

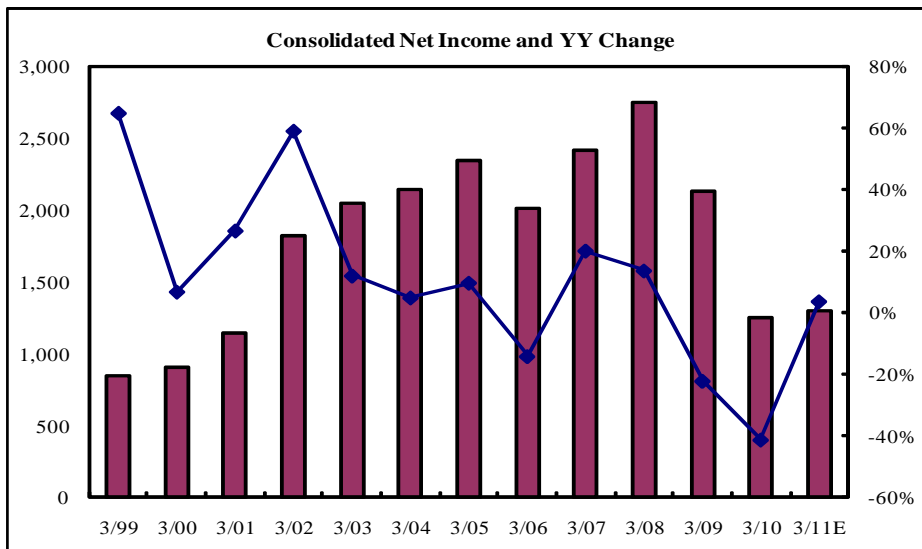
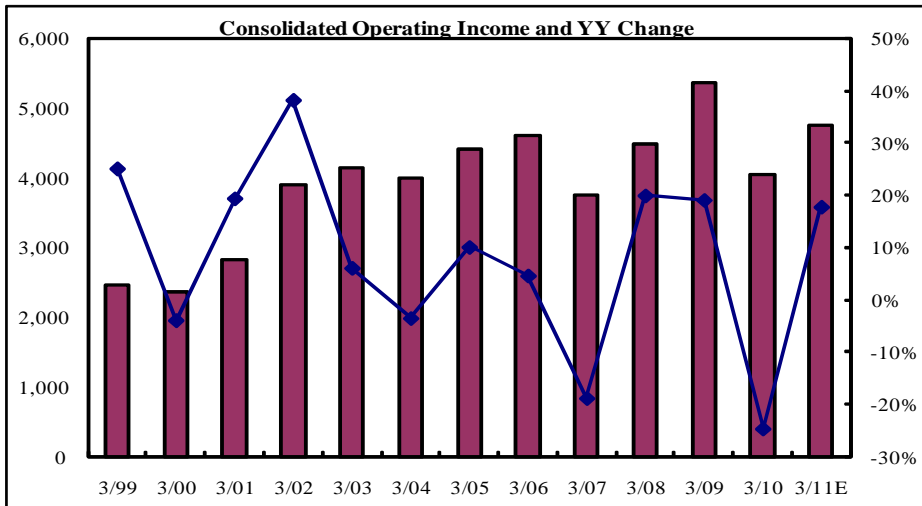
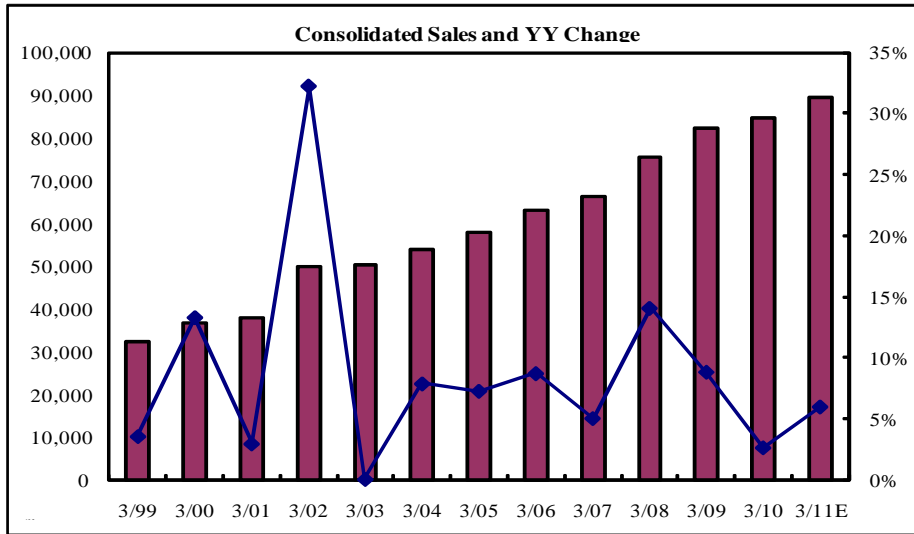


