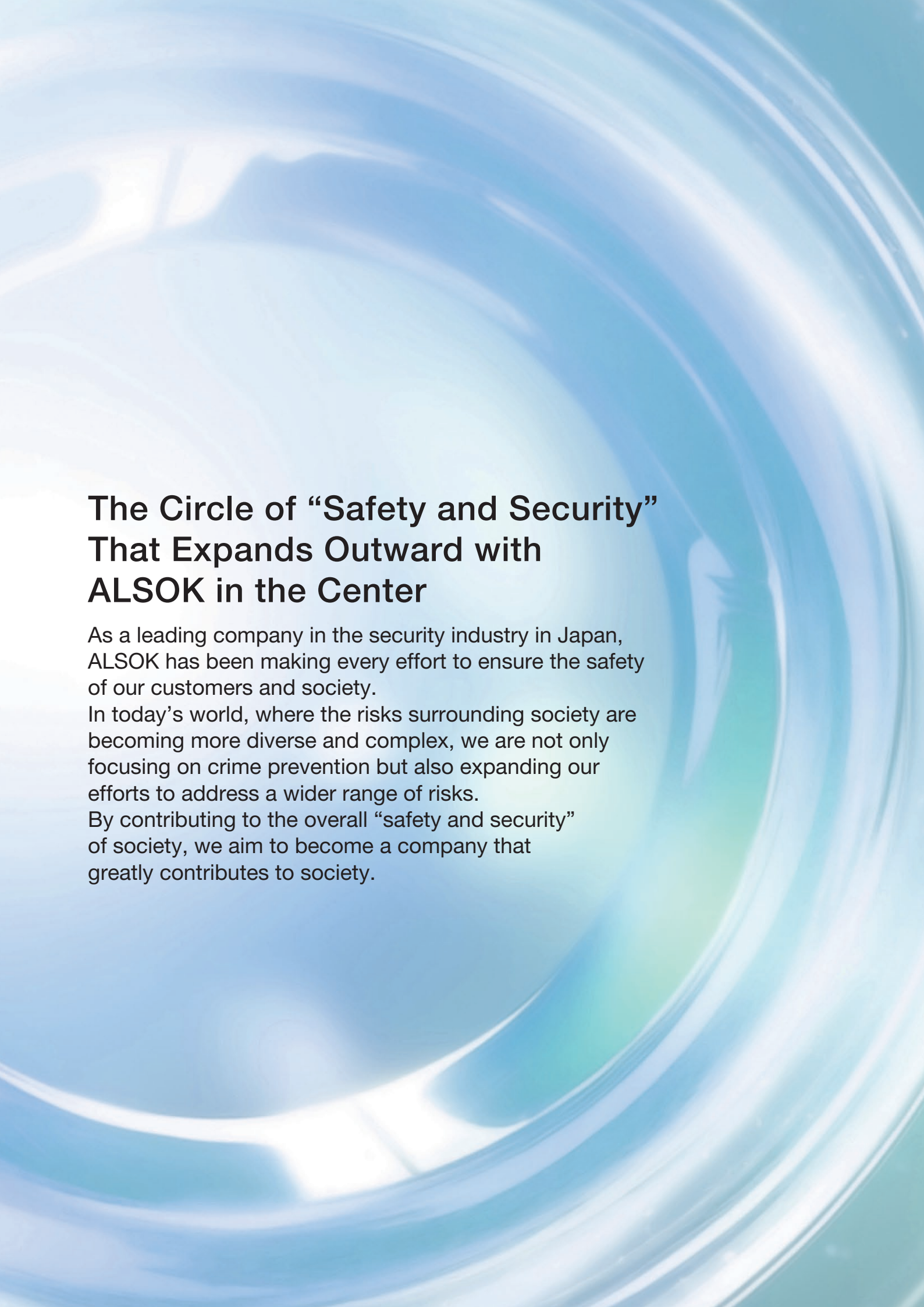


# ALSOK REPORT 2024

[Fiscal year ending March 31, 2024]



## **The Circle of “Safety and Security” That Expands Outward with ALSOK in the Center**

As a leading company in the security industry in Japan, ALSOK has been making every effort to ensure the safety of our customers and society.

In today’s world, where the risks surrounding society are becoming more diverse and complex, we are not only focusing on crime prevention but also expanding our efforts to address a wider range of risks.

By contributing to the overall “safety and security” of society, we aim to become a company that greatly contributes to society.



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#### Editorial Policy

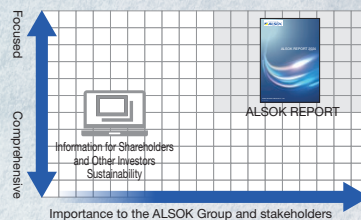
ALSOK Report 2024 has been constructed as an integrated report that compiles financial information on the Company's performance, business operations, and strategies as well as non-financial information on its corporate social responsibility (CSR) activities and other topics with the aim of obtaining the opportunity to deepen our engagement with shareholders, investors, and other stakeholders. In addition to describing the state of management from an economic perspective, this report also explains the ALSOK Group's environmental, social, and governance (ESG) initiatives as well as the various CSR activities the Group carries out to contribute to the international society's drive to achieve the United Nations' Sustainable Development Goals (SDGs), along with the Group's approach to achieving growth through sustainable value creation and its business structure that supports medium- to long-term management, business strategies, and growth. Data and more detailed information on corporate activities that were not included in this report are available on the Company's corporate website.

#### Reporting Media

The Company provides reports in the forms of a pamphlet and a website, making full use of characteristics of the respective media. In the pamphlet version, items are narrowed down to those of higher importance or with greater interest among readers and the explanations on them are provided in a manner that is easy to read and understand. Meanwhile, the website version comprehensively includes financial information and the initiatives related to CSR and other matters in general.

#### Guidelines Referred to

- International Integrated Reporting Council (IIRC), International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry (METI), Guidance for Collaborative Value Creation
- Japan Standards Association (JSA), ISO 26000:2010 Guidance on Social Responsibility
- Global Reporting Initiative (GRI), Sustainability Reporting Standards
- Ministry of the Environment (MOE), Environmental Reporting Guidelines 2018



#### Explanation of Cover

The cover features a dazzling beam of light that expresses our approach of swiftly rushing to any location at any time 24 hours a day, 365 days a year, delivering safety and security to society as a whole.

# ALSOK's History of Value Creation

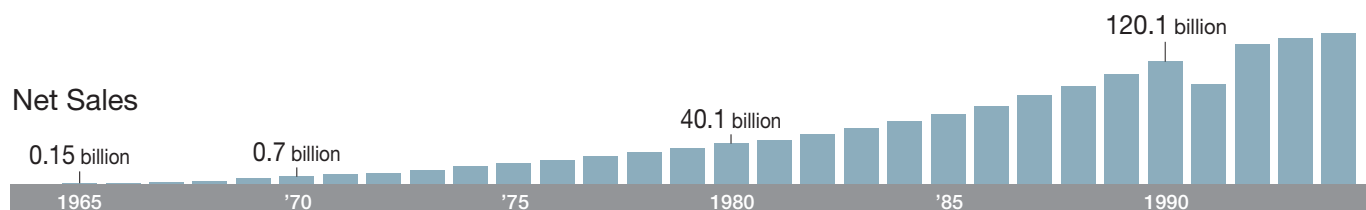
SOHGO SECURITY SERVICES CO., LTD. was founded on July 16, 1965, and the company name embodies the spirit of its founder:

**“The leading security company needs to excel at all security services.”**

## Background to foundation Creating a Made in Japan security company

After retiring from the National Policy Agency and serving as the Deputy Secretary-General on the organizing committee for the Olympic Games Tokyo 1964, Jun Murai was advised by former Prime Minister Shigeru Yoshida who said, “You should create a uniquely Japanese security company.” This marked the building blocks of a truly Made in Japan security company—where the safety of Japan was provided by Japanese people.

Former Prime Minister Shigeru Yoshida with founder Jun Murai and wife (at Mr. Yoshida's residence in Oiso, Kanagawa Prefecture)



## Providing better services to more customers

### Real-time monitoring with video

#### Increasing added value for electronic security

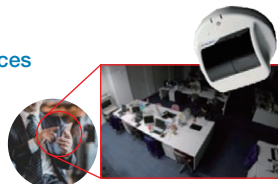
Responding to advances in devices and developments in communication technologies

#### 1967 Began providing electronic security services

At the time, sensors detected signals, and instruction were provided to on-site security staff

#### Today Video monitoring services

Identifying on-site situations with the use of imaging sensors. These can also be checked by customers via their smartphones



### Evolved to “Visible Security”

#### “Manpower” x “state-of-the-art equipment”

Visualization of services using state-of-the-art equipment

#### 1965 Began providing stationed security services

Cultivated know-how by providing human security personnel at major events like expos, summits and international sports competitions



#### Today Better quality and labor-saving efforts by utilizing state-of-the-art equipment

Achieving labor-saving and greater efficiency through the use of state-of-the-art equipment like robots and drones, and providing high-quality services by fusing manpower and DX



### Peace of mind for day-to-day life too

#### Expanded customer base, diversified services

From “Protecting homes” to “Protecting lifestyles”

#### 1988 Began providing Home Security services

Expanded services on the back of increased awareness of crime prevention and lifestyle changes

#### Today Providing more than just crime prevention, with “safety and security” for all aspects of life

Ensuring safety and peace of mind for a broad range of lifestyles, including for the elderly and those living in condominiums, in line with the concept of security services for all aspects of life



### Expanded cash-related services

#### Expanded business domains and customer base

Responding to changes in society (labor shortages, shift to cashless systems)

#### 1966 Began providing cash transportation services for financial institutions

Provided cash transportation security services for financial institutions

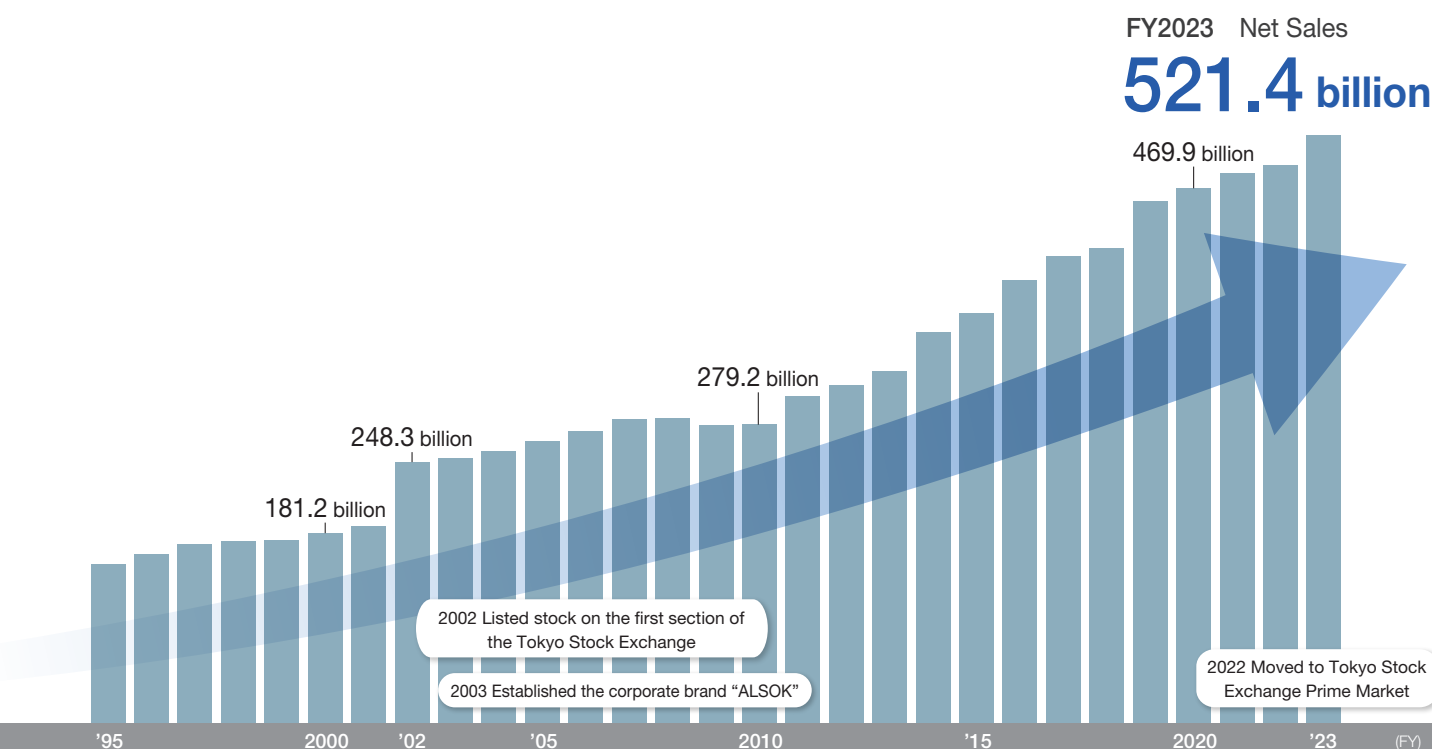


#### Today Established presence as an outsourcer for cash-related services

Cash Deposit and Dispenser Machine On-Line System  
ATM General Management Service  
ALSOK Multi-QR Payment Solution







## Providing constant total support for customer business operations

### Developed and expanded facility management operations

Responding to the needs of building management and fire protection closely connected to security

#### 1966 Began providing general building management services

Began general building management services closely connected to security services

#### Today Diverse range of services related to building management and fire protection

Sales of disaster prevention supplies, AEDs and energy-saving products, in addition to support for repair and renewal work of building facilities and inspection, fire protection and cleaning services. Also provides support for increasing the added value of facilities



## Responding to a super-aged society

### Providing a wide range of care services

Backed by the "safety and security" of the ALSOK brand

#### 2012 Full-scale entry into long-term care services

Began providing visitation-based care services in the Metropolitan Area

#### Today Providing a wide range of care services and care facility management

In addition to providing basic care to support daily living, we provide services including an original program designed to encourage body movement and brain activation as an initiative to prevent and control dementia



## For safety and security throughout Asia

### Expanding services globally based on security know-how cultivated in Japan

Responding to mounting needs for safety and security around the world

#### 1980 Began dispatching security response personnel to diplomatic establishments abroad

Dispatched personnel to Japanese embassies and consulates around the world (Middle East, Latin America, etc.)

#### Today Developed diverse services for safety and security throughout Asia

Established seven local subsidiaries mainly in Southeast Asia that is experiencing significant growth, and began providing services there. Services will continue to be provided going forward for both Japanese and non-Japanese companies by meeting the specific needs of each region





## Businesses, Products and Services from ALSOK

As a provider of services related to the safety and security of society, the Group is working to provide new services that combine various service functions such as security, facility management, and nursing care to meet the needs for the safety and security of customers and society given increasingly diversifying risks.

### Security Services

#### (1) Electronic Security Services Electronic Security Department (P. 16)

Installation of alarm equipment and other sensors at contracted stores or homes, and dispatch of security guards to respond to any abnormal situations such as intrusions or fires.

##### Main Products and Services

- **ALSOK-G7** Security system that incorporates live video monitoring as a standard feature
- **ALSOK IT Rescue** In the event of an IT equipment-related failure, guards rush to the scene to determine the cause and provide emergency response
- **ALSOK Facility Rescue** In the event of an equipment malfunction at a condominium, building, etc., guards rush to the scene to determine the cause and provide emergency response utilizing DX
- **Information Security Services** ALSOK PC management service, website tampering detection service, ALSOK EDR service, etc.

#### (2) HOME ALSOK Services HOME ALSOK Business Department (P. 17)

In line with the concept of “security services for all aspects of life,” we provide products and services tailored to the lifestyle and life stage of each customer, such as home security services.

##### Main Products and Services

- **HOME ALSOK Connect®** The optimal multifunction system for ordinary homes, including both condominiums and detached houses
- **HOME ALSOK MIMAMORI SUPPORT** System with emergency reporting and telephone health consultation service functions for senior citizens added

#### (3) Stationed Security Services Stationed Security Department (P. 18)

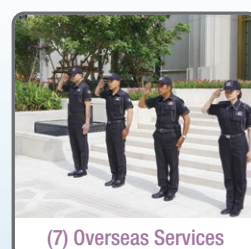
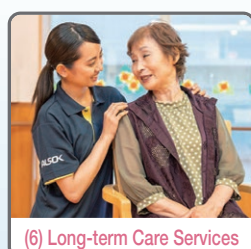
Security guards are stationed at the contracted facility and access control, patrol, and monitoring are performed to prevent various accidents and respond to emergencies.

Security services are also provided for various events such as international conferences.

##### Main Products and Services

- **Stationed Security** Security guards are stationed at facilities, and in case of emergency, we carry out patrols, conduct monitoring, and provide facility/equipment management for crime and disaster prevention
- **Temporary Security** Flexibly responds to short-term security needs for international conferences, various events, etc.





#### (4) Transportation Security Services Transportation Security Department (P. 21)

Our Transportation Security Services Business provides transport of valuables such as cash and securities to locations designated by contract via cash transport vehicles. We provide comprehensive solutions for cash-related operations via services like our "Cash Deposit and Dispenser Machine On-Line System," "ATM General Management Service" and "ALSOK Multi-QR Payment Solution."

##### Main Products and Services

- **Cash Deposit and Dispenser Machine On-Line System**  
Total solution for customer business operations combining store sales proceeds management functionality with a transportation security network
- **ATM General Management Service** Total support for ATM operation and management, including replenishment and collection of ATM cash and ATM fault response
- **ALSOK Multi-QR Payment Solution** A cashless payment service that makes it possible to handle multiple payments on a single device
- **Operations Center BPO (business process outsourcing) for financial institutions**  
Efficient bill and document management work in response to the needs and requests of each customer

#### (5) Facility Management Services, etc. Facility Management Department (P. 20)

Total support business covering building and condominium maintenance, operation and management, including repair and renewal of various building facilities, fire and disaster prevention, facility management, cleaning and sanitation management, plumbing installation and electrical installation. It also sells disaster prevention supplies, infectious disease control supplies, and AEDs.

##### Main Products and Services

- **Facility Management** Repair and renewal work of building facilities, fire and disaster prevention work, facility management, cleaning management, sanitation management, and telephone answering service, etc.  
Total support for building operation and management
- **AED** Sale, rental, and management of AED equipment, and training in the use of AED equipment
- **Disaster, Infection Prevention Products, Harmful Bird & Wildlife Control Services**  
Sales and management of disaster stockpiles, PCR inspections, and support for protecting agricultural crops, etc., from harm caused by animal and bird pests
- **Comprehensive Asbestos Services** Contracting for tasks related to asbestos investigations

#### (6) Long-term Care Services Long-term Care Business Department (P. 21)

Provision of a wide range of services from home-based nursing services such as creating care plans and day services, to facility-based care services such as pay-for-care homes for the elderly with nursing care and group homes. We sell and rent equipment for long-term care covered by public aid, as well as provide home-visit medical massage services.

##### Main Products and Services

- **In-home care services** Care plan development, home-visit long-term care/nursing, day-care services, loans and sales of equipment for long-term care, home remodeling, etc.
- **Residential care services** Fee-based long-term care facilities, group homes, and residences for the elderly that include care services
- **Other Services** Dispatch medical massage, etc.

#### (7) Overseas Services International Affairs Department (P. 22)

Established seven local subsidiaries mainly in Southeast Asia. We are expanding our business domain not only to provide security consulting, resident security services, and machine security services, but also facility management such as disaster prevention and cleaning.

##### Main Products and Services

- **Security Services** Electronic security, stationed security
- **General Property Management and Fire Protection Services** Facility management, AED sales, etc.

# Features and Strengths of ALSOK's Businesses

ALSOK is contributing to the safety and security of customers and society with its "Three Strengths" while realizing stable, continuous growth through its "Two Business Features."

## Two Business Features

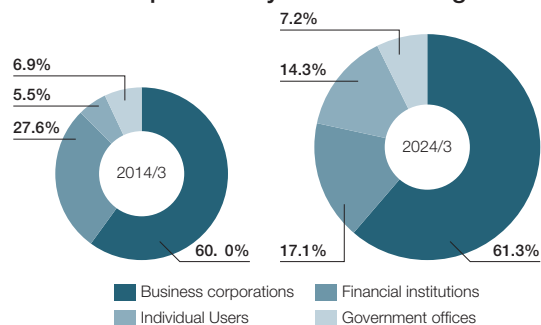
### Well-established Customer Base

Compared to before, our customers are now diversified, including business corporations, financial institutions, and individuals, resulting in a well-balanced customer composition that does not limit us to relying on a specific industry. In addition, the number of contracts has been steadily increasing and we have a strong customer base.

#### Number of Contracts by Business Segment

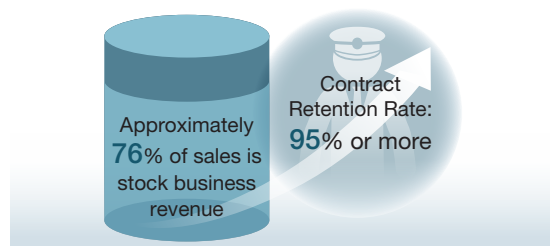


#### Sales Composition by Customers Segment



### Stable Profit Structure

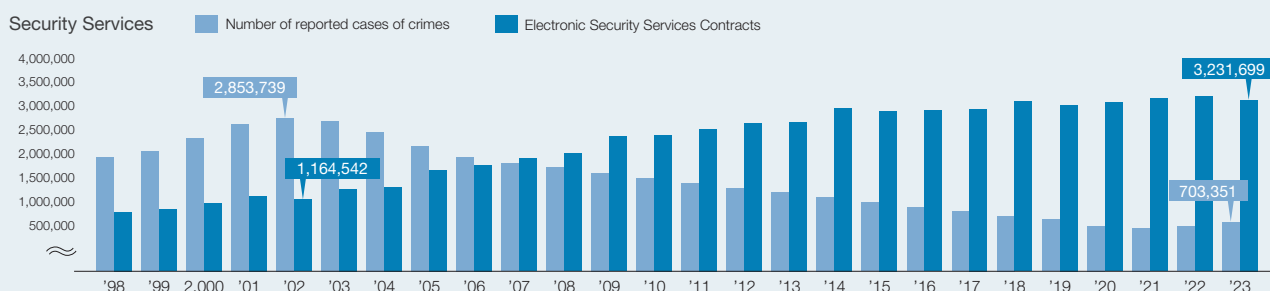
- ALSOK's business is centered on the stock business that generates revenue from ongoing contracts, led by our Electronic Security Services.
- In the Electronic Security Services, approximately 76% of sales come from stock business, and a contract retention rate of over 95% contributes to stable income generation.



### Business Development That Responds to Diversifying Risks

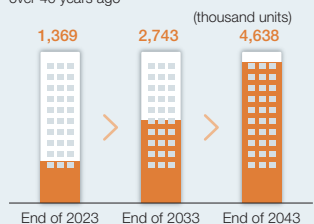
Utilizing the risk analysis and response capabilities cultivated in the security business, we are expanding our business domains in order to solve new risks and issues (aging of equipment, aging of society, etc.) that have arisen as a result of changes in society.

#### Business Conditions by Segment



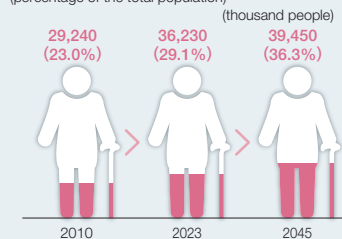
#### Facility Management Services etc.

Number of condominiums constructed over 40 years ago

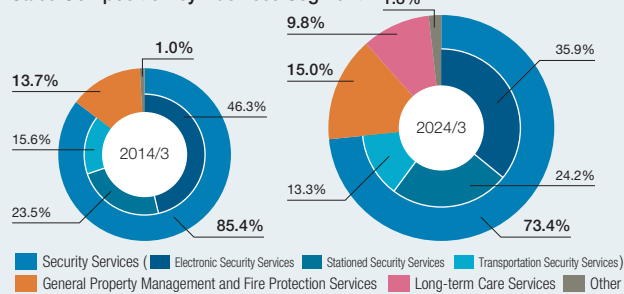


#### Long-term Care Services

Population aged 65 and over (percentage of the total population)



#### Sales Composition by Business Segment



- Compared to previous years, the percentage of non-security services sales has increased.

\* The number of contracts and the sales compositions of the former reportable segments are shown (reportable segments changed in the first quarter of FY2025).



## Three Strengths

# Excellent Human Resources

As ALSOK is in the business of providing value by protecting people and society, the most important capital is its human resources. For this reason, we need to develop human resources capable of embodying ALSOK's philosophy of "arigato no kokoro" and "bushi no seishin" into their actual actions. To achieve this, we provide initial training for both new employees and seconded employees from other companies, run education for ensuring compliance, and encourage the acquisition of various types of certifications.

