



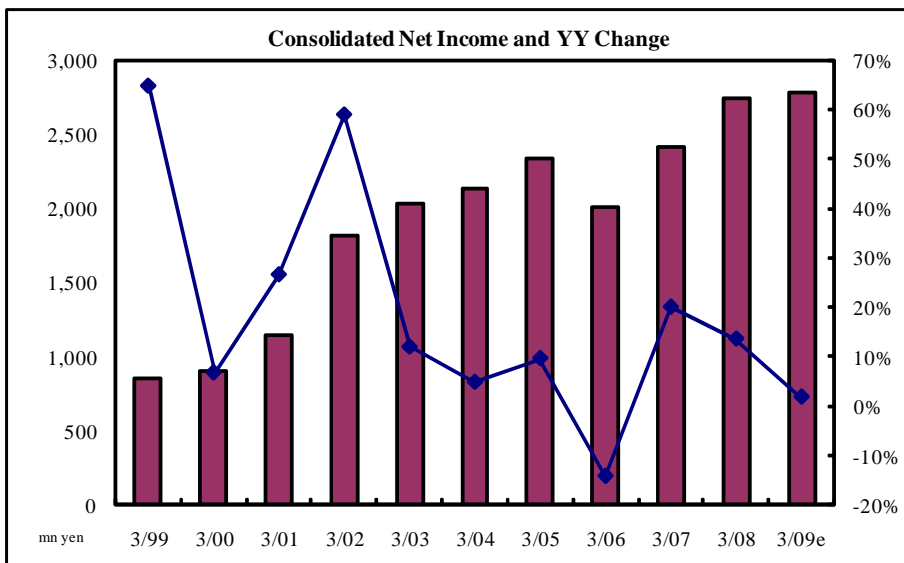
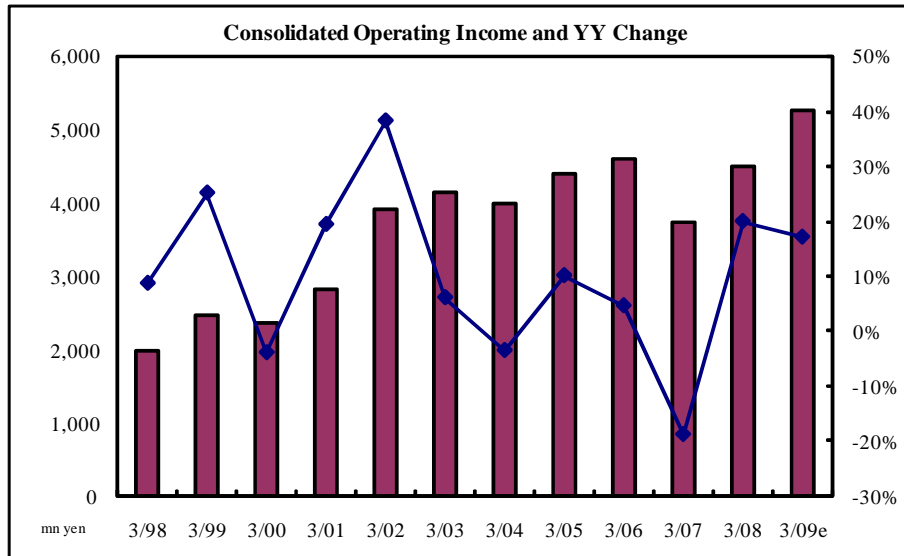
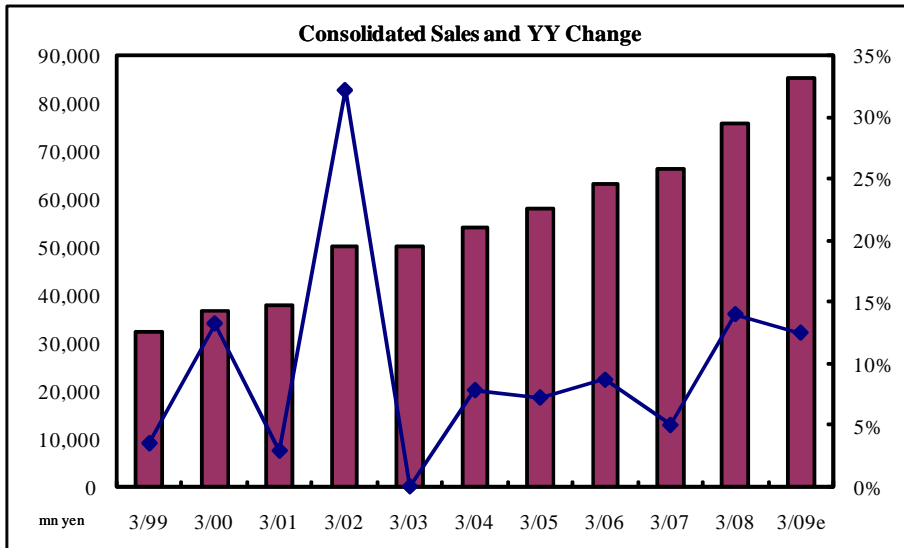
Kyoritsu Maintenance Co., Ltd.

