

Financial Results for FY2015

SOHGO SECURITY SERVICES CO.,LTD.

Securities Code:2331 (1st Section of TSE)

May 8,2015

CONTENTS

Section 1	Financial Results for FY2015	2
Section 2	Business Plan for FY2016	24
Section 3	Medium-term Management Plan GD 2017	29

Section 1

Financial Results for FY2015

Section 2

Business Plan for FY2016

Section 3

Medium-term Management Plan GD 2017

1 Increase in sales and profit for five consecutive years

- **Achieved record high, both in sales and ordinary income**

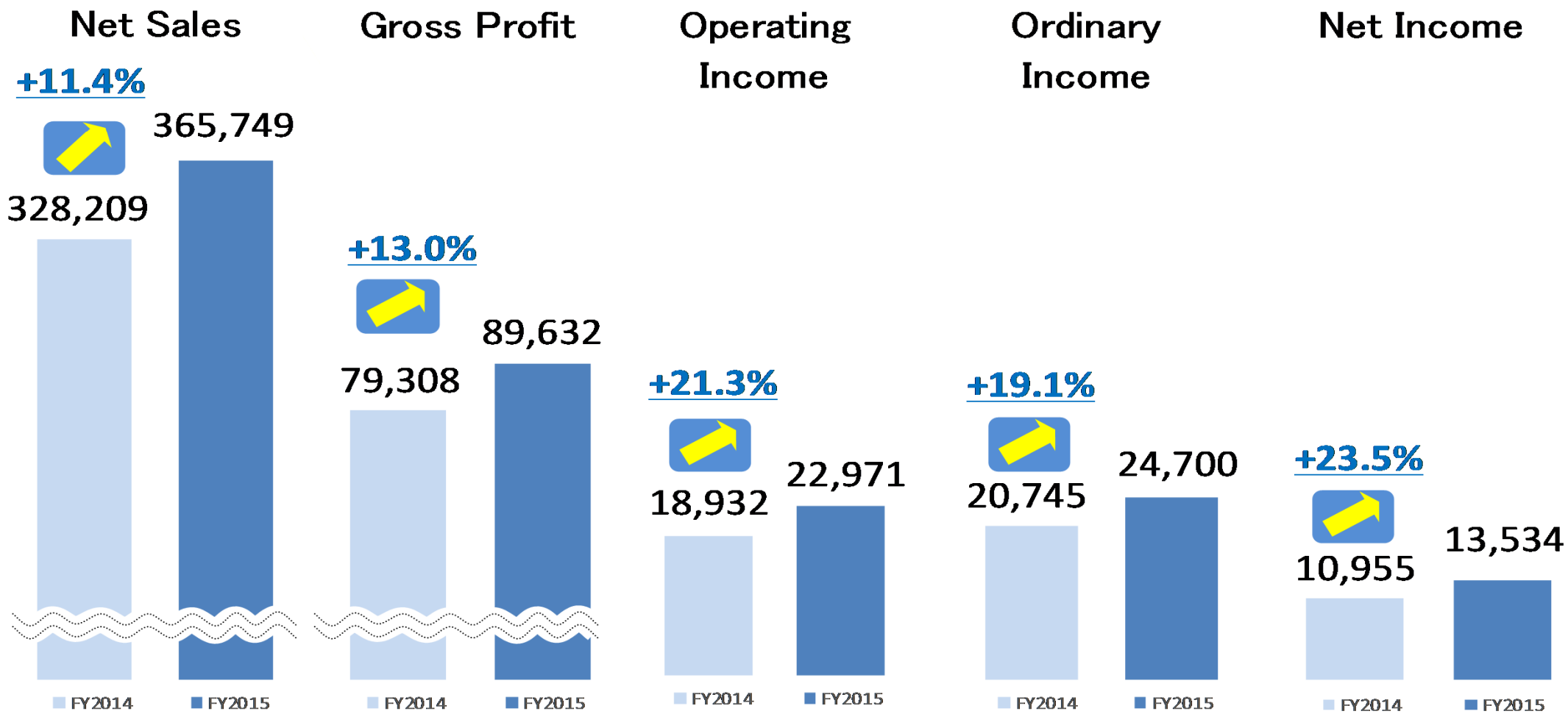
2 Steady growth in Security Services segment

- **Strong performance in Stationed Security Services**
- **Strong growth in contract sales of Electronic Security Services and equipment sales**

3 Expansion of ALSOK`s scale by M&A

- **Contribution by subsidiary acquisition of ALSOK Souei, NIPPON BUILDING MAINTENANCE, HCM, and ALSOK Care & Support**

Summary of P/L



(Millions of Yen)

