



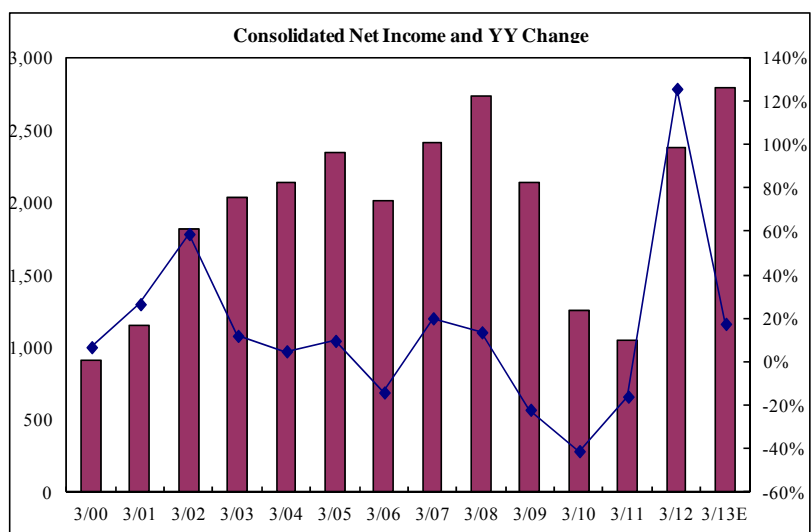
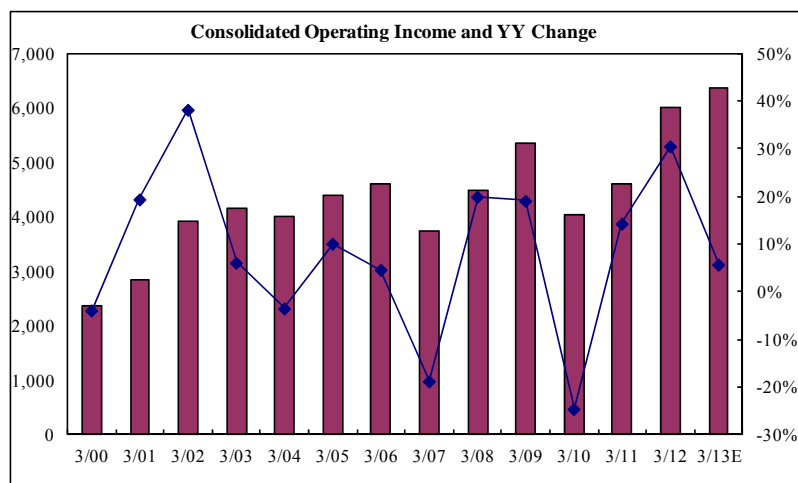
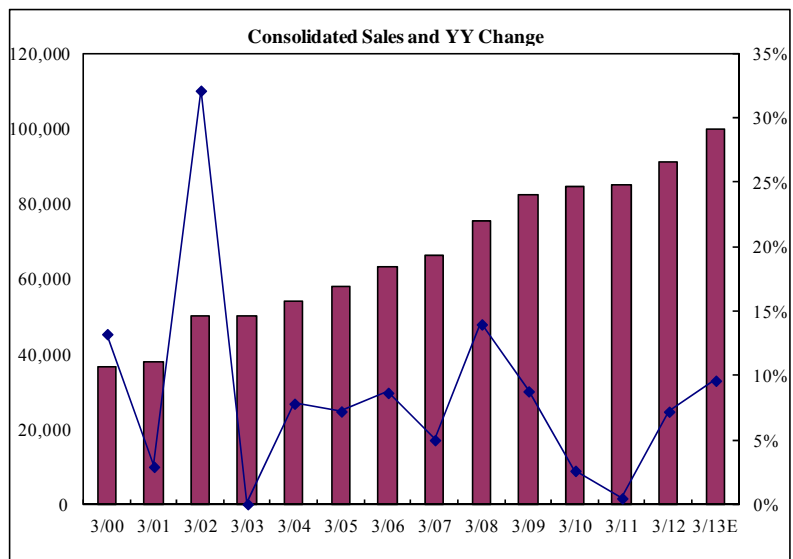
Kyoritsu Maintenance Co., Ltd.

