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[Document filed]	Amended Quarterly Securities Report
[Applicable law]	Article 24-4-7, paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Place of filing]	Director-General, Kanto Local Finance Bureau
[Filing date]	May 13, 2025
[Quarterly accounting period]	Second quarter of 59th business term (From July 1, 2023 to September 30, 2023)
[Company name]	綜合警備保障株式会社 (<i>Sogo Keibi Hosho Kabushiki Kaisha</i>)
[Company name in English]	SOHGO SECURITY SERVICES CO., LTD.
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[Contact person]	Kazuhide Shigemi, Director and Senior Executive Officer
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan)

1 【Reasons for filing the amended quarterly report】

In April 2025, it was found that the Company and its four consolidated subsidiaries had incorrectly recorded data on defined benefit obligations related to lump-sum retirement payment plans, resulting in an understatement of retirement benefit liability and related accounts in prior years. In response to this, the Company has corrected errors in the consolidated and non-consolidated financial statements included in the annual securities reports filed after June 24, 2020, the quarterly consolidated financial statements included in the quarterly securities reports filed after August 2, 2022, and the interim consolidated financial statements included in the semi-annual securities report filed on November 6, 2024. The factors that necessitated the correction were identified prior to the fiscal year ended March 31, 2018, and the correction amounts for the consolidated fiscal years prior to the fiscal year ended March 31, 2018 will be adjusted retroactively at the beginning of the fiscal year ended March 31, 2019.

As a result of this correction, it became necessary to correct the quarterly securities report for the 2nd quarter of 59th business term (from July 1, 2023 to September 30, 2023) filed on November 7, 2023. The Company will file an amended quarterly securities report in accordance with Article 24-4-7, Paragraph 4 of the Financial Instruments and Exchange Act of Japan.

Please note that the amended quarterly consolidated financial statements were reviewed by Grant Thornton Taiyo LLC. The quarterly review report is attached.

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Corrected portions are underlined. Due to the large number of the portions, only the corrected items are shown above.

Part 1. Company Information

I. Overview of Company

1. Selected financial data

Fiscal year		58th business term Six months ended September 30, 2023	59th business term Six months ended September 30, 2023	58th business term
Accounting period		From April 1, 2022 to September 30, 2022	From April 1, 2023 to September 30, 2023	From April 1, 2022 to March 31, 2023
Net sales	(Millions of yen)	236,053	246,379	492,226
Ordinary income	(Millions of yen)	<u>16,035</u>	<u>18,904</u>	<u>38,198</u>
Profit attributable to owners of parent	(Millions of yen)	<u>9,404</u>	<u>11,505</u>	<u>23,234</u>
Comprehensive income	(Millions of yen)	<u>11,110</u>	<u>14,885</u>	<u>25,146</u>
Net assets	(Millions of yen)	<u>323,968</u>	<u>339,738</u>	<u>334,075</u>
Total assets	(Millions of yen)	<u>499,912</u>	<u>520,928</u>	<u>520,989</u>
Net income per share	(Yen)	<u>18.58</u>	<u>22.78</u>	<u>45.90</u>
Diluted net income per share	(Yen)	—	—	—
Equity ratio	(%)	<u>59.3</u>	<u>59.6</u>	<u>58.6</u>
Net cash provided by (used in) operating activities	(Millions of yen)	12,479	34,757	31,682
Net cash provided by (used in) investing activities	(Millions of yen)	(16,080)	(7,358)	(24,818)
Net cash provided by (used in) financing activities	(Millions of yen)	(10,032)	(12,962)	(19,380)
Cash and cash equivalents as of end of the period	(Millions of yen)	50,487	66,027	51,571

Fiscal year		58th business term Three months ended September 30, 2023	59th business term Three months ended September 30, 2023
Accounting period		From July 1, 2022 to September 30, 2022	From July 1, 2023 to September 30, 2023
Net income per share	(Yen)	<u>10.13</u>	<u>12.86</u>

(Notes) 1. Selected financial data is not disclosed on a non-consolidated basis as SOHGO SECURITY SERVICES CO., LTD. (the “Company”) prepares quarterly consolidated financial statements.

2. Diluted net income per share is not disclosed as there are no potentially dilutive shares.

3. Effective July 1, 2023, the Company implemented a 5-for-1 stock split for each share of common stock. “Net income per share” is calculated assuming that the stock split was implemented at the beginning of the fiscal year ended March 31, 2023

2. Description of business

There have been no significant changes in the businesses that the Group (the Company and its subsidiaries and associates) operates during the six months ended September 30, 2023.

The Group had the following realignments during the six months ended September 30, 2023:

Effective August 15, 2023, the Company acquired shares of PT. Shield-On Service Tbk, an Indonesian staffing and security services provider, through PT. ALSOK BASS Indonesia Security Services, the Company’s subsidiary in Indonesia, and consolidated PT. Shield-On Service Tbk and its seven subsidiaries.

II. Business Overview

1. Risk factors

During the six months ended September 30, 2023, there have been no newly arising business risks, etc. or changes in the business risks, etc. disclosed in the Annual Securities Report of the previous fiscal year.

2. Management analysis of financial position, operating results and cash flows

Any forward-looking information included in this report is based on the best estimates of the Company as of the date of filing of this report.

(1) Financial position and operating results

During the six months ended September 30, 2023, we saw a gradual recovery of the Japanese economy continued against the background of economic activities returning to pre-pandemic levels and recovery of the number of foreign visitors to Japan. Looking forward, gradual growth is expected to continue due to an improvement in the employment and income situation, which will maintain the upward trend in personal consumption, as well as an increase in corporate capital investments. On the other hand, uncertainty over the future is increasing due to negative factors such as a decrease in real purchasing power caused by rising prices and a slowdown in the global economy, as well as the tense situation in the Middle East caused by the conflict between Israel and Hamas.

As stated in the Japanese Government's 2022 strategy to make Japan "the World's Safest Country," society's expectations for the security sector are rising amid various developments, placing expectations on the Group to provide total services including security. These developments include threats in cyberspace, concerns about the safety and security of the senior citizens, women, children and other socially vulnerable groups, as well as increasing violent street crime and accidents, natural disasters, and aging infrastructure. In addition, the number of criminal offenses in 2022 increased year-on-year for the first time since 2002, and is likely to increase in the first half of 2023. With the deterioration of the domestic sense of security following the attack on the Prime Minister and robbery and theft cases committed by so-called "dark part-time workers", the Group's role to protect safety and security is growing.