Certifications			
Security Planners	In total 865	Construction Managing Engineers, Electricians	Approx. 1,500
Security Consultants	In total 45	Fire Protection Engineers	Approx. 2,800
Number of Employees Who Have Attained the Rank of Expert in Martial Arts	3,465	Number of Employees Who Have Completed ALSOK Assistance* Training	Approx. 9,200
Number of Employees Who Have Completed First-Aid Training	In total 22,765	* Internal first-aid certification system to enhance the assistance capabilities of guards who need to rush to the scene quickly in emergencies	
		Care Workers	Approx. 3,000
Performance			
Number of Staff Dispatched to Japanese Embassies, Consulates, etc. Overseas as Security Staff Members			In total Over 900
Number of cases of cooperation with crime prevention (special fraud prevention, lifesaving, firefighting activities, criminal arrest cases)			232



## Organizational Capabilities

With the industry-leading network, ALSOK provides Safety and Security to society and customers 24 hours a day, 7 days a week, by harnessing its agility to rush to the site immediately in the event of an emergency. More than just in Japan, high-quality services are also provided in Southeast Asia and other regions.

Number of Depots Located Nationwide	Approx. 2,300
Number of Employees	64,982
Number of Company Vehicles* * Excluding bicycles	9,505
Time to Arrive on the Scene (Non-consolidated)	16 minutes on average
Number of municipalities where emergency reporting service is provided	Approx. 520 (1,747 municipalities nationwide)
Number of Group Companies	Consolidated Subsidiaries 89 Companies Accounted for by the Equity Method 16
Overseas Operations	In 7 countries with a focus on Southeast Asia

## Problem Solving Capabilities

ALSOK has long played a role contributing to solving local community and customer issues. The Group will continue pooling its human resources and organizational capabilities to respond to diversifying social issues with the aim of becoming a problem-solving company.



Specific examples of services (1)	Cash Deposit and Dispenser Machine On-Line System	<p>[Issue] • Efficiency of cash management due to labor shortages, work-style reforms, abolishment of night safes (company and municipality issue)</p> <p>[Solution] Introducing the "Cash Deposit and Dispenser Machine On-Line System" that allows customers to deposit their sales helps to effort required cash-related operations like having a supervisor present.</p>
Specific examples of services (2)	Accident Scene First-Responder Service	<p>[Issue] • Alleviates worries during an accident (individual issue)</p> <p>[Solution] • Extensive capabilities for responding to accidents covered by vehicle insurance (company issue)</p> <p>ALSOK's guards rush to the scene of an accident when customers are feeling most anxious, and provide a quick and smooth response to accidents to help alleviate concerns in the event of an accident.</p>
Specific examples of services (3)	ALSOK Facility Rescue®	<p>[Issue] • Increase in burden of facility management due to labor shortage (company issue)</p> <p>[Solution] We have reduced customer workloads and improved their maintenance systems through our 24 hours a day, 7 days a week response capabilities and utilization of DX.</p>

**We are working to create corporate and social value by preserving ALSOK's corporate culture/organizational climate and aiming to be a company that is indispensable to society.**



**Tsuyoshi Murai**

Representative Director,  
Group CEO and CTO  
(Chief Technology Officer)

## **Changes in the business environment and future issues**

During the fiscal year ended March 31, 2024, both sales and profit increased compared to the previous year and forecasts for the period were also achieved. I would like to express my sincere gratitude to all of our stakeholders for making this possible. Although demand for security is recovering after COVID-19 was reclassified as a Class 5 infectious disease, I recognize that there is a slight shortage on the supply side when looking at the supply and demand of human resources. This is presumed to be due a labor market mismatch. In the future, however, labor shortages due to the declining population will become more apparent as a real issue, and it is expected that this will become a major issue for ALSOK as well.

In recent years, the business environment surrounding our company has changed drastically with risks continuing to increase. As it can be said that ALSOK's mission is to analyze and evaluate risks to propose solutions, we must expand the scope of our operations to respond to increasingly complex risks. Electronic security has extended its role beyond crime prevention to include, for example,

monitoring of the elderly. Since the number of different types of risks is expected to increase in the future, we will strive to propose solutions for risks while utilizing DX and other measures. I believe it is also necessary to respond to labor shortages through DX, such as by developing a system for ALSOK that provides increased labor savings and efficiency.

## **Price revisions for Electronic Security Services**

ALSOK has continued to implement measures designed to improve employee engagement, such as raising base salaries for the 11th consecutive fiscal year, and has continued to make various growth investments. With the implementation of these initiatives, we have maintained the prices of our electronic security services over the past few decades. This is likely due to the nature of the electronic security business, where economies of scale are effective and increased penetration rates have improved profitability, and due to absorbing cost increases to a certain extent through corporate efforts to streamline operations and reduce costs.

Recently, however, due to the sharp rise in labor, property,



and energy costs, it is no longer possible to absorb these costs through independent efforts alone. Furthermore, in order to continue providing high-quality services that we are proud of, I feel that it will continue to be necessary to further improve employee engagement, through means such as providing a work environment that supports various work styles and improving compensation, and invest in DX and other areas. Under these circumstances, although we regret having to do so, we have decided to ask our customers to agree to price revisions for electronic security services. As a leading company in the security industry, I believe that price revisions are necessary for the growth of our partner companies, the security industry, and the Japanese economy as a whole. Therefore, I ask for the kind understanding of our customers in this matter.

## The importance of nurturing “top runners”

While we have focused on anticipating and addressing various risks, there have often been times when customers have indicated to us that there are new opportunities for providing our services, such as asking whether ALSOK could provide security and services in new fields. For example, as we have a long history of doing business with financial institutions, most ATMs are currently managed by security companies. This is a service that came into being based on a request and has become a major pillar of ALSOK’s business. We must continue to help make customers’ latent needs become apparent and continue to take on challenges without fear of failure using a trial-and-error process.

Today as risks become more complex and diversified, it is more important than ever to listen to what customers have to say about the risks that they face, identify business opportunities, and sharpen our ability to respond. To do so, each employee must become more perceptive to information. Since the information gathered by employees is what is

important, I believe that our most important role is to nurture as many employees as possible who possess a wide range of experiences and perspectives. We have been significantly improving our human resources development system for several years. In addition to learning about ALSOK’s basic policies, including our Management Philosophy, the scope of training has been expanded to include training that provides employees with an understanding of all aspects of the risk management process, from perceiving and assessing risks to how to respond to them. With regard to DX, it is often said that digital transformation leads to creating innovative products and bringing them to the market. However, I feel that digital transformation on the user side is also important, so a certain level of IT literacy is essential. In addition to improving the skills of our employees, we are also developing employees who can respond to increasingly complex risks from a broad perspective.

Based on this kind of training, I believe that employees have improved in terms of ability. I want the company to build a system that raises the overall level by nurturing “top runners” rather than only providing conventional style training where everyone is taught in the same way and progresses at the same pace.

## Continuing to implement the strategies and measures set out in the medium-term management plan despite the impact of the COVID-19 pandemic

We launched our medium-term management plan in the fiscal year ended March 31, 2022. During this period, efforts to achieve our financial targets in five years were delayed due to the COVID-19 pandemic. However, our strategies and measures for responding to diverse risks remain completely unchanged. Since the rate of growth in business performance from the point when COVID-19 was reclassified as a Class 5 infectious disease has exceeded expectations and because of other factors, we are focusing our efforts on achieving the financial targets of the final year of medium-term management plan, which are 650 billion yen in consolidated net sales, 65 billion yen in consolidated ordinary income, ratio of consolidated ordinary profit to net sales for 10% or more, and ROE of 10% or more. Our business is well-suited to benefit from economies of scale. By expanding our scale of sales, it is also possible to increase our profit. We also strengthened shareholder returns by revising the dividend payout ratio and purchasing treasury stock. However, one miscalculation was that our response to the 3G service stoppage was delayed due to the COVID-19 pandemic and semiconductor shortages, causing cost increases to affect the final year of our medium-term management plan. In light of these circumstances, I want for the company to inform our



shareholders and other investors about ALSOK's real strengths while comparing them with the financial targets set forth in the medium-term management plan.

## Aiming to realize a sustainable society by meeting the expectations of our customers

I recognize that ALSOK's businesses themselves help society. Our mission is to contribute to the creation of a sustainable society by engaging in business flexibly and steadily, even in the midst of various economic, social, and market changes. I believe that it is necessary to develop our business while giving consideration to the environment and human rights while focusing on social contribution through our core business. As for environmental measures, we are working to reduce CO<sub>2</sub> emissions by devising procurement mechanisms and through fuel and electricity savings. We will also become more aware of human rights than ever before. With 65,000 employees, including those overseas, ALSOK has been working hard to improve its systems and mechanisms in Japan for a long time, and we are aware that our systems and mechanisms are relatively sufficient. Overseas, however, since cultures and systems are different and some companies have joined the Group through M&A, I

believe that it is necessary to work with a higher awareness of human rights in accordance with each situation. We will continue to create corporate and social value with the strong belief that sustainability initiatives and social contribution are closely linked to business expansion.

We take pride in our strength of doing what needs to be done, not for our own gain, but because it is the right thing to do. There are times in work when we are faced with difficult tasks. At ALSOK, there are many employees who bravely face various difficulties, driven by a desire to help customers and society with their challenges. This attitude was greatly demonstrated during the 2024 Noto earthquake, the Great East Japan Earthquake, and the Tokyo 2020 Olympic and Paralympic Games held during the COVID-19 pandemic. This is something that cannot be acquired through education alone and it can be said to be one of our strengths. Therefore, we will continue to carefully nurture such feelings and determination.

I believe that the most important thing for a company is to preserve the corporate culture/organizational climate that it has so far created, to quickly grasp changes in society, to evolve business, and to continue to be an essential part of society. We will continue to strive to expand our corporate and social value while valuing the uniqueness of ALSOK. I ask for the continued support of our stakeholders as we move forward with these efforts.

## ALSOK's Aim

To meet the expanding needs for safety and security in a society where risks are diversifying, ALSOK will promote the innovation of its security business model and aims to become a resilient integrated safety and security solutions provider.

### Basic Policies

- 1 Enhancement of response capacity for diverse safety and security needs of society
  - Enhancement of Inside and Outside Infrastructure Cultivated by the Security Business and Facility Management Business, and Construction of Solutions through a Combination of Various Services
  - Prompt Development of Products and Services Assimilating New Technology
- 2 Digitization and utilization of data
  - Digitization • Enhancement of communication with customers • Efficiency and manpower savings of operations • Complement of functions by digital technology
  - Utilization of Data • Analysis of collected data • Data cooperation with external organizations
- 3 Establishing a work environment where employees play an active role
  - Diversifying Human Resources • Recruit of diverse human resources • Provision of diverse work styles • Capability development
- 4 Strengthen the efforts of sustainability
  - Enhancement of Governance ■ Approach to the SDGs ■ Approach to Environmental Issues

### Financial Goals

Performance (FY2024)		Targets (FY2026)	Investment Plan (Based on Cash Flow)	
			Items	FY2022–FY2026
Consolidated net sales	¥521.4 billion	Approx. <b>¥650.0 billion</b>	Research and development, digital-related investments, etc.	¥70.0 billion
Consolidated ordinary income	¥42.1 billion	Approx. <b>¥65.0 billion</b>	M&A, etc.	¥50.0 billion
Consolidated ordinary income to sales	8.1%	More than <b>10%</b>	FY2022–FY2026 increase in cash	Approx. <b>¥110 billion</b>
ROE	8.2%	More than <b>10%</b>		

Future Targets  
**Net sales: Approx. ¥1 trillion**  
**Income: Approx. ¥100 billion**

For detailed data on the Medium-Term Management Plan (GD2025), please visit our website.  
<https://www.alsok.co.jp/en/ir/management/plan.html>





## Ikuji Kayaki

Representative Director,  
Group COO



# We are building our own sustainable business model by promoting business from a social contribution perspective.

## FY2024 business environment and performance

In FY2024, net sales was 521.4 billion yen (up 5.9% year on year), operating income was 39.0 billion yen (up 5.6% year on year), ordinary income was 42.1 billion yen (up 7.5% year on year), and profit attributable to owners of parent was 27.3 billion yen (up 14.1% year on year), achieving forecasts for the period. Net sales increased for the 14th consecutive year and reached a record high. I believe these results were achieved due to the recovery of demand for security and other types of demand as a result of the reclassification of COVID-19 as a Class 5 infectious disease in addition to our careful efforts as a security company to continuously improve quality and pursue efficiency.

In regard to conditions in Japan, various risks are becoming apparent, including labor shortages, a declining birthrate and aging population, abnormal weather and natural disasters, cyber attacks, and aging of infrastructure. In light of the changing needs associated with the increasing complexity and diversification of risks, I feel that it is important for ALSOK to take on the challenge of responding to risks from the perspective of resolving customer issues. Within ALSOK, I tell employees, “always place customers first,” and

try to spread this concept throughout the company.

In FY2024, we reorganized our organization into seven business divisions with the aim of achieving further growth in each business. One year has passed since this change was made, and the clarification of responsibility and authority for business promotion has gradually produced results. On the other hand, I believe it is necessary to ensure that business divisions do not fall into the trap of individual optimization and that management resources are optimally allocated, efforts which I recognize as important missions for me to carry out as Group COO.

## Initiatives and results by business

In Electronic Security Services, I feel that the market is maturing in terms of the number of service contracts that we have concluded. That is why it is important to further grow by proposing other services to our customers who have contracts with us and expanding the range of services. Therefore, we newly launched our “rescue services” and have started to expand them nationwide. These are add-on services for our current electronic security customers, and the advantage is that they can be deployed without significant costs being incurred. Furthermore, since it is



anticipated that maintenance will be required after providing an emergency response and determining the cause of a failure at a building facility, I think that significant synergies can be created with our FM (facility management) Services etc.. We should be able to utilize ALSOK's strengths in everything including construction, maintenance, emergency response, and restoration work. However, we anticipate that it will take some time for it to become fully ingrained, and we plan to take the necessary time to ensure its growth. Additionally, it is with great regret that, due to rising labor and material costs, we have decided to ask our customers to agree to price revisions. I will attempt to explain this in detail so that you can gain a basic understanding.

The company has been selling HOME ALSOK Connect® through its HOME ALSOK Services since last year. It has earned a certain reputation in the market as a service that meets the needs of customers, allowing customers to select plans according to their life stage. We expect to further expand sales together with "Sumaho Gate," which was launched in May 2024 to enhance convenience and make the service more comfortable to use. Furthermore, as only the number of elderly households is expected to increase, I believe that our role in the field of monitoring the elderly will expand. In Long-Term Care Services, a business area which we have been fully engaged in since 2012, we will continue to take on the challenge of linking monitoring and long-term care, just as we have expanded from the conventional field of crime prevention to the field of monitoring the elderly. In FY2024, we promoted efficiency measures while aiming to

improve profitability and achieving certain effects in verifying the optimization of personnel allocation. However, I recognize that there is still a need to progress efforts to further enhance profitability.

There appears to be strong demand for Stationed Security Services with the resumption of events post-COVID and ongoing redevelopment, particularly in urban areas. Looking ahead, in anticipation of further labor shortages, we will strive to efficiently allocate personnel through DX and at the same time improve the quality of security. On the other hand, in Transportation Security Services, there is a need for outsourcing from financial institutions due mainly to labor shortages and a need for more efficient sales management by business corporations. It may be difficult to expect significant growth over the medium to long term due to the proliferation of cashless payment systems. For now, however, we will firmly respond to these needs for transportation security.

Starting in FY2025, Overseas Services have been disclosed as a new segment. Although acquisition of shares in PT. Shield-on Service Tbk in August 2023 has expanded sales, we still need to improve profit. In order to make Overseas Services one of our pillars in the future, it is essential to enhance the systems of local subsidiaries. Although there are various issues in Asian countries in which we are operating, such as Legal regulations, depending on the country, they are markets where high growth is still expected. I want to see ALSOK grow together with these markets through the provision of high-quality services.



## Review of my two years as President

In any business, the most important asset is its human resources and how to grow this asset. We have been implementing various measures to improve employee engagement, including improving working conditions.

Looking back over the past two years, while maintaining a management perspective, I have strived to get closer to employees as a president who has risen through the ranks within the company, engaging in dialogue with site managers and new employees. There are things that become visible only through direct conversations, and gradually these insights have been reflected in our measures. For example, there were times when employees expressed concerns about the development of new services, so we tried to eliminate those concerns by using DX tools and other means. Moving forward, I want to continue to reflect the opinions of our employees in measures so that they can work more easily.

We value the opinions of our employees and, through opportunities for dialogue, convey that our purpose, which aligns with our Management Philosophy\*, is a universal and everlasting commitment. We continuously question why our employees are thriving as ALSOK members and why our company exists, sharing the message that we will work together to solve our customers' problems. In addition to our Purpose, ALSOK's Four Principles envisioned by our founder, which are Sincerity, Accuracy, Strength, and Speed, are also important. Therefore, we will continue to promote the belief that the spread of these principles will lead to the company's development.

\* Based on two core principles exemplified by "arigato no kokoro" (a feeling of gratefulness and gratitude) and "bushi no seishin" (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole.

## Message to Stakeholders

I will focus on continuing "dialogue and empathy" with all our stakeholders. As stated earlier, I strive to gain empathy for the importance of purpose-driven management among our employees and will continue to explore alliances with companies that are headed in the same direction.

Since have established a system that allows us to respond nationwide in Japan 24 hours a day, 365 days a year, I am confident that our security personnel are well-trained and meet certain standards. Combining this with DX, we have started offering "rescue services" and will continue to leverage our organizational strength and human resources to provide high value-added services. Furthermore, I think that providing services through alliances, services that ALSOK cannot create on its own, will lead to sustainable growth and, as a result, continuous returns for our stakeholders.

I ask for the continued support of our stakeholders for our business activities and look forward to the future of ALSOK.

The ideal security company,  
as envisioned by our founder

ALSOK's Four Principles

Sincerity, Accuracy, Strength, and Speed

### Sincerity

The Sun Symbolizes Sincerity

- Security companies fulfill the important mission of protecting clients' lives and property

### Accuracy

The Rod Symbolizes Accuracy

- Professional security services must not only be accurate, but must never be muddled



Company emblem

### Strength

The Eagle Symbolizes Strength

- Security requires strong-minded people

### Speed

The Laurel Leaves Symbolize the Speed of an Olympic Champion

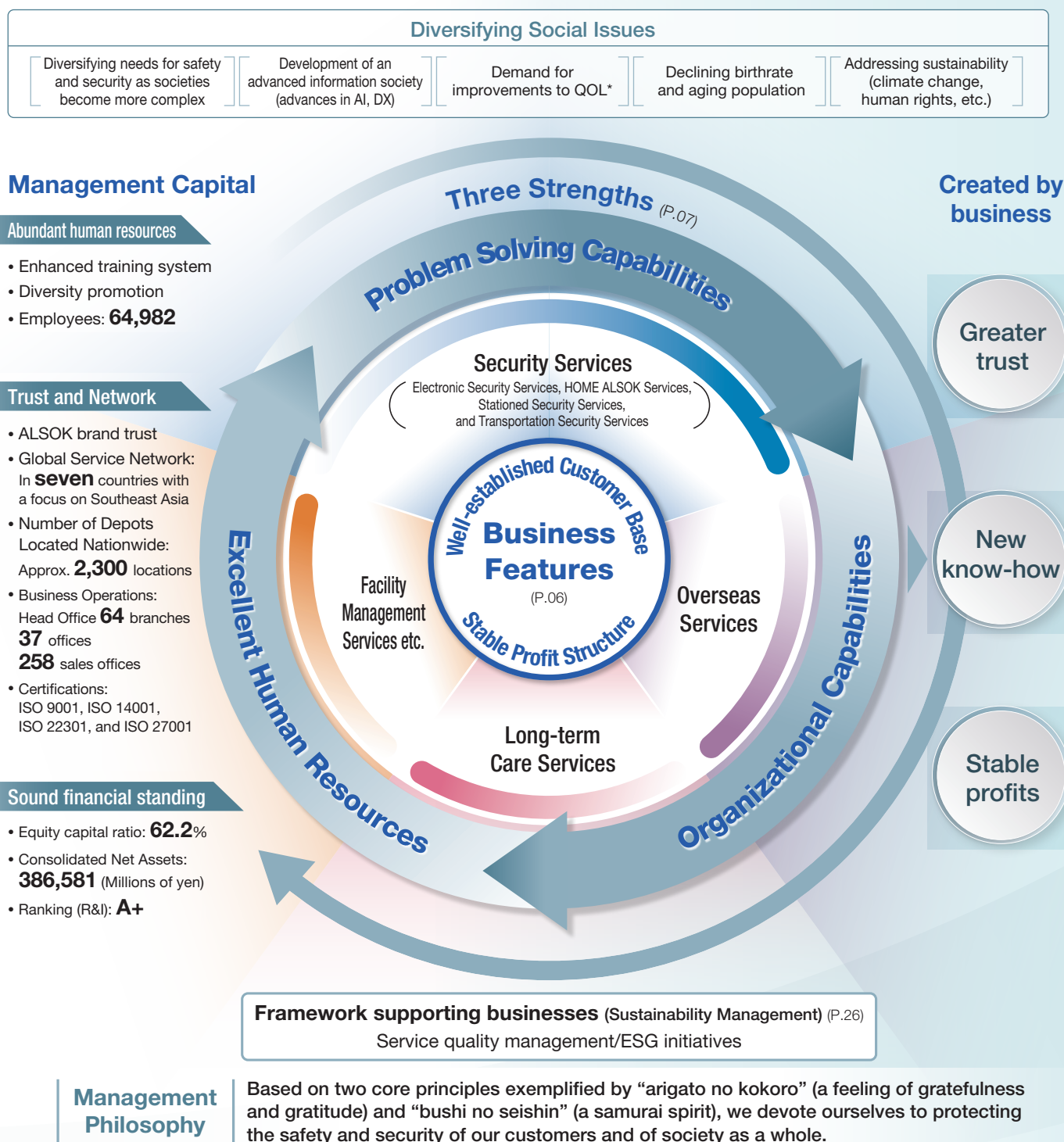
- Security services must always be implemented rapidly



# ALSOK's Value-Creation Model

The ALSOK Group has continued to provide security services of impeccable quality since its establishment. The Group's excellent human resources, organizational capabilities, and the problem solving capabilities recognized by customers and society are its greatest strengths. Although conditions are changing rapidly both inside and outside of the Company, we remain committed to creating new value and achieving sustainable growth for protecting the safety and security of customers and society while simultaneously achieving sustainable growth. By accomplishing these goals, we will meet the expectations of all stakeholders.

## ALSOK's Business Model



\* QOL...Quality of Life

Value Provided

# Protecting the safety and security of our customers and of society as a whole

Growth Strategies and Materiality

Medium-Term Management Plan (FY2022-FY2026)

## *Grand Design 2025* (P.23)

### Basic Policies

1. Enhancement of response capacity for diverse safety and security needs of society
2. Digitization and utilization of data
3. Establishing a work environment where employees play an active role
4. Strengthen the efforts of sustainability

### Vision

## Becoming a Resilient Integrated Safety and Security Solutions Provider

### Five Material Issues (P.24)



**(1) Providing Trustworthy Security Services**



**(2) Providing Products and Services That Help Resolve Social Issues**



**(3) Cultivating Human Resources and Building a Comfortable Workplace Environment**



**(4) Contributing to Local Communities through Active Communication**



**(5) Consideration for the Global Environment**

### Customers

Provide safety and security through our high-quality products and services

### Employees

Based on the belief that people are an important source of corporate activities, we provide an environment in which each and every employee can fully demonstrate their abilities and work energetically and develop their abilities

### Shareholders and Other Investors

Increase in stock price and provision of shareholder returns by increasing corporate value through sustainable growth

### Business Partners

ALSOK and the supply chain will work together to realize sustained growth for both

### Local Communities and the Global Society

Contribute to the creation of a safe and secure society by creating new solutions in response to diversifying risks

## Electronic Security Department

### Business Details

This business installs alarm equipment like sensors at contracted sites, remotely monitors intrusions, fires, and equipment anomalies at the guard center via communication lines, and dispatches security guards to respond to any abnormal situations.

As a service for our corporate clients, the online security system “ALSOK-G7” equipped with high-definition imaging sensors as standard is also available.



#### Our Vision

- Expand business domains and increase added value for electronic security

#### Expectations from society

- Provide high-quality security services toward achieving a safe and secure society
- Respond to risks that are becoming more diverse and complex based on our ability to respond 24 hours a day, 365 days a year

#### “Initiatives” for achieving our Vision

Given the diversification of the risks confronting society, we have received various requests for safety and security. In order to meet these needs, it is essential to improve the responsiveness of security guards and improve the efficiency of existing operations. We aim to further expand our business domains by improving business processes and strengthening the remote support system for security guards, improving quality and efficiency, and establishing a foundation for providing new services while utilizing the nationwide electronic security infrastructure in operation 24 hours a day, 365 days a year that we have created to this point. One result of these efforts is the release of our new “rescue services” that utilize DX.

