

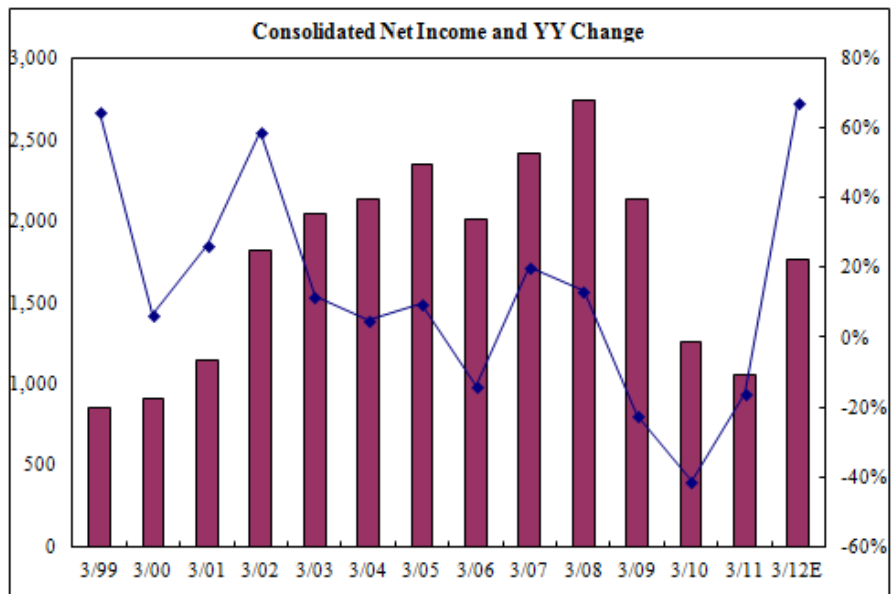
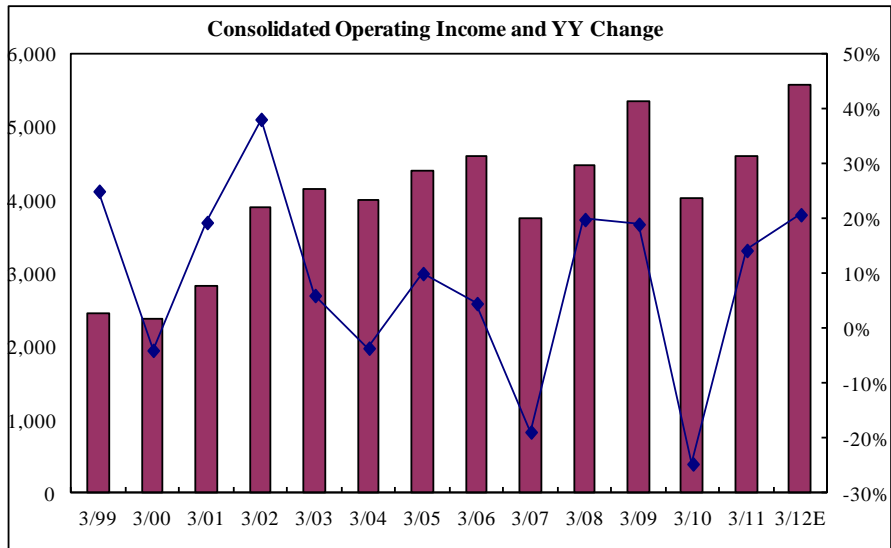
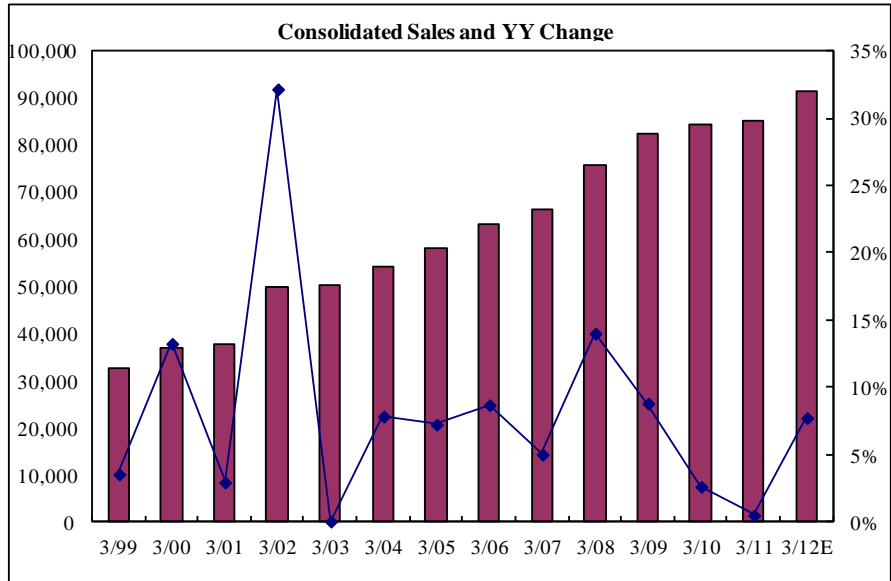


