Kyoritsu Maintenance Co., Ltd.

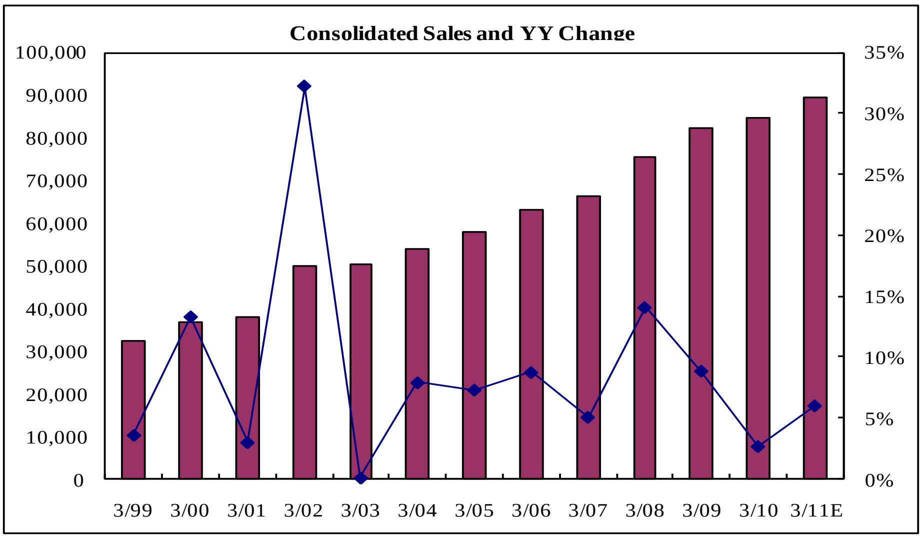
(Securities Code:　9616)