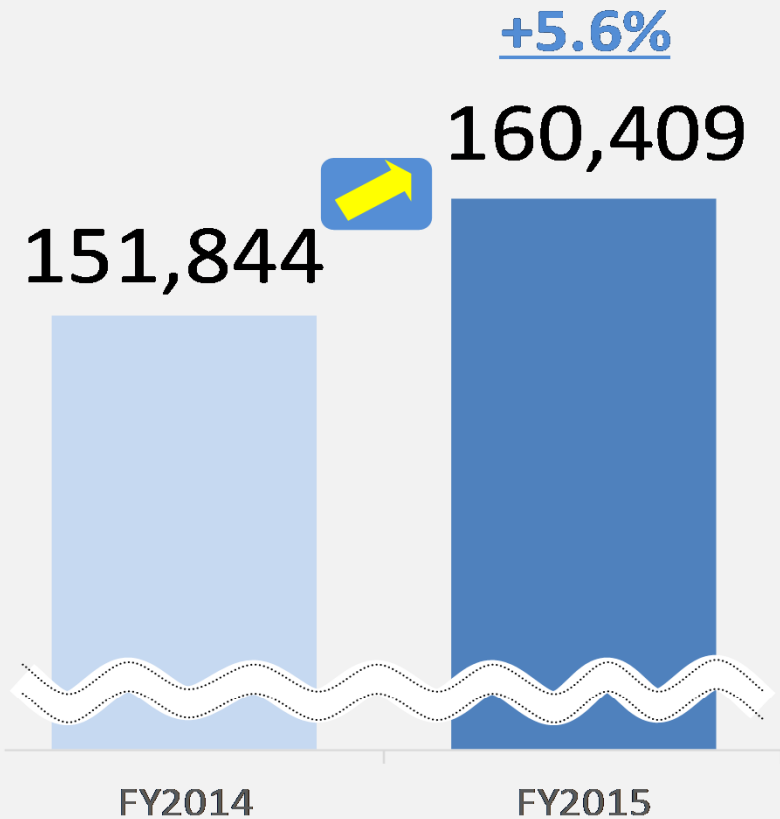
P/L for FY2015(vs. Business Plan)

(Millions of Yen)	FY2015	FY2015 Business Plan	Gap	Achievement Ratio
Net Sales	365,749	365,000	749	100.2%
Gross Profit	89,632	92,300	(2,667)	97.1%
Operating Income	22,971	27,800	(4,828)	82.6%
Ordinary Income	24,700	30,000	(5,299)	82.3%
Net Income	13,534	16,000	(2,465)	84.6%

Net sales by Services

(Millions of Yen)	FY2015	FY2014	Y o Y	Change
Security Services	301,166	280,179	20,987	7.5%
Electronic Security Services	160,409	151,844	8,564	5.6%
Stationed Security Services	88,429	77,284	11,144	14.4%
Transportation Security Services	52,328	51,050	1,277	2.5%
General Property Management and Fire Protection Services	58,309	44,808	13,500	30.1%
Long-term Care and Other Services	6,273	3,221	3,052	94.8%
Total	365,749	328,209	37,540	11.4%

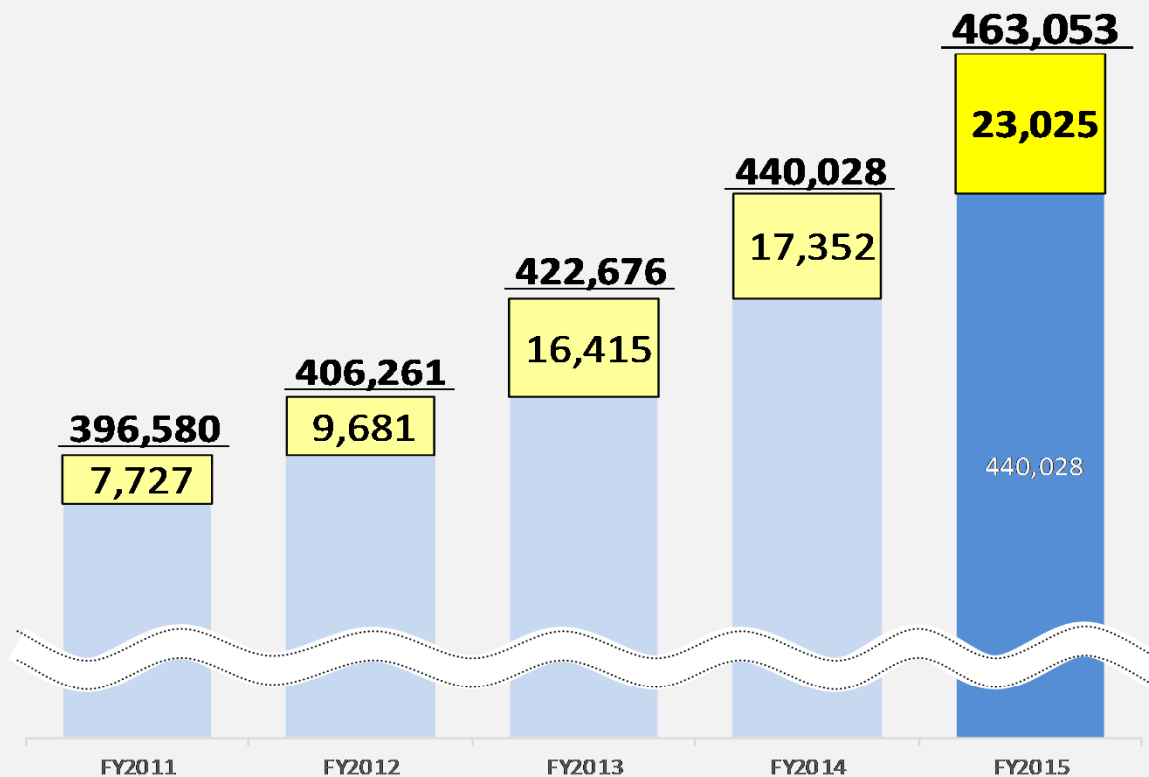
Sales (Millions of Yen)



Contract sales	Y o Y ratio	3.7%
Construction sales	Y o Y ratio	3.1%
Equipment sales	Y o Y ratio	15.4%

- Net increase in contracts growing steadily
- Strong earnings of surveillance camera and access management systems