# **Kyoritsu Maintenance Co., Ltd.**

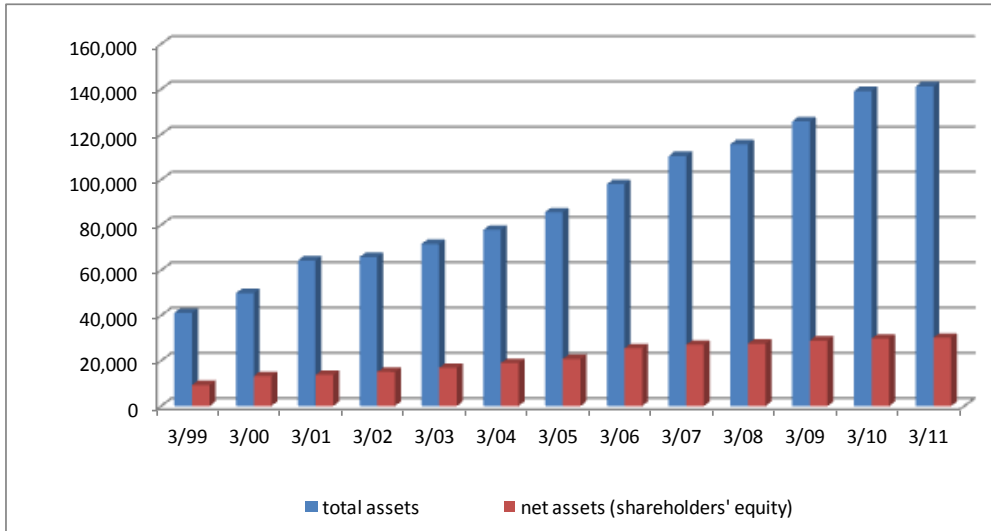
(Securities Code: 9616)

