

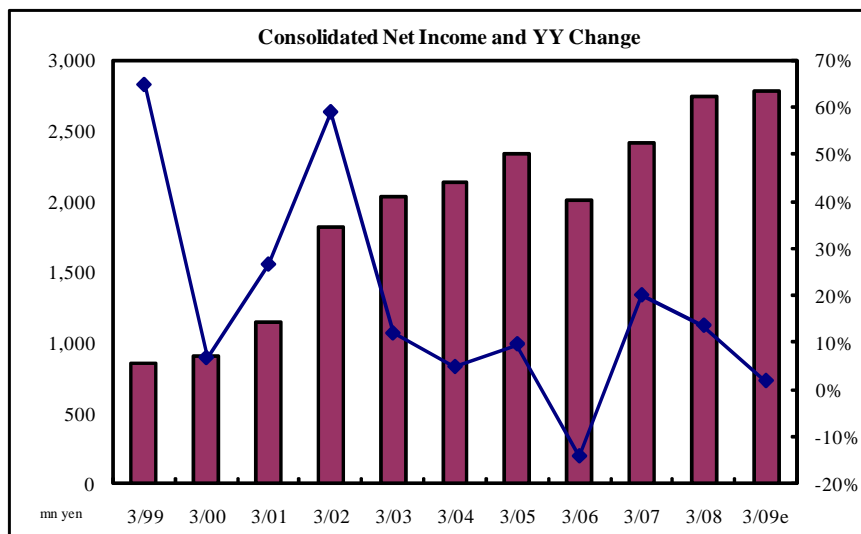
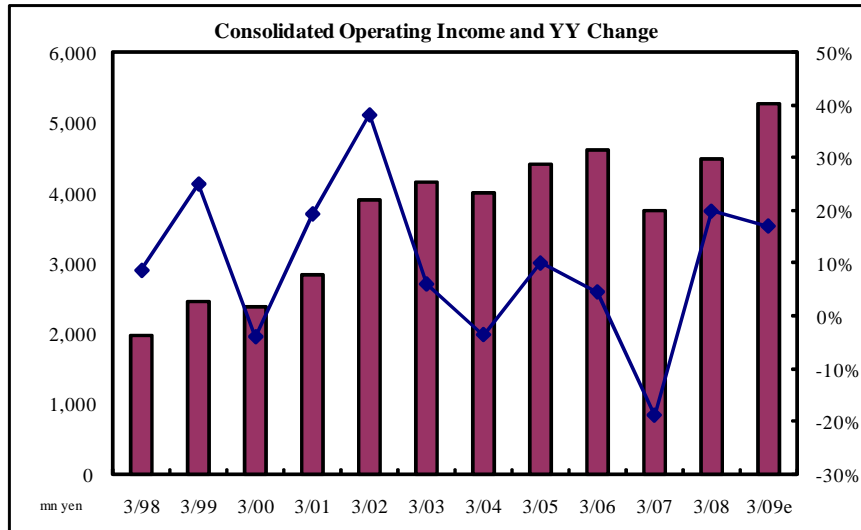
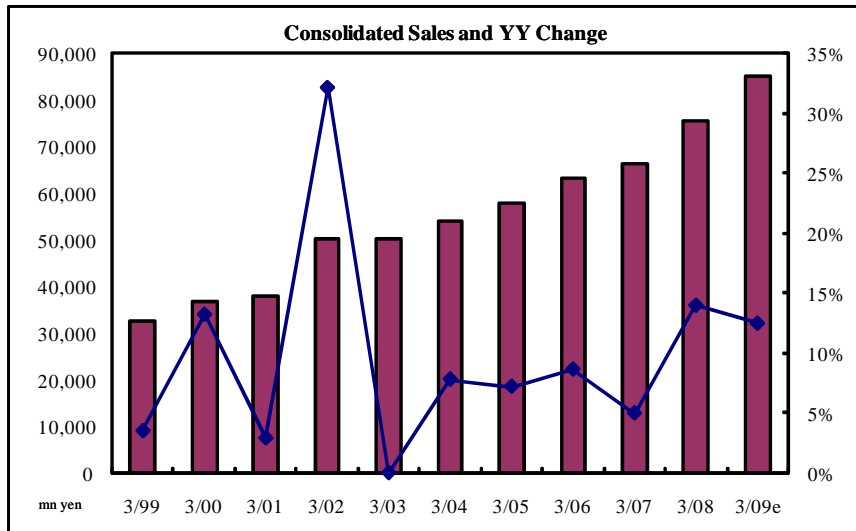


