

# ALSOK REPORT 2023

[Fiscal year ended March 31, 2023]

# Always Security OK

Our corporate brand adopted from our commitment to delivering “Always Security OK, 24 hours a day, 7 days a week.”

Today we are delivering services across a range of new fields beyond the scope of security.

ALSOK will continue to address a host of risks head on and contribute to solving social and customer issues.

# Always Security OK



## Editorial Policy

ALSOK Report 2023 has been constructed as an integrated report that compiles financial information on the Company's performance, business operations, and strategies as well as non-financial information on its corporate social responsibility (CSR) activities and other topics with the aim of obtaining the opportunity to deepen our engagement with shareholders, investors, and other stakeholders.

In addition to describing the state of management from an economic perspective, this report also explains the ALSOK Group's environmental, social, and governance (ESG) initiatives as well as the various CSR activities the Group carries out to contribute to the international society's drive to achieve the United Nations' Sustainable Development Goals (SDGs), along with the Group's approach to achieving growth through sustainable value creation and its business structure that supports medium- to long-term management, business strategies, and growth.

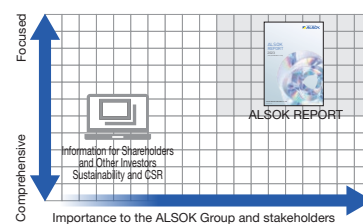
Data and more detailed information on corporate activities that were not included in this report are available on the Company's corporate website.

## Reporting Media

The Company provides reports in the forms of a pamphlet and a website, making full use of characteristics of the respective media. In the pamphlet version, items are narrowed down to those of higher importance or with greater interest among readers and the explanations on them are provided in a manner that is easy to read and understand. Meanwhile, the website version comprehensively includes financial information and the initiatives concerning CSR and other matters in general.

## Guidelines Referred to

- International Integrated Reporting Council (IIRC), International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry (METI), Guidance for Collaborative Value Creation
- Japan Standards Association (JSA), ISO 26000:2010 Guidance on Social Responsibility
- Global Reporting Initiative (GRI), Sustainability Reporting Standards
- Ministry of the Environment (MOE), Environmental Reporting Guidelines 2018





## Introduction

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### Explanation of Cover

The cover features glass tinged with seven colors, embodying

- (1) Corporate transparency and positive dialogue with investors
- (2) Seven divisional structure commencing from April 2023 for strengthening business promotion capabilities
- (3) Diversified businesses and intra-business synergy, and a desire to contribute to society from a range of perspectives

# ALSOK's History of Value Creation

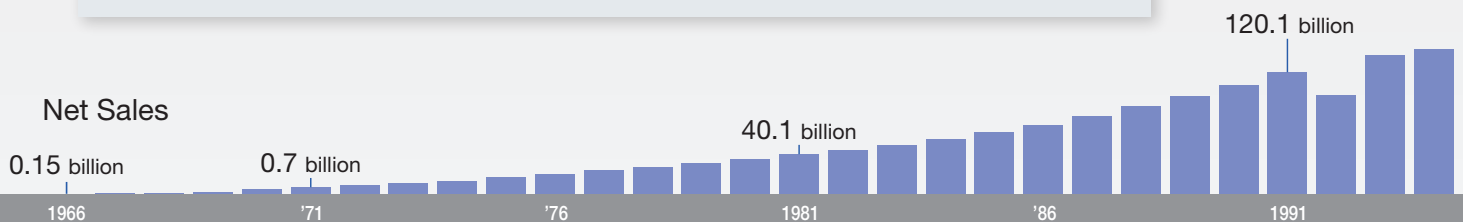
Sohgo Security Services Co., Ltd. was founded on July 16, 1965, and the company name embodies the spirit of its founder:

**“The leading security company needs to excel at all security services.”**

## Background to foundation Creating a Made in Japan security company

After retiring from the National Policy Agency and serving as the Deputy Secretary-General on the organizing committee for the Olympic Games Tokyo 1964, Jun Murai was asked by former Prime Minister Shigeru Yoshida: “You should create a uniquely Japanese security company.” This marked the building blocks of a truly Made in Japan security company—where the safety of Japan was provided by Japanese people.

Former Prime Minister Shigeru Yoshida with founder Jun Murai and wife (at Mr. Yoshida's residence in Oiso, Kanagawa Prefecture)



## Providing Better Services to More Customers

### Real-time monitoring with video

#### Increasing added value for electronic security

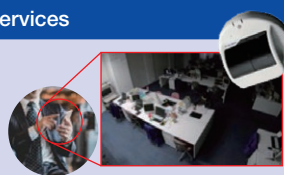
Responding to advances in devices and developments in communication technologies

#### 1967 Began providing electronic security services

At the time, sensors detected signals, and instruction were provided to on-site security staff

#### Today Video monitoring services

Identifying on-site situations with the use of imaging sensors. These can also be checked by customers via their smartphones



### Peace of mind for day-to-day life too

#### Expanded customer base, diversified services

From “Protecting homes” to “Protecting lifestyles”

#### 1988 Began providing Home Security services

Expanded services on the back of increased awareness of crime prevention and lifestyle changes

#### Today Providing more than just crime prevention, with “safety and security” for all aspects of life

Ensuring safety and peace of mind for a broad range of lifestyles, including for the elderly and those living in condominiums, in line with the concept of security services for all aspects of life



### Expanded cash-related services

#### Expanded business domains and customer base

Responding to changes in society (labor shortages, shift to cashless systems)

#### 1966 Began providing cash transportation services for financial institutions

Provided cash transportation security services for financial institutions



#### Today Established presence as an outsourcer for cash-related services

Cash Deposit and Dispenser Machine On-Line System  
ATM General Management Service  
ALSOK Multi-QR Payment Solution



### Evolved to “Visible Security”

#### “Manpower” x “state-of-the-art equipment”

Visualization of services using state-of-the-art equipment

#### 1965 Began providing stationed security services

Cultivated know-how by providing human security personnel at major events like expos, summits and the Olympics

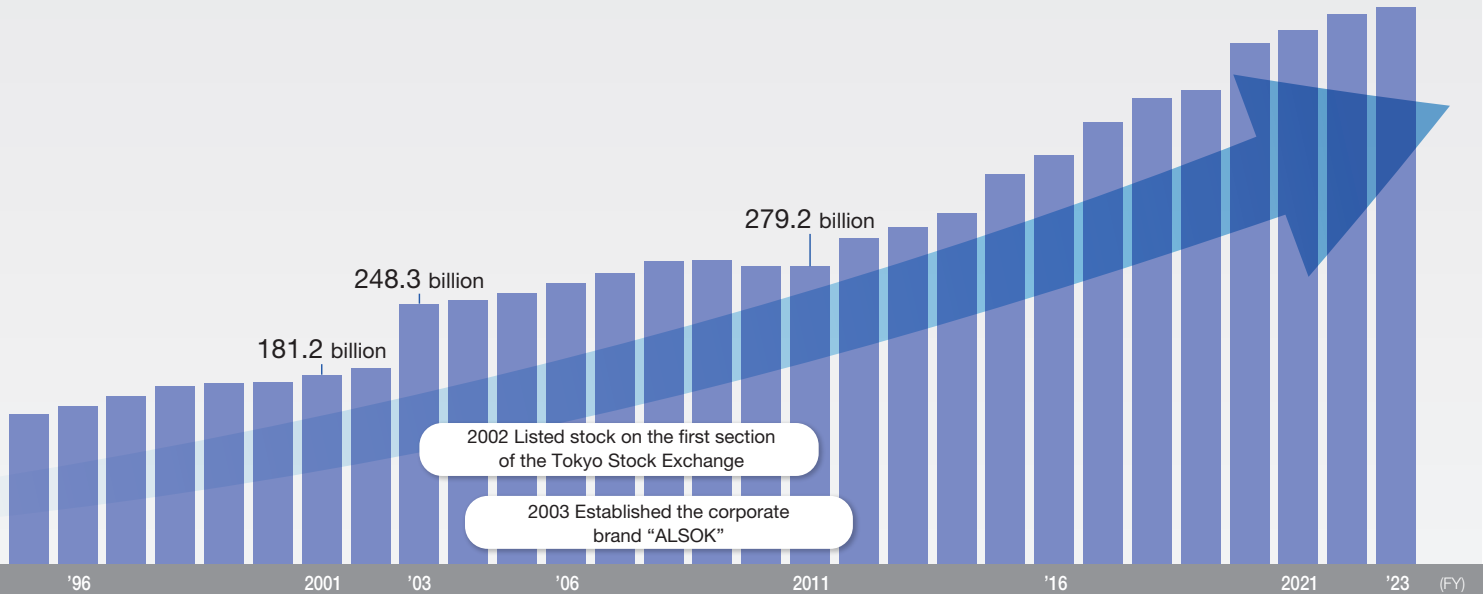


#### Today Better quality and energy-saving efforts by utilizing state-of-the-art equipment

Achieving energy-saving and greater efficiency through the use of state-of-the-art equipment like robots and drones, and providing high-quality services by fusing manpower and DX



FY2023 Net Sales  
**492.2 billion**



### Responding to a super-aged society

Developed long-term care services business that only a security company can provide  
 Providing reliable care services

2012 Full-scale entry into long-term care services

Began providing visitation-based care services in the Metropolitan Area

Today Began operation of care services facilities that only a security company can provide

Security is installed at nursing care facilities, and the response capabilities of a security company provide safety and peace of mind to customers in normal times as well as in times of disaster



### For safety and security throughout Asia

Expanding services globally based on security know-how cultivated in Japan

Responding to mounting needs for safety and security around the world

1980 Began dispatching security response personnel to diplomatic establishments abroad

Dispatched personnel to Japanese embassies and consulates around the world (Middle East, Latin America, etc.)

Today Developed diverse services for safety and security throughout Asia

Established seven local subsidiaries mainly in Southeast Asia that is experiencing significant growth, and began providing services there. Services will continue to be provided going forward for both Japanese and non-Japanese companies by meeting the specific needs of each region



### Providing constant total support for customer business operations

Began providing and expanding general building management services  
 Responding to the needs of building management and fire protection closely connected to security

1966 Began providing general building management services

Began general building management services closely connected to security services

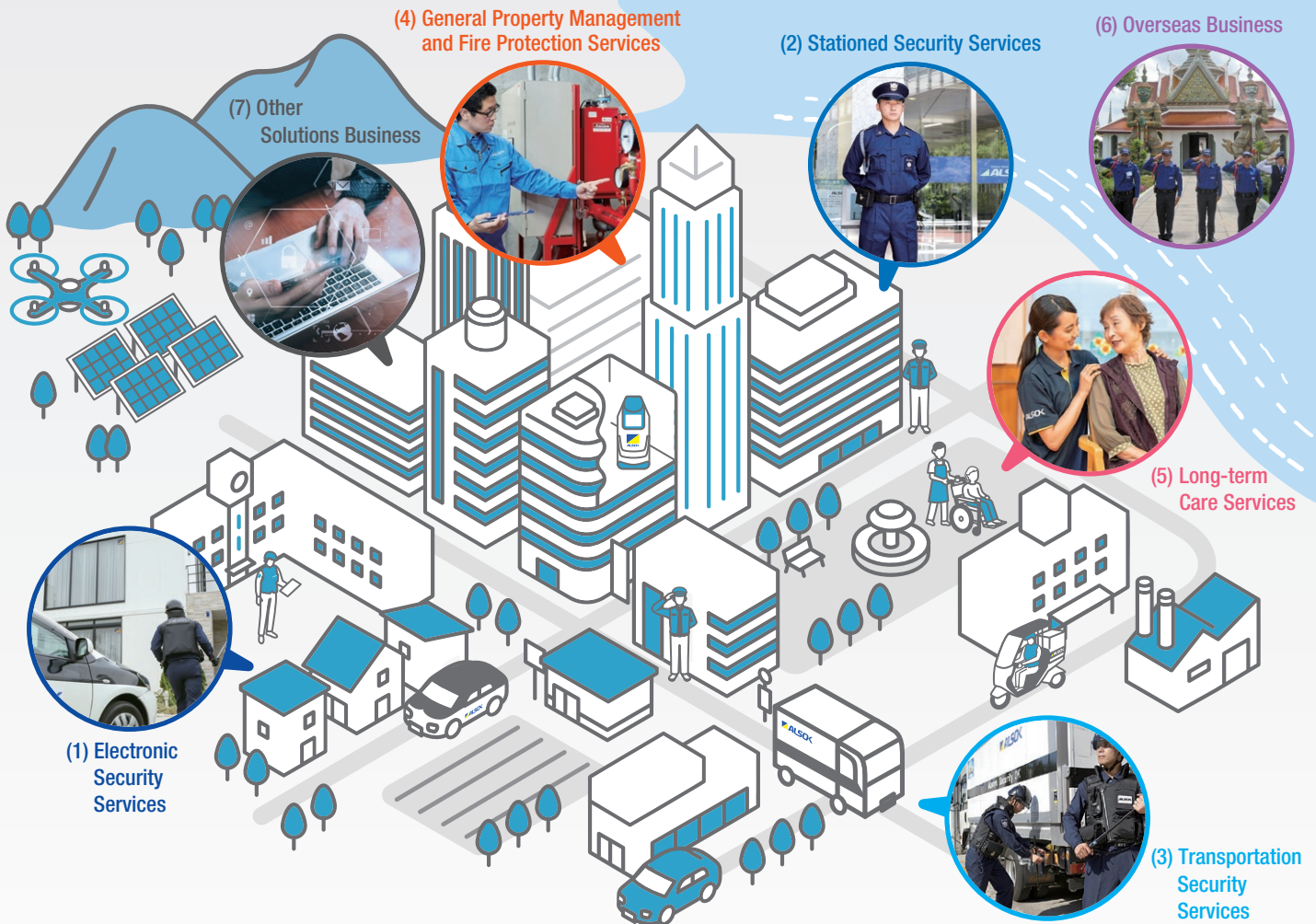
Today Diverse range of services concerning building management and fire protection

Sales of disaster prevention supplies, AEDs and energy-saving products, in addition to support for repair and renewal work of building facilities and inspection, fire protection and cleaning services. Also provides support for increasing the added value of facilities



# Businesses, Products and Services from ALSOK

As a provider of services concerning the safety and security of society, the Group is working to provide new services that combine various service functions such as security, equipment, and nursing care to meet the needs for safety and security of customers and society given increasingly diversifying risks.



## Security Services

### (1) Electronic Security Services

Installation of alarm equipment and other sensors at contracted stores or homes, and dispatch of security guards to respond to any abnormal situations such as intrusions or fires.

### (2) Stationed Security Services

Security guards are stationed at the contracted facility and access control, patrol, and monitoring are performed to prevent various accidents and respond to emergencies. Security services are also provided for various events such as international conferences.

### (3) Transportation Security Services

Our Transportation Security Services business provides transport of valuables such as cash and securities to locations designated by contract via cash transport vehicles. We provide comprehensive solutions for cash-related operations via services like our "Cash Deposit and Dispenser Machine On-Line System," "ATM General Management Service" and "ALSOK Multi-QR Payment Solution."

### (4) General Property Management and Fire Protection Services

Total support business covering building and condominium maintenance, operation and management, including repair and renewal of various building facilities, fire and disaster prevention, facility management, cleaning and sanitation management, plumbing installation and electrical installation. It also sells disaster prevention supplies, infectious disease control supplies, and AEDs.

### (5) Long-term Care Services

Provision of a wide range of services from home-based nursing services such as creating care plans and day services, to facility-based care services such as pay-for-care homes for the elderly with nursing care and group homes. We sell and rent equipment for long-term care covered by public aid, as well as provide home-visit medical massage services.

### (6) Overseas Business

Established seven local subsidiaries mainly in Southeast Asia. We are expanding our business domain not only to provide security consulting, resident security services, and machine security services, but also facility management such as disaster prevention and cleaning.

### (7) Other Solutions Businesses

Provision of the "ALSOK Safety Confirmation Service" for checking the safety of employees in the event of natural disasters/calamities, various information security solutions, and services using robots and drones.

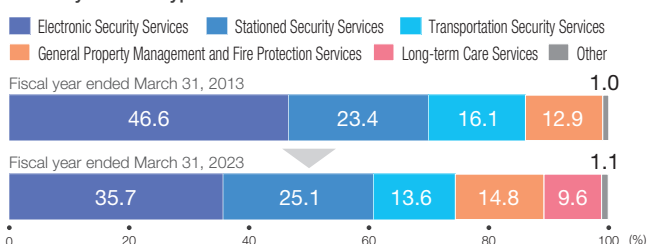
## Main Products and Services

|   |   |  |
|---|---|--|
| <b>● Security Services</b>  |   |  |
| <b>Electronic Security Services</b>   |   |  |
| ■ <b>ALSOK-G7</b>   | Security system that incorporates live video monitoring as a standard feature   | Electronic Security Department (P. 18)     |
| ■ <b>ALSOK IT Rescue</b>  | In the event of an IT equipment-related failure, guards rush to the scene to determine the cause and provide emergency response   |  |
| ■ <b>HOME ALSOK Connect®</b>  | The optimal multifunction system for ordinary homes, including both condominiums and detached houses  | HOME ALSOK Business Department (P. 19)     |
| ■ <b>HOME ALSOK MIMAMORI SUPPORT®</b>   | System with emergency reporting and telephone health consultation service functions for senior citizens added   |  |
| <b>Stationed Security Services</b>  |   |  |
| ■ <b>Stationed Security</b>   | Security guards are stationed at facilities, and in case of emergency, we carry out patrols, conduct monitoring, and provide facility/equipment management for crime and disaster prevention  | Stationed Security Department (P. 20)      |
| ■ <b>Temporary Security</b>   | Flexibly responds to short-term security needs for international conferences, various events, etc.  |  |
| <b>Transportation Security Services</b>   |   |  |
| ■ <b>Cash Deposit and Dispenser Machine On-Line System</b>  | Total solution for customer business operations combining store sales proceeds management functionality with a transportation security network  | Transportation Security Department (P. 21) |
| ■ <b>ATM General Management Service</b>   | Total support for ATM operation and management, including replenishment and collection of ATM cash and ATM fault response   |  |
| ■ <b>ALSOK Multi-QR Payment Solution</b>  | A cashless payment service that makes it possible to handle multiple payments on a single device  |  |
| <b>● General Property Management and Fire Protection Services</b>                                 |   | Facility Management Department (P. 22)     |
| ■ <b>Facility Management</b>  | Repair and renewal work of building facilities, fire and disaster prevention work, facility management, cleaning management, sanitation management, and telephone answering service, etc. Total support for building operation and management |  |
| ■ <b>AED</b>  | Sale, rental, and management of AED equipment, and training in the use of AED equipment   |  |
| ■ <b>Disaster and Infection Prevention Products, Harmful Bird &amp; Wildlife Control Services</b> | Sales and management of disaster stockpiles, PCR inspections, and support for protecting agricultural crops, etc., from harm caused by bird and animal  |  |
| ■ <b>Comprehensive asbestos service</b>   | Contracting for tasks concerning asbestos investigations  |  |
| <b>● Long-term Care Services</b>  |   | Long-Term Care Business Department (P. 23) |
| ■ <b>In-home care services</b>  | Create care plans, home-visit long-term care/nursing, day-care services, etc.   |  |
| ■ <b>Resident Services</b>  | Fee-based long-term care facilities and group homes   |  |
| ■ <b>Other Services</b>   | Loans and sales of equipment for long-term care covered by public aid, home remodeling, massage therapy, etc.   |  |
| <b>● Overseas Business</b>  |   | International Affairs Department (P. 24)   |
| ■ <b>Security Services</b>  | Electronic security, Stationed security   |  |
| ■ <b>General Property Management and Fire Protection Services</b>                                 | Facility management, AED sales, etc.  |  |
| <b>● Other Solutions Businesses</b>   |   |  |
| ■ <b>Information Security Services</b>  | ALSOK PC management service, Network monitoring service, website tampering detection service  |  |
| ■ <b>ALSOK Safety Confirmation Service</b>  | Safety confirmation during and after natural disasters, and health management tools for use during epidemics, etc.  |  |
| ■ <b>REBORG®-Z</b>  | Security robot for facility patrolling and monitoring   |  |
| ■ <b>Various Drone Services</b>   | Inspections and surveys of various facilities like solar power panels, bridges and building exteriors   |  |

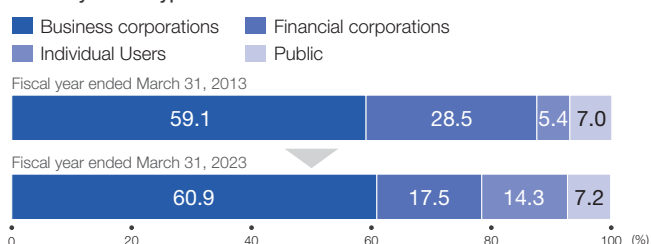
## Business Diversification and Solid Customer Base

Approximately 74.4% of net sales account for Security Services (electronic security, stationed security, transportation security), with Non-security Services (general property management and fire protection services, long-term care services etc.) account for around 25.5%.

### Share by Service Type



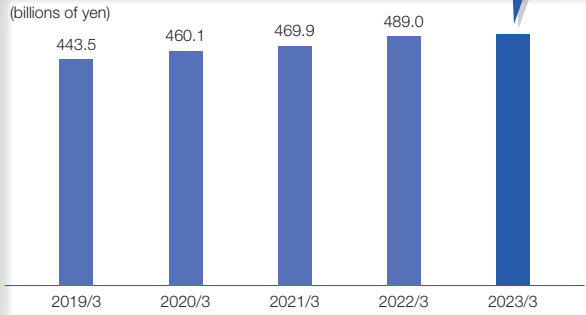
### Share by Client Type



# Financial and Non-Financial Highlights

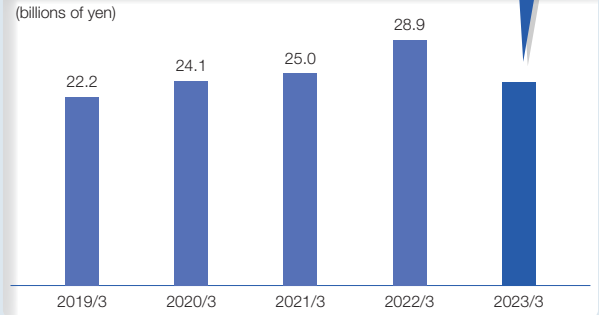
## Net Sales

**¥492.2 billion**



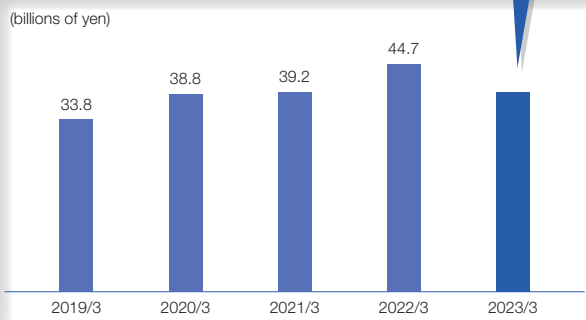
## Profit Attributable to Owners of Parent

**¥23.9 billion**



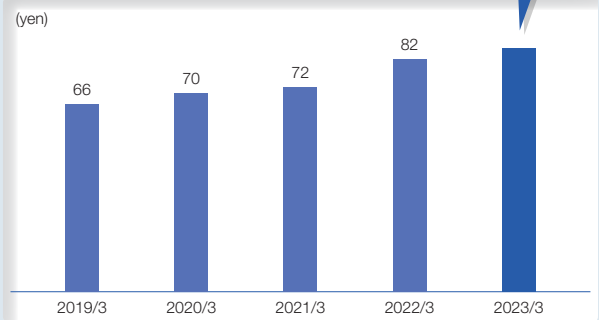
## Ordinary Income

**¥39.2 billion**



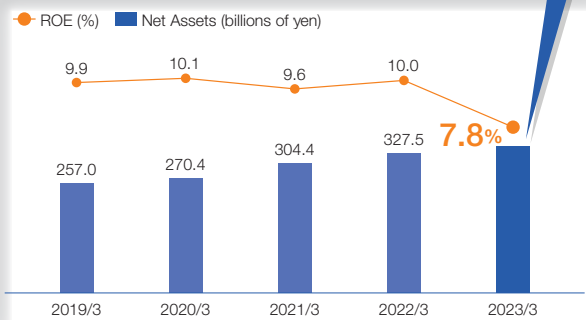
## Dividend

**¥86**



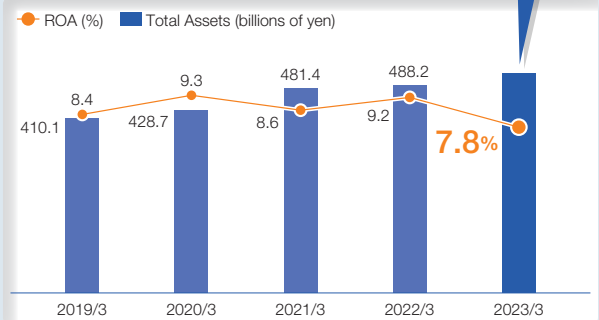
## ROE / Net Assets

**¥343.8 billion**



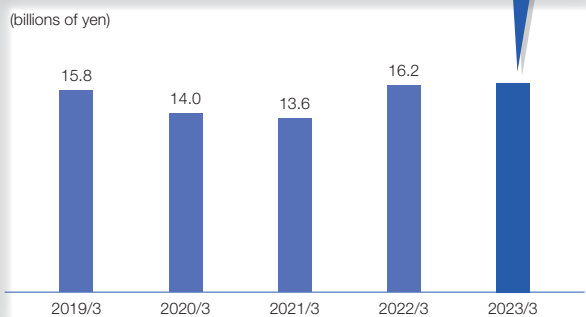
## ROA / Total Assets

**¥516.6 billion**



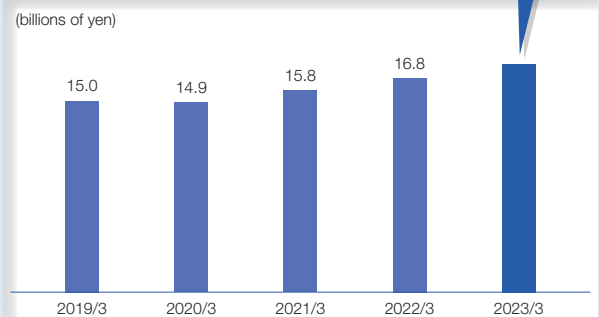
## Capital Investments

**¥16.4 billion**



## Depreciation and Amortization

**¥17.9 billion**





ENVIRONMENTAL



CO<sub>2</sub> Emissions (Group)

86,850 t-CO<sub>2</sub>

YOY 2.0% increase<sup>1</sup>

Fuel Usage (Group)

16,731 kl

Electricity Consumption (Group)

92,464 MWh



CO<sub>2</sub> Emissions per Sales Unit\* (Group)

0.176 t-CO<sub>2</sub>/¥ million

YOY 1.14% increase<sup>1</sup>

Environmentally friendly vehicles<sup>2</sup>

957

YOY 54.1% increase



Electric motorcycle

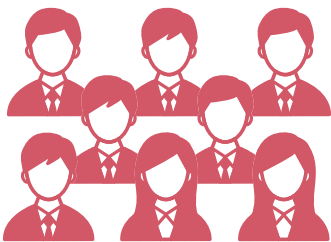
49

Newly introduced



\*1 Due to increase in Group companies during the fiscal year \*2 Hybrids, PHV/PHEVs, electric vehicles, fuel cell vehicles

SOCIAL



Number of Employees (consolidated)

39,039

Number of Female Employees (consolidated)

6,158

YOY 11.5% increase

Proportion of Women in Management Positions (consolidated)

9.7%



Number of Employees Who Have Completed First-Aid Training Cumulative Total

23,292

(including both basic and advanced training)



Number of Participants in ALSOK ANSHIN KYOSHITSU® Crime Prevention Classes

Cumulative Total

1,736,000

(started in 2004)



Number of Residents in Long-Term Care Facilities

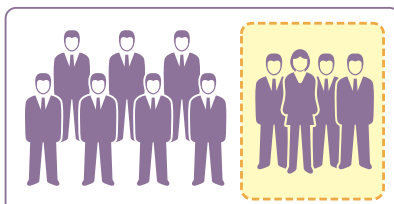
Approx. 7,300

Number of Users of Long-Term Care and Other Services

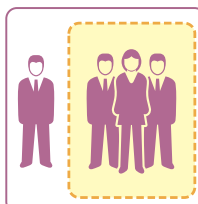
Approx. 24,000



GOVERNANCE



Directors 11 (of whom 4 are outside Directors)



Audit & Supervisory Board Members 4 (of whom 3 are outside Audit & Supervisory Board Members)

Number of Directors and Audit & Supervisory Board Members

15

(one female Director one female Audit & Supervisory Board Member)

Directors' Rate of Attendance at Board Meetings

100%



Number of Group Companies That Have ISO 27001 (ISMS) Certification

20 Companies

(including main company)



Number of Group Companies That Have ISO 9001 Certification

65 Companies

(including main company)



Number of Group Companies That Have ISO 14001 Certification

74 Companies

(including main company)



Number of Group Companies That Used the Internal Reporting System

75 Companies



## Message from Group CEO



### Tsuyoshi Murai

Representative Director, Group CEO  
CTO (Chief Technology Officer)

# Reforming the security business model with the aim of becoming a corporate group that protects lifestyles and society

## Changes in the present business environment and the state of management

Numerous challenges presented themselves over the past year, including the increasing spread of COVID-19 infections, rising prices of raw materials due to high resource costs and a weak yen, and supply shortages of semiconductors. With COVID-19 downgraded to a “Category V infectious disease”<sup>\*1</sup> in May 2023, various types of events showed signs of resuming in so many places and people began to start moving around again—all of which led to demand for security at locations like airports and event sites. As the risk of COVID-19 spread worldwide over the past three years, each and every employee remained committed to fulfilling their duties at sites with the strong sense of mission toward keeping society safe—in light of this, I realized again why

ALSOK operations are performed by so-called “essential workers.”