## **Third Quarter of Fiscal Year March 2012 Consolidated Earnings Results Update**

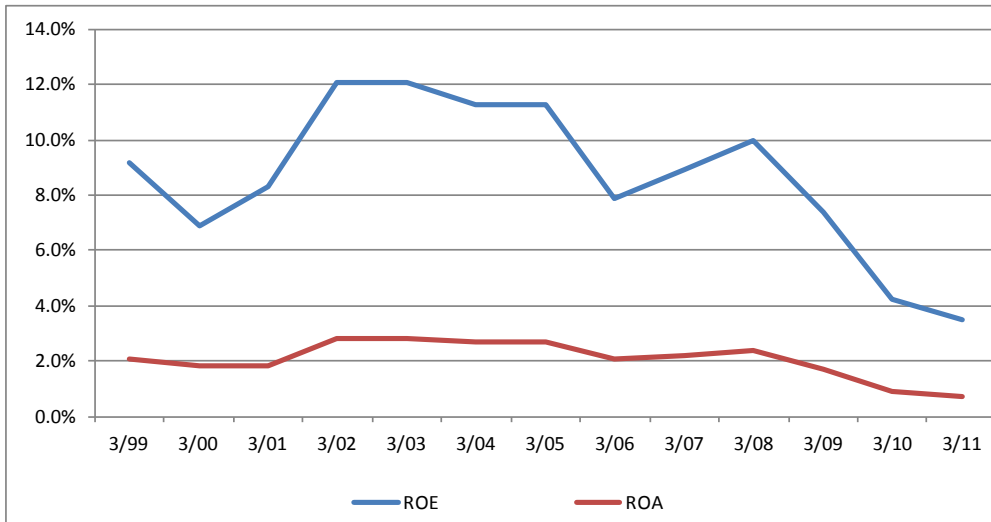
**February 2012**

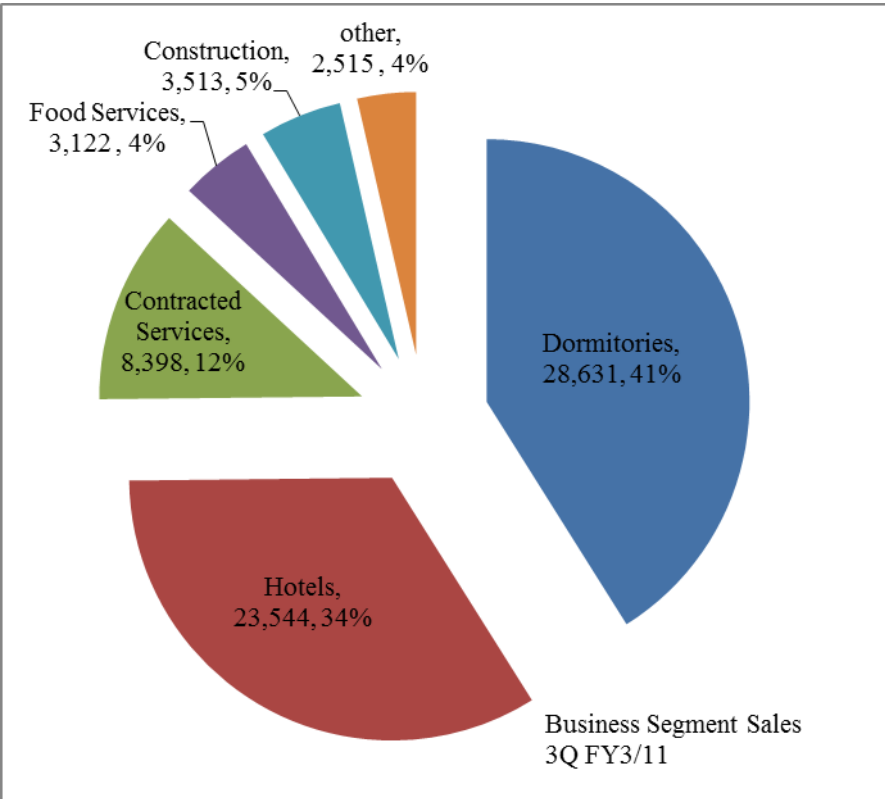
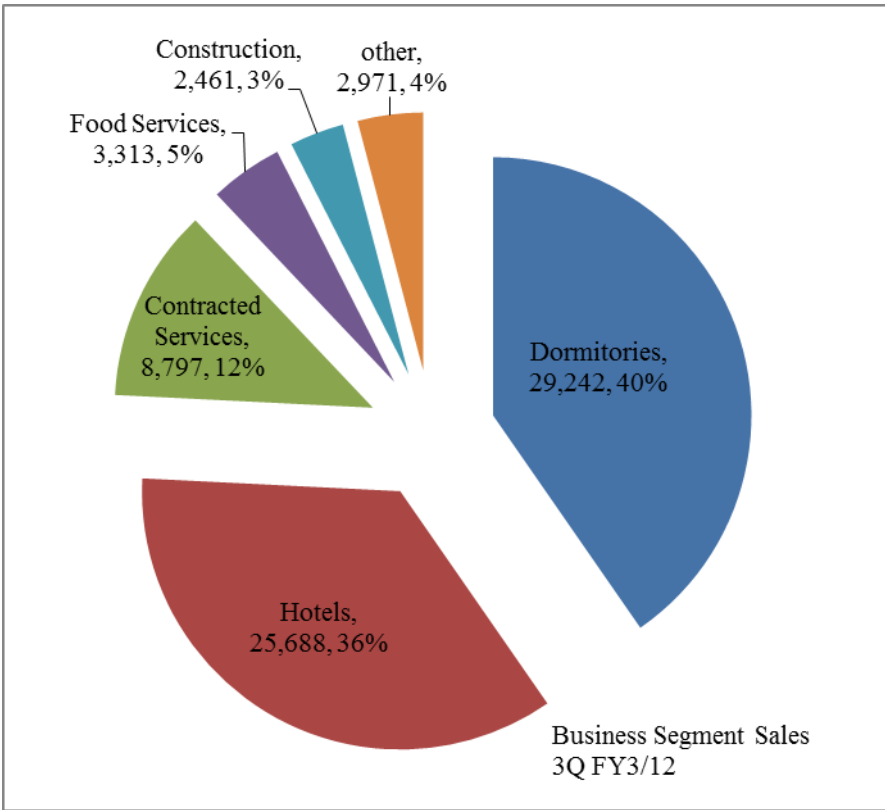


(Units: Million Yen)



(Units: Million Yen)





(Units: Million Yen)