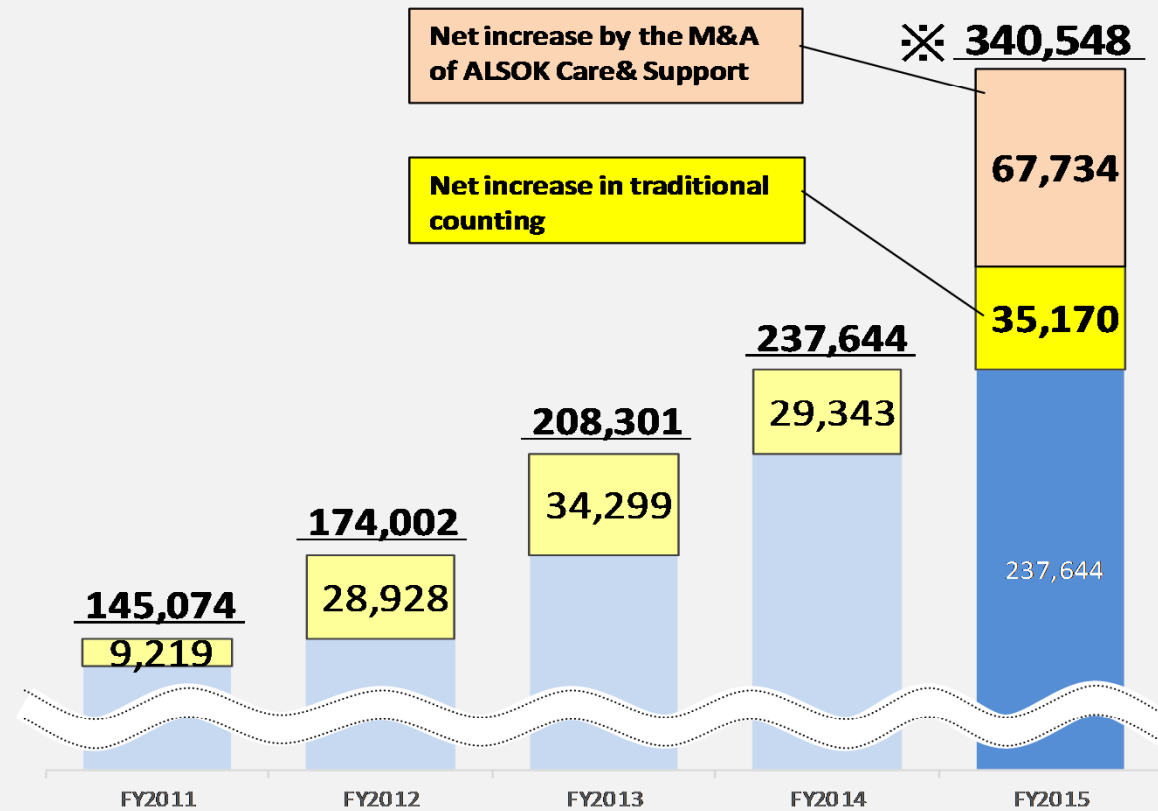
**Increase in Contracts of Electronic Security Services
【Corporate Clients】**



[Net increase **23,025**]
 (Y o Y **+5,673** **32.7%**)

Newly booked contracts : **Increased from FY2014**
 Cancellations : **Increased from FY2014**
 Newly booked contract price : **Increased from FY2014**
 Average contract price : **Decreased from FY2014**

Increase in Contracts of Electronic Security Services
【Individual Clients】

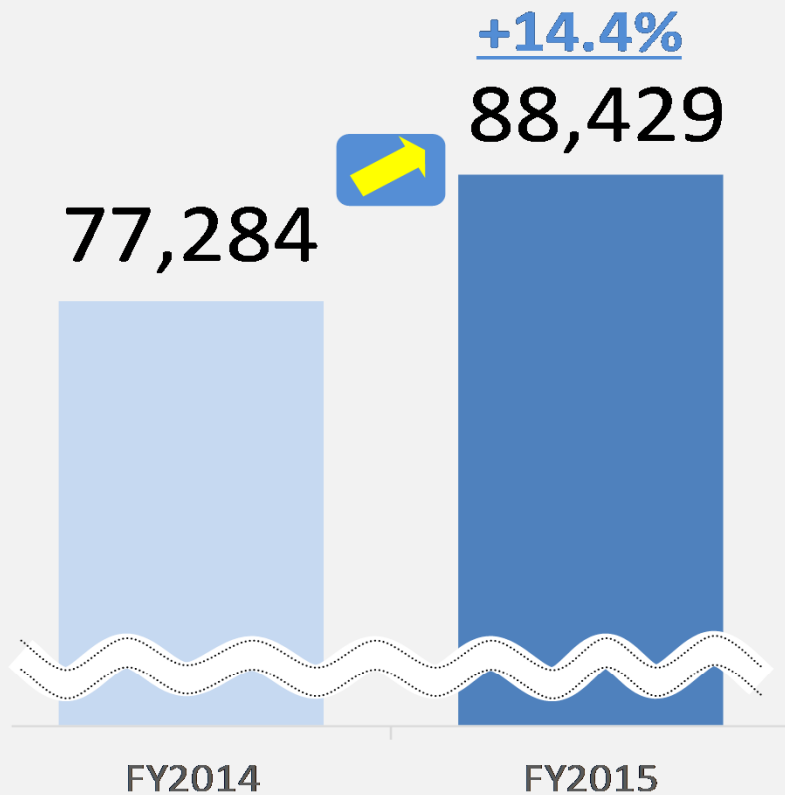


[Net increase 102,904]
(Y o Y +73,561 250.7%)

