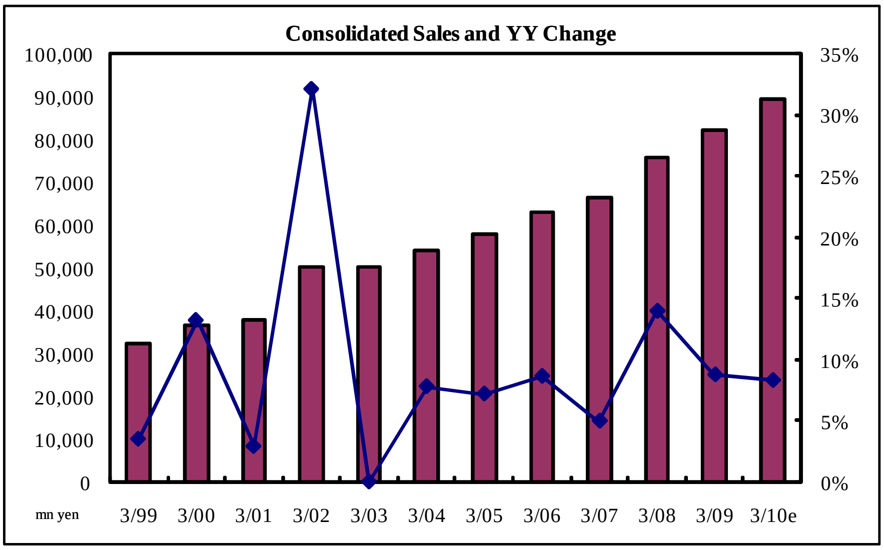
Kyoritsu Maintenance Co., Ltd.

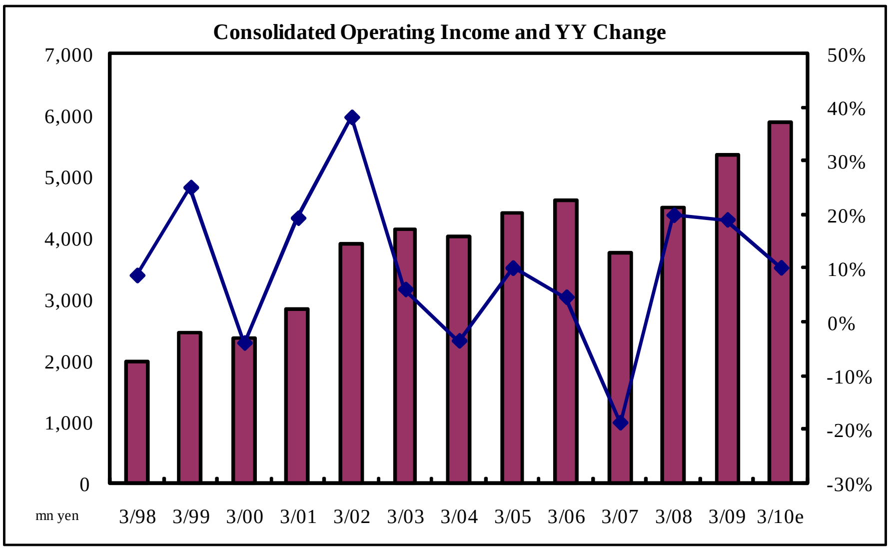
(Securities Code: 9616)

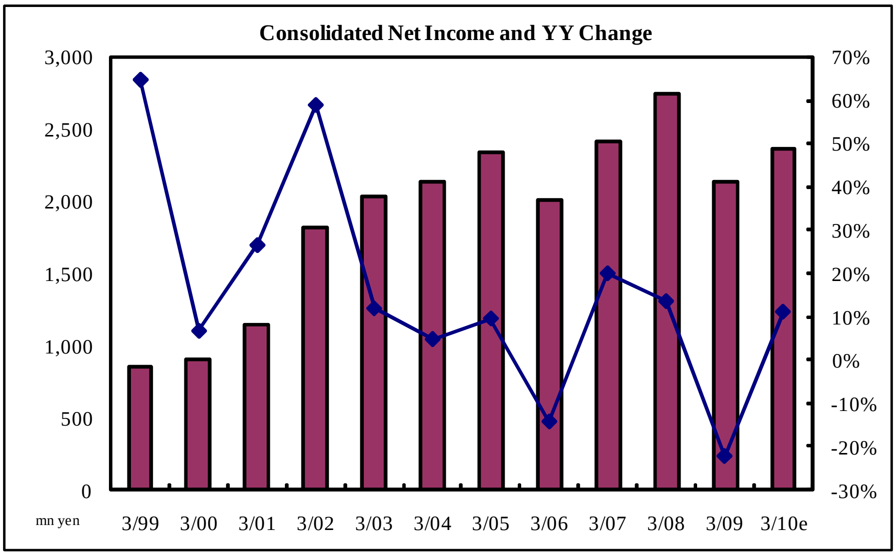
Fiscal Year March 2009
Consolidated Earnings Results Update