| <b>Consolidated Income Statement</b> |        |        |        |        |        |        |        |         |         |         |         |         |        |   |         |         |         |   |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|--------|---|---------|---------|---------|---|
|                                      | 3/00   | 3/01   | 3/02   | 3/03   | 3/04   | 3/05   | 3/06   | 3/07    | 3/08    | 3/09    | 3/10    | 3/11    | 3/12E  | * | 3Q3/10  | 3Q3/11  | 3Q3/12  | * |
| net sales                            | 36,788 | 37,884 | 50,065 | 50,109 | 54,081 | 58,014 | 63,085 | 66,287  | 75,606  | 82,303  | 84,513  | 84,983  | 91,600 | * | 62,545  | 62,401  | 65,151  | * |
| gross income                         | 7,173  | 7,834  | 10,221 | 10,785 | 10,541 | 10,894 | 11,783 | 12,242  | 14,183  | 15,507  | 13,957  | 15,408  | na     | * | 10,882  | 11,601  | 12,770  | * |
| operating income                     | 2,369  | 2,828  | 3,908  | 4,149  | 4,004  | 4,407  | 4,611  | 3,745   | 4,492   | 5,349   | 4,033   | 4,610   | 5,570  | * | 3,335   | 3,405   | 4,145   | * |
| ordinary income                      | 2,281  | 2,643  | 3,580  | 3,885  | 4,060  | 4,411  | 4,824  | 3,787   | 4,167   | 4,510   | 3,012   | 3,308   | 4,250  | * | 2,553   | 2,453   | 3,052   | * |
| net income                           | 907    | 1,147  | 1,822  | 2,039  | 2,138  | 2,343  | 2,011  | 2,413   | 2,740   | 2,133   | 1,254   | 1,052   | 1,760  | * | 1,028   | 697     | 1,267   | * |
|                                      |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |
|                                      |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |
| <b>Consolidated Balance Sheet</b>    |        |        |        |        |        |        |        |         |         |         |         |         |        |   |         |         |         |   |
| current assets                       | 19,900 | 23,793 | 18,100 | 22,138 | 22,122 | 23,254 | 23,350 | 24,901  | 19,967  | 21,852  | 23,104  | 36,783  | na     | * | 21,852  | 19,552  | 20,757  | * |
| fixed assets                         | 29,867 | 40,478 | 47,768 | 49,497 | 55,715 | 62,336 | 74,681 | 85,562  | 95,728  | 103,891 | 115,980 | 104,428 | na     | * | 103,891 | 11,326  | 101,408 | * |
| total assets                         | 49,880 | 64,327 | 65,867 | 71,647 | 77,865 | 85,620 | 98,047 | 110,507 | 115,738 | 125,793 | 139,209 | 141,314 | na     | * | 125,793 | 132,919 | 122,264 | * |
| current liabilities                  | 19,731 | 28,513 | 27,031 | 31,610 | 29,374 | 31,585 | 44,039 | 37,342  | 44,119  | 41,615  | 41,499  | 50,546  | na     | * | 41,615  | 51,218  | 36,295  | * |
| fixed liabilities                    | 16,977 | 22,064 | 23,761 | 23,146 | 29,433 | 33,077 | 28,316 | 46,068  | 44,079  | 55,266  | 67,956  | 60,600  | na     | * | 55,266  | 51,808  | 55,490  | * |
| total liabilities                    | 36,707 | 50,577 | 50,792 | 54,755 | 58,806 | 64,663 | 72,355 | 83,411  | 88,199  | 96,882  | 109,455 | 111,147 | na     | * | 96,882  | 103,026 | 91,786  | * |
| 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  | 30,166  | na     | * | 28,911  | 29,892  | 30,477  | * |
|                                      |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |
|                                      |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |
| <b>yy change</b>                     |        |        |        |        |        |        |        |         |         |         |         |         |        |   |         |         |         |   |
| net sales                            | 13.3%  | 3.0%   | 32.2%  | 0.1%   | 7.9%   | 7.3%   | 8.7%   | 5.1%    | 14.1%   | 8.9%    | 2.7%    | 0.6%    | 7.8%   | * | 0.7%    | -0.2%   | 4.4%    | * |
| gross income                         | 9.0%   | 9.2%   | 30.5%  | 5.5%   | -2.3%  | 3.3%   | 8.2%   | 3.9%    | 15.9%   | 9.3%    | -10.0%  | 10.4%   | na     | * | -7.9%   | 6.9%    | 10.1%   | * |
| operating income                     | -3.9%  | 19.4%  | 38.2%  | 6.1%   | -3.5%  | 10.1%  | 4.6%   | -18.8%  | 19.9%   | 19.1%   | -24.6%  | 14.3%   | 20.8%  | * | -19.0%  | 2.1%    | 21.7%   | * |
| ordinary income                      | 3.5%   | 15.9%  | 35.4%  | 8.5%   | 4.5%   | 8.6%   | 9.4%   | -21.5%  | 10.0%   | 8.2%    | -33.2%  | 9.8%    | 28.4%  | * | -27.3%  | -3.9%   | 23.6%   | * |
| net income                           | 6.7%   | 26.5%  | 58.8%  | 11.9%  | 4.8%   | 9.6%   | -14.2% | 20.0%   | 13.6%   | -22.2%  | -41.2%  | -16.1%  | 67.2%  | * | -32.0%  | -32.2%  | 81.7%   | * |
|                                      |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |
|                                      |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |
| <b>margins</b>                       |        |        |        |        |        |        |        |         |         |         |         |         |        |   |         |         |         |   |
| gross margins                        | 19.5%  | 20.7%  | 20.4%  | 21.5%  | 19.5%  | 18.8%  | 18.7%  | 18.5%   | 18.8%   | 18.8%   | 16.5%   | 18.1%   | na     | * | 17.4%   | 18.6%   | 19.6%   | * |
| operating margins                    | 6.4%   | 7.5%   | 7.8%   | 8.3%   | 7.4%   | 7.6%   | 7.3%   | 5.6%    | 5.9%    | 6.5%    | 4.8%    | 5.4%    | 6.1%   | * | 5.3%    | 5.5%    | 6.4%    | * |
| ordinary margins                     | 6.2%   | 7.0%   | 7.2%   | 7.8%   | 7.5%   | 7.6%   | 7.6%   | 5.7%    | 5.5%    | 5.5%    | 3.6%    | 3.9%    | 4.6%   | * | 4.1%    | 3.9%    | 4.7%    | * |
| net margins                          | 2.5%   | 3.0%   | 3.6%   | 4.1%   | 4.0%   | 4.0%   | 3.2%   | 3.6%    | 3.6%    | 2.6%    | 1.5%    | 1.2%    | 1.9%   | * | 1.6%    | 1.1%    | 1.9%    | * |
|                                      |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |
|                                      |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |
| <b>other benchmarks</b>              |        |        |        |        |        |        |        |         |         |         |         |         |        |   |         |         |         |   |
| ROE                                  | 6.9%   | 8.3%   | 12.1%  | 12.1%  | 11.3%  | 11.3%  | 7.9%   | 8.9%    | 9.9%    | 7.4%    | 4.2%    | 3.5%    | na     | * | 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%    | 0.7%    | na     | * | na      | na      | na      | * |
| net asset ratio                      | 26.4%  | 21.4%  | 22.9%  | 23.5%  | 24.3%  | 24.3%  | 26.0%  | 24.5%   | 23.8%   | 22.8%   | 21.2%   | 21.3%   | na     | * | 23.0%   | 22.5%   | 24.9%   | * |
| Units: million yen                   |        |        |        |        |        |        |        |         |         |         |         |         |        | * |         |         |         | * |



## 3<sup>rd</sup> Quarter of Fiscal Year March 2012 Consolidated Earnings Announcement

February 9, 2012

Company Name: Kyoritsu Maintenance Co., Ltd.

