

**Summary of Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending October 31, 2019**  
**(Three Months Ended January 31, 2019)**

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)  
 Stock code: 4355 URL: <http://www.longlife-holding.co.jp>  
 Representative: Masakazu Endo, CEO  
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Scheduled date of filing of Quarterly Report: March 14, 2019

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 8, 2019 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, 2019 (Nov. 1, 2018 – Jan. 31, 2019)**

## (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, 2019	3,253	2.7	(35)	—	(60)	—	(189)	—
Three months ended Jan. 31, 2018	3,166	9.3	105	4.8	(87)	—	(137)	—

Note: Comprehensive income (million yen) Three months ended Jan. 31, 2019: (200) (- %)

Three months ended Jan. 31, 2018: (146) (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jan. 31, 2019	(18.49)	—
Three months ended Jan. 31, 2018	(13.44)	—

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jan. 31, 2019	17,137	2,849	16.6	278.46
As of Oct. 31, 2018	16,609	3,132	18.9	306.08

Reference: Shareholders' equity (million yen) As of Jan. 31, 2019: 2,849 As of Oct. 31, 2018: 3,132

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending Oct. 31, 2018	-	0.00	-	8.00	8.00
Fiscal year ending Oct. 31, 2019	-				
Fiscal year ending Oct. 31, 2019 (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, 2019 (Nov. 1, 2018 – Oct. 31, 2019)

(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	6,620	3.8	150	(15.3)	110	—	(55)	-	(5.37)
Full year	14,100	9.6	420	42.1	340	764.4	85	-	8.31

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, 2019: 11,190,400 shares As of Oct. 31, 2018: 11,190,400 shares

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

As of Jan. 31, 2019: 955,605 shares As of Oct. 31, 2018: 955,605 shares

3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2019: 10,234,795 shares Three months ended Jan. 31, 2018: 10,234,795 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.

**1. Matters Related to Summary Information (Notes)**

**(1) Notes on Going Concern Assumption**

Not applicable

**(2) Notes on Significant Changes in Shareholders' Equity**

Not applicable

**(3) Changes in Significant Subsidiaries during the Period**

Not applicable.

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

Not applicable.

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

Not applicable.

**(6) Additional Information**

(Adoption of 'Partial Amendments to Accounting Standards concerning Tax Effect Accounting')

The 'Partial Amendments to Accounting Standards concerning Tax Effect Accounting' (Accounting Standards Board of Japan ('ASBJ') Statement No. 28, issued on February 16, 2018), etc. was adopted from the beginning of the first quarter.

Thus, the Company classifies deferred tax assets as investments and other assets, and deferred tax liabilities as non-current liabilities.

**2. Quarterly Consolidated Financial Statements**

**(1) Quarterly Consolidated Balance Sheets**

(Thousands of yen)

	FY10/18 (As of Oct. 31, 2018)	first quarter of FY10/19 (As of Jan. 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	1,279,263	1,274,104
Notes and accounts receivable-trade	1,682,523	1,677,753
Inventories	217,871	219,812
Deposits paid	1,140,345	1,179,586
Other	409,351	419,372
Allowance for doubtful accounts	(11,732)	(11,732)
<b>Total current assets</b>	<b>4,717,622</b>	<b>4,758,895</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,809,438	8,596,938
Accumulated depreciation	(2,977,119)	(2,898,653)
Buildings and structures, net	5,832,318	5,698,285
Vehicles	16,807	16,606
Accumulated depreciation	(11,213)	(11,581)
Vehicles, net	5,594	5,024
Tools, furniture and fixtures	799,330	764,572
Accumulated depreciation	(487,144)	(467,608)
Tools, furniture and fixtures, net	312,185	296,964
Land	3,679,322	3,679,322
Lease assets	340,413	340,413
Accumulated depreciation	(307,074)	(311,430)
Lease assets, net	33,338	28,982
Construction in progress	914,418	1,541,252
<b>Total property, plant and equipment</b>	<b>10,777,178</b>	<b>11,249,832</b>
Intangible assets		
Goodwill	—	34,533
Other	46,499	44,475
<b>Total intangible assets</b>	<b>46,499</b>	<b>79,008</b>
Investments and other assets		
Investment securities	126,031	102,482
Shares of subsidiaries and associates	0	0
Guarantee deposits	740,594	741,867
Long-term prepaid expenses	57,097	56,463
Deferred tax assets	20,104	20,252
Other	124,605	128,831
<b>Total investments and other assets</b>	<b>1,068,433</b>	<b>1,049,897</b>
<b>Total noncurrent assets</b>	<b>11,892,111</b>	<b>12,378,738</b>
<b>Total assets</b>	<b>16,609,734</b>	<b>17,137,633</b>

