

ALSO

Sohgo Security Services Co., Ltd.

May 2004

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Section 1

Summary of Financial Result

Topics

- Manage approx. 8,000 of ATMs at convenience stores
- Expand Cash Deposit Online System to approx. 3,000 Cash Deposit Machines
- Satisfy outsourcing needs of financial institutions
- Expand tie-ups with various companies such as Japan Maintenance Co., Ltd. , Tokyo Gas Co., Ltd, NTT WEST, HOCHIKI Corporation
- Implement reorganization such as merger of Sokei Electrical Industry Co., Ltd. and splitting Stationed Security Divisions into a new subsidiary
- Introduce “ALSOK” as our new corporate brand
- Implement “Daiko Henjo”, refunding the portion of Substitutional Benefit of Employee’s Pension Fund

Summary of Profit and Loss

(Unit : JPY bil)	FYE3/04						FYE3/03		FYE3/04Plan	
	Amount	Composition Ratio	Versus Previous Term	Change	Compared to Plan		Amount	Composition Ratio	Amount	Composition Ratio
						Achievement Ratio				
S a l e s	249.2	100.0%	0.8	0.3%	0.8	100.3%	248.3	100.0%	248.4	100.0%
G r o s s P r o f i t	66.3	26.6%	-2.4	-3.6%	-0.1	99.9%	68.8	27.7%	66.4	26.7%
Operating I n c o m e	14.4	5.8%	-3.3	-18.8%	0.1	101.3%	17.8	7.2%	14.2	5.7%
Recurring P r o f i t	15.4	6.2%	-2.9	-15.8%	0.7	105.0%	18.3	7.4%	14.7	5.9%
Net Income	17.7	7.1%	10.2	135.2%	10.4	241.8%	7.5	3.0%	7.3	3.0%

Sales by Services

(Unit : JPY bil)		FYE3/04						FYE3/03	
		Amount	Composition Ratio	Versus Previous Term		Compared to Plan		Amount	Composition Ratio
				Change		Achievement Ratio			
Security Services	Electronic Security	131.4	52.7%	-1.4	-1.1%	1.0	100.8%	132.9	53.5%
	Stationed Security	62.8	25.2%	-1.2	-1.9%	0.2	100.3%	64.0	25.8%
	Transportation Security	37.5	15.1%	1.0	2.8%	-0.2	99.4%	36.5	14.7%
	Total	231.8	93.0%	-1.6	-0.7%	1.0	100.4%	233.4	94.0%
Others		17.4	7.0%	2.5	17.1%	-0.1	98.9%	14.8	6.0%
Grand Total		249.2	100%	0.8	0.3%	0.8	100.3%	248.3	100.0%

Sales by Client Industry

(Unit : JPY bil)	FYE3/04				FYE3/03	
	Amount	Composition Ratio	Versus Previous Term	Change	Amount	Composition Ratio
Financial Institutions	79.5	31.9%	-3.3	-4.1%	82.9	33.4%
Business Corporations	134.5	54.0%	2.5	1.9%	132.0	53.2%
Government Offices/ Public-Interest Corporations	29.6	11.9%	1.1	4.1%	28.4	11.5%
Individuals	5.4	2.2%	0.5	11.3%	4.9	2.0%
Grand Total	249.2	100.0%	0.8	0.3%	248.3	100%

Number of Contracts

		FYE3/04			FYE3/03
		Number of Contracts (Composition Ratio)	V e r s u s P r e v i o u s T e r m	Change	Number of Contracts
S e c u r i t y S e r v i c e s	Electronic Security	362,709 (100.0%)	20,539	6.0	342,170
	Corporate Customers	301,574 (83.1%)	14,002	4.9	287,572
	Individual Customers	61,135 (16.9%)	6,537	12.0	54,598
	Stationed Security	2,340	-130	-5.3	2,470
	T r a n s p o r t a t i o n S e c u r i t y	22,284	2,953	15.3	19,331
	O t h e r s	53,414	11,942	28.8	41,472

Analysis of Sales and Profit Result

Sales + JPY 0.8 bil (VS.PFY)

By service			By client industry
Electronic Security	-JPY 1.4 bil	Decline of sales for security merchandises	Financial Institutions -JPY 3.3 bil
Stationed Security	-JPY 1.2 bil	Decrease of contract number	
Transportation Security	+JPY 1.0 bil	Expansion of ATMs at convenience stores and CDM	Business Corporations + JPY 2.5 bil
Others	+JPY 2.5 bil	Expansion of building management and disaster prevention services	

Cost of Sales + JPY 3.3 bil

Outsourcing Cost	+ JPY1.0 bil
Lease Payment	+ JPY 0.6 bil
Others (Launch of INS line / IC cards for MMK etc...)	+ JPY2.1 bil