Kyoritsu Maintenance Co., Ltd.
(Securities Code: 9616)

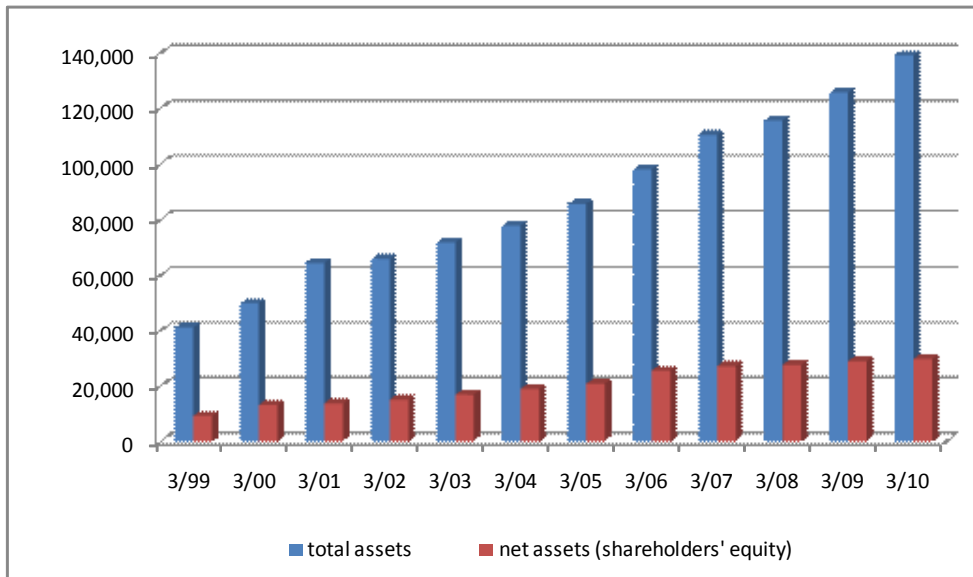
**1st Quarter of Fiscal Year March 2011
Consolidated Earnings Results Update**

August 2010

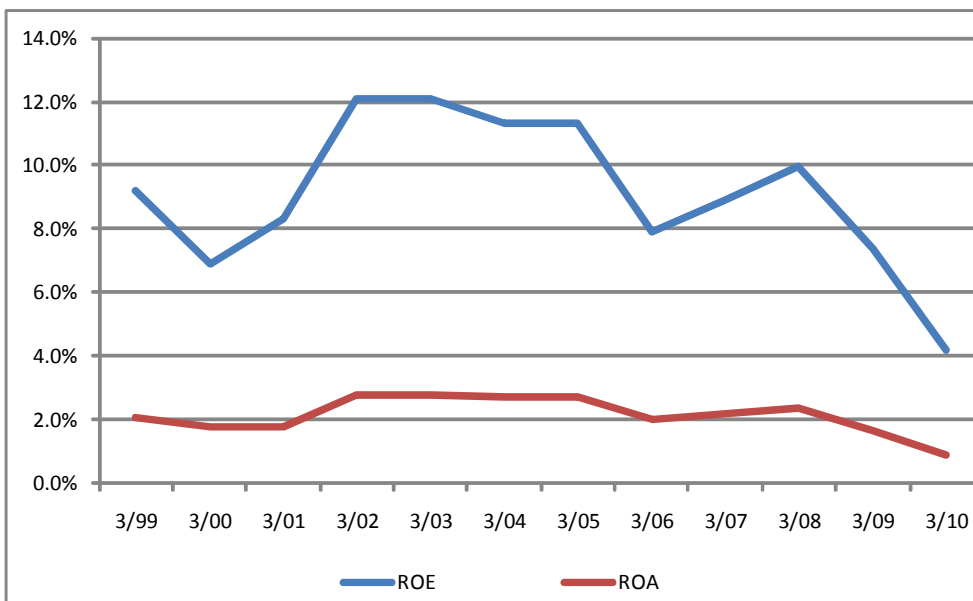
Kyoritsu Maintenance Consolidated Financial Data at a Glance

