

**Summary of Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending October 31, 2014**  
**(Three Months Ended January 31, 2014)**

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)  
 Stock code: 4355 URL: <http://longlife-holding.co.jp>  
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Scheduled date of filing of Quarterly Report: March 13, 2014

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 7, 2014 at 15:30 (GMT +9).

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

**1. Consolidated Financial Results for the Three Months Ended January 31, 2014 (Nov. 1, 2013 – Jan. 31, 2014)**

(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, 2014	2,639	3.4	124	4.3	114	13.8	31	58.1
Three months ended Jan. 31, 2013	2,552	1.3	119	15.4	100	14.5	19	(49.5)

Note: Comprehensive income (million yen) Three months ended Jan. 31, 2014: 39 (up 40.4%)  
 Three months ended Jan. 31, 2013: 28 (down 24.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jan. 31, 2014	2.94	-
Three months ended Jan. 31, 2013	1.85	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jan. 31, 2014	11,201	2,677	23.9	252.71
As of Oct. 31, 2013	11,430	2,755	24.1	255.30

Reference: Shareholders' equity (million yen) As of Jan. 31, 2014: 2,675 As of Oct. 31, 2013: 2,754

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2013	-	0.00	-	5.00	5.00
Fiscal year ending Oct. 31, 2014	-				
Fiscal year ending Oct. 31, 2014 (forecasts)		0.00	-	5.50	5.50

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

**3. Consolidated Forecast for the Fiscal Year Ending October 31, 2014 (Nov. 1, 2013 – Oct. 31, 2014)**

(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	5,640	10.1	325	51.9	296	62.8	148	73.7	13.72
Full year	11,600	11.1	570	9.6	510	12.1	255	26.9	23.64

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

**\* Notes**

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

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

Note: Please refer to “2. Matters Related to Summary Information (Notes), (1) Changes in Significant Subsidiaries during the Period” on page 3 of the attachments for further information.

(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, 2014:	11,190,400 shares	As of Oct. 31, 2013:	11,190,400 shares
2) Number of shares of treasury stock at end of period			
As of Jan. 31, 2014:	601,657 shares	As of Oct. 31, 2013:	401,657 shares
3) Average number of shares outstanding during the period			
Three months ended Jan. 31, 2014:	10,750,482 shares	Three months ended Jan. 31, 2013:	10,788,743 shares

Indication of quarterly review procedure implementation status

The current quarterly financial report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly consolidated financial statements have 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 certain assumptions judged to be valid and information available to the Company’s management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 of the attachments for assumptions for forecasts and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first quarter of the current fiscal year, stocks rallied and employment and income statistics improved as corporate earnings increased, chiefly at export-oriented companies, due to the benefits of government economic measures. Along with the positive effects of the selection of Tokyo to host the 2020 Olympics, the result was a further strengthening of Japan's economic recovery. However, the outlook is still uncertain because of sources of concern such as rising prices along with the higher cost of raw materials caused by the weaker yen and an upcoming drop in demand following the rush to make purchases prior to the upcoming consumption tax increases.

In the nursing care services sector, the Act concerning Reforms for Establishing a Sustainable Social Security System was approved in December 2013. One result is the start of measures to establish a regional comprehensive care system that combines regional medical and nursing care. With demand for nursing care services climbing, a major problem is recruiting personnel to provide these services as the chronic shortage of care workers continues.

In this environment, the LONGLIFE Group recorded a steady growth in the number of residents in the nursing home business and an increase in the number of customers in the in-home nursing care business. Net sales increased 3.4% from one year earlier to 2,639 million yen, operating income increased 4.3% to 124 million yen, ordinary income increased 13.8% to 114 million yen, and net income increased 58.1% to 31 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 20 nursing homes with a total of 803 rooms for residents. The central objective in this business is to raise the occupancy ratio by optimizing the operating framework and further strengthening sales activities.

Sales decreased 2.6% to 957 million yen and ordinary income increased 6.9% to 37 million yen.

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

There were 143 services in this business segment as of the end of the first quarter. Major activities include increasing the utilization rates of existing locations and conducting extensive sales activities for the provision of services that are not covered by nursing care insurance including welfare services for persons with disabilities. L Care Higashinohon Co., Ltd. was absorbed by the Company's consolidated subsidiary L Care Co., Ltd., which became the surviving company, after which L Care Higashinohon Co., Ltd. was dissolved on January 1, 2014.

Sales increased 4.0% to 1,355 million yen and ordinary income increased 3.6% to 5 million yen.

#### 3) Nursing care equipment business

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

Sales increased 10.7% to 251 million yen and ordinary income increased 26.4% to 11 million yen.

#### 4) Food business

The food business mainly involves the preparation of meals which are served at our 40 nursing homes.

The LONGLIFE 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 increased 170.4% to 22 million yen and there was an ordinary income of 5 million yen compared with ordinary loss of 4 million yen one year earlier.

