

Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending October 31, 2018
(Three Months Ended January 31, 2018)

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)
 Stock code: 4355 URL: <http://www.longlife-holding.co.jp>
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Scheduled date of filing of Quarterly Report: March 12, 2018

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, 2018 at 15:30 (GMT +9).

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

1. Consolidated Financial Results for the Three Months January 31, 2018 (Nov. 1, 2017 – Jan. 31, 2018)

(1) Consolidated results of operations

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jan. 31, 2018	3,166	9.3	105	4.8	(87)	-	(137)	-
Three months ended Jan. 31, 2017	2,897	-	100	-	75	208.5	(25)	-

Note: Comprehensive income (million yen)

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

Three months ended Jan. 31, 2017: (24) (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jan. 31, 2018	(13.44)	-
Three months ended Jan. 31, 2017	(2.44)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jan. 31, 2018	15,863	3,102	19.6	303.16
As of Oct. 31, 2017	15,168	3,332	22.0	325.58

Reference: Shareholders' equity (million yen)

As of Jan. 31, 2018: 3,102

As of Oct. 31, 2017: 3,332

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending Oct. 31, 2017	-	0.00	-	8.00	8.00
Fiscal year ending Oct. 31, 2018	-				
Fiscal year ending Oct. 31, 2018 (forecasts)		0.00	-	8.00	8.00

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

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2018 (Nov. 1, 2017 – Oct. 31, 2018)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	6,000	2.1	200	27.2	20	(85.0)	(40)	-	(3.91)
Full year	13,000	5.7	700	38.8	500	7.7	250	7.0	24.43

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

* Notes

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

Newly added: -

Excluded: -

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

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at end of period (including shares of treasury stock)

As of Jan. 31, 2018: 11,190,400 shares As of Oct. 31, 2017: 11,190,400 shares

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

As of Jan. 31, 2018: 955,605 shares As of Oct. 31, 2017: 955,605 shares

3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2018: 10,234,795 shares Three months ended Jan. 31, 2017: 10,234,795 shares

Indication of quarterly review procedure implementation status

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

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

Note concerning forward-looking statements

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

1. Matters Related to Summary Information (Notes)

(1) 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.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	FY10/17 (As of Oct. 31, 2017)	first quarter of FY10/18 (As of Jan. 31, 2018)
Assets		
Current assets		
Cash and deposits	1,833,234	2,649,048
Notes and accounts receivable-trade	1,657,895	1,636,491
Inventories	60,455	56,141
Deferred tax assets	68,446	29,621
Deposits paid	1,400,339	1,143,249
Other	246,794	268,233
Total current assets	5,267,166	5,782,785
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,131,050	7,134,035
Accumulated depreciation	(2,704,196)	(2,760,798)
Buildings and structures, net	4,426,854	4,373,237
Vehicles	16,807	16,807
Accumulated depreciation	(6,523)	(7,696)
Vehicles, net	10,283	9,111
Tools, furniture and fixtures	557,452	574,423
Accumulated depreciation	(402,438)	(413,091)
Tools, furniture and fixtures, net	155,014	161,332
Land	3,299,427	3,299,427
Lease assets	329,875	340,413
Accumulated depreciation	(287,323)	(292,637)
Lease assets, net	42,551	47,776
Construction in progress	1,075,409	1,112,291
Total property, plant and equipment	9,009,541	9,003,175
Intangible assets		
Other	23,542	27,143
Total intangible assets	23,542	27,143
Investments and other assets		
Investment securities	135,003	321,170
Guarantee deposits	560,675	560,986
Long-term prepaid expenses	52,515	48,373
Other	119,758	119,406
Total investments and other assets	867,952	1,049,936
Total noncurrent assets	9,901,036	10,080,255
Total assets	15,168,202	15,863,041

