

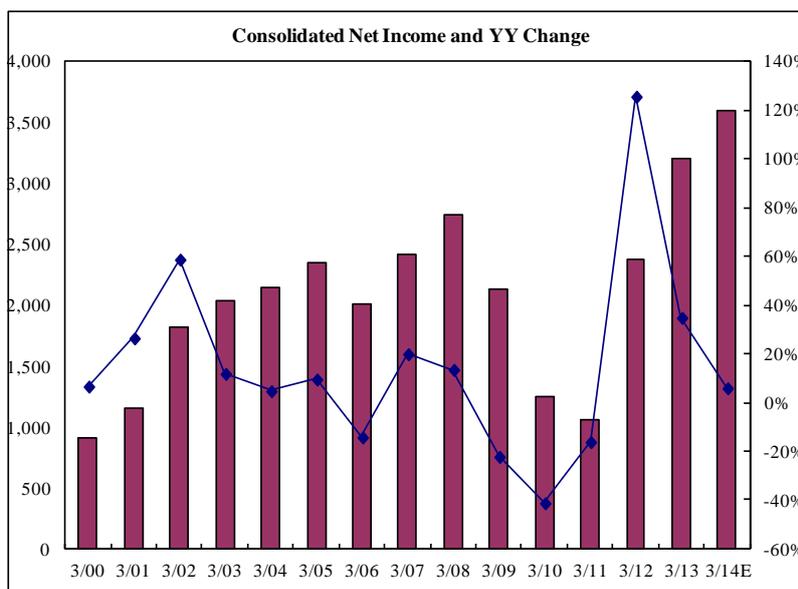
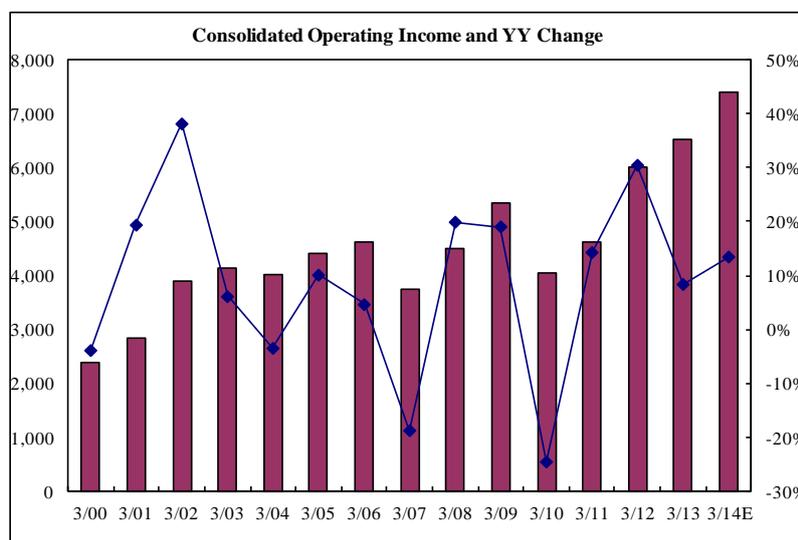
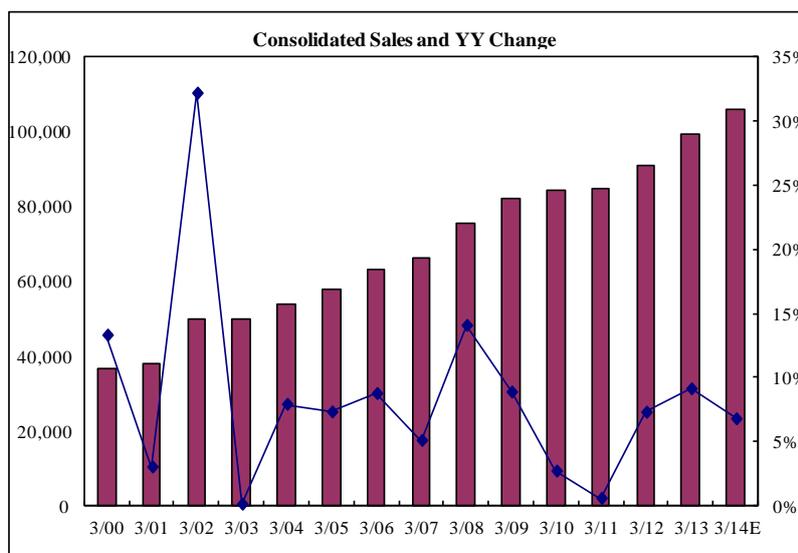


Kyoritsu Maintenance Co., Ltd.
(Securities Code: 9616)

