

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending October 31, 2016
(Six Months Ended April 30, 2016)

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)
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Scheduled date of filing of Quarterly Report: June 10, 2016

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

Note: The original disclosure in Japanese was released on June 10, 2016 at 15:30 (GMT +9).

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

1. Consolidated Financial Results for the Six Months Ended April 30, 2016 (Nov. 1, 2015 – Apr. 30, 2016)

(1) Consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Apr. 30, 2016	5,518	(1.3)	132	(61.4)	83	(70.6)	10	(92.4)
Six months ended Apr. 30, 2015	5,590	4.1	343	6.3	283	(20.8)	136	(28.3)

Note: Comprehensive income (million yen)

Six months ended Apr. 30, 2016: (24) (- %)

Six months ended Apr. 30, 2015: 144 (down 25.1%)

	Profit per share		Diluted profit per share	
	Yen		Yen	
Six months ended Apr. 30, 2016	1.00		-	
Six months ended Apr. 30, 2015	12.99		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Apr. 30, 2016	13,166		2,977		22.6		288.75	
As of Oct. 31, 2015	12,814		3,142		24.5		302.36	

Reference: Shareholders' equity (million yen)

As of Apr. 30, 2016: 2,977

As of Oct. 31, 2015: 3,142

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen				
Fiscal year ended Oct. 31, 2015	-	0.00	-	8.50	8.50
Fiscal year ending Oct. 31, 2016	-	0.00	-	-	-
Fiscal year ending Oct. 31, 2016 (forecasts)	-	-	-	7.50	7.50

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

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2016 (Nov. 1, 2015 – Oct. 31, 2016)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit		Profit per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	11,760	4.2	500	(24.2)	400	(35.4)	200	(38.3)	19.27	

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

*** Notes**

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

Newly added: -

Excluded: -

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

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

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 Apr. 30, 2016:11,190,400 shares As of Oct. 31, 2015:11,190,400 shares

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

As of Apr. 30, 2016:877,905 shares As of Oct. 31, 2015:797,305shares

3) Average number of shares outstanding during the period

Six months ended Apr. 30, 2016:10,380,988 shares Six months ended Apr. 30, 2015:10,513,328 shares

Indication of quarterly review procedure implementation status

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

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

Note concerning forward-looking statements

Forecasts of future performance in these materials are based on certain assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons.

Contents of Attachments

1. Matters Related to Summary Information (Notes)	2
(1) Changes in Significant Subsidiaries during the Period	2
(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements	2
(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements	2
2. Quarterly Consolidated Financial Statements	3
(1) Quarterly Consolidated Balance Sheets	3
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	5
Quarterly Consolidated Statements of Income	
(For the Six-month Period)	5
Quarterly Consolidated Statements of Comprehensive Income	6
(For the Six-month Period)	
(3) Quarterly Consolidated Statements of Cash Flows	7
(4) Notes to Quarterly Consolidated Financial Statements	9
Going Concern Assumption	9
Significant Changes in Shareholders' Equity	9
Segment and Other Information	9

1. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

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

Not applicable.

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

Adoption of accounting standards related to business combinations

The Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No.21) of September 13, 2013, the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22) of September 13, 2013, and the Accounting Standard for Business Divestitures (ASBJ Statement No.7) of September 13, 2013, have been applied from the first quarter of the current fiscal year.

A change in presentation has been made to 'net income', and the previous account of 'minority interests' has changed to 'non-controlling interests'. To reflect these changes in presentation, certain items in the consolidated financial statements for the second period of the previous fiscal year and the previous fiscal year, have been reclassified.

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	FY10/15 (As of Oct. 31, 2015)	Second quarter of FY10/16 (As of Apr. 30, 2016)
Assets		
Current assets		
Cash and deposits	2,143,320	2,008,135
Notes and accounts receivable-trade	1,511,721	1,461,943
Inventories	40,066	49,976
Deferred tax assets	146,129	54,254
Deposits paid	1,550,513	1,572,759
Other	205,049	277,351
Total current assets	5,596,799	5,424,420
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	5,931,623	5,954,317
Accumulated depreciation	(2,303,583)	(2,379,014)
Buildings and structures, net	3,628,039	3,575,303
Vehicles	4,956	4,956
Accumulated depreciation	(4,949)	(4,952)
Vehicles, net	6	3
Tools, furniture and fixtures	422,981	453,455
Accumulated depreciation	(334,698)	(350,578)
Tools, furniture and fixtures, net	88,282	102,877
Land	2,440,381	2,940,518
Lease assets	325,189	325,189
Accumulated depreciation	(225,325)	(249,556)
Lease assets, net	99,863	75,632
Construction in progress	98,789	176,996
Total property, plant and equipment	6,355,363	6,871,331
Intangible assets		
Goodwill	6,377	—
Other	22,894	21,793
Total intangible assets	29,272	21,793
Investments and other assets		
Investment securities	147,414	125,659
Stocks of subsidiaries and affiliates	43,313	7,258
Guarantee deposits	503,576	504,676
Long-term prepaid expenses	61,301	57,689
Other	77,688	153,473
Total investments and other assets	833,295	848,757
Total noncurrent assets	7,217,931	7,741,883
Total assets	12,814,731	13,166,304

