Consolidated Financial Results for Fiscal Year Ended March 31, 2010

SOHGO SECURITY SERVICES CO., LTD

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

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

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Date of the Board Meeting for the settlement of consolidated account: May 7, 2010
Scheduled Date of the General Meeting of Shareholders: June 25, 2010
Scheduled Date of Payment of Dividend: June 28, 2010
Scheduled Date of Filing Yukashoken-Houkokusho: June 25, 2010

1. Summary of the consolidated financial results for fiscal year ended March 31, 2010 (April 1, 2009- March 31, 2010)

(1) Consolidated operating results

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2010	March 31, 2009
Sales % change from the previous year	¥278,579 million -2.3%	¥285,004 million 0.0%
Operating profit % change from the previous year	¥9,270 million -6.8%	¥9,943 million -27.9%
Recurring profit % change from the previous year	¥10,819 million 1.8%	¥10,630 million -27.4%
Net income % change from the previous year	¥4,563 million 8.0%	¥4,224 million -44.8%
Net income per share	¥45.39	¥41.90
Diluted net income per share	—	¥41.90
ROE (Net income to equity)	3.3%	3.1%
Ordinary profit to total assets	3.8%	3.6%
Operating profit to sales	3.3%	3.5%

Note 1: Percentage shown in sales, operating profit, recurring profit and net income above represent the changes from the previous fiscal year.
Note 2: Equity in earnings of affiliates: Year ended March 31, 2010 ¥318 million, Year ended March 31, 2009 ¥312 million

(2) Consolidated financial conditions

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2010	March 31, 2009
Total assets	¥276,069 million	¥287,561 million
Net assets	¥158,674 million	¥154,898 million
Capital adequacy ratio	50.9%	47.7%
Net assets per share	¥1,397.90	¥1,364.33

Note: Equity capital: Year ended March 31, 2010 ¥140,537 million, Year ended March 31, 2009 ¥137,162 million

(3) Consolidated cash flows

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2010	March 31, 2009
Cash flows from operating activities	¥15,038 million	¥19,291 million
Cash flows from investment activities	-¥15,854 million	-¥13,997 million
Cash flows from financing activities	-¥7,702 million	-¥9,377 million
Cash and cash equivalents at the end of the period	¥37,349 million	¥45,866 million

2. Dividend

(Record date)	Dividends per share					Total dividend (Annual)	Consolidated payout ratio	Consolidated dividends to net assets
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
Fiscal year ended March 31, 2009	—	¥10.00	—	¥10.00	¥20.00	¥2,010 million	47.7%	1.5%
Fiscal year ended March 31, 2010	—	¥10.00	—	¥10.00	¥20.00	¥2,010 million	44.1%	1.4%
Fiscal year ending March 31, 2011 (Forecast)	—	¥10.00	—	¥10.00	¥20.00	—	38.7%	—

3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2011 (April 1, 2010 ー March 31, 2011)

(Figures rounded down to the nearest million)

	Sales	Operating profit	Recurring profit	Net income	Net income per share
Interim	¥139,200 million (0.6%)	¥5,900 million (-5.5%)	¥6,800 million (-4.8%)	¥3,300 million (-2.7%)	¥32.82
Annual	¥281,900 million (1.2%)	¥9,500 million (2.5%)	¥11,100 million (2.6%)	¥5,200 million (13.9%)	¥51.72

Note 1: The forecasts for consolidated financial results shown above include risks and uncertain factors that may cause financial results to differ significantly from forecasts.

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

① Changes arising from revision of accounting standards : Yes

② Changes arising from other factors : Yes

(3) Number of shares outstanding(Ordinary shares)

①Number of shares issued (including treasury stock) : Year ended March 31, 2010 102,040,042 shares
Year ended March 31, 2009 102,040,042 shares

② Number of shares of treasury stock : Year ended March 31, 2010 1,505,543 shares
Year ended March 31, 2009 1,505,245 shares

(Reference) Non-consolidated Financial Results for Fiscal Year Ended March 31, 2010

1. Summary of the non-consolidated financial results for fiscal year ended March 31, 2010 (April 1, 2009- March 31, 2010)

(1) Non-consolidated operating results

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2010	March 31, 2009
Sales % change from the previous year	¥189,706 million -3.2%	¥195,917 million -0.6%
Operating profit % change from the previous year	¥2,332 million 68.3%	¥1,386 million -51.0%
Recurring profit % change from the previous year	¥6,797 million 16.5%	¥5,832 million -24.9%
Net income % change from the previous year	¥5,651 million 28.6%	¥4,393 million -30.7%
Net income per share	¥56.21	¥43.57
Diluted net income per share	—	¥43.57

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

(2) Non-consolidated financial conditions

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2010	March 31, 2009
Total assets	¥190,501 million	¥202,646 million
Net assets	¥102,623 million	¥98,411 million
Capital adequacy ratio	53.9%	48.6%
Net assets per share	¥1,020.78	¥978.88

Note: Equity capital: Fiscal year ended March 31, 2010 ¥102,623 million, Year ended March 31, 2009 98,411 million

1. Operating Results

(1) Analysis of Operating Results

A. Consolidated Financial Results for the Fiscal Year Ended March 31, 2010 (April 1, 2009–March 31, 2010)

In the fiscal year ended March 31, 2010, the Japanese economy continued to face harsh operating conditions overall. A certain degree of economic recovery was seen in regard to exporting and manufacturing due to improved conditions in overseas economies and to the Japanese government's emergency economic stimulus measures. Nonetheless, rising unemployment and the effects of deflation led us to conclude that these difficult conditions would continue to persist.

In Japan's social environment, the number of reported crimes continued to decrease and statistics showed an improvement in public safety. However, occurrences of crimes that disrupt peoples' everyday lives, such as deposit fraud, remain a public concern for both safety and security. In the corporate sector as well, a rising number of incidents involving private information leakage due to file-sharing software has prompted many businesses to upgrade their security systems. Consequently, the security industry has thus seen demand for the provision of a broad range of security services to meet the needs of society, but the overall deterioration in business—compounded by intensifying competition among security service providers—has made for a difficult management environment.

Under these conditions, the ALSOK Group has been working to construct internal systems that can continue to ensure the quality of its services and the efficiency of its operations. To this end, focusing on the security business field, we have been strengthening our regional marketing strategy, and engaging in thorough measures to improve the efficiency of our operations and revaluate the distribution of personnel.

In the corporate sector, sales activity focused around the "ALSOK Guard System," an electronic security system, "ALSOK-MP," a remote video monitoring system, and internal/external access control systems. New offerings included "Network Monitoring Service," a service that constantly monitors information transmitted over networks and protects against leaks while responding expediently to any dangers that arise. We also began offering "Mamorukku-Kichohin," a service that uses miniature terminals equipped with GPS tracking functions to monitor the shipment of valuables. These terminals are able track the location of the shipment and confirm whether or not it has been opened. Additionally, we began offering "Mamorukku-Emergency Call," a service that makes emergency calls and that can track the location of shipments.

In the private sector, we continued to promote sales of "ALSOK Home Security α" and "ALSOK Home Security X7." We also began offering a new service, "ALSOK House Support," a service through which ALSOK representatives will support customers by helping with cleaning and household work, and responding to various household troubles, such as those related to locks, keys, and plumbing. Through these efforts, we are further increasing ALSOK's presence in the individual user market.

Also, on November 30, 2009, we formed ALSOK (Vietnam) Co., Ltd. This company offers consulting and sells security-related equipment to Japanese companies that are developing operations in the Socialist Republic of Vietnam.

Leveraging the vast amount of security know-how that ALSOK has accumulated since the Company's founding, we are contributing to the maintenance of a safe society by offering diverse services that are in tune with current needs.

As a result of these factors, the Company's consolidated business results for the fiscal year ending March 31, 2010, were as follows.

Sales fell 2.3% year on year, to ¥278,579 million. Although the number of contracts for Electronic Services increased, sales in Electronic and Stationed Security Services and Stationed Security Services declined. The price reductions and contract cancellations stemming from the stalling of the economy also had adverse effects.

Operating profit declined 6.8% year on year, to ¥9,270 million, recurring profit increased 1.8% year on year, to ¥10,819 million, and net income rose 8.0% year on year, to ¥4,563 million. Adverse factors included higher personnel expenses due to an increased number of employees as well as a greater retirement benefit expenses burden stemming from the worsening of the asset management of retirement plan assets. However, we worked to reduce other expenses through strengthened cost management.

Sales by Business Segment

Business Segment		Fiscal year ended March 31, 2010		Fiscal year ended March 31, 2009		YoY	
		Amount (¥ million)	Share (%)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/Decrease (%)
Security Services	Electronic Security Services	138,929	49.9	142,511	50.0	-3,582	-2.5
	Stationed Security Services	70,659	25.4	72,830	25.6	-2,170	-3.0
	Transportation Security Services	46,868	16.8	47,444	16.6	-576	-1.2
	Total	256,457	92.1	262,786	92.2	-6,329	-2.4
Other Services		22,122	7.9	22,217	7.8	-95	-0.4
Total		278,579	100.0	285,004	100.0	-6,424	-2.3

Major factors behind segment results

Security Services

In Electronic Security Services, our corporate client sales were adversely affected by the decline in corporate revenues resulting from the stagnant economy. The subsequent increased focus on costs led to a decline in sales, price reductions, and contract cancellations.

In the individual user market, we continued promoting alliances with homebuilders and real estate companies, and sales of "ALSOK Home Security α" remained solid.

As a result of these factors, sales for Electronic Security Services fell 2.5% year on year, to ¥138,929 million.

In Stationed Security Services, sales declined due to a rebound from the previous year, in which large-scale short-term security services were provided, as well as to price reductions and contract cancellations resulting from the stagnant economy. Consequently, sales for Stationed Security Services fell 3.0%, to ¥70,659 million.

In Transportation Security Services, outsourcing by financial institutions increased as did sales of the Cash Deposit Machine On-line System for ordinary companies. However, price reductions and contract cancellations by financial institutions had an adverse influence. Accordingly, sales of Transportation Security Services decreased 1.2% year on year, to ¥46,868 million.

As a result, sales in the Security Services segment decreased 2.4% year on year, to ¥256,457 million.

