Consolidated Financial Results for Fiscal Year Ended March 31, 2009

SOHGO SECURITY SERVICES CO., LTD (Code No.:2331, TSE 1st Sec.)

(URL http://www.alsok.co.jp/ir/en/index.html)

Representative: Atsushi Murai, President, CEO and COO

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Date of the Board Meeting for the settlement of consolidated account: May 8, 2009

Scheduled Date of the General Meeting of Shareholders: June 25, 2009

Scheduled Date of Payment of Dividend: June 26, 2009

Scheduled Date of Filing Yukashoken-Houkokusho: June 25, 2009

1. Summary of the consolidated financial results for fiscal year ended March 31, 2009 (April 1,2008- March 31, 2009)

(1) Consolidated operating results

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2009	March 31, 2008
Sales	¥285,004 million	¥284,996 million
% change from the previous year	0.0%	3.1%
Operating profit	¥9,943 million	¥13,795 million
% change from the previous year	-27.9%	-13.6%
Recurring profit	¥10,630 million	¥14,642 million
% change from the previous year	-27.4%	-13.4%
Net income	¥4,224 million	¥7,653 million
% change from the previous year	-44.8%	1.3%
Net income per share	¥41.90	¥75.07
Diluted net income per share	¥41.90	¥74.96
ROE (Net income to equity)	3.1%	5.6%
Ordinary profit to total assets	3.6%	5.0%
Operating profit to sales	3.5%	4.8%

Note 1: Percentage shown in sales, operating profit, recurring profit and net income above represent the changes from the previous fiscal year.

Note 2: Equity in earnings of affiliates : Year ended March 31, 2009 ¥312 million, Year ended March 31, 2008 ¥329 million

(2) Consolidated financial conditions

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2009	March 31, 2008
Total assets	¥287,561 million	¥297,396 million
Net assets	¥154,898 million	¥154,904 million
Capital adequacy ratio	47.7%	46.2%
Net assets per share	¥1,364.33	¥1,356.35

Note: Equity capital: Year ended March 31, 2009 ¥137,162 million, Year ended March 31, 2008 ¥137,504 million

(3) Consolidated cash flows

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2009	March 31, 2008
Cash flows from operating activities	¥19,291 million	¥14,986 million
Cash flows from investment activities	-¥13,997 million	-¥8,283 million
Cash flows from financing activities	-¥9,377 million	-¥9,500 million
Cash and cash equivalents at the end of the period	¥45,866 million	¥49,790 million

2. Dividend

	Dividends per share					Total dividend (Annual)	Consolidated payout ratio	Consolidated dividends to net assets
(Record date)	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
Fiscal year ended March 31, 2008	—	¥10.00	—	¥10.00	¥20.00	¥2,033 million	26.6%	1.5%
Fiscal year ended March 31, 2009	—	¥10.00	—	¥10.00	¥20.00	¥2,010 million	47.7%	1.5%
Fiscal year ending March 31, 2009 (Forecast)	—	¥10.00	—	¥10.00	¥20.00	—	48.0%	—

3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2010 (April 1, 2009 — March 31, 2010)

(Figures rounded down to the nearest million)

	Sales	Operating profit	Recurring profit	Net income	Net income per share
Interim	¥141,800 million (-0.3%)	¥4,500 million (-25.0%)	¥5,100 million (-25.6%)	¥2,500 million (-16.4%)	¥24.80
Annual	¥286,000 million (0.3%)	¥8,000 million (-19.5%)	¥9,000 million (-15.3%)	¥4,200 million (-0.6%)	¥41.66

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 sales, operating profit, recurring profit 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

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

① Changes arising from revision of accounting standards : Yes

② Changes arising from other factors : Yes

(3) Number of shares outstanding(Ordinary shares)

①Number of shares issued (including treasury stock) : Year ended March 31, 2009 102,040,042 shares
Year ended March 31, 2008 102,039,042 shares

② Number of shares of treasury stock : Year ended March 31, 2009 1,505,245 shares
Year ended March 31, 2008 660,709 shares

(Reference) Non-consolidated Financial Results for Fiscal Year Ended March 31, 2009

1. Summary of the non-consolidated financial results for fiscal year ended March 31, 2009 (April 1, 2008- March 31, 2009)

(1) Non-consolidated operating results

(Figures rounded down to the nearest million)

	Fiscal year ended	
	March 31, 2009	March 31, 2008
Sales	¥195,917 million	¥197,115 million
% change from the previous year	-0.6%	2.6%
Operating profit	¥1,386 million	¥2,827 million
% change from the previous year	-51.0%	-37.4%
Recurring profit	¥5,832 million	¥7,761 million
% change from the previous year	-24.9%	-1.7%
Net income	¥4,393 million	¥6,338 million
% change from the previous year	-30.7%	31.9%
Net income per share	¥43.57	¥62.17
Diluted net income per share	¥43.57	¥62.08

Note: Percentage shown in sales, operating profit, recurring profit 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, 2009	March 31, 2008
Total assets	¥202,646 million	¥213,873 million
Net assets	¥98,411 million	¥98,652 million
Capital adequacy ratio	48.6%	46.1%
Net assets per share	¥978.88	¥973.11

Note: Equity capital: Fiscal year ended March 31, 2009 ¥98,411 million, Year ended March 31, 2008 ¥98,652 million

1. Operating Results

(1) Analysis of Operating Results

A. Consolidated Financial Results for the Fiscal Year Ended March 31, 2009 (April 1, 2008–March 31, 2009)

In the fiscal year ended March 31, 2009 the Japanese economy suffered a sharp downturn due to the influence of a recession triggered by the global financial crisis. Exports from Japanese companies fell heavily, capital investment was reined in, and there were labor adjustments, especially in the manufacturing sector.

In the social environment in Japan, the number of reported crimes has declined for the sixth year running, and statistics show an improvement in public safety. However, high profile cases and incidents continue to sustain public concern for safety and security. In the corporate sector as well, a rising number of incidents of secret or private information leakage due to use of file-sharing software or employees carrying data off-premises has prompted many businesses to upgrade their security systems. The security industry has thus seen demand for provision of a broad range of securities services to meet the needs of society, but the deterioration in business and consumer confidence, compounded by intensifying competition between security service providers, has made for a difficult management environment.
Under these conditions, the ALSOK Group worked to bolster sales, focusing on the security business field, by strengthening its regional marketing strategy, reviewing the marketing structure and strengthening and expanding indirect sales channels. We also worked to expand our business by responding to the diversifying needs of society, such as initiatives for information security.

In the corporate sector sales activity focused around the “ALSOK Guard System”, an electronic security system, “ALSOK-MP”, a remote video monitoring system and internal/external access control systems. New offerings included an optional service to complement our existing Electronic Security Services: an email notification service that automatically sends an email to inform the relevant parties of equipment status (such as an emergency) for facilities at offices, shops or factories.
Another new service, our PC monitoring service, monitors information leakage. In addition to our own sales efforts, we have also begun marketing this service by OEM supply to business partners and sales alliances.

In the private consumer sector, in December we launched “ALSOK Home Security α”–a new home security product offering enhanced peace of mind and convenience. Sales were promoted in conjunction with “ALSOK Home Security X7”, as part of an effort to make inroads into the home security market. In addition, we created a full range of payment plans to suit users' budgets, including the “Zero Start Plan”, a new plan requiring no payment for installation or equipment. Through these initiatives leveraging the security expertise that we have accumulated since our foundation to provide diverse services for today’s needs, we worked to contribute to securing a safe society.

In order to achieve further business expansion and to reinforce our security operation base, we made URBAN SECURITY Co., Ltd a consolidated subsidiary from September 30, 2008.

As a result of these actions, the Company’s consolidated business results for the financial year ending March 31, 2009 were as follows.

Sales rose by ¥8 million year on year to ¥285,004 million. This result reflects the effect of price reductions and contract cancellations in Electronic and Stationed Security Services following the stalling of the economy, which offset the rise in the number of contracts for Electronic Services.

Operating profit declined 27.9% year on year to ¥9,943 million, recurring profit declined 27.4% year on year to ¥10,630 million, and net income declined 44.8% year on year to ¥4,224 million, reflecting a rise in labor costs.

Sales by Business Segment

Business Segment		Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2008		YoY	
		Amount (¥ million)	Share (%)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/Decrease (%)
Security Services	Electronic Security Services	142,511	50.0	143,967	50.5	-1,455	-1.0
	Stationed Security Services	72,830	25.6	72,798	25.5	32	0.0
	Transportation Security Services	47,444	16.6	46,606	16.4	838	1.8
	Total	262,786	92.2	263,371	92.4	-584	-0.2
Other Services		22,217	7.8	21,624	7.6	592	2.7
Total		285,004	100.0	284,996	100.0	8	0.0

Major factors behind segment results

Security Services

In Electronic Security Services, our corporate client sales were influenced by contract cancellations due to closures and consolidation of consumer finance outlets, and price reductions and contract cancellations following the economic slowdown. In the individual user market, we launched a new product, "ALSOK Home Security α," in December. In addition, we worked to expand and enlarge sales channels by strengthening alliances with homebuilders and real estate companies, and expanding our sales alliance with post offices. We also worked to enhance sales by creating a fuller range of payment plans for new accounts. As a result of these measures, sales for the Electronic Security Services were down 1.0% year on year to ¥142,511 million.

