

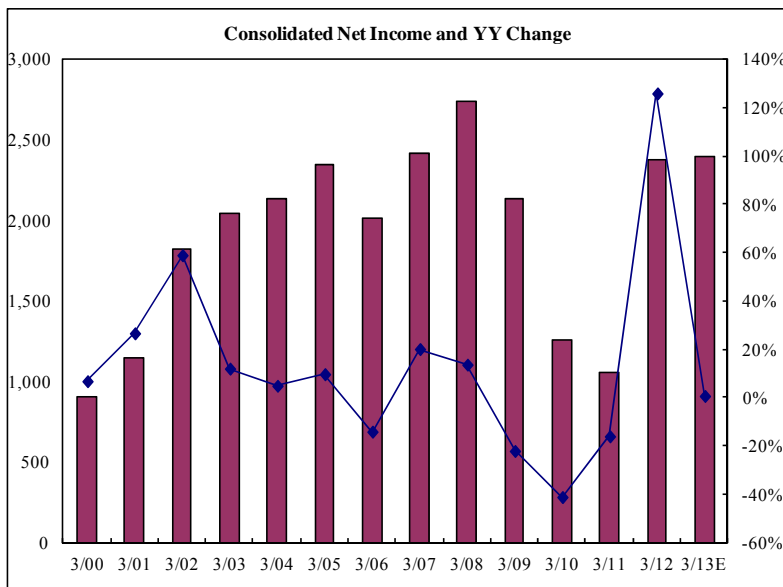
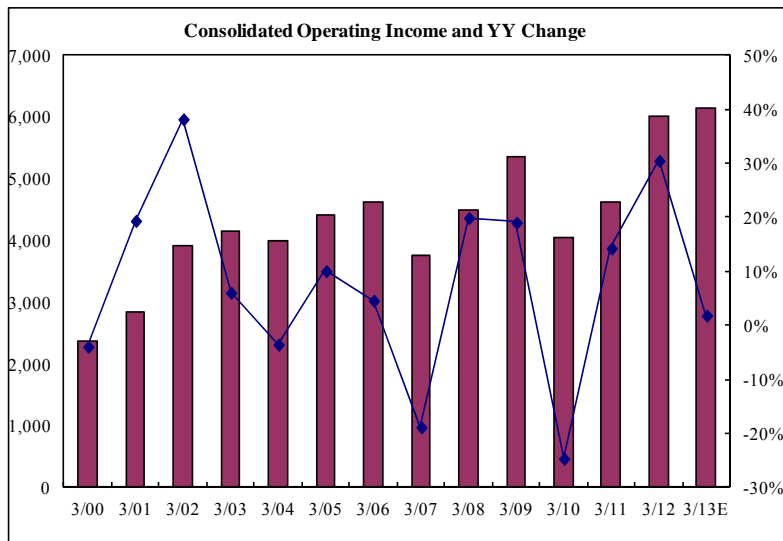
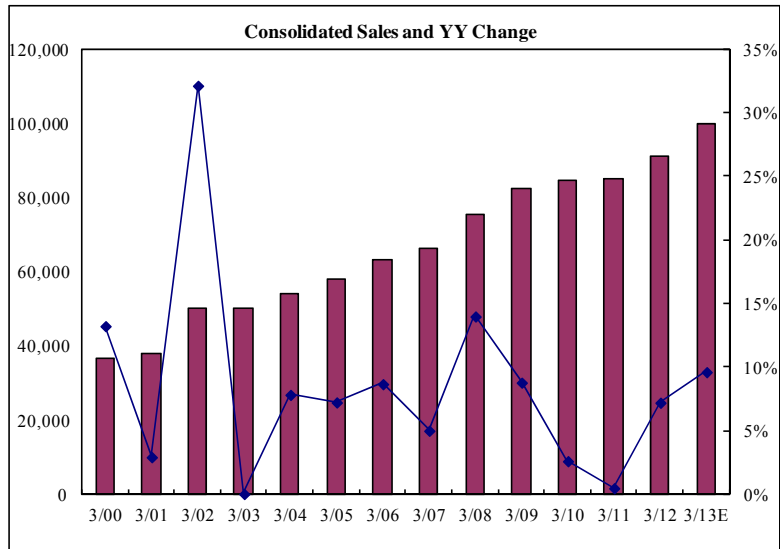


Kyoritsu Maintenance Co., Ltd.
(Securities Code: 9616)

