



Consolidated Financial Results for Fiscal Year Ended March 31, 2025
Prepared in Conformity with Accounting Principles Generally Accepted in Japan
(Japanese GAAP)

May 13, 2025
TSE Stock Market

Listed Company Name SOHGO SECURITY SERVICES CO., LTD.
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Ordinary general shareholders' meeting date June 25, 2025 Cash dividend payment start date June 26, 2025
Securities report submission date June 20, 2025
Preparation of supplementary briefing materials on financial results: Yes
Holding of results briefing: Yes (For institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	551,881	5.8	40,201	5.6	43,107	4.7	27,105	1.8
March 31, 2024	521,400	5.9	38,078	5.9	41,169	7.8	26,630	14.6

Note: Comprehensive income Fiscal year ended March 31, 2025 ¥24,550 million (55.4%)
Fiscal year ended March 31, 2024 ¥55,107 million 119.1%

	Net income per share	Diluted net income per share	ROE (Net income to equity)	Ordinary income to total assets	Operating income to sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	55.41	-	7.9	7.5	7.3
March 31, 2024	52.95	-	8.2	7.5	7.3

Reference: Equity in earnings of affiliates Fiscal year ended March 31, 2025 ¥2,134 million
Fiscal year ended March 31, 2024 ¥2,062 million

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2025	572,402	376,000	59.1	697.96
March 31, 2024	571,463	377,754	60.2	687.34

Reference: Equity capital Fiscal year ended March 31, 2025 ¥338,433 million
Fiscal year ended March 31, 2024 ¥344,100 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	42,647	(15,550)	(36,309)	60,018
March 31, 2024	56,063	(17,448)	(20,967)	69,162

2. Dividend

	Dividends per share					Total dividends (Annual) (Total)	Consolidated payout ratio (Consolidated)	Consolidated dividends to net assets
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	8.70	-	15.00	23.70	11,872	44.8	3.7
March 31, 2025	-	12.40	-	13.40	25.80	12,513	46.6	3.7
Fiscal year ending March 31, 2026 (Forecast)	-	13.60	-	13.60	27.20		44.9	

Detail of year-end dividend as of March 31, 2025: Ordinary dividend ¥12.40 Commemorative dividend ¥1.00

3. Forecast for consolidated financial results for the fiscal year ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(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
Six months ending June 30, 2025 (cumulative)	284,300	8.0	18,100	18.6	19,700	18.3	12,000	21.8	24.75
Annual	590,000	6.9	43,900	9.2	47,000	9.0	29,400	8.5	60.63

Notes:

(1) Changes in consolidated subsidiaries (changes in scope of consolidation): Yes

Added: 3 (company name) Consolidated subsidiary Nihon Guard Co., Ltd., Kanso Co., Ltd., and one other company

Removed: -

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

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

② Changes arising from other factors: No

③ Changes arising from accounting estimate: No

④ Restatement: No

(3) Number of shares outstanding (ordinary shares)

① Number of shares issued (including treasury stock)	Fiscal year ended March 31, 2025	510,200,210 shares	Fiscal year ended March 31, 2024	510,200,210 shares
② Number of shares of treasury stock	Fiscal year ended March 31, 2025	25,313,325 shares	Fiscal year ended March 31, 2024	9,572,420 shares
③ Average number of shares throughout the fiscal year	Fiscal year ended March 31, 2025	489,214,507 shares	Fiscal year ended March 31, 2024	502,894,770 shares

Note: On July 1, 2023, there was a stock split in which each share of common stock was split into 5 shares. The “Number of shares issued,” the “Number of shares of treasury stock,” and the “Average number of shares throughout the fiscal year” are calculated as if the stock split had been conducted at the beginning of the previous consolidated fiscal year.

(Reference) Non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Non-consolidated operating results

(Figures rounded down to the nearest million)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	255,573	(0.4)	15,992	(9.9)	30,359	(6.2)	24,570	(4.8)
March 31, 2024	256,633	3.1	17,747	11.7	32,368	10.8	25,809	8.5

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2025	50.21	-
March 31, 2024	51.26	-

(2) Non-consolidated financial conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2025	371,802	257,571	69.3	531.07
March 31, 2024	369,966	262,660	71.0	527.78

Reference: Equity capital Fiscal year ended March 31, 2025 ¥257,571 million
 Fiscal year ended March 31, 2024 ¥262,660 million

* 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.

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Note: The Company will hold a briefing for investors as follows. The materials distributed at the briefing are scheduled to be posted on the Company's website immediately after the briefing.

* May 13, 2025 (Tuesday) — Briefing for institutional investors and analysts

1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results

A. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

In the current consolidated fiscal year, the Japanese economy continued to gradually recover due to the improvement of corporate revenue, recovery of capital investment, and other factors despite stagnant individual consumption due to the impact of price increases. Going forward, while we can expect improvements in employment and income environments due to wage increases in the spring labor offensive, there are concerns about the impact of the U.S.'s introduction of reciprocal tariffs and other trade policies, the impact of continued price increases in Japan on individual consumption, and other factors.

As stated in the government's "Comprehensive Economic Measures to Foster the Safety and Security of Citizens and Sustained Growth," on the restoration and recovery from natural disasters such as the Noto Peninsula Earthquake that occurred in January 2024 and strengthening of crime prevention measures, the society's demand for security services for safety and reassurance is rising amid various developments, placing greater expectation on our Group to provide total services including security. These developments are driven by cyber-attacks on critical public infrastructure and supply chains, concerns about the safety and security of the elderly, women, children and other socially vulnerable groups, increases in street crimes and traffic accidents, and the aging of public infrastructure. In addition, the number of criminal offenses has been increasing since 2022, and the sense of security in Japan has been worsening due to an outbreak of robberies and crime activities by a portion of foreigners. It may be said that the role of the Group in providing safety and security has been increasing.