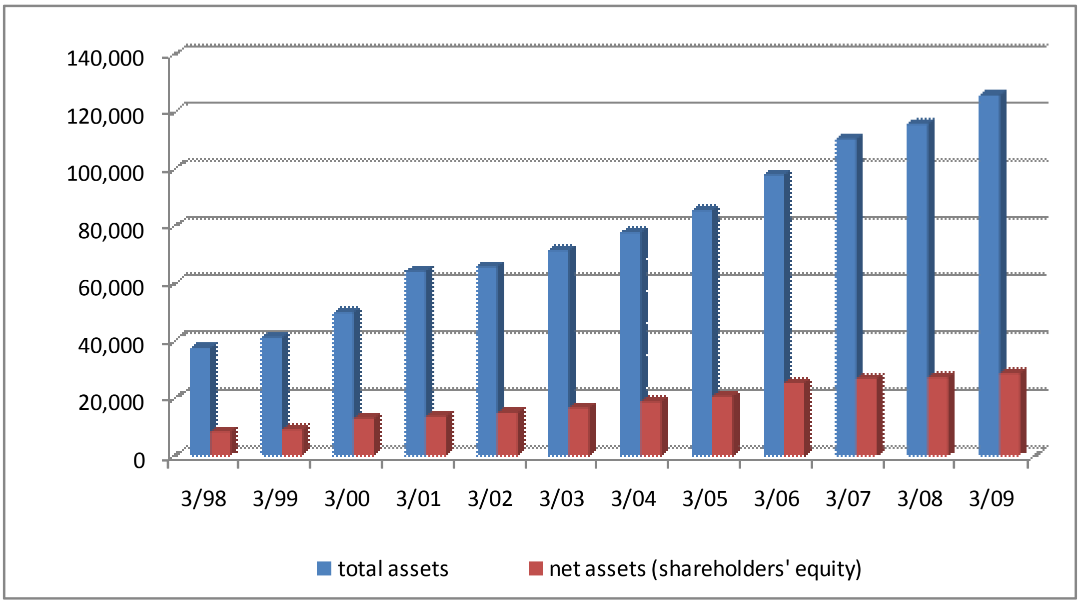
May 2009

Kyoritsu Maintenance Consolidated Financial Data at a Glance





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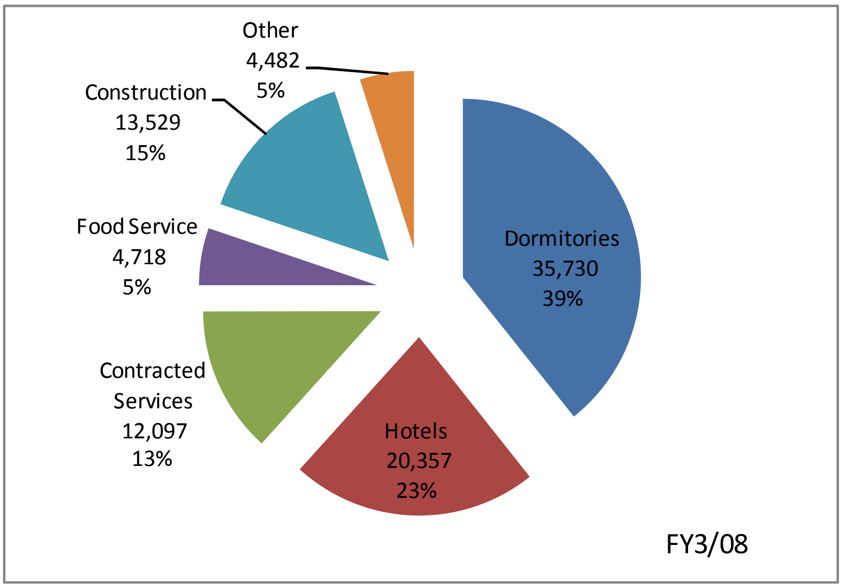
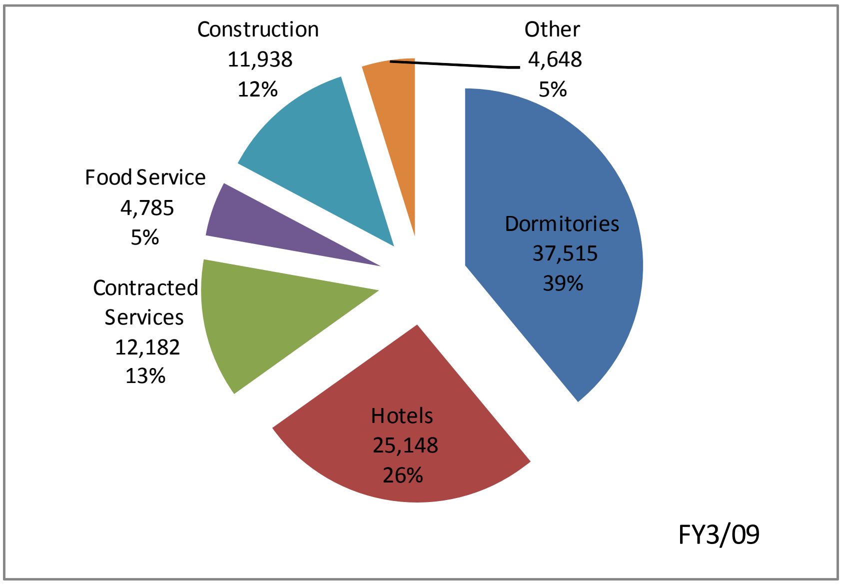


(Units: Million Yen)



(Units: Million Yen)

Consolidated Income Statement	**3/96**	**3/97**	**3/98**	**3/99**	**3/00**	**3/01**	**3/02**	**3/03**	**3/04**	**3/05**	**3/06**	**3/07**	**3/08**	**3/09**	**3/10e**
net sales	26,399	30,126	31,332	32,458	36,788	37,884	50,065	50,109	54,081	58,014	63,085	66,287	75,606	82,303	89,210
gross income	5,430	5,639	6,188	6,578	7,173	7,834	10,221	10,785	10,541	10,894	11,783	12,242	14,183	15,507	na
operating income	1,628	1,814	1,971	2,465	2,369	2,828	3,908	4,149	4,004	4,407	4,611	3,745	4,492	5,349	5,890
ordinary income	1,537	1,705	1,864	2,203	2,281	2,643	3,580	3,885	4,060	4,411	4,824	3,787	4,167	4,510	4,690
net income	288	684	517	850	907	1,147	1,822	2,039	2,138	2,343	2,011	2,413	2,740	2,133	2,370
Consolidated Balance Sheet															
current assets	9,059	10,952	12,391	15,336	19,900	23,793	18,100	22,138	22,122	23,254	23,350	24,901	19,967	21,852	na
fixed assets	22,565	24,322	24,872	25,695	29,867	40,478	47,768	49,497	55,715	62,336	74,681	85,562	95,728	103,891	na
total assets	31,624	35,593	37,480	41,144	49,880	64,327	65,867	71,647	77,865	85,620	98,047	110,507	115,738	125,793	na
current liabilities	14,461	16,254	18,980	20,921	19,731	28,513	27,031	31,610	29,374	31,585	44,039	37,342	44,119	41,615	na
fixed liabilities	9,300	10,943	9,954	10,946	16,977	22,064	23,761	23,146	29,433	33,077	28,316	46,068	44,079	55,266	na
total liabilities	23,761	27,197	28,934	31,866	36,707	50,577	50,792	54,755	58,806	64,663	72,355	83,411	88,199	96,882	na
net assets (shareholders' equity)	7,863	8,396	8,546	9,278	13,169	13,747	15,073	16,824	18,935	20,788	25,512	27,096	27,538	28,911	na
yy change															
net sales	na	14.1%	4.0%	3.6%	13.3%	3.0%	32.2%	0.1%	7.9%	7.3%	8.7%	5.1%	14.1%	8.9%	8.4%
gross income	na	3.9%	9.7%	6.3%	9.0%	9.2%	30.5%	5.5%	-2.3%	3.3%	8.2%	3.9%	15.9%	9.3%	na
operating income	na	11.4%	8.7%	25.1%	-3.9%	19.4%	38.2%	6.1%	-3.5%	10.1%	4.6%	-18.8%	19.9%	19.1%	10.1%
ordinary income	na	11.0%	9.3%	18.2%	3.5%	15.9%	35.4%	8.5%	4.5%	8.6%	9.4%	-21.5%	10.0%	8.2%	4.0%
net income	na	137.5%	-24.5%	64.6%	6.7%	26.5%	58.8%	11.9%	4.8%	9.6%	-14.2%	20.0%	13.6%	-22.2%	11.1%
margins															
gross margins	20.6%	18.7%	19.8%	20.3%	19.5%	20.7%	20.4%	21.5%	19.5%	18.8%	18.7%	18.5%	18.8%	18.8%	na
operating margins	6.2%	6.0%	6.3%	7.6%	6.4%	7.5%	7.8%	8.3%	7.4%	7.6%	7.3%	5.6%	5.9%	6.5%	6.6%
ordinary margins	5.8%	5.7%	6.0%	6.8%	6.2%	7.0%	7.2%	7.8%	7.5%	7.6%	7.6%	5.7%	5.5%	5.5%	5.3%
net margins	1.1%	2.3%	1.6%	2.6%	2.5%	3.0%	3.6%	4.1%	4.0%	4.0%	3.2%	3.6%	3.6%	2.6%	2.7%
other benchmarks															
ROE	3.7%	8.1%	6%	9%	7%	8%	12%	12%	11%	11%	8%	9%	10%	7%	na
ROA	0.9%	1.9%	1%	2%	2%	2%	3%	3%	3%	3%	2%	2%	2%	2%	na
equity ratio	24.9%	23.6%	22.8%	22.6%	26.4%	21.4%	22.9%	23.5%	24.3%	24.3%	26.0%	24.5%	23.8%	23.0%	na
Units: million yen															

Fiscal Year March 2009 Earnings Announcement

May 15, 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
General Shareholders' Meeting Date (anticipated): June 26, 2009
Earnings Announcement Filing Date (anticipated): June 26, 2009

1. Fiscal Year March 2009 Consolidated Earnings (From April 1, 2008 to March 31, 2009)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%yy	Million yen	%yy	Million yen	%yy	Million yen	%yy
FY3/09	82,303	8.9	5,349	19.1	4,510	8.2	2,133	-22.2
FY3/08	75,606	14.1	4,492	19.9	4,167	10.0	2,740	13.6

	EPS	Fully Diluted EPS	ROE	Ordinary Income to Net Asset Ratio	Operating Margin
	Yen	Yen	%	%	%
FY3/09	148.49	118.53	7.6	3.7	6.5
FY3/08	186.66	149.64	10.1	3.7	5.9

(Reference) Equity accounting method profit: 0 yen in FY3/09, 28 million yen in FY3/08

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
FY3/09	125,793	28,911	22.8	1,995.59
FY3/08	115,738	27,538	23.6	1,897.73

(Reference) Capital: 28,670 million yen in FY3/09, 27,266 million yen in FY3/08

(3) Consolidated Cash Flow Conditions

	Operating Cash Flow	Investing Cash Flow	Financing Cash Flow	Cash and Equivalents at Term End
	Million yen	Million yen	Million yen	Million yen
FY3/09	7,661	-13,738	8,948	10,931
FY3/08	3,355	-13,604	4,590	8,061

