



Financial Results for 2Q FYE 3/11 Report Meeting

ALSOOK Securities Code: 2331(1st Section of TSE)

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Section 1
**Summary of Financial
Results of 2Q FYE 3/11**

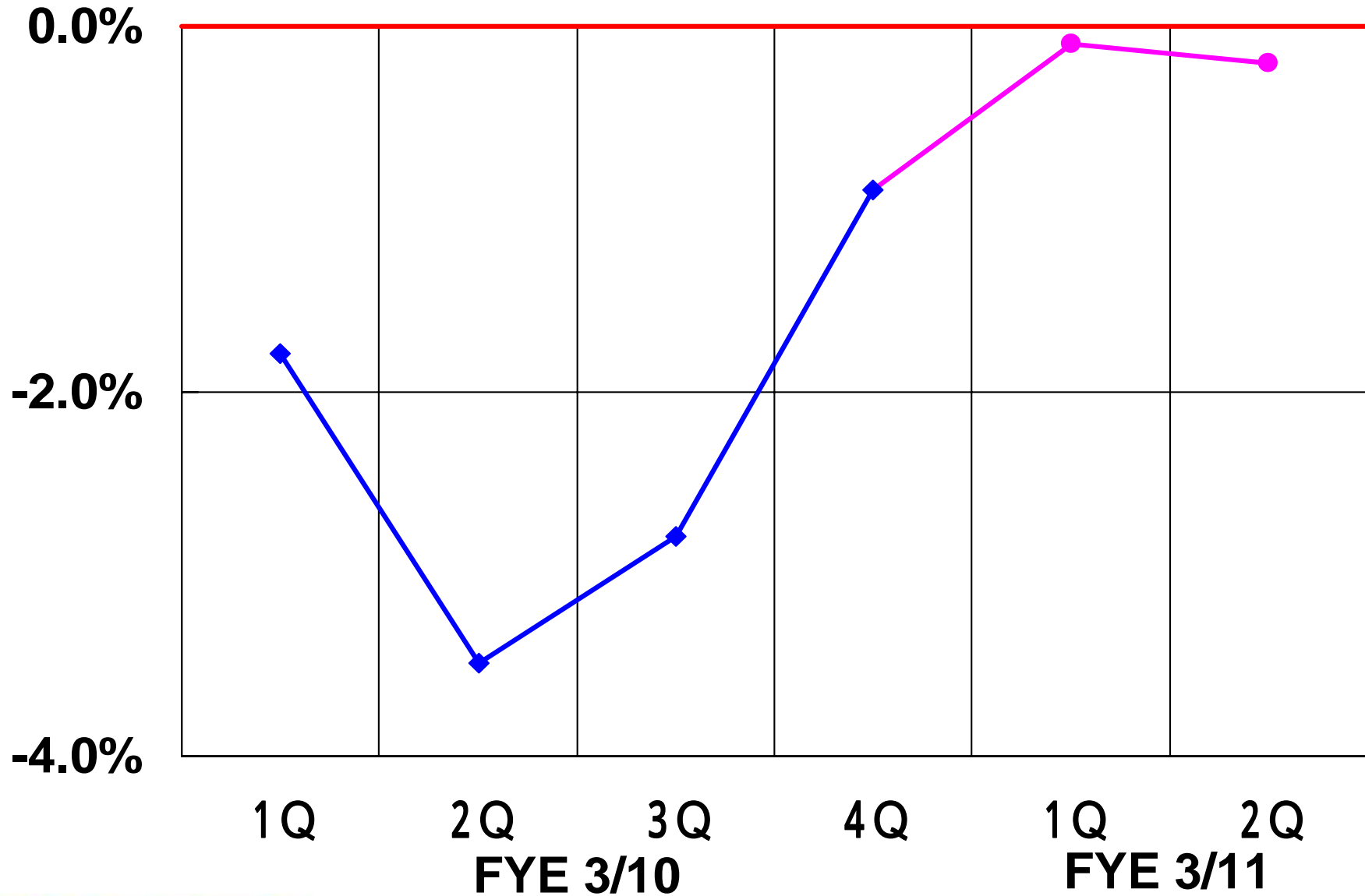
Summary of P/L (Year-on-Year)

(Unit: ¥ billion)	2Q FYE 3/11	2Q FYE 3/10	YoY	Change (%)
S a l e s	138.1	138.4	-0.3	-0.2%
Gross profit	36.1	35.3	0.8	2.3%
Operating profit	6.8	6.2	0.6	9.4%
Recurring profit	7.6	7.1	0.5	7.0%
Net income	3.5	3.3	0.2	4.5%

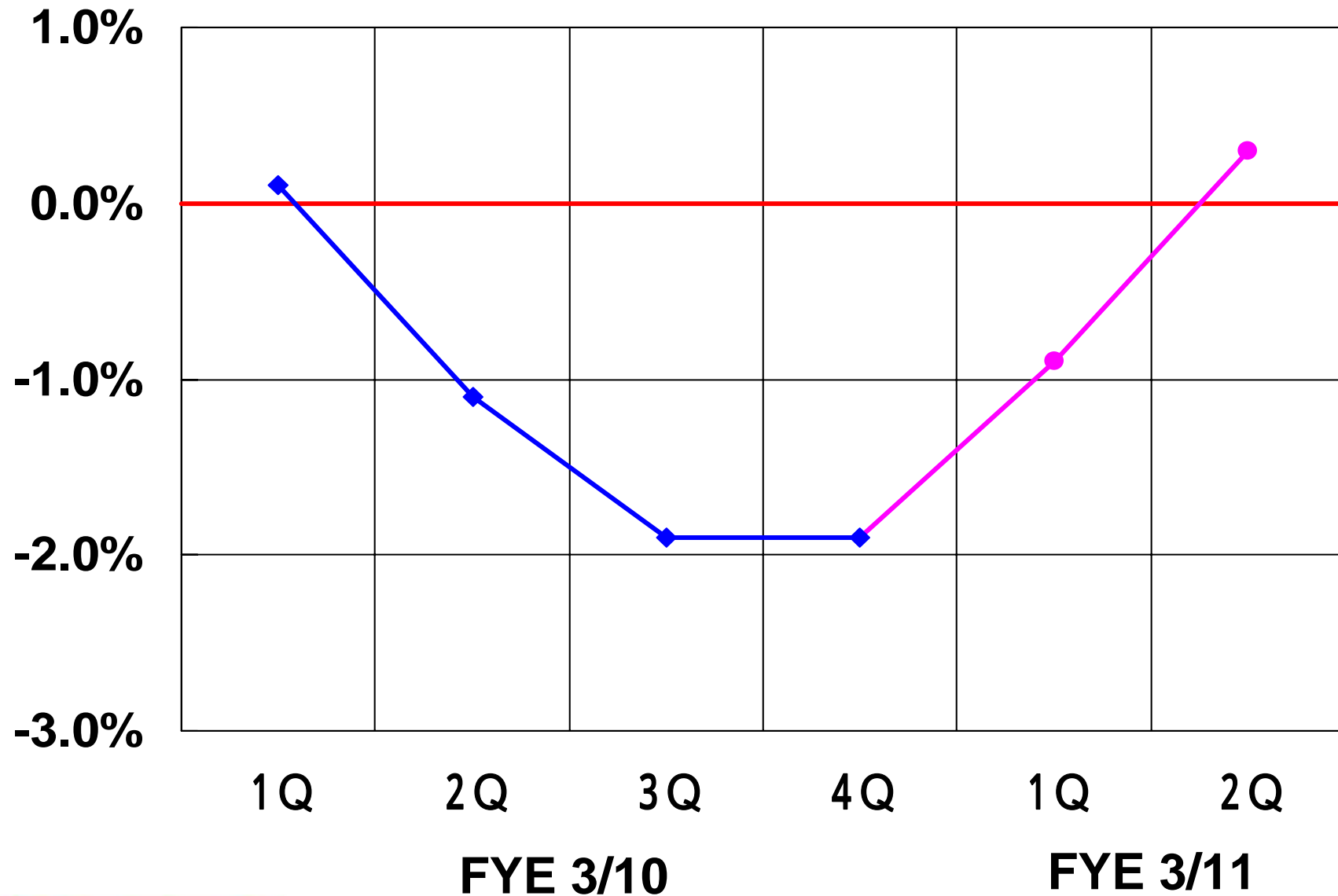
Summary of P/L (Quarter-on-Quarter)

(Unit: ¥ billion)	1Q FYE 3/11	Change (%)	2Q FYE 3/11	Change (%)
S a l e s	68.8	-0.1%	69.2	-0.2%
Gross profit	18.0	2.1%	18.1	2.4%
Operating profit	3.2	11.8%	3.5	7.3%
Recurring profit	3.5	9.0%	4.1	5.4%
Net income	1.4	0.4%	2.0	7.6%

Sales [Year-on-Year]



Contract sales [Year-on-Year]



Summary of P/L (vs Business Plan)

(Unit: ¥ billion)	2Q FYE 3/11	Business plan	Gap	Achievement ratio(%)
S a l e s	138.1	139.2	-1.1	99.2%
Gross profit	36.1	35.9	0.2	100.5%
Operating profit	6.8	5.9	0.9	115.8%
Recurring profit	7.6	6.8	0.8	112.5%
Net income	3.5	3.3	0.2	107.4%