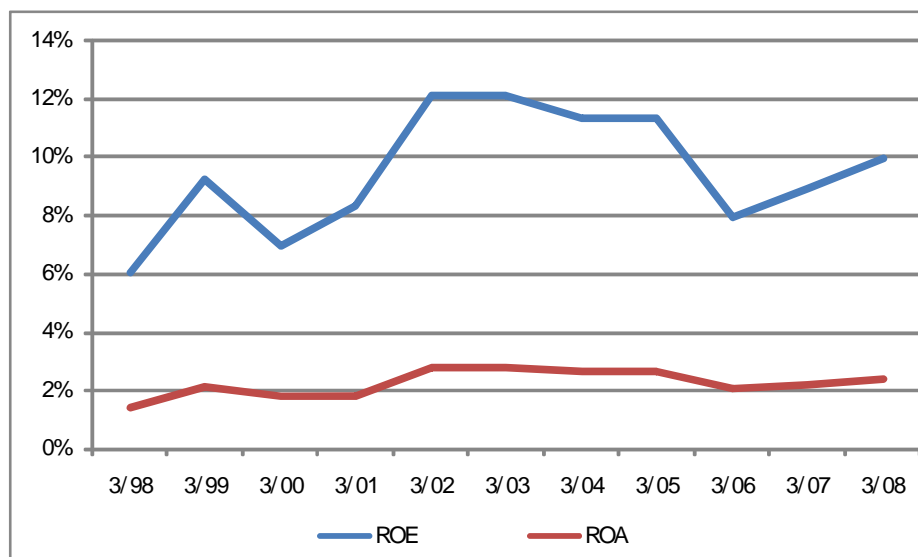
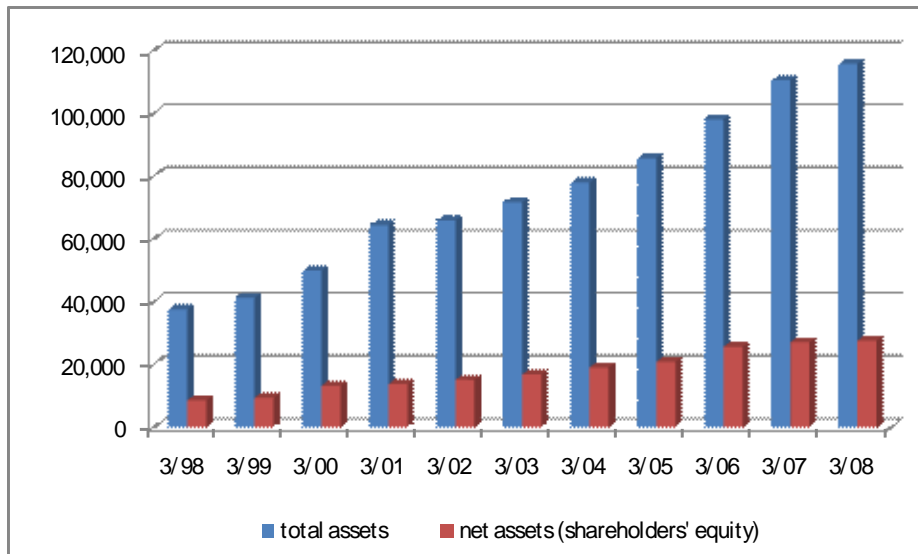
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