

ALSOK REPORT

2022

[Fiscal Year Ended March 31, 2022]

ALSOK Management Philosophy

ALSOK was founded in 1965, one year after its founder Jun Murai, who was in charge of managing the 1964 Tokyo Olympics, strongly felt the need for a security company in Japan. The company was born out of the desire to ensure the safety of Japan by Japanese people.

Based on our founding principles of **“arigato no kokoro”** (a feeling of gratefulness and gratitude) and **“bushi no seishin”** (a samurai spirit), ALSOK devotes itself to protecting the safety and security of its customers and of society as a whole. This spirit has been passed down through the generations to all of our employees, and **the entire ALSOK Group continues to pursue these ideals to this day.**

ALSOK Charter

Management Philosophy

Based on two core principles exemplified by **“arigato no kokoro”***1 (a feeling of gratefulness and gratitude) and **“bushi no seishin”***2 (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole.

Management Guidelines

1. Fundamental Spirit

Under any condition that we face, we work hard to live by a fundamental spirit that reflects our management philosophy— as exemplified by a feeling of gratefulness and gratitude and a samurai spirit based on toughness, fairness, and generosity—to be a highly principled company.

2. Priority

Our top priority is to provide products and services of the first rank, while cultivating the highest levels of motivation in our employees and living up to shareholder expectations through attractive profit growth.

3. Basic Strategy

While security services remain at the heart of our business, as our basic strategy, we also seek to offer a diverse range of products and services in new fields to satisfy the needs of the everchanging times.

4. Contributing to Society

Allying ourselves with public bodies charged with protecting public safety and security, we commit ourselves to developing value-adding products and services, thereby always contributing to society.

Code of Conduct

1. We will devote ourselves to serving our customers and society as a whole in a way that reflects a feeling of gratefulness and gratitude.
2. We will embody a samurai spirit in everything we do based on toughness, fairness, and generosity, standing firm in the face of adversity and banding together to embrace success.
3. We will value autonomy in our actions, empowered by **“yachoseishin”** (the spirit of a wild bird)— which represents independence, self-respect, perseverance, acuity, and tenacity—and take responsibility for delivering results.
4. We will carry out our day-to-day activities based on the principles of **sincerity, accuracy, strength, and speed.**
5. We will know no complacency, always marching forward purposefully while **growing** and **refining** our business to continue to provide value to customers and to society as a whole, thereby continuing to be relevant.
6. We will pursue perpetual self-improvement and **remain highly committed to compliance**, thereby attracting and nurturing human resources of the caliber worthy of the industry leader.

(Revised in July 2015)

*1 Human beings in society agree to live and let others live. The spirit of gratitude is a humble feeling of thankfulness to all the people and things around ourselves.

*2 The samurai spirit embodies a strong and honorable concept of discipline, purpose, and the will to succeed and develop.



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Message from Top Management



Representative Director, Group CEO
and CTO (Chief Technology Officer)

Tsuyoshi Murai



Representative Director, Group COO

Ikuji Kayaki

Pursue New Possibilities for the ALSOK Group

In June 2022, ALSOK transitioned to a new management structure. As the Tokyo 2020 Games are over and business conditions are changing drastically, Group CEO Tsuyoshi Murai and Group COO Ikuji Kayaki discuss various themes.

Theme 1

Thoughts on Being Appointed to Top Management Positions

Inheriting the spirit of our founding will lead to future growth

Murai: In June 2022, I was appointed Group CEO and Mr. Kayaki was appointed Group COO. Basically, I will be in charge of the basic management of the ALSOK Group as a whole while Mr. Kayaki will be in charge of business execution of the Group as Senior Executive President. We will lead ALSOK by working closely and communicating well with each other.

Founded in 1965, ALSOK has been in existence for 57 years. Jun Murai, the founder of the Company, was in charge of operations during the 1964 Tokyo Olympic Games. That experience made him keenly aware of the need for a security company in Japan. This led him to establish the Company in 1965, one year after the Games. Although the 1964 Tokyo

Olympics were held without incident, it was primarily the police and student volunteers who were responsible for that since security firms still had a small presence at the time. 57 years later, the atmosphere of the Olympic and Paralympic Games Tokyo 2020 felt completely different. A total of more than 500,000 security guards were deployed during the Games. As a result of thorough security measures, we were able to allow the event to be conducted safely without any serious incidents that could threaten Olympic operations. This was due to the hard work of ALSOK and other security companies, which I feel was clearly apparent to everyone. After 57 years, I realized once again that Japan's security companies and ALSOK have become recognized as an industry and that it can contribute to society. I feel that Tokyo 2020 was a good opportunity for ALSOK and the security industry as a whole to give back to



the society from which it has gained so much trust.

I understand that ALSOK's growth over the past 57 years has been the result of carefully nurturing the spirit of our founding. In that sense, I would like for us to inherit what our predecessors created and continue to develop our business so that we can become a company that is needed even more by society.

Looking at society at present, we are entering an era of high uncertainty, in which it is difficult to predict the future of the world as a whole, due to the COVID-19 pandemic and heightened geopolitical risks. The number of reported penal code offenses compiled by the National Police Agency has decreased significantly compared to 20 years ago, meaning that public security in Japan has clearly improved. However, the number of people who feel that public security is "deteriorating" or "not improving" has not increased. It is inconceivable that the improved security situation will reduce the need for security or that security services provided so far will become less strict. As long as there is a need to resolve anxiety about safety and security, I think that the room for ALSOK to play an active role will continue to increase in the future.

In addition, recently, in the midst of the COVID-19 pandemic, remote-based communication has increased in addition to face-to-face communication, adding depth to economic activities. ALSOK has long been expanding its business by focusing on solving issues in the field, which, due to the nature of its business, should be considered the "last mile." In today's era of remote economic activities, I believe that the expectations for essential businesses like ours that provide face-to-face problem-solving services will only increase. Specifically, as a real point of contact, there is an increasing need for security services as well as a variety of other services. I believe that there will be more opportunities for us to contribute to society, including these points, and we will firmly seize these business opportunities and link them to future growth.

*1: Agency services, such as inspection and maintenance work for facilities and equipment, other than security

Utilizing 40 years of experience cultivated out in the field for future growth

Kayaki: I am the first full-time employee at ALSOK to be appointed President, and this has caused me to renew my commitment to the Company. As the person in charge of business execution of the Group, I intend to maintain good communication with Mr. Murai, align my management vectors with his, and take on the challenge of future growth.

I joined ALSOK in 1982. Since joining the company, I have spent time in the sales field. Taking advantage of this experience, even after assuming the position of Director in 2016, I have worked to grasp what is happening in the field through conversations with many employees and by listening to the opinions of customers on various occasions. Even after assuming the position of President, I will continue to take advantage of the on-site experience I have cultivated over the past 40 years to firmly commit to solving customer issues which will lead to future growth. In addition, I will further develop the business foundations built up by the previous Chairman and President, enhance the profitability of the Group through M&A, and further strengthen the Group in the future. I recognize that this is my mission.

I also intend to promote a "multi-engineering"*¹ approach that comprehensively provides services other than security by utilizing the nationwide network we have built to monitor and respond to customers 24 hours a day, 365 days a year.

In addition, as a major security company responsible for security operations in Japan, ALSOK is responsible for promoting Japan's high quality security to the world. While last year's Tokyo 2020 Games certainly demonstrated that Japan is a safe and secure place, it is also true that confidence in Japan's public security of Japan, the safest country in the world, has been shaken following the shooting of a former prime minister in July 2022 during a campaign speech. ALSOK also believes that it is necessary to enhance security planning and introduce systems that make full use of DX in event security.



Message from Top Management



Progress and Future Prospects of the Medium-Term Management Plan (GD2025)

Review of the Previous Period

Kayaki: We will continue to focus on Grand Design 2025, our five-year Medium-Term Management Plan starting in fiscal 2021, even after the new management structuring. In order to transform our business model to meet the growing safety and security needs of society amid diversifying risks, this plan is based on four basic policies: “Enhancement of Response Capacity for Diverse Safety and Security Needs of our Customers and Society,” “Digitization and Utilization of Data,” “Establishing a Work Environment Where Employees Play an Active Role,” and “Strengthen the Efforts of Sustainability.” In terms of financial targets, we focus on the ratio of ordinary income to sales and the return on equity (ROE) with a target of 10.0% or higher for both indicators.

In the first year of the plan, the fiscal year ending March 31, 2022 (the previous fiscal year), net sales increased for the 12 consecutive year and reached a record high for the 11 consecutive year. In addition, profit also reached record highs at each profit level, and profit attributable to owners of parent increased for the tenth consecutive year.

In the Security Services segment, we have launched a high-value-added optional services, such as remote image patrol, for ALSOK-G7, a Electronic Security Service for corporate customers, and are also working to develop infrastructure facility

inspections and automated patrols using drones. In the General Property Management and Fire Protection Services segment, we are strengthening our facility management operations by providing building maintenance services such as cleaning and inspections, as well as various types of facility construction in Japan and overseas. In the Long-Term Care Services segment, we have begun to provide services to strengthen disaster and infection control measures at nursing care facilities, including the formulation of BCP manuals required by new legal revisions.

Accelerating efforts in DX and data science fields

Murai: In summing up the first year of the Medium-Term Management Plan, my honest impression is that things did not necessarily go as planned. The Tokyo 2020 Games were not run in the way we had originally envisioned, with discussions about spectators and various events being significantly changed while also being affected by the rampant COVID-19 pandemic. As a result, we had to spend a considerable amount of time and effort in dealing with these issues. As we prioritized the investment of management resources in response to the Tokyo 2020 Games, we feel that the measures of the Medium-Term Management Plan in line with the original plan have been put behind schedule. Moving forward, we will accelerate efforts in fields such as DX and data science.

ALSOK’s Aim

To meet the expanding needs for safety and security needs in a society where risks are diversifying, ALSOK will promote the innovation of its security business model and aims to become a resilient integrated safety and security solutions provider.

Basic Policies

1 Enhancement of response capacity for diverse safety and security needs of society

- Enhancement of Inside and Outside Infrastructure Cultivated by the Security Business and Facility Management Business, and Construction of Solutions through a Combination of Various Services
- Prompt Development of Products and Services Assimilating New Technology

2 Digitization and utilization of data

- Digitization
 - Enhancement of communication with customers
 - Efficiency and manpower savings of operations
 - Complement of functions by digital technology
- Utilization of Data
 - Analysis of collected data
 - Data cooperation with external organizations

3 Establishing a work environment where employees play an active role

- Diversifying Human Resources
 - Capability Development
 - Diversifying Human Resources
- Provision of diverse work styles

4 Strengthen the efforts of sustainability

- Enhancement of Governance
- Approach to the SDGs
- Approach to Environmental Issues

Financial Goals

Performance (fiscal year ended March 31, 2022)	Targets (fiscal year ended March 31, 2026)	
Consolidated net sales ¥489.0 billion	Approx. ¥650.0 billion	Payout ratio of 30% as a target to maintain a stable dividend Future Targets Net sales: Approx. ¥1 trillion Income: Approx. ¥100 billion
Consolidated ordinary income ¥44.7 billion	Approx. ¥65.0 billion	
Consolidated ordinary income 9.2%	More than 10%	
ROE 10.0%	More than 10%	
Investment Plan (Based on Cash Flow)		
Items	FY2022–FY2026	
Research and development, digital-related investments, etc.	¥70.0 billion	
M&A, etc.	¥50.0 billion	
Reference (Forecast of increase in cash) FY2022–FY2026 increase in cash	¥110 billion	

For detailed data on the Medium-Term Management Plan GD2025, please visit our website.
<https://www.alsok.co.jp/ir/management/plan.html>



While the results for the fiscal year ending March 31, 2022 are as explained by Mr. Kayaki, I also believe that we need to make further efforts to raise our financial targets for the final year of the plan, such as 650 billion yen in consolidated net sales and 65 billion yen in ordinary income. However, we will not be at the mercy of bridging

the gap between the target figures and the current situation. We will steadily proceed with what we need to do now with a firm eye on the essence of the Medium-Term Management Plan. Even if business conditions change, we basically intend to proceed with each of the measures in the Medium-Term Management Plan as planned.

Theme 3

ALSOK's Corporate Culture and Strengths

Employees that harness ALSOK's fundamental ethos of "arigato no kokoro" (a feeling of gratefulness and gratitude) and "bushi no seishin" (a samurai spirit) will demonstrate the Company's potential.

Kayaki: Although ALSOK's mission is to protect the lives and property of its customers, I feel that the Company has an outstandingly high aspiration to respond in order to maintain public safety in the event of a disaster. Since ALSOK was founded, "arigato no kokoro" (a feeling of gratefulness and gratitude) and "bushi no seishin" (a samurai spirit) have been the fundamental principles of management, and these principles have been deeply ingrained in the minds of our employees through training and other activities. I think this is really something that we can be proud of. In 1995, I was in charge in operations where the Great Hanshin-Awaji Earthquake occurred. After confirming the safety and security of their families, local employees came to work surmounting all difficulties. Together with supportive employees from all over the country, they worked as best they could to maintain public safety*2. In the aftermath of the Great East Japan Earthquake that occurred in 2011, ALSOK employees patrolled affected areas day and night to protect customers from crimes of opportunity, keeping them safe and secure. In addition, employees collected cash from ATMs and other locations, including areas near the Fukushima Daiichi Nuclear Power Plant, and made efforts to prevent the damage from becoming worse. I strongly feel that this high level of awareness among our employees leads to our strength as a company and being trusted by society. The motivation of each and every employee will be further enhanced by society's high regard and trust for their activities.

Furthermore, considering that ALSOK employees will have more opportunities to provide services other than security to customers in the future, we need to take on new challenges in addition to holding on to the high aspirations that we have demonstrated in maintaining public safety during disasters as I have just mentioned. In addition to service quality, we need to pay attention to customer hospitality, for example, ensure that we are courteous to customers when responding to ATM failures at banks, etc., provide the first line of response for building facility management services, and support elderly customers who need assistance at home security sites. We are in the process of cultivating this mindset.

ALSOK's strength is our human resources that can stay the course with a sense of ownership

Murai: I will basically repeat what Mr. Kayaki just said but use different words: ALSOK's greatest strength lies in the fact that many of our employees are able to stay the course in times of crisis with a

sense of ownership. Many ALSOK employees take the initiative to voluntarily participate in volunteer activities during disasters. There are many employees who of course can choose not to participate as a volunteer but opt to do what needs to be done. Employees with this mindset are sometimes troubled by the fact that customers think they are going overboard with the level of service that they provide. However, I feel that the strength of our organization lies in the fact that many of our employees do what they think is right. I think the reasons that we have been able to continue to grow are because this type of corporate culture has existed since the company's founding and because of being blessed with favorable business conditions. As I mentioned earlier, we spent more time and effort than expected in supporting the Tokyo 2020 Games. However, I still witnessed many ALSOK employees stepping up to the plate quickly displaying leadership on the front lines. This kind of corporate culture is truly one of ALSOK's strengths and I strongly believe that this kind of corporate culture should continue to be respected and promoted in the future.

Another strength of ALSOK is the fact that we have been blessed with good customers. This is reflected in the high retention rate of our services. Once we receive a contract and work hard to provide security services, the majority of customers continue the contract with us. It is a great strength and asset to be able to do business with customers for a long time based on their trust in ALSOK's services. In addition to being able to learn a lot from our customers, the ability to always perceive their needs will lead to the development of new services. I believe that we should make more use of these strengths in our future management activities.

On the other hand, there are also challenges on the human resource development front that need to be addressed if we are to achieve further growth in the future. If we look at it within the framework of the security industry, we have required and will continue to require human resources who are properly aware of their set mission and who can stand firm to the end in order to fulfill their duties. However, if we want to go a little further, we also need people who can see the situation out in the field, analyze it on the spot, and make decisions on their own to make things head on course. In an era of increasingly complex business structures, it is necessary to have human resources who can judge whether something is right or wrong and act appropriately in the field when the assumptions initially envisioned by top management are actually different from the actual conditions on the ground. Although this is a theme that faces challenges, I believe that the development of such human resources will be an issue for the future.

*2: Total number of supporting employees: 9,087

Message from Top Management

Theme 4

Governance and Sustainability



Tsuyoshi Murai Representative Director, Group CEO and CTO (Chief Technology Officer)

Promoting ALSOK-style Governance and Sustainability

Murai: I think there are still many issues to be addressed with regard to the development of our governance structure. In response to Japan's revised Corporate Governance Code, I believe that ALSOK should seek a form of governance that is appropriate for the Company.

I feel that the essence of what society seeks in terms of governance is "transparency." The question is whether there is a well-developed governance structure in place and whether it is acceptable to stakeholders. In that sense, it is important to widely disseminate information about ALSOK that is accurate. I would like to see us establish such a system and make efforts to communicate this meaning with transparency in mind.

In addition, under the new management structure, I have chaired the Board of Directors meetings and am aware that there is a lively exchange of opinions at these meetings, including input from outside directors. The opinions of the outside directors in particular are very thought-provoking and provide many insights.

Regarding sustainability initiatives, one of the basic policies of the Medium-Term Management Plan, I believe that the security business itself is directly linked with solving social issues. Therefore, I feel that ALSOK should play a variety of roles not only in providing safety and security but also in protecting the environment. We will continue to promote ESG and contribute to the SDGs through the expansion of our core business.

Also, as a private security contractor, ALSOK's main

mission is to protect the safety and security of our clients based on the contracts we have with them. Recently, however, since more and more customers are aiming to realize a sustainable society through their business activities, we have become more aware that we are indirectly contributing to the realization of a sustainable society by serving such customers. I believe this is an important point in explaining to employees the Company's significance to society.

Giving Thought to Thorough Compliance, Enhancement of Risk Management, and Gender Equality

Kayaki: With the new management structure in place, the Board of Directors has been made aware of the many expectations that exist regarding the promotion of the new management structure and provided with several hints regarding the changes that need to be made.

As various risks, such as geopolitical risks increase, we need to be aware of current circumstances and improve risk management. Since employees are also important protagonists in regard to governance, we will thoroughly foster awareness by sharing basic ideas and through education. Another important issue is gender equality^{*3}. Since security operations have long been conducted primarily by men, special consideration must be given to promoting the advancement of women in the business. Currently, we are actively receiving input from outside board members based on female perspectives. Recently, we have been offering tours of our business sites and receiving valuable opinions regarding the development of fields in which women can play an active role.

*3: Sustainable Development Goal 5: Gender equality

Message to Stakeholders

Making full use of the strong infrastructure we have developed over the years to expand our services

Kayaki: The business conditions surrounding our company in Japan and overseas are constantly changing. There is no end to counting risks, such as soaring resource prices and heightened geopolitical risks caused by Russia's invasion of Ukraine, rising inflation, a sharp depreciation of the yen, a shortage of semiconductors, and disruption of supply chains. Under such difficult business conditions, as President, I tell employees that we need to "aim to become a business that can solve customer issues." As I have already mentioned, the business conditions of our customers are constantly changing with problems even outside the security realm becoming more diverse and complex. Some services can only be provided through ALSOK's channels while others cannot be. In some cases, certain services that we normally cannot provide on our own can be provided by collaborating with various companies. For example, in August this year, we signed a partnership agreement with seven companies, mainly regional financial institutions in Fukushima Prefecture, to realize decarbonization and revitalize the regional economy. Within this framework, the Group is in charge of construction management, installation, and maintenance of EV charging facilities. In the future, I would like to see us expand the scope of our services through such multifaceted developments.

A menu of services will be steadily added to make full use of our 24 hours a day, 7 days a week response capabilities and infrastructure of guards on standby at 3,000 locations

nationwide. By making full use of DX, we can further accelerate the expansion of this service field. I hope that people will pay close attention to ALSOK's efforts to expand into new business areas in the future.

The entire Group will take on the challenge of doing many things that need to get done

Murai: At first, we will work hard on each measure of the Medium-Term Management Plan to increase profitability and improve corporate value. We will also consider various options to enhance shareholder value in the future.

Looking at current business conditions again, Japanese society as a whole is facing a variety of challenges, such as the declining birthrate and aging population, and most recently, the damage caused by infectious diseases, and many companies are feeling a sense of stagnation amidst a whirlwind of different values. I believe that there is a lot to be done even in a society where such a sense of stagnation is intensifying. Through our 57 years of business, ALSOK has a strong ability to identify problems and recognize that there are many challenges that lie ahead. However, depending on one's way of thinking, this could be a real blessing for us.

I hope that our stakeholders will see the business opportunities and possibilities that lie ahead for ALSOK and hope that they will have high expectations for ALSOK's potential to move forward as a company, looking forward to solving problems and moving forward as a whole, even in uncertain and difficult times.



Ikuji Kayaki Representative Director, Group COO

ALSOK's History of Value Creation

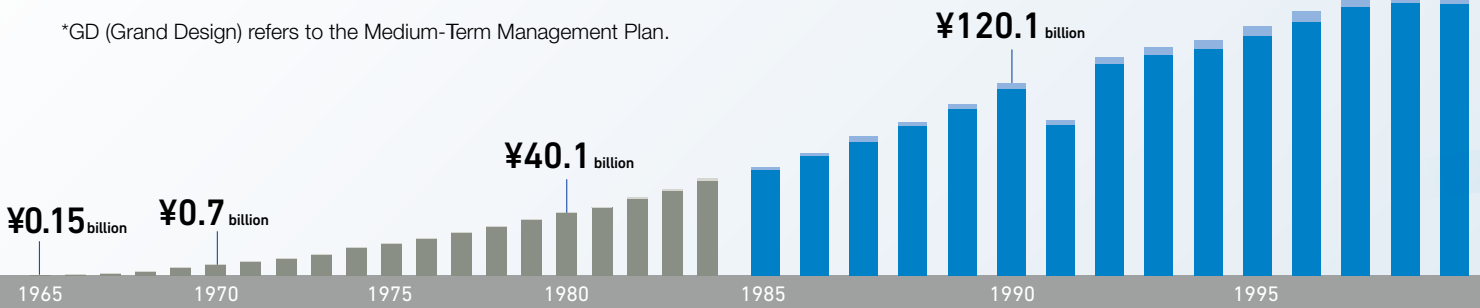
Helping to Resolve Social Issues by Taking on Advanced Challenges and Demonstrating Originality

Since its foundation, ALSOK has consistently endeavored to protect the safety and security of society. Throughout its history of more than half a century, ALSOK has pursued technologies in security services, service quality, and education of human resources, and has taken them as its strengths. We will continue to take on advanced challenges and demonstrate originality to help resolve social issues.

