

Summary of Consolidated Financial Results for the Fiscal Year Ended October 31, 2020

[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 Annual General Meeting of Shareholders: January 28, 2021
 Scheduled date of filing of Annual Securities Report: January 28, 2021
 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, 2020 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, 2020 (Nov. 1, 2019 – Oct. 31, 2020)

(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, 2020	13,230	0.1	98	(11.5)	10	(59.5)	(89)	—
Fiscal year ended Oct. 31, 2019	13,220	2.8	110	(62.5)	26	(33.3)	(318)	—

Note: Comprehensive income (million yen)

Fiscal year ended Oct. 31, 2020: (110) (- %)

Fiscal year ended Oct. 31, 2019: (327) (- %)

	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, 2020	(8.61)	—	(3.3)	0.1	0.7
Fiscal year ended Oct. 31, 2019	(30.91)	—	(10.8)	0.2	0.8

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

Fiscal year ended Oct. 31, 2020: -

Fiscal year ended Oct. 31, 2019: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2020	19,675	2,578	13.1	248.72
As of Oct. 31, 2019	17,437	2,772	15.9	267.20

Reference: Shareholders' equity (million yen)

As of Oct. 31, 2020: 2,578

As of Oct. 31, 2019: 2,772

(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, 2020	586	(738)	1,873	2,722
Fiscal year ended Oct. 31, 2019	353	(1,640)	1,244	1,001

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, 2019	—	0.00	—	8.00	8.00	83	—	2.8
Fiscal year ended Oct. 31, 2020	—	0.00	—	6.00	6.00	62	—	2.3
Fiscal year ending Oct. 31, 2021 (forecasts)	—	0.00	—	8.00	8.00		166.0	

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2021 (Nov. 1, 2020 – Oct. 31, 2021)

(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
Full year	12,800	(3.3)	230	134.2	100	841.4	50	—	4.82

Regarding the rate of increase / decrease in sales compared to the previous fiscal year, excluding Kashidas Co., Ltd., which was excluded from the scope of consolidation, sales will increase by 6.0%.

* Notes

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

Newly added: - Excluded: Kashidas Co., Ltd.

(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, 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 Oct. 31, 2020: 822,405 shares As of Oct. 31, 2019: 814,605 shares

3) Average number of shares outstanding during the period

Fiscal year ended Oct. 31, 2020: 10,370,912 shares Fiscal year ended Oct. 31, 2019: 10,301,439 shares

For reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended October 31, 2020 (Nov. 1, 2019 – Oct. 31, 2020)

(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, 2020	979	(2.9)	344	28.7	341	27.0	230	80.7
Fiscal year ended Oct. 31, 2019	1,008	(3.0)	267	(22.1)	268	57.0	127	—

	Profit per share	Diluted Profit per share
	Yen	Yen
Fiscal year ended Oct. 31, 2020	22.20	—
Fiscal year ended Oct. 31, 2019	12.37	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2020	6,452	564	8.7	54.41
As of Oct. 31, 2019	4,734	438	9.3	42.22

Reference: Shareholders' equity (million yen) As of Oct. 31, 2020 564 As of Oct. 31, 2019 438

* 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.

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1. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of yen)

	FY10/19 (As of Oct. 31, 2019)	FY10/20 (As of Oct. 31, 2020)
Assets		
Current assets		
Cash and deposits	1,243,637	2,965,042
Notes and accounts receivable-trade	1,660,752	1,460,761
Inventories	170,761	66,424
Deposits paid	1,055,158	994,741
Other	323,239	418,285
Allowance for doubtful accounts	(22,784)	—
Total current assets	4,430,764	5,905,256
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,617,594	11,891,800
Accumulated depreciation	(3,120,416)	(3,492,812)
Buildings and structures, net	5,497,178	8,398,988
Vehicles	16,606	13,158
Accumulated depreciation	(13,289)	(10,703)
Vehicles, net	3,316	2,454
Tools, furniture and fixtures	791,546	831,582
Accumulated depreciation	(545,540)	(566,999)
Tools, furniture and fixtures, net	246,006	264,583
Land	3,679,322	3,786,857
Lease assets	352,437	294,625
Accumulated depreciation	(321,682)	(154,957)
Lease assets, net	30,755	139,668
Construction in progress	2,436,186	—
Total property, plant and equipment	11,892,766	12,592,551
Intangible assets		
Goodwill	29,174	22,029
Other	73,056	70,338
Total intangible assets	102,230	92,367
Investments and other assets		
Investment securities	106,433	46,440
Stocks of subsidiaries and affiliates	5,000	5,000
Guarantee deposits	710,878	701,698
Long-term prepaid expenses	43,324	40,964
Deferred tax assets	20,326	38,435
Other	126,168	253,173
Total investments and other assets	1,012,131	1,085,713
Total noncurrent assets	13,007,128	13,770,632
Total assets	17,437,893	19,675,889

