



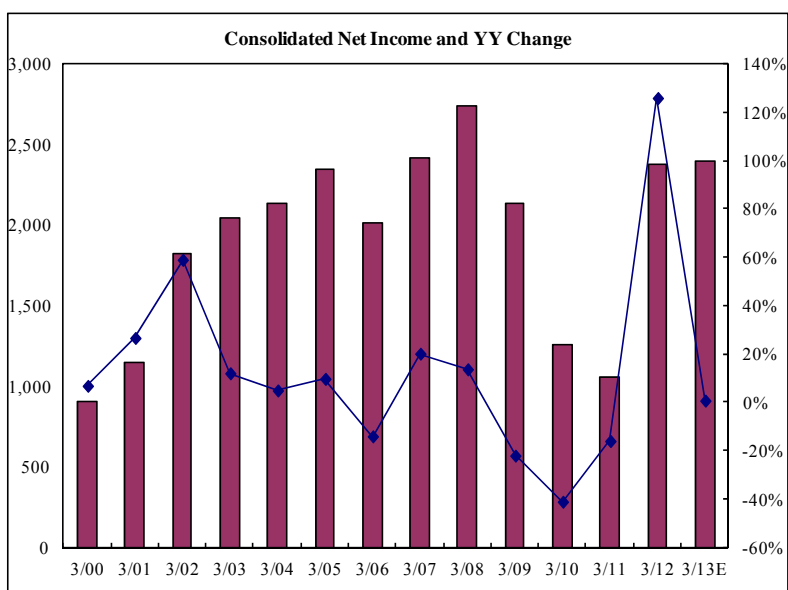
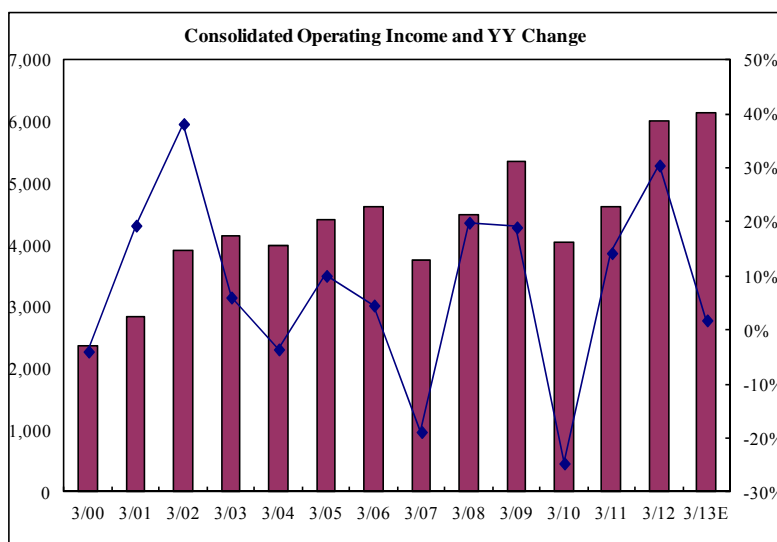
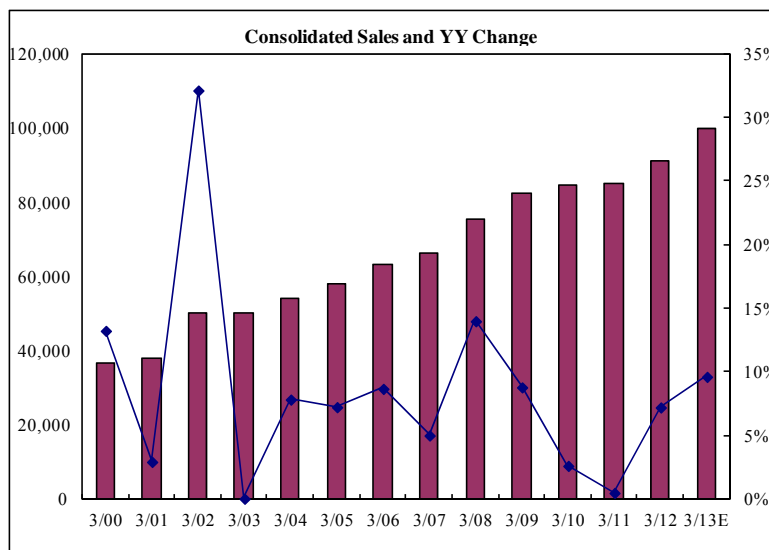
Kyoritsu Maintenance Co., Ltd.

