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# Annual Securities Report

(Pursuant to Article 24, Paragraph 1 of the Financial  
Instruments and Exchange Act of Japan)  
Fiscal Year                      From April 1, 2024  
(60th business term)              to March 31, 2025

**SOHGO SECURITY SERVICES CO., LTD.**

1-6-6 Motoakasaka, Minato-ku, Tokyo, Japan

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## Cover page

Document filed	Annual Securities Report
Applicable law	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Place of filing	Director-General, Kanto Local Finance Bureau
Filing date	June 20, 2025
Fiscal Year	60th business term (from April 1, 2024 to March 31, 2025)
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.
Name and title of representative	Ikuji Kayaki, Representative Director Group COO
Address of head office	1-6-6 Motoakasaka, Minato-ku, Tokyo, Japan
Telephone number	+81-3-3470-6811 (Main telephone number)
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Telephone number	+81-3-3470-6811 (Main telephone number)
Contact person	Kazuhide Shigemi, Director and Senior Executive Officer
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

## Part 1. Company Information

### I. Overview of Company

#### 1. Selected financial data

##### (1) Consolidated financial data

Fiscal year		56th business term	57th business term	58th business term	59th business term	60th business term
Ended		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	(Millions of yen)	469,920	489,092	492,226	521,400	551,881
Ordinary income	(Millions of yen)	38,106	43,744	38,198	41,169	43,107
Profit attributable to owners of parent	(Millions of yen)	24,247	28,234	23,234	26,630	27,105
Comprehensive income	(Millions of yen)	41,065	31,479	25,146	55,107	24,550
Net assets	(Millions of yen)	295,400	318,071	334,075	377,754	376,000
Total assets	(Millions of yen)	485,456	492,452	520,989	571,463	572,402
Net assets per share	(Yen)	530.42	574.32	602.71	687.34	697.96
Net income per share	(Yen)	47.90	55.78	45.90	52.95	55.41
Diluted net income per share	(Yen)	—	—	—	—	—
Equity ratio	(%)	55.3	59.0	58.6	60.2	59.1
Return on equity	(%)	9.6	10.1	7.8	8.2	7.9
Price earnings ratio	(Times)	21.8	14.3	15.5	15.6	20.1
Cash flows from operating activities	(Millions of yen)	55,522	42,736	31,682	56,063	42,647
Cash flows from investing activities	(Millions of yen)	(38,452)	(14,093)	(24,818)	(16,913)	(15,550)
Cash flows from financing activities	(Millions of yen)	(12,714)	(18,183)	(19,380)	(21,503)	(36,309)
Cash and cash equivalents at end of year	(Millions of yen)	53,143	63,644	51,571	69,162	60,018
Number of employees	(Number of people)	38,444	38,192	39,039	64,982	64,733
[Average number of temporary employees not included in the above]		[6,838]	[6,782]	[7,249]	[7,749]	[8,233]

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

- Effective July 1, 2023, SOHGO SECURITY SERVICES CO., LTD. (the “Company”) implemented a 5-for-1 stock split for each share of common stock. Net assets per share and Net income per share are calculated assuming that the stock split was implemented at the beginning of the fiscal year ended March 31, 2021.
- The Company applied Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2022. Selected financial data for the fiscal years ended on and after March 31, 2022 is based on the figures after applying the standard, etc.
- The Company applied Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022, “Revised Accounting Standard (2022)”) from the beginning of the fiscal year ended March 31, 2025. Selected financial data for the fiscal year ended March 31, 2024 is based on the figures after retrospectively applying the standard. The Company also applied the transitional treatment provided in the proviso of Paragraph 20-3 of the Revised Accounting Standard (2022) and the transitional treatment provided in the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting. Accordingly, selected financial data for the fiscal year ended March 31, 2025 is based on the figures after applying the standard, etc. In addition, regarding the revision that amends the treatment in the consolidated financial statements in cases where a gain or loss on the sale of subsidiaries shares between consolidated companies is deferred for tax purposes, the Company applied the Revised Implementation Guidance (2022) from the beginning of the fiscal year ended March 31, 2025, and selected financial data for the fiscal year ended March 31, 2024 is based on the figures after

retrospectively applying the guidance.

5. The relevant selected financial data for the fiscal years ended March 31, 2021 through March 31, 2024 is based on the figures that have been retrospectively adjusted to correct errors. This is because the Company revised its financial statements for previous fiscal years and filed amended annual securities reports on May 13, 2025.

## (2) Non-consolidated financial data

Fiscal year	56th business term	57th business term	58th business term	59th business term	60th business term
Ended	March 2021	March 2022	March 2023	March 2024	March 2025
Net sales (Millions of yen)	244,367	256,449	248,977	256,633	255,573
Ordinary income (Millions of yen)	28,109	29,848	29,202	32,368	30,359
Net income (Millions of yen)	22,351	23,871	23,790	25,809	24,570
Capital stock (Millions of yen)	18,675	18,675	18,675	18,675	18,675
Total number of shares issued (Shares)	510,200,210	510,200,210	510,200,210	510,200,210	510,200,210
Net assets (Millions of yen)	215,921	232,253	248,034	262,660	257,571
Total assets (Millions of yen)	323,294	330,636	355,679	369,966	371,802
Net assets per share (Yen)	425.22	459.14	489.83	527.78	531.07
Dividends per share (Yen)	14.4	16.4	17.2	23.7	25.8
(of which, interim dividends per share)	(7.0)	(7.6)	(8.6)	(8.7)	(12.4)
Net income per share (Yen)	44.09	47.09	46.93	51.26	50.21
Diluted net income per share (Yen)	—	—	—	—	—
Equity ratio (%)	66.8	70.2	69.7	71.0	69.3
Return on equity (%)	10.8	10.7	9.9	10.1	9.4
Price earnings ratio (Times)	23.7	17.0	15.2	16.1	22.1
Dividend payout ratio (%)	32.7	34.8	36.6	46.2	51.4
Number of employees (Number of people)	11,861	12,002	12,041	11,818	11,559
Total shareholder return (%)	100.8	79.0	72.3	85.9	115.9
(Comparative index: TOPIX)	(139.3)	(138.7)	(142.8)	(197.3)	(189.5)
Highest stock price (Yen)	5,720	5,320	4,045	953.6 (4,768)	1,178.0 (5,890)
Lowest stock price (Yen)	4,795	3,975	3,360	699.0 (3,495)	798.0 (3,991)

(Notes) 1. Dividends per share for the fiscal year ended March 31, 2025 includes a ¥1 commemorative dividend in celebration of the Company's 60th anniversary.

2. Of the total dividend of ¥25.80 per share for the fiscal year ended March 31, 2025, the year-end dividend of ¥13.40 is pending approval at the Ordinary General Meeting of Shareholders scheduled for June 25, 2025.

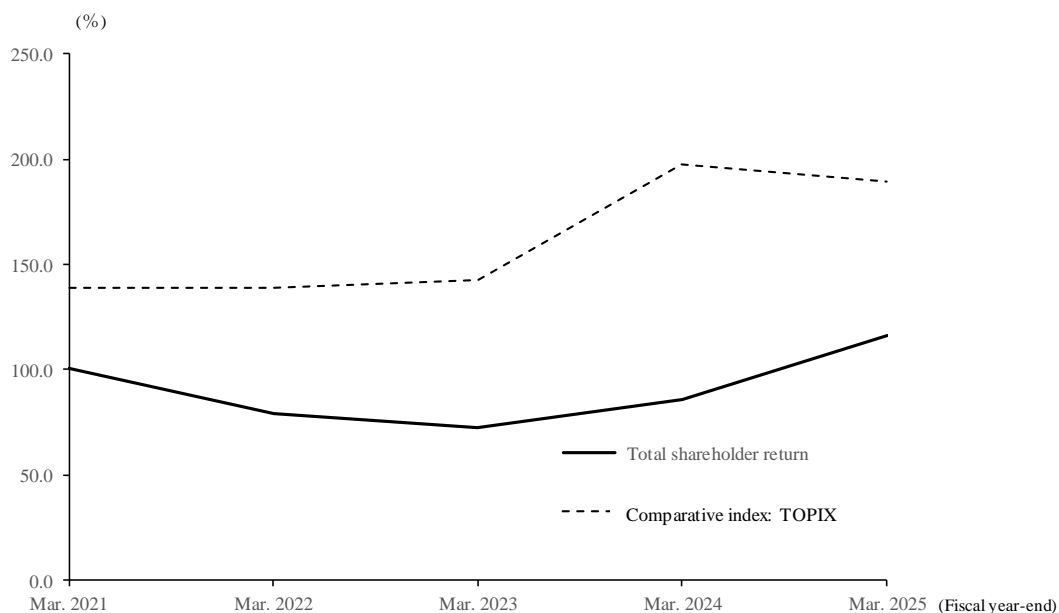
3. Diluted net income per share is not disclosed as there are no potentially dilutive shares.

4. Effective July 1, 2023, the Company implemented a 5-for-1 stock split for each share of common stock. Total number of shares issued, Net assets per share, Dividends per share, and Net income per share are calculated assuming that the stock split was implemented at the beginning of the fiscal year ended March 31, 2021.

5. On and after April 4, 2022, the highest and the lowest stock prices are those recorded on the Prime Market of the Tokyo Stock Exchange, while those recorded before April 4, 2022 are from the First Section of the Tokyo Stock Exchange. The highest and lowest stock prices for the fiscal years ended March 31, 2024 and 2025 are shown both after and before the stock split. The stock prices before the stock split are shown in parentheses.

6. The Company applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2022. Selected financial data for the fiscal years ended on and after March 31, 2022 is based on the figures after applying the standard, etc.

7. The Company applied Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022, “Revised Accounting Standard (2022)”) from the beginning of the fiscal year ended March 31, 2025. Selected financial data for the fiscal year ended March 31, 2024 is based on the figures after retrospectively applying the standard. The Company also applied the transitional treatment provided in the proviso of Paragraph 20-3 of the Revised Accounting Standard (2022) and the transitional treatment provided in the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting. Accordingly, selected financial data for the fiscal year ended March 31, 2025 is based on the figures after applying the standard, etc.
8. The relevant selected financial data for the fiscal years ended March 31, 2021 through March 31, 2024 is based on the figures that have been retrospectively adjusted to correct errors. This is because the Company revised its financial statements for previous fiscal years and filed amended annual securities reports on May 13, 2025.
9. Changes in the total shareholder return and the comparative index over the last five years are as follows:



## 2. History

Month and Year	Overview
July 1965	Establish Sohgo Security Services Co., Ltd. with a capital of ¥25 million at 2-20 Uchisaiwai-cho, Chiyoda-ku, Tokyo, mainly engaging in security services
August 1966	Establish Sohgo Kanzai Co., Ltd. (currently ALSOK Facilities Co., Ltd.) at Chiyoda-ku, Tokyo, engaging in general property management services
September 1967	Develop and launch the SOK Guard System, electronic security services for corporate customers
December 1968	Establish Kita-Kanto Sohgo Security Services Co., Ltd. in Utsunomiya city, Tochigi, mainly engaging in security services
June 1969	Establish Hiroshima Sohgo Security Services Co., Ltd. in Hiroshima city, Hiroshima, mainly engaging in security services
March 1970	Provide security services at the Japan World Expo
June 1972	Establish Tokyo Sohgo Security Services Co., Ltd. (currently ALSOK Tokyo Co., Ltd.) in Minato-ku, Tokyo, engaging in stationed security services
January 1975	Develop and launch the Amand System featuring automated management of ATMs
May 1975	Establish Hokkaido Sohgo Security Services Co., Ltd. (currently ALSOK Hokkaido Co., Ltd.) in Chuo-ku, Sapporo city, mainly engaging in security services
September 1975	Develop and launch the OLM System, which incorporates control and monitoring equipment into stationed security
February 1978	Relocate head office to 1-6-6 Motoakasaka, Minato-ku, Tokyo
October 1979	Launch regular inspection services for fire equipment
December 1982	Form a business alliance with Ryoden Services Co., Ltd. (currently Mitsubishi Electric Building Solutions Corporation) in the property management business
March 1983	Receive first security business certification from the Tokyo Metropolitan Public Safety Commission
September 1984	Establish SOK Electric Work Co., Ltd. in Minato-ku, Tokyo, engaging in security equipment installation services (merged in August 2013 by absorption)
April 1988	Develop and launch the Takurusu, electronic home security service
August 1995	Launch the Tokyo Operations Center providing centralized monitoring and command system for electronic security in Tokyo
April 1997	Develop and launch the MMK, multi-function ATM, featuring payment receiving agency service and information search function
October 1997	Develop and launch the Cash Deposit Machine On-Line System, featuring streamlined cash management and manpower and facility cost savings for cash management
April 1998	Develop and launch the SOK Home Security system, featuring convenient functions for daily life, such as emergency information, online banking, and health consultation as well as home security
September 2002	Obtain ISO 9001 certification for the design and provision of the Electronic Security Services and the Stationed Security Services
October 2002	List stock on the First Section of the Tokyo Stock Exchange
April 2003	Spin-off a part of stationed security division to establish Sohkei Stationed Security Co., Ltd. (currently ALSOK Stationed Security Co., Ltd.), mainly engaging in security services
July 2003	Establish new brand name ALSOK
August 2003	Develop and launch the ALSOK Safety Confirmation Service, risk management tool utilizing emails for corporate customers
May 2004	Form a business alliance with HOCHIKI Corporation in the security and disaster prevention business
November 2004	Develop and launch the ALSOK Home Security 7, affordable home security system featuring wireless sensors, highly urgent intrusion detection, emergency report, and fire detection
April 2005	Expand the ALSOK Anshin Kyoshitsu, a CSR program to teach children how to protect themselves, to all of Japan
June 2005	Develop and launch new automated patrolling robot for stationed security services
November 2005	Develop and launch the ALSOK Home Security X7 with expanded functions for large-scale private homes
June 2008	Launch the PC Monitoring service featuring monitoring and reporting of information leak
October 2008	Launch the Mamolook, mobile watching over service for children
December 2008	Develop and launch the ALSOK Home Security α, featuring “safe and convenience” functions developed from the customer perspectives, such as standardized online security services
July 2009	Develop and launch the Change Machine System, all-inclusive service related to change machines such as installation of the machines, preparation, transportation and loading of coins and bills, as well as troubleshooting
December 2009	Develop and launch the GUARD ONE, featuring security service for vehicles-related emergencies such as prevention of damage and early detection of stolen vehicles by reporting to customers and providing location information
April 2010	Launch the ALSOK Denpo, telegram service utilizing security service infrastructure
November 2010	Launch the ALSOK Silver Pack that includes all home security functions necessary for senior citizens
February 2011	Japan Facilio Co., Ltd., mainly engaging in piping or electrical construction services, become a subsidiary



Month and Year	Overview
April 2011	Launch the ALSOK-GV, security system for corporate customers
February 2012	Commence providing stationed security services at TOKYO SKYTREE TOWN®
October 2012	Launch HOME ALSOK brand of services for individual users Develop and launch the HOME ALSOK Premium, featuring imaged-based intruder monitoring service and IoT remote control security and lock
November 2012	HOCHIKI Corporation, engaging in a disaster prevention service, become an equity-method associate
May 2013	Launch the HOME ALSOK Lady's Support to protect women from stalkers
August 2013	Merge with SOK Electric Work Co., Ltd. by absorption Launch the HOME ALSOK Apartment and Condominium Plan, security system for rental housing
September 2013	Launch the HOME ALSOK Mimamori Support, emergency reporting and consultation service for senior citizens
April 2014	ALSOK Souei Co., Ltd., engaging in security services and general property management services, become a subsidiary Nippon Building Maintenance Co., Ltd. (currently ALSOK Facilities Co., Ltd.), engaging in general property management services, become a subsidiary Merge with Sohkei Information System Co., Ltd. by absorption
May 2014	Launch the ALSOK-FM (Facility Management) Support, security system for medium- to large-scale facilities
August 2014	Form a business alliance with Sampo Japan Nipponkoa Group to jointly develop businesses targeted for the aging society with declining birthrate
September 2014	Antei Care Co., Ltd. (currently ALSOK Care Co., Ltd.), engaging in home-visit nursing care services, become a subsidiary
October 2014	HCM Corporation (currently ALSOK Care Co., Ltd.), engaging in home-visit nursing care and long-term care services, become a subsidiary
February 2015	ALSOK Care & Support Co., Ltd. engaging in emergency reporting and long-term care services, become a subsidiary
May 2015	Develop and launch the Cash Deposit and Dispenser Machine On-line System, featuring cash management without involvement of banks including cash withdrawal, money change, and cash transfer
June 2015	Launch the Mamolook, mobile security terminal for senior citizens, women, and children
October 2015	Develop and launch the Home Security Basic equipped with latest functions such as support for diversified telecommunication networks Launch the ALSOK Image Cloud Service, which provides cloud storage for surveillance camera images
February 2016	Form a business alliance with Nippon Dry-Chemical Co., Ltd. engaging in disaster prevention services, etc.
May 2016	Wisnet Co., Ltd. (currently ALSOK Care Co., Ltd.), engaging in long-term care and the related services, become a subsidiary
June 2016	Nippon Dry-Chemical Co., Ltd. become an equity-method associate
November 2016	PT. ALSOK BASS Indonesia Security Services, engaging in security services in Indonesia, become a subsidiary
December 2016	ALSOK Vietnam Security Services Joint Stock Company, engaging in security services in Vietnam, become a subsidiary
February 2017	ALSOK Shojitsu Security Service Co., Ltd., engaging in security services, become a subsidiary
April 2017	ALSOK-TW East Japan Co., Ltd., engaging in security services, acquire security business of TelWel East Japan Corporation Keihanshin Security Service Co., Ltd., engaging in security services, become an equity-method associate
June 2017	Launch the Mimamori Pack, featuring security services for wandering in senior citizens with dementia
July 2017	ALSOK Kanto Delivery Co., Ltd., engaging in security services, become a subsidiary
April 2018	Establish Security Joint Venture for the Tokyo 2020 Olympic and Paralympic Games ALSOK Myanmar Security Services Co., Ltd., engaging in security services in Myanmar, start operations and become a subsidiary
June 2018	Care Plus, Inc., engaging in home-visit medical massages, become a subsidiary
July 2018	Launch the 3D Laser Rader Sensor equipped with high-precision detection function
January 2019	Sohgo Kanzai Co., Ltd., engaging in property management services, become a subsidiary Health Support Co., Ltd. (currently Sohgo Kanzai Co., Ltd.), engaging in medical waste collection and transportation services, become a subsidiary
May 2019	Keihanshin Security Service Co., Ltd., engaging in security services, become a subsidiary
September 2019	Provide security services for the Rugby World Cup Japan 2019
February 2020	Launch the ALSOK-G7, security system for corporate customers
April 2020	Life Holdings Co., Ltd. (currently Life Co., Ltd.), engaging in long-term care services, become a subsidiary Commence providing stationed security services to nationally and locally-operated accommodation facilities for the novel coronavirus ("COVID-19") patients with mild symptoms
June 2020	Launch the Air Buster, ozone deodorizer sanitizing and deodorizing by generating ozone
July 2020	ALSOK Chiba Co., Ltd. launch the Gibier Kohboh Mobara, a facility for meat processing

Month and Year	Overview
October 2020	Merge with HCM Corporation, the long-term care services division of ALSOK Care & Support Co., Ltd., and Antei Care Co., Ltd. by absorption with ALSOK Care Co., Ltd. (formerly Wisnet Co., Ltd.) being the surviving company
December 2020	Form a capital and business alliance with Mitsubishi Corporation and Nippon Care Supply Co., Ltd. pertaining to long-term care services and lifestyle support services for the senior citizens Nippon Care Supply Co., Ltd., engaging in lifestyle support services for the senior citizens, become an equity-method associate
April 2021	Merge ALSOK Building Services Co., Ltd. and Nippon Building Maintenance Co., Ltd. to establish ALSOK Facilities Co., Ltd.
July 2021	Provide security services for the Tokyo 2020 Olympic and Paralympic Games from July to September
August 2021	Launch office security services using My Number Card
September 2021	Launch the ALSOK AI Camera System, which sends real-time alerts using AI-equipped surveillance cameras with high-precision human detection
December 2021	Launch the ALSOK Office Doctor Package and the ALSOK Health Consultation Package, “health security service” to protect companies from risks of labor shortage and work-related accidents resulting from employees’ poor health
March 2022	Launch the HOME ALSOK Outdoor Wireless IP Camera
April 2022	Move from the First Section of the Tokyo Stock Exchange to Prime Market as a result of Japan’s stock market restructuring Merge with ALSOK Leasing Co., Ltd. by absorption
June 2022	ALSOK Joy Life Co., Ltd. and ALSOK Life Support Co., Ltd., both engaging in long-term care services, become subsidiaries
November 2022	ALSOK Bangladesh Security Services Ltd., engaging in general security services in Bangladesh, start operations and become a subsidiary
February 2023	Okinawa Sohgo Security Services Co., Ltd. become a subsidiary
March 2023	Launch the ALSOK IT Rescue, which quickly solves problems with IT-related equipment
April 2023	Launch the HOME ALSOK Connect, which allows customers to choose between the Online Security in which a security guard rushes to the scene of an emergency and the Self-Security in which a security guard checks the site upon request, according to the customer’s needs
August 2023	PT. Shield-On Service Tbk, an Indonesian staffing and security services provider, and its seven subsidiaries become subsidiaries
October 2023	Merge with ALSOK Eagles Co., Ltd. by absorption with ALSOK Business Support Co., Ltd., a Special Subsidiary Company, being a surviving company Hokuriku Sohgo Security Services Co., Ltd. become a subsidiary
January 2024	Launch the ALSOK Website Tampering Detection and Restoration Service, which instantly detects and recovers from damages caused by tampering with the company’s website Launch the ALSOK EDR Service, which instantly detects and recovers from malware attacks on PCs
February 2024	Launch the ALSOK Facility Rescue, a service in which a guard provides first aid and other emergency measures in the event of a failure of facilities in condominiums and buildings
April 2024	Life Holdings Co., Ltd. was merged with Life Co., Ltd. by absorption and all shares of MBIC Life Co., Ltd. (currently ALSOK MBIC Laboratory Co., Ltd.) held by Life Holdings Co., Ltd. were paid as dividends in kind to the Company
May 2024	Launch the Sumaho Gate, a new device designed for greater convenience that not only enables operation of the HOME ALSOK Connect with smartphone authentication but also prevents users from forgetting or leaving their smartphones behind
September 2024	Launch the ALSOK WAF Service, which protects websites from cyberattacks targeting web applications
October 2024	Succeed the business of Hokkaido Branch and Keiso Hokkaido Branch to ALSOK Hokkaido Co., Ltd.
December 2024	Launch the Targeted Attack E-mail Training T3 with Security Awareness Training Kanso Co., Ltd., operating the Facility Management Services etc., become a subsidiary

### 3. Description of business

The Group consists of the Company, 92 consolidated subsidiaries (including 18 overseas), and 15 equity-method companies (including 3 overseas), and engages in Security Services, Facility Management Services etc., Long-Term Care Services, and Overseas Services. In addition to the companies mentioned above, the Group has established a mutual cooperation in sales and operations with Taiwan Shin Kong Security Co., Ltd., a company that operates similar businesses overseas, which is not a consolidated subsidiary or an equity-method company. Details of businesses for each segment are described below:

#### (1) Security Services

##### A. Electronic Security Services

This service involves installing security alarm equipment on a customer’s premise that transmits emergency signals via telecommunication lines, remotely monitoring intrusion, fire, and equipment abnormalities at the ALSOK Guard Center, and when an emergency occurs, trained guards are dispatched to the site to take appropriate action.

For corporate customers, we provide the ALSOK-G7, a security system, which is equipped with an image monitoring service

incorporating advanced image analysis technology as a standard feature. This online security system enhances our high quality and reliable security services by adding state-of-the-art video surveillance capabilities to the high quality and solid security services we have developed and refined, allowing customers to view site footage from anywhere, at any time. Also, the ALSOK Information Sharing Service offers supplementary features such as the Live Image Confirmation Service with interactive call functionality, real-time viewing of security status (active/inactive), and e-mail notifications when an alarm is not set or is triggered. The ALSOK-G7 also includes optional services such as the Image Storage Service, which stores footage captured by cameras, and the Employee Attendance Record Service, which logs attendance operations and provides corresponding images online for employer access. These services contribute not only to security enhancement but also to labor management and efficient operation.

In addition to the ALSOK-G7, our service lineup includes the ALSOK-FM (Facility Management) Support, which offers enhanced facility management features for medium- to large-scale facilities and helps increase facility value at a low cost, and the Amand System, which automates the management of ATMs. In March, 2023, the ALSOK IT Rescue was launched, a service in which a security guard is dispatched to provide emergency support in the event of a PC and other IT equipment-related failure. In February 2024, the ALSOK Facility Rescue was launched, a service in which a security guard visits the site, identifies the cause, and provides emergency support when an emergency is detected at facilities in condominiums or buildings, or when a request for inspection is received due to a failure of facilities. Furthermore, we provide the ALSOK Office Doctor Package, which supports employee health management and is optimized for businesses with fewer than 50 employees with no obligation to appoint an occupational health physician. We also offer the ALSOK Consultation Service, a package that provides teleconsultations for employees of corporate customers on topics such as physical health, mental health, and harassment.

#### B. HOME ALSOK Services

With respect to services for individual customers, we experienced an increase in inquiries, partly due to a series of robberies frequently committed in 2024 by an “anonymous, loosely organized crime group.” As a result, the number of customers considering the installation of home security systems increased, and sales of our main product, the HOME ALSOK Connect, remained strong. In particular, the Emergency Button, which allows users to report any emergencies with a single press, and the Sumaho Gate, a device that alerts users with sound and an LCD screen when they leave their smartphone behind upon going out or returning home, have been very well received.

With respect to the elderly care market, we offer the HOME ALSOK Mimamori Support, a service designed to monitor and support the elderly. It includes emergency calls, rushing guards, and health counseling. Due to the growth of the elderly population, the number of the service users has been increasing. In recent years, the service has been used not only by the elderly and their relatives but also by corporate clients involved in the elderly market. In addition, more local governments are selecting us as their service provider for projects related to monitoring and supporting the elderly. We will continue to ensure a safe and secure living environment for the elderly.

#### C. Stationed Security Services

In the Stationed Security Services, security guards are assigned to properties of customers to manage entrances and exits, conduct patrols, and perform inspections to prevent and respond to various accidents and emergencies. In addition, we meet different needs of our customers by providing security for various events such as international conferences, sporting events, fireworks festivals, and other festivals, as well as personal security for celebrities and corporate executives both in Japan and abroad. Furthermore, to deliver “visible security,” we are promoting digital transformation (“DX”) in customer reporting by equipping our stationed guards with mobile devices and other digital devices, such as gas sensors, electric bulletin board applications, thermographic cameras, and foreign language translation tools. In recent years, large-scale redevelopment across various regions, the recovery of inbound tourism, and the shortage of workers due to the declining birthrate and aging population have become an urgent issue. To address this, we enhance the efficiency and effectiveness of our security services by reducing manpower through the use of equipment (such as AI cameras and automated access control), avatars, security robots, patrol drones, and others.

#### D. Transportation Security Services

In the Transportation Security Services, we transport cash, securities, and other valuables to any designated location of our customers using cash transportation vehicles. In addition to the secure transportation of cash, securities, and other valuables, we offer the Cash Deposit and Dispenser Machine On-Line System that fully supports in-store cash management by utilizing our security transportation network, which contributes to operational efficiency of our customers. Also, the ATM Management System provides comprehensive services for the overall operation of ATMs located in financial institutions and convenience stores, including cash replenishment, collection, and troubleshoot. We also provide back-office operations and other services to financial institutions.

As we move toward a cashless society, we, as a cashless payment provider, offer the ALSOK Multi-QR Payment Solution, which enables customers to use multiple QR codes from different service providers with a single app and one terminal. In

addition, the ALSOK PC Management Service provides security for terminal equipment, which has become more important than ever as a means to prevent cyber-attacks or phishing. In January 2024, we launched the ALSOK EDR Service, which instantly detects and recovers from malware attacks targeting our clients' valuable PCs.

(2) Facility Management Services etc.

In the Facility Management Services etc., we provide a wide range of services for building operation and management, including repair and replacement, piping or electrical construction, fire and disaster prevention, facility management, cleaning, sanitary management, and call center services. Through these services, we contribute to reducing building management cost and improving property value. In the Kansai area, Kanso Co., Ltd. joined the Group in December 2024, further strengthening our facility management services structure. We also lease and sell emergency supplies and AEDs. In addition, ALSOK MBIC Laboratory Co., Ltd., which operates a food inspection business, provides asbestos inspections and other services.

In the Fire Protection Service, we have entered into a capital and business alliance with HOCHIKI Corporation and Nippon Dry-Chemical Co., Ltd., both providers of disaster prevention services. These companies have become equity-method associates of the Company. The purpose of the alliance is to strengthen the framework for advancing the fire and disaster prevention business.

(3) Long-Term Care Services

In the Long-Term Care Services, we provide a wide range of services, including home care support (development of care plans), in-home care services, such as home-visit caring and nursing and adult day care, to provide support for senior citizens living at home, care services for senior citizens living in a nursing home (fee-based with long-term care) and people with dementia (group homes), and care services provided at certain facilities such as elderly housing with living support services. We also sell and lease welfare equipment and provide home-visit medical massage services.

(4) Overseas Services

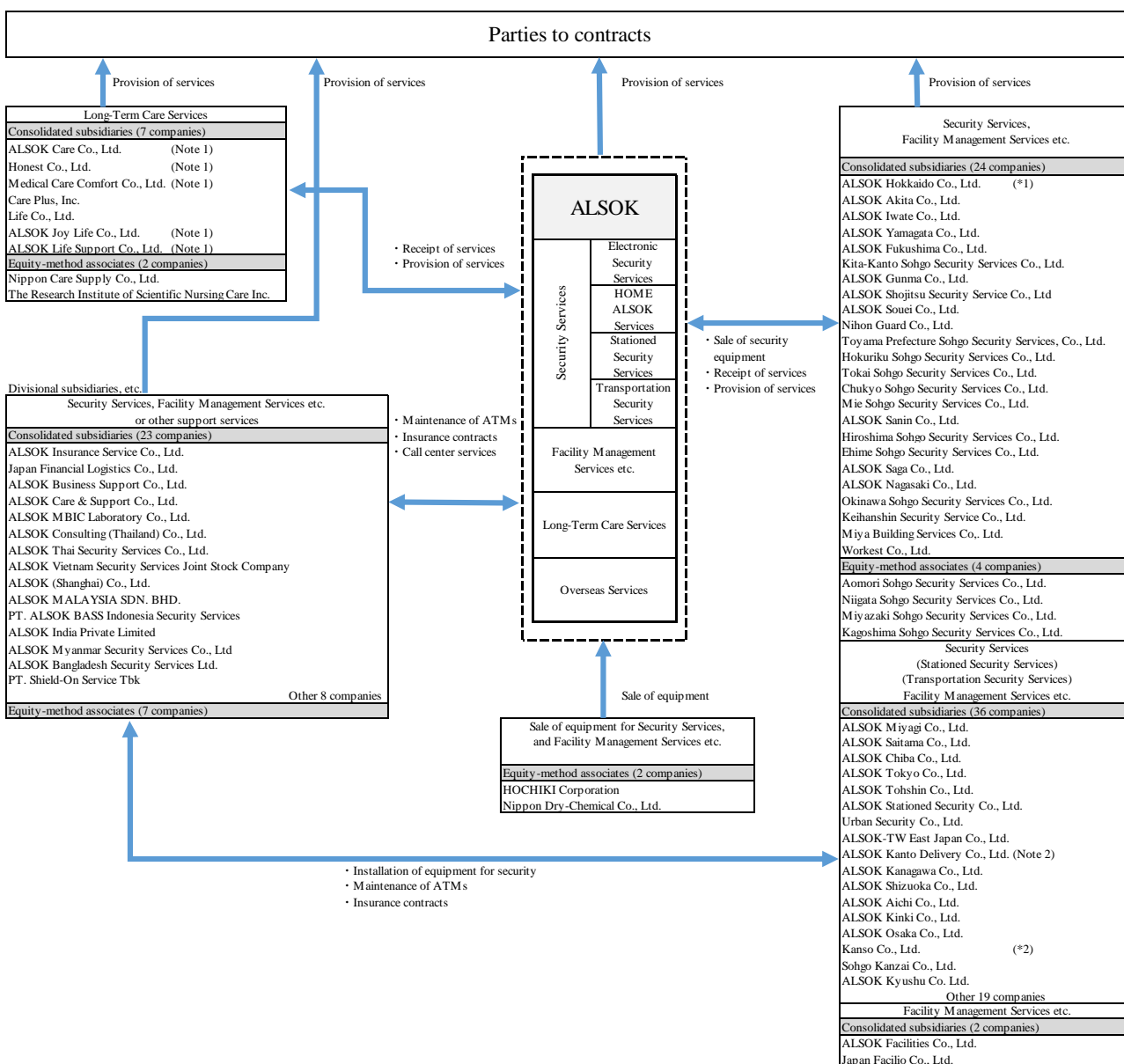
We have operated businesses mainly in Southeast Asia, where many Japanese companies are expanding their businesses, including Thailand, Vietnam, Indonesia, India, Myanmar, and Bangladesh.

We have now expanded our business domain beyond the provision of the Stationed and Electronic Security Services to include facility management services, such as fire protection, cleaning, and building facility management.

We support our customers' business continuity by meeting the needs of the customers operating in countries with diverse security and economic conditions, while coordinating the services with those provided in Japan.

## Group structure

The Group's major companies by segment and the structure of these companies for the fiscal year ended March 31, 2025 are as follows. Only representative transactions are described below.



- (Notes) 1. Effective April 1, 2025, ALSOK Life Support Co., Ltd. was absorbed and merged into ALSOK Joy Life Co., Ltd. In addition, the Kansai Division business of ALSOK Care Co., Ltd. and all businesses of Medical Care Comfort Co., Ltd. have been transferred to ALSOK Joy Life Co., Ltd., along with all shares of Honest Co., Ltd. previously held by ALSOK Care Co., Ltd.
2. Effective April 1, 2025, ALSOK Kanto Delivery Co., Ltd., a consolidated subsidiary, was absorbed and merged into the Company.

\*1 Effective October 1, 2024, as part of the Group business reorganization, the Company transferred the business of Hokkaido branch and Keiso Hokkaido branch, which are the Company's offices in Hokkaido, to ALSOK Hokkaido Co., Ltd., a consolidated subsidiary of the Company, by way of a company split (simplified absorption-type company split).

\*2 Effective December 1, 2024, the Company acquired all shares of Kanso Co., Ltd., which mainly engages in the Facility management etc., making both Kanso Co., Ltd. and its subsidiary consolidated subsidiaries.

#### 4. Subsidiaries and associates

Company Name	Address	Capital stock (Millions of yen)	Description of main business	Ownership ratio of voting rights (%)	Relationship
(Consolidated subsidiary)					
ALSOK Hokkaido Co., Ltd.	Kita-ku, Sapporo city, Hokkaido	20	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
ALSOK Akita Co., Ltd.	Akita city, Akita	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
ALSOK Iwate Co., Ltd.	Morioka city, Iwate	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Yamagata Co., Ltd.	Yamagata city, Yamagata	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Fukushima Co., Ltd.	Koriyama city, Fukushima	200	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
Kita-Kanto Sohgo Security Services Co., Ltd. (Note 4)	Utsunomiya city, Tochigi	100	Security services	50.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
ALSOK Gunma Co., Ltd.	Maebashi city, Gunma	10	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
ALSOK Souei Co., Ltd.	Totsuka-ku, Yokohama city, Kanagawa	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities
Toyama Prefecture Sohgo Security Services, Co., Ltd. (Note 4)	Toyama city, Toyama	64	Security services	50.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
Hokuriku Sohgo Security Services Co., Ltd.	Kanazawa city, Ishikawa	60	Security services	65.3	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1
Tokai Sohgo Security Services Co., Ltd. (Note 4)	Ito city, Shizuoka	10	Security services	50.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 2
Chukyo Sohgo Security Services Co., Ltd. (Note 4)	Naka-ku, Nagoya city, Aichi	50	Security services	50.0	Receipt and provision of services Management guidance Rental of facilities
Nihon Guard Co., Ltd. (Note 9)	Gifu city, Gifu	51	Security services	57.1	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1

Company Name	Address	Capital stock (Millions of yen)	Description of main business	Ownership ratio of voting rights (%)	Relationship
Mie Sohgo Security Services Co., Ltd. (Notes 4, 7)	Yokkaichi city, Mie	10	Security services	50.0 (20.0)	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Sanin Co., Ltd.	Matsue city, Shimane	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
Hiroshima Sohgo Security Services Co., Ltd. (Note 4)	Asaminami-ku, Hiroshima city, Hiroshima	90	Security services	50.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 3
Ehime Sohgo Security Services Co., Ltd. (Note 4)	Matsuyama city, Ehime	90	Security services	50.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
ALSOK Nagasaki Co., Ltd.	Nagasaki city, Nagasaki	20	Security services	70.8	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
Okinawa Sohgo Security Services Co., Ltd.	Ginowan city, Okinawa	40	Security services	68.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1
ALSOK Miyagi Co., Ltd.	Miyagino-ku, Sendai city, Miyagi	20	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Ibaraki Co., Ltd.	Mito city, Ibaraki	30	Security services	100.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1
ALSOK Saitama Co., Ltd.	Chuo-ku, Saitama city, Saitama	20	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
ALSOK Chiba Co., Ltd.	Hanamigawa-ku, Chiba city, Chiba	20	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Tokyo Co., Ltd.	Chiyoda-ku, Tokyo	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities
ALSOK Tohshin Co., Ltd.	Fuchu city, Tokyo	18	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Stationed Security Co., Ltd.	Sumida-ku, Tokyo	100	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities
Urban Security Co., Ltd.	Chiyoda-ku, Tokyo	100	Security services	51.4	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1

Company Name	Address	Capital stock (Millions of yen)	Description of main business	Ownership ratio of voting rights (%)	Relationship
ALSOK Shojitsu Security Service Co., Ltd.	Chiyoda-ku, Tokyo	100	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities
ALSOK-TW East Japan Co., Ltd.	Chuo-ku, Tokyo	100	Security services	80.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Kanto Delivery Co., Ltd. (Note 11)	Adachi-ku, Tokyo	10	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities
ALSOK Business Support Co., Ltd.	Koto-ku, Tokyo	20	Security services	100.0	Management guidance Number of officers holding concurrent positions: 1
ALSOK Kanagawa Co., Ltd.	Nishi-ku, Yokohama city, Kanagawa	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities
ALSOK Shizuoka Co., Ltd.	Aoi-ku, Shizuoka city, Shizuoka	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Aichi Co., Ltd.	Nishi-ku, Nagoya city, Aichi	30	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities
ALSOK Keiji Co., Ltd.	Shimogyo-ku, Kyoto city, Kyoto	20	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Osaka Co., Ltd.	Chuo-ku, Osaka city, Osaka	20	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 3
ALSOK Kinki Co., Ltd.	Chuo-ku, Osaka city, Osaka	50	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 3
ALSOK Hyogo Co., Ltd.	Chuo-ku, Kobe city, Hyogo	10	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
ALSOK Asahi Harima Co., Ltd. (Note 7)	Hamada city, Shimane	20	Security services	90.0 (30.0)	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
ALSOK Yamaguchi Co., Ltd.	Yamaguchi city, Yamaguchi	10	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
ALSOK Tokushima Co., Ltd.	Tokushima city, Tokushima	10	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1



Company Name	Address	Capital stock (Millions of yen)	Description of main business	Ownership ratio of voting rights (%)	Relationship
ALSOK Kochi Co., Ltd.	Kochi city, Kochi	15	Security services	100.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1
ALSOK Kyushu Co. Ltd.	Hakata-ku, Fukuoka city, Fukuoka	20	Security services	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 2
Hiroshima Sohkei Services Co., Ltd. (Notes 4, 7)	Asaminami-ku, Hiroshima city, Hiroshima	30	Security services	50.0 (50.0)	Receipt of services Rental of facilities
ALSOK Care & Support Co., Ltd.	Ota-ku, Tokyo	100	Security services	100.0	Management guidance Rental of facilities Number of officers holding concurrent positions: 2
Keihanshin Security Service Co., Ltd.	Ikeda city, Osaka	35	Security services	90.9	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 2
ALSOK Facilities Co., Ltd.	Chiyoda-ku, Tokyo	72	Facility management services etc.	100.0	Receipt and provision of services Management guidance Rental of facilities Number of officers holding concurrent positions: 1
Japan Facilio Co., Ltd. (Note 3)	Minato-ku, Tokyo	2,500	Facility management services etc.	91.6	Management guidance Number of officers holding concurrent positions: 1
ALSOK MBIC Laboratory Co., Ltd. (Note 8)	Shinagawa-ku, Tokyo	1	Facility management services etc.	100.0	Management guidance Rental of facilities Number of officers holding concurrent positions: 2
Kanso Co., Ltd. (Note 10)	Nishinari-ku, Osaka- city, Osaka	100	Facility management services etc.	100.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 2
Japan Financial Logistics Co., Ltd.	Minato-ku, Tokyo	40	Support of security services	60.0	Provision of services Rental of facilities
ALSOK Care Co., Ltd. (Note 12)	Omiya-ku, Saitama city, Saitama	100	Long-term care services	100.0	Management guidance Rental of facilities Number of officers holding concurrent positions: 3
Honest Co., Ltd. (Notes 7, 12)	Taisho-ku, Osaka city, Osaka	3	Long-term care services	100.0 (100.0)	Management guidance Number of officers holding concurrent positions: 2
Care Plus, Inc.	Minato-ku, Tokyo	69	Long-term care services	100.0	Management guidance Rental of facilities Number of officers holding concurrent positions: 2
Life Co., Ltd. (Note 8)	Shinagawa-ku, Tokyo	100	Long-term care services	100.0	Management guidance Number of officers holding concurrent positions: 3
ALSOK Joy Life Co., Ltd. (Note 12)	Kita-ku, Osaka-city, Osaka	100	Long-term care services	100.0	Management guidance Number of officers holding concurrent positions: 2
ALSOK Life Support Co., Ltd. (Note 12)	Hirakata city, Osaka	100	Long-term care services	100.0	Management guidance Number of officers holding concurrent positions: 2
PT. ALSOK BASS Indonesia Security Services	Jakarta, Indonesia	11,000 million Indonesian Rupia	Overseas services	99.3	Management guidance Number of officers holding concurrent positions: 1

Company Name	Address	Capital stock (Millions of yen)	Description of main business	Ownership ratio of voting rights (%)	Relationship
ALSOK Thai Security Services Co., Ltd. (Note 7)	Bangkok, Thailand	69 million Thai Baht	Overseas services	100.0 (51.0)	Management guidance
ALSOK Vietnam Security Services Joint Stock Company (Note 4)	Hai Phong City, Vietnam	11,000 million Vietnamese Dong	Overseas services	49.0	Management guidance Number of officers holding concurrent positions: 1
PT. Shield-On Service Tbk (Note 7)	Jakarta Puset, Indonesia	79,941 million Indonesian Rupia	Overseas services	79.8 (79.8)	Management guidance Number of officers holding concurrent positions: 1
Other 31 companies	—	—	—	—	—
(Equity-method associates)					
HOCHIKI Corporation (Notes 5,6)	Shinagawa-ku, Tokyo	3,798	Sales of equipment related to Security Services and Facility Management Services etc.	17.6	Equipment purchase
Nippon Dry-Chemical Co., Ltd. (Notes 5,6)	Kita-ku, Tokyo	700	Sales of equipment related to Security Services and Facility Management Services, etc.	16.4	Equipment purchase
Aomori Sohgo Security Services Co., Ltd.	Aomori city, Aomori	30	Security services	30.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1
Niigata Sohgo Security Services Co., Ltd. (Note 5)	Higashi-ku, Niigata city, Niigata	48	Security services	15.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1
Miyazaki Sohgo Security Services Co., Ltd. (Note 5)	Miyazaki city, Miyazaki	20	Security services	15.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1
Kagoshima Sohgo Security Services Co., Ltd.	Kagoshima city, Kagoshima	20	Security services	20.0	Receipt and provision of services Management guidance Number of officers holding concurrent positions: 1
Nippon Care Supply Co., Ltd. (Note 6)	Minato-ku, Tokyo	2,897	Lease and sales of nursing care goods	31.9	Management guidance Rental of facilities Number of officers holding concurrent positions: 1
Tobu Co., Ltd. (Note 7)	Aoba-ku, Sendai city, Miyagi	40	Security services Facility management services etc.	35.0 (35.0)	Receipt and provision of services
Tobu Co., Ltd. (Note 7)	Minami-Soma city, Fukushima	20	Security services Facility management services etc.	35.0 (35.0)	Receipt and provision of services
Tobu Co., Ltd. (Note 7)	Shinjuku-ku, Tokyo	10	Security services Facility management services etc.	35.0 (35.0)	Receipt and provision of services
Other 5 companies	—	—	—	—	—

(Notes) 1. The segment name is described in the description of main business.

