

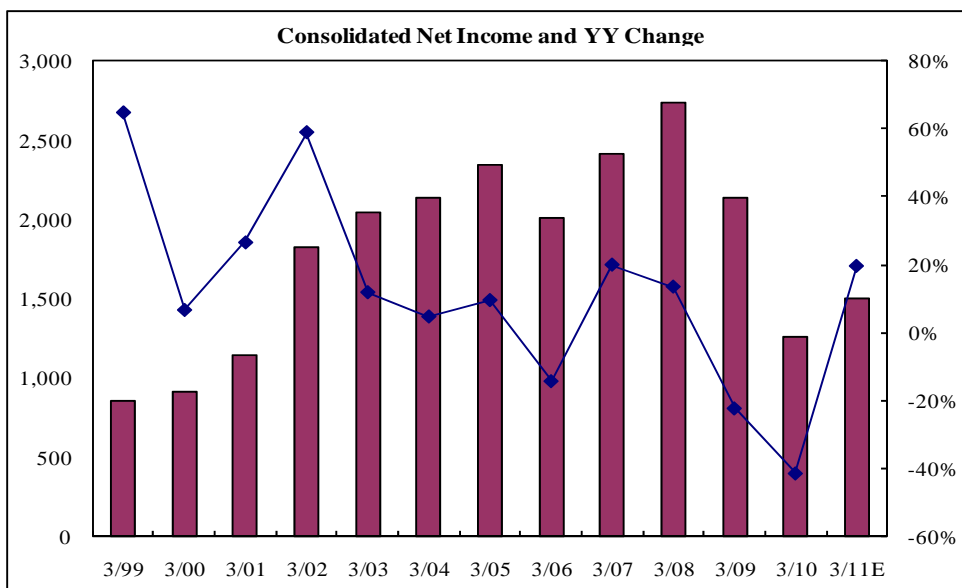
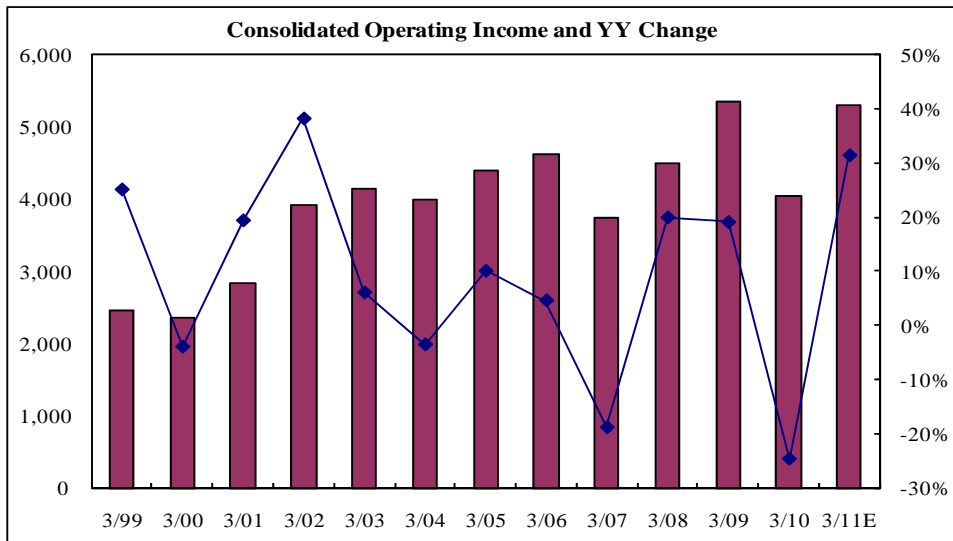
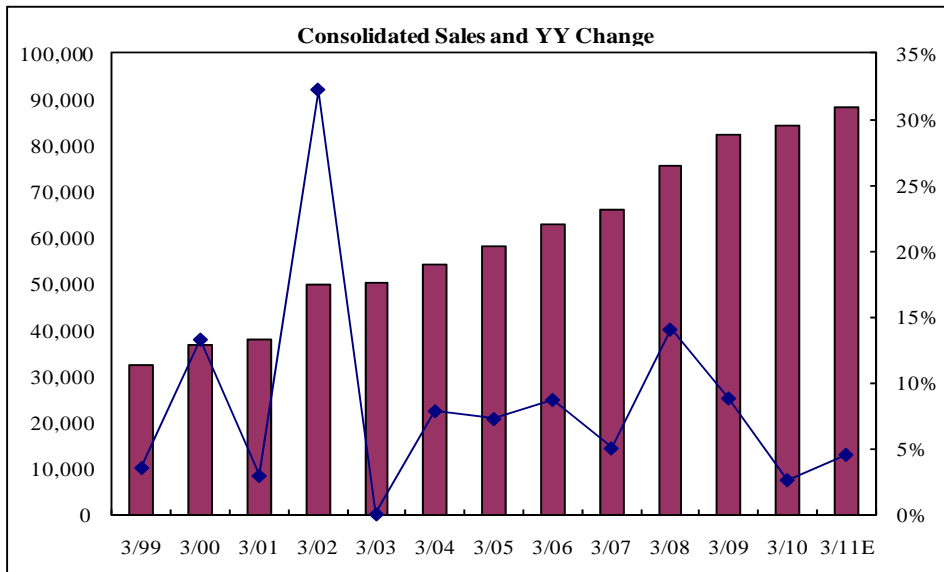


