



Kyoritsu Maintenance Co., Ltd.

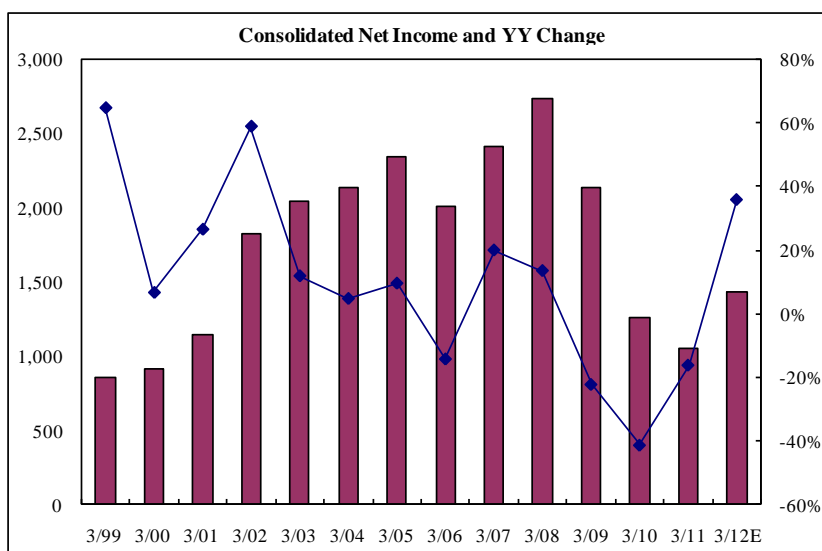
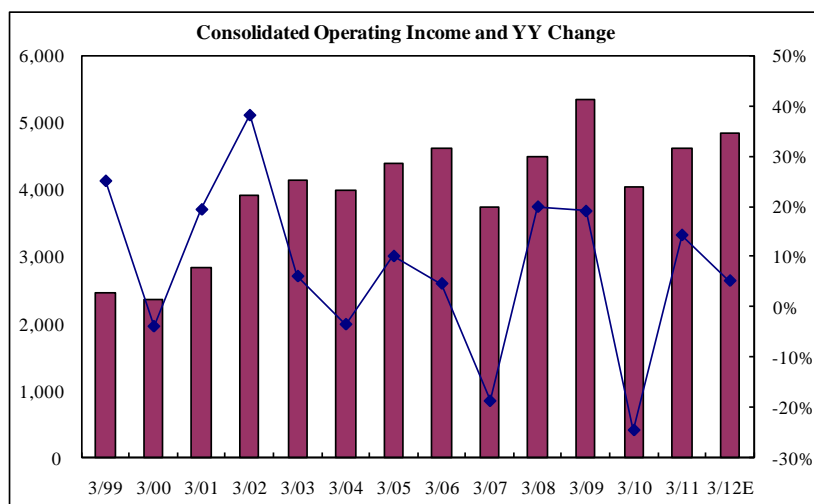
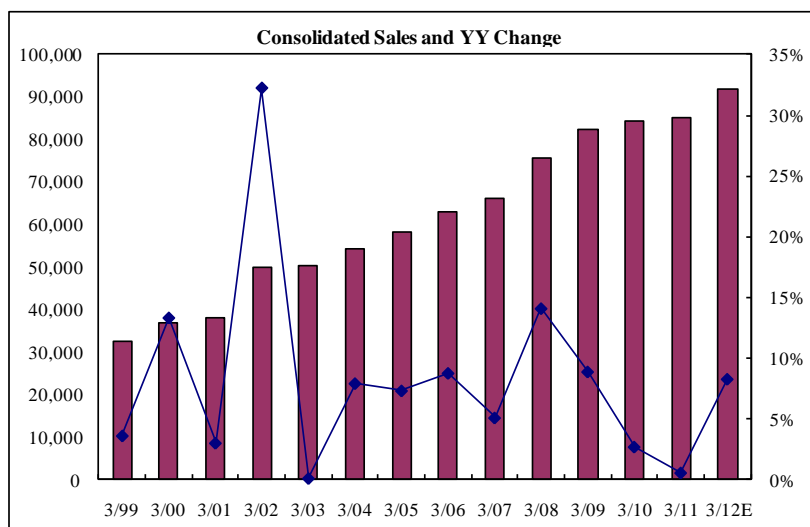
(Securities Code: 9616)