Other Services

In Other Services, although sales of household fire detectors and products that protect against the new strain of influenza increased, the sales of automatic external defibrillators (AEDs) and other products were down year on year. Accordingly, sales in the Other Services segment fell 0.4% year on year, to ¥22,122 million.

B. Comparative Analysis of the Consolidated Statements of Operations

The following chart is a year-on-year comparison of the ALSOK Group's consolidated statements of operations.

	Fiscal year ended March 31, 2010		Fiscal year ended March 31, 2009		YoY	
	Amount (¥ million)	Share (%)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/Decrease (%)
Sales	278,579	100.0	285,004	100.0	-6,424	-2.3
Cost of sales	210,097	75.4	215,711	75.7	-5,613	-2.6
Gross profit on sales	68,482	24.6	69,292	24.3	-810	-1.2
Selling, general and administrative expenses	59,211	21.3	59,349	20.8	-137	-0.2
Operating profit	9,270	3.3	9,943	3.5	-672	-6.8
Other income	2,969	1.1	3,038	1.0	-69	-2.3
Other expenses	1,419	0.5	2,350	0.8	-930	-39.6
Recurring profit	10,819	3.9	10,630	3.7	188	1.8
Extraordinary profits	77	0.0	49	0.0	28	57.8
Extraordinary losses	244	0.1	1,617	0.5	-1,373	-84.9
Income taxes	5,096	1.8	4,144	1.5	951	23.0
Minority interests in income of consolidated subsidiaries	992	0.4	693	0.2	299	43.1
Net income	4,563	1.6	4,224	1.5	339	8.0

As a result, consolidated sales in the year under review decreased ¥6,424 million year on year, to ¥278,579 million.

Cost of sales was ¥210,097 million. This was due primarily to the decrease in sales resulting in a ¥2,816 million decline in cost of sales from installations of equipment.

Selling, general and administrative expenses were ¥59,211 million. This was due to such factors as a ¥619 million reduction in advertising expenses and reductions in other expenses, which offset the increase in personnel costs.

Recurring profit increased ¥188 million, or 1.8%, year on year, to ¥10,819 million. This was due to the effects of measures to cut various costs.

The major factor for the decrease in other expenses was a decline of ¥303 million in interest expenses.

The rise in extraordinary profits was due to an increase of ¥65 million in profit on sales of investments in securities.

The main factor contributing to the decline in extraordinary losses was a decrease of ¥1,392 million in impairment loss on investments in securities.

Net income for the year under review rose ¥339 million, to ¥4,563 million, an 8.0% increase year on year.

C. Forecast for the Fiscal Year Ending March 31 2011

In the fiscal year ending March 31, 2011, the Japanese economy is expected to continue to face difficult conditions. This will be due to persisting concerns regarding faltering overseas economies, the effects of deflation, and the worsening of the employment situation. We expect the social environment in Japan to improve in terms of public safety and security, with statistics recording a further decrease in the number of reported crimes. However, we also anticipate continued public concern for a safe and secure society. In the corporate sector, we expect to see mounting internal-control-related interest in promoting measures against the leakage of information and increasing the protection of private information, as well as in the formulation of business continuity plans. These factors are likely to result in demand for diverse security services extending beyond conventional Electronic Security systems.

Given these changes in society, we expect that demand for security will continue to increase in the future. However, economic trends and intensifying competition from security service providers will make for an even more challenging business environment.

In such an environment, the ALSOK Group will strive to promote the security business, holding fast to the Group's founding management principle of providing high-level security services. We will firmly grasp the rapidly changing needs of our clients for safety and security, and strive to improve our business performance by creating and providing new products and services to meet these needs.

As a result of these measures, we are forecasting the following consolidated results for the fiscal year ending March 31, 2011, to be as follows: sales are forecast to rise 1.2% year on year, to ¥281,900 million; operating profit to 2.5%, to ¥9,500 million; recurring profit to 2.6%, to ¥11,100 million; and net income to increase 13.9%, to ¥5,200 million.

(2) Analysis of Financial Position

A. Comparative Analysis of the Consolidated Balance Sheets

The following table shows a year-on-year comparison of the ALSOK Group's consolidated balance sheets.

		As of March 31, 2010		As of March 31, 2009		YoY	
		Amount (¥ million)	Share (%)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/Decrease (%)
Assets	Current assets	148,279	53.7	163,690	56.9	-15,411	-9.4
	Fixed assets	127,790	46.3	123,871	43.1	3,919	3.2
	Total assets	276,069	100.0	287,561	100.0	-11,491	-4.0
Liabilities	Current liabilities	76,653	27.8	89,381	31.1	−12,728	-14.2
	Long-term liabilities	40,741	14.7	43,282	15.0	-2,540	-5.9
	Total liabilities	117,394	42.5	132,663	46.1	-15,268	-11.5
Total net assets		158,674	57.5	154,898	53.9	3,776	2.4

Total assets at the end of the year under review declined ¥11,491 million, or 4.0%, from the previous fiscal year-end, to ¥276,069 million. Total current assets declined ¥15,411 million, or 9.4%, to ¥148,279 million, and total fixed assets increased ¥3,919 million, or 3.2%, to ¥127,790 million.

The decline in current assets was due primarily to a decrease of ¥5,010 million in the combined total of cash for Transportation Security Services and advance payments and to a decrease of ¥9,097 million in cash and deposits.

The main factor for the rise in fixed assets was an increase of ¥1,971 million in investments in securities.

Total liabilities at the end of the year under review were down ¥15,268 million, or 11.5%, from the previous fiscal year-end, to ¥117,394 million. Total current liabilities decreased ¥12,728 million, or 14.2%, to ¥76,653 million, and total long-term liabilities decreased ¥2,540 million, or 5.9%, to ¥40,741 million.

The decrease in current liabilities primarily reflected a ¥13,068 million decrease in short-term borrowings, mainly for Transportation Security Services.

The main factor contributing to the decrease in long-term liabilities was a decline of ¥2,200 million in bonds.

Total net assets at March 31, 2010, were up ¥3,776 million, or 2.4%, from the previous fiscal year-end, to ¥158,674 million.

B. Analysis of Cash and Cash Equivalents (hereafter referred to as "cash")

(¥ million)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009	YoY
Cash flows from operating activities	15,038	19,291	-4,252
Cash flows from investment activities	-15,854	-13,997	-1,856
Cash flows from financing activities	-7,702	-9,377	1,674
Effect of exchange rate changes on cash and cash equivalents	0	-2	3
Net increase/decrease (-) in cash and cash equivalents	-8,517	-4,086	-4,430
Cash and cash equivalents at beginning of the year	45,866	49,790	-3,924
Balance of cash and cash equivalents at the end of the year	37,349	45,866	-8,517

Cash flows from operating activities
As a result of our operating activities in the year under review, net cash provided by operating activities decreased 22.0% year on year, to ¥15,038 million. Principal items included ¥10,652 million in income before income taxes, an increase of 17.5% year on year; ¥12,597 million in depreciation, an increase of 5.1%; and ¥6,551 million in decrease in assets and liabilities for Transportation Security Services, a year-on-year decrease of ¥6,321 million.

Increase (decrease) in assets and liabilities for Transportation Security Services includes the increases and decreases in funds procured for Transportation Security Services that are included in cash for Transportation Security Services and short-term borrowings.

Cash flows from investing activities
Net cash used in investment activities in the year under review was ¥15,854 million, a 13.3% year-on-year increase. The primary factors were ¥9,155 million in payments for purchases of tangible assets, a decrease of 11.7% year on year, and ¥1,685 million in payments for purchases of investments in securities, a decrease of 56.4% year on year.

Cash flows from financing activities
Net cash used in financing activities was ¥7,702 million, a 17.9% decrease year on year. The main elements were ¥2,662 million for payments on repayment of long-term debt, a 35.2% decrease, and ¥2,200 million in payments for redemption of bonds, down 18.5%.

C. Trends in Cash Flow Indicators for the ALSOK Group

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
Shareholders' equity ratio	50.9%	47.7%	46.2%
Shareholders' equity ratio on a market value basis	39.4%	29.5%	47.4%
Interest-bearing liabilities to cash flow ratio	309.7%	324.7%	497.0%
Interest coverage ratio	24.0 times	20.7 times	15.2 times

Shareholders' equity ratio is shareholders' equity divided by total assets.
Shareholders' equity ratio on a market value basis is market capitalization divided by total assets.
Interest-bearing liabilities to cash flow ratio is interest-bearing liabilities divided by cash flow.
Interest coverage ratio is cash flow divided by interest expense.

Note 1: All indicators are calculated based on the consolidated financial statements.
Note 2: Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the total number of shares issued and outstanding at the end of the fiscal year (excluding treasury stock).
Note 3: Cash flow is net cash provided by operating activities.
Note 4: Interest-bearing liabilities are all liabilities on which interest is paid on the consolidated balance sheets.

(3) Basic Policy Concerning Profit Distribution and Dividend for the Current and Next Term

The company considers the return of earnings to shareholders a top management priority, and our basic policy is to distribute profits to shareholders based on our operating results while increasing internal reserves. ALSOK uses internal reserves for investment in R&D required for future growth and development, qualitative upgrades to information systems, and capital investment for new businesses, as it works to improve its business performance.

In addition, the company maintains a fundamental policy of distributing dividends twice annually, at the end of the interim period and year-end, with funds drawn from retained earnings. Approval to appropriate funds for dividend payments from retained earnings is decided by the General Meeting of Shareholders for the year-end dividend and by the Board of Directors for the interim dividend.

For the year ended March 31, 2010, the company paid an interim dividend of ¥10 per share and intends to pay a year-end dividend of ¥10 per share for a total annual dividend of ¥20 per share. For the year ending March 31, 2011 the company plans to pay an interim dividend of ¥10 per share and a year-end dividend of ¥10 per share for an annual dividend of ¥20 per share.

2. Status of the Corporate Group

There have been no significant changes in the "Business Outline (Business Content)" or the "Status of Related Companies" from the most recent Yukashoken-Houkokusho (submitted June 25, 2009; Japanese only). These sections are therefore omitted from this financial release.

3. Management Policies

(1) Basic Corporate Management Policy
(2) Stance on Target Management Indicators
(3) Medium- and Long-term Corporate Strategy
(4) Pressing Issues for the Company

Note: There have been no significant changes to the content of the above policies since the disclosure of the policies in the interim financial report (released November 14, 2006) for the fiscal year ended March 31, 2007. These sections are therefore omitted from this financial release.

