



Financial Results for 2Q FYE 3/12 Reporting Meeting

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

November 2, 2011

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Section 1

Summary of Financial Results of 2Q FYE 3/12

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

(Unit: ¥ billion)	2Q FYE 3/12	2Q FYE3/11	Gap	Change(%)
S a l e s	147.5	138.1	9.4	6.8%
Gross profit	36.4	36.1	0.3	0.8%
Operating profit	6.3	6.8	-0.5	-7.3%
Recurring profit	7.2	7.6	-0.4	-5.8%
Net income	2.8	3.5	-0.7	-18.5%

Effect on financial numerical number for 2Q FYE 3/12

1 Great East Japan Earthquake

(1) Effect on Sales

- **Electronic Security Services : Effect of interruption and cancellation**
- **Stationed Security Services : Compensate for cancellations by temporary securities**
- **Transportation Security Services : Small effect**

(2) Extraordinary loss ¥ 0.16 billion (mending expense etc.)

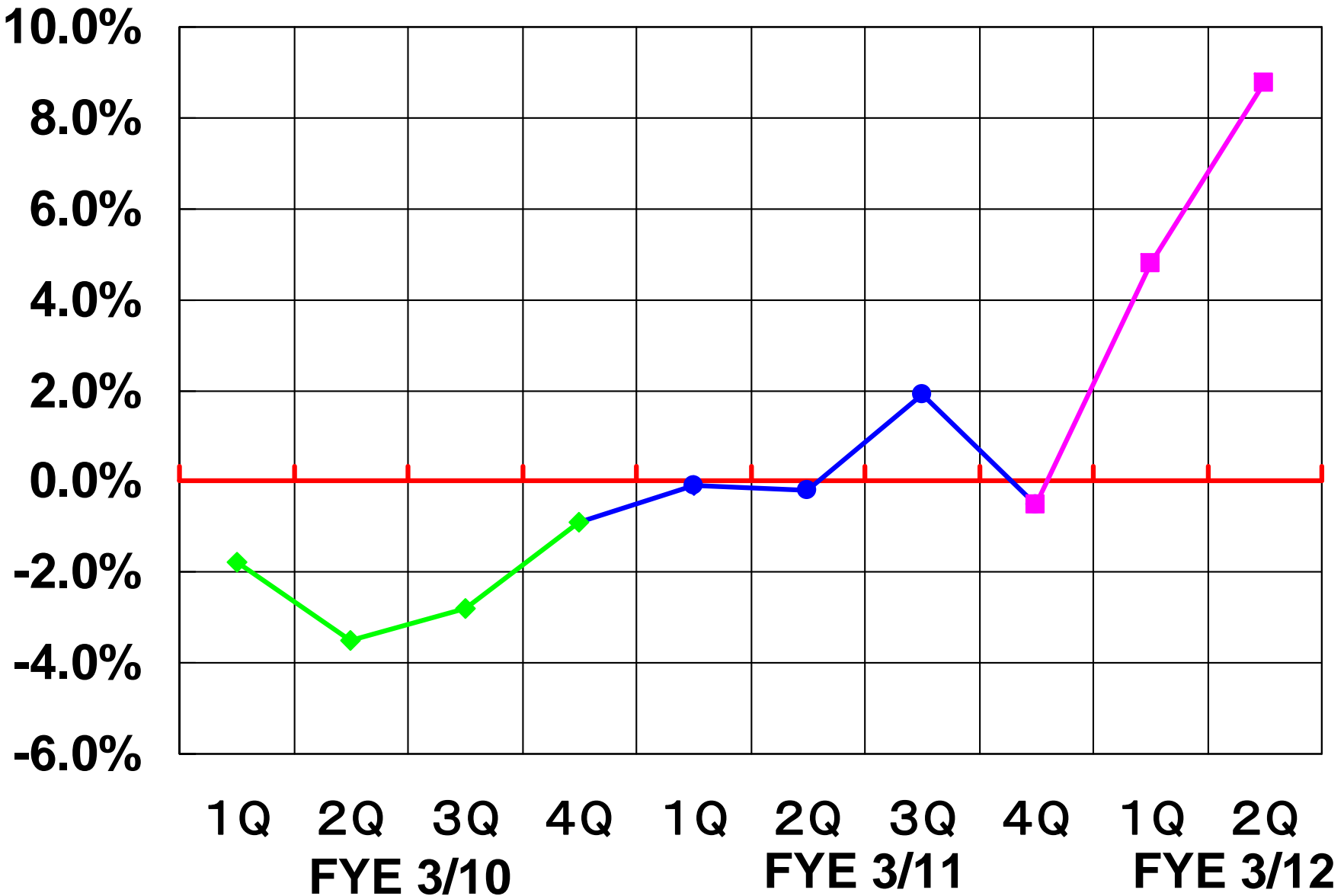
2 Japan Facilio

(Unit: ¥ billion)	Result	Plan	Planned ratio
Net sales	7.9	9.0	- 1.0
Operating income	- 4.0	0.05	- 0.4
Ordinary income	- 4.0	0.07	- 0.4

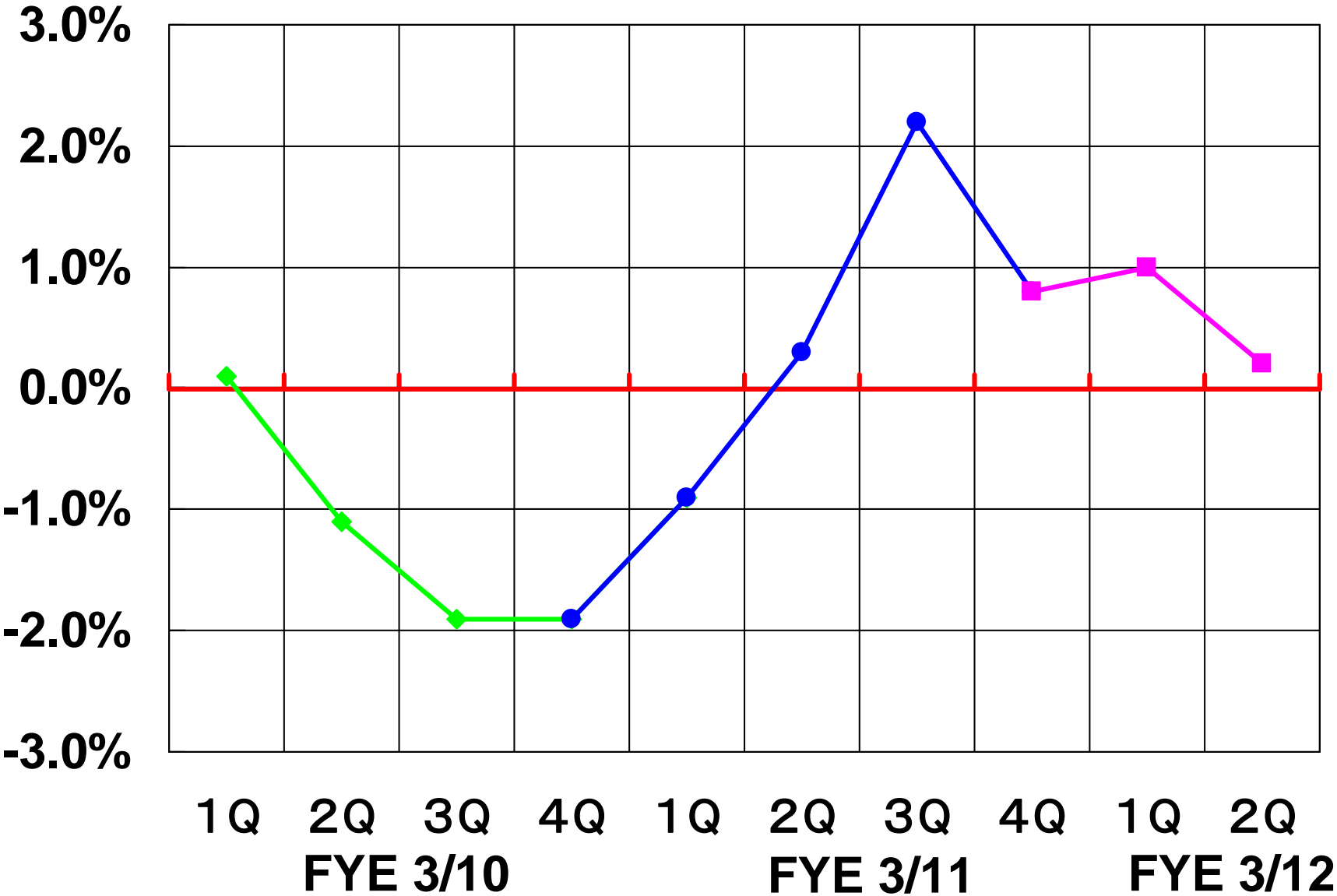
P/L for 2Q FYE 3/12 (Quarter-on-Quarter)

