

# Financial Results for FY2021

SOHGO SECURITY SERVICES CO., LTD.

Securities Code: 2331

May 11, 2021

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## 1 Revenue growth for 11 consecutive years/ Increase in profit for 9 consecutive years concerning net income

- Achieved record high, both in sales and income

## 2 Sales of security business declined YoY

- Sales of stationed security declined YoY due to the affect of Covid-19 etc.
- Stagnant sales in electronic security and transportation security

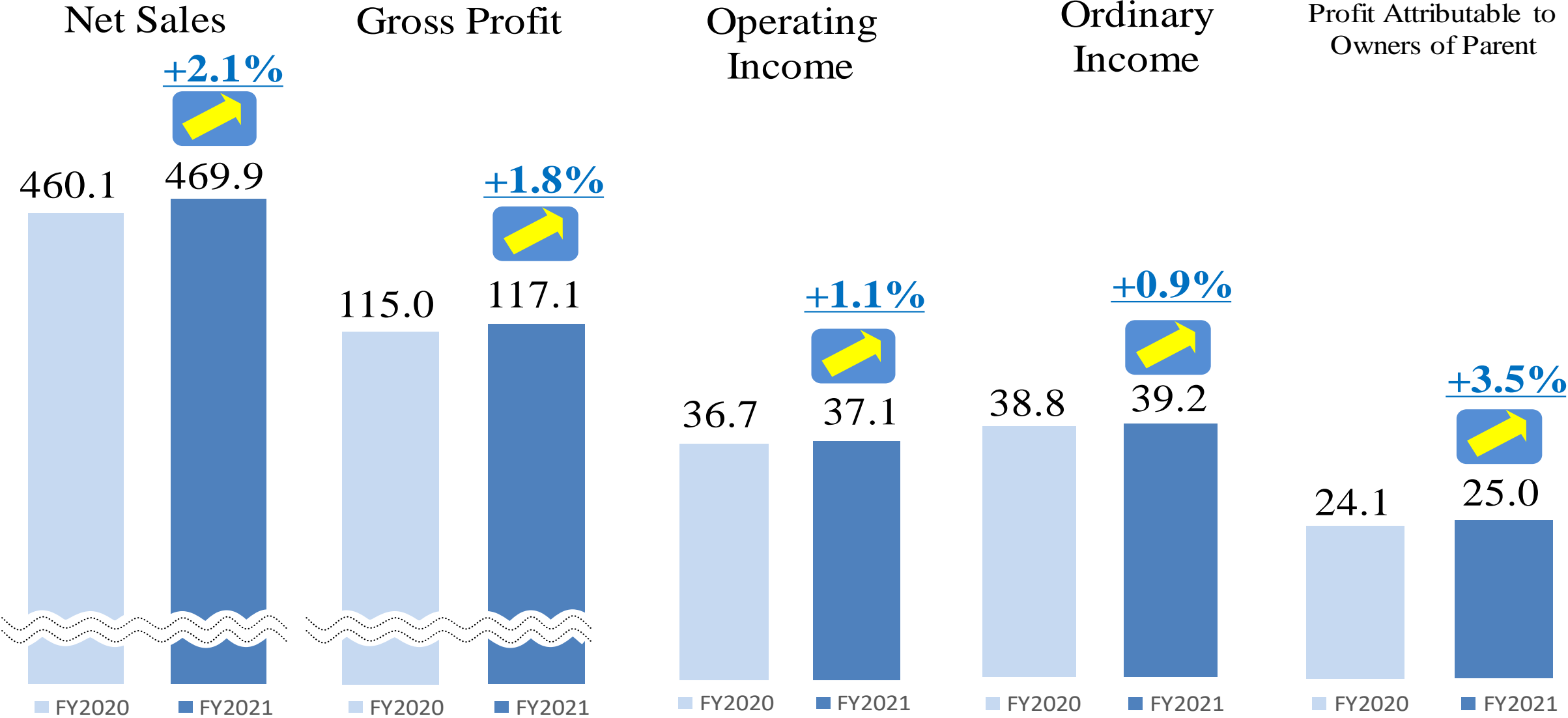
## 3 Promotion of M&A

- April, 2020 Subsidiary acquisition of Life Holdings Co., Ltd.
- December, 2020 Strategic Partnership with Mitsubishi Corporation and Nippon Care Supply Co., Ltd.

## 4 Integration of corporate group in long-term care business and building maintenance business

- October, 2020 ALSOK CARE CO., LTD. (Integration of 3 long-term care business corporate group)
- April, 2021 ALSOK FACILITIES CO.,LTD. (Integration of 2 building maintenance business corporate group)

# Profit and Loss for FY2021



(Billions of Yen)

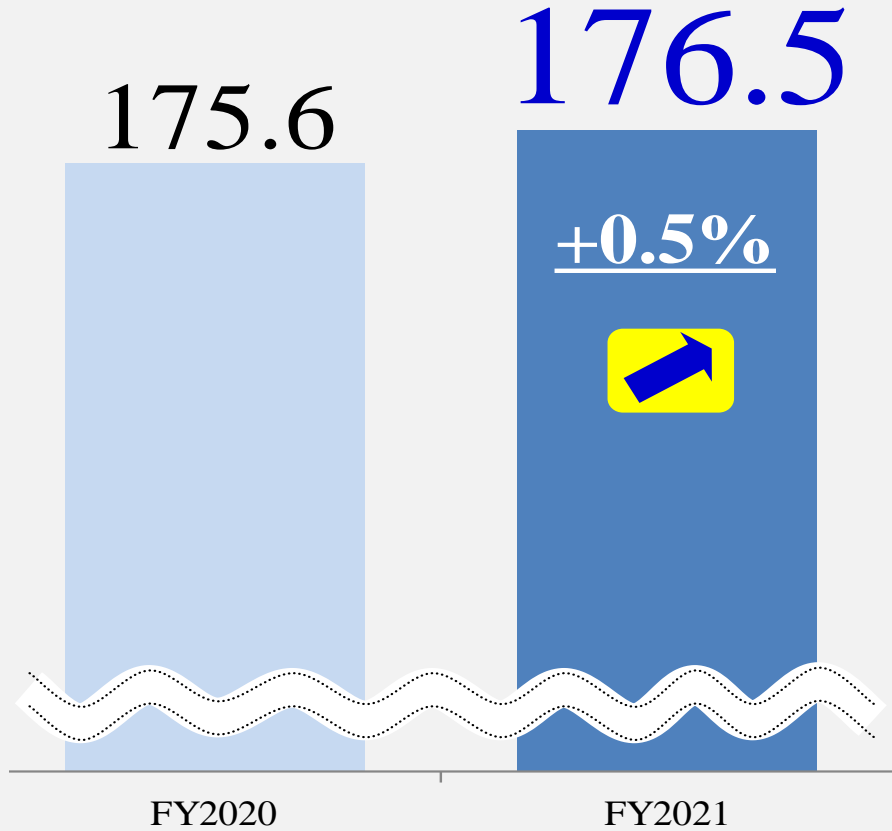
(Billions of Yen)	<b>FY2021</b>	FY2021 Business Plan	Gap	Achievement Ratio
Net Sales	<b>469.9</b>	<b>485.0</b>	<b>(15.0)</b>	<b>96.9%</b>
Operating Income	<b>37.1</b>	<b>37.6</b>	<b>(0.4)</b>	<b>98.9%</b>
Ordinary Income	<b>39.2</b>	<b>39.2</b>	<b>0.0</b>	<b>100.0%</b>
Profit Attributable to Owners of Parent	<b>25.0</b>	<b>24.7</b>	<b>0.3</b>	<b>101.3%</b>