2. Selected profit/loss information is not disclosed for the consolidated subsidiaries as no single consolidated subsidiary accounts for more than 10% of the consolidated net sales (excluding intercompany sales).
3. This is a specified subsidiary.
4. Although the ownership interest is 50/100 or less, this is considered as a subsidiary as we substantially control the company.
5. Although the ownership interest is less than 20/100, this is considered as an equity-method associate as we have significant influence over the company.
6. Annual Securities Report has been submitted.

7. The percentage in parentheses under ownership ratio of voting rights represents indirect ownership ratio and is included in the percentage described above.
8. Effective April 1, 2024, Life Holdings Co., Ltd. was absorbed and merged into Life Co., Ltd. All shares of MBIC Life Co., Ltd. held by Life Holdings Co., Ltd. were paid as dividends in kind to the Company, the parent company of Life Holdings Co., Ltd. The company name of MBIC Life Co., Ltd. was changed to ALSOK MBIC Laboratory Co., Ltd.
9. Effective July 12, 2024, the Company acquired additional shares of Nihon Guard Co., Ltd., an equity-method associate mainly engaging in security services, and Nihon Guard Co., Ltd. became a consolidated subsidiary of the Company.
10. Effective December 1, 2024, the Company acquired all shares of Kanso Co., Ltd., which mainly engages in the Facility Management Services etc., making both Kanso Co., Ltd. and its subsidiary consolidated subsidiaries.
11. Effective April 1, 2025, ALSOK Kanto Delivery Co., Ltd., which engages in the transportation security business, was absorbed and merged into the Company.
12. Effective April 1, 2025, ALSOK Joy Life Co., Ltd., which operates a long-term care business in the Kansai region, carried out organizational restructuring, including the absorption-type merger of ALSOK Life Support Co., Ltd.

## 5. Employees

### (1) Consolidated company

As of March 31, 2025

Segment	Number of employees
Security Services	25,880 [4,424]
Facility Management Services etc.	2,301 [964]
Long-Term Care Services	3,270 [2,620]
Overseas Services	29,448 [-]
Total for reportable segments	60,899 [8,008]
Corporate	3,834 [225]
Total	64,733 [8,233]

(Note) The number of employees includes permanent employees. The number in square brackets represents the average number of temporary employees during the fiscal year ended March 31, 2025.

### (2) Reporting company

As of March 31, 2025

Number of employees	Average age	Average years of service	Average yearly salary (Yen)
11,559	41.4	18.3	6,029,212

Segment	Number of employees
Security Services	9,368
Facility Management Services etc.	106
Long-Term Care Services	6
Overseas Services	16
Total for reportable segments	9,496
Corporate	2,063
Total	11,559

(Notes) 1. The number of employees includes permanent employees.

2. Average yearly salary includes bonuses and overtime pay.

### (3) Labor union

Labor unions have been established at six of our consolidated subsidiaries.

There is nothing special to note regarding the labor unions.

(4) Percentage of female workers in management positions, percentage of male workers who took childcare leave, and differences in wages between male and female workers

A. Reporting company

Fiscal year ended March 31, 2025					Remarks
Percentage of female workers in management positions (%) (Note 1)	Percentage of male workers who took childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1)			
		All workers	Full-time workers	Part-time or temporary workers	
4.8	27.5	75.1	83.1	73.6	Mainly due to the limited number of overtime hours by female workers

(Notes) 1. Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. Based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), the percentage of employees who took childcare leave, etc., was calculated as stipulated in Article 71-6, Paragraph 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).

B. Consolidated subsidiaries (42 companies)

Fiscal year ended March 31, 2025						Remarks
Company Name	Percentage of female workers in management positions (%) (Note 1)	Percentage of male workers who took childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1)			
			All workers	Full-time workers	Part-time or temporary workers	
ALSOK Hokkaido Co., Ltd.	1.4	18.2	73.2	75.2	77.4	Mainly due to the limited number of overtime hours by female workers
ALSOK Miyagi Co., Ltd.	—	40.0	82.7	85.6	45.3	Same as above (Note 5)
ALSOK Akita Co., Ltd.	—	100.0	—	—	—	(Note 5)
ALSOK Iwate Co., Ltd.	—	0.0	83.1	84.2	76.3	Mainly due to the limited number of overtime hours by female workers (Note 5)
ALSOK Fukushima Co., Ltd.	4.8	41.7	72.5	71.5	68.2	Same as above
ALSOK Ibaraki Co., Ltd.	0.0	—	—	—	—	(Note 5)
ALSOK Gunma Co., Ltd.	18.8	40.0	73.7	72.6	62.7	Mainly due to the limited number of overtime hours by female workers
ALSOK Chiba Co., Ltd.	0.0	0.0	84.2	80.8	101.2	Same as above
ALSOK Facilities Co., Ltd.	—	75.0	74.6	83.6	68.4	Same as above (Note 5)
ALSOK Tokyo Co., Ltd.	3.1	0.0	66.5	65.3	84.1	Same as above

As of March 31, 2025						Remarks
Company Name	Percentage of female workers in management positions (%) (Note 1)	Percentage of male workers who took childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1)			
			All workers	Full-time workers	Part-time or temporary workers	
ALSOK Stationed Security Co., Ltd.	0.0	23.1	68.3	66.7	63.8	Same as above
ALSOK Shojitsu Security Service Co., Ltd.	6.5	0.0	80.3	79.1	68.2	Same as above
ALSOK-TW East Japan Co., Ltd.	—	—	83.4	63.1	102.3	Mainly due to the limited number of overtime hours by female workers (Note 5, 6)
ALSOK Kanagawa Co., Ltd.	—	0.0	68.0	72.7	48.3	Same as above (Note 5)
ALSOK Souei Co., Ltd.	—	50.0	79.6	70.1	81.8	Same as above (Note 5)
Nihon Guard Co., Ltd.	—	0.0	70.8	67.0	58.3	Same as above (Note 5)
ALSOK Shizuoka Co., Ltd.	21.4	50.0	89.0	84.9	87.4	Same as above
ALSOK Aichi Co., Ltd.	7.0	0.0	80.0	78.0	75.6	Same as above
ALSOK Osaka Co., Ltd.	0.0	75.0	81.3	75.5	85.5	Same as above
Kanso Co., Ltd.	14.8	100.0	54.0	92.6	60.4	Same as above
ALSOK Sanin Co., Ltd.	6.9	—	—	—	—	(Note 5)
ALSOK Yamaguchi Co., Ltd.	—	—	83.9	77.8	86.9	Mainly due to the limited number of overtime hours by female workers (Note 5)
ALSOK Kagawa Co., Ltd.	20.0	—	—	—	—	(Note 5)
ALSOK Kochi Co., Ltd.	18.2	—	—	—	—	(Note 5)
ALSOK Kyushu Co. Ltd.	8.9	33.3	76.9	75.5	79.8	Mainly due to the limited number of overtime hours by female workers
ALSOK Nagasaki Co., Ltd.	—	—	54.5	70.9	59.5	Same as above (Note 5)
ALSOK Kumamoto Co., Ltd.	33.3	—	—	—	—	(Note 5, 6)
Okinawa Sohgo Security Services Co., Ltd.	—	83.3	78.2	75.8	56.4	Mainly due to the limited number of overtime hours by female workers (Note 5)

As of March 31, 2025						Remarks
Company Name	Percentage of female workers in management positions (%) (Note 1)	Percentage of male workers who took childcare leave (%) (Note 2)	Differences in wages between male and female workers (%) (Note 1)			
			All workers	Full-time workers	Part-time or temporary workers	
ALSOK Iwate Co., Ltd.	66.7	—	—	—	—	(Note 5)
ALSOK Yamagata Kanzai Co., Ltd.	100.0	—	—	—	—	(Note 5)
Japan Facilio Co., Ltd.	5.2	—	71.4	74.0	85.4	Mainly due to the limited number of overtime hours by female workers (Note 5)
ALSOK Care & Support Co., Ltd.	52.2	—	87.9	102.7	136.4	(Note 6)
ALSOK Care Co., Ltd.	52.4	100.0	92.4	93.6	106.8	
ALSOK Joy Life Co., Ltd.	16.0	—	66.3	84.9	67.4	Mainly due to the limited number of overtime hours by female workers (Note 5)
Life Co., Ltd.	—	100.0	97.6	97.0	105.7	(Note 5)
Kita-Kanto Sohgo Security Services Co., Ltd.	—	44.4	77.3	76.2	80.9	Mainly due to the limited number of overtime hours by female workers (Note 5)
Toyama Prefecture Sohgo Security Services, Co., Ltd.	6.7	33.3	98.5	87.4	91.0	
Hokuriku Sohgo Security Services Co., Ltd.	—	100.0	96.1	81.2	95.2	Mainly due to the limited number of overtime hours by female workers (Note 5)
Chukyo Sohgo Security Services Co., Ltd.	0.0	66.7	80.8	76.4	93.6	Same as above
Hiroshima Sohgo Security Services Co., Ltd.	—	40.0	61.4	72.6	52.4	Same as above (Note 5)
Ehime Sohgo Security Services Co., Ltd.	—	25.0	80.1	84.3	67.4	Same as above (Note 5)
Hiroshima Sohkei Services Co., Ltd.	7.4	100.0	92.8	74.7	122.7	Same as above

(Notes) 1. Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. Based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), the percentage of employees who took childcare leave, etc., was calculated as stipulated in Article 71-6, Paragraph 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family

Members (Ordinance of the Ministry of Labor No. 25 of 1991).

3. The number of workers used to calculate the difference in wages between male and female workers is determined based on the workers who work regular hours. Workers who work reduced hours due to childcare or nursing care are excluded from the calculation.
4. Consolidated subsidiaries not listed in the table above are exempt from disclosure obligation based on the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members.
5. A bar (-) indicates that information is omitted as the Company is not required to disclose it under the applicable laws referenced on the previous pages, except for the bar noted in item 6. below.
6. A bar (-) in Percentage of male workers who took childcare leave for ALSOK Kumamoto Co., Ltd. and ALSOK Care & Support Co., Ltd. indicates that there were no such workers during the fiscal year ended March 31, 2025.



## II. Business Overview

### 1. Management policy, business environment and pressing issues

#### (1) Basic corporate management policy

Our management philosophy is “Based on two core principles exemplified by ‘arigato no kokoro’ (a feeling of gratefulness and gratitude) and ‘bushi no seishin’ (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole.” Based on this purpose, our top priority is to provide services and products of the first rank, and this calls on us to make ALSOK a company that offers employees fulfillment in their work while growing earnings, providing services and products in an ever-expanding range of new fields based around our core security services business, and developing services and products that contribute to the advancement of society.

Effective July 16, 2025, we will change our company name to ALSOK Co., Ltd. By unifying our company name under the ALSOK corporate brand—widely recognized by stakeholders as strongly evoking safety and security—we aim to further enhance our brand value.

#### (2) Target management indicators

The ALSOK Group believes that expanding its security services and other operations, as well as streamlining and improving efficiency of all of its business activities, are essential for increasing profitability. Accordingly, it focuses on the consolidated ordinary income margin as a key management indicator. We also emphasize the ratio of net income to equity, otherwise known as return on equity (“ROE”), as an indicator of how optimally shareholders’ equity is being utilized. Therefore, we have set the medium-term target of achieving both ordinary income margin and ROE of 10% or more.

#### (3) Medium- and long-term corporate strategy

To meet society’s growing safety and security needs amid increasingly diversified risks, the ALSOK Group will expand its security business by offering new services that leverage its existing security infrastructure. At the same time, the ALSOK Group aims to become a “resilient, integrated safety and security solutions provider” by proactively entering businesses expected to generate synergy effects with its core security business, including the long-term care business. To achieve this, we will enhance the capacity to respond to diverse safety and security needs of society, promote digitization and data utilization, foster a work environment where employees play an active role, and enhance sustainability initiatives.

#### (4) Business environment and pressing issues for the Company

As one of Japan’s leading security services conglomerates, the ALSOK Group recognizes the responsibility this position entails. We are actively committed to protecting the safety and security of society, while upholding strict compliance standards and operating as a principled company to enhance corporate value. Additionally, in a society facing increasingly diverse risks, the Group, as an essential provider of safety and security infrastructure, will promote the transformation of its business model by strengthening integration within existing business areas and expanding into new ones to accurately respond to the growing safety and security needs of customers and society.

##### A. Responding to rising production costs

To respond to production costs including wages, we, having declared our commitment to partnership building under the Japanese government initiative, continue to aim for co-existence and mutual prosperity with our business partners, including implementing price revisions in response to cost increases, and will undertake initiatives that consider the interests of multiple stakeholders, including our business partners. In procuring equipment to be used by the Group, the Group will appropriately manage its inventory based on supply and demand forecasts, seek new procurement sources, and promote the reuse of materials.

##### B. Responding to diverse safety and security needs of customers and society

We are seeing an increased risk of cyber-attacks on critical infrastructure and supply chains, concerns for the safety and security of vulnerable groups in society such as senior citizens, women and children, increasing number of common crimes and accidents, ongoing natural disasters, and aging of infrastructure, all of which adds up to a diversification of the risks in the society. We are aware that it is highly important to respond to safety- and security-related needs of society appropriately and with the highest possible quality.

The ALSOK Group will respond to these risks by strengthening internal and external infrastructure built up through its Security and Facility Management Services etc., and by expanding and improving new solutions through external alliances that combine various service features, such as cyber-security measures; services that protect the safety and security of individual customers; services, such as BCP solutions, that provide response to natural disaster risks; assistance with various outsourcing needs; comprehensive management services for buildings, facilities, and infrastructure.

##### C. Digitization and data utilization

Amid massive changes in the business environment surrounding the ALSOK Group, including advances in digital technologies, the Group is focusing its efforts on creating new services through enhanced communications with customers

and through data utilization, increasing productivity through business process reengineering in the front and back office operations, and creating added value.

D. Establishing a work environment where employees play an active role

The ALSOK Group will further promote work-style reforms across the Group while enhancing employee engagement by providing systems and environments that enable each employee to reach their full potential. This includes offering diverse working style options and opportunities for skill development, while recruiting a wide range of talent to drive its Security Services, Facility Management Services etc., Long-Term Care Services, and Overseas Services businesses.

E. Strengthening sustainability initiatives

The Group is committed to achieving sustainable growth and enhancing corporate value over the medium to long term, while continuously strengthening its governance framework. Through its CSR activities, the Group contributes to the achievement of the Sustainable Development Goals (SDGs) and strive to realize a sustainable society based on the recognition that global environmental issues are shared challenges for all humankind. We endorse the recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”), and actively work on many fronts to achieve our greenhouse gas emissions reduction targets. This includes calculating Scope 3 emissions, comprising supply chain emissions, for the entire group in February 2023, as well as obtaining third-party verification for our Scope 1, 2, and 3 emissions for the fiscal year 2023. As part of our efforts to reduce greenhouse gas emissions, we have strengthened our sustainability initiatives through the introduction of both electric vehicles (“EV”) and hybrid vehicles and the sale, installation, and maintenance of EV charging facilities. As part of our initiatives to preserve the ecosystem, 9 companies in our Group have been accredited as Certified Wildlife Capture Operators, and ALSOK Chiba Co., Ltd. operates its own meat processing facility.

F. Response to major disasters, infectious diseases, etc.

In preparation for the occurrence of a large-scale disaster, the ALSOK Group has taken measures utilizing know-how accumulated through experience. These include developing response manuals aligned with the Business Continuity Plan and the Disaster Countermeasure Regulations, stockpiling emergency supplies, establishing a flexible nationwide response system, and conducting periodic education and training programs. In addition, to prevent the spread of infectious diseases, we have formulated contingency plans to ensure the continuous availability of services. We also provide the Safety Confirmation Service and other offerings to support our customers in developing contingency plans.

G. Developing overseas operations

The ALSOK Group is also responding to mounting needs for safety and security overseas. Based on the expertise it has cultivated in Japan, it offers products and services optimized for each country, while proactively expanding its operations to support the overseas businesses of its customers. In Indonesia, the Group’s largest overseas operation, the Group is integrating its subsidiaries PT. ALSOK BASS Indonesia Security Services and PT. Shield-On Service Tbk. The Group will continue to strengthen its efforts to build a mutually beneficial relationship between Japan and Indonesia in talent development and to further expand its business in ASEAN.

H. Measures to prevent recurrence of accounting 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.

The Group recognizes the importance of internal controls over financial reporting and will be committed to strengthening internal controls over financial closing and reporting processes by enhancing the expertise of the accounting department and reorganizing the system for verifying recorded amounts for key accounts. These efforts aim to ensure the reliability of the financial reporting.

## 2. Approach to sustainability and its initiatives

The Group's approach to sustainability and its initiatives are as follows.

Any forward looking information included below is based on the best estimates of the Group as of March 31, 2025.

### (1) Approach to sustainability

Recognizing that addressing issues surrounding sustainability is a fundamental management issue, the Group has established a basic sustainability policy to meet the diverse safety and security needs of customers and society, and the Group will continue to pursue initiatives to achieve sustainable growth.

Also, the Company places particular importance on risk management due to the nature of its business to ensure safety of society. To this end, the Risk Management Committee, chaired by the Representative Director Group COO, is organized in accordance with the Risk Management Rule established in 2002 as amended according to the current risk situations. Also, the risk management examination organization is established on a head office and office level, to manage risk on a company-wide basis, including identification and assessment of risks and development of preventative and responsive measures. In addition, a risk examination working group is set up within the Risk Management Committee for each field, which collects, analyzes and assesses risk information to develop measures to mitigate the risks. We have established systems, such as emergency contact and establishment of task force, to respond promptly to critical emergency situations.

### (2) Key sustainability matters

The Group's key sustainability matters are described below:

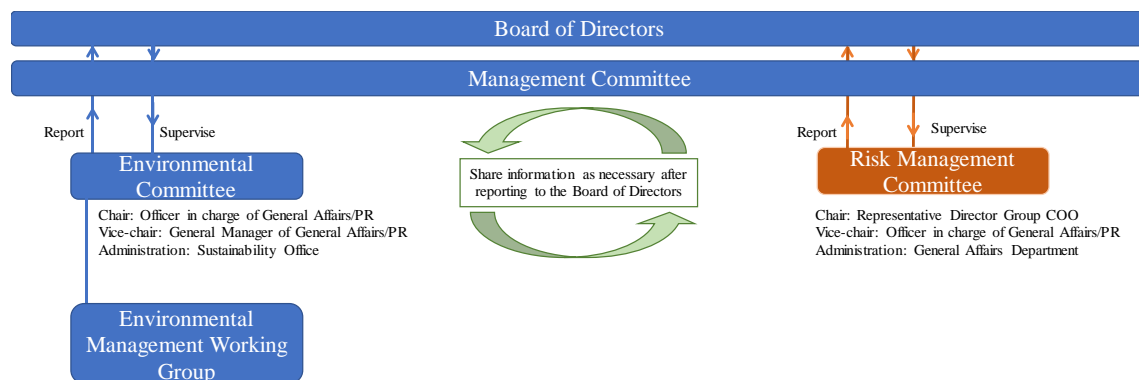
#### A. Environment

Endorsing the TCFD, the Group discloses information on four disclosure items, "Governance," "Strategy," "Risk Management," and "Metrics and Targets" on its website. The Group is also committed to supporting initiatives, such as joining the United Nations Global Compact.

(URL) <https://www.alsok.co.jp/company/society/tcfid/>

#### (A) Governance

The Environmental Committee (chairperson: Officer in charge of General Affairs/PR) and the Environmental Management Working Group are organized to plan, implement, and review environmental promotion activities and other environmental measures, and to report the status of initiatives to the Board of Directors as appropriate, and implement PDCA cycle of the environmental management system, thereby driving company-wide environmental initiatives. We have also established a system to address company-wide risks in cooperation with the Risk Management Committee.



#### (B) Strategy

We conducted scenario analysis to identify climate-related risks, measures, and opportunities. Two scenarios, the 2°C scenario and the 4°C scenario, are assumed, referring to scenarios published by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency ("IEA"), etc.

2°C scenario (the world's goal)	A future in which climate change measures are more stringent than at present, and temperature increase is slower (+0.9°C to +2.4°C compared to the Industrial Revolution period)
4°C scenario	A future in which temperatures continue to rise as they are now (+3.2°C to +5.4°C compared to the Industrial Revolution period) and climate change intensifies

#### a. Climate-related risks and countermeasures

Based on the 2°C and 4°C scenarios, we have organized the risks and countermeasures assumed in each scenario as shown

in (1) and (2) below. The financial impact of the risks has been estimated based on the published data from the IEA and other sources, and classified as “Major, Medium or Minor” in accordance with the standards set by the Group’s Risk Management Committee.

(1) Risks associated with stringent regulations on climate change and relevant countermeasures

	2°C scenario	Impact	4°C scenario	Impact
Examples of risk	Increase in carbon and other taxes	Major	Replacement of vehicles, Heating, Ventilation, and Air Conditioning (“HVAC”) and lighting systems	Major
	Mandatory replacement of vehicles, HVAC and lighting systems due to stringent regulations	Major	Soaring gasoline and diesel fuel prices	Major
	Soaring electricity rates	Medium	Increasing water costs	Medium
	Decline in share price due to brand damage caused by delayed response to environmental changes	Major	Decline in share price due to brand damage caused by delayed response to environmental changes	Major
Countermeasures	Promote introduction of environmentally friendly vehicles suited to the type of work Use LED lighting in facilities, renew HVAC equipment			

(2) Risks associated with natural disasters caused by climate change and relevant countermeasures

	2°C scenario	Impact	4°C scenario	Impact
Examples of risk	Increase in accidents resulting in harm to employees (especially security guards) due to heat stroke, infectious diseases, and extreme weather conditions	Medium	Increase in accidents resulting in harm to employees (especially security guards) due to heat stroke, infectious diseases, and extreme weather conditions	Major
	Deterioration in operational efficiency due to increased frequency of equipment failures caused by wind and flood damage	Medium	Deterioration in operational efficiency due to increased frequency of equipment failures caused by wind and flood damage	Medium
	Soaring paper prices due to drought	Minor	Soaring paper prices due to drought	Minor
Countermeasures	Introduce air-conditioned clothing and change materials of uniforms Increase stockpiling of infectious disease control products (masks, disinfectants, etc.) Improve equipment performance and enhance BCP measures Promote digitization of meeting materials and others			

b. Climate-related business opportunities

We consider that business opportunities arising from more stringent regulations on climate change and natural disaster countermeasures include (1) and (2) below, based on our current businesses.

(1) Business opportunities arising from more stringent regulations on climate change

Change associated with more stringent regulations	Business opportunities expected
Increase in expected number of metal theft cases due to soaring resource prices	Increase in need for security, such as electronic security
Increase in illegal dumping of waste plastics due to higher disposal costs	Increase in need for illegal dumping monitoring services
Increase in equipment replacement opportunities due to carbon and other tax savings	Increase in need for EV charging facilities and lighting and HVAC renewal work

(2) Business opportunities arising from countermeasures for natural disaster caused by climate change

Impact of climate change	Business opportunities expected
Increase in average temperature	Increase in need for heat stroke prevention and birds and beasts control
Increase in infectious diseases	Increase in need for infection control products
Frequent and severe extreme weather events	Increase in need for disaster countermeasure products and services (BCP solutions, disaster stockpiles, river monitoring, etc.)

(C) Risk management

In the Environmental Management Working Group, the Sustainability Office of the General Affairs Department, which is an administration office for sustainability matters, identifies and assesses climate-related risks, and develops countermeasures and manages the progress, in collaboration with other related departments, the results of which are reported to the Environmental Committee for deliberation.

Risks that may cause loss or disadvantage to the business operation are assessed, and the effectiveness of countermeasures are confirmed by the Risk Management Committee organized in accordance with the Risk Management Rule. Climate-related risks that have a large impact on the Group are shared with the Risk Management Committee to manage them jointly.

(D) Metrics and targets

a. Metrics for risk management assessment (Scope 1 and 2)

The Company has two metrics, greenhouse gas (“GHG”) emissions (Scope 1 and 2) and emissions per unit of net sales. The Company has been calculating GHG emissions (Scope 1 and 2) for the entire Group since the fiscal year ended March 31, 2014. For the fiscal year ended March 31, 2024, total emissions were 84,974 t-CO<sub>2</sub> (2.16% reduction year on year), and emissions per unit of net sales were 0.162 t-CO<sub>2</sub> (7.95% reduction year on year).

To reduce Scope 1 emissions, we will actively promote the replacement of gasoline-powered vehicles with electric vehicles, and to reduce Scope 2 emissions, we will promote the use of LEDs, renewal of air conditioning systems, and installation of solar power generation equipment at facilities owned by the Group. The Group’s total Scope 3 emissions for the fiscal year ended March 31, 2024 were 262,374 t-CO<sub>2</sub>.

b. Targets (GHG reduction targets, etc.) to manage risks and opportunities and actual results

The Company has reviewed its existing medium- and long-term goals to ensure consistency with government targets, and has set goals in 2023: “Reduce total CO<sub>2</sub> emissions of the ALSOK Group by 46% compared to the FY13 level by FY30” and “Achieve carbon neutrality in Scope 1 + 2 for the entire ALSOK Group by FY50.” The progress in reducing GHG emissions (Scope 1 and 2) is managed by the Sustainability Office of the General Affairs Department, which is responsible for measures related to climate change, to achieve our long-term emissions reduction targets.

B. Governance and anti-corruption

Refer to IV. Information on Reporting Company, 4. Corporate governance for further details.

(A) Governance

We adopt the Audit and Supervisory Board members system and recognize that its full audit is operating effectively to improve governance of our management team.

ALSOK’s directors consist of 12 members, including 5 outside directors, and the Audit and Supervisory Board members consist of 4 members, including 3 outside Audit and Supervisory Board members. The Board of Directors meets generally once a month to make important management decisions on basic management policy and important matters concerning business execution. The board also oversees execution of duties of the directors and executive officers. The Management Committee, chaired by the Representative Director Group CEO, meets generally twice a month to discuss matters to be presented to the Board of Directors and the business execution policy based on the resolutions of the Board of Directors. The Audit and Supervisory Board meets generally once a month to consult, discuss or resolve significant matters concerning audit. Also, one of the Audit and Supervisory Board members attends the Management Committee and monitors execution of duties of management.

We have been adopting this current system as the fairness and transparency of business management are properly ensured by the system.

In addition, based on the Companies Act and the Financial Instruments and Exchange Act of Japan, the Company has a system in place in accordance with Basic Policy for Internal Control System stipulated by the Board of Directors to ensure the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and the adequacy of the business of other corporation and a corporate group consisting of the corporation and its subsidiaries.

Furthermore, we distribute three booklets, the ALSOK Charter, the ALSOK Corporate Ethics, and the Guide to Preventing Harassment and Misconduct, to all officers and employees, which systematically outline our basic approach to establishing high corporate ethics, used as teaching materials in various opportunities, including morning assemblies, training, meetings, and conferences. In order to maintain fair and sound relationships with suppliers and other business partners, we act in a moderate manner in receiving and accepting entertainment and gifts from them in accordance with the internally defined rules.

Various other committees (the Risk Management Committee, the Business Investment Review Committee, etc.) have been established with the approval of the Representative Director Group COO following deliberations of the Management Committee. These committees conduct research, study, deliberation, planning and drafting related to important or special advisory matters.

#### (B) Risk management

The Company conducts a questionnaire survey for all directors and all the Audit and Supervisory Board Members regarding the effectiveness of the Board of Directors, the results of which are analyzed and evaluated along with any opinions presented during the course of the evaluation process, in an effort to improve the effectiveness of the Board of Directors.

Also, the Company places particular importance on risk management due to the nature of its business to ensure safety of society. To this end, the Risk Management Committee, chaired by the Representative Director Group COO, is organized in accordance with the Risk Management Rule established in 2002 as amended according to the current risk situations. Also, the risk management examination organization is established on a head office and office level, to manage risk on a company-wide basis, including identification and assessment of risks and development of preventative and responsive measures. In addition, a risk examination working group is set up within the Risk Management Committee for each field, which collects, analyzes and assesses risk information to develop measures to mitigate the risks. We have established systems, such as emergency contact and establishment of task force, to respond promptly to critical emergency situations.

With respect to compliance, the Compliance Committee, chaired by the officer in charge of compliance, is organized to achieve compliance with laws and regulations. The Compliance Committee strives to improve compliance awareness across officers and employees in accordance with the Compliance Regulation established in 2002 (currently the Compliance Rule) and monitors the activities on a regular basis.

#### C. Human capital

##### (A) Talent development policy

Based on the basic idea that talent is the most important element of corporate growth, we have always supported the growth of our people through various education and training as well as day-to-day operations.

In addition to acquiring the knowledge and skills necessary to perform our duties, we have introduced practical training programs that link the knowledge and skills required for each job and position in order to respond to the ever-changing business environment with its diversifying risks and needs, and to enhance educational training programs. Also, through personnel exchanges both within and outside the Group, we strive to develop talent with diverse perspectives and strong adaptability.

We will continue to pursue the sustainable growth of both the Company and employees by developing talent who “take an interest in themselves,” “have an individual will,” and “learn independently,” while maximizing each employee’s abilities and fostering a corporate culture in which all employees have a strong will to “inspire customers” and “become a group that is more needed in society.”

##### <Specific initiatives>

###### a. Training mechanism for security “professional”

“People” are at the heart of the security services provided by ALSOK.

New hires, who represent the future of the Company, participate in the New Hire Training to acquire the necessary qualifications as a security guard as well as the common knowledge and skills required for their jobs. Thereafter, new hires have the opportunity to participate in a full range of educational programs, including on-the-job training within their assigned departments and group training led by the head office department, to brush up on the knowledge and skills learned. Furthermore, we hold the ALSOK Group Cooperative Quality Improvement Competition, a competition for our practices, every year to encourage employees to hone their skills and to improve the quality of services provided to our customers.

###### b. Enhanced educational program for risk management and digitalization

As the risks inherent in daily life become increasingly complex and diverse, we are strengthening our risk management education to develop talent capable of delivering value beyond the scope of “crime prevention and disaster prevention,” positioning them as true “professionals” in risk control.

As DX is progressing in various scenes, the Company believes that the fusion of human and technology (digital) will

enable us to create new value while reducing manpower. To enhance employees' digital literacy and strengthen services through DX, we provide digital education to all employees, including those working in the field, via an e-learning system. Additionally, we have introduced a support system for acquiring professional qualifications, aiming to develop talent with more advanced digital skills.

c. Support for autonomous career development of employees

We support the autonomous career development of our employees by encouraging the acquisition of various official qualifications aligned with our businesses, promoting personnel exchanges among central government ministries and agencies, other companies, and group companies, recruiting talent for security roles at diplomatic missions abroad, and dispatching employees to professional graduate schools to cultivate future management personnel. To support employees in obtaining qualifications, we encourage them to take initiative by clearly demonstrating how the knowledge and skills they can acquire relate to their job responsibilities, as well as the type of talent the Company seeks to develop.

<Metrics and results> (Note 1)

	Metrics	Results	
Education	i. Number of participants in specialized training (Note 2)	5,634 passed	+2,145 year on year
	ii. Number of e-learning participants	191,470 passed	+60,302 year on year
	iii. Digital courses	41,648 passed	+8,407 year on year
	iv. Risk management education	30,205 passed	+8,158 year on year
Qualifications	v. IT Strategist Examination	14 passed	+6 year on year
	vi. Applied information technology engineer examination	153 passed	+8 year on year
	vii. Registered information security specialist	43 passed	+1 year on year
	viii. First-class telecommunication construction execution manager	69 passed	+11 year on year
	ix. Security guard training supervisor No.1 (facility)	3,544 passed	+111 year on year
	x. Security guard training supervisor No.4 (personal protection)	2,032 passed	+76 year on year
	xi. Certified electrician	558 passed	+28 year on year

(Notes) 1. The number of people represents the total number.

2. A new training system for acquiring knowledge and skills required for duties and positions, in addition to the skills needed to perform the work.

(B) Internal environmental improvement policy

The Group respects and accepts individuals from diverse backgrounds, such as gender, nationality, religion, beliefs, disabilities, values, and lifestyles, to secure a broad range of human capital for our business operations. The Group also promotes diversity in the management level, which is the core of our organization, to create a vibrant workplace.

We are also working to establish comprehensive systems and promote policies aimed at securing and advancing a diverse workforce, including hiring of women and expanding job categories; enhancing work-life balance, such as by facilitating extended leave and strengthening support systems beyond legal requirements; supporting the development of young talent who will lead the Company's future; and promoting health and productivity management.

With the government's goals in mind, we will continue striving to create a corporate environment where all employees can thrive both professionally and personally.

<Specific initiatives>

a. Promotion of women's participation in the workplace

To create a workplace environment where women feel comfortable balancing work and family, the Company has developed a variety of internal systems, including childcare and nursing leave and shorter working hours that are beyond required by the law, as well as systems for pregnant women and women before and after giving birth.

Security services, especially operations, have historically been viewed as male-dominated, but today many women are actively contributing in the field. Breaking away from these unconscious assumptions, the Group will continue to make a concerted effort to ensure that all employees can feel empowered to pursue career advancement and embrace diverse

work styles.

<Metrics and targets>

Metrics	Target	Results
i. Percentage of women in management positions	30.0% or more by FY30	11.5%
ii. Percentage of male workers who take childcare leave	50.0% or more by FY25	34.9%

b. Leveraging diverse talent

The Group has been actively and continuously recruiting diverse talent regardless of gender, nationality or age, while working to create a workplace environment where they can demonstrate their individual characteristics and abilities. With respect to the hiring of people with disabilities, we have established ALSOK Business Support Co., Ltd., a Special Subsidiary Company, which designs operations and creates a working environment that takes account of the characteristics of disabilities.

<Metrics and targets>

Metrics	Target (compared to FY20) (Note 1)	Results
i. Percentage of non-Japanese in management positions	5.0% increase	215.7% increase (Note 2)
ii. Percentage of mid-career employees in management positions	To keep approximately 50.0%	48.2%

(Notes) 1. This is the target to be achieved by the end of March 2026.

2. Increased due to the effect of PT. Shield-On Service Tbk in Indonesia, a subsidiary newly consolidated in FY24.

c. Support for young talent

The Company has long been committed to improving its systems and employee treatment to foster a pleasant workplace. As part of these efforts, we introduced the Loan-Based Scholarship Repayment Program in October 2024 with the aim of supporting young employees, who represent the talent that will lead ALSOK's future.

In the security industry, addressing the labor shortage caused by the declining birthrate and aging population is an urgent issue. Moving forward, in addition to this system, we will continue to promote the recruitment and retention of talent through initiatives such as improving working conditions and implementing regular base salary increases, while fostering a rewarding workplace for employees.

<Overview of program>

Item	Description
Amount of repayment	Maximum ¥216,000 per year (maximum ¥18,000 per month)
Years of repayment	Maximum 5 years
Maximum amount of repayment	¥1,080,000
Employee covered	Employees who have been with the company for 5 years or less *Employees who meet other requirements set by the company

d. Outside certification

Our efforts have been recognized by external organizations. The Company was certified as “Childcare Support Company” by the Ministry of Health, Labour and Welfare and received the “Kurumin” certification in 2010 and 2015. In February 2017, the Company also received the “Eruboshi” certification from the Ministry of Health, Labour and Welfare under the Act on the Promotion of Women’s Active Engagement in Professional Life, and it is currently certified at the second of the three certification ranks.



e. Health management

We have been making various efforts to maintain and promote employee health, including “measures against obesity,”



“measures against smoking,” and “measures for employees not receiving appropriate medical care” as our Collabo Health initiative in collaboration with the ALSOK Corporate Health Insurance Society. In recognition of these efforts, the Company was recognized as a “Certified Health and Productivity Management Outstanding Organization” for nine consecutive years, the only company in the security industry to receive this distinction. This certification is jointly sponsored by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

In addition, in 2025, we introduced a new system that enables employees identified as needing detailed examinations during regular health checkups to receive examinations at no personal cost. We will continue to strive to create an environment where employees can work with peace of mind.

<Metrics and targets>

Metrics	Target (through FY26)	Results
i. Reduction in obesity rate (Note 1)	54.3% or lower	57.8%
ii. Reduction in smoking rate (Note 1)	35.3% or lower	39.1%
iii. Reduction in employees not receiving appropriate medical care (Note 2)	5.0% or lower	13.7%

(Notes) 1. Only men aged 40 and older are included in the calculation.

2. Men and women aged 40 and older are included in the calculation.



#### D. Information security

##### (A) Governance

The Group has the Basic Policy for Information Security stipulated by the Board of Directors as a cornerstone to ensure information security, which is applied to all employees including officers and all information assets held.

Based on the Information Asset Management Rule stipulated by the Board of Directors, a company-wide management system for information assets has been established and promoted, and drills have been conducted to prepare for incidents related to information assets.

##### (B) Strategy

Due to the increase in cyber-attacks caused by changes in the international situation and the increase in the volume of information assets handled as a result of DX efforts, the Group recognizes the need to constantly maintain a high level of information security to protect its information assets. To this end, we are making continuous improvements internally, such as maintaining the Information Security Management System (ISMS) certification and the Privacy Mark certification. We are also engaged in research and development of security solutions for both real space and cyberspace, making full use of new-generation information technology and advanced engineering. In March 2023, we launched the ALSOK IT Rescue service, which investigates the cause and provides emergency treatment in the event of a customer's IT equipment-related failure.

##### (C) Risk management

If a critical incident occurs, the Group sets up the ALSOK-CSIRT (Computer Security Incident Response Team), a framework to respond to the incident and develop and execute the preventative measures, which started in the fiscal year ended March 31, 2014.

For data security, if a network failure or system trouble occurs for the operation of system or enterprise system related to products and services, it may affect the Group's ability to provide the services. To address this risk, the Group has a backup

system in place including multiplex network equipment at each location and multiple backup servers at remote locations. The Group also conducts drills for system failures to ensure stable system operations.

(D) Metrics and targets

We have two metrics, “major incident” and “minor incident.” In the scope of the Information Security Management System (ISMS) certification, we have set two targets, “zero major incident” and “five or less minor incidents,” and we have achieved these targets for eight consecutive fiscal years since 2017. We will continue to maintain a high level of information security.

### 3. Risk factors

In relation to matters described in Risk Factors and Financial Condition of the Annual Securities Report, the following items are the major risks that, in management’s opinion, may have a significant impact on financial position, operating results, and cash flows of the Group.

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

(1) Risk related to price fluctuations and supply shortages

If rising production costs, such as wage hikes, continue, we may not be able to provide services on an ongoing basis. In addition, the impact of US trade policies such as reciprocal tariffs, financial market trends, financial systemic risks and other changes in domestic and international circumstances may cause price fluctuations and supply shortages, which may affect the Group’s operating results.

To address this risk, we, having declared our commitment to partnership building under the Japanese government initiative, remain dedicated to co-existence and mutual prosperity with our business partners, including implementing price revisions in response to cost increases, and will undertake initiatives that consider the interests of multiple stakeholders, including our business partners. In addition, to minimize the impact of supply shortages, the Company has appropriately managed its inventory based on supply and demand forecasts, sought new procurement sources, and promoted the reuse of materials.

(2) Risk related to business environment

The customers’ expectations toward us are growing ever higher against a background of increasing risk of cyber-attacks on critical infrastructure and supply chains, concerns for the safety and security of senior citizens, women, children, increasing number of violent street crimes and accidents, ongoing natural disasters, and aging infrastructure. If the Group could not meet such expectations, it may lead to loss of trust of customers and affect the Group’s operating results.

The ALSOK Group has responded to these risks by strengthening internal and external infrastructure built up through its Security and Facility Management Services etc., and by expanding and improving new solutions through external alliances that combine various service features, such as cyber-security measures; services that protect the safety and security of individual customers; services, such as BCP solutions, that provide response to natural disaster risks; assistance with various outsourcing needs; comprehensive management services for buildings, facilities, and infrastructure.

(3) Risks related to changes in the technological environment

In order for the Group to accurately meet the safety and security needs of its customers and society, it is essential to develop new products and services utilizing drones, AI, and 5G, etc. Under such circumstances, a failure to respond appropriately to such changes in the technological environment could affect the Group’s operating results.

Therefore, the Group strives to avoid risks by keeping abreast of the latest technological trends and actively utilizing drones, AI, and 5G, etc. and promoting DX.

(4) Risk related to talent recruitment and development

The Group has operated a wide variety of businesses, such as the Security Services, Facility Management Services etc., Long-Term Care Services, and Overseas Services. Particularly, under the circumstance of decreasing working-age population, if retaining talent becomes difficult, leading to shortage of staff and managers who operate these businesses, it may affect the Group’s operating results.

To address this risk, we have further promoted workstyle reforms and improved employee treatment across the Group, while enhancing employee engagement, by providing systems and environments that enable each employee to reach their full potential. This includes increasing basic salary; hiring diverse human resources; providing diverse workstyle options; providing support for employees to obtain certifications to develop their skills; encouraging employees to take more paid leaves; and introducing the

Loan-Based Scholarship Repayment Program for employees who have been with the company for five years or less.

Furthermore, with the aim of revitalizing the organization and developing employees, we make efforts to improve communication within the Group, increase the opportunities for female employees, establish flexible human resource management by multi-tasking and place the right person in the right place.

We also make efforts to improve productivity by streamlining operations and saving labor in the front and back offices. This includes retention of high quality human resources such as introducing a system for retirees with abundant practical experiences to play an active role in the Group even after the retirement, as well as digital transformation and data utilization.

(5) Risk related to human rights

As the Group operates labor-intensive businesses, it considers human rights violations as a major risk. We are also aware that there is an increasing need to take initiatives in reducing human rights risks not only in its own company but also throughout its supply chain.

In order to strengthen its group-wide efforts to respect human rights, the Group formulated the ALSOK Group Human Rights Policy in November 2023 in accordance with the United Nations Guiding Principles on Business and Human Rights, and established the Human Rights Committee in April 2024. Under the responsibility of the officer in charge of General Affairs/PR, the Human Rights Committee will assess human rights risks across the departments primarily with the department in charge of sustainability, and disclose a human rights risk map. In addition, the Human Rights Committee will develop mitigation and remediation measure to address issues identified, report identified human rights risks to management as appropriate, and manage them in cooperation with the Risk Management Committee.

(6) Risk related to environmental issues

In recent years, extreme weathers, such as heat waves, heavy rains and droughts, have frequently occurred all over the world. Last year, Japan experienced a number of disasters, including torrential rains that were designated as severe disasters, and abnormal weather conditions, such as record-high average temperatures, which had a significant impact not only on the Group but also on corporate activities and the lives of citizens in general.

The Group has responded to such climate change by taking various initiatives and providing products and services from both risk and opportunity perspectives to address issues, such as mitigating and adapting to climate change, conserving water, ocean and forest resources, responding to circulating society, preventing pollution and managing waste and conserving biodiversity, to create more sustainable society. In addition, we are working on greenhouse gas emissions reductions as a global environmental measure through our initiatives, including switching the lighting of our facilities to LEDs and promoting electric and hybrid vehicles. We also support and participate in JCI Climate Change Initiative, a domestic initiative on climate change. In January 2020, we became a member of Global Environmental Action, an NGO established to contribute to solving global environmental issues and promoting sustainable development. We also support its activities through donations. Furthermore, we endorsed the recommendations of the TCFD and have been disclosing TCFD-based information since October 2022. In May 2023, we joined the GX League and actively engage in initiatives on multiple fronts. We communicate these initiatives through our website and the ALSOK Report (Integrated Report), which is issued annually.

(7) Risk related to massive disasters and infectious diseases

If a massive disaster occurs and the Group's employees or facilities are suffered from the disaster, it may affect the business operations. Therefore, in preparation for the occurrence of a large-scale disaster, the ALSOK Group has taken measures utilizing know-how accumulated through experience. These include developing response manuals aligned with the Business Continuity Plan and the Disaster Countermeasure Regulations, stockpiling emergency supplies, establishing a flexible nationwide response system, and conducting periodic education and training programs.

Also, if a massive disaster and the prolonged power outage associated with the disaster disrupt the Group's network, it may affect the Group's ability to provide services continuously. To address this risk, the Group locates two data centers each in Eastern Japan and Western Japan as a backup for critical systems, which enables to mutually monitor the systems to prepare for massive disasters.

In addition, a large-scale disaster could impede the procurement of materials necessary for business operations, which could affect the provision of services. As the Company is responsible for the majority of material procurement within the Group, it has established material warehouses in two locations, one in eastern Japan and one in western Japan, to ensure continued supply in the event of a large-scale disaster.

If an employee assigned to guard critical facilities becomes infected or when an outbreak occurs at one of the long-term care facilities operated by the Group, it may affect the Company's ability to provide services continuously. To address this risk, the Group has developed a contingency plan as a measure to prevent the spread of infection.

(8) Risk related to system development and operation

In some cases, the Group outsources development of new products, services and enterprise system to external vendors. If the development work of the Company or the vendor is delayed and the product, service or system is not released as planned, it may affect the Group's operating results or business plan. To address this risk, the Group closely works with the vendor to monitor the progress, and if necessary, takes appropriate measures immediately to prevent the delay. Also, we have an option to conduct system migration in phases by function in order to mitigate the risk. We have appropriate internal controls in place for acceptance tests and system repair/improvement. Moreover, by strengthening the recruitment and development of human resources with advanced expertise such as project management skills, the progress and quality of the vendor will be appropriately managed.

If a system trouble occurs after the implementation during the development of the enterprise system used by the Company, it may affect the Group's operating results or internal controls. To prepare for such system trouble, the Group has established a system with an external vendor to deal with such trouble and appropriate internal controls.

