



**Financial Result FYE 2006 Report
Meeting**

ALSO

May 23, 2006

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Section 1

Summary of Financial Results

Summary of Profits and Losses

(Unit : ¥ billion)	FYE 3/06	FYE 3/05	YOY	Ratio(%)
S a l e s	267.5	257.7	9.8	3.8
Gross profit	68.4	65.3	3.0	4.6
Operating i n c o m e	12.2	10.9	1.3	11.7
Recurring p r o f i t	13.1	11.5	1.5	13.0
Net income	5.5	4.9	0.6	12.1

Comparison with Business Plan

(Unit : ¥ billion)	FYE 3/06	Revised Plan	YOY	Achievement Ratio(%)	Original Plan	Achievement Ratio(%)
S a l e s	267.5	266.0	1.5	100.6	265.9	100.6
Gross profit	68.4	69.0	-0.6	99.1	69.3	98.7
Operating income	12.2	12.1	0.1	101.2	11.8	103.6
Recurring profit	13.1	13.0	0.1	100.8	12.3	106.1
Net income	5.5	5.6	-0.1	99.1	5.3	104.3

Sales by Client Industry

(Unit : ¥ billion)	FYE 3/06 (Ratio%)	FYE 3/05 (Ratio%)	YOY	Ratio (%)
Financial institutions	82.2 (30.8%)	79.3 (30.8%)	2.9	3.7
Business corporations	147.8 (55.3%)	140.7 (54.6%)	7.1	5.0
Government offices	29.8 (11.1%)	30.6 (11.9%)	- 0.8	- 2.8
Individuals	7.5 (2.8%)	7.0 (2.7%)	0.5	7.8
T o t a l	267.5 (100.0%)	257.7 (100.0%)	9.7	3.8

Electronic Security Services Overview

(Unit : ¥ billion)	FYE 3/06	FYE 3/05	YOY	Ratio (%)
S a l e s (R a t i o %)	140.2 (52.4%)	136.4 (52.9%)	3.8	2.8
Number of contracts	432,852	399,680	33,172	8.3
Corporate clients	343,292	326,480	16,812	5.1
Individual clients	89,560	73,200	16,360	22.3

12,200 orders booked for ALSOK Home Security 7

ALSOK Home Security 7



Stationed Security Services Overview

(Unit : ¥ billion)	FYE 3/06	FYE 3/05	YOY	Ratio (%)
S a l e s	67.5	64.9	2.6	4.0
(R a t i o %)	(25.3%)	(25.2%)		
Number of contracts	2,726	2,651	75	2.8

- ◆ Number of contracts for temporary security service increased
 - EXPO 2005 AICHI JAPAN
 - Equipment / branch renewals due to major banks' restructuring
- ◆ Number of long term security service contracts increased
 - TSUKUBA EXPRESS
 - Major appliance / PC discount shops

Transportation Security Services Overview

(Unit : ¥ billion)

FYE 3/06**FYE 3/05****YOY****Ratio (%)****S a l e s****42.8****40.4****2.5****6.1****(R a t i o %)****(16.0%)****(15.7%)****Number of
contracts****29,519****26,699****2,820****10.6**

**Number of contracts of Cash Deposit Machines and
ATMs inside convenience stores increased**

**Cash Deposit Machines 1,300 new contracts
(Cumulative total 6,100)**

**ATMs inside convenience stores 1,500 new contracts
(Cumulative total 11,500)**

Other Services Overview

(Unit : ¥ billion)	FYE 3/06	FYE 3/05	YOY	Ratio (%)
S a l e s (R a t i o %)	16.8 (6.3%)	15.8 (6.2%)	0.9	5.9

Number of contracts	54,505	50,654	3,851	7.6
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ANSHIN mate



Security Robot D1

Profit Results

Sales +¥9.8 billion (YOY)

Cost of Sales +¥6.7 billion

<Major objects>

Labor costs	+¥1.5 billion
Outsourcing costs	+¥2.0 billion
Lease payments	+¥0.5 billion
Cost of installation and products sold	+¥1.4 billion