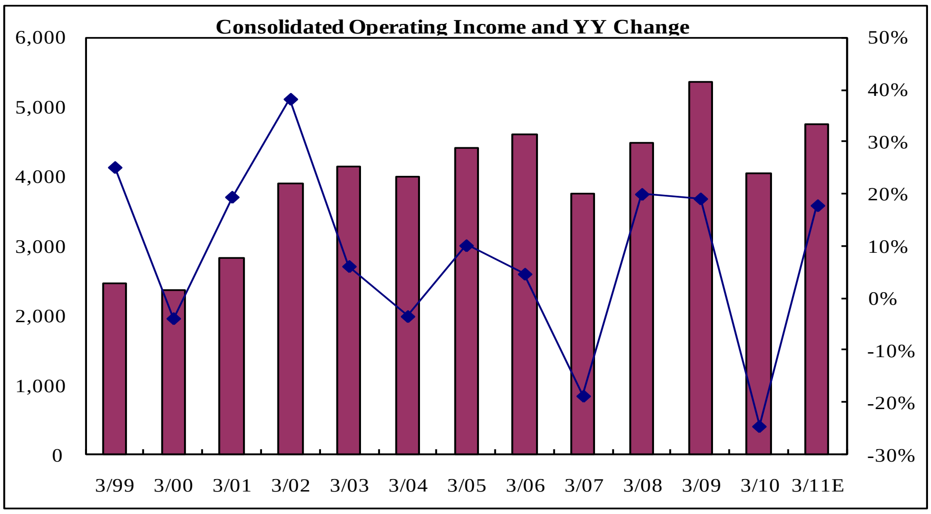
3rd Quarter of Fiscal Year March 2011

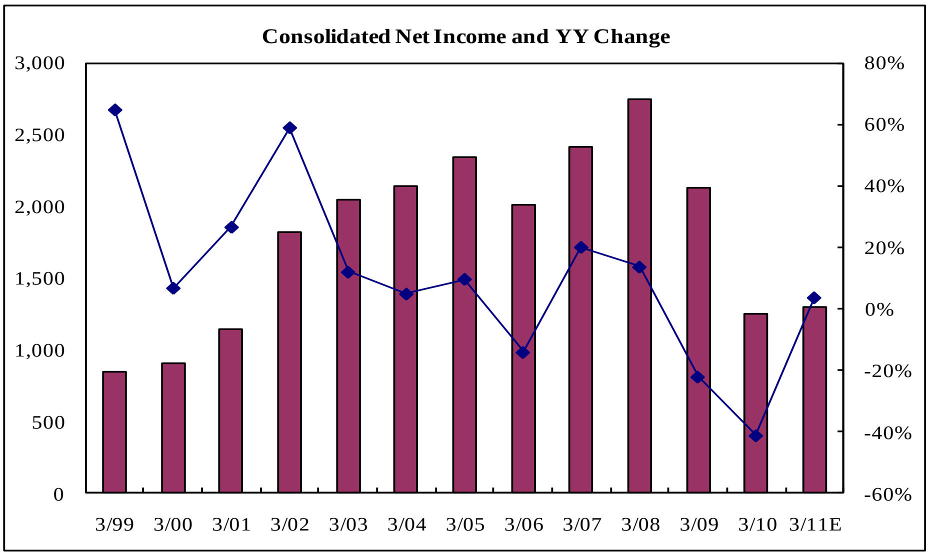
Consolidated Earnings Results Update

February 2011

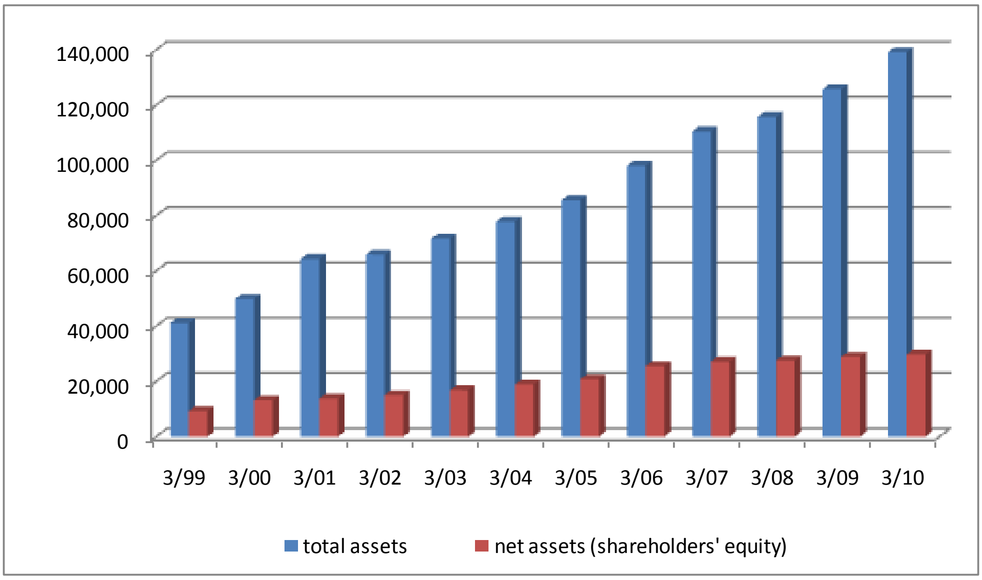
Kyoritsu Maintenance Consolidated Financial Data at a Glance

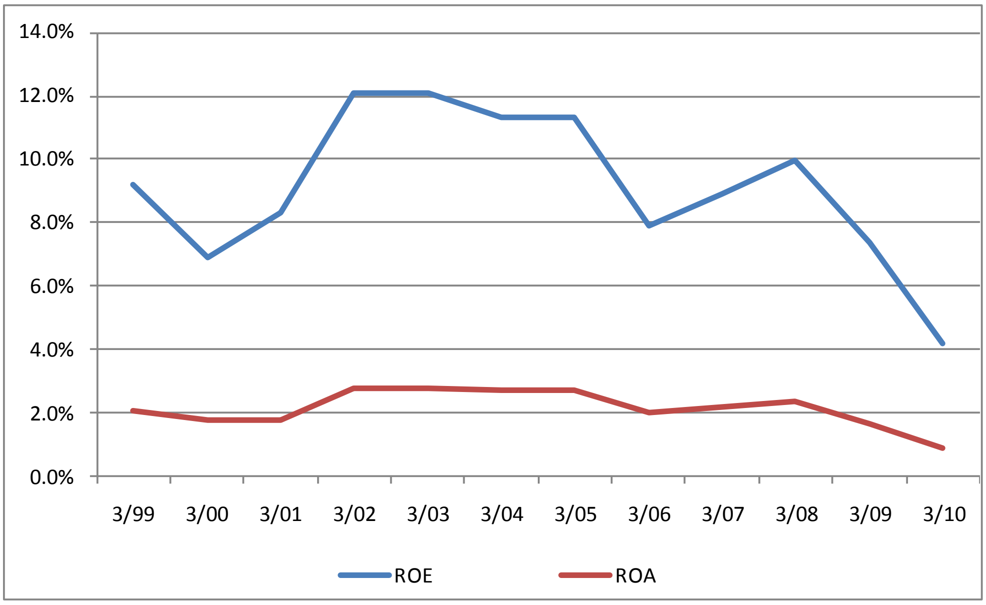






(Units: Million Yen)





