

Summary of Selected Financial Data
Second Quarter Ended September 30, 2023

Sohgo Security Services Co., Ltd.

1. Consolidated Financial Results

(1) Consolidated Statements of Income

	April 1 - June 30			July 1 - September 30			2Q Accounting Period			Annual Financial Results		
	FY2023	FY2024	Increase/ Decrease (%)	FY2023	FY2024	Increase/ Decrease (%)	FY2023	FY2024	Increase/ Decrease (%)	FY2023	FY2024 (Forecast)	Increase/ Decrease (%)
Net Sales (Billion yen)	114.0	121.5	6.7	122.0	124.7	2.2	236.0	246.3	4.4	492.2	512.5	4.1
Operating Income (Billion yen)	7.1	8.6	21.1	8.0	9.1	13.6	15.2	17.8	17.1	36.9	38.6	4.3
Ordinary Income (Billion yen)	7.8	9.1	16.7	8.6	10.2	17.8	16.5	19.4	17.3	39.2	41.0	4.5
Profit Attributable to Owners of Parent (Billion yen)	4.4	5.1	16.6	5.3	6.6	25.4	9.7	11.8	21.4	23.9	25.5	6.5
Net Income Per Share (Yen)	8.80	10.26	—	10.48	13.21	—	19.29	23.46	—	47.32	50.38	—

(2) Consolidated Balance Sheets

	FY2022 2Q	FY2023 2Q	FY2024 2Q
Total Assets (Billion yen)	475.1	495.7	516.6
Net Assets (Billion yen)	317.1	333.7	349.8
Equity Ratio (%)	61.1	61.8	62.0
Net Assets Per Share (Yen)	573.12	604.92	639.18

(3) Consolidated Statements of Cash Flows

	FY2022 2Q	FY2023 2Q	FY2024 2Q
Net Cash provided by (used in) Operating Activities (Billion yen)	21.1	12.4	34.7
Net Cash provided by (used in) Investing Activities (Billion yen)	(4.8)	(16.0)	(7.3)
Net Cash provided by (used in) Financing Activities (Billion yen)	(8.9)	(10.0)	(12.9)
Cash and Cash Equivalents at End of Period (Billion yen)	60.4	50.4	66.0

(4) Dividend

	Dividends Per Share									
	End of 1Q		End of 2Q		End of 3Q		Year-end		Annual	
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	
FY2023	—	—	43	00	—	—	43	00	86	00
FY2024	—	—	8	70	—	—	—	—	—	—
FY2024(Forecast)	—	—	—	—	—	—	8	70	17	40

2. Major Items

(1) Sales by Business Segment

(Billion yen)

	FY2023 2Q	Share(%)	Increase/ Decrease (%)	FY2024 2Q	Share(%)	Increase/ Decrease (%)
Security Services						
Electric Security Services	85.3	36.2	(3.0)	89.7	36.4	5.2
Stationed Security Services	61.5	26.1	(8.5)	61.4	24.9	(0.2)
Transportation Security Services	33.5	14.2	(0.2)	33.6	13.7	0.3
Total	180.4	76.5	(4.5)	184.9	75.1	2.5
General Property Management and Fire Protection Services	30.2	12.8	(6.9)	33.7	13.7	11.6
Long-Term Care Services	22.6	9.6	9.1	25.2	10.2	11.1
Total for Reportable Segments	233.4	98.9	(3.6)	243.8	99.0	4.5
Other Services	2.6	1.1	(13.7)	2.5	1.0	(4.3)
Total	236.0	100.0	(3.8)	246.3	100.0	4.4

(2) Contracts by Business Segment

(Contract: Thousands)

	FY2021 4Q	FY2022 2Q	FY2022 4Q	FY2023 2Q	FY2023 4Q	FY2024 2Q
Security Services						
Electric Security Services	990	1,002	1,009	1,020	1,029	1,053
Corporate Clients	540	546	548	553	556	565
Individual Clients	449	456	460	467	473	487
Stationed Security Services	4	4	4	4	4	4
Transportation Security Services	79	79	79	85	86	87
Total	1,073	1,086	1,093	1,111	1,120	1,146
General Property Management and Fire Protection Services	113	117	119	119	121	125
Long-Term Care Services	27	27	27	27	27	27
Total for Reportable Segments	1,215	1,231	1,239	1,258	1,269	1,299
Other Services	29	34	34	23	23	25
Total	1,244	1,266	1,274	1,281	1,293	1,324

<Comparison to the previous period>	FY2022 2Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 2Q Increase/ Decrease	Increase/ Decrease (%)	FY2024 2Q Increase/ Decrease	Increase/ Decrease (%)
Security Services						
Electric Security Services	12	1.3	11	1.1	24	2.3
Corporate Clients	6	1.1	5	0.9	9	1.7
Individual Clients	6	1.4	6	1.4	14	3.1
Stationed Security Services	0	1.5	0	1.5	0	4.7
Transportation Security Services	0	0.4	6	7.9	1	2.1
Total	13.0	1.2	17	1.6	26	2.3
General Property Management and Fire Protection Services	3.0	3.4	0	0.8	3	2.5
Long-Term Care Services	(0.0)	(1.0)	(0)	(0.2)	0	1.1
Total for Reportable Segments	16	1.4	18	1.5	29	2.3
Other Services	5	17.4	(11)	(33.3)	1	6.1
Total	21	1.8	6	0.5	30	2.4