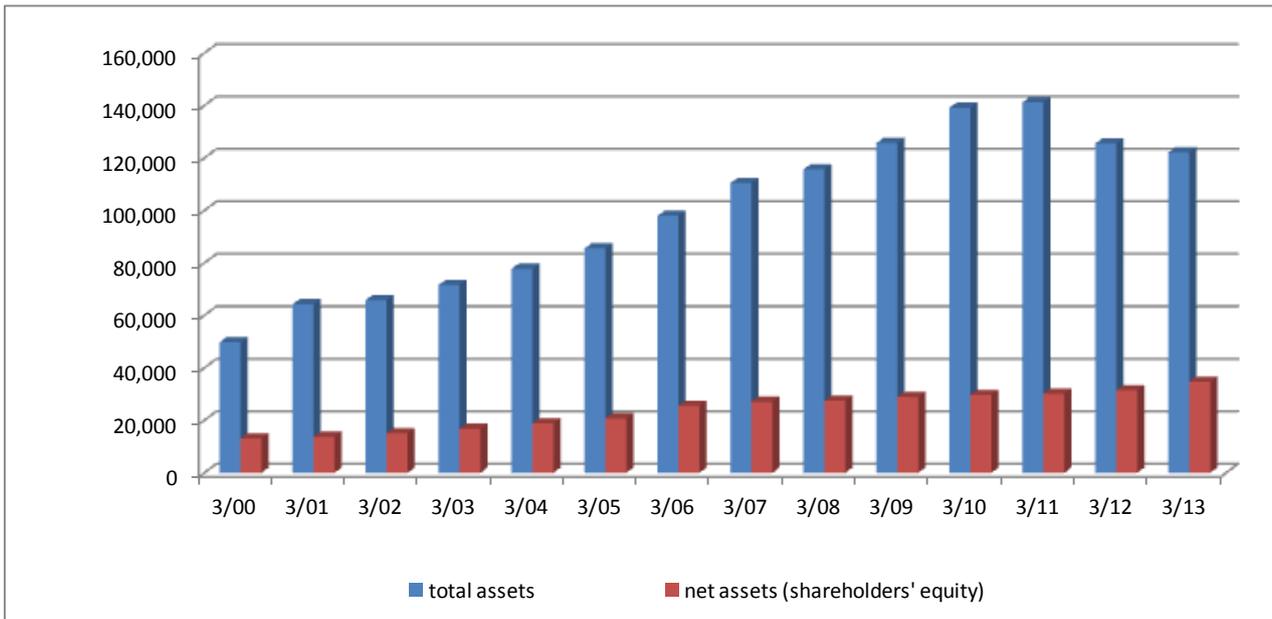
**Third Quarter of Fiscal Year March 2014
Consolidated Earnings Results Update**

February 2014

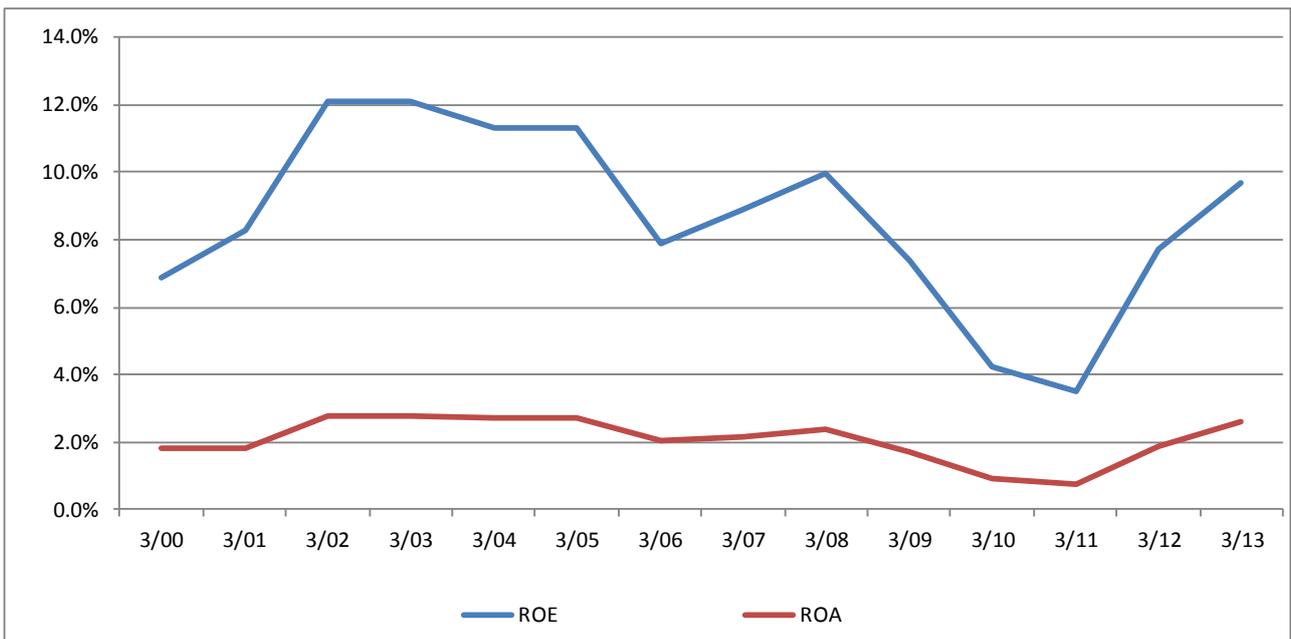
Kyoritsu Maintenance Consolidated Financial Data at a Glance