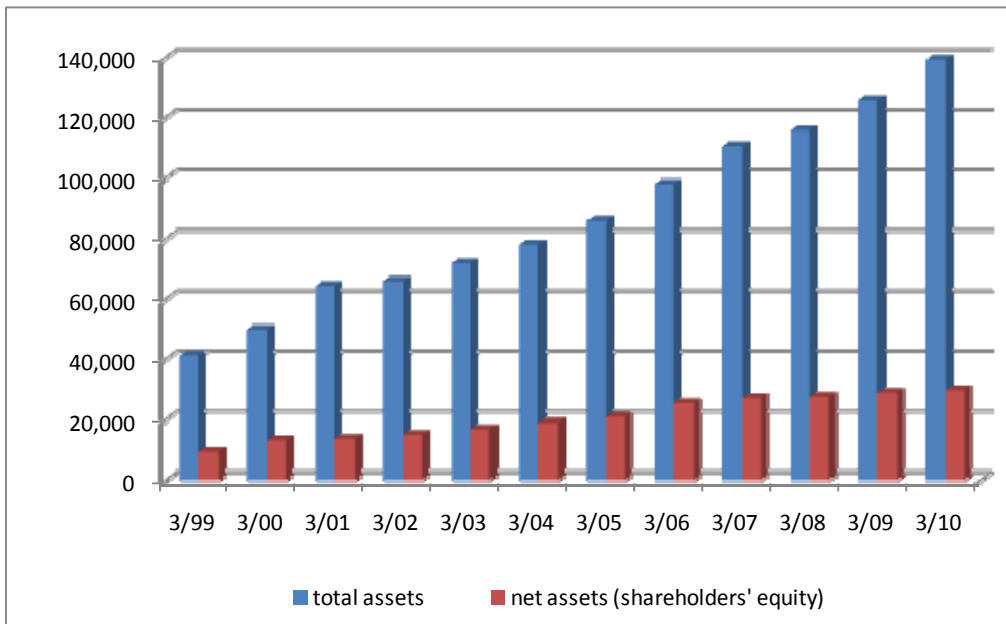
Kyoritsu Maintenance Co., Ltd.
(Securities Code: 9616)