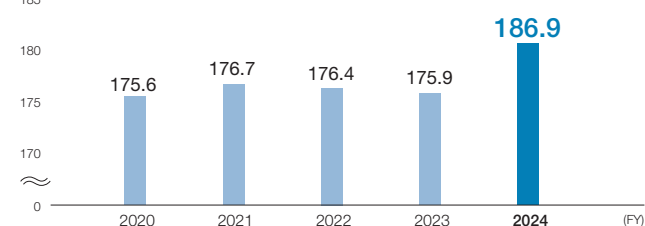


Manabu Morimoto

General Manager of  
Electronic Security  
Department

#### Net Sales

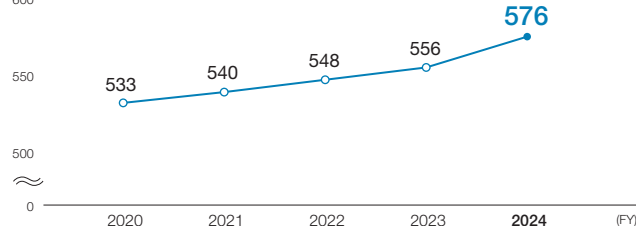
(Billions of yen)



\* Sales of electronic security services (including for corporate clients and individual users)

#### Electronic security services contracts for corporate clients

(1,000 contracts)



### TOPICS

#### Nationwide launch of “rescue services” (July 1, 2024)

Our rescue services are services that reduce the workload of customers and enhance maintenance systems by delivering knowledge of specialists who possess a wealth of experience and know-how to customer locations by utilizing ALSOK's ability to rush staff to the scene and DX.

We recently launched ALSOK IT Rescue® and ALSOK Facility Rescue® nationwide.

These services are designed to determine the cause of any problems with IT equipment/building facilities and to provide emergency response.

Moving forward, we will continue to expand our service menu based on this concept and contribute to solving various social issues that go beyond the framework of “security.”

Akira Terui

Electronic Security Department



Expand business domains by utilizing existing infrastructure and increase added value for electronic security services



#### Operational Flow for Rushing to the Scene





## HOME ALSOK Business Department

### Business Details

HOME ALSOK Business Department offers services based on the “HOME ALSOK” brand in line with the concept of security services for all aspects of life including “HOME ALSOK Connect®,” a smartphone-based security service, “HOME ALSOK MIMAMORI SUPPORT” monitoring service for the elderly, and “HOME ALSOK APARTMENT AND CONDOMINIUM PLAN” for housing complexes.



#### Our Vision

- Achieve a “Lifestyle where safety is the norm”

#### Expectations from society

- Overcome growing safety concerns stemming from the deterioration of the domestic sense of security
- “Constant” monitoring “just in case” with the increase in elderly couple households
- Provide services that support diversifying lifestyles

#### “Initiatives” for achieving our Vision

We are aiming to create local communities that anyone can live in safely and securely, without elderly people living alone, elderly couple households, women or children experiencing crime.

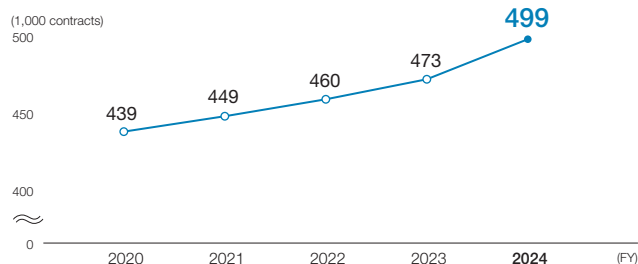
Providing services including home security that caters to the lifestyles and life stages of each individual customer and services for monitoring elderly helps to protect customer lifestyles whether they are away from home for extended periods of time, left their home quickly, or even if they are actually in their home.



Masaharu Watanabe

General Manager of  
HOME ALSOK  
Business Department

Electronic security services contracts for individual users



### TOPICS

#### Improving the Convenience of Home Security

In May 2024, we started providing “Sumaho Gate” to enhance the convenience of HOME ALSOK Connect® and make the service more comfortable to use. The smartphone authentication function allows for the automatic deactivation of the security system when the user returns home and simple touch-screen operation when they go out, eliminating the complexity of using a security system. It also helps users prevent forgetting their smartphone by notifying them whether or not they are carrying it on their person via a voice-based notification and on-screen notification. Seamless security operations support a comfortable life and provide a safe and secure daily life.



Hiroyuki Haramiishi  
HOME ALSOK Business Department

#### Sumaho Gate Features



Home security system is automatically deactivated when the resident's smartphone is detected



Touch screen-based security system activation



The system notifies the user that they have forgotten to carry their smartphone

#### ALSOK Guard Center

##### Surveillance system



##### ALSOK's Dispatch System

Dispatch instruction

Customer site information

Continuously acquire location information using GPS

Progress information

Nearest security guard



Destination information is sent from the mobile phone to the car navigation system



## Stationed Security Department

### Business Details

Security guards are stationed at the contracted facility and access control, patrol, and monitoring are performed to prevent various accidents and respond to emergencies and accidents. We also provide security for various events such as international conferences, sports competitions, fireworks events, and festivals, meeting a wide range of needs. Additionally, we aim to promote DX and provide “Visible Security”<sup>\*2</sup> instead of “Demonstrated Security”<sup>\*1</sup> by equipping security guards with mobile devices, etc.



#### Our Vision

- Utilize DX to provide more advanced security and increase labor savings and provide security that leverages the mobilization capabilities of the ALSOK Group

#### Expectations from society

- Respond to disasters and fires with advanced security
- Provide services that leverage our mobilization capabilities as one of the industry's leading companies
- Contribute to the development of safe and secure communities by providing high-quality security services

#### “Initiatives” for achieving our Vision

ALSOK's stationed security services have progressed from human-based security to security where we focus on utilizing “digital technology” tailored to the changing needs of society and customers. By utilizing state-of-the-art technologies such as AI and robotics, we aim to increase the efficiency and labor savings of resident security services. Additionally, security guards are now equipped with state-of-the-art mobile devices, enabling them to handle not only crime prevention but also disaster prevention-related tasks. This results in expanding our business domains. Moving forward, in addition to utilizing DX, we will leverage our mobilization capabilities as an industry giant and contribute to various types of large-scale events.

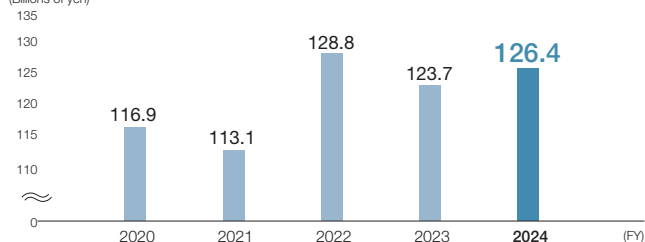


Koujiro Makino

General Manager of  
Stationed Security  
Department

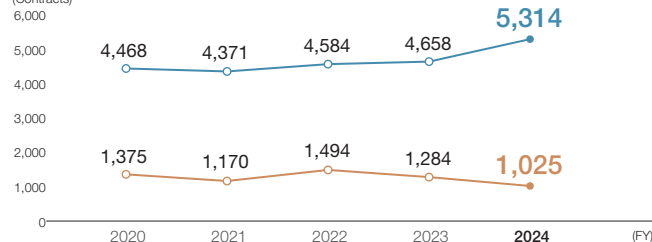
#### Net Sales

(Billions of yen)



#### Number of long-term contracts and Number of security service contracts for major events

(Contracts)



## TOPICS

### DX implementation for more advanced security

By enhancing security by equipping security guards with digital devices such as smartphones to utilize sensing technologies that complement the five senses and using data with various equipment, we are transitioning from “Demonstrated Security” to “Visible Security” where safety is made visible.



Satoru Kouya  
Stationed Security  
Department

### Contributing to the safe operation of large-scale events such as Expo 2025

We strive to ensure the safety and security of visitors by building a security system that makes full use of the know-how cultivated by providing security services for the Tokyo 2020 Olympic and Paralympic Games and the G7 Hiroshima Summit, the mobilization capabilities of the ALSOK Group, and the latest DX tools.

### Increase in orders for airport-related security services due to the recovery in inbound tourism demand

As there is now a larger flow of people in Japan, including inbound tourists, the Group is receiving more orders for airport security inspection services. In order to carry out smooth and accurate security inspections, we are promoting the education of security guards and the acquisition of certifications.



<sup>\*1</sup> Demonstrated Security: An approach to deterring crime by providing uniformed security guards

<sup>\*2</sup> Visible Security: Utilization of digital technology to visualize safety and security



## Transportation Security Department

### Business Details

Dating back to the safe and reliable transportation of valuables including transporting cash to designated locations, today we provide services like ATM General Management for the all-inclusive management of financial institution ATMs, and the Cash Deposit and Dispenser Machine On-Line System for corporate clients to cover back office operations and manage small change and in-store sales. As a payment provider, the ALSOK Multi-QR Payment Solution is also available to respond to the development of a cashless society.



#### Our Vision

- Establish a solid presence as a supplier of domestic cash distribution and provide comprehensive solutions for cash-related operations

#### Expectations from society

- Supply sustainable and reliable services as social infrastructure
- Safe and reliable transportation and management of valuables

#### “Initiatives” for achieving our Vision

Our involvement with transportation security services began with the transportation of bills, which was then developed into a service to suit the times and released into the market.

We are enhancing our response to changes occurring throughout the environment such as moves to cashless payment systems, in order to leverage our comprehensive capabilities. We will continue to make use of the transportation security platform to support social infrastructure through our comprehensive solutions, including cash-related operations. At the same time, we will contribute to the sustainable growth and development of our customers by further improving operational efficiency through the utilization of DX and IoT technologies.

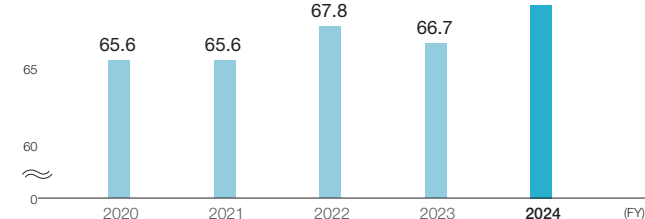


Fumihiko Oishi

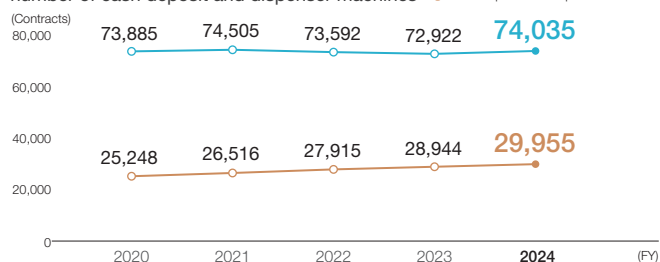
General Manager of  
Transportation Security  
Department

#### Net Sales

(Billions of yen)



#### Number of ATMs under our management and number of cash deposit and dispenser machines



### TOPICS

#### Contribute to making store operations more efficient

Recently, in addition to responding to the shift toward cashless payments and use of new banknotes and coins, there has been a growing need for outsourcing sales management due to worsening labor shortages at stores.

In addition to the continuous sales promotion of the Cash Deposit and Dispenser Machine On-Line System that flexibly responds to changes in the social conditions surrounding cash and streamlines sales management, we also provide the ALSOK Multi-QR Payment Solution that supports cashless transactions. ALSOK will help customers operate their stores efficiently by handling both cash and cashless transactions.



Cash Deposit and Dispenser Machine  
On-Line System



ALSOK Multi-QR Payment  
Solution terminal



Yuuya Ishizawa  
Transportation Security Department

## Facility Management Department

### Business Details

Total support business covering building construction, maintenance, operation and management, from reducing management costs of various facilities like buildings and condominiums to maintaining and enhancing the value of assets, through maintenance, repair and renewal of building facilities, fire and disaster prevention, facility management, cleaning and sanitation management, plumbing installation and electrical installation. It also sells disaster prevention and infectious disease control supplies, and AEDs.

In the fire protection business, we have strengthened our business promotion system in the fire and disaster prevention field by entering into a capital and business alliance with Hochiki Corporation, a comprehensive fire protection manufacturer, and Nippon Dry-Chemical Co., Ltd., making them affiliates accounted for under the equity method, as well as undertaking joint development and sales of new products tailored to meet customers' increasingly diverse needs.



### Our Vision

- Realize building management by leveraging our strength as a security company, which is our ability to respond 24 hours a day, 365 days a year

### Expectations from society

- Level of trust that only a security company can establish
- One-stop, all-inclusive security and facility management
- Provide services leveraging our nationwide network

### "Initiatives" for achieving our Vision

We have expanded the scope of our services to respond to a wide range of needs related to the maintenance, operation and management of customer assets. Utilizing our strength of electronic security, which allows us to quickly detect anomalies at customer facilities, we are enhancing the coordination of information within the Group to provide a one-stop service covering repairs of facilities through to inspections and upgrades. Additionally, we are contributing to the sustainable business operations of our customers by expanding our lineup of products and services, including energy-saving and energy-creating products and asbestos-related services that capture changes in social conditions, as well as service areas in response to changing social conditions.

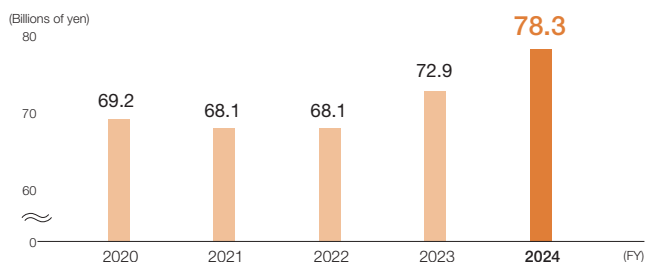


Yo Taga

General Manager of  
Facility Management  
Department

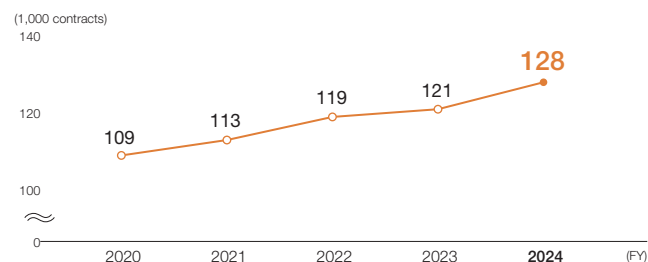
### Net Sales

(Billions of yen)



### Number of Contracts

(1,000 contracts)



## TOPICS

### Expand services in response to changes in society

In order to expand the scale of facility management, which is highly compatible with security, we are working to expand services that respond to changes in social conditions such as legal revisions.

In recent years, asbestos-related regulations have been strengthened due to the revision of the Air Pollution Control Law. As part of our environmental measures, ALSOK Mbic Laboratory Co., Ltd. provides a comprehensive asbestos service which covers everything from preliminary surveys to analysis for various types of building construction. We will continue to provide services that meet the needs of the times and contribute to solving customers' problems from all angles.



### <Main Testing Services>

- Asbestos inspections
- Food inspections
- Halal inspections
- Physicochemical inspections
- Intestinal bacteria testing
- Health inspections

Yasufumi Yamamoto

ALSOK Mbic Laboratory Co., Ltd.  
Head of the Environmental Analysis Center





## Long-term Care Business Department

### Business Details

We provide a wide range of services, from home-based nursing care support (creating care plans) and home-based nursing services such as home-visit long-term care, home-visit nursing care, and day-care services for residents of specified facilities (pay-for-care homes with nursing care), communal living care for dementia (group homes), and home-care services for the elderly with services.

In addition to selling and renting welfare equipment, we also provide home-visit medical massage services for home-care patients.



### Our Vision

- Earn the trust of our customers and respond to the trust society places in us by serving each and every one of them with integrity and supporting their own unique lifestyles

### Expectations from society

- Provide care services that respond to the latent risks in a super-aged society
- Provide high-quality care services that are safe, secure, and in harmony with the community
- Provision of services that no other company can provide offering comprehensive support, from monitoring (security) to home-based or facility-based care

### "Initiatives" for achieving our Vision

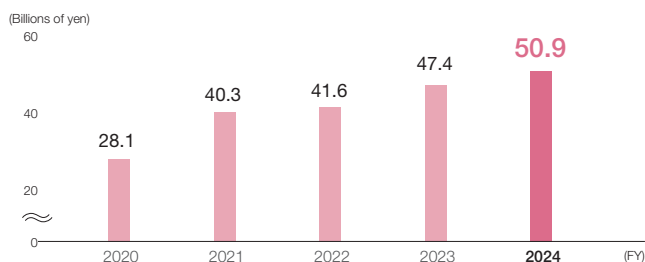
In addition to providing long-term care services that support safer and more secure lives for users and their families, which only a security company can provide, we are working to provide high-quality services and improve productivity by further promoting DX, such as the use of robots for long-term care and sensors. We also provide specialized and accurate individual function training services to maintain and improve ADL (activities of daily living) for users, and provide medical and rehabilitation services tailored to their physical conditions.



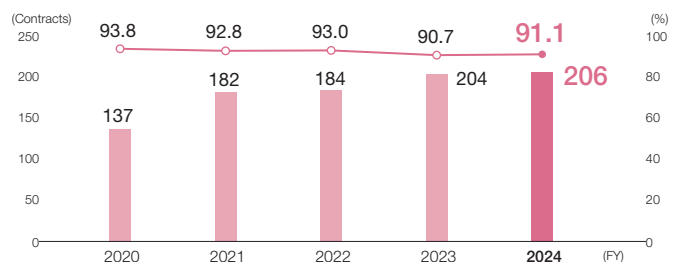
Kaname Yubisui

General Manager of  
Long-term Care Business  
Department

### Net Sales



### Occupancy rate and number of facilities



### TOPICS

#### Promote productivity improvement at long-term care sites

We are working to utilize technologies to secure long-term care personnel and improve productivity at long-term care sites. Moving forward, we will continue to participate in national experimental projects and promote a new long-term care business models through the utilization of DX, thereby reducing the workload of employees and improving the quality of care.

#### Specific examples of implementing DX for long-term care



Bed exit detection  
sensor system



Care record  
system



Robots for  
long-term care

#### Developing nursing and care services using a scientific approach

In October 2022, ALSOK entered comprehensive partnership agreements with incorporated national universities and other organizations to develop and create guidelines for a total care package that includes technologies for predicting end-of-life care to predict the need for hospitalization and avoid, reduce, or respond to emergency events through AI analysis in order to establish scientifically-based nursing and care services. Through this advanced initiative, we aim to continue to serve as a platform for nursing and care research in Japan.



Shimpei Hatanaka  
Long-term Care  
Business Department

## International Affairs Department

### Business Details

Since 2007, we have been developing our overseas business with a focus on Southeast Asia, where many Japanese companies are now doing business, and have established local subsidiaries in seven countries: Thailand, Vietnam, China, Indonesia, India, Myanmar, and Bangladesh.

We are currently expanding our business domain not only to provide security consulting, stationed security services, and electronic security services using systems, but also to facility management such as disaster prevention, cleaning, and building facility management.

In addition, we provide services not only to Japanese companies but also to local service providers and financial companies.



### Our Vision

- Globalization of the "ALSOK Way" to contribute to customers' growth throughout Asia, ensuring the growth of core business fields carrying the future of ALSOK

### Expectations from society

- Support for business continuity to contribute the safety and security of customers throughout Asia
- Provision of a substitute first line of response service in countries lacking in infrastructure to respond to crime or disasters

### "Initiatives" for achieving our Vision

We are supporting our customers' business continuity by blending the needs of customers in countries with different levels of safety and economies, with the level of service provided in Japan. In countries lacking the infrastructure to respond to crime or disasters, providing a substitute first line of response service can help prevent the spread of damage, as we focus on creating a society that leads to a safer and more secure society.

Although the Asian countries in which we operate vary in terms of legal and regulatory issues, we can still expect significant growth in the Asia market. ALSOK aims to grow together with its stakeholders by providing high-quality services that respond to various market risks.



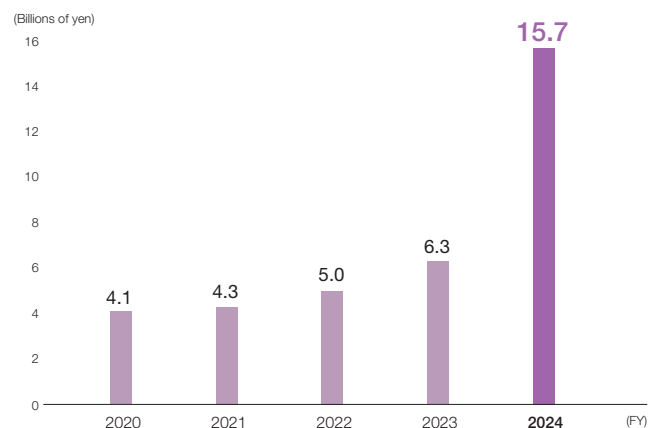
Maya Osaki

General Manager of  
International Affairs Department

Service coverage area



Net Sales



Note: The consolidation of PT. Shield-On Service Tbk contributed to FY2024 net sales.

## TOPICS

### Strengthening business throughout the ASEAN region

When we first started business operations in the ASEAN region in 2007, we mainly focused on the stationed security business, primarily serving Japanese manufacturing companies in the region. Now, however, we are expanding these services to include non-Japanese companies as customers, expanding our electronic security and Facility Management services, and increasing the number of our local subsidiary locations. In Southeast Asia, where the economy is growing rapidly, required services are becoming more complex due to changes in the market environment. However, we are differentiating ourselves from local security companies by leveraging our know-how gained from the electronic security services business in Japan and offering proposals that combine systems and personnel.

In August 2023, ALSOK acquired shares in PT. Shield-on Service Tbk, a company listed on the Indonesia Stock Exchange. In Indonesia, a country that is approximately five times larger than Japan, we are expanding our business scope into comprehensive outsourcing services, including security services, staffing, cleaning, and parking management in collaboration with PT. ALSOK BASS Indonesia Security Services. Moving forward, we will continue to innovate our services and respond to local needs to further grow our overseas business and strengthen our business development in the ASEAN region.



Yunjie Jing  
International Affairs  
Department



# Medium-Term Management Plan (April 2021 to March 2026)

## ALSOK's Aim

To meet the expanding needs for safety and security in a society where risks are diversifying, ALSOK will promote the innovation of its security business model and aims to become a resilient integrated safety and security solutions provider.

## Basic Policies and Initiatives

### (1) Enhancement of response capacity for diverse safety and security needs of society

Enhancement of Inside and Outside Infrastructure Cultivated by the Security Business and Facility Management Business,  
and Construction of Solutions through a Combination of Various Services  
Prompt Development of Products and Services Assimilating New Technology

- Initiatives**
- ALSOK Facility Rescue (launched in February 2024)
  - HOME ALSOK Connect Sumaho Gate (launched in May 2024)

### (2) Digitization and utilization of data

**Digitization**      • Enhancement of communication with customers      • Efficiency and manpower of operations  
                                 • Complement of functions by digital technology

**Utilization of Data**      • Analysis of collected data      • Data cooperation with external organizations

- Initiatives**      • DX in Stationed Security

### (3) Establishing a work environment where employees play an active role

Diversifying Human Resources      • Recruit of diverse human resources      • Provision of diverse work styles      • Capability development

- Initiatives**
- Increased base (11 consecutive years)
  - Introduction of the Student Loan Third-Party Repayment System (October 2024)

### (4) Strengthen the efforts of sustainability

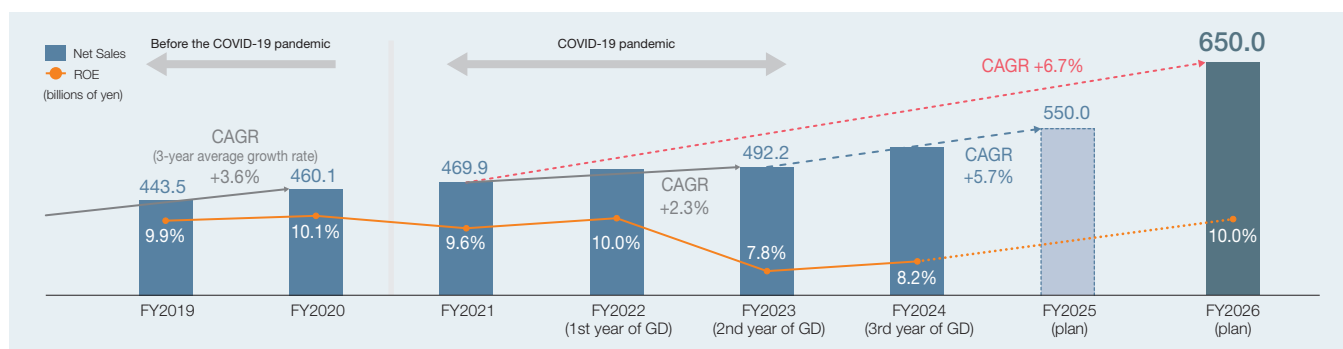
• Enhancement of Governance      • Approach to the SDGs      • Approach to Environmental Issues

- Initiatives**
- Environmental (E): Participated in GX League (May 2023) and the Model Project for Promoting Decarbonization across the Entire Value Chain by the Ministry of the Environment (August 2023 to March 2024)
- Social (S): Established Human Rights Policy (November 2023) and Human Rights Committee (April 2024)
- Governance (G): Established Quality Management Department (April 2023)

## Financial Goals

Performance (FY2024)	Targets (FY2026)	Future Targets	Investment Plan (Based on Cash Flow)
Consolidated net sales      ¥521.4 billion	Approx. <b>¥650 billion</b>	Net Sales	Item      FY2022–FY2026
Consolidated ordinary income      ¥42.1 billion	Approx. <b>¥65 billion</b>	Approx. <b>¥1 trillion</b>	Research and development, digital-related investments, etc.      ¥70.0 billion
Consolidated ordinary income to sales      8.1%	<b>10% or more</b>	Income	M&A, etc.      ¥50.0 billion
ROE      8.2%	<b>10% or more</b>	Approx. <b>¥100 billion</b>	FY2022–FY2026 increase in cash      Approx. ¥110.0 billion

## Progress of Grand Design 2025 (GD2025)



# Sustainability and CSR Management



## Roles of the Sustainability Promotion Office


































In order to strengthen our efforts to realize a sustainable society, the CSR Promotion Office of the General Affairs Department, which plays a central role in sustainability promotion, was renamed “Sustainability Promotion Office of the General Affairs Department” in April 2024.