Under these circumstances, ALSOK Group has continued to provide appropriate services as a business operator that provides services related to social safety and security (Security Services, Facility Management Services etc., Long-term Care Services, and Overseas Services) with the aim to contribute to sustainable societies. As stated in "Grand Design 2025," our medium-term management plan, we aim to be a safety and security service provider who persistently aims to serve the society's various needs for greater safety and security. To meet the expanding safety and security needs of our customers and society amid diversifying risks, we are working to provide new services that combine a variety of service functions, including security and facility management services and personal nursing care. In addition, while the price increases continue, we ask our customers to revise prices to address the increase in costs.

As a result of these ongoing initiatives, the Group's consolidated results for the current fiscal year improved compared to the previous year, with net sales of ¥551,881 million (up 5.8% YoY), operating income of ¥40,201 million (up 5.6% ¥), ordinary income of ¥43,107 million (up 4.7% YoY), and net income attributable to owners of the parent of ¥27,105 million (up 1.8% YoY).

Sales by Business Segment

Business Segment	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Increase/ Decrease (%)
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
Security Services Total	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. Please note that, from this consolidated fiscal year, the reportable segments are modified from traditional "Security Services," "General Property Management and Fire Protection Services," and "Long-term Care Services" to "Security Services," "Facility Management Services etc.," "Long-term Care Services" and "Overseas Services." As a result, YoY of each segment is calculated by applying the year on year values to the

modified reportable segment classifications.

Net sales in the Security Services segment increased 3.3% year on year to ¥391,946 million, while operating income increased 4.5% year on year to ¥40,327 million.

In the Electronic Security Services, we are promoting sales of ALSOK-G7 (G7) as a service for corporate customers, contributing to customer needs to reduce labor costs. It is equipped with live image confirmation as a standard feature and presents a full range of options for image storage and remote access. Its scope of application will be further expanded according to the customer needs in the future. In July last year, we expanded the service areas of “ALSOK IT Rescue” and “ALSOK Facility Rescue” services to all over Japan. These services utilize ALSOK's existing infrastructure for electronic security. In the event of a failure with IT equipment or a building's facilities, guards will quickly head to the location to investigate causes and take emergency measures with the operational support of specialists. Furthermore, we are working to expand services for the inspection of solar panels as well as inspection and survey of various facilities using drones. We are also expanding the Cyber Security Services by launching a vulnerability diagnosis service that determines whether there are vulnerabilities in systems operated by customers and a penetration test service for evaluating measures against threats by simulating an attack that imitates actual attacks in April this year.

For HOME ALSOK Services, we experienced a growth in orders due to the sales increase of “HOME ALSOK Connect.” These products provide our various customers with safety and security amidst a deteriorating sense of security due to the increase of 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 optional on-site confirmation by ALSOK at the request of the customer. Customers of self-security can upgrade to the Online Security Service at any time. In May last year, we launched “Smartphone Gate,” a controller for “HOME ALSOK Connect” equipped with a functionality to prevent the smartphone from being lost, which empowers the users to arm/disarm the security systems with smooth authentication using smartphones. We are also actively promoting sales of HOME ALSOK MIMAMORI SUPPORT, a monitoring service for elderly individuals.

In the areas of Stationed Security Services, we have provided Security Services at airport facilities that accept foreign visitors and security needs due to production sites returning to Japan. For businesses related to the Expo 2025 (Osaka/Kansai Expo), we won a few orders, such as security at the venue, individual pavilions, and other buildings, and the entire group will support this business engagement, including handling visitors using avatars. Going forward, we will further focus on manpower-saving and improvements in efficiency of stationed security through DX and the like as well as handle World Athletics Championships Tokyo 2025 and other events.

In the Transportation Security Services, while the number of ATMs is declining in Japan due to the consolidation and closing of branches of financial institutions, the demand for more efficient cash management operations is still strong and we are promoting sales of ATM General Management Services and Cash Deposit and Dispense Machine On-Line System. We also offer a series of Tax Payment Receipt Systems, which automate counter services provided at satellite offices of municipal governments by utilizing our online deposit/withdrawal machine system. We will also promote replacement, etc. of equipment for new banknotes issued in July last year. We will continue to gain an understanding of various outsourcing needs such as improving operational efficiency and reducing costs at regional financial institutions, and expand our service offerings. Net sales in the FM business, etc. was ¥79,736 million (up 5.8% YoY), while operating income was ¥9,164 million (up 10.0% YoY). We newly consolidated Kanso Co., Ltd. and its subsidiaries in December 2024, and expanded the business base in the Osaka area. We will continue working to expand our Facility Management operations while also selling, installing, and providing maintenance for EV charging facilities as part of our work to strengthen our efforts at sustainability.

In the Long-term Care Services, net sales was ¥53,364 million (up 4.7% YoY) due to strong trend in occupancy rate of facilities, etc. contributing to the increased business performance, while operating income was ¥1,497 million (up 14.3% YoY). In addition, the Research Institute of Scientific Nursing Care Inc., a joint venture between the Company, the Institute of Science Tokyo (former Tokyo Medical and Dental University), and NJI Co., Ltd. which develops technologies and human resources for the fields of nursing and caregiving, has launched on September 26, 2024. We will continue to develop and improve the efficiency of our Long-term Care Services operations through the use of robots and DX to support nursing care and work while working to expand services under the unified “ALSOK's Care” Long-term Care Services brand.