In Stationed Security Services, sales were boosted by orders for monitoring services from joint public-private organizations, such as prisons, that use the PFI model, and for large-scale security for the Toyako G8 Summit. However, there was a strong influence from price reductions and contract cancellations due to the stalled economy, and sales for Stationed Security Services rose 0.0% from last year to ¥72,830 million.

In Transportation Security Services, the practice of outsourcing operations spread beyond city and regional banks to include labor credit unions, credit unions and other financial institutions, leading to increased orders for our cash management and cash transport services. Sales were also strong for our Cash Deposit Machine On-line System for ordinary companies, mainly to retailers and the services industry. Sales of the Transportation Security Services increased 1.8% year on year to ¥47,444 million

Sales in the Security Services segment decreased 0.2% year on year to ¥142,511 million.

Other Services

Sales increased in Other Services as a result of steady orders for our automatic external defibrillators (AEDs) and multimedia "MMK" ATM. As a result, sales in the Other Services segment rose 2.7% year on year to ¥22,217 million.

B. Comparative Analysis of the Consolidated Statements of Operations

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

	Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2008		YoY	
	Amount (¥ million)	Share (%)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/Decrease (%)
Sales	285,004	100.0	284,996	100.0	8	0.0
Cost of sales	215,711	75.7	212,287	74.5	3,424	1.6
Gross profit on sales	69,292	24.3	72,709	25.5	-3,416	-4.7
Selling, general and administrative expenses	59,349	20.8	58,913	20.7	436	0.7
Operating profit	9,943	3.5	13,795	4.8	-3,852	-27.9
Other income	3,038	1.0	3,347	1.2	-309	-9.2
Other expenses	2,350	0.8	2,500	0.9	-150	-6.0
Recurring profit	10,630	3.7	14,642	5.1	-4,011	-27.4
Extraordinary profits	49	0.0	752	0.3	-703	-93.5
Extraordinary losses	1,617	0.5	410	0.1	1,207	294.1
Income taxes	4,144	1.5	6,586	2.3	-2,441	-37.1
Minority interests in income of consolidated subsidiaries	693	0.2	744	0.3	-50	-6.7
Net income	4,224	1.5	7,653	2.7	-3,429	-44.8

Consolidated sales in fiscal 2008 rose by ¥8 million year-on-year increase to ¥284,996 million.

Gross profit on sales decreased by ¥3,416 million, or 4.7% year on year, to ¥69,292 million. The decline was due to an increase of ¥3,424 million in cost of sales. The major reason for the increase in the cost of sales was an increase in labor cost of ¥3,888 million in the operations divisions.

Operating profit declined by ¥3,852 million, or 27.9%, to ¥9,943 million, mainly due to an increase of ¥436 million in selling, general and administrative expenses.

The main reason for the increase in selling, administration and general expenses was an increase in personnel costs of ¥944 million.

Recurring profit declined ¥4,011 million, or 27.9%, to ¥10,630 million, reflecting decreases of ¥309 million in other income and ¥150 million in other expenses.

The major reason for the decrease in other income was a decline of ¥260 million in rental income. The major reason for the reduction in other expenses was a decrease of ¥189 million in loss on disposals of fixed assets.

Net income for the period under review declined by ¥3,429 million to ¥4,224 million, a 44.8% decrease from the last period. Contributing to this result, extraordinary profits decreased by ¥703 million, extraordinary losses increased by ¥1,207 million, and income taxes (the total of corporate tax, inhabitant's tax and enterprise tax, as well as deferred income taxes) decreased by ¥2,441 million.

The decline in extraordinary profits was due to a decline of ¥452 million in profit on sales of investments in securities.

The main reason for the rise in extraordinary losses was an increase of ¥1,359 million in impairment loss on investments in securities.

C. Fiscal 2009 Forecasts

In the fiscal year until March 31, 2010, the Japanese economy is expected to continue to face difficult conditions. The drastic fall in exports will reduce corporate profits, the employment situation will worsen, especially in the manufacturing sector, and private consumption is expected to decline. We expect the social environment in Japan to improve in terms of public safety and security, with statistics recording a further decrease in the number of reported crimes. However, we expect continued public concern for a safe and secure society. In the corporate sector too, we expect to see mounting internal control-related interest in promoting measures against leakage of information and protection of private information, as well as in the formulation of business continuity plans. These factors are likely to result in demand for diverse security services extending beyond conventional Electronic Security systems.

Given these changes in society we expect that the demand for security will continue going forward. However, economic trends and increasing competition from rival security service providers will make for an even more challenging business environment.

In such an environment, the ALSOK Group will strive to promote the security business, holding fast to our founding management principle of providing high-level security services. We will firmly grasp the rapidly changing needs of our clients for safety and security, and strive to improve our business performance by creating and providing new products and services to meet these needs.

By carrying out these measures, we forecast the consolidated business result for the fiscal year ending in March 2010 to be as follows: Sales to grow 0.3% year on year to ¥286,000 million, operating profit to decline 19.5% year on year to ¥8,000 million, recurring profit to decline 15.3% year on year to ¥9,000 million, and net income to decline 0.6% year on year to ¥4,200 million.

(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, 2009		As of March 31, 2008		YoY	
		Amount (¥ million)	Share (%)	Amount (¥ million)	Share (%)	Amount (¥ million)	Increase/Decrease (%)
Assets	Current assets	163,690	56.9	172,212	57.9	-8,522	-4.9
	Fixed assets	123,871	43.1	125,183	42.1	-1,312	-1.0
	Total assets	287,561	100.0	297,396	100.0	-9,834	-3.3
Liabilities	Current liabilities	89,381	31.1	96,993	32.6	-7,612	-7.8
	Long-term liabilities	43,282	15.0	45,498	15.3	−2,216	-4.9
	Total liabilities	132,663	46.1	142,491	47.9	-9,828	-6.9
Total net assets		154,898	53.9	154,904	52.1	-6	-0.0

Total assets at the end of the year under review declined ¥9,834 million, or 3.3%, from the previous fiscal year-end to ¥287,561 million. Current assets declined ¥8,522 million, or 4.9%, to ¥163,690 million, and fixed assets declined ¥1,312 million, or 1.0%, to ¥123,871 million.

The main reasons for the decline in current assets were a decrease of ¥3,797 million in cash and deposits (including cash for Transportation Security Services), a decrease of ¥5,955 million in advance payment and a decrease of ¥1,598 million in notes and accounts receivable. The main reasons for the decline in fixed assets were a decrease of ¥3,315 million in investments in securities, and a decrease of ¥1,178 million in long-term loans.

Total liabilities at the end of the year under review had decreased ¥9,828 million, or 6.9%, from the previous fiscal year-end to ¥132,663 million. Current liabilities decreased ¥7,612 million, or 7.8%, to ¥89,381 million, while long-term liabilities decreased ¥2,216 million, or 4.9%, to ¥43,282 million.

The increase in current liabilities primarily reflected an ¥7,583 million decrease in short-term borrowings, mainly for Transportation Security Services. The main reason for the decrease in long-term liabilities was a decrease of ¥2,200 million in bonds.

Total net assets at March 31, 2009 had decreased ¥6 million from the previous fiscal year-end to ¥154,898 million.

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

(¥ million)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008	YoY
Cash flows from operating activities	19,291	14,986	4,304
Cash flows from investment activities	-13,997	−8,283	-5,714
Cash flows from financing activities	-9,377	−9,500	123
Effect of exchange rate changes on cash and cash equivalents	-2	−4	1
Net increase/decrease (-) in cash and cash equivalents	-4,086	−2,800	-1,286
Cash and cash equivalents at beginning of the year	49,790	52,591	-2,800
Balance of cash and cash equivalents at the end of the year	45,866	49,790	-3,924

Cash flows from operating activities

As a result of our operating activities in the fiscal year beginning April 1, 2008, the cash flow for operating activities increased by 28.7% year on year to ¥19,291 million.

The major components were ¥9,062 million in income before income taxes (a decrease of 39.5% year on year), ¥11,988 million in depreciation (up 6.4%), a ¥1,729 million increase in cash due to an increase in accounts receivable, and ¥5,306 million in income taxes paid (down 21.4%).

Cash flows from investing activities

Net cash used in investing activities was ¥13,997 million, a 1.3% decrease from the previous fiscal year. The primary factors were ¥10,370 million in payments for purchases of tangible assets (down 1.3%), and ¥3,862 million in payments for purchases of investments in securities (up 53.4%).

Cash flows from financing activities

Net cash used in financing activities was ¥9,377 million, 1.3% more than the previous fiscal year. The main elements were ¥4,110 million for payments on repayment of long-term debt (down 21.6%), and ¥2,700 million in payments for redemption of bonds (up 22.7%).

C. Trends in Cash Flow Indicators for the ALSOK Group

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2007
Shareholders' equity ratio	47.7%	46.2%	47.2%
Shareholders' equity ratio on a market value basis	29.5%	47.4%	77.2%
Interest-bearing liabilities to cash flow ratio	324.7%	497.0%	427.1%
Interest coverage ratio	20.7 times	15.2 times	14.9 times

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 operating activities.

Note 4: Interest-bearing liabilities are all liabilities on which interest is paid on the consolidated balance sheets.

Note 5: Management approach to operating cash flow

The ALSOK Group uses its own funds for cash for Transportation Security Services, and therefore operating cash flow figures are affected by the change in these funds.

