



Financial Results for 2Q FYE 3/10 Report Meeting

ALSOK

November 11, 2009

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Section 1

Summary of Financial Results of 2Q FYE 3/10



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Summary of P/L (Year-on-Year)

(Unit: ¥ billion)	2Q FYE 3/10	2Q FYE 3/09	YoY	Change(%)
S a l e s	138.4	142.1	- 3.8	- 2.7%
Gross profit	35.3	35.1	0.2	0.7%
Operating profit	6.2	5.9	0.2	4.1%
Recurring profit	7.1	6.8	0.3	4.3%
Net income	3.3	2.9	0.4	13.4%



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Summary of P/L (vs Business Plan)

(Unit: ¥ billion)	2Q FYE 3/10	Business plan	Gap	Achievement ratio(%)
S a l e s	138.4	141.8	- 3.4	97.6%
Gross profit	35.3	34.7	0.6	101.8%
Operating profit	6.2	4.5	1.7	138.8%
Recurring profit	7.1	5.1	2.0	140.1%
Net income	3.3	2.5	0.9	135.7%



Overview of Electronic Security Services

(Unit: ¥ billion)	2Q FYE 3/10	2Q FYE 3/09	YoY	Change(%)
S a l e s	68.4	70.7	-2.4	- 3.3%
(% to Total Sales)	(49.4%)	(49.8%)		

- Sales from contracts

YoY ratio - 0.7%, Achievement ratio 99.1%

1 Continuing economic slump

2 Negative impact of banks and consumer finance companies

- Construction sales

YoY ratio - 24.9%, Achievement ratio 80.1%

- Equipment sales

YoY ratio - 17.1%, Achievement ratio 80.9%



Overview of Electronic Security Services

[Corporate Clients]

	2Q FYE 3/10	2Q FYE 3/09	YoY	Change (%)
Net increase in number of contracts for corporate clients	4,321	6,199	- 1,878	- 30.3%

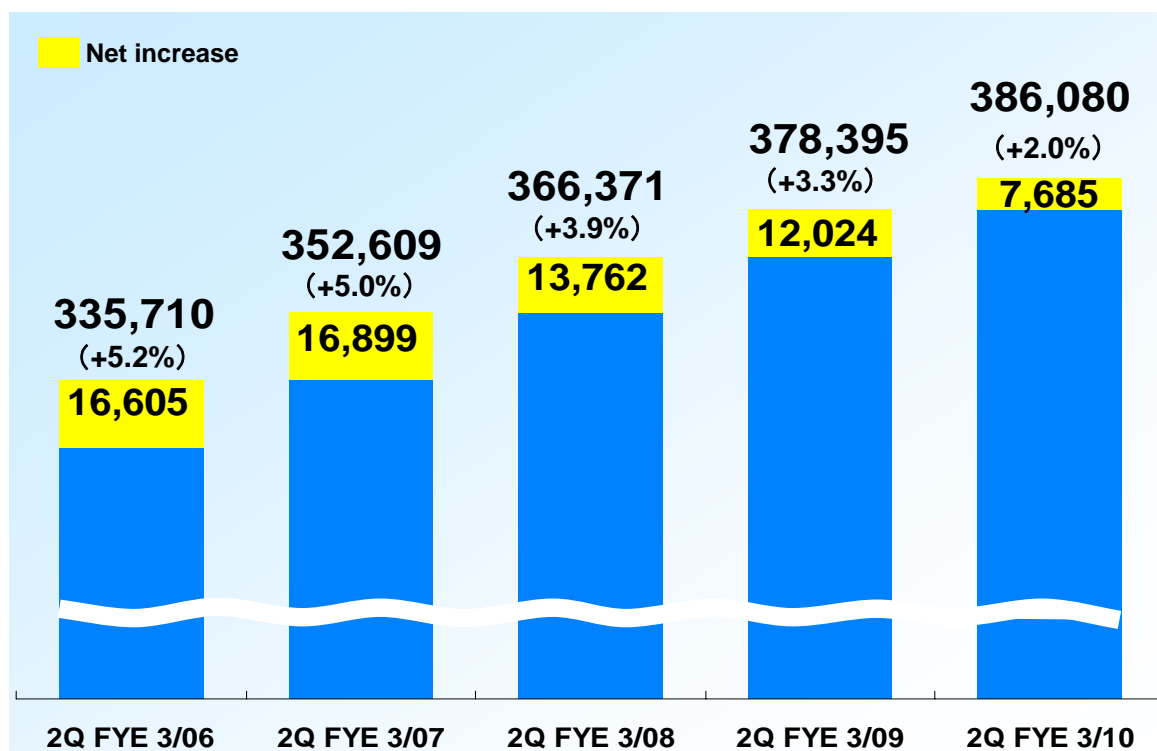
[Corporate Clients]