The abovementioned interim report (Japanese only) may be accessed online at the following addresses:
ALSOK Group Website
http://www.alsok.co.jp/ir
Tokyo Stock Exchange Website (Listed Companies Information Search Page) http://www.tse.or.jp/listing/compsearch/index.html

(5) Other important items in management of the Company

a. On November 30, 2009, the Company established ALSOK (Vietnam) Co., Ltd., in order to respond to demand for security from local subsidiaries and affiliates of Japanese companies in the Socialist Republic of Vietnam.
b. On April 1, 2010, with the aim of developing more effective management specialized on various regions and optimizing business operations, the Stationed Security Service operations of the Shizuoka Branch of Sokei Building Service Co., Ltd., were spun off to establish a new company, ALSOK Suruga Co., Ltd., to carry out these operations.
c. On April 1, 2010, Kitakanto Keiso Services Co., Ltd., a subsidiary of Kitakanto Sohgo Keibi Hosho Co., Ltd., became an affiliate accounted for by the equity method of the Company.
d. On April 1, 2010, in accordance with the Company's management policy of contributing to the greater society, ALSOK Business Support Co., Ltd., was established to help people with disabilities achieve independence and participate in society by assuring them stable employment.
e. From April 1, 2010, in order to strengthen the entire Group by clarifying areas of responsibility for management and operational execution, and increasing the speed of management decisions, we introduced an in-house company system.

Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2010	As of March 31, 2009
Assets		
Current assets		
Cash and deposits (Note 3)	44,408	53,506
Cash for Transportation Security Services (Note 1)	64,331	30,910
Notes and accounts receivable	20,803	20,862
Lease receivables and lease investment assets	1,385	1,290
Short-term investments in securities	1,859	1,618
Raw materials and supplies	3,269	4,249
Advance payment	5,389	43,821
Deferred tax assets	2,331	2,409
Other	4,683	5,238
Allowance for doubtful accounts	-184	-216
Total current assets	148,279	163,690
Fixed assets		
Tangible fixed assets		
Buildings and structures (Note 3)	18,073	18,984
Machinery, equipment and delivery equipment	12,825	15,140
Land (Notes 2 and 3)	18,620	17,972
Leased assets	3,203	2,221
Construction in progress	2,604	1,404
Other	3,025	3,372
Total tangible fixed assets	58,351	59,095
Intangible fixed assets		
Software	3,941	5,125
Goodwill	—	37
Other	1,262	259
Total intangible fixed assets	5,203	5,422
Investments and other assets		
Investments in securities (Notes 3 and 4)	26,010	24,039
Long-term loans	597	636
Lease deposits	8,469	8,429
Insurance reserve fund	3,165	3,111
Prepaid pension fund	3,752	4,166
Deferred tax assets	14,000	15,909
Other	8,714	3,535
Allowance for doubtful accounts	-475	-474
Net investments and other assets	64,235	59,353
Total fixed assets	127,790	123,871
Total assets	276,069	287,561

Contd.

Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2010	As of March 31, 2009
Liabilities		
Current liabilities		
Trade notes and accounts payable	8,419	8,668
Short-term borrowings (Notes 1 and 3)	40,114	53,182
Current portion of bonds	2,200	2,200
Accounts payable	12,055	12,407
Lease obligations	1,212	788
Accrued income taxes	1,814	1,541
Accrued consumption taxes	1,625	1,326
Allowance for bonuses	923	876
Allowance for directors' bonuses	198	174
Differed tax liabilities	7	—
Other	8,082	8,215
Total current liabilities	76,653	89,381
Long-term liabilities		
Bonds	2,200	4,400
Long-term borrowings (Note 3)	2,053	2,852
Lease obligations	3,539	2,825
Deferred tax liabilities	135	4
Deferred income taxes on land revaluation	418	418
Accrued retirement benefits for employees	27,135	27,773
Accrued retirement benefits for directors and corporate auditors	1,703	1,658
Negative goodwill	384	—
Other	3,170	3,348
Total long-term liabilities	40,741	43,282
Total liabilities	117,394	132,663
Net Assets		
Shareholders' equity		
Common stock	18,675	18,675
Capital surplus	32,117	32,117
Retained earnings	95,556	93,004
Treasury stock	-1,974	-1,974
Total shareholders' equity	144,375	141,822
Valuation and translation adjustments		
Other securities valuation difference	1,560	738
Land revaluation account	-5,395	-5,395
Translation adjustment	-2	-3
Total valuation and translation adjustments	-3,837	-4,660
Minority interests in consolidated subsidiaries	18,137	17,735
Total net assets	158,674	154,898
Total	276,069	287,561

Consolidated Statements of Operations

(Unit: ¥ million)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009
Sales	278,579	285,004
Cost of sales (Note 6)	210,097	215,711
Gross profit on sales	68,482	69,292
Selling, general and administrative expenses (Notes 1 and 2)	59,211	59,349
Operating profit	9,270	9,943
Other income		
Interest received	258	241
Dividends received	566	566
Profit on sales of investments in securities	39	21
Rental income	179	181
Gain from insurance claim	124	322
Equity in earnings of affiliates	318	312
Depreciation of negative goodwill	20	—
Received penalties for contracts cancellation	317	383
Other	1,143	1,008
Total other income	2,969	3,038
Other expenses		
Interest	626	930
Loss on sales of investments in securities	13	2
Loss on disposals of fixed assets (Note 3)	333	281
Loss on revaluation of derivatives	—	327
Financing expenses	174	—
Other	272	809
Total other expenses	1,419	2,350
Recurring profit	10,819	10,630
Extraordinary profits		
Profit on sales of investments in securities	77	11
Gain on revision of retirement benefit plan	—	37
Total extraordinary profits	77	49
Extraordinary losses		
Impairment loss on investments in securities	198	1,590
Loss on sales of investments in securities	30	2
Loss on disposals of fixed assets (Note 4)	—	23
Impairment loss (Note 5)	15	0
Total extraordinary losses	244	1,617
Income before income taxes	10,652	9,062
Income taxes	3,640	3,467
Income taxes adjustment	1,456	676
Total income taxes	5,096	4,144
Minority interests in income of consolidated subsidiaries	992	693
Net income	4,563	4,224

Consolidated Statements of Changes in Net Assets

(Unit: ¥ million)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009
Shareholders' equity		
Common stock		
Balance at the end of previous period	18,675	18,674
Changes during the period		
Issuance of new shares	—	0
Total changes of items during the period	—	0
Balance at the end of period	18,675	18,675
Capital surplus		
Balance at the end of previous period	32,117	32,117
Changes during the period		
Issuance of new shares	—	0
Total changes of items during the period	—	0
Balance at the end of period	32,117	32,117
Retained earnings		
Balance at the end of previous period	93,004	90,720
Changes during the period		
Cash dividends	-2,010	-2,019
Net income	4,563	4,224
Others	—	78
Total changes of items during the period	2,552	2,283
Balance at the end of period	95,556	93,004
Treasury stock		
Balance at the end of previous period	-1,974	-919
Changes during the period		
Purchase of treasury stock	-0	-1,054
Total changes of items during the period	-0	-1,054
Balance at the end of period	-1,974	-1,974
Total shareholders' equity		
Balance at the end of previous period	141,822	140,592
Changes during the period		
Issuance of new shares	—	1
Cash dividends	-2,010	-2,019
Net income	4,563	4,224
Purchase of treasury stock	-0	-1,054
Others	—	78
Total changes of items during the period	2,552	1,230
Balance at the end of period	144,375	141,822

Contd.

Consolidated Statements of Changes in Net Assets

(Unit: ¥ million)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009
Valuation and translation adjustments		
Other securities valuation difference		
Balance at the end of previous period	738	2,310
Changes during the period		
Net amount of changes excluding shareholders' equity	821	-1,571
Total changes of items during the period	821	-1,571
Balance at the end of period	1,560	738
Land revaluation account		
Balance at the end of previous period	-5,395	-5,395
Changes during the period		
Total changes of items during the period	—	—
Balance at the end of period	-5,395	-5,395
Translation adjustments		
Balance at the end of previous period	-3	-2
Changes during the period		
Net amount of changes excluding shareholders' equity	0	-1
Total changes of items during the period	0	-1
Balance at the end of period	-2	-3
Total valuation and translation adjustments		
Balance at the end of previous period	-4,660	-3,087
Changes during the period		
Net amount of changes excluding shareholders' equity	822	-1,573
Total changes of items during the period	822	-1,573
Balance at the end of period	-3,837	-4,660
Minority interests in consolidated subsidiaries		
Balance at the end of previous period	17,735	17,399
Changes during the period		
Net amount of changes excluding shareholders' equity	401	335
Total changes of items during the period	401	335
Balance at the end of period	18,137	17,735

Contd.

Consolidated Statements of Changes in Net Assets

(Unit: ¥ million)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009
Total net assets		
Balance at the end of previous period	154,898	154,904
Changes during the period		
Issuance of new shares	—	1
Cash dividends	-2,010	-2,019
Net income	4,563	4,224
Purchase of treasury stock	-0	-1,054
Others	—	78
Net amount of changes excluding shareholders' equity	1,224	-1,237
Total changes of items during the period	3,776	-6
Balance at the end of period	158,674	154,898

Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009
Cash flows from operating activities		
Income before income taxes	10,652	9,062
Depreciation	12,597	11,988
Impairment loss	15	0
Depreciation of goodwill	37	22
Depreciation of negative goodwill	-20	—
Increase/decrease(-) in allowance for doubtful accounts	-31	-1,907
Increase/decrease(-) in accrued retirement benefit for employees	-637	-921
Increase/decrease(-) in allowance for bonuses	46	39
Increase/decrease(-) in allowance for director's bonuses	23	-10
Interest income and dividend income	-825	-807
Interest expenses	626	930
Equity in earnings of affiliates	-318	-312
Loss on sales of fixed assets	-1	13
Loss on disposals of fixed assets	333	305
Profit on sales of investments in securities	-73	-29
Impairment loss on investment in securities	198	1,590
Loss on revaluation of derivatives	-41	327
Increase(-)/decrease in accounts receivable	58	1,729
Increase(-)/decrease in inventories	979	202
Decrease in accounts payable	-627	-182
Increase in prepaid pension	413	-647
Decrease in assets and liabilities for Transportation Security Services	-6,551	-229
Other	923	2,741
Sub-total	17,779	23,905
Interest and dividend income, received	857	880
Interest expenses, paid	-622	-928
Income taxes, paid	-4,162	-5,306
Income tax, refund	1,185	739
Net cash provided by operating activities	15,038	19,291
Cash flows from investment activities		
Increase(-)/decrease of time deposits	477	-61
Payments for purchases of tangible assets	-9,155	-10,370
Proceeds from sales of tangible assets	12	15
Payments for purchases of investments in securities	-1,685	-3,862
Proceeds from sales of investments in securities	1,411	2,178
Payment for purchase of subsidiaries's stocks	-160	—
Increase(-)/decrease in short-term loans	6	17
Long-term loans made	-105	-146
Long-term loans collected	144	144
Other	-6,799	-1,913
Net cash used in investment activities	-15,854	-13,997

Contd.

Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009
Cash flows from financing activities		
Increase/decrease(-) in short-term borrowings	-94	-134
Proceeds from long-term debt	500	1,200
Payments on repayment of long-term debt	-2,662	-4,110
Payments for redemption of bonds	-2,200	-2,700
Proceeds from issue of new shares	—	1
Proceeds from minority shareholders	—	25
Payments for purchase of treasury stock	-0	-1,054
Payments for purchase of treasury stock by subsidiary	—	-16
Repayments of lease obligations	-1,037	-378
Dividends paid	-2,010	-2,015
Dividends paid to minority shareholders	-196	-194
Net cash used in financing activities	-7,702	-9,377
Effect of exchange rate changes on cash and cash equivalents	0	-2
Net decrease in cash and cash equivalents	-8,517	-4,086
Cash and cash equivalents at beginning of the year	45,866	49,790
Change in cash and cash equivalents due to newly consolidated subsidiaries	—	162
Balance of cash and cash equivalents at the end of the period	37,349	45,866

Events or situations giving cause for serious doubt regarding the premise of a going concern
Not applicable

Notes on the Basic Important Points for Preparing the Consolidated Financial Statements of Fiscal year ended March 31, 2010

Items	Fiscal year ended March, 31, 2009	Fiscal year ended March, 31, 2010
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 45 Name of significant consolidated subsidiaries: Sokei Stationed Security Service Co., Ltd. Tohoku Sohgo Security Services Co., Ltd. Kitakanto Sohgo Security Services Co., Ltd. Hiroshima Sohgo Security Services Co., Ltd. Sokei Building Service Co., Ltd. Fukushima Sohgo Security Services Co., Ltd. On September 30, 2008 the Company changed its equity stake in Urban Security Co., Ltd., making it a consolidated subsidiary. In the fiscal year ending March 31 2009, Setouchi Sohkei Service Co., Ltd., was liquidated and its management integrated with that of Hiroshima Sohkei Service Co., Ltd. It is therefore removed from the scope of consolidation.	(1) Number of consolidated subsidiaries: 48 Name of significant consolidated subsidiaries: Sokei Stationed Security Service Co., Ltd. Kitakanto Sohgo Security Services Co., Ltd. Hiroshima Sohgo Security Services Co., Ltd. Sokei Building Service Co., Ltd. Fukushima Sohgo Security Services Co., Ltd. On April 1, 2009, Tohoku Sohgo Security Services Co., Ltd., was split and its various regional businesses absorbed by the following successor companies in an incorporation-type company split: the Akita region business was transferred to ALSOK Akita Co., Ltd.; the Iwate region business was transferred to ALSOK Iwate Co., Ltd.; and the Yamagata region business was transferred to ALSOK Yamagata Co., Ltd. Tohoku Sohgo Security Services Co., Ltd., was absorbed by the Company. On November 30, 2009, ALSOK (Vietnam) Co., Ltd., was established in the Socialist Republic of Vietnam.
	(2) Name of non-consolidated subsidiaries: Ehime Sokei Services Co., Ltd. [Rationale for exclusion of non-consolidated subsidiaries, etc., from the scope of consolidation] Each of the non-consolidated subsidiaries is small in scale in terms of amount of assets, operating revenues (or sales), net income and retained earnings; each has little influence on the finances and performance of the Group and has little materiality as a whole.	(2) Name of non-consolidated subsidiaries: Same as left. [Rationale for exclusion of non-consolidated subsidiaries, etc., from the scope of consolidation] Same as left.

2. Application of equity method	(1) Number of affiliates accounted for under the equity method: 8 Name of significant affiliates: Niigata Sohgo Security Services Co., Ltd. Hokuriku Sohgo Security Services Co., Ltd. (2) Major unconsolidated subsidiaries and affiliates not accounted for under the equity method Kitakanto Keiso Services Co., Ltd. Ehime Sokei Services Co., Ltd. [Rationale for non-application of the equity method] Each of the subsidiaries or affiliates to which the equity method is not applied is small in scale in terms of net income and retained earnings; each has little influence on the finances and performance of the Group and has little materiality as a whole. Thus, they are accounted for at cost.	(1) Number of affiliates accounted for under the equity method: 8 Name of significant affiliates: Same as left. (2) Major unconsolidated subsidiaries and affiliates not accounted for under the equity method Same as left. [Rationale for non-application of the equity method] Same as left.
3. Matters concerning fiscal year-end of consolidated subsidiaries	The fiscal year-end of all consolidated subsidiaries is the same as the consolidation date.	The date of settlement of accounts for ALSOK (Vietnam) Co., Ltd., a consolidated subsidiary of the Company, is December 31. The financial statements presented on this date are used for the preparation of consolidated financial statements. However, transactions with material importance between January 1 and March 31, the date of settlement of consolidated accounts, are adjusted as necessary based on the terms of consolidation.
4. Matters concerning accounting methods	(1) Valuation basis and method of major assets a. Marketable securities Other marketable securities With market value: By the mark-to-market method based on market values on the date of settlement of consolidated accounts (valuation differences are reported as a separate component of net assets and the sale price is determined by the moving average method); derivatives embedded bonds that cannot be treated separately are reported using the mark-to-market method) Without market value: At cost, using the moving average method b. Derivatives By the mark-to-market method.	(1) Valuation basis and method of major assets a. Marketable securities Other marketable securities With market value: Same as left. Without market value: Same as left. b. Derivatives Same as left.

	c. Inventories Inventories are principally stated using the first-in first-out method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability). Change in accounting policy From the beginning of April 2008, however, the Company has applied "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9, July 5, 2006). As a result of this change, operating profit, recurring profit and income before income taxes each decreased by ¥7 million.	c. Inventories Same as left. ———
	(2) Depreciation method for major depreciable assets a. Tangible fixed assets (excluding lease assets) Stated at cost. Depreciation is computed using the declining-balance method, while the straight-line method is applied to buildings (excluding annexed facilities) acquired after April 1, 1998, at rates based on the estimated useful lives of the assets. The range of useful lives is principally as follows: Buildings and structures: 38 to 50 years Machinery, equipment and delivery equipment: 3 to 5 years	(2) Depreciation method for major depreciable assets a. Tangible fixed assets (excluding lease assets) Same as left.
	b. Intangible fixed assets assets (excluding lease assets) Straight-line method Software used for internal purposes is recorded at cost less accumulated amortization and is amortized using the straight-line method over five years (the estimated useful life of the software).	b. Intangible fixed assets (excluding lease assets) Same as left.
	c. Lease assets The straight-line method has been applied, using the lease period as the useful life and taking the residual value as zero. The Company has continued to treat finance leases other than those that transfer ownership that commenced before the first fiscal year in which the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) were applied as operating leases.	c. Lease assets Same as left.

	(3) Accounting criteria for major allowances a. Allowance for doubtful accounts To prepare for losses on doubtful accounts from account receivable and loans, general provisions are determined on the basis of past credit loss experience, and specific provisions, such as loss apprehensive credits, are determined by considering individual collectability. b. Allowance for bonuses Allowance for bonuses is provided for the current portion of the future expected payment, in order to prepare for the payment of bonuses to employees. c. Allowance for directors' bonuses Allowance for directors' bonus is provided for the current portion of the future expected payment, in order to prepare for the payment of bonuses to directors and corporate auditors. d. Retirement benefit and pension plans for employees Retirement benefits for employees are provided based on the actuarially calculated retirement benefit obligation and pension assets. Past service liabilities are amortized from the date incurred using the straight-line method over a certain period (5 years) less than the remaining average service period. Unrecognized actuarial gains or losses are amortized using the straight-line method over a certain period (10 years) less than the remaining average service period from the date incurred. Amortization of unrecognized actuarial gains or losses begins in the year following that in which it was incurred. ―――――― (Additional Information) Following the enactment of the Defined Contribution Pension Act, some of the consolidated subsidiaries of the Company made a partial transfer from a retirement lump-sum plan to a defined contribution pension plan from January 2009, and applied "Accounting for Transfer between Retirement Benefit Plans". (ASBJ Guidance No.1). As a result of this transfer, the Company recorded an extraordinary gain of ¥37 million.	(3) Accounting criteria for major allowances a. Allowance for doubtful accounts Same as left. b. Allowance for bonuses Same as left. c. Allowance for directors' bonuses Same as left. d. Retirement benefit and pension plans for employees Same as left. (Change in Accounting Policy) Effective April 1, 2009, the Company has adopted the "Accounting Standard for Retirement Benefits (Part 3)" (Accounting Standards Board of Japan (ASBJ) Statement No. 19, July 31, 2008). This adoption had no impact on operating income, recurring income, and income before income taxes. ――――――

	e. Retirement benefit plan for directors and corporate auditors The accrued liabilities are provided for in full on an annual basis, based on the amount which the ALSOK Group would be required to pay under the relevant rules and bylaws if all members resigned at each balance sheet date.	e. Retirement benefit plan for directors and corporate auditors Same as left.
	―――――― (4) Hedge accounting a. Method of hedge accounting Gains or losses on derivatives are deferred until maturity of the hedged transactions. And the interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value, but the differential paid or received under the swap agreements is charged to income. b. Hedging instruments and hedged items Hedging instruments and hedged items to which hedge accounting was applied in the current fiscal term are as follows: Hedging instruments: interest rate Hedged items: Bank loans c. Hedge policy For the purpose of reducing financial costs and exposures to market risks resulting from fluctuations in interest rates, the interest rate fluctuation risk is hedged in accordance with internal rules. d. Hedge effective assessment Assessment of hedge effectiveness is passed for interest rate swaps which qualify for hedge accounting and meet specific matching criteria, as they are considered highly hedge effective. (5) Other important matters a. Accounting for consumption tax Excluded from transaction amounts. b. Accounting standard for income and expenses The accounting standard used for income relating to finance leases When lease payment is received it is accounted using the method for sale amount and cost of sale.	(4) Important accounting standard for income and expenses The accounting standard used for income relating to finance leases When lease payment is received it is accounted using the method for sale amount and cost of sale. (5) Hedge accounting a. Method of hedge accounting Same as left. b. Hedging instruments and hedged items Same as left. c. Hedge policy Same as left. d. Hedge effective assessment Same as left. (6) Other important matters Accounting for consumption tax Same as left. ――――――

5. Matters concerning valuation of assets and liabilities of consolidated subsidiaries	The assets and liabilities of consolidated subsidiaries are valued using the all-fair-value method.	Same as left.
6. Matters concerning goodwill and negative goodwill amortization	Goodwill and negative goodwill are amortized evenly over a 5-year period.	Same as left.
7. Scope of funds used to prepare consolidated cash flow statements	Cash on hand, deposits withdrawable at immediate notice and easily convertible short-term investments redeemable within 3 months of acquisition with minimal risk of fluctuations in value.	Same as left.

