

Summary of Selected Financial Data
Second Quarter Ended September 30, 2022

Sohgo Security Services Co., Ltd.

1. Consolidated Financial Results

(1) Consolidated Statements of Income

	April 1 - June 30			July 1 - September 30			2Q Accounting Period			Annual Financial Results		
	FY2022	FY2023	Increase/ Decrease (%)	FY2022	FY2023	Increase/ Decrease (%)	FY2022	FY2023	Increase/ Decrease (%)	FY2022	FY2023 (Forecast)	Increase/ Decrease (%)
Net Sales (Billion yen)	117.0	114.0	(2.6)	128.2	122.0	(4.9)	245.2	236.0	(3.8)	489.0	510.0	4.3
Operating Income (Billion yen)	9.7	7.1	(26.4)	15.0	8.0	(46.7)	24.8	15.2	(38.7)	42.8	45.3	5.7
Ordinary Income (Billion yen)	10.0	7.8	(21.5)	15.7	8.6	(44.8)	25.7	16.5	(35.7)	44.7	47.0	4.9
Profit Attributable to Owners of Parent (Billion yen)	6.0	4.4	(27.0)	9.9	5.3	(46.9)	16.0	9.7	(39.4)	28.9	29.9	3.2
Net Income Per Share (Yen)	60.24	44.00	-	98.77	52.42	-	159.01	96.43	-	286.11	295.35	-

(2) Consolidated Balance Sheets

	FY2021 2Q	FY2022 2Q	FY2023 2Q
Total Assets (Billion yen)	452.3	475.1	495.7
Net Assets (Billion yen)	278.9	317.1	333.7
Equity Ratio (%)	56.0	61.1	61.8
Net Assets Per Share (Yen)	2,501.99	2,865.60	3,024.60

(3) Consolidated Statements of Cash Flows

	FY2021 2Q	FY2022 2Q	FY2023 2Q
Net Cash provided by (used in) Operating Activities (Billion yen)	26.6	21.1	12.4
Net Cash provided by (used in) Investing Activities (Billion yen)	(21.6)	(4.8)	(16.0)
Net Cash provided by (used in) Financing Activities (Billion yen)	(4.4)	(8.9)	(10.0)
Cash and Cash Equivalents at End of Period (Billion yen)	49.3	60.4	50.4

(4) Dividend

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

2. Major Items

(1) Sales by Business Segment

(Billion yen)

	FY2022 2Q	Share(%)	Increase/ Decrease (%)	FY2023 2Q	Share(%)	Increase/ Decrease (%)
Security Services						
Electric Security Services	88.0	35.9	3.7	85.8	36.4	(2.4)
Stationed Security Services	67.2	27.4	21.0	61.5	26.1	(8.5)
Transportation Security Services	33.6	13.7	3.5	33.5	14.2	(0.2)
Total	188.9	77.0	9.2	181.0	76.7	(4.2)
General Property Management and Fire Protection Services	32.4	13.2	7.3	29.7	12.6	(8.6)
Long-Term Care Services	20.8	8.5	4.2	22.6	9.6	9.1
Total for Reportable Segments	242.2	98.8	8.5	233.4	98.9	(3.6)
Other Services	3.0	1.2	16.9	2.6	1.1	(13.7)
Total	245.2	100.0	8.6	236.0	100.0	(3.8)

(2) Contracts by Business Segment

(Contracts : Thousands)

	FY2020	FY2021 2Q	FY2021	FY2022 2Q	FY2022	FY2023 2Q
Security Services						
Electric Security Services	973	982	990	1,002	1,009	1,020
Corporate Clients	533	538	540	546	548	553
Individual Clients	439	444	449	456	460	467
Stationed Security Services	4	4	4	4	4	4
Transportation Security Services	77	78	79	79	79	79
Total	1,055	1,065	1,073	1,086	1,093	1,105
General Property Management and Fire Protection Services	109	112	113	117	119	120
Long-Term Care Services	24	26	27	27	27	26
Total for Reportable Segments	1,189	1,205	1,215	1,231	1,239	1,251
Other Services	29	35	29	34	34	33
Total	1,219	1,240	1,244	1,266	1,274	1,285

<Comparison to the previous period>	FY2021 2Q Increase/ Decrease	Increase/ Decrease (%)	FY2022 2Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 2Q Increase/ Decrease	Increase/ Decrease (%)
Security Services						
Electric Security Services	9	1.0	12	1.3	11	1.1
Corporate Clients	4	0.8	6	1.1	5	0.9
Individual Clients	5	1.2	6	1.4	6	1.4
Stationed Security Services	(0)	(1.2)	0	1.5	0	1.5
Transportation Security Services	0	1.0	0	0.4	0	0.4
Total	10	1.0	13	1.2	11	1.1
General Property Management and Fire Protection Services	2	2.5	3	3.4	1	1.1
Long-Term Care Services	1	6.9	(0)	(1.0)	(1)	(3.9)
Total for Reportable Segments	15	1.3	16	1.4	12	1.0
Other Services	5	19.6	5	17.4	(1)	(3.3)
Total	20	1.7	21	1.8	10	0.9

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

(Times)

	FY2021 2Q	FY2022 2Q	FY2023 2Q
Net Sales	1.93	1.89	1.95
Operating Income	1.93	1.95	2.38
Ordinary Income	0.92	1.11	0.87
Profit Attributable to Owners of Parent	0.66	0.86	0.57
Total Assets	1.44	1.48	1.44

