December 9, 2011

Summary of Consolidated Financial Results for the Fiscal Year Ended October 31, 2011

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Osaka Securities Exchange (JASDAQ)
Stock code: 4355 URL: http://longlife-holding.co.jp
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Scheduled date of Annual General Meeting of Shareholders: January 27, 2012
Scheduled date of filing of Annual Securities Report: January 27, 2012
Scheduled date of payment of dividend: January 13, 2012
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 9, 2011 at 15:30 (GMT +8).

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

1. Consolidated Financial Results for the Fiscal Year Ended October 31, 2011
(November 1, 2010 – October 31, 2011)

(1) Consolidated results of operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Oct. 31, 2011	9,442	16.7	202	(49.1)	200	(45.7)	(151)	-
Fiscal year ended Oct. 31, 2010	8,088	(0.7)	397	3.4	368	7.6	158	43.5

Comprehensive income (million yen) FY2011: (140) (n.a.) FY2010: 159 (n.a.)

	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, 2011	(14.02)	-	(6.1)	2.1	2.1
Fiscal year ended Oct. 31, 2010	2,931.21	-	6.3	4.1	4.9

Reference: Investment gain (loss) by equity method (million yen) FY2011: - FY2010: -

Note: There was a 1-to-200 split of common stock on May 1, 2011. Net income per share for the current fiscal year is calculated based on the number of shares after this split.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2011	9,697	2,402	24.8	222.69
As of Oct. 31, 2010	9,185	2,569	28.0	47,635.50

Reference: Shareholders' equity (million yen) Oct. 31, 2011: 2,402 Oct. 31, 2010: 2,569

Note: There was a 1-to-200 split of common stock on May 1, 2011. Net assets per share for the current fiscal year is calculated based on the number of shares after this split.

(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, 2011	(56)	(656)	246	903
Fiscal year ended Oct. 31, 2010	417	(86)	180	1,370

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Yearend	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Oct. 31, 2010	-	0.00	-	500.00	500.00	26	17.1	1.1
Fiscal year ended Oct. 31, 2011	-	0.00	-	2.50	2.50	26	-	1.1
Fiscal year ending Oct. 31, 2012 (forecasts)	-	0.00	-	3.50	3.50		27.0	

Note: There was a 1-to-200 split of common stock on May 1, 2011. Dividend per share for the fiscal year under review and dividend per share forecast for the fiscal year ending in October 2012 are calculated based on the number of shares after this stock split.

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2012 (November 1, 2011 – October 31, 2012)

(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	5,000	12.6	170	81.9	160	85.6	60	-	5.56
Full year	10,500	11.2	400	97.7	380	89.8	140	-	12.98

Note: There was a 1-to-200 split of common stock on May 1, 2011. Net income per share for the first half of the fiscal year under review and net income per share forecast for the fiscal year ending in October 2012 are calculated based on the number of shares after this stock split.

4. Others

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

Newly added: 3 (Nihonbicoh Corporation, Kashidasu Co., Ltd., L Care Tohoku Co., Ltd.) Excluded: 0

Please refer to “2. Corporate Group” on page 6 for further information.

(2) Changes in accounting principles, procedures, presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Please refer to “(7) Changes in Significant Accounting Policies in the Preparation of Consolidated Financial Statements” on page 21 for further information.

(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, 2011: 11,190,400 shares As of Oct. 31, 2010: 55,952 shares

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

As of Oct. 31, 2011: 401,657 shares As of Oct. 31, 2010: 2,008 shares

3) Average number of shares outstanding during the period

Fiscal year ended Oct. 31, 2011: 10,788,780 shares Fiscal year ended Oct. 31, 2010: 54,093 shares

For reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended October 31, 2011 (November 1, 2010 – October 31, 2011)

(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, 2011	483	0.1	81	(38.9)	80	(40.2)	43	(45.2)
Fiscal year ended Oct. 31, 2010	482	(19.5)	132	(43.4)	134	(43.9)	79	(70.8)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Oct. 31, 2011	4.04	-
Fiscal year ended Oct. 31, 2010	1,470.76	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2011	735	501	68.1	46.46
As of Oct. 31, 2010	511	473	92.6	8,777.34

Reference: Shareholders' equity (million yen) Oct. 31, 2011: 501 Oct. 31, 2010: 473

2. Non-consolidated Forecast for the Fiscal Year Ending October 31, 2012 (November 1, 2011 – October 31, 2012)

(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	290	13.4	70	28.6	30	0.5	2.78
Full year	580	20.0	150	86.1	65	49.0	6.02

Indication of audit procedure implementation status

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

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

Note concerning forward-looking statements

1. Forecasts of future performance in these materials are based on 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. Please refer to "1. Business Results (1) Analysis of business results" on page 2 for assumptions for forecasts and notes of caution for usage.

How to view supplementary information about performance

2. LONGLIFE HOLDING Co., Ltd. plans to hold an information meeting for results of operations for analysts and institutional investors on Friday, December 16, 2011. Materials distributed at this event are to be posted on the company's website without delay after the meeting.
3. There was a 1-to-200 split of common stock on May 1, 2011.

Contents of Attachments

1. Business Results

(1) Analysis of business results

During the fiscal year that ended on October 31, 2011, the Japanese economy recovered at a moderate pace as manufacturing output and exports rebounded because of economic growth in emerging countries. However, the outlook is still uncertain for a number of reasons. Most significant are the rising cost of crude oil due to instability in the Middle East, the massive damage from the Great East Japan Earthquake and nuclear power plant accident that followed, the historic strength of the yen, and mounting worries about slowing global economic growth starting with Europe and the United States.

In the nursing care services sector, Japan’s amended Long-Term Care Insurance Act was passed in June 2011. Several new services were created as a result. One is periodic and/or as-requested home-visit nursing care on a 24-hour basis. Another is a composite service in which a single location offers both care of home-visit nursing and multifunctional long-term care in a small group home. In addition, there are extensive discussions now in the public and private sectors about upcoming revisions to Japan’s nursing care insurance system in 2012. Debates are centered on how to improve nursing care payments and salaries for nursing care personnel under the new system.

At the LONGLIFE Group (Longlife Holding Co., Ltd. and its consolidated subsidiaries) consolidated net sales increased 16.7% to 9,442 million yen mainly because of strong nursing home sales in the nursing home business, the opening of new facilities by L Care Co., Ltd. in the in-home nursing care business, and the acquisition of Nihonbicoh Corporation, which operates an in-home nursing care business in Chiba prefecture. However, operating income fell 49.1% to 202 million yen and ordinary income was down 45.7% to 200 million yen. After an extraordinary loss of 185 million yen for impairment losses, there was a net loss of 151 million yen compared with net income of 158 million yen one year earlier.

Business segment performance was as follows.

1) Nursing home business

At the end of the current fiscal year, the nursing home business was operating 18 nursing homes with a total of 723 rooms for residents. The occupancy rate was 74.4% as of October 31, 2011 as these homes continued to attract new residents.

The Group plans to further increase sales activities in order to achieve an even higher occupancy rate.

Sales were 4,293 million yen and ordinary income was 133 million yen.

2) In-home nursing care business

In the in-home nursing care business, the LONGLIFE Group expanded its activities in the Tokyo metropolitan area by purchasing all shares of Nihonbicoh Corporation on February 1, 2011 and thus making it a consolidated subsidiary. This acquisition is producing synergies with the nursing home business. At the end of the current fiscal year, there were 142 in-home nursing care locations. In addition, the Group played a part in improving the quality of life in the Tohoku region, which was devastated by the Great East Japan Earthquake of March 11, 2011, by using its nursing care operations to provide this service to a large number of seniors. To help provide jobs for residents of the areas affected by the earthquake, L Care Tohoku Co., Ltd. was established as a consolidated subsidiary on May 2, 2011.

Sales were 5,086 million yen and ordinary income was 30 million yen.