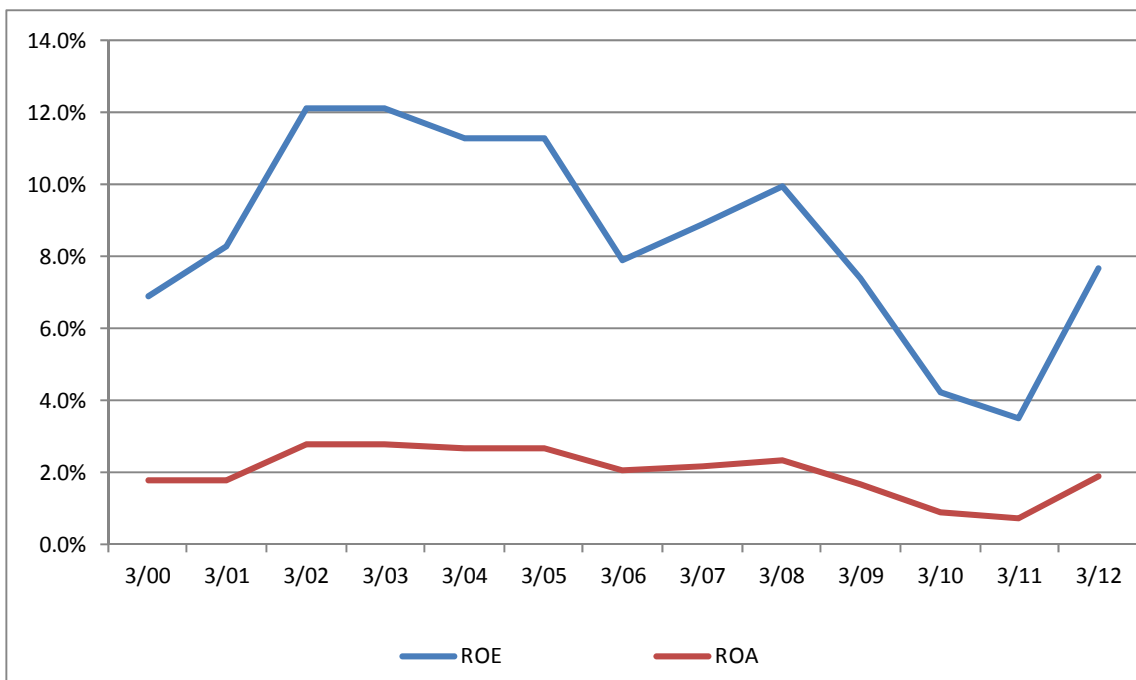
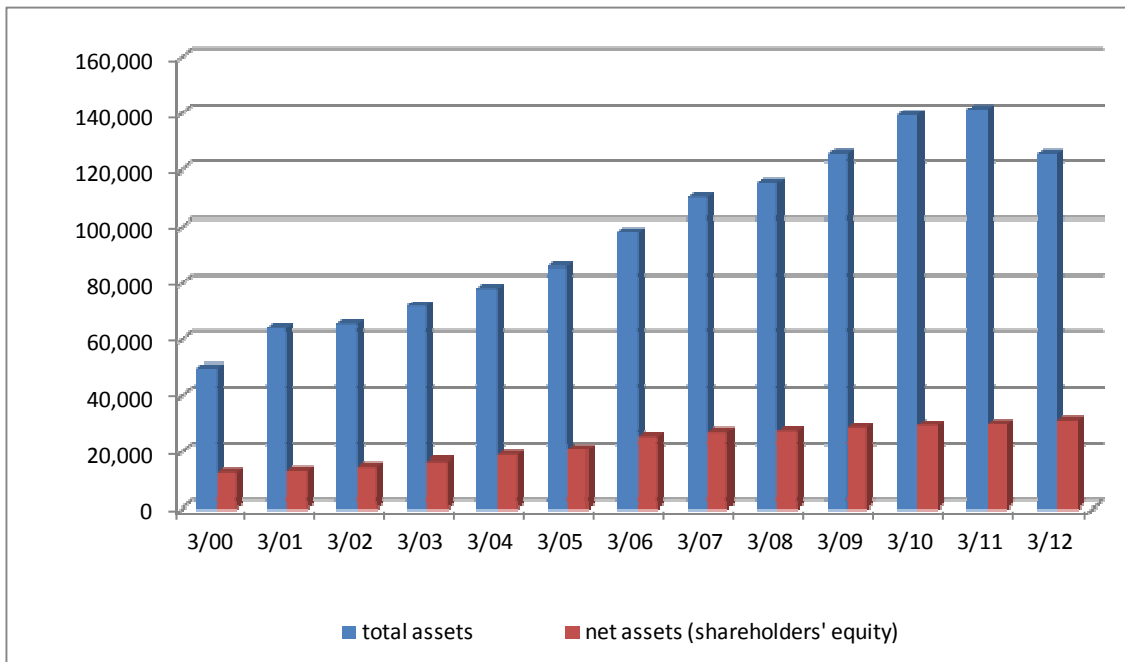
**First Half of Fiscal Year March 2013
Consolidated Earnings Results Update**