Change of the Basic Important Points for Preparing the Consolidated Financial Statements of This Term

Previous Fiscal Term (From April 1, 2008 to March 31, 2009)	Current Fiscal Term (From April 1, 2009 to March 31, 2010)
(Application of accounting standards relating to leases) Previously, the Company accounted for finance leases other than those deemed to transfer ownership as operating lease transactions. However, from the beginning of April 2008, the Company has applied "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 (June 17, 1993 (First Subcommittee of the Business Accounting Council), revised on March 30, 2007)), and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting System Committee), revised March 30, 2007)) and now accounts for these leases as ordinary sale and purchase transactions. However, the Company has continued to treat finance leases other than those that transfer ownership that commenced before the first fiscal year in which the Accounting Standard for Lease Transactions and related regulations were applied as operating leases. There was no effect on profit and loss from this change.	――――――
(Provisional treatment of subsidiaries located in a country or region other than Japan in consolidated financial statements) From the fiscal year beginning from April 1, 2008 we applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No. 18, No. 18, May 17, 2006). There was no effect on profit and loss from this change.	――――――
(Change in the method of accounting for rental income payment) Subletting income such as employee payments for company housing was previously accounted for as rental income under other income, and the corresponding expenses were accounted under cost of sales and selling, general and administrative expenses. However, in order to clarify the state of the Company's expenses from April 2008 we have changed to a method that excludes these from the cost of sales and selling general and administrative expenses. As a result, operating profit increased by ¥286 million.	――――――
――――――	(Change in Method of Accounting for Cash for Transportation Security Services) Cash contained in the Cash Deposit Machine On-line System was previously accounted for under advance payment in current assets. To be in accordance with the actual management procedure effective April 1, 2009, it has been included in cash for Transportation Security Services. If this new accounting standard had been adopted in the previous fiscal year, the figures for cash for Transportation Security Services and advance payments in the fiscal year ended March 31, 2009, would have been ¥69,346 million and ¥ 5,385 million, respectively.

Change of Presentation Method

Previous Fiscal Term (From April 1, 2008 to March 31, 2009)	Current Fiscal Term (From April 1, 2009 to March 31, 2010)
(Consolidated Balance Sheets) Following the application of "Cabinet Office Ordinance on Partial Amendment of the Regulations Concerning Terminology, Format and Preparation of Financial Statements" (Cabinet Office Ordinance No.50 issued on August 7, 2008), items that appeared as "inventories" in previous years have from April 2008 been called "Raw materials and supplies." ―――――	――――― (Consolidated Statements of Operations) In the previous fiscal year, financing expenses were included in other of other expenses. As financing expenses now account for over 10% of total other expenses, effective April 1, 2009, these expenses are displayed as a separate item. The value for financing expenses included under other in other expenses in the fiscal year ended March 31, 2009, was ¥154 million.

Notes
Consolidated Balance Sheets

Previous Fiscal Term (As of March 31, 2009)	Current Fiscal Term (As of March 31, 2010)
*1. Cash for transportation security services Cash for transportation security services on the consolidated balance sheets are restricted as to use by the ALSOK Group. Short-term borrowings from banks include ¥45,596 million relating to this operation. In addition to cash and deposits presented on the consolidated balance sheet, the ALSOK Group has off-balance cash of ¥230,402 million deposited from clients in the course of conducting transportation security services.	*1. Cash for transportation security services Cash for transportation security services on the consolidated balance sheets are restricted as to use by the ALSOK Group. Short-term borrowings from banks include ¥33,986 million relating to this operation. In addition to cash and deposits presented on the consolidated balance sheet, the ALSOK Group has off-balance cash of ¥241,656 million deposited from clients in the course of conducting transportation security services.
*2. Based on the Law concerning Land Revaluation (Law No. 34, promulgated on March 31, 1998, and Law No. 24, amended March 31, 1999), the ALSOK Group revalued its land used for business purposes on March 31, 2002. Land revaluation The method for calculating the value of land is based on prices computed as per a formula publicized by the Commissioner of the National Tax Administration after making reasonable adjustments such as those for land shape in order to calculate the value of land on which the calculation of the landholding tax is based as stipulated in Article 16 of the Landholding Tax Law (Law No. 69 of 1991) provided in Article 2, Item 4 of the Enforcement Regulations of the Law Concerning Revaluation of Land (Ordinance No. 119 enforced on March 31, 1998). Amount by which the market price at the end of the current fiscal year for revaluated land is lower than the book value after revaluation: ¥551 million	*2. Based on the Law concerning Land Revaluation (Law No. 34, promulgated on March 31, 1998, and Law No. 24, amended March 31, 1999), the ALSOK Group revalued its land used for business purposes on March 31, 2002. Land revaluation The method for calculating the value of land is based on prices computed as per a formula publicized by the Commissioner of the National Tax Administration after making reasonable adjustments such as those for land shape in order to calculate the value of land on which the calculation of the landholding tax is based as stipulated in Article 16 of the Landholding Tax Law (Law No. 69 of 1991) provided in Article 2, Item 4 of the Enforcement Regulations of the Law Concerning Revaluation of Land (Ordinance No. 119 enforced on March 31, 1998). Amount by which the market price at the end of the current fiscal year for revaluated land is lower than the book value after revaluation: ¥818 million

Previous Fiscal Term (As of March 31, 2009)	Current Fiscal Term (As of March 31, 2010)
*3 Assets pledged as collateral and obligations collateralized by the assets Assets pledged as collateral are as follows: (¥ million) Cash and deposits 416 Buildings and structures 2,473 Land 4,073 Investments in securities 26 Total 6,989 The obligations collateralized by the above assets are as follows: (¥ million) Short-term borrowings 631 Long-term borrowings 1,480 Total 2,111 *4. Investments in non-consolidated subsidiaries and affiliated companies are as follows: Investments in securities (stocks) ¥5,369 million	*3 Assets pledged as collateral and obligations collateralized by the assets Assets pledged as collateral are as follows: (¥ million) Cash and deposits 245 Buildings and structures 1,899 Land 2,882 Investments in securities 26 Total 5,053 The obligations collateralized by the above assets are as follows: (¥ million) Short-term borrowings 657 Long-term borrowings 1,016 Total 1,674 *4. Investments in non-consolidated subsidiaries and affiliated companies are as follows: Investments in securities (stocks) ¥5,784 million

Consolidated Statements of Operations

Previous Fiscal Term (From April 1, 2008 to March 31, 2009)	Current Fiscal Term (From April 1, 2009 to March 31, 2010)
*1. Selling, general and administrative expenses comprise the following: (¥ million) Advertising 2,873 Salaries and allowances 31,137 Provision for bonuses 241 Provision for directors′ bonuses 174 Provision for directors′ retirement benefits 181 Provision of allowance for doubtful accounts 75 Welfare and service 4,869 Retirement benefit expenses 1,170 Rent 5,427 Depreciation 2,478 Taxes and duties 1,151 Communication 1,275	*1. Selling, general and administrative expenses comprise the following: (¥ million) Advertising 2,254 Salaries and allowances 32,174 Provision for bonuses 304 Provision for directors′ bonuses 198 Provision for directors′ retirement benefits 203 Provision of allowance for doubtful accounts 52 Welfare and service 4,966 Retirement benefit expenses 1,653 Rent 5,454 Depreciation 2,385 Taxes and duties 1,163 Communication 1,246
*2. Total amount of research and development expenses Research and development expenses included in administrative expenses are ¥628 million.	*2. Total amount of research and development expenses Research and development expenses included in administrative expenses are ¥648 million.
*3. Loss on disposal of tangible fixed assets (¥ million) Machinery and equipment 185 Others 95 Total 281	*3. Loss on disposal of tangible fixed assets (¥ million) Machinery and equipment 237 Others 95 Total 333
*4. Loss on disposal of tangible fixed assets (¥ million) Buildings and accompanying facilities:23	――――
*5. Impairment losses For the fiscal year ended March 31, 2009, the ALSOK Group recorded impairment losses as follows: Type / Purpose / Impairment losses Land / Vacant lot / ¥0 million Assets groups of the Company and consolidated subsidiaries are classified by unit of individual property for nonperforming assets and by unit of managerial accounting for performing assets in business. Aforementioned impairment losses were recorded at the amount by which the book value of each asset exceeded its estimated recoverable value, ¥0 million for land for the year ended March 31, 2009. Pertaining to unused land and structures whose value decreased and whose use is not foreseen in the future, the book value is reduced to the recoverable value and accounted in extraordinary loss as impairment losses (¥0 million). A breakdown includes ¥0 million for land. The recoverable value for this assets group is calculated using the fair value cost to sell. The fair value cost to sell is calculated by deducting the price calculated reflecting appropriate adjustments for land shape based on the land assessments length measured along the road and the estimated disposal costs from prices based on appraisals.	*5. Impairment losses For the fiscal year ended March 31, 2010, the ALSOK Group recorded impairment losses as follows: Type / Purpose / Impairment losses Land / Vacant lot / ¥15 million Assets groups of the Company and consolidated subsidiaries are classified by unit of individual property for nonperforming assets and by unit of managerial accounting for performing assets in business. Aforementioned impairment losses were recorded at the amount by which the book value of each asset exceeded its estimated recoverable value, ¥15 million for land for the year ended March 31, 2010. Pertaining to unused land and structures whose value decreased and whose use is not foreseen in the future, the book value is reduced to the recoverable value and accounted in extraordinary loss as impairment losses (¥15 million). A breakdown includes ¥15 million for land. The recoverable value for this assets group is calculated using the fair value cost to sell. The fair value cost to sell is calculated by deducting the price calculated reflecting appropriate adjustments for land shape based on the land assessments length measured along the road and the estimated disposal costs from prices based on appraisals.
*6 Inventories at the end of the period were written down from book value following decrease in profitability, and the following loss on disposal and impairment of inventories was included in the cost of sales. ¥7 million	*6 Inventories at the end of the period were written down from book value following decrease in profitability, and the following loss on disposal and impairment of inventories was included in the cost of sales. ¥-0 million