We had anticipated a recovery in demand for security services in concert with the Japanese economy following the end of COVID-19. When that happened, instead of simply returning to the same level of operations as three years prior, we had steadily been making preparations as we deemed it would be essential to create a resilient business structure geared for future growth. In line with the four basic policies outlined in “Grand Design 2025,” our Medium-Term Management Plan that is in its third year—the “Enhancement of Response Capacity for Diverse Safety and Security Needs of Society,” “Digitization and Utilization of Data,” “Establishing a Work Environment Where Employees Play an Active Role,” and “Strengthen the Efforts of Sustainability,” we made progress in each area, including utilizing DX and updating internal systems and structures as part of initiatives for reforming our security business model and becoming a

<sup>\*1</sup> One of the Class 5 infectious diseases defined under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases, with the lowest level of overall risk based on factors such as infectiousness and severity

resilient “Integrated Safety and Security Solutions Provider.” While progress of the Medium-Term Management Plan has been delayed due to the response required during COVID-19, we will be focusing on the state of recovery in performance from May 2023 and beyond, with the view to making up for the previous delays.

A closer look at the present state of business indicates a marked uptick in the movement of people. More recently, we have seen new forms of crime emerging that had been rare in the past such as serial robberies, and with people sensing a deterioration in security, I feel that there is growing demand for security services. On the other hand, securing a capable workforce is likely to become increasingly difficult. Services provided by ALSOK always remain work that is focused on people. We will continue making an effort to reduce workload by rolling out DX as fast as possible.

## ALSOK's significance and way forward

ALSOK employees have a strong sense of mission backed by the spirit of our company's founding, where they engage in risks head-on and remain on-site until the very end. I believe that this corporate culture that has been cultivated throughout the long history of our company is the greatest strength of ALSOK. We will continue to cherish this unique corporate culture and fine-tune it even more to further cement our identity. ALSOK also has the agility to rush to sites quickly with

a sense of urgency. More than just security operations, I think that harnessing ALSOK's unique capabilities<sup>2</sup> to expand into new domains will be the key to taking ALSOK to new heights.

The security operations that ALSOK has built on and expanded thus far can be considered as services that underpin social infrastructure in a behind-the-scenes kind of way, by preventing crime or potential risks that pose a threat to safety. These security services are the mainstay of ALSOK, and we will continue to develop and advance operations in these areas. The risks that are present throughout our day-to-day lives are increasing in complexity and diversity, like the myriad disasters caused by climate change, or the growing number of elderly people living alone and single-person households as the birthrates decline and the social structure continues to change. In light of these circumstances, I feel that the “on-site capabilities” and “agility” we have developed through our security services could be harnessed in fields outside of crime prevention and reducing security risks. The number customers using our “HOME ALSOK MIMAMORI SUPPORT<sup>®</sup>” service, where personnel rush to aid elderly people if they feel unwell, has grown in recent years, but this service was not actually created for the purpose of crime prevention. I hope to continue tapping into fields where ALSOK can maximize its potential, and contribute to society as a company capable of preventing and controlling various types of risks present in the day-to-day lives of people and their social activities.

<sup>2</sup> Refers to the organizational capability of the company as a whole

### ALSOK's Aim

To meet the expanding needs for safety and security in a society where risks are diversifying, ALSOK will promote the innovation of its security business model and aims to become a resilient integrated safety and security solutions provider.

#### Basic Policies

- 1 Enhancement of response capacity for diverse safety and security needs of society
  - Enhancement of Inside and Outside Infrastructure Cultivated by the Security Business and Facility Management Business, and Construction of Solutions through a Combination of Various Services
  - Prompt Development of Products and Services Assimilating New Technology
- 2 Digitization and utilization of data
  - Digitization
    - Enhancement of communications with customers
    - Efficiency and manpower savings of operations
  - Utilization of Data
    - Complement of functions by digital technology
    - Analysis of collected data
    - Data cooperation with external organizations
- 3 Establishing a work environment where employees play an active role
  - Diversifying Human Resources
    - Recruit of diverse human resource
    - Provision of diverse work styles
    - Capability development
- 4 Strengthen the efforts of sustainability
  - Enhancement of Governance
  - Approach to the SDGs
  - Approach to Environmental Issues

#### Financial Goals

| Performance (FY2023)                  |                | Targets (FY2026)       |   | Investment Plan (based on cash flow)                        |                |
|---------------------------------------|----------------|------------------------|---|---|----------------|
|                                       |                |                        |   | Items   | FY2022–FY2026  |
| Consolidated net sales                | ¥492.2 billion | Approx. ¥650.0 billion | Payout ratio of 30% as a target to maintain a stable dividend<br>Future Targets<br><b>Net sales: Approx. ¥1 trillion</b><br><b>Income: Approx. ¥100 billion</b> | Research and development, digital-related investments, etc. | ¥70.0 billion  |
| Consolidated ordinary income          | ¥39.2 billion  | Approx. ¥65.0 billion  |   | M&A, etc.   | ¥50.0 billion  |
| Consolidated ordinary income to sales | 8.0%           | More than 10%          |   | FY2022–FY2026 increase in cash                              | ¥110.0 billion |
| ROE                                   | 7.8%           | More than 10%          |   |   |                |

For detailed data on the Medium-Term Management Plan (GD2025), please visit our website.  
<https://www.alsok.co.jp/ir/management/plan.html>



## Toward sustainable management and achieving a sustainable society

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Given the large number of stationed security companies that provide traffic control and security at events, as well as cover certain services in specific regions, I think the security industry is one that will require various ideas for utilizing DX in order to achieve economic effects. In contrast, ALSOK's main line of business is with providing electronic security services around the country by developing large-scale systems, and this fact makes it relatively easy for us to incorporate DX. Our operations that involve predicting and reducing risks can to a certain extent be classified into patterns drawing on past experience, so DX can be leveraged to allocate personnel with the required skills and experience to provide a more uniform response to various situations. Services that could not be visualized in the past can be expressed in figures and text using DX, making conditions easier to interpret.

In the services industry, it is difficult to maintain a uniform level as services are provided by human workers, and even if a high-quality service is provided, visualizing the fruits and having customers understand them also remains a challenge. In this sense, I think DX will be required in the services industry in a different way to manufacturers and other companies in the manufacturing industry.

Securing a capable workforce is becoming more difficult by the year—and this situation is common throughout any industry. While “people” are the focus of our work, I think it will be particularly important to increase the share of roles that DX and systems play in our operations.

Training of the next-generation of personnel in charge of management will be essential over the long-term span in order to expand the business domains and reform the security business model that I outlined earlier. Fostering human resources with an understanding of ALSOK's unique

corporate culture and capable of forecasting future changes in society will be crucial for advancing sustainable management. We will be developing an extensive range of options in order to secure human resources with broad perspectives and ample experience. An example to illustrate this is that we warmly welcome back staff who previously left ALSOK but seek to return with a greater skillset. We are also focusing efforts on strengthening our governance system essential for sustainable growth, and in February 2023 we established a Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors. Our Board of Directors is a place where Directors well-versed in ALSOK's corporate culture and External Directors with a wealth of knowledge can discuss matters in a frank and open manner—I think this has contributed greatly to achieving sound growth and reducing business risks.

When looking at our how we contribute to the development of a sustainable society, I feel that the majority ALSOK's businesses are generally concerning resolving social issues. As part of our management efforts, we have also incorporated a host of measures toward contributing to a sustainable society. Reducing CO<sub>2</sub> emissions is one area that is essential for tackling global warming, but an example highlighting our efforts include reducing the amount of CO<sub>2</sub> emissions throughout the entire supply chain, including those that fall under category called the Scope3. We recognize that a large portion of ALSOK's Scope3 emissions are for the procurement of equipment concerning electronic security, so in August 2022, we actually constructed a new repair center and expanded the floor area of existing facilities to create a framework for properly reusing and recycling equipment. In addition to these initiatives, I feel that it will be vital to incorporate new guidelines for achieving a sustainable society, like sustainability standards set forth by ISSB<sup>\*3</sup>.

## Message to Stakeholders

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Listening carefully to valuable feedback received by engaging in dialogue with shareholders and ensuring management is run properly is something that I recognize is extremely important for responding to the trust placed in us by our shareholders. Distribution of profits generated by ALSOK will be well-balanced between shareholder returns, employee compensation and strategic investments aimed at future growth. The balance of profit distribution will be carefully determined based on feedback from employees and stakeholders, with a mind to reforming our current business portfolio and making sure that it is even more resilient.

Looking ahead, ALSOK will be reforming its security business model beyond just the security business by predicting and reducing a diverse range of risks present in the day-to-day lives of people and their social activities, with the aim of becoming a corporate group that protects society. I ask for your continued understanding and support with reforms to the future of ALSOK.

<sup>\*3</sup> Refers to the International Sustainability Standards Board established in November 2021 by the International Financial Reporting Standards (IFRS) Foundation



## Message from Group COO



**Ikuji Kayaki**

Representative Director, Group COO

# Focusing on “dialogue and empathy” to expand business further

## Review of the past year

It has been more than a year since ALSOK commenced its new management structure from June 2022 that Group CEO Murai and I formulated together. We embarked right in the midst of the storm that was the COVID-19 pandemic and have been battling various head winds throughout the year—with rising costs of raw materials required for manufacturing the equipment used for electronic security, and supply chain interruptions caused by semiconductor shortages to name a few. We found it particularly tough properly allocating security guards deemed “essential workers” who needed to be on call in a consistent manner at the height of the pandemic. The backup plan that we had created in advance as our business continuity plan (BCP) covered this aspect as intended, and I think the smooth

mutual coordination between various sites was a big factor behind this. Despite the tough conditions required at each site, I really think ALSOK employees put in their best effort performing their duties at their assigned sites.

While demand in the security and facility management businesses is slowly recovering, we had to revise our business forecasts for January 2023 net sales and profit due to the effects of rising costs brought on by higher prices and the pandemic. We did achieve our 13th consecutive year of increased sales in the results for Fiscal Year Ended March 31, 2023, but profits decreased from the previous year as these higher figures were not enough to offset the increase in system-related expenses. A closer look at the present business performance shows signs of recovery for both net sales and profits, and we will continue putting in the effort to ensure a thorough recovery in performance going forward.

## Initiatives aimed at expanding businesses further

With the COVID-19 pandemic winding down and the business environment showing signs of recovery, moves have already started for developing a system aimed at further business growth and expansion of new businesses.

From April 2023, ALSOK shifted to a structure of seven business divisions.<sup>1</sup> I believe that this type of business structure will make it easier to identify needs within each market earlier, thereby allowing decisions to be made quicker, leading to faster action being taken. We are also planning to develop training programs suited to the characteristics of each business division, and focus on cultivating human resources with a high level of expertise. Furthermore, we will be actively releasing new products and services. The “ALSOK IT Rescue” service that we began providing from March 2023 was created to dispatch guards quickly to the scene in the event of an IT equipment-related failure, and coordinate efforts with personnel at the IT Rescue Center for determining the cause and providing emergency response. I think that such “Rush to the scene services” are useful in a wide range of situations. There is ample potential for further development as a service that leverages ALSOK’s strength of being able to arrive quickly at any site. Anticipation is also high for the “HOME ALSOK Connect”<sup>®</sup> service, which we started in April 2023. In addition to customers being able to monitor security by themselves using their own smartphone, various plans are available to suit the customer’s stage in life as a home security service that can be tailored to the customer’s specific needs. We are pushing ahead with efforts for stronger ties with builders of

residential homes and regional construction companies.

Demand is currently recovering quickly for stationed security. Given that workforce shortages are expected to continue over the medium- to long-term span, looking ahead we will be accelerating efforts toward greater efficiency and labor-saving measures by leveraging digital technologies. Ensuring DX for security guards is of the utmost importance, by using the latest devices to enhance security without affecting the level of service provided, even with fewer guards available.

We began expanding our overseas business from 2007, with a key focus on Southeast Asia where many Japanese companies are active. The establishment of a subsidiary in Bangladesh in November 2022 makes it the seventh region<sup>2</sup> we have expanded to, primarily around Southeast Asia. In June 2023, we also announced that we acquired stock<sup>3</sup> of business company located in Indonesia. I have high hopes for further growth potential in businesses, including the diverse range of ALSOK’s overseas businesses and services provided to local subsidiaries other than Japanese companies.

## Business opportunities arising from our “24 hours a day, 7 days a week response capabilities”

Businesses built on our “24 hours a day, 7 days a week response capabilities” are viewed as holding immense promise.

More than just businesses focused solely on crime

<sup>1</sup> “Electronic Security Department,” “HOME ALSOK Business Department,” “Stationed Security Department,” “Transportation Security Department,” “Facility Management Department,” “Long-term Care Business Department,” and “International Affairs Department”

<sup>2</sup> Thailand, Vietnam, China, Indonesia, India, Myanmar, Bangladesh

<sup>3</sup> PT. Shield-On Service Tbk, temporary staffing and security service provider in Indonesia



prevention, we will be on the lookout for providing a range of different services in the future.

We are already receiving countless inquiries from companies and municipalities regarding such potential new businesses, which renewed my confidence in the value we provide—being able to rush to any site throughout Japan and engage directly with customers. There has been a rise in inquiries such as comprehensive agreements with municipalities for services provided in response to disasters, or services for protecting the elderly in regions with higher populations of advanced age.

To enhance this “24 hours a day, 7 days a week response capability” even further, it will be important to expand the fields that each individual ALSOK guard is versed with. I think that harnessing DX and developing a system capable of dispatching expert personnel while coordinating efforts between staff on site and the central office will be able to further build on our potential, including the provision of monitoring services that extend beyond the realm of security. Initiatives for “digitization and utilization of data” outlined in the “Grand Design 2025” Medium-Term Management Plan are designed specifically to extract the full potential of this business.

New business opportunities concerning sustainability and ESG are also increasing in the field of facility management. Orders for installation work of LED lighting fixtures at offices and EV charging stations in line with the increasing uptake of EVs are just some of the examples of these opportunities. Customers seeking a first line of response, such as contacting us when they detect faults in installed EV facilities, closely match the needs of security operations in many cases. More recently, we are also providing an increasing range of integrated services, from equipment sales to installation, maintenance and on-site attendance.

Trying to uncover potential businesses outside of the security domain faces limits if ALSOK were to try and develop its own services. Right now, we are exchanging views with a wide range of companies including startups in a search for potential collaboration. The aim of this approach is to ensure that more companies understand the value that ALSOK provides, with the view to achieving mutual growth.

## Valuing dialogue for a unified ALSOK

With the increasing social need for security and the rise in companies that see the value in our “Rushing to the scene service,” we anticipate growth in ALSOK’s business opportunities, so covering manpower with machines and DX is of the utmost importance in preparation of the workforce shortages I touched on earlier. The same conditions are present with Long-Term Care Services. In light of such

circumstances occurring these days, I have always been conveying to employees that people are our most important asset ever since I was appointed Group COO. I have already outlined our views on human resources training tailored to the specific characteristics of each business field, however over the past year, I feel that we have begun to stray away from the ideal approach of developing training programs based on the qualities of each department and human resources skill levels, including training of DX personnel. We will be making improvements as soon as possible in this area.

During 2023, I planned a number of occasions for engaging in dialogue with graduates who had recently joined our company and young employees who have been with us for 4 to 5 years. Gaining an insight on feedback from young employees during opportunities like these even helped me to realize a few things.

“Dialogue and empathy” with stakeholders, including dialogue with employees like these, is the most important keyword for me in my position as the Group COO. We also actively hold small meetings and similar events to engage in dialogue with investors and analysts. Receiving feedback from the perspective of investors is an extremely important aspect underpinning ALSOK’s various initiatives. At the same time, this also presents an opportunity for investors to gain an insight into ALSOK’s initiatives and my own views. I will focus on continuing “dialogue and empathy” with all our stakeholders.

Little strokes fell great oaks—this is an idiom that strongly resonates with me. Even the smallest effort or initiative leads to significant achievements when continued in earnest. This approach applies just as well to ALSOK’s corporate culture and our founding spirit. ALSOK is applying its diversity and sense of speed to resolve issues present in this VUCA<sup>\*4</sup> age, as a company that is contributing to society. If each individual employee can fine-tune their capabilities and increase their own value, I am confident that it will lead to a boost in ALSOK’s corporate value.



Engaging in dialogue with employees

\*4 Short for volatility, uncertainty, complexity, and ambiguity, this acronym refers to “society and economic circumstances that are unpredictable and undergoing immense change”

# ALSOK's Value-Creation Model

The ALSOK Group has continued to provide security services of impeccable quality for more than 50 years since its establishment. The Group's excellent human resources, organizational capabilities, and the problem solving capabilities recognized by customers and society are its greatest strengths. Although conditions are changing rapidly both inside and outside of the Company, we remain committed to creating new value and achieving sustainable growth for protecting the safety and security of customers and society while simultaneously achieving sustainable growth. By accomplishing these goals, we will meet the expectations of all stakeholders.

## ALSOK's Business Model

### Diversifying Social Issues

Diversifying needs for safety and security as societies become more complex

Development of an advanced information society (advances in AI, DX)

Demand for improvements to QOL\*

Declining birthrate and Aging population

Addressing sustainability (climate change, etc.)

### Management Capital

#### Abundant human resources

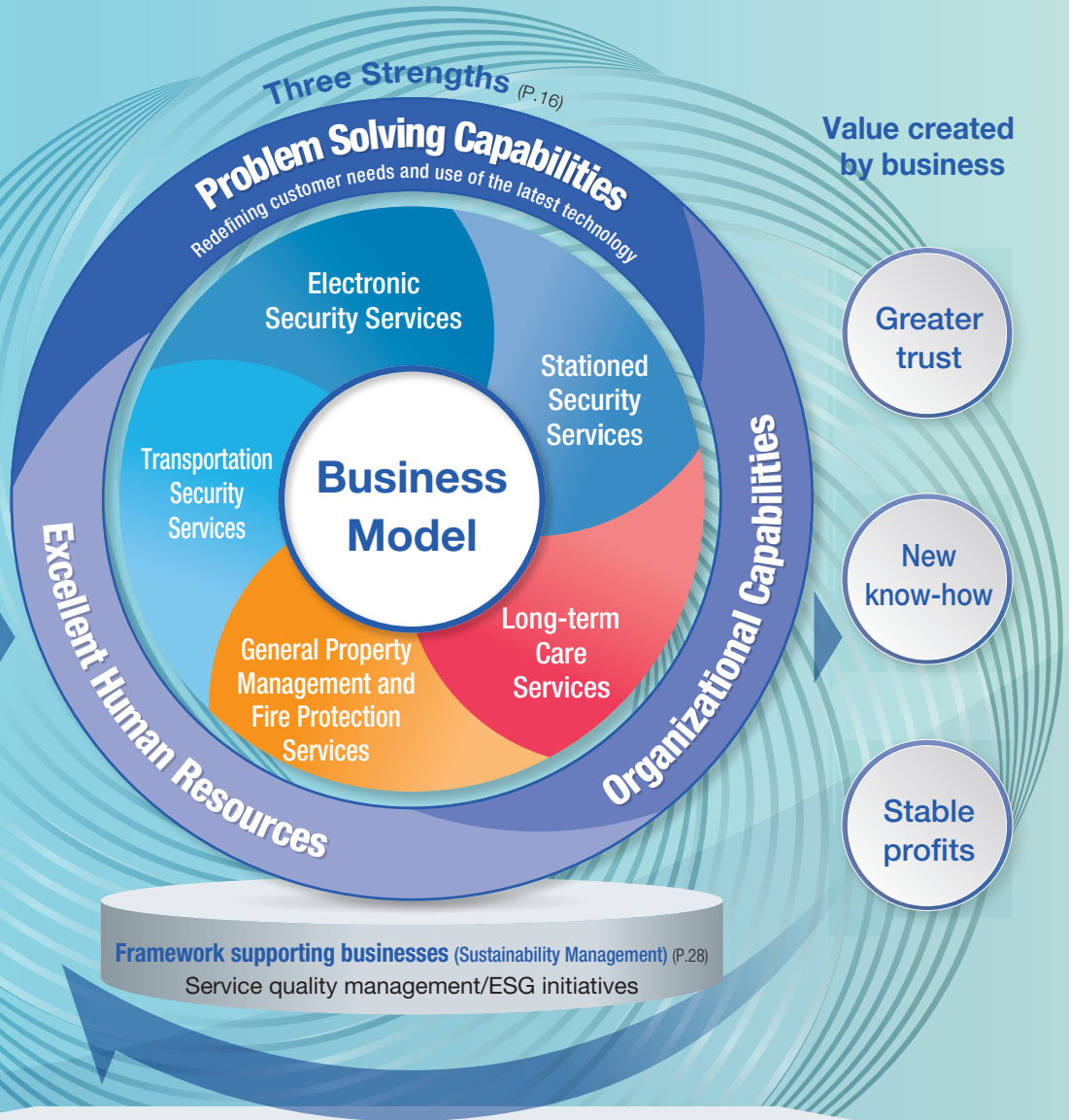
- Enhanced training system
- Promotion of diversity
- Number of Employees: **39,039**

#### Trust and Network

- ALSOK brand trust
- Global Service Network: In **seven** countries with a focus on Southeast Asia
- Number of Depots Located Nationwide: Approx. **2,300** locations
- Business Operations: Head Office **64** Branches **37** Offices **257** Sales offices
- Certifications: ISO 9001, ISO 14001, and ISO 22301

#### Sound financial standing

- Equity Capital Ratio: **60.9%**
- Consolidated Net Assets: **343,893** (millions of yen)
- Ranking (R&I): **A+**



### Management Philosophy

Based on two core principles exemplified by "arigato no kokoro" (a feeling of gratefulness and gratitude) and "bushi no seishin" (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole.

\* QOL...Quality of Life



Value Provided

# Protecting the safety and security of our customers and of society as a whole.

## Growth Strategies and Materiality

Medium-Term  
Management Plan  
(FY2022-FY2026)

# Grand Design 2025 (P.25)

### Basic Policies

1. Enhancement of response capacity for diverse safety and security needs of society
2. Digitization and utilization of data
3. Establishing a work environment where employees play an active role
4. Strengthen the efforts of sustainability

## Vision

# Becoming a Resilient Integrated Safety and Security Solutions Provider

### Five Material Issues (P.26)



**(1) Providing Trustworthy Security Services**



**(2) Providing Products and Services That Help Resolve Social Issues**



**(3) Cultivating Human Resources and Building a Comfortable Workplace Environment**



**(4) Contributing to Local Communities through Active Communication**



**(5) Consideration for the Global Environment**

### Customers

Provide safety and security through our high-quality products and services

### Employees

Based on the belief that people are an important source of corporate activities, we provide an environment in which each and every employee can fully demonstrate their abilities and work energetically and develop their abilities

### Shareholders and Other Investors

Increase in stock price and provision of shareholder returns by increasing corporate value through sustainable growth as a resilient “integrated safety and security solutions provider”

### Business Partners

To solve various social issues, ALSOK and the entire supply chain will work together to achieve sustainable growth.

### Local Communities and the Global Society

Contribute to the creation of a safe and secure society by creating new solutions centered on safety and security in response to diversifying risks

## ALSOK's Strengths

**ALSOK is contributing to the safety and security of customers and society with its "Three Strengths."**

# Excellent Human Resources

As ALSOK is in the business of providing value by protecting people and society, the most important capital is its human resources. For this reason, we need to develop human resources capable of embodying ALSOK's philosophy of "arigato no kokoro" (a feeling of gratefulness and gratitude) and "bushi no seishin" (a samurai spirit), into their actual actions. To achieve this, we provide initial training for both new employees and seconded employees from other companies, run education for ensuring compliance, and encourage the acquisition of various types of certifications.