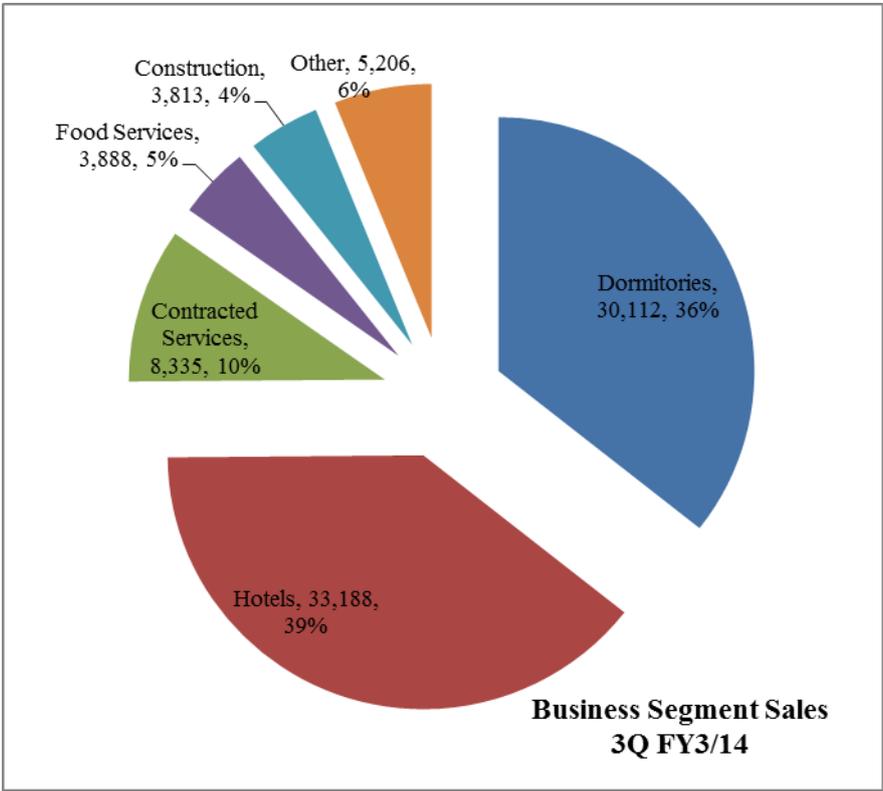
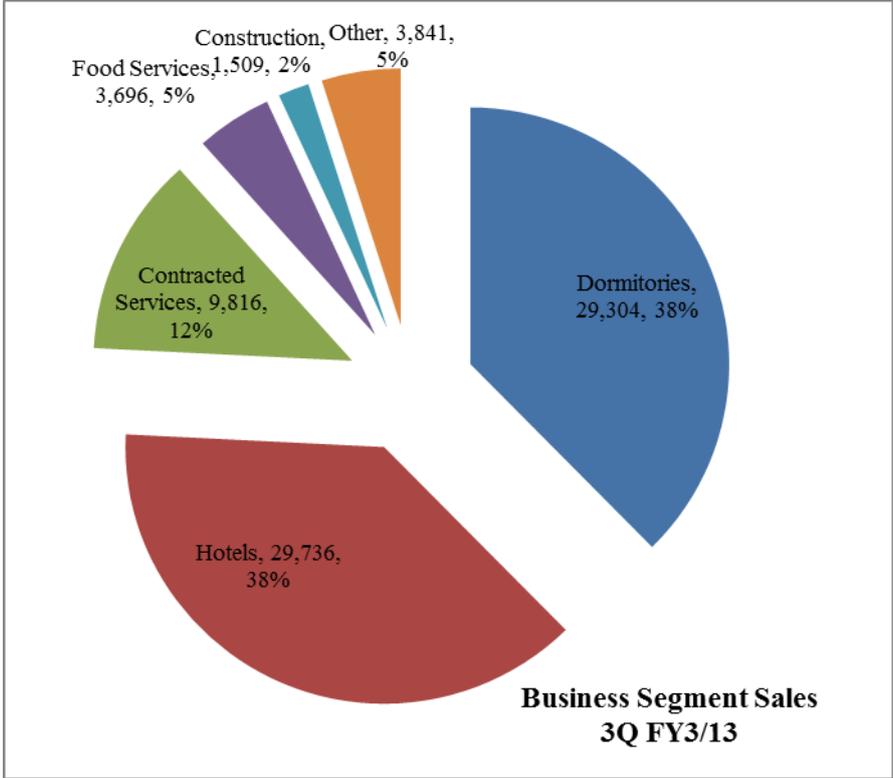