(Securities Code: 9616)

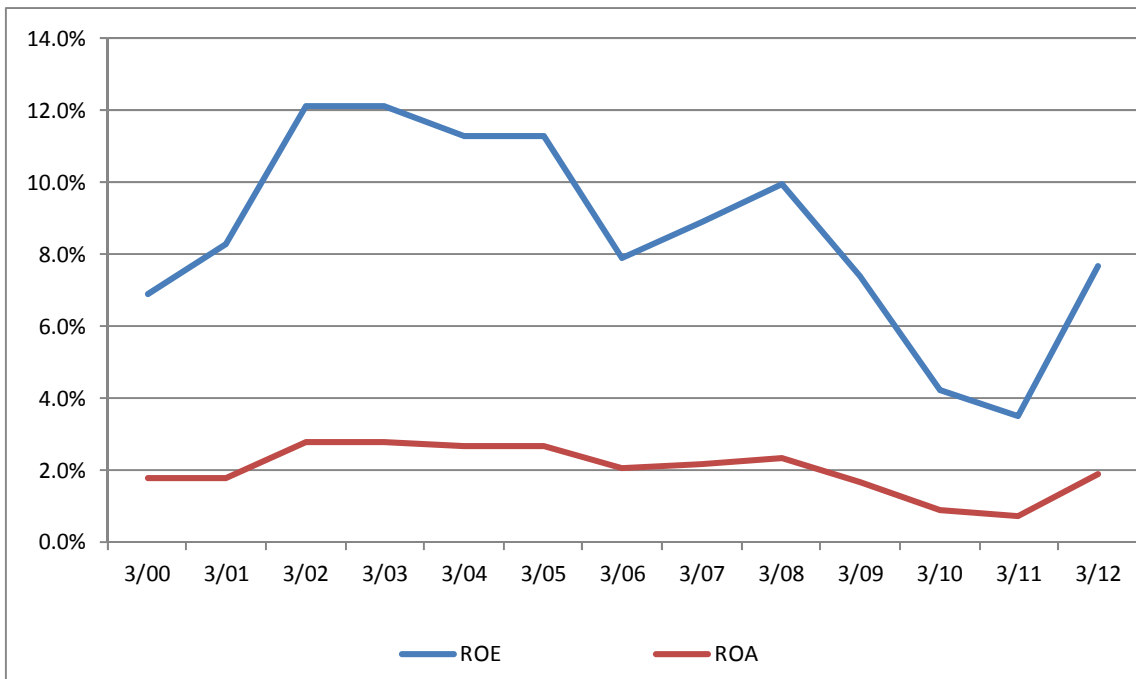
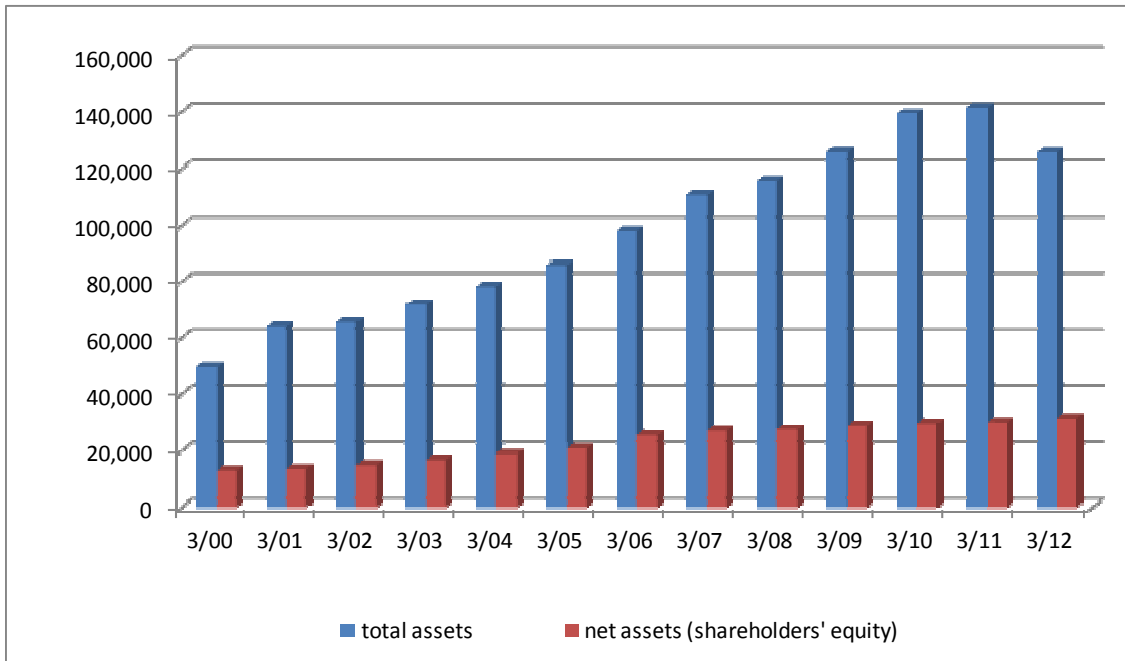
**1st Quarter of Fiscal Year March 2013
Consolidated Earnings Results Update**