SG&A + JPY 0.8 bil

Welfare and Service	+ JPY 0.2 bil
Retirement Benefit Expenses	+ JPY 0.3 bil

Operating Income -JPY 3.3 bil

Summary of Balance Sheets

(Unit : JPY bil)		FYE3/04				FYE3/03	
		Amount	Composition Ratio	Versus Previous Term	Change	Amount	Composition Ratio
Assets	Current assets						
	Long-term assets	126.9	47.2%	-8.4	-6.3%	135.3	52.3%
	Total	268.8	100.0%	9.9	3.8%	258.8	100.0%
Liabilities	Current liabilities	69.0	25.7%	5.3	8.4%	63.7	24.6%
	Long-term liabilities	65.7	24.4%	-12.9	-16.5%	78.7	30.4%
	Total	134.8	50.1%	-7.6	-5.4%	142.4	55.0%
Minority interest	Total	14.4	5.4%	0.9	7.2%	13.5	5.2%
Shareholders' equity	Total	119.5	44.5%	16.6	16.1%	102.9	39.8%

Major Changes of Assets and Liabilities in FYE3/04

Current Assets		Fixed Assets		Current Liabilities		Long-term Liabilities	
Cash and deposits	12.4	Consolidated adjustment account	-1.0	Short-term borrowings	12.2	Bonds	1.1
Securities		Investment securities	2.8	Accrued expenses	1.3	Long-term borrowings	6.6
(redemption of government bond)	-1.2	Insurance fund payments	-0.9	Current portion of bonds	-10.0	Retirement benefit reserve	-20.4
		Deferred tax assets	-7.9				

Summary of Statement of Cash Flows

(Unit : JPY bil)	FYE3/04	FYE3/03	FYE3/02
Cash flows from operating activities	10.8	8.2	16.7
Cash flows from investment activities	-10.6	-15.5	-15.3
Cash flows from financing activities	7.8	9.2	-6.7
Balance of cash and cash equivalents at the end of year	45.8	37.7	35.9

(Unit : JPY1 bil)

The Major Factor of Changes in 3/04

- Cash flows from operating activities	Income before income tax	31.7	(PFY 17.4)
	Decrease in accrued retirement benefit for employees	-20.4	(PFY -2.0)
- Cash flows from investment activities	Payments for purchase of investments in securities	-2.6	(PFY -10.2)
	Decrease in short-term borrowings	12.7	(PFY -4.0)
- Cash flows from financing activities	Payments for redemption of bonds	-10.0	(PFY -)
	Proceeds from issue of new shares	0.04	(PFY 22.2)

Others

Changes in the number of employee

(Unit: persons)

FYE3/02	FYE3/03	FYE3/04
22,676	22,734	23,046

*Changes in the number of sales personnel
for electronic security services*

(Unit: persons)

FYE3/02	FYE3/03	FYE3/04
1,377	1,642	1,765

Changes in capital expenditure

(Unit: JPY billion)

FYE3/02	FYE3/03	FYE3/04
15.2	13.1	12.5

Changes in R&D expenditures

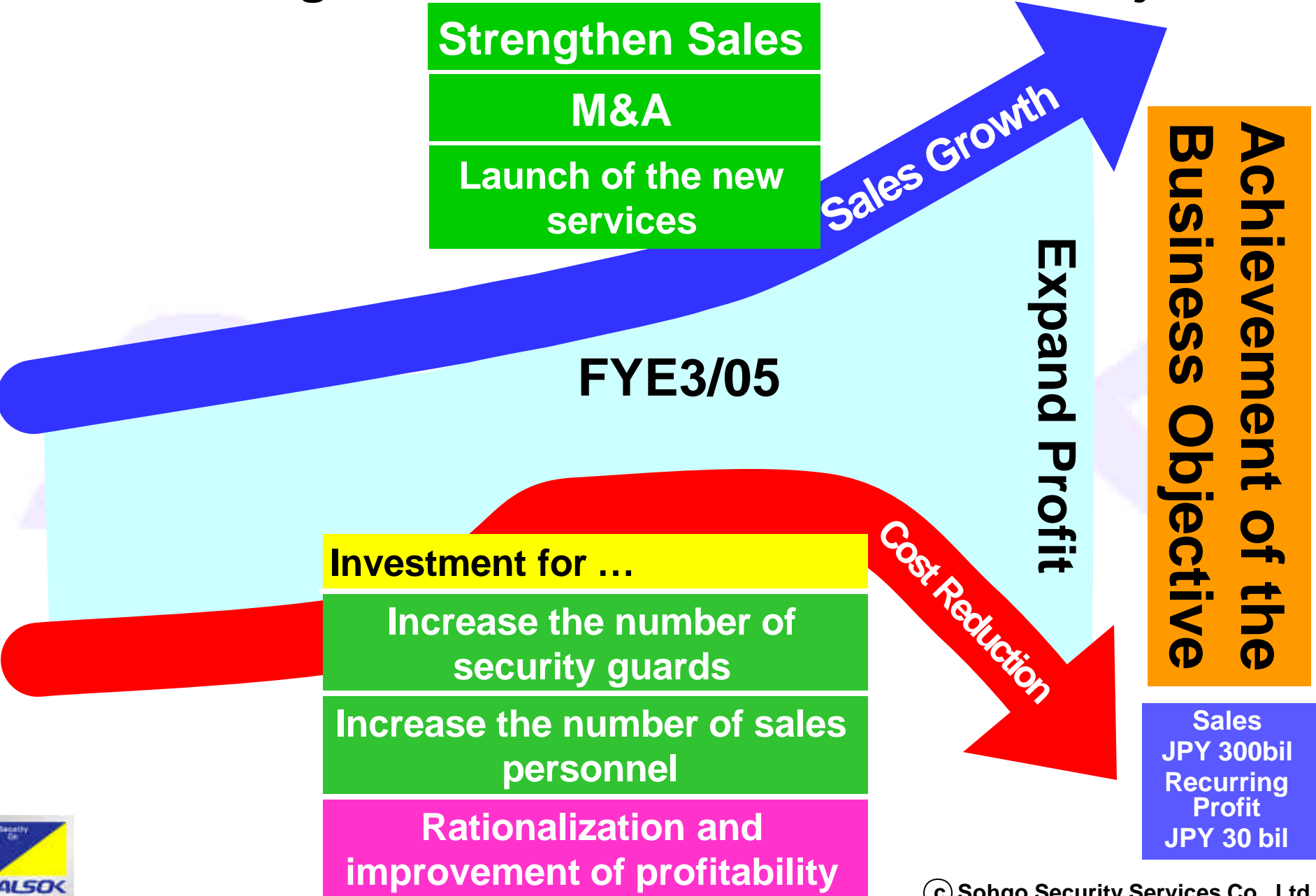
(Unit: JPY billion)