SG&A +¥1.7 billion

Advertisement expenses	+¥0.9 billion
Depreciation	+¥0.6 billion

Operating income +¥1.3 billion

Others

Number of employees

(Unit : persons)

FYE 3/04	FYE 3/05	FYE 3/06
23,046	24,185	24,703

Capital expenditures

(Unit : ¥ billion)

FYE 3/04	FYE 3/05	FYE 3/06
12.5	16.5	14.1

Depreciation

(Unit : ¥ billion)

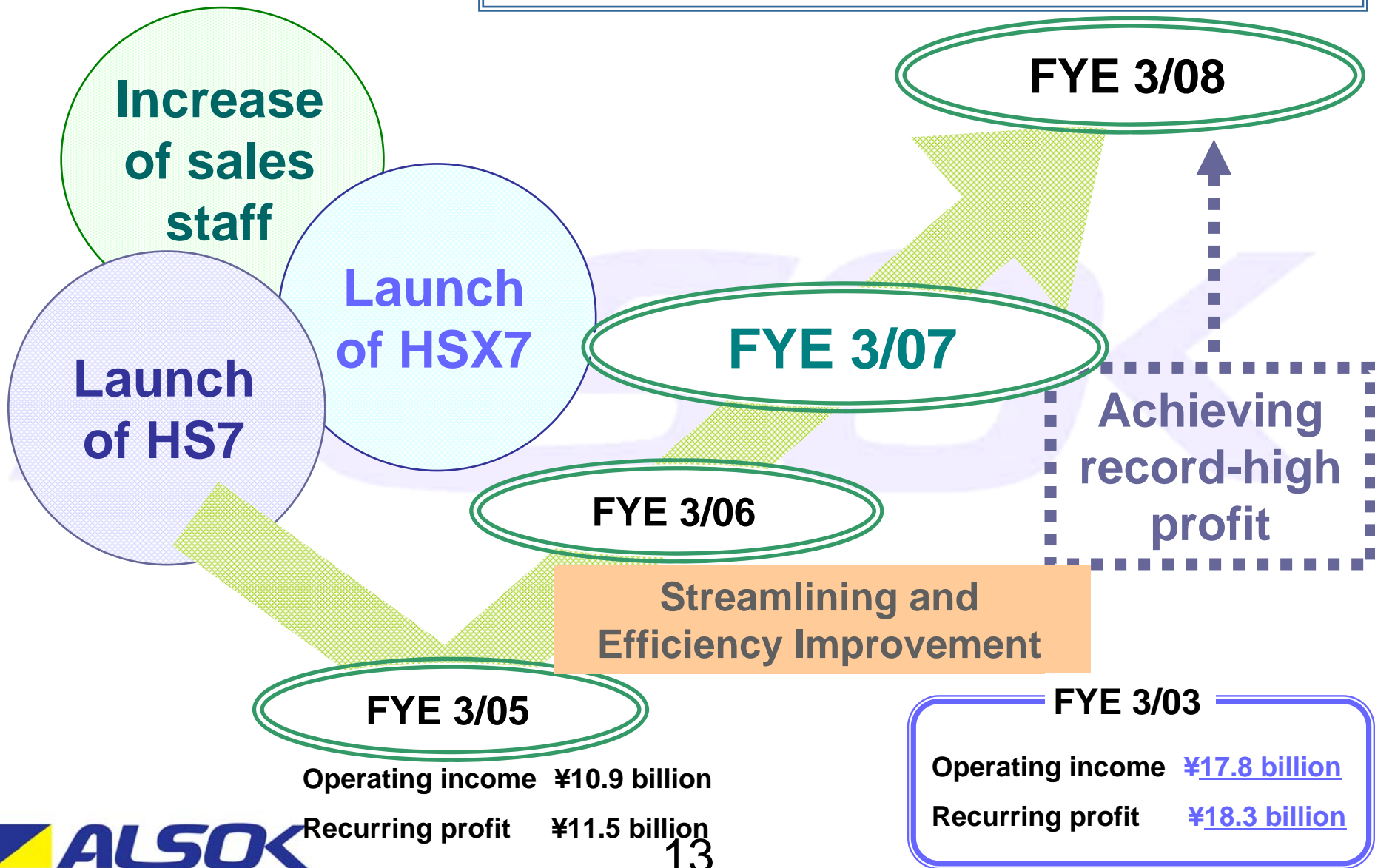
FYE 3/04	FYE 3/05	FYE 3/06
10.3	10.8	10.9