### Certifications

|  |                      |   |                        |
|--|----------------------|---|------------------------|
| Number of Security Planners  | In total <b>799</b>  | Number of Security Consultants  | In total <b>42</b>     |
| Number of Employees Who Have Attained the Rank of Expert in Martial Arts | <b>3,681</b>         | Number of Employees Who Have Completed First-Aid Training   | In total <b>23,292</b> |
| Number of Construction Managing Engineers, Electricians                  | Approx. <b>1,400</b> | Number of Fire Protection Engineers   | Approx. <b>2,800</b>   |
| Number of People with ALSOK Assistance*                                  | Approx. <b>7,100</b> | * Internal first-aid certification system to enhance the assistance capabilities of guards who need to rush to the scene quickly in emergencies |                        |

### Performance

|   |                 |
|---|-----------------|
| Number of Staff Dispatched to Japanese Embassies, Consulates, etc. Overseas as Security Staff Members                                       | Over <b>870</b> |
| Number of cases of cooperation with crime prevention (special fraud prevention, lifesaving, firefighting activities, criminal arrest cases) | <b>324</b>      |



The ideal security company, as envisioned by our founder

ALSOK's Four Principles **Sincerity, Accuracy, Strength, and Speed**

#### Sincerity

The Sun Symbolizes Sincerity  
 • Security companies fulfill the important mission of protecting clients' lives and property

#### Accuracy

The Rod Symbolizes Accuracy  
 • Professional security services must not only be accurate, but must never be muddled



Company emblem

#### Strength

The Eagle Symbolizes Strength  
 • Security requires strong-minded people

#### Speed

The Laurel Leaves Symbolize the Speed of an Olympic Champion  
 • Security services must always be implemented rapidly

\* Figures included here are as the end of March, 2023.

# Organizational Capabilities

With the industry-leading network in Japan, ALSOK provides a sense of security to society and customers 24 hours a day, 7 days a week, by harnessing its agility to rush to the site immediately in the event of an emergency.

More than just in Japan, high-quality services are also provided in Southeast Asia and other regions.



|  |  |   |                              |
|--|--|---|------------------------------|
| Number of Depots Located Nationwide                                    | Approx. <b>2,300</b>                                 | Number of employees                               | <b>39,039</b>                |
| Number of Company Vehicles*<br><small>* Excluding bicycles</small>     | <b>9,515</b>   | Time to Arrive on the Scene<br>(non-consolidated) | <b>16 minutes on average</b> |
| Number of municipalities where emergency reporting service is provided | Approx. <b>500</b> (1,747 municipalities nationwide) | Consolidated Subsidiaries                         | <b>79</b>                    |
| Number of Group Companies  | Companies Accounted for by the Equity Method         |   | <b>16</b>                    |
| Overseas Operations  | In <b>7</b> countries with a focus on Southeast Asia |   |                              |



# Problem Solving Capabilities

ALSOK has long played a role contributing to solving local community and customer issues.

The Group will continue pooling its human resources and organizational capabilities to respond to diversifying social issues with the aim of becoming a problem-solving company.



## Specific examples of services

### Specific Example (1)

#### Cash Deposit and Dispenser Machine On-Line System

##### Issue

- Efficiency of cash management due to labor shortages, work-style reforms, abolishment of night safes (company and municipality issue)

##### Solution

Introducing the "Cash Deposit and Dispenser Machine On-Line System" that allows customers to deposit their sales helps to effort required cash-related operations like having a supervisor present.

### Specific Example (2)

#### Accident Scene First-Responder Service

##### Issue

- Alleviates worries during an accident (individual issue)
- Extensive capabilities for responding to accidents covered by vehicle insurance (company issue)

##### Solution

ALSOK's staff rush to the scene of an accident when customers are feeling most anxious, and provide a quick and smooth response to accidents to help alleviate concerns in the event of an accident.

### Specific Example (3)

#### Infectious Disease Control Measures

##### Issue

- Reliable operation at vaccination sites and ensuring peace of mind for people with light symptoms (municipality issue)
- Safety confirmation of employees with symptoms (company issue)

##### Solution

ALSOK provided security at places such as COVID-19 vaccination centers and hotels for people with light symptoms. Our existing "ALSOK Safety Confirmation Service" was also provided for managing the health of employees who tested positive.

# Security Services

## Electronic Security Department

### Business Details



This business installs alarm equipment like sensors at contracted sites, remotely monitors intrusions, fires, and equipment anomalies at the guard center via communication lines, and dispatches security guards to respond to any abnormal situations.

As a service for our corporate clients, we are offering the online security system "ALSOK-G7" equipped with high-definition imaging sensors as standard.

#### Our Vision

- Promote the use of advanced technology such as AI
- Provision of innovative services delivering both efficient electronic security services and service quality, while maintaining the value of human-based services

#### Expectations from society

- Providing high-quality services toward achieving a safe and secure society
- Business operation with consideration for the global environment

#### "Initiatives" for achieving our Vision

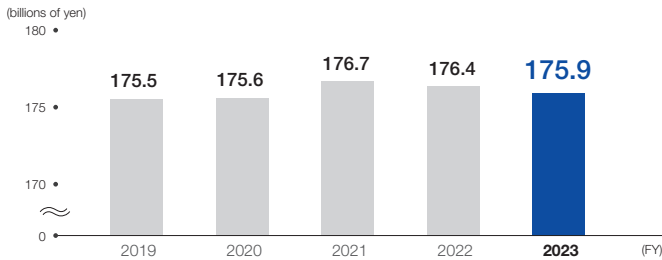
With risks affecting society becoming increasingly diversified, we are examining the introduction of the latest technology, including the use smartglasses to support the operations of guards, response training using virtual spaces (metaverse), and the future use of autonomous vehicles.

We are also moving ahead with various initiatives, including shifting to environmentally friendly vehicles and electric motorcycles (in metropolitan areas) to reduce the impact on the global environment, as well as expand and construct new repair centers for promoting the reuse of alarm equipment.



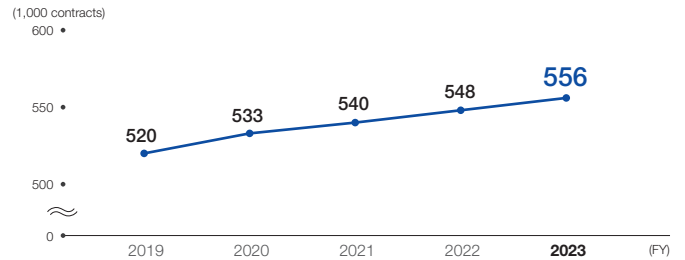
Atsuo Oyake General Manager, Electronic Security Department

#### Net Sales



\* Sales of electronic security services (including for corporate clients and individual users)

#### Electronic security services contracts for corporate clients



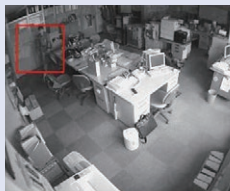
### TOPICS

#### Image (video) monitoring and extensive range of optional services

The "ALSOK-G7" security system for corporate clients is equipped with a high-definition imaging sensors as standard, and available as a video-based service.

Gaining an understanding of anomalies in real-time helps to prevent the spread of damage in the event of an emergency, allows for a quicker response, and limits unnecessary dispatches.

Optional services include an image storage service where security camera video is saved on the cloud, and an online access service for viewing sign in/out data or entry/exit management data online, as part of a system that also facilitates labor management and business efficiency in addition to security aspects.



Monitoring on-site videos, issuing audio warnings

#### Operational Flow for Rushing to the Scene



# HOME ALSOK Business Department

## Business Details



Electronic security services for individual users include “HOME ALSOK Connect®” launched in April 2023 based on the “HOME ALSOK” brand in line with the concept of security services for all aspects of life, “HOME ALSOK APARTMENT AND CONDOMINIUM PLAN” for housing complexes, and the “HOME ALSOK MIMAMORI SUPPORT®” monitoring service for the elderly.

### Our Vision

- Achieve a “Lifestyle where safety is the norm”
- Contribute to a comfortable lifestyle for the elderly

### Expectations from society

- Measures to combat the increase in violent crime and overcoming concerns
- “Constant” monitoring “just in case,” with the increase in elderly people living alone or elderly couple households
- Services developed in response to diversifying lifestyles

### “Initiatives” for achieving our Vision

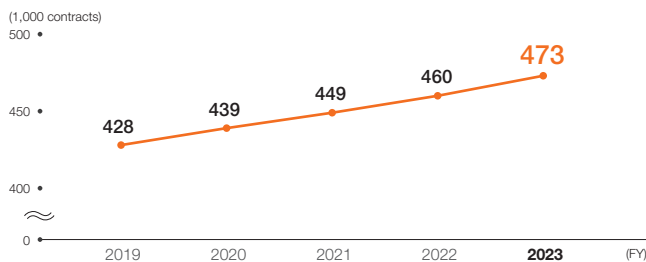
We are aiming to create local communities that are safe and secure to live in, without elderly people living alone, elderly couple households, women or children experiencing crime.

Providing products and services with a focus on home security that caters to the lifestyles and life stages of each individual customer, helps to protect customer lifestyles whether they are away from home for extended periods of time, left their home quickly, or even if they are actually in their home.



Masaharu Watanabe General Manager, HOME ALSOK Business Department

Electronic security services contracts for individual users



## TOPICS

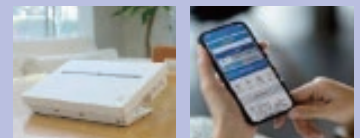
### “HOME ALSOK Connect®” launched

Based on the keywords of “ALSOK for smartphone crime prevention,” the home security “HOME ALSOK Connect®” service for smartphones was launched from April 2023.

In addition to conventional online security, we also provide self-security where monthly fees can be kept low by having customers choose whether to have guards attend their site, as part of a flexible package designed to suit changing security requirements.

#### 3 Key Points of “HOME ALSOK Connect®”

- (1) Simple and compact design
- (2) Smartphone app makes security easy
- (3) Two security plans to suit each life stage



#### Staff Comment

We focused on incorporating as best as possible ideas raised from customer surveys and requests received from staff working at sites, covering aspects from equipment design and functionality to voice guidance. We identified which aspects could be achieved within a limited budget and time period, and struggled making various adjustments, while overcoming the impact of COVID-19 and semiconductor shortages, to successfully release the service.

I hope we can ensure peace of mind for even more customers by providing this service.

Yuri Abe, HOME ALSOK Business Department



## Materiality Topics

### Promoting reuse of alarm equipment and expanding repair centers

We are working to reduce the amount of waste and resources used in manufacturing by reusing alarm equipment.

To enhance the scope of the reuse initiative, in August 2022, we expanded the floor space of the repair center in Kanagawa Prefecture and established a new repair center in the Osaka area.



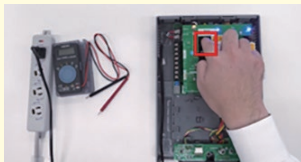
Consideration for the Global Environment (→P.40)

### Introduction of video manuals

Videos have been created for inspections and other manuals, which make it easier to visualize the operational steps for guards and engineers to prevent mistakes and enhance quality.



Providing Trustworthy Security Services (→P.28)



Cultivating Human Resources and Building a Comfortable Workplace Environment (→P.34)

# Security Services

## Stationed Security Department

### Business Details



Security guards are stationed at the contracted facility and access control, patrol, and monitoring are performed to prevent various accidents and respond to emergencies and accidents. We also provide security for various events such as international conferences, sports competitions, parades, and personal protection for celebrities and corporate executives in Japan and abroad, meeting a wide range of needs.

In addition, the use of various equipment (X-ray inspection equipment, etc.) and DX implementation with stationed security provide more efficient and effective security.

#### Our Vision

- DX implementation for more advanced security
- Efficiency and labor-savings operations using AI, robots and drones

#### Expectations from society

- Responding to disasters and fires with advanced security
- Provision of services leverage our mobilization capabilities as one of the industry's leading companies

#### "Initiatives" for achieving our Vision

ALSOK's stationed security has progressed from human-based security to security tailored to the needs of society and customers through the use of equipment and systems.

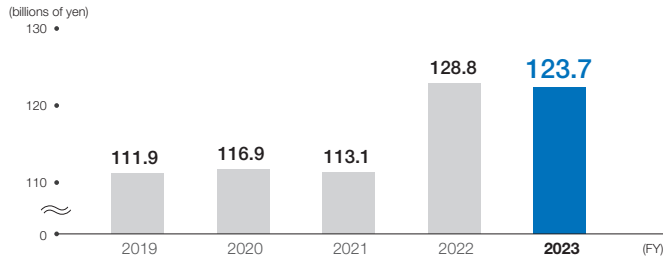
In light of growing labor shortages going forward, we are aiming to provide high-quality security services, with efficiency and labor-saving operations through the introduction of state-of-the-art equipment including AI and robots, expanding service details by assigning security guards equipped with sensors, and promoting the acquisition of various certifications.

We will leverage our mobilization capabilities as one of the industry's leading companies and contribute to various types of events.

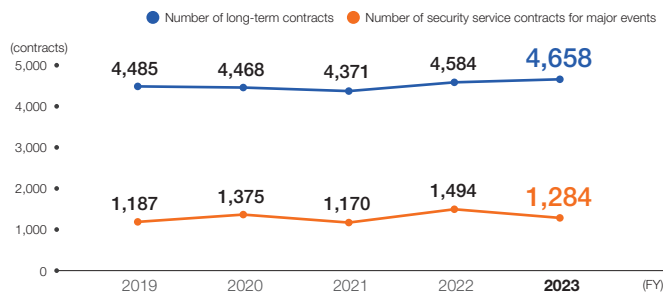


Kensuke Iwashita General Manager, Stationed Security Department

#### Net Sales



#### Number of security service contracts for major events and long-term contracts



### TOPICS

#### DX in Stationed Security

We are aiming to shift from the concept of the existing "Demonstrated Security\*" where security guards are equipped with smartphones and other digital devices, to "Visible Security" for visualizing safety and security.

With entry/exit management, use of security robots, drones and other inspection devices during patrols, and being able to rush to scenes faster using AI camera systems—we will be moving to introduce systems using IoT to provide advanced services and achieve efficiency and labor-saving operations.

#### Staff Comment

State-of-the-art devices allow visualization of security, and customers let me know about their peace of mind, so I definitely feel the effects of "Visible Security."

Going forward, I want to further enhance coordination with IoT and systems.



Hiroaki Sato, Stationed Security Department

\* "Demonstrated Security" ...effective of security guards in uniform for preventing crime

### Materiality Topics

#### Security for events around Japan (festivals, etc.)

Fireworks festivals and sports events that had been put on hold at the height of COVID-19 are resuming in full swing. With severe labor shortages across the security industry, ALSOK is leveraging its collaborative strengths throughout the Group to provide a reliable service. With concerns over outbreaks at large gatherings, we are contributing to local communities through safe and secure event operation.



Contributing to Local Communities through Active Communication  
(→P.38)

# Transportation Security Department

## Business Details



Dating back to the safe and reliable transportation of valuables including transporting cash to designated locations, today we provide services like ATM General Management for the all-inclusive management of financial institution ATMs, and the Cash Deposit and Dispenser Machine On-Line System for corporate clients to cover backoffice operations and manage small change and in-store sales.

As a payment provider, the ALSOK Multi-QR Payment Solution is also available to respond to the development of a cashless society.

### Our Vision

- Establish a solid presence as a supplier of domestic cash distribution
- Provide comprehensive solutions for cash-related operations

### Expectations from society

- Supply sustainable and reliable services as social infrastructure
- Safe and reliable transportation and management of valuables

### “Initiatives” for achieving our Vision

Our involvement with transportation security services began with the transportation of bills, which was then developed into a service to suit the times and released into the market.

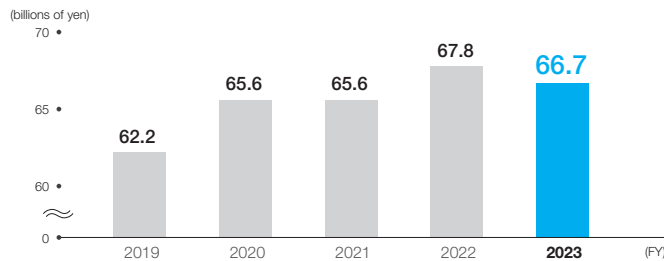
We are enhancing our response to changes occurring throughout the environment such as moves to cashless payment systems, in order to leverage our comprehensive capabilities.

We will continue to make use of the transportation security platform to support social infrastructure through our comprehensive solutions, including cash-related operations.

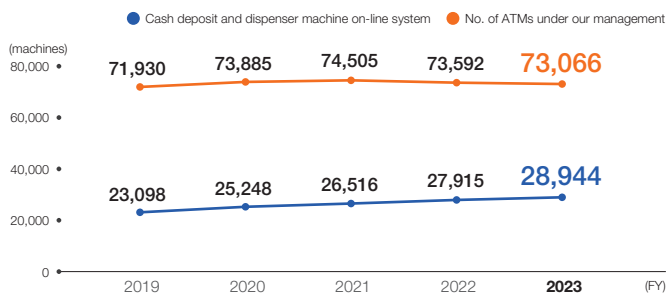


Fumihiko Oishi General Manager, Transportation Security Department

### Net Sales



### No. of Cash deposit and dispenser machine on-line system and ATMs under our management



### TOPICS

#### Response to DX implementation for municipality and financial institution operations

Financial institutions and local public sector bodies are accelerating efforts toward “digitization” in order to improve business efficiency and convenience. To help resolve this issue, ALSOK began operating a joint operations center in April 2022 for commissioning electronic clearinghouse for bills from multiple financial institutions.

We are also working on sales of a tax payment receipt system for contributing to more efficient collection of taxes and public funds at municipalities.

#### Staff Comment

We examined and made preparations against various potential risks to prevent the unexpected occurring in the new field of the electronic clearinghouse for bills, and successfully established a joint operations center. We will continue our day-to-day efforts with the view to expanding business in the future.



Makoto Ando, Transportation Security Department

## Materiality Topics

### Revision of cash transport vehicle accessories and shift to HVs

Vehicles used for transportation security services are heavy due to requiring a high level of robustness, and improving fuel efficiency was a challenge. We have focused our efforts on achieving both vehicle safety and a lighter weight, and using eco-friendly vehicles to as a means of reducing CO<sub>2</sub> emissions.

\* Accessories installed on vehicles, etc.



Consideration for the Global Environment  
(→P.40)

# General Property Management and Fire Protection Services

## Facility Management Department

### Business Details



Total support business covering building construction, maintenance, operation and management, from reducing management costs of various facilities like buildings and condominiums to maintaining and enhancing the value of assets, through maintenance, repair and renewal of building facilities, fire and disaster prevention, facility management, cleaning and sanitation management, plumbing installation and electrical installation. It also sells disaster prevention and infectious disease control supplies, and AEDs.

In the fire protection business, we have strengthened our business promotion system in the fire and disaster prevention field by entering into a capital and business alliance with Hochiki Corporation, a comprehensive fire protection manufacturer, and Nippon Dry-Chemical Co.,Ltd., making them affiliates accounted for under the equity method, as well as undertaking joint development and sales of new products tailored to meet customers' increasingly diverse needs.

#### Our Vision

- “Integrating security, facilities and construction” by leveraging strengths as a security company
- Promoting DX for facilities inspections with the aim of optimizing costs

#### Expectations from society

- Level of responsiveness and trust that only a security company can provide
- One-stop, all-inclusive management for security and facility management

#### “Initiatives” for achieving our Vision

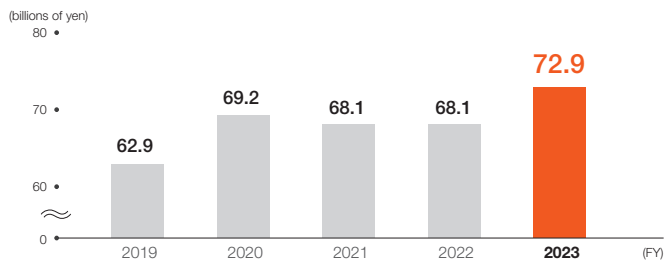
We have expanded the scope of our services to respond to a wide range of needs concerning the maintenance, operation and management of customer assets. Building on our forte honed with electronic security of being able to quickly detect anomalies with customer facilities, we are enhancing the coordination of information within the Group to provide a one-stop service covering repairs of facilities through to inspections and upgrades.

We are pushing ahead with efforts toward more efficient and labor-saving operations for various inspections, in line with government's moves to abolish “analog regulations” that impede the transition to digital platforms.

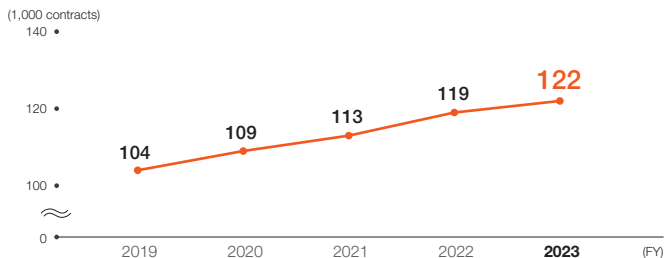


Yo Taga General Manager, Facility Management Department

#### Net Sales



#### Number of Contracts



### TOPICS

#### Contributing to customers' decarbonization initiatives and BCP measures

We concluded an agreement with a total of seven companies<sup>1</sup> including leasing companies and those handling reusable batteries that have partnered up to accelerate initiatives toward decarbonization by utilizing EVs, EV charging facilities and solar carports<sup>2</sup> with the view to contributing to BCP measures.

<sup>1</sup> The Toho Bank, Ltd. The Toho Lease Co., Ltd., NIPPON CAR SOLUTIONS, CO., LTD., 4R Energy Corporation, Fukushima Nissan Motor Co. Ltd., ALSOK Souei Co., Ltd., ALSOK Fukushima Co., Ltd.

<sup>2</sup> Carport with solar panels installed on the roof

#### Staff Comment

We found it difficult trying to secure agreements, as we handle new initiatives and products. After we did conclude agreements, we coordinate efforts with the core company The Toho Lease Co., Ltd. while focusing on expanding business through the installation of EV charging stations and solar carports at city offices.



Katsuhiko Mukai, ALSOK Fukushima Co., Ltd.

### Materiality Topics

#### Promoting initiatives for ESG/SDGs by utilizing energy-saving and energy-creating products

We are helping to advance our customers' ESG initiatives by making use of various subsidy schemes and leveraging our specialist knowledge to propose energy-saving and energy-creating products that meet the needs of customers.



Providing Products and Services That Help Resolve Social Issues  
(→P. 30)



Consideration for the Global Environment  
(→P.40)



# Long-term Care Services

## Long-term Care Business Department

### Business Details



We provide a wide range of services, from home-based nursing care support (creating care plans) and home-based nursing services such as home-visit long-term care, home-visit nursing, and day-care services for residents of specified facilities (pay-for-care homes with nursing care), communal living care for dementia (group homes), and home-care services for the elderly with services.

In addition to selling and renting welfare equipment, we also provide home-visit medical massage services for home-care patients.

#### Our Vision

- Working closely with integrity with each and every customer
- Support customers with their own type of lifestyle
- Gain the confidence of customers and also respond to trust placed on us by society

#### Expectations from society

- Nursing services with a priority on the safety and security that only a security company can provide
- Expansion of high-quality nursing service facilities coexisting with local communities
- Provision of total care service that none other can provide, from monitoring (security) to home-based or facility-based care

#### “Initiatives” for achieving our Vision

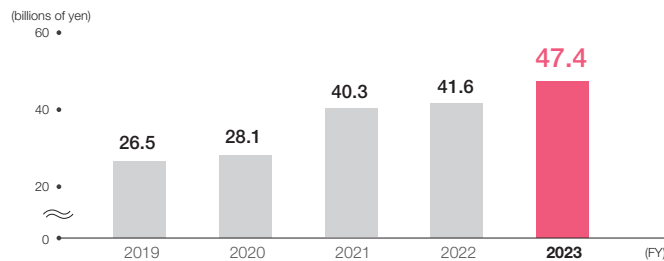
Security systems are installed at nursing care facilities, where guards rush to the venue in the event of an emergency. We are also progressing with the installation of security cameras and IT, robot and other systems, to provide a high-quality service and reduce the burden on nursing care personnel.

We are also enhancing our total support business to provide services that ensure safety and peace of mind for the elderly, with household support such as assisting with shopping errands, as well as partnering with medical institutions for health rehabilitation services aimed at enhancing physical capabilities.



Kaname Yubisui General Manager, Long-term Care Business Department

#### Net Sales



#### Service details and providers

| Service details  | Providers  |
|--|--|
| • Home, facility, home-visit, etc.   | ALSOK CARE CO., LTD.<br>Life Co., Ltd.<br>ALSOK Joy Life Co., Ltd.<br>ALSOK Life Support Co., Ltd.               |
| • Home-visit medical massage services  | Care Plus Co., Ltd.  |
| • Sale and rental of equipment for long-term care covered by public aid (nursing care beds, wheelchairs, etc.) | ALSOK CARE CO., LTD.<br>ALSOK Joy Life Co., Ltd.<br>ALSOK Life Support Co., Ltd.<br>Nippon Care Supply Co., Ltd. |

#### TOPICS

#### Implementing DX for nursing care

We are working to advance our care services through ICT and data owned by our Group's nursing care facilities, with the aim of improving operations and enhancing quality by optimizing care management.

By streamlining business processes at facilities, we are aiming to “improve quality of nursing care services” and “improve operational efficiency and reduce the burden on personnel,” thus helping to resolve issues throughout the nursing care industry.

#### Staff Comment

Focusing on the roll-out of DX directly leads to an increase in the performance of personnel and reduction in human error by lowering the burden placed on them. We will be enhancing our operations by rolling out DX to improve service quality, with the aim of providing “positive impressions” to our customers.



Shimpei Hatanaka, Long-Term Care Business Department

### Materiality Topics

#### Scientific approach to the nursing care field

Attending to the end-of-life care calls for an organizational approach, as it requires the tacit skills of experienced nursing care staff. We are developing a “Total Care Package” comprising a scientifically based nursing and care service established through joint research with incorporated national universities, to predict the need for hospitalization and avoid, reduce or respond to emergency events through AI analysis and standardization of nursing care personnel at a high level.



Providing Products and Services That Help Resolve Social Issues (→P. 30)

# Overseas Business

## International Affairs Department

### Business Details



Since 2007, we have been developing our overseas business with a focus on Southeast Asia, where many Japanese companies are now doing business, and have established local subsidiaries in seven countries: Thailand, Vietnam, China, Indonesia, India, Myanmar, and Bangladesh.