2. Dividend Conditions

	Dividends per Share					Total Dividend Payment (Annual)	Dividend Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
Registry Date	End 1Q	End 2Q	End 3Q	End Year	Full Year			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY3/08		18.00		20.00	38.00	555	20.4	2.0
FY3/09		19.00		19.00	38.00	545	25.6	1.9
FY3/10 (Projected)		19.00		19.00	38.00	—	23.0	—

3. Fiscal Year March 2010 Consolidated Earnings Projection (April 1, 2009 to March 31, 2010)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Yen
First Half	43,650	3.9	3,490	0.5	2,820	-9.4	1,470	0.3	102.32
Full Year	89,210	8.4	5,890	10.1	4,690	4.0	2,370	11.1	164.97

4. Others

(1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None

(2) 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: None

(3) Shares issued (Common stock)

① Shares issued as of term end (including treasury stock): 15,125,582 shares in FY3/09, 15,125,582 shares in FY3/08

② Treasury stock as of term end: 758,951 shares in FY3/09, 757,865 shares in FY3/08

(Reference) Parent Earnings Results

1. Fiscal Year March 2009 Parent Earnings (From April 1, 2008 to March 31, 2009)

(1) Parent Earnings

	Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%yy	Million yen	%yy	Million yen	%yy	Million yen	%yy
FY3/09	63,704	11.5	4,069	25.6	3,605	9.1	1,738	-28.4
FY3/08	57,130	19.1	3,241	23.1	3,304	6.1	2,427	11.1

	EPS	Fully Diluted EPS
	Yen	Yen
FY3/09	120.99	96.58
FY3/08	165.32	132.54

(2) Parent Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
FY3/09	112,028	26,909	24.0	1,873.06
FY3/08	100,751	25,897	25.7	1,802.48

(Reference) Capital: 26,909 million yen in FY3/09, 25,897 million yen in FY3/08

2. Fiscal Year March 2010 Parent Earnings Projection (April 1, 2009 to March 31, 2010)

	Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Yen
First Half	35,080	5.4	2,960	0.3	2,460	-12.2	1,370	0.1	95.36
Full Year	67,960	6.7	4,750	16.7	3,820	6.0	2,060	18.5	143.39

- 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.

1. Earnings Performance

(1) Analysis of Our Earnings Performance

1. Overview of Our Earnings in the Current Term

(Consolidated)

	FY3/08	FY3/09	YY Change
	Million yen	Million yen	%
Net Sales	75,606	82,303	8.9
Operating Income	4,492	5,349	19.1
Ordinary Income	4,167	4,510	8.2
Net Income	2,740	2,133	-22.2

During the fiscal year under review, confusion in the global financial markets caused by the subprime loan problem was compounded by large fluctuations in crude oil and other materials prices and the yen. These factors in turn contributed to declines in corporate profitability, worsening in the employment environment, and weaker consumer spending.

Against this backdrop, our efforts to strengthen alliances with universities and vocational schools in our core dormitory business led to increases in tenant contracts for student dormitories. Furthermore we also saw continued strong demand for employee housing in our corporate dormitory business. In our hotel business we maintained high levels of occupancy rates in our Dormy Inn (business hotels) operations and strong improvements in the occupancy rates of our resort hotels operations. During the term under review, the opening of five new business hotels (Natural Hot Springs Rokka no Yu Dormy Inn Kumamoto, Natural Hot Springs Iwakizakura no Yu Dormy Inn Hirosaki, Sanuki no Yu Dormy Inn Takamatsu, Natural Hot Springs Tarumae no Yu Dormy Inn Tomakomai, and Natural Hot Springs Achi no Yu Dormy Inn Kurashiki) and one resort hotel (La Vista Hakodate Bay) contributed to an increase in sales of our hotel business. Efforts to improve the profitability at each of our facilities also contributed to a large increase in profits as well. Consequently we were able to record sales growth of 8.9% or 6,696 million yen year-over-year to 82,303 million yen, along with 19.1% and 8.2% year-over-year growth in our operating and ordinary incomes to 5,349 and 4,510 million yen respectively during term under review, extending the growth in both sales and profits recorded during the previous term. However valuation losses on shares resulting from the pronounced declines in share prices and delays in liquidation of real estate due to weakness in the property markets led to a 22.2% year-over-year decline in net income to 2,133 million yen (During the previous fiscal year we recorded an profit on fixed asset liquidation of 1.35 billion yen arising from the liquidation of three SPC companies.).

2. Overview of Our Business by Segment

<Dormitory Business (Student, Corporate, Domier, Outsourced)> (Units: million yen)

	FY3/08	FY3/09	% YY Change
Contracted Residents (people)	27,198	28,035	3.1
Sales	35,730	37,515	5.0
Operating Income	5,461	5,716	4.7

In our dormitory business, conditions remained difficult due to the continued contraction in the Japanese population arising from declining birth rates and subsequently the population of 18 year old Japanese declined by 3.1% year-over-year to 1.23 million. Despite this decline, the proportion of Japanese students going on to secondary education at universities and vocational schools continued to rise. Against this backdrop we continued our efforts to strengthen our existing relationships with various vocational and preparatory schools, in addition to universities. Furthermore we were able to leverage the “healthy food served in our cafeterias” and the “safety of our fully managed facilities with 24 hour on location supervisors” to form new relationships with Keio University, Meiji University, Tokyo Polytechnic University, and Tokyo City University. Therefore we were able to see a 4.7% rise in the number of residents from the previous year to 16,736 residents contracted at the end of the year and a 7.8% year-over-year increase in sales to 22,139 million yen from the 1,573 schools and universities with which we maintain relationships.

In our corporate dormitory business, the market remained favorable with the number of new graduates rising by a large 13.0% year-over-year to 932,000 despite an overall decline in the work force of 0.4% year-over-year to 63.85 million workers. Along with this increase in hiring of younger workers, Japanese corporations are also beginning to rely more upon corporate dormitories to provide housing for their workers because of the important role that dormitories play in “providing opportunities for employees to communicate and bond with each other.”

Against this backdrop, we continued our sales efforts to capture outsourcing opportunities for various corporate facilities including dormitories and training facilities. Consequently we were able to record a 2.7% year-over-year increase in sales to 9,511 million yen from the 1,203 corporate clients we serve.

In our Domier operations, we leveraged the know-how accumulated in our student and corporate dormitory operations to capture demand from changing lifestyles of students and employee residents by providing them with studio type condominium dormitories. We are also effective in leveraging the high quality food services of our cafeteria function to grow the number of both student and employee residents. Therefore in the term under review we were successful in securing high occupancy rates at four newly opened facilities, and we recorded a 5.2% year-over-year rise in the number of contracted residents to 3,888 and a 1.9% year-over-year increase in sales to 3,456 million yen.

In our outsourced dormitory business we are responsible for the management of dormitories owned by corporations and schools. During the term under review we sought to accurately assess the outsourcing needs of various facilities and to expand our orders by differentiating ourselves from our competitors to become "Japan's best dormitory operator." However, a worsening of the economy contributed to cancelation of some or our contracts and sales declined by 4.9% year-over-year to 2,407 million yen.

Consequently, the total number of facilities in our dormitory business increased by 14 to 401 and the number of our contracted residents grew by 1,403 to 30,166. Consequently our sales rose by 5.0% to 37,515 million yen and extensive cost reduction efforts allowed operating income to grow by 4.7% year-over-year to 5,716 million yen.