In addition, if a network failure, communication line outage, or system trouble occurs in the operation of a system or enterprise system related to products and services, it may affect the Group's ability to provide the services. To address this risk, the Group has a backup system in place, including multiplex network equipment at each location and multiple backup servers at remote locations. The Group also conducts drills for system failures to ensure stable system operations. We also conduct planned equipment upgrades to prepare for potential communication line outages.

(9) Risk related to information management

The Group handles personal information and confidential information. If any malicious attack to the information assets by third parties or any accidental or intentional leakage of the assets by the Group's employees or vendors occurs, it may lead to deterioration of the Group's social credibility and brand image, the payment of damages and legal punishment, which may affect the Group's operating results.

To address this risk, the Group has established the Basic Policy for Information Security as a cornerstone to ensure information security, which is applied to all employees including officers and all information assets held. Based on the Information Asset Management Rule, a company-wide management system for information assets has been established and promoted, and drills have been conducted to prepare for incidents related to information assets. Furthermore, if a critical incident occurs, the Group sets up the ALSOK-CSIRT (Computer Security Incident Response Team), which is a framework to respond to the incident and develop and execute the preventative measures.

(10) Risk related to reputation

In providing products and services, the Group shares common corporate brand among multiple companies. Under the circumstance, if any incident or scandal occurs at the Group or its subsidiaries and associates, not only may the Company be suspended from bidding, but it may also damage the brand image and affect the operating results.

For the purpose of enhancing group governance, the Company has established a specialized department to provide strict supervision and oversight of subsidiaries and associates. The department reports to the Company on performance of duties and critical information related to risk of loss of subsidiaries and associates on a timely basis. The Company sends directors or the Audit and Supervisory Board members to the subsidiaries and associates.

Based on the Internal Audit Regulation, the Inspection Department is working to ensure compliance of the Group by managing overall business activities of subsidiaries and associates, as well as by providing supervision, advice and recommendation for operational systems and business process improvements.

The information on the Company's internal control system and audit by the Audit and Supervisory Board and internal audit is described in IV. Information on Reporting Company, 4. Corporate governance in the Annual Securities Report.

(11) Risk related to legal regulations

In providing the customers with security services, etc., the Group is subject to various regulatory requirements, including major ones described below.

If any of these regulatory requirements is amended or abolished, or any new requirement is established, it may affect the Group's operating results.

To address this risk, each department of the Company as well as subsidiaries and associates confirms whether there is any amendment to or abolishment of regulatory requirements or newly established requirement and takes appropriate actions. Such risk information is reported to the Company's Legal Office on a regular basis. Going forward, we will pay close attention to the regulatory developments and take appropriate actions in order to avoid the impact of such changes on our operating results.

	Relevant laws or ordinances	Regulatory agency, etc.
Security Services	Security Business Act	National Public Safety Commission
	Road Traffic Act	(National Police Agency)
	Telecommunications Business Act	Ministry of Internal Affairs and
	Radio Act	Communications
	Act on Ensuring Fair Electric Business Practices	Ministry of Economy, Trade and Industry
	Act on Electrical Appliance and Material Safety	Ministry of Economy, Trade and Industry,
	Act on Specified Commercial Transaction	Consumer Affairs Agency
	Consumer Contract Act	Consumer Affairs Agency
	Construction Business Act	Ministry of Land, Infrastructure, Transport and Tourism
	Act on Promotion of Proper Tendering and Contracting for Public Works	
	Motor Truck Transportation Business Act	
	Consigned Freight Forwarding Business Act	
	Road Trucking Vehicle Act	
	Warehousing Business Act	Cabinet Office
	Act on Special Districts for Structural Reform	
	Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors	Japan Fair Trade Commission, Small and Medium Enterprise Agency
	Act on Penal Detention Facilities and Treatment of Inmates and Detainees	Ministry of Justice
	Air Pollution Control Act	Ministry of the Environment
FM Services etc.	Construction Business Act	Ministry of Land, Infrastructure, Transport and Tourism
	Act on Promotion of Proper Tendering and Contracting for Public Works	
	Building Lots and Buildings Transaction Business Act	
	Architect Act	
	Act on Advancement of Proper Condominium Management	Ministry of Health, Labor and Welfare
	Pharmaceutical and Medical Device Act	
	Act on Maintenance of Sanitation in Building	
	Waste Disposal Act	Ministry of the Environment
	Air Pollution Control Act	
	Electricity Business Act	Ministry of Economy, Trade and Industry
	Act on Ensuring Fair Electric Business Practices	
	Act on Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas	
	Fire and Disaster Management Act	Ministry of Internal Affairs and Communications
	Fire Prevention Ordinance	Municipality

	Relevant laws or ordinances	Regulatory agency, etc.
Long-Term Care Services	Long-Term Care Insurance Act	Ministry of Health, Labor and Welfare, Prefecture, Municipality
	Act on Social Welfare for the Elderly	
	Act on Massage and Finger Pressure Practitioners, Acupuncturists, Moxibustion Practitioners, etc.	
Other Services	Correspondence Delivery Act	Ministry of Internal Affairs and Communications
	Worker Dispatching Act	Ministry of Health, Labor and Welfare
	Employment Security Act	
	Act on Countermeasures Against Novel Influenza	
	Act on Maintenance of Sanitation in Buildings	
	Food Sanitation Act	Financial Services Agency
	Insurance Business Act	
	Act on Provision of Financial Services and the Development of the Accessible Environment Thereto	National Public Safety Commission (National Police Agency)
	Act on Prevention of Transfer of Criminal Proceeds	
	Act on Adequacy of Duties of the Detective Business	Personal Information Protection Commission
	Secondhand Articles Business Act	
	Personal Information Protection Act	Consumer Affairs Agency
	Act against Unjustifiable Premiums and Misleading Representations	
	Act on Special Measures concerning the Handling of Pollution by Radioactive Materials	Ministry of the Environment
	Act on Prohibition of Private Monopolization and Maintenance of Fair Trade	Japan Fair Trade Commission

(12) Risk related to impairment of goodwill, etc.

At times, the Group acquires companies to expand its security business to enter into related fields of the business. Under the circumstance, if the operating results of the acquired company deviate from the business plan at the time of acquisition or if the organizational restructuring, such as merger, is carried out, it may give rise to impairment losses of intangible assets, such as goodwill and customer-related assets, and other property, plant and equipment, affecting the Group's operating results.

To address this risk, the Company has established a system to monitor the performance of the acquired company and report to the Board of Directors on a regular basis. If the business plan at the time of acquisition deviates from the actual results, related departments immediately develop and take appropriate measures.

(13) Country risk

The ALSOK Group is developing international businesses mainly in Southeast Asia. If a country risk emerges due to geopolitical development and disputes, prices and tariffs, financial market conditions, culture and legal systems, or the massive disasters occur in the countries in which it operates, the Group's operating results may be affected.

To address this risk, the Company has established a department dedicated to overseas businesses, which receives reports on important local information from overseas subsidiaries and representative offices in a timely manner and responds to the risks. In addition, the Company holds regular meetings attended by the directors of the Company and presidents of overseas subsidiaries to provide strict guidance and supervision. Furthermore, in the event that the Group's employees or offices are exposed to the threat of terrorism, the Company will set up a 24-hour task force team to respond to the situation.

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

##### (1) Overview of operating results, etc.

The Group's financial position, operating results, and cash flows ("operating results, etc.") for the fiscal year ended March 31, 2025 are as follows:

##### A. Financial position and operating results

##### (Overview of performance)

During the fiscal year ended March 31, 2025, the Japanese economy continued to experience a gradual recovery, supported by improved corporate earnings and a pick-up in capital investment, despite sluggish personal consumption due to the impact of high prices. Looking ahead, we can expect improvements in the employment and income environment, such as wage increases in the spring wage negotiations. However, there are concerns about the impact of trade policies such as the introduction of reciprocal tariffs in the United States and the impact that continuing domestic price increases will have on personal consumption.

In the security field, as outlined in the government's "Comprehensive Economic Measures for the Peace of Mind, Safety, and Sustainable Growth of the Nation," with the January 2024 Noto Peninsula Earthquake in mind, the government is committed not only to recovery and reconstruction from natural disasters but also to strengthening crime prevention measures. The society's expectations for the security sector are rising amid various developments, placing expectations on the Group to provide total safety and security services, including security guard services. 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 street crime and accidents, and aging infrastructure. Since 2002, the number of criminal offenses has been increasing. Amid a decline in public sense of security driven by a series of nationwide robberies and crimes committed by some foreign nationals, the Group's role in protecting safety and security has become increasingly vital.

In this environment, aiming to contribute to a sustainable society, the Group has continued to provide appropriate services as an operator of service businesses related to the safety and security of society (Security Services, Facility Management Services etc., Long-Term Care Services, and Overseas 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 the 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. In addition, as prices continue to rise, we are asking customers to adjust prices to keep up with rising costs.

As a result of the efforts mentioned above, the Group's operating results for the fiscal year ended March 31, 2025 showed an improvement compared to the previous fiscal year. The Group recorded net sales of ¥551,881 million (5.8% increase year on year), operating income of ¥40,201 million (5.6% increase year on year), ordinary income of ¥43,107 million (4.7% increase year on year), and profit attributable to owners of parent of ¥27,105 million (1.8% increase year on year) for the fiscal year ended March 31, 2025.

The following is the Group's consolidated statement of income by item compared to the previous fiscal year:

Item	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Year on year change	
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Change in amount (Millions of yen)	Percentage change (%)
Net sales	521,400	100.0	551,881	100.0	30,480	5.8
Cost of sales	396,264	76.0	420,926	76.3	24,661	6.2
Gross profit	125,135	24.0	130,954	23.7	5,819	4.7
Selling, general and administrative expenses	87,056	16.7	90,752	16.4	3,696	4.2
Operating income	38,078	7.3	40,201	7.3	2,122	5.6
Non-operating income	6,035	1.2	6,071	1.1	35	0.6
Non-operating expenses	2,944	0.6	3,165	0.6	220	7.5
Ordinary income	41,169	7.9	43,107	7.8	1,938	4.7
Extraordinary income	945	0.2	1,551	0.3	605	64.0
Extraordinary loss	265	0.1	926	0.2	661	249.1

Item	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Year on year change	
	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)	Percentage (%)	Change in amount (Millions of yen)	Percentage change (%)
Income taxes	13,428	2.6	14,725	2.7	1,297	9.7
Profit attributable to non-controlling interests	1,790	0.3	1,901	0.3	110	6.2
Profit attributable to owners of parent	26,630	5.1	27,105	4.9	474	1.8

During the fiscal year ended March 31, 2025, net sales increased by ¥30,480 million or 5.8% year on year, to ¥551,881 million. Cost of sales was ¥420,926 million, 6.2% increase year on year, due to ¥14,206 million increase in labor costs resulting from improved employee compensation and ¥9,826 million increase in expenses.

Selling, general and administrative expenses were ¥90,752 million, 4.2% increase year on year, due to ¥2,089 million increase in salaries and allowances.

Ordinary income increased by ¥1,938 million to ¥43,107 million, 4.7% increase year on year, due to the increase in operating income.

The increase in extraordinary income resulted from ¥392 million increase in gain on negative goodwill and ¥289 million increase in reversal of provision for loss on business.

The increase in extraordinary losses resulted from ¥448 million increase in loss on step acquisitions and ¥293 million increase in loss on sales of investment securities.

Profit attributable to owners of parent increased by ¥474 million to ¥27,105 million, 1.8% increase year on year, due to an increase in ordinary income.

Comprehensive income decreased by ¥30,556 million to ¥24,550 million, 55.4% decrease year on year. This resulted from ¥27,463 million decrease in the amount of adjustment for retirement benefits during the period, and ¥3,236 million decrease in valuation difference on available-for-sale securities.

Refer to (2) Management's analysis of operating results, etc., A. View and analysis of operating results, etc. for the fiscal year ended March 31, 2025 for operating results by segment.

(Comparison analysis of consolidated balance sheet by item)

The following is the Group's consolidated balance sheet by item compared to the previous fiscal year:

Item		As of March 31, 2024		As of March 31, 2025		Year on year change	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Change in amount (Millions of yen)	Percentage change (%)
Assets	Current assets	252,061	44.1	256,722	44.8	4,660	1.8
	Noncurrent assets	319,402	55.9	315,679	55.2	(3,722)	(1.2)
	Total assets	571,463	100.0	572,402	100.0	938	0.2
Liabilities	Current liabilities	100,489	17.6	108,892	19.0	8,403	8.4
	Noncurrent liabilities	93,219	16.3	87,509	15.3	(5,710)	(6.1)
	Total liabilities	193,709	33.9	196,401	34.3	2,692	1.4
Total Net Assets		377,754	66.1	376,000	65.7	(1,754)	(0.5)

Total assets increased by ¥938 million from March 31, 2024 to ¥572,402 million as of March 31, 2025, 0.2% increase year on year. Of this amount, current assets increased by ¥4,660 million to ¥256,722 million, 1.8% increase year on year, and noncurrent assets decreased by ¥3,722 million to ¥315,679 million, 1.2% decrease year on year.

The increase in current assets resulted from ¥7,357 million increase in deposits for the Transportation Security Services and ¥1,659 million increase in raw materials and supplies, partially offset by ¥8,329 million decrease in cash and deposits.

The decrease in noncurrent assets was mainly due to ¥3,555 million decrease in deferred tax assets.

Total liabilities increased by ¥2,692 million from March 31, 2024 to ¥196,401 million as of March 31, 2025, 1.4% increase year



on year. Of this amount, current liabilities increased by ¥8,403 million to ¥108,892 million, 8.4% increase year on year, and noncurrent liabilities decreased by ¥5,710 million to ¥87,509 million, 6.1% decrease year on year.

The increase in current liabilities was mainly due to ¥5,510 million increase in short-term loans payable and ¥2,194 million increase in income taxes payable.

The decrease in noncurrent liabilities was due to ¥3,860 million decrease in deferred tax liabilities and ¥1,220 million decrease in lease obligations.

Total net assets decreased by ¥1,754 million from March 31, 2024 to ¥376,000 million as of March 31, 2025, 0.5% decrease year on year.

## B. Cash flows

Cash and cash equivalents (“cash”) as of March 31, 2025 was ¥60,018 million, 13.2% decrease year on year.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Year on year change (%)
	(From April 1, 2023 to March 31, 2024)	(From April 1, 2024 to March 31, 2025)	
Cash flows from operating activities	56,063	42,647	(23.9)
Cash flows from investing activities	(16,913)	(15,550)	(8.1)
Cash flows from financing activities	(21,503)	(36,309)	68.9
Effect of exchange rate change on cash and cash equivalents	(56)	68	—
Net increase (decrease) in cash and cash equivalents	17,591	(9,144)	—
Cash and cash equivalents at beginning of year	51,571	69,162	34.1
Cash and cash equivalents at end of year	69,162	60,018	(13.2)

The cash flows for the fiscal year ended March 31, 2025 are as follows:

(Cash flows from operating activities)

During the fiscal year ended March 31, 2025, net cash provided by operating activities was ¥42,647 million, 23.9% decrease year on year. The cash increased mainly due to ¥43,732 million of income before income taxes and ¥20,103 million of depreciation and amortization expenses added back. The increase was partially offset by ¥10,671 million income tax payment and ¥6,897 million increase in net defined benefit asset.

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

(Cash flows from investing activities)

During the fiscal year ended March 31, 2025, net cash used in investing activities was ¥15,550 million, 8.1% decrease year on year. This resulted from ¥14,854 million used for acquisition of property, plant and equipment.

(Cash flows from financing activities)

During the fiscal year ended March 31, 2025, net cash used in financing activities was ¥36,309 million, 68.9% increase year on year. The cash decreased due to ¥15,000 million used for purchase of treasury stock, ¥13,525 million used for dividends payment, and ¥5,785 million used for repayment of lease obligations.

C. Production, orders and sales

(Production)

The Group is not engaged in production activities. The number of contracts in progress as of March 31, 2025 is as follows:

(Thousands of contracts)

Segment	As of March 31, 2024	As of March 31, 2025	Year on year change (%)
Security Services			
Electronic Security Services	579	591	2.0
HOME ALSOK Services	505	521	3.2
Stationed Security Services	4	4	3.4
Transportation Security Services	86	90	4.6
Subtotal	1,176	1,208	2.7
Facility Management Services etc.	127	130	2.0
Long-Term Care Services	27	28	2.7
Overseas Services	4	4	5.7
Total	1,336	1,371	2.7

(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 ALSOK Services	Home security services for individual customers
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, and Cash Deposit and Dispenser Machine On-Line System
Facility Management Services etc.	Facility management, cleaning services, call center services, etc., 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.
Overseas Services	Security Services, Facility Management Services etc., and staffing services provided by overseas subsidiaries

(Sales)

The sales results for each segment are described below:

(Millions of yen)

Segment	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Year on year change (%)
Security Services			
Electronic Security Services	168,384	173,610	3.1
HOME ALSOK Services	23,074	24,661	6.9
Stationed Security Services	118,578	123,191	3.9
Transportation Security Services	69,254	70,483	1.8
Subtotal	379,291	391,946	3.3
Facility Management Services etc.	75,386	79,736	5.8
Long-Term Care Services	50,961	53,364	4.7
Overseas Services	15,761	26,833	70.2
Total	521,400	551,881	5.8

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

(2) Management's analysis of operating results, etc.

The management's view and analysis of the Group's operating results, etc. are as follows.

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

A. View and analysis of operating results, etc. for the fiscal year ended March 31, 2025

(Management's analysis)

The Group's consolidated operating results for the fiscal year ended March 31, 2025 is described in (1) Overview of operating results, etc., A. Financial position and operating results. The sales has increased for 15 consecutive years and hit a record high for 14 consecutive years, and the profit also increased. By strengthening the Security Services through mergers and acquisitions ("M&A") and driving growth of the Facility Management Services etc. and Long-Term Care Services (which are compatible with the Security Services), the Group is focused on accurately meeting growing safety and security needs of society where risks are becoming much more diverse.

The Group is focused on two performance indicators, ordinary income margin and consolidated return on equity (ROE), as these indicators can provide objective assessment of its business targets. As described in the Medium-Term Management Plan, Grand Design 2025, the Group's target for both ordinary income margin and ROE is 10.0% or more. The actual result for the fiscal year ended March 31, 2025 was 7.8% and 7.9% for ordinary income margin and ROE, respectively.

The management's view and analysis of the operating results by segment are as follows:

Net sales by segment

Segment	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Year on year change	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Percentage change (%)
Security Services						
Electronic Security Services	168,384	32.3	173,610	31.5	5,226	3.1
HOME ALSOK Services	23,074	4.4	24,661	4.5	1,586	6.9
Stationed Security Services	118,578	22.7	123,191	22.3	4,613	3.9
Transportation Security Services	69,254	13.3	70,483	12.8	1,228	1.8
Subtotal	379,291	72.7	391,946	71.0	12,655	3.3
Facility Management Services etc.	75,386	14.5	79,736	14.4	4,350	5.8
Long-Term Care Services	50,961	9.8	53,364	9.7	2,403	4.7
Overseas Services	15,761	3.0	26,833	4.9	11,071	70.2
Total	521,400	100.0	551,881	100.0	30,480	5.8

By business segment, the main factors for change are as follows. During the fiscal year ended March 31, 2025, the reportable segments have been revised. The reportable segments, which previously comprised the Security Services, General Property Management and Fire Protection Services, and Long-Term Care Services, have been changed to include the Security Services, Facility Management Services etc., Long-Term Care Services, and Overseas Services. Consequently, year on year changes for each segment are calculated by reclassifying the figures for the fiscal year ended March 31, 2024, into the new reportable segment classifications.

The net sales of the Security Services segment were ¥391,946 million (3.3% increase year on year), and operating income was ¥40,327 million (4.5% increase year on year).

The Company has provided services for corporate customers through its Electronic Security Services business and promoted sales of the ALSOK-G7 (read as "ALSOK G-seven"), which contributes to customers' manpower saving needs. The ALSOK-G7 is equipped with live video monitoring as a standard feature, with enhanced optional services such as image storage and remote options, and we plan to further expand the range of applications to meet our customer needs. In July 2024, we expanded the coverage of the ALSOK IT Rescue and ALSOK Facility Rescue services nationwide. These services leverage ALSOK's existing infrastructure for electronic security, and in the event of a failure of IT equipment or building facilities, guards will rush to the scene to investigate the cause and take emergency measures with the operational support of specialists. Additionally, the

Company is working to expand its business through the use of drones, including for solar panel inspections and the examination of various facilities. In April of this year, we launched the Vulnerability Diagnosis service to identify weaknesses in customer-operated systems, along with the Penetration Testing service that simulates real-world cyber-attacks to evaluate the effectiveness of existing countermeasures, thereby expanding our cybersecurity offerings.

In the HOME ALSOK Services, orders grew partly due to the expansion of sales of the HOME ALSOK Connect. This product provides safety and security services to a wide range of customers amid deteriorating sense of safety, such as increases in robberies. 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 on-site confirmation service by ALSOK upon request as an option. The Self-Security plan can be upgraded to the Online Security plan at any time. In May 2024, we launched the Sumaho Gate, a controller for the HOME ALSOK Connect equipped with a functionality to prevent the smartphone from being lost, which enables users to activate/deactivate the security activities with smooth authentication using smartphones. We are now striving to expand these sales. The Group has also promoted sales of the HOME ALSOK Mimamori Support, a service to watch over senior citizens, and other services.

For the Stationed Security Services, we provide security for airport facilities that welcome foreign visitors to Japan, as well as for production facilities returning to Japan. Additionally, in connection with the Expo 2025 Osaka, Kansai, Japan, we won several orders for security at venues, pavilion buildings, and other facilities, including the use of avatars to assist visitors. We will respond to these orders on a group-wide basis. Going forward, we will leverage DX, etc., to reduce manpower and improve the efficiency of Stationed Security Services. We will also focus on events such as World Athletics Championships Tokyo 25.

For the Transportation Security Services, although the number of ATMs is decreasing domestically due to the consolidation and closing of branches of financial institutions, the needs to improve the efficiency of cash management operations remain as strong as ever, and we are promoting the sales of the ATM Comprehensive Management Service, the Cash Deposit and Dispenser Machine On-Line System, and other products. Our offerings also include the Tax and Public Funds Collection System, which automates local government disbursement counter operations through the use of the Cash Deposit and Dispenser Machine On-Line System. Also, the Group promoted the replacement of equipment in preparation for the issuance of new banknotes, which took place in early July 2024. We will continue to gain an understanding of various outsourcing needs, such as the needs of regional financial institutions to improve operational efficiency and to reduce costs, and will expand our service offerings.

The net sales of the Facility Management Services etc. were ¥79,736 million (5.8% increase year on year), and operating income was ¥9,164 million (10.0% increase year on year). In December 2024, we newly consolidated Kanso Co., Ltd. and its subsidiaries, expanding our business base in the Osaka area. We will continue to expand the Facility Management, promoting sales, installation, and maintenance of EV charging equipment as a part of enhancement of our sustainability initiatives.

The net sales of the Long-Term Care Services were ¥53,364 million (4.7% increase year on year), and operating income was ¥1,497 million (14.3% increase year on year), as a steady increase in occupancy rates of facilities etc. contributed to improved performance. In addition, on September 26, 2024, the Research Institute of Scientific Nursing Care Inc. started operations. This organization, jointly owned by us, Institute of Science Tokyo (formerly Tokyo Medical and Dental University), and NJI Co., Ltd., focuses on R&D and human resources development in the nursing and caring fields. We will continue to enhance nursing care operations to improve the efficiency through DX, including the use of nursing care support robots, and strive to expand services under the unified “ALSOK’s Care” Long-Term Care Services brand.

The net sales of the Overseas Services were ¥26,833 million (70.2% increase year on year) due in part to the effect of M&A. Although local subsidiaries were profitable, operating loss was ¥547 million (¥649 million for the fiscal year ended March 31, 2024) after accounting for corporate expenses and goodwill. We will continue to provide optimal products and services tailored to each country, leveraging the know-how we have cultivated in Japan, to support our customers’ overseas businesses and expand our operations actively.

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.

#### (Capital resources and liquidity)

##### i. Basic policy for fiscal discipline

As set forth in the Medium-Term Management Plan, Grand Design 2025, one of our mid-term financial goals is to achieve ROE of 10% or more. Our basic policy is to boost ROE with a target of raising the consolidated ordinary income margin to 10% or more in the medium term while paying out a stable dividend. Our target dividend payout ratio is 40% to 50%.

With these goals, our equity ratios at the end of the last five consolidated fiscal years have been stable. We believe that this is a result of our efforts to maintain fiscal discipline by giving due consideration to both shareholders and creditors in a well-balanced manner.

(Equity ratio at the end of the last five consolidated fiscal years)

	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Equity ratio [Consolidated] (%)	55.3	59.0	58.6	60.2	59.1

ii. Management's view on outlook of capital needs and methods of financing

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 the 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 the 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 into the Cash Deposit and Dispenser Machine by customers on the previous day, which fluctuates significantly. 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. 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.

Refer to III. Facilities, 3. Plan for establishment or disposal of facilities for the Group's capital investment plan including capital expenditures for a period of one year following March 31, 2025.

(Shareholder return policy)

Distributing returns to shareholders is one of the Group's important management policies. It is our basic policy to return profits in a manner supported by actual financial results, while maintaining an adequate amount of internal reserves. Our basic policy is to pay dividends twice a year as interim dividend and year-end dividend. We now aim to maintain stable dividend payments with a target dividend payout ratio of 40% to 50%. We also flexibly implement share repurchases while monitoring cash flow trends and other factors.

(Cash on hand)

For the cash and deposits excluding cash for Transportation Security Services, we have no clear guideline for the minimum required amount of cash on hand in the Group's financing practice. However, we believe that it is appropriate to hold the amount of cash equivalent to approximately one to two months of monthly sales as the cash demand associated with expenditures is fairly stable over the year.

The cash for Transportation Security Services is procured through overdrafts in line with actual demand.

(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 fiscal year ended March 31, 2025, except for the Transportation Security Services. At this point, the Group does not expect any significant change in the capital needs during the period of one year following March 31, 2025 and believes that its capital needs will be satisfied by its own funds.

iii. Cash flows and financing for the fiscal year ended March 31, 2025 are as follows:

Refer to (1) Overview of operating results, etc., B. Cash flows for cash flows for the fiscal year ended March 31, 2025.

Refer to supplementary schedules for bonds and loans payable described in V. Financial Condition, 1. Consolidated financial statements, (1) Consolidated financial statements, v. Supplementary schedules for debt financing as of March 31, 2025. The major lenders include Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Musashino Bank, Ltd., and MUFG Bank, Ltd., to which we have loans payable of ¥3,554 million, ¥1,375 million, ¥1,000 million, and ¥993 million as of March 31, 2025, respectively.

## B. Significant accounting policies and estimates

The consolidated financial statements of the Group are prepared in accordance with the accounting principles generally accepted in Japan. Significant accounting policies applied in preparing the consolidated financial statements are described in V. Financial Condition, 1. Consolidated financial statements, (1) Consolidated financial statements, Notes, Significant matters underlying the preparation of the consolidated financial statements.

In preparing the consolidated financial statements, the Group makes reasonable estimates based on currently available assumptions for impairment of noncurrent assets, estimation of various allowances and recoverability of deferred tax assets, etc. However, these estimates may significantly differ from actual results in the future.

We consider that the following significant accounting policies are more affected by these estimates and assumptions:

### (Impairment of noncurrent assets)

We assess whether or not a noncurrent asset should be impaired in accordance with Accounting Standard for Impairment of Fixed Assets (August 9, 2002) and Guidance on Accounting Standard for Impairment of Fixed Assets (Accounting Standards Board of Japan (“ASBJ”) Guidance No.26, last amended on March 27, 2009). Recognition of impairment losses may become necessary when the recoverable amount falls below the carrying amount due to changes in the business environment, etc. in the future.

#### i. Goodwill and customer-related assets

(Source of value of goodwill and customer-related assets)

As of March 31, 2025, the Group records ¥29,873 million of goodwill, which arose from business combinations in prior years and represents the excess earning power expected to arise at the combined company from the business combinations. Part of the goodwill arose from synergies that is expected to arise at the Company, etc., not the combined company.

In certain business combinations, we recognize customer-related assets along with goodwill based on the value of contracts with existing customers as determined at the time of acquisition.

### (Business plan underlying future cash flows)

In assessing the Group's goodwill for impairment, we are focused on whether the excess earning power and the effect of synergies (which give rise to goodwill) will arise over the future periods. Generally, we monitor, on a monthly basis, whether a business plan of a company from which the goodwill arose (including a plan of the effect of synergies expected to arise at the Company) is in line with the actual profit or cash flows recorded. If there is any indication of impairment, such as a situation where business targets are not likely to be met, we review the business plan for its reasonableness. We use the revised business plan to determine undiscounted future cash flows. The future cash flows are then used to determine whether an impairment loss should be recognized. If recognized, the amount of impairment losses is measured based on value in use calculated using discounted future cash flows.

The impairment assessment of customer-related assets is performed in conjunction with the impairment assessment of goodwill. The customer-related assets are assessed for indications of impairment by comparing related business plan with actual profit or cash flows recorded, and if any such indication exists, an impairment loss is recognized and measured based on the revised business plan.

The following significant assumptions are incorporated into the business plans used in the impairment assessment. These business plans involve, by nature, judgements based on certain estimates or assumptions. The estimates and assumptions may have a significant impact on the assessment for impairment indications or recognition of impairment losses as well as the amount of impairment losses recognized.

- Companies engaging in the Security Services, Facility Management Services etc., and Overseas Services Orders, human resource planning, and sales growth
- Companies engaging in the Long-Term Care Services

Category	Significant assumptions considered
In-home care services	Net sales per employee, profit margin of existing locations, human resource planning, etc.
Facility care services	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.
Residential care home for senior citizens	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.

For the fiscal year ended March 31, 2025, the Company has determined that there is no need to record impairment losses for any of the goodwill and customer assets at this time.

The business plans are also used to assess shares of subsidiaries and associates related to combined companies recorded on the non-consolidated financial statements of the Company. If such shares of subsidiaries and associates are determined to be unrecoverable, the write-down is recognized in the statement of income of the Company.

(Discount rate)

The discount rate used is the weighted average cost of capital by term according to remaining amortization period of goodwill, which is calculated based on historical data on stock prices and interest rates since the listing of the Company. This rate is used because most companies of the Group can raise funds through intra-group borrowings under the conditions that are substantially similar to the Company. If the stock price or the interest rate rises significantly, the weighted average cost of capital calculated also increases, resulting in lower discounted future cash flows. In this case, the amount of impairment loss is likely to be substantial.

## ii. Other tangible and intangible assets

(Business plan underlying future cash flows)

For tangible and intangible assets other than goodwill and customer-related assets, the impairment assessment is performed using profit or cash flows based on a business plan.

In assessing impairment for tangible and intangible noncurrent assets, the assets are grouped in line with our business operations. The assets are mainly grouped as follows:

Category	Major line items	Grouping method
Security guard center facility Security equipment installed at customers Disaster prevention equipment, etc.	Buildings and structures Machinery, equipment and vehicles	These assets are grouped into asset groups used for managerial accounting purposes. This is because our services are divided into regions and investment decisions are made for each region, which constitutes separate units for managerial accounting. Specifically, for the Company, head office and regional divisions described in III. Facilities, 2. Major facilities, (1) Reporting company are grouped into one asset group. For subsidiaries and associates, each company is treated as one asset group.
Care facilities	Lease assets	Each care facility is treated as one asset group. This is because each facility provides services independently and investment decisions are made for each facility, which constitutes a stand-alone unit for managerial accounting.

As in the case of goodwill and customer-related assets, certain estimates or assumptions are made when including significant assumptions in the business plan for each asset group. Such estimates and assumptions may have a significant impact on the assessment for impairment indications or recognition of impairment losses as well as the amount of impairment losses recognized.

(Discount rate)

As in the case of goodwill and customer-related assets, the discount rate used is the weighted average cost of capital by term, which is calculated based on historical data on stock prices and interest rates since the listing of the Company.



Depending on movements of the stock price or the interest rate, the weighted average cost of capital calculated may increase, resulting in substantial amount of impairment loss.

(Retirement benefits)

The Company and its subsidiaries and associates have defined benefit corporate pension plans and retirement benefit plans. The defined benefit obligation and pension asset related to these plans are determined using actuarial assumptions, excluding certain consolidated subsidiaries with a limited number of employees. These assumptions include discount rate, expected long-term rate of return on plan assets, lump sum election rate, mortality rate, employee turnover, and expected rate of salary increase. The Group believes that these actuarial assumptions were reasonably determined based on the currently available data such as the most recent results. If these assumptions significantly differ from the actual results, the actuarial gains and losses are amortized over certain service years within the employees' average remaining service years (generally 10 years) using the straight-line method starting from the fiscal year following the year in which they occur, which may have a significant impact on the Group's operating expenses, etc.

The discount rate is determined based on the yields on high quality corporate bonds or the Japanese government bonds as of the end of the fiscal year. The discount rate is revised when there is over 10% change in defined benefit obligation from using different discount rates at the current and previous fiscal year-ends in accordance with Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, last amended on December 16, 2016) and Implementation Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, last amended on March 25, 2015).

The expected long-term rate of return on plan assets is determined based on the latest allocation of the plan asset and historical investment yields on each financial instrument group such as stocks and bonds. The expected long-term rate of return on plan assets is revised when the revision is determined to have a significant impact on the retirement benefit expenses for the following fiscal years in accordance with Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, last amended on December 16, 2016) and Implementation Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, last amended on March 25, 2015).

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, despite the amounts having been appropriately estimated. This resulted in an understatement of retirement benefit liability and related accounts in prior years, and the Company corrected these errors in the consolidated and non-consolidated financial statements included in the annual securities reports previously filed.

(Deferred tax assets)

The Company and each of its subsidiaries and associates file its corporate tax return separately. In assessing the recoverability of deferred tax assets, the companies are classified into "Category 1" to "Category 5" according to their earning power in accordance with Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, amended on March 28, 2016). The classification is revised according to each company's situation at the end of the fiscal year. Certain assumptions are used to determine this classification, including future changes in the business environment and estimates for taxable income (before adjusted for temporary differences), which may have a significant impact on the assessment of recoverability of deferred tax assets. The forward-looking estimates are made using the same business plan as the impairment assessment of noncurrent assets, and therefore, the risk of variance between the estimates and actual results is considered to be generally similar.

For those companies classified into "Category 2" to "Category 5," the deferred tax asset is recognized only for deductible temporary differences that are expected to be recoverable. In assessing for recoverability, the availability of taxable income (before adjusted for temporary differences) supported by the sufficient earning power is the most important factor to consider. The availability of taxable income (before adjusted for temporary differences) supported by tax planning, such as planned disposal of noncurrent assets or securities with unrealized gains, is considered only when it is highly feasible. The timing of reversal of deductible temporary differences and its amount are considered only when it is highly likely to occur. For example, an unrealized loss on valuation of land is included in the scheduling only when the land sales contract is concluded, etc. As certain estimates or assumptions are used in a series of processes for the assessment of recoverability, the judgements may have a significant impact on the amount of deferred tax assets.

A tax rate stipulated in the tax law enacted as of closing date is applied to calculation of deferred taxes in accordance with Implementation Guidance on Tax Rates Used in Applying Tax Effect Accounting (ASBJ Guidance No. 27, March 14, 2016). Therefore, a change in the tax rate may have a significant impact on the amount of deferred tax assets.

The Company's deferred tax asset recognized is mostly related to deductible temporary differences for companies located in Japan. There is little uncertainty about transfer pricing between consolidated companies.

## 5. Material contracts, etc.

- (1) Effective April 1, 2024, Life Holdings Co., Ltd. engaging in long-term care services was absorbed and merged into Life Co., Ltd. engaging in long-term care services. All shares of MBIC Life Co., Ltd., engaging in a facility management business including asbestos inspections and a food inspection business, held by Life Holdings Co., Ltd. were paid as dividends in kind to the Company, the parent company of Life Holdings Co., Ltd. The company name of MBIC Life Co., Ltd., a surviving company, was changed to ALSOK MBIC Laboratory Co., Ltd upon the merger.
- (2) On July 12, 2024, the Company acquired additional shares of Nihon Guard Co., Ltd., an equity-method associate mainly engaging in security services, and Nihon Guard Co., Ltd. became a consolidated subsidiary of the Company.
- (3) Effective October 1, 2024, as part of the Group business reorganization, the Company transferred the business of Hokkaido branch and Keiso Hokkaido branch, which are the Company's offices in Hokkaido, to ALSOK Hokkaido Co., Ltd., a consolidated subsidiary of the Company, by way of a company split (simplified absorption-type company split).
- (4) Effective December 1, 2024, the Company acquired all shares of Kanso Co., Ltd., which mainly engages in the Facility Management Service etc., making both Kanso Co., Ltd. and its subsidiary consolidated subsidiaries.
- (5) Effective April 1, 2025, ALSOK Joy Life Co., Ltd., which operates a long-term care business in the Kansai region, carried out organizational restructuring, including the absorption-type merger of ALSOK Life Support Co., Ltd.
- (6) Effective April 1, 2025, ALSOK Kanto Delivery Co., Ltd., which engages in the transportation security business, was absorbed and merged into the Company.

## 6. Research and development

The Group's research and development activities are mainly carried out by the reporting company. Our research and development aims to contribute to the improvement of profitability and its basic policy is to capture diversifying market needs and promote the development of market-competitive technologies and products. The research and development cost was ¥522 million for the fiscal year ended March 31, 2025, which was mainly related to security business. As part of the research and development activities, the Company's research and development department conducts activities such as investigation, planning, intellectual property management, quality control, etc. that do not constitute research and development. Including costs for such activities, the total research and development cost was ¥2,204 million.

In a society where risks are diversifying, in order to meet the expanding safety and security needs of society, the Company conducts the following research in order to address "diversifying crimes close to people's daily lives and people feeling the security deterioration," "sophisticated cyber-attacks," and "labor shortages due to declining birthrate and aging population." We will also drive open innovation and promote industry-academia-government collaboration on advanced technologies to respond to the ever-changing social situation.

### (1) Unique security system using the latest technology

We aim to realize "prediction and prevention of damage" including detection of a suspicious person and prevention of crimes and terrorism. For this purpose, we conduct research and development using AI or advanced sensing technology.

Amid the growing labor shortage due to the declining birthrate and aging population, we are actively working to create the next-generation security system contributing to labor savings. We are also pursuing advanced security that is constantly adopting to the social environment, such as the improvement of existing security sensors.

In addition, we are also conducting research and development of new equipment utilizing digital technology to enhance the responsiveness of electronic security guards and stationed security guards and expand the scope of work.

### (2) Expansion of facility and equipment monitoring services through remote monitoring/remote operations

Utilizing the know-how accumulated through security monitoring, we are promoting research and development of services that enable us to monitor a wide range of customer facilities and equipment, and to respond to emergencies and provide first aid by conducting remote maintenance and rushing to the scene. Such know-how would also apply to non-security services. In March 2023, we launched the ALSOK IT Rescue service, a new service in which an electronic security guard rushes in to the scene of an IT equipment-related failure to investigate the cause and provide emergency treatment. In February 2024, we launched the ALSOK Facility Rescue, a service that helps customers save labor in facility management operations by providing first aid services when equipment in condominiums, buildings, and other facilities fail, with electronic security guards on call. We will continue to add to our service menu by utilizing the know-how we have accumulated through these security monitoring services and the platform we have developed.

### (3) Security for individual customers

In addition to conventional home security functions, we are also developing home security equipment with improved operability and design. In April 2023, we launched the HOME ALSOK Connect which enables security operations and history checks via smartphones or smartwatches. In May 2024, we launched the Sumaho Gate, which enables security operations with smartphone authentication.

Furthermore, beyond home security services, we will promote research and development for comprehensive security services that support the safety and security of people's daily lives in order to acquire a new home security user base as well as to respond to the elderly market, where demand will continue to grow in the future.

### (4) Robotics

Since we started research and development of security robots in 1982, we have developed security robots equipped with autonomous driving functions, security functions, guidance functions, etc., and have provided them to commercial facilities and office buildings nationwide. We are also engaged in outreach activities, including participation in the Robot Friendly Asset Promotion Association (RFA), the formulation of standards for linking robots with facility equipment, and involvement in demonstration experiments for the Innovative Robot Research and Development Infrastructure Construction Project, a program subsidized by the Ministry of Economy, Trade and Industry. In addition, we drive the development of drones for security services, such as for video-based indoor and outdoor patrols. We will continue to research and develop image recognition technology to improve emergency detection functions during patrols and inspection work.

### (5) Information security

Under the concept of guarding "information assets" in addition to "life and property," we will develop information security solutions, from both physical security and cyber security perspectives, and will continue to expand our service menu for countermeasures against cybercrime that is expected to become more sophisticated in the future.

### (6) Long-term care services and other

We will continue to develop new products and services with high added value, such as remote support for long-term care facilities

utilizing monitoring technology, and will continue to promote DX across a wide range of fields.

### III. Facilities

#### 1. Overview of capital investment

In order to expand the security business and enhance capabilities for such growth, the Group made ¥18,194 million of capital investment in tangible and intangible assets during the fiscal year ended March 31, 2025. The details of the capital investment are as follows:

Equipment for electronic security                      ¥9,406 million

Furniture and fixtures                                      ¥2,081 million

Buildings and structures                                  ¥650 million

Software    ¥1,199 million

The amount of capital investment is not allocated to business segments.

#### 2. Major facilities

The major facilities for the fiscal year ended March 31, 2025 are as follows:

##### (1) Reporting company

As of March 31, 2025

Office (Location)	Segment	Facilities	Carrying amount (Millions of yen)							Number of employees (Number of people)
			Buildings and structures	Machinery and equipment and vehicles	Land (m <sup>2</sup> )	Lease assets	Rental assets	Other	Total	
Head office (Minato-ku, Tokyo)	Security Services Facility Management Services etc. Other Services	Buildings and structures, tools, furniture and fixtures	103	3,043	— (—)	244	213	1,153	4,758	2,447
Chuo branch and others 8 branches within Regional Division (I) (Chuo-ku, Tokyo and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, security alarm equipment	413	3,188	— (—)	376	255	183	4,418	1,750
Osaka Chuo branch and others 6 branches within Regional Division (II) (Chuo-ku, Osaka city, Osaka and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, security alarm equipment	101	1,393	— (—)	206	110	262	2,075	862
Nagoya branch and others 4 branches within Regional Division (III) (Nakamura-ku, Nagoya city, Aichi and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, land, security alarm equipment	179	1,329	197 (1,071.60)	276	150	173	2,306	771
Miyagi branch and others 1 branch within Regional Division (IV) (Aoba-ku, Sendai city, Miyagi and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures security alarm equipment	14	495	— (—)	65	44	61	682	304
Chiba branch and others 10 branches within Regional Division (V) (Mihama-ku, Chiba city, Chiba and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, land, security alarm equipment	1,848	3,094	1,208 (6,244.37)	458	294	223	7,127	1,537

Office (Location)	Segment	Facilities	Carrying amount (Millions of yen)							Number of employees (Number of people)
			Buildings and structures	Machinery and equipment and vehicles	Land (m <sup>2</sup> )	Lease assets	Rental assets	Other	Total	
Yokohama branch and others 5 branches within Regional Division (VI) (Nishi-ku, Yokohama city, Kanagawa and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, security alarm equipment	119	1,506	— (—)	128	157	233	2,145	775
Shizuoka branch and others 4 branches within Regional Division (VII) (Aoi-ku, Shizuoka city, Shizuoka and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, land, security alarm equipment	1,134	1,174	1,109 (3,305.80)	177	112	146	3,854	797
Okayama branch and others 3 branches within Regional Division (VIII) (Kita-ku, Okayama city, Okayama and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, land, security alarm equipment	187	757	272 (6,101.00)	142	71	84	1,516	503
Fukuoka branch and others 5 branches within Regional Division (IX) (Shime-machi Kasuya-gun, Fukuoka and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, land, security alarm equipment	566	1,512	248 (4,338.83)	203	153	181	2,865	894
Kyoto branch and others 6 branches within Regional Division (X) (Shimogyo-ku, Kyoto city, Kyoto and others)	Security Services Facility Management Services etc. Other Services	Buildings and structures, land, security alarm equipment	935	2,005	930 (4,373.60)	158	177	94	4,302	919

(2) Subsidiaries

As of March 31, 2025

Office (Location)	Segment	Facilities	Carrying amount (Millions of yen)						Number of employees (Number of people) [Temporary employees not included in the above]
			Buildings and structures	Machinery and equipment and vehicles	Land (m <sup>2</sup> )	Lease assets	Other	Total	
Life Co., Ltd. (Shinagawa-ku, Tokyo)	Long-Term Care Services	Care facilities	300	—	— (—)	14,381	311	14,994	602 [642]
ALSOK Joy Life Co., Ltd. (Kita-ku, Osaka- city, Osaka)	Long-Term Care Services	Care facilities	4,960	—	910 (4,321.15)	1,527	64	7,463	271 [132]
Kita-Kanto Sohgo Security Services Co., Ltd. (Utsunomiya city, Tochigi)	Security Services, Facility Management Services etc.	Buildings and structures, land, security alarm equipment	2,853	178	1,749 (34,592.40)	1,297	212	6,291	773 [100]
ALSOK Care Co., Ltd. (Omiya-ku, Saitama city, Saitama)	Long-Term Care Services	Care facilities	380	0	172 (666.93)	5,383	143	6,079	1,861 [1,437]

Office (Location)	Segment	Facilities	Carrying amount (Millions of yen)						Number of employees (Number of people) [Temporary employees not included in the above]
			Buildings and structures	Machinery and equipment and vehicles	Land (m <sup>2</sup> )	Lease assets	Other	Total	
Hiroshima Sohgo Security Services Co., Ltd. (Asaminami-ku, Hiroshima city, Hiroshima)	Security Services Facility Management Services etc. Other Services	Buildings and structures, land, security alarm equipment	1,090	679	2,816 (25,269.00)	80	240	4,907	650 [46]

(Notes) 1. Carrying amount of Other represents construction in progress and other property plant and equipment.

