



**Consolidated Financial Results for the Second Quarter Ended September 30, 2024**  
**Prepared in Conformity with Accounting Principles Generally Accepted in Japan**  
**(Japanese GAAP)**

November 6, 2024

Listed Company Name      SOHGO SECURITY SERVICES CO., LTD.      TSE Stock Market  
Code No.:                    2331    URL <https://www.alsok.co.jp/>  
Representative:            (Title) Representative Director, Group COO      (Name) Ikuji Kayaki  
Financial and accounting: (Title) Director and Senior Executive Officer      (Name) Kazuhide Shigemi    TEL +81-3-3470-6811  
Quarterly report submission date    November 6, 2024      Scheduled cash dividend payment start date    December 3, 2024  
Preparation of supplementary briefing materials on financial results: Yes  
Holding of financial results briefing: Yes (For institutional investors and analysts)

(Millions of yen, rounded down to the nearest million)

1. Consolidated financial results for the second quarter ended September 30, 2024

(1) Consolidated operating results (Total)    (Percentages indicate increase or decrease from the same quarter of the preceding fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	263,280	6.9	15,603	(12.5)	16,994	(12.4)	10,091	(14.9)
September 30, 2023	246,379	4.4	17,825	17.1	19,406	17.3	11,852	21.4

Note: Comprehensive income    Six months ended September 30, 2024      ¥9,377 million (38.2%)  
Six months ended September 30, 2023      ¥15,181 million 33.1%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2024	20.45	-
September 30, 2023	23.46	-

Note: On July 1, 2023, there was a stock split in which each share of common stock was split into 5 shares. The “Net income per share” is calculated based on the assumption that the stock split was conducted at the beginning of the preceding fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Six months ended September 30, 2024	565,605	375,647	60.0	699.49
Fiscal year ended March 31, 2024	567,561	386,581	62.2	704.97

Reference: Equity capital    Six months ended September 30, 2024      ¥ 339,172 million  
Fiscal year ended March 31, 2024      ¥ 352,927 million

2. Dividend

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	8.70	-	15.00	23.70
Fiscal year ending March 31, 2025	-	12.40			
Fiscal year ending March 31, 2025 (Forecast)			-	12.40	24.80

Note. Correction of most recently published forecasted dividends: No

3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2025 (April 1, 2024- March 31, 2025)

(Figures rounded down to the nearest million)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Annual	550,000	5.5	40,300	3.1	43,100	2.2	27,600	1.0	55.13

Note. Correction of most recently published forecasted financial results: No

\* Notes:

(1) Changes in consolidated subsidiaries in the consolidated cumulative period of 2Q (changes in scope of consolidation): Yes

Added: 1 (Company name) Consolidated subsidiary Nihon Guard Co., Ltd.

Removed: -

(2) Application of specific accounting processing for creation of the consolidated financial results: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

① Changes in accounting policy arising from revision of accounting standards: Yes

② Changes arising from other factors: No

③ Changes arising from accounting estimate: No

④ Restatement: No

(4) Number of shares outstanding (ordinary shares)

① Number of shares issued (including treasury stock)	Six months ended September 30, 2024	510,200,210 shares	Fiscal year ended March 31, 2024	510,200,210 shares
② Number of shares of treasury stock	Six months ended September 30, 2024	25,314,208 shares	Fiscal year ended March 31, 2024	9,572,420 shares
③ Average number of shares throughout the fiscal year	Six months ended September 30, 2024	493,518,935 shares	Six months ended September 30, 2023	505,151,588 shares

Note: On July 1, 2023, there was a stock split in which each share of common stock was split into 5 shares. The “Net income per share” is calculated based on the assumption that the stock split was conducted at the beginning of the preceding fiscal year.

\* This summary of financial results falls outside the scope of review of certified public accountants and accounting auditors.

\* Explanation of Appropriate Use of Forecasts and Other Notes

(Cautionary statement regarding forward-looking statements, etc.)

The forward-looking statements such as operational forecasts contained in this summary of financial results are based on the information currently available to the Company and certain assumptions which are regarded as legitimate, and the Company does not promise the achievement of these results. Actual results may differ significantly from these forecasts due to various factors.

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	76,999	68,406
Cash for Transportation Security Services	74,200	87,250
Notes and accounts receivable-trade and contract assets	69,054	60,699
Short-term investment securities	30	352
Raw materials and supplies	12,451	13,915
Costs on uncompleted construction contracts	70	122
Advances paid	5,500	5,400
Other	13,879	15,693
Allowance for doubtful accounts	(125)	(128)
Total current assets	252,061	251,712
Noncurrent assets		
Property, plant and equipment	120,353	122,175
Intangible assets		
Goodwill	31,442	29,961
Other	9,236	8,606
Total intangible assets	40,678	38,567
Investments and other assets		
Investment securities	63,102	58,674
Net Defined benefit asset	59,874	61,848
Other	32,003	33,530
Allowance for doubtful accounts	(512)	(904)
Total investments and other assets	154,467	153,150
Total noncurrent assets	315,500	313,892
Total assets	567,561	565,605
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,512	20,949
Short-term loans payable	7,734	26,095
Income taxes payable	5,917	6,724
Provision	2,432	2,754
Other	55,892	54,355
Total current liabilities	100,489	110,880
Noncurrent liabilities		
Long-term loans payable	1,658	1,445
Net defined benefit liability	26,866	26,720
Provision	2,175	2,203
Asset retirement obligations	827	832
Other	48,962	47,875
Total noncurrent liabilities	80,490	79,078
Total liabilities	180,980	189,958