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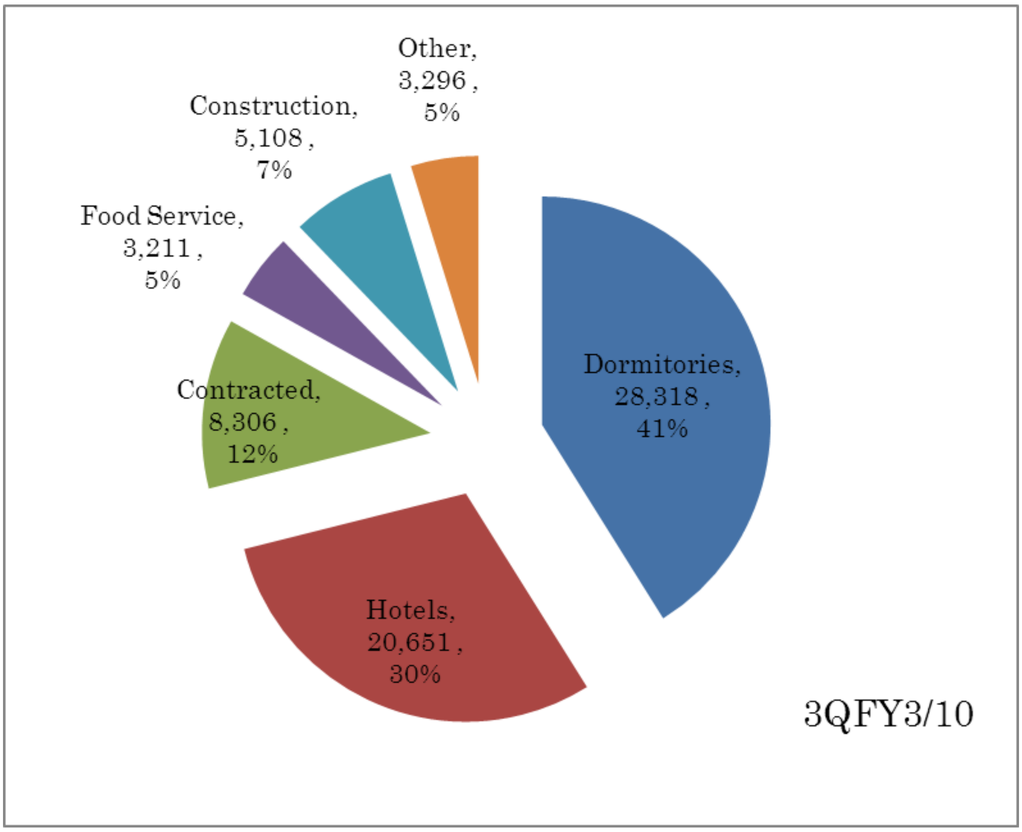

