

Summary of Selected Financial Data
First Quarter Ended June 30, 2022

Sohgo Security Services Co., Ltd.

1. Consolidated Financial Results

(1) Consolidated Statements of Income

	1Q Accounting Period			2Q Accounting Period			Annual Financial Results		
	FY2022	FY2023	Increase/ Decrease (%)	FY2022	FY2023 (Forecast)	Increase/ Decrease (%)	FY2022	FY2023 (Forecast)	Increase/ Decrease (%)
Net Sales (Billion yen)	117.0	114.0	(2.6)	245.2	245.3	0.0	489.0	510.0	4.3
Operating Income (Billion yen)	9.7	7.1	(26.4)	24.8	19.5	(21.5)	42.8	45.3	5.7
Ordinary Income (Billion yen)	10.0	7.8	(21.5)	25.7	20.0	(22.3)	44.7	47.0	4.9
Profit Attributable to Owners of Parent (Billion yen)	6.0	4.4	(27.0)	16.0	12.0	(25.5)	28.9	29.9	3.2
Net Income Per Share (Yen)	60.24	44.00	-	159.01	118.53	-	286.11	295.35	-

(2) Consolidated Balance Sheets

	FY2021 1Q	FY2022 1Q	FY2023 1Q
Total Assets (Billion yen)	459.7	470.5	498.1
Net Assets (Billion yen)	272.5	306.5	327.9
Equity Ratio (%)	53.8	59.5	60.4
Net Assets Per Share (Yen)	2,443.21	2,763.38	2,971.12

(3) Consolidated Statements of Cash Flows

	FY2021 1Q	FY2022 1Q	FY2023 1Q
Net Cash provided by (used in) Operating Activities (Billion yen)	11.6	(2.1)	6.9
Net Cash provided by (used in) Investing Activities (Billion yen)	(19.4)	(1.9)	(11.7)
Net Cash provided by (used in) Financing Activities (Billion yen)	3.9	(2.3)	(5.7)
Cash and Cash Equivalents at End of Period (Billion yen)	44.8	46.7	53.4

(4) Dividend

	Dividends Per Share									
	End of 1Q		End of 2Q		End of 3Q		Year-end		Annual	
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen
FY2022	-	-	38	00	-	-	44	00	82	00
FY2023(Forecast)	-	-	43	00	-	-	43	00	86	00

2. Major Items

(1) Sales by Business Segment

(Billion yen)

	FY2022 1Q	Share(%)	Increase/ Decrease (%)	FY2023 1Q	Share(%)	Increase/ Decrease (%)
Security Services						
Electric Security Services	43.5	37.2	4.7	42.2	37.1	(3.0)
Stationed Security Services	29.6	25.3	6.6	30.5	26.8	2.9
Transportation Security Services	16.6	14.2	3.9	16.7	14.7	1.0
Total	89.8	76.8	5.2	89.5	78.5	(0.3)
General Property Management and Fire Protection Services	15.3	13.1	12.2	12.7	11.1	(17.4)
Long-Term Care Services	10.3	8.8	5.1	10.4	9.1	1.1
Total for Reportable Segments	115.5	98.7	6.0	112.6	98.8	(2.5)
Other Services	1.4	1.3	20.4	1.3	1.2	(9.9)
Total	117.0	100.0	6.2	114.0	100.0	(2.6)

(2) Contracts by Business Segment

(Contract : Thousands)

	FY2020	FY2021 1Q	FY2021	FY2022 1Q	FY2022	FY2023 1Q
Security Services						
Electric Security Services	973	977	990	997	1,009	1,015
Corporate Clients	533	536	540	543	548	551
Individual Clients	439	441	449	453	460	463
Stationed Security Services	4	4	4	4	4	4
Transportation Security Services	77	78	79	79	79	79
Total	1,055	1,060	1,073	1,080	1,093	1,099
General Property Management and Fire Protection Services	109	111	113	115	119	119
Long-Term Care Services	24	26	27	27	27	26
Total for Reportable Segments	1,189	1,199	1,215	1,224	1,239	1,245
Other Services	29	33	29	33	34	33
Total	1,219	1,232	1,244	1,258	1,274	1,278

<Comparison to the previous period>	FY2021 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2022 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 1Q Increase/ Decrease	Increase/ Decrease (%)
Security Services						
Electric Security Services	4	0.5	7	0.7	5	0.6
Corporate Clients	2	0.5	3	0.7	2	0.5
Individual Clients	2	0.5	3	0.8	2	0.6
Stationed Security Services	(0)	(0.2)	0	0.6	(0)	(2.5)
Transportation Security Services	0	0.7	(0)	(0.0)	0	0.3
Total	5	0.5	7	0.7	5	0.5
General Property Management and Fire Protection Services	2	2.1	1	1.7	0	0.5
Long-Term Care Services	1	6.6	0	0.7	(0)	(2.8)
Total for Reportable Segments	9	0.8	9	0.8	5	0.5
Other Services	4	14.2	3	13.2	(1)	(3.4)
Total	13	1.1	13	1.1	4	0.4

