

Financial Results
for FY2024

総合警備保障株式会社

SOHGO SECURITY SERVICES CO., LTD.

証券コード 2331（東京証券取引所 プライム市場）
Securities Code: 2331(TSE Prime Market)



1. Both sales and profit increased from the previous fiscal year, achieving full-year business performance forecasts

- Sales have increased for 14 consecutive years and reached a record high (owing to M&As and new consolidated companies)
- Achieved full-year business performance forecasts for both sales and profits

2. Advance initiatives toward achieving the Medium-Term Management Plan (GD2025)

- A 5.5% increase in sales and 2.2% increase in ordinary income are forecasted for the fiscal year ending March 31, 2025
- Strengthening Shareholder Returns (Revision of payout ratio, Acquisition of treasury stock)

3. ALSOK Group Initiatives

- New Services Utilizing Electronic Security Infrastructure, Expanding sales of HOME ALSOK Connect
- Change in reportable segments (from 1Q for the fiscal year ending March 31, 2025)

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Financial Results for FY2024

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Business Forecast for FY2025

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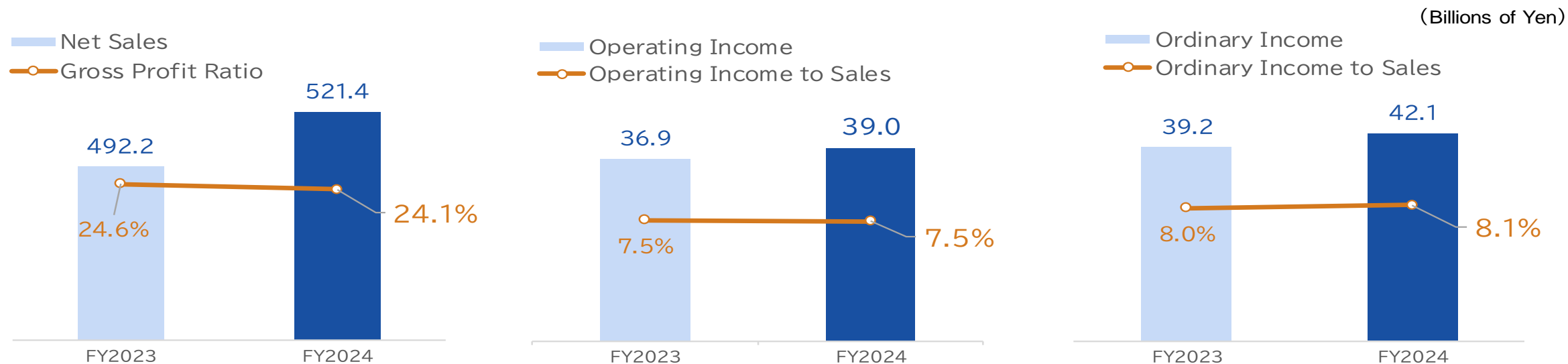
ALSOK Group Initiatives

1 Financial Results for FY2024

2 Business Forecast for FY2025

3 ALSOK Group Initiatives

Net Sales and Income



YoY/Gap

(Billions of Yen)	FY2023	FY2024	YoY	Change
Net Sales	492.2	521.4	29.1	5.9%
Operating Income	36.9	39.0	2.0	5.6%
Ordinary Income	39.2	42.1	2.9	7.5%
Profit Attributable to Owners of Parent	23.9	27.3	3.3	14.1%

YoY/Gap

(Billions of Yen)	FY2023	FY2024	YoY	Change
Security Services	366.3	382.6	16.3	4.5%
General Property Management and Fire Protection Services	72.9	78.3	5.4	7.4%
Long-term Care Services	47.4	50.9	3.4	7.3%
Other Services	5.3	9.3	4.0	74.2%
Total	492.2	521.4	29.1	5.9%

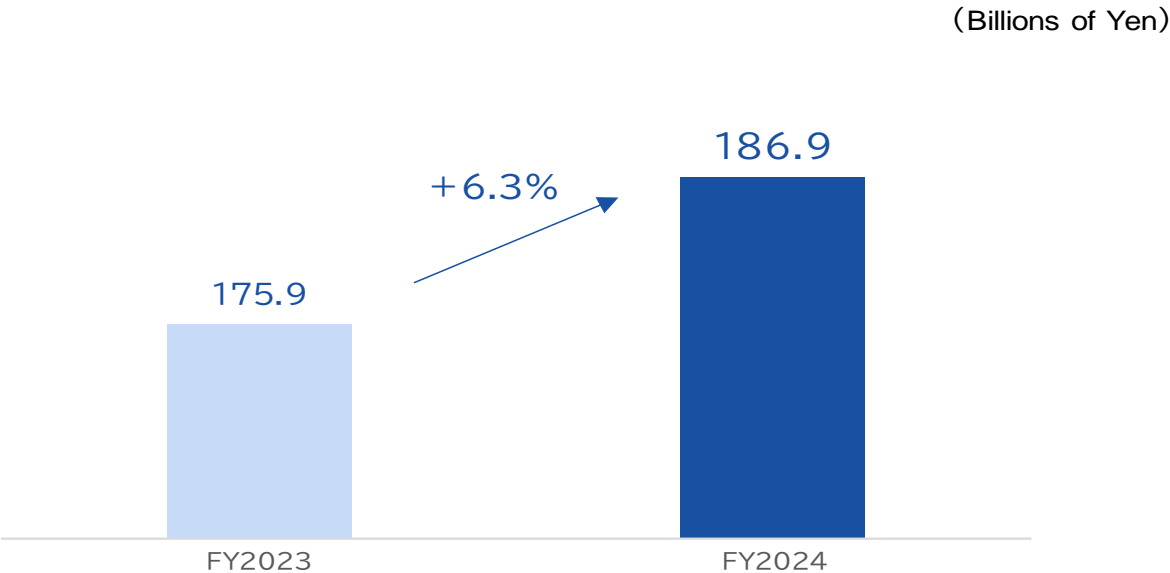
Sales Overseas	6.3	15.7	9.4	149.7%
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(Reference) Operating Income・Operating Income to Sales

FY2023		FY2024	
37.2	10.2%	37.8	9.9%
7.6	10.5%	8.3	10.7%
0.5	1.1%	1.3	2.6%
0.9	17.8%	0.9	10.0%
3.6	7.5%	39.0	7.5%

* Company-wide expenses that cannot be attributed to any specific reportable segment have been omitted.

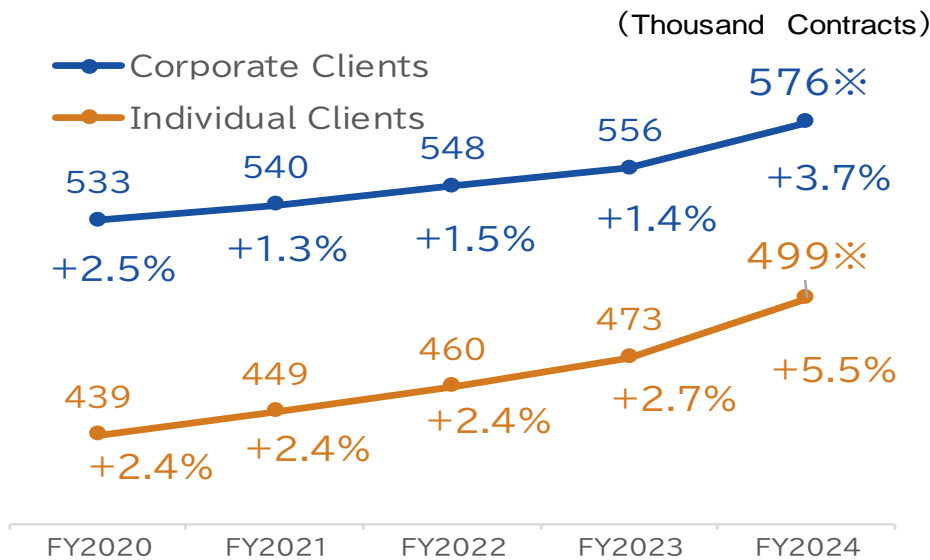
Net Sales



YoY/Gap

(Billions of Yen)	FY2023	FY2024	YoY	Change
Net Sales	175.9	186.9	11.0	6.3%
Contract Sales	139.9	142.9	3.0	2.2%
Construction Sales	5.6	7.3	1.6	29.0%
Equipment Sales	30.3	36.6	6.3	21.0%

