

For Immediate Release
(This is an English translation of the Japanese original.)

October 15, 2008

SOHGO SECURITY SERVICES CO., LTD
(Code No.: 2331, TSE 1st Sec.)
Atsushi Murai, President, CEO and COO

Notice Concerning the Absorption and Corporate Separation of a Consolidated Subsidiary Company

SOHGO SECURITY SERVICES CO., LTD. (“ALSOK”) and its wholly-owned subsidiary, Tohoku Sohgo Security Services Co., Ltd. (“Tohoku Sohgo Security Services”) are pleased to announce that at their meeting held on October 15, 2008, the Board of Directors resolved to absorb Tohoku Sohgo Security Services into ALSOK, effective on April 1, 2009.

Prior to the absorption, Tohoku Sohgo Security Services will spin off and succeed each of its business focused at Yamagata area to ALSOK Yamagata Co., Ltd. (“ALSOK Yamagata”), business focused at Akita area to ALSOK Akita Co., Ltd. (“ALSOK Akita”), business focused at Iwate area to ALSOK Iwate Co., Ltd. (“ALSOK Iwate”). Further details are outlined below.

1. Purpose of the separation and absorption

ALSOK will reorganize Tohoku Sohgo Security Services that assume ALSOK Group’s Security Services at Tohoku area, in order to enjoy growth and development by reacting quickly to the change in market trend and constructing a framework that leads to high profitability and strengthened sales force through enhanced governance.

Therefore will spin off Tohoku Sohgo Security Services’ security services business provided at each Yamagata, Akita and Iwate Prefecture, by area. And by absorbing Tohoku Sohgo Security Services, its wholly-owned subsidiaries, Tohoku Sohgo Kanzai Co., Ltd. and Tohoku Sokei Stationed Security Services Co., Ltd., a specialized Stationed Security Services company, respectively, will become a wholly-owned subsidiaries of ALSOK, thus ALSOK can directly control the whole area.

2. Spin-off of Tohoku Sohgo Security Services

(1) Overview of the separation

a. Schedule (Same as for each spin-off companies)

October 15, 2008	Board of Directors’ Meeting to approve separation
November 17, 2008	Extraordinary Shareholders’ Meeting to approve separation
April 1, 2009 (planned)	Date of separation (effective date)
April 1, 2009 (planned)	Separation registration date

*Note: The separation shall be subject to the approval of separation agreement by its shareholders on November 17, 2008.

b. Method

Tohoku Sohgo Security Services shall be separated and the spin-off company, ALSOK Yamagata will become the successor company taking over its business at Yamagata area, ALSOK Akita as its successor company at Akita area and ALSOK Iwate as its successor company at Iwate area.

c. Allocation of shares

The successor companies, ALSOK Yamagata, ALSOK Akita and ALSOK Iwate will issue 600 shares of common stock, respectively, and will allocate all of them to Tohoku Sohgo Security Services.

At the same time, Tohoku Sohgo Security Services will deliver all these allocated shares from the new companies to ALSOK, its sole parent company, as a dividend.

d. Delivered money due to the separation

No delivery money will be paid as a result of each subject separation.

e. Decrease in capital due to the separation

Capital will not decrease as a result of each subject separation.

f. Treatment of share warrants and bonds with warrants of the company to separate

Tohoku Sohgo Security Services does not issue any share warrants or bonds with warrants.

g. Rights and obligations to be taken over by the successor company

On the separation date, assets, liabilities, rights and responsibilities that are related to the separate company will be taken over by each successor companies of each area.

h. Prospects of paying debt obligations

Tohoku Sohgo Security Services and its successor companies are likely able to pay their debt obligations that will come due to the separation.

(2) Outline of companies involved in the separation (as of March 31, 2008)

	Successor company	Successor company	Successor company	Separate company
a. Trade name	ALSOK Yamagata Co., Ltd.	ALSOK Akita Co., Ltd.	ALSOK Iwate Co., Ltd.	Tohoku Sohgo Security Services Co., Ltd.
b. Main line of business	Security Services	Security Services	Security Services	Security Services
c. Date of incorporation	April 1, 2009	April 1, 2009	April 1, 2009	October 13, 1972
d. Head office address	Yamagata-shi, Yamagata	Akita-shi, Akita	Morioka-shi, Iwate	Izumi-ku, Sendai-shi, Miyagi
e. Representative	Seiichi Matsumoto, Representative Director	Seiichi Matsumoto, Representative Director	Seiichi Matsumoto, Representative Director	Seiichi Matsumoto, Representative Director
f. Capital	¥30 million	¥30 million	¥30 million	¥30 million
g. Number of shares issued	600 shares	600 shares	600 shares	60,000 shares
h. Net assets	¥1,467 million	¥1,052 million	¥1,248 million	¥4,666 million
i. Total assets	¥2,072 million	¥1,386 million	¥1,588 million	¥5,997 million
j. Fiscal year-end	March 31	March 31	March 31	March 31
k. Number of employees	315 (planned)	289 (planned)	263 (planned)	—
l. Major shareholders and investment ratio	SOHGO SECURITY SERVICES CO., LTD. 100%	SOHGO SECURITY SERVICES CO., LTD. 100%	SOHGO SECURITY SERVICES CO., LTD. 100%	SOHGO SECURITY SERVICES CO., LTD. 100%