Newly booked contracts : Increased from FY2014
 Cancellations : Decreased from FY2014
 Newly booked contract price : Decreased from FY2014
 Average contract price : Decreased from FY2014

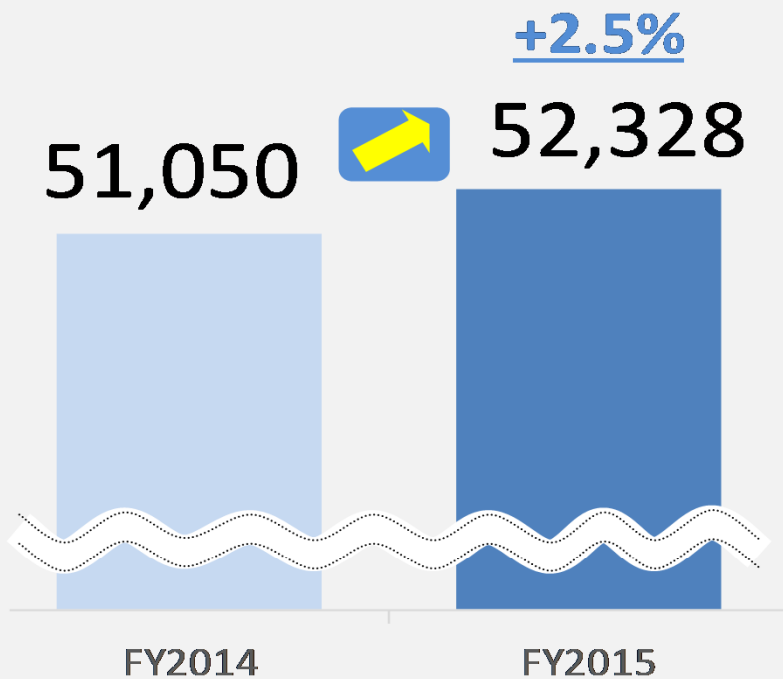
※ Including the number of houses from complex housing, the total number of contracts count up to approximately 83 thousand houses.

Sales (Millions of Yen)



- **Attributable to large-scale contracts**
Factories of large manufacturer and large-scale buildings in the city
- **Increase in temporary security service contracts**
New contracts with public sector

Sales (Millions of Yen)



Total ATM Management System

: Net Increase approx. 3,000

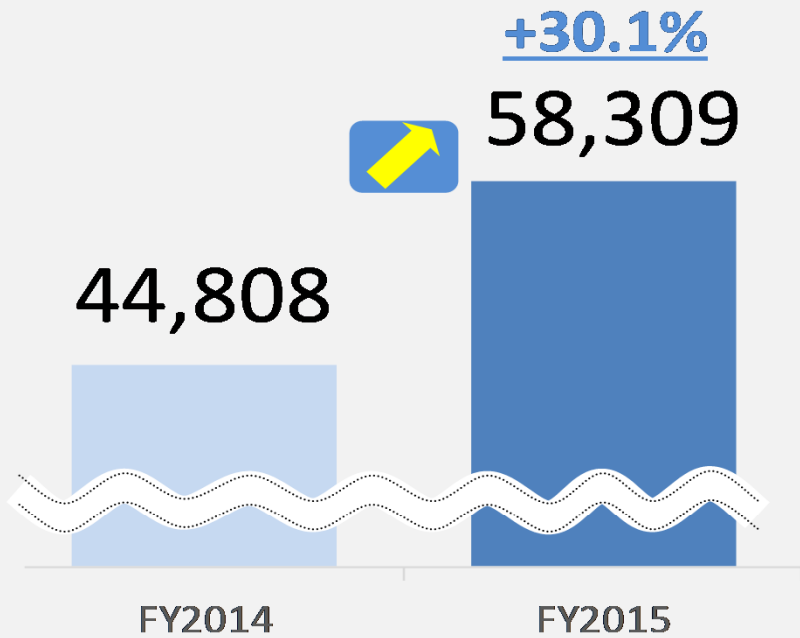
- Increased contract with major banks
- Increased contract with major convenience store chain

Cash Deposit Machine On-line System

: Net Increase approx. 1,850

- Increased contract with restaurants, automobile dealers and carrier business

Sales (Millions of Yen)