(Unit: ¥ billion)	1Q FYE 3/12	Change (%)	2Q FYE 3/12	Change (%)
S a l e s	72.1	4.8%	75.3	8.8%
Gross profit	18.1	0.6%	18.3	0.9%
Operating profit	2.9	-9.6%	3.4	-5.1%
Recurring profit	3.4	-1.1%	3.7	-9.7%
Net income	1.5	4.4%	1.3	-34.4%

Sales [Year-on-Year]



Contract sales [Year-on-Year]



P/L for 2Q FYE 3/12 (vs. Business Plan)

(Unit: ¥ billion)	2Q FYE 3/11	Business Plan	Gap	Achievement ratio(%)
S a l e s	147.5	148.9	-1.4	99.1%
Gross profit	36.4	36.4	0	100.1%
Operating profit	6.3	5.7	0.6	110.4%
Recurring profit	7.2	6.5	0.7	110.1%
Net income	2.8	3.2	-0.3	89.4%

Overview of Electronic Security Services

(Unit: ¥ billion)	2Q FYE 3/12	2Q FYE 3/11	Gap	Change (%)
S a l e s	69.0	68.8	0.2	0.3%
(% to Total Sales)	(46.8%)	(49.8%)		

- **Contract sales**

YoY ratio -0.7%

- **Construction sales**

YoY ratio -37.5%

Effect of large contract from FYE 3/11

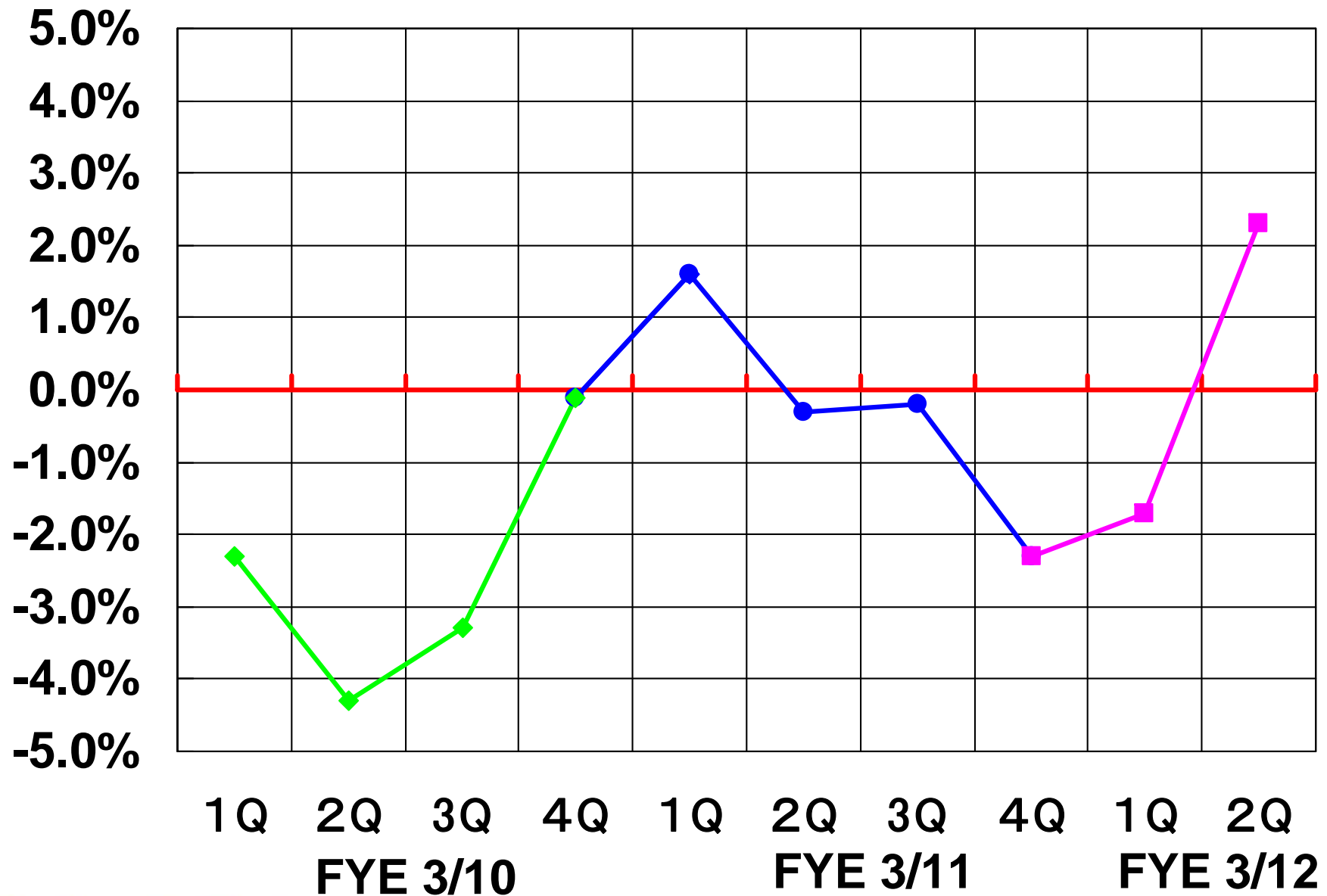
- **Equipment sales**

YoY ratio +26.8%

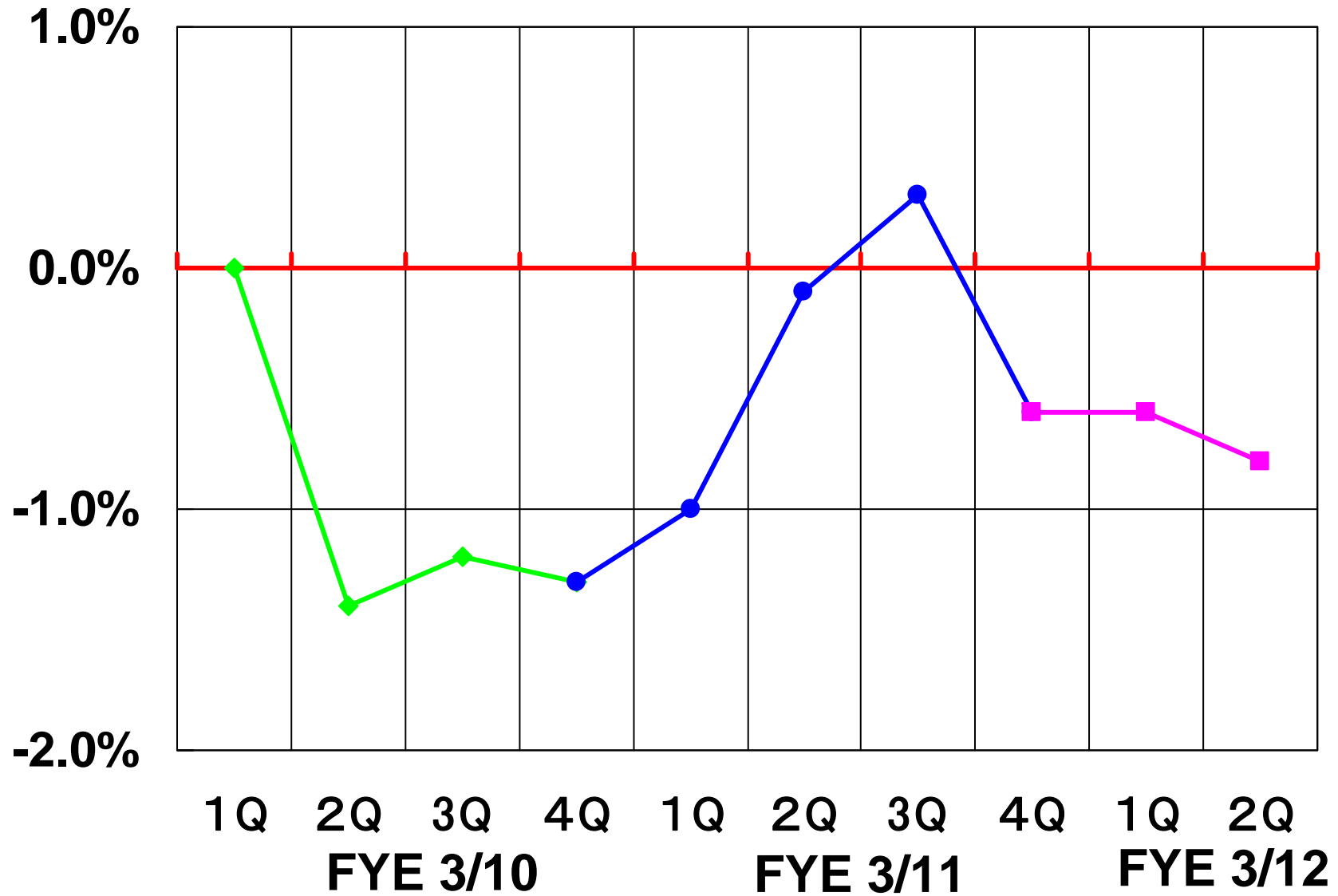
Association with house makers

Overview of Electronic Security Services

【 Sales: Year-on-Year 】

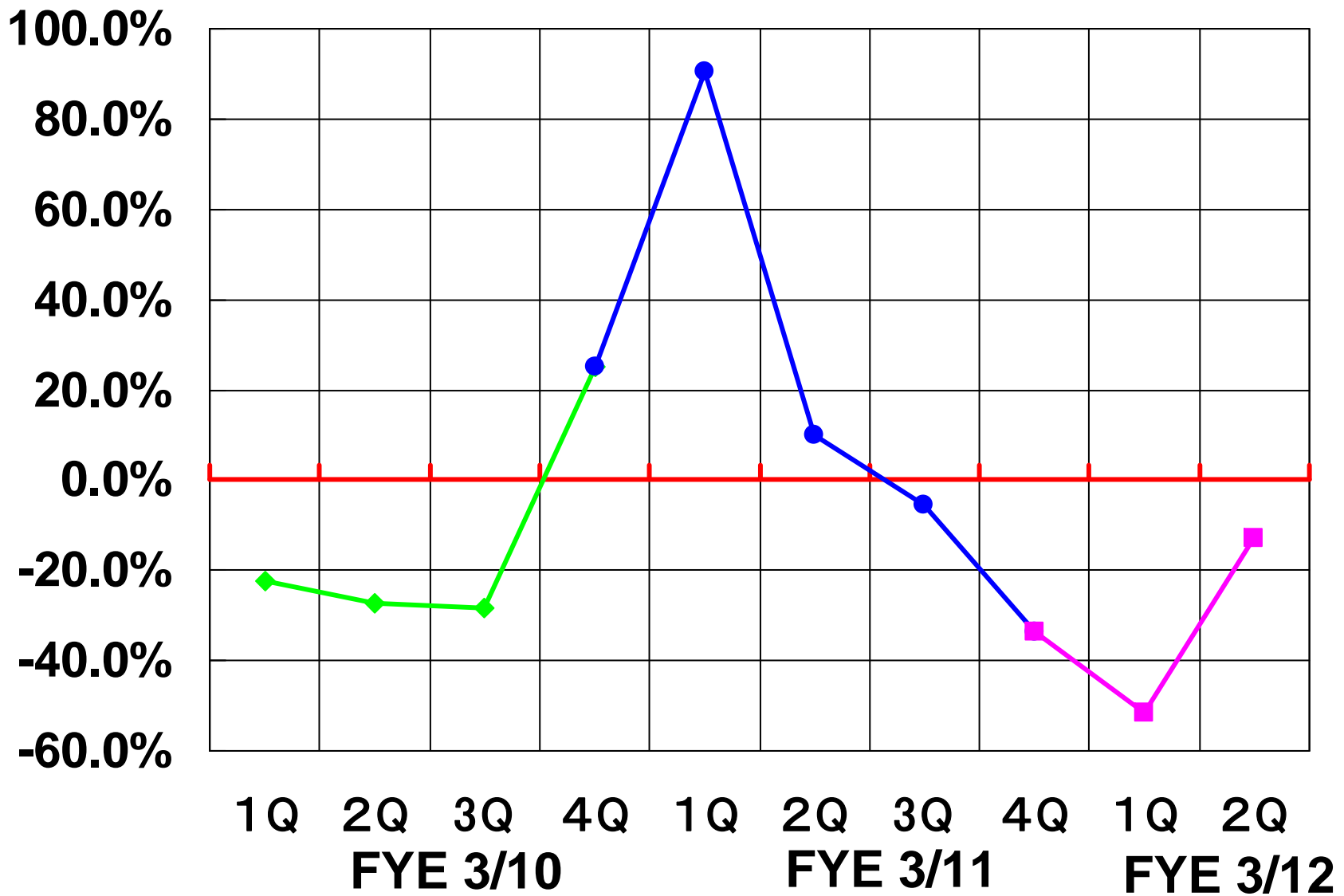


Overview of Electronic Security Services 【 Contract sales : Year-on-Year 】



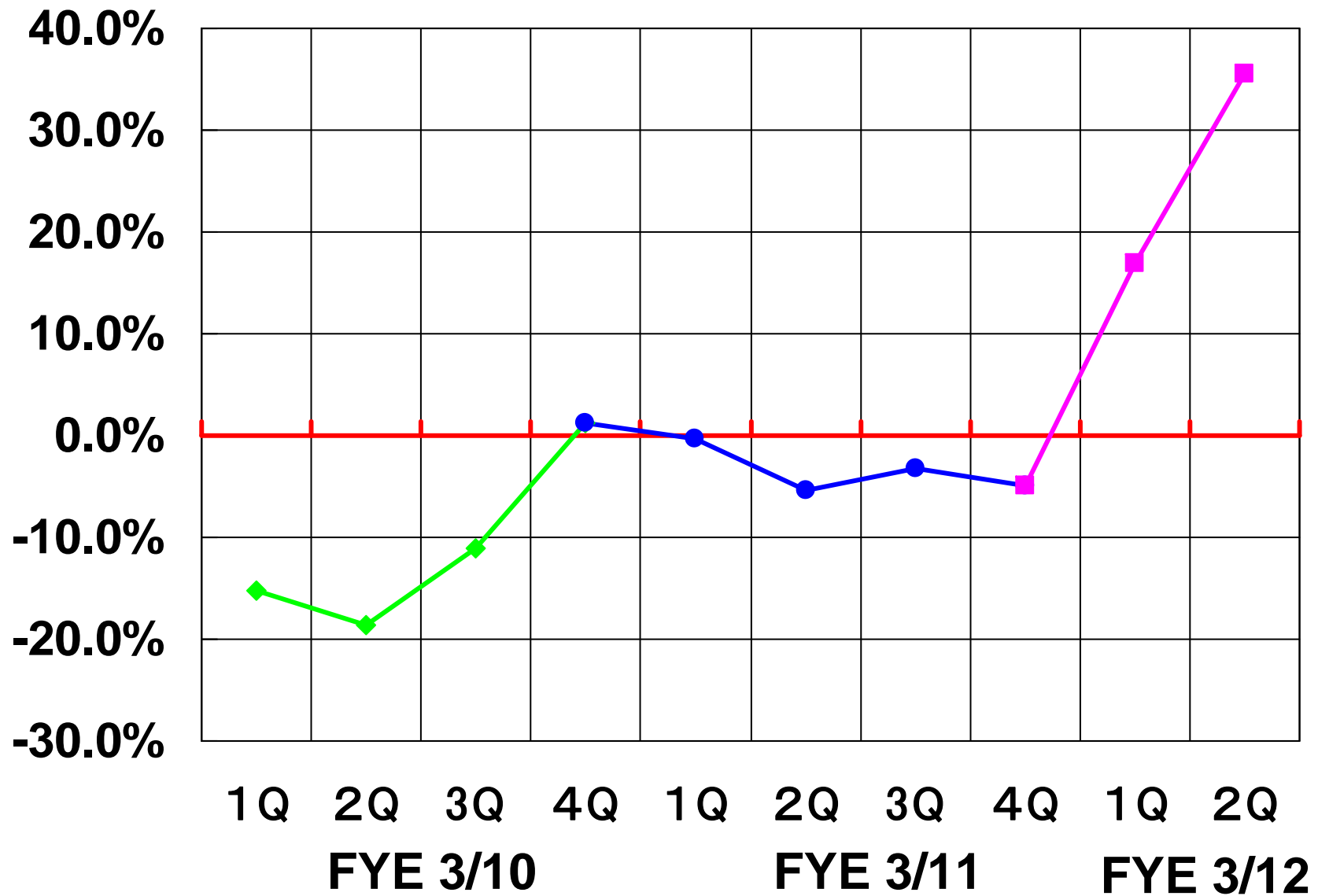
Overview of Electronic Security Services