We are currently expanding our business domain not only to provide security consulting, Stationed security services, and Electronic security services using systems, but also to facility management such as disaster prevention, cleaning, and building facility management.

In addition, we provide services not only to Japanese companies but also to local service providers and financial companies.

#### Our Vision

- Globalization of the "ALSOK Way" to contribute to customers' growth throughout Asia
- Develop Overseas Businesses as core business fields taking ALSOK into the future

#### Expectations from society

- Support for business continuity to contribute the safety and security of customers throughout Asia
- Provision of a substitute first line of response service in countries lacking in infrastructure to respond to crime and disaster
- Contribution to labor shortages and capital-intensive approaches

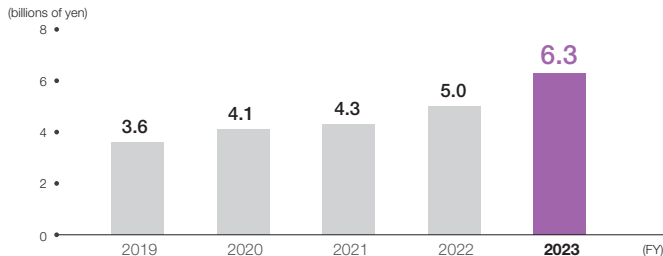
#### "Initiatives" for achieving our Vision

We are supporting our customers' business continuity by blending the needs of customers in countries with different levels of safety and economies, with the level of service provided in Japan. In countries lacking the infrastructure to respond to crime or disasters, providing a substitute first line of response service can help prevent the spread of damage, as we focus on creating a society that leads to a safer and more secure society.



Maya Osaki General Manager, International Affairs Department

#### Net Sales



### Materiality Topics

#### Recycled material collection service to prevent unauthorized trading (India)

In India, scrap metal arising throughout the manufacturing sector often ends up on the black market and traded illegally by agents, which has become a social problem.

In light of these circumstances, ALSOK India provides a "Recycled material collection service to prevent unauthorized trading" where scrap is purchased for a reasonable price and delivered to recycling operators, as a way of helping to resolve this issue present in Indian society.



Providing Products and Services That Help Resolve Social Issues (→P. 30)

### TOPICS

#### Strengthening business development throughout ASEAN

Stock of PT. Shield-On Service Tbk (SOS), a company listed on the Indonesia stock exchange that provides security, FM, staff dispatching, and parking area management services, was acquired in August 2023. More than being able to provide services across the vast area of all of Indonesia, operations were expanded as a comprehensive outsourcing business covering security as well as staff dispatching, cleaning services, and parking area management.

Going forward, we will be establishing schemes to provide training for employees in Japan to improve SOS service quality, and increasing mobility of human resources throughout the entire ALSOK Group.

#### Staff Comment

We made an effort to have local staff gain an understanding of the approach taken by ALSOK and Japanese people, while respecting the regulations, laws, culture, and approaches in Indonesia.

While there are some areas that cannot be compromised, respecting the other person instead of only forcing ALSOK's views on them is vital for building a good relationship of trust with partners.

To recognize ALSOK name more not only in Indonesia but also throughout Asia as a whole with this stock acquisition, the head office, local subsidiaries, Japanese personnel and Indonesia personnel will work together as one with the aim of achieving drastic growth.



Hiroshi Iwai  
President and Director  
PT. ALSOK BASS Indonesia Security Services  
PT. Shield-On Service Tbk

# Medium-Term Management Plan (April 2021 to March 2026)

## ALSOK's Aim

To meet the expanding needs for safety and security in a society where risks are diversifying, ALSOK will promote the innovation of its security business model and aims to become a resilient integrated safety and security solutions provider.

## Basic Policies and Initiatives

### (1) Enhancement of response capacity for diverse safety and security needs of society

Enhancement of inside and outside infrastructure cultivated by the security business and facility management business, and construction of solutions through a combination of various services  
 Prompt development of products and services assimilating new technology

Initiatives • ALSOK IT Rescue (launched in March 2023) • HOME ALSOK Connect® (launched in April 2023)

### (2) Digitization and utilization of data

Digitization • Enhancement of communication with customers • Optimization and manpower savings of operations  
 • Complement of functions by digital technology  
 Utilization of • Analysis of collected data • Data coordination with external organizations

Initiatives • DX in Stationed security

### (3) Establishing a work environment where employees play an active role

Diversifying human resources • Recruit of diverse human resources • Provision of diverse work styles • Capability development

Initiatives • Increased base (10 consecutive years) • Strengthen group cooperation in hiring activities (E.g.: UIJ turn applicants)

### (4) Strengthen the efforts of sustainability

• Enhancement of governance • Approach to the SDGs • Approach to environmental issues

Initiatives E: TCFD information disclosure (October 2022), calculation of Scope3 (2022)  
 S: Signatory to the UN Global Compact (April 2023)  
 G: Established Nomination and Remuneration Committee (February 2023) and Quality Management Department (April 2023)

## Financial Goals

| Performance (FY2023)                       | Targets (FY2026)              | Payout ratio of 30% as a target to maintain a stable dividend | Investment Plan (based on cash flow)                        |               |
|--|-------------------------------|---|---|---------------|
|  |                               |   | Item  | FY2022–FY2026 |
| Consolidated net sales ¥492.2 billion      | Approx. <b>¥650.0 billion</b> | Future Targets  | Research and development, digital-related investments, etc. | ¥70.0 billion |
| Consolidated ordinary income ¥39.2 billion | Approx. <b>¥65.0 billion</b>  |   | M&A, etc.   | ¥50.0 billion |
| Consolidated ordinary income to sales 8.0% | <b>10% or more</b>            | Net sales: <b>Approx. ¥1 trillion</b>                         | FY2022–FY2026 increase in cash                              |               |
| ROE 7.8%                                   | <b>10% or more</b>            | Income: <b>Approx. ¥100 billion</b>                           | Approx. <b>¥110 billion</b>                                 |               |

## Specific Initiatives ALSOK agility × DX

### ALSOK IT Rescue

The “ALSOK IT Rescue” service was launched in March 2023.

Interviews held with customers in the small business sector indicated that issues concerning downtime due to supervisor workload and computer problem needed to be addressed, with feedback including “There is no contact point when we face IT-related issues.”

This service provides emergency response when contracted customers are suffering from IT problems, by dispatching our guards to affected sites.

The guards arriving on the scene make use of video calls and remote access tools to coordinate efforts with specialist personnel at the IT Rescue Center to respond to conditions on the site—this service is available 24 hours a day, 7 days a week to get things quickly back on track.

Briefing sessions and videos were used to outline service details and how the IT Rescue Center coordinates efforts, to overcome any insecurities experienced by guards arriving at the scene. We also enhanced systems for conveying details of customer requests faster to guards.



Akira Terui Electronic Security Department

# Sustainability and CSR Management

## ALSOK Materiality

ALSOK believes that practicing our Management Philosophy exemplified by the principles of “arigato no kokoro” (a feeling of gratefulness and gratitude) and “bushi no seishin” (a samurai spirit) in response to requests from all stakeholders including customers and local communities leads to sustainability and CSR for our whole group.

We have identified five themes as Materiality (important issues) in the promotion of sustainability and CSR activities in keeping with our Management Philosophy. As a company that helps sustain social infrastructure, we will advance initiatives with respect to Materiality as we work to solve social issues and sustainably enhance our corporate value.

### Five Material Issues



#### (1) Providing Trustworthy Security Services



At ALSOK, we do our utmost to provide multifaceted security services that alleviate all concerns of customers facing diversified and frequent criminal threats. In addition, as a company that develops businesses that protect the lives and assets of our customers, we believe that providing high-quality products and services that satisfy our customers' trust is an important task of management, so we strive constantly to improve quality.



#### (2) Providing Products and Services That Help Resolve Social Issues



By accurately grasping social trends and utilizing know-how cultivated in the security industry, we provide multifaceted services that contribute to solving social and customer issues recognizing that ALSOK is a company that plays a role in social infrastructure.



#### (3) Cultivating Human Resources and Building a Comfortable Workplace Environment



People are the key source of our corporate activities. To ensure that each one of our employees, who form the foundation for our sustainable corporate development, can maximize their abilities and work vigorously, we continue to build an environment that brings out their best performance through the promotion of work style reforms, diversity initiatives, and enhancement of training programs.



#### (4) Contributing to Local Communities Through Active Communication



To give form to “arigato no kokoro” (a feeling of gratefulness and gratitude)—part of ALSOK’s fundamental spirit—the Company acts as a good corporate citizen, diligently working to contribute to the resolution of the various issues faced by the communities it serves and contributes to the realization of a future in which everyone can live safely and securely.



#### (5) Consideration for the Global Environment



Based on the recognition that global environmental issues are common to all humankind, we take measures against climate change, contribute to building a recycling-oriented society, and conserve biodiversity from the perspective of reducing environmental impacts and preventing environmental pollution.

Major Policies



Basic Sustainability Policy



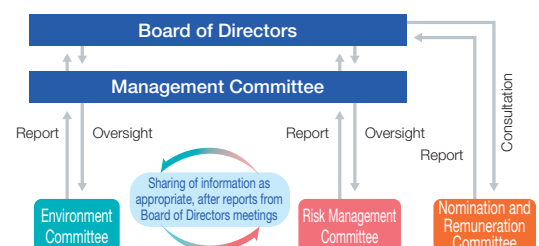
Environmental Policy



CSR and Sustainability Procurement Guidelines

## Framework for Sustainability and CSR Initiatives

We report on and discuss ALSOK's orientation to sustainability and CSR initiatives, and the current status of group-wide action, at least once a year at meetings of the Board of Directors and the Management Committee. The responsible departments lead efforts in cooperation with related departments to propose measures and act on them. As the diagram at right indicates, information is also shared with each committee to create a company-wide system to advance sustainability.



## Social Issues and SDGs of Focus

### Priority Themes and Key Measures Based on Materiality

| Materiality  | Social Issues and Demands from Society   | Vision  | Main Initiatives  |
|--|--|---|---|
| (1) Providing Trustworthy Security Services                                      | <ul style="list-style-type: none"> <li>Worsening of crime conditions and diversification of crimes due to the increasing complexity of society</li> <li>Heightened public awareness of governance and compliance</li> </ul>  | Suppress crime, prevent the spread of damage, and realize a robust security service that is responsive to increasingly complex threats and relieves all anxieties | <ul style="list-style-type: none"> <li>Providing services that are responsive to changing circumstances</li> <li>Enhancing service quality and customer satisfaction</li> <li>Acquisition of management system certifications</li> <li>Improving the BCP framework</li> </ul>   |
| (2) Providing Products and Services That Help Resolve Social Issues              | <ul style="list-style-type: none"> <li>Diversification of services in demand among customers</li> <li>Issues accompanying the recovery from the COVID-19 pandemic</li> <li>Response to aging social infrastructure</li> <li>The decline and aging of the working-age population</li> </ul> | Provide integrated safety and security solutions, meeting customers' expectations by listening to their voices  | <ul style="list-style-type: none"> <li>Providing products and services that meet new needs</li> <li>Integrating AI and the IoT with security</li> <li>Various monitoring services utilizing DX tools</li> <li>MIMAMORI services for the elderly and children</li> <li>Introduction of nursing service by ALSOK</li> </ul> |
| (3) Cultivating Human Resources and Building a Comfortable Workplace Environment | <ul style="list-style-type: none"> <li>Cultivating diverse talent</li> <li>Balancing employee friendly working environment and satisfying to work with</li> <li>Respect for diversity and human rights</li> </ul>  | Achieve a workplace in which each and every employee can achieve self-fulfillment, fully apply their individual abilities, and vitally engage in rewarding work   | <ul style="list-style-type: none"> <li>Improving employee education/training, work environments</li> <li>Diversity promotion</li> <li>Strengthening health management initiatives</li> </ul>  |
| (4) Contributing to Local Communities through Active Communication               | <ul style="list-style-type: none"> <li>Strengthening community-based crime and disaster prevention volunteer systems</li> <li>Reduced economic and social sustainability due to declining population, shortage of successors and personnel</li> </ul>                                      | Leveraging core business to create new value while contributing to the safety and peace of mind of local communities  | <ul style="list-style-type: none"> <li>Holding of various types of crime prevention seminars</li> <li>Art, culture, and sports promotion</li> <li>Activities to support the next generation</li> <li>Disaster relief and volunteering activities</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>Working through our supply chain to advance sustainability</li> </ul>   | Realize a sustainable society by reinforcing frameworks of collaboration with various suppliers   | <ul style="list-style-type: none"> <li>Communicating with suppliers on a regular basis</li> <li>Survey of contractors</li> </ul>  |
| (5) Consideration for the Global Environment                                     | <ul style="list-style-type: none"> <li>Climate change countermeasures</li> <li>Safeguarding biodiversity</li> <li>Effective utilization of resources</li> </ul>  | Contributing to the realization of a carbon-neutral and circular society  | <ul style="list-style-type: none"> <li>Reducing energy usage and CO<sub>2</sub> emissions</li> <li>Responding to harmful animal and bird pests</li> <li>Promoting of reuse of alarm equipment</li> </ul>  |

## Engagement with Stakeholders

The ALSOK Group conducts its business activities in relation to diverse stakeholders including customers, employees, business partners, shareholders/investors, local communities, and the global society. In reference to, among others, ISO 26000, the international standard for social responsibility, we listen diligently to various requests and expectations obtained from communications with stakeholders and reflect them in our business activities. We also work with each sector in the local community, such as NPOs and NGOs, on an ongoing basis, aiming to contribute more effectively to the resolution of social issues.

| Main Stakeholders  | Value Provided by ALSOK  | Specific Examples of Initiatives   |
|--|--|--|
| <b>Customers</b><br>Corporate: 556,000 contracts<br>Individuals: 473,000 contracts   | Provide safety and security through our high-quality products and services   | <ul style="list-style-type: none"> <li>Improvement of customer satisfaction through CS promotion</li> <li>Quality and safety promotion initiatives</li> <li>Provision of safety and security services</li> <li>Dissemination of information through websites, SNS, etc.</li> </ul> |
| <b>Employees</b><br>Number of employees: 39,039<br>(Non-consolidated: 12,041; Group: 26,998)   | Based on the belief that people are an important source of corporate activities, we provide an environment in which each and every employee can fully demonstrate their abilities and work energetically and develop their abilities | <ul style="list-style-type: none"> <li>Enhancement of the education system</li> <li>Enhancement of health and welfare benefit plans</li> <li>Promotion of health management</li> <li>Establishment of internal reporting system, etc.</li> </ul>                                   |
| <b>Shareholders and Other Investors</b><br>Financial institutions/Corporations: 35.4%<br>Other domestic corporations: 23.4% Foreign investors: 19.9%<br>Individuals/others: 18.4% Securities companies: 1.9% | Increase in stock price and provision of shareholder returns by increasing corporate value through sustainable growth as a resilient "integrated safety and security solutions provider"   | <ul style="list-style-type: none"> <li>General Shareholders' Meetings, results briefings</li> <li>Issuance of integrated reports, securities reports, etc.</li> <li>Disclosure of business and other risks</li> <li>Investor meetings, etc.</li> </ul>                             |
| <b>Business Partners</b><br>Number of business partners:<br>Approx. 860 companies  | To solve various social issues, ALSOK and the entire supply chain will work together to achieve sustainable growth   | <ul style="list-style-type: none"> <li>Fair business practices</li> <li>CSR procurement</li> <li>Supply chain management</li> <li>Information security management system operation, etc.</li> </ul>  |
| <b>Local Communities and the Global Society</b><br>Japan (nationwide)<br>7 Countries worldwide   | Contribute to the creation of a safe and secure society by creating new solutions centered on safety and security in response to diversifying risks  | <ul style="list-style-type: none"> <li>Holding of crime prevention classes and courses</li> <li>Art, culture, and sports promotion</li> <li>Disaster recovery and volunteering support</li> <li>Environmental activities, protection of biodiversity, etc.</li> </ul>              |

Note: Shareholder information does not include treasury stock data.

## Providing Trustworthy Security Services—Quality Improvement Initiatives

### Important Related Materiality



Because it is the nature of ALSOK's business to protect the lives and property of customers through our Security Services, General Property Management and Fire Protection Services, as well as Long-Term Care Services, etc., we consider it an important management task to provide high-quality services that accommodate the intentions of our customers based on relationships of trust.

We are promoting initiatives for continuous quality improvement, such as using the feedback we collect from customers to improve operations, developing a system by which we can provide employees with feedback, improving specialized expertise for each type of business, identifying risks that could impact our business and preparing for them, and acquiring various management system certifications.

### Quality Management Department established

The reorganization of the Head Office in fiscal 2023 included the establishment of the Quality Management Department for the purpose strengthening the services quality management function of the entire group.

In a change from the structure in place through fiscal 2022, with internal auditing and departments in charge of services, we have put in place a reinforced three-line structure with the addition of the Quality Management Department to manage and improve service quality for the entire group.



#### Vision

- Preventing fraud and misconduct
- Strengthening compliance, promoting integrity
- Strengthening monitoring with data analysis

#### Issues and Needs

- Providing high-quality services
- Visualization, digitalization of services

#### Ideal for the Quality Management Department

- As an indirect management unit, the Quality Management Department monitors (checks) and supports the Business Department, our primary business entity, from an independent position.
- Our aim is to move business operations forward by having each of our business divisions collaborate with the Quality Management Department in managing and taking responsibility for business execution.



Every one of us in the department will do their utmost to ensure operational quality that satisfies our customers.



Masataka Nagaoka General Manager of Quality Management Department

### Aiming to Be No. 1 in Operational Quality

At the ALSOK Group, we aim to be No. 1 in operational quality, committing ourselves every day to improve under our mottoes of "Rush immediately to the scene" and "Instant response." Toward improving quality, we will pursue the digital transformation (DX) of operations as outlined in our Medium-term Management Plan GD2025, and further improve employee skill development through competitive quality enhancement events.

### Improving the Quality of Service That We Provide to Our Customers

#### Improving Business Operations Based on Customer Feedback and Employee Awards

Feedback from customers, including their opinions, requests, complaints, and messages of appreciation, is shared with all employees and serves as a catalyst for improving how we conduct business on a daily basis. We place particular importance on complaints, understanding them as important hints on how to improve our business operations. Through our Customer Service Promotion Committee, we work with each responsible department to formulate measures to prevent complaints from recurring.

Every six months, ALSOK presents awards to employees who have contributed significantly to improving customer satisfaction. Since we have had more awardees each year, we revised the system to increase the number of award nominations, which has also helped motivate more employees.

#### Feedback for Employees Using GST Cards

ALSOK has introduced the Good Service Thanks Card (GST) to focus on the strong points of our employees and praise aspects of excellence. Customer Cards are awarded for actions that boost customer satisfaction, while Colleague Cards are awarded for actions that are exemplary for coworkers.

|                     |  |
|---------------------|--|
| (1) Customer Cards  | <b>19,369</b><br>(Non-consolidated: 6,312; Group: 13,057)  |
| (2) Colleague Cards | <b>73,175</b><br>(Non-consolidated: 40,132; Group: 33,043) |

|                          |                                  |
|--------------------------|----------------------------------|
| Complaints               | <b>861</b> (+9% year on year)    |
| Messages of Appreciation | <b>3,259</b> (+44% year on year) |

## Improving Business Skills/Training

### Initiatives for Safe Driving

We undertake a variety of initiatives for safe driving by employees who operate commercial automobiles and motorcycles (two-wheeled and three-wheeled).

- Safe Driver Certification system
- Driver Award System for Accident-free, Violation-free Driving
- Driving recorders, automatic braking, lane departure prevention assist systems, mandatory installation of back-up sensors and other safety devices

When a traffic accident occurs, the department in charge analyzes its causes and shares the information throughout the company to prevent recurrence.

### Overseas Service Quality Enhancement

We produce educational materials that summarize the history, Management Philosophy, basic sustainability policy and other aspects of ALSOK so that we can put in place a training system for locally hired employees at overseas group companies. By using common materials globally, translated into the language of each country using expressions adapted to local cultures, we help improve the quality of service overseas.

### Quality Control Activities

Quality Control (QC) activities are carried out at work sites throughout Japan with the aim of improving productivity and raising awareness of participation by employees through voluntary activities.

Each site organizes one or more quality control circle meetings each year, and the results of each circle's activities are presented in regional qualifiers. In addition, the Head Office presentations are held by the selected offices nationwide, and outstanding initiatives are disclosed on the company intranet to promote the horizontal development of good practices.

## Risk Preparedness (BCP)

It is predicted that an earthquake directly beneath the Tokyo metropolitan area will occur with a 70% probability within the next 30 years. To be prepared, we conduct comprehensive disaster response drills.

The training includes a series of drills - establishment of a disaster response headquarters after an earthquake occurs, collection of information on the damage by each person in charge, and confirmation and reporting of the safety of employees. The drills are designed to strengthen cooperation with the affected offices and group companies, foster disaster awareness, and improve the ALSOK Group's overall disaster response capabilities.

We conduct safety confirmation drills for all employees not only as a part of comprehensive disaster drills but also on a regular basis.

## Acquisition of Various Management System Certifications

Recognizing that interruptions of business activities have an impact on many stakeholders, ALSOK is strengthening its efforts by obtaining ISO 22301 certification based on its Business Continuity Plan (BCP) in preparation for emergencies such as large-scale disasters and accidents.

We have also obtained certification for our quality management system (ISO 9001), information security management system (ISO 27001), and environmental management system (ISO 14001) in order to improve business operations through the PDCA cycle.

Currently among our ALSOK Group companies, 65 companies have acquired ISO 9001 certification, 20 companies have acquired ISO 27001 certification, and 74 companies have acquired ISO 14001 certification.

### Quality Improvement Initiatives

Every year, we hold the ALSOK Group Corporate Quality Improvement Tournament to improve the quality of services throughout the group with activities modeled on our actual day-to-day work duties. In further developing the competition by reviewing its purpose and improving its content, we are tightening the conditions on participation in fiscal 2023, and adding new competitions in efforts to improve each of the professional skills.

In the Long-Term Care Quality Improvement Presentation competition, 9 teams from 6 group nursing care companies participated. Based on our business philosophy, they made remote presentations on how their day-to-day results enable them to offer the highest quality of care services.



### Training to Acquire Basic Life Support (BLS) Qualification

We sell AEDs at ALSOK, and we also provide in-house training, not just on how to use AEDs, but also BLS instructor training courses for learning how to properly perform primary lifesaving procedures. In fiscal 2022, we trained 254 BLS instructors in a total of 11 training courses.



Comprehensive disaster response drill

# Providing Products and Services That Help Resolve Social Issues

## Important Related Materiality



By accurately grasping social trends and utilizing know-how cultivated in the security industry, we provide multifaceted services that contribute to solving social and customer issues.

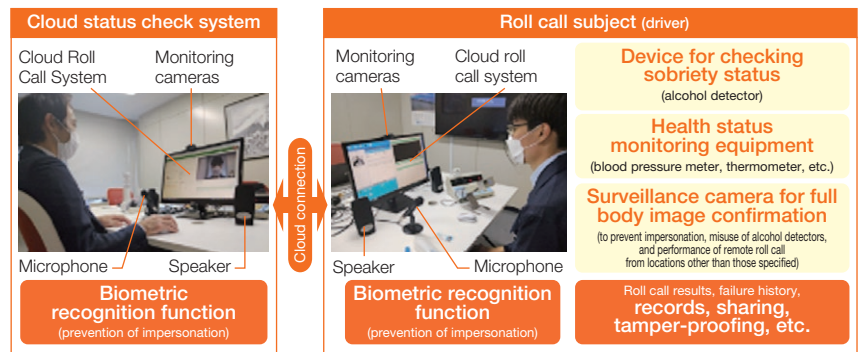
## Products and Services That Help Resolve Social Issues

### Work Style Reform Support Solutions Utilizing DX

We have begun offering a service to support DX and work style reforms for automobile hauling carriers. Remote Status Check Support Solution enables operators of vehicles with green license plate numbers, such as trucks, buses, and taxis, to perform roll calls remotely instead of in person.

In addition, stationed security services are facing a wide range of problems such as chronic personnel shortages and aging of the workforce, as well as analog management methods. We are therefore positioning Stationed DX as an initiative to use digital technology to boost stationed security service productivity while revising work tasks. Some of our group companies have begun introducing digital devices among their stationed security service units in order to enhance productivity so that stationed security guards will be better able to perform their duties, while also expanding the range of work they can take on.

#### Remote Status Check Support Solution



### Provision of a Town Security System that Utilizes AI

Fujisawa Sustainable Smart Town (Fujisawa SST) in Fujisawa City, Kanagawa Prefecture, is a public-private partnership that includes Panasonic, which offers advanced spatial solutions, other partner companies, and Fujisawa City. The project is an initiative for innovation that continually gives rise to sustainable and smart lifestyles. As a participant in the project, ALSOK is helping to realize a style of security that works to achieve peace of mind for residents by providing protection across a set of factors it defines as: “space × city (surveillance cameras and lighting) × home (home security) × people (security concierge).”

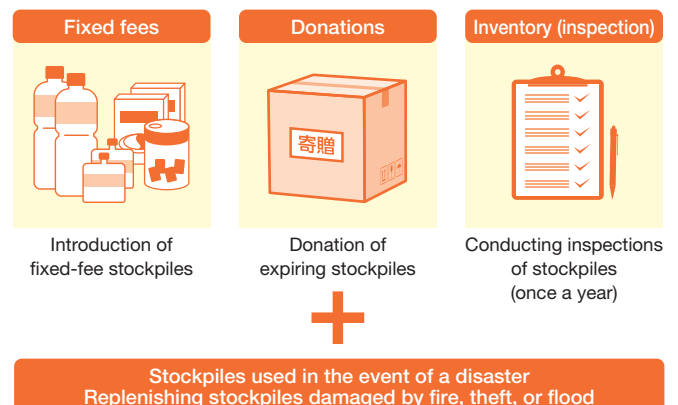
In addition to Fujisawa SST, ALSOK has also been selected as a security partner for Tsunashima SST (Yokohama City, Kanagawa Prefecture), and Suita SST (Suita City, Osaka Prefecture), all of the all SSTs that Panasonic is involved with, and is the only security company to participate in all the SSTs.



### A New Approach to Providing Disaster-prevention Stockpiles that Contributes to Reducing Food Loss

It is common for companies to stock up for disasters such as earthquakes, but stockpiled beverages and food that are not consumed and have expired may be discarded, resulting in food loss and possible disposal costs.