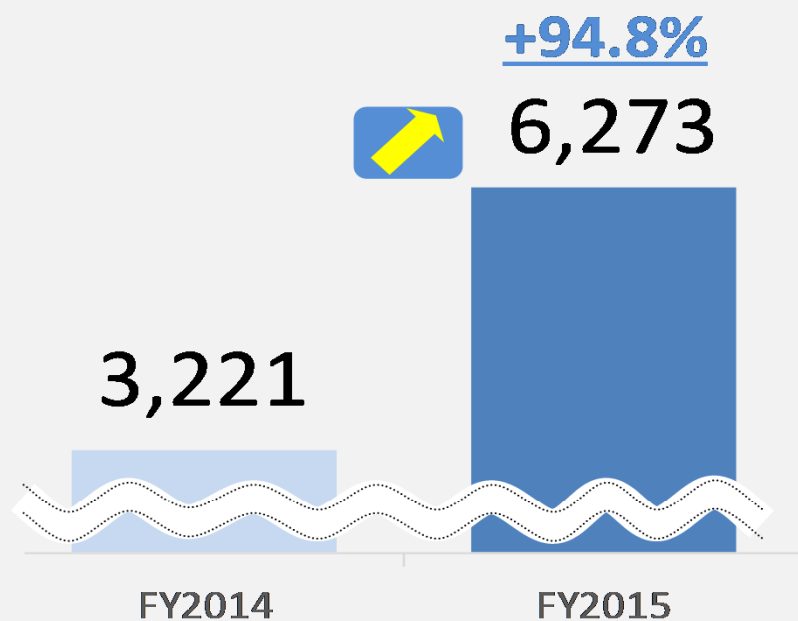
- Significant increase in sales by M&A

ALSOK Souei

NIPPON BUILDING MAINTENANCE

- Strong sales for AEDs

Sales (Millions of Yen)



- Increase in sales by M&A

HCM

ALSOK Care & Support

- ALSOK Safety confirmation service

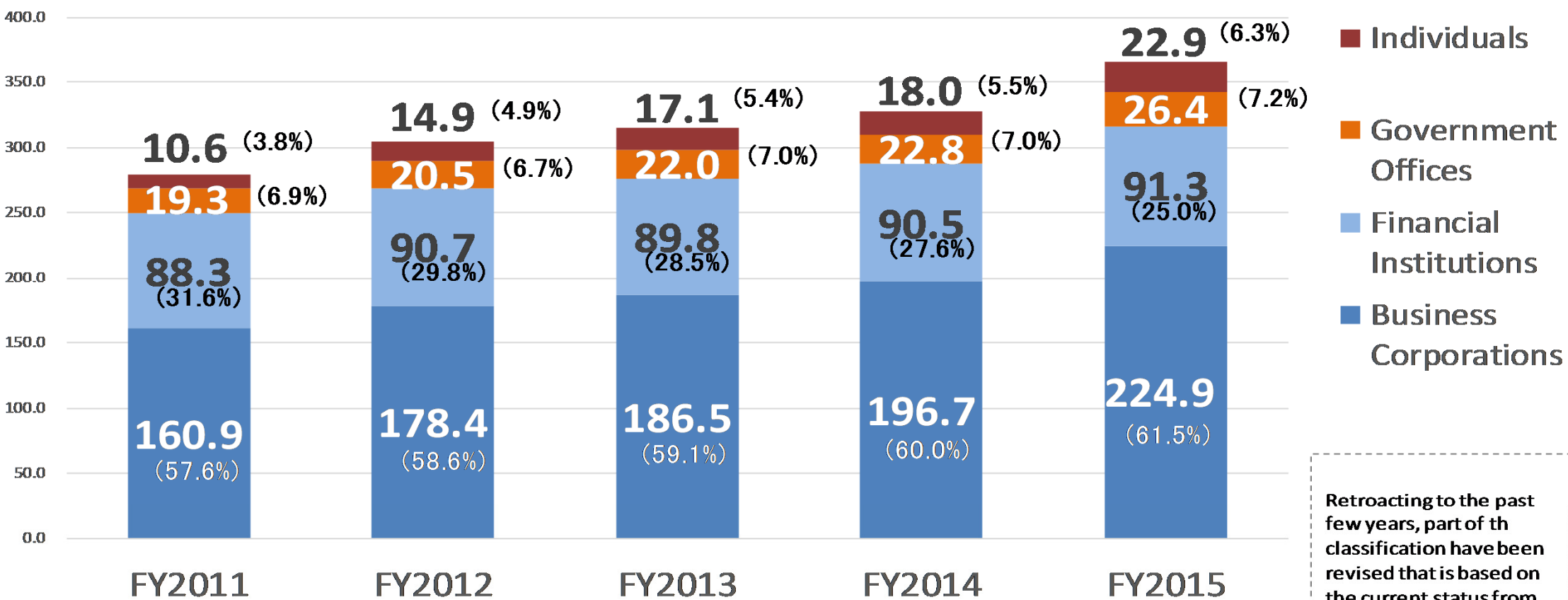
Net Increase : 130

- ALSOK DENPO (Telegram Service)

Number of Contracts : 53,614

() Sales Composition

(Billions of Yen)



