

Note

(1) Changes in consolidated subsidiaries (Changes in scope of consolidation) : No

Added: - Removed: -

(2) Application of accounting which is simplified or exceptional for quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

a Changes arising from revision of accounting standards : No

b Changes arising from other factors : Yes

c Changes arising from accounting estimate : Yes

d Restatement : No

Changes are conducted in accordance with Article 10-5 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements

(4) Number of shares outstanding (Ordinary shares)

a Number of shares issued (including treasury stock)	Nine months ended December 31, 2013	102,040,042 shares	Year ended March 31, 2013	102,040,042 shares
b Number of shares of treasury stock	Nine months ended December 31, 2013	1,521,185 shares	Year ended March 31, 2013	1,520,950 shares
c Average number of ordinary shares throughout the fiscal year	Nine months ended December 31, 2013	100,519,005 shares	Nine months ended December 31, 2012	100,534,284 shares

*Indication of review procedure implementation status

This summary of quarterly consolidated financial results is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. The quarterly review procedure is in progress 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, and the Company does not promise the achievement of these results. Actual results may differ significantly from these forecasts due to various factors.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Assets		
Current assets		
Cash and deposits	46,652	38,087
Cash for Transportation Security Services	64,094	94,565
Notes and accounts receivable-trade	31,309	31,634
Short-term investment securities	1,439	339
Raw materials and supplies	4,844	5,018
Costs on uncompleted construction contracts	825	1,028
Advances paid	5,732	6,228
Other	9,450	16,834
Allowance for doubtful accounts	(198)	(177)
Total current assets	164,149	193,559
Noncurrent assets		
Property, plant and equipment	60,149	63,342
Intangible assets		
Goodwill	1,129	863
Other	4,828	4,875
Total intangible assets	5,957	5,739
Investments and other assets		
Investment securities	32,243	35,183
Other	35,020	36,044
Allowance for doubtful accounts	(855)	(838)
Total investments and other assets	66,408	70,389
Total noncurrent assets	132,515	139,471
Total assets	296,665	333,030

	As of March 31, 2013	As of December 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	17,417	15,160
Short-term loans payable	23,038	57,812
Income taxes payable	3,732	1,610
Provision	1,250	621
Other	29,932	31,043
Total current liabilities	75,372	106,249
Noncurrent liabilities		
Bonds payable	30	20
Long-term loans payable	6,750	4,747
Provision for retirement benefits	28,783	28,602
Provision for directors' retirement benefits	1,624	1,653
Asset retirement obligations	93	67
Other	8,448	8,712
Total noncurrent liabilities	45,730	43,803
Total liabilities	121,102	150,052
Net assets		
Shareholders' equity		
Capital stock	18,675	18,675
Capital surplus	32,117	32,117
Retained earnings	106,731	111,423
Treasury stock	(1,987)	(1,987)
Total shareholders' equity	155,536	160,228
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,245	6,276
Revaluation reserve for land	(5,343)	(5,343)
Foreign currency translation adjustment	(10)	39
Total accumulated other comprehensive income	(1,109)	972
Minority interests	21,135	21,776
Total net assets	175,563	182,977
Total liabilities and net assets	296,665	333,030

Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net sales	232,677	239,330
Cost of sales	178,050	181,412
Gross profit	54,627	57,918
Selling, general and administrative expenses	45,569	45,085
Operating income	9,058	12,833
Non-operating income		
Interest income	151	183
Dividends income	424	501
Gain on sales of investment securities	-	69
Equity in earnings of affiliates	1,076	216
Other	1,436	1,369
Total non-operating income	3,089	2,340
Non-operating expenses		
Interest expenses	417	421
Loss on sales of investment securities	33	7
Loss on retirement of noncurrent assets	30	83
Other	319	417
Total non-operating expenses	801	930
Ordinary income	11,346	14,243
Extraordinary income		
Gain on sales of investment securities	141	25
Compensation income	617	96
Gain on reversal of asset retirement obligations	-	25
Total extraordinary income	758	147
Extraordinary loss		
Loss on valuation of investment securities	146	8
Loss on retirement of noncurrent assets	-	66
Impairment loss	138	2
Total extraordinary losses	284	78
Income before income taxes	11,820	14,312
Income taxes	4,609	6,024
Income before minority interests	7,210	8,287
Minority interests in income	703	871
Net income	6,507	7,416

