

March 15, 2021

**Summary of Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending October 31, 2021**  
**(Three Months Ended January 31, 2021)**

[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 16, 2021

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 15, 2021 at 16:30 (GMT +9).

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

**1. Consolidated Financial Results for the Three Months January 31, 2021 (Nov. 1, 2020 – Jan. 31, 2021)**

(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, 2021	3,061	(3.2)	(5)	—	93	—	47	—
Three months ended Jan. 31, 2020	3,162	(2.8)	(125)	—	(149)	—	(193)	—

Note: Comprehensive income (million yen) Three months ended Jan. 31, 2021: 37 (—%)

Three months ended Jan. 31, 2020: (210) (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jan. 31, 2021	4.56	—
Three months ended Jan. 31, 2020	(18.69)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jan. 31, 2021	19,060	2,553	13.4	246.31
As of Oct. 31, 2020	19,675	2,578	13.1	248.72

Reference: Shareholders' equity (million yen) As of Jan. 31, 2021: 2,553 As of Oct. 31, 2020: 2,578

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending Oct. 31, 2020	—	0.00	—	6.00	6.00
Fiscal year ending Oct. 31, 2021	—				
Fiscal year ending Oct. 31, 2021 (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, 2021 (Nov. 1, 2020 – Oct. 31, 2021)

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

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

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): 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, 2021 : 11,190,400 shares As of Oct. 31, 2020 : 11,190,400 shares

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

As of Jan. 31, 2021 : 822,405 shares As of Oct. 31, 2020 : 822,405 shares

3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2021 : 10,367,995 shares Three months ended Jan. 31, 2020 : 10,374,625 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.

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**1. Quarterly Consolidated Financial Statements**

**(1) Quarterly Consolidated Balance Sheets**

(Thousands of yen)

	FY10/20 (As of Oct. 31, 2020)	first quarter of FY10/21 (As of Jan. 31, 2021)
Assets		
Current assets		
Cash and deposits	2,965,042	2,491,173
Notes and accounts receivable-trade	1,460,761	1,388,280
Inventories	66,424	83,707
Deposits paid	994,741	991,261
Other	418,285	375,482
Total current assets	5,905,256	5,329,905
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,891,800	11,992,096
Accumulated depreciation	(3,492,812)	(3,606,155)
Buildings and structures, net	8,398,988	8,385,940
Vehicles	13,158	13,158
Accumulated depreciation	(10,703)	(10,902)
Vehicles, net	2,454	2,256
Tools, furniture and fixtures	831,582	828,320
Accumulated depreciation	(566,999)	(557,236)
Tools, furniture and fixtures, net	264,583	271,083
Land	3,786,857	3,788,129
Lease assets	294,625	313,919
Accumulated depreciation	(154,957)	(147,229)
Lease assets, net	139,668	166,690
Total property, plant and equipment	12,592,551	12,614,099
Intangible assets		
Goodwill	22,029	20,243
Other	70,338	67,818
Total intangible assets	92,367	88,062
Investments and other assets		
Investment securities	46,440	21,975
Shares of subsidiaries and associates	5,000	5,000
Guarantee deposits	701,698	702,505
Long-term prepaid expenses	40,964	37,937
Deferred tax assets	38,435	12,980
Other	253,173	247,746
Total investments and other assets	1,085,713	1,028,144
Total noncurrent assets	13,770,632	13,730,306
Total assets	19,675,889	19,060,212