Consolidated Statements of Changes in Net Assets

Previous Fiscal Term (From April 1, 2008 to March 31, 2009)

1. Matters concerning type and total number of issued shares and treasury stock

(Shares)

	Number of shares as of March 31, 2008	Number of increased shares during the fiscal term	Number of decreased shares during the fiscal term	Number of shares as of March 31, 2009
Issued shares				
Common stock (Note 1)	102,039,042	1,000	—	102,040,042
Total	102,039,042	1,000	—	102,040,042
Treasury stock				
Common stock (Note 2)	660,709	844,536	—	1,505,245
Total	660,709	844,536	—	1,505,245

Note 1: The increase of 1,000 shares of common stock to the total number of outstanding shares is the result of the issuance of new shares due to the exercise of stock options.

Note 2: The increase of 844,536 shares of common stock to the amount of treasury stock is the result of an increase of 536 shares due to the purchase of odd lots and an increase of 844,000 shares due to an acquisition based on a resolution of the Board of Directors held on February 13, 2008 as per Article 7 of the Articles of Incorporation.

2. Matters concerning stock acquisition rights and treasury stock acquisition rights

(thousand shares)

	Items of stock acquisition rights	Type of shares subject to the stock acquisition rights	Number of shares subject to the stock acquisition rights				Balance as of March 31, 2009 (¥ million)
			As of March 31, 2008	Increase	Decrease	As of March 31, 2009	
Submitting Company (Parent Company)	2001 Stock acquisition rights (Note 1)	Common stock	119	—	119	—	—
	2002 Stock acquisition rights	Common stock	57	—	—	57	—
	2003 Stock acquisition rights (Note 2)	Common stock	228	—	8	220	—
Consolidated subsidiaries	—	—	—	—	—	—	—
Total		—	405	—	127	277	—

Note 1: The previous fiscal year decrease is a result of the exercise or invalidation of subscription rights.

Note 2: The previous fiscal year decrease is a result of the exercise or invalidation of stock acquisition rights.

3. Matters concerning dividends

(1) Dividends paid

Date of resolution	Type of shares	Total dividends (¥ million)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2008	Common stock	1,013	10.0	March 31, 2008	June 30, 2008
Board of Directors Meeting on November 11, 2008	Common stock	1,005	10.0	September 30, 2008	December 5, 2008

(2) Dividends with a record date in the previous fiscal year but with an effective date in the next fiscal year

Date of resolution	Type of shares	Total dividends (¥ million)	Dividend resource	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2009	Common stock	1,005	Retained earnings	10.0	March 31, 2009	June 26, 2009

Current Fiscal Term (From April 1, 2009 to March 31, 2010)

1. Matters concerning type and total number of issued shares and treasury stock

(Shares)

	Number of shares as of March 31, 2009	Number of increased shares during the fiscal term	Number of decreased shares during the fiscal term	Number of shares as of March 31, 2010
Issued shares				
Common stock (Note 1)	102,040,042	—	—	102,040,042
Total	102,040,042	—	—	102,040,042
Treasury stock				
Common stock (Note 2)	1,505,245	298	—	1,505,543
Total	1,505,245	298	—	1,505,543

Note: The increase of 298 shares of common stock to the amount of treasury stock is due to the purchase of odd lots.

2. Matters concerning stock acquisition rights and treasury stock acquisition rights

(thousand shares)

	Items of stock acquisition rights	Type of shares subject to the stock acquisition rights	Number of shares subject to the stock acquisition rights				Balance as of March 31, 2010 (¥ million)
			As of March 31, 2009	Increase	Decrease	As of March 31, 2010	
Submitting Company (Parent Company)	2002 Stock acquisition rights	Common stock	57	—	57	—	—
	2003 Stock acquisition rights	Common stock	0	—	10	210	—
Consolidated subsidiaries	—	—	—	—	—	—	—
Total		—	227	—	67	210	—

Note: The current fiscal year decrease is a result of the invalidation of stock acquisition rights.

3. Matters concerning dividends

(1) Dividends paid

Date of resolution	Type of shares	Total dividends (¥ million)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2009	Common stock	1,005	10.0	March 31, 2009	June 26, 2009
Board of Directors Meeting on November 5, 2009	Common stock	1,005	10.0	September 30, 2009	December 4, 2009

(2) Dividends with a record date in the current fiscal year but with an effective date in the next fiscal year

Date of resolution	Type of shares	Total dividends (¥ million)	Dividend resource	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2010	Common stock	1,005	Retained earnings	10.0	March 31, 2010	June 28, 2010

Consolidated Statements of Cash Flows

Previous Fiscal Term (From April 1, 2008 to March 31, 2009)	Current Fiscal Term (From April 1, 2009 to March 31, 2010)
Reconciliation of each item in the Consolidated Balance Sheets and cash and cash equivalents in the Consolidated Statements of Cash Flows:	Reconciliation of each item in the Consolidated Balance Sheets and cash and cash equivalents in the Consolidated Statements of Cash Flows:

(As of March 31, 2009)
(¥ million)

Cash and deposits	53,506
Deposits to mature in excess of 3 months	-8,559
Short-term investments (securities) to be redeemed within 3 months of acquisition date	919
Cash and cash equivalents	45,866

(As of March 31, 2010)
(¥ million)

Cash and deposits	44,408
Deposits to mature in excess of 3 months	-8,081
Short-term investments (securities) to be redeemed within 3 months of acquisition date	1,021
Cash and cash equivalents	37,349

Notes on Securities

Previous Fiscal Term(As of March 31, 2009)

1. Marketable other securities

(¥ million)

	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost			
a. Stocks	3,321	5,563	2,241
b. Debt securities			
National and local government bond	250	252	2
Corporate bond	649	650	0
c. Others	—	—	—
Total	4,221	6,465	2,244
Securities whose acquisition cost exceeds their carrying value			
a. Stocks	3,585	2,977	-608
b. Debt securities			
National and local government bond	—	—	—
Corporate bond	3,907	3,544	-363
c. Others	1,283	896	-386
Sub-total	8,776	7,418	-1,358
Total	12,998	13,883	885

Note: In the consolidated fiscal year ended March 31, 2009, an impairment loss of ¥1,562 million was recognized for marketable other securities (shares ¥1,362 million, others ¥199 million).

2. Proceeds from sales of securities (From April 1, 2008 to March 31 2009)

(¥ million)

Proceeds from sales of securities	Aggregate gross gain	Aggregate gross losses
581	33	4

3. Carrying value of major non-marketable securities classified as other securities

(¥ million)

	Carrying value
Other securities	
Unlisted stocks	3,374
Others	3,030

4. Redemption schedule for securities with maturity dates classified as other securities

(¥ million)

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
a. Debt securities				
National and local government bond	100	50	101	—
Corporate bond	545	1,550	2,243	1,801
b. Others	53	102	—	—
Total	699	1,703	2,345	1,801

Current Fiscal Term(As of March 31, 2010)

1. Marketable other securities

(¥ million)

	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost			
a. Stocks	7,725	4,292	3,433
b. Debt securities			
National and local government bond	103	99	3
Corporate bond	2,896	2,857	38
c. Others	200	122	77
Total	10,925	7,372	3,552
Securities whose acquisition cost exceeds their carrying value			
a. Stocks	1,906	2,490	-583
b. Debt securities			
National and local government bond	150	150	-0
Corporate bond	1,729	1,911	-181
c. Others	1,901	2,156	-254
Sub-total	5,688	6,707	-1,019
Total	16,613	14,080	2,533

Note: Because unlisted stocks (carrying value: ¥3,371 million), corporate bond (carrying value: ¥2,000 million) and others (carrying value: ¥101 million) have no market price, it is extremely difficult to determine a market value. Accordingly, these items are not included in other securities listed above.

2. Marketable other securities sold during the current fiscal term (From April 1, 2009 to March 31, 2010)

(¥ million)

	Proceeds from sales of securities	Aggregate gross gain	Aggregate gross losses
a. Stocks	222	77	33
b. Corporate bond	538	39	10
Total	760	117	44

3. In the consolidated fiscal year ended March 31, 2010, an impairment loss of ¥117 million was recognized for marketable other securities (shares ¥117 million).

Notes on Derivative transactions

Previous Fiscal Term(From April 1, 2008 to March 31, 2009)
1. Matters concerning transactions

Previous Fiscal Term (From April 1, 2008 to March 31, 2009)
1. Details of derivative transactions Interest rate swaps and other securities (exchange linked bonds, etc.) embedded derivatives 2. Policy to use derivative transactions The derivative transactions are for the purpose of reducing market risks resulting from fluctuations in interest rates. Also, transactions of other securities (exchange linked bonds, etc.) embedded derivatives are used as part of asset management. 3. Purpose of derivative transactions The purpose for derivatives is to reduce market risks resulting from fluctuations in interest rates. Hedge transactions are made by using derivative transactions. (1) Hedge accounting Deferred hedge treatment (2) Hedging instruments and hedged items Hedging instruments: interest rate Hedged items: bank loans (3) Hedge policy For the purpose of reducing financial costs and exposures to market risks resulting from fluctuations in interest rates, interest rate fluctuation risk is hedged in accordance with its internal rules. (4) Hedge effective assessment Assessment of hedge effectiveness is passed for interest rate swaps which qualify for hedge accounting and meet specific matching criteria, as they are considered highly hedge effective. The purpose of embedded derivative transactions is to manage surplus capital. 4. Risk for transactions The Company believes there is very little risk from market rate change in interest rate swaps transactions. Also, embedded derivative transactions bear interest rate fluctuation risk and loss of principal risk. The Company's derivative transactions are effectuated with highly creditworthy financial institutions not expected to lose their creditworthiness from the non-performance of agreements by opposing parties. 5. Risk management system for transactions In accordance with its internal rules, the ALSOK Group controls various aspects of derivative transactions including authorization levels, transaction volumes, and execution by the accounting division.