The entire ALSOK Group collects quantitative and qualitative information on ESG and disseminates the latest information on sustainability promotion and best practices to employees through training and in-house newsletters, working to foster awareness of sustainability throughout the Group.

## ALSOK Materialities

ALSOK believes that practicing our Management Philosophy exemplified by the principles of “arigato no kokoro” (a feeling of gratefulness and gratitude) and “bushi no seishin” (a samurai spirit) in response to requests from all stakeholders including customers and local communities leads to sustainability and CSR for our whole group.

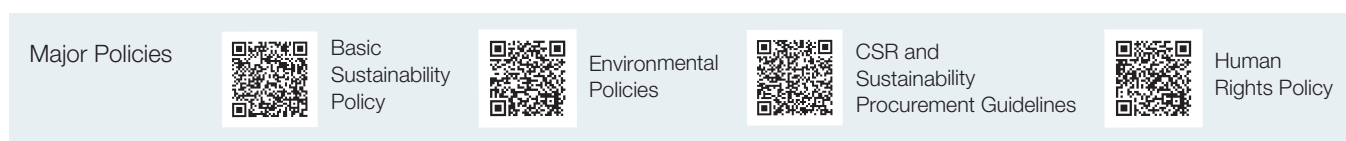
We have identified five themes as Materialities (important issues) in the promotion of sustainability and CSR activities in keeping with our Management Philosophy. As a company that helps sustain social infrastructure, we will advance initiatives with respect to materialities as we work to solve social issues and sustainably enhance our corporate value.

Five Material Issues	Social Issues and Demands from Society
 <b>Providing Trustworthy Security Services</b>   	<ul style="list-style-type: none"> <li>• Worsening of crime levels and diversification of crimes due to the increasing complexity of society</li> <li>• Heightened public awareness of compliance</li> </ul>
 <b>Providing Products and Services That Help Resolve Social Issues</b>     	<ul style="list-style-type: none"> <li>• Diversification of services in demand among customers</li> <li>• Issues accompanying the recovery from the COVID-19 pandemic</li> <li>• Response to aging social infrastructure</li> <li>• The decline and aging of the working-age population</li> </ul>
 <b>Cultivating Human Resources and Building a Comfortable Workplace Environment</b>      	<ul style="list-style-type: none"> <li>• Cultivating diverse talent</li> <li>• Balancing motivation and ease of work</li> <li>• Respect for human rights and diversity</li> </ul>
 <b>Contributing to Local Communities through Active Communication</b>         	<ul style="list-style-type: none"> <li>• Strengthening community-based crime and disaster prevention volunteer systems</li> <li>• Reduced economic and social sustainability due to declining population, shortage of successors, personnel</li> <li>• Working through our supply chain to advance sustainability</li> </ul>
 <b>Consideration for the Global Environment</b>      	<ul style="list-style-type: none"> <li>• Climate change countermeasures</li> <li>• Effective utilization of resources</li> <li>• Safeguarding biodiversity</li> </ul>



## Sustainability Promotion Framework

Sustainability promotion policies and the status of Group-wide initiatives are discussed and reported during Management Committee meetings, which are held four times a year, and Board of Directors meetings, which are held once a year. The Sustainability Promotion Office of the General Affairs Department leads efforts in cooperation with related departments to propose measures and act on them. Information is also shared with each committee to create a company-wide system to advance sustainability.



KGI: Vision	KPIs, etc.: Main initiatives	Targets	Target year
Suppress crime, prevent the spread of damage, and realize a robust security service that is responsive to increasingly complex threats and relieves all anxieties	<ul style="list-style-type: none"> <li>Improve the level of satisfaction among customers using our security services</li> <li>Enhance crime prevention in local communities through the provision of security services</li> <li>Improve call response rate at guard centers</li> </ul>	<ul style="list-style-type: none"> <li>—</li> <li>—</li> <li>98%</li> </ul>	<ul style="list-style-type: none"> <li>—</li> <li>—</li> <li>Every year</li> </ul>
Provide integrated safety and security solutions, meeting customers' expectations by listening to their voices	<ul style="list-style-type: none"> <li>Develop state-of-the-art technologies to support safety and security</li> <li>Provide monitoring service for the elderly by strengthening cooperation with local governments</li> </ul>	<ul style="list-style-type: none"> <li>—</li> <li>—</li> </ul>	<ul style="list-style-type: none"> <li>—</li> <li>—</li> </ul>
Achieve a workplace in which each and every employee can achieve self-fulfillment, fully apply their individual abilities, and vitally engage in rewarding work	<ul style="list-style-type: none"> <li>Proportion of women in management positions</li> <li>Percentage of childcare leave taken by male employees</li> <li>Percentage of foreign nationals in management positions</li> <li>Percentage of mid-career hires in management positions</li> </ul>	<ul style="list-style-type: none"> <li>30%</li> <li>50%</li> <li>Increase of 5% from fiscal 2020</li> <li>Maintain ratio of around 50%</li> </ul>	<ul style="list-style-type: none"> <li>2030</li> <li>2030</li> <li>2026</li> <li>2026</li> </ul>
Leverage core business to create new value while contributing to the safety and peace of mind of local communities Realize a sustainable society by reinforcing frameworks of collaboration with various suppliers	<ul style="list-style-type: none"> <li>Strengthen cooperation with local governments by entering crime and disaster prevention agreements</li> <li>Percentage of successful lifesaving and special fraud prevention cases stemming from security services<sup>*1</sup></li> <li>Number of ANSHIN KYOSHITSU Classes Held</li> </ul>	<ul style="list-style-type: none"> <li>—</li> <li>100%</li> <li>2,800 times</li> </ul>	<ul style="list-style-type: none"> <li>—</li> <li>—</li> <li>Annually</li> </ul>
Contributing to the realization of a carbon neutral, circular society	<ul style="list-style-type: none"> <li>Percentage of environmentally friendly vehicles<sup>*2</sup> introduced</li> <li>Reducing Scope 1 and 2 emissions</li> <li>Reducing Scope 3 emissions through the reuse of alarm equipment</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> <li>46% reduction (compared to FY2013)</li> <li>Achieve carbon neutrality by fiscal 2050</li> <li>4,700t-CO<sub>2</sub></li> </ul>	<ul style="list-style-type: none"> <li>2030</li> <li>2030</li> <li>2050</li> <li>Annually</li> </ul>

(Some metrics were evaluated using the following four-grade scale ◎: Fully achieved, ○: Largely achieved, △: Insufficient, and ×: Needs improvement)

<sup>\*1</sup> Percentage of cases encountered by security guards who were dispatched to the site that prevented occurrence or damage from spreading

<sup>\*2</sup> Environmentally friendly vehicles: Electric vehicles, fuel cell vehicles, plug-in hybrid vehicles, hybrid vehicles, natural gas vehicles, and clean diesel vehicles

# Providing Trustworthy Security Services—Quality Improvement Initiatives



## Important Related Themes

Because it is the nature of ALSOK's business to protect the lives and property of customers, we consider it one of our important management tasks to provide high-quality services that accommodate the intentions of our customers based on relationships of trust.

We are promoting initiatives for continuous quality improvement, such as using the feedback we collect from customers to improve operations, developing a system by which we can provide employees with feedback, improving specialized expertise for each type of business, identifying risks that could impact our business and preparing for them, and acquiring various management system certifications.

## Quality Management Department

The reorganization of the Head Office in fiscal 2023 included the establishment of the Quality Management Department for the purpose strengthening the services quality management function of the entire group.

In a change from the structure in place through fiscal 2022, with internal auditing and departments in charge of services, we have put in place a reinforced three-line structure with the addition of the Quality Management Department to manage and improve service quality for the entire Group.



## Roles of the Quality Management Department Managing and Improving Service Quality

In recent years, there have been concerns that have shaken the confidence people have in Japanese companies. In addition, as a company that protects the lives and assets of our customers, an important management issue is to provide high-quality services by developing a business foundation that will earn the trust of society and customers.

Aiming to improve service quality, we are pursuing the digital transformation (DX) of operations as outlined in our Medium-term Management Plan GD 2025 and promoting efforts to develop our quality infrastructure and improve quality. We are also working to strengthen the skill development of employees through competitive quality enhancement events.

## Improving the Quality of Service That We Provide to Our Customers

### Improving Business Operations Based on Customer Feedback and Employee Awards

Feedback from customers, including their opinions, requests, complaints, and messages of appreciation, is shared with all employees for improving how we conduct business on a daily basis. We place importance on complaints, understanding them as important hints on how to improve our business operations. Through our Customer Service Promotion Committee, we work with each responsible department to take measures to prevent complaints from recurring. In addition, we regularly give awards to employees who have contributed to improving customer satisfaction, which leads to improved motivation among many of them.

#### Complaints

**719 contracts**  
(-142 year on year)

#### Messages of Appreciation

**3,411 contracts**  
(+152 year on year)

### Feedback for Employees Using GST Cards

ALSOK has introduced the Good Service Thanks Card (GST) to focus on the strong points of our employees and praise aspects of excellence. Customer Cards are awarded for actions that provide customers with a sense of security and actions that have impressed them, while Colleague Cards are awarded for actions that are exemplary for coworkers.

#### Customer Cards

**11,775** (Non-consolidated: 4,292; Group: 7,483)

#### Colleague Cards

**69,537** (Non-consolidated: 41,847; Group: 27,690)



Customer Cards



Colleague Cards



## Initiatives for Providing High-quality Security Services

### Cooperation with Suppliers

ALSOK business operations such as alarm equipment procurement and installation, and the stationing of guards, are founded on the understanding and cooperation of our business partners. We communicate with our suppliers through regular meetings in each department, deepen friendships through information sharing among our members and with our company, and strive to carry out operations smoothly, prevent various accidents, and improve quality.

Moving forward, we aim to further leverage these opportunities in order to improve sustainability throughout the supply chain.

(practice)

Soekai (Procurement Department)	Soyukai (Electronic Security Department)
(1) Executive Meeting: June and February	(1) Board of Directors' Meetings (once a year)
(2) Regular General Meeting and Reception: July	(2) Block Meetings (the Company divided Japan into seven blocks and held a meeting once in each block)
(3) Seminar: November	(3) Executive Meeting (held 2 to 3 times a year)
(4) New Year's Greeting Exchange Meeting: January	
(5) Executive Meeting: February	

Number of collaborating companies: 92

Number of collaborating companies: 185

Note: In addition to the above, Soshinkai meetings (Stationed Security Department), Someikai meetings (Facility Management Department) and Kyoeikai meetings (for dealers) are also held.

## Improving Business Skills

### In-House Competitions

Every year, we hold the Quality Improvement Tournament to improve the quality of services throughout the group with activities modeled on our actual work duties. In the 14th Quality Improvement Tournament held in November, 2023, 195 people who won the national preliminary rounds competed in 13 competitions. Two employees from overseas subsidiaries also participated in the basic life support (BLS) procedure competition in which AEDs were used.

In the care field, 8 teams from 6 Group nursing care companies participated in the Long-Term Care Quality Improvement Presentation Competition. At the 8th competition held in December 2023, our efforts to realize a function training-type day service were highly evaluated.



## Risk Preparedness

### Traffic Accident Prevention Activities

We create near-miss videos using drive recorder footage and conduct traffic accident prevention education at all of our offices nationwide. Additionally, employees who drive, whether it be cars or motorcycles, take Safe Driver Certification tests to help prevent traffic accidents. Through these traffic accident prevention activities, we are striving to improve the quality of our security services and ensure service uniformity throughout Japan.



### Comprehensive Disaster Response Drills

Comprehensive disaster response drills are held twice a year (March 11 and September 1) with the aim of strengthening cooperation and improving response capabilities in the event of a disaster. The training includes a series of drills - establishment of a disaster response headquarters, collection of information on the damage by each person in charge, and confirmation of the safety of employees. Through this training, we strive to improve cooperation with offices and group companies and enhance our disaster response capabilities. At overseas subsidiaries, we have strengthened the reporting system used by local subsidiaries to report to the International Affairs Department at the Head Office when a disaster occurs in their country.



### Acquisition of Various Management System Certifications

ALSOK is strengthening its efforts by obtaining certification for its business continuity management system (ISO 22301) in preparation for emergencies such as large-scale disasters and accidents. In 2024, our response to the Noto earthquake was highly evaluated, and we received an outstanding activities award from a judging body.

In addition to business continuity-related certification, we have also obtained certification for our quality management system (ISO 9001) information security management system (ISO 27001), and environmental management system (ISO 14001). Currently among our ALSOK Group companies, 65 companies have acquired ISO 9001 certification, 20 companies have acquired ISO 27001 certification, and 77 companies have acquired ISO 14001 certification.

# Providing Products and Services That Help Resolve Social Issues



## Important Related Themes

By accurately grasping social trends and utilizing know-how cultivated in the security industry, we provide multifaceted services that contribute to solving social and customer issues.

## Products and Services That Help Resolve Social Issues

### A Monitoring Service That Supports the Aging Society

In accordance with the revision of long-term care remuneration in 2024, a review of the standard for nighttime personnel allocation when monitoring equipment is used at welfare facilities for the elderly (conventional type) and health care facilities for the elderly has been implemented. ALSOK provides HOME ALSOK MIMAMORI SUPPORT®, a monitoring service for the elderly, to help ensure the safety of facilities and reduce the burden on staff.

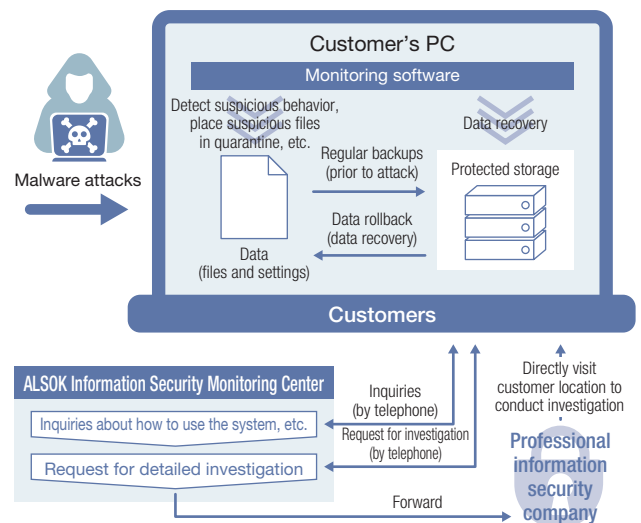
**HOME ALSOK**  
みまもりサポート



### EDR Service For Responding to Cyberattacks

In recent years, cyberattacks that cannot be prevented using conventional antivirus software alone have been on the rise, particularly ransomware attacks that have caused large-scale damage to businesses. However, there are many cases where the detection of and response to damage is delayed due to a shortage of personnel in information systems departments, requiring time for recovery. In some cases, damage is not noticed at all.

Against this backdrop, we have launched the ALSOK EDR Service, which is designed to minimize damage by instantly detecting malware attacks and performing data recovery automatically so that customers can use their PCs safely and securely 24 hours a day, 365 days a year. Equipped with an autonomous AI engine, data recovery can be performed in less than a minute after a virus is detected even when the Internet connection is interrupted. It is a service that allows for monitoring software to be installed even on a single PC, so small and medium-sized businesses can easily use it.



## Products and services that help people live in safety and security

### Town Security System that Utilizes AI

We are participating in a certification project for smart town development promoted by Hamamatsu City, Shizuoka Prefecture, and helping to realize town security at Ichijo Town Nishiiba. We are contributing to the construction of buildings with environmentally-friendly designs by promoting the installation of solar power generation facilities and ENE-FARM systems. We are also conducting experimental tests for the development of towns with next-generation security by analyzing and accumulating data on road conditions, including traffic circles within the town, using our proprietary security know-how, AI-based image processing technology, and wide-area monitoring system.

Together with partner companies, we aim to realize sustainable towns that are disaster-resistant and environmentally friendly while maintaining people's safety and security.



### Harmful Bird & Wildlife Control Services

Harmful birds and animals, which are causing more damage due to the expansion of their habitats, are said to cause about 15.6 billion yen of crop damage per year. Amid concerns over the decrease in hunters and the increase in abandoned farmland, ALSOK offers harmful bird and wildlife control services. Accredited as a Certified Wildlife Capture Operator, we engage in the sale and installation of wildlife control equipment such as traps and fences, and exterminate harmful birds and animals.





## Achieving Cost Savings and Risk Reduction

### Inspection of Solar Power Generation Facilities Using Drones

ALSOK Aerial Photography Service, which utilizes drones, is a service that enables inspection of large areas and places that are difficult to access in a short time and at a reduced cost. It reduces the cost of maintenance and management of large-scale facilities such as mega-solar facilities.

We also provide the ALSOK Drone Exterior Wall Inspection Service which detects, analyzes, and reports abnormalities such as the peeling or bulging of exterior tiles or panels from images taken of the building's exterior walls. Compared to the main conventional exterior wall inspection methods, such as using scaffolding, gondolas, or ropes for visual and comprehensive tapping, this method contributes to shortening the required time and reducing risks.



### Unmanned Store Management Utilizing Electronic Security

In recent years, the number of unmanned stores has been increasing with the aim of saving manpower and improving convenience. ALSOK is contributing to the operation of unmanned stores by providing online security systems that combine machine security and surveillance cameras, which are our core products. By utilizing a variety of optional services, it is now possible to propose security solutions that meet customer needs, and it is currently used by customers in a variety of industries, including fitness clubs, coin-operated laundry facilities, and restaurants.



## Contribution to Safe Operation of Large Scale Events

### Kobe 2024 World Para Athletics Championships

At the World Para Athletics Championships, which was held at the Kobe Universiade Memorial Stadium May 17-25, 2024, security was conducted at the venue to support safe and secure event operations. Since members of Japan's Imperial family were in attendance on the first day of the championships, and we worked to provide an even greater level of security. We made every effort to ensure the safety of the athletes and related personnel and were able to do so without incident.



## Communication through External Events

### Participation in SECURITY SHOW 2024

ALSOK participated in SECURITY SHOW 2024 held at Tokyo Big Sight March 12-15, 2024. As an opportunity to enhance ALSOK's significance to society, we introduced the history and future vision of our role and contribution to society, and our efforts to solve social issues through our investment capabilities and alliances. In addition, at the seminar on AI utilization in the security field held in the venue, as a representative company in the industry, we emphasized the importance of complementarity between humans and AI, and introduced our unique approach.



# Providing Products and Services That Help Resolve Social Issues

## Contributing to Safety and Security by Entering Agreements with Companies and Municipalities throughout Japan

Making use of its industry-leading network and mobility, ALSOK enters agreements with companies and municipalities to develop activities that contribute to the safety and security of local communities. We strive to contribute to society by utilizing special features of the security business to solve the problems faced by each region from every possible direction.

### Disaster Agreement

In the event of a disaster, we provide all kinds of support, including supplying water, operation of evacuation centers, provision of disaster information, transportation of supplies, and opening of evacuation facilities.

#### Pick up! Good practice

In the event of a large-scale disaster such as an earthquake or typhoon, Transportation Security Services Branch Kyushu concluded an agreement to deliver food and drinking water from designated locations in Shime Town, Fukuoka Prefecture to evacuation centers.

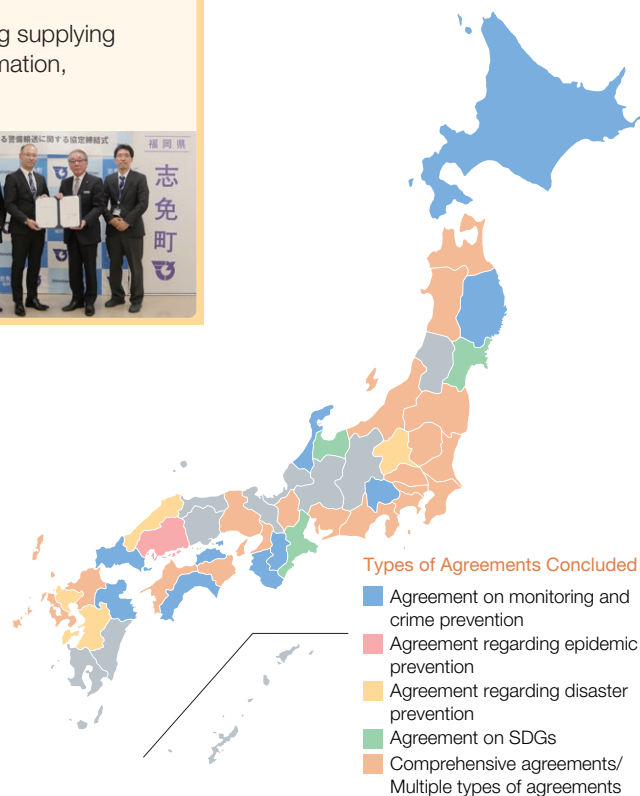
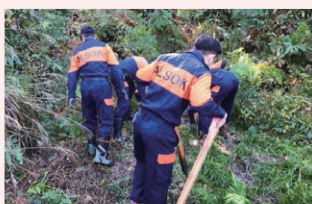


### Agreement on Livestock Epidemic Prevention Measures Including Avian Influenza Prevention

In the event of an outbreak of avian influenza at a poultry farm, we will carry out traffic control in the surrounding area and disinfect the poultry farm.

#### Pick up! Good practice

ALSOK Akita Co., Ltd. performed swine fever oral vaccine spraying for wild boars. To prevent the spread of the disease to pig farms and surrounding areas by wild animals, 8,690 doses of vaccine were sprayed at 137 locations in 23 cities, towns, and villages in Akita Prefecture.



Note: The agreements shown on the map are examples of some of the agreements we have concluded. (as of March 2024)

### Community Development Projects

We contribute to sustainable urban development by utilizing the experience and technologies we have cultivated in the crime prevention and disaster prevention.

#### Pick up! Good practice

At the Narita Branch, Tomisato City, Chiba Prefecture, and Asia Air Survey Co., Ltd. established a joint venture company named Tomisato Energy. We are working to reduce electricity charges at facilities managed by the city, and are promoting projects that use the reduction costs to solve local issues. We also conducted disaster response drills utilizing our Road Management Service designed for patrolling housing complexes and repairing roads, and ALSOK's aerial photography in cooperation with the Tomisato City Fire Department.



### Offices Supporting Fire Departments through Cooperative Efforts

We promote participation in fire brigade activities by utilizing the Fire Brigade Cooperation Office Indication System promoted by the Fire and Disaster Management Agency. This initiative not only enhances and strengthens local disaster prevention capabilities but also contributes to solving issues in local communities, such as a decrease in the number of firefighters due to the declining birthrate and aging population.



### Efforts to Build Robot-friendly Environments

ALSOK was jointly selected with Toda Corporation for the FY2023 Innovative Robot Research and Development Platform Construction Project of the Ministry of Economy, Trade and Industry, under which it conducted a demonstration experiment. By linking security doors and security robots with access control systems, we realized autonomous movement in areas with different security levels, and cooperated in the construction of a new security system.





## Diverse ALSOK Activities Spread Across the Country and throughout Asia

The ALSOK Group, which operates nationwide and throughout Asia, provides a variety of distinctive services with a focus on security, and contributes to solving regional issues through closeness with each community.