In the Overseas Services, net sales was ¥26,833 million (up 70.2% YoY) due to the M&A effects and secured profit on local subsidiaries base, but considering head office expenses and goodwill, it resulted in an operating loss of ¥547 million (¥649 million operating loss YoY). Based on the expertise we have cultivated in Japan, we will continue to offer products and services optimized for individual countries, and we will aggressively expand our operations to support the overseas businesses of our customers.

The Group will continue to aptly meet the expanding safety and security needs of society by continuing to utilize new technologies and improve productivity, while fulfilling our responsibilities as a provider of services related to the safety and

security of society.

B. Comparative Analysis of the Consolidated Statements of Income

The following table is a year-on-year comparison of the ALSOK Group's Consolidated Statements of Income.

Item	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)	Increase (decrease) (Millions of yen)	Increase/ Decrease (%)
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
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

Net sales for the current consolidated fiscal year increased by ¥30,480 million compared to the previous consolidated fiscal year to ¥551,881 million (up 5.8% YoY).

Cost of sales increased to ¥420,926 million (up 6.2% YoY), due to a ¥14,206 million increase in labor costs due to employee compensation improvements and a ¥9,826 million increase in expenses.

Selling, general and administrative expenses increased to 90,752 million (up 4.2% YoY) due to a ¥2,089 million increase in salaries and allowances.

Ordinary income increased ¥1,938 million to ¥43,107 million (up 7.8% YoY) due to the increase in operating income.

The increase in extraordinary income was the result of a ¥392 million rise in gain on negative goodwill and a ¥289 million increase in reversal of provision for loss on business losses.

The increase in extraordinary losses was the result of a ¥448 million increase in net loss from step acquisitions and a ¥293 million increase in loss on sales of investment securities.

Net income attributable to owners of parent increased ¥474 million to ¥27,105 million (up 1.8% YoY) due to the increase in ordinary income.

Other comprehensive income decreased by ¥30,556 million to ¥24,550 million (down 55.4% YoY). This was a result of a ¥27,463 million change during the year to the adjustment for retirement benefits and a ¥3,236 million decrease in valuation difference on available-for-sale securities.

(2) Overview of Financial Position

The following table shows a year-on-year comparison of the ALSOK Group's Consolidated Balance Sheets.

Item		Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY	
		Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)	Increase (decrease) (Millions of yen)	Increase/ Decrease (%)
Assets	Current assets	252,061	44.1	256,722	44.8	4,660	1.8
	Non-current 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
	Non-current 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 at the end of the current consolidated fiscal year increased ¥938 million compared to the end of the previous consolidated fiscal year to ¥572,402 million (up 0.2% YoY). Of this amount, current assets increased ¥4,660 million to ¥256,722 million (up 1.8% YoY) and non-current assets decreased ¥3,722 million to ¥315,679 million (down 1.2% YoY). The increase in current assets was the result of a ¥7,357 million increase in cash for Transportation Security Services and ¥1,659 million increase in raw materials and supplies against ¥8,329 million decrease in cash and deposits.

Non-current assets decreased, mainly as a result of a ¥3,555 million decrease in deferred tax assets.

Total liabilities at the end of the current consolidated fiscal year increased by ¥2,692 million from the end of the previous consolidated fiscal year to ¥196,401 million (up 1.4% YoY). Of this total, current liabilities increased ¥8,403 million to ¥108,892 million (up 8.4% YoY) and non-current liabilities decreased ¥5,710 million to ¥87,509 million (down 6.1% YoY). The increase in current liabilities was mainly due to a ¥5,510 million increase in short-term loans payable and a ¥2,194 million increase in income taxes payable.

The decrease in non-current liabilities was the result of a ¥3,860 million decrease in deferred tax liabilities and a ¥1,220 million decrease in lease obligations.

Total net assets at the end of the current consolidated fiscal year decreased ¥1,754 million from the end of the previous consolidated fiscal year to ¥376,000 million (down 0.5% YoY).

(3) Overview of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY (%)
	(From April 1, 2023 - March 31, 2024)	(From April 1, 2024 - March 31, 2025)	
Net cash provided by (used in) operating activities	56,063	42,647	(23.9)
Net cash provided by (used in) investing activities	(17,448)	(15,550)	(10.9)
Net cash provided by (used in) financing activities	(20,967)	(36,309)	73.2
Effect of exchange rate change on cash and cash equivalents	(56)	68	-
Net increase in cash and cash equivalents (decrease)	17,591	(9,144)	-
Cash and cash equivalents at beginning of period	51,571	69,162	34.1
Cash and cash equivalents at end of period	69,162	60,018	(13.2)

Cash and cash equivalents at end of period were ¥60,018 million (down 13.2% YoY).

A. Cash flows from operating activities

Net cash provided by operating activities in the current fiscal year amounted to ¥42,647 million (down 23.9% YoY).

Principal sources of cash were ¥43,732 million in income before income taxes and ¥20,103 million in internal reserves due to depreciation and amortization. In contrast, the main cash decrease factor was income taxes paid of ¥10,671 million and an increase of ¥6,897 million in net defined benefit asset.

Decrease (increase) in assets and liabilities for Transportation Security Services includes the increases and decreases in cash for Transportation Security Services and funds procured for Transportation Security Services that are included in short-term loans payable.