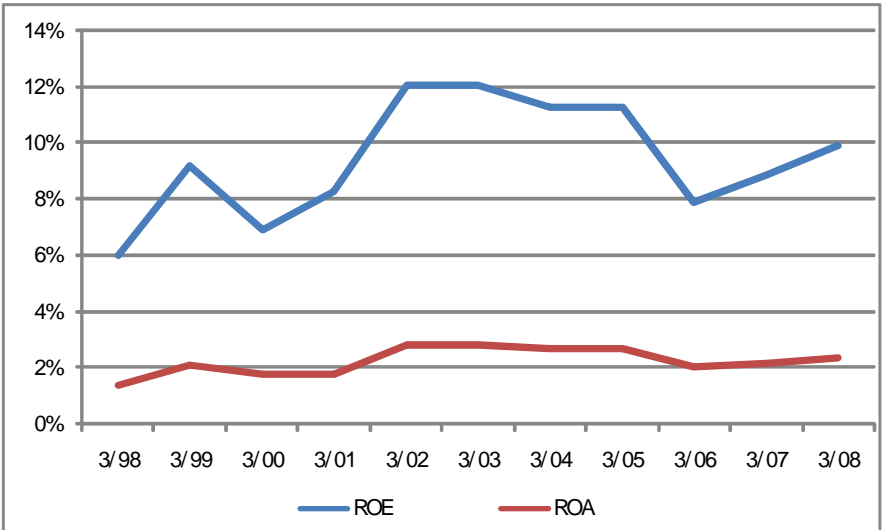
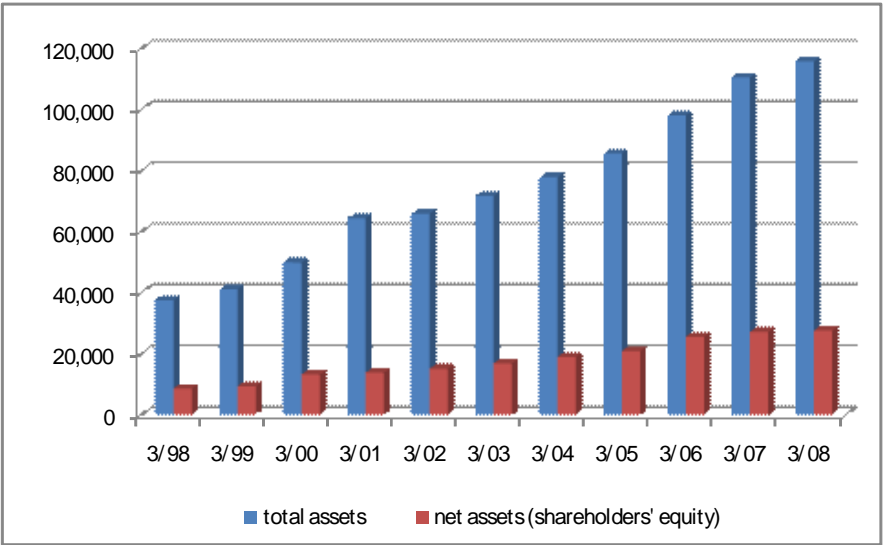
**Kyoritsu Maintenance Co., Ltd.**  
(Securities Code: 9616)