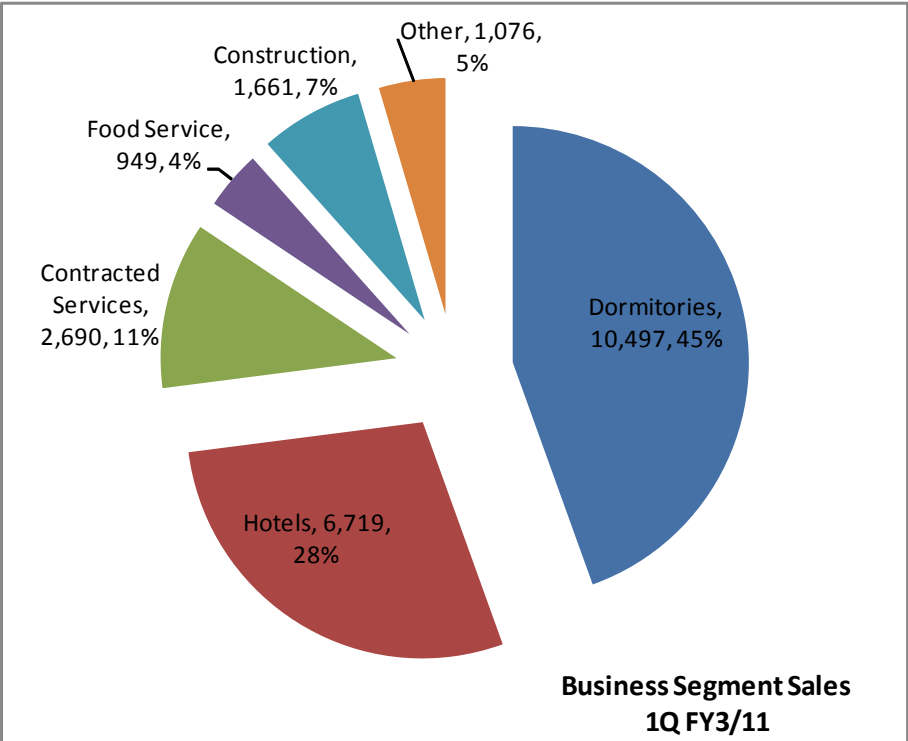
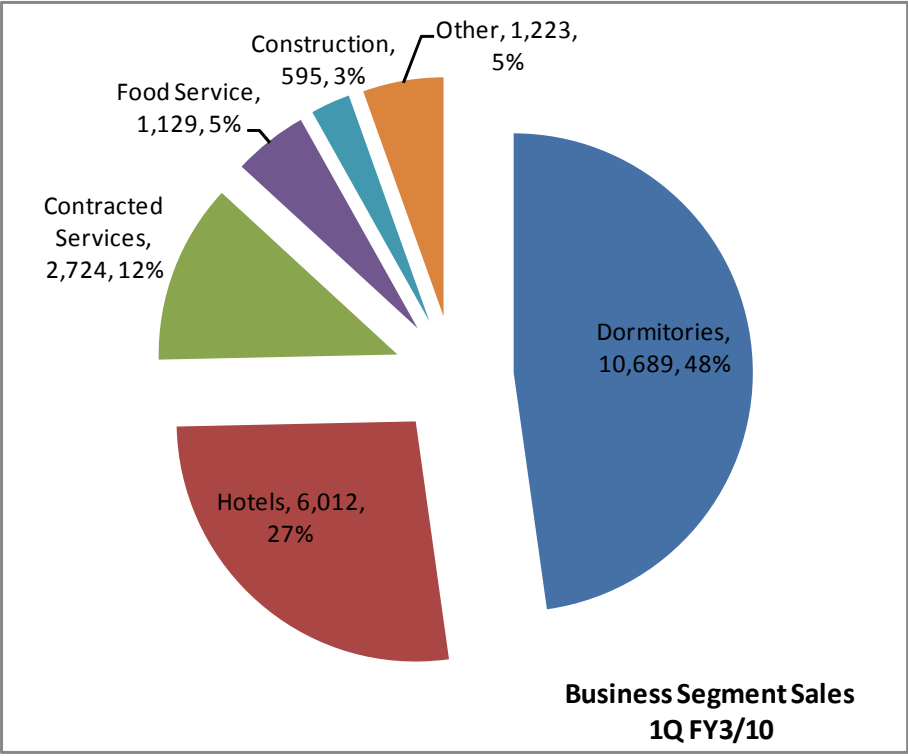


(Units: Million Yen)



(Units: Million Yen)





(Units: Million Yen)