<Hotel Business (Dorm Inn, Resorts)> (Units: million yen)

	FY3/08	FY3/09	% YY Change
Sales	20,357	25,148	23.5
Operating Income	-456	103	—

In our Dorm Inn business (business hotels), we have chosen to differentiate our operations by offering unique hospitality services which reflect the needs of our customers while most of our competitors have adopted strategies which pursue labor-savings by specializing in accommodations functions only. Among the services sought by our customers, we have noted strong demand for "large hot spring type bathing facilities" and "good tasting breakfasts," and we also offer business trip packages, and late night check-in to accommodate our customers' special needs. Furthermore we also offer special accommodation plans catering to female customers and weekend plans designed to capture demand from traveling families. Amidst these developments, we opened five new facilities including Natural Hot Springs Rokka no Yu Dormy Inn Kumamoto, Natural Hot Springs Iwakizakura no Yu Dormy Inn Hirosaki, Sanuki no Yu Dormy Inn Takamatsu, Natural Hot Springs Tarumae no Yu Dormy Inn Tomakomai, and Natural Hot Springs Achi no Yu Dormy Inn Kurashiki, bringing the total number of our Dormy Inn facilities to 32. Also during the term our efforts were successful in maintaining high occupancy rates of 80.1% at all of our facilities, including our newly opened facility. Consequently sales of this division rose by 23.7% year-over-year to 10,795 million yen.

In our resort business (resort hotel operations), we maintain the objective of providing hotels that offer "high quality resort lifestyles at reasonable prices" as well as providing "comfortable accommodations" in order to maintain high satisfaction levels of our customers. During the period under review we continued our efforts to maintain high occupancy rates through high customer satisfaction rates at our newly opened facility, "La Vista Hakodate Bay," in addition to the three new facilities opened in the last period and our other existing facilities. We have also strengthened our marketing for all of our facilities and began a television commercial campaign advertising our facilities. As a result of these efforts, we saw a 23.4% year-over-year increase in sales to 14,352 million yen.

Consequently we were able to grow the total number of our hotel facilities by six year-over-year to 49, our rooms by 1,261 to 6,618, and sales by 23.5% year-over-year to 25,148 million yen. Although we incurred higher operating charges accompanying the opening of these new facilities, successful efforts to stringently manage costs and to improve profitability at each of our facilities allowed us to see a 560 million yen improvement in our operating income to 103 million yen from the loss in the previous year.

<Contracted Services Business> (Units: million yen)

	FY3/08	FY3/09	% YY Change
Sales	12,097	12,182	0.7
Operating Income	579	629	8.6

The contracted services business includes maintenance and management services for both offices and residences, rental of consigned buildings, and parking lot management. Pricing competition within the industry remained severe along with the contraction in the overall economy. In particular, conditions within the building maintenance industry in the greater Tokyo metropolitan area remained severe, with strong demands for price cuts and cancelation of contracts.

Against this backdrop, we sought to aggressively strengthen our capabilities in the areas of property management and building management. At the same time we endeavored to fortify our operating foundation through strict management of costs and efforts to raise productivity.

Consequently our contracted services business sales rose by 0.7% year-over-year to 12,182 million yen and operating income grew by 8.6% year-over-year to 629 million yen.

<Food Service Business (Restaurants, Outsourced Cafeterias, Hotels and Restaurants)> (Units: million yen)

	FY3/08	FY3/09	% YY Change
Sales	4,718	4,785	1.4
Operating Income	28	-80	—

In our food services business, weakening consumer sentiment on the back of the worsening economy contributed to price cuts by large food service chains. With these trends in place, we continued our efforts to control variable costs and strengthen our earnings structure. Furthermore, we implemented format changes at two of our restaurants. As a result of these efforts our sales grew by 1.4% year-over-year to 4,785 million yen, while we incurred an operating loss of 80 million yen.

<Construction Business> (Units: million yen)

	FY3/08	FY3/09	% YY Change
Sales	13,529	11,938	-11.8
Operating Income	373	419	12.4

Operating conditions in our construction business rapidly worsened as a result of lackluster sales brought on by a weakening in both the economy and real estate prices. Against this backdrop, we continued our strategy of focusing upon development of dormitories and business hotels.

Consequently in our construction business we saw a decline in sales of 11.8% year-over-year to 11,938 million yen while operating profit grew by 12.4% year-over-year to 419 million yen due to strict management of costs.

<Other Business> (Units: million yen)

	FY3/08	FY3/09	% YY Change
Sales	4,482	4,648	3.7
Operating Income	240	209	-12.9

Our other business is comprised of the wellness life (management of senior citizen housing), life (catalog and rental sales), advertising agency, rental property brokerage, comprehensive human resources, and financing services. This division’s sales rose 3.7% from the previous fiscal year to 4,648 million yen, while operating income fell by 12.9% year-over-year to 209 million yen.

3. Earnings Projections

(Consolidated) (Units: million yen)

	FY3/09 Results	FY3/10 Projections	% YY Change
Net Sales	82,303	89,210	8.4
Operating Income	5,349	5,890	10.1
Ordinary Income	4,510	4,690	4.0
Net Income	2,133	2,370	11.1

(Parent) (Units: million yen)

	FY3/09 Results	FY3/10 Projections	% YY Change
Sales	63,704	67,960	6.7
Operating Income	4,069	4,750	16.7
Ordinary Income	3,605	3,820	6.0
Net Income	1,738	2,060	18.5

We anticipate the Japanese economy to trend weakly due to the uncertainty in global financial markets. We also anticipate continued stagnation in equity prices and personal income to dampen consumer spending during the coming term. Against this backdrop, we will endeavor to fortify our management and earnings structures in order to become more resilient to adverse affects of the operating environment.

With regards to our projections for the coming fiscal year, in our dormitory business we saw a relatively strong 92.9% occupancy rates in April, which is a leading indicator for our earnings performance in the coming year. In the coming fiscal year March 2010, we expect to develop one new unit and refurbish 13 of our existing facilities to add 1,051 rooms as we endeavor to capture the changing needs of the market. This will bring the total number of facilities and rooms which we operate to 414 and 31,217 respectively. With regards to our marketing function in the area of our student dormitory business, we will continue to strengthen our relationships with major universities nationwide and seek opportunities to “serve their students’ housing needs.” Concurrently in the area of our corporate dormitories, we are pursuing a flexible marketing strategy designed to capture the growing demand for outsourcing of corporate dormitory and other facilities. Furthermore we are also aggressively marketing to corporations to receive outsourcing contracts for their training facility management to our company. In response to strong demand in the market for our Domier business, we will increase the speed of our development of these facilities in the major metropolitan regions of Japan.

In our hotel business, we plan to open new facilities in major metropolitan areas throughout Japan given the strong occupancy rates on the back of favorable reception from our customers of our existing Dormy Inn Hotel facilities. At these facilities we will offer our guests special business trip and late night check-in functions in addition to “large hot spring type public baths” and “good tasting breakfasts.” In our resort hotel business we will maintain our strategy of providing customers with “high quality resort style facilities at reasonable prices” and offering “comfortable accommodations” in order to capture customer demand resulting from the growing segment of the Japanese population who are retiring and who are likely to travel more. At the same time we will review the development and opening of new facilities in the coming year and focus upon a strategy of “earnings structure allowing consistent growth” by fortifying services and controlling costs at each and every one of our facilities.

Our contracted services business continues to suffer from fierce pricing competition within the industry, reviews of contracts from our customers, demands for price reductions, and cancellation of contracts due to the consolidation of the number of consigned service providers. Amidst these conditions, we will increase the trust of our customers by aggressively promoting our expertise and know-how as a specialist service provider and offer our customers improved services to raise our competitive standing within the industry.

With regards to our food service business, we will continue to focus our attention upon improving our profitability through strict management of variable costs. Also the Kyoritsu Group seeks to raise the efficiency of our restaurants operations at our nationwide network of hotels, and to strengthen our operational know-how related to restaurants located at golf courses. We also seek to develop new business with new restaurants outside of our Group.

In our construction business, we will continue to increase the supply of our dormitory facilities to meet the continued strong demand for in the Tokyo region, as well as increasing the supplies of our business hotels and resort hotels.

In our other business we will focus upon fortifying our earnings foundation by offering comprehensive human resources services designed to respond quickly to the needs of our customers. At the same time we will promote a growth strategy to expand other services belonging to this segment.