(Units: Million Yen)



(Units: Million Yen)





(Units: Million Yen)

| Consolidated Income Statement | 3/05 | 3/06 | 3/07 | 3/08 | 3/09 | 3/10 | 3/11 | 3/12 | 3/13 | 3/14E | 3Q FY3/13 | 3Q FY3/14 | |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|------------------|------------------|---------|
| net sales | 58,014 | 63,085 | 66,287 | 75,606 | 82,303 | 84,513 | 84,983 | 91,170 | 99,472 | 106,200 | * | 70,546 | 76,693 |
| gross income | 10,894 | 11,783 | 12,242 | 14,183 | 15,507 | 13,957 | 15,408 | 17,863 | 19,910 | 21,350 | * | 14,206 | 15,740 |
| operating income | 4,407 | 4,611 | 3,745 | 4,492 | 5,349 | 4,033 | 4,610 | 6,017 | 6,521 | 7,400 | * | 4,598 | 5,532 |
| ordinary income | 4,411 | 4,824 | 3,787 | 4,167 | 4,510 | 3,012 | 3,308 | 4,602 | 5,599 | 6,600 | * | 3,781 | 5,080 |
| net income | 2,343 | 2,011 | 2,413 | 2,740 | 2,133 | 1,254 | 1,052 | 2,376 | 3,206 | 3,600 | * | 2,021 | 2,956 |
| | | | | | | | | | | | * | | |
| | | | | | | | | | | | * | | |
| Consolidated Balance Sheet | | | | | | | | | | | * | | |
| current assets | 23,254 | 23,350 | 24,901 | 19,967 | 21,852 | 23,104 | 36,783 | 28,234 | 30,852 | na | * | 23,631 | 38,814 |
| fixed assets | 62,336 | 74,681 | 85,562 | 95,728 | 103,891 | 115,980 | 104,428 | 97,319 | 91,335 | na | * | 96,981 | 93,334 |
| total assets | 85,620 | 98,047 | 110,507 | 115,738 | 125,793 | 139,209 | 141,314 | 125,649 | 122,259 | na | * | 120,697 | 132,240 |
| current liabilities | 31,585 | 44,039 | 37,342 | 44,119 | 41,615 | 41,499 | 50,546 | 38,961 | 38,892 | na | * | 38,585 | 39,492 |
| fixed liabilities | 33,077 | 28,316 | 46,068 | 44,079 | 55,266 | 67,956 | 60,600 | 55,135 | 48,584 | na | * | 49,024 | 58,898 |
| total liabilities | 64,663 | 72,355 | 83,411 | 88,199 | 96,882 | 109,455 | 111,147 | 94,097 | 87,476 | na | * | 87,609 | 98,390 |
| net assets | 20,788 | 25,512 | 27,096 | 27,538 | 28,911 | 29,753 | 30,166 | 31,551 | 34,782 | na | * | 33,087 | 33,850 |
| | | | | | | | | | | | * | | |
| | | | | | | | | | | | * | | |
| yy change | | | | | | | | | | | * | | |
| net sales | 7.3% | 8.7% | 5.1% | 14.1% | 8.9% | 2.7% | 0.6% | 7.3% | 9.1% | 6.8% | * | 8.3% | 8.7% |
| gross income | 3.3% | 8.2% | 3.9% | 15.9% | 9.3% | -10.0% | 10.4% | 15.9% | 11.5% | 7.2% | * | 11.2% | 10.8% |
| operating income | 10.1% | 4.6% | -18.8% | 19.9% | 19.1% | -24.6% | 14.3% | 30.5% | 8.4% | 13.5% | * | 10.9% | 20.3% |
| ordinary income | 8.6% | 9.4% | -21.5% | 10.0% | 8.2% | -33.2% | 9.8% | 39.1% | 21.7% | 17.9% | * | 24.7% | 34.4% |
| net income | 9.6% | -14.2% | 20.0% | 13.6% | -22.2% | -41.2% | -16.1% | 125.7% | 34.9% | 12.3% | * | 59.5% | 46.2% |
| | | | | | | | | | | | * | | |
| | | | | | | | | | | | * | | |
| margins | | | | | | | | | | | * | | |
| gross margins | 18.8% | 18.7% | 18.5% | 18.8% | 18.8% | 16.5% | 18.1% | 19.6% | 20.0% | 20.1% | * | 20.1% | 20.5% |
| operating margins | 7.6% | 7.3% | 5.6% | 5.9% | 6.5% | 4.8% | 5.4% | 6.6% | 6.6% | 7.0% | * | 6.5% | 7.2% |
| ordinary margins | 7.6% | 7.6% | 5.7% | 5.5% | 5.5% | 3.6% | 3.9% | 5.0% | 5.6% | 6.2% | * | 5.4% | 6.6% |
| net margins | 4.0% | 3.2% | 3.6% | 3.6% | 2.6% | 1.5% | 1.2% | 2.6% | 3.2% | 3.4% | * | 2.9% | 3.9% |
| | | | | | | | | | | | * | | |
| | | | | | | | | | | | * | | |
| other benchmarks | | | | | | | | | | | * | | |
| ROE | 11.3% | 7.9% | 8.9% | 9.9% | 7.4% | 4.2% | 3.5% | 7.7% | 9.7% | na | * | na | na |
| ROA | 2.7% | 2.1% | 2.2% | 2.4% | 1.7% | 0.9% | 0.7% | 1.9% | 2.6% | na | * | na | na |
| net asset ratio | 24.3% | 26.0% | 24.5% | 23.8% | 23.0% | 21.4% | 21.3% | 25.1% | 28.4% | na | * | 27.4% | 25.6% |
| Units: million yen | | | | | | | | | | | * | | |