1st Quarter of Fiscal Year March 2012

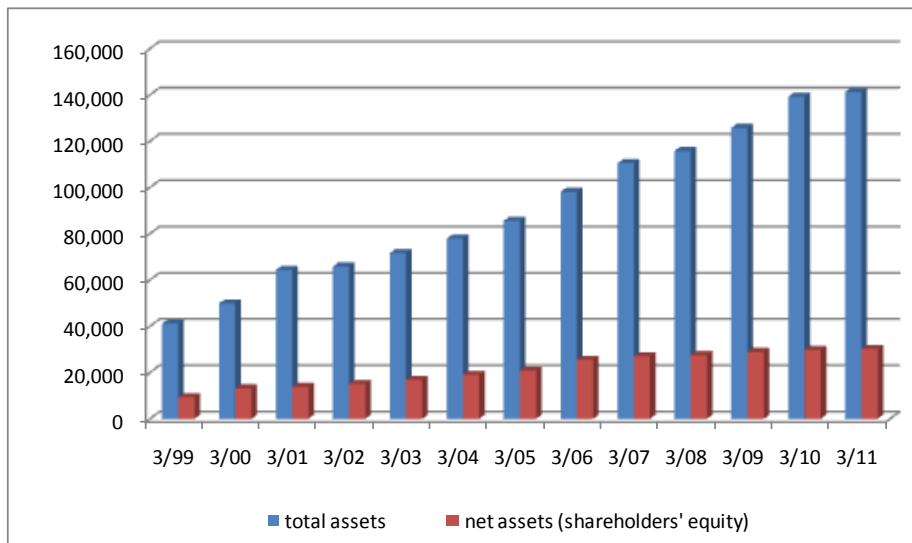
Consolidated Earnings Results Update

August 2011

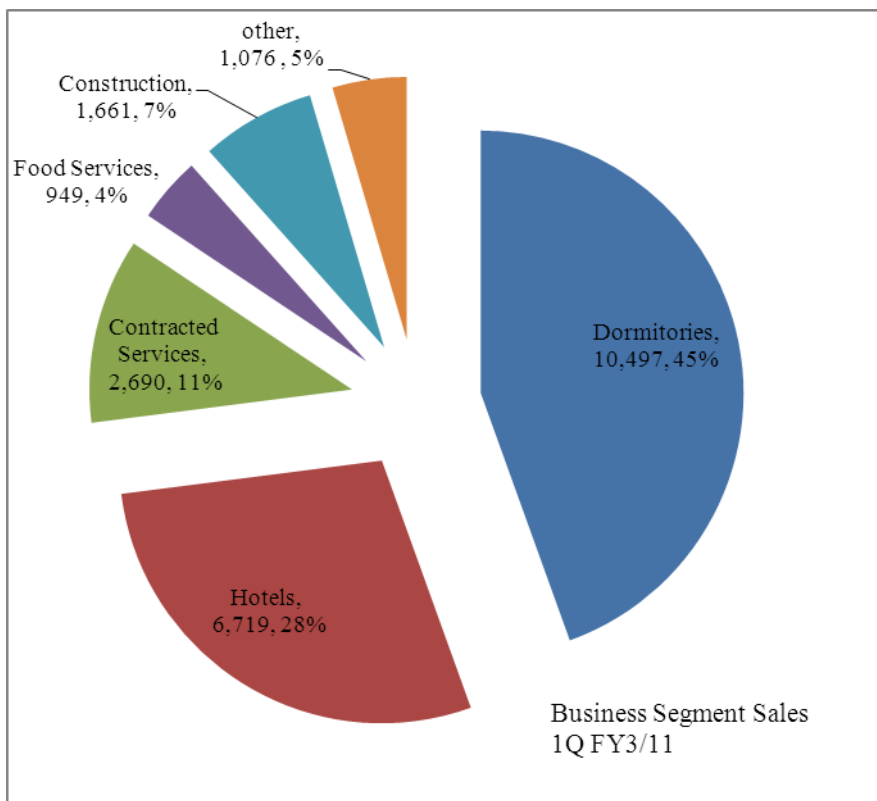