(Securities Code: 9616)

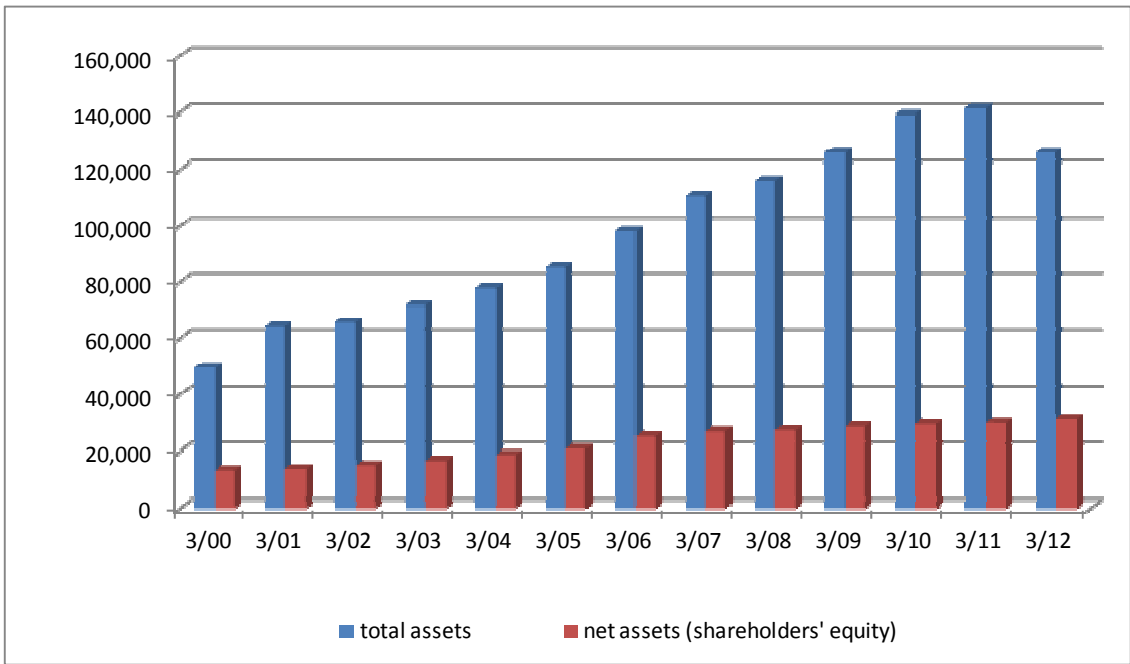
Third Quarter of Fiscal Year March 2013 Consolidated Earnings Results Update

