

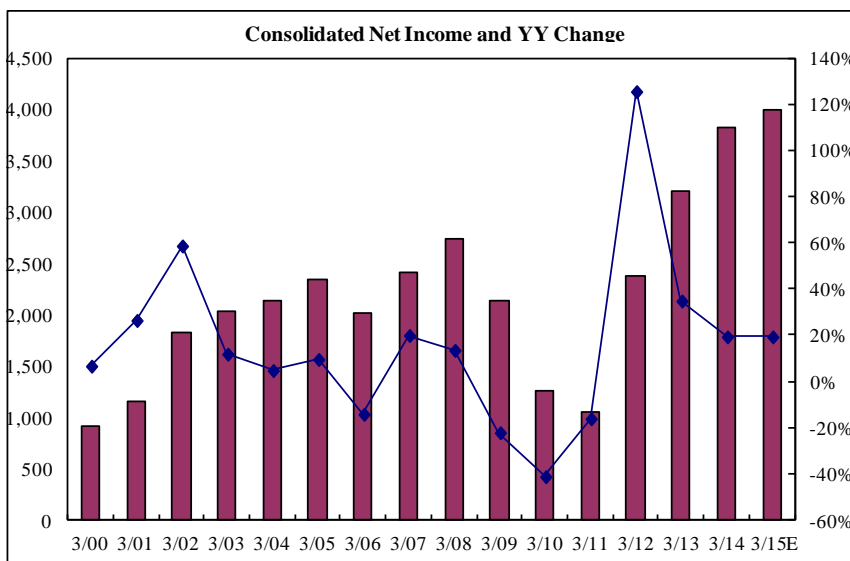
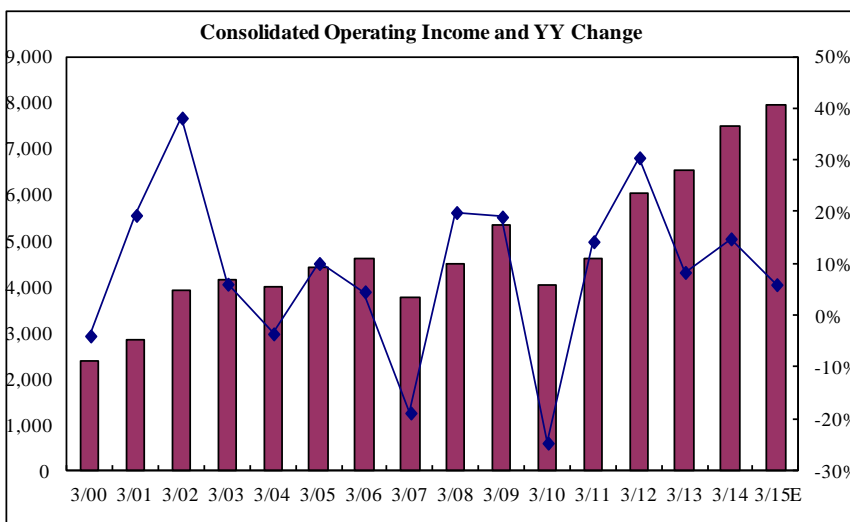
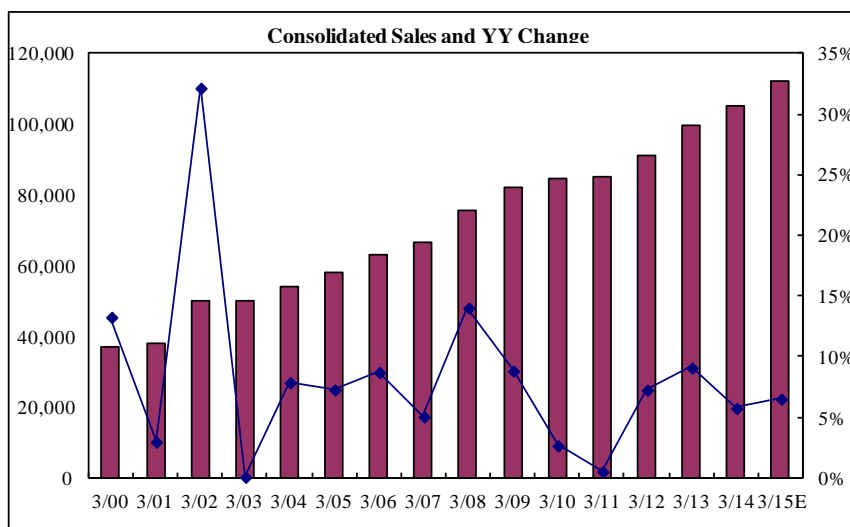