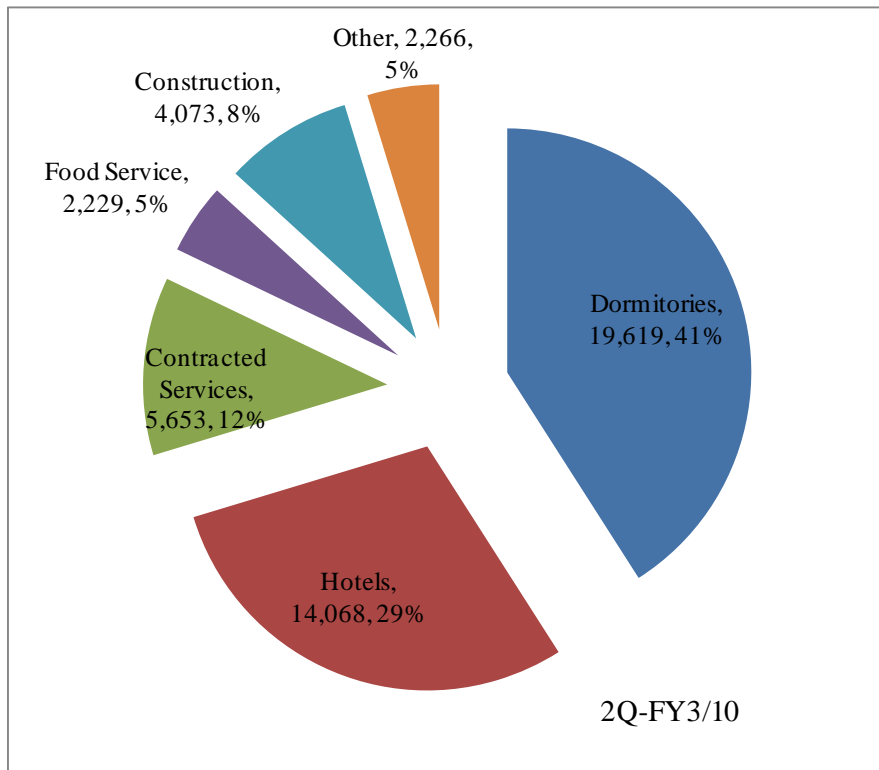
**2nd Quarter of Fiscal Year March 2011
Consolidated Earnings Results Update**

November 2010

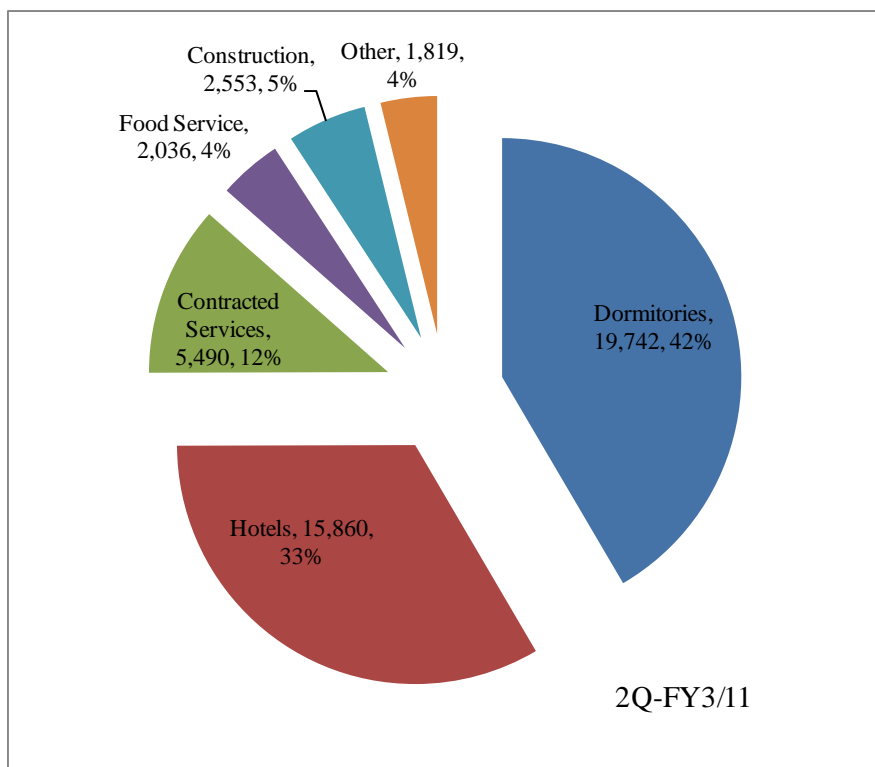
Kyoritsu Maintenance Consolidated Financial Data at a Glance







(Units: Million Yen)



(Units: Million Yen)

