

December 14, 2018

Summary of Consolidated Financial Results for the Fiscal Year Ended October 31, 2018

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd.

Listing: Tokyo Stock Exchange (JASDAQ)

Stock code: 4355

URL: <http://longlife-holding.co.jp>

Representative: Masakazu Endo, CEO

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Scheduled date of Annual General Meeting of Shareholders: January 29, 2019

Scheduled date of filing of Annual Securities Report: January 29, 2019

Scheduled date of payment of dividend: January 30, 2019

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 14, 2018 at 15:30 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended October 31, 2018 (Nov. 1, 2017 – Oct. 31, 2018)

(1) Consolidated results of operations (Percentages shown for net sales and incomes 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	%
Fiscal year ended Oct. 31, 2018	12,866	4.4	295	(43.6)	39	(91.5)	(115)	—
Fiscal year ended Oct. 31, 2017	12,320	—	523	—	464	3.1	233	6.5

Note: Comprehensive income (million yen)

Fiscal year ended Oct. 31, 2018: (115) (- %)

Fiscal year ended Oct. 31, 2017: 254 (up 30.8%)

	Profit per share	Diluted profit per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Fiscal year ended Oct. 31, 2018	(11.26)	—	(3.6)	0.2	2.3
Fiscal year ended Oct. 31, 2017	22.83	—	7.2	3.1	4.3

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

Fiscal year ended Oct. 31, 2018: 1

Fiscal year ended Oct. 31, 2017: (0)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2018	16,622	3,132	18.8	306.08
As of Oct. 31, 2017	15,168	3,332	22.0	325.58

Reference: Shareholders' equity (million yen)

As of Oct. 31, 2018: 3,132

As of Oct. 31, 2017: 3,332

(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, 2018	287	(2,398)	1,555	1,044
Fiscal year ended Oct. 31, 2017	779	(1,809)	331	1,598

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Oct. 31, 2017	-	0.00	-	8.00	8.00	81	35.0	2.5
Fiscal year ended Oct. 31, 2018	-	0.00	-	8.00	8.00	81	—	2.6
Fiscal year ending Oct. 31, 2019 (forecasts)	-	0.00	-	8.00	8.00		48.2	

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2019 (Nov. 1, 2018 – Oct. 31, 2019)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	6,620	3.8	150	(15.3)	110	—	30	—	2.93
Full year	14,100	9.6	420	42.1	340	764.4	170	—	16.61

61.61

* Notes

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

Newly added: -

Excluded: -

(2) 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 |

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

3) Average number of shares outstanding during the period

Fiscal year ended Oct. 31, 2018:10,234,795 shares Fiscal year ended Oct. 31, 2017:10,234,795 shares

For reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended October 31, 2018(Nov. 1, 2017 – Oct. 31, 2018)

(1) Non-consolidated results of operations

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Oct. 31, 2018	1,039	11.5	343	7.3	170	(47.4)	(351)	—
Fiscal year ended Oct. 31, 2017	931	8.1	319	1.1	325	8.8	182	56.9

	Profit per share	Diluted Profit per share
	Yen	Yen
Fiscal year ended Oct. 31, 2018	(34.32)	—
Fiscal year ended Oct. 31, 2017	17.81	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2018	5,102	353	6.9	34.56
As of Oct. 31, 2017	4,073	793	19.5	77.50

Reference: Shareholders' equity (million yen)

As of Oct. 31, 2018

353

As of Oct. 31, 2017

793

Indication of audit procedure implementation status

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

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

Forecasts of future performance in these materials are based on certain standards 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.