2. In addition to the above, the Group also has rented assets such as machinery and equipment, sales offices and offices. The Group's rent expense is ¥22,953 million for the fiscal year ended March 31, 2025.

3. Assets are not allocated to business segments.

### 3. Plan for establishment or disposal of facilities

As the Group has a wide range of plans for new establishment and expansion of facilities, the amount is disclosed by nature and purpose of the facilities.

The Group's capital investment plan for one year after March 31, 2025 is ¥19,604 million comprising the following:

Nature and purpose of facilities	Planned amount of capital investment (Millions of yen)
Guard center facilities, security equipment installed at customers	9,492
Cash center facilities, security transportation vehicles, etc.	1,850
Disaster prevention equipment, etc.	1,660
Network system, etc.	6,600
Total	19,604

(Notes) 1. The capital investment will be paid out of own funds and bank borrowings.

2. There is no plan for disposal of significant facilities, except for disposals associated with recurring renewal of the facilities.

## IV. 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

##### ii. Shares issued

Class	Number of shares issued as of fiscal year-end (Shares) (As of March 31, 2025)	Number of shares issued as of filing date (Shares) (As of June 20, 2025)	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	—	—

#### (2) Subscription rights to shares, etc.

##### i. Details of stock option plans

Nothing to report.

##### ii. Details of rights plan

Nothing to report.

##### iii. 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)	Note
July 1, 2023	408,160,168	510,200,210	—	18,675	—	29,320	Increase due to stock split



## (5) Shareholding

As of March 31, 2025

Category	Shareholding (1 unit = 100 shares)								Shares less than one unit (Shares)
	National and local governments	Financial institutions	Financial instruments dealers	Other institutions	Foreign institutions, etc.		Individuals and others	Total	
					Non-individual	Individual			
Number of shareholders (Number of people)	—	62	25	147	330	40	13,777	14,381	—
Number of shares held (Unit)	—	1,602,775	76,372	1,172,606	1,099,875	201	1,149,781	5,101,610	39,210
Ratio of shares held (%)	—	31.41	1.49	22.98	21.55	0.00	22.53	100.00	—

(Note) 25,197,290 shares of treasury stock are included in Individuals and others as 251,972 units and Shares less than one unit as 90 shares.

## (6) Major shareholders

As of March 31, 2025

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)	1-8-1 Akasaka, Minato-ku, Tokyo	56,793	11.70
SOHGO CORPORATION	130-16 Yamabukicho, Shinjuku-ku, Tokyo, Japan	36,943	7.61
Custody Bank of Japan, Ltd. (Trust account) (Note)	1-8-12, Harumi, Chuo-ku, Tokyo, Japan	30,668	6.32
Saitama Kiki Co., Ltd.	7-1-3 Shimoochiai, Chuo-ku, Saitama, Japan	26,419	5.44
Kizuna Corporation	130-16 Yamabukicho, Shinjuku-ku, Tokyo, Japan	26,150	5.39
SOHGO SECURITY SERVICES CO., LTD. Employee Stockholding Association	1-6-6 Motoakasaka, Minato-ku, Tokyo, Japan	16,578	3.41
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	3.05
Atsushi Murai	Suginami-ku, Tokyo, Japan	14,804	3.05
SMBC Trust Bank Ltd. (as trustee for Sumitomo Mitsui Banking Corporation Retirement Benefits Trust Account)	1-3-2 Marunouchi, Chiyoda-ku, Tokyo	13,678	2.82
National Mutual Insurance Federation of Agricultural Cooperatives	2-7-9 Hirakawacho, Chiyoda-ku, Tokyo	11,560	2.38
Total	—	248,404	51.21

(Note) 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)	24,981 thousand shares
Custody Bank of Japan, Ltd. (Trust account)	13,619 thousand shares

## (7) Voting rights

## i. Shares issued

As of March 31, 2025

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 25,197,200	—	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 484,963,800	4,849,638	Same as above
Shares less than one unit	Common stock 39,210	—	Shares less than one unit (100 shares)
Total number of shares issued	510,200,210	—	—
Total number of voting rights	—	4,849,638	—

## ii. Treasury stock, etc.

As of March 31, 2025

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	25,197,200	—	25,197,200	4.93
Total	—	25,197,200	—	25,197,200	4.93

## 2. Purchase of treasury stock

Class of stocks, etc.: Purchase of common stock pursuant to Article 155, No.3 of the Companies Act and purchase of common stock pursuant to Article 155, No.7 of the Companies Act

### (1) Purchase of stock by resolution of the General Meeting of Shareholders

Nothing to report.

### (2) Purchase of stock by resolution of the Board of Directors' meeting

Category	Number of shares (Shares)	Total amount (Yen)
Resolution of the Board of Directors' meeting (May 14, 2024) (Purchase period: From May 15, 2024 to October 31, 2024)	17,700,000	15,000,000,000
Treasury stock purchased before the fiscal year ended March 31, 2025	—	—
Treasury stock purchased during the fiscal year ended March 31, 2025	15,741,100	14,999,944,150
Total remaining number and amount of treasury stock resolved to be purchased	1,958,900	55,850
Ratio of unpurchased treasury stock to treasury stock resolved to be purchased as of March 31, 2025 (%)	11.06	0.00
Treasury stock purchased during the current period	—	—
Ratio of unpurchased treasury stock to treasury stock resolved to be purchased as of the date of filing (%)	11.06	0.00

(Note) Treasury stock purchased during the current period excludes the total number and amount of shares purchased during the period between June 1, 2025 and the date of filing of this report.

### (3) Purchase not based on resolution of the General Meeting of Shareholders or the Board of Directors' meeting

Category	Number of shares (Shares)	Total amount (Yen)
Treasury stock purchased during the fiscal year ended March 31, 2025	90	85,590
Treasury stock purchased during the current period	—	—

(Note) Treasury stock purchased during the current period excludes shares less than one unit purchased during the period between June 1, 2025 and the date of filing of this report.

(4) Disposal and holding of treasury stock

Category	Fiscal year ended March 31, 2025		Current period	
	Number of shares (Shares)	Total amount of disposal (Yen)	Number of shares (Shares)	Total amount of disposal (Yen)
Treasury stock purchased for which subscribers were solicited	—	—	—	—
Treasury stock purchased that has been cancelled	—	—	—	—
Treasury stock purchased that has been transferred in merger, share swap or company split	—	—	—	—
Other	—	—	—	—
Number of treasury stock held	25,197,290	—	25,197,290	—

(Note) Treasury stock held during the current period excludes shares purchased by the resolution of the Board of Directors' meeting and shares less than one unit purchased during the period between June 1, 2025 and the date of filing of this report.

### 3. Dividend policy

Distributing returns to shareholders is one of the Company's important management policies. It is our basic policy to distribute profits in a manner supported by actual financial results, while maintaining an adequate amount of internal reserves. We apply internal reserves to research and development expenses necessary for future growth and development and capital investments in enhancement of information systems and new businesses to further improve our operating results.

Our basic policy is to pay dividends twice a year, as interim dividend and year-end dividend, which are subject to the approval of the Board of Directors and the General Meeting of Shareholders, respectively.

The Company will celebrate its 60th anniversary on July 16, 2025, and will pay a commemorative dividend to express its gratitude to its shareholders. The commemorative dividend will be ¥1.00 per share. Combined with the ordinary dividend of ¥12.40, the total year-end dividend for the fiscal year is planned to be ¥13.40 per share.

Accordingly, for the fiscal year ended March 31, 2025, the annual dividend will be ¥25.80 per share including the interim dividend of ¥12.40, which was determined based the consideration of the operating results for the current fiscal year, forecasts for the future years, and capital investment plans. The dividend payout ratio was 46.6% on a consolidated basis.

It is specified in the Articles of Incorporation that "the Company shall pay an interim dividend to shareholders or registered pledgees of shares recorded or registered in the shareholder register as of September 30 every year by a resolution of the Board of Directors."

Dividends from surplus for the fiscal year ended March 31, 2025 are as follows:

Resolution date	Total dividends (Millions of yen)	Dividends per share (Yen)
November 6, 2024 Resolution by the Board of Directors' meeting	6,014	12.4
June 25, 2025 (scheduled) Resolution by the Ordinary General Meeting of Shareholders	6,499	13.4

## 4. Corporate governance

### (1) Overview of corporate governance

#### A. Basic concept of corporate governance

The ALSOK Group includes “Based on two core principles exemplified by ‘arigato no kokoro’ (a feeling of gratefulness and gratitude) and ‘bushi no seishin’ (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole.” in its management philosophy and includes “Contributing to Society” in its management policies. In line with this philosophy and policy, we are working to fulfill corporate governance through our operations, such as performance of management and separation of duties, swift decision making, establishment of corporate ethics, and provision of management transparency, while endeavoring to continue to be the corporate group trusted by all stakeholders. Moreover, we place emphasis on information disclosure and are committed to proactive IR activities such as visiting institutional investors and holding analyst meetings for investors and analysts.

The ALSOK Group conducts inspections and reviews of its organizational structure in accordance with principles in the Corporate Governance Code developed by the Tokyo Stock Exchange as a guideline for corporate governance. We submit the Corporate Governance Report including our measures to address the Corporate Governance Code to the Tokyo Stock Exchange every year, which is posted on the Tokyo Stock Exchange and ALSOK websites.

The ALSOK Group aims to establish the organizational structure to which the corporate governance functions more effectively, and will continue to examine the measures for various systems in response to future revisions of the Corporate Governance Code and related regulations.

#### B. Corporate bodies and internal control system

##### (A) Overview of corporate governance system and reason for adoption

We adopt the Audit and Supervisory Board members system and recognize that its full audit is operating effectively to improve governance of our management team.

ALSOK’s directors consist of 12 members, including 5 outside directors, and the Audit and Supervisory Board members consist of 4 members, including 3 outside Audit and Supervisory Board members. The Board of Directors meets generally once a month to make important management decisions on basic management policy and important matters concerning business execution. The board also oversees execution of duties of the directors and executive officers. The Management Committee, chaired by the Representative Director Group CEO, meets generally twice a month to discuss matters to be presented to the Board of Directors and the business execution policy based on the resolutions of the Board of Directors. The Audit and Supervisory Board meets generally once a month to consult, discuss or resolve significant matters concerning audit. Also, one of the Audit and Supervisory Board members attends the Management Committee and monitors execution of duties of management.

Effective February 7, 2023, the Company established the Nomination and Compensation Committee as a voluntary advisory body, which is composed primarily of independent outside directors. This ensures objectivity and transparency in the decision-making process for the nomination and remuneration of directors (excluding outside directors), and further strengthens the Company’s corporate governance framework. During the fiscal year ended March 31, 2024, the Company revised the composition of the committee to further enhance the objectivity and transparency of the Board of Directors’ decision-making processes, with the aim of strengthening the involvement of outside directors in discussions.

We have been adopting this current system as the fairness and transparency of business management are properly ensured by the system.

Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company and the outside directors and the Audit and Supervisory Board members enter into a contract to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum liability based on the concerned contract is higher of ¥10 million or the minimum liability specified in Article 425, Paragraph 1 of the Companies Act. This is intended for outside directors and outside Audit and Supervisory Board members to sufficiently fulfill the expected role.

In addition, the Company enters into a liability insurance contract for officers, etc. as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with the Company’s directors, the Audit and Supervisory Board members and executive officers as an insured person. If the insured person is liable for damages due to the execution of duties, legal damages and litigation costs will be covered by the insurance contract. The entire amount of insurance premiums is borne by the Company. In order to prevent the insured person’s proper execution of duties from being impaired, the insured person is not covered for damages caused by personal gains or benefits illegally obtained by the insured, criminal acts of the insured and acts performed by the insured knowing that they violate the law.

##### (B) Internal control system

Based on the Companies Act and the Financial Instruments and Exchange Act of Japan, the Company has a system in place

- to ensure the execution of duties by directors complies with laws and regulations and the Articles of Incorporation and the adequacy of the business of other corporation and a corporate group consisting of the corporation and its subsidiaries.
- a. System to ensure the compliance of execution of duties by the Company's directors and employees with laws and regulations and the Articles of Incorporation
    - (a) Establish the ALSOK Charter, the basic principle compiling the founder's spirit and corporate philosophy, which is the basis for every business activity of the Company.
    - (b) Monitor the execution of duties by establishing the Board Regulations, the Internal Memo Regulations, the Policies of Dividing Duties, and Policies of Administrative Authority, appropriately separating duties and requiring approval for matters beyond authority.
    - (c) Establish the Ethical Rule as a standard for acts built on the execution of duties and ethics with integrity.
    - (d) Establish Compliance Rule and appoint the officer in charge of compliance, who reports to the Board of Directors and the Management Committee, if necessary.
    - (e) Establish the Internal Report Rule to implement a whistleblowing system and operate it appropriately.
    - (f) Establish a department specialized in internal audit under the direct control of the Representative Director Group COO. The department regularly monitors business activities of all departments in the head office and branches and reports the results to the directors and the Audit and Supervisory Board members.
    - (g) Establish and operate a system for appropriate financial reporting based on the Financial Instruments and Exchange Act of Japan and other laws and regulations.
    - (h) Provide appropriate trainings for laws and regulations, the Articles of Incorporation and internal rules for directors and employees.
  - b. System to preserve and manage information related to execution of duties of the Company's directors
    - (a) Establish regulations for handling of critical information indicating the execution of business such as minutes of the General Meeting of Shareholders, minutes of the Board of Directors' meeting, minutes of the Management Committee, request for approval, contracts, accounting books/financial statements, etc., and properly preserve and manage such information.
    - (b) Provide directors and the Audit and Supervisory Board members with access to the information anytime.
  - c. Regulations related to management of risk of loss and other systems
    - (a) Establish the Risk Management Rule, appoint the officer in charge of risk management, who projects and assesses risks to prevent, mitigate, transfer the risks, takes appropriate measures as necessary or develops measures taken in case of risk occurrence and reports to the Board of Directors and the Management Committee, as necessary.
    - (b) Establish the Business Continuity Plan to build a system that enables business continuity and early recovery and resumption even in the event of unforeseen situations such as major disasters, accidents or epidemic.
    - (c) Establish the Information Asset Management Rule, appoint the officer in charge of information asset management, who builds a system to protect the information asset from threats such as theft, leakage, falsification, damages and disasters and reports to the Board of Directors and the Management Committee, as necessary.
  - d. System to ensure efficient execution of duties by the Company's directors
    - (a) Develop the Medium-Term Management Plan and the Annual Management Plan based on the business objectives.
    - (b) Monitor the progress of the Annual Management Plan and report to the Board of Directors and the Management Committee on a monthly basis.
    - (c) Establish the Administrative Authority Regulation to make decisions efficiently by separating duties.
    - (d) Simplify business processes by the enterprise system that uses IT to streamline business management and operation to achieve efficiency.
  - e. System to ensure adequacy of businesses of corporate group consisting of the Company and its subsidiaries.
    - (a) Establish regulations for management of subsidiaries' businesses and a department specialized in the subsidiary management, require reporting of matters related to execution of duties, send directors and the Audit and Supervisory Board members from the Company, to provide strict supervision and oversight.
    - (b) Require reporting of critical information related to risk of loss of subsidiaries based on the regulations for the subsidiaries' business management to address the risk in cooperation with the Company.
    - (c) Require subsidiaries to share information with the Company through various meetings and intranet and improve efficiency of business processes using common operation system. Develop the Group's Medium-Term Management Plan and the Annual Management Plan and require subsidiaries to report the progress on a monthly basis for monitoring purposes.
    - (d) Cooperate with subsidiaries to implement compliance activities and operate the whistleblowing system, completely block relationships with antisocial forces, establish an internal system necessary for that purpose and work with external

specialized institutions. Also, cooperate with subsidiaries and conduct annual internal audit of significant subsidiaries.

f. System to ensure effective audit by the Audit and Supervisory Board members

(a) Establish the Audit and Supervisory Board secretariat and arrange employees who assist the execution of duties of the Audit and Supervisory Board members.

(b) Obtain an approval from the Audit and Supervisory Board on the secretariat member's personnel affairs. The secretariat members follow the orders of the Audit and Supervisory Board members.

(c) Require the Company's directors and employees to report to the Audit and Supervisory Board members regarding significant matters related to businesses and the department specialized in internal audit cooperates with the Audit and Supervisory Board members and exchanges information including situations of subsidiaries. The Audit and Supervisory Board members attend the meetings of the Board of Directors and the Management Committee.

(d) Require directors and employees of subsidiaries to report to the Audit and Supervisory Board immediately on the execution of businesses, if requested. The Company's whistleblowing department reports critical information to the Audit and Supervisory Board.

It is prohibited to give the Company's directors, employees and subsidiaries' directors, etc. who have reported to the Audit and Supervisory Board members disadvantageous treatment.

(e) Secure a certain amount of budget every year to pay for expenses incurred in the execution of duties by the Audit and Supervisory Board members. Properly process the invoices from the Audit and Supervisory Board members for such expenses.

(f) The Audit and Supervisory Board members regularly exchange opinions or interview with the Representative Director and Chief Officers and make visits to offices and subsidiaries. Exchange opinions with the independent auditor on a regular basis.

(C) Risk management system

The Company places particular importance on risk management due to the nature of its business to ensure safety of society. To this end, the Risk Management Committee, chaired by the Representative Director Group COO, is organized in accordance with the Risk Management Rule established in 2002 as amended according to the current risk situations. Also, the risk management examination organization is established on a head office and office level, to manage risk on a company-wide basis, including identification and assessment of risks and development of preventative and responsive measures. In addition, a risk examination working group is set up within the Risk Management Committee for each field, which collects, analyzes and assesses risk information to develop measures to mitigate the risks. We have established systems, such as emergency contact and establishment of task force, to respond promptly to critical emergency situations.

With respect to compliance, the Compliance Committee, chaired by the officer in charge of compliance, is organized to achieve compliance with laws and regulations. The Compliance Committee strives to improve compliance awareness across officers and employees in accordance with the Compliance Regulation established in 2002 (currently the Compliance Rule) and monitors the activities on a regular basis.

For earlier detection and prevention of problems surrounding corporate ethics, the ALSOK Hotline was established in 2004, which is a whistleblowing system for officers and employees to report illegal, fraudulent or unethical acts within the company through emails, phones and documentation without being treated disadvantageously. In addition to the help desk within the company, we set up a help desk outside the company in 2016 for reporting. Furthermore, in December 2021, the ALSOK Business Partner Hotline, a whistleblowing system for business partners, was established with the aim of ensuring self-cleaning, social trust, maintenance and improvement of corporate value and sustainable development with business partners.

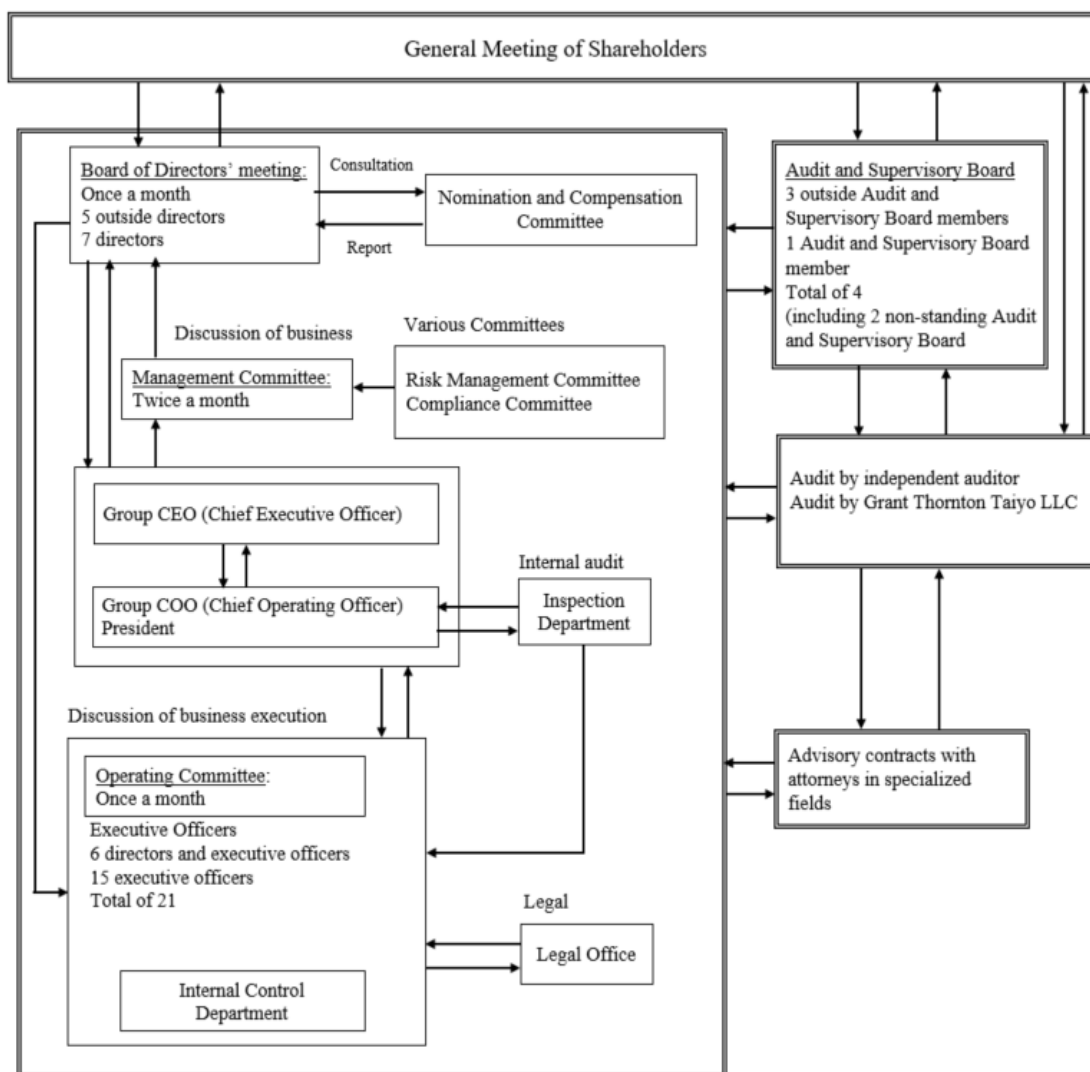
The Group has established the Basic Policy for Information Security as a cornerstone to ensure information security, which is applied to all employees including officers and all information assets held. Based on the Information Asset Management Rule, a company-wide management system for information assets has been established and promoted, and drills have been conducted to prepare for incidents related to information assets. Furthermore, if a critical incident occurs, the Group sets up the ALSOK-CSIRT (Computer Security Incident Response Team), which is a framework to respond to the incident and develop and execute the preventative measures.

For risks related to lawsuits, disputes and other laws and regulations, the Company has established the Legal Office to address such risks in cooperation with various departments. We have entered into advisory contracts with six law firms and received appropriate advice and guidance on critical legal issues and compliance-related events to establish a system to prevent risks. We have engaged lawyers in our corporate governance by maintaining compliance and seeking such advice and guidance.



(D) Bodies and internal controls of the Company

The following is a chart of management organization describing decision-making, execution and supervision of the Company, as well as other corporate governance systems as of the date of filing of this report.



\*The Company proposes the appointment of 11 directors as an agenda item for the Ordinary General Meeting of Shareholders held on June 25, 2025. If this agenda item is approved, the Company will have 11 directors (including 6 inside directors). Details of the executive officers are as described below in (2) Information on directors and officers.

### C. Board of Directors

(A) Number of directors

The Articles of Incorporation stipulate that the number of directors of the Company shall be 12 or less.

(B) Requirements for appointment of directors

The Company stipulates in the Articles of Incorporation that, for a resolution of appointment of directors, shareholders with voting rights representing one-third or more of the total voting rights of all shareholders shall be in attendance at the meeting, and the majority of votes of the shareholders with voting rights who attend the meeting is required.

(C) Composition of directors

In appointing directors, the Company selects from among those who are well versed in various issues of corporate management and have outstanding character, insight, and performance, whether inside or outside the Company.

The Company's Board of Directors is well-balanced and with diversity of knowledge, experience and abilities, comprising several directors from external companies and public organizations, in addition to directors with abundant experience in the Company.

The Company's basic policy and decision making regarding the nomination of directors (excluding outside directors) are determined by the Board of Directors after deliberation and report by the Nomination and Compensation Committee, a voluntary committee whose majority members are independent outside directors.

The following table shows the expertise and experience of the directors as well as their attendance at the Board of Directors meetings as of the date of filing of this report. Note that this table reflects the directors as of June 26, 2025, contingent upon the approval of the proposal to elect directors at the Ordinary General Meeting of Shareholders scheduled for June 25, 2025. Takashi Kumagai and Yutaka Komatsu, who are scheduled to resign, have attended 13 Board of Directors meetings.

Name	Title	Expertise and experience				
		Corporate management (including sustainability)	Finance and accounting	Legal and compliance	IT and digital	Global
Tsuyoshi Murai	Representative Director Group CEO, CTO	•		•	•	
Ikuji Kayaki	Representative Director Group COO	•		•		
Motohisa Suzuki	Director	•		•		•
Naoki Hyakutake	Director	•		•		
Kazuhide Shigemi	Director	•	•			
Shinichiro Hayashi	Director	•	•	•		
Toshie Ikenaga	Director	•		•		
Masahiko Mishima	Director	•		•		•
Kenji Iwasaki	Director	•	•	•		
Hiroyuki Morita	Director	•	•		•	•
Risa Tanaka	Director	•				

Name	Title	Expertise and experience			Attendance	
		Sales and marketing	Human capital management	Industry (Security, facilities, long-term care)	Number of meeting	Attendance
Tsuyoshi Murai	Representative Director Group CEO, CTO	•	•	•	13	13
Ikuji Kayaki	Representative Director Group COO	•	•	•	13	13
Motohisa Suzuki	Director		•	•	13	13
Naoki Hyakutake	Director	•	•	•	13	13
Kazuhide Shigemi	Director	•			13	13
Shinichiro Hayashi	Director	•	•		0	0
Toshie Ikenaga	Director		•		13	13
Masahiko Mishima	Director	•			13	13
Kenji Iwasaki	Director	•	•		13	13
Hiroyuki Morita	Director	•			10	10
Risa Tanaka	Director	•	•		10	10

(D) Information on activities of board of directors

The Board of Directors meets generally once a month and as necessary. There were 13 meetings during the current fiscal year.

The main roles of the Board of Directors are to make decisions on matters stipulated by law and the Articles of Incorporation and important management matters of the Group, and to supervise the execution of duties by directors and executive officers. Matters to be discussed and reported by the Board of Directors are stipulated in the Board Regulations. Other business execution is delegated to the management, and the Management Committee decides on matters to be discussed at the Board of Directors and deliberates specific matters related to business execution based on decisions made by the Board of Directors. Major resolutions and reports during the current fiscal year are as follows:

Resolution matter	Description	Date
General Meeting of Shareholders	Convocation of the 59th Ordinary General Meeting of Shareholders	May 14, 2024
	Appointment of convenors and chairperson of the General Meeting of Shareholders and the Board of Directors' meeting and its order	June 25, 2024
Operating results	Financial reporting for the 60th business term	May 14, 2024
	Dividends from surplus	May 14, 2024 and others
	Quarterly financial reporting	August 6, 2024 and others
Directors	Appointment of Directors and Audit and Supervisory Board member candidates	April 2, 2024
	Revision of compensation for directors, the Audit and Supervisory Board members, and executive officers	May 14, 2024
	Appointment of Group CEO and Group COO	June 25, 2024
Stocks and others	Purchase of treasury stock	May 14, 2024
Organization and human affairs	Personnel changes	May 14, 2024 and others
	Organizational change for the 61st business term	December 3, 2024
	Appointment of executive officers for FY25	March 4, 2025
Internal control system	Information security measures for the 60th business term	April 2, 2024
	Scope of evaluation of internal controls for the fiscal year ended March 31, 2025	August 6, 2024
Corporate management	Corporate planning for the fiscal year ended March 31, 2025	May 14, 2024
	Corporate acquisitions and business transfers	May 14, 2024 and others
Disposal and transfer of important assets	Sale of Nerima building	June 4, 2024

Reporting matter	Description	Date
Progress and results of execution of resolutions of the Board of Directors	Drone business promotion project	June 4, 2024
	Purchase of treasury stock	July 9, 2024 and others
Business execution	Report from the Compliance Committee	April 2, 2024 and others
	Renewal of various types of insurance	
	Purchase and sales of securities and investments results	
	Activities of the Risk Management Committee	February 4, 2025
Monthly business results	Monthly profit/loss	April 2, 2024 and others
Other matters deemed necessary by the Board of Directors	Results of questionnaire survey on effectiveness of the Company's Board of Directors	May 14, 2024
	Audit status report	April 2, 2024 and others
	Progress of efforts on social and environmental agendas	August 6, 2024
	Results of deliberation of appointment and compensation of Directors	January 10, 2025
	Audit engagement contract and audit fees for the 60th business term	May 14, 2024

(E) Evaluation of effectiveness of board of directors

The following is a summary of the results of the analysis and evaluation of the effectiveness of the Company's Board of Directors.

a. Method of analysis

In February 2025, the Company conducted a questionnaire survey for all directors and all Audit and Supervisory Board Members regarding the effectiveness of the Board of Directors. In order to ensure objectivity and transparency, the third party service provider was generally used to conduct the questionnaire, and the Company received a report of the results from the service provider.

<Questionnaires>

The major questions included in the questionnaire conducted in February 2025 were related to the following. The questions were answered either on a scale of 1 to 5 or by short answers.

- Composition of the Board of Directors
- Operation of the Board of Directors
- Monitoring function of the Board of Directors
- Support system for the Board of Directors and Audit and Supervisory Board members
- Training
- Engagement with shareholders (investors)
- Communication
- Summary

b. Summary of results

Based on the questionnaire, we confirmed that the effectiveness of our Board of Directors has been ensured, and reported the results at the Board of Directors' meeting held in April 2025. Taking into consideration the opinions presented in the evaluation process, we will continue to make efforts to improve the effectiveness of the Board of Directors.

D. Matters to be resolved at the General Meeting of Shareholders that may be resolved at the Board of Directors' meeting

(A) Decision-making body for purchase of treasury stock

According to provisions of Article 165, Paragraph 2 of the Companies Act, it is stipulated in the Articles of Incorporation that the Company may purchase its own shares by a resolution of the Board of Directors without a resolution of the shareholders. This is intended to build flexibility in capital decision making by granting the authority related to treasury stock to the Board of Directors.

(B) Indemnification of directors

According to provisions of Article 426, Paragraph 1 of the Companies Act, it is stipulated in the Articles of Incorporation that the Company may indemnify its directors (including former directors) as specified in Article 423, Paragraph 1 of the Companies Act, within the limit stipulated by laws and by a resolution of the Board of Directors, for any damages caused by their actions if they acted in good faith and were not grossly negligent. This is intended for directors to sufficiently fulfill the expected role.

(C) Indemnification of Audit and Supervisory Board members

According to provisions of Article 426, Paragraph 1 of the Companies Act, it is stipulated in the Articles of Incorporation that the Company may indemnify its Audit and Supervisory Board members (including former members) as specified in Article 423, Paragraph 1 of the Companies Act, within the limit stipulated by laws and by a resolution of the Board of Directors, for any damages caused by their actions if they acted in good faith and were not grossly negligent. This is intended for Audit and Supervisory Board members to sufficiently fulfill the expected role.

(D) Decision-making body for interim dividends

According to provisions of Article 454, Paragraph 5 of the Companies Act, it is stipulated in the Articles of Incorporation that the Company may decide on interim dividends by a resolution of the Board of Directors without a resolution of the shareholders. This is intended to build flexibility in distributing returns to shareholders depending on the circumstances and operating results of the Company, by granting the decision-making authority related to interim dividends to the Board of Directors.

E. Special matters to be resolved at the General Meeting of Shareholders

The Company stipulates in the Articles of Incorporation that, for special matters to be resolved at the General Meeting of Shareholders as specified in Article 309, Paragraph 2 of the Companies Act, shareholders with voting rights representing one-third or more of the total voting rights of all shareholders shall be in attendance at the meeting, and two-thirds of votes of the shareholders with voting rights who attend the meeting is required. This is intended to facilitate the smooth operation of the General Meeting of Shareholders by relaxing the quorum of a special resolution by the shareholders.

F. Basic policy for control over corporation

(A) Basic policy

Nothing to report.

(B) Measures to prevent inappropriate control

Nothing to report.

(C) The Board of Directors' decision on measures to prevent inappropriate control

Nothing to report.

G. Activities of committees established with respect to corporate governance

(A) Activities of the Nomination and Compensation Committee

Effective February 7, 2023, the Company established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors.

The purpose of the Committee is to ensure objectivity and transparency in the method of determining directors appointment and compensation, and to further enhance the corporate governance system. Based on recommendations by the Board of Directors, the committee deliberates on matters related to the basic policies and decision-making processes of the nomination and compensation for directors, and reports to the Board of Directors.

The committee members are composed of members who are expected to play an important role, and majority members are independent outside directors as follows. During the fiscal year ended March 31, 2025, the Company revised the composition of the committee to further enhance the objectivity and transparency of the Board of Directors' decision-making processes, with the aim of strengthening the involvement of outside directors in discussions.

Position	Name	Attendance for the current fiscal year
Representative Director Group CEO	Tsuyoshi Murai	2 out of 2
Representative Director Group COO	Ikuji Kayaki	2 out of 2
Outside director	Toshie Ikenaga	2 out of 2
Outside director	Masahiko Mishima	2 out of 2
Outside director	Kenji Iwasaki	2 out of 2
Outside director	Hiroyuki Morita	2 out of 2
Outside director	Risa Tanaka	2 out of 2

\* The Nomination and Compensation Committee generally meets once a year on a regular basis, and extraordinary meetings are held as necessary.

(B) Activities of the Business Investment Review Committee

Effective October 1, 2022, the Company established the Business Investment Review Committee.

The committee shares the purpose of investment in business expansion projects, such as acquisitions and business transfers, and examines various risks, including quantitative aspects and operational challenges, such as human capital to engage in and operate the businesses.

The committee is chaired by the Representative Director Group CEO, vice-chaired by the Representative Director Group COO, and includes the directors in charge of General Affairs/PR, Corporate Planning & Administration, Business Strategies, Financial & Accounting, Human Resources Affairs, and specific project, as well as others appointed by the Chairperson. The committee meets on a case-by-case basis. During the current fiscal year, the committee met 13 times.

(2) Information on directors and officers

The Company's directors and officers as of June 20, 2025 (filing date) are as follows:

A. Directors and officers

14 males and 2 females (12.5% of directors and officers is female)

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
Representative Director Group CEO CTO (Note 8)	Tsuyoshi Murai	August 15, 1969	<p>Jul. 1999: Joined the Company</p> <p>Jun. 2007: Chief Officer of Home Marketing Division</p> <p>Apr. 2010: Executive Officer Chief Officer of Regional Division (I)</p> <p>Feb. 2011: In charge of General Property Management</p> <p>Mar. 2011: Japan Facilio Co., Ltd. President and Representative Director (Resigned in Mar. 2014)</p> <p>Apr. 2014: Senior Executive Officer Deputy Chief Officer of Business Promotion Division in charge of Business Planning &amp; Management In charge of Local Financial Institution Services</p> <p>Apr. 2016: Chief Officer of Human Resources Affairs In charge of Corporate Ethics</p> <p>Jun. 2016: Director and Senior Executive Officer</p> <p>Apr. 2018: In charge of General Affairs/PR In charge of Compliance In charge of Risk Management In charge of Information Asset Management Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs</p> <p>May 2018: In charge of Central Japan Area Deputy Chief Officer of Business Promotion Division in charge of Business Promotion Division (Central Japan Area)</p> <p>Apr. 2019: Director and Executive Vice President In charge of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs</p> <p>Apr. 2020: In charge of Management Company</p> <p>Apr. 2022: Chief Officer of Development &amp; Technologies</p> <p>Jun. 2022: Representative Director (Current) Group CEO (Current) CTO (Current)</p> <p>(Main concurrent positions)</p> <p>Dec. 2021: Representative Director, SOHGO CORPORATION (Current)</p> <p>Jun. 2024: Chairperson, All Japan Security Service Association (Current)</p>	(Note 3)	3,359,000

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
Representative Director Group COO (President and Executive Officer) Chief Officer of Business Promotion Division In charge of Quality Management (Note 8)	Ikuji Kayaki	January 3, 1960	Apr. 1982: Joined the Company Apr. 2011: Chief Officer of Regional Division (IV) Apr. 2012: Executive Officer Apr. 2014: Deputy Chief Officer of Security Operations In charge of Structural Reform (Transportation Security Services) Apr. 2015: Senior Executive Officer Chief Officer of Security Operations Jun. 2017: Director and Senior Executive Officer Apr. 2018: Executive Vice President and Representative Director Head of ALSOK In-house Company In charge of East Japan Area Deputy Chief Officer of Business Promotion Division in charge of Corporate Customers Apr. 2019: Vice President and Representative Director Vice President and Executive Officer Chief Officer of Business Promotion Division (Current) In charge of Corporate Customers In charge of Business Promotion Division (East Japan Area) Jun. 2022: Representative Director (Current) Group COO (Current) President and Executive Officer (Current) Apr. 2024: In charge of Quality Management (Current)	(Note 3)	46,400



Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
<p>Director (Executive Vice President) In charge of General Affairs/PR In charge of Compliance In charge of Risk Management In charge of Information Asset Management In charge of Affiliated Corporate In charge of Overseas Services Chief Officer of Overseas Services Deputy Chief Officer of Business Promotion Division President and Representative Director of ALSOK Business Support Co., Ltd.</p>	Motohisa Suzuki	October 17, 1959	<p>Jan. 2015: Director of Traffic Bureau, National Police Agency (Resigned in Jan. 2016) Apr. 2016: Senior Executive Officer of the Company In charge of General Affairs/PR In charge of Procurement Deputy Chief Officer of Security Operations (Tokyo 2020 Olympic and Paralympic Games Operations) In charge of HOME ALSOK In charge of Compliance In charge of Risk Management In charge of Information Asset Management Deputy Chief Officer of Business Promotion Division Apr. 2018: Chief Officer of Security Operations In charge of Structural Reform (Transportation Security Services) Deputy Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs Apr. 2019: Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs Jun. 2019: Director and Senior Executive Officer Jun. 2022: In charge of General Affairs/PR (Current) In charge of Compliance (Current) In charge of Risk Management (Current) In charge of Information Asset Management (Current) In charge of Management Company In charge of Overseas Services (Current) Chief Officer of Overseas Services (Current) Aug. 2022: Deputy Chief Officer of Business Promotion Division (Current) Apr. 2023: Director and Executive Vice President (Current) In charge of Quality Management In charge of Affiliated Corporate (Current) Apr. 2025: President and Representative Director of ALSOK Business Support Co., Ltd. (scheduled to resign in Jun. 2025)</p>	(Note 3)	23,700

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
Director (Executive Vice President) Chief Officer of Human Resources Affairs In charge of Corporate Ethics	Naoki Hyakutake	May 15, 1964	<p>Apr. 1989: Joined the Company</p> <p>Apr. 2016: President and Representative Director of ALSOK Care &amp; Support Co., Ltd. (Resigned in Mar. 2017)</p> <p>Apr. 2017: General Manager of Human Resources Department</p> <p>Apr. 2019: Executive Officer In charge of Human Resources Affairs</p> <p>Apr. 2022: Senior Executive Officer Deputy Chief Officer of Human Resources Affairs</p> <p>Jun. 2022: Director and Senior Executive Officer Chief Officer of Human Resources Affairs (Current) In charge of Corporate Ethics (Current)</p> <p>Apr. 2025: Director and Executive Vice President (Current)</p>	(Note 3)	17,000
Director (Senior Executive Officer) In charge of Long-Term Care Services Deputy Chief Officer of Business Promotion Division President and Representative Director of Life Co., Ltd. President and Representative Director of ALSOK Care Co., Ltd.	Takashi Kumagai	December 15, 1958	<p>Jul. 2014: Director General for Reconstruction Agency (Resigned in Jun. 2016)</p> <p>Oct. 2016: Executive Officer of the Company Second in charge of Management Company Second in charge of Regional Control Deputy Chief Officer of Development &amp; Technologies Deputy Chief Officer of Business Promotion Division second in charge of Sales Promotion Second in charge of Corporate Customers</p> <p>Apr. 2017: Senior Executive Officer In charge of Long-Term Care Services (Current) In charge of Management Company In charge of Regional Control Deputy Chief Officer of Business Promotion Division second in charge of Sales Promotion</p> <p>Apr. 2018: Deputy Chief Officer of Business Promotion Division in charge of HOME ALSOK</p> <p>Apr. 2020: Deputy Chief Officer of Business Promotion Division (Current) President and Representative Director of Life Holdings Co., Ltd. (currently Life Co., Ltd.) President and Representative Director of Life Co., Ltd. (Current) President and Representative Director of MBIC Life Co., Ltd. (currently ALSOK MBIC Laboratory Co., Ltd.)</p> <p>Apr. 2022: President and Representative Director of ALSOK Care Co., Ltd. (Current)</p> <p>Jun. 2022: Director and Senior Executive Officer (scheduled to resign in Jun. 2025)</p>	(Note 3)	9,500

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
<p>Director (Senior Executive Officer)</p> <p>CFO</p> <p>In charge of Internal Control</p> <p>In charge of Procurement (Note 8)</p>	Kazuhide Shigemi	December 25, 1959	<p>Apr. 2009: Deputy Manager of Osaka Sales Division of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) (Resigned in Apr. 2012)</p> <p>May 2011: General Manager of Regional Control of the Company</p> <p>Apr. 2013: Group General Manager</p> <p>Apr. 2015: General Manager of Corporate Planning &amp; Administration</p> <p>Apr. 2017: Executive Officer Second in charge of Corporate Planning &amp; Administration Second in charge of Strategic Business</p> <p>Apr. 2019: Senior Executive Officer In charge of Corporate Planning &amp; Administration In charge of Strategic Business</p> <p>Jun. 2022: Director and Senior Executive Officer (Current)</p> <p>Oct. 2022: In charge of Financial &amp; Accounting In charge of Internal Control (Current) In charge of Procurement (Current)</p> <p>Apr. 2025: CFO (Current)</p>	(Note 3)	7,800

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
<p>Director (Senior Executive Officer) Secondment to Kansai area In charge of Kansai area In charge of Expo 2025 Osaka, Kansai, Japan (General) Deputy Chief Officer of Business Promotion Division In charge of Business Promotion Division (Kansai Area)</p>	Yutaka Komatsu	November 3, 1958	<p>Mar. 1981: Joined the Company Apr. 2008: General Manager in charge of Corporate Sales (I) Oct. 2014: President and Representative Director of Hokkaido Sohgo Security Services Co., Ltd. (currently ALSOK Hokkaido Co., Ltd.) Apr. 2020: Executive Officer President and Representative Director of ALSOK Hokkaido Co., Ltd. Apr. 2022: Senior Executive Officer Chairperson and Representative Director of ALSOK Hokkaido Co., Ltd. Jun. 2022: Director and Senior Executive Officer (scheduled to resign in Jun. 2025) In charge of West Japan Area In charge of Expo 2025 Osaka, Kansai, Japan (General) (Current) Deputy Chief Officer of Business Promotion Division in charge of Business Promotion Division (West Japan Area) Chief Officer of Regional Division (II) Chairperson, President and Representative Director of ALSOK Kinki Co., Ltd. Chairperson and Representative Director of ALSOK Osaka Co., Ltd. Apr. 2024: Chief Officer of Regional Division (X) Apr. 2025: In charge of Kansai area (Current) Deputy Chief Officer of Business Promotion Division in charge of Business Promotion Division (Kansai Area) (Current)</p> <p>(Main concurrent positions) Jun. 2022: Representative Director of Hiroshima Sohgo Security Services Co., Ltd. (Current) Representative Director of Ehime Sohgo Security Services Co., Ltd. (Current)</p>	(Note 3)	11,600