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

	FY2021 1Q	FY2022 1Q	FY2023 1Q
Net Sales	1.92	1.92	1.92
Operating Income	1.96	2.06	2.41
Ordinary Income	0.59	0.69	0.52
Profit Attributable to Owners of Parent	0.38	0.47	0.31
Total Assets	1.43	1.48	1.44

(4) Trends in Personnel

(Personnel)

	FY2020	FY2021 1Q	FY2021	FY2022 1Q	FY2022	FY2023 1Q
Employees	37,902	39,066	38,444	39,105	38,192	38,680

<Comparison to the previous period>	FY2021 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2022 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 1Q Increase/ Decrease	Increase/ Decrease (%)
Employees	1,164	3.1	661	1.7	488	1.3

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

(Billion yen)

	FY2021 1Q	Increase/ Decrease (%)	FY2022 1Q	Increase/ Decrease (%)	FY2023 1Q	Increase/ Decrease (%)	FY2023 (Forecast)
Capital Expenditure	3.1	22.4	2.8	(8.5)	2.9	2.4	20.4
Depreciation	3.9	5.9	3.9	0.5	4.2	8.2	18.8
Research and Development Expenditure	0.1	(13.8)	0.1	3.0	0.1	16.3	0.7

3. Consolidated Financial Statements

(1) Consolidated Statements of Income (YoY)

(Billion yen)

	FY2022 1Q		FY2023 1Q		YoY	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)
Net Sales	117.0	100.0	114.0	100.0	(3.0)	(2.6)
Cost of Sales	87.3	74.7	85.5	75.0	(1.8)	(2.1)
Gross Profit	29.6	25.3	28.4	25.0	(1.1)	(3.8)
Selling, General and Administrative Expenses	19.8	17.0	21.3	18.7	1.4	7.2
Operating Income	9.7	8.3	7.1	6.3	(2.5)	(26.4)
Non-operating Income	0.9	0.8	1.3	1.2	0.4	44.5
Non-operating Expenses	0.6	0.6	0.6	0.6	(0.0)	(0.9)
Ordinary Income	10.0	8.6	7.8	6.9	(2.1)	(21.5)
Extraordinary Income	0.0	0.1	0.0	0.0	(0.0)	(100.0)
Extraordinary Loss	0.0	0.1	0.0	0.0	(0.0)	(62.0)
Profit Attributable to Owners of parent	6.0	5.2	4.4	3.9	(1.6)	(27.0)

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

(Billion yen)

	YoY		Factors
	Amount	Increase/ Decrease (%)	
Net Sales	(3.0)	(2.6)	Security Services (0.2)
			Electronic Security Services (1.3)
			Stationed Security Services 0.8
			Transportation Security Services 0.1
			General Property Management and Fire Protection Services (2.6)
			Long-Term Care Services 0.1
			Other Services (0.1)
Cost of Sales	(1.8)	(2.1)	Cost of construction and products sold (1.5)
Gross Profit	(1.1)	(3.8)	
Selling, General and Administrative Expenses	1.4	7.2	
Operating Income	(2.5)	(26.4)	
Non-operating Income	0.4	44.5	
Non-operating Expenses	(0.0)	(0.9)	
Ordinary Income	(2.1)	(21.5)	
Extraordinary Income	(0.0)	(100.0)	
Extraordinary Loss	(0.0)	(62.0)	
Profit Attributable to Owners of parent	(1.6)	(27.0)	

(3) Consolidated Balance Sheets (YoY)

(Billion yen)

	FY2022		FY2023 1Q		Increase/Decrease	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/Decrease (%)
Assets	488.2	100.0	498.1	100.0	9.9	2.0
Current Assets	233.8	47.9	221.4	44.4	(12.4)	(5.3)
Noncurrent Assets	254.4	52.1	276.7	55.6	22.3	8.8
Property, Plant and Equipment	103.3	21.2	113.4	22.8	10.0	9.8
Intangible Assets	39.7	8.1	48.6	9.8	8.9	22.5
Investments and Other Assets	111.2	22.8	114.6	23.0	3.3	3.0
Liabilities	160.7	32.9	170.2	34.2	9.4	5.9
Current Liabilities	90.3	18.5	97.5	19.6	7.1	7.9
Noncurrent Liabilities	70.3	14.4	72.6	14.6	2.2	3.3
Net Assets	327.5	67.1	327.9	65.8	0.4	0.1
Shareholders' Equity	293.4	60.1	293.2	58.9	(0.1)	((0.1))
Accumulated Other Comprehensive Income	6.6	1.4	7.5	1.5	0.8	12.3
Non-controlling Interests	27.3	5.6	27.1	5.5	(0.1)	(0.7)

(4) Consolidated Balance Sheets (Main variable factors)

(Billion yen)

	Account Title	YoY	Remarks
Non-Current Assets	Property, plant and equipment	10.0	
Non-Current Assets	Goodwill	9.1	
Current Assets	Cash and Deposits	(11.5)	
Current Liabilities	Other Current Liabilities	14.6	Advances received
Current Liabilities	Income Taxes Payable	(5.1)	