



**Financial Result FYE2005
report meeting**

ALSOK

March 24, 2005

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Section 1

Summary of Financial Results

Highlights

- **Launch of ALSOK Home Security 7, and it's excellent booked orders**
- **Operation of 4,800 Cash Deposit Machine On-line System**
- **Operation of 10,000 convenience-store ATMs**
- **Establishment of the sales and marketing foundation**



Summary of Profits and Losses

(Unit:¥ billion)	FYE3/05	FYE3/04	Change	Ratio(%)
S a l e s	257.7	249.2	8.5	3.4
Gross profit	65.3	66.3	-0.9	-1.4
Operating i n c o m e	10.9	14.4	-3.5	-24.3
Recurring i n c o m e	11.5	15.4	-3.8	-25.2
Net income	4.9	17.7	-12.8	-72.1

Comparison With Business Plan

(Unit:¥ billion)	FYE3/05	Original Plan	Compared to plan	Achievement Ratio(%)
S a l e s	257.7	258.8	-1.0	99.6
Gross profit	65.3	67.0	-1.6	97.5
Operating income	10.9	11.3	-0.3	96.8
Recurring income	11.5	11.6	0	99.7
Net income	4.9	4.5	0.3	108.0

Sales By Client Industry

(Unit:¥ billion)	FYE3/05 (Ratio%)	FYE3/04	Change	Ratio(%)
F i n a n c i a l i n s t i t u t i o n s	82.0 (31.8%)	79.5 (31.9%)	2.4	3.1
B u s i n e s s c o r p o r a t i o n s	138.0 (53.5%)	134.5 (54.0%)	3.4	2.6
G o v e r n m e n t o f f i c e s	30.6 (11.9%)	29.6 (11.9%)	1.0	3.5
I n d i v i d u a l s	7.0 (2.7%)	5.4 (2.2%)	1.5	28.8
T o t a l	257.7 (100.0%)	249.2 (100.0%)	8.5	3.4

Electronic Security Services Overview

(Unit:¥ billion)	FYE3/05	FYE3/04	Change	Ratio (%)
S a l e s	136.4	131.4	4.9	3.8
(R a t i o %)	(52.9%)	(52.7%)		

Number of contracts	399,680	362,709	36,971	10.2
Corporate clients	326,480	301,574	24,906	8.3
Individual clients	73,200	61,135	12,065	19.7

6,600 orders booked for ALSOK Home Security 7

Stationed Security Services Overview

(Unit:¥ billion)	FYE3/05	FYE3/04	Change	Ratio(%)
S a l e s	64.9	62.8	2.1	3.5
(R a t i o %)	(25.2%)	(25.2%)		
Number of c o n t r a c t s	2,651	2,340	311	13.3

Sales figures are increasing due to the increase in contracts made by shopping centers, universities, etc.

Transportation Security Services Overview

(Unit:¥ billion)	FYE3/05	FYE3/04	Change	Ratio(%)
S a l e s (R a t i o %)	40.4 (15.6%)	37.5 (15.1%)	2.9	7.8
N u m b e r o f c o n t r a c t s	26,699	22,284	4,415	19.8

Significant increase in cash deposit machines and convenience-store ATM contracts

Cash deposit machines 2,000 new contracts (Cumulative Total 4,800)

Convenience-store ATMs 2,200 new contracts (Cumulative Total 10,000)

Other Services Overview

(Unit:¥ billion)	FYE3/05	FYE3/04	Change	Ratio(%)
S a l e s	15.8	17.4	-1.5	-8.9
(R a t i o %)	(6.1%)	(7.0%)		
Number of contracts	57,312	53,414	3,898	7.3

ANSHIN mate



Security Robot D1



Analysis of Profit Results

Sales + ¥8.5 billion (from PFY)

Cost of Sales + ¥9.5 billion

▪ Labor costs	+ ¥4.5 billion
▪ Lease payments	+ ¥1.1 billion
▪ Costs of installation and disposal by sale	+ ¥1.4 billion

SG&A + ¥2.5 billion

▪ Personnel costs	+ ¥1.8 billion
▪ Pro forma standard tax	+ ¥0.4 billion

Operating income – ¥3.5 billion

Others

Number of employees

(Unit: persons)