# Net sales by Services

(Billions of Yen)	FY2020	FY2021	Y o Y	Change
Security Services	<b>358.1</b>	<b>355.5</b>	<b>(2.5)</b>	<b>(0.7%)</b>
Electronic Security Services	<b>175.6</b>	<b>176.5</b>	<b>0.9</b>	<b>0.5%</b>
Stationed Security Services	<b>116.9</b>	<b>113.1</b>	<b>(3.7)</b>	<b>(3.2%)</b>
Transportation Security Services	<b>65.6</b>	<b>65.8</b>	<b>0.2</b>	<b>0.4%</b>
General Property Management and Fire Protection Services	<b>69.2</b>	<b>68.1</b>	<b>(1.0)</b>	<b>(1.5%)</b>
Long-Term Care Services	<b>28.1</b>	<b>40.3</b>	<b>12.2</b>	<b>43.7%</b>
Other Services	<b>4.6</b>	<b>5.8</b>	<b>1.2</b>	<b>26.0%</b>
Total	<b>460.1</b>	<b>469.9</b>	<b>9.8</b>	<b>2.1%</b>

## Sales

(Billions of Yen)

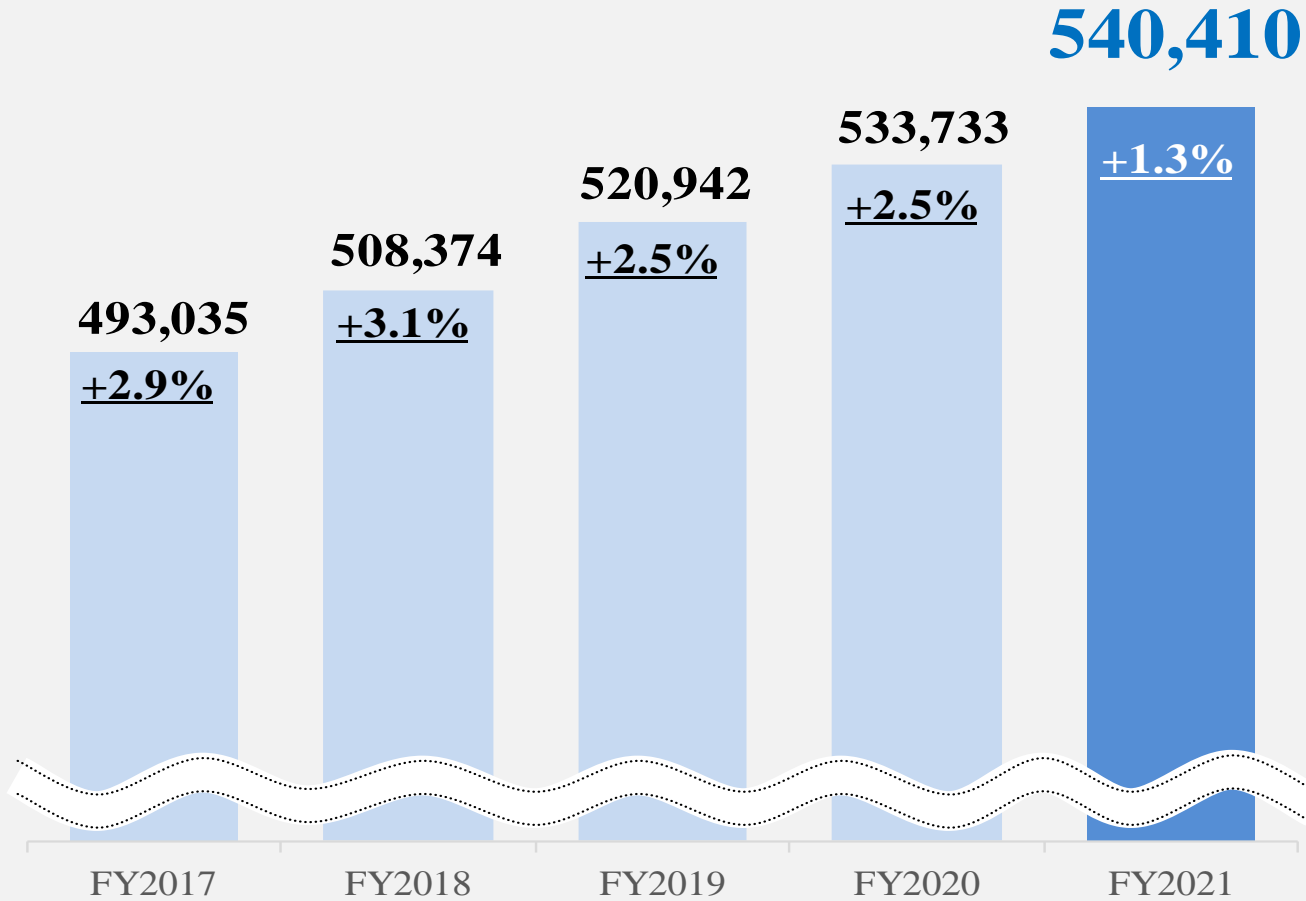


Contract Sales	142.3 billion yen	YoY Ratio	+1.3%
Construction Sales	5.2 billion yen	YoY Ratio	+3.7%
Equipment Sales	28.8 billion yen	YoY Ratio	(3.9%)

# Up 0.5% YoY



**Increase in Contracts of Electronic Security Services  
【Corporate Clients】**

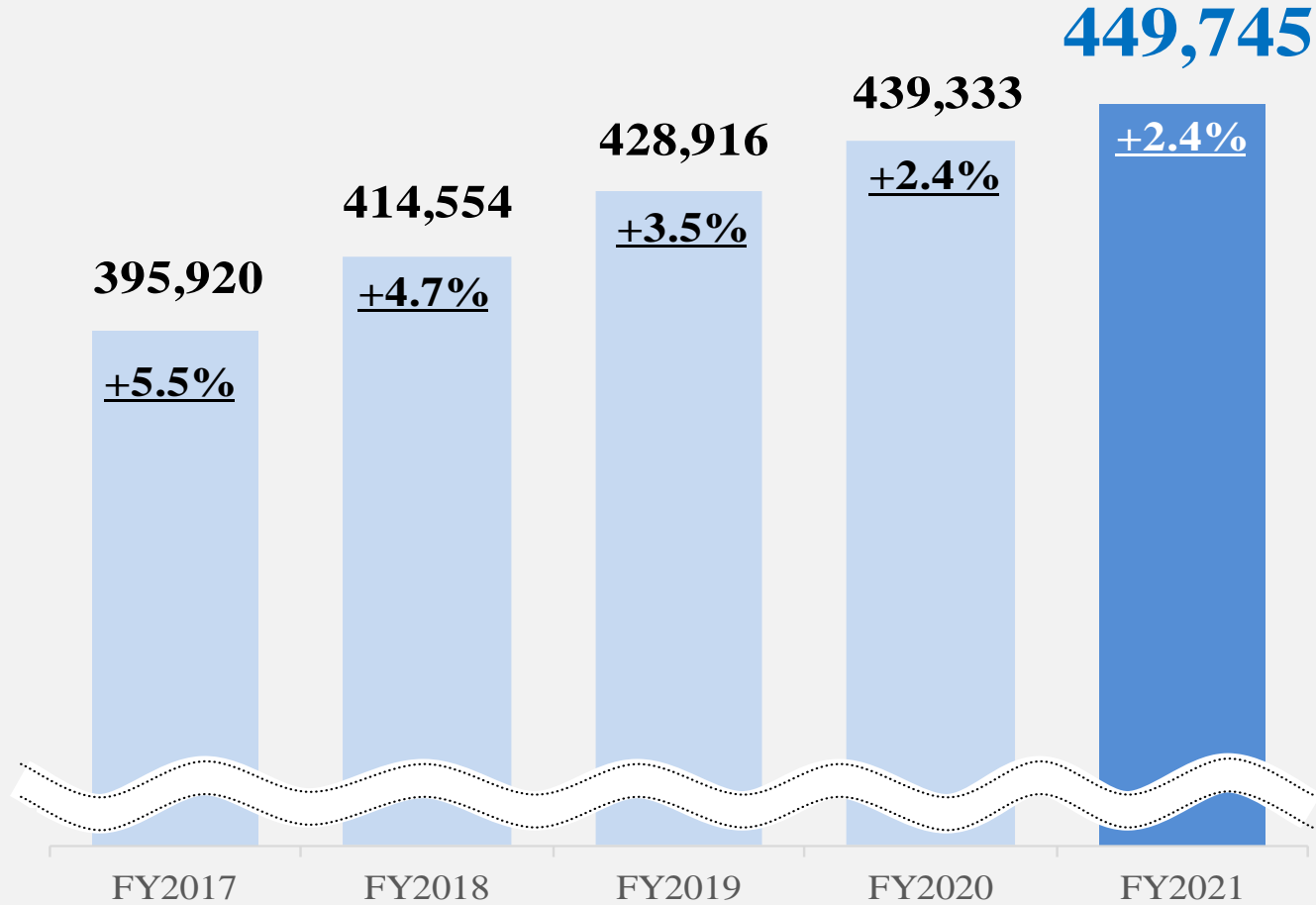


**Total number of contracts** **540,410**

- Sales promotion of  
ALSOK-G7(G-seven)

