

**Consolidated Financial Statements**  
**for the First Quarter of the Fiscal Year Ending March 31, 2011 [J-GAAP]**

July 30, 2010

**NIPPON KANZAI Co., Ltd.**

Listed Exchanges: Tokyo Stock Exchange and Osaka Securities Exchange, First Section  
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Filing date of quarterly report: August 6, 2010  
Date to start dividends distribution: —  
Supplementary quarterly materials prepared: No  
Quarterly results information meeting held: No

\*Amounts under one million yen have been rounded down.

**1. Consolidated results for the first quarter ended June 30, 2010 (April 1, 2010 to June 30, 2010)**

**(1) Consolidated business results**

(Percentage figures indicate the rate of change from the same period in the previous year.)

	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2010	18,474	4.0	854	12.4	885	13.4
Three months ended June 30, 2009	17,761	4.7	760	(26.1)	780	(28.3)

	Net Income		Net Income per Share	Diluted Net Income per Share
	Millions of yen	%	Yen	Yen
Three months ended June 30, 2010	362	(17.9)	20.99	—
Three months ended June 30, 2009	441	(19.7)	21.47	—

**(2) Consolidated financial position**

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2010	35,788	24,000	62.6	1,297.85
As of March 31, 2010	36,710	24,008	61.0	1,296.72

Note: Shareholders' equity: As of June 30, 2010: ¥22,402 million, As of March 31, 2010: ¥22,383 million

**2. Dividends**

	Annual dividends				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Annual
Year ended March 31, 2010	—	16.00	—	16.00	32.00
Year ending March 31, 2011	—				
Year ending March 31, 2011 (Forecast)		16.00	—	16.00	32.00

Note: Revisions to the forecast of cash dividends in the current quarter: None

**3. Consolidated business forecasts for the year ending March 31, 2011 (April 1, 2010 to March 31, 2011)**

(Percentage figures indicate the rate of change from the same period in the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months	36,200	2.4	1,670	3.9	1,780	30.5	800	18.0	46.35
Full year	74,600	2.9	3,800	3.9	4,000	6.9	1,900	9.3	110.07

Note: Revisions to the consolidated business forecasts in the current quarter: None

**4. Others** (For details, please refer to the [Attached Document] page 3 “2.Other information.”)

**(1) Changes to significant subsidiaries during the term: None**

Note: This refers to changes to specific subsidiaries due to changes in the scope of consolidation in the period under review.

**(2) Adoption of the simplified accounting as well as specific accounting: Yes**

Note: This refers to the adoption of simplified accounting treatment or specific accounting treatment for preparing the quarterly consolidated financial statements.

**(3) Changes in accounting principles, processes, presentation methods, etc.**

**1) Changes due to the revision of accounting standard: Yes**

**2) Changes other than 1): Yes**

Note: This refers to changes in accounting principles, processes, disclosure methods, etc., pertaining to the preparation of quarterly consolidated financial statements as stated in “Changes in Accounting Principles, Processes, Disclosure Methods, etc.”

**(4) Number of shares issued and outstanding (common stock)**

1) Number of shares issued and outstanding at the end of each period (including treasury stock)

2) Number of treasury stock at the end of each period

3) Average number of shares issued and outstanding in each period (quarterly accumulated)

1)	As of June 30, 2010	20,590,153 shares	As of March 31, 2010	20,590,153 shares
2)	As of June 30, 2010	3,328,663 shares	As of March 31, 2010	3,328,630 shares
3)	First three months ended June 30, 2010	17,261,495 shares	First three months ended June 30, 2009	20,562,185 shares

**\* Presentation of implementation status for quarterly review procedures**

This quarterly financial report is not covered by the Financial Instruments and Exchange Act and the quarterly consolidated financial statements review procedures called for by the Financial Instruments and Exchange Act have not been completed as of the release of this quarterly financial report.

**\* Explanation regarding the appropriate use of forecasts of business results and other special items**

The forecasts of business results reported herein were prepared based on information Nippon Kanzai had in its possession as of the time this report was prepared and on certain assumptions judged to be reasonable. Actual results may differ significantly from forecasts due to various factors. Please refer to the disclaimers, provided under “1.(3) Qualitative information on consolidated business forecasts” on page 3 of the quarterly financial report (attachment), regarding assumptions upon which forecasts are based and the use of forecasts.