## 5) Others

This segment includes the following three businesses: the dispensing pharmacy business operated by consolidated subsidiary Long Life Pharmacy Co., Ltd., the education and training business operated by consolidated subsidiary Long Life Casita Co., Ltd., and the investment business operated by consolidated subsidiary Long Life International Business Investment Co., Ltd. that makes investments in companies in Japan and other countries.

Sales increased 67.3% to 52 million yen and there was an ordinary loss of 6 million yen (3 million yen one year earlier).

### (2) Explanation of Financial Position

Total assets decreased by 228 million yen over the end of the previous fiscal year to 11,201 million yen at the end of the first quarter of the current fiscal year.

Current assets decreased by 221 million yen to 3,800 million yen. This was primarily attributable to an increase of 134 million yen in deposits paid, and decreases of 175 million yen in cash and deposits, 116 million yen in notes and accounts receivable-trade, and 54 million yen in deferred tax assets.

Noncurrent assets decreased by 7 million yen to 7,400 million yen. The primary causes were an increase of 38 million yen in investments and other assets, and a decrease of 44 million yen in property, plant and equipment.

Current liabilities decreased by 218 million yen to 5,691 million yen. This was mainly caused by an increase of 257 million yen in advances received, and decreases of 120 million yen in income taxes payable, 107 million yen in accounts payable-other, 95 million yen in provision for bonuses, and 64 million yen in accounts payable-trade.

Noncurrent liabilities increased by 67 million yen to 2,832 million yen mainly because of an increase of 83 million yen in long-term loans payable.

Net assets decreased by 78 million yen to 2,677 million yen, and the equity ratio was 23.9%.

### (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no revisions to the consolidated forecast for the fiscal year ending October 31, 2014 that was announced on December 13, 2013.

## 2. Matters Related to Summary Information (Notes)

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

L Care Higashinohon Co., Ltd., a consolidated subsidiary of the Company, was absorbed by another consolidated subsidiary L Care Co., Ltd., the surviving company, after which L Care Higashinohon Co., Ltd. was dissolved. As a result, from the first quarter of the current fiscal year, L Care Higashinohon Co., Ltd. is excluded from the scope of consolidation.

### (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)

	FY10/13 (As of Oct. 31, 2013)	First quarter of FY10/14 (As of Jan. 31, 2014)
Assets		
Current assets		
Cash and deposits	1,125,502	949,668
Notes and accounts receivable-trade	1,486,120	1,369,425
Inventories	38,738	37,513
Deferred tax assets	82,546	27,751
Deposits paid	1,084,533	1,219,446
Other	204,955	197,026
Total current assets	4,022,397	3,800,831
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,312,485	6,333,440
Accumulated depreciation	(2,155,637)	(2,209,724)
Buildings and structures, net	4,156,847	4,123,716
Vehicles	5,756	4,956
Accumulated depreciation	(5,711)	(4,920)
Vehicles, net	44	35
Tools, furniture and fixtures	392,081	402,923
Accumulated depreciation	(307,601)	(316,271)
Tools, furniture and fixtures, net	84,480	86,651
Land	2,290,548	2,290,548
Lease assets	291,529	291,529
Accumulated depreciation	(116,537)	(130,524)
Lease assets, net	174,991	161,005
Total property, plant and equipment	6,706,912	6,661,958
Intangible assets		
Goodwill	57,397	51,019
Other	22,857	28,103
Total intangible assets	80,254	79,123
Investments and other assets		
Investment securities	33,688	70,348
Stocks of subsidiaries and affiliates	13,767	13,767
Guarantee deposits	419,832	422,614
Long-term prepaid expenses	73,032	71,417
Claims provable in bankruptcy, claims provable in rehabilitation and other	200	200
Other	80,190	81,052
Allowance for doubtful accounts	(100)	(100)
Total investments and other assets	620,611	659,299
Total noncurrent assets	7,407,779	7,400,381
Total assets	11,430,176	11,201,213