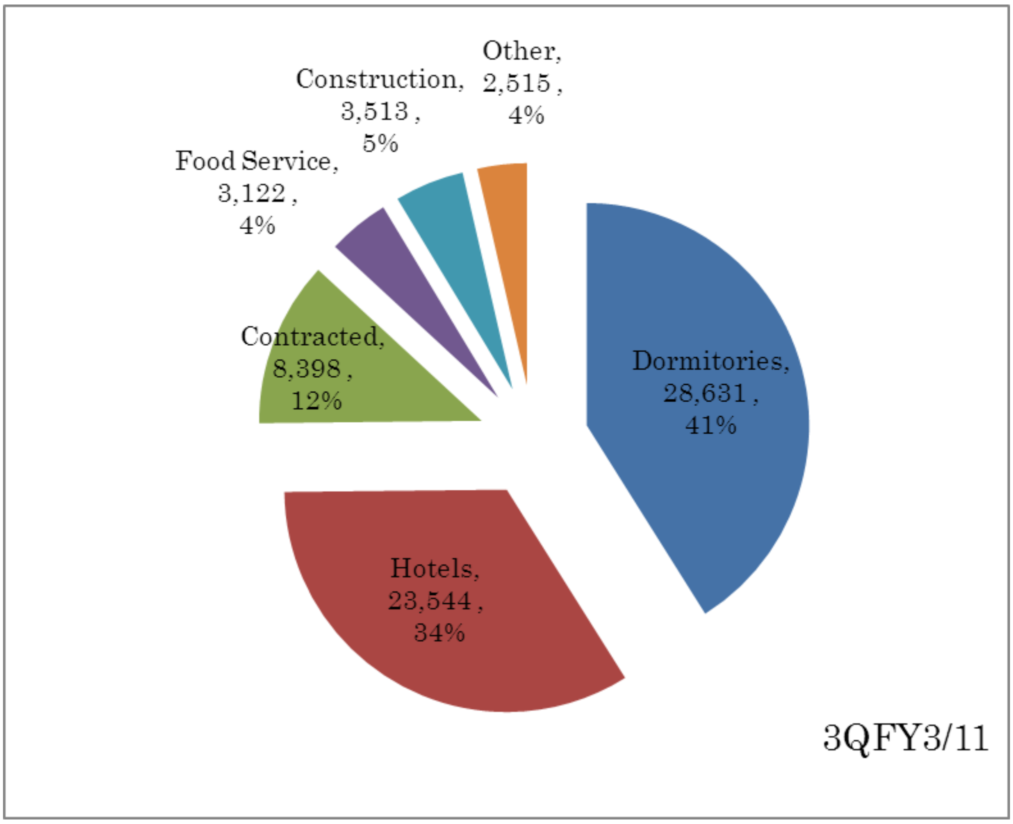

(Units: Million Yen)

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	3/11E	*	3Q FY3/10	3Q FY3/11
net sales	36,788	37,884	50,065	50,109	54,081	58,014	63,085	66,287	75,606	82,303	84,513	88,400	*	62,545	62,401
gross income	7,173	7,834	10,221	10,785	10,541	10,894	11,783	12,242	14,183	15,507	13,957	na	*	10,852	11,601
operating income	2,369	2,828	3,908	4,149	4,004	4,407	4,611	3,745	4,492	5,349	4,033	5,300	*	3,335	3,405
ordinary income	2,281	2,643	3,580	3,885	4,060	4,411	4,824	3,787	4,167	4,510	3,012	4,000	*	2,553	2,453
net income	907	1,147	1,822	2,039	2,138	2,343	2,011	2,413	2,740	2,133	1,254	1,500	*	1,028	697
													*		
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	na	*	24,802	19,552
fixed assets	29,867	40,478	47,768	49,497	55,715	62,336	74,681	85,562	95,728	103,891	115,980	na	*	107,941	113,260
total assets	49,880	64,327	65,867	71,647	77,865	85,620	98,047	110,507	115,738	125,793	139,209	na	*	132,873	132,919
current liabilities	19,731	28,513	27,031	31,610	29,374	31,585	44,039	37,342	44,119	41,615	41,499	na	*	48,731	51,218
fixed liabilities	16,977	22,064	23,761	23,146	29,433	33,077	28,316	46,068	44,079	55,266	67,956	na	*	54,523	51,808
total liabilities	36,707	50,577	50,792	54,755	58,806	64,663	72,355	83,411	88,199	96,882	109,455	na	*	103,255	103,026
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	na	*	29,618	29,892
													*		
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%	4.6%	*	0.7%	-0.2%
gross income	9.0%	9.2%	30.5%	5.5%	-2.3%	3.3%	8.2%	3.9%	15.9%	9.3%	-10.0%	na	*	-7.9%	6.9%
operating income	-3.9%	19.4%	38.2%	6.1%	-3.5%	10.1%	4.6%	-18.8%	19.9%	19.1%	-24.6%	31.4%	*	-19.0%	2.1%
ordinary income	3.5%	15.9%	35.4%	8.5%	4.5%	8.6%	9.4%	-21.5%	10.0%	8.2%	-33.2%	32.8%	*	-27.3%	-3.9%
net income	6.7%	26.5%	58.8%	11.9%	4.8%	9.6%	-14.2%	20.0%	13.6%	-22.2%	-41.2%	19.6%	*	-32.0%	-32.2%
													*		
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%	na	*	17.4%	18.6%
operating margins	6.4%	7.5%	7.8%	8.3%	7.4%	7.6%	7.3%	5.6%	5.9%	6.5%	4.8%	6.0%	*	5.3%	5.5%
ordinary margins	6.2%	7.0%	7.2%	7.8%	7.5%	7.6%	7.6%	5.7%	5.5%	5.5%	3.6%	4.5%	*	4.1%	3.9%
net margins	2.5%	3.0%	3.6%	4.1%	4.0%	4.0%	3.2%	3.6%	3.6%	2.6%	1.5%	1.7%	*	1.6%	1.1%
													*		
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%	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%	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%	na	*	22.1%	22.5%
Units: million yen													*		