Tokyo Stock Exchange

Stock Code: 9616, URL: <http://www.kyoritsugroup.co.jp/>

Director: Mitsutaka Sato, President

Contact: Takumi Ueda, Vice President, Tel: +81-3-5295-7778

Quarterly Earnings Announcement Report Filing Date (Anticipated): February 14, 2012

Dividend Payment Date (Anticipated): NA

Quarterly Earnings Presentation Document (Anticipated): NA

Quarterly Earnings Presentation Meeting (Anticipated): NA

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

### 1. 3<sup>rd</sup> Quarter of Fiscal Year March 2012 Consolidated Earnings (From April 1, 2011 to December 31, 2011)

#### (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 FY3/12 | 65,151      | 4.4  | 4,145            | 21.7 | 3,032           | 23.6 | 1,267       | 81.7  |
| 3Q FY3/11 | 62,401      | -0.2 | 3,405            | 2.1  | 2,453           | -3.9 | 697         | -32.2 |

(Note) Comprehensive income: ¥1,166 million (24.7% yy) in 3Q FY3/12, ¥935 million (-% yy) in 3Q FY3/11

|           | EPS   | Fully Diluted EPS |
|-----------|-------|-------------------|
|           | Yen   | Yen               |
| 3Q FY3/12 | 88.34 | 78.80             |
| 3Q FY3/11 | 48.56 | 40.58             |

#### (2) Consolidated Financial Position

|           | Total Assets |      | Net Assets  |      | Net Asset Ratio |
|-----------|--------------|------|-------------|------|-----------------|
|           | Million Yen  | %    | Million Yen | %    | %               |
| 3Q FY3/12 | 122,264      | 24.9 | 30,477      | 24.9 | 24.9            |
| FY3/11    | 141,314      | 21.3 | 30,166      | 21.3 | 21.3            |

(Note) Capital: ¥30,477 million in 3Q FY3/12, ¥30,164 million in FY3/11

### 2. Dividend Conditions

|                    | Dividends per Share |              |          |              |              |
|--------------------|---------------------|--------------|----------|--------------|--------------|
|                    | End 1Q              | End 2Q       | End 3Q   | End Year     | Total        |
| FY3/11             | Yen<br>—            | Yen<br>19.00 | Yen<br>— | Yen<br>19.00 | Yen<br>38.00 |
| FY3/12             | —                   | 19.00        | —        | —            | —            |
| FY3/12 (Projected) | —                   | —            | —        | 19.00        | 38.00        |

(Note) Recent changes in dividend projections: None

### 3. Fiscal Year March 2012 Consolidated Earnings Estimate (April 1, 2011 to March 31, 2012)

|           | Net Sales   |     | Operating Income |      | Ordinary Income |      | Net Income  |      | EPS    |
|-----------|-------------|-----|------------------|------|-----------------|------|-------------|------|--------|
|           | Million Yen | %yy | Million Yen      | %yy  | Million Yen     | %yy  | Million Yen | %yy  | Yen    |
| Full Year | 91,600      | 7.8 | 5,570            | 20.8 | 4,250           | 28.4 | 1,760       | 67.2 | 124.53 |

(Note) Recent changes in earnings estimates: Applicable

#### 4. Others

- (1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None
- (2) Application of special accounting procedures in the preparation of our quarterly consolidated financial statements: Applicable
- (3) Changes in the accounting policies, procedures, and changes or revisions in the display of accounting estimates:
  - ① Changes accompanying revisions in accounting standards: None
  - ② Other changes: None
  - ③ Changes in accounting estimates: None
  - ④ Redisplay of revisions: None
- (4) Shares issued (Common shares)
  - ① Shares issued as of term end (including treasury shares):
  - ② Treasury stock as of term end:
  - ③ Average during the term:

|           |            |           |            |
|-----------|------------|-----------|------------|
| 3Q FY3/12 | 15,125,582 | FY3/11    | 15,125,582 |
| 3Q FY3/12 | 992,575    | FY3/11    | 760,687    |
| 3Q FY3/12 | 14,343,457 | 3Q FY3/11 | 14,365,240 |

- 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.

## Index

|   |   |
|---|---|
| 1. Qualitative Information about Quarterly Earnings .....   | 2 |
| (1) Qualitative Information about Consolidated Business Performance .....   | 2 |
| (2) Qualitative Information about Consolidated Financial Position .....   | 3 |
| (3) Qualitative Information about Consolidated Earnings Forecast .....  | 3 |
| 2. Summary Information (Others) .....   | 3 |
| (1) Changes in Important Consolidated Subsidiaries during the Quarter .....   | 3 |
| (2) Implementation of Special Accounting Methods in the Creation of Quarterly Consolidated Financial Statements ..... | 3 |
| 3. Quarterly Consolidated Financial Statements .....  | 4 |
| (1) Quarterly Consolidated Balance Sheets .....   | 4 |
| (2) Quarterly Consolidated Income Statements and Comprehensive Income Statements .....                                | 6 |
| Quarterly Consolidated Income Statement   |   |
| Consolidated Cumulative Third Quarter .....   | 6 |
| Quarterly Consolidated Comprehensive Income Statements  |   |
| Consolidated Cumulative Third Quarter .....   | 7 |
| (3) Notes on Assumption Regarding Going Concern .....   | 8 |
| (4) Segment Information .....   | 8 |
| (5) Note regarding Significant Changes in Shareholders' Equity .....  | 9 |



## 1. Qualitative Information about Quarterly Earnings

### (1) Qualitative Information about Consolidated Business Performance

During the third quarter of the term under review, the Japanese economy gradually recovered from the negative impact of the Great East Japan Earthquake, but uncertainties about the future and fears of an economic slowdown were sparked by the flooding disaster in Thailand, sovereign debt crisis in Europe, and slowing growth in China. Against this backdrop, the dormitory business trended strongly, and the hotel business, which had been impacted by the earthquake disaster, recorded high occupancy rates due to increases in occupancy rates in the Dormy Inn (Business Hotel) operations to levels higher than the previous year, and strong recoveries in occupancy rates in the resort hotel operations during both the Golden Week (Early May) and summer vacation (July to September) seasons. Consequently sales, and operating, ordinary and net incomes rose by 4.4%, 21.7%, 23.6% and 81.7% year-over-year to ¥65,151, ¥4,145, ¥3,032 and ¥1,267 million respectively, to surpass the previous year's earnings by large margins.

