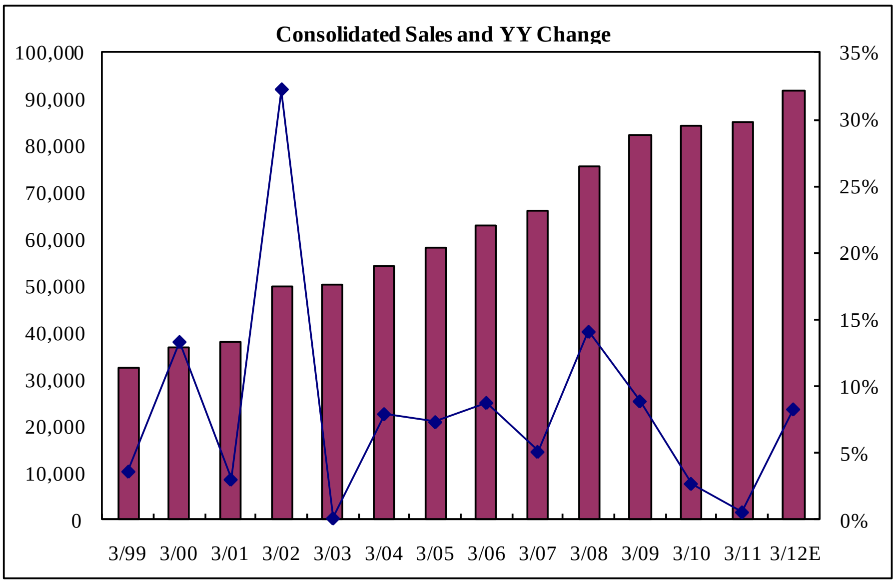
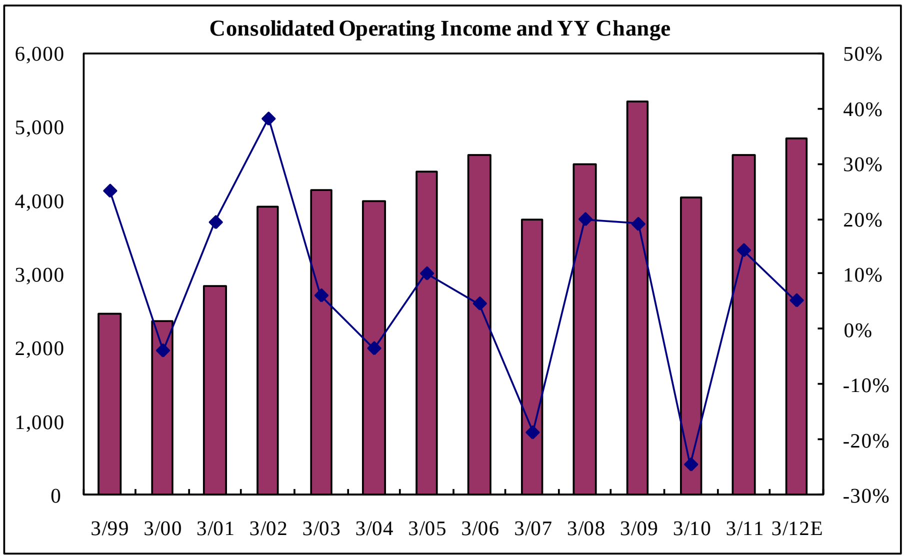
Kyoritsu Maintenance Co., Ltd.
(Securities Code: 9616)

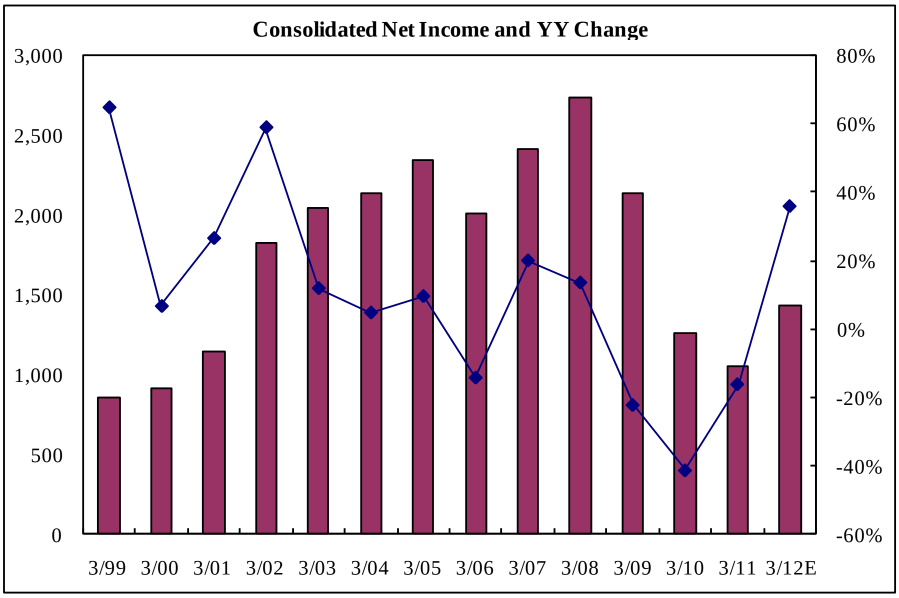
Fiscal Year March 2011
Consolidated Earnings Results Update

May 2011

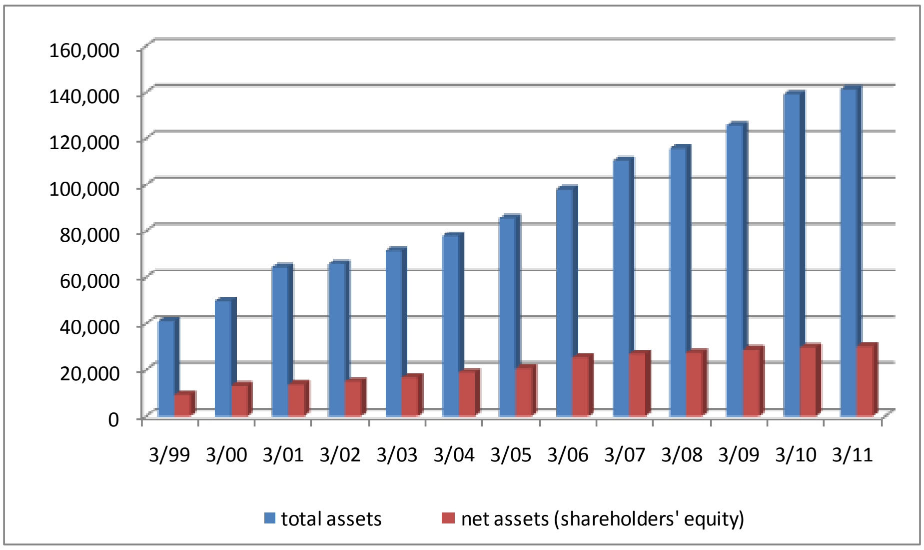
Kyoritsu Maintenance Consolidated Financial Data at a Glance