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## 1. Qualitative information on financial statements

### (1) Qualitative information on consolidated business results

During the first three months of the fiscal year ending March 2011, the Japanese economy, while showing signs of recovery in some sectors, suffered from weak equity prices and intensifying yen appreciation, which prevented any improvement in the difficult economic circumstances.

In the real estate service industry, as well, conditions remained tough as clients focused even more on cutting costs, buildings under contract were closed or had services scaled back, and office vacancies climbed.

Under the business environment, the Nippon Kanzai Group aggressively worked on property management, private finance initiatives (PFI) and enhancement of our group companies along with continued expansion of businesses peripheral to building maintenance.

Consolidated net sales for the first three months, while hindered somewhat by heated competition for new contracts, benefited from strong activity in non-recurring work and construction-related orders, and from gains on real estate fund asset sales, and increased by 4.0% compared to the same period in the previous year, to 18,474 million yen.

As for income, the lack of growth in unit prices of contracts put some downward pressure on profitability, but efforts to cut and hold down management costs, such as re-examination of procurement unit prices and paying extra attention to time management, as well as improvement of the profit margin in our Real Estate Fund Management Business resulted in operating income of 854 million yen, up 12.4% from the same period in the previous year, and ordinary income of 885 million yen, up 13.4%. Net income for the first three months of the current fiscal year, however, came to 362 million yen, down 17.9%, due to the recording of an extraordinary loss including previous years' asset retirement obligation expenses.

The following are earning by segment:

#### 1) Building Management and Operating Business

Our core Building Management and Operating Business, which is engaged in building management service and security, experienced strong orders for real estate services and recorded consolidated net sales for the first three months of 15,494 million yen, up 0.4% compared to the same period in the previous year.

Here, too, a lack of growth in unit prices of contracts had a negative impact, but this was overcome by successful efforts to lower cost ratios, and the segment income of 1,473 million yen, up 3.4%.

#### 2) Environmental Facility Management Business

In the Environmental Facility Management Business, which is mainly engaged in the management of water treatment, sewage disposal, and other public facilities, we secured an overall firm number of new contracts, particularly for the management of incinerators and recycling facilities. As a result, net sales for the first three months increased by 3.1% year on year to 1,635 million yen.

During the quarter, we worked to cut costs, primarily by re-examining procurement costs and realigning personnel assignments to better match actual needs. Nevertheless, with local governments – the main customers for this segment – continuing to be squeezed fiscally, and the particularly strong impact of falling profitability in new contracts, segment income fell 27.6% compared to the same period in the previous year, to 106 million yen.

#### 3) Real Estate Fund Management Business

In the Real Estate Fund Management Business, which mainly entails asset management, or forming real estate funds and managing assets, and handles investments in anonymous associations, a stable asset management income and proceeds from asset sales were recorded. As a result, quarterly consolidated net sales came to 783 million yen, an increase of 481.0% compared to the same period in the previous year.

The asset sales mentioned above gave rise to selling expenses, however, with no real estate valuation losses, segment income came to 44 million yen, an improvement of 105 million yen compared to the same period in the previous year.

#### 4) Other Businesses

Other Businesses, which consist mainly of event planning and management, printing, and design, suffered from both the downsizing of events and cost-cutting efforts by clients, and held consolidated net sales for the first three months to 560 million yen, down 6.9% from the same period in the previous year, and caused segment income to drop 41.1% to 25 million yen.

## **(2) Qualitative information on consolidated financial position**

### **1) Consolidated balance sheets**

Total assets at the end of the first quarter of the current fiscal year decreased by 922 million yen, or 2.5% compared to the end of the previous fiscal year to 35,788 million yen.

This was due mainly to a decline in real estate held for sale, which was due to the sale of real estate fund assets, and the sale of investment securities.

The liabilities decreased by 915 million yen, or 7.2% compared to the end of the previous fiscal year to 11,787 million, due to decreases in accrued income taxes and non-recourse loans associated with real estate funds.