**Up 1.3% YoY**

**Increase in Contracts of Electronic Security Services  
【Individual Clients】**

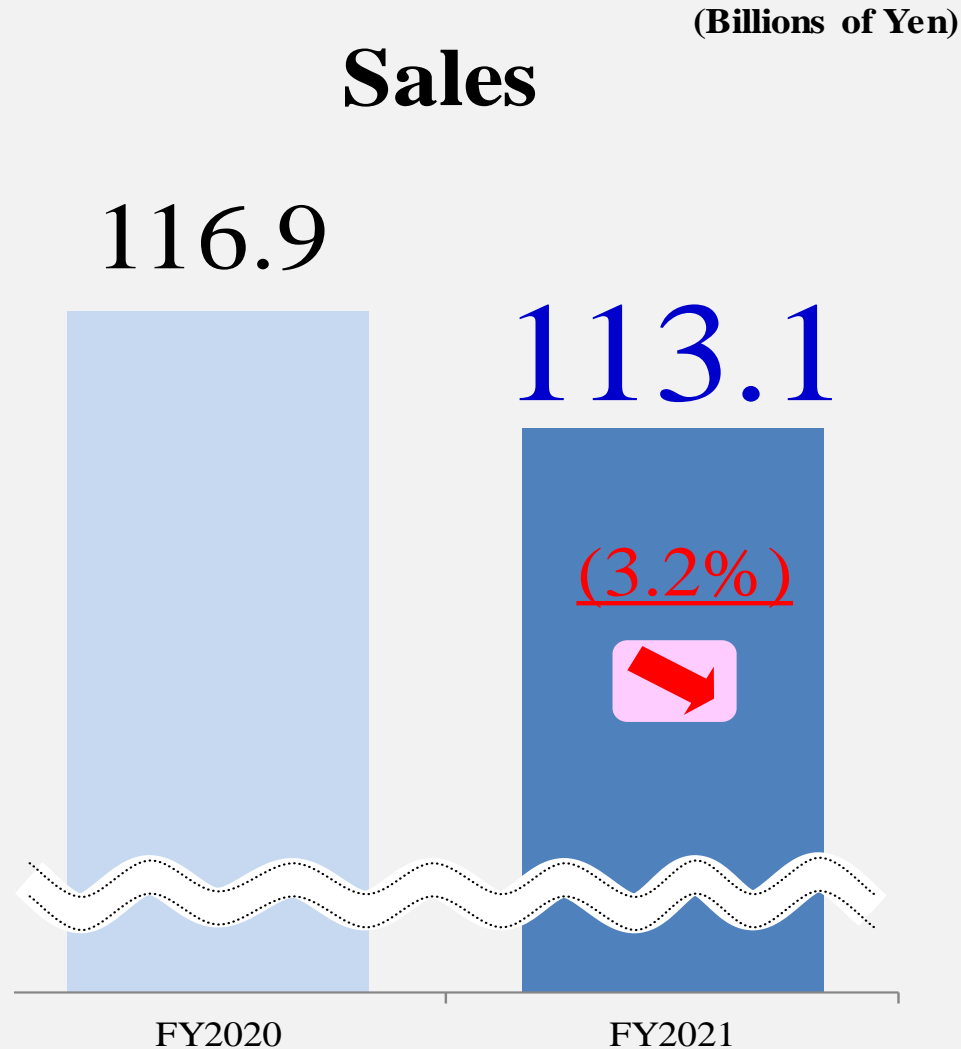


**Total number of contracts** **449,745**

- Home Security Basic
- HOME ALSOK MIMAMORI Support

Note: Including the number of complex housing, the total number of contracts count up to approximately 1,240,000 houses.

**Up 2.4% YoY**

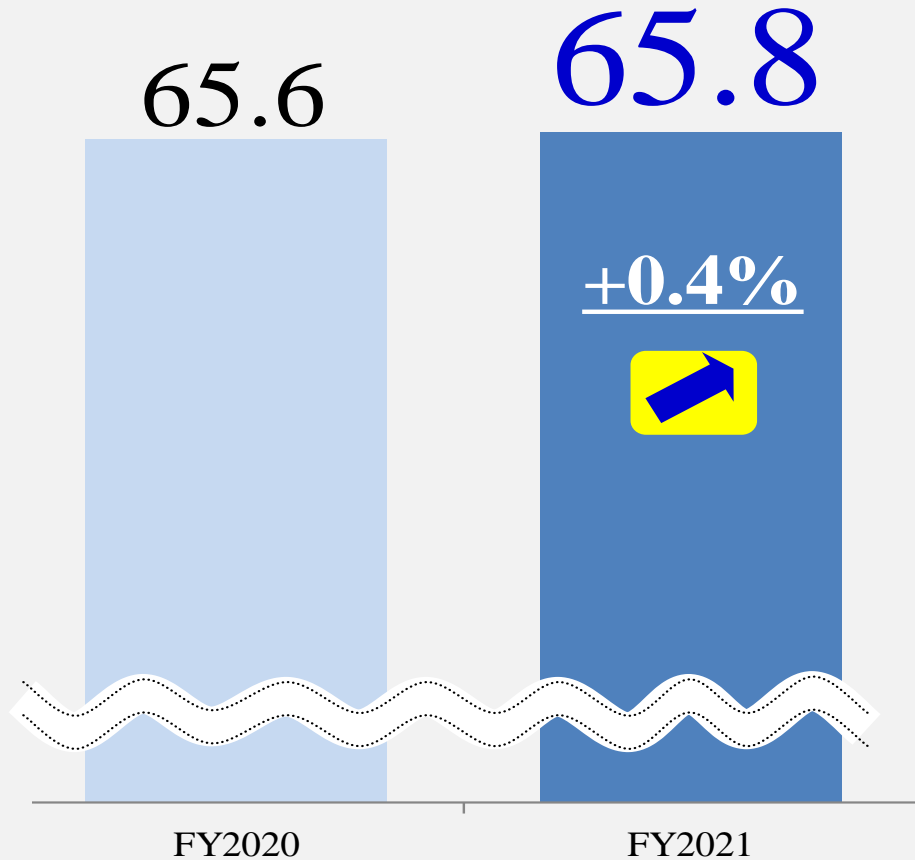


- Reduction of short-term stationed security services due to cancellation of events
- Downturn of large-scale security orders from the recent fiscal year

**Down 3.2% YoY**

## Sales

(Billions of Yen)

