



Consolidated Financial Results for Fiscal Year Ended March 31, 2026
Prepared in Conformity with Accounting Principles Generally Accepted in Japan
(Japanese GAAP)

May 12, 2026
TSE Stock Market

Listed Company Name ALSOK CO., LTD.
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Financial and accounting: (Title) Director and Senior Executive Officer (Name) Kazuhide Shigemi TEL +81-3-3470-6811
Ordinary general shareholders' meeting date June 24, 2026 Cash dividend payment start date June 25, 2026
Securities report submission date June 19, 2026
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, 2026 (from April 1, 2025 to March 31, 2026)

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

| Fiscal year ended | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|-------------------|-----------------|-----|------------------|------|-----------------|------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2026 | 597,026 | 8.2 | 46,919 | 16.7 | 49,913 | 15.8 | 33,262 | 22.7 |
| March 31, 2025 | 551,881 | 5.8 | 40,201 | 5.6 | 43,107 | 4.7 | 27,105 | 1.8 |

Note: Comprehensive income Fiscal year ended March 31, 2026 ¥60,430 million 146.1%
Fiscal year ended March 31, 2025 ¥24,550 million (55.4%)

| Fiscal year ended | 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 | % | % | % |
| March 31, 2026 | 68.49 | — | 9.2 | 8.0 | 7.9 |
| March 31, 2025 | 55.41 | — | 7.9 | 7.5 | 7.3 |

Reference: Equity in earnings of affiliates Fiscal year ended March 31, 2026 ¥2,842 million
Fiscal year ended March 31, 2025 ¥2,134 million

(2) Consolidated financial position

| Fiscal year ended | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| March 31, 2026 | 675,024 | 426,941 | 56.8 | 789.42 |
| March 31, 2025 | 572,402 | 376,000 | 59.1 | 697.96 |

Reference: Equity capital Fiscal year ended March 31, 2026 ¥383,634 million
Fiscal year ended March 31, 2025 ¥338,433 million

(3) Consolidated cash flows

| Fiscal year ended | 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 |
| March 31, 2026 | 53,786 | (39,212) | (7,751) | 66,814 |
| March 31, 2025 | 42,647 | (15,550) | (36,309) | 60,018 |

2. Dividend

| | Dividend 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, 2025 | — | 12.40 | — | 13.40 | 25.80 | 12,513 | 46.6 | 3.7 |
| Fiscal year ended March 31, 2026 | — | 14.60 | — | 14.60 | 29.20 | 14,193 | 42.6 | 3.9 |
| Fiscal year ending March 31, 2027 (Forecast) | — | 16.50 | — | 16.50 | 33.00 | | 43.0 | |

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, 2027 (from April 1, 2026 to March 31, 2027)

(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 September 30, 2026 (cumulative) | 308,700 | 6.0 | 24,800 | 10.1 | 26,300 | 10.1 | 16,400 | 12.3 | 33.75 |
| Annual | 637,500 | 6.8 | 55,700 | 18.7 | 58,500 | 17.2 | 37,300 | 12.1 | 76.75 |

* Notes

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

Newly included: 4 (company name) ALSOK Miyazaki CO., LTD.,
Okinawa Building Maintenance Co., Ltd. and its subsidiary and
Heiwa Kanzai Co., LTD.

Excluded: 2 (company name) ALSOK KANTO DELIVERY CO., LTD. and
ALSOK LIFE SUPPORT CO., LTD.

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

- ① Changes in accounting policies arising from revision of accounting standards : No
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, 2026 | 510,200,210shares | Fiscal year ended March 31, 2025 | 510,200,210shares |
| ② Number of shares of treasury stock | Fiscal year ended March 31, 2026 | 24,228,887shares | Fiscal year ended March 31, 2025 | 25,313,325shares |
| ③ Average number of shares throughout the fiscal year | Fiscal year ended March 31, 2026 | 485,662,890shares | Fiscal year ended March 31, 2025 | 489,214,507shares |

[Reference] Non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(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, 2026 | 271,575 | 6.3 | 19,440 | 21.6 | 35,527 | 17.0 | 27,126 | 10.4 |
| March 31, 2025 | 255,573 | (0.4) | 15,992 | (9.9) | 30,359 | (6.2) | 24,570 | (4.8) |

| | Net income per share | Diluted net income per share |
|-------------------|----------------------|------------------------------|
| Fiscal year ended | Yen | Yen |
| March 31, 2026 | 55.84 | — |
| March 31, 2025 | 50.21 | — |

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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 12, 2026 (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, 2026 (April 1, 2025 – March 31, 2026)

While corporate earnings remained resilient despite the impact of U.S. trade policies, a moderate economic recovery continued, supported by a rebound in personal consumption and a gradual recovery in capital investment. Going forward, it is expected that the gradual recovery of the economy will be supported by improvements in the employment and income environment, the abolition of the provisional tax rates for gasoline following inauguration of a new Cabinet, the raising of the so-called income threshold, and other policy measures, while close attention should be paid to the impact of U.S. trade policies and the situation in the Middle East.

In the security sector, the Basic Policies announced after the inauguration of the new Cabinet outline that “measures such as those against organized crime will be implemented to maintain and improve public safety”, and that in the event of national crises such as natural disasters, terrorism or infectious diseases, full efforts will be made to respond. Additionally, since 2022, the number of criminal offenses has exceeded the previous year for four consecutive years, and public perception of safety has declined following a series of robberies and crimes involving foreign nationals illegally staying in Japan and others. Growing cyber threats, concerns about harm to vulnerable groups such as the elderly, women, and children, rising street crime and traffic accidents, and aging infrastructure have all increased public expectations of the security industry. As a result, our Group is expected to deliver comprehensive safety and security services, including advanced security operations. These developments have heightened expectations for our Group to deliver comprehensive security solutions, underscoring the growing importance of our role in ensuring safety and security.