FYE3/03	FYE3/04	FYE3/05
22,734	23,046	24,185

Capital expenditures

(Unit:¥ billion)

FYE3/03	FYE3/04	FYE3/05
13.1	12.5	16.5

Depreciation

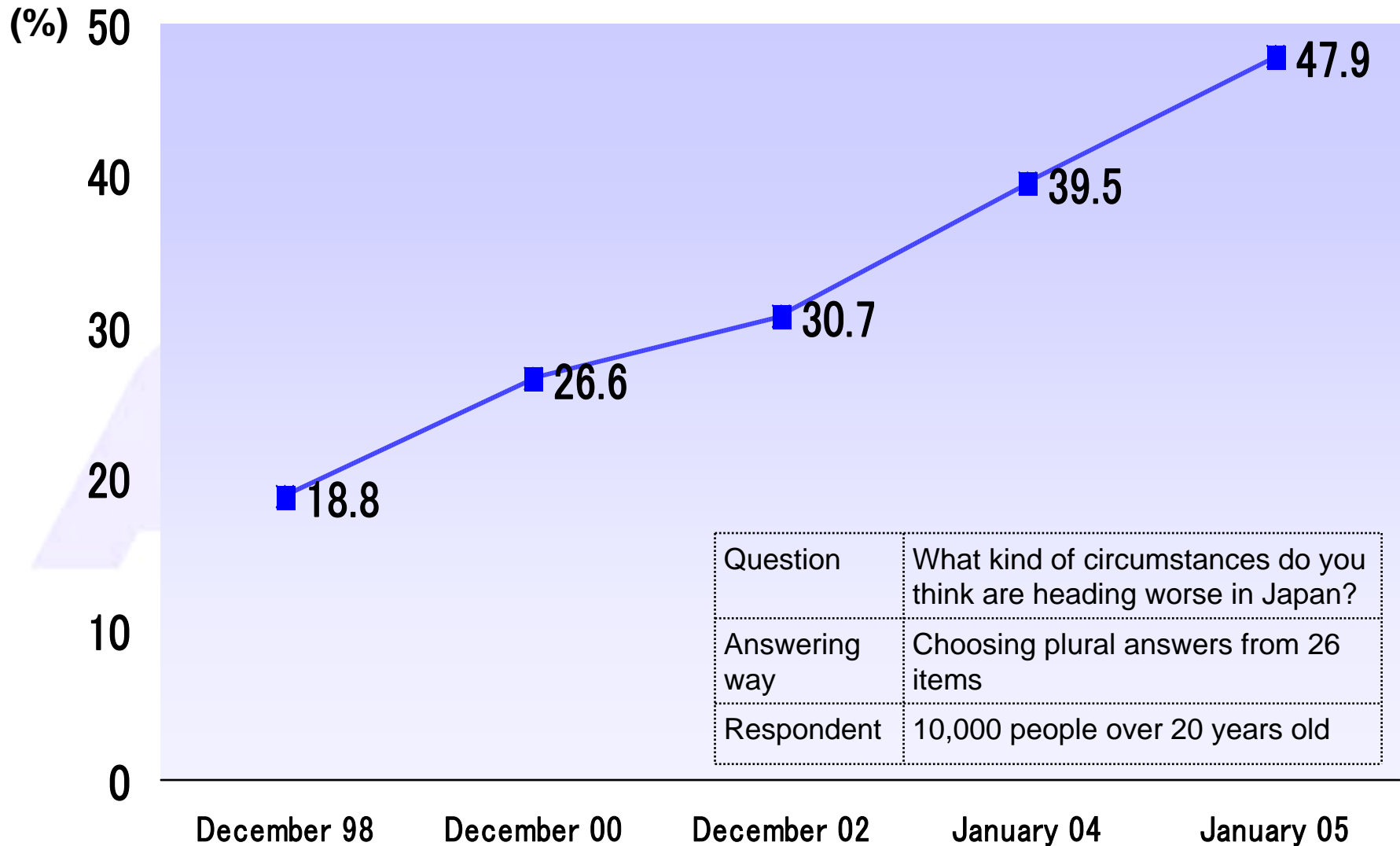
(Unit:¥ billion)

