

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending October 31, 2021
(Nine Months Ended July 31, 2021)

[Japanese GAAP]

Company name: LONGLIFE HOLDING Co., Ltd. Listing: Tokyo Stock Exchange (JASDAQ)
 Stock code: 4355 URL: <https://www.longlife-holding.co.jp>
 Representative: Hiromi Kojima, CEO
 Contact: Ryota Oasa, Managing Director Tel: +81-(0) 6-6373-9191
 Scheduled date of filing of Quarterly Report: September 14, 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 September 13, 2021 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, 2021 (Nov. 1, 2020 – Jul. 31, 2021)

(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, 2021	9,195	(6.1)	(36)	—	43	—	(51)	—
Nine months ended Jul. 31, 2020	9,797	(0.6)	(66)	—	(166)	—	(316)	—

Note: Comprehensive income (million yen)

Nine months ended Jul. 31, 2021: (60) (—%)

Nine months ended Jul. 31, 2020: (346) (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jul. 31, 2021	(4.97)	—
Nine months ended Jul. 31, 2020	(30.51)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jul. 31, 2021	17,891	2,438	13.6	236.02
As of Oct. 31, 2020	19,675	2,578	13.1	248.72

Reference: Shareholders' equity (million yen)

As of Jul. 31, 2021: 2,438

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	—	0.00	—		
Fiscal year ending Oct. 31, 2021 (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, 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		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 Jul. 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 Jul. 31, 2021: 859,105 shares As of Oct. 31, 2020: 822,405 shares

3) Average number of shares outstanding during the period

Nine months ended Jul. 31, 2021: 10,376,150 shares Nine months ended Jul. 31, 2020: 10,372,209 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)

	FY10/20 (As of Oct. 31, 2020)	Third quarter of FY10/21 (As of Jul. 31, 2021)
Assets		
Current assets		
Cash and deposits	2,965,042	1,546,668
Notes and accounts receivable-trade	1,460,761	1,413,878
Inventories	66,424	81,808
Deposits paid	994,741	991,260
Other	418,285	338,196
Total current assets	5,905,256	4,371,812
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,891,800	11,949,706
Accumulated depreciation	(3,492,812)	(3,756,871)
Buildings and structures, net	8,398,988	8,192,835
Vehicles	13,158	13,845
Accumulated depreciation	(10,703)	(11,529)
Vehicles, net	2,454	2,316
Tools, furniture and fixtures	831,582	841,680
Accumulated depreciation	(566,999)	(599,356)
Tools, furniture and fixtures, net	264,583	242,324
Land	3,786,857	3,788,129
Lease assets	294,625	370,156
Accumulated depreciation	(154,957)	(159,955)
Lease assets, net	139,668	210,201
Total property, plant and equipment	12,592,551	12,435,807
Intangible assets		
Goodwill	22,029	16,671
Other	70,338	63,207
Total intangible assets	92,367	79,878
Investments and other assets		
Investment securities	46,440	23,978
Stocks of subsidiaries and affiliates	5,000	5,000
Guarantee deposits	701,698	692,734
Long-term prepaid expenses	40,964	34,785
Deferred tax assets	38,435	14,550
Other	253,173	232,772
Total investments and other assets	1,085,713	1,003,821
Total noncurrent assets	13,770,632	13,519,507
Total assets	19,675,889	17,891,320

(Thousands of yen)