As a solution to this kind of social issue, ALSOK operates the Social Contribution Based Disaster Stock Utilization Service. Delivered disaster stockpiles are replaced with new ones six months before their expiration dates, and those that are about to expire are donated to various welfare facilities and organizations nationwide through food banks. This service eliminates the hassle and cost of managing stockpile expiration dates, replacing stockpiles, and disposing of expired stockpiles, and also contributes to social issues.





## Products and Services That Help People Live in Safety and Security

### Providing New Home Security Services That Meet Diverse Needs

Launched in April 2023, HOME ALSOK Connect is available in the form of two plans. In addition to the conventional online security, we also offer the Self-security plan, in which the customer is immediately notified when an anomaly occurs, then rushes assistance to the scene upon request if on-site confirmation is desired. This has enabled the use of security by customers who were previously not interested, or for whom cost was an impediment to adopting security measures. In addition, based on the Guidelines for Environmentally-Friendly Design that we established in 2022, we have been developing and designing environmentally friendly devices, which consume about 1/4 or less\* of the electric power used by conventional products.

In July 2022, we began new operation of an emergency notification system designed for municipalities. By combining the strengths of security company ALSOK with those of call center service provider ALSOK Care & Support Co., Ltd., this mode of operation makes it possible to offer operations that do not involve immediate security personnel dispatch, as well as those involving responses by caregivers such as nurses. The service has been adopted by various municipalities.

\* Subject to change depending on conditions of use.

|   |                                      |                                   |
|---|--------------------------------------|-----------------------------------|
| Emergency Notification for Municipalities (ALSOK Group overall) | Orders taken (annual)                | <b>16,320</b>                     |
|   | Cumulative number of contracts       | <b>83,577</b>                     |
|   | Number of contracting municipalities | <b>Approx. 500 Municipalities</b> |

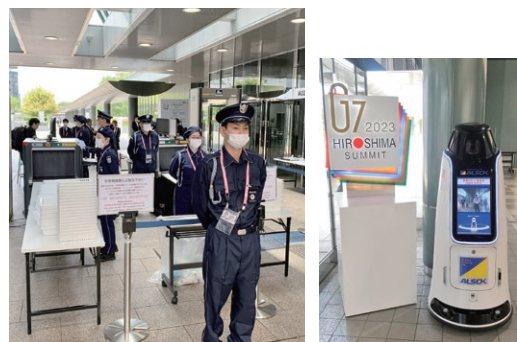


**HOME ALSOK Connect**

## Contribution to Safe Operation of International Events

### Performance of Security Services for the G7 Hiroshima Summit

For the G7 Hiroshima Summit held on May 19-21, 2023, we mobilized a record high of 13,092 security personnel. It was the first G7 Summit held in Japan in seven years, at which we performed security and admissions management operations using identification cards. We implemented large-scale security services at many locations throughout the prefecture for the G7 Hiroshima Summit, including the Grand Prince Hotel Hiroshima on Ujina Island, which was the main summit venue. By building up a security framework leveraging a range of inspection equipment and surveillance systems, security dogs, security robots, and state-of-the-art DX tools, we helped maintain overall security for the summit.



Large-scale security using state-of-the-art DX tools, etc.

## Environmentally Friendly Products and Services

### Recovery of CO<sub>2</sub> Gas During Fire Extinguishing Equipment Inspections

Affiliate Nippon Dry-Chemical Co., Ltd. provides a wide range of products and systems concerning disaster prevention, from fire extinguishers to firefighting equipment, firefighting motor vehicles, and even automatic fire alarm equipment. This company aims to make a contribution to society by advancing the effort toward a circular society, with systems in place to collect and reuse gases such as CO<sub>2</sub> and halogen that are used with firefighting equipment.

In most cases, these gases are released into the atmosphere when equipment is removed, disposed of or refilled, but Nippon Dry Chemical has set up gas reclamation and filling facilities, making it possible to reclaim and reuse them. This is how we help make progress toward a circular society and environmental protection by reducing greenhouse gas emissions.



Gas reclamation and filling facilities

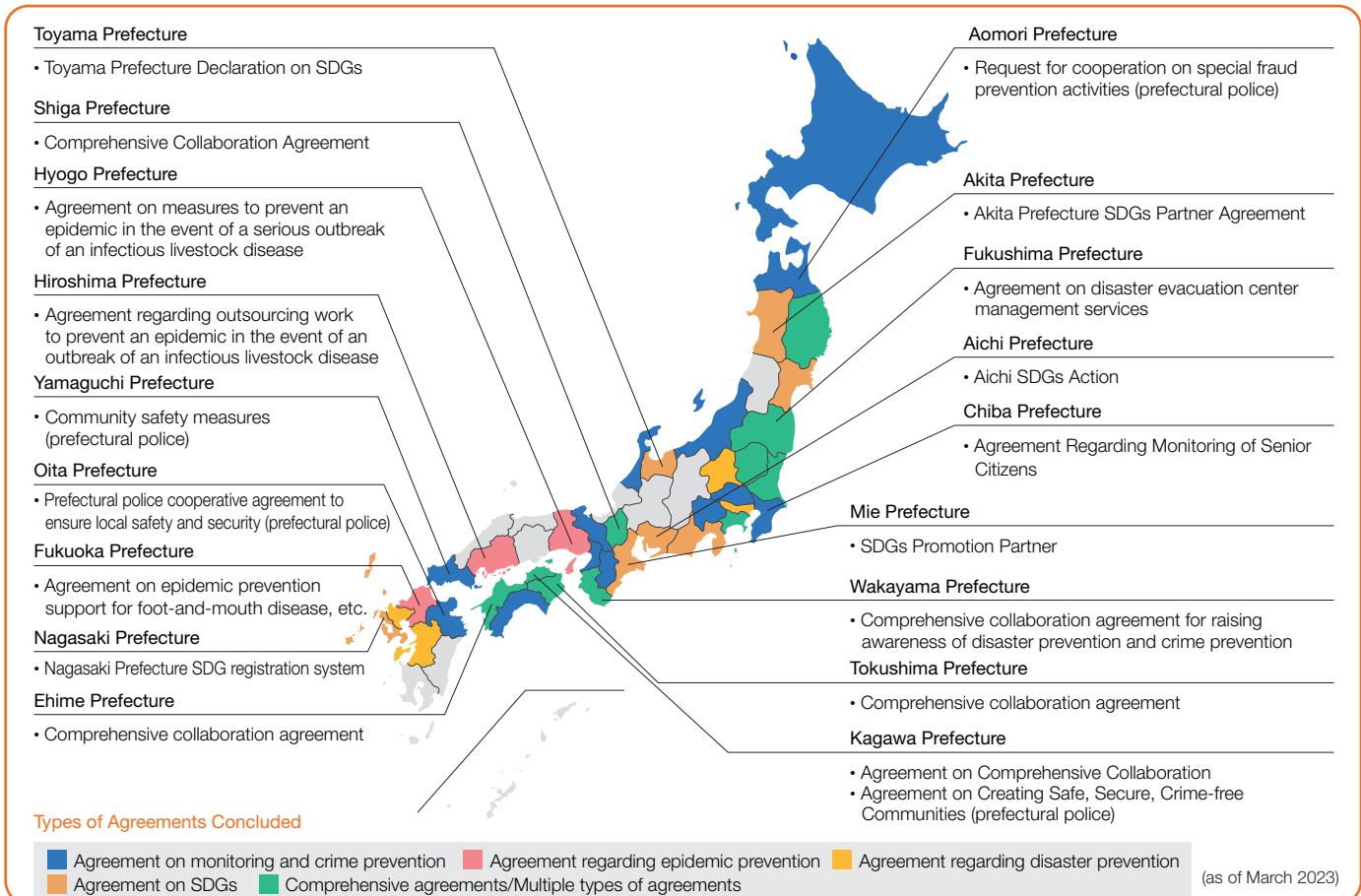
## Providing Products and Services That Help Resolve Social Issues

### Contributing to Safety and Security by Entering into Agreements with Local Government Authorities and Police Departments Throughout Japan

ALSOK makes use of its network of security bases situated at numerous locations throughout Japan as well as its mobility. By entering agreements with local governments and the police, ALSOK is developing activities that contribute to the safety and security of local communities nationwide.

Agreements cover crime prevention, monitoring of the elderly and children, disaster prevention, and pandemic prevention. In addition to contributing to the safety of society, in recent years we have been involved in a wide range of activities, including activities aimed at achieving the SDGs and activities concerning the development of young people who will lead the next generation.

ALSOK will further enhance its contribution to society by taking advantage of the characteristics of its operations and solving the issues faced by each region.



Note: The agreements shown on the map are examples of some of the agreements we have concluded.

### Collaboration Agreement for Building a Decarbonized Society and Local Economic

In 2022, ALSOK Fukushima Co., Ltd., ALSOK Soei Co., Ltd., and five other companies signed a partnership agreement to advance efforts by customers toward decarbonization, and to contribute to BCP measures through the use of electric vehicles (EVs), charging facilities, solar carports, and other facilities.

We will respond to the diverse needs of our customers, who are facing the requirement of reducing their environmental impact to achieve a sustainable society, as we help with the decarbonization of society and the revitalization of local economies.



EV charging facilities handled by ALSOK (example)

### Epidemic prevention agreements with local governments

We provide support services for livestock epidemic prevention measures, including disinfection work in the vicinity of avian influenza outbreaks. Each disinfection point is staffed by two to three people, and operates on a 24-hour basis. We have also entered into agreements with some municipalities to provide support in the event of a livestock epidemic outbreak.



Performing disinfection work

## Diverse ALSOK Services Spread Across the Country and Throughout Asia

The ALSOK Group, which operates nationwide and throughout Asia, provides a variety of distinctive services focusing on security, which is its main business, and contributes to solving regional issues through closeness with each community.

### Ehime Sohgo Security Service

#### Utilizing drones during disasters, etc.

In the event of a natural disaster or other serious and potentially life-threatening incident, such as a missing-person case, we will respond promptly and reliably by request of the municipality, dispatching a drone team to check on damage in inaccessible areas, search for missing persons, provide audio evacuation guidance from above, or perform 3D mapping, etc., as needed.



### Ibaraki Branch

#### Safety device to keep shuttle buses from being left unattended

Following a tragic incident in which a preschool child was left behind on a shuttle bus in Shizuoka Prefecture, we have installed safety devices to prevent accidental abandonment on 132 shuttle buses of Ibaraki Prefectural special needs schools. A loud alarm sounds if the installed button is not pressed within 5 minutes after the engine is turned off, which prevents accidental abandonment by making post-trip inspection of the vehicle interior a regular practice.



### ALSOK Yamagata

#### Vehicle operation management

We manage the operation of 4 vehicles owned by Ogunimachi, Yamagata Prefecture for transporting dialysis patients. We manage vehicle schedules for transporting patients to their homes within the town and to hospitals in neighboring municipalities, inspect and clean the vehicles, and drive them.



### ALSOK CARE

#### Licensed nursery schools

We operate two "Kodomo no Ie Nursery" (Shiki City, Saitama Prefecture) and two "Tanpopo Nursery" (Funabashi City, Chiba Prefecture) as licensed nursery schools for children from zero years old to preschool age, providing places where children can grow up healthy and sound.



### Kita-Kanto Sohgo Security Services

#### Security service operations for the National Sports Festival

The 77th National Sports Festival of Japan was held in Tochigi Prefecture, with cooperation from a total of 3,000 of our company employees, 1,000 employees from branches and group companies in Fukushima, Gunma, Ibaraki, Saitama, and Chiba Prefectures, and 3,000 employees of 25 Security Service Association member companies and 5 companies from outside Prefecture.



### Toyama Prefecture Sohgo Security Services

#### Utility pole inspection services

We have been contracted by Hokuriku Electric Power Company to inspect utility poles in Toyama Prefecture. We perform inspection patrols to make sure that disruptions of the power supply do not result from impediments such as crows nesting on utility poles, or vines wrapping around them.



### SOHGO KANZAI Co., Ltd.

#### Collection and transportation of medical waste

From sites such as hospitals, we collect waste from medical treatments, such as needles, vaccine ampoules, infusion packs, and other waste materials such as items with adhering blood and grime, and transport them in sealed containers to disposal sites. The ALSOK Group is also focusing effort on the collection, transport and disposal of industrial waste attributable to us, such as alarm equipment, cash deposit machines, and AEDs, and we are expanding our collection and transportation areas while building new warehouse facilities.



### ALSOK SHIZUOKA

#### A crowd control guard near the summit of Mt. Fuji

During the busy season, particularly at the time that Mt. Fuji opens for climbing each year, ALSOK security personnel are deployed along the Fujinomiya and Gotemba trails at the summit of Mt. Fuji, and at intermediate points between to warn climbers, guide them to sunrise viewing points, and provide first aid to those who are injured or have breathing difficulties.



### ALSOK India

#### Cafeteria management service

In India, cafeteria management is one of the tasks of facilities management, and an issue for companies because of a social culture in which the degree of ampleness of lunch is reflected in engagement. We therefore offer diverse services to Japanese-affiliated companies, ranging from creating the layouts of cafeterias to managing them, as a way of helping increase client corporate value.



# Cultivating Human Resources and Building a Comfortable Workplace Environment

## Important Related Materiality



Based on the fundamental concept of human resources as the most important source of corporate activity, the ALSOK Group has always supported growth among employees through education and training, as well as through day-to-day operations. Moving forward, we will continue to aim for increased corporate value over the medium to long term by undertaking active human investment that contributes to engagement, as well as further promotion of diversity, while also putting in place systems and environments that enable each individual worker to apply their abilities to the maximum extent.

## Human Resources Department Initiatives

### Issues

- Promoting the empowerment of women
- Promoting the work-life balance of employees

### Targets

- Increase of proportion of women in management positions 5% from fiscal 2020
- Increase of 5% from fiscal 2020 in the average years of continual employee service over 3 years

### Vision

We will strive to provide opportunities to learn proactively and take on challenges as a means of developing human resources capable of thinking, learning and acting independently to meet the expanding need for safety and peace of mind. We will also go even further in advancing work style reforms while enhancing employee engagement through respect for the diversity of each individual while establishing and maintaining an environment and systems that allow each individual to maximize his/her motivation and abilities.

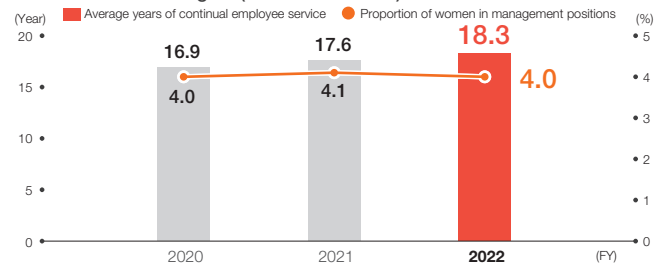


Kazuhiro Yoshida General Manager of Human Resources Department

## Systems and Measures for Building a Comfortable Workplace Environment

- Introduced a system to help employees take extended vacation leave
- Introduced a system to help employees take leave for life events
- Established an environment facilitating continued work at maximum capability by employees on work schedules limited by childcare, nursing care, etc.
- Expanded the scope of system for shortened work hours to accommodate childcare
- Promoted childcare leave by male employees

### Average years of continual employee service (company-wide) / Ratio of female managers (non-consolidated)



## Improved Employee Capabilities

### Training for Employees

We are working to build a training system and develop an educational program that fosters understanding and dissemination of the basic spirit of our Management Philosophy, Management Guidelines, and Code of Conduct in order to train human resources who can implement each of our company's policies, and accurately understand how the business environment is changing and what society needs.

In particular, new employees, who will be responsible for the future of ALSOK, will receive approximately 40 hours of initial training to acquire new security certifications and learn common knowledge, skills, and ethics necessary for security work. Each department has also prepared an enhanced educational program that includes instruction and training based on an OJT plan systematized for each job type.



### Promoting of Acquisition of Qualifications

ALSOK aims to increase the acquisition rate of official certifications, and we encourage employees to take on new challenges by providing subsidies for certifications.

Also, in order to motivate employees to acquire high-difficulty qualifications and to secure excellent human resources, we have established a system to provide qualification allowance to employees who possess the qualifications specified by the company and engage in specific work.

### List of Certification Exams

|   |  |
|---|--|
| • Attorney                                      | • Systems Auditor Examination            |
| • Certified public accountant                   | • Architect (1st class)                  |
| • Certified tax accountant                      | • Small and Medium Enterprise Consultant |
| • Engineer                                      | • Labor and Social Security Attorney     |
| • Information Technology Strategist Examination |  |

## Work Style Reform and Work-Life Balance

### Administration of Employee Questionnaire

Since 1999, ALSOK has been conducting an employee questionnaire for the purpose of ascertaining employees' perceptions of the workplace, morals, values, etc., and promoting measures based on these perceptions.

Questionnaire content is designed to cover a wide variety of topics, including views on various company systems, personal goal-setting, evaluation of personal abilities and growth, and awareness of work styles, in addition to satisfaction with work and remuneration. By absorbing the opinions of our employees, and then taking various measures that reflect them, we aim to increase employee and company engagement.

### Establishment of a System to Improve Work Styles

At ALSOK, we are working to enhance systems for creating a comfortable workplace in order to build an environment where workers can maximize their abilities.

To help employees to take extended vacation leave, we have introduced systems such as "Platinum Holidays" and "Pearl Holidays." While encouraging all employees to take vacations of 9 or more consecutive days, we also use the system to foster an environment that encourages employees to take annual leave by asking them in advance when they plan to take leave each quarter.

### Dialogue with Employees

In our efforts to increase employee engagement during the year, we created 41 opportunities for dialogue between the president and younger employees. We use these dialogues to actively encourage exchange of opinions, including exposure to views that are unique to junior employees. We also hold informal discussion meetings between employees and officers in charge of human resources in order to raise issues and draw opinions from employees, with 43 such gatherings held in fiscal 2022.



Dialogue between president and young employees

## Career Development / Deepening Our Expertise

### Management Personnel Development

In order to achieve sustained development amid rapid changes in the social environment, such as population decline, technological innovation, and globalization, we face the urgent task of training management personnel who have acquired systematic and advanced knowledge and skills concerning management. In response to this issue, ALSOK dispatches employees to professional graduate schools where they can acquire advanced management knowledge.

### In-house Recruitment System

The ALSOK Group is actively promoting personnel exchanges with members of central ministries and agencies, other companies, and within the Group to promote the revitalization of the organization and the improvement of employee capabilities. In addition, we are striving to develop human resources who can work on a global scale by internally recruiting personnel in the field of security measures who are in charge of security at Japanese embassies and consulates. Going beyond our mainstay business of security services, we have also adopted an open recruitment system in all business areas, including the nursing care business, to discover and develop human resources who will form the core of our business.

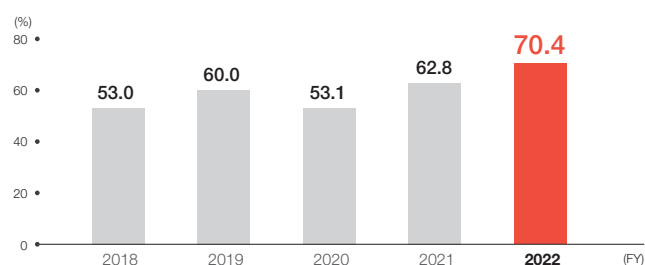
### Learning Beyond Boundaries (external training)

At ALSOK, we provide our employees with learning opportunities in which they can transcend their own organizational boundaries, exchanging views and information with people working in other industries. Through access to opportunities for exposure to different know-how and values, they can take a fresh look at our company's practices, work styles, etc. In this way, we are strengthening our initiatives for the formation of human resources capable of carrying out the necessary reforms.

### Examples of Measures Taken in Recent Years

- Introduction of Platinum Holiday Program (2018)
- Paid leave in half-day increments for childcare workers  
Elimination of maximum limit on number of days (2019)
- Expansion of the eligibility age range for the Earlier/Later Workday Start Time System to accommodate childcare (for students under junior high school age) (2023)

Percentage of paid leave taken (non-consolidated)



## Cultivating Human Resources and Building a Comfortable Workplace Environment

### Promoting the Empowerment of Women

#### Challenges and Goals in Promoting the Empowerment of Women

ALSOK aims to create a workplace environment in which employees can fully exercise their individual abilities and play an active roles. We are working to promote the active participation of women in both career advancement and the creation of an environment where diverse work styles can be realized.

#### Initiatives to Develop Female Management

**Objectives** ▶ Increase the proportion of female managers by 5% (compared to FY2020)

##### Initiatives

- We began work on establishing a Subcommittee for Increasing Women in Management Positions, comprised of female managers, and moved forward with discussions on solving issues such as motivating female employees in non-managerial positions to seek promotion.
- We hold conferences enabling non-managerial female employees to dialogue with female managers in order to provide the former with role models and encourage them to have visions for their futures.

#### Providing an Environment Conducive to Achieving Work-Life Balance

**Objectives** ▶ Increase average years of continual employee service by 5% (compared to FY2020)

##### Initiatives

- While implementing various measures to promote employee work-life balance (no overtime days and the long-term vacation system), we are also advancing the discussion of diverse employee work styles.
- We are establishing an environment that makes use of means such as working from home to help employees work to their fullest capacity, even when their work styles are restricted by responsibilities such as childcare or nursing care, etc.

#### Active Participation by Female Employees in Male-dominated Occupations

Although ALSOK provides men and women with equal opportunities in all job categories when hiring, in the past, the company had tended to avoid assigning women to the Operations Department for security considerations, placing them in logistical support roles instead. We have now freed ourselves of such underlying assumptions, and have created an environment in which we assign female employees who wish to work in positions that have traditionally been for men.



#### Case Examples

##### Women participating actively in airport security inspection services

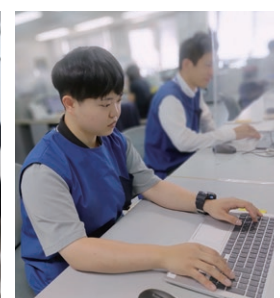
Airport security inspection services represent a workplace in which the relatively few female security personnel of group companies participate actively. At Komatsu Airport, where security services are provided by Hokuriku Sohgo Security Services, approximately 20 employees are working at security checkpoints where passengers and carry-on baggage are inspected, in addition to inspection points for checked-in baggage. Most of these employees are in their 20s, which makes for a lively workplace with a gathering of diverse employees who are always smiling amid the bustle of work. In April 2023, international flights resumed partial operation for the first time in three years after suspension due to the COVID-19 pandemic. We are performing inspection work on a daily basis to ensure that passengers can travel safely and comfortably.



##### Active participation by women in transportation security services

Although security service operations have the image of a male-dominated workplace, many women are actively participating in this field. At the Tokushima branch office, female staff in their third year with the company are actively participating in the funds department. They demonstrate their capabilities in areas that include security transport and collected cash inspection.

At ALSOK, we strive to establish and maintain a work environment that facilitates on-site work by women and enables them to expand the range of their active professional participation and advancement.



## Diversity and Inclusion

### Employment and Active Participation by Employees with Disabilities

We hire employees with disabilities at various business sites, including our Head Office, branch offices, and group companies, and we support each of these employees in leveraging their unique personal attributes for full professional participation and advancement.

In 2010, we established ALSOK Business Support Co., Ltd. as a special subsidiary to help us create workplaces where each and every employee, regardless of whether or not they have a disability, can work with vigor and pride. Our employees produce printed materials such as business cards and product brochures used by the ALSOK Group, store contracts and equipment, and are active in a wide range of fields, such as sending documents and maintaining equipment and terminals.



Working at ALSOK Business Support

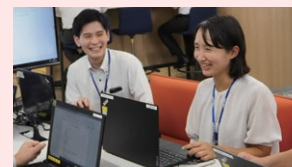
Paralympians are active not just in sports, but also on the front lines at work. In addition to being an active member of Japan's national women's blind football team, Tokyo Paralympic goalball bronze medalist Haruka Wakasugi is also working in the Planning Department, helping to develop new products and services that leverage the experience and insights of visually impaired athletes.

Coworkers have said they learned a lot from encountering things they didn't know about, and since these are needs based in actual experience, they say they come up with ideas and opinions that might not occur to other employees.

#### Interview with Paralympian Haruka Wakasugi

We go beyond offering advice in the process of new product and service development to provide recommendations on how to accommodate diverse on-site customers in the workplace, such as by improving barrier-free access to existing services.

In my work as an employee, I requested that the company install a reading software on my PC and Braille in the elevators, and that they convert paper documents into data. I feel that in working together, they have developed an understanding.



Paralympic medalist Haruka Wakasugi also active in development of new products and services

### Active Participation by Seniors

The ALSOK Group engages actively in the rehiring of retirees over 60, and we have many senior employees active on the front lines, where they make the most of the abundant experience gained during their prime working years.

Some of these employees work as leaders in the same workplaces where they were previously active, while others undertake new challenges, such as production and sales of ALSOK original goods, and performance of regular alarm equipment inspection and reuse. In this way, we work to increase the circumstances that enable individuals to play active roles, taking individual abilities and wishes into account.

### Employment of Foreign Nationals in the Nursing Care Business

Many foreign national employees work in our long-term care business. Particularly when taking on foreign technical trainee interns and interns for specified technical training, we conduct prior interviews on ethnicity, religion, dietary practices, and basic knowledge about employment. By sharing the resulting information among the relevant departments, we make it possible for them to be taken on smoothly. Depending on their level of Japanese language proficiency, we also add Ruby and English translations to training materials to help them form good relationships with fellow employees and users regardless of nationality.



Foreign employees working for a care company

### Overseas Business Development, Training, and Respect for Diversity for Local Employees

Established in 2022, ALSOK Bangladesh Security Services Ltd. focuses effort on training employees hired locally so that their work for our Japanese client companies can proceed smoothly. As a demonstration of our feelings of gratitude toward the local community, we perform cleanup activities on the streets around our work sites, and keeping our work environment clean has the added benefit of enabling us to quickly detect suspicious objects.

Since 90% of the population in Bangladesh is Muslim, we take the religion of the local staff into consideration by, for instance, ensuring five prayer breaks a day, and adjusting work hours during the month-long period of fasting. We also explain in advance that security guards must cooperate with each other in order to provide seamless 24-hour security service.

In addition, we take a flexible approach, accommodating individual degrees of religious faith, and the faithful of differing religions.



Training at ALSOK Bangladesh



Community cleanup activities

## Contributing to Local Communities through Active Communication

### Important Related Materiality



Embodying “arigato no kokoro” (a feeling of gratefulness and gratitude)—part of ALSOK’s fundamental spirit—, we are engaged in community contribution activities utilizing our core business in order to meet the demands and expectations of local communities for safety and security. Furthermore, based on our Management Philosophy of ensuring the safety and security of society, we participate not only in business activities but also in volunteer and donation activities, contributing to the resolution of various social issues, promoting sports and culture, and providing educational opportunities for children who will lead the next generation.