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1. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of yen)

	FY10/17 (As of Oct. 31, 2017)	FY10/18 (As of Oct. 31, 2018)
Assets		
Current assets		
Cash and deposits	1,833,234	1,279,263
Notes and accounts receivable-trade	1,657,895	1,682,523
Inventories	60,455	217,871
Deferred tax assets	68,446	32,395
Deposits paid	1,400,339	1,140,345
Other	246,794	409,351
Allowance for doubtful accounts	—	(11,732)
Total current assets	5,267,166	4,750,018
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,131,050	8,809,438
Accumulated depreciation	(2,704,196)	(2,977,119)
Buildings and structures, net	4,426,854	5,832,318
Vehicles	16,807	16,807
Accumulated depreciation	(6,523)	(11,213)
Vehicles, net	10,283	5,594
Tools, furniture and fixtures	557,452	799,330
Accumulated depreciation	(402,438)	(487,144)
Tools, furniture and fixtures, net	155,014	312,185
Land	3,299,427	3,679,322
Lease assets	329,875	340,413
Accumulated depreciation	(287,323)	(307,074)
Lease assets, net	42,551	33,338
Construction in progress	1,075,409	914,418
Total property, plant and equipment	9,009,541	10,777,178
Intangible assets		
Other	23,542	46,499
Total intangible assets	23,542	46,499
Investments and other assets		
Investment securities	135,003	126,031
Stocks of subsidiaries and affiliates	0	0
Guarantee deposits	560,675	740,594
Long-term prepaid expenses	52,515	57,097
Other	119,758	124,605
Total investments and other assets	867,952	1,048,328
Total noncurrent assets	9,901,036	11,872,007
Total assets	15,168,202	16,622,025

	(Thousands of yen)	
	FY10/17 (As of Oct. 31, 2017)	FY10/18 (As of Oct. 31, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	220,181	191,102
Short-term loans payable	170,000	551,200
Current portion of long-term loans payable	523,015	378,660
Lease obligations	21,763	14,475
Accounts payable-other	233,474	396,653
Accrued expenses	592,789	585,298
Income taxes payable	118,804	20,546
Advances received	5,485,300	5,353,030
Provision for bonuses	158,645	96,536
Allowance for cancellation of contract	15,741	14,554
Other	95,970	71,731
Total current liabilities	7,635,685	7,673,789
Noncurrent liabilities		
Long-term loans payable	3,958,329	5,540,135
Lease obligations	22,786	17,353
Deferred tax liabilities	38,396	34,229
Net defined benefit liability	84,547	99,728
Asset retirement obligations	94,502	112,905
Other	1,698	11,197
Total noncurrent liabilities	4,200,260	5,815,549
Total liabilities	11,835,945	13,489,338
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Retained earnings	3,444,423	3,245,695
Treasury stock	(251,175)	(251,175)
Total shareholders' equity	3,293,248	3,094,520
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,638	40,742
Foreign currency translation adjustment	(2,629)	(2,575)
Total accumulated other comprehensive income	39,008	38,167
Total net assets	3,332,257	3,132,687
Total liabilities and net assets	15,168,202	16,622,025

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

	FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)	FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)
Net sales	12,320,259	12,866,561
Cost of sales	9,434,506	10,097,199
Gross profit	2,885,753	2,769,362
Selling, general and administrative expenses	2,361,964	2,473,736
Operating income	523,789	295,626
Non-operating income		
Interest income	177	68
Dividends income	2,470	2,657
Subsidy income	1,485	2,000
Share of profit of entities accounted for using equity method	—	1,890
Other	11,260	9,110
Total non-operating income	15,393	15,726
Non-operating expenses		
Interest expenses	62,438	78,805
Commission paid	6,256	157,762
Share of loss of entities accounted for using equity method	229	—
Taxes and dues	—	20,551
Other	6,196	14,897
Total non-operating expenses	75,120	272,016
Ordinary income	464,062	39,335
Extraordinary income		
Gain on sales of non-current assets	3,006	—
Total gain on sales of non-current assets	3,006	—
Extraordinary loss		
Loss on sales of property, plant and equipment	—	1,177
Loss on valuation of investment securities	—	5,939
Provision of allowance for doubtful accounts	—	11,732
Other	1,100	3,197
Total extraordinary losses	1,100	22,046
Profit (loss) before income taxes	465,969	17,289
Income taxes-current	195,095	97,531
Income taxes-deferred	38,022	34,955
Total income taxes	233,118	132,487
Profit (loss)	232,851	(115,197)
Profit (loss) attributable to non-controlling interest	(832)	—
Profit (loss) attributable to owners of parent	233,683	(115,197)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)	FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)
Profit (loss)	232,851	(115,197)
Other comprehensive income		
Valuation difference on available-for-sale securities	20,155	(895)
Foreign currency translation adjustment	831	124
Share of other comprehensive income of associates accounted for using equity method	229	—
Total other comprehensive income	21,216	(770)
Comprehensive income	254,067	(115,968)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	254,900	(115,968)
Comprehensive income attributable to non-controlling interests	(832)	—

