

Summary of Selected Financial Data
Fiscal Year Ended March 31, 2023

Sohgo Security Services Co., Ltd.

1. Consolidated Financial Results

(1) Consolidated Statements of Income

	1Q Accounting Period			2Q Accounting Period			Interim Financial Results		
	FY2022	FY2023	Increase/Decrease (%)	FY2022	FY2023	Increase/Decrease (%)	FY2022	FY2023	Increase/Decrease (%)
Net Sales (Billion yen)	117.0	114.0	(2.6)	128.2	122.0	(4.9)	245.2	236.0	(3.8)
Operating Income (Billion yen)	9.7	7.1	(26.4)	15.0	8.0	(46.7)	24.8	15.2	(38.7)
Ordinary Income (Billion yen)	10.0	7.8	(21.5)	15.7	8.6	(44.8)	25.7	16.5	(35.7)
Profit Attributable to Owners of Parent (Billion yen)	6.0	4.4	(27.0)	9.9	5.3	(46.9)	16.0	9.7	(39.4)
Net Income Per Share (Yen)	60.24	44.00	—	98.77	52.42	—	159.01	96.43	—

	3Q Accounting Period			4Q Accounting Period			Annual Financial Results		
	FY2022	FY2023	Increase/Decrease (%)	FY2022	FY2023	Increase/Decrease (%)	FY2022	FY2023	Increase/Decrease (%)
Net Sales (Billion yen)	118.4	121.7	2.8	125.3	134.4	7.3	489.0	492.2	0.6
Operating Income (Billion yen)	9.8	9.4	(3.9)	8.1	12.3	50.4	42.8	36.9	(13.7)
Ordinary Income (Billion yen)	10.4	9.9	(4.0)	8.6	12.6	47.0	44.7	39.2	(12.4)
Profit Attributable to Owners of Parent (Billion yen)	7.0	6.0	(14.4)	5.8	8.1	40.1	28.9	23.9	(17.3)
Net Income Per Share (Yen)	69.53	59.48	—	57.57	80.67	—	286.11	236.58	—

(2) Consolidated Balance Sheets

	FY2021	FY2022	FY2023
Total Assets (Billion yen)	481.4	488.2	516.6
Net Assets (Billion yen)	304.4	327.5	343.8
Equity Ratio (%)	57.6	61.5	60.9
Net Assets Per Share (Yen)	2,741.27	2,964.85	3,110.52

(3) Consolidated Statements of Cash Flows

	FY2021	FY2022	FY2023
Net Cash provided by (used in) Operating Activities (Billion yen)	55.5	42.7	31.6
Net Cash provided by (used in) Investing Activities (Billion yen)	(38.4)	(14.0)	(24.8)
Net Cash provided by (used in) Financing Activities (Billion yen)	(12.7)	(18.1)	(19.3)
Cash and Cash Equivalents at End of Period (Billion yen)	53.1	63.6	51.5

(4) Dividend

	Dividends Per Share										Payout Ratio (%)
	End of 1Q		End of 2Q		End of 3Q		Year-end		Annual		
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	
FY2022	—	—	38	00	—	—	44	00	82	00	28.7
FY2023(Forecast)	—	—	43	00	—	—	43	00	86	00	36.4
FY2024(Forecast)	—	—	8	60	—	—	8	60	17	20	34.1

(5) Forecasts for the Consolidated Financial Results for the Fiscal Year Ending March 31, 2023(April 1, 2022 - March 31, 2023)

	Interim			Annual		
	FY2023	FY2024 (Forecast)	Increase/Decrease (%)	FY2023	FY2024 (Forecast)	Increase/Decrease (%)
Net Sales (Billion yen)	236.0	245.0	3.8	492.2	512.5	4.1
Operating Income (Billion yen)	15.2	16.5	8.4	36.9	38.6	4.3
Ordinary Income (Billion yen)	16.5	17.8	7.5	39.2	41.0	4.5
Profit Attributable to Owners of Parent (Billion yen)	9.7	11.1	13.7	23.9	25.5	6.5
Net Income Per Share (Yen)	96.43	21.93	—	236.58	50.38	—

2. Major Items

(1) Sales by Business Segment

(Billion yen)

