

**Summary of Consolidated Financial Results**  
**for the Third Quarter of the Fiscal Year Ending October 31, 2020**  
**(Nine Months Ended July 31, 2020)**

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)  
 Stock code: 4355 URL: <http://www.longlife-holding.co.jp>  
 Representative: Hiromi Kojima, CEO  
 Contact: Ryota Oasa, Managing Director and General Manager, Administration Tel: +81-(0) 6-6373-9191  
 Division

Scheduled date of filing of Quarterly Report: September 29, 2020

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 September 25, 2020 at 15:30 (GMT +9).

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

**1. Consolidated Financial Results for the Nine Months Ended July 31, 2020 (Nov. 1, 2019 – Jul. 31, 2020)**

## (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	%
Nine months ended Jul. 31, 2020	9,797	(0.6)	(66)	—	(166)	—	(316)	—
Nine months ended Jul. 31, 2019	9,852	2.7	(11)	—	(72)	—	(312)	—

Note: Comprehensive income (million yen) Nine months ended Jul. 31, 2020: (346) (—%)

Nine months ended Jul. 31, 2019: (321) (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jul. 31, 2020	(30.51)	—
Nine months ended Jul. 31, 2019	(30.39)	—

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jul. 31, 2020	18,346	2,342	12.8
As of Oct. 31, 2019	17,437	2,772	15.9

Reference: Shareholders' equity (million yen) As of Jul. 31, 2020: 2,342 As of Oct. 31, 2019: 2,772

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending Oct. 31, 2019	—	0.00	—	8.00	8.00
Fiscal year ending Oct. 31, 2020	—	0.00	—		
Fiscal year ending Oct. 31, 2020 (forecasts)				8.00	8.00

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

**3. Consolidated Forecast for the Fiscal Year Ending October 31, 2020 (Nov. 1, 2019 – Oct. 31, 2020)**

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	14,000	5.9	300	170.4	220	738.6	110	—	10.60

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 Jul. 31, 2020: 11,190,400 shares As of Oct. 31, 2019: 11,190,400 shares

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

As of Jul. 31, 2020: 821,005 shares As of Oct. 31, 2019: 814,605 shares

3) Average number of shares outstanding during the period

Nine months ended Jul. 31, 2020: 10,372,209 shares Nine months ended Jul. 31, 2019: 10,275,873 shares

\* Quarter financial results are not subject to quarterly reviews by certified public accountants or audit firms.

\* 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. Quarterly Consolidated Financial Statements	2
(1) Quarterly Consolidated Balance Sheets	2
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	4
Quarterly Consolidated Statements of Income	
(For the Nine-month Period)	4
Quarterly Consolidated Statements of Comprehensive Income	
(For the Nine-month Period)	5
(3) Notes to Quarterly Consolidated Financial Statements	6
Going Concern Assumption	6
Significant Changes in Shareholders' Equity	6
Significant subsequent events	6
Segment and Other Information	6

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

	(Thousands of yen)	
	FY10/19 (As of Oct. 31, 2019)	Third quarter of FY10/20 (As of Jul. 31, 2020)
Assets		
Current assets		
Cash and deposits	1,243,637	1,275,696
Notes and accounts receivable-trade	1,660,752	1,599,455
Inventories	170,761	186,710
Deposits paid	1,055,158	991,770
Other	323,239	430,948
Allowance for doubtful accounts	(22,784)	(16,771)
Total current assets	4,430,764	4,467,810
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,617,594	11,883,687
Accumulated depreciation	(3,120,416)	(3,392,692)
Buildings and structures, net	5,497,178	8,490,995
Vehicles	16,606	13,158
Accumulated depreciation	(13,289)	(10,314)
Vehicles, net	3,316	2,844
Tools, furniture and fixtures	791,546	889,411
Accumulated depreciation	(545,540)	(600,369)
Tools, furniture and fixtures, net	246,006	289,042
Land	3,679,322	3,786,857
Lease assets	352,437	414,837
Accumulated depreciation	(321,682)	(286,587)
Lease assets, net	30,755	128,249
Construction in progress	2,436,186	—
Total property, plant and equipment	11,892,766	12,697,989
Intangible assets		
Goodwill	29,174	23,816
Other	73,056	74,872
Total intangible assets	102,230	98,688
Investments and other assets		
Investment securities	106,433	60,178
Stocks of subsidiaries and affiliates	5,000	5,000
Guarantee deposits	710,878	712,773
Long-term prepaid expenses	43,324	39,670
Deferred tax assets	20,326	6,540
Other	126,168	257,694
Total investments and other assets	1,012,131	1,081,857
Total noncurrent assets	13,007,128	13,878,535
Total assets	17,437,893	18,346,345