	Successor company	Successor company	Successor company	Separate company
m. Main banks	To be determined	To be determined	To be determined	The 77 Bank, Ltd.
n. Relationship				
Capital	There are no capital ties between the separate company and the successor companies. *	There are no capital ties between the separate company and the successor companies. *	There are no capital ties between the separate company and the successor companies. *	There are no capital ties between the separate company and the successor companies. *
Personnel	One director serves concurrently.	One director serves concurrently.	One director serves concurrently.	One director serves concurrently.
Business	There is no relation.	There is no relation.	There is no relation.	There is no relation.
*Note: Due to the separation, the successor companies will allocate all the shares issued to Tohoku Sohgo Security Services (Separate company), and at the same time, Tohoku Sohgo Security Services will deliver all these allocated shares to ALSOK, its sole parent company, as a dividend.				

o. Business results for the three most recent years

	Successor company	Separate company		
		FYE 3/05	FYE 3/06	FYE 3/07
(a) Sales	Business results for ALSOK Yamagata, ALSOK Akita and ALSOK Iwate are not available because they are new companies.	¥6,871 million	¥7,056 million	¥7,187 million
(b) Operating profit		¥359 million	¥504 million	¥393 million
(c) Recurring profit		¥450 million	¥624 million	¥579 million
(d) Net income		¥269 million	¥406 million	¥378 million
(e) Net income per share		¥4,485	¥6,777	¥6,300
(f) Dividend per share		¥1,800	¥4,000	¥5,740
(g) Net assets per share		¥75,488	¥77,593	¥77,779

(3) Details of the business to be separated

a. Details of business divisions to be separated

ALSOK Yamagata	Security Services at Yamagata area
ALSOK Akita	Security Services at Akita area
ALSOK Iwate	Security Services at Iwate area

b. Sales of business divisions in the Fiscal Year Ended March 31, 2008

	Sales of the business to be separated (A)	Sales of Tohoku Sohgo Security Services (B)	Ratio (A/B)
ALSOK Yamagata	¥2,778 million	¥7,187 million	38.7%
ALSOK Akita	¥2,275 million		31.7%
ALSOK Iwate	¥2,130 million		29.6%

c. Assets and liabilities of the business to be separated (as of March 31, 2008)

ALSOK Yamagata

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	¥638 million	Current liabilities	¥299 million
Fixed assets	¥1,434 million	Long-term liabilities	¥305 million
Total assets	¥2,072 million	Total liabilities	¥604 million

ALSOK Akita

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	¥455 million	Current liabilities	¥155 million
Fixed assets	¥931 million	Long-term liabilities	¥178 million
Total assets	¥1,386 million	Total liabilities	¥333 million

ALSOK Iwate

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	¥328 million	Current liabilities	¥150 million
Fixed assets	¥1,260 million	Long-term liabilities	¥189 million
Total assets	¥1,588 million	Total liabilities	¥339 million

(4) Circumstances after the separation

	Separate company
a. Trade name	Tohoku Sohgo Security Services Co., Ltd.
b. Main line of business	Security Services
c. Head office address	4-16-3 Akedori, Izumi-ku, Sendasi-shi, Miyagi
d. Representative	Seiichi Matsumoto, President and Representative Director
e. Capital	¥30 million
f. Number of shares issued	60,000 shares
g. Net assets	¥897 million (non-consolidated)
h. Total assets	¥949 million (non-consolidated)
i. Fiscal year-end	March 31

(5) Impact on the financial results

There will be no impact on the consolidated financial results of ALSOK.

Meanwhile, ALSOK will absorb Tohoku Sohgo Security Services at the same time.

3. Absorption of Tohoku Sohgo Security Services

Disclosure is partly omitted because the merger is designed to absorb its wholly-owned subsidiary.

