Consolidated Financial Results for Fiscal Year Ended March 31, 2012
Prepared in Conformity with Accounting Principles Generally Accepted in Japan (Japanese GAAP)
English Translation of the Original Japanese-Language Report

SOHGO SECURITY SERVICES CO., LTD (Code No.:2331, TSE 1st Sec.)
(URL http://www.alsok.co.jp/ir/en/index.html)
Representative: Yukiyasu Aoyama, President and Representative Director
Financial and Accounting: Hiraku Otani, Senior Executive Officer (Phone: +81-3-3423-2331)
Date of the Board Meeting for the settlement of consolidated account: May 8, 2012 at 13:00 (GMT+9)
Scheduled Date of Filing Report: June 26, 2012

1. **Summary of the consolidated financial results for fiscal year ended March 31, 2012 (April 1, 2011- March 31, 2012)**

(1) Consolidated operating results

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2011	March 31, 2012
Net sales % change from the previous year	¥279,272 million 0.2%	¥304,723 million 9.1%
Operating income % change from the previous year	¥10,352 million 11.7%	¥10,810 million 4.4%
Ordinary income % change from the previous year	¥11,765 million 8.7%	¥12,558 million 6.7%
Net income % change from the previous year	¥4,706million 3.1%	¥3,903 million (17.1)%
Net income per share	¥46.82	¥38.83
Diluted net income per share	—	—
ROE (Net income to equity)	3.3%	2.7%
Ordinary income to total assets	4.2%	4.4%
Operating income to sales	3.7%	3.5%

Note 1: Percentage shown in net sales, operating income, ordinary income and net income above represent the changes from the previous fiscal year.
Note 2: Comprehensive income: Year ended March 31, 2012 ¥5,191 million 2.6%
Year ended March 31, 2011 ¥5,059 million (22.8)%
Note 3: Equity in earnings of affiliates: Year ended March 31, 2012 ¥156 million
Year ended March 31, 2011 ¥364 million

(2) Consolidated financial conditions

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2011	March 31, 2012
Total assets	¥284,350 million	¥283,593 million
Net assets	¥162,178 million	¥165,634 million
Capital adequacy ratio	50.3%	51.3%
Net assets per share	¥1,421.67	¥1,446.93

Note: Equity capital: Year ended March 31, 2012 ¥145,465 million
Year ended March 31, 2011 ¥142,926 million

(3) Consolidated cash flows

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2011	March 31, 2012
Cash flows from operating activities	¥12,110 million	¥17,213 million
Cash flows from investment activities	¥(12,265) million	¥(10,859) million
Cash flows from financing activities	¥6,469 million	¥(9,908) million
Cash and cash equivalents at the end of the period	¥43,654 million	¥40,476 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, 2011	—	¥10.00	—	¥10.00	¥20.00	¥2,010 million	42.7%	1.4%
Fiscal year ended March 31, 2012	—	¥10.00	—	¥10.00	¥20.00	¥2,010 million	51.5%	1.4%
Fiscal year ending March 31, 2013 (Forecast)	—	¥11.00	—	¥11.00	¥22.00		30.3%	

3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2012 (April 1, 2012 － March 31, 2013)

(Figures rounded down to the nearest million)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Interim	¥155,600 million 5.4%	¥6,400 million 1.0%	¥7,400 million 2.7%	¥3,800 million 31.5%	¥37.80
Annual	¥315,000 million 3.4%	¥12,500 million 15.6%	¥14,100 million 12.3%	¥7,300 million 87.0%	¥72.61

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 net sales, operating income, ordinary income 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
Added: — Removed: —

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

① Changes arising from revision of accounting standards : No
② Changes arising from other factors : No
③ Changes arising from accounting estimate: No
④ Restatement: No

(3) Number of shares outstanding(Ordinary shares)

① Number of shares issued (including treasury stock) : Year ended March 31, 2012 102,040,042 shares
Year ended March 31, 2011 102,040,042 shares

② Number of shares of treasury stock : Year ended March 31, 2012 1,505,754 shares
Year ended March 31, 2011 1,505,605 shares

③ Average number of ordinary shares throughout the fiscal year:
Year ended March 31, 2012 100,534,367 shares
Year ended March 31, 2011 100,534,465 shares

(Reference) Non-consolidated Financial Results for Fiscal Year Ended March 31, 2012

1. Summary of the non-consolidated financial results for fiscal year ended March 31, 2012 (April 1, 2011- March 31, 2012)

(1) Non-consolidated operating results

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2011	March 31, 2012
Net sales % change from the previous year	¥189,151 million (0.3)%	¥193,122 million 2.1%
Operating income % change from the previous year	¥2,463 million 5.6%	¥3,375 million 37.0%
Ordinary income % change from the previous year	¥5,818 million (14.4)%	¥7,093 million 21.9%
Net income % change from the previous year	¥3,076 million (45.6)%	¥3,840 million 24.8%
Net income per share	¥30.60	¥38.20
Diluted net income per share	—	—

Note: Percentage shown in net sales, operating income, ordinary income 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, 2011	March 31, 2012
Total assets	¥187,452 million	¥185,730 million
Net assets	¥103,353 million	¥105,771 million
Capital adequacy ratio	55.1%	57.0%
Net assets per share	¥1,028.04	¥1,052.09

Note: Equity capital: Year ended March 31, 2012 ¥105,771 million
Year ended March 31, 2011 ¥103,353 million

*Indication of audit procedure implementation status

This summary of financial results is exempt from audit procedure based upon the Financial Instruments and Exchange Act. The audit procedure process had not been completed at the time of disclosure of this report.

*Explanation for Appropriate Use of Forecasts and Other Notes

The forward-looking statements such as operational forecasts contained in this summary of financial results are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors.

Please refer to page 2 “(1) Analysis of Operating Results” under “1. Operating Results” for more information regarding forecasts.

Contents

1. Operating Results

(1) Analysis of Operating Results

A. Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (April 1, 2011–March 31, 2012)

In the fiscal year under review, the Japanese economy started off facing harsh conditions due to the impact of the Great East Japan Earthquake, which occurred on March 11, 2011. As the year progressed, factors such as the government finance crisis in Europe and the soaring price of crude oil resulted in a deterioration of global economic conditions. While the unstable status of the economy continued throughout the year, some signs of recovery were seen.

In this environment, the ALSOK Group worked to accomplish its mission as a security company of protecting the safety and security of society. In this pursuit, we strove to develop and provide new products and services that accurately meet the needs of society in our mainstay security services operations, examples of which include disaster response and information security products. At the same time, we cultivated our human resources to ensure that we are able to continue providing high-quality products and services, and endeavored to reduce costs by improving the efficiency and rationality of our operations.

Due to the above factors, the ALSOK Group's consolidated business results in the year under review were as follows.

Net sales rose 9.1% year on year, to ¥304,723 million, exceeding ¥300,000 million for the first time in the history of the Company. This was a result of Japan Facilio Co., Ltd. becoming a consolidated subsidiary, higher revenues from sales of equipment relating to electronic security services, increased sales of disaster response products, and a rise in contracts for the Total ATM Management System provided as part of transportation security services. Operating income was up 4.4%, to ¥10,810 million, due to the benefits of cost reductions, and ordinary income was up 6.7%, to ¥12,558 million. However, net income was down 17.1%, to ¥3,903 million, following an increase in income taxes adjustment, which was the result of a reduction in deferred tax assets that accompanied a change in the effective tax rate.