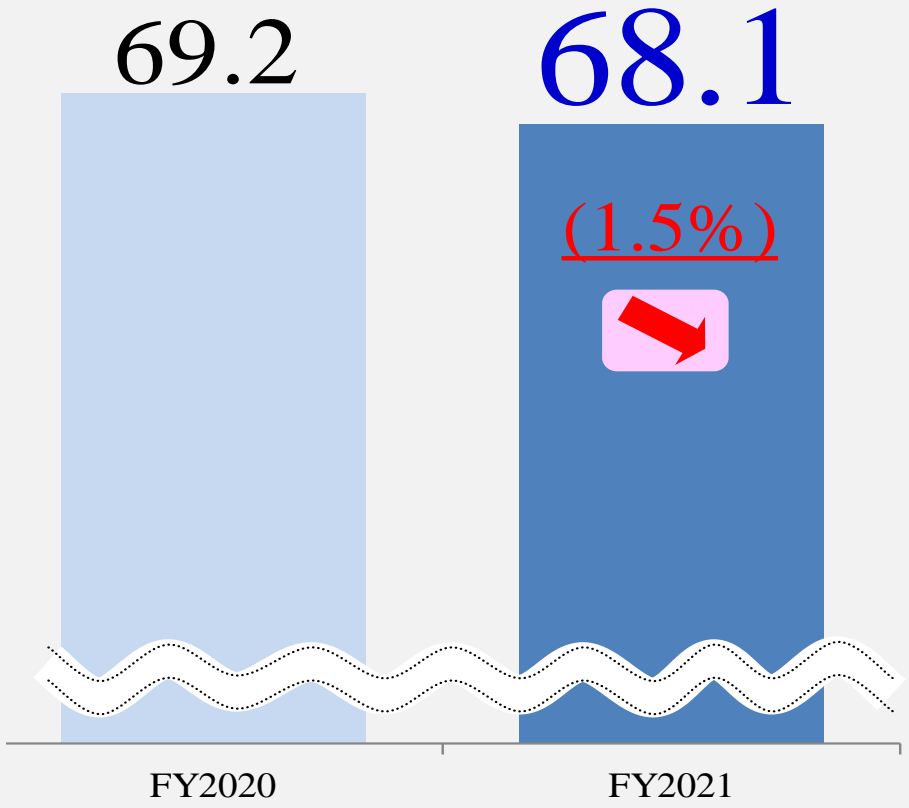


- Total ATM Management System  
approx. 74,500 units (up 0.8% YoY)
- Cash Deposit and Dispenser Machine On-line System  
approx. 26,500 units (up 5.0% YoY)

**Up 0.4% YoY**

(Billions of Yen)

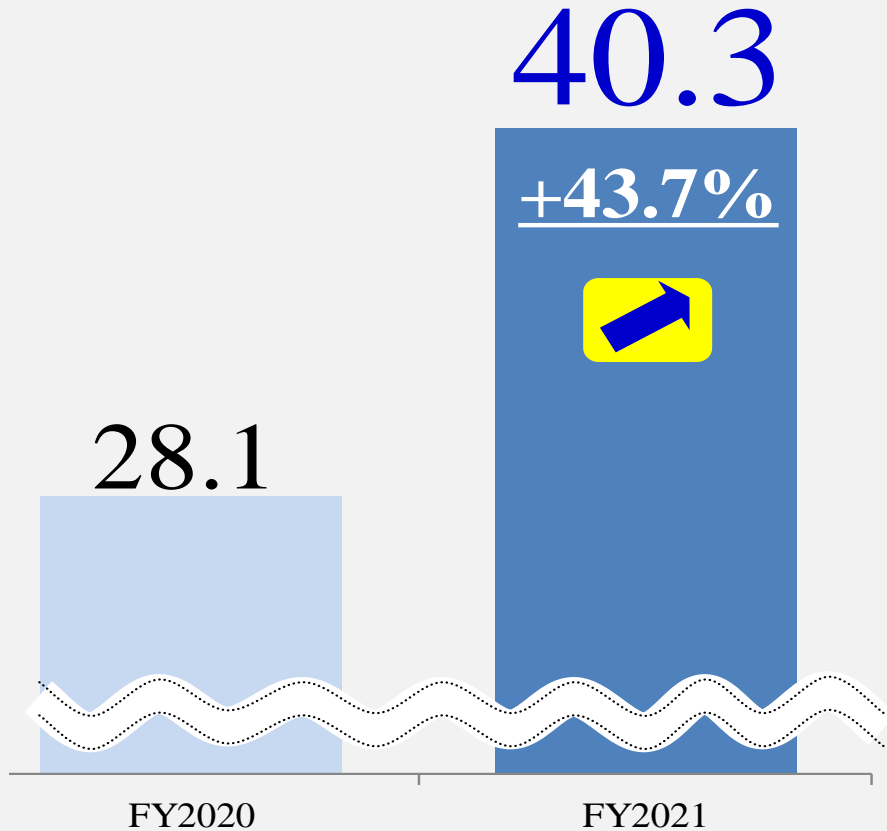
# Sales



- Strong performance in orders concerning antivirus products
- Decline in sales of construction section

**Down 1.5% YoY**

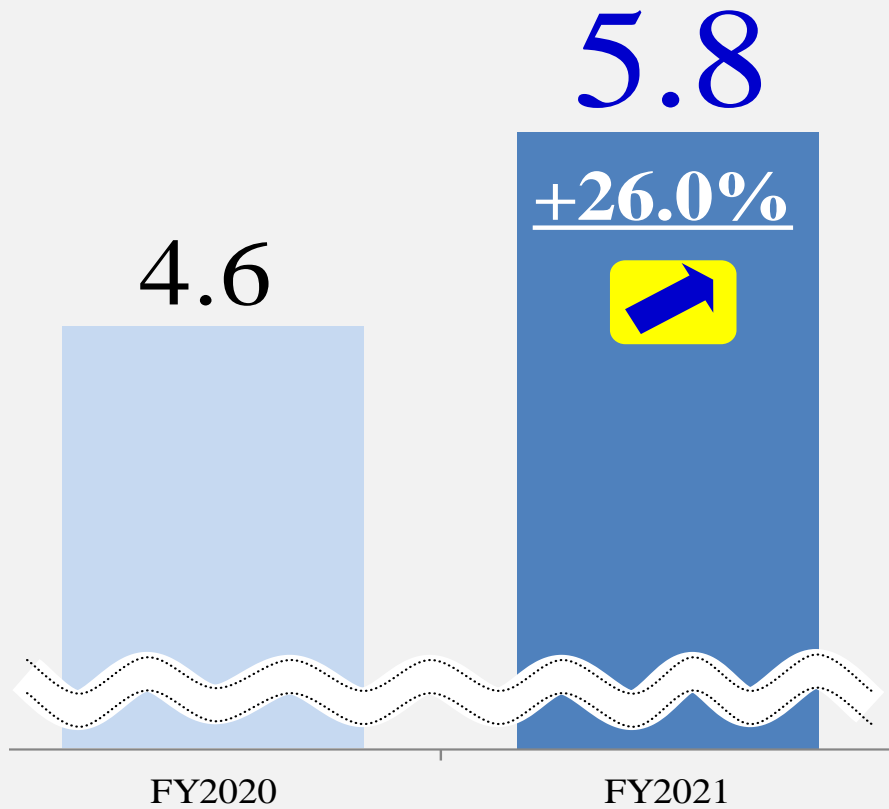
## Sales (Billions of Yen)



- Increase in residents of care facilities
- Effect by M&A  
Life Co., Ltd.