In this environment, the Group aims to contribute to a sustainable society, and has continued to provide appropriate services as an operator of service businesses related to the safety and security of society (the Security Services, General Property Management and Fire Protection Services, and lifestyle support services such as Long-Term Care Services). As set forth in the Medium-Term Management Plan "Grand Design 2025", the Group aims to become "a resilient integrated safety and security solutions provider that meets various safety and security needs of society". In order to respond to increasing safety and security needs of customers with diversified risks, we have made efforts to provide new services that combine a variety of services including security, facility management, and long-term care.

As a result of the above, the Group's operating results for the six months ended September 30, 2023 showed a significant improvement compared to the previous period, and were even stronger compared to the pre-pandemic second quarters of the fiscal years ended March 31, 2019 and 2020. The Group recorded the net sales of ¥246,379 million (4.4% increase year on year), operating income of ¥17,323 million (17.8% increase year on year), ordinary income of ¥18,904 million (17.9% increase year on year), and profit attributable to owners of parent of ¥11,505 million (22.3% increase year on year) for the six months ended September 30, 2023.

The operating results for each segment are described below:

The net sales of the Security Services segment was ¥184,907 million (2.5% increase year on year), and operating income was ¥17,922 million (12.8% increase year on year).

The Company has provided services for corporate customers through its Electronic Security Services business and promoted sales of ALSOK-G7 (read as "ALSOK G-seven"), which contributes to customers' manpower saving needs. ALSOK-G7 is equipped with live video monitoring as a standard feature, enhanced optional services such as image storage and remote equipment control. Going forward, we will further expand the usage of ALSOK-G7 to meet customers' needs. For individual customers, orders increased steadily, partly due to the introduction of new products amid deteriorating sense of security. The Company launched HOME ALSOK Connect, a new home security product in April 2023. This product provides safety and security to a wide range of customers amid deteriorating sense of safety. In addition to the conventional Online Security Service, in which ALSOK rushes to the scene of an emergency, this product offers a less expensive Self-Security plan with optional on-site confirmation by ALSOK upon request. The Self-Security plan can be upgraded to Online Security at any time. The Group has also promoted sales of HOME ALSOK MIMAMORI SUPPORT, a service to watch over senior citizens.

For Stationed Security Services, we provided security services for various G7-related ministerial meetings, including the Hiroshima Summit, as well as for airport facilities that have reopened following the recovery of foreign visitors to Japan, and for reshoring production in Japan and the post-COVID-19 resumption of domestic entertainment activities. Going forward, we will work to reduce manpower and improve the efficiency of Stationed Security Services by utilizing DX, etc.

For Transportation Security Services, although the number of ATMs is decreasing due to the consolidation and closing of branches of financial institutions, the need to streamline cash management operations in the public and private sectors remains as strong as ever. We continue to strive to expand sales of Cash Deposit and Dispenser Machine Online System and other products. Also, the Group is promoting the replacement of equipment in preparation for the issuance of new banknotes, which is scheduled to take place in early July next year. Our offerings also include Tax and Public Funds Collection System, which automates local government disbursement counter operations through the use of the Cash Deposit and Dispenser Machine Online System. We will continue to gain an understanding of various outsourcing needs and expand our service offerings, such as improving operational efficiency and reducing costs for regional financial institutions.

For the General Property Management and Fire Protection Services segment, the net sales was ¥33,744 million (11.6% increase year on year), and operating income was ¥2,908 million (10.1% increase year on year) due to steady growth in completion in the construction work sectors. We will continue to expand Facilities Management Services based on the concept of integration of security, facilities, and construction, as we also strengthen our sustainability initiatives, including sales, installation, and maintenance of EV charging equipment.

For the Long-Term Care Services segment, the net sales was ¥25,209 million (11.1% increase year on year) due to new facilities opening, the increase in occupancy rate for existing facilities and the effect of mergers and acquisitions (M&A), etc., and operating income was ¥692 million (51.7% increase year on year). In last fall, the Company entered into a collaboration agreement with NJI Co., Ltd. and Tokyo Medical and Dental University and initiated joint research related to development of end-of-life prediction technology in long-term care and of standard guidelines for a total care package that includes avoidance and mitigation of and response to emergency. We will continue to strengthen our management base and expand our facilities by streamlining nursing care operations through the use of robots utilizing AI and other technologies to support nursing care, while striving to expand services under the unified “ALSOK’s Care” Long-Term Care Services brand.

In Other Services, in addition to existing panel inspection services for vast solar facilities, we continue to expand services utilizing drones to inspect and examine various facilities, and also to expand on-site inspection services such as “ALSOK IT Rescue Service,” in which guards rush to the site 24 hours a day, 365 days a year to investigate the cause and provide emergency treatment in the event of a failure of IT equipment, such as PCs.

The Group responds to growing needs for safety and security in society by utilizing new technologies and improving productivity, while fulfilling its responsibilities as a provider of services for the safety and security of society.

* During the three months ended June 30, 2023, reportable segments and the allocation method of certain income and expenses were changed. For comparison purposes, the figures for the three months ended September 30, 2022 have been reclassified based on the revised classification and allocation method.

Total assets as of September 30, 2023 was ¥520,928 million, a decrease of ¥61 million from the end of the previous fiscal year. This resulted from ¥14,214 million decrease in cash for transportation security service and ¥5,043 million decrease in notes and accounts receivable - trade, and contract assets, which was offset by ¥13,647 million increase in cash and deposits, ¥2,795 million increase in investment securities and ¥1,588 million increase in raw materials and supplies.

Total liabilities as of September 30, 2023 was ¥181,189 million, a decrease of ¥5,724 million from the end of the previous fiscal year. This resulted from ¥7,979 million decrease in other current liabilities including consumption taxes payable, which was partially offset by ¥3,608 million increase in notes and accounts payable - trade.

(2) Cash flows

Cash and cash equivalents (“cash”) for the six months ended September 30, 2023 are summarized below:

(Cash flows from operating activities)

Net cash provided in operating activities was ¥34,757 million (178.5% increase year on year) during the six months ended September 30, 2023. This resulted from ¥18,881 million of income before income taxes, ¥11,612 million increase in changes in assets and liabilities of Transportation Security Services, ¥9,073 million of depreciation expenses added back and ¥8,339 million decrease in notes and accounts receivable - trade, which was partially offset by ¥8,249 million decrease in notes and accounts payable - trade and ¥7,001 million income tax payment.

The changes in assets and liabilities of Transportation Security Services include changes in cash raised for Transportation Security Services within cash and short-term loans payable for Transportation Security Services.