Consolidated Income Statement															
	3/00	3/01	3/02	3/03	3/04	3/05	3/06	3/07	3/08	3/09	3/10	3/11E	*	2Q3/10	2Q3/11
net sales	36,788	37,884	50,065	50,109	54,081	58,014	63,085	66,287	75,606	82,303	84,513	88,400	*	43,319	42,789
gross income	7,173	7,834	10,221	10,785	10,541	10,894	11,783	12,242	14,183	15,507	13,957	na	*	8,295	8,396
operating income	2,369	2,828	3,908	4,149	4,004	4,407	4,611	3,745	4,492	5,349	4,033	5,300	*	3,154	2,847
ordinary income	2,281	2,643	3,580	3,885	4,060	4,411	4,824	3,787	4,167	4,510	3,012	4,000	*	2,584	2,190
net income	907	1,147	1,822	2,039	2,138	2,343	2,011	2,413	2,740	2,133	1,254	1,500	*	1,196	631
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	na	*	20,277	18,440
fixed assets	29,867	40,478	47,768	49,497	55,715	62,336	74,681	85,562	95,728	103,891	115,980	na	*	106,278	115,483
total assets	49,880	64,327	65,867	71,647	77,865	85,620	98,047	110,507	115,738	125,793	139,209	na	*	126,674	134,037
current liabilities	19,731	28,513	27,031	31,610	29,374	31,585	44,039	37,342	44,119	41,615	41,499	na	*	43,640	50,634
fixed liabilities	16,977	22,064	23,761	23,146	29,433	33,077	28,316	46,068	44,079	55,266	67,956	na	*	53,058	53,419
total liabilities	36,707	50,577	50,792	54,755	58,806	64,663	72,355	83,411	88,199	96,882	109,455	na	*	96,698	104,053
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	na	*	29,975	29,983
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%	4.6%	*	3.1%	-1.2%
gross income	9.0%	9.2%	30.5%	5.5%	-2.3%	3.3%	8.2%	3.9%	15.9%	9.3%	-10.0%	na	*	-3.2%	1.2%
operating income	-3.9%	19.4%	38.2%	6.1%	-3.5%	10.1%	4.6%	-18.8%	19.9%	19.1%	-24.6%	31.4%	*	-9.2%	-9.7%
ordinary income	3.5%	15.9%	35.4%	8.5%	4.5%	8.6%	9.4%	-21.5%	10.0%	8.2%	-33.2%	32.8%	*	-16.9%	-15.2%
net income	6.7%	26.5%	58.8%	11.9%	4.8%	9.6%	-14.2%	20.0%	13.6%	-22.2%	-41.2%	19.6%	*	-18.4%	-47.2%
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%	na	*	19.1%	19.6%
operating margins	6.4%	7.5%	7.8%	8.3%	7.4%	7.6%	7.3%	5.6%	5.9%	6.5%	4.8%	6.0%	*	7.3%	6.7%
ordinary margins	6.2%	7.0%	7.2%	7.8%	7.5%	7.6%	7.6%	5.7%	5.5%	5.5%	3.6%	4.5%	*	6.0%	5.1%
net margins	2.5%	3.0%	3.6%	4.1%	4.0%	4.0%	3.2%	3.6%	3.6%	2.6%	1.5%	1.7%	*	2.8%	1.5%
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%	na	*	na	na
ROA	1.8%	1.8%	2.8%	2.8%	2.7%	2.7%	2.1%	2.2%	2.4%	1.7%	0.9%	na	*	na	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%	na	*	23.7%	22.4%
Units: million yen															

2nd Quarter of Fiscal Year March 2011 Earnings Announcement

November 9, 2010
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
 Earnings Announcement Filing Date (anticipated): November 12, 2010
 Dividend Payment Date (anticipated): December 1, 2010
 Supplemental Quarterly Earnings Documents: Available
 Quarterly Earnings Announcement Meeting: Held for financial institutions, analysts

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

1. 2nd Quarter of Fiscal Year March 2011 Consolidated Earnings (From April 1, 2010 to September 30, 2010)

(1) Consolidated Earnings (Aggregated)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	% yy	Million yen	% yy	Million yen	% yy	Million yen	% yy
2Q-FY3/11	42,789	-1.2	2,847	-9.7	2,190	-15.2	631	-47.2
2Q-FY3/10	43,319	3.1	3,154	-9.2	2,584	-16.9	1,196	-18.4

	EPS	Fully Diluted EPS
	Yen	Yen
2Q-FY3/11	43.97	36.75
2Q-FY3/10	83.30	66.52

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio	Book Value per Share
	Million yen	Million yen	%	Yen
2Q-FY3/11	134,037	29,983	22.4	2,087.12
FY3/10	139,209	29,753	21.2	2,054.83

- Capital: 29,981 million yen in 2Q-FY3/11, 29,518 million yen in FY3/10

2. Dividend Conditions

Registry Date	Dividends per Share				
	End 1Q	End 2Q	End 3Q	End Year	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/10		19.00		19.00	38.00
FY3/11		19.00			
FY3/11 (Projected)				19.00	38.00