Consequently at the consolidated level for Our Group, we project sales to grow by 8.4% year-over-year to 89,210 million yen, and operating, ordinary and net incomes to rise by 10.1%, 4.0% and 11.1% year-over-year to 5,890, 4,690, and 2,370 million yen respectively. And at the parent level we project our sales to rise by 6.7% year-over-year to 67,960 million yen, and our operating, ordinary, and net incomes to grow by 16.7%, 6.0% and 18.5% year-over-year to 4,750, 3,820, and 2,060 million yen respectively. Furthermore we seek to reduce liabilities while at the same time achieving a good balance between financial stability and an ability to capture growth opportunities.

(2) Analysis of Financial Conditions

1. Conditions of Our Assets, Liabilities, and Net Assets

Our total assets increased by 10,055 million yen from the end of the previous fiscal year to 125,793 million yen. The main reasons for this growth were the increases in tangible fixed assets and cash and equivalents due to fund procurement for future capital investments.

Liabilities grew by 8,682 million yen year-over-year to 96,882 million yen during the term under review. The main factor for this increase was the rise in long term debt assumed ahead the turmoil anticipated in the financial markets.

Our net assets also rose by 1,373 million yen from the end of the last fiscal year to 28,911 million yen. The main reason for this increase was growth in retained earnings. Consequently our net asset ratio declined by 0.8% points from the end of the previous fiscal year to 22.8% at the end of the current term.

2. Cash Flow Conditions

During the term under review our consolidated cash and equivalents grew by 2,870 million yen to 10,931 million yen.

(Cash Flow from Our Operating Activities)

During the current fiscal year, we saw a 4,306 million yen increase in our operating cash flow to a net inflow of 7,661 million yen, due primarily to the declines in real estate held as inventories.

(Cash Flow from Our Investing Activities)

During the period under review, we recorded a 133 million yen increase in the net outflow in our investing cash flow to 13,738 million yen. This outflow is attributed to the acquisition of tangible fixed assets for our dormitory and hotel business.

(Cash Flow from Our Financing Activities)
In the current term, we saw an increase of 4,358 million yen in the net inflow of our investing cash flow to 8,948 million yen. The issuance of a corporate bond and assumption of long-term debt were the main factors behind this increase in our cash inflow.

(Reference) Trends in Our Cash Flow Indicators

	FY3/05	FY3/06	FY3/07	FY3/08	FY3/09
Net Asset Ratio (%)	24.3	26.0	24.4	23.6	22.8
Capital Adequacy Ratio, Market Capitalization Based (%)	29.3	61.1	36.9	22.1	17.6
Cash Flow to Interest Bearing Debt Ratio (%)	5.7	7.7	14.7	17.5	8.9
Interest Rate Coverage Ratio	13.0	10.6	4.9	3.6	7.7

Net Asset Ratio: Net Assets / Total Assets
Capital Adequacy Ratio: Market Capitalization / Total Assets
Cash Flow to Interest Bearing Debt Ratio: Interest Bearing Debt / Operating Cash Flow
Interest Coverage Ratio: Operating Cash Flow / Interest Payments

1. Each indicator is based on consolidated financial data.
2. Market capitalization excludes treasury stock.
3. Cash flow is based on our operating cash flow.
4. Interest bearing debt includes all of the liabilities which bear interest payments on our consolidated balance sheet.
5. We use interest payments from our consolidated cash flow statements.

(3) Our Basic Policy Regarding the Distribution of Profits in the Current and Next Terms
We consider the capital sourced from the capital markets and contributed by shareholders to be invaluable, and place a high priority on the distribution of profits to our shareholders in line with our earnings performance. One of our goals is to maintain a stable level of dividends over the long-term and we have established a target dividend payout ratio of over 20%. During recent years we have been able not only to increase our dividends, but also to offer stock splits, effectively raising our overall dividend payout. With regards to distribution of profits to shareholders during the current term, we expect to maintain the same full year dividend as the previous term of 38 yen per share. In the future, we will endeavor to maintain a stable level of dividends while also responding flexibly to reflect changes in our earnings and with a view to the conversion of our convertible bond type stock options issued in September 2004 and September 2006. At the same time we also seek to retain a level of earnings that will give our management the flexibility to make necessary capital investments in response to changes in the market and to develop new businesses whenever appropriate.

(4) Business Risks
Below we note the important risk factors that maybe considerations when making an investment in our Company. We consider these factors to be the main risks existing during the course of our operations during the term under review.

1. Our Sales Conditions
In our core dormitory business, we operate and manage various facilities with the goal of providing a highly relaxing environment and experience to our residents, making them feel as if they were in their own home. In addition to our efforts to strengthen our relationships with various schools to provide their students with room and board, we provide flexible housing solutions to Japanese corporations, whose employee numbers change dramatically, by supplying them with only the number of rooms they need to match the number of employees needing housing. But because our dormitories are primarily leased from the owners of the facilities, we are able to provide flexible solutions as mentioned above. At the same time we are at risk of being negatively impacted by the cancellation of resident contracts by schools, and by corporations due to restructuring of their work force.

With regards to our hotel business, we have been able to insulate ourselves from large fluctuations in occupancy rates at our Dormy Inn Hotels by providing various unique services and amenities such as extended-stay programs which help to differentiate our facilities from our competitors. However we remain vulnerable to fluctuations and volatility in corporate demand caused by changes in the economy. In our resort hotel business, we are also subject to the volatility in occupancy rates arising from weather related calamities such as typhoons, as well as from fluctuations in the economy. Therefore our sales may fall below our expectations during peak seasonal periods and our Group earnings may also be impacted by these events.

Regarding our food services business, we are vulnerable to changes in consumer demand in our stand-alone restaurants management operations, and may also incur loss of business resulting from cancellations of outsourcing contracts for management of restaurants and cafeterias in golf courses and corporate facilities. Therefore our Group earnings could be negatively impacted by these changes.

2. Financial Conditions

The Kyoritsu Maintenance Group endeavors to maintain consistent long-term growth as outlined in our intermediate-term management strategy, but the attainment of this growth is premised upon our ability to secure assets which can be used dormitories and hotels. In the development of these assets, we take our financial standing into consideration and seek to make the most efficient use of all our resources by utilizing various financial methods to yield the biggest returns. However our earnings and financial position are at risk of being negatively impacted by potential stagnation in the real estate market, volatility in asset prices, extreme declines in cash flows from our existing assets, and inability to proceed as expected with development of assets due to volatility in the financial markets.

3. Legal Regulations and Quality Control

Our Group provides both services and goods and we are subject to various rules and regulations relating to food safety and sanitation, personal information privacy security, hotel and fire laws, and a host of other safety related regulations and laws. Therefore our Group maintains compliance structures, risk committees and internal control structures to perform routinely scheduled checks to ensure that we are in strict compliance with the various laws and regulations which are part of our business. But despite our best efforts to prevent accidents, we still are at risk of losing our customers' trust in the highly unlikely event that an incident such as food poisoning and leakage of personal information were to occur and our earnings may also be profoundly impacted.

4. Regarding the Implementation of "Asset Impairment Accounting"

On August 9, 2002 the Business Accounting Council announced a report entitled "White Paper on the Accounting Standards for Fixed Asset Impairment Accounting" and the policy paper entitled "Policy Statement for the Implementation of Accounting Standards for Fixed Asset Impairment Accounting" was released on October 31, 2003. In response to these moves by the accounting industry, we are now required to implement asset impairment accounting with regards to our Group's tangible and intangible fixed assets, including investments, other assets and leases. And we recognize the risk of an extreme contraction in our cash flow by the implementation of asset impairment accounting at times when there are dramatic fluctuations in the economy and financial markets.

5. Important Contracts

The dormitories and hotels we operate are leased by our company from the owners of the assets under long-term lease agreements ranging from 10 to 20 years. Some of these facilities have stipulations in their lease contracts that prohibit the cancellation of the lease agreement prior the end of the lease term. Therefore weak trends in occupancy rates of these managed assets could negatively affect their profitability, which in turn could negatively impact our overall earnings and financial position.