Overview of Electronic Security Services

(Unit: ¥ billion)	2Q FYE 3/11	2Q FYE 3/10	YoY	Change(%)
S a l e s	68.8	68.4	0.4	0.6%
(% to Total Sales)	(49.8%)	(49.4%)		

Sales from contracts

YoY ratio -0.5%

Negative impact of banks and
consumer finance companies in FYE3/10

Decrease in cancellation number

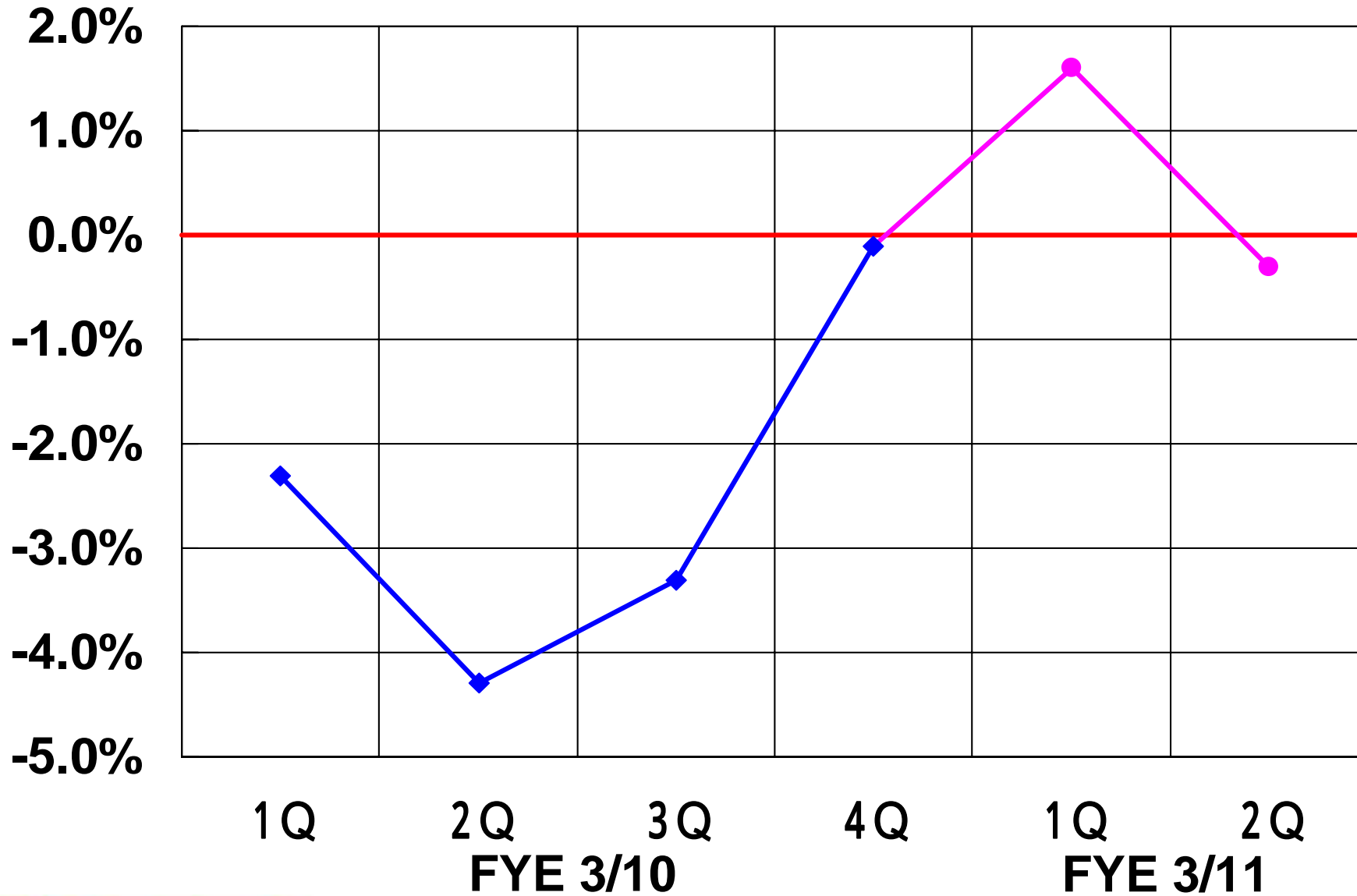
Construction sales

YoY ratio +50.7%

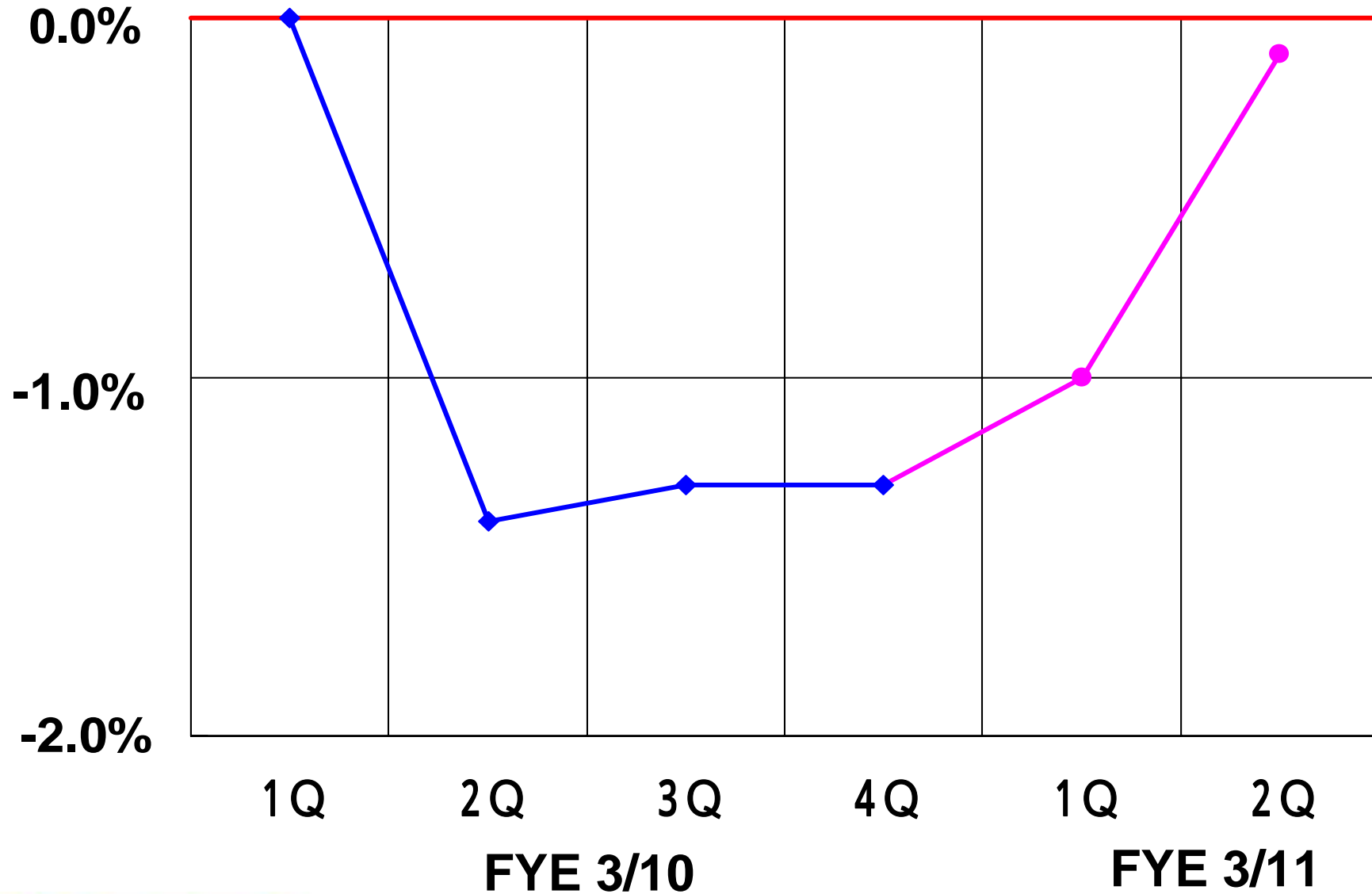
Equipment sales

YoY ratio -3.1%

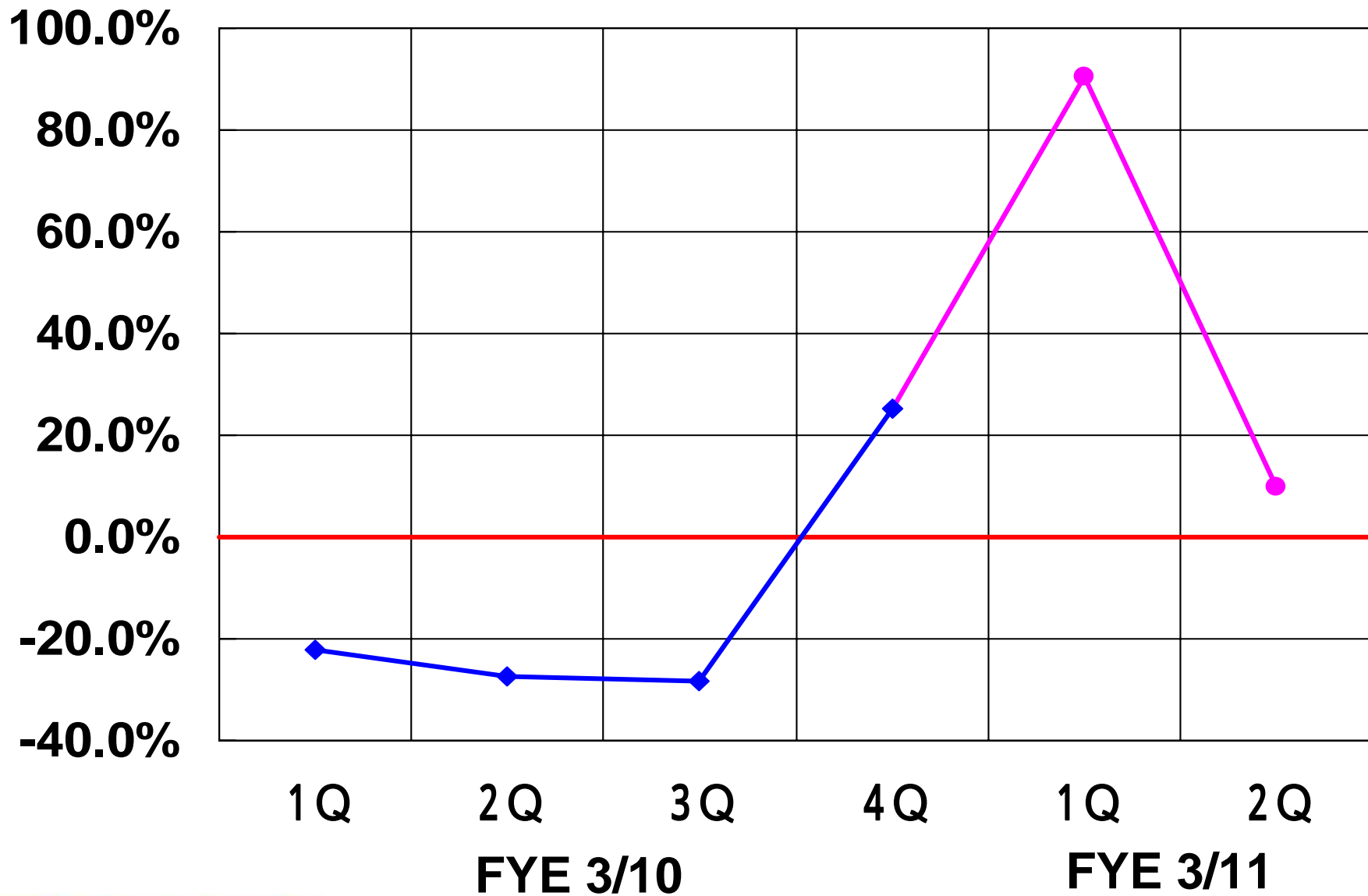