3) Food service business

This business mainly involves the preparation of meals which are served at the Group’s 29 nursing home. The Group is making 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 were 668 million yen and ordinary income was 21 million yen.

4) Nursing care equipment business

Kashidasu Co., Ltd. was established on February 15, 2011 as a consolidated subsidiary. 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. The Group plans to expand operations to include the rental of nursing care equipment that is not covered by nursing care insurance.

Due to up-front expenses associated with the start of this business, there was an ordinary loss of 36 million yen while sales totaled 48 million yen.

Regarding the outlook for the fiscal year ending on October 31, 2012, 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 LONGLIFE Group will concentrate on expanding and upgrading all of the Group's business operations by utilizing the nursing care business know-how and experience gained since the Group's inception. The Group plans to develop new markets and create new services involving senior services with a focus on the nursing care business. In the nursing home business, the Group's highest priority is increasing the occupancy rate at existing facilities. In addition, preparations are under way for a nursing home in the city of Nishinomiya in Hyogo prefecture to begin operating in the spring of 2012 and another nursing home in Ukyo-ku in the city of Kyoto that is slated to open in the fall of 2012. In the in-home nursing care business, the goal is to use the market domination strategy to extend operations to more areas of Japan by opening more facilities for daytime care service and helper station facilities. Another goal in this business is offering services that are not covered by nursing care insurance.

In China, a joint venture established with the Hiking Group, which is a corporate group located in China, has started operating the Hiking Long Life International Nursing Care Center. The objective is to provide high-quality nursing care services in China. Based on this outlook, the Group forecasts net sales of 10,500 million yen, operating income of 400 million yen, ordinary income of 380 million yen and net income of 140 million yen in the fiscal year ending on October 31, 2012.

(2) Analysis of financial position

1) Assets, liabilities and net assets

Total assets were 9,697 million yen at the end of the fiscal year, 511 million yen higher than at the end of the previous fiscal year.

Current assets decreased 46 million yen to 3,256 million yen. This was primarily attributable to increases of 287 million yen in notes and accounts receivable-trade and 190 million yen in deposits paid, and decreases of 466 million yen in cash and deposits and 41 million yen in deferred tax assets.

Noncurrent assets increased 558 million yen to 6,440 million yen. The primary causes were increases of 403 million yen in property, plant and equipment, 29 million yen in intangible assets and 83 million yen in investments in capital of subsidiaries and affiliates which is included in the item of other stated under investments and other assets.

Current liabilities increased 474 million yen to 5,884 million yen. This was mainly increases of 193 million yen in short-term loans payable, 410 million yen in current portion of long-term loans payable and 80 million yen in accrued expenses, and decreases of 121 million yen in provision for loss on litigation and 113 million yen in advances received.

Noncurrent liabilities increased 204 million yen to 1,410 million yen mainly because of increases of 112 million yen in lease obligations, 69 million yen in asset retirement obligations and 49 million yen in deferred tax liabilities, and a decrease of 71 million yen in long-term loans payable.

Net assets decreased 167 million yen from the end of the previous fiscal year to 2,402 million yen, and the equity ratio was 24.8% at the end of the current fiscal year.

2) Consolidated cash flows

There was a net decrease of 466 million yen in cash and cash equivalents from the end of the previous fiscal year to 903 million yen at the end of the fiscal year.

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

Cash flows from operating activities

Net cash used in operating activities was 56 million yen compared with 417 million yen provided one year earlier.

The major sources of cash were depreciation and amortization of 243 million yen, amortization of goodwill of 103 million yen and impairment loss of 185 million yen. The major uses of cash were increases of 114 million yen in notes and accounts receivable-trade and 190 million yen in deposits paid, a decrease of 114 million yen in advances received, and 130 million yen of income taxes paid.

Cash flows from investing activities

Net cash used in investing activities was 656 million yen compared with 86 million yen used one year earlier.

Cash was mainly used for payments of 476 million yen for the purchase of property, plant and equipment and 120 million yen in purchase of investments in subsidiaries resulting in change in scope of consolidation.

Cash flows from financing activities

Net cash provided by financing activities was 246 million yen compared with 180 million yen provided one year earlier.

The major sources of cash were proceeds of 760 million yen from long-term loans payable and a net increase of 193 million yen in short-term loans payable. The major use of cash was repayments of 635 million yen in long-term loans payable.

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

	FY2010	FY2011
Shareholders' equity ratio (%)	28.0	24.8
Shareholders' equity ratio based on market value (%)	16.8	15.7
Interest-bearing debt to cash flow ratio (years)	5.4	-
Interest coverage ratio (times)	8.8	-

Shareholders' equity ratio = Shareholders' equity / Total assets

Shareholders' equity ratio based on market value = Closing share price at period end × Outstanding shares at period end (excluding treasury stock) / Total assets

Interest-bearing debt to cash flow ratio = Interest-bearing debt / Operating cash flows

Interest coverage ratio = Operating cash flows / Interest payments

Notes:
1. All indices are calculated based on consolidated figures.
2. Interest-bearing debt includes all debt on the consolidated balance sheets that incur interest. Interest payments use the amount of interest expenses paid stated on the consolidated cash flow statements.
3. The interest-bearing debt to cash flow ratio and interest coverage ratio are not shown for FY2011 because operating cash flows were negative in this fiscal year.

(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 LONGLIFE Group. The basic policy is to pay a stable dividend that reflects results of operations while retaining sufficient earnings to expand business operations. In accordance with this policy, a dividend of 2.5 yen per share will be paid for the fiscal year ended on October 31, 2011 by taking into consideration the operating environment and other factors. For the fiscal year ending on October 31, 2012, a dividend of 3.5 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 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 LONGLIFE 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 status of business operations of the LONGLIFE Group.

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 business operations of the LONGLIFE Group.

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 or customers or may require more sophisticated security systems. In addition, unauthorized access to information by an external party or the improper management of information by employees may result in a leak of customer information. If this occurs, the Group may suffer from a loss of public trust or be subject to litigation demanding the payment of damages.

3) Recruiting activities

The Group had a workforce of 698 at the end of October 2011 as well as 1,709 temporary workers (the average for the past year).