Sales by Business Segment

Business Segment	Fiscal year ended March 31, 2011		Fiscal year ended March 31, 2012		YoY	
	Amount (¥ million)	Amount (¥ million)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/ Decrease (%)
Security Services						
Electronic Security Services	138,463	49.6	142,900	46.9	4,437	3.2
Stationed Security Services	71,337	25.5	71,326	23.4	(10)	(0.0)
Transportation Security Services	47,692	17.1	49,817	16.3	2,124	4.5
Total	257,493	92.2	264,044	86.7	6,550	2.5
Total Building Management Services and Disaster Prevention Services	17,024	6.1	36,608	12.0	19,584	115.0
Total for reportable segments	274,517	98.3	300,652	98.7	26,135	9.5
Others	4,754	1.7	4,070	1.3	(684)	(14.4)
Total	279,272	100.0	304,723	100.0	25,450	9.1

Major factors behind segment results

Total Building Management Services and Disaster Prevention Services, which was previously included in the Security Services Segment, is now a separate segment. For this reason, results for the previous fiscal year have been restated in accordance with the new segments.

a. Security Services

Electronic Security Services

In services for corporate customers, we launched ALSOK-GV (read ALSOK G-five), a service that utilizes image sensors and high-speed Internet connections to provide real-time information relating to contracted facilities should a disturbance occur. In services for individual users, we continued to promote sales of "ALSOK Home Security α" and "ALSOK Home Security X7."

In the year under review, there were decreases in revenues from contracts as a result of security services contract cancellations stemming from the reorganization of financial institutions as well as contract cancellations and requests to temporarily halt security services following the Great East Japan Earthquake. However, revenues from equipment sales increased significantly due to strong sales of access management systems and security camera systems as well as sales of home security systems that were conducted in cooperation with major housing developers.

Due to the factors above, net sales in the Electronic Security Services segment rose 3.2%, to ¥142,900 million.

Stationed Security Services

While the Great East Japan Earthquake caused some contract cancellations, there was a rise in new contracts, including large-scale contracts, and we also acquired contracts for temporary stationed security services. These factors contributed to higher sales. Further, on February 29, 2012, we began stationed security operations at Tokyo Sky Tree Town.

Due to the factors above, net sales in the Stationed Security Services segment were relatively unchanged from the previous fiscal at ¥71,326 million.

Transportation Security Services

The continued growth of contracts for the Total ATM Management System, a result of the increase in the outsourcing of security services by financial institutions, and a rise in contracts for the Cash Deposit Machine On-line System contributed to higher sales.

Due to the factors above, net sales in the Transportation Security Services segment were 4.5%, to ¥49,817 million.

b. Total Building Management Services and Disaster Prevention Services

Sales increased as a result of Japan Facilio Co., Ltd. becoming a consolidated subsidiary and a rise in sales of disaster response products after the Great East Japan Earthquake.

Due to the factors above, net sales in the Total Building Management Services and Disaster Prevention Services segment increased 115.0%, to ¥36,608 million.

B. Comparative Analysis of the Consolidated Statements of Income

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

	Fiscal year ended March 31, 2011		Fiscal year ended March 31, 2012		YoY	
	Amount (¥ million)	Share (%)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/ Decrease (%)
Net sales	279,272	100.0	304,723	100.0	25,450	9.1
Cost of sales	209,364	75.0	232,812	76.4	23,447	11.2
Gross profit	69,908	25.0	71,910	23.6	2,002	2.9
Selling, general and administrative expenses	59,555	21.3	61,100	20.1	1,545	2.6
Operating income	10,352	3.7	10,810	3.5	457	4.4
Non-operating income	2,788	1.0	2,961	1.0	173	6.2
Non-operating expenses	1,375	0.5	1,214	0.4	(161)	(11.7)
Ordinary income	11,765	4.2	12,558	4.1	792	6.7
Extraordinary income	92	0.0	26	0.0	(66)	(71.5)
Extraordinary loss	2,074	0.7	1,207	0.4	(867)	(41.8)
Income taxes	4,281	1.5	6,806	2.2	2,525	59.0
Minority interests in income	795	0.3	667	0.2	(128)	(16.1)
Net income	4,706	1.7	3,903	1.3	(803)	(17.1)

In the year under review, net sales increased ¥25,450 million year on year, to ¥304,723 million.

Cost of sales was ¥232,812 million, primarily due to a ¥22,803 million increase in cost of sales from installation of equipment.

Selling, general and administrative expenses were ¥61,100 million due to a ¥1,388 million increase in salaries expenses and other personnel costs and a ¥351 million increase in amortization of goodwill.

Ordinary income rose ¥792 million, or 6.7%, to ¥12,558 million, following higher net sales.

Extraordinary income was down due to a ¥66 million decrease in gain on sales of investments securities.
Extraordinary loss declined as a result of a ¥931 million decrease in loss on valuation of investment securities.

Net income decreased ¥803 million, or 17.1%, to ¥3,903 million.

C. Forecast for the Fiscal Year Ending March 31, 2013

In the fiscal year ending March 31, 2013, we anticipate that the Japanese economy will see a clear trend toward recovery due to the demand created by the reconstruction efforts following the Great East Japan Earthquake and the renewal of corporate activities. However, conditions in the global economy will likely remain unstable due to the government finance crisis in Europe and the rising price of crude oil. Also, the electricity shortages in Japan as well as the impact of the Great East Japan Earthquake and the ensuing incidents at the Fukushima Daiichi Nuclear Power Station have yet to be resolved. For these reasons, it is important for us to take a watchful eye in monitoring the recovery of the economy.

In the security industry, we expect to see an increase in the demand created by the post-earthquake reconstruction efforts as well as in demand for security, which will be driven by a rise in the desire for safety and security among the people of Japan, who after experiencing the unprecedented March 11 earthquake came to realize the crisis such a disaster created in their country. However, competition among security companies will become increasingly fierce and there will be new entries into the market by companies providing services and products relating to risk management and disaster response. Accordingly, we feel it is important that the ALSOK Group develop new strategies to respond to the diversification of customer needs while also expanding its conventional security services business.

At the same time, we will acquire new customers through the provision of social-need meeting products and services and work to raise the level of satisfaction of existing customers by improving the quality of our products and services.

In the fiscal year ending March 31, 2013, the ALSOK Group forecasts net sales of ¥315,000 million, up 3.4% year on year, operating income of ¥12,500 million, up 15.6%, ordinary income of ¥14,100 million, up 12.3%, and net income of ¥7,300 million, up 87.0%, results that will be achieved through the implementation of initiatives such as those described above.

(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, 2011		As of March 31, 2012		YoY	
		Amount (¥ million)	Share (%)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/ Decrease (%)
Assets	Current assets	154,735	54.4	160,060	56.4	5,324	3.4
	Noncurrent assets	129,615	45.6	123,533	43.6	(6,082)	(4.7)
	Total assets	284,350	100.0	283,593	100.0	(757)	(0.3)
Liabilities	Current liabilities	71,771	25.3	69,245	24.4	(2,525)	(3.5)
	Noncurrent liabilities	50,400	17.7	48,713	17.2	(1,687)	(3.3)
	Total liabilities	122,172	43.0	117,958	41.6	(4,213)	(3.4)
Total net assets		162,178	57.0	165,634	58.4	3,456	2.1

Total assets at the end of the year under review declined ¥757 million, or 0.3%, from the previous fiscal year-end, to ¥283,593 million. Total current assets increased ¥5,324 million, or 3.4%, to ¥160,060 million, and total noncurrent assets decreased ¥6,082 million, or 4.7%, to ¥123,533 million.

The ¥5,324 million increase in current assets was primarily due to a ¥5,027 million increase in notes and accounts receivable-trade, a ¥2,231 million increase in advances paid, and a ¥1,801 million increase in short-term investment securities, which offset a ¥2,508 million decrease in cash and deposits and a ¥2,411 million decrease in cash for Transportation Security Services.

