

December 6, 2016

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  
(Phone: +81-3-3423-2331)

Notice Concerning the Acquisition of Shares of Hitachi Security Service Co., Ltd.

SOHGO SECURITY SERVICES CO., LTD. (“ALSOK” TSE:2331), announces the agreement that it acquires 90% stock of Hitachi Security Service Co., Ltd. (“HSS”) , a wholly owned subsidiary of Hitachi, Ltd. on December 6, 2016. The details are as outlined below.

1. Rationale of share acquisition

ALSOK have been aiming to keep the society safe and secure as the leading company in security service industry and plays an important role as the infrastructure of Japanese economic society.

The new subsidiary HSS was established by the security segment spin-off of Hitachi, Ltd. with approximately 1,200 employees. As a security company assuming the security for Hitachi Group, the company have been steadily developing along with a firm brand strength.

By integrating the security know-how of ALSOK and management resources of HSS and while constructing co-creation relationship, ALSOK envisage to provide even higher added-value services.

Going forward, ALSOK will work to enhance customer base and improve customer satisfaction in order to further develop its business and increase the corporate value of the entire Group.

## 2. Profile of the company

(1) Company name	Hitachi Security Service Co., Ltd. (Company name is planned to be changed on the date of share acquisition)		
(2) Head office address	3 Kandaneibeicho, Chiyoda-ku, Tokyo		
(3) Representative	Tadashi Miyahara, President and Director		
(4) Main lines of business	<ul style="list-style-type: none"> <li>• Business concerning contract for the security of the buildings</li> <li>• Business concerning security, research, coaching, and advice relating to crime prevention, fire prevention, emergency, and safety</li> <li>• Business concerning facility, device, system development, rent, and sale relating to crime prevention, fire prevention, emergency, and safety</li> <li>• Contract and maintenance of utility work relating to crime prevention, fire prevention, emergency, and safety</li> <li>• Business concerning safety, maintenance checkup, and repair for building and incidental facilities</li> </ul>		
(5) Capital	100 million yen		
(6) Date established	February 21, 1997		
(7) Major shareholders and shareholding ratio	Hitachi, Ltd.		100%
(8) Relationship with ALSOK	There is no capital, personal and business relationship to note.		
(9) Financial figures for the three most recent years			
Fiscal year	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	7,574 million yen	7,488 million yen	8,140 million yen

\* Details of the financial figures for the three most recent years is non-disclosure due to the consultation.

## 3. Share transferee

(1) Company name	Hitachi, Ltd.
(2) Head office address	1-6-6 Marunouchi, Chiyoda-ku, Tokyo
(3) Representative	Toshiaki Higashihara, Representative Executive Officer, President and CEO
(4) Main lines of business	Information & Telecommunication Systems, Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Construction Machinery, High Functional Materials & Components, Automotive Systems, and Smart Life & Ecofriendly Systems
(5) Capital	458,790 million yen
(6) Date established	February 1, 1920
(7) Consolidated net assets	4,125,570 million yen (IFRS)

(8)	Consolidated total assets	12,551,005 million yen (IFRS)																				
(9)	Major shareholders and shareholding ratio	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>6.09%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>5.85%</td> </tr> <tr> <td>Hitachi Employees' Shareholding Association</td> <td>2.06%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>1.93%</td> </tr> <tr> <td>Japan Trustee Services Bank., Ltd. (Trust Account)</td> <td>1.59%</td> </tr> <tr> <td>THE BANK OF NEW YORK MELON SA/NV</td> <td>1.52%</td> </tr> <tr> <td>STATE STREET BANK WEST CLIENT-TREATY</td> <td>1.48%</td> </tr> <tr> <td>The Dai-ichi Life Insurance Company, Limited</td> <td>1.48%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY</td> <td>1.41%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd.(Trust Account)</td> <td>1.39%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.09%	Japan Trustee Services Bank, Ltd. (Trust Account)	5.85%	Hitachi Employees' Shareholding Association	2.06%	Nippon Life Insurance Company	1.93%	Japan Trustee Services Bank., Ltd. (Trust Account)	1.59%	THE BANK OF NEW YORK MELON SA/NV	1.52%	STATE STREET BANK WEST CLIENT-TREATY	1.48%	The Dai-ichi Life Insurance Company, Limited	1.48%	STATE STREET BANK AND TRUST COMPANY	1.41%	Japan Trustee Services Bank, Ltd.(Trust Account)	1.39%
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(10)	Relationship with ALSOK	There is no capital, personal and business relationship to note.																				

#### 4. Number of shares to be acquired and shareholding status before and after acquisition

(1)	Number of shares held before acquisition	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0.0%)
(2)	Number of shares to be acquired	1,800 shares (Number of voting rights: 1,800) (Percentage of voting rights: 90%)
(3)	Number of shares held after acquisition	1,800 shares (Number of voting rights: 1,800) (Percentage of voting rights: 90%)

\*Acquisition cost is non-disclosure due to the consultation, although the decision of the consideration is based on reference materials of the results by independent calculation agent using fairness and appropriate method.

#### 5. Schedule

(1)	Resolution of the Board of Directors	December 6, 2016
(2)	Contract date of agreement	December 6, 2016
(3)	Effective date of transfer of shares	February 1, 2017 (plan)

## 6. Future outlook

The impact on financial results for fiscal year ending March 31, 2017 is expected to be minor.

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