In order to better reflect the actual cash flows of operating activities, cash borrowings for Transportation Security Services are included in "Other" under "Cash flows from operating activities" the portion of the Statements that indicates "Increase (decrease) in advance payments" and are therefore offset.

(3) Basic Policy Concerning Profit Distribution and Dividend for the Current and Next Term

The company considers the return of earnings to shareholders a top management priority, and our basic policy is to distribute profits to shareholders based on our operating results while increasing internal reserves. ALSOK uses internal reserves for investment in R&D required for future growth and development, qualitative upgrades to information systems, and capital investment for new businesses, as it works to improve its business performance.

Regarding acquisition of its own shares, the company exercises a flexible capital structure policy that is responsive to changes in the operating environment.

In addition, the company maintains a fundamental policy of distributing dividends twice annually, at the end of the interim period and year-end, with funds drawn from retained earnings. Approval to appropriate funds for dividend payments from retained earnings is decided by the General Meeting of Shareholders for the year-end dividend and by the Board of Directors for the interim dividend.

For the year ended March 31, 2009, the company paid an interim dividend of ¥10 per share and intends to pay a year-end dividend of ¥10 per share for a total annual dividend of ¥20 per share. For the year ending March 31, 2010 the company plans to pay an interim dividend of ¥11 per share and a year-end dividend of ¥10 per share for an annual dividend of ¥20 per share.

2. Status of the Corporate Group

There have been no significant changes in the "Business Outline (Business Content)" or the "Status of Related Companies" from the most recent Yukashoken-Houkokusho (submitted June 27, 2008; Japanese only). These sections are therefore omitted from this financial release.

3. Management Policies

(1) Basic Corporate Management Policy
(2) Stance on Target Management Indicators
(3) Medium- and Long-term Corporate Strategy
(4) Pressing Issues for the Company
Note: There have been no significant changes to the content of the above policies since the disclosure of the policies in the interim financial report (released November 14, 2006) for the fiscal year ended March 31, 2007. These sections are therefore omitted from this financial release.

The abovementioned interim report (Japanese only) may be accessed online at the following addresses:
ALSOK Group Website
http://www.alsok.co.jp/ir
Tokyo Stock Exchange Website (Listed Companies Information Search Page)
http://www.tse.or.jp/listing/compsearch/index.html

(5) Other important items in management of the Company
a. From September 30, 2008 we made URBAN SECURITY Co., Ltd a consolidated subsidiary in order to achieve further business expansion and to reinforce our security operation base.
b. From April 1, 2009 Tohoku Sohgo Security Services Co., Ltd. was split and its various regional businesses absorbed by the following successor companies in an incorporation-type company split: The Akita region business was transferred to ALSOK Akita Co., Ltd., the Iwate region business was transferred to ALSOK Iwate Co., Ltd., and the Yamagata region business was transferred to ALSOK Yamagata Co., Ltd. Tohoku Sohgo Security Services Co., Ltd was absorbed by SOHGO SECURITY SERVICES CO., LTD., (the Company). In doing so, we aim to build a structure that will lead to

profitability and operational capacity through stronger governance, and promote growth and development for the Group.
c. From April 1, 2009 our consolidated subsidiary ALSOK Shimane Asahi Co., Ltd. changed its name to ALSOK Asahi Harima Co., Ltd. to reflect the integration of operations relating to Group's prison PFI business.
d. From April 1, 2009 we will fully introduce the regional division system to strengthen our regional business strategies.

Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2009	As of March 31, 2008
Assets		
Current assets		
Cash and deposits (Note 3)	53,506	57,375
Cash for Transportation Security Services (Note 1)	30,910	30,839
Notes and accounts receivable	20,862	22,460
Lease receivables and lease investment assets	1,290	—
Short-term investments in securities	1,618	1,265
Advance payment	—	4,452
Raw materials and supplies	4,249	—
Advance payment	43,821	49,776
Deferred tax assets	2,409	1,689
Other	5,238	4,583
Allowance for doubtful accounts	-216	-229
Total current assets	163,690	172,212
Fixed assets		
Tangible fixed assets		
Buildings and structures (Note 3)	18,984	19,554
Machinery, equipment and delivery equipment	15,140	15,364
Land (Notes 2 and 3)	17,972	17,933
Leased assets	2,221	—
Construction in progress	1,404	1,129
Other	3,372	3,657
Total tangible fixed assets	59,095	57,638
Intangible fixed assets		
Software	5,125	4,574
Goodwill	37	147
Other	259	806
Total intangible fixed assets	5,422	5,528
Investments and other assets		
Investments in securities (Notes 3 and 4)	24,039	27,354
Long-term loans	636	1,815
Lease deposits	8,429	8,460
Insurance reserve fund	3,111	3,421
Prepaid pension fund	4,166	3,518
Deferred tax assets	15,909	16,111
Other	3,535	3,704
Allowance for doubtful accounts	-474	-2,369
Net investments and other assets	59,353	62,016
Total fixed assets	123,871	125,183
Total assets	287,561	297,396

Contd.

Consolidated Balance Sheets

(Unit: ¥ million)

	As of March 31, 2009	As of March 31, 2008
Liabilities		
Current liabilities		
Trade notes and accounts payable	8,668	9,551
Short-term borrowings (Notes 1 and 3)	53,182	60,766
Current portion of bonds	2,200	2,700
Accounts payable	12,407	11,724
Lease obligations	788	—
Accrued income taxes	1,541	1,572
Accrued consumption taxes	1,326	1,619
Allowance for bonuses	876	807
Allowance for directors' bonuses	174	184
Other	8,215	8,066
Total current liabilities	89,381	96,993
Long-term liabilities		
Bonds	4,400	6,600
Long-term borrowings (Note 3)	2,852	4,419
Lease obligations	2,825	—
Deferred tax liabilities	4	25
Deferred income taxes on land revaluation	418	418
Accrued retirement benefits for employees	27,773	28,670
Accrued retirement benefits for directors and corporate auditors	1,658	1,575
Other	3,348	3,788
Total long-term liabilities	43,282	45,498
Total liabilities	132,663	142,491
Net Assets		
Shareholders' equity		
Common stock	18,675	18,674
Capital surplus	32,117	32,117
Retained earnings	93,004	90,720
Treasury stock	-1,974	-919
Total shareholders' equity	141,822	140,592
Valuation and translation adjustments		
Other securities valuation difference	738	2,310
Land revaluation account	-5,395	-5,395
Translation adjustment	-3	-2
Total valuation and translation adjustments	-4,660	-3,087
Minority interests in consolidated subsidiaries	17,735	17,399
Total net assets	154,898	154,904
Total	287,561	297,396

Consolidated Statements of Operations

(Unit: ¥ million)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
Sales	285,004	284,996
Cost of sales (Note 6)	215,711	212,287
Gross profit on sales	69,292	72,709
Selling, general and administrative expenses (Notes 1 and 2)	59,349	58,913
Operating profit	9,943	13,795
Other income		
Interest received	241	395
Dividends received	566	667
Profit on sales of investments in securities	21	170
Rental income	181	441
Gain from insurance claim	322	132
Equity in earnings of affiliates	312	329
Received penalties for contracts cancellation	383	438
Other	921	772
Total other income	3,038	3,347
Other expenses		
Interest	930	988
Loss on sales of investments in securities	2	16
Loss on disposals of fixed assets (Note 3)	281	470
Loss on revaluation of derivatives	327	540
Other	809	484
Total other expenses	2,350	2,500
Recurring profit	10,630	14,642
Extraordinary profits		
Profit on sales of investments in securities	11	464
Restitution income	—	287
Gain on revision of retirement benefit plan	37	—
Total extraordinary profits	49	752
Extraordinary losses		
Impairment loss on investments in securities	1,590	231
Loss on sales of investments in securities	2	45
Loss on disposals of fixed assets (Note 4)	23	120
Impairment loss (Note 5)	0	12
Total extraordinary losses	1,617	410
Income before income taxes	9,062	14,983
Income taxes	3,467	4,603
Income taxes adjustment	676	1,982
Total income taxes	4,144	6,586
Minority interests in income of consolidated subsidiaries	693	744
Net income	4,224	7,653

Consolidated Statements of Changes in Net Assets

（Unit: ¥ million）

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
Shareholders' equity		
Common stock		
Balance at the end of previous period	18,674	18,536
Changes during the period		
Issuance of new shares	0	137
Total changes of items during the period	0	137
Balance at the end of period	18,675	18,674
Capital surplus		
Balance at the end of previous period	32,117	32,047
Changes during the period		
Issuance of new shares	0	69
Total changes of items during the period	0	69
Balance at the end of period	32,117	32,117
Retained earnings		
Balance at the end of previous period	90,720	85,258
Changes during the period		
Cash dividends	-2,019	-2,191
Net income	4,224	7,653
Others	78	—
Total changes of items during the period	2,283	5,462
Balance at the end of period	93,004	90,720
Treasury stock		
Balance at the end of previous period	-919	-6
Changes during the period		
Purchase of treasury stock	-1,054	-913
Total changes of items during the period	-1,054	-913
Balance at the end of period	-1,974	-919
Total shareholders' equity		
Balance at the end of previous period	140,592	135,835
Changes during the period		
Issuance of new shares	1	207
Cash dividends	-2,019	-2,191
Net income	4,224	7,653
Purchase of treasury stock	-1,054	-913
Others	78	—
Total changes of items during the period	1,230	4,756
Balance at the end of period	141,822	140,592

Contd.

