

# Review of Operations

## Security Services

Net Sales by Service Type (FY2015)

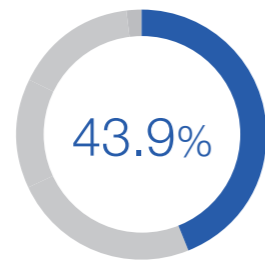
Net Sales (FY2015)

Results in the Fiscal Year Ended March 31, 2015

Future Initiatives

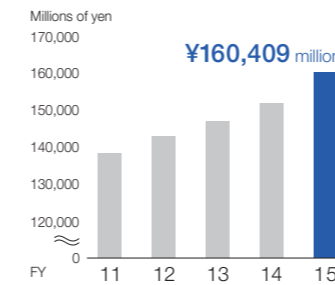


### Electronic Security Services



ALSOK's Electronic Security Services segment provides services in which sensors are used to notify Guard Centers of disturbances so that security guards can be dispatched to the scene. We offer a wide range of services for both individual users and corporate customers.

¥160.4 billion

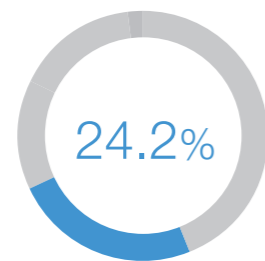


Contracts for corporate clients showed firm growth, up 32.7% year on year. In addition, sales of access management systems and security camera systems increased following higher demand for crime prevention measures in food product factories and other facilities. In services for individual users, we witnessed a favorable increase in sales for HOME ALSOK APARTMENT AND CONDOMINIUM PLAN, a service that equips rental housing units with crime and disaster prevention and monitoring precautions, as well as for HOME ALSOK MIMAMORI SUPPORT, an emergency report and consultation service for senior citizens. The conversion of ALSOK Care & Support Co., Ltd., to a consolidated subsidiary also contributed to higher contract numbers.

We will continue actively developing new products and services while pursuing alliances with housing developers and strengthening sales proposals, such as security camera system proposals for manufacturers, to respond to customer needs. Through the implementation of this strategy, we are targeting further net increases in electronic security services contracts. In the fiscal year ending March 31, 2016, contracts for corporate clients are expected to rise 5.4%, to 25,000 contracts, and contracts for individual users are forecast to grow 10.3%, to 35,000 contracts.

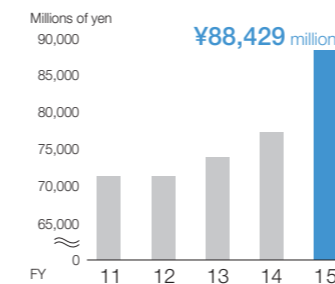


### Stationed Security Services



ALSOK's Stationed Security Services segment stations security guards at office buildings and various other customer facilities. These security guards administer access control by monitoring or checking the identity of each person who enters or exits designated customer facilities. In addition, they also conduct patrols to detect irregularities. Further, we conduct monitoring activities at disaster prevention centers and central management centers. We also offer security for events and other crucial security services.

¥88.4 billion

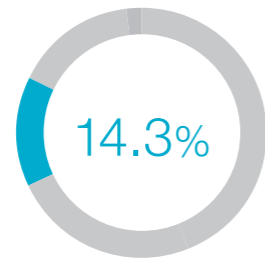


Our stationed security services business is one of the largest in the industry. In the fiscal year ended March 31, 2015, we received stationed security contracts for large-scale facilities, such as buildings that have undergone redevelopment in Tokyo, as well as contracts for temporary security operations from public institutions. The numerous contracts acquired resulted in substantial net sales growth.

We will continue to provide high-quality stationed security services as we work to expand orders from large-scale facilities. Going forward, demand for security is expected to increase due to a rise in the number of road infrastructure and building development projects in preparation for the 2020 Summer Olympic and Paralympic Games\* in Tokyo. By catering to this demand, we aim to expand sales.

