

Summary of Selected Financial Data  
First Quarter Ended June 30, 2021

Sohgo Security Services Co., Ltd.

## 1. Consolidated Financial Results

### (1) Consolidated Statements of Income

	1Q Accounting Period			2Q Accounting Period			Annual Financial Results		
	FY2021	FY2022	Increase/ Decrease (%)	FY2021	FY2022 (Forecast)	Increase/ Decrease (%)	FY2021	FY2022 (Forecast)	Increase/ Decrease (%)
Net Sales (Billion yen)	110.1	117.0	6.2	225.8	249.0	10.2	469.9	500.5	6.5
Operating Income (Billion yen)	7.3	9.7	32.3	15.8	19.1	20.6	37.1	42.1	13.2
Ordinary Income (Billion yen)	7.6	10.0	31.0	16.4	19.8	20.2	39.2	43.5	10.9
Profit Attributable to Owners of Parent (Billion yen)	4.5	6.0	35.4	9.9	12.5	25.5	25.0	27.5	9.9
Net Income Per Share (Yen)	44.48	60.24	-	98.39	123.48	-	247.09	271.65	-

### (2) Consolidated Balance Sheets

	FY2020 1Q	FY2021 1Q	FY2022 1Q
Total Assets (Billion yen)	418.3	459.7	470.5
Net Assets (Billion yen)	257.8	272.5	306.5
Equity Ratio (%)	55.9	53.8	59.5
Net Assets Per Share (Yen)	2,309.25	2,443.21	2,763.38

### (3) Consolidated Statements of Cash Flows

	FY2020 1Q	FY2021 1Q	FY2022 1Q
Net Cash provided by (used in) Operating Activities (Billion yen)	3.3	11.6	(2.1)
Net Cash provided by (used in) Investing Activities (Billion yen)	(4.7)	(19.4)	(1.9)
Net Cash provided by (used in) Financing Activities (Billion yen)	(0.5)	3.9	(2.3)
Cash and Cash Equivalents at End of Period (Billion yen)	41.4	44.8	46.7

### (4) Dividend

	Dividends Per Share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2021	-	35	00	37	72
FY2022(Forecast)	-	38	00	38	76

## 2. Major Items

### (1) Sales by Business Segment

(Billion yen)

	FY2021 1Q	Share(%)	Increase/ Decrease (%)	FY2022 1Q	Share(%)	Increase/ Decrease (%)
Security Services						
Electric Security Services	41.6	37.8	(0.2)	43.5	37.2	4.7
Stationed Security Services	27.8	25.2	(3.7)	29.6	25.3	6.6
Transportation Security Services	15.9	14.5	0.0	16.6	14.2	3.9
Total	85.4	77.5	(1.3)	89.8	76.8	5.2
General Property Management and Fire Protection Services	13.7	12.4	(8.6)	15.3	13.1	12.2
Long-Term Care Services	9.8	8.9	44.7	10.3	8.8	5.1
Total for Reportable Segments	108.9	98.9	0.5	115.5	98.7	6.0
Other Services	1.2	1.1	16.5	1.4	1.3	20.4
Total	110.1	100.0	0.7	117.0	100.0	6.2

### (2) Contracts by Business Segment

(Contract)

	FY2019	FY2020 1Q	FY2020	FY2021 1Q	FY2021	FY2022 1Q
Security Services						
Electric Security Services	949,858	959,594	973,066	977,957	990,155	997,274
Corporate Clients	520,942	527,172	533,733	536,322	540,410	543,943
Individual Clients	428,916	432,422	439,333	441,635	449,745	453,331
Stationed Security Services	4,485	4,485	4,468	4,458	4,371	4,397
Transportation Security Services	75,652	76,701	77,791	78,302	79,289	79,284
Total	1,029,995	1,040,780	1,055,325	1,060,717	1,073,815	1,080,955
General Property Management and Fire Protection Services	104,254	107,110	109,697	111,954	113,880	115,824
Long-Term Care Services	25,364	25,931	24,976	26,621	27,503	27,692
Total for Reportable Segments	1,159,613	1,173,821	1,189,998	1,199,292	1,215,198	1,224,471
Other Services	25,896	26,343	29,382	33,545	29,693	33,610
Total	1,185,509	1,200,164	1,219,380	1,232,837	1,244,891	1,258,081

<Comparison to the previous period>	FY2020 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2021 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2022 1Q Increase/ Decrease	Increase/ Decrease (%)
Security Services						
Electric Security Services	9,736	1.0	4,891	0.5	7,119	0.7
Corporate Clients	6,230	1.2	2,589	0.5	3,533	0.7
Individual Clients	3,506	0.8	2,302	0.5	3,586	0.8
Stationed Security Services	0	0.0	(10)	(0.2)	26	0.6
Transportation Security Services	1,049	1.4	511	0.7	(5)	(0.0)
Total	10,785	1.0	5,392	0.5	7,140	0.7
General Property Management and Fire Protection Services	2,856	2.7	2,257	2.1	1,944	1.7
Long-Term Care Services	567	2.2	1,645	6.6	189	0.7
Total for Reportable Segments	14,208	1.2	9,294	0.8	9,273	0.8
Other Services	447	1.7	4,163	14.2	3,917	13.2
Total	14,655	1.2	13,457	1.1	13,190	1.1