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income before minority interests	7,210	8,287
Other comprehensive income		
Valuation difference on available-for-sale securities	1,254	2,064
Foreign currency translation adjustment	(7)	(7)
Share of other comprehensive income of associates accounted for using equity method	16	117
Total other comprehensive income	1,263	2,174
Comprehensive income	8,474	10,461
(Contents)		
Comprehensive income attributable to owners of the parent	7,675	9,497
Comprehensive income attributable to minority interests	799	964

Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes	11,820	14,312
Depreciation and amortization	8,851	6,791
Impairment loss	138	2
Amortization of goodwill	272	277
Amortization of negative goodwill	(60)	(60)
Increase (decrease) in allowance for doubtful accounts	58	(38)
Increase (decrease) in provision for retirement benefits	705	(180)
Increase (decrease) in provision for bonuses	(583)	(562)
Increase (decrease) in provision for directors' bonuses	(67)	(66)
Interest and dividends income	(575)	(685)
Interest expenses	417	421
Equity in (earnings) losses of affiliates	(1,076)	(216)
Loss (gain) on sales of noncurrent assets	13	1
Loss on retirement of noncurrent assets	30	150
Gain on Reversal of asset retirement obligations	-	(25)
Loss (gain) on sales of investment securities	(108)	(86)
Loss (gain) on valuation of investment securities	146	8
Loss (gain) on valuation of derivatives	(219)	(224)
Decrease (increase) in notes and accounts receivable-trade	3,400	(322)
Decrease (increase) in inventories	185	(376)
Increase (decrease) in notes and accounts payable-trade	(2,552)	(3,603)
Decrease (increase) in prepaid pension costs	(201)	(957)
Decrease in assets and liabilities for Transportation Security Services	(3,368)	(1,121)
Other	(4,879)	(4,394)
Subtotal	12,346	9,042
Interest and dividends income received	646	797
Interest expenses paid	(407)	(416)
Income taxes paid	(4,697)	(7,954)
Income taxes refund	458	32
Net cash provided by (used in) operating activities	8,345	1,502

Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	(1,156)	536
Purchase of property, plant and equipment	(6,747)	(8,234)
Proceeds from sales of property, plant and equipment	131	10
Purchase of investment securities	(1,516)	(832)
Proceeds from sales of investment securities	2,906	1,288
Purchase of investments in subsidiaries	(245)	(30)
Purchase of stocks of subsidiaries and affiliates	(1,353)	-
Decrease (increase) in short-term loans receivable	8	6
Payments of long-term loans receivable	(41)	(58)
Collection of long-term loans receivable	107	140
Other	(2,271)	(1,949)
Net cash provided by (used in) investment activities	(10,177)	(9,121)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	5,481	5,019
Proceeds from long-term loans payable	615	450
Repayment of long-term loans payable	(2,834)	(2,529)
Redemption of bonds	(110)	(10)
Purchase of treasury stock	(0)	(0)
Repayments of lease obligations	(2,276)	(1,695)
Cash dividends paid	(2,111)	(2,664)
Cash dividends paid to minority shareholders	(186)	(304)
Net cash provided by (used in) financing activities	(1,422)	(1,733)
Effect of exchange rate change on cash and cash equivalents	(4)	(9)
Net increase (decrease) in cash and cash equivalents	(3,258)	(9,362)
Cash and cash equivalents at beginning of period	40,476	40,541
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	36
Cash and cash equivalents at end of period	37,217	31,215

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	As of December 31, 2013	YoY(%)
Security Services		
Electronic Security Services	668,934	8.1
Stationed Security Services	3,211	5.8
Transportation Security Services	54,715	7.9
Total	726,860	8.1
Total Building Management Services and Disaster Prevention Services	61,575	13.4
Total for reportable segments	788,435	8.5
Others	12,631	10.6
Total	801,066	8.5

b. Sales

Sales for each business category are as follows.

(Millions of yen)

Business segment	Nine months ended December 31, 2013	YoY(%)
Security Services		
Electronic Security Services	111,237	2.3
Stationed Security Services	57,448	4.1
Transportation Security Services	38,174	0.2
Total	206,860	2.4
Total Building Management Services and Disaster Prevention Services	30,094	6.1
Total for reportable segments	236,955	2.8
Others	2,375	4.5
Total	239,330	2.9

Note: 1. Values have not been adjusted for income taxes and other taxes.

2. No one customer accounts for over 10% of total sales.

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