B. Net cash provided by (used in) investing activities

Net cash used in investing activities during the year under review totaled ¥15,550 million (down 10.9% YoY). This was the result of the acquisition of ¥14,854 million in property, plant and equipment.

C. Cash flows from financing activities

Net cash used in financing activities during the year under review totaled ¥36,309 million (up 73.2% YoY). This was a result of decreases of ¥15,000 million due to purchase of treasury stocks, ¥13,525 million due to payment of cash dividends, and ¥5,785 million due to repayment of lease obligations.

D. Trends in Cash Flow Indicators for the ALSOK Group

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
	Year-end	Year-end	Year-end
Equity ratio	58.6%	60.2%	59.1%
Equity ratio on a market value basis	69.3%	72.9%	95.0%
Interest-bearing liabilities to cash flow ratio	34.2%	16.8%	34.6%
Interest coverage ratio	17.6 times	30.7 times	22.3 times

Equity ratio is shareholders' equity divided by total assets.

Equity ratio on a market value basis is market capitalization divided by total assets.

Interest-bearing liabilities to cash flow ratio is interest-bearing liabilities divided by cash flow.

Interest coverage ratio is cash flow divided by interest expense.

Note 1. All indicators are calculated based on the consolidated financial statements.

2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the total number of shares issued and outstanding at the end of the fiscal year (excluding treasury stock).
3. Cash flow is net cash provided by (used in) operating activities.
4. Interest-bearing liabilities are all liabilities on which interest is paid on the Consolidated Balance Sheets.

(4) Future Outlook

For the next fiscal year, while we can expect improvements in employment and income environments due to wage increases in the spring labor offensive, there are concerns for impacts from the introduction of reciprocal tariffs policy and other trade policies by the U.S., impact of continued price increases in Japan on individual consumption, and other factors.

In the security field, society's expectations for the security industry are rising against a backdrop of threats in cyberspace; concerns about the safety and security of vulnerable groups in society including the elderly, women, children; an increase in violent crimes and accidents in the streets; a succession of natural disasters, and aging infrastructure. In particular, there are expectations for our group to provide safety and security services that cover everything, including Security Services. In addition, the number of criminal offenses has been increasing since 2022, and the sense of security in Japan has been worsening due to an outbreak of robberies and crime activities by a portion of foreigners. It may be said that the role of the Group in providing safety and security has been increasing.

In this business environment, the ALSOK Group will continue 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), which are indispensable for ensuring the stability of the lives of the people and the national economy. In addition, we will continue to take appropriate measures when it comes to price revisions amid expectations regarding the wage increases, and other production cost increases.

Furthermore, in order to meet the safety and security needs of our customers and society that are expanding as risks continue to diversify, we will provide new services that combine various service functions such as security, facilities, and long-term care; digitalize and utilize data; create an environment where employees can play an active role; and strengthen our efforts toward sustainability.

As a result of these initiatives, the Group's consolidated results forecast for the fiscal year ending March 31, 2026 are net sales of ¥590,000 million (up 6.9% YoY), operating income of ¥43,900 million (up 9.2% YoY), ordinary income of ¥47,000 million (up 9.0% YoY), and net income attributable to parent company shareholders of ¥29,400 million (up 8.5% YoY).

2. Management Policies

(1) Basic Corporate Management Policy

Our management policy is: “We will promote our company’s business with ‘a samurai spirit’ and ‘a spirit of gratitude,’ and work hard to ensure the safety and security of our customers and society.” With this as our purpose, we will make providing the best products and services to our customers our first priority. At the same time, we will strive to be a company that offers job satisfaction to our employees, to expand our earnings, to provide a wide range of products and services in new fields while maintaining the Security Services that are our core business, and to develop services and products that will contribute to the development of society.

Note that we plan to change our company name to “ALSOK Co., Ltd.” on July 16, 2025. We will further improve our brand value by unifying our company name with our corporate brand “ALSOK,” which is recognized by our stakeholders for evoking a strong sense of safety and security.

(2) Stance on Target Management Indicators

The Group considers the expansion of its business, centering on the security business, and the promotion of rationalization and efficiency in all aspects of operations to be important issues for improving profitability. Currently, we emphasize “consolidated ordinary income to net sales” as a management indicator. Furthermore, as a management indicator for optimal use of shareholders' equity, we emphasize “ROE (consolidated return on equity)” and in the medium-term target both indicators to be 10% or higher.

(3) Medium- and Long-term Corporate Strategy

In order to respond to the growing safety and security needs in a society where risks are diversifying, the Group will work to expand its Security Services by providing new services that make the most of the Group's existing security infrastructure. At the same time, we will proactively engage in businesses that are expected to generate synergy effects with the Security Services, such as the Long-term Care Services. Through these efforts, with the goal of becoming “a robust, comprehensive safety and security service business,” we will strengthen our ability to respond to the safety and security needs of our customers and society, pursue digitalization and data utilization, create an environment in which employees can play an active role, and strengthen our initiatives toward sustainability.

(4) Business Environment and Pressing Issues for the Company

As a leading company in Japan’s security services industry, our Group will contribute to ensuring the safety and security of society, while complying with laws and regulations, and— with the goal of being a company with corporate virtue—strive to further enhance its corporate value. Furthermore, as a company that plays a role in the social infrastructure related to safety and security in a society where risks are diversifying, we will promote reforms to our business model by strengthening integration in our existing business areas and work at expanding into new business areas to more appropriately respond to the expanding safety and security needs of our customers and society.