	(Thousands of yen)	
	FY10/19 (As of Oct. 31, 2019)	FY10/20 (As of Oct. 31, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	182,575	98,067
Short-term loans payable	170,000	1,200,000
Current portion of long-term loans payable	438,660	853,609
Lease obligations	11,735	29,937
Accounts payable-other	346,976	306,155
Accrued expenses	586,612	667,705
Income taxes payable	127,359	340,995
Advances received	5,052,702	5,033,125
Provision for bonuses	107,554	104,408
Allowance for cancellation of contract	15,279	21,991
Asset retirement obligations	3,756	—
Other	122,511	264,132
Total current liabilities	7,165,721	8,920,127
Noncurrent liabilities		
Long-term loans payable	7,237,775	7,792,301
Lease obligations	19,021	123,261
Deferred tax liabilities	16,982	22,047
Net defined benefit liability	114,730	119,815
Asset retirement obligations	99,349	109,951
Other	11,948	9,671
Total noncurrent liabilities	7,499,807	8,177,048
Total liabilities	14,665,529	17,097,175
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Capital surplus	10,982	10,982
Retained earnings	2,845,366	2,673,080
Treasury stock	(213,273)	(213,273)
Total shareholders' equity	2,743,075	2,570,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,549	9,407
Foreign currency translation adjustment	(1,261)	(1,483)
Total accumulated other comprehensive income	29,288	7,923
Total net assets	2,772,363	2,578,713
Total liabilities and net assets	17,437,893	19,675,889

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

	FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)	FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)
Net sales	13,220,909	13,230,064
Cost of sales	10,352,006	10,379,892
Gross profit	2,868,902	2,850,172
Selling, general and administrative expenses	2,757,943	2,751,963
Operating income	110,958	98,208
Non-operating income		
Interest income	47	1,005
Dividends income	2,916	2,169
Subsidy income	1,842	42,231
Other	30,173	16,107
Total non-operating income	34,979	61,514
Non-operating expenses		
Interest expenses	88,782	127,378
Commission paid	23,466	18,229
Other	7,456	3,492
Total non-operating expenses	119,705	149,100
Ordinary income	26,233	10,622
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	—	373,887
Gain on change of lease contracts	—	27,223
Gain on sales of investment securities	—	20,285
Gain on reversal of asset retirement obligation	—	3,756
Total extraordinary income	—	425,152
Extraordinary loss		
Impairment loss	112,627	61,014
Settlement	32,885	36,703
Loss on sales of investment securities	—	12,187
Loss on valuation of investment securities	5,323	—
Bad debt losses	18,666	—
Other	15,053	9,927
Total extraordinary losses	184,556	119,832
Profit (loss) before income taxes	(158,323)	315,943
Income taxes-current	159,999	408,732
Income taxes-deferred	127	(3,510)
Total income taxes	160,126	405,222
Profit (loss)	(318,450)	(89,279)
Profit (loss) attributable to owners of parent	(318,450)	(89,279)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)	FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)
Profit (loss)	(318,450)	(89,279)
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,193)	(21,142)
Foreign currency translation adjustment	1,314	(222)
Total other comprehensive income	(8,878)	(21,364)
Comprehensive income	(327,329)	(110,643)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(327,329)	(110,643)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of changes in equity