(4) Trends in Personnel

(Personnel)

	FY2020	FY2021 2Q	FY2021	FY2022 2Q	FY2022	FY2023 2Q
Employees	37,902	38,816	38,444	38,840	38,192	38,968

<Comparison to the previous period>	FY2021 2Q Increase/ Decrease	Increase/ Decrease (%)	FY2022 2Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 2Q Increase/ Decrease	Increase/ Decrease (%)
Employees	914	2.4	396	1.0	776	2.0

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

(Billion yen)

	FY2021 2Q	Increase/ Decrease (%)	FY2022 2Q	Increase/ Decrease (%)	FY2023 2Q	Increase/ Decrease (%)	FY2023 (Forecast)
Capital Expenditure	5.7	(7.9)	6.8	18.8	6.6	(2.4)	20.4
Depreciation	7.9	7.2	8.0	1.9	8.8	9.8	18.8
Research and Development Expenditure	0.2	1.0	0.2	(5.0)	0.3	17.1	0.7

3. Consolidated Financial Statements

(1) Consolidated Statements of Income (YoY・Gap)

(Billion yen)

	FY2022 2Q		FY2023 2Q		YoY		FY2023 2Q (Plan)		Gap	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)	Amount	Increase/ Decrease (%)	Amount	Achievement Ratio (%)
Net Sales	245.2	100.0	236.0	100.0	(9.2)	(3.8)	245.3	100.0	(9.2)	96.2
Cost of Sales	181.1	73.9	178.3	75.5	(2.8)	(1.6)	-	-	-	-
Gross Profit	64.1	26.1	57.7	24.5	(6.4)	(10.0)	-	-	-	-
Selling, General and Administrative Expenses	39.2	16.0	42.5	18.0	3.2	8.2	-	-	-	-
Operating Income	24.8	10.1	15.2	6.4	(9.6)	(38.7)	19.5	7.9	(4.2)	78.0
Non-operating Income	2.3	1.0	2.6	1.1	0.3	13.2	-	-	-	-
Non-operating Expenses	1.4	0.6	1.3	0.6	(0.0)	(6.9)	-	-	-	-
Ordinary Income	25.7	10.5	16.5	7.0	(9.2)	(35.7)	20.0	8.2	(3.4)	82.8
Extraordinary Income	0.2	0.1	0.0	0.0	(0.2)	(100.0)	-	-	-	-
Extraordinary Loss	0.2	0.1	0.0	0.0	(0.2)	(89.9)	-	-	-	-
Profit Attributable to Owners of parent	16.0	6.6	9.7	4.1	(6.3)	(39.4)	12.0	4.9	(2.2)	81.3

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

(Billion yen)

	YoY		Factors
	Amount	Increase/ Decrease (%)	
Net Sales	(9.2)	(3.8)	Security Services (2.1) Electronic Security Services (5.7) Stationed Security Services (0.0) Transportation Security Services General Property Management and Fire Protection Services (2.7) Long-Term Care Services 1.8 Other Services (0.4)
Cost of Sales	(2.8)	(1.6)	
Gross Profit	(6.4)	(10.0)	
Selling, General and Administrative Expenses	3.2	8.2	
Operating Income	(9.6)	(38.7)	
Non-operating Income	0.3	13.2	
Non-operating Expenses	(0.0)	(6.9)	
Ordinary Income	(9.2)	(35.7)	
Extraordinary Income	(0.2)	(100.0)	
Extraordinary Loss	(0.2)	(89.9)	
Profit Attributable to Owners of parent	(6.3)	(39.4)	

(3) Consolidated Balance Sheets (YoY)

(Billion yen)

	FY2022		FY2023 2Q		Increase/Decrease	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)
Assets	488.2	100.0	495.7	100.0	7.4	1.5
Current Assets	233.8	47.9	218.1	44.0	(15.7)	(6.7)
Noncurrent Assets	254.4	52.1	277.6	56.0	23.2	9.1
Property, Plant and Equipment	103.3	21.2	115.0	23.2	11.6	11.3
Intangible Assets	39.7	8.1	46.3	9.3	6.5	16.5
Investments and Other Assets	111.2	22.8	116.3	23.5	5.0	4.5
Liabilities	160.7	32.9	162.0	32.7	1.2	0.8
Current Liabilities	90.3	18.5	89.0	18.0	(1.3)	(1.5)
Noncurrent Liabilities	70.3	14.4	73.0	14.7	2.6	3.8
Net Assets	327.5	67.1	333.7	67.3	6.1	1.9
Shareholders' Equity	293.4	60.1	298.5	60.2	5.1	1.7
Accumulated Other Comprehensive Income	6.6	1.4	7.6	1.5	0.9	14.0
Non-controlling Interests	27.3	5.6	27.5	5.5	0.1	0.5

(4) Consolidated Balance Sheets (Main variable factors)

(Billion yen)

	Account Title	YoY	Remarks
Non-Current Assets	Property, plant and equipment	11.6	
Non-Current Assets	Goodwill	7.2	
Current Assets	Cash and Deposits	(14.1)	
Current Liabilities	Other Current Liabilities	4.3	Advances received
Current Liabilities	Income Taxes Payable	(2.5)	