Overview of Electronic Security Services [Sales : Year-on-Year]



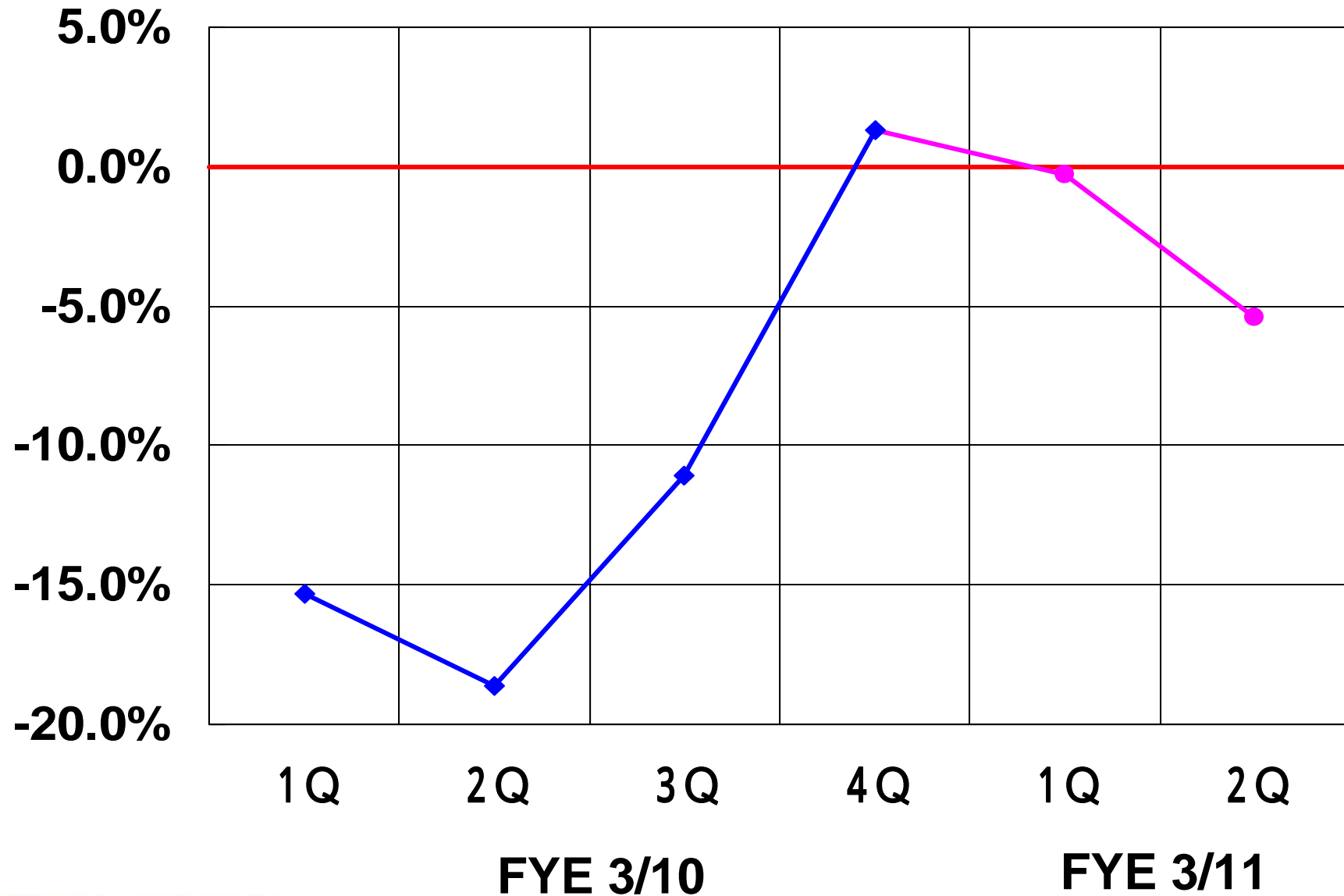
Overview of Electronic Security Services [Contract sales : Year-on-Year]



Overview of Electronic Security Services [Construction sales: Year-on-Year]



Overview of Electronic Security Services [Equipment sales : Year-on-Year]



Overview of Electronic Security Services **Corporate Clients**

	2Q FYE 3/11	2Q FYE 3/10	YoY	Change (%)
Net increase in number of contracts for corporate clients	4,683	4,321	362	8.4%

[Corporate Clients]