A. Responding to the Production Cost Increase

Going forward, we will undertake initiatives with consideration for multiple stakeholders including our business partners by responding to the rising production costs such as wage hikes as well as continue to aim for co-existence and co-prosperity with our business partners, including price pass-through in response to cost increases as a company that has declared our commitment to building partnerships. In the procurement of the equipment our Company uses, we will respond by appropriately managing inventories based on supply and demand forecasts, expanding our procurement sources, and promoting reuse, among other measures.

B. Responding to the Diverse Safety and Security Needs of Customers and Society

We are seeing an increased risk of cyber-attacks on critical infrastructure, concerns for the safety and peace of mind of the elderly, women, children, and other vulnerable groups in society, an increase in common crimes and accidents, ongoing natural disasters, and aging of infrastructure, all of which add up to a diversification of the risks confronting 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 our Security Services and Facilities Management Services, etc. and cyber-security countermeasures. We will also respond by continuing to expand and improve 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 related to work-style reforms; comprehensive management services for buildings, facilities and infrastructure; new solutions that combine the enhancement of internal and external infrastructure cultivated in the security service and facilities management industries with various service functions; and improved response capabilities through external alliances.

C. Digitalization and Data Utilization

Amid massive changes in the business environment surrounding the ALSOK Group, including advances in digital technologies, the Company is focusing efforts on improving service quality through enhanced communications with customers and data utilization and increasing productivity as well as creating added value by business processes and re-engineering in front- and back-offices.

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

The ALSOK Group will further promote work-style reforms throughout the Group while enhancing worker engagement by providing systems and environments that enable each individual worker to apply their capabilities to the fullest. This will include providing diverse workstyles and developing capabilities while employing the diverse array of human resources who drive our Security Services, Facility Management Services etc., Long-term Care Services and Overseas Services.

E. Strengthen the efforts of sustainability

The ALSOK Group strives to achieve sustainable growth and the medium- to long-term enhancement of corporate value while strengthening corporate governance. We are contributing to the attainment of the SDGs through our CSR activities, and aim to realize a sustainable society based on the recognition that global environmental issues are common challenges for all humankind. We endorse the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), and will actively work on many fronts to achieve our GHG emissions reduction targets, including the calculation of Scope 3, comprising supply chain emissions, for the entire group in February 2023 and conducting third-party validation for Scope 1, 2, and 3 for the fiscal year ended March 31, 2023. As part of our efforts to reduce GHG emissions, we will strengthen our sustainability initiatives through the introduction of EV and hybrid vehicles and the sale, installation, and maintenance of EV charging facilities. As part of our initiatives to preserve the ecosystem, nine companies in our Group have acquired “Certified Wildlife Capture Operators,” and ALSOK CHIBA Co., Ltd. operates its own meat processing facility.

F. Responses to Large-Scale Disasters, Infectious Diseases, etc.

In preparation for the occurrence of a large-scale disaster, the Group has taken measures utilizing know-how accumulated through experience, such as preparation of response manuals based on the Business Continuity Plan and Disaster Countermeasure Regulations, stockpiling of goods for countermeasures, a flexible nationwide response system, and periodic education and training. Other efforts to prevent the spread of infectious diseases include the formulation of contingency plans to maintain continuous service availability. We also provide our Safety Confirmation Service and other offerings to support our clients in building contingency plans.

G. Development of Overseas Businesses

The ALSOK Group is responding to mounting needs for safety and security overseas, as well. Based on the expertise we have cultivated in Japan, we offer products and services optimized for individual countries as we proactively expand our operations to support the overseas businesses of our customers. For Indonesia, one of our largest overseas businesses, we will promote the merger of our subsidiary PT. ALSOK BASS Indonesia Security Services and PT. Shield-On Service Tbk to build a mutually beneficial relationship in human resource development between Japan and Indonesia and also further strengthen our efforts at business development in ASEAN countries.

(5) Other Important Items in Management of the Company

- A. Effective April 1, 2024, Life Holdings Co., Ltd., which operates the Long-term Care Services, was absorbed into Life Co., Ltd., which operates the Long-term Care Services. Additionally, Life Holdings Co., Ltd. has made an in-kind dividend to our company, its parent company, of all shares of MBIC Life Co., Ltd., which it owns. MBIC Life Co., Ltd. is engaged in Facility Management Services, etc. such as asbestos inspections and food inspection services. Further, upon the merger, the trade name of the surviving company, MBIC Life Co., Ltd., was changed to ALSOK MBIC Research Institute Co., Ltd.
- B. On July 12, 2024, the Company additionally acquired shares of Japan Guard Co., Ltd., which mainly operates a security business, and made it a consolidated subsidiary from an affiliate under the application of the equity method.
- C. On October 1, 2024, the Company succeeded the Hokkaido Branch, our business site in Hokkaido, and businesses operated by the Transportation Security Services of the Hokkaido Branch to our consolidated subsidiary ALSOK Hokkaido Co., Ltd.
- D. On December 1, 2024, the Company acquired all shares of Kanso Co., Ltd., which mainly operates a building maintenance business, and made the Company and its subsidiary our consolidated subsidiaries.
- E. On April 1, 2025, ALSOK Joy Life Co., Ltd., which operates a Long-term Care Services in the Kansai area, reorganized the company through absorbing ALSOK Life Support Co., Ltd. and other means.
- F. On April 1, 2025, the Company absorbed ALSOK KANTO DELIVERY CO., LTD., which operates Transportation Security Services.