Consolidated Income Statement	3/99	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08	3/09	3/10	3/11E	*	1Q3/10	1Q3/11
net sales	32,458	36,788	37,884	50,065	50,109	54,081	58,014	63,085	66,287	75,606	82,303	84,513	89,600	*	20,000	21,216
gross income	6,578	7,173	7,834	10,221	10,785	10,541	10,894	11,783	12,242	14,183	15,507	13,957	na	*	4,011	3,703
operating income	2,465	2,369	2,828	3,908	4,149	4,004	4,407	4,611	3,745	4,492	5,349	4,033	4,750	*	1,310	997
ordinary income	2,203	2,281	2,643	3,580	3,885	4,060	4,411	4,824	3,787	4,167	4,510	3,012	3,600	*	1,010	682
net income	850	907	1,147	1,822	2,039	2,138	2,343	2,011	2,413	2,740	2,133	1,254	1,300	*	357	-28
														*		
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	21,852	23,104	na	*	20,482	18,040
fixed assets	25,695	29,867	40,478	47,768	49,497	55,715	62,336	74,681	85,562	95,728	103,891	115,980	na	*	105,082	116,279
total assets	41,144	49,880	64,327	65,867	71,647	77,865	85,620	98,047	110,507	115,738	125,793	139,209	na	*	125,687	134,439
current liabilities	20,921	19,731	28,513	27,031	31,610	29,374	31,585	44,039	37,342	44,119	41,615	41,499	na	*	40,996	39,136
fixed liabilities	10,946	16,977	22,064	23,761	23,146	29,433	33,077	28,316	46,068	44,079	55,266	67,956	na	*	55,457	65,830
total liabilities	31,866	36,707	50,577	50,792	54,755	58,806	64,663	72,355	83,411	88,199	96,882	109,455	na	*	96,453	104,967
net assets (shareholders' equity)	9,278	13,169	13,747	15,073	16,824	18,935	20,788	25,512	27,096	27,538	28,911	29,753	na	*	29,233	29,471
														*		
yy change														*		
net sales	3.6%	13.3%	3.0%	32.2%	0.1%	7.9%	7.3%	8.7%	5.1%	14.1%	8.9%	2.7%	6.0%	*	-4.7%	6.1%
gross income	6.3%	9.0%	9.2%	30.5%	5.5%	-2.3%	3.3%	8.2%	3.9%	15.9%	9.3%	-10.0%	na	*	-7.1%	-7.7%
operating income	25.1%	-3.9%	19.4%	38.2%	6.1%	-3.5%	10.1%	4.6%	-18.8%	19.9%	19.1%	-24.6%	17.8%	*	-22.4%	-23.9%
ordinary income	18.2%	3.5%	15.9%	35.4%	8.5%	4.5%	8.6%	9.4%	-21.5%	10.0%	8.2%	-33.2%	19.5%	*	-33.1%	-32.5%
net income	64.6%	6.7%	26.5%	58.8%	11.9%	4.8%	9.6%	-14.2%	20.0%	13.6%	-22.2%	-41.2%	3.6%	*	-49.3%	na
														*		
margins														*		
gross margins	20.3%	19.5%	20.7%	20.4%	21.5%	19.5%	18.8%	18.7%	18.5%	18.8%	18.8%	16.5%	na	*	20.1%	17.5%
operating margins	7.6%	6.4%	7.5%	7.8%	8.3%	7.4%	7.6%	7.3%	5.6%	5.9%	6.5%	4.8%	5.3%	*	6.6%	4.7%
ordinary margins	6.8%	6.2%	7.0%	7.2%	7.8%	7.5%	7.6%	7.6%	5.7%	5.5%	5.5%	3.6%	4.0%	*	5.1%	3.2%
net margins	2.6%	2.5%	3.0%	3.6%	4.1%	4.0%	4.0%	3.2%	3.6%	3.6%	2.6%	1.5%	1.5%	*	1.8%	-0.1%
														*		
other benchmarks														*		
ROE	9.2%	6.9%	8.3%	12.1%	12.1%	11.3%	11.3%	7.9%	8.9%	9.9%	7.4%	4.2%	na	*	na	na
ROA	2.1%	1.8%	1.8%	2.8%	2.8%	2.7%	2.7%	2.1%	2.2%	2.4%	1.7%	0.9%	na	*	na	na
equity ratio	22.6%	26.4%	21.4%	22.9%	23.5%	24.3%	24.3%	26.0%	24.5%	23.8%	23.0%	21.4%	na	*	23.1%	21.7%
Units: million yen																

1st Quarter of Fiscal Year March 2011 Earnings Announcement

August 9, 2010
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 Tel: +81-3-5295-7778
 Earnings Announcement Filing Date (anticipated): August 13, 2010
 Dividend Payment Date (anticipated): --
 Supplemental Quarterly Earnings Announcement Document: None
 Quarterly Earnings Announcement Meeting: None

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

1. 1st Quarter of Fiscal Year March 2011 Consolidated Earnings (From April 1, 2010 to June 30, 2010)

(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-FY3/11	21,216	6.1	997	-23.9	682	-32.5	-28	--
1Q-FY3/10	20,000	-4.7	1,310	-22.4	1,010	-33.1	357	-49.3

	EPS	Fully Diluted EPS
	Yen	Yen
1Q-FY3/11	-1.97	--
1Q-FY3/10	24.90	19.87

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
1Q-FY3/11	134,439	29,471	21.7	2,034.79
FY3/10	139,209	29,753	21.2	2,054.83