Newly booked contracts : Decreased from 2Q FYE 3/11

Termination : Decreased from 2Q FYE 3/11

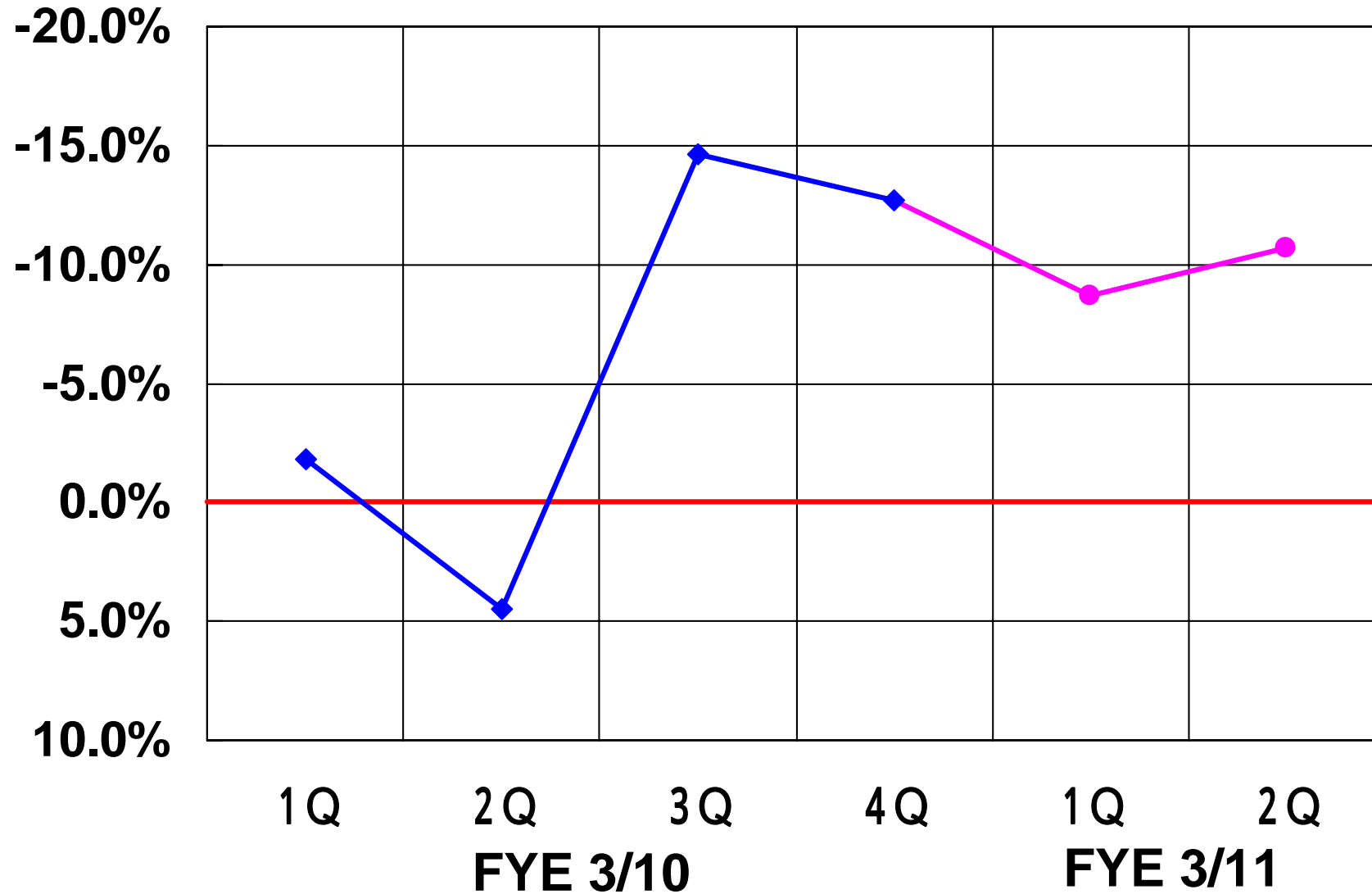
Newly booked contract price : Decline from 2Q FYE 3/11

Price cut : Decreased from 2Q FYE 3/11

Business Plan : 5,724 net increase Achievement ratio 81.8%

Overview of Electronic Security Services Corporate Clients

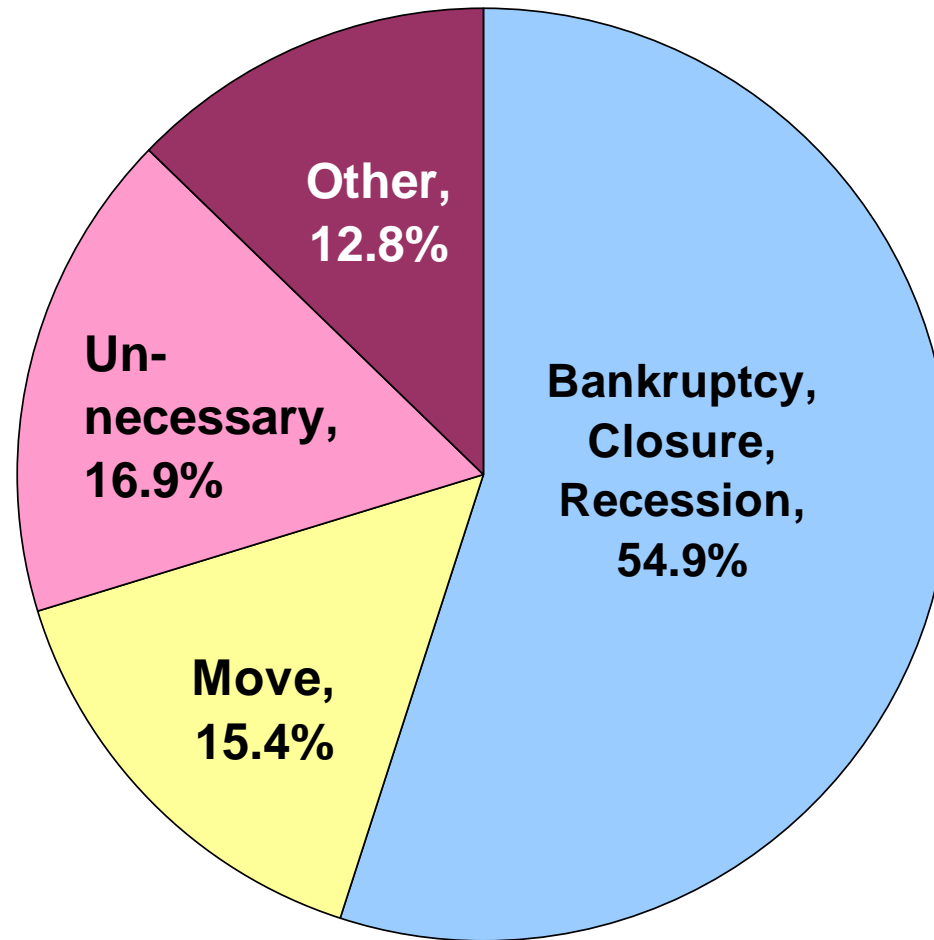
[Termination : Year-on-Year]



Overview of Electronic Security Services **Corporate Clients**

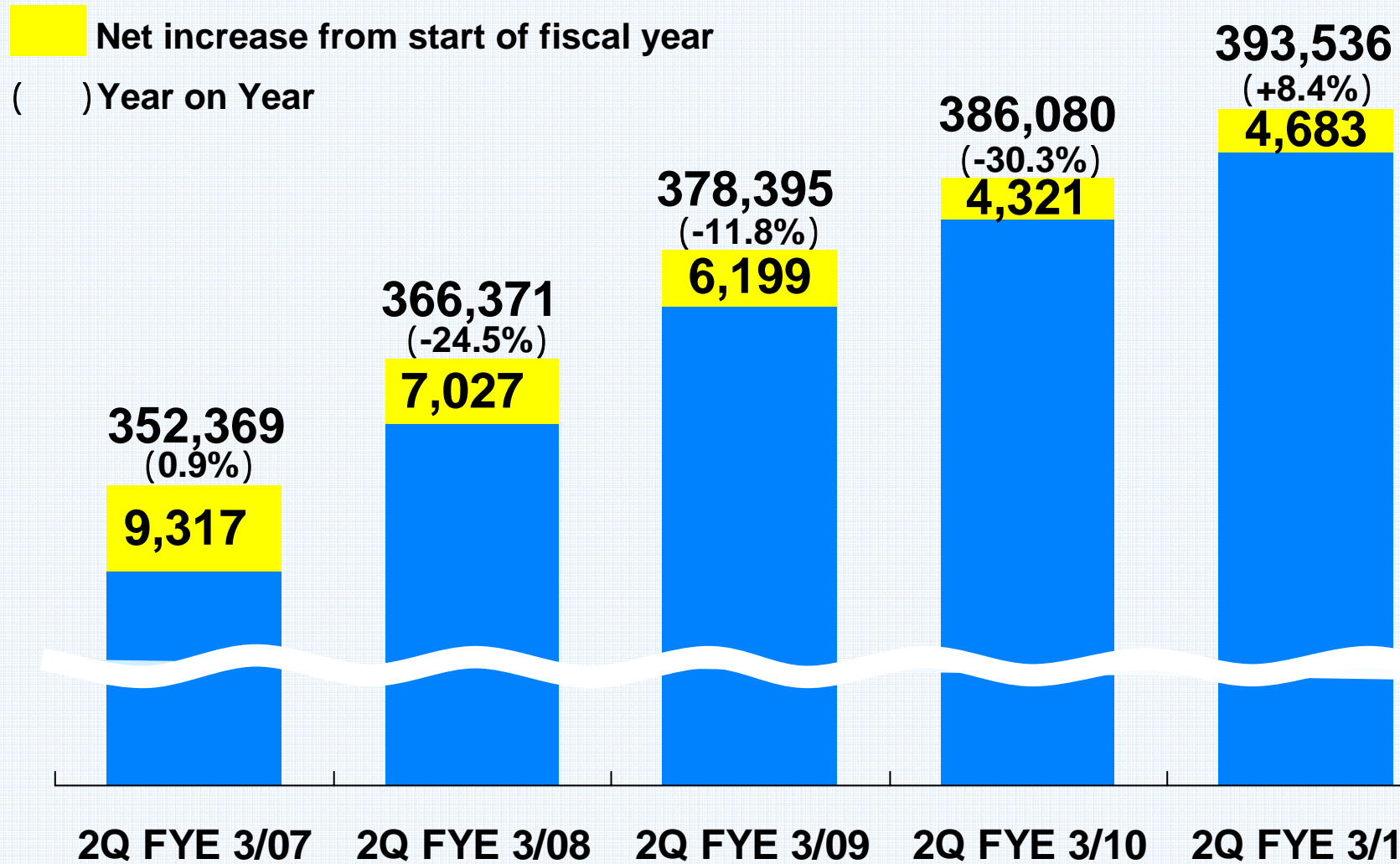
[Reason of Cancellation: Year-on-Year]