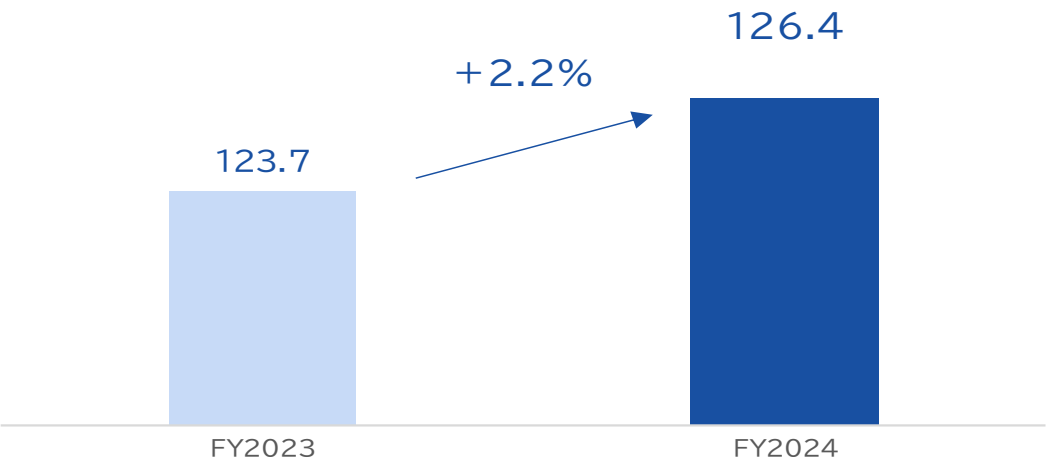
Increase in The Number of Contracts of Electronic Security Services



※Including the number of Okinawa Sohgo Security Co., Ltd. and Hokuriku Sohgo Security Co., Ltd.

Net Sales

(Billions of Yen)

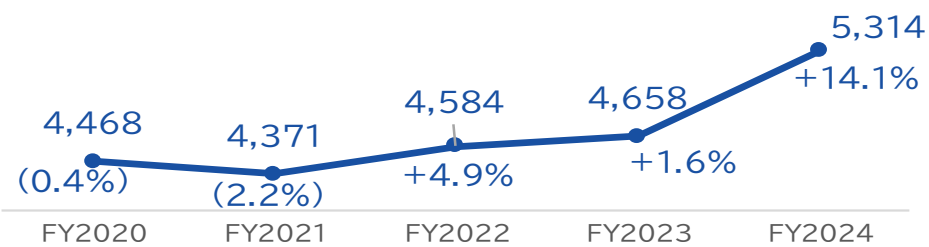


YoY/Gap

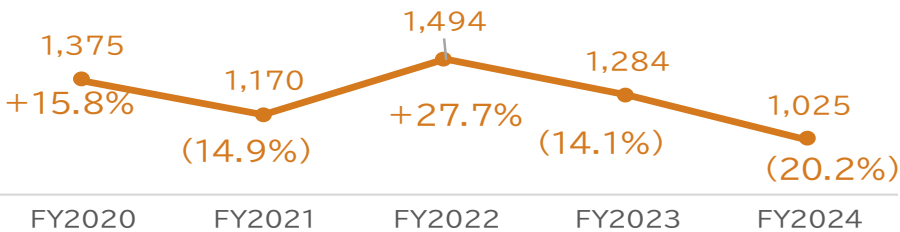
(Billions of Yen)	FY2023	FY2024	YoY	Change
Net Sales	123.7	126.4	2.7	2.2%

Trends in The Number of Long-term Contracts/Large Event Security

The Number of long-term Contracts (Contracts)