**Up 43.7% YoY**

## Sales (Billions of Yen)



- Effect by M&A

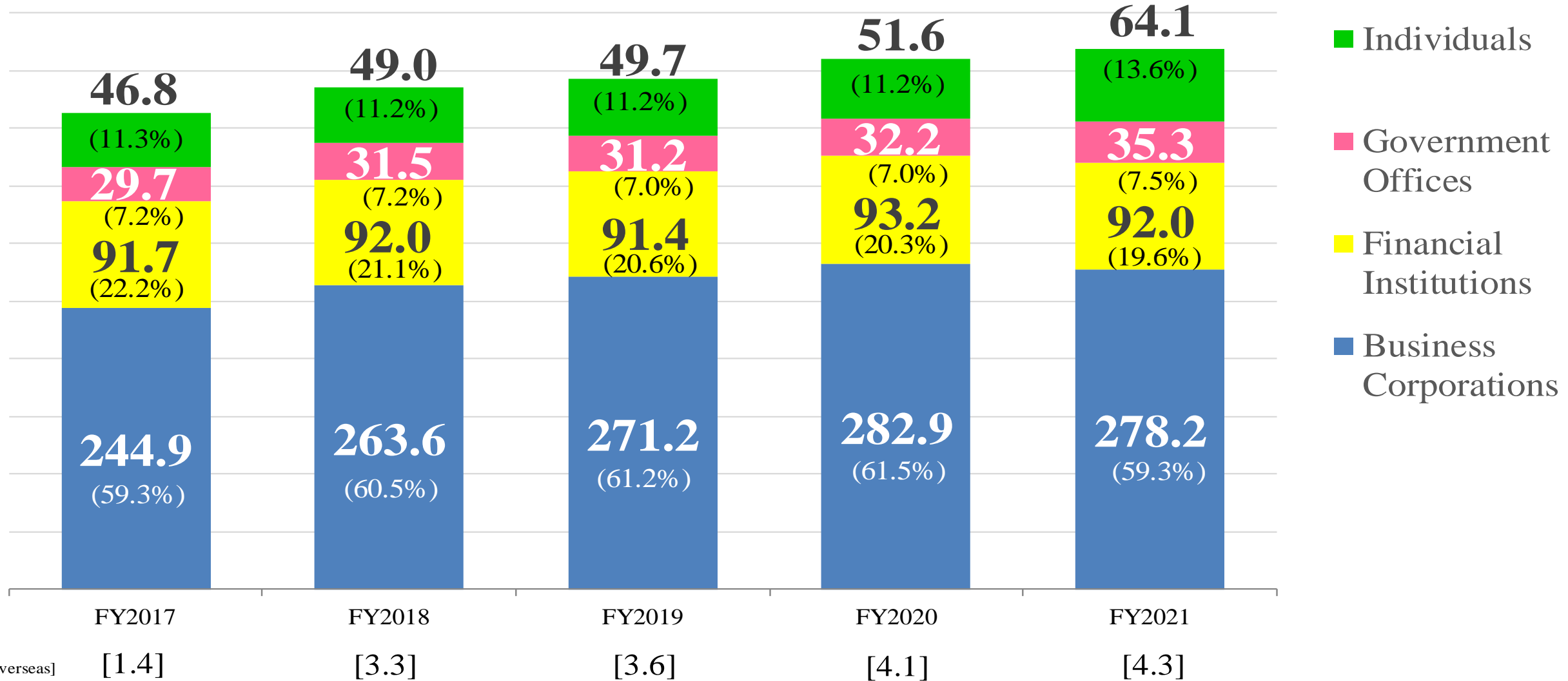
MBIC Life Co., Ltd.

Implementing Food inspection, PCR test etc.

**Up 26.0% YoY**

( ) Sales Composition

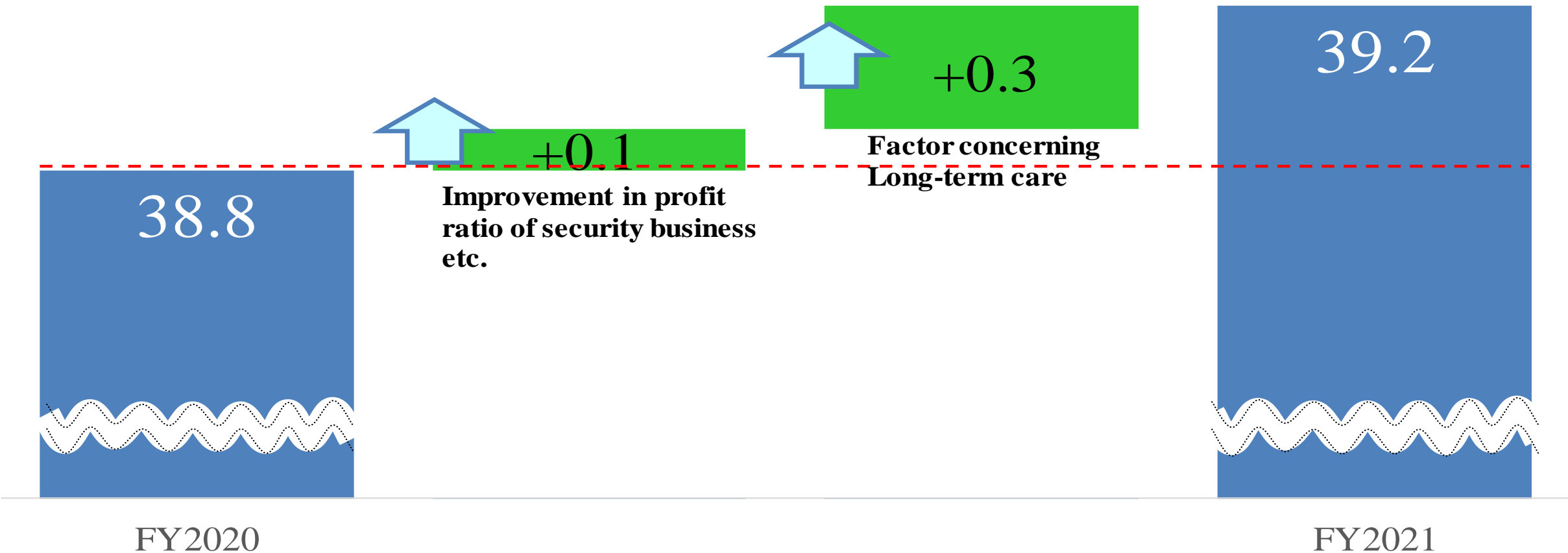
(Billions of Yen)





(Billions of Yen)	FY2020	FY2021	Y o Y	Change
Net Sales	460.1	469.9	9.8	2.1%
Cost of Sales	345.0	352.8	7.7	2.2%
Labor Cost	166.6	170.8	4.2	2.6%
Expense	49.9	49.7	(0.2)	(0.5%)
Depreciation	12.8	13.5	0.7	5.9%
Others	55.3	60.3	4.9	8.9%
Cost of Product Sold & Installation	60.3	58.3	(2.0)	(3.4%)
SG&A	78.2	79.9	1.7	2.2%
Advertising Expenses	2.7	2.5	(0.2)	(9.2%)
Personnel Cost	49.4	51.3	1.8	3.8%
Depreciation	2.1	2.2	0.1	7.7%
Others	23.8	23.7	0.0	(0.3%)
Operating Income	36.7	37.1	(0.3)	1.1%