November 2012

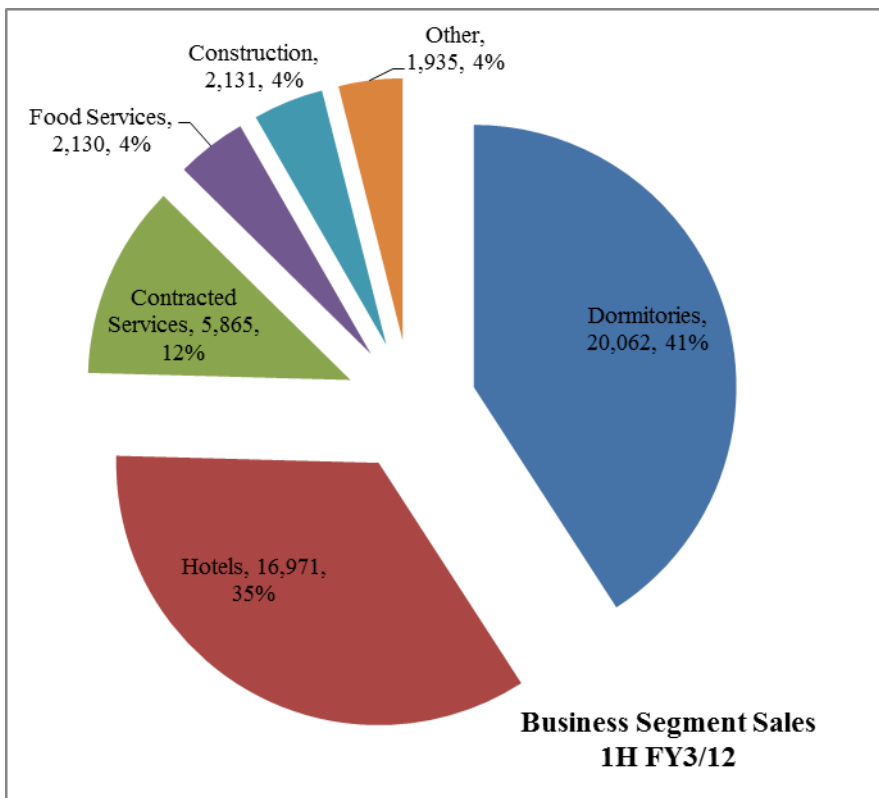
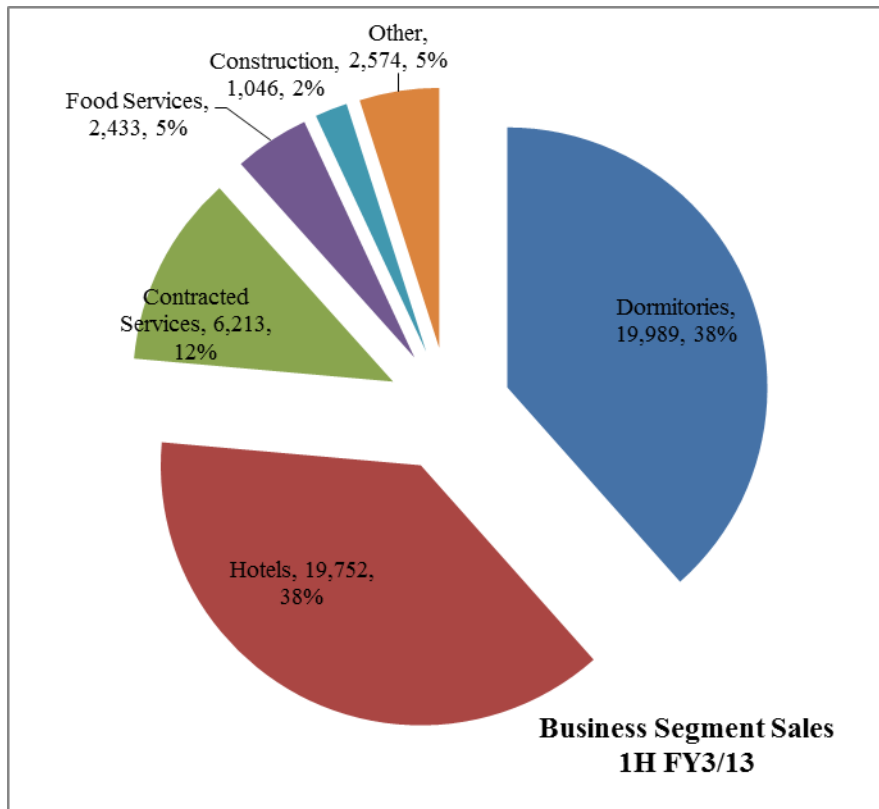
Kyoritsu Maintenance Consolidated Financial Data at a Glance