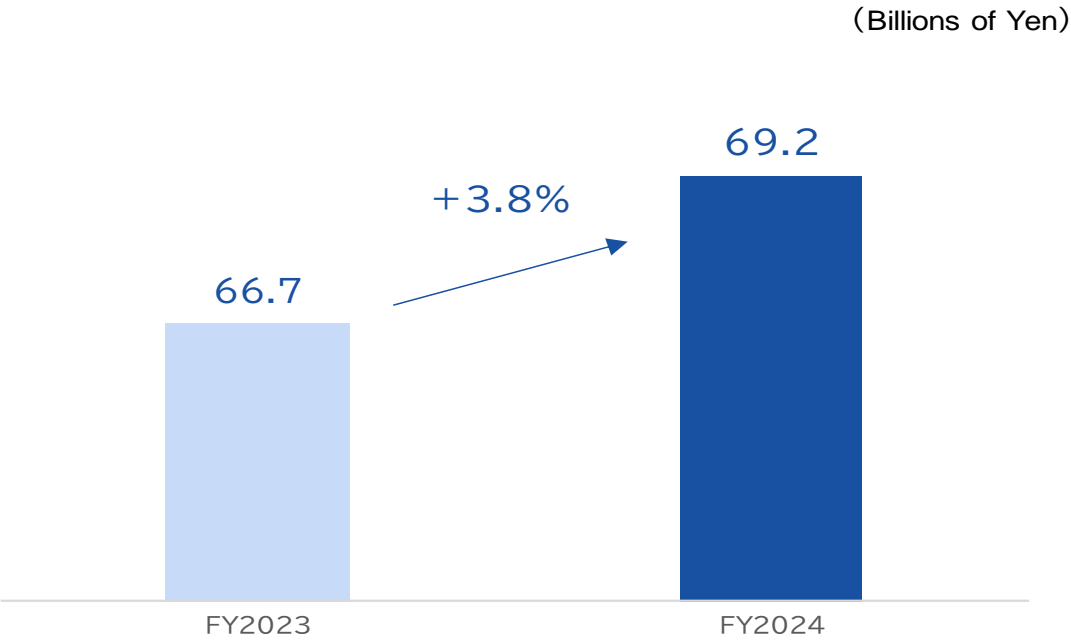


The Number of Large Event Security

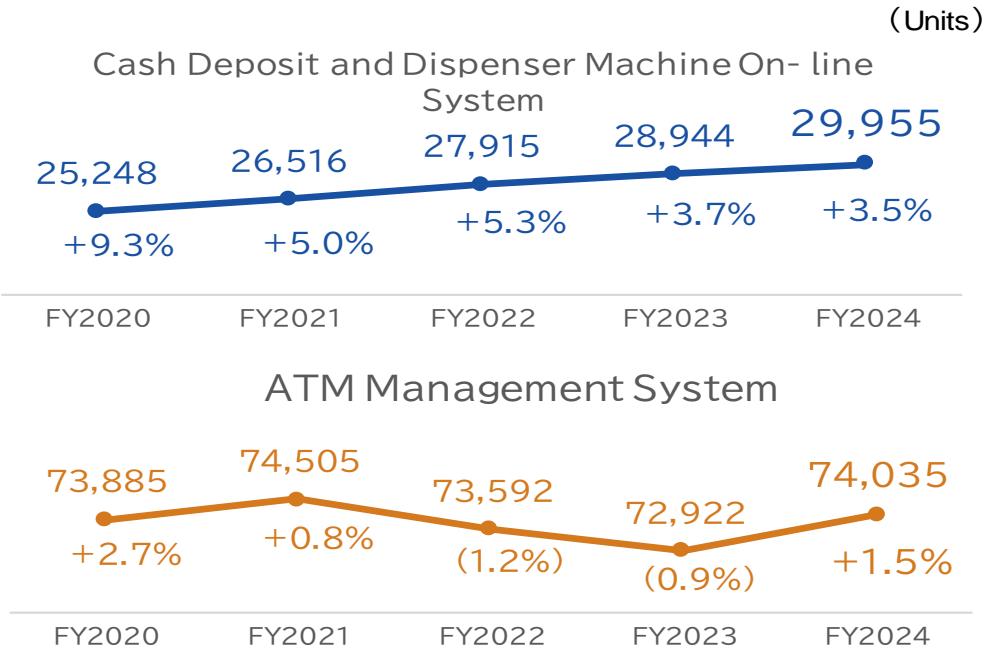


*The number of event security services with a total of more than 30 personnel

Net Sales



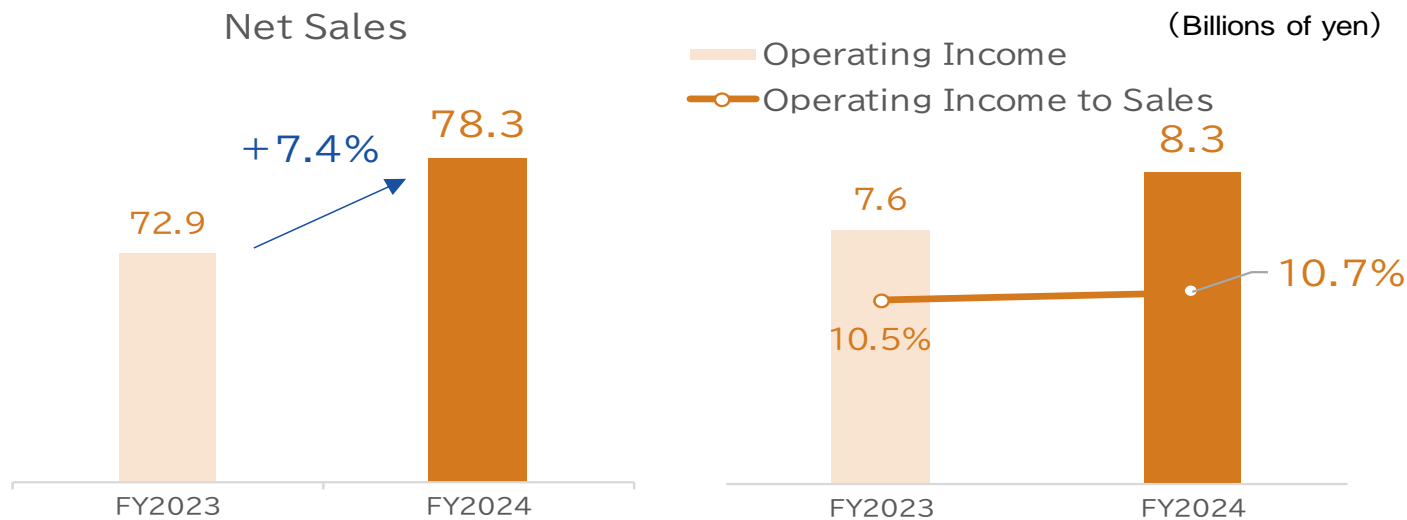
Trends in The Number of Cash Deposit and Dispenser Machine On-line System/ATM Management System



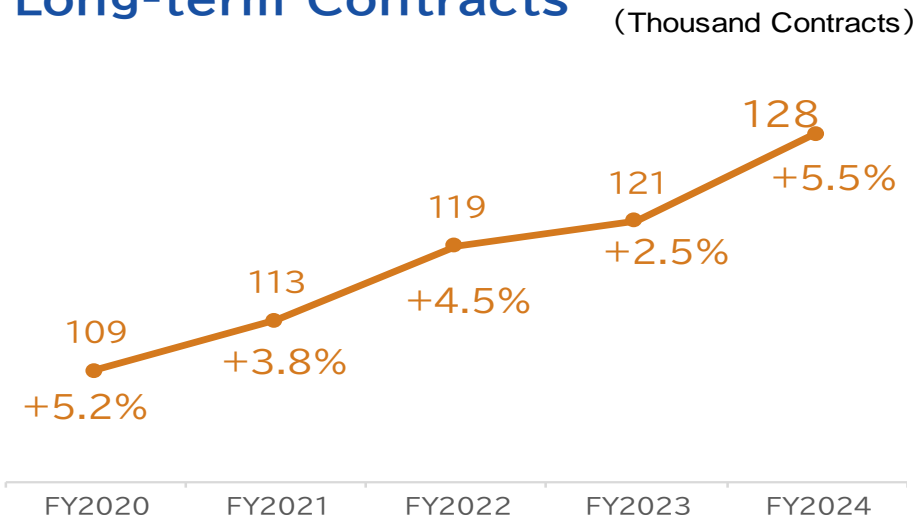
YoY·Gap

(Billions of Yen)	FY2023	FY2024	YoY	Change
Net Sales	66.7	69.2	2.5	3.8%

Net Sales/Operating Income



Increase in The Number of Long-term Contracts

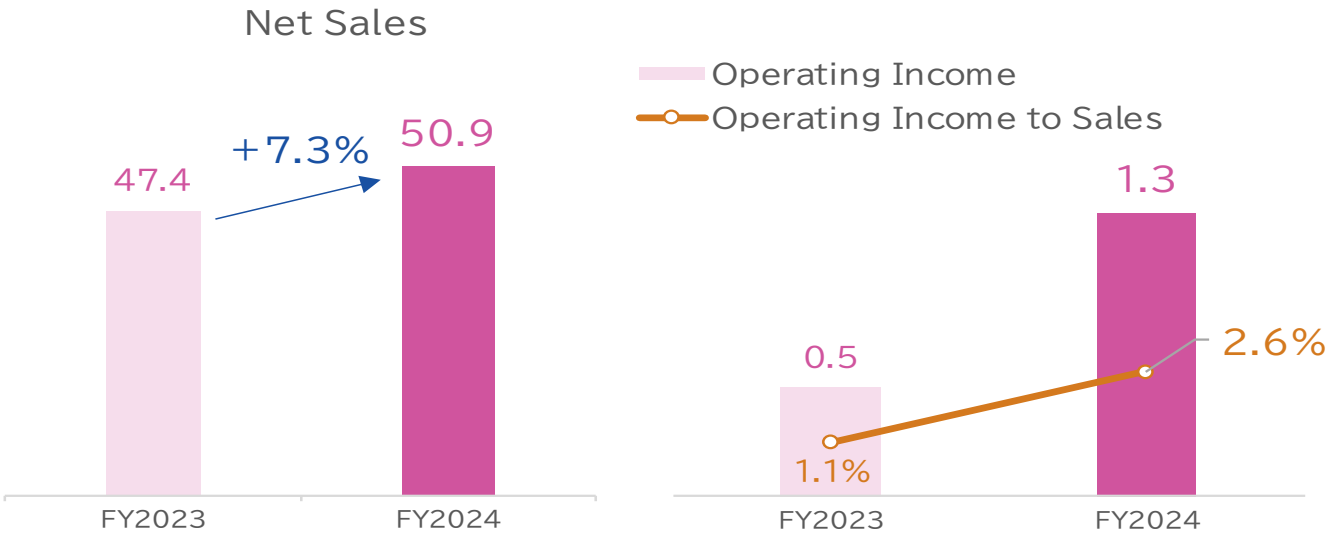


YoY/Gap

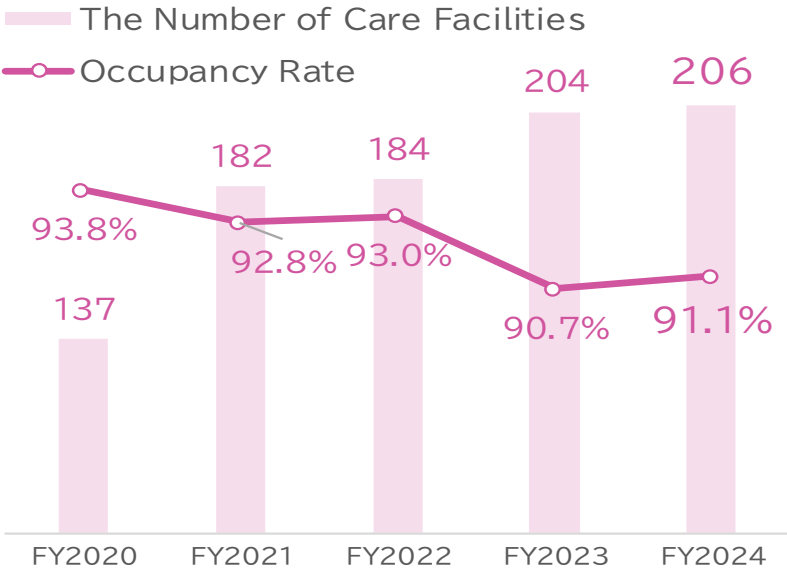
(Billions of Yen)	FY2023	FY2024	YoY	Change
Net Sales	72.9	78.3	5.4	7.4%
Contract Sales	34.5	36.5	2.0	6.0%
Construction Sales	24.6	26.3	1.6	6.6%
Equipment Sales	13.8	15.5	1.6	12.2%
Operating Income	7.6	8.3	0.7	9.2%
Operating Income to Sales	10.5%	10.7%	—	—

