

Groupwide Compliance Initiatives

The ALSOK Group's services are founded on the solid trust of society. Stringent compliance with relevant laws is absolutely essential, and we must also practice strong corporate ethics. The Company therefore places compliance among its highest management priorities, and the Group is united in advancing compliance initiatives.

Stringent Compliance

Focus on Compliance

The Company is heavily focused on compliance and conducts its security services operations while observing the Security Services Act. The Company has established the Compliance Committee, which is headed by the executive officer in charge of compliance. The committee strives to install an unwavering awareness of compliance in all executive officers and employees based on the compliance rules formulated in 2002, and it periodically verifies the status of compliance in business and other activities.

Compliance Initiatives Implemented on a Groupwide Basis

The ALSOK Group implements Groupwide compliance initiatives that are principally based on established common themes.

In accordance with the theme for each respective year, interdivision coordination is pursued to cultivate and entrench a compliance-based mind-set.

In the fiscal year ended March 31, 2015, we worked to cultivate and entrench awareness with regard to six themes, each of which was promoted over a two-month period. The themes were compliance with the Act on Special Measures Preventing and Correcting Actions That Interfere with Shifting Consumption Tax with the Aim to Ensure the Smooth and Appropriate Pass-on of Consumption Tax; strict compliance with traffic laws; stringent labor management to prevent excessive work hours and unpaid overtime; complete avoidance of insider trading; thorough prevention of information leaks through appropriate use of IT systems; and proper submission of legally mandated forms and thorough compliance with the Security Services Act. After each two-month period, reports on activities conducted and their outcomes were compiled by Group companies as well as by the Company.

ALSOK Hotline

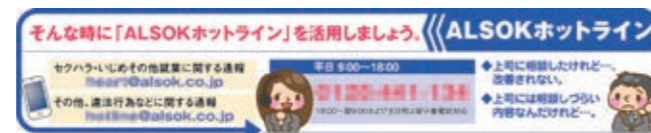
Expansion of Scope to Group Companies

The ALSOK Hotline was set up in April 2004 to facilitate reporting and consultation regarding harassment and other inappropriate corporate behavior. If employees encounter legal issues, improper conduct, or unethical behavior, they are able to report such instances using this venue without fear of detrimental treatment.

Characteristics of the ALSOK Hotline include the protection of the reporter, the prevention of detrimental treatment, and the ability to report anonymously. These rules form the foundation of this internal reporting system. We view compliance as an important issue needing to be addressed on a Groupwide basis, and the scope of this hotline is being expanded to include Group companies for this reason. As of March 31, 2015, the ALSOK Hotline was available to employees of the Company and 48 Group companies.



Ethics education booklets distributed to employees



Promotion material for ALSOK Hotline using eye-catching illustrations

Initiatives at Group Companies

Antisocial Forces Response Training

The ALSOK Group is a proud provider of security services, dealing in safety by protecting the lives, wellbeing, and assets of customers, and it is fully aware of the responsibility that this entails. We are therefore committed to conducting appropriate business activities. At the same time, we are working to rid society of antisocial forces, such as crime syndicates and people and organizations that seek economic gain through scams and other sinister methods. ALSOK is thereby working to contribute to improved public safety while fulfilling its social responsibilities.

In the year under review, Niigata Sohgo Security Services Co., Ltd., held a training session aimed at preventing any connections with antisocial forces that was conducted by the managing director of the Niigata Center for the Elimination of Boryokudan. Primarily targeted at department heads, this training offered information on crime syndicates and other antisocial forces as well as on recent policies in this regard. Members of the Niigata Center for the Elimination of Boryokudan guided role-playing exercises illustrating the procedure for nullifying contracts if the counterparty is found to be a crime syndicate as well as other exercises designed to help employees better respond to antisocial forces.



Antisocial forces response training conducted at Niigata Sohgo Security Services

Business Continuity Initiatives as a Company Protecting the Safety and Security of Society

In preparation for extraordinary circumstances, such as large-scale natural disasters and accidents, the Company has established a business continuity plan (BCP). Based on this BCP, we acquired certification under ISO 22301, the international standard for business continuity management systems (BCMSs), and are strengthening business continuity management initiatives. In addition, ALSOK offers BCP SOLUTION SERVICES grounded in the expertise acquired while developing its own BCP.

Business Continuity—A Crucial Concern for Security Companies

ALSOK's main business is to protect the safety and security of people, meaning that the Company supports an important part of social infrastructure. For this reason, it is absolutely essential that we prepare for unpredictable disasters and accidents and ensure that we can continue business operations even under extreme circumstances. In fact, we believe this crucial concern also represents one of our responsibilities toward society.

At our Head Office as well as at regional headquarters and other offices, we continue to conduct practical trainings that has been fine-tuned to simulate a wide range of disturbances. In addition, specific response procedures have been developed for such disturbances, which include large-scale earthquakes and other natural disasters, damages to facilities, and an outbreak of a new strain of influenza. We have also analyzed the daily road traffic congestion patterns experienced when performing transportation security services as well as fuel consumption trends in order to facilitate the development of concrete business continuity measures. Furthermore, we use motorcycles and bicycles on a daily basis when responding to ATM malfunctions as another measure to ensure business continuity in the event of a disaster.

ALSOK recognizes that there is no defined end point for BCPs and that there is always room for improvement. Partially influenced by the unprecedented Great East Japan Earthquake of 2011, we realized the need to further improve our BCP. Accordingly, we acquired certification under ISO 22301 in March 2014, making the Company the first security services provider in Japan to receive this certification. Going forward, ALSOK will continue instituting measures to ensure it can always fulfill its social responsibilities, even under extreme circumstances.