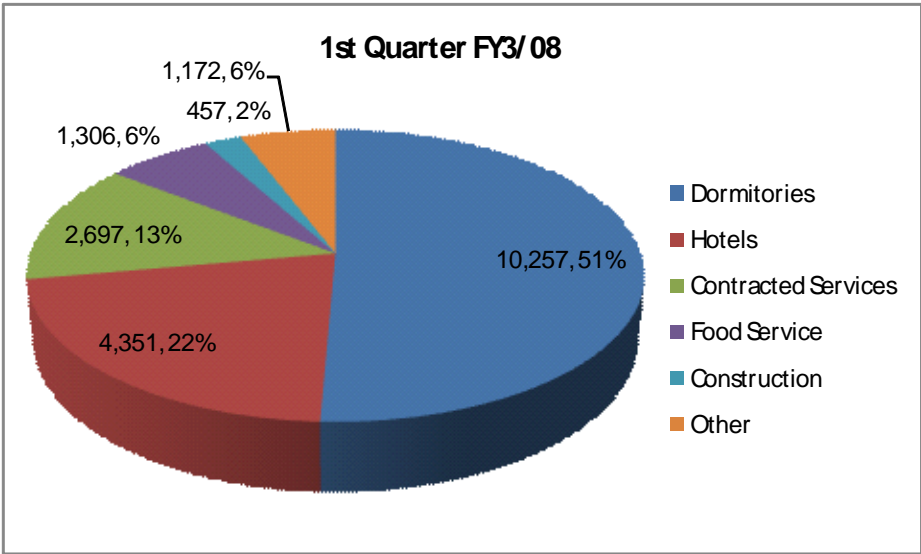
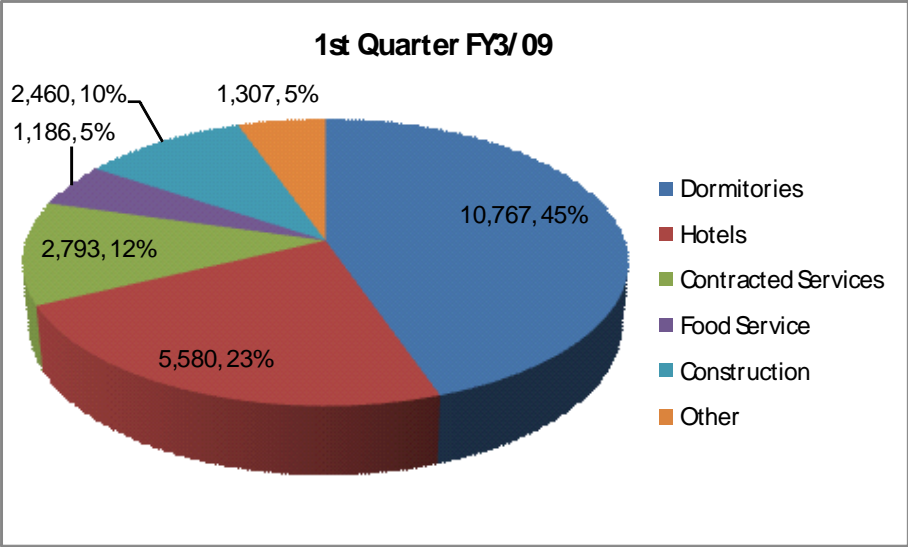
**First Quarter Fiscal Year March 2009
Consolidated Earnings Results Update**