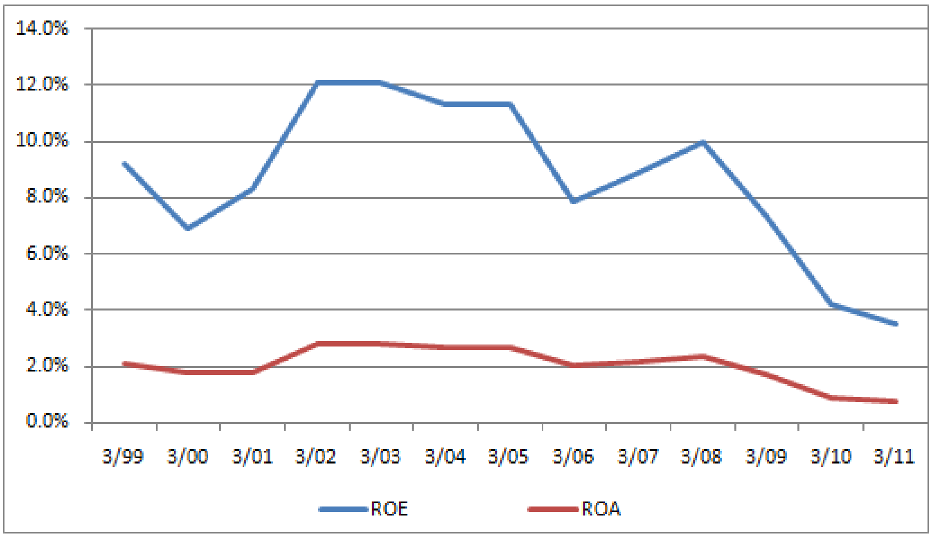






(Units: Million Yen)





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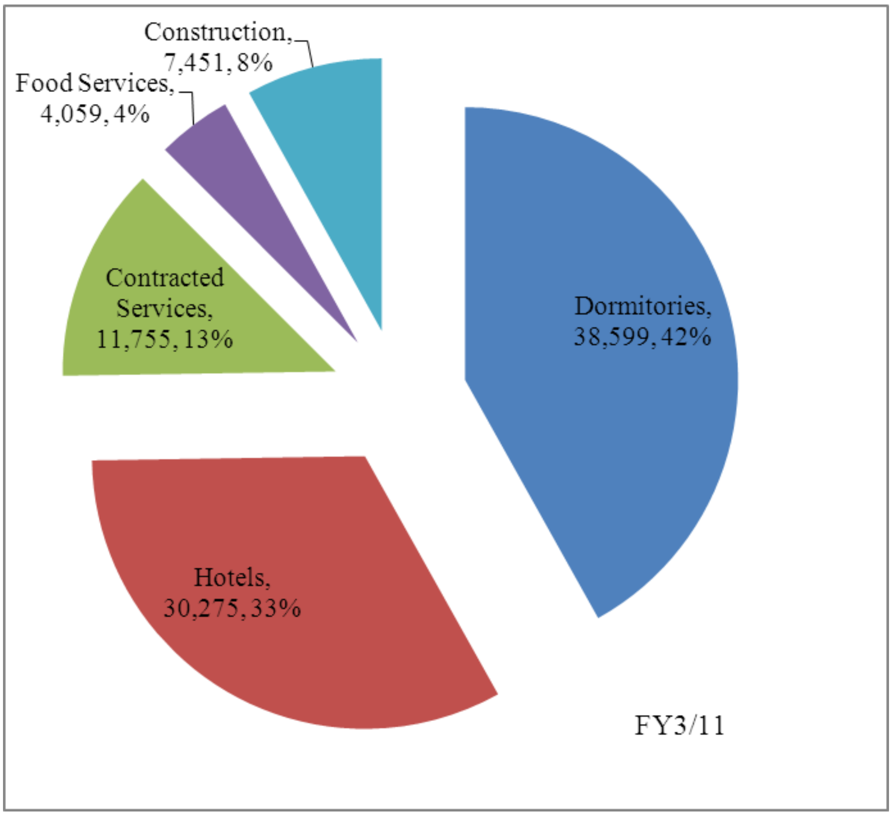

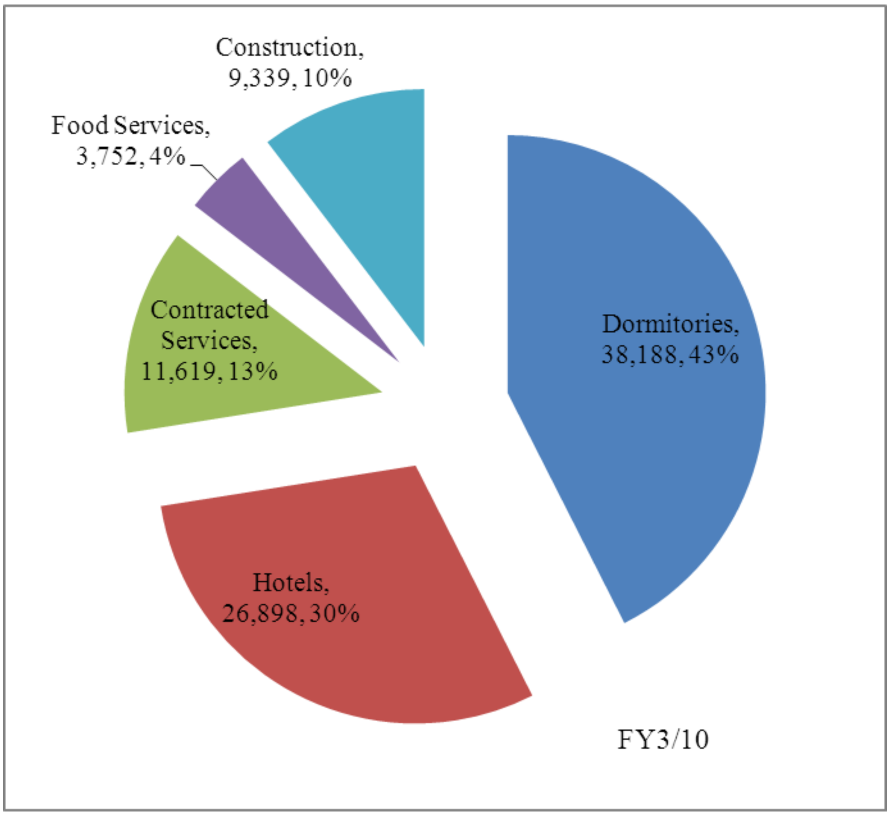

(Units: Million Yen)

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**	**3/12E**
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	92,000
gross income	7,173	7,834	10,221	10,785	10,541	10,894	11,783	12,242	14,183	15,507	13,957	15,408	na
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	4,850
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	3,500
net income	907	1,147	1,822	2,039	2,138	2,343	2,011	2,413	2,740	2,133	1,254	1,052	1,430
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	na
fixed assets	29,867	40,478	47,768	49,497	55,715	62,336	74,681	85,562	95,728	103,891	115,980	104,428	na
total assets	49,880	64,327	65,867	71,647	77,865	85,620	98,047	110,507	115,738	125,793	139,209	141,314	na
current liabilities	19,731	28,513	27,031	31,610	29,374	31,585	44,039	37,342	44,119	41,615	41,499	50,546	na
fixed liabilities	16,977	22,064	23,761	23,146	29,433	33,077	28,316	46,068	44,079	55,266	67,956	60,600	na
total liabilities	36,707	50,577	50,792	54,755	58,806	64,663	72,355	83,411	88,199	96,882	109,455	111,147	na
net assets (shareholders' equity)	13,169	13,747	15,073	16,824	18,935	20,788	25,512	27,096	27,538	28,911	29,753	30,166	na
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%	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%	na
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%	5.2%
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%	5.8%
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%	35.8%
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%	na
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%	5.3%
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%	3.8%
net margins	2.5%	3.0%	3.6%	4.1%	4.0%	4.0%	3.2%	3.6%	3.6%	2.6%	1.5%	1.2%	1.6%
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%	na
ROA	1.8%	1.8%	2.8%	2.8%	2.7%	2.7%	2.1%	2.2%	2.4%	1.7%	0.9%	0.7%	na
equity 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%	na
Units: million yen													