**Our earnings results by business segment are as follows.**

#### Dormitory Business

While our dormitory business was affected by the earthquake disaster with cancellations from students living in the disaster affected areas, we started the term with a 95.3% occupancy rate, which marks a 2.4% point increase from the previous year. In addition, sales of new contract fees grew on the back of increases in contracts for new recruit training facilities by major corporations and large corporate contracts for foreign students. Consequently the number of resident contracts rose by 332 year-over-year to 27,800 residents at the end of December. Consequently sales and operating income rose by 2.1% and 2.8% year-to-year to ¥29,242 and ¥3,986 million, respectively.

#### Hotel Business

In our hotel business, we opened three new facilities including "Natural Hot Springs Fugaku no Yu Dormy Inn Mishima," "Natural Hot Springs Shirasagi no Yu Dormy Inn Himeji," and "Natural Hot Springs Sodeminato no Yu Dormy Inn Premium Hakata Canal City Front" during the current term. In addition, occupancy rates at our existing Dormy Inn business hotel facilities trended strongly on the back of special demand from the recovery and reconstruction efforts and other factors. With regards to our resort hotels, we opened a new facility called "Kyoto Arashiyama Natural Hot Springs KADENSHO," and conducted detailed marketing efforts to overcome the impact from restraint in travel due to the earthquake related disasters at our existing facilities, which were successful in improving occupancy rates during the Golden Week peak travel season. Consequently, sales rose by 9.1% year-over-year to ¥25,688 million, and operating income rose by 87.6% year-over-year to ¥1,706 million.

#### Contracted Services Business

In our contracted services business, which saw cancellations of large contracts in the building rental division during the previous term, capacity utilization recovered, but declines in rents prevented Kyoritsu from realizing a full scale recovery in profits. Consequently, sales rose by 4.8% from the previous year to ¥8,797 million, and operating income rose by ¥34 million from the loss in the previous year to ¥21 million.

#### Food Service Business

The operating environment for our food service business remained difficult with the deterioration in consumption. As a result, sales rose by 6.1% from the previous year to ¥3,313 million, and operating losses contracted by ¥12 million from the previous year to ¥110 million.

#### Construction Business

In our construction business, the trend towards a greater amount of development projects booked during the fourth quarter led to a decline in completion and delivery of construction projects during the third quarter from the previous year. Consequently sales fell by 29.9% year-over-year to ¥2,461 million and operating income fell by 74.4% year-over-year to ¥17 million.

#### Other Business

Our other business is comprised of the wellness life business (Management of senior citizen housing), the PKP business (Consigned services business provided to regional government bodies), single life support business and insurance agency business, comprehensive human resource service business, and financing services and administrative outsourcing services. Sales of this business rose by 18.1% from the previous year to ¥2,971 million, but operating losses expanded by ¥188 million from the previous year to ¥227 million. The main factor behind this operating loss was anticipatory marketing expenses arising from the launch of PKP business.

## **(2) Qualitative Information about Consolidated Financial Position**

At the end of the current term, total consolidated assets declined by ¥19,049 million from the end of the previous fiscal year to ¥122,264 million. The main factor behind this decrease was a fall in cash and equivalents. Total liabilities also declined by ¥19,360 million from the end of the previous term to ¥91,786 million. The main factors behind this decline were drops in corporate bonds redeemable within one year and long term debt. Net assets grew by ¥311 million from the end of the previous year to ¥30,477 million. The main factor behind this increase was a rise in retained earnings. Consequently net asset ratio rose by 3.6% point from the end of the previous fiscal year to 24.9%.

## **(3) Qualitative Information about Consolidated Earnings Forecast**

In light of the trends in our earnings during the most recent third quarter, the higher than expected occupancy rates in both our business and resort hotel operations, and favorable trends in our dormitory operations despite fears of the negative influence of the Great East Japan Earthquake, we now expect our earnings to exceed our forecasts by a large margin and have reviewed our earnings forecasts for the full year. And while clouds of uncertainty on the horizon make it difficult to predict the future, we have taken the decision to revise our full year earnings forecasts upwards. For details of this revision, please refer to our announcement released on February 9, 2012 entitled “Announcement of a Revision to Our Earnings Forecasts). However please note that our actual earnings results may diverge from our forecasts by large margins due to various unforeseen factors.

## **2. Summary Information (Others)**

### **(1) Changes in Important Consolidated Subsidiaries during the Quarter**

There were no changes in important consolidated subsidiaries during the term under review.

### **(2) Implementation of Special Accounting Methods in the Creation of Quarterly Consolidated Financial Statements (Calculation of tax expense)**

With regards to taxes, a rational estimate of the effective tax rate has been used to calculate the tax effect accounting for net income before taxes during the third quarter, and this rate has been applied in the calculation of net income before taxes.