FYE3/02	FYE3/03	FYE3/04
0.4	0.6	0.8

Section 2

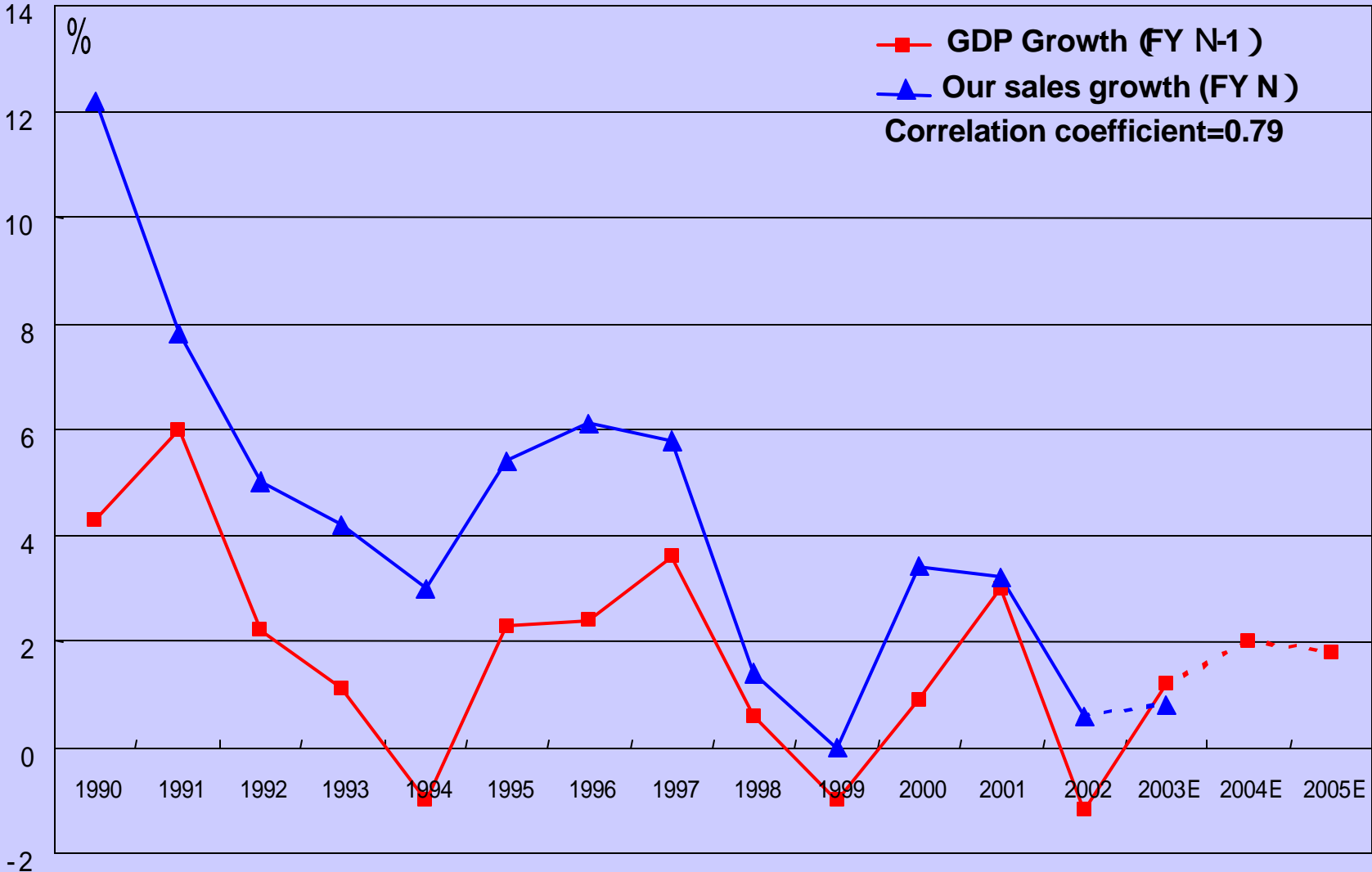
Business Strategy

Positioning of Current Term to Business Objective