2Q FYE 3/11



Increase in Contracts of Electronic Security Services

Corporate Clients



Overview of Electronic Security Services **Individual Clients**

	2Q FYE 3/11	2Q FYE 3/10	YoY	Change (%)
Net increase in number of contracts for Individual clients	4,614	5,277	-663	-12.6%

[Individual Clients]

- Newly booked contracts** : Decreased from 2Q FYE 3/11
- Termination** : Decreased from 2Q FYE 3/11
- Newly booked contract price** : Decline from 2Q FYE 3/11

Business Plan: 7,069 net increase Achievement ratio 65.3%

Overview of ALSOK Home Security

Increase at FYE 03/11

6,350 contracts (1,058 contracts/month)

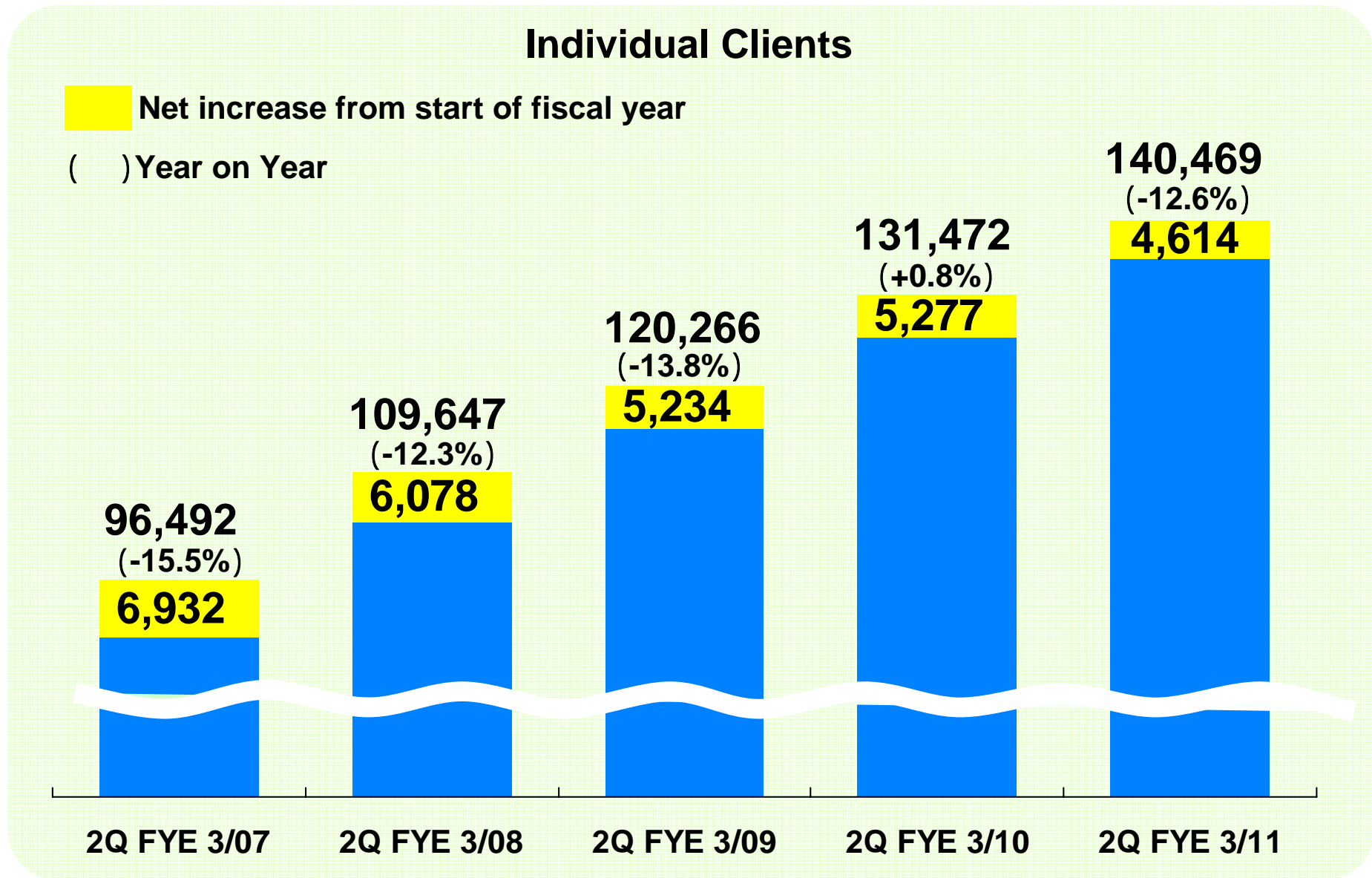
[Contracts by price plan]

‘Zero Start Plan’ (no initial costs)	25%
Rental plan	29%
Purchase plan	46%



ALSOK Home Security

Increase in Contracts of Electronic Security Services



Overview of Stationed Security Services

(Unit: ¥ billion)	2Q FYE 3/11	2Q FYE 3/10	YoY	Change (%)
S a l e s	35.0	35.4	-0.4	-1.2%
(% to Total Sales)	(25.4%)	(25.6%)		

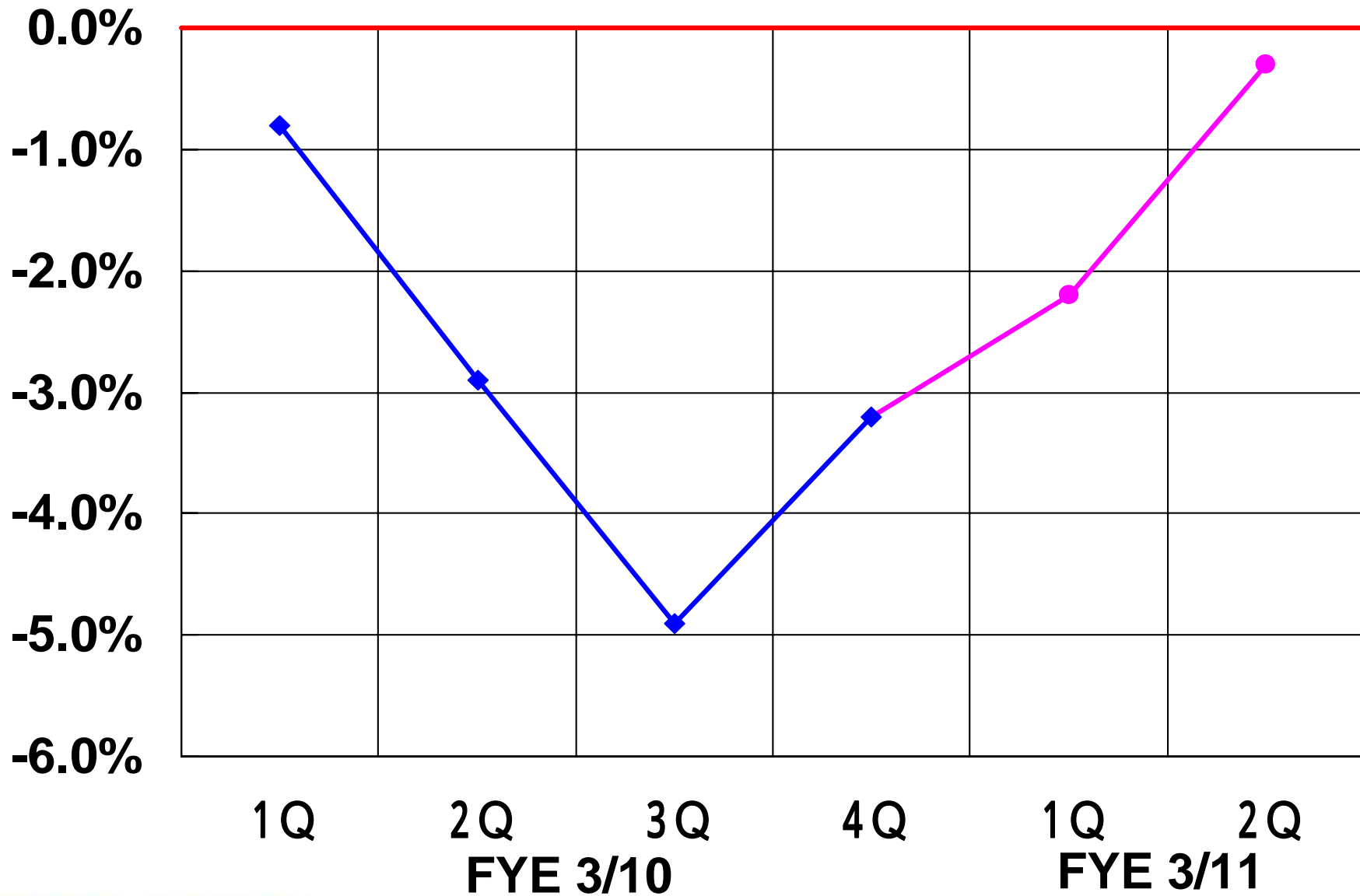
Newly booked orders

- Local airport
- Major apartment house developer
- University facilities

Cancellations & price cuts at FYE 3/10

- Cancellations & price cuts of financial institution
- Cancellations of government and municipal offices

Overview of Stationed Security Services [Sales: Year-on-Year]