February 2013

Kyoritsu Maintenance Consolidated Financial Data at a Glance

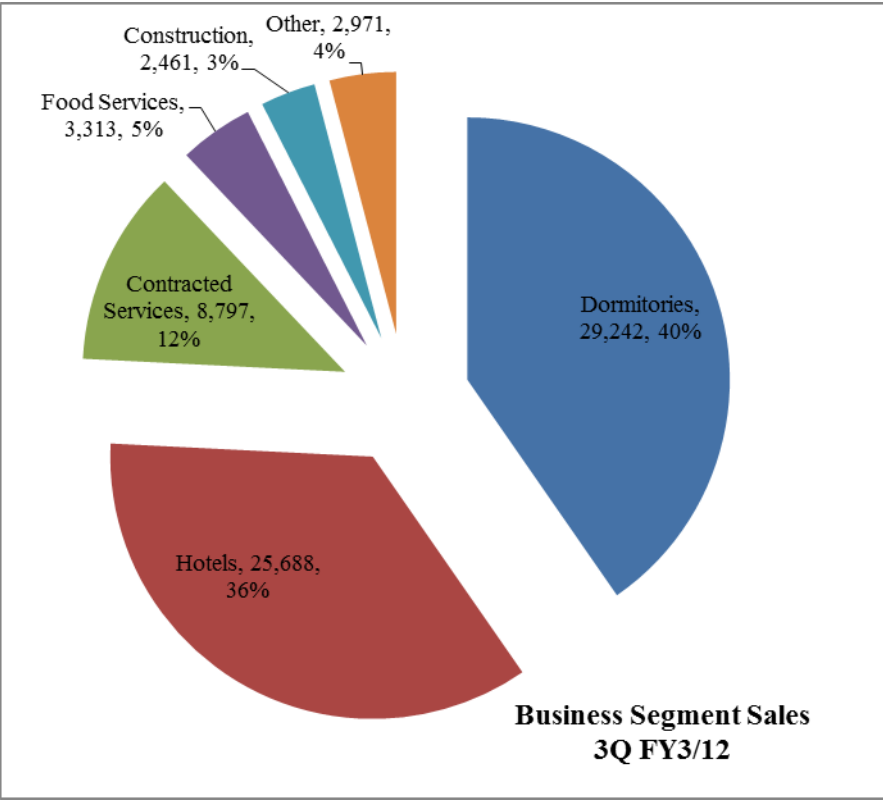
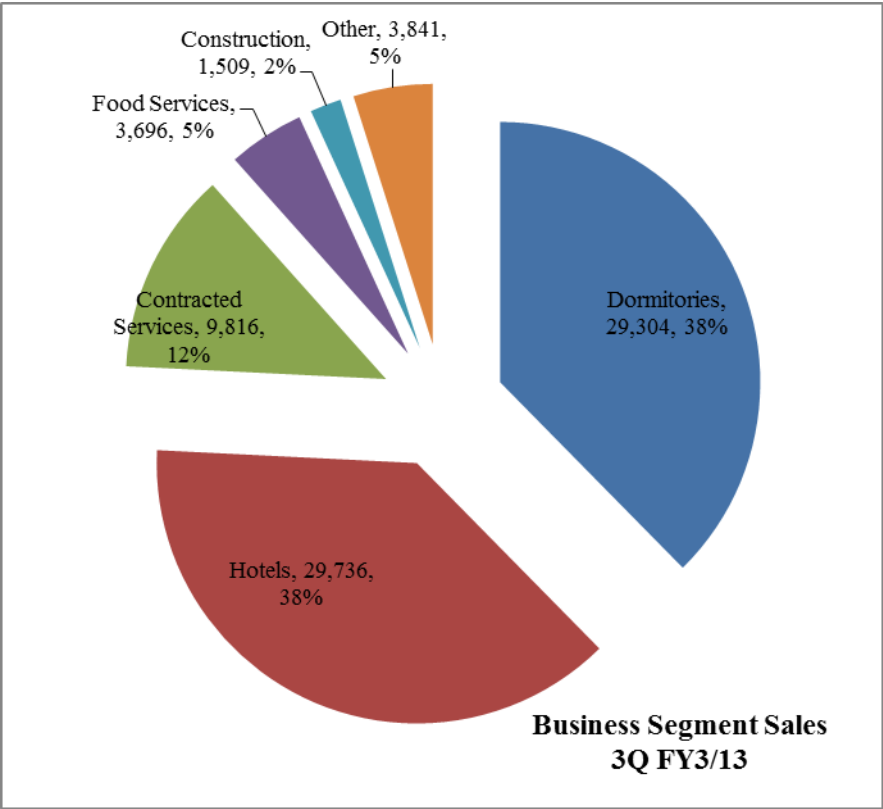


(Units: Million Yen)



(Units: Million Yen)