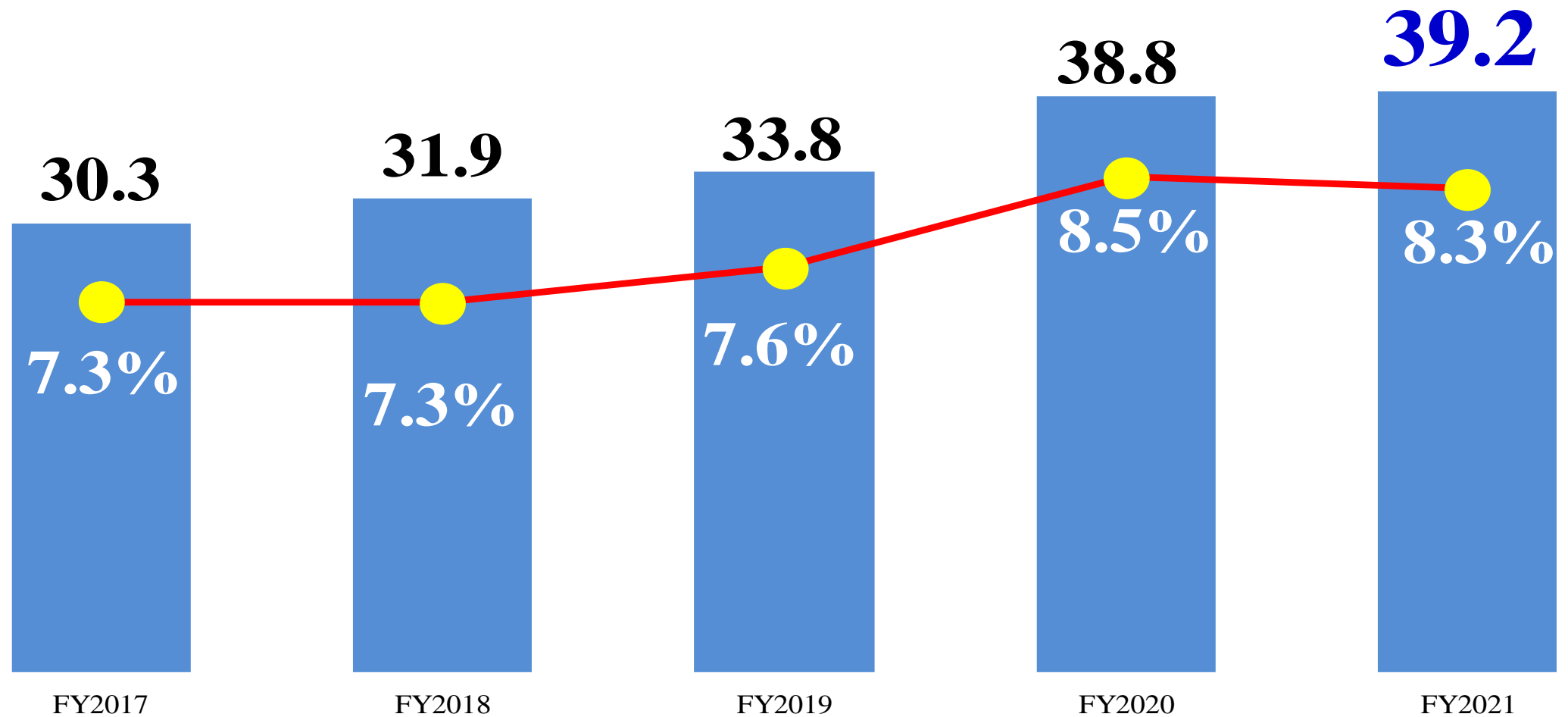
(Billions of Yen)



# Trends in the Ordinary Income



(Billions of Yen)



■ Ordinary Income

● Ordinary Income Ratio

# Consolidated Balance Sheet

(Billions of Yen)

	FY2020	FY2021	Y o Y		FY2020	FY2021	Y o Y
<b><u>Current assets</u></b>	<b>229.4</b>	<b>227.6</b>	<b>(1.8)</b>	<b><u>Current liabilities</u></b>	<b>98.4</b>	<b>103.7</b>	<b>5.3</b>
Cash and deposits	56.3	60.8	4.4	Notes and accounts payable	25.3	24.0	(1.2)
Cash for Transportation Security Services and paid	87.5	82.8	(4.6)	Short-term loans payable	16.3	20.9	4.6
Notes and accounts receivable	56.0	54.2	(1.7)	Accounts payable	20.7	20.3	(0.3)
Other	29.5	29.6	0.1	Other	36.0	38.3	2.3
				<b><u>Noncurrent liabilities</u></b>	<b>59.9</b>	<b>73.2</b>	<b>13.3</b>
<b><u>Noncurrent assets</u></b>	<b>199.3</b>	<b>253.8</b>	<b>54.5</b>	Long-term loans payable	4.7	4.5	(0.1)
Property, plant, and equipment	90.4	103.3	12.9	Lease obligations	22.8	36.3	13.4
Intangible assets	32.5	43.2	10.6	Retirement benefit liability	27.5	26.9	(0.5)
Investments and other assets	76.2	107.2	30.9	Other	4.7	5.4	0.6
				<b>Total liabilities</b>	<b>158.3</b>	<b>177.0</b>	<b>18.6</b>
				Shareholders' equity	255.2	272.0	16.8
				Total valuation and translation adjustments	(9.7)	5.4	15.1
				Non-controlling interests	24.9	26.9	1.9
				<b>Total net assets</b>	<b>270.4</b>	<b>304.4</b>	<b>33.9</b>
<b>Total assets</b>	<b>428.7</b>	<b>481.4</b>	<b>52.6</b>	<b>Total liabilities and net assets</b>	<b>428.7</b>	<b>481.4</b>	<b>52.6</b>

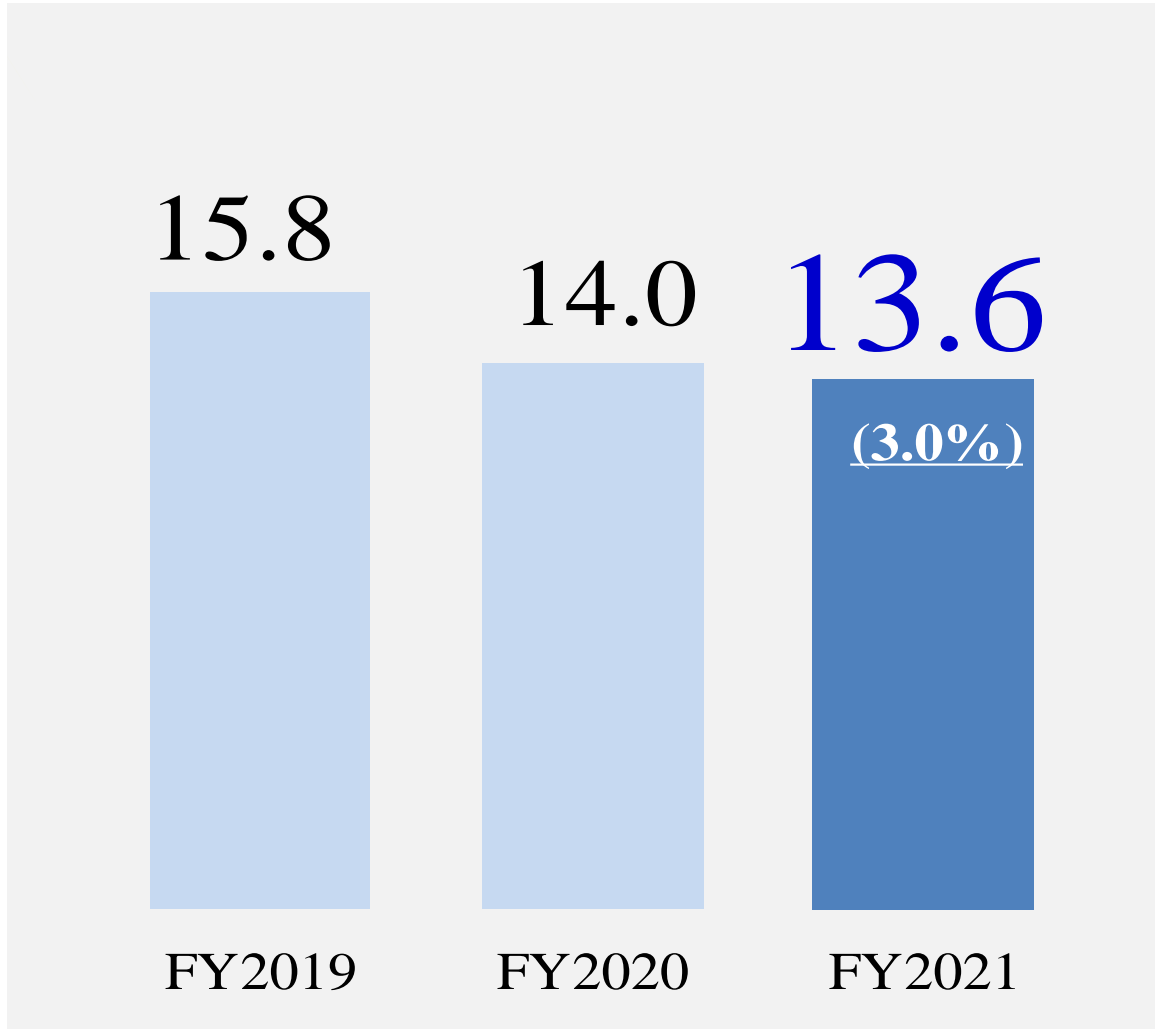
(Billions of Yen)