### ▶ ALSOK Care Co., Ltd.

#### Participation in experimental projects aimed at work style reform

We participated in an experimental project by the Ministry of Health, Labour and Welfare in order to resolve the shortage of nursing care staff and provide nursing care services with an eye to the future. As a result of introducing advanced technologies such as a nursing care work record system, bed exit detection sensors, and intercom systems, and assigning nursing assistants specializing in indirect nursing care tasks, the percentage of nursing care staff who can handle work alone increased, leading to a reducing the work burden.



### ▶ ALSOK Shizuoka Co., Ltd.

#### A crowd control guard on Mt. Fuji

During the Mt. Fuji climbing season when the mountain is open to visitors, we carry out crowd security services such as providing guidance to climbers and prevent them from sleeping overnight outside on the mountain for the purpose of ensuring the safety of the Fujinomiya trail summit and the trails.

In 2024, we also carried out crowd security work around the entrance gate of the fifth station of Yoshida Trail.



### ▶ Yamaguchi Branch

#### BCP manual creation support for nursing care facilities

In response to the mandatory formulation of business continuity plans (BCPs) for nursing care facilities from April 2024, we have proposed a BCP service for nursing care facilities and have been entrusted with the preparation of BCP manuals.

ALSOK provides support by utilizing our know-how of safety and security, and expertise in nursing care business operations.

#### BCP manual creation

Customer completes a survey form

BCP manual is created based on the information acquired from the survey

Note: BCP manuals are created in accordance with Ministry of Health, Labour and Welfare guidelines



### ▶ Kita-Kanto Sohgo Security Services, Co., Ltd.

#### Operation of licensed childcare facilities

We have licensed childcare facilities at our Head Office and sales offices that can be used by employees. The childcare centers are for children 2 months to 2 years old and are equipped with ALSOK security systems. We provide environments where children can spend time with peace of mind.



### ▶ Toyohashi Branch

#### Contribute to reducing food loss through disaster-prevention stockpiles

On Disaster Prevention Day, employees voluntarily inspect stockpiles at home and bring in stockpiles that are about to expire. The stockpiles are then donated to local food banks through their office. In addition to preventing the loss of stockpiled food products that have reached their expiration date, the food is used by food banks and other organizations as part of their contribution to the local community.



### ▶ ALSOK Vietnam Security Services Joint Stock Company

#### AED workshops

As part of our AED promotion activities, we provide CPR (cardiopulmonary resuscitation) courses for kindergarten teachers. In cooperation with local medical institutions, we provide an environment that protects the safety of children.





# Cultivating Human Resources and Building a Comfortable Workplace Environment




## Important Related Themes

Based on the fundamental concept that the source of growth in a company is its people, the ALSOK Group conducts various education and training programs and supports employees' career development through daily operations.

We will continue to nurture human resources with multifaceted perspectives and the ability to adapt while also creating an internal environment where each employee can thrive both professionally and personally.

## Human Resources Department



**Vision**

In order to respond to the ever-changing business environment, such as diversifying risks and needs, we will work to develop human resources who are "Self-motivated interest," "have an individual will," and "learn independently."

Furthermore, we will develop an environment and systems to ensure that all employees can advance their careers and work in various ways with peace of mind.

**Issues**

- Improve employee engagement by creating an environment for diverse work styles
- Provide opportunities for employees so that they will become self-motivated interest and learn independently

Targets	
Proportion of women in management positions	30% or higher by fiscal 2030
Percentage of childcare leave taken by male employees	50% or higher by fiscal 2025
Proportion of foreign nationals in management positions	Increase of 5% over fiscal 2020 by fiscal 2025
Proportion of mid-career hires in management positions	Maintain ratio of around 50%

**Kazuhiro Yoshida**  
General Manager of Human Resources Department

## Improved employee capabilities

### A Framework for Training Security Professionals

People are at the heart of the security services that ALSOK provides. New employees who will be responsible for the future of ALSOK will acquire the necessary qualifications as security guards and the common knowledge and skills required for work through initial training.

They will continue to brush up the knowledge and skills they have learned through extensive educational programs such as on-the-job training and group training at the departments they are assigned to. In addition, they practice the knowledge and skills they have cultivated in the ALSOK Group Corporate Quality Improvement Tournament held every year, compete against each other, and work hard to improve the quality of service to our customers by improving their professional skills.



### Enhancing Digital Education

The ALSOK Group provides digital education to all employees in order to improve their digital literacy and enhance various services through DX. In addition, we are focusing on the development of digital human resources with the expertise to optimize existing services and create new businesses by effectively utilizing various internal data. As part of these efforts, we are developing skills, such as selecting and dispatching participants to the Data Scientist Training Course, an external training program.

Training	Performance	YOY
Number of specialized training participants	3,489	+3,489
Number of employees that have participated in e-learning	131,168	+76,262
Number of employees that have participated in digital education	33,241	+20,075
Number of employees that have participated in risk management training	22,047	+8,881

Note: Cumulative totals

## Supporting Employees' Autonomous Career Development

### Supporting Employees' Autonomous Career Development

In addition to promoting the acquisition of various official certifications, we have introduced a certification allowance system to support employees who aspire to become digital professionals. We also support autonomous career development by promoting personnel exchanges among central government agencies, other companies, and the ALSOK Group, dispatching security personnel overseas, and dispatching employees to professional graduate schools to develop management personnel. Furthermore, while hiring for career-track positions, we have established an in-house system that enables the creation of diverse career plans, such as joining the Company as a machine guard and then switching to sales after gaining sales experience and using the job matching system to plan products and services.

We hold a variety of internships for each type of job and increasing opportunities for students to learn about our Company. This allows them to become familiar with the Company before they are hired, making things smoother after they join, and promotes the appeal of the security industry, which plays a vital role in contributing to the safety and security of society.

Qualification	Performance	YOY
Employees who have passed the Information Technology Strategist Examination	8	+5
Employees who have passed the Applied Information Technology Engineer Examination	145	+10
Registered Information Security Specialist	42	+1
First Class Telecommunication Work Operation and Management Engineer	58	+8
Security Guard Supervisor of Instruction and Education No. 1 (for facilities)	3,413	+112
Security Guard Supervisor of Instruction and Education No. 4 (personal protection)	1,947	+82
Certified Electrical Worker	529	+53

## ALSOK100

In order to improve service quality and motivation among employees, we have established a variety of in-house award programs, ranging from individual employee awards to individual office awards.

While the Outstanding Team Member Award for employees out in the field and the Outstanding Salesperson Award for sales personnel are based on quantitative evaluations limited to specific individuals, since 2017, we have been implementing ALSOK 100. This initiative aims to further enhance engagement and foster a healthy sense of competition by recognizing 100 employees who have achieved remarkable accomplishments in various fields or whose work approach and attitude serve as a model for others. Furthermore, a ceremony is held to honor the employees who received the award after a rigorous screening process, where the Group CEO and COO directly commend the award and hold an award meeting. In addition to honoring the winners, we are working to revitalize the Company through further activities and training the next generation.



ALSOK 100 representative gives words of thanks



## Diversity and Inclusion

### Diversifying Human Resources

The ALSOK Group actively and continuously recruits a diverse array of human resources, regardless of gender or nationality, and is committed to creating a work environment where employees can demonstrate their unique characteristics and abilities.

### Elderly Human Resources

Since the average age of workers in the security industry is higher than in other industries, people can work for a long time in this industry. In the ALSOK Group, we have been working on initiatives to enable senior human resources to play an active role.

To promote active participation after retirement, we appoint employees who have specialized knowledge and experience in work and have achieved excellent results as “elderly experts” and have established a system that enables them to continue to demonstrate the knowledge and skills they have cultivated so far. Additionally, for employees who engage in sales after their primary retirement, we have established a system that allows them to choose flexible work styles that suit their career needs and lifestyles.

### Active Participation of Employees with Disabilities

In addition to various business sites, including branch offices and Group companies, we support each of employees with disabilities in leveraging their unique personal attributes for full professional participation and advancement together with our special subsidiary, ALSOK Business Support Co., Ltd.

ALSOK Business Support produces printed materials such as business cards and product brochures used by the ALSOK Group, store contracts and equipment, and it is active in a wide range of fields, such as sending documents and maintaining equipment and terminals.



### Active Participation of Foreign National Employees

Many foreign employees are working at ALSOK CARE CO., LTD. We strive to dispel concerns through interviews using an online conference system with prospective applicants prior to their arrival in Japan. In addition, we are focusing on human resource development through classroom training and on-the-job training programs organized by the Head Office and each service facility.

Each local subsidiary in Southeast Asia takes religious and cultural customs into consideration as much as possible after listening to the wishes of each individual. We are working to promote mutual understanding of local cultures by organizing shifts that take into account time of worship and setting up prayer spaces in our offices.



Foreign employee working for our care company



# Cultivating Human Resources and Building a Comfortable Workplace Environment

## Promoting the Empowerment of Women

ALSOK has established a childcare leave/nursing leave system which exceeds legal standards, system for shortened work hours, and other systems so that employees can balance work and family life with peace of mind.

As a result, we were able to achieve the two goals set out in the three-year action plan ending in fiscal 2023 based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children.

The entire Group will work together to ensure that all employees can advance their careers and work in various ways with peace of mind.

### Communication with Employees

In fiscal 2023, we established a dialogue between the officer in charge of Human Resources Affairs and non-managerial female employees in order to promote the expansion of the appointment of women to managerial positions. We also hold Employee Satisfaction (ES) meetings annually in order to raise issues and draw opinions from employees, with 104 meetings held in fiscal 2023 at business sites nationwide.

### Female Employees Are Shining in the Workplace

Although the security services field, especially operations departments, has an image of being mainly male-dominated, many female employees are now active in the field. We will work to free ourselves from so-called unconscious biases and create a work environment in which individuals can create ambitious career plans.



### Interview with Female Employees Working at the Monitoring Center!



From right to left: Ms. Hojo (Chief, Tokyo Guard Center), Ms. Sasaki (East Japan Cosmo Center), Ms. Nishinaga (Image Information Center), Ms. Taniguchi (Topaz Center), and Ms. Toda (Assistant Chief, Tokyo Guard Center)



#### What motivated you to join the Company?

Ms. Hojo: I became interested in the way the security industry operates behind the scenes.

Ms. Taniguchi: I wanted to get a job that allows me to contribute to society.

Ms. Nishinaga: During my internship, I experienced the sincerity and warmth of the employees. This influenced me to join the Company.

#### What aspects of your job you find fulfilling?

Ms. Sasaki: The Company's award system is extensive with one's efforts directly reflected in evaluations.

Ms. Toda and Ms. Nishinaga: I find it fulfilling when customers say "thank you."

#### What do you keep in mind when doing your job?

Ms. Toda: I make sure that I treat customers politely as if they were right in front of me.

Ms. Hojo and Ms. Sasaki: Since cooperation with the surroundings is essential, I try to maintain a broad perspective.

Ms. Taniguchi: We provide peace of mind in the event of a customer emergency.

## TOPICS

### Introduction of the Student Loan Third-Party Repayment System

In October 2024, ALSOK launched a Student Loan Third-Party Repayment Program designed for employees who are repaying student loans from the Japan Student Services Organization (JASSO) and other organizations with the aim of supporting young employees who will lead the future. Under the program, a maximum of 1.08 million yen will be provided by the Company to repay student loans on behalf of new graduate hires, year-round hires and existing hires who meet certain conditions, for a maximum period of up to five years, up to 18,000 yen per month, and over a period of up to five years.

	Overview of the System
Repayment amount	Up to 216,000 yen per year (up to 18,000 yen per month) Note: The actual repayment amount is compared with the aforementioned subsidy amount. Whichever is lower is the amount paid.
Repayment period	Maximum of five years
Maximum repayment amount	1,080,000 yen
Eligible employees	Employees who have been employed by the Company for less than five years (Employees who also meet other requirements set by the Company)



# Initiatives for Respecting Human Rights

## Approach to Human Rights

The ALSOK Group has set forth the two basic principles of “arigato no kokoro” (a feeling of gratefulness and gratitude) and “bushino seishin” (a samurai spirit) and will respect basic human rights in accordance with this policy and the Fundamental Policy on Sustainability.

This policy specifically indicates the thinking for respecting human rights in accordance with the management philosophy, management principles, and the ALSOK Charter code of conduct.

This policy applies to all executive officers and employees of the ALSOK Group (SOHGO SECURITY SERVICES CO.,LTD., as well as the group companies and affiliate companies), and at the same time, we expect all of our business partners, including suppliers, to understand and practice respect for human rights in accordance with this policy.



Human Rights Policy

### ALSOK Group Human Rights Policy

#### Respect for basic human rights

The ALSOK Group will respect human rights as set forth in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work core labor standards. Also, we are a signatory to the UN Global Compact and support the Ten Principles.

We will comply with the laws and regulations of all countries and regions where we conduct our business activities. In the event there is a discrepancy between internationally recognized human rights and the laws and regulations of the countries and regions where we conduct our business activities, we will seek a way to respect the principles of internationally recognized human rights while remaining in compliance with the laws and regulations.

#### Human rights due diligence

The ALSOK Group will, through implementation of human rights due diligence, strive to specify, evaluate, prevent, mitigate, and continuously improve the negative impact on human rights related to our business activities.

#### Remedy and correction

The ALSOK Group will strive to remedy and correct through appropriate procedures any negative impact on human rights that is found to have been caused or encouraged by our business activities.

#### Dialogues and discussions

The ALSOK Group will have dialogues and discussions with related stakeholders about responses to the potential and actual impacts on human rights.

#### Human rights issues related to our business activities

The ALSOK Group will comply with laws related to working hours and overtime in the countries where the Group conducts business activities and will work to reduce long working hours. At the same time, we will respect the human rights of the people involved in business activities and strive to maintain a healthy workplace environment by respecting freedom of association and the right to collective bargaining and not engaging in forced labor or child labor, human trafficking, illegal or wrongful acts, harassment, and discrimination in hiring and employment.

#### Education/training

The ALSOK Group will provide appropriate education and training to all executive officers and employees so that this policy will be understood and established throughout the entire Group.

#### Reports

The ALSOK Group will regularly report on the status of initiatives for respecting human rights and the progress of human rights due diligence through various reports, websites, and other means.

## Human Rights Due Diligence

In line with the formulation of our Human Rights Policy, we established the Human Rights Committee in April 2024 to conduct human rights due diligence. Under the supervision of the Board of Directors and the Management Committee, we are identifying the negative human rights impacts caused by our businesses. Chaired by the officer in charge of General Affairs/PR, the Human Rights Committee conducts human rights due diligence, deliberates on measures based on it, and shares information with the Risk Management Committee.



## Internal Awareness Activities

In April 2024, we invited an external lecturer to conduct human rights training to deepen understanding of “business and human rights.” In addition, the Human Rights Working Group has been convening monthly since that time. In order to identify significant human rights issues and negative impacts on the value chain for the entire Group, human rights supervisors have been assigned to relevant departments to identify risks through discussions and information sharing. In the future, we plan to promote improvement measures and disclose information appropriately after considering preventive and corrective measures for the identified human rights issues and serious risks.



FY2023	<ul style="list-style-type: none"> <li>Formulated Human Rights Policy (November)</li> </ul>
FY2024	<ul style="list-style-type: none"> <li>Held Human Rights Committee meetings (held four times since April)</li> <li>Held Human Rights Working Group meetings (held monthly since April)</li> <li>The Human Rights Committee conducted training for officers by external experts (one time)</li> </ul>

# Contributing to Local Communities through Active Communication



## Important Related Themes

Embodying “arigato no kokoro” (a feeling of gratefulness and gratitude)—part of ALSOK’s fundamental spirit—, we are engaged in community contribution activities utilizing our core business in order to meet the demands and expectations of local communities for safety and security. Furthermore, based on our Management Philosophy of ensuring the safety and security of society, we participate not only in business activities but also in volunteer and donation activities, promoting sports and culture, and providing educational opportunities for children who will lead the next generation.

## Contributing to the Next Generation

### ALSOK ANSHIN KYOSHITSU classes®

The ALSOK ANSHIN KYOSHITSU® crime prevention classes, which were started in 2004, are held all over Japan with the aim of fostering crime prevention awareness. We have been working to protect as many children as possible from being victims of crimes by adding and revising lesson content on “disaster prevention,” “first aid,” “Internet-based self-defense,” etc. in response to changes in the environment surrounding children.

As of the end of March 2024, a total of 58,003 classes have been held since the start of the program with 1,808,631 children participating. Recognized by the Ministry of Education, Culture, Sports, Science and Technology, we received the Corporate Award for Promoting Youth Experience Activities in February 2024 for this program, making it our third award after receiving it for the first time in 2015 and for the second time in 2016.



### Providing Social Learning Opportunities for Students

We respond to requests from junior high schools and high schools throughout Japan by hosting company visits and experiential workplace learning, and by providing career education. The Head Office regularly hosts company visits for international students from neighboring universities to deepen their understanding of Japanese companies and their work styles. We also allow students to visit our branch offices in various regions and actively provide social learning opportunities for students who will lead the next generation.



## Sports, Culture and Art Promotion Activities

### ALSOK’s Sports Clubs

In addition to regularly holding national competitions for judo, kendo, and ALSOK defense techniques, which are all used by the Company, ALSOK has 10 sports clubs active in judo, wrestling, weightlifting, shooting, track and field, and has produced many Japanese national athletes and international champions.

We also held ALSOK judo classes for elementary and junior high school students, and in fiscal 2023, six ALSOK-affiliated athletes were sent to two of these classes.



### Ōshō Tournament Sponsorship

We have been contributing to the promotion of the culture of Shogi (Japanese chess) as a special sponsor since 2021 because we feel that the respect shown to the opponent in a game of Shogi, as well as the integrity with which the losing side declares itself, have an affinity with “arigato no kokoro” (a feeling of gratefulness and gratitude) and “bushi no seishin” (a samurai spirit), principles that have formed the spirit of our company since its founding.



## Donation/Volunteering Activities

### ALSOK Arigato Undo Foundation Activities

The ALSOK ARIGATO UNDO FOUNDATION collected donations for activities including social welfare and disaster relief support including subsidies to social welfare corporations, donations of welfare vehicles, and disaster relief donations to disaster-stricken areas. As of the end of August 2024, a cumulative total of 158 welfare have been donated.

### Regular Corporate Blood Drives

The ALSOK Group cooperates in holding corporate blood drives in multiple regions including at the Head Office building, with the aim of helping those who need blood transfusions. In October 2021, we received a letter of appreciation from the Tokyo chapter of the Japanese Red Cross Society in recognition of our efforts to date.



### Participation and Donations for the “National Movement to Support the Future of Children”

By donating a portion of home security services revenue to the National Movement to Support the Future of Children, which we have participated in since 2017, we are able to support the livelihood of children in poverty through the NPO.





## Disaster Initiatives

In fiscal 2023, which marked the 100th anniversary of the Great Kanto Earthquake, we implemented various disaster-related measures under the theme of “the first year of disaster prevention.” In order to protect the safety and security of our customers 24 hours a day, 365 days a year, we are strengthening our systems and response to emergencies such as earthquakes on a daily basis.

### Response to the 2024 Noto Earthquake

We quickly responded to the 2024 Noto earthquake that struck the Noto Peninsula in Ishikawa Prefecture on New Year's Day. Immediately after the earthquake struck, we set up a disaster response headquarters to thoroughly confirm safety and collect information while cooperating with Group companies operating in the affected areas.

Three days after the earthquake, we sent a vehicle loaded with relief supplies and a support team to support the recovery of the affected areas. More than 80 employees rushed to the affected areas to provide assistance, supporting various tasks such as security at evacuation centers, cash collection from ATMs in disaster areas, patrols of affected facilities, and traffic control at disaster waste collection sites.

Additionally, seven employees from various Group companies went to affected areas as volunteers and helped with tasks such as removing debris from affected homes.

Support Provided by the ALSOK Group	
Number of Employees Who Provided Support	87 in total
Offices that provided support	ALSOK Head Office: 2 departments ALSOK branches: 13 branches Group Companies: 5 Group companies
Relief supplies	Stored water: 4,620 L. Stored food: 4,770 rations Portable toilets: Supply for 19,700 uses Gas: 200 L (fuel) Other daily necessities: 14 types of items
Amount donated to affected areas	Approx. 37,000,000 yen



### Participation in Disaster Prevention and Mitigation Projects

We participate in initiatives sponsored by the Japanese Red Cross Society to promote “disaster prevention and mitigation preparedness” and raise awareness of disaster prevention for the future. We are also making efforts to promote awareness activities such as posting posters throughout the Company. In fiscal 2023, we also conducted our own social media action campaign which was connected with donations.



## Cooperation with Stakeholders

### Participation in Social Contribution Projects

We participated in the Kodomo Boken Bank (Children's Adventure Bank), a project provided by Florence, a certified NPO, that aims to eliminate experience disparities by providing children with free experiences (“adventures”) provided by companies. With the aim of realizing a society in which all children can lead prosperous lives, ALSOK provided work and social experiences at KidZania Tokyo, one of its sponsors.



### Dialogues with Business Partners

As ALSOK places importance on co-existence and co-prosperity with its business partners, it has created and published a “Partnership-building Declaration” for building new partnerships. In addition, we formulated and announced the Multi-Stakeholder Policy, which declares the importance of returning profits and results generated by corporate management to employees and giving due consideration to business partners.



# Consideration for the Global Environment



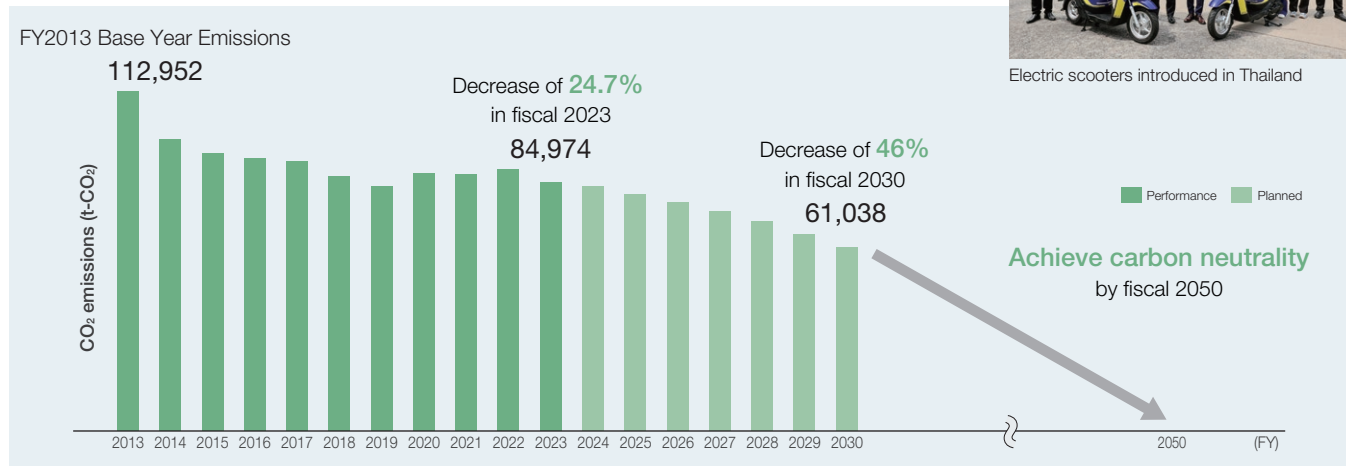
## Important Related Themes

We recognize that global environmental issues represent a challenge shared by all of humankind, and have therefore set targets to reduce CO<sub>2</sub> and other emissions as we strive to prevent environmental pollution and reduce environmental impact, while also addressing the climate change problem and engaging in environmental conservation activities.

## Initiatives Aimed at Carbon Neutrality

### ALSOK Group CO<sub>2</sub> Reduction Targets

The ALSOK Group has revised its CO<sub>2</sub> emission reduction targets for fiscal 2023 and thereafter, with the aim of cutting CO<sub>2</sub> emissions (Scope 1+2) by 46% from the fiscal 2013 level by fiscal 2030, and achieving carbon neutrality by fiscal 2050.



## Initiatives to Reduce CO<sub>2</sub> Emissions

In addition to progress on upgrading our lighting and air conditioning equipment to achieve CO<sub>2</sub> emission reduction targets, we are also replacing vehicles with environmentally friendly alternatives, primarily electric vehicles, and working on power saving and eco-driving practices.