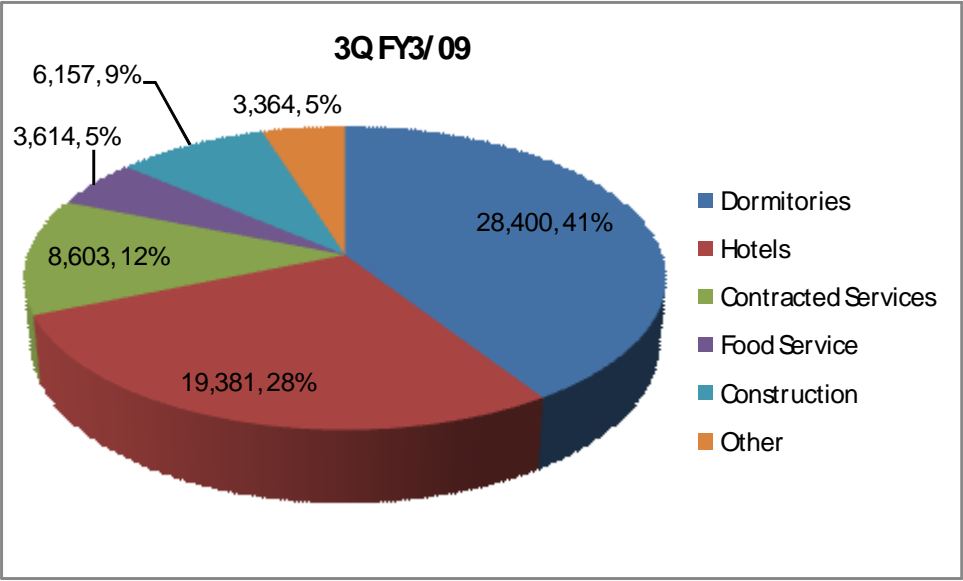
**Third Quarter of Fiscal Year March 2009  
Consolidated Earnings Results Update**

**February 2009**

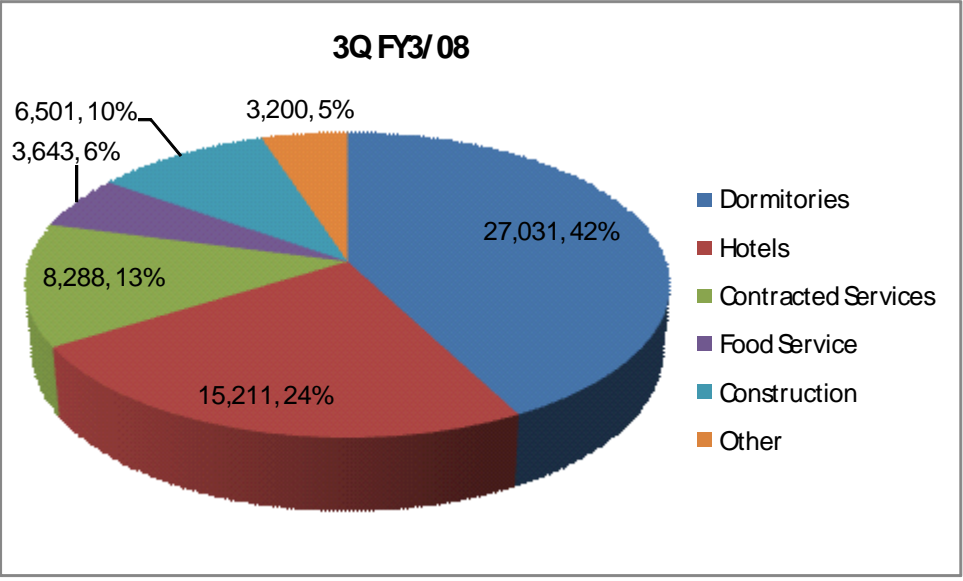
# Kyoritsu Maintenance Consolidated Financial Data at a Glance







(Units: Million Yen)



(Units: Million Yen)

<b>Consolidated Income Statement</b>	<b>3/99</b>	<b>3/00</b>	<b>3/01</b>	<b>3/02</b>	<b>3/03</b>	<b>3/04</b>	<b>3/05</b>	<b>3/06</b>	<b>3/07</b>	<b>3/08</b>	<b>3/09e *</b>	<b>3QFY3/08</b>	<b>3QFY3/09 *</b>
net sales	32,458	36,788	37,884	50,065	50,109	54,081	58,014	63,085	66,287	75,606	85,100 *	56,495	62,090 *
gross income	6,578	7,173	7,834	10,221	10,785	10,541	10,894	11,783	12,242	14,183	na *	10,762	11,781 *
operating income	2,465	2,369	2,828	3,908	4,149	4,004	4,407	4,611	3,745	4,492	5,260 *	3,521	4,117 *
ordinary income	2,203	2,281	2,643	3,580	3,885	4,060	4,411	4,824	3,787	4,167	4,600 *	3,159	3,510 *
net income	850	907	1,147	1,822	2,039	2,138	2,343	2,011	2,413	2,740	2,790 *	1,643	1,513 *