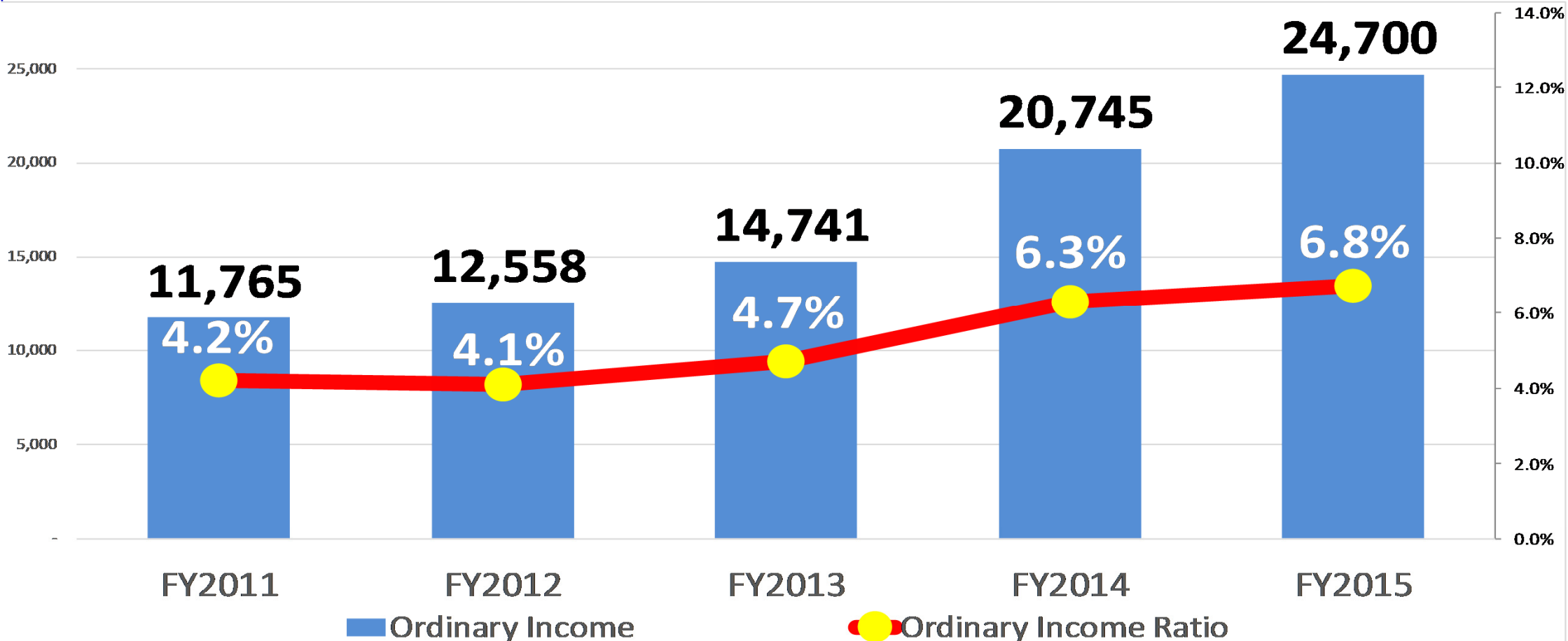
Retroacting to the past few years, part of the classification have been revised that is based on the current status from fiscal year ended March 31, 2015.

Analysis of the Profit and Loss

(Billions of Yen)	FY2015	Y o Y Amount	Change
Net sales	365.7	37.5	11.4%
Cost of sales	276.1	27.2	10.9%
Labor cost	134.9	13.2	10.9%
Expense	73.8	7.8	12.0%
Depreciation	9.7	1.9	24.8%
Cost of product sold & installation	57.5	4.1	7.7%
SG&A	66.6	6.2	10.4%
Advertising expense	1.9	(0.1)	(6.5%)
Personnel cost	45.7	4.8	11.9%
Others	17.4	1.3	8.5%
Depreciation	1.5	0.1	14.4%
Operating income	22.9	4.0	21.3%

Trends in the Ordinary Income

(Millions of Yen)



1 Increase in sales of HOME ALSOK

Home Security

Strong sales in APARTMENT AND CONDOMINIUM PLAN

Service for the elderly

Good progress in monitoring service for the elderly

Approach for long-term care business

3 long-term care business companies have been acquired

New services for Individual clients

Expansion of the services for individual clients

2 New Service

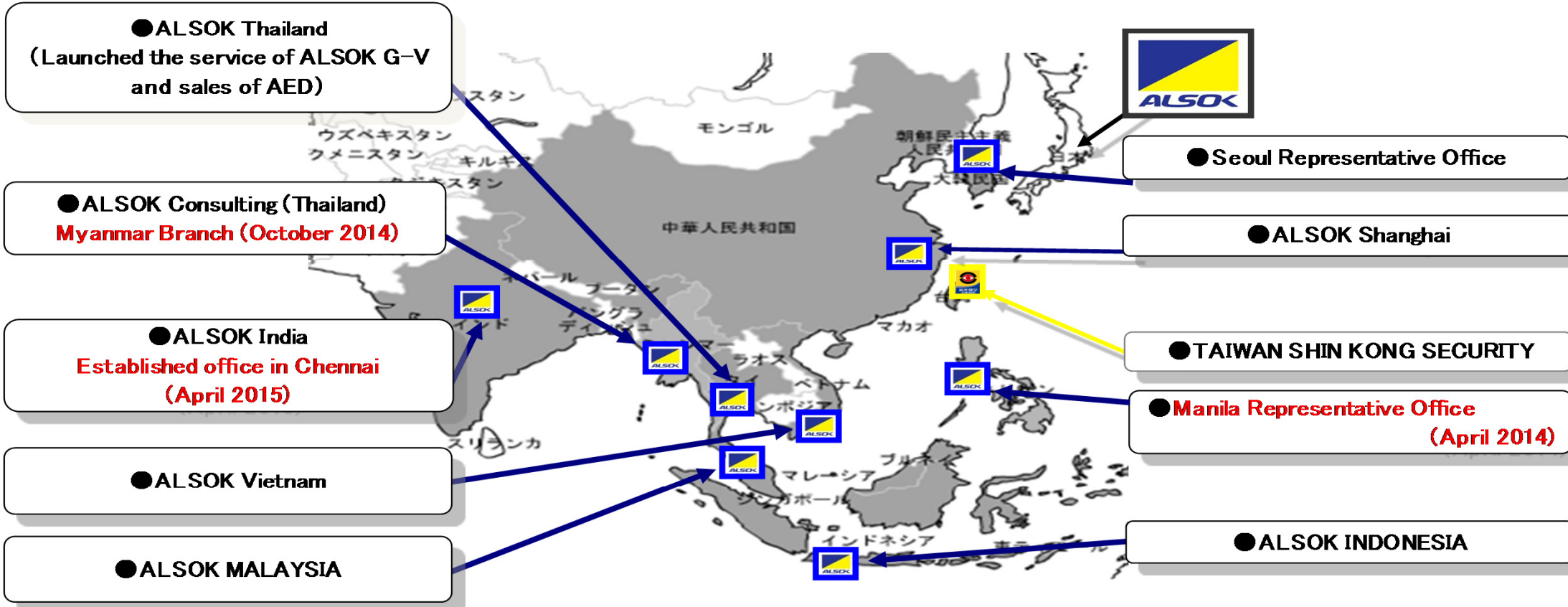
- ALSOK-FM Support May 2014
- Self Security “HOME ALSOK ALBO eye”
(Web camera with sensor) September 2014
- Checkup for solar panel utilized by flying robot October 2014
- Underpass Monitoring Service January 2014
- Multifunctional mobile security MAMOLOOK March 2014 (Subscription sale)

