

Consolidated Financial Results for the First Quarter Ended June 30, 2008

SOHGO SECURITY SERVICES CO., LTD

(Securities Code:2331, TSE 1st Sec.)

(URL <http://ir.alsok.co.jp/english/index.html>)

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Date of the Board Meeting for the settlement of consolidated account: August 5, 2008

Scheduled Date to File Quarterly Report: August 12, 2008

1. Summary of the consolidated financial results for the first quarter ended June 30, 2008 (April 1, 2008- June 30, 2008)

(1) Consolidated operating results

(Figures rounded down to the nearest million)

	First quarter ended	
	June 30, 2008	June 30, 2007
Sales	¥70,232 million	¥68,386 million
% change from the previous year	—	2.2%
Operating profit	¥3,064 million	¥3,846 million
% change from the previous year	—	6.6%
Recurring profit	¥3,654 million	¥4,359 million
% change from the previous year	—	12.0%
Net income	¥1,705 million	¥1,164 million
% change from the previous year	—	- 29.2%
Net income per share	¥16.74	¥11.43
Diluted net income per share	¥16.74	¥11.40

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

(2) Consolidated financial conditions

(Figures rounded down to the nearest million)

	As of	
	June 30, 2008	June 30, 2007
Total assets	¥299,598 million	¥297,396 million
Net assets	¥156,318 million	¥154,904 million
Capital adequacy ratio	46.3%	46.2%
Net assets per share	¥1,370.52	¥1,356.35

Note: Equity capital; As of June30, 2008 ¥138,789 million, As of March 31, 2008 ¥137,504 million

2. Dividend

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Annual
Fiscal year ended March 31, 2008	—	¥10.00	—	¥10.00	¥20.00
Fiscal year ending March 31, 2009	—	—	—	—	—
Fiscal year ending March 31, 2009 (Forecast)	—	¥11.00	—	¥11.00	¥22.00

Note: Revisions to the forecast of dividends in this quarter; No

**3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2009
(April 1, 2008 — March 31, 2009)**

(Figures rounded down to the nearest million)

	Sales	Operating profit	Recurring profit	Net income	Net income per share
First half	¥145,000 million —	¥7,200 million —	¥8,100 million —	¥3,800 million —	¥37.27
Annual	¥294,200 million 3.2%	¥14,100 million 2.2%	¥15,300 million 4.5%	¥7,900 million 3.2%	¥77.48

Note 1: Revisions to the forecast of financial results in this quarter; No

Note 2: Percentage shown in sales, operating profit, recurring profit and net income above represent the changes from the previous fiscal year.

4. Others

- (1) Changes in significant subsidiaries during the period (Changes of specified subsidiaries during the period) : No
- (2) Adoption of the simplified accounting polices and typical accounting procedures for preparation of the quarterly consolidated financial statements : Yes
- (3) Changes in accounting principles, procedures and presentation for preparing the quarterly consolidated financial statements
 - ① Changes due to amendment to accounting standards : Yes
 - ② Changes due to other than above : No
- (4) Number of shares issued (Common stock)
 - ① Number of shares issued (including treasury stock) : As of June 30, 2008 102,040,042 shares
As of March 31, 2008 102,039,042 shares
 - ② Number of shares of treasury stock : As of June 30, 2008 772,321 shares
As of March 31, 2008 660,709 shares
 - ③ Average number of shares (from April 1, 2008 – June 30, 2008) : As of June 30, 2008 101,856,233 shares
As of March 31, 2008 101,916,893 shares

* Explanations about proper use of forecasts for consolidated financial results and other special instruction

1. The above forecasts were prepared based on information obtainable as of the date of release of this document. Going forward, due to a variety of factors accrual results may differ from the estimated figures.
2. Effective from this fiscal year, “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and “Guidance on Accounting Standard for Quarterly Financial Reporting ” (ASBJ Statement No.14) have been applied. In addition, quarterly financial statements were prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements”.

Consolidated Balance Sheets

(Unit: ¥ million)

	As of June 30, 2008	As of March 31, 2008
Assets		
Current assets		
Cash and deposits	55,004	57,375
Cash for Transportation Security Services	29,775	30,839
Notes and accounts receivable	20,727	22,460
Short-term investments in securities	1,417	1,265
Supplies	4,765	4,452
Advance payment	51,808	49,776
Other	11,836	6,272
Allowance for doubtful accounts	- 238	- 229
Total current assets	175,096	172,212
Fixed assets		
Tangible fixed assets	57,043	57,638
Intangible fixed assets		
Goodwill	120	147
Other	5,068	5,380
Total intangible fixed assets	5,188	5,528
Investments and other assets		
Investments in securities	28,146	27,354
Other	36,498	37,031
Allowance for doubtful accounts	- 2,375	- 2,369
Net investments and other assets	62,270	62,016
Total fixed assets	124,502	125,183
Total assets	299,598	297,396

