

June 12, 2023

To whom it may concern

(This is an English translation of the Japanese original)

Company: SOHGO SECURITY SERVICES CO., LTD.
Representative: Ikuji Kayaki, Representative Director, Group COO
(Securities Code: 2331, TSE Prime Market)
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Conclusion of Agreement to Acquire Shares of PT. Shield-On Service Tbk

Sohgo Security Services Co., Ltd. (“ALSOK”) has concluded an agreement to acquire shares of PT. Shield-On Service Tbk (hereinafter “SOS”), a temporary staffing and security service provider in Indonesia, through our Indonesian subsidiary PT. ALSOK BASS Indonesia Security Services (hereinafter “ALSOK BASS”). Details about the agreement are provided below.

In addition, some of the information pertaining to this stock acquisition has been omitted since the Tokyo Stock Exchange’s standards for timely disclosure based on change in a sub-sub-subsidiary (Rule 403.1.i of the Securities Listing Regulations and Rule 403.8 of the Enforcement Rules) do not apply.

1. Reason for Share Acquisition

In 2013, Sohgo Security Services Co., Ltd. established a local subsidiary in Indonesia. Later, in 2016, with the aim of further expanding our security services business, we acquired shares in a major local security company and changed its name to ALSOK BASS, which has been meeting the security needs of mainly Japanese companies.

SOS is the only integrated outsourcing company listed on the Indonesia Stock Exchange that provides staffing, security, cleaning, and parking area management services, with the Sinarmas Group, an Indonesian conglomerate, serving as a major customer. SOS's participation in ALSOK BASS will make ALSOK's comprehensive safety and security services, which we have been providing to Japanese companies, widely available to Indonesian companies and financial institutions that support the largest economy in the ASEAN region.

Through this acquisition, our company will contribute to the businesses of ALSOK BASS and SOS, to the building of mutually beneficial relationships in human resource development utilizing the close bilateral relationship between Japan and Indonesia, and to the improvement of safety and security service standards while further strengthening business development in the ASEAN region.

2. Overview of the Sub-subsidiary Subject to the Change

(1) Company name	PT. Shield-On Service Tbk
(2) Address	Graha Dinamika, Lantai 3 Jalan Tanah Abang II No. 49-51 Jakarta Pusat 10160 Indonesia
(3) Name of representative and title	Herman Julianto/President
(4) Business areas	Temporary staffing, security services, cleaning services, and parking area management services

(5) Capital stock	66,369,000,000 Indonesian Rupiah (617,000,000 JPY) 1 Indonesian Rupiah = 0.0093 JPY		
(6) Date of establishment	August 5, 2004		
(7) Major shareholders and equity share	PT Puragraha Dianpertiwi (31.2%) PT Nusantara Suryamukti (25.6%) PT Inlife (18.9%) General shareholders (24.2%)		
(8) Relationship between the listed company and the relevant company	Capital relationship	Not applicable	
	Personal relationship	Not applicable	
	Business relationship	Not applicable	
(9) Financial position of the company for the last three years (Unit: one million Indonesian Rupiah/JPY equivalent (Unit: one million JPY) appears below each figure)			
Fiscal Year-End	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Net assets	148,946 1,385	182,541 1,698	212,822 1,979
Total assets	293,845 2,733	318,171 2,959	345,365 3,212
Net sales	1,368,036 12,723	1,389,332 12,921	1,529,120 14,221
Operating income	23,290 217	45,970 428	40,413 376
Ordinary income	25,469 237	45,952 427	40,328 375
Net income	16,489 153	32,632 303	28,842 268
Net assets per share (Unit: 1 Indonesian Rupiah/JPY equivalent (Unit: 1 JPY) appears below each figure)	227 2	277 3	321 3
Net income per share (Unit: 1 Indonesian Rupiah/JPY equivalent (Unit: 1 JPY) appears below each figure)	25 0.2	50 0.5	43 0.4
Dividend Per Share	—	—	—

3. Number of Shares Acquired and Status of Shares Acquired Before and After Acquisition

(1) Number of shares held before change	0 (Percentage of voting rights: 0.00%)
(2) Number of shares acquired	340,000,000 (Percentage of voting rights: 51.23%)
(3) Number of shares held after change	340,000,000 (Percentage of voting rights: 51.23%)

4. Schedule

(1) Date of conclusion of share acquisition agreement	June 9, 2023
(2) Stock transfer execution period	June to August 2023

5. Future Outlook

The impact of this share acquisition on our consolidated financial results is being closely studied. Any findings will be promptly announced if timely disclosure is required.