Section 2

Business Strategy

Business Objectives

《Upfront investments》 Achieve ¥300 billion sales in FYE 3/09

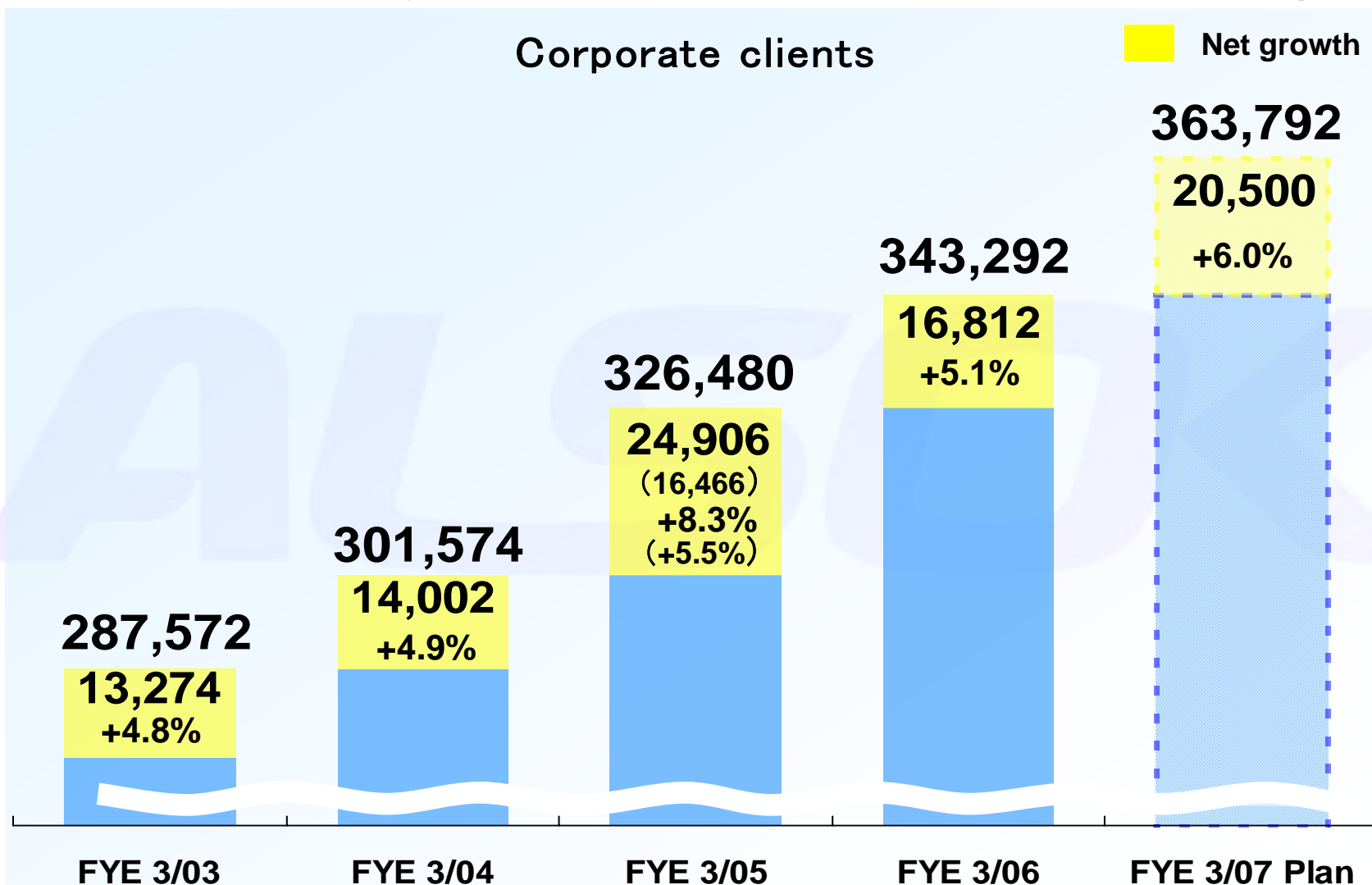


Increase in Contracts of Electronic Security Services

Electronic Security Services for corporate clients → stable growth

Corporate clients

Net growth



The numbers stated inside the () are the net growth excluding the number of contracts with Fukushima Sohgo Security Services Co., Ltd.