2. Matters concerning market value, etc., of derivative transactions

(¥ million)

Type	Previous fiscal term (As of March 31, 2009)		
	Amount of contracts	Market value	Unrealized profits or losses
Transactions other than market trading (Compound instruments)	2,137	1,289	-848
Total	2,137	1,289	-848

Note 1: Excluding derivative transactions for which hedge accounting was applied.
Note 2: Market values are based on figures presented by financial institutions with which the Company deals with.
Note 3: Pertaining to embedded derivatives, because market values cannot be rationally measured in segments, the market value for all compound financial instruments is valuated and the difference is accounted as a loss.

Current Fiscal Term(From April 1, 2009 to March 31, 2010)
1. Matters concerning market value, etc., of derivative transactions

(¥ million)

Type	Current fiscal term (As of March 31, 2010)		
	Amount of contracts	Market value	Market value
Transactions other than market trading (Compound instruments)	1,986	1,233	-752
Total	1,986	1,233	-752

Note 1: Market values are based on figures presented by financial institutions with which the Company deals with.
Note 2: Pertaining to embedded derivatives, because market values cannot be rationally measured in segments, the market value for all compound financial instruments is valuated and the difference is accounted as a loss.

Notes on retirement benefits

Previous Fiscal Term (From April 1, 2008 to March 31, 2009)

1. Outline of retirement benefit plan
The Company has a corporate pension plan and a retirement lump-sum severance payment plan as a defined benefit plan. The consolidated subsidiaries have defined benefit plans (tax-eligible non-contributory pension plan and lump-sum severance indemnities plan, and defined contribution plan of Retirement Allowance Mutual Aid System of Medium and Small Enterprises.)

2. Matters concerning status of retirement benefit plan

(¥ million)

(1) Retirement benefit obligation	-73,604
(2) Plan assets	40,292
(3) Unfunded retirement benefit obligation	-33,312
(4) Unrecognized actuarial gain	10,495
(5) Unrecognized prior service cost (decrease in obligation) (Note 1, Note 2)	-790
(6) Net amount recognized in the balance sheet	-23,607
(7) Prepaid pension cost	4,166
(8) Net retirement benefit liability (6) - (7)	-27,773

Note 1: The Company and certain subsidiaries transferred their Sohgo Securities Service welfare pension fund scheme and tax-eligible non-contributory defined benefit pension plan to a defined benefit private pension plan. Alongside this transfer, prior service cost (decrease in obligation) accrued in the first half period of the fiscal year ended March 31, 2006.
Note 2: Certain subsidiaries transferred their tax-eligible non-contributory defined benefit pension plan to a defined benefit private pension plan. Alongside this transfer, prior service cost (decrease in obligation) accrued in the first half period of the fiscal year ended March 31, 2008.
Note 3: Certain subsidiaries have adopted a simplified method in the computation of their retirement benefit obligation in conformity with the accounting standard for employees' retirement benefits.

Current Fiscal Term (From April 1, 2009 to March 31, 2010)

1. Outline of retirement benefit plan
Same as left.

2. Matters concerning status of retirement benefit plan

(¥ million)

(1) Retirement benefit obligation	-77,110
(2) Plan assets	47,305
(3) Unfunded retirement benefit obligation	-29,804
(4) Unrecognized actuarial gain	6,517
(5) Unrecognized prior service cost (decrease in obligation) (Note 1, Note 2)	-96
(6) Net amount recognized in the balance sheet	-23,383
(7) Prepaid pension cost	3,752
(8) Net retirement benefit liability (6) - (7)	-27,135

Note 1: The Company and certain subsidiaries transferred their Sohgo Securities Service welfare pension fund scheme and tax-eligible non-contributory defined benefit pension plan to a defined benefit private pension plan. Alongside this transfer, prior service cost (decrease in obligation) accrued in the first half period of the fiscal year ended March 31, 2006.
Note 2: Certain subsidiaries transferred their tax-eligible non-contributory defined benefit pension plan to a defined benefit private pension plan. Alongside this transfer, prior service cost (decrease in obligation) accrued in the first half period of the fiscal year ended March 31, 2008.
Note 3: Certain subsidiaries have adopted a simplified method in the computation of their retirement benefit obligation in conformity with the accounting standard for employees' retirement benefits.

Previous Fiscal Term (From April 1, 2008 to March 31, 2009)	Current Fiscal Term (From April 1, 2009 to March 31, 2010)
3. Components of retirement benefit expenses (¥ million) (1) Service cost 3,592 (2) Interest cost 1,741 (3) Expected return on plan assets -1,195 (4) Recognized actuarial gain 513 (5) Amortization of prior service cost (Note 1) -1,003 (6) Extra severance payment 71 (7) Net periodic benefit cost 3,720 (8) Gain (loss) on transfer of the substitutional portion of the the governmental pension program -37 (9) Contribution paid to the defined the contribution pension plan 17 Total 3,700 Note 1: Amount treated for the current term relating to past service liabilities indicated in Notes 1 and 2 of "2. Matters concerning status of retirement benefit plan" on the previous page. Note 2: Retirement benefit expenses of consolidated subsidiaries using the simplified method are accounted in "(1) Service cost."	3. Components of retirement benefit expenses (¥ million) (1) Service cost 3,632 (2) Interest cost 1,784 (3) Expected return on plan assets -1,000 (4) Recognized actuarial gain 1,405 (5) Amortization of prior service cost (Note 1) -694 (6) Extra severance payment 116 (7) Net periodic benefit cost 5,244 (8) Gain (loss) on transfer of the substitutional portion of the the governmental pension program — (9) Contribution paid to the defined the contribution pension plan 39 Total 5,283 Note 1: Amount treated for the current term relating to past service liabilities indicated in Notes 1 and 2 of "2. Matters concerning status of retirement benefit plan" on the previous page. Note 2: Retirement benefit expenses of consolidated subsidiaries using the simplified method are accounted in "(1) Service cost.".
4. Assumption used in accounting for the above plan (1) Method of equally allocating estimated retirement benefits over service period: Allocated over service period (2) Discount rate: 2.5% (3) Expected return on assets: 2.5% (4) Amortization period of prior service cost: 5 years (5) Recognition period of actuarial gain/loss (Amortization commences from next fiscal term): 10 years	4. Assumption used in accounting for the above plan (1) Method of equally allocating estimated retirement benefits over service period: Allocated over service period (2) Discount rate: 2.5% (3) Expected return on assets: 2.5% (4) Amortization period of prior service cost: 5 years (5) Recognition period of actuarial gain/loss (Amortization commences from next fiscal term): 10 years

Relating to special purpose companies subject to disclosure

Not applicable.

Notes on tax effect accounting

(1) Significant components of the ALSOK Group's deferred tax assets and liabilities on March 31, 2009 and 2010 are as follows:

(¥ million)

	As of March 31, 2009	As of March 31, 2010
Deferred tax assets:		
Accrued enterprise tax	159	271
Excess amount over limitation of taxable allowance for employee bonus	359	379
Excess amount over limitation of taxable allowance for doubtful account	222	111
Excess amount over limitation of taxable allowance for pension and severance payments	11,153	10,950
Accrued retirement benefit for directors and corporate auditors	885	752
Excess amount over limitation of taxable allowance for depreciation and amortization	1,176	1,149
Installation cost for signal equipment on subscribers' premises	4,579	3,892
Valuation losses on investment in securities	252	275
Amount of loss carried forward	1,815	1,598
Land revaluation account	2,444	2,444
Others	991	1,073
Sub total	24,040	22,899
Valuation allowance	-3,550	-4,027
Total deferred tax assets	20,489	18,872
Deferred tax liabilities:		
Prepaid pension cost	-1,628	-1,494
Valuation differences in other securities	-368	-1,037
Dividend income by foreign stock	-179	-151
Land revaluation account	-418	-418
Total deferred tax liabilities	-2,595	-3,102
Net deferred tax assets	17,894	15,769

Note: The net amounts for deferred tax assets are stated in the following items of the Consolidated Balance Sheets.

(¥ million)

	As of March 31, 2009	As of March 31, 2010
Current assets- Deferred tax assets	2,409	2,331
Non-current assets- Deferred tax assets	15,909	14,000
Current liabilities- Deferred tax liabilities	—	7
Non-current liabilities- Deferred tax liabilities	4	135
Non-current liabilities- Deferred tax liabilities related to land revaluation	418	418

(2) Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows:

(%)

	As of March 31, 2009	As of March 31, 2010
Statutory tax rate	40.7	40.7
Increase (reduction) in taxes resulting from:		
Items that may not be incorporated in losses permanently, including entertainment expenses, etc.	2.6	1.7
Items that may not be incorporated in profits permanently, including dividend income, etc.	-1.3	-1.4
Inhabitants' equalization tax	3.9	3.4
Amortization of goodwill	0.1	0.1
Equity in earnings of affiliates	-1.4	-1.2
Valuation allowance (amount deducted from deferred tax assets)	1.0	4.4
Others	0.1	0.1
Effective income tax rate	45.7	47.8

Segment information

a. Business segments

Previous fiscal term (From April 1, 2008, to March 31, 2009)

Business segment information disclosure has been omitted as the security business accounts for more than 90 percent of total sales, operating profits and total assets of all segments.

Current fiscal term (From April 1, 2009, to March 31, 2010)

Business segment information disclosure has been omitted as the security business accounts for more than 90 percent of total sales, operating profits and total assets of all segments.

b. Geographical segments

Previous fiscal term (From April 1, 2008, to March 31, 2009)

Geographical segment information disclosure is not applicable to the ALSOK Group as there have been no consolidated subsidiaries or material branch offices located in a country or region other than Japan.