【 Construction sales: Year-on-Year 】



Overview of Electronic Security Services

【 Equipment sales : Year-on-Year 】



【Corporate Clients】 Overview of Electronic Security Services

	2Q FYE 3/12	2Q FYE 3/11	Gap	Change (%)
Net increase in number of contracts for corporate clients	580.2	468.3	111.9	23.9%

[Corporate Clients]

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

Cancellation : Increased from 2Q FYE 3/11
(Decline in cancel rate)

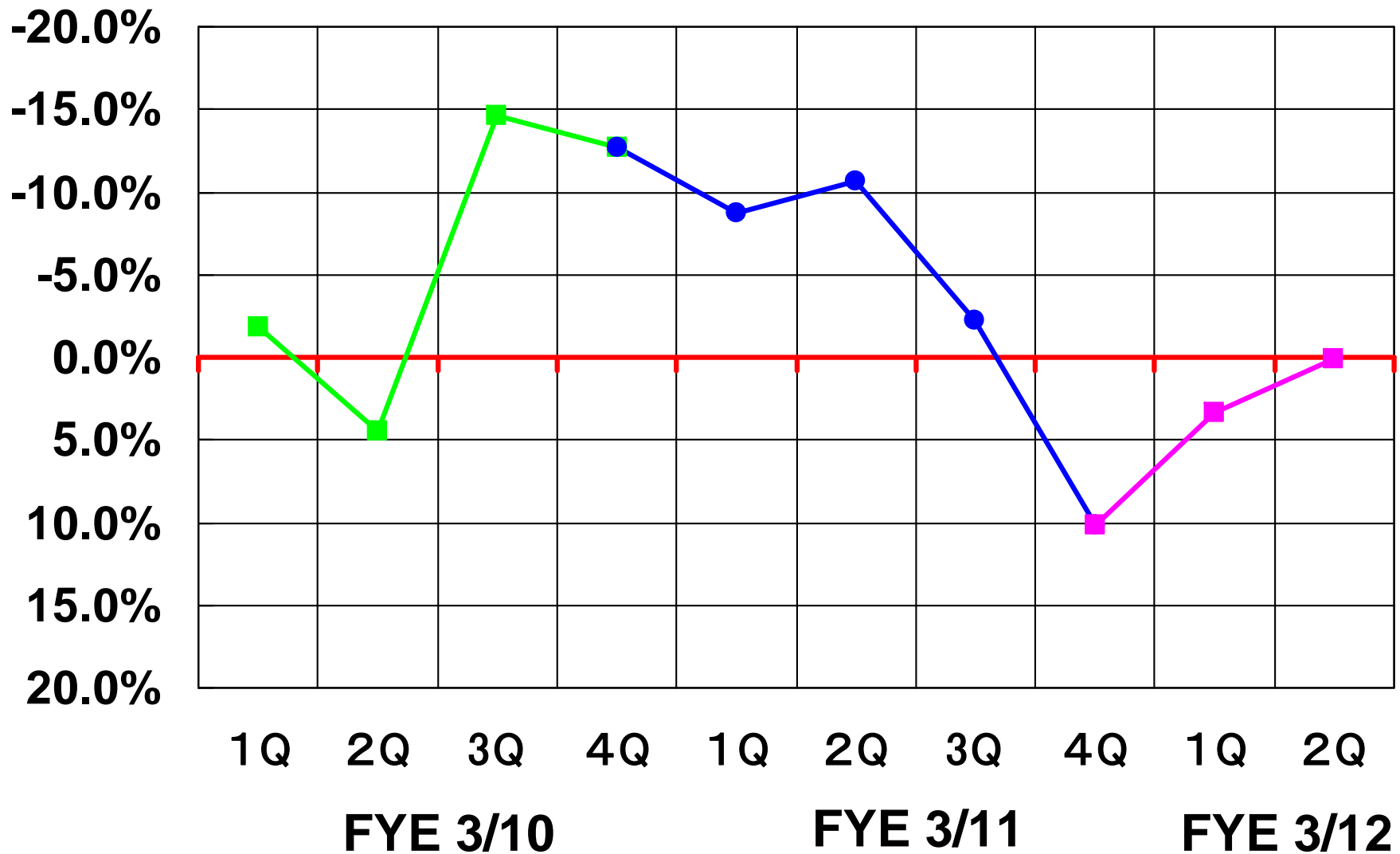
Newly booked contract price : Declined from 2Q FYE 3/11