Net Sales

- Net Sales of Security Services
- Net Sales of Services Other Than Security Services

*GD (Grand Design) refers to the Medium-Term Management Plan.



1965- Founding Era



1965
Foundation of Soho Security Services Co., Ltd. with the main business purpose of providing contract security services



1966
Began provision of transportation security services



1967
Developed and launched SOK Guard System in electronic security services (currently ALSOK Guard System) for corporate clients



1970
Provided stationed security for Japan World Exposition, Osaka 1970



1975
Developed and launched the OLM SYSTEM®, which integrated devices capable of facility control and monitoring into stationed security

1985- Building Up and Maintaining Era



1988
Developed and launched TAKURUS® in electronic security services for individual customers



1995
Began use of the Tokyo Operations Center, which provides centralized monitoring and command for Electronic Security Services provision within Tokyo



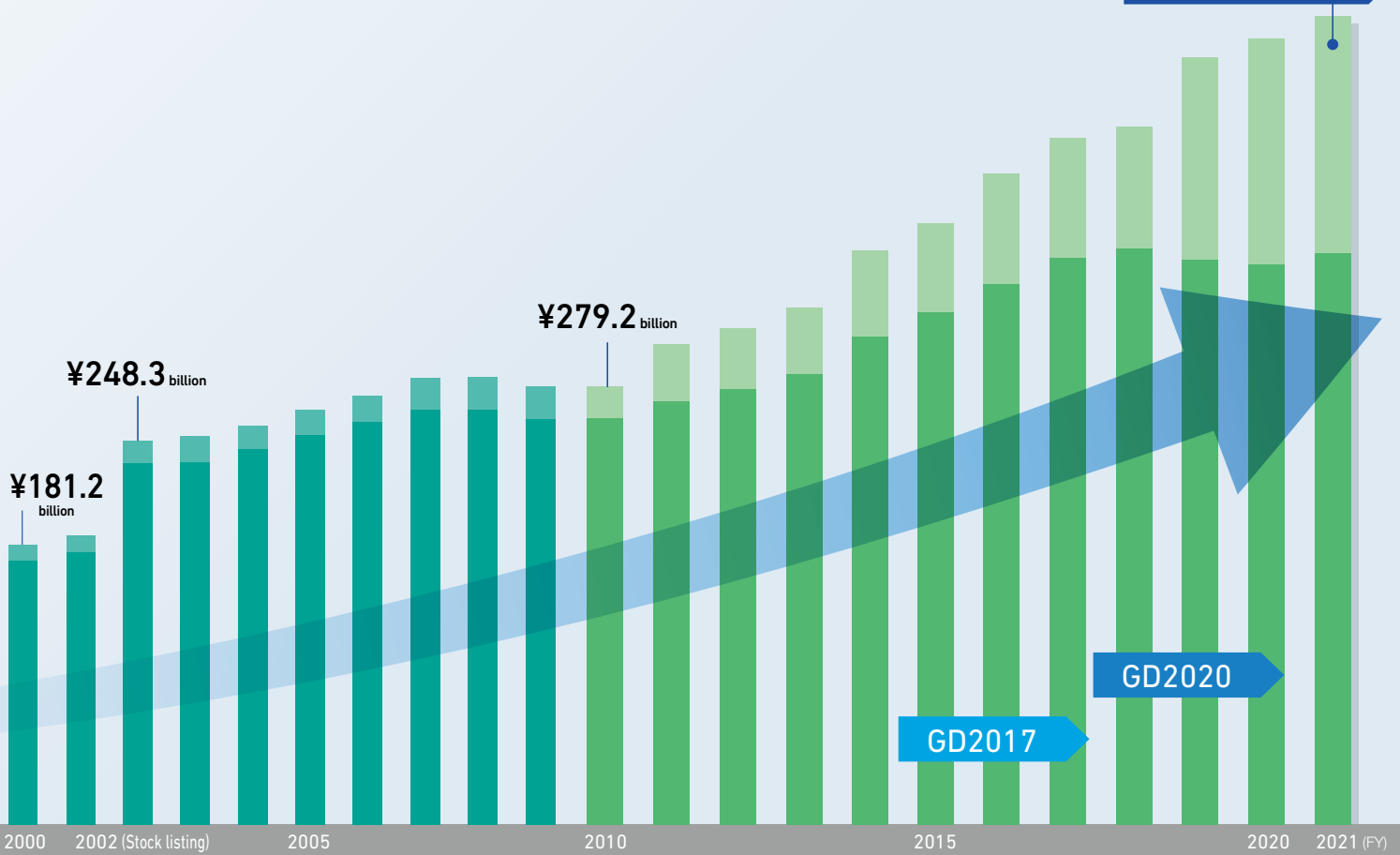
1997
Developed and launched the MMK® multifunctional ATM, which integrates such functions as receiving agent and data search functions with conventional cash dispenser functionality



1997
Developed and launched Cash Deposit Machine On-line System, which facilitates the movements of cash (sales proceeds and small change) and reduces related staff and equipment costs



1998
Developed and launched SOK Home Security system featuring convenient functions for daily life, including first aid information, home banking, and health consultation, in addition to crime and disaster prevention security functions



1999- Second Founding Era



2002
Listed stock on the first section of the Tokyo Stock Exchange

2003
Established the new corporate brand, "ALSOK"



2005
Expanded the ALSOK ANSHIN KYOSHITSU® crime prevention class program to cover the whole of Japan, with ALSOK staff (who are experts in ensuring safety) assigned to give classes in schools, with the aim of helping to keep children safe



2005
Developed and launched a new automated patrolling GUARD ROBOT, making it possible to provide a stationed security system that incorporate robots



2005
Developed and launched ALSOK HOME SECURITY X7, with expanded functionality for large residential properties



2008
Developed and launched ALSOK Home Security α with enhanced security and convenience features designed from the customer's perspective, such as standard internet security services

2010- Third Founding Era



2012
Launched new HOME ALSO K brand of services for individual users

2013
Launched HOME ALSO K MIMAMORI SUPPORT emergency reporting and consultation service for senior citizens



2015
Developed and launched a new Cash Deposit and Dispenser Machine Online System, enabling the payment and changing of small change used in stores, and enabling store owners to deposit sales proceeds without needing to take the money to the bank



2020
Launched renewed HOME ALSO K MIMAMORI SUPPORT service

2020
Began handling Central Monitoring System business through a capital and business alliance agreement with Mitsubishi Corporation



2020
Launched the ALSOK-G7 (read as "ALSOK G-seven") security system for corporate clients

2021
Security for the Tokyo 2020 Olympic and Paralympic Games was provided from July to September



Financial and Non-Financial Highlights

Net Sales

¥489.0 billion

Up 4.1% YOY 

Profit Attributable to Owners of Parent

¥29.0 billion

Up 15.8% YOY 

Ordinary income

¥44.7 billion

Up 14.2% YOY 

Dividend

¥82

Payout ratio: 28.7%

Up 10¥ YOY 

ROE

10.0%

Up 0.4 percentage point YOY 

Capital Investments and Depreciation and Amortization

Capital Investments

¥16.2 billion

Depreciation and Amortization

¥16.8 billion

ROA

9.2%

Up 0.6 percentage point YOY 

Number of Electronic Security Services Contracts (Corporate Clients and Individual Users)

Corporate Clients

548,580

Individual Users

460,679

ENVIRONMENTAL



CO₂ Emissions per Sales Unit (Group)*

0.174 t-CO₂/¥ million

Down **3.8%** YOY

CO₂ Emissions (Group)* Net Sales

85,146 t-CO₂/¥**489.0** billion

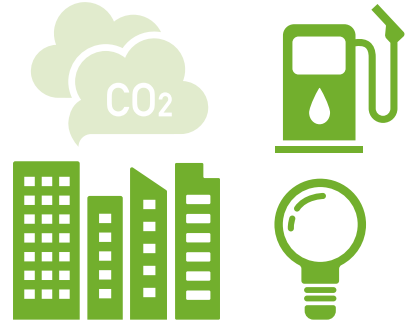
Down **0.4%** YOY

• Fuel Usage (Group)

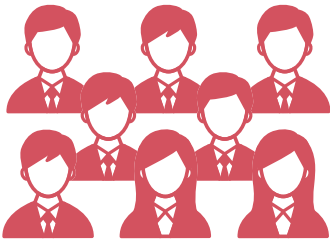
• Electricity Consumption (Group)

16,699 kl

84,546 MWh



SOCIAL



Employees (Consolidated)

38,192

Number of Female Employees (Consolidated)

5,519

Up **0.9%** YOY

Proportion of Women in Management Positions (Non Consolidated)

4.0%



Number of Employees Who Have Completed First-Aid Training



Cumulative Total **21,770**

(Including Both Basic and Advanced Training)

Number of Participants in ALSOK ANSHIN KYOSHITSU Crime Prevention Classes



Cumulative Total **1,701,000**

(started in 2004)

Number of Residents in LongTerm Care Facilities

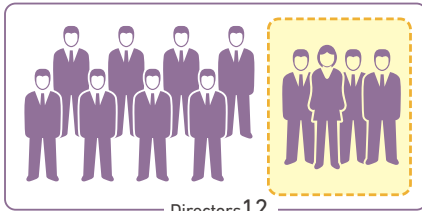
Approx. **6,200**



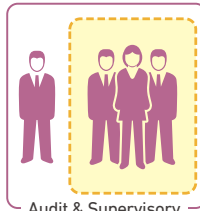
Number of Users of LongTerm Care and Other Services

Approx. **21,000**

GOVERNANCE



Directors **12**
(of whom 4 are outside Directors)



Audit & Supervisory Board Members **4**
(of whom 3 are outside Audit & Supervisory Board members)

Number of Directors and Audit & Supervisory Board Members

16

(One female Director
One female Audit & Supervisory Board Member)

Directors' Rate of Attendance at Board Meetings

100%



Number of Group Companies That Have ISO 27001 (ISMS) Certification

20 companies

(including main company)



Number of Group Companies That Have ISO 9001 Certification

57 companies

(including main company)



Number of Group Companies That Have ISO 14001 Certification

40 companies

(including main company)



Number of Group Companies That Used the Internal Reporting System

75 companies



About Our Business Operations

As a provider of services related to the safety and security of society, the Group aims to become a robust comprehensive safety and security service business that supports the safety and security of customers and society as stated in its medium-term management plan Grand Design 2025. To meet the safety and security needs of our customers and society, which are expanding as risks diversify, we are working to provide new services that combine various service functions such as security, equipment, and long-term care.

Security Services

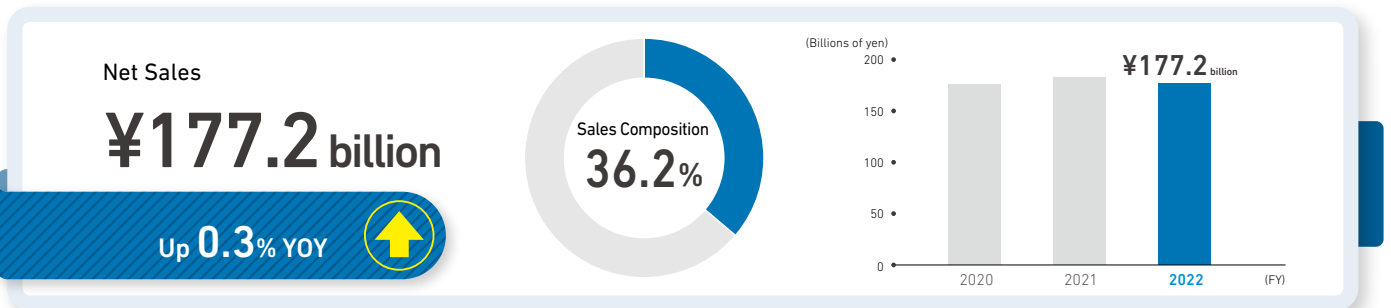
Electronic Security Services

This business installs alarm equipment at contracted sites, remotely monitors intrusions, fires, and equipment anomalies at the guard center via communication lines, and dispatches security guards who are on standby to respond to any abnormal situations.

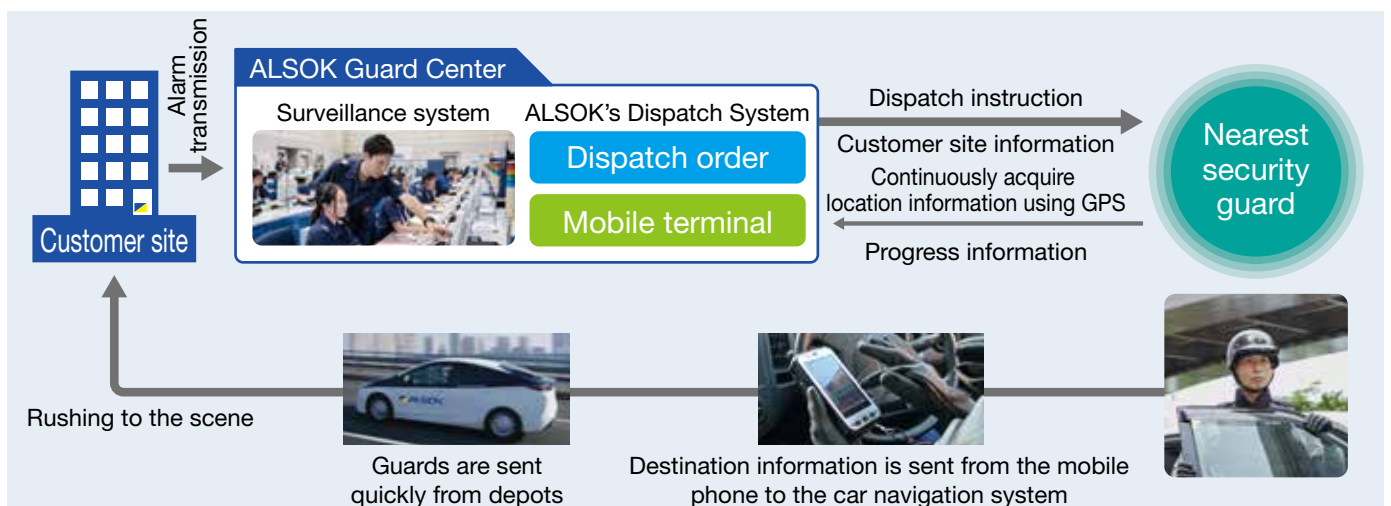
As a service for corporate customers, Electronic Security Services is promoting sales of ALSOK-G7, which is equipped with live image confirmation as a standard feature, and contributes to customers' manpower-saving needs by linking with a central monitoring system in addition to optional services such as image storage, remote monitoring using images, and equipment control from a distance.

Services for individuals include Home Security Basic, a standard model for homes that is easy to install, and Home ALSOK Mimamori Support, a monitoring service for the elderly.

In addition, we have launched the Home ALSOK Outdoor Wireless IP Camera, which allows users to check real-time and recorded videos through a smartphone app and can also use an optional service that requests ALSOK to rush to the scene in the event of an emergency.

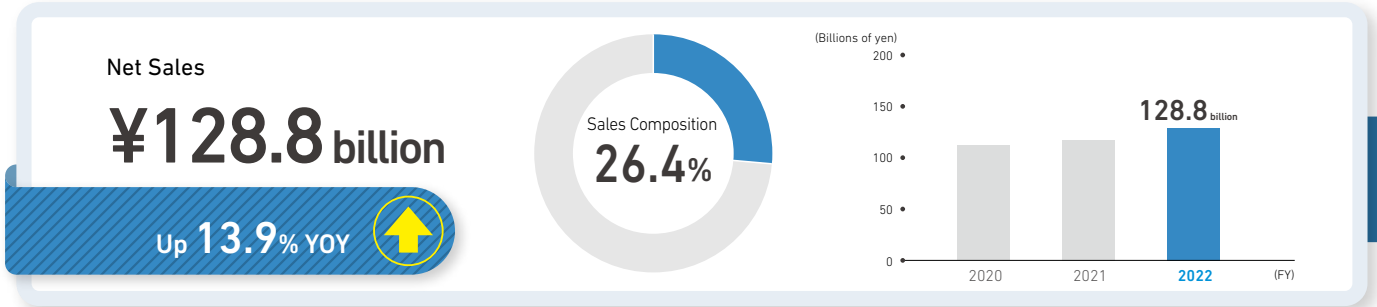


Operational Flow for Rushing to the Scene



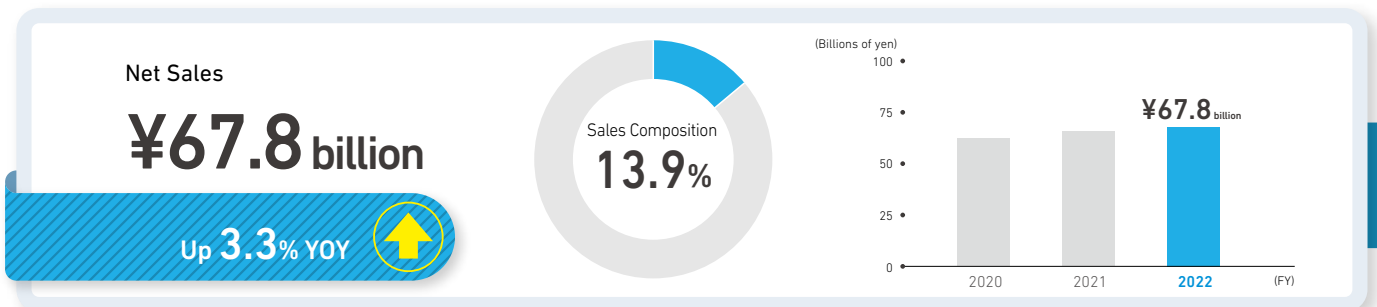
Stationed Security Services

Security guards are stationed at the contracted facility and access control, patrol, and monitoring are performed to prevent various accidents and respond to emergencies and accidents. We also provide security for various events such as international conferences, sports competitions, parades, and personal protection for celebrities and corporate executives in Japan and abroad, meeting a wide range of needs. In addition, various equipment (metal detectors, X-ray inspection equipment, etc.) are used to provide more efficient and effective security.



Transportation Security Services

Our Transportation Security Services business provides transport of valuables such as cash and securities to locations designated by contract via cash transport vehicles. In addition to a cash transport service that safely transports cash and securities, we offer our Cash Deposit and Dispenser Machine On-Line System, which provides total support through store sales cash management and our security transportation network, contributing to customers' operational efficiency. We also offer our ATM Management Service, in which we completely handle operation and management of ATMs installed in financial institutions and convenience stores, including cash replenishment, collection, and responding to failures.



Security Industry Data

Summary of Japanese Security Services Industry
 (as of December 31, 2021)

Number of Security Services Companies

Approx. 10,300 Companies

Total Net Sales

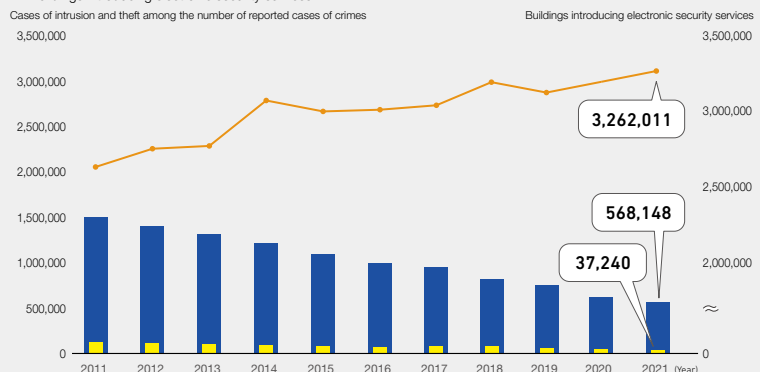
Approx. ¥3.5 trillion

Number of Security Guards

Approx. 590,000
 (of whom approx. 40,000 are females)

Number of Reported Cases of Crimes and Buildings Introducing Electronic Security Services

■ Number of reported cases of crimes (Total) ■ Cases of intrusion and theft among the number of reported cases of crimes
 — Buildings introducing electronic security services



Sources: "Crime Statistics (January 2021 - December 2021)" and "Overview of the Security Industry in 2021," National Police Agency

About Our Business Operations

General Property Management and Fire Protection Services

This business provides total support for building construction, operation, and management, from reducing building management costs to maintaining and improving asset value, through maintenance, management, and operation of various facilities in buildings and condominiums, including pipe work, electrical work, repair and renewal work, fire and disaster prevention work, facility management, cleaning and sanitation, and telephone answering services. It also sells disaster prevention supplies, infectious disease control supplies, and AEDs. In the fire protection business, we have strengthened our business promotion system in the fire and disaster prevention field by entering into a capital and business alliance with Hochiki Corporation, a comprehensive fire protection manufacturer, and Nippon Dry-Chemical Co.,Ltd., making them affiliates accounted for under the equity method. In addition, we jointly develop and market new products and services that meet diversifying customer needs.



ALSOK General Property Management and Fire Protection Services Features

We provide total support for your business operations, from cost reduction to maintenance and improvement of asset value.

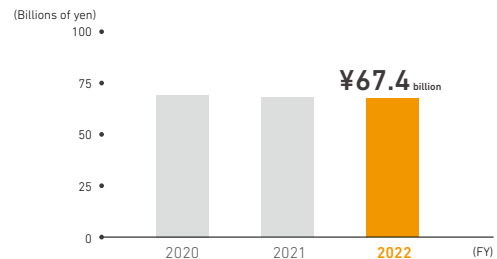
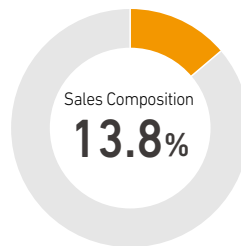
Features

- ① One-stop, all-inclusive management
- ② Fusion of security and equipment management
- ③ Level of responsiveness that only a security company can provide
- ④ Cost optimization
- ⑤ Maximum one billion yen damage coverage

Net Sales

¥67.4 billion

Down 1.1% YOY



TOPICS

Overseas Business

Since 2007, we have been developing our overseas business with a focus on Southeast Asia, where many Japanese companies are now doing business, and have established local subsidiaries in six regions: Thailand, Vietnam, Shanghai, Indonesia, India, and Myanmar.