Fiscal Year March 2011 Consolidated Earnings Announcement

May 13, 2011
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 (Anticipated): June 28, 2011
Financial Report Filing Date (Anticipated): June 28, 2011
Dividend Payment Date (Anticipated): June 29, 2011
Earnings Presentation Document: available
Earnings Presentation Meeting: available for institutional investors

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

1. Fiscal Year March 2011 Consolidated Earnings (From April 1, 2010 to March 31, 2011)

(1) Consolidated Earnings (Aggregated)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	% yy	Million yen	% yy	Million yen	% yy	Million yen	% yy
FY3/11	84,983	0.6	4,610	14.3	3,308	9.8	1,052	-16.1
FY3/10	84,513	2.7	4,033	-24.6	3,012	-33.2	1,254	-41.2

(Note) Comprehensive income: 1,209 million yen (-15.5% yy) in FY3/11, 1,430 million yen (--%) in FY3/10

	EPS	Fully Diluted EPS	ROE	Ordinary Income to Total Asset Ratio	Operating Margin
	Yen	Yen	%	%	%
FY3/11	73.29	61.24	3.5	2.4	5.4
FY3/10	87.33	71.32	4.3	2.3	4.8

(Reference) Equity accounting method profit: - yen in FY3/11, - yen in FY3/10

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
FY3/11	141,314	30,166	21.3	2,099.90
FY3/10	139,209	29,753	21.2	2,054.83

(Reference) Shareholders’ equity: 30,164 million yen in FY3/11, 29,518 million yen in FY3/10

(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
FY3/11	5,226	8,338	1,871	26,898
FY3/10	5,083	-16,236	11,682	11,460

2. Dividend Conditions

Registry Date	Dividends per Share					Total Dividend Payment (Annual)	Dividend Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
	End 1Q	End 2Q	End 3Q	End Year	Full Year			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY3/10		19.00		19.00	38.00	545	43.5	1.9
FY3/11		19.00		19.00	38.00	545	51.8	1.8
FY3/12 (Projected)		19.00		19.00	38.00	—	38.2	—

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

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Yen
First Half	43,300	1.2	2,580	-9.4	1,780	-18.7	720	14.0	50.12
Full Year	92,000	8.3	4,850	5.2	3,500	5.8	1,430	35.8	99.55

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 preparation of our consolidated financial statements:

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 at end FY3/11, 15,125,582 at end FY3/10

② Treasury stock as of term end: 760,687 at end FY3/11, 760,215 at end FY3/10

③ Average number of shares outstanding: 14,365,167 during FY3/11, 14,365,837 during FY3/10

(Reference) Parent Earnings Results

1. Fiscal Year March 2011 Parent Earnings (From April 1, 2010 to March 31, 2011)

(1) Parent Earnings

	Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%yy	Million yen	%yy	Million yen	%yy	Million yen	%yy
FY3/11	69,318	5.8	3,902	22.7	2,711	12.0	927	-20.3
FY3/10	65,498	2.8	3,181	-21.8	2,421	-32.8	1,162	-33.1

	EPS	Fully Diluted EPS
	Yen	Yen
FY3/11	64.54	53.93
FY3/10	80.93	66.09

(2) Parent Financial Position

	Total Assets	Net Assets	Equity Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
FY3/11	125,600	28,185	22.4	1,962.14
FY3/10	121,790	27,664	22.7	1,925.75

(Reference) Shareholders' equity: 28,185 million yen in FY3/11, 27,664 million yen in FY3/10

2. Fiscal Year March 2012 Parent Earnings Projection (April 1, 2011 to March 31, 2012)

	Sales		Ordinary Income		Net Income		EPS
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Yen
First Half	36,500	1.9	1,570	-21.2	710	7.8	49.43
Full Year	74,200	7.0	2,850	5.1	1,330	43.5	92.59

* Regarding the implementation of audit procedures in the display of this document:

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 in this document have not been completed.

* Explanation of appropriate usage of earnings estimates and other notes:

All earnings estimates and forward looking statements in this document are based on the best information available and rational decisions of management at the time of its preparation, and actual earnings may diverge largely from those estimates and forward looking statements put forward in this document due to various unforeseen factors.

Moreover, for information regarding earnings estimates and the assumptions upon which they are based, and the usages of these earnings estimates, please refer to the section "Analysis of Business Results" on page 10.

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1. Business Results

(1) Analysis of Business Results

① Overview of Our Earnings Performance

(Consolidated Earnings) (Units: Million Yen)

	Pervious Term FY3/10	Current Term FY3/11	YY Change (%)
Net sales	84,513	84,983	0.6
Operating Income	4,033	4,610	14.3
Ordinary Income	3,012	3,308	9.8
Net Income	1,254	1,052	−16.1

During the current fiscal year, the Japanese economy continued to be negatively affected by weak consumption and employment trends, but economic stimulus and improvement in exporting companies' earnings helped to put it back on a path to recovery. Against this backdrop, the Great Eastern Japan Earthquake that devastated Japan in March acted as a blow to the Japanese economy and raised considerable concern over its future. Furthermore the prolonged disaster recovery and rolling power outages are impacting consumer spending and making forecasting the future difficult.

Kyoritsu Maintenance also incurred damages to some of its facilities in the Sendai region, but there were no injuries to either our customers or employees at our facilities affected by the disaster. However, our hotel business suffered from numerous cancellations on a nationwide basis resulting from the earthquake and related disasters.

Against this backdrop and in our main dormitory business, we were able to form new relationships with new four year universities for student dormitories. Furthermore we sought to cover the weakness we encountered at the start of the current term by promoting aggressive marketing of new products including monthly lease contracts for corporate training and capturing foreign students dormitories from the fall (Japanese school year normally starts in spring.) to raise our occupancy rates.

With regards to our hotel business, profitability improved by a large margin as we focused upon strict cost management, and as the occupancy rates of our Dormy Inn business hotels continued on a recovery trend and as our resort hotels received high ratings from our customers.

Consequently, sales rose by 0.6% or 469 million yen year-over-year to 84,983 million yen. The improvements in profitability allowed operating and ordinary incomes to rise by 14.3% and 9.8% year-over-year to 4,610 and 3,308 million yen respectively.

Furthermore when the negative impact of the earthquake disaster that depressed ordinary income by 765 million yen is considered, our earnings would have approached our outstanding earnings estimates.

With regards to net income, the implementation of asset retirement obligation accounting standards required us to incur a 696 million yen loss for asset retirement at the extraordinary level. Also the earthquake disaster also contributed to a loss of 111 million yen at the extraordinary level. Consequently we saw a 16.1% year-over-year decline in net income to 1,052 million during the term under review.

In an effort to strengthen our overall structure, we fortified our financial balance by liquidating 140 million yen in real estate owned.

② Our Main Business Segment Performance

Dormitory Business (Student, Corporate, Domeal, Consigned Dormitories)

	Previous Term FY3/10	Current Term FY3/11	% YY Change
Contracted Residents	28,646	29,956	4.6
Sales (Million Yen)	38,188	38,599	1.1
Operating Income (Million Yen)	5,024	5,842	16.3

With regards to the operating environment for the student dormitory business, students became more selective in the schools that they chose to attend due to the difficult employment environment, with an increase in the rate of students advancing to universities and vocational schools and a tendency to favor schools and universities in major metropolitan areas. Against this backdrop, we sought to fortify our relationships with existing client universities, vocational schools, and preparatory schools, and formed relationships with new four year universities including the Shonan Institute of Technology, Nippon Sport Science University, Sagami Women's University, Japan Women's University, and others on the back of our marketing efforts highlighting our unique features including "healthy food menus," "safe and comfortable facilities made possible through full time supervision." Consequently we were successful in expanding the user bases of our student dormitory facilities. As a result of these efforts the number of schools which use our dormitories stood at 1,581, and the number of contracted residents and sales rose by 4.7% and 1.9% year-over-year to 18,180 residents and 23,001 million yen respectively.

