

Initiatives for Realizing Ongoing Improvement in Corporate Value

Consideration for the Global Environment

Global environmental concerns are common issues for all of humanity. For this reason, the Company is working to reduce the environmental impact of its operations and has set concrete goals to this effect.

Energy Use and Environmental Impact Reduction

Concerted Group Effort to Reduce Energy Use

Mindful that we have many offices, facilities, and vehicles for business use throughout Japan, we established the Medium- to Long-Term Environmental Management Plan in the fiscal year ended March 31, 2010. Based on this plan, the Company is making a concerted effort to reduce electricity usage and vehicle fuel consumption volumes. In addition, we analyze the usage patterns of every bank ATM we manage throughout Japan in order to determine the optimal routes for checking these ATMs. Through this process, we are able to replenish and collect cash more efficiently without impeding customer convenience, which remains our top priority. These efforts consequently allow us to limit the number of unnecessary ATM checks, effectively reducing fuel consumption and CO₂ emissions associated with the travel involved in these checks.

In the fiscal year ended March 31, 2016, we worked to cultivate a mind-set focused on electricity conservation among employees while converting vehicle standby positions in the Electronic Security Services segment to facility standby positions and actively introducing fuel-efficient vehicles and motorcycles into our fleet. At the same time, with the aim of reducing vehicle traveling distance, we developed more-efficient routes for use by sales staff on sales visits and lowered the number of technicians placed on night duty. As a result, we achieved a massive 10.4% reduction in electricity usage in comparison with the fiscal year ended March 31, 2010, the year in which we established reduction goals. This decrease was accomplished despite the increase in the number of offices and the record-breaking summer heat.

In addition, vehicle fuel consumption volumes were down 1.3% year on year, to 8,911 kiloliters. While vehicle traveling distance rose due to the expanded range of business activities in the Transportation Security Services segment, the impacts of this longer traveling distance were outweighed by the benefits of introducing into our fleet hybrid-electric vehicles, motorcycles, and pedal electric cycles. Going forward, we will continue working toward converting our entire fleet to eco-friendly vehicles in the pursuit of further reductions in fuel consumption. Furthermore, the Company established environmental policies and acquired ISO 14001 certification for certain operating sites in 2016 with the aim of improving the effectiveness of its environmental management system and making greater contributions to the realization of a sustainable society.

Reduction of Security Vehicle Energy Use and 3R Initiatives

Introduction of Fuel-Efficient and Eco-Friendly Vehicles

Vehicles are a major part of the ALSOK Group's operations. However, we are actively introducing hybrid-electric vehicles, electric vehicles, motorcycles, pedal electric cycles, and other fuel-efficient vehicles with the aim of converting our entire fleet to eco-friendly vehicles. In addition, we are pursuing further fuel savings by promoting idling stops and eco-friendly driving techniques.

As of March 31, 2016, nearly all of the vehicles in ALSOK's fleet qualified as low-emissions vehicles based on the certification standards established by the Ministry of Land, Infrastructure, Transport and Tourism. Specifically, our fleet comprised 410 hybrid-electric vehicles, and we have also introduced into this fleet 734 motorcycles, 3 electric motorcycles, 168 pedal electric cycles, and 471 bicycles with the aim of cutting fuel consumption while securing a sufficient level of mobility. In addition, we have begun introducing liquid petroleum gas (LPG)- and fuel cell-powered vehicles and motorcycles* at certain branches in order to further reduce our environmental footprint.



Hybrid-electric vehicle introduced at the Shizuoka Branch

ALSOK is also advancing Companywide initiatives based on the "3Rs," or reduce, reuse, and recycle. We cooperate with garbage separation and ink cartridge collection programs, and also reuse and recycle various types of equipment. Articles to be disposed of at branches in the Tokyo metropolitan area are accumulated at our repair center in Shin Yokohama, which categorizes items, repairs and ships those to be reused, and properly disposes of or recycles the remaining items.

In the year under review, the average ratio of waste recycled at all branches was approximately 31%. In addition, the rechargeable nickel-cadmium batteries used in our various power supply equipment are recycled to make further contributions to the preservation of the environment.

* LPG-powered engines emit 12% to 15% less CO₂ than gasoline engines and approximately 6% less CO₂ than diesel engines with the same emission class and fuel-supply method. Accordingly, LPG is seen as the cleanest of all fossil fuels.

Reduction in CO₂ Emissions (Non-Consolidated)

(Fiscal year ended March 31, 2016, compared to fiscal year ended March 31, 2010)

8.5%

Rechargeable Nickel-Cadmium Batteries Recycled

(Fiscal year ended March 31, 2016)

Approx. 22,000