- Revisions to our quarterly dividend projections: NA

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

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Million Yen	%yy	Yen
Full Year	88,400	4.6	5,300	31.4	4,000	32.8	1,500	19.6	104.42

- Revisions to our earnings projections during the current quarter: NA

4. Others

- (1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None
Added: 0, Removed: 0
- (2) Application of simple accounting procedures and other special accounting procedures in the creation of our quarterly consolidated financial statements: Yes
- (3) Changes in the accounting methods, procedures, display methods used in the preparation of our consolidated financial statements during the most recent quarter:
 - ① Changes accompanying revisions in accounting standards: Yes
 - ② Other changes: None
- (4) Shares issued (Common stock)
 - ① Shares issued as of term end (including treasury stock): 15,125,582 at end 2Q-FY3/11, 15,125,582 at end FY3/10
 - ② Treasury stock as of term end: 760,406 at end 2Q-FY3/11, 760,215 at end FY3/10
 - ③ Average shares issued during term: 14,365,293 at end 2Q-FY3/11, 14,366,138 at end 2Q-FY3/10

- 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. Information Regarding Our Quarterly Consolidated Earnings

(1) Information Regarding Our Consolidated Earnings Performance

During the second quarter of the fiscal year March 2011, we saw some signs of a mild recovery in the Japanese economy on the back of improvements in corporate earnings and a bottoming in capital investments, however the strengthening of the yen and delays in recoveries of overseas economies contributed to uncertainties regarding the future. Furthermore private consumption remains severe as the unemployment remained at high levels and the environment for incomes remained difficult.

The Kyoritsu Maintenance Group has traditionally seen a large portion of sales being booked during April due to the increased demand for dormitories from students starting the new school year and subsequent increases in lease contract fees in our traditional business of dormitories. However, we have observed a shift in the seasonality of our business, with the concentration of tenant contracts occurring a month earlier in March and falling into the fourth quarter of the previous year. In addition we note that peak demand for our hotel business tends coincide with the strong summer travel season between July and September.

Against this backdrop, we recorded a 1.2% year-over-year decline of 529 million yen to 42,789 million yen in overall net sales due in part to a decline in construction division sales and despite a 1,791 million yen year-over-year increase in hotel division sales. At the same time operating and ordinary incomes fell by 9.7% and 15.2% year-over-year to 2,847 and 2,190 million yen respectively during the first half. We note however that the performance in both our dormitory and hotel business segments trended more strongly than our initial estimates and have therefore revised our earnings estimates upwards. Also during the first half we saw a 47.2% year-over-year decline in net income to 631 million yen due in part to the recognition of asset retirement obligations.

We discuss our business performance in each of our business segments below.

Dormitory Business Segment

In our dormitory business, occupancy rates continued to trend firmly on the back of strong demand from universities with which we formed new alliances. However the front loading of new tenant contracts in March that have traditionally occurred in April led to declines in lease contract fees. Furthermore strong demand from foreign students helped to offset a slow start of occupancy rates early in the year and allowed sales to grow. Moreover we anticipate the front loading of new contracts for dormitories into March to continue going forward. At the same time our strict cost management promotion, but new opening costs associated with newly acquired facilities contributed to a year-over-year declines in profits. Consequently the number of resident contracts rose by 830 year-over-year to 27,789 at the end of September, and sales rose by 0.6% year-over-year to 19,742 million yen while operating income declined by 5.8% year-over-year to 2,961 million yen.

Hotel Business Segment

In our hotel business, our Dormy Inn business hotels saw a recovery in existing facility occupancy rates as the negative impact of the outbreak of influenza and subsequent retrained business travel during the previous term disappeared. Furthermore six new facilities opened in the previous year and the five newly opened facilities (Obihiro, Asahikawa, Nagasaki, Kyoto Station, Shimonoseki) opened during the current term saw their occupancy rates ramp strongly. Our resort hotels saw strong demand during the peak tourist travel season, and our “Kusatsu Hot Springs Tokino Niwa/ Konoha” newly opened in August was also favorably received. Kyoritsu was also able to implement strict and effective variable costs as well as headquarter cost management measures. Consequently sales and operating income rose by 12.7% and 92.5% year-over-year to 15,860 and 744 million yen respectively.