Price cut : Decreased from 2Q FYE 3/11

Business Plan : 3,865 net increase Achievement ratio 150.1%

Overview of Electronic Security Services Corporate Clients Section 1

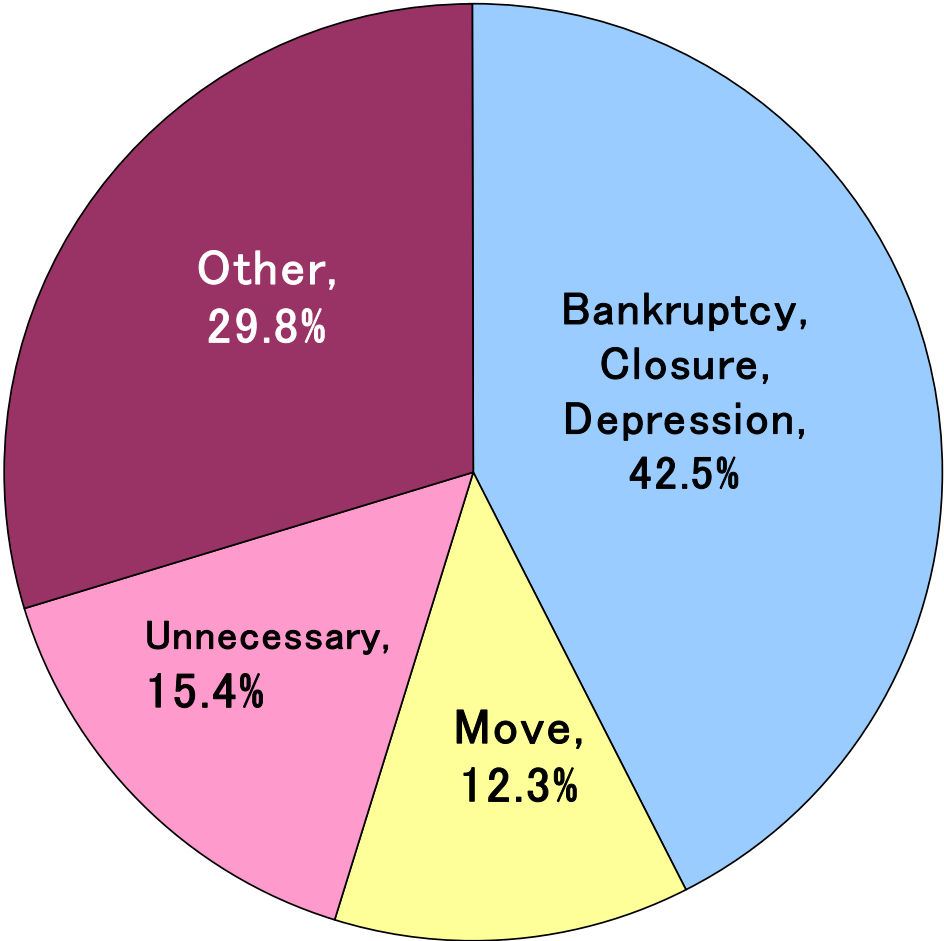
【 Cancellation : Year-on-Year 】



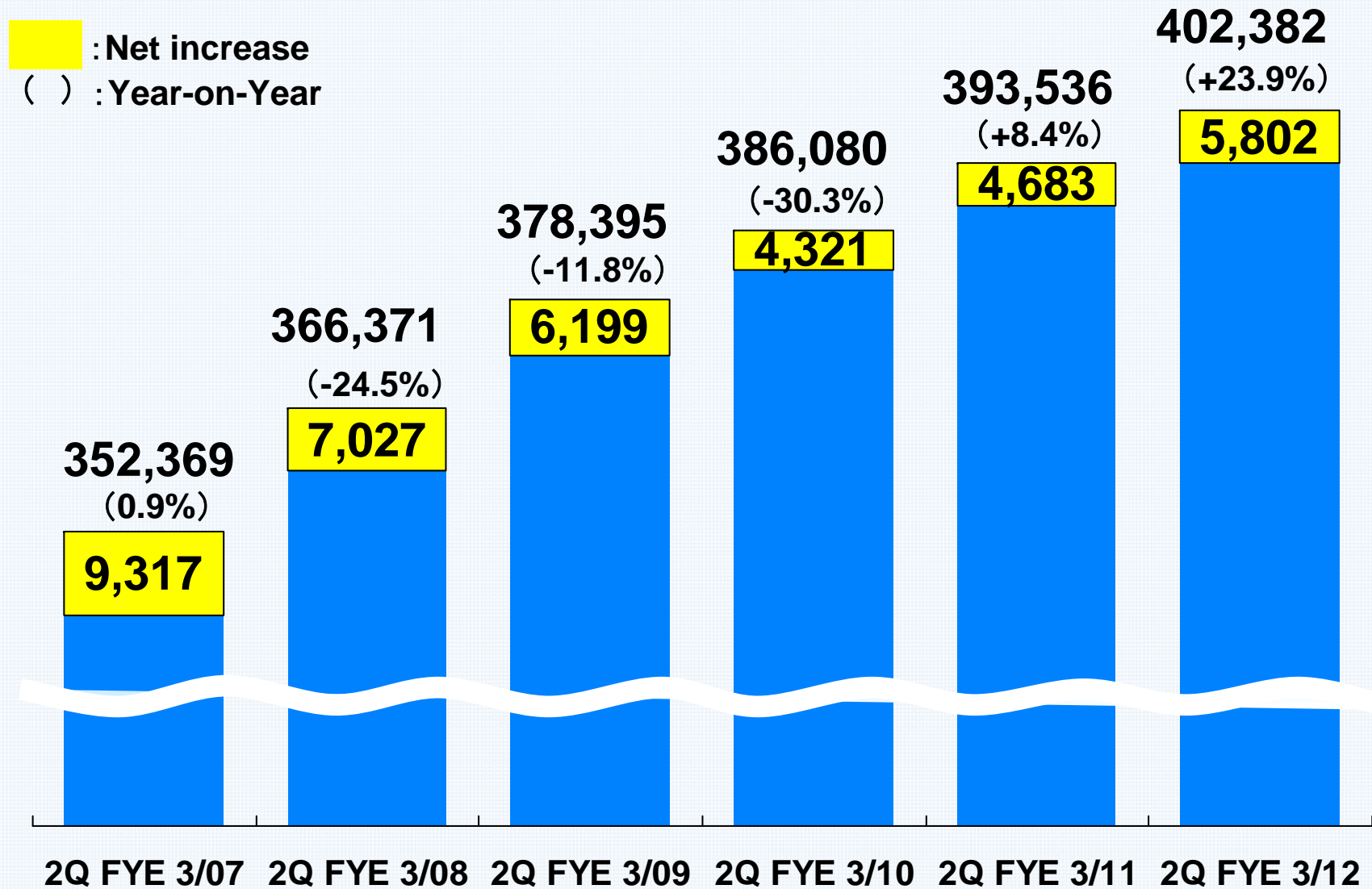
【Corporate Clients】 Overview of Electronic Security Services

【Reason of Cancellation】

2Q FYE 3/12



Increase in Contracts of Electronic Security Services Corporate Clients



【 Individual Clients】 Overview of Electronic Security Services

	2Q FYE 3/12	2Q FYE 3/11	Gap	Change (%)
Net increase in number of contracts for individual clients	858.3	461.4	396.9	86.0%

[Individual Clients]

- Newly booked contracts : Increased from 2Q FYE 3/11
(Including association with house makers)
- Cancellation : Increased from 2Q FYE 3/11
- Newly booked contract price : Declined from 2Q FYE 3/11

Business Plan: 5,778 net increase Achievement ratio 148.5%

Result of ALSOK Home Security α (HS- α)