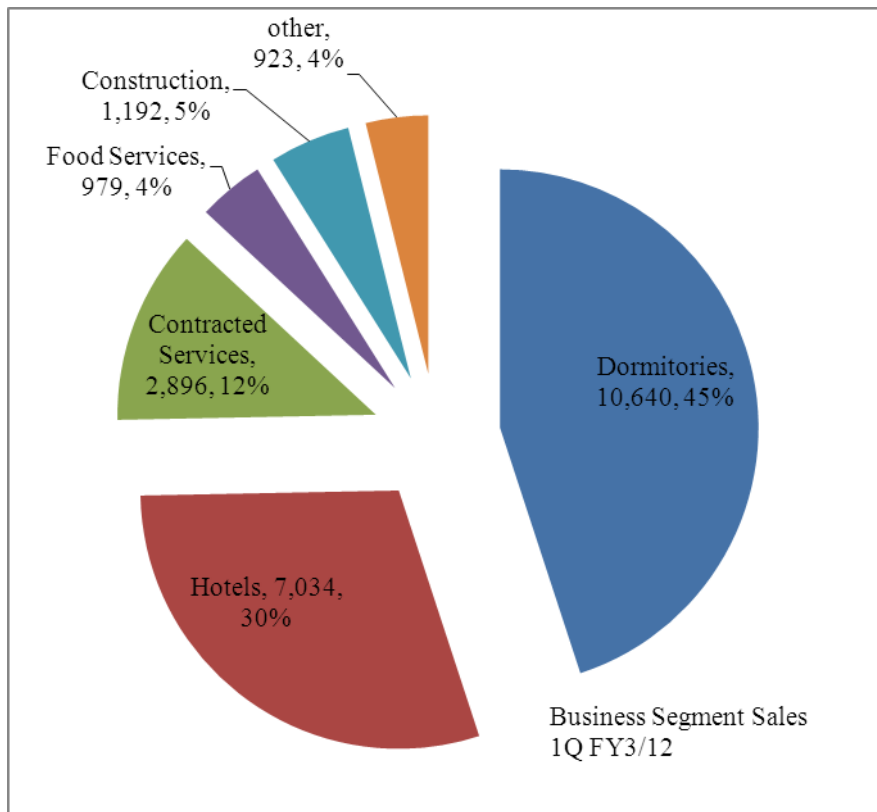
Kyoritsu Maintenance Consolidated Financial Data at a Glance



(Units: Million Yen)



(Units: Million Yen)



(Units: Million Yen)