### **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	21,320 *
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	100,026 *
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	121,399 *
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	37,257 *
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	55,771 *
total liabilities	31,866	36,707	22,064	50,792	54,755	58,806	64,663	72,355	83,411	88,199	na *	88,198	93,028 *
net assets (shareholders' equity)	9,278	13,169	13,747	15,073	16,824	18,935	20,788	25,512	27,096	27,538	na *	27,538	28,370 *

### **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	6.3% *
gross income	6.3%	9.0%	9.2%	30.5%	5.5%	-2.3%	3.3%	8.2%	3.9%	15.9%	na *	na	8.9% *
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	15.3% *
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	11.7% *
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	-6.7% *

### **margins**

gross margins	20.3%	19.5%	20.7%	20.4%	21.5%	19.5%	18.8%	18.7%	18.5%	18.8%	na *	19.9%	20.4% *
operating margins	7.6%	6.4%	7.5%	7.8%	8.3%	7.4%	7.6%	7.3%	5.6%	5.9%	6.2% *	7.6%	8.3% *
ordinary margins	6.8%	6.2%	7.0%	7.2%	7.8%	7.5%	7.6%	7.6%	5.7%	5.5%	5.4% *	7.0%	7.4% *
net margins	2.6%	2.5%	3.0%	3.6%	4.1%	4.0%	4.0%	3.2%	3.6%	3.6%	3.3% *	4.0%	3.5% *

### **other benchmarks**

ROE	9.2%	6.9%	8.3%	12.1%	12.1%	11.3%	11.3%	7.9%	8.9%	9.9%	na *	5.6%	5.1% *
ROA	2.1%	1.8%	1.8%	2.8%	2.8%	2.7%	2.7%	2.1%	2.2%	2.4%	na *	1.4%	1.2% *
equity ratio	22.6%	26.4%	21.4%	22.9%	23.5%	24.3%	24.3%	26.0%	24.5%	23.8%	na *	24.6%	22.9% *

Units: million yen

## Second Quarter of Fiscal Year March 2009 Earnings Announcement

February 9, 2009  
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 13, 2009

### 1. Third Quarter of Fiscal Year March 2009 Consolidated Earnings (From April 1 to December 31, 2008)

#### (1) Consolidated Earnings (1<sup>st</sup> to 3<sup>rd</sup> Quarter Aggregate)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%yy	Million yen	%yy	Million yen	%yy	Million yen	%yy
3Q FY3/09	62,090	—	4,117	—	3,510	—	1,513	—
3Q FY3/08	56,495	22.9	3,521	20.6	3,159	9.9	1,643	7.6

	EPS	Fully Diluted EPS
	Yen	Yen
3Q FY3/09	105.35	84.08
3Q FY3/08	111.11	89.20

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
3Q FY3/09	121,399	28,370	23.2	1,958.63
FY3/08	115,738	27,538	23.6	1,897.73

(Reference) Capital: 28,139 million yen in 3Q 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	—	19.00	—	—	—
FY3/09 (Projected)	—	—	—	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
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: Yes
- (4) Shares issued (Common stock)
  - ① Shares issued as of term end (including treasury stock): 15,125,582 shares at end 3Q FY3/09, 15,125,582 shares at end FY3/08
  - ② Treasury stock as of term end: 758,778 shares at end 3Q FY3/09, 757,865 shares at end FY3/08
  - ③ Average shares issued during term: 14,367,368 shares at end 3Q FY3/09, 14,788,459 at end 3Q 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 Earnings**

During the third quarter of the fiscal year under review (Aggregated figures from the first to third quarters of fiscal year March 2009.), we noted a pronounced slowing in the Japanese economy due to the growing turmoil in the global financial markets brought about by the subprime loan problem. Furthermore this situation was complicated by declines in corporate earnings resulting from higher crude oil and other materials prices and from the strengthening of the yen, in addition to the severe employment environment and weaker consumer spending.