August 2012

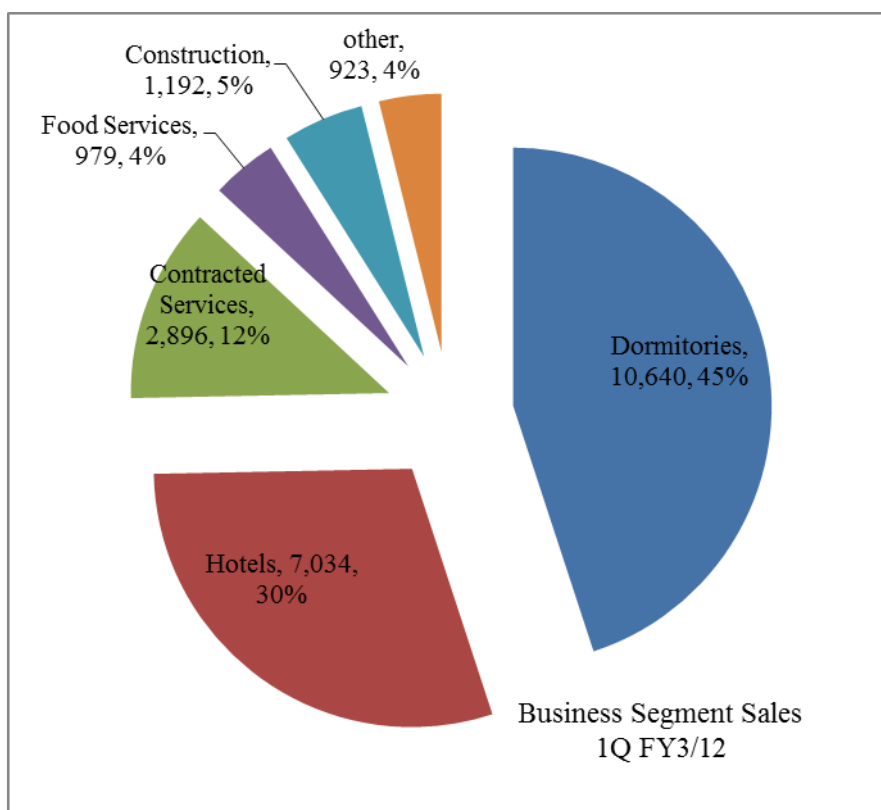
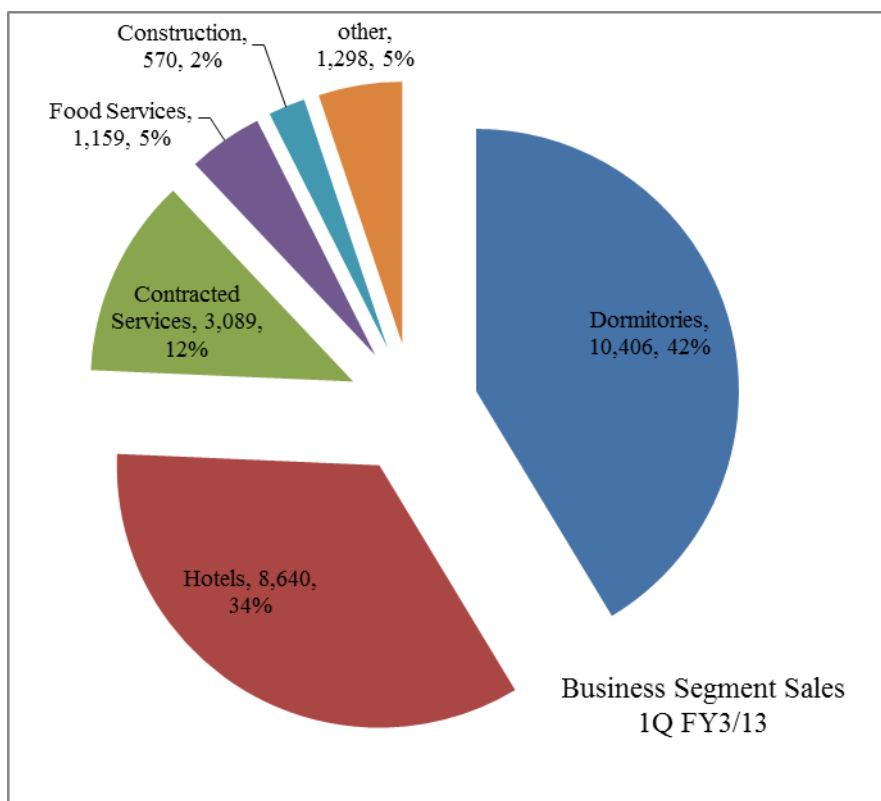
Kyoritsu Maintenance Consolidated Financial Data at a Glance