Consolidated Statements of Changes in Net Assets

(Unit: ¥ million)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
Valuation and translation adjustments		
Other securities valuation difference		
Balance at the end of previous period	2,310	4,335
Changes during the period		
Net amount of changes excluding shareholders' equity	-1,571	-2,025
Total changes of items during the period	-1,571	-2,025
Balance at the end of period	738	2,310
Land revaluation account		
Balance at the end of previous period	-5,395	-5,395
Changes during the period		
Total changes of items during the period	—	—
Balance at the end of period	-5,395	-5,395
Translation adjustments		
Balance at the end of previous period	-2	—
Changes during the period		
Net amount of changes excluding shareholders' equity	-1	-2
Total changes of items during the period	-1	-2
Balance at the end of period	-3	-2
Total valuation and translation adjustments		
Balance at the end of previous period	-3,087	-1,060
Changes during the period		
Net amount of changes excluding shareholders' equity	-1,573	-2,027
Total changes of items during the period	-1,573	-2,027
Balance at the end of period	-4,660	-3,087
Minority interests in consolidated subsidiaries		
Balance at the end of previous period	17,399	17,040
Changes during the period		
Net amount of changes excluding shareholders' equity	335	359
Total changes of items during the period	335	359
Balance at the end of period	17,735	17,399

Contd.

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

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
Total net assets		
Balance at the end of previous period	154,904	151,816
Changes during the period		
Issuance of new shares	1	207
Cash dividends	-2,019	-2,191
Net income	4,224	7,653
Purchase of treasury stock	-1,054	-913
Others	78	—
Net amount of changes excluding shareholders' equity	-1,237	-1,668
Total changes of items during the period	-6	3,088
Balance at the end of period	154,898	154,904

Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
Cash flows from operating activities		
Income before income taxes	9,062	14,983
Depreciation	11,988	11,262
Impairment loss	0	12
Depreciation of goodwill	22	109
Increase/decrease(-) in allowance for doubtful accounts	-1,907	212
Increase/decrease(-) in accrued retirement benefit for employees	-921	-486
Increase/decrease(-) in allowance for bonuses	39	-1,050
Increase/decrease(-) in allowance for director’s bonuses	-10	-38
Interest income and dividend income	-807	-1,063
Interest expenses	930	988
Equity in earnings of affiliates	-312	-329
Loss on sales of fixed assets	13	1
Loss on disposals of fixed assets	305	590
Profit on sales of investments in securities	-29	-572
Impairment loss on investment in securities	1,590	231
Loss on revaluation of derivatives	327	540
Increase(-)/decrease in accounts receivable	1,729	-1,580
Increase(-)/decrease in inventories	202	-359
Decrease in accounts payable	-182	-606
Increase in prepaid pension	-647	-1,529
Decrease in assets and liabilities for Transportation Security Services	-229	-1,755
Other	2,741	1,460
Sub-total	23,905	21,022
Interest and dividend income, received	880	1,133
Interest expenses, paid	-928	-989
Income taxes, paid	-5,306	-6,754
Income tax, refund	739	574
Net cash provided by operating activities	19,291	14,986
Cash flows from investment activities		
Increase(-)/decrease of time deposits	-61	646
Payments for purchases of tangible assets	-10,370	-9,138
Proceeds from sales of tangible assets	15	378
Payments for purchases of investments in securities	-3,862	-2,518
Proceeds from sales of investments in securities	2,178	5,700
Increase(-)/decrease in short-term loans	17	-17
Long-term loans made	-146	-259
Long-term loans collected	144	365
Other	-1,913	-3,439
Net cash used in investment activities	-13,997	-8,283

Contd.

Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
Cash flows from financing activities		
Increase/decrease(-) in short-term borrowings	-134	246
Proceeds from long-term debt	1,200	750
Payments on repayment of long-term debt	-4,110	-5,240
Payments for redemption of bonds	-2,700	-2,200
Proceeds from issue of new shares	1	205
Proceeds from minority shareholders	25	40
Payments for purchase of treasury stock	-1,054	-913
Payments for purchase of treasury stock by subsidiary	-16	—
Repayments of lease obligations	-378	—
Dividends paid	-2,015	-2,191
Dividends paid to minority shareholders	-194	-197
Net cash used in financing activities	-9,377	-9,500
Effect of exchange rate changes on cash and cash equivalents	-2	-4
Net decrease in cash and cash equivalents	-4,086	-2,800
Cash and cash equivalents at beginning of the year	49,790	52,591
Change in cash and cash equivalents due to newly consolidated subsidiaries	162	—
Balance of cash and cash equivalents at the end of the period	45,866	49,790

Events or situations giving cause for serious doubt regarding the premise of a going concern

Not applicable

Notes on the Basic Important Points for Preparing the Consolidated Financial Statements of Fiscal year ended March 31, 2009

Items	Fiscal year ended March, 31, 2008	Fiscal year ended March, 31, 2009
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 45 Name of significant consolidated subsidiaries: Sokei Stationed Security Service Co., Ltd. Tohoku Sohgo Security Services Co., Ltd. Kita-Kanto Sohgo Security Services Co., Ltd. Hiroshima Sohgo Security Services Co., Ltd. Sokei Building Service Co., Ltd. Fukushima Sohgo Security Services Co., Ltd.	(1) Number of consolidated subsidiaries: 45 Name of significant consolidated subsidiaries: Sokei Stationed Security Service Co., Ltd. Tohoku Sohgo Security Services Co., Ltd. Kita-Kanto Sohgo Security Services Co., Ltd. Hiroshima Sohgo Security Services Co., Ltd. Sokei Building Service Co., Ltd. Fukushima Sohgo Security Services Co., Ltd. On September 30, 2008 the Company changed its equity stake in URBAN SECURITY Co., Ltd making it a consolidated subsidiary. In the fiscal year ending March 31 2009, Setouchi Sohkei Service Co., Ltd. was liquidated and its management integrated with that of Hiroshima Sohkei Service Co., Ltd. It is therefore removed from 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 amount of assets, operating revenues (or 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) Name of non-consolidated subsidiaries: Same as left. [Rationale for exclusion of non-consolidated subsidiaries, etc., from the scope of consolidation] Same as left.
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 Kitakanto Transportation Security Services Co., Ltd. Chukyo Sohgo Kanzai Co., Ltd. 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.	(1) Number of affiliates accounted for under the equity method: 8 Name of significant affiliates: Same as left. (2) Major unconsolidated subsidiaries and affiliates not accounted for under the equity method Same as left. [Rationale for non-application of the equity method] Same as left.

3. Matters concerning fiscal year-end of consolidated subsidiaries	The fiscal year-end of all consolidated subsidiaries is the same as the consolidation date.	Same as left.
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 consolidated accounts (valuation differences are reported as a separate component of net assets and the 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.	(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 consolidated accounts (valuation differences are reported as a separate component of net assets and the sale price is determined by the moving average method); derivatives embedded bonds that cannot be treated separately are reported using the mark-to-market method) Without market value: Same as left. b. Derivatives Same as left.

	c. Inventories Mainly stated at cost on a first-in first-out basis.	c. Inventories 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). Change in accounting policy From the beginning of April 2008, however, the Company has applied "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9, July 5, 2006). As a result of this change, operating profit, recurring profit and income before income taxes each decreased by ¥7 million.
	(2) Depreciation method for major depreciable assets a. Tangible fixed 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 1st, 1998, at rates based on the estimated useful lives of the assets. The range of useful lives is principally as follows: Buildings and structures: 38 to 50 years Machinery, equipment and delivery equipment: 3 to 5 years	(2) Depreciation method for major depreciable assets a. Tangible fixed 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: 38 to 50 years Machinery, equipment and delivery equipment: 3 to 5 years

	(Changes in Accounting Standards) The Company and its domestic subsidiaries have, in accordance with the revision of the Corporate Tax Law and starting from the fiscal year under review, changed to a method of depreciation and amortization that is based on said revised Law with respect to tangible fixed assets acquired on or after April 1, 2007. As a result, operating income, recurring profit and net income before income taxes each decreased by ¥519 million.	
	(Additional Information) In accordance with the revision of the Corporate Tax Law, the Company and its domestic subsidiaries have, due to the application of a depreciation and amortization method based on said Law prior to revision with respect to tangible fixed assets acquired on or before March 31, 2007, from the fiscal year after the fiscal year during which depreciation reached 5% of their acquisition price, the difference between the amount equivalent to 5% of the acquisition price and the remainder price is depreciated evenly over a period of 5 years and accounted including depreciation and amortization cost. As a result of the above, operating income, ordinary income and net income before tax decreased ¥533 million, respectively.	

	b. Intangible fixed 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). ――――――	b. Intangible fixed assets (excluding lease assets) Same as left. 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.	(3) Accounting criteria for major allowances a. Allowance for doubtful accounts Same as left. b. Allowance for bonuses Same as left.