Net Sales/Operating Income

(Billions of Yen)



Trends in The Number of Care Facilities/ Occupancy Rate of Care Facilities

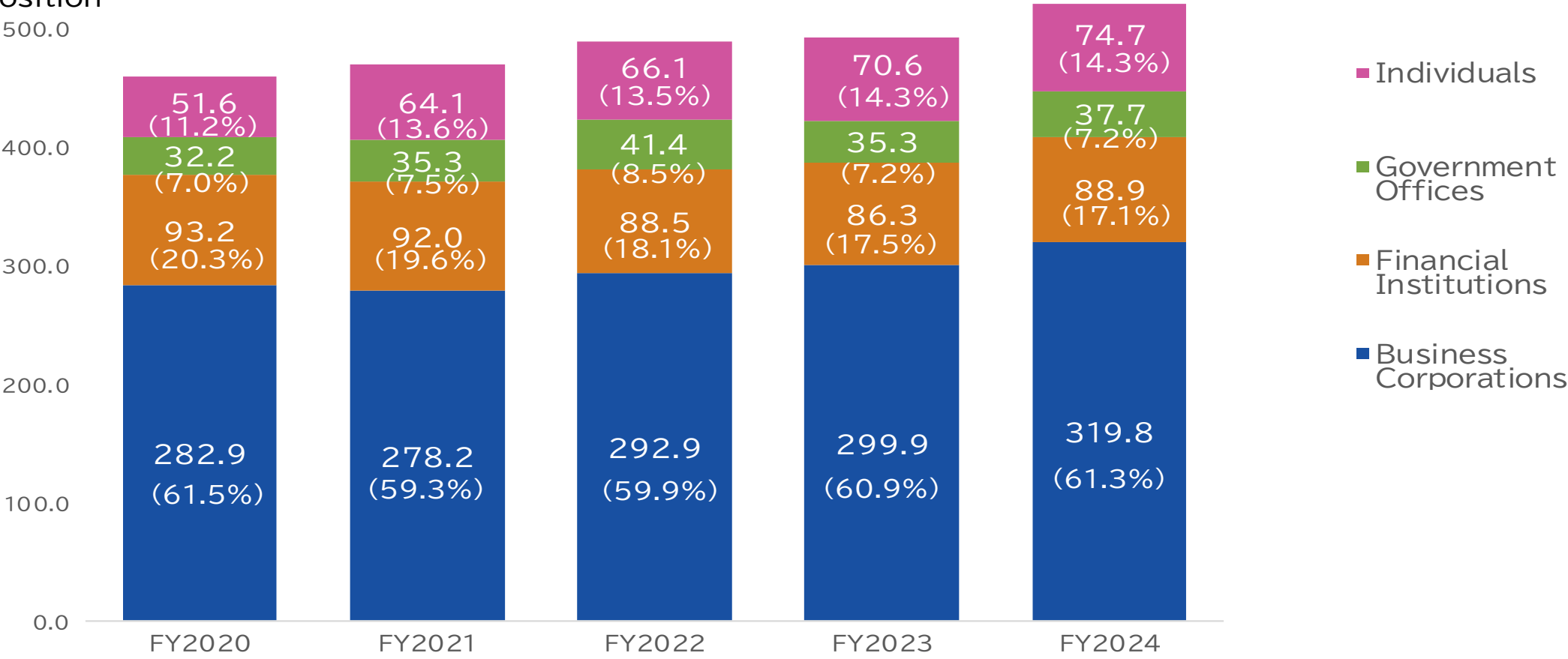


YoY/Gap

(Billions of Yen)	FY2023	FY2024	YoY	Change
Net Sales	47.4	50.9	3.4	7.3%
Operating Income	0.5	1.3	0.7	147.7%
Operating Income to Sales	1.1%	2.6%	—	—

(Sales Composition)

(Billions of Yen)

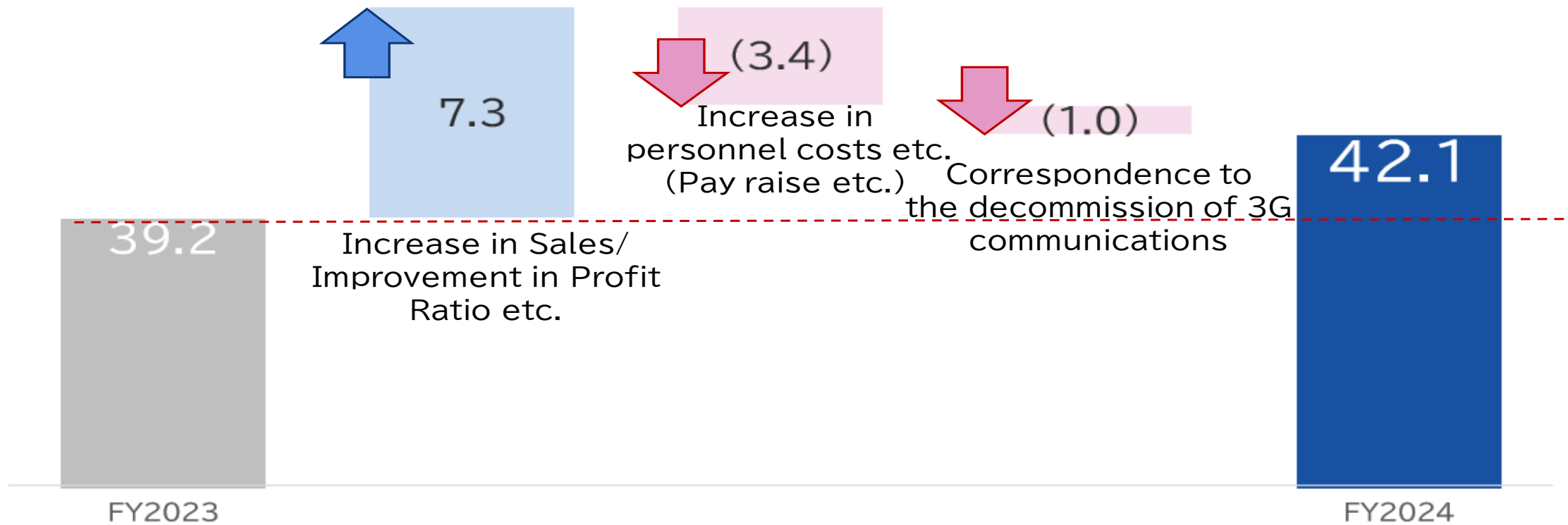


(Sales Overseas)

Results

(Billions of Yen)	FY2023	FY2024	YoY	Change
Net Sales	492.2	521.4	29.1	5.9%
Cost of Sales	370.9	395.6	24.6	6.7%
Labor Cost	171.0	187.8	16.8	9.8%
Expense	60.5	55.8	(4.6)	(7.8%)
Depreciation	14.2	14.9	0.7	5.4%
Others	62.4	67.3	4.9	8.0%
Cost of Product Sold&Installation	62.8	69.6	6.7	10.8%
SG&A	84.2	86.6	2.3	2.8%
Advertising Expenses	2.0	2.2	0.1	8.2%
Personnel Cost	50.5	52.9	2.4	4.8%
Depreciation	3.6	3.7	0.0	0.9%
Others	27.9	27.7	(0.2)	(0.8%)
Operating Income	36.9	39.0	2.0	5.6%