The ¥6,082 million decrease in noncurrent assets was mainly attributable to a ¥2,683 million decrease in deferred tax assets, a ¥874 million decrease in investment securities, a ¥815 million decrease in software, and a ¥715 million decrease in prepaid pension cost.

Total liabilities at the end of the year under review declined ¥4,213 million, or 3.4%, from the previous fiscal year-end, to ¥117,958 million. Total current liabilities decreased ¥2,525 million, or 3.5%, to ¥69,245 million, and total noncurrent liabilities decreased ¥1,687 million, or 3.3%, to ¥48,713 million.

The ¥2,525 million decrease in current liabilities was a result of factors such as the ¥6,901 million decrease in short-term loans payable and a ¥2,190 decrease in current portion of bonds, which offset a ¥3,055 million increase in notes and accounts payable-trade and a ¥2,164 million increase in accounts payable.

The ¥1,687 million decrease in noncurrent liabilities was due to a ¥2,815 million decrease in long-term loans payable, which offset a ¥1,305 million increase in lease obligations.

Total net assets at March 31, 2012, were up ¥3,456 million, or 2.1%, from the previous fiscal year-end, to ¥165,634 million.

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

(¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	YoY
Net cash provided by (used in) operating activities	12,110	17,213	42.1
Net cash provided by (used in) investing activities	(12,265)	(10,859)	(11.5)
Net cash provided by (used in) financing activities	6,469	(9,908)	—
Effect of exchange rate change on cash and cash equivalents	(8)	(4)	(42.9)
Net increase (decrease) in cash and cash equivalents	6,305	(3,558)	—
Cash and cash equivalents at beginning of period	37,349	43,654	16.9
Increase in cash and cash equivalents from newly consolidated subsidiary	—	379	—
Cash and cash equivalents at end of period	43,654	40,476	(7.3)

a. Cash flows from operating activities

As a result of our operating activities in the year under review, net cash provided by operating activities increased 42.1% year on year, to ¥17,213 million. Principal items included ¥11,377 million in income before income taxes, an increase of 16.3% year on year; ¥13,007 million in depreciation and amortization, an increase of 4.4%; and ¥6,597 million in decrease in assets and liabilities for Transportation Security Services, a year-on-year decrease of 13.7%.

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 loans payable.

b. Cash flows from investing activities

Net cash used in investment activities in the year under review was ¥10,859 million, an 11.5% year-on-year decrease. The primary factors were ¥8,609 million in purchase of property, plant and equipment, down 13.0% from the previous fiscal year; and ¥2,013 million in purchase of investment securities, up 2.4%.

c. Cash flows from financing activities

Net cash used in financing activities was ¥9,908 million, compared to net cash provided by financing activities of ¥6,469 million in the previous fiscal year. The main elements were ¥3,713 million in repayment of long-term loans payable, up 157.6%; ¥2,669 million in repayment of lease obligations, up 90.3%; and ¥2,300 million in redemption of bonds, up 4.5%.

C. Trends in Cash Flow Indicators for the ALSOK Group

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Shareholders' equity ratio	50.9%	50.3%	51.3%
Shareholders' equity ratio on a market value basis	39.4%	32.0%	34.8%
Interest-bearing liabilities to cash flow ratio	309.7%	358.4%	182.9%
Interest coverage ratio	24.0 times	20.1times	34.1times

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 (used in) operating activities.
Note 4: Interest-bearing liabilities are all liabilities on which interest is paid on the consolidated balance sheets.

2. Status of the Corporate Group

a. On April 1, 2011, consolidated subsidiaries ALSOK Miyagi Kanzai Co., Ltd., ALSOK Akita Kanzai Co., Ltd., ALSOK Iwate Kanzai Co., Ltd. and ALSOK Yamagata Kanzai Co., Ltd. were established through corporate spin-offs from Tohoku Sogo Kanzai Co., Ltd., in order to take over its operations.

b. On April 1, 2011, YAMAGUCHI-SOGOKEIBIHOSYO CO., LTD., a consolidated subsidiary of the Company, absorbed wholly owned subsidiary Yamaguchi kanzai Co., Ltd.

c. On April 1, 2011, Kitakanto Keiso Services Co., Ltd., a subsidiary of Kitakanto Sohgo Security Services Co., Ltd., which is a consolidated subsidiary of the Company, was converted from an affiliate accounted for under the equity method to a consolidated subsidiary.

d. On February 29, 2012, ALSOK MALAYSIA SDN. BHD. was established in Malaysia to respond to demand from Japanese companies expanding operations in this country by providing security-related consulting and conducting equipment sales.

e. On April 2, 2012, the Okayama Branch of consolidated subsidiary Kita-Shikoku Sohgo Security Services Co., Ltd. was detached from this company and new subsidiary ALSOK CHUGOKU Co., Ltd. was established in order to take over operations in Okayama Prefecture.

3. Management Policies

(1) Basic Corporate Management Policy

The basic corporate management policy of the Company and the ALSOK Group is to "Conduct bold and comprehensive management reforms including 'promoting group management,' 'innovating revenue structures,' and 'making more sophisticated security operations' in order to further solidify the Group's growth foundations, improve Group value, and strengthen the Group's competitive edge into the 21st century."

Our management philosophy is "Our business operations are based on a management philosophy exemplified by a spirit of gratitude and a samurai spirit. Our mission is to help maintain safety throughout society—an indispensable element of our lives—as well as to make constant improvements to become the industry's leading company."

(2) Stance on Target Management Indicators

The ALSOK Group believes that expanding its Electronic Security Services business as well as improving the rationality and efficiency of all of its business activities are essentials tasks for increasing profitability. Accordingly, it is focusing on the ordinary income ratio as an important management indicator.

Going forward, we will focus on indicators such as the net income to equity ratio (ROE) while taking into consideration extraordinary factors that could significantly affect equity capital or net assets.

(3) Medium- and Long-term Corporate Strategy

The ALSOK Group will continue to act in accordance with the management policy it has held since its founding of "providing superior security services." At the same time, we will aim to grow into a forward-looking company with high growth potential and become an ethical company superior in terms of morality. Looking ahead, the whole Group will work together as one to improve its corporate value.

(4) Pressing Issues for the Company

a. Strengthening the Security Services Business

The main pillar of the ALSOK Group's management is its security services business with Electronic Security Services as its mainstay business. Going forward, we will continue to work to respond to diversifying customer needs, develop and provide new services, and improve the quality of our products and services.

With regard to corporate clients, we are strengthening the Company's sales structure centered on the Sales Department in the corporate headquarters, and advancing sales strategies such as focusing management resources on targeting major cities and other key areas. As for individual users, we are expanding our various sales channels by strengthening sales and other alliances with outside companies. Simultaneously, we are conducting the timely introduction of new products and services that are responsive to newly appearing needs. These products include those for household use, as well as those fine-tuned for use by elderly people.

b. Diversifying Businesses

While the ALSOK Group primarily engages in its mainstay security services business, it is also active in a wide range of other businesses that are highly compatible with its security services business. In the future, we will continue to consider the development of new businesses in which we can utilize the expertise that we have acquired through the security services business while also diversifying our business through other means, such as establishing overseas operations and expanding the areas in which we operate.

c. Cultivating Human Resources

In order to continue practicing the management policy we have held since our founding of "providing superior security services," securing superior human resources is essential. Therefore, we will maintain our focus on employee education, strengthen recruiting efforts, fully utilize senior employees, and implement other human resource initiatives.

d. Promoting CSR

In its quest to promote corporate social responsibility (CSR), the ALSOK Group takes steps to ensure strict legal compliance, including faithful observation of the Security Services Act and other relevant laws and regulations as well as the establishment of various management and monitoring systems. The Group has also continued to implement a number of social initiatives, such as the ALSOK Gratitude Movement and ALSOK ANSHIN Classes, and environmental initiatives, such as practicing idling stops, promoting environmentally friendly driving, and introducing hybrid vehicles into its fleet.