(Thousands of yen)

	FY10/19 (As of Oct. 31, 2019)	Third quarter of FY10/20 (As of Jul. 31, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	182,575	142,189
Short-term loans payable	170,000	700,000
Current portion of long-term loans payable	438,660	828,176
Lease obligations	11,735	29,384
Accounts payable-other	346,976	307,546
Accrued expenses	586,612	649,489
Income taxes payable	127,359	43,063
Advances received	5,052,702	4,926,544
Provision for bonuses	107,554	58,278
Allowance for cancellation of contract	15,279	25,131
Asset retirement obligations	3,756	-
Other	122,511	102,134
<b>Total current liabilities</b>	<b>7,165,721</b>	<b>7,811,938</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	7,237,775	7,814,334
Lease obligations	19,021	107,764
Deferred tax liabilities	16,982	16,688
Net defined benefit liability	114,730	128,837
Asset retirement obligations	99,349	114,334
Other	11,948	9,969
<b>Total noncurrent liabilities</b>	<b>7,499,807</b>	<b>8,191,929</b>
<b>Total liabilities</b>	<b>14,665,529</b>	<b>16,003,867</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	100,000	100,000
Capital surplus	10,982	10,982
Retained earnings	2,845,366	2,445,877
Treasury stock	(213,273)	(213,273)
<b>Total shareholders' equity</b>	<b>2,743,075</b>	<b>2,343,586</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	30,549	156
Foreign currency translation adjustment	(1,261)	(1,265)
<b>Total accumulated other comprehensive income</b>	<b>29,288</b>	<b>(1,108)</b>
<b>Total net assets</b>	<b>2,772,363</b>	<b>2,342,477</b>
<b>Total liabilities and net assets</b>	<b>17,437,893</b>	<b>18,346,345</b>

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

(Thousands of yen)

	First nine months of FY10/19 (Nov. 1, 2018– Jul. 31, 2019)	First nine months of FY10/20 (Nov. 1, 2019– Jul. 31, 2020)
Net sales	9,852,099	9,797,106
Cost of sales	7,830,675	7,748,843
Gross profit	2,021,424	2,048,263
Selling, general and administrative expenses	2,032,924	2,114,298
Operating loss (loss)	(11,499)	(66,035)
Non-operating income		
Interest income	29	27
Dividends income	2,916	2,169
Other	26,374	14,853
Total non-operating income	29,319	17,051
Non-operating expenses		
Interest expenses	65,570	97,265
Commission fee	18,750	14,512
Other	5,677	5,716
Total non-operating expenses	89,997	117,494
Ordinary loss (loss)	(72,177)	(166,478)
Extraordinary income		
Gain on change of rental contracts	—	27,223
Gain on sales of investment securities	—	20,285
Gain on reversal of asset retirement obligation	—	3,756
Total extraordinary income	—	51,265
Extraordinary loss		
Impairment loss	99,954	56,168
Loss on cancellation of rental contracts	—	6,797
Loss on retirement of noncurrent assets	—	1,694
Loss on valuation of investment securities	5,323	—
Other	20,978	—
Total extraordinary losses	126,256	64,660
Profit (loss) before income taxes	(198,433)	(179,874)
Income taxes-current	103,078	107,065
Income taxes-deferred	10,797	29,542
Total income taxes	113,876	136,607
Profit (loss)	(312,310)	(316,482)
Profit (loss) attributable to owners of parent	(312,310)	(316,482)