	(Thousands of yen)	
	FY10/17 (As of Oct. 31, 2017)	first quarter of FY10/18 (As of Jan. 31, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	220,181	160,377
Short-term loans payable	170,000	170,000
Current portion of long-term loans payable	523,015	405,344
Lease obligations	21,763	22,288
Accounts payable-other	233,474	244,529
Accrued expenses	592,789	576,682
Income taxes payable	118,804	10,108
Advances received	5,485,300	5,306,552
Provision for bonuses	158,645	87,388
Allowance for cancellation of contract	15,741	11,317
Other	95,970	82,105
Total current liabilities	7,635,685	7,076,693
Noncurrent liabilities		
Long-term loans payable	3,958,329	5,425,130
Lease obligations	22,786	26,623
Deferred tax liabilities	38,396	34,014
Net defined benefit liability	84,547	90,189
Asset retirement obligations	94,502	94,868
Other	1,698	12,724
Total noncurrent liabilities	4,200,260	5,683,549
Total liabilities	11,835,945	12,760,243
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Retained earnings	3,444,423	3,223,997
Treasury stock	(251,175)	(251,175)
Total shareholders' equity	3,293,248	3,072,822
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,638	31,556
Foreign currency translation adjustment	(2,629)	(1,580)
Total accumulated other comprehensive income	39,008	29,976
Total net assets	3,332,257	3,102,798
Total liabilities and net assets	15,168,202	15,863,041

(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 FY10/17 (Nov. 1, 2016 – Jan. 31, 2017)	First Three months of FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)
Net sales	2,897,000	3,166,359
Cost of sales	2,220,563	2,474,001
Gross profit	676,437	692,358
Selling, general and administrative expenses	575,890	586,962
Operating income	100,546	105,395
Non-operating income		
Interest income	132	20
Dividends income	448	559
Foreign exchange gains	34	—
Revenue of facility usage charge	228	194
Other	361	1,415
Total non-operating income	1,205	2,190
Non-operating expenses		
Interest expenses	15,243	19,878
Commission fee	10,457	144,235
Taxes and dues	—	19,722
Share of loss of entities accounted for using equity method	—	128
Other	1,050	11,098
Total non-operating expenses	26,750	195,063
Ordinary income	75,002	(87,477)
Extraordinary income		
Gain on sales of non-current assets	1	—
Total extraordinary income	1	—
Extraordinary losses		
Loss on retirement of non-current assets	163	24
Loss on cancellation of rental contracts	—	1,127
Total extraordinary losses	163	1,151
Income before income taxes and minority interests	74,841	(88,629)
Income taxes-current	29,318	10,331
Income taxes-deferred	70,528	38,604
Total income taxes	99,846	48,936
Profit (loss)	(25,005)	(137,565)
Profit (loss) attributable to owners of parent	(25,005)	(137,565)

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

(Thousands of yen)

	First three months of FY10/17 (Nov. 1, 2016– Jan. 31, 2017)	First three months of FY10/18 (Nov. 1, 2017– Jan. 31, 2018)
Profit (loss)	(25,005)	(137,565)
Other comprehensive income		
Valuation difference on available-for-sale securities	92	(10,081)
Foreign currency translation adjustment	—	920
Share of other comprehensive income of entities accounted for using equity method	—	128
Total other comprehensive income	92	(9,032)
Comprehensive income	(24,913)	(146,597)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(24,913)	(146,597)
Comprehensive income attributable to non-controlling interests	—	—

(3) Segment and Other Information

I. First three months of FY10/17 (Nov. 1, 2016 – Jan. 31, 2017)

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

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	1,055,597	1,409,860	325,043	16,886	17,375	2,824,765	72,235	2,897,000
Inter-segment sales or transfers	-	404	12,914	149,550	407	163,276	10,431	173,708
Total	1,055,597	1,410,265	337,957	166,437	17,783	2,988,041	82,666	3,070,708
Segment profit (loss)	469	32,170	13,496	4,943	(64,464)	(13,384)	4,245	(9,139)

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	(13,384)
Profits (losses) attributable to "Others"	4,245
Adjustments on unrealized profits	35
Corporate revenue/expenses (note)	83,956
Other	150
Ordinary income on the quarterly consolidated statements of income	75,002

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

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

Not applicable.

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

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

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	1,081,186	1,497,535	400,251	23,625	64,395	3,066,994	99,364	3,166,359
Inter-segment sales or transfers	—	443	13,162	160,510	314	174,430	4,753	179,184
Total	1,081,186	1,497,979	413,413	184,136	64,709	3,241,425	104,118	3,345,544
Segment profit (loss)	(17,607)	(402)	7,442	11,241	(20,675)	(20,001)	(5,682)	(25,683)

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	(20,001)
Profits (losses) attributable to “Others”	(5,682)
Adjustments on unrealized profits	35
Corporate revenue/expenses (note)	(64,456)
Other	2,626
Ordinary income on the quarterly consolidated statements of income	(87,477)

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

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

Not applicable.

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

This summary report has been translated from a part of the Japanese original.