In our corporate dormitory business, the operating environment was extremely severe with the number of the total workforce declining by 0.4% year-over-year to 62.56 million and the number of new graduate hires falling by 23.5% year-over-year to 725,000. Against this backdrop, our business trended relatively well while large lot contracts decreased year-over-year, and the number of our contracted residents rose by 2.8% year-over-year to 7,722. Consequently, the number of corporate clients using our dormitories stood at 1,203, and sales declined by 2.4% year-over-year to 9,126 million yen.

In our Domeal business we leveraged our expertise acquired in our student and corporate dormitory businesses to capture demand from the diversifying needs of single students and workers by providing studio-type dormitory facilities and facilities with commissaries and by having client schools and companies introducing residents to us. Consequently the number of contracted residents rose by 7.4% year-over-year to 4,054 and sales grew by 2.7% year-over-year to 3,479 million yen.

In our consigned dormitory business, we manage corporate and school dormitory facilities on an outsourced basis, and we endeavored to expand new orders by promoting our status "as Japan's best dormitory operator." Consequently, sales rose by 3.7% year-over-year to 2,991 million yen.

As a result of the above efforts, the number of dormitory facilities rose by 4 to 412 (excluding consigned facilities), contracted residents grew by 811 to 31,660, and sales increased by 1.1% year-over-year to 38,599 million yen. With regards to expenses, strict management of costs on a facility by facility basis, allowed operating income to rise by 16.3% year-over-year to 5,842 million yen. Moreover we conducted more detailed marketing activities and strategies to reduce vacant rooms and bring about a recovery in stagnant occupancy rates. Consequently occupancy rates rose by 2.4% points year-over-year to 95.3% at the start of the next term.

Hotel Business (Dormy Inn, Resort Hotels) (Units: Million Yen)

	Previous Term FY3/10	Current Term FY3/11	% YY Change
Sales	26,898	30,275	12.6
Operating Income	−346	336	—

In our Dormy Inn (Business Hotel) business, we sought to differentiate our Company by reflecting the needs of each of our customers in Kyoritsu's unique hospitality and services amidst the backdrop of reduced service levels within the overall industry. In particular we focused upon the main themes of providing customers with "large hot spring type bathing facilities" and "good tasting breakfast menus," in addition to provision of "late night soba noodle" and other detailed services targeting not only the needs of corporate users but also those of pleasure travelers.

Against this backdrop, the six facilities opened in the previous term combined with the five facilities opened in the current term (Including Natural Hot Springs Shirakaba no Yu Dormy Inn Obihiro, Natural Hot Springs Kamui no Yu Dormy Inn Asahikawa, Natural Hot Springs Hanahotaru no Yu Dormy Inn PREMIUM Kyoto Ekimae, Dejima no Yu Dormy Inn Nagasaki, and Natural Hot Springs Kanmon no Yu Dormy Inn PREMIUM Shimonoseki.) to raise sales by 18.8% year-over-year to 14,369 million yen.

In our resort hotel business, we sought to satisfy our customers by providing them with "high quality resort style accommodations at reasonable prices" and "comforting accommodations." The "Kusatsu Hot Springs Yuyado Tokino Niwa, Oyado Konoha" newly opened during the current term was received favorably by various media. Furthermore we sought to raise the occupancy rates at our existing facilities by fortifying our product lineup and strengthening our marketing strategies. Moreover we sought to differentiate ourselves by focusing upon our high cost performance to customers. Consequently sales rose by 7.4% year-over-year to 15,906 million yen.

As a result of these efforts, we were able to increase the total number of our hotel facilities by 6 to 59 and the number of rooms by 1,054 to 8,906, and sales rose by 12.6% year-over-year to 30,275 million yen. Despite nationwide cancellations resulting from the earthquake disaster that occurred on March 11, efforts to expand our sales channel and continued strict cost management carried over from the previous term allowed an operating income of 336 million yen to be realized, marking a large improvement from the operating loss of 346 million yen recorded in the previous term.

Contracted Services Business (Units: Million Yen)

	Previous Term FY3/10	Current Term FY3/11	% YY Change
Sales	11,619	11,755	1.2
Operating Income	176	185	4.9

The contracted services business includes maintenance and management services for both offices and residences, rental of consigned buildings, and parking lot management. In particular the building maintenance business suffered from severe operating conditions, with conditions in the greater Tokyo metropolitan area worsening due to demands for price cuts, reductions in service levels, and cancelation of contracts due to consolidation of service providers. Against the backdrop, large contract cancellations in the consigned building rental business that appeared in the previous term have bottomed and now occupancy rates are on the recovery. However declines in rental prices have prevented a full scale recovery in this business' performance. Consequently contracted services sales and operating income rose by 1.2% and 4.9% year-over-year to 11,755 and 185 million yen.

Food Service Business (Units: Million Yen)

	Previous Term FY3/10	Current Term FY3/11	% YY Change
Sales	3,752	4,059	8.2
Operating Income	4	−208	—

In the food service business, consumer spending contracted a even further with a shift towards lower pricing, contributing to a worsening in the operating environment. With these conditions in place, we continued to fortify our management of variable costs from the previous term and effectively realized some cost reductions. However the opening costs of new restaurants caused losses to be realized at the operating level of 208 million yen despite an 8.2% year-over-year increase in sales to 4,059 million yen.

Construction Business (Units: Million Yen)

	Previous Term FY3/10	Current Term FY3/11	% YY Change
Sales	9,339	7,451	−20.2
Operating Income	365	225	−38.3

While signs of an improvement in the real estate market appeared, our Group development plans have been carefully selected and sales of our construction business declined. Against this backdrop, we promoted strict management of costs but higher construction materials costs contributed to a 20.2% year-over-year decline in sales to 7,451 million yen, and operating income fell by 38.3% year-over-year to 225 million yen.

Other Business (Units: Million Yen)

	Previous Term FY3/10	Current Term FY3/11	% YY Change
Sales	4,521	3,286	−27.3
Operating Income	151	−37	—

Our other business is comprised of the wellness life (management of senior citizen housing), single life support services and insurance agency business, advertising agency services, rental property brokerage and management, comprehensive human resources, financing services, and administrative outsourcing services. Sales of this segment fell by 27.3% year-over-year to 3,286 million yen and operating losses of 37 million yen were recorded.

③ Earnings Projections for the Coming Term

Consolidated Earnings (Units: Million Yen)

	Current Term FY3/11	Next Term FY3/12	% YY Change
Net Sales	84,983	92,000	8.3
Operating Income	4,610	4,850	5.2
Ordinary Income	3,308	3,500	5.8
Net Income	1,052	1,430	35.8

Non Consolidated Earnings (Units: Million Yen)

	Current Term FY3/11	Next Term FY3/12	% YY Change
Sales	69,318	74,200	7.0
Operating Income	3,902	4,100	5.1
Ordinary Income	2,711	2,850	5.1
Net Income	927	1,330	43.5

Due in part to the impact of the Great Eastern Japan Earthquake that struck during March, we anticipate the continuation of the severe operating environment with consumers becoming even more cautious in their spending patterns and are concerned over the future of the Japanese economy. Against this backdrop, our Group has reconfirmed its management policy of "contributing to society through the provision of high quality food and residential services," and will fortify our earnings and management structure to leverage the strength of our Group and to respond to various changes in the operating environment.

