

Consolidated Financial Results for the First Quarter Ended June 30, 2009

SOHGO SECURITY SERVICES CO., LTD

(Code No.:2331, TSE 1st Sec.)

(URL <http://www.alsok.co.jp/ir/en/index.html>)

Representative: Atsushi Murai, President, CEO and COO

For inquiries: Teruhiko Wakaki, General Manager of IR Office

(Phone: +81-3-3423-2331)

Date of the Board Meeting for the settlement of consolidated account: August 4, 2009

Scheduled Date to File Quarterly Report: August 11, 2009

1. Summary of the consolidated financial results for the first quarter ended June 30, 2009 (April 1,2009- June 30, 2009)

(1) Consolidated operating results

(Figures rounded down to the nearest million)

	Three months ended	
	June 30, 2009	June 30, 2008
Sales	¥68,978 million	¥70,232 million
% change from the previous year	-1.8%	—
Operating profit	¥2,899 million	¥3,064 million
% change from the previous year	-5.4%	—
Recurring profit	¥3,214 million	¥3,654 million
% change from the previous year	-12.1%	—
Net income	¥1,451 million	¥1,705 million
% change from the previous year	-14.9%	—
Net income per share	¥14.44	¥16.74
Diluted net income per share	—	¥16.74

Note: Percentage shown in sales, operating profit, recurring profit and net income above represent the changes from the previous fiscal year.

Consolidated financial conditions

(Figures rounded down to the nearest million)

	As of	
	June 30, 2009	March 31, 2009
Total assets	¥282,838 million	¥287,561 million
Net assets	¥156,252 million	¥154,898 million
Capital adequacy ratio	48.9%	47.7%
Net assets per share	¥1,376.45	¥1,364.33

Note: Equity capital: Three months ended June 30, 2009 ¥138,381 million, Year ended March 31, 2009 ¥137,162 million

2. Dividend

(Record date)	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
Fiscal year ended March 31, 2009	—	¥10.00	—	¥10.00	¥20.00
Fiscal year ending March 31, 2010	—	—	—	—	—
Fiscal year ending March 31, 2010 (Forecast)	—	¥10.00	—	¥10.00	¥20.00

Note: Revisions to the forecast of dividends in this quarter; No

**3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2010
(April 1, 2009 – March 31, 2010)**

(Figures rounded down to the nearest million)

	Sales	Operating profit	Recurring profit	Net income	Net income per share
Interim	¥141,800 million (-0.3%)	¥4,500 million (-25.0%)	¥5,100 million (-25.6%)	¥2,500 million (-16.4%)	¥24.80
Annual	¥286,000 million (0.3%)	¥8,000 million (-19.5%)	¥9,000 million (-15.3%)	¥4,200 million (-0.6%)	¥41.66

Note: 1. Revisions to the forecast of financial results in this quarter; No

2. Percentages shown in sales, operating profit, recurring profit and net income above represent the prospected changes from the previous year.

4. Others

(1) Changes in consolidated subsidiaries(Changes in scope of consolidation) : No

(2) Application of accounting which is simplified or exceptional for quarterly consolidated financial statements : No

(3) Changes in accounting principles, procedures and presentation methods for consolidated financial results

① Changes arising from revision of accounting standards : No

② Changes arising from other factors : Yes

(4) Number of shares outstanding(Ordinary shares)

①Number of shares issued (including treasury stock) : Three months ended June 30, 2009 102,040,042 shares

Year ended March 31, 2009 102,040,042 shares

②Number of shares of treasury stock : Three months ended June 30, 2009 1,505,320 shares

Year ended March 31, 2008 1,505,245 shares

③Average number of shares during the period (cumulative quarterly period) : Three months ended June 30, 2009

100,534,739 shares

Three months ended June 30, 2008

101,856,233

* Explanations about proper use of forecasts for consolidated financial results and other special instruction

The above forecasts were prepared based on information obtainable as of the date of release of this document.

Going forward, due to a variety of factors accrual results may differ from the estimated figures.

Consolidated Balance Sheets

(Unit: ¥ million)

As of June 30, 2009 As of March 31, 2009

Assets

Current assets

Cash and deposits	45,866	53,506
Cash for Transportation Security Services	31,229	30,910
Notes and accounts receivable	19,213	20,862
Short-term investments in securities	1,922	1,618
Raw materials and supplies	4,784	4,249
Advance payment	42,535	43,821
Other	14,266	8,938
Allowance for doubtful accounts	-215	-216
Total current assets	159,566	163,690

Fixed assets

Tangible fixed assets	58,607	59,095
Intangible fixed assets		
Goodwill	18	37
Other	4,968	5,384
Total intangible fixed assets	4,987	5,422
Investments and other assets		
Investments in securities	25,163	24,039
Other	34,988	35,788
Allowance for doubtful accounts	-473	-474
Net investments and other assets	59,677	59,353
Total fixed assets	123,272	123,871
Total assets	282,838	287,561

Consolidated Balance Sheets

(Unit: ¥ million)