Contracted Services Business Segment

Despite recoveries in occupancy rates of tenants in the rental division, which suffered from cancelations of large contracts in the previous term, the continued decline in rent pricing prevented a full recovery in demand for

management and other contracted services. Therefore sales fell by 2.9% year-over-year to 5,490 million and an operating loss of 39 million was incurred.

Food Service Business Segment

The operating environment for our food service business remained difficult with stagnant consumption arising from weak personal income conditions hurting demand to eat out. Against this backdrop we maintained our efforts to control and reduce our variable costs, but additional costs from new facility openings contributed to weak earnings. Consequently sales fell by 8.6% year-over-year to 2,036 million yen and we incurred an operating loss of 84 million yen.

Construction Business Segment

In our construction business segment, sales declined on the back of our Group's efforts to focus upon more profitable projects. Against this backdrop, this business segment also suffered from higher construction costs. As a result, we recorded a 37.3% year-over-year decline in sales to 2,553 million yen, and operating income declined by 94.0% year-over-year to 9 million yen.

Other Business Segment

Our other business is comprised of the wellness life (management of senior citizen housing), rental property brokerage and management, life service including catalog and rental sales, insurance agency business, comprehensive human resources services, advertising agency services, and financing services. In this segment we saw a decline in sales of 19.7% year-over-year to 1,819 million yen and an operating loss of 1 million yen.

(2) Information Regarding Our Consolidated Financial Position

At the end of the second quarter of the current fiscal year, our total consolidated assets declined by 5,172 million yen from the end of the previous fiscal year to 134,037 million yen. The main reasons for this decline were falls in cash and equivalents and notes and accounts receivables.

Total consolidated liabilities at the end of the second quarter fell by 5,402 million yen from the end of the previous fiscal year to 104,053 million yen. We attribute this decline primarily to a fall in prepayments.

Net assets as of the end of the second quarter of the current year grew by 230 million yen from the end of the last fiscal year to 29,983 million yen. An increase in retained earnings was the main factor contributing to the rise.

Consequently our equity ratio rose by 1.2% points from the end of the previous year to 22.4% as of the end of the second quarter of the current term.

(Cash Flow Conditions)

During the second quarter of the current fiscal year our cash and equivalents fell by 2,218 million yen from the end of the previous fiscal year to 9,242 million yen.

In our operating activities we saw a net outflow of 864 million yen for a decline in the net outflow of 2,004 million yen from the second quarter of the previous year. This net outflow can be attributed in part to reductions in receivables and inventories along with a fall in accounts payable.

In our investing activities we saw a net outflow of 2,406 million yen, a decrease of 1,425 million yen from the net outflow seen during the same period of the previous year. We attribute this outflow primarily to the acquisition of tangible fixed assets and security deposits.

In our financing activities we saw a net inflow of 1,052 million yen, a decline of 4,026 million yen from the net inflow in the same period of the previous year. The main factor behind this inflow was the increase in short term debt.

(3) Information Regarding Our Consolidated Earnings Estimates

While we remain cautious in our outlook for the overall economy going forward, we have revised our full year estimates and now call for increases in both sales and income performance based on our performance in the first half, the recovery in our dormitory business, and the favorable reception of newly opened facilities including Kyoto Station, Hakodate, and Kusatsu. At the same time we would like to remind readers of this document that our actual results may vary by a large margin from our estimates.

2. Other Information

(1) Changes in material subsidiaries:

None

(2) Application of simplified accounting methodologies and or other special financial reporting standards:

① Simplified accounting methodologies

1) Inventories valuation methodology

A partial physical inventory, comprised of material items and sampling, was utilized for the valuation of inventories at the current quarter end. We have reduced the valuations for inventories where we have clear evidence that carrying value exceeds estimated net realizable value.

2) Deferred tax asset and liability calculation

Deferred tax asset recoverability assessment in the current quarter is based on the prior fiscal year's business outlook, tax planning strategies and other factors if it is determined there has been no significant changes to the overall business environment since the end of the prior fiscal year.

② Quarterly financial reporting standards in the preparation of quarterly financial statements

Provision for taxes

The provision for taxes is based upon applying the estimated effective tax rate for the current fiscal year, including the current quarter, to income before income taxes. Adjustments to income taxes are included in the provision for taxes.