6. Our Dependence upon Interest Bearing Debt and the Influence of Interest Rate Trends

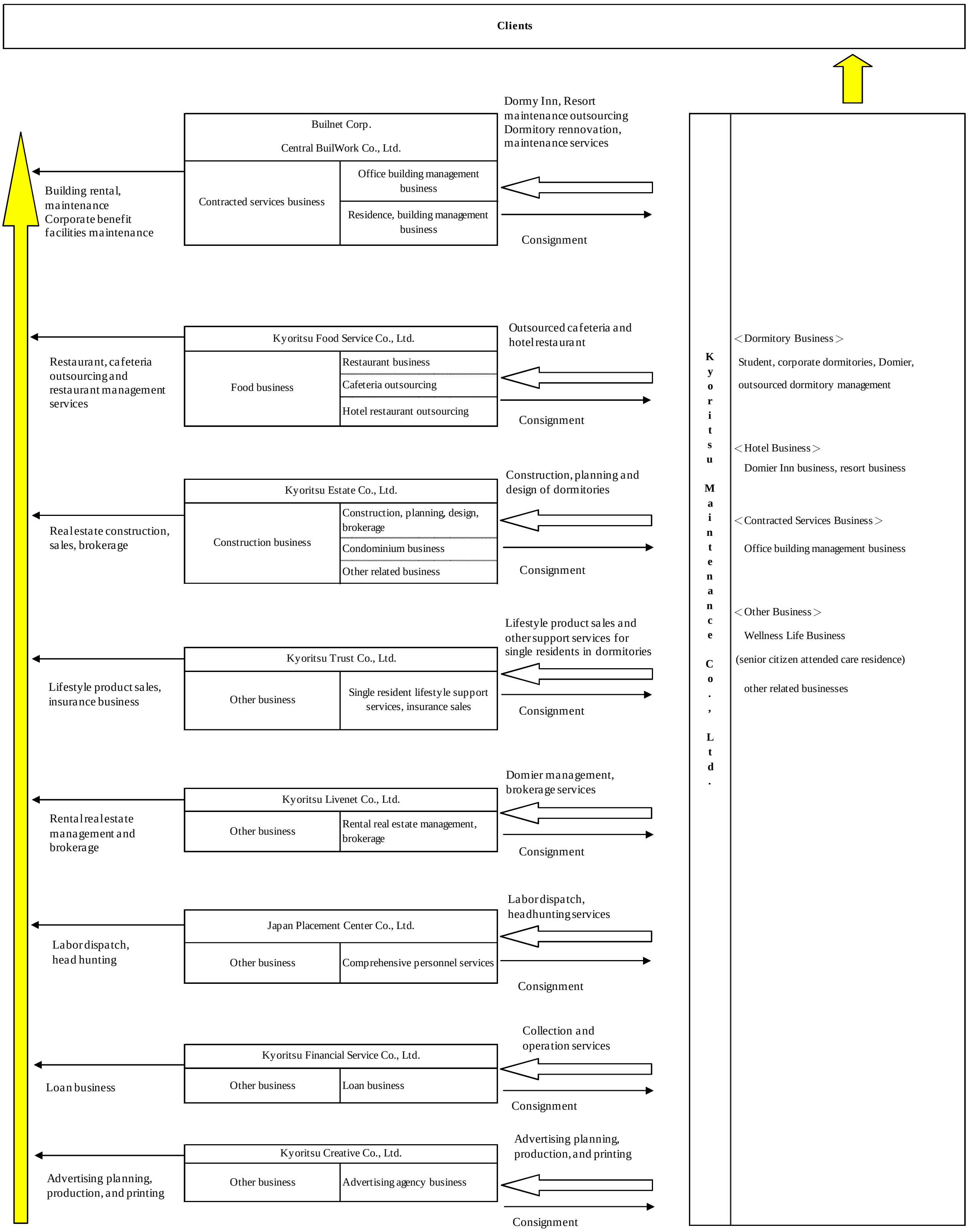
In our business, we use bank debt in addition to our own capital, and our interest bearing debt ratio as a percentage of our total assets stood at 40.2% at end fiscal year March 2009. As for our Group, we are pursuing a strategy of reducing our dependence upon interest bearing liabilities, which includes the sale of some of our self-owned facilities to investors while retaining the management and operational contracts for these facilities. At the end of fiscal year March 2009, 90.9% of our interest bearing debt was fixed interest rate debt and we therefore are insulated from near term increases in interest rates. However, our earnings still remain at risk of higher funding costs arising from increases in interest rates over the longer term.

2. Corporate Structure

The Kyoritsu Maintenance Group consists of the parent company, 13 subsidiaries, and four affiliated companies. Our main businesses consist of dormitories, hotels, contracted services, food service, real estate development business, and other business. The details of our businesses and the services provided by our various subsidiaries and affiliates are listed below.

Business Segment	Business Description	Participating Companies
Dormitories	Student and corporate dormitories, and outsourced dormitory management	Kyoritsu Maintenance Co., Ltd. One other company
Hotels	Dormy Inn (Business hotels) Resort hotels	Kyoritsu Maintenance Co., Ltd. Six other companies
Contracted Services	Office building management business Residential property management business	Builnet Corporation Kyoritsu Maintenance Co., Ltd. One other company
Food Service Business	Restaurant business Outsourced catering business Hotel restaurant outsourcing business	Kyoritsu Food Service Co., Ltd.
Real Estate Development Business	Construction, planning, design, brokerage, condominium sales, other related real estate development business	Kyoritsu Estate Co., Ltd.
Other Businesses	Wellness Life Business (senior citizen residence management and operations) Brokerage and management of rental real estate Single resident insurance and other lifestyle support services Comprehensive human resources business Financing business Advertising business Other related businesses	Kyoritsu Maintenance Co., Ltd. Kyoritsu Livenet Co., Ltd. Kyoritsu Trust Co., Ltd. Japan Placement Center Co., Ltd. Kyoritsu Financial Service Co., Ltd. Kyoritsu Creative Co., Ltd. Two other companies

Schematic Diagram of Our Operations



3. Management Policy

(1) Our Basic Management Policy

Our Group has exerted every possible effort to provide the “highest level of customer satisfaction” since our founding, and we seek to raise our brand recognition by offering our residents useful andhigh quality services which focus upon themes such as “dining,” “living,” and “comfort.” We also offer guests at our facilities modern versions of the “traditional Japanese boarding house” (*Geshukuya*) that “provide heart-warming comfort” to help satisfy all of their lifestyle needs, including the provision of high quality and helpful services. Furthermore as a specific part of our business strategy, we aim to “further expand and raise the profitability of our core dormitory business,” “expand into other business fields related to our dormitory business,” and “fortify the foundation of our hotel business and establish it as a driver of our future earnings.” Finally, we seek to fortify our corporate structure to further improve the quality of our services, and to be able to contribute to the prosperity of our clients, our business partners, and our community.

(2) Benchmarks of Our Intermediate to Long-Term Management Strategy

The Kyoritsu Group maintains a basic goal of increasing its consolidated return on equity, and seeks to create a corporate structure that “emphasizes profitability.” In order to become a company with an even stronger market presence, we seek to dominate the market by steadily growing our share of the dormitory business, to cultivate our hotel business as the second driver of our earnings growth, and to increase the synergies within our Group.

In order to achieve these goals, our Group has established the following targets.

1. We recognize the importance of strengthening our cooperation with universities to expand our share of the student dormitory market, which has been the source of Kyoritsu’s growth since our founding. At the same time we will accelerate the pace of our development activities and increase the resources we allocate to this business area.
2. In our corporate dormitory business, we note the trend by Japanese corporations to abandon the management of their own dormitories as part of their restructuring of corporate benefit programs, and the growing demand for dormitories for employees working in the Tokyo metropolitan region. In response to this changing environment, we will strengthen our marketing efforts to capture more of this demand for single-employee housing and for outsourcing services for dormitories and other corporate housing facilities.
3. Our Dormy Inn business (business hotels) has become an established part of our overall business model, and we will expand our hotel operations to all of the major cities throughout Japan to help fortify this business’s earnings structure.
4. With regards to our resort business, we maintain a corporate philosophy of providing “high quality resort lifestyle at reasonable prices” to our customers. At the same time we will open facilities designed to “achieve harmony with the surrounding natural environment” as the theme for our next generation of resorts.
5. In our contracted services business, we will fortify our nationwide business network in addition to raising the level of our technical expertise and the attractiveness of our services.
6. We seek to strengthen our overall financial position by optimizing the allocation of our business resources to restrain increases in capital employed, and by increasing the liquidity of our real estate holdings through a shift of assets off our balance sheet.