Net assets amounted to 24,000 million yen, the same level as the previous fiscal year end, and the equity ratio increased by 1.6% to 62.6% from the previous fiscal year.

### **2) Consolidated cash flows**

Cash and cash equivalents (hereinafter "cash") at the end of first quarter of the current fiscal year increased by 75 million yen to 10,034 million yen from the previous fiscal year end.

The conditions and main factors of cash flows for the first quarter of the current fiscal year were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities increased by 252 million yen compared to the end of the previous first quarter to 829 million yen. This is mainly because of increasing factors, such as an increase in income before income taxes, a decrease in notes and accounts receivable-trade, and a decrease in inventories due to property dispositions relating to real estate fund. Operating cash outflow was mainly due to income and other tax payments.

(Cash flows from investing activities)

Net cash provided by investing activities decreased by 31 million yen from the end of the previous first quarter to 112 million yen. This is because of increasing factors, such as proceeds from sales of investment securities and collection of investments in capital, and a decreasing factor resulted from purchase of property, plant and equipment and intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities decreased by 549 million yen from the end of the previous first quarter to 866 million yen. This was mainly attributable to the repayment of non-recourse loans related to real estate and cash dividends paid and other outlays.

## **(3) Qualitative information on consolidated business forecasts**

In the meantime, we expect our business environment will continue to be very challenging.

Consolidated financial results were in line with the forecasts which were announced on May 7, 2010, and no revisions were made to forecasts for the full-year results.

## **2. Other information**

### **(1) Changes of significant subsidiaries during the term**

There is no related information.

### **(2) Overview of the simplified accounting as well as specific accounting**

#### **1) The simplified accounting**

Method for calculating depreciation of fixed assets

For assets that the declining balance method is applied to, depreciation expense for the fiscal period is calculated by proportionally allocating the depreciation expense for the full fiscal year.

#### **2) The specific accounting**

There is no related information.

### **(3) Overview of changes in accounting principles, processes, presentation methods, etc.**

#### **1) Changes in accounting principles and processes**

Application of Accounting Standard for Asset Retirement Obligations

The Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.18, March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No.21, March 31, 2008) are being applied beginning with the first quarter of the fiscal year ending March 31, 2011.

As a result, operating income and ordinary income were both 4,237 thousand yen lower than they otherwise would have been, and income before income taxes was 117,770 thousand yen lower than it would have been. In addition, application of the standard has caused asset retirement obligations to change by 181,191 thousand yen.

## 2) Changes in presentation methods

### Quarterly consolidated statements of cash flows

The net amount of acquisition /disposal gains of treasury stock had previously been listed as “(Decrease(increase) in treasury stock”); however, it was re-classified into “Purchase of treasury stock” and “Proceeds from disposal of treasury stock” from the second quarter of the previous fiscal year, due to an increase in its significance.

In this respect, for the first three months of the current fiscal year, “Purchase of treasury stock” had a negative impact of 286 thousand yen, and there were no proceeds from disposal of treasury stock.

### 3. Quarterly consolidated financial statements

#### (1) Quarterly consolidated balance sheets

(Thousands of yen)

	First quarter ended June 30, 2010 (As of June 30, 2010)	Year ended March 31, 2010 (As of March 31, 2010)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	10,105,440	10,030,116
Notes and accounts receivable	7,917,236	8,483,883
Securities	10,019	10,026
Investments in anonymous associations for business purposes	425,333	425,333
Supplies	77,227	81,620
Real estate for sale	2,150,117	2,759,579
Income taxes receivable	38,011	19,369
Deferred income taxes	492,020	426,756
Other	977,938	667,679
Allowance for doubtful accounts	(23,122)	(25,227)
<b>Total current assets</b>	<b>22,170,219</b>	<b>22,879,134</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,588,075	1,533,786
Machinery and vehicles, net	76,325	78,434
Tools, appliance and equipment, net	275,445	253,624
Land	1,254,009	1,254,009
Lease assets, net	527,830	350,523
<b>Total tangible fixed assets</b>	<b>3,721,684</b>	<b>3,470,376</b>
Intangible fixed assets		
Goodwill	235,390	272,542
Software	684,891	722,794
Lease assets	15,547	14,123
Other	34,789	34,718
<b>Total intangible fixed assets</b>	<b>970,617</b>	<b>1,044,177</b>
Investments and other assets		
Investment securities	4,747,176	5,142,470
Long-term loans	531,862	551,238
Guarantee and deposit for leasehold estate	1,903,904	1,889,302
Memberships	397,994	404,870
Deferred tax assets	973,523	975,816
Other	1,022,728	1,008,746
Allowance for doubtful accounts	(651,254)	(655,184)
<b>Total investments and other assets</b>	<b>8,925,933</b>	<b>9,317,258</b>
<b>Total fixed assets</b>	<b>13,618,234</b>	<b>13,831,811</b>
<b>TOTAL ASSETS</b>	<b>35,788,453</b>	<b>36,710,945</b>