With regards to our earnings estimates for the coming fiscal year, in our dormitory business we saw a relatively strong 95.3% initial occupancy rate in April. This was made possible due to our ability to accurately assess the needs of our residents through our expansion in our facility network, which grew by 7 facilities and 689 rooms, bringing the total to 416 facilities and 32,062 rooms. Also we have implemented a strategy where we review and analyze the occupancy rate conditions and control costs at each facility on an individual basis. Furthermore we will respond with proposals that are even more flexible and cover a broader range of services by adding a consigned business division and leveraging our Group capabilities to respond to the expansion in the needs of our customer base.

In our hotel business, our Dormy Inn business hotel operations have been received strongly by our customers, and we have opened them in various parts of Japan to provide "large hot spring type public baths" and "good tasting breakfasts," that capture demand from both business travelers as well as pleasure travelers. In our resort hotel business, the earthquake disaster is expected to negatively impact consumer spending and demand to travel, but we will continue our efforts to provide high quality services at each of our facilities with the themes of "high quality resort style facilities at reasonable prices" and "comfortable accommodations" in mind. We will also maintain our endeavors to strictly control costs and to become the best service provider in each region. Furthermore as part of our efforts to strengthen our sales function, we are also considering expanding our Dormy Inn business hotels to overseas markets and have newly established an overseas business expansion division.

Our contracted services business encountered a further worsening of pricing competition, along with revisions in service 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 comprehensive service provider and offer our customers high quality 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 and developing products and services that meet high levels of customer satisfaction.

In our construction business, we will continue to support the Kyoritsu Group development and new facility opening plans, in addition to developing external clients and strictly managing costs.

In our other business we will focus upon developing a jointly conducted consigned services business for regional government bodies called Public Kyoritsu Partnership (PKP). Furthermore we will separate our comprehensive marketing division from our dormitory management division so that it can oversee the development of products and services for our Group as a whole and conduct a wider based marketing strategy.

As a result of the above factors, we expect consolidated net sales, and operating, ordinary and net incomes to rise by 8.3%, 5.2%, 5.8%, and 35.8% year-over-year to 92,000, 4,850, 3,500, and 1,430 million yen respectively. On a non-consolidated basis we anticipate sales and operating, ordinary and net incomes to rise by 7.0%, 5.1%, 5.1%, and 43.5% year-over-year to 74,200, 4,100, 2,850, and 1,330 million yen respectively.

Furthermore, we expect the earthquake related disaster to contribute to losses in sales and operating and ordinary incomes of 1,900, 1,030, and 1,030 million yen respectively.

(2) Analysis of Financial Conditions

① Conditions of Our Assets, Liabilities, and Net Assets

At the end of the current term, total consolidated assets rose by 2,105 million yen from the end of the previous fiscal year to 141,314 million yen. The main factor behind this increase was the rise in cash and equivalents.

Total liabilities also rose by 1,691 million yen from the end of the previous term to 111,147 million yen. An increase in long term debt was the main factor behind this rise.

Net assets grew by 413 million yen from the end of the previous year to 30,166 million yen. The main factor behind this increase was the rise in retained earnings.

Consequently net asset ratio rose by 0.1% point from the previous fiscal year to 21.3% .

② Cash Flow Conditions

During the current term, cash and equivalents rose by 15,437 million yen from the end of the previous fiscal year to 26,898 million yen.

(Cash Flow from Operating Activities)

We saw an increase of 143 million yen in the net inflow from the previous year to 5,226 million yen in our operating cash flow. Declines in accounts receivables and accounts payables were factors influencing operating cash flow.

(Cash Flow from Investing Activities)

Cash flow from investing activities improved by 24,575 million yen from the previous term to an inflow of 8,338 million yen. Sale of tangible fixed assets offset purchases of tangible fixed assets and contributed to this inflow.

(Cash Flow from Financing Activities)

We saw a 9,811 million decline from the previous term in the net inflow of cash in our financing activities to 1,871 million yen. Among the main factors behind this change were the repayment of short term debt and income from the issuance of a corporate bond.

(Reference) Trends in Our Cash Flow Indicators

	FY3/07	FY3/08	FY3/09	FY3/10	FY3/11
Equity Ratio (%)	24.4	23.6	22.8	21.2	21.3
Equity Ratio, Market Capitalization Based (%)	36.9	22.1	17.6	14.2	12.0
Cash Flow to Interest Bearing Liability Ratio (%)	14.7	17.5	8.9	15.8	16.0
Interest Coverage Ratio	4.9	3.6	7.7	4.5	3.8

Equity Ratio: Shareholders' Equity / Total Assets

Equity Ratio, Market Capitalization Based: Market Capitalization / Total Assets

Cash Flow to Interest Bearing Liability Ratio: Interest Bearing liabilities / 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 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%. 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. 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 influence 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 which could result in a loss of business resulting from cancellations of outsourcing contracts for management of restaurants and cafeterias at 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 "Opinion Brief 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" (Implementation Guidance Number 6) 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 Liabilities and the Influence of Interest Rate Trends

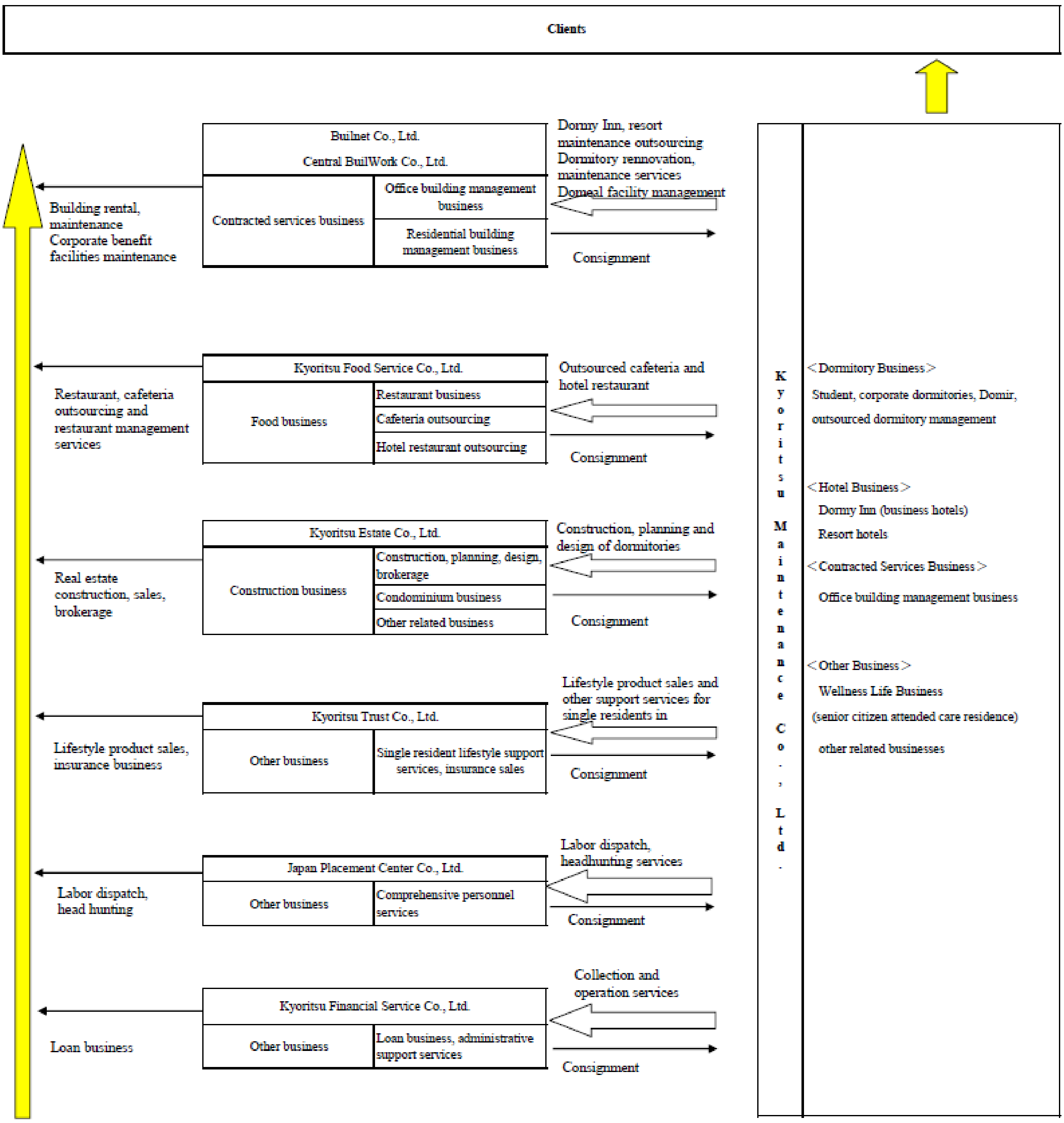
In our business we use bank debt in addition to our own capital, and our interest bearing liabilities ratio as a percentage of our total assets stood at 59.1% at end fiscal year March 2011. As for our Group, we are pursuing a strategy of reducing our dependence upon interest bearing liabilities, which 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 2011, 90.8% of our interest bearing liabilities was fixed interest rates 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, 10 subsidiaries, and four affiliated companies. Our main businesses consist of dormitories, hotels, contracted services, food service, construction 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 Co., Ltd. One other company
Food Service Business	Restaurant business Outsourced catering business Hotel restaurant outsourcing business	Kyoritsu Food Services Co., Ltd.
Construction 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) Single resident insurance and other lifestyle support services Comprehensive human resources business Financing business Other related businesses	Kyoritsu Maintenance Co., Ltd. Kyoritsu Trust Co., Ltd. Japan Placement Center Co., Ltd. Kyoritsu Financial Service Co., Ltd. Two other companies