(Units: Million Yen)



(Units: Million Yen)



(Units: Million Yen)



1st Quarter of Fiscal Year March 2013 Consolidated Earnings Announcement

August 9, 2012

Tokyo Stock Exchange

Company Name: Kyoritsu Maintenance Co., Ltd.
 Stock Code: 9616 URL: <http://www.kyoritsugroup.co.jp/>
 Director: Mitsutaka Sato, President
 Contact: Takumi Ueda, Vice President Telephone: +81-3-5295-7778
 Quarterly Earnings Announcement Report Filing Date: August 14, 2012
 Dividend Payment Date (Anticipated): —
 Quarterly Earnings Presentation Document: Not available
 Quarterly Earnings Presentation Meeting: Not available

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

1. First Quarter of Fiscal Year March 2013 Consolidated Earnings (From April 1, 2012 to June 30, 2012)

(1) Consolidated Earnings (Aggregated)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY3/13	22,957	10.1	1,304	21.5	966	37.0	416	23.7
1Q FY3/12	20,843	-1.8	1,073	7.6	705	3.4	336	-

(Note) Comprehensive income: ¥480 million (44.8%) in 1Q FY3/13, ¥332 million (-%) in 1Q FY3/12

	EPS		Fully Diluted EPS	
	Yen		Yen	
1Q FY3/13	29.48		-	
1Q FY3/12	23.41		19.56	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Net Asset Ratio		Book Value per Share	
	Million yen		Million yen		%		Yen	
1Q FY3/13	119,111		31,764		26.7		2,250.91	
FY3/12	125,649		31,551		25.1		2,235.83	

(reference) Capital: ¥31,764 million in 1Q FY3/13, ¥31,551 million in FY3/12.