FYE3/03	FYE3/04	FYE3/05
9.9	10.3	10.8

Section 2

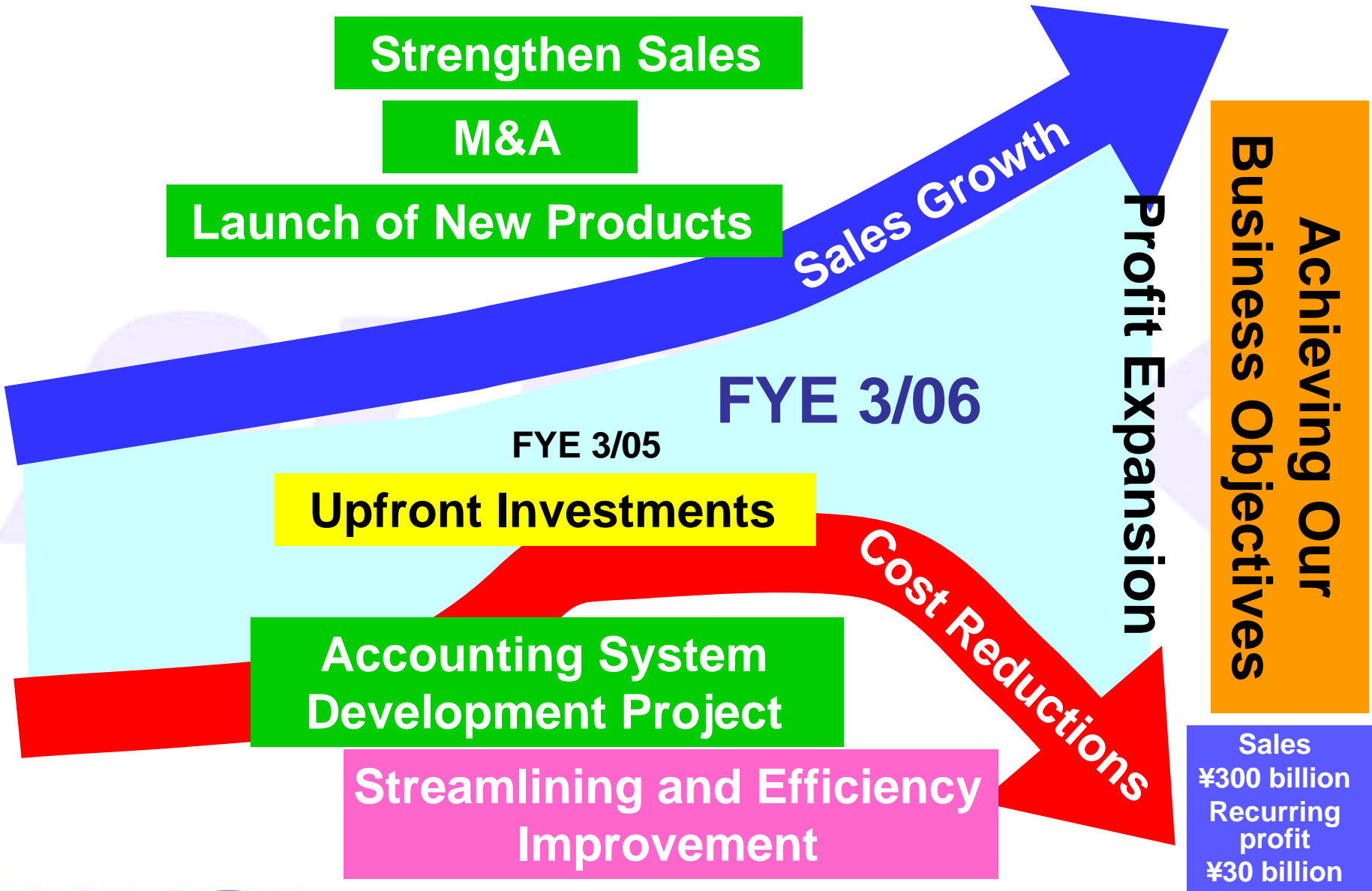
Business Strategy

“Security” — becoming an increase issue



Question	What kind of circumstances do you think are heading worse in Japan?
Answering way	Choosing plural answers from 26 items
Respondent	10,000 people over 20 years old