Consolidated Income Statement																
	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08	3/09	3/10	3/11	3/12E	*	1Q3/11	1Q3/12
net sales	36,788	37,884	50,065	50,109	54,081	58,014	63,085	66,287	75,606	82,303	84,513	84,983	92,000	*	21,216	20,843
gross income	7,173	7,834	10,221	10,785	10,541	10,894	11,783	12,242	14,183	15,507	13,957	15,408	na	*	3,703	3,940
operating income	2,369	2,828	3,908	4,149	4,004	4,407	4,611	3,745	4,492	5,349	4,033	4,610	4,850	*	997	1,073
ordinary income	2,281	2,643	3,580	3,885	4,060	4,411	4,824	3,787	4,167	4,510	3,012	3,308	3,500	*	682	705
net income	907	1,147	1,822	2,039	2,138	2,343	2,011	2,413	2,740	2,133	1,254	1,052	1,430	*	-28	336
Consolidated Balance Sheet																
current assets	19,900	23,793	18,100	22,138	22,122	23,254	23,350	24,901	19,967	21,852	23,104	36,783	na	*	18,040	34,421
fixed assets	29,867	40,478	47,768	49,497	55,715	62,336	74,681	85,562	95,728	103,891	115,980	104,428	na	*	116,279	103,014
total assets	49,880	64,327	65,867	71,647	77,865	85,620	98,047	110,507	115,738	125,793	139,209	141,314	na	*	134,439	137,531
current liabilities	19,731	28,513	27,031	31,610	29,374	31,585	44,039	37,342	44,119	41,615	41,499	50,546	na	*	39,136	49,306
fixed liabilities	16,977	22,064	23,761	23,146	29,433	33,077	28,316	46,068	44,079	55,266	67,956	60,600	na	*	65,830	57,999
total liabilities	36,707	50,577	50,792	54,755	58,806	64,663	72,355	83,411	88,199	96,882	109,455	111,147	na	*	104,967	107,306
net assets (shareholders' equity)	13,169	13,747	15,073	16,824	18,935	20,788	25,512	27,096	27,538	28,911	29,753	30,166	na	*	29,471	30,225
yy change																
net sales	13.3%	3.0%	32.2%	0.1%	7.9%	7.3%	8.7%	5.1%	14.1%	8.9%	2.7%	0.6%	8.3%	*	6.1%	-1.8%
gross income	9.0%	9.2%	30.5%	5.5%	-2.3%	3.3%	8.2%	3.9%	15.9%	9.3%	-10.0%	10.4%	na	*	-7.7%	6.4%
operating income	-3.9%	19.4%	38.2%	6.1%	-3.5%	10.1%	4.6%	-18.8%	19.9%	19.1%	-24.6%	14.3%	5.2%	*	-23.9%	7.6%
ordinary income	3.5%	15.9%	35.4%	8.5%	4.5%	8.6%	9.4%	-21.5%	10.0%	8.2%	-33.2%	9.8%	5.8%	*	-33.1%	3.4%
net income	6.7%	26.5%	58.8%	11.9%	4.8%	9.6%	-14.2%	20.0%	13.6%	-22.2%	-41.2%	-16.1%	35.8%	*	-49.3%	na
margins																
gross margins	19.5%	20.7%	20.4%	21.5%	19.5%	18.8%	18.7%	18.5%	18.8%	18.8%	16.5%	18.1%	na	*	17.5%	18.9%
operating margins	6.4%	7.5%	7.8%	8.3%	7.4%	7.6%	7.3%	5.6%	5.9%	6.5%	4.8%	5.4%	5.3%	*	4.7%	5.1%
ordinary margins	6.2%	7.0%	7.2%	7.8%	7.5%	7.6%	7.6%	5.7%	5.5%	5.5%	3.6%	3.9%	3.8%	*	3.2%	3.4%
net margins	2.5%	3.0%	3.6%	4.1%	4.0%	4.0%	3.2%	3.6%	3.6%	2.6%	1.5%	1.2%	1.6%	*	-0.1%	1.6%
other benchmarks																
ROE	6.9%	8.3%	12.1%	12.1%	11.3%	11.3%	7.9%	8.9%	9.9%	7.4%	4.2%	3.5%	na	*	na	na
ROA	1.8%	1.8%	2.8%	2.8%	2.7%	2.7%	2.1%	2.2%	2.4%	1.7%	0.9%	0.7%	na	*	na	na
equity ratio	26.4%	21.4%	22.9%	23.5%	24.3%	24.3%	26.0%	24.5%	23.8%	23.0%	21.4%	21.3%	na	*	23.1%	22.0%
Units: million yen																

1st Quarter of Fiscal Year March 2012 Earnings Announcement

August 9, 2011

Company Name: Kyoritsu Maintenance Co., Ltd.
 Stock Code: 9616 URL: <http://www.kyoritsugroup.co.jp/>
 Director: Mitsutaka Sato, President
 Contact: Takumi Ueda, Vice President Tel: +81-3-5295-7778
 Earnings Announcement Filing Date (anticipated): August 12, 2011
 Dividend Payment Date (anticipated): --
 Quarterly Earnings Presentation Document: na
 Quarterly Earnings Presentation Meeting: na

Tokyo Stock Exchange

(All figures of less than one million yen are rounded down to the nearest digit)

1. 1st Quarter of Fiscal Year March 2012 Consolidated Earnings

(From April 1, 2011 to June 30, 2011)

