

Summary of Selected Financial Data
Third Quarter Ended December 31, 2022

Sohgo Security Services Co., Ltd.

1. Consolidated Financial Results

(1) Consolidated Statements of Income

	April 1 - June 30			July 1 - September 30			October 1 - December 31			3Q Accounting Period		
	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)	118.4	121.7	2.8	363.7	357.8	(1.6)
Operating Income (Billion yen)	9.7	7.1	(26.4)	15.0	8.0	(46.7)	9.8	9.4	(3.9)	34.6	24.6	(28.8)
Ordinary Income (Billion yen)	10.0	7.8	(21.5)	15.7	8.6	(44.8)	10.4	9.9	(4.0)	36.1	26.5	(26.6)
Profit Attributable to Owners of Parent (Billion yen)	6.0	4.4	(27.0)	9.9	5.3	(46.9)	7.0	6.0	(14.4)	23.1	15.7	(31.8)
Net Income Per Share (Yen)	60.24	44.00	-	98.77	52.42	-	69.53	59.48	-	228.54	155.91	-

	1Q Accounting Period			2Q Accounting Period			3Q 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)	245.2	236.0	(3.8)	363.7	357.8	(1.6)	489.0	489.0	(0.0)
Operating Income (Billion yen)	9.7	7.1	(26.4)	24.8	15.2	(38.7)	34.6	24.6	(28.8)	42.8	36.0	(16.0)
Ordinary Income (Billion yen)	10.0	7.8	(21.5)	25.7	16.5	(35.7)	36.1	26.5	(26.6)	44.7	38.0	(15.2)
Profit Attributable to Owners of Parent (Billion yen)	6.0	4.4	(27.0)	16.0	9.7	(39.4)	23.1	15.7	(31.8)	28.9	24.5	(15.4)
Net Income Per Share (Yen)	60.24	44.00	-	159.01	96.43	-	228.54	155.91	-	286.11	242.01	-

(2) Consolidated Balance Sheets

	FY2021 3Q	FY2022 3Q	FY2023 3Q
Total Assets (Billion yen)	483.7	496.9	529.3
Net Assets (Billion yen)	282.6	320.0	335.7
Equity Ratio (%)	53.0	59.0	58.2
Net Assets Per Share (Yen)	2,533.45	2,895.63	3,040.65

(3) Consolidated Statements of Cash Flows

	FY2021 3Q	FY2022 3Q	FY2023 3Q
Net Cash provided by (used in) Operating Activities (Billion yen)	38.3	18.3	17.5
Net Cash provided by (used in) Investing Activities (Billion yen)	(32.9)	(8.8)	(19.9)
Net Cash provided by (used in) Financing Activities (Billion yen)	(4.8)	(11.8)	(13.5)
Cash and Cash Equivalents at End of Period (Billion yen)	49.3	50.8	48.1

(4) Dividend

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

2. Major Items

(1) Sales by Business Segment

(Billion yen)

	FY2022 3Q	Share(%)	Increase/ Decrease (%)	FY2023 3Q	Share(%)	Increase/ Decrease (%)
Security Services						
Electric Security Services	130.9	36.0	2.1	128.1	35.8	(2.2)
Stationed Security Services	97.5	26.8	16.7	92.9	26.0	(4.8)
Transportation Security Services	50.9	14.0	3.6	50.3	14.1	(1.2)
Total	279.4	76.8	7.0	271.3	75.8	(2.9)
General Property Management and Fire Protection Services	48.5	13.4	3.2	47.3	13.2	(2.6)
Long-Term Care Services	31.3	8.6	3.7	35.1	9.8	12.1
Total for Reportable Segments	359.3	98.8	6.2	353.7	98.9	(1.6)
Other Services	4.4	1.2	9.9	4.0	1.1	(8.8)
Total	363.7	100.0	6.2	357.8	100.0	(1.6)

(2) Contracts by Business Segment

(Contracts : Thousands)

	FY2020	FY2021 3Q	FY2021	FY2022 3Q	FY2022	FY2023 3Q
Security Services						
Electric Security Services	973	988	990	1,008	1,009	1,026
Corporate Clients	533	540	540	549	548	556
Individual Clients	439	447	449	458	460	470
Stationed Security Services	4	4	4	4	4	4
Transportation Security Services	77	78	79	79	79	80
Total	1,055	1,072	1,073	1,092	1,093	1,111
General Property Management and Fire Protection Services	109	113	113	119	119	122
Long-Term Care Services	24	28	27	28	27	27
Total for Reportable Segments	1,189	1,214	1,215	1,240	1,239	1,261
Other Services	29	35	29	34	34	34
Total	1,219	1,249	1,244	1,274	1,274	1,295

<Comparison to the previous period>	FY2021 3Q Increase/ Decrease	Increase/ Decrease (%)	FY2022 3Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 3Q Increase/ Decrease	Increase/ Decrease (%)
Security Services						
Electric Security Services	15	1.6	18	1.8	17	1.7
Corporate Clients	7	1.4	8	1.6	8	1.5
Individual Clients	8	2.0	9	2.1	9	2.0
Stationed Security Services	(0)	(1.0)	0	1.7	0	2.3
Transportation Security Services	1	1.5	0	0.6	0	1.1
Total	16	1.6	18	1.7	18	1.7
General Property Management and Fire Protection Services	4	3.8	5	4.6	3	3.0
Long-Term Care Services	3	12.7	1	4.0	0	0.2
Total for Reportable Segments	24	2.0	24	2.1	22	1.8
Other Services	6	20.9	4	16.1	(0)	(2.2)
Total	30	2.5	29	2.4	21	1.7