(3) Consolidated Statement of changes in equity

FY10/17(Nov. 1, 2016 – Oct. 31, 2017)

(Thousands of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	100,000	3,307,006	(251,175)	3,155,831
Changes of items during the period				
Retained earnings		(76,760)		(76,760)
Profit attributable to owners of parent		233,683		233,683
Change of scope of consolidation		(19,505)		(19,505)
Net changes of items other than shareholders' equity				
Total changes of items during the period	—	137,417	—	137,417
Balance at the end of current period	100,000	3,444,423	(251,175)	3,293,248

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total changes of items during the period		
Balance at the beginning of current period	21,482	(3,690)	17,791	—	3,173,622
Changes of items during the period					
Retained earnings					(76,760)
Profit attributable to owners of parent					233,683
Change of scope of consolidation					(19,505)
Net changes of items other than shareholders' equity	20,155	1,061	21,216	—	21,216
Total changes of items during the period	20,155	1,061	21,216	—	158,634
Balance at the end of current period	41,638	(2,629)	39,008	—	3,332,257

FY10/18(Nov. 1, 2017 – Oct. 31, 2018)

(Thousands of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	100,000	3,444,423	(251,175)	3,293,248
Changes of items during the period				
Retained earnings		(81,878)		(81,878)
Profit attributable to owners of parent		(115,197)		(115,197)
Change of scope of equity method		(1,652)		(1,652)
Net changes of items other than shareholders' equity				
Total changes of items during the period	—	(198,728)	—	(198,728)
Balance at the end of current period	100,000	3,245,695	(251,175)	3,094,520

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total changes of items during the period		
Balance at the beginning of current period	41,638	(2,629)	39,008	—	3,332,257
Changes of items during the period					
Retained earnings					(81,878)
Profit attributable to owners of parent					(115,197)
Change of scope of equity method					(1,652)
Net changes of items other than shareholders' equity	(895)	54	(841)	—	(841)
Total changes of items during the period	(895)	54	(841)	—	(199,569)
Balance at the end of current period	40,742	(2,575)	38,167	—	3,132,687

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)	FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)
Cash flows from operating activities		
Profit (loss) before income taxes	465,969	17,289
Depreciation	332,564	407,105
Amortization of long-term prepaid expenses	19,235	28,730
Increase (decrease) in allowance for doubtful accounts	—	11,732
Increase (decrease) in provision for bonuses	(110,988)	(62,109)
Increase (decrease) in allowance for cancellation of contract	(1,910)	(1,187)
Increase (decrease) in net defined benefit liability	16,781	15,180
Share of (profit) loss of entities accounted for using equity method	229	(1,890)
Interest and dividends income	(2,648)	(2,725)
Interest expenses	62,438	78,805
Commission fee	—	157,762
Loss (gain) on sales of non-current assets	(3,006)	1,177
Loss on retirement of non-current assets	707	1,432
Loss (gain) on sales and valuation of investment securities	—	1,231
Loss (gain) on valuation of investment securities	—	5,939
Donations	(2,000)	—
Decrease (increase) in notes and accounts receivable-trade	(124,413)	(18,960)
Decrease (increase) in inventories	(2,443)	(157,416)
Decrease (increase) in deposits paid	181,985	260,860
Increase (decrease) in notes and accounts payable-trade	50,674	(29,079)
Increase (decrease) in accounts payable-other	(172,756)	145,192
Increase (decrease) in advances received	170,074	(137,936)
Increase (decrease) in accrued consumption taxes	(2,560)	(28,140)
Decrease (increase) in consumption taxes refund receivable	93,580	(126,019)
Other payments	1,577	10,384
Subtotal	973,090	577,361
Interest and dividends income received	2,648	2,725
Interest expenses paid	(62,676)	(81,332)
Proceeds from donations	2,000	—
Income taxes paid	(135,158)	(211,034)
Net cash provided by (used in) operating activities	779,904	287,719