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

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

2. Corporate Group

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

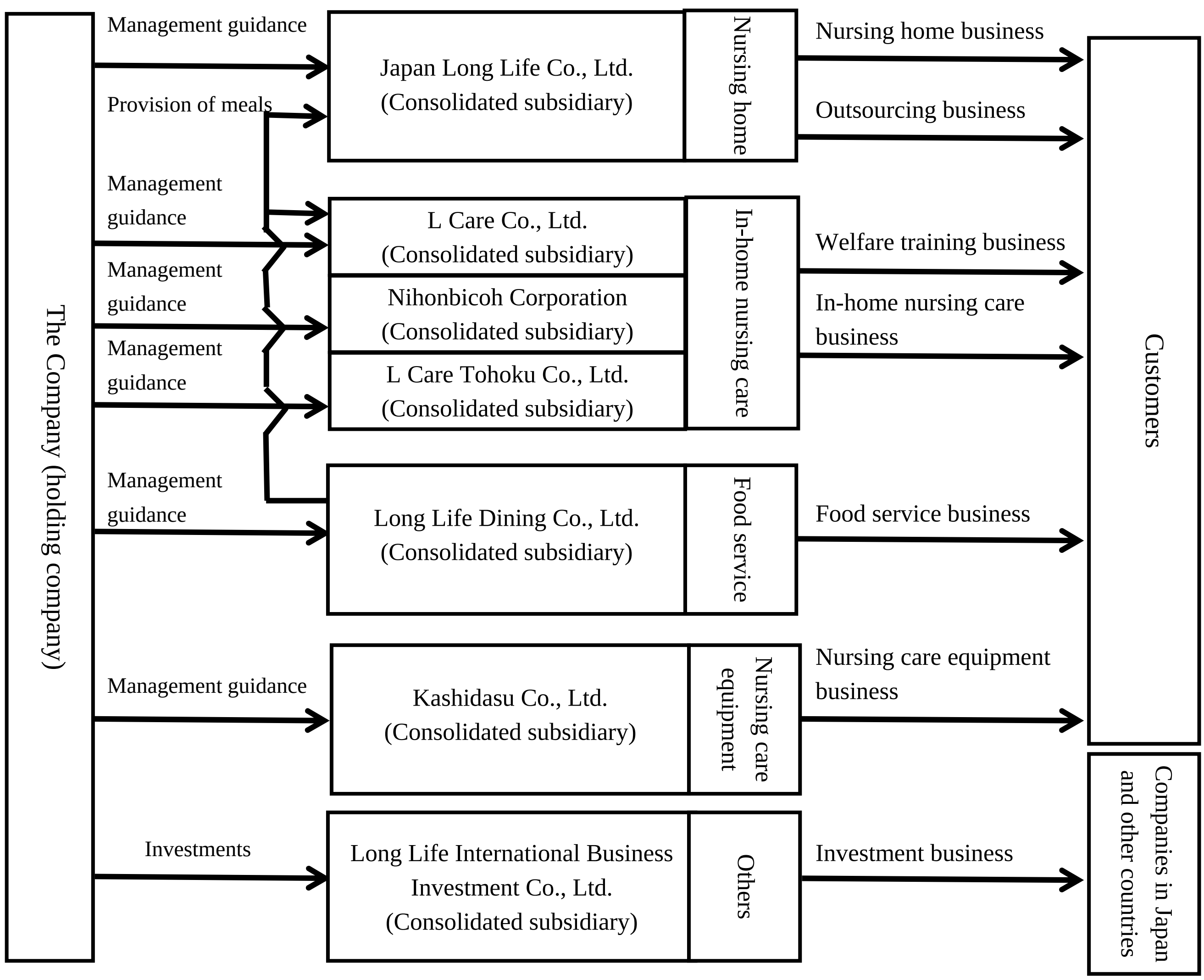
In the nursing home business, consolidated subsidiary Japan Long Life Co., Ltd. operates nursing homes, group homes and other facilities and has a contract to operate a nursing home of the Hyogo Prefectural Housing Corporation.

In the in-home nursing care business, consolidated subsidiary L Care Co., Ltd. provides a comprehensive lineup of in-home nursing care services and has a welfare training business. Longlife Holding purchased all shares of Nihonbicoh Corporation on February 1, 2011, making this company a consolidated subsidiary. On May 2, 2011, L Care Tohoku Co., Ltd. was established as a consolidated subsidiary. As a result, this business is operated by three companies.

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

In the nursing care equipment business, Kashidasu Co., Ltd. was established on February 15, 2011 as a consolidated subsidiary. This company rents and sells nursing care equipment.

In addition, there is an investment business operated by consolidated subsidiary Long Life International Business Investment Co., Ltd. that makes investments in companies in Japan and other countries.



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 happiness. The LONGLIFE 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. Furthermore, based on the theme of “a global view to offering senior care services originating from Japan,” we plan to offer high-quality nursing care services in China 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. (1) Opening more nursing homes in the nursing home business. (2) Extending operations into new areas in the in-home nursing care business while deepening roots in areas where operations already exist. (3) Expanding the meal service and meal delivery service operations in the food service business. (4) Restructuring the framework for business operations. (5) Upgrade employee training programs to strengthen the commitment to the corporate philosophy and improve the skills of all employees. (6) 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.

1) Strengthen internal systems and internal controls

Expanding the scale of operations will require management personnel with leadership skills at each business site along with the establishment of a sound framework for operations. In addition, the Group will strengthen internal controls 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.

2) 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.

3) 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.

4) 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 plans to begin operations of a new home in Nishinomiya, Hyogo prefecture in the spring of 2012 and in Ukyo-ku, Kyoto in the fall of 2012. The Group will use its expertise in opening and operating nursing homes. Actions will include sales activities and measures to differentiate these homes from competitors prior to the opening in order to increase occupancy rates. We will operate these facilities as efficiently as possible in order to make them profitable as quickly as possible.

5) 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 in-home dental services and visits by nurses. 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 LONGLIFE Group gives GFCs the training to devise and implement many types of programs, such as concert outings and travel, that can be a source of enjoyment for customers. These coordinators are also skilled at creating living spaces and environments that are more comfortable and pleasant.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY2010 (As of Oct. 31, 2010)	FY2011 (As of Oct. 31, 2011)
Assets		
Current assets		
Cash and deposits	1,390,120	923,411
Notes and accounts receivable-trade	892,685	1,180,251
Inventories	*2 4,717	*2 26,988
Deferred tax assets	88,710	47,696
Deposits paid	*4 699,634	*4 890,616
Other	229,631	190,364
Allowance for doubtful accounts	(2,339)	(3,127)
Total current assets	3,303,160	3,256,201
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	*3 4,737,096	*3 4,758,748
Accumulated depreciation	(1,578,273)	(1,769,250)
Buildings and structures, net	3,158,822	2,989,498
Vehicles	-	11,581
Accumulated depreciation	-	(11,329)
Vehicles, net	-	251
Tools, furniture and fixtures	296,517	325,575
Accumulated depreciation	(231,406)	(260,518)
Tools, furniture and fixtures, net	65,111	65,057
Land	*3 1,967,967	*3 2,355,086
Lease assets	-	159,043
Accumulated depreciation	-	(22,825)
Lease assets, net	-	136,218
Construction in progress	2,583	51,795
Total property, plant and equipment	5,194,484	5,597,907
Intangible assets		
Goodwill	175,938	199,905
Other	21,617	26,821
Total intangible assets	197,555	226,726
Investments and other assets		
Investment securities	27,289	50,096
Stocks of subsidiaries and affiliates	-	*1 3,450
Guarantee deposits	387,854	395,005
Long-term prepaid expenses	71,008	78,339
Claims provable in bankruptcy, claims provable in rehabilitation and other	-	1,322
Other	4,042	*1 88,676
Allowance for doubtful accounts	-	(1,222)
Total investments and other assets	490,194	615,668
Total noncurrent assets	5,882,234	6,440,302
Deferred assets		
Bond issuance cost	-	532
Total deferred assets	-	532
Total assets	9,185,395	9,697,036

(Thousands of yen)

	FY2010 (As of Oct. 31, 2010)	FY2011 (As of Oct. 31, 2011)
Liabilities		
Current liabilities		
Accounts payable-trade	58,780	91,415
Short-term loans payable	*3 520,800	*3 714,244
Current portion of bonds	-	20,000
Current portion of long-term loans payable	*3 559,160	*3 969,956
Lease obligations	-	35,020
Accounts payable-other	155,044	158,875
Accrued expenses	381,922	462,371
Income taxes payable	77,479	28,574
Advances received	3,313,650	3,200,385
Provision for loss on litigation	121,795	-
Provision for bonuses	80,449	107,801
Allowance for cancellation of contract	10,821	8,599
Other	129,824	86,772
Total current liabilities	5,409,727	5,884,014
Noncurrent liabilities		
Bonds payable	-	10,000
Long-term loans payable	*3 1,171,292	*3 1,099,466
Lease obligations	-	112,644
Deferred tax liabilities	3,357	53,126
Provision for retirement benefits	12,131	38,484
Deferred revenue of home nursing care apart from general revenue	14,040	12,960
Asset retirement obligations	-	69,102
Other	5,198	14,727
Total noncurrent liabilities	1,206,018	1,410,512
Total liabilities	6,615,746	7,294,527
Net assets		
Shareholders’ equity		
Capital stock	100,000	100,000
Retained earnings	2,527,447	2,349,188
Treasury stock	(62,431)	(62,440)
Total shareholders’ equity	2,565,015	2,386,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,634	15,762
Total accumulated other comprehensive income	4,634	15,762
Total net assets	2,569,649	2,402,509
Total liabilities and net assets	9,185,395	9,697,036