- 1 Newly booked contracts : Decreased than 2Q FYE 3/09
 (increased in number) Real estate business
 (decreased in number) Manufacturing business
- 2 Termination : Increased than 2Q FYE 3/09
 (increased in number) Service business
 (decreased in number) Consumer finance business
- 3 Newly booked contract price : Declined than 2Q FYE 3/09
- 4 Amount of price cut : Amount increased than 2Q FYE 3/09



Increase in Contracts of Electronic Security Services

[Corporate Clients]



Overview of Electronic Security Services

[Individual Clients]

	2Q FYE 3/10	2Q FYE 3/09	YoY	Change (%)
Net increase in number of contracts for corporate clients	5,277	5,234	43	0.8%

[Individual Clients]

- 1 Newly booked contracts : Increased than 2Q FYE 3/09
- 2 Termination : Increased than 2Q FYE 3/09
- 3 Newly booked contract price : Increased than 2Q FYE 3/09
- 4 Amount of price cut : None



Overview of ALSOK Home Security α

Six months results

(from April 2009 to September 2009)

6,850 contracts

(1,142 contracts/month)

● **Portions by price plans**

‘Zero Start Plan’ (no initial costs) 27%

Rental plan 34%

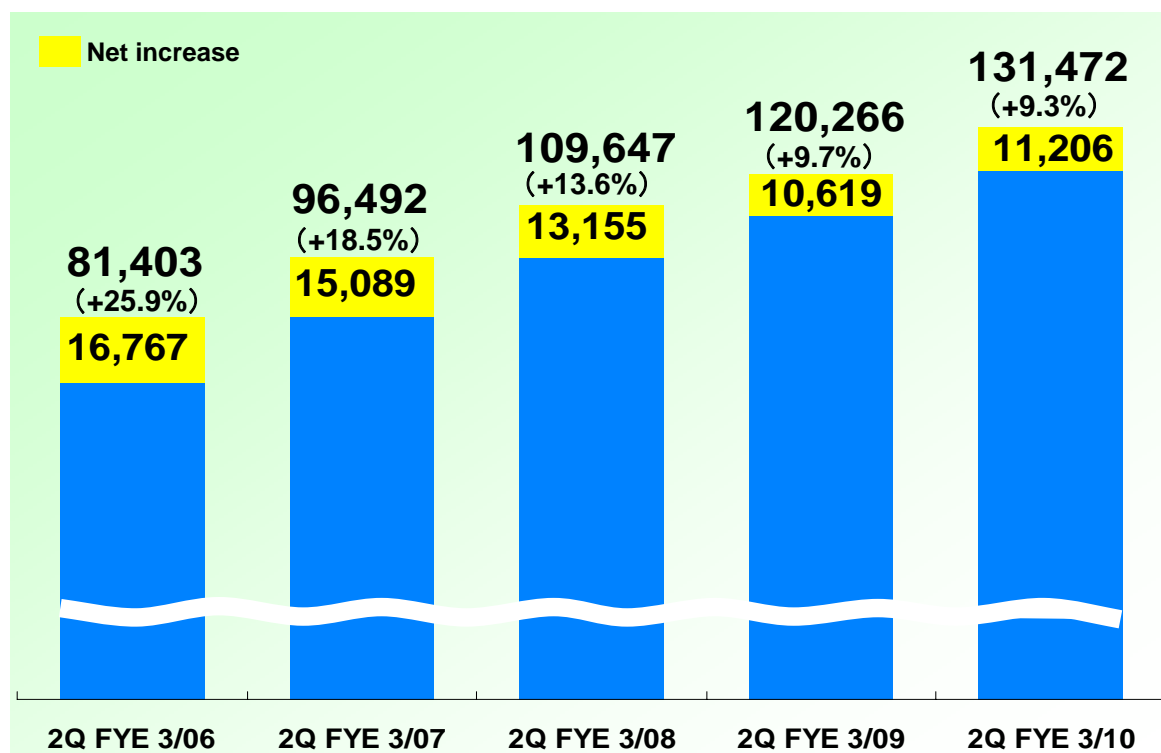
Purchase plan 39%



ALSOK Home Security α



Increase in Contracts of Electronic Security Services [Individual Clients]



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Overview of Stationed Security Services

(Unit: ¥ billion)	2Q FYE 3/10	2Q FYE 3/09	YoY	Change (%)
S a l e s	35.4	36.1	- 0.7	- 1.9%
(% to Total Sales)	(25.6%)	(25.4%)		

- | | | |
|--|---|--|
| 1 Newly booked orders | : | Major developer
University hospital |
| 2 Extent of contribution from current period | : | PFI prison
Inclusion of URBAN SECURITY as a subsidiary |
| 3 Sales which contributed in the previous period
