

January 9, 2013

To whom it may concern

Company : SOHGO SECURITY SERVICES CO., LTD.  
Representative : Yukiyasu Aoyama,  
President and Representative Director  
(Securities Code: 2331, TSE 1<sup>st</sup> Sec.)  
Contact : Yasuo Ishiwata,  
General Manager of IR Office  
(Phone: +81-3-3423-2331)

### **Notice Concerning Absorption-Type Merger with Consolidated Subsidiary**

SOHGO SECURITY SERVICES CO., LTD. (the Company), is pleased to announce that, at a meeting of its Board of Directors held on January 9, 2013, a resolution was passed for the Company to merge with and consolidate Sokei Electrical Construction Co., Ltd. (SEC), a wholly-owned subsidiary, effective August 1, 2013(planned) (below: the "Merger")

Since the Merger is with a wholly-owned consolidated subsidiary, some disclosure items and details will be omitted.

#### 1. Purpose of the Merger

SEC has handled installations of equipment related to security services the Company provides. Integrating with installation divisions, the Company is hoping to improve the quality of services, enhance the efficiency through the consolidation of administrative operations, and enable swift business decision-making. The Company aims to improve the management efficiency and build a stronger business infrastructure for the ALSOK Group through effective use of management resources.

#### 2. Summary of the Merger

##### (1) Merger Schedule

Date of Board of Directors resolution(the Company): January 9, 2013

Date of Board of Directors resolution(SEC): January 9, 2013

Note: The Merger will be a short-form merger as specified in Article 796, Paragraph 3 of the Companies Act for the Company and a short-form merger as specified in 784, Paragraph 1 of the Companies Act for SEC. Consequently, no general shareholders' meeting will be held to approve the Merger.

##### (2) Merger Form

The Merger will be an absorption-type merger with the Company as the surviving company. SEC will be dissolved.

##### (3) Merger ratio and Merger consideration

No new shares will be issued, the paid-in capital will not be increased and no merger consideration will be paid in the Merger.

##### (4) Procedures Relating to Subscription Rights to Shares and Corporate Bonds with Subscription Rights to Shares of the Absorbed Company

SEC has not issued any subscription rights to shares or corporate bonds with subscription rights to shares.

3. Overview of the Parties to the Merger (as of March 31, 2012)

	Surviving Company	Absorbed Company																				
Company Name	SOHGO SECURITY SERVICES CO., LTD.	Sokei Electrical Construction Co., Ltd.																				
Main lines of business	Security services	Electrical and telecommunication works, Electrical works																				
Date established	July 16, 1965	September 21, 1984																				
Head office address	1-6-6 Motoakasaka, Minato-ku, Tokyo	1-22-14 Toranomon, Minato-ku, Tokyo																				
Representative	Yukiyasu Aoyama, President and Representative Director	Masao Hama, President and Representative Director																				
Capital	¥18,675 million	¥40 million																				
Number of shares issued	102,040,042 shares	800 shares																				
Net assets	¥105,771 million	¥1,891 million																				
Total assets	¥185,730 million	¥3,297 million																				
Fiscal year-end	March 31	March 31																				
Number of employees	12,683	221																				
Major shareholders and Shareholding ratio	<table border="0"> <tr> <td>SOHGO CORPORATION</td> <td>7.24%</td> </tr> <tr> <td>Employees Shareholding Association</td> <td>6.49%</td> </tr> <tr> <td>Saitama Machinery Co., Ltd.</td> <td>5.17%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd.</td> <td>4.46%</td> </tr> <tr> <td>Kamakura Corporation</td> <td>4.21%</td> </tr> <tr> <td>Trust &amp; Custody Services Bank, Ltd.(as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)</td> <td>4.17%</td> </tr> <tr> <td>Northern Trust Co. (AVFC) Sub Account American Clients(Standing Proxy The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)</td> <td>3.40%</td> </tr> <tr> <td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</td> <td>3.35%</td> </tr> <tr> <td>Atsushi Murai</td> <td>2.94%</td> </tr> <tr> <td>Kizuna Corporation</td> <td>2.89%</td> </tr> </table>	SOHGO CORPORATION	7.24%	Employees Shareholding Association	6.49%	Saitama Machinery Co., Ltd.	5.17%	Japan Trustee Services Bank, Ltd.	4.46%	Kamakura Corporation	4.21%	Trust & Custody Services Bank, Ltd.(as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)	4.17%	Northern Trust Co. (AVFC) Sub Account American Clients(Standing Proxy The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	3.40%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	3.35%	Atsushi Murai	2.94%	Kizuna Corporation	2.89%	SOHGO SECURITY SERVICES CO., LTD. 100%
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#### 4. Financial Results for the Most Recent Fiscal Year (Ended March 31, 2012)

	Surviving Company	Absorbed Company
	SOHGO SECURITY SERVICES CO., LTD. (Consolidated)	Sokei Electrical Construction Co., Ltd. (Non-consolidated)
Net assets	¥165,634 million	¥1,891 million
Total assets	¥283,593 million	¥3,297 million
Net assets per share	¥1,446.93	¥2,364,947.45
Net Sales	¥304,723 million	¥8,003million
Operating Income	¥10,810 million	¥372 million
Ordinary income	¥12,558 million	¥415 million
Net income	¥3,903 million	¥219 million
Net income per share	¥38.83	¥274,181.42

#### 5. Circumstances after the merger

No changes will be made to the surviving company's name, head office address, representative, capital, or fiscal year as a result of the Merger.

#### 6. Future outlook

Since the Merger is a merger with a wholly-owned consolidated subsidiary of the Company, there will be no impact on consolidated financial results.

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For inquiries: Yasuo Ishiwata,  
General Manager of IR Office  
Phone: +81-3-3423-2331  
E-mail: [alsok-ir@alsok.co.jp](mailto:alsok-ir@alsok.co.jp)  
URL: <http://www.alsok.co.jp/ir/en/index.html>