Under these circumstances, the ALSOK Group continues to deliver comprehensive services related to social safety and security, including Security Services, Facility Management, Long-term Care, and Overseas Services, with the goal of contributing to a sustainable society. As outlined in *Grand Design 2025*, which enters its final year this term, we aim to become a resilient, comprehensive safety and security service provider that meets society’s diverse needs. To respond to the growing and increasingly complex safety and security demands of our customers and communities, we are working to develop new services that combine multiple functions such as security, facility management, and long-term care. In addition, as cost pressures persist due to rising prices, we are requesting price revisions from our customers to help offset these increases.

While continuing the above initiatives, the Group's consolidated results for the current fiscal year were as follows: net sales amounted to ¥597,026 million (up 8.2% YoY), operating income was ¥46,919 million (up 16.7% YoY), ordinary income was ¥49,913 million (up 15.8% YoY), and net income attributable to owners of parent was ¥33,262 million (up 22.7% YoY), all of which marked record highs.

Sales by Business Segment

| Business Segment | Fiscal year ended March 31, 2025 | | Fiscal year ended March 31, 2026 | | YoY | |
|-----------------------------------|-------------------------------------|--------------|-------------------------------------|--------------|-----------------------------|------------------------------|
| | Amount (Millions of yen) | Share (%) | Amount (Millions of yen) | Share (%) | Amount (Millions of yen) | Increase/ Decrease (%) |
| Security Services | | | | | | |
| Electronic Security Services | 173,610 | 31.5 | 184,087 | 30.8 | 10,476 | 6.0 |
| HOME ALSOK Services | 24,661 | 4.5 | 24,888 | 4.2 | 227 | 0.9 |
| Stationed Security Services | 123,191 | 22.3 | 138,756 | 23.2 | 15,564 | 12.6 |
| Transportation Security Services | 70,483 | 12.8 | 73,082 | 12.2 | 2,599 | 3.7 |
| Security Services Total | 391,946 | 71.0 | 420,814 | 70.5 | 28,868 | 7.4 |
| Facility Management Services etc. | 79,736 | 14.4 | 92,984 | 15.6 | 13,248 | 16.6 |
| Long-term Care Services | 53,364 | 9.7 | 55,242 | 9.3 | 1,877 | 3.5 |
| Overseas Services | 26,833 | 4.9 | 27,983 | 4.7 | 1,150 | 4.3 |
| Total | 551,881 | 100.0 | 597,026 | 100.0 | 45,144 | 8.2 |

By business segment, the main factors for change are as follows:

net sales in the Security Services segment increased 7.4% year on year to ¥420,814 million, while operating income increased 12.6% year on year to ¥45,416 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 December last year, we launched the new “ALSOK User Rescue” service, following “ALSOK IT Rescue” and “ALSOK Equipment Rescue.” This service draws on ALSOK's existing Electronic Security Services infrastructure, and when an abnormality occurs at facilities used by ALSOK customers for providing services, ALSOK security guard will rush swiftly directly and promptly to the site to assess the situation and provide emergency measures. Furthermore, we continue to expand drone-based services for the inspection and survey of various facilities, including solar panels, and in September last year launched “ALSOK Physical Penetration Test,” a service that comprehensively evaluates the risks of physical intrusion into customers’ business sites and subsequent cyberattacks from within, and proposes improvement measures. Through these efforts, we are also working to expand its cybersecurity services alongside its physical security services. For HOME ALSOK Services, orders increased for “HOME ALSOK Connect,” driven by heightened concerns amid a deterioration in the public perception of safety. In addition to our traditional Online Security Service, which dispatches ALSOK personnel during emergencies, this product offers a self-security plan with lower monthly fees and optional on-site confirmation. We introduced “Smartphone Gate,” a controller for “HOME ALSOK Connect” that enables smooth smartphone-based authentication and prevents device loss. We are also actively promoting “HOME ALSOK MIMAMORI SUPPORT”, a monitoring service for elderly individuals.

In the areas of Stationed Security Services, we have been providing security services for airport facilities in response to the increase in inbound visitors, as well as for production sites returning to Japan. Regarding the “Expo 2025 Osaka, Kansai, Japan,” we undertook venue security and security for various pavilions, including visitor support using avatars, with the full involvement of our group. We also focused on preparations for the “Tokyo 2025 World Athletics Championships.” Going forward, we will promote preparations for the “20th Asian Games Aichi-Nagoya 2026” and the “5th Asian Para Games Aichi-Nagoya 2026” to be held in September this year, and will also focus on labor-saving measures and efficiency improvements in stationed security through DX and other initiatives.

In the Transportation Security Services, although the number of ATMs in Japan is declining due to branch consolidations, demand for more efficient cash management remains strong. We are promoting “ATM General Management Services” and the “Cash Deposit and Dispense Machine Online System.” We worked with Resona Bank, Limited in May last year to offer a series of Tax Payment Receipt Systems in Neyagawa City, Osaka Prefecture, which automate counter services provided at satellite offices of local governments by utilizing our Cash Deposit and Dispenser Machine On-Line System. We will continue to expand outsourcing solutions to improve operational efficiency and reduce costs for regional financial institutions.

Net sales in the Facility Management Services etc. reached ¥92,984 million (up 16.6% YoY), and operating income was ¥11,276 million (up 23.0% YoY). In September of last year, ALSOK FACILITIES CO.,LTD., a wholly owned subsidiary of the company, inherited the facility management and other businesses from Fujitsu Home & Office Services Limited. and its two subsidiaries through an absorption-type company split, and based on this, in March this year, we acquired from Kubota Corporation 60% of the shares of Heiwa Kanzai CO.,LTD., which operates a building maintenance business, thereby strengthening our business foundation. We will continue working to expand our Facility Management Services, etc. 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, as a result of steady occupancy rates at facilities and efforts to improve the productivity of facility operations, including the optimization of staffing levels, net sales were ¥55,242 million (up 3.5% YoY) while operating income rose to ¥2,238 million (up 49.4% YoY). We aim to further improve efficiency through robotics and DX while expanding services under the unified ALSOK’s Care brand.

In the Overseas Services, net sales were ¥27,983 million (up 4.3% YoY) while operating loss was ¥1,110 million (compared to a ¥547 million loss YoY). Leveraging our expertise in Japan, we will continue to provide tailored solutions for each market and aggressively expand to support our customers’ global operations.