(1) Consolidated Earnings (Aggregated)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	% yy	Million yen	% yy	Million yen	% yy	Million yen	% yy
1Q-FY3/12	20,843	-1.8	1,073	7.6	705	3.4	336	-
1Q-FY3/11	21,216	6.1	997	-23.9	682	-32.5	-28	-

(Note) Comprehensive income: 332 million yen in 1Q FY3/12 (-%), 1 million yen in 1Q FY3/11 (-%)

	EPS	Fully Diluted EPS
	Yen	Yen
1Q-FY3/12	23.41	19.56
1Q-FY3/11	-1.97	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
1Q-FY3/12	137,531	30,225	22.0
FY3/11	141,314	30,166	21.3

(Note) Capital: 30,223 million yen in 1Q-FY3/12, 30,164 million yen in -FY3/11

2. Dividend Conditions

	Dividends per Share				
	End 1Q	End 2Q	End 3Q	End Year	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/11	-	19.00	-	19.00	38.00
FY3/12	-				
FY3/12 (Projected)		19.00	-	19.00	38.00

(Note) Recent changes in dividend projections: None

3. Fiscal Year March 2012 Consolidated Earnings Estimates (April 1, 2011 to March 31, 2012)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Yen
First Half	43,300	1.2	2,580	-9.4	1,780	-18.7	720	14.0	50.12
Full Year	92,000	8.3	4,850	5.2	3,500	5.8	1,430	35.8	99.55

(Note) Recent changes in earnings estimates: None

4. Others

- (1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None
- (2) Application of special accounting procedures in the preparation of our quarterly consolidated financial statements: Yes
- (3) Changes in the accounting methods, procedures, display methods used in the preparation of our consolidated financial statements during the most recent quarter:
 - ① Changes accompanying revisions in accounting standards: None
 - ② Other changes: None
 - ③ Changes in accounting estimates: None
 - ④ Redisplay of revisions: None
- (4) Shares issued (Common stock)
 - ① Shares issued as of term end (including treasury stock): 15,125,582 at end 1Q FY3/12, 15,125,582 at end FY3/11
 - ② Treasury stock as of term end: 760,842 at end 1Q FY3/12, 760,687 at end FY3/11
 - ③ Average during the term: 14,364,767 at end 1Q FY3/12, 14,365,350 at end 1Q FY3/11

※ Information Regarding Quarterly Review Practices:

The practices for review of quarterly consolidated earnings statements pursuant to the “Financial Instruments and Exchange Act” of Japan have not been conducted for the disclosure of this document.

※ Notes and explanations regarding the appropriate uses of our earnings projections:

All projections provided within this document are based on the most accurate information available at the time of this writing. However our actual results may differ from our projections due to various unforeseen reasons.

Index

1. Qualitative Information about Quarterly Financial Results	2
(1) Qualitative Information about Consolidated Business Results	2
(2) Qualitative Information about Consolidated Financial Results	3
(3) Qualitative Information about Consolidated Earnings Estimates	3
2. Summary Information (Others)	4
(1) Changes in Important Consolidated Subsidiaries during the Quarter	4
(2) Implementation of Special Accounting Methods in the Creation of Quarterly Consolidated Financial Statements	4
3. Quarterly Consolidated Financial Statements	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Income Statement and Comprehensive Income Statement	6
Quarterly Consolidated Income Statement	
First Quarter Consolidated Income Aggregated	6
Quarterly Comprehensive Income Statement	
First Quarter Consolidated Income Aggregated	7
(3) Notes Regarding Going Concern Assumptions	8
(4) Segment Information	8
(5) Notes Regarding Significant Changes in Shareholder Equity	9