	(Thousands of yen)	
	FY10/20 (As of Oct. 31, 2020)	first quarter of FY10/21 (As of Jan. 31, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	98,067	90,328
Short-term loans payable	1,200,000	1,200,000
Current portion of long-term loans payable	853,609	861,232
Lease obligations	29,937	35,844
Accounts payable-other	306,155	386,254
Accrued expenses	667,705	683,287
Income taxes payable	340,995	26,964
Advances received	5,033,125	4,985,052
Provision for bonuses	104,408	75,178
Allowance for cancellation of contract	21,991	13,961
Other	264,132	186,865
<b>Total current liabilities</b>	<b>8,920,127</b>	<b>8,544,968</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	7,792,301	7,545,661
Lease obligations	123,261	147,088
Deferred tax liabilities	22,047	22,005
Net defined benefit liability	119,815	124,865
Asset retirement obligations	109,951	110,302
Other	9,671	11,576
<b>Total noncurrent liabilities</b>	<b>8,177,048</b>	<b>7,961,499</b>
<b>Total liabilities</b>	<b>17,097,175</b>	<b>16,506,468</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	100,000	100,000
Capital surplus	10,982	10,982
Retained earnings	2,673,080	2,658,130
Treasury stock	(213,273)	(213,273)
<b>Total shareholders' equity</b>	<b>2,570,789</b>	<b>2,555,838</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	9,407	(533)
Foreign currency translation adjustment	(1,483)	(1,561)
<b>Total accumulated other comprehensive income</b>	<b>7,923</b>	<b>(2,095)</b>
<b>Total net assets</b>	<b>2,578,713</b>	<b>2,553,743</b>
<b>Total liabilities and net assets</b>	<b>19,675,889</b>	<b>19,060,212</b>

**(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 FY10/20 (Nov. 1, 2019 – Jan. 31, 2020)	First Three months of FY10/21 (Nov. 1, 2020 – Jan. 31, 2021)
Net sales	3,162,054	3,061,828
Cost of sales	2,545,095	2,459,180
Gross profit	616,959	602,647
Selling, general and administrative expenses	742,185	608,039
Operating loss	(125,226)	(5,391)
Non-operating income		
Interest income	119	23
Dividend income	757	386
Gain on valuation of interest-rate swaps	—	133,336
Other	4,645	6,237
Total non-operating income	5,522	139,984
Non-operating expenses		
Interest expenses	24,051	28,734
Commission fee	4,966	2,644
Other	578	9,784
Total non-operating expenses	29,596	41,162
Ordinary income (loss)	(149,300)	93,430
Extraordinary income		
Impairment loss	20,285	14,710
Total extraordinary income	20,285	14,710
Extraordinary losses		
Loss on retirement of noncurrent assets	4,310	822
Loss on cancellation of leasehold contracts	1,639	19,393
Total extraordinary losses	5,949	20,216
Income (loss) before income taxes	(134,965)	87,924
Income taxes-current	46,489	10,004
Income taxes-deferred	12,487	30,663
Total income taxes	58,977	40,667
Profit (loss)	(193,942)	47,257
Profit (loss) attributable to owners of parent	(193,942)	47,257

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

(Thousands of yen)

	First three months of FY10/20 (Nov. 1, 2019– Jan. 31, 2020)	First three months of FY10/21 (Nov. 1, 2020– Jan. 31, 2021)
Profit (loss)	(193,942)	47,257
Other comprehensive income		
Valuation difference on available-for-sale securities	(16,491)	(9,941)
Foreign currency translation adjustment	(327)	(78)
Total other comprehensive income	(16,819)	(10,019)
Comprehensive income	(210,762)	37,237
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(210,762)	37,237
Comprehensive income attributable to non-controlling interests	—	—

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

#### Going Concern Assumption

Not applicable.

#### Significant Changes in Shareholders' Equity

Not applicable.

#### Additional Information

##### Impact of New Coronavirus Infection on Accounting Estimates

It is difficult to reasonably calculate the impact of the spread of the new coronavirus infection at this point, but it is assumed that the impact will be limited based on external information and the Group's response record in coronavirus impairment. We make accounting estimates for impairment losses on fixed assets and recoverability of deferred tax assets. However, the impact of this infectious disease has many uncertainties, and if a long-term economic downturn occurs in the future, it may be significantly affected by the Group's business performance

#### Significant subsequent events

##### 1. Disposal of treasury stock as transfer-restricted stock-based compensation

At the board of directors meeting held on January 15, 2021, the Company shall dispose of treasury stock as transfer-restricted share compensation for employees of the Company and employees of its subsidiaries (hereinafter referred to as "allocated persons"). We decided to dispose of treasury stock as follows.