In this manner, we are actively working to improve our CSR activities and fulfill our responsibility toward society.

(5) Other important items in management of the Company

a. Effective April 1, 2012, the Company reorganized its branches in Osaka Prefecture into five sales branches and one management branch. The purpose of this reorganization was to strengthen sales capabilities and enhance managerial efficiency within Osaka Prefecture, which in turn is anticipated to lead to increased profitability and a higher quality of security services. In conjunction with this reorganization, Regional Division (II) was split and Regional Division (X) was established to manage Shiga, Kyoto, Nara, and Wakayama prefectures (Regional Division (II) will be responsible for managing Osaka Prefecture). This split was conducted to improve the managerial guidance of branches.

b. On April 2, 2012, the Okayama Branch of consolidated subsidiary Kita-Shikoku Sohgo Security Services Co., Ltd. was detached from this company and new wholly owned subsidiary ALSOK CHUGOKU Co., Ltd. was established in order to take over operations in Okayama Prefecture. This move was made to strengthen stationed security operations in Okayama Prefecture.

4. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits (Note 4)	51,062	48,553
Cash for Transportation Security Services (Note 1)	57,676	55,264
Notes and accounts receivable-trade (Note 2)	25,722	30,749
Lease receivables and investment assets	1,358	1,450
Short-term investment securities	942	2,744
Raw materials and supplies	4,254	5,625
Costs on uncompleted installation contracts	1,256	562
Advances paid	5,862	8,093
Deferred tax assets	1,755	1,718
Other	5,024	5,477
Allowance for doubtful accounts	(180)	(179)
Total current assets	154,735	160,060
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (Note 4)	40,455	41,290
Accumulated depreciation	(20,212)	(21,433)
Buildings and structures, net	20,243	19,857
Machinery, equipment and vehicles	108,197	109,906
Accumulated depreciation	(96,676)	(99,283)
Machinery, equipment and vehicles, net	11,521	10,622
Land (Notes 3 and 4)	19,699	19,671
Lease assets	6,313	9,046
Accumulated depreciation	(2,019)	(3,149)
Lease assets, net	4,294	5,897
Construction in progress	1,003	512
Other	11,552	11,832
Accumulated depreciation	(8,800)	(9,246)
Other, net	2,752	2,585
Total property, plant and equipment	59,514	59,147
Intangible assets		
Software	4,308	3,492
Goodwill	1,712	1,470
Other	1,451	1,585
Total intangible assets	7,471	6,548
Investments and other assets		
Investment securities (Notes 4 and 5)	24,699	23,825
Long-term loans receivable	613	601
Lease and guarantee deposits	7,989	7,724
Insurance funds	2,795	2,585
Prepaid pension cost	3,517	2,801
Deferred tax assets	14,634	11,951
Other	9,122	9,079
Allowance for doubtful accounts	(743)	(731)
Total investments and other assets	62,628	57,837
Total noncurrent assets	129,615	123,533
Total assets	284,350	283,593

Contd.

(Unit: ¥ million)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,384	16,439
Short-term loans payable (Notes 1 and 4)	25,094	18,193
Current portion of long-term loans payable (Note 4)	3,688	3,730
Current portion of bonds	2,300	110
Accounts payable-other	11,614	13,778
Lease obligations	1,653	2,231
Income taxes payable	1,826	1,929
Accrued consumption taxes	1,384	2,064
Provision for bonuses	937	1,019
Provision for directors' bonuses	193	200
Deferred tax liabilities	1	0
Other	9,693	9,547
Total current liabilities	71,771	69,245
Noncurrent liabilities		
Bonds payable	100	40
Long-term loans payable (Note 4)	12,226	9,410
Lease obligations	4,250	5,556
Deferred tax liabilities	93	89
Deferred tax liabilities for land revaluation	418	366
Provision for retirement benefits	28,099	28,346
Provision for directors' retirement benefits	1,641	1,699
Asset retirement obligations	89	91
Negative goodwill	303	222
Other	3,178	2,890
Total noncurrent liabilities	50,400	48,713
Total liabilities	122,172	117,958
Net Assets		
Shareholders' equity		
Capital stock	18,675	18,675
Capital surplus	32,117	32,117
Retained earnings	98,374	100,267
Treasury stock	(1,974)	(1,974)
Total shareholders' equity	147,192	149,085
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,139	1,738
Revaluation reserve for land (Note 3)	(5,395)	(5,343)
Foreign currency translation adjustment	(10)	(14)
Total valuation and translation adjustments	(4,265)	(3,619)
Minority interests	19,251	20,168
Total net assets	162,178	165,634
Total liabilities and net assets	284,350	283,593

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Unit: ¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	279,272	304,723
Cost of sales (Note 6)	209,364	232,812
Gross profit	69,908	71,910
Selling, general and administrative expenses (Notes 1 and 2)	59,555	61,100
Operating income	10,352	10,810
Non-operating income		
Interest income	300	297
Dividends income	405	435
Gain on sales of investment securities	18	16
Rent income	177	246
Gain from insurance claim	128	136
Equity in earnings of affiliates	364	156
Amortization of negative goodwill	80	80
Penalty income	331	335
Other	981	1,256
Total non-operating income	2,788	2,961
Non-operating expenses		
Interest expenses	604	504
Loss on sales of investment securities	6	13
Loss on retirement of noncurrent assets (Note 3)	246	137
Financing expenses	157	155
Other	360	403
Total non-operating expenses	1,375	1,214
Ordinary income	11,765	12,558
Extraordinary income		
Gain on sales of investment securities	92	26
Total extraordinary income	92	26
Extraordinary loss		
Loss on valuation of investment securities	1,499	567
Loss on sales of investment securities	4	0
Loss on retirement of noncurrent assets (Note 4)	—	416
Impairment loss (Note 5)	9	46
Loss on disaster	219	174
Loss on adjustment for changes of accounting standard for asset retirement obligations	340	—
Total extraordinary loss	2074	1,207
Income before income taxes	9,784	11,377
Income taxes-current	3,741	4,177
Income taxes-deferred	539	2,629
Total income taxes	4,281	6,806
Income before minority interests	5,502	4,571
Minority interests in income	795	667
Net income	4,706	3,903

Consolidated Statements of Comprehensive Income

(Unit: ¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Income before minority interests	5,502	4,571
Other comprehensive income		
Valuation difference on available-for-sale securities	(421)	570
Revaluation reserve for land	—	52
Foreign currency translation adjustment	(9)	(4)
Share of other comprehensive income of associates accounted for using equity method	(11)	2
Total other comprehensive income	(443)	620
Comprehensive income	5,191	5,191
(Contents)		
Comprehensive income attributable to owners of the parent	4,276	4,549
Comprehensive income attributable to minority interests	783	641

(3) Consolidated Statements of Changes in Net Assets (Unit: ¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	18,675	18,675
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	18,675	18,675
Capital surplus		
Balance at the beginning of current period	32,117	32,117
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	32,117	32,117
Retained earnings		
Balance at the beginning of current period	95,556	98,374
Changes of items during the period		
Dividends from surplus	(2,010)	(2,010)
Net income	4,706	3,903
Reversal of revaluation reserve for land	—	0
Change of scope of equity method	121	—
Total changes of items during the period	2,817	1,893
Balance at the end of current period	98,374	100,267
Treasury stock		
Balance at the beginning of current period	(1,974)	(1,974)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	(1,974)	(1,974)
Total shareholders' equity		
Balance at the beginning of current period	144,375	147,192
Changes of items during the period		
Dividends from surplus	(2,010)	(2,010)
Net income	4,706	3,903
Reversal of revaluation reserve for land	—	0
Change of scope of equity method	121	—
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	2,817	1,893
Balance at the end of current period	147,192	149,085

Contd.