(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	3/11	3/12	3/13E	*	3Q FY3/12	3Q FY3/13
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	91,170	100,000	*	65,151	70,546
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	17,863	na	*	12,770	14,206
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	6,017	6,360	*	4,145	4,598
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	4,602	5,200	*	3,032	3,781
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	2,376	2,790	*	1,267	2,021
															*		
															*		
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	36,783	28,234	na	*	28,234	23,631
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	97,319	na	*	97,319	96,981
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	125,649	na	*	125,649	120,697
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	38,961	na	*	38,961	38,585
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	55,135	na	*	55,135	49,024
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	94,097	na	*	94,097	87,609
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	31,551	na	*	31,551	33,087
															*		
															*		
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%	0.6%	7.3%	9.7%	*	4.4%	8.3%
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%	15.9%	na	*	10.1%	11.2%
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%	30.5%	5.7%	*	21.7%	10.9%
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%	39.1%	13.0%	*	23.6%	24.7%
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%	125.7%	17.4%	*	81.7%	59.5%
															*		
															*		
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%	18.1%	19.6%	na	*	19.6%	20.1%
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%	6.6%	6.4%	*	6.4%	6.5%
ordinary margins	6.2%	7.0%	7.2%	7.8%	7.5%	7.6%	7.6%	5.7%	5.5%	5.5%	3.6%	3.9%	5.0%	5.2%	*	4.7%	5.4%
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%	2.6%	2.8%	*	1.9%	2.9%
															*		
															*		
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%	3.5%	7.7%	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%	1.9%	na	*	na	na
net asset ratio	26.4%	21.4%	22.9%	23.5%	24.3%	24.3%	26.0%	24.5%	23.8%	23.0%	21.4%	21.3%	25.1%	na	*	25.1%	27.4%
Units: million yen															*		

Third Quarter of Fiscal Year March 2013 Consolidated Earnings Announcement

February 8, 2013

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, 2013

Dividend Payment Date (Anticipated): --

Quarterly Earnings Presentation Document (Anticipated): Not Available

Quarterly Earnings Presentation Meeting (Anticipated): Not Available

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

1. Third Quarter of Fiscal Year March 2013 Consolidated Earnings (April 1, 2012 to December 31, 2012)

(1) Consolidated Earnings (Aggregated)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY3/13	70,546	8.3	4,598	10.9	3,781	24.7	2,021	59.5
3Q FY3/12	65,151	4.4	4,145	21.7	3,032	23.6	1,267	81.7

(Note) Comprehensive income: ¥2,094 million (79.6% yy) in 3Q FY3/13, ¥1,166 million (24.7% yy) in 3Q FY3/12

	EPS		Fully Diluted EPS	
	Yen		Yen	
3Q FY3/13	143.25		—	
3Q FY3/12	88.34		78.80	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Net Asset Ratio		Book Value Per Share	
	Million yen		Million yen		%		Yen	
3Q FY3/13	120,697		33,087		27.4		2,344.76	
FY3/12	125,649		31,551		25.1		2,235.83	

(Note) Capital: ¥33,087 million in 3Q FY3/13, ¥31,551 million in FY3/12

2. Dividend Conditions

	Dividends per Share				
	1Q End	2Q End	3Q End	4Q End	Total
	Yen				
FY3/12	—	—	—	19.00	38.00
FY3/13	—	19.00	—	—	—
FY3/13 Projected	—	—	—	19.00	38.00

(Note) Recent changes in dividend projections: None

3. Fiscal Year March 2013 Consolidated Earnings Projection (April 1, 2012 to March 31, 2013)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	100,000	9.7	6,360	5.7	5,200	13.0	2,790	17.4	197.71

(Note) Recent changes in earnings estimates: Applicable

* Special Notes

- (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: Applicable
 - ② Other changes: None
 - ③ Changes in accounting estimates: Applicable
 - ④ Redisplay of revisions: None

(4) Shares issued (Common stock)

- ① Shares issued as of term end (including treasury stock):
- ② Treasury stock as of term end:
- ③ Average during the term:

3Q FY3/13	15,125,582	FY3/12	15,125,582
3Q FY3/13	1,014,358	FY3/12	1,013,844
3Q FY3/13	14,111,559	3Q FY3/12	14,343,457

* 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. Qualitative Information about Quarterly Earnings

(1) Qualitative Information about Consolidated Business Performance

During the aggregated third quarter of the current fiscal year, the Japanese economy encountered difficulties arising from the sovereign debt crisis in Europe and slowdown in the Chinese economy. At the same time, some positive factors began to appear in the latter half of November including a correction in the overly strong yen and increases in share prices. Against this backdrop, the main dormitory business saw a good start to the year with occupancy rates exceeding the previous year's levels, and favorable trends remained in play throughout the remainder of the year. Furthermore, the hotel business also saw favorable trends in both its Dormy Inn (business hotels) and resort hotel businesses with occupancy rates exceeding the previous year's levels.