**Kyoritsu Maintenance Co., Ltd.**  
(Securities Code: 9616)

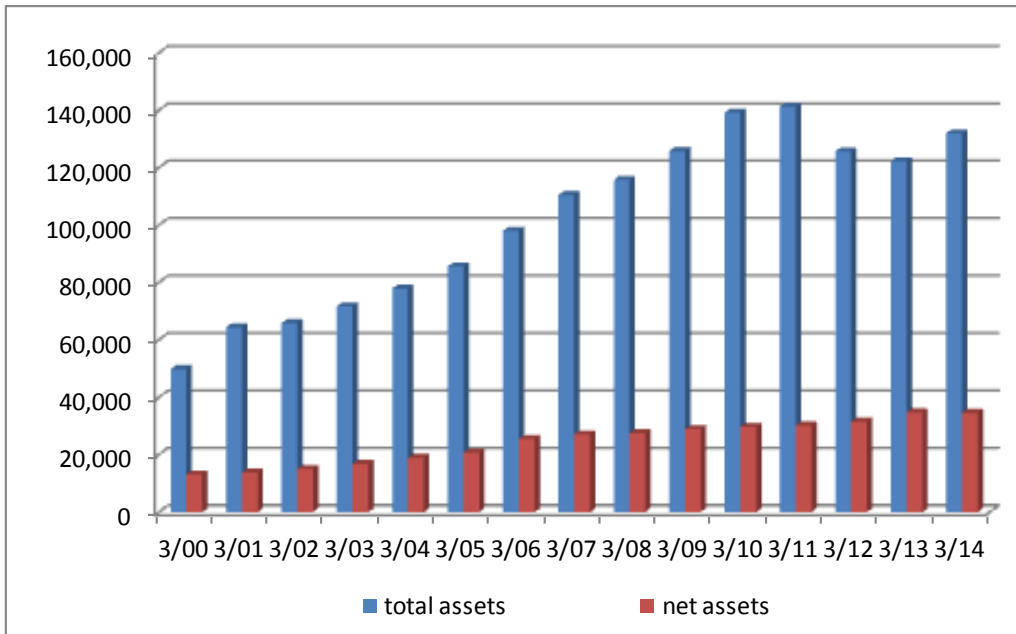
**First Half of Fiscal Year March 2015  
Consolidated Earnings Results Update**

**November 2014**

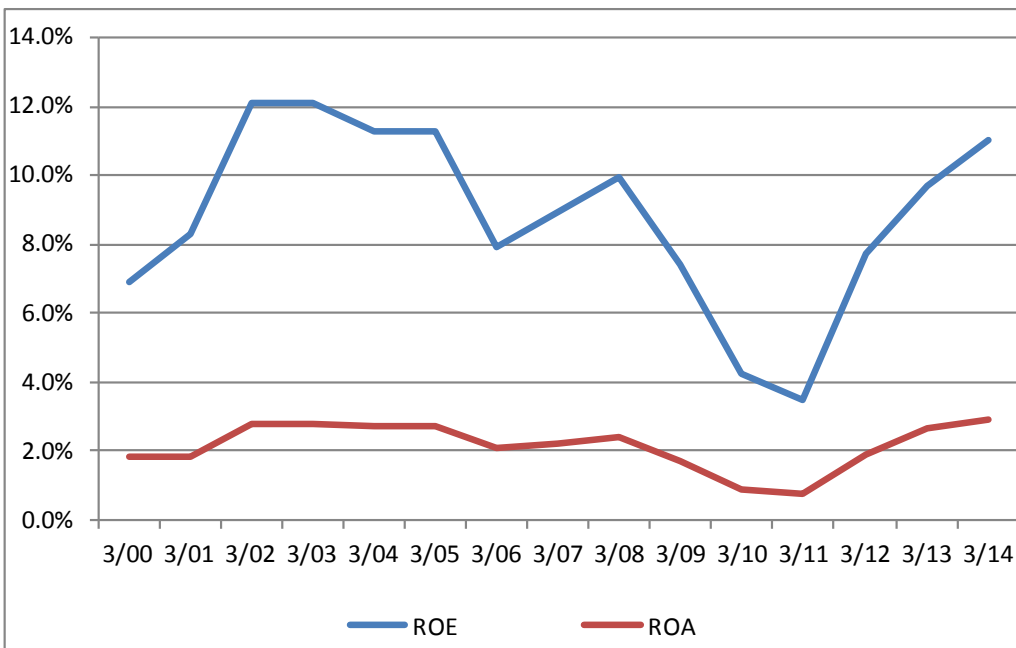
# Kyoritsu Maintenance Consolidated Financial Data at a Glance