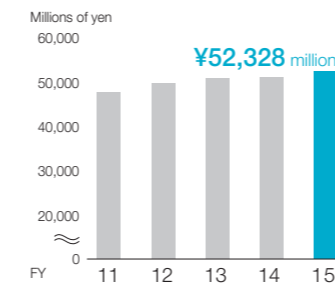


### Transportation Security Services



ALSOK's Transportation Security Services segment includes its mainstay Total ATM Management System for use by banks and convenience stores, its Cash Deposit Machine On-line System, in which we manage the daily sales revenues of business owners, and the Cash Transport System service offered to financial institutions.

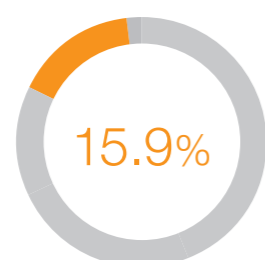
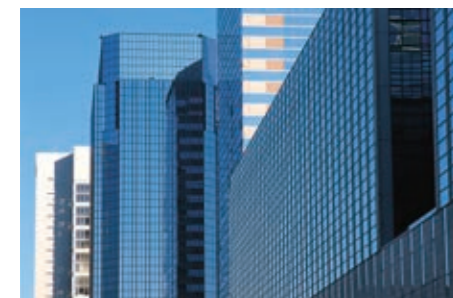
¥52.3 billion



The number of contracts for our Total ATM Management System showed a strong net increase of approximately 3,000, with orders growing for ATMs installed at major banks and convenience stores. Meanwhile, the number of cash deposit machines operated under our Cash Deposit Machine On-line System saw a net increase of approximately 1,850. We were successful in responding to higher demand for the outsourcing of sales revenues management, capturing new contracts primarily from restaurants and automotive dealers.

We will target increased sales of our Total ATM Management System by responding to growing outsourcing needs among financial institutions. For corporate clients, ALSOK has launched its new Cash Deposit and Dispenser Machine On-line System, which utilizes cash deposit and dispenser machines boasting new features like change dispensing and money changing functions. This new system is currently available to certain segments of the corporate sector, and we aim to capture additional sales revenue management demand by using this system.

## General Property Management and Fire Protection Services



ALSOK offers facility management services spanning from security to facility installation on a one-stop basis through Japan Facilio Co., Ltd.; Nippon Building Maintenance Co., Ltd.; ALSOK Souei Co., Ltd.; HOCHIKI CORPORATION; and ALSOK Building Services Co., Ltd. (previously Sokei Building Service Co., Ltd.).

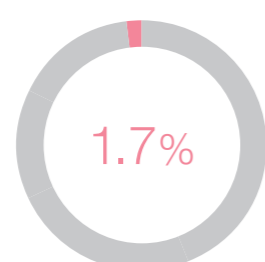
¥58.3 billion



In the year under review, the benefits of the consolidation of ALSOK Souei Co., Ltd., and Nippon Building Maintenance Co., Ltd., into the Group appeared in the form of sales increases. The consolidation of these two companies marked the completion of our systems for providing facility management services. At the same time, sales of automated external defibrillators (AEDs) were impressive, and the total number of AEDs sold to date rose to nearly 100,000.

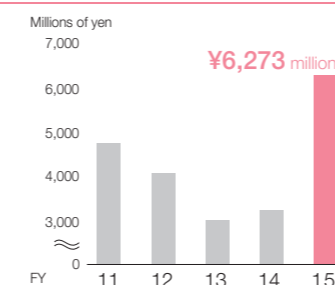
The Company will pursue higher sales through the provision of facility management services that offer one-stop solutions for customers' various needs for the maintenance, management, and operation of buildings, condominiums, and other facilities.

## Long-Term Care Services / Other Services



ALSOK provides various long-term care services through HCM Corporation and ALSOK Care & Support Co., Ltd. We also offer such services as information security services, which protect against cyber-attacks and information leakage, and ALSOK DENPO, a telegraph service.

¥6.2 billion



In the year under review, HCM Corporation and ALSOK Care & Support Co., Ltd., were consolidated into the Group, resulting in a massive increase in net sales.

The ALSOK Group will fully leverage its management resources to provide standard long-term care services while developing new services that link security with long-term care.

\* The Company has been selected as a Tokyo 2020 Official Partner in the category of "Security Services and Planning" for the 2020 Summer Olympic and Paralympic Games.