Schematic Diagram of Our Operations



3. Management Policy
(1) Our Basic Management Policy
(2) Management Benchmarks and Our Intermediate to Long-Term Management Strategy
(3) Key Management Issues

With regards to the above three issues, we have chosen to eliminate any explanation of them because there have been no substantive changes made to them since our previous announcement in our fiscal year March 2009 earnings announcement released on May 15, 2009.

For further details please refer to the earnings announcement report for fiscal year March 2009 at the following url.

(Kyoritsu Maintenance website)
http://www.kyoritsugroup.co.jp/05/index.html
(Tokyo Stock Exchange Home Page: Search Function for Listed Companies)
http://www.tse.or.jp/listing/compsearch/index.html

4. Consolidated Financial Statement

(1) Consolidated Balance Sheet

(Units: Million Yen)

	Previous Term FY3/10 (March 31, 2010)	Current Term FY3/11 (March 31, 2011)
Assets		
Current assets		
Cash and deposits	12,594	27,855
Notes, accounts receivable	3,882	2,832
Marketable securities	3	―
Real estate for sale	268	1,081
Uncompleted construction payment	999	235
Deferred tax assets	516	539
Others	4,885	4,271
Doubtful account reserves	-44	-32
Total current assets	23,104	36,783
Fixed assets		
Tangible fixed assets		
Buildings, structures	46,485	44,559
Depreciation, aggregated	-13,311	-14,231
Buildings, structures (net)	33,174	30,327
Land	28,626	24,454
Buildings, structures in trust	10,767	10,767
Depreciation, aggregated	-1,361	-1,845
Buildings, structures in trust (net)	9,406	8,921
Land in trust	2,558	2,558
Construction in progress	6,396	3,342
Others	6,520	7,170
Depreciation, aggregated	-4,523	-5,488
Others (net)	1,997	1,681
Total tangible fixed assets	82,159	71,285
Intangible fixed assets		
Others	3,848	3,785
Total intangible fixed assets	3,848	3,785
Investments, other assets		
Investment securities	6,646	5,783
Long term loans	1,417	1,405
Security deposits	8,582	8,948
Deposits	7,512	7,787
Deferred tax assets	2,698	2,791
Others	3,315	2,810
Doubtful account reserves	-198	-169
Total investments, other assets	29,972	29,357
Total fixed assets	115,980	104,428
Deferred assets		
Bond issuance fees	124	101
Total deferred assets	124	101
Total assets	139,209	141,314

	Previous Term FY3/10 (March 31, 2010)	Current Term FY3/11 (March 31, 2011)
Liabilities		
Current liabilities		
Notes, accounts payable	3,846	2,609
Short term debt	17,937	17,945
Bond, portion redeemable within 1 year	1,890	11,640
Unpaid corporate taxes	581	955
Prepayments	11,932	10,975
Bonus reserves	623	581
Director bonus reserves	147	128
Completed construction guarantee reserves	11	12
Construction work loss reserves	4	4
Others	4,524	5,694
Total current liabilities	41,499	50,546
Fixed liabilities		
Bonds	19,385	7,745
Long term debt	41,264	45,701
Long term security deposits	4,155	3,484
Deferred tax liabilities	848	833
Retirement benefit reserves	1,199	1,223
Director retirement benefits reserves	339	313
Asset retirement obligation	—	155
Others	762	1,143
Total fixed liabilities	67,956	60,600
Total liabilities	109,455	111,147
Net assets		
Shareholders' equity		
Capital	5,136	5,136
Capital surplus	5,943	5,943
Retained earnings	20,704	21,211
Treasury stock	-1,470	-1,470
Total shareholders' equity	30,313	30,820
Other comprehensive income, aggregated		
Other marketable security valuation difference	-795	-655
Total other comprehensive income, aggregated	-795	-655
Minority interests	235	1
Total net assets	29,753	30,166
Total liabilities, net assets	139,209	141,314

(2) Consolidated Income Statement, Comprehensive Income Statement

(Consolidated Income Statement)

(Units: Million Yen)

	Previous Term FY3/10 (From April 1, 2009 to March 31, 2010)	Current Term FY3/11 (From April 1, 2010 to March 31, 2011)
Net Sales	84,513	84,983
CGS	70,556	69,575
Gross income	13,957	15,408
SG&A		
Payroll, bonuses	2,712	3,275
Employee benefits	485	556
Bonus reserves provisions	152	136
Director bonus reserves provisions	147	128
Retirement benefit reserves provisions	98	118
Director retirement benefit reserves provisions	3	3
Sales promotion expense	1,431	1,227
Commissions	2,162	2,406
Doubtful account reserve provisions	68	37
Outsourcing expenses	867	926
Rent	281	278
Depreciation, amortization	188	219
Goodwill amortization	18	86
Others	1,305	1,395
Total SG&A	9,923	10,797
Operating income	4,033	4,610
Non-operating income		
Interest income	73	73
Dividend income	26	34
Deposit redemption income	170	162
Subsidies	―	129
Others	170	180
Total non-operating income	441	581
Non-operating expense		
Interest payment	1,153	1,364
Bond issuance fee amortization	20	22
Commissions	163	―
Others	125	496
Total non-operating expense	1,462	1,883
Ordinary income	3,012	3,308

(Units: Million Yen)

	Previous Term FY3/10 (From April 1, 2009 to March 31, 2010)	Current Term FY3/11 (From April 1, 2010 to March 31, 2011)
Extraordinary income		
Marketable securities sale profit	17	—
Fixed asset sale profit	—	652
Government subsidies	84	—
Insurance policy redemption refunds	33	—
Others	12	108
Total extraordinary income	147	761
Extraordinary loss		
Fixed asset sale loss	—	323
Impairment loss	75	53
Marketable security valuation loss	330	153
Disaster related loss	—	111
Impact from implementation of asset retirement obligation accounting standards	—	696
Others	37	142
Total extraordinary loss	443	1,481
Net income before taxes	2,716	2,588
Corporate, residence, enterprise taxes	1,381	1,624
Corporate tax adjustment	45	-105
Total taxes	1,427	1,519
Net income before adjustment for minority interests in income	—	1,069
Minority interests in income	34	16
Net income	1,254	1,052