(Sales not recorded in the current period) | : | G8 Hokkaido Toyako Summit
Equipment sales from PFI prison |
| 4 Termination & Price cut | : | Contract termination of a large commercial facility
Decrease of temporary demands |



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Overview of Transportation Security Services

(Unit: ¥ billion)	2Q FYE 3/10	2Q FYE 3/09	YoY	Change(%)
S a l e s	23.4	23.6	- 0.2	- 0.9%
(% to Total Sales)	(17.0%)	(16.6%)		

- | | | |
|--|----------|--|
| 1 Cash Deposit Machine On-line System | : | Net increase of 300 contracts (YoY - 150 contracts) |
| 2 Bank ATMs inside convenience stores | : | Net increase of 400 contracts (YoY + 150 contracts) |
| 3 Consumer finance companies | : | Negative impact of ¥0.4 billion |



Overview of Other Services

(Unit: ¥ billion)	2Q FYE 3/10	2Q FYE 3/09	YoY	Change(%)
S a l e s	11.0	11.6	- 0.6	- 4.8%
(% to Total Sales)	(8.0%)	(8.2%)		

- | | | |
|---|----------|--|
| 1 Residential fire alarms | : | 160,751 units (YoY + 25,527 units) |
| 2 AED (Automated External Defibrillator) | : | 5,157 units (YoY - 1,509 units) |
| 3 Total Building Management Services for Universities etc. | : | Extent of contribution from current period |
| 4 Equipment sales from financial institutions | : | Sales which contributed in the previous period (Sales not recorded in the current period) |



Sales by Client Industry

(Unit: ¥ billion)	2Q FYE 3/10	2Q FYE 3/09	YoY	Change(%)
Financial institutions	39.2 (28.4%)	42.6 (30.0%)	- 3.4	- 8.1%
Business corporations	82.4 (59.6%)	82.5 (58.1%)	- 0.1	- 0.2%
Government offices & Japan Post	12.0 (8.7%)	12.3 (8.7%)	- 0.3	- 2.3%
Individuals	4.6 (3.3%)	4.5 (3.2%)	0.1	1.5%
T o t a l	138.4 (100.0%)	142.1 (100.0%)	- 3.8	- 2.7%