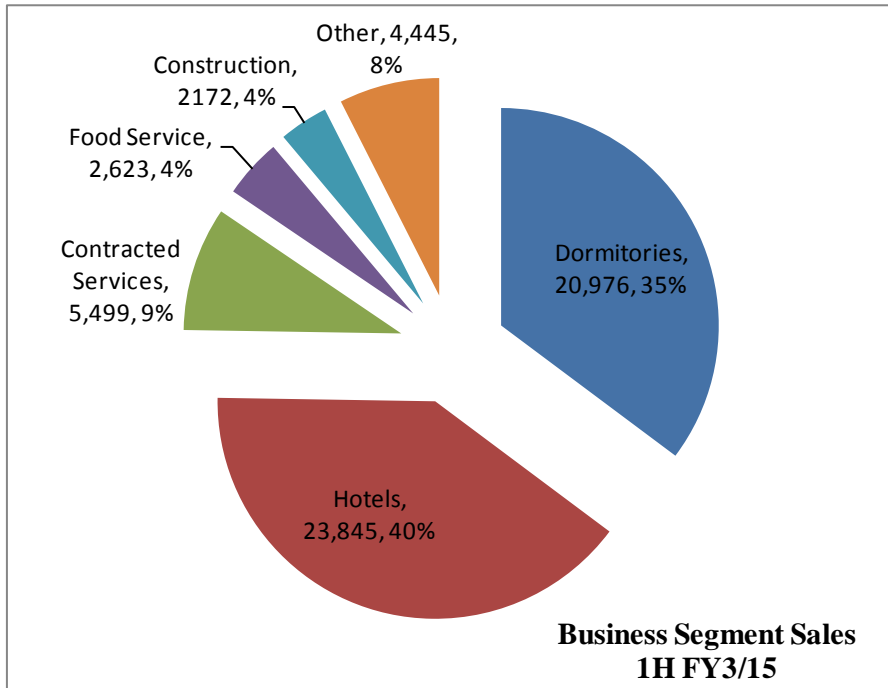
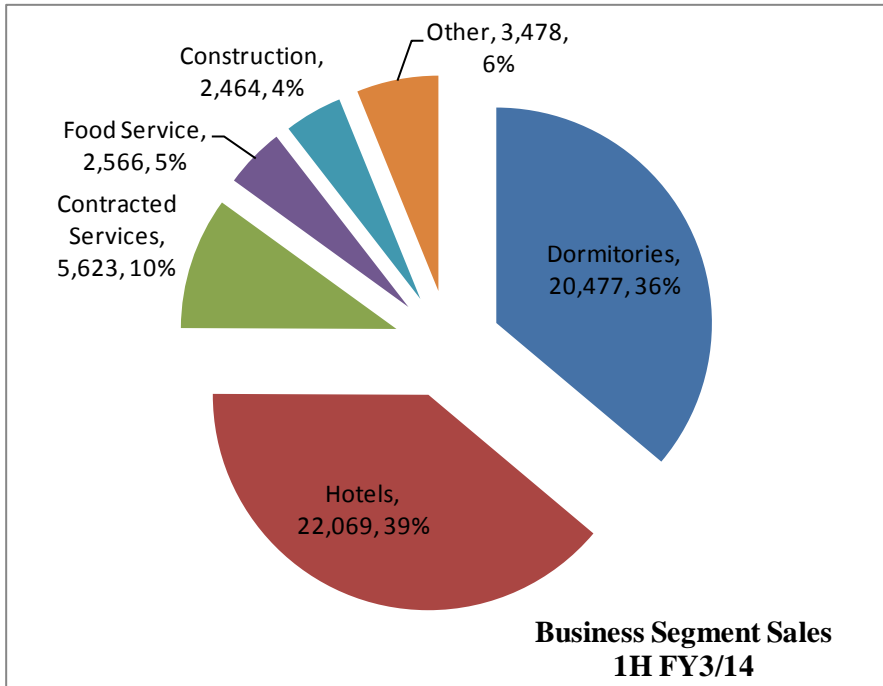


(Units: Million Yen)



(Units: Million Yen)





(Units: Million Yen)