Against this backdrop, our continued efforts to strengthen alliances with universities and vocational schools in our core dormitory business contributed to increases in tenant contracts for student dormitories. We also noted strong demand for employee housing in our corporate dormitory business. In our hotel business we recorded continued high levels of occupancy rates in our Dormy Inn (business hotels) operations and strong improvements in our resort hotels operations. Therefore we were able to record sales growth of 9.9% or 5,595 million yen year-over-year to 62,090 million yen, along with 16.9% and 11.1% year-over-year growth in our operating and ordinary incomes to 4,117 and 3,510 million yen respectively during term under review, extending the growth in both sales and profits recorded during the second quarter. However valuation losses on shares resulting from the pronounced declines in share prices, implementation of “application policies for the accounting standards relating to quarterly financial statements” during the first quarter, and year-over-year increases in corporate taxes led to a 7.9% year-over-year decline in net income to 1,513 million yen.

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

##### **(1) Dormitory Business**

In our dormitory business, we saw strong demand from students, and from employees on the back of changing housing strategies of Japanese corporations. Therefore we were able to open 19 new facilities during the current term, and we saw a 1,921 rise in the number of residents from the same period in the previous year to 26,678 residents contracted at the end of the third quarter. Consequently we were able to record 5.1% year-over-year increase in sales to 28,400 million yen. The liquidation of an SPC at the end of the previous fiscal year led us to see a slight 2.8% year-over-year decline in operating income to 4,284 million yen. However our operating cash flow remains on a growth trend.

## **(2) Hotel Business**

In our hotel business, the nine hotels opened in the previous fiscal year combined with five new Dormy Inn (Business hotels: Kumamoto, Hirosaki, Takamatsu, Tomakomai, Kurashiki) and one resort hotel (Hakodate) opened during the current quarter to boost sales by 27.4% year-over-year to 19,381 million yen. And while we experienced increased costs due to the opening of these new facilities, efforts to develop new sales channels and control costs allowed us to see improvements in our profitability per facility and we recorded operating income of 345 million yen, which represents a 470 million yen improvement from the loss we recorded during the same period of the previous fiscal year.

## **(3) Contracted Services Business**

Successful efforts to promote synergies from our office and residential building management services and strict cost controls allowed us to see growth in both sales and operating income of 3.8% and 22.3% year-over-year to 8,603 and 391 million yen respectively.

## **(4) Food Service Business**

While the operating environment in our food service business remained severe due to a slowing of personal consumption and the stagnation of the economy, we maintained our efforts to control and reduce our variable costs, restructured our earnings structure, and we converted two restaurants to new formats. Consequently we saw a 0.8% year-over-year decline in sales to 3,614 million yen and an operating loss of 46 million yen.

## **(5) Construction Business**

The operating environment in our construction business deteriorated rapidly during the term under review on the back of declines in real estate prices accompanying the slowing in the overall economy. Against this backdrop, we focused upon the development of dormitories and hotels. As a result of this economic backdrop we saw a 5.3% year-over-year decline in sales to 6,157 million yen while we recorded a 192 million yen operating profit.

## **(6) Other Business**

Our other business 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. In this segment we saw sales and operating income growth of 5.1% and 5.5% year-over-year to 3,364 and 138 million yen respectively.

## **2. Information Regarding Our Consolidated Financial Position**

At the end of the third quarter of the current fiscal year our total consolidated assets rose by 5,660 million yen from the end of the previous fiscal year to 121,399 million yen. The main reason for this increase included the sourcing of cash to be used for future capital investments and the subsequent increase in cash and equivalents account, along with the acquisition of tangible fixed assets.

Liabilities at the end of the third quarter also rose by 4,829 million yen from the end of the previous fiscal year to 93,029 million yen. We attribute this increase to the rise in long term debt which was sourced in advance of further turmoil in the financial markets.