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
Director	Toshie Ikenaga	January 23, 1961	<p>Apr. 1987: Joined the Economic Planning Agency</p> <p>Sep. 2010: Director of Policy Evaluation and Public Relations Division, Minister's Secretariat, Cabinet Office</p> <p>Apr. 2012: Professor of Hosei Graduate School of Regional Policy Design</p> <p>Apr. 2014: Director of Cabinet Office</p> <p>Sep. 2014: Director of General Affairs Division, Gender Equality Bureau, Cabinet Office</p> <p>Jan. 2016: Vice-Governor of Shiga Prefecture (Resigned in Jul. 2018)</p> <p>Jul. 2018: Director-General of General Affairs Division, Gender Equality Bureau, Cabinet Office (Resigned in Aug. 2020)</p> <p>Jun. 2021: Director of the Company (Current)</p> <p>Jul. 2022: Director of National Hospital Organization (Current)</p> <p>(Main concurrent positions)</p> <p>Jun. 2021: Outside Audit and Supervisory Board member of Shimizu Corporation (Current)</p>	(Note 3)	500
Director	Masahiko Mishima	July 14, 1956	<p>Apr. 2016: Executive Officer of Mitsubishi Heavy Industries, Ltd.</p> <p>Oct. 2018: Senior Executive Officer of Mitsubishi Heavy Industries, Ltd.</p> <p>Jun. 2019: Representative Director and Senior Executive Officer of Mitsubishi Heavy Industries, Ltd.</p> <p>Jun. 2021: Senior Executive Officer of Mitsubishi Heavy Industries, Ltd. (Resigned in Sep. 2021)</p> <p>Oct. 2021: Advisor of Mitsubishi Heavy Industries, Ltd. (Resigned in Sep. 2022)</p> <p>Jun. 2022: Director of the Company (Current)</p>	(Note 3)	2,500

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
Director	Kenji Iwasaki	January 3, 1955	<p>Jun. 2009: Executive Officer of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>Jun. 2010: Managing Director of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>Apr. 2014: Senior Managing Director of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>Apr. 2017: Vice President and Director of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. (Resigned in Mar. 2018)</p> <p>Vice President and Executive Officer of Tokio Marine Holdings, Inc.</p> <p>Jun. 2017: Vice President and Director of Tokio Marine Holdings, Inc. (Resigned in Jun. 2018)</p> <p>Jun. 2018: Executive Director of the General Insurance Association of Japan (Resigned in Jun. 2022)</p> <p>Jun. 2022: Director of the Company (Current)</p> <p>Jul. 2022: Outside Audit and Supervisory Board member of Daiichiseiwa Jimusho Co., Ltd. (Current)</p> <p>(Main concurrent positions)</p> <p>Jun. 2022: President and Representative Director of HMS Holdings Corporation (Current)</p> <p>Jun. 2023: Director and Audit and Supervisory Board member of Japan Airport Terminal Co., Ltd. (Current)</p>	(Note 3)	1,700
Director	Hiroyuki Morita	July 16, 1958	<p>Jun. 1997: President of ENICOM Inc. (currently NS Solutions USA) (Resigned in Jun. 1999)</p> <p>Apr. 2010: Executive Officer of NS Solutions Corporation</p> <p>Jun. 2012: Director of NS Solutions Corporation</p> <p>Jun. 2015: Director and Superior Executive Officer of NS Solutions Corporation</p> <p>Apr. 2016: Director and Senior Executive Officer of NS Solutions Corporation</p> <p>Apr. 2019: President and Representative Director of NS Solutions Corporation</p> <p>Apr. 2023: Director and Advisor of NS Solutions Corporation</p> <p>Jun. 2024: Director of the Company (Current)</p> <p>Advisor of NS Solutions Corporation (scheduled to resign in Jun. 2025)</p> <p>(Main concurrent positions)</p> <p>Jun. 2024: Outside Director of Toho System Science Co., Ltd. (Current)</p>	(Note 3)	100

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
Director	Risa Tanaka	November 14, 1966	<p>Apr. 1995: Chief Editor of monthly magazine, Senden Kaigi of Sendenkaigi Co., Ltd.</p> <p>Nov. 2008: Vice President and Director, and Editorial Office Manager of Sendenkaigi Co., Ltd.</p> <p>Aug. 2010: Director of Japan Association for Rail Advertising (Current)</p> <p>Apr. 2012: Professor at Graduate School of Project Design founded by Advanced Academic Agency</p> <p>Jun. 2014: Outside director of Japan Post Co., Ltd.</p> <p>Apr. 2016: Director of Sendenkaigi Co., Ltd.</p> <p>Jan. 2019: Member of the Central Environment Council of the Ministry of the Environment (Current)</p> <p>Feb. 2019: Member of the Infrastructure Development Council and the Council for Transport Policy of the Ministry of Land, Infrastructure, Transport and Tourism (Current)</p> <p>Apr. 2021: Member of the Board of Trustees and Vice President of Mie University (Current)</p> <p>Jan. 2022: Member of the 33rd Local Government System Research Committee of the Ministry of Internal Affairs and Communications</p> <p>Jun. 2024: Director of the Company (Current)</p> <p>Apr. 2025: Member of the Fiscal System Council of the Ministry of Finance (Current)</p> <p>(Main concurrent positions)</p> <p>Apr. 2016: President of Graduate School of Project Design founded by Advanced Academic Agency (Current)</p> <p>Jun. 2021: Outside Director of Imuraya Group Co., Ltd. (Current)</p> <p>Jun. 2022: Outside Audit and Supervisory Board member of Metropolitan Expressway Co., Ltd. (Current)</p> <p>Jun. 2024: Outside Director of The Akita Bank, Ltd. (Current) Outside Director of Koito Manufacturing Co., Ltd. (Current)</p>	(Note 3)	200
Standing Audit and Supervisory Board member	Juichiro Mochizuki	January 25, 1960	<p>Apr. 1982: Joined the Company</p> <p>Aug. 2012: General Manager (I) of Security Services</p> <p>Apr. 2014: President and Representative Director of Ibaraki Sohgo Security Services Co., Ltd. (currently ALSOK Ibaraki Co., Ltd.) (Resigned in Mar. 2020)</p> <p>Apr. 2020: Chief Officer of Regional Division (VI)</p> <p>Apr. 2021: Chief Officer of Regional Division (VII)</p> <p>Jun. 2022: Standing Audit and Supervisory Board member (scheduled to resign in Jun. 2025)</p>	(Note 4)	25,200

Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
Standing Audit and Supervisory Board member	Shinichiro Nakano	December 15, 1959	<p>Jun. 2008: General Manager in charge of Enterprise Risk Management of the Norinchukin Bank</p> <p>Jun. 2012: General Manager in charge of Corporate Planning Management of the Norinchukin Bank</p> <p>Jun. 2014: Managing Director of the Norinchukin Bank (Resigned in Mar. 2019)</p> <p>Director of Norinchukin Value Investments Co., Ltd. (Resigned in Mar. 2018)</p> <p>Director of the Norinchukin Trust &amp; Banking Co., Ltd. (Resigned in Mar. 2019)</p> <p>Audit and Supervisory Board member of Kyodo Housing Loan Co., Ltd. (Resigned in Jun. 2019)</p> <p>Apr. 2019: Standing Counselor of the Norinchukin Bank (Resigned in Jun. 2019)</p> <p>Jun. 2019: Standing Audit and Supervisory Board member of the Company (Current)</p>	(Note 5)	7,200
Audit and Supervisory Board member	Yoshiaki Nakagawa	February 14, 1954	<p>Sep. 1990: Director and CFO of Matsushita Radio Singapore Pte. Ltd. (Resigned in May 1996)</p> <p>Jan. 2001: Chief Accountant of China Hualu Matsushita AVC Co., Ltd. (Resigned in Jan. 2004)</p> <p>Apr. 2009: Executive Officer of Panasonic Corporation (currently Panasonic Holdings Corporation)</p> <p>Jun. 2011: Managing Director of Panasonic Corporation (currently Panasonic Holdings Corporation) (Resigned in Jun. 2014)</p> <p>Apr. 2014: President and Representative Director of Sanyo Electric Co., Ltd. (Resigned in Mar. 2017)</p> <p>Apr. 2017: Advisor of Panasonic Corporation (currently Panasonic Holdings Corporation) (Resigned in Mar. 2018)</p> <p>Apr. 2018: Special Advisor of Hardlock Industry Co., Ltd. (Current)</p> <p>Aug. 2020: Advisor of Uokuni Sohonsa Co., Ltd. (Current)</p> <p>Jun. 2021: Audit and Supervisory Board member of the Company (scheduled to resign in Jun. 2025)</p> <p>(Main concurrent positions)</p> <p>Jun. 2020: Outside Audit and Supervisory Board member of Asanuma Corporation (Current)</p>	(Note 6)	4,900



Position	Name	Date of birth	Biography	Term	Number of shares held (Shares)
Audit and Supervisory Board member	Yoshifumi Otsuka	February 18, 1964	<p>Apr. 2015: Executive Officer of Daiwa Securities Co. Ltd.</p> <p>Oct. 2018: Executive Officer of Daiwa Securities Group Inc.</p> <p>Apr. 2019: Senior Executive Officer of Daiwa Securities Group Inc.</p> <p>Senior Executive Officer of Daiwa Securities Co. Ltd.</p> <p>Apr. 2020: Managing Director of Daiwa Securities Co. Ltd.</p> <p>Apr. 2022: Senior Managing Director of Daiwa Institute of Research Ltd.</p> <p>Jun. 2024: Audit and Supervisory Board member of the Company (Current)</p>	(Note 7)	500
Total					3,517,800

- (Notes) 1. Toshie Ikenaga, Masahiko Mishima, Kenji Iwasaki, Hiroyuki Morita, and Risa Tanaka are outside directors. Shinichiro Nakano, Yoshiaki Nakagawa, and Yoshifumi Otsuka are outside Audit and Supervisory Board members. A legal name of Toshie Ikenaga is Toshie Kobayashi and a legal name of Risa Tanaka is Risa Saito.
2. The Company has implemented an executive officers system in order to expedite decision making and engaged the Board of Directors by separating supervision and execution.
3. One year from the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2024
4. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2022
5. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 27, 2023
6. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021
7. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2024
8. CEO is Chief Executive Officer, COO is Chief Operating Officer, CTO is Chief Technology Officer, and CFO is Chief Financial Officer.

2. The Company proposes the appointment of 11 directors and 2 Audit and Supervisory Board members as agenda items for the Ordinary General Meeting of Shareholders held on June 25, 2025. If these agenda items are approved, the Company will have the following directors and officers. The titles and other details of directors and officers below reflect the matters to be resolved (such as titles) at the Board of Directors meeting scheduled to be held immediately after the Ordinary General Meeting of Shareholders.

A. Directors and officers

12 males and 3 females (20.0% of directors and officers is female)

Position	Name	Term	Type of appointment
Representative Director Group CEO CTO (Note 5)	Tsuyoshi Murai	(Note 1)	Re-appointed
Representative Director Group COO (President and Executive Officer) Chief Officer of Business Promotion Division In charge of Quality Management (Note 5)	Ikuji Kayaki	(Note 1)	Re-appointed
Director (Executive Vice President) In charge of General Affairs/PR In charge of Compliance In charge of Risk Management In charge of Information Asset Management In charge of Affiliated Corporate In charge of Overseas Services Chief Officer of Overseas Services Deputy Chief Officer of Business Promotion Division	Motohisa Suzuki	(Note 1)	Re-appointed
Director (Executive Vice President) Chief Officer of Human Resources Affairs In charge of Corporate Ethics	Naoki Hyakutake	(Note 1)	Re-appointed
Director (Senior Executive Officer) CFO In charge of Internal Control In charge of Procurement (Note 5)	Kazuhide Shigemi	(Note 1)	Re-appointed
Director (Senior Executive Officer) In charge of Corporate Planning & Administration Deputy Chief Officer of Business Promotion Division In charge of Finance	Shinichiro Hayashi	(Note 1)	Newly appointed
Director	Toshie Ikenaga	(Note 1)	Re-appointed
Director	Masahiko Mishima	(Note 1)	Re-appointed
Director	Kenji Iwasaki	(Note 1)	Re-appointed
Director	Hiroyuki Morita	(Note 1)	Re-appointed
Director	Risa Tanaka	(Note 1)	Re-appointed
Standing Audit and Supervisory Board member	Jun Tanaka	(Note 2)	Newly appointed
Standing Audit and Supervisory Board member	Shinichiro Nakano	(Note 3)	Re-appointed
Audit and Supervisory Board member	Yoshifumi Otsuka	(Note 4)	Re-appointed
Audit and Supervisory Board member	Toshie Tanaka	(Note 2)	Newly appointed

(Notes) 1. One year from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 25, 2025  
2. Four years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 25, 2025  
3. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 27, 2023

4. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2024
5. CEO is Chief Executive Officer, COO is Chief Operating Officer, CTO is Chief Technology Officer, and CFO is Chief Financial Officer.
6. The biographies of a newly appointed director and two newly appointed Audit and Supervisory Board members are as follows:

Position	Name	Date of birth	Biography	Number of shares held (Shares)
Director (Senior Executive Officer) In charge of Corporate Planning & Administration Deputy Chief Officer of Business Promotion Division In charge of Finance	Shinichiro Hayashi	December 9, 1964	<p>May 2014: General Manager of Bank of Japan Matsumoto Branch</p> <p>Apr. 2017: Director-General of Operations of Bank of Japan</p> <p>May 2020: Director-General of Information Services of Bank of Japan</p> <p>Apr. 2021: General Manager of Bank of Japan Nagoya Branch (Resigned in Jun. 2022)</p> <p>Jun. 2022: Executive Officer of the Company In charge of Finance In charge of Business Planning &amp; Management</p> <p>Apr. 2023: Senior Executive Officer In charge of Corporate Planning &amp; Administration (Current) In charge of Business Strategies Deputy Chief Officer of Business Promotion Division in charge of Finance (Current)</p> <p>Jun. 2025: Director and Senior Executive Officer (to be appointed)</p>	400
Standing Audit and Supervisory Board member	Jun Tanaka	May 23, 1962	<p>Apr. 1987: Joined the Company</p> <p>Apr. 2010: General Manager of Owari Branch</p> <p>Apr. 2013: General Manager of Johoku Branch</p> <p>Apr. 2015: General Manager of Development &amp; Technologies</p> <p>Apr. 2020: Deputy Manager of Overseas Services</p> <p>Jun. 2022: Seconded President and Representative Director of ALSOK Shojitsu Security Service Co., Ltd</p> <p>Apr. 2024: President and Representative Director of ALSOK Shojitsu Security Service Co., Ltd</p> <p>Jun. 2025: Standing Audit and Supervisory Board member of the Company (to be appointed)</p>	13,500

Position	Name	Date of birth	Biography	Number of shares held (Shares)
Audit and Supervisory Board member	Toshie Tanaka	October 19, 1965	<p>Aug. 2013: Chief of the Iwate Prefectural Police</p> <p>Mar. 2018: Chief of the Traffic Division of the Tokyo Metropolitan Police Department</p> <p>Mar. 2019: Head of the Research and Training Center for International Criminal Investigation and Police Cooperation of the National Police Academy</p> <p>Sep. 2021: Chief of the Chiba Prefectural Police</p> <p>Aug. 2023: Deputy Commissioner of the Tokyo Metropolitan Police Department</p> <p>Apr. 2024: Head of the National Policy Academy (Resigned in Aug. 2024)</p> <p>Dec. 2024: Advisor of The Gibraltar Life Insurance Co., Ltd. (Current)</p> <p>Apr. 2025: Special Advisor of Sogo Development Co., Ltd. (Current)</p> <p>Jun. 2025: Audit and Supervisory Board member of the Company (to be appointed)</p> <p>(Main concurrent positions)</p> <p>Mar. 2025: Outside Director of Itoki Corporation (Current)</p>	0

1. The Company's executive officers consist of the following 22 members as of June 20, 2025 (filing date):

Post	Name	Title
President and Executive Officer	Ikuji Kayaki	Group COO (Note) Chief Officer of Business Promotion Division In charge of Quality Management
Executive Vice President	Motohisa Suzuki	In charge of General Affairs/PR In charge of Compliance In charge of Risk Management In charge of Information Asset Management In charge of Affiliated Corporate In charge of Overseas Services Chief Officer of Overseas Services Deputy Chief Officer of Business Promotion Division President and Representative Director of ALSOK Business Support Co., Ltd.
Executive Vice President	Naoki Hyakutake	Chief Officer of Human Resources Affairs In charge of Corporate Ethics
Senior Executive Officer	Takashi Kumagai	In charge of Long-Term Care Services Deputy Chief Officer of Business Promotion Division President and Representative Director of Life Co., Ltd. President and Representative Director of ALSOK Care Co., Ltd.
Senior Executive Officer	Kazuhide Shigemi	CFO (Note) In charge of Internal Control In charge of Procurement
Senior Executive Officer	Yutaka Komatsu	In charge of Kansai area In charge of Expo 2025 Osaka, Kansai, Japan (General) Deputy Chief Officer of Business Promotion Division In charge of Business Promotion Division (Kansai Area)
Senior Executive Officer	Shinichiro Hayashi	In charge of Corporate Planning & Administration Deputy Chief Officer of Business Promotion Division In charge of Finance
Senior Executive Officer	Satoshi Yoneda	In charge of Business Strategies Deputy Chief Officer of Business Promotion Division In charge of Business Planning & Management
Senior Executive Officer	Wataru Saito	CIO (Note)
Senior Executive Officer	Tomoyuki Arita	Deputy Chief Officer of Business Promotion Division In charge of Corporate Customers General Manager in charge of Corporate Sales (I)
Senior Executive Officer	Seiji Ono	Deputy Chief Officer of Business Promotion Division In charge of Corporate Customers
Senior Executive Officer	Hiroyuki Ono	In charge of Central Japan Area Deputy Chief Officer of Business Promotion Division In charge of Business Promotion Division (Central Japan Area)
Senior Executive Officer	Hiroyoshi Yoshida	Chief Officer of Stationed Security In charge of Expo 2025 Osaka, Kansai, Japan (PR)
Senior Executive Officer	Ken Takahashi	In charge of Transportation Security In charge of Facility Management (to be changed on Jun. 26, 2025)
Senior Executive Officer	Yutaka Miyajima	In charge of HOME ALSOK Business
Executive Officer	Tetsuya Okuda	Second in charge of General Affairs General Manager of General Affairs Department
Executive Officer	Masahiro Kikukawa	Second in charge of Financial & Accounting General Manager of Financial & Accounting
Executive Officer	Masafumi Sato	Deputy Chief Officer of Development & Technologies

Post	Name	Title
Executive Officer	Manabu Morimoto	In charge of Electronic Security General Manager of Electronic Security
Executive Officer	Kengo Takeda	In charge of Tokyo and Kanagawa
Executive Officer	Naoki Fukuzumi	In charge of West Japan Area
Executive Officer	Tetsuya Tsuburaya	General Manager of Osaka Branch

(Note) COO is Chief Operating Officer, CFO is Chief Financial Officer, and CIO is Chief Information Officer.

The following changes in executive officers are scheduled to take effect on June 26, 2025:

Post	Name	Title
Senior Executive Officer	Ken Takahashi	In charge of Transportation Security
Executive Officer	Yasuhiro Yoshimoto	In charge of Facility Management

#### B. Outside directors and Audit and Supervisory Board members

As of the date of filing of this report and after the Ordinary General Meeting of Shareholders, the Company has 5 outside directors and 3 outside Audit and Supervisory Board members. The outside directors and the Audit and Supervisory Board members who have the Company's stocks are listed in A. Directors and officers.

The Company has security service transactions, etc. with Shimizu Corporation and National Hospital Organization where Toshie Ikenaga, outside director, currently serves as outside Audit and Supervisory Board member and director, respectively. The transactions for the most recent fiscal year represent less than 2% of the Company's net sales.

The Company has security service transactions, etc. with Mitsubishi Heavy Industries, Ltd. where Masahiko Mishima, outside director, had worked for until September 2022. The transactions for the most recent fiscal year represent less than 2% of the Company's net sales.

The Company has security service transactions, etc. with Tokio Marine & Nichido Fire Insurance Co., Ltd. and Tokio Marine Holdings, Inc. where Kenji Iwasaki, outside director, had worked for until March 2018 and June 2018, respectively. The transactions for the most recent fiscal year represent less than 2% of the Company's net sales.

The Company has general property management and fire protection service transactions with NS Solutions Corporation where Hiroyuki Morita, outside director, had served as a director until June 2024. The transactions for the most recent fiscal year represent less than 2% of the Company's net sales.

The Company has transportation security service transactions, etc. with Japan Post Co., Ltd. where Risa Tanaka, outside director, had served as outside director until June 2022, and the Company has also security service transactions, etc. with Imuraya Group Co., Ltd. and Koito Manufacturing Co., Ltd. where she currently serves as outside director, as well as Metropolitan Expressway Co., Ltd. where she currently serves as outside Audit and Supervisory Board member. The transactions for the most recent fiscal year represent less than 2% of the Company's net sales.

The Company has security service transactions, etc. with the Norinchukin Bank where Shinichiro Nakano, outside director, had worked for until June 2019. The transactions for the most recent fiscal year represent less than 2% of the Company's net sales.

The Company has security service transactions, etc. with Daiwa Securities Group Inc. and Daiwa Securities Co. Ltd. where Yoshifumi Otsuka, outside Audit and Supervisory Board member, had worked for until March 2022, and the Company also has telecommunication services with Daiwa Institute of Research Ltd. where he worked for until March 2024. The transactions for the most recent fiscal year represent less than 2% of the Company's net sales.

The Company has security service transactions, etc. with The Gibraltar Life Insurance Co., Ltd. and Itoki Corporation where Toshie Ikenaga, outside Audit and Supervisory Board member, currently serves as advisor and outside director, respectively. The Company also has transportation security service transactions, etc. with Sogo Development Co., Ltd. where Toshie Ikenaga currently serves as special advisor. The transactions for the most recent fiscal year represent less than 2% of the Company's net sales.

The outside directors and outside Audit and Supervisory Board members are expected to cover the function of observation and supervision of the management team by objective and neutral standpoint. Although we do not have any explicitly stated basis or policy for independence related to appointment of outside directors and outside Audit and Supervisory Board members, we refer to requirements of independent officers stipulated by Tokyo Stock Exchange to confirm whether independent is maintained.

Five outside directors and three outside Audit and Supervisory Board members are reported to Tokyo Stock Exchange as the

Company's independent officers.

C. Relationship between oversight or audit by outside directors or outside Audit and Supervisory Board members and internal audit, mutual cooperation of audit by the Audit and Supervisory Board and independent audit and its relationship with Internal Control Department

Outside directors attend meetings of the Board of Directors with outside Audit and Supervisory Board members to provide their opinions, as necessary. Before the meetings, outside directors and outside Audit and Supervisory Board members are reported from managers of departments on the matters to be discussed at the meetings to achieve effective monitoring of management. In addition, outside Audit and Supervisory Board members make visits to branches and subsidiaries as with other Audit and Supervisory Board members, and regularly exchange information and opinions with the Inspection Department and the independent auditor, thereby ensuring oversight by outside directors, audit by the Audit and Supervisory Board members and mutual cooperation among the Audit and Supervisory Board, internal auditors and the independent auditor.

A relationship between such oversight or audit and the Internal Control Department is described as follows.

By participating in the meetings of the Board of Directors, outside directors supervise execution of duties of other directors in the Internal Control Department, etc. from an independent standpoint.

Outside Audit and Supervisory Board members assess the legality of operations of the Internal Control Department by conducting business and financial audits of the Internal Control Department and inspecting various documents.

(3) Status of audit

A. Audit by Audit and Supervisory Board members

(A) Organization and members

The Company is a company with the Audit and Supervisory Board. As of the date of filing of this report, the Audit and Supervisory Board consists of four members (including three outside Audit and Supervisory Board members), including two members who have considerable knowledge of finance and accounting. Two employees are assigned to the secretariat of the Audit and Supervisory Board to assist the duties of the members. The consent of the Audit and Supervisory Board is required for personnel changes and performance evaluations of those employees, which maintains independence from directors and ensures the effectiveness of direction of the Audit and Supervisory Board members.

(B) Frequency and attendance of the Audit and Supervisory Board

During the fiscal year ended March 31, 2025, 16 meetings of the Audit and Supervisory Board were held. In the meetings, audit policy, audit plan and other critical matters related to audit were reported, discussed and resolved. Activities of the Standing Audit and Supervisory Board members and results of visits by the Audit and Supervisory Board members were reported to other members at the meetings of the Audit and Supervisory Board, etc.

<Attendance of Audit and Supervisory Board members>

Position	Name	Attendance
Standing Audit and Supervisory Board member	Juichiro Mochizuki	16 out of 16
Standing Audit and Supervisory Board member (Outside)	Shinichiro Nakano	16 out of 16
Audit and Supervisory Board member (Outside)	Yoshiaki Nakagawa	16 out of 16
Audit and Supervisory Board member (Outside)	Yoshifumi Otsuka	13 out of 13

(Note) Yoshifumi Otsuka's attendance covers meetings of the Audit and Supervisory Board meetings held after his appointment on June 25, 2024.

(C) Status of audit

Each Audit and Supervisory Board member conducts audit of execution of duties of directors, such as whether the execution of duties of directors, executive officers, and employees, complies with laws and regulations and the Articles of Incorporation, from an independent standpoint in accordance with the Regulation of Audit and Supervisory Board and audit plans. Specifically, the execution of duties is monitored through reporting from directors and employees on critical matters related to businesses, reporting from the Inspection Department on audit, and reporting from the whistleblowing department on critical matters.

Each Audit and Supervisory Board member is reported from the independent auditor on the status and results of audit so that they can monitor and examine the execution of duties of the auditor, such as whether the financial statements are properly audited, to assess the adequacy of the auditor.

In order to achieve these, the Audit and Supervisory Board members regularly exchange opinions with the Representative Director and outside directors, and hold meetings with the Inspection Department and the independent auditor to discuss audit-related matters. Also, the Audit and Supervisory Board members attend the Board of Directors meetings and the Management Committee to appropriately monitor the execution of duties of management, as well as make visits to the Company's branches, subsidiaries, and associates, on a regular basis. The Audit and Supervisory Board members are appointed as the Audit and Supervisory Board members of subsidiaries and associates, and hold meetings with other officers of the Company, who also serve as the Audit and Supervisory Board members of subsidiaries and associates, to exchange opinions.

## B. Internal audit

### (A) Organization, members and procedures

As a department specialized in internal audit, the Inspection Department (44 members as of the date of filing of this report) is established within the Company under the direct control of the Representative Director Group COO.

Based on the Internal Audit Regulation, the Inspection Department examines and assesses overall management of business activities of the Company and its subsidiaries and associates, operational systems and execution of duties in terms of its legality, necessity, and reasonableness, and provides guidance, advice, and recommendation for improvement.

### (B) Mutual cooperation among internal audit, audit by the Audit and Supervisory Board members and audit by the independent auditor, relationship between these audits and the Internal Control Department, and efforts to ensure effectiveness of internal audit

<Mutual cooperation among internal audit, audit by the Audit and Supervisory Board members and audit by the independent auditor>

The Inspection Department, the Audit and Supervisory Board members and the independent auditor meet generally once a month in a "three-way audit meeting." The Inspection Department, the Audit and Supervisory Board members, and the independent auditor, cooperate with each other by sharing and exchanging opinions on information on audits performed by these auditors.

The four Audit and Supervisory Board members regularly meet with the independent auditor to exchange opinions on matters discussed in the Board of Directors meetings and on issues identified by them, cooperating with each other.

<Relationship between internal audit, audit by Audit and Supervisory Board members and audit by the independent auditor, and the Internal Control Department>

As part of the evaluation procedures for entity-level controls and business process controls, the Inspection Department performs control testing over business activities, such as promotion of compliance led by the Internal Control Department of the General Affairs Department and the Financial & Accounting Department, etc., risk management, and financial closing and reporting. The results of internal control testing performed by the Inspection Department are reported to the Representative Director Group COO and the officer in charge of internal controls, as necessary. These reports include a list of deficiencies identified by the Inspection Department for remediation. The officer in charge of internal controls then requests related departments to remediate these deficiencies by certain due dates, thereby strengthening oversight by the Internal Control Department. The internal audit conducted by the Inspection Department consists of audit of the management departments and audit of operating departments. The audit covers all business activities of the Company, including those of Internal Control Department. The results of internal audit are promptly reported to the Representative Director Group COO, and are also notified to related officers, the Audit and Supervisory Board members, and the managers of related departments. The General Manager of the Inspection Department requests the managers to remediate the matters by certain due dates, thereby improving the business processes.

The Audit and Supervisory Board members assess legality of the work performed by the Internal Control Department through business audit, the consideration of business issues identified during the financial audit, the inspection of documents related to the Risk Management Committee, and the participation in various meetings, such as the Board of Directors' meeting. They also provide advice to the Internal Control Department, as necessary.

The independent auditor conducts internal control audits, audits under the Companies Act, financial statements audits, and quarterly reviews based on the audit plans. In the internal control audit, the independent auditor evaluates design and operation of internal controls implemented by the Internal Control Department through inspection of results of control testing performed over the Internal Control Department by the Inspection Department, control testing performed by the independent auditor, and inspection of related documents, etc. In the financial statements audit performed in conjunction with the internal control audit, the independent auditor performs procedures over the Internal Control Department, including confirmation of significant accounts, examination of accounting estimates, and presentation of financial statements. The independent auditor assesses adequacy of the financial statements by making inquiries of managers



subject to audit and conducting interviews with directors, including the officer in charge of the Internal Control Department, based on a thorough consideration of the Company's control environment and business risks.

The independent auditor reports the results of audit to directors, the Audit and Supervisory Board members, and the Internal Control Department, as necessary, including the follow-up of findings in the previous audits.

<Efforts to ensure effectiveness of internal audit>

In order to share audit information, make improvements, and ensure effectiveness of internal audit, the results of internal audits and the audit policy for the next fiscal year are reported directly to the Board of Directors once a year by the Inspection Department.

C. Financial audit

(A) Name of the independent auditor

Grant Thornton Taiyo LLC

(B) Term

42 consecutive business terms from the period ended June 1984

(C) Certified public accountant

Tatsuya Arai

Kazuhiko Doi

Keisuke Uehara

(D) Composition of audit assistants

The audit assistants for the Company's financial audit comprise 16 certified public accountants and 25 other members.

(E) Reason and policy for selecting the independent auditor

In selecting an auditor, the Company comprehensively analyzes and assesses the following factors:

- a. Reasons for disqualification based on laws and regulations
- b. Quality control system implemented by the independent auditor
- c. Independence from the Group that should be maintained as an external auditor
- d. Audit fees
- e. Communication with management and the Audit and Supervisory Board members
- f. Procedures to address and assess fraud risk
- g. Appropriateness of audit performed for the previous fiscal year
- h. Appropriateness of planned hours and assignment in the audit plan for the current fiscal year

On December 26, 2023, the Financial Services Agency took disciplinary actions against Grant Thornton Taiyo LLC.

i. Firm subject to the disciplinary action

Grant Thornton Taiyo LLC

ii. Details of the disciplinary action

- Suspension of operations related to the conclusion of new contracts for a period of three months (from January 1, 2024 to March 31, 2024, other than the renewal of audit contracts and the conclusion of new contracts associated with the listing on a stock exchange for existing audit clients)
- Business improvement order (improvement of business management system)
- Prohibition of partners primarily held accountable for the actions that resulted in the disciplinary action from performing a part of the audit firm's services (audit quality review) for a period of three months (from January 1, 2024 to March 31, 2024)

iii. Reason for the disciplinary action

Two certified public accountants, who are partners of the said audit firm, failed to exercise due care in an audit of another company's financial statements conducted to issue an amended report, etc. and expressed an opinion on the materially misstated financial statements that there were no material misstatements.

After receiving an explanation from Grant Thornton Taiyo LLC regarding the details of the disciplinary action and the outline of the business improvement plan, we have determined that there is only a limited impact of the disciplinary action on the audit of our financial statements. Based on the analysis and assessment of the aforementioned items a through h, we have determined that Grant Thornton Taiyo LLC has no reason to be disqualified, maintains independence, and has sufficient ability to conduct effective and efficient audit. Based on these reasons, Grant Thornton Taiyo LLC has been appointed as the independent auditor of the Company.

(F) Assessment of the independent auditor

The Company's Audit and Supervisory Board assesses the independent auditor as described below:

Based on the Practical Guidelines for Audit and Supervisory Board Members, etc. regarding Evaluation of Independent

Auditors and Development of Selection Criteria published by the Japan Audit & Supervisory Board Members Association, the following three items are evaluated:

- The grounds for dismissal of the independent auditors specified in Article 340, Paragraph 1 of the Companies Act do not apply to the independent auditor and the independent auditor does not conflict with qualifications of the independent auditor under Article 337 of the Companies Act
- Assessment by accounting department under audit
- Assessment based on practical guidelines by the Japan Audit & Supervisory Board Members Association

Based on the above, the Audit and Supervisory Board discusses appropriateness of the reappointment of the auditor in accordance with Policy for Dismissal or Non-Reappointment of the Auditor.

D. Audit fees, etc.

(A) Fees to the independent auditor

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit and attestation services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit and attestation services (Millions of yen)	Fees for non-audit services (Millions of yen)
Reporting company	104	—	129	—
Consolidated subsidiaries	11	—	11	—
Total	115	—	140	—

(B) Fees to entities within the same network as the independent auditor (Grant Thornton International Ltd) (excluding (A))

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit and attestation services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit and attestation services (Millions of yen)	Fees for non-audit services (Millions of yen)
Reporting company	—	4	—	10
Consolidated subsidiaries	—	—	—	—
Total	—	4	—	10

The details of the non-audit services provided to the Company are described below:

(Fiscal year ended March 31, 2024)

The Company paid ¥4 million to entities within the same network as the independent auditor of the Company for non-audit services (advisory services related to M&A).

(Fiscal year ended March 31, 2025)

The Company paid ¥10 million to entities within the same network as the independent auditor of the Company for non-audit services (advisory services related to M&A).

(C) Fees for other significant audit and attestation services

The fees for audit and attestation services for the fiscal year ended March 31, 2025 include ¥29 million related to audit services, etc. for the correction of errors in the Company's prior years' financial statements.

(D) Policy for determining audit fees

Audit fees to the Company's independent auditor are determined based on the consideration of factors such as the number of days required for audit and the size and nature of businesses of the Company, and require the consent of the Audit and Supervisory Board.

(E) Reason for the Audit and Supervisory Board's consent to audit fees

In accordance with the Practical Guidelines for Cooperation with the Independent Auditor published by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Board of the Company reviews the audit plan and actual hours incurred in the previous fiscal year to assess the reasonableness of planned hours and audit fees for the current fiscal year. Based on the review, the Audit and Supervisory Board consents to the audit fees for the independent auditor, etc. as stipulated in Article 399, Paragraph 1 of the Companies Act.

(4) Compensation of directors and officers

A. Total amount of compensation by category of directors and officers, the total amount by type of compensation, and the number of directors and officers covered

Category of directors and officers	Total amount of compensation (Millions of yen)	Total amount of compensation by type of compensation (Millions of yen)			Number of directors and officers covered (Number of people)
		Fixed compensation	Performance-linked compensation	Retirement benefits	
Directors (excluding outside directors)	294	152	142	—	7
Audit and Supervisory Board members (excluding outside Audit and Supervisory Board members)	23	23	—	—	1
Outside directors and Audit and Supervisory Board members	88	83	4	—	10

B. Total amount of compensation by director and officer of the reporting company, etc. on a consolidated basis

This is omitted as no director or officer receives total amount of compensation of ¥100 million or more on a consolidated basis.

C. Policy related to amount of compensation for directors and officers, etc.

Based on the resolution of the 37th Ordinary General Meeting of Shareholders on June 27, 2002, the Company decided that the maximum compensation paid to directors shall be ¥400 million in total (the number of directors involved in the resolution is seven). Based on the resolution of the 33rd Ordinary General Meeting of Shareholders on June 30, 1998, the maximum compensation paid to Audit and Supervisory Board members shall be ¥120 million in total (the number of Audit and Supervisory Board members involved in the resolution is four) and the compensation shown in A. above is paid within these limits. Based on the resolution of the 59th Ordinary General Meeting of Shareholders on June 25, 2024, the Company revised the maximum compensation paid to directors to ¥600 million in total (the number of directors involved in the resolution is twelve).

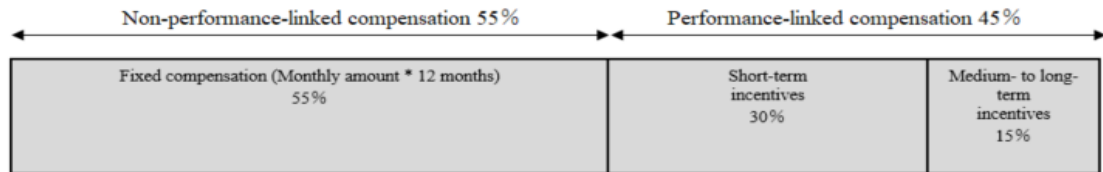
Based on the following policies decided by the resolution of the Board of Directors, the compensation paid to directors of the Company consists of fixed amount determined for officers and outside directors and for other directors, as well as performance-linked compensation determined based on an evaluation of each director's execution of duties in accordance with certain standards.

The Company's basic policy and decision making process regarding the compensation of directors (excluding outside directors) are determined by the Board of Directors, following deliberation and a report from the Nomination and Compensation Committee, a voluntary committee composed primarily of independent outside directors.

The compensation paid to the Audit and Supervisory Board members is fixed amount, which is predetermined based on the standard decided at the meeting of the Audit and Supervisory Board.

D. Policy for determining payment ratio for performance-linked compensation and non-performance-linked compensation

The compensation for directors (excluding outside directors) includes fixed compensation notified in advance (so-called bonuses) paid annually in June, which is performance-linked compensation. When both the company performance payment rate and the individual performance payment rate are 100%, the payment ratio is 45% of the total annual compensation (short-term incentive: 30%, medium- to long-term incentive: 15%). Fixed monthly compensation represents non-performance-linked compensation. When both the company performance payment rate and the individual performance payment rate are 100%, the payment ratio is 55% of the total annual compensation.



E. Policy for determining compensation for directors and officers or its calculation method by position

The monthly compensation for the Company's directors (excluding outside directors) is calculated by adding "role allowance" and "director's allowance" to the basic salary, which is predetermined for each position. In addition, the fixed compensation notified in advance is determined according to the monthly compensation.

F. Index related to performance-linked compensation, reason for selecting the index, and method used to determine performance-linked compensation

In calculating fixed compensation notified in advance, which is performance-linked compensation, the company performance payment rate is calculated using the standard index (consolidated operating income + equity method investment income + consolidated bonus) for short-term incentives. In contrast, for the company performance payment rate for medium- to long-term incentives, the company performance payment rate is calculated based on the three-year average growth rate of the standard index. In addition, the individual performance payment rate is determined by the degree of achievement of the goals set for each individual. The amount of payment is then determined by multiplying the standard amount by each payment rate.

[Formula to calculate average growth rate of the standard index]

$$\text{Annual average growth rate} = \left( \frac{\text{Standard index}}{\text{Standard index for the three}} \right)^{\frac{1}{3}} - 1$$

[Formula for short-term and medium- to long-term incentives]



The reasons for adopting the above standard index are as follows:

- (A) Improving performance of the entire group, including equity-method entities, is a primary responsibility of directors and officers.
- (B) Consolidated operating income, excluding the effect of fluctuations in bonus payments, is considered to be a better indicator of the company's performance.

G. Name of the person who has the authority to determine compensation etc. for directors and officers or policy for determining the calculation method, as well as the details and scope of that authority

In determining performance-linked compensation to be paid to directors and officers in the current fiscal year, the Board of Directors of the Company is considered best positioned to evaluate individual performance and set individual performance payment rates for each director and officer. Therefore, Tsuyoshi Murai, Representative Director Group CEO and Ikuji Kayaki, Representative Director Group COO, were delegated the authority to determine the payment rates based on each director and officer's achievement of their goals and targets (KPI) for the current fiscal year.

The Company's Board of Directors has concluded that compensation determined for each director and officer aligns with the decision policy, as it is based on the report from the Nomination and Compensation Committee. This report follows the Committee's discussions on the basic policy and method for determining the compensation, conducted in consultation with the Board of Directors. The Committee operates voluntarily and a majority of its members are independent outside directors.

H. Activities of the Board of Directors in the process of determining compensation amounts for directors and officers in the fiscal year ended March 31, 2025

The compensation for directors of the Company is a matter to be resolved by the Board of Directors in accordance with the Board Regulations. The Board of Directors has deliberated on the compensation system, revisions to the calculation method for fixed compensation notified in advance, as well as the company performance payment rate and individual performance payment rate for the fixed compensation notified in advance.

In the current fiscal year, the Board of Directors' meeting held on May 14, 2024 discussed the company performance payment rate and individual performance payment rate for the fixed compensation notified in advance, scheduled to be paid in June of the same year.

The actual results for the previous fiscal year (ended March 31, 2024), which is the standard index for the current fiscal year, were ¥69,299 million (achievement rate 100.5%) against the planned ¥68,966 million.

(5) Stocks held

A. Basis and approach for classification of investment stocks

In accordance with the Regulation for Management of Cross-Shareholdings established by the Company, the Company invests in stocks, within the maximum holding limit defined by the regulation, to strengthen and expand business transactions with stock issuers and their associates as well as to expand into other businesses, not for speculative purposes (stock investment mainly for the purpose of generating capital gains and income gains). Accordingly, all shares held by the Company are investment stocks and not held for trading.

B. Investment stocks not held for trading

(A) Policy for stock holdings, method for assessing the reasonableness of stock holdings and the Board of Directors' assessment for holding of individual share

In accordance with the Regulation for Management of Cross-Shareholdings, the Company measures the benefits of holding investment stocks once a year, taking into account factors such as annual sales to stock issuers and their associates, contributions to the Company as service providers and suppliers, the status of business development, and income gains. The measurement of benefits of holding stocks is reported to the Board of Directors every year. For the current fiscal year, all shares will continue to be held.

(B) Number of issuers and carrying amount

	Number of issuers	Total carrying amount (Millions of yen)
Unlisted shares	38	973
Shares other than unlisted shares	75	18,373

(Issuers for which number of shares increased during the current fiscal year)

	Number of issuers	Total acquisition cost of the number of shares increased (Millions of yen)	Reason for increase
Unlisted shares	—	—	—
Shares other than unlisted shares	8	1	Mainly acquired for the purpose of strengthening and expanding transactions with the issuer. The number of certain shares increased due to stock split.

