

December 15, 2020

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.)
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Notice Concerning the Capital and Business Alliance with Mitsubishi Corporation

SOHGO SECURITY SERVICES CO., LTD. (“ALSOK”) announces the agreement of capital and business alliance with Mitsubishi Corporation (“MC”) concerning long-term care and livelihood support business for the elderly. The details are as outlined below.

1. Purpose for the alliance

The percentage share of the elderly (over 65 years old) against the total population in Japan is approaching 30%, which users of long-term care service is increasing every year. Meanwhile, it leads to issues such as insufficient service due to the shortage of bearer of long-term care, which new structure is in demand for the elderly to have safe and secure daily life in the community.

This alliance will provide structure for the care-receiver and the elderly to have safe, secure, and convenient daily life by gathering each knowledge and networks.

By combining ALSOK’s knowledge to provide “safety and security” and MC’s collective capabilities, the alliance will contribute to identify solution of social issues by comprehensively supporting daily lives of care-receivers and the elderly.

2. Content of the alliance

(1) Business alliance

This alliance will expand services for long-term care business operators and livelihood support services for long-term care service users and the elderly.

In particular, the following will be promoted.

- a. Expansion and sales promotion of existing business utilizing sales base of each company.
- b. Expansion in products and services of security, long-term care, and for the elderly utilizing customer base. (Providing ALSOK’s monitoring service through the customer base of MC etc.)
- c. Launch a new business by cooperation with other companies.

In addition, after the decision making of Nippon Care Supply Co., Ltd. (“NCS”), the alliance is planned to be an alliance between 3 companies including NCS.

(2) Capital alliance

ALSOK will acquire 4,965,000 stock (32.1% of ratio of voting) from MC, which is the stock of NCS, subsidiary of MC.

3. Profile of the companies

a. Mitsubishi Corporation

(1) Company name	Mitsubishi Corporation		
(2) Head Office address	2-3-1 Marunouchi, Chiyoda-ku, Tokyo		
(3) Representative	Takehiko Kakiuchi, President and Chief Executive Officer		
(4) Main lines of business	Organized into 10 business groups: Natural gas, Industrial materials, Petroleum & Chemicals, Mineral resources, Industrial infrastructure, Automotive & Mobility, Food industry, Consumer industry, Power solution, and Urban development		
(5) Capital	¥204,447 million (As of September 30, 2020)		
(6) Date established	April 1, 1950 (Date founded July 1, 1954)		
(7) Shareholders (As of September 30, 2020)	The Master Trust Bank of Japan, Ltd. (Trust Account) 8.23% Custody Bank of Japan, Ltd. (Trust Account) 5.79% BNYM AS AGT/ CLTS NON TREATY JASDEC 5.32% Meiji Yasuda Life Insurance Company 4.38% Tokio Marine & Nichido Fire Insurance Co., Ltd. 3.88% The Master Trust Bank of Japan, Ltd. 2.18% (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account) Custody Bank of Japan, Ltd. (Trust Account 5) 1.82% JP MORGAN CHASE BANK 385781 (Trust Account 9) 1.31% Custody Bank of Japan, Ltd. (Trust Account 9) 1.29% STATE STREET BANK WEST CLIENT – TREATY 1.27% 505234		
(8) Relationship with ALSOK	There is no capital, personal, business, and other relationship to note. (Although there is a relationship within the range of normal work, there is no significant impact in both companies.)		
(9) Recent overview of operating results and financial position			
Fiscal year	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Total assets (million)	¥16,036,989	¥16,532,800	¥18,049,661
Total equity (million)	¥6,256,211	¥6,636,920	¥6,216,894
Revenues (million)	¥7,567,394	¥16,103,763	¥14,779,734
Profit before tax (million)	¥812,722	¥851,813	¥648,864
Profit for the period (million)	¥610,416	¥645,784	¥592,151
Profit for the period attributable to owners of parent (million)	¥560,173	¥590,737	¥535,353

Profit for the period attributable to owners of parent per share (basic)	¥353.27	¥372.39	¥348.50
Profit for the period attributable to owners of parent per share (diluted)	¥352.44	¥371.55	¥347.71
Dividends per share	¥110	¥125	¥132

b. Nippon Care Supply Co., Ltd. (Stock issuer)

(1) Company name	Nippon Care Supply Co., Ltd.		
(2) Head Office address	1-1-30 Shibadaimon, Minato-ku, Tokyo		
(3) Representative	Toshiya Takasaki, President and Representative Director		
(4) Main lines of business	As to contribute to creating a base concerning home care services under the long-term care insurance system, welfare equipment services such as wholesale rental and sales of welfare equipment for designated in-home service operators with designation of welfare equipment rental are provided. In addition, as for the elderly support service, provision of meal service etc. are extended for long-term care operators.		
(5) Capital	¥2,897 million		
(6) Date established	March 26, 1998		
(7) Shareholders (As of September 30, 2020)	Mitsubishi Corporation	74.78%	
	Mitsubishi Research Institute, Inc.	3.50%	
	Meiji Yasuda Life Insurance Company	1.54%	
	MSIP CLIENT SECURITIES	1.53%	
	NCS Employees Shareholding Association	0.96%	
	Custody Bank of Japan, Ltd. (Trust Account)	0.87%	
	Katsutoshi Watanabe	0.43%	
	SBI SECURITIES Co., Ltd.	0.36%	
	Rakuten Securities, Inc.	0.30%	
	Noriyoshi Kabata	0.27%	
(8) Relationship with ALSOK	There is no capital, personal, business, and other relationship to note. (Although there is a relationship within the range of normal work, there is no significant impact in both companies.)		
(9) Recent overview of operating results and financial position			
Fiscal year	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net assets (thousand)	¥12,313,381	¥12,843,677	¥13,574,837
Total assets (thousand)	¥18,566,458	¥19,198,699	¥18,032,697
Net assets per share	¥791.39	¥826.29	¥873.33
Net sales (thousand)	¥16,331,136	¥17,379,323	¥19,097,258
Operating income (thousand)	1,876,418	¥2,078,691	¥2,155,590
Ordinary income (thousand)	¥1,885,884	¥2,082,157	¥2,164,429

Profit attributable to owners of parent (thousand)	¥1,426,823	¥1,424,203	¥1,494,661
Net income per share	¥91.83	¥91.66	¥96.19
Dividends per share	¥46	¥46	¥46

4. Schedule

Date of execution for business alliance and contractual agreement

December 15, 2020

Date of stock acquisition from shareholders of NCS (MC)

Forthwith after the acquisition of the approval from authorities concerned

5. Future outlook

NCS is planned to be the equity method affiliate of ALSOK.

With regard to the impact on the consolidated financial results for the fiscal year ending March 31, 2021, we will issue a separate notice if disclosure is deemed necessary.

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