



December 16, 2011

To whom it may concern:

Company: SOHGO SECURITY SERVICES CO., LTD.  
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### **Notice Concerning the Corporate Split of a Subsidiary**

SOHGO SECURITY SERVICES CO., LTD. is pleased to announce that at the meeting held on December 13, 2011, the Board of Directors resolved to implement a corporate split of the Okayama Branch conducted by Kita-Shikoku Sohgo Security Services CO., LTD. (hereinafter “ Kita-Shikoku Sohgo Security Services”), a wholly-owned subsidiary of the company, and to transfer the business in Okayama Prefecture to ALSOK CHUGOKU CO., LTD. (hereinafter “ALSOK CHUGOKU”). Along the corporate split ALSOK CHUGOKU will be a wholly-owned subsidiary of the Company.

#### **1 Purpose of the corporate split**

Currently, Stationed Security Service is conducted by Kita-Shikoku Sohgo Security Services in Kagawa Prefecture and Okayama Prefecture, but this corporate split is aimed to correspond to diversification of consumer needs, the change in market trend and to further reinforce the competitive strength and sales strength. The newly-established company is to be a wholly-owned subsidiary of the Company and will achieve efficient management through its expertise and operation of business.

#### **2 Outline of the corporate split**

##### **(1) Schedule**

December 13, 2011	Board of Directors' Meeting to approve the corporate split
April 2, 2012 (scheduled)	Corporate split (effective date of split)
April 2, 2012 (scheduled)	Registration date of incorporation of newly-established company

##### **(2) Method of the corporate split**

The corporate split is an establishment-type corporate split, with Kita-Shikoku Sohgo Security Services as the transferring entity, and ALSOK CHUGOKU as the transferee.

##### **(3) Share allotment**

The newly-established company will issue 200 shares of common stock at the time of the corporate split, and will allocate all of them to the parent company of the splitting company.

##### **(4) Cash payment**

There will be no cash payment upon the corporate split.

##### **(5) Reduction of capital due to corporate split**

There will be no reduction in capital as a result of the corporate split.

(6) Considerations regarding the stock acquisition rights and corporate bonds issued by the splitting company

Kita-Shikoku Sohgo Security Services does not issue either stock acquisition rights or corporate bonds.

(7) Rights and obligations to be succeeded by the newly-established company

ALSOK CHUGOKU will succeed assets, liability, status under agreements and all rights and obligations relating to Kita-Shikoku Sohgo Security Services as of the effective date of the corporate split.

(8) Prospect of fulfillment of liabilities

As for obligations and liabilities, the Company believes that no issue is expected regarding the fulfillment of liabilities which Kita-Shikoku Sohgo Security Services and ALSOK CHUGOKU should be charged with after the corporate split.

### 3 Outline of the companies subject to the corporate split

Item	Splitting Company	Newly-established Company
①Company name	Kita-Shikoku Sohgo Security Services CO., LTD.	ALSOK CHUGOKU CO., LTD.
②Mainline of business	Security Services	Security Services
③Date of establishment	July 1, 1991	April 2, 2012(scheduled)
④Head office	Takamatsu City, Kagawa	Okayama City, Okayama
⑤Representative	Sumio Imazato, Representative Director	Sumio Imazato, Representative Director
⑥Capital	¥10 million	¥10 million
⑦Number of shares issued	200 shares	200shares
⑧Net assets	¥202 million	¥12 million
⑨Total assets	¥361 million	¥38 million
⑩Fiscal year end	March 31	March 31
⑪Number of employees	173	35
⑫Principal shareholder and percentage of total shares owned	SOHGO SECURITY SERVICES CO., LTD. 100%	SOHGO SECURITY SERVICES CO., LTD. 100%
⑬Principal correspondent banks	Hyakujushi Bank, Ltd.	Not yet determined
⑭Relationship with the companies	Capital relationship : ALSOK CHUGOKU shall be a wholly-owned subsidiary of the Company which is the parent company of Kita-Shikoku Sohgo Security Services.	
	Personal relationship : Kita-Shikoku Sohgo Security Services will dispatch two Directors as for ALSOK CHUGOKU. Also the Company will dispatch two employees as for Director and Corporate Auditor of ALSOK CHUGOKU respectively. (The employee scheduled to be the Director is currently temporary transferred to Kita-Shikoku Sohgo Security Services.)	
	Business relationship : The Company will delegate portion of its services to ALSOK CHUGOKU.(scheduled)	

Note: The outline of the splitting company will be the content as of March 31, 2011. The outline of the newly-established company will be the prospect content as of the effective date of split.

⑮ Kita-Shikoku Sohgo Security financial results over the latest three fiscal years

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Sales	¥929 million	¥896 million	¥950 million
Operating profit	¥77 million	¥62 million	¥67 million
Recurring profit	¥78 million	¥66 million	¥68 million
Net income	¥36 million	¥39 million	¥38 million

4 Outline of business subject to the corporate split

(1) Composition of the business division subject to the corporate split

Stationed Security Services and Total Building Management Services conducted by Kita-Shikoku Security Services in Okayama Prefecture

(2) Operating results of the business division to be split (as of Fiscal Year Ended March 2011)

	Performance of the Business Division subject to the corporate split (a)	Performance of Kita-Shikoku Sohgo Security(b)	Ratio on Sales (a/b)
Sales	¥282 million	¥950 million	29.6%

(3) Items and values of Assets and Liabilities to be split (as of Fiscal Year Ended March 2011)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current assets	¥34 million	Current liabilities	¥14 million
Fixed assets	¥4 million	Long-term liabilities	¥8 million
Total assets	¥38 million	Total liabilities	¥22 million

5 Status after the Corporate Split

The corporate name, principal business, location of head office, representative, capital and fiscal year-end of Kita-Shikoku Sohgo Security Services will not change regarding the corporate split.

6 Impact on the financial results

There will be no impact on consolidated and non-consolidated financial results regarding the corporate split.