(1) Overview of merger

a. Schedule

October 15, 2008	Board of Directors' Meeting to approve merger
October 15, 2008	Conclusion of merger agreement
April 1, 2009	Date of merger (effective date)

*Note: Since this is a simple merger for ALSOK under the provisions of Article 796, Paragraph 3 of the Companies Act, and short-form merger for Tohoku Sohgo Security Services under the provisions of Article 784, Paragraph 1, neither companies will hold a General Shareholders' Meeting for approval for the merger agreements.

b. Method

Tohoku Sohgo Security Services will be dissolved, and ALSOK will be the surviving company.

c. Merger ratio and delivered money due to merger

Since ALSOK is the sole owner of all shares of Tohoku Sohgo Security Services, there is no arrangement for merger ratio. Also, there will be no issuance of new shares or increase in capital and payment of delivered money due to merger.

d. Treatments of share warrants and bonds with warrants of the company to expire

Tohoku Sohgo Security Services does not issue any share warrants or bonds with warrants.

(2) Outline of companies involved in merger (as of March 31, 2008)

	Surviving company	Expired company
a. Trade name	SOHGO SECURITY SERVICES CO., LTD.	Tohoku Sohgo Security Servcies Co., Ltd.
b. Main line of business	Security Services	Security Services
c. Date of incorporation	July 16, 1965	October 13, 1972
d. Head office address	1-6-6 Motoakasaka, Minoto-ku, Tokyo	4-16-3 Akedori, Izumi-ku, Sendasi-shi, Miyagi
e. Representative	Atsushi Murai, President, CEO and COO	Seiichi Matsumoto, President and Representative Director
f. Capital	¥18,674 million	¥30 million
g. Number of shares issued	102,039,042 shares	60,000 shares
h. Net assets	¥154,904 million (consolidated)	¥897 million (non-consolidated) *1
i. Total assets	¥297,396 million (consolidated)	¥949 million (non-consolidated) *1
j. Fiscal year-end	March 31	March 31
k. Number of employees	12,217	—
l. Major shareholders and investment ratio	SOHGO CORPORATION 7.24% Tsuneo Murai 7.14% *2 Employees Shareholding Association 5.51%	SOHGO SECURITY SERVICES CO., LTD. 100%
m. Main banks	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The 77 Bank, Ltd.

*Note 1: Assets related to the new companies that are scheduled to be spin off on April 1, 2009 are excluded.

*Note 2: The investment ratio held by Tsuneo Murai includes 2.45% of shares held in the name of Kamakura Shoji Co., Ltd.

(3) Circumstances after the merger

	Surviving company
a. Trade name	SOHGO SECURITY SERVICES CO., LTD.
b. Main line of business	Security Services
c. Head office address	1-6-6 Motoakasaka, Minoto-ku, Tokyo
d. Representative	Atsushi Murai, President, CEO and COO
e. Capital	¥18,674 million *
f. Number of shares issued	102,039,042 shares *
g. Net assets	¥154,904 million (consolidated) *
h. Total assets	¥297,396 million (consolidated) *
i. Fiscal year-end	March 31
j. Accounting procedure	In accordance with the accounting standards for business combinations, the merger will be accounted for as a transaction under common control. No goodwill will arise.

*Note: Since the expired company is a wholly-owned subsidiary of ALSOK, there will be no change due to the merger.

The figures represented above are those as of March 31, 2008.

(4) Impact on the financial results

There will be no impact on the consolidated financial results of ALSOK because the expired company is its wholly-owned subsidiary.