(Billions of Yen)



Consolidated Balance Sheet

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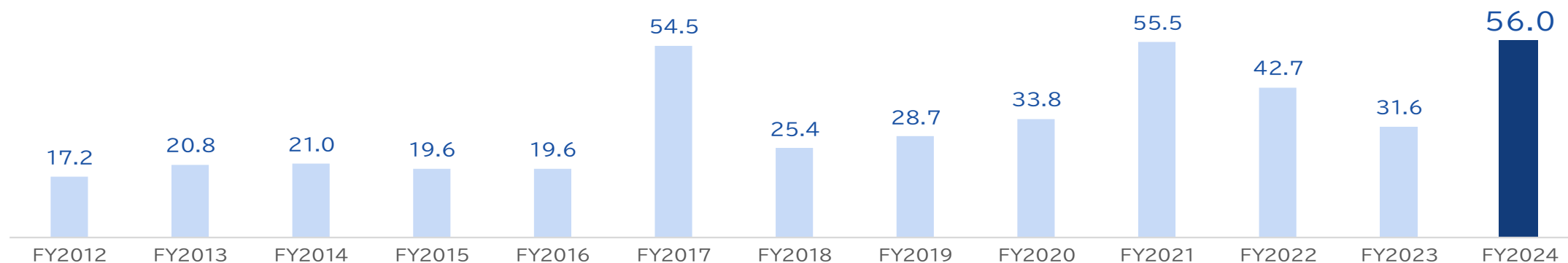
(Billions of Yen)	FY2023	FY2024	YoY	(Billions of Yen)	FY2023	FY2024	YoY
<u>Current assets</u>	239.0	252.0	13.0	<u>Current liabilities</u>	98.8	100.4	1.6
Cash and deposits	59.2	76.9	17.7	Notes and accounts payable	29.6	28.5	(1.1)
Cash for Transportation Security Services and paid	83.7	74.2	(9.5)	Short-term loans payable	7.8	6.9	(0.8)
Notes and accounts receivable-trade, and contract assets	65.3	69.0	3.6	Accounts payable	21.1	23.4	2.3
Other	30.6	31.8	1.1	Other	40.2	41.5	1.2
<u>Noncurrent assets</u>	277.6	315.5	37.8	<u>Noncurrent liabilities</u>	73.8	80.4	6.5
Property, plant, and equipment	116.4	120.3	3.9	Long-term loans payable	2.0	1.6	(0.4)
Intangible assets	44.1	40.6	(3.4)	Lease obligations	37.8	36.0	(1.7)
Investments and other assets	116.9	154.4	37.4	Retirement benefit liability	27.3	26.8	(0.4)
				Other	6.6	15.9	9.2
				Total liabilities	172.7	180.9	8.2
				Shareholder's equity	308.3	322.0	13.6
				Total valuation and adjustments	6.4	30.8	24.3
				Non-controlling interests	29.0	33.6	4.6
				Total net assets	343.8	386.5	42.6
Total assets	516.6	567.5	50.9	Total liabilities and net assets	516.6	567.5	50.9

Results

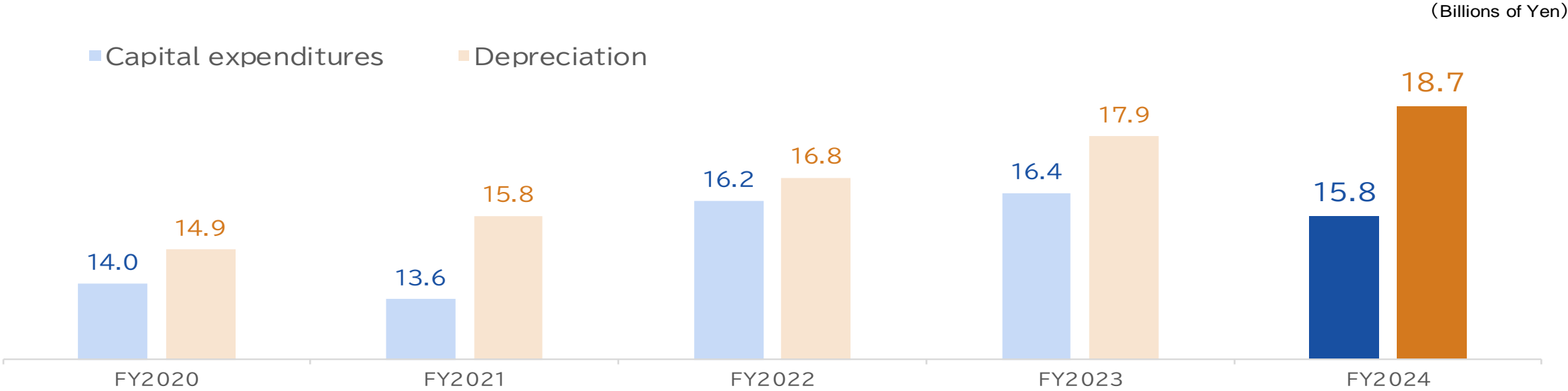
Billions of Yen	FY2023	FY2024	YoY	Change
Net cash provided by (used in) operating activities	31.6	56.0	24.3	77.0%
Net cash provided by (used in) investing activities	(24.8)	(16.9)	7.9	(31.9%)
Net cash provided by (used in) financing activities	(19.3)	(21.5)	(2.1)	11.0%
Cash and cash equivalents at end of period	51.5	69.1	17.5	34.1%
Free cash flow	6.8	39.1	32.2	470.3%

Trends in Net Cash Provided by Operating Activities

(Billions of Yen)



Trends in Capital Expenditures・Depreciation



YoY・Gap

Billions of Yen	FY2023	FY2024	YoY	Change
Capital Expenditures	16.4	15.8	(0.5)	(3.3%)
Depreciation	17.9	18.7	0.8	4.5%

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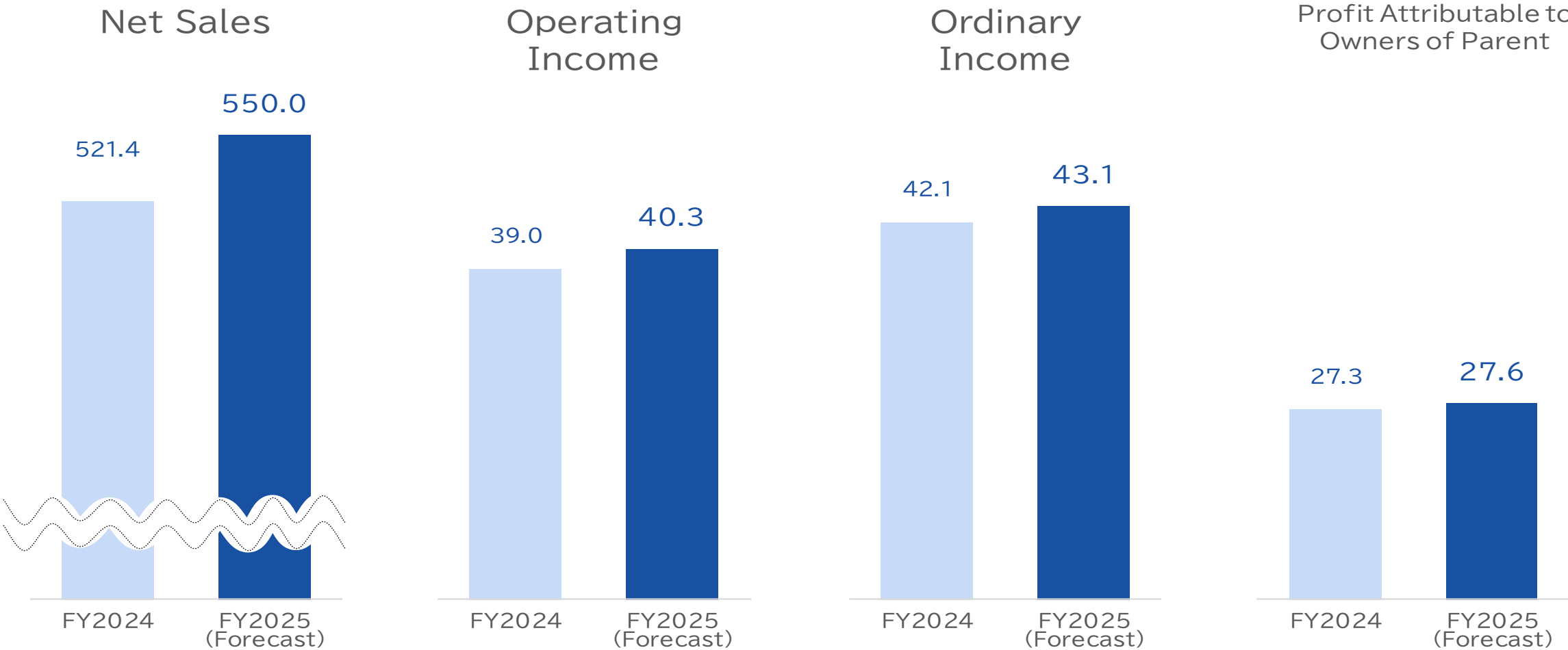
Business Forecast for FY2025

