

April 8, 2025

To whom it may concern

(This is an English translation of the Japanese original)

Corporate Name: SOHGO SECURITY SERVICES CO., LTD.

Representative: Ikuji Kayaki, Representative Director, Group COO

(Securities Code: 2331, TSE Prime Market)

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Notice Regarding Business Succession through Company Split (Simplified Absorption-type Company Split)

SOHGO SECURITY SERVICES CO., LTD. hereby announces that, at a meeting held on April 8, 2025, the Board of Directors, resolved the succession of the emergency reporting business (hereinafter, the "Business") of ALSOK Care & Support Co., Ltd. (hereinafter, "ACS"), a wholly owned subsidiary of the Company, effective July 1, 2025 by means of a company split (simplified absorption-type company split) as outlined below.

Since this company split is a simplified absorption-type company split for the succession of a business unit of a consolidated subsidiary, disclosure of some items and details have been omitted.

1. Objective of the Company Split

The objective of this company split is to unify the organizational structure of the emergency reporting business that the ALSOK Group conducts nationwide under the Company, to enable the ALSOK Group to operate the business even more closely with the local community than before.

2. Overview of the Company Split

(1) Schedule of the company split

Date of Board of Directors resolution	April 8, 2025
Contract date of agreement	May 20, 2025 (scheduled)
Date of split (Effective date)	July 1, 2025 (scheduled)

(Note) Since this company split satisfies the requirements for a simplified absorption-type company split under Article 796, Section 2 of the Companies Act, this will be conducted without obtaining approval at a General Shareholders' Meeting.

(2) Method of split

This is an absorption-type company split (simplified absorption-type split) where ACS will be the absorption-type split company and the Company is the successor company.

(3) Allocation related to this company split

Since this is a company split with a wholly owned subsidiary of the Company, it will be conducted with no consideration.

(4) Change in capital, etc. with this company split

There will be no change in the Company's capital as a result of this company split.

(5) Treatment of stock acquisition rights and bonds with stock acquisition rights related to the absorption-type company split

Not applicable

- (6) Rights and obligations to be succeeded by the successor company in the absorption-type company split

The Company will be the successor to the assets, liabilities, contracts, and other rights and obligations of ACS related to the Business to the scope stipulated under the absorption-type contract.

- (7) Prospects for debt fulfillment

The Company has determined that there are no problems with the prospects for debt fulfillment to be assumed in this company split.

3. Overview of the Companies Involved in the Company Split

(1) Main overview of the companies involved in the split

No.	Items	Absorption-type Company Split	Absorption-type Successor Company Split (The Company)
(1)	Trade name	ALSOK Care & Support Co., Ltd.	SOHGO SECURITY SERVICES CO., LTD.
(2)	Main business	Emergency reporting business, etc.	Security Services, etc.
(3)	Established	June 3, 1987	July 16, 1965
(4)	Head office location	1-3-5 Sanno, Ota-ku, Tokyo 143-0023, Japan	1-6-6 Motoakasaka, Minato-ku, Tokyo 107-8511, Japan
(5)	Representative	Representative Director Teruo Endo	Representative Director Ikuji Kayaki
(6)	Capital stock	¥100 million	¥18,675 million
(7)	Number of shares issued	6,867 shares	510,200,210 shares
(8)	Net assets	¥685 million	¥273,107 million
(9)	Total assets	¥939 million	¥365,356 million
(10)	Fiscal year	March	March
(11)	Employees	369	11,818
(12)	Major shareholders and shareholding ratio	SOHGO SECURITY SERVICES CO., LTD. 100%	Japan Master Trust Bank, Ltd. 11.10% (Trust account)
			SOHGO CORPORATION 7.37%
			Custody Bank of Japan, Ltd. 7.20% (Trust account)
			Saitama Machinery Co., Ltd. 5.27%
			Kizuna Corporation 5.22%
			Employees Shareholding Association 3.46%
			Custody Bank of Japan, Ltd. 2.95% (as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)
			Atsushi Murai 2.88%
			SMBC Trust Bank Ltd. (as trustee for retirement benefit of Sumitomo Mitsui Banking Corporation) 2.73%
			National Mutual Insurance Federation of Agricultural Cooperatives 2.52%

(Note) The outlines of the parties involved in the split are as of March 31, 2024.

- (2) Business results of the parties involved in the split are of the most recent fiscal year (finalized final fiscal year) (fiscal year ended March 31, 2024)

	Absorption-type company split	Successor company Split (The company)	Consolidated
Net sales	¥2,283 million	¥256,633 million	¥521,400 million
Operating income	¥221 million	¥18,714 million	¥39,082 million
Ordinary income	¥221 million	¥33,335 million	¥42,173 million
Net income	¥142 million	¥26,479 million	¥27,327 million
Net assets per share	¥99,770.95	¥545.40	¥704.97
Net income per share	¥20,708.42	¥52.64	¥54.34

(3) Main lines of business of split business units

Emergency reporting business

(4) Operating results of split business units (fiscal year ended March 31, 2024)

Net sales of split business unit: ¥1,270 million, Operating income of split business unit: ¥21 million

(5) Items and amounts of split assets and liabilities

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	192 Millions of yen	Current liabilities	72 Millions of yen
Noncurrent assets	78 Millions of yen	Noncurrent liabilities	0 Millions of yen
Total	270 Millions of yen	Total	72 Millions of yen

(Note) The above amounts are calculated based on the financial statements as of March 31, 2024, so the actual amount to be succeeded will be any changes to the above amount up to the day before the effective date.

4. State After the Company Split

The trade name, business activities, head office address, representative, capital stock, or fiscal year end of the Company after this company split is as described in 3 (1), and there will be no change due to the company split.

5. Future Outlook

The impact of this company split on non-consolidated and consolidated financial results for this fiscal year is anticipated to be minor.

Reference: Forecast of consolidated financial results for the fiscal year ending March 31, 2025

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent
Fiscal year ending March 31, 2025 (Forecast)	¥550,000 million	¥40,300 million	¥43,100 million	¥27,600 million
Fiscal year ended March 31, 2024	¥521,400 million	¥39,082 million	¥42,173 million	¥27,327 million

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