

October 10, 2014

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 1st Sec.)
Contact: Yasuo Ishiwata, General Manager of IR Office
(Phone: +81-3-3423-2331)

Notice Concerning the Acquisition of Shares of HCM

SOHGO SECURITY SERVICES CO., LTD. (“ALSOK,” TSE:2331), announces the agreement that it acquires the stock of HCM Corporation (“HCM”) on October 10, 2014. The details are as outlined below.

1. Rationale of share acquisition

ALSOK has launched the brand “HOME ALSOK” for the aim to provide services that will match customer’s diversifying needs. ALSOK recognises service for the senior as the most important service in “HOME ALSOK” and will aim to expand its long-term care business.

ALSOK decides to acquire 100% share of HCM to leverage the management force followed by the reasons that they have the business base with a focus on urban areas and own a superb management know-how.

Going forward, the ALSOK will fully take advantage of the management resources, including the HCM, in order to further develop its business and increase the corporate value of the entire Group.

2. Profile of HCM

(1) Company name	HCM Corporation								
(2) Head Office address	Nittsu Shoji Azabu Bldg. 5F, 1-28-13 Higashiazabu, Minatoku, Tokyo								
(3) Representative	Akitoshi Yamazaki, President and Representative Director								
(4) Main lines of business	Home care business including home-visit long-term care, outpatient day long-term care, in-home long-term care support Private residential home including specified facility and housing types								
(5) Capital	¥99 million								
(6) Date established	August 6, 2002								
(7) Principal shareholders and percentages of total shares owned	<table border="0"> <tr> <td>Akitoshi Yamazaki</td> <td style="text-align: right;">34.66%</td> </tr> <tr> <td>J-STAR Number One Investment Limited Partnership</td> <td style="text-align: right;">33.02%</td> </tr> <tr> <td>Pacific Minato, L.P.</td> <td style="text-align: right;">23.88%</td> </tr> </table>			Akitoshi Yamazaki	34.66%	J-STAR Number One Investment Limited Partnership	33.02%	Pacific Minato, L.P.	23.88%
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J-STAR Number One Investment Limited Partnership	33.02%								
Pacific Minato, L.P.	23.88%								
(8) Relationship with ALSOK	There is no capital, personal and business relationship to note.								
(9) Business results of HCM for the three most recent years									
Fiscal year	Fiscal year ended June 30, 2012	Fiscal year ended June 30, 2013	Fiscal year ended June 30, 2014						
Net assets	¥425 million	¥541 million	¥669 million						
Total assets	¥2,179 million	¥1,847 million	¥2,523 million						
Net asset per share	¥73,706	¥91,651	¥112,122						
Net sales	¥3,874 million	¥3,858 million	¥3,948 million						
Operating income	¥637 million	¥356 million	¥212 million						
Ordinary income	¥617 million	¥358 million	¥209 million						
Net income	¥384 million	¥207 million	¥114 million						
Net income per share	¥66,570	¥35,013	¥19,147						

3. Share transferee

(a) Akitoshi Yamazaki

(1) Name	Akitoshi Yamazaki
(2) Relationship with ALSOK	There is no capital, personal and business relationship to note.

(b) J-STAR Number One Investment Limited Partnership

(1) Company name	J-STAR Number One Investment Limited Partnership	
(2) Head Office address	Shinyurakucho Bldg. 2F, 1-12-1 Yurakucho, Chiyodaku, Tokyo	
(3) Ground for establishment	Limited partnership act for investment	
(4) Organization Purpose	Private equity investment	
(5) Date of composition	March 15, 2006	
(6) Date of composition	¥8.5 billion	
(7) Total contribution	Domestic and foreign institutional investor	
(8) Contributor, investment ratio, outline	Company name	J-STAR Co., LTD.
	Head office address	Shinyurakucho Bldg. 2F, 1-12-1 Yurakucho, Chiyodaku, Tokyo
	Representative	Rokuro Hara, President and Representative Director
	Main lines of business	Private equity investment with a focus on MBO
	Capital	¥50 million
(9) Outline of local agent	Not Applicable	
(10) Relationship with ALSOK	There is no capital, personal and business relationship to note.	

(c) Pacific Minato, L.P.

(1) Company name	Pacific Minato, L.P.	
(2) Head Office address	Clifton House, 75 Fort Street GT, Grand Cayman KY1-1108, Cayman Island	
(3) Ground for establishment	Exempted Limited Partnership Law of the Cayman Islands	
(4) Organization Purpose	Private equity investment in Japanese operating companies	
(5) Date of composition	November 30, 2007	
(6) Date of composition	¥3.5 billion	
(7) Total contribution	Foreign institutional investor	
(8) Contributor, investment ratio, outline	Company name	Pacific fund management Ltd.
	Head office address	2430 Camino Ramon, Suite 330 San Ramon, CA 94583
	Representative	Grant Finlayson, CEO
	Main lines of business	Professional services provider
(9) Outline of local agent	Not Applicable	
(10) Relationship with ALSOK	There is no capital, personal and business relationship to note.	

* ALSOK will acquire shares from another individual shareholder. There is no capital, personal and business relationship to note.

4. Number of shares to be acquired and shareholding status before and after acquisition (agreed contract basis)

(1) Number of shares held before acquisition	0 shares (Number of voting rights: 0) (Holding ratio: 0.0%)
(2) Number of shares to be acquired	5,731 shares (Number of voting rights: 5,731) (Percentage against issued shares: 77.1%)
(3) Number of shares held after acquisition	5,731 shares (Number of voting rights: 5,731) (Percentage against issued shares: 95.92%)

- * ALSOK plans to contract the remaining shareholders for the remaining 4.08% issued shares.
- * Share option (820 shares) will also be acquired by ALSOK in sequence.
- * The acquisition value will remain undisclosed as agreed upon by both parties. From the perspective of fairness and appropriateness, the amount was determined based on the results of a financial and legal diligence by third-party organizations.

4. Schedule

Date of share acquisition October 31, 2014

5. Future outlook

With regard to the impact on the consolidated financial results for the fiscal year ending March 31, 2015, we will issue a separate notice if disclosure is deemed necessary.

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