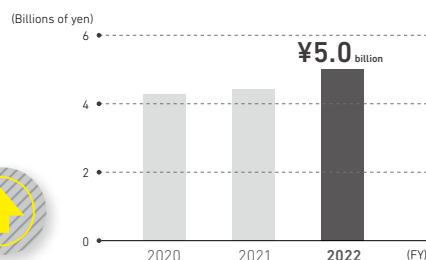
We are currently expanding our business domain not only to provide security consulting, resident security services, and machine security services using systems, but also to facility management such as disaster prevention, cleaning, and building facility management.

In addition, we provide services not only to Japanese companies but also to local service providers and financial companies.

Net Sales

¥5.0 billion

Up 13.7% YOY



*Sales from overseas business are included in Security Services, General Property Management and Fire Protection Services, and other service sales.

Long-Term Care Services

We provide a wide range of services, from home-based nursing care support (care plan creation) and home-based nursing services, such as home-visit care, home nursing, and day-care services to residents of specified facilities (pay-for-care homes with nursing care), communal living care for dementia (group homes), and home-care services for the elderly with services. In addition to selling and renting welfare equipment, we also provide home-visit medical massage services for home-care patients.

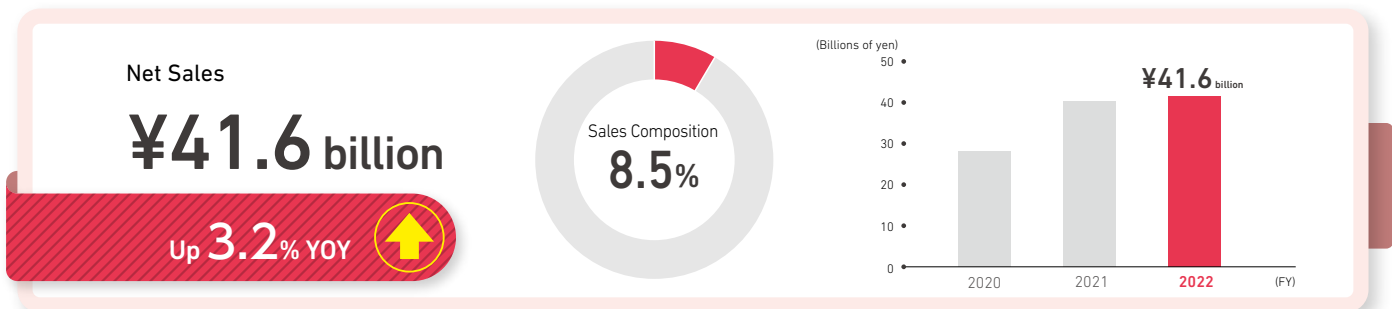
In June 2022, we made ALSOK Joy Life Co., Ltd. and ALSOK Life Support Co., Ltd. subsidiaries in order to further strengthen our Long-Term Care Services business. Moving forward, we will continue to strengthen our management base and expand our facilities by improving the efficiency of our Long-Term Care Services by utilizing AI robots to support nursing care. We will also provide total care that other companies do not offer under the unified brand of “ALSOK Nursing Care”.



Rose Life Takanohara (ALSOK Life Support Co., Ltd.)

ALSOK Long-Term Care Services Features

- 1 From those who are independent to those who need nursing care, we provide high-quality services in a one-stop manner according to changes in life stages
- 2 Security is installed in all nursing care facilities, and the response capabilities of a security company provide safety and peace of mind not only in normal times, but also in times of disaster



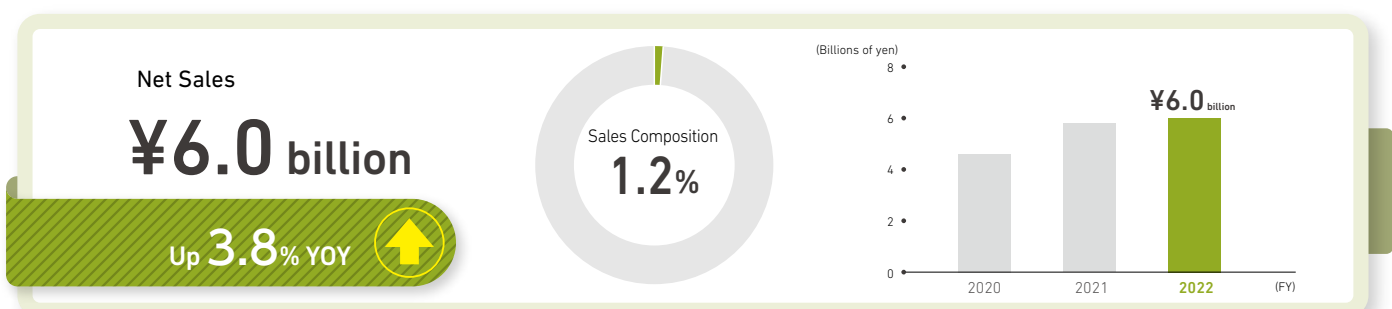
Other Service

In order to respond to the development of a cashless society, as a cashless payment provider we provide ALSOK Multi-QR Payment Solution, which can handle multiple payments with a single app and a single device, centering on QR code payments. In addition, we provide a variety of information security solutions, such as the ALSOK PC Management Service for managing information devices, which is becoming increasingly important as a countermeasure against damage caused by cyber attacks and email spoofing.

In addition, we began providing a comprehensive asbestos service in June 2022 that supports asbestos content testing. Asbestos content testing has become stricter due to the revision of the Air Pollution Control Law.



ALSOK Multi-QR Payment Solution terminal





For more details, please visit our website.
<https://www.alsok.co.jp/>

List of ALSOK Products and Services

	Main Business Areas	Main Products and Services
Security Services	Electronic Security Services <ul style="list-style-type: none"> ● Online security 	<ul style="list-style-type: none"> ■ ALSOK-G7 Security system that incorporates live video monitoring as a standard feature (ALSOK Ventilation-Facilitating Solution and ALSOK Congestion Status Distribution Service) ■ Home Security Basic The optimal multifunction system for ordinary homes, including both condominiums and detached houses ■ HOME ALSOK MIMAMORI SUPPORT System with emergency reporting and telephone health consultation service functions for senior citizens added
	Stationed Security Services <ul style="list-style-type: none"> ● Access control ● Patrolling ● Monitoring ● Security for events ● Guarding important people 	<ul style="list-style-type: none"> ■ Stationed Security Security guards are stationed at the client facilities. In case of emergency, we carry out patrols, conduct monitoring, and provide facility/equipment management for crime and disaster prevention ■ Temporary Security Flexibly responds to short-term security needs for international conferences, company events, etc.
	Transportation Security Services <ul style="list-style-type: none"> ● Transportation of cash and valuables ● Management of store sales proceeds ● ATM cash replenishment and collection, and dealing with ATM faults 	<ul style="list-style-type: none"> ■ Cash Deposit and Dispenser Machine On-Line System Total solution combining store sales proceeds management functionality with a transportation security network ■ ATM Management Service Total support for ATM operation and management, including replenishment and collection of ATM cash and ATM fault response
General Property Management and Fire Protection Services	<ul style="list-style-type: none"> ● Building facility repair and renovation work, plumbing work, and electrical work ● Fire prevention and disaster preparedness services ● Equipment management services ● Cleaning management services ● Sanitation management services ● Telephone answering services 	<ul style="list-style-type: none"> ■ Facility Management Total support for building operation and management, including repair and renewal work of building facilities, fire and disaster prevention work, facility management, cleaning management, sanitation management, and telephone answering service ■ AED Sale, rental, and management of AED equipment, and training in the use of AED equipment ■ Disaster Response and Infection Prevention Products Sale of AIR BUSTER (ozone deodorizing device) and thermographic system (for body surface temperature screening), and stockpile management
Long-Term Care Services	<ul style="list-style-type: none"> ● In-home long-term care support ● In-home care services ● Facility care services ● Sale and rental of equipment for long-term care covered by public aid ● Dispatch medical massage 	<ul style="list-style-type: none"> ■ In-home long-term care support Care plan development, etc. ■ In-home care services Home-visit long-term care, home-visit nursing, day services, etc. ■ Facility care services Fee-based long-term care facilities and group homes ■ Equipment for Long-Term Care Covered by Public Aid Sale and rental of nursing care beds, wheelchairs, handrails, walkers, etc.
Other Service	<ul style="list-style-type: none"> ● Information security ● Testing services ● Security robot ● Consulting services ● Health Security ● QR Code Payment 	<ul style="list-style-type: none"> ■ ALSOK PC Management Service An all-in-one IT asset management system ■ REBORG®-Z Security robot for facility patrolling and monitoring ■ ALSOK Safety Confirmation Service Safety confirmation during and after natural disasters, and health check tools for use during epidemics ■ ALSOK Multi-QR Payment Solution A cashless payment service that makes it possible to handle multiple payments on a single device ■ Animal and Bird Pest Trap Monitoring Device II Support for protecting agricultural crops, etc., from harm caused by animal and bird pests ■ Office Doctor Pack Industrial physician service package for workplaces with fewer than 50 employees ■ Comprehensive asbestos service Contracting for tasks related to asbestos investigations ■ Other Self-defense training and ALSOK JUKU (career development training making effective use of the know-how developed in security guard training)

Services for Corporate Clients



Electronic Security Services

- ALSOK-G7
- ALSOK Ventilation-Facilitating Solution
- ALSOK Congestion Status Distribution Service

Stationed Security Services

- REBORG®-Z automated patrolling security robot
- ALSOK Traffic Control System

Transportation Security Services

- Cash Deposit and Dispenser Machine On-Line System
- ATM outsourcing service
- Tax payment receipt system (for local governments)

General Property Management and Fire Protection Services

- Facility management
- Telephone answering services
- Building management and cleaning services
- Building management and emergency response
- AED sale and management
- Disaster preparedness services and energy-saving measures
- Examination supervision support services

Services for Individual Clients



Home Security

- Home Security Basic
- HOME ALSOK Premium
- HOME ALSOK MIMAMORI SUPPORT

Service Plans for Specific Purposes

- Outdoor Wireless IP Camera IP-C730 deployment
- Wiretapping device and spy camera inspection service
- MAMOLOOK
- HOME ALSOK RUSUTAKU Service
- HOME ALSOK LADY'S SUPPORT
- HOME ALSOK HOUSE SUPPORT (membership plan with payments made monthly)
- Tobilaphone (Automated nuisance phone blocker)
- A wide range of long-term care services

Fire Protection and Information Leakage Prevention



Fire Protection

- ALSOK aerial photography service
- BCP solutions

Disaster simulation exercises, business continuity planning (BCP) and disaster-prevention manual development support, and BCP and disaster-prevention manual revision
Disaster-prevention workshop, stockpile management support, Flood Control Act compliance strategies, and emergency drill support

- Safety confirmation service
- Stockpile management
- Electric power storage system

Information Leakage Prevention

- Information security diagnostic service
- Targeted email attack response drill service
- Network monitoring service
- Website tampering detection service
- ALSOK PC Management Service



ALSOK's Value-Creation Model

Aiming to Become a Strong Integrated Safety and Security Solutions Provider to Support the Safety and Security of Customers and Society

Management Resources



Abundant human resources

- Enhanced training system
- Promotion of diversity
- Number of Employees: **38,192**



Outstanding product and service development capabilities

- Utilization of cutting-edge technologies such as AI and ICT



Trust and Network

- ALSOK brand trust
- Global Service Network:
In **6** countries and regions with a focus on Southeast Asia
- Number of Depots Located Nationwide:
Approx. **3,000**
- Electronic Security Services Contracts:
Approx. **1,000,000**
- Business Operations
Head Office/64 Branches/
37 Offices/255 Sales
74 Overseas Subsidiaries
14 companies accounted for by the Equity Method

- Certifications
(ISO9001, ISO14001, and ISO22301)



Sound financial standing

- Secure and sound financial standing
- Equity capital ratio: **57.3%**
- Consolidated Net Assets:
¥270,432 million
- Rating (R&I): **A+**
(As of March 31, 2022)

Management Philosophy

Based on two core principles exemplified by “**arigato no kokoro**” (a feeling of gratefulness and gratitude) and “**bushi no seishin**” (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole.

ALways Security OK



Strengths

Excellent
Human
Resources

Organiza-
tional
Capabilities

Trust

Business Domain Services Provided

Electronic Security Services

Stationed Security Services

Transportation Security Services

General Property Management and Fire Protection Services

Long-Term Care Services

Other Service

Sustainability

E Environmental

S Social

The ALSOK Group has continued to provide security services of impeccable quality for more than 50 years since its establishment. The Group's excellent human resources, organizational capabilities, and the trust recognized by customers and society are its greatest strengths. Although conditions are changing rapidly both inside and outside of the Company, we remain committed to creating new value and achieving sustainable growth for "protecting" the safety and security of customers and society while simultaneously achieving sustainable growth. By accomplishing these goals, we will meet the expectations of all stakeholders.

Medium-Term Management Plan

(FY2022-FY2026)

Grand Design 2025

To meet the expanding needs for safety and security in a society where risks are diversifying, ALSOK will promote the innovation of its security business model and aims to become a resilient integrated safety and security solutions provider.

1. Enhancement of response capacity for diverse safety and security needs of society
2. Digitization and utilization of data
3. Establishing a work environment where employees play an active role
4. Strengthen the efforts of sustainability

Long-Term Targets

Becoming a Resilient Integrated Safety and Security Solutions Provider

Net Sales

¥1 trillion

Income ¥100 billion

ALSOK's Strengths

With its strengths that contribute to the safety and security of customers and society, ALSOK will work to create new values.



Excellent Human Resources

That Embody ALSOK's Philosophy

As ALSOK is in the business of providing value by protecting people and society, the most important capital is its human resources. For this reason, we need to develop human resources that can put ALSOK's philosophy of "arigato no kokoro" and "bushi no seishin" into their actual actions. As professionals in the areas of security, facility management (FM), and long-term care provision, we focus heavily on the cultivation of expert talent. Recognizing the need to provide services that can be used with maximum peace of mind, we have established an internal first-aid certification system—ALSOK Assistance—to enhance the assistance capabilities of ALSOK security staff members who need to rush to the scene quickly in emergencies.



Number of Staff Dispatched to Japanese Embassies, Consulates, etc. Overseas as Security Staff Members

Over **850**

Number of Security Planners
Cumulative Total **782**

Number of Security Consultants
Cumulative Total **37**

Number of Construction Managing Engineers, Electricians
Approx. **1,500**

Number of Fire Protection Engineers
Approx. **2,600**

Number of Care Workers
Approx. **2,500**

Number of Employees Who Have Completed First-Aid Training
in total **21,770**

Number of Employees Who Have Attained the Rank of Expert in Martial Arts **3,631**

Number of Female Employees **5,519**
(14.4% of total employees)



The ideal security company, as envisioned by our founder

ALSOK's Four Principles

Sincerity, Accuracy, Strength, and Speed

Sincerity

The Sun Symbolizes Sincerity

- The life force of a security company
- Fulfilling the important mission of protecting clients' lives and property

Accuracy

The Rod Symbolizes Accuracy

- Professional security services must be accurate, and must never be muddled



Company emblem

Strength

The Eagle Symbolizes Strength

- Strong-minded

Speed

The Laurel Leaves Symbolize the Speed of an Olympic Champion

- Security services must always be implemented rapidly—This is a core requirement of security

2

ALSOK's
Strengths

Organizational Capabilities

For Ensuring Safety and Security

Having a top-class network in the industry provides a sense of security to society and customers. In the event of an emergency, we have the agility to rush to the site immediately.

We will also contribute to solving various issues faced by our customers, such as work efficiency improvement, cost reduction, and the desire to concentrate on their core business (outsourcing of various tasks), by utilizing our expertise in the security business in which services are available 24 hours a day, 365 days a year.

Depots Located
Nationwide

Approx. **3,000**

Number of
Employees **38,192**

Number of
Company Vehicles* **9,423**
* Excluding bicycles

Time to Arrive
on the Scene

16 minutes
on average

Number of Social Welfare Vehicles Donated
through the ALSOK ARIGATO UNDO Foundation

Cumulative Total **134**

Overseas Operations (with
a focus on Southeast Asia)

6 Countries
Regions



3

ALSOK's
Strengths

Trust

Built upon Performance and Results

Based on the high reputation of our performance record and skills as a leading security service company in Japan, ALSOK has won a large number of security services contracts both in Japan and overseas. In addition to having a strong track record providing security for large-scale events, we also have a top-class track record in the industry for our monitoring service for the elderly (emergency reporting services). In addition, to be a company trusted by both local communities and society at large, ALSOK actively engages in sustainability and ESG activities.



Electronic Security
Services Contracts

Approx. **1,000,000**

* Approx. 1,250,000 housing units covered when including contracts with housing complexes

Number of municipalities where emergency
reporting service is provided

Approx. **500**

(1,747 municipalities nationwide)

Cumulative total of AED
devices sold

Approx. **227,000 units**

Cash Deposit and Dispenser
Machine On-Line System

Approx. **27,900 units**

Annual Amount of Cash
Handled

Approx. **¥485 trillion**

Number of ALSOK ANSHIN KYOSHITSU
Classes Held

Cumulative Total **54,439**

External
Evaluations

•Next-generation certification mark (Kurumin) •Eruboshi •FTSE4Good
•FTSE Blossom Japan •MSCI Japan ESG Select Leaders Index

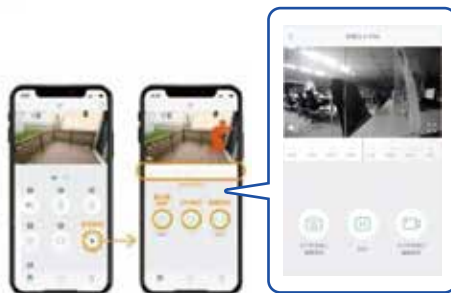
New Products and Services from ALSOK

ALSOK is constantly researching and developing state-of-the-art security technologies to provide a new form of safety by incorporating the latest technologies into the know-how of security companies in order to provide customers with a safe and secure lives.

HOME ALSOK Outdoor Wireless IP Camera

On June 1st, 2022, ALSOK started offering the Home ALSOK Outdoor Wireless IP Camera IP-C730, an IP camera that can be easily installed outdoors or indoors and can check real-time (live) images through a smartphone app.

HOME ALSOK



- Unlike conventional cameras, the camera can be used without the need for complex installation. By the battery operation and Wi-Fi communication, it contributes greatly to safety and security in various life situations regardless of installation location.
- Live video from the camera can be checked using a smartphone at any time.
- When the IP camera detects motion, it records video and sends a smartphone notification. This provides peace of mind when not at the location.



We offer an optional service where customers can request ALSOK security to rush to the scene in the event of an emergency



(with ALSOK sticker)

MH-A and MO-A2 models, part of ALSOK's Medium-sized Cash Deposit and Dispenser Machine Online System

On June 30th, 2022, ALSOK started providing MH-A and MO-A2 models to upgrade its Medium-sized Cash Deposit and Dispenser Machine Online System that comprehensively manages store sales and cash. These models have newly added functions, such as "petty cash withdrawal" and "petty cash transfer" functions that have been requested by customers. The "petty cash withdrawal" function is a function that allows you to withdraw petty cash from the cash deposit machine, that was previously managed using a store safe. In addition, the "petty cash transfer" function, which transfers a portion of the sales amount for petty cash withdrawals, eliminates the need to supplement cash separately when there is a shortage of petty cash.

Main Functions

- Features multiple-unit linkage functionality
- Selectable combination of cash storage compartments
- Features coin roll vault
- External system integration
- Operation screen also available in English



MH-A model



MO-A2 model

Latest Topics

We have upgraded the automated patrolling security robot at the Tokyo Chamber of Commerce and Industry (TCCI) (Chiyoda-ku, Tokyo; Akio Mimura, Chairman) to the latest model, REBORG®-Z. With this upgrade, the security level and service level have been improved, and the model has been changed to feature an original wrapping featuring to Tokyo Chamber of Commerce and Industry and Eiichi Shibusawa, the first Chairman of the Tokyo Chamber of Commerce and Industry.

Since the completion of the new Tokyo Chamber of Commerce and Industry Building (Marunouchi Nijubashi Building) in November 2018, ALSOK's security robot has been patrolling the first floor entrance and responding to visitors with on-board information content. In addition to conventional functions, the newly introduced REBORG®-Z can move to the floor where the office is located by interlocking with the elevator, and as part of the work style reform, it can provide voice guidance to encourage employees to return home. The information content has also been updated to reflect the uniqueness of the Tokyo Chamber of Commerce and Industry.

REBORG®-Z has been installed in various places such as shopping malls, complex facilities, and airports. Going forward, we will continue to provide high-quality security services through the cooperation of security guards and robots, and contribute to increasing the added value of facilities.



REBORG®-Z patrolling the entrance at the first floor of the Tokyo Chamber of Commerce and Industry building

Changes in Robot Development

In 1982, we began research and development of autonomous security robots to improve the efficiency of labor-intensive stationed security services. In 2002, we began selling the Guard ROBO C4 with security + guidance functions, followed by continued improvements in driving and monitoring functions, and in 2019 we released our latest model, the REBORG®-Z. Currently, 27 security robots are in operation throughout Japan.

- Started robot research to improve the quality of security and reduce manpower against the backdrop of an aging society with a declining birthrate.
- Commercial launch positions robots as “technological image leaders” in the security market.
- Pursuit of multifunctional robots with information functions, not only functions for the security market.

REBORG®-Z

Functions	Description
Surveillance Camera Function	Video is always recorded by the robot's built-in front and rear cameras.
Surveillance Function	Sensors built into the robot detect intruders in the alert area. When an intruder is detected, the information can be checked on a dedicated PC.
Mobility Function	It can automatically run along set routes and automatically recharge the battery at the recharging device. This contributes to the automation, sophistication, and labor saving of security patrols.
Drip-proof and dust-proof	It is possible for the robot to patrol around the perimeter of facilities since it features a drip-proof and dust-proof design.
Remote Monitoring Function	Surveillance camera images and abnormalities during area alerts are confirmed remotely. Video images during automated patrols can be viewed on a dedicated PC for timely confirmation of local conditions.
LCD display function	Displays and plays provided video content. Specified data such as facility information display, store advertisements, and event announcements can be displayed.
Facial Recognition Function	With the built-in camera of the robot, it is possible to check with a person registered in the system. It is also effective for preventing accidents and incidents by early detection of persons with special attention, and for responding to customers by early response to important customers.