In celebration of our 60th anniversary, we changed our company name from SOHGO SECURITY SERVICES CO., LTD. to ALSOK CO., LTD. on July 16, 2025. This change reflects our commitment to evolving as a comprehensive safety and security provider across diverse business domains beyond traditional security services.

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, 2025 | | Fiscal year ended March 31, 2026 | | YoY | |
|--|-------------------------------------|--------------|-------------------------------------|--------------|---|------------------------------|
| | Amount (Millions of yen) | Share (%) | Amount (Millions of yen) | Share (%) | Increase (decrease) (Millions of yen) | Increase/ Decrease (%) |
| Net sales | 551,881 | 100.0 | 597,026 | 100.0 | 45,144 | 8.2 |
| Cost of sales | 420,926 | 76.3 | 453,969 | 76.0 | 33,042 | 7.9 |
| Gross profit | 130,954 | 23.7 | 143,056 | 24.0 | 12,101 | 9.2 |
| Selling, general and administrative expenses | 90,752 | 16.4 | 96,137 | 16.1 | 5,384 | 5.9 |
| Operating income | 40,201 | 7.3 | 46,919 | 7.9 | 6,717 | 16.7 |
| Non-operating income | 6,071 | 1.1 | 6,658 | 1.1 | 587 | 9.7 |
| Non-operating expenses | 3,165 | 0.6 | 3,663 | 0.6 | 498 | 15.7 |
| Ordinary income | 43,107 | 7.8 | 49,913 | 8.4 | 6,806 | 15.8 |
| Extraordinary income | 1,551 | 0.3 | 2,045 | 0.3 | 494 | 31.9 |
| Extraordinary loss | 926 | 0.2 | 1,104 | 0.2 | 177 | 19.2 |
| Income taxes | 14,725 | 2.7 | 15,638 | 2.6 | 912 | 6.2 |
| Profit attributable to non-controlling interests. | 1,901 | 0.3 | 1,954 | 0.3 | 53 | 2.8 |
| Profit attributable to owners of parent | 27,105 | 4.9 | 33,262 | 5.6 | 6,157 | 22.7 |

Net sales for the current consolidated fiscal year increased by ¥45,144 million compared to the previous consolidated fiscal year to ¥597,026 million (up 8.2% YoY).

Cost of sales increased to ¥453,969 million (up 7.9% YoY), due to a ¥15,057 million increase in labor costs due to employee compensation improvements and a ¥14,321 million increase in expenses.

Selling, general and administrative expenses increased to ¥96,137 million (up 5.9% YoY) due to a ¥2,324 million increase in salaries and allowances.

Ordinary income increased ¥6,806 million to ¥49,913 million (up 15.8% YoY) due to the increase in operating income.

The increase in extraordinary income was the result of a ¥497 million rise in gain on negative goodwill.

The increase in extraordinary losses was the result of a ¥562 million increase in impairment losses and a ¥350 million increase in losses on valuation of investment securities, partially offset by a ¥605 million decrease in loss from step acquisitions.

Net income attributable to owners of parent increased ¥6,157 million to ¥33,262 million (up 22.7% YoY) due to the increase in ordinary income.

Other comprehensive income increased ¥35,879 million to ¥60,430 million (up 146.1% YoY). This was attributable to increases of ¥25,623 million in adjustments for retirement benefits, ¥6,210 million in net income, and ¥4,626 million in valuation differences 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, 2025 | | Fiscal year ended March 31, 2026 | | YoY | |
|------------------|-------------------------|-------------------------------------|--------------|-------------------------------------|--------------|---|------------------------------|
| | | Amount (Millions of yen) | Share (%) | Amount (Millions of yen) | Share (%) | Increase (decrease) (Millions of yen) | Increase/ Decrease (%) |
| Assets | Current assets | 256,722 | 44.8 | 297,870 | 44.1 | 41,148 | 16.0 |
| | Non-current assets | 315,679 | 55.2 | 377,154 | 55.9 | 61,474 | 19.5 |
| | Total assets | 572,402 | 100.0 | 675,024 | 100.0 | 102,622 | 17.9 |
| Liabilities | Current liabilities | 108,892 | 19.0 | 139,510 | 20.7 | 30,617 | 28.1 |
| | Non-current liabilities | 87,509 | 15.3 | 108,572 | 16.1 | 21,063 | 24.1 |
| | Total liabilities | 196,401 | 34.3 | 248,082 | 36.8 | 51,680 | 26.3 |
| Total net assets | | 376,000 | 65.7 | 426,941 | 63.2 | 50,941 | 13.5 |

Total assets at the end of the current consolidated fiscal year increased ¥102,622 million compared to the end of the previous consolidated fiscal year to ¥675,024 million (up 17.9% YoY). Of this amount, current assets increased ¥41,148 million to ¥297,870 million (up 16.0% YoY) and non-current assets increased ¥61,474 million to ¥377,154 million (up 19.5% YoY).

The increase in current assets was a ¥14,648 million increase in other current assets due to the occurrence of temporary unsettled receivables, as well as increases of ¥9,090 million in cash and deposits, ¥6,818 million in cash for Transportation Security Services, and ¥4,969 million in advances.

Non-current assets increased, mainly as a result of increases of ¥30,626 million in assets related to retirement benefits, ¥15,410 million in land, and ¥11,130 million in investment securities, reflecting an increase in the fair value of investment assets.

Total liabilities at the end of the current consolidated fiscal year increased by ¥51,680 million from the end of the previous consolidated fiscal year to ¥248,082 million (up 26.3% YoY). Of this total, current liabilities increased ¥30,617 million to ¥139,510 million (up 28.1% YoY) and non-current liabilities increased ¥21,063 million to ¥108,572 million (up 24.1% YoY).

The increase in current liabilities was mainly due to a ¥24,751 million increase in short-term loans payable and a ¥2,609 million increase in the current portion of long-term loans payable.

The increase in non-current liabilities was the result of a ¥12,526 million increase in deferred tax liabilities and a ¥11,078 million increase in long-term loans payable.

Total net assets at the end of the current consolidated fiscal year increased ¥50,941 million from the end of the previous consolidated fiscal year to ¥426,941 million (up 13.5% YoY).