Business Environment

Our sales grows lags one year behind GDP

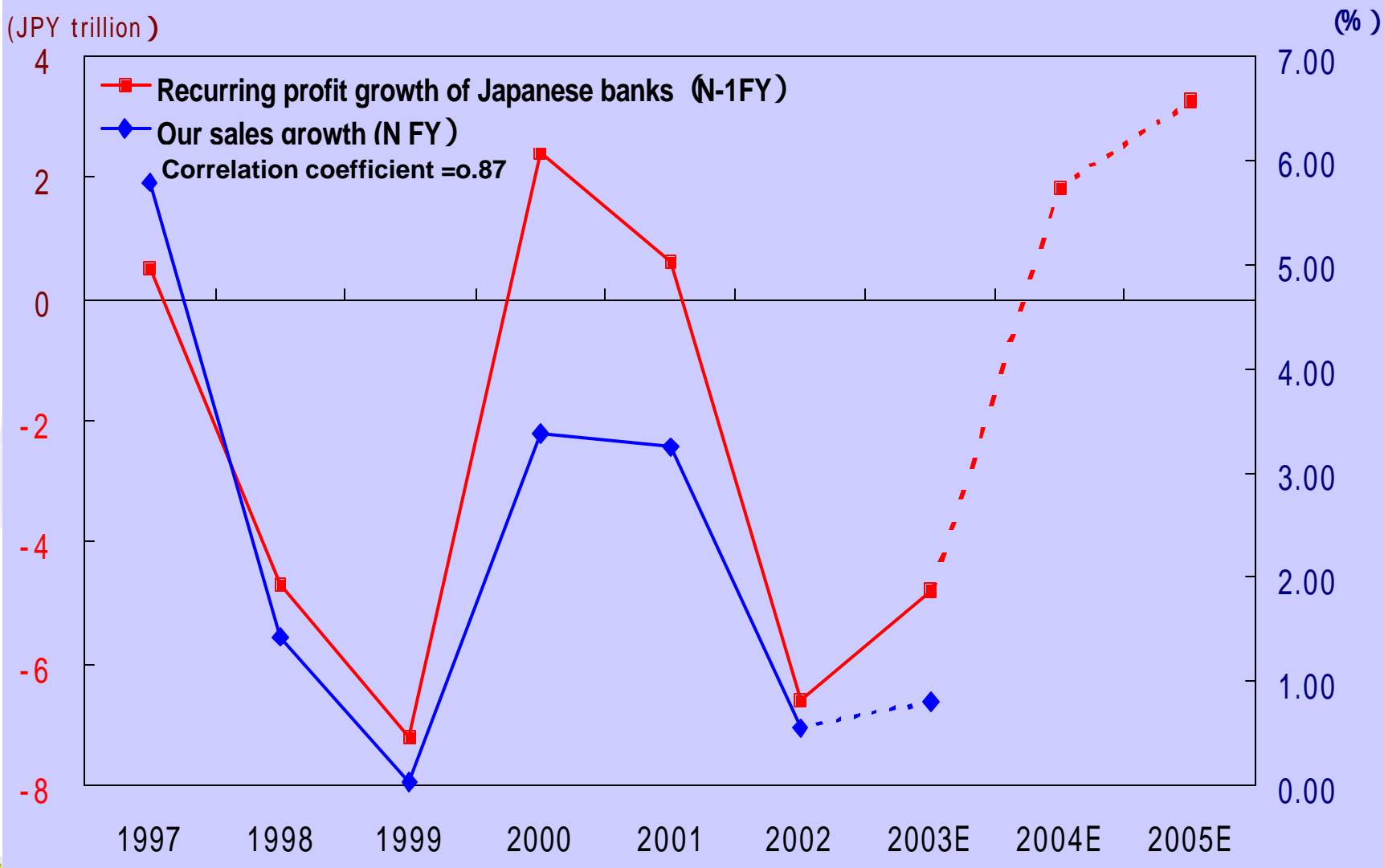


Source: Government Cabinet Office etc.