	FY2020	FY2021	YoY
Net cash provided by (used in) operating activities	33.8	55.5	21.6
Net cash provided by (used in) investing activities	(13.3)	(38.4)	(25.0)
Net cash provided by (used in) financing activities	(15.1)	(12.7)	2.3
Cash and cash equivalents at end of period	48.7	53.1	4.3

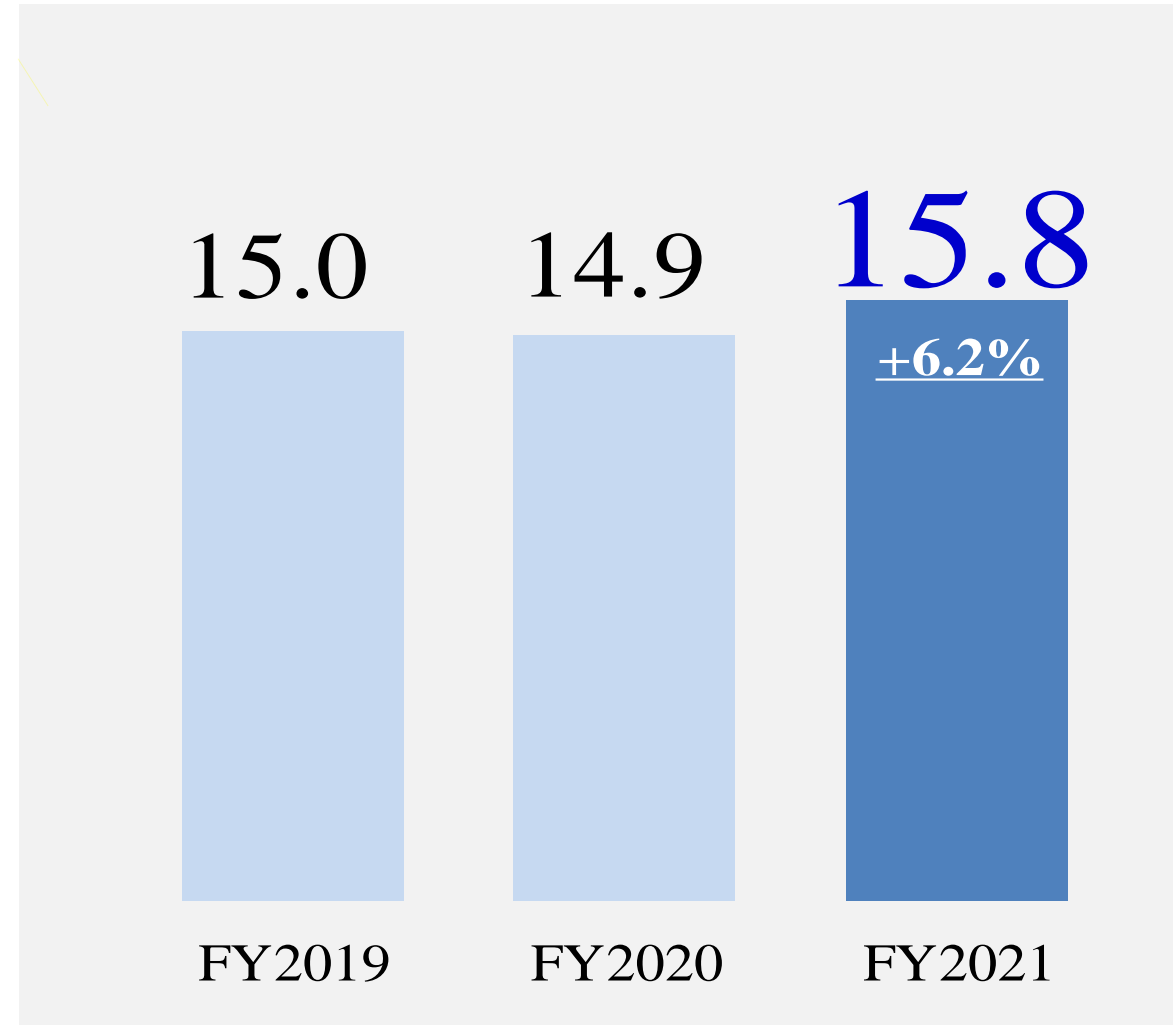
## Major items of FY2021

● Net cash provided by (used in) operating activities	Income before income tax	38.8
	Depreciation	15.8
	Increase/decrease in assets/liabilities for Transportation Security Services	8.8
	Income taxes paid	(12.3)
● Net cash provided by (used in) investing activities	Purchase of shares of subsidiaries resulting in change in scope of consolidation	(13.6)
	Purchase of property, plant and equipment	(11.9)
	Purchase of shares of subsidiaries and associates	(9.1)
● Net cash provided by (used in) financing activities	Dividends paid	(7.1)
	Repayments of lease obligations	(5.2)

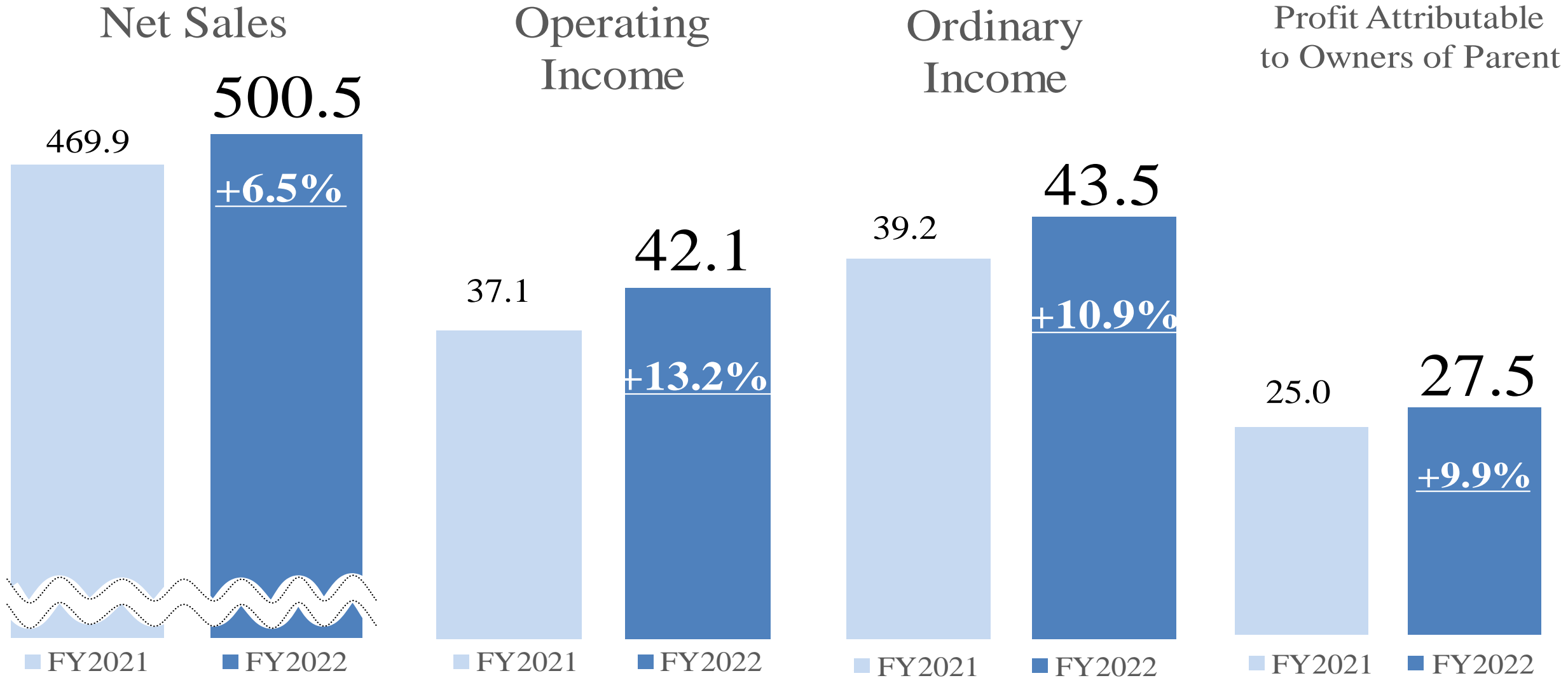
■ Capital Expenditures (Billions of Yen)