(3) Overview of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 | YoY |
|---|--|--|--------|
| | (From April 1, 2024 - March 31, 2025) | (From April 1, 2025 - March 31, 2026) | (%) |
| Net cash provided by (used in) operating activities | 42,647 | 53,786 | 26.1 |
| Net cash provided by (used in) investing activities | (15,550) | (39,212) | 152.2 |
| Net cash provided by (used in) financing activities | (36,309) | (7,751) | (78.7) |
| Effect of exchange rate change on cash and cash equivalents | 68 | (28) | — |
| Net increase in cash and cash equivalents (decrease) | (9,144) | 6,795 | — |
| Cash and cash equivalents at beginning of period | 69,162 | 60,018 | (13.2) |
| Cash and cash equivalents at end of period | 60,018 | 66,814 | 11.3 |

Cash and cash equivalents at end of period were ¥66,814 million (up 11.3% YoY).

A. Cash flows from operating activities

Net cash provided by operating activities in the current fiscal year amounted to ¥53,786 million (up 26.1% YoY). Principal sources of cash were ¥50,855 million in income before income taxes and ¥21,393 million in internal reserves due to depreciation and amortization. In contrast, the main cash decrease factor was income taxes paid of ¥14,038 million and an increase of ¥4,795 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 ¥39,212 million (up 152.2% YoY). This was the result of the acquisition of ¥35,308 million in property, plant and equipment and ¥3,826 million in intangible assets.

C. Cash flows from financing activities

Net cash used in financing activities during the fiscal year amounted to ¥7,751 million (down 78.7% YoY). The main source of funds was ¥14,535 million in long-term loans. In contrast, the main uses of funds were ¥13,596 million for cash dividends and ¥6,312 million for repayment of lease obligations.

D. Trends in Cash Flow Indicators for the ALSOK Group

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| | Year-end | Year-end | Year-end |
| Equity ratio | 60.2% | 59.1% | 56.8% |
| Equity ratio on a market value basis | 72.9% | 95.0% | 89.9% |
| Interest-bearing liabilities to cash flow ratio | 16.8% | 34.6% | 98.7% |
| Interest coverage ratio | 30.7 times | 22.3 times | 27.7 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

Improvements in the employment and income environment, such as wage increases, as well as the effects of various measures are anticipated to underpin a gradual economic recovery in Japan over the next term, but keeping a close eye on the trends in U.S. trade policy and the situation in the Middle East will be essential.

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 comprehensive safety and security services. In addition, the number of criminal offenses have been on an increasing trend since 2022, and the public perception of safety in Japan has been deteriorating due to a series of robberies and crimes by foreign nationals illegally staying in Japan. 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 a provider of services 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 people's lives and the national economy.

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, 2027 are net sales of ¥637,500 million (up 6.8% YoY), operating income of ¥55,700 million (up 18.7% YoY), ordinary income of ¥58,500 million (up 17.2% YoY), and net income attributable to owners of parent of ¥37,300 million (up 12.1% 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 targets both indicators at 10% or higher.

(3) Medium- and Long-term Corporate Strategy

Our Group will strive to provide safety and security by resolving social issues, by advancing business operations not only in the security field but across a wide range of fields, to address diverse risks in society. Meanwhile, we will also work on business expansion through the development of markets, expansion of service fields, promotion of BPR (Business Process Re-engineering) utilizing DX and AI, promotion of human capital strengthening measures, and strengthen the efforts of 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 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 respond more effectively to the expanding safety and security needs of our customers and society.

A. Business expansion through the development of growth markets

In addition to the significant potential for introducing home security and other domestic personal security services, medium- to long-term growth is expected in the safety and security fields both to meet the needs of the domestic personal and overseas markets, driven by the worsening perceived public safety and the advancing aging population in Japan, as well as economic expansion in Asian countries. We are aiming to achieve business expansion by capturing growth markets through strengthening personal security and monitoring services, strengthening long-term care and lifestyle support service businesses, and establishing business foundations overseas, while building an efficient and sustainable business operation system through DX and HR measures.

B. Expansion of service fields to address diverse risks

As the risks facing society, such as natural disasters and aging infrastructure, become more diversified, we are aware that it is highly important to respond to the safety- and security-related needs of society appropriately and with optimal 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. We will also respond by continuing to expand and improve services such as BCP solutions that provide response to natural disaster risks; 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 emergency response service functions; and improved response capabilities through external alliances. In addition, for Electronic Security and Facility Management Services, we aim to improve quality and productivity through operational efficiency, advancement, and visualization and standardization of operations using AI. In Stationed Security Services, we will shift to a labor-saving operational model and focus on high value-added operations, while in Transportation Security Services, we will review the operating structure and service content in light of changes in cash circulation, thereby striving for sustainable business growth.

C. Promotion of BPR utilizing DX and AI

Amid massive changes in the business environment surrounding the ALSOK Group, including advances in digital technologies, the Group is focusing efforts on creating new services through enhanced communications with customers and data utilization, as well as creating added value and increasing productivity by promoting BPR in front- and back-office operations. We are also advancing the improvement of business processes through DX and AI, as well as building a flexible business foundation by utilizing data.

D. Promotion of human capital strengthening measures

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. And by enhancing specialized talents such as DX personnel, planning personnel, and accounting and legal experts, we will promote investments in human resources tailored to each stage of our group, businesses, and individual companies, with the aim of building a sustainable growth foundation centered on expertise.

E. Strengthening Sustainability Initiatives

The ALSOK Group strives to achieve sustainable growth and the medium- to long-term enhancement of corporate value while strengthening corporate governance. We 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, 2024. As part of our efforts to reduce CO₂ emissions, we will strengthen our sustainability initiatives through the introduction of environmentally friendly vehicles and the sale, installation, and maintenance of EV charging facilities. Moreover, for environmental considerations, we are promoting the reuse of equipment and are working to reduce manufacturing-related waste and resource usage, while increasing the number of offices using repair centers based in Kanagawa and Osaka prefectures.