Electronic Security Services < Corporate Clients >

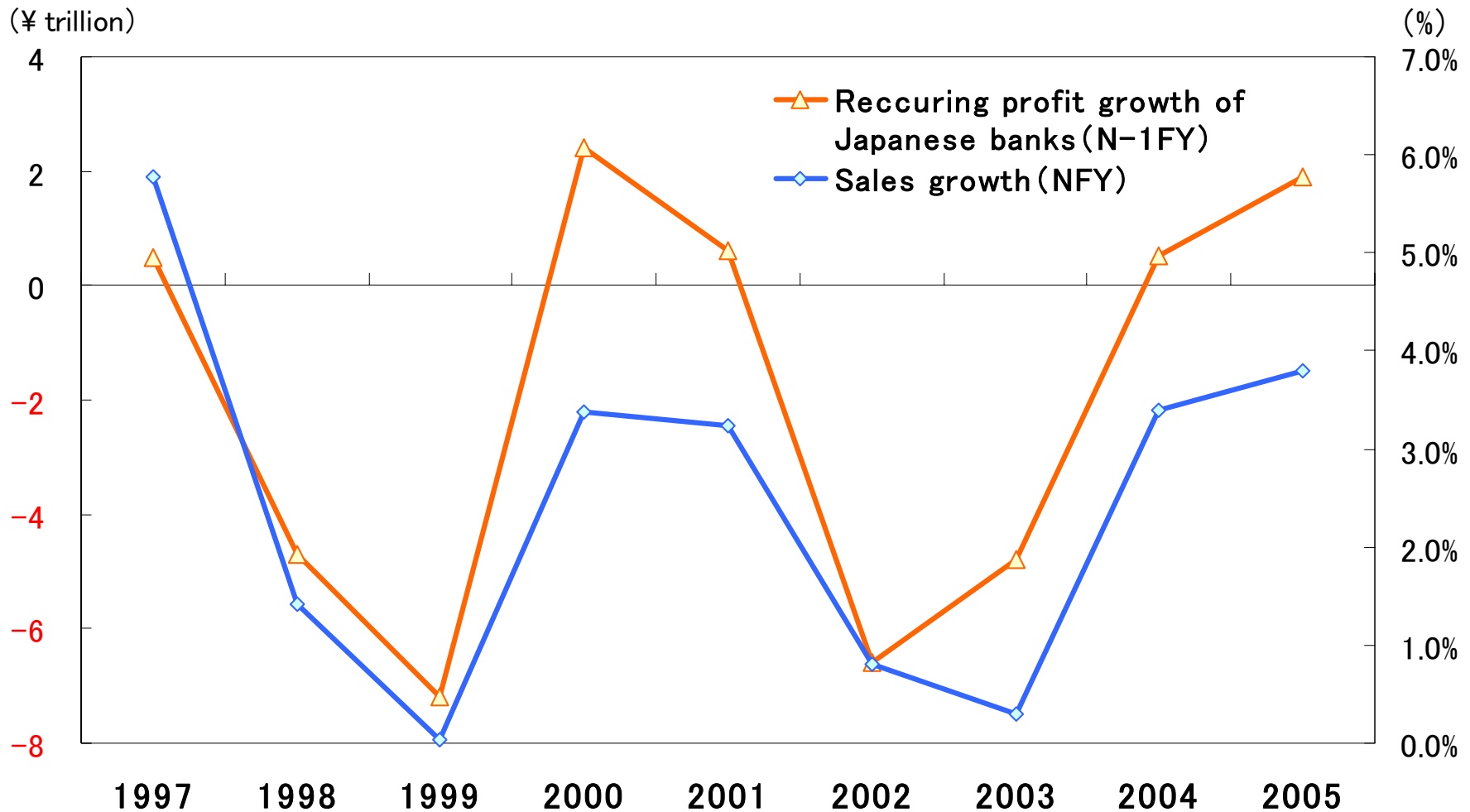
❖ Enhanced Sales Force

- Improve the capability of our increased sales staff
- Enrich sales offices
- Reinforce sales activities toward major enterprises and nationwide companies

❖ Specialized sales promotion toward financial institutions

Correlation of Our Sales Growth with Banks' Profits

Our sales growth lags one year behind banks' profit



