

October 8, 2013

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 : Yasuo Ishiwata,  
General Manager of IR Office  
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### **Notice Concerning Absorption-Type Merger with Consolidated Subsidiary**

SOHGO SECURITY SERVICES CO., LTD. (the Company), announces that, at a meeting of its Board of Directors held on October 8, 2013, a resolution was passed for the Company to merge with and consolidate Sokei Information System Co., Ltd. (Sokei Information), a wholly-owned subsidiary, effective April 1, 2014(planned) (below: the “Merger”)

Some disclosure items and details are not provided because this is a merger that involves a wholly-owned consolidated subsidiary.

#### 1. Purpose of the Merger

Sokei Information has handled system design, and software development and maintenance related to security services the ALSOK Group provides. Integrating with R&D and Engineering divisions through this merger, the Company hopes to improve the quality of services, accelerate the development, 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: October 8, 2013

Date of the Merger agreement: January 9, 2014

Effective date of the Merger: April 1, 2014(planned)

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 Sokei Information. 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. Sokei Information 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

Sokei Information 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, 2013)

	Surviving Company	Absorbed Company
Company Name	SOHGO SECURITY SERVICES CO., LTD.	Sokei Information System Co., Ltd.
Main lines of business	Security services	Information System Development
Date established	July 16, 1965	February 5, 1986
Head office address	1-6-6 Motoakasaka, Minato-ku, Tokyo	1-13-8 Chuo, Nakano-ku, Tokyo
Representative	Yukiyasu Aoyama, President and Representative Director	Masahiro Masuda, President and Representative Director
Capital	¥18,675 million	¥200 million
Number of shares issued	102,040,042 shares	4,000 shares
Net assets	¥110,936 million	¥1,323 million
Total assets	¥198,736 million	¥1,913 million
Fiscal year-end	March 31	March 31
Number of employees	12,602	93
Major shareholders and Shareholding ratio	SOHGO CORPORATION 7.34% Employees Shareholding Association 6.47% Saitama Machinery Co., Ltd. 5.25% Trust & Custody Services Bank, Ltd.(as trustee for Mizuho Bank Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.) 4.23% Kamakura Corporation 4.12% Japan Trustee Services Bank, Ltd. (Trust account) 4.00% Tokio Marine & Nichido Fire Insurance Co., Ltd. 3.40% Atsushi Murai 2.99% Kizuna Corporation 2.93% Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited Re-trust Portion, Sumitomo Mitsui Banking Corporation Pension Trust Account) 2.72%	SOHGO SECURITY SERVICES CO., LTD. 100%

#### 4. Financial Results for the Most Recent Fiscal Year (Ended March 31, 2013)

	Surviving Company	Absorbed Company
	SOHGO SECURITY SERVICES CO., LTD. (Consolidated)	Sokei Information System Co., Ltd. (Non-consolidated)
Net assets	¥175,563 million	¥1,323 million
Total assets	¥296,665 million	¥1,913 million
Net assets per share	¥1,536.30	¥330,885
Net Sales	¥315,564 million	¥2,685million
Operating income	¥11,790 million	¥231 million
Ordinary income	¥14,741 million	¥198 million
Net income	¥8,574 million	¥82 million
Net income per share	¥85.30	¥20,670

#### 5. Circumstances after the merger

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

#### 6. Future outlook

Since the Merger involves a wholly-owned consolidated subsidiary, the impact on the consolidated financial result will be minor.

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