FY10/19(Nov. 1, 2018 – Oct. 31, 2019)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	100,000	—	3,245,695	(251,175)	3,094,520
Changes of items during the period					
Retained earnings			(81,878)		(81,878)
Disposal of treasury stock		10,982		37,901	48,883
Profit (loss) attributable to owners of parent			(318,450)		(318,450)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	10,982	(400,328)	37,901	(351,444)
Balance at the end of current period	100,000	10,982	2,845,366	(213,273)	2,743,075

	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	40,742	(2,575)	38,167	—	3,132,687
Changes of items during the period					
Retained earnings					(81,878)
Disposal of treasury stock					48,883
Profit (loss) attributable to owners of parent					(318,450)
Net changes of items other than shareholders' equity	(10,193)	1,314	(8,878)	—	(8,878)
Total changes of items during the period	(10,193)	1,314	(8,878)	—	(360,323)
Balance at the end of current period	30,549	(1,261)	29,288	—	2,772,363

FY10/20(Nov. 1, 2019 – Oct. 31, 2020)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	100,000	10,982	2,845,366	(213,273)	2,743,075
Changes of items during the period					
Retained earnings			(83,006)		(83,006)
Disposal of treasury stock					—
Profit (loss) attributable to owners of parent			(89,279)		(89,279)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	(172,285)	—	(172,285)
Balance at the end of current period	100,000	10,982	2,673,080	(213,273)	2,570,789

	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	30,549	(1,261)	29,288	—	2,772,363
Changes of items during the period					
Retained earnings					(83,006)
Disposal of treasury stock					—
Profit attributable to owners of parent					(89,279)
Net changes of items other than shareholders' equity	(21,142)	(222)	(21,364)	—	(21,364)
Total changes of items during the period	(21,142)	(222)	(21,364)	—	(193,650)
Balance at the end of current period	9,407	(1,483)	7,923	—	2,578,713

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)	FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	(158,323)	315,943
Depreciation	450,708	580,259
Amortization of goodwill	6,549	7,144
Amortization of long-term prepaid expenses	12,776	14,679
Impairment loss	112,627	61,014
Settlement	32,885	36,703
Bad debt losses	18,666	9,751
Increase (decrease) in allowance for doubtful accounts	11,051	(7,668)
Increase (decrease) in provision for bonuses	11,018	5,199
Increase (decrease) in allowance for cancellation of contract	725	6,712
Increase (decrease) in net defined benefit liability	15,001	19,214
Interest and dividends income	(2,963)	(3,174)
Interest expenses	88,782	127,378
Commission fee	23,466	18,229
Stock-based compensation expenses	24,091	23,187
Loss on retirement of non-current assets	6,394	3,058
Loss on retirement of intangible fixed assets	1,164	—
Loss (gain) on sales of shares of subsidiaries and associates	—	(373,887)
Loss (gain) on sales and valuation of investment securities	—	(8,097)
Loss (gain) on valuation of investment securities	5,323	—
Gain on change of lease contract	—	(27,223)
Loss on cancellation of lease contract	—	6,868
Decrease (increase) in notes and accounts receivable-trade	21,770	(19,968)
Decrease (increase) in inventories	47,110	(12,087)
Decrease (increase) in deposits paid	85,187	60,417
Increase (decrease) in notes and accounts payable-trade	(8,527)	175
Increase (decrease) in accounts payable-other	(39,063)	(48,104)
Increase (decrease) in advances received	(300,328)	(14,228)
Increase (decrease) in deposits received	890	335,391
Decrease (increase) in deferred consumption taxes	3,859	(164,011)
Increase (decrease) in accrued consumption taxes	(56,087)	(19,466)
Decrease (increase) in consumption taxes refund receivable	125,815	(79,404)
Other, net	(49,269)	67,942
Subtotal	491,304	921,946
Interest and dividends income received	2,963	3,174
Interest expenses paid	(90,301)	(123,792)
Settlement payment	(22,845)	(17,743)
Refund of corporate taxes, etc.	28,648	—
Income taxes paid	(55,917)	(193,890)
Other payments	—	(2,968)
Net cash provided by (used in) operating activities	353,851	586,726