Source : Bank of Japan "Japanese Bankers Associate Statistics"

Electronic Security Services < Operation >

❖ **2,100 security depots all around the country**

**Comprehensive infrastructure
is already in place**

❖ **More efficient operations**

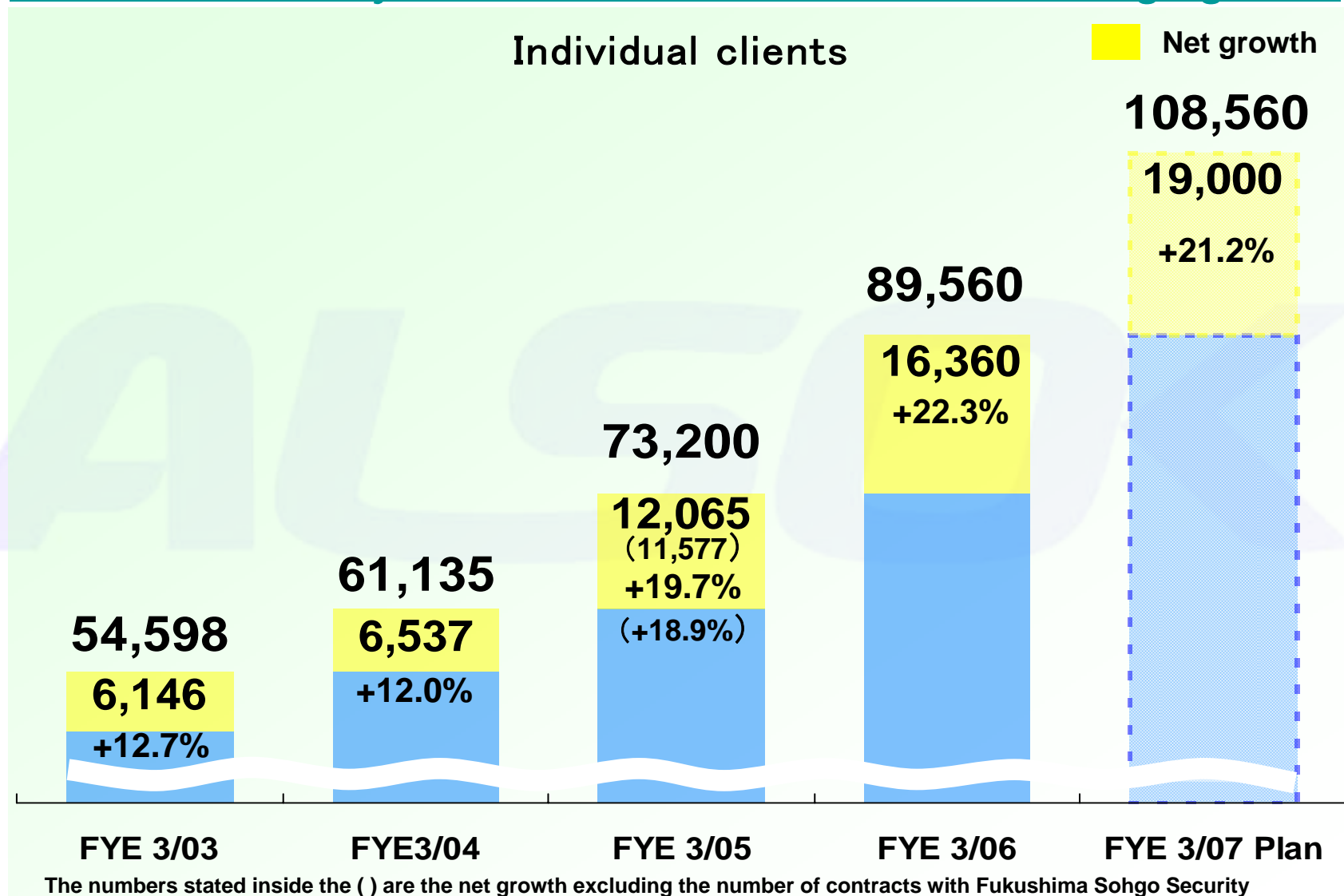
- **Minimize False Alarm Dispatches**
- **Introduction of a navigation system linked with mobile terminals**



