

September 4, 2024

To whom it may concern

(This is an English translation of the Japanese original)

Company: SOHGO SECURITY SERVICES CO., LTD.

Representative: Ikuji Kayaki, Representative Director and Group COO

(Securities Code: 2331, TSE Prime Market)

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### **Notice Regarding Share Acquisition of Kanso Co., Ltd.**

SOHGO SECURITY SERVICES CO., LTD. (hereinafter the “Company”) announces that the Company decided to acquire the whole shares of Kanso Co., Ltd. (hereinafter “Kanso”), which operates building maintenance business, on September 4, 2024. The details are as outlined below.

Matters to be disclosed are partially omitted, since it does not apply to the Timely Disclosure Standards concerning the change of subsidiaries.

#### **1. Rationale of share acquisition**

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 facility management services (hereinafter the “FM services”) that address maintenance and management of buildings and 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 FM services, 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. The Company has worked to improve the quality of services through efforts such as providing “ALSOK Facility Rescue” throughout the country in July of this year, which security guards who detect abnormalities in facilities and rush to the site perform more advanced analysis, response, and reporting with the assistance of specialists using DX tools.

FM services are in a business environment that faces numerous issues, 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 FM services, 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.

## 2. Profile of the new company

(1) Company name	Kanso Co., Ltd.		
(2) Head office address	1-4-4 Hanazonominami, Nishinari-ku, Osaka-shi, Osaka		
(3) Representative	Yoshihisa Obayashi, President and Representative Director		
(4) Main lines of business	Building maintenance services, security services, etc.		
(5) Capital	¥100 million		
(6) Establishment	April 20, 1974		
(7) Major shareholders and shareholding ratio	H2O Shopping Center Development Co., Ltd. (100%)		
(8) Relationship with the Company	There is no capital, personal, or business relationship to note.		
(9) Financial figures for the three most recent years			
Fiscal year	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets	¥7,935 million	¥7,804 million	¥7,811 million
Total assets	¥9,414 million	¥8,995 million	¥9,071 million
Net assets per share	¥198,392.04	¥195,103.43	¥195,293.47
Net Sales	¥8,144 million	¥7,127 million	¥6,991 million
Operating income	¥255 million	¥85 million	¥142 million
Ordinary income	¥195 million	¥17 million	¥75 million
Net income	¥265 million	(¥50 million)	¥9 million
Net income per share	¥6,627.97	(¥1,260.65)	¥249.48

## 3. Share transferee

(1) Company name	H2O Shopping Center Development Co., Ltd.
(2) Head office address	1-4-4 Hanazonominami, Nishinari-ku, Osaka-shi, Osaka
(3) Representative	Yasuhiro Imai, President and Representative Director
(4) Main lines of business	Management and operation of commercial facilities and sales of clothing and housing-related products
(5) Capital	¥10 million
(6) Establishment	October 4, 2019
(7) Net assets	¥37,408 million
(8) Total assets	¥97,506 million
(9) Major shareholders and shareholding ratio	H2O Retailing Corporation (100%)
(10) Relationship with the Company	There is no capital, personal, or business relationship to note.

#### 4. Number of shares to be acquired and shareholding status before and after acquisition

(1) Number of shares held before acquisition	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0.00%)
(2) Number of shares to be acquired	40,000 shares (Number of voting rights: 40,000)
(3) Number of shares held after acquisition	40,000 shares (Number of voting rights: 40,000) (Percentage of voting rights: 100.00%)

\* Acquisition cost is non-disclosure due to the consultation, although the decision of the consideration is based on reference materials of the results by independent calculation agent using fairness and appropriate method.

#### 5. Schedule

(1) Contract date of agreement	September 4, 2024
(2) Date of share acquisition	December 1, 2024(plan)

\* The share transfer will be executed under the assumption that the transaction does not involve any factors that would prevent the share acquisition according to the results of the Japan Fair Trade Commission's inspection of the application based on Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (including revisions after Act No. 54 of 1947).

#### 6. Future outlook

The effect of the share acquisition on the business results for the current fiscal year will be immaterial.

End