As of June 30, 2009 As of March 31, 2009

Liabilities

Current liabilities

Trade notes and accounts payable	6,573	8,668
Short-term borrowings	47,920	53,182
Accrued income taxes	902	1,541
Allowance	489	1,051
Other	27,301	24,937
Total current liabilities	83,187	89,381

Long-term liabilities

Bonds	4,400	4,400
Long-term borrowings	2,550	2,852
Accrued retirement benefits for employees	27,944	27,773
Accrued retirement benefits for directors and corporate auditors	1,589	1,658
Other	6,914	6,597
Total long-term liabilities	43,398	43,282
Total liabilities	126,585	132,663

Net Assets

Shareholders' equity

Common stock	18,675	18,675
Capital surplus	32,117	32,117
Retained earnings	93,450	93,004
Treasury stock	-1,974	-1,974
Total shareholders' equity	142,268	141,822

Valuation and translation adjustments

Other securities valuation difference	1,511	738
Land revaluation account	-5,395	-5,395
Translation adjustment	-3	-3
Total valuation and translation adjustments	-3,887	-4,660

Minority interests in consolidated subsidiaries

Minority interests in consolidated subsidiaries	17,871	17,735
Total net assets	156,252	154,898

Total

282,838 287,561

Consolidated Statements of Operations

(Unit: ¥ million)

	Three months ended June 30, 2009	Three months ended June 30, 2008
Sales	68,978	70,232
Cost of sales	51,310	52,544
Gross profit on sales	17,668	17,687
Selling, general and administrative expenses	14,768	14,623
Operating profit	2,899	3,064
Other income		
Interest received	61	61
Dividends received	166	235
Equity in earnings of affiliates	63	59
Other	363	754
Total other income	654	1,111
Other expenses		
Interest	166	242
Loss on disposals of fixed assets	85	—
Other	87	278
Total other expenses	340	520
Recurring profit	3,214	3,654
Extraordinary profits		
Other	1	—
Total extraordinary profits	1	—
Extraordinary losses		
Impairment loss on investments in securities	132	9
Total extraordinary losses	132	9
Income before income taxes	3,083	3,645
Income taxes	1,394	1,663
Minority interests in income of consolidated subsidiaries	237	276
Net income	1,451	1,705

Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Three months ended June 30, 2009	Three months ended June 30, 2008
Cash flows from operating activities		
Income before income taxes	3,083	3,645
Depreciation	2,877	2,575
Depreciation of goodwill	18	27
Increase/decrease(-) in allowance for doubtful accounts	33	14
Increase/decrease(-) in accrued retirement benefit for employees	170	-346
Increase/decrease(-) in allowance for bonuses	-451	-430
Increase/decrease(-) in allowance for director's bonuses	-110	-122
Interest income and dividend income	-227	-297
Interest expenses	166	242
Equity in earnings of affiliates	-63	-59
Loss on sales of fixed assets	0	10
Loss on disposals of fixed assets	85	83
Profit on sales of investments in securities	-1	-3
Impairment loss on investment in securities	132	9
Loss on revaluation of derivatives	-24	-168
Increase(-)/decrease in accounts receivable	1,649	1,732
Increase(-)/decrease in inventories	-534	-313
Increase/decrease(-) in accounts payable	-3,861	-3,502
Increase(-)/decrease in prepaid pension	113	-109
Decrease in assets and liabilities for Transportation Security Services	-6,434	-2,139
Other	-750	-568
Sub-total	-4,129	280
Interest and dividend income, received	283	351
Interest expenses, paid	-147	-202
Income taxes, paid	-2,501	-2,992
Income tax, paid, received	22	10
Net cash provided by operating activities	-6,471	-2,552
Cash flows from investment activities		
Increase(-)/decrease of time deposits	472	63
Payments for purchases of tangible assets	-1,672	-1,969
Proceeds from sales of tangible assets	1	5
Payments for purchases of investments in securities	-298	-824
Proceeds from sales of investments in securities	319	1,359
Increase(-)/decrease in short-term loans	-6	-30
Long-term loans made	-43	-19
Long-term loans collected	43	49
Other	124	101
Net cash used in investment activities	-1,059	-1,264

Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Three months ended June 30, 2009	Three months ended June 30, 2008
Cash flows from financing activities		
Increase/decrease(-) in short-term borrowings	2,301	2,871
Proceeds from long-term debt	—	400
Payments on repayment of long-term debt	-425	-409
Proceeds from issue of new shares	—	1
Payments for purchase of treasury stock	-0	-146
Repayments of lease obligations	-209	—
Dividends paid	-1,005	-1,013
Dividends paid to minority shareholders	-196	-190
Net cash used in financing activities	464	1,512
Effect of exchange rate changes on cash and cash equivalents	0	-0
Net decrease in cash and cash equivalents	-7,065	-2,305
Cash and cash equivalents at beginning of the year	45,866	49,790
Balance of cash and cash equivalents at the end of the period	38,800	47,485