<b>Consolidated Income Statement</b>											<b>3/05</b>	<b>3/06</b>	<b>3/07</b>	<b>3/08</b>	<b>3/09</b>	<b>3/10</b>	<b>3/11</b>	<b>3/12</b>	<b>3/13</b>	<b>3/14</b>	<b>3A/SE</b>	<b>IH FY3/14</b>	<b>IH FY3/15</b>
net sales		58,014	63,085	66,287	75,606	82,303	84,513	84,983	91,170	99,472	105,216	112,100	*	51,624	53,574								
gross income		10,894	11,783	12,242	14,183	15,507	13,957	15,408	17,863	19,910	21,524	na	*	10,955	11,819								
operating income		4,407	4,611	3,745	4,492	5,349	4,033	4,610	6,017	6,521	7,490	7,940	*	4,127	4,519								
ordinary income		4,411	4,824	3,787	4,167	4,510	3,012	3,308	4,602	5,599	6,796	7,100	*	3,758	4,221								
net income		2,343	2,011	2,413	2,740	2,133	1,254	1,052	2,376	3,206	3,821	4,000	*	2,190	2,726								
													*										
													*										
<b>Consolidated Balance Sheet</b>																							
current assets		23,254	23,350	24,901	19,967	21,852	23,104	36,783	28,234	30,852	37,473	na	*	25,052	28,910								
fixed assets		62,336	74,681	85,562	95,728	103,891	115,980	104,428	97,319	91,335	94,434	na	*	92,349	99,302								
total assets		85,620	98,047	110,507	115,738	125,793	139,209	141,314	125,649	122,259	131,995	na	*	117,468	128,293								
current liabilities		31,585	44,039	37,342	44,119	41,615	41,499	50,546	38,961	38,892	40,819	na	*	38,467	39,200								
fixed liabilities		33,077	28,316	46,068	44,079	55,266	67,956	60,600	55,135	48,584	56,586	na	*	45,935	51,673								
total liabilities		64,663	72,355	83,411	88,199	96,882	109,455	111,147	94,097	87,476	97,405	na	*	84,402	90,873								
net assets		20,788	25,512	27,096	27,538	28,911	29,753	30,166	31,551	34,782	34,590	na	*	33,065	37,419								
													*										
													*										
<b>yy change</b>																							
net sales		7.3%	8.7%	5.1%	14.1%	8.9%	2.7%	0.6%	7.3%	9.1%	5.8%	6.5%	*	9.1%	3.8%								
gross income		3.3%	8.2%	3.9%	15.9%	9.3%	-10.0%	10.4%	15.9%	11.5%	8.1%	na	*	8.4%	7.9%								
operating income		10.1%	4.6%	-18.8%	19.9%	19.1%	-24.6%	14.3%	30.5%	8.4%	14.9%	6.0%	*	13.0%	9.5%								
ordinary income		8.6%	9.4%	-21.5%	10.0%	8.2%	-33.2%	9.8%	39.1%	21.7%	21.4%	4.5%	*	23.7%	12.3%								
net income		9.6%	-14.2%	20.0%	13.6%	-22.2%	-41.2%	-16.1%	125.7%	34.9%	19.4%	4.5%	*	35.3%	24.5%								
													*										
													*										
<b>margins</b>																							
gross margins		18.8%	18.7%	18.5%	18.8%	18.8%	16.5%	18.1%	19.6%	20.0%	20.5%	na	*	21.2%	22.1%								
operating margins		7.6%	7.3%	5.6%	5.9%	6.5%	4.8%	5.4%	6.6%	6.6%	7.1%	7.1%	*	8.0%	8.4%								
ordinary margins		7.6%	7.6%	5.7%	5.5%	5.5%	3.6%	3.9%	5.0%	5.6%	6.5%	6.3%	*	7.3%	7.9%								
net margins		4.0%	3.2%	3.6%	3.6%	2.6%	1.5%	1.2%	2.6%	3.2%	3.6%	3.6%	*	4.2%	5.1%								
													*										
													*										
<b>other benchmarks</b>																							
ROE		11.3%	7.9%	8.9%	9.9%	7.4%	4.2%	3.5%	7.7%	9.7%	11.0%	na	*	na	na								
ROA		2.7%	2.1%	2.2%	2.4%	1.7%	0.9%	0.7%	1.9%	2.6%	2.9%	na	*	na	na								
equity ratio		24.3%	26.0%	24.5%	23.8%	23.0%	21.4%	21.3%	25.1%	28.4%	26.2%	na	*	28.1%	29.2%								
Units: million yen													*										



# First Half of Fiscal Year March 2015 Consolidated Earnings Announcement

November 7, 2014

Company Name: Kyoritsu Maintenance Co., Ltd.

