

**Summary of Consolidated Financial Results  
for the First Quarter of the Fiscal Year Ending October 31, 2012  
(Three Months Ended January 31, 2012)**

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Osaka Securities Exchange (JASDAQ)  
 Stock code: 4355 URL: <http://longlife-holding.co.jp>  
 Representative: Masakazu Endo, CEO  
 Contact: Akiyasu Takimura, Managing Director and General Manager, Administration Division Tel: +81-(0) 6-6373-9191  
 Scheduled date of filing of Quarterly Report: March 12, 2012  
 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 9, 2012 at 15:30 (GMT +9).

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

**1. Consolidated Financial Results for the First Quarter Ended January 31, 2012 (Nov. 1, 2011 – Jan. 31, 2012)**

(1) 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	%
Three months ended Jan. 31, 2012	2,520	23.1	103	49.5	87	43.1	39	344.1
Three months ended Jan. 31, 2011	2,048	3.1	69	(31.0)	61	(33.4)	8	-

Note: Comprehensive income (million yen) Three months ended Jan. 31, 2012: 37 (up 193.4%)

Three months ended Jan. 31, 2011: 12 (n.a.)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jan. 31, 2012	3.67	-
Three months ended Jan. 31, 2011	165.16	-

Note: Net income per share for the three months ended Jan. 31, 2011 is calculated based on the number of shares outstanding before the 1-to-200 common stock split that became effective on May 1, 2011.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jan. 31, 2012	9,506	2,413	25.4	223.66
As of Oct. 31, 2011	9,697	2,402	24.8	222.69

Reference: Shareholders' equity (million yen)

Jan. 31, 2012: 2,413

Oct. 31, 2011: 2,402

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2011	-	0.00	-	2.50	2.50
Fiscal year ending Oct. 31, 2012	-	-	-	-	-
Fiscal year ending Oct. 31, 2012 (forecasts)	-	0.00	-	3.50	3.50

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

**3. Consolidated Forecast for the Fiscal Year Ending October 31, 2012 (Nov. 1, 2011 – Oct. 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: Revisions to the most recently announced consolidated forecast: None

#### 4. Others

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

(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, 2012:	11,190,400 shares	As of Oct. 31, 2011:	11,190,400 shares
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2) Number of shares of treasury stock at end of period

As of Jan. 31, 2012:	401,657 shares	As of Oct. 31, 2011:	401,657 shares
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3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2012:	10,788,743 shares	Three months ended Jan. 31, 2011:	53,944 shares
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Average number of shares outstanding for the three months ended Jan. 31, 2011 is figures before the 1-to-200 common stock split that became effective on May 1, 2011.

Indication of quarterly review procedure implementation status

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for these consolidated financial statements have not been completed.

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

Note concerning forward-looking statements

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 "Qualitative Information Regarding Consolidated Forecast" on page 3 for assumptions for forecasts and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Qualitative Information Regarding Consolidated Results of Operations

In the first quarter of the current fiscal year, the Japanese economy began showing signs of a recovery from the slowdown caused by the Great East Japan Earthquake, radiation leaks and other events. There were upturns in some categories of consumer spending and housing construction. However, worries remain about stagnation of the global economy because of problems that include no indications of an improvement in the European debt crisis and slowing economic growth in China.

In the nursing care services sector, the Nursing Care Payment Subcommittee of the Social Security Council of the Ministry of Health, Labour and Welfare submitted its report on January 25, 2012 concerning the proposed fiscal 2012 nursing care remuneration revisions. The report took into consideration many factors: responses to the provision of new nursing care services; the division of functions and reinforcement of ties with medical care in association with the simultaneous revision of medical care remuneration; the need to improve wages for nursing care personnel; the decline in wages and prices in Japan; the status of operations at companies providing nursing care services; and the promotion of comprehensive care within individual regions. After considering all applicable items, the decision was made to increase nursing care remuneration by 1.2%.