	(Thousands of yen)	
	FY10/18 (As of Oct. 31, 2018)	first quarter of FY10/19 (As of Jan. 31, 2019)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	191,102	195,415
Short-term loans payable	551,200	170,000
Current portion of long-term loans payable	378,660	428,660
Lease obligations	14,475	11,945
Accounts payable-other	396,653	653,660
Accrued expenses	585,298	574,931
Income taxes payable	20,546	36,697
Advances received	5,353,030	5,299,072
Provision for bonuses	96,536	88,926
Allowance for cancellation of contract	14,554	11,642
Other	71,653	132,439
<b>Total current liabilities</b>	<b>7,673,710</b>	<b>7,603,389</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	5,540,135	6,432,370
Lease obligations	17,353	14,885
Deferred tax liabilities	22,016	15,523
Net defined benefit liability	99,728	106,266
Asset retirement obligations	112,905	102,517
Other	11,197	12,744
<b>Total noncurrent liabilities</b>	<b>5,803,336</b>	<b>6,684,306</b>
<b>Total liabilities</b>	<b>13,477,046</b>	<b>14,287,696</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	100,000	100,000
Retained earnings	3,245,695	2,974,587
Treasury stock	(251,175)	(251,175)
<b>Total shareholders' equity</b>	<b>3,094,520</b>	<b>2,823,412</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	40,742	28,512
Foreign currency translation adjustment	(2,575)	(1,987)
<b>Total accumulated other comprehensive income</b>	<b>38,167</b>	<b>26,524</b>
<b>Total net assets</b>	<b>3,132,687</b>	<b>2,849,937</b>
<b>Total liabilities and net assets</b>	<b>16,609,734</b>	<b>17,137,633</b>

**(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 FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)	First Three months of FY10/19 (Nov. 1, 2018 – Jan. 31, 2019)
Net sales	3,166,359	3,253,022
Cost of sales	2,474,001	2,618,332
Gross profit	692,358	634,689
Selling, general and administrative expenses	586,962	670,023
Operating income (loss)	105,395	(35,334)
Non-operating income		
Interest income	20	24
Dividends income	559	637
Insurance income	108	1,467
Other	1,501	4,534
Total non-operating income	2,190	6,664
Non-operating expenses		
Interest expenses	19,878	21,034
Commission fee	144,235	6,647
Taxes and dues	19,722	—
Share of loss of entities accounted for using equity method	128	—
Other	11,098	4,120
Total non-operating expenses	195,063	31,801
Ordinary loss	(87,477)	(60,471)
Extraordinary losses		
Impairment loss	—	94,186
Loss on valuation of investment securities	—	5,323
Other	1,151	3,821
Total extraordinary losses	1,151	103,330
Income before income taxes and minority interests	(88,629)	(163,801)
Income taxes-current	10,331	25,609
Income taxes-deferred	38,604	(182)
Total income taxes	48,936	25,427
Profit (loss)	(137,565)	(189,229)
Profit (loss) attributable to owners of parent	(137,565)	(189,229)

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

(Thousands of yen)

	First three months of FY10/18 (Nov. 1, 2017– Jan. 31, 2018)	First three months of FY10/19 (Nov. 1, 2018– Jan. 31, 2019)
Profit (loss)	(137,565)	(189,229)
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,081)	(12,230)
Foreign currency translation adjustment	920	587
Share of other comprehensive income of entities accounted for using equity method	128	—
Total other comprehensive income	(9,032)	(11,642)
Comprehensive income	(146,597)	(200,871)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(146,597)	(200,871)
Comprehensive income attributable to non-controlling interests	—	—

**(3) Segment and Other Information**

I. First three months of FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)

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	1,081,186	1,417,697	400,251	23,625	64,395	2,987,156	179,203	3,166,359
Inter-segment sales or transfers	—	443	13,162	160,510	314	174,430	4,753	179,184
Total	1,081,186	1,418,141	413,413	184,136	64,709	3,161,587	183,957	3,345,544
Segment profit (loss)	(17,607)	2,084	7,442	11,241	(20,675)	(17,513)	(8,169)	(25,683)

Note: “Others” segment is not included in any of the reportable segments and includes dispensing pharmacy business, healthcare 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	(17,513)
Profits (losses) attributable to “Others”	(8,169)
Adjustments on unrealized profits	35
Corporate revenue/expenses (note)	(64,456)
Other	2,626
Ordinary loss on the quarterly consolidated statements of income	(87,477)

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 FY10/19(Nov. 1, 2018– Jan. 31, 2019)

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	1,134,660	1,382,986	363,073	21,610	111,858	3,014,189	238,832	3,253,022
Inter-segment sales or transfers	900	818	23,522	163,788	340	189,369	3,688	193,058
Total	1,135,560	1,383,804	386,596	185,399	112,199	3,203,559	242,521	3,446,081
Segment profit (loss)	(78,812)	(18,014)	(6,284)	2,688	(16,248)	(116,671)	610	(116,060)

Note: “Others” segment is not included in any of the reportable segments and includes dispensing pharmacy business, healthcare business, investment business, and consulting 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	(116,671)
Profits (losses) attributable to “Others”	610
Adjustments on unrealized profits	35
Corporate revenue/expenses (note)	56,354
Other	(801)
Ordinary loss on the quarterly consolidated statements of income	(60,471)

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.*