F. Responses to Major 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.

(5) Other Important Items in Management of the Company

- A. 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.
- B. On April 1, 2025, the Company absorbed ALSOK KANTO DELIVERY CO., LTD., which operates Transportation Security Services.
- C. Effective July 1, 2025, we succeeded the emergency notification business of our wholly owned subsidiary, ALSOK Care & Support Co., Ltd., through a company split (simplified absorption-type split).
- C. Effective July 1, 2025, we succeeded the emergency notification business of our wholly owned subsidiary, ALSOK Care & Support Co., Ltd., through a company split (simplified absorption-type split).
- D. Effective July 16, 2025, we also acquired shares of Miyazaki SOHGO SECURITY SERVICES CO., LTD., which mainly operates Security Services, and made it a consolidated subsidiary. At the same time, that company changed its name to ALSOK Miyazaki Co.,Ltd.
- E. Effective September 1, 2025, ALSOK FACILITIES CO.,LTD., our wholly owned subsidiary, succeeded the security, cleaning, and facility management businesses of Fujitsu Home & Office Services Limited, a wholly owned subsidiary of Fujitsu Limited, through an absorption-type company split. ALSOK FACILITIES CO.,LTD. also acquired the facility management business of two subsidiaries of Fujitsu Home & Office Services Limited.
- F. Effective November 26, 2025, OKINAWA SOHGO SECURITY SERVICES CO., LTD., our consolidated subsidiary, acquired all issued shares of Okinawa Building Maintenance Co., Ltd., which operates building maintenance services, and made that company and one of its subsidiaries our consolidated subsidiaries.
- G. Effective March 2, 2026, we acquired all issued shares of Heiwa Kanzai CO.,LTD. held by Kubota Corporation, and made it our consolidated subsidiary.
- H. Effective April 1, 2026, ALSOK SAN-IN CO.,LTD., a consolidated subsidiary of the Company, absorbed ALSOK AsahiHarima Co.,LTD., which engages in security services.
- I. Effective April 1, 2026, THE CHUKYOSOHGO SECURITY SERVICES CO.,LTD., a consolidated subsidiary of the Company, absorbed ALSOK AICHI CO.,LTD., which engages in security services, and also changed its company name to ALSOK AICHI CO.,LTD.
- J. Effective April 1, 2026, PT.Shield-On Service Tbk, a consolidated subsidiary of the Company, absorbed PT.ALSOK BASS Indonesia Security Services.
- K. Effective April 7, 2026, ALSOK CARE CO., LTD., a wholly owned subsidiary of the Company, concluded an agreement to acquire all shares of DAIWA LIFE SUPPORT CO.,LTD., a wholly owned subsidiary of DAIWA HOUSE INDUSTRY CO., LTD., and Daiwa Living Care Co., Ltd., a wholly owned subsidiary of DAIWA LIVING CO., LTD.

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, 2025 | As of March 31, 2026 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 68,669 | 77,759 |
| Cash for transportation security services | 81,557 | 88,376 |
| Notes and accounts receivable - trade, and contract assets | 69,716 | 73,169 |
| Lease receivables and investment assets | 4,302 | 4,111 |
| Short-term investment securities | 449 | 1,248 |
| Raw materials and supplies | 14,111 | 15,572 |
| Costs on uncompleted construction contracts | 32 | 101 |
| Advances paid | 5,640 | 10,610 |
| Other | 12,420 | 27,068 |
| Allowance for doubtful accounts | (178) | (147) |
| Total current assets | 256,722 | 297,870 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 69,628 | 71,156 |
| Accumulated depreciation | (39,740) | (41,219) |
| Buildings and structures, net | 29,887 | 29,937 |
| Machinery, equipment and vehicles | 161,719 | 167,991 |
| Accumulated depreciation | (135,892) | (138,995) |
| Machinery, equipment and vehicles, net | 25,826 | 28,995 |
| Land | 27,068 | 42,478 |
| Lease assets | 56,876 | 61,478 |
| Accumulated depreciation | (26,885) | (30,342) |
| Lease assets, net | 29,991 | 31,136 |
| Construction in progress | 1,823 | 3,596 |
| Other | 27,759 | 31,165 |
| Accumulated depreciation | (19,938) | (21,316) |
| Other, net | 7,821 | 9,848 |
| Total property, plant and equipment | 122,418 | 145,992 |
| Intangible assets | | |
| Software | 5,211 | 5,749 |
| Goodwill | 29,873 | 27,456 |
| Other | 3,621 | 3,509 |
| Total intangible assets | 38,705 | 36,715 |
| Investments and other assets | | |
| Investment securities | 62,312 | 73,443 |
| Long-term loans receivable | 509 | 716 |
| Leasehold and guarantee deposits | 9,831 | 9,410 |
| Insurance funds | 1,979 | 2,142 |
| Net defined benefit asset | 59,698 | 90,325 |
| Deferred tax assets | 5,312 | 3,763 |
| Other | 15,837 | 15,535 |
| Allowance for doubtful accounts | (928) | (890) |
| Total investments and other assets | 154,555 | 194,446 |
| Total non-current assets | 315,679 | 377,154 |
| Total assets | 572,402 | 675,024 |

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 30,121 | 28,991 |
| Short-term loans payable | 12,476 | 37,227 |
| Current portion of long-term loans payable | 741 | 3,351 |
| Current portion of bonds | 200 | — |
| Accounts payable - other | 23,565 | 25,128 |
| Lease liabilities | 5,164 | 5,502 |
| Income taxes payable | 8,111 | 8,785 |
| Accrued consumption taxes | 4,539 | 5,716 |
| Provision for bonuses | 2,558 | 3,124 |
| Provision for directors' bonuses | 128 | 134 |
| Provision for loss on construction contracts | — | 113 |
| Other | 21,284 | 21,435 |
| Total current liabilities | 108,892 | 139,510 |
| Non-current liabilities | | |
| Bonds payable | — | 100 |
| Long-term loans payable | 1,327 | 12,406 |
| Lease liabilities | 34,836 | 35,532 |
| Deferred tax liabilities | 6,560 | 19,087 |
| Deferred tax liabilities for land revaluation | 271 | 299 |
| Retirement benefit liability | 39,534 | 35,805 |
| Provision for directors' retirement benefits | 1,975 | 2,169 |
| Asset retirement obligations | 844 | 854 |
| Other | 2,158 | 2,316 |
| Total non-current liabilities | 87,509 | 108,572 |
| Total liabilities | 196,401 | 248,082 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 18,675 | 18,675 |
| Capital surplus | 34,214 | 34,396 |
| Retained earnings | 278,283 | 297,949 |
| Treasury stock | (21,074) | (20,154) |
| Total shareholders' equity | 310,098 | 330,866 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 11,269 | 15,995 |
| Revaluation reserve for land | (3,435) | (3,435) |
| Foreign currency translation adjustment | 1,343 | 695 |
| Remeasurements of defined benefit plans, net of tax | 19,157 | 39,512 |
| Total accumulated other comprehensive income | 28,335 | 52,768 |
| Non-controlling interests | 37,566 | 43,307 |
| Total net assets | 376,000 | 426,941 |
| Total liabilities and net assets | 572,402 | 675,024 |