(Reference) Capital: 1Q-FY3/11 – 29,230 million yen, FY3/10 – 29,518 million yen

2. Dividend Conditions

Registry Date	Dividends per Share				
	End 1Q	End 2Q	End 3Q	End Year	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/10		19.00		19.00	38.00
FY3/11					
FY3/11 (Projected)		19.00		19.00	38.00

(Note) Revision of quarterly dividend payment projections: None

3. Fiscal Year March 2011 Consolidated Earnings Projection (April 1, 2010 to March 31, 2011)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Yen
First Half	43,850	1.2	2,250	-28.7	1,560	-39.6	390	-67.4	27.15
Full Year	89,600	6.0	4,750	17.8	3,600	19.5	1,300	3.6	90.50

● Revisions to our earnings projections during the current quarter: None

4. Others

- (1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None
(Note) Existence of changes in our subsidiaries affecting the scope of our consolidation during the current quarter.
- (2) Application of simple accounting procedures and other special accounting procedures: Yes
(Note) Implementation of simple accounting procedures used in the preparation of quarterly financial statements.
- (3) Changes in the accounting methods, procedures, presentation methods:
 - ① Changes accompanying revisions in accounting standards: Yes
 - ② Other changes: None(Note) Existence of changes in the accounting methods, procedures, and display methods used in the preparation of quarterly financial statements as noted in the “Changes in important criteria used in the preparation of our consolidated financial statements.”
- (4) Shares issued (Common stock)
 - ① Shares issued as of term end (including treasury stock): 15,125,582 at end 1Q FY3/11, 15,125,582 at end FY3/10
 - ② Treasury stock as of term end: 760,287 at end 1Q-FY3/11, 760,215 at end FY3/10
 - ③ Average shares issued during term: 14,365,350 during 1Q-FY3/11, 14,366,335 during 1Q-FY3/10

- Disclosure of conditions of implementation of quarterly review

This quarterly earnings announcement is not subject to reviews mandated by the Financial Instruments and Exchange Act, and this earnings announcement has not been subjected to review as of its release.

- 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.

Document Index

1. Qualitative Information Regarding Quarterly Consolidated Earnings
 - (1) Qualitative Information Regarding Consolidated Earnings
 - (2) Qualitative Information Regarding Consolidated Financial Position
 - (3) Qualitative Information Regarding Consolidated Earnings Projections
2. Other Information
 - (1) Changes in Important Subsidiaries
 - (2) Overview of the Implementation of Simple or Special Accounting Methods
 - (3) Overview of Changes in the Accounting Methods, Procedures, and Display Methods
3. Consolidated Financial Statements
 - (1) Quarterly Consolidated Balance Sheet
 - (2) Quarterly Consolidated Income Statement
 - (3) Quarterly Consolidated Cash Flow Statement
 - (4) Notes Regarding Assumption of Going Concern
 - (5) Segment Information
 - (6) Notes Regarding Significant Changes in Shareholder's Equity

1. Qualitative Information Regarding Quarterly Consolidated Earnings

(1) Qualitative Information Regarding Consolidated Earnings

During the first quarter of the current fiscal year, the Japanese economy continued its gradual recovery on the back of progress inventory adjustments, brisk exports brought on by recoveries in overseas economies, and a subsequent improvement in production. However at the same time, uncertainties arising from high unemployment rates and the weak personal income environment continued to cast a shadow over consumer spending.

The Kyoritsu Maintenance Group noted that there has been a shift in the seasonality of earnings, where we traditionally saw a large portion of sales being booked during April and in the first quarter due to the start of the fiscal year and a subsequent increase in tenant contracts. But a concentration of new tenant contracts occurring a month early in March led to a shift of some of our earnings from the first to the fourth quarter. Furthermore the first quarter tends to be a weak period for earnings in general due also to the seasonally weak demand for our hotel (resort hotel) business as the peak travel and resort season occurs during the months of July to September.

Against this backdrop we recorded a 1.215 billion yen or 6.1% year-over-year increase in sales to 21.216 billion yen on the back of five newly opened hotels. However the shift in dormitory related sales and new hotel opening costs caused our operating income to drop by 23.9% year-over-year to 997 million yen, and ordinary income to fall by 32.5% year-over-year to 682 million yen. And while these figures reflect a stronger performance than our projections call for, we have decided to leave our earnings estimates unchanged due to the continuing uncertainties in the overall economy. Furthermore we recorded a net loss of 28 million yen due to extraordinary losses of 696 million yen arising from new accounting standards implemented from the first quarter of the current fiscal year regarding the retroactive assets retirement.

We discuss our business performance in each of our business segments below.

(1.1) Dormitory Business

In our dormitory business, we saw a decline in sales and profits resulting from the shift in new dormitory resident contracts from April to March and a shift in dormitory resident contracts for foreign exchange students from June to September, and despite the positive effects from alliances formed with new universities. Furthermore this shift in new resident contracts from April to March is expected to increase in coming years. Consequently the number of contracted dormitory residents rose by 501 to 28,173 at the end of June, but our sales and operating income fell by 1.8% year-over-year to 10.497 billion yen and 13.2% year-over-year to 1.723 billion yen respectively.