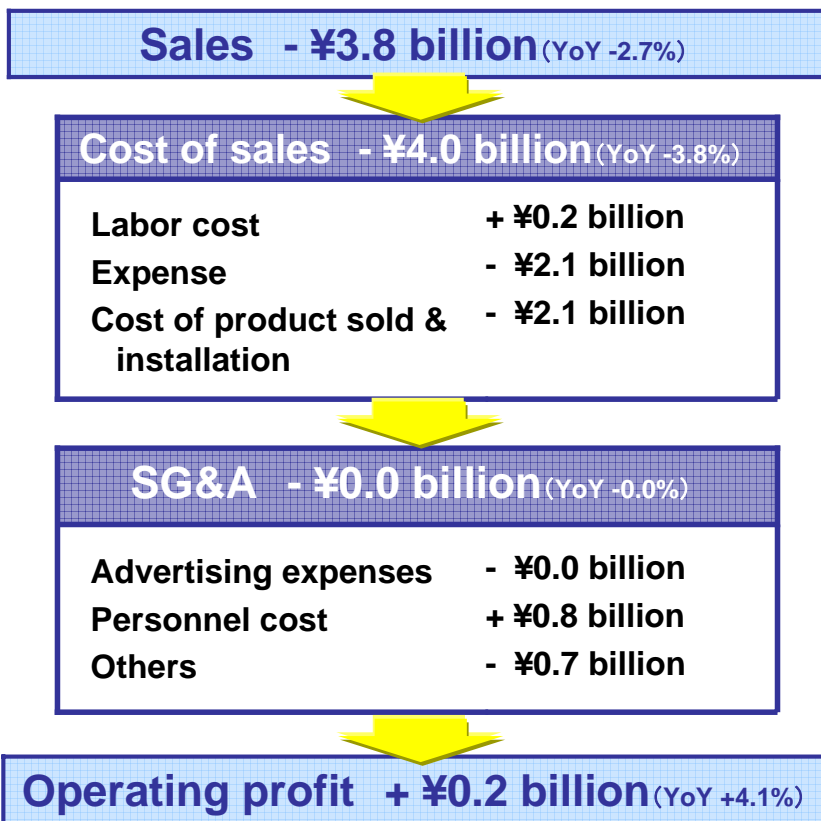
Circumstances of Consumer Finance Companies

Negative impact of consumer finance companies - ¥1.1 billion

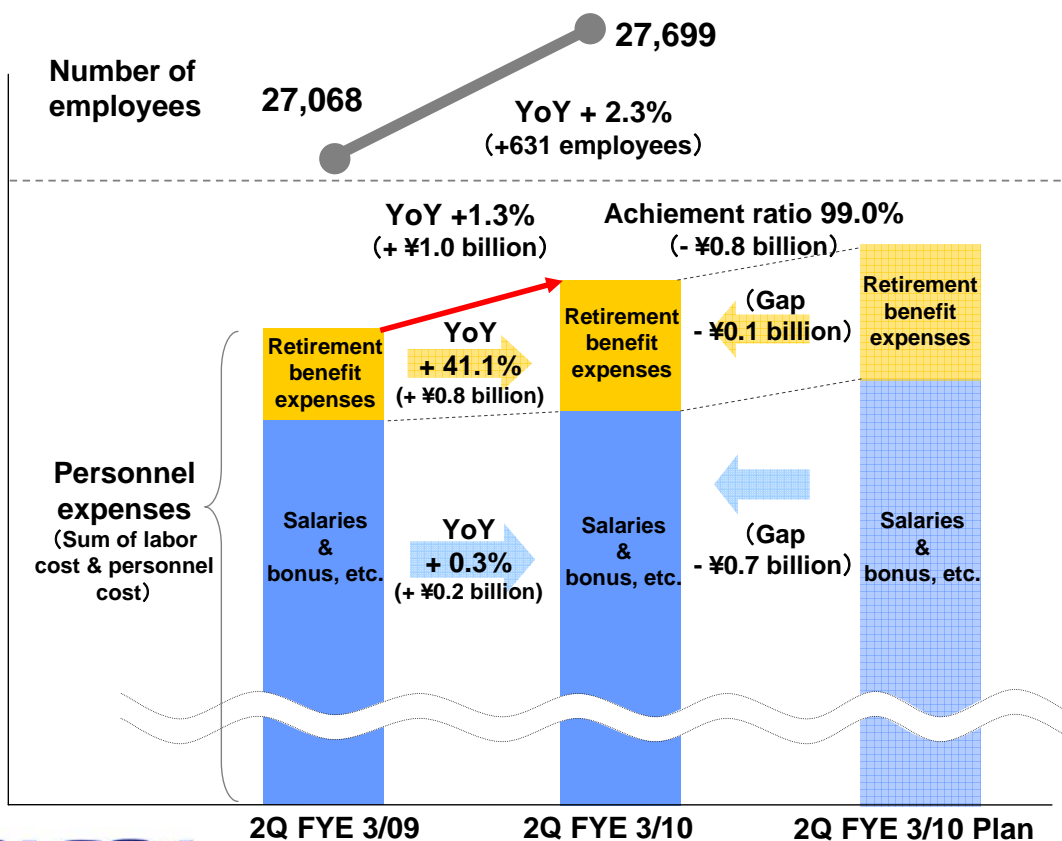
- Electronic Security Services - ¥0.5 billion
- Stationed Security Services - ¥0.1 billion
- Transportation Security Services - ¥0.4 billion
- Other Services - ¥0.1 billion