<p><b>Scope 1</b></p> <ul style="list-style-type: none"> <li>Established internal rules for vehicle replacement to promote the use of gasoline-free vehicles</li> <li>Promoted the introduction of electrified vehicles (YOY: EVs + 17 units, hybrid vehicles + 220 units, electric motorcycles + 53 units)</li> </ul>	<p>Third-Party CO<sub>2</sub> Emissions Verification Report (Scope1+2)</p> <p>* The period of calculation is fiscal 2022 (April 2022 to March 2023)</p>
<p><b>Scope 2</b></p> <ul style="list-style-type: none"> <li>Promoting the installation of solar power generation equipment, switchover to LED lighting, and renovation of air conditioning equipment at facilities owned by the Company and leased facilities</li> <li>In-house electric power conservation campaign</li> </ul>	
<p><b>Scope 3</b></p> <ul style="list-style-type: none"> <li>Providing products and services that contribute to the reduction of power consumption by end users and alarm device-based energy savings</li> <li>Promoting reductions throughout the supply chain through cooperation with suppliers</li> <li>Waste reduction and new procurement reduction through the reuse of alarm equipment</li> </ul>	

### Environmental Considerations for Security Vehicles

The vehicles used for transporting cash and other valuables faced issues with weight and fuel efficiency due to the load and security requirements. By improving the design of the built-in vault, we successfully reduced the weight of vehicles, leading to reduced fuel consumption. In the fiscal 2023, we conducted trials using the lighter vehicles and plan to gradually switch to using them.

In the Electronic Security Department, considering the regional characteristics of operational areas, we will introduce three-wheeled electric bikes and electric vehicles in urban areas with relatively short distances to cover, and hybrid vehicles in rural or mountainous areas with longer distances to maintain service quality while reducing environmental impact.



## Aiming for Acquisition of ISO 14001 Certification by All Group Companies

In our Medium-Term Management Plan, Grand Design 2025 (GD2025), we are aiming for all Group companies to acquire ISO 14001 certification to further enhance our environmental management system. In FY2023, ISO 14001 certification was acquired by all Group companies except for some branches and sales offices, including two companies consolidated in the previous fiscal year.

## Toward the Realization of a Recycling-Oriented Society

### Promotion of reuse of alarm equipment (Repair Center)

We are working to reduce the amount of waste and resources used in manufacturing by reusing alarm equipment in order to protect the environment.

In 2023, we expanded the business sites that operate our repair centers located in Kanagawa Prefecture and Osaka Prefecture. By carefully reusing equipment received from each location, we provide devices that customers can use with confidence.



### Participation in Model Projects of the Ministry of the Environment

As for our Scope 3 emissions reduction efforts, we were selected to participate in the Model Project for Promoting Decarbonization across the Entire Value Chain by the Ministry of the Environment in fiscal 2023. Five companies participated in this model project, and the Sustainability Promotion Office of the General Affairs Department and the Procurement Department worked together with the support of four suppliers to calculate CO<sub>2</sub> emissions generated during the manufacture of purchased goods (security equipment, uniforms, ledgers, etc.).

We also participated in the Decarbonization Management Forum, hosted by the Ministry of the Environment in March 2024, where we presented issues in calculating CO<sub>2</sub> emissions and measures taken in collaboration with our business partners. Through this project, we were able to formulate guidelines for our suppliers and establish a role model for promoting decarbonized management, and as a sustainable security company that also contributes to the environment, we will work with a wider range of suppliers to reduce CO<sub>2</sub> emissions throughout the value chain.



### Promoting Paperless Operations

In order to promote paperless operations, we are actively working to digitize reports and meeting materials. Furthermore, the enhancement of the communication environment within the Head Office has further promoted the shift to online meetings and paperless meetings.

In cases where printing on paper media is unavoidable, we are considering alternative measures such as reducing power consumption by introducing inkjet multifunction printers and using recycled paper.

## Safeguarding Biodiversity

### Bird & Wildlife Control / Game Meats

In order to solve the social issue of the increasing damage caused by harmful birds and animals as well as the issue of aging exterminators, nine companies in the ALSOK Group have been accredited as "Certified Wildlife Capture Operators." We contribute to the conservation of satoyama by providing one-stop support for the sale, installation, and management equipment necessary to combat harmful birds and animals as well as extermination support. In addition, ALSOK Chiba Co., Ltd. opened the Mobara Game Meat Processing Facility in 2020 to ensure that the meat from the animals captured is not wasted. We operate a game meat business by receiving captured wild boars and other animals from hunters and processing them into meat, strictly adhering to HACCP\* hygiene management standards.

In 2024, ALSOK Chiba Co., Ltd. and ALSOK Kanagawa Co., Ltd. collaborated with the Ministry of Agriculture, Forestry and Fisheries to conduct a game-related demonstration experiment of game using the "Subsidy for Comprehensive Measures to Prevent Damage Caused by Harmful Birds and Animals."

These activities were highly evaluated, and in September 2024, we received the Award of Excellence at the 7th EcoPro Awards sponsored by the Sustainable Management Promotion Organization.



\* This is a method for sanitation management involving the analysis of potential hazards in the process from the receipt of raw materials to product shipment, development of a sanitation plan to protect against hazards, as well as plan execution and record-keeping.



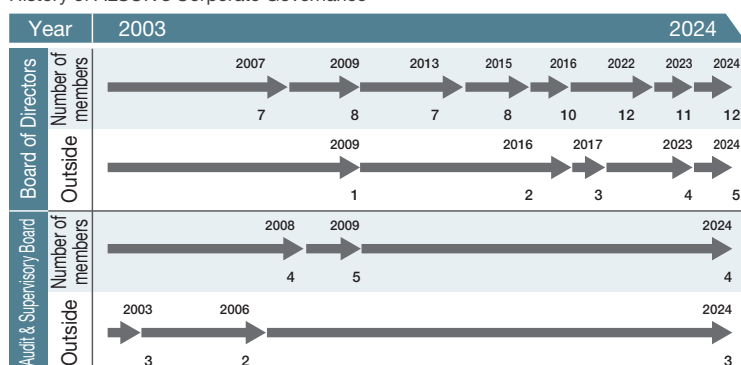
# Corporate Governance

## Basic Policies and Systems

Based on its management philosophy exemplified by the principles of “arigato no kokoro” (a feeling of gratefulness and gratitude) and “bushi no seishin” (a samurai spirit), ALSOK devotes itself to protecting the safety and security of its customers and of society as a whole. The ALSOK Group also advocates “contributing to society” as one of its management policies. Meanwhile, to continue to be a corporate group that is trusted by all stakeholders, we strive to reinforce Groupwide corporate governance with measures that separate managerial execution and oversight functions, allow swifter decision making, encourage strong corporate ethics, and provide transparency in business management. We also place importance on information disclosure while engaging vigorously in IR activities, both within and outside of the company, including by holding financial results briefings for investors and analysts, and by visiting institutional investors to explain our business results.

The company observes the principles put forth by Japan’s Corporate Governance Code, which was formulated by the Tokyo Stock Exchange, using these policies as guidelines for corporate governance and carrying out detailed inspections and reviews of organizational structures.

History of ALSOK’s Corporate Governance



Percentage of Female Senior Executives

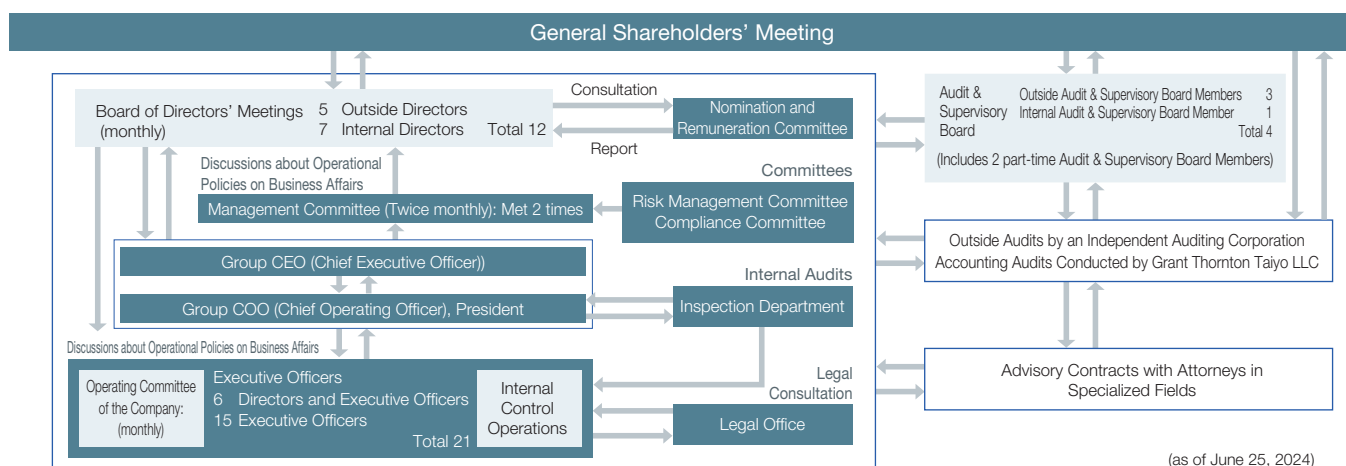
2020	2021	2022	2023	2024
6.3%	12.5%	12.5%	13.3%	12.5%

June 2002	Introduction of the Executive Officer System
November 2002	Formulation of the Compliance Rules
December 2002	Formulation of the Risk Management Rules
April 2004	Setting up of the ALSOK Hotline
August 2004	Formulation of the Basic Information Security Policy
December 2004	Formulation of the Personal Information Security Policy
May 2006	Formulation of the Basic Policy Concerning to the Internal Control System
July 2009	Formulation of Information Asset Management Rules
April 2016	Setting up of an external reporting hotline under the ALSOK Hotline
December 2021	Establishment of the ALSOK Business Partner Hotline
October 2022	Establishment of the Business Investment Review Committee
February 2023	Establishment of the Nomination and Remuneration Committee

## Overview of Corporate Governance Systems and Reasons for Adoption

The Company has adopted the Company with Audit & Supervisory Board structure described in the Companies Act of Japan. By implementing the following systems, the Company affirms that effective and complete audits are conducted by Audit & Supervisory Board members and that management is being appropriately governed.

As of June 25, 2024, we have appointed 12 directors who include 5 outside directors, and 4 Audit & Supervisory Board members who include 3 outside Audit & Supervisory Board members. The Board of Directors meets once a month, in principle, to decide on basic management policies and important matters pertaining to operational execution and to supervise the execution of duties by directors and executive officers. The Management Committee, which is chaired by the Representative Director, Group CEO meets twice a month, in principle, to determine the agenda items to be presented to the Board of Directors and to discuss the operational execution policies formulated based on Board of Directors' decisions. The Audit & Supervisory Board meets once a month, in principle, to discuss and make decisions based on reports on important matters related to audits. In addition, one Audit & Supervisory Board Member attends the Management Committee to appropriately monitor the status of management execution.



## Proposing solutions for the challenges ALSOK faces and improving its corporate value in the future



Kenji Iwasaki Director (outside)

Toshie Ikenaga Director (outside)

Masahiko Mishima Director (outside)

### Session 1

### ALSOK's Sustainability Management

**Iwasaki »** ALSOK's management philosophy includes the principles of "arigato no kokoro" (a feeling of gratefulness and gratitude) and "bushi no seishin" (a samurai spirit). The company has a deeply rooted belief that firmly putting this management philosophy into practice leads to the sustainability of the entire Group. I also believe that is true. In order to put it into practice, the company has set five material issues, and is steadily advancing initiatives to realize them. I have a very positive impression of this approach. Based on the recognition that people are the key resource of corporate activities, and that human resources themselves serve as the core of ALSOK's business, I personally place particular emphasis on the material issue "Cultivating human resources and building a comfortable workplace environment." As it is necessary to strongly promote those initiatives, I also want to contribute to promoting them.

**Ikenaga »** I believe that there are two aspects to sustainability: The sustainability of management itself and how we contribute to the sustainability of society.

It is highly commendable that the company is, under its basic sustainability policy, working on enhancing human capital and engaging in reuse, recycling, and CO<sub>2</sub> reduction efforts to reduce environmental impact. Additionally, ALSOK's business is characterized by its labor-intensive nature, which relies heavily on human efforts and it is highly commendable that the company is strongly committed to promoting productivity improvements through human resource development and the utilization of digital transformation (DX).

In sustainability management, it is essential to earn the trust of stakeholders and respond to changes in the environment. ALSOK has built up a community-based business style over the years and has earned the trust of its customers, companies, and local governments, which is its major strength. In response to changes in the environment, there are many unpredictable events amid the drastic changes in society and the economy today, and in order to cope with these changes, sensitivity and ability to respond to changes are required. I think that ALSOK's strength lies in its strong will to not run away from challenges and achieve goals. I hope that ALSOK will continue to boldly take on challenges with a sense of urgency. However, I feel that we need to do our best in terms of being evaluated by the market, including being selected for ESG indices, and hope that the company will put even more effort into explaining our activities externally while being aware of investors.





**Mishima** » One of the basic policies of the medium-term management plan Grand Design 2025 is to strengthen sustainability measures, and I believe that the measures to be taken are comprehensive. I think that this involves diligently learning from and incorporating the best practices of leading companies. However, as these efforts become more deeply ingrained, I think they will also develop their own unique characteristics. I feel that our business activities that contribute to the realization of a safe and secure society, as well as products and services that solve social issues, are very compatible with sustainability, both directly and indirectly. In contrast, since there are also issues that need to be promoted with a greater sense of speed, such as the replacement of company vehicles with environmentally friendly vehicles, I believe it is necessary to influence our employees and other stakeholders to cooperate in such efforts.

**Iwasaki** » Group COO Ikuji Kayaki sometimes uses the idiom “Little strokes fell great oaks.” This means that even the smallest effort or initiative leads to significant achievements when continued in earnest. These words are in line with the ALSOK corporate culture which is something that I think needs to be cherished. However, it is also important to boldly change what needs to be changed in order to respond to the changing times.



## Session 2

## Evaluation of the Growth Strategy

**Iwasaki** » When developing a new business, it can be developed in a new field derived from an existing business or by taking an existing business and developing it outside of Japan. In terms of new business areas derived from existing businesses, ALSOK has the agility to rush to sites quickly with a sense of urgency. I believe that there are still many areas where we can make use of this characteristic, not just in our core security business, and expect that developing these new areas will be the key to future growth. Since ALSOK’s overseas services currently accounts for only a few percent of its sales, we need to think about what we should do to further expand profits.

ALSOK operates in business sectors such as security, facility management, long-term care, and overseas services. It is important to consider the target sales and revenues for each of these sectors looking forward five to ten years and then work backwards to determine what needs to be done from this point. Setting goals that cannot be achieved by simply extending current trends can lead to breakthroughs.

**Ikenaga** » We began providing ALSOK IT Rescue in 2023 and ALSOK Facility Rescue in 2024. I believe that providing services that contribute to solving the problems of companies struggling with labor shortages, based on our strength in emergency response services is a good approach. Additionally, with regard to home security, I think it is good that we are making efforts to expand our customer base through the utilization of smartphone applications, the establishment of a new self-security plan, provision of simple and compact designs, and other means. Although it is common to aim for business expansion when considering corporate growth, I appreciate that in recent years the management team has been mindful of capital efficiency.

As the labor shortage continues in Japan, we will not be able to formulate a growth strategy unless we overcome this issue in our labor-intensive company. It is important to reduce manpower through the use of equipment, to realize value-added security through the use of data obtained from ALSOK’s relationships with customers, and DX and AI. To create new businesses, it is necessary to develop services that create synergies based on our experience cultivated in security. I believe that focusing on outsourcing work for companies that are struggling with labor shortages serves as another business opportunity.

Another important point is that the empowerment of women is indispensable to our growth strategy. For example, we have many female customers when we rush to their homes for home security and more and

more workplaces have many female employees. Based on these conditions, women are more important than ever to ALSOK as customers and employees. I think it is necessary to develop comfortable workplace environments for women and improve human resource development measures so that female employees who have been hired can continue to work for a long time and improve their abilities.

Additionally, there are business opportunities not only in terms of crime prevention but also in how we can provide peace of mind in our daily lives. I believe that the diverse perspectives of human resources with diverse attributes including age and gender will lead to the development of new products and services.



**Mishima»** We are now in the fourth year of our medium-term management plan, Grand Design 2025. Although the company is gradually producing results, I have the impression that despite the impact of the COVID-19 pandemic, ALSOK is only at the halfway point in terms of growth strategy progress. It is necessary to continue to develop businesses in peripheral areas by making employees multiskilled.

With the transition to a business division system in April 2023, when considering the next medium-term management plan, I think it would be nice if the division could propose a plan and request the necessary human resources and cash to do so. I believe that it is a good idea to thoroughly discuss the plans that business departments have come up with corporate departments to form the next medium-term management plan.

One of our business expansion strategies, including for overseas business, is M&A. When carrying out M&A, it is necessary not only to exceed the cost of capital but also to aim to surpass the target profit margin. Therefore, I believe that profits from deals that exceed this level will be used to improve employee benefits and other aspects. Regarding overseas M&A, it is necessary to thoroughly discuss risk management in advance, taking into account issues such as legal regulations, the tax system, corruption, and bribery. Also, I think it is necessary to discuss synergies beyond the boundaries of business divisions.

## Session 3

## Governance and Effectiveness of the Board of Directors

**Iwasaki»** Regarding ALSOK governance, Group CEO Tsuyoshi Murai stated, “Our Board of Directors is a place where directors well-versed in ALSOK’s corporate culture and external directors with a wealth of knowledge can discuss matters in a frank and open manner, contributing greatly to achieving sound growth and reducing business risks.” I believe this is exactly what the board has become, and I, too, am able to freely express my opinions. There are three main topics regarding the Board of Directors. In regard to the first, which is the explanation of the Board’s agenda items in advance, there is generally a significant information gap between Inside and Outside Directors. However, in our company, almost all items are explained completely in advance taking sufficient time, which I find to be quite thorough.

Secondly, one Outside Director objected to the resolutions of the Board of Directors once. In response, the Board of Directors did not take a majority vote and sent the proposal back. This is proof that the other Directors listen carefully to the opinions of Outside Directors.

Thirdly, in the questionnaire on the effectiveness of the Board of Directors, the average score and comments on all items were reported to the Board of Directors, and I feel that the Company is very open.

In addition to the fact that two of our four Outside Directors are women, each of them has a different professional perspective. Therefore, I think the composition of the Company’s Outside Directors is fairly balanced, playing a certain role from an external perspective. As a result, it has received opinions from Outside Directors on all proposals. In addition, a lunch meeting is always held after the meeting of the Board of Directors during which the company’s senior executives talk about medium- to long-term issues and Outside Directors express various opinions. Governance-related issues are also being thoroughly discussed, so this is not a problem.

**Ikenaga»** I think there is diversity in the Board of Directors, especially in regard to Outside Directors. Also, the Board of Directors creates an atmosphere where opinions are easy to express, and lunch meetings are also held, where lively discussions are exchanged on a different level than in normal Board of Directors meetings. The company is also working properly to evaluate the effectiveness of the Board of Directors through a third-party organization. In addition, it established the Nomination and Remuneration Committee in 2023. These actions make me feel that the company is making steady progress in establishing a system to strengthen governance. In addition, in order to increase transparency, IR activities have been significantly strengthened





recently, such as holding small meetings with top management and providing opportunities for Outside Directors to meet with investors.

I think the company should make more use of the Nomination and Remuneration Committee in order to increase transparency. In particular, I think it is necessary to advance initiatives related to the development of future management candidates.

I believe that evaluating the effectiveness of the Board of Directors involves assessing whether the board is performing its functions and overseeing company management effectively by looking at several factors separately. I evaluate the composition of the Board of Directors as possessing diversity. With regard to the operation of the Board of Directors, detailed explanations are given in advance to Outside Directors so that appropriate discussions can be made at Board of Directors meetings. Although the structure and form are solid, I believe that we must continue to pay close attention to whether the Board

of Directors is discussing issues related to future corporate management, such as corporate value, profitability, and capital efficiency, rather than formal discussions.

**Mishima**» I believe that ALSOK's governance structure has been fully equipped with all the necessary functions and that practical operations are being conducted. As a general idea, I think that many companies comply with the Corporate Governance Code, but my opinion is that it is not necessary to comply with it 100%. Each company has its own characteristics, and I think it would be good to discuss what is best for us, and then explore it in a way that can be accepted externally.

In terms of effectiveness, information is provided in an open manner and there is a system in place that allows us to understand in a timely manner how investors view our company through reports. In recent years, a number of corporate scandals have occurred throughout the world. It goes without saying that it is important to create a system that prevents scandals from occurring. However, it is important to somehow make risk management function and control damage in the event of an emergency, and it is also important to create a system to implement it. Outside directors are also required to provide appropriate advice when such a problem arises. However, I feel that one aspect of effectiveness is the ability to even share bad news without delay and to discuss response measures between the executive side and Outside Directors.



**Iwasaki**》 In order to determine whether the Board of Directors is functioning properly, it is necessary to have a process in which we are asked to make decisions after information is disclosed and discussed during Board of Directors meetings. For example, I am satisfied as an Outside Director because information on how the company responded to the 2024 Noto earthquake in January of this year was reported to the Board of Directors as appropriate.

I feel that these actions lead to gaining the trust of customers and communities.

However, since it is more necessary than ever to increase collective knowledge by incorporating different perspectives and ideas, I think that it is even more necessary to think about the environment, systems, and human resource development mechanisms in order to demonstrate the abilities of a diverse workforce.

## Session 4 Executive Leadership

**Iwasaki**》 Today, with the rapid advancement of technology and other forms of social change, both the way companies exist and the way individuals live are changing drastically. In this era, ALSOK's leadership is being called into question, so we Outside Directors would like to have thorough discussions to realize the ideal form of the company. The fate of the company is determined by whether the team's policy moves to the right or to the left. It goes without saying that all Directors hold discussions in order to determine which path is the right one to take, but leadership in steering the company is a very important theme.



**Mishima**》 In my experience, there are two types of people working as top management. One is the "superhuman type" who does everything by themselves, and the other is the type of person who is firmly supported by the people around them. If anything, I believe that the latter will lead to the growth of subordinates in the future. I believe that it is more rewarding and responsible to carry out measures that subordinates plan with their own will.

When it comes to messages from top management, it is never the case that once a message has been sent out it must be conveyed within the Company. I think it is better if one tenth of a message can be conveyed. Leadership at the top is about talking persistently with employees over and over again, and especially engaging in dialogue with young employees.

**Ikenaga**》 ALSOK holds safety and security as its utmost priority and it is a company where employees can take pride in their contributions to society. As a corporate culture, there is an aspect of top-down decision-making, which can be a strength for the organization. However, to enhance collective knowledge and improve future corporate value, the wisdom and initiative of diverse human resources will be increasingly necessary.

**Iwasaki**》 There are many issues that need to be addressed in the areas of sustainability, growth strategy, governance, and human resource development, which are the themes of this discussion. We Outside Directors would also like to contribute to further enhancing corporate value.



**Ikenaga**》 I sometimes participate in executive training or employee training, where the Group CEO, COO, and other senior executives explain the current issues that ALSOK faces and emphasize showing the direction of the company. What I also felt was typical of ALSOK was that top management took the initiative to lead ALSOK in the response to the 2024 Noto earthquake.



## Corporate Governance

## Composition of the Board of Directors

Our Board of Directors includes several directors with background experience in industry and the public sector, in addition to those with a wealth of in-house experience, for a board composition with well-balanced and diverse knowledge, experience, and capabilities.

The Board of Directors meets once a month in principle, in addition to meetings to be called as needed. It met 15 times during the fiscal year ended March 31, 2024.

## Key Resolutions and Reports for the fiscal year ended March 31, 2024

## [Matters for Resolution]

Matters Concerning the General Shareholders' Meeting
Matters Concerning Financial Results
Matters Concerning Directors
Matters Concerning Stocks, etc.
• Matters Concerning Company Stock Splits
• Matters Concerning Acquisition of Treasury Stock
Organizational and Personnel Matters
Matters Concerning Maintenance of the Internal Control System
Matters Concerning Management
Matters Concerning the Disposal and Transfer of Important Assets

## [Matters for Reporting]

Progress and Results of the Execution of Board of Directors Resolutions
• Status of treasury stock acquisition, etc.
Status of operational policies
• Compliance Committee activity reports
• Acquisition/sale of short-term investment securities and gains
• Status of Risk Management Committee Activities, etc.
Monthly State of Management
Other Matters Deemed Necessary by the Board of Directors
• Results of the questionnaire survey on the effectiveness of the Board of Directors
• Audit status reports
• Status of Initiatives on Social, Environmental, and Other Issues
• Results of deliberations regarding the nomination and remuneration of Directors

## Effectiveness Assessment

In order to evaluate the effectiveness of the Board of Directors, we administered a questionnaire on this subject to all directors and Audit & Supervisory Board members. From the perspective of ensuring objectivity and transparency, in principle, the survey responses are made to an external organization, and the aggregated results are reported by the external organization.

In accord with the opinions presented through the evaluation, the Company will strive to improve the effectiveness of the Board of Directors.

## [Composition of the Board of Directors]

- The composition of the Board of Directors is well-balanced as it is composed of Outside Directors and Outside Audit & Supervisory Board members who have been involved in the management of government and various companies, as well as senior executives from within the company with abundant experience and achievements.
- From this point, I hope that female Internal Directors will appointed as soon as possible. It is also desirable to also have younger directors as well.