Tokyo Stock Exchange

Stock Code: 9616, URL: <http://www.kyoritsugroup.co.jp/>

Director: Mitsutaka Sato, President

Contact: Takumi Ueda, Vice President, Tel: +81-3-5295-7778

Quarterly Earnings Announcement Report Filing Date (Anticipated): November 13, 2014

Dividend Payment Date (Anticipated): December 5, 2014

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 2015 Consolidated Earnings (April 1, 2014 to September 30, 2014)

### (1) Consolidated Earnings (Aggregated)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1H FY3/15	53,574	3.8	4,519	9.5	4,221	12.3	2,726	24.5
1H FY3/14	51,624	9.1	4,127	13.0	3,758	23.7	2,190	35.3

(Note) Comprehensive income: ¥3,128 million (37.3% yy) in 1H FY3/15, ¥2,279 million (37.6% yy) in 1H FY3/14

	EPS		Fully Diluted EPS	
	Yen		Yen	
1H FY3/15	209.11		167.58	
1H FY3/14	164.08		—	

### (2) Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Book Value Per Share	
	Million yen		Million yen		%		Yen	
1H FY3/15	128,293		37,419		29.2		2,870.29	
FY3/14	131,995		34,590		26.2		2,653.13	

(Note) Capital: ¥37,419 million in 1H FY3/15, ¥34,590 million in FY3/14

## 2. Dividend Conditions

	Dividend Per Share				
	1Q End	2Q End	3Q End	4Q End	Total
	Yen				
FY3/14	—	21.00	—	27.00	48.00
FY3/15	—	24.00			
FY3/15 (Projected)			—	24.00	48.00

(Note) Recent changes in dividend projections: None

## 3. Fiscal Year March 2015 Consolidated Earnings Estimates (April 1, 2014 to March 31, 2015)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	112,100	6.5	7,940	6.0	7,100	4.5	4,000	4.5	306.81

(Note) Recent changes in earnings estimates: None

Notes

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

(4) Shares Issued (Common Stocks)

- ① Shares issued as of term end (including treasury shares)
- ② Treasury Stock as of term end
- ③ Average during the term

1H FY3/15	15,125,582	FY3/14	15,125,582
1H FY3/15	2,088,856	FY3/14	2,088,126
1H FY3/15	13,037,172	1HFY3/14	13,348,931

➤ 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.

With regards to qualitative information regarding our quarterly earnings, please refer to the segment of this document “(3) Explanation of Our Earnings Estimates and Future Forecasts”.

We provide this information in our quarterly earnings results explanation materials available on our website.

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## 1. Qualitative Information about Quarterly Earnings

### (1) Explanation of Business Performance

During the first half of the current fiscal year, the Japanese economy continued to recover gradually on the back of Government stimulatory monetary and financial policies. However, the economic horizon remains clouded by the potential for prolonged weakness in consumption resulting from the extraordinary demand caused by the rush to buy ahead of the consumption tax hike and weakness in overseas economies. Against this backdrop, our main dormitory business got off to a good start with occupancy rates rising by 0.2% points to 97.2% at the start of the term. Furthermore, both the Dormy Inn (Business hotels) and resort hotel sub-segments saw favorable occupancy rates that trended above the previous year's levels. Consequently, sales rose by 3.8% year-on-year to ¥53.574 billion and operating, ordinary and net incomes rose by 9.5%, 12.3%, and 24.5% to ¥4.519, ¥4.221, and ¥2.726 billion respectively, exceeding initial estimates and achieving new record highs for profits.

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

#### Dormitory Business

Occupancy rates in our dormitory business got off to a good start of the term, rising 0.2% points from the previous term to 97.2%, with the number of contracted residents rising by 623 from the end of the September 2013 to 31,107 at the end of September 2014. During the first half, student dormitories trended favorably and corporate dormitories also trended strongly on the back of increased hiring of employees and due to the reintroduction of dormitory usage by a growing number of Japanese companies. Consequently, sales and operating income rose by 2.4% and 5.0% year-on-year to ¥20.976 and ¥2.691 billion respectively.

#### Hotel Business

In the Dormy Inn business hotels, the "Natural Hot Spring Satsuki no Yu Dormy Inn EXPRESS Kakegawa" and the "Natural Hot Spring Yugiri no Yu Dormy Inn PREMIUM Namba", which were opened in the previous term, trended strongly. In addition, existing facilities saw high occupancy rates. Moreover, the number of inbound travelers from overseas using Kyoritsu's facilities continued to grow with "Natural Hot Spring Yugiri no Yu Dormy Inn PREMIUM Namba" seeing the largest number of inbound travelers. In the resort hotel sub-segment, both the "Inishie no Yado Ikyu" resort hotel facility opened in the previous term and existing facilities benefitted from highly detailed marketing measures and saw increases in their occupancy rates over the previous term. Consequently, these developments were able to overcome the negative impact of large typhoons and torrential rains that plagued Japan during the period and allowed hotel business sales and operating income to rise by 8.0% and 15.8% year-on-year to ¥23.845 and ¥3.120 billion respectively.

#### Contracted Services Business

In our contracted services business, the sale of self owned properties in the previous term contributed to a decline in rental income, but profits were able to rise despite the lower sales. While sales declined by 2.2% year-on-year to ¥5.499 billion, operating income improved by ¥97 million from a loss in the previous first half to a profit of ¥76 million in the current first half.