Increase in first half of FYE 3/12
10,900 contracts



ALSOK Home Security α

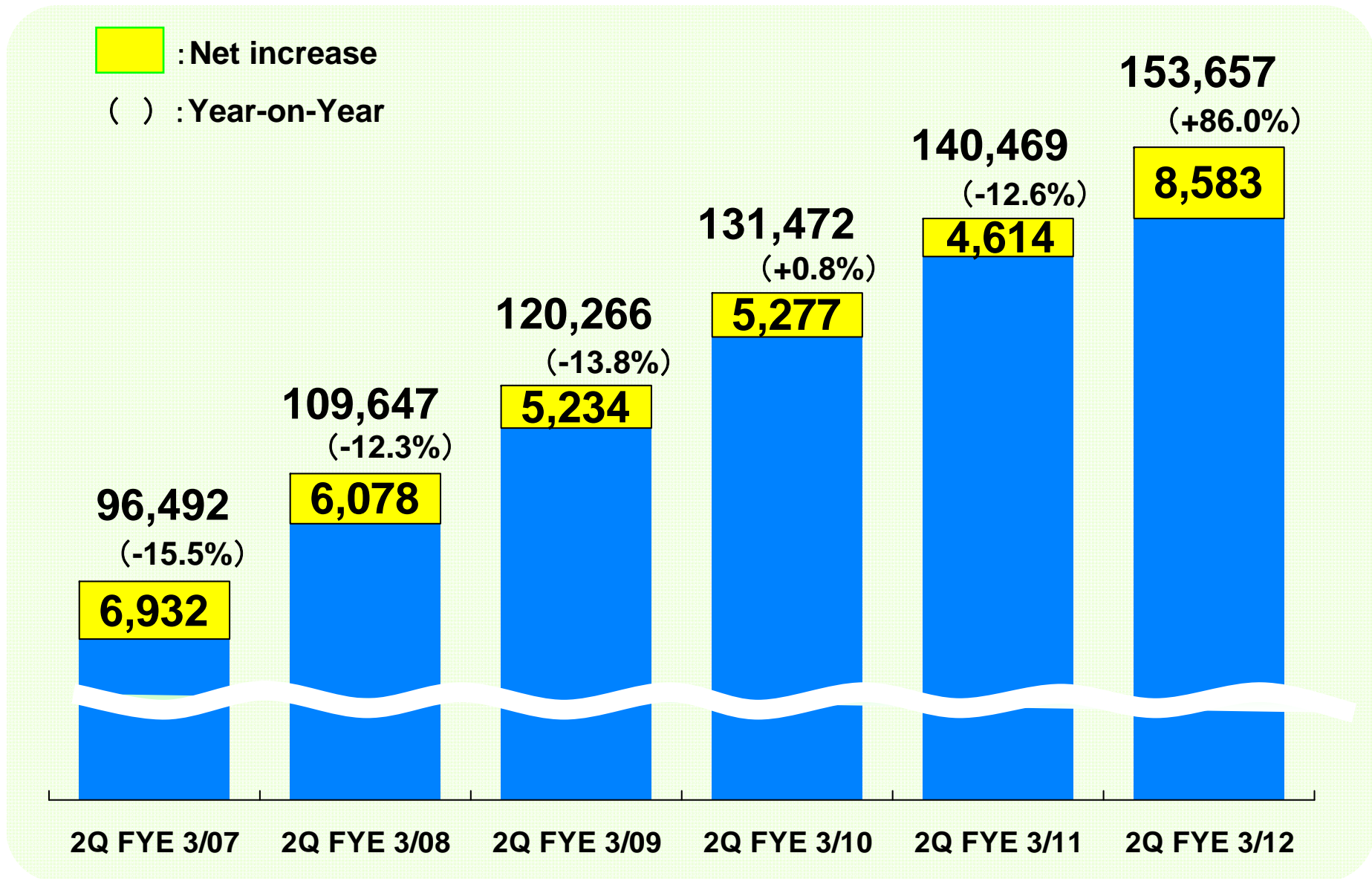
[Contracts by price plan]

- 'Zero Start Plan' (no initial costs) **11.0%**
- Rental plan **7.3%**
- Purchase plan **81.7%**

Orders by association with house makers are all Purchase Plan

Increase in Contracts of Electronic Security Services Section 1

Individual Clients

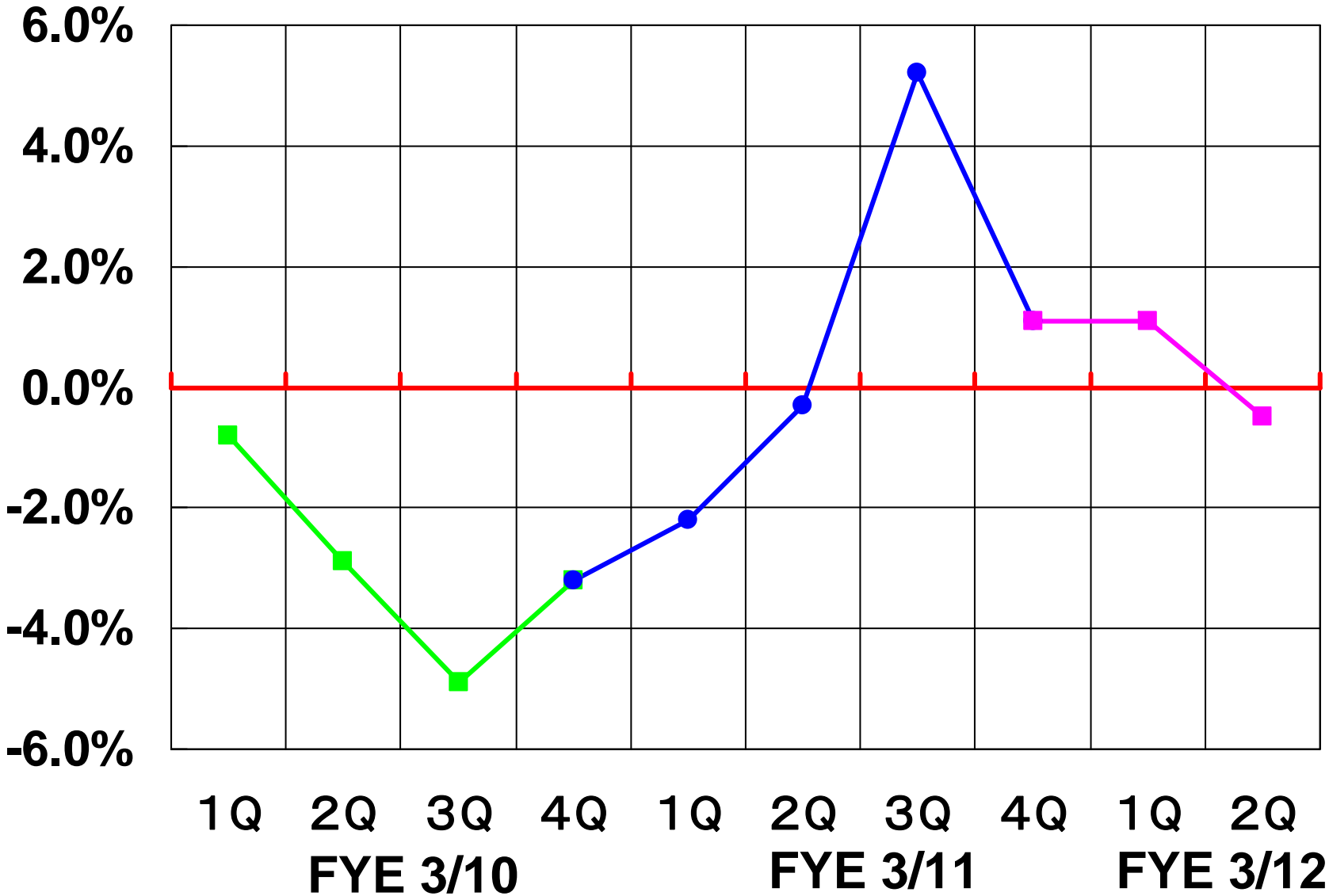


Overview of Stationed Security Services

(Unit: ¥ billion)	2Q FYE 3/12	2Q FYE 3/11	Gap	Change (%)
S a l e s	35.1	35.0	0.1	0.2%
(% to Total Sales)	(23.8%)	(25.4%)		

- **Cancellation : Effect of Great East Japan Earthquake**
- **Newly booked orders : Financial institutions**
 Temporary security involving the recovery of the disaster
- **Effect from FYE 3/11: Increase in security guards involving the diversion of city banks**