### Contributing to the Next Generation

#### ALSOK ANSHIN KYOSHITSU

In 2004, the ALSOK ANSHIN KYOSHITSU program is carried out nationwide to foster crime prevention awareness. Beginning this fiscal year, we are providing a new class on disaster prevention, and are providing ANSHIN KYOSHITSU classes in sign language at special-needs schools as part of our efforts to protect as many children as possible from being victimized by crime. As of the end of March 2023, a total of 55,563 classes have been held since the start of the program with 1,736,096 children participating.



#### Providing Social Studies Learning Opportunities for Children

ALSOK helps provide the next generation throughout Japan with social studies learning opportunities by accepting company visits and experiential workplace learning, and by providing career education.

At our overseas company ALSOK Bangladesh Security Services Ltd., we visit local schools to offer Japanese language and etiquette education in an initiative to address child poverty and youth development. We are also considering taking on graduates as employees to help promote employment.

### Sports, Culture and Art Promotion Activities

Among ALSOK’s sports clubs, the judo, wrestling, weightlifting, and marksmanship clubs include outstanding athletes recognized as representing Japan competitively, who contribute to the promotion of sports through various activities in addition to their athletic activities.

In addition to sending outstanding athletes to ALSOK judo classes for elementary and junior high school students, and to top-athlete exchange programs, we also support the nonprofit organization JUDOs, which provides recycled judo gi clothing and tatami mats free of charge to people in countries where a lack of this equipment is an impediment to learning judo.

#### Ōshō Tournament Sponsorship

ALSOK helped promote the culture of shogi (Japanese chess) through its special sponsorship of the 72nd ALSOK Cup King’s Match, a title tournament sponsored by The Mainichi Newspapers Co., Ltd., Sports Nippon Newspapers Co. Ltd., and the Japan Shogi Association, in which champion Sota Fujii made his first title defense.



### Disaster Support and Donation Activities

#### ALSOK Arigato Undo Foundation Activities

The ALSOK ARIGATO UNDO FOUNDATION collected donations for activities including social welfare and disaster relief support in the form of subsidies to social welfare corporations, donations of welfare vehicles, and disaster relief donations to disaster-stricken areas. As of the end of March 2023, a cumulative total of 134 vehicles have been donated.

#### Overseas Humanitarian Assistance and Disaster Area Support

Our donations to the United Nations High Commissioner for Refugees (UNHCR) through the nonprofit United Nations Association for UNHCR comprised a total of 9,273,500 yen for humanitarian assistance to Ukraine and its neighboring regions, and a total of 8,304,000 yen for the damage caused by the major earthquake in Turkey and Syria.

Group company ALSOK VIETNAM SECURITY SERVICES JSC. also donates to an orphanage in Vietnam's Binh Duong region.

#### Endorsement and Donations for the “National Movement to Support the Future of Children”

By donating a portion of home security services revenue to the National Movement to Support the Future of Children, which we have endorsed since 2017, we are able to support the livelihood of children in poverty through the NPO.





# Supply Chain Management

ALSOK responds to changing times and the demands of society by working to help solve various issues such as human rights, labor, corruption, and global environmental conservation. However, we believe that this initiative will not be completed only by the efforts of the ALSOK Group, but will be realized with the understanding and cooperation of all stakeholders, including our business partners.

Based on this philosophy, the ALSOK Group will work on procurement and equipment design and development while strengthening cooperation with our business partners.

## Governance

### ALSOK Business Partner Hotline, A Point of Contact for Business Partners

We established the ALSOK Business Partner Hotline in December 2021 in order to ensure self-cleansing, social trust, the maintenance and improvement of corporate value, and sustainable development with business partners.

We have thus built a system enabling our business partners to report acts by organizations or individuals within the ALSOK Group that are or might be unlawful, illicit or unethical, and to do so without being treated disadvantageously. Upon receiving a report, we promptly take corrective and preventive measures.



### Conducting Compliance Training

As a corporation that is representative of the security industry in Japan, ALSOK focuses effort on providing appropriate security services and maintaining compliance, while also encouraging ethically correct behavior in areas of business other than security. We conduct a full array of training for all of our employees appropriate to the nature of our business, which places us in direct contact with our customers and their valued assets.

In 2022, for example we carried out training on industrial waste disposal, including waste management in a circular economy, in order to ensure that we could make appropriate proposals to our customers and properly dispose of waste in our facilities management services. The training was administered twice during the year for management-level employees at 64 business sites nationwide.



## Supply Chain

### Regular Meetings with Contractors and Collaborating Companies

ALSOK business operations such as alarm equipment procurement and installation, and the stationing of guards, are founded on the understanding and cooperation of a wide range of business partners. We communicate with our suppliers through regular meetings with each department, in which we share updated information, discuss action policies, and honor suppliers with awards.

Moving forward, we aim to further leverage these opportunities in order to improve sustainability throughout the supply chain, with plans that include the presentation of briefings on human rights and consideration for the environment.



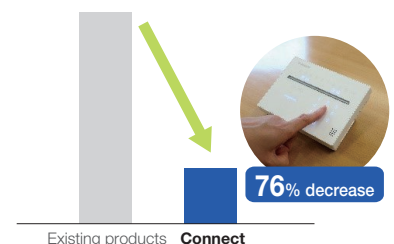
At a regular meeting with suppliers

### Environmentally-Friendly Design

We have formulated our Guidelines for Environmentally-Friendly Design with the objective of contributing to environmental conservation in the development of security equipment and other outsourced products. Based on these guidelines, we take into account environmental considerations in the design and development of products in collaboration with our business partners. Launched in April 2023, HOME ALSOK Connect requires 1/4 or less of the power consumption\* of conventional products.

Moving forward, we will consider environmentally friendly designs when designing and developing products, limit the use of hazardous chemical substances in delivered products, extend the service life of products, and recycle packaging materials to further contribute to environmental conservation.

#### Weekly power consumption\*



\* Subject to change depending on conditions of use.

# Consideration for the Global Environment

## Important Related Materiality

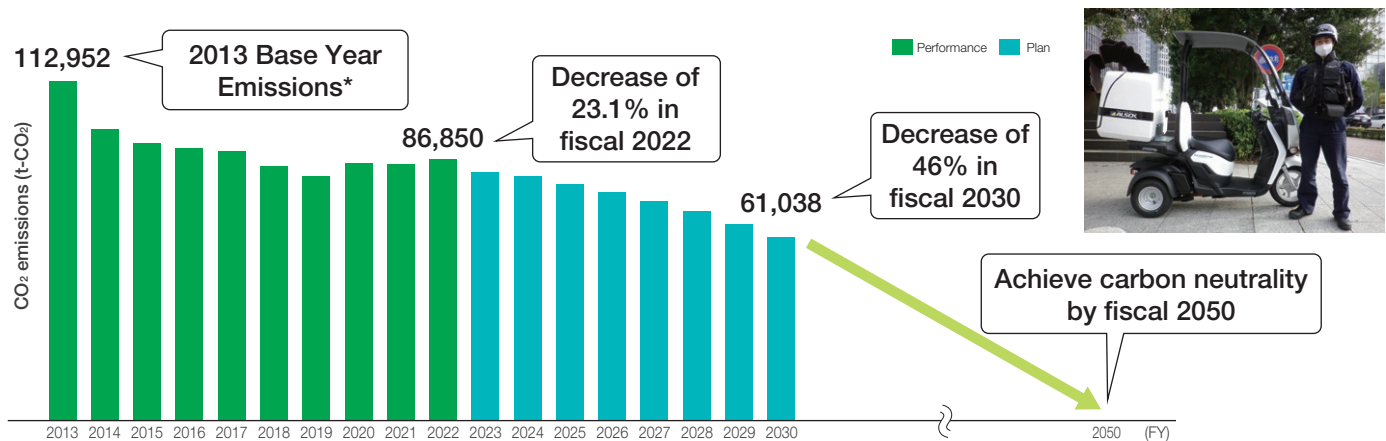


We recognize that global environmental issues represent a challenge shared by all of humankind, and have therefore set targets to reduce CO<sub>2</sub> and other emissions as we strive to prevent environmental pollution and reduce environmental impact, while also addressing the climate change problem and engaging in environmental conservation activities.

## Initiatives Aimed at Carbon Neutrality

### ALSOK Group CO<sub>2</sub> Reduction Target

The ALSOK Group has revised its CO<sub>2</sub> emission reduction targets for fiscal 2023 and thereafter, with the aim of cutting CO<sub>2</sub> emissions (scope 1+2) by 46% from the fiscal 2013 level by fiscal 2030, and achieving carbon neutrality by fiscal 2050.



\* Base-year emissions were revised to account for the impact of M&A.

### Initiatives for Reduction of Environmental Impacts

In addition to progress on upgrading our lighting and air conditioning equipment to achieve CO<sub>2</sub> emission reduction targets, we are also replacing vehicles with environmentally friendly alternatives, primarily electric vehicles, and working on power saving and eco-driving practices.

#### Scope 1

- Proactive conversion to environmentally friendly electric and hybrid vehicles
- Adoption of three-wheeled electric bikes in the Tokyo metropolitan area (in fiscal 2022, we introduced 40 of the vehicles in Tokyo, with plans to expand this to about 200 over the subsequent five years. Their adoption in areas other than Tokyo is also under consideration.)

#### Scope 2

- LED and HVAC equipment upgrades at company facilities (2 facilities owned by the Head Office converted to LED lighting in fiscal 2022, with plans for upgrades at 2 facilities in fiscal 2023)
- Installation of solar electric power generators at company-owned facilities of group companies
- Electric power conservation in routine daily activities

#### Scope 3

- Promoting reductions throughout the supply chain, through our own initiatives and through cooperation with suppliers
- Reducing new equipment procurement and waste through the reuse of alarm equipment
- Reducing end-user power consumption by phasing in energy-conserving equipment

Since fiscal 2022, the ALSOK Group has outsourced third-party CO<sub>2</sub> emissions verification (Scope 1+2) to a verification organization.\* We will continue working on refinement of these calculations and on verification including Scope 3.

\* The period of calculation includes fiscal 2021 (April 2021 to March 2022).



### Disclosure Based on TCFD Recommendations

ALSOK has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board.

We analyze climate change-related risks and opportunities in accordance with the disclosure framework recommended by the TCFD, and disclose the results on a corporate basis. We will continue to deepen our analysis and enhance the content of disclosure.



## Aiming for Acquisition of ISO 14001 Certification by All Group Companies

In our Medium-Term Management Plan, Grand Design 2025 (GD2025), we are aiming for all companies to acquire ISO 14001 certification to further enhance our environmental management system. We completed certification of all companies in fiscal 2022 except for two, which were consolidated during the fiscal year.

## Toward the Realization of a Recycling-Oriented Society

### Promotion of reuse of alarm equipment (Repair Center)

We are working to reduce the amount of waste and resources used in manufacturing by reusing alarm equipment. In fiscal 2022, effective Scope 3, Category 1 (purchased products and services) reductions amounted to 4,142 t-CO<sub>2</sub> (4.1%).

We currently have Repair Centers in Kanagawa and Osaka Prefectures, where the external appearance and operation of devices collected from each location are carefully checked, enabling us to provide customers with equipment they can use with assurance.



Reuse operations at a repair center

### Environmentally Friendly Procurement

In order to contribute even more to the creation of a circular society, we are carrying out a variety of initiatives in cooperation with business partners in compliance with our CSR and Sustainability Procurement Guidelines. Our environmentally friendly design efforts include the elimination of hazardous materials from devices, extension of their service life, and packaging material recycling. Our efforts with regard to hazardous substances have included conversion from nickel-cadmium batteries to those using nickel-metal hydride and designed in compliance with the RoHS Directive.

## Safeguarding Biodiversity

### Bird & Wildlife Control / Game Meats

The meat is processed and frozen at the Mobara Game Meat Processing Facility, operated by ALSOK Chiba Co., Ltd. and specializing in edible game meats. The processing plant opened in July 2020, equipped with state-of-the-art facilities. It operates under a thorough regime of hygiene management in compliance with HACCP,\* and has acquired domestic game food certification (No. 30), which certifies safe, reliable wild game meat processing. We accept a wide range of captured game, such as wild boar, which is slaughtered, processed, and marketed under uniform procedures. Processed meat is sold at restaurants in the region with which we collaborate, and we have also begun selling frozen products online to help reduce food loss.

ALSOK Fukuoka Co., Ltd. has also entered the game meat business. As the increasingly elderly workforce of bird and animal exterminators poses a challenge for local communities, we are conscientiously establishing a process from setting traps to trapping game, processing it, and distributing it, thereby helping to resolve the issue while also treating the captured lives with due care.



Mobara game meat processing facility



Processed game meat

\* This is a method for sanitation management involving the analysis of potential hazards in the process from the receipt of raw materials to product shipment, development of a sanitation plan to protect against hazards, as well as plan execution and record-keeping.

### Tree Planting Activities

ALSOK began its tree-planting program in Chiba Prefecture in 2015 on the occasion of the company's commemoration of the 50th anniversary of its founding. Since 2021, we have participated in the MORINO PROJECT (Public Interest Incorporated Foundation) engaged in tree planting activities. Employees participated in a tree-planting festival in Minamisoma City, Fukushima Prefecture, further deepening their interaction with local residents.

In addition to environmental conservation efforts such as seawall-based tree planting, our group companies are promoting social contribution activities that are unique to ALSOK by contributing to the safety and security of disaster-stricken areas through the restoration of disaster-prevention forests.



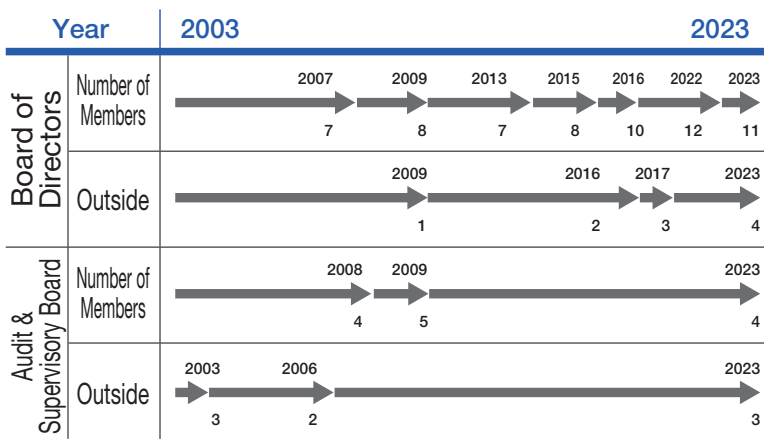
# Corporate Governance

## Basic Policies and Systems

Based on its Management Philosophy exemplified by the principles of “arigato no kokoro” (a feeling of gratefulness and gratitude) and “bushi no seishin” (a samurai spirit), ALSOK devotes itself to protecting the safety and security of its customers and of society as a whole. The ALSOK Group also advocates “contributing to society” as one of its management policies. Meanwhile, to continue to be a corporate group that is trusted by all stakeholders, we strive to reinforce groupwide corporate governance with measures that separate managerial execution and oversight functions, allow swifter decision making, encourage strong corporate ethics, and provide transparency in business management. We also place importance on information disclosure while engaging vigorously in IR activities, both within and outside of the company, including by holding financial results briefings for investors and analysts, and by visiting institutional investors to explain our business results.

The company observes the principles put forth by Japan’s Corporate Governance Code, which was formulated by the Tokyo Stock Exchange, using these policies as guidelines for corporate governance and carrying out detailed inspections and reviews of organizational structures.

### History of ALSOK’s Corporate Governance



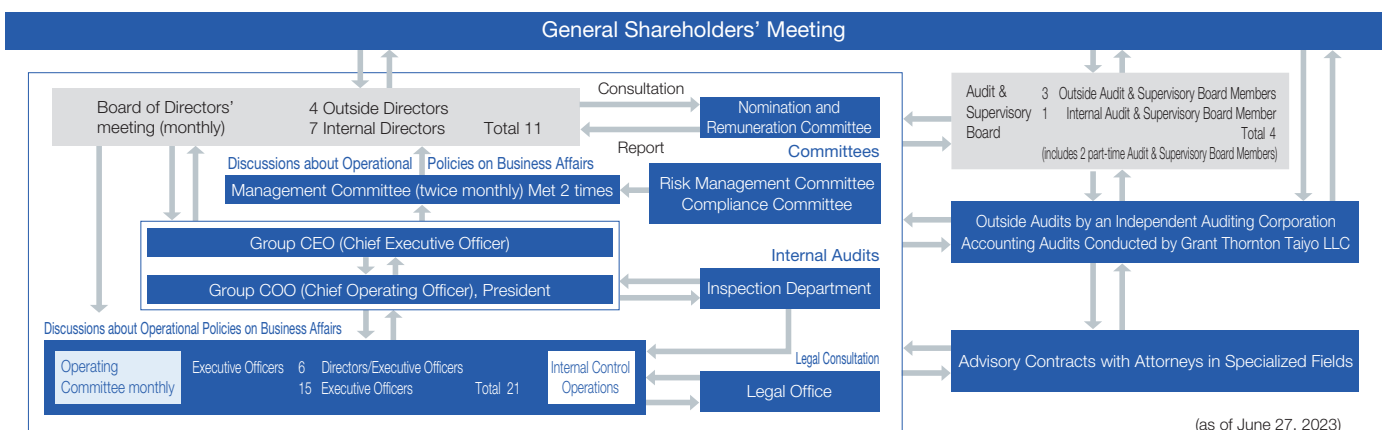
### Revisions to the Rules

|               |  |
|---------------|--|
| June 2002     | Introduction of the Executive Officer System                           |
| November 2002 | Formulation of the Compliance Rules                                    |
| December 2002 | Formulation of the Risk Management Rules                               |
| April 2004    | Setting up of the ALSOK Hotline  |
| August 2004   | Formulation of the Basic Information Security Policy                   |
| December 2004 | Formulation of the Personal Information Security Policy                |
| May 2006      | Formulation of the Basic Policy Concerning the Internal Control System |
| July 2009     | Formulation of Information Asset Management Rules                      |
| April 2016    | Setting up of an external reporting hotline under the ALSOK Hotline    |
| December 2021 | Establishment of the ALSOK Business Partner Hotline                    |

## Overview of Corporate Governance Systems and Reasons for Adoption

The Company has adopted the Company with Audit & Supervisory Board structure described in the Companies Act of Japan. By implementing the following systems, the Company affirms that effective and complete audits are conducted by Audit & Supervisory Board Members and that management is being appropriately governed.

As of June 27, 2023, the Board of Directors is comprised of 11 directors, 4 of which are outside directors, and 4 Audit & Supervisory Board members, 3 of which are outside Audit & Supervisory Board members. The Board of Directors meets once a month, in principle, to decide on basic management policies and important matters pertaining to operational execution and to supervise the execution of duties by Directors and executive officers. The Management Committee, which is chaired by the Representative Director, Group CEO meets twice a month, in principle, to determine the agenda items to be presented to the Board of Directors and to discuss the operational execution policies formulated based on Board of Directors’ decisions. The Audit & Supervisory Board meets once a month, in principle, to discuss and make decisions based on reports on important matters concerning audits. In addition, one Audit & Supervisory Board Member attends the Management Committee to appropriately monitor the status of management execution.



## Messages from Outside Directors -Roles and Activities of Outside Directors-

We will respond to increasingly diverse needs for safety and peace of mind by further elevating corporate value and refining internal control.



**Hirotomo Suetsugu**

Attendance at Board of Directors' Meetings  
15 times (met 15 times)

As an outside Director, I will contribute to the further development of ALSOK by offering timely, appropriate opinions and advice drawing on the knowledge and experience I acquired during my many years of work in corporate value enhancement and risk management for a steel manufacturer, including safety and disaster prevention management, environmental measures, and measures to prevent accidents and incidents.

Amid the ongoing maturation of the domestic market, I work constantly to help upgrade our existing businesses, explore new markets and globalize our operations. I will support the company's steady growth and increasing corporate value by offering advice in fields including business operations and marketing from my perspective as an outside Director, based on our future-oriented strategic medium-term management plan.

As an outside Director, I will apply my broad-based experience as I contribute to helping improve internal control and risk management so that the company can strengthen our system of sound business operations and prevent accidents and incidents as we deal quickly and appropriately with the new external risks that emerge every day in responding to bewilderingly rapid changes in social and economic trends.



**Toshie Ikenaga**

Attendance at Board of Directors' Meetings  
15 times (met 15 times)

Our company plays a very important role in providing individuals and society with safety and security. As a company for which trust and confidence are especially important, we are highly sensitive to governance, and have put in place a highly refined system. I think it is important that we continue to verify the effectiveness of this system, revise it when necessary, and make sure that it pervades our awareness and actions.

Outside Directors are the same as internal management in the sense that they both seek to achieve sustained growth and increased corporate value for the company. From their independent perspective, however, the former work to bring up problems with practices the company has taken for granted internally, and to encourage more rapid responses to change.

Amid the diversification of the ways in which we must provide safety and security, our opportunities are also expanding. For example, as the company spreads its wings to provide security for places with numerous female customers, and for personal services, general property management and fire protection services, as well as nursing care, the power of women will become ever more important. For my part, I intend to contribute to women's participation and advancement in our company.



**Masahiko Mishima**

Attendance at Board of Directors' Meetings  
12 times (met 12 times\*)

In order to help us fulfill GD2025, our Medium-Term Management Plan that defines our medium-term future vision, I provide our management with supervision and advice from the objective perspective of diverse knowledge and experience regarding whether we are optimally allocating resources (people, money, goods, etc.) and managing risks. Sometimes it can be difficult to understand how our daily business activities relate to GD2025, so I encourage employees to think carefully about this relationship as they perform their business activities. When it comes to this array of responses, I take care to provide the full range of stakeholders including employees, shareholders and investors, with explanations that enable understanding, and I advise members of management to keep their own thinking and explanations from lapsing into self-justification or self-centeredness.

The Board of Directors holds vigorous debates regarding what responses are most appropriate to the group in complying with the Corporate Governance Code, with its requirement to "Comply or explain." The ALSOK Group thus continues to manage itself soundly and transparently so that we can continue to perform governance enabling us to enhance our corporate value by contributing to solving social issues.



**Kenji Iwasaki**

Attendance at Board of Directors' Meetings  
12 times (met 12 times\*)

Based on the knowledge and experience that my many years of work at other companies has given me, I strive continually to express my opinions from an independent, objective, and neutral point of view, and also to conscientiously supervise the representative Directors and the Directors in charge of operations in the execution of their duties.

In doing so, I participate in Board of Directors meetings and other company events, and effectively gather information by communicating actively with senior management and other officers and employees within the company, with the Audit & Supervisory Board, and with the Internal Audit Department.

This company is to be highly commended for undertaking corporate governance proactively and in earnest. As an outside Director, I intend to contribute to the further elevation and strengthening of corporate governance, and to the further enhancement of our corporate value.

(frequency after June 24, 2022)

## Corporate Governance

### Composition of the Board of Directors

Our Board of Directors includes several Directors with background experience in industry and the public sector, in addition to those with a wealth of in-house experience, for a board composition with well-balanced and diverse knowledge, experience, and capabilities.

The Board of Directors meets once a month in principle, in addition to meetings to be called as needed. It met 15 times during the fiscal year ended March 31, 2023.

#### Key Resolutions and Reports for the fiscal year ended March 31, 2023

| Matters for Resolution   | Matters for Reporting   |
|--|---|
| Matters Concerning the General Shareholders' Meeting               | Progress and Results of the Execution of Board of Directors Resolutions |
| Matters Concerning Financial Results                               | • Status of Initiatives on GD2025 Priority Measures                     |
| Matters Concerning Directors                                       | Monthly State of Management   |
| Organizational and Personnel Matters                               | Other Matters Deemed Necessary by the Board of Directors                |
| • Establishment of the Nomination and Remuneration Committee, etc. | • Status of Initiatives on Social, Environmental, and Other Issues      |
| Matters Concerning Maintenance of the Internal Control System      | • Status of Internal Audits   |
| Matters Concerning Management                                      | • Status of Risk Management Committee Activities, etc.                  |

### Effectiveness Assessment

In order to evaluate the effectiveness of the Board of Directors, we administered a questionnaire on this subject to all Directors and Audit & Supervisory Board Members. From the perspective of ensuring objectivity and transparency, in principle, the survey responses are made to an external organization, and the aggregated results are reported by the external organization.

In accord with the opinions presented through the evaluation, the Company will strive to improve the effectiveness of the Board of Directors.

#### Main Opinions Presented in the Course of Effectiveness Assessment

**Opinions**

- The monitoring function is operating appropriately with respect to important management issues (establishment of the Nomination and Remuneration Committee, risk management, and various investment projects).
- Although there are some areas in which improvement is needed, we commend the Board of Directors for enlivening its deliberations. Moving forward, we should positively consider shifting the function of the Board of Directors a bit more toward a supervisory function.
- By holding supplementary meetings, the Board of Directors is able to address the whole agenda through free and active exchanges of ideas.
- We look forward to enhancement of discussions regarding full-fledged promotion of active participation by women, the development of highly specialized senior management executives, and other matters concerning human capital.
- Once each year, a training session is held for officers, which we believe to be an important opportunity for executive officers to be exposed to important issues under consideration.  
We should consider further enhancement moving forward.
- We look forward to increased opportunities to check on (inspect) the situation out in the field.

### Composition of the Board of Directors and Skill Matrix

The composition of the Board of Directors and the expertise and experience of each Director are as follows.

| Name               | Position   | Corporate Management<br>(including sustainability) | Finance/<br>Accounting | Legal Affairs/<br>Compliance | IT/Digital | Global Business | Sales/<br>Marketing | Human Resources<br>Management | Industry<br>(security, facility management<br>and long-term care) |
|--------------------|--|--|------------------------|------------------------------|------------|-----------------|---------------------|-------------------------------|---|
| Tsuyoshi Murai     | Representative Director, Group CEO<br>CTO (Chief Technology Officer) | ●  |                        | ●                            | ●          |                 | ●                   | ●                             | ●   |
| Ikuji Kayaki       | Representative Director, Group COO<br>Senior Executive President     | ●  |                        | ●                            |            |                 | ●                   | ●                             | ●   |
| Motohisa Suzuki    | Director   | ●  |                        | ●                            |            | ●               |                     | ●                             | ●   |
| Takashi Kumagai    | Director   | ●  |                        | ●                            | ●          |                 |                     |                               | ●   |
| Kazuhide Shigemori | Director   | ●  | ●                      |                              |            |                 | ●                   |                               |   |
| Naoki Hyakutake    | Director   | ●  |                        | ●                            |            |                 | ●                   | ●                             | ●   |
| Yutaka Komatsu     | Director   | ●  |                        |                              |            |                 | ●                   |                               | ●   |
| Hiroto Suetsugu    | Director   | ●  | ●                      |                              | ●          |                 | ●                   |                               |   |
| Toshie Ikenaga     | Director   |  |                        | ●                            |            |                 |                     | ●                             |   |
| Masahiko Mishima   | Director   | ●  |                        | ●                            |            | ●               | ●                   |                               |   |
| Kenji Iwasaki      | Director   | ●  | ●                      | ●                            |            |                 | ●                   | ●                             |   |

## Nomination and Remuneration Committee

The company has established a Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors.