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Net sales	*1 8,088,829	*1 9,442,891
Cost of sales	6,319,904	7,538,754
Gross profit	1,768,924	1,904,137
Selling, general and administrative expenses	*2 1,371,129	*2 1,701,848
Operating income	397,795	202,288
Non-operating income		
Interest income	239	549
Dividends income	1,473	1,554
Contribution for tenants received	8,068	9,646
Revenue of facility usage charge	1,262	1,142
Insurance premiums refunded cancellation	-	29,652
Subsidy income	-	13,773
Contribution in income	3,000	210
Other	4,766	7,492
Total non-operating income	18,809	64,022
Non-operating expenses		
Interest expenses	46,841	58,392
Other	1,336	7,686
Total non-operating expenses	48,177	66,078
Ordinary income	368,427	200,232
Extraordinary income		
Gain on sales of noncurrent assets	*3 173	*3 431
Reversal of provision for loss on litigation	-	45,995
Reversal of allowance for doubtful accounts	170	-
Reversal of provision for bonuses	-	2,146
Return of municipal tax	7,987	-
Total extraordinary income	8,331	48,573
Extraordinary loss		
Loss on retirement of noncurrent assets	*4 393	*4 21,826
Provision for loss on litigation	121,795	-
Impairment loss	-	*5 185,595
Loss on cancellation of leasehold contracts	2,498	1,044
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	21,936
Depreciable assets tax for prior periods	8,531	-
Loss on prior periods adjustment	-	*6 25,073
Settlement package	10,519	-
Other	2,605	3,558
Total extraordinary losses	146,342	259,035
Income (loss) before income taxes and minority interests	230,415	(10,230)
Income taxes-current	125,127	78,257
Income taxes-deferred	(53,268)	62,798
Total income taxes	71,859	141,055
Loss before minority interests	-	(151,286)
Net income (loss)	158,556	(151,286)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Loss before minority interests	-	(151,286)
Other comprehensive income		
Valuation difference on available-for-sale securities	-	11,128
Total other comprehensive income	-	*2 11,128
Comprehensive income	-	*1 (140,158)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-	(140,158)
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Net Assets

(Thousands of yen)

	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	100,000	100,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	100,000	100,000
Retained earnings		
Balance at the end of previous period	2,385,373	2,527,447
Changes of items during the period		
Dividends from surplus	(16,483)	(26,972)
Net income (loss)	158,556	(151,286)
Total changes of items during the period	142,073	(178,258)
Balance at the end of current period	2,527,447	2,349,188
Treasury stock		
Balance at the end of previous period	(32,301)	(62,431)
Changes of items during the period		
Purchase of treasury stock	(30,130)	(9)
Total changes of items during the period	(30,130)	(9)
Balance at the end of current period	(62,431)	(62,440)
Total shareholders' equity		
Balance at the end of previous period	2,453,072	2,565,015
Changes of items during the period		
Dividends from surplus	(16,483)	(26,972)
Net income (loss)	158,556	(151,286)
Purchase of treasury stock	(30,130)	(9)
Total changes of items during the period	111,942	(178,268)
Balance at the end of current period	2,565,015	2,386,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	3,389	4,634
Changes of items during the period		
Net changes of items other than shareholders' equity	1,244	11,128
Total changes of items during the period	1,244	11,128
Balance at the end of current period	4,634	15,762
Total net assets		
Balance at the end of previous period	2,456,461	2,569,649
Changes of items during the period		
Dividends from surplus	(16,483)	(26,972)
Net income (loss)	158,556	(151,286)
Purchase of treasury stock	(30,130)	(9)
Net changes of items other than shareholders' equity	1,244	11,128
Total changes of items during the period	113,187	(167,139)
Balance at the end of current period	2,569,649	2,402,509

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	230,415	(10,230)
Depreciation and amortization	226,803	243,111
Amortization of long-term prepaid expenses	14,421	12,450
Amortization of goodwill	84,450	103,582
Impairment loss	-	185,595
Increase (decrease) in allowance for doubtful accounts	(4,641)	611
Increase (decrease) in deferred revenue of home nursing care apart from general revenue	(1,080)	(1,080)
Increase (decrease) in provision for bonuses	(14,262)	16,759
Increase (decrease) in allowance for cancellation of contract	2,710	(2,222)
Increase (decrease) in provision for loss on litigation	121,795	(45,995)
Increase (decrease) in provision for retirement benefits	4,468	5,967
Interest and dividends income	(1,712)	(2,104)
Interest expenses	46,841	58,392
Loss (gain) on sales of noncurrent assets	(173)	(431)
Loss on retirement of property, plant and equipment	-	20,248
Loss on retirement of intangible assets	-	150
Loss on retirement of noncurrent assets	393	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	21,936
Decrease (increase) in notes and accounts receivable-trade	(21,245)	(114,031)
Decrease (increase) in inventories	1,994	(10,554)
Decrease (increase) in deposits paid	(180,808)	(190,982)
Increase (decrease) in notes and accounts payable-trade	(6,005)	6,760
Increase (decrease) in accounts payable-other	-	(9,207)
Increase (decrease) in advances received	148,458	(114,206)
Increase (decrease) in accrued consumption taxes	1,218	1,322
Decrease (increase) in consumption taxes refund receivable	-	(3,559)
Other, net	58,681	(43,771)
Subtotal	712,722	128,512
Interest and dividends income received	1,712	2,104
Interest expenses paid	(47,550)	(60,897)
Payments for litigation deposits	(80,000)	-
Return of litigation deposits	-	80,000
Litigation settlement paid	-	(75,800)
Income taxes paid	(169,225)	(130,871)
Net cash provided by (used in) operating activities	417,658	(56,952)

(Thousands of yen)

	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Net cash provided by (used in) investing activities		
Payments into time deposits	(20,000)	(20,000)
Proceeds from withdrawal of time deposits	-	20,000
Purchase of investment securities	(299)	(617)
Purchase of property, plant and equipment	(102,071)	(476,568)
Proceeds from sales of property, plant and equipment	638	1,600
Purchase of intangible assets	(6,838)	(5,641)
Payments of loans receivable	-	(1,106)
Payments for lease and guarantee deposits	(5,157)	(11,444)
Proceeds from collection of lease and guarantee deposits	51,433	15,336
Purchase of long-term prepaid expenses	(2,985)	(13,351)
Proceeds from cancelation of insurance funds	-	47,760
Payments for investments in capital of subsidiaries and affiliates	-	(83,488)
Purchase of stocks of subsidiaries and affiliates	-	(3,450)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	*2 (120,295)
Other, net	(1,457)	(5,302)
Net cash provided by (used in) investing activities	(86,738)	(656,569)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(126,024)	193,444
Proceeds from long-term loans payable	805,000	760,000
Repayment of long-term loans payable	(452,188)	(635,998)
Repayments of lease obligations	-	(24,085)
Redemption of bonds	-	(20,000)
Purchase of treasury stock	(30,130)	(9)
Cash dividends paid	(15,886)	(26,534)
Net cash provided by (used in) financing activities	180,771	246,816
Effect of exchange rate change on cash and cash equivalents	-	(4)
Net increase (decrease) in cash and cash equivalents	511,691	(466,709)
Cash and cash equivalents at beginning of period	858,429	1,370,120
Cash and cash equivalents at end of period	*1 1,370,120	*1 903,411

(5) Going Concern Assumption

Not applicable.