August 2008

Kyoritsu Maintenance Consolidated Financial Data at a Glance







Consolidated Income Statement	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08	3/09e *	1Q3/08	1Q3/09
net sales	32,458	36,788	37,884	50,065	50,109	54,081	58,014	63,085	66,287	75,606	85,100 *	18,047	20,994
gross income	6,578	7,173	7,834	10,221	10,785	10,541	10,894	11,783	12,242	14,183	na *	3,982	4,318
operating income	2,465	2,369	2,828	3,908	4,149	4,004	4,407	4,611	3,745	4,492	5,260 *	1,570	1,688
ordinary income	2,203	2,281	2,643	3,580	3,885	4,060	4,411	4,824	3,787	4,167	4,600 *	1,430	1,508
net income	850	907	1,147	1,822	2,039	2,138	2,343	2,011	2,413	2,740	2,790 *	850	705

Consolidated Balance Sheet

current assets	15,336	19,900	23,793	18,100	22,138	22,122	23,254	23,350	24,901	19,967	na *	19,967	20,369
fixed assets	25,695	29,867	40,478	47,768	49,497	55,715	62,336	74,681	85,562	95,728	na *	95,728	98,113
total assets	41,144	49,880	64,327	65,867	71,647	77,865	85,620	98,047	110,507	115,738	na *	115,738	118,521
current liabilities	20,921	19,731	28,513	27,031	31,610	29,374	31,585	44,039	37,342	44,119	na *	44,119	51,347
fixed liabilities	10,946	16,977	22,064	23,761	23,146	29,433	33,077	28,316	46,068	44,079	na *	44,079	39,093
total liabilities													
net assets (shareholders' equity)													

yy change

net sales	3.6%	13.3%	3.0%	32.2%	0.1%	7.9%	7.3%	8.7%	5.1%	14.1%	12.6% *	na	16.3%
gross income	6.3%	9.0%	9.2%	30.5%	5.5%	-2.3%	3.3%	8.2%	3.9%	15.9%	na *	na	8.4%
operating income	25.1%	-3.9%	19.4%	38.2%	6.1%	-3.5%	10.1%	4.6%	-18.8%	19.9%	17.1% *	na	7.5%
ordinary income	18.2%	3.5%	15.9%	35.4%	8.5%	4.5%	8.6%	9.4%	-21.5%	10.0%	10.4% *	na	5.5%
net income	64.6%	6.7%	26.5%	58.8%	11.9%	4.8%	9.6%	-14.2%	20.0%	13.6%	1.8% *	na	-17.1%

margins

gross margins	20.3%	19.5%	20.7%	20.4%	21.5%	19.5%	18.8%	18.7%	18.5%	18.8%	na *	22.1%	20.6%
operating margins	7.6%	6.4%	7.5%	7.8%	8.3%	7.4%	7.6%	7.3%	5.6%	5.9%	6.2% *	8.7%	8.0%
ordinary margins	6.8%	6.2%	7.0%	7.2%	7.8%	7.5%	7.6%	7.6%	5.7%	5.5%	5.4% *	7.9%	7.2%
net margins	2.6%	2.5%	3.0%	3.6%	4.1%	4.0%	4.0%	3.2%	3.6%	3.6%	3.3% *	4.7%	3.4%

other benchmarks

ROE	9.2%	6.9%	8.3%	12.1%	12.1%	11.3%	11.3%	7.9%	8.9%	9.9%	na *	3.1%	2.5%
ROA	2.1%	1.8%	1.8%	2.8%	2.8%	2.7%	2.7%	2.1%	2.2%	2.4%	na *	0.7%	0.6%
equity ratio	22.6%	26.4%	21.4%	22.9%	23.5%	24.3%	24.3%	26.0%	24.5%	23.8%	na *	23.8%	23.7%

Units: million yen

First Quarter of Fiscal Year March 2009 Consolidated Earnings Announcement

August 8, 2008

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 14, 2008

Tokyo Stock Exchange

1. First Quarter of Fiscal Year March 2009 Consolidated Earnings (From April 1, 2008 to June 30, 2008)

(1) Consolidated Earnings

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%yy	Million yen	%yy	Million yen	%yy	Million yen	%yy
1Q FY3/09	20,994	—	1,688	—	1,508	—	705	—
1Q FY3/08	18,047	15.4	1,570	-15.8	1,430	-22.1	850	-13.4

	EPS		Fully Diluted EPS	
	Yen		Yen	
1Q FY3/09	49.07		39.16	
1Q FY3/08	57.14		45.92	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
1Q FY3/09	118,521	28,081	23.4	1,933.58
FY3/08	115,738	27,538	23.6	1,897.73

(Reference) Capital: 27,780 million yen in 1Q FY3/09, 27,266 million yen in FY3/08

2. Dividend Conditions

Registry Date	Dividend Per Share				
	End 1Q	End Interim	End 3Q	End Fiscal Year	Total
	Yen	Yen	Yen	Yen	Yen
FY3/08	—	18.00	—	20.00	38.00
FY3/09	—	—	—	—	—
FY3/09 (Projected)	—	19.00	—	19.00	38.00

(Note) Revisions to our dividend projections during the quarter: None

3. Fiscal Year March 2009 Earnings Projection (April 1, 2008 to March 31, 2009)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Yen
Interim	42,900	—	3,310	—	2,870	—	1,575	—	109.62
Full Year	85,100	12.6	5,260	17.1	4,600	10.4	2,790	1.8	194.19

(Note) Revisions to our earnings projections during the quarter: None

4. Others

- (1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None
- (2) Application of simple accounting procedures and other special accounting procedures in the creation of our quarterly consolidated financial statements: Yes
- (3) Changes in the accounting methods, procedures, display methods used in the creation of our consolidated financial statements during the most recent quarter:
 - ① Changes accompanying revisions in accounting standards: Yes
 - ② Other changes: None
- (4) Shares issued (Common stock)
 - ① Shares issued as of term end (including treasury stock): 15,125,582 shares at end 1Q FY3/09, 15,125,582

shares at end FY3/08

- ② Treasury stock as of term end: 758,053 shares at end 1Q FY3/09, 757,865 shares at end FY3/08
- ③ Average shares issued during term: 14,367,636 shares at end 1Q FY3/09, 14,892,193 at end FY3/08