Achieving Our Business Objectives



Increase in Sales

Reduction of Costs

**The
addition of
the stocked
proceeds**

AD Project
||
**Control over
the number
of employees**

**The reduction
of negative
facts caused
by financial
institutions**

**Increase in
new
contracts**

**Reduction of
procurement costs**
||
**Reduction of
expenses**



**Achievement of Our Business
Objectives**

Electronic Security Service

<corporate clients>

◆ Strengthening marketing

- split the Institutional Business Department into two for organization reinforcement

◆ Enhancing our 1,840 sales staffs both quantitatively and qualitatively

◆ Expanding sales depots



Electronic Security Services

<Individual clients>

◆ Release of ALSOK Home Security 7, November 2004

(Targeted an undeveloped customer base, which even SECOM hadn't embarked on)

Number of contracts 6,600

(an average of 1,320 contracts per month)

132 % compared to original plan

After the release, the number of inquiries...

- through the internet increased 6 times
- through toll-free dial increased 4.2 times



Overall improvements of the conventional model



The launch of a succession model

- ◆ Expansion of home security products line
- ◆ Upgraded model over ALSOK Home Security 7
- ◆ Correspond to broader customer base and client needs



Security shops

- ◆ Reinforcing advertisements
- ◆ Increasing the number of security shops

Expanding sales of Home Security Services

Images of our advertisements



Transportation Security Services

Grasping the outsourcing needs of financial institutions.

Cash Deposit Machine



Offering services such as...

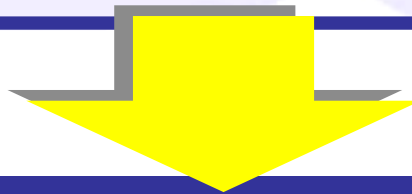
- ◆ **Cash management services for convenience-store ATMs**
- ◆ **Cash Deposit Machine On-line System**
- ◆ **ATM total management services**

Cash transportation vehicle



The Improvement Of Streamlining And Efficiency Accounting System Development Project

- Investment of ¥4.5 billion
- Reconsidering key management systems
 - client services such as contracting, invoicing and payments
 - accounting system such as financial and administration accounting management
 - human resource management such as wages and personnel information management



To be launched officially in April 2006

**We expect personnel costs to decreased by
¥1.9 billion per year**

The Improvement Of Streamlining And Efficiency

Introducing INS Lines

Exclusive lines ⇒ INS lines

<Reduction of communication costs>

- **The replacement will be completed by FYE 3/07**
- **After the replacement, we expect to realize cost saving of ¥0.7 billion per year**