#### Food Service Business

The food service business continued to suffer from difficult operating conditions due to increases in material prices and delays in a recovery in consumption due to the prolonged effect of the consumption tax hike. However, strict and effective cost controls allowed profits to improve by ¥51 million from the loss in the previous first half to a marginal operating loss of less than ¥1 million on the back of a 2.2% year-on-year increase in sales to ¥2.623 billion.

#### Construction Business

In our construction business, a rapid rise in development costs contributed to delays in some construction projects. Consequently, sales fell by 11.8% year-on-year to ¥2.172 billion and an operating loss of ¥7 million was recorded (A ¥32 million decline in operating income).

#### Other Business

Our other business is comprised of the Wellness Life business (Management of senior citizen housing), the PKP business (Consigned services business provided to regional government bodies), single life support and insurance agency business, comprehensive human resource service business, and financing services and administrative outsourcing services. Sales of this business rose by 27.8% year-over-year to ¥4.445 billion, but an operating loss of ¥197 million was incurred (An ¥86

million yen worsening from the previous first half).

## **(2) Explanation of Financial Position**

### **(Assets, Liabilities, Net Asset Conditions)**

Total consolidated assets declined by ¥3.702 billion from the end of the previous fiscal year to ¥128.293 billion at the end of the current first half, due primarily to a drop in cash and equivalents.

### **(Liabilities)**

Total consolidated liabilities declined by ¥6.531 billion from the end of the previous fiscal year to ¥90.873 billion at the end of the current first half, due primarily to a decline in prepayments received.

### **(Net Assets)**

Net assets grew by ¥2.829 billion from the end of the previous fiscal year to ¥37.419 billion at the end of the first half. The main reason for this increase was a rise in retained earnings. Consequently, equity ratio rose by 3.0% points from the end of the previous term to 29.2% at the end of the first half.

### **Cash Flow Conditions**

Cash and equivalents declined by ¥9.652 billion from the end of the previous fiscal year to ¥14.097 billion at the end of the current first half.

### **(Operating Cash Flow)**

The net cash outflow from operating activities increased by ¥330 million from the previous first half to ¥1.538 billion in the current first half due to an increase in inventories and a decline in prepayments received.

### **(Investing Cash Flow)**

The net outflow of cash from investing activities grew by ¥2.653 billion from the first half of the previous term to ¥5.566 billion in the current first half due to payments for security deposits and other deposits and for acquisition of tangible noncurrent assets.

### **(Financing Cash Flow)**

The net cash outflow from financing activities rose by ¥2.286 billion from the previous first half to ¥2.653 billion in the current first half due to a net repayment of long term debt.

## **(3) Consolidated Earnings Estimates and Forward- Looking Forecast Information**

With regards to our consolidated earnings estimates, our outstanding consolidated earnings estimates for the full fiscal year to March 2015 announced on May 15, 2014 remain unchanged.

## **2. Summary Information (Notes)**

### **(1) Changes in Important Consolidated Subsidiaries during the Quarter**

Not applicable

### **(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 first half, and this rate has been applied to net income before taxes. However, in the event that the estimate for the effective tax rate appears to lack logical rationale, then the legally determined effective tax rate will be employed.

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

#### **Changes in Accounting Policies**

#### **(Application of Accounting Standards with Regards to Retirement Benefit)**

With regards to the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 on May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 on May 17, 2012), our Company has applied the text in Paragraph 35 of the Accounting Standard for Retirement Benefits and the text in Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits from the first half of the fiscal year under review, revising its method of calculating retirement benefit obligations and prior service costs. The method of attributing expected benefit has been changed from a straight-line basis to a benefit formula basis. Also, the method of determining the discount rate has been changed from one using as the basis for calculation discount rates for periods similar to employees' average remaining

service period to a method employing a single weighted average discount rate reflecting expected retirement benefit periods and payment amounts corresponding to each period.

Regarding the application of the Accounting Standard for Retirement Benefits, in accordance with the transitional treatment stipulated in paragraph 37, from the beginning of the first half of the fiscal year under review the amount of change resulting from the method of calculating retirement benefit obligations and prior service costs is added to or deducted from retained earnings.