	(Thousands of yen)	
	FY10/17	FY10/18
	(Nov. 1, 2016 – Oct. 31, 2017)	(Nov. 1, 2017– Oct. 31, 2018)
Cash flows from investing activities		
Payments into time deposits	(235,021)	(200,038)
Proceeds from withdrawal of time deposits	135,000	200,021
Purchase of investment securities	(1,060)	(200,866)
Proceeds from sales of investment securities	—	198,768
Purchase of property, plant and equipment	(1,679,494)	(2,135,554)
Proceeds from sales of property, plant and equipment	5,002	240
Purchase of intangible assets	(5,527)	(31,423)
Payments for lease and guarantee deposits	(9,049)	(186,069)
Proceeds from collection of lease and guarantee deposits	6,158	6,149
Purchase of long-term prepaid expenses	(22,515)	(38,009)
Other, net	(2,819)	(11,270)
Net cash provided by (used in) investing activities	(1,809,328)	(2,398,053)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	381,200
Proceeds from long-term loans payable	1,159,200	4,899,000
Repayment of long-term loans payable	(724,272)	(3,461,549)
Repayments of lease obligations	(27,515)	(23,259)
Cash dividends paid	(76,295)	(81,754)
Payments for commission fee	—	(157,762)
Net cash provided by (used in) financing activities	331,117	1,555,874
Effect of exchange rate change on cash and cash equivalents	(94)	471
Net increase (decrease) in cash and cash equivalents	(698,401)	(553,987)
Cash and cash equivalents at beginning of period	2,293,006	1,598,213
Increase in cash and cash equivalents from newly consolidated subsidiary	3,608	—
Cash and cash equivalents at end of period	1,598,213	1,044,225

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment and Other Information

a. Segment data

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 nursing care equipment business, the food business and the resort business.

2. Calculation methods for sales, profit (or 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 (or loss), assets, liabilities, and other items for each reportable segment
 FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	4,372,231	5,560,647	1,526,967	33,326	191,376	11,684,548	635,711	12,320,259
Inter-segment sales or transfers	—	2,231	88,891	575,300	1,325	667,749	38,941	706,690
Total	4,372,231	5,562,879	1,615,858	608,627	192,701	12,352,298	674,652	13,026,950
Segment profit (loss)	186,287	53,176	56,181	15,951	(153,783)	157,814	(20,133)	137,680
Segment assets	9,833,677	1,570,849	620,602	141,897	3,132,265	15,299,291	353,084	15,652,376
Other items								
Depreciation and amortization	172,547	41,527	7,503	1,646	97,243	320,467	3,543	324,011
Interest expenses	32,848	8,622	1,335	—	33,333	76,140	4,656	80,796
Impairment loss	—	—	—	—	—	—	—	—
Equity in losses of affiliates	—	—	—	—	—	—	(229)	(229)
Investment in equity-method affiliates	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	499,049	14,040	12,473	820	1,084,838	1,611,222	3,139	1,614,362

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

FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	4,495,552	5,672,206	1,681,252	57,100	256,538	12,162,650	703,910	12,866,561
Inter-segment sales or transfers	—	2,672	101,809	601,673	1,808	707,963	25,186	733,149
Total	4,495,552	5,674,878	1,783,061	658,773	258,347	12,870,614	729,097	13,599,711
Segment profit (loss)	27,100	51,121	19,948	23,530	(242,296)	(120,595)	(11,672)	(132,267)
Segment assets	9,865,519	1,495,290	738,820	167,051	3,890,727	16,157,410	430,881	16,588,291
Other items								
Depreciation and amortization	170,379	38,976	9,006	1,430	171,558	391,351	3,510	394,862
Interest expenses	29,994	6,160	2,065	—	31,881	70,102	3,726	73,829
Impairment loss	—	—	—	—	—	—	—	—
Equity in profit of affiliates	—	—	—	—	—	—	1,890	1,890
Investment in equity-method affiliates	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	1,127,673	45,741	10,008	975	988,268	2,172,667	13,944	2,186,612

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

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

Reconciliation items (Thousands of yen)