	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. (Changes in Accounting Standards) From the current fiscal term, the "Accounting Standard for Bonuses to Directors" (Corporate Accounting Standards No. 4, November 29, 2005) is applied. Consequently, a ¥58 million expense was accounted for bonuses to executive officers and a provision of ¥223 million was made to the allowance for directors' bonuses. As a result, operating income, recurring profit and net income before income taxes each decreased by ¥281 million.	c. Allowance for directors' bonuses Same as left.
	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 (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 (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.	d. Retirement benefit and pension plans for employees Same as left. (Additional Information) Following the enactment of the Defined Contribution Pension Act, some of the consolidated subsidiaries of the Company made a partial transfer from a retirement lump-sum plan to a defined contribution pension plan from January 2009, and applied "Accounting for Transfer between Retirement Benefit Plans". (ASBJ Guidance No.1). As a result of this transfer, the Company recorded an extraordinary gain of ¥37 million.

	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. ――――――	e. Retirement benefit plan for directors and corporate auditors Same as left.
	(4) Major lease transactions Finance leases, except for those where the legal title of the underlying property is transferred from the lessor to the lessee at the end of the lease term, are accounted for in the same manner as operating leases.	(4) ――――――
	(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 term are as follows: Hedging instruments: interest rate Hedged items: Bank loans	(5) Hedge accounting a. Method of hedge accounting Same as left. b. Hedge instruments and hedge items Same as left.

	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 passed for interest rate swaps which qualify for hedge accounting and meet specific matching criteria, as they are considered highly hedge effective. (6) Other important matters a. Accounting for consumption tax Excluded from transaction amounts. ————	c.Hedge policy Same as left. d. Hedge effective assessment Same as left. (6) Other important matters a. Accounting for consumption tax Same as left. b. Accounting standard for income and expenses 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.
5. Matters concerning valuation of assets and liabilities of consolidated subsidiaries	The assets and liabilities of consolidated subsidiaries are valued using the all-fair-value method.	Same as left.
6. Matters concerning goodwill and negative goodwill amortization	Goodwill and negative goodwill are amortized evenly over a 5-year period.	Same as left.
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.	Same as left.

Change of the Basic Important Points for Preparing the Consolidated Financial Statements of This Term

Previous Fiscal Term (From April 1, 2007 to March 31, 2008)	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
(Changes to the indication method in Consolidated Statements of Cash Flows) The net increase/decrease in short-term borrowings for the procurement of cash to be used for Transportation Security Services had been conventionally accounted by inclusion in the "Increase/decrease of short-term borrowings" of "Cash flows from financing activities", however, due to an increase in the balance of borrowings as a result of an expansion in Transportation Security Services, the effect on the demand for external capital on the final day of the fiscal year due to bank holidays, etc., is increasing every year and, in order to more appropriately reflect the actual conditions of the "Cash flow from operating activities", it was decided that the net increase/decrease in short-term borrowings for the procurement of cash to be used for Transportation Security Services is to be included in the "Other" of "Cash flow from operating activities", the portion of the Statements that indicates "Cash for Transportation Security Services" and "Increase/decrease in advance payment", starting from the current fiscal year. If applying the same indication method to the previous fiscal year, the figures recorded for the term ended March 2007 shall be as follows: ¥(4,099) million posted in the "Other" field of "Cash flow from operating activities", ¥14,293 million for "Cash flow from operating activities", ¥(137) million for the "Increase/decrease in short-term borrowings" of "Cash flow from financing activities" and ¥(3,109) million for "Cash flow from financing activities".	―――――

―	[Application of accounting standards relating to leases] Previously, the Company accounted for finance leases other than those deemed to transfer ownership as operating lease transactions. However, from the beginning of April 2008, the Company has applied "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 (June 17, 1993 (First Subcommittee of the Business Accounting Council), revised on March 30, 2007)), and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting System Committee), revised March 30, 2007)) and now accounts for these leases as ordinary sale and purchase transactions. However, 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 and related regulations were applied as operating leases. There was no effect on profit and loss from this change.
―	(Provisional treatment of subsidiaries located in a country or region other than Japan in consolidated financial statements) From the fiscal year beginning from April 1, 2008 we applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No. 18, No. 18, May 17, 2006). There was no effect on profit and loss from this change.
―	[Change in the method of accounting for rental income payment] Subletting income such as employee payments for company housing was previously accounted for as rental income under other income, and the corresponding expenses were accounted under cost of sales and selling, general and administrative expenses. However, in order to clarify the state of the Company's expenses from April 2008 we have changed to a method that excludes these from the cost of sales and selling general and administrative expenses. As a result, operating profit increased by ¥286 million.

Change of Presentation Method

Previous Fiscal Term (From April 1, 2007 to March 31, 2008)	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
―――――	[Consolidated Balance Sheets] Following the application of “Cabinet Office Ordinance on Partial Amendment of the Regulations Concerning Terminology, Format and Preparation of Financial Statements” (Cabinet Office Ordinance No.50 issued on August 7, 2008), items that appeared as “inventories” in previous years have from April 2008 been called “Raw materials and supplies”.

Additional Information

Previous Fiscal Term (From April 1, 2007to March 31, 2008	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
(Revision of the bonus system by some subsidiaries) Some subsidiaries have revised their bonus system as of the current fiscal year and matched the bonus payment period with the accounting period. As a result, a bonus reserve relating to some subsidiaries is not accounted.	―――――

Notes

A. Consolidated Balance Sheets

Previous Fiscal Term **(From April 1, 2007 to March 31, 2008)**	**Current Fiscal Term** **(From April 1, 2008 to March 31, 2009)**
*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 ¥51,701 million relating to this operation. In addition to cash and deposits presented on the consolidated balance sheet, the ALSOK Group has off-balance cash of ¥228,593 million deposited from clients in the course of conducting transportation security services.	*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 ¥45,596 million relating to this operation. In addition to cash and deposits presented on the consolidated balance sheet, the ALSOK Group has off-balance cash of ¥230,402 million deposited from clients in the course of conducting transportation security services.
*2. 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.	*2. 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: ¥981 million	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: ¥551 million

Previous Fiscal Term (From April 1, 2007 to March 31, 2008)	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
*3 Assets pledged as collateral and obligations collateralized by the assets Assets pledged as collateral are as follows: (¥ million) Cash and deposits 415 Buildings and structures 2,800 Land 4,532 Investments in securities 26 Total 7,774 The obligations collateralized by the above assets are as follows: (¥ million) Short-term borrowings 699 Long-term borrowings 1,867 Total 2,567 *4. Investments in non-consolidated subsidiaries and affiliated companies are as follows: Investments in securities (stocks)¥5,066 million	*3 Assets pledged as collateral and obligations collateralized by the assets Assets pledged as collateral are as follows: (¥ million) Cash and deposits 416 Buildings and structures 2,473 Land 4,073 Investments in securities 26 Total 6,989 The obligations collateralized by the above assets are as follows: (¥ million) Short-term borrowings 631 Long-term borrowings 1,480 Total 2,111 *4. Investments in non-consolidated subsidiaries and affiliated companies are as follows: Investments in securities (stocks)¥5,369 million

Consolidated Statements of Operations

Previous Fiscal Term (From April 1, 2007 to March 31, 2008)	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
*1. Selling, general and administrative expenses comprise the following: (¥ million) Advertising 3,017 Salaries and allowances 30,701 Provision for bonuses 248 Provision for directors′ bonuses 184 Provision for directors′ retirement benefits 232 Provision of allowance for doubtful accounts 161 Welfare and service 4,694 Retirement benefit expenses 819 Rent 5,115 Depreciation 2,536 Taxes and duties 1,173 Communication 1,292	*1. Selling, general and administrative expenses comprise the following: (¥ million) Advertising 2,873 Salaries and allowances 31,137 Provision for bonuses 241 Provision for directors′ bonuses 174 Provision for directors′ retirement benefits 181 Provision of allowance for doubtful accounts 75 Welfare and service 4,869 Retirement benefit expenses 1,170 Rent 5,427 Depreciation 2,478 Taxes and duties 1,151 Communication 1,275
*2. Total amount of research and development expenses Research and development expenses included in administrative expenses are ¥625 million.	*2. Total amount of research and development expenses Research and development expenses included in administrative expenses are ¥628 million.
*3. Loss on disposal of tangible fixed assets (¥ million) Machinery and equipment 290 Others 180 Total 470	*3. Loss on disposal of tangible fixed assets (¥ million) Machinery and equipment 185 Others 95 Total 281
*4. Loss on disposal of tangible fixed assets (¥ million) Buildings and accompanying facilities: 120	*4. Loss on disposal of tangible fixed assets (¥ million) Buildings and accompanying facilities: 23

Previous Fiscal Term **(From April 1, 2007 to March 31, 2008)**	**Current Fiscal Term** **(From April 1, 2008 to March 31, 2009)**
*5. Impairment losses For the fiscal year ended March 31, 2008, the ALSOK Group recorded impairment losses as follows: Type: Land / Purpose: Vacant lot / Impairment losses: ¥12 million 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, ¥12 million for land for the year ended March 31, 2008. Pertaining to unused land and structures whose value decreased and whose use is not foreseen in the future, the book value is reduced to the recoverable value and accounted in extraordinary loss as impairment losses (¥12 million). A breakdown includes ¥12 million for land. 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.	*5. Impairment losses For the fiscal year ended March 31, 2009, the ALSOK Group recorded impairment losses as follows: Type: Land / Purpose: Vacant lot / Impairment losses: ¥0 million 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, ¥0 million for land for the year ended March 31, 2009. Pertaining to unused land and structures whose value decreased and whose use is not foreseen in the future, the book value is reduced to the recoverable value and accounted in extraordinary loss as impairment losses (¥0 million). A breakdown includes ¥0 million for land. 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.
*6 ———	*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. ¥7 million

Consolidated Statements of Changes in Net Assets

Previous Fiscal Term (From April 1, 2007 to March 31, 2008)

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

	Number of shares as of March 31, 2006	Number of increased shares during the fiscal term	Number of decreased shares during the fiscal term	Number of shares as of March 31, 2008
Issued shares				
Common stock (*1)	101,889,342	149,700	—	102,039,042
Total	101,899,342	149,700	—	102,039,042
Treasury stock				
Common stock (*2)	3,958	656,751	—	660,709
Total	3,958	656,751		660,709

Note 1. The increase of 149,700 shares to the total outstanding shares of common stock is the result of new share issuances due to the exercise of stock options.