(Cash flows from investing activities)

Net cash used in investing activities was ¥7,358 million (54.2% decrease year on year) during the six months ended September 30, 2023. The cash decreased due to ¥6,247 million used for purchase of property, plant and equipment and ¥1,249 million used for purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Net cash used in financing activities was ¥12,962 million (29.2% increase year on year) during the six months ended September 30, 2023. The cash decreased due to ¥4,470 million used for purchase of treasury stock, ¥4,354 million used for dividends payment and ¥2,786 million used for repayment of lease obligations.

(3) Accounting estimates and assumptions used for those estimates

There have been no significant changes in the accounting estimates and assumptions used for those estimates described in “Management analysis of financial position, operating results and cash flows” of the Annual Securities Report for the previous fiscal year.

(4) Business policies and strategies

There have been no significant changes in the business policies and strategies of the Group during the six months ended September 30, 2023.

(5) Production, orders and sales

(Production)

The Group is not engaged in production activities. The number of contracts in progress as of September 30, 2023 is as follows:

Segment		As of the end of three months ended September 30, 2023 (As of September 30, 2023)	Year on year change (%)
Security Services			
Electronic Security Services	(Thousands of contracts)	1,053	3.2
Stationed Security Services	(Thousands of contracts)	4	4.8
Transportation Security Services	(Thousands of contracts)	87	2.4
Total	(Thousands of contracts)	1,146	3.2
General Property Management and Fire Protection Services	(Thousands of contracts)	125	4.2
Long-Term Care Services	(Thousands of contracts)	27	1.8
Total for reportable segments	(Thousands of contracts)	1,299	3.3
Other Services	(Thousands of contracts)	25	9.0
Total	(Thousands of contracts)	1,324	3.4

(Note) The number of contracts above represents the total number of long-term contracts with the customers (contracts to provide services on an ongoing basis for a certain period of time), not the total number of parties to the contract the Group provides services to. Major services provided by each segment are as follows:

Electronic Security Services	ALSOK Guard System for corporate customers, home securities for individual customers, etc.
Stationed Security Services	Stationed security services to assign security guards to facilities of the customers
Transportation Security Services	Cash transportation services including transportation of securities, Cash Deposit and Dispenser Machine On-Line System, and cashless payment services including QR code payment
General Property Management and Fire Protection Services	Facility management, cleaning services, call center services, maintenance, management and operation of various facilities, inspection of fire equipment and AED rental, etc.
Long-Term Care Services	Home-visit nursing care, day care services, fee-based long-term care facilities, group homes, etc.
Other Services	ALSOK PC Management Service, Website Tampering Detection Service, etc.

(Sales)

The sales results for each segment are described below:

Segment		Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Year on year change (%)
Security Services			
Electronic Security Services	(Millions of yen)	89,791	5.2
Stationed Security Services	(Millions of yen)	61,433	(0.2)
Transportation Security Services	(Millions of yen)	33,682	0.3
Total	(Millions of yen)	184,907	2.5
General Property Management and Fire Protection Services	(Millions of yen)	33,744	11.6
Long-Term Care Services	(Millions of yen)	25,209	11.1
Total for reportable segments	(Millions of yen)	243,862	4.5
Other Services	(Millions of yen)	2,516	(4.3)
Total	(Millions of yen)	246,379	4.4

(Note) No single customer accounted for 10% or more of total net sales.

(6) Priority business and financial challenges

There have been no significant changes in the Group's priority business and financial challenges during the six months ended September 30, 2023.

(7) Research and development

Research and development cost was ¥294 million for the six months ended September 30, 2023, which was mainly related to security business.

There have been no significant changes in the Group's research and development activities during the six months ended September 30, 2023.

(8) Analysis of capital resources and liquidity

The Group's primary source of funds is the monthly fees received from customers, mainly in the security business, which is stable and predictable revenue. As the Group's expenditure plan is based on this stable source of funds, the Group believes there is little concern that it will face a shortage of funds in the predictable future. The Group also believes that it can obtain external financing stably due to this secure source of funds, the recent trend of the equity ratio and the good relationships with its key financial institutions.

The Group's primary capital needs and methods of financing are as follows:

(Working capital needs)

The working capital needs of the Group are mainly comprised of cost of sales, such as labor costs and outsourcing costs, selling, general and administrative expenses, such as personnel expenses, and cash required for deposit of sales proceeds into the customers' bank accounts through Cash Deposit and Dispenser Machine On-Line System in the Transportation Security Services.

While the cost of sales and selling, general and administrative expenses are generally paid out of its own funds as the payment occurs regularly throughout the year, the Group also uses short-term loans from financial institutions as necessary to meet the capital needs.

The Group uses both its own funds and short-term loans from financial institutions for deposit of sales proceeds into the customers' bank accounts through Cash Deposit and Dispenser Machine On-Line System. Such short-term loans are available through overdrafts and can be executed immediately based on the cash needs. The amount of sales proceeds that the Group deposits into customers' bank accounts on a certain day represents the amount of sales proceeds deposited by customers into the Cash Deposit and Dispenser Machine on the previous day, which fluctuates significantly on a daily basis. The amount of deposits increases especially on Monday or any business day after national holidays because such amount includes the amount deposited by customers into the Machine during the weekends and holidays, resulting in increasing use of short-term loans from financial institutions.

(Investment capital needs)

The investment capital needs of the Group are mainly comprised of M&A transactions. This is generally paid out of its own funds, and the Group also uses short-term and long-term loans from financial institutions as necessary to meet the needs.

In addition, the recurring acquisition of security alarm equipment related to the electronic security is also included in capital investment. The Group considers the acquisition of security alarm equipment is similar in nature to the acquisition of inventories as a component of working capital since the amount per acquisition is small and it occurs as orders are received. As the acquisition of alarm equipment occurs regularly throughout the year, it is generally paid out of its own funds, which is similar to the working capital needs.

During the six months ended September 30, 2023, there have been no significant changes in the Group's capital investment plan, including capital expenditures which were planned at the end of the previous fiscal year.

(Management's view on future outlook of capital needs and methods of financing)

The Group has mostly used its own funds to meet the capital needs during the six months ended September 30, 2023 except for Transportation Security Services. At this point, the Group does not expect any significant change in the capital needs during the fiscal year ending March 31, 2024 and believes that its capital needs will be satisfied by its own funds.

(9) Facilities

(Plan for establishment or disposal of facilities)

During the six months ended September 30, 2023, there have been no significant changes in the plan for establishment or disposal of facilities which was under planning as of March 31, 2023. In addition, there were no newly established plans for installation, expansion, renovation, disposal or sale of significant facilities during the six months ended September 30, 2023.

3. Material business contracts, etc.

There were no material business contracts, etc. decided or concluded during the three months ended September 30, 2023.