Section 3

Business Plan for FYE 2006

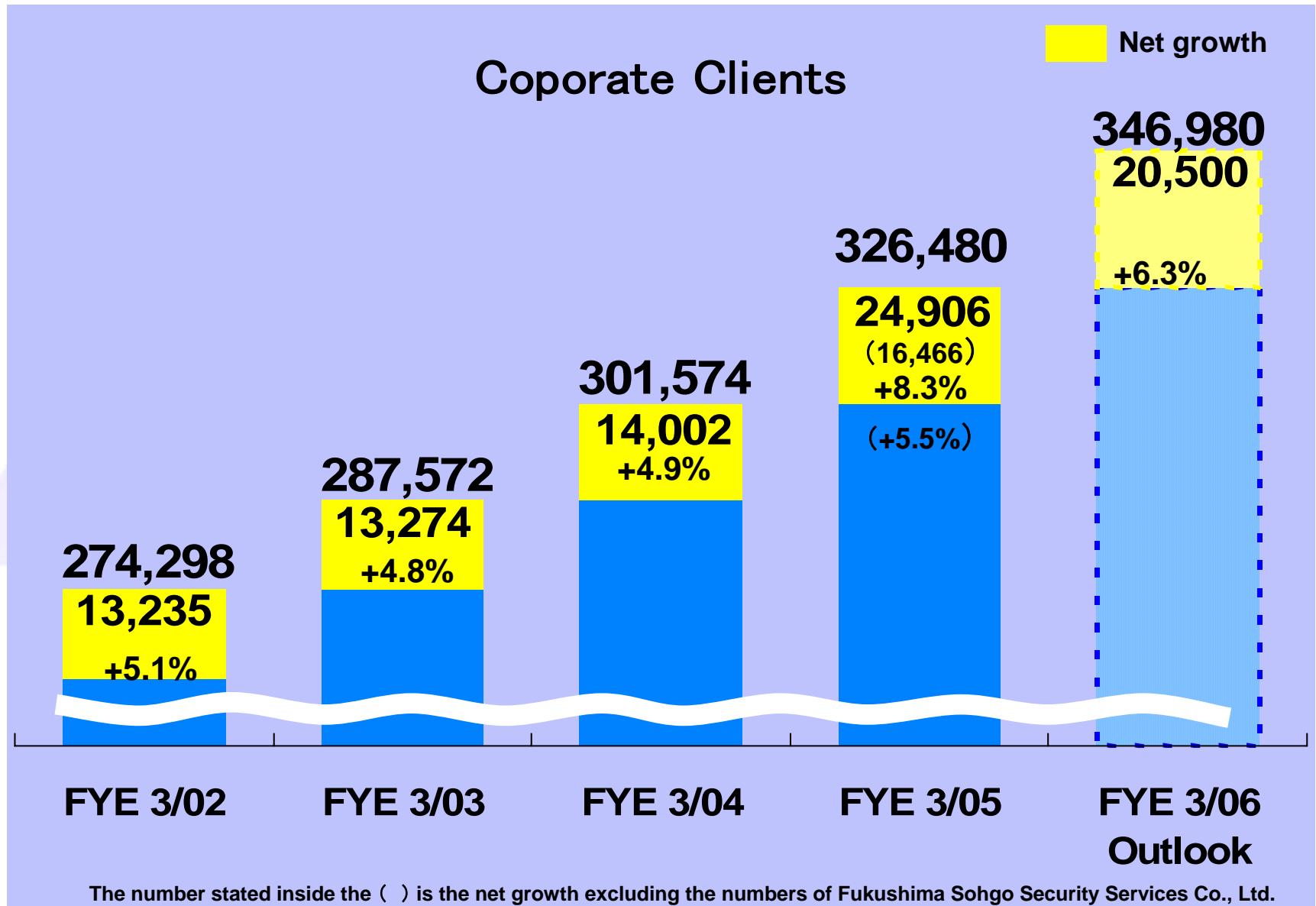
Business Plan for FYE 3/06

(Unit:¥ billion)	Business Plan FYE3/06				The First Half		The Second Half	
	Amount	Ratio(%)	Year on year	Change (%)	Amount	from The same term of PY	Amount	from The same term of PY
S a l e s	265.9	100.0	8.1	3.2	131.5	+5.3	134.4	+2.8
Gross profit	69.3	26.1	3.9	6.0	32.9	+1.6	36.3	+2.3
Operating income	11.8	4.4	0.8	7.8	3.8	-0.2	7.9	+1.0
Recurring income	12.3	4.6	0.7	6.5	4.1	-0.3	8.1	+1.1
Net income	5.3	2.0	0.3	7.4	0.7	-0.4	4.5	+0.7