(3) Changes in accounting principles, policies, procedures, and classification in the preparation of quarterly consolidated financial statements

Application of accounting standards for asset retirement obligations

Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.18, March 31, 2008) and Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.21, March 31, 2008) have been applied from the first quarter of the fiscal year March 2011.

This led to a decline of 23 million yen in operating and ordinary incomes and a decrease of 719 million yen in net income before taxes during the first half.

Change in asset retirement obligations amounted to 135 million yen due to application of accounting standards for asset retirement obligations.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Units: Million Yen)

	End 2Q FY3/11 (September 30, 2010)	End FY3/10 (March 31, 2010)
Assets		
Current assets		
Cash and deposits	10,275	12,594
Notes, accounts receivable	2,833	3,882
Real estate for sale	297	268
Uncompleted construction payment	445	999
Other	4,624	5,404
Doubtful account reserves	-37	-44
Total current assets	18,440	23,104
Fixed assets		
Tangible fixed assets		
Buildings, structures (net amount)	37,108	33,174
Land	28,430	28,626
Others (net amount)	15,476	20,358
Total tangible fixed assets	81,015	82,159
Intangible fixed assets	3,892	3,848
Total intangible fixed assets	3,892	3,848
Investment, other assets		
Investment securities	7,565	6,646
Deposits	8,941	8,582
Security deposits	7,311	7,512
Others	6,925	7,431
Doubtful accounts reserves	-168	-198
Total investments, other assets	30,575	29,972
Total fixed assets	115,483	115,980
Deferred assets	112	124
Total assets	134,037	139,209

(Units: Million Yen)

	End 2Q FY3/11 (September 30, 2010)	End FY3/10 (March 31, 2010)
Liabilities		
Current liabilities		
Notes, accounts payable	1,973	3,846
Short term debt	24,332	17,937
Portion of bond payable within 1 year	11,740	1,890
Unpaid taxes	829	581
Deposits	7,550	11,932
Bonus reserves	434	623
Director bonus reserves	66	147
Completed construction guarantee reserves	12	11
Construction work loss reserves	4	4
Others	3,691	4,524
Total current liabilities	50,634	41,499
Fixed liabilities		
Bonds	8,565	19,385
Long term debt	37,185	41,264
Retirement benefit reserves	1,264	1,199
Director retirement reserves	312	339
Others	6,092	5,766
Total fixed liabilities	53,419	67,956
Total liabilities	104,053	109,455
Net assets		
Shareholders' equity		
Capital	5,136	5,136
Capital reserves	5,943	5,943
Retained earnings	21,063	20,704
Treasury stock	-1,470	-1,470
Total shareholders' equity	30,672	30,313
Valuation, translation gains		
Other marketable security valuation gains	-690	-795
Total valuation, translation gains	-690	-795
Minority interest	1	235
Total net assets	29,983	29,753
Total liabilities, net assets	134,037	139,209

(2) Quarterly Consolidated Income Statement
(Second Quarter Consolidated Income Statement)

(Units: Million Yen)

	2Q FY3/10 (From April 1, 2009 to September 30, 2009)	2Q FY3/11 (From April 1, 2010 to September 30, 2010)
Net sales	43,319	42,789
CGS	35,023	34,393
Gross income	8,295	8,396
SG&A	5,141	5,548
Operating income	3,154	2,847
Non-operating income		
Interest income	37	34
Dividend income	18	23
Deposit redemption income	72	71
Subsidies	—	80
Others	46	74
Total non-operating income	175	284
Non-operating expense		
Interest payment	570	699
Other	175	242
Total non-operating expense	745	941
Ordinary income	2,584	2,190
Extraordinary income		
Insurance policy refunds	21	53
Return from doubtful account reserves	11	—
Others	5	19
Total extraordinary income	38	73
Extraordinary loss		
Asset retirement obligation accounting implementation	—	696
Marketable securities valuation loss	259	—
Other	20	110
Total extraordinary loss	279	806
Net income before taxes	2,342	1,457
Corporate and other taxes	1,127	809
Net income before adjustment for minority interest	—	648
Minority interest	18	16
Net income	1,196	631

(3) Quarterly Consolidated Cash Flow Statement

(Units: Million Yen)