Additionally, we maintain the following management goals.

1. Actively hire new staff and promote their training.
2. Consolidate back office and other administrative functions, and streamline and increase the efficiency of our overall operations.
3. Strengthen our IR function.

(3) Key Management Issues
In our efforts to further raise our shareholder value, the Kyoritsu Maintenance Group maintains as its core principle the belief that our customers are our primary concern and helping them is the foundation of our work ethic.

For this reason, in the development of our dormitory business we will accurately assess the demands of the market and always place an emphasis on allocating our business resources effectively. Specifically, we strive to differentiate our services by raising the attractiveness of the facilities and the services we provide to students entering colleges and schools in the major metropolitan areas. Furthermore, we seek to strengthen our standing in the market and expand our operating territory by fortifying our cooperation with vocational schools and major universities throughout Japan. Also, we will take advantage of the approaching wave of business from the outsourcing of corporate housing management accompanying the review of corporate benefit programs. As part of this strategy we will strengthen our proposal-based marketing function to cultivate new customers by helping them to solve problems in managing their employee fringe benefit facilities.

Using the know-how developed in our dormitory business as a base for our Domier business (studio-type condominium dormitories), we will increase the supply of these facilities to respond to the trend for students to live alone instead of with roommates, and the growing trend for companies to provide rental housing to employees on an individual basis. Furthermore, we will continue to create dormitories that are cleaner and more modern than our competitors, and aggressively target students, women, and single workers.

In our hotel business, we will speed up the nationwide development of our Dormy Inn business (business hotel business), which has become an established part of our earnings structure. And in our resort business we seek to raise the appeal of our existing facilities, and to attract customers to our facilities by providing “reasonable and high quality resort lifestyles” and “comforting accommodations.”

In our contracted services business, the operating environment remains difficult with increasing pricing competition between participants in the market. Amidst this trend, we are strengthening our proposal-based marketing capability and raising the quality levels and service line-up of our contracted service business to raise our competitive standing in the industry.

With regard to our food service business, we seek to improve both the flavor and service of our hotel restaurants, stand alone restaurants, and restaurants attached to golf courses. We also seek to strictly control food and other variable costs to improve our profitability.

In our real estate development business, we will continue to focus our efforts upon developing dormitories in the Tokyo metropolitan region where demand remains strong, and business and resort hotels with an eye to maintaining profitability against the backdrop of the difficult operating environment.

In our other business, we will re-examine the roles of all companies within our Group to identify and extract further synergies.

With regard the development of facilities, not only will we continue to our efforts to increase our facilities through long-term lease contracts and acquisition of our own facilities, but we will also sell some of our self-owned facilities to investors while retaining the management contracts for these facilities. Through the implementation of this diversified strategy we will be able restrain growth in interest bearing debt, maintain a healthy financial position, and improve our return on investment while securing adequate numbers of rooms for our residents.

Each year our management identifies certain themes to pursue in our business strategy, and last year we chose a strategy of “progress” as the theme of our business strategy (To steadily progress, and to achieve our goals.). As part of this strategy we will seek to secure a consistent quality control structure to manage all of our services. In the current year we have adopted the strategy of “perseverance” (To make small but consistent gains through perseverance.) to test the validity of our strategy. Also we are conscious of “the role we are obligated to fulfill in society” and we therefore seek to create a corporate culture and develop new business areas by working together with our customers and using our unique business resources without being distracted by short-lived trends.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Units: million yen

Item		Previous Term FY3/08 (March 31, 2008) Value		Current Term FY3/09 (March 31, 2009) Value	
Assets					
Current assets					
Cash and deposits			9,193		12,065
Notes and accounts receivables			2,973		2,896
Marketable securities			79		32
Inventories			3,030		-
Real estate inventories			-		424
Uncompleted construction payments			-		982
Deferred tax assets			834		665
Others			3,903		4,831
Doubtful account reserves			-46		-44
Total current assets			19,967		21,852
Fixed assets					
Tangible fixed assets					
Buildings and structures		34,130		38,984	
Aggregated depreciation		-8,912	25,218	-11,115	27,869
Land			22,563		25,896
Buildings, structures in trust		6,810		9,844	
Aggregated depreciation		-326	6,484	-816	9,027
Real estate trust			2,558		2,558
Construction in progress			8,318		6,756
Others		4,347		5,220	
Aggregated depreciation		-2,678	1,669	-3,537	1,682
Total tangible fixed assets			66,812		73,790
Intangible fixed assets					
Others			2,910		2,921
Total intangible fixed assets			2,910		2,921
Investments and other assets					
Investment securities			6,879		6,440
Long-term loans			795		778
Guaranteed deposits			6,974		7,370
Security deposits			6,453		6,986
Deferred tax assets			2,542		2,670
Others			2,471		3,086
Doubtful account reserves			-110		-154
Total investments and other assets			26,005		27,179
Total fixed assets			95,728		103,891
Deferred assets					
Bond issuance expense			41		49
Total deferred assets			41		49
Total assets			115,738		125,793

	Previous Term FY3/08 (March 31, 2008)	Current Term FY3/09 (March 31, 2009)
Item	Value	Value
Liabilities		
Current liabilities		
Accounts payable	3,093	3,028
Short term debt	20,235	17,497
Redeemable portion of bond within one year	1,760	3,181
Accrued corporate and other tax	1,035	530
Deposits	11,972	11,675
Bonus reserves	1,072	910
Bonus reserves for directors	167	199
Compensation for completed work reserves	24	12
Loss reserves on construction work	-	4
Others	4,757	4,577
Total current liabilities	44,119	41,615
Fixed liabilities		
Bonds	14,731	14,400
Long-term debt	20,773	33,055
Long-term lease payables	1,014	-
Long-term guarantees received	4,171	4,509
Deferred tax liabilities	830	840
Retirement benefit reserves	1,058	1,168
Director retirement reserves	403	370
Others	1,096	922
Total fixed liabilities	44,079	55,266
Total liabilities	88,199	96,882
(Net assets)		
Shareholders' equity		
Capital stock	5,136	5,136
Capital reserves	5,943	5,943
Retained earnings	18,422	19,995
Treasury stock	-1,466	-1,468
Total shareholders' equity	28,036	29,607
Valuation, translation gains		
Other marketable security valuation gains	-770	-937
Total valuation, translation gains	-770	-937
Minority holdings	272	241
Total net assets	27,538	28,911
Total liabilities, net assets	115,738	125,793

(2) Consolidated Income Statement Units: million yen

Items		Previous Term From April 1, 2007 to March 31, 2008 Value		Current Term From April 1, 2008 to March 31, 2009 Value	
Net sales			75,606		82,303
CGS			61,422		66,795
Gross income			14,183		15,507
SG&A					
Payroll, bonuses		2,756		2,939	
Corporate benefits		503		488	
Bonus reserves		281		239	
Executive bonus reserves		167		199	
Retirement benefits reserves		86		102	
Executive retirement benefits reserves		48		13	
Sales promotional fees		1,322		1,337	
Payment commissions		1,643		2,059	
Bad credit reserves		37		81	
External fees		905		-	
Outsourcing fees		-		820	
Rent		258		270	
Depreciation, amortization		170		175	
Goodwill amortization		24		17	
Others		1,483	9,691	1,412	10,157
Operating income			4,492		5,349
Non-operating income					
Interest received		302		87	
Dividend received		62		35	
Deposit returns		162		167	
Minority shareholding profit		28		-	
Others		242	799	128	419
Non-operating expense					
Interest payment		866		1,025	
Bond issuance expense		12		12	
Others		245	1,123	220	1,258
Ordinary income			4,167		4,510
Extraordinary income					
Marketable securities sale		139		-	
Insurance policy redemption refunds		-		76	
Fixed asset sale profit		1,350		-	
Liquidation gain on investment securities		—		128	
Others		369	1,859	35	239
Extraordinary loss					
Impairment accounting loss		370		115	
Marketable securities liquidation loss		-		101	
Marketable securities valuation loss		235		342	
Others		39	645	113	672
Net income before taxes			5,381		4,077
Corporate and other taxes		2,895		1,775	
Adjustment for taxes		-362	2,533	151	1,927
Minority shareholding profits			106		17
Net income			2,740		2,133