3. Basic Policy Regarding Selection of Accounting Standards

For the foreseeable future, the Company intends to prepare its consolidated financial statements in accordance with accounting principles that are generally accepted in Japan (Japanese GAAP) out of consideration for the ability to make comparisons with performance from different fiscal years and of different companies.

The Company is examining the possibility of adopting International Financial Reporting Standards (IFRS) in the future, and it is currently in the process of developing internal manuals and guidance and determining the potential timing for adoption.

4. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	76,999	68,669
Cash for Transportation Security Services	74,200	81,557
Notes and accounts receivable-trade and contract assets	69,054	69,716
Lease receivables and investment assets	4,648	4,302
Short-term investment 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
Non-current assets		
Property, plant and equipment		
Buildings and structures	68,989	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	26,214	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	63,102	62,312
Long-term loans receivable	546	509
Leasehold and guarantee deposits	9,568	9,831
Insurance funds	1,839	1,979
Net defined 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 non-current assets	319,402	315,679
Total assets	571,463	572,402

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,512	30,121
Short-term loans payable	6,965	12,476
Current portion of long-term loans payable	768	741
Current portion of 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 directors' bonuses	122	128
Other	21,676	21,284
Total current liabilities	100,489	108,892
Non-current liabilities		
Long-term loans payable	1,658	1,327
Lease obligations	36,056	34,836
Deferred tax liabilities	10,420	6,560
Deferred tax liabilities for land revaluation	314	271
Net defined benefit liability	39,595	39,534
Provision for directors' retirement benefits	1,875	1,975
Asset retirement obligations	827	844
Provision for loss on business	299	-
Other	2,171	2,158
Total non-current liabilities	93,219	87,509
Total liabilities	193,709	196,401
Net Assets		
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	(3,379)	(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

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	521,400	551,881
Cost of sales	396,264	420,926
Gross profit	125,135	130,954
Selling, general and administrative expenses	87,056	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 life 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 non-current assets	0	1
Loss on retirement of non-current assets	261	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	38	61
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 loss	55	0
Loss on disaster	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 Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended 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 associates 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 the parent	52,672	22,655
Comprehensive income attributable to non-controlling interests	2,435	1,895

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	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 Net income			26,630		26,630
Purchase of treasury stock				(5,001)	(5,001)
Reversal of revaluation reserve for land					-
Change in ownership interest of parent 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		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 the end of the period	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 the beginning of the period	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 Net income							26,630
Purchase of treasury stock							(5,001)
Reversal of revaluation reserve for land							-
Change in ownership interest of parent 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							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 the end of the period	11,115	(3,379)	1,067	24,033	32,836	33,654	377,754

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	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 Net income			27,105		27,105
Purchase of treasury stock				(15,000)	(15,000)
Reversal of revaluation reserve for land			52		52
Change in ownership interest of parent 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					-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	202	13,632	(15,000)	(1,165)
Balance at the end of the period	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 the beginning of the period	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
Change in ownership interest of parent 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							-
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 the end of the period	11,269	(3,435)	1,343	19,157	28,335	37,566	376,000

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net cash provided by (used in) operating activities		
Income before income taxes	41,850	43,732
Depreciation and amortization	18,727	20,103
Impairment loss	55	0
Amortization of goodwill	3,135	3,194
Negative goodwill	(466)	(859)
Net 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 business	-	(10)
Increase (decrease) in provision for bonuses	(29)	206
Increase (decrease) in provision for directors' bonuses	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 non-current 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)
Decrease (increase) in assets and liabilities for 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	Fiscal year ended March 31, 2025
Net cash provided by (used in) 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	(4,189)	(1,547)
Purchase of shares of subsidiaries and associates	-	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	62	(1,103)
Net cash provided by (used in) investing activities	(17,448)	(15,550)
Net cash provided by (used in) 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	(5,455)	(5,785)
Cash dividends paid	(8,715)	(13,525)
Cash dividends paid to attributable to non-controlling interests	(1,771)	(705)
Proceeds from payments from non-controlling interests	438	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(1,465)
Net cash provided by (used in) financing activities	(20,967)	(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 period	51,571	69,162
Cash and cash equivalents at end of period	69,162	60,018

(5) Notes on the Preparation of the Consolidated Financial Results

(Events or Situations Giving Cause for Serious Doubt Regarding the Premise of a Going Concern)

Not applicable

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” and other standards)

“ASBJ Statement No. 27, October 28, 2022, Accounting Standard for Current Income Taxes.” (Revised Accounting Standards 2022) is applied from the beginning of the current fiscal year.

For revisions related to calculation classification of income taxes (taxes for other comprehensive income), items are treated according to the transitional treatment stipulated in the proviso of Paragraph 20-3 in Revised Accounting Standards 2022 and the transitional treatment stipulated in the proviso of Paragraph 65-2 (2) in “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022. Hereinafter, “Revised Implementation Guidance 2022.”) There is no effect due to this on the consolidated financial statements.

For revisions related to the review of the treatment of the consolidated financial statements to hold over the loss (gain) on sales of subsidiary shares between consolidated companies from a taxation point of view, Revised Implementation Guidance 2022 has been applied since the beginning of the current consolidated fiscal year. These changes in accounting policies will be retroactively applied, and will be applied to the consolidated financial statements and consolidated financial statements in the previous consolidated fiscal year. There is no effect due to this on the consolidated financial statements of the previous fiscal year.

(Notes on Considerable Changes to Amount of Shareholders' Equity)

The Company, per a resolution at the Board of Directors meeting held on May 14, 2024, had acquired 15,741,100 shares of treasury stock (amount: ¥14,999 million) up to September 30. As a result, the number and amount of treasury stock of the current consolidated fiscal year were 25,313,325 shares and ¥21,074 million, including the portion acquired through requests for purchase of odd-lot shares and changes in the number of shares corresponding to the Company's ownership in affiliates.