(Issuers for which number of shares decreased during the current fiscal year)

	Number of issuers	Total sales value of the number of shares decreased (Millions of yen)
Unlisted shares	2	5
Shares other than unlisted shares	4	214

(C) Information on the number of shares and carrying amount of specified investment stocks and deemed-owned stocks by issuer

Specified investment stocks

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Taiwan Shin Kong Security Co., Ltd.	35,778,823	35,778,823	The shares are held in order to build a mutual cooperation system for sales and operations (technical exchange in the field of security and stable procurement of materials and equipment). In addition, the Representative Director of the Company concurrently serves as a director of the company, enabling the Company to exert influence over the company, as with subsidiaries and equity-method associates, to improve business performance. Although the details are not disclosed due to the confidential nature of the information, we have determined that there are the benefits of holding these shares, as we receive a reasonable amount of income and capital gains from the company's shares, and also in consideration of the company's contribution as a supplier of materials and equipment.	No
	6,664	6,961		
Mizuho Financial Group, Inc.	856,343	856,343	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	Yes
	3,469	2,608		



Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Seven Bank, Ltd.	5,000,000	5,000,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	Yes
	1,400	1,478		
FAST RETAILING CO., LTD.	28,800	28,800	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	1,268	1,357		
Hulic Co., Ltd.	659,100	659,100	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	947	1,035		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
The Shiga Bank, Ltd.	100,000	100,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	Yes
	526	419		
KOTOBUKI SPIRITS Co., LTD.	150,000	150,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	364	287		
The Kiyo Bank, Ltd.	148,900	148,900	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	342	275		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
DAIWA HOUSE INDUSTRY CO., LTD.	60,000	60,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	296	271		
Suruga Bank Ltd.	196,000	196,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	263	175		
LIXIL Group	148,600	148,600	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	256	278		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Nitori Holdings Co., Ltd.	12,500	12,500	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	185	295		
Sumitomo Mitsui Financial Group, Inc.	45,600	15,200	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares. The number of shares increased due to a stock split.	No
	173	135		
Sumitomo Mitsui Trust Group, Inc.	38,654	38,654	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	143	127		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Sumitomo Realty & Development Co., Ltd.	24,000	24,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	134	139		
Credit Saison Co., Ltd.	37,100	37,100	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	130	117		
Dai-ichi Life Holdings, Inc.	28,200	28,200	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	Yes
	127	108		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
OMRON Corporation	30,000	30,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	126	162		
Daiwa Securities Group Inc.	103,000	103,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	102	118		
Sumitomo Corporation	28,600	28,600	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	96	104		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Tokyu Fudosan Holdings Corporation	95,400	95,400	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	95	119		
Tokyo Kiraboshi Financial Group, Inc.	16,307	16,307	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	95	79		
Yamaguchi Financial Group, Inc.	50,000	50,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	87	77		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Kintetsu Group Holdings Co., Ltd.	20,000	20,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	63	89		
THE HACHIJUNI BANK, LTD.	55,000	55,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	58	57		
DUSKIN CO., LTD.	15,500	15,500	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	56	51		



Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
The Keiyo Bank, Ltd.	58,000	58,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	52	44		
DYNAM JAPAN HOLDINGS Co., Ltd.	800,000	800,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	51	69		
The Chiba Bank, Ltd.	36,000	36,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	50	45		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
TOMONY Holdings, Inc.	93,500	93,500	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	50	39		
Hokuhoku Financial Group, Inc.	16,800	16,800	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	43	32		
Seven & i Holdings Co., Ltd.	17,700	17,700	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	38	39		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
The Shimizu Bank, Ltd.	24,800	24,800	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	37	39		
East Japan Railway Company	12,000	12,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	35	35		
North Pacific Bank, Ltd.	62,500	62,500	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	32	27		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
The Shikoku Bank, Ltd.	26,400	26,400	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	31	32		
Nomura Holdings, Inc.	34,800	34,800	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	Yes
	31	34		
The Musashino Bank, Ltd.	9,300	9,300	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	30	27		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Senshu Ikeda Holdings, Inc.	67,030	67,030	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	29	26		
The Hyakujushi Bank, Ltd.	8,300	8,300	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	28	24		
The Awa Bank, Ltd.	10,000	10,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	28	27		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
SHIMAMURA Co., Ltd.	3,200	3,200	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	27	27		
RETAIL PARTNERS CO., LTD.	20,000	20,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	26	36		
The Chiba Kogyo Bank, Ltd.	19,300	19,300	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	24	20		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Fukuoka Financial Group, Inc.	5,220	5,220	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	20	21		
COSMOS INITIA Co., Ltd.	15,900	15,900	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	17	15		
THE BANK OF KOCHI, LTD.	20,000	20,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	15	21		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	100,000	100,000	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	14	17		
The 77 Bank, Ltd.	3,031	3,031	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	Yes
	14	12		
Aichi Financial Group, Inc.	4,900	4,900	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	13	12		



Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Tsukuba Bank, Ltd.	51,400	51,400	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	12	15		
Fuji Co., Ltd.	5,824	5,801	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares. As further expansion of transactions with the company was expected, additional shares were acquired during the current fiscal year through the participation in the company's business partner stock ownership association.	No
	12	10		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Heiwado Co., Ltd.	4,952	4,857	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares. As further expansion of transactions with the company was expected, additional shares were acquired during the current fiscal year through the participation in the company's business partner stock ownership association.	No
	12	9		
The Ogaki Kyoritsu Bank, Ltd.	4,300	4,300	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	10	9		
The Howa Bank, Ltd.	20,400	20,400	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	9	10		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
JINS HOLDINGS Inc.	1,391	1,270	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares. As further expansion of transactions with the company was expected, additional shares were acquired during the current fiscal year through the participation in the company's business partner stock ownership association.	No
	9	5		
TOMATO BANK, LTD.	7,900	7,900	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	9	10		
The Shimane Bank, Ltd.	17,500	17,500	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares.	No
	8	9		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding shares, overview of business alliance, quantitative benefit and reasons for increase in the number of shares	Holding of shares of the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
NIPPON THOMPSON CO., LTD.	16,826	16,655	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares. As further expansion of transactions with the company was expected, additional shares were acquired during the current fiscal year through the participation in the company's business partner stock ownership association.	No
	8	10		
Yamanaka Co., Ltd.	14,489	14,367	The Company and its associates have concluded contracts for security services with the company and its associates, and the shares are held for the purpose of maintaining, strengthening, and expanding these transactions. Although the details are not disclosed due to the confidential nature of the information, we earn revenue from the company and its associates based on long-term contracts that are expected, in the future years, to generate revenue comparable to that of the current fiscal year. For this reason, we have determined that there are the benefits of holding these shares. As further expansion of transactions with the company was expected, additional shares were acquired during the current fiscal year through the participation in the company's business partner stock ownership association.	No
	8	9		

## V. Financial Condition

### 1. Preparation method of consolidated and non-consolidated financial statements

(1) The consolidated financial statements of the Company are prepared in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28 of 1976, “Ordinance on Consolidated Financial Statements”).

(2) The non-consolidated financial statements of the Company are prepared in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963, “Ordinance on Financial Statements”).

The Company is a special company submitting financial statements and prepares the financial statements in accordance with provisions of Article 127 of the Ordinance on Financial Statements.

### 2. Audit attestation

In accordance with provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the consolidated and non-consolidated financial statements for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) have been audited by Grant Thornton Taiyo LLC.

### 3. Special measure to ensure appropriateness of the consolidated financial statements, etc.

The Company undertakes special measure to ensure appropriateness of the consolidated financial statements, etc. Specifically, in order to properly understand the details of accounting standards and other relevant information and to establish a framework to accurately respond to changes in the standards, the Company participates in the Financial Accounting Standards Foundation (“FASF”).

The Company proactively participates in lectures and seminars held by the FASF.

# 1. Consolidated financial statements

## (1) Consolidated financial statements

### i. Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	*3 76,999	*3 68,669
Cash for Transportation Security Services	*1 74,200	*1 81,557
Notes and accounts receivable - trade, and contract assets	*5 69,054	*5 69,716
Lease receivables and investment assets	4,648	4,302
Securities	30	449
Raw materials and supplies	12,451	14,111
Costs on uncompleted construction contracts	70	32
Advances paid	5,500	5,640
Other	9,230	12,420
Allowance for doubtful accounts	(125)	(178)
Total current assets	252,061	256,722
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	*3 68,989	*3 69,628
Accumulated depreciation	(38,441)	(39,740)
Buildings and structures, net	30,548	29,887
Machinery, equipment and vehicles	156,902	161,719
Accumulated depreciation	(132,383)	(135,892)
Machinery, equipment and vehicles, net	24,518	25,826
Land	*2,*3 26,214	*2,*3 27,068
Lease assets	56,392	56,876
Accumulated depreciation	(25,448)	(26,885)
Lease assets, net	30,943	29,991
Construction in progress	1,330	1,823
Other	25,062	27,759
Accumulated depreciation	(18,264)	(19,938)
Other, net	6,798	7,821
Total property, plant and equipment	120,353	122,418
Intangible assets		
Software	6,891	5,211
Goodwill	31,442	29,873
Other	2,344	3,621
Total intangible assets	40,678	38,705
Investments and other assets		
Investment securities	*3,*4 63,102	*3,*4 62,312
Long-term loans receivable	546	509
Leasehold and guarantee deposits	9,568	9,831
Insurance funds	1,839	1,979
Retirement benefit asset	59,874	59,698
Deferred tax assets	8,868	5,312
Other	15,082	15,837
Allowance for doubtful accounts	(512)	(928)
Total investments and other assets	158,370	154,555
Total noncurrent assets	319,402	315,679
Total assets	571,463	572,402

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,512	30,121
Short-term loans payable	* <sup>1</sup> 6,965	* <sup>1</sup> 12,476
Current portion of long-term loans payable	* <sup>3</sup> 768	* <sup>3</sup> 741
Current portion of corporate bonds	—	200
Accounts payable - other	23,485	23,565
Lease obligations	5,129	5,164
Income taxes payable	5,917	8,111
Accrued consumption taxes	5,601	4,539
Provision for bonuses	2,309	2,558
Provision for bonuses for directors (and other officers)	122	128
Other	* <sup>6</sup> 21,676	* <sup>6</sup> 21,284
Total current liabilities	100,489	108,892
Noncurrent liabilities		
Long-term loans payable	* <sup>3</sup> 1,658	* <sup>3</sup> 1,327
Lease obligations	36,056	34,836
Deferred tax liabilities	10,420	6,560
Deferred tax liabilities for land revaluation	314	271
Retirement benefit liability	39,595	39,534
Provision for retirement benefits for directors (and other officers)	1,875	1,975
Asset retirement obligations	827	844
Provision for loss on business	299	—
Other	2,171	2,158
Total noncurrent liabilities	93,219	87,509
Total liabilities	193,709	196,401
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	18,675	18,675
Capital surplus	34,011	34,214
Retained earnings	264,650	278,283
Treasury stock	(6,074)	(21,074)
Total shareholders' equity	311,263	310,098
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,115	11,269
Revaluation reserve for land	* <sup>2</sup> (3,379)	* <sup>2</sup> (3,435)
Foreign currency translation adjustment	1,067	1,343
Remeasurements of defined benefit plans, net of tax	24,033	19,157
Total accumulated other comprehensive income	32,836	28,335
Non-controlling interests	33,654	37,566
Total net assets	377,754	376,000
Total liabilities and net assets	571,463	572,402

ii. Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net sales	521,400	551,881
Cost of sales	*6 396,264	*6 420,926
Gross profit	125,135	130,954
Selling, general and administrative expenses	*1,*2 87,056	*1,*2 90,752
Operating income	38,078	40,201
Non-operating income		
Interest income	215	216
Dividends income	768	859
Gain on sales of investment securities	40	20
Rent income	323	296
Gain from insurance claim	65	78
Share of profit of entities accounted for using equity method	2,062	2,134
Dividend income of insurance	326	330
Penalty income	467	599
Other	1,765	1,535
Total non-operating income	6,035	6,071
Non-operating expenses		
Interest expenses	1,823	1,911
Loss on sales of investment securities	5	3
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	*3 261	*3 305
Financing expenses	257	351
Other	596	592
Total non-operating expenses	2,944	3,165
Ordinary income	41,169	43,107
Extraordinary income		
Gain on sales of investment securities	347	340
Gain on sales of noncurrent assets	*4 38	*4 61
Gain on negative goodwill	466	859
Gain on liquidation of subsidiaries and associates	92	—
Reversal of provision for loss on business	—	289
Total extraordinary income	945	1,551
Extraordinary loss		
Loss on valuation of investment securities	18	15
Loss on sales of investment securities	12	305
Impairment losses	*5 55	*5 0
Loss on disasters	21	—
Loss on step acquisitions	156	605
Total extraordinary loss	265	926
Income before income taxes	41,850	43,732
Income taxes - current	13,180	12,992
Income taxes - deferred	248	1,733
Total income taxes	13,428	14,725
Net income	28,421	29,006
Profit attributable to non-controlling interests	1,790	1,901
Profit attributable to owners of parent	26,630	27,105



## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net income	28,421	29,006
Other comprehensive income		
Valuation difference on available-for-sale securities	3,467	230
Foreign currency translation adjustment	(105)	275
Remeasurements of defined benefit plans, net of tax	22,406	(5,056)
Share of other comprehensive income (loss) of entities accounted for using equity method	917	94
Total other comprehensive income (loss)	* 26,686	* (4,455)
Comprehensive income	55,107	24,550
(Contents)		
Comprehensive income attributable to owners of parent	52,672	22,655
Comprehensive income attributable to non-controlling interests	2,435	1,895

## iii. Consolidated statement of changes in net assets

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	18,675	33,940	246,736	(1,072)	298,279
Changes of items during the period					
Dividends from surplus			(8,715)		(8,715)
Profit attributable to owners of parent			26,630		26,630
Purchase of treasury stock				(5,001)	(5,001)
Reversal of revaluation reserve for land					—
Changes in ownership interest of the parent company due to transactions with non-controlling interests		0			0
Purchase of consolidated subsidiary shares resulting in increase or decrease of interest					—
Capital increase of consolidated subsidiaries resulting in increase or decrease of interest		70			70
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	71	17,914	(5,001)	12,984
Balance at end of year	18,675	34,011	264,650	(6,074)	311,263

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income		
Balance at beginning of year	7,566	(3,379)	658	1,950	6,795	29,000	334,075
Changes of items during the period							
Dividends from surplus							(8,715)
Profit attributable to owners of parent							26,630
Purchase of treasury stock							(5,001)
Reversal of revaluation reserve for land							—
Changes in ownership interest of the parent company due to transactions with non-controlling interests							0
Purchase of consolidated subsidiary shares resulting in increase or decrease of interest							—
Capital increase of consolidated subsidiaries resulting in increase or decrease of interest							70
Net changes of items other than shareholders' equity	3,548	—	408	22,083	26,041	4,653	30,694
Total changes of items during the period	3,548	—	408	22,083	26,041	4,653	43,679
Balance at end of year	11,115	(3,379)	1,067	24,033	32,836	33,654	377,754

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	18,675	34,011	264,650	(6,074)	311,263
Changes of items during the period					
Dividends from surplus			(13,525)		(13,525)
Profit attributable to owners of parent			27,105		27,105
Purchase of treasury stock				(15,000)	(15,000)
Reversal of revaluation reserve for land			52		52
Changes in ownership interest of the parent company due to transactions with non-controlling interests					—
Purchase of consolidated subsidiary shares resulting in increase or decrease of interest		202			202
Capital increase of consolidated subsidiaries resulting in increase or decrease of interest					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	202	13,632	(15,000)	(1,165)
Balance at end of year	18,675	34,214	278,283	(21,074)	310,098

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income		
Balance at beginning of year	11,115	(3,379)	1,067	24,033	32,836	33,654	377,754
Changes of items during the period							
Dividends from surplus							(13,525)
Profit attributable to owners of parent							27,105
Purchase of treasury stock							(15,000)
Reversal of revaluation reserve for land							52
Changes in ownership interest of the parent company due to transactions with non-controlling interests							—
Purchase of consolidated subsidiary shares resulting in increase or decrease of interest							202
Capital increase of consolidated subsidiaries resulting in increase or decrease of interest							—
Net changes of items other than shareholders' equity	154	(55)	276	(4,876)	(4,501)	3,912	(588)
Total changes of items during the period	154	(55)	276	(4,876)	(4,501)	3,912	(1,754)
Balance at end of year	11,269	(3,435)	1,343	19,157	28,335	37,566	376,000

## iv. Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Income before income taxes	41,850	43,732
Depreciation and amortization	18,727	20,103
Impairment losses	55	0
Amortization of goodwill	3,135	3,194
Gain on negative goodwill	(466)	(859)
Loss (gain) on step acquisitions	156	605
Increase (decrease) in allowance for doubtful accounts	19	463
Increase (decrease) in net defined benefit liability	(1,952)	(90)
Increase (decrease) in provision for loss on guarantees	—	(10)
Increase (decrease) in provision for bonuses	(29)	206
Increase (decrease) in provision for bonuses for directors (and other officers)	16	5
Interest and dividends income	(984)	(1,075)
Interest expenses	1,823	1,911
Share of loss (profit) of entities accounted for using equity method	(2,062)	(2,134)
Loss (gain) on sales of noncurrent assets	(43)	(88)
Loss on retirement of noncurrent assets	261	305
Loss (gain) on sales of investment securities	(370)	(51)
Loss (gain) on valuation of investment securities	18	15
Loss (gain) on valuation of derivatives	(148)	—
Decrease (increase) in notes and accounts receivable - trade	345	374
Decrease (increase) in inventories	(2,013)	(1,491)
Increase (decrease) in notes and accounts payable - trade	63	(92)
Decrease (increase) in net defined benefit asset	(3,207)	(6,897)
Changes in assets and liabilities of Transportation Security Services	8,276	(2,486)
Other	5,402	(2,196)
Subtotal	68,873	53,445
Interest and dividends income received	1,839	1,710
Interest expenses paid	(1,823)	(1,906)
Income taxes paid	(12,981)	(10,671)
Income taxes refund	156	70
Net cash provided by (used in) operating activities	56,063	42,647

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Cash flows from investing activities		
Decrease (increase) in time deposits	1,383	396
Payments into long-term time deposits	(15)	(119)
Proceeds from withdrawal of long-term time deposits	29	8
Purchase of property, plant and equipment	(14,419)	(14,854)
Proceeds from sales of property, plant and equipment	87	488
Purchase of intangible assets	(1,075)	(2,922)
Purchase of investment securities	(678)	(1,103)
Proceeds from sales of investment securities	1,404	554
Payments for acquisition of businesses	(70)	(3)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (4,189)	*2 (1,547)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	*2 4,596
Decrease (increase) in short-term loans receivable	(3)	(2)
Payments of long-term loans receivable	(61)	(57)
Collection of long-term loans receivable	67	61
Proceeds from refund of leasehold and guarantee deposits	30	58
Other	598	(1,103)
Net cash provided by (used in) investing activities	(16,913)	(15,550)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	124	653
Proceeds from long-term loans payable	306	325
Repayment of long-term loans payable	(893)	(805)
Purchase of treasury stock	(5,000)	(15,000)
Repayments of lease obligations	(5,990)	(5,785)
Cash dividends paid	(8,715)	(13,525)
Cash dividends paid to non-controlling interests	(1,771)	(705)
Proceeds from share issuance to non-controlling interests	438	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(1,465)
Net cash provided by (used in) financing activities	(21,503)	(36,309)
Effect of exchange rate change on cash and cash equivalents	(56)	68
Net increase (decrease) in cash and cash equivalents	17,591	(9,144)
Cash and cash equivalents at beginning of year	51,571	69,162
Cash and cash equivalents at end of year	*1 69,162	*1 60,018

## Notes

(Significant matters forming the basis for the preparation of the consolidated financial statements)

### 1. Scope of consolidation

#### (1) Number of consolidated subsidiaries: 92

Major consolidated subsidiaries

ALSOK Care Co., Ltd.

Japan Facilio Co., Ltd.

ALSOK Facilities Co., Ltd.

PT. Shield-On Service Tbk

ALSOK Souei Co., Ltd.

During the fiscal year ended March 31, 2025, Kanso Co., Ltd. and its subsidiary have been included in the scope of consolidation due to acquisition of shares. Also, due to acquisition of additional shares, Nihon Guard Co., Ltd., which was previously an equity-method associate, has become a consolidated subsidiary.

#### (2) Major non-consolidated subsidiaries

Matsuyama New Service Co., Ltd.

(Reason for excluding from the consolidation)

The non-consolidated subsidiaries are small-sized companies, and total assets, net sales, net income (equity pro rata amount) and retained earnings (equity pro rata amount) in aggregate do not have a significant impact on the consolidated financial statements.

### 2. Application of equity method

#### (1) Number of equity method associates: 15

Major companies

HOCHIKI Corporation

Nippon Dry-Chemical Co., Ltd.

Nippon Care Supply Co., Ltd.

#### (2) Major non-consolidated subsidiaries and associates that do not apply equity method

Matsuyama New Service Co., Ltd.

(Reason for not applying equity method)

Considering the net income (equity pro rata amount) and retained earnings (equity pro rata amount) of the non-consolidated subsidiaries and associates not applying equity method, excluding these companies from the consolidation does not have a significant impact on the consolidated financial statements, and these companies are not material in aggregate.

### 3. Closing dates of consolidated subsidiaries

The closing date of the consolidated subsidiaries, ALSOK (Vietnam) Co., Ltd., ALSOK (Shanghai) Co., Ltd., ALSOK MALAYSIA SDN.BHD., PT. ALSOK BASS Indonesia Security Services, ALSOK Vietnam Security Services Joint Stock Company, and PT. Shield-On Service Tbk and its seven subsidiaries, is December 31. In preparing the consolidated statements, the financial statements of these companies as of December 31 are used. The consolidated financial statements are adjusted for any significant transactions occurred during the period between January 1 and March 31.

#### 4. Accounting policies

##### (1) Valuation basis and method for significant assets

###### i. Valuation basis and method for securities

###### Available-for-sale securities

Securities other than equity securities with no quoted prices

It is stated at fair market value based on the quoted market price at the fiscal year-end (with any unrealized gains or losses being recognized directly in equity and the cost of securities sold being generally calculated based on the moving average method).

Securities with embedded derivatives that cannot be bifurcated are stated at fair market value (with the cost of securities sold being generally calculated based on the moving average method).

Equity securities with no quoted prices

It is generally stated at cost based on the moving average method.

###### ii. Valuation basis and method for derivatives

It is stated at fair market value.

###### iii. Inventories

###### Raw materials and supplies

It is generally stated at cost based on the first in first out method (the balance sheet carrying amount is reduced to reflect write-downs for decreased profitability).

###### Costs on uncompleted construction contracts

It is generally stated at cost based on specific identification method.

##### (2) Depreciation and amortization method for significant depreciable and amortizable assets

###### i. Property, plant and equipment (other than lease assets)

It is generally depreciated using the straight-line method. The useful lives of major assets are as follows:

Buildings and structures                      15 to 50 years

Machinery, equipment and vehicles    3 to 5 years

###### ii. Intangible assets (other than lease assets)

It is amortized using the straight-line method.

Internal-use software is amortized using the straight-line method over the useful life of five years. Customer-related assets are amortized using the straight-line method based on the period over which its effect is extended (8 to 15 years).

###### iii. Lease assets under finance leases that do not involve transfer of ownership

It is depreciated using the straight-line method over the useful lives equal to lease terms with zero residual values.

##### (3) Basis for recognition of significant provisions

###### i. Allowance for doubtful accounts

To provide for losses due to bad debt including trade receivables and loans, allowance for doubtful accounts is recognized based on default rates for normal receivables and based on recoverability of each receivable for certain doubtful receivables.

###### ii. Provision for bonuses

To provide for payment of bonuses to employees, certain consolidated subsidiaries recognize a provision for the expected amount of future bonuses that is related to the current period.

###### iii. Provision for bonuses for directors (and other officers)

To provide for payment of bonuses to directors and other officers, certain consolidated subsidiaries recognize a provision for the expected amount of future bonuses that is related to the current period.

###### iv. Provision for retirement benefits for directors (and other officers)

To provide for payment of retirement benefits to directors and other officers, certain consolidated subsidiaries recognize a provision for the amount of future benefits required by company rules that is related to the current period.

###### v. Provision for loss on business

To provide for losses on business related to a certain project, provision for loss on business is recorded based on the estimated future loss.

(4) Accounting for retirement benefits

i. Method of attributing estimated retirement benefits to the periods

In calculating defined benefit obligation, the total projected benefits are attributed to the current and prior fiscal years using the benefit formula basis.

ii. Method of amortizing actuarial gains and losses and past service costs

Past service cost is amortized using the straight-line method over a certain period not exceeding the average remaining service period of employees, which is generally five years.

Actuarial gains and losses are amortized using the straight-line method from the following fiscal year over a certain period not exceeding the average remaining service period of employees, which is generally 10 years.

iii. Simplified method for small-sized companies

Certain consolidated subsidiaries apply a simplified method in calculating retirement benefit liability and retirement benefit expenses, under which the amount of required voluntary termination benefits at the fiscal year-end is recognized as defined benefit obligation.

(5) Basis for recognition of significant revenue and expense

The Company and its consolidated subsidiaries recognize revenue and expense from contracts with customers as follows:

i. Contract revenue

For contract revenue earned as a result of providing services, the net sales and cost of sales are recognized over time as performance obligations in the contract with the customers are satisfied.

ii. Construction revenue

For construction revenue earned as a result of installation of security alarm equipment leased or rented to the customers as well as repair/renewal constructions and piping or electrical constructions of various building equipment, the net sales and cost of sales are recognized over time as performance obligations in the contract with the customers are satisfied. For contracts that have very short construction period, such as installation of security alarm equipment, which account for most of the construction revenue, the net sales and cost of sales are recognized at a point in time at completion of construction.

iii. Sales revenue

For sales revenue earned as a result of product sales (including installation of products sold), the net sales and cost of sales are recognized at a point in time on delivery to the customers.

(6) Basis for translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end, and differences arising from the translation are recognized in profit or loss. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end, and income and expenses are translated at the average exchange rates during the period. Differences arising from the translation are recognized in foreign currency translation adjustment and non-controlling interests under net assets.

(7) Significant hedge accounting

i. Hedge accounting

Hedging transactions are accounted for on a deferred basis. Interest rate swaps are accounted for using the special method if it meets certain conditions.

ii. Hedging instruments and hedged items

The hedge accounting was applied to the following hedging instruments and hedged items during the current fiscal year:

Hedging instruments: Interest rate swaps

Hedged items: Bank loans

iii. Hedging policy

In accordance with the internal rules, the risk of interest rate fluctuations is hedged to reduce such risk and to improve financial return.

iv. Method of assessing hedge effectiveness

The assessment for effectiveness of interest rate swaps accounted for by the special method is not performed as the hedge is considered to be highly effective.

(8) Method and period of goodwill amortization

Generally, goodwill is amortized using the straight-line method over an expected investment recovery period not exceeding 20 years, taking the nature of each investment into account.

(9) Cash and cash equivalents in the consolidated statement of cash flows

The cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, cash at banks which can



be withdrawn at any time, and short-term investments with a maturity of three months or less from the date of acquisition which can easily be converted to cash and are subject to little risk of change in value.

(Significant accounting estimates)

Goodwill

1. Amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2025

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Goodwill	31,442	29,873

2. Significant accounting estimates related to identified items

The goodwill recorded as of March 31, 2025, which arose from past business combinations, represents excess earning power that is expected from combining an acquiree with the Group. Part of the goodwill arose from synergies that is expected to arise at the Company, etc., not the combined company.

In assessing goodwill for impairment, we are focused on whether the excess earning power and the effect of synergies (which give rise to goodwill) will arise over the future periods. We monitor, on a monthly basis, whether a business plan of a company from which the goodwill arose (including a plan of the effect of synergies expected to arise at the Company) is in line with the actual profit or cash flows recorded. The business plan includes orders, human resource or new care facilities opening plans developed based on certain assumptions.

If the business plan may not be achieved for some reason, resulting in changes in the original assumptions, an impairment loss may need to be recorded and it may have a significant impact on the amount of goodwill recorded in the consolidated financial statements for the following fiscal year.

(Change in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company applied the Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022, “Revised Accounting Standard (2022)”) from April 1, 2024.

For the revision related to the classification of income taxes (taxation on other comprehensive income), the Company applied the transitional treatment provided in the proviso of Paragraph 20-3 of the Revised Accounting Standard (2022) and the transitional treatment provided in the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Statement No. 28, October 28, 2022, “Revised Implementation Guidance (2022)”). The application has no impact on the consolidated financial statements for the fiscal year ended March 31, 2025.

For the revision to amend the treatment in the consolidated financial statements in cases where a gain or loss on the sale of subsidiaries shares between consolidated companies is deferred for tax purposes, the Company applied the Revised Implementation Guidance (2022) from April 1, 2024. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the fiscal year ended March 31, 2024 have been adjusted retrospectively. The application has no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

(Accounting standards, etc. that are not applied yet)

(Accounting Standard for Leases, etc.)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Overview

As part of its efforts to align Japanese standards with international standards, the Accounting Standards Board of Japan (“ASBJ”) discussed the development of a lease accounting standard that requires lessees to recognize assets and liabilities for all leases, in consideration of international accounting standards. Based on the single lessee accounting model introduced under IFRS 16, the ASBJ issued a lease accounting standard, etc. that adopts only the main provisions of IFRS 16, rather than all the provisions. This standard is designed to be simpler and more practical, while also minimizing the need for adjustments when IFRS 16 is applied to non-consolidated financial statements.

Regarding lessees’ accounting treatment, the method of allocating lease expenses follows the same single accounting model as IFRS 16. Under this model, lessees are required to recognize both depreciation and amortization expenses for right-of-use assets and the interest portion of lease liabilities, for all leases, regardless of whether they are finance leases or operating leases.

(2) Scheduled date of application

From the beginning of the fiscal year ending March 31, 2028

(3) Effect of application of the accounting standard, etc.

We are currently assessing the impact that application of the Accounting Standard for Leases, etc. will have on the consolidated financial statements.

(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 fiscal year ended March 31, 2024 decreased by ¥578 million, ¥1,003 million, ¥1,003 million, and ¥696 million, respectively.

(Matters related to consolidated balance sheet)

\*1 Cash for Transportation Security Services

As of March 31, 2024

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.

As of March 31, 2025

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

In addition, the short-term loans payable balance includes ¥5,415 million of funds borrowed for the services.

\*2 In accordance with the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998) and the Partial Amendment to Act on Revaluation of Land (Act No. 24 promulgated on March 31, 1999), the Group revalued its land for business use as of March 31, 2002 and recorded revaluation reserve for land in net assets.

• Method of revaluation

In determining the value of land, which is the calculation basis for the taxable value of the land value tax as prescribed in Article 16 of the Land Price Tax Act (Act No. 69 of 1991) as set forth in Article 2, Item 4 of the Order to Enforce the Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998), the Group makes reasonable adjustments (such as land depth adjustment) to the value calculated by the method designated and published by the Commissioner of the National Tax Agency.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
The amount by which the fair value of revalued land at the end of the fiscal year is below its carrying amount	180	47

\*3 Pledged assets and secured obligations

Pledged assets comprise the following:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Cash and deposits	210	10
Buildings and structures	624	480
Land	943	943
Investment securities	1	1
Total	1,779	1,435

Secured obligations comprise the following:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Current portion of long-term loans payable	52	30
Long-term loans payable	109	79
Total	161	109

\*4 The following amount relates to non-consolidated subsidiaries and associates:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investments in securities (stocks)	30,456	28,271

\*5 The amount of receivables and contract assets arising from contracts with customers is as follows:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Notes receivable - trade	2,236	1,849
Accounts receivable - trade	63,070	61,829
Contract assets	3,747	6,036

\*6 The amount of contract liabilities is as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Contract liabilities	18,807	17,867

(Matters related to consolidated statement of income)

\*1 Selling, general and administrative expenses mainly comprise the following:

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Advertising expenses	2,221	2,605
Salary allowances	42,920	45,009
Provision for bonuses	405	445
Provision for bonuses for directors (and other officers)	116	128
Provision for retirement benefits for directors (and other officers)	151	157
Provision for allowance for doubtful accounts	89	500
Welfare expenses	8,008	8,238
Retirement benefit expenses	1,947	664
Rent expenses	5,779	5,948
Depreciation and amortization	3,730	3,737
Taxes and dues	3,574	3,690
Communication expenses	1,619	1,764
Amortization of goodwill	3,135	3,194

\*2 Total research and development costs

Research and development costs included in selling, general and administrative expenses

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
	544	522

\*3 Loss on retirement of noncurrent assets

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Machinery and equipment	138	208
Other	122	96
Total	261	305

\*4 Gain on sales of noncurrent assets

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

During the fiscal year ended March 31, 2024, the Group recorded ¥38 million gain on sales of land (Hiroshima city, Hiroshima).

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

During the fiscal year ended March 31, 2025, the Group recorded ¥61 million gain on sales of noncurrent assets from sales of land (Nerima-ku, Tokyo) and building (Funabashi city, Chiba).

\*5 Impairment loss

The Group recognized impairment losses on the following assets:

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Class	Intended use	Impairment losses (Millions of yen)
Land	Assets for sale	31
Buildings	Assets for sale	24

For idle assets, assets for sale and rental properties, the Company and its consolidated subsidiaries consider each asset as one asset group. For business assets, the grouping for managerial accounting is used.

For assets for sale whose fair values had declined, the carrying amounts were reduced to the recoverable amounts and an impairment loss of ¥55 million was recognized as an extraordinary loss. The recoverable amount of the asset group was calculated based on the net realizable value. The net realizable value is determined based on the sales contract amount.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Class	Intended use	Impairment losses (Millions of yen)
Land	Idle assets	0

For idle assets, assets for sale and rental properties, the Company and its consolidated subsidiaries consider each asset as one asset group. For business assets, the grouping for managerial accounting is used.

For idle assets for which future use was no longer expected, the carrying amounts were reduced to the recoverable amounts and an impairment loss of ¥0 million was recognized as an extraordinary loss. The recoverable amount of the asset group was calculated based on the net realizable value. The net realizable values are determined by making reasonable adjustments (such as land depth adjustment) based on the land assessments.

\*6 The inventory balance at the end of fiscal year is after writing down the carrying amount due to the decrease in profitability, and the following losses on valuation of inventories are included in cost of sales:

		(Millions of yen)
Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	
39	181	

(Matters related to consolidated statement of comprehensive income)

\* Reclassification adjustments and income taxes and tax effects related to other comprehensive income

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Valuation difference on available-for-sale securities:		
Gain (loss) during the fiscal year	5,407	844
Reclassification adjustments	(361)	(301)
Before income taxes and tax effect	5,046	543
Income taxes and tax effect	(1,578)	(312)
Valuation difference on available-for-sale securities	3,467	230
Foreign currency translation adjustment:		
Gain (loss) during the fiscal year	(105)	275
Remeasurements of defined benefit plans:		
Gain (loss) during the fiscal year	31,665	(4,071)
Reclassification adjustments	910	(2,935)
Before income taxes and tax effect	32,576	(7,006)
Income taxes and tax effect	(10,169)	1,950
Remeasurements of defined benefit plans	22,406	(5,056)
Share of other comprehensive income (loss) of entities accounted for using equity method:		
Gain (loss) during the fiscal year	911	94
Reclassification adjustments	6	—
Share of other comprehensive income (loss) of entities accounted for using equity method	917	94
Total other comprehensive income (loss)	26,686	(4,455)

(Matters related to consolidated statement of changes in net assets)

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Class and number of shares issued and treasury stock

	Number of shares at beginning of year (Shares)	Increase in number of shares during the year (Shares)	Decrease in number of shares during the year (Shares)	Number of shares at end of year (Shares)
Number of shares issued				
Common stock (Note 1)	102,040,042	408,160,168	—	510,200,210
Total	102,040,042	408,160,168	—	510,200,210
Treasury stock				
Common stock (Note 2)	805,360	8,767,060	—	9,572,420
Total	805,360	8,767,060	—	9,572,420

(Notes) 1. The increase of 408,160,168 shares of common stocks issued reflects a 5-for-1 stock split for each share of common stock implemented effective July 1, 2023.

2. The increase of 8,767,060 shares of common stock held in treasury consists of an increase of 5,543,600 shares due to the acquisition of treasury stocks in accordance with the resolution at the Board of Directors' meeting on July 28, 2023, an increase of 3,222,048 shares due to the 5-for-1 stock split for each share of common stock implemented effective July 1, 2023, an increase of 1,154 shares held by subsidiaries and associates, and repurchase of 258 shares of less than one unit.

2. Subscription rights to shares and subscription rights to shares held in treasury

Nothing to report.

3. Dividends

(1) Cash dividends

(Resolution)	Class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2023	Common stock	4,354	43.0	March 31, 2023	June 28, 2023
Board of Directors' meeting on October 31, 2023	Common stock	4,361	8.7	September 30, 2023	December 4, 2023

(2) Dividends that have record date during the fiscal year ended March 31, 2024 and effective date of which is in the following fiscal year

(Resolution)	Class	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2024	Common stock	7,511	Retained earnings	15.0	March 31, 2024	June 26, 2024

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Class and number of shares issued and treasury stock

	Number of shares at beginning of year (Shares)	Increase in number of shares during the year (Shares)	Decrease in number of shares during the year (Shares)	Number of shares at end of year (Shares)
Number of shares issued				
Common stock	510,200,210	—	—	510,200,210
Total	510,200,210	—	—	510,200,210
Treasury stock				
Common stock (Note)	9,572,420	15,741,190	285	25,313,325
Total	9,572,420	15,741,190	285	25,313,325

(Note) The increase of 15,741,190 shares of common stock held in treasury consists of an increase of 15,741,100 shares due to the acquisition of treasury stocks in accordance with the resolution at the Board of Directors' meeting on May 14, 2024, and repurchase of 90 shares of less than one unit. The decrease of common stock held in treasury consists of a decrease of 285 shares held by subsidiaries and associates.

2. Subscription rights to shares and subscription rights to shares held in treasury

Nothing to report.

3. Dividends

(1) Cash dividends

(Resolution)	Class	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2024	Common stock	7,511	15.0	March 31, 2024	June 26, 2024
November 6, 2024	Common stock	6,014	12.4	September 30, 2024	December 3, 2024

(2) Dividends that have record date during the fiscal year ended March 31, 2025 and effective date of which is in the following fiscal year

(Resolution)	Class	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders (scheduled) on June 25, 2025	Common stock	6,499	Retained earnings	13.4	March 31, 2025	June 26, 2025



(Matters related to consolidated statement of cash flows)

\*1 Reconciliation between the cash and cash equivalents balance at the fiscal year-end and the amount presented on the consolidated balance sheet

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Cash and deposits accounts	76,999	68,669
Deposits with deposit term of over three months	(7,836)	(8,751)
Short-term investment (securities) whose redemption is due within three months from the acquisition date	—	100
Other (deposit at securities company)	0	0
Cash and cash equivalents	69,162	60,018

\*2 Major components of assets and liabilities of the companies that became consolidated subsidiaries due to the acquisition of shares during the fiscal year ended March 31, 2025

The assets and liabilities of newly acquired consolidated subsidiaries at the time of inclusion into the Group comprise the following, and the reconciliation between the acquisition cost of shares and the expenditures related to the acquisition (net) is as follows:

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(PT. Shield-On Service Tbk and its seven subsidiaries)

	(Millions of yen)
Current assets	4,294
Noncurrent assets	331
Goodwill	1,604
Current liabilities	(2,279)
Noncurrent liabilities	(60)
Net assets increased during the period between obtaining control and additional acquisition	142
Non-controlling interests	(502)
Acquisition cost of shares	3,530
Cash and cash equivalents	(659)
Less: Payments for acquisition	2,871

(Hokuriku Sohgo Security Services Co., Ltd.)

	(Millions of yen)
Current assets	4,369
Noncurrent assets	4,293
Gain on negative goodwill	(466)
Current liabilities	(904)
Noncurrent liabilities	(100)
Non-controlling interests	(3,302)
Acquisition cost up to obtaining control	(224)
Equity method valuation up to obtaining control	(958)
Loss on step acquisitions	156
Acquisition cost of shares	2,861
Cash and cash equivalents	(2,000)
Less: Payments for acquisition	860

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Nihon Guard Co., Ltd.)

	(Millions of yen)
Current assets	9,066
Noncurrent assets	2,513
Gain on negative goodwill	(835)
Current liabilities	(947)
Noncurrent liabilities	(397)
Non-controlling interests	(4,390)
Acquisition cost up to obtaining control	(4)
Equity method valuation up to obtaining control	(3,327)
Loss on step acquisitions	605
Acquisition cost of shares	2,283
Cash and cash equivalents	(6,872)
Less: Proceeds from acquisition	(4,588)

(Kanso Co., Ltd.)

	(Millions of yen)
Current assets	1,032
Noncurrent assets	400
Goodwill	1,543
Current liabilities	(756)
Noncurrent liabilities	(84)
Acquisition cost of shares	2,134
Cash and cash equivalents	(587)
Less: Payments for acquisition	1,547

(Matters related to lease transactions)

1. Finance lease transactions (lessee)

Finance lease transactions without transfer of ownership

i. Lease assets

Property, plant and equipment

It primarily consists of long-term care facilities (buildings), security alarm equipment and vehicles (machinery, equipment and vehicles).

ii. Depreciation method for lease assets

It is described in 4. Significant matters forming the basis for the preparation of the consolidated financial statements, (2)

Depreciation and amortization method for major depreciable and amortizable assets.

2. Operating lease transactions

Future minimum lease payments under non-cancellable operating lease transactions

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Due within one year	3,611	3,519
Due after one year	18,359	19,897
Total	21,971	23,416

(Matters related to financial instruments)

1. Financial instruments

(1) Policy for financial instruments

The Group limits its fund management to long-term and stable management within the amount of surplus funds. The Group's policy is to obtain funding mainly through bank borrowings. Derivative instruments are used to hedge the risk of future fluctuations in interest rates. In addition, certain consolidated subsidiaries hold available-for-sale securities with embedded derivatives (such as FX-linked bonds) and use equity options as part of their fund management.

(2) Details of financial instruments, risks and risk management structure

Notes and accounts receivable - trade, and contract assets are exposed to the credit risk of customers. To address the risk, the Group makes efforts to prevent loans to become non-performing, select quality business partners and strengthen its business infrastructure in accordance with the Group's Credit Management Rule. In addition, the Group manages the due dates and balances of receivables for each customer in accordance with Trade Receivables Management Rule.

Stocks, which are investment securities, are exposed to the risk of fluctuations in market prices. However, they are mainly companies' shares with which we have business relationships, and their fair market values are reported to the Board of Directors on a regular basis. Furthermore, embedded derivatives are exposed to the risk of fluctuations in interest rates and impairment of principal arising from future foreign currency fluctuations. However, the counterparties to the transactions are financial institutions with high credit ratings and therefore, the Group does not expect any credit losses arising from default of the counterparties.

The majority of notes and accounts payable - trade, which are trade payables, are due within one year.

Short-term loans payable mainly represent the funding for Transportation Security Services, while long-term loans payable are primarily for capital expenditures.

Loans payable with variable interest rates are exposed to the risk of fluctuations in interest rates. For certain long-term loans payable, derivative transactions (interest rate swaps) are used as hedging instruments for each contract in order to avoid the risk of fluctuations in interest rates and to fix interest expenses. Assessment of hedge effectiveness may be omitted when an interest rate swap meets certain conditions to be accounted for using the special method. The interest rate swaps qualify for the special method and the assessment of hedge effectiveness is omitted.

The execution and management of derivative transactions are conducted in accordance with internal rules that stipulate trading authorizations and transaction limits, etc. When using derivatives, the Group conducts transactions only with highly rated financial institutions in order to mitigate credit risk.

Trade payables and loan payables are exposed to liquidity risk. In order to manage the risk, the Group has each company prepare a consolidated management plan.

Lease obligations under finance lease transactions have fixed interest rates, and therefore, are not subject to interest rate fluctuation risk.

(3) Supplementary explanation on fair value of financial instruments

The contract amounts of derivative transactions described in 2. Fair value of financial instruments below do not represent the market risk related to derivative transactions.

2. Fair value of financial instruments

Carrying amount, fair value and the difference between these are as follows. The table below does not include equity securities with no quoted prices (see Note 1).

As of March 31, 2024

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Notes and accounts receivable - trade, and contract assets	69,054	69,052	(1)
(2) Securities	30	30	—
(3) Investment securities			
Shares of subsidiaries and associates	20,181	22,485	2,303
Available-for-sale securities	31,027	31,027	—
Total assets	120,293	122,595	2,302
(1) Long-term loans payable *4	2,426	2,426	(0)
(2) Lease obligations *5	41,185	39,303	(1,882)
Total liabilities	43,612	41,730	(1,882)

\*1 Cash is not included as it is cash, and deposits are not included as these are settled in a short period of time and the fair value approximates its carrying amount.

\*2 Cash for Transportation Security Services is not included as it is cash.

\*3 Notes and accounts payable - trade, short-term loans payable and accounts payable - other are not included as these are settled in a short period of time and the fair value approximates its carrying amount.

\*4 Long-term loans payable include current portion of long-term loans payable.

\*5 Lease obligations include current portion of lease obligations.

\*6 Share of investments in partnerships and similar entities recorded in the consolidated balance sheet at net is not included.

The share of investments in partnerships recorded in the consolidated balance sheet is ¥1,117 million.

As of March 31, 2025

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Notes and accounts receivable - trade, and contract assets	69,716	69,714	(1)
(2) Securities	449	449	—
(3) Investment securities			
Shares of subsidiaries and associates	21,380	25,487	4,107
Available-for-sale securities	32,504	32,504	—
Total assets	124,051	128,157	4,105
(1) Long-term loans payable *4	2,069	2,068	(0)
(2) Lease obligations *5	40,001	36,700	(3,300)
Total liabilities	42,070	38,769	(3,301)

\*1 Cash is not included as it is cash, and deposits are not included as these are settled in a short period of time and the fair value approximates its carrying amount.

\*2 Cash for Transportation Security Services is not included as it is cash.

\*3 Notes and accounts payable - trade, short-term loans payable, current portion of corporate bonds and accounts payable - other are not included as these are settled in a short period of time and the fair value approximates its carrying amount.

\*4 Long-term loans payable include current portion of long-term loans payable.

\*5 Lease obligations include current portion of lease obligations.

\*6 Share of investments in partnerships and similar entities recorded in the consolidated balance sheet at net is not included.  
The share of investments in partnerships recorded in the consolidated balance sheet is ¥1,247 million.

(Note 1) Unlisted shares and unlisted shares of subsidiaries and associates

As of March 31, 2024

Equity securities with no quoted prices

Category	Carrying amount (Millions of yen)
Unlisted shares	1,595
Unlisted shares of subsidiaries and associates	10,275
Total	11,870

As of March 31, 2025

Equity securities with no quoted prices

Category	Carrying amount (Millions of yen)
Unlisted shares	1,533
Unlisted shares of subsidiaries and associates	6,890
Other	3
Total	8,427

## (Note 2) Scheduled redemption of monetary receivables and securities with maturity dates after the fiscal year-end

As of March 31, 2024

	Within 1 year (Millions of yen)	1 year to 5 years (Millions of yen)	5 years to 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	76,999	—	—	—
Cash for Transportation Security Services	74,200	—	—	—
Notes receivable - trade	2,236	—	—	—
Accounts receivable - trade	63,024	45	—	—
Available-for-sale securities with maturity dates				
(1) Government bonds, municipal bonds, etc.	—	—	99	—
(2) Corporate bonds	30	2,539	664	2,541
(3) Other	—	480	—	98
<b>Total</b>	<b>216,490</b>	<b>3,066</b>	<b>764</b>	<b>2,640</b>

As of March 31, 2025

	Within 1 year (Millions of yen)	1 year to 5 years (Millions of yen)	5 years to 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	68,669	—	—	—
Cash for Transportation Security Services	81,557	—	—	—
Notes receivable - trade	1,849	—	—	—
Accounts receivable - trade	61,800	29	—	—
Available-for-sale securities with maturity dates				
(1) Government bonds, municipal bonds, etc.	—	—	192	—
(2) Corporate bonds	250	2,560	958	2,395
(3) Other	89	389	115	—
<b>Total</b>	<b>214,218</b>	<b>2,978</b>	<b>1,267</b>	<b>2,395</b>

(Note 3) Scheduled repayment of long-term loans payable, lease obligations and other interest-bearing liabilities after the fiscal year-end

As of March 31, 2024

	Within 1 year (Millions of yen)	1 year to 2 years (Millions of yen)	2 years to 3 years (Millions of yen)	3 years to 4 years (Millions of yen)	4 years to 5 years (Millions of yen)	Over 5 years (Millions of yen)
Short-term loans payable	6,965	—	—	—	—	—
Long-term loans payable	768	577	424	302	179	174
Lease obligations	5,129	4,171	3,330	2,610	1,969	23,975
Total	12,863	4,748	3,754	2,912	2,149	24,150

As of March 31, 2025

	Within 1 year (Millions of yen)	1 year to 2 years (Millions of yen)	2 years to 3 years (Millions of yen)	3 years to 4 years (Millions of yen)	4 years to 5 years (Millions of yen)	Over 5 years (Millions of yen)
Short-term loans payable	12,476	—	—	—	—	—
Long-term loans payable	741	494	370	246	179	36
Lease obligations	5,164	4,081	3,380	2,703	2,132	22,538
Total	18,382	4,576	3,751	2,949	2,311	22,575

### 3. Fair value of financial instruments by level

The fair values of financial instruments are categorized into the following three levels based on observability of input to the fair value measurement and its significance:

Level 1: Quoted prices for assets or liabilities subject to the fair value measurement in active markets

Level 2: Observable inputs other than inputs included within Level 1

Level 3: Unobservable inputs

When significant inputs from multiple levels are used, the fair value is categorized in the lowest level of a significant input.