	FY2022	Share(%)	Increase/Decrease (%)	FY2023	Share(%)	Increase/Decrease (%)
Security Services						
Electric Security Services	176.4	36.1	(0.1)	175.9	35.7	(0.3)
Stationed Security Services	128.8	26.4	13.9	123.7	25.1	(4.0)
Transportation Security Services	67.8	13.9	3.3	66.7	13.6	(1.7)
Total	373.2	76.3	5.0	366.3	74.4	(1.8)
General Property Management and Fire Protection Services	68.1	13.9	0.0	72.9	14.8	7.1
Long-Term Care Services	41.6	8.5	3.2	47.4	9.6	14.0
Total for Reportable Segments	483.0	98.8	4.1	486.8	98.9	0.8
Other Services	6.0	1.2	3.8	5.3	1.1	(10.6)
Total	489.0	100.0	4.1	492.2	100.0	0.6

(2) Contracts by Business Segment

(Contract: Thousands)

	FY2021	FY2022	FY2023
Security Services			
Electric Security Services	990	1,009	1,029
Corporate Clients	540	548	556
Individual Clients	449	460	473
Stationed Security Services	4	4	4
Transportation Security Services	79	79	80
Total	1,073	1,093	1,114
General Property Management and Fire Protection Services	113	119	122
Long-Term Care Services	27	27	27
Total for Reportable Segments	1,215	1,239	1,264
Other Services	29	34	34
Total	1,244	1,274	1,298

<Comparison to the previous period>	FY2021 Increase/Decrease	FY2022 Increase/Decrease (%)	FY2022 Increase/Decrease	FY2022 Increase/Decrease (%)	FY2023 Increase/Decrease	FY2023 Increase/Decrease (%)
Security Services						
Electric Security Services	17	1.8	19	1.9	20	2.0
Corporate Clients	6	1.3	8	1.5	7	1.4
Individual Clients	10	2.4	10	2.4	12	2.7
Stationed Security Services	(0)	(2.2)	0	4.9	0	1.6
Transportation Security Services	1	1.9	0	0.4	0	0.6
Total	18	1.8	19	1.8	20	1.9
General Property Management and Fire Protection Services	4	3.8	5	4.5	3	2.9
Long-Term Care Services	2	10.1	(0)	(1.4)	0	0.4
Total for Reportable Segments	25	2.1	24	2.0	24	2.0
Other Services	0	1.1	5	17.1	(0)	(1.9)
Total	25	2.1	29	2.4	23	1.9

(3) Consolidated / Non-consolidated Ratio (Ratio of when individual financial results counted as 1)

(Times)

	FY2021	FY2022	FY2023
Net Sales	1.92	1.91	1.98
Operating Income	1.99	2.17	2.19
Ordinary Income	1.34	1.45	1.30
Profit Attributable to Owners of Parent	1.08	1.18	0.98
Total Assets	1.51	1.49	1.47

(4) Trends in Personnel

(Personnel)

	FY2021	FY2022	FY2023
Employees	38,444	38,192	39,039

<Comparison to the previous period>	FY2021 Increase/ Decrease	Increase/ Decrease (%)	FY2022 Increase/ Decrease	Increase/ Decrease (%)	FY2023 Increase/ Decrease	Increase/ Decrease (%)
Employees	542	1.4	(252)	(0.7)	847	2.2

(5) Capital Expenditure / Depreciation / Research and Development Expenditure

(Billion yen)

	FY2021	Increase/ Decrease (%)	FY2022	Increase/ Decrease (%)	FY2023	Increase/ Decrease (%)	FY2024 (Forecast)
Capital Expenditure	13.6	(3.0)	16.2	19.3	16.4	1.0	21.1
Depreciation	15.8	6.2	16.8	6.5	17.9	6.3	19.1
Research and Development Expenditure	0.5	(3.2)	0.5	(1.8)	0.6	6.7	0.6

3. Consolidated Financial Statements

(1) Consolidated Statements of Income (YoY/ Comparison to the Plan)

(Billion yen)