	2Q FY3/10 (From April 1, 2009 to September 30, 2009)	2Q FY3/11 (From April 1, 2010 to September 30, 2010)
Cash flows from operating activities		
Net income before taxes other adjustments	2,342	1,457
Depreciation, amortization	1,944	2,131
Amortization of long term prepayment	136	149
Change in bonus reserves	-356	-188
Change in director bonus reserves	-121	—
Interest, dividends received	-56	-58
Interest paid	570	699
Marketable securities valuation loss	259	—
Change in receivables	2	1,048
Change in accounts due	532	486
Change in inventories	-1,084	572
Change in payables	-1,130	-2,126
Change in unpaid expenses	—	164
Change in prepayments received	-3,640	-4,382
Change in unpaid consumption tax	-323	205
Change in deposits	-930	-908
Change in security deposits	-210	—
Obligation from asset retirement accounting	—	696
Others	212	385
Subtotal	-1,854	330
Interest, dividends received	42	48
Interest payments	-578	-708
Corporate tax returns	42	43
Corporate tax	-520	-579
Cash flows from operating activities	-2,869	-864
Cash flows from investing activities		
Acquisition of marketable securities	—	-1,164
Sale of marketable securities	—	—
Acquisition of tangible fixed assets	-2,056	-1,509
Acquisition of intangible fixed assets	-661	—
Sale of tangible fixed assets	—	919
Acquisition of long term prepayments	-272	—
Loans extended	-292	-593
Loans recovered	413	693
Deposits, security deposits payments	-1,504	-1,092
Return of deposits, security deposits	602	261
Acquisition of shares in subsidiaries	—	-311
Returns from insurance policy redemption	—	443

Others	-61	-54
Cash flows from investing activities	-3,832	-2,406

(Units: Million Yen)

	2Q FY3/10 (From April 1, 2009 to September 30, 2009)	2Q FY3/11 (From April 1, 2010 to September 30, 2010)
Cash flows from financing activities		
Short term debt change	12,758	7,075
Repayment of long term debt	-7,355	-4,761
Bond issuance	2,422	—
Bond redemption payment	-2,461	-970
Treasury stock acquisition	-1	-0
Dividend payment	-272	-272
Dividend payment to minority interest	-11	-9
Others	—	-9
Cash flows from financing activities	5,079	1,052
Net change in cash and equivalents	-1,622	-2,218
Cash and equivalents at term start	10,931	11,460
Cash and equivalents at term end	9,309	9,242

(4) Assumptions Regarding Going Concern

Not applicable

(5) Segment Information

(Information Regarding Our Various Business Segments)

Second Quarter of Fiscal Year March 2010 (From April 1, 2009 to September 30, 2009)

(Units: Million yen)

	Dormitories	Hotels	Contracted Services	Food Service	Construction	Other	Total	Company Wide	Consolidated
Sales									
(1) External sales	19,557	14,006	3,891	1,018	3,365	1,479	43,319	—	43,319
(2) Internal sales	61	62	1,762	1,210	708	786	4,591	(4,591)	—
Total	19,619	14,068	5,653	2,229	4,073	2,266	47,910	(4,591)	43,319
Operating income	3,143	386	202	-27	162	97	3,964	(810)	3,154

(Reference) Changes in accounting principles

(Change in accounting principle for construction projects-in-progress and cost of construction)

For construction contracts entered into from the first quarter of 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 103 and 2 million yen in consolidated sales and operating income respectively during the first half.

Second Quarter of Fiscal Year March 2011 (From April 1, 2010 to September 30, 2010)

(Units: Million yen)

	Dormitories	Hotels	Contracted Services	Food Service	Construction	Other	Total	Company Wide	Consolidated
Sales									
(1) External sales	19,689	15,824	3,450	640	1,882	1,302	42,789	—	42,789
(2) Internal sales	53	36	2,040	1,396	670	516	4,714	-4,714	—
Total	19,742	15,860	5,490	2,036	2,553	1,819	47,503	-4714	42,789
Operating income	2,961	744	-39	-84	9	-1	3,589	-742	2,847

(Regional Sales Information)

During the second quarter of the previous fiscal year (From April 1, 2009 to September 30, 2009) and the second quarter of the current fiscal year (From April 1, 2010 to September 30, 2010)

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

(Overseas Sales)

During the second quarter of the previous fiscal year (From April 1, 2009 to September 30, 2009) and the second quarter of the current fiscal year (From April 1, 2010 to September 30, 2010)

We did not have any overseas sales.