● **Notes and explanations regarding the appropriate uses of our earnings projections**

- 1) 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.
- 2) From the current fiscal year we have applied the “accounting standards for quarterly financial statements” (Corporate Accounting Standard Number 12) and “application policies for the accounting standards relating to quarterly financial statements” (Corporate Accounting Standard Application Policy Number 14). Furthermore we have created our quarterly consolidated financial statements in accordance with the “quarterly consolidated financial statements regulations.”

Information Regarding Our Financial Statements

1. Information Regarding Our Consolidated Business Performance

During the first quarter of the current fiscal year the Japanese economy encountered difficulties stemming from declining corporate profits and restrained capital investments on the back of continued high crude oil and other raw material prices, and stagnant consumer demand due to the rise in food prices. Consequently we noted increasing signs of a slowing in the economy.

Because of the seasonality of contracts in our main dormitory business where a large portion of contracts are signed during April, our Group tends to see a concentration of sales during the first quarter of each fiscal year. Furthermore despite the fact that demand in our hotel (resort hotel) business tends to remain low in the first quarter (April to June) ahead of the peak summer vacation season, we saw brisk performance in each of our other businesses and consequently sales rose by 2,947 million yen or 16.3% year-over-year to 20,994 million yen. At the same time our operating and ordinary incomes grew by 7.5% year-over-year to 1,688 million yen and 5.5% year-over-year 1,508 million yen respectively despite preparatory costs associated with the opening of four new hotels. At the same time during the first quarter our net profits declined by 17.1% year-over-year to 705 million yen due to a year-over-year increase in taxes along with the implementation of “special accounting procedures used in the creation of consolidated quarterly financial statements.”

Our business performance in each of our business segments is provided below.

(Dormitory Business)

In our dormitory business, we saw increased demand from students due to our efforts to cultivate relations with various schools and from employees on the back of active hiring of younger works by Japanese corporations. This strong demand enabled us to open 19 new dormitories during the first quarter, and we saw a 1,537 rise in the number of residents from the first quarter of the previous year to 27,860 residents contracted at the end of June. Consequently we were able to record 5.0% and 2.2% year-over-year increases in both sales and operating income to 10,767 and 2,277 million yen respectively.

(Hotel Business)

In our hotel business, the nine hotels opened in the previous fiscal year combined with the three new Dormy Inn (business hotels) and one resort hotel opened during the current quarter to boost sales. With regards to profitability, we saw steady improvements in each of our facilities but the preparatory costs associated with the opening of four new hotels during the first quarter led us to see sales growth of 28.2% year-over-year to 5,580 million yen and an operating loss of 429 million yen.

(Contracted Services Business)

Due to our successful efforts to promote synergies from our office and residential building management services we saw growth in both sales and operating income of 3.6% and 14.2% year-over-year to 2,793 and 103 million yen respectively.

(Food Service Business)

We saw continued difficult operating environment in our food service business. However our persistent efforts to control and reduce our variable costs and to restructure our earnings model allowed us to see a 9.2% year-over-year increase in sales to 1,186 million yen and an operating profit of 15 million yen, compared with operating losses seen in the first quarter of the previous fiscal year.

(Construction Business)

The operating environment in our construction business worsened rapidly during the quarter under review due to the continued high prices of crude oil and other raw materials. However we maintained our focus upon developing dormitories and hotels and we saw a 437.2% year-over-year increase in sales to 2,460 million yen while we recorded a 39 million yen operating loss.

(Other Business)

Our other business is comprised of the wellness life (management of senior citizen housing), life service (catalog and rental sales), advertising agency, rental property brokerage, comprehensive human resources, and financing services. In this segment we recorded sales and operating income growth of 11.6% and 78.3% year-over-year to 1,307 and 103 million yen respectively.

2. Information Regarding Our Consolidated Financial Position

As of the end of the first quarter of the current fiscal year, our total consolidated assets rose by 2,783 million yen from the end of the previous fiscal year to 118,521 million yen. The main factors behind this increase were increases in investments in new facilities and tangible fixed assets.