2002

Guard ROBO C4
Security +
guidance functions



2005

D1
Basic outdoor
patrol research



2006

REBORG-Q®
For use along with
real security guards



2009

An9-PR
Responds to
guidance requests



2015

Reborg-X
Strengthens
collaboration with people



2019

REBORG®-Z
Enhanced anomaly
detection



Quality Improvement Initiatives

Due to the nature of ALSOK’s business, which is to protect the lives and property of customers (Security Services, General Property Management and Fire Protection Services, Long-Term Care Services, etc.), we consider it an important management issue to provide high-quality services that meet the intentions of our customers based on relationships of trust.

We are promoting initiatives for continuous quality improvement, such as using customer feedback to improve operations, creating a corporate culture of friendly competition among employees, and acquiring various management system certifications.

Improving the Quality of Service That We Provide to Our Customers

● Improving Operations Based on Customer Feedback

Feedback from customers, including opinions, requests, complaints, and messages of appreciation, is shared with all employees and serves as a catalyst for improving how we conduct business on a daily basis.

In particular, since complaints are regarded as important hints for business improvement, we analyze them by looking at how they occurred as well as surrounding factors and share our findings with relevant departments to implement appropriate solutions.

Furthermore, based on the recognition that each complaint stems from “an act that damages the company’s reputation” we have introduced an evaluation index which uses “damage points” to measure the seriousness of a complaint. We are working to prevent recurrence of complaints caused by violations of internal regulations and rules provided in manuals by disclosing the incidence rankings and evaluation results and thoroughly providing corrective guidance.

Number of Customer Feedback
(26 less than the previous year) **3,049**

Complaints **787** (YoY decrease of 26)

Messages of Appreciation **2,262** (YoY increase of 1,135)

● Improving Customer Satisfaction and Employee Commendation

Every six months, ALSOK awards employees who have contributed significantly to improving customer satisfaction. Three years have passed since the awards system was introduced, and the increased awareness of customer satisfaction among employees has also been reflected in the increase in the number of winners.

To further improve awareness, we are expanding the number of award categories and revising the criteria for proper evaluation.

Number of Awards Given for Providing Quality Customer Service			
•FY2020	First half of the FY	4	Second half of the FY 8
•FY2021	First half of the FY	8	Second half of the FY 10
•FY2022	First half of the FY	12	Second half of the FY 8

● Quality Control Activities

Quality Control (QC) activities are carried out at work sites throughout Japan to solve familiar problems in the workplace with the aim of improving productivity and raising awareness of participation by employees through voluntary activities.

Each site organizes one or more quality control circle meetings each year, and the results of each circle’s activities are presented in regional qualifiers. In addition, the Head Office presentations are held by the selected offices nationwide, and outstanding initiatives are disclosed on the company intranet to promote the horizontal development of good practices.



Outstanding Circle Award



Quality control presentation

● Business Improvement Proposal System

We have established the Business Improvement Proposal System in order to encourage employees to share constructive opinions on business improvement, which can lead to internal revitalization and productivity improvement.

Improvements are constantly being made, including changing the format of documents used in business and changing to more efficient methods that are less prone to operational errors, by adopting ideas suggested by employees.

Improving Work Skills

In-House Competitions

The ALSOK Group Corporate Quality Improvement Tournament is held annually to improve the quality of services throughout the Group through competitions that incorporate practical aspects such as alarm response, maintenance of security equipment, telephone response, and first aid.

In FY2022, which marked the 12th year of the event, 158 employees participated in the tournament after taking various measures against Covid-19, and competed with each other based on the skills and response capabilities honed in their day-to-day work.



First aid training

Initiatives for Safe Driving

In 2009, we introduced the “Safe Driver Certification System” for employees who operate commercial vehicles and motorcycles (two- and three-wheeled vehicles) to acquire basic vehicle knowledge and driving skills. Through practical training, we are working to reduce traffic accidents by having those employees learn to operate vehicles safely.

In addition, in order to further prevent accidents, installation of vehicle safety equipment such as collision damage reduction brakes and rear-view sensors has been mandatory for new car purchases since 2021. When a traffic accident occurs, the causes are analyzed by the department in charge and the results are provided to all concerned parties as appropriate.

We are also developing various accident reduction measures, such as expanding our “Driver Award Program for No Accidents and No Violations,” which recognizes employees who perform their duties without traffic accidents or violations according to the distance they have driven to provide incentives for safe driving.



Employees presented with Accident Free Award



Safe Driver Certification test

Improving Employee Satisfaction

Improving Employee Satisfaction

We recognize that customer satisfaction and employee satisfaction are important in providing high-quality services, and we believe that the foundation of employee satisfaction lies in a culture of praise for employees in their day-to-day work.

That’s why ALSOK has introduced the Good Service Thanks Card (GST) to recognize employees’ strengths and reward them with two types of cards: cards with words of appreciation from customers and cards with words of appreciation from coworkers.

In addition, by selecting the best GST Cards awarded and posting them at each business site, we foster a culture of mutual recognition and increase opportunities for praise.



GST Cards
(Good Service Thanks Card)

Number of GST Cards Distributed

89,784 (Up 7,636 YoY)

1. With messages of appreciation from customers

16,438

(Non-consolidated: 3,950; Group: 12,488)

2. With messages of appreciation from coworkers

73,346

(Non-consolidated: 40,899; Group: 32,447)

Employee Awards

In order to improve service quality and motivate employees, we have established a variety of in-house award programs, ranging from individual employee awards to individual office awards.



ALSOK100
(outstanding employee award)
award ceremony



ALSOK100 (outstanding employee award) recipients

Examples of Awards

- ALSOK100 (outstanding employee award)
- Driver Award for No Accidents and No Violations
- Outstanding Salesperson Award
- Outstanding Team Member Award
- Golden Eagle Cup, Ayato Cup, and Murai Cup

Solving Social Issues through Business Activities

By accurately grasping social trends and utilizing know-how cultivated in the security industry, we provide multifaceted services that contribute to solving social and customer issues.

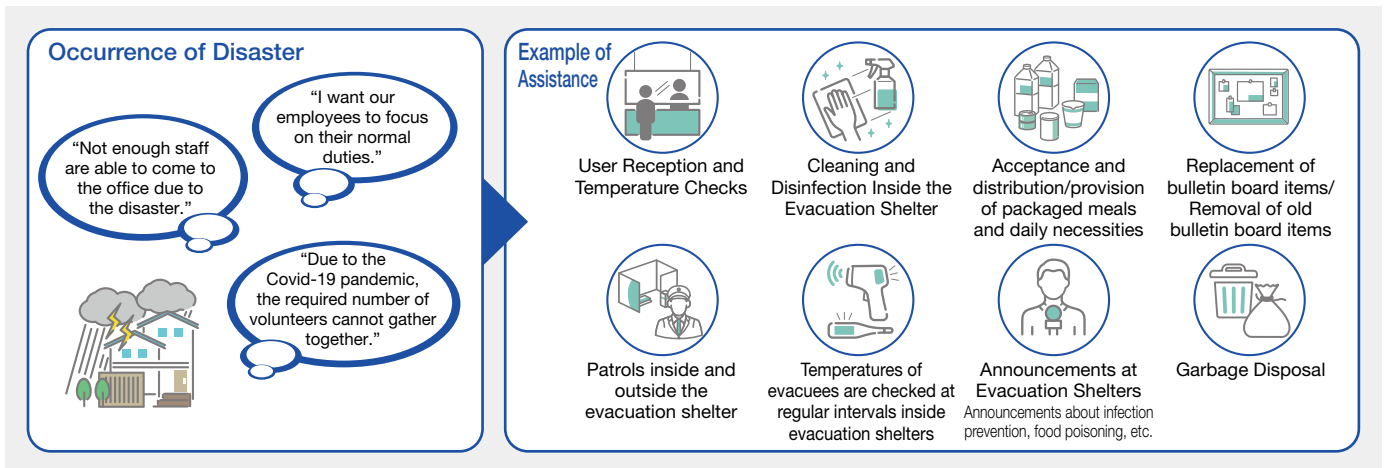
Development of Safe and Secure Communities

● Evacuation Shelter Solutions

Japan faces the risk of various natural disasters such as earthquakes and floods caused by typhoons. Local governments throughout Japan have established evacuation shelters to protect and accept affected people. However, an important issue is how to prevent infectious diseases, including Covid-19, from spreading in evacuation centers, where three conditions that facilitate the transmission of infectious diseases (closed spaces, crowds, and close contact) are likely to exist.

ALSOK provides one-stop evacuation center solutions that provide everything from evacuation support to operational support such as checking the body temperatures of evacuees and using the system to manage action areas.

By using HOME ALSOK Mimamori Support, ALSOK's watchdog service for the elderly to provide them with evacuation support, municipalities can give evacuation instructions to users, confirm evacuation routes, ascertain the location of missing persons, and ascertain and tally the status of completed evacuations.



● Provision of a Town Security System that Utilizes AI

For Suita Sustainable Smart Town (Suita SST) in Osaka Prefecture, Panasonic Connect Co., Ltd.'s security systems and ALSOK's security services are used in combination to realize a highly accurate and efficient town security system that can monitor events as well as automatically and continuously identify/analyze issues.

In order to realize "a town where everyone can live in peace of mind forever and anyone can visit with peace of mind at any time," an ALSOK security station has been set up in Suita SST. We are improving the level of our collaborative abilities and services such as incident detection using high-performance town security cameras equipped with AI and 4K technology, rushing security guards to respond to incidents in consideration of the circumstances, and correspondence with police, emergency services, etc.

ALSOK has been selected as a security partner for Fujisawa SST (Fujisawa City, Kanagawa Prefecture), Tsunashima SST (Yokohama City, Kanagawa Prefecture), and Suita SST, all SSTs that Panasonic is involved with, and is the only security company to participate in all the SSTs.



Suita Sustainable Smart Town

● A New Approach to Providing Disaster-prevention Stockpiles that Contributes to Reducing Food Loss

It is common for companies to stock up for disasters such as earthquakes, but stockpiled beverages and food that are not consumed and have expired may be discarded, resulting in food loss and possible disposal costs.

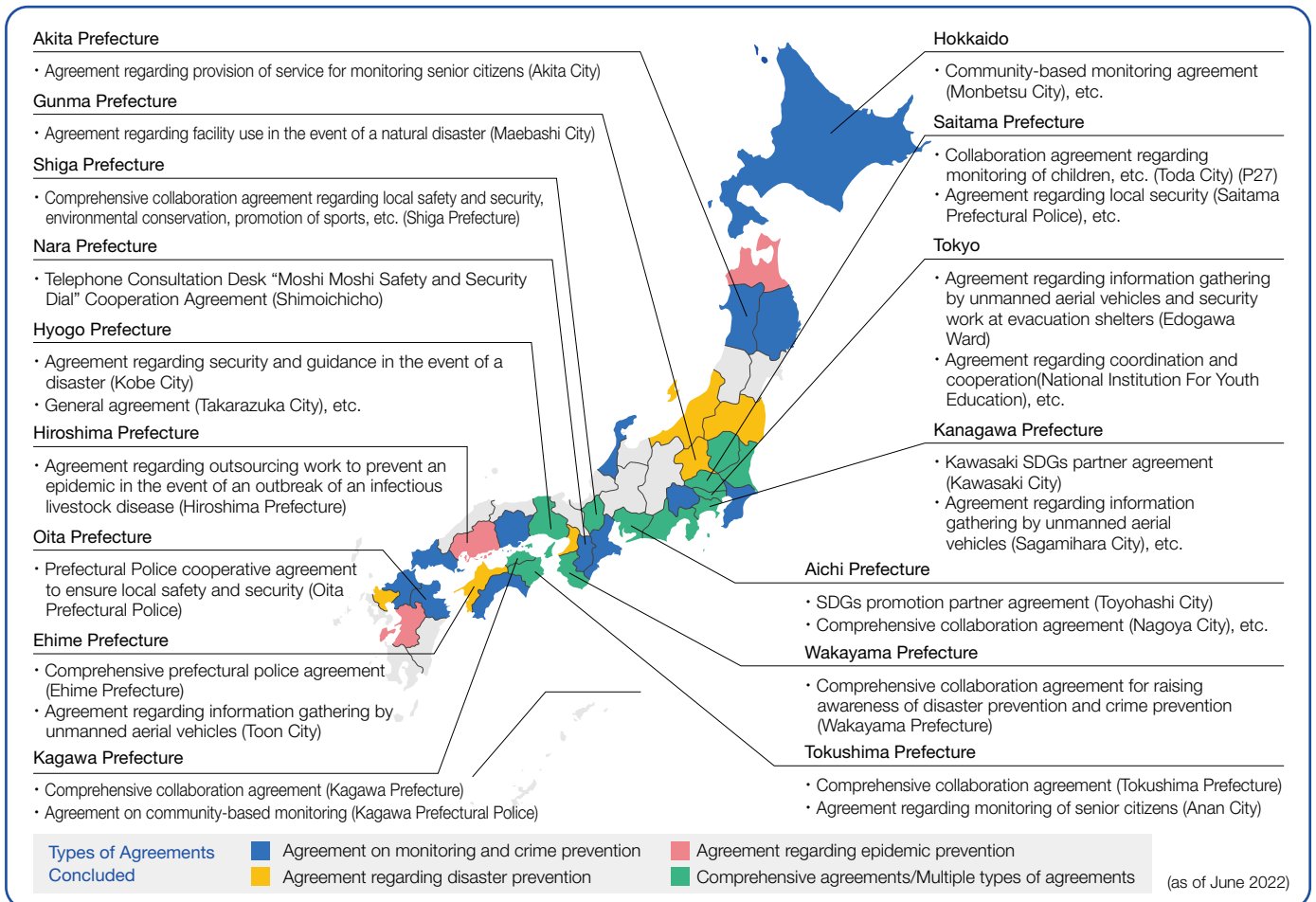
As a solution to this kind of social issue, ALSOK has launched the Social Contribution Based Disaster Stock Utilization Service. The service is offered at a fixed-price with a contract term of 4 and a half years. Delivered disaster stockpiles are replaced with the new one six months before their expiration dates, and those that are about to expire are donated to various welfare facilities and organizations nationwide through food banks. This service eliminates the hassle and cost of managing stockpile expiration dates, replacing stockpiles, and disposing of expired stockpiles, and also contributes to solving social issues.

Contributing to Safety and Security by Entering into Agreements with Local Government Authorities throughout Japan

ALSOK is developing activities that contribute to the safety and security of local communities nationwide by entering agreements with local governments and the police making use of its network of security bases located at approximately 3,000 locations throughout Japan as well as its mobility.

Agreements cover crime prevention, monitoring of the elderly and children, disaster prevention, and pandemic prevention. In addition to contributing to the safety of society, in recent years we have been involved in a wide range of activities, including activities aimed at achieving the SDGs and activities related to the development of young people who will lead the next generation.

ALSOK will further enhance its contribution to society by taking advantage of the characteristics of its operations and solving the issues faced by each region.



Note: The agreements shown on the map are examples of some of the agreements we have concluded.

● ALSOK Enters a Collaboration agreement regarding monitoring of children, etc. with Toda City, Saitama Prefecture (agreement concluded on June 21, 2021)

In Toda City, monitoring security cameras have been installed at 300 locations around the city, mainly along commuting routes, and a notification service has also been established to inform families and guardians where their children are located.

We support the operation of this service from the aspect of installation and maintenance of monitoring security cameras and have included an agreement with the city. In addition to monitoring children, such as holding crime prevention classes, we will cooperate with the city in various aspects such as community safety and security, support for the elderly and people with disabilities, and disaster countermeasures. We contribute to strengthening the local monitoring environment.



Collaboration agreement signing ceremony

● ALSOK Enters an Agreement Regarding Security and Guidance in the Event of a Disaster with Kobe City, Hyogo Prefecture (agreement concluded on November 17, 2021)

In the event of a disaster, we provide guidance for victims and those who are unable to return home, security at evacuation centers, development of bases for collecting and delivering supplies in the event of a disaster, and advice on the deployment of security guards and guidance.

ALSOK was also contracted to develop a manual (FY2022) for guiding people who have difficulty returning home in the area surrounding Sannomiya Station, the terminal station.

Solving Social Issues through Business Activities

Supporting Environmental Issues

● Providing Products Aimed at Realizing Carbon Neutrality

In order to achieve the government's goal of becoming carbon neutral by 2050, ALSOK is working to reduce energy consumption and CO₂ emissions by upgrading air conditioning, LED lighting, and other equipment with energy-efficient devices.

In addition, to accommodate electric vehicles and plug-in hybrid vehicles, ALSOK has started installing EV charging facilities and also contributes to the enhancement of the EV charging infrastructure.



EV charging equipment handled by ALSOK

● Environmentally-friendly Fire Extinguishing Agents are Deployed at Forest Fire Sites in Indonesia

In Indonesia, forest fires have become a social problem, spreading underground when wildfires in forests ignite underground peat layers. While such fires are characterized by the fact that they are not easily extinguished once they start, from the standpoint of forest conservation, fire extinguishing agents that have a negative impact on the environment should not be used.

On the other hand, PT. ALSOK BASS Indonesia Security Services proposed an environmentally friendly fire extinguishing fluid to a Japanese company that manages peatland forests. Local demonstration tests confirmed the penetration of the fluid into the ground, its effectiveness in extinguishing fires, and its high biodegradability and low environmental impact, and it is now being deployed at fire sites.



Environmentally-friendly fire extinguishing agent

Contributing to Infectious Disease Control Measures

● Post-Covid Security Utilizing Robots

Three REBORG[®]-Z security robots have been placed at a new residential treatment facility for Covid-free patients established by the Tokyo Metropolitan Government. The REBORG[®]-Z robots were deployed to reduce the workload of support staff and reduce the risk of infection since patients do not have to meet face to face or have physical contact with support staff when robots are used. In addition, an antimicrobial coating is applied to the REBORG[®]-Z itself and sterilization was carried out as appropriate after introduction, contributing to the prevention of infectious diseases.



REBORG[®]-Z security robot

Basic Functions

1. Facilitates communication between the administrative section and residents
2. Camera-based monitoring
3. Automatic patrol based on pre-defined route
4. Residents can use the microphone function to be provided with information in the language used (multiple languages including Japanese, English, and Chinese are available)

● Helping in the fight against Covid-19 by collecting and transporting infectious waste

In response to the Covid-19 pandemic, the occupancy rate of hospitals has increased and the establishment of accommodation facilities as well as vaccination centers nationwide has led to an increase in the volume of infectious waste, such as used needles, vaccine ampoules, and clothing which was exposed to blood and body fluids.

Sohgo Kanzai Co., Ltd. collects such waste using sealed containers and safely transports waste to the disposal site. We are working to strengthen our response system to meet increasing demand, such as adding warehouses for storing waste, expanding collection and transport areas as well as the types of items that can be collected.



Infectious waste transport vehicles

Diverse Services Rooted in Local Communities

The ALSOK Group, which operates nationwide and around the world, provides a variety of distinctive services focusing on security, which is its main business, and contributes to solving regional issues through closeness with each community.

ALSOK YAMAGATA

Vehicle Operation Management

We manage the operation of four vehicles owned by Oguni Town, Yamagata Prefecture for transporting dialysis patients. We manage vehicle schedules for transporting patients to their homes within the town and to hospitals in neighboring municipalities, inspect and clean the vehicles, and drive them.



ALSOK SHIZUOKA

A crowd control guard near the summit of Mt. Fuji

During the busy season, particularly at the time the Mt. Fuji opens for climbing each year, ALSOK security personnel are deployed along the Fujinomiya and Gotemba trails at the summit of Mt. Fuji, and at intermediate points between to warn climbers, guide them to sunrise viewing points, and provide first aid to those who are injured or have breathing difficulties.



Yamanashi Branch

ALSOK Grave Maintenance Service

In Yamanashi Prefecture, we provide service where we clean grave sites and conduct memorial services on behalf of those who live far away due to job transfer or other reasons or those who are elderly and have difficulty managing graves that they are responsible for. Grave photos and condition report are provided via email or postal mail.



ALSOK Thai

Illegal Drug Testing Services

In Thailand, where approximately 5% of the population has experienced using methamphetamines and other drugs, there are many incidents of employees stealing company products and equipment in order to purchase drugs. We provide drug testing services to our Japanese business partners struggling with this problem.



ALSOK CHIBA

Wild Game Facility

The Wild Game Facility was established to solve the problem of the disposal of harmful birds and beasts that are captured which are causing issues in Chiba Prefecture. The company takes in captured birds and beasts and then dismembers, processes, and sells them at its own facility.



ALSOK KEIJI

Snow Removal

During the winter season, the plant where we have a permanent security guard stationed in Ayabe City, Kyoto Prefecture, security staff checks the weather forecast every day and waits at home when snowfall is predicted, then dispatches a wheel loader on an emergency basis to remove snow before the employees arrive for work.



Kita-Kanto Sohgo Security Services

Management and Operation of Facilities (PFI/PPP)

We are responsible for the management and operation of public facilities, including Tochigi Green Stadium, the home stadium of the Tochigi J-League Soccer Club, and the Tochigi Prefecture Disaster Prevention Center, where people can learn about disaster prevention through simulated experiences.



ALSOK CARE

Licensed Nursery Schools

We operate two "Kodomo no Ie Nursery" (Shiki City, Saitama Prefecture) and two "Tanpopo Nursery" (Funabashi City, Chiba Prefecture) as licensed nursery schools for children from zero years old to preschool age, providing places where children can grow up healthy and sound.



ALSOK TOKUSHIMA

Shuttle Bus Service

Two to five shuttle buses provide visitors with regular service between the Otsuka Museum of Art in Naruto City, Tokushima Prefecture where ALSOK security are located and 3 to 4 private parking lots located approximately 1 km away.



Sustainability and CSR Management

Framework for Sustainability and CSR Initiatives

ALSOK considers the five themes of “Providing Trustworthy Security Services,” “Providing Products and Services That Help Resolve Social Issues,” “Cultivating Human Resources and Building a Comfortable Workplace Environment,” “Contributing to Local Communities Through Active Communication,” and “Consideration for the Global Environment” to be material issues and is working to resolve social issues and improving corporate value in a sustainable manner. As a company that plays a role in social infrastructure, we strive to provide solutions related to these five themes.