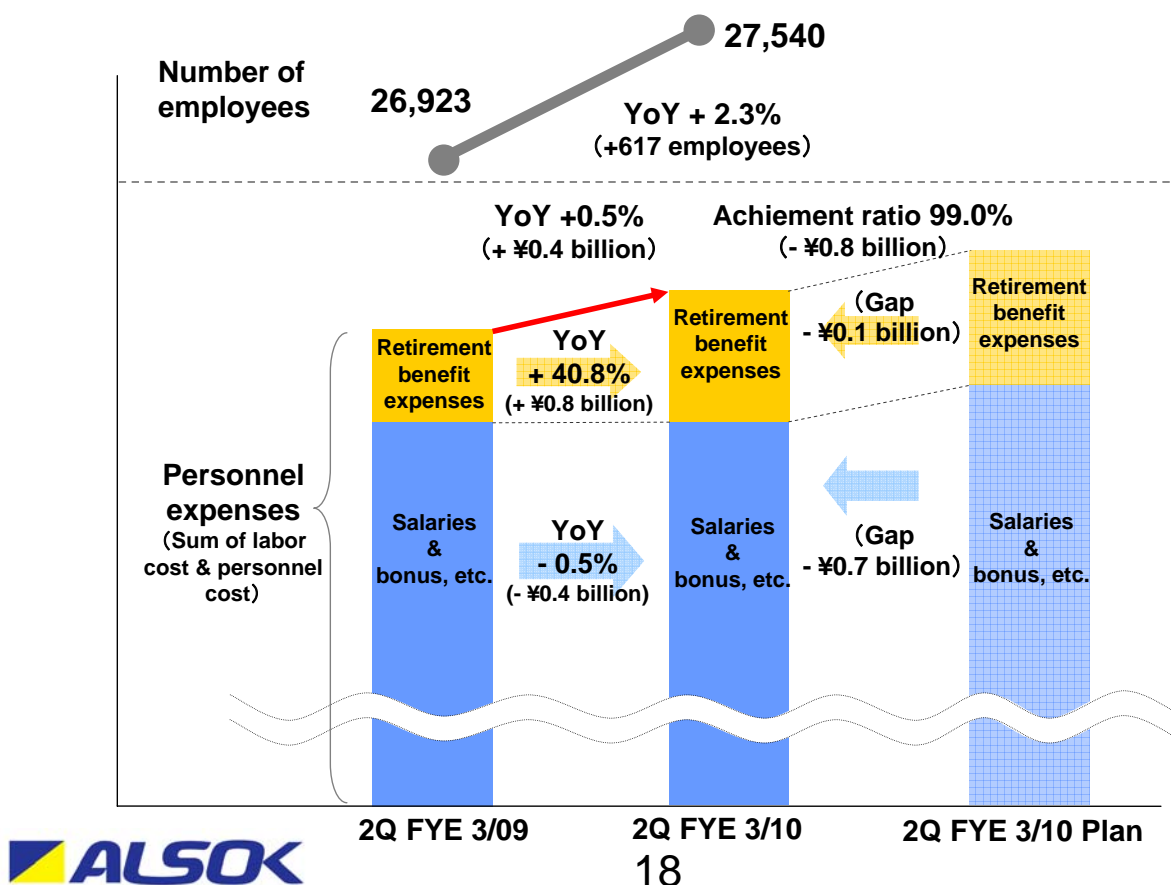
Major Changes in P/L



Personnel Expenses



Personnel Expenses (Excluding URBAN SECURITY's expenses)



