

December 14, 2010

SOHGO SECURITY SERVICES CO., LTD.
(Code No.: 2331, TSE 1st Sec.)
Atsushi Murai, President and Representative Director

Notice Concerning the Absorption Merger of Consolidated Subsidiaries

SOHGO SECURITY SERVICES CO., LTD. (“ALSOK”) is pleased to announce that its wholly-owned subsidiary, YAMAGUCHI SOHGO SECURITY SERVICES CO., LTD. (“Yamaguchi Sokei”) will absorb its wholly owned subsidiary Yamaguchi kanzai Co.,Ltd. (“Yamaguchi Kanzai”). Further details are outlined below.

1. Purpose of the merger

The merger, effective use of resources by centralizing operations and management, we aim to strengthen the management foundation to improve our operational efficiency in the group.

2. Overview of the merger

a. Schedule

Board of directors’ meeting to approve merger (Yamaguchi Kanzai)	December 10, 2010
Board of directors’ meeting to approve merger (Yamaguchi Sokei)	December 14, 2010
Conclusion of merger agreement	December 14, 2010
Shareholders’ meeting to approve merger (Yamaguchi Sokei)	January 14, 2011(planned)
Effective date of merger	April 1, 2011 (planned)

As this merger is a short-form merger provided for in Section 784. 1 of the Companies Act, no shareholders’ meeting to approve the merger will be held by Yamaguchi Kanzai.

b. Type of merger

This merger takes the form of an absorption-type merger following which Yamaguchi Sokei will be the surviving company, and Yamaguchi Kanzai will be dissolved.

c. Rate of merger and amount of delivered money due to merger

As Yamaguchi Kanzai is wholly owned subsidiary of Yamaguchi Sokei, no delivered money will be paid as a result of the merger.

d. Treatment of share warrants and bonds with warrants of the company dissolved

Not applied.

3. Outline of companies involved in the merger (as of March 31, 2010)

	Surviving Company	Dissolved Company
a. Trade name	YAMAGUCHI SOHGO SECURITY SERVICES CO., LTD.	Yamaguchi kanzai Co., Ltd.
b. Main line of business	Security Services	Security Services
c. Date of incorporation	January 21, 1975	March 17, 1980
d. Head office address	2189-1 Shimoosaba Yamaguchi-shi Yamaguchi-prefecture	7-22 Sumizaki-cho Shunan-shi Yamaguchi-prefecture
e. Representative	Tetsuro Yano, Representative Director	Jiro Ito, Representative Director
f. Capital	¥10 million	¥10 million
g. Number of shares issued	20,000 shares	12,000 shares
h. Net assets	¥289 million	- ¥16 million
i. Total assets	¥455 million	¥139 million
j. Fiscal year-end	March 31	March 31
k. Number of employees	331	182
l. Major shareholders and investment ratio	SOHGO SECURITY SERVICES CO., LTD. 100%	YAMAGUCHI SOHGO SECURITY SERVICES CO., LTD. 100%

4. Business results for the most recent year (Fiscal year ended March 31, 2010)

	Surviving Company	Dissolved Company
	YAMAGUCHI SOHGO SECURITY SERVICES CO., LTD.	Yamaguchi kanzai Co., Ltd.
a. Sales	¥1,218 million	¥442million
b. Operating profit	¥49 million	¥5 million
c. Recurring profit	¥57 million	¥14 million

5. Circumstances after the merger

There will be no change after the merger regarding the surviving company's "Trade name", "Main line of business", "Head office address", "Representative", "Capital", and "Fiscal year-end". (Planned)

6. Impact on the financial results

There will be no impact on the consolidated financial results of ALSOK.

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