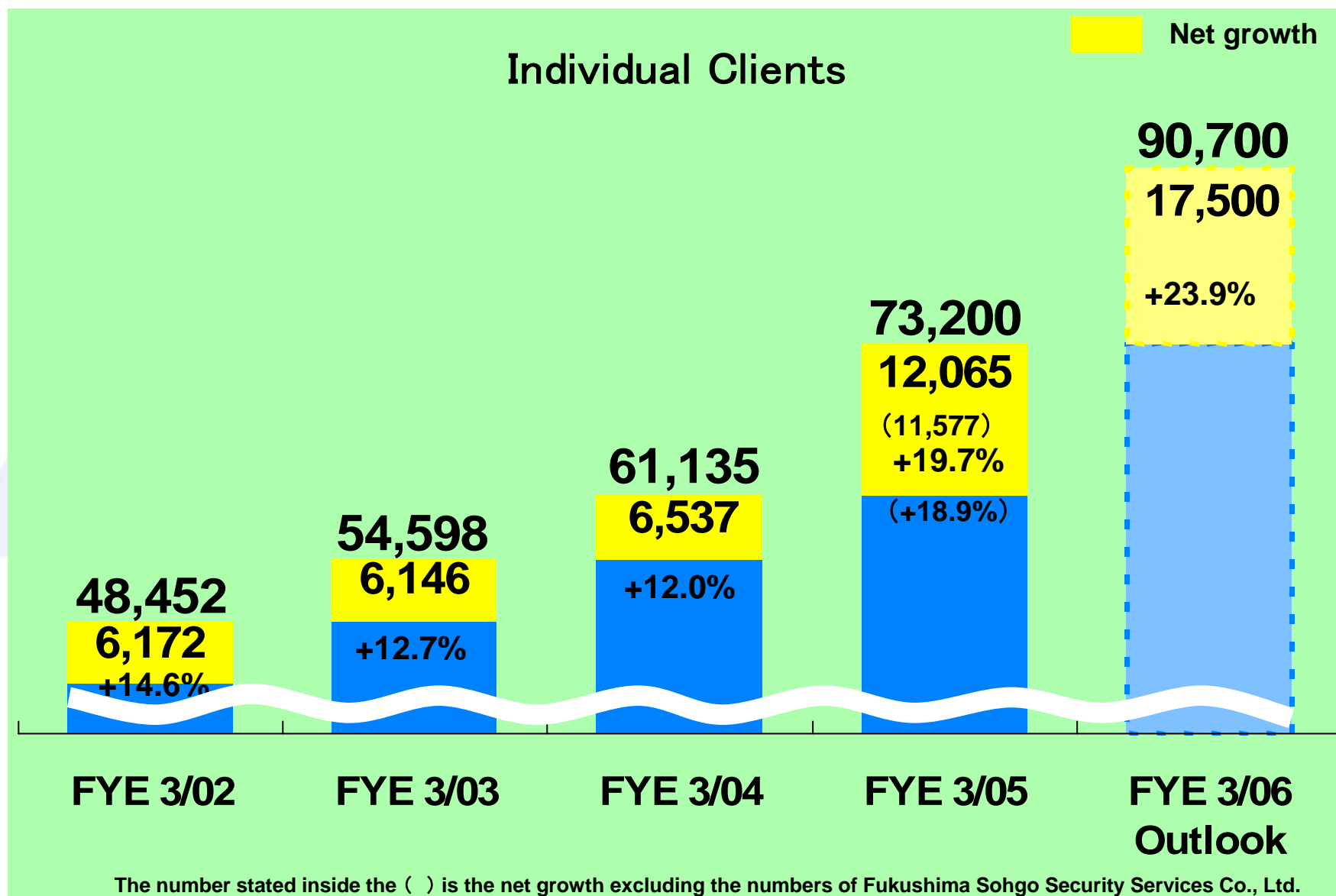
Sales by Business Segments (FYE3/06)

(Unit:¥ billion)		By Business Plan FYE3/06				The First Half		The Second Half	
		Amount	Composition ratio(%)	Year on year	Change (%)	Amount	from The same term of PY	Amount	from The same term of PY
Security Services	Electronic Security Services	141.5	53.2	5.0	3.7	69.8	+3.2	71.6	+1.8
	Stationed Security Services	65.0	24.5	0	0.1	32.5	+0.8	32.4	-0.7
	Transportation Security Services	42.4	16.0	2.0	5.1	20.8	+1.1	21.6	+0.9
Other Services		16.8	6.4	1.0	6.3	8.2	+0.1	8.6	+0.8
Total		265.9	100.0	8.1	3.2	131.5	+5.3	134.4	+2.8