Third Quarter of Fiscal Year March 2014 Consolidated Earnings Announcement

February 7, 2014

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, 2014

Dividend Payment Date (Anticipated): --

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. Third Quarter of Fiscal Year March 2014 Consolidated Earnings (April 1, 2013 to December 31, 2013)

(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 FY3/14 | 76,693 | 8.7 | 5,532 | 20.3 | 5,080 | 34.4 | 2,956 | 46.2 |
| 3Q FY3/13 | 70,546 | 8.3 | 4,598 | 10.9 | 3,781 | 24.7 | 2,021 | 59.5 |

(Note) Comprehensive income: ¥3,338 million (59.4% yy) in 3Q FY3/14, ¥2,094 million (79.6% yy) in 3Q FY3/13

| | EPS | Fully Diluted EPS |
|-----------|--------|-------------------|
| | Yen | Yen |
| 3Q FY3/14 | 223.18 | 220.25 |
| 3Q FY3/13 | 143.25 | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Net Asset Ratio | Book Value Per Share |
|-----------|--------------|-------------|-----------------|----------------------|
| | Million Yen | Million Yen | % | Yen |
| 3Q FY3/14 | 132,240 | 33,850 | 25.6 | 2,596.34 |
| FY3/13 | 122,259 | 34,782 | 28.4 | 2,465.00 |

(Note) Capital: ¥33,850 million in 3Q FY3/14, ¥34,782 million in FY3/13

2. Dividend Conditions

| | Dividends per Share | | | | |
|------------------|---------------------|--------|--------|--------|-------|
| | 1Q End | 2Q End | 3Q End | 4Q End | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY3/13 | — | 19.00 | — | 24.00 | 43.00 |
| FY3/14 | — | 21.00 | — | — | — |
| FY3/14 Projected | — | — | — | 22.00 | 43.00 |

(Note) Recent changes in dividend projections: None

3. Fiscal Year March 2014 Consolidated Earnings Estimates (April 1, 2013 to March 31, 2014)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | | EPS |
|-----------|-------------|------|------------------|------|-----------------|------|-------------|------|--------|
| | Million Yen | % yy | Million Yen | % yy | Million Yen | % yy | Million Yen | % yy | Yen |
| Full Year | 106,200 | 6.8 | 7,400 | 13.5 | 6,600 | 17.9 | 3,600 | 12.3 | 276.11 |

(Note) Recent changes in earnings estimates: None

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

(4) Shares issued (Common stock)

Shares issued at term end (Including treasury stock)

Treasury stock at term end

Average number during term (First three quarters)

| | | | |
|-----------|------------|-----------|------------|
| 3Q FY3/14 | 15,125,582 | FY3/13 | 15,125,582 |
| 3Q FY3/14 | 2,087,886 | FY3/13 | 1,014,894 |
| 3Q FY3/14 | 13,244,880 | 3Q FY3/13 | 14,111,559 |

* Information Regarding Quarterly Review Practices:

This earnings announcement is exempted from the financial instruments and exchange act founded in the audit procedures, and at the time of the disclosure of this earnings announcement the auditing procedures for the financial statements pursuant to the financial instruments and exchange act have not been completed.

* 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 diverge largely from our projections due to various unforeseen reasons.

Index

| | |
|---|---|
| 1. Qualitative Information about Quarterly Earnings | 2 |
| (1) Explanation of Business Performance | 2 |
| (2) Explanation of Financial Position | 3 |
| (3) Explanation of Future Forecasts Including Consolidated Earnings Estimates | 3 |
| 2. Summary Information (Notes) | 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) Revision in Accounting Policies, Changes and Redisplay of Accounting Estimates | 3 |
| 3. Quarterly Consolidated Financial Statements | 4 |
| (1) Quarterly Consolidated Balance Sheets | 4 |
| (2) Quarterly Consolidated Income Statement and Comprehensive Income Statement | 6 |
| Quarterly Consolidated Income Statement | |
| Aggregated Third Quarter | 6 |
| Quarterly Consolidated Comprehensive Income Statement | |
| Aggregated Third Quarter | 7 |
| (3) Quarterly Consolidated Financial Statement Notes | 8 |
| (Notes Regarding Going Concern Assumptions) | 8 |
| (Notes Regarding Significant Changes in Shareholders' Equity) | 8 |
| (Segment Information) | 8 |