(Consolidated Comprehensive Income Statement)

(Units: Million Yen)

	Previous Term FY3/10 (From April 1, 2009 to March 31, 2010)	Current Term FY3/11 (From April 1, 2010 to March 31, 2011)
Net income before adjustment for minority interests in income	—	1,069
Other comprehensive income		
Other marketable securities valuation difference	—	140
Total other comprehensive income	—	140
Comprehensive income	—	1,209
(Details)		
Comprehensive income of parent company shareholders	—	1,192
Comprehensive income of minority shareholdings	—	16

(3) Change in Consolidated Shareholder’s Equity Statement

(Units: Million Yen)

	Previous Term FY3/10 (From April 1, 2009 to March 31, 2010)	Current Term FY3/11 (From April 1, 2010 to March 31, 2011)
Shareholder’s equity		
Capital		
Balance at previous term end	5,136	5,136
Balance at current term end	5,136	5,136
Capital reserves		
Balance at previous term end	5,943	5,943
Change in current term		
Treasury stock elimination	—	−0
Total change in current term	—	−0
Balance at current term end	5,943	5,943
Retained earnings		
Balance at previous term end	19,995	20,704
Change in current term		
Dividends from retained earnings	−545	−545
Net income	1, 54	1,052
Total change in current term	708	506
Total change in current term	20,704	21,211
Treasury stock		
Balance at previous term end	−1,468	−1,470
Change in current term		
Treasury stock acquisition	−1	−0
Treasury stock elimination	—	0
Total change in current term	−1	−0
Balance at current term end	−1,470	−1,470
Total shareholder’s equity		
Balance at previous term end	29,607	30,313
Change in current term		
Dividends from retained earnings	−545	−5 5
Net income	1,254	1,052
Treasury stock acquisition	−1	−0
Treasury stock elimination	—	0
Total change in current term	706	506
Balance at current term end	30,313	30,820

(Units: Million Yen)

	Previous Term FY3/10 (From April 1, 2009 to March 31, 2010)	Current Term FY3/11 (From April 1, 2010 to March 31, 2011)
Total other comprehensive income		
Other marketable securities valuation difference		
Balance at previous term end	−937	−795
Change in current term		
Net change in current term of accounts other than shareholder’s equity	141	140
Total change in current term	141	140
Balance at current term end	−795	−655
Total other comprehensive income		
Balance at previous term end	−937	−795
Change in current term		
Net change in current term of accounts other than shareholder’s equity	141	140
Total change in current term	141	140
Balance at current term end	−795	−655
Minority shareholdings		
Balance at previous term end	241	235
Change in current term		
Net change in current term of accounts other than shareholder’s equity	−6	−233
Total change in current term	−6	−233
Total change in current term	235	1
Total net assets		
Balance at previous term end	28,911	29,753
Change in current term		
Dividends from retained earnings	−545	−545
Net income	1,254	1,052
Treasury stock acquisition	−1	−0
Treasury stock elimination	—	0
Net change in current term of accounts other than shareholder’s equity	134	−92
Total change in current term	841	413
Balance at current term end	29,753	30,166

(4) Consolidated Cash Flow Statement

(Units: Million Yen)

	Previous Term FY3/10 (From April 1, 2009 to March 31, 2010)	Current Term FY3/11 (From April 1, 2010 to March 31, 2011)
Cash flow from operating activities		
Net income before taxes	2,716	2,588
Depreciation, amortization	4,068	4,278
Amortization of long term prepayments	243	244
Fixed asset impairment, sale loss	—	-291
Amortization of security deposits	—	159
Change in bonus reserves	-286	-41
Interest, dividends received	-100	-108
Interest paid	1,153	1,364
Marketable securities valuation difference	330	153
Change in receivables	-986	1,049
Change in inventories	158	—
Change in payables	651	-1,198
Change in prepayments received	241	-1,483
Change in unpaid consumption tax	-184	344
Change in deposits received	—	-146
Change in security deposits	-710	-471
Change in advanced revenues	-143	-143
Impact of implementation of asset retirement obligation accounting standard	—	696
Others	347	718
Subtotal	7,499	7,710
Interest, dividends received	71	80
Interest payment	-1,130	-1,371
Corporate, other tax returns	43	44
Corporate, other tax payment	-1,401	-1,237
Cash flow from operating activities	5,083	5,226
Cash flow from investing activities		
Acquisition of marketable securities	-428	-1,166
Sale of marketable securities	261	1,698
Acquisition of tangible fixed assets	-12,418	-2,870
Sale of tangible fixed assets	—	11,398
Acquisition of intangible fixed assets	-785	—
Acquisition of long term prepayments	-486	—
Loans extended	-1,648	-848
Loans recovered	732	1,067
Deposits, security deposits payments	-2,277	-1,478
Return of deposits, security deposits	676	374
Acquisition of subsidiary shares	—	-311
Redemption of insurance policy	—	685
Others	136	-210
Cash flow from investing activities	-16,236	8,338

(Units: Million Yen)

	Previous Term FY3/10 (From April 1, 2009 to March 31, 2010)	Current Term FY3/11 (From April 1, 2010 to March 31, 2011)
Cash flow from financing activities		
Change in short term debt	1,169	-1,787
Long term debt	18,810	16,840
Repayment of long term debt	-11,329	-10,607
Bond issuance	6,905	—
Bond redemption payment	-3,306	-1,890
Treasury stock acquisition	-1	-0
Dividend payment	-544	-546
Dividend payment to minority shareholders	-19	-9
Others	—	-126
Cash flow from financing activities	11,682	1,871
Change in cash and equivalents	528	15,437
Cash and equivalents at term start	10,931	11,460
Cash and equivalents at term end	11,460	26,898

(5) Assumptions Regarding Going Concern

Not applicable

(6) Business Segment Information

a. Information on Our Various Business Segments

Consolidated Figures for FY March 2010 (From April 1, 2009 to March 31, 2010)

(Units; Million Yen)

	Dormitories	Hotels	Contracted Services	Food Services	Construction	Other	Total	Company Wide	Consolidated
Sales, operating income Sales (1) External sales	37,447	26,805	8,043	1,916	7,418	2,882	84,513	—	84,513
(2) Internal sales	116	93	3,723	2,313	1,921	1,638	9,806	(9,806)	—
Total	37,564	26,898	11,766	4,229	9,339	4,521	94,320	(9,806)	84,513
Operating expense	32,561	27,245	11,555	4,238	8,974	4,369	88,944	(8,464)	80,479
Operating income	5,002	-346	211	-8	365	151	5,376	(1,342)	4,033
Assets, depreciation, impairment loss, capital expenditure Assets	47,194	56,740	10,062	1,521	5,825	6,099	127,444	11,764	139,209
Depreciation, amortization	1,000	2,881	118	39	41	29	4,111	(42)	4,068
Impairment loss	10	63	—	3	—	—	77	(1)	75
Capital expenditure	9,180	4,439	24	89	19	23	13,776	(102)	13,673

(Note) 1. Main Businesses of Our Reported Business Segments

Business Segment	Business Description
Dormitories	Dormitories provided to students and corporate employees, Domeal, management of outsourced dormitories
Hotels	Dormy Inn business hotel business Resort hotel business
Contracted Services	Office building management service business Residential property management service business
Food Services	Restaurant business Management of outsourced cafeterias Hotel restaurants and other facility outsourced management business
Construction	Planning, design, construction and brokerage business Condominium sales business Other related services
Others	Wellness Life business (management of senior citizen housing) Rental property brokerage and management business Single life support services, insurance agency business Comprehensive human resources business Financing services, administrative outsourcing service business Comprehensive advertising agency business Other related services

2. Within operating expenses, the following amount is the portion which cannot be allocated to a specific business segment and is mainly accounting and financing related administrative tasks of the headquarters included in the eliminations and company wide data.