Note 2. The increase of 844,536 shares of common stock to the amount of treasury stock is the result of an increase of 536 shares from the purchase of odd lots, and an increase of 844,000 shares due to an acquisition based on a resolution of the Board of Directors held on February 13, 2008 as per Article 7 of the Articles of Incorporation.

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, 2007 (¥ million)
			As of March 31, 2006	Increase	Decrease	As of March 31, 2007	
Submitting Company (Parent Company)	2000 Stock acquisition rights (Note 1)	Common stock	179	—	179	—	—
	2001 Stock acquisition rights (Note 1)	Common stock	187	—	68	119	—
	2002 Stock acquisition rights (Note 2)	Common stock	87	—	30	57	—
	2003 Stock acquisition rights (Note 3)	Common stock	253	—	25	228	—
Consolidated subsidiaries	—	—	—	—	—	—	—
Total		—	708	—	303	405	—

Note 1: The current fiscal year decrease is a result of the exercise or invalidation of subscription rights.

Note 2: The current fiscal year decrease is a result of the exercise of share acquisition rights.

Note 3: The current fiscal year decrease is a result of the exercise or invalidation of share acquisition 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 28, 2007	Common stock	1,171	11.5	March 31, 2007	June 29, 2007
Board of Directors Meeting on November 13, 2007	Common stock	1,019	10.0	September 30, 2006	December 7, 2007

(2) Dividends with a record date in the current 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 27, 2007	Common stock	1,171	Retained earnings	11.5	March 31, 2007	June 29, 2007

Current Fiscal Term (From April 1, 2007 to March 31, 2008)

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

	Number of shares as of March 31, 2008	Number of increased shares during the fiscal term	Number of decreased shares during the fiscal term	Number of shares as of March 31, 2009
Issued shares				
Common stock (Note 1)	102,039,042	1,000	—	102,040,042
Total	102,039,042	1,000	—	102,040,042
Treasury stock				
Common stock (Note 2)	660,709	844,536	—	1,505,245
Total	660,709	844,536	—	1,505,245

Note 1: The increase of 1,000 shares of common stock to the total number of outstanding shares is the result of the issuance of new shares due to the exercise of stock options.

Note 2: The increase of 844,536 shares of common stock to the amount of treasury stock is the result of an increase of 536 shares due to the purchase of odd lots and an increase of 844,000 shares due to an acquisition based on a resolution of the Board of Directors held on February 13, 2008 as per Article 7 of the Articles of Incorporation.

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, 2008 (¥ million)
			As of March 31, 2007	Increase	Decrease	As of March 31, 2008	
Submitting Company (Parent Company)	2001 Stock acquisition rights (Note 1)	Common stock	119	—	119	—	—
	2002 Stock acquisition rights	Common stock	57	—	—	57	—
	2003 Stock acquisition rights (Note 2)	Common stock	228	—	8	220	—
Consolidated subsidiaries	—	—	—	—	—	—	—
Total		—	405	—	127	277	—

Note 1: The current fiscal year decrease is a result of the exercise or invalidation of subscription rights.

Note 2: The current fiscal year decrease is a result of the exercise or invalidation of stock acquisition 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 27, 2008	Common stock	1,013	10.0	March 31, 2008	June 29, 2008
Board of Directors Meeting on November 11, 2008	Common stock	1,005	10.0	September 30, 2008	December 5, 2008

(2) Dividends with a record date in the current 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 25, 2009	Common stock	1,005	Retained earnings	10.0	March 31, 2009	June 26, 2009

Consolidated Statements of Cash Flows

Previous Fiscal Term (**From April 1, 2007 to March 31, 2008)**	**Current Fiscal Term** (**From April 1, 2008 to March 31, 2009)**
Reconciliation of each item in the Consolidated Balance Sheets and cash and cash equivalents in the Consolidated Statements of Cash Flows:	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, 2008)

(¥ million)

Cash and deposits	57,375
Deposits to mature in excess of 3 months	-8,498
Short-term investments (securities) to be redeemed within 3 months of acquisition date	913
Cash and cash equivalents	49,790

(As of March 31, 2009)

(¥ million)

Cash and deposits	53,506
Deposits to mature in excess of 3 months	-8,559
Short-term investments (securities) to be redeemed within 3 months of acquisition date	919
Cash and cash equivalents	45,866

Notes on Securities

1. Marketable other securities

(¥ million)

	Previous Fiscal Term (From April 1, 2007 to March 31, 2008)			Current Fiscal Term (From April 1, 2008 to March 31, 2009)		
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost						
a. Stocks	4,777	9,924	5,146	3,321	5,563	2,241
b. Debt securities						
National and local government bond	398	405	6	250	252	2
Corporate bond	898	907	9	649	650	0
c. Others	305	314	9	—	—	—
Total	6,379	11,551	5,172			
Securities whose acquisition cost exceeds their carrying value						
a. Stocks	3,174	2,185	-989	3,585	2,977	-608
b. Debt securities						
National and local government bond	100	100	- 0	—	—	—
Corporate bond	4,022	3,298	-723	3,907	3,544	-363
c. Others	1,219	1,030	-189	1,283	896	-386
Sub-total	8,517	6,614	-1,903	8,776	7,418	-1,358
Total	14,896	18,165	3,269	12,998	13,883	885

Note: In the consolidated fiscal year ended March 31, 2008 an impairment loss of ¥219 million was recognized for marketable other securities (shares ¥155 million, bonds ¥63 million).

In the year ended March 31, 2009 an impairment loss of ¥1,562 million was recognized for marketable other securities (shares ¥1,362 million, others ¥199 million).

2. Proceeds from sales of securities

(¥ million)

	Previous Fiscal Term (From April 1, 2007 to March 31, 2008)	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
Proceeds from sales of securities	1,364	581
Aggregate gross gain	634	33
Aggregate gross losses	62	4

3. Carrying value of major non-marketable securities classified as other securities

(¥ million)

	Previous Fiscal Term (From April 1, 2007 to March 31, 2008)	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
	Carrying value	Carrying value
Other securities		
Unlisted stocks	4,360	3,374
Others	1,026	3,030

4. Redemption schedule for securities with maturity dates classified as other securities

a) Previous fiscal term (From April 1, 2007 to March 31, 2008)

(¥ million)

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
a. Debt securities				
National and local government bond	252	100	154	—
Corporate bond	100	1,430	298	2,377
b. Others	—	101	—	—
Total	352	1,631	452	2,377

b) Current fiscal term (From April 1, 2008 to March 31, 2009)

(¥ million)

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
a. Debt securities				
National and local government bond	100	50	101	—
Corporate bond	545	1,550	2,243	1,801
b. Others	53	102	—	—
Total	699	1,703	2,345	1,801

Notes on Derivative transactions

1. Matters concerning transactions

Previous Fiscal Term **(From April 1, 2007 to March 31, 2008)**	**Current Fiscal Term** **(From April 1, 2008 to March 31, 2009)**
1. Details of derivative transactions Interest rate swaps and other securities (exchange linked bonds, etc.) embedded derivatives	1. Details of derivative transactions Same as left.
2. Policy to use derivative transactions The derivative transactions are for the purpose of reducing market risks resulting from fluctuations in interest rates. Also, transactions of other securities (exchange linked bonds, etc.) embedded derivatives are used as part of asset management.	2. Policy to use derivative transactions Same as left.
3. Purpose of derivative transactions The purpose for derivatives is to reduce market risks resulting from fluctuations in interest rates. (1) Hedge accounting Deferred hedge treatment (2) Hedging instruments and hedged items Hedging instruments: interest rate Hedged items: bank loans (3) Hedge policy For the purpose of reducing financial costs and exposures to market risks resulting from fluctuations in interest rates, interest rate fluctuation risk is hedged in accordance with its internal rules. (4) Hedge effective assessment Assessment of hedge effectiveness is passed for interest rate swaps which qualify for hedge accounting and meet specific matching criteria, as they are considered highly hedge effective. The purpose of embedded derivative transactions is to manage surplus capital.	3. Purpose of derivative transactions Same as left. (1) Hedge accounting Same as left. (2) Hedging instruments and hedged items Same as left. (3) Hedge policy Same as left. (4) Hedge effective assessment Same as left.

4. Risk for transactions The Company believes there is very little risk from market rate change in interest rate swaps transactions. Also, embedded derivative transactions bear interest rate fluctuation risk and loss of principal risk. The Company's derivative transactions are effectuated with highly creditworthy financial institutions not expected to lose their creditworthiness from the non-performance of agreements by opposing parties.	4. Risk for transactions Same as left.
5. Risk management system for transactions In accordance with its internal rules, the ALSOK Group controls various aspects of derivative transactions including authorization levels, transaction volumes, and execution by the accounting division.	5. Risk management system for transactions Same as left.