(Units: Million Yen)



(Units: Million Yen)



(Units: Million Yen)



First Half of Fiscal Year March 2013 Consolidated Earnings Announcement

November 9, 2012

Company Name: Kyoritsu Maintenance Co., Ltd. Tokyo Stock Exchange
 Stock Code: 9616 URL: <http://www.kyoritsugroup.co.jp/>
 Director: Mitsutaka Sato, President
 Contact: Takumi Ueda, Vice President, Tel: +81-3-5295-7778
 Quarterly Earnings Announcement Report Filing Date (Anticipated): November 14, 2012
 Dividend Payment Date (Anticipated): December 5, 2012
 Quarterly Earnings Presentation Document (Anticipated): Available
 Quarterly Earnings Presentation Meeting (Anticipated): Available (For institutional investors and analysts)

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

1. First Half of Fiscal Year March 2013 Consolidated Earnings (April 1, 2012 to September 30, 2012)

(1) Consolidated Earnings (Aggregated)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1H FY3/13	47,333	8.0	3,653	8.8	3,039	18.5	1,619	41.1
1H FY3/12	43,833	2.4	3,359	18.0	2,564	17.1	1,148	81.7

(Note) Comprehensive income: ¥1,656 million (49.8% yy) in 1H FY3/13, ¥1,106 million (46.9% yy) in 1H FY3/12

	EPS		Fully Diluted EPS	
	Yen		Yen	
1H FY3/13	114.75		—	
1H FY3/12	79.92		67.64	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Net Asset Ratio		Book Value Per Share	
	Million yen		Million yen		%		Yen	
1H FY3/13	119,377		32,939		27.6		2,334.22	
FY3/12	125,649		31,551		25.1		2,235.83	

(Note) Capital: ¥32,939 million in 1H FY3/13, ¥31,551 million in FY3/12

2. Dividend Conditions

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

(Note) Recent changes in dividend projections: None

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

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	100,000	9.7	6,130	1.9	4,850	5.4	2,390	0.6	169.36

(Note) Recent changes in earnings estimates: None

Special Notes

- (1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None
- (2) Application of special accounting procedures in the preparation of our quarterly consolidated financial statements: Applicable
- (3) Changes in the accounting policies, procedures, and changes or revisions in the display of accounting estimates:
- ① Changes accompanying revisions in accounting standards: Applicable
 - ② Other changes: None
 - ③ Changes in accounting estimates: Applicable
 - ④ Redisplay of revisions: None

(4) Shares issued (Common stock)

Shares issued as of term end (including treasury stock):

Treasury stock as of term end:

Average during the term:

1H FY3/13	15,125,582	FY3/12	15,125,582
1H FY3/13	1,014,074	FY3/12	1,013,844
1H FY3/13	14,111,629	1H FY3/12	14,364,739

● Information Regarding Quarterly Review Practices:

The practices for review of quarterly consolidated earnings statements pursuant to the “Financial Instruments and Exchange Act” of Japan have not been conducted for the disclosure of this document.

● Notes and explanations regarding the appropriate uses of our earnings projections:

All projections provided within this document are based on the most accurate information available at the time of this writing. However our actual results may differ from our projections due to various unforeseen reasons.