Consolidated Balance Sheets

(Unit: ¥ million)

	As of June 30, 2008	As of March 31, 2008
Liabilities		
Current liabilities		
Trade notes and accounts payable	7,432	9,551
Short-term borrowings	62,485	60,766
Accrued income taxes	1,166	1,572
Allowance	440	992
Other	26,692	24,110
Total current liabilities	98,216	96,993
Long-term liabilities		
Bonds	6,600	6,600
Long-term borrowings	4,379	4,419
Accrued retirement benefits for employees	28,324	28,670
Accrued retirement benefits for directors and corporate auditors	1,525	1,575
Other	4,234	4,233
Total long-term liabilities	45,063	45,498
Total liabilities	143,279	142,491
Net Assets		
Shareholders' equity		
Common stock	18,675	18,674
Capital surplus	32,117	32,117
Retained earnings	91,411	90,720
Treasury stock	- 1,066	- 919
Total shareholders' equity	141,138	140,592
Valuation and translation adjustments		
Other securities valuation difference	3,049	2,310
Land revaluation account	- 5,395	- 5,395
Translation adjustment	- 2	- 2
Total valuation and translation adjustments	- 2,348	- 3,087
Minority interests in consolidated subsidiaries	17,528	17,399
Total net assets	156,318	154,904
Total	299,598	297,396

Consolidated Statements of Operations

(Unit: ¥ million)

	First quarter ended June 30, 2008
Sales	70,232
Cost of sales	52,544
Gross profit on sales	17,687
Selling, general and administrative expenses	14,623
Operating profit	3,064
Other income	
Interest received	61
Dividends received	235
Equity in earnings of affiliates	59
Other	754
Total other income	1,111
Other expenses	
Interest	242
Other	278
Total other expenses	520
Recurring profit	3,654
Extraordinary losses	
Impairment loss on investments in securities	9
Total extraordinary losses	9
Income before income taxes	3,645
Income taxes	1,663
Minority interests in income of consolidated subsidiaries	276
Net income	1,705

Consolidated Statements of Cash Flows

(Unit: ¥ million)

First quarter ended

June 30, 2008

Cash flows from operating activities

Income before income taxes	3,645
Depreciation	2,575
Depreciation of goodwill	27
Increase in allowance for doubtful accounts	14
Decrease in accrued retirement benefit for employees	- 346
Decrease in allowance for bonuses	- 430
Decrease in allowance for director's bonuses	- 122
Interest income and dividend income	- 297
Interest expenses	242
Equity in earnings of affiliates	- 59
Loss on sales of fixed assets	10
Loss on disposals of fixed assets	83
Loss on sales of investments in securities	- 3
Impairment loss on investment in securities	9
Loss on revaluation of derivatives	- 168
Increase in accounts receivable	1,732
Increase in inventories	- 313
Decrease in accounts payable	- 3,502
Increase in prepaid pension	- 109
Decrease in assets and liabilities for Transportation Security Services	- 2,139
Other	- 568
Sub-total	280
Interest and dividend income, received	351
Interest expenses, paid	- 202
Income taxes, paid	- 2,992
Income tax, refund	10
Net cash provided by operating activities	- 2,552
Cash flows from investment activities	
Decrease of time deposits	63
Payments for purchases of tangible assets	- 1,969
Proceeds from sales of tangible assets	5
Payments for purchases of investments in securities	- 824
Proceeds from sales of investments in securities	1,359
Increase in short-term loans	- 30
Long-term loans made	- 19
Long-term loans collected	49
Other	101
Net cash used in investment activities	- 1,264

Consolidated Statements of Cash Flows

(Unit: ¥ million)

First quarter ended

June 30, 2008

Cash flows from financing activities

Increase in short-term borrowings	2,871
Proceeds from long-term debt	400
Payments on repayment of long-term debt	- 409
Proceeds from issue of new shares	1
Payments for acquisition of treasury stock	- 146
Dividends paid	- 1,013
Dividends paid to minority shareholders	- 190
Net cash used in financing activities	1,512
Effect of exchange rate changes on cash and cash equivalents	- 0
Net decrease in cash and cash equivalents	- 2,305
Cash and cash equivalents at beginning of the year	49,790
Balance of cash and cash equivalents at the end of the year	47,485

[Reference] Financial Statements for the First Quarter End June 30, 2007

(Summary) Consolidated Statements of Operations (Unit: ¥ million)

	First quarter ended June 30, 2007
	(Amount)
Sales	68,386
Cost of sales	49,627
Gross profit on sales	18,758
Selling, general and administrative expenses	14,912
Operating profit	3,846
Other income	983
Other expenses	470
Recurring profit	4,359
Extraordinary profits	48
Extraordinary losses	63
Income before income taxes	4,343
Income taxes	2,973
Minority interests in income of consolidated subsidiaries	205
Net income	1,164