3 Promotion of M&A and expansion of business



Overview of Priority Measures

4 Overseas Operations



Consolidated Balance Sheet

Section 1

Financial Results for FY2015

(Millions of Yen)

	FY2015	FY2014	Y o Y		FY2015	FY2014	Y o Y
Current assets	210,445	199,458	10,986	Current liabilities	130,464	114,322	16,142
Cash and Deposits	46,113	43,161	2,951	Accounts payable-trade	19,480	17,790	1,689
Cash for Transportation Security Services and Advances paid	102,781	104,513	(1,731)	Short-term loans payable	62,997	59,637	3,359
Accounts receivable- trade	39,786	33,448	6,337	Other	47,987	36,893	11,093
Raw materials and supplies	4,759	4,380	378	Noncurrent liabilities	39,035	47,968	(8,932)
Prepaid expenses	2,388	2,169	219	Long-term loans payable	1,915	3,983	(2,068)
Other	14,615	11,784	2,831	Lease obligations	5,832	5,510	322
				Net defined benefit liability	25,484	33,554	(8,069)
Noncurrent assets	163,418	143,036	20,381	Other	5,802	4,919	883
Property, plant and equipment	71,704	68,225	3,479	Total liabilities	169,500	162,290	7,209
Intangible assets	16,853	6,151	10,701	Shareholders' equity	179,557	163,766	15,791
Investments and other assets	74,859	68,659	6,200	Total valuation and translation adjustments	1,389	(5,475)	6,865
				Minority interests	23,415	21,914	1,501
				Total net assets	204,363	180,205	24,158
Total assets	373,863	342,495	31,368	Total liabilities and net assets	373,863	342,495	31,368

Consolidated Cash Flows

(Millions of Yen)

	FY2015	FY2014	Y o Y
Net cash provided by (used in) operating activities	19,666	21,056	(1,389)
Net cash provided by (used in) investing activities	(24,295)	(16,701)	(7,593)
Net cash provided by (used in) financing activities	6,596	(9,142)	15,738
Cash and cash equivalents at end of period	37,976	35,791	2,184

Major items of FY2015

● Net cash provided by (used in) operating activities	Income before income tax	24,653
	Depreciation and amortization	11,331
	Increase in notes and accounts payable-trade	2,676
	Income taxes paid	(8,573)
	Assets/Liabilities for TSS	(11,624)
● Net cash provided by (used in) investing activities	Purchase of property, plant and equipment	(12,153)
	Purchase of shares of subsidiaries resulting in change in scope of consolidation	(11,435)
● Net cash provided by (used in) financing activities	Net increase in short-term loans payable	15,802
	Repayment of long-term loans payable	(3,447)
	Cash dividends paid	(3,518)