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

(Thousands of yen)

	First nine months of FY10/19 (Nov. 1, 2018 – Jul. 31, 2019)	First nine months of FY10/20 (Nov. 1, 2019– Jul. 31, 2020)
Profit (loss)	(312,310)	(316,482)
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,264)	(30,393)
Foreign currency translation adjustment	981	(3)
Total other comprehensive income	(9,282)	(30,397)
Comprehensive income	(321,592)	(346,879)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(321,592)	(346,879)
Comprehensive income attributable to non-controlling shareholders	—	—

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

#### Going Concern Assumption

Not applicable.

#### Significant Changes in Shareholders' Equity

Not applicable.

#### Significant subsequent events

Not applicable.

#### Segment and Other Information

I. First nine months of FY10/19(Nov. 1, 2018 – Jul. 31, 2019)

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	3,401,066	4,207,668	1,145,320	28,683	339,672	9,122,411	729,688	9,852,099
Inter-segment sales or transfers	3,400	3,626	73,764	456,609	1,095	538,495	9,967	548,463
Total	3,404,466	4,211,294	1,219,084	485,292	340,768	9,660,907	739,655	10,400,562
Segment profit (loss)	(263,088)	4,686	10,273	5,110	(44,867)	(287,885)	17,758	(270,127)

Note: "Others" segment is not included in any of the reportable segments and includes dispensing pharmacy business, healthcare business, investment business, and consulting 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	(287,885)
Profits attributable to "Others"	17,758
Adjustments on unrealized profits	107
Corporate revenue/expenses (note1)	197,392
Other (note2)	450
Ordinary income on the quarterly consolidated statements of income (loss)	(72,177)

Note1: 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.

Note2: Others are mainly eliminations of transaction balances for companies that do not belong to any reporting segment (the Company, which is the holding company).

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

(Significant impairment loss on fixed assets)

In the cumulative third quarter of the current fiscal year, an impairment loss of 87,132 thousand yen was recorded in the nursing home business, and an impairment loss of 7,053 thousand yen was recorded in the dispensing pharmacy business among other segments. In addition, an impairment loss of 5,768 thousand yen was recorded for company-wide assets not allocated to each reporting segment.

(Significant fluctuations in the amount of goodwill)

Not applicable.



II. First nine months of FY10/20 (Nov. 1, 2019– Jul. 31, 2020)

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	3,589,427	4,294,318	852,851	32,795	131,107	8,900,500	896,606	9,797,106
Inter-segment sales or transfers	73	3,983	63,062	454,192	962	522,274	41,837	564,112
Total	3,589,501	4,298,301	915,914	486,987	132,070	9,422,775	938,444	10,361,219
Segment profit (loss)	(216,564)	33,443	3,201	10,154	(256,438)	(426,204)	9,712	(416,491)

Note: “Others” segment is not included in any of the reportable segments and includes dispensing pharmacy business, healthcare business, investment business, and consulting 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	(426,204)
Profits attributable to “Others”	9,712
Adjustments on unrealized profits	107
Corporate revenue/expenses (note1)	249,455
Other (note2)	450
Ordinary income on the quarterly consolidated statements of income (loss)	(166,478)

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.

Note2: Others are mainly eliminations of transaction balances for companies that do not belong to any reporting segment (the Company, which is the holding company).

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

(Significant impairment loss on fixed assets)

In the cumulative third quarter of the current fiscal year, an impairment loss of 56,168 thousand yen was recorded in the nursing home business.

(Significant fluctuations in the amount of goodwill)

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.*