2. Matters concerning market value, etc., of derivative transactions

(¥ million)

Type	Previous fiscal term (As of March 31, 2008)			Current fiscal term (As of March 31, 2009)		
	Amount of contracts	Market value	Unrealized profits or losses	Amount of contracts	Market value	Unrealized profits or losses
Transactions other than market trading (Compound instruments)	2,049	1,508	-540	2,137	1,289	-848
Total	2,049	1,508	-540	2,137	1,289	-848

Previous fiscal term	Current fiscal term
Note1: Excluding derivative transactions for which hedge accounting was applied.	Note1: Same as left.
Note 2: Market values are based on figures presented by financial institutions with which the Company deals with.	Note2: Same as left.
Note3: Pertaining to embedded derivatives, because market values cannot be rationally measured in segments, the market value for all compound financial instruments is valuated and the difference is accounted as a loss.	Note3: Same as left.

Notes on retirement benefits

Previous Fiscal Term **(From April 1, 2006 to March 31, 2007)**	**Current Fiscal Term** **(From April 1, 2007 to March 31, 2008)**
1. Outline of retirement benefit plan The Company has a corporate pension plan and a retirement lump-sum severance payment plan as a defined benefit plan. The consolidated subsidiaries have defined benefit plans (tax-eligible non-contributory pension plan and lump-sum severance indemnities plan, and defined contribution plan of Retirement Allowance Mutual Aid System of Medium and Small Enterprises.)	1. Outline of retirement benefit plan Same as left.
2. Matters concerning status of retirement benefit plan	2. Matters concerning status of retirement benefit plan

	Previous Fiscal Term (¥ million)	Current Fiscal Term (¥ million)
(1) Retirement benefit obligation	-71,563	-73,604
(2) Plan assets	48,172	40,292
(3) Unfunded retirement benefit obligation	-23,391	-33,312
(4) Unrecognized actuarial gain	196	10,495
(5) Unrecognized prior service cost (decrease in obligation) (Note 1, Note 2)	-1,956	-790
(6) Net amount recognized in the balance sheet	-25,152	-23,607
(7) Prepaid pension cost	3,518	4,166
(8) Net retirement benefit liability (6) - (7)	-28,670	-27,773

Note 1:The Company and certain subsidiaries transferred their Sohgo Securities Service welfare pension fund scheme and tax-eligible non-contributory defined benefit pension plan to a defined benefit private pension plan. Alongside this transfer, prior service cost (decrease in obligation) accrued in the first half period of the fiscal year ended March 31, 2006. Note 2: Certain subsidiaries transferred their tax-eligible non-contributory defined benefit pension plan to a defined benefit private pension plan. Alongside this transfer, prior service cost (decrease in obligation) accrued in the first half period of the fiscal year ended March 31, 2008. Note 3: Certain subsidiaries have adopted a simplified method in the computation of their retirement benefit obligation in conformity with the accounting standard for employees' retirement benefits.	Note 1: The Company and certain subsidiaries transferred their Sohgo Securities Service welfare pension fund scheme and tax-eligible non-contributory defined benefit pension plan to a defined benefit private pension plan. Alongside this transfer, prior service cost (decrease in obligation) accrued in the first half period of the fiscal year ended March 31, 2006. Note 2: Certain subsidiaries transferred their tax-eligible non-contributory defined benefit pension plan to a defined benefit private pension plan. Alongside this transfer, prior service cost (decrease in obligation) accrued in the first half period of the fiscal year ended March 31, 2008. Note 3: Certain subsidiaries have adopted a simplified method in the computation of their retirement benefit obligation in conformity with the accounting standard for employees' retirement benefits..

<table>
<tr><th>Previous Fiscal Term
(From April 1, 2007 to March 31, 2008)</th><th>Current Fiscal Term
(From April 1, 2008 to March 31, 2009)</th></tr>
<tr><td>3. Components of retirement benefit expenses
(¥ million)
(1) Service cost 3,604
(2) Interest cost 1,701
(3) Expected return on plan assets -1,349
(4) Recognized actuarial gain -477
(5) Amortization of prior service c (Note 1) -854
(6) Extra severance payment 62
(7) Net periodic benefit cost 2,687

Note 1: Amount treated for the current term relating to past service liabilities indicated in Notes 1 and 2 of “2. Matters concerning status of retirement benefit plan” on the previous page.
Note 2: Retirement benefit expenses of consolidated subsidiaries using the simplified method are accounted in “(1) Service cost”.

4. Assumption used in accounting for the above plan
(1) Method of equally allocating estimated retirement benefits over service period: Allocated over service period
(2) Discount rate 2.5%
(3) Expected return on assets 2.5%
(4) Amortization period of prior service cost 5 years
(5) Recognition period of actuarial gain/loss 10 years
(Amortization commences from next fiscal term)</td>
<td>3. Components of retirement benefit expenses
(¥ million)
(1) Service cost 3,610
(2) Interest cost 1,741
(3) Expected return on plan assets -1,195
(4) Recognized actuarial gain -513
(5) Amortization of prior service c (Note 1) -1,003
(6) Extra severance payment 71
(7) Net periodic benefit cost 3,737

Note 1: Amount treated for the current term relating to past service liabilities indicated in Notes 1 and 2 of “2. Matters concerning status of retirement benefit plan” on the previous page.
Note 2: Retirement benefit expenses of consolidated subsidiaries using the simplified method are accounted in “(1) Service cost”.

4. Assumption used in accounting for the above plan
(1) Method of equally allocating estimated retirement benefits over service period: Allocated over service period
(2) Discount rate 2.5%
(3) Expected return on assets 2.5%
(4) Amortization period of prior service cost 5 years
(5) Recognition period of actuarial gain/loss 10 years
(Amortization commences from next fiscal term)</td></tr>
</table>

Notes on business combinations, etc.

Not applicable.

Relating to special purpose companies subject to disclosure

Not applicable.

Notes on tax effect accounting

(1) Significant components of the ALSOK Group's deferred tax assets and liabilities on March 31, 2007 and 2008 are as follows:

(¥ million)

	As of March 31, 2008	As of March 31, 2009
Deferred tax assets:		
Accrued enterprise tax	250	159
Excess amount over limitation of taxable allowance for employee bonus	330	359
Excess amount over limitation of taxable allowance for doubtful account	997	222
Excess amount over limitation of taxable allowance for pension and severance payments	11,534	11,533
Accrued retirement benefit for directors and corporate auditors	870	885
Excess amount over limitation of taxable allowance for depreciation and amortization	1,199	1,176
Installation cost for signal equipment on subscribers' premises	5,158	4,579
Valuation losses on investment in securities	191	252
Amount of loss carried forward	327	1,815
Land revaluation account	2,444	2,444
Others	1,116	991
Sub total	24,421	24,040
Valuation allowance	-3,511	-3,550
Total deferred tax assets	20,910	20,489
Deferred tax liabilities:		
Prepaid pension cost	-1,436	-1,628
Valuation differences in other securities	-1,557	-368
Dividend income by foreign stock	-141	-179
Land revaluation account	-418	-418
Total deferred tax liabilities	-3,554	-2,595
Net deferred tax assets	17,335	17,894

Note: The net amounts for deferred tax assets are stated in the following items of the Consolidated Balance Sheets.

		(¥ million)
	As of March 31, 2008	**As of March 31, 2009**
Current assets	1,689	2,409
- Deferred tax assets		
Non-current assets	16,111	15,909
- Deferred tax assets		
Non-current liabilities	25	4
- Deferred tax liabilities		
Non-current liabilities	418	418
- Deferred tax liabilities related to land revaluation		

(2) Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows:

(%)

	As of March 31, 2008	**As of March 31, 2009**
Statutory tax rate	40.7	40.7
Increase (reduction) in taxes resulting from:		
Items that may not be incorporated in losses permanently, including entertainment expenses, etc.	1.3	2.6
Items that may not be incorporated in profits permanently, including dividend income, etc.	-0.4	-1.3
Inhabitants' equalization tax	2.4	3.9
Amortization of goodwill	0.3	0.1
Equity in earnings of affiliates	-0.9	-1.4
Valuation allowance (amount deducted from deferred tax assets)	1.1	1.0
Others	-0.5	-0.1
Effective income tax rate	44.0	45.7

Segment information

a. Business segments

Previous fiscal term (From April 1, 2007 to March 31, 2008)

Business segment information disclosure has been omitted as the security business accounts for more than 90 percent of total sales, operating profits and total assets of all segments.

Current fiscal term (From April 1, 2008 to March 31, 2009)

Business segment information disclosure has been omitted as the security business accounts for more than 90 percent of total sales, operating profits and total assets of all segments.

b. Geographical segments

Previous fiscal term (From April 1, 2007 to March 31, 2008)

Geographical segment information disclosure is not applicable to the ALSOK Group as there have been no consolidated subsidiaries or material branch offices located in a country or region other than Japan.

Current fiscal term (From April 1, 2008 to March 31, 2009)

Geographical segment information disclosure is not applicable to the ALSOK Group as there have been no consolidated subsidiaries or material branch offices located in a country or region other than Japan.

c. Net sales by region

Previous fiscal term (From April 1, 2007 to March 31, 2008)

Net sales by region information disclosure is not applicable to the ALSOK Group as there have been no overseas sales.