III. Information on Reporting Company

1. Information on shares, etc.

(1) Total number of shares, etc.

i. Total number of shares

Class	Total number of authorized shares (Shares)
Common stock	1,500,000,000
Total	1,500,000,000

(Note) In accordance with the resolution at the Board of Directors meeting held on May 12, 2023, the Articles of Incorporation was partially amended effective July 1, 2023, following the stock split. Accordingly, the total number of authorized shares increased by 1,200,000,000 shares to 1,500,000,000 shares.

ii. Shares issued

Class	Number of shares issued as of September 30, 2023 (Shares)	Number of shares issued as of November 7, 2023 (filing date) (Shares)	Name of stock exchange on which the Company is listed or name of Authorized Financial Instruments Firms Association where the Company is registered	Description
Common stock	510,200,210	510,200,210	Tokyo Stock Exchange Prime market	Standard share of the Company with no restrictions on the content of rights. Number of shares per one unit of share is 100 shares.
Total	510,200,210	510,200,210	—	—

(Note) Effective July 1, 2023, the 5-for-1 stock split was implemented for each share of common stock. Accordingly, the total number of shares issued increased by 408,160,168 shares to 510,200,210 shares.

(2) Subscription rights to shares, etc.

i. Details of stock option plans

Nothing to report.

ii. Other subscription rights to shares, etc.

Nothing to report.

(3) Exercises of moving strike convertible bonds, etc.

Nothing to report.

(4) Changes in number of shares issued and capital stock, etc.

Period	Changes in the total number of shares issued (Shares)	Total number of shares issued (Shares)	Changes in capital stock (Millions of yen)	Amount of capital stock (Millions of yen)	Changes in capital surplus (Millions of yen)	Amount of capital surplus (Millions of yen)
From July 1, 2023 to September 30, 2023	408,160,168	510,200,210	—	18,675	—	29,320

(Note) Effective July 1, 2023, the 5-for-1 stock split was implemented for each share of common stock. Accordingly, the total number of shares issued increased by 408,160,168 shares to 510,200,210 shares.

(5) Major shareholders

As of September 30, 2023

Name	Address	Number of shares held (Thousands of shares)	Ownership percentage to the total number of shares issued (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust account) (Note 1)	2-11-3 Hamamatsucho, Minato-ku, Tokyo, Japan	59,306	11.82
Custody Bank of Japan, Ltd. (Trust account) (Note 1)	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	37,464	7.47
SOHGO CORPORATION	130-16 Yamabukicho, Shinjuku-ku, Tokyo, Japan	36,943	7.36
Saitama Kiki Co., Ltd.	7-1-3 Shimoochiai, Chuo-ku, Saitama, Japan	26,419	5.26
Kamakura Corporation	130-16 Yamabukicho, Shinjuku-ku, Tokyo, Japan	20,750	4.13
SOHGO SECURITY SERVICES CO., LTD. Employee Stockholding Association	1-6-6 Motoakasaka, Minato-ku, Tokyo, Japan	17,315	3.45
Custody Bank of Japan, Ltd. as Trustee for Mizuho Bank Retirement Benefit Trust Account Re-entrusted by Mizuho Trust and Banking Co., Ltd.	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	14,807	2.95
Kizuna Corporation	130-16 Yamabukicho, Shinjuku-ku, Tokyo, Japan	14,750	2.94
Atsushi Murai	Suginami-ku, Tokyo, Japan	14,425	2.87
SMBC Trust Bank Ltd. (as trustee for Sumitomo Mitsui Banking Corporation Retirement Benefits Trust Account)	1-3-2 Marunouchi, Chiyoda-ku, Tokyo	13,678	2.72
Total	—	255,860	51.03

(Notes) 1. Of the number of shares held above, the number of shares related to the trust business is as follows:

The Master Trust Bank of Japan, Ltd. (Trust account) 27,032 thousand shares

Custody Bank of Japan, Ltd. (Trust account) 16,191 thousand shares

2. Effective July 1, 2023, the Company implemented a 5-for-1 stock split for each share of common stock, and the numbers of shares held above have been adjusted to reflect the stock split.

(6) Voting rights

i. Shares issued

As of September 30, 2023

Category	Number of shares (Shares)	Number of voting rights (Unit)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	Common stock 8,860,000	—	Standard share of the Company with no restrictions on the content of rights. Number of shares per one unit of share is 100 shares.
Shares with full voting rights (others)	Common stock 501,305,900	5,013,059	Same as above
Shares less than one unit	Common stock 34,310	—	Shares less than one unit (100 shares)
Total number of shares issued	510,200,210	—	—
Total number of voting rights	—	5,013,059	—

(Note) Effective July 1, 2023, the Company implemented a 5-for-1 stock split for each share of common stock, and the numbers of shares held above have been adjusted to reflect the stock split.

ii. Treasury stock, etc.

As of September 30, 2023

Name of shareholders	Address of shareholders	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of shares issued (%)
SOHGO SECURITY SERVICES CO., LTD.	1-6-6 Motoakasaka, Minato-ku, Tokyo, Japan	8,860,000	—	8,860,000	1.74
Total	—	8,860,000	—	8,860,000	1.74

(Note) Effective July 1, 2023, the Company implemented a 5-for-1 stock split for each share of common stock, and the numbers of shares held above have been adjusted to reflect the stock split.

2. Information on directors

Nothing to report.

IV. Financial Condition

1. Preparation method of quarterly consolidated financial statements

The quarterly consolidated financial statements of the Company are prepared in accordance with the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements” (Cabinet Office Ordinance No. 64 of 2007, “Ordinance on Quarterly Financial Statements”).

2. Audit attestation

In accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the quarterly consolidated financial statements for the second quarter of the fiscal year ending March 31, 2024 (from July 1, 2023 to September 30, 2023) and the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023) were reviewed by Grant Thornton Taiyo LLC.

In addition, ALSOK CO., LTD. (the “Company”) filed an amended quarterly securities report in accordance with Article 24-4-7, Paragraph 4 of the Financial Instruments and Exchange Act of Japan. The amended quarterly consolidated financial statements were reviewed by Grant Thornton Taiyo LLC.

1. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	59,239	72,886
Cash for Transportation Security Services	* 83,754	* 69,540
Notes and accounts receivable - trade, and contract assets	65,395	60,351
Securities	661	340
Raw materials and supplies	10,290	11,879
Costs on uncompleted construction contracts	98	139
Advances paid	6,457	6,298
Other	13,218	14,808
Allowance for doubtful accounts	(83)	(89)
Total current assets	239,032	236,154
Noncurrent assets		
Property, plant and equipment	116,440	116,460
Intangible assets		
Goodwill	32,753	32,339
Other	11,423	10,305
Total intangible assets	44,176	42,644
Investments and other assets		
Investment securities	57,529	60,325
Other	64,331	65,898
Allowance for doubtful accounts	(521)	(554)
Total investments and other assets	121,339	125,669
Total noncurrent assets	281,957	284,773
Total assets	520,989	520,928
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,669	21,689
Short-term loans payable	* 8,741	* 8,332
Income taxes payable	5,295	4,659
Provisions	2,302	2,622
Other	52,847	56,456
Total current liabilities	98,856	93,760
Noncurrent liabilities		
Long-term loans payable	2,083	1,849
Retirement benefit liability	41,480	41,768
Provisions	2,073	2,014
Asset retirement obligations	818	823
Other	41,602	40,973
Total noncurrent liabilities	88,057	87,428
Total liabilities	186,914	181,189

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net Assets		
Shareholders' equity		
Capital stock	18,675	18,675
Capital surplus	33,940	34,011
Retained earnings	<u>246,736</u>	<u>253,887</u>
Treasury stock	(1,072)	(5,544)
Total shareholders' equity	<u>298,279</u>	<u>301,029</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,566	9,202
Revaluation reserve for land	(3,379)	(3,379)
Foreign currency translation adjustment	658	1,152
Remeasurements of defined benefit plans, net of tax	<u>1,950</u>	<u>2,253</u>
Total accumulated other comprehensive income	<u>6,795</u>	<u>9,228</u>
Non-controlling interests	29,000	29,480
Total net assets	<u>334,075</u>	<u>339,738</u>
Total liabilities and net assets	<u>520,989</u>	<u>520,928</u>

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income

For the six months ended September 30, 2023

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Net sales	236,053	246,379
Cost of sales	<u>178,628</u>	<u>186,198</u>
Gross profit	<u>57,424</u>	<u>60,180</u>
Selling, general and administrative expenses	<u>*42,722</u>	<u>*42,857</u>
Operating income	<u>14,702</u>	<u>17,323</u>
Non-operating income		
Interest income	96	97
Dividends income	719	562
Gain on sales of investment securities	25	28
Share of profit of entities accounted for using equity method	489	729
Dividend income of insurance	254	300
Penalty income	206	244
Other	876	974
Total non-operating income	2,669	2,936
Non-operating expenses		
Interest expenses	876	890
Financing expenses	128	127
Other	330	337
Total non-operating expenses	1,336	1,355
Ordinary income	<u>16,035</u>	<u>18,904</u>
Extraordinary income		
Gain on sales of investment securities	0	58
Total extraordinary income	0	58
Extraordinary loss		
Loss on valuation of investment securities	25	15
Impairment losses	0	55
Loss on sales of investment securities	0	11
Total extraordinary loss	25	82
Income before income taxes	<u>16,009</u>	<u>18,881</u>
Income taxes	<u>5,860</u>	<u>6,646</u>
Net income	<u>10,148</u>	<u>12,234</u>
Profit attributable to non-controlling interests	744	729
Profit attributable to owners of parent	<u>9,404</u>	<u>11,505</u>

Quarterly consolidated statement of comprehensive income
For the six months ended September 30, 2023

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Net income	<u>10,148</u>	<u>12,234</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	171	1,657
Foreign currency translation adjustment	221	135
Remeasurements of defined benefit plans, net of tax	<u>154</u>	<u>301</u>
Share of other comprehensive income (loss) of entities accounted for using equity method	413	556
Total other comprehensive income (loss)	<u>961</u>	<u>2,651</u>
Comprehensive income	<u>11,110</u>	<u>14,885</u>
(Contents)		
Comprehensive income attributable to owners of parent	<u>10,403</u>	<u>13,938</u>
Comprehensive income attributable to non-controlling interests	707	947

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Net cash provided by (used in) operating activities		
Income before income taxes	16,009	18,881
Depreciation and amortization	8,878	9,073
Impairment losses	0	55
Amortization of goodwill	1,349	1,517
Increase (decrease) in allowance for doubtful accounts	13	34
Increase (decrease) in net defined benefit liability	804	455
Increase (decrease) in provision for bonuses	320	334
Increase (decrease) in provision for bonuses for directors (and other officers)	(22)	(21)
Interest and dividends income	(816)	(659)
Interest expenses	876	890
Share of loss (profit) of entities accounted for using equity method	(489)	(729)
Loss (gain) on sales of noncurrent assets	(28)	(0)
Loss on retirement of noncurrent assets	84	117
Loss (gain) on sales of investment securities	(25)	(76)
Loss (gain) on valuation of investment securities	25	15
Loss (gain) on valuation of derivatives	0	(107)
Decrease (increase) in notes and accounts receivable - trade	232	8,339
Decrease (increase) in inventories	(1,772)	(1,529)
Increase (decrease) in notes and accounts payable - trade	(7,079)	(8,249)
Decrease (increase) in net defined benefit asset	(1,910)	(1,682)
Changes in assets and liabilities of Transportation Security Services	1,293	11,612
Other	2,411	2,841
Subtotal	20,157	41,112
Interest and dividends income received	1,485	1,385
Interest expenses paid	(868)	(894)
Income taxes paid	(8,339)	(7,001)
Income taxes refund	44	156
Net cash provided by (used in) operating activities	12,479	34,757

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	921	1,012
Payments into long-term time deposits	(13)	(10)
Proceeds from withdrawal of long-term time deposits	—	21
Purchase of property, plant and equipment	(6,609)	(6,247)
Proceeds from sales of property, plant and equipment	88	0
Purchase of intangible assets	(1,048)	(665)
Purchase of investment securities	(992)	(444)
Proceeds from sales of investment securities	286	632
Payments for acquisition of businesses	—	(60)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,365)	(1,249)
Purchase of shares of subsidiaries and associates	(525)	—
Decrease (increase) in short-term loans receivable	43	(1)
Payments of long-term loans receivable	(26)	(26)
Collection of long-term loans receivable	187	34
Proceeds from refund of leasehold and guarantee deposits	404	30
Other	569	(384)
Net cash provided by (used in) investing activities	(16,080)	(7,358)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,303)	789
Proceeds from long-term loans payable	345	120
Repayment of long-term loans payable	(1,442)	(487)
Purchase of treasury stock	(0)	(4,470)
Repayments of lease obligations	(2,113)	(2,786)
Cash dividends paid	(4,455)	(4,354)
Cash dividends paid to non-controlling interests	(652)	(1,772)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(408)	—
Net cash provided by (used in) financing activities	(10,032)	(12,962)
Effect of exchange rate change on cash and cash equivalents	77	19
Net increase (decrease) in cash and cash equivalents	(13,556)	14,455
Cash and cash equivalents at beginning of period	63,644	51,571
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	400	—
Cash and cash equivalents at end of period	* 50,487	* 66,027

Notes

(Changes in scope of consolidation or scope of application of equity method)

During the three months ended September 30, 2023, the Company acquired shares of PT. Shield-On Service Tbk, and therefore, PT. Shield-On Service Tbk and its seven subsidiaries have been included in the scope of consolidation.