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	18,675	18,675
Capital surplus	34,011	34,198
Retained earnings	275,464	278,119
Treasury stock	(6,074)	(21,074)
Total shareholders' equity	322,076	309,918
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,115	10,274
Revaluation reserve for land	(3,379)	(3,454)
Foreign currency translation adjustment	1,067	1,257
Remeasurements of defined benefit plans, net of tax	22,047	21,177
Total accumulated other comprehensive income	30,850	29,254
Non-controlling interests	33,654	36,474
Total net assets	386,581	375,647
Total liabilities and net assets	567,561	565,605

■ Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)  
(Consolidated Cumulative Period of 2Q)

(Millions of yen)

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Net sales	246,379	263,280
Cost of sales	185,909	202,334
Gross profit	60,469	60,946
Selling, general and administrative expenses	42,644	45,342
Operating income	17,825	15,603
Non-operating income		
Interest income	97	119
Dividends income	562	622
Gain on sales of investment securities	28	9
Share of profit of entities accounted for using equity method	729	673
Dividend income of life insurance	300	306
Penalty income	244	282
Other	974	826
Total non-operating income	2,936	2,840
Non-operating expenses		
Interest expenses	890	920
Financing expenses	127	156
Other	337	372
Total non-operating expenses	1,355	1,449
Ordinary income	19,406	16,994
Extraordinary income		
Gain on sales of investment securities	58	181
Negative goodwill	-	835
Gain on sales of noncurrent assets	-	61
Total extraordinary income	58	1,079
Extraordinary loss		
Loss on valuation of investment securities	15	15
Impairment loss	55	0
Loss on sales of investment securities	11	303
Loss on step acquisitions	-	605
Total extraordinary loss	82	924
Net income before income taxes	19,382	17,149
Income taxes	6,801	6,290
Net income	12,581	10,858
Net income attributable to non-controlling interests	729	766
Net income attributable to owners of parent	11,852	10,091

(Consolidated Statements of Comprehensive Income)  
(Consolidated Cumulative Period of 2Q)

(Millions of yen)

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Net income	12,581	10,858
Other comprehensive income		
Valuation difference on available-for-sale securities	1,657	(788)
Foreign currency translation adjustment	135	297
Remeasurements of defined benefit plans, net of tax	249	(916)
Share of other comprehensive income (loss) of associates accounted for using equity method	556	(73)
Total other comprehensive income (loss)	2,599	(1,480)
Comprehensive income	15,181	9,377
(Contents)		
Comprehensive income attributable to owners of parent	14,233	8,569
Comprehensive income attributable to non-controlling interests	947	807

■ Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Cash flows from operating activities		
Income before income taxes	19,382	17,149
Depreciation and amortization	9,073	9,936
Impairment loss	55	0
Amortization of goodwill	1,517	1,580
Negative goodwill	-	(835)
Loss (gain) on step acquisitions	-	605
Increase (decrease) in allowance for doubtful accounts	34	391
Increase (decrease) in net defined benefit liability	28	(18)
Increase (decrease) in provision for bonuses	334	339
Increase (decrease) in provision for directors' bonuses	(21)	(33)
Interest and dividends income	(659)	(742)
Interest expenses	890	920
Share of loss (profit) of entities accounted for using equity method	(729)	(673)
Loss (gain) on sales of noncurrent assets	(0)	(77)
Loss on retirement of non-current assets	117	133
Loss (gain) on sales of investment securities	(76)	111
Loss (gain) on valuation of investment securities	15	15
Loss (gain) on valuation of derivatives	(107)	-
Decrease (increase) in notes and accounts receivable -trade	8,339	9,011
Decrease (increase) in inventories	(1,529)	(1,454)
Increase (decrease) in notes and accounts payable - trade	(8,249)	(10,914)
Decrease (increase) in net defined benefit asset	(1,682)	(3,459)
Decrease (increase) in assets and liabilities for Transportation Security Services	11,612	2,871
Other	2,766	(162)
Subtotal	41,112	24,696
Interest and dividends income received	1,385	1,218
Interest expenses paid	(894)	(914)
Income taxes paid	(7,001)	(5,257)
Income taxes refund	156	70
Cash flows from operating activities	34,757	19,894

(Millions of yen)

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	1,012	(239)
Payments into long-term time deposits	(10)	(119)
Proceeds from withdrawal of long-term time deposits	21	-
Purchase of property, plant and equipment	(6,247)	(7,273)
Proceeds from sales of property, plant and equipment	0	408
Purchase of intangible assets	(665)	(969)
Purchase of investment securities	(444)	(387)
Proceeds from sales of investment securities	632	329
Payments for acquisition of businesses	(60)	(3)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,249)	-
Purchase of shares of subsidiaries and associates	-	4,588
Decrease (increase) in short-term loans receivable	(1)	(3)
Payments of long-term loans receivable	(26)	(20)
Collection of long-term loans receivable	34	32
Proceeds from refund of leasehold and guarantee deposits	30	74
Other	(384)	(882)
Net cash provided by (used in) investing activities	(7,358)	(4,464)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	789	2,580
Proceeds from long-term loans payable	120	120
Repayment of long-term loans payable	(487)	(434)
Purchase of treasury stock	(4,470)	(15,000)
Repayments of lease obligations	(2,786)	(3,000)
Cash dividends paid	(4,354)	(7,511)
Cash dividends paid to attributable to non-controlling interests	(1,772)	(705)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(1,393)
Net cash provided by (used in) financing activities	(12,962)	(25,345)
Effect of exchange rate change on cash and cash equivalents	19	61
Net increase (decrease) in cash and cash equivalents	14,455	(9,934)
Cash and cash equivalents at beginning of period	51,571	69,162
Cash and cash equivalents at end of Period	66,027	59,228