In this situation, the LONGLIFE Group achieved a 23.1% increase in consolidated net sales from one year earlier to 2,520 million yen. One reason was strong nursing home sales in the nursing home business. In the in-home nursing care business, the February 2011 consolidation of Nihonbico Corporation and steady sales growth at existing facilities also contributed to first quarter sales. In addition, operating income increased 49.5% to 103 million yen, ordinary income 43.1% to 87 million yen and net income 344.1% to 39 million yen.

Business segment performance was as follows.

#### 1) Nursing home business

At the end of the first quarter of the current fiscal year, the nursing home business was operating 18 nursing homes with a total of 723 rooms for residents.

More progress was made in attracting new residents by focusing on collecting information from many sources and strengthening sales activities in order to increase the occupancy rate. Sales increased 1.6% to 1,064 million yen and ordinary income surged 473.6% to 41 million yen.

#### 2) In-home nursing care business

In the in-home nursing care business, there were 135 services as of the end of the first quarter.

The number of users of in-home nursing care services increased because of the February 2011 consolidation of Nihonbico Corporation and the effective implementation by existing facilities of the dominance strategy, which is structured to produce concrete and immediate benefits. Sales increased 32.9% to 1,325 million yen and ordinary income decreased 18.2% to 17 million yen.

#### 3) Food business

The food business mainly involves the preparation of meals which are served at our 28 nursing homes.

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 surged 1,411.9% to 55 million yen and ordinary income increased 351.7% to 7 million yen.

The name of this segment was changed from the food service business to the food business in the first quarter of the current fiscal year.

#### **4) Nursing care equipment business**

In this business segment, extensive support is provided by nursing care equipment specialists who have much expertise and skill in the nursing care field. The aim is to provide services that assist seniors in living on their own. The Group plans to expand operations to include the services that are not covered by nursing care insurance. A divestiture within the LONGLIFE Group that took place on November 1, 2011 resulted in the transfer of some business activities from the in-home nursing care business to the nursing care equipment business. Sales were 75 million yen and ordinary loss was 3 million yen.

The nursing care equipment business segment was newly created in the second quarter of the previous fiscal year because of the establishment of Kashidasu Co., Ltd.

#### **5) Others**

Others includes the investment business of Long Life International Business Investment Co., Ltd., a consolidated subsidiary which invests in companies in Japan and other countries. Due to growth in expenses associated with the opening of nursing homes at portfolio companies, there was an ordinary loss of 1 million yen compared with a smaller loss one year earlier.

### **(2) Qualitative Information Regarding Consolidated Financial Position**

Total assets were 9,506 million yen at the end of the first quarter, 190 million yen less than at the end of the previous fiscal year.

Current assets decreased by 187 million yen to 3,068 million yen. This was primarily attributable to an increase of 66 million yen in deposits paid, and decreases of 184 million yen in cash and deposits and 28 million yen in deferred tax assets.

Noncurrent assets decreased by 2 million yen to 6,437 million yen. The primary causes were an increase of 40 million yen in property, plant and equipment, and decreases of 28 million yen in intangible assets and 14 million yen in investments and other assets.

Current liabilities decreased by 188 million yen to 5,695 million yen. This was mainly an increase of 46 million yen in current portion of long-term loans payable, and decreases of 93 million yen in short-term loans payable, 75 million yen in advances received and 56 million yen in provision for bonuses.

Noncurrent liabilities decreased by 12 million yen to 1,397 million yen mainly because of an increase of 24 million yen in lease obligations, and a decrease of 35 million yen in long-term loans payable.

Net assets increased 10 million yen from the end of the previous fiscal year to 2,413 million yen, and the equity ratio was 25.4% at the end of the first quarter of the current fiscal year.

### **(3) Qualitative Information Regarding Consolidated Forecast**

There are no revisions to the consolidated forecast for the fiscal year ending October 31, 2012 that was announced on December 9, 2011.

## **2. Matters Related to Summary Information (Others)**

### **(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

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

Not applicable.