1. Qualitative Information about Quarterly Earnings

(1) Explanation of Business Performance

During the third quarter of the current fiscal year, signs of a recovery in the Japanese economy began to appear on the back of the easy monetary policies and other stimulatory measures of the Government, that also contributed to a weakening of the yen and increases in share prices. However, clouds of uncertainties including higher materials pricing arising from the weaker yen and fears of slowing of global economies remained on the horizon.

Against this backdrop, the dormitory business saw a good start to the year with occupancy rates rising above the previous year's levels by 0.5% points to at 97.0%. Furthermore, the hotel business also saw very strong trends in both its Dormy Inn (Business hotels) and resort hotel businesses with occupancy rates trending above the previous year's levels.

Subsequent to these developments, sales rose by 8.7% year-over-year to ¥76,693 million, and operating, ordinary and net incomes rose by large margins of 20.3%, 34.4% and 46.2% year-over-year to new record highs of ¥5,532, ¥5,080 and ¥2,956 million respectively.

We provide details of our earnings by business segment as follows.

Dormitory Business

Our dormitory business saw high occupancy rates, which rose above the previous year's levels by 0.5% points to 97.0% at the start of the term and the number of contracted dormitory residents grew by 1,173 to 29,481 as of the end of December. However, an increase in the number of new residents moving into dormitories early in March and a decline in the contracts for large numbers of foreign students contributed to a decline in contract fees received. Consequently sales growth was restrained to 2.8% year-over-year to ¥30,112 million. At the same time, operating income declined by 1.6% year-over-year to ¥3,631 million due to anticipatory expenses arising from the start of new businesses, higher utility fees, and promotion of planned renovations in accordance with our long-term strategy. However, this level of profits was in line with our estimates.

Hotel Business

The new facilities "Natural Hot Spring Chagetsu no Yu Dormy Inn EXPRESS Kakegawa" and "Natural Hot Spring Yugiri no Yu Dormy Inn Premium Namba" were opened in the Dormy Inn business during the current term under review. Furthermore, occupancy rates trended favorably and exceeded the previous year's levels on the back of increased recognition of facilities newly opened in the previous term.

In the resort hotel business, "Inishie no Yado Ikyu" was newly opened during the current term. Furthermore, overall occupancy rates improved not only during the summer vacation season but also during the yearend holiday season and throughout the first three quarters due to detailed marketing efforts at various facilities. Therefore, sales and operating income rose by large margins of 11.6% and 35.5% year-over-year to ¥33,188 and ¥3,775 million respectively.

Contracted Services Business

In the contracted services business, declines in rental income due to the sale of properties in the previous term and decreases in orders of the construction division were recorded. Consequently, sales declined by 15.1% year-over-year to ¥8,335 million, while operating loss improved by ¥28 million year-over-year to ¥12 million.

Food Services Business

Severe operating conditions remained in place in the food services business, but signs of a gradual recovery have begun to appear due to improvements in consumer spending. Because Gyoda City has decided to dispute the court's ruling on a litigation case with Kyoritsu Maintenance over its hot spring bathing facilities in September, we expect to book the operating expenses of this facility as non-operating expenses from September onwards. As a result of these developments, sales grew by 5.2% year-over-year to ¥3,888 million and operating loss improved by ¥48 million year-over-year to ¥41 million.

Construction Business

In the construction business, an increase in comprehensive type orders contributed to an increase in sales. However, construction and other expenses trended at high levels during the term under review. Consequently, sales rose by 152.6% year-over-year to ¥3,813 million, and operating income of ¥61 million was recorded (A ¥91 million improvement from the operating loss in the same term of the previous fiscal year).

Other Business

Our other business segment is comprised of the Wellness Life business (Management of senior citizen housing), the Public Kyoritsu Partnership business (PKP: Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support business and insurance agency business, comprehensive human resource services business, and financing and administrative outsourcing services. Sales of this business rose by 35.5% year-over-year to ¥5,206 million, while the operating loss improved by ¥4 million from the previous third quarter to ¥283 million.

(2) Explanation of Financial Position

(Assets)

Total consolidated assets grew by ¥9,980 million from the end of the previous fiscal year to ¥132,240 million at the end of the third quarter. One of the main factors behind this increase was rise in cash and equivalents.

(Liabilities)

Over the same period, total liabilities also grew by ¥10,913 to ¥98,390 million due primarily to increases in convertible bonds with stock options.