	(Thousands of yen)	
	FY10/15 (As of Oct. 31, 2015)	Second quarter of FY10/16 (As of Apr. 30, 2016)
Liabilities		
Current liabilities		
Accounts payable-trade	134,212	135,769
Short-term loans payable	170,000	170,000
Current portion of long-term loans payable	259,231	213,992
Lease obligations	49,400	33,628
Accounts payable-other	494,910	307,213
Accrued expenses	524,595	516,378
Income taxes payable	172,275	81,038
Advances received	4,656,951	5,054,112
Provision for bonuses	278,329	128,636
Allowance for cancellation of contract	30,468	14,458
Other	141,631	133,089
Total current liabilities	6,912,006	6,788,317
Noncurrent liabilities		
Long-term loans payable	2,528,418	3,178,309
Lease obligations	60,510	49,528
Deferred tax liabilities	29,771	21,006
Net defined benefit liability	48,139	59,036
Asset retirement obligations	88,637	89,353
Other	4,812	3,040
Total noncurrent liabilities	2,760,288	3,400,274
Total liabilities	9,672,295	10,188,591
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Retained earnings	3,201,195	3,097,990
Treasury stock	(201,774)	(227,901)
Total shareholders' equity	3,099,420	2,970,088
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,622	11,336
Foreign currency translation adjustment	17,393	(3,712)
Total accumulated other comprehensive income	43,015	7,623
Total net assets	3,142,435	2,977,712
Total liabilities and net assets	12,814,731	13,166,304

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

(Thousands of yen)

	First six months of FY10/15 (Nov. 1, 2014 – Apr. 30, 2015)	First six months of FY10/15 (Nov. 1, 2015 – Apr. 30, 2016)
Net sales	5,590,714	5,518,352
Cost of sales	4,232,652	4,196,103
Gross profit	1,358,061	1,322,248
Selling, general and administrative expenses	1,014,693	1,189,777
Operating income	343,368	132,471
Non-operating income		
Interest income	290	140
Dividends income	360	402
Contribution for tenants received	7,820	7,785
Revenue of facility usage charge	547	477
Subsidy income	249	450
Other	6,189	2,489
Total non-operating income	15,456	11,745
Non-operating expenses		
Interest expenses	29,963	29,601
Commission fee	17,000	11,826
Equity in losses of affiliates	20,853	7,065
Other	7,898	12,398
Total non-operating expenses	75,715	60,892
Ordinary income	283,109	83,323
Extraordinary income		
Gain on sales of investments in capital of subsidiaries and associates	—	108,360
Total extraordinary income	—	108,360
Extraordinary loss		
Loss on retirement of non-current assets	9	9,681
Loss on closing of stores	9,092	471
Loss on cancellation of rental contracts	789	184
Loss on litigation	516	—
Total extraordinary losses	10,408	10,337
Profit before income taxes	272,701	181,346
Income taxes-current	72,813	79,874
Income taxes-deferred	63,348	91,057
Total income taxes	136,162	170,932
Profit	136,539	10,413
Profit attributable to owners of parent	136,539	10,413

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

(Thousands of yen)

	First six months of FY10/15 (Nov. 1, 2014 – Apr. 30, 2015)	First six months of FY10/16 (Nov. 1, 2015 – Apr. 30, 2016)
Income before minority interests	136,539	10,413
Other comprehensive income		
Valuation difference on available-for-sale securities	7,036	(14,285)
Share of other comprehensive income of associates accounted for using equity method	1,218	(21,106)
Total other comprehensive income	8,255	(35,391)
Comprehensive income	144,794	(24,977)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	144,794	(24,977)