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

Not applicable.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	FY10/11 (As of Oct. 31, 2011)	First quarter of FY10/12 (As of Jan. 31, 2012)
Assets		
Current assets		
Cash and deposits	923,411	738,680
Notes and accounts receivable-trade	1,180,251	1,164,949
Inventories	26,988	24,038
Deferred tax assets	47,696	19,061
Deposits paid	890,616	957,487
Other	190,364	167,275
Allowance for doubtful accounts	(3,127)	(3,061)
Total current assets	3,256,201	3,068,432
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,758,748	4,770,975
Accumulated depreciation	(1,769,250)	(1,808,203)
Buildings and structures, net	2,989,498	2,962,772
Vehicles	11,581	7,011
Accumulated depreciation	(11,329)	(6,824)
Vehicles, net	251	186
Tools, furniture and fixtures	325,575	327,630
Accumulated depreciation	(260,518)	(263,902)
Tools, furniture and fixtures, net	65,057	63,728
Land	2,355,086	2,366,981
Lease assets	159,043	202,129
Accumulated depreciation	(22,825)	(32,407)
Lease assets, net	136,218	169,721
Construction in progress	51,795	75,092
Total property, plant and equipment	5,597,907	5,638,484
Intangible assets		
Goodwill	199,905	172,415
Other	26,821	26,019
Total intangible assets	226,726	198,434
Investments and other assets		
Investment securities	50,096	44,864
Stocks of subsidiaries and affiliates	3,450	3,450
Guarantee deposits	395,005	395,875
Long-term prepaid expenses	78,339	75,964
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,322	200
Other	88,676	80,816
Allowance for doubtful accounts	(1,222)	(100)
Total investments and other assets	615,668	601,070
Total noncurrent assets	6,440,302	6,437,989
Deferred assets		
Bond issuance cost	532	432
Total deferred assets	532	432
Total assets	9,697,036	9,506,854

	(Thousands of yen)	
	FY10/11 (As of Oct. 31, 2011)	First quarter of FY10/12 (As of Jan. 31, 2012)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	91,415	76,190
Short-term loans payable	714,244	620,574
Current portion of bonds	20,000	20,000
Current portion of long-term loans payable	969,956	1,016,372
Lease obligations	35,020	43,637
Accounts payable-other	158,875	172,063
Accrued expenses	462,371	465,773
Income taxes payable	28,574	21,732
Advances received	3,200,385	3,125,068
Provision for bonuses	107,801	51,360
Allowance for cancellation of contract	8,599	5,605
Other	86,772	77,502
<b>Total current liabilities</b>	<b>5,884,014</b>	<b>5,695,877</b>
<b>Noncurrent liabilities</b>		
Bonds payable	10,000	10,000
Long-term loans payable	1,099,466	1,063,760
Lease obligations	112,644	136,921
Deferred tax liabilities	53,126	44,746
Provision for retirement benefits	38,484	40,392
Deferred revenue of home nursing care apart from general revenue	12,960	12,690
Asset retirement obligations	69,102	70,709
Other	14,727	18,694
<b>Total noncurrent liabilities</b>	<b>1,410,512</b>	<b>1,397,914</b>
<b>Total liabilities</b>	<b>7,294,527</b>	<b>7,093,792</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	100,000	100,000
Retained earnings	2,349,188	2,361,781
Treasury stock	(62,440)	(62,440)
<b>Total shareholders' equity</b>	<b>2,386,747</b>	<b>2,399,340</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	15,762	13,721
<b>Total accumulated other comprehensive income</b>	<b>15,762</b>	<b>13,721</b>
<b>Total net assets</b>	<b>2,402,509</b>	<b>2,413,062</b>
<b>Total liabilities and net assets</b>	<b>9,697,036</b>	<b>9,506,854</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 FY10/11 (Nov. 1, 2010 – Jan. 31, 2011)	First three months of FY10/12 (Nov. 1, 2011 – Jan. 31, 2012)
Net sales	2,048,240	2,520,507
Cost of sales	1,624,204	2,017,645
Gross profit	424,036	502,862
Selling, general and administrative expenses	354,897	399,464
Operating income	69,139	103,397
Non-operating income		
Interest income	330	80
Dividends income	758	761
Contribution for tenants received	2,584	2,767
Revenue of facility usage charge	245	253
Subsidy income	450	1,383
Other	1,416	3,352
Total non-operating income	5,784	8,598
Non-operating expenses		
Interest expenses	12,634	14,774
Equity in losses of affiliates	-	7,478
Other	811	1,778
Total non-operating expenses	13,446	24,031
Ordinary income	61,477	87,965
Extraordinary income		
Reversal of allowance for doubtful accounts	731	-
Reversal of provision for bonuses	2,146	-
Reversal of provision for loss on litigation	45,795	-
Total extraordinary income	48,673	-
Extraordinary loss		
Loss on retirement of noncurrent assets	2,754	204
Loss on cancellation of leasehold contracts	578	158
Loss on litigation	-	2,328
Loss on adjustment for changes of accounting standard for asset retirement obligations	21,936	-
Total extraordinary losses	25,269	2,691
Income before income taxes and minority interests	84,881	85,273
Income taxes-current	14,758	22,121
Income taxes-deferred	61,213	23,587
Total income taxes	75,971	45,708
Income before minority interests	8,909	39,565
Net income	8,909	39,565

