

June 8, 2021

To whom it may concern  
(This is an English translation of the Japanese original)

Company: SOHGO SECURITY SERVICES CO., LTD.  
Representative: Yukiyasu Aoyama,  
President and Representative Director  
(Securities Code: 2331, TSE 1<sup>st</sup> Sec.)  
Contact: Eitoku Kato, General Manager of IR Office  
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Notice Concerning Absorption-type Merger of Wholly Owned Subsidiary  
(Simplified Merger and Short-form Merger)

SOHGO SECURITY SERVICES CO., LTD. (hereinafter, the “Company”) announces that at the meeting of Board of Directors held on June 8, 2021, the Company resolved to carry out an absorption-type merger (hereinafter, the “Merger”) of its wholly owned subsidiary, ALSOK LEASING CO., LTD. (hereinafter, the “ALSOK LEASING”), effective from April 1, 2022.

The Company omitted some disclosure items and details because the Merger is a simplified absorption-type merger of a wholly owned subsidiary.

1. Purpose of the Merger

ALSOK LEASING have been providing lease and installment sales of security equipments such as surveillance camera and access control system and various properties such as fire prevention equipment including fire alarm system. With the purpose of streamlining the organization of the Company and its subsidiaries, we decided to carry out the absorption-type merger of ALSOK LEASING.

2. Outline of the Merger

(1) Schedule

1	Date of the resolution of the Board of Directors	June 8, 2021
2	Date of signing of the Merger agreement	June 8, 2021
3	Effective date of the Merger	April 1, 2022 (planned)

As the Merger falls under a simplified absorption-type merger as prescribed in Article 796, Paragraph 2 of the Companies Act in relation to the Company, and a short-form merger as prescribed in Article 784, Paragraph 1 of the same act in relation to ALSOK LEASING, the Merger agreement will be approved without convening General Meeting of Shareholders of either companies.

(2) Method of the Merger

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

(3) Details of allotment related to the Merger

As ALSOK LEASING is a wholly owned subsidiary of the Company, no shares or money will be allotted as a result of the Merger.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights upon the Merger

No applicable items.

3. Overview of the companies involved in the Merger

	Surviving Company	Absorbed Company
(1) Company name	SOHGO SECURITY SERVICES CO., LTD.	ALSOK LEASING CO., LTD.
(2) Head office location	1-6-6 Motoakasaka, Minato-ku, Tokyo	Shin-kokusai Building 3-4-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Representative	Atsushi Murai, Chairman and Representative Director Yukiyasu Aoyama, President and Representative Director	Hirohisa Hokari, Chairman and Representative Director Yuji Iizuka, President and Representative Director
(4) Main lines of business	Security Services General Property Management and Fire Protection Services Long-term Care Services etc.	Lease and installment sales business of security equipment, fire prevention equipment, energy saving equipment, informations communication equipment, equipment for stores and offices, medical equipment, and vehicles and other transportation equipment etc.
(5) Capital	¥18,675million	¥100 million
(6) Date established	July 16, 1965	April 3, 1996
(7) Number of shares issued	102,040,042 shares (As of March 31, 2021)	2,000 shares (As of March 31, 2021)
(8) Fiscal year end	March 31	March 31
(9) Major Shareholders and Shareholding ratio	SOHGO CORPORATION 7.29% Japan Master Trust Bank,Ltd. (Trust account) 6.31% Saitama Machinery Co., Ltd. 5.21% Custody Bank of Japan, Ltd. (Trust account) 5.11% Kamakura Corporation 4.09% Employees Shareholding Association 3.66% Custody Bank of Japan, Ltd. (as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.) 2.92% Kizuna Corporation 2.91% Atsushi Murai 2.84%	SOHGO SECURITY SERVICES CO., LTD. 100%

	SMBC Trust Bank Ltd. (as trustee for retirement benefit of Sumitomo Mitsui Banking Corporation) 2.70% (As of March 31, 2021)			
(10) Financial Position and results of operation for the most recent fiscal year	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2021)	
	Net assets	¥224.3 billion	Net assets	¥0.5 billion
	Total assets	¥319.6 billion	Total assets	¥23.5 billion
	Net assets per share	¥2,215.25	Net assets per share	¥254,502.91
	Net sales	¥244.4 billion	Net sales	¥9.5 billion
	Operating income	¥18.7 billion	Operating income	¥0.9 billion
	Ordinary income	¥29.2 billion	Ordinary income	¥0.4 billion
	Profit attributable to owners of parent	¥23.1 billion	Profit attributable to owners of parent	¥0.2 billion
	Net income per share	¥228.00	Net income per share	¥143,047.48

#### 4. Status after the Merger

There will be no changes in company name, head office location, name and title of representative, main lines of business, capital, or fiscal year end of the Company.

#### 5. Future outlook

Since this is a merger of a wholly owned subsidiary of the Company, the effect of the Merger on the Company's consolidated results of operations is immaterial.

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