

Summary of Selected Financial Data  
First Quarter Ended June 30, 2023

Sohgo Security Services Co., Ltd.

## 1. Consolidated Financial Results

### (1) Consolidated Statements of Income

	1Q Accounting Period			2Q Accounting Period			Financial Results		
	FY2023	FY2024	Increase/ Decrease (%)	FY2023	FY2024 (Forecast)	Increase/ Decrease (%)	FY2023	FY2024 (Forecast)	Increase/ Decrease (%)
Net Sales (Billion yen)	114.0	121.5	6.7	236.0	245.0	3.8	492.2	512.5	4.1
Operating Income (Billion yen)	7.1	8.6	21.1	15.2	16.5	8.4	36.9	38.6	4.3
Ordinary Income (Billion yen)	7.8	9.1	16.7	16.5	17.8	7.5	39.2	41.0	4.5
Profit Attributable to Owners of Parent (Billion yen)	4.4	5.1	16.6	9.7	11.1	13.7	23.9	25.5	6.5
Net Income Per Share (Yen)	8.80	10.26	—	19.29	21.93	—	47.32	50.38	—

### (2) Consolidated Balance Sheets

	FY2022 1Q	FY2023 1Q	FY2024 1Q
Total Assets (Billion yen)	470.5	498.1	514.9
Net Assets (Billion yen)	306.5	327.9	345.3
Equity Ratio (%)	59.5	60.4	61.7
Net Assets Per Share (Yen)	552.68	594.23	627.60

### (3) Consolidated Statements of Cash Flows

	FY2022 1Q	FY2023 1Q	FY2024 1Q
Net Cash provided by (used in) Operating Activities (Billion yen)	(2.1)	6.9	18.2
Net Cash provided by (used in) Investing Activities (Billion yen)	(1.9)	(11.7)	(1.8)
Net Cash provided by (used in) Financing Activities (Billion yen)	(2.3)	(5.7)	(3.9)
Cash and Cash Equivalents at End of Period (Billion yen)	46.7	53.4	64.1

### (4) Dividend

	Dividends Per Share									
	End of 1Q		End of 2Q		End of 3Q		Year-end		Annual	
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen
FY2023	—	—	43	00	—	—	43	00	86	
FY2024(Forecast)	—	—	8	60	—	—	8	60	17	

## 2. Major Items

### (1) Sales by Business Segment

(Billion yen)

	FY2023 1Q	Share(%)	Increase/ Decrease (%)	FY2024 1Q	Share(%)	Increase/ Decrease (%)
Security Services						
Electric Security Services	41.9	36.8	(3.6)	44.2	36.4	5.4
Stationed Security Services	30.5	26.8	2.9	31.3	25.8	2.9
Transportation Security Services	16.7	14.7	1.0	16.7	13.8	(0.3)
Total	89.2	78.3	(0.6)	92.3	76.0	3.5
General Property Management and Fire Protection Services	12.9	11.4	(15.8)	15.4	12.7	19.1
Long-Term Care Services	10.4	9.1	1.1	12.5	10.3	20.2
Total for Reportable Segments	112.6	98.8	(2.5)	120.3	99.0	6.8
Other Services	1.3	1.2	(9.9)	1.2	1.0	(6.8)
Total	114.0	100.0	(2.6)	121.5	100.0	6.7

### (2) Contracts by Business Segment

(Contract: Thousands)

	FY2021	FY2022 1Q	FY2022 4Q	FY2023 1Q	FY2023 4Q	FY2024 1Q
Security Services						
Electric Security Services	990	997	1,009	1,015	1,029	1,049
Corporate Clients	540	543	548	551	556	564
Individual Clients	449	453	460	463	473	485
Stationed Security Services	4	4	4	4	4	4
Transportation Security Services	79	79	79	86	86	87
Total	1,073	1,080	1,093	1,105	1,120	1,141
General Property Management and Fire Protection Services	113	115	119	119	121	123
Long-Term Care Services	27	27	27	26	27	27
Total for Reportable Segments	1,215	1,224	1,239	1,251	1,269	1,292
Other Services	29	33	34	23	23	24
Total	1,244	1,258	1,274	1,274	1,293	1,317

<Comparison to the previous period>	FY2022 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2024 1Q Increase/ Decrease	Increase/ Decrease (%)
Security Services						
Electric Security Services	7	0.7	5	0.6	19	1.9
Corporate Clients	3	0.7	2	0.5	7	1.4
Individual Clients	3	0.8	2	0.6	11	2.5
Stationed Security Services	0	0.6	(0)	(2.5)	0	2.7
Transportation Security Services	(0)	(0.0)	6	8.1	1	2.2
Total	7	0.7	12	1.1	21	1.9
General Property Management and Fire Protection Services	1	1.7	0	0.1	1	0.9
Long-Term Care Services	0	0.7	(0)	(2.8)	0	1.2
Total for Reportable Segments	9	0.8	11	0.9	22	1.8
Other Services	3	13.2	(11)	(33.7)	1	4.7
Total	13	1.1	(0)	(0.0)	24	1.9

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

(Times)