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

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 551,881 | 597,026 |
| Cost of sales | 420,926 | 453,969 |
| Gross profit | 130,954 | 143,056 |
| Selling, general and administrative expenses | 90,752 | 96,137 |
| Operating income | 40,201 | 46,919 |
| Non-operating income | | |
| Interest income | 216 | 256 |
| Dividend income | 859 | 954 |
| Gain on sale of investment securities | 20 | 0 |
| Rental income | 296 | 284 |
| Gain from insurance claim | 78 | 75 |
| Share of profit of entities accounted for using equity method | 2,134 | 2,842 |
| Dividend income of insurance | 330 | 295 |
| Penalty income | 599 | 458 |
| Other | 1,535 | 1,489 |
| Total non-operating income | 6,071 | 6,658 |
| Non-operating expenses | | |
| Interest expenses | 1,911 | 1,941 |
| Loss on sale of investment securities | 3 | 0 |
| Loss on sale of non-current assets | 1 | 50 |
| Loss on retirement of non-current assets | 305 | 431 |
| Financing expenses | 351 | 458 |
| Other | 592 | 781 |
| Total non-operating expenses | 3,165 | 3,663 |
| Ordinary income | 43,107 | 49,913 |
| Extraordinary income | | |
| Gain on sale of investment securities | 340 | 49 |
| Gain on sale of non-current assets | 61 | — |
| Gain on sale of shares of subsidiaries and associates | — | 46 |
| Gain on step acquisitions | — | 172 |
| Gain on bargain purchase | 859 | 1,356 |
| Gain on liquidation of subsidiaries and associates | — | 420 |
| Reversal of provision for loss on business | 289 | — |
| Total extraordinary income | 1,551 | 2,045 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 15 | 365 |
| Loss on sales of investment securities | 305 | — |
| Loss on sale of shares of subsidiaries and associates | — | 11 |
| Loss on termination of retirement benefit plan | — | 116 |
| Impairment losses | 0 | 562 |
| Loss on step acquisitions | 605 | — |
| Loss on litigation | — | 48 |
| Total extraordinary loss | 926 | 1,104 |
| Income before income taxes | 43,732 | 50,855 |
| Income taxes - current | 12,992 | 14,579 |
| Income taxes - deferred | 1,733 | 1,058 |
| Total income taxes | 14,725 | 15,638 |
| Net income | 29,006 | 35,216 |
| Profit attributable to non-controlling interests | 1,901 | 1,954 |
| Profit attributable to owners of parent | 27,105 | 33,262 |

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|--|-------------------------------------|-------------------------------------|
| Net income | 29,006 | 35,216 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 230 | 4,857 |
| Foreign currency translation adjustment | 275 | (203) |
| Remeasurements of defined benefit plans, net of tax | (5,056) | 20,566 |
| Share of other comprehensive income (loss) of associates accounted for using equity method | 94 | (6) |
| Total other comprehensive income (loss) | (4,455) | 25,213 |
| Comprehensive income | 24,550 | 60,430 |
| (Contents) | | |
| Comprehensive income attributable to owners of parent | 22,655 | 57,695 |
| Comprehensive income attributable to non-controlling interests | 1,895 | 2,735 |

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 18,675 | 34,011 | 264,650 | (6,074) | 311,263 |
| Changes during period | | | | | |
| Dividends of surplus | | | (13,525) | | (13,525) |
| Profit attributable to owners of parent | | | 27,105 | | 27,105 |
| Purchase of treasury shares | | | | (15,000) | (15,000) |
| Disposal of treasury shares | | | | | — |
| Reversal of revaluation reserve for land | | | 52 | | 52 |
| Purchase of shares of consolidated subsidiaries | | 202 | | | 202 |
| Capital increase of consolidated subsidiaries | | | | | — |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | 202 | 13,632 | (15,000) | (1,165) |
| Balance at end of 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 | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 11,115 | (3,379) | 1,067 | 24,033 | 32,836 | 33,654 | 377,754 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | | | | | (13,525) |
| Profit attributable to owners of parent | | | | | | | 27,105 |
| Purchase of treasury shares | | | | | | | (15,000) |
| Disposal of treasury shares | | | | | | | — |
| Reversal of revaluation reserve for land | | | | | | | 52 |
| Purchase of shares of consolidated subsidiaries | | | | | | | 202 |
| Capital increase of consolidated subsidiaries | | | | | | | — |
| Net changes in items other than shareholders' equity | 154 | (55) | 276 | (4,876) | (4,501) | 3,912 | (588) |
| Total changes during period | 154 | (55) | 276 | (4,876) | (4,501) | 3,912 | (1,754) |
| Balance at end of period | 11,269 | (3,435) | 1,343 | 19,157 | 28,335 | 37,566 | 376,000 |