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

	(Times)		
	FY2022 2Q	FY2023 2Q	FY2024 2Q
Net Sales	1.89	1.95	1.97
Operating Income	1.95	2.38	1.97
Ordinary Income	1.11	0.87	0.85
Profit Attributable to Owners of Parent	0.86	0.57	0.61
Total Assets	1.48	1.44	1.45

(4) Trends in Personnel

	(Personnel)					
	FY2021	FY2022 2Q	FY2022	FY2023 2Q	FY2023	FY2024 2Q
Employees	38,444	38,840	38,192	38,968	39,039	39,391

<Comparison to the previous period>	FY2022 2Q Increase/ Decrease	Increase/ Decrease (%)	FY2023 2Q Increase/ Decrease	Increase/ Decrease (%)	FY2024 2Q Increase/ Decrease	Increase/ Decrease (%)
Employees	396	1.0	776	2.0	352	0.9

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

	(Billion yen)						
	FY2022 2Q	Increase/ Decrease (%)	FY2023 2Q	Increase/ Decrease (%)	FY2024 2Q	Increase/ Decrease (%)	FY2024 (Forecast)
Capital Expenditure	6.8	18.8	6.6	(2.4)	7.4	10.6	21.1
Depreciation	8.0	1.9	8.8	9.8	9.0	2.2	19.1
Research and Development	0.2	(5.0)	0.3	17.1	0.2	(4.2)	0.6

3. Consolidated Financial Statements

(1) Consolidated Statements of Income

(Billion yen)

	FY2023 2Q		FY2024 2Q		YoY		FY2024 2Q(Plan)		Gap	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)	Amount	Share(%)	Amount	Achievement Ratio (%)
Net Sales	236.0	100.0	246.3	100.0	10.3	4.4	245.0	100.0	1.3	100.6
Cost of Sales	178.3	75.5	185.9	75.5	7.5	4.3	—	—	—	—
Gross Profit	57.7	24.5	60.4	24.5	2.7	4.8	—	—	—	—
Selling, General and Administrative Expenses	42.5	18.0	42.6	17.3	0.1	0.3	—	—	—	—
Operating Income	15.2	6.4	17.8	7.2	2.6	17.1	16.5	6.7	1.3	108.0
Non-operating Income	2.6	1.1	2.9	1.2	0.2	10.0	—	—	—	—
Non-operating Expenses	1.3	0.6	1.3	0.6	0.0	1.4	—	—	—	—
Ordinary Income	16.5	7.0	19.4	7.9	2.8	17.3	17.8	7.3	1.6	109.0
Extraordinary Income	0.0	0.0	0.0	0.0	0.0	—	—	—	—	—
Extraordinary Loss	0.0	0.0	0.0	0.0	0.0	219.1	—	—	—	—
Profit Attributable to Owners of parent	9.7	4.1	11.8	4.8	2.0	21.4	11.1	4.5	0.7	106.8

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

	YoY		Factors
	Amount	Increase/ Decrease (%)	
Net Sales	10.3	4.4	Security Services 4.4 Electronic Security Services 4.4 Stationed Security Services (0.0) Transportation Security Services 0.0 General Property Management and Fire Protection Services 3.4 Long-Term Care Services 2.5 Other Services (0.1)
Cost of Sales	7.5	4.3	
Gross Profit	2.7	4.8	
Selling, General and Administrative Expenses	0.1	0.3	
Operating Income	2.6	17.1	
Non-operating Income	0.2	10.0	
Non-operating Expenses	0.0	1.4	
Ordinary Income	2.8	17.3	
Extraordinary Income	0.0	—	
Extraordinary Loss	0.0	219.1	
Profit Attributable to Owners of parent	2.0	21.4	

(3) Consolidated Balance Sheets (YoY)

(Billion yen)

	FY2023		FY2024 2Q		Increase/Decrease	
	Amount	Share(%)	Amount	Share(%)	Amount	Increase/ Decrease (%)
Assets	516.6	100.0	516.6	100.0	(0.0)	(0.0)
Current Assets	239.0	46.3	236.1	45.7	(2.8)	(1.2)
Noncurrent Assets	277.6	53.7	280.4	54.3	2.8	1.0
Property, Plant and Equipment	116.4	22.5	116.4	22.5	0.0	0.0
Intangible Assets	44.1	8.6	42.6	8.3	(1.5)	(3.5)
Investments and Other Assets	116.9	22.6	121.3	23.5	4.3	3.7
Liabilities	172.7	33.4	166.7	32.3	(5.9)	(3.5)
Current Liabilities	98.8	19.1	93.9	18.2	(4.9)	(5.0)
Noncurrent Liabilities	73.8	14.3	72.8	14.1	(1.0)	(1.4)
Net Assets	343.8	66.6	349.8	67.7	5.9	1.7
Shareholders' Equity	308.3	59.7	311.4	60.3	3.0	1.0
Accumulated Other Comprehensive Income	6.4	1.3	8.8	1.7	2.3	36.6
Non-controlling Interests	29.0	5.6	29.4	5.7	0.4	1.7

(4) Consolidated Balance Sheets (Main variable factors)

(Billion yen)

	Account Title	YoY	Remarks
Current Assets	Cash and deposits	13.6	
Non-Current Assets	Investment Securities	2.7	
Current Assets	Raw Materials and Supplies	1.5	
Current Assets	Cash for Transportation Security Services	(14.2)	
Current Assets	Notes and Accounts Receivables -trade	(5.0)	
Current Liabilities	Other Current Liabilities	3.6	Consumption tax payable
Current Liabilities	Notes and accounts payable	(7.9)	