Current fiscal term (From April 1, 2008 to March 31, 2009)

Net sales by region information disclosure is not applicable to the ALSOK Group as there have been no overseas sales.

Information on Related Parties

Previous fiscal term (From April 1, 2007 to March 31, 2008)

Directors and Major Individual Shareholders, etc.

(¥ million)

Title	Name	Address	Capital	Type of business occupation	% of voting rights (held by others)	Relationship		Type of transaction		Value of transaction	Accounting classification	Balance at term end
						Shareholder and director	Business relationship					
Director	Atsushi Murai	—	—	Chairman, Japan Urban Security Research Institute (JUSRI)	(held by others) Direct 2.9%	—	—	Transactions between ALSOK and JUSRI (Note 1)	Donations Free lending of building (Note 3)	58 12	— —	— —
		—	—	Chairman, Jun Murai Memorial Foundation	(held by others) Direct 2.9%	—	—	Transactions between ALSOK and Jun Murai Memorial Foundation (Note 2)	Donations (Note 3)	13	—	—

Notes:
1. Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Japan Urban Security Research Institute (JUSRI)
JUSRI is engaged in the following activities:

- Studies and research regarding urban crime prevention
- Holding lectures, symposiums, seminars, and international conferences regarding urban crime prevention
- Assistance relating to organizations and other entities that conduct surveys, research, and public relations activities related to urban crime prevention
- Publication of research magazines, public relations magazines, bulletins, and other publications related to urban crime prevention.

2. Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Jun Murai Memorial Foundation
The Jun Murai Memorial Foundation provides scholarships to students enrolled in a technical college or the engineering department of a university in Kanagawa Prefecture. These scholarships do not require repayment.

3. Terms of transactions and policy for deciding terms of transactions, etc.
(1) With regard to the free lending of a building to JUSRI, ALSOK leases a building owned by Tokyo Opera City Building Co., Ltd., and ALSOK lends it free of charge to JUSRI in order for JUSRI to use it as its office.

The abovementioned amount is the rent and other such items that ALSOK has paid to Tokyo Opera City Building Co., Ltd., and the terms of this lease were equivalent to those of neighboring transactions.

In addition, the Board of Directors of ALSOK makes decisions regarding the amount of donations and lending buildings free of charge, after taking into account such factors as the Company's commitment to making social contributions and the annual operating expenses recognized as necessary to achieve the activity objectives of the non-profit organization concerned.

(2) The Board of Directors of ALSOK makes decisions regarding the amount of donations to the Jun Murai Memorial Foundation, after taking into account such factors as the Company's commitment to making social contributions and the annual scholarships recognized as necessary to achieve the activity objectives of the non-profit organization concerned.

4. In the above amounts, the transaction amounts do not include consumption taxes.

Current fiscal term (From April 1, 2007 to March 31, 2008)

(Additional Information)
From the fiscal year starting April 1, 2008, we have applied “Accounting Standard for Related Party Disclosures and its Implementation Guidance” (ASBJ No. 11, October 17, 2006) and “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13, October 17, 2006). This has not resulted in any change in the scope of disclosure.

(¥ million)

Title	Name	Address	Capital	Type of business occupation	% of voting rights (held by others)	Relationship		Type of transaction		Value of transaction	Accounting classification	Balance at term end
						Shareholder and director	Business relationship					
Director	Atsushi Murai	—	—	Chairman, Japan Urban Security Research Institute (JUSRI)	(held by others) Direct 2.9%	—	—	Transactions between ALSOK and JUSRI (Note 1)	Donations	75	—	—
									Free lending of building (Note 3)	12	—	—
		—	—	Chairman, Jun Murai Memorial Foundation	(held by others) Direct 2.9%	—	—	Transactions between ALSOK and Jun Murai Memorial Foundation (Note 2)	Donations (Note 3)	15	—	—

Notes:
1. Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Japan Urban Security Research Institute (JUSRI)
JUSRI is engaged in the following activities:

- Studies and research regarding urban crime prevention
- Holding lectures, symposiums, seminars, and international conferences regarding urban crime prevention
- Assistance relating to organizations and other entities that conduct surveys, research, and public relations activities related to urban crime prevention
- Publication of research magazines, public relations magazines, bulletins, and other publications related to urban crime prevention.

President, CEO and COO, Atsushi Murai resigned as Chairman of the Japan Urban Security Research Institute (JUSRI) effective December 2008.

2. Transactions conducted by ALSOK Director Atsushi Murai as Chairman of the Jun Murai Memorial Foundation
The Jun Murai Memorial Foundation provides scholarships to students enrolled in a technical college or the engineering department of a university in Kanagawa Prefecture. These scholarships do not require repayment.

3. Terms of transactions and policy for deciding terms of transactions, etc.
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In addition, the Board of Directors of ALSOK makes decisions regarding the amount of donations and lending buildings free of charge, after taking into account such factors as the Company's commitment to making social contributions and the annual operating expenses recognized as necessary to achieve the activity objectives of the non-profit organization concerned.

(2) The Board of Directors of ALSOK makes decisions regarding the amount of donations to the Jun Murai Memorial Foundation, after taking into account such factors as the Company's commitment to making social contributions and the annual scholarships recognized as necessary to achieve the activity objectives of the non-profit organization concerned.

4. In the above amounts, the transaction amounts do not include consumption taxes.

Per share information

Previous Fiscal Term (From April 1, 2007 to March 31, 2008)		Current Fiscal Term (From April 1, 2008 to March 31, 2009)	
Net assets per share	1,356.35 yen	Net assets per share	1,364.33 yen
Net income per share	75.07 yen	Net income per share	41.90 yen
Net income per share (Fully diluted)	75.07 yen	Net income per share (Fully diluted)	41.90 yen

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

(¥ million)

	Previous Fiscal Term (From April 1, 2007 to March 31, 2008)	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
(1) Net income per share		
Net income	7,653	4,224
Amount not belonging to ordinary shareholders	—	—
Net income attributable to common stock	7,653	4,224
Weighted average numbers of ordinary shares (thousands of shares)	101,959	100,822
(2) Net income per share (Fully diluted)		
Adjustment to net income	—	—
Increase of ordinary shares (thousands of shares)	146	0
Overview of residual shares not included in the calculation of net income per share (diluted) because of lack of dilution effort	————	2,809 stock acquisition rights of two types (571 stock acquisition rights decided at the Ordinary General Meeting of Shareholders June 27, 2002, and 2,238 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.

2 The basis for calculating net assets per share is as follows:

	Previous Fiscal Term (From April 1, 2007 to March 31, 2008)	Current Fiscal Term (From April 1, 2008 to March 31, 2009)
Total net assets (¥ million)	154,904	154,898
Amount deducted from total net assets (¥ million)	17,399	17,735
(minority interests)	-17,399	-17,735
Net assets at end of year relating to common stock (¥ million)	137,504	137,162
Amount of common stock at end of year used for calculating net assets per share (thousands of shares)	101,378	100,534

Significant subsequent event
Not applicable

Omitted information
Notes relating to lease transactions and stock options are omitted because they are considered unnecessary in the financial results report.

6. Others

(1) Changes in Directors

a. Changes in Representative Directors

Yukiyasu Aoyama

New Position: Representative Director and Executive Vice President in charge of Human Resources and Security Operations

Current Position: Senior Executive Officer in charge of Human Resources and Security Operations

b. Other changes of directors

(i) Nominees for promotion to director

Shiro Hashio

New Position: Director and Senior Executive Officer

Current Position: Senior Executive Officer

(ii) Director scheduled to retire

Ko Sato

Current Position: Director, President and Representative Director of Chiba Sohgo Security Services Co., Ltd. (will remain in this position)

(iii) Nominees for new corporate auditors

Keiji Suzuki

New Position: Corporate Auditor

Current Position: Advisor, General Affairs Department

Yoshihiro Onozawa

New Position: Corporate Auditor

Current Position: General Manager, Affiliated Business Division at The Daichi Mutual Life Insurance Company

Ken Osako

New Position: Outside Corporate Auditor

Current Position: Standing Director for the National Federation of Forest Owners' Cooperative Associations, The Norinchukin Bank

(iv) Corporate auditor scheduled to retire

Tassei Iijima

Current Position: Outside corporate auditor

c. Effective date

June 25 2009

(2) Production, Orders and Sales

(i) Production

The ALSOK Group does not conduct production activities. The number of contracts undertaken by each business segment are presented below.

(Number of contracts)

Business Segment		Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	YoY (%)
Security Services	Electronic Security Services	487,228	507,954	4.3
	Stationed Security Services	2,922	2,854	-2.3
	Transportation Security Services	33,397	33,960	1.7
	Subtotal	523,547	544,768	4.1
Other Services		56,099	43,171	-23.0
Total		579,646	587,939	1.4

(ii) Orders

The value of orders by each business segment are presented below.

(¥ million)

Business Segment		Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	YoY (%)
Security Services	Electronic Security Services	143,967	142,511	-1.0
	Stationed Security Services	72,798	72,830	0.0
	Transportation Security Services	46,606	47,444	1.8
	Subtotal	263,371	262,786	-0.2
Other Services		21,624	22,217	2.7
Total		284,996	285,004	0.0

Notes:

1. The figures above are stated exclusive of consumption tax.
2. There are no customers whose order value exceeds 10% of the total order value.