1. Qualitative Information about Quarterly Financial Results

(1) Qualitative Information about Consolidated Business Results

During the first quarter of fiscal year March 2012, Kyoritsu Maintenance anticipates operating conditions to remain severe and consumer sentiment to become even more cautious against the backdrop of the unprecedented Great East Japan Earthquake Disaster, the electric power shortages caused by the Fukushima Nuclear Power Plant Disaster, and the negative impact of the strong Yen. Against this backdrop and despite the uncertainties caused by the earthquake related disasters, occupancy rates in our main dormitory business got off to a strong start and rose by 2.4% points year-over-year to 95.3% during the first quarter. Also within our hotel business segment, occupancy rates in the Dormy Inn business hotels business rose from the previous year's levels, and in the resort hotel business improved by a large margin during the Golden Week holiday season (Late April to early May). As a result, while we were able to maintain growth in both sales and profits in both our main dormitory and hotel businesses despite the negative influence of the earthquake related disasters, delays in completion and delivery of construction projects caused total sales to fall during the first quarter. Consequently during the first quarter, sales fell by 1.8% year-over-year to ¥20.843 billion, while operating and ordinary incomes rose by 7.6% and 3.4% year-over-year to ¥1,073 and ¥705 million respectively. At the same time net income improved to a gain of ¥336 million from a loss in the previous term of ¥28 million.

While earnings are trending at a better pace than our expectations, we have chosen to maintain our outstanding earnings estimates due to uncertainties surrounding the future of the economy.

Our earnings by business segment are as follows.

Dormitory Business

With regards to our dormitory business, we saw some cancellations from students entering our dormitories resulting from the influence of the earthquake, but occupancy rates got off to a good start at the start of the current term and rose by 2.4% points year-over-year to 95.3%. Furthermore increases in large corporate contracts for student dormitories from the previous first quarter allowed resident contract fees to grow. Consequently Kyoritsu saw an increase in the number of contracted residents of 1,032 year-over-year to 29,205. Also sales and operating income rose by 1.4% and 6.9% year-over-year to ¥10.64 and ¥1.842 billion respectively.

Hotel Business

In our hotel business, occupancy rates at our existing Dormy Inn business hotels facilities trended strongly on the back of special demand from the recovery and reconstruction efforts and other factors, and two new facilities "Natural Hot Springs Fugaku no Yu Dormy Inn Mishima" and "Natural Hot Springs Shirasagi no Yu Dormy Inn Himeji" were opened. In our resort hotels, the earthquake related disasters contributed to some restraint in pleasure related travel, but our detailed marketing efforts allowed occupancy rates during the Golden Week peak travel season (Late April to early May) to improve dramatically. Reflecting the large improvements in the resort hotel business, sales rose by 4.7% year-over-year to ¥7.034 billion, and operating losses contracted to ¥292 million, rising by ¥161 million year-over-year.

Contracted Services Business

In the contracted services business occupancy rates are improving in the wake of large contract cancellations before the previous term, but downward pricing pressure continued to hamper a full scale recovery in earnings. Consequently sales grew by 7.6% year-over-year to ¥2.896 billion and operating income improved by ¥32 million from the loss in the same term of the previous year to income of ¥2 million in the first quarter.

Food Service Business

The operating environment for our food service business remained severe due to weak consumer sentiment. Therefore operating losses expanded by ¥11 million year-over-year to ¥35 million despite 3.3% year-over-year increase in sales to ¥979 million.

Construction Business

In the construction business, a delay of construction projects into the second half contributed to declines in construction project completions and deliveries in the first quarter. Consequently sales and operating income fell by 28.2% and 22.2% year-over-year to ¥1.192 billion and ¥22 million during the first quarter.

Other Business

Our other business is comprised of the wellness life (Management of senior citizen housing), Public Kyoritsu Partnership (PKP: Consigned services business provided to regional government bodies) services, single life support services and insurance agency business, comprehensive human resources, financing services and administrative outsourcing services. Sales of this business segment fell by 14.2% year-over-year to ¥923 million and at the operating level losses of ¥53 million were recorded, which compares with an operating income of ¥38 million in the same period of the previous term.

(2) Qualitative Information about Consolidated Financial Results

At the end of the first quarter of the current fiscal year, total assets declined by ¥3,782 million from the end of the previous fiscal year to ¥137,531 million. Amongst the main factors influencing the change in total assets are declines in both cash and deposits and tangible fixed assets. At the same time liabilities declined by ¥3,841 million from the end of the previous fiscal year to ¥107,306 million, while net assets rose by ¥59 million to ¥30,225 million mainly because of an increase in retained earnings. Consequently equity ratio rose by 0.7% points from the end of the previous fiscal year to 22.0%.