	FY2022 1Q	FY2023 1Q	FY2024 1Q
Net Sales	1.92	1.92	1.94
Operating Income	2.06	2.41	1.98
Ordinary Income	0.69	0.52	0.53
Profit Attributable to Owners of Parent	0.47	0.31	0.33
Total Assets	1.48	1.44	1.43

## (4) Trends in Personnel

(Personnel)

	FY2021	FY2022 1Q	FY2022	FY2023 1Q	FY2023	FY2024 1Q
Employees	38,444	39,105	38,192	38,680	39,039	39,621

<Comparison to the previous period>	FY2022 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2024 1Q Increase/ Decrease	Increase/ Decrease (%)
Employees	661	1.7	488	1.3	582	1.5

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

(Billion yen)

	FY2022 1Q	Increase/ Decrease (%)	FY2023 1Q	Increase/ Decrease (%)	FY2024 1Q	Increase/ Decrease (%)	FY2024 (Forecast)
Capital Expenditure	2.8	(8.5)	2.9	2.4	2.7	(5.3)	21.1
Depreciation	3.9	0.5	4.2	8.2	4.4	4.7	19.1
Research and Development	0.1	3.0	0.1	16.3	0.1	(3.2)	0.6

### 3. Consolidated Financial Statements

#### (1) Consolidated Statements of Income

(Billion yen)

	FY2023 1Q		FY2024 1Q		YoY	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)
Net Sales	114.0	100.0	121.5	100.0	7.5	6.7
Cost of Sales	85.5	75.0	91.3	75.1	5.8	6.8
Gross Profit	28.4	25.0	30.2	24.9	1.7	6.2
Selling, General and Administrative Expenses	21.3	18.7	21.5	17.7	0.2	1.1
Operating Income	7.1	6.3	8.6	7.2	1.5	21.1
Non-operating Income	1.3	1.2	1.1	0.9	(0.2)	(15.2)
Non-operating Expenses	0.6	0.6	0.6	0.5	(0.0)	(0.2)
Ordinary Income	7.8	6.9	9.1	7.6	1.3	16.7
Extraordinary Income	0.0	0.0	0.0	0.0	0.0	-
Extraordinary Loss	0.0	0.0	0.0	0.1	0.0	219.3
Profit Attributable to Owners of parent	4.4	3.9	5.1	4.3	0.7	16.6

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

(Billion yen)

	YoY		Factors
	Amount	Increase/ Decrease (%)	
Net Sales	7.5	6.7	Security Services 3.0 Electronic Security Services 2.2 Stationed Security Services 0.8 Transportation Security Services (0.0) General Property Management and Fire Protection Services 2.4 Long-Term Care Services 2.1 Other Services (0.0)
Cost of Sales	5.8	6.8	
Gross Profit	1.7	6.2	
Selling, General and Administrative Expenses	0.2	1.1	
Operating Income	1.5	21.1	
Non-operating Income	(0.2)	(15.2)	
Non-operating Expenses	(0.0)	(0.2)	
Ordinary Income	1.3	16.7	
Extraordinary Income	0.0	-	
Extraordinary Loss	0.0	219.3	
Profit Attributable to Owners of parent	0.7	16.6	

## (3) Consolidated Balance Sheets (YoY)

(Billion yen)

	FY2023		FY2024 1Q		Increase/Decrease	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)
<b>Assets</b>	<b>516.6</b>	<b>100.0</b>	<b>514.9</b>	<b>100.0</b>	<b>(1.6)</b>	<b>(0.3)</b>
Current Assets	239.0	46.3	237.2	46.1	(1.7)	(0.7)
Noncurrent Assets	277.6	53.7	277.7	53.9	0.1	0.0
Property, Plant and Equipment	116.4	22.5	115.4	22.4	(0.9)	(0.8)
Intangible Assets	44.1	8.6	42.8	8.3	(1.3)	(3.0)
Investments and Other Assets	116.9	22.6	119.4	23.2	2.4	2.1
<b>Liabilities</b>	<b>172.7</b>	<b>33.4</b>	<b>169.6</b>	<b>32.9</b>	<b>(3.1)</b>	<b>(1.8)</b>
Current Liabilities	98.8	19.1	95.9	18.6	(2.8)	(2.9)
Noncurrent Liabilities	73.8	14.3	73.6	14.3	(0.2)	(0.4)
<b>Net Assets</b>	<b>343.8</b>	<b>66.6</b>	<b>345.3</b>	<b>67.1</b>	<b>1.4</b>	<b>0.4</b>
Shareholders' Equity	308.3	59.7	309.3	60.1	0.9	0.3
Accumulated Other Comprehensive Income	6.4	1.3	8.3	1.6	1.8	28.8
Non-controlling Interests	29.0	5.6	27.7	5.4	(1.2)	(4.5)

## (4) Consolidated Balance Sheets (Main variable factors)

(Billion yen)

	Account Title	YoY	Remarks
Current Assets	Cash and deposits	12.0	Prepaid expenses
Current Assets	Other	7.3	
Current Assets	Cash for Transportation Security Services	(13.6)	
Current Assets	Notes and Accounts Receivables - trade	(8.0)	
Current Liabilities	Other	9.5	Deposits received
Current Liabilities	Notes and accounts payable-trade	(8.6)	
Current Liabilities	Accrued corporation taxes	(3.6)	