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



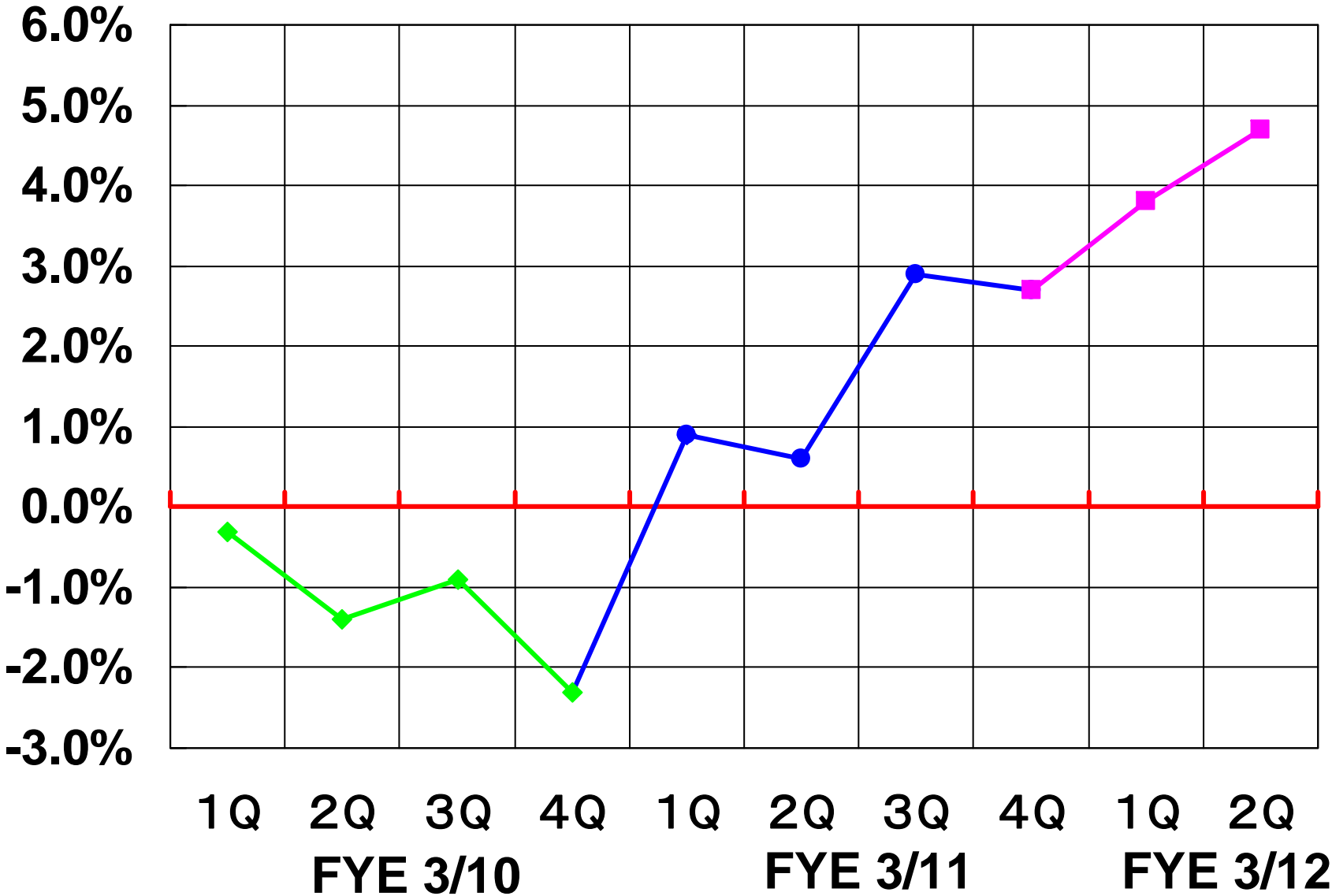
Overview of Transportation Security Services

(Unit: ¥ billion)	2Q FYE 3/12	2Q FYE 3/11	Gap	Change (%)
S a l e s	24.6	23.6	1.0	4.3%
(% to Total Sales)	(16.7%)	(17.1%)		

Newly booked orders

- Financial institutions (Total ATM Management System)
- Bank ATMs inside convenience stores
Net increase of 640 contracts (YoY +290 contracts)
- Cash Deposit Machine On-line System
Net increase of 480 contracts (YoY +130 contracts)

Overview of Transportation Security Services 【 Sales: Year-on-Year 】



Overview of Total Building Management Services, Disaster Prevention Services

(Unit: ¥ billion)	2Q FYE 3/12	2Q FYE 3/11	Gap	Change (%)
S a l e s	16.3	8.3	8.0	95.6%
(% to Total Sales)	(11.0%)	(6.0%)		

● Effect of Japan Facilio

● Residential fire alarms 103,000 (YoY + 34,000)

● Sale of emergency supplies

 ¥0.2 billion (Previous fiscal year was ¥0.03 billion)

Overview of Other Services

(Unit: ¥ billion)	2Q FYE 3/12	2Q FYE 3/11	Gap	Change (%)
S a l e s	2.4	2.2	0.2	7.8%
(% to Total Sales)	(1.6%)	(1.7%)		

● **AED (Automated External Defibrillator) 4,660 units**

● **ALSOK telegram**

● **Other**

Sales vs Business Plan (According to Services)

(Unit: ¥ billion)	2Q FYE 3/12	Business plan	Gap	Achievement ratio(%)
Electronic Security Services	69.0	69.9	-0.9	98.7%
Stationed Security Services	35.1	34.6	0.4	101.3%
Transportation Security Services	24.6	24.3	0.3	101.1%
Total Building Management Services and Disaster Prevention Services	16.3	17.5	-1.2	92.9%
Other Services	2.4	2.4	0	101.1%
T o t a l	147.5	148.9	-1.4	99.1%

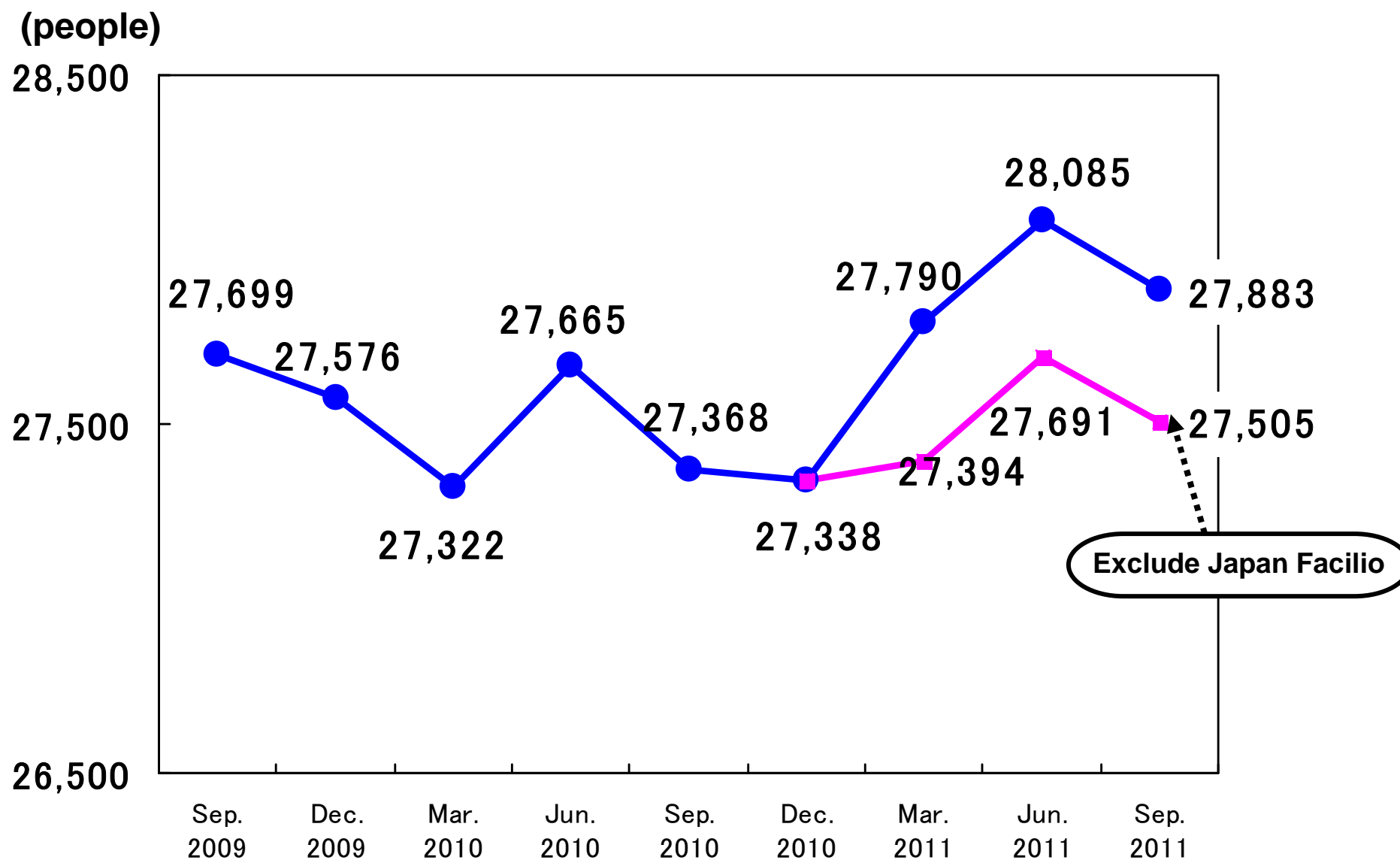
Sales for 2Q FYE 3/12 (By Client Industry)