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

	FY2020 1Q	FY2021 1Q	FY2022 1Q
Net Sales	1.89	1.92	1.92
Operating Income	1.96	1.96	2.06
Ordinary Income	0.66	0.59	0.69
Profit Attributable to Owners of Parent	0.44	0.38	0.47
Total Assets	1.42	1.43	1.48

(4) Trends in Personnel

	FY2019	FY2020 1Q	FY2020	FY2021 1Q	FY2021	FY2022 1Q
Employees	37,417	38,170	37,902	39,066	38,444	39,105

<Comparison to the previous period>	FY2020 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2021 1Q Increase/ Decrease	Increase/ Decrease (%)	FY2022 1Q Increase/ Decrease	Increase/ Decrease (%)
Employees	753	2.0	1,164	3.1	661	1.7

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

	FY2020 1Q	Increase/ Decrease (%)	FY2021 1Q	Increase/ Decrease (%)	FY2022 1Q	Increase/ Decrease (%)	FY2022 (Forecast)
Capital Expenditure	2.5	(31.6)	3.1	22.4	2.8	(8.5)	18.3
Depreciation	3.7	(2.0)	3.9	5.9	3.9	0.5	18.6
Research and Development Expenditure	0.1	13.9	0.1	(13.8)	0.1	3.0	0.6

### 3. Consolidated Financial Statements

#### (1) Consolidated Statements of Income (YoY)

(Billion yen)

	FY2021 1Q		FY2022 1Q		YoY	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)
Net Sales	110.1	100.0	117.0	100.0	6.8	6.2
Cost of Sales	82.5	74.9	87.3	74.7	4.8	5.9
Gross Profit	27.6	25.1	29.6	25.3	1.9	7.1
Selling, General and Administrative Expenses	20.2	18.4	19.8	17.0	(0.4)	(2.0)
Operating Income	7.3	6.7	9.7	8.3	2.3	32.3
Non-operating Income	1.1	1.0	0.9	0.8	(0.1)	(16.1)
Non-operating Expenses	0.8	0.7	0.6	0.6	(0.1)	(20.8)
Ordinary Income	7.6	7.0	10.0	8.6	2.3	31.0
Extraordinary Income	-	-	0.0	0.1	0.0	-
Extraordinary Loss	0.0	0.0	0.0	0.1	0.0	317.4
Profit Attributable to Owners of parent	4.5	4.1	6.0	5.2	1.5	35.4

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

(Billion yen)

	YoY		Factors
	Amount	Increase/ Decrease (%)	
Net Sales	6.8	6.2	Security Services 4.4 Electronic Security Services 1.9 Stationed Security Services 1.8 Transportation Security Services 0.6 General Property Management and Fire Protection Services 1.6 Long-Term Care Services 0.4 Other Services 0.2
Cost of Sales	4.8	5.9	Labor cost 0.1 Expenses 3.5
Gross Profit	1.9	7.1	
Selling, General and Administrative Expenses	(0.4)	(2.0)	
Operating Income	2.3	32.3	
Non-operating Income	(0.1)	(16.1)	
Non-operating Expenses	(0.1)	(20.8)	
Ordinary Income	2.3	31.0	
Extraordinary Income	0.0	-	Gain on sale of non-current assets 0.0 Gain on sale of investment securities 0.0
Extraordinary Loss	0.0	317.4	Loss on valuation of investment securities 0.0 Loss on sale of investment securities 0.0
Profit Attributable to Owners of parent	1.5	35.4	

## (3) Consolidated Balance Sheets (YoY)

(Billion yen)

	FY2021 1Q		FY2022 1Q		Increase/Decrease	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)
<b>Assets</b>	481.4	100.0	470.5	100.0	(10.9)	(2.3)
Current Assets	227.6	47.3	218.0	46.3	(9.5)	(4.2)
Noncurrent Assets	253.8	52.7	252.4	53.7	(1.3)	(0.5)
Property, Plant and Equipment	103.3	21.5	102.6	21.8	(0.6)	(0.7)
Intangible Assets	43.2	9.0	42.4	9.0	(0.8)	(1.9)
Investments and Other Assets	107.2	22.3	107.3	22.8	0.1	0.1
<b>Liabilities</b>	177.0	36.8	164.0	34.9	(13.0)	(7.4)
Current Liabilities	103.7	21.6	91.5	19.5	(12.2)	(11.8)
Noncurrent Liabilities	73.2	15.2	72.4	15.4	(0.7)	(1.1)
<b>Net Assets</b>	304.4	63.2	306.5	65.1	2.0	0.7
Shareholders' Equity	272.0	56.5	274.4	58.3	2.3	0.9
Accumulated Other Comprehensive Income	5.4	1.1	5.3	1.1	(0.1)	(2.0)
Non-controlling Interests	26.9	5.6	26.7	5.7	(0.1)	(0.6)

## (4) Consolidated Balance Sheets (Main variable factors)

(Billion yen)

	Account Title	YoY	Remarks
Current Assets	Other Current Liabilities	8.7	Prepaid Expenses
Current Assets	Cash and Deposits	(7.9)	
Current Assets	Cash for Transportation Security	(5.5)	
Current Assets	Notes and Accounts Receivable - Trade, and Contract Assets	(5.0)	Comparison to "Notes and Accounts Receivable - Trade" from the previous period
Current Liabilities	Other Current Liabilities	5.6	Deposits Received
Current Liabilities	Short-term borrowings	(7.0)	
Current Liabilities	Notes and Accounts Payable - Trade	(5.0)	
Current Liabilities	Income Taxes Payable	(4.6)	