## [Discussion by the Board of Directors]

- Although the content of the discussion has been deepening for some time, it is necessary to further deepen the discussion on medium- to long-term value creation through means including M&A, capital efficiency, human capital investment, and sustainability.

## [Monitoring function of the Board of Directors]

- With the reorganization of the Company and the Group, strengthening governance is essential, and the effectiveness of the monitoring function of the Board of Directors must be maintained.

## [Support system for directors and Audit &amp; Supervisory Board Members]

- I don't see any problem with the support system. In the future, it would be better to enhance efforts to deepen our understanding of businesses other than security (through measures including visits to Long-term Care and Overseas businesses).

## Status of Compliance with Japan's Corporate Governance Code

- We have taken steps to comply with the Corporate Governance Code and hope that the features of the Company will be utilized in complying with it so that corporate value will be further increased in the future.

## Board of Directors overall

- During Board of Directors meetings, opinions are exchanged in a free-spirited manner and management is carried out appropriately.
- Communication is achieved not only through Board of Directors meetings but also through lunch meetings and executive training sessions.

## Composition of the Board of Directors and Skill Matrix

The composition of the Board of Directors and the expertise and experience of each Director are as follows.

Name	Position	Corporate Management (including sustainability)	Finance/ Accounting	Legal Affairs/ Compliance	IT/Digital	Global Business	Sales/ Marketing	Human Resource Management	Industry (security, facility management, and long-term care)
Tsuyoshi Murai	Representative Director, Group CEO CTO(Chief Technology Officer)	●		●	●		●	●	●
Ikuji Kayaki	Representative Director, Group COO, Senior Executive President	●		●			●	●	●
Motohisa Suzuki	Director	●		●		●		●	●
Takashi Kumagai	Director	●		●	●				●
Kazuhide Shigemi	Director	●	●				●		
Naoki Hyakutake	Director	●		●			●	●	●
Yutaka Komatsu	Director	●					●		●
Toshie Ikenaga	Director	●		●				●	
Masahiko Mishima	Director	●		●		●	●		
Kenji Iwasaki	Director	●	●	●			●	●	
Hiroyuki Morita	Director	●	●		●	●	●		
Risa Tanaka	Director	●					●	●	

## Nomination and Remuneration Committee

On February 7, 2023, the company established a Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors.

The committee's purpose is to ensure that the method by which the nomination and remuneration of directors is determined remains objective and transparent, while also further enriching the corporate governance system. Committee membership is composed from the perspective of fulfillment of expected roles, with the majority of members being Independent Outside Directors, and the Representative Director and Group CEO serving as committee chair.

## Activities of the Business Investment Review Committee

We have established a Business Investment Review Committee, as of October 1, 2022.

The committee shares the objectives of business expansion investment projects such as corporate acquisitions and business transfers, and considers the various risks involved, such as operational business issues including the quantitative aspects, as well as the human resources aspects of engaging in and operating the projects.

The committee is composed of the Representative Director and Group CEO, who serves as chairperson, the Representative Director and Group COO, who serves as vice-chairperson, as well as the officers in charge of General Affairs/PR, Corporate Planning & Administration, Business Strategies, Financial & Accounting, Human Resources Affairs, officers in charge of projects, and other members appointed by the chairperson. The committee holds meetings for projects as needed. It met 9 times in the fiscal year ended March 31, 2024.

## Policies and Methods for Deciding Remuneration Amounts

The maximum amount of total remuneration for company directors is 400 million yen, and the maximum amount of total remuneration for Audit & Supervisory Board members is 120 million yen. In accordance with the resolution of the 59th General Meeting of Shareholders (held on June 25, 2024), the maximum amount of remuneration for Directors has been changed to 600 million yen.

The remuneration paid to directors, based on the following policies decided by the resolution of the Board of Directors, consists with the flat amount determined by the appointment and outside director, other directors besides, and with the productivity-linked remuneration calculated by the performance feedback of each directors by certain standard. The remuneration paid to Audit & Supervisory Board members is flat amount and the specific amount is determined following the standard decided at Audit & Supervisory Board.

### Policy on determining the Payment Ratio of Remuneration other than Performance-linked Remuneration and Performance-linked Remuneration

The performance-linked remuneration for the Company's directors (excluding outside directors) is the predetermined remuneration (bonus) paid in June of each year, and if the Company's performance payment rate and the individual performance payment rate are both 100%, the percentage to be paid is 45% of the total annual payment (short-term incentive: 30%, medium- to long-term incentive: 15%). In the case where fixed monthly pay falls under the category of remuneration other than performance-linked remuneration and both the company and individual performance payment rates are 100%, the percentage to be paid is 55% of the annual total amount of remuneration.



### Indicators Pertaining to Performance-linked Remuneration, Reason for Selecting Said Indicators, and Method of Determining the Amount of Performance-linked Remuneration

In calculating predetermined remuneration, which is linked with performance, the company's performance payout ratio for short-term incentives is calculated based on a reference index (consolidated operating income + equity in earnings of affiliates + consolidated bonus), which is adjusted for consolidated operating income, while the company's performance payout ratio for medium- to long-term incentives is calculated based on the three-year average annual growth rate of that reference index. In addition, the individual performance payment rate is determined based on the degree of achievement of the goals set for each individual. After that, the amount of payment is finally determined by multiplying each payment rate by the standard amount.

## About the Audit & Supervisory Board

ALSOK is a company with an Audit & Supervisory structure. As of June 25, 2024, the Audit & Supervisory Board consists of 4 members (including 3 outside members), at least 1 of whom has extensive financial and accounting expertise. In addition, 2 full-time employees are assigned to the Audit & Supervisory Board Secretariat to assist the auditors in their work duties, and personnel transfers and evaluations of these employees is subject to the consent of the Audit & Supervisory Board members, which increases their independence from directors, ensuring the effectiveness of the auditors' instructions.

The Audit & Supervisory Board meets once a month, in principle, to discuss and make decisions based on reports on important matters related to audits. In addition, one Audit & Supervisory Board Member attends the Management Committee to appropriately monitor the status of management execution.

The Audit & Supervisory Board met 17 times during the fiscal year ended March 31, 2024. Members of the Audit & Supervisory Board report, deliberate and resolve important matters concerning audits, audit policy and audit planning. The activities engaged in only by the full-time Audit & Supervisory Board members, and the details of on-site audits by each auditor, are reported to the other auditors at meetings of the Audit & Supervisory Board, etc.



# Directors, Audit & Supervisory Board Members, and Executive Officers

(as June 25, 2024)

## Representative Directors

### Representative Director

#### Tsuyoshi Murai

Group CEO (Chief Executive Officer) and  
CTO (Chief Technology Officer)



- 1999.7 Joined the Company
- 2007.6 General Manager of Home Marketing Division
- 2010.4 Appointed Executive Officer, Chief Officer of Regional Division (I)
- 2011.2 In charge of General Property Management
- 2011.3 Transferred and appointed President and Representative Director of Japan Facilio Co., Ltd. (resigned in March 2014)
- 2014.4 Appointed Senior Executive Officer, Deputy Chief Officer of Business Promotion Division, in charge of sales planning and management, and regional finance sales
- 2016.4 In charge of Human Resources Affairs and Corporate Ethics
- 2016.6 Appointed Director and Senior Executive Officer
- 2018.4 In charge of General Affairs/PR, Compliance, Risk Management, and Information Assets Management  
Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs
- 2018.5 In charge of Central Japan Area, Deputy Chief Officer of Business Promotion Division, in charge of Central Japan Area Sales
- 2019.4 Executive Vice President and Director, in charge of Promotion, Tokyo 2020 Olympic and Paralympic Games Promotion Affairs
- 2020.4 In charge of Management Company
- 2022.4 In Charge of R&D Engineering Affairs
- 2022.6 Appointed Representative Director (Current), Group CEO (Current), and CTO (Current)  
(Major concurrent positions) 2021.12 Appointed Representative Director of SOHGO CORPORATION (Current)
- 2024.6 Appointed Deputy Chairperson of the All Japan Security Service Association (Current)

### Representative Director (Senior Executive President)

#### Ikuji Kayaki

Group COO (Chief Operating Officer),  
In charge of East Japan Area,  
Chief Officer of Business Promotion Division,  
in charge of Quality Management



- 1982.4 Joined the Company
- 2011.4 Chief Officer of Regional Division (IV)
- 2012.4 Appointed Executive Officer
- 2014.4 Deputy Chief of Operations, in charge of Structural Reform of Transportation Security Services
- 2015.4 Appointed Senior Executive Officer, Chief Officer of Security Operations
- 2017.6 Appointed Director and Senior Executive Officer
- 2018.4 Executive Vice President and Representative Director, General Manager of ALSOK Company, in charge of East Japan Area (Current), Deputy Chief Officer of Business Promotion Division, in charge of Corporate Customers
- 2019.4 Appointed Vice President and Representative Director, Senior Executive Vice President, Chief Officer of Business Promotion Division (Current)
- In charge of Corporate Customers, in charge of East Japan Area Business
- 2022.6 Appointed Representative Director (Current)
- Appointed Group COO (Current)
- Appointed Senior Executive President (Current)
- 2024.4 In charge of Quality Management (Current)

## Directors

### Director (Executive Vice President)

#### Motohisa Suzuki

In charge of General Affairs/PR, Compliance, Risk Management,  
Information Assets Management, Affiliated Corporate, International Affairs,  
Chief Officer of International Affairs Division, Deputy Chief Officer of  
Business Promotion Division



- 2015.1 Appointed Director of Traffic Bureau, National Police Agency (resigned in January 2016)
- 2016.4 Appointed Senior Executive Officer of the Company, in charge of General Affairs/PR and Procurement, Deputy Chief Officer of Security Operations (in charge of operational affairs, Tokyo 2020 Olympic and Paralympic Games) In charge of HOME ALSOK, Compliance, Risk Management, and Information Assets Management, Deputy Chief Officer of Business Promotion Division
- 2018.4 In Charge of Security Operation Affairs, Structural Reform of Transportation Security Services, Deputy Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs
- 2019.4 Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs
- 2019.6 Appointed Director and Senior Executive Officer
- 2022.6 In charge of General Affairs/PR (Current), Compliance (Current), Risk Management (Current), Information Asset Management (Current), Management Company, International Affairs (Current), Chief Officer of International Affairs Division (Current)
- 2022.8 Deputy Chief Officer of Business Promotion Division (Current)
- 2023.4 Appointed Director and Executive Vice President (Current), in charge of Quality Management, in charge of Affiliated Corporate (Current)

### Director (Senior Executive Officer)

#### Takashi Kumagai

In charge of Long-Term Care Services, Deputy Chief Officer of  
Business Promotion Division  
President and Representative Director, Life Co., Ltd.  
President and Representative Director, ALSOK CARE CO., LTD.



- 2014.7 Director General, Reconstruction Agency (resigned in June 2016)
- 2016.10 Appointed Executive Officer of the Company, Second in Charge of Management Company, Second in Charge of Regional Management, Second in Charge of R&D Engineering Affairs, Deputy Chief Officer of Business Promotion Division, Second in Charge of Sales Promotion, Second in Charge of Corporate Customers
- 2017.4 Appointed Senior Executive Officer, in charge of Long-Term Care Services (Current) in charge of Management Company, Regional Management, Deputy Chief Officer of Business Promotion Division, Second in Charge of Sales Promotion
- 2018.4 Deputy Chief Officer of Business Promotion Division, in charge of HOME ALSOK
- 2020.4 Deputy Chief Officer of Business Promotion Division (Current), Appointed President and Representative Director of Life Holdings Co., Ltd. (currently Life Co., Ltd.), President and Representative Director of Life Co., Ltd. (Current), President and Representative Director of MBIC Life Co., Ltd. (currently ALSOK MBIC Laboratory Co., Ltd.)
- 2022.4 Appointed President and Representative Director of ALSOK CARE CO., LTD. (Current)
- 2022.6 Appointed Director and Senior Executive Officer (Current)

### Director (Senior Executive Officer)

#### Kazuhide Shigemi

In charge of Financial & Accounting  
Internal Control  
Procurement



- 2009.4 Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)  
General Manager of Osaka Sales Dept. No. 2 (resigned in April 2012)
- 2011.5 General Manager of the Regional General Administration Department of the Company
- 2013.4 General Manager of Group Management Department
- 2015.4 General Manager of Corporate Planning & Administration Department
- 2017.4 Appointed Executive Officer, Second in Charge of Corporate Planning & Administration, Strategic Business
- 2019.4 Appointed Senior Executive Officer, in charge of Corporate Planning & Administration, Strategic Business
- 2022.6 Appointed Director and Senior Executive Officer (Current)
- 2022.10 In charge of Financial & Accounting (Current), Internal Control (Current), Procurement (Current)

### Director (Senior Executive Officer)

#### Naoki Hyakutake

In charge of Human Resources Affairs  
Corporate Ethics



- 1989.4 Joined the Company
- 2016.4 Transferred and appointed President and Representative Director of ALSOK Care & Support Co., Ltd. (resigned in March 2017)
- 2017.4 General Manager of Human Resources Department
- 2019.4 Appointed Executive Officer, in charge of Human Resources
- 2022.4 Appointed Senior Executive Officer, Second in Charge of Human Resources Affairs
- 2022.6 Appointed Director and Senior Executive Officer (Current)  
In charge of Human Resources Affairs (Current)  
Corporate Ethics (Current)

### Director (Senior Executive Officer)

#### Yutaka Komatsu

Stationed in the Kansai Region  
In charge of West Japan Area, in charge of Expo 2025 Osaka, Kansai, Japan (General)  
Deputy Chief Officer of Business Promotion Division, in charge of West Japan Area Business,  
Chief Officer of Regional Division (II), Chief Officer of Regional Division (X)



- 1981.3 Joined the Company
- 2008.4 General Manager of Corporate Sales Division 1
- 2014.10 Transferred and appointed President and Representative Director of Hokkaido Sohgo Security Services Co., Ltd. (currently ALSOK Hokkaido Co., Ltd.)
- 2020.4 Appointed Executive Officer, appointed President and Representative Director, ALSOK Hokkaido Co., Ltd.
- 2022.4 Appointed Senior Executive Officer, appointed Chairperson and Representative Director of ALSOK Hokkaido Co., Ltd.
- 2022.6 Appointed Director and Senior Executive Officer (Current), in charge of West Japan Area (Current) Expo 2025 Osaka, Kansai, Japan (General) (Current), Deputy Chief Officer of Business Promotion Division (Current), in charge of West Japan Area Business (Current), Chief Officer of Regional Division (II) (Current), Appointed Chairperson, President, and Representative Director, of ALSOK KINKI Co., Ltd., Appointed Chairperson and Representative Director of ALSOK OSAKA Co., Ltd.
- 2024.4 Chief Officer of Regional Division (X) (Current)
- (Major concurrent positions) 2022.6 Representative Director of HIROSHIMA SOHGO SECURITY SERVICES CO., LTD. (Current)  
Representative Director of Ehime Sohgo Security Services Co., Ltd. (Current)

### Director (outside)

#### Toshie Ikenaga



- 1987.4 Joined the Economic Planning Agency
- 2010.9 Director of Policy Evaluation and Public Relations Division, Minister's Secretariat, Cabinet Office
- 2012.4 Professor of Hosei Graduate School of Regional Policy Design
- 2014.4 Director of Cabinet Office
- 2014.9 Director of General Affairs Division, Gender Equality Bureau, Cabinet Office
- 2016.1 Appointed Vice-Governor of Shiga Prefecture (resigned in July 2018)
- 2018.7 Appointed Director General of Gender Equality Bureau, Cabinet Office (resigned in August 2020)
- 2021.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)
- 2022.7 Appointed President of National Hospital Organization (Current)
- (Major concurrent positions) 2021.6 Appointed Outside Audit & Supervisory Board Member of Shimizu Corporation (Current)

## Director (outside)

### Masahiko Mishima



- 2016.4 Appointed Executive Officer of Mitsubishi Heavy Industries, Ltd.
- 2018.10 Appointed Senior Executive Officer of Mitsubishi Heavy Industries, Ltd.
- 2019.6 Appointed Director and Senior Executive Officer of Mitsubishi Heavy Industries, Ltd.
- 2021.6 Appointed Senior Executive Officer of Mitsubishi Heavy Industries, Ltd. (resigned in September 2021)
- 2021.10 Appointed Advisor of Mitsubishi Heavy Industries, Ltd. (resigned in September 2022)
- 2022.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)

## Director (outside)

### Kenji Iwasaki



- 2009.6 Appointed Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.
- 2010.6 Appointed Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.
- 2014.4 Appointed Executive Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.
- 2017.4 Appointed Vice President and Representative Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. (resigned in March 2018),  
Appointed Senior Executive Vice President of Tokio Marine Holdings, Inc.
- 2017.6 Appointed Vice President and Representative Director of Tokio Marine Holdings, Inc. (resigned in June 2018)
- 2018.6 Appointed Executive Director of General Insurance Association of Japan (resigned in June 2022)
- 2022.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)
- 2022.7 Appointed Audit & Supervisory Board Member of Daiichi Seiwa Jimusho Co., Ltd. (Current)
- (Major concurrent positions) 2022.6 Appointed President and Representative Director of HMS Holdings Co., Ltd. (Current)
- 2023.6 Appointed Director and Audit & Supervisory Committee member of Japan Airport Terminal Co., Ltd. (Current)

## Director (outside)

### Hiroyuki Morita



- 1997.6 Appointed President of ENICOM. (currently NS Solutions USA)  
(resigned in June 1999)
- 2010.4 Appointed Executive Officer of NS Solutions Corporation
- 2012.6 Appointed Director of NS Solutions Corporation
- 2015.6 Appointed Director and Superior Executive Officer of NS Solutions Corporation
- 2016.4 Appointed Director and Senior Executive Officer of NS Solutions Corporation
- 2019.4 Appointed President and Representative Director of NS Solutions Corporation
- 2023.4 Appointed Director and Advisor of NS Solutions Corporation (Current)
- 2024.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)
- (Major concurrent positions) 2024.6 Appointed Outside Director of Toho System Science Co., Ltd. (Current)

## Director (outside)

### Risa Tanaka



- 1995.4 Chief Editor of monthly magazine, Senden Kaigi of Sendenkaigi Co., Ltd.
- 2008.11 Appointed Vice President and Director, and Editorial Office Manager of Sendenkaigi Co., Ltd.
- 2010.8 Appointed Director of Japan Association for Rail Advertising (Current)
- 2012.4 Appointed Professor at Graduate School of Project Design founded by Advanced Academic Agency
- 2014.6 Appointed Outside Director of Japan Post Co., Ltd.
- 2016.4 Appointed Director of Sendenkaigi Co., Ltd.
- 2019.1 Member of the Central Environment Council of the Ministry of the Environment (Current)
- 2019.2 Member of the Infrastructure Development Council and the Council for Transport Policy of the Ministry of Land, Infrastructure, Transport and Tourism (Current)
- 2021.4 Appointed Member of the Board of Trustees and Vice President of Mie University (Current)
- 2022.1 Member of the 33rd Local Government System Research Committee of the Ministry of Internal Affairs and Communications
- 2024.6 Appointed Director of SOHGO SECURITY SERVICES CO., LTD. (Current)
- (Major concurrent positions) 2016.4 President of Graduate School of Project Design founded by Advanced Academic Agency (Current)
- 2021.6 Appointed Outside Director of Imuraya Group Co., Ltd. (Current)
- 2022.6 Appointed Outside Audit and Supervisory Board Member of Metropolitan Expressway Co., Ltd. (Current)

## Senior Executive Officer

- Shinichiro Hayashi** In charge of Corporate Planning & Administration, Deputy Chief Officer of Business Promotion Division, in charge of Financial Affairs
- Satoshi Yoneda** In charge of Business Strategies, Deputy Chief Officer of Business Promotion Division  
In charge of Business Planning & Management
- Seiji Ono** Deputy Chief Officer of Business Promotion Division, In charge of Corporate Customers
- Hiroyuki Ono** In charge of Central Japan Area, Deputy Chief Officer of Business Promotion Division, In charge of Central Japan Area Sales, Chief Officer of Regional Division (III) Chief Officer of Regional Division (VII)
- Yutaka Miyajima** In charge of Electronic Security, HOME ALSOK
- Hiroyoshi Yoshida** In charge of Stationed Security
- Ken Takahashi** Expo 2025 Osaka, Kansai, Japan (Public Relations)  
In charge of Transportation Security, Facility Management

## Audit & Supervisory Board Members

### Full-time Audit & Supervisory Board Member

### Juichiro Mochizuki



- 1982.4 Joined the Company
- 2012.8 General Manager of Security Operations Department (I)
- 2014.4 Transferred and appointed President and Representative Director of Ibaraki Soho Security Services (currently ALSOK Ibaraki Co., Ltd.)  
(resigned in March 2020)
- 2020.4 Chief Officer of Regional Division (VI)
- 2021.4 Chief Officer of Regional Division (VII)
- 2022.6 Appointed Full-time Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (Current)

### Full-time Audit & Supervisory Board Member (outside)

### Shinichiro Nakano



- 2008.6 General Manager of Risk Management Division, The Norinchukin Bank
- 2012.6 General Manager of Planning Management Division, The Norinchukin Bank
- 2014.6 Appointed Managing Director of The Norinchukin Bank (resigned in March 2019)  
Appointed Director of Norinchukin Value Investments Co., Ltd. (resigned in March 2018)  
Appointed Director of The Norinchukin Trust & Banking Co., Ltd. (resigned in March 2019)  
Appointed Auditor of Kyodo Housing Loan Co., Ltd. (resigned in June 2019)
- 2019.4 Appointed Standing Advisor of The Norinchukin Bank (resigned in June 2019)
- 2019.6 Appointed Full-time Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (Current)

## Audit & Supervisory Board Members (outside)

### Yoshiaki Nakagawa



- 1990.9 Appointed Director and CFO of Matsushita Radio Singapore Pte. Ltd.  
(resigned in May 1996)
- 2001.1 Appointed Chief Accountant of China Hualu Matsushita AVC Co., LTD. (resigned in January 2004)
- 2009.4 Appointed Executive Officer of Panasonic Corporation (currently Panasonic Holdings Co., Ltd.)
- 2011.6 Appointed Managing Director of Panasonic Corporation (currently Panasonic Holdings Co., Ltd.)  
(resigned in June 2014)
- 2014.4 Appointed President and Representative Director of SANYO Electric Co., Ltd. (resigned in March 2017)
- 2017.4 Appointed Advisor of Panasonic Corporation (currently Panasonic Holdings Co., Ltd.)  
(resigned in March 2018)
- 2018.4 Appointed Special Advisor of Hardlock Industry Co., Ltd. (Current)
- 2020.8 Appointed Advisor of Uokuni Food Services Co., Ltd. (Current)
- 2021.6 Appointed Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (Current)
- (Major concurrent positions) 2020.6 Appointed Outside Auditor of ASANUMA CORPORATION (Current)

## Audit & Supervisory Board Members (outside)

### Yoshifumi Otsuka



- 2015.4 Appointed Executive Officer of Daiwa Securities Co. Ltd.
- 2018.10 Appointed Executive Officer of Daiwa Securities Group Inc.
- 2019.4 Appointed Senior Executive Officer of Daiwa Securities Group Inc.  
Appointed Senior Executive Officer of Daiwa Securities Co. Ltd.
- 2020.4 Appointed Managing Director of Daiwa Securities Co. Ltd.
- 2022.4 Appointed Senior Managing Director of Daiwa Institute of Research Ltd.
- 2024.6 Appointed Audit & Supervisory Board Member of SOHGO SECURITY SERVICES CO., LTD. (Current)

## Executive Officer

- Tetsuya Okuda** Second in Charge of General Affairs, General Manager of General Affairs Department
- Masahiro Kikukawa** Second in Charge of Financial & Accounting, General Manager of Financial & Accounting Department
- Wataru Saito** Second in charge of R&D Engineering Affairs
- Masafumi Sato** In Charge of R&D Engineering Affairs, General Manager of R&D Engineering Department
- Tomoyuki Arita** Second in Charge of Corporate Customers, General Manager of Corporate Sales Division 1
- Manabu Morimoto** Second in charge of Electronic Security, General Manager of Electronic Security Department
- Kengo Takeda** Chief Officer of Regional Division (I)
- Tetsuya Tsuburaya** Chief Officer of Regional Division (IV), Chief Officer of Regional Division (V)



# Financial Review

## Review of Fiscal 2024

Aiming to contribute to realizing a sustainable society, The ALSOK Group has continued to provide appropriate services as an operator of service businesses related to the safety and security of society (Security Services, General Property Management and Fire Protection Services, and the Lifestyle Support Services business including Long-term Care Services). As stated in “Grand Design 2025,” our medium-term management plan, we aim to be a safety and security service provider who persistently aims to serve the society’s various needs for greater safety and security. To meet the expanding safety and security needs of our customers and society amid diversifying risks, we are working to provide new services that combine a variety of service functions, including security, facility management services and Long-term Care.