(1.2) Hotel Business

In our hotel business, seven facilities opened in the previous term (Six Dormy Inns, one resort hotel) combined with one newly opened Dormy Inn and five other new facilities (Obihiro, Asahikawa, Nagasaki, Kyoto Station, and Shimonoseki) opened in the first quarter to raise our sales. With regards to profitability, while our strict cost management of each facility contributed to improvements in costs on a per facility basis, we incurred additional costs from the newly opened hotel facilities. Consequently our sales rose by 11.8% year-over-year to 6.719 billion yen, but we incurred an operating loss of 454 million yen (Compared with an operating loss of 543 million yen in the same period of the previous year).

(1.3) Contracted Services Business

In our contracted services business, we saw a recovery in the capacity utilization rates in our rental building services, which suffered cancelations of large contracts in the previous term. However lower rental fees and complimentary rental periods caused delays in the recovery in profitability of this segment. Therefore we recorded declines in sales of 1.2% year-over-year to 2.690 billion yen and we incurred an operating loss of 29 million yen.

(1.4) Food Service Business

The difficult operating environment in our food service business continued due to the weak personal income environment and subsequent stagnant consumption trends. Consequently we saw a 16.0% year-over-year decline in sales to 949 million yen and an operating loss of 24 million yen.

(1.5) Construction Business

During the first quarter of the current fiscal year we saw a large amount of completions of business hotels. Consequently we saw a large 179.0% year-over-year increase in sales to 1.661 billion yen, while we recorded a 71.2% year-over-year decline in operating income to 29 million yen.

(1.6) Other Business

Our other business is comprised of the wellness life (management of senior citizen housing), rental property brokerage and management, life service (catalog and rental sales, insurance agency business), comprehensive human resources, financing services and advertising agency services. In this segment we saw declines of 12.0% and 54.1% year-over-year in sales and operating income to 1.076 billion yen and 38 million yen respectively.

(2) Qualitative Information Regarding Consolidated Financial Position

At the end of the first quarter of the current fiscal year, our total consolidated assets fell by 4.77 billion yen from the end of the previous fiscal year to 134.439 billion yen. The main reason for this decline was a decrease in cash and equivalents.

Total consolidated liabilities at the end of the first quarter also fell by 4.488 billion yen from the end of the previous fiscal year to 104.967 billion yen. We attribute this decline primarily to declines in notes and accounts payable, and prepayments.

Net assets as of the end of the first quarter of the current fiscal year fell by 282 million yen from the end of the previous fiscal year to 29.471 billion yen. A decline in retained earnings was the main factor contributing to the fall in net assets.

Consequently our equity ratio rose by 0.5% points from the end of the previous fiscal year to 21.7% as of the end of the first quarter.

(Cash Flow Conditions)

During the first quarter of the current fiscal year our cash and equivalents fell by 2.596 billion yen from the end of the previous fiscal year to 8.864 billion yen.

In our operating activities we saw a decline in net cash outflow of 1.646 billion yen year-over-year to 2.195 billion yen. We attribute this decline in outflow to lower income before taxes, accounts payable, and prepayments.

In our investing activities we saw a net outflow of 2.054 billion yen, an increase of 429 million yen from the net outflow seen during the same period of the previous year. We attribute this outflow primarily to the acquisition of securities, and tangible fixed assets in our dormitory and hotel businesses.

In our financing activities we saw a net inflow of 1.653 billion yen, a decline of 1.523 billion yen from the net inflow recorded during the same period of the previous fiscal year. The main factor behind this inflow was an increase in short term debt.

(3) Qualitative Information Regarding Consolidated Earnings Projections

With regards to our consolidated earnings projections, we have left our outstanding projections, which were originally announced on May 14, 2010, unchanged.

2. Other Information

(1) Changes in Important Subsidiaries

No changes

(2) Overview of the Implementation of Simplified or Special Accounting Methods

(1) Simplified Accounting Methods

1) Inventories Valuation Methods

A partial physical inventory, comprised of material items and sampling, was utilized for the valuation of inventories. We have reduced the valuations for inventories where we have clear evidence that carrying value exceeds estimated net realizable value.

2) 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) 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 corporate taxes.

(3) Changes in Accounting Methods, Procedures, Presentation Methods

Application of new accounting standard for losses arising from asset retirement obligation

Beginning from the first quarter of the current fiscal year we have implemented the "Application Policy of Accounting Standards for Losses Arising from Asset Retirement Obligation" (Corporate Accounting Standards Application Policy Number 21, March 31, 2008) and "Accounting Standards for Losses Arising from Asset Retirement Obligation" (Corporate Accounting Standards Number 18, March 31, 2008).