(Net Assets)

Net assets declined by ¥932 million from the end of the previous fiscal year to ¥33,850 million at the end of the third quarter due primarily to the acquisition of treasury stocks and increases in retained earnings. Consequently, net asset ratio declined by 2.8% points from the end of the previous fiscal year to 25.6% at the end of the current third quarter.

(3) Explanation of Future Forecasts Including Consolidated Earnings Estimates

With regards to the consolidated earnings estimates, there have been no changes made to the upwardly revised consolidated earnings estimates detailed in our announcement released on November 8, 2013 and entitled "Notification of Revision to Our Earnings Estimates".

2. Summary Information (Notes)

(1) Changes in Important Consolidated Subsidiaries during the Quarter

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. However, when calculation using reasonably estimated annual tax effect accounting rates causes irrational results, the income tax amount will be calculated using the legal tax rate.

(3) Revision in Accounting Policies, Changes and Redisplay of Accounting Estimates

Not applicable

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

| | (Units: Million Yen) | |
|----------------------------------|----------------------------|----------------------------------|
| | FY3/13 (March 31, 2013) | 3Q FY3/14 (December 31, 2013) |
| Assets | | |
| Current Assets | | |
| Cash and equivalents | 17,622 | 26,178 |
| Notes, accounts receivable | 6,480 | 4,236 |
| Real estate for sale | 302 | 213 |
| Uncompleted real estate for sale | 914 | 2,093 |
| Uncompleted construction payment | 14 | 82 |
| Others | 5,551 | 6,037 |
| Doubtful account reserves | -32 | -26 |
| Total current assets | 30,852 | 38,814 |
| Fixed Assets | | |
| Tangible fixed assets | | |
| Buildings, structures (net) | 29,276 | 30,527 |
| Land | 24,426 | 24,651 |
| Others (net) | 4,629 | 3,738 |
| Total tangible fixed assets | 58,332 | 58,917 |
| Intangible fixed assets | 1,950 | 1,881 |
| Investments, other assets | | |
| Investment securities | 5,818 | 5,958 |
| Security deposits | 10,745 | 11,426 |
| Deposits | 9,063 | 9,333 |
| Others | 5,632 | 6,022 |
| Doubtful account reserves | -207 | -204 |
| Total investments, other assets | 31,052 | 32,535 |
| Total fixed assets | 91,335 | 93,334 |
| Deferred assets | 71 | 91 |
| Total assets | 122,259 | 132,240 |

(Units: Million Yen)

| | FY3/13 (March 31, 2013) | 3Q FY3/14 (December 31, 2013) |
|---|----------------------------|----------------------------------|
| Liabilities | | |
| Current Liabilities | | |
| Notes, accounts payable | 4,174 | 2,745 |
| Short term debt | 14,074 | 20,434 |
| Bond, portion redeemable within 1 year | 1,150 | 1,150 |
| Unpaid taxes | 1,528 | 1,033 |
| Prepayments received | 10,880 | 8,155 |
| Bonus reserves | 1,029 | 692 |
| Director bonus reserves | 232 | 224 |
| Completed construction guarantee reserves | 11 | 11 |
| Others | 5,811 | 5,045 |
| Total current liabilities | 38,892 | 39,492 |
| Fixed liabilities | | |
| Bonds | 7,450 | 6,550 |
| Convertible bonds with stock options | — | 15,000 |
| Long term debt | 34,976 | 31,363 |
| Retirement benefit reserve | 1,201 | 1,264 |
| Director retirement benefit reserve | 309 | 311 |
| Point reserve | — | 10 |
| Others | 4,647 | 4,398 |
| Total fixed liabilities | 48,584 | 58,898 |
| Total liabilities | 87,476 | 98,390 |
| Net assets | | |
| Shareholders' equity | | |
| Capital | 5,136 | 5,136 |
| Capital reserve | 5,943 | 5,943 |
| Retained earnings | 25,675 | 28,019 |
| Treasury stock | -1,811 | -5,470 |
| Total shareholders' equity | 34,943 | 33,628 |
| Other comprehensive income, aggregated | | |
| Other marketable security valuation gain | -198 | 107 |
| Foreign exchange adjustment account | 37 | 114 |
| Total comprehensive income, aggregated | -160 | 222 |
| Total net assets | 34,782 | 33,850 |
| Total liabilities and net assets | 122,259 | 132,240 |

(2) Quarterly Consolidated Income Statement and Comprehensive Income Statement
 Quarterly Consolidated Income Statement
 Aggregated Third Quarter