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

	(Thousands of yen)	
	First three months of FY10/11 (Nov. 1, 2010 – Jan. 31, 2011)	First three months of FY10/12 (Nov. 1, 2011 – Jan. 31, 2012)
Income before minority interests	8,909	39,565
Other comprehensive income		
Valuation difference on available-for-sale securities	3,881	(2,040)
Total other comprehensive income	3,881	(2,040)
Comprehensive income	12,790	37,524
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	12,790	37,524
Comprehensive income attributable to minority interests	-	-

**(3) Going Concern Assumption**

Not applicable.

**(4) Segment Information**

I. First three months of FY10/11 (Nov. 1, 2010 – Jan. 31, 2011)

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

(Thousands of yen)

	Reportable segment				Other (note)	Total
	Nursing home	In-home nursing care	Food service	Subtotal		
Sales						
External sales	1,047,701	996,898	3,641	2,048,240	-	2,048,240
Inter-segment sales or transfers	-	6,558	144,990	151,549	-	151,549
Total	1,047,701	1,003,456	148,632	2,199,790	-	2,199,790
Segment profit	7,254	21,880	1,640	30,776	(841)	29,934

Note: The “Other” business segment is not included in any of the reportable segments and includes 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	30,776
Profits attributable to the “Other”	(841)
Adjustments on unrealized profits	38
Corporate expenses, etc. (note)	31,504
Ordinary income on the quarterly consolidated statements of income	61,477

Note: Corporate expenses 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.

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

There are no significant items or changes during the first quarter of FY10/11.

## II. First three months of FY10/12 (Nov. 1, 2011 – Jan. 31, 2012)

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

(Thousands of yen)

	Reportable segment					Other (note)	Total
	Nursing home	In-home nursing care	Food	Nursing care equipment	Subtotal		
Sales							
External sales	1,064,768	1,325,334	55,057	75,347	2,520,507	-	2,520,507
Inter-segment sales or transfers	209	4,600	148,866	5,857	159,533	-	159,533
Total	1,064,978	1,329,934	203,924	81,205	2,680,041	-	2,680,041
Segment profit (loss)	41,611	17,890	7,410	(3,989)	62,923	(1,555)	61,367

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

2. The name of the food service business was changed to the food business in the first quarter of FY10/12.

3. The nursing care equipment business segment was newly created in the second quarter of FY10/11 because of the establishment of Kashidasu Co., Ltd.

## 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	62,923
Profits attributable to the “Other”	(1,555)
Adjustments on unrealized profits	(53)
Amortization of goodwill	(6,377)
Equity in losses of affiliates	(7,478)
Corporate revenue/expenses (note 1)	40,538
Other (note 2)	(32)
Ordinary income on the quarterly consolidated statements of income	87,965

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

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

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

There are no significant items or changes during the first quarter of FY10/12.

**(5) Significant Changes in Shareholders’ Equity**

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.*