Increase in profit

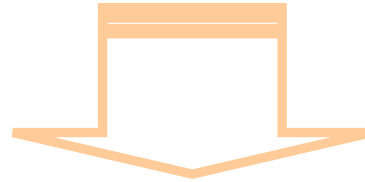
Increase in Contracts of Electronic Security Services

Electronic Security Services for individual clients → high growth



Home Security

★ Increase advertising ★



Continue providing current TV CF (“1, 2, 3, 4, ALSOK!”)



Home Security

★ Covers possible households by HS7 and HSX7

◇ ALSOK Home Security 7

booked 12,200 orders FYE 3/06

- **Targets for broad customer base**

◇ ALSOK Home Security X7

booked 1,400 orders FYE 3/06

- **Meet clients' severe security needs**
- **Focus on the new house construction market**

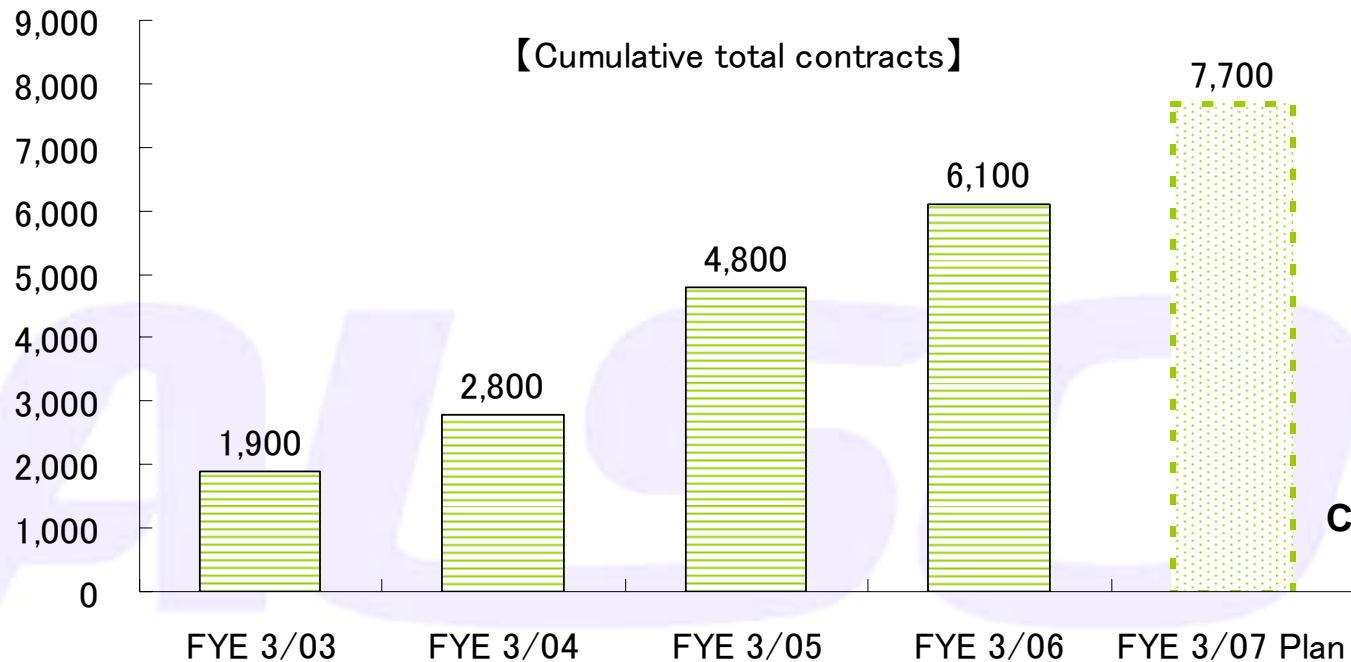


ALSOK Home Security X7

★ Accommodate the revised Fire Service Law

Cash Deposit Machine On-line System

❖ Number of contracts are increasing as expected



Cash Deposit Machine

❖ More assets off the balance sheet

Transferred the deposited cash to an SPC to move ¥10 billion in cash of the balance sheet

New Services

- ❖ **Introduce services to detect hidden cameras set beside ATMs that record PINS. This will prevent forged cash cards.**
- ❖ **Provide services responding to vehicle accidents nationwide**
- ❖ **Automated External Defibrillation**
- ❖ **Enhance School Safety Total Solution Services**



Automated External Defibrillation

Streamlining and Efficiency Improvement

❖ Accounting System Development Project

To be launched officially in **December 2006**