2. Dividend Conditions

	Interim Dividend					Full Year
	End 1Q	End 2Q	End 3Q	End Year		
	Yen					Yen
FY3/12	-	19.00	-	19.00	38.00	
FY3/13	-	-	-	-	-	
FY3/13 (Projected)	-	19.00	-	19.00	38.00	

(Note) Recent revisions to dividend projections: None

3. Fiscal Year March 2013 Consolidated Earnings Estimates (April 1, 2012 to March 31, 2013)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First Half	48,000	9.5	3,380	0.6	2,590	1.0	1,260	9.8	89.29
Full Year	100,000	9.7	6,130	1.9	4,850	5.4	2,390	0.6	169.36

(Note) Recent revisions to earnings estimates: None

Notes:

(1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None

(2) Application of special accounting methods in the preparation of quarterly financial statements: Applicable

(Note) For details please refer to page 3 “2. Summary Information (Notes), (2) Implementation of Special Accounting Methods in the Creation of Quarterly Consolidated Financial Statements”

(3) Changes in the accounting policies, procedures, and changes or revisions in the display of accounting estimates:

① Changes accompanying revisions in accounting policies: Applicable

② Other changes: None

③ Changes in accounting estimates: Applicable

④ Redisplay of revisions: None

(Note) The changes to our amortization and depreciation methods fall under the consideration of “difficult to categorize revised accounting estimates for revisions in accounting methods.” For details please refer to page 3 “2. Summary Information (Notes), (3) Revisions in Accounting Methods, Revisions and Redisplay of Accounting Estimates”

(4) Shares issued (Common shares)

① Shares issued as of term end (including treasury shares):

② Treasury stock as of term end:

③ Average during the term:

1Q FY3/13	15,125,582	FY3/12	15,125,582
1Q FY3/13	1,013,904	FY3/12	1,013,844
1Q FY3/13	14,111,689	1Q FY3/12	14,364,767

● 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. For details of our earnings forecasts, please refer to the section of this document page 3 entitled “1. Qualitative Information about Quarterly Earnings, (3) Qualitative Information about Consolidated Earnings Estimates.”

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1. Qualitative Information about Quarterly Earnings

(1) Qualitative Information about Consolidated Business Performance

During the first quarter of the fiscal year March 2013, the Japanese economy underwent a gradual recovery on the back of demand created by the disaster relief efforts. However uncertainties including concerns over electric power supplies, the persistent strength of the yen, and the European sovereign debt crisis continued to cloud the economic horizon.

Against this backdrop, our main dormitory business got off to a good start with favorable occupancy rates of 96.5% (A 1.2% point increase from the previous first quarter) during the first quarter. The same favorable conditions were also apparent in our hotel business, including both the Dormy Inn (Business hotels) and resort hotel businesses, with occupancy rates exceeding the first quarter of the previous fiscal year.

Consequently, sales, and operating, ordinary, and net incomes rose by 10.1%, 21.5%, 37.0%, and 23.7% year-over-year to ¥22.957, ¥1.304, ¥0.966, and ¥0.416 billion respectively.

Our earnings results by business segment are as follows

Dormitory Business

Our dormitory business started out with a favorable occupancy rate of 96.5%, which exceeded the previous year's levels by 1.2% points. However an increase in the number of dormitory residents who took up residency early in March led to a decline in contract fees received and other sales compared with the previous year. Consequently the number of dormitory residents as of the end of June rose by 857 from the same period in the previous year to 30,062. At the same time sales and operating income fell by 2.2% and 11.1% year-over-year to ¥10.406 and ¥1.637 billion respectively.

Hotel Business

During the first quarter in the Dormy Inn business, three new facilities including the "Dormy Inn PREMIUM Shibuya Jingumae," "Natural Hot Spring Kishu no Yu Dormy Inn PREMIUM Wakayama," and "Natural Hot Spring Kirisakura no Yu Dormy Inn Kagoshima" were opened. Furthermore, the occupancy rates overall are trended favorably and exceeded those of the same quarter in the previous term. In addition, Kyoritsu was able to acquire first place ranking in the business hotel category of the JCSI (Japan Customer Satisfaction Index), a reflection of the favorable reception of the market.

In our resort hotel business, a new facility called the "Morden no Yu La Vista Appi Kogen" was opened and occupancy rates at existing facilities recovered by a large margin when compared with the earthquake disaster induced weakness of the previous year. Occupancy rates also exceeded the levels recorded two years previous as well. Consequently sales rose by 22.8% year-over-year to ¥8.640 billion, and profitability improved by a large margin on the back of strong demand in the peak resort season allowing operating income to improve by ¥544 million to a positive ¥251 million from the loss seen in the previous first quarter.

