolidated statements of income with total profit (or loss) for reportable segments

Reconciliation items

(Thousands of yen)

Profit	Amount
Total for reportable segments	(13,384)
Profits (losses) attributable to "Others"	4,245
Adjustments on unrealized profits	35
Corporate revenue/expenses (note)	83,956
Other	150
Ordinary income on the quarterly consolidated statements of income	75,002

Note: 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.

3. Information related to impairment losses on noncurrent assets, goodwill, etc. for each reportable segment

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.

This summary report has been translated from a part of the Japanese original.