Index

1. Qualitative Information about Quarterly Earnings	2
(1) Qualitative Information about Consolidated Business Performance	2
(2) Qualitative Information about Consolidated Financial Position	3
(3) Qualitative Information about Consolidated Earnings Estimates	3
2. Summary Information (Notes)	3
(1) Changes in Important Consolidated Subsidiaries during the term under review	3
(2) Implementation of Special Accounting Methods in the Creation of Quarterly Consolidated Financial Statements	3
(3) Revisions in Accounting Methods, Revisions and Redisplay of Accounting Estimates	3
3. Quarterly Consolidated Financial Statements	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Income Statement and Comprehensive Income Statement	6
Quarterly Consolidated Income Statement	
Consolidated First Half	6
Quarterly Consolidated Comprehensive Income Statements	
Consolidated First Half	7
(3) Quarterly Consolidated Cash Flow Statements	8
(4) Notes Regarding Going Concern Assumptions	10
(5) Notes Regarding Significant Changes in Shareholders' Equity	10
(6) Segment Information	10

1. Qualitative Information about Quarterly Earnings

(1) Qualitative Information about Consolidated Business Performance

During the first half of the current fiscal year, the Japanese economy was clouded by uncertainties arising from the halt of growth in individual consumption, a slowing in China's economic growth, and stagnation in Europe's economic growth due to the sovereign debt crisis. Against this backdrop, the main dormitory business got off to a good start to the year with occupancy rates of 96.5% (A 1.2% point improvement from the start of the previous term). At the same time, the hotel business also benefitted from favorable occupancy rates in both the Dormy Inn (Business hotel) and resort hotel operations that exceeded the previous year's levels.

The favorable trends in these two main businesses allowed sales and operating income to rise by 8.0% and 8.8% year-over-year to new record highs of ¥47.333 and ¥3.653 billion respectively. At the same time ordinary and net incomes also rose by 18.5%, and 41.1% year-over-year to ¥3.039 and ¥1.619 billion respectively.

Our earnings by business segment are reported below.

Dormitory Business

Our dormitory business saw a good start to the year with occupancy rates exceeding the previous term by 1.2% points to 96.5% at the start of the term. At the end of September, the number of contracted dormitory residents grew by 779 from the same period in the previous year to 29,481. However an increase in the number of residents who moved into dormitories early in March contributed to a decline in contract fees received. Consequently, sales and operating income declined by 0.4% and 7.7% year-over-year to ¥19.989 and ¥2.797 billion respectively.

Hotel Business

During the first half of the current fiscal year, four new facilities were opened in the Dormy Inn business including the "Dormy Inn PREMIUM Shibuya Jingumae," "Natural Hot Spring Kishu no Yu Dormy Inn PREMIUM Wakayama," "Natural Hot Spring Kirisakura no Yu Dormy Inn Kagoshima," and "Dormy Inn EXPRESS Matsue." Furthermore, overall occupancy rates once again exceeded the previous year's levels. In addition, Kyoritsu was able to acquire first place ranking in the business hotel category of the JCSI (Japanese Customer Satisfaction Index) in reflection of the continued favorable reception of its facilities and services by the market.

In the resort hotel operations, a new facility called "Morden no Yu La Vista Appi Kogen" was opened during the term under review, existing facilities benefitted from favorable demand in the peak summer vacation season, and demand overall recovered in the aftermath of the depressed levels of the previous term caused by the Great East Japan Earthquake. Occupancy rates even exceeded the levels seen in the same period two year previous. Consequently, the hotel business's sales and operating income rose by 16.4% and 62.2% year-over-year to ¥19.752 and ¥2.065 billion respectively, and this segment is becoming a solid contributor to Kyoritsu's overall earnings.

Contracted Services Business

In our contracted services business, an increase in orders for construction related services led to an increase in sales. However an increase in cancellations of large contracts in building rental services contributed to a continuation of the difficult operating environment. Consequent to these developments, sales rose by 5.9% year-over-year to ¥6.213 billion, while an operating loss of ¥61 million was incurred (A decline in profits of ¥83 million from the previous first half).

Food Service Business

Stagnant consumption trends and delays in the recovery of growth in the number of restaurants led to difficult operating conditions in the food service business. Despite these conditions, we were able to grow sales by 14.2% year-over-year to ¥2.433 billion, and operating loss improved by ¥16 million from the same period in the previous term to ¥66 million.

