

December 6, 2016

To whom it may concern:
(This is an English translation of the Japanese original)

Company: SOHGO SECURITY SERVICES CO., LTD.
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(Securities Code: 2331, TSE 1st Sec.)
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Notice Concerning the Agreement between TelWel East Japan Corporation and ALSOK

SOHGO SECURITY SERVICES CO., LTD. (“ALSOK”, TSE:2331) is pleased to announce that TelWel East Japan Corporation (“TW East Japan”) and ALSOK have entered into a definitive agreement under which ALSOK will newly establish a company (“Newly established company”) and will absorb security business of TW East Japan by company split. The details are as outlined below.

1. Purpose of the company split

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 an infrastructure of Japanese economic society.

As the company of NTT Group, TW East Japan have been developing by providing high quality services and wide range of business such as improvement of office environment, security measure, operational efficiency, and property use in East Japan area. In regard to security business, TW East Japan has abundant experience with stationed security service.

ALSOK and TW East Japan envisage to provide high quality security services more than ever by constructing a system for mutual use of management resource to correspond to the environmental change that surrounds the security business and will continue to correspond to diversifying needs of customers more than ever.

ALSOK will correspond to diversifying needs of customers more than ever by combining stationed security and electronic security

The newly established company is to be operated as a joint-stock association as ALSOK owns 80% and TW East Japan owns 20% of shares issued.

Going forward, ALSOK will fully take advantage of the management resources, including the security business of the newly established company, in order to further develop its business and increase the corporate value of the entire Group.

2. Outline of the company split

(1) Schedule for the company split

Resolution date of Board of Directors	December 6, 2016
Date of contract agreement (between TW East Japan and ALSOK)	December 6, 2016
Establish date of new company (ALSOK 100% investment)	Until January 10, 2017 (plan)
Resolution date of Shareholders Meeting (newly established company = succeeding company)	January 10, 2017 (plan)
Contract date of absorption-type company split (between TW East Japan and newly established company)	January 10, 2017 (plan)
Scheduled date of implementation (effective date)	April 1, 2017 (plan)
Date of new record (payment date)	April 1, 2017 (plan)

(2) Method for the company split

The method is an absorption-type split as newly established company being the succeeding company with TW East Japan being split.

(3) Detailed allotment in the company split

ALSOK is scheduled to receive cash payment and 500 shares (new share issues) of the newly established company.

(4) Treatments of share purchase warrants and bonds with share purchase warrants

None

(5) Increase and decrease in capital resulting from the company split

There will be no variation in capital of ALSOK resulting from the split.

(6) Rights and obligations transferred to the succeeding company

The succeeding company (newly established company) will succeed rights and obligations concerning security business of TW East Japan on the effective date of company split.

(7) Ability to fulfill obligations

ALSOK believes that all debt obligations to be assumed by TW East Japan and the newly established company can be fulfilled without problems.

3. Premise of the detailed allotment in the company split

Calculation of allotment is based on the asset and liability value being split. Although, specific consideration is non-disclosure due to the consultation with TW East Japan, although the decision of the consideration is based on reference materials of the results by independent calculation agent using fairness and appropriate method.

4. Overview of parties to the company split

(1) Overview of the company split

	Splitting Company (As of December 1, 2016)	Succeeding Company (Estimation as of the establishment)
a. Company name	TelWel East Japan Corporation	ALSOK-TW East Japan Co., Ltd. (plan)
b. Head office address	5-14-9 Sendagaya, Shibuya-ku, Tokyo	Tokyo (plan)
c. Representative	Kazuyuki Miwa, President and Representative Director	Not confirmed
d. Main lines of business	Asset Planning Business, Office Solution Business, Facility Management Business, Outsourcing Business, Life Support Business	Security Business
e. Capital	100 million yen	80 million yen (plan)
f. Date established	April 2, 2001	January 2017 (plan)

g. Shares issued	60,000 shares	2,000 shares (plan)
h. Fiscal year end	March 31	March 31
i. Major shareholders and shareholding ratio	NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION 91.7% NTT DOCOMO, INC. 3.3% NTT Communications Corporation 3.3% NTT DATA Corporation 1.7%	SOHGO SECURITY SERVICES CO., LTD. 100%
j. Financial position and operating result for the recent year		
Net sales	53,700 million yen	-

*Details of the financial position and operating results for the recent year is non-disclosure due to the consultation.

(2) Overview of the succeeding business segment

a. Main lines of business	Security business
b. Net sales	approx. 2.6 billion yen
c. Price and account title of assets and liabilities	-

*The price and account title of assets and liabilities to succeed and split is non-disclosure due to the consultation.

5. Status of the company after the company split

(1) Company name	ALSOK-TW East Japan Co., Ltd (plan)
(2) Head office address	Tokyo (plan)
(3) Representative	Not confirmed
(4) Main lines of business	Security Business
(5) Capital	100 million yen (plan)
(6) Shares issued	2,500 shares (plan)
(7) Fiscal year end	March 31
(8) Sales	approx. 2.6 billion yen (forecast)
(9) Major Shareholders and shareholding ratio	SOHGO SECURITY SERVICES CO., LTD. 80.0% TelWel East Japan Corporation 20.0% (Above is the shareholding ratio planned when 500 shares (new shares) of newly established company is to be delivered to TW East Japan)

6. Future outlook

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

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