

Consideration for the Global Environment

Global environmental concerns are common issues for all of humanity. Based on this recognition, ALSOK is working to reduce the environmental impact of its operations and has set goals for CO₂ emission reductions and other environmental indicators. We are also engaged in initiatives to address climate change and preserve the natural environment. The Company shapes such initiatives based on the United Nations Framework Convention on Climate Change and other global consensus and targets.

Initiatives to Address Global Environmental Issues

Environmental Management and Environmental Initiative Promotion Systems

Recent years have seen an increased movement to establish global consensus and targets related to the environment, including the United Nations Framework Convention on Climate Change and the Paris Agreement, which was negotiated at the 2015 United Nations Climate Change Conference. In April 2006, ALSOK established the Green Purchasing Guidelines to guide it in developing its business while exercising a greater degree of responsibility for global environmental issues. We coordinate with suppliers and business partners in a drive to step up environmental preservation initiatives that encompass the manufacturing, use, and disposal stages of our products' lifecycles. Furthermore, the Company established environmental policies and acquired ISO 14001 certification for certain operating sites in 2016 to help realize a sustainable society. The Environmental Committee plays a central role in implementing a plan-do-check-act cycle with regard to our environmental management system in order to promote eco-friendly action on a Companywide level.

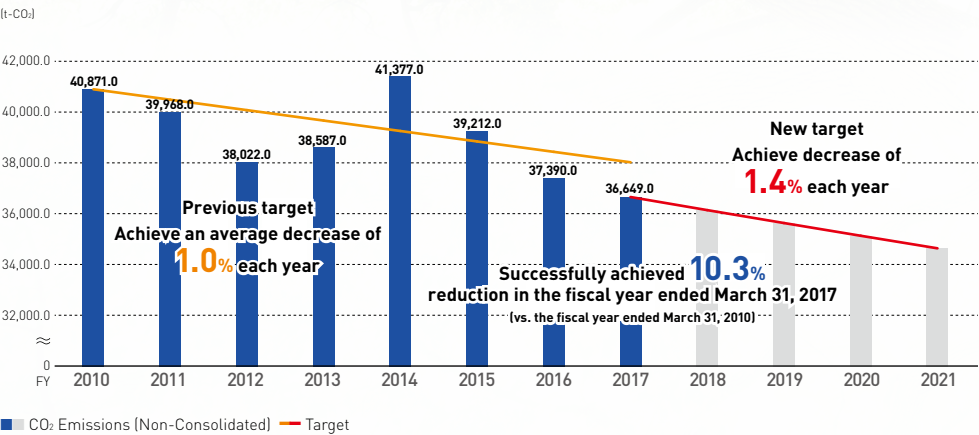
Green Purchasing Guidelines

ALSOK endeavors to use resources more effectively in the security equipment it employs and to limit waste. At the same time, the Company coordinates with business partners to promote environmental preservation initiatives that encompass the manufacturing, use, and disposal stages of its products' lifecycles
Website: <http://www.alsok.co.jp/company/info/green.html> (Japanese only)

New Environmental Targets

Humanity is currently facing global warming and the loss of diversity arising from deforestation and ocean pollution. In light of this situation, the Japanese government has announced its Plan for Global Warming Countermeasures. With the fiscal year ended March 31, 2014, as the base year, this plan puts forth a medium-term target of achieving a 26% reduction in total greenhouse gas emissions by the fiscal year ending March 31, 2031, and a long-term target of accomplishing an 80%

CO₂ Emissions Reduction Targets and Performance Leading Up to the Fiscal Year Ended March 31, 2017, and New Short-Term Target



Medium-Term CO₂ Emissions Reduction Target for the Fiscal Year Ending March 31, 2031
Achieve 26% reduction
(vs. the fiscal year ended March 31, 2014)

Organizational structure	Role and duties
Environmental Management Committee	<ul style="list-style-type: none">Discussion and approval of environmental preservation plansDiscussion and approval of ISO 14001 certification acquisition plansDiscussion and approval of reporting frameworks for the Board of Directors related to complying with Japan's Corporate Governance CodeExamination of other environmental matters as determined necessary by chairperson (including sustainability initiatives)
Environmental Management Subcommittee	<ul style="list-style-type: none">Discussion and proposal of environmental preservation plans and institution of related surveysDiscussion, planning, and proposal of reporting frameworks for the Board of Directors related to complying with Japan's Corporate Governance Code and institution of related surveysExamination of other environmental matters as determined necessary by chairperson (including sustainability initiatives)
ISO 14001 Certification Subcommittee	<ul style="list-style-type: none">Discussion, formulation, and proposal of ISO 14001 certification acquisition plans and institution of related surveysDiscussion, planning, and proposal of integrated certification acquisition plans for the ALSOK Group and institution of related surveysExamination of other matters related to ISO 14001 certification acquisition as determined necessary by chairperson