(Additional Information)

(Correction of Errors)

In April 2025, we found that the net defined benefit assets were understated in the past fiscal years due to errors in entering the data on the retirement benefit obligations relating to lump-sum retirement allowance data for the Company and its four consolidated subsidiaries. In response, the Company has revised the errors in the consolidated financial statements and financial statements included in the securities report submitted on and after June 24, 2020, consolidated financial statements in the quarterly report submitted on and after August 2, 2022, and consolidated financial statements in the interim report submitted on November 6, 2024.

As a result, gross profit decreased by ¥578 million, operating income and ordinary income decreased by ¥1,003 million, and net income attributable to parent company shareholders decreased by ¥696 million in the previous consolidated fiscal year.

(Notes on Segment Information and Other Related Information)

Segment Information

1. Outline of Reportable Segments

(1) Method for deciding reportable segments

The reportable segments the Company reports are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors, etc., to evaluate regularly in determining how to allocate resources and assess their business performance.

The Group has four reportable segments. The Security Services segment conducts Electronic Security Services, HOME ALSOK Services, Stationed Security Services, and Transportation Security Services. The Facility Management Services etc. conducts activities including plumbing installation, electrical installation, and other facility installation; facility operation and management services; environmental hygiene management; cleaning services; fire extinguishing equipment inspection and installation; and sales of various disaster prevention equipment. The Long-term Care Services provide in-home care support services, visitation-based care services, and day care services and also operates care facilities. The Overseas Services provides businesses conducted by overseas subsidiaries.

(2) Change to reportable segments

We revised our management system and modified the reportable segments from the traditional “Security Services,” “General Property Management and Fire Protection Services,” and “Long-term Care Services” to “Security Services,” “Facility Management Services etc.,” “Long-term Care Services,” and “Overseas Services.” from this consolidated fiscal year.

Moreover, figures for the previous consolidated fiscal year have been restated to reflect the changes in reportable segments.

2. Method of Calculating Sales and Income (Loss) and Other Items by Reportable Segments.

The accounting methods used for reportable segments are the same as those used to prepare the consolidated financial statements.

Income by reportable segment is calculated based on operating income.

Intersegment sales are calculated based on market prices.

3. Information on Sales and Income (Loss) and Other Items by Reportable Segment, with Disaggregated Income Information

I. Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments					Elimination and corporate (Note 1)	Amount on Consolidated Statements of Income (Note 2)
	Security Services	Facility Management Services etc.	Long-term Care Services	Overseas Services	Total		
Net sales							
Contract proceeds	333,720	34,402	50,850	15,033	434,006	-	434,006
Construction proceeds	7,374	26,301	22	37	33,734	-	33,734
Proceeds from sales	38,196	14,682	88	691	53,659	-	53,659
Revenue generated from contracts with customers	379,291	75,386	50,961	15,761	521,400	-	521,400
Outside sales	379,291	75,386	50,961	15,761	521,400	-	521,400
Intersegment sales	45	329	11	-	386	(386)	-
Total	379,337	75,715	50,972	15,761	521,786	(386)	521,400
Income 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

Note 1. The ¥ 9,493 million deductions to income by reportable segment under eliminations and corporate represents

Company-wide expenses that cannot be attributed to any specific reportable segment. These expenses are primarily administrative costs not associated with specific reportable segments.

2. Income by reportable segment has been adjusted for the operating income figure on the Consolidated Statements of Income.

3. Assets are not allocated to specific reportable segments.

II. Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments					Elimination and corporate (Note 1)	Amount on Consolidated Statements of Income (Note 2)
	Security Services	Facility Management Services etc.	Long-term Care Services	Overseas Services	Total		
Net sales							
Contract proceeds	344,432	38,865	53,249	25,585	462,132	-	462,132
Construction proceeds	7,790	26,984	23	42	34,841	-	34,841
Proceeds from sales	39,723	13,887	91	1,205	54,907	-	54,907
Revenue generated from contracts with customers	391,946	79,736	53,364	26,833	551,881	-	551,881
Outside sales	391,946	79,736	53,364	26,833	551,881	-	551,881
Intersegment sales	72	434	8	-	515	(515)	-
Total	392,019	80,171	53,373	26,833	552,396	(515)	551,881
Income 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

- Note 1. The ¥10,239 million deductions to income by reportable segment under eliminations and corporate represents Company-wide expenses that cannot be attributed to any specific reportable segment. These expenses are primarily administrative costs not associated with specific reportable segments.
- Income by reportable segment has been adjusted for the operating income figure on the Consolidated Statements of Income.
 - Assets are not allocated to specific reportable segments.

Relative Information

I. Fiscal year ended March 31, 2024

1. Information by product and service

Product and services information is omitted as it is the same as segment information.

2. Information by region

a. Net sales

Information regarding regional sales is omitted as sales to customers in Japan account for over 90% of the total sales recorded on the Consolidated Statements of Income.

b. Property, plant and equipment

Information regarding property, plant and equipment in specific is omitted as the value of property, plant and equipment in Japan accounts for over 90% of the total value recorded on the Consolidated Balance Sheets.

3. Information by major customer

Information regarding major customers is omitted as there are no customers to which over 10% of the total sales recorded on the Consolidated Statements of Income can be attributed.