###### (1) Purpose and reason for disposal

At the Board of Directors meeting held on January 15, 2021, the Company will allocate the Company with the aim of sharing the benefits and risks of stock price fluctuations with shareholders and further sharing the value of the Group as a group. We have resolved to introduce a transfer-restricted stock compensation system to the Target Company

###### (2) Overview of disposal of treasury stock

Disposal date	February 1, 2021
Type and number of shares to be disposed of	Our common stock, 79,000 shares
Disposal price	240 yen per share
Total disposal price	18,960,000 yen
Recruitment or allocation method	How to allocate specified transfer restricted shares
How to fulfill the investment	By in-kind contribution of monetary compensation receivables
Disposal destination and number of persons and number of shares to be disposed of	Our employees, 10 people, 2,000 shares Employees of our subsidiary, 385 people, 77,000 shares
Other	Regarding the disposal of treasury stock, we have submitted a securities notice under the Financial Instruments and Exchange Act.

##### 2. Disposal of treasury stock as transfer-restricted stock-based compensation

At the board of directors meeting held on February 15, 2021, the Company shall dispose of treasury stock as transfer-restricted share compensation for employees of the Company and employees of its subsidiaries (hereinafter referred to as "allocated persons"). We decided to dispose of treasury stock as follows.

###### (1) Purpose and reason for disposal

At the Board of Directors meeting held on February 15, 2021, the Company will allocate the Company with the aim of sharing the benefits and risks of stock price fluctuations with shareholders and further sharing the value of the Group as a group. We have resolved to introduce a transfer-restricted stock compensation system to the Target Company



(2) Overview of disposal of treasury stock

Disposal date	March 2, 2021
Type and number of shares to be disposed of	Our common stock, 13,000 shares
Disposal price	281 yen per share
Total disposal price	3,653,000 yen
Recruitment or allocation method	How to allocate specified transfer restricted shares
How to fulfill the investment	By in-kind contribution of monetary compensation receivables
Disposal destination and number of persons and number of shares to be disposed of	Our employees, 2 people, 400 shares Employees of our subsidiary, 63 people, 12,600 shares
Other	Regarding the disposal of treasury stock, we have submitted a securities notice under the Financial Instruments and Exchange Act.

**Segment and Other Information**

I. First three months of FY10/2020 (Nov. 1, 2019– Jan. 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	1,143,505	1,421,762	283,140	22,916	32,071	2,903,396	258,657	3,162,054
Inter-segment sales or transfers	73	1,013	14,700	161,937	429	178,155	1,403	179,558
Total	1,143,579	1,422,776	297,840	184,853	32,501	3,081,551	260,061	3,341,612
Segment profit (loss)	(115,594)	(183)	(5,025)	1,949	(103,791)	(222,645)	(3,326)	(225,971)

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	(222,645)
Profits (losses) attributable to “Others”	(3,326)
Adjustments on unrealized profits	35
Corporate revenue/expenses (note1)	76,485
Other (note2)	150
Ordinary loss on the quarterly consolidated statements of income	(149,300)

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

Not applicable.

II. First three months of FY10/21 (Nov. 1, 2020– Jan. 31, 2021)

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	Food	Resort	Subtotal		
Sales							
External sales	1,284,086	1,448,549	26,468	49,753	2,808,857	252,970	3,061,828
Inter-segment sales or transfers	—	2,560	152,346	1,051	155,959	30,643	186,602
Total	1,284,086	1,451,109	178,815	50,804	2,964,816	283,614	3,248,430
Segment profit (loss)	57,265	92,376	1,567	(83,209)	67,999	(842)	67,157

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	67,999
Profits (losses) attributable to “Others”	(842)
Adjustments on unrealized profits	35
Corporate revenue/expenses (note1)	31,486
Other (note2)	(5,249)
Ordinary income on the quarterly consolidated statements of income	93,430

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. Matters concerning changes in reporting segments.

Due to the exclusion of Kashidas Co., Ltd., which was in charge of the "nursing care equipment business", from the scope of consolidation in the previous fourth quarter consolidated accounting period, the "nursing care equipment business" was excluded from the reporting segment from the first quarter consolidated cumulative period.

4. 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.*