

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

Notice Concerning Merger with Consolidated Subsidiary and Corporate Split

SOHGO SECURITY SERVICES CO., LTD. (the Company), announces that, at a meeting of its Board of Directors held on December 3, 2013, a resolution was passed for Osaka Sohgo Security Services Co., Ltd. (Osaka Sokei), the Company's subsidiary, to merge with and consolidate Osaka Sohgo Kanzai Co., Ltd. (Osaka Kanzai), a wholly-owned subsidiary of the Company. In addition, the Kobe Branch of Osaka Sokei will be split and its business operations in Hyogo Prefecture will be transferred to newly established ALSOK Hyogo Co., Ltd. (ALSOK Hyogo), which will become a wholly-owned subsidiary of the Company. All of these changes will be conducted as a part of the ALSOK Group's reorganization project. Since the Merger and the Corporate Split involve the Company and its wholly-owned consolidated subsidiaries, some disclosure items and details will be omitted.

1. Purpose of the Merger and the Corporate Split

The merger is aiming at improved management efficiency and stronger business infrastructure for the ALSOK Group through the centralization of business operations and effective use of management resources. Osaka Sokei, which offers stationed security services in Osaka, Hyogo, Nara, and Wakayama Prefectures, will separate its business operations in Hyogo Prefecture to bolster the sales capability and increase its competitiveness in this market while also allowing for better responsiveness to the changing market environment and diversifying customer needs. The newly established ALSOK Hyogo will become a wholly-owned subsidiary of the Company and work to optimize management efficiency and conduct appropriate operations by taking advantage of its ability to exclusively focus on Hyogo Prefecture.

2. Summary of the Merger

(1) Merger Schedule

Date of Board of Directors resolution (Osaka Sokei):	December 3, 2013
Date of Board of Directors resolution (Osaka Kanzai):	December 3, 2013
Date of the Merger agreement:	December 3, 2013
Shareholders' meeting to approve the Merger (Osaka Sokei):	February 10, 2014 (planned)
Shareholders' meeting to approve the Merger (Osaka Kanzai):	February 10, 2014 (planned)
Effective date of the Merger:	April 1, 2014 (planned)

(2) Merger Form

The Merger will be an absorption-type merger with Osaka Sokei as the surviving company. Osaka Kanzai will be dissolved.

(3) Merger Ratio and Merger Consideration

As Osaka Kanzai is a wholly owned subsidiary of Osaka Sokei, 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

Osaka Kanzai has not issued any subscription rights to shares or corporate bonds with subscription rights to shares.

(5) Overview of the Parties to the Merger (as of March 31, 2013)

	Surviving Company	Absorbed Company
Company Name	Osaka Sohgo Security Services Co., Ltd.	Osaka Sohgo Kanzai Co., Ltd.
Main lines of business	Security services	Security services
Date established	February 19, 1968	April 1, 1991
Head office location	Osaka City, Osaka Prefecture	Osaka City, Osaka Prefecture
Representative	Hironobu Yachi, President and Representative Director	Isao Kawashima, President and Representative Director
Capital	¥20 million	¥10 million
Number of shares issued	20,000 shares	200 shares
Net assets	¥676 million	¥147 million
Total assets	¥986 million	¥265 million
Fiscal year-end	March 31	March 31
Number of employees	448	197
Major shareholders and shareholding ratio	SOHGO SECURITY SERVICES CO., LTD. 100%	SOHGO SECURITY SERVICES CO., LTD. 100%
Principal correspondent banks	Mizuho Bank, Ltd.	Mizuho Bank, Ltd.
Relationship with the Company	Capital relationship: ALSOK Hyogo will be a wholly-owned subsidiary of the Company, which is the parent company of Osaka Sokei.	
	Personal relationship: Osaka Sokei will dispatch directors and corporate auditors to ALSOK Hyogo.	
	Business relationship: The Company plans to delegate a portion of its operations to ALSOK Hyogo.	

(6) Business Results for Most Recent Years(Fiscal year ended March 31, 2013)

	Osaka Sokei	Osaka Kanzai
Net assets	¥676 Million	¥147 Million
Total assets	¥986 Million	¥265 Million
Net assets per share	¥33,842	¥735,665
Net sales	¥2,183 Million	¥969 Million
Operating income	¥90 Million	¥24 Million
Ordinary income	¥106 Million	¥37 Million
Net income (loss)	(¥65 Million)	¥22 Million
Net income per shar	-	¥114,234

(7) Overview of Operations to be Merged

The operations to be merged consist of the stationed security services, transportation security services, and total building management services conducted by Osaka Kanzai.