The committee's purpose is to ensure that the method by which the nomination and remuneration of Directors is determined remains objective and transparent, while also further enriching the corporate governance system. Committee membership is composed from the perspective of fulfillment of expected roles, with the majority of members being Independent Outside Directors, and the Representative Director and Group CEO serving as committee chair.

### Composition of Committee Members

| Position                           | Name            |
|------------------------------------|-----------------|
| Representative Director, Group CEO | Tsuyoshi Murai  |
| Outside Directors                  | Hiroto Suetsugu |
| Outside Directors                  | Toshie Ikenaga  |

## Activities of the Business Investment Review Committee

We have established a Business Investment Review Committee, as of October 1, 2022.

The committee shares the objectives of business expansion investment projects such as corporate acquisitions and business transfers, and considers the various risks involved, such as operational business issues including the quantitative aspects, as well as the human resources aspects of engaging in and operating the projects.

The committee is composed of the Representative Director and Group CEO, who serves as chairperson, the Representative Director and Group COO, who serves as vice-chairperson, as well as the officers in charge of General Affairs/PR, Corporate Planning & Administration, Strategic Business, Financial & Accounting, Human Resources Affairs, officers in charge of projects, and other members appointed by the chairperson. The committee holds meetings for projects as needed. It met 8 times during the fiscal year under review.

## Policies and Methods for Deciding Remuneration Amounts

The maximum amount of total remuneration for company Directors is 400 million yen, and the maximum amount of total remuneration for Audit & Supervisory Board Members is 120 million yen. In addition, the remuneration of our Company's Directors consists of a fixed portion, which is determined by position and by whether the Director is an Outside Director, and a performance-linked portion, which is calculated based on an evaluation of the performance of each director's execution of duties in accordance with certain standards. The remuneration of each Audit & Supervisory Board Member is fixed, and the specific amount for each is determined in accordance with the standards agreed by the Audit & Supervisory Board.

### Policy on determining the Payment Ratio of Remuneration other than Performance-linked Remuneration and Performance-linked Remuneration

The performance-linked remuneration for the Company's directors (excluding outside Directors) is the predetermined remuneration (bonus) paid in June of each year, and if the Company's performance payment rate and the individual performance payment rate are both 100%, the percentage to be paid is 45% of the total annual payment (short-term incentive: 30%, medium- to long-term incentive: 15%). In the case where fixed monthly pay falls under the category of remuneration other than performance-linked remuneration and both the company and individual performance payment rates are 100%, the percentage to be paid is 55% of the annual total amount of remuneration.



### Indicators Pertaining to Performance-linked Remuneration, Reason for Selecting Said Indicators, and Method of Determining the Amount of Performance-linked Remuneration

In calculating predetermined remuneration, which is linked with performance, the company's performance payout ratio for short-term incentives is calculated based on a reference index (consolidated operating income + equity in earnings of affiliates + consolidated bonus), which is adjusted for consolidated operating income, while the company's performance payout ratio for medium- to long-term incentives is calculated based on the three-year average annual growth rate of that reference index. In addition, the individual performance payment rate is determined based on the degree of achievement of the goals set for each individual. After that, the amount of payment is finally determined by multiplying each payment rate by the standard amount.

## About the Audit & Supervisory Board

As of June 27, 2023, the Audit & Supervisory Board consists of 4 members (including 3 outside members), 1 of whom has extensive financial and accounting expertise. In addition, 2 full-time employees are assigned to the Audit & Supervisory Board Secretariat to assist the auditors in their work duties, and personnel transfers and evaluations of these employees is subject to the consent of the Audit & Supervisory Board Members, which increases their independence from Directors, ensuring the effectiveness of the auditors' instructions.

The Audit & Supervisory Board meets once a month, in principle, to discuss and make decisions based on reports on important matters concerning audits. In addition, one Audit & Supervisory Board Member attends the Management Committee to appropriately monitor the status of management execution.

The Audit & Supervisory Board met 17 times during the fiscal year ended March 31, 2023. Members of the Audit & Supervisory Board report, deliberate and resolve important matters concerning audits, audit policy and audit planning. The activities engaged in only by the full-time Audit & Supervisory Board Members, and the details of on-site audits by each auditor, are reported to the other auditors at meetings of the Audit & Supervisory Board, etc.

## Directors, Audit &amp; Supervisory Board Members, and Executive Officers

(As of June 27, 2023)

## Directors

|   |  |
|---|--|
|  <p><b>Representative Director</b></p> <p><b>Tsuyoshi Murai</b><br/>Group CEO Chief Executive Officer and CTO (Chief Technology Officer)</p> <p>1999.7 Joined the Company<br/>2007.6 General Manager of Home Marketing Division<br/>2010.4 Appointed Executive Officer, Chief Officer of Regional Division (I)<br/>2011.2 In charge of General Property Management<br/>2011.3 Representative Director of Japan Facilio Co., Ltd. (resigned in March 2014)<br/>2014.4 Appointed Senior Executive Officer, Deputy Chief Officer of Business Promotion Division, in charge of sales planning and management, and regional finance sales<br/>2016.4 In charge of Human Resources Affairs and Corporate Ethics<br/>2016.6 Appointed Director and Senior Executive Officer<br/>2018.4 In charge of General Affairs/PR, Compliance, Risk Management, and Information Assets Management<br/>Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs<br/>2018.5 In charge of Central Japan Area, Deputy Chief Officer of Business Promotion Division, in charge of Central Japan Area Sales<br/>2019.4 Executive Vice President and Director, in charge of Promotion, Tokyo 2020 Olympic and Paralympic Games Promotion Affairs<br/>2020.4 In charge of Management Company<br/>2022.4 In charge of R&amp;D Engineering Affairs<br/>2022.6 Appointed Representative Director (Current), Group CEO (Current), and CTO (Current)<br/>(Major concurrent positions)<br/>2019.6 Appointed Deputy Chairperson of the All Japan Security Service Association (Current)<br/>2021.12 Appointed Representative Director of Sogo Shoji Limited (Current)<br/>2022.6 Appointed Chairperson of the Tokyo Security Service Association (Current)</p> | <p><b>Director (Senior Executive Officer)</b></p> <p><b>Takashi Kumagai</b><br/>In charge of long-term Care Services, Deputy Chief Officer of Business Promotion Division<br/>President and Representative Director of Life Holdings Co., Ltd.<br/>President and Representative Director of Life Co., Ltd.<br/>President and Representative Director of MBIC Life Co., Ltd.<br/>President and Representative Director of ALSOK CARE CO., LTD.</p> <p>2014.7 Director General, Reconstruction Agency (resigned in June 2016)<br/>2016.10 Appointed Executive Officer of the Company, Second in Charge of Regional Management, Second in Charge of R&amp;D Engineering Affairs,<br/>Deputy Chief Officer of Business Promotion Division, Second in Charge of Sales Promotion, Second in Charge of Corporate Customers<br/>2017.4 Appointed Senior Executive Officer, in charge of Long-Term Care (Current), in Charge of Management Company, in Charge of Regional Management, Deputy Chief Officer of Business Promotion Division, Second in Charge of Sales Promotion<br/>2018.4 Deputy Chief Officer of Business Promotion Division, in charge of HOME ALSOK<br/>2020.4 Deputy Chief Officer of Business Promotion Division (Current) Appointed President and Representative Director of Life Holdings Co., Ltd. (Current)<br/>Appointed President and Representative Director of Life Co., Ltd. (Current) Appointed President and Representative Director of MBIC Life Co., Ltd. (Current)<br/>2022.4 Appointed President and Representative Director of ALSOK CARE CO., LTD. (Current)<br/>2022.6 Appointed Director and Senior Executive Officer (Current)</p> |
|  <p><b>Representative Director (Senior Executive President)</b></p> <p><b>Ikuji Kayaki</b><br/>Group COO (Chief Operation Officer)<br/>In charge of East Japan Area, Chief Officer of Business Promotion Division</p> <p>1982.4 Joined the Company<br/>2011.4 Chief Officer of Regional Division (IV)<br/>2012.4 Appointed Executive Officer<br/>2014.4 Deputy Chief of Operations, in charge of Structural Reform of Transportation Security Services<br/>2015.4 Appointed Senior Executive Officer, Chief Officer of Security Operations<br/>2017.6 Appointed Director and Senior Executive Officer<br/>2018.4 Executive Vice President and Representative Director, General Manager of ALSOK Company<br/>In charge of East Japan Area (Current), Deputy Chief Officer of Business Promotion Division, in charge of Corporate Customers<br/>2019.4 Appointed Vice President and Representative Director, Senior Executive Vice President, Chief Officer of Business Promotion Division (Current)<br/>In charge of Corporate Customers, in charge of East Japan Area Business<br/>2022.6 Appointed Representative Director (Current)<br/>Appointed Group COO (Current)<br/>Appointed Senior Executive President (Current)</p>   | <p><b>Director (Senior Executive Officer)</b></p> <p><b>Kazuhide Shigemi</b><br/>In charge of Financial &amp; Accounting, Internal Control, Procurement</p> <p>2009.4 Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)<br/>General Manager of Osaka Sales Dept. No. 2 (resigned in April 2012)<br/>2011.5 General Manager of the Regional General Administration Department of the Company<br/>2013.4 General Manager of Group Management Department<br/>2015.4 General Manager of Corporate Planning &amp; Administration Department<br/>2017.4 Appointed Executive Officer, Second in Charge of Corporate Planning &amp; Administration, Second in Charge of Strategic Business<br/>2019.4 Appointed Senior Executive Officer, in Charge of Corporate Planning &amp; Administration, in Charge of Strategic Business<br/>2022.6 Appointed Director and Senior Executive Officer (Current)<br/>2022.10 In charge of Financial &amp; Accounting (Current), Internal Control (Current), Procurement (Current)</p>  |
|  <p><b>Director (Executive Vice President)</b></p> <p><b>Motohisa Suzuki</b><br/>In charge of General Affairs/PR, Compliance, Risk Management, Information Asset Management, Quality Management, Affiliated Corporate, International Affairs<br/>Chief Officer of International Affairs Division,<br/>Deputy Chief Officer of Business Promotion Division</p> <p>2015.1 Appointed Director of Traffic Bureau, National Police Agency (resigned in January 2016)<br/>2016.4 Appointed Senior Executive Officer of the Company, in charge of General Affairs/PR and Procurement, Deputy Chief Officer of Security Operations (in charge of operational affairs, Tokyo 2020 Olympic and Paralympic Games)<br/>In charge of HOME ALSOK, Compliance, Risk Management, and Information Asset Management, Deputy Chief Officer of Business Promotion Division<br/>2018.4 In Charge of Security Operation Affairs, in charge of Structural Reform of Transportation Security Services, Deputy Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs<br/>2019.4 Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs<br/>2019.6 Appointed Director and Senior Executive Officer<br/>2022.6 In charge of General Affairs/PR (Current), Compliance (Current), Risk Management (Current), Information Asset Management (Current), Management Company, International Affairs (Current), Chief Officer of International Affairs Division (Current)<br/>2022.8 Deputy Chief Officer of Business Promotion Division (Current)<br/>2023.4 Appointed Director and Executive Vice President (Current), in charge of Quality Management (Current), in charge of Affiliated Corporate (Current)</p>                     | <p><b>Director (Senior Executive Officer)</b></p> <p><b>Naoki Hyakutake</b><br/>In charge of Human Resources Affairs, Corporate Ethics</p> <p>1989.4 Joined the Company<br/>2016.4 Transferred and appointed President and Representative Director of ALSOK Care &amp; Support Co., Ltd. (resigned in March 2017)<br/>2017.4 General Manager of Human Resources Department<br/>2019.4 Appointed Executive Officer, in charge of Human Resources Affairs<br/>2022.4 Appointed Senior Executive Officer, Second in Charge of Human Resources Affairs<br/>2022.6 Appointed Director and Senior Executive Officer (Current)<br/>In charge of Human Resources Affairs (Current), Corporate Ethics (Current)</p>   |
|  <p><b>Director (Senior Executive Officer)</b></p> <p><b>Yutaka Komatsu</b><br/>Stationed in the Kansai Region<br/>In charge of West Japan Area, in charge of Expo 2025 Osaka, Kansai, Japan (General)<br/>Deputy Chief Officer of Business Promotion Division, in charge of West Japan Area Business, Chief Officer of Regional Division (II)</p> <p>1981.3 Joined the Company<br/>2008.4 General Manager of Corporate Sales Division 1<br/>2014.10 Transferred and appointed President and Representative Director of Hokkaido Sohgo Security Services Co., Ltd. (currently ALSOK Hokkaido Co., Ltd.)<br/>2020.4 Appointed Executive Officer, appointed President and Representative Director of ALSOK Hokkaido Co., Ltd.<br/>2022.4 Appointed Senior Executive Officer, appointed Chairperson and Representative Director of ALSOK Hokkaido Co., Ltd.<br/>2022.6 Appointed Director and Senior Executive Officer (Current)<br/>In charge of West Japan Area (Current) In charge of Expo 2025 Osaka, Kansai, Japan (General) (Current)<br/>Deputy Chief Officer of Business Promotion Division (Current), in charge of West Japan Area Business (Current), Chief Officer of Regional Division (II) (Current)<br/>Appointed Chairperson, President, and Representative Director of ALSOK KINKI Co., Ltd.<br/>Appointed Chairperson and Representative Director of ALSOK OSAKA Co., Ltd.</p>  | <p><b>Director (Senior Executive Officer)</b></p> <p><b>Yutaka Komatsu</b><br/>Stationed in the Kansai Region<br/>In charge of West Japan Area, in charge of Expo 2025 Osaka, Kansai, Japan (General)<br/>Deputy Chief Officer of Business Promotion Division, in charge of West Japan Area Business, Chief Officer of Regional Division (II)</p>  |

## Executive Officer

## Shinichiro Hayashi

Senior Executive Officer

In charge of Corporate Planning & Administration, Business Strategies  
Deputy Chief Officer of Business Promotion Division  
In charge of Financial Affairs

## Seiji Ono

Senior Executive Officer

Deputy Chief Officer of Business Promotion Division  
In charge of Corporate Customers

## Hiroyuki Ono

Senior Executive Officer

In charge of Central Japan Area  
Deputy Chief Officer of Business Promotion Division  
In charge of Central Japan Area Sales  
Chief Officer of Regional Division (III)

## Yutaka Miyajima

Senior Executive Officer

In charge of Electronic Security, HOME ALSOK

## Hiroyoshi Yoshida

Senior Executive Officer

In charge of Stationed Security  
In charge of Expo 2025 Osaka, Kansai Japan (Public Relations)

## Ken Takahashi

Senior Executive Officer

In charge of Transportation Security  
In charge of Facility Management



## Director (outside Director)



**Director (outside)**  
**Hirotomo Suetsugu**

2009.4 Appointed Executive Officer of Nippon Steel Corporation (currently NIPPON STEEL CORPORATION) (resigned in June 2012)  
2012.6 Appointed Audit & Supervisory Board Member of Nippon Steel Corporation (currently NIPPON STEEL CORPORATION) (resigned in June 2016)  
2016.6 Appointed Advisor of NIPPON STEEL & SUMITOMO METAL CORPORATION (currently NIPPON STEEL CORPORATION) (resigned in June 2019)  
Appointed Advisor of Nippon Denko Co., Ltd. (resigned in June 2021)  
2020.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)




**Director (outside)**  
**Toshie Ikenaga**

1987.4 Joined the Economic Planning Agency  
2010.9 Director of Policy Evaluation and Public Relations Division, Minister's Secretariat, Cabinet Office  
2012.4 Professor of Hosei Graduate School of Regional Policy Design  
2014.4 Director of Cabinet Office  
2014.9 Director of General Affairs Division, Gender Equality Bureau, Cabinet Office  
2016.1 Appointed Vice-Governor of Shiga Prefecture (resigned in July 2018)  
2018.7 Appointed Director General of Gender Equality Bureau, Cabinet Office (resigned in August 2020)  
2021.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)  
2022.7 Appointed President of National Hospital Organization (Current)  
(Major concurrent positions)  
2021.6 Appointed Outside Audit & Supervisory Board Member of Shimizu Corporation (Current)



**Director (outside)**  
**Masahiko Mishima**

2016.4 Appointed Executive Officer of Mitsubishi Heavy Industries, Ltd.  
2018.10 Appointed Senior Executive Officer of Mitsubishi Heavy Industries, Ltd.  
2019.6 Appointed Director and Senior Executive Officer of Mitsubishi Heavy Industries, Ltd.  
2021.6 Appointed Senior Executive Officer of Mitsubishi Heavy Industries, Ltd. (resigned in September 2021)  
2021.10 Appointed Advisor of Mitsubishi Heavy Industries, Ltd. (resigned in September 2022)  
2022.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)



**Director (outside)**  
**Kenji Iwasaki**

2009.6 Appointed Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.  
2010.6 Appointed Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.  
2014.4 Appointed Executive Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.  
2017.4 Appointed Vice President and Representative Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. (resigned in March 2018), Appointed the position of Senior Executive Vice President of Tokio Marine Holdings, Inc.  
2017.6 Appointed Vice President and Representative Director of Tokio Marine Holdings, Inc. (resigned in June 2018)  
2018.6 Appointed Executive Director of General Insurance Association of Japan (resigned in June 2022)  
2022.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)  
2022.7 Audit & Supervisory Board Member of Daichi Sowa Jimusho Co., Ltd. (Current)  
(Major concurrent positions)  
2022.6 Appointed President and Representative Director of HMS Holdings Co., Ltd. (Current)  
2023.6 Appointed Director and Audit & Supervisory Committee member of Japan Airport Terminal Co., Ltd. (Expected)

## Audit & Supervisory Board Members



**Full-time Audit & Supervisory Board Member**  
**Juichiro Mochizuki**

1982.4 Joined the Company  
2012.8 General Manager of Security Services Dept. No.1  
2014.4 Transferred to Ibaraki Sohgo Security Services (currently ALSOK Ibaraki Co., Ltd.)  
Appointed President and Representative Director (resigned in March 2020)  
2020.4 Chief Officer of Regional Division (VI)  
2021.4 Chief Officer of Regional Division (VII)  
2022.6 Appointed Full-time Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (Current)



**Full-time Audit & Supervisory Board Member (Outside)**  
**Shinichiro Nakano**

2008.6 General Manager of Risk Management Division, The Norinchukin Bank  
2012.6 General Manager of Planning Management Division, The Norinchukin Bank  
2014.6 Appointed Managing Director of The Norinchukin Bank (resigned in March 2019)  
Appointed Director of Norinchukin Value Investments Co., Ltd. (resigned in March 2019)  
Appointed Director of The Norinchukin Trust & Banking Co., Ltd. (resigned in March 2019)  
Appointed Auditor of Kyodo Housing Loan Co., Ltd. (resigned in June 2019)  
2019.4 Appointed Standing Advisor of The Norinchukin Bank (resigned in June 2019)  
2019.6 Appointed Full-time Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (Current)



**Audit & Supervisory Board Members (outside)**  
**Michiko Nagasawa**

1984.4 Registered as an attorney-at-law  
2007.4 Appointed Professor of Law of Gakushuin University Law School (resigned in March 2013)  
2012.4 Appointed Auditor of Daini Tokyo Bar Association (resigned in March 2013)  
2013.3 Appointed Outside Director of OTSUKA KAGU, LTD. (resigned in March 2019)  
\* Audit & Supervisory Committee Member from Mar. 2017  
2018.7 Appointed Audit & Supervisory Committee Member of Building Research Institute, National Research and Development Agency, Ministry of Land, Infrastructure, Transport and Tourism (Current)  
2020.4 Appointed Audit & Supervisory Committee Member of Japan Federation of Bar Associations (resigned in March 2021)  
2020.6 Appointed Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (Current)  
2020.7 Appointed Vice Chairperson of Finance Committee, Japan Federation of Bar Associations (resigned in March 2022)  
(Major concurrent positions)  
2008.1 Appointed Partner at The Tokyo-Marunouchi Law Offices (Current)  
2019.6 Appointed Outside Director of SB Players Corp. (Current)  
2020.6 Appointed Outside Audit & Supervisory Board Member of Sojitz Corporation (Current)



**Audit & Supervisory Board Members (outside)**  
**Yoshiaki Nakagawa**

1990.9 Appointed Director and CFO of Matsushita Radio Singapore Pte. Ltd. (resigned in May 1996)  
2001.1 Appointed Chief Accountant of China Hualu Matsushita AVC Co., LTD. (resigned in January 2004)  
2009.4 Appointed Executive Officer of Panasonic Corporation (currently Panasonic Holdings Co., Ltd.)  
2011.6 Appointed Managing Director of Panasonic Corporation (currently Panasonic Holdings Co., Ltd.)  
2014.4 Appointed President and Representative Director of SANYO Electric Co., Ltd. (resigned in March 2017)  
2017.4 Appointed Advisor of Panasonic Corporation (currently Panasonic Holdings Co., Ltd.) (resigned in March 2018)  
2018.4 Appointed Special Advisor of Hardlock Industry Co., Ltd. (Current)  
2020.8 Appointed Advisor of Uokuni Sohonsa Co., Ltd. (Current)  
2021.6 Appointed Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (Current)  
(Major concurrent positions)  
2020.6 Appointed Outside Auditor of ASANUMA CORPORATION (Current)

**Tetsuya Tsuburaya**

Executive Officer

Second in charge of General Affairs  
General Manager of General Affairs Department

**Masahiro Kikukawa**

Executive Officer

Second in charge of Business Strategies  
General Manager of Business Strategies Department

**Wataru Saito**

Executive Officer

Second in charge of R&D Engineering Affairs

**Satoshi Yoneda**

Executive Officer

In charge of Business Planning & Management

**Tomoyuki Arita**

Executive Officer

Second in charge of Corporate Customers  
General Manager of Corporate Sales Division 1

**Kengo Takeda**

Executive Officer

Chief Officer of Regional Division (I)

**Masayuki Chikaoka**

Executive Officer

Chief Officer of Regional Division (IV)

**Kenichi Kakimoto**

Executive Officer

Chief Officer of Regional Division (V)

**Yoshio Kumazaki**

Executive Officer

In charge of Stationed Security (Tokyo)  
President and representative Director of ALSOK Tokyo Co., Ltd.

# Financial Review

## Review of Fiscal 2023

The ALSOK Group has continued to provide appropriate services as an operator of service businesses concerning the safety and security of society (the Security Services business, General Property Management and Fire Protection Services business, and the Lifestyle Support Services business including Long-term Care Services), which are indispensable for ensuring the stability of the lives of the people and the national economy. As stated in “Grand Design 2025,” our medium-term management plan, we aim to become a “resilient integrated safety and security solutions provider that supports the safety and security of our customers and society.” To meet the expanding safety and security needs of our customers and society amid diversifying risks, we are working to provide new services that combine a variety of service functions, including security, facilities, and long-term care.

Net sales for fiscal 2023 increased 0.6% year-on-year to 492,226 million yen, marking the 13th consecutive year of increase and reaching a record high for the 12th consecutive year, but this was not sufficient to cover the increase in system-related expenses and other factors, resulting in operating income of 36,993 million yen (down 13.7%), ordinary income of 39,230 million yen (down 12.4%), and profit attributable to owners of parent of ¥23,950 million (down 17.3%). In addition, we place importance on ordinary income margin and ROE as objective indicators to determine the status of achievement of management targets. The “Grand Design 2025” medium-term management plan outlined a goal of 10.0% or more for both of these indicators, and we recorded an 8.0% ratio of ordinary income to net sales and ROE of 7.8% for FY2023.

In addition to strengthening its Security Services business through M&A and other means, the ALSOK Group is expanding its General Property Management and Fire Protection Services business, which is highly compatible with the Security Services business, and its Long-Term Care Services such as nursing care, to focus on precisely meeting the expanding safety and security needs of our customers and society amid diversifying risks.

## Financial Position

Total assets at the end of FY2023 amounted to 516,647 million yen (up 5.8% from the end of the same period last year), of which current assets amounted to 239,032 million yen (up 2.2%) and fixed assets amounted to 277,615 million yen (up 9.1%). Total liabilities amounted to 172,753 million yen (up 7.5%), of which current liabilities amounted to 98,856 million yen (up 9.4%) and long-term liabilities amounted to 73,897 million yen (up 5.0%).

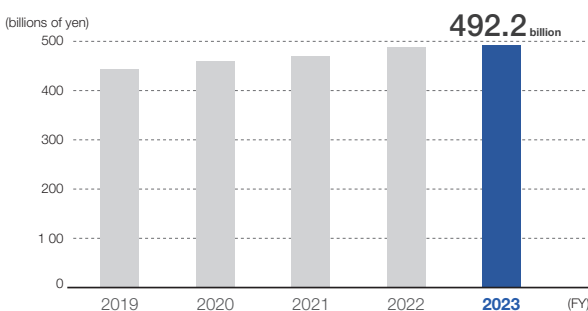
Net assets totaled 343,893 million yen (up 5.0%).

## Basic Policy on Financial Discipline

Under the Grand Design 2025 Medium-Term Management Plan, we are aiming for an ROE of 10% or more as a medium-term financial target. In order to improve ROE, our basic policy is to maintain stable dividends with a dividend payout ratio of 30% and increase profitability with a medium-term target of raising the ratio of consolidated ordinary profit to net sales to 10% or more. Against this backdrop, the ALSOK Group’s equity ratio has been stable at the end of the last five years, and we believe that this is the

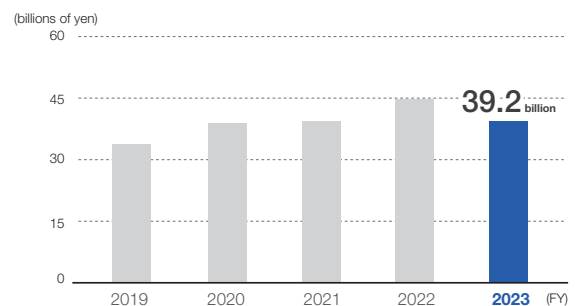
### Net Sales

**492.2 billion** YOY **0.6% increase** ↑



### Ordinary Income

**39.2 billion** YOY **12.4% decrease** ↓



result of our efforts to maintain financial discipline while giving due consideration to both shareholders and creditors in a balanced manner. The main source of our own capital is the collection of monthly fees from customers mainly in the security services business, making it a stable source of monthly income with a predictable future forecast.