(3) Change in Consolidated Shareholders' Equity (Units: Million yen)

	Pervious Term From April 1, 2007 to March 31, 2008	Current Term From April 1, 2008 to March 31, 2009
Shareholders' equity		
Capital		
At previous term end	5,128	5,136
Change in current term		
New shares issued (Options exercised)	8	-
Total change in current term	8	0
At current term end	5,136	5,136
Retained capital		
At previous term end	5,935	5,943
Change in current term		
New shares issued (Options exercised)	7	-
Treasury stock liquidated	0	0
Total change in current term	8	0
At current term end	5,943	5,943
Retained earnings		
At previous term end	16,191	18,422
Change in current term		
Dividends from retained earnings	-536	-560
Net income	2,740	2,133
Change in scope of consolidation	26	-
Total change in current term	2,231	1,573
At current term end	18,422	19,995
Treasury stock		
At previous term end	-348	-1,466
Change in current term		
Treasury stock acquired	-1,119	-3
Treasury stock liquidated	0	1
Total change in current term	-1,118	-1
At current term end	-1,466	-1,468
Total shareholders' equity		
At previous term end	26,907	28,036
Change in current term		
New shares issued (Options exercised)	16	-
Dividends from retained earnings	-536	-560
Net income	2,740	2,133
Change in scope of consolidation	26	-
Treasury stock acquired	-1,119	-3
Treasury stock liquidated	0	1
Total change in current term	1,128	1,571
At current term end	28,036	29,607

	Pervious Term From April 1, 2007 to March 31, 2008	Current Term From April 1, 2008 to March 31, 2009
Evaluation, translation gains		
Other marketable securities evaluation gains		
At previous term end	40	-770
Change in current term		
Change in items other than shareholders' equity	-810	-167
Total change in current term	-810	-167
At current term end	-770	-937
Deferred hedge income		
At previous term end	0	-
Change in current term		
Change in items other than shareholders' equity	0	-
Total change in current term	0	-
At current term end	-	-
Total evaluation, translation gains		
At previous term end	41	-770
Change in current term		
Change in items other than shareholders' equity	-811	-167
Total change in current term	-811	-167
At current term end	-770	-937
Minority shareholdings		
At previous term end	147	272
Change in current term		
Change in items other than shareholders' equity	124	-30
Total change in current term	124	-30
At current term end	272	241
Total net assets		
At previous term end	27,096	27,538
Change in current term		
New shares issued (Options exercised)	16	-
Dividends from retained earnings	-536	-560
Net income	2,740	2,133
Change in scope of consolidation	26	-
Treasury stock acquired	-1,119	-3
Treasury stock liquidated	0	1
Total change in current term	-686	-197
At current term end	442	1,373
Total at current term end	27,538	28,911

(4) Consolidated Cash Flow Statement (Summary) (Units: Million yen)

	FY3/08 (From April 1, 2007 to March 31, 2008)	FY3/09 (From April 1, 2008 to March 31, 2009)
Items	Value	Value
Cash flows from operating activities		
Net income before taxes and other adjustments	5,381	4,077
Depreciation, amortization	2,927	3,695
Amortization of long term prepayments	-	221
Liquidation of fixed assets	-1,338	-
Impairment losses	370	115
Changes in bonus reserves	261	-162
Retirement reserves	-	109
Interest, dividends received	-365	-122
Interest payments	866	1,025
Marketable securities liquidation	-193	90
Marketable securities evaluation gains	235	342
Change in receivables	17	83
Change in accounts due	-38	-48
Change in inventories	-1,089	1,339
Change in accounts payable	412	-387
Change in prepayments received	335	-328
Change in deposits	-	342
Change in deposits from customers	-143	-145
Others	442	595
Subtotal	8,082	10,845
Interest, dividends received	344	118
Interest payments	-934	-995
Corporate tax returns	58	5
Corporate tax payments	-4,196	-2,313
Cash flow from operating activities	3,355	7,661

Items	FY3/08 (From April 1, 2007 to March 31, 2008) Value	FY3/09 (From April 1, 2008 to March 31, 2009) Value
Cash flow from investing activities		
Change in time deposits	-500	-
Marketable securities acquisition	-4,937	-476
Marketable securities liquidation income	1,498	250
Tangible fixed asset acquisition	-13,082	-11,118
Tangible fixed asset liquidation income	4,982	-
Intangible fixed asset acquisition	-184	-
Long term prepayments	-430	-609
Loans extended	-559	-1,197
Loans recovered	528	1,255
Lease deposits paid	-2,141	-1,933
Lease deposits recovered	1,094	190
Acquisition of securities from change in scope of consolidation	-23	-
Others	152	-98
Cash flow from investing activities	-13,604	-13,738
Cash flow from financing activities		
Net change in short term debt	8,220	-7,300
Income from assumption of long term debt	10,012	24,950
Payment from repayment of long term debt	-11,900	-8,105
Payment of leases	-	-1,085
Income from bond issuance	1,589	2,980
Payment for bond redemption	-1,600	-1,910
Treasury stock acquisition	-1,119	-3
Dividend payment	-535	-559
Dividend payment to minority shareholders	-24	-24
Dividend payment to minority shareholders of liquidated position	-	-16
Others	-52	21
Cash flow from financing activities	4,590	8,948
Translation gains for cash and equivalents	-	-
Net change in cash and equivalents	-5,659	2,870
Cash and equivalents at term start	13,721	8,061
Cash and equivalents at term end	8,061	10,931

Segment Information

(1) Information by Business Segment

FY3/08 (From April 1, 2007 to March 31, 2008)

(Units: Million yen)

		Dormitories	Hotels	Contracted Services	Food Service	Construction	Other	Total	Company Wide Expense, Eliminations	Consolidated
I	Sales, Operating income									
	Sales									
(1)	External sales	35,655	20,180	8,666	2,523	5,758	2,822	75,606	—	75,606
(2)	Internal sales Special accounts	74	176	3,431	2,195	7,771	1,659	15,309	15,309	—
	Total	35,730	20,357	12,097	4,718	13,529	4,482	90,916	15,309	75,606
	Operating expense	30,269	20,813	11,517	4,689	13,156	4,242	84,689	13,575	71,114
	Operating income	5,461	-456	579	28	373	240	6,226	1,734	4,492
II	Assets, depreciation, other outlays									
	Assets	36,225	51,342	13,127	1,613	6,499	5,755	114,563	1,174	115,738
	Depreciation	833	1,882	137	22	27	39	2,942	15	2,927
	Impairment accounting	267	98	—	8	—	—	374	4	370
	Capital outlay	3,556	10,193	38	10	576	1	14,376	1,194	13,182

FY3/09 (From April 1, 2008 to March 31, 2009)

(Units: Million yen)

		Dormitories	Hotels	Contracted Services	Food Service	Construction	Other	Total	Company Wide Expense, Eliminations	Consolidated
I	Sales, Operating income									
	Sales									
(1)	External sales	37,422	24,977	8,369	2,233	6,277	3,022	82,303	—	82,303
(2)	Internal sales Special accounts	93	171	3,813	2,551	5,660	1,625	13,915	13,915	—
	Total	37,515	25,148	12,182	4,785	11,938	4,648	96,218	13,915	82,303
	Operating expense	31,798	25,044	11,553	4,865	11,518	4,438	89,219	12,266	76,953
	Operating income	5,716	103	629	-80	419	209	6,998	1,649	5,349
II	Assets, depreciation, other outlays									
	Assets	40,056	54,398	13,298	1,040	4,683	5,776	119,254	6,539	125,793
	Depreciation	928	2,577	128	21	40	32	3,729	34	3,695
	Impairment accounting	35	76	—	5	—	—	118	2	115
	Capital outlay	4,389	6,502	18	81	42	20	11,054	240	10,813