(6) Significant Accounting Policies in the Preparation of Consolidated Financial Statements

Item	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 4 Names of consolidated subsidiaries: Japan Long Life Co., Ltd. Long Life Dining Co., Ltd. L Care Co., Ltd. Long Life International Business Investment Co., Ltd. Long Life International Business Investment Co., Ltd. was included in the consolidation due to its establishment in the current fiscal year. (2) Number of non-consolidated subsidiaries: None.	(1) Number of consolidated subsidiaries: 7 Names of consolidated subsidiaries: Japan Long Life Co., Ltd. Long Life Dining Co., Ltd. L Care Co., Ltd. Long Life International Business Investment Co., Ltd. Nihonbicoh Corporation Kashidasu Co., Ltd. L Care Tohoku Co., Ltd. From the second quarter of the fiscal year under review, Nihonbicoh Corporation was included in the consolidation following the purchase of all of its shares, and Kashidasu Co., Ltd. was included in the consolidation upon its establishment by L Care Co., Ltd., which is a wholly owned consolidated subsidiary of Longlife Holding. L Care Tohoku Co., Ltd. was included in the consolidation due to its establishment from the third quarter of the fiscal year under review. (2) Number of non-consolidated subsidiaries: Same as on the left.
2. Application of equity method	Number of non-consolidated subsidiaries not accounted for under equity-method: None.	(1) Number of equity-method affiliates: - (2) Number of affiliates not accounted for under equity-method: 2 HIKING (QINGDAO) LONGLIFE CARE SERVICE CO., LTD. Total Life Support Kenkyusho Co., Ltd. Reason for exclusion from equity method These two affiliates were not accounted for under 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 are relatively insignificant in the context of the consolidated financial statements. Even collectively, they do not have a material impact.
3. Fiscal year of consolidated subsidiaries	The fiscal years of consolidated subsidiaries end on the closing date of consolidated financial statements.	Same as on the left.

Item	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
4. Accounting standards	(1) Valuation standards and methods for principal assets 1) Marketable securities Available-for-sale securities Securities with market quotations Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.) 2) Derivatives Stated at fair value. 3) Inventories Merchandise: Stated at cost determined by the specific identification method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). Supplies: Valued by the last 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 1) Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method. Useful life of principle assets is as follows: Buildings and structures: 3-50 years Tools, furniture and fixtures: 2-15 years 2) Intangible assets (excluding lease assets) Amortization of intangible assets is calculated by the straight-line method. Software for internal use is amortized over an expected useful life of five years by the straight-line method.	(1) Valuation standards and methods for principal assets 1) Marketable securities Available-for-sale securities Securities with market quotations Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.) Securities without market quotations Stated at cost determined by the moving-average method. 2) Derivatives Same as on the left. 3) Inventories Same as on the left. (2) Depreciation and amortization of significant depreciable assets 1) Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method. Useful life of principle assets is as follows: Buildings and structures: 5-50 years Tools, furniture and fixtures: 2-15 years 2) Intangible assets (excluding lease assets) Same as on the left.

Item	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
	3) Lease assets Depreciation equivalents are calculated based on the straight-line method, assuming the lease period to be the useful life and a residual value of zero. For finance lease transaction where there is no transfer of ownership that started on or before October 31, 2008, the Company uses an accounting method that is based on the method used for ordinary lease transactions. 4) Long-term prepaid expenses By the straight-line method. —————— (4) Recognition of significant allowances 1) Allowance for doubtful accounts To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are booked for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility. 2) Provision for bonuses To provide for employee bonus obligation, an amount accrued for the current fiscal year of the estimated future obligations is designated in the reserve account. 3) Allowance for contract cancelations To prepare for the future repayment of up-front deposits made by residents in the event that a contract is canceled in accordance with the cooling-off system, there is an allowance equal to the projected amount of these repayments based on the historical cancelation ratio. 4) Provision for retirement benefits To provide for accrued retirement benefits for employees, an allowance is provided based on projected benefit obligations at the end of the current fiscal year. The Company and its consolidated subsidiaries calculate employee retirement benefit obligations by using a simplified method in which these obligations are equal to the amount that would be paid if all employees voluntarily requested benefits at the end of the fiscal year.	3) Lease assets Same as on the left. 4) Long-term prepaid expenses Same as on the left. (3) Accounting for significant deferred assets Bond issuance costs Bond issuance costs are capitalized as deferred assets and amortized over the redemption period of the related bonds by the straight-line method. (4) Recognition of significant allowances 1) Allowance for doubtful accounts Same as on the left. 2) Provision for bonuses Same as on the left. 3) Allowance for contract cancelations Same as on the left. 4) Provision for retirement benefits Same as on the left.

Item	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
	5) Allowance for subsequent expenses for nursing home care Some nursing home contracts include a provision in which payments for rent and other revenue occurring prior to the current fiscal year were received as a whole life deposit. For these contracts, there is an allowance equal to the projected expenses for future services so that this deposit can be allocated to expenses as corresponding services are provided at nursing homes. (5) Recognition of significant revenues and expenses Standard for recognition of welfare training business Tuition is recognized as revenue in proportion to percentage of completion for each course. (6) Accounting for hedges 1) Hedging method Deferred hedge treatment is adopted. For interest rate swaps, the Company uses special treatment when the conditions are fulfilled. 2) Hedging instruments and risks hedged Hedging instrument Interest rate swaps Risk hedged Loans vulnerable to future changes in cash flows caused by changes in interest rates and other market-determined parameters 3) Hedging policy Hedges are used to prevent changes in future cash flows caused by changes in interest rates. 4) Evaluation method for the effectiveness of hedges During the time between establishment of a hedge and the determination of its effectiveness, the Company compares cumulative changes in the item hedged against cumulative changes in the market used as the hedging method or in cash flows. A decision is then reached based on the amount by which both have changed. For interest rate swaps that meet the requirements for special treatment, there is no evaluation of effectiveness on the settlement date. ―――――	5) Allowance for subsequent expenses for nursing home care Same as on the left. (5) Recognition of significant revenues and expenses Standard for recognition of welfare education business Same as on the left. (6) Accounting for hedges 1) Hedging method Same as on the left. 2) Hedging instruments and risks hedged Same as on the left. 3) Hedging policy Same as on the left. 4) Evaluation method for the effectiveness of hedges Same as on the left. (7) Method and period of goodwill amortization Goodwill is amortized by the straight-line method over a period of five years.

Item	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
	—————— (9) Other significant accounting policies in the preparation of financial statements Accounting for consumption taxes All amounts stated are exclusive of consumption taxes. Consumption taxes that are not deductible are recorded as expenses in the corresponding fiscal years. However, non-deductible consumption taxes associated with noncurrent assets are included in "Other" (long-term prepaid consumption taxes) in "Investments and other assets" and amortized over five years by the straight-line method.	(8) Scope of cash and cash equivalents on 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. (9) Other significant accounting policies in the preparation of financial statements Accounting for consumption taxes Same as on the left.
5. Valuations on assets and liabilities of consolidated subsidiaries	Valuation of assets and liabilities of the consolidated subsidiaries are stated at fair value.	——————
6. Amortization of goodwill and negative goodwill	Goodwill is amortized primarily over five years by the straight-line method. However, amounts of goodwill that are negligible are recorded as an expense in the fiscal year in which the goodwill was recognized.	——————
7. Scope of cash and cash equivalents on statements of cash flows	For the purpose of statements of cash flows, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.	——————

(7) Changes in Significant Accounting Policies in the Preparation of Consolidated Financial Statements

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
―――――	Accounting standards for asset retirement obligations Beginning with the current fiscal year, "Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) have been applied. The effect of this change has decreased operating income, ordinary income by 3,939 thousand yen each and increased loss before income taxes and minority interests by 25,876 thousand yen. The application of these standards increased the account balance of asset retirement obligations by 69,102 thousand yen.
―――――	Accounting standards concerning business combinations Beginning with the current fiscal year, "Accounting Standards for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, December 26, 2008), and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008) have been applied.