II. Fiscal year ended March 31, 2025

1. Information by product and service

Product and services information is omitted as it is the same as segment information.

2. Information by region

a. Net sales

Information regarding regional sales is omitted as sales to customers in Japan account for over 90% of the total sales recorded on the Consolidated Statements of Income.

b. Property, plant and equipment

Information regarding property, plant and equipment in specific is omitted as the value of property, plant and equipment in Japan accounts for over 90% of the total value recorded on the Consolidated Balance Sheets.

3. Information by major customer

Information regarding major customers is omitted as there are no customers to which over 10% of the total sales recorded on the Consolidated Statements of Income can be attributed.

Information on Impairment Loss in Noncurrent Assets by Reportable Segment

I. Fiscal year ended March 31, 2024

There were no impairment losses attributed to reportable segments. Impairment losses not allocated to reportable segments amounted to ¥55 million, comprising ¥31 million for land and ¥24 million for buildings and structures.

II. Fiscal year ended March 31, 2025

There were no impairment losses attributed to reportable segments. The Company generated an impairment loss of ¥0 million not attributed to reportable segments, consisting mainly of ¥0 million on land.

Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment

I. Fiscal year ended March 31, 2024

(Amortization of goodwill and unamortized balance)

Information regarding amortization of goodwill is omitted as it is the same as the information disclosed in segment information.

On March 31, 2024, the balance of unamortized goodwill was ¥31,442 million. As assets are not allocated to specific reportable segments, the balance of unamortized goodwill at the end of the fiscal year is not included in reportable segments.

II. Fiscal year ended March 31, 2025

(Amortization of goodwill and unamortized balance)

Information regarding amortization of goodwill is omitted as it is the same as the information disclosed in segment information.

On March 31, 2025, the balance of unamortized goodwill was ¥29,873 million. As assets are not allocated to specific reportable segments, the balance of unamortized goodwill at the end of the fiscal year is not included in reportable segments.

Information on Negative Goodwill by Reportable Segment

I. Fiscal year ended March 31, 2024

In the consolidated fiscal year ended March 31, 2024, a gain on negative goodwill of ¥466 million was recorded due to the inclusion in the scope of consolidation of Hokuriku Sohgo Security Service Co.,Ltd. This gain in negative goodwill is not allocated to specific reportable segments.

II. Fiscal year ended March 31, 2025

In the consolidated fiscal year ended March 31, 2025, a gain on negative goodwill of ¥859 million was recorded due to the inclusion in the scope of consolidation of Japan Guard Co., Ltd., etc. This gain in negative goodwill is not allocated to specific reportable segments.

(Per Share Information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share (Yen)	687.34	697.96
Net income per share (Yen)	52.95	55.41

Note 1. Fully diluted net income per share is not shown because no applicable shares existed.

2. On July 1, 2023, there was a stock split in which each share of common stock was split into 5 shares. Net assets per share and net income per share for the current year are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

3. The following is the basis for calculating net income per share (basic and diluted).

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income per share		
Profit attributable to owners of parent (Millions of yen)	26,630	27,105
Amount not belonging to ordinary shareholders (Millions of yen)	-	-
Net income attributable to common stock owners of the parent (Millions of yen)	26,630	27,105
Weighted-average numbers of ordinary shares (Thousands of shares)	502,894	489,214

4. The basis for calculating net assets per share is as follows.

	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
(Non-controlling interests) (Millions of yen)	(33,654)	(37,566)
Net assets at end of year relating to common stock (Millions of yen)	344,100	338,433
Amount of common stock at end of year used for calculating net assets per share (Thousands of shares)	500,627	484,886

(Important Subsequent Events)

(Amendment to Trade Name)

The Company has resolved at the Board of Directors held on April 8, 2025 to propose an agenda concerning the amendment to the Trade Name at the 60th Ordinary General Shareholders' Meeting, which is scheduled to be held on June 25, 2025. We will be unifying our company name and brand amending our trade 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 System for Employee Shareholding Association)

The Company has resolved to dispose its treasury stock as restricted stock based on the restricted stock grant system for the Employee Shareholding Association with Employee Shareholding Association as the planned allottee as a commemoration of its 60th anniversary of the founding at the Board of Directors meeting on April 8, 2025.

1. Overview of the disposal

(1) Date of disposal	July 16, 2025
(2) Type and number of shares to be disposed	Shares of common stock: 1,298,100 shares (Note)
(3) Disposal value	¥1,066.5 per share
(4) Total disposal value	¥1,384,423,650 (Note)
(5) Method of disposal (Planned allottee)	Through allocation to a third party (Employees Shareholding Association: 1,298,100 shares) Note that partial application for the number of shares granted by employees of the Company and its subsidiaries who are members of the Shareholding Association and agree to this system.

(Note) The "Type and number of shares to be disposed" and "Total amount of disposal" are 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 applicable employees of this system. Number of shares to be disposed and amount of disposal for this disposal of treasury stock are expected to be finalized based on the number of the Company's and its subsidiaries' employees who are members of the Shareholding Association that agree to this system after membership promotion for non-members of the Shareholding Association and agreements related to the system is completed.

2. Purpose and reason for disposal

This Incentive 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 for promoting the health and welfare benefit of Eligible Employees, this Incentive Plan aims to create opportunities for acquiring the restricted stock (the Company's ordinary stocks) to be issued or disposed of by the Company through the Shareholding Association so as to support property accumulation of Eligible Employees, as well as to provide them with incentives for seeking the sustainable enhancement of the Company's corporate value and to promote further value sharing with the Company's shareholders.