Contracted Services Business

In our contracted services business, we saw an increase in sales on the back of higher orders in our construction related services. However large contract cancelations arose and difficult operating conditions in general continued in our building rental services. Consequently operating income deteriorated to a loss of ¥13 million yen in the current first quarter from an income of ¥3 million in the previous first quarter despite a 6.6% year-over-year increase in sales to ¥3.089 billion.

Food Service Business

The operating environment for our food service business remained difficult due to stagnant consumption trends. As a result, operating loss trended sideways at ¥36 million despite a rise in sales of 18.3% from the first quarter of the previous year to ¥1.159 billion.

Construction Business

In our construction business, the seasonal trend for a greater amount of development projects occurring during the second

half of the fiscal year led to a decline in completion and delivery of construction projects during the first quarter. Consequently sales and operating income fell by 52.1% and 36.7% year-over-year to ¥570 and ¥14 million respectively.

Other Business

Our other business is comprised of the wellness life business (Management of senior citizen housing), the PKP business (Consigned services business provided to regional government bodies), single life support business and insurance agency business, comprehensive human resource service business, and financing services and administrative outsourcing services. Sales of this business rose by 40.6% year-over-year to ¥1.298 billion, and the operating loss contracted by ¥5 million year-over-year to ¥47 million.

(2) Qualitative Information about Consolidated Financial Position

At the end of the first quarter, total assets declined by ¥6.538 billion from the end of the previous fiscal year to ¥119.111 billion. The main reason for this decline was a fall in cash and deposits.

Liabilities at the end of the first quarter also fell by ¥6.750 billion compared with the end of the previous fiscal year to ¥87.347 billion. Declines in prepayments and long term debt are responsible for this fall.

Net assets grew by ¥212 million from the end of the previous fiscal year to ¥31.764 billion at the end of the first quarter. This growth is attributed primarily to an increase in retained earnings.

Consequently net asset ratio rose by 1.6% points from the end of the previous fiscal year to 26.7%.

(3) Qualitative Information about Consolidated Earnings Estimates

With regards to our consolidated earnings estimates, we have made no changes to our first half or full year earnings estimates announced at the time of our fiscal year March 2012 earnings results on May 15, 2012.

2. Summary Information (Notes)

(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 tax expense)

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 this rate has been applied in the calculation of tax expense, by which multiplying net income before taxes.

(3) Revisions in Accounting Methods, Revisions and Redisplay of Accounting Estimates

(The revisions in our accounting methods relating to revisions and categorization of our accounting estimates that are difficult to determine)

In accordance with the revisions to the corporate tax system, we have implemented revisions in our depreciation methods during the first quarter relating to the acquisition of tangible fixed assets by us and our domestic consolidated subsidiaries after April 1, 2012 based upon these revisions in the corporate tax system.

As a result, operating, ordinary, and pretax incomes effectively rose by ¥4 million when compared with the traditional methods employed until the first quarter.

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

(Units: Million Yen)

	FY3/12 March 31, 2012	1Q FY3/13 June 30, 2012
Assets		
Current assets		
Cash and deposits	17,342	11,251
Notes, accounts receivable	3,790	3,668
Real estate for sale	1,746	1,978
Uncompleted construction payment	87	39
Others	5,314	5,043
Doubtful account reserves	-46	-43
Total current assets	28,234	21,937
Fixed assets		
Tangible fixed assets		
Buildings, structures (net)	30,423	30,091
Land	23,852	24,046
Others (net)	9,378	9,139
Total tangible fixed assets	63,654	63,278
Intangible fixed assets	3,663	3,647
Investments, other assets		
Investment securities	5,687	5,645
Security deposits	9,602	9,736
Deposits	8,484	8,579
Others	6,421	6,384
Doubtful account reserves	-193	-189
Total investments, other assets	30,001	30,156
Total fixed assets	97,319	97,082
Deferred assets	95	91
Total assets	125,649	119,111

(Units: Million Yen)