(Specific accounting treatment applied in preparing quarterly consolidated financial statements)

(Calculation of tax expense)

Tax expense is calculated by reasonably estimating the effective tax rate after applying tax effect accounting for income before income taxes for the consolidated fiscal year including the three months ended September 30, 2023 and then by multiplying the income before income taxes for the quarter by such estimated effective tax rate.

Income taxes - deferred is included in income taxes.

(Additional information)

(Correction of errors)

In April 2025, it was found that the Company and its four consolidated subsidiaries had incorrectly recorded data on defined benefit obligations related to lump-sum retirement payment plans, resulting in an understatement of retirement benefit liability and related accounts in prior years. In response to this, the Company has corrected errors in the consolidated and non-consolidated financial statements included in the annual securities reports filed after June 24, 2020, the quarterly consolidated financial statements included in the quarterly securities reports filed after August 2, 2022, and the interim consolidated financial statements included in the semi-annual securities report filed on November 6, 2024. As a result, gross profit, operating income, ordinary income, and profit attributable to owners of parent for the second quarter ended September 30, 2022 decreased by ¥297 million, ¥515 million, ¥515 million, and ¥357 million, respectively. In addition, gross profit, operating income, ordinary income, and profit attributable to owners of parent for the second quarter ended September 30, 2023 decreased by ¥289 million, ¥501 million, ¥501 million, and ¥347 million, respectively.

(Matters related to quarterly consolidated balance sheet)

* Cash for Transportation Security Services

As of March 31, 2023

This represents cash for transportation security services, and its use for other purposes is restricted.

In addition, the short-term loans payable balance includes ¥3,392 million of funds borrowed for the services.

As of September 30, 2023

This represents cash for transportation security services, and its use for other purposes is restricted.

In addition, the short-term loans payable balance includes ¥600 million of funds borrowed for the services.

(Matters related to quarterly consolidated statement of income)

* The major items of selling, general and administrative expenses and its amounts are as follows:

	(Millions of yen)	
	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Salary allowances	20,665	20,798
Provision for bonuses	416	454
Provision for bonuses for directors (and other officers)	76	79
Provision for retirement benefits for directors (and other officers)	78	74
Provision for allowance for doubtful accounts	23	70
Retirement benefit expenses	<u>926</u>	<u>977</u>

(Matters related to quarterly consolidated statement of cash flows)

* The relationship between the cash and cash equivalents at end of period and the amount presented on the quarterly consolidated balance sheet is as follows:

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Cash and deposits accounts	57,253	72,886
Deposits with deposit term of over 3 months	(6,862)	(6,958)
Short-term investment (securities) whose redemption date is due within 3 months from the acquisition date	97	100
Other (deposit at securities company)	0	0
Cash and cash equivalents	50,487	66,027

(Matters related to total shareholders' equity)

I Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

1. Cash dividends paid

(Resolution)	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders on June 24, 2022	Common stock	4,455	44.0	March 31, 2022	June 27, 2022	Retained earnings

2. Dividends that have record date during the six months ended September 30, 2022 and effective date of which is after the three months ended September 30, 2022

(Resolution)	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Board of directors' meeting on October 28, 2022	Common stock	4,354	43.0	September 30, 2022	December 5, 2022	Retained earnings

II Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

1. Cash dividends paid

(Resolution)	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders on June 27, 2023	Common stock	4,354	43.0	March 31, 2023	June 28, 2023	Retained earnings

2. Dividends that have record date during the six months ended September 30, 2023 and effective date of which is after the three months ended September 30, 2023

(Resolution)	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Board of directors' meeting on October 31, 2023	Common stock	4,361	8.7	September 30, 2023	December 4, 2023	Retained earnings

3. Notes on substantial changes in the amount of shareholder's equity

The Company has completed acquisition of 4,947,500 shares of treasury stock (acquisition cost of ¥4,470 million) by September 30, based on the resolution of the board of directors' meeting held on July 28, 2023. As a result, the number and amount of treasury stock as of September 30, 2023 are 8,976,575 shares and ¥5,544 million, including the amount acquired through requests for purchase of shares less than one unit and changes in the number of shares held by subsidiaries and associates.

(Segment information etc.)

Segment information

I Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

1. Information on the amount of net sales and income (loss) and disaggregation of revenue by reportable segment

(Millions of yen)

	Reportable segment				Other Services (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the consolidated statement of income (Note 3)
	Security Services	General Property Management and Fire Protection Services	Long-Term Care Services	Total				
Net sales								
Contract revenue	164,238	16,439	22,653	203,331	2,419	205,750	—	205,750
Construction revenue	2,791	8,477	10	11,279	2	11,282	—	11,282
Sales revenue	13,445	5,331	35	18,813	207	19,021	—	19,021
Revenue from contracts with customers	180,475	30,248	22,699	233,424	2,629	236,053	—	236,053
Sales to external customers	180,475	30,248	22,699	233,424	2,629	236,053	—	236,053
Intersegment sales and transfers	32	34	4	71	140	212	(212)	—
Total	180,508	30,282	22,704	233,495	2,769	236,265	(212)	236,053
Income by reportable segment	<u>15,884</u>	<u>2,641</u>	456	<u>18,982</u>	<u>477</u>	<u>19,459</u>	<u>(4,757)</u>	<u>14,702</u>

(Notes) 1. “Other Services” category includes business segments not included in other reportable segments, including information security, PCR test and food inspection services.

2. ¥(4,757) million adjustment to income by reportable segment represents common expenses that cannot be allocated to any specific reportable segment. These expenses are primarily general and administrative expenses not associated with specific reportable segment.

3. Income by reportable segment is adjusted for the operating income per the consolidated statement of income.

2. Information on impairment losses on noncurrent assets or goodwill, etc. by reportable segment

(Significant impairment loss on noncurrent assets)

No impairment loss was allocated to any of the reportable segments. Impairment losses not allocated to reportable segments were ¥0 million, which comprised ¥0 million for land.