	(Thousands of yen)	
	FY10/13 (As of Oct. 31, 2013)	First quarter of FY10/14 (As of Jan. 31, 2014)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	146,314	81,505
Short-term loans payable	306,568	274,167
Current portion of long-term loans payable	626,380	590,758
Lease obligations	58,765	59,399
Accounts payable-other	325,855	218,740
Accrued expenses	479,368	460,497
Income taxes payable	142,576	22,222
Advances received	3,574,497	3,831,904
Provision for bonuses	155,445	60,069
Allowance for cancellation of contract	24,830	20,613
Other	68,707	71,297
<b>Total current liabilities</b>	<b>5,909,307</b>	<b>5,691,174</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	2,466,515	2,550,482
Lease obligations	125,505	117,110
Deferred tax liabilities	20,380	24,640
Provision for retirement benefits	45,787	40,888
Deferred revenue of home nursing care apart from general revenue	10,800	-
Asset retirement obligations	81,516	86,389
Other	14,382	13,139
<b>Total noncurrent liabilities</b>	<b>2,764,887</b>	<b>2,832,649</b>
<b>Total liabilities</b>	<b>8,674,195</b>	<b>8,523,823</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	100,000	100,000
Retained earnings	2,698,609	2,676,255
Treasury stock	(62,440)	(126,789)
<b>Total shareholders' equity</b>	<b>2,736,168</b>	<b>2,649,465</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,107	10,401
Foreign currency translation adjustment	13,071	16,050
<b>Total accumulated other comprehensive income</b>	<b>18,178</b>	<b>26,452</b>
Minority interests	1,634	1,471
<b>Total net assets</b>	<b>2,755,981</b>	<b>2,677,389</b>
<b>Total liabilities and net assets</b>	<b>11,430,176</b>	<b>11,201,213</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 FY10/13 (Nov. 1, 2012 – Jan. 31, 2013)	First three months of FY10/14 (Nov. 1, 2013 – Jan. 31, 2014)
Net sales	2,552,842	2,639,283
Cost of sales	1,944,135	2,072,192
Gross profit	608,707	567,091
Selling, general and administrative expenses	489,341	442,601
Operating income	119,365	124,490
Non-operating income		
Interest income	119	140
Dividends income	1,082	143
Equity in earnings of affiliates	-	653
Contribution for tenants received	2,141	3,642
Revenue of facility usage charge	273	378
Subsidy income	1,040	1,574
Other	2,229	1,919
Total non-operating income	6,886	8,452
Non-operating expenses		
Interest expenses	16,734	17,146
Equity in losses of affiliates	6,767	-
Other	2,058	1,172
Total non-operating expenses	25,560	18,319
Ordinary income	100,691	114,622
Extraordinary loss		
Loss on retirement of noncurrent assets	389	2
Loss on cancellation of leasehold contracts	-	1,406
Settlement package	1,475	-
Loss on litigation	1,575	442
Total extraordinary losses	3,440	1,851
Income before income taxes and minority interests	97,251	112,770
Income taxes-current	22,046	25,197
Income taxes-deferred	55,220	56,146
Total income taxes	77,266	81,343
Income before minority interests	19,984	31,427
Minority interests in loss	-	(162)
Net income	19,984	31,589

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

(Thousands of yen)

	First three months of FY10/13 (Nov. 1, 2012 – Jan. 31, 2013)	First three months of FY10/14 (Nov. 1, 2013 – Jan. 31, 2014)
Income before minority interests	19,984	31,427
Other comprehensive income		
Valuation difference on available-for-sale securities	7,016	5,294
Share of other comprehensive income of associates accounted for using equity method	1,284	2,979
Total other comprehensive income	8,301	8,273
Comprehensive income	28,285	39,700
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	28,285	39,863
Comprehensive income attributable to minority interests	-	(162)

**(3) Notes to Quarterly Consolidated Financial Statements**

**Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information**

I. First three months of FY10/13 (Nov. 1, 2012 – Jan. 31, 2013)

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

(Thousands of yen)

	Reportable segment					Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Subtotal		
Sales							
External sales	982,567	1,303,434	226,750	8,431	2,521,183	31,658	2,552,842
Inter-segment sales or transfers	3,000	917	12,997	93,169	110,083	32	110,116
Total	985,567	1,304,351	239,748	101,600	2,631,267	31,691	2,662,959
Segment profit (loss)	34,803	5,110	9,408	(4,752)	44,569	(3,231)	41,338

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

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

Reconciliation items

(Thousands of yen)

Profit	Amount
Total for reportable segments	44,569
Profits attributable to "Others"	(3,231)
Adjustments on unrealized profits	38
Amortization of goodwill	(6,377)
Corporate revenue/expenses (note 1)	65,725
Other (note 2)	(32)
Ordinary income on the quarterly consolidated statements of income	100,691

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

Not applicable.

II. First three months of FY10/14 (Nov. 1, 2013 – Jan. 31, 2014)

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

(Thousands of yen)

	Reportable segment					Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Subtotal		
Sales							
External sales	957,368	1,355,094	251,068	22,795	2,586,327	52,956	2,639,283
Inter-segment sales or transfers	3,040	1,134	9,541	111,803	125,518	1,346	126,864
Total	960,408	1,356,228	260,609	134,599	2,711,845	54,303	2,766,148
Segment profit (loss)	37,192	5,293	11,887	5,978	60,351	(6,807)	53,543

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

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

Reconciliation items

(Thousands of yen)

Profit	Amount
Total for reportable segments	60,351
Profits attributable to "Others"	(6,807)
Adjustments on unrealized profits	38
Amortization of goodwill	(6,377)
Corporate revenue/expenses (note)	67,418
Ordinary income on the quarterly consolidated statements of income	114,622

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

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

Not applicable.

*This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*