(Thousands of yen)

	First quarter ended June 30, 2010 (As of June 30, 2010)	Year ended March 31, 2010 (As of March 31, 2010)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	3,500,923	4,130,038
Current portion of long-term non-recourse loans	1,442,000	1,964,300
Lease obligations	103,587	71,424
Accrued expenses	2,851,457	1,663,691
Accrued income taxes	289,308	1,144,062
Accrued consumption taxes	451,065	308,792
Deposits received	254,584	304,517
Advances received	110,830	82,262
Allowance for bonuses	107,634	642,526
Allowance for directors' bonuses	19,431	78,959
Other	143,470	79,250
Total current liabilities	9,274,289	10,469,821
Fixed liabilities		
Lease obligations	429,268	299,244
Allowance for employees' retirement benefits	133,432	137,394
Allowance for directors' retirement benefits	479,153	501,730
Long-term guarantee deposits received	1,229,608	1,276,523
Asset retirement obligations	181,191	—
Liabilities from application of equity method	35,487	—
Other	25,282	18,095
Total fixed liabilities	2,513,421	2,232,986
<b>TOTAL LIABILITIES</b>	11,787,710	12,702,807
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	3,000,000	3,000,000
Capital surplus	499,126	499,127
Retained earnings	23,933,274	23,847,117
Treasury stock	(4,874,710)	(4,874,661)
Total shareholders' equity	22,557,690	22,471,583
Unrealized gains and adjustments		
Valuation difference on marketable securities	(154,842)	(88,212)
Total unrealized gains and adjustments	(154,842)	(88,212)
Minority interests	1,597,895	1,624,767
<b>TOTAL NET ASSETS</b>	24,000,743	24,008,138
<b>TOTAL LIABILITIES AND NET ASSETS</b>	35,788,453	36,710,945

**(2) Quarterly consolidated statements of income**

(Thousands of yen)

	Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)	Three months ended June 30, 2010 (April 1, 2010 to June 30, 2010)
Net sales	17,761,708	18,474,269
Cost of sales	14,480,278	15,087,074
Gross profit	3,281,430	3,387,195
Selling, general and administrative expenses		
Selling expenses	62,530	33,721
Personnel expenses	1,396,729	1,430,616
Provision for accrued bonus	25,202	30,340
Provision for directors' bonuses	19,512	19,432
Provision for directors' retirement benefits	31,485	32,263
Retirement benefits expense	29,668	33,174
Transportation and communication expense	174,890	189,731
Supplies expense	107,929	94,398
Rent expense	206,902	199,480
Insurance expense	45,092	49,242
Depreciation and amortization	83,642	89,591
Tax and public charge	47,381	47,159
Provision of allowance for doubtful accounts	1,037	307
Amortization of goodwill	37,866	37,153
Other	250,773	245,781
Total selling, general and administrative expenses	2,520,638	2,532,388
Operating income	760,792	854,807
Non-operating income		
Interest and dividends income	46,761	47,015
Rent earned	11,382	9,681
Equity in earnings of affiliates	—	6,676
Other	18,668	14,954
Total non-operating income	76,811	78,326
Non-operating expenses		
Interest expense	2,238	6,500
Loss on sales of investment securities	—	18,927
Expense related to leasehold estates	15,674	15,685
Equity in losses of affiliates	34,407	—
Other	4,645	6,479
Total non-operating expenses	56,964	47,591
Ordinary income	780,639	885,542
Extraordinary losses		
Loss on valuation of investment securities	33,502	1,500
Loss on application of accounting standard for asset retirement obligations	—	113,748
Labor compensation costs	—	48,943
Other	—	6,852
Total extraordinary losses	33,502	171,043
Income before income taxes	747,137	714,499
Income taxes — current	444,142	354,045
Refund of income taxes for prior periods	—	(2,373)
Income taxes — deferred	(114,469)	(23,299)
Total income and other taxes	329,673	328,373
Income before minority interests	—	386,126
Minority interests in income (loss)	(24,055)	23,785
Net income	441,519	362,341