3rd Quarter of Fiscal Year March 2011 Earnings Announcement

February 9, 2011

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): February 14, 2011
Dividend Payment Date (anticipated): --
Quarterly Earnings Presentation Document: na
Quarterly Earnings Presentation Meeting: na

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

1. 3rd Quarter of Fiscal Year March 2011 Consolidated Earnings (From April 1, 2010 to December 31, 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
3Q-FY3/11	62,401	-0.2	3,405	2.1	2,453	-3.9	697	-32.2
3Q-FY3/10	62,545	0.7	3,335	-19.0	2,553	-27.3	1,028	-32.0

	EPS	Fully Diluted EPS
	Yen	Yen
3Q-FY3/11	48.56	40.58
3Q-FY3/10	71.59	58.04

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
3Q-FY3/11	132,919	29,892	22.5	2,080.83
FY3/10	139,209	29,753	21.2	2,054.83

- Capital: 29,891 million yen in 3Q-FY3/11, 29,518 million yen in -FY3/10

2. Dividend Conditions

	Dividends per Share				
Registry Date	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		19.00			
FY3/11 (Projected)				19.00	38.00

- Revisions to our quarterly dividend projections: NA

3. Fiscal Year March 2011 Consolidated Earnings Estimates (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
Full Year	88,400	4.6	5,300	31.4	4,000	32.8	1,500	19.6	104.42

Revisions to our earnings projections during the first 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 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: Yes
    - ② Other changes: None
  - (4) Shares issued (Common stock)
    - ① Shares issued as of term end (including treasury stock): 15,125,582 at end 3Q-FY3/11, 15,125,582 at end FY3/10
    - ② Treasury stock as of term end: 760,566 at end 3Q-FY3/11, 760,215 at end FY3/10
    - ③ Average shares issued during term: 14,365,240 at end 3Q-FY3/11, 14,365,958 at end 3Q-FY3/10

- 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.

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1. **Information Regarding Our Financial Statements**

(1) Information Regarding Our Consolidated Earnings

During the third quarter of the fiscal year 2011, the Japanese economy continued to improve on the back of better corporate earnings. However uncertainties over the future of European and United States economies and deflationary trends in consumer spending continue to cloud the future of the Japanese economy.

Against this backdrop, the Kyoritsu Group has traditionally seen high levels of revenues from new tenant contracts for dormitories formed in April as new graduates enter the work force, but increases in the proportion of students seeking dormitories relative to workers has led to a shift in the seasonal increase in dormitory business revenues from the first quarter to the fourth quarter of the fiscal year. Furthermore during the third quarter under review Kyoritsu has implemented an highly-precise strategy to reduce vacancies which were prevalent at the start of the previous term. With regards to the hotel business, earnings improved by large margins due to the recovery trend in occupancy rates at our Dormy Inn business hotels and improved profitability at our resort hotels due to the strong reception of our facilities by guests.

Therefore sales of our dormitory and hotel businesses grew from the third quarter of the previous year. However declines in the construction and food service businesses' sales contributed to a 0.2% or ¥144 million year-over-year decline in total sales to ¥62,401 million. Despite the lower sales, operating income grew by 2.1% year-over-year to ¥3,405 million, while ordinary income declined by 3.9% year-over-year to ¥2,453 million. At the same time net income fell by 32.2% year-over-year to ¥697 million on the back of a ¥696 million loss resulting from the implementation of asset retirement obligation accounting standards.

Our Earnings by Business Segment

Dormitory Business

In our dormitory business, new alliances with universities allowed occupancy rates in our student dormitories to trend strongly. With regards to sales, the increase of dormitory residents in March led to declines in new dormitory resident contract fees. However large corporate contracts for foreign students studying in Japan and other highly-precise strategies to reduce vacancies allowed sales of the dormitory business to rise from the previous year's levels. At the same time profits declined due in part to higher levels of opening costs from newly acquired facilities, but our profitability has improved significantly over the first half of the fiscal year due to company-wide cost controls. Consequently the number of resident contracts rose by 920 to 27,468. Sales also grew by 1.1% year-over-year to ¥28,631 million while operating income fell by 1.9% year-over-year to ¥3,878 million.