As a result of the favorable trends in Kyoritsu's two main businesses, sales and operating, ordinary, and net incomes rose by 8.3%, 10.9%, 24.7%, and 59.5% year-over-year to ¥70.546, ¥4.598, ¥3.781, and ¥2.021 billion respectively, for new record high profit levels during the aggregated third quarter.

Our earnings by business segment are reported below.

Dormitory Business

Our dormitory business got off to a good start with occupancy rates rising above the previous year's levels by 1.2% points to 96.5% at the start of the current term. At the end of December, the number of contracted dormitory residents grew by 508 from the same period in the previous term to 28,308. However an increase in the number of residents who moved into dormitories early in March contributed to a decline in contract fees received. Consequently, sales grew by 0.2% year-over-year to ¥29.304 billion and operating income declined by 7.4% year-over-year to ¥3.690 billion.

Hotel Business

During the first three quarters of the current fiscal year, five new facilities were opened in the Dormy Inn business including the "Dormy Inn PREMIUM Shibuya Jingu Mae," "Natural Hot Springs Kishu no Yu Dormy Inn PREMIUM Wakayama," "Natural Hot Springs Kirisakura no Yu Dormy Inn Kagoshima," "Dormy Inn EXPRESS Matsue," and "Natural Hot Springs Kinka no Yu Dormy Inn Gifu Station." Furthermore, overall occupancy rates trended favorably and once again exceeded the previous year's levels. In addition, Kyoritsu was able to acquire first place ranking in the business hotel category of accommodations less than ¥9,000 per night of the J.D. Power Asia Pacific 2012 JCSI (Japan Customer Satisfaction Index) in reflection of the continued favorable reception of its facilities and services by the market.

In the resort hotel operations, a new facility called "Morden no Yu La Vista Appi Kogen" was opened during the term under review, existing facilities benefitted from favorable demand in the peak summer vacation season, and demand overall recovered in the aftermath of the depressed levels of the previous term caused by the Great East Japan Earthquake. Occupancy rates even exceeded the levels seen in the same period two year previous and before the Great East Japan Earthquake. Consequently, the hotel business's sales and operating income rose by 15.8% and 63.4% year-over-year to ¥29.736 and ¥2.787 billion respectively, and this segment is becoming a solid contributor to Kyoritsu's overall earnings.

Contracted Services Business

In our contracted services business, an increase in orders for construction related services led to an increase in sales. However increases in cancelations of large contracts in building rental services contributed to a continuation of the difficult operating environment. Consequent to these developments, sales rose by 11.6% year-over-year to ¥9.816 billion, while an operating loss of ¥40 million was incurred (A decline in profits of ¥62 million from the same term in the previous year).

Food Service Business

Stagnant consumption trends and delays in the recovery of growth in the number of restaurants led to difficult operating conditions in the food service business. Despite these conditions, we were able to grow sales by 11.6% year-over-year to ¥3.696 billion, and operating loss improved by ¥21 million from the same period in the previous term to ¥89 million.

Construction Business

Due to a seasonal trend towards a greater amount of development work being realized during the second half of the fiscal year, the number of construction projects completed and delivered during the first three quarters declined from the same period in the previous year. Consequently sales fell by 38.7% year-over-year to ¥1.509 billion, and an operating loss of ¥30 million was incurred (An increase in loss from the previous third quarter of ¥48 million).

Other Business

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 29.3% year-over-year to ¥3.841 billion, while the operating loss increased by ¥60 million from the previous first three quarters to ¥288 million. We attribute this operating loss to anticipatory expenses associated with the expansion of the PKP business.