(Unit: ¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	1,560	1,139
Changes of items during the period		
Net changes of items other than shareholders' equity	(420)	598
Total changes of items during the period	(420)	598
Balance at the end of current period	1,139	1,738
Revaluation reserve for land		
Balance at the beginning of current period	(5,395)	(5,395)
Changes of items during the period		
Net changes of items other than shareholders' equity	–	51
Total changes of items during the period	–	51
Balance at the end of current period	(5,395)	(5,343)
Foreign currency translation adjustment		
Balance at the beginning of current period	(2)	(10)
Changes of items during the period		
Net changes of items other than shareholders' equity	(7)	(4)
Total changes of items during the period	(7)	(4)
Balance at the end of current period	(10)	(14)
Total valuation and translation adjustments		
Balance at the beginning of current period	(3,837)	(4,265)
Changes of items during the period		
Net changes of items other than shareholders' equity	(428)	645
Total changes of items during the period	(428)	645
Balance at the end of current period	(4,265)	(3,619)
Minority interests		
Balance at the beginning of current period	18,137	19,251
Changes of items during the period		
Net changes of items other than shareholders' equity	1,114	917
Total changes of items during the period	1,114	917
Balance at the end of current period	19,251	20,168

Contd.

(Unit: ¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Total net assets		
Balance at the beginning of current period	158,674	162,178
Changes of items during the period		
Dividends from surplus	(2,010)	(2,010)
Net income	4,706	3,903
Reversal of revaluation reserve for land	―	0
Change of scope of equity method	121	―
Purchase of treasury stock	(0)	(0)
Net changes of items other than shareholders' equity	686	1,563
Total changes of items during the period	3,503	3,456
Balance at the end of current period	162,178	165,634

(4) Consolidated Statements of Cash Flows (Unit: ¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes	9,784	11,377
Depreciation and amortization	12,457	13,007
Impairment loss	9	46
Amortization of goodwill	―	351
Amortization of negative goodwill	(80)	(80)
Increase (decrease) in allowance for doubtful accounts	(109)	(13)
Increase (decrease) in provision for retirement benefits	(63)	185
Increase (decrease) in provision for bonuses	(0)	47
Increase (decrease) in provision for directors' bonuses	(4)	0
Interest and dividends income	(706)	(732)
Interest expenses	604	504
Equity in (earnings) losses of affiliates	(364)	(156)
Loss (gain) on sales of noncurrent assets	(6)	3
Loss on retirement of noncurrent assets	246	554
Loss (gain) on sales of investment securities	(100)	(28)
Loss (gain) on valuation of investment securities	1,499	567
Loss (gain) on valuation of derivatives	95	19
Loss on adjustment for changes of accounting standard for asset retirement obligations	340	―
Decrease (increase) in notes and accounts receivable-trade	397	(5,011)
Decrease (increase) in inventories	(984)	(676)
Increase (decrease) in notes and accounts payable-trade	(792)	5,079
Decrease (increase) in prepaid pension costs	235	715
Decrease in assets and liabilities for Transportation Security Services	(7,646)	(6,597)
Other	517	1,783
Subtotal	15,327	20,944
Interest and dividends income received	807	802
Interest expenses paid	(610)	(503)
Income taxes paid	(4,363)	(4,632)
Income taxes refund	949	602
Net cash provided by (used in) operating activities	12,110	17,213
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	639	(600)
Purchase of property, plant and equipment	(9,898)	(8,609)
Proceeds from sales of property, plant and equipment	26	6
Purchase of investment securities	(1,966)	(2,013)
Proceeds from sales of investment securities	2,052	1,451
Purchase of investments in subsidiaries (Note 2)	(2,451)	―
Decrease (increase) in short-term loans receivable	0	(18)
Payments of long-term loans receivable	(113)	(121)
Collection of long-term loans receivable	94	134
Other	(648)	(1,089)
Net cash provided by (used in) investing activities	(12,265)	(10,859)

Contd.

(Unit: ¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(267)	2
Proceeds from long-term loans payable	14,050	940
Repayment of long-term loans payable	(1,441)	(3,713)
Proceeds from issuance of bonds	―	50
Redemption of bonds	(2,200)	(2,300)
Proceeds from stock issuance to minority shareholders	14	―
Purchase of treasury stock	(0)	(0)
Proceeds from disposal of treasury stock of subsidiaries in consolidation	―	20
Repayments of lease obligations	(1,402)	(2,669)
Cash dividends paid	(2,010)	(2,010)
Cash dividends paid to minority shareholders	(273)	(227)
Net cash provided by (used in) financing activities	6,469	(9,908)
Effect of exchange rate change on cash and cash equivalents	(8)	(4)
Net increase (decrease) in cash and cash equivalents	6,305	(3,558)
Cash and cash equivalents at beginning of period	37,349	43,654
Increase in cash and cash equivalents from newly consolidated subsidiary	―	379
Cash and cash equivalents at end of period (Note 1)	43,654	40,476

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

(6) Notes on the Basic Important Points for Preparing the Consolidated Financial Statements of Fiscal year ended March 31, 2012

Items	Fiscal year ended March, 31, 2012
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 55 Name of significant consolidated subsidiaries Japan Facilio Co., Ltd. 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, 2011, consolidated subsidiaries ALSOK Miyagi Kanzai Co., Ltd., ALSOK Akita Kanzai Co., Ltd., ALSOK Iwate Kanzai Co., Ltd., and ALSOK Yamagata Kanzai Co., Ltd. were established through corporate spin-offs from Tohoku Sogo Kanzai Co., Ltd., in order to take over its operations. These subsidiaries are now included within the scope of consolidation, while Tohoku Sogo Kanzai Co., Ltd. was removed from the scope of consolidation following its liquidation. On April 1, 2011, Yamaguchi kanzai Co., Ltd. was absorbed by YAMAGUCHI-SOGOKEIBIHOSYO CO., LTD. and was thus removed from the scope of consolidation. On April 1, 2011, Kitakanto Keiso Services Co., Ltd., which was an affiliate accounted for under the equity method, was included in the scope of consolidation following an increase in materiality. On February 29, 2012, ALSOK MALAYSIA SDN. BHD. was established in Malaysia, and is subsequently included in the scope of consolidation. (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 the amount of assets, net 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. 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 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.

3. Matters concerning fiscal year-end of consolidated subsidiaries	The date of settlement of accounts for consolidated subsidiaries ALSOK (Vietnam) Co., Ltd. and ALSOK (Shanghai) Co., Ltd. is December 31. The financial statements presented on this date are used for the preparation of the consolidated financial statements of the Company. However, transactions with material importance between January 1 and March 31, the date of settlement of the 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 the consolidated accounts (valuation differences are reported as a separate component of net assets and the sale price is determined by the moving-average method); derivative embedded bonds that cannot be treated separately are reported using the mark-to-market method (sale price is determined by the moving-average method) Without market value: At cost, using the moving average method b. Derivatives By the mark-to-market method. c. Inventories Raw materials and supplies 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). Costs on uncompleted installation contracts Evaluated individually at cost (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: 15 to 50 years Machinery, equipment and delivery equipment: 3 to 5 years b. Intangible fixed 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). 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. (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 (principally 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 (principally 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.

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.

(4) Important accounting standard for income and expenses

a. 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.

b. The accounting standard used for balance of completed installation contracts and costs of completed installation contracts

For contracts started in the year under review, the percentage-of-completion method has been applied for recognizing sales from installation projects; otherwise, the completed-contract method has been applied. For contract using the percentage-of-completion method, the cost ratio method is used for calculating installation costs.