Overview of Transportation Security Services

(Unit: ¥ billion)	2Q FYE 3/11	2Q FYE 3/10	YoY	Change (%)
S a l e s	23.6	23.4	0.2	0.7%
(% to Total Sales)	(17.1%)	(17.0%)		

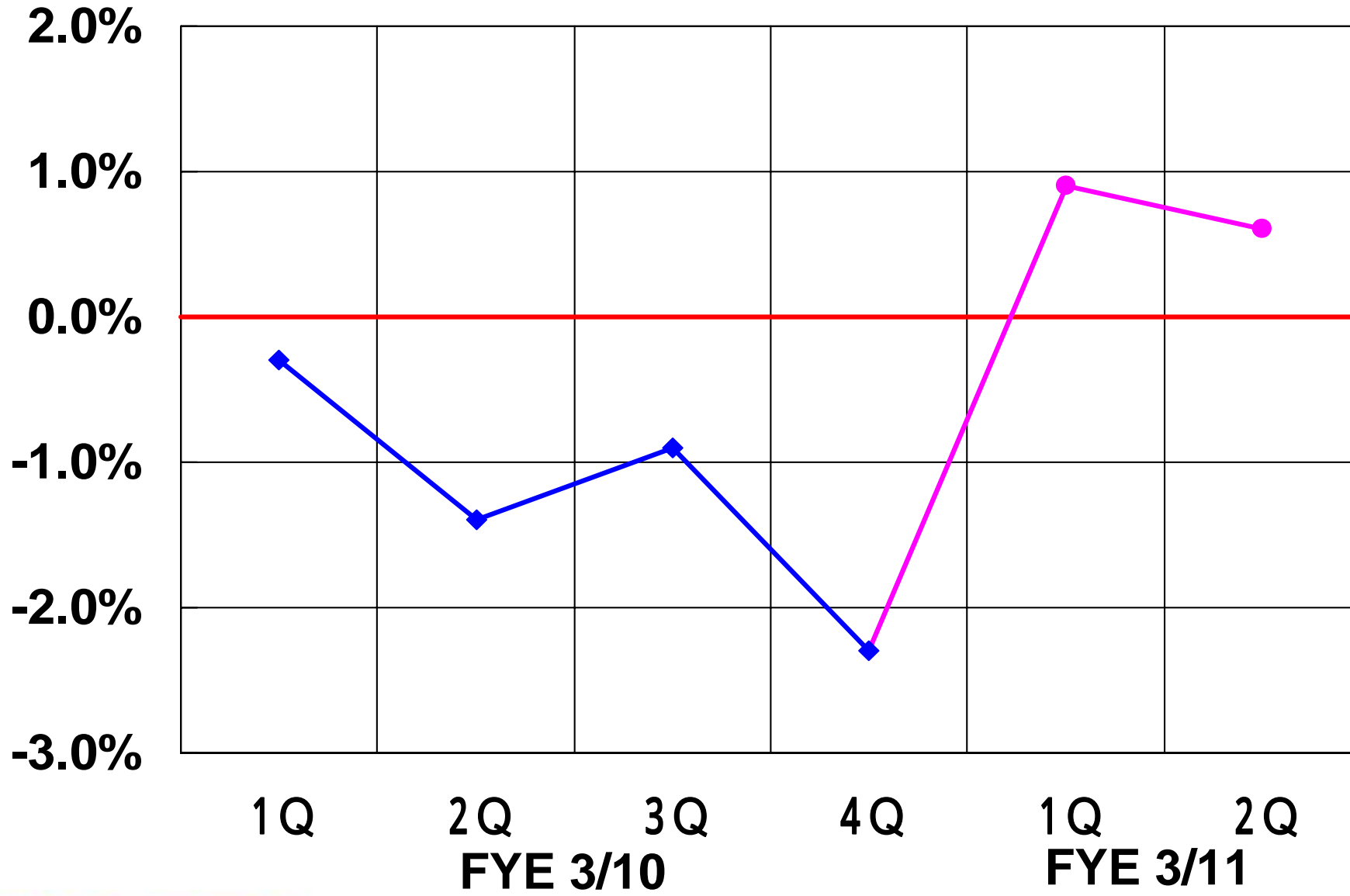
Newly booked orders

- Cash Deposit Machine On-line System
Net increase of 350 contracts (YoY +50 contracts)
- Bank ATMs inside convenience stores
Net increase of 350 contracts (YoY – 50 contracts)
- Japan Post (Total ATM Management System)

Cancellations & price cuts at FYE 3/10

- Cancellations & price cuts of financial institutions

Overview of Transportation Security Services [Sales: Year-on-Year]



Overview of Other Services

(Unit: ¥ billion)	2Q FYE 3/11	2Q FYE 3/10	YoY	Change (%)
S a l e s	10.6	11.0	-0.4	-4.0%
(% to Total Sales)	(7.7%)	(8.0%)		

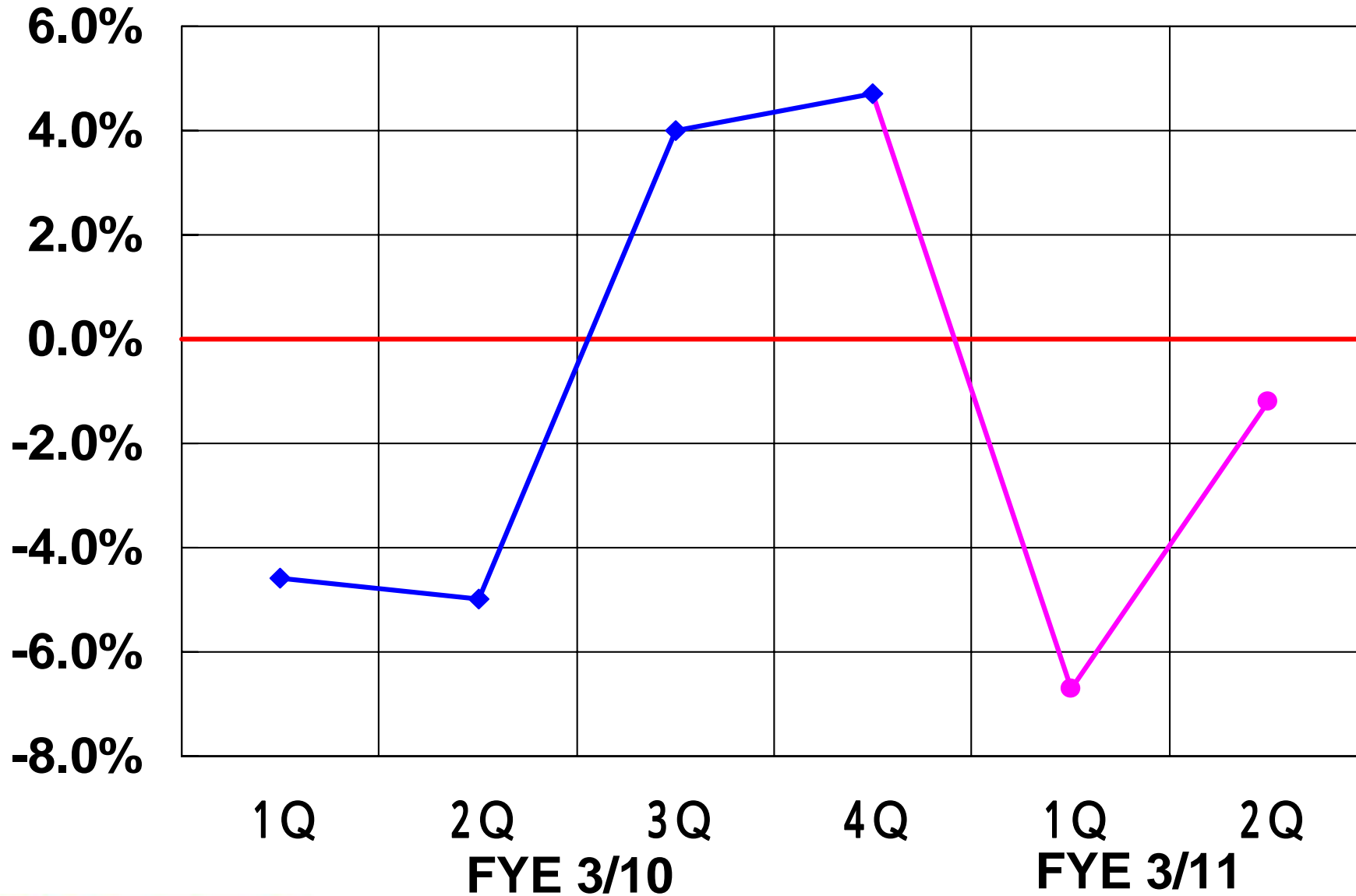
Newly booked orders

- Residential fire alarms
69,000 units (YoY - 91,000 units)
- AED (Automated External Defibrillator)
5,640 units (YoY +483 units)

Negative impact of sales FYE 3/10

- Decrease in sales related to influenza measures

Overview of Other Services [Sales: Year-on-Year]



Sales vs Business Plan (According to Services)

(Unit: ¥ billion)	2Q FYE 3/11	Business plan	YoY	Achievement ratio(%)
Electronic Security Services	68.8	69.4	-0.6	99.1%
Stationed Security Services	35.0	34.8	0.1	100.4%
Transportation Security Services	23.6	23.5	0.1	100.3%
Other Services	10.6	11.3	-0.7	93.7%
T o t a l	138.1	139.2	-1.1	99.2%