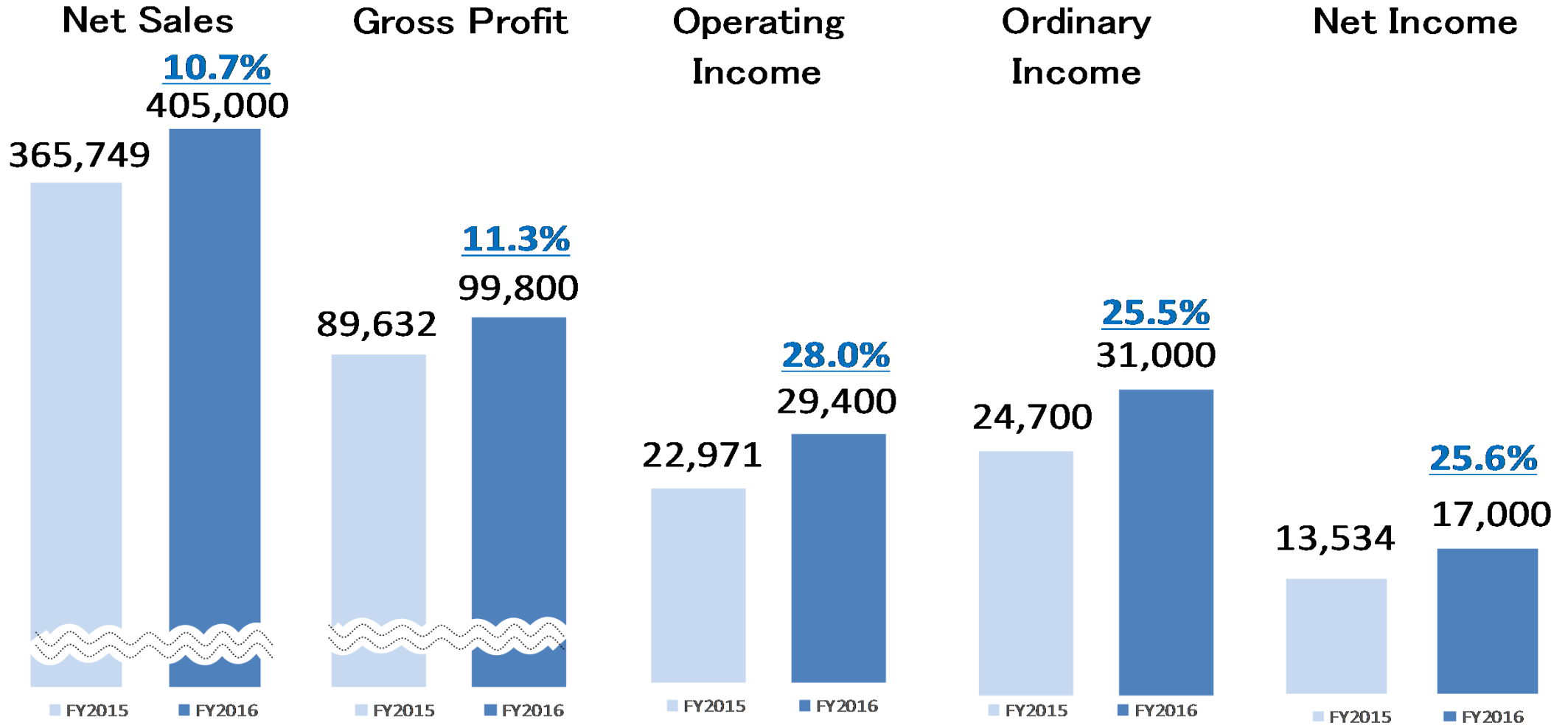
Capital expenditures**(Millions of Yen)**

FY2013	FY2014	FY2015
13,249	19,617	13,627

Depreciation**(Millions of Yen)**

FY2013	FY2014	FY2015
12,213	9,198	11,331

Section 1	Financial Results for FY2015
Section 2	Business Plan for FY2016
Section 3	Medium-term Management Plan GD 2017



(Billions of Yen)	Major items	Y o Y Amount	Change
Net Sales	405.0	39.3	10.7%
Cost of sales	291.5	15.4	5.6%
Labor cost	141.4	6.4	
Expense	87.0	3.4	
Cost of product sold & installation	63.1	5.5	
SG&A	70.3	3.7	5.5%
Advertising expenses	3.0	1.0	
Personnel cost	46.8	1.0	
Others	20.5	1.4	
Operating Income	29.4	6.4	28.0%

※Net sales above include the figures of the companies newly acquired.

Cost of sales and SG&A do not include the figures of the companies newly acquired.

1 Net increase in number of contracts for Electronic Security Services

	Net increase	Change
Net increase in number of contracts	60,000	7.5%
Corporate Clients	25,000	5.4%
Individual Clients	35,000	10.3%

2 Other

(Millions of Yen)	Amount	Y o Y	Change
Capital expenditures	17,700	4,073	29.9%
Depreciation	12,100	769	6.8%

Dividends

	FY2013	FY2014	FY2015	FY2016 (Plan)
Dividend per share (Yen)	25 (11) Interim (14) Year-end	30 (12.5) Interim (17.5) Year-end	38 (17.5) Interim (17.5) Year-end (3.0) Special	40 (20) Interim (20) Year-end
Payout ratio	29.3%	27.5%	28.2%	23.7%

Section 1

Financial Results for FY2015

Section 2

Business Plan for FY2016

Section 3

Medium-term Management Plan GD 2017

ALSOK Medium-term Management Plan GD2017

GD=Grand Design

Sales of ALSOK Group
¥1 trillion

To the new development Stage



Medium-term Management Plan
GD2017

GD2020

2015

2017

2020

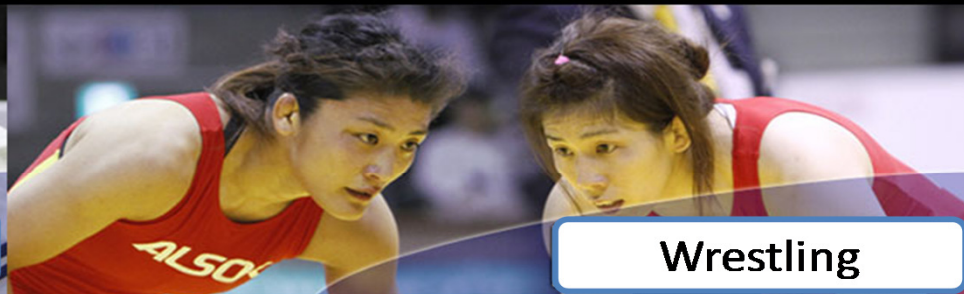


30

Sports Support



Judo



Wrestling



Track and Field



Weight Lifting



Shooting

ALways Security OK
ALSOK

Disclaimer

Figures regarding the company's current plans and strategies that are not historical facts are forecasts of future performance, which contain risks and uncertainties.

Actual performance may differ widely from these figures as a result of economic conditions, competitive situation, progress in technology and other factors. Investors are advised to use independent judgement before making any investment.

ALways Security OK