Five Material Issues

- 1** Providing Trustworthy Security Services

The primary purpose of ALSOK’s business activities is to provide products and services of the first rank to our customers. As a company that develops businesses that protect the lives and assets of our customers, we believe that providing high-quality products and services that meet the trust of our customers is an important management issue, and we are constantly working to improve quality.
- 2** Providing Products and Services That Help Resolve Social Issues

By accurately grasping social trends and utilizing know-how cultivated in the security industry, we provide multifaceted services that contribute to solving social and customer issues recognizing that ALSOK is a company that plays a role in social infrastructure.
- 3** Cultivating Human Resources and Building a Comfortable Workplace Environment

People are the key source of our corporate activities. To ensure that each and every employee, who form the foundation for our sustainable corporate development, can maximize their abilities and work vigorously, we are building an environment that brings out their best performance through the promotion of work style reforms, diversity initiatives, and enhancement of training programs.
- 4** Contributing to Local Communities through Active Communication

To give form to “arigato no kokoro” (a feeling of gratefulness and gratitude)—part of ALSOK’s fundamental spirit—the Company acts as a good corporate citizen, diligently working to contribute to the resolution of the various issues faced by the communities it serves and contributes to the realization of a future in which everyone can live safely and securely.
- 5** Consideration for the Global Environment

Based on the recognition that global environmental issues are common to all humankind, we will take measures against climate change, contribute to building a recycling-oriented society, and conserve biodiversity from the perspective of reducing environmental impacts and preventing environmental pollution.



Basic Sustainability Policy

Recognizing that addressing sustainability issues is a fundamental management issue, we have established the ALSOK Group Basic Sustainability Policy to meet the diverse safety and security needs of customers as well as society, and will promote initiatives aimed at sustainable growth.

<p>(1) Providing products and services that contribute to the solutions of social issues</p> <p>(2) Ethics and fair trade</p> <p>(3) Corporate governance</p> <p>(4) Human rights and labor</p> <p>(5) Providing trustworthy, resilient integrated safety and security services</p>	<p>(6) Human resource development and providing better workplaces</p> <p>(7) Conservation of the global environment</p> <p>(8) Contributing to local communities</p> <p>(9) Thorough crisis management</p> <p>(10) The role of our management team</p>
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<https://www.alsok.co.jp/company/society/special/>

Social Issues Dialogue and SDGs

Important Social Issues	Vision	Main Initiatives	Related SDGs
<p>E Environmental</p> <p>Climate change countermeasures</p> <p>Safeguarding Biodiversity</p> <p>Effective utilization of resources</p> <p>Supply chain management</p>	<p>Helping to resolve climate change-related problems, and contributing toward safeguarding the global environment</p>	<p>Reducing energy usage and CO₂ emissions</p> <p>Responding to bird and animal pests</p> <p>Promoting the “3Rs” (Reduce, Reuse, Recycle)</p> <p>Supply chain management</p>	
<p>S Social</p> <p>Response to crime, terrorism, etc.</p> <p>Response to aging social infrastructure</p> <p>Response to shrinking labor force, and shortage of medical professionals and care workers</p> <p>Cultivating diverse talent</p> <p>Respect for diversity and human rights</p> <p>Work-life balance</p> <p>The need to control crime</p> <p>The need to create educational opportunities</p> <p>The need to provide support for recovery</p> <p>Improving customer satisfaction</p> <p>Enhancing service quality</p> <p>Risk preparedness</p>	<p>Addressing society's problems through the realization of safety and security by making effective use of the know-how cultivated in the security sector</p>	<p>Integrating AI and the IoT with security</p> <p>Monitoring services</p> <p>MIMAMORI service and ALSOK long-term care</p> <p>Improving employee education/training environments</p> <p>Diversity promotion</p> <p>Strengthening health management initiatives</p> <p>Holding of various types of crime prevention seminars</p> <p>Art, culture, and sports promotion to support the next generation</p> <p>Disaster relief and volunteering activities</p> <p>Enhancing customer satisfaction and employee satisfaction</p> <p>Improving service quality and acquisition of management system certifications</p> <p>Improving the BCP framework</p>	<p>Providing Products and Services That Help Resolve Social Issues</p> <p>Human Resources Development and Empowerment Initiatives</p> <p>Community Contribution Activities</p> <p>Quality Improvement Initiatives</p>
<p>G Governance</p> <p>Corruption prevention</p> <p>Compliance</p> <p>Strengthening transparency</p>	<p>Becoming a business group that is trusted by its stakeholders</p>	<p>Improving the corporate governance framework</p> <p>Compliance with Japan's Corporate Governance Code</p> <p>Implementing effectiveness assessment</p>	

Sustainability and CSR Management

Stakeholder Engagement

The ALSOK Group is conducting its business activities in relation with diverse stakeholders including customers, employees, business partners, shareholders/investors, local communities, and the global society. In reference to, among others, ISO26000, the international standard for social responsibility, we listen diligently to various requests and expectations obtained from communications with stakeholders and reflect them in our business activities. We also work with each sector in the local community, such as NPOs and NGOs, on an ongoing basis, aiming to contribute more effectively to the resolution of social issues.

Main Stakeholders	Value Provided by ALSOK	Specific Examples of Initiatives
Customers Corporate: 548,000 contracts Individuals: 460,000 contracts	Provide safety and security through our high-quality products and services	<ul style="list-style-type: none"> Improvement of customer satisfaction through CS promotion Quality and safety promotion initiatives Provision of safety and security services Dissemination of information through websites, SNS, etc.
Employees Number of employees: 38,192 (Non-consolidated: 12,002; Group: 26,190)	Based on the belief that people are an important source of corporate activities, we provide an environment in which each and every employee can fully demonstrate their abilities and work energetically, and develop their abilities	<ul style="list-style-type: none"> Enhancement of the education system Enhancement of health and welfare benefit plans Promotion of health management Establishment of internal reporting system, etc.
Shareholders and Other Investors Financial institutions/Corporations: 57.5% Foreign Investors: 23.8% Individuals and other: 18.5%	Increase in stock price and provision of shareholder returns by increasing corporate value through sustainable growth as a resilient "integrated safety and security solutions provider"	<ul style="list-style-type: none"> General Shareholders' Meetings, results briefings Issuance of integrated reports, securities reports, etc. Disclosure of business and other risks Investor meetings, etc.
Business Partners Number of business partners: Approx. 860 companies	To solve various social issues, ALSOK and the entire supply chain will work together to achieve sustainable growth.	<ul style="list-style-type: none"> Fair business practices CSR procurement Supply chain management Information security management system operation, etc.
Local Communities and the Global Society Japan (nationwide) Six foreign countries/regions	Contribute to the creation of a safe and secure society by creating new solutions centered on safety and security in response to diversifying risks	<ul style="list-style-type: none"> Holding of crime prevention classes and courses Art, culture, and sports promotion Disaster recovery and volunteering support Environmental activities, protection of biodiversity, etc.

Note: Shareholder information does not include treasury stock data.

Risk Preparedness (BCP)

● BCP

In recent years, earthquakes have occurred frequently in various parts of Japan. It is predicted that an earthquake directly beneath the Tokyo metropolitan area will occur with a 70% probability within the next 30 years. To be prepared, we conducted comprehensive disaster response drills in anticipation of an earthquake directly below the Tokyo metropolitan area.

The training includes a series of drills - establishment of a disaster response headquarters after an earthquake occurs, collection of information on the damage by each person in charge, and confirmation and reporting of the safety of employees. The drills are designed to strengthen cooperation with the affected offices and group companies, foster disaster awareness, and improve the ALSOK Group's overall disaster response capabilities.

In October 2021, we held VR-based disaster prevention training using a simulator. The simulated experience which integrates shaking movements and video will be utilized for future disaster countermeasures.



Comprehensive disaster response drill



VR-based disaster prevention training using a simulator

● Infectious Disease Control Measures

As a provider of services related to the safety and security of society, the ALSOK Group must continue to provide appropriate services.

For this reason, we have established a business continuity system based on national and local government policies related to measures to prevent the spread of Covid-19. In addition to the collection and dissemination of appropriate information through the Countermeasures Office established at the Head Office, and thorough implementation of basic infection control measures such as temperature checks, wearing masks, and hand sanitation, we are also striving to provide various stable services by adding a negative result from a PCR test provided by ALSOK Group company MBIC Life as a condition for returning to work, encouraging vaccination such as workplace vaccination, and making in-house meetings online.

In addition, in order to prevent the spread of infection, especially at nursing care facilities, we have implemented thorough infection control measures including cleaning inside facilities while enforcing entry restrictions.



Company-based vaccinations

Supply Chain Management

The ALSOK Group responds to changing times and the demands of society by working to help solve various issues such as human rights, labor, corruption, and global environmental conservation. However, we believe that this initiative will not be completed only by the efforts of the ALSOK Group, but will be realized with the understanding and cooperation of all stakeholders, including our business partners.

Based on this philosophy, the ALSOK Group will work on procurement and equipment design and development while strengthening cooperation with our business partners.

● CSR and Sustainability Procurement

In 2022, we established the CSR and Sustainability Procurement Guidelines to address global environmental conservation, human rights, labor, corruption, and other issues throughout the supply chain, including our business partners.

In addition to actively promoting global environmental conservation through effective use of resources and reduction of waste generation in cooperation with business partners, we are also promoting initiatives that respect human rights in the entire supply chain based on international norms regarding human rights.



Scan the QR code to see our CSR and Sustainability Procurement Guidelines.



Notice with policy information and survey sheet which are distributed to suppliers

● Environmentally-Friendly Design

We have formulated the Guidelines for Environmentally-Friendly Design as internal guidelines with the aim of contributing to environmental conservation in the development of security equipment and other outsourced products. Based on these guidelines, we will cooperate with our suppliers to consider environmentally-friendly designs when designing and developing products, limit the use of hazardous chemical substances in delivered products, extend the service life of products, and recycle packaging materials to further contribute to environmental conservation.



Security equipment provided by ALSOK

● Establishment of ALSOK Business Partner Hotline

From December 2021, the “ALSOK Business Partner Hotline”, the contact point designed for business partners to report to us, has been established, which aims to ensure self-cleaning, social trust, maintenance and improvement of corporate value, and sustainable development with business partners.

We have established a system that enables business partners to report unlawful acts, misconduct, unethical acts, or acts that may be considered to be unlawful, involve misconduct, or unethical caused by organizations or individuals within the ALSOK Group without the reporting party being treated disadvantageously.

Acquisition of Various Management System Certifications

Recognizing that business interruptions have an impact on many stakeholders, ALSOK is strengthening its efforts by obtaining ISO22301 in preparation for emergencies such as large-scale disasters and accidents.

We have also obtained certification for our quality management system (ISO9001), information security management system (ISO27001), and environmental management system (ISO14001) in order to improve business operations through the PDCA cycle.

Currently among our ALSOK Group companies, 57 companies have acquired ISO9001 certification, 20 companies have acquired ISO27001 certification, and 40 companies have acquired ISO14001 certification.

Increasing the Value of Our Human Resources

We are working to strengthen human resource development, such as enhancing training systems, promoting the acquisition of qualifications, and proactively supporting careers, so that human resources, which form the foundation of sustainable corporate development, can acquire skills and expertise in order to increase their value.

Enhancement of Training and Drills

● Initial Training for New Employees

Based on the fundamental concept that human resources are the most important source of corporate activities, the ALSOK Group conducts a variety of training programs to realize what is stated in our Management Philosophy - “to help maintain safety throughout society, an indispensable element of our lives, as well as to make constant improvements.” We have established a training system to develop the abilities of employees so that they can be put into practice in all business operations by understanding and permeating the basic spirit of the “Management Philosophy,” “Management Guidelines,” and “Code of Conduct.” We strive to develop human resources who can accurately read the changes in the environment surrounding ALSOK and the needs of society, and implement various corporate measures.

In particular, new employees, who will be responsible for the future of ALSOK, will acquire new security certifications and learn common knowledge, skills, and ethics necessary for their work. In addition to 36 hours and 50 minutes of initial training at the training center, on the job training in each department that the employee is assigned to is implemented based on a systematic plan for each job type.



Initial training

● Expanding Job Training Opportunities

The scope of the e-learning system introduced in FY2019 was expanded in FY2022. By switching from group training to e-learning training, which focuses on the acquisition of specialized knowledge, it has become possible to continue providing educational opportunities even in situations where group training cannot be conducted due to the Covid-19 pandemic.

● Average Number of Training Hours Per Person **12.3 Hours**
 ● Number of Training Classes Planned and Offered by the Head Office **385**



e-learning system utilization

Deepening Our Expertise

● Promoting of Acquisition of Qualifications

ALSOK aims to increase the acquisition rate of official certifications, which are required for each type of business. We encourage employees to take on new challenges by providing subsidies for certification acquisition costs.

Also, in order to motivate employees to acquire high-difficulty qualifications and to secure excellent human resources, we have established a system to provide qualifications to employees who possess the qualifications specified by the company and engage in specific work.

Examples of qualifications eligible for allowance
 37 types of qualifications including:

- Installation Technician
- General Communications classification
- Electrician
- Network Specialist
- Electrical Work Operation and Management Engineer
- Telecommunication Work Operation and Management Engineer
- Fire Protection Engineer (Type 4)
- First-Class Radio Operator for General Services

● Open Recruitment System

The ALSOK Group is actively promoting personnel exchanges with members of central ministries and agencies, other companies, and within the Group to promote the revitalization of the organization and the improvement of employee capabilities. In addition, we are striving to develop human resources who can work on a global scale by internally recruiting personnel in the field of security measures who are in charge of security at Japanese embassies and consulates. In addition to our core business of security services, we have adopted an open recruitment system in all business areas, including the long-term care business, to discover and develop human resources who will become the core of our business.

Furthermore, in order to achieve sustainable development amid rapid changes in the social environment, such as population decline, technological innovation, and globalization, recognizing that there is an urgent need to develop management personnel who have acquired systematic and advanced knowledge and skills related to management, we have dispatched employees to professional graduate schools where they can learn advanced management knowledge while continuing their work.

Building a Comfortable Workplace Environment

We are working to improve the work environment, such as promoting work style reform and responding to diversity, so that each employee can work energetically and fully while feeling a sense of job satisfaction.

Work Style Reform and Work–Life Balance

● Establishment of a System to Improve Work Styles

At ALSOK, we are working to enhance systems for creating a comfortable workplace in order to build an environment where workers can maximize their abilities.

System	Description
• Platinum Holiday	Encourages all employees to take long vacations of nine consecutive days or more (started in 2018)
• Pearl Holiday	This system fosters an environment that encourages employees to take annual leave by asking them in advance when they plan to take leave each quarter (started in 2021)
• Employee Satisfaction (ES) Meetings	With the aim of raising issues and drawing up opinions from employees, the company holds Employee Satisfaction (ES) Meetings with employees (excluding managers) and personnel officers every year at all business sites (started in 2008)
• Employee Questionnaire System	Employees questionnaires are distributed for the purpose of ascertaining employees' perceptions of the workplace, morals, values, etc., and promoting measures based on these perceptions. Distributed to all employees since 2020 (system started in 1999)
• ALSOK Support Line	We have established a support line in an effort to maintain the mental health of our employees and to create a safe work environment. Family members of employees can also call the support line (started in 2007)

● Percentage of paid leave taken	62.8% (Non-consolidated)	● Employee Satisfaction (ES) Meetings	22 Times	(Non-consolidated, for the fiscal year ended March 31, 2022)
● ALSOK Support Line	Number of Companies That Used the Support Line	41 Companies	Number of Matters Addressed	295 (ALSOK and Group companies)

Promoting the Empowerment of Women

● Challenges and Goals in Promoting the Empowerment of Women

With the aim of creating a workplace environment in which employees can fully exercise their individual abilities and play an active role, ALSOK is working to promote the active participation of women in both career advancement and the creation of an environment where diverse work styles can be realized.

We have set a goal to increase the proportion of women in management positions by 5% over a three-year period starting April 2021 compared to fiscal 2020. To realize this goal, we will implement various initiatives, such as holding meetings where female employees are given the chance to talk with female managers, provide them with opportunities to learn directly from role models about their management roles. Although ALSOK treats men and women equally in all job categories when hiring, the company has tended to avoid assigning women to the Operations Department for security considerations, placing them in logistical support roles instead. We have now broken away from this approach and assign female employees who wish to work in positions that have traditionally been for men.

In addition, we have established a system to promote the work-life balance of employees regardless of gender and are studying various work styles such as working from home so that employees can balance work with childbirth, childcare, and nursing care. We are working to increase the average length of service of employees by 5% over the three years starting in April 2021 compared to fiscal 2020.



● Ratio of Employees Returning to Work after Taking Childcare Leave (non-consolidated)	Men 100%	Women 94.1%
● Number of employees taking childcare leave by gender (non-consolidated)	Men 13	Women 35

Building a Comfortable Workplace Environment

Diversity and Inclusion

● Active Participation of Employees with Disabilities

In 2010, we established ALSOK Business Support Co., Ltd. as a special subsidiary to promote the employment of people with disabilities as well as to support their independence and social participation. We strive to create a workplace where each and every employee, regardless of whether or not they have a disability, can work with vigor and pride. ALSOK Business Support employees are involved in a wide range of activities, including the production of business cards, product pamphlets, and other printed materials used by the ALSOK Group, custody of contracts and equipment, and maintenance of equipment and terminals used for sending out materials and for ALSOK's outsourcing operations.



Document printing by ALSOK Business Support

● Active Participation by Seniors

In 2011, we established ALSOK Eagles Co., Ltd. to re-hire retired employees, providing a place where retired seniors can work utilizing their wealth of experience.

These seniors are active in a wide range of fields, from the operation of a convenience store located in the ALSOK Head Office building to the production and sale of original ALSOK goods and novelties, periodic inspection of alarm equipment, repair reception and reuse operations.

● Respect for Diversity

At our local subsidiaries in six Southeast Asian countries, we respect daily religious practices (Muslim prayer sessions, etc.) and have secured in-house prayer spaces and adjusted work shifts to allow time for prayer.

In addition, some Group companies hire employees in a manner that respects individual identity. After hiring, we encourage the understanding of the employees around them to create the work environment that the newly-hired employee desires.



Japanese employees and local staff at ALSOK India praying for the successful development of the company

● Overseas Business Development and Training for Local Employees

At Group companies overseas, we are working to develop a training system to encourage the further success of locally-hired employees. As part of this effort, we create common training materials that summarize our management philosophy and history, and use them in initial training conducted after hiring.

In order to spread ALSOK's basic spirit of "arigato no kokoro" (a feeling of gratefulness and gratitude) and "bushi no seishin" (a samurai spirit) in different cultures, these materials were optimized by translating them into the languages of each country and adapting them to each local culture. Through these activities, we are raising the sense of belonging of locally hired employees to the ALSOK Group and deepening their understanding of the basic reasoning behind why employees should follow our company manuals.



Employee training at ALSOK Thailand

Promotion of Health Management

In addition to a welfare program that allows employees to use sports facilities and hotels at preferential rates, we have an insurance system to support them in the event that they are absent from work for an extended period of time. We also support employees and their families to lead healthy and fulfilling lives by providing counseling services for mental and physical health and holding health events in cooperation with the health insurance association.

In recognition of these efforts, we were the only company in the security industry to be recognized as a Certified Health and Productivity Management Outstanding Organization (large enterprise category) for the sixth consecutive year for its health and productivity management.



Social Contribution Activities for Local Communities

Embodying “arigato no kokoro” (a feeling of gratefulness and gratitude)—part of ALSOK’s fundamental spirit—, we are engaged in community contribution activities utilizing our core business in order to meet the demands and expectations of local communities for safety and security.

Furthermore, we believe that the phrase “help maintain safety throughout society” found in our Management Philosophy includes the meaning of protecting a future in which all people, regardless of age, gender, nationality, religion, or disability, can live safely and securely. Based on this philosophy, we not only conduct business activities but also participate in volunteer and donation activities, contributing to the resolution of various social issues, promoting sports and culture, and providing educational opportunities for children who will lead the next generation.

● ALSOK ANSHIN KYOSHITSU

The ALSOK ANSHIN KYOSHITSU crime prevention class program, which was started in Kanagawa Prefecture in 2004, started expanding its coverage to target regions nationwide in 2005 and has continued its activities while taking infection control measures in the face of the Covid-19 pandemic.

In order to protect as many children as possible from being victims of crime, we are carrying out activities nationwide while updating the contents of classes in accordance with the times. As of the end of March 2022, a total of 54,439 classes have been held since the start of the program with 1,701,753 children participating.



ALSOK ANSHIN KYOSHITSU

● Providing Educational Opportunities for Children

In March 2022, we concluded a comprehensive agreement on collaboration and cooperation with the National Institution For Youth Education. The aim is to work together to resolve issues facing society and youth since there is a very high affinity between the initiatives of the National Institution For Youth Education and those based on our Management Philosophy.

We will collaborate in areas such as cultivating awareness of the value of life among youth and supporting children’s cafeterias by utilizing disaster-prevention stockpiled food from the perspective of reducing food loss, and provide children with opportunities and opportunities for hands-on experiences, involving experts from various fields.



Comprehensive agreement signing ceremony

● HOTTO LIFE KOZA Classes and Women’s Crime Prevention Seminars

As a company engaged in support services for the elderly and Long-Term Care Services, we utilize the know-how we have cultivated so far to develop HOTTO LIFE KOZA Classes to protect the elderly from bank transfer scams and burglary.

We also hold ALSOK Women’s Crime Prevention Seminars, on-site seminars designed to protect women from falling victim to crimes targeting women. ALSOK employees with extensive local experience play an active role as lecturers in both the classes and seminars.

● Regular Corporate Blood Drives

The ALSOK Group cooperates in holding corporate blood drives in multiple regions including at the Head Office building, with the aim of helping those seeking blood transfusions. In FY2022, a blood drive was also held at ALSOK Inagi Building for the first time.

In October 2021, we received a letter of appreciation from the Tokyo chapter of the Japanese Red Cross Society in recognition of our efforts to date.



Blood drive at the ALSOK Inagi Building



Disaster Support and Donation Activities

● ALSOK Arigato Undo Foundation Activities

The ALSOK Arigato Undo Foundation is operated with donations from officers, employees, and other volunteers of the ALSOK Group with the aim of embodying “arigato no kokoro” (a feeling of gratefulness and gratitude), part of ALSOK’s fundamental spirit.

The collected donations support activities including social welfare and disaster relief support in the form of subsidies to social welfare corporations, donations of welfare vehicles, and disaster relief donations to disaster-stricken areas.

● Donation Activities

In April 2022, a total of 9,273,500 yen was donated to the Office of the United Nations High Commissioner for Refugees (UNHCR) in the form of the ALSOK Ukraine Relief Fund by officers and employees of ALSOK and its group companies to provide humanitarian assistance to Ukraine and surrounding areas.