(8) Reclassifications

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Consolidated statements of income "Dividends income" included in "Other" under "Non-operating income" in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since it has increased materiality in the context of consolidated financial statements. "Dividends income" included in "Other" under "Non-operating income" in the previous fiscal year totaled 480 thousand yen.	Consolidated statements of income 1. "Subsidy income" included in "Other" under "Non-operating income" in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since it has increased materiality in the context of consolidated financial statements. "Subsidy income" included in "Other" under "Non-operating income" in the previous fiscal year totaled 523 thousand yen. 2. Following the application of "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Presentation of Financial Statements" (Cabinet Office Ordinance No. 5, March 24, 2009) based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008,) an item "Loss before minority interests" is presented, starting with the current fiscal year.
Consolidated statements of cash flows "Proceeds from collection of guarantee deposits" included in "Other, net" under "Net cash provided by (used in) investing activities" in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since it has increased materiality in the context of consolidated financial statements. "Proceeds from collection of guarantee deposits" included in "Other, net" under "Net cash provided by (used in) investing activities" in the previous fiscal year totaled 17,126 thousand yen.	Consolidated statements of cash flows 1. "Decrease (increase) in consumption taxes refund receivable" included in "Other, net" under "Net cash provided by (used in) operating activities" in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year since it has increased materiality in the context of consolidated financial statements. "Decrease (increase) in consumption taxes refund receivable" included in "Other, net" under "Net cash provided by (used in) operating activities" in the previous fiscal year totaled 2,697 thousand yen. 2. "Loss on retirement of noncurrent assets" stated as a separate line item in the previous fiscal year, is presented as "Loss on retirement of property, plant and equipment" and "Loss on retirement of intangible assets" in the current fiscal year. The purpose is to better facilitate comparisons of financial statements. "Loss on retirement of property, plant and equipment" in the previous fiscal year totaled 393 thousand yen. 3. "Increase (decrease) in accounts payable-other" included in "Other, net" under "Net cash provided by (used in) operating activities" in the previous fiscal year, is reclassified and presented as a separate line item in the current fiscal year to clarify its contents. "Increase (decrease) in accounts payable-other" included in "Other, net" in the previous fiscal year totaled 9,708 thousand yen.

(9) Additional Information

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
――――――	Beginning with the current fiscal year, "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, June 30, 2010) has been applied. However, the "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" items for the previous fiscal year show the amounts for "Valuation and translation adjustments" and "Total valuation and translation adjustments" respectively.

(10) Notes to Consolidated Financial Statements

Notes to Consolidated Balance Sheets

(Thousands of yen)

FY2010 (As of Oct. 31, 2010)	FY2011 (As of Oct. 31, 2011)
―――――	*1. The following items are applicable to affiliates. Stocks of subsidiaries and affiliates 3,450 Other under investments and other assets (Investments in capital of subsidiaries and affiliates) 83,488
*2. Breakdown of inventories Merchandise 4,306 Supplies 411 Total 4,717	*2. Breakdown of inventories Merchandise 16,224 Supplies 10,764 Total 26,988
*3. Assets pledged as collateral Buildings and structures 2,131,079 Land 1,967,967 Total 4,099,046 Liabilities corresponding to the above Short-term loans payable 317,112 Current portion of long-term loans payable 350,188 Long-term loans payable 820,254 Total 1,487,554	*3. Assets pledged as collateral Buildings and structures 1,730,488 Land 2,163,437 Total 3,893,925 Liabilities corresponding to the above Short-term loans payable 432,884 Current portion of long-term loans payable 390,708 Long-term loans payable 994,819 Total 1,818,411
*4. Deposits paid of 699,634 thousand yen include 208,965 thousand yen for a leasing contract with Harima Special Purpose Company for the LONG LIFE AOTANI nursing home and 490,113 thousand yen in association with an up-front deposit security trust contract with Asahi Trust Co., Ltd.	*4. Deposits paid of 890,616 thousand yen include 195,452 thousand yen for a leasing contract with Harima Special Purpose Company for the LONG LIFE AOTANI nursing home and 694,607 thousand yen in association with an up-front deposit security trust contract with Asahi Trust Co., Ltd.

FY2010 (As of Oct. 31, 2010)	FY2011 (As of Oct. 31, 2011)
5. Contingent liabilities Litigation Korinkai Medical Company signed a leasing agreement with the Company and provided health care services at a Company nursing home. The Company subsequently notified Korinkai of the termination of the leasing agreement and Korinkai responded by filing a lawsuit demanding the payment of damages. Korinkai demanded payment of an amount equal to six months' of health care revenues, relocation expenses and other items. Although the Company contested this demand in court, the Osaka District Court on February 8, 2010 reached a verdict under which consolidated subsidiary Japan Long Life Co., Ltd. (the Company took over business operations following a May 1, 2008 divestiture; on June 11, 2009, Japan Long Life Co., Ltd. assumed responsibility for this litigation from the Company and on December 9, 2009, the Company was removed from this lawsuit) was ordered to pay Korinkai 105,776,442 yen in addition to interest at an annual rate of 6%. Japan Long Life submitted an appeal of this verdict to the Osaka High Court on February 12, 2010. However, to prepare for the possibility that the initial verdict of the Osaka District Court will be reaffirmed, the Company has established a provision for loss on litigation of 121,795 thousand yen. In addition, the Company paid a deposit of 80,000 thousand yen to the Osaka Legal Affairs Bureau on February 8, 2010 for the purpose of either stopping compulsory execution based on the declaration of provisional execution of the Osaka District Court or canceling a disposition of execution that had already been issued. The Company received from the Osaka District Court a decision terminating the compulsory execution on February 22, 2010 and canceling the disposition of compulsory execution on March 12, 2010.	―――

Notes to Consolidated Statements of Income

(Thousands of yen)

<table>
<tr><th>FY2010
(Nov. 1, 2009 – Oct. 31, 2010)</th><th>FY2011
(Nov. 1, 2010 – Oct. 31, 2011)</th></tr>
<tr><td>*1. A provision of 10,821 thousand yen for the allowance for contract cancelations was deducted from revenue.</td><td>*1. A provision of 8,599 thousand yen for the allowance for contract cancelations was deducted from revenue.</td></tr>
<tr><td>*2. Major items of selling, general and administrative expenses
Advertising expenses 199,314
Salaries and allowances 410,066
Directors' compensations 128,074
Provision for bonuses 18,771</td><td>*2. Major items of selling, general and administrative expenses
Advertising expenses 236,842
Salaries and allowances 475,534
Directors' compensations 163,116
Provision for bonuses 27,936</td></tr>
<tr><td>*3. Breakdown of gain on sales of noncurrent assets
Tools, furniture and fixtures 173</td><td>*3. Breakdown of gain on sales of noncurrent assets
Tools, furniture and fixtures 431</td></tr>
<tr><td>*4. Breakdown of loss on retirement of noncurrent assets
Tools, furniture and fixtures 393</td><td>*4. Breakdown of loss on retirement of noncurrent assets
Buildings and structures 21,038
Vehicles 41
Tools, furniture and fixtures 596
Software 150
Total 21,826</td></tr>
<tr><td>―――――</td><td>*5. Impairment loss
The Group recognized impairment losses on the following groups of assets.

(1) Impairment losses on assets<table><tr><th>Location</th><th>Use</th><th>Item</th><th>Impairment loss</th></tr><tr><td>Edogawa-ku, Tokyo</td><td>Business assets</td><td>Buildings and structures</td><td>185,595 thousand yen</td></tr></table>(2) Reason for decision to post impairment losses
At some business sites in the nursing home business, there are consistent operating losses and total estimated future cash flows are less than the book values of the corresponding assets. For these asset groups, book values have been written down to the amounts that can be recovered and the reductions were recognized as an impairment loss.

(3) Method used to group assets
Assets are grouped in accordance with business categories by using primarily business sites, which are generally the smallest independent cash-flow generating units.