Proof of ISO 22301 certification

BCP Drills in Preparation for Emergencies

ALSOK supports an important part of social infrastructure that underpins the safety and security of society, and the Company is thus charged with the crucial social responsibility of ensuring the continuity of its business. Natural disasters cannot be prevented. For this reason, it is absolutely essential that we implement countermeasures to minimize the impacts of such disasters and be prepared to appropriately resume any disrupted operations in order to halt the spread of damages by averting secondary disasters. Moreover, risk management based on BCPs and business continuity management principles has become a common practice, and all organizations are now expected to establish practical recovery plans and be capable in swiftly resuming disrupted operations. To ensure these capabilities, regular drills are required. The Company conducts comprehensive disaster response drills as well as drills on assembling employees via travel by foot once a year. It also practices safety conformation through drills for all employees that simulate various disasters, thereby guaranteeing readiness for various emergency situations. Furthermore, we realize that the expertise accumulated by implementing the Company's BCP measures can be applied to any organization or company, and we are therefore providing this expertise in the form of BCP SOLUTION SERVICES.



Drill for assembling employees via travel by foot



Comprehensive disaster response drill

TOPICS BCP Support Provided as Initial Response Experts

BCPs are becoming increasingly more important in ensuring that companies can minimize the impacts of abnormal occurrences, accidents, natural disasters, and other emergency situations on their business, continue operating, and quickly resume any disrupted operations. To aid companies in establishing BCPs for responding to such emergencies, ALSOK provides BCP SOLUTION SERVICES to offer comprehensive support ranging from assistance in formulating plans and manuals to guidance for conducting drills and the provision of disaster prevention supplies. By drawing on the wealth of experience and expertise we possess as initial response experts, we help customers develop disaster response manuals that are optimally based on the perspective of work sites. We also provide support for conducting disaster response drills, select the disaster response items customers should stockpile, and offer aid for instituting various other risk management measures.



Disaster response planning utilizing a map

Protection and Management of Information Assets

The ALSOK Group realizes that properly protecting and managing information assets is an important task for management. For this reason, we have established the Basic Information Security Policy and are constructing systems to ensure that appropriate precautions are always taken for information leaks and other information risks.

Measures for Protecting and Managing Information Assets

Basic Policies for Information Security

The ALSOK Group receives information from customers when concluding security contracts. Therefore, appropriate protection and management of information assets is essential to conducting security operations.

With this in mind, we established the Basic Information Security Policy in 2004. Forming the basis for Companywide information security efforts, this policy is applied to all employees, including executive officers, and all the information assets that we hold.

In addition, ALSOK has established the Personal Information Security Policy as well as developed internal personal information security regulations and management systems. Also, related training and educational programs are conducted. These measures are applied to the Company and all Group companies. In these ways, we ensure that personal information is properly protected.

IT System Security Measures

The ALSOK Group carefully monitors all computer servers that are connected to the Internet to determine whether or not they are vulnerable to threats. We are thereby constructing systems that allow security measures to be implemented immediately should the security precautions in place for a server be deemed insufficient.

In April 2012, with the aim of developing an understanding of the risks of computer viruses and educating employees, we began conducting internal drills to prepare for cyber-attacks utilizing targeted emails.* In addition, we have installed into all computers software that helps prevent information leakage due to the loss of removable memory media by setting limitations on saving files onto such media. Furthermore, we periodically check employees' private computers that are used at home to confirm that the employees do not have any

file-sharing software installed or business data saved to their hard disk. This measure enables us to ensure the safety of non-work-use computers as well.

* A type of cyber-attack involving emails sent to specific companies or individuals with the aim of attacking their systems or leaking confidential information

Strengthening of Systems for the Protection and Management of Information Assets

Aiming to bolster the protection and management of information assets, the ALSOK Group is promoting the acquisition of certification under ISO 27001, which is the international standard for information security management systems. As of March 31, 2015, the Company and 15 Group companies had acquired this accreditation.

In addition, the Company has established an internal computer security incident response team (CSIRT) as a precaution for the risk of cyber-attacks and other serious information security breaches.

Reinforcement of Personal Information Management Systems

As a security company responsible for protecting people's lives and assets, ALSOK realizes that the trust of customers forms the basis for its operations. Striving to achieve even higher levels of personal information management, the Company acquired PrivacyMark® accreditation in July 2013.

The Company believes that promoting stringent personal information security management will in turn help improve the quality of services provided to customers.

The PrivacyMark System® was established by JIPDEC (Japan Information Processing Development Center) to acknowledge private enterprises that take appropriate measures to protect personal information. Compliant enterprises are granted the right to display "PrivacyMark" in the course of their business activities.



TOPICS Initiatives to Protect Information Assets—Targeted Email Response Drills

The damages brought about by targeted emails have come to be a major social issue in recent years. These intricately designed emails present false information to lure unsuspecting readers into opening attachment files or clicking on misleading links. Should the recipient fall for such deception, the computers or servers of the targeted organization will become infected with computer viruses, enabling the sender of the email to access and steal information on the technologies, customers, or know-how of the organization.

As these emails are only sent to specific targets, it is difficult for the viruses they carry to be detected by standard antivirus software. To combat this threat, ALSOK conducts response drills several times a year in which simulated targeted emails are sent to employees working at its Head Office and at all other Company offices. These drills encompass the procedure of immediately reporting to the information management representative should a targeted email be mistakenly opened, a measure meant to prevent damages from secondary incidents. We are thereby working to raise understanding and awareness among all employees with regard to such procedures as they carry out their daily duties.