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

(Times)

	FY2021 3Q	FY2022 3Q	FY2023 3Q
Net Sales	1.93	1.89	1.96
Operating Income	2.01	1.99	2.24
Ordinary Income	1.16	1.28	1.10
Profit Attributable to Owners of Parent	0.86	1.01	0.77
Total Assets	1.44	1.46	1.42

(4) Trends in Personnel

(Personnel)

	FY2020	FY2021 3Q	FY2021	FY2022 3Q	FY2022	FY2023 3Q
Employees	37,902	38,652	38,444	38,593	38,192	38,778

<Comparison to the previous period>	FY2021 3Q Increase/ Decrease	Increase/ Decrease (%)	FY2022 3Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 3Q Increase/ Decrease	Increase/ Decrease (%)
Employees	750	2.0	149	0.4	586	1.5

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

(Billion yen)

	FY2021 3Q	Increase/ Decrease (%)	FY2022 3Q	Increase/ Decrease (%)	FY2023 3Q	Increase/ Decrease (%)	FY2023 (Forecast)
Capital Expenditure	8.9	(4.0)	9.8	9.4	11.2	14.1	20.4
Depreciation	11.8	6.6	12.4	4.9	13.4	7.7	18.8
Research and Development Expenditure	0.4	7.8	0.4	(2.0)	0.4	10.5	0.7

3. Consolidated Financial Statements

(1) Consolidated Statements of Income (YoY)

(Billion yen)

	FY2022 3Q		FY2023 3Q		YoY	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)
Net Sales	363.7	100.0	357.8	100.0	(5.9)	(1.6)
Cost of Sales	269.4	74.1	269.7	75.4	0.2	0.1
Gross Profit	94.3	25.9	88.0	24.6	(6.2)	(6.6)
Selling, General and Administrative Expenses	59.6	16.4	63.3	17.7	3.7	6.3
Operating Income	34.6	9.5	24.6	6.9	(9.9)	(28.8)
Non-operating Income	3.6	1.0	3.9	1.1	0.2	8.1
Non-operating Expenses	2.1	0.6	2.0	0.6	(0.0)	(3.5)
Ordinary Income	36.1	9.9	26.5	7.4	(9.6)	(26.6)
Extraordinary Income	1.3	0.4	0.0	0.0	(1.2)	(99.7)
Extraordinary Loss	0.3	0.1	0.0	0.0	(0.3)	(89.9)
Profit Attributable to Owners of parent	23.1	6.4	15.7	4.4	(7.3)	(31.8)

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

(Billion yen)

	YoY		Factors
	Amount	Increase/ Decrease (%)	
Net Sales	(5.9)	(1.6)	Security Services (8.1) Electronic Security Services (2.8) Stationed Security Services (4.6) Transportation Security Services (0.6) General Property Management and Fire Protection Services (1.2) Long-Term Care Services 3.7 Other Services (0.3)
Cost of Sales	0.2	0.1	
Gross Profit	(6.2)	(6.6)	
Selling, General and Administrative Expenses	3.7	6.3	
Operating Income	(9.9)	(28.8)	
Non-operating Income	0.2	8.1	
Non-operating Expenses	(0.0)	(3.5)	
Ordinary Income	(9.6)	(26.6)	
Extraordinary Income	(1.2)	(99.7)	
Extraordinary Loss	(0.3)	(89.9)	
Profit Attributable to Owners of parent	(7.3)	(31.8)	

(3) Consolidated Balance Sheets (YoY)

(Billion yen)

	FY2022		FY2023 3Q		Increase/Decrease	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/Decrease (%)
Assets	488.2	100.0	529.3	100.0	41.0	8.4
Current Assets	233.8	47.9	250.3	47.3	16.4	7.0
Noncurrent Assets	254.4	52.1	279.0	52.7	24.6	9.7
Property, Plant and Equipment	103.3	21.2	115.7	21.9	12.3	12.0
Intangible Assets	39.7	8.1	45.3	8.6	5.6	14.1
Investments and Other Assets	111.2	22.8	117.9	22.3	6.6	5.9
Liabilities	160.7	32.9	193.5	36.6	32.7	20.4
Current Liabilities	90.3	18.5	119.8	22.6	29.4	32.6
Noncurrent Liabilities	70.3	14.4	73.7	13.9	3.3	4.7
Net Assets	327.5	67.1	335.7	63.4	8.2	2.5
Shareholders' Equity	293.4	60.1	300.2	56.7	6.7	2.3
Accumulated Other Comprehensive Income	6.6	1.4	7.5	1.4	0.8	13.3
Non-controlling Interests	27.3	5.6	27.9	5.3	0.6	2.2

(4) Consolidated Balance Sheets (Main variable factors)

(Billion yen)

	Account Title	YoY	Remarks
Current Assets	Cash for Transportation Security Services	25.0	
Non-current Assets	Property, Plant and Equipment	12.3	Buildings and Structures
Non-current Assets	Goodwill	6.5	
Non-current Assets	Other Investments and Assets	5.3	Retirement Benefit Asset
Current Assets	Other Current Assets	3.7	Prepaid Expenses
Current Liabilities	Short-term Borrowings	24.7	
Current Liabilities	Other Current Liabilities	11.5	Contract Liabilities