In accordance with the implementation of these new accounting standards, both operating and ordinary incomes have been reduced by 11 million yen and net income before taxes and other adjustments has been reduced by 707 million yen.

In addition, we saw a change of 135 million yen resulting from the implementation of a new accounting standard for asset retirement obligations.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Units: Million Yen)

	End 1Q FY3/11 (June 30, 2010)	End FY3/10 (March 31, 2010)
Assets		
Current assets		
Cash and deposits	9,997	12,594
Notes, accounts receivable	2,427	3,882
Real estate for sale	269	268
Uncompleted construction payment	372	999
Other	5,007	5,404
Doubtful account reserves	-34	-44
Total current assets	18,040	23,104
Fixed assets		
Tangible fixed assets		
Buildings, structures	37,503	33,174
Land	28,652	28,626
Others	16,108	20,358
Total tangible fixed assets	82,264	82,159
Intangible fixed assets		
Others	3,853	3,848
Total intangible fixed assets	3,853	3,848
Investment, other assets		
Investment securities	7,053	6,646
Guaranteed deposits	8,908	8,582
Security deposits	7,174	7,512
Others	7,214	7,431
Doubtful accounts reserves	-188	-198
Total investments, other assets	30,161	29,972
Total fixed assets	116,279	115,980
Deferred assets	118	124
Total assets	134,439	139,209

(Units: Million Yen)

	End 1Q FY3/11 (June 30, 2010)	End FY3/10 (March 31, 2010)
Liabilities		
Current liabilities		
Notes, accounts payable	1,724	3,846
Short term debt	22,286	17,937
Unpaid taxes	95	581
Deposits	8,683	11,932
Bonus reserves	159	623
Director bonus reserves	31	147
Completed construction guarantee reserves	12	11
Construction work loss reserves	4	4
Others	6,139	6,414
Total current liabilities	39,136	41,499
Fixed liabilities		
Bonds	19,035	19,385
Long term debt	39,228	41,264
Retirement benefit reserves	1,216	1,199
Director retirement reserves	319	339
Others	6,031	5,766
Total fixed liabilities	65,830	67,956
Total liabilities	104,967	109,455
Net assets		
Shareholders' equity		
Capital	5,136	5,136
Capital surplus	5,943	5,943
Retained earnings	20,403	20,704
Treasury stock	-1,470	-1,470
Total shareholders' equity	30,012	30,313
Valuation, translation gains		
Other marketable security valuation gains	-782	-795
Total valuation, translation gains	-782	-795
Minority interest	240	235
Total net assets	29,471	29,753
Total liabilities, net assets	134,439	139,209

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

(Units: Million Yen)

	1Q FY3/10 (From April 1, 2009 to June 30, 2009)	1Q FY3/11 (From April 1, 2010 to June 30, 2010)
Net sales	20,000	21,216
CGS	15,989	17,513
Gross income	4,011	3,703
SG&A	2,700	2,705
Operating income	1,310	997
Non-operating income		
Interest income	23	23
Dividend income	15	18
Deposit redemption income	22	23
Subsidies received	—	49
Others	27	28
Total non-operating income	88	144
Non-operating expense		
Interest payment	283	347
Others	105	111
Total non-operating expense	389	459
Ordinary income	1,010	682
Extraordinary income		
Marketable securities sales profit	5	—
Insurance policy refunds	10	40
Doubtful accounts allowance reversal	—	19
Others	3	8
Total extraordinary income	19	68
Extraordinary loss		
Marketable securities valuation loss	236	52
Asset retirement obligation accounting change loss	—	696
Others	0	21
Total extraordinary loss	237	770
Net income before taxes	792	△19
Corporate, other taxes	419	△7

Income before minority interests	—	△11
Minority interest income	14	16
Net income	357	△28

(3) Quarterly Consolidated Cash Flow Statement

(Units: Million Yen)

	1Q FY3/10 (From April 1, 2009 to June 30, 2009)	1Q FY3/11 (From April 1, 2010 to June 30, 2010)
Cash flows from operating activities		
Net income before taxes, other adjustments	792	△19
Depreciation, amortization	936	1,048
Change in bonus reserves	△667	△463
Change in director bonus reserves	△158	△115
Interest, dividends received	△39	△42
Interest payments	283	347
Valuation gains in marketable securities	236	—
Change in receivables	227	1,454
Change in accounts due	656	632
Change in inventories	△1,995	694
Change in payables	△1,320	△2,458
Change in unpaid accounts	1,154	820
Change in prepayments received	△2,106	△3,249
Change in unpaid consumption tax	△432	△126
Change in deposits	△939	△931
Change in security deposits	△103	—
Influence of asset retirement obligation accounting implementation	—	696
Others	419	394
Subtotal	△3,055	△1,318
Interest, dividends received	33	38
Interest payments	△264	△345
Corporate tax	△556	△568
Cash flow from operating activities	△3,842	△2,195
Cash flow from investing activities		
Acquisition of marketable securities	—	△607
Acquisition of tangible fixed assets	△990	△969
Acquisition of intangible fixed assets	△626	—
Loans extended	—	△477
Recovery of loans extended	257	397
Deposit, security deposit payments	△641	△707
Return of deposits, security deposits	593	—
Refund from cancelled insurance policies	—	428
Others	△218	△117
Cash flow from investing activities	△1,625	△2,054