Hotel Business

With regards to our hotel business, occupancy rates of our Dormy Inn business hotels, which had been depressed during the previous term due to restrained business travel and the outbreak of influenza, continued on a recovery trend. Furthermore occupancy rates at our resort hotels, including six facilities newly opened in the previous term and five new facilities opened during the current term (Obihiro, Asahikawa, Nagasaki, Kyoto Station, and

Shimonoseki), also trended strongly. In the resort hotel business, our "Kusatsu Onsen TOKINONIWA, KONOHA" newly opened in August received favorable coverage by a wide range of media. Furthermore strict variable and headquarter cost control measures were implemented. Consequently sales and operating income rose by 14.0% and 735.9% year-over-year to ¥23,544 and ¥909 million respectively.

Contracted Services Business

In our contracted services business, occupancy rates in the building rental division are improving in the wake of large contract cancellations seen during the previous year but downward pricing pressures continued to hamper earnings. Consequently an operating loss of ¥12 million was incurred despite growth in sales of 1.1% year-over-year to ¥8,398 million.

Food Service Business

The operating environment for our food service business remained severe with increased competition from low-priced operators and weak personal consumption trends. Despite our continued efforts to control and reduce costs against this backdrop, sales fell by 2.8% year-over-year to ¥3,122 million. At the same time expenses from new restaurant openings during the term led to an operating loss of ¥122 million.

Construction Business

Implementation of a stricter selection process in the Kyoritsu Group's development plans resulted in a decline in construction business sales of 31.2% year-over-year to ¥3,513 million. Against this backdrop and despite Kyoritsu's efforts to strictly control costs, construction costs rose and contributed to a 50.1% year-over-year fall in operating income to ¥69 million.

Other Business

Our other business is comprised of the wellness life (management of senior citizen housing), rental property brokerage and management, single life support services and insurance agency business, comprehensive human resources, financing services, administrative outsourcing services, and advertising agency services. In this business sales fell by 23.7% year-over-year to ¥2,515 million and an operating loss of ¥39 million was incurred.

(2) **Information Regarding Our Consolidated Financial Position**

At the end of the third quarter of the current fiscal year our total consolidated assets declined by ¥6,289 million from the end of the previous fiscal year to ¥132,919 million. The main factors contributing to the lower level of total assets included declines in cash and equivalents, notes and accounts receivables, and tangible fixed assets. Total consolidated liabilities fell by ¥6,429 million from the end of the previous fiscal year to ¥103,026 million due primarily to a decline in advance receipts. Consolidated net assets rose by ¥139 million from the end of the previous term to ¥29,892 million due mainly to an increase in retained earnings. Consequently our equity ratio rose by 1.3% points from the end of the previous fiscal year to 22.5%.

Cash Flow Conditions

At the end of the third quarter of the current fiscal year our cash and equivalents declined by ¥1,491 million from the end of the previous fiscal year to ¥9,969 million.

In our operating activities we saw a net outflow of ¥204 million, a decrease of ¥1,639 million from the net outflow recorded during the same period of the previous fiscal year. The main factor behind this contraction in the outflow of cash was a reduction in accounts payable accompanying a decline in accounts receivables.

In our investing activities we saw a net outflow of ¥270 million, a decrease of ¥6,335 million from the net outflow recorded during the same period of the previous fiscal year. Factors influencing this net outflow were declines in acquisition of tangible fixed assets and income resulting from liquidation of tangible fixed assets.

In our financing activities we recorded a net outflow of ¥1,016 million, which compares with a net inflow of ¥11,750 million in the same term of the previous year. Factors influencing this net outflow were declines in short term debt newly acquired and the disappearance of income derived from the issuance of corporate bonds in the previous term.

(3) Information Regarding Our Consolidated Earnings Estimate

Our consolidated earnings estimates announced on November 8, 2010 remain unchanged.

2. **Other Information**

(1) Changes in material subsidiaries during the period:

None

(2) Application of simplified accounting methodologies and or other special accounting procedures:

Simplified accounting methodologies

1) 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. 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.

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 accounting principles, policies, procedures, and display methodology

Application of accounting standards for asset retirement obligations

Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, March 31, 2008) and Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 21, March 31, 2008) have been applied from the first quarter of the fiscal year March 2011.

This led to declines of ¥35 million in operating and ordinary incomes and a decrease of ¥731 million in net income before taxes.

Change in asset retirement obligations amounted to 135 million yen due to application of accounting standards for asset retirement obligations.