Sales	FY10/17	FY10/18
Total for reportable segments	12,352,298	12,870,614
Sales attributable to "Others"	674,652	729,097
Eliminations for inter-segment transactions	(706,690)	(733,149)
Sales on the consolidated financial statements	12,320,259	12,866,561

(Thousands of yen)

Profit	FY10/17	FY10/18
Total for reportable segments	157,814	(120,595)
Profits attributable to "Others"	(20,133)	(11,672)
Adjustments on unrealized profits	143	143
Amortization of goodwill	—	—
Corporate revenue/expenses (note)	325,287	170,969
Others	951	491
Ordinary income on the consolidated financial statements	464,062	39,335

Notes: 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.

(Thousands of yen)

Assets	FY10/17	FY10/18
Total for reportable segments	15,299,291	16,157,410
Assets attributable to the "Others"	353,084	430,881
Offsetting of receivables	(4,557,353)	(5,383,815)
Corporate assets (note)	4,073,180	5,417,549
Total assets on the consolidated financial statements	15,168,202	16,622,025

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	
	FY10/17	FY10/18	FY10/17	FY10/18	FY10/17	FY10/18	FY10/17	FY10/18
Depreciation and amortization	320,467	391,351	3,543	3,510	8,553	12,242	332,564	407,105
Amortization of goodwill	—	—	—	—	—	—	—	—
Interest expenses	76,140	70,102	4,656	3,726	(18,358)	4,977	62,438	78,805
Share of profit or loss of entities accounted for using equity method	—	—	(229)	1,890	—	—	(229)	1,890
Impairment loss	—	—	—	—	—	—	—	—
Investment in equity-method affiliates	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	1,611,222	2,172,667	3,139	13,944	1,165	33,940	1,615,527	2,220,552

Notes: 1. Adjustments to depreciation and amortization consist of adjustments to corporate expenses and to unrealized profits.
 2. Adjustments to interest expenses are not allocated to reportable segments.
 3. Adjustments to an increase in property, plant and equipment and intangible assets consist of the capital investments in the Company.

b. Related information

FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)

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 external sales outside 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	4,624,920	Nursing home, in-home nursing care, nursing care equipment

FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)

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 external sales outside Japan.

(2) Property, plant and equipment

This information is omitted because the Company has no external sales outside Japan.

3. Information by major client

(Thousands of yen)

Company name	Net sales	Business segment
Osaka Federation of National Health Insurance Organizations	4,452,362	Nursing home, in-home nursing care, nursing care equipment

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

FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)

(Thousands of yen)

	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Others	Elimination or corporate	Total
Impairment loss	—	—	—	—	—	—	—	—

FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)

(Thousands of yen)

	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Others	Elimination or corporate	Total
Impairment loss	—	—	—	—	—	—	—	—

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

FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)

(Thousands of yen)

	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Others	Elimination or corporate	Total
Amortization for the period	—	—	—	—	—	—	—	—
Balance at end of period	—	—	—	—	—	—	—	—

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.

Goodwill was occurred 1,711 thousands of yen by purchase of investment payments of subsidiaries.

FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)

(Thousands of yen)

	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Others	Elimination or corporate	Total
Amortization for the period	—	—	—	—	—	—	—	—
Balance at end of period	—	—	—	—	—	—	—	—

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.

e. Information related to gain on bargain purchase for each reportable segment

FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)

Not applicable.

FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)

Not applicable.

f. Per Share Information

(Yen)

	FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)	FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)
Net assets per share	325.58	306.08
Net income per share	22.83	(11.26)

Notes: 1. Diluted net income per share is not presented since the Company has no outstanding dilutive securities.

2. The following is a reconciliation of net income per share (Thousands of yen)

Items	FY10/17 (Nov. 1, 2016 – Oct. 31, 2017)	FY10/18 (Nov. 1, 2017 – Oct. 31, 2018)
Profit attributable to owners of parent	233,683	(115,197)
Amounts not available to common shareholders	—	—
Profit attributable to owners of parent available to common shares	233,683	(115,197)
Average number of common shares outstanding during the period	10,234,795 shares	10,234,795 shares

2. 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.