(3) Qualitative Information about Consolidated Earnings Estimates

With regards to our consolidated earnings estimates, we have made no changes to our interim and full year earnings estimates announced at the time of our fiscal year March 2011 earnings results on May 13, 2011.

2. Summary Information (Other)

(1) Changes in Important Consolidated Subsidiaries during the Quarter

None

(2) Implementation of Special Accounting Methods in the Creation of Quarterly Consolidated Financial Statements
(Calculation of Taxes)

With regards to taxes, a rational estimate of the effective tax rate has been used to calculate the tax effect accounting for net income before taxes during the first quarter, and applied in the calculation of net income before taxes.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	(Units: Million Yen)	
	Previous Term (March 31, 2011)	1Q FY3/12 (June 30, 2011)
Assets		
Current assets		
Cash and deposits	27,855	24,852
Notes, accounts receivable	2,832	3,068
Real estate for sale	1,081	1,254
Uncompleted construction payment	235	563
Others	4,811	4,714
Doubtful account reserves	-32	-32
Total current assets	36,783	34,421
Fixed assets		
Tangible fixed assets		
Building, structures (net)	30,327	30,713
Land	24,454	24,482
Others (net)	16,504	14,105
Total tangible fixed assets	71,285	69,302
Intangible fixed assets	3,785	3,815
Investments, other assets		
Investment securities	5,783	5,854
Security deposits	8,948	9,213
Deposits	7,787	7,943
Others	7,007	7,054
Doubtful account reserves	-169	-168
Total investments, other assets	29,357	29,897
Total fixed assets	104,428	103,014
Deferred assets	101	96
Total Assets	141,314	137,531

(Units: Million Yen)

	Previous Term (March 31, 2011)	1Q FY3/12 (June 30, 2011)
Liabilities		
Current liabilities		
Notes, accounts payable	2,609	2,045
Short term debt	17,945	19,513
Bond, portion redeemable within 1 year	11,640	11,640
Unpaid corporate taxes	955	408
Prepayments	10,975	9,581
Bonus reserves	581	173
Director bonus reserves	128	28
Completed construction guarantee reserves	12	11
Construction work loss reserves	4	4
Others	5,694	5,900
Total current liabilities	50,546	49,306
Fixed liabilities		
Bonds	7,745	7,395
Long term debt	45,701	43,519
Retirement benefit reserves	1,223	1,233
Director retirement benefit reserves	313	310
Others	5,616	5,541
Total fixed liabilities	60,600	57,999
Total liabilities	111,147	107,306
Net assets		
Shareholders' equity		
Capital	5,136	5,136
Capital surplus	5,943	5,943
Retained earnings	21,211	21,274
Treasury stock	-1,470	-1,471
Total shareholders' equity	30,820	30,883
Accumulated other comprehensive income		
Other marketable security valuation difference	-655	-659
Accumulated other comprehensive income, aggregated	-655	-659
Minority interests	1	1
Total net assets	30,166	30,225
Total liabilities, net assets	141,314	137,531

(2) Quarterly Consolidated Income Statement and Comprehensive Income Statement

Quarterly Consolidated Income Statement

(First Quarter Consolidated Income Aggregated)

	(Units: Million Yen)	
	1Q FY3/11 (From April 1 to June 30, 2010)	1Q FY3/12 (From April 1 to June 30, 2011)
Net Sales	21,216	20,843
CGS	17,513	16,903
Gross income	3,703	3,940
SG&A	2,705	2,867
Operating income	997	1,073
Non-operating income		
Interest income	23	28
Dividend income	18	17
Deposit redemption income	23	15
Others	78	36
Total non-operating income	144	98
Non-operating expense		
Interest payment	347	368
Others	111	98
Total non-operating expense	459	466
Ordinary income	682	705
Extraordinary income		
Insurance policy redemption	40	—
Fixed asset liquidation	—	124
Doubtful account reserves reversals	19	—
Others	8	—
Total extraordinary income	68	124
Extraordinary loss		
Losses arising from disasters	—	56
Investment securities valuation loss	52	3
Impact from implementation of asset retirement obligation accounting standards	696	—
Others	21	—
Total extraordinary loss	770	59
Net income before taxes	-19	770
Taxes	-7	433
Net income before adjustment for minority interests in income	-11	336
Minority interests in income	16	0
Net income	-28	336