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

(Units: Million Yen)

|                                  | FY3/11<br>(March 31, 2011) | 3Q FY3/12<br>(December 31, 2011) |
|----------------------------------|----------------------------|----------------------------------|
| Assets                           |                            |                                  |
| Current assets                   |                            |                                  |
| Cash and deposits                | 27,855                     | 9,685                            |
| Notes, accounts receivable       | 2,832                      | 3,117                            |
| Real estate for sale             | 1,081                      | 1,838                            |
| Uncompleted real estate for sale | —                          | 1,239                            |
| Uncompleted construction payment | 235                        | 270                              |
| Others                           | 4,811                      | 4,650                            |
| Doubtful account reserves        | -32                        | -45                              |
| Total current assets             | 36,783                     | 20,757                           |
| Fixed assets                     |                            |                                  |
| Tangible fixed assets            |                            |                                  |
| Buildings, structures (net)      | 30,327                     | 32,247                           |
| Land                             | 24,454                     | 24,492                           |
| Others (net)                     | 16,504                     | 11,824                           |
| Total tangible fixed assets      | 71,285                     | 68,564                           |
| Intangible fixed assets          | 3,785                      | 3,733                            |
| Investments, other assets        |                            |                                  |
| Marketable securities            | 5,783                      | 5,458                            |
| Security deposits                | 8,948                      | 9,168                            |
| Deposits                         | 7,787                      | 7,974                            |
| Others                           | 7,007                      | 6,674                            |
| Doubtful account reserves        | -169                       | -165                             |
| Total investments, other assets  | 29,357                     | 29,109                           |
| Total fixed assets               | 104,428                    | 101,408                          |
| Deferred assets                  | 101                        | 99                               |
| Total assets                     | 141,314                    | 122,264                          |

(Units: Million Yen)

|   | FY3/11<br>(March 31, 2011) | 3Q FY3/12<br>(December 31, 2011) |
|---|----------------------------|----------------------------------|
| <b>Liabilities</b>                                  |                            |                                  |
| <b>Current liabilities</b>                          |                            |                                  |
| Notes, accounts payable                             | 2,609                      | 2,232                            |
| Short term debt                                     | 17,945                     | 19,127                           |
| Bond, portion redeemable within 1 year              | 11,640                     | 1,680                            |
| Unpaid corporate taxes                              | 955                        | 625                              |
| Prepayments   | 10,975                     | 8,232                            |
| Bonus reserves                                      | 581                        | 448                              |
| Director bonus reserves                             | 128                        | 112                              |
| Completed construction guarantee reserves           | 12                         | 11                               |
| Construction work loss reserves                     | 4                          | —                                |
| Others  | 5,694                      | 3,825                            |
| <b>Total current liabilities</b>                    | <b>50,546</b>              | <b>36,295</b>                    |
| <b>Fixed liabilities</b>                            |                            |                                  |
| Bonds   | 7,745                      | 8,535                            |
| Long term debt                                      | 45,701                     | 39,998                           |
| Retirement benefit reserves                         | 1,223                      | 1,269                            |
| Director retirement benefits reserves               | 313                        | 305                              |
| Others  | 5,616                      | 5,381                            |
| <b>Total fixed liabilities</b>                      | <b>60,600</b>              | <b>55,490</b>                    |
| <b>Total liabilities</b>                            | <b>111,147</b>             | <b>91,786</b>                    |
| <b>Net assets</b>                                   |                            |                                  |
| <b>Shareholders' equity</b>                         |                            |                                  |
| Capital   | 5,136                      | 5,136                            |
| Capital reserves                                    | 5,943                      | 5,943                            |
| Retained earnings                                   | 21,211                     | 21,932                           |
| Treasury stock                                      | -1,470                     | -1,778                           |
| <b>Total shareholders' equity</b>                   | <b>30,820</b>              | <b>31,233</b>                    |
| <b>Other comprehensive income, aggregated</b>       |                            |                                  |
| Other marketable security valuation gains           | -655                       | -756                             |
| <b>Total other comprehensive income, aggregated</b> | <b>-655</b>                | <b>-756</b>                      |
| Minority interests                                  | 1                          | —                                |
| <b>Total net assets</b>                             | <b>30,166</b>              | <b>30,477</b>                    |
| <b>Total liabilities, net assets</b>                | <b>141,314</b>             | <b>122,264</b>                   |

**(2) Quarterly Consolidated Income Statement and Comprehensive Income Statement****Quarterly Consolidated Income Statement  
Consolidated Cumulative Third Quarter**

(Units: Million Yen)