Increase in Contracts of Electronic Security Services



Increase in Contracts of Electronic Security Services

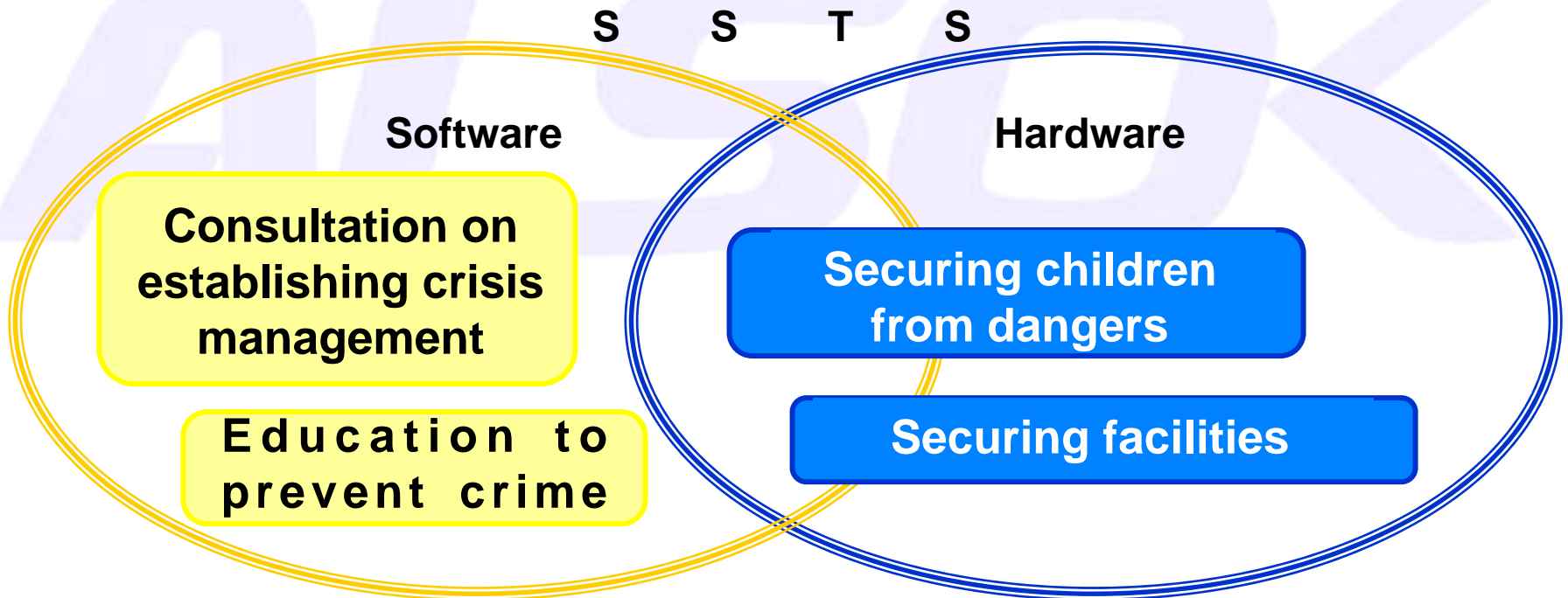


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School Safety Total Solution Services (SSTS)

To correspond with various crises at schools, such as intrusions by strangers or kidnaps etc. we propose a total support which is an overall service to secure school safety. By making full use of our know-how of security, we carry out from the stage of consulting to the stage of introduction and operation.

Also we are planning to offer merchandise and services that match to the needs, such as an emergency alarming device which will immediately report to the police station.



ALSOK ANSHIN Classes



Launched this volunteer work in October 2004

FYE 3/05

**42 schools have practiced and
158 classes have been done**

From April 2005 we are planning to practice this campaign nationwide.

Aichi Expo

2 robots inside and 3 outside for reception

Each perform demonstrations of security duties



Security Robot i

Caution

Matters which are not historical facts included in the business plan or strategy of the Company that is described in the preceding material, refer to the company's outlook for the future so it includes risks and uncertain factors.

Hence, future financial results may be significantly different from the outlook, depending on various factors such as changes in economic conditions, competitive situations, technological innovations.

Security
On

ALSOK

綜合警備保障