■ Depreciation (Billions of Yen)



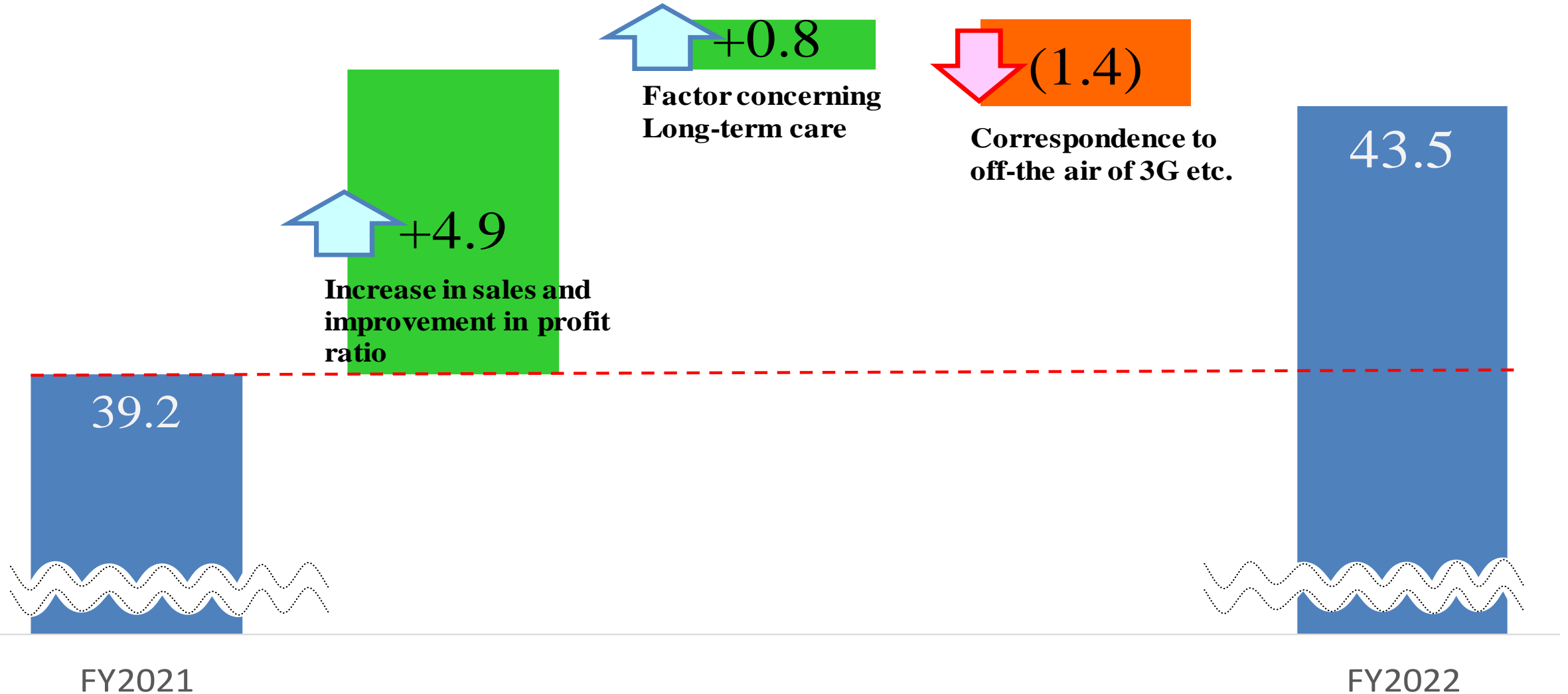
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(Billions of Yen)



(Billions of Yen)



	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b> (Forecast)
<b>Dividends per share (Yen)</b>	<b>66</b> (31.0)Interim (35.0)Year-end	<b>70</b> (34.5)Interim (35.5)Year-end	<b>72</b> (35.0)Interim (37.0)Year-end	<b>76</b> (38.0)Interim (38.0)Year-end
<b>Payout ratio</b>	<b>30.0%</b>	<b>29.3%</b>	<b>29.1%</b>	<b>28.0%</b>

Note: ( ) represent dividends per share for interim and year-end

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## ALSOK group will display collective efforts and play a key role for the security of the games

- ALSOK will contribute to ensure safe and secure games as a co-leader of Olympic and Paralympic Games Tokyo 2020 Security Consortium
- ALSOK will contribute to the safe operation of the games taking thorough measures to various risks

### Qualified athletes of Tokyo2020

(As of May 10, 2021)



Haruka Wakasugi  
(Goalball)



Shoichiro Mukai  
(Judo)



Naoya Okada  
(Rifle shooting)



Shohei Yabiku  
(Wrestling)



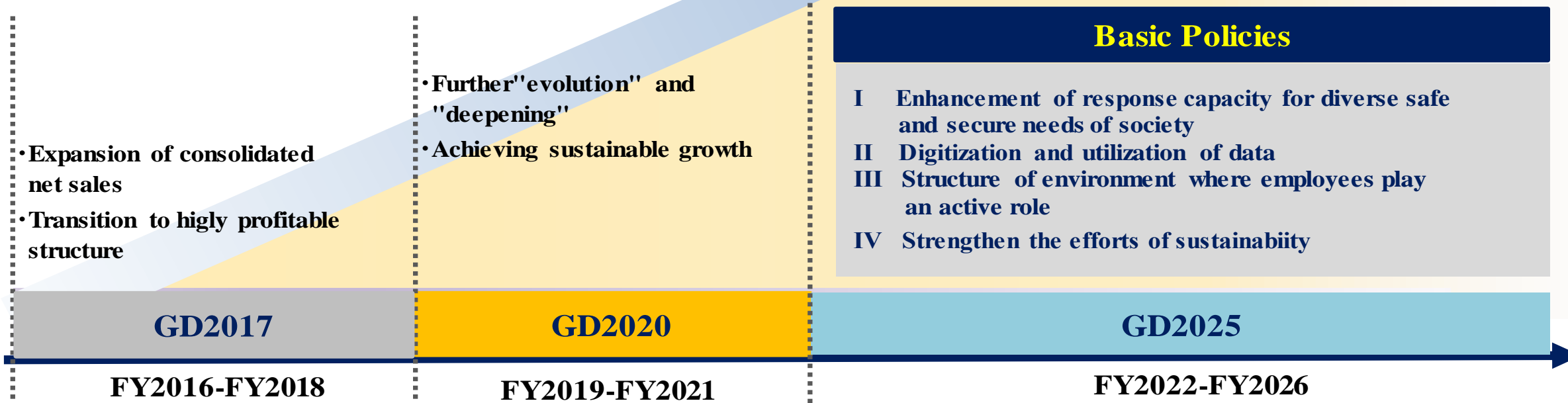
Takatani Sosuke  
(Wrestling)

## Grand Design 2025

Medium-term Management Plan(FY2022-FY2026)

**Target**  
 Net sales approx. ¥1 trillion  
 Ordinary income approx.  
 ¥100 billion

As to correspond to expanding safe and secure needs in the society with risks diversifying, ALSOK aims to become an resilient integrated safety and security solutions provider by promoting the innovation of security business model.



# Disclaimer

**Figures regarding the company's current plans and strategies that are not historical facts are forecasts of future performance, which contain risks and uncertainty.**

**Actual performance may differ widely from these figures as a result of economic conditions, competitive situation, progress in technology and other factors. Investors are advised to use independent judgement before making any investment.**