|   | 3Q FY3/11<br>(From April 1, 2010<br>To December 31, 2010) | 3Q FY3/12<br>(From April 1, 2011<br>To December 31, 2011) |
|---|---|---|
| Net sales   | 62,401  | 65,151  |
| CGS   | 50,799  | 52,381  |
| Gross income  | 11,601  | 12,770  |
| SG&A  | 8,195   | 8,624   |
| Operating income  | 3,405   | 4,145   |
| Non-operating income  |   |   |
| Interest income   | 60  | 69  |
| Dividend income   | 33  | 31  |
| Deposit redemption income                                     | 131   | 90  |
| Others  | 181   | 56  |
| Total non-operating income                                    | 406   | 248   |
| Non-operating expense   |   |   |
| Interest payment  | 1,041   | 1,097   |
| Others  | 317   | 263   |
| Total non-operating expense                                   | 1,358   | 1,361   |
| Ordinary income   | 2,453   | 3,032   |
| Extraordinary income  |   |   |
| Fixed asset liquidation                                       | 65  | 124   |
| Others  | 115   | 21  |
| Total extraordinary income                                    | 180   | 145   |
| Extraordinary loss  |   |   |
| Disaster related loss   | —   | 106   |
| Marketable securities valuation loss                          | 88  | 365   |
| Impact from implementation of asset retirement obligation     | 696   | —   |
| Others  | 127   | 31  |
| Total extraordinary loss                                      | 911   | 504   |
| Net income before taxes                                       | 1,722   | 2,674   |
| Taxes   | 1,007   | 1,407   |
| Net income before adjustment for minority interests in income | 714   | 1,267   |
| Minority interests in income                                  | 16  | 0   |
| Net income  | 697   | 1,267   |

**Quarterly Consolidated Comprehensive Income Statements,  
Consolidated Cumulative Third Quarter**

(Units: Million Yen)

|   | 3Q FY3/11<br>(From April 1, 2010<br>To December 31, 2010) | 3Q FY3/12<br>(From April 1, 2011<br>To December 31, 2011) |
|---|---|---|
| Net income before adjustment for minority interests in income | 714   | 1,267   |
| Other comprehensive income                                    |   |   |
| Other marketable securities valuation gains                   | 221   | -100  |
| Total other comprehensive income                              | 221   | -100  |
| <b>Quarterly Comprehensive income</b>                         | <b>935</b>  | <b>1,166</b>  |
| (Details)   |   |   |
| Comprehensive income of parent company shareholders           | 919   | 1,166   |
| Comprehensive income of minority shareholdings                | 16  | 0   |

**(3) Notes on Assumptions Regarding Going Concern**

Not applicable

**(4) Segment Information**

(Segment Information)

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

## 1. Reported Segment Sales and Profit, Loss Data s

(Units: Million Yen)

|                  | Reported Segments |        |                        |                 |              |           | Others<br>(Note) 1 | Total  | Adjustments<br>(Note) 2 | Consolidated<br>(Note) 3 |
|------------------|-------------------|--------|------------------------|-----------------|--------------|-----------|--------------------|--------|-------------------------|--------------------------|
|                  | Dormitories       | Hotels | Contracted<br>Services | Food<br>Service | Construction | Sub total |                    |        |                         |                          |
| 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                    |

- (Note) 1. Others 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. Adjustment for segment profit, loss of ¥1,277 million includes ¥34 million for inter-segment transaction eliminations, and ¥1,311 million in companywide expenses which cannot be allocated to specific reported segments. Companywide expenses are primarily those expenses arising from the finance and accounting, and management divisions.
3. Segment profits, losses are derived by adjusting the operating income used in the quarterly consolidated income statements.

## 2. Impairment accounting losses and goodwill amortization by reported segments

None

**Consolidated Data for Third Quarter of Fiscal Year March 2012 (From April 1, 2011 to December 31, 2011)**

## 1. Reported Segment Sales and Profit, Loss Data

(Units: Million Yen)

|                  | Reported Segments |        |                        |                 |              |           | Others<br>(Note) 1 | Total  | Adjustments<br>(Note) 2 | Consolidated<br>(Note) 3 |
|------------------|-------------------|--------|------------------------|-----------------|--------------|-----------|--------------------|--------|-------------------------|--------------------------|
|                  | Dormitories       | Hotels | Contracted<br>Services | Food<br>Service | Construction | Sub total |                    |        |                         |                          |
| Sales            |                   |        |                        |                 |              |           |                    |        |                         |                          |
| External sales   | 29,159            | 25,626 | 5,503                  | 1,035           | 1,131        | 62,457    | 2,694              | 65,151 | —                       | 65,151                   |
| Internal sales   | 83                | 62     | 3,294                  | 2,277           | 1,330        | 7,047     | 276                | 7,323  | -7,323                  | —                        |
| Total            | 29,242            | 25,688 | 8,797                  | 3,313           | 2,461        | 69,504    | 2,971              | 72,475 | -7,323                  | 65,151                   |
| Operating income | 3,986             | 1,706  | 21                     | -110            | 17           | 5,621     | -227               | 5,393  | -1,248                  | 4,145                    |

(Notes) 1. Other is not considered as a reported business segment and is comprised of the wellness life (management of senior citizen housing), Public Kyoritsu Partnership (PKP: Consigned services business provided to regional government bodies) services, single life support services, insurance agency business, comprehensive human resources and administrative outsourcing services, financing services and other related services.

2. Adjustment for segment profit, loss of ¥1,248 million includes ¥6 million for inter-segment transaction eliminations, and ¥1,254 million in companywide expenses which cannot be allocated to specific reported segments. Companywide expenses are primarily those expenses arising from the finance and accounting, and management divisions.

3. Segment profits, losses are derived by adjusting the operating income used in the quarterly consolidated income statements.

## 2. Impairment accounting losses and goodwill amortization by reported segments

None

**(5) Note regarding Significant Changes in Shareholders' Equity**

During the third quarter of fiscal year March 2012, treasury shares were acquired in accordance with the resolution passed during the board of directors' meeting held on November 9, 2011. Total treasury shares increased by ¥307 million to ¥1,778 million at the end of the third quarter due to the purchase of treasury shares and odd-lot shares.