Construction Business

Due to a seasonal trend towards a greater amount of development work being realized during the second half of the fiscal year, the number of construction projects completed and delivered during the first half declined from the same period in the previous year. Consequently sales fell by 50.9% year-over-year to ¥1.046 billion, and an operating loss of ¥8 million was incurred (A decline in profit from the previous first half of ¥85 million).

Other Business

Our other business is comprised of the wellness life business (Management of senior citizen housing), the PKP business (Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support business and insurance agency business, comprehensive human resource service business, and financing services and administrative outsourcing services. Sales of this business rose by 33.0% year-over-year to ¥2.574 billion, while the operating loss increased by ¥10 million from the previous first half to ¥153 million. We attribute this operating loss to anticipatory expenses associated with the expansion of the PKP business.

(2) Qualitative Information about Consolidated Financial Position

At the end of the first half, total consolidated assets declined by ¥6.271 billion from the end of the previous fiscal year to ¥119.377 billion. The main factor for this decline was a drop in cash and equivalents. Over the same period, total liabilities also fell by ¥7.659 billion to ¥86.438 billion, due primarily to declines in prepayments received and long term debt. Net assets increased by ¥1.387 billion from the end of the previous fiscal year to ¥32.939 billion due mainly to an increase in retained earnings. Consequently, net asset ratio rose by 2.5% points from the end of the last fiscal year to 27.6%.

(Cash Flow Conditions)

At the end of the first half of the current fiscal year, cash and equivalents fell by ¥6.235 billion from the end of the previous fiscal year to ¥10.149 billion. The increase in net income before tax and declines in inventories were factors behind the decline in the net outflow of cash in operating activities of ¥772 million from the previous first half to ¥2.719 billion. The sale of tangible fixed assets was offset by acquisitions of tangible fixed assets, causing the net cash outflow in investing activities to grow by ¥828 million from the previous first half to ¥984 million. Over the same period, the net cash outflow in financing activities declined by ¥11.670 billion from the previous first half to ¥2.530 billion due to repayment of long term debt, which offset increases in short term debt.

(3) Qualitative Information about Consolidated Earnings Estimates

While earnings during the first half of the current fiscal year exceeded estimates by large margins, consideration of anticipatory investments for refurbishment of hotel facilities needed to maintain continued future growth, potential increases utility expenses, and variable factors associated with the PKP business caused us to maintain our existing estimates for consolidated earnings, which were announced at the time of our previous fiscal year's earnings announcement on May 15, 2012. In the future, we will announce new earnings estimates should conditions necessitate revisions.

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

None

(2) Implementation of Special Accounting Methods in the Creation of Quarterly Consolidated Financial Statements (Calculation of tax expense)

With regards to taxes, a rational estimate of the effective tax rate has been used to calculate the tax effect accounting for net income before taxes during the second quarter, and this rate has been applied to net income before taxes.

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

In accordance with the revisions to the tax system, we have implemented revisions in our depreciation methods during the first quarter relating to the acquisition of tangible fixed assets by our domestic consolidated subsidiaries after April 1, 2012 that are based upon the revisions in the corporate tax system. As a result, operating, ordinary, and pretax incomes effectively are ¥12 million higher than equivalent figures based on the traditional methods employed until the second quarter.

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

(Units: Million Yen)

	FY3/12 (March 31, 2012)	1H FY3/13 (September 30, 2012)
Assets		
Current assets		
Cash and equivalents	17,342	11,106
Notes, accounts receivable	3,790	3,979
Real estate for sale	1,746	2,300
Uncompleted construction payment	87	463
Others	5,314	4,948
Doubtful account reserves	-46	-40
Total current assets	28,234	22,758
Fixed assets		
Tangible fixed assets		
Buildings, structures (net)	30,423	29,573
Land	23,852	23,531
Others (net)	9,378	9,403
Total tangible fixed assets	63,654	62,508
Intangible fixed assets		
Investments, other assets	3,663	3,643
Investment securities	5,687	5,300
Security deposits	9,602	10,170
Deposits	8,484	8,637
Others	6,421	6,471
Doubtful account reserves	-193	-200
Total investments, other assets	30,001	30,378
Total fixed assets	97,319	96,531
Deferred assets	95	87
Total assets	125,649	119,377

(Units: Million Yen)