Cost Control

[Reduction amount]

- 1 Reduction of personnel expenses
 - Reduction of overtime payment **¥1.1 billion**
- 2 Procurement cost reduction **¥0.5 billion**
- 3 Cutback in system-related cost **¥0.1 billion**
- 4 Cut in general expense **¥1.6 billion**

Consolidated Balance Sheet

(Unit: ¥ billion)

	2Q FYE3/10	FYE3/09	Change		2Q FYE3/10	FYE3/09	Change
Current assets	147.4	163.6	- 16.2	Current liabilities	70.0	89.3	- 19.3
Cash and deposits	45.2	53.5	- 8.3	Short-term borrowings	36.9	53.1	- 16.2
Cash for Transportation Security Services	27.0	30.9	- 3.9	Other	33.1	36.2	- 3.1
Advance payment	39.7	43.8	- 4.1	Long-term liabilities	42.1	43.2	- 1.1
Other	35.5	35.4	0.1	Total liabilities	112.2	132.6	- 20.4
Fixed assets	123.1	123.8	- 0.7	Shareholders' equity	144.2	141.8	2.4
Tangible assets	58.5	59.0	- 0.5	Valuation and translation adjustments	- 4.0	- 4.6	0.6
Intangible assets	4.9	5.4	- 0.5	Minority interests in consolidated subsidiaries	18.1	17.7	0.4
Net investments and other assets	59.6	59.3	0.3	Total net assets	158.2	154.8	3.4
Total assets	270.5	287.5	- 17.0	Total	270.5	287.5	- 17.0



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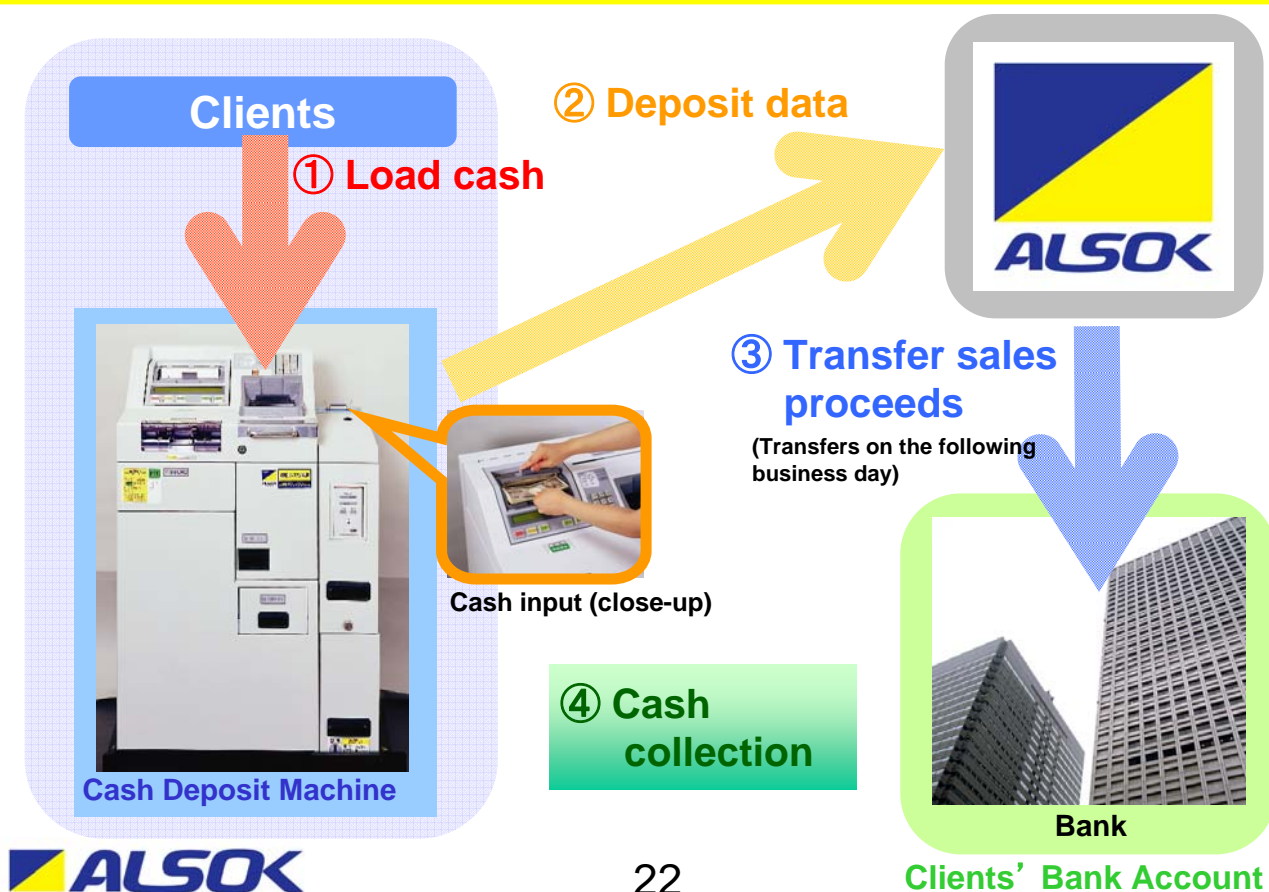
Cash for Transportation Security Services