(4) Method for calculating recoverable amount
The amount of assets that can be recovered is determined by using the utility value of assets. A discount rate of 6.03% is used for calculating the utility value.</td></tr>
<tr><td>―――――</td><td>*6. Breakdown of loss on prior periods adjustment is as follows.
Adjustment to sales in the prior periods 25,073</td></tr>
</table>

Notes to Consolidated Statements of Comprehensive Income

FY2011 (Nov. 1, 2010 – Oct. 31, 2011)

*1. Comprehensive income in the previous fiscal year (Thousands of yen)

Comprehensive income attributable to owners of the parent	159,801
Comprehensive income attributable to minority interests	-
Total	159,801

*2. Other comprehensive income in the previous fiscal year (Thousands of yen)

Valuation difference on available-for-sale securities	1,244
Total	1,244

Notes to Consolidated Statements of Changes in Net Assets

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

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

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

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

2. Items related to acquisition rights for new shares

Not applicable.

3. Dividends

(1) Dividend payment

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

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

Resolution	Type of share	Total amount of dividend (thousands of yen)	Source of funds	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on December 27, 2010	Ordinary shares of common stock	26,972	Retained earnings	500	Oct. 31, 2010	Jan. 13, 2011

FY2011 (Nov. 1, 2010 – Oct. 31, 2011)

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

	Number of shares as of Oct. 31, 2010	Increase	Decrease	Number of shares as of Oct. 31, 2011
Outstanding shares				
Ordinary shares of common stock	55,952	11,134,448	-	11,190,400
Total	55,952	11,134,448	-	11,190,400
Treasury stock				
Ordinary shares of common stock	2,008	399,649	-	401,657
Total	2,008	399,649	-	401,657

Notes: 1. The increase of 11,134,448 shares in the number of outstanding shares of common stock and a 399,592-share increase in the number of shares of treasury stock are due to the 1-to-200 split stock on May 1, 2011 based on the solutions made at the Board of Directors' meeting on April 1, 2011.

2. An increase of 57 shares in the number of treasury common stock is due to the purchasing of odd-lot shares.

2. Items related to acquisition rights for new shares

Not applicable.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (thousands of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on December 27, 2010	Ordinary shares of common stock	26,972	500	Oct. 31, 2010	Jan. 13, 2011

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

Resolution	Type of share	Total amount of dividend (thousands of yen)	Source of funds	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on December 9, 2011	Ordinary shares of common stock	26,971	Retained earnings	2.5	Oct. 31, 2011	Jan. 13, 2012

Notes to Consolidated Statements of Cash Flows

(Thousands of yen)

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the current fiscal year is made as follows: (As of October 31, 2010) Cash and deposits 1,390,120 Time deposit with maturities over 3 months (20,000) Cash and cash equivalents 1,370,120	*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the current fiscal year is made as follows: (As of October 31, 2011) Cash and deposits 923,411 Time deposit with maturities over 3 months (20,000) Cash and cash equivalents 903,411 *2. Breakdown of assets and liabilities of consolidated subsidiary newly included in the consolidation through stock acquisition Breakdown of assets and liabilities of Nihonbicoh Corporation as of the date the Company made it a consolidated subsidiary upon the acquisition of its shares, and the relationship with the acquisition cost of Nihonbicoh stock, and net outlays for the acquisition. Current assets 282,386 Noncurrent assets 224,402 Goodwill 127,549 Deferred assets 831 Current liabilities (147,975) Noncurrent liabilities (284,908) Acquisition cost for Nihonbicoh 202,285 Cash and cash equivalents (81,990) Net outlays for acquisition of Nihonbicoh 120,295

Segment Information

a. Operating segment information

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

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

b. Geographical segment information

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

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

c. Overseas sales

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

Not applicable since the Company has no overseas sales.

d. Segment data

FY2011 (Nov. 1, 2010 – Oct. 31, 2011)

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 food service business and the nursing care equipment business.

2. Calculation methods for sales, profit/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/loss, assets, and other items for each reportable segment

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)

(Thousands of yen)

	Reportable segment				Other (note)	Total
	Nursing home	In-home nursing care	Food service	Total		
Sales						
External sales	4,262,382	3,823,545	2,300	8,088,229	-	8,088,229
Inter-segment sales or transfers	-	26,315	533,397	559,712	-	559,712
Total	4,262,382	3,849,860	535,698	8,647,941	-	8,647,941
Segment profit (loss)	178,677	32,746	21,626	233,050	(1,062)	231,987
Segment assets	7,272,080	1,373,796	144,548	8,790,426	99,009	8,889,435
Other items						
Depreciation and amortization	206,651	15,356	428	222,435	-	222,435
Amortization of goodwill	-	84,450	-	84,450	-	84,450
Interest expenses	30,049	15,946	845	46,841	-	46,841
Increase in property, plant and equipment and intangible assets	83,693	33,105	1,600	118,398	-	118,398

Note: The "Other" business segment is not included in any of the three reportable segments and includes investment business.

FY2011 (Nov. 1, 2010 – Oct. 31, 2011)

(Thousands of yen)

	Reportable segment					Other (note)	Total
	Nursing home	In-home nursing care	Food service	Nursing care equipment	Total		
Sales							
External sales	4,292,673	5,059,681	89,088	1,448	9,442,891	-	9,442,891
Inter-segment sales or transfers	380	27,040	579,199	47,251	653,871	-	653,871
Total	4,293,054	5,086,721	668,288	48,699	10,096,763	-	10,096,763
Segment profit (loss)	133,135	30,768	21,214	(36,080)	149,038	(10,339)	138,699
Segment assets	7,069,775	1,858,258	155,906	103,039	9,186,979	90,172	9,277,152
Other items							
Depreciation and amortization	183,229	44,060	1,199	7,193	235,683	40	235,723
Amortization of goodwill	-	84,450	-	-	84,450	-	84,450
Interest expenses	34,131	20,296	748	561	55,738	-	55,738
Impairment loss	185,595	-	-	-	185,595	-	185,595
Increase in property, plant and equipment and intangible assets	440,521	163,183	14,794	77,103	695,603	120	695,723

Notes: 1. The "Other" business segment is not included in any of the four reportable segments and includes investment business.

2. The nursing care equipment business segment has been added in the current fiscal year due to the establishment of Kashidasu Co., Ltd.

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

(Thousands of yen)

Net sales	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Total for reportable segments	8,647,941	10,096,763
Corporate revenue	600	-
Eliminations for inter-segment transactions	(559,712)	(653,871)
Net sales on the consolidated financial statements	8,088,829	9,442,891

Note: Corporate revenue consists of business commissions received.

(Thousands of yen)

Profit	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Total for reportable segments	233,050	149,038
Profits attributable to the “Other”	(1,062)	(10,339)
Adjustments on unrealized profits	1,533	152
Amortization of goodwill	-	(19,132)
Other	-	(97)
Corporate expenses, etc. (note)	134,905	80,609
Ordinary income on the consolidated financial statements	368,427	200,232

Notes: 1. Corporate expenses mainly include costs of the Company for administration of the group companies, and corporate revenue represents consulting fee income from the group companies to the Company.
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	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Total for reportable segments	8,790,426	9,186,979
Assets attributable to the “Other”	99,009	90,172
Other	(215,138)	(315,741)
Corporate assets (note)	511,098	735,625
Total assets on the consolidated financial statements	9,185,395	9,697,036

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	
	FY2010	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010	FY2011
Depreciation and amortization	222,435	235,683	-	40	4,367	7,388	226,803	243,111
Amortization of goodwill	84,450	84,450	-	-	-	19,132	84,450	103,582
Interest expenses	46,841	55,738	-	-	-	2,654	46,841	58,392
Impairment loss	-	185,595	-	-	-	-	-	185,595
Increase in property, plant and equipment and intangible assets	118,398	695,603	-	120	1,669	15,306	120,068	711,030

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 property, plant and equipment and intangible assets consist of the capital investments in the Company.

e. Related information

FY2011 (Nov. 1, 2010 – Oct. 31, 2011)

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 consolidated subsidiaries or branch offices in countries and regions other than 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	3,817,622	Nursing home, in-home nursing care

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

FY2011 (Nov. 1, 2010 – Oct. 31, 2011) (Thousands of yen)

	Nursing home	In-home nursing care	Food service	Nursing care equipment	Others	Elimination or corporate	Total
Impairment loss	185,595	-	-	-	-	-	185,595

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

FY2011 (Nov. 1, 2010 – Oct. 31, 2011)

(Thousands of yen)

	Nursing home	In-home nursing care	Food service	Nursing care equipment	Others	Elimination or corporate	Total
Amortization for the period	-	84,450	-	-	-	19,132	103,582
Balance at end of period	-	91,487	-	-	-	108,417	199,905

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.

h. Information related to negative goodwill profits for each reportable segment

FY2011 (Nov. 1, 2010 – Oct. 31, 2011)

Not applicable.