(5) 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 year are as follows:

Hedging instruments: interest rate

Hedged items: bank loans and bonds

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 omitted for interest rate swaps accounted by exceptional accounting that qualify for hedge accounting and meet specific matching criteria, as they are considered highly hedge effective.

(6) Method and period for amortization of goodwill

Goodwill is amortized evenly over a 5-year period. Additionally, negative goodwill incurred before March 31, 2010 is amortized evenly over a 5-year period.

(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.

(8) Other important matters

Accounting for consumption tax

Excluded from transaction amounts.

(7) Additional information

Fiscal year ended March, 31, 2012
Adoption of the Accounting Standard for Accounting Changes and Error Corrections Starting in the fiscal year ended March 31, 2012, the Company adopted the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009) to be used when implementing changes or correcting past mistakes from April 1, 2011, onward. Adoption of the Practical Solution on Accounting for Transfer between Retirement Benefit Plans On June 1, 2011, the Company changed the retirement benefits system of consolidated subsidiary Japan Facilio Co., Ltd., from a tax-qualified retirement pension system to a defined-benefit retirement pension system. Accordingly, the Practical Solution on Accounting for Transfer between Retirement Benefit Plans (Corporate Accounting Standards Implementation Guidelines, No. 1) has been adopted. This change has resulted in a ¥71 million increase in provisions for retirement benefits and the recording of an equivalent amount of past service liabilities. Past service liabilities are expensed as incurred. This change has resulted in a ¥71 million decrease in operating income, ordinary income, and income before income taxes. Adjustment of amount of deferred tax assets and deferred tax liabilities following change in effective tax rate On December 2, 2011, the Act on Revision of Certain Income Taxes to Develop a Tax Structure in Response to Changes in the Economic Society (Act No. 114 of 2011) and Special Measures Act for the Reconstruction Funding After the Great East Japan Earthquake (Act No. 117 of 2011) were proclaimed, lowering tax rates for fiscal years starting after April 1, 2012, and requiring the payment of a special corporate surtax for post-earthquake reconstruction purposes. As a result, deferred tax assets (the amount deducted from deferred tax liabilities) decreased ¥1,543 million, deferred tax liabilities for land revaluation decreased ¥52 million, and income taxes-deferred increased ¥1,669 million.

(8) Notes on the Preparation of the Consolidated Financial Results

Consolidated Balance Sheets

Fiscal year ended March, 31, 2011	Fiscal year ended March, 31, 2012
*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 ¥20,187million relating to this operation.	*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 ¥13,283 million relating to this operation.
*2. Notes maturing on the closing date of the fiscal year ―――	*2. Notes maturing on the closing date of the fiscal year Notes maturing on the closing date of the consolidated fiscal year are deemed to have been settled on the date of clearing for the purpose of accounting treatment. As the closing date of the fiscal year ended March 31, 2012, was a banking holiday, the following notes maturing on the closing date of the fiscal year are included in the outstanding balance. Notes receivable: ¥190 million
*3. 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: ¥1,064 million	*3. 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: ¥1,121 million

*4 Assets pledged as collateral and obligations collateralized by the assets Assets pledged as collateral are as follows: (¥ million) Cash and deposits 445 Buildings and structures 2,231 Land 3,088 Investments in securities 26 Total 5,792 The obligations collateralized by the above assets are as follows: (¥ million) Short-term borrowings 162 Current portion of long-term debt 598 Long-term borrowings 1,604 Total 2,364 *5. Investments in non-consolidated subsidiaries and affiliated companies are as follows: Investments in securities (stocks) ¥6,136million	*4 Assets pledged as collateral and obligations collateralized by the assets Assets pledged as collateral are as follows: (¥ million) Cash and deposits 445 Buildings and structures 2,134 Land 3,083 Investments in securities 26 Total 5,689 The obligations collateralized by the above assets are as follows: (¥ million) Short-term borrowings 50 Current portion of long-term debt 643 Long-term borrowings 1,207 Total 1,901 *5. Investments in non-consolidated subsidiaries and affiliated companies are as follows: Investments in securities (stocks) ¥5,996million

Consolidated Statements of Operations

<table>
<tr><th>Fiscal year ended March, 31, 2011</th><th>Fiscal year ended March, 31, 2012</th></tr>
<tr><td>
*1. Selling, general and administrative expenses comprise the following:
<table>
<tr><th></th><th>(¥ million)</th></tr>
<tr><td>Advertising</td><td>2,374</td></tr>
<tr><td>Salaries and allowances</td><td>32,436</td></tr>
<tr><td>Provision for bonuses</td><td>305</td></tr>
<tr><td>Provision for directors′ bonuses</td><td>193</td></tr>
<tr><td>Provision for directors′ retirement benefits</td><td>118</td></tr>
<tr><td>Provision of allowance for doubtful accounts</td><td>22</td></tr>
<tr><td>Welfare and service</td><td>5,153</td></tr>
<tr><td>Retirement benefit expenses</td><td>1,803</td></tr>
<tr><td>Rent</td><td>5,176</td></tr>
<tr><td>Depreciation</td><td>2,261</td></tr>
<tr><td>Taxes and duties</td><td>1,178</td></tr>
<tr><td>Communication</td><td>1,240</td></tr>
</table>
</td><td>
*1. Selling, general and administrative expenses comprise the following:
<table>
<tr><th></th><th>(¥ million)</th></tr>
<tr><td>Advertising</td><td>2,241</td></tr>
<tr><td>Salaries and allowances</td><td>33,385</td></tr>
<tr><td>Provision for bonuses</td><td>332</td></tr>
<tr><td>Provision for directors′ bonuses</td><td>200</td></tr>
<tr><td>Provision for directors′ retirement benefits</td><td>154</td></tr>
<tr><td>Provision of allowance for doubtful accounts</td><td>100</td></tr>
<tr><td>Welfare and service</td><td>5,269</td></tr>
<tr><td>Retirement benefit expenses</td><td>2,057</td></tr>
<tr><td>Rent</td><td>5,020</td></tr>
<tr><td>Depreciation</td><td>2,142</td></tr>
<tr><td>Taxes and duties</td><td>1,209</td></tr>
<tr><td>Communication</td><td>1,224</td></tr>
</table>
</td></tr>
<tr><td>
*2. Total amount of research and development expenses
Research and development expenses included in administrative expenses are ¥681million.
</td><td>
*2. Total amount of research and development expenses
Research and development expenses included in administrative expenses are ¥561million.
</td></tr>
<tr><td>
*3. Loss on disposal of tangible fixed assets
<table>
<tr><th></th><th>(¥ million)</th></tr>
<tr><td>Machinery and equipment</td><td>94</td></tr>
<tr><td>Others</td><td>152</td></tr>
<tr><td>Total</td><td>246</td></tr>
</table>
</td><td>
*3. Loss on disposal of tangible fixed assets
<table>
<tr><th></th><th>(¥ million)</th></tr>
<tr><td>Machinery and equipment</td><td>56</td></tr>
<tr><td>Others</td><td>80</td></tr>
<tr><td>Total</td><td>137</td></tr>
</table>
</td></tr>
<tr><td>
*4. Loss on retirement of noncurrent assets
―――
</td><td>
*4. Loss on retirement of noncurrent assets
<table>
<tr><th></th><th>(¥ million)</th></tr>
<tr><td>Machinery and equipment</td><td>127</td></tr>
<tr><td>Software</td><td>275</td></tr>
<tr><td>Others</td><td>13</td></tr>
<tr><td>Total</td><td>416</td></tr>
</table>
</td></tr>
<tr><td>
*5. Impairment losses
For the fiscal year ended March 31, 2011, the ALSOK Group recorded impairment losses as follows:
<table>
<tr><th>Type</th><th>Purpose</th><th>Impairment losses</th></tr>
<tr><td>Land</td><td>Vacant lot</td><td>¥9 million</td></tr>
</table>
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, ¥9 million for land for the year ended March 31, 2011.