Current assets ¥147.4 billion		Current liabilities ¥70.0 billion	
▪ Cash and deposits	¥45.2 billion	▪ Short-term borrowings	¥36.9 billion
▪ Cash for Transportation Security Services	¥27.0 billion	(Transportation Security Services usage)	¥31.0 billion
▪ Advance payment	¥39.7 billion	▪ Other	¥33.1 billion
(Transportation Security Services usage)	¥39.6 billion		
▪ Other	¥35.5 billion		



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Cash Deposit Machine On-line System Flow



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Consolidated Status of Cash Flows

(Unit: ¥ billion)

	2Q FYE 3/10	2Q FYE 3/09	YoY
Cash flows from operating activities	1.2	2.2	- 1.0
Cash flows from investing activities	- 4.0	- 4.2	0.2
Cash flows from financing activities	- 4.9	- 5.4	0.5
Balance of cash and cash equivalents at the end of the period	38.1	42.5	- 4.4

Major items

● Cash flows from operating activities	Income before income tax	6.9
	Depreciation	5.9
	Cash and advance payment for TSS	8.0
	Short-term borrowings for TSS	- 14.5
	Increase/decrease in accounts payable	- 4.9
● Cash flows from investing activities	Payments for purchases of investment in securities	-0.8
	Payments for purchases of tangible assets	- 3.8
● Cash flows from financing activities	Payments for repayment of long-term debt	- 1.9
	Payments for redemption of bonds	- 1.1
	Dividend paid	- 1.0

Capital Expenditures and Others

Capital expenditures (Unit: ¥ billion)

2Q FYE 3/08	2Q FYE 3/09	2Q FYE 3/10
4.6	4.6	4.3

Depreciation (Unit: ¥ billion)

2Q FYE 3/08	2Q FYE 3/09	2Q FYE 3/10
5.2	5.2	5.9

R&D expense (Unit: ¥ billion)

2Q FYE 3/08	2Q FYE 3/09	2Q FYE 3/10
0.2	0.3	0.2



Section 2

Business Strategy for FYE 3/10



Measures to Increase Sales

- 1 **Completed the increase in number of sales staff**
 - Expand sales of Electronic Security Services for corporate clients
 - Expand sales of Electronic Security Services for individual clients
 - Resulting from the increased sales staff, ALSOK will enhance channel exploitation
 - Advance sales of Cash Deposit Machine On-line System
 - Strengthening sales of small-sized Cash Deposit Machine which shows high potential demands
- 2 **Increasing indirect sales channel**
 - Number of sales agents 7,643 stores (YoY +28%)
 - Referral to new clients increased 22% YoY
- 3 **Promoting after-sales care to prevent terminations**
 - Reducing terminations due to outbound calls