	FY10/20 (As of Oct. 31, 2020)	Third quarter of FY10/21 (As of Jul. 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	98,067	94,823
Short-term loans payable	1,200,000	—
Current portion of long-term loans payable	853,609	1,057,236
Lease obligations	29,937	45,994
Accounts payable-other	306,155	341,839
Accrued expenses	667,705	692,143
Income taxes payable	340,995	53,241
Advances received	5,033,125	4,630,821
Provision for bonuses	104,408	76,971
Allowance for cancellation of contract	21,991	9,305
Other	264,132	233,006
Total current liabilities	8,920,127	7,235,382
Noncurrent liabilities		
Long-term loans payable	7,792,301	7,760,117
Lease obligations	123,261	185,734
Deferred tax liabilities	22,047	22,514
Net defined benefit liability	119,815	135,130
Asset retirement obligations	109,951	103,461
Other	9,671	10,575
Total noncurrent liabilities	8,177,048	8,217,533
Total liabilities	17,097,175	15,452,915
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Capital surplus	10,982	9,736
Retained earnings	2,673,080	2,559,322
Treasury stock	(213,273)	(229,385)
Total shareholders' equity	2,570,789	2,439,674
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,407	571
Foreign currency translation adjustment	(1,483)	(1,841)
Total accumulated other comprehensive income	7,923	(1,269)
Total net assets	2,578,713	2,438,404
Total liabilities and net assets	19,675,889	17,891,320

(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 FY10/20 (Nov. 1, 2019– Jul. 31, 2020)	First nine months of FY10/21 (Nov. 1, 2020– Jul. 31, 2021)
Net sales	9,797,106	9,195,015
Cost of sales	7,748,843	7,309,339
Gross profit	2,048,263	1,885,676
Selling, general and administrative expenses	2,114,298	1,922,527
Operating income (loss)	(66,035)	(36,851)
Non-operating income		
Interest income	27	31
Dividend income	2,169	958
Subsidy income	2,410	167,153
Other	12,443	17,125
Total non-operating income	17,051	185,268
Non-operating expenses		
Interest expenses	97,265	80,286
Commission fee	14,512	14,898
Other	5,716	10,137
Total non-operating expenses	117,494	105,323
Ordinary income (loss)	(166,478)	43,094
Extraordinary income		
Gain on sales of investment securities	20,285	14,710
Gain on reversal of asset retirement obligations	3,756	7,514
Gain on change of rental contracts	27,223	—
Total extraordinary income	51,265	22,224
Extraordinary loss		
Loss on cancellation of rental contracts	6,797	19,606
Loss on retirement of noncurrent assets	1,694	3,463
Impairment loss	56,168	—
Total extraordinary losses	64,660	23,069
Profit (loss) before income taxes	(179,874)	42,249
Income taxes-current	107,065	64,781
Income taxes-deferred	29,542	29,018
Total income taxes	136,607	93,799
Profit (loss)	(316,482)	(51,550)
Profit (loss) attributable to owners of parent	(316,482)	(51,550)

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

(Thousands of yen)

	First nine months of FY10/20 (Nov. 1, 2019 – Jul. 31, 2020)	First nine months of FY10/21 (Nov. 1, 2020– Jul. 31, 2021)
Profit (loss)	(316,482)	(51,550)
Other comprehensive income		
Valuation difference on available-for-sale securities	(30,393)	(8,836)
Foreign currency translation adjustment	(3)	(357)
Total other comprehensive income	(30,397)	(9,193)
Comprehensive income	(346,879)	(60,743)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(346,879)	(60,743)
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.

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

Not applicable.

Segment and Other Information

I. 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)

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 56,168 thousand yen was recorded in the nursing home business.

(Significant fluctuations in the amount of goodwill)

Not applicable.

II. First nine months of FY10/21 (Nov. 1, 2020– Jul. 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	3,817,367	4,403,605	52,280	160,657	8,433,910	761,105	9,195,015
Inter-segment sales or transfers	636	5,361	450,869	32,828	489,696	50,259	539,955
Total	3,818,003	4,408,967	503,150	193,485	8,923,606	811,364	9,734,971
Segment profit (loss)	52,071	195,458	3,007	(221,968)	28,568	(2,167)	26,401

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	28,568
Profits attributable to "Others"	(2,167)
Adjustments on unrealized profits	107
Corporate revenue/expenses (note1)	44,029
Other (note2)	(27,443)
Ordinary loss on the quarterly consolidated statements of income (loss)	43,094

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 on impairment loss on fixed assets or goodwill by 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.