Net assets as of the end of the third quarter of the current fiscal year grew by 831 million yen from the end of the last fiscal year to 28,370 million yen. An increase in retained earnings was the main factor contributing to the rise in net assets.

Consequently our equity ratio declined by 0.4% points from the end of the previous year to 23.2% as of the end of the third quarter.



### **(Cash Flow Conditions)**

During the third quarter of the current fiscal year our cash and equivalents rose by 3,644 million yen from the end of the previous fiscal year to 11,705 million yen.

In our operating activities we saw a net cash inflow of 148 million yen, an improvement of 3,749 million yen from the cash outflow recorded during the same period of the last fiscal year. We attribute this improvement to a net inflow to declines in inventories in our construction business.

In our investing activities we recorded a net outflow of 7,712 million yen, a decrease of 4,501 million yen from the net outflow seen during the same period of the previous year. We attribute this outflow primarily to the acquisition tangible fixed assets in our dormitory and hotel businesses.

In our financing activities we saw a net inflow of 11,208 million yen, an increase of 103 million yen from the net inflow in the same period of the previous fiscal year. The main factor behind this inflow was the increase in debt and issuance of bonds in conjunction with the capital investments needed to expand our business.

### **3. Information Regarding Our Consolidated Earnings Projections**

With regards to our consolidated earnings projections for 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) 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.

(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 ordinary income by 7 million yen and income before taxes by 31 million yen. The adoption of this change did not have an impact on segment reporting.

### 3) Accounting for Lease Transactions

The Accounting Standards Board of Japan (ASBJ) has released the Accounting Standard for Lease Transactions (Statement No.13) and the accompanying Implementation Guidance on Accounting Standard for Lease Transactions (Guidance No.16) on March 30, 2007. Prior to the release of Statement No. 13, our accounting treatment for finance lease transactions that do not transfer ownership was similar to ordinary rental transactions. Statement No. 13 requires such transactions to be accounted for in a similar manner with ordinary sale and purchase transactions and is effective for quarterly periods beginning on or after April 1, 2009. We have opted to for the earlier application of this Standard, which is permitted to quarterly consolidated financial statements for periods beginning on or after April 1, 2008, commencing with the first quarter of the current fiscal year (“early application date”). Depreciation expense arising from leased assets in finance lease transactions that do not transfer ownership is calculated, on the straight line method, based on the assumption that the useful life equals to the lease term and the residual value is zero. For finance lease transactions that do not transfer ownership, entered into prior to the early application date, we are continuing to account for them similar to ordinary rental transactions. There is no impact on income from the application of this new standard.

## 5. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheet

(Units: Million Yen)

	End 3Q FY3/09 (December 31, 2008)	End FY3/08 (March 31, 2008)
<b>Assets</b>		
Current assets		
Cash and deposits	12,838	9,193
Notes, accounts receivable	2,571	2,973
Real estate for sale inventories	498	1,768
Uncompleted construction payment	1,321	978
Other	4,125	5,100
Doubtful account reserves	-35	-46
Total current assets	21,320	19,967
Fixed assets		
Tangible fixed assets		
Buildings, structures	28,414	25,218
Land	25,257	22,563
Others	16,633	19,030
Total tangible fixed assets	70,305	66,812
Intangible fixed assets	2,954	2,910
Investment, other assets		
Investment securities	6,577	6,879
Guaranteed deposits	7,347	6,974
Security deposits	6,852	6,453
Others	6,093	5,808
Doubtful accounts reserves	-104	-110
Total investments, other assets	26,766	26,005
Total fixed assets	100,026	95,728
Deferred assets	52	41
Total assets	121,399	115,738

(Units: Million Yen)