Financial Result of Banks and Our Sales

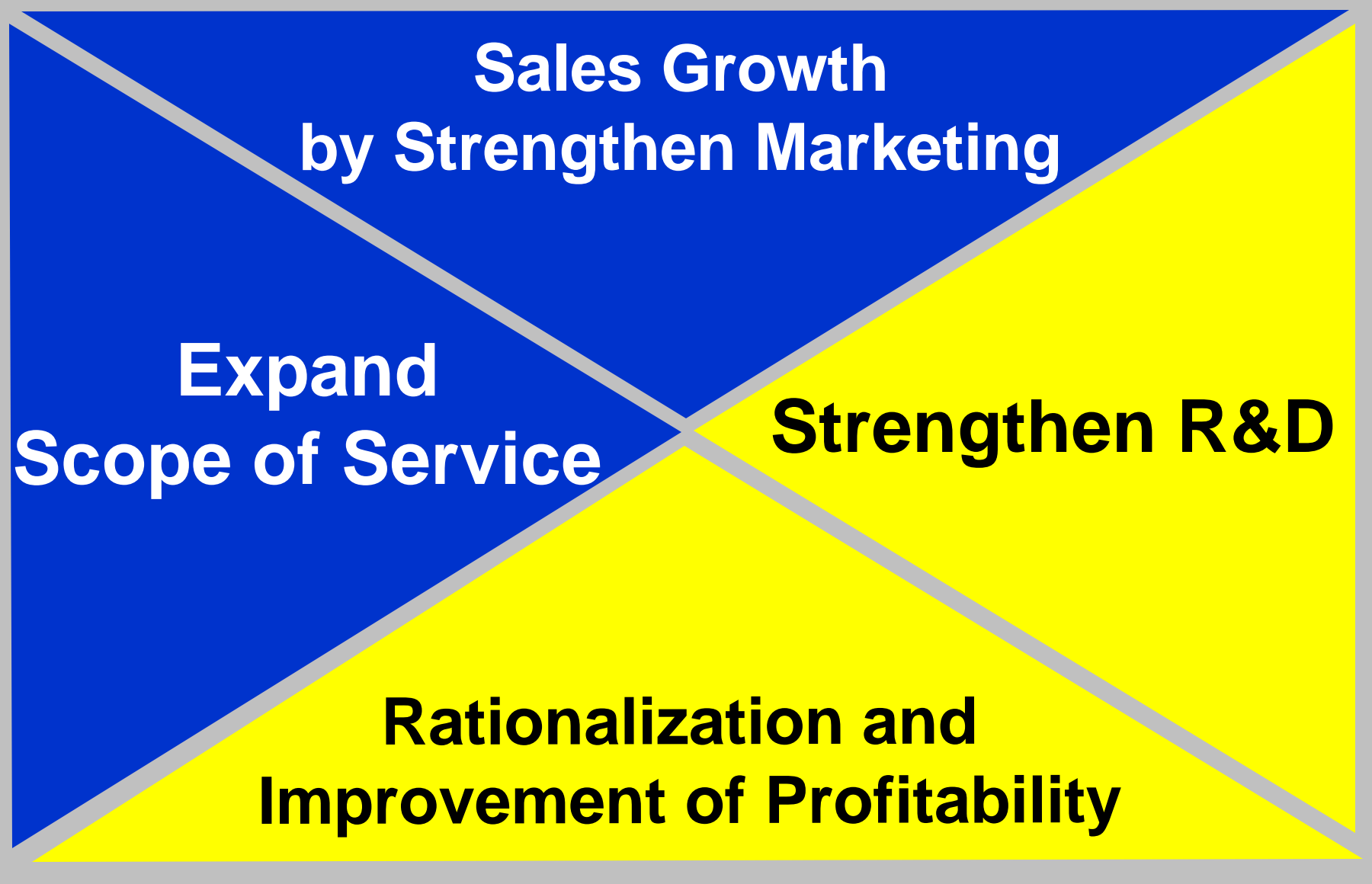
Our sales growth lags one year behind banks' profit



Source: "Financial Statement of Japanese Banks" and estimated with financial forecast of major banks



Our Growth Strategy



Sales Grows by Strengthen Marketing

Electronic Security Services

< Corporate Customer >

- Enhance sales personnel (quantitatively and qualitatively)
- Concentrate sales personnel into the three major metropolitan areas of Tokyo, Nagoya and Osaka
- Expand sales depots dominantly
- Strengthen corporate introduction system



Sales Growth by Strengthen Marketing

Electronic Security Services

< Individual Customer >

Strengthen Sales of HS

- Introduction of service in new concept
- Enhance sales experts for the individual market
- Expand sales tie-ups
- Enhance advertisings
- Expand Retail Security Shops



Expand Scope of Service

Transportation Security Services

Undertake outsourcing needs of financial institutions

- Expand ATM Management Service to regional banks/ credit unions
- Undertake business operation work of banks
- Increase ATMs at convenience stores
- Expand Cash Deposit Online System