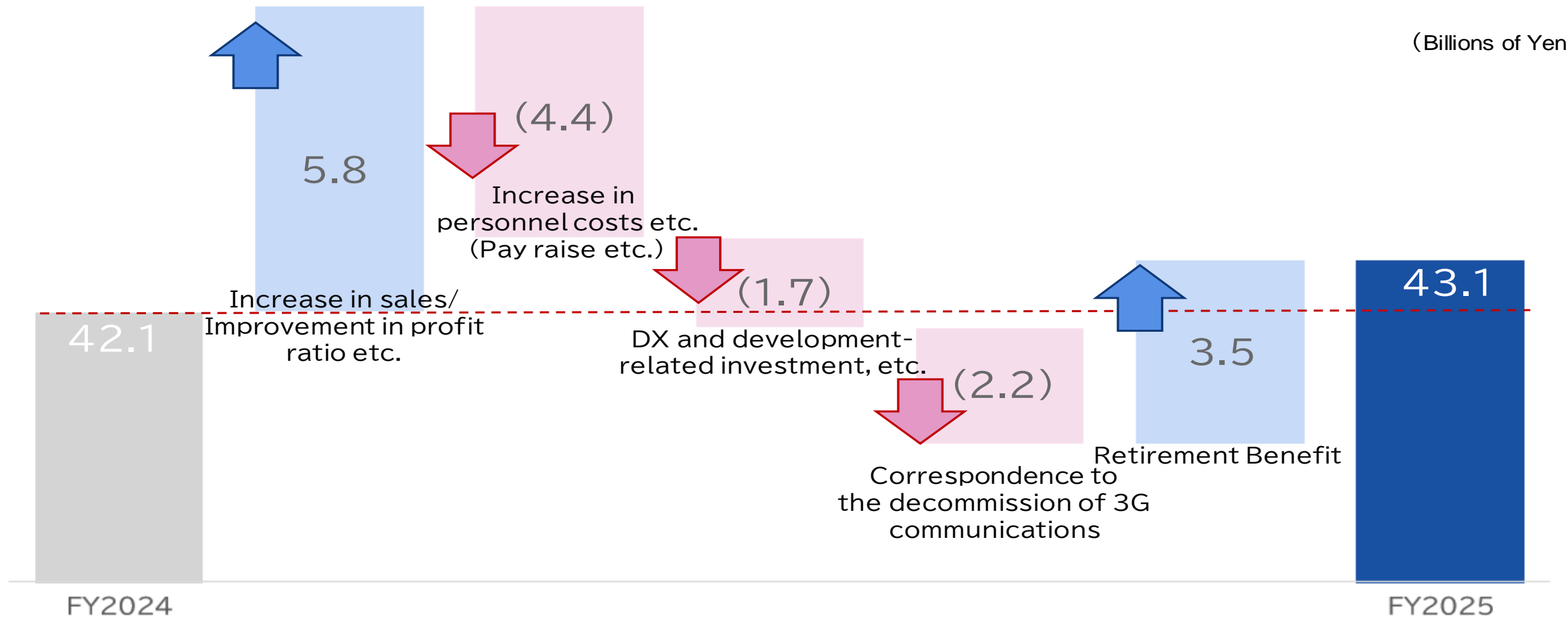
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ALSOK Group Initiatives

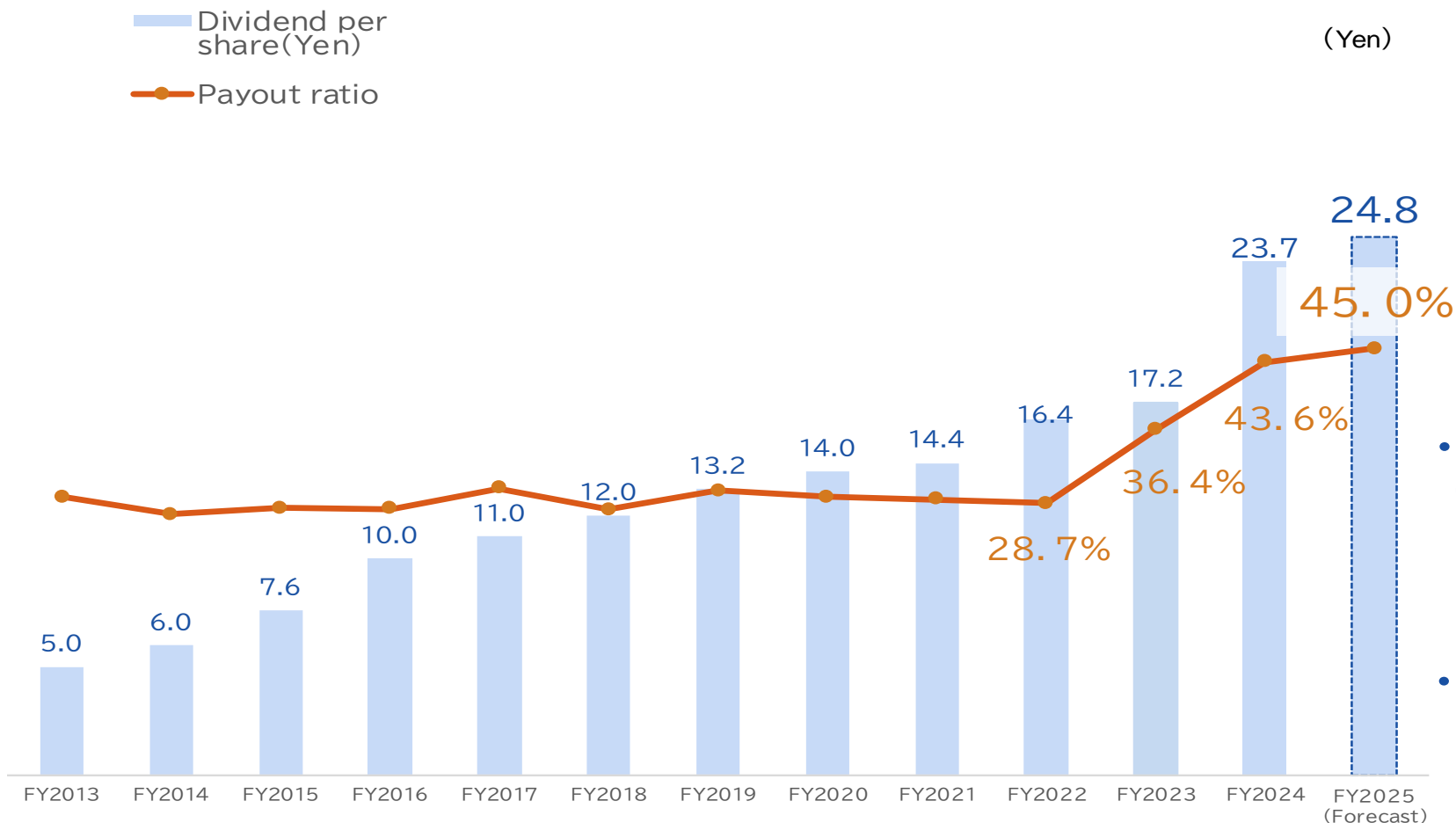
Business Forecast for FY2025

(Billions of Yen)





Dividend per share(Yen)



FY2025(Forecast)

24.8yen/year
 (12.4Yen)Interim
 (12.4Yen)Year-end

*Subject to change due to fluctuations in business performance.