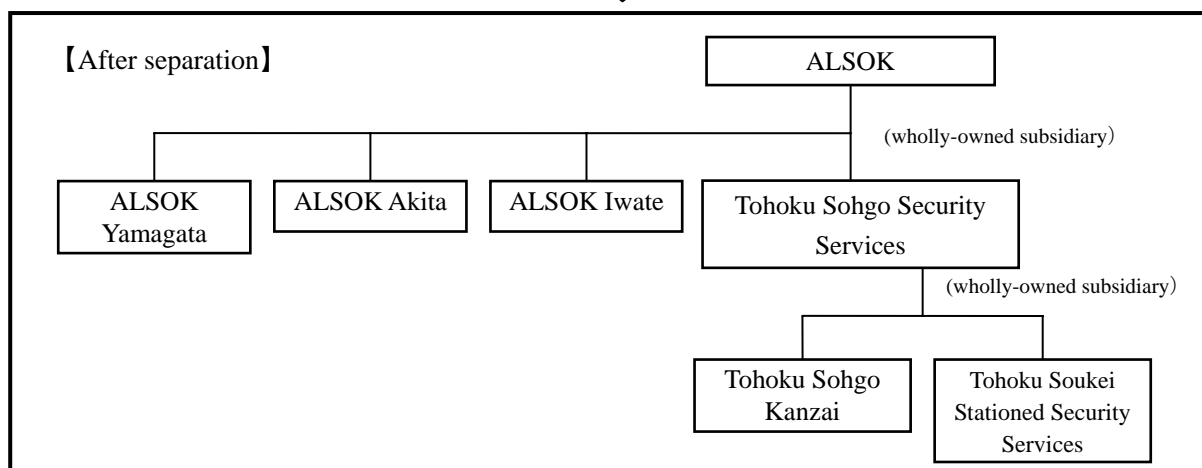
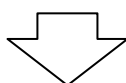
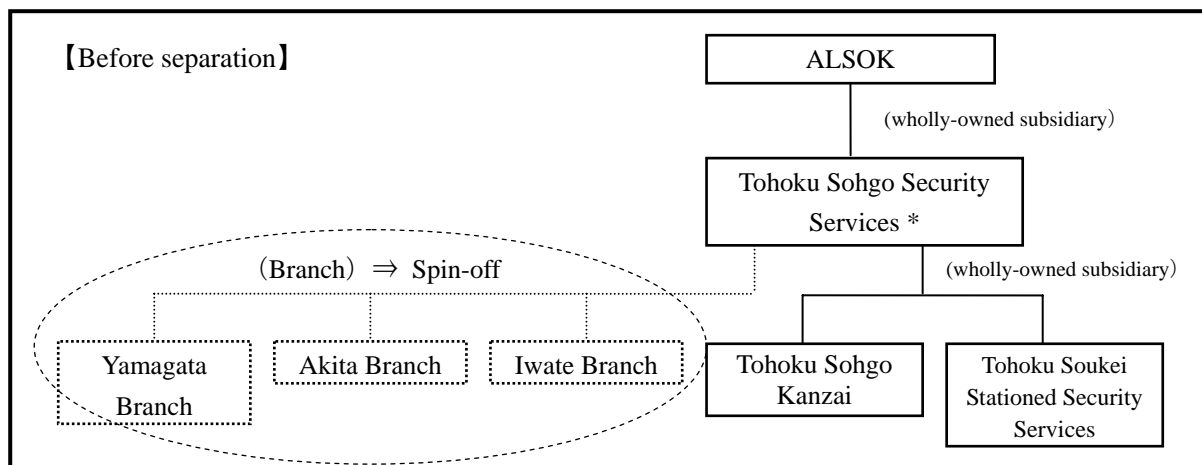
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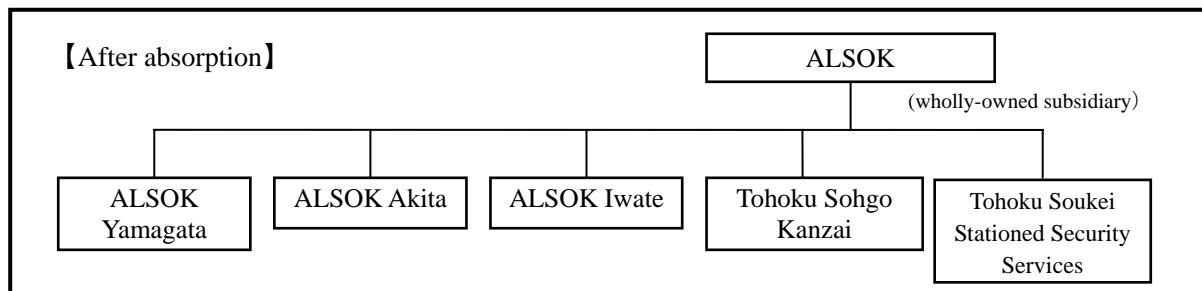
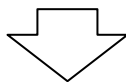
< Outline of the separation >



The Yamagata, Akita and Iwate Branch of Tohoku Sohgo Security Services will be spin off, and will become ALSOK's wholly-owned subsidiaries.

*Note: Currently, Tohoku Sohgo Security Services does not operate any security services at Miyagi prefecture, only the headquarters operations exists. A branch of ALSOK located at Miyagi Prefecture operates the security services instead.

< Outline of the absorption >



According to the merger, Tohoku Sohgo Security Services will be absorbed into ALSOK and will dissolve. Therefore its wholly-owned subsidiaries, Tohoku Sohgo Kanzai Co., Ltd. and Tohoku Soeki Stationed Security Services Co., Ltd, will become ALSOK's wholly-owned subsidiaries.