## Policy on Growth Investments (Capital Investments/Research and Development)

The Group made capital investments totaling 16,448 million yen in property, plant and equipment and intangible assets for FY2023. This mainly comprised 7,639 million yen for electronic security, 997 million yen for equipment and fixtures, and 1,202 million yen for software.

The basic policy of R&D is to identify diversifying market needs and promote the development of market-competitive technologies and products with the aim of contributing to the improvement of profitability. In fiscal 2023, R&D expenses totaled 603 million yen, mainly concerning the Security Services business. In addition, the R&D department of the Company conducts research, planning, intellectual property management, quality control, and other activities that do not fall under the category of research and development as an integral part of R&D. The total amount of R&D expenses plus expenses concerning these activities is 1,956 million yen.

ALSOK conducts research to respond to the growing need for safety and security in a society where risks are becoming increasingly diverse, including “diversification of familiar crimes and deterioration in perceived public safety,” “increasingly sophisticated cyber attacks,” and “labor shortages due to the

falling birthrate and aging population.” In addition, we will promote open innovation, promote industry-academia-government collaboration on cutting-edge technologies, and respond to ever-changing social conditions.

## Shareholder Return Policy

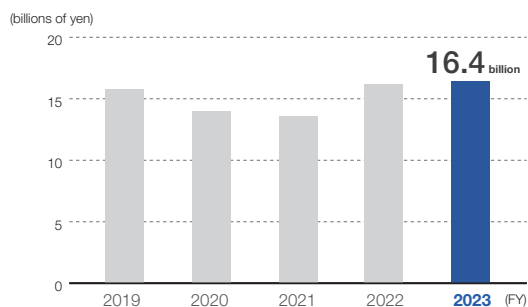
ALSOK positions the return of profits to shareholders as an important management policy, and its basic policy is to distribute the results supported by business performance while enhancing internal reserves. Internal reserves will be allocated to research and development expenses necessary for future growth and development, as well as capital investment for upgrading information systems and new businesses, in an effort to further improve business performance.

ALSOK’s basic policy is to pay dividends from surplus twice a year, an interim dividend and a year-end dividend. The decision-making body for these dividends is the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend.

The dividend for FY2023, combined with the interim dividend (43.00 yen per share), was be 86.00 yen per share per share, based on comprehensive consideration of business performance for the current fiscal year, earnings forecasts for the next fiscal year and capital investment plans, and other factors. The consolidated dividend payout ratio was 36.4%.

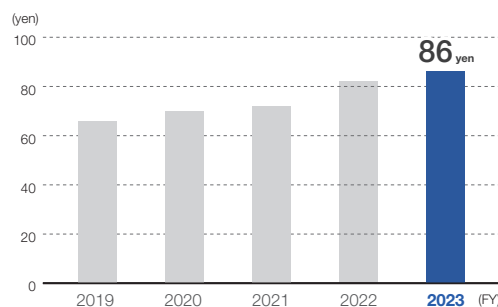
## Capital Investments

**16.4 billion** <sup>YOY</sup> **1.0% increase** ↑



## Dividend Per Share

**86 yen** <sup>YOY</sup> **¥4 increase** ↑



## Management Indexes

Fiscal year ended March 31

|   | 2013     | 2014     | 2015     | 2016     |
|---|----------|----------|----------|----------|
| <b>Profit and loss (millions of yen)</b>  |          |          |          |          |
| Net sales   | 315,564  | 328,209  | 365,749  | 381,818  |
| Cost of sales   | 242,410  | 248,900  | 276,116  | 282,880  |
| Gross profit  | 73,153   | 79,308   | 89,632   | 98,937   |
| Selling, general and administrative expenses  | 61,363   | 60,375   | 66,660   | 69,901   |
| Operating income  | 11,790   | 18,932   | 22,971   | 29,036   |
| Ordinary income   | 14,741   | 20,745   | 24,700   | 30,667   |
| Profit attributable to owners of parent   | 8,574    | 10,955   | 13,534   | 17,868   |
| <b>Financial position (millions of yen)</b>   |          |          |          |          |
| Total assets  | 296,665  | 342,495  | 373,863  | 349,561  |
| Net assets  | 175,563  | 180,205  | 204,363  | 205,622  |
| <b>Cash flow status (millions of yen)</b>   |          |          |          |          |
| Operating cash flows  | 20,890   | 21,056   | 19,666   | 19,678   |
| Investment cash flows   | (12,713) | (16,701) | (24,295) | (12,808) |
| Financial cash flows  | (8,136)  | (9,142)  | 6,596    | (9,176)  |
| <b>Profitability</b>  |          |          |          |          |
| Gross profit margin (%)   | 23.2     | 24.2     | 24.5     | 25.9     |
| Operating income margin (%)   | 3.7      | 5.8      | 6.3      | 7.6      |
| Ordinary income margin (%)  | 4.7      | 6.3      | 6.8      | 8.0      |
| Return on assets (ROA) (%)  | 5.1      | 6.5      | 6.9      | 8.5      |
| Return on equity (ROE) (%)  | 5.7      | 7.0      | 7.8      | 9.9      |
| EV/EBITDA (times)* <sup>1</sup>   | 5.0      | 8.3      | 12.5     | 14.7     |
| <b>Stability</b>  |          |          |          |          |
| Equity capital ratio (%)  | 52.1     | 46.2     | 48.4     | 51.9     |
| Equity ratio on a market value basis (%)  | 46.5     | 63.5     | 110.1    | 175.4    |
| Interest-bearing liabilities (millions of yen)  | 29,828   | 63,651   | 65,091   | 35,782   |
| Interest coverage ratio (times)   | 36.9     | 36.4     | 28.5     | 30.1     |
| <b>Efficiency</b>   |          |          |          |          |
| Total asset turnover ratio (times)  | 1.1      | 1.0      | 1.0      | 1.1      |
| Shareholders' equity turnover ratio (times)   | 2.1      | 2.1      | 2.1      | 2.1      |
| Tangible fixed assets turnover ratio (times)  | 5.4      | 5.2      | 5.4      | 5.3      |
| <b>Per share information</b>  |          |          |          |          |
| Net assets Per share (yen)  | 1,536.30 | 1,574.74 | 1,800.15 | 1,805.09 |
| Profit attributable to owners of parent per share (EPS) (yen)   | 85.30    | 108.99   | 134.65   | 177.77   |
| Price book-value ratio (PBR) (times)  | 0.9      | 1.4      | 2.3      | 3.4      |
| Price earnings ratio (PER) (times)  | 16.1     | 19.9     | 30.4     | 34.3     |
| Dividends per share (yen)   | 25       | 30       | 38       | 50       |
| Consolidated dividend payout ratio (%)  | 29.3     | 27.5     | 28.2     | 28.1     |
| Closing stock price   | 1,373    | 2,164    | 4,095    | 6,100    |
| <b>Other information</b>  |          |          |          |          |
| Number of employees (consolidated)  | 28,054   | 28,091   | 31,221   | 31,446   |
| Average number of years of continuous service (non-consolidated)  | 13.8     | 14.4     | 14.9     | 15.4     |
| Percentage of employees returning to work after childcare leave (non-consolidated, total for male and female employees) (%) | 97.6     | 92.4     | 96.6     | 93.7     |
| CO <sub>2</sub> emissions (Group) (t-CO <sub>2</sub> )* <sup>2</sup>  | –        | 102,313  | 96,962   | 92,453   |
| CO <sub>2</sub> emissions per sales unit (Group) (t-CO <sub>2</sub> )*  | –        | 0.312    | 0.265    | 0.242    |

- ALSOK Souei Co., Ltd.
- Nippon Building Maintenance Co., Ltd. (currently ALSOK FACILITIES CO., LTD.)
- ANTEI CO., LTD. (currently ALSOK CARE CO., LTD.)
- HCM Corporation (currently ALSOK CARE CO., LTD.)
- ALSOK Care & Support Co., Ltd.

### M&A Activities

\*<sup>1</sup> Method of calculation for EV/EBITDA is as follows: EV = Market capitalization + Interest-bearing liabilities – Short-term liquidity (Cash and deposits + Short-term investments in securities)

EBITDA = Earnings before interest, tax, depreciation, and amortization = Operating income + Depreciation and amortization. The method calculation for EV/EBITDA has been changed since the fiscal year ended March 31, 2023.

\*<sup>2</sup> The method and scope of CO<sub>2</sub> emissions calculation have been changed since the fiscal year ended March 31, 2021.

\* Based on the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 2018), financial information for fiscal 2017 and subsequent years has also been restated.

| 2017  | 2018  | 2019  | 2020   | 2021  | 2022  | 2023            |
|---|---|---|--|---|---|-----------------|
| 413,343   | 435,982   | 443,535   | 460,118  | 469,920   | 489,092   | <b>492,226</b>  |
| 310,704   | 330,493   | 334,197   | 345,097  | 352,811   | 363,511   | <b>370,998</b>  |
| 102,639   | 105,489   | 109,338   | 115,020  | 117,108   | 125,581   | <b>121,228</b>  |
| 74,217  | 75,378  | 77,057  | 78,224   | 79,926  | 82,715  | <b>84,234</b>   |
| 28,422  | 30,111  | 32,280  | 36,795   | 37,182  | 42,865  | <b>36,993</b>   |
| 30,309  | 31,913  | 33,881  | 38,880   | 39,212  | 44,796  | <b>39,230</b>   |
| 18,330  | 19,344  | 22,269  | 24,163   | 25,014  | 28,964  | <b>23,950</b>   |
| 385,877   | 396,635   | 410,113   | 428,796  | 481,465   | 488,278   | <b>516,647</b>  |
| 222,230   | 241,382   | 257,098   | 270,432  | 304,427   | 327,509   | <b>343,893</b>  |
| 54,561  | 25,496  | 28,771  | 33,896   | 55,522  | 42,736  | <b>31,682</b>   |
| (22,055)  | (19,125)  | (14,911)  | (13,395)   | (38,452)  | (14,093)  | <b>(24,818)</b> |
| (20,582)  | (13,429)  | (10,934)  | (15,113)   | (12,714)  | (18,183)  | <b>(19,380)</b> |
| 24.8  | 24.2  | 24.7  | 25.0   | 24.9  | 25.7  | <b>24.6</b>     |
| 6.9   | 6.9   | 7.3   | 8.0  | 7.9   | 8.8   | <b>7.5</b>      |
| 7.3   | 7.3   | 7.6   | 8.5  | 8.3   | 9.2   | <b>8.0</b>      |
| 8.2   | 8.2   | 8.4   | 9.3  | 8.6   | 9.2   | <b>7.8</b>      |
| 9.7   | 9.3   | 9.9   | 10.1   | 9.6   | 10.0  | <b>7.8</b>      |
| 9.6   | 11.5  | 9.6   | 9.7  | 9.4   | 5.8   | <b>5.7</b>      |
| 51.0  | 55.0  | 56.8  | 57.3   | 57.6  | 61.5  | <b>60.9</b>     |
| 108.2   | 134.3   | 119.0   | 124.2  | 110.0   | 82.9  | <b>69.9</b>     |
| 42,078  | 26,153  | 21,546  | 23,578   | 28,408  | 13,423  | <b>10,825</b>   |
| 54.2  | 25.8  | 18.1  | 26.2   | 27.3  | 22.3  | <b>17.6</b>     |
| 1.1   | 1.1   | 1.1   | 1.1  | 1.0   | 1.0   | <b>1.0</b>      |
| 2.2   | 2.1   | 2.0   | 1.9  | 1.8   | 1.7   | <b>1.6</b>      |
| 5.1   | 4.9   | 5.0   | 5.2  | 4.9   | 4.9   | <b>4.6</b>      |
| 1,956.25  | 2,155.74  | 2,302.38  | 2,425.02   | 2,741.27  | 2,964.85  | <b>3,110.52</b> |
| 182.37  | 191.93  | 219.98  | 238.69   | 247.09  | 286.11  | <b>236.58</b>   |
| 2.1   | 2.4   | 2.1   | 2.2  | 1.9   | 1.3   | <b>1.1</b>      |
| 22.8  | 27.5  | 21.9  | 22.0   | 21.2  | 14.0  | <b>15.1</b>     |
| 55  | 60  | 66  | 70   | 72  | 82  | <b>86</b>       |
| 30.2  | 31.3  | 30.0  | 29.3   | 29.1  | 28.7  | <b>36.4</b>     |
| 4,155   | 5,260   | 4,820   | 5,260  | 5,230   | 4,000   | <b>3,565</b>    |
| 36,693  | 37,519  | 37,417  | 37,902   | 38,444  | 38,192  | <b>39,039</b>   |
| 15.9  | 16.4  | 16.8  | 17.2   | 17.4  | 17.6  | <b>17.8</b>     |
| 91.3  | 98.3  | 98.1  | 98.2   | 98.1  | 95.2  | <b>98.7</b>     |
| 90,622  | 89,735  | 84,655  | 81,286   | 85,501  | 85,146  | <b>86,850</b>   |
| 0.219   | 0.206   | 0.191   | 0.177  | 0.181   | 0.174   | <b>0.176</b>    |
| <ul style="list-style-type: none"> <li>• Wisnet Co., Ltd. (currently ALSOK CARE CO., LTD.)</li> <li>• PT. ALSOK BASS Indonesia Security Services</li> <li>• ALSOK Vietnam Security Services Joint Stock Company</li> <li>• ALSOK SHOJITSU SECURITY SERVICE CO., LTD.</li> </ul> | <ul style="list-style-type: none"> <li>• ALSOK-TW East Japan Co., Ltd.</li> <li>• ALSOK KANTO DELIVERY CO., LTD.</li> </ul> | <ul style="list-style-type: none"> <li>• ALSOK Myanmar Security Services Co., Ltd.</li> <li>• Care Plus Co., Ltd.</li> <li>• SOHGO KANZAI Co., Ltd.</li> <li>• Health Support Co., Ltd. (currently SOHGO KANZAI Co., Ltd.)</li> </ul> | <ul style="list-style-type: none"> <li>• Keihanshin Security Services Co., Ltd.</li> </ul> | <ul style="list-style-type: none"> <li>• Life Holdings Co., Ltd.</li> </ul> | <ul style="list-style-type: none"> <li>• ALSOK Joy Life Co., Ltd.</li> <li>• ALSOK Life Support Co., Ltd.</li> <li>• ALSOK Bangladesh Security Services Ltd.</li> </ul> |                 |

## Breakdown of Sales/Number of Contracts

### Net Sales by Service Type

(billions of yen)

| Fiscal year ended March 31                                      | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Security Services</b>  |              |              |              |              |              |              |              |              |              |              |
| Electronic Security Services                                    | 151.8        | 160.4        | 167.1        | 170.5        | 174.0        | 175.5        | 175.6        | 176.7        | 176.4        | 175.9        |
| Stationed Security Services                                     | 77.2         | 88.4         | 93.9         | 100.4        | 110.0        | 111.9        | 116.9        | 113.1        | 128.8        | 123.7        |
| Transportation Security Services                                | 51.0         | 52.3         | 54.6         | 56.1         | 60.2         | 62.2         | 65.6         | 65.6         | 67.8         | 66.7         |
| <b>General Property Management and Fire Protection Services</b> |              |              |              |              |              |              |              |              |              |              |
| Long-term Care Services*1                                       | —            | —            | 7.5          | 24.9         | 25.7         | 26.5         | 28.1         | 40.3         | 41.6         | 47.4         |
| Other   | 3.2          | 6.2          | 3.5          | 3.4          | 3.9          | 4.2          | 4.6          | 5.8          | 6.0          | 5.3          |
| <b>Total</b>  | <b>328.2</b> | <b>365.7</b> | <b>381.8</b> | <b>413.3</b> | <b>435.9</b> | <b>443.5</b> | <b>460.1</b> | <b>469.9</b> | <b>489.0</b> | <b>492.2</b> |

\*1 Long-Term Care Services was converted to a reportable segment in the fiscal year ended March 31, 2017, and accordingly the number of contracts for this segment is displayed separately from the fiscal year ended March 31, 2016. The number of contracts for fiscal years ended March 31, 2015 and prior is included under "Other Services."

### Net Sales by Client Type

(billions of yen)

| Fiscal year ended March 31    | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Business Corporations</b>  | <b>196.7</b> | <b>224.9</b> | <b>234.3</b> | <b>244.9</b> | <b>263.6</b> | <b>271.2</b> | <b>282.9</b> | <b>278.2</b> | <b>292.9</b> | <b>299.9</b> |
| <b>Financial Institutions</b> | <b>90.5</b>  | <b>91.3</b>  | <b>92.3</b>  | <b>91.7</b>  | <b>92.0</b>  | <b>91.4</b>  | <b>93.2</b>  | <b>92.0</b>  | <b>88.5</b>  | <b>86.3</b>  |
| <b>Public Institutions</b>    | <b>22.8</b>  | <b>26.4</b>  | <b>26.2</b>  | <b>29.7</b>  | <b>31.5</b>  | <b>31.2</b>  | <b>32.2</b>  | <b>35.3</b>  | <b>41.4</b>  | <b>35.3</b>  |
| <b>Individual Users*2</b>     | <b>18.0</b>  | <b>22.9</b>  | <b>28.9</b>  | <b>46.8</b>  | <b>49.0</b>  | <b>49.7</b>  | <b>51.6</b>  | <b>64.1</b>  | <b>66.1</b>  | <b>70.6</b>  |
| <b>Total</b>                  | <b>328.2</b> | <b>365.7</b> | <b>381.8</b> | <b>413.3</b> | <b>435.9</b> | <b>443.5</b> | <b>460.1</b> | <b>469.9</b> | <b>489.0</b> | <b>492.2</b> |

\*2 Sales of HOME ALSOK APARTMENT AND CONDOMINIUM PLAN and HOME ALSOK MIMAMORI SUPPORT have been included under "Individuals," even for contracts in which the customer is a business corporation or government office.

### Number of Contracts

(contracts)

| Fiscal year ended March 31                                      | 2014           | 2015           | 2016             | 2017             | 2018             | 2019             | 2020             | 2021             | 2022             | 2023             |
|---|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Security Services</b>  |                |                |                  |                  |                  |                  |                  |                  |                  |                  |
| Electronic Security Services                                    | 677,672        | 803,601        | 854,083          | 888,955          | 922,928          | 949,858          | 973,066          | 990,155          | 1,009,259        | 1,029,619        |
| Corporate Clients   | 440,028        | 463,053        | 478,925          | 493,035          | 508,374          | 520,942          | 533,733          | 540,410          | 548,580          | 556,431          |
| Individual Users  | 237,644        | 340,548        | 375,158          | 395,920          | 414,554          | 428,916          | 439,333          | 449,745          | 460,679          | 473,188          |
| Stationed Security Services                                     | 3,227          | 3,597          | 3,871            | 4,213            | 4,357            | 4,485            | 4,468            | 4,371            | 4,584            | 4,658            |
| Transportation Security Services                                | 55,420         | 59,134         | 62,146           | 65,755           | 72,454           | 75,652           | 77,791           | 79,289           | 79,582           | 80,024           |
| <b>General Property Management and Fire Protection Services</b> |                |                |                  |                  |                  |                  |                  |                  |                  |                  |
| Long-term Care Services*3                                       | —              | —              | 12,804           | 22,628           | 21,234           | 25,364           | 24,976           | 27,503           | 27,118           | 27,236           |
| Other   | 13,725         | 22,477         | 18,217           | 22,285           | 25,263           | 25,896           | 29,382           | 29,693           | 34,778           | 34,122           |
| <b>Total</b>  | <b>813,048</b> | <b>962,707</b> | <b>1,033,029</b> | <b>1,093,506</b> | <b>1,144,280</b> | <b>1,185,509</b> | <b>1,219,380</b> | <b>1,244,891</b> | <b>1,274,341</b> | <b>1,298,130</b> |

\*3 Long-Term Care Services was converted to a reportable segment in the fiscal year ended March 31, 2017, and accordingly the number of contracts for this segment is displayed separately from the fiscal year ended March 31, 2016. The number of contracts for fiscal years ended March 31, 2015 and prior is included under "Other Services." Amounts for fiscal years ended March 31, 2015, and prior are included under "Other Services."

### Main External Evaluations

ALSOK has been recognized by external organizations as fulfilling its corporate social responsibility from an ESG perspective, and has been selected as a component stock in related investment indicators and indices.

#### ESG Investment Indices



FTSE4Good

FTSE4Good Index Series



FTSE Blossom Japan Index

FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index



S&P/JPX Carbon Efficient Index

#### Evaluations by External Evaluation Organizations



Health Management Brand 2023



UN Global Compact



TCFD (Task Force on Climate-related Financial Disclosure)



CDP

• FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SOHGO SECURITY SERVICES CO., LTD. has been independently assessed according to the FTSE Blossom Japan Index, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

## Corporate Information

|                     |  |
|---------------------|--|
| Corporate Name      | SOHGO SECURITY SERVICES CO., LTD.  |
| Head Office         | 1-6-6 Motoakasaka, Minato-ku,<br>Tokyo 107-8511, Japan   |
| Established         | July 16, 1965  |
| Capital             | ¥18,675 million  |
| Fiscal Year-End     | March 31   |
| Employees           | (consolidated) 39,039<br>(non-consolidated) 12,041   |
| Business Operations | Head Office/64 Branches/37 Offices/257 Sales<br>Offices/79 Consolidated Subsidiaries<br>(including 10 Overseas Subsidiaries)<br>16 companies accounted for by the Equity Method<br>(including 3 Overseas Subsidiaries) |

## Stock Information

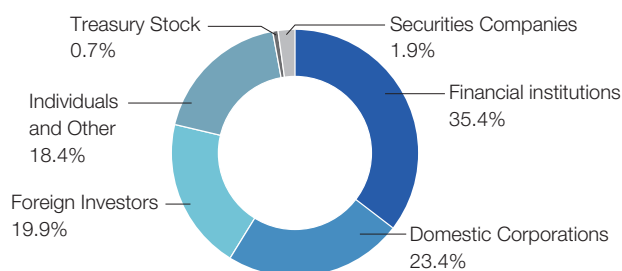
|   |   |
|---|---|
| Total Number of Shares Authorized                                   | 300,000,000 shares  |
| Number of Shares Issued   | 102,040,042 shares<br>(including 782,410 shares<br>of treasury stock) |
| Number of Shareholders at the End<br>of the Preceding Fiscal Period | 13,384  |
| Stock Listing   | Tokyo Stock Exchange<br>(Prime Market)                                |
| Securities Code   | 2331  |
| Minimum Trading Lot   | 100 shares  |

## Results of IR Activities\*

ALSOK values engaging in active dialogue with all stakeholders in order to achieve sustainable growth and enhance corporate value over the medium to long term.

Any comments raised are fed back to the management team every quarter with the view to enhancing corporate value.

## Distribution of Shares by Shareholder Type



## Major Shareholders (top 10)

| Name  | Number of Shares Held<br>(thousand shares) | Controlling Share<br>(%) |
|---|--|--------------------------|
| Japan Master Trust Bank, Ltd. (Trust account)   | 12,640                                     | 12.48                    |
| Custody Bank of Japan, Ltd. (Trust account)   | 7,411                                      | 7.31                     |
| SOHGO CORPORATION   | 7,388                                      | 7.29                     |
| Saitama Machinery Co., Ltd.   | 5,283                                      | 5.21                     |
| Kamakura Corporation  | 4,150                                      | 4.09                     |
| Employees Shareholding Association  | 3,541                                      | 3.49                     |
| Custody Bank of Japan, Ltd. (as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.) | 2,961                                      | 2.92                     |
| Kizuna Corporation  | 2,950                                      | 2.91                     |
| Atsushi Murai   | 2,885                                      | 2.84                     |
| SMBC Trust Bank Ltd. (as trustee for retirement benefit of Sumitomo Mitsui Banking Corporation)   | 2,735                                      | 2.70                     |

Note: Each controlling share is calculated based on the total number of shares excluding the number of treasury stock (782,410 shares).

| Activity  | Performance             | Covered by  |
|---|-------------------------|---|
| Financial Results Briefing for Analysts and Institutional Investors | 2 times                 | Representative Director, Group CEO, Representative Director, Group COO, Director in charge of Corporate Planning & Administration, Director in charge of Financial & Accounting |
| Conference Organized by Securities Companies                        | 1 time<br>(2 companies) | Representative Director, Group COO  |
| Small Meeting Organized by ALSOK                                    | 1 times                 | Representative Director, Group COO  |
| Individual Meetings for Institutional Investors                     | 175 times               | Second in Charge of Corporate Planning & Administration, General Manager of IR Office   |

\* Period: April 2022 to March 2023

## Management Philosophy

Based on two core principles exemplified by “arigato no kokoro”<sup>\*1</sup> (a feeling of gratefulness and gratitude) and “bushi no seishin”<sup>\*2</sup> (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole.

## Management Guidelines

### 1. Fundamental Spirit

Under any condition that we face, we work hard to live by a fundamental spirit that reflects our Management Philosophy— as exemplified by a feeling of gratefulness and gratitude and a samurai spirit based on toughness, fairness, and generosity—to be a highly principled company.

### 2. Priority

Our top priority is to provide products and services of the first rank, while cultivating the highest levels of motivation in our employees and living up to shareholder expectations through attractive profit growth.

### 3. Basic Strategy

While security services remain at the heart of our business, as our basic strategy, we also seek to offer a diverse range of products and services in new fields to satisfy the needs of the everchanging times.

### 4. Contributing to Society

Allying ourselves with public bodies charged with protecting public safety and security, we commit ourselves to developing value-adding products and services, thereby always contributing to society.

\*1 Human beings in society agree to live and let others live. The spirit of gratitude is a humble feeling of thankfulness to all the people and things around ourselves.

\*2 The samurai spirit embodies a strong and honorable concept of discipline, purpose, and the will to succeed and develop.



## SOHGO SECURITY SERVICES CO., LTD.

1-6-6 Motoakasaka, Minato-ku,  
Tokyo 107-8511, Japan  
URL <https://www.alsok.co.jp/en/>

**IR Officer** TEL. 03-3423-2331  
FAX. 03-3470-1565

**CSR Office** TEL. 03-3470-1972  
FAX. 03-5411-1636



• 2,109kg-CO<sub>2</sub> emitted in preparing this report was carbon offset by offset credits certified by the Ministry of the Environment.

### Information for Shareholders and Other Investors

For more information on management policies, financial and business results, IR library, and stock information, please visit our website.

<https://www.alsok.co.jp/en/ir/>



### CSR and Social Contribution Activities

For more information on the activities we are implementing through our core business in line with ISO 26000, please visit our website.

<https://www.alsok.co.jp/en/csr/>



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