As a result, liabilities related to retirement benefits declined ¥86 million at the beginning of the first half of the fiscal year under review, and retained earnings increased ¥55 million. Furthermore, operating income, ordinary income, and income before income taxes each increased ¥6 million

## 3. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(Units: Million Yen)

	FY3/14 (March 31, 2014)	1H FY3/15 (September 30, 2014)
<b>Assets</b>		
Current assets		
Cash and equivalents	24,707	14,955
Notes, accounts receivable	4,986	5,438
Real estate for sale	257	239
Uncompleted real estate for sale	372	1,321
Uncompleted construction payment	314	678
Others	6,862	6,301
Doubtful account reserves	-26	-25
Total current assets	37,473	28,910
Fixed assets		
Tangible Fixed assets		
Buildings, structures	29,843	32,010
Land	24,891	25,512
Others (Net)	6,270	6,908
Total tangible fixed assets	61,005	64,431
Intangible noncurrent assets	1,890	1,859
Investments, other assets		
Investment securities	5,888	6,140
Security deposits	11,481	11,782
Deposits	8,574	8,755
Others	5,789	6,525
Doubtful account reserves	-195	-192
Total investments, other assets	31,538	33,011
Total fixed assets	94,434	99,302
Deferred assets	87	80
Total assets	131,995	128,293

## Kyoritsu Maintenance (9616), 1H FY3/15 Earnings Announcement

	(Units: Million Yen)	
	FY3/14 (March 31, 2014)	1H FY3/15 (September 30, 2014)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes, accounts payable	3,908	3,377
Short term debt	15,328	17,981
Bond, portion redeemable within 1 year	1,150	1,150
Unpaid corporate taxes	1,940	1,583
Prepayments	11,091	8,413
Bonus reserves	1,148	830
Director bonus reserves	294	164
Completed construction guarantee reserves	11	11
Others	5,945	5,688
<b>Total current liabilities</b>	<b>40,819</b>	<b>39,200</b>
<b>Fixed liabilities</b>		
Bonds	6,300	5,725
Convertible bonds with stock options	15,000	15,000
Long term debt	29,772	25,432
Director retirement benefit reserve	311	306
Point reserve	16	25
Retirement benefit reserve related liabilities	1,178	1,128
Others	4,006	4,055
<b>Total fixed liabilities</b>	<b>56,586</b>	<b>51,673</b>
<b>Total liabilities</b>	<b>97,405</b>	<b>90,873</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital	5,136	5,136
Capital reserves	5,943	5,943
Retained earnings	28,892	31,322
Treasury stock	-5,471	-5,474
<b>Total shareholders' equity</b>	<b>34,500</b>	<b>36,927</b>
<b>Other comprehensive income, aggregated</b>		
Other marketable securities valuation gains	-29	338
Foreign exchange translation provisions	99	141
Retirement reserve related	20	11
<b>Total other comprehensive income, aggregated</b>	<b>89</b>	<b>492</b>
<b>Total net assets</b>	<b>34,590</b>	<b>37,419</b>
<b>Total liabilities and net assets</b>	<b>131,995</b>	<b>128,293</b>

## Kyoritsu Maintenance (9616), 1H FY3/15 Earnings Announcement

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

(Units: Million Yen)

	1H FY3/14 (April 1, 2013 to September 30, 2013)	1H FY3/15 (April 1, 2014 to September 30, 2014)
Net Sales	51,624	53,574
CGS	40,669	41,755
Gross income	10,955	11,819
SG&A	6,828	7,299
Operating income	4,127	4,519
Non-operating income		
Interest income	50	44
Dividend income	23	23
Foreign exchange translation gains	116	185
Others	135	84
Total non-operating income	325	337
Non-operating expense		
Interest payment	542	448
Others	151	187
Total non-operating expense	694	636
Ordinary income	3,758	4,221
Extraordinary income		
Compensation received	—	93
Total extraordinary income	—	93
Extraordinary loss		
Fixed asset liquidation loss	—	17
Dismantlement costs	13	—
Total extraordinary loss	13	17
Net income before taxes	3,744	4,297
Taxes	1,554	1,571
Net income before minority interests	2,190	2,726
Net income	2,190	2,726

## Kyoritsu Maintenance (9616), 1H FY3/15 Earnings Announcement

Quarterly Consolidated Comprehensive Income Statements  
Consolidated First Half

(Units: Million Yen)

	1H FY3/14 (April 1, 2013 to September 30, 2013)	1H FY3/15 (April 1, 2014 to September 30, 2014)
Net income before minority interests	2,190	2,726
Other comprehensive income		
Other marketable securities valuation gains	54	368
Foreign exchange translation provisional account	34	42
Retirement of retirement benefits	—	-8
Total other comprehensive income	89	402
Quarterly comprehensive income	2,279	3,128
(Details)		
Comprehensive income of parent company	2,279	3,128
Comprehensive income of minority shareholdings	—	—

## (3) Quarterly Consolidated Cash Flow Statements

(Units: Million Yen)