	(Thousands of yen)	
	FY10/19	FY10/20
	(Nov. 1, 2018 – Oct. 31, 2019)	(Nov. 1, 2019– Oct. 31, 2020)
Cash flows from investing activities		
Payments into time deposits	(235,055)	(235,072)
Proceeds from withdrawal of time deposits	235,038	235,055
Purchase of investment securities	(1,301)	(1,397)
Proceeds from sales of investment securities	—	37,182
Purchase of property, plant and equipment	(1,542,858)	(1,166,102)
Purchase of intangible assets	(35,680)	(13,417)
Payments for lease and guarantee deposits	(21,794)	(27,879)
Proceeds from collection of lease and guarantee deposits	54,780	21,773
Purchase of long-term prepaid expenses	(15,170)	(11,588)
Expenditures from absorption splits	(70,000)	—
Income from the sale of shares of a subsidiary with a change in the scope of consolidation	—	421,534
Other, net	(8,379)	971
Net cash provided by (used in) investing activities	(1,640,420)	(738,941)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(381,200)	1,030,000
Proceeds from long-term loans payable	2,151,300	1,547,500
Repayment of long-term loans payable	(393,660)	(578,025)
Repayments of lease obligations	(14,404)	(24,402)
Payments for deposits of restricted deposits	(7,200)	—
Payments for acquisition of subsidiary shares without changes in scope of consolidation	(5,000)	—
Cash dividends paid	(81,533)	(83,006)
Payments for commission fee	(23,466)	(18,229)
Net cash provided by (used in) financing activities	1,244,835	1,873,836
Effect of exchange rate change on cash and cash equivalents	(1,108)	(233)
Net increase (decrease) in cash and cash equivalents	(42,842)	1,721,387
Cash and cash equivalents at beginning of period	1,044,225	1,001,382
Cash and cash equivalents at end of period	1,001,382	2,722,770

(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 five 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.

Regarding the "welfare equipment business," all shares held by "Kashidas Co., Ltd.", which was engaged in this business, were transferred on October 30, 2020, so they are excluded from the scope of consolidation, and sales and segments are excluded. Regarding the amount of profit and other items (depreciation, interest expense, increase in property, plant and equipment and intangible assets), the actual results up to the full year are shown with the end of the fiscal year as an exclusion date.

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
 FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	4,572,324	5,636,210	1,490,453	42,190	497,144	12,238,323	982,585	13,220,909
Inter-segment sales or transfers	3,700	4,753	86,001	606,409	1,435	702,299	12,565	714,865
Total	4,576,024	5,640,963	1,576,454	648,599	498,580	12,940,623	995,151	13,935,774
Segment profit (loss)	(286,273)	45,535	(15,501)	13,022	(22,099)	(265,316)	22,310	(243,006)
Segment assets	10,648,675	1,574,792	597,673	178,048	3,571,973	16,571,163	496,888	17,068,052
Other items								
Depreciation and amortization	175,389	33,822	8,381	1,478	212,699	431,771	6,174	437,945
Interest expenses	42,984	5,710	2,859	—	36,108	87,662	4,142	91,804
Equity in losses of affiliates	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	1,585,874	25,057	6,712	3,175	28,200	1,649,019	55,607	1,704,627

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

FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)

(Thousands of yen)

	Reportable segment						Others (note)	Total
	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Subtotal		
Sales								
External sales	4,926,771	5,777,216	1,156,435	52,775	185,477	12,098,677	1,131,387	13,230,064
Inter-segment sales or transfers	357	6,054	86,259	602,448	1,841	696,962	60,874	757,837
Total	4,927,129	5,783,271	1,242,695	655,223	187,319	12,795,639	1,192,261	13,987,901
Segment profit (loss)	(158,575)	124,945	5,771	13,901	(337,302)	(351,259)	17,818	(333,440)
Segment assets	11,698,074	2,009,638	—	217,359	3,297,385	17,222,457	488,938	17,711,395
Other items								
Depreciation and amortization	296,773	42,823	10,070	1,936	201,818	553,422	6,443	559,866
Interest expenses	77,265	6,009	1,821	—	34,097	119,193	4,082	123,275
Equity in losses of affiliates	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	999,005	93,800	6,993	15,708	55,086	1,170,593	10,780	1,181,374

Note: 1. "Others" segment is not included in any of the reportable segments and includes dispensing pharmacy business, healthcare business, investment business, and consulting business.