	End 3Q FY3/09 (December 31, 2008)	End FY3/08 (March 31, 2008)
<b>Liabilities</b>		
Current liabilities		
Notes, accounts payable	2,112	3,093
Short term debt	18,781	20,235
Unpaid taxes	300	1,035
Deposits	8,358	11,972
Bonus reserves	643	1,072
Director bonus reserves	155	167
Completed construction guarantee reserves	17	24
Others	6,887	6,517
Total current liabilities	37,257	44,119
Fixed liabilities		
Bonds	14,970	14,731
Long term debt	33,437	20,773
Retirement benefit reserves	1,158	1,058
Director retirement reserves	369	403
Others	5,836	7,113
Total fixed liabilities	55,771	44,079
<b>Total liabilities</b>	<b>93,029</b>	<b>88,199</b>
<b>Net assets</b>		
Shareholders' equity		
Capital	5,136	5,136
Capital reserves	5,943	5,943
Retained earnings	19,376	18,422
Treasury stock	-1,468	-1,466
Total shareholders' equity	28,987	28,036
Valuation, translation gains		
Other marketable security valuation gains	-848	-770
Total valuation, translation gains	-848	-770
Minority holdings	230	272
<b>Total net assets</b>	<b>28,370</b>	<b>27,538</b>
<b>Total liabilities, net assets</b>	<b>121,399</b>	<b>115,738</b>

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

(Units: Million Yen)

	3 <sup>rd</sup> Quarter FY3/09 (From April 1, 2008 to December 31, 2008)
Net sales	62,090
CGS	50,308
Gross income	11,781
SG&A	7,664
Operating income	4,117
Non-operating income	
Interest income	72
Dividend income	32
Deposit redemption income	133
Others	70
Total non-operating income	309
Non-operating expense	
Interest payment	728
Other	187
Total non-operating expense	915
Ordinary income	3,510
Extraordinary income	
Insurance policy refund	43
Other	34
Total extraordinary income	77
Extraordinary loss	
Marketable securities valuation loss	330
Other	209
Total extraordinary loss	540
Net income before taxes	3,048
Corporate and other taxes	1,528
Minority shareholding loss	6
Net income	1,513

## (3) Quarterly Consolidated Cash Flow Statement

(Units: Million Yen)

**3<sup>rd</sup> Quarter FY3/09**  
**(From April 1, 2008 to**  
**December 31, 2008)**

<b>Cash flows from operating activities</b>	
Net income before taxes other adjustments	3,048
Depreciation, amortization	2,732
Amortization of long term prepayments	179
Change in bonus reserves	-428
Change in director bonus reserves	-12
Interest, dividends received	-105
Interest payment	728
Valuation gains in marketable securities	330
Change in receivables	402
Change in accounts due	456
Change in inventories	992
Change in payables	-1,044
Change in unpaid accounts	-3,637
Change in prepayments received	-731
Security deposits	-225
Change in prepayments	-108
Others	483
<b>Subtotal</b>	<b>3,061</b>
Interest, dividends received	93
Interest payments	-677
Corporate, tax returns	5
Corporate tax	-2,334
<b>Cash flows from operating activities</b>	<b>148</b>
<b>Cash flows from investing activities</b>	
Acquisition of marketable securities	-371
Liquidation of marketable securities	222
Acquisition of tangible fixed assets	-6,436
Long term prepayments acquisition	-236
Loans extended	-782
Repayments of loans extended	863
Deposits, security deposits payments	-1,024
Others	52
<b>Cash flows from investing activities</b>	<b>-7,712</b>

(Units: Million Yen)

**3<sup>rd</sup> Quarter FY3/09  
(From April 1, 2008 to  
December31, 2008)**

Cash flows from financing activities	
Increase in short term debt	-5,880
Increase in long term debt	23,000
Repayment of long term debt	-5,909
Repayment of leases	-1,084
Bond issuance	2,980
Bond redemption	-1,340
Dividend payment	-535
Dividend payment to minority shareholders	-24
Adjustment of dividend payment to minority shareholders	-16
Others	18
Cash flows from financing activities	11,208
Translation gains for cash and equivalents	—
Net change in cash and equivalents	3,644
Cash and equivalents at term start	8,061
Cash and equivalents at term end	11,705

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.”