	FY3/12 (March 31, 2012)	1H FY3/13 (September 30, 2012)
Liabilities		
Current liabilities		
Notes, accounts payable	3,402	2,755
Short term debt	15,596	17,946
Bond, portion redeemable within 1 year	1,520	1,360
Unpaid corporate taxes	1,600	1,439
Prepayments	10,738	7,580
Bonus reserves	840	623
Director bonus reserves	179	99
Completed construction guarantee reserves	10	10
Others	5,072	4,222
Total current liabilities	38,961	36,036
Fixed liabilities		
Bonds	8,225	7,625
Long term debt	40,100	36,290
Retirement benefit reserves	1,183	1,240
Director retirement benefit reserves	306	307
Others	5,319	4,937
Total fixed liabilities	55,135	50,401
Total liabilities	94,097	86,438
Net assets		
Shareholders' equity		
Capital	5,136	5,136
Capital surplus	5,943	5,943
Retained earnings	23,042	24,393
Treasury stock	-1,809	-1,809
Total shareholders' equity	32,312	33,663
Accumulated other comprehensive income		
Other marketable security valuation difference	-761	-723
Accumulated other comprehensive income, aggregated	-761	-723
Total net assets	31,551	32,939
Total liabilities, net assets	125,649	119,377

(2) Quarterly Consolidated Income Statement and Comprehensive Income Statement
Quarterly Consolidated Income Statement
 First Half

(Units: Million Yen)

	1H FY3/12 (From April 1, 2011 to September 30, 2011)	1H FY3/13 (From April 1, 2012 to September 30, 2012)
Net Sales	43,833	47,333
CGS	34,670	37,230
Gross income	9,162	10,103
SG&A	5,803	6,450
Operating income	3,359	3,653
Non-operating income		
Interest income	47	42
Dividend income	20	18
Marketable securities sale	3	63
Deposit redemption income	46	35
Others	50	24
Total non-operating income	168	184
Non-operating expense		
Interest payment	747	642
Others	215	155
Total non-operating expense	963	798
Ordinary income	2,564	3,039
Extraordinary income		
Fixed asset liquidation	124	236
Others	—	12
Total extraordinary income	124	249
Extraordinary loss		
Impairment loss	—	87
Disaster related loss	85	—
Marketable security valuation loss	251	198
Others	26	11
Total extraordinary loss	363	297
Net income before taxes	2,325	2,991
Taxes	1,177	1,372
Net income before adjustment for minority interests in income	1,148	1,619
Minority interests in income	0	—
Net income	1,148	1,619

Quarterly Consolidated Comprehensive Income Statements
First Half

(Units: Million Yen)

	1H FY3/12 (From April 1, 2011 to September 30, 2011)	1H FY3/13 (From April 1, 2012 to September 30, 2012)
Net income before adjustment for minority interests in income	1,148	1,619
Other comprehensive income		
Other marketable securities valuation difference	-42	37
Total other comprehensive income	-42	37
Quarterly comprehensive income	1,106	1,656
(Details)		
Quarterly Comprehensive income of parent company shareholders	1,105	1,656
Quarterly Comprehensive income of minority shareholdings	0	—

(3) Quarterly Consolidated Cash Flow Statement

(Units: Million Yen)

	1H FY3/12 (From April 1, 2011 to September 30, 2011)	1H FY3/13 (From April 1, 2012 to September 30, 2012)
Cash flow from operating activities		
Net income before taxes	2,325	2,991
Depreciation, amortization	1,669	1,462
Amortization of long term prepayments	117	83
Amortization of security deposits	92	100
Change in bonus reserves	-46	-217
Interest, dividends received	-67	-61
Interest paid	747	642
Fixed asset impairment, sale loss	-91	-232
Marketable securities valuation loss	251	198
Change in account receivables	-672	-188
Change in other receivables	529	488
Change in inventories	-1,402	-938
Change in payables	-852	-915
Change in prepayments received	-3,256	-3,158
Change in unpaid consumption tax	-522	48
Change in deposits received	-625	-700
Change in security deposits received	-93	-362
Change in advanced revenues	-71	-71
Others	119	256
Subtotal	-1,850	-575
Interest, dividends received	51	40
Interest payment	-748	-643
Corporate, other tax refunds	6	3
Corporate, other tax payment	-951	-1,544
Cash flow from operating activities	-3,492	-2,719
Cash flow from investing activities		
Acquisition of marketable securities	-138	-10
Sale of marketable securities	127	266
Acquisition of tangible fixed assets	-2,494	-1,432
Sale of tangible fixed assets	2,904	1,219
Acquisition of intangible fixed assets	-71	-60
Loans extended	-111	-132
Loans recovered	263	150
Deposits, security deposits payments	-497	-909
Return of deposits, security deposits	22	71
Insurance reserve fund establishment	-198	-291
Redemption of insurance policy	45	161
Others	-6	-16
Cash flow from investing activities	-155	-984