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.
</td><td>
*5. Impairment losses
For the fiscal year ended March 31, 2012, the ALSOK Group recorded impairment losses as follows:
<table>
<tr><th>Type</th><th>Purpose</th><th>Impairment losses</th></tr>
<tr><td>Land</td><td>Vacant lot</td><td>¥46 million</td></tr>
</table>
Asset 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, ¥46 million for land (Yokosuka City, Kanagawa Prefecture; Futaba District, Fukushima; Ube City, Yamaguchi Prefecture) for the year ended March 31, 2012.

The recoverable value for this asset 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.
</td></tr>
<tr><td>
*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.
¥(1)million
</td><td>
*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.
¥8 million
</td></tr>
</table>

Consolidated statements of comprehensive income

Fiscal year ended March 31, 2012

* Amount of recycling and amount of income tax effect associated with other comprehensive income

	(¥ million)
Valuation difference on available-for-sale securities:	
Amount recognized in the period under review	282
Amount of recycling	431
Before income tax effect adjustment	713
Amount of income tax effect	(142)
Valuation difference on available-for-sale securities	570
Revaluation reserve for land:	
Amount of income tax effect	52
Foreign currency translation adjustment:	
Amount recognized in the period under review	(4)
Share of other comprehensive income of associates accounted for using equity method	
Amount recognized in the period under review	(0)
Amount of recycling	2
Share of other comprehensive income of associates accounted for using equity method	2
Total other comprehensive income	620

Consolidated Statements of Changes in Net Assets

Fiscal year ended March, 31, 2011

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

(Shares)

	Number of shares as of April 1, 2010	Number of increased shares during the fiscal year	Number of decreased shares during the fiscal year	Number of shares as of March 31, 2011
Issued shares				
Common stock	102,040,042	—	—	102,040,042
Total	102,040,042	—	—	102,040,042
Treasury stock				
Common stock (Note)	1,505,543	62	—	1,505,605
Total	1,505,543	62	—	1,505,605

Note: The increase of 62 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, 2011 (¥ million)
			As of April 1, 2010	Increase	Decrease	As of March 31, 2011	
Submitting Company (Parent Company)	2003 Stock acquisition rights (Note)	Common stock	210	—	210	—	—
Total		—	210	—	210	—	—

Note: The previous fiscal year decrease is a result of the exercise or invalidation of subscription 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, 2010	Common stock	1,005	10.0	March 31, 2010	June 28, 2010
Board of Directors Meeting on October 29, 2010	Common stock	1,005	10.0	September 30, 2010	December 3, 2010

(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 24, 2011	Common stock	1,005	Retained earnings	10.0	March 31, 2011	June 27, 2011

<u>Fiscal year ended March, 31, 2012</u>

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

(Shares)

	Number of shares as of April 1, 2011	Number of increased shares during the fiscal year	Number of decreased shares during the fiscal year	Number of shares as of March 31, 2012
Issued shares				
Common stock	102,040,042	—	—	102,040,042
Total	102,040,042	—	—	102,040,042
Treasury stock				
Common stock (Note)	1,505,605	149	—	1,505,754
Total	1,505,605	149	—	1,505,754

Note: The increase of 149 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

Not applicable.

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 24, 2011	Common stock	1,005	10.0	March 31, 2011	June 27, 2011
Board of Directors Meeting on October 31, 2011	Common stock	1,005	10.0	September 30, 2011	December 5, 2011

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

The following proposals will be made at the Ordinary General Meeting of Shareholders scheduled to be held on June 26, 2012.

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 26, 2012	Common stock	1,005	Retained earnings	10.0	March 31, 2012	June 27, 2012

Consolidated Statements of Cash Flows

<table>
<tr><th>Fiscal year ended March, 31, 2011</th><th>Fiscal year ended March, 31, 2012</th></tr>
<tr><td>

*1. 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, 2011)
(¥ million)

Cash and deposits	51,062
Deposits to mature in excess of 3 months	(7,645)
Short-term investments (securities) to be redeemed within 3 months of acquisition date	238
Cash and cash equivalents	43,654

*2.Major assets and liabilities of companies that became subsidiaries following the acquisition of stock

The assets and liabilities of Japan Facilio Co., Ltd. at the time of its addition to the scope of consolidation due to the Company's acquisition of its stock, the cost of acquiring the stock in Japan Facilio Co., Ltd., and the net amount paid to acquire Japan Facilio Co., Ltd. are as follows.

(¥ million)

Current assets	10,838
Fixed assets	2,511
Goodwill	1,712
Current liabilities	6,766
Long-term liabilities	1,308
Minority interests	589
Cost of acquiring Japan Facilio Co., Ltd.	6,398
Cash and cash equivalents of Japan Facilio Co., Ltd.	3,946
Deduction: Amount paid to acquire Japan Facilio Co., Ltd.	2,451

</td><td>

*1. 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, 2012)
(¥ million)

Cash and deposits	48,553
Deposits to mature in excess of 3 months	(8,315)
Short-term investments (securities) to be redeemed within 3 months of acquisition date	238
Cash and cash equivalents	40,476

*2. Major assets and liabilities of companies that became subsidiaries following the acquisition of stock

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</td></tr>
</table>

Segment information and other related information

A. Segment Information

1. Outline of Reportable Segments

(1) Method of Defining Reportable Segments

The reportable segments the Company reports are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors, etc., to evaluate regularly in determining how to allocate resources and assess their business performance.

The Group has two reportable segments: Security Services, which conducts electronic security services, stationed security services, and transportation security services; and Total Building Management Services and Disaster Prevention Services, which conducts activities including facility operation and management services, environmental hygiene management, cleaning services, fire extinguishing equipment inspection and installation, and sales of various disaster prevention equipment.

(2) Change in Reportable Segments

In the fiscal year ended March 31, 2011, the Company acquired Japan Facilio Co., Ltd., a company that conducts building management and disaster prevention services. For this reason, in the fiscal year under review, the Company changed its reportable segments, adding a second to its existing one segment. The Company now has two reportable segments: Security Services and Total Building Management Services and Disaster Prevention Services.

Operating results for the previous fiscal year have not been restated to reflect this change.

2. Method of calculating sales and income (loss), identifiable assets, and other items by business segment reported

Accounting method for business segment reported is the same as presentations on "Notes on the Basic Important Points for Preparing the Consolidated Financial Statements of Fiscal year ended March 31, 2012."

Income by business segments reported are calculated based on operating income.

Intersegment sales are calculated based on market prices.

3. Information on sales and income (loss), identifiable assets, and other items by business segment reported

For the year ended March 31, 2011

(¥ million)

	Reportable segments			Others*1	Total	Elimination and corporate*2	Consolidation *3
	Security Services	Total Building Management Services and Disaster Prevention Services	Total				
Net sales							
Outside sales	257,493	17,024	274,517	4,754	279,272	—	279,272
Intersegment sales	3,137	185	3,323	330	3,654	(3,654)	—
Total	260,631	17,209	277,841	5,085	282,926	(3,654)	279,272
Income by business segment	16,392	1,664	18,057	848	18,905	(8,552)	10,352
Depreciation	11,503	296	11,800	620	12,420	36	12,457

Note: 1. The "Others" category incorporates operations not included in reportable segments, including the provision of MMK multi-function ATMs, security solutions operations, information security services, and emergency dispatch services in which employees are sent to accident sites.
2. The ¥8,552 million deduction to income by business segment under eliminations and corporate represents companywide expenses that cannot be attributed to any specific reportable segment. These expenses are primarily administrative costs not associated with specific reportable segments.
3. Income by business segment has been adjusted for the operating income figure on the Consolidated Statements of Income.
4. Assets are not allocated to specific business segments.