Additional information

FY2011 (Nov. 1, 2010 – Oct. 31, 2011)

Beginning with the current fiscal year, “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) have been applied.

Per Share Information

(Yen)

FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Net assets per share 47,635.50 Net income per share 2,931.21 Diluted net income per share is not presented since the Company has no outstanding dilutive securities.	Net assets per share 222.69 Net loss per share 14.02 Diluted net income per share is not presented since the Company posted net loss, and has no outstanding dilutive securities. The Company conducted a 1-to-200 split of common stock on May 1, 2011. The net assets per share in the previous fiscal year, assuming the stock split was conducted on the first day of the previous fiscal year, would have been 238.18 yen, and the net income per share 14.66 yen.

Note: The following is a reconciliation of net income (loss) per share (Thousands of yen)

Items	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Net income (loss) per share		
Net income (loss)	158,556	(151,286)
Amounts not available to common shareholders	-	-
Net income (loss) available to common shares	158,556	(151,286)
Average number of shares outstanding during the period	54,092.52 shares	10,788,780 shares
Summary of potential stock not included in the calculation of “Diluted net income per share” since there was no dilutive effect in the period	――――	――――

Subsequent Events

Not applicable.

Omission of Disclosure

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

5. Non-consolidated Financial Statements

(1) Balance Sheets

(Thousands of yen)

	FY2010 (As of Oct. 31, 2010)	FY2011 (As of Oct. 31, 2011)
Assets		
Current assets		
Cash and deposits	278,114	250,254
Prepaid expenses	4,509	9,119
Deferred tax assets	4,104	3,864
Short-term loans receivable from subsidiaries and affiliates	-	4,500
Accounts receivable-other	6,817	2,258
Other	1,699	4,974
Total current assets	295,246	274,972
Noncurrent assets		
Property, plant and equipment		
Buildings	17,601	22,285
Accumulated depreciation	(6,097)	(7,364)
Buildings, net	11,504	14,920
Tools, furniture and fixtures	33,861	34,866
Accumulated depreciation	(30,522)	(29,006)
Tools, furniture and fixtures, net	3,339	5,859
Total property, plant and equipment	14,843	20,780
Intangible assets		
Software	3,601	5,410
Telephone subscription right	1,498	1,498
Total intangible assets	5,100	6,908
Investments and other assets		
Investment securities	27,289	47,096
Stocks of subsidiaries and affiliates	140,000	355,735
Investments in capital	110	-
Guarantee deposits	28,126	29,895
Other	381	237
Total investments and other assets	195,907	432,964
Total noncurrent assets	215,852	460,653
Total assets	511,098	735,625

(Thousands of yen)

	FY2010 (As of Oct. 31, 2010)	FY2011 (As of Oct. 31, 2011)
Liabilities		
Current liabilities		
Current portion of long-term loans payable	-	39,996
Accounts payable-other	11,002	10,759
Accrued expenses	10,466	9,672
Income taxes payable	-	10,938
Provision for bonuses	7,403	6,233
Other	4,488	5,192
Total current liabilities	33,360	82,792
Noncurrent liabilities		
Long-term loans payable	-	133,340
Deferred tax liabilities	3,357	12,484
Provision for retirement benefits	895	1,816
Asset retirement obligations	-	3,942
Total noncurrent liabilities	4,252	151,583
Total liabilities	37,613	234,375
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Capital surplus		
Other capital surplus	190,000	190,000
Retained earnings		
Other retained earnings		
Retained earnings brought forward	241,282	257,928
Total retained earnings	241,282	257,928
Treasury stock	(62,431)	(62,440)
Total shareholders' equity	468,850	485,487
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,634	15,762
Total valuation and translation adjustments	4,634	15,762
Total net assets	473,484	501,249
Total liabilities and net assets	511,098	735,625

(2) Statements of Income

(Thousands of yen)

	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Operating revenue		
Consulting fee income	482,160	483,160
Other operating revenue	600	-
Total operating revenue	482,760	483,160
Operating expenses		
Advertising expenses	24,714	27,040
Directors’ compensations	75,762	80,070
Salaries and allowances	81,080	93,805
Provision for bonuses	7,403	6,233
Legal welfare expenses	19,426	21,227
Rents	34,201	34,558
Commission fee	43,241	51,713
Depreciation	5,901	7,444
Other	58,245	79,952
Total operating expenses	349,977	402,044
Operating income	132,782	81,115
Non-operating income		
Interest income	135	70
Dividends income	1,469	1,552
Facilities fee income	213	231
Other	609	508
Total non-operating income	2,428	2,361
Non-operating expenses		
Interest expenses	-	2,860
Other	304	7
Total non-operating expenses	304	2,867
Ordinary income	134,905	80,609
Extraordinary income		
Reversal of provision for bonuses	-	68
Total extraordinary income	-	68
Extraordinary loss		
Loss on retirement of noncurrent assets	-	118
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	1,097
Total extraordinary losses	-	1,215
Income before income taxes	134,905	79,461
Income taxes-current	46,938	34,538
Income taxes-deferred	8,410	1,305
Total income taxes	55,349	35,843
Net income	79,556	43,617

(3) Statements of Changes in Net Assets

(Thousands of yen)

	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	100,000	100,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	100,000	100,000
Capital surplus		
Other capital surplus		
Balance at the end of previous period	190,000	190,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	190,000	190,000
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the end of previous period	178,208	241,282
Changes of items during the period		
Dividends from surplus	(16,483)	(26,972)
Net income	79,556	43,617
Total changes of items during the period	63,073	16,645
Balance at the end of current period	241,282	257,928
Treasury stock		
Balance at the end of previous period	(32,301)	(62,431)
Changes of items during the period		
Purchase of treasury stock	(30,130)	(9)
Total changes of items during the period	(30,130)	(9)
Balance at the end of current period	(62,431)	(62,440)
Total shareholders' equity		
Balance at the end of previous period	435,907	468,850
Changes of items during the period		
Dividends from surplus	(16,483)	(26,972)
Net income	79,556	43,617
Purchase of treasury stock	(30,130)	(9)
Total changes of items during the period	32,943	16,636
Balance at the end of current period	468,850	485,487
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	3,389	4,634
Changes of items during the period		
Net changes of items other than shareholders' equity	1,244	11,128
Total changes of items during the period	1,244	11,128
Balance at the end of current period	4,634	15,762

(Thousands of yen)

	FY2010 (Nov. 1, 2009 – Oct. 31, 2010)	FY2011 (Nov. 1, 2010 – Oct. 31, 2011)
Total net assets		
Balance at the end of previous period	439,296	473,484
Changes of items during the period		
Dividends from surplus	(16,483)	(26,972)
Net income	79,556	43,617
Purchase of treasury stock	(30,130)	(9)
Net changes of items other than shareholders' equity	1,244	11,128
Total changes of items during the period	34,188	27,764
Balance at the end of current period	473,484	501,249

6. 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.