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New Service, New Products

- 1 **Total managing money changer services**
“Money Exchanger System”
- 2 **Monitoring service during valuables transport**
“*Mamorukku-Kichohin*”
- 3 **Autonomous travel type Information Robot**
“An9-PR”
- 4 **Telegram business**



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Other Measures to Increase Sales

1 Aggressively pursue M&A opportunities

Inclusion of APLIS as a subsidiary of ALSOK's wholly-owned subsidiary

2 Oversea Development

Expanding to Socialist Republic of Viet Nam



Continuing Cost Control

[Reduction amount]

1 Reduction of personnel expenses	
Reduction of overtime payment	¥1.3 billion
2 Procurement cost reduction	¥0.1 billion
3 Cutback in system-related cost	¥0.1 billion
4 Cut in general expense	¥0.6 billion



Section 3

Business Forecast of
FYE 3/10

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Business Forecast for FYE 3/10 (announced on May 8, 2009)

(Unit: ¥ billion)	FYE 3/10	% to total sales	YoY	Change (%)
S a l e s	286.0	100.0%	1.0	0.3%
Gross profit	68.7	24.0%	- 0.5	- 0.8%
Operating profit	8.0	2.8%	- 1.9	- 19.5%
Recurring profit	9.0	3.1%	- 1.6	- 15.3%
Net income	4.2	1.5%	0.0	- 0.6%



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Dividends

	FYE 3/06	FYE 3/07	FYE 3/08	FYE 3/09	FYE 3/10 Plan
Dividend per share	¥17 (¥8.5)	¥20 (¥8.5)	¥20 (¥10)	¥20 (¥10)	¥20 (¥10)
Payout ratio	32.1%	26.8%	26.6%	47.7%	48.0%

*Note: Amounts stated inside the () are the 1H dividend per share.



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Cumulative Contracts by Services

	2Q FYE 3/10	2Q FYE 3/09	YoY	Change(%)
Electronic Security	517,552	498,661	18,891	3.8%
Corporate Clients	386,080	378,395	7,685	2.0%
Individual Clients	131,472	120,266	11,206	9.3%
Stationed Security	2,906	2,948	- 42	- 1.4%
Transportation Security	34,296	33,217	1,079	3.2%
Other Services	43,237	54,156	- 10,919	- 20.2%



Company Profile

■ Company	SOHGO SECURITY SERVICES CO., LTD.
■ Establishment	July 16, 1965
■ Business Areas	Security Services (Electronic Security Services, Stationed Security Services and Transportation Security Services) Other Services
■ Listing Date	October 25, 2002
■ Listing Stock Exchange	1 st Section of TSE (Securities Code: 2331)
■ Number of Employees	27,699 (as of March 31, 2009)
■ Sales	¥285.0 billion (FYE3/09)
■ Operating Profit	¥9.9 billion (FYE3/09)
■ Number of Consolidated Subsidiaries	47 companies (as of September 30, 2009)
■ Number of Affiliates	8 companies (as of September 30, 2009)



Head office: Tokyo



Inclusion in SRI Index

« FTSE4Good Index »

ALSOK has continuously been included in the FTSE4Good Index Series, which is an index for Socially Responsible Investment (SRI) since 2007.



CSR Activities

■ ALSOK Anshin Classes



570 thousand children attended

Launched this volunteer work in October 2004

**November 2007
Received the Chief Cabinet Secretary's Award**

■ ALSOK Gratitude Movement

★Charity works

Cash donation : the Japan Guide Dog Association and other

Disaster relief funds : the China Sichuan Earthquake, the Iwate-Miyagi Nairiku Earthquake

Other donations such as welfare vehicles for wheelchair users



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, competitive situation, progress in technology and other factors. Investors are advised to use independent judgement before making any investment.



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