(2) Qualitative Information about Consolidated Financial Position

At the end of the third quarter, total consolidated assets declined by ¥4.951 billion from the end of the previous term to ¥120.697 billion due mainly to declines in cash and equivalents. Over the same period, total liabilities declined by ¥6.488 billion to ¥87.609 billion due primarily to declines in prepayments received and corporate bonds. Net assets increased by ¥1.536 billion from the end of the previous term to ¥33.087 billion on the back of increases in retained earnings. Consequently, net asset ratio rose by 2.3% points from the end of the previous term to 27.4%.

(3) Qualitative Information about Consolidated Earnings Estimates

With regards to the Kyoritsu Group's consolidated earnings estimates for the full fiscal year, we have revised our earnings estimates upwards in consideration of the favorable earnings of our two main businesses and their ability to exceed initial expectations based on higher than expected occupancy rates, which are also expected to be able to absorb anticipatory investments for refurbishment of hotel facilities needed to maintain continued future growth, potential increases utility expenses, and other negative factors.

2. Summary Information (Notes)**(1) Changes in Important Consolidated Subsidiaries during the term under review**

None

(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 to net income before taxes.

(3) Revisions in Accounting Methods, Revisions and Redisplay of Accounting Estimates

In accordance with the revisions to the tax system, we have implemented revisions in our depreciation methods during the first quarter relating to the acquisition of tangible fixed assets by our domestic consolidated subsidiaries after April 1, 2012 that are based upon the revisions in the corporate tax system. As a result, operating, ordinary, and pretax incomes effectively are ¥25 million higher than equivalent figures based on the traditional methods employed until the third quarter.

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

(Units: Million Yen)

	FY3/12 (March 31, 2012)	3Q FY3/13 (December 31, 2012)
Assets		
Current assets		
Cash and equivalents	17,342	11,348
Notes, accounts receivable	3,790	4,030
Real estate for sale	1,746	2,962
Uncompleted construction payment	87	321
Others	5,314	5,006
Doubtful account reserves	-46	-37
Total current assets	28,234	23,631
Fixed assets		
Tangible fixed assets		
Buildings, structures (net)	30,423	29,723
Land	23,852	23,595
Others (net)	9,378	9,207
Total tangible fixed assets	63,654	62,525
Intangible fixed assets	3,663	3,627
Investments, other assets		
Investment securities	5,687	5,288
Security deposits	9,602	10,657
Deposits	8,484	8,638
Others	6,421	6,442
Doubtful account reserves	-193	-197
Total investments, other assets	30,001	30,828
Total fixed assets	97,319	96,981
Deferred assets	95	83
Total assets	125,649	120,697

(Units: Million Yen)

	FY3/12 (March 31, 2012)	3Q FY3/13 (December 31, 2012)
Liabilities		
Current liabilities		
Notes, accounts payable	3,402	3,108
Short term debt	15,596	20,551
Bond, portion redeemable within 1 year	1,520	1,360
Unpaid corporate taxes	1,600	737
Prepayments	10,738	7,779
Bonus reserves	840	601
Director bonus reserves	179	163
Completed construction guarantee reserves	10	11
Others	5,072	4,272
Total current liabilities	38,961	38,585
Fixed liabilities		
Bonds	8,225	7,175
Long term debt	40,100	35,434
Retirement benefit reserves	1,183	1,271
Director retirement benefit reserves	306	308
Others	5,319	4,834
Total fixed liabilities	55,135	49,024
Total liabilities	94,097	87,609
Net assets		
Shareholders' equity		
Capital	5,136	5,136
Capital reserves	5,943	5,943
Retained earnings	23,042	24,490
Treasury stock	-1,809	-1,810
Total shareholders' equity	32,312	33,760
Accumulated other comprehensive income		
Other marketable security valuation gains	-761	-687
Foreign exchange translation provisional account	—	14
Accumulated other comprehensive income, aggregated	-761	-672
Total net assets	31,551	33,087
Total liabilities, net assets	125,649	120,697

(2) Quarterly Consolidated Income Statement and Comprehensive Income Statement**Quarterly Consolidated Income Statement**

Consolidated Aggregated Third Quarter

(Units: Million Yen)