Environmental Policies

As a leader in providing security and other related services, ALSOK recognizes that global environmental concerns are common issues for all of humanity. Exercising the principles of *arigato no kokoro* and *bushi no seishin* described in its management philosophy, the Company formulates environmental policies and institutes ongoing improvements to its environmental management system to contribute to the realization of a sustainable society.

Website: http://www.alsok.co.jp/company/info/environmental_policy.html (Japanese only)

3R and Energy Conservation Initiatives

ALSOK is 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. For example, articles to be disposed of at branches in the Tokyo metropolitan area are accumulated at our repair center in Shin Yokohama, which categorizes, repairs, ships, and properly disposes of or recycles these items. In the year under review, the average ratio of items reused at all branches across Japan came to approximately 31% as a result of these initiatives. In addition, the rechargeable nickel-cadmium batteries used in our various power supply equipment are recycled for reuse, and approximately 23,000 batteries were recycled in this manner during the year under review, making further contributions to the reduction of our environmental footprint.

Mindful that we have many offices, facilities, and vehicles for business use throughout Japan, we are making a concerted effort to reduce electricity usage and vehicle fuel consumption volumes. In the fiscal



Repair center



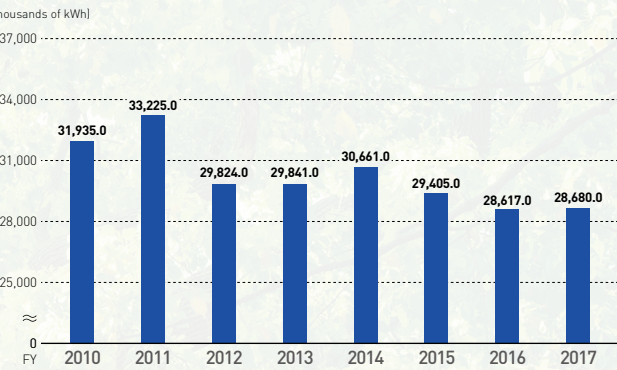
Bicycle introduced to reduce fuel usage

Relationship with SDGs



year ended March 31, 2017, we worked to cultivate a mind-set focused on electricity conservation among employees while 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 20% reduction in fuel usage and a 10.2% reduction in electricity usage in comparison with the fiscal year ended March 31, 2010, the base year for reduction targets as defined by the revised Act on the Rational Use of Energy.

Electricity Consumption



Column

The ALSOK Group's Environmental Preservation and Biodiversity Protection Initiatives

The ALSOK Group is implementing various initiatives to address climate change and preserve the environment.

Groupwide initiatives for reducing CO₂ emissions include introducing eco-friendly vehicles into our fleet and using bicycles for transportation in urban areas. In addition, we conduct afforestation activities to protect forests and also position greenery on the roofs of our buildings and install flower planters to help preserve the local environment. Furthermore, employees volunteer to take part in various events aimed at preserving the pristine natural environment and protecting biodiversity. Examples of these events include those for tending to unused farmland, cleaning up rivers and beaches, and planting and harvesting rice to preserve traditional Satoyama (Village-adjacent mountain) rural areas. We also donate to and assist in environmental preservation activities spearheaded by municipal governments and NPOs to support initiatives by such organizations.

In the year under review, ALSOK became the first company to donate to the special environmental fund created by the Environmental Restoration and Conservation Agency. This fund is meant for corporate sponsors and is designed to contribute to this agency's initiatives for creating an environmental legacy and

inspiring a citizen-driven environmental preservation movement leading up to the Olympic and Paralympic Games Tokyo 2020. The Group will continue aiding the activities of the NGOs and NPOs to support the Olympic and Paralympic Games Tokyo 2020 from an environmental perspective.



Volunteer cleanup activities along Enoshima coastline in Kanagawa Prefecture



ALSOK President Yukiyasu Aoyama (left) and Environmental Restoration and Conservation Agency President Mitsuhiro Fukui (right)