Current fiscal term (From April 1, 2009, to March 31, 2010)

Geographical segment information disclosure is not applicable to the ALSOK Group as there have been no consolidated subsidiaries or material branch offices located in a country or region other than Japan.

c. Net sales by region

Previous fiscal term (From April 1, 2008, to March 31, 2009)

Net sales by region information disclosure is not applicable to the ALSOK Group as there have been no overseas sales.

Current fiscal term (From April 1, 2009, to March 31, 2010)

Net sales by region information disclosure is not applicable to the ALSOK Group as there have been no overseas sales.

Information on Related Parties

Previous fiscal term (From April 1, 2008 to March 31, 2009)

(Additional Information)
From the fiscal year starting April 1, 2008, we have applied "Accounting Standard for Related Party Disclosures and its Implementation Guidance" (ASBJ No. 11, October 17, 2006) and "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No. 13, October 17, 2006). This has not resulted in any change in the scope of disclosure.

Transactions with the related parties

1. Transactions between the related parties and the Company

The Company's Directors and Major Individual Shareholders, etc.

(¥ million)

Title	Name	Address	Capital	Type of business occupation	% of voting rights (held by others)	Relationship	Type of transaction	Value of tran saction	Accounting classification	Balance at term end
Director	Atsushi Murai	—	—	Chairman, Japan Urban Security Research Institute (Note 1)	(held by others) Direct 2.9%	Donation	Donation (Note 3)	75	—	—
						Building lease	Free leasing of building (Note 3)	12	—	—
		—	—	Chairman, Jun Murai Memorial Foundation (Note 2)	(held by others) Direct 2.9%	Donation	Donation (Note 3)	13	—	—

Note 1: Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Japan Urban Security Research Institute (JUSRI)
JUSRI is engaged in the following activities:
- Studies and research regarding urban crime prevention
- Holding lectures, symposiums, seminars, and international conferences regarding urban crime prevention
- Assistance relating to organizations and other entities that conduct surveys, research, and public relations activities related to urban crime prevention
- Publication of research magazines, public relations magazines, bulletins, and other publications related to urban crime prevention.

President, CEO and COO, Atsushi Murai resigned as Chairman of the Japan Urban Security Research Institute (JUSRI) effective December 2008.

Note 2: Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Jun Murai Memorial Foundation
The Jun Murai Memorial Foundation provides scholarships to students enrolled in a technical college or the engineering department of a university in Kanagawa Prefecture. These scholarships do not require repayment.

Note 3: Terms of transactions and policy for deciding terms of transactions, etc.
(1) With regard to the free lending of a building to JUSRI, ALSOK leases a building owned by Tokyo Opera City Building Co., Ltd., and ALSOK lends it free of charge to JUSRI in order for JUSRI to use it as its office.
The abovementioned amount is the rent and other such items that ALSOK has paid to Tokyo Opera City Building Co., Ltd., and the terms of this lease were equivalent to those of neighboring transactions.
In addition, the amount of donations and lending buildings free of charge is decided, after taking into account such factors as the Company's commitment to making social contributions and the annual operating expenses recognized as necessary to achieve the activity objectives of the non-profit organization concerned.
(2) The amount of donations to the Jun Murai Memorial Foundation is decided, after taking into account such factors as the Company's commitment to making social contributions and the annual scholarships recognized as necessary to achieve the activity objectives of the non-profit organization concerned.

Note 4: In the above amounts, the transaction amounts do not include consumption taxes.

2. Transactions between the related parties and the Company's subsidiaries

The Company's Directors and Major Individual Shareholders, etc.

(¥ million)

Title	Name	Address	Capital	Type of business occupation	% of voting rights (held by others)	Relationship	Type of transaction	Value of tran saction	Accounting classification	Balance at term end
Director	Atsushi Murai	—	—	Chairman, Jun Murai Memorial Foundation	(held by others) Direct 2.9%	Donation	Donation	2	—	—

Note 1: Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Jun Murai Memorial Foundation
The Jun Murai Memorial Foundation provides scholarships to students enrolled in a technical college or the engineering department of a university in Kanagawa Prefecture. These scholarships do not require repayment.

Note 2: Terms of transactions and policy for deciding terms of transactions, etc.
The amount of donations to the Jun Murai Memorial Foundation is decided, after taking into account such factors as the Company's commitment to making social contributions and the annual scholarships recognized as necessary to achieve the activity objectives of the non-profit organization concerned.

Note 3: In the above amounts, the transaction amounts do not include consumption taxes.

Current fiscal term (From April 1, 2009 to March 31, 2010)

Transactions with the related parties

1. Transactions between the related parties and the Company

The Company's Directors and Major Individual Shareholders, etc.

(¥ million)

Title	Name	Address	Capital	Type of business occupation	% of voting rights (held by others)	Relationship	Type of transaction	Value of tran saction	Accounting classification	Balance at term end
Director	Atsushi Murai	—	—	Chairman, Jun Murai Memorial Foundation	(held by others) Direct 2.9%	Donation	Donation	13	—	—

Note 1: Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Jun Murai Memorial Foundation
The Jun Murai Memorial Foundation provides scholarships to students enrolled in a technical college or the engineering department of a university in Kanagawa Prefecture. These scholarships do not require repayment.

Note 2: Terms of transactions and policy for deciding terms of transactions, etc.
The amount of donations to the Jun Murai Memorial Foundation is decided, after taking into account such factors as the Company's commitment to making social contributions and the annual scholarships recognized as necessary to achieve the activity objectives of the non-profit organization concerned.

Note 3: In the above amounts, the transaction amounts do not include consumption taxes.

2. Transactions between the related parties and the Company's subsidiaries

The Company's Directors and Major Individual Shareholders, etc.

(¥ million)

Title	Name	Address	Capital	Type of business occupation	% of voting rights (held by others)	Relationship	Type of transaction	Value of tran saction	Accounting classification	Balance at term end
Director	Atsushi Murai	—	—	Chairman, Jun Murai Memorial Foundation	(held by others) Direct 2.9%	Donation	Donation	2	—	—

Note 1: Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Jun Murai Memorial Foundation
The Jun Murai Memorial Foundation provides scholarships to students enrolled in a technical college or the engineering department of a university in Kanagawa Prefecture. These scholarships do not require repayment.

Note 2: Terms of transactions and policy for deciding terms of transactions, etc.
The amount of donations to the Jun Murai Memorial Foundation is decided, after taking into account such factors as the Company's commitment to making social contributions and the annual scholarships recognized as necessary to achieve the activity objectives of the non-profit organization concerned.

Note 3: In the above amounts, the transaction amounts do not include consumption taxes.

Per share information

(¥)

Previous Fiscal Term (From April 1, 2008, to March 31, 2009)		Current Fiscal Term (From April 1, 2009, to March 31, 2010)	
Net assets per share	¥1,364.33	Net assets per share	¥1,397.90
Net income per share	¥41.90	Net income per share	¥45.39
Net income per share (Fully diluted)	¥41.90	Fully diluted net income per share is not shown because no dilutive shares existed.	

Note 1: The following is the basis for calculating net income per share (basic and diluted).

(¥ million)

	Previous Fiscal Term (From April 1, 2008, to March 31, 2009)	Current Fiscal Term (From April 1, 2009 to March 31, 2010)
(1) Net income per share		
Net income	4,224	4,563
Amount not belonging to ordinary shareholders	—	—
Net income attributable to common stock	4,224	4,563
Weighted average numbers of ordinary shares (thousands of shares)	100,822	100,534
(2) Net income per share (Fully diluted)		
Adjustment to net income	—	—
Increase of ordinary shares (thousands of shares)	0	—
Overview of residual shares not included in the calculation of net income per share (diluted) because of lack of dilution effort	2,779 stock acquisition rights of two types (571 stock acquisition rights decided at the Ordinary General Meeting of Shareholders June 27, 2002, and 2,208 decided at the Ordinary General Meeting of Shareholders June 27, 2003). Stock acquisition rights were decided by extraordinary resolution pursuant to article 280-20 of the old Commercial Code of Japan and article 280-21 of the current Commercial Code of Japan.	2,779 stock acquisition rights of two types (571 stock acquisition rights decided at the Ordinary General Meeting of Shareholders June 27, 2002, and 2,208 decided at the Ordinary General Meeting of Shareholders June 27, 2003). Stock acquisition rights were decided by extraordinary resolution pursuant to article 280-20 of the old Commercial Code of Japan and article 280-21 of the current Commercial Code of Japan.

Note 2: The basis for calculating net assets per share is as follows:

	Previous Fiscal Term (From April 1, 2008, to March 31, 2009)	Current Fiscal Term (From April 1, 2009, to March 31, 2010)
Total net assets (¥ million)	154,898	158,674
Amount deducted from total net assets (¥ million)	17,735	18,137
(minority interests)	(17,735)	(18,137)
Net assets at end of year relating to common stock (¥ million)	137,162	140,537
Amount of common stock at end of year used for calculating net assets per share (thousands of shares)	100,534	100,534

Significant subsequent event
Not applicable

Omitted information
Notes relating to lease transactions financial instruments, stock options, business combinations, and investment and rental property are omitted because they are considered unnecessary in the financial results report.

6. Others

1. Changes in Directors
   Details will be disclosed when details become available.

2. Production, Orders and Sales

a. Production

The ALSOK Group does not conduct production activities. The number of contracts undertaken by each business segment is presented below.

(Number of contracts)

Business Segment		Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	YoY (%)
Security Services	Electronic Security Services	507,954	524,708	3.3
	Stationed Security Services	2,854	2,785	-2.4
	Transportation Security Services	33,960	35,963	5.9
	Subtotal	544,768	563,456	3.4
Other Services		43,171	42,909	-0.6
Total		587,939	606,365	3.1

b Sales

The sales performances by each business segment are presented below.

(¥ million)

Business Segment		Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	YoY (%)
Security Services	Electronic Security Services	142,511	138,929	-2.5
	Stationed Security Services	72,830	70,659	-3.0
	Transportation Security Services	47,444	46,868	-1.2
	Subtotal	262,786	256,457	-2.4
Other Services		22,217	22,122	-0.4
Total		285,004	278,579	-2.3

Note 1: The figures above are stated exclusive of consumption tax.
Note 2: There are no customers whose order value exceeds 10% of the total order value.