2. The welfare equipment business was excluded from the scope of consolidation at the end of the current consolidated fiscal year, and segment assets are not listed.

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

Reconciliation items (Thousands of yen)

Sales	FY10/19	FY10/20
Total for reportable segments	12,940,623	12,795,639
Sales attributable to "Others"	995,151	1,192,261
Eliminations for inter-segment transactions	(714,865)	(757,837)
Sales on the consolidated financial statements	13,220,909	13,230,064

(Thousands of yen)

Profit	FY10/19	FY10/20
Total for reportable segments	(265,316)	(351,259)
Profits attributable to "Others"	22,310	17,818
Adjustments on unrealized profits	143	143
Corporate revenue/expenses (note)	268,496	341,117
Others	600	2,802
Ordinary income on the consolidated financial statements	26,233	10,622

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. The other is mainly the elimination of transaction volume for companies that do not belong to the reporting segment (the Company, which is a holding company).

(Thousands of yen)

Assets	FY10/19	FY10/20
Total for reportable segments	16,571,163	17,222,457
Assets attributable to the "Others"	496,888	488,938
Offsetting of receivables	(4,364,214)	(4,487,584)
Corporate assets (note)	4,734,055	6,452,077
Total assets on the consolidated financial statements	17,437,893	19,675,889

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	
	FY10/19	FY10/20	FY10/19	FY10/20	FY10/19	FY10/20	FY10/19	FY10/20
Depreciation and amortization	431,771	553,422	6,174	6,443	12,763	20,393	450,708	580,259
Interest expenses	87,662	119,193	4,142	4,082	(3,022)	4,102	88,782	127,378
Share of profit or loss of entities accounted for using equity method	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	1,649,019	1,170,593	55,607	10,780	46,183	158,756	1,750,810	1,340,130

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

FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)

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	4,388,413	Nursing home, in-home nursing care, nursing care equipment, others

FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)

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	4,505,712	Nursing home, in-home nursing care, nursing care equipment, others

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

FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)

(Thousands of yen)

	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Others	Elimination or corporate	Total
Impairment loss	97,190	2,613	—	—	—	7,053	5,768	112,627

Notes: The amount of "Other" is the amount related to the dispensing pharmacy business, medical-related business, investment and consulting business. In addition, the amount of "Elimination or corporate" is an impairment loss on company-wide assets that do not belong to the segment.

FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)

(Thousands of yen)

	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Others	Elimination or corporate	Total
Impairment loss	56,168	—	4,845	—	—	—	—	61,014

Notes: The amount of "Other" is the amount related to the dispensing pharmacy business, medical-related business, investment and consulting business. In addition, the amount of "Elimination or corporate" is an impairment loss on company-wide assets that do not belong to the segment.

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

FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)

(Thousands of yen)

	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Others	Elimination or corporate	Total
Amortization for the period	—	—	—	—	—	6,549	—	6,549
Balance at end of period	—	—	—	—	—	29,174	—	29,174

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.

FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)

(Thousands of yen)

	Nursing home	In-home nursing care	Nursing care equipment	Food	Resort	Others	Elimination or corporate	Total
Amortization for the period	—	—	—	—	—	7,144	—	7,144
Balance at end of period	—	—	—	—	—	22,029	—	22,029

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

FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)

Not applicable.

FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)

Not applicable.

f. Per Share Information

(Yen)

	FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)	FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)
Net assets per share	267.20	248.72
Net income per share	(30.91)	(8.61)

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	FY10/19 (Nov. 1, 2018 – Oct. 31, 2019)	FY10/20 (Nov. 1, 2019 – Oct. 31, 2020)
Profit attributable to owners of parent	(318,450)	(89,279)
Amounts not available to common shareholders	—	—
Profit attributable to owners of parent available to common shares	(318,450)	(89,279)
Average number of common shares outstanding during the period	10,301,439 shares	10,370,912 shares

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.