Sales for 2Q FYE 3/11 (By Client Industry)

(Unit: ¥ billion)	2Q FYE 3/11	2Q FYE 3/10	YoY	Change(%)
Financial institutions	38.8 (28.1%)	39.2 (28.4%)	-0.4	-0.9%
Business corporations	81.1 (58.8%)	82.4 (59.6%)	-1.3	-1.5%
Government offices & Japan Post	13.2 (9.6%)	12.0 (8.7%)	1.2	9.7%
Individuals	4.8 (3.5%)	4.6 (3.3%)	0.2	4.1%
T o t a l	138.1 (100.0%)	138.4 (100.0%)	-0.3	-0.2%

Circumstances of Consumer Finance Companies

Negative impact of consumer finance companies

-¥270million

- | | |
|---|---------------------|
| • Electronic Security Services | +¥60million |
| • Stationed Security Services | -¥30million |
| • Transportation Security Services | -¥90million |
| • Services | -¥210million |

Major Changes in P/L

Sales -¥0.3billion (Change -0.2%)

Cost of sales -¥1.1billion (Change -1.0%)

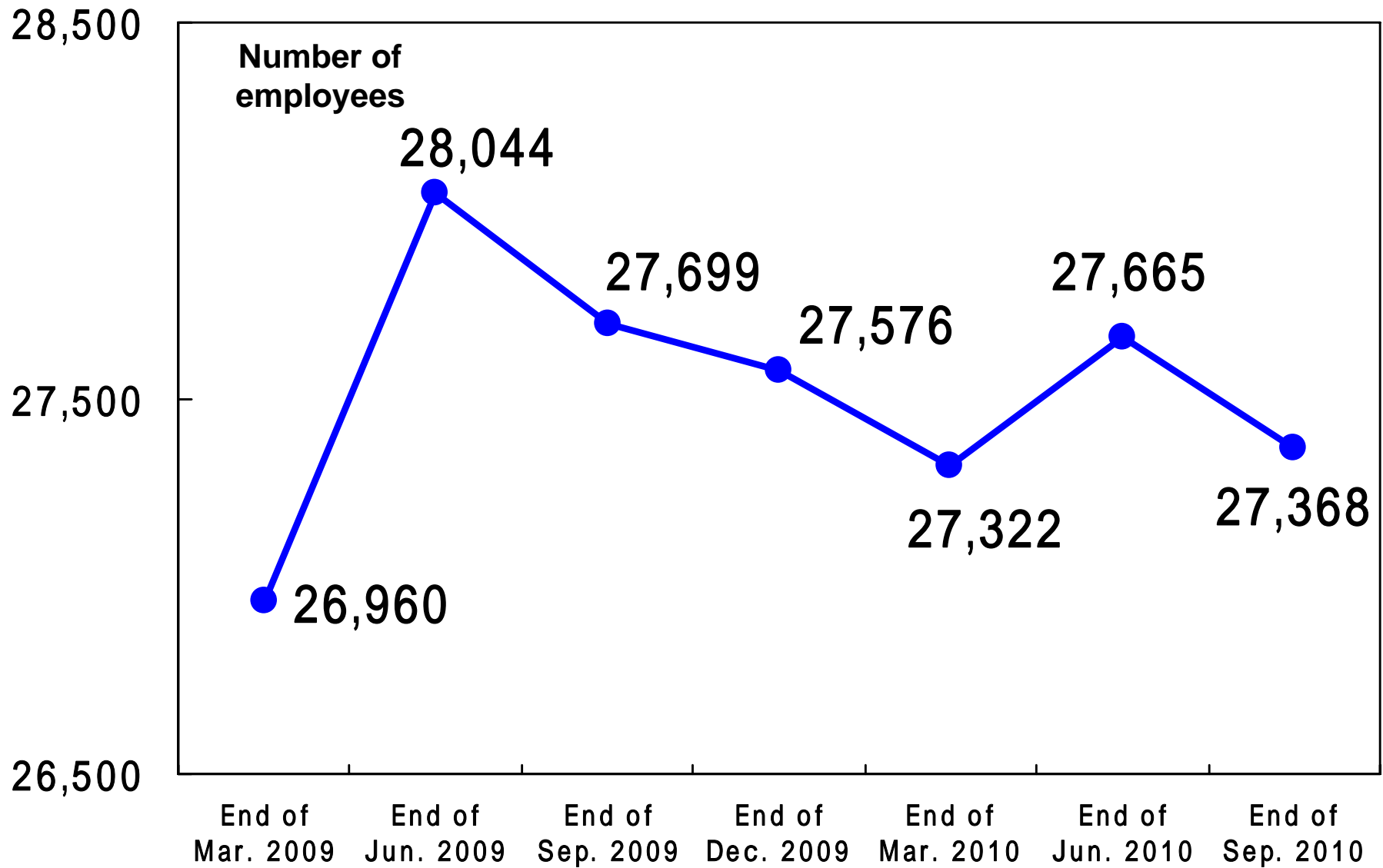
Labor cost	- ¥1.0billion
Expense	- ¥0.3billion
Cost of product sold & installation	+ ¥0.3billion

SG&A +¥0.2billion (Change +0.8%)

Advertising expenses	+ ¥0.2billion
Personnel cost	+ ¥0.3billion
Others	- ¥0.3billion

Operating profit +¥0.6billion (Change +9.4%)

Overview of Employees



Cost Control

[Reduction amount]

1 Reduction of overtime payment ¥0.64 billion

2 Procurement cost reduction ¥0.79 billion

**3 Integration of Guard Center
and its server ¥0.08 billion**

Consolidated Balance Sheet

(Unit: ¥ billion)

	2Q FYE3/11	FYE3/10	YoY		2Q FYE3/11	FYE3/10	YoY
Current assets	138.7	148.2	-9.6	Current liabilities	63.7	76.6	-12.9
Cash and deposits	42.4	44.4	-2.0	Short-term borrowings	29.7	40.1	-10.4
Cash for Transportation Security Services & Advance payment	57.4	64.3	-6.9	Other	34.0	36.5	-2.5
Other	38.8	39.5	-0.7	Long-term liabilities	40.6	40.7	-0.1
				Total liabilities	104.4	117.3	-13.0
Fixed assets	126.3	127.7	-1.5	Shareholders' equity	147.0	144.3	2.7
Tangible assets	59.1	58.3	0.8	Valuation and translation adjustments	-4.6	-3.8	-0.8
Intangible assets	4.7	5.2	-0.4	Minority interests in consolidated subsidiaries	18.2	18.1	0.1
Net investments and other assets	62.3	64.2	-1.9	Total net assets	160.6	158.6	2.0
Total assets	265.0	276.0	-11.0	Total	265.0	276.0	-11.0

Consolidated Cash Flows

(Unit: ¥ billion)

	2Q FYE3/11	2Q FYE3/10	YoY
Cash flows from operating activities	5.6	1.2	4.4
Cash flows from investing activities	-3.9	-4.0	0
Cash flows from financing activities	-2.6	-4.9	2.3
Balance of cash and cash equivalents at the end of the period	36.4	38.1	-1.7

Major items of 2Q FYE 3/11

● Cash flows from operating activities	Income Before Income Taxes	6.9
	Depreciation	5.8
	Decrease Increase In Notes And Accounts Receivable Trade	1.7
	Decrease in accounts payable	-3.6
	Increase decrease of property and debt for TSS	-3.3
● Cash flows from investing activities	Payments for purchases of tangible assets	-5.3
	Other Investment cash flow	1.2
● Cash flows from financing activities	Proceeds From Long Term Loans Payable	1.6
	Payments for redemption of bonds	-1.1
	Dividend paid	-1.0

Capital Expenditures and Others

Capital expenditures (Unit: ¥ billion)

2Q FYE 3/09	2Q FYE 3/10	2Q FYE 3/11
4.6	4.3	5.8

Depreciation (Unit: ¥ billion)

2Q FYE 3/09	2Q FYE 3/10	2Q FYE 3/11
5.2	5.9	5.8

R&D expense (Unit: ¥ billion)