•Revision of Payout ratio

Conventional Guideline:30%

→Aim to maintain **40~50%**

→Year-end Dividend **increased by 6.3 yen**

•Acquisition of Treasury Stock **15.0 billion yen**(maximum)

We will continue to make comprehensive judgements according to the business environment.

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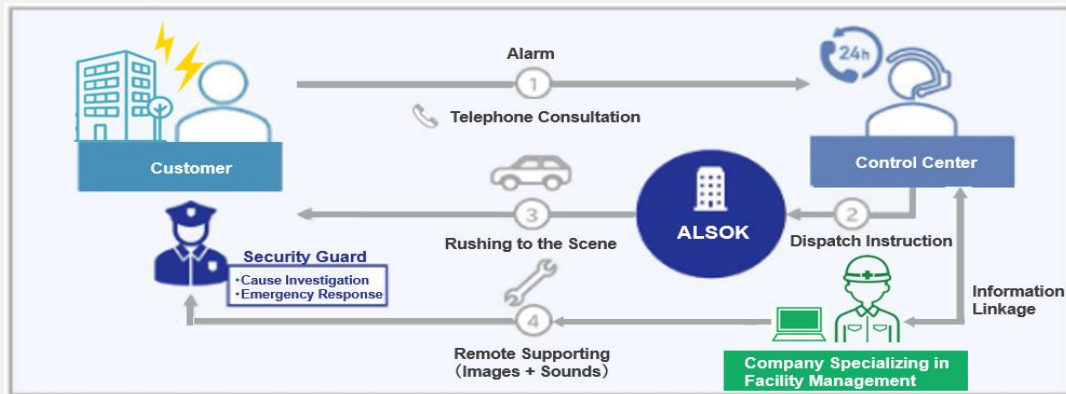
■ New Services Utilizing Electronic Security Infrastructure

Resolving various issues remaining at sites by going beyond the idea of “crime prevention”

ALSOK Equipment Rescue: Available from Feb. 2024

- When a fault occurs in equipment or other facilities at apartments or buildings, guards are on call and utilize DX to work with specialists to determine the cause and provide emergency response

[Service Image]



Available area: mainly in Tokyo and Kanagawa Prefecture, and available in even more areas

Available as an optional service for electronic security

[Rescue service concept]



24-hour, 365-day On-call Service Developed Through the Security Business



Operational Support by Specialists Leveraging DX



Helps resolve social issues (labor shortages, aging equipment, etc.)

Expanding sales of HOME ALSOK Connect

Topics

Start of "Sumaho Gate" sales
:May 2024

Equipped with smartphone
authentication function

[Key Points]

- (1) Reacts to smartphones and automatically disarms security
- (2) Arm security with a single tap
- (3) Notifications if smartphone is left behind

HOME ALSOK Connect コネクト

"Security disarmed"
Reacts to smartphones and automatically disarms security

"Security armed"
Arm security with a single tap

Sumaho Gate

Notifications if smartphone is left behind

を忘れた!

■ Expanding the information security service

Providing safety and security with 24-hour, 365-day support system

Topics(1)

Website tampering detection and restoration service: Available from Oct. 2023

- Instantly detects and restores any tampering on EC and other sites to help prevent customers' opportunity loss

Topics(2)

ALSOK EDR service: Available from Jan. 2024

- “Automatically eliminates threats and restores services with AI” for any sophisticated cyberattacks that cannot be prevented with anti-virus protection alone



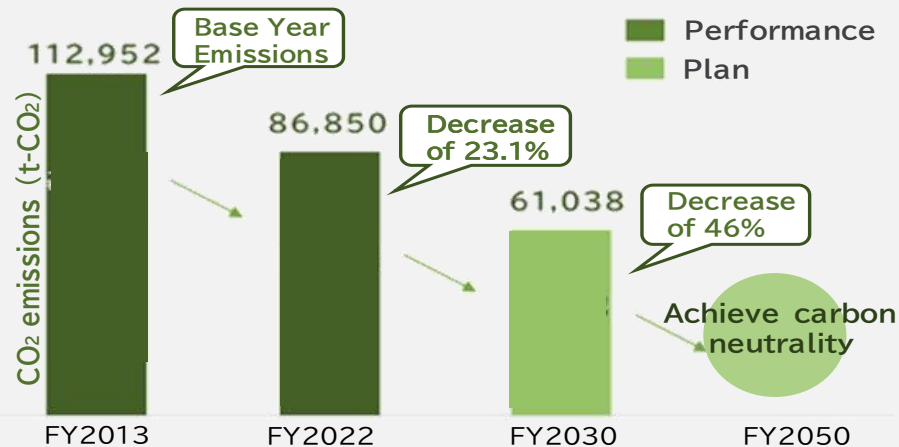
Toward the Realization of a Sustainable Society

- Participation in the GX League
:May 2023



- Formulation of Human Rights Policy
:Nov. 2023

ALSOK Group CO2 Reduction Target



Change, etc. to reportable (accounting) segments

- Change in reportable segments from 1Q for the fiscal year ending March 31, 2025

[Background]

(1) Aligned reportable segments with the seven divisional structure that commenced from fiscal year ended March 31, 2024

(2) Expanded overseas sales by making PT. Shield-On Service Tbk (SOS) a consolidated subsidiary

~Current~

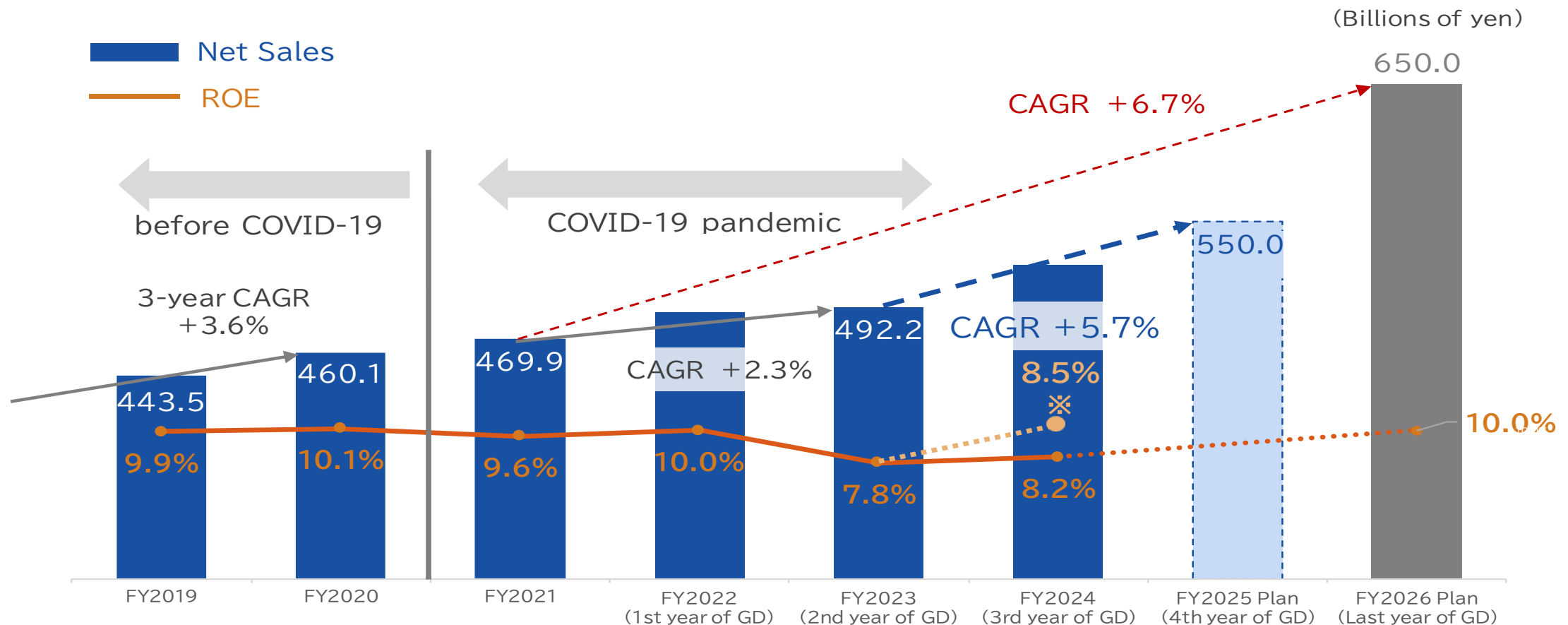
Reportable segments	Business segments
Security Services	Electronic Security Services Stationed Security Services Transportation Security Services
General Property Management and Fire Protection Services	General Property Management and Fire Protection Services
Long-term Care Services	Long-term Care Services
Other Services	Other Services

