

February 5, 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.)  
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Notice Concerning the Capital and Business Alliance with Nippon Dry-Chemical Co., Ltd.

SOHGO SECURITY SERVICES CO., LTD. (“ALSOK”) announces the agreement of capital and business alliance with Nippon Dry-Chemical Co., Ltd. (“NDC”) on February 5, 2016. The details are as outlined below.

1. Purpose for the alliance

Since its establishment in 1965, ALSOK has been focusing on the realization of safe and secure society, as the leading company in the security services industry. Furthermore, as security business being a base point, we have been expanding business by responding to diversifying needs relating to customers' safety and security to support their various activities in many ways. We are expanding business domain not only in security services, but in building maintenance services such as general property management and fire protection services for buildings and facilities, appurtenant construction work, and long-term care services for individuals.

On another front, NDC, since its establishment in 1955 as a total fire protection company, a company expanding fire extinguishing as a core business above all, business deployment is conducted broadly in the domain of fire extinguishing and fire protection systems and various fire extinguishers.

ALSOK and NDC gathered managerial resources of each speciality for the alliance as we develop and distribute new products and services concerning crime and fire prevention, and at the same time, we consider the organization to provide high value-added services responsibly to be important.

The Group will make the best of managerial resources of the Group as a whole including the alliance, and will aim for the improvement of corporate value, business expansion, and business development forging ahead with customer-oriented management.

## 2. Content of the alliance

### (1) Business alliance

ALSOK and NDC aim for further development and growth for each business activities and improve corporate value by synergy utilized by mutual managerial resources. We plan to develop products and make a sale such as operations designated by various enactments, value-added operations, and new operations which the skill and know-how of both companies can be utilized. Further details will be decided after consultation between the two companies.

### (2) Capital alliance

#### A. Acquisition of NDC's stock by ALSOK

ALSOK plans to acquire a total of 550,000 common stock (15.32% of the total number of shares issued after the capital increase) by the following method.

##### (a) Acquisition by the acceptance of allocation of new shares to a third party

Plans to acquire 275,000 common stock of NDC by the acceptance of allocation of new shares to a third party.

##### (b) Acquisition of NDC's stock from shareholders of NDC

Plans to acquire 275,000 common stock of NDC from shareholders of NDC.

#### B. Acquisition of ALSOK's stock by NDC

NDC plans to acquire a total of 35,000 common stock (0.03% of the total number of shares issued) of ALSOK in market between February 8 and February 12, 2016.

## 3. Profile of the company

(1) Company name	Nippon Dry-Chemical Co., Ltd.
(2) Head Office address	2-3-1 Daiba Minato-ku, Tokyo
(3) Representative	Eiichi Tohyama, President
(4) Main lines of business	A. Fire protection system business Designing and construction of various fire protection system such as building fire protection system, plant fire protection system, and marine fire protection system B. Maintenance business Maintenance check of fire protection equipment as well as mending and revamping that derives C. Product business Manufacture and sale of various fire extinguishers, and purchase and sale of various emergency supplies D. Vehicle business Manufacture and sale of various fire engines
(5) Capital	¥418,262 thousand
(6) Date established	April 23, 1955

(7) Shareholders (As of September 30, 2015)	HATSUTA SEISAKUSHO CO., LTD.	11.31%	
	Japan Trustee Services Bank, Ltd. (Trust account)	8.34%	
	The Master Trust Bank of Japan, Ltd. (Trust account)	4.21%	
	SHIN NIPPON AIR TECHNOLOGIES CO., LTD.	2.90%	
	Oki Electric Industry Co., Ltd.	2.68%	
	Yoshitani Kikai-Seisakusyo, Inc.	2.41%	
	Nippon Dry-Chemical Client Stock Ownership	2.28%	
	TOKYO ENERGY & SYSTEMS Inc.	2.11%	
	Yutaka Horie	2.11%	
Kanbayashi Tadahiro	1.92%		
(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 NDC operating results and financial position			
Fiscal year	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net assets (thousand)	¥5,704,074	¥7,896,963	¥8,533,901
Total assets (thousand)	¥20,631,592	¥21,527,347	¥22,790,761
Net assets per share	¥2,098.18	¥2,300.63	¥2,573.81
Net Sales (thousand)	¥28,931,683	¥31,316,179	¥30,418,677
Ordinary income (thousand)	¥1,576,199	¥1,667,286	¥1,566,949
Net income (thousand)	¥809,159	¥835,337	¥1,050,793
Net income per share	¥312.39	¥297.37	¥316.92
Dividends per share	¥140	¥70	¥70

#### 4. Schedule

Date of execution for capital and business alliance	February 5, 2016
Date of stock acquisition from shareholders of NDC	February 9, 2016 (plan)
Payment date for allocation of new shares to a third party	February 15, 2016 (plan)

#### 5. Future outlook

On the occasion of NDC's general shareholders' meeting to be held this June, we are planning to include one personnel we designate into the candidate of the board member. After the candidate is appointed as the board member, NDC is planned to be the equity method affiliate of the Company. With regard to the impact on the consolidated financial results for the fiscal year ending March 31, 2016, we will issue a separate notice if disclosure is deemed necessary.

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