(1) Financial instruments recognized at fair value in the consolidated balance sheet

As of March 31, 2024

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Shares	23,194	—	—	23,194
Government and municipal	—	99	—	99
bonds				
Corporate bonds	—	5,772	—	5,772
Other	—	1,990	—	1,990
Total assets	23,194	7,863	—	31,057

As of March 31, 2025

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Shares	24,258	—	—	24,258
Government and municipal	—	192	—	192
bonds				
Corporate bonds	—	6,162	—	6,162
Other	—	2,341	—	2,341
Total assets	24,258	8,696	—	32,954



(2) Other financial instruments recognized at fair value in the consolidated balance sheet

As of March 31, 2024

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	—	69,052	—	69,052
Securities and investment securities				
Shares of subsidiaries and associates	22,485	—	—	22,485
Total assets	22,485	69,052	—	91,537
Long-term loans payable	—	2,426	—	2,426
Lease obligations	—	39,303	—	39,303
Total liabilities	—	41,730	—	41,730

As of March 31, 2025

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	—	69,714	—	69,714
Securities and investment securities				
Shares of subsidiaries and associates	25,487	—	—	25,487
Total assets	25,487	69,714	—	95,202
Long-term loans payable	—	2,068	—	2,068
Lease obligations	—	36,700	—	36,700
Total liabilities	—	38,769	—	38,769

(Note) Explanation of valuation technique used and input to the fair value measurement

Securities and investment securities

The fair value of listed shares is determined based on quoted prices. As these are traded in an active market, the fair value is categorized as Level 1.

The fair value of available-for-sale securities, such as corporate bonds and investment trusts, is determined based on quoted prices from financial institutions. As these are less actively traded and do not have quoted prices in an active market, the fair value is categorized as Level 2.

Derivative transactions

The fair value of derivative transactions, such as equity options and interest rate swaps, is determined based on quoted prices from financial institutions. As these are less actively traded and do not have quoted prices in an active market, the fair value is categorized as Level 2.

A hybrid financial instrument that contains an embedded derivative is measured at fair value in its entirety as securities and investment securities with changes in fair value recognized in profit or loss. This is because the embedded derivative cannot be separately measured at fair value on a reasonable basis.

Notes and accounts receivable - trade, and contract assets

The fair values are determined, for each group of receivables categorized by term, based on the present value of receivables discounted using the interest rate adjusted for the period to maturity and credit risk. The fair value is categorized as Level 2.

Long-term loans payable

The fair value of long-term loans payable with variable interest rates is its carrying amount as these reflect market interest rates in a short period of time.

The fair value of long-term loans payable with fixed interest rates is determined based on the present value of principal and interest discounted using the interest rate that would be applied to new loans. This fair value is categorized as Level 2.

Lease obligations

The fair value of lease obligations is determined based on the present value of principal and interest discounted using the interest rate that would be applied to new leases. This fair value is categorized as Level 2.

(Matters related to securities)

1. Available-for-sale securities

As of March 31, 2024

	Class	Carrying amount (Millions of yen)	Cost or amortized cost (Millions of yen)	Difference (Millions of yen)
Carrying amount exceeds cost or amortized cost	(1) Shares	22,899	6,749	16,149
	(2) Bonds			
	Government bonds, municipal bonds, etc.	—	—	—
	Corporate bonds	950	936	13
	(3) Other	995	833	161
	Subtotal	24,844	8,519	16,324
Carrying amount does not exceed cost or amortized cost	(1) Shares	295	353	(58)
	(2) Bonds			
	Government bonds, municipal bonds, etc.	99	100	(0)
	Corporate bonds	4,822	4,967	(145)
	(3) Other	995	1,036	(40)
	Subtotal	6,213	6,457	(244)
Total		31,057	14,977	16,080

As of March 31, 2025

	Class	Carrying amount (Millions of yen)	Cost or amortized cost (Millions of yen)	Difference (Millions of yen)
Carrying amount exceeds cost or amortized cost	(1) Shares	23,715	6,739	16,975
	(2) Bonds			
	Government bonds, municipal bonds, etc.	—	—	—
	Corporate bonds	957	952	4
	(3) Other	1,030	878	151
	Subtotal	25,703	8,571	17,131
Carrying amount does not exceed cost or amortized cost	(1) Shares	542	621	(78)
	(2) Bonds			
	Government bonds, municipal bonds, etc.	192	200	(7)
	Corporate bonds	5,204	5,407	(202)
	(3) Other	1,310	1,371	(61)
	Subtotal	7,251	7,600	(349)
Total		32,954	16,172	16,782

## 2. Available-for-sale securities sold

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Class	Proceeds from sales (Millions of yen)	Total gain on sales (Millions of yen)	Total loss on sales (Millions of yen)
(1) Shares	1,023	365	12
(2) Bonds			
Government bonds, municipal bonds, etc.	—	—	—
Corporate bonds	202	2	—
(3) Other	123	20	—
Total	1,349	387	12

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Class	Proceeds from sales (Millions of yen)	Total gain on sales (Millions of yen)	Total loss on sales (Millions of yen)
(1) Shares	499	350	305
(2) Bonds			
Government bonds, municipal bonds, etc.	—	—	—
Corporate bonds	—	—	—
(3) Other	28	10	0
Total	527	360	305

## 3. Securities impaired

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

An impairment loss of ¥18 million (shares of ¥18 million) was recognized on available-for-sale securities.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

An impairment loss of ¥15 million (shares of ¥15 million) was recognized on available-for-sale securities.

(Matters related to retirement benefits)

1. Overview of adopted retirement benefit plans

The Company has defined benefit plans, including corporate pension plan and lump-sum retirement payment plan, as well as defined contribution plans.

In addition to these plans, certain consolidated subsidiaries have defined benefit plans and defined contribution plans such as the Smaller Enterprise Retirement Allowance Mutual Aid System.

Certain consolidated subsidiaries apply a simplified method in calculating retirement benefit liability and retirement benefit expenses, under which the amount of required voluntary termination benefits at the fiscal year-end is recognized as defined benefit obligation.

2. Defined benefit plans

(1) Reconciliation of beginning to ending balance of defined benefit obligation (excluding plans accounted for under the simplified method as described in (3))

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Defined benefit obligation at beginning of year	136,418	124,602
Service cost	6,195	5,536
Interest cost	924	1,983
Actuarial gains and losses	(13,365)	(450)
Retirement benefits paid	(5,619)	(5,933)
Increase due to business combination	48	—
Past service cost during the fiscal year	—	(2)
Reclassification due to changes from the simplified method to the principal method	—	628
Defined benefit obligation at end of year	124,602	126,365

(2) Reconciliation of beginning to ending balance of plan asset (excluding plans accounted for under the simplified method as described in (3))

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Plan assets at beginning of year	124,300	147,667
Expected return on plan assets	3,066	3,650
Actuarial gains and losses	18,299	(4,523)
Contributions from employers	4,854	4,857
Retirement benefits paid	(2,853)	(2,863)
Reclassification due to changes from the simplified method to the principal method	—	681
Plan assets at end of year	147,667	149,469

## (3) Reconciliation of beginning to ending balance of retirement benefit liability under the simplified method

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Retirement benefit liability at beginning of year	2,747	2,786
Retirement benefit expenses	263	408
Retirement benefits paid	(274)	(302)
Contributions to the plans	(45)	(63)
Reclassification due to changes from the simplified method to the principal method	95	33
Increase due to business combination	—	77
Retirement benefit liability at end of year	2,786	2,939

## (4) Reconciliation of ending balances of defined benefit obligation and plan assets to retirement benefit liability and retirement benefit asset reported on the consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Defined benefit obligation for funded plans	87,843	89,839
Plan assets	148,502	149,676
	(60,658)	(59,836)
Defined benefit obligation for unfunded plans	40,380	39,672
Net retirement benefit liability (asset)	(20,278)	(20,164)
Retirement benefit liability	39,595	39,534
Retirement benefit asset	(59,874)	(59,698)
Net retirement benefit liability (asset)	(20,278)	(20,164)

(Note) Include plans accounted for under the simplified method.

## (5) Retirement benefit expense and its components

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Service cost	6,195	5,536
Interest cost	924	1,983
Expected return on plan assets	(3,066)	(3,650)
Amortization of actuarial gains and losses	883	(2,960)
Amortization of past service cost	27	25
Retirement benefit expenses calculated under the simplified method	263	408
Decrease due to changes from the simplified method to the principal method	—	(20)
Other	128	736
Retirement benefit expenses related to defined benefit plans	5,356	2,059

(6) Reclassification adjustments of defined benefit plans

Reclassification adjustments of defined benefit plans, before income taxes and tax effect, comprise the following:

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Past service cost	(27)	(27)
Actuarial gains and losses	(32,548)	7,034
Total	(32,576)	7,006

(7) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans, before income taxes and tax effect, comprise the following:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Unrecognized past service cost	78	51
Unrecognized actuarial gains and losses	(35,085)	(28,051)
Total	(35,007)	(28,000)

(8) Plan assets

i. Major categories of plan assets

Major categories of plan assets and its percentage allocation are as follows:

	As of March 31, 2024	As of March 31, 2025
Bonds	43 %	44 %
Stocks	38	35
Cash and deposits	1	2
General accounts	8	8
Other	10	11
Total	100	100

ii. Method of determining expected long-term rate of return on plan assets

The expected long-term rate of return on plan assets is determined by taking into account the existing and future plan asset portfolios and the current and expected long-term rates of return from the various components of those plan assets.

(9) Actuarial assumptions

Key actuarial assumptions (in weighted average) are as follows:

	As of March 31, 2024	As of March 31, 2025
Discount rate	1.61 %	1.61 %
Expected long-term rate of return on plan assets	2.50	2.50
Expected rate of future salary increase	1.1 to 1.9	1.1 to 1.7

3. Defined contribution plans

The required amount of contribution to the defined contribution plans of the Company and its consolidated subsidiaries is ¥685 million for the fiscal year ended March 31, 2024 and ¥675 million for the fiscal year ended March 31, 2025.

(Matters related to tax-effect accounting)

1. Major components of deferred tax assets and liabilities

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Accrued business taxes	647	613
Provision for bonuses	774	861
Allowance for doubtful accounts	188	319
Retirement benefit liability	12,362	12,493
Accrued retirement benefits for directors (and other officers)	642	690
Depreciation and amortization	2,165	2,505
Disallowed expenses related to installation of security alarm equipment	4,591	4,713
Loss on valuation of investment securities	331	341
Net operating loss carryforwards (Note 1)	1,399	1,377
Revaluation reserve for land	1,302	1,341
Other	1,792	2,288
Deferred tax assets - subtotal	26,199	27,546
Valuation allowance related to net operating loss carryforwards (Note 1)	(378)	(420)
Valuation allowance related to aggregation of deductible temporary differences and others	(3,432)	(3,581)
Less: Valuation allowance	(3,810)	(4,002)
Total deferred tax assets, net	22,388	23,544
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(4,959)	(5,332)
Retirement benefit asset	(18,756)	(19,224)
Foreign stock dividends	(115)	(118)
Revaluation reserve for land	(314)	(271)
Reserve for advanced depreciation of noncurrent assets	(5)	(23)
Liability adjustment account	(102)	(92)
Total deferred tax liabilities	(24,254)	(25,063)
Net deferred tax assets (liabilities)	(1,865)	(1,518)

(Note 1) Net operating loss carryforwards and the amount of related deferred tax assets by carryforward period

As of March 31, 2024

	Within 1 year (Millions of yen)	1 year to 2 years (Millions of yen)	2 years to 3 years (Millions of yen)	3 years to 4 years (Millions of yen)	4 years to 5 years (Millions of yen)	Over 5 years (Millions of yen)	Total (Millions of yen)
Net operating loss carryforwards (*1)	238	217	191	186	186	378	1,399
Valuation allowance	—	—	—	—	—	(378)	(378)
Deferred tax assets (*2)	238	217	191	186	186	—	1,020

(\*1) Net operating loss carryforward is the amount after multiplied by the statutory tax rate.

(\*2) Deferred tax asset is recognized for net operating loss carryforwards of certain consolidated subsidiaries. We determined that the deferred tax asset is recoverable because it is likely that taxable income (before adjusted for temporary differences) will be available in the future based on the consideration of recent actual taxable income and achievement of business plans.

As of March 31, 2025

	Within 1 year (Millions of yen)	1 year to 2 years (Millions of yen)	2 years to 3 years (Millions of yen)	3 years to 4 years (Millions of yen)	4 years to 5 years (Millions of yen)	Over 5 years (Millions of yen)	Total (Millions of yen)
Net operating loss carryforwards (*1)	163	186	—	285	173	568	1,377
Valuation allowance	—	—	—	—	(44)	(376)	(420)
Deferred tax assets (*2)	163	186	—	285	129	192	957

(\*1) Net operating loss carryforward is the amount after multiplied by the statutory tax rate.

(\*2) Deferred tax asset is recognized for net operating loss carryforwards of certain consolidated subsidiaries. We determined that the deferred tax asset is recoverable because it is likely that taxable income (before adjusted for temporary differences) will be available in the future based on the consideration of recent actual taxable income and achievement of business plans.

(Note 2) Net deferred tax assets are included in the following accounts on the consolidated balance sheet:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Noncurrent assets - Deferred tax assets	8,868	5,312
Noncurrent liabilities - Deferred tax liabilities	(10,420)	(6,560)
Noncurrent liabilities - Deferred tax liabilities for revaluation	(314)	(271)



2. Reconciliation of significant differences between the statutory tax rate and the effective tax rate after applying tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory tax rate	30.6 %	30.6 %
(Adjustment)		
Non-deductible permanent differences such as entertainment expenses	0.3	0.6
Non-taxable permanent differences such as dividend income	(1.2)	(0.2)
Equal division of municipal tax	1.1	1.1
Amortization of goodwill	2.3	1.6
Share of profit of entities accounted for using equity method	(1.5)	(1.5)
Increase in year-end deferred tax assets due to a statutory tax rate change	—	(0.3)
Difference in tax rates among subsidiaries	1.3	1.2
Special corporate tax credit	(1.7)	(0.7)
Valuation allowance (the amount deducted from deferred tax assets)	0.3	0.2
Other	0.6	1.0
Effective tax rate after applying tax effect accounting	32.1	33.7

3. Adjustments to deferred tax assets and deferred tax liabilities due to the change of income tax rates

The Act to Partially Amend the Income Tax Act and Other Acts (Act No. 13) was approved by the Japanese Diet on March 31, 2025. In accordance with the Act, a special corporation tax aimed at strengthening defense capabilities will be imposed starting from fiscal years beginning on or after April 1, 2026.

In connection with this, the statutory tax rate has been changed from 30.6% to 31.5% for deferred tax assets and deferred tax liabilities related to temporary differences, among others, that are expected to reverse in fiscal years beginning on or after April 1, 2026.

As a result, for the fiscal year ended March 31, 2025, deferred tax assets (net of deferred tax liabilities) increased by ¥271 million, and income taxes - deferred decreased by ¥112 million.

(Matters related to business combination)

(Business combination by way of acquisition)

1. Acquisition of additional shares of Nihon Guard Co., Ltd.

(1) Overview of business combination

A. Name of acquired company and its business

Name of acquired company: Nihon Guard Co., Ltd.

Description of business: Security Services, Facility Management Services etc.

B. Date of business combination

July 12, 2024

C. Legal form of business combination

Acquisition of stocks

D. Name of the company after the business combination

There is no name change.

E. Share of voting rights acquired

Voting rights held before the business combination 31.3%

Voting rights additionally acquired on the date of business combination 25.9

Voting rights after the acquisition 57.1

F. Reason for selecting company to acquire

The Company acquired the stocks in exchange for cash consideration.

(2) Reason for business combination

Nihon Guard Co., Ltd., the Company's equity-method associate, had been providing the Security Services and the Facility Management Services etc. The Company has acquired additional shares of Nihon Guard Co., Ltd. with the aim of increasing the ratio of voting rights in order to achieve stable business management and strengthen governance.

(3) Period of operating results of the acquired company included in the consolidated statement of income for the year ended March 31, 2025

As the deemed date of acquisition is July 1, 2024, the operating results for the period from July 1, 2024 to March 31, 2025 are included in the consolidated statement of income for the fiscal year ended March 31, 2025. As the acquired company was an equity-method associate, the operating results from April 1, 2024 to June 30, 2024 were recorded as "Share of profit of entities accounted for using equity method."

(4) Acquisition cost of the acquired company and type of consideration paid

	(Millions of yen)
Consideration	
Fair value of shares held before the business combination on the date of the business combination	2,759
Cash and deposits paid for acquisition of additional shares	2,283
Acquisition cost	5,042

(5) Difference between the acquisition cost of the acquired company and the total acquisition cost related to transactions that led to the acquisition

	(Millions of yen)
Loss on step acquisitions	605

(6) Major components and amount of acquisition related costs

Nothing to report.

(7) Amount of gain on negative goodwill and its causes

A. Amount of gain on negative goodwill

¥835 million

B. Causes

As the net asset value of the acquired company as of the date of business combination exceeded the acquisition cost, the difference is recorded as gain on negative goodwill.

(8) Amount of assets acquired and liabilities assumed and the major components as of the date of business combination

	(Millions of yen)
Current assets	9,066
Noncurrent assets	2,513
Total assets	11,580
Current liabilities	947
Noncurrent liabilities	397
Total liabilities	1,344

(9) Estimated amount and calculation method of the impact of the business combination on the consolidated statement of income for the fiscal year ended March 31, 2025, assuming that the business combination had been completed at the beginning of the fiscal year

This is omitted as the estimated amount of the impact is immaterial.

2. Acquisition of stocks of Kanso Co., Ltd. and Kanso Sakai Co., Ltd.

(1) Overview of business combination

A. Name of the acquired company: Kanso Co., Ltd. and Kanso Sakai Co., Ltd.

Description of business: Security Services, Facility Management Services etc.

B. Reason for business combination

The Company provides a wide variety of security services for governments and local public organizations, financial institutions, general business operators, and individual customers, in an effort to provide safety and security.

In addition, starting with the security services, the Company is working to expand into new business areas, such as the Facility Management that address maintenance and management of buildings and the Long-Term Care Services that address the aging society, to respond to the increasing safety and security needs of customers due to diversification of risks.

In the area of Facility Management, after entering the building maintenance business in 1966, the Company has built, through M&A and mergers between subsidiaries, a system that can make comprehensive proposals, such as for building facility inspection, repair, fire and disaster prevention, facility maintenance, cleaning, and hygiene management. In July 2024, as part of its efforts to improve service quality, the Company launched the ALSOK Facility Rescue service nationwide, in which security guards check the site, investigate the cause, and take emergency measures when they receive a report of an equipment abnormality or are asked to check for equipment failure.

The Facility Management faces numerous issues in a business environment, such as acquiring human resources and improving productivity. The Company believes the inclusion of Kanso will benefit in the further expansion and strengthening of the Group's Facility Management business mainly in the Kansai region, while tackling these issues.

The Company will strive to improve the quality of services provided to customers to develop the entire business of the Group and improve corporate value.

C. Date of business combination

December 1, 2024

D. Legal form of business combination

Acquisition of stocks

E. Name of the company after the business combination

There is no name change.

F. Share of voting rights acquired

100.0%

G. Reason for selecting company to acquire

The Company acquired the stocks in exchange for cash consideration.

(2) Period of operating results of the acquired company included in the consolidated statement of income for the year ended March 31, 2025

As the deemed date of acquisition is December 31, 2024, the operating results for the period from January 1, 2025 to March 31, 2025 are included in the consolidated statement of income for the fiscal year ended March 31, 2025.

(3) Acquisition cost of the acquired company and type of consideration paid

(Millions of yen)		
Consideration	Cash and deposits	2,134
Acquisition cost		2,134

(4) Major components and amount of acquisition related costs

(Millions of yen)	
Advisory fees	74

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

A. Amount of goodwill

¥1,543 million

B. Causes

The goodwill mainly arises from the excess earning power expected from combining the Group's Facility Management Services business with the business of Kanso Co., Ltd. and Kanso Sakai Co., Ltd.

C. Method and period of amortization

Straight-line method over ten years

(6) Amount of assets acquired and liabilities assumed and the major components as of the date of business combination

(Millions of yen)	
Current assets	1,032
Noncurrent assets	400
Total assets	1,432
Current liabilities	756
Noncurrent liabilities	84
Total liabilities	840

(7) Estimated amount and calculation method of the impact of the business combination on the consolidated statement of income for the fiscal year ended March 31, 2025, assuming that the business combination had been completed at the beginning of the fiscal year

This is omitted as the estimated amount of the impact is immaterial.

(Business combination under common control)

1. Acquisition of additional shares of ALSOK Souei Co., Ltd.

(1) Overview of transaction

A. Name of merged company and its business

Name of acquired company: ALSOK Souei Co., Ltd.

Description of business: Security Services, Facility Management Services etc.

B. Date of acquisition of stocks

September 10, 2024

C. Legal form of business combination

Acquisition of shares from non-controlling interests

D. Name of the company after the business combination

There is no name change.

E. Other

The additional shares acquired accounted for 33.4% of the total voting rights. This transaction resulted in the Company's ratio of voting rights in ALSOK Souei Co., Ltd. increasing to 100.0%.

(2) Accounting treatment

This acquisition was accounted for as a transaction with non-controlling interest under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10).

(3) Matters related to acquisition of additional subsidiary shares

		(Millions of yen)
Consideration	Cash and deposits	1,362
Acquisition cost		1,362

2. Reorganization of business in Hokkaido within the Group

As part of the Group business reorganization, the Company transferred the business of Hokkaido branch and Keiso Hokkaido branch, which are the Company's offices in Hokkaido, to ALSOK Hokkaido Co., Ltd., a consolidated subsidiary of the Company, by way of a company split (simplified absorption-type company split) with an effective date of October 1, 2024.

(1) Overview of transaction

A. Description of business transferred

Security Services and Facility Management Services etc. in Hokkaido

B. Date of business combination

October 1, 2024

C. Legal form of business combination

Simplified absorption-type company split with the Company as the absorption-type split company and ALSOK Hokkaido Co., Ltd. as the successor company

D. Other

The purpose of the company split is to respond to changes in the market environment and to further strengthen the sales capabilities and competitiveness of the ALSOK Group's Electronic Security, Transportation Security, Facility Management and other businesses in Hokkaido.

ALSOK Hokkaido Co., Ltd. continues to be a wholly owned subsidiary of the Company after the company split. As a representative of the ALSOK Group in Hokkaido, it will contribute to the development of the Hokkaido economy by operating its businesses in a way that are more rooted in community than ever.

(2) Accounting treatment

This merger was accounted for as a business combination under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10).

(Matters related to asset retirement obligations)

Asset retirement obligations reported on the consolidated balance sheet

1. Overview of asset retirement obligations

It is an obligation to restore the site to its original state in accordance with real estate lease agreements such as offices.

2. Method to determine the amount of asset retirement obligations

The amount of asset retirement obligations is generally determined based on the expected usage period of 50 years from the acquisition with the discount rate of 0.0% to 2.3% depending on the expected remaining usage period.

3. Changes in asset retirement obligations

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Balance at beginning of year	818	827
Adjustment due to passage of time	9	10
Increase due to acquisition of new consolidated subsidiary	—	6
Balance at end of year	827	844

(Matters related to revenue recognition)

1. Disaggregation of revenue from contracts with customers

The information on disaggregation of revenue from contract with customers is described in Notes (Segment information).

2. Information relating to revenue from contracts with customers

(1) Contract revenue

Contract revenue is earned as a result of the Company or its consolidated subsidiaries providing services to customers such as security services.

While considerations for providing such services are collected in a lump sum in cash in the following month, monthly fees in exchange for providing the Electronic Security Services to individual customers and lump-sum move-in fees for the long-term care services are collected in the form of advance payment before the service is provided.

A performance obligation related to the contract revenue is to provide the service specified in the contract to a customer. The Company and its consolidated subsidiaries recognize revenue as the performance obligation is satisfied over time.

A transaction price is specified in the contract and does not contain significant variable consideration or financing component. If a single contract has multiple performance obligations, the transaction price is allocated based on the price specified in the contract.

(2) Construction revenue

Construction revenue is earned as a result of installation of security alarm equipment leased or rented to the customer as well as repair/renewal constructions and piping or electrical constructions of various building equipment.

In most cases, considerations for providing such services are collected in a lump sum in cash in the following month. A partial payment is received for long-term construction contract by reference to the stage of completion.

A performance obligation related to the construction revenue is to provide the construction service specified in the contract. Generally, revenue from construction contracts is recognized as the performance obligation is satisfied over time. This is because the partially completed contract is an asset that cannot be used for other purposes and gives rise to a right to receive consideration. As the completion of a contract corresponds to costs incurred for the construction, the percentage of completion for the performance obligation can be reasonably estimated based on the costs incurred.

Therefore, the percentage of completion is determined, for each contract, based on the costs incurred to the fiscal year-end to the estimated total cost to complete.

For contracts that have a very short construction period, such as installation of security alarm equipment, which accounts for most of the construction revenue, revenue is recognized at a point in time at completion of contract when a right to receive consideration is confirmed.

A transaction price is specified in the contract and does not contain significant variable consideration or financing component. If a single contract has multiple performance obligations, the transaction price is allocated based on the price specified in the contract.

(3) Sales revenue

Sales revenue is earned as a result of product sales (including installation of products sold).

In most cases, considerations for transferring such products are collected in a lump sum in cash in the following month. For only a few contracts, considerations are received in installments approximately over two to five years.

A performance obligation related to the sales revenue is to transfer products to a customer. The performance obligation is satisfied at a point in time when a customer accepts the product and the legal title, physical possession and significant risk and rewards of ownership of the product are transferred to the customer. Therefore, the revenue is recognized at a point in time of delivery.

A transaction price is specified in the contract and does not contain significant variable consideration or financing component. If a single contract has multiple performance obligations, the transaction price is allocated based on the price specified in the contract.

3. Relationship between satisfaction of performance obligations based on contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to arise in the following years from contracts with customers existed as of March 31, 2025

(1) Contract assets and liabilities

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Receivables arising from contracts with customers (beginning balance)	62,411	65,306
Receivables arising from contracts with customers (ending balance)	65,306	63,679
Contract assets (beginning balance)	2,983	3,747
Contract assets (ending balance)	3,747	6,036
Contract liabilities (beginning balance)	19,753	18,807
Contract liabilities (ending balance)	18,807	17,867

A contract asset is the Company's and its consolidated subsidiaries' right to unbilled consideration in exchange for construction contract partially completed as of the fiscal year-end. When the Company's and its consolidated subsidiaries' right to consideration becomes unconditional, the contract asset is reclassified to a receivable from contracts with customers.

A contract liability represents payments received in advance related to the Electronic Security Services and lump-sum move-in fees for the long-term care services. The former is debited mainly within one year and the latter is debited within 4 to 17 years, depending on the average tenancy of the resident of a long-term care facility, as the revenue is recognized.

(2) Transaction price allocated to remaining performance obligation

The Company and its consolidated subsidiaries apply practical expedient to the notes on transaction price allocated to remaining performance obligation. Notes on a contract with initial expected contract term of one year or less are not included. The performance obligation is related to construction revenue from the Facility Management Services etc. Total transaction price to which remaining performance obligations are allocated and the periods for which revenue is expected to be recognized are as follows:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Within 1 year	10,537	13,463
1 to 2 years	6,873	2,542
2 to 3 years	583	568
Over 3 years	191	—
Total	18,185	16,573

(Segment information etc.)

#### Segment information

##### 1. Overview of reportable segment

###### (1) Method to determine reportable segment

The Group's reportable segments are components of the group for which discrete financial information is available and which are reviewed by the Board of Directors on a regular basis to make decisions about resources and assess their performance.

The Group has four reportable segments: the Security Services, which includes the Electronic Security Services, the HOME ALSOK Services, the Stationed Security Services and the Transportation Security Services; the Facility Management Services etc., which includes equipment installation (such as piping or electrical construction services), facility management, environmental hygiene management, janitorial services, inspection and installation of fire equipment, and sales of various disaster prevention equipment; the Long-Term Care Services, which includes home care support, home-visit care, day care, and facility care; and the Overseas Services, which are the business conducted by overseas subsidiaries.

###### (2) Changes in reportable segment

During the fiscal year ended March 31, 2025, the Group reviewed its management structure, and the reportable segments, which previously comprised the Security Services, the General Property Management and Fire Protection Services, and the Long-Term Care Services, have been changed to include the Security Services, the Facility Management Services etc., the Long-Term Care Services, and the Overseas Services.

Segment information for the fiscal year ended March 31, 2024, has been prepared based on the reportable segments after the change.

##### 2. Method to determine the amount of net sales, income (loss) and other items

Accounting treatment used for reportable segments is mostly the same as the accounting treatment applied in preparing the consolidated financial statements.

Segment income is based on operating income.

Intersegment sales and transfers are based on prevailing market prices.



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

## I. Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in the consolidated statement of income (Note 2)
	Security Services	Facility Management Services etc.	Long-Term Care Services	Overseas Services	Total		
Net sales							
Contract revenue	333,720	34,402	50,850	15,033	434,006	—	434,006
Construction revenue	7,374	26,301	22	37	33,734	—	33,734
Sales revenue	38,196	14,682	88	691	53,659	—	53,659
Revenue from contracts with customers	379,291	75,386	50,961	15,761	521,400	—	521,400
Sales to external customers	379,291	75,386	50,961	15,761	521,400	—	521,400
Intersegment sales and transfers	45	329	11	—	386	(386)	—
Total	379,337	75,715	50,972	15,761	521,786	(386)	521,400
Income (loss) by reportable segment	38,583	8,328	1,309	(649)	47,572	(9,493)	38,078
Depreciation and amortization	14,947	1,388	2,252	116	18,705	22	18,727
Amortization of goodwill	887	29	2,043	176	3,135	—	3,135

(Notes) 1. ¥(9,493) 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 any specific reportable segment.

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

3. Assets are not allocated to business segments.

II. Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in the consolidated statement of income (Note 2)
	Security Services	Facility Management Services etc.	Long-Term Care Services	Overseas Services	Total		
Net sales							
Contract revenue	344,432	38,865	53,249	25,585	462,132	—	462,132
Construction revenue	7,790	26,984	23	42	34,841	—	34,841
Sales revenue	39,723	13,887	91	1,205	54,907	—	54,907
Revenue from contracts with customers	391,946	79,736	53,364	26,833	551,881	—	551,881
Sales to external customers	391,946	79,736	53,364	26,833	551,881	—	551,881
Intersegment sales and transfers	72	434	8	—	515	(515)	—
Total	392,019	80,171	53,373	26,833	552,396	(515)	551,881
Income (loss) by reportable segment	40,327	9,164	1,497	(547)	50,441	(10,239)	40,201
Depreciation and amortization	16,173	1,485	2,238	188	20,085	17	20,103
Amortization of goodwill	698	139	2,040	316	3,194	—	3,194

(Notes) 1. ¥(10,239) 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 any specific reportable segment.

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

3. Assets are not allocated to business segments.

Related information

I. Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information by product and service

It is omitted as the information is described in the segment information.

2. Information by region

(1) Net sales

It is omitted as the net sales to domestic customers account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

It is omitted as the amount of property, plant and equipment located in Japan account for more than 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

It is omitted as no single external customer accounts for more than 10% of net sales on the consolidated statement of income.

II. Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product and service

It is omitted as the information is described in the segment information.

2. Information by region

(1) Net sales

It is omitted as the net sales to domestic customers account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

It is omitted as the amount of property, plant and equipment located in Japan account for more than 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

It is omitted as no single external customer accounts for more than 10% of net sales on the consolidated statement of income.

Information on impairment losses of noncurrent assets by reportable segment

I. Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

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 ¥24 million for buildings and structures.

II. Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

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.

Information on amortized and unamortized goodwill by reportable segment

I. Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Amortized and unamortized goodwill)

It is omitted as the information on amortized goodwill is described in the segment information.

Unamortized goodwill as of March 31, 2024 is ¥31,442 million. As assets are not allocated to business segments, the unamortized goodwill is not included in the reportable segments as of March 31, 2024.

II. Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Amortized and unamortized goodwill)

It is omitted as the information on amortized goodwill is described in the segment information.

Unamortized goodwill as of March 31, 2025 is ¥29,873 million. As assets are not allocated to business segments, the unamortized goodwill is not included in the reportable segments as of March 31, 2025.

Information on gain on negative goodwill by reportable segment

I. Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

During the fiscal year ended March 31, 2024, due to the inclusion of Hokuriku Sohgo Security Services Co., Ltd. in the scope of consolidation, gain on negative goodwill of ¥466 million is recognized. The gain on negative goodwill is not allocated to any reportable segments.

II. Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

During the fiscal year ended March 31, 2025, due to the inclusion of Nihon Guard Co., Ltd., etc. in the scope of consolidation, a gain on negative goodwill of ¥859 million is recognized. The gain on negative goodwill is not allocated to any reportable segments.

Related parties

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Related party transactions

1. Transactions between the reporting company and its related parties

Nothing to report.

2. Transactions between consolidated subsidiary of the reporting company and its related parties

Nothing to report.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Related party transactions

1. Transactions between the reporting company and its related parties

Nothing to report.

2. Transactions between consolidated subsidiary of the reporting company and its related parties

Nothing to report.

(Special purpose entities subject to disclosure)

Nothing to report.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net assets per share	687.34	697.96
Net income per share	52.95	55.41

(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 assets per share and Net income per share are calculated assuming that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

3. The following is the basis of calculating net income per share:

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	26,630	27,105
Amount not attributable to ordinary shareholders (Millions of yen)	—	—
Profit attributable to ordinary shareholders of parent (Millions of yen)	26,630	27,105
Average number of shares during the period (Thousands of shares)	502,894	489,214

4. The following is the basis of calculating net assets per share:

	As of March 31, 2024	As of March 31, 2025
Total net assets (Millions of yen)	377,754	376,000
Amount deducted from total net assets (Millions of yen)	33,654	37,566
(Of which, non-controlling interests) (Millions of yen)	(33,654)	(37,566)
Net assets related to common stocks at fiscal year-end (Millions of yen)	344,100	338,433
Number of common stocks at fiscal year-end used to calculate net assets per share (Thousands of shares)	500,627	484,886

(Significant subsequent events)

(Amendment to company name)

The Company has resolved at the Board of Directors' meeting held on April 8, 2025 to propose an agenda concerning the amendment to the company name at the 60th Ordinary General Meeting of Shareholders, which is scheduled to be held on June 25, 2025. We will be unifying our company name and brand amending our company name to "ALSOK Co., Ltd." with the aim of further boosting our brand value. The scheduled date of this amendment will be July 16, 2025 in commemoration of our 60th anniversary.

(Disposal of treasury stock based on the restricted stock grant plan for the Employee Stockholding Association)

At the Board of Directors' meeting held on April 8, 2025, the Company resolved to dispose of its treasury stock as restricted stock under the restricted stock grant plan for the Employee Stockholding Association. The planned allottee is the Employee Stockholding Association of SOHGO SECURITY SERVICES CO., LTD., and the disposal is intended to commemorate the 60th anniversary of the Company's founding.

1. Overview of the disposal

(1) Date of disposal	July 16, 2025
(2) Type and number of shares to be disposed of	Shares of common stock: 1,298,100 shares (Note)
(3) Disposal value	¥1,066.5 per share
(4) Total amount of disposal	¥1,384,423,650 (Note)
(5) Method of disposal (Planned allottee)	Through allocation to a third party (Employee Stockholding Association of SOHGO SECURITY SERVICES CO., LTD.: 1,298,100 shares) Note that partial applications for the number of shares granted are not accepted from employees of the Company and its subsidiaries who are members of the Stockholding Association and agree to participate in the plan.

(Note) "Type and number of shares to be disposed of" and "Total amount of disposal" represent the maximum amount calculated based on an assumption of granting 100 shares to each of the 12,981 employees of the Company and its subsidiaries, the maximum number of employees eligible under this plan. The final number of shares to be disposed of and the total amount of disposal will be determined based on the number of the Company's and its subsidiaries' employees who are members of the Stockholding Association and agree to participate in this plan, following the completion of membership promotion efforts for non-members and the execution of related participation agreements.

2. Purpose and reason for disposal

This plan was introduced to commemorate the 60th anniversary of the Company's founding in July 2025, with the aim of expressing appreciation for the daily contributions of the employees of the Company and its subsidiaries. As a measure to promote the health and welfare of eligible employees, this plan is intended to create opportunities for acquiring the restricted stock (the Company's common stocks) to be issued or disposed of by the Company through the Stockholding Association so as to support asset accumulation for eligible employees, as well as to provide incentives to pursue the sustainable enhancement of the Company's corporate value, and to promote further value sharing with the Company's shareholders.

(Absorption-type company split and business transfer agreements)

Effective June 3, 2025, the Company has reached an agreement with FUJITSU HOME & OFFICE SERVICES LIMITED ("FUJITSU HOME") to transfer FUJITSU HOME's security services, cleaning services and facility management services, as well as facility management services of its wholly owned subsidiaries, FUJITSU HOKUSHIN CONSTRUCTION LIMITED and FUJITSU TOCHIGI CONSTRUCTION LIMITED, to ALSOK Facilities Co., Ltd., which is the Company's consolidated subsidiary, by way of an absorption-type company split and a business transfer, respectively.

1. Overview of business combination

(1) Name of the counterparties and their businesses

Name of the counterparties:	FUJITSU HOME & OFFICE SERVICES LIMITED FUJITSU HOKUSHIN CONSTRUCTION LIMITED FUJITSU TOCHIGI CONSTRUCTION LIMITED
Description of business:	Securities services, cleaning services, facility management services

(2) Reason for business combination

Since its foundation in 1996, ALSOK Facilities Co., Ltd. has been playing a main role in providing the building maintenance services to the Group's customers.

On the other hand, FUJITSU HOME & OFFICE SERVICES LIMITED, FUJITSU HOKUSHIN CONSTRUCTION LIMITED, and FUJITSU TOCHIGI CONSTRUCTION LIMITED have been providing welfare and facility-related services primarily to companies and employees of the Fujitsu Group and many other customers.

With this business transfer, the Company aims to further strengthen its Facility Management Services and enhance its capability to deliver to customers, thereby achieving business expansion and stabilization to support the growth of the Group and enhance corporate value.

(3) Scheduled date of business combination

September 1, 2025

(4) Legal form of business combination

A. Absorption-type company split with FUJITSU HOME & OFFICE SERVICES LIMITED as the splitting company and ALSOK Facilities Co., Ltd. as the successor company

B. Business transfer in exchange for monetary consideration with FUJITSU HOKUSHIN CONSTRUCTION LIMITED as the transferor company and ALSOK Facilities Co., Ltd. as the transferee company

C. Business transfer in exchange for monetary consideration with FUJITSU TOCHIGI CONSTRUCTION LIMITED as the transferor company and ALSOK Facilities Co., Ltd. as the transferee company

(5) Name of the company after the business combination

There is no name change.

2. Acquisition cost of the business and type of consideration to be paid

(Millions of yen)

Consideration	Cash and deposits	1,580
Acquisition cost		1,580

3. Major components and amount of acquisition related costs

These have not been determined yet.

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

These have not been determined yet.

5. Amount of assets acquired and liabilities assumed and the major components as of the date of business combination

These have not been determined yet.

v. Supplementary schedules

Schedule of corporate bonds

Company name	Issue	Date of issuance	Balance at beginning of year (Millions of yen)	Balance at end of year (Millions of yen)	Interest rate (%)	Collateral	Redemption date
Nihon Guard Co., Ltd.	4th Unsecured corporate bonds	June 10, 2020	100	100 (100)	0.18	None	June 25, 2025
Nihon Guard Co., Ltd.	5th Unsecured corporate bonds	July 6, 2020	100	100 (100)	0.24	None	July 25, 2025

(Notes) 1. Figures in parentheses represent the current portion.

2. Scheduled redemption over five years after the fiscal year-end are as follows:

Within 1 year (Millions of yen)	1 to 2 years (Millions of yen)	2 to 3 years (Millions of yen)	3 to 4 years (Millions of yen)	4 to 5 years (Millions of yen)
200	—	—	—	—

Schedule of borrowings

Category	Balance at beginning of year (Millions of yen)	Balance at end of year (Millions of yen)	Average interest rate (%)	Repayment date
Short-term loans payable	6,965	12,476	1.80	—
Current portion of long-term loans payable	768	741	0.80	—
Current portion of lease obligations	5,129	5,164	3.58	—
Long-term loans payable (excluding current portion)	1,658	1,327	0.66	From April 1, 2025 to December 1, 2033
Lease obligations (excluding current portion)	36,056	34,836	4.01	—
Other interest-bearing liabilities	—	—	—	—
Total	50,578	54,546	—	—

(Notes) 1. “Average interest rate” is weighted average rate for borrowings outstanding at the fiscal year-end.

2. Scheduled repayment amount of long-term loans payable and lease obligations (excluding current portion) within five years after the fiscal year-end is as follows:

	1 to 2 years (Millions of yen)	2 to 3 years (Millions of yen)	3 to 4 years (Millions of yen)	4 to 5 years (Millions of yen)
Long-term loans payable	494	370	246	179
Lease obligations	4,081	3,380	2,703	2,132

Schedule of asset retirement obligations

The amounts of asset retirement obligations as of the beginning and ending of the current fiscal year are less than 1/100 of total liabilities and net assets as of the beginning and ending of the current fiscal year, respectively. In accordance with Article 92-2 of the Ordinance on Consolidated Financial Statements, this disclosure is omitted.