~From 1Q for the fiscal year ending March 31, 2025~

Reportable segments	Business segments
Security Services	Electronic Security Services HOME ALSOK Business Stationed Security Services Transportation Security Services
FM Business, etc.	General Property Management and Fire Protection Services
Long-term Care Services	Long-term Care Services
Overseas Business	Overseas Business

* Part of Other Business is incorporated into General Property Management and Fire Protection Services and renamed to FM Business, etc.

Progress on GD2025



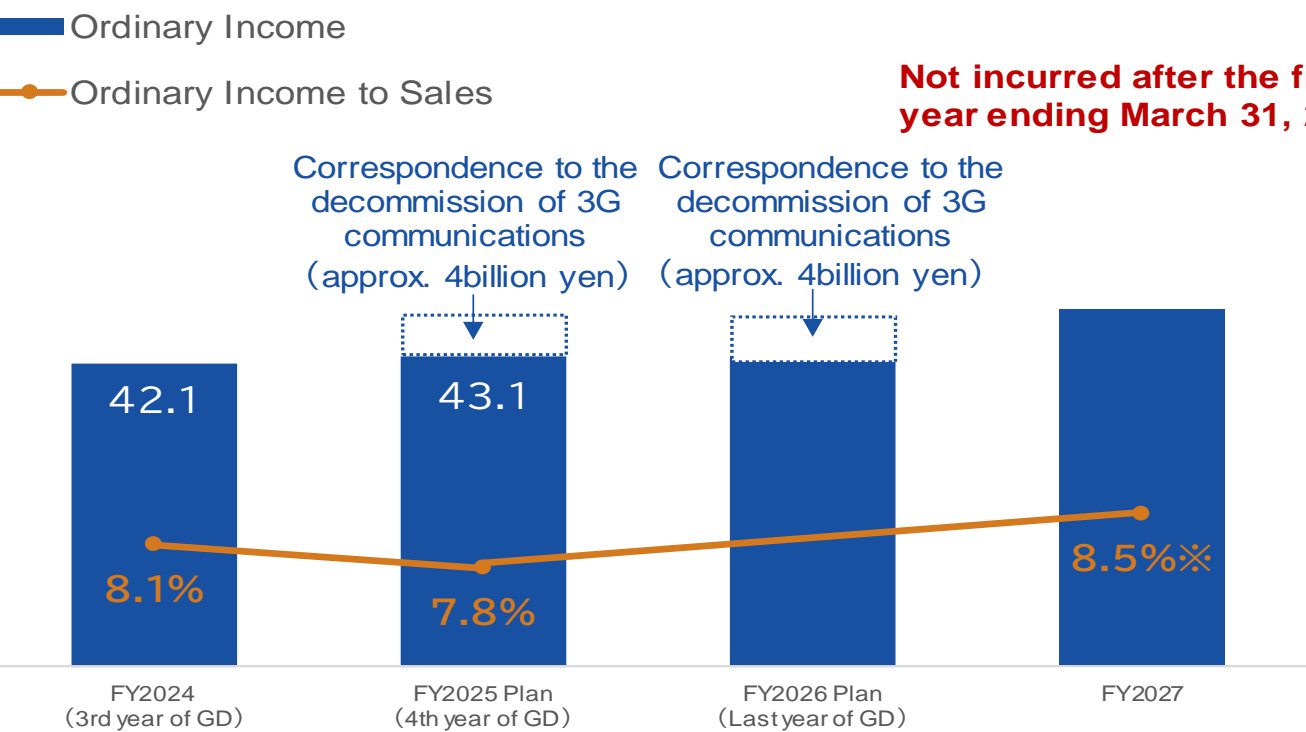
*The graph excludes remeasurements of retirement benefit plans

Financial Indicators of GD2025(Ordinary Income to Sales・ROE)

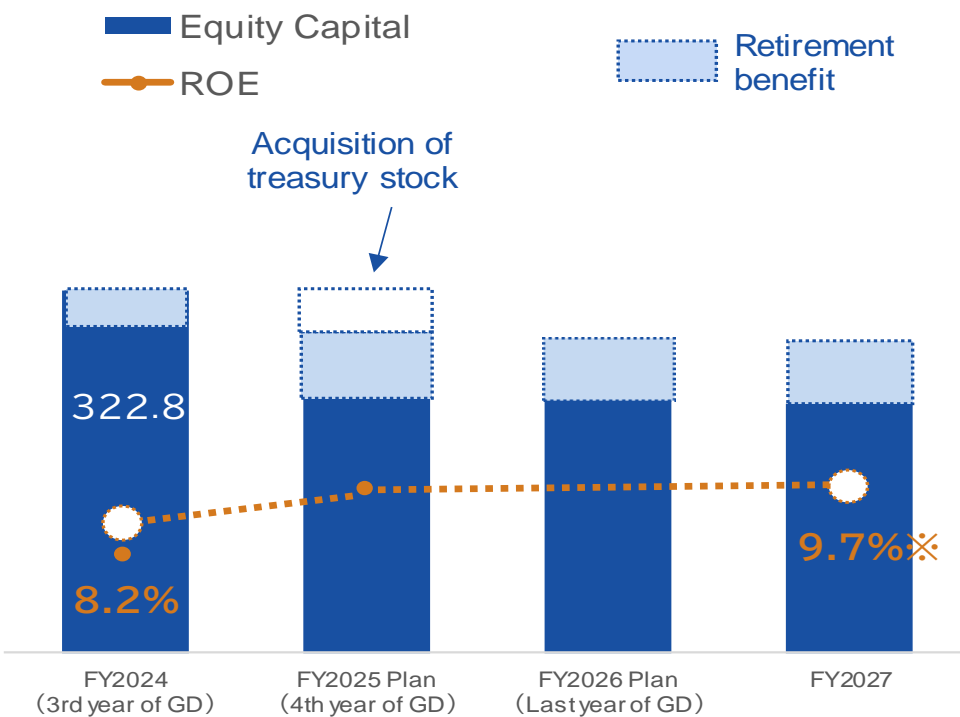
・Ordinary Income to Sales

(Billions of yen) ・ROE

(Billions of yen)



*The graph for the fiscal year ending March 31, 2026 and after assumes that the amount of equity ratio remains unchanged, and excludes the expense of Correspondence to the decommission of 3G communications



*The graph for the fiscal year ending March 31, 2025 and after assumes that the amount of equity capital remains unchanged, and excludes remeasurements of retirement benefit plans

Figures regarding the company's current plans and strategies that are not historical facts are forecasts of future performance, which contain risks and uncertainty.

Actual performance may differ widely from these figures as a result of economic conditions, competitive situation, progress in technology and other factors. Investors are advised to use independent judgement before making any investment.

In accordance with accounting standards, only prior-year results have been reclassified for past business segment results.