Net sales in fiscal 2024 increased 5.9% year-on-year to 521,400 million yen, marking the 14th consecutive year of increase and record high for the 13th consecutive year. In terms of profit, operating income was 39,082 million yen (up 5.6% year on year), ordinary income was 42,173 million yen (up 7.5% year on year), and profit attributable to owners of parent was 27,327 million yen (up 14.1% year on year). In addition, we place importance on ordinary income margin and ROE as objective indicators to determine the status of achievement of management targets. The “Grand Design 2025” medium-term management plan outlined a goal of 10% or more for both of these indicators, and we recorded an 8.1% ratio of ordinary income to sales and ROE of 8.2% for FY2024.

In addition to strengthening its Security Services business through M&A and other means, the ALSOK Group is

expanding its General Property Management and Fire Protection Services business, which is highly compatible with the Security Services business, and its Long-term Care Services such as nursing care, to focus on precisely meeting the expanding safety and security needs of our customers and society amid diversifying risks.

## Financial Position

Total assets at the end of FY2024 amounted to 567,561 million yen (up 9.9% from the end of the same period last year), of which current assets amounted to 252,061 million yen (up 5.5%) and noncurrent assets amounted to 315,500 million yen (up 13.6%).


Total liabilities amounted to 180,980 million yen (up 4.8%), of which current liabilities amounted to 100,489 million yen (up 1.7%) and noncurrent liabilities amounted to 80,490 million yen (up 8.9%).

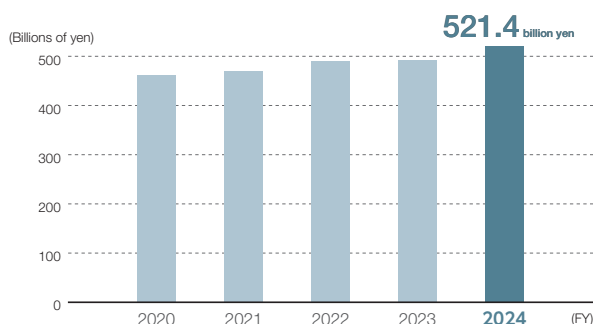
Net assets totaled 386,581 million yen (up 12.4%).

## Basic Policy on Financial Discipline

Under the “Grand Design 2025” medium-term management plan, we are aiming for an ROE of 10% or more as a medium-term financial target. In order to improve ROE, our basic policy is to maintain stable dividends and increase profitability with a medium-term target of raising the ratio of ordinary income to net sales to 10% or more. The dividend payout ratio, which was set at 30% until FY2023, will be set in the 40% to 50% range from FY2024. Against this backdrop, the ALSOK Group’s equity ratio has been stable at the end of the last five years, and we believe that this is the result of our

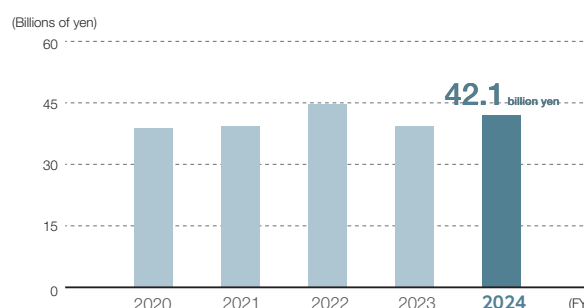
## Net Sales

**521.4** billion yen **5.9%** increase 



## Ordinary income

**42.1** billion yen **7.5%** increase 



efforts to maintain financial discipline while giving due consideration to both shareholders and creditors in a balanced manner. The main source of our own capital is the collection of monthly fees from customers mainly in the security services business, making it a stable source of monthly income with a predictable future forecast.

## Policy on Growth Investments (Capital Investments/Research and Development)

The Group made capital investments totaling 15,898 million yen in property, plant and equipment and intangible assets for FY2024. This mainly comprised 10,241 million yen for electronic security equipment, 1,573 million yen for equipment and fixtures, and 963 million yen for buildings and structures, and 941 million yen for software.

The basic policy of R&D is to identify diversifying market needs and promote the development of market-competitive technologies and products with the aim of contributing to the improvement of profitability.

In FY2024, R&D expenses totaled 538 million yen, mainly related to the Security Services businesses. In addition, the R&D department of the Company conducts research, planning, intellectual property management, quality management, and other activities that do not fall under the category of research and development as an integral part of R&D. The total amount of R&D expenses plus expenses related to these activities is 2,030 million yen.

ALSOK conducts research to respond to the growing need for safety and security in a society where risks are becoming increasingly diverse, including “diversification of familiar crimes

and deterioration in perceived public safety,” “increasingly sophisticated cyber attacks,” and “labor shortages due to the falling birthrate and aging population.” In addition, we will promote open innovation, promote industry-academia-government collaboration on cutting-edge technologies, and respond to ever-changing social conditions.


## Shareholder Return Policy

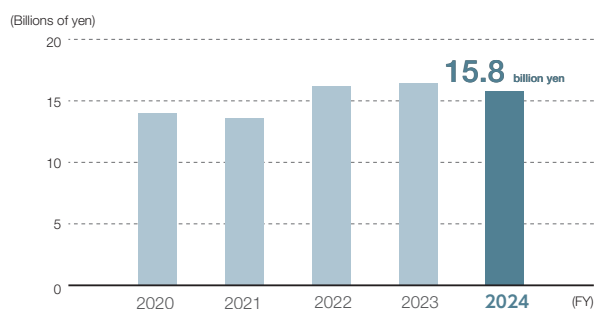
ALSOK positions the return of profits to shareholders as an important management policy, and its basic policy is to distribute the results supported by business performance while enhancing internal reserves. Internal reserves will be allocated to research and development expenses necessary for future growth and development, as well as capital investment for upgrading information systems and new businesses, in an effort to further improve business performance.

ALSOK’s basic policy is to pay dividends from surplus twice a year, an interim dividend and a year-end dividend. The decision-making body for these dividends is the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend.

The dividend for FY2024, combined with the interim dividend (8.7 yen per share), will be 23.7 yen per share, based on comprehensive consideration of business performance for the current fiscal year, earnings forecasts for the next fiscal year and capital investment plans, and other factors. The consolidated dividend payout ratio was 43.6%.

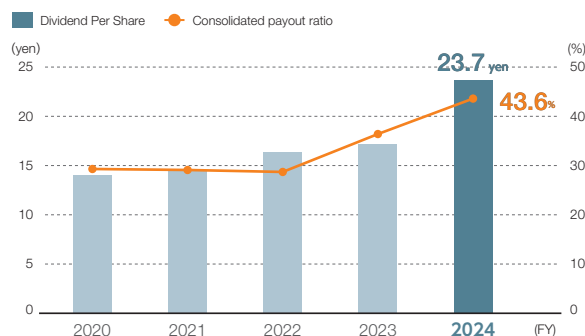
## Capital Investments

**15.8** billion yen **3.3** decrease 



## Dividend per share

**23.7** yen **¥6.5** increase 



\* On July 1, 2023, there was a stock split in which each share of stock was split into 5 shares.



# 11-year summary of financial and non-financial data

Fiscal year ended March 31

	2014	2015	2016	2017
<b>Profit and loss (millions of yen)</b>				
Net Sales	328,209	365,749	381,818	413,343
Cost of sales	248,900	276,116	282,880	310,704
Gross profit	79,308	89,632	98,937	102,639
Selling, general and administrative expenses	60,375	66,660	69,901	74,217
Operating income	18,932	22,971	29,036	28,422
Ordinary income	20,745	24,700	30,667	30,309
Profit attributable to owners of parent	10,955	13,534	17,868	18,330
<b>Financial position (millions of yen)</b>				
Total assets	342,495	373,863	349,561	385,877
Net assets	180,205	204,363	205,622	222,230
<b>Cash flow status (millions of yen)</b>				
Operating cash flows	21,056	19,666	19,678	54,561
Investment cash flows	(16,701)	(24,295)	(12,808)	(22,055)
Financial cash flows	(9,142)	6,596	(9,176)	(20,582)
<b>Profitability</b>				
Gross profit margin (%)	24.2	24.5	25.9	24.8
Operating income margin (%)	5.8	6.3	7.6	6.9
Ordinary income margin (%)	6.3	6.8	8.0	7.3
Return on assets (ROA) (%)	6.5	6.9	8.5	8.2
Return on equity (ROE) (%)	7.0	7.8	9.9	9.7
EV/ EBITDA (times) <sup>*1</sup>	8.3	12.5	14.7	9.6
<b>Stability</b>				
Equity capital ratio (%)	46.2	48.4	51.9	51.0
Equity ratio on a market value basis (%)	63.5	110.1	175.4	108.2
Interest-bearing liabilities (millions of yen)	63,651	65,091	35,782	42,078
Interest coverage ratio (times)	36.4	28.5	30.1	54.2
<b>Efficiency</b>				
Total asset turnover ratio (times)	1.0	1.0	1.1	1.1
Shareholders' equity turnover ratio (times)	2.1	2.1	2.1	2.2
Tangible fixed assets turnover ratio (times)	5.2	5.4	5.3	5.1
<b>Per share information</b>				
Net assets per share (BPS) (yen)	314.95	360.03	361.02	391.25
Net income per share (EPS) (yen)	21.80	26.93	35.55	36.47
Price book-value ratio (PBR) (times)	1.4	2.3	3.4	2.1
Price earnings ratio (PER) (times)	19.9	30.4	34.3	22.8
Dividend per share (yen)	6.0	7.6	10.0	11.0
Consolidated dividend payout ratio (%)	27.5	28.2	28.1	30.2
Year end stock price (yen)	432.8	819.0	1,220.0	831.0
<b>Other information</b>				
Number of employees (consolidated)	28,091	31,221	31,446	36,693
Average number of years of continuous service (non-consolidated)	14.4	14.9	15.4	15.9
Percentage of employees returning to work after childcare leave (non-consolidated, total for male and female employees) (%)	92.4	96.6	93.7	91.3
CO <sub>2</sub> emissions (group) (t-CO <sub>2</sub> ) <sup>*2</sup>	102,313	96,962	92,453	90,622
CO <sub>2</sub> emissions per sales unit (group) (t-CO <sub>2</sub> ) <sup>*2</sup>	0.312	0.265	0.242	0.219
<b>M&amp;A Activities</b>				
	<ul style="list-style-type: none"> <li>• ALSOK Souei Co., Ltd.</li> <li>• Nippon Building Maintenance Co., Ltd. (currently ALSOK FACILITIES CO., LTD.)</li> <li>• ANTEI CO., LTD. (currently ALSOK CARE CO., LTD.)</li> <li>• HCM Corporation (currently ALSOK CARE CO., LTD.)</li> <li>• ALSOK Care &amp; Support Co., Ltd.</li> </ul>			<ul style="list-style-type: none"> <li>• Wisnet Co., Ltd. (currently ALSOK CARE CO., LTD.)</li> <li>• PT. ALSOK BASS Indonesia Security Services Joint Stock Company</li> <li>• ALSOK SHOJITSU SECURITY SERVICE CO., LTD.</li> </ul>

<sup>\*1</sup> Method of calculation for EV/EBITDA is as follows:

EV = Market capitalization + Interest-bearing liabilities – Short-term liquidity (Cash and deposits + Short-term investments in securities)

The method calculation for EV/EBITDA has been changed since the fiscal year ended March 31, 2023.

<sup>\*2</sup> The method and scope of CO<sub>2</sub> emissions calculation have been changed since the fiscal year ended March 31, 2021.

2018	2019	2020	2021	2022	2023	2024
435,982	443,535	460,118	469,920	489,092	492,226	521,400
330,493	334,197	345,097	352,811	363,511	370,998	395,686
105,489	109,338	115,020	117,108	125,581	121,228	125,713
75,378	77,057	78,224	79,926	82,715	84,234	86,630
30,111	32,280	36,795	37,182	42,865	36,993	39,082
31,913	33,881	38,880	39,212	44,796	39,230	42,173
19,344	22,269	24,163	25,014	28,964	23,950	27,327
396,635	410,113	428,796	481,465	488,278	516,647	567,561
241,382	257,098	270,432	304,427	327,509	343,893	386,581
25,496	28,771	33,896	55,522	42,736	31,682	56,063
(19,125)	(14,911)	(13,395)	(38,452)	(14,093)	(24,818)	(16,913)
(13,429)	(10,934)	(15,113)	(12,714)	(18,183)	(19,380)	(21,503)
24.2	24.7	25.0	24.9	25.7	24.6	24.1
6.9	7.3	8.0	7.9	8.8	7.5	7.5
7.3	7.6	8.5	8.3	9.2	8.0	8.1
8.2	8.4	9.3	8.6	9.2	7.8	7.8
9.3	9.9	10.1	9.6	10.0	7.8	8.2
11.5	9.6	9.7	9.4	5.8	5.7	6.0
55.0	56.8	57.3	57.6	61.5	60.9	62.2
134.3	119.0	124.2	110.0	82.9	69.9	73.4
26,153	21,546	23,578	28,408	13,423	10,825	9,392
25.8	18.1	26.2	27.3	22.3	17.6	30.7
1.1	1.1	1.1	1.0	1.0	1.0	1.0
2.1	2.0	1.9	1.8	1.7	1.6	1.6
4.9	5.0	5.2	4.9	4.9	4.6	4.5
431.15	460.48	485.00	548.25	592.97	622.10	704.97 <sup>*3</sup>
38.39	44.00	47.74	49.42	57.22	47.32	54.34 <sup>*3</sup>
2.4	2.1	2.2	1.9	1.3	1.1	1.2
27.5	21.9	22.0	21.2	14.0	15.1	15.3
12.0	13.2	14.0	14.4	16.4	17.2	23.7 <sup>*3</sup>
31.3	30.0	29.3	29.1	28.7	36.4	43.6
1,052.0	964.0	1,052.0	1,046.0	800.0	713.0	831.9 <sup>*3</sup>
37,519	37,417	37,902	38,444	38,192	39,039	64,982 <sup>*4</sup>
16.4	16.8	17.2	17.4	17.6	17.8	18.3
98.3	98.1	98.2	98.1	95.2	98.7	100.0
89,735	84,655	81,286	85,501	85,146	87,009	84,974
0.206	0.191	0.177	0.181	0.174	0.176	0.162
• ALSOK-TW East Japan Co., Ltd. • ALSOK KANTO DELIVERY CO., LTD.	• ALSOK Myanmar Security Services Co.,Ltd. • Care Plus Co., Ltd. • SOHGO KANZAI Co., Ltd. • Health Support Co., Ltd. (currently SOHGO KANZAI Co., Ltd.)	• Keihanshin Security Services Co., Ltd.	• Life Holdings Co., Ltd.	• ALSOK Joy Life Co., Ltd. • ALSOK Life Support Co., Ltd. • ALSOK Bangladesh Security Services Ltd.	• PT. Shield-On Service Tbk	

<sup>\*3</sup> On July 1, 2023, there was a stock split in which each share of stock was split into 5 shares. As a result, figures for periods prior to fiscal 2023 have been changed retroactively to reflect the stock split.

<sup>\*4</sup> Figure reflects consolidation of PT. Shield-On Service Tbk



# Breakdown of Sales/Number of Contracts

## Net Sales by Service Type

(Billions of yen)

Fiscal year ended March 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Security Services										
Electronic Security Services	160.4	167.1	170.5	174.0	175.5	175.6	176.7	176.4	175.9	186.9
Stationed Security Services	88.4	93.9	100.4	110.0	111.9	116.9	113.1	128.8	123.7	126.4
Transportation Security Services	52.3	54.6	56.1	60.2	62.2	65.6	65.6	67.8	66.7	69.2
General Property Management and Fire Protection Services	58.3	54.9	57.8	61.9	62.9	69.2	68.1	68.1	72.9	78.3
Long-term Care Services <sup>*1</sup>	—	7.5	24.9	25.7	26.5	28.1	40.3	41.6	47.4	50.9
Other	6.2	3.5	3.4	3.9	4.2	4.6	5.8	6.0	5.3	9.3
Total	365.7	381.8	413.3	435.9	443.5	460.1	469.9	489.0	492.2	521.4

<sup>\*1</sup> Long-term Care Services was converted to a reportable segment in the fiscal year ended March 31, 2017, and accordingly the net sales for this segment is displayed separately from the fiscal year ended March 31, 2016.

Net sales amounts for fiscal years ended March 31, 2015, and prior are included under "Other Services."

## Net Sales by Client Type

(Billions of yen)

Fiscal year ended March 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business Corporations	224.9	234.3	244.9	263.6	271.2	282.9	278.2	292.9	299.9	319.8
Financial Institutions	91.3	92.3	91.7	92.0	91.4	93.2	92.0	88.5	86.3	88.9
Public Institutions	26.4	26.2	29.7	31.5	31.2	32.2	35.3	41.4	35.3	37.7
Individual Users <sup>*2</sup>	22.9	28.9	46.8	49.0	49.7	51.6	64.1	66.1	70.6	74.7
Total	365.7	381.8	413.3	435.9	443.5	460.1	469.9	489.0	492.2	521.4

<sup>\*2</sup> Sales of HOME ALSOK APARTMENT AND CONDOMINIUM PLAN and HOME ALSOK MIMAMORI SUPPORT® have been included under "Individuals Users," even for contracts in which the customer is a business corporation or government office.

## Number of Contracts

(Contracts)

Fiscal year ended March 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Security Services										
Electronic Security Services	803,601	854,083	888,955	922,928	949,858	973,066	990,155	1,009,259	1,029,619	1,076,031
Corporate Clients	463,053	478,925	493,035	508,374	520,942	533,733	540,410	548,580	556,431	576,862
Individual Users	340,548	375,158	395,920	414,554	428,916	439,333	449,745	460,679	473,188	499,169
Stationed Security Services	3,597	3,871	4,213	4,357	4,485	4,468	4,371	4,584	4,658	5,314
Transportation Security Services	59,134	62,146	65,755	72,454	75,652	77,791	79,289	79,582	86,023	88,805
General Property Management and Fire Protection Services	73,898	81,908	89,670	98,044	104,254	109,697	113,880	119,020	121,972	128,630
Long-term Care Services <sup>*3</sup>	—	12,804	22,628	21,234	25,364	24,976	27,503	27,118	27,236	27,912
Other	22,477	18,217	22,285	25,263	25,896	29,382	29,693	34,778	23,806	25,203
Total	962,707	1,033,029	1,093,506	1,144,280	1,185,509	1,219,380	1,244,891	1,274,341	1,293,314	1,351,895

<sup>\*3</sup> Long-term Care Services was converted to a reportable segment in the fiscal year ended March 31, 2017, and accordingly the net sales for this segment is displayed separately from the fiscal year ended March 31, 2016.

The number of contracts for fiscal years ended March 31, 2015, and prior are included under "Other Services."

## Main External Evaluations

ALSOK has been recognized by external organizations as fulfilling its corporate social responsibility from an ESG perspective, and has been selected as a component stock in related investment indicators and indices.

### ESG Investment Indices



FTSE4Good

FTSE4Good  
Index SeriesFTSE Blossom  
Japan IndexFTSE Blossom Japan  
IndexFTSE Blossom  
Japan Sector  
Relative IndexFTSE Blossom Japan Sector  
Relative Index2024 CONSTITUENT MSCI日本株  
ESGセレクト・リーダーズ指数

MSCI Nihonkabu ESG Select Leaders Index

S&P/JPX  
Carbon Efficient Index

### Evaluations by External Evaluation Organizations



Health Management Brand 2024



UN Global Compact

TCFD  
(Task Force on Climate-related Financial Disclosure)

CDP

<sup>\*</sup> FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SOHGO SECURITY SERVICES CO., LTD. has been independently assessed according to the FTSE Blossom Japan Index, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

# Corporate Information/Stock Information (as of March 31, 2024)

## Corporate Information

Corporate Name	SOHGO SECURITY SERVICES CO., LTD.
Head Office	1-6-6 Motoakasaka, Minato-ku, Tokyo 107-8511, Japan
Established	July 16, 1965
Capital	¥18,675 million
Fiscal Year-End	March 31
Employees	(consolidated) 64,982 (non-consolidated) 11,818
Business Operations	Head Office/64 Branches/37 Offices/ 258 Sales Offices 89 Consolidated Subsidiaries (including 18 Overseas Subsidiaries) 16 companies accounted for by the Equity Method (including 3 Overseas Subsidiaries)

## Stock Information

Total Number of Shares Authorized	1,500,000,000 shares
Number of Shares Issued	510,200,210 shares (including 9,456,100 shares of treasury stock)
Number of Shareholders at the End of the Preceding Fiscal Period	15,740
Stock Listing	Tokyo Stock Exchange (Prime Market)
Securities Code	2331
Minimum Trading Lot	100 shares

## Results of IR Activities\*

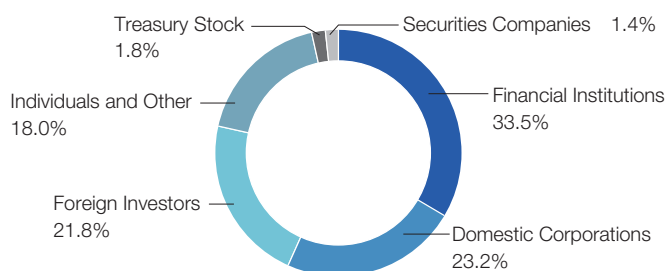
ALSOK values engaging in active dialogue with all stakeholders in order to achieve sustainable growth and enhance corporate value over the medium to long term.

Any comments raised are fed back to the management team every quarter with the view to enhancing corporate value.

Activity	Performance	Covered by
Financial Results Briefing for Analysts and Institutional Investors	2 times	Representative Director, Group CEO; Representative Director, Group COO; Director in charge of Corporate Planning & Administration; Director in charge of Financial & Accounting
Conference Organized by Securities Companies	1 time (6 companies)	Representative Director, Group COO
Small Meeting Organized by Security Companies	1 time (14 companies)	Representative Director, Group COO
Small Meeting Organized by ALSOK	1 time (6 companies)	Representative Director, Group COO
Individual Meetings for Institutional Investors	195 times	Representative Director Group CEO; external directors; Director in charge of Corporate Planning & Administration; General Manager of IR Office

\* Period: April 2023 to March 2024

## Distribution of Shares by Shareholder Type



## Major Shareholders (Top 10)

Name	Number of Shares Held (thousand shares)	Controlling Share (%)
Japan Master Trust Bank, Ltd. (trust account)	55,630	11.10
SOHGO CORPORATION	36,943	7.37
Custody Bank of Japan, Ltd. (trust account)	36,098	7.20
Saitama Machinery Co., Ltd.	26,419	5.27
Kizuna Corporation	26,150	5.22
Employees Shareholding Association	17,332	3.46
Custody Bank of Japan, Ltd. (as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)	14,807	2.95
Atsushi Murai	14,425	2.88
SMBC Trust Bank Ltd. (as trustee for retirement benefit of Sumitomo Mitsui Banking Corporation)	13,678	2.73
National Mutual Insurance Federation of Agricultural Cooperatives	12,660	2.52

Note: Each controlling share is calculated based on the total number of shares excluding the number of treasury stock (9,456,100 shares).

## Management Philosophy

Based on two core principles exemplified by **“arigato no kokoro”**<sup>\*1</sup> (a feeling of gratefulness and gratitude) and **“bushi no seishin”**<sup>\*2</sup> (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole.

## Management Guidelines

### 1. Fundamental Spirit

Under any condition that we face, we work hard to live by a fundamental spirit that reflects our management philosophy— as exemplified by a feeling of gratefulness and gratitude and a samurai spirit based on toughness, fairness, and generosity—to be a highly principled company.

### 2. Priority

Our top priority is to provide products and services of the first rank, while cultivating the highest levels of motivation in our employees and living up to shareholder expectations through attractive profit growth.

### 3. Basic Strategy

While security services remain at the heart of our business, as our basic strategy, we also seek to offer a diverse range of products and services in new fields to satisfy the needs of the everchanging times.

### 4. Contributing to Society

Allying ourselves with public bodies charged with protecting public safety and security, we commit ourselves to developing value-adding products and services, thereby always contributing to society.

<sup>\*1</sup> Human beings in society agree to live and let others live. The spirit of gratitude is a humble feeling of thankfulness to all the people and things around ourselves.

<sup>\*2</sup> The samurai spirit embodies a strong and honorable concept of discipline, purpose, and the will to succeed and develop.





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● The CO<sub>2</sub> (2,000 kg) emitted in preparing this report was carbon offset by offset credits certified by the Ministry of the Environment.

### Information for Shareholders and Other Investors

For more information on management policies, financial and business results, IR library, and stock information, please visit our website.

<https://www.alsok.co.jp/en/ir/>



### Sustainability and Social Contribution Activities

For more information on the activities we are implementing through our core business in line with ISO 26000, please visit our website.

<https://www.alsok.co.jp/en/csr/>



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