3. **Quarterly Consolidated Financial Statements**

(1) Quarterly Consolidated Balance Sheet

(Units: Million Yen)

	End 3Q FY3/11 (December 31, 2010)	End FY3/10 (March 31, 2010)
Assets		
Current assets		
Cash and deposits	10,926	12,594
Notes, accounts receivable	2,622	3,882
Real estate for sale	1,015	268
Uncompleted construction payment	615	999
Other	4,406	5,404
Doubtful account reserves	-34	-44
Total current assets	19,552	23,104
Fixed assets		
Tangible fixed assets		
Buildings, structures (net amount)	35,736	33,174
Land	28,001	28,626
Others (net amount)	15,603	20,358
Total tangible fixed assets	79,341	82,159
Intangible fixed assets	3,859	3,848
Investment, other assets		
Investment securities	7,059	6,646
Deposits	8,954	8,582
Security deposits	7,387	7,512
Others	6,817	7,431
Doubtful account reserves	-159	-198
Total investments, other assets	30,059	29,972
Total fixed assets	113,260	115,980
Deferred assets	107	124
Total assets	132,919	139,209

(Units: Million Yen)

	End 3Q FY3/11 (December 31, 2010)	End FY3/10 (March 31, 2010)
Liabilities		
Current liabilities		
Notes, accounts payable	1,983	3,846
Short term debt	24,071	17,937
Portion of bond payable within 1 year	11,740	1,890
Unpaid taxes	381	581
Deposits	8,061	11,932
Bonus reserves	329	623
Director bonus reserves	100	147
Completed construction guarantee reserves	11	11
Construction work loss reserves	4	4
Others	4,534	4,524
Total current liabilities	51,218	41,499
Fixed liabilities		
Bonds	8,215	19,385
Long term debt	36,057	41,264
Retirement benefit reserves	1,271	1,199
Director retirement reserves	313	339
Others	5,951	5,766
Total fixed liabilities	51,808	67,956
Total liabilities	103,026	109,455

Net assets		
Shareholders’ equity		
Capital	5,136	5,136
Capital surplus	5,943	5,943
Retained earnings	20,856	20,704
Treasury stock	-1,470	-1,470
Total shareholders’ equity	30,465	30,313
Valuation, translation gains		
Other marketable security valuation gains	-574	-795
Total valuation, translation gains	-574	-795
Minority interests	1	235
Total net assets	29,892	29,753
Total liabilities, net assets	132,919	139,209

(2) Quarterly Consolidated Income Statement

(Third Quarter Consolidated Income Statement)

(Units: Million Yen)

	3Q FY3/10 (From April 1, 2009 to December 31, 2009)	3Q FY3/11 (From April 1, 2010 to December 31, 2010)
Net sales	62,545	62,401
CGS	51,692	50,799
Gross iincome	10,852	11,601
SG&A	7,517	8,195
Operating income	3,335	3,405
Non-operating income		
Interest income	58	60
Dividend income	27	33
Deposit redemption income	137	131
Subsidies	—	98
Others	80	82
Total non-operating income	303	406
Non-operating expense		
Interest payment	855	1,041
Others	230	317
Total non-operating expense	1,086	1,358
Ordinary income	2,553	2,453
Extraordinary income		
Marketable securities liquidation profit	17	—

Insurance policy refunds	26	64
Fixed asset liquidation profit	—	65
Return from doubtful account reserves	15	—
Others	0	51
Total extraordinary income	60	180
Extraordinary loss		
Asset retirement obligation accounting implementation	—	696
Marketable securities valuation loss	493	—
Others	22	215
Total extraordinary loss	516	911
Net income before taxes	2,097	1,722
Corporate and other taxes	1,041	1,007
Net income before adjustment for minority interest	—	714
Minority interest	27	16
Net income	1,028	697

(3) Quarterly Consolidated Cash Flow Statement

(Units: Million Yen)

	3Q FY3/10 (From April 1, 2009 to December 31, 2009)	3Q FY3/11 (From April 1, 2010 to December 31, 2010)
Cash flow from operating activities		
Net income before taxes, other adjustments	2,097	1,722
Depreciation, amortization	2,989	3,228
Amortization of long term prepayment	191	198
Amortization of security deposit	—	117
Change in bonus reserve	-565	-293
Interest, dividends received	-85	-93
Interest paid	855	1,041
Insurance policy redemption income	—	-215
Marketable securities valuation income	493	160
Change in receivables	57	1,260
Change in accounts due	534	563
Change in inventories	-702	-401
Change in payables	-829	-1,934
Change in unpaid expenses	—	181
Change in advance receipt	-2,915	-4,160
Change in unpaid consumption tax	-278	332
Change in deposits	-706	-722
Change in security deposits	-967	-201
Change in advance income	-106	-107
Obligation from asset retirement accounting	—	696
Others	113	569
Subtotal	174	1,939
Interest, dividends received	64	73
Interest payments	-828	-1,034
Corporate tax returns	42	43
Corporate tax	-1,298	-1,227