	FY2022		FY2023		YoY		FY2023(Plan)		Comparison to the Plan	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)	Amount	Share(%)	Amount	Achievement Ratio
Net Sales	489.0	100.0	492.2	100.0	3.1	0.6	489.0	100.0	3.2	100.7
Cost of Sales	363.5	74.3	370.9	75.4	7.4	2.1	-	-	-	-
Gross Profit	125.5	25.7	121.2	24.6	(4.3)	(3.5)	-	-	-	-
Selling, General and Administrative Expenses	82.7	16.9	84.2	17.1	1.5	1.8	-	-	-	-
Operating Income	42.8	8.8	36.9	7.5	(5.8)	(13.7)	36.0	7.4	0.9	102.8
Non-operating Income	5.1	1.1	5.1	1.0	(0.0)	(0.6)	-	-	-	-
Non-operating Expenses	3.2	0.7	2.8	0.6	(0.3)	(10.4)	-	-	-	-
Ordinary Income	44.7	9.2	39.2	8.0	(5.5)	(12.4)	38.0	7.8	1.2	103.2
Extraordinary Income	1.3	0.3	1.3	0.3	0.0	1.7	-	-	-	-
Extraordinary Loss	0.3	0.1	0.7	0.2	0.3	96.4	-	-	-	-
Profit Attributable to Owners of parent	28.9	5.9	23.9	4.9	(5.0)	(17.3)	24.5	5.0	(0.5)	97.8

(2) Consolidated Statements of Income (Main variable factors)

(Billion yen)

	YoY		Factors
	Amount	Increase/ Decrease (%)	
Net Sales	3.1	0.6	Security Services (6.8) Electronic Security Services (0.5) Stationed Security Services (5.1) Transportation Security Services (1.1) General Property Management and Fire Protection Services 4.8 Long-Term Care Services 5.8 Other Services (0.6)
Cost of Sales	7.4	2.1	
Gross Profit	(4.3)	(3.5)	
Selling, General and Administrative Expenses	1.5	1.8	
Operating Income	(5.8)	(13.7)	
Non-operating Income	(0.0)	(0.6)	
Non-operating Expenses	(0.3)	(10.4)	
Ordinary Income	(5.5)	(12.4)	
Extraordinary Income	0.0	1.7	
Extraordinary Loss	0.3	96.4	
Profit Attributable to Owners of parent	(5.0)	(17.3)	

(3) Consolidated Balance Sheets (YoY)

(Billion yen)

	FY2022		FY2023		Increase/Decrease	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/Decrease (%)
Assets	488.2	100.0	516.6	100.0	28.3	5.8
Current Assets	233.8	47.9	239.0	46.3	5.1	2.2
Noncurrent Assets	254.4	52.1	277.6	53.7	23.2	9.1
Property, Plant and Equipment	103.3	21.2	116.4	22.5	13.0	12.6
Intangible Assets	39.7	8.1	44.1	8.6	4.4	11.1
Investments and Other Assets	111.2	22.8	116.9	22.6	5.7	5.1
Liabilities	160.7	32.9	172.7	33.4	11.9	7.5
Current Liabilities	90.3	18.5	98.8	19.1	8.4	9.4
Noncurrent Liabilities	70.3	14.4	73.8	14.3	3.5	5.0
Net Assets	327.5	67.1	343.8	66.6	16.3	5.0
Shareholders' Equity	293.4	60.1	308.3	59.7	14.9	5.1
Accumulated Other Comprehensive Income	6.6	1.4	6.4	1.3	(0.1)	(3.0)
Non-controlling Interests	27.3	5.6	29.0	5.6	1.6	6.0

(4) Consolidated Balance Sheets (Main variable factors)

(Billion yen)

	Account Title	YoY	Remarks
Current Assets	Notes and Accounts Receivables - Trade, and contract assets	8.9	
Current Assets	Cash for Transportation Security Services	6.9	
Current Assets	Raw materials and supplies	2.7	
Current Assets	Cash and deposits	(12.1)	
Noncurrent Assets	Property, plant and equipment	13.0	Buildings and structures
Noncurrent Assets	Goodwill	5.6	
Current Liabilities	Other	9.1	Contract liability
Current Liabilities	Notes and accounts payable - trade	6.5	
Current Liabilities	Accrued consumption taxes	(1.8)	
Noncurrent Liabilities	Lease obligations	2.3	