Total liabilities at the end of the first quarter rose by 2,240 million yen from the end of the previous fiscal year to 90,440 million yen. The main reason for this increase was a rise in fixed liabilities.

Our net assets increased by 542 million yen from the end of the previous fiscal year to 28,081 million yen at the end of the first quarter under review. We attribute this increase to a rise in retained earnings.

Consequently our equity ratio declined by 0.2% points to 23.4%.

(Cash Flow Conditions)

During the first quarter under review our cash and equivalents rose by 1,335 million yen from the end of the previous fiscal year to 9,397 million yen.

In our operating activities we saw an increase in our net outflow to 2,084 million yen during the quarter under review, a 1,206 million yen decline from the net outflow seen during the first quarter of the previous fiscal year. The main factor behind this outflow was a decline in prepayments from contracts in our dormitory business during the first quarter.

In our investing activities we saw a net outflow of 3,178 million yen, down by 1,739 million yen from the net outflow recorded during the first quarter of the last fiscal year. The main reason for this outflow was a rise in tangible fixed assets due to acquisitions in our dormitory and hotel businesses.

In our financing activities we saw an increase in our net inflow to 6,599 million yen, a 75 million yen decline from the net inflow recorded during the first quarter of the previous fiscal year. We attribute this inflow to increases in debt needed for capital investments associated with the expansion in our business.

3. Information Regarding Our Consolidated Earnings Projections

With regards to our interim and full year earnings projections in the fiscal year to March 2009, we maintain our outstanding projections which were originally announced on May 16, 2008.

4. Others

(1) Changes in material subsidiaries during the period (Changes in consolidation scope resulting from changes in consolidated subsidiaries)

Not applicable.

(2) Application of simplified accounting methodologies and/or quarterly financial reporting standards in the preparation of quarterly financial statements:

(1) Simplified Accounting Methodologies

1) Calculation of Provision for Doubtful Accounts

The prior fiscal year end effective loss reserve ratio was utilized at the current quarter end as it was determined there were no significant changes in the loss reserve ratio.

2) Inventories valuation methodology

A partial physical inventory, comprised of material items and sampling, was utilized for the valuation of inventories at the current quarter end. A complete physical inventory was taken at the end of the prior fiscal year.

We have provided reserves for inventories where we have clear evidence that carrying value exceeds estimated net realizable value.

3) Depreciation methodology for fixed assets

For Fixed Assets where depreciation is calculated by accelerated methods, the annual expense is proportionately allocated to the quarter.

4) Deferred tax asset and liability calculation

Deferred tax asset recoverability assessment in the current quarter is based on the prior fiscal year's business outlook, tax planning strategies and other factors if it is determined there has been no significant changes to the overall business environment since the end of the prior fiscal year.

(2) Quarterly financial reporting standards in the preparation of quarterly financial statements

Provision for taxes

The provision for taxes is based upon applying the estimated effective tax rate for the current fiscal year, including the current quarter, to income before income taxes. Adjustments to income taxes are included in the provision for taxes.

(3) Changes in the preparation of quarterly financial statements

1) Commencing at the beginning of the current fiscal year, our financial statements have been prepared in accordance with Accounting Standards Board of Japan (ASBJ) Statement No. 12, "Accounting Standard for Quarterly Financial Reporting," and its implementation guidance – ASJB Guidance No. 14, "Guidance on Accounting Standard for Quarterly Financial Reporting"

2) Material changes in Asset Valuation Standards and Methodologies

Inventories

We adopted ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories," issued on July 5, 2006, at the beginning of the current fiscal year which requires inventory to be valued at the lower of cost or market. Previously, inventories were valued at cost. The impact of this change was to reduce income before income taxes by 24 million yen. The adoption of this change did not have an impact on segment reporting.

(4) Additional Information

At the end of the first quarter, we have identified construction-in-progress where it is likely that we will incur a loss. Thus, we have recorded a loss reserve of 28 million yen.

As a result, our cost of goods sold increased by 28 million yen, while our operating income, ordinary income, and income before income taxes declined by 28 million yen.

Impact on segment information is recorded in the applicable section immediately below:

Commencing at the beginning of the current fiscal year, our financial statements have been prepared in accordance with Accounting Standards Board of Japan (ASBJ) Statement No. 12, "Accounting Standard for Quarterly Financial Reporting," and its Implementation Guidance - ASBJ Guidance No. 14, "Guidance on Accounting Standard for Quarterly Financial Reporting."