(4) Assumptions Regarding Going Concern  
Not applicable

(5) Segment Information

(Information Regarding Our Various Business Segments)

Third Quarter of Fiscal Year March 2009 (From April 1, 2008 to December 31, 2008)

(Units: Million yen)

	Dormitories	Hotels	Contracted Services	Food Service	Construction	Other	Total	Company Wide	Consolidated
Sales									
(1) External sales	28,320	19,250	6,114	1,780	4,343	2,281	62,090	—	62,090
(2) Internal sales	80	131	2,489	1,834	1,814	1,083	7,432	(7,432)	—
Total	28,400	19,381	8,603	3,614	6,157	3,364	69,522	(7,432)	62,090
Operating income	4,284	345	391	-46	192	138	5,306	(1,188)	4,117

**(Regional Sales Information)**

During the third quarter of the current fiscal year (From April 1, 2008 to December 31, 2008) 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 current fiscal year (From April 1, 2008 to December 31, 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 Interim Period of the Previous Fiscal Year

## (1) Interim Consolidated Income Statement

	Previous 3 <sup>rd</sup> Quarter (From April 1, 2007 to December 31, 2007)	
Items	Value (million yen)	
I Net sales		56,495
II CGS		45,733
Gross income		10,762
III SG&A		7,240
Operating income		3,521
IV Non-operating income		
1. Interest received		119
2. Dividend received		54
3. Marketable securities sales		57
4. Returns of contract deposits		107
5. Profits from minority holdings		33
6. Others		68
Non-operating income		441
V Non-operating expense		
1. Interest payments		589
2. Others		214
Non-operating expense		803
Ordinary income		3,159
VI Extraordinary income		174
VII Extraordinary expense		69
Net income before taxes		3,264
Corporate, resident, other taxes		1,554
Minority shareholding income		66
Net income		1,643

## (2) Third Quarter Consolidated Cash Flow Statement

	3 <sup>rd</sup> Quarter FY3/08 From April 1, 2007 to December 31, 2007
Items	Million Yen
I Cash flow from operating activities	
Net income before taxes and other adjustments	3,264
Depreciation, amortization	2,138
Change in bonus reserves	-249
Interest, dividends received	-173
Interest payments	589
Change in receivables	659
Change in accounts due	-212
Change in inventories	-973
Change in accounts payable	-577
Change in prepayments received	-3,720
Change in deposits	-661
Change in lease deposits	-199
Others	361
Subtotal	246
Interest, dividends received	187
Interest payment	-636
Corporate tax refunds	25
Corporate, other tax payment	-3,424
Cash flows from operating activities	-3,601

	3 <sup>rd</sup> Quarter FY3/08 From April 1, 2007 to December 31, 2007
Items	Million Yen
II Cash flows from investing activities	
Change in time deposits	-500
Acquisition of marketable securities	-4,326
Marketable securities liquidation income	647
Acquisition of tangible fixed assets	-7,274
Acquisition of intangible fixed assets	-168
Acquisition of long term prepayments	-124
Loans extended	-463
Loans recovered	425
Lease deposits	-1,354
Returns of lease deposits	1,074
Acquisition of subsidiary shares due to change in consolidation	-23
Others	-124
Cash flows from investing activities	-12,213
III Cash flows from financing activities	
Change in short term debt	17,240
Change in long term debt	2,062
Repayment of long term debt	-5,167
Redemption of bond	-1,340
Acquisition of treasury stock	-1,118
Dividend payment	-511
Dividend payment to minority shareholders	-24
Others	-35
Cash flows from financing activities	11,105
IV Translation gains from cash and equivalents	—
V Net change in cash and equivalents	-4,709
VI Cash and equivalents at term start	13,721
VII Cash and equivalents at term end	9,011

**(3) Segment Information**

## a. Information Regarding Our Business Segments

Third Quarter of the Previous Fiscal Year (April 1, 2007 to December 31, 2007)

	Dormitories	Hotels	Contracted Services	Food Services	Construction	Other	Total	Company Wide	Consolidated
Sales									
(1) External sales	26,995	15,072	6,152	1,953	4,260	2,060	59,495	—	56,495
(2) Internal sales	35	139	2,135	1,690	2,240	1,140	7,381	(7,381)	—
Total	27,031	15,211	8,288	3,643	6,501	3,200	63,876	(7,381)	56,495
Operating income	4,406	-125	319	45	-58	130	4,718	(1,196)	3,521