For the year ended March 31, 2012

(¥ million)

	Reportable segments			Others*1	Total	Elimination and corporate*2	Consolidation *3
	Security Services	Total Building Management Services and Disaster Prevention Services	Total				
Net sales							
Outside sales	264,004	36,608	300,652	4,070	304, 723	—	304,723
Intersegment sales	2,874	133	3,008	331	3,339	(3,339)	—
Total	266,918	36,742	303,660	4,401	308,062	(3,339)	304,723
Income by business segment	17,256	1,253	18,509	966	19,476	(8,665)	10,810
Depreciation	11,849	432	12,281	687	12,969	37	13,007
Depreciation of goodwill	8	342	351	0	351	—	351

Note: 1. The "Others" category incorporates operations not included in reportable segments, including the provision of MMK multi-function ATMs, security solutions operations, information security services, and emergency dispatch services in which employees are sent to accident sites.
2. The ¥8,665 million deduction to income by business segment under eliminations and corporate represents companywide expenses that cannot be attributed to any specific reportable segment. These expenses are primarily administrative costs not associated with specific reportable segments.
3. Income by business segment has been adjusted for the operating income figure on the Consolidated Statements of Income.
4. Assets are not allocated to specific business segments.

B. Relative Information

1. For the fiscal year ended March 31, 2011

(1) Product and services information

Product and services information is omitted as it is the same as segment information.

(2) Regional information

a. Net sales

Information regarding regional sales is omitted as sales to customers in Japan account for over 90% of the total sales recorded on the Consolidated Statements of Income.

b. Property, plant and equipment

Information regarding property, plant and equipment in specific is omitted as the value of property, plant and equipment in Japan accounts for over 90% of the total value recorded on the Consolidated Balance Sheets.

(3) Major customer information

Information regarding major customers is omitted as there are no customers to which over 10% of the total sales recorded on the Consolidated Statements of Income can be attributed.

2. For the fiscal year ended March 31, 2012

(1) Product and services information

Product and services information is omitted as it is the same as segment information.

(2) Regional information

a. Net sales

Information regarding regional sales is omitted as sales to customers in Japan account for over 90% of the total sales recorded on the Consolidated Statements of Income.

b. Property, plant and equipment

Information regarding property, plant and equipment in specific is omitted as the value of property, plant and equipment in Japan accounts for over 90% of the total value recorded on the Consolidated Balance Sheets.

(3) Major customer information

Information regarding major customers is omitted as there are no customers to which over 10% of the total sales recorded on the Consolidated Statements of Income can be attributed.

C. Information on Impairment Loss in Noncurrent Assets by Reportable Segment

1. For the fiscal year ended March 31, 2011

There were no impairment losses attributed to reportable segments. An impairment loss of ¥9 million was recorded of which ¥9 million was on the value of land.

2. For the fiscal year ended March 31, 2012

There were no impairment losses attributed to reportable segments. An impairment loss of ¥46 million was recorded of which ¥46 million was on the value of land.

D. Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment

1. For the fiscal year ended March 31, 2011

Amortization of goodwill and unamortized balance

There was no amortization of goodwill

On March 31, 2011, the balance of unamortized goodwill was ¥1,712 million. As assets are not allocated to specific business segments, the balance of unamortized goodwill at the end of the fiscal year is not included in reportable segments.

Amortization of negative goodwill and unamortized balance related to business combinations performed before April 1, 2010

Amortization of negative goodwill and unamortized balance related to business combinations performed before April 1, 2010, is as follows. Amortization of negative goodwill and unamortized balance is not included in reportable segments.

	(¥ million)
Amortization of negative goodwill	80
Balance at end of period	303

2. For the fiscal year ended March 31, 2012

Amortization of goodwill and unamortized balance

Information regarding amortization of goodwill is omitted as it is the same as the information disclosed in segment information. On March 31, 2012, the balance of unamortized goodwill was ¥1,470 million. As assets are not allocated to specific [business/reportable] segments, the balance of unamortized goodwill at the end of the fiscal year is not included in reportable segments.

Amortization of negative goodwill and unamortized balance related to business combinations performed before April 1, 2010

Amortization of negative goodwill and unamortized balance related to business combinations performed before April 1, 2010, is as follows. Amortization of negative goodwill and unamortized balance is not included in reportable segments.

	(¥ million)
Amortization of negative goodwill	80
Balance at end of period	222

E. Information on Negative Goodwill by Reportable Segment

1. For the fiscal year ended March 31, 2011

Not applicable.

2. For the fiscal year ended March 31, 2012

Not applicable.

Per share information

(¥)

Fiscal year ended March, 31, 2011		Fiscal year ended March, 31, 2012	
Net assets per share	¥1,421.67	Net assets per share	¥1,446.93
Net income per share	¥46.82	Net income per share	¥38.83
Fully diluted net income per share is not shown because no dilutive shares existed.		Fully diluted net income per share is not shown because no applicable shares existed.	

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

(¥ million)

	Fiscal year ended March, 31, 2011	Fiscal year ended March, 31, 2012
Net income per share		
Net income	4,706	3,903
Amount not belonging to ordinary shareholders	—	—
Net income attributable to common stock	4,706	3,903
Weighted average numbers of ordinary shares (thousands of shares)	100,534	100,534
Overview of residual shares not included in the calculation of net income per share (diluted) because of lack of dilution effort	2,108 stock acquisition rights of one type (2,108 stock acquisition rights 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:

	Fiscal year ended March, 31, 2011	Fiscal year ended March, 31, 2012
Total net assets (¥ million)	162,178	165,634
Amount deducted from total net assets (¥ million)	19,251	20,168
(minority interests)	(19,251)	(20,168)
Net assets at end of year relating to common stock (¥ million)	142,926	145,465
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

5. Other

(1) Changes in directors, corporate auditors, and executive officers

a. Change in representative director
Not applicable

b. Change in other directors, corporate auditors, and executive officers
i. New director candidates
Seiki Miyamoto, Director (Outside Director)
(Previously Representative Director and Executive Vice President at Nippon Steel Corporation)
ii. Retiring directors
Akira Kanno, Director (Outside Director)

c. Scheduled date of changes
June 26, 2012

(2) Information regarding production, orders, and sales

a. Production
The ALSOK Group does not conduct production. Contracts for each business category are as follows.

(Number of contracts)

Business segment	Fiscal year ended March, 31, 2011	Fiscal year ended March, 31, 2012	YoY (%)
Security Services			
Electronic Security Services	541,654	580,263	7.1
Stationed Security Services	2,866	2,934	2.4
Transportation Security Services	39,065	48,284	23.6
Total	583,585	631,481	8.2
Total Building Management Services and Disaster Prevention Services	44,212	47,913	8.4
Total for reportable segments	627,797	679,394	8.2
Others	8,307	8,957	7.8
Total	636,104	688,351	8.2

Note: The increase in contracts for Transportation Security Services includes increases associated with changes in contract structure.

b. Sales
Sales for each business category are as follows.

(¥ million)

Business segment	Fiscal year ended March, 31, 2011	Fiscal year ended March, 31, 2012	YoY (%)
Security Services			
Electronic Security Services	138,463	142,900	3.2
Stationed Security Services	71,337	71,326	(0.0)
Transportation Security Services	47,692	49,817	4.5
Total	257,493	264,044	2.5
Total Building Management Services and Disaster Prevention Services	17,024	36,608	115.0
Total for reportable segments	274,517	300,652	9.5
Others	4,754	4,070	(14.4)
Total	279,272	304,723	9.1

Note: 1. Values have not been adjusted for income taxes and other taxes.
2. No one customer accounts for over 10% of total sales.