	3Q FY3/12 (From April 1, 2011 to December 2011)	3Q FY3/13 (From April 1, 2012 to December 2012)
Net sales	65,151	70,546
CGS	52,381	56,340
Gross income	12,770	14,206
SG&A	8,624	9,607
Operating income	4,145	4,598
Non-operating income		
Interest income	69	58
Dividend income	31	31
Marketable securities sale	3	73
Deposit redemption income	90	72
Others	53	93
Total non-operating income	248	329
Non-operating expense		
Interest payment	1,097	945
Others	263	201
Total non-operating expense	1,361	1,146
Ordinary income	3,032	3,781
Extraordinary income		
Fixed asset liquidation	124	236
Others	21	15
Total extraordinary income	145	252
Extraordinary loss		
Impairment loss	—	153
Disaster related loss	106	—
Others	397	84
Total extraordinary loss	504	237
Net income before taxes	2,674	3,796
Taxes	1,407	1,774
Net income before adjustment for minority interests in income	1,267	2,021
Minority interests in income	0	—
Net income	1,267	2,021

Quarterly Consolidated Comprehensive Income Statements

Consolidated Aggregated Third Quarter

(Units: Million Yen)

	3Q FY3/12 (From April 1, 2011 to December 2011)	3Q FY3/13 (From April 1, 2012 to December 2012)
Net income before adjustment for minority interests in income	1,267	2,021
Other comprehensive income		
Other marketable securities valuation difference	-100	73
Total other comprehensive income	-100	73
Quarterly comprehensive income	1,166	2,094
(Details)		
Quarterly Comprehensive income of parent company shareholders	1,166	2,094
Quarterly Comprehensive income of minority shareholdings	0	—

(3) Notes Regarding Going Concern Assumptions

Not applicable

(4) Notes Regarding Significant Changes in Shareholders' Equity

Not applicable

(5) Segment Information

(Segment Information)

I Consolidated Data for Aggregated 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 (Note) 1	Total	Adjustments (Note) 2	Consolidated (Note) 3
	Dormitories	Hotels	Contracted Services	Food 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 and transfers	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

- (Note) 1. Others is not considered as a reported business segment and is comprised of the wellness life (management of senior citizen housing), PKP business (Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support services, insurance agency business, comprehensive human resources, financing services and advertising agency 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

II Consolidated Data for Aggregated Third Quarter of Fiscal Year March 2013 (From April 1 to December 31, 2012)

1. Reported Segment Sales and Profit, Loss Data

(Units: Million Yen)

	Reported Segments						Others (Note) 1	Total	Adjustments (Note) 2	Consolidated (Note) 3
	Dormitories	Hotels	Contracted Services	Food Service	Construction	Sub Total				
Sales										
External sales	29,216	29,672	5,751	1,130	1,213	66,984	3,562	70,546	—	70,546
Internal sales	88	63	4,065	2,565	296	7,079	279	7,358	-7,358	—
Total	29,304	29,736	9,816	3,696	1,509	74,064	3,841	77,905	-7,358	70,546
Operating income	3,690	2,787	-40	-89	-30	6,317	-288	6,028	-1,430	4,598

- (Notes)
1. Other is not considered as a reported business segment and is comprised of the wellness life (management of senior citizen housing), PKP business (Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support services, insurance agency business, comprehensive human resources, financing services and other related services
 2. Adjustment for segment profit, loss of ¥1,430 million includes ¥25 million for inter-segment transaction eliminations, and ¥1,405 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

Within the food segment, the asset book value of investments made in restaurants that are deemed to be difficult to recover due to declines in profitability will be reduced to the amount deemed to be recoverable for these restaurants, and the amount of devaluation will be booked as an impairment loss at the extraordinary level. Furthermore, the amount of impairment loss booked during the third quarters of the current term was ¥87 million.

Within the others segment, which includes the Wellness Life business, the asset book value of investments made in this business that are deemed to be difficult to recover due to declines in profitability will be reduced to the amount deemed to be recoverable for this business, and the amount of devaluation will be booked as an impairment loss at the extraordinary level. Furthermore, the amount of impairment loss booked during the third quarters of the current term was ¥65 million.