Others

- Undertake new needs for amendment of Fire Prevention Law



Rationalization and Improvement of Profitability

Direct Cost Reduction

Indirect Cost Reduction

Reduction of procurement cost

“Accounting Dream Project” for rationalization of accounting system

Reduction of false alarm

Reorganization of the branch offices and group

Rationalization Profitability

Integration of Central Guard Stations

Reduction of communication cost by INS line

Automated Dispatch Instruction System



Strengthen R&D

- **Market oriented R&D**
- **Increase the number of researchers**
- **Enhance tie-ups with companies providing state-of-the-art technology**



Section 3

Business Plan for the Current Term

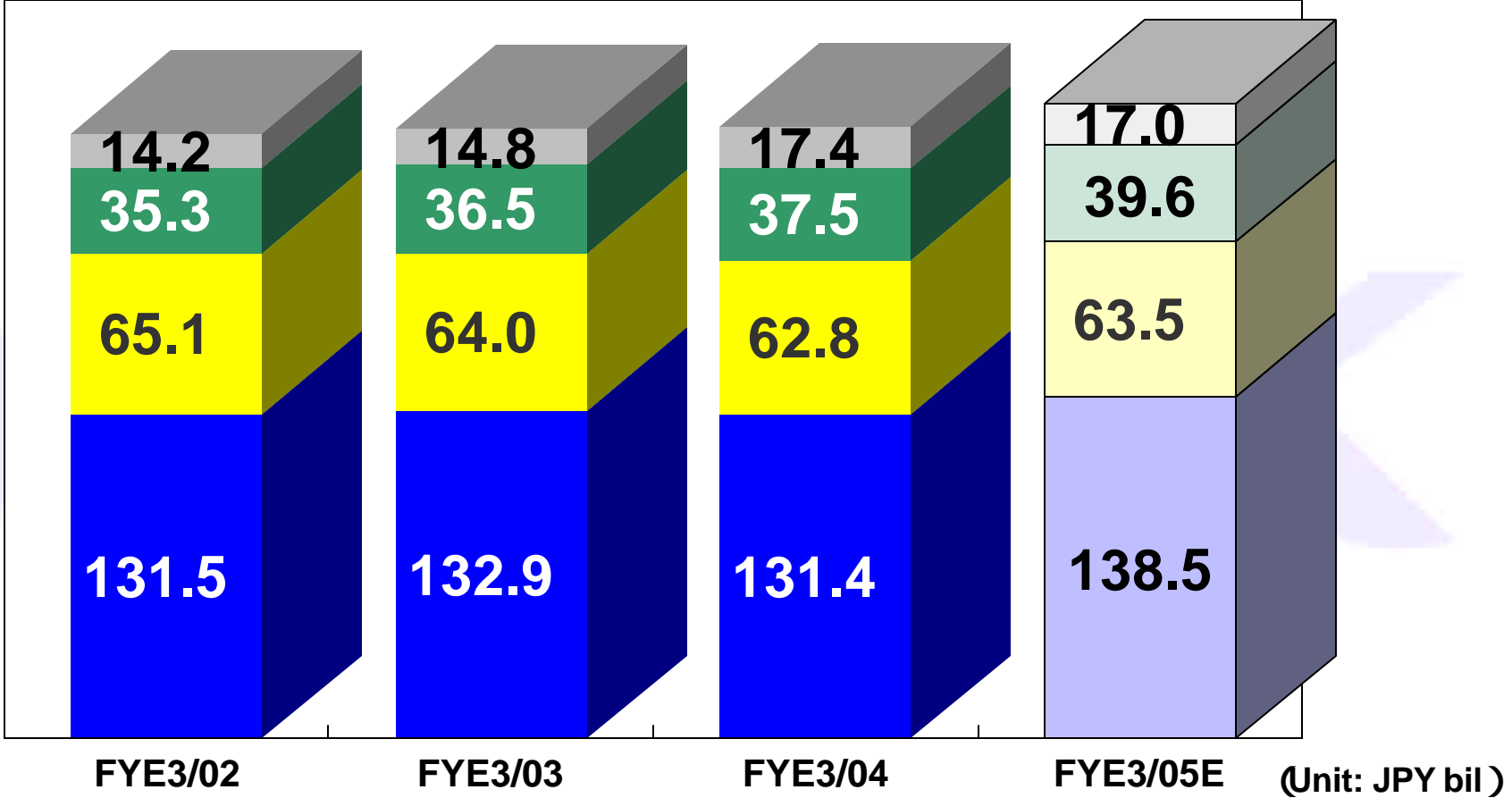
Business Plan for FYE March 2005

(Unit : JPY bil)	Plan for the FYE3/05				1H		2H	
	Amount	Composition Ratio	Versus Previous Term	Change	Amount	Over the Same Period of Last Year	Amount	Over the Same Period of Last Year
S a l e s	258.8	100%	9.5	3.8%	127.0	3.5	131.7	6.0
Gross Profit	67.0	25.9%	0.7	1.1%	32.0	-0.1	35.0	0.8
Operating Income	11.3	4.4%	-3.1	-21.8%	3.5	-2.1	7.7	-1.0
Recurring Profit	11.6	4.5%	-3.8	-25.0%	3.8	-2.1	7.7	-1.7
Net Income	4.5	1.8%	-13.1	-74.2%	0.4	-2.1	4.1	-11.0