● Number of Vehicles for Welfare Services Donated

134 on a cumulative basis
(as of March 31, 2022)

Consideration for the Global Environment

Based on the recognition that global environmental issues are a common challenge for all mankind, we are working to prevent environmental pollution and reduce environmental impact by setting targets to reduce CO₂ emissions and are also addressing climate change issues and activities for protecting the natural environment.

Initiatives Aimed at Carbon Neutrality

● CO₂ Emission Reduction Targets

In fiscal 2022, we set a short-term target of reducing CO₂ emissions per unit sales of the entire ALSOK Group by 5.7% from the previous fiscal year. We also reviewed our medium-term target and set the target for fiscal 2025 to reduce CO emissions (per unit of sales) by 59% from the fiscal 2013 level.

● Initiatives for Reduction of Environmental Impacts

In addition to promoting renewal of lighting and air conditioning equipment to achieve CO₂ emission reduction targets, we are also working on power saving and eco-driving.

Due to the nature of the security guard's work where they rush to job sites in their vehicles, guards have many opportunities to use vehicles. Therefore, we are actively replacing them with environmentally-friendly electric and hybrid vehicles in an effort to reduce CO₂ emissions.

In 2022, we began an initiative to replace conventional three-wheeled motorcycles used to rushing guards in densely populated areas such as urban areas with electric three-wheeled motorcycles. In addition, we are analyzing fuel efficiency and other factors, and are considering introducing the system to cities in addition to Tokyo. In fiscal 2022, we introduced approximately 40 vehicles in Tokyo and we plan to expand this to about 200 vehicles over the next five years.



GYRO CANOPY e three-wheeled motorcycle

● Introduction of the PULCLE Bicycle Sharing System

With the aim of addressing social issues from an environmental perspective and contributing to the achievement of the SDGs, the Shizuoka Branch Office has begun installing PULCLE stations, Shizuoka City's shared bicycle program, in 2021. PULCLE is an electric-assist bicycle. These bicycles are made available at multiple cycle ports in Shizuoka City that can be rented and returned anytime at any bicycle port. PULCLE bicycles are mainly used by ALSOK for short-distance sales activities within the city and well received by sales and administrative staff who say that the ability to drop off bicycles at PULCLE stations is extremely convenient because it expands their range of activities near stations. Furthermore, efforts such as the use of bicycles and eco-driving have promoted a reduction in the number of sales vehicles and the amount of fuel used per vehicle, thereby improving our contribution to reducing environmental impact.



PULCLE station at our Shizuoka Branch

● Introduction of Solar Power Generation Facilities

ALSOK Gunma installed a solar power generation system on the roof of its Head Office in October 2020 to (1) cut costs by reducing the amount of electricity purchased, (2) reduce CO₂ emissions, and (3) create an environment where power can be secured during power outages (BCP measure). As a result, the amount of electricity purchased during the first year after the introduction of the system was reduced by 19.2% YoY, significantly curbing costs and CO₂ emissions.



Solar panels on the roof of ALSOK Gunma Head Office

Aiming for Acquisition of ISO 14001 Certification by All Group Companies

In our Medium-Term Management Plan (GD2025), we are aiming for all Group companies to acquire ISO 14001 certification to further enhance environmental management. Currently, 42 companies have already acquired the certification. We plan to have all Group companies acquire the certification by the fiscal year ending March 31, 2023.



Response to Climate Change (Disclosure Based on TCFD Recommendations)

In February 2022, ALSOK endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board.

We analyze climate change-related risks and opportunities in accordance with the disclosure framework recommended by the TCFD, and disclose the results on a corporate basis. We will continue to deepen our analysis and enhance the content of disclosure.

Governance	The Environment Committee and the Environmental Management Subcommittee are organized to plan, implement, and review environmental responses, and report the status of initiatives to the Board of Directors.
Strategy	We identified climate change risks and opportunities under the 2°C and 4°C scenarios, and examined countermeasures against those risks and services that ALSOK can provide (for details of the analysis results, please refer to the web page https://www.alsok.co.jp/company/society/tcfd/).
Risk Management	In response to risks identified and assessed by the Environmental Management Subcommittee, countermeasures are discussed and progress is managed as appropriate, and the content of these measures is reported to the Environment Committee for deliberation. In addition, we have established a system for the joint management of particularly high-impact risks in cooperation with the Risk Management Committee.
Indicators and Target	Indicators: Greenhouse gas (GHG) emissions (Scope 1 and 2) and CO ₂ emissions per sales unit are established as indicators. Target: We set the following target in 2022: Decrease 2025 CO ₂ emissions (Scope 1 and 2) by 59% in terms of emissions per sales unit (compared to that of fiscal 2013)

Biodiversity Conservation

Damage to forests and agricultural crops caused by harmful birds and animals is increasing year by year, which is affecting ecosystems.

Certified as a wildlife capture operator, ALSOK Chiba is engaged in the act of capturing harmful animal and bird pests. Furthermore, in 2020, the company opened Wild Game Facility, where it takes in a wide range of wild boars and other animals it captures, dismantles, processes, and sells them in an integrated manner. Processed meat is sold at restaurants in the region with which we collaborate, and we have also begun selling frozen products online to help reduce food loss.



Wild Game Facility (ALSOK Chiba)

● Tree Planting Activities

In 2015, ALSOK started tree planting activities in Chiba as a project to commemorate the 50th anniversary of the Company's founding. Since 2021, we have participated in the MORINO PROJECT (Public Interest Incorporated Foundation) engaged in tree planting activities. ALSOK employees participated in a tree-planting festival held in Minamisoma City where they planted seedlings with citizens.

In addition to environmental conservation efforts such as seawall-based tree planting, we are promoting social contribution activities that are unique to ALSOK by contributing to the safety and security of disaster-stricken areas through the restoration of disaster-prevention forests.



Tree planting in Minamisoma City

Toward the Realization of a Recycling-Oriented Society

● Showing Consideration for the Environment in Our Development and Procurement Processes

In order to further contribute to the creation of a recycling-oriented society, in accordance with the newly established CSR and Sustainability Procurement Guidelines, we are working in cooperation with our business partners to reduce packaging materials by sending bundled alarm devices.

In addition, we have established "Guidelines for Environmentally-Friendly Design" as in-house guidelines that stipulate compliance with the RoHS Directive and design that gives consideration to energy saving, resource saving, reuse/recycling, longer service life, etc., to create a system to incorporate environmental considerations from the design and development stages of security equipment.

● Promoting of Reuse of Alarm Equipment

We are working to reduce the amount of waste and resources used in manufacturing by reusing alarm equipment.

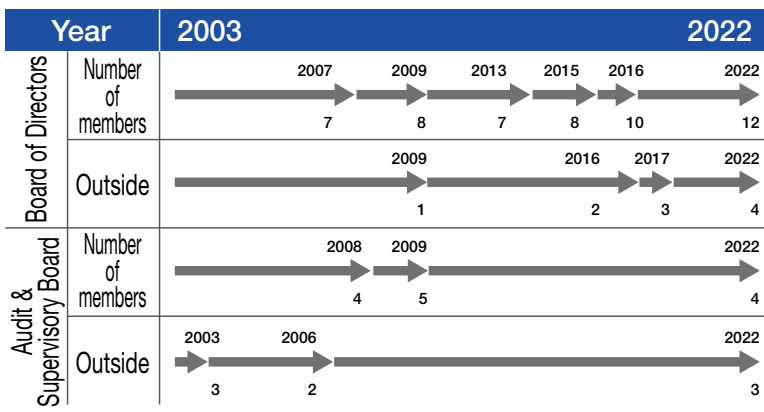
Also, in order to expand the scope of leasing business, in August 2022, we expanded the floor space of the current repair center in Kanagawa Prefecture and established a repair center in the Osaka area.

Corporate Governance

Basic Policies and Systems

Based on its management philosophy exemplified by the principles of “arigato no kokoro” (a feeling of gratefulness and gratitude) and “bushi no seishin” (a samurai spirit), ALSOK devotes itself to protecting the safety and security of its customers and of society as a whole. The ALSOK Group also advocates “contributing to society” as one of its management policies. Meanwhile, to continue to be a corporate group that is trusted by all stakeholders, we strive to reinforce Groupwide corporate governance with measures that separate managerial execution and oversight functions, allow swifter decision making, encourage strong corporate ethics, and provide transparency in business management.

History of ALSOK’s Corporate Governance



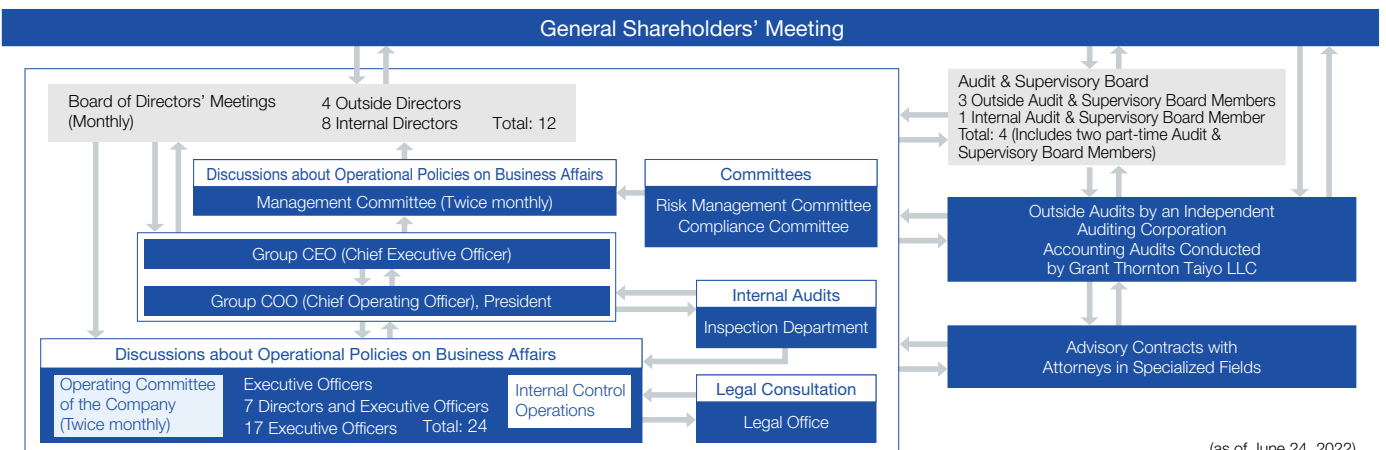
Revisions to the Rules

June	2002	Introduction of the Executive Officer System
November	2002	Formulation of the Compliance Rules
December	2002	Formulation of the Risk Management Rules
April	2004	Setting up of the ALSOK Hotline
August	2004	Formulation of the Basic Information Security Policy
December	2004	Formulation of the Personal Information Security Policy
May	2006	Formulation of the Basic Policy Related to the Internal Control System
July	2009	Formulation of Information Asset Management Rules
April	2016	Setting up of an external reporting hotline under the ALSOK Hotline
December	2021	Establishment of the ALSOK Business Partner Hotline

Overview of Corporate Governance Systems and Reasons for Adoption

The Company has adopted the Company with Audit & Supervisory Board structure described in the Companies Act of Japan. By implementing the following systems, the Company affirms that effective and complete audits are conducted by Audit & Supervisory Board members and that management is being appropriately governed.

As of the date this report was submitted, the Board of Directors is comprised of 12 directors, four of which are outside directors, and four Audit & Supervisory Board members, three of which are outside Audit & Supervisory Board members. The Board of Directors meets once a month, in principle, to decide on basic management policies and important matters pertaining to operational execution and to supervise the execution of duties by directors and executive officers. The Management Committee, which is chaired by the Representative Director, Group CEO meets twice a month, in principle, to determine the agenda items to be presented to the Board of Directors and to discuss the operational execution policies formulated based on Board of Directors’ decisions. The Audit & Supervisory Board meets once a month, in principle, to discuss and make decisions based on reports on important matters related to audits. In addition, one Audit & Supervisory Board Member attends the Management Committee to appropriately monitor the status of management execution.



(as of June 24, 2022)

Reasons for Appointment and Duties of Outside Directors and Outside Audit & Supervisory Board Members

Outside directors and outside Audit & Supervisory Board members are assumed to cover the functions of observation and supervision of the management team with objective and neutral standpoints.

Outside directors and outside Audit & Supervisory Board members attend meetings of the Board of Directors, at which they offer their opinions on the matters at hand. They receive from general managers in charge of each business and others briefings on the issues to be discussed at meetings of the Board of Directors the day prior to the meeting, allowing them to more effectively monitor management. They also coordinate with the Inspection Department and the independent auditing corporation employed by the Company in regard to supervision by outside directors, audits by Audit & Supervisory Board members, internal audits, and accounting audits. To facilitate this coordination, the outside Audit & Supervisory Board members periodically exchange information with these bodies.

The relationship between such supervision or auditing and the Internal Control Department is as follows.

The participation of the outside directors in meetings of the Board of the Directors enables them to monitor the operational execution of other directors with regard to internal control operations and other matters from an independent standpoint.

The outside Audit & Supervisory Board members evaluate the legality of the measures implemented by Internal Control Operations in the same manner as other Audit & Supervisory Board members. To this end, they perform both operational and accounting audits of the organization and review all relevant documents. The Company employs four outside directors and three outside Audit & Supervisory Board members; applications have been submitted to the Tokyo Stock Exchange, identifying each of these individuals as independent officers.

Reason for Election as an Outside Director

Name	Reason for Election	Attendance at Board of Directors' Meetings (FY2022)
Hiroto Suetsugu	Mr. Hiroto Suetsugu possesses abundant experience and insight, and advanced ability, developed as an officer at a major steel manufacturer over many years. He can be expected to contribute to enhancing and strengthening the corporate governance of the ALSOK Group and further improvement in corporate value, through providing valuable opinions from a broad perspective regarding the management team, and therefore the Company has elected him again as an Outside Director.	14/14 times
Toshie Ikenaga	Ms. Toshie Ikenaga has abundant experience over many years in public administration in areas such as gender equality and local government, as well as a high degree of insight and ability as a university professor. We expect that she will contribute to improving and strengthening the corporate governance of our Group and further enhancing corporate value by providing valuable opinions from a broad perspective to our management team, and therefore the Company has elected her again as an Outside Director.	11/11 times (After the appointment of office in June 2021)
Masahiko Mishima	Mr. Masahiko Mishima possesses a wealth of experience, insight, and ability that he has cultivated over many years as a manager at a major heavy machinery manufacturer. He is expected to contribute to the improvement and strengthening of the Group's corporate governance and further enhancement of corporate value by providing valuable opinions from a broad and high-level perspective to the management team. Therefore, the Company has newly elected him as an Outside Director.	— (Appointed in June 2022)
Kenji Iwasaki	Mr. Kenji Iwasaki possesses a wealth of experience, insight, and ability that he has cultivated over many years as a manager at a major property & casualty insurance company and other companies. He is expected to contribute to the improvement and strengthening of the Group's corporate governance and further enhancement of corporate value by providing valuable opinions from a broad and high-level perspective to the management team. Therefore, the Company has newly elected him as an Outside Director.	— (Appointed in June 2022)

Observation of Japan's Corporate Governance Code

The Company observes the principles put forth by Japan's Corporate Governance Code (the "Code"), which was formulated by the Tokyo Stock Exchange, using these policies as guidelines for corporate governance and carrying out detailed inspections and reviews of organizational structures. In addition, we submit a Corporate Governance Report to the Tokyo Stock Exchange, on a yearly basis and post this report on our corporate website. This report contains information on our efforts to observe the Code.

Going forward, we will continue to examine ways to strengthen our governance system, in line with the revisions made to the Code.

Corporate Governance

Effectiveness Assessment

In assessing the effectiveness of the Board of Directors, ALSOK conducts a questionnaire survey with all directors and all Audit & Supervisory Board members as well as interviews with individual directors and auditors as necessary. In view of the opinions collected, ALSOK is working to improve the effectiveness of the Board of Directors.

Main Opinions Presented in the Course of Effectiveness Assessment and Responses to Them

Opinion

Response

There should also be discussions on a framework for medium- to long-term growth, selection and concentration of operations, and expansion of areas of business.

We will consider ways to further secure a forum for follow-up on progress toward medium- to long-term strategies and plans, investment in human capital, and discussions on sustainability initiatives.

It is important to provide more opportunities for outside officers to understand the actual situation of the Company's business and organization.

In addition to continuing courses for newly appointed directors, the Company will strive to further enhance such activities as expanding the content of education for officers, etc. based on the management environment, on-site measures including nursing care, and providing information to outside Directors and outside Audit & Supervisory Board Members.

In an era of rapid change, there seems to be a shortage of discussions on management strategies and plans and progress.

The Board of Directors will consider responses to deliberations on management strategies and plans, as well as their progress, to further stimulate discussions during Board of Directors meetings.

Composition of the Board of Directors and Skill Matrix

The composition of the Board of Directors and the expertise and experience of each Director are as follows.

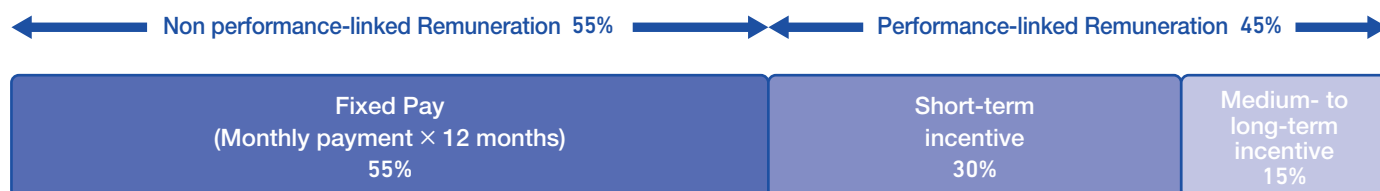
Name	Position	Corporate Management (including sustainability)	Finance/ Accounting	Legal Affairs/ Compliance	IT/Digital	Global Business	Sales/ Marketing	Human Resource Management	Industry Expertise (in the areas of security, equipment, and long-term care)
Tsuyoshi Murai	Representative Director Group CEO CTO (Chief Technology Officer)	●		●	●		●	●	●
Ikuji Kayaki	Representative Director Group COO Senior Executive President	●		●			●	●	●
Motohisa Suzuki	Director	●		●		●		●	●
Koji Kishimoto	Director	●	●		●				
Takashi Kumagai	Director	●		●	●				●
Kazuhide Shigemi	Director	●	●				●		
Naoki Hyakutake	Director	●		●			●	●	●
Yutaka Komatsu	Director	●					●		●
Hiroto Suetsugu	Director	●	●		●		●		
Toshie Ikenaga	Director			●				●	
Masahiko Mishima	Director	●		●		●	●		
Kenji Iwasaki	Director	●	●	●			●	●	

■ Policies and Methods for Deciding Compensation Amounts for Officers

The maximum amount of total remuneration for Company Directors is 400 million yen and the maximum amount of total remuneration for Audit & Supervisory Board Members is 120 million yen. In addition, the remuneration of our Company's directors consists of a fixed portion, which is determined by position and by whether the director is an Outside Director, and a performance-linked portion, which is calculated based on an evaluation of the performance of each director's execution of duties in accordance with certain standards. The remuneration of each Audit & Supervisory Board Member is fixed, and the specific amount for each is determined in accordance with the standards agreed by the Audit & Supervisory Board.

(Policy on Determining the Payment Ratio of Remuneration other than Performance-linked Compensation and Performance-linked Compensation)

The performance-linked remuneration for the Company's directors (excluding outside directors) is the predetermined compensation (bonus) paid in June of each year, and if the Company's performance payment rate and the individual performance payment rate are both 100%, the percentage to be paid is 45% of the total annual payment (short-term incentive: 30%, medium- to long-term incentive: 15%). In the case where fixed monthly pay falls under the category of remuneration other than performance-linked remuneration and both the company and individual performance payment rates are 100%, the percentage to be paid is 55% of the annual total amount of remuneration.



(Indicators pertaining to Performance-linked Remuneration, Reason for Selecting Said Indicators, and Method of Determining the Amount of Performance-linked Remuneration)

In calculating predetermined compensation, which is linked with performance, the Company's performance payout ratio for short-term incentives is calculated based on a reference index (consolidated operating income + equity in earnings of affiliates + consolidated bonus), which is adjusted for consolidated operating income, while the Company's performance payout ratio for medium- to long-term incentives is calculated based on the three-year average annual growth rate of that reference index. In addition, the individual performance payment rate is determined based on the degree of achievement of the goals set for each individual. After that, the amount of payment is finally determined by multiplying each payment rate by the standard amount.

■ Disclosure and IR Activities

The Company has established a disclosure policy and strives to disclose information proactively, fairly, and promptly. In addition, information required by each stakeholder can be obtained in an easy-to-understand manner through the IR website. We also aim to foster a deeper understanding among overseas institutional investors of the security services industry in Japan and the growth strategies of the ALSOK Group. To this end, we provide English-language translations of financial summaries, short-term investment securities reports, and other documents on our English-language IR website.