**(3) Quarterly consolidated statements of cash flows**

(Thousands of yen)

	Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)	Three months ended June 30, 2010 (April 1, 2010 to June 30, 2010)
<b>Cash flows from operating activities</b>		
Income before income taxes	747,137	714,499
Depreciation and amortization	100,201	122,041
Amortization of goodwill	37,866	37,153
Increase (decrease) in allowance for bonus	(551,114)	(534,892)
Increase (decrease) in provision for bonuses	(62,638)	(59,527)
Increase (decrease) in provision for retirement benefits	10,322	(3,962)
Increase (decrease) in provision for directors' retirement benefits	11,685	(22,577)
Increase (decrease) in allowance for doubtful accounts	950	(6,035)
Equity in (earnings) losses of affiliates	34,407	(6,676)
Interest and dividends income	(46,761)	(47,015)
Interest expense	2,238	6,500
Loss (gain) on sales of short-term and long term investment securities	—	18,927
Loss (gain) on valuation of investment securities	33,502	1,500
Decrease (increase) in notes and accounts receivable-trade	70,182	598,635
(Increase) decrease in investment in anonymous associations for business purposes	(3,406)	546
Decrease (increase) in inventories	(675)	613,855
Decrease (increase) in other assets	39,704	(119,582)
Increase (decrease) in notes and accounts payable-trade	(544,137)	(838,226)
Increase (decrease) in accrued consumption taxes	111,134	142,273
Increase (decrease) in other liabilities	1,086,562	1,268,949
Loss on application of accounting standard for asset retirement obligations	—	113,533
Other	3,780	10,588
Sub-total	1,080,939	2,010,507
Interest and dividends income received	44,852	50,325
Interest expenses paid	(2,238)	(6,500)
Income taxes paid	(546,436)	(1,225,068)
Net cash provided by operating activities	577,117	829,264
<b>Cash flows from investing activities</b>		
Payments into time deposits	(20,000)	(20,000)
Proceeds from withdrawal of time deposits	130,078	20,000
Purchase of property, plant and equipment and intangible assets	(132,637)	(150,830)
Proceeds from sales of property, plant and equipment and intangible assets	224	122
Purchase of investment securities	(35,135)	(285)
Proceeds from sales of investment securities	—	180,982
Proceeds from redemption of investment securities	200,000	—
Collection of investments in capital	—	150,000
Payment for lending	(921)	(15,070)
Collection of loans receivable	4,343	15,102
(Increase) decrease in guarantee and deposit for leasehold estate	3,268	(14,602)
Increase (decrease) in deposit guarantees received	4,654	(46,915)
Other	(9,862)	(6,344)
Net cash provide by investing activities	144,012	112,160

(Thousands of yen)

	Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)	Three months ended June 30, 2010 (April 1, 2010 to June 30, 2010)
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	150,000	150,000
Decrease in short-term loans payable	(150,000)	(150,000)
Repayment of long-term non-recourse loans	(3,600)	(522,300)
Repayments of lease obligations	(6,300)	(43,372)
Decrease (increase) in treasury stock	(286)	—
Proceeds from disposal of treasury stock	—	40
Purchase of treasury stock	—	(94)
Cash dividends paid	(252,306)	(250,374)
Cash dividends paid to minority shareholders	(53,955)	(50,000)
Net cash used in financing activities	(316,447)	(866,100)
Net increase (decrease) in cash and cash equivalents	404,682	75,324
Cash and cash equivalents at beginning of term	11,502,515	9,959,610
Cash and cash equivalents at end of term	11,907,197	10,034,934

**(4) Notes on premise of a going concern**

There is no related information.