	1Q FY3/10 (From April 1, 2009 to June 30, 2009)	1Q FY3/11 (From April 1, 2010 to June 30, 2010)
Cash flows from financing activities		
Increase in short term debt	6,503	4,689
Repayment of long term debt	△5,336	△2,376
Bond issuance	2,422	—
Bond redemption payment	△150	△400
Treasury stock acquisition	△0	△0
Dividend payment	△249	△243
Dividend payment to minority shareholders	△11	△9
Others	—	△6
Cash flows from financing activities	3,177	1,653
Net change in cash and equivalents	△2,290	△2,596
Cash and equivalents at term start	10,931	11,460
Cash and equivalents at term end	8,641	8,864

(4) Assumptions Regarding Going Concern
Not applicable

(5) Segment Information

(Information Regarding Our Various Business Segments)

First Quarter of Fiscal Year March 2010 (From April 1, 2009 to June 30, 2009)

(Units: Million yen)

	Dormitories	Hotels	Contracted Services	Food Service	Construction	Other	Total	Company Wide	Consolidated
Sales									
(1) External sales	10,657	5,969	1,826	515	245	786	20,000	—	20,000
(2) Internal sales	31	42	898	613	350	437	2,374	(2,374)	—
Total	10,689	6,012	2,724	1,129	595	1,223	22,375	(2,374)	20,000
Operating income	1,986	-543	75	-3	100	83	1,699	(388)	1,310

(Regional Sales Information)

During the first quarter of the previous fiscal year (From April 1, 2009 to June 30, 2009)

We do not have any overseas subsidiaries or offices and therefore we do not report any regional sales information.

(Overseas Sales)

During the first quarter of the previous fiscal year (From April 1, 2009 to June 30, 2009)

We do not have any overseas sales.

(Segment Information)

1. Overview of Segments Reported

Financial information relating to the individual divisions of our business segments is readily available, and our management considers the validity of these segments on a regular basis during their board of directors meetings in assessing segment earnings and the allocation of business resources in accordance with these segments.

Our divisions and subsidiaries responsible for the various services within our Group are also responsible developing both strategies and business activities for their respective businesses.

Therefore our segments are defined by the basic services provided by each of the divisions and subsidiaries and divided into five main segments including “dormitories,” “hotels,” “contracted services,” “food services,” and “construction.”

Each of our segments is defined below.

Dormitories: Dormitories provided to student and corporate employees, Dormier, management of outsourced dormitories

Hotels: Dormy Inn business hotels, resort hotels

Contracted Services: Office building and residential property management services

Food Services: Restaurant business, management of outsourced cafeteria and hotel restaurant facilities

Construction: Planning, design and construction, real estate brokerage business, condominiums for sale, other related services

2. Sales, Profits and Losses according to Our Reported Business Segments

First Quarter of Fiscal Year March 2011 (From April 1, 2010 to June 30, 2010)

(Units: Million yen)

	Dormitories	Hotels	Contracted Services	Food Service	Construction	Subtotal	Others	Total	Company Wide	Consolidated
Sales										
(1) External sales	10,470	6,704	1,739	324	1,285	20,524	692	21,216	—	21,216
(2) 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” business is no longer included amongst the segments for which we report detailed information, and is comprised of the wellness life (management of senior citizen housing), life service (catalog and rental sales, insurance agency business), advertising agency, rental property brokerage and management, comprehensive human resources, and financing services.
 2. Company wide operating loss of 284 million yen includes eliminations for business between different segments of 56 million yen, which offset the total company wide operating loss of 341 million yen.
 3. The losses or income in each of our segments is taken into account and adjusted for at the operating income level in our quarterly consolidated income statements.
3. Information about impairment loss on fixed assets and goodwill.
We do not note any significant changes.

(Additional Information)

Beginning from the first quarter of the current fiscal year we have implemented the “Application Policy of Accounting Standards for Disclosure of Business Segment Information” (Corporate Accounting Standards Application Policy Number 20, March 21, 2008) and “Accounting Standards for Disclosure of Segment Information” (Corporate Accounting Standards Number 17, March 27, 2009).

(6) Significant Changes in Our Shareholders Equity

We do not note any significant changes.