## (2) Other

Semi-annual information, etc. for the fiscal year ended March 31, 2025

Period	Three months ended June 30, 2024	Six months ended September 30, 2024	Nine months ended December 31, 2024	Fiscal year ended March 31, 2025
Net sales (Millions of yen)	129,011	263,280	400,501	551,881
Income before income taxes (Millions of yen)	7,514	16,803	28,618	43,732
Profit attributable to owners of parent (Millions of yen)	4,168	9,852	17,160	27,105
Net income per share (Yen)	8.36	19.96	34.98	55.41

Period	First quarter	Second quarter	Third quarter	Fourth quarter
Net income per share (Yen)	8.36	11.63	15.07	20.51

## 2. Non-consolidated financial statements

### (1) Non-consolidated financial statements

#### i. Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	20,312	4,324
Cash for Transportation Security Services	*1 70,475	*1 77,865
Notes receivable - trade	445	216
Accounts receivable - trade	*2 31,142	*2 26,415
Lease receivables and investment assets	6,831	7,413
Supplies	10,218	11,663
Advanced payments to suppliers	—	1,184
Prepaid expenses	1,945	2,150
Advances paid	*2 5,038	*2 4,927
Other	*2 11,717	*2 14,326
Allowance for doubtful accounts	(72)	(133)
Total current assets	158,054	150,354
Noncurrent assets		
Property, plant and equipment		
Buildings	10,790	9,807
Structures	289	255
Machinery and equipment	19,157	19,494
Vehicles	7	7
Tools, furniture and fixtures	2,934	3,174
Land	8,901	8,525
Lease assets	2,160	2,438
Rental assets	1,340	1,741
Construction in progress	1,154	1,591
Total property, plant and equipment	46,735	47,038
Intangible assets		
Software	5,975	4,399
Software in progress	145	1,663
Right to use telecommunication facilities	0	0
Total intangible assets	6,120	6,062
Investments and other assets		
Investment securities	*3 19,000	*3 19,347
Shares of subsidiaries and associates	100,323	106,264
Long-term loans receivable	*2 455	*2 435
Long-term prepaid expenses	241	181
Leasehold and guarantee deposits	5,377	5,495
Insurance funds	176	158
Prepaid pension costs	16,617	21,069
Deferred tax assets	4,968	3,335
Other	12,242	12,705
Allowance for doubtful accounts	(345)	(645)
Total investments and other assets	159,055	168,346
Total noncurrent assets	211,912	221,447
Total assets	369,966	371,802

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	*2 15,659	*2 15,842
Short-term loans payable	*2 23,761	*1, *2 29,615
Lease obligations	3,470	3,615
Accounts payable - other	*2 7,548	*2 8,463
Accrued expenses	3,387	3,472
Income taxes payable	2,239	3,725
Accrued consumption taxes	2,967	1,271
Contract liabilities	8,905	7,480
Deposits received	*2 838	*2 1,511
Other	308	315
Total current liabilities	69,086	75,313
Noncurrent liabilities		
Long-term loans payable	—	1,000
Lease obligations	5,943	6,668
Deferred tax liabilities for land revaluation	314	271
Provision for retirement benefits	29,966	29,388
Guarantee deposits received	1,280	1,172
Asset retirement obligations	414	416
Provision for loss on business	299	—
Total noncurrent liabilities	38,219	38,917
<b>Total liabilities</b>	<b>107,306</b>	<b>114,231</b>
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	18,675	18,675
Capital surplus		
Legal capital surplus	29,320	29,320
Other capital surplus	3,422	3,422
Total capital surplus	32,742	32,742
Retained earnings		
Legal retained earnings	792	792
Other retained earnings		
General reserve	14,000	14,000
Retained earnings brought forward	196,495	206,297
Total retained earnings	211,287	221,090
Treasury stock	(6,030)	(21,030)
Total shareholders' equity	256,674	251,477
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,371	9,531
Revaluation reserve for land	(3,385)	(3,437)
Total valuation and translation adjustments	5,985	6,093
<b>Total net assets</b>	<b>262,660</b>	<b>257,571</b>
<b>Total liabilities and net assets</b>	<b>369,966</b>	<b>371,802</b>

## ii. Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net sales	*2 256,633	*2 255,573
Cost of sales	*2 186,628	*2 187,095
Gross profit	70,004	68,477
Selling, general and administrative expenses	*1, *2 52,257	*1, *2 52,485
Operating income	17,747	15,992
Non-operating income		
Interest and dividends income	*2 13,377	*2 13,203
Other	*2 2,763	*2 3,077
Total non-operating income	16,141	16,281
Non-operating expenses		
Interest expenses	*2 483	*2 622
Other	*2 1,036	*2 1,291
Total non-operating expenses	1,519	1,913
Ordinary income	32,368	30,359
Extraordinary income		
Gain on sales of investment securities	80	164
Gain on sales of noncurrent assets	—	61
Gain on liquidation of subsidiaries and associates	92	—
Reversal of provision for loss on business	—	289
Total extraordinary income	173	516
Extraordinary loss		
Loss on valuation of investment securities	—	8
Loss on sales of investment securities	—	22
Loss on transfer of shares of subsidiaries	629	—
Total extraordinary loss	629	30
Income before income taxes	31,912	30,845
Income taxes - current	5,895	4,937
Income taxes - deferred	208	1,338
Total income taxes	6,103	6,275
Net income	25,809	24,570

## (Statement of cost of sales)

		Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)			Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)		
Category	Note	Amount (Millions of yen)		Ratio (%)	Amount (Millions of yen)		Ratio (%)
I. Labor cost							
Salaries		38,026			37,967		
Bonuses		8,990			9,065		
Retirement benefit expenses		1,965			380		
Legal welfare expenses		7,454			7,370		
Other		166	56,602	30.3	149	54,933	29.4
II. Expenses							
Outsourcing expenses		40,835			40,470		
Depreciation and amortization		9,620			10,363		
Rent expenses		8,813			8,519		
Fuel expenses		986			938		
Security-related communication expenses		6,167			5,949		
Other		21,486	87,911	47.1	23,942	90,183	48.2
Cost of security services			144,513	77.4		145,117	77.6
Cost of equipment and construction			42,115	22.6		41,978	22.4
Cost of sales			186,628	100.0		187,095	100.0

iii. Non-consolidated statement of changes in net assets

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of year	18,675	29,320	3,422	32,742	792	14,000	179,401	194,194	(1,030)	244,581
Changes of items during the period										
Dividends from surplus							(8,715)	(8,715)		(8,715)
Net income							25,809	25,809		25,809
Purchase of treasury stock									(5,000)	(5,000)
Reversal of revaluation reserve for land										—
Decrease by corporate division - split-off type										—
Net changes of items other than shareholders' equity										
Total changes of items during the period	—	—	—	—	—	—	17,093	17,093	(5,000)	12,093
Balance at end of year	18,675	29,320	3,422	32,742	792	14,000	196,495	211,287	(6,030)	256,674

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Valuation and translation adjustments Total	
Balance at beginning of year	6,838	(3,385)	3,453	248,034
Changes of items during the period				
Dividends from surplus				(8,715)
Net income				25,809
Purchase of treasury stock				(5,000)
Reversal of revaluation reserve for land				—
Decrease by corporate division - split-off type				—
Net changes of items other than shareholders' equity	2,532	—	2,532	2,532
Total changes of items during the period	2,532	—	2,532	14,625
Balance at end of year	9,371	(3,385)	5,985	262,660

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of year	18,675	29,320	3,422	32,742	792	14,000	196,495	211,287	(6,030)	256,674
Changes of items during the period										
Dividends from surplus							(13,525)	(13,525)		(13,525)
Net income							24,570	24,570		24,570
Purchase of treasury stock									(15,000)	(15,000)
Reversal of revaluation reserve for land							52	52		52
Decrease by corporate division - split-off type							(1,294)	(1,294)		(1,294)
Net changes of items other than shareholders' equity										
Total changes of items during the period							9,802	9,802	(15,000)	(5,197)
Balance at end of year	18,675	29,320	3,422	32,742	792	14,000	206,297	221,090	(21,030)	251,477

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Valuation and translation adjustments Total	
Balance at beginning of year	9,371	(3,385)	5,985	262,660
Changes of items during the period				
Dividends from surplus				(13,525)
Net income				24,570
Purchase of treasury stock				(15,000)
Reversal of revaluation reserve for land				52
Decrease by corporate division - split-off type				(1,294)
Net changes of items other than shareholders' equity	160	(52)	108	108
Total changes of items during the period	160	(52)	108	(5,089)
Balance at end of year	9,531	(3,437)	6,093	257,571

## Notes

(Significant accounting policies)

### 1. Valuation basis and method for securities

#### (1) Shares of subsidiaries and associates

It is stated at cost based on the moving average method.

#### (2) Available-for-sale securities

Securities other than equity securities with no quoted prices

It is stated at fair market value (with any unrealized gains or losses being recognized directly in equity and the cost of securities sold being generally calculated based on the moving average method).

Equity securities with no quoted prices

It is stated at cost based on the moving average method.

### 2. Valuation basis and method for derivatives

It is stated at fair market value.

### 3. Valuation basis and method for inventories

It is generally stated at cost based on the first in first out method (the balance sheet carrying amount is reduced to reflect write-downs for decreased profitability).

### 4. Depreciation method for property, plant and equipment

#### (1) Property, plant and equipment (other than lease assets)

It is depreciated using the straight-line method.

The useful lives of major assets are as follows:

Buildings and structures	15 to 50 years
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Machinery and equipment	5 years
-------------------------	---------

#### (2) Intangible assets (other than lease assets)

It is amortized using the straight-line method.

Internal-use software is amortized using the straight-line method over the useful life of five years.

#### (3) Lease assets under finance leases that do not involve transfer of ownership

It is depreciated using the straight-line method over the useful lives equal to lease terms with zero residual values.

### 5. Basis for recognition of provisions

#### (1) Allowance for doubtful accounts

To provide for losses due to bad debt including trade receivables and loans, allowance for doubtful accounts is recognized based on default rates for normal receivables and based on recoverability of each receivable for certain doubtful receivables.

#### (2) Provision for retirement benefits

To provide for employee retirement benefits, provision for retirement benefits is recorded based on the estimated amount of defined benefit obligations and pension assets at the end of the current fiscal year.

In calculating defined benefit obligation, the total projected benefits are attributed to the current and prior fiscal years using the benefit formula basis.

Past service cost is amortized using the straight-line method over a certain period not exceeding the average remaining service period of employees, which is five years.

Actuarial gains and losses are amortized using the straight-line method from the following fiscal year over a certain period not exceeding the average remaining service period of employees, which is 10 years.

#### (3) Provision for loss on business

To provide for losses on business related to a certain project, provision for loss on business is recorded based on the estimated future loss.



## 6. Basis for recognition of revenue and expense

### (1) Contract revenue

For contract revenue earned as a result of providing services, the net sales and cost of sales are recognized over time as performance obligations in the contract with the customers are satisfied.

### (2) Construction revenue

Construction revenue earned from contracts that have a very short construction period, such as installation of security alarm equipment leased or rented to customers, is recognized at a point in time at completion of the construction.

### (3) Sales revenue

For sales revenue earned as a result of product sales (including installation of products sold), the net sales and cost of sales are recognized at a point in time on delivery to the customers.

## 7. Other significant matters in the preparation of consolidated financial statements

### (1) Accounting treatment for deferred assets

#### Share issuance costs

The entire amount is expensed at the time of expenditure.

### (2) Hedge accounting

#### A. Hedge accounting

Hedging transactions are accounted for on a deferred basis. Interest rate swaps are accounted for using the special method if it meets certain conditions.

#### B. Hedging instruments and hedged items

Hedging instruments: Interest rate swaps

Hedged items: Bank loans

#### C. Hedging policy

In accordance with the internal rules, the risk of interest rate fluctuations is hedged to reduce such risk and to improve financial return.

#### D. Method of assessing hedge effectiveness

The assessment for effectiveness of interest rate swaps accounted for by the special method is not performed as the hedge is considered to be highly effective.

## (Significant accounting estimates)

### Shares of subsidiaries and associates

#### 1. Amount recorded in the financial statements for the fiscal year ended March 31, 2025

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Shares of subsidiaries and associates	100,323	106,264

#### 2. Significant accounting estimates related to identified items

Shares of subsidiaries and associates recorded as of March 31, 2025 include shares acquired in past M&A transactions, and the acquisition costs are determined based on the excess earning power that is expected from inclusion of the company into the Group. The acquisition costs of certain shares of subsidiaries and associates are determined based on the effect of synergies that is expected to arise at the Company, not the company included into the Group.

In evaluating shares of subsidiaries and associates, we are focused on whether the excess earning power and the effect of synergies will arise over the future periods. We monitor, on a monthly basis, whether a business plan of a company included into the Group (including a plan of the effect of synergies expected to arise at the Company) is in line with the actual profit or cash flows recorded. The business plan includes orders, human resource or new care facilities opening plans developed based on certain assumptions.

If the business plan may not be achieved for some reason, resulting in changes in the original assumptions, a loss on valuation of shares of subsidiaries and associates may need to be recorded and it may have a significant impact on the amount of shares of subsidiaries and associates recorded in the non-consolidated financial statements for the following fiscal year.

(Change in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company applied the Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022, “Revised Accounting Standard (2022)”) from April 1, 2024.

For the revision related to the classification of income taxes, the Company applied the transitional treatment provided in the proviso of Paragraph 20-3 of the Revised Accounting Standard (2022) and the transitional treatment provided in the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Statement No. 28, October 28, 2022, “Revised Implementation Guidance (2022)”). The application has no impact on the financial statements for the fiscal year ended March 31, 2025.

(Additional information)

(Correction of errors)

In April 2025, it was found that the Company had applied incorrect assumptions (mainly, understanding of plans) to estimate defined benefit obligations related to lump-sum retirement payment plans, resulting in an understatement of defined benefit obligations in prior years. In response to this, the Company has corrected errors in the non-consolidated financial statements included in the annual securities reports filed after June 24, 2020.

As a result, gross profit, operating income, ordinary income, and net income for the fiscal year ended March 31, 2024 decreased by ¥545 million, ¥966 million, ¥966 million, and ¥670 million, respectively.

(Matters related to non-consolidated balance sheet)

\*1 Cash for Transportation Security Services

As of March 31, 2024

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

As of March 31, 2025

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

In addition, the short-term loans payable balance includes ¥5,415 million of funds borrowed for the services.

\*2 Monetary claims and obligations to subsidiaries and associates

The monetary claims and obligations to subsidiaries and associates are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Short-term monetary claims	8,917	10,096
Long-term monetary claims	353	368
Short-term monetary obligations	24,438	24,495

\*3 Pledged assets

The following assets are pledged as collateral for the borrowings of investing companies:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Investment securities	1	1

4. Guarantee obligations

Obligations of the following subsidiaries are guaranteed by the Company:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Future minimum lease payments of ALSOK Care Co., Ltd.’s rental property	874	807

(Matters related to non-consolidated statement of income)

\*1 Selling expense account for approximately 39.0% and 39.3% and general and administrative expenses account for approximately 61.0% and 60.7% of the total selling, general and administrative expenses for the fiscal year ended March 31, 2024 and 2025, respectively.

Major expenses comprise the following:

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Advertising expenses	1,721	2,065
Salaries	19,527	19,598
Bonuses	5,853	6,043
Provision for allowance for doubtful accounts	69	375
Welfare expenses	5,286	5,329
Retirement benefit expenses	1,551	362
Rent expenses	3,577	3,614
Depreciation and amortization	2,649	2,530
Taxes and dues	1,814	1,857
Communication expenses	1,036	1,111
Outsourcing expenses	3,577	3,559

\*2 Total amount related to transactions with subsidiaries and associates is as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Amount of transactions from operating transactions		
Net sales	10,940	13,709
Operating expenses	35,056	34,387
Amount of transactions from non- operating transactions	13,070	13,162

(Matters related to securities)

Shares of subsidiaries and associates

As of March 31, 2024

Category	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Shares of associates	10,844	22,485	11,640

(Note) Carrying amount of equity securities with no quoted prices not included in the above

Category	As of March 31, 2025 (Millions of yen)
Shares of subsidiaries	86,900
Shares of associates	2,578

As of March 31, 2025

Category	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Shares of associates	10,844	25,487	14,643

(Note) Carrying amount of equity securities with no quoted prices not included in the above

Category	As of March 31, 2025 (Millions of yen)
Shares of subsidiaries	92,843
Shares of associates	2,577

(Matters related to tax-effect accounting)

1. Major components of deferred tax assets and liabilities

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Accrued business taxes	328	247
Allowance for doubtful accounts	128	217
Provision for retirement benefits	9,175	9,243
Depreciation and amortization	562	600
Disallowed expenses related to installation of security alarm equipment	3,808	4,041
Loss on valuation of investment securities	99	101
Revaluation reserve for land	1,509	1,302
Other	1,272	1,453
Deferred tax assets - subtotal	16,884	17,207
Valuation allowance related to aggregation of deductible temporary differences	(2,501)	(2,575)
Total deferred tax assets, net	14,383	14,632
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(4,135)	(4,387)
Prepaid pension costs	(5,088)	(6,641)
Foreign stock dividends	(115)	(118)
Revaluation reserve for land	(314)	(271)
Other	(75)	(149)
Total deferred tax liabilities	(9,729)	(11,568)
Net deferred tax assets	4,653	3,063

(Note 1) Net deferred tax assets are included in the following accounts on the non-consolidated balance sheet:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Noncurrent assets - Deferred tax assets	4,968	3,335
Noncurrent liabilities - Deferred tax liabilities for revaluation	(314)	(271)

2. Reconciliation of significant differences between the statutory tax rate and the effective tax rate after applying tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory tax rate	30.6 %	30.6 %
(Adjustment)		
Non-deductible permanent differences such as entertainment expenses	0.2	0.4
Non-taxable permanent differences such as dividend income	(11.8)	(11.9)
Equal division of municipal tax	1.1	1.1
Special corporate tax credit	(1.9)	(0.2)
Increase in year-end deferred tax assets due to a statutory tax rate change	—	(0.5)
Valuation allowance (the amount deducted from deferred tax assets)	1.1	0.5
Other	0.1	0.3
Effective tax rate after applying tax effect accounting	19.1	20.3

3. Adjustments to deferred tax assets and deferred tax liabilities due to the change of income tax rates

The Act to Partially Amend the Income Tax Act and Other Acts (Act No. 13) was approved by the Japanese Diet on March 31, 2025. In accordance with the Act, a special corporation tax aimed at strengthening defense capabilities will be imposed starting from fiscal years beginning on or after April 1, 2026.

In connection with this, for deferred tax assets and deferred tax liabilities related to, among others, temporary differences expected to be reversed in the fiscal years beginning on or after April 1, 2026, the statutory tax rate has been changed from 30.6% to 31.5%.

As a result, for the fiscal year ended March 31, 2025, deferred tax assets (net of deferred tax liabilities) increased by ¥19 million and income taxes - deferred decreased by ¥153 million.

(Matters related to business combination)

This is omitted as it is described in Notes (Matters related to business combination) in the consolidated financial statements.

(Matters related to revenue recognition)

Information relating to revenue from contracts with customers is omitted as it is described in Notes (Matters related to revenue recognition) in the consolidated financial statements.

(Significant subsequent events)

(Amendment to company name)

This is omitted as it is described in Notes (Significant subsequent events, Amendment to company name) in the consolidated financial statements.

(Disposal of treasury stock based on the restricted stock grant plan for the Employee Stockholding Association)

This is omitted as it is described in Notes (Significant subsequent events, Disposal of treasury stock based on the restricted stock grant plan for the Employee Stockholding Association) in the consolidated financial statements.

iv. Supplementary schedules

Schedule of property, plant and equipment, etc.

(Millions of yen)

Category	Class	Balance at beginning of year	Increase during the period	Decrease during the period	Depreciation and amortization during the period	Balance at end of year	Accumulated depreciation or amortization
Property, plant and equipment	Buildings	26,506	247	2,019	608	24,735	14,927
	Structures	1,026	5	5	37	1,026	770
	Machinery and equipment	119,614	8,354	9,276	7,125	118,692	99,197
	Vehicles	111	4	5	3	110	102
	Tools, furniture and fixtures	12,601	1,217	1,075	886	12,743	9,568
	Lease assets	4,852	1,577	1,199	982	5,230	2,791
	Land	8,901 [(3,071)]	—	376 [(74)]	—	8,525 [(3,146)]	—
	Rental assets	3,621	924	287	498	4,257	2,515
	Construction in progress	1,154	1,435	997	—	1,591	—
	Total	178,390 [(3,071)]	13,766	15,244 [(74)]	10,142	176,913 [(3,146)]	129,874
Intangible assets	Software	13,580	1,118	2,938	2,685	11,760	7,361
	Software in progress	145	1,653	135	—	1,663	—
	Right to use telecommunication facilities	1	—	0	0	1	1
	Total	13,728	2,771	3,074	2,685	13,424	7,362

(Notes) 1. “Increase during the period” of “Machinery and equipment” mainly comprises a large number of insignificant security alarm equipment installed for electronic security services. “Decrease during the period” comprises disposal of a large number of insignificant security alarm equipment resulting from cancellation of electronic security service contracts.

2. Figures in square brackets in “Balance at beginning of year” and “Balance at end of year” represent the difference between the balance presented and the carrying amount before the revaluation of land performed in accordance with the Act on Revaluation of Land (Act No. 34 of 1998).

3. “Balance at beginning of year” and “Balance at end of year” represent acquisition costs.

[Schedule of provisions]

(Millions of yen)

Account	Balance at beginning of year	Increase during the period	Decrease during the period (Intended use)	Decrease during the period (Other)	Balance at end of year
Allowance for doubtful accounts	418	375	15	—	779
Provision for loss on business	299	—	299	—	—

(2) [Major assets and liabilities]

This is omitted as the consolidated financial statements are prepared.

(3) [Other]

Nothing to report.

## VI. Stock-Related Administration of Reporting Company

Fiscal Year	From April 1 to March 31
Ordinary General Meeting of Shareholders	In June
Record date	March 31
Record date for dividends from surplus	September 30 March 31
Number of shares in one unit	100 shares
Purchase of shares less than one unit	
Handling office	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Securities Agent Department, Sumitomo Mitsui Trust Bank, Limited
Custodian of shareholder register	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited
Handling location	_____
Commissions	Amount equivalent to commissions related to sales and purchase of stocks
Public notice	The public notice is given electronically. If the public notice cannot be given electronically due to the event of an accident or other unavoidable reason, it is published in the Nihon Keizai Shimbun (newspaper). Public notice URL <a href="https://www.alsok.co.jp/">https://www.alsok.co.jp/</a>
Shareholder privileges	Nothing to report.

(Note) In accordance with the Articles of Incorporation of the Company, shareholders of less than one unit do not have rights other than those set forth in Article 189, Paragraph 2 of the Companies Act.



## VII. Reference Information of Reporting Company

### 1. Information on parent company of reporting company

The Company has no parent company, etc. as stipulated in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

### 2. Other reference information

The following documents were filed during the period between the beginning of the current fiscal year and the date of filing of this report.

#### (1) Annual Securities Report and its supplementary documents and representation letter

The 59th business term (from April 1, 2023 to March 31, 2024), filed with Director-General, Kanto Local Finance Bureau on June 25, 2024

#### (2) Internal control report and its supplementary documents

Filed with Director-General, Kanto Local Finance Bureau on June 25, 2024

#### (3) Semi-Annual Securities Report and representation letter

First half of the 60th business term (from April 1, 2024 to September 30, 2024), filed with Director-General, Kanto Local Finance Bureau on November 6, 2024

#### (4) Amended Annual Securities Report and representation letter

Amended Annual Securities Report for the 59th business term (from April 1, 2023 to March 31, 2024) and representation letter, filed with Director-General, Kanto Local Finance Bureau on December 9, 2024

Amended Annual Securities Report for the 55th business term (from April 1, 2019 to March 31, 2020) and representation letter, filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Annual Securities Report for the 56th business term (from April 1, 2020 to March 31, 2021) and representation letter, filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Annual Securities Report for the 57th business term (from April 1, 2021 to March 31, 2022) and representation letter, filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Annual Securities Report for the 58th business term (from April 1, 2022 to March 31, 2023) and representation letter, filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Annual Securities Report for the 59th business term (from April 1, 2023 to March 31, 2024) and representation letter, filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

#### (5) Internal control report

Amended internal control report for the 55th business term (from April 1, 2019 to March 31, 2020), filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended internal control report for the 56th business term (from April 1, 2020 to March 31, 2021), filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended internal control report for the 57th business term (from April 1, 2021 to March 31, 2022), filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended internal control report for the 58th business term (from April 1, 2022 to March 31, 2023), filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended internal control report for the 59th business term (from April 1, 2023 to March 31, 2024), filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

#### (6) Amended Semi-Annual Securities Report and representation letter

First half of the 60th business term (from April 1, 2024 to September 30, 2024), filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

#### (7) Amended Quarterly Securities Report and representation letter

Amended Quarterly Securities Report for the 1st quarter of 58th business term (from April 1, 2022 to June 30, 2022) and representation letter, filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Quarterly Securities Report for the 2nd quarter of 58th business term (from July 1, 2022 to September 30, 2022) and representation letter, filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Quarterly Securities Report for the 3rd quarter of 58th business term (from October 1, 2022 to December 31, 2022) and representation letter, filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Quarterly Securities Report for the 1st quarter of 59th business term (from April 1, 2023 to June 30, 2023) and

representation letter,

filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Quarterly Securities Report for the 2nd quarter of 59th business term (from July 1, 2023 to September 30, 2023) and representation letter,

filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

Amended Quarterly Securities Report for the 3rd quarter of 59th business term (from October 1, 2023 to December 31, 2023) and representation letter,

filed with Director-General, Kanto Local Finance Bureau on May 13, 2025

(8) Report on purchase of treasury stock

The reporting period (from May 1, 2024 to May 31, 2024), filed with Director-General, Kanto Local Finance Bureau on June 13, 2024

The reporting period (from June 1, 2024 to June 30, 2024), filed with Director-General, Kanto Local Finance Bureau on July 11, 2024

The reporting period (from July 1, 2024 to July 31, 2024), filed with Director-General, Kanto Local Finance Bureau on August 14, 2024

The reporting period (from August 1, 2024 to August 31, 2024), filed with Director-General, Kanto Local Finance Bureau on September 12, 2024

The reporting period (from September 1, 2024 to September 30, 2024), filed with Director-General, Kanto Local Finance Bureau on October 11, 2024

The reporting period (from October 1, 2024 to October 31, 2024), filed with Director-General, Kanto Local Finance Bureau on November 14, 2024

(9) Extraordinary report

- Filed with Director-General, Kanto Local Finance Bureau on June 28, 2024

Under Article 19, Paragraph 2, Item 9-2 of Cabinet Office Order on Disclosure of Corporate Affairs (results of exercise of voting rights at the General Meeting of Shareholders)

- Filed with Director-General, Kanto Local Finance Bureau on April 8, 2025

Based on the disposal of treasury stock due to the introduction of the restricted stock grant system for the Employee Stockholding Association

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

Nothing to report.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING

June 20, 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

<Consolidated Financial Statements Audit>

Opinion

We have audited, pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the accompanying consolidated financial statements of SOHGO SECURITY SERVICES CO., LTD. and its consolidated subsidiaries (the "Group") in "Financial Condition," which comprise the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets and the consolidated statement of cash flows for the year then ended, significant matters forming the basis of preparation of the consolidated financial statements, the notes to the consolidated financial statements, as well as supplementary schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and its consolidated financial performance and cash flows for the year then ended in accordance with the accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill ([Notes] (Significant accounting estimates) (Matters related to business combination))							
Description of key audit matter	How the matter was addressed in our audit						
<p>As of March 31, 2025, the Group records goodwill of 29,873 million yen on the consolidated balance sheet, which relates to past business combinations undertaken to expand its business areas. During the current fiscal year, the Group acquired shares of Kanso Co., Ltd., a company engaged in businesses such as Security Services and Facility Management Services. This acquisition resulted in goodwill of 1,543 million yen.</p> <p>The Group determines whether there is any indication of impairment and whether impairment losses should be recognized for each group of assets to which the goodwill is allocated by considering whether the excess earning power will arise over the future periods and by monitoring the operating income and undiscounted future cash flows based on the business plan.</p> <p>The business plan may include a business plan of a combined company and the effect of synergies arising from the company. In assessing the reasonableness of the business plan, the Group considers the following significant assumptions used in the plan:</p> <p>(1) Security Services, Facility Management Services etc., and Overseas Services Orders for stationed security, electronic security, and transportation security services, human resource planning, sales growth, etc.</p> <p>(2) Long-Term Care Services Long-Term Care Services is classified into in-home care services, facility care services and residential care home for senior citizens, and the significant assumptions used for each category are as follows:</p> <table border="1"> <tr> <td>In-home care services</td><td>Net sales per employee, profit margin of existing locations, human resource planning, etc.</td></tr> <tr> <td>Facility care services</td><td>Development status of new facilities, occupancy rate of facilities, human resource planning, etc.</td></tr> <tr> <td>Residential care home for senior citizens</td><td>Development status of new facilities, occupancy rate of facilities, human resource planning, etc.</td></tr> </table> <p>As the identification of indications of goodwill impairment and assessment for recognition of impairment losses are significantly affected by the management's assumptions and judgements incorporated into the business plan, we determined that this is a key audit matter.</p>	In-home care services	Net sales per employee, profit margin of existing locations, human resource planning, etc.	Facility care services	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.	Residential care home for senior citizens	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.	<p>We mainly performed the following procedures to assess the valuation of goodwill:</p> <ul style="list-style-type: none"> <li>• Evaluation of internal controls We evaluated the design and operating effectiveness of the internal controls related to the valuation process of goodwill which contains grouping of assets, identification of indications of impairment, and recognition and measurement of impairment losses. The evaluated internal controls included review of the business plans used in the valuation of goodwill and the approval process.</li> <li>• Identification of indications of impairment In order to confirm whether the indications of impairment were properly identified, we compared the business plans used in the valuation of goodwill in the past with the actual results, and if there was any variance, we performed an analysis to understand its cause. If the effect of synergies was reflected in the business plans, we performed a comparative analysis to determine whether the effect of synergies arose as planned. In addition, for the significant assumptions considered in the business plans, we compared them with the actual results for the past and current fiscal years, current economic situations, and other related factors for consistency. If necessary, we discussed with the financial reporting manager as to whether the assumptions should be revised to verify the reasonableness. Regarding Kanso Co., Ltd. that was newly acquired during the current fiscal year, we examined whether the management made new significant assumptions that were different from those for subsidiaries engaging in existing Security Services, Facility Management Services etc., and Overseas Services.</li> </ul>
In-home care services	Net sales per employee, profit margin of existing locations, human resource planning, etc.						
Facility care services	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.						
Residential care home for senior citizens	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.						

## Other Information

The other information comprises the information included in Annual Securities Report, but does not include the consolidated and non-consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and disclosure of the other information. 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 reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, based on our audit and to issue an auditor's report that includes our opinion from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit, in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We also design and perform audit procedures responsive to those risks. The audit procedures are selected and performed based on the auditor's judgment. We also obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In assessing risks, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform audit procedures to obtain sufficient and appropriate audit evidence regarding the financial information of the

Group to provide a basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the group audit. We remain solely responsible for our audit opinion.

We communicate the Audit and Supervisory Board Members and Audit and Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, as well as other matters that are required in accordance with auditing standards.

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 audit 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.

From the matters communicated with the Audit and Supervisory Board Members and Audit and Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### <Internal Control Audit>

##### Opinion

We have audited, pursuant to the provisions of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act of Japan, the accompanying internal control report of SOHGO SECURITY SERVICES CO., LTD. as of March 31, 2025.

In our opinion, the accompanying internal control report, which represents that the internal control over financial reporting as of March 31, 2025, of SOHGO SECURITY SERVICES CO., LTD. is not effective as there are significant deficiencies that should be disclosed, presents fairly, in all material respects, the results of the assessments of internal control over financial reporting in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

##### Basis for Opinion

We conducted our audit of internal control report in accordance with the auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Internal Control Report" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of Matter

As described in the internal control report, there are significant deficiencies in the Group's financial closing and reporting processes that should be disclosed. The Company has made all necessary adjustments arising from these deficiencies in its financial statements and consolidated financial statements.

This has no impact on the financial statement audit.

#### Responsibilities of Management, Audit and Supervisory Board Members, and Audit and Supervisory Board for the Internal Control Report

Management is responsible for the design, implementation, and maintenance of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit and Supervisory Board Members and Audit and Supervisory Board are responsible for overseeing and examining the design, implementation, and maintenance of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

#### Auditor's Responsibilities for the Audit of the Internal Control Report

Our responsibilities are to obtain reasonable assurance about whether the internal control report is free from material misstatement based on our audit of internal control report and to issue an auditor's report that includes our opinion from an independent point of view.

As part of our audit in accordance with the auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the management assessment of internal control over financial reporting in the internal control report. The procedures for the audit of the internal control report are selected and performed,

depending on the auditor's judgment, based on significance of effect on the reliability of financial reporting.

- Evaluate the overall presentation of the internal control report, including the management presentation of scope, assessment procedures, and results of the assessments of internal control over financial reporting.
- Plan and perform internal control audit procedures to obtain sufficient appropriate audit evidence regarding the results of the management assessment of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision, and review of the audit of the internal control report. We remain solely responsible for our audit opinion.

We communicate the Audit and Supervisory Board Members and Audit and Supervisory Board regarding the planned scope and timing of the audit of internal control report, the results thereof, significant deficiencies in internal control that we identify during our audit of internal control report, those that were remediated, as well as other matters that are required in accordance with auditing standards for internal control over financial reporting.

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 audit 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.

#### <Fee-related information>

The fees for the audits of the financial statements of SOHGO SECURITY SERVICES CO., LTD. and its consolidated subsidiaries and other services provided by us and other GT member firms for the year ended March 31, 2025 are presented in paragraph (3) titled "Status of Audit" in Section 4 "Corporate governance" included in Item IV "Information on Reporting Company" in Part 1 of the Annual Securities Report for the year ended March 31, 2025 of the Group.

#### 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.

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- (Notes) 1. The original copy of the above Independent Auditor's Report on the Financial Statements and Internal Control over Financial Reporting is in the custody of SOHGO SECURITY SERVICES CO., LTD. (the submitter of this Annual Securities Report).
2. The XBRL data is not in the scope of the audit.
3. The English version of the consolidated financial statements consists of an English translation of the audited Japanese consolidated financial statements. The actual text of the English translation of the consolidated financial statements is not in the scope of the audit. 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.

# INDEPENDENT AUDITOR'S REPORT

June 20, 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

## <Financial Statements Audit>

### Opinion

We have audited, pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the accompanying non-consolidated financial statements of SOHGO SECURITY SERVICES CO., LTD. (the "Company") in "Financial Condition," which comprise the non-consolidated balance sheet as of March 31, 2025, and the non-consolidated statement of income and the non-consolidated statement of changes in net assets for the year then ended, the significant accounting policies, and the notes to the non-consolidated financial statements, as well as supplementary schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025 and its financial performance for the year then ended in accordance with the accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of shares of subsidiaries and associates ([Notes] (Significant accounting estimates))							
Description of key audit matter	How the matter was addressed in our audit						
<p>As of March 31, 2025, the Company records 106,264 million yen of shares of subsidiaries and associates on the balance sheet, which relates to past M&amp;A undertaken to expand its business areas. During the current fiscal year, the Group acquired shares of Kanso Co., Ltd., a company engaged in businesses such as Security Services and Facility Management Services, for 2,134 million yen.</p> <p>The Company evaluates the growth potential of a company at the time of acquisition based on the business plan, and determines the acquisition price based on the consideration of excess earning power arising from the acquisition.</p> <p>The Company determines whether the excess earning power initially expected is impaired by monitoring the operating income and undiscounted future cash flows based on the business plan. The business plan may include a business plan of a combined company and the effect of synergies expected to arise from the acquisition.</p> <p>In assessing the reasonableness of the business plan, the Company considers the following significant assumptions used in the plan:</p> <p>(1) Security Services, Facility Management Services etc., and Overseas Services Orders for stationed security, electronic security, and transportation security services, human resource planning, sales growth, etc.</p> <p>(2) Long-Term Care Services Long-Term Care Services is classified into in-home care services, facility care services and residential care home for senior citizens, and the significant assumptions used for each category are as follows:</p> <table border="1"> <tr> <td>In-home care services</td><td>Net sales per employee, profit margin of existing locations, human resource planning, etc.</td></tr> <tr> <td>Facility care services</td><td>Development status of new facilities, occupancy rate of facilities, human resource planning, etc.</td></tr> <tr> <td>Residential care home for senior citizens</td><td>Development status of new facilities, occupancy rate of facilities, human resource planning, etc.</td></tr> </table> <p>As the assessment of impairment of excess earning power is significantly affected by the management's assumptions and judgements incorporated into the business plan, we determined that this is a key audit matter.</p>	In-home care services	Net sales per employee, profit margin of existing locations, human resource planning, etc.	Facility care services	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.	Residential care home for senior citizens	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.	<p>We mainly performed the following procedures to assess the valuation of shares of subsidiaries and associates:</p> <ul style="list-style-type: none"> <li>• Evaluation of internal controls We evaluated the design and operating effectiveness of the internal controls related to the valuation of shares of subsidiaries and associates. The evaluated internal controls included review of the business plans used in the valuation of shares of subsidiaries and associates and the approval process.</li> <li>• Valuation of shares of subsidiaries and associates We assessed the reasonableness of the business plans used in the valuation of shares of subsidiaries and associates including the significant assumptions considered in the plans. The assessment included the effect of synergies. We mainly performed the following procedures to assess the reasonableness of the business plans: <ul style="list-style-type: none"> <li>• We assessed the estimation uncertainty related to the business plans by comparing the business plans used in the valuation of shares of subsidiaries and associates in the past with the actual results.</li> <li>• We reviewed supporting documents for the business plans and significant assumptions considered in the plans to assess the reasonableness.</li> <li>• For the significant assumptions considered in the business plans, we compared them with the actual results for the past and current fiscal years, current economic situations, and other related factors for consistency. If necessary, we discussed with the financial reporting manager as to whether the assumptions should be revised to verify the reasonableness.</li> <li>• Regarding Kanso Co., Ltd. that was newly acquired during the current fiscal year, we examined whether the management made new significant assumptions that were different from those for subsidiaries engaging in existing Security Services, Facility Management Services etc., and Overseas Services.</li> </ul> </li> </ul>
In-home care services	Net sales per employee, profit margin of existing locations, human resource planning, etc.						
Facility care services	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.						
Residential care home for senior citizens	Development status of new facilities, occupancy rate of facilities, human resource planning, etc.						

## Other Information

The other information comprises the information included in Annual Securities Report, but does not include the consolidated and non-consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and disclosure of the other information. 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 Company's reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Management, Audit and Supervisory Board Members, and Audit and Supervisory Board for the Financial Statements**  
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing matters related to going concern as applicable in accordance with the accounting principles 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 Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, based on our audit and to issue an auditor's report that includes our opinion from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We also design and perform audit procedures responsive to those risks. The audit procedures are selected and performed based on the auditor's judgment. We also obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In assessing risks, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate the Audit and Supervisory Board Members and Audit and Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, as well as other matters that are required in accordance with auditing standards.

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 audit 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.

From the matters communicated with the Audit and Supervisory Board Members and Audit and Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-related information>

Fee-related information is presented in Independent Auditor's Report on the Financial Statements and Internal Control over Financial Reporting.

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 Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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(Notes) 1. The original copy of the above Independent Auditor's Report is in the custody of SOHGO SECURITY SERVICES CO., LTD. (the submitter of this Annual Securities Report).

2. The XBRL data is not in the scope of the audit.

3. The English version of the non-consolidated financial statements consists of an English translation of the audited Japanese non-consolidated financial statements. The actual text of the English translation of the non-consolidated financial statements is not in the scope of the audit. Consequently, for the auditor's report of the English non-consolidated financial statements, the Japanese original is the official text, and the English version is a translation of that text.

## Cover page

Document filed	Confirmation
Applicable law	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Place of filing	Director-General, Kanto Local Finance Bureau
Filing date	June 20, 2025
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.
Name and title of representative	Ikuji Kayaki, Representative Director Group COO
Name and title of Chief Financial Officer	Kazuhide Shigemi, Director and Senior Executive Officer
Address of head office	1-6-6 Motoakasaka, Minato-ku, Tokyo, Japan
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

1. Matters related to the appropriateness of the contents of the Annual Securities Report

Ikuji Kayaki, Representative Director Group COO and Kazuhide Shigemi, Director and Senior Executive Officer confirmed that the contents in the Annual Securities Report for the 60th business term (From April 1, 2024 to March 31, 2025) are appropriately disclosed in accordance with the Financial Instruments and Exchange Act.

2. Special note

There is nothing special to note.

## Cover page

Document filed	Internal control report
Applicable law	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Place of filing	Director-General, Kanto Local Finance Bureau
Filing date	June 20, 2025
Company name	綜合警備保障株式会社 ( <i>Sogo Keibi Hoshō Kabushiki Kaisha</i> )
Company name in English	SOHGO SECURITY SERVICES CO., LTD.
Name and title of representative	Ikuji Kayaki, Representative Director Group COO
Name and title of Chief Financial Officer	Kazuhide Shigemi, Director and Senior Executive Officer
Address of head office	1-6-6 Motoakasaka, Minato-ku, Tokyo, Japan
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

## 1. Basic framework of internal control over financial reporting

Ikuji Kayaki, Representative Director Group COO, and Kazuhide Shigemi, Director and Senior Executive Officer, are responsible for the design and operation of internal control over financial reporting of the Company.

In fulfilling the responsibilities, the Company has designed and operated internal control over financial reporting pursuant to the basic framework of internal controls set forth in the Standards and Practical Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting published by the Business Accounting Council.

Generally, internal controls may not operate effectively due to the inherent limitations. Therefore, internal control over financial reporting may not completely prevent or detect financial statement misstatements.

## 2. Scope of assessment, base date and assessment procedures

Management assessment of internal controls over financial reporting was conducted as of March 31, 2025 or the fiscal year-end in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, internal controls (entity-level controls) that had a significant impact on the overall financial reporting on a consolidated basis were evaluated, and based on the results, the business processes to be evaluated were selected. In assessing operating effectiveness of business process controls, key controls that had a significant impact on the reliability of financial reporting were identified after analyzing the selected business processes, and the design and operation of those key controls were assessed.

The scope of the assessment of internal control over financial reporting considered both the quantitative and qualitative impact on the reliability of financial reporting, as well as the likelihood of such impact occurring. The Company has determined that the following companies, including its consolidated subsidiaries and equity-method associates, will be subject to the assessment.

The scope of the assessment of entity-level controls and internal controls over financial closing and reporting processes includes the Company, its 88 consolidated subsidiaries, and 13 equity-method associates. 4 consolidated subsidiaries and 2 equity-method associates were excluded from the scope of the assessment of entity-level controls, as they were considered immaterial due to the quantitative and qualitative impact, as well as the likelihood of such impact. In conducting assessments, we consider the risk that management or business process owners may override internal controls, and we continuously review and update the assessment items, including systematic reorganization where necessary. Among these, the assessment items for internal controls over financial closing and reporting processes included significant accounts that are susceptible to material misstatements and involve estimates and forecasts, such as goodwill, various provisions, valuation of securities, impairment losses, and deferred tax assets.

The scope of the assessment of business process controls, in principle, included significant locations that account for approximately two-thirds of the Group's net sales, comprising both consolidated net sales and sales of equity-method associates. The Group's core business is the Security Services business, while also engaging in Facility Management Services etc., Long-Term Care Services, and Overseas Services businesses. Each segment involves a large number of small transactions, and for each transaction, business processes are applied in a manner that affects both net sales and direct costs (such as outsourcing costs, construction costs, and sales costs). Therefore, we have concluded that determining the scope of assessment based on net sales allows for efficient and effective assessment of key business processes and accounts in a comprehensive manner. In addition, we reviewed whether changes to the scope of assessment were necessary due to fluctuations in net sales, business reorganizations, or other factors. As a result, no changes to the scope of assessment were deemed necessary as of the end of the interim accounting period and the end of the fiscal year.

For significant locations selected, net sales, trade receivables, and inventories were included in the scope of assessment of business process controls, as these accounts are closely related to the company's business purpose and were considered material based on the quantitative and qualitative impact, as well as the likelihood of such impact. We also included in the scope of assessment accounts associated with businesses or operations that involve high-risk transactions, such as personnel expenses, outsourcing costs, accounts related to Transportation Security Services, and business processes leading up to the recording of rent expenses.

With respect to IT controls, the scope of assessment included the Company, which oversees and manages the IT, financial, and accounting systems for the entire Group, as well as consolidated subsidiaries within the scope of the business process control assessment that independently implement IT general controls without relying on the Company.

## 3. Results of assessment

We have determined that the deficiencies in internal control over financial reporting described below have a significant impact on financial reporting and constitute significant deficiencies that should be disclosed. Based on the assessment above, the Company's internal control over financial reporting is not effective as of March 31, 2025.

It was found that there were errors in the accounting treatment of retirement benefits in prior years. Accordingly, the Company has corrected these errors in its financial statements for the previous fiscal years and has filed amended annual securities reports for the fiscal years ended March 31, 2020 through March 31, 2024; amended quarterly securities reports for the first quarter of the fiscal year ended March 31, 2023 through the third quarter of the fiscal year ended March 31, 2024; and an amended semi-annual

securities report for the fiscal year ended March 31, 2025.

The above errors occurred due to incorrect data entry of calculation results for defined benefit obligations related to the lump-sum retirement payment plans of the Company and its four consolidated subsidiaries, despite the amounts having been appropriately estimated. We believe these errors resulted from deficiencies in internal controls over financial closing and reporting processes related to retirement benefit accounting, and have determined that they constitute significant deficiencies that should be disclosed. The deficiencies that should be disclosed had not been remediated as of March 31, 2025 as the facts were confirmed after that date. All necessary corrections related to the significant deficiencies that should be disclosed have been reflected in the annual securities reports, quarterly securities reports, and the semi-annual securities report.

The Company recognizes the importance of internal controls over financial reporting and is committed to strengthening internal controls over financial closing and reporting processes by enhancing the expertise of the accounting department and reorganizing the system for verifying recorded amounts for key accounts. These efforts aim to ensure the reliability of the financial reporting.

#### 4. Note

Nothing to report.

#### 5. Special note

As noted in 3. Results of assessment above, it was found that during the fiscal years ended March 31, 2020 through March 31, 2024, errors occurred due to incorrect data entry of calculation results for defined benefit obligations related to the lump-sum retirement payment plans of the Company and its four consolidated subsidiaries, despite the amounts having been appropriately estimated.

In response to the facts, the Company reassessed its internal controls over financial reporting for the fiscal years ended March 31, 2020 through March 31, 2024, and identified deficiencies in certain aspects of the Group's financial closing and reporting processes. We have determined that these deficiencies in internal control over financial reporting described below are likely to have a significant impact on financial reporting and therefore constitute significant deficiencies that should be disclosed. As of May 13, 2025, the Company revised the results of its assessment of internal control over financial reporting. The significant deficiencies that should be disclosed for the fiscal years ended March 31, 2020, March 31, 2021, March 31, 2022, March 31, 2023, and March 31, 2024, as described in the amended internal control report filed on May 13, 2025, are the same as those described in 3. Results of assessment.

As these significant deficiencies from prior years that should be disclosed were identified after the end of the current fiscal year, they had not been remediated as of the end of the current fiscal year. In response to these significant deficiencies that should be disclosed, the Company will implement measures to prevent recurrence, as described in 3. Results of assessment, and will strive to establish and maintain effective internal controls to ensure the reliability of its financial reporting.