(Unit: ¥ billion)	2Q FYE 3/12	2Q FYE 3/11	Gap	Change(%)
Financial institutions	40.7 (27.6%)	38.8 (28.1%)	1.8	4.8%
Business corporations	88.6 (60.1%)	81.1 (58.8%)	7.5	9.3%
Government offices & Japan Post	12.9 (8.8%)	13.2 (9.6%)	- 0.3	- 2.7%
Individuals	5.2 (3.5%)	4.8 (3.5%)	0.4	8.4%
T o t a l	147.5 (100.0%)	138.1 (100.0%)	9.4	6.8%

Major Changes in P/L for 2Q FYE 3/12

	Gap of Major Changes for 2Q FYE 3/12	(Effect of Japan Facilio)	(Effect of retirement benefit expenses)
Sales	+ ¥9.4 billion (YoY +6.8%)	(+ ¥7.9 billion)	
Cost of sales	+ ¥9.1 billion (YoY +9.0%)	(+ ¥7.5 billion)	(+ ¥0.3 billion)
Labor cost	+ ¥1.0 billion	—	(+ ¥0.3 billion)
Expense	- ¥0.1 billion	—	—
Cost of product sold & installation	+ ¥8.2 billion	(+ ¥7.5 billion)	—
SG&A	+ ¥0.7 billion (YoY +2.6%)	(+ ¥0.8 million)	(+ ¥0.2 billion)
Personnel Cost	+ ¥0.8 billion	(+ ¥0.5 million)	—
Advertising expenses	- ¥0.1 billion	(+ ¥0.0 million)	(+ ¥0.2 million)
Others	+ ¥0.0 billion	(+ ¥0.2 million)	—
Operating profit	- ¥0.5 billion (YoY -7.3%)	(- ¥0.4 billion)	

Employees [Consolidation]



Consolidated Balance Sheet

(Unit: ¥ billion)

	2Q FYE3/12	FYE3/11	Change		2Q FYE3/12	FYE3/11	Change
Current assets	147.0	154.7	-7.6	Current liabilities	61.8	71.7	-10.0
Cash and deposits	44.6	51.0	-6.4	Short-term borrowings	21.7	28.7	- 7.1
Cash for Transportation Security Services	57.1	57.6	- 0.6	Other	40.0	42.9	-2.9
Other	45.3	45.9	-0.7	Long-term liabilities	49.8	50.4	- 0.5
Fixed assets	128.9	129.6	-0.7	Total liabilities	111.6	122.1	- 10.5
Tangible assets	59.7	59.5	0.3	Shareholders' equity	149.0	147.1	1.9
Intangible assets	7.0	7.4	-0.4	Valuation and translation adjustments	- 4.4	- 4.2	- 0.2
Net investments and other assets	62.0	62.6	- 0.6	Minority interests in consolidated subsidiaries	19.7	19.2	0.5
Total assets	276.0	284.3	-8.3	Total net assets	164.3	162.1	2.2
				Total	276.0	284.3	- 8.3

Consolidated Cash Flows

(Unit: ¥ billion)

	2Q FYE 3/12	2Q FYE 3/11	YoY
Cash flows from operating activities	3.2	5.6	- 2.4
Cash flows from investing activities	- 4.7	- 3.9	- 0.8
Cash flows from financing activities	- 5.1	- 2.6	- 2.6
Balance of cash and cash equivalents at the end of the period	37.3	36.4	- 0.9

Major items of 03/12

●Cash flows from operating activities	Income before income tax	6.8
	Depreciation	6.0
	Decrease in notes and accounts receivable-trade	1.6
	Decrease in notes and accounts payable-trade	- 3.4
	Assets/Liabilities for TSS	- 7.2
●Cash flows from investing activities	Payments for purchases of tangible assets	- 4.0
	Payments for purchases of investment in securities	- 1.5
●Cash flows from financing activities	Repayment of long-term loans payable	- 1.8
	Payments for redemption of bonds	- 1.1
	Dividend paid	- 1.0

Capital Expenditures and Others

Capital expenditures (Unit: ¥ billion)

2Q FYE 3/10	2Q FYE 3/11	2Q FYE 3/12
4.3	5.8	4.7

Depreciation (Unit: ¥ billion)

2Q FYE 3/10	2Q FYE 3/11	2Q FYE 3/12
5.9	5.8	6.0

R&D expense (Unit: ¥ billion)

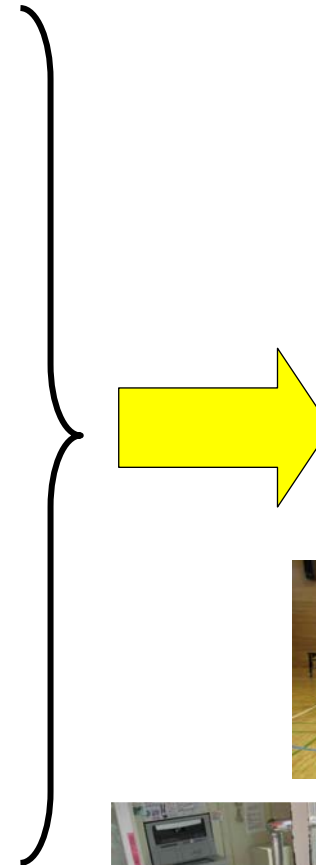
2Q FYE 3/10	2Q FYE 3/11	2Q FYE 3/12
0.2	0.3	0.2

Great East Japan Earthquake

ALSOK as whole

Construction of continuous support system for the recovery of disaster area

- Over 700 employees participating in volunteering activities
Support activity still in duration
- Donation in total : over ¥ 0.1 billion
- Employment about 100 people in the Tohoku district
- Purchase of signature agricultural products from affected area
- Comfort of affected areas and donation of instruments by ALSOK Woman honor guard



Received certificate of appreciation and words from all around



Section 2

Progress on the FYE 3/12 Business Strategy

Measures to Increase Sales

1 Strengthening Sales Capabilities

(1) Increase in number of sales staff

(2) Strengthening the head office sales structure

- Strengthening of sales on the front line**

(3) Expansion of education structure for sales staff

- Training according to years of experience**

- Training according to skills**

Measures to Increase Sales

2 New Products and Services

(1) ALSOK-G V
(G—Five)



(2) Disaster prevention products



(3) Face Learn Gate



Measures to Increase Sales

(4) ALSOK Pocket

A life support service offering information such as earthquake news flash and data custody by using tablet terminal and smartphone



(5) ALSOK Jyuku

Original educational service to aim advancement in basic ability to work as a member of society



Measures to Increase Sales

3 Promotion of M&A

(1) Share increase in security business

- Business integration with Nittetsu Service Kamaishi Co., LTD.

(2) M&A for the purpose of expansion in scope of business

4 Overseas expansion

Establishment of representative office

October 1, 2011 Republic of India, Gurgaon

(New Delhi suburbs)

Section 3

Business Plan of FYE 3/12

Business Plan of FYE 3/12

(Unit: ¥ billion)	Amount	% to total sales	Gap	Change (%)
S a l e s	301.8	100.0%	22.6	8.1%
Gross profit	72.0	23.9%	2.1	3.0%
Operating profit	9.9	3.3%	-0.5	-4.1%
Recurring profit	11.2	3.7%	-0.4	-4.6%
Net income	5.3	1.8%	0.6	13.3%

Dividends

	FYE 3/10	FYE 3/11	FYE 3/12 Plan
Dividend per share	¥20 (¥10)	¥20 (¥10)	¥20 (¥10)
Payout ratio	44.1%	42.7%	37.9%

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

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.