(Units: Million Yen)

	1H FY3/12 (From April 1, 2011 to September 30, 2011)	1H FY3/13 (From April 1, 2012 to September 30, 2012)
Cash flow from financing activities		
Short term debt change	1,230	3,140
Assumption of new long term debt	845	—
Repayment of long term debt	-5,138	-4,600
Redemption of bonds	-10,820	-760
Treasury stock acquisition	-0	-0
Dividend payment	-273	-266
Dividend payment to minority shareholders	-0	—
Others	-44	-43
Cash flow from financing activities	-14,201	-2,530
Net change in cash and equivalents	-17,849	-6,235
Cash and equivalents at term start	26,898	16,384
Cash and equivalents at term end	9,048	10,149

(4) Notes Regarding Going Concern Assumptions

Not applicable

(5) Notes Regarding Significant Changes in Shareholders' Equity

Not applicable

(6) Segment Information**I Consolidated Data for First Half of Fiscal Year March 2012 (From April 1, 2011 to September 30, 2011)**

1. Reported Segment Sales and Profit, Loss Data

(Units: Million Yen)

	Reported Segments						Others (Note) 1	Total	Adjustments (Note) 2	Consolidated (Note) 3
	Dormitories	Hotels	Contracted Services	Food Service	Construction	Sub Total				
Sales										
External sales	20,006	16,931	3,640	674	832	42,084	1,748	43,833	—	43,833
Internal sales and transfers	56	40	2,225	1,456	1,299	5,077	187	5,264	-5,264	—
Total	20,062	16,971	5,865	2,130	2,131	47,161	1,935	49,097	-5,264	43,833
Operating income	3,032	1,273	22	-82	76	4,321	-142	4,178	-819	3,359

- (Note) 1. Others is not considered as a reported business segment and is comprised of the wellness life (management of senior citizen housing), PKP business (Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support services, insurance agency business, comprehensive human resources, financing services, administrative outsourcing services and other related services..
2. Adjustment for segment profit, loss of ¥819 million includes ¥12 million for inter-segment transaction eliminations, and ¥807 million in companywide expenses which cannot be allocated to specific reported segments. Companywide expenses are primarily those expenses arising from the finance and accounting, and management divisions.
3. Segment profits, losses are derived by adjusting the operating income used in the quarterly consolidated income statements.

2. Impairment accounting losses and goodwill amortization by reported segments

None

II Consolidated Data for First Half Fiscal Year March 2013 (From April 1 to September 30, 2012)

1. Reported Segment Sales and Profit, Loss Data

(Units: Million Yen)

	Reported Segments						Others (Note) 1	Total	Adjustments (Note) 2	Consolidated (Note) 3
	Dormitories	Hotels	Contracted Services	Food Service	Construction	Sub Total				
Sales										
External sales	19,930	19,709	3,760	751	802	44,954	2,379	47,333	—	47,333
Internal sales and transfers	58	42	2,452	1,682	243	4,480	194	4,674	-4,674	—
Total	19,989	19,752	6,213	2,433	1,046	49,434	2,574	52,008	-4,674	47,333
Operating income	2,797	2,065	-61	-66	-8	4,726	-153	4,573	-919	3,653

- (Notes) 1. Other is not considered as a reported business segment and is comprised of the wellness life (management of senior citizen housing), PKP business (Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support services, insurance agency business, comprehensive human resources, financing services, administrative outsourcing services and other related services.
2. Adjustment for segment profit, loss of ¥919 million includes ¥15 million for inter-segment transaction eliminations, and ¥904 million in companywide expenses which cannot be allocated to specific reported segments. Companywide expenses are primarily those expenses arising from the finance and accounting, and management divisions.
3. Segment profits, losses are derived by adjusting the operating income used in the quarterly consolidated income statements.

2. Impairment accounting losses and goodwill amortization by reported segments

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