(Units: Million Yen)

| | 3Q FY3/13 (From April 1, 2012 To December 31, 2012) | 3Q FY3/14 (From April 1, 2013 To December 31, 2013) |
|---|---|---|
| Sales | 70,546 | 76,693 |
| CGS | 56,340 | 60,953 |
| Gross income | 14,206 | 15,740 |
| SG&A | 9,607 | 10,207 |
| Operating income | 4,598 | 5,532 |
| Non-operating income | | |
| Interest income | 58 | 69 |
| Dividend income | 31 | 38 |
| Foreign exchange translation gains | 56 | 295 |
| Others | 183 | 174 |
| Total non-operating income | 329 | 578 |
| Non-operating expense | | |
| Interest payment | 945 | 801 |
| Others | 201 | 229 |
| Total non-operating expense | 1,146 | 1,030 |
| Ordinary income | 3,781 | 5,080 |
| Extraordinary income | | |
| Fixed asset liquidation | 236 | — |
| Compensation received | — | 31 |
| Others | 15 | — |
| Total extraordinary income | 252 | 31 |
| Extraordinary loss | | |
| Impairment loss | 153 | — |
| Dismantlement costs | — | 13 |
| Others | 84 | — |
| Total extraordinary loss | 237 | 13 |
| Net income before taxes | 3,796 | 5,098 |
| Taxes | 1,774 | 2,142 |
| Net income before adjustment for minority interests in income | 2,021 | 2,956 |
| Net income | 2,021 | 2,956 |

Quarterly Consolidated Comprehensive Income Statement
 Aggregated Third Quarter

(Units: Million Yen)

| | 3Q FY3/13 (From April 1, 2012 to December 31, 2012) | 3Q FY3/14 (From April 1, 2013 to December 31, 2013) |
|---|---|---|
| Net income before adjustment for minority interests in income | 2,021 | 2,956 |
| Other comprehensive income | | |
| Other marketable securities valuation gains | 73 | 306 |
| Foreign exchange translation accounts | — | 76 |
| Total other comprehensive income | 73 | 382 |
| Quarterly comprehensive income | 2,094 | 3,338 |
| (Details) | | |
| Comprehensive income of parent company shareholders | 2,094 | 3,338 |
| Comprehensive income of minority shareholdings | — | — |

(3) Quarterly Consolidated Financial Statement Notes

(Notes Regarding Going Concern Assumptions)

Not applicable

(Notes Regarding Significant Changes in Shareholders' Equity)

In accordance with the resolution to acquire treasury stock passed during the board of directors' meeting held on May 20, 2013, Kyoritsu Maintenance acquired treasury stock. Through the purchase of both treasury stock and odd lot shares, the value of treasury stock increased by ¥3,659 million from the end of the previous term to ¥5,470 million at the end of the third quarter.

(Segment Information)

Segment Information

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

1. Information pertaining to segment sales, operating income and losses

(Units: Million Yen)

| | Reported Segments | | | | | | Others (Note) 1 | Total | Adjustments (Note) 2 | Consolidated (Note) 3 |
|------------------|-------------------|--------|------------------------|------------------|------------------|-----------|--------------------|--------|-------------------------|--------------------------|
| | Dormitories | Hotels | Contracted Services | Food Services | Constructi on | 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 |

(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, administrative agent 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

In the "Food Services" segment, Kyoritsu has taken the decision to reduce the book value of its restaurant assets to the value amount which can be recovered for restaurants whose declines in profitability have made recovery of the full value of the investments difficult. This reduction value is booked as an impairment loss in extraordinary losses, and the value of this impairment loss during the aggregated third quarter was ¥87 million.

With regards to the Wellness Life business in the "Others" segment, Kyoritsu has taken the decision to reduce the book value of its facility assets to the value amount which can be recovered for facilities whose declines in profitability have made recovery of the full value of the investments difficult. This reduction value is booked as an impairment loss in extraordinary losses, and the value of this impairment loss during the aggregated third quarter was ¥65 million.

II. Consolidated Data for Aggregated Third Quarter of Fiscal Year March 2014 (From April 1 to December 31, 2013)

1. Information pertaining to segment sales, operating income and losses

(Units: Million Yen)

| | Reported Segments | | | | | | Others (Note) 1 | Total | Adjustments (Note) 2 | Consolidated (Note) 3 |
|------------------|-------------------|--------|------------------------|------------------|------------------|-----------|--------------------|--------|-------------------------|--------------------------|
| | Dormitories | Hotels | Contracted Services | Food Services | Constructi on | Sub Total | | | | |
| Sales | | | | | | | | | | |
| External sales | 29,989 | 33,125 | 5,315 | 1,152 | 2,174 | 71,757 | 4,936 | 76,693 | — | 76,693 |
| Internal sales | 123 | 63 | 3,020 | 2,735 | 1,638 | 7,581 | 270 | 7,852 | -7,852 | — |
| Total | 30,112 | 33,188 | 8,335 | 3,888 | 3,813 | 79,339 | 5,206 | 84,545 | -7,852 | 76,693 |
| Operating income | 3,631 | 3,775 | -12 | -41 | 61 | 7,414 | -283 | 7,131 | -1,598 | 5,532 |

(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, administrative agent services and other related services.

2. Adjustment for segment profit, loss of ¥1,598 million includes ¥25 million for inter-segment transaction eliminations, and ¥1,573 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

Not applicable