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Units: Million Yen)

	End 1Q FY3/09 (June 30, 2008)	End FY3/08 (March 31, 2008)
Assets		
Current assets		
Cash and deposits	10,530	9,193
Notes, accounts receivable	2,422	2,973
Real estate for sale inventories	1,646	1,768
Uncompleted construction payment	1,231	978
Other	4,577	5,100
Doubtful account reserves	- 38	- 46
Total current assets	20,369	19,967
Fixed assets		
Tangible fixed assets		
Buildings, structures	29,051	25,218
Land	23,345	22,563
Others	15,959	19,030
Total tangible fixed assets	68,357	66,812
Intangible fixed assets		
Others	2,994	2,910
Total intangible fixed assets	2,994	2,910
Investment, other assets		
Investment securities	7,142	6,879
Guaranteed deposits	7,176	6,974
Security deposits	6,556	6,453
Others	6,000	5,808
Doubtful accounts reserves	- 115	- 110
Total investments, other assets	26,761	26,005
Total fixed assets	98,113	95,728
Deferred assets	39	41
Total assets	118,521	115,738

(Units: Million Yen)

	End 1Q FY3/09 (June 30, 2008)	End FY3/08 (March 31, 2008)
Liabilities		
Current liabilities		
Notes, accounts payable	2,086	3,093
Short term debt	32,322	20,235
Unpaid taxes	752	1,035
Deposits	9,097	11,972
Bonus reserves	349	1,072
Director bonus reserves	38	167
Completed construction guarantee reserves	27	24
Construction loss reserves	28	—
Others	6,645	6,517
Total current liabilities	51,347	44,119
Fixed liabilities		
Bonds	14,581	14,731
Long term debt	16,062	20,773
Retirement benefit reserves	1,095	1,058
Director retirement reserves	384	403
Others	6,968	7,113
Total fixed liabilities	39,093	44,079
Total liabilities	90,440	88,199
Net assets		
Shareholders' equity		
Capital	5,136	5,136
Capital reserves	5,943	5,943
Retained earnings	18,840	18,422
Treasury stock	- 1,467	- 1,466
Total shareholders' equity	28,453	28,036
Valuation, translation gains		
Other marketable security valuation gains	- 672	- 770
Total valuation, translation gains	- 672	- 770
Minority holdings	300	272
Total net assets	28,081	27,538
Total liabilities, net assets	118,521	115,738

(2) Quarterly Consolidated Income Statement
 (First Quarter Consolidated Income Statement)

(Units: Million Yen)

	1Q FY3/09 (From April 1, 2008 to June 30, 2008)
Net sales	20,994
CGS	16,675
Gross income	4,318
SG&A	2,629
Operating income	1,688
Non-operating income	
Interest income	24
Dividend income	19
Deposit redemption income	22
Others	45
Total non-operating income	112
Non-operating expense	
Interest payment	210
Other	82
Total non-operating expense	292
Ordinary income	1,508
Extraordinary income	
Extraordinary income adjustment from previous term	7
Other	1
Total extraordinary income	9
Extraordinary loss	
Marketable securities valuation loss	7
Inventories valuation loss	24
Total extraordinary loss	32
Net income before taxes	1,486
Corporate and other taxes	737
Minority shareholding profit	44
Net income	705

(3) Quarterly Consolidated Cash Flow Statement

(Units: Million Yen)

	1Q FY3/09 (From April 1, 2008 to June 30, 2008)
Cash flows from operating activities	
Net income before taxes other adjustments	1,486
Depreciation, amortization	855
Change in bonus reserves	- 723
Change in director bonus reserves	- 129
Interest, dividends received	- 44
Interest payment	210
Change in receivables	551
Change in accounts due	540
Change in accounts payable	- 1,222
Change in unpaid accounts	1,525
Change in prepayments received	- 2,882
Change in deposits	- 895
Other	- 139
Subtotal	- 867
Interest, dividends received	49
Interest payments	- 205
Corporate, tax returns	5
Corporate tax	- 1,065
Cash flows from operating activities	- 2,084
Cash flows from investing activities	
Acquisition of marketable securities	- 203
Acquisition of tangible fixed assets	- 2,545
Deposits paid	- 268
Others	- 161
Cash flows from investing activities	- 3,178
Cash flows from financing activities	
Increase in short term debt	8,833
Repayment of long term debt	- 1,456
Payment for bond redeemed	- 460
Dividend payment	- 303
Dividend payment to minority shareholders	- 16
Others	2