ALSOK's IR website: <https://www.alsok.co.jp/en/ir/>

Directors, Audit & Supervisory Board Members, and Executive Officers

(as of the end of July 2022)

Directors



Tsuyoshi Murai
Representative Director

Group CEO
Chief Executive Officer
and
CTO (Chief Technology Officer)


- Jul. 1999 Joined the Company
- Jun. 2007 General Manager of Home Marketing Division
- Apr. 2010 Appointed Executive Officer, Chief Officer of Regional Division (I)
- Feb. 2011 In charge of General Property Management
- Mar. 2011 Representative Director, Japan Facilio Co., Ltd. (resigned in March 2014)
- Apr. 2014 Appointed Senior Executive Officer, Deputy General Manager of Sales Headquarters in charge of sales planning and management, and regional finance sales
- Apr. 2016 In charge of Human Resources Affairs and Corporate Ethics
- Jun. 2016 Appointed Director and Senior Executive Officer
- Apr. 2018 In charge of General Affairs/PR, Compliance, Risk Management, and Information Assets Management
Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs
- May. 2018 In charge of Central Japan Area, Deputy Chief Officer of Business Promotion Affairs, in charge of Central Japan Area Sales
- Apr. 2019 Executive Vice President and Director, in charge of Promotion, Tokyo 2020 Olympic and Paralympic Games Promotion Affairs
- Apr. 2020 In charge of Management Company
- Apr. 2022 In Charge of R&D Engineering Affairs
- Jun. 2022 Appointed Representative Director (Current), Group CEO (Current), and CTO (Current)
- (Major concurrent positions)
- Jun. 2019 Appointed Deputy Chairman of the All Japan Security Service Association (Current)
- Dec. 2021 Appointed as Representative Director, Sogo Shoji Limited (Current)
- Jun. 2022 Appointed Chairman of the Tokyo Security Service Association (Current)



Ikuji Kayaki
Representative Director
(Senior Executive President)

Group COO
(Chief Executive Officer)
Head of ALSOK In-house
Company
Chief Officer of Business
Promotion Affairs
Chief Officer of Business
Affairs
Business Promotion Division
(East Japan Area)


- Apr. 1982 Joined the Company
- Apr. 2011 Chief Officer of Regional Division (IV)
- Apr. 2012 Appointed Executive Officer
- Apr. 2014 Deputy Chief of Operations, in charge of Structural Reform of Transportation Security Services
- Apr. 2015 Appointed Senior Executive Officer, Chief Officer of Security Operations
- Jun. 2017 Appointed Director and Senior Executive Officer
- Apr. 2018 Appointed Executive Vice President and Representative Director, General Manager of ALSOK Company (Current)
In charge of East Japan Area (Current), Deputy Chief Officer of Business Promotion Affairs, in charge of Corporate Customers
- Apr. 2019 Appointed Vice President and Representative Director, Senior Executive Vice President, Chief Officer of Business Promotion Affairs (Current)
In charge of Corporate Customers, in charge of East Japan Area Business (Current)
- Apr. 2021 Chief Officer of Regional Division (VI)
- Jun. 2022 Appointed Representative Director (Current) and Group COO (Current)
Senior Executive President (Current)



Motohisa Suzuki
Director
(Senior Executive Officer)

General Affairs/PR
Compliance
Risk Management
Information Asset
Management
Management Company
Overseas Business
Chief Officer of Overseas
Business Affairs

- Jan. 2015 Appointed Director of Traffic Bureau, National Police Agency (resigned in January 2016)
- Apr. 2016 Appointed Senior Executive Officer of the Company, in charge General Affairs/PR and Procurement, Deputy Chief Officer of Security Operations
In charge of HOME ALSOK, Compliance, Risk Management, Information Asset Management, Deputy General Manager of Sales Headquarters
- Apr. 2018 Chief of Operations, in charge of Structural Reform of Transportation Security Services
Deputy Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs
- Apr. 2019 Chief Officer of Tokyo 2020 Olympic and Paralympic Games Promotion Affairs
- Jun. 2019 Appointed Director and Senior Executive Officer (Current)
- Jun. 2022 In charge General Affairs/PR (Current) and Compliance (Current)
In charge of Risk Management (Current), Information Asset Management (Current), and General Company (Current)
In charge of Overseas Business (Current) and General Manager of Overseas Business Headquarters (Current)



Koji Kishimoto
Director
(Senior Executive Officer)

Financial & Accounting
Internal Control
Procurement

- Nov. 1985 Joined the Company
- Oct. 2012 General Manager of Financial & Accounting Department
- Apr. 2016 Appointed Executive Officer, Second in Charge of Financial & Accounting
- Apr. 2018 Appointed Senior Executive Officer, in Charge of Financial & Accounting, in charge of Internal Control (Current)
- Apr. 2019 In charge of Procurement (Current)
- Jun. 2020 Appointed Director and Senior Executive Officer (Current)



Takashi Kumagai

Director (Senior Executive Officer)

Long-Term Care Services
Deputy Chief Officer of
Business Promotion Affairs
Life Holdings Co., Ltd.
President and Representative Director
President and Representative
Director, Life Holdings Co., Ltd.
MBIC life Co., Ltd.
President and Representative Director
ALSOK Care Co., Ltd.
President and Representative
Director

- Jul. 2014 Director General, Reconstruction Agency (resigned in June 2016)
- Oct. 2016 Appointed Executive Officer of the Company, Second in Charge of Management Company, Second in Charge of Regional Management
Deputy Chief Officer of R&D Engineering Affairs, Deputy Chief Officer of Business Promotion Affairs, Second in Charge of Sales Promotion, Second in Charge of Corporate Customers
- Apr. 2017 Appointed Senior Executive Officer, Deputy Chief Officer of Business Promotion Division Long-term Care (Current), in charge of Management Company
In charge of Regional Management, Deputy Chief Officer of Business Promotion Affairs, Second in Charge of Sales Promotion
- Apr. 2018 Deputy Chief Officer of Business Promotion Affairs, in charge of HOME ALSOK
- Apr. 2020 Deputy Chief Officer of Business Promotion Affairs (Current)
Appointed President and Representative Director, Life Holdings Co., Ltd. (Current)
Appointed President and Representative Director, Life Holdings Co., Ltd. (Current)
Appointed President and Representative Director, Life Holdings Co., Ltd. (Current)
- Apr. 2022 Appointed President and Representative Director, Life Holdings Co., Ltd. (Current)
- Jun. 2022 Appointed Director and Senior Executive Officer (Current)



Kazuhide Shigemi

Director (Senior Executive Officer)

Corporate Planning & Administration
Strategic Business

- Apr. 2009 Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
General Manager, Osaka Sales Dept. No.2 (resigned in April 2012)
- May. 2011 General Manager of the Regional General Administration Department of the Company
- Apr. 2013 General Manager of Group Management Department
- Apr. 2015 General Manager of Corporate Planning & Administration Department
- Apr. 2017 Appointed Executive Officer, Second in Charge of Corporate Planning & Administration, Second in Charge of Strategic Business
- Apr. 2019 Appointed Senior Executive Officer, in Charge of Corporate Planning & Administration, in Charge of Strategic Business
- Jun. 2022 Appointed Director and Senior Executive Officer (Current)



Naoki Hyakutake

Director (Senior Executive Officer)

Human Resources Affairs
Corporate Ethics

- Apr. 1989 Joined the Company
- Apr. 2016 Transferred and appointed President and Representative Director of ALSOK Care & Support Co., Ltd. (resigned in March 2017)
- Apr. 2017 General Manager of Human Resources Department
- Apr. 2019 Appointed Executive Officer, in charge of Human Resources
- Apr. 2022 Appointed Senior Executive Officer, Second in Charge of Human Resources Affairs
- Jun. 2022 Appointed Director and Senior Executive Officer (Current), in charge of Human Resources Affairs
Corporate Ethics (Current)



Yutaka Komatsu

Director (Senior Executive Officer)

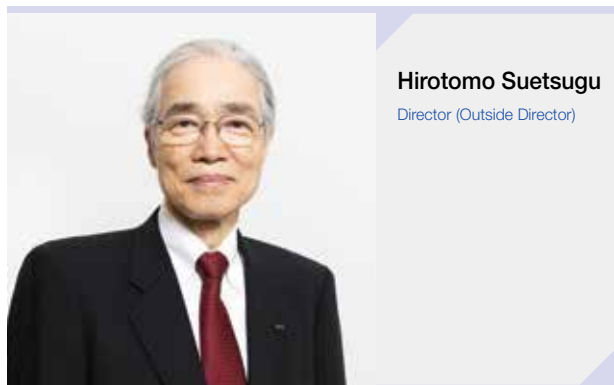
Stationed in the Kansai Region
West Japan Area
Expo 2025 security operations
Deputy Chief Officer of Business Promotion Affairs
West Japan Area Business
Chief Officer of Regional Division (II)
Chairman, President, and Representative Director, ALSOK KINKI Co., Ltd.
Chairman and Representative Director, ALSOK OSAKA Co., Ltd.

- Mar. 1981 Joined the Company
- Apr. 2008 General Manager of Corporate Sales Division 1
- Oct. 2014 Transferred and appointed President and Representative Director of Hokkaido Sohgo Security Services Co., Ltd. (currently ALSOK Hokkaido Co., Ltd.)
- Apr. 2020 Appointed Executive Officer
Appointed President and Representative Director, ALSOK Hokkaido Co., Ltd.
- Apr. 2022 Appointed Senior Executive Officer
Appointed Chairman and Representative Director, ALSOK Hokkaido Co., Ltd.
- Jun. 2022 Appointed Director and Senior Executive Officer (Current)
In charge of West Japan Area (Current)
In charge of Expo 2025 security operations (Current)
Chief Officer of Business Promotion Affairs, in charge of West Japan Area (Current)
Chief Officer of Regional Division (II) (Current)
Appointed Chairman, President, and Representative Director, ALSOK KINKI Co., Ltd. (Current)
Appointed Chairman and Representative Director, ALSOK OSAKA Co., Ltd. (Current)

Directors, Audit & Supervisory Board Members, and Executive Officers

(as of the end of July 2022)

Directors (Outside Directors)



Hirotomo Suetsugu

Director (Outside Director)

Apr. 2009 Appointed Executive Officer, Nippon Steel Corporation (resigned in June 2012)
 Jun. 2012 Appointed Auditor, NIPPON STEEL CORPORATION (resigned in June 2016)
 Jun. 2016 Appointed as Advisor, NIPPON STEEL & SUMITOMO METAL CORPORATION (Currently NIPPON STEEL CORPORATION) (Resigned in June 2019)
 Appointed Advisor, Nippon Denko Co., Ltd. (resigned in June 2021)
 Jun. 2020 Appointed Executive Director, Nippon Denko Co., Ltd. (Current)



Toshie Ikenaga

Director (Outside Director)

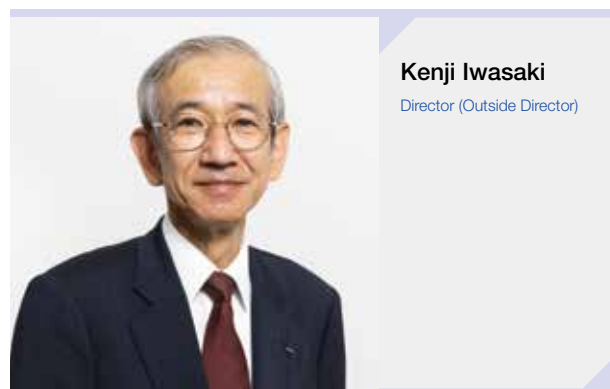
Apr. 1987 Joined the Economic Planning Agency
 Sep. 2010 Director, Policy Evaluation and Public Relations Division, Minister's Secretariat, Cabinet Office
 Apr. 2012 Professor, Hosei Graduate School of Regional Policy Design
 Apr. 2014 Director, Cabinet Office
 Sep. 2014 Director, General Affairs Division, Gender Equality Bureau, Cabinet Office
 Jan. 2016 Vice-Governor, Shiga Prefecture (Resigned in July 2018)
 Jul. 2018 Appointed Director General, Gender Equality Bureau, Cabinet Office (Resigned in August 2020)
 Jun. 2021 Appointed Outside Director (Current)
 (Major concurrent positions)
 Jun. 2021 Appointed Audit & Supervisory Board Member, Shimizu Corporation (Current)
 Jul. 2022 President, National Hospital Organization (Current)



Masahiko Mishima

Director (Outside Director)

Apr. 2016 Appointed Executive Officer, Mitsubishi Heavy Industries, Ltd.
 Oct. 2018 Appointed Senior Executive Officer, Mitsubishi Heavy Industries, Ltd.
 Jun. 2019 Appointed Director and Senior Executive Officer, Mitsubishi Heavy Industries, Ltd.
 Jun. 2021 Appointed Senior Executive Officer, Mitsubishi Heavy Industries, Ltd. (resigned in September 2021)
 Oct. 2021 Appointed Advisor, Mitsubishi Heavy Industries, Ltd. (Current)
 Jun. 2022 Appointed Executive Director, Nippon Denko Co., Ltd. (Current)



Kenji Iwasaki

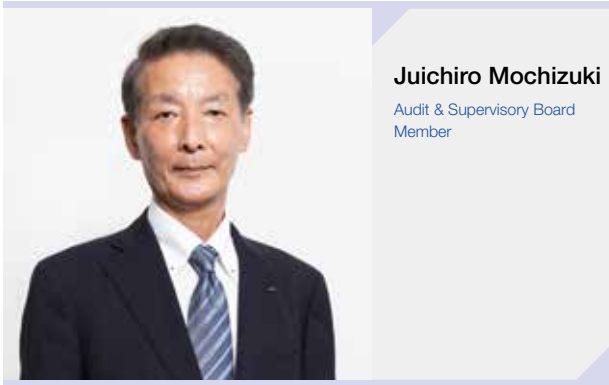
Director (Outside Director)

Jun. 2009 Appointed Executive Officer, Tokio Marine & Nichido Fire Insurance Co., Ltd.
 Jun. 2010 Appointed Managing Director, Tokio Marine & Nichido Fire Insurance Co., Ltd.
 Apr. 2014 Appointed Executive Director, Tokio Marine & Nichido Fire Insurance Co., Ltd.
 Apr. 2017 Appointed Vice President and Representative Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. (resigned in March 2018)
 Appointed the position of Senior Executive Vice President, Tokio Marine Holdings, Inc.
 Jun. 2017 Appointed Vice President and Representative Director, Tokio Marine Holdings, Inc. (resigned in June 2018)
 Jun. 2018 Appointed Executive Director, General Insurance Association of Japan (resigned in June 2022)
 Jun. 2022 Appointed Outside Director (Current)
 (Major concurrent positions)
 Jun. 2022 Appointed President and Representative Director, HMS Holdings Co., Ltd. (Current)
 Jul. 2022 Audit & Supervisory Board Member, DAIICHISEIWA JIMUSHO CO.,LTD. (Current)

Executive Officer

Hiroyoshi Yoshida	Seiji Ono	Ken Takahashi	Yoshio Kumazaki	Tetsuya Tsuburaya	Yutaka Miyajima	Masahiro Kikukawa	Wataru Saito
Senior Executive Officer	Senior Executive Officer	Senior Executive Officer	Senior Executive Officer	Executive Officer	Executive Officer	Executive Officer	Executive Officer
Chief Officer of Security Operations Structural Reform of Transportation Security Services Expo 2025 (external)	Deputy Chief Officer of Business Promotion Affairs Corporate Customers Business Planning & Management Sales Promotion	Central Japan Area Deputy Chief Officer of Business Promotion Affairs Facility Management (FM) HOME ALSOK Central Japan Area Sales	Chief Officer of Regional Division (I) Deputy Chief Officer of Business Promotion Affairs Metropolitan Area	Second in Charge of General Affairs Department General Manager of General Affairs Department	Second in Charge of Corporate Planning & Administration General Manager of Corporate Planning & Administration Department	Second in Charge of Strategic Business General Manager of Strategic Business Department	Second in Charge of R&D Engineering Affairs

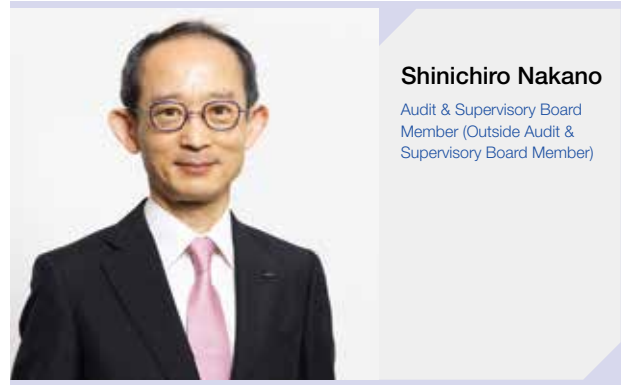
Audit & Supervisory Board Members



Juichiro Mochizuki

Audit & Supervisory Board Member

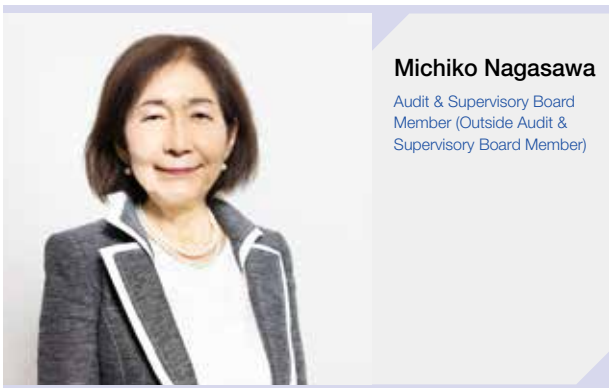
Apr. 1982 Joined the Company
 Aug. 2012 General Manager of Security Services (I)
 Apr. 2014 Transferred to Ibaraki Sohgo Security Services (now ALSOK Ibaraki Co., Ltd.)
 Appointed President and Representative Director, (resigned in March 2020)
 Apr. 2020 Chief Officer of Regional Division (VI)
 Apr. 2021 Chief Officer of Regional Division (VII)
 Jun. 2022 Appointed Full-time Audit & Supervisory Board Member (Current)



Shinichiro Nakano

Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

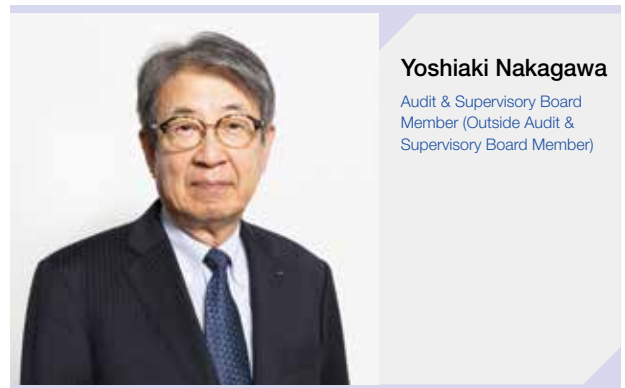
Jun. 2008 General Manager, Risk Management Division, The Norinchukin Bank
 Jun. 2012 General Manager, Planning Management Division, The Norinchukin Bank
 Jun. 2014 Appointed Managing Director, The Norinchukin Bank (resigned in March 2019)
 Appointed Director, Norinchukin Value Investments Co., Ltd. (resigned in March 2018)
 Director, The Norinchukin Trust & Banking Co., Ltd. (resigned in March 2019)
 Appointed Auditor, Kyodo Housing Loan co.,Ltd. (resigned in June 2019)
 Apr. 2019 Appointed Standing Advisor, The Norinchukin Bank (resigned in Jun. 2019)
 Jun. 2019 Appointed Full-time Audit & Supervisory Board Member (Current)



Michiko Nagasawa

Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Apr. 1984 Registered as an attorney-at-law
 Apr. 2007 Professor of Law, Gakushuin University Law School (resigned in March 2013)
 Apr. 2012 Auditor, Daini Tokyo Bar Association (Resigned in March 2013)
 Mar. 2013 Appointed Outside Board Director, OTSUKA KAGU, LTD. (resigned in Mar. 2019) Note: Audit & Supervisory Committee Member from Mar. 2017
 Jul. 2018 Appointed Audit & Supervisory Committee Member, Building Research Institute, National Research and Development Agency, Japan, Ministry of Land, Infrastructure, Transport and Tourism (Current)
 Apr. 2020 Appointed Audit & Supervisory Committee Member, Japan Federation of Bar Associations (resigned in March 2021)
 Jun. 2020 Appointed Audit & Supervisory Board Member (Current)
 Jul. 2020 Appointed Vice Chairman, Finance Committee, Japan Federation of Bar Associations (resigned in June 2017) (Major concurrent positions)
 Jan. 2008 Appointed Partner at THE TOKYO-MARUNOUCHI LAW OFFICES (Current)
 Jun. 2019 Appointed Outside Director, SB Players Corp. (Current)
 Jun. 2020 Appointed Outside Audit & Supervisory Board Member, Sojitz Corporation (Current)



Yoshiaki Nakagawa

Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Sep. 1990 Appointed Director, CFO, Matsushita Radio Singapore Pte. Ltd. (resigned in May 1996)
 Jan. 2001 Appointed Chief Accountant, China Hualu Matsushita AVC Co., LTD. (resigned in January 2004)
 Apr. 2009 Appointed Executive Officer, Panasonic Corporation (currently Panasonic Holdings Co., Ltd.)
 Jun. 2011 Appointed Managing Director, Panasonic Corporation (currently Panasonic Holdings Co., Ltd.) (resigned in June 2014)
 Apr. 2014 Appointed President and Representative Director, SANYO Electric Co., Ltd. (resigned in March 2017)
 Apr. 2017 Appointed Advisor, Panasonic Corporation (currently Panasonic Holdings Co., Ltd.) (resigned in March 2018)
 Apr. 2018 Appointed Special Advisor, Hardlock Industry Co., Ltd. (Current)
 Aug. 2020 Appointed Advisor, Uokuni Food Services Co.,Ltd. (Current)
 Jun. 2021 Appointed Audit & Supervisory Board Member (Current) (Major concurrent positions)
 Jun. 2020 Appointed Outside Auditor, ASANUMA CORPORATION (Current)

Eiji Kuwabara	Satoshi Yoneda	Tomoyuki Arita	Shinichiro Hayashi	Hiroyuki Ono	Masayuki Chikaoka	Kenichi Kakimoto	Kengo Takeda	Shigeki Nomura
Executive Officer	Executive Officer	Executive Officer	Executive Officer	Executive Officer	Executive Officer	Executive Officer	Executive Officer	Executive Officer
Research	Second in Charge of Sales Promotion Second in Charge of Corporate Customers	Second in Charge of Corporate Customers General Manager of Corporate Sales Division 1	Finance Business Planning & Management Second in Charge	Chief Officer of Regional Division (III)	Chief Officer of Regional Division (IV)	Chief Officer of Regional Division (V)	Chief Officer of Regional Division (IX)	Stationed Security (Tokyo) President and Representative Director, ALSOK STATIONED SECURITY CO., LTD.

Financial Review

Review of the Fiscal 2022

As a business operator that provides services related to the safety and security of society, which are essential to ensuring the stability of people’s lives and the national economy, the ALSOK Group provides services appropriately and continuously while taking adequate measures to prevent infection, playing a central role in the security of the Tokyo 2020 Olympic Games, and has contributed to the response to Covid-19, such as the security of vaccination sites. The Group aims to become a robust comprehensive safety and security service business that supports the safety and security of customers and society as stated in its Medium-Term Management Plan “Grand Design 2025.” To meet the safety and security needs of our customers and society, which are expanding as risks diversify, we are working to provide new services that combine various service functions such as security, equipment provision, and nursing care.