2Q FYE 3/09	2Q FYE 3/10	2Q FYE 3/11
0.3	0.2	0.3

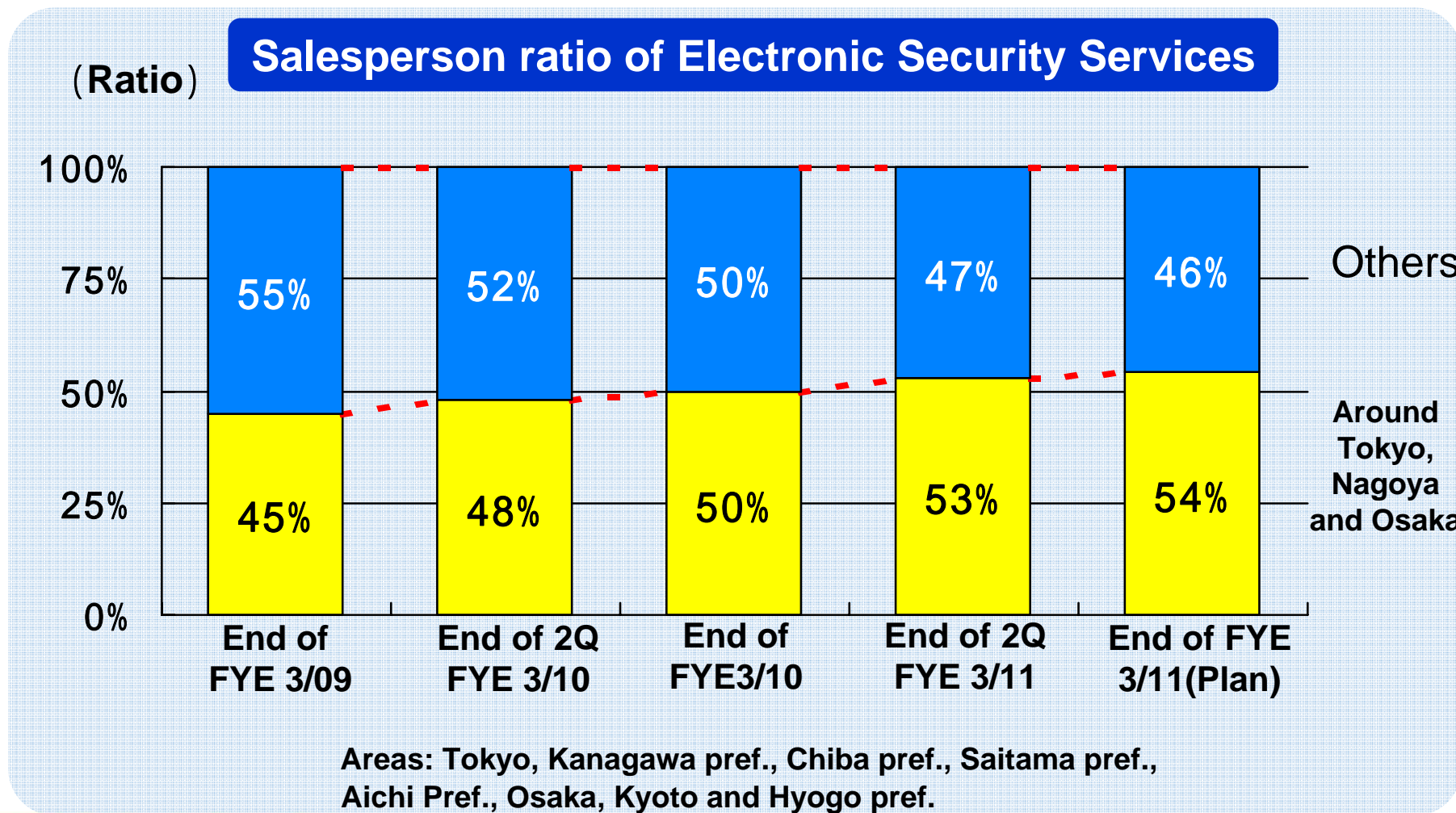
Section 2

Progress on the FYE 3/11 Business Strategy

Progress in Strengthening Sales Capabilities (1)

1 Increasing the number of sales staff

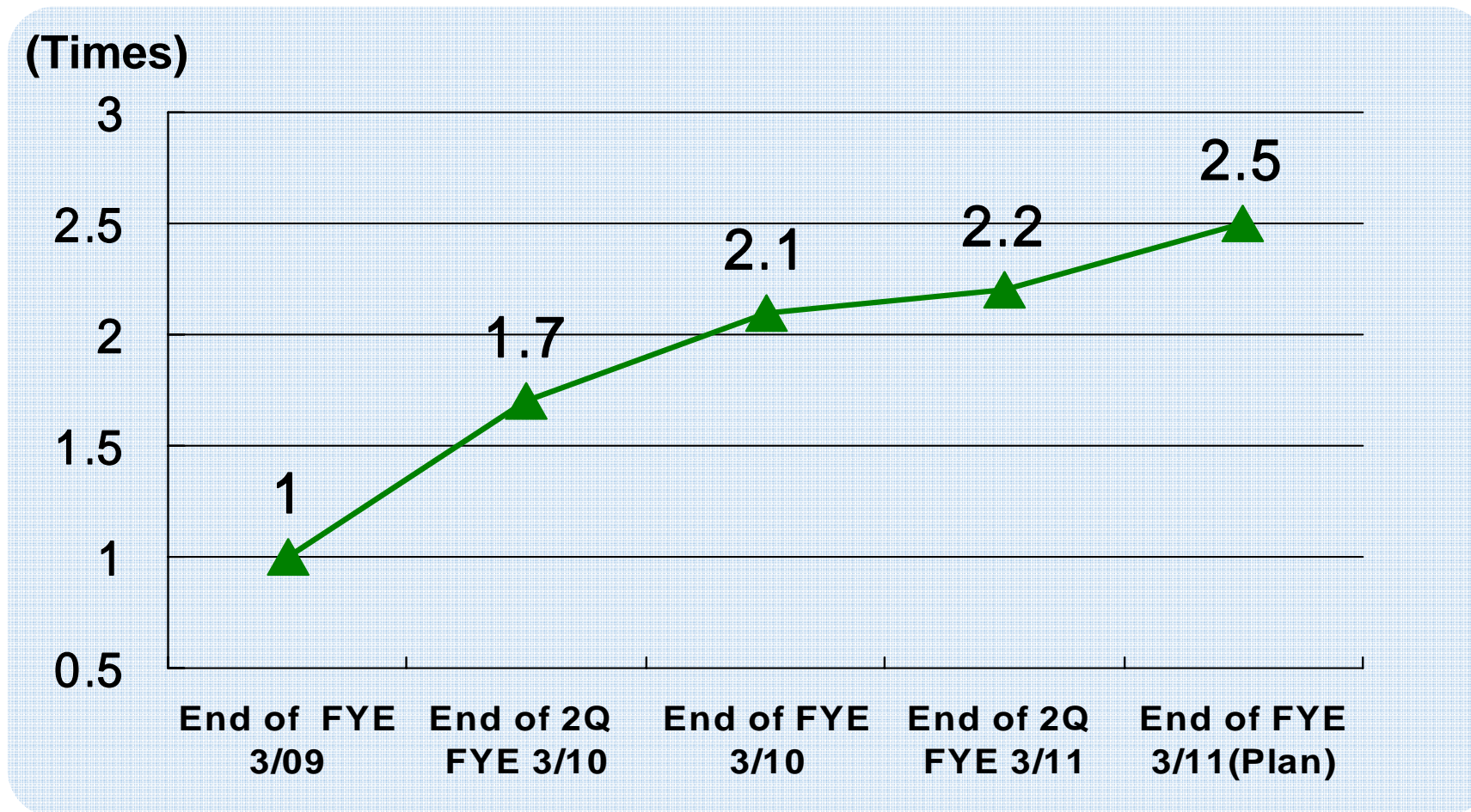
(1) Strengthening of regions, around Tokyo, Nagoya and Osaka



Progress in Strengthening Sales Capabilities (2)

(2) Expand sales of Home Security

Increase of salesperson for Home Security



Progress in Strengthening Sales Capabilities (3)

(2) Expand sales of 'Home Security'

Topics

**Rental properties owned by
Daiwa House Industry Co., Ltd. are
equipped with
'ALSOK home security'**

**Orders from 3,143 households
in September and August**

Progress of Strengthen Sales Capabilities (4)

2 Strengthening the sales structure

Introduction of Sales Consultants

- **Increase the amount of time our sales staff spend outside the company visiting and conducting business deals with clients.**

Progress Concerning Promotion of Cancellation Prevention

- 1 Reduce cancellations
by 'Outbound Calls'
40,000 execution**
- 2 Increase visits to Customers
by operation staff**

Progress of Strategy for Sales Expansion

1 Development of new products

- **‘ECO mie-ru’**
- **‘Watch information delivery service’**
- **‘ALSOK Silver Pack’**

2 Planed overseas expansion in FYE 3/11

- **Establish an overseas subsidiary**
- **Establish at least two offices**

Section 3

Business Plan of FYE 3/11

Business Plan for FYE 3/11

(Unit: ¥ billion)	FYE 3/11 (Plan)	% to total sales	YoY	Change (%)
S a l e s	281.9	100.0%	3.3	1.2%
Gross profit	70.5	25.0%	2.0	2.9%
Operating p r o f i t	9.5	3.4%	0.3	2.5%
Recurring p r o f i t	11.1	3.9%	0.3	2.6%
Net income	5.2	1.8%	0.7	13.9%

Dividends

	FYE 3/09	FYE 3/10	FYE 3/11 (Plan)
Dividend per share	¥20 (¥10)	¥20 (¥10)	¥20 (¥10)
Payout ratio	47.7%	44.1%	38.7%

*Note: Amounts stated inside the () are the 1H dividend per share.

< Reference >

Strengthening of Brand Image



ALways - Security - OK

Meaning : Always be your side, and offers safe guard that runs at once when it is needed.

Disclaimer

Figures regarding the company's current plans and strategies that are not historical facts are forecasts of future performance, which contain risks and uncertainty.

Actual performance may differ widely from these figures as a result of economic conditions, competitive situation, progress in technology and other factors. Investors are advised to use independent judgement before making any investment.