Quarterly Consolidated Comprehensive Income Statement

(First Quarter Consolidated Income Aggregated)

(Units: Million Yen)

	1Q FY3/11 (From April 1 to June 30, 2010)	1Q FY3/12 (From April 1 to June 30, 2011)
Net income before adjustment for minority interests in income	-11	336
Other comprehensive income		
Other marketable securities valuation difference	13	-4
Total other comprehensive income	13	-4
Quarterly comprehensive income	1	332
(Details)		
Quarterly Comprehensive income of parent company shareholders	-14	332
Quarterly Comprehensive income of minority shareholdings	16	0

(3) Notes Regarding Going Concern Assumptions

None

(4) Segment Information

(Segment Information)

I Consolidated Figures for First Quarter FY March 2011 (From April 1 to June 30, 2010)

1. Reported Segment Sales and Profit, Loss Data

(Units: Million Yen)

	Reported Segments						Others (Note) 1	Total	Adjustments (Note) 2	Values Used in Consolidated Financial Statements (Note) 3
	Dormitories	Hotels	Contracted Services	Food Service	Construction	Total				
Sales										
External sales	10,470	6,704	1,739	324	1,285	20,524	692	21,216	—	21,216
Internal sales	27	15	951	624	376	1,995	384	2,379	-2,379	—
Total	10,497	6,719	2,690	949	1,661	22,519	1,076	23,595	-2,379	21,216
Operating income	1,723	-454	-29	-24	29	1,243	38	1,282	-284	997

(Notes) 1. Others is not considered as a reported business segment and is comprised of the wellness life (management of senior citizen housing), rental property brokerage and management, single life support services, insurance agency business, comprehensive human resources and administrative outsourcing services, financing services and advertising agency services and other related services.

2. Adjustment for segment profit, loss of ¥284 million includes ¥56 million for inter-segment transaction eliminations, and ¥341 million in companywide expenses which cannot be allocated to specific reported segments. Companywide expenses are primarily those expenses arising from the finance and accounting, and management divisions.

3. Segment profits, losses are derived by adjusting the operating income used in the quarterly consolidated income statements.

2. Impairment accounting losses and goodwill amortization by reported segments

None

II Consolidated Figures for First Quarter FY March 2012 (From April 1 to June 30, 2011)

1. Reported Segment Sales and Profit, Loss Data

(Units: Million Yen)

	Reported Segments						Others (Note) 1	Total	Adjustments (Note) 2	Values Used in Consolidated Financial Statements (Note) 3
	Dormitories	Hotels	Contracted Services	Food Service	Construction	Total				
Sales										
External sales	10,609	7,012	1,785	331	274	20,014	829	20,843	—	20,843
Internal sales	30	21	1,111	648	917	2,729	94	2,823	-2,823	—
Total	10,640	7,034	2,896	979	1,192	22,743	923	23,667	-2,823	20,843
Operating income	1,842	-292	2	-35	22	1,538	-53	1,485	-412	1,073

(Notes) 1. Other is not considered as a reported business segment and is comprised of the wellness life (management of senior citizen housing), Public Kyoritsu Partnership (PKP: Consigned services business provided to regional government bodies) services, single life support services, insurance agency business, comprehensive human resources and administrative outsourcing services, financing services and other related services.

2. Adjustment for segment profit, loss of ¥412 million includes ¥0 million for inter-segment transaction eliminations, and ¥412 million in companywide expenses which cannot be allocated to specific reported segments. Companywide expenses are primarily those expenses arising from the finance and accounting, and management divisions.

3. Segment profits, losses are derived by adjusting the operating income used in the quarterly consolidated income statements.

2. Impairment accounting losses and goodwill amortization by reported segments

None

(5) Significant changes in the value of shareholder equity

None