Fiscal year ended March 31, 2026

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 18,675 | 34,214 | 278,283 | (21,074) | 310,098 |
| Changes during period | | | | | |
| Dividends of surplus | | | (13,596) | | (13,596) |
| Profit attributable to owners of parent | | | 33,262 | | 33,262 |
| Purchase of treasury shares | | | | | — |
| Disposal of treasury shares | | 255 | | 919 | 1,175 |
| Reversal of revaluation reserve for land | | | | | — |
| Purchase of shares of consolidated subsidiaries | | | | | — |
| Capital increase of consolidated subsidiaries | | (72) | | | (72) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | 182 | 19,666 | 919 | 20,768 |
| Balance at end of period | 18,675 | 34,396 | 297,949 | (20,154) | 330,866 |

| | 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 | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 11,269 | (3,435) | 1,343 | 19,157 | 28,335 | 37,566 | 376,000 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | | | | | (13,596) |
| Profit attributable to owners of parent | | | | | | | 33,262 |
| Purchase of treasury shares | | | | | | | — |
| Disposal of treasury shares | | | | | | | 1,175 |
| Reversal of revaluation reserve for land | | | | | | | — |
| Purchase of shares of consolidated subsidiaries | | | | | | | — |
| Capital increase of consolidated subsidiaries | | | | | | | (72) |
| Net changes in items other than shareholders' equity | 4,726 | — | (648) | 20,354 | 24,432 | 5,740 | 30,173 |
| Total changes during period | 4,726 | — | (648) | 20,354 | 24,432 | 5,740 | 50,941 |
| Balance at end of period | 15,995 | (3,435) | 695 | 39,512 | 52,768 | 43,307 | 426,941 |

(4) Consolidated Statements of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Income before income taxes | 43,732 | 50,855 |
| Depreciation and amortization | 20,103 | 21,393 |
| Impairment losses | 0 | 562 |
| Amortization of goodwill | 3,194 | 3,421 |
| Gain on bargain purchase | (859) | (1,356) |
| Net loss (gain) on step acquisitions | 605 | (172) |
| Loss (gain) on liquidation of subsidiaries and associates | — | (420) |
| Increase (decrease) in allowance for doubtful accounts | 463 | (84) |
| Increase (decrease) in net defined benefit liability | (90) | 567 |
| Increase (decrease) in provision for loss on business | (10) | — |
| Increase (decrease) in provision for bonuses | 206 | 409 |
| Increase (decrease) in provision for directors' bonuses | 5 | (7) |
| Interest and dividends income | (1,075) | (1,211) |
| Interest expenses | 1,911 | 1,941 |
| Share of loss (profit) of entities accounted for using equity method | (2,134) | (2,842) |
| Loss (gain) on sales of noncurrent assets | (88) | 31 |
| Loss on retirement of non-current assets | 305 | 431 |
| Loss (gain) on sales of investment securities | (51) | (49) |
| Loss (gain) on valuation of investment securities | 15 | 365 |
| Loss (gain) on sale of shares of subsidiaries and associates | — | (35) |
| Decrease (increase) in notes and accounts receivable - trade | 374 | (2,268) |
| Decrease (increase) in inventories | (1,491) | (1,552) |
| Increase (decrease) in notes and accounts payable - trade | (92) | (1,854) |
| Decrease (increase) in net defined benefit asset | (6,897) | (4,795) |
| Decrease (increase) in assets and liabilities for Transportation Security Services | (1,820) | (311) |
| Other | (2,862) | 4,674 |
| Subtotal | 53,445 | 67,692 |
| Interest and dividends received | 1,710 | 1,877 |
| Interest expenses paid | (1,906) | (1,918) |
| Income taxes paid | (10,671) | (14,038) |
| Income taxes refund | 70 | 172 |
| Net cash provided by (used in) operating activities | 42,647 | 53,786 |

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | 396 | (2,307) |
| Payments into long-term time deposits | (119) | — |
| Proceeds from withdrawal of long-term time deposits | 8 | 17 |
| Purchase of property, plant and equipment | (14,854) | (35,308) |
| Proceeds from sales of property, plant and equipment | 488 | 144 |
| Purchase of intangible assets | (2,922) | (3,826) |
| Purchase of investment securities | (1,103) | (1,667) |
| Proceeds from sales of investment securities | 554 | 539 |
| Payments for acquisition of businesses | (3) | (1,587) |
| Proceeds from sale of businesses | — | 19 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (1,547) | (668) |
| Purchase of shares of subsidiaries and associates | 4,596 | 2,031 |
| Proceeds from sale of shares of subsidiaries and associates | — | 130 |
| Proceeds from liquidation of subsidiaries and associates | — | 926 |
| Decrease (increase) in short-term loans receivable | (2) | 56 |
| Payments of long-term loans receivable | (57) | (137) |
| Collection of long-term loans receivable | 61 | 71 |
| Proceeds from refund of leasehold and guarantee deposits | 58 | 23 |
| Other | (1,103) | 2,330 |
| Net cash provided by (used in) investing activities | (15,550) | (39,212) |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 653 | (468) |
| Proceeds from long-term loans payable | 325 | 14,535 |
| Repayment of long-term loans payable | (805) | (847) |
| Proceeds from issuance of bonds | — | 100 |
| Redemption of bonds | — | (200) |
| Purchase of treasury stock | (15,000) | — |
| Repayments of lease obligations | (5,785) | (6,312) |
| Cash dividends paid | (13,525) | (13,596) |
| Cash dividends paid to attributable to non-controlling interests | (705) | (650) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (1,465) | (312) |
| Net cash provided by (used in) financing activities | (36,309) | (7,751) |
| Effect of exchange rate change on cash and cash equivalents | 68 | (28) |
| Net increase (decrease) in cash and cash equivalents | (9,144) | 6,795 |
| Cash and cash equivalents at beginning of period | 69,162 | 60,018 |
| Cash and cash equivalents at end of period | 60,018 | 66,814 |

(5) Notes on the Consolidated Financial Statements

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

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

The Company, per a resolution at the Board of Directors held on April 8, 2025, disposed of treasury stock as restricted stock based on a Restricted Stock Incentive Plan for employees of the Company and its subsidiaries on July 16, 2025. As a result of this disposal, treasury stock decreased by 1,101,900 shares, amounting to ¥919 million. In addition to an increase of 16,747 shares due to the acquisition of shares without consideration pertaining to restricted stock during the consolidated fiscal year, the number of treasury stock at the end of the consolidated fiscal year was 24,228,887 shares, and the amount was ¥20,154 million, due to changes in the number of shares equivalent to the equity interests of affiliated companies.