- Delay in system development for data migration
- Delay in organizing the current data

We expect **overhead costs** to decrease from the **next fiscal year**

❖ Introducing INS lines

Exclusive lines to INS lines



Reduction of communication costs

❖ Reducing procurement costs of equipments

Section 3

Business Plan for FYE 2007

Business Plan for FYE 3/07

(Unit : ¥ billion)	Business Plan FYE 3/07				The first half		The second half	
	Amount	Ratio(%)	YOY	Ratio(%)	Amount	YOY	Amount	YOY
S a l e s	277.1	100.0	9.6	3.6	136.6	5.1	140.4	4.5
Gross profit	74.7	27.0	6.3	9.3	37.2	4.6	37.4	1.7
Operating income	15.0	5.4	2.8	22.5	7.6	3.5	7.3	- 0.7
Recurring profit	15.7	5.7	2.6	19.8	8.2	3.3	7.4	- 0.7
Net income	8.3	3.0	2.8	49.5	4.7	3.6	3.5	- 0.8

Sales by Business Segment

(Unit : ¥ billion)		Business Plan FYE 3/07				The first half		The second half	
		Amount	Ratio(%)	YOY	Ratio (%)	Amount	YOY	Amount	YOY
Security Services	Electronic Security Services	145.4	52.5	5.3	3.7	71.6	2.6	73.8	2.6
	Stationed Security Services	68.7	24.8	1.2	1.8	34.2	0.9	34.5	0.3
	Transportation Security Services	45.0	16.2	2.1	5.0	22.1	1.1	22.8	1.0
Other Services		17.8	6.4	1.0	6.0	8.5	0.4	9.2	0.6
T o t a l		277.1	100.0	9.6	3.6	136.6	5.1	140.4	4.5

Disclaimer

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

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

Security
On

ALSOK

綜合警備保障