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	First six months of FY10/15 (Nov. 1, 2014 – Apr. 30, 2015)	First six months of FY10/16 (Nov. 1, 2015 – Apr. 30, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	272,701	181,346
Depreciation	143,559	135,689
Amortization of long-term prepaid expenses	5,489	5,732
Amortization of goodwill	14,466	6,377
Increase (decrease) in provision for bonuses	(128,724)	(149,693)
Increase (decrease) in allowance for cancellation of contract	(4,080)	(16,010)
Increase (decrease) in net defined benefit liability	6,439	10,896
Interest and dividends income	(650)	(542)
Interest expenses	29,963	29,601
Gain on sales of investments in capital of subsidiaries and associates	—	(108,360)
Share of (profit) loss of entities accounted for using equity method	20,853	7,065
Loss on retirement of property, plant and equipment	9	9,681
Loss on closing of stores	9,092	471
Decrease (increase) in notes and accounts receivable-trade	23,442	49,778
Decrease (increase) in inventories	365	(9,909)
Decrease (increase) in deposits paid	(14,035)	(22,246)
Increase (decrease) in notes and accounts payable-trade	22,303	1,556
Increase (decrease) in accounts payable-other	(36,076)	(183,207)
Increase (decrease) in advances received	75,960	397,160
Decrease (increase) in consumption taxes refund receivable	432	(466)
Increase (decrease) in accrued consumption taxes	(29,052)	(9,898)
Other, net	(15,448)	(68,855)
Subtotal	397,011	266,169
Interest and dividends income received	650	542
Interest expenses paid	(26,219)	(30,380)
Income taxes paid	(171,209)	(171,195)
Net cash provided by (used in) operating activities	200,232	65,135

(Thousands of yen)

	First six months of FY10/15 (Nov. 1, 2014 – Apr. 30, 2015)	First six months of FY10/15 (Nov. 1, 2015 – Apr. 30, 2016)
Net cash provided by (used in) investing activities		
Payments into time deposits	—	(100,000)
Purchase of investment securities	(464)	(481)
Purchase of property, plant and equipment	(217,623)	(656,751)
Purchase of intangible assets	(1,056)	(2,575)
Payments for lease and guarantee deposits	(47,219)	(1,828)
Proceeds from collection of lease and guarantee deposits	1,649	729
Purchase of long-term prepaid expenses	(2,974)	(1,814)
Purchase of shares of subsidiaries and associates	(31,546)	—
Payments for investments in capital of subsidiaries and associates	—	(113,393)
Proceeds from sales of investments in capital of subsidiaries and associates	—	115,555
Other, net	(1,954)	(1,739)
Net cash provided by (used in) investing activities	(301,189)	(762,301)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(9,663)	—
Proceeds from long-term loans payable	1,150,000	719,000
Repayment of long-term loans payable	(1,101,671)	(114,348)
Repayments of lease obligations	(28,378)	(26,754)
Purchase of treasury stock	(74,968)	(26,126)
Cash dividends paid	(58,333)	(87,599)
Net cash provided by (used in) financing activities	(123,014)	464,171
Effect of exchange rate change on cash and cash equivalents	64	(2,189)
Net increase (decrease) in cash and cash equivalents	(223,906)	(235,184)
Cash and cash equivalents at beginning of period	1,657,287	2,108,320
Cash and cash equivalents at end of period	1,433,380	1,873,135

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

I. First six months of FY10/15 (Nov. 1, 2014 – Apr. 30, 2015)

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	1,995,386	2,746,379	712,941	23,050	5,477,757	112,956	5,590,714
Inter-segment sales or transfers	—	4,776	13,962	245,313	264,052	1,805	265,858
Total	1,995,386	2,751,155	726,904	268,364	5,741,810	114,762	5,856,572
Segment profit (loss)	53,372	133,142	33,245	10,565	230,325	(50,010)	180,314

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	230,325
Profits attributable to "Others"	(50,010)
Adjustments on unrealized profits	71
Amortization of goodwill	(14,466)
Corporate revenue/expenses (note)	117,189
Ordinary income on the quarterly consolidated statements of income	283,109

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

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

Not applicable.

II. First six months of FY10/16 (Nov. 1, 2015 – Apr. 30, 2016)

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

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	2,020,231	2,695,545	647,199	22,690	-	5,365,665	132,686	5,518,352
Inter-segment sales or transfers	-	835	26,845	271,147	-	298,828	8,978	307,807
Total	2,020,231	2,696,380	674,044	293,837	-	5,684,494	141,664	5,826,159
Segment profit (loss)	(67,253)	43,704	43,743	14,274	(72,987)	(38,518)	(21,078)	(59,596)

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

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

Reconciliation items

(Thousands of yen)

Profit	Amount
Total for reportable segments	(38,518)
Profits attributable to "Others"	(21,078)
Adjustments on unrealized profits	71
Amortization of goodwill	(6,377)
Corporate revenue/expenses (note)	149,226
Ordinary income on the quarterly consolidated statements of income	83,323

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

From the first quarter of the current fiscal year, the Resort business was isolated from the Others in consideration of its significance.

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.