Under these circumstances, net sales in fiscal 2021 increased 4.1% year-on-year to 489,092 million yen, marking the 12th consecutive year of increase. Operating income was 42,865 million yen (up 15.3% year on year), ordinary income was 44,796 million yen (up 14.2% year on year), and profit attributable to owners of parent was 28,964 million yen (up 15.8% year on year), marking the tenth consecutive year of increase. In addition, we place importance on ordinary income margin and ROE as objective indicators to determine the status of achievement of management targets. In our “Grand Design 2025” Medium-Term Management Plan, we set a target of 10.0% or more for both indicators, and in fiscal year 2021, we achieved an ordinary income to net sales ratio of 9.2% and ROE of 10.0%. In addition to strengthening its

Security Services business through M&A and other means, the ALSOK Group is expanding its General Property Management and Fire Protection Services business, which is highly compatible with the Security Services business, and its Long-Term Care Services for the elderly focusing on appropriately meeting the safety and security needs of our customers and society which are expanding as risks diversify.

Financial Position

Total assets at the end of FY2022 amounted to 488,278 million yen (up 1.4% from the end of the same period last year), of which current assets amounted to 233,872 million yen (up 2.7%) and fixed assets amounted to 254,405 million yen (up 0.2%). Total liabilities amounted to 160,768 million yen (down 9.2% from the end of the same period last year), of which current liabilities amounted to 90,384 million yen (down 12.9%) and long-term liabilities amounted to 70,383 million yen (down 3.9%).

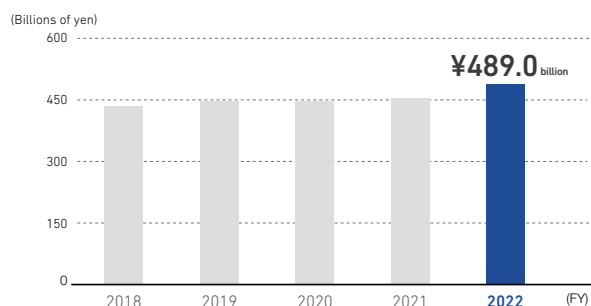
Net assets totaled 327,509 million yen (up 7.6% YoY).

Basic Policy on Financial Discipline

Under the Grand Design 2025 Medium-Term Management Plan, we are aiming for an ROE of 10% or more as a medium-term financial target. In order to improve ROE, our basic policy is to maintain stable dividends with a dividend payout ratio of 30% and increase profitability with a medium-term target of raising the ratio of consolidated ordinary profit to net sales to

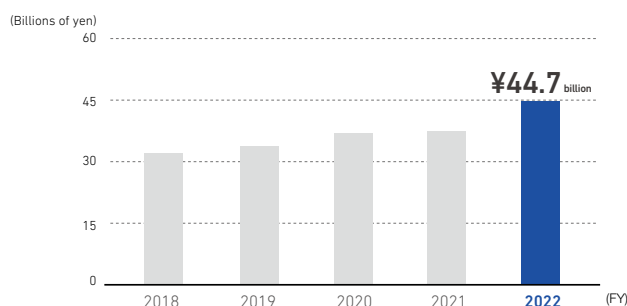
Net Sales

¥489.0 billion ^{YOY} Up **4.1%** ↑



Ordinary Income

¥44.7 billion ^{YOY} Up **14.2%** ↑



10% or more. Against this backdrop, the ALSOK Group's equity ratio has been stable at the end of the last five years, and we believe that this is the result of our efforts to maintain financial discipline while giving due consideration to both shareholders and creditors in a balanced manner.

Policy on Growth Investments (Capital Investments/Research and Development)

As for capital expenditures, in the fiscal year under review, the Group made capital investments totaling 16,280 million yen in property, plant and equipment and intangible assets in order to respond to the expansion of its business centered on security services and to improve its capabilities. Main expenditures were for machinery security equipment (6,824 million yen), buildings and structures (321 million yen), equipment and fixtures (1,483 million yen), and software (2,561 million yen).

The basic policy of R&D is to identify diversifying market needs and promote the development of market-competitive technologies and products with the aim of contributing to the improvement of profitability. In fiscal 2022, R&D expenses totaled 565 million yen, mainly related to the Security Services business. In addition, the R&D department of the Company conducts research, planning, intellectual property management, quality control, and other activities that do not fall under the category of research and development as an integral part of R&D. The total amount of R&D expenses plus expenses related to these activities is 1,401 million yen.

ALSOK conducts research to respond to the growing need for safety and security in a society where risks are becoming increasingly diverse, including "labor shortages due to the falling birthrate and aging population," "increasing natural disasters," "diversification of familiar crimes," "increasingly sophisticated cyber attacks," and "environmental changes such as infectious diseases." In addition, we will promote open innovation, promote industry-academia-government collaboration on cutting-edge technologies, and respond to ever-changing social conditions.

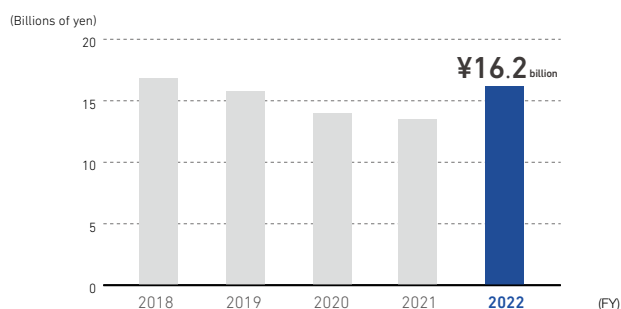
Shareholder Return Policy

ALSOK positions the return of profits to shareholders as an important management policy, and its basic policy is to distribute the results supported by business performance while enhancing internal reserves. Internal reserves will be allocated to research and development expenses necessary for future growth and development, as well as capital investment for upgrading information systems and new businesses, in an effort to further improve business performance. ALSOK's basic policy is to pay dividends from surplus twice a year, an interim dividend and a year-end dividend. The decision-making body for these dividends is the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend.

The dividend for fiscal 2022, combined with the interim dividend (38.00 yen per share), was 82.00 yen per share, based on comprehensive consideration of business performance for the current fiscal year, earnings forecasts for the next fiscal year and capital investment plans, and other factors. The consolidated dividend payout ratio was 28.7%.

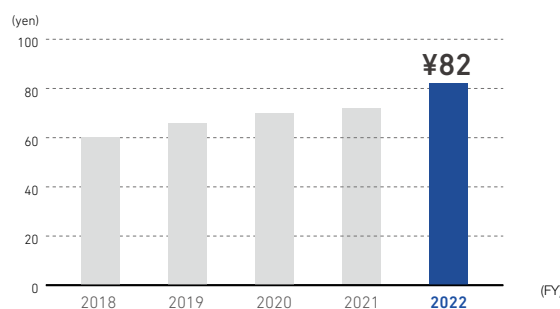
Capital Investments

¥16.2 billion ^{YOY} Up **19.3%** ↑



Dividend Per Share

¥82 ^{YOY} Up **¥10** ↑



Management Indexes

Fiscal year ended March 31

	2012	2013	2014	2015
Profit and loss (Millions of yen)				
Net Sales	304,723	315,564	328,209	365,749
Cost of sales	232,812	242,410	248,900	276,116
Gross profit	71,910	73,153	79,308	89,632
Selling, general and administrative expenses	61,100	61,363	60,375	66,660
Operating income	10,810	11,790	18,932	22,971
Ordinary Income	12,558	14,741	20,745	24,700
Profit Attributable to Owners of Parent	3,903	8,574	10,955	13,534
Profitability				
Gross profit margin (%)	23.6	23.2	24.2	24.5
Operating income margin (%)	3.5	3.7	5.8	6.3
Ordinary income margin (%)	4.1	4.7	6.3	6.8
Return on assets (ROA) (%)	4.4	5.1	6.5	6.9
Return on equity (ROE) (%)	2.7	5.7	7.0	7.8
EV/EBITDA (Times)*	1.4	2.7	5.3	10.1
Stability				
Equity capital ratio (%)	51.3	52.1	46.2	48.4
Equity capital ratio on market-value basis (%)	34.8	46.5	63.5	110.1
Interest-bearing liabilities (Millions of yen)	39,270	37,455	71,666	73,699
Interest coverage ratio (Times)	34.1	36.9	36.4	28.5
Efficiency				
Total asset turnover ratio (Times)	1.1	1.1	1.0	1.0
Shareholders' equity turnover ratio (Times)	2.1	2.1	2.1	2.1
Tangible fixed assets turnover ratio (Times)	5.2	5.4	5.2	5.4
Per share information				
Net assets per share (Yen)	1,446.93	1,536.30	1,574.74	1,800.15
Profit attributable to owners of parent per share (Yen)	38.83	85.30	108.99	134.65
Price-book value ratio (Times)	0.7	0.9	1.4	2.3
Price earnings ratio (Times)	25.3	16.1	19.9	30.4
Dividends per share (Yen)	20	25	30	38
Consolidated dividend payout ratio (%)	51.5	29.3	27.5	28.2
Closing stock price	982	1,373	2,164	4,095
Other information				
Number of employees (Consolidated)	27,868	28,054	28,091	31,221
Average number of years of continuous service (Non-consolidated)	13.3	13.8	14.4	14.9
Percentage of employees returning to work after childcare leave (Non-consolidated, total for male and female employees) (%)	93.3	97.6	92.4	96.6
CO ₂ emissions per sales unit (Group) (t-CO ₂ /¥ million)*	—	—	0.312	0.265
CO ₂ emissions (Group) (t-CO ₂)*	—	—	102,313	96,962
M&A Activities				
				<ul style="list-style-type: none"> • ALSOK Souei Co., Ltd. • Nippon Building Maintenance Co., Ltd. (Currently ALSOK FACILITIES CO., LTD.) • ANTEI CO., LTD. (Currently ALSOK CARE CO., LTD.) • HCM Corporation (Currently ALSOK CARE CO., LTD.) • ALSOK Care & Support Co., Ltd.

* Method of calculation for EV/EBITDA is as follows:

EV (Enterprise value) = Market capitalization + Interest-bearing liabilities – Short-term liquidity (Cash and deposits + Short-term investments in securities)
 EBITDA (Earnings before interest, tax, depreciation, and amortization) = Operating income + Depreciation and amortization

* The method and scope of CO₂ emissions calculation have been changed since the fiscal Year Ended March 31, 2021

Note: Based on the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 2018), financial information for fiscal 2017 and subsequent years has also been restated.

2016	2017	2018	2019	2020	2021	2022
381,818	413,343	435,982	443,535	460,118	469,920	489,092
282,880	310,704	330,493	334,197	345,097	352,811	363,511
98,937	102,639	105,489	109,338	115,020	117,108	125,581
69,901	74,217	75,378	77,057	78,224	79,926	82,715
29,036	28,422	30,111	32,280	36,795	37,182	42,865
30,667	30,309	31,913	33,881	38,880	39,212	44,796
17,868	18,330	19,344	22,269	24,163	25,014	28,964
25.9	24.8	24.2	24.7	25.0	24.9	25.7
7.6	6.9	6.9	7.3	8.0	7.9	8.8
8.0	7.3	7.3	7.6	8.5	8.3	9.2
8.5	8.2	8.2	8.4	9.3	8.6	9.2
9.9	9.7	9.3	9.9	10.1	9.6	10.0
13.4	8.7	10.7	8.7	8.6	8.7	5.3
51.9	51.0	55.0	56.8	57.3	57.6	61.5
175.4	108.2	134.3	119.0	124.2	110.0	82.9
47,210	65,599	52,658	47,412	51,264	69,983	54,260
30.1	54.2	25.8	18.1	26.2	27.3	22.3
1.1	1.1	1.1	1.1	1.1	1.0	1.0
2.1	2.2	2.1	2.0	1.9	1.8	1.7
5.3	5.1	4.9	5.0	5.2	4.9	4.9
1,805.09	1,956.25	2,155.74	2,302.38	2,425.02	2,741.27	2,964.85
177.77	182.37	191.93	219.98	238.69	247.09	286.11
3.4	2.1	2.4	2.1	2.2	1.9	1.3
34.3	22.8	27.5	21.9	22.0	21.2	14.0
50	55	60	66	70	72	82
28.1	30.2	31.3	30.0	29.3	29.1	28.7
6,100	4,155	5,260	4,820	5,260	5,230	4,000
31,446	36,693	37,519	37,417	37,902	38,444	38,192
15.4	15.9	16.4	16.8	17.2	17.4	17.6
93.7	91.3	98.3	98.1	98.2	98.1	95.2
0.242	0.219	0.206	0.191	0.177	0.181	0.174
92,453	90,622	89,735	84,655	81,286	85,501	85,146
	<ul style="list-style-type: none"> • Wisnet Co., Ltd. (Currently ALSOK CARE CO., LTD.) • PT. ALSOK BASS Indonesia Security Services • ALSOK Vietnam Security Services Joint Stock Company • ALSOK SHOJITSU SECURITY SERVICE CO., LTD. 	<ul style="list-style-type: none"> • ALSOK-TW East Japan Co., Ltd. • ALSOK KANTO DELIVERY CO., LTD. 	<ul style="list-style-type: none"> • ALSOK Myanmar Security Services Co., Ltd. • Care Plus Co., Ltd. • SOHGO KANZAI Co., Ltd. • Health Support Co., Ltd. (Currently SOHGO KANZAI Co., Ltd.) 	<ul style="list-style-type: none"> • Keihanshin Security Services Co., Ltd. 	<ul style="list-style-type: none"> • Life Holdings Co., Ltd. 	

Breakdown of Sales/Number of Contracts

Net Sales by Service Type

(Billions of yen)

Fiscal year ended March 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Security Services										
Electronic Security Services	147.1	151.8	160.4	167.1	170.5	174.0	175.5	175.6	176.7	177.2
Stationed Security Services	73.8	77.2	88.4	93.9	100.4	110.0	111.9	116.9	113.1	128.8
Transportation Security Services	50.8	51.0	52.3	54.6	56.1	60.2	62.2	65.6	65.6	67.8
General Property Management and Fire Protection Services	40.6	44.8	58.3	54.9	57.8	61.9	62.9	69.2	68.1	67.4
Long-Term Care Services*1	—	—	—	7.5	24.9	25.7	26.5	28.1	40.3	41.6
Other	3.0	3.2	6.2	3.5	3.4	3.9	4.2	4.6	5.8	6.0
Total	315.5	328.2	365.7	381.8	413.3	435.9	443.5	460.1	469.9	489.0

*1 Long-Term Care Services was converted to a reportable segment in the fiscal year ended March 31, 2017, and accordingly the number of contracts for this segment is displayed separately from the fiscal year ended March 31, 2016. The number of contracts for fiscal years ended March 31, 2015 and prior is included under "Other Services."

Net Sales by Client Type

(Billions of yen)

Fiscal year ended March 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business corporations	186.5	196.7	224.9	234.3	244.9	263.6	271.2	282.9	278.2	292.9
Financial institutions	89.8	90.5	91.3	92.3	91.7	92.0	91.4	93.2	92.0	88.5
Public institutions	22.0	22.8	26.4	26.2	29.7	31.5	31.2	32.2	35.3	41.4
Individual Users*2	17.1	18.0	22.9	28.9	46.8	49.0	49.7	51.6	64.1	66.1
Total	315.5	328.2	365.7	381.8	413.3	435.9	443.5	460.1	469.9	489.0

*2 Sales of HOME ALSOK APARTMENT AND CONDOMINIUM PLAN and HOME ALSOK MIMAMORI SUPPORT have been included under "Individuals," even for contracts in which the customer is a business corporation or government office.

Number of Contracts

(Contracts)

Fiscal year ended March 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Security Services										
Electronic Security Services	630,977	677,672	803,601	854,083	888,955	922,928	949,858	973,066	990,155	1,009,259
Corporate Clients	422,676	440,028	463,053	478,925	493,035	508,374	520,942	533,733	540,410	548,580
Individual Users	208,301	237,644	340,548	375,158	395,920	414,554	428,916	439,333	449,745	460,679
Stationed Security Services	3,020	3,227	3,597	3,871	4,213	4,357	4,485	4,468	4,371	4,584
Transportation Security Services	51,698	55,420	59,134	62,146	65,755	72,454	75,652	77,791	79,289	79,582
General Property Management and Fire Protection Services	54,903	63,004	73,898	81,908	89,670	98,044	104,254	109,697	113,880	123,504
Long-Term Care Services*3	—	—	—	12,804	22,628	21,234	25,364	24,976	27,503	27,118
Other	11,989	13,725	22,477	18,217	22,285	25,263	25,896	29,382	29,693	34,778
Total	752,587	813,048	962,707	1,033,029	1,093,506	1,144,280	1,185,509	1,219,380	1,244,891	1,278,825

*3 Long-Term Care Services was converted to a reportable segment in the fiscal year ended March 31, 2017, and accordingly the number of contracts for this segment is displayed separately from the fiscal year ended March 31, 2016. The number of contracts for fiscal years ended March 31, 2015 and prior is included under "Other Services."

*4 If contracts for individual households in housing complexes are included, this figure would be approximately 1,250,000.

Main External Evaluations

ALSOK has been recognized by external organizations as fulfilling its corporate social responsibility from an ESG perspective, and has been selected as a component stock in related investment indicators and indices.



FTSE4Good

ALSOK has been included in the FTSE4Good Index series, a socially responsible investment index, for 15 consecutive years.



FTSE Blossom Japan

ALSOK has been included in the FTSE Blossom Japan Index, an ESG investment index, for six consecutive years.

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

ALSOK has been included in the MSCI Japan ESG Select Leaders Index, an ESG investment index, for six consecutive years.

THE INCLUSION OF SOHGO SECURITY SERVICES CO., LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SOHGO SECURITY SERVICES CO., LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SOHGO SECURITY SERVICES CO., LTD. has been independently assessed according to the FTSE Blossom Japan Index, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

Corporate Information/Stock Information

(As of March 31, 2022)

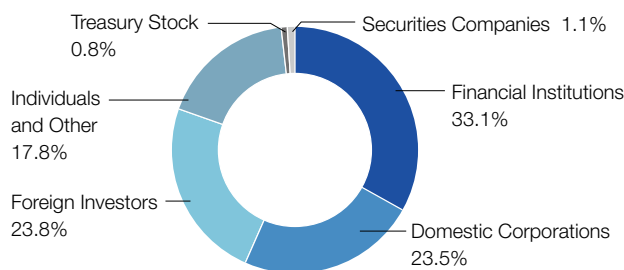
Corporate Information

Corporate Name SOHGO SECURITY SERVICES CO., LTD.
 Head Office 1-6-6 Motoakasaka, Minato-ku, Tokyo 107-8511, Japan
 Established July 16, 1965
 Capital ¥18,675 million
 Fiscal Year-End March 31
 Employees (Consolidated) 38,192
 (Non-consolidated) 12,002
 Business Operations Head Office/64 Branches/37 Offices/255 Sales Offices/74 Consolidated Subsidiaries (Including 10 Overseas Subsidiaries)/14 Companies Accounted for by the Equity Method (Including 3 Overseas Subsidiaries)

Stock Information

Total Number of Shares Authorized 300,000,000 shares
 Number of Shares Issued 102,040,042 shares (Including 782,282 shares of treasury stock)
 Number of Shareholders at the End of the Preceding Fiscal Period 11,135
 Stock Listing Tokyo Stock Exchange (Prime Market)
 Securities Code 2331
 Minimum Trading Lot 100 shares

Distribution of Shares by Shareholder Type



Major Shareholders (Top 10)

Name	Number of Shares Held (Thousand shares)	Controlling Share (%)
Japan Master Trust Bank, Ltd. (Trust account)	12,218	12.06
SOHGO CORPORATION	7,388	7.29
Custody Bank of Japan, Ltd. (Trust account)	5,352	5.28
Saitama Machinery Co., Ltd.	5,283	5.21
Kamakura Corporation	4,150	4.09
Employees Shareholding Association	3,558	3.51
Custody Bank of Japan, Ltd. (as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)	2,961	2.92
Kizuna Corporation	2,950	2.91
Atsushi Murai	2,885	2.84
SMBC Trust Bank Ltd. (as trustee for retirement benefit of Sumitomo Mitsui Banking Corporation)	2,735	2.70

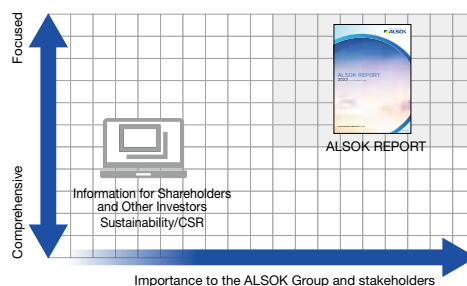
Note: Each controlling share is calculated based on the total number of shares excluding the number of treasury stock (782,282 shares).

Editorial Policy

ALSOK Report 2022 has been constructed as an integrated report that compiles financial information on the Company's performance, business operations, and strategies as well as non-financial information on its corporate social responsibility (CSR) activities and other topics with the aim of obtaining the opportunity to deepen our engagement with shareholders, investors, and other stakeholders.

In addition to describing the state of management from an economic perspective, this report also explains the ALSOK Group's environmental, social, and governance (ESG) initiatives as well as the various CSR activities the Group carries out to contribute to the international society's drive to achieve the United Nations' Sustainable Development Goals (SDGs), along with the Group's approach to achieving growth through sustainable value creation and its business structure that supports medium- to long-term management, business strategies, and growth.

Data and more detailed information on corporate activities that were not included in this report are available on the Company's corporate website.



Reporting Media

The Company provides reports in the forms of a pamphlet and a website, making full use of characteristics of the respective media. In the pamphlet version, items are narrowed down to those of higher importance or with greater interest among readers and the explanations on them are provided in a manner that is easy to read and understand. Meanwhile, the website version comprehensively includes financial information and the initiatives related to CSR and other matters in general.

Guidelines Referred to

- Guidelines Referred to
 - International Integrated Reporting Council (IIRC), International Integrated Reporting Framework
 - Ministry of Economy, Trade and Industry (METI), Guidance for Collaborative Value Creation
 - Japan Standards Association (JSA), ISO 26000:2010 Guidance on Social Responsibility
 - Global Reporting Initiative (GRI), Sustainability Reporting Standards
 - Ministry of the Environment (MOE), Environmental Reporting Guidelines 2018



Information for Shareholders and Other Investors

For more information on management policies, financial and business results, IR library, and stock information, please visit our website.

<https://www.alsok.co.jp/en/ir/>



CSR and Social Contribution Activities

For more information on the activities we are implementing through our core business in line with ISO 26000, please visit our website.

<https://www.alsok.co.jp/en/csr/>





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CSR Office	TEL +81-3470-1972 FAX +81-5411-1636

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● The CO₂ (2,000 kg) emitted in preparing this report was carbon offset by offset credits certified by the Ministry of the Environment.