FY3/10 1,200 million yen

3. Within assets, the following amount includes cash and equivalents, marketable securities, investment securities, and assets and deferred tax assets of the management division is the portion which cannot be allocated to a specific business segment and is mainly accounting and financing related administrative tasks of the headquarters included in the eliminations and company wide data.

FY3/10 15,499 million yen

4. Accounting Policy Changes

Current Fiscal year

(Construction Contract Related Accounting Standards)

For construction contracts entered into from the current fiscal year, we have commenced application of Accounting Standards Board of Japan's Statement No. 15, "Accounting Standard for Construction Contracts" and Guidance No. 18, "Guidance on Accounting Standard for Construction Contracts" issued on December 27, 2007. These changes led to increases of 809 and 88 million yen in consolidated sales and 10 and 5 million yen in consolidated operating income of our construction and contracted services business segments respectively during the current fiscal year.

b. Regional Sales Information

Fiscal Year March 2010 (From April 1, 2009 to March 31, 2010)

We did not have any overseas consolidated subsidiaries or important offices and therefore we do not report any regional sales information.

c. Overseas Sales

Fiscal Year March 2010 (From April 1, 2009 to March 31, 2010)

We did not have any overseas sales

d. Business Segment Information

Fiscal Year March 2011 (From April 1, 2010 to March 31, 2011)

1. Overview of Reported Segments

Financial information relating to the individual divisions of our business segments is readily available, and our management considers the validity of these segments on a regular basis during their board of directors meetings in assessing segment earnings and the allocation of business resources in accordance with these segments.

Our divisions and subsidiaries responsible for the various services within our Group are also responsible developing both strategies and business activities for their respective businesses

Therefore our segments are defined by the basic services provided by each of the divisions and subsidiaries and divided into five main segments including "dormitories," "hotels," "contracted services," "food services," and "construction."

We provide an overview of our reported business segments as follows.

Dormitories:	Dormitories provided to students and corporate employees, Domeal, management of outsourced dormitories
Hotels:	Dormy Inn business hotels, resort hotels
Contracted Services:	Office building and residential property management services
Food Services:	Restaurant business, management of outsourced cafeterias, hotel restaurants and other facilities
Construction:	Planning, design and construction, real estate brokerage business, condominiums for sale, other related services

2. Information pertaining to segment sales, operating income and losses, assets, liabilities and other Items

Consolidated Figures for FY March 2010 (From April 1, 2009 to March 31, 2010)

(Units: Million Yen)

	Reported Segments						Others (Note) 1	Total	Adjustments (Note) 2	Values Used in Consolidated Financial Statements (Note) 3
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Total				
Sales										
External sales	38,046	26,805	7,899	1,460	7,418	81,631	2,882	84,513	—	84,513
Internal sales	141	93	3,719	2,291	1,921	8,168	1,638	9,806	-9,806	—
Total	38,188	26,898	11,619	3,752	9,339	89,799	4,521	94,320	-9,806	84,513
Operating income	5,024	-346	176	4	365	5,224	151	5,376	-1,342	4,033
Assets	48,653	56,740	9,369	756	5,825	121,345	6,099	127,444	11,764	139,209
Other items										
Depreciation	1,053	2,881	88	16	41	4,081	29	4,111	-42	4,068
Goodwill amortization	—	—	15	0	—	16	2	18	—	18
Impairment loss	10	63	—	3	—	77	—	77	-1	75
Capital expenditure	9,260	4,439	24	9	19	13,753	23	13,776	-102	13,673

Fiscal Year March 2011 (From April 1, 2010 to March 31, 2011)

(Units: Million Yen)

	Reported Segments						Others (Note) 1	Total	Adjustments (Note) 2	Values Used in Consolidated Financial Statements (Note) 3
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Total				
Sales										
External sales	38,491	30,192	7,507	1,252	4,941	82,386	2,597	84,983	—	84,983
Internal sales	107	83	4,247	2,807	2,510	9,757	689	10,446	-10,446	—
Total	38,599	30,275	11,755	4,059	7,451	92,143	3,286	95,429	-10,446	84,983
Operating income	5,842	336	185	-208	225	6,381	-37	6,343	-1,733	4,610
Assets	40,674	53,422	9,094	624	5,468	109,284	4,668	113,952	27,361	141,314
Other items										
Depreciation	1,146	2,921	87	48	39	4,242	44	4,287	-9	4,278
Goodwill amortization	—	—	12	1	62	76	10	86	—	86
Impairment loss	4	12	—	35	—	53	—	53	—	53
Capital expenditure	1,617	2,418	60	136	6	4,239	128	4,367	-145	4,221

(Notes) 1. Other is not considered as a reported business segment and is comprised of the wellness life (management of senior citizen housing), rental property brokerage and management, single life support services, insurance agency business, comprehensive human resources and administrative outsourcing services, financing services and advertising agency services.

2. Details of Adjustments Are Described Below

(Units: Million Yen)

Segment Income	FY3/10	FY3/11
Transactions between segments, cancelling	-142	5
Company wide expenses (Note)	-1,200	-1,738
Total	-1,342	-1,733

(Note) Company wide expenses are mainly finance and accounting division related expenses of the headquarters

(Units: Million Yen)

Segment Assets	FY3/10	FY3/11
Transactions between segments, cancelling	-3,735	-3,669
Company wide assets (Note)	15,499	31,031
Total	11,764	27,361

(Note) Company wide assets include cash and equivalents, marketable securities, investment securities, and assets and deferred tax assets of the administrative division.

3. Segment income and loss are adjusted to coincide with operating income of the consolidated financial statements.

e. Related Information

Fiscal Year March 2011 (From April 1, 2010 to March 31, 2011)

1. Products and Services Information

(Units: Million Yen)

	Student Dormitories	Corporate Dormitories	Domeal	Consigned, Outsourced	Dormy Inn	Resort Hotels	Office Building Management	Residential Property Management	Food Service	Construction	Others	Total
Sales to External Clients	23,001	9,040	3,473	2,976	14,348	15,843	5,429	2,078	1,252	4,941	2,597	84,983

2. Regional Information

We did not have any overseas consolidated subsidiaries or important offices and therefore we do not report any regional sales information.

f. Information Relating to Amortization of and Outstanding Goodwill by Reported Segment

Fiscal Year March 2011 (From April 1, 2010 to March 31, 2011)

(Units: Million Yen)

	Dormitories	Hotels	Contracted Services	Food Services	Construction	Other (Note)	Company Wide	Total
Amortization, current term	—	—	12	1	62	10	—	86
Outstanding value	—	—	18	—	—	—	—	18

(Note) “Others” includes rental property brokerage and management, single life support services and insurance agency business, comprehensive human resources, financing services, and administrative outsourcing services and advertising agency services.

g. Information relating to income derived from negative goodwill by reported segment

Fiscal Year March 2011 (From April 1, 2010 to March 31, 2011)

None

(Additional Information)

During the current fiscal year, “accounting standards for the disclosure of segment information” (Corporate Accounting Standard Number 17, March 27, 2009) and “implementation guidance for accounting standards for the disclosure of segment information” (Corporate Accounting Standard Implementation Guidance Number 20, March 21, 2008) are applied.