Cash flows from financing activities	6,599
Translation gains for cash and equivalents	—
Net change in cash and equivalents	1,335
Cash and equivalents at term start	8,061
Cash and equivalents at term end	9,397

(4) Comments concerning assumptions regarding going concern

Not applicable

(5) Segment Information

a. Information Regarding Our Various Business Segments

First Quarter of Fiscal Year March 2009 (From April 1, 2008 to June 30, 2008)

(Units: Million yen)

	Dormitories	Hotels	Contracted Services	Food Service	Construction	Other	Total	Company Wide	Consolidated
Sales									
(1) External sales	10,741	5,532	1,977	640	1,175	927	20,994	—	20,994
(2) Internal sales	25	48	816	545	1,285	380	3,101	(3,101)	—
Total	10,767	5,580	2,793	1,186	2,460	1,307	24,095	(3,101)	20,994
Operating income	2,277	- 429	103	15	- 39	103	2,031	(342)	1,688

(Note) Additional information

As noted in our the “4. Others” section of “Information Regarding Our Financial Statements”, because we identified some construction orders upon which we could possibly incur a loss, we have revalued these orders and raised our construction loss reserves by 28 million yen. Consequently our operating income declined by 28 million yen due to this booking of construction order loss reserve.

b. Regional Sales Information

During the first quarter of the current fiscal year (From April 1, 2008 to June 30, 2008) we did not have any overseas subsidiaries or offices and therefore we do not report any regional sales information.

c. Overseas Sales

During the first quarter of the current fiscal year (From April 1, 2008 to June 30, 2008) we did not have any overseas sales.

(6) Significant Changes in Our Shareholders Equity

We do not note any significant changes.

(Reference Information)

Financial Information from the First Quarter of the Previous Fiscal Year

(1) First Quarter Consolidated Income Statement Summary

Items	First Quarter FY3/08 From April 1, 2007 to June 30, 2007
	Million Yen
I Net sales	18,047
II CGS	14,064
Gross income	3,982
III SG&A	2,412
Operating income	1,570
IV Non-operating income	
Interest received	15
Dividend received	33
Others	76
Total non-operating income	125
V Non-operating expense	
Interest payment	177
Other	87
Total non-operating expense	265
Ordinary income	1,430
VI Extraordinary income	54
VII Extraordinary expense	—
Net income before taxes	1,484
Corporate, resident, other taxes	636
Minority shareholding loss	- 2
Net income	850

(2) First Quarter Consolidated Cash Flow Statement Summary

	First Quarter FY3/08 From April 1, 2007 to June 30, 2007
Items	Million Yen
I Cash flow from operating activities	
Net income before taxes and other adjustments	1,484
Depreciation, amortization	641
Change in bonus reserves	476
Change in director bonus reserves	27
Interest, dividends received	- 49
Interest payment	177
Change in receivables	554
Change in accounts due	503
Change in accounts payable	- 1,179
Change in prepayment received	- 2,338
Change in deposits	- 729
Other	- 500
Subtotal	- 930
Interest, dividends received	121
Interest payment	- 182
Corporate tax payment	- 2,299
Cash flows from operating activities	- 3,291
II Cash flows from investing activities	
Acquisition of marketable securities	- 1,051
Acquisition of tangible fixed assets	- 3,379
Other	- 486
Cash flows from investing activities	- 4,917
III Cash flows from financing activities	
Change in short term debt	8,060
Repayment of long term debt	- 1,421
Payment for bond redemption	- 460
Dividend payment	- 247
Dividend payment to minority shareholder	- 14
Others	758
Cash flows from financing activities	6,674
IV Translation gains from cash and equivalents	—
V Net change in cash and equivalents	- 1,534
VI Cash and equivalents at term start	13,721
VII Cash and equivalents at term end	12,186

(3) Segment Information

a. Information Regarding Our Business Segments

First Quarter of the Previous Fiscal Year (April 1, 2007 to June 30, 2007)

	Dormitories	Hotels	Contracted Services	Food Services	Construction	Other	Total	Company Wide	Consolidated
Sales									
(1) External sales	10,216	4,338	1,924	666	111	788	18,047	—	18,047
(2) Internal sales	40	13	772	639	346	383	2,196	(2,196)	—
Total	10,257	4,351	2,697	1,306	457	1,172	20,243	(2,196)	18,047
Operating income	2,228	- 355	90	- 23	- 49	58	1,948	(378)	1,570