Cash flow from operating activities	-1,844	-204
Cash flow from investing activities		
Acquisition of marketable securities	-278	-1,166
Sales of marketable securities	235	704
Acquisition of tangible assets	-4,336	-1,833
Sales of tangible fixed assets	—	2,579
Acquisition of intangible fixed assets	-740	—
Acquisition of long term prepayments	-417	—
Loans extended	-359	-675
Loans recovered	530	937
Deposit, security deposit payments	-1,896	-1,283
Return of deposits, security deposits	610	323
Acquisition of shares in subsidiaries	—	-311
Returns from insurance policy redemption	—	648
Others	44	-192
Cash flow from investing activities	-6,606	-270

(Units: Million Yen)

	3Q FY3/10 (From April 1, 2009 to December 31, 2009)	3Q FY3/11 (From April 1, 2010 to December 31, 2010)
Cash flow from financing activities		
Change in short term debt	17,457	7,176
New long term debt	—	860
Repayment of long term debt	-9,337	-7,110
Bond issuance	6,905	—
Bond redemption payment	-2,736	-1,320
Treasury stock acquisition	-1	-0

Dividend payment	-517	-517
Dividend payment to minority interest	-19	-9
Others	―	-95
Cash flow from financing activities	11,750	-1,016
Net change in cash and equivalents	3,300	-1,491
Cash and equivalents at term start	10,931	11,460
Cash and equivalent at term end	14,231	9,969

(4) Assumptions Regarding Going Concern

Not applicable

(5) Segment Information

(Information Regarding Our Various Business Segments)

Third Quarter of Fiscal Year March 2010 (From April 1, 2009 to December 31, 2009) (Units: Million Yen)

	Dormitories	Hotels	Contracted Services	Food Service	Construction	Other	Total	Company Wide	Consolidated
Sales (1) External sales	28,229	20,576	5,726	1,501	4,364	2,147	62,545	―	62,545
(2) Internal sales	89	75	2,579	1,709	743	1,148	6,346	(6,346)	―
Total	28,318	20,651	8,306	3,211	5,108	3,296	68,891	(6,346)	62,545
Operating income	3,951	108	126	-15	139	105	4,416	(1,080)	3,335

(Reference) Changes in accounting principles

(Change in accounting principle for construction projects-in-progress and cost of construction)

For construction contracts entered into from the first quarter of the current fiscal year, we have commenced application of Accounting Standards Board of Japan's Statement No. 15, "Accounting Standard for Construction Contracts" and Guidance No. 18, "Guidance on Accounting Standard for Construction Contracts" issued on December 27, 2007. These changes led to increases of 440 and 4 million yen in consolidated sales and operating income of our construction business segment respectively during the third quarter.

(Regional Sales Information)

During the third quarter of the previous fiscal year (From April 1, 2009 to December 31, 2009)

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

(Overseas Sales)

During the third quarter of the previous fiscal year (From April 1, 2009 to December 31, 2009)

We did not have any overseas sales.

(Business Segment Information)

1. Overview of Our Business Segments

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.”

We provide an overview of our reported business segments as follows.

Dormitories:	Dormitories provided to students 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 cafeterias, hotel restaurants and other facilities
Construction:	Planning, design and construction, real estate brokerage business, condominiums for sale, other related services

2. Sales and Income Information of Reported Business Segments

Third Quarter of Fiscal Year March 2011 (From April 1, 2010 to December 31, 2010)

(Units: Million Yen)

	Business Segments						Others	Total	Company Wide	Consolidated
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Subtotal				
Sales										
External sales	28,550	23,482	5,377	982	2,090	60,483	1,917	62,401	—	62,401
Internal sales	80	61	3,021	2,140	1,423	6,727	598	7,325	-7,325	—
Total	28,631	23,544	8,398	3,122	3,513	67,210	2,515	69,726	-7,325	62,401
Operating income	3,878	909	-12	-122	69	4,722	-39	4,683	-1,277	3,405

(Notes) 1. Other 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.

2. The ¥1,277 million in company-wide operating losses, ¥34 million result from cancelling transactions within our Group and include another ¥1,311 million that cannot be allocated to a specific business segment. They also include costs arising from headquarter financing and accounting divisions and other costs associated with our administrative function.

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 concerning impairment loss on fixed assets and goodwill.

None

(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.