**(5) Segment information****[Business segment information]**

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)

(Thousands of yen)

	Building Management and Operating	Environmental Facility Management	Temporary Staffing	Real Estate Fund Management	Total	Elimination or Total	Consolidation
Net sales							
(1) Net sales to external customers	15,437,984	1,586,639	134,871	602,214	17,761,708	—	17,761,708
(2) Inter-segment net sales and transfer	—	—	—	—	—	—	—
Total	15,437,984	1,586,639	134,871	602,214	17,761,708	—	17,761,708
Operating income (loss)	1,425,559	147,542	(61,080)	43,231	1,555,252	(794,460)	760,792

Notes: 1. Segmentation

Our services are divided into the business categories of Building Management and Operating Business, Environmental Facility Management Business, Real Estate Fund Management Business and Other Businesses.

2. Main business in each service category

Category	Main Businesses
<b>Building Management and Operating Business</b>	Building cleaning, facility maintenance, and all-day resident security services for multipurpose buildings, city hotels, condominiums and rental apartments; automated security service with automated emergency response equipment that quickly notifies using sensors and telephone line; temporary staffing for receptionists and telephone operators to our customers' needs
<b>Environmental Facility Management Business</b>	Operation, management, and water quality management of water treatment/sewage disposal plants and incinerators
<b>Real Estate Fund Management Business</b>	Management and arrangement of real estate fund; investment in anonymous associations; investment consulting; and asset management and building operating business
<b>Other Businesses</b>	Event planning and management; printing and design, bookbinding; and real estate sales and brokerage

**[Segment information by geographic region]**

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)

Because the Group does not have consolidated subsidiaries or branch offices outside Japan, there is no related information.

**[Overseas sales]**

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)

Because the Group does not conduct sales activities outside Japan, there is no related information.

## [Segment information]

### (Additional information)

Effective the period under review, the Company has applied Accounting Standard for Disclosure of Segment Information (ASBJ Statement No. 17, March 27, 2009) and Application Guidance on Accounting Standard for Disclosure of Segment Information (ASBJ Guidance No. 20, March 21, 2008).

#### 1. Overview of reportable segments

The Company's reportable segments are organizational units for which separate financial information can be gathered. Reportable segments are regularly reconsidered by the Board of Directors for purposes of making management resource allocation decisions and evaluating performance.

We have created four reportable segments – the Building Management and Operating Business, the Environmental Facility Management Business, the Real Estate Fund Management Business, and Other Businesses – based on the characteristics and similarities of the services provided by Group companies.

The Building Management and Operating Business is primarily engaged in building management service and security, the Environmental Facility Management Business is primarily engaged in the management of water treatment, sewage disposal, and other public facilities, and the Real Estate Fund Management Business is primarily engaged in the formation of real estate funds, asset management, and investment in anonymous associations. Other Businesses include mainly event planning and management, printing, and design services.

#### 2. Sales and profits or losses by reportable segments

Three months ended June 30, 2010 (April 1, 2010 to June 30, 2010)

(Thousands of yen)

	Reportable segments					Adjustments (note)	Amount recorded on consolidated statements of income
	Building Management and Operating	Environmental Facility Management	Real Estate Fund Management	Other Businesses	Total		
Net sales							
(1) Net sales to external customers	15,494,016	1,635,795	783,587	560,871	18,474,269	—	18,474,269
(2) Inter-segment net sales and transfer	—	—	—	—	—	—	—
Total	15,494,016	1,635,795	783,587	560,871	18,474,269	—	18,474,269
Segment income	1,473,736	106,765	44,124	25,466	1,650,091	(795,284)	854,807

Note: Adjustments to segment income consist of (795,284) thousand yen in unallocated general administrative expenses.

#### (6) Notes on significant changes in the amount of shareholders' equity

There is no related information.