	1H FY3/14 (April 1, 2013 to September 30, 2013)	1H FY3/15 (April 1, 2014 to September 30, 2014)
<b>Cash flow from operating activities</b>		
Net income before taxes	3,744	4,297
Depreciation, amortization	1,375	1,523
Amortization of long term prepayments	70	135
Amortization of security deposits	105	114
Change in bonus reserves	-314	-318
Interest, dividends received	-74	-67
Interest paid	542	448
Fixed asset impairment, sale income	3	18
Change in account receivables	1,847	-452
Change in outstanding income	563	514
Change in inventories	-469	-1,201
Change in payables	-1,641	-522
Change in prepayments	-3,264	-2,678
Change in prepayments received	-68	-317
Change in unpaid consumption tax	-397	687
Change in deposits received	-787	-634
Change in security deposits received	-88	27
Change in advances received	-71	-71
Others	-160	-858
Subtotal	913	644
Interest, dividends received	19	38
Interest payment	-549	-445
Corporate, other tax returns	0	1
Corporate, other tax payment	-1,591	-1,776
Cash flow from operating activities	-1,208	-1,538
<b>Cash flow from investing activities</b>		
Acquisition of marketable securities	—	-100
Sale of marketable securities	390	318
Acquisition of tangible fixed assets	-2,215	-5,100
Sale of tangible fixed assets	0	362
Acquisition of intangible fixed assets	-33	-43
Loans extended	-220	-828
Loans recovered	145	930
Payment of deposits, security deposits	-589	-597
Return of deposits, security deposits	43	77
Payment into insurance reserves	-416	-489
Redemption of insurance reserves	38	1
Others	-57	-98
Cash flow from investing activities	-2,913	-5,566



## Kyoritsu Maintenance (9616), 1H FY3/15 Earnings Announcement

(Units: Million Yen)

	1H FY3/14 (April 1, 2013 to September 30, 2013)	1H FY3/15 (April 1, 2014 to September 30, 2014)
Cash flow from financing activities		
Change in short term debt	4,600	3,750
Assumption of new long term debt	3,600	—
Repayment of long term debt	-3,964	-5,437
Payment for redemption of bonds	-575	-575
Treasury stock acquisition	-3,658	-3
Dividend payment	-336	-352
Others	-33	-36
Cash flow from financing activities	-367	-2,653
Translation gains in cash and equivalents	110	105
Change in cash and equivalents	-4,378	-9,652
Cash and equivalents at term start	16,665	23,750
Cash and equivalents at term end	12,286	14,097

## (4) Quarterly Consolidated Financial Statement Notes

(Notes Regarding Going Concern Assumptions)

Not applicable

(Significant Changes in Shareholders' Equity Notes)

Not applicable

(Segment Information)

Segment information

## I. First Half of Fiscal Year March 2014 (From April 1 to September 30, 2013)

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

(Units: Million Yen)

	Reported Segments						Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Subtotal				
Sales										
External sales	20,403	22,027	3,465	782	1,655	48,334	3,290	51,624	—	51,624
Internal sales and transfers	74	42	2,158	1,784	808	4,867	188	5,055	-5,055	—
Total	20,477	22,069	5,623	2,566	2,464	53,202	3,478	56,680	-5,055	51,624
Operating income	2,564	2,694	-20	-51	25	5,212	-110	5,101	-974	4,127

- (Note)
- 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 provided to regional government bodies), single life support services, insurance agency business, comprehensive human resources, financing and advertising agency services.
  - Adjustment for segment profit and loss of ¥974 million includes ¥2 million for inter-segment transaction eliminations, and ¥976 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.
  - Segment profits or losses are derived by adjusting the operating income used in the quarterly consolidated income statement.

## 2. Impairment accounting losses and goodwill amortization of fixed assets by reported segments

None

## II. First Half of Fiscal Year March 2015 (From April 1 to September 30, 2014)

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

(Units: Million Yen)

	Reported Segments						Others (Note 1)	Total	Adjustments (Note2)	Consolidated (Note3)
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Subtotal				
Sales										
External sales	20,860	23,793	2,968	724	988	49,334	4,239	53,574	—	53,574
Internal sales and transfers	115	52	2,530	1,899	1,184	5,782	205	5,988	-5,988	—
Total	20,976	23,845	5,499	2,623	2,172	55,117	4,445	59,562	-5,988	53,574
Operating income	2,691	3,120	76	-0	-7	5,880	-197	5,683	-1,163	4,519

- (Note) 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 provided to regional government bodies), single life support services, insurance agency business, comprehensive human resources, financing services and other related services
2. Adjustment for segment profit, loss of ¥1,163 million includes ¥51 million for inter-segment transaction eliminations, and ¥1,111 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 of fixed assets by reported segments

None