(Additional Information)

(Details of Financial Covenants)

Details of the financial covenants attached to the loan agreement concluded on March 26, 2026 are as follows:

1. From the fiscal year ended March 31, 2026 onward, the amount of consolidated net assets in the consolidated balance sheets of the Group at the fiscal year-end must be maintained at 75% or more of the amount of consolidated net assets in the consolidated balance sheets as of the fiscal year ended March 31, 2025.
2. From the fiscal year ended March 31, 2026 onward, the amount of net assets in the balance sheets of the Company at the fiscal year-end must be maintained at 75% or more of the amount of net assets in the balance sheets as of the fiscal year ended March 31, 2025.
3. For the two consecutive consolidated fiscal years starting with the fiscal year ended March 31, 2026, ordinary profit or loss on the consolidated statements of income for each consolidated fiscal year of the Group must not result in losses for two consecutive consolidated fiscal years (the first determination will be made for the fiscal year ending March 31, 2027 and the consolidated fiscal year immediately preceding it).
4. For the two consecutive fiscal years starting with the fiscal year ended March 31, 2026, ordinary profit or loss on the statements of income for each fiscal year of the Company must not result in losses for two consecutive fiscal years (the first determination will be made for the fiscal year ending March 31, 2027 and the fiscal year immediately preceding it).

(Notes to Segment Information and Other Related Information)

Segment Information

1. Outline of Reportable Segments

Basis for Determining 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. 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, 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.

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

Note 3. Assets are not allocated to specific reportable segments.

II. Fiscal year ended March 31, 2026

(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 | 372,816 | 48,357 | 55,139 | 26,764 | 503,077 | — | 503,077 |
| Construction proceeds | 7,415 | 32,273 | 16 | 47 | 39,753 | — | 39,753 |
| Proceeds from sales | 40,582 | 12,354 | 85 | 1,172 | 54,194 | — | 54,194 |
| Revenue generated from contracts with customers | 420,814 | 92,984 | 55,242 | 27,983 | 597,026 | — | 597,026 |
| Outside sales | 420,814 | 92,984 | 55,242 | 27,983 | 597,026 | — | 597,026 |
| Intersegment sales | 299 | 455 | 7 | — | 762 | (762) | — |
| Total | 421,114 | 93,440 | 55,249 | 27,983 | 597,788 | (762) | 597,026 |
| Income by reportable segment | 45,416 | 11,276 | 2,238 | (1,110) | 57,821 | (10,901) | 46,919 |
| Depreciation and amortization | 17,264 | 1,605 | 2,238 | 264 | 21,372 | 21 | 21,393 |
| Amortization of goodwill | 754 | 356 | 2,038 | 272 | 3,421 | — | 3,421 |

Note 1. The ¥10,901 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.

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

Note 3. Assets are not allocated to specific reportable segments.

I. Fiscal year ended March 31, 2025

1. Information by product and service

Information on products and services is omitted as the same information is disclosed in the 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 on property, plant and equipment is omitted as property, plant and equipment located in Japan account for more than 90% of the total amount reported in the Consolidated Balance Sheets.

3. Information by major customer

Information on major customers is omitted as there are no customers that account for 10% or more of net sales reported in the Consolidated Statements of Income.

II. Fiscal year ended March 31, 2026

1. Information by product and service

Information on products and services is omitted as the same information is disclosed in the 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 on property, plant and equipment is omitted as property, plant and equipment located in Japan account for more than 90% of the total amount reported in the Consolidated Balance Sheets.

3. Information by major customer

Information regarding major customers is omitted as there are no customers that account for 10% or more of net sales reported in the Consolidated Statements of Income.

Information on Impairment Losses on Non-current Assets by Reportable Segment

I. Fiscal year ended March 31, 2025

There were no impairment losses attributed to reportable segments. Impairment losses not allocated to reportable segments amounted to ¥0 million, comprising ¥0 million for land.

II. Fiscal year ended March 31, 2026

There were no impairment losses attributed to reportable segments. The Company generated an impairment loss of ¥562 million not attributed to reportable segments, consisting mainly of ¥494 million on goodwill, ¥31 million on machinery, equipment and vehicles, ¥12 million on investments and other assets such as long-term prepaid expenses, ¥9 million on leasehold and guarantee deposits, ¥7 million on buildings and structures, ¥4 million on software, ¥2 million on other property, plant and equipment such as furniture and fixtures, and ¥0 million on land.

Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment

I. 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.

II. Fiscal year ended March 31, 2026

(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, 2026, the balance of unamortized goodwill was ¥27,456 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, 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. and others. This gain in negative goodwill is not allocated to specific reportable segments.

II. Fiscal year ended March 31, 2026

In the consolidated fiscal year ended March 31, 2026, a gain on negative goodwill of ¥1,356 million was recorded due to the inclusion in the scope of consolidation of Heiwa Kanzai Co., LTD. and others. This gain in negative goodwill is not allocated to specific reportable segments.

(Per Share Information)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|----------------------------|-------------------------------------|-------------------------------------|
| Net assets per share (Yen) | 697.96 | 789.42 |
| Net income per share (Yen) | 55.41 | 68.49 |

Note 1. Diluted net income per share is not presented as no dilutive shares existed.

2. The basis for calculating net income per share (basic and diluted) is as follows.

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|--|-------------------------------------|-------------------------------------|
| Net income per share | | |
| Profit attributable to owners of parent (Millions of yen) | 27,105 | 33,262 |
| Amount not belonging to ordinary shareholders (Millions of yen) | — | — |
| Net income attributable to common stock owners of the parent (Millions of yen) | 27,105 | 33,262 |
| Weighted-average numbers of ordinary shares (Thousands of shares) | 489,214 | 485,662 |

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

| | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------|----------------------|
| Total net assets (Millions of yen) | 376,000 | 426,941 |
| Amount deducted from total net assets (Millions of yen) | 37,566 | 43,307 |
| [Non-controlling interests] (Millions of yen) | [37,566] | [43,307] |
| Net assets at end of year relating to common stock (Millions of yen) | 338,433 | 383,634 |
| Amount of common stock at end of year used for calculating net assets per share (Thousands of shares) | 484,886 | 485,971 |