(8) Circumstances after the Merger

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

(9) Impact on the Financial Results

There will be no impact on consolidated and non-consolidated financial results from the Merger.

3. Summary of the Corporate Split

(1) Schedule of the Corporate Split

Board of Directors' meeting to approve the Corporate Split: December 3, 2013
Corporate Split (effective date of split): April 1, 2014 (planned)
Registration date of incorporation of newly-established company: April 1, 2014 (planned)

(2) Method of the Corporate Split

The Corporate Split is an establishment-type corporate split, with Osaka Sokei as the transferring entity, and ALSOK Hyogo 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 as a result of the Corporate Split.

(5) Reduction of Paid in Capital as a Result of the Corporate Split

There will be no reduction in the capital of the Company as a result of the Corporate Split.

(6) Procedures Relating to Subscription Rights to Shares and Corporate Bonds with Subscription Rights to Shares of the Splitting Company

Osaka Sokei has not issued any subscription rights to shares or corporate bonds with subscription rights to shares.

(7) Rights and Obligations to be Inherited by the Newly-Established Company

ALSOK Hyogo will inherit assets, liability, status under agreements, and all rights and obligations relating to the business to be split 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 issues will occur regarding the fulfillment of the liabilities with which Osaka Sokei and ALSOK Hyogo will be charged after the Corporate Split.

(9) Overview of the Parties to the Corporate Split

Item	Splitting Company	Newly-established Company
Company Name	Osaka Sohgo Security Services Co., Ltd.	ALSOK Hyogo Co., Ltd.
Main lines of business	Security services	Security services
Date established	February 19, 1968	April 1, 2014(planned)
Head office location	Osaka City, Osaka Prefecture	Kobe City, Hyogo Prefecture
Representative	Hironobu Yachi, President and Representative Director	Hironobu Yachi, President and Representative Director
Capital	¥20 million	¥10 million
Number of shares issued	20,000 shares	200 shares
Net assets	¥463 million	¥214 million
Total assets	¥701 million	¥285 million
Fiscal year-end	March 31	March 31

Number of employees(planned)	448	108
Major shareholders and shareholding ratio	SOHGO SECURITY SERVICES CO., LTD. 100%	SOHGO SECURITY SERVICES CO., LTD. 100%
Principal correspondent banks	Mizuho Bank, Ltd.	Not yet determined
Relationship with the Company	Capital relationship: ALSOK Hyogo will be a wholly-owned subsidiary of the Company, which is the parent company of Osaka Sokei.	
	Personal relationship: Osaka Sokei will dispatch two directors to ALSOK Hyogo. Also the Company will dispatch two employees to ALSOK Hyogo, one to serve as a director and one to serve as a corporate auditor.	
	Business relationship: The Company plans to delegate a portion of its operations to ALSOK Hyogo.	

Note: The outline of the Splitting Company is as of March 31, 2013. The outline of the newly-established company is the projected figures as of the effective date of the split.

(10) Composition of the Business Division Subject to the Corporate Split

The operations to be split consist of the stationed security services, transportation security services, and total building management services conducted in Hyogo Prefecture by Osaka Sokei.

(11) Operating results of the business division to be split (as of Fiscal Year Ended March 2013)

	Performance of the Business Division Subject to the Corporate Split (a)	Performance of Osaka Sokei (b)	Ratio on Sales (a/b)
Sales	¥651 million	¥2,183 million	29.8%

(12) Assets and Liabilities to be Split (As of March 31, 2013)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current assets	¥256 million	Current liabilities	¥38 million
Noncurrent assets	¥29 million	Noncurrent liabilities	¥33 million
Total assets	¥285 million	Total liabilities	¥71 million

(13) Status after the Corporate Split

The corporate name, principal business, head office location, representative, capital, and fiscal year-end of Osaka Sokei will not change as a result of the Corporate Split.

(14) Impact on the Financial Results

There will be no impact on consolidated and non-consolidated financial results from the Corporate Split.

For inquiries: Yasuo Ishiwata,
General Manager of IR Office
Phone: +81-3-3423-2331
E-mail: alsok-ir@alsok.co.jp
URL: <http://www.alsok.co.jp/ir/en/index.html>