Business Plan by Sales for FYE March 2005

(Unit : JPY bil)		Plan for the FYE3/05				1H		2H	
		Amount	Composition Ratio	Versus Previous Term	Change	Amount	Over the Same Period of Last Year	Amount	Over the Same Period of Last Year
Security Services	Electronic Security	138.5	53.5%	7.0	5.4%	68.1	3.3	70.3	3.6
	Stationed Security	63.5	24.6%	0.7	1.2%	31.2	0	32.3	0.7
	Transportation Security	39.6	15.3%	2.1	5.7%	19.3	0.5	20.2	1.5
	Total	241.7	93.4%	9.9	4.3%	118.7	4.0	122.9	5.9
Others		17.0	6.6%	-0.3	-2.1%	8.3	-0.4	8.7	0
Grand Total		258.8	100.0%	9.5	3.8%	127.0	3.5	131.7	6.0

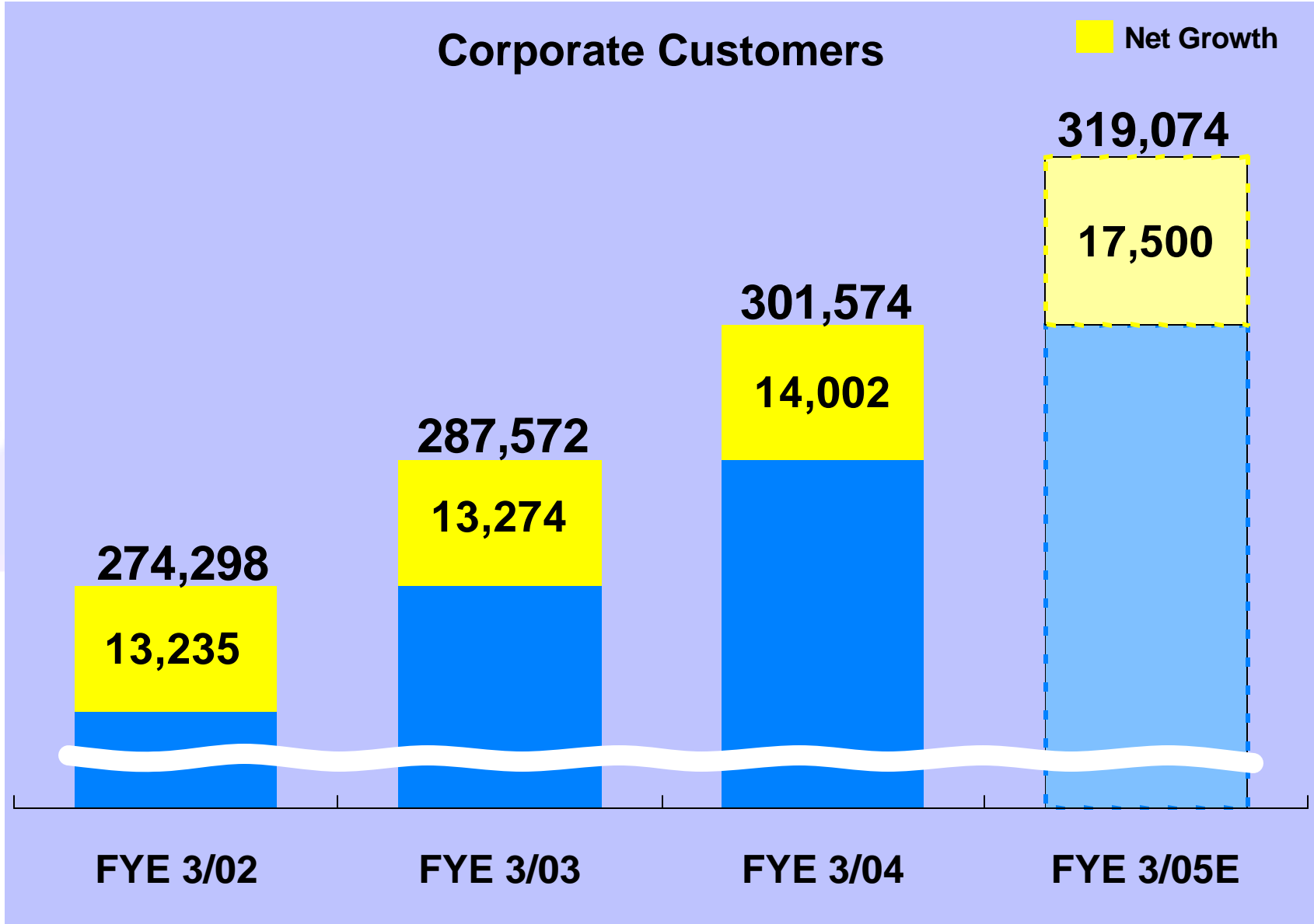
Sales by Service



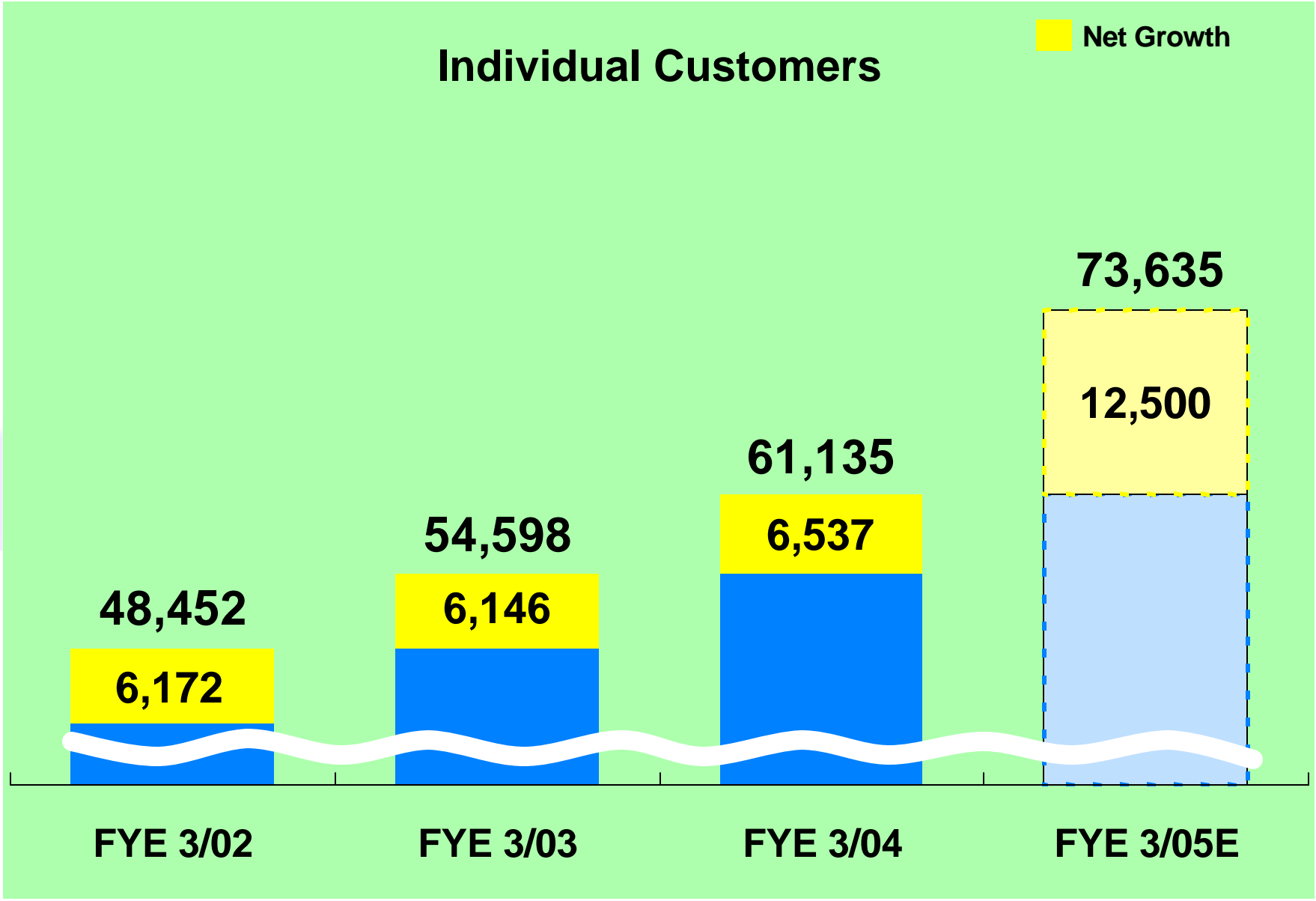
■ Electronic Security
 ■ Stationed Security
 ■ Transportation Security
 ■ Others



Changes of Contract Numbers for Electronic Security



Changes of Contract Numbers for Electronic Security



Disclaimer

Matters that are not historical facts, which are included in the business plan or strategy of the Company described in the preceding material, are outlooks for the future financial results and include risks and uncertain factors.

Hence, the future financial results may be significantly different from the outlooks, subject to various factors including changes of economic conditions/competitive situation/technological innovation.

Athletes sponsored by ALSOK for the 2004 Olympic Games in Athens



Kosei Inoue
Judo 100kg



Maki Tsukada
Judo 78kg



Makoto Sasamoto
Wrestling
Greco-Roman Style 60kg



Kunihiko Obata
Wrestling
Free-Style 74kg