(Significant change in the amount of goodwill)

During the six months ended September 30, 2022, there was a significant change in the amount of goodwill as ALSOK Joy Life Co., Ltd. and ALSOK Life Support Co., Ltd. became the Company’s consolidated subsidiary. Increase in the goodwill due to this event is ¥8,556 million. The goodwill is not allocated to any reportable segments.

(Significant gain on negative goodwill)

Nothing to report.

II Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

1. Information on the amount of net sales and income (loss) and disaggregation of revenue by reportable segment

(Millions of yen)

	Reportable segment				Other Services (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the consolidated statement of income (Note 3)
	Security Services	General Property Management and Fire Protection Services	Long-Term Care Services	Total				
Net sales								
Contract revenue	165,561	17,181	25,156	207,898	2,308	210,206	—	210,206
Construction revenue	3,183	10,336	12	13,532	1	13,533	—	13,533
Sales revenue	16,162	6,227	40	22,430	207	22,638	—	22,638
Revenue from contracts with customers	184,907	33,744	25,209	243,862	2,516	246,379	—	246,379
Sales to external customers	184,907	33,744	25,209	243,862	2,516	246,379	—	246,379
Intersegment sales and transfers	40	125	7	172	48	220	(220)	—
Total	184,947	33,869	25,216	244,034	2,565	246,599	(220)	246,379
Income by reportable segment	<u>17,922</u>	<u>2,908</u>	692	<u>21,523</u>	<u>456</u>	<u>21,980</u>	<u>(4,657)</u>	<u>17,323</u>

(Notes) 1. “Other Services” category includes business segments not included in other reportable segments, including information security, PCR test and food inspection services.

2. ¥(4,657) million adjustment to income by reportable segment represents common expenses that cannot be allocated to any specific reportable segment. These expenses are primarily general and administrative expenses not associated with specific reportable segment.

3. Income by reportable segment is adjusted for the operating income per the consolidated statement of income.

2. Changes in reportable segment

During the three months ended June 30, 2023, the Group reviewed its management structure in order to better understand the actual operating results of each segment, and changed the allocation method of income and expenses related to the Security Services and the General Property Management and Fire Protection Services. Segment information for the six months ended September 30, 2022 has been reclassified for disclosure purposes based on the revised reportable segments and allocation method of income and expenses applied to the six months ended September 30, 2023.

3. Information on impairment losses on noncurrent assets or goodwill, etc. by reportable segment

(Significant impairment loss on noncurrent assets)

No impairment loss was allocated to any of the reportable segments. Impairment losses not allocated to reportable segments were ¥55 million, which comprised ¥31 million for land and ¥23 million for building.

(Significant change in the amount of goodwill)

During the six months ended September 30, 2023, there was a significant change in the amount of goodwill as PT. Shield-On

Service Tbk and its seven subsidiaries became the Company's consolidated subsidiaries. Increase in the goodwill due to this event is ¥1,027 million. The amount of goodwill is provisionally calculated because the allocation of the acquisition cost has not been completed. The goodwill is not allocated to any reportable segments.

(Significant gain on negative goodwill)

Nothing to report.

(Matters related to business combination)

1. Overview of business combination

(1) Name of acquired company and its business

Name of the company: PT. Shield-On Service Tbk and its seven subsidiaries

Business: Staffing, security, cleaning and parking lot management services

(2) Reason for business combination

The Company established a local subsidiary in Indonesia in 2013, and we acquired shares of a major local security company to further expand its security services business in 2016. Changing the company name to PT. ALSOK BASS Indonesia Security Services ("ALSOK BASS"), we have been serving various companies, mainly Japanese companies, to meet the local security needs.

PT. Shield-On Service Tbk ("SOS") is a comprehensive outsourcing company that provides staffing, security, cleaning, and parking lot management services. It is the only outsourcing company listed on the Indonesian Stock Exchange and has a large account, Sinarmas Group, the local conglomerate. SOS's participation in ALSOK BASS will make ALSOK's comprehensive safety and security services, which it has been providing to Japanese companies, widely available to Indonesian companies and financial institutions that support the largest economy in the ASEAN region.

Through the acquisition of shares, the Company will contribute to the ALSOK BASS and SOS businesses, to the development of mutually beneficial relationships in human capital development leveraging the close bilateral relationship between Japan and Indonesia, and to the improvement of safety and security service standards, while further strengthening its business development in the ASEAN region.

(3) Date of business combination

August 15, 2023

(4) Legal form of business combination

Acquisition of stocks

(5) Name of the company after the business combination

There is no name change.

(6) Share of voting rights acquired

51.2%

* Due to the exercise of SOS warrants after the date of business combination, the share of voting rights as of September 30, 2023 is 44.3%. However, SOS continues to be the Company's consolidated subsidiary because holding of less than 50% of voting rights is considered temporary as the Company plans to acquire additional shares of SOS based on the agreement related to the stock acquisition concluded on June 9, 2023, and the Company is also considered to have substantial control over the SOS's decision-making body by dispatching a director to SOS.

(7) Reason for selecting company to acquire

ALSOK BASS acquired stocks in exchange for cash consideration.

2. Period of operating results of the acquired company included in the quarterly consolidated statement of income for the six months ended September 30, 2023

The closing date of the acquired company is December 31, which is three months different from the closing date of the Company. As the deemed acquisition date is June 30, 2023, the operating results of the acquired company are not included in the quarterly consolidated financial statements for the six months ended June 30, 2023.

3. Acquisition cost of the acquired company and type of consideration paid

		(Millions of yen)
Consideration	Cash and deposits	1,909
Acquisition cost		1,909

* As described in "1. Overview of business combination, (6) Share of voting rights acquired", the Company plans to acquire additional shares of SOS during the fiscal year ending March 31, 2024 based on the agreement related to the stock acquisition concluded on June 9, 2023. As the series of stock acquisitions constitutes one business combination,

these acquisitions are accounted for collectively, and the acquisition cost of additional equity interests to be acquired in the future will be revised as having been incurred at the time when control is obtained.

4. Major components and amount of acquisition related costs

Advisory fees: ¥159 million

5. Amount of goodwill, its causes and the method and period of amortization

(1) Amount of goodwill

¥1,027 million

The amount of goodwill is provisionally calculated because the allocation of the acquisition cost has not been completed. As described in “(3) Acquisition cost of the acquired company and type of consideration paid”, the acquisition cost of additional equity interests to be acquired in the future will be revised as having been incurred at the time when control is obtained, and in associated with it, the amount of goodwill and amortization of goodwill will also be revised.