	FY3/12 March 31, 2012	1Q FY3/13 June 30, 2012
Liabilities		
Current liabilities		
Notes, accounts payable	3,402	2,598
Short term debt	15,596	16,101
Bond, portion redeemable within 1 year	1,520	1,520
Unpaid corporate taxes	1,600	469
Prepayments	10,738	8,767
Bonus reserves	840	231
Director bonus reserves	179	47
Completed construction guarantee reserves	10	10
Others	5,072	5,097
Total current liabilities	38,961	34,843
Fixed liabilities		
Bonds	8,225	7,775
Long term debt	40,100	38,195
Retirement benefit reserves	1,183	1,218
Director retirement benefit reserves	306	307
Others	5,319	5,008
Total fixed liabilities	55,135	52,503
Total liabilities	94,097	87,347
Net assets		
Shareholders' equity		
Capital	5,136	5,136
Capital surplus	5,943	5,943
Retained earnings	23,042	23,189
Treasury stock	-1,809	-1,809
Total shareholders' equity	32,312	32,460
Accumulated other comprehensive income		
Other marketable security valuation difference	-761	-696
Accumulated other comprehensive income, aggregated	-761	-696
Total net assets	31,551	31,764
Total liabilities, net assets	125,649	119,111

(2) Quarterly Consolidated Income Statement and Comprehensive Income Statement**Quarterly Consolidated Income Statement**

Consolidated Aggregated First Quarter

(Units: Million Yen)

	1Q FY3/12 (From April 1, 2011 To June 30, 2011)	1Q FY3/13 (From April 1, 2012 To June 30, 2012)
Net sales	20,843	22,957
CGS	16,903	18,396
Gross income	3,940	4,560
SG&A	2,867	3,256
Operating income	1,073	1,304
Non-operating income		
Interest income	28	25
Dividend income	17	16
Deposit redemption income	15	9
Others	36	27
Total non-operating income	98	78
Non-operating expense		
Interest payment	368	323
Others	98	93
Total non-operating expense	466	416
Ordinary income	705	966
Extraordinary income		
Fixed asset liquidation	124	—
Total extraordinary income	124	—
Extraordinary loss		
Losses arising from disasters	56	—
Investment securities valuation loss	3	139
Total extraordinary loss	59	139
Net income before taxes	770	826
Taxes	433	410
Net income before adjustment for minority interests in income	336	416
Minority interests in income	0	—
Net income	336	416

Quarterly Consolidated Comprehensive Income Statements

Consolidated Aggregated First Quarter

(Units: Million Yen)

	1Q FY3/12 (From April 1, 2011 To June 30, 2011)	1Q FY3/13 (From April 1, 2012 To June 30, 2012)
Net income before adjustment for interests in income	336	416
Other comprehensive income		
Other marketable securities valuation difference	-4	64
Total other comprehensive income	-4	64
Quarterly comprehensive income	332	480
(Details)		
Quarterly comprehensive income of parent company shareholders	332	480
Quarterly comprehensive income of minority shareholdings	0	—

(3)Notes Regarding Going Concern Assumptions

Not applicable

(4)Notes Regarding Significant Changes in Shareholders' Equity

Not applicable

(5) Segment Information**(Segment Information)****I Consolidated Data for First Quarter of Fiscal Year March 2012 (From April 1, 2011 to June 30, 2011)**

1. Information regarding Our Various Business Segments

(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 Services	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

- (Note) 1. "Others" is not considered as a reported segment and is comprised of the wellness life business (Management of senior citizen housing), the PKP business (Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support business and insurance agency business, comprehensive human resource service business, and financing services and administrative outsourcing 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

Not applicable

II Consolidated Data for First Quarter of Fiscal Year March 2013 (From April 1, 2012 to June 30, 2012)

1. Information regarding Our Various Business Segments

(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	10,375	8,618	1,883	386	499	21,764	1,193	22,957	—	22,957
Internal sales	31	22	1,205	772	71	2,102	104	2,207	-2,207	—
Total	10,406	8,640	3,089	1,159	570	23,866	1,298	25,164	-2,207	22,957
Operating income	1,637	251	-13	-36	14	1,852	-47	1,804	-500	1,304

- (Note) 1. "Others" is not considered as a reported business segment and is comprised of the wellness life business (Management of senior citizen housing), the PKP business (Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support business and insurance agency business, comprehensive human resource service business, and financing services, administrative outsourcing services and other related services.
2. Adjustment for segment profit, loss of ¥500 million includes ¥8 million for inter-segment transaction eliminations, and ¥492 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

Not applicable