(2) Causes

The goodwill mainly arises from the excess earning power expected from combining the business of ALSOK BASS with the business of SOS.

(3) Method and period of amortization

Straight-line method over 6 years

(Matters related to revenue recognition)

Information on disaggregation of revenue from contract with customers is as described in “Notes (Segment information etc.)”.

(Per share information)

The following is the amount and basis of calculating net income per share.

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Net income per share	<u>18.58</u> yen	<u>22.78</u> yen
(Basis of calculation)		
Profit attributable to owners of parent (Millions of yen)	<u>9,404</u>	<u>11,505</u>
Amount not attributable to ordinary shareholders (Millions of yen)	—	—
Profit attributable to ordinary shareholders of parent (Millions of yen)	<u>9,404</u>	<u>11,505</u>
Average number of common stocks during the period (Thousands of shares)	506,174	505,151

(Notes) 1. Diluted net income per share is not disclosed as there are no potentially dilutive shares.

2. Effective July 1, 2023, the Company implemented a 5-for-1 stock split of the common stock. “Net income per share” is calculated assuming that the stock split was implemented at the beginning of the fiscal year ended March 31, 2023.

(Significant subsequent events)

Business combination by way of acquisition

Effective October 31, 2023, the Company acquired additional shares of Hokuriku Sohgo Security Services Co., Ltd., an equity-method associate, which became a consolidated subsidiary of the Company.

1. Overview of business combination

(1) Name of acquired company and its business

Name of acquired company: Hokuriku Sohgo Security Services Co., Ltd.

Business: Security services, general property management and fire protection services, and other services

(2) Reason for business combination

Hokuriku Sohgo Security Services Co., Ltd., the Company's equity-method associate, has been providing the Security Services and General Property Management and Fire Protection Services. The Company has acquired additional shares of Hokuriku Sohgo Security Services Co., Ltd. with the aim of increasing the ratio of voting rights in order to achieve stable business management and strengthen governance.

(3) Date of business combination

October 31, 2023

(4) Legal form of business combination

Acquisition of stocks

(5) Name of the company after the business combination

There is no name change.

(6) Share of voting rights to be acquired

Voting rights held before the business combination	15.00%
Voting rights additionally acquired on the date of business combination	41.83
Voting rights after the acquisition	56.83

(7) Reason for selecting company to acquire

The Company acquired stocks in exchange for cash consideration.

2. Acquisition cost of the acquired company and type of consideration paid

These have not been determined yet.

3. Major components and amount of acquisition related costs

Nothing to report.

4. Amount of goodwill, its causes and the method and period of amortization

These have not been determined yet.

2. Other

At the board of directors' meeting held on October 31, 2023, the following resolutions on interim dividends were made for the current period.

(i) Total amount of interim dividends	¥4,361 million
(ii) Dividend per share	¥8.7
(iii) Effective date for payment request and commencement date of payment	December 4, 2023

(Note) Payment will be made to the shareholders recorded in the shareholder register as of September 30, 2023.

Part 2. Information on Guarantors of the Company, etc.

Nothing to report.

INDEPENDENT AUDITOR'S
QUARTERLY REVIEW REPORT

May 13, 2025

To the Board of Directors of

SOHGO SECURITY SERVICES CO., LTD.

Grant Thornton Taiyo LLC

Tokyo Office

Tatsuya Arai

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Kazuhiko Doi

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Keisuke Uehara

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Auditor's Conclusion

We have reviewed, pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the accompanying quarterly consolidated financial statements of SOHGO SECURITY SERVICES CO., LTD. and its consolidated subsidiaries (the "Group") in "Financial Condition", which comprise the quarterly consolidated balance sheet as of September 30, 2023, and the amended quarterly consolidated statement of income, the quarterly consolidated statement of comprehensive income and the quarterly consolidated statement of cash flows for the second quarter and the six-month period then ended, and the related notes.

Based on our quarterly review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2023 and its consolidated results of its financial performances and cash flows for the six-month period then ended in accordance with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.

Basis for Auditor's Conclusion

We conducted our review in accordance with the quarterly review standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Quarterly Review of the Quarterly Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained the evidence to provide a basis of our conclusion.

Emphasis of Matter

As stated in Additional information, the Company amended the quarterly consolidated financial statements.

This matter does not affect the conclusions of our firm.

Please note that our firm filed a quarterly review report on the quarterly consolidated financial statements on November 1, 2023, however, in connection with the correction, we are filing this quarterly review report on the amended quarterly consolidated financial statements.

Responsibilities of Management, Audit and Supervisory Board Members, and Audit and Supervisory Board for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the quarterly consolidated financial statements in accordance with the accounting principles for quarterly consolidated financial statements generally accepted in Japan. This responsibility includes the design, implementation, and maintenance of internal control as management determines is necessary to enable the preparation and fair presentation of the quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing matters related to going concern as applicable in accordance with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.

The Audit and Supervisory Board Members and Audit and Supervisory Board are responsible for overseeing performance of duties of directors in the design, implementation, and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements

Our responsibilities are to issue an auditor's quarterly review report that includes our conclusion based on our quarterly review from an independent point of view.

In accordance with the quarterly review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the quarterly review. We also:

- Perform quarterly review procedures consists of making inquiries to primarily of management and persons responsible for financial and accounting matters, applying analytical procedures, and other quarterly review procedures. A quarterly review is substantially less in scope than an annual audit of financial statements conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not presented fairly in accordance with the accounting principles for quarterly consolidated financial statements generally accepted in Japan if we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's quarterly review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified or adverse conclusion on the quarterly consolidated financial statements. Our conclusions are based on the evidence obtained up to the date of our auditor's quarterly review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the quarterly consolidated financial statements, including the disclosures, and whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation in accordance with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.
- Obtain sufficient and appropriate evidence regarding the financial information of the Group to express a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and performance of the review of the quarterly consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with the Audit and Supervisory Board Members and Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the quarterly review and significant review findings.

We also provide the Audit and Supervisory Board Members and Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the financial statements in Japan and communicate with them all relationships, other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate inhibiting factors or apply safeguards to reduce them to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accounting Act of Japan

Our firm and its engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Notes) 1. The original copy of the above Quarterly Review Report of Independent Auditors is in the custody of the Company (the submitter of this Quarterly Securities Report).

2. The XBRL data is not in the scope of the quarterly review.

3. The English version of the consolidated financial statements consists of an English translation of the reviewed Japanese consolidated financial statements. The actual text of the English translation of the consolidated financial statements was not covered by our review. Consequently, for the auditor's report of the English consolidated financial statements, the Japanese original is the official text, and the English version is a translation of that text.