

CONTENTS

<u>NONCONSOLIDATED BALANCE SHEETS</u>	<u>44</u>
<u>NONCONSOLIDATED STATEMENTS OF INCOME</u>	<u>46</u>

NONCONSOLIDATED BALANCE SHEETS

SECOM CO., LTD.
As at March 31

	In millions of yen					
ASSETS	1999	1998	1997	1996	1995	1994
Current assets:						
Cash on hand and in banks	¥ 93,901	¥ 83,462	¥ 95,566	¥ 97,630	¥ 76,912	¥ 79,206
Notes receivable	459	392	481	436	497	413
Due from subscribers	5,564	5,218	5,034	4,111	4,018	3,253
Accounts receivable, trade	3,238	3,409	3,010	3,636	2,721	1,800
Receivables—other	1,243	1,003	1,512	1,603	1,650	1,437
Marketable securities	25,888	31,151	26,115	20,250	19,815	22,846
Common stock in treasury	119	25	19	13	142	70
Merchandise	4,805	3,642	3,972	2,939	2,744	2,621
Supplies	948	967	821	726	810	864
Prepaid expenses	1,241	1,084	1,221	570	658	607
Short-term loans	29,031	23,683	17,263	17,023	14,744	11,980
Other current assets	1,513	1,390	1,413	2,601	2,102	2,415
Allowance for doubtful accounts	(146)	(136)	(102)	(114)	(123)	(133)
Total current assets	167,804	155,290	156,325	151,424	126,690	127,379
Fixed assets:						
Tangible assets:						
Buildings and improvements	24,295	23,617	21,247	22,148	20,529	20,974
Automobiles	737	815	925	816	604	551
Signal equipment on subscribers' premises	44,244	36,579	32,637	30,974	27,871	26,384
Control station signal equipment	18,442	19,160	21,259	22,030	20,487	19,014
Machinery and equipment	1,509	1,535	1,584	1,121	1,168	1,172
Tools, furniture and fixtures	2,167	2,167	2,269	2,087	2,056	1,808
Land	34,997	34,525	27,297	27,343	27,258	26,569
Construction in progress	1,693	1,630	1,459	1,577	2,278	1,284
Other	19	11	12	14	22	34
Intangible assets:						
Telephone rights and other	4,533	4,458	4,141	3,891	1,118	1,526
Telephone and telegraph utility rights	1,976	2,957	4,047	5,220	7,081	7,558
Investments and other:						
Investment securities	12,519	5,535	5,674	5,655	5,253	4,197
Investments in subsidiaries and affiliated companies	112,714	105,145	99,603	91,223	86,726	84,047
Long-term loans receivable	3,112	2,951	3,238	896	924	2,205
Lease deposits	6,890	6,494	6,572	6,570	7,064	7,190
Long-term prepaid expenses	9,437	7,292	6,820	7,265	10,643	7,902
Other investments	6,671	4,177	4,232	3,854	3,447	2,522
Allowance for doubtful accounts	(14)	(30)	(33)	(6)	(9)	(22)
Total fixed assets	285,941	259,018	242,983	232,678	224,520	214,915
Total assets	¥453,745	¥414,308	¥399,308	¥384,102	¥351,210	¥342,294

In millions of yen

LIABILITIES AND SHAREHOLDERS' EQUITY	1999	1998	1997	1996	1995	1994
Current liabilities:						
Accounts payable	¥ 1,671	¥ 1,256	¥ 1,032	¥ 1,273	¥ 995	¥ 1,103
Bank loans	21,058	10,193	20,884	21,137	19,277	19,305
Current portion of long-term debt	5	394	—	14,296	—	9,996
Payables—other	6,707	5,640	5,018	4,029	4,091	4,428
Accrued expenses	5,356	6,248	5,621	5,545	5,305	5,163
Deposits received	25,440	17,548	16,081	17,165	4,723	1,321
Deferred revenue—service charges	18,735	18,087	16,640	15,530	14,580	14,639
Income taxes payable	13,771	14,808	13,918	13,331	11,813	12,096
Payables—construction	3,173	3,326	3,474	3,188	3,571	3,187
Other current liabilities	2,211	4,157	1,787	1,906	1,957	2,851
Total current liabilities	98,127	81,657	84,455	97,400	66,312	74,089
Fixed liabilities:						
Long-term debt	1,347	1,724	2,266	2,850	20,448	21,019
Guarantee deposits received	14,607	14,194	12,821	11,480	10,741	10,056
Accrued severance indemnities	378	397	409	424	436	436
Other fixed liabilities	557	—	—	—	—	—
Total fixed liabilities	16,889	16,315	15,496	14,754	31,625	31,511
Total liabilities	115,016	97,972	99,951	112,154	97,937	105,600
Shareholders' equity:						
Common stock	65,710	65,327	65,253	59,865	58,214	56,756
Statutory reserve:						
Additional paid-in capital	81,782	78,110	78,036	72,650	70,999	69,542
Legal reserve	6,294	5,521	4,805	4,216	3,651	3,088
Total statutory reserve	88,076	83,631	82,841	76,866	74,650	72,630
Voluntary reserve:						
Reserve for systems development	800	800	800	800	800	800
Reserve for tax deferral on assets replacement	56	58	60	62	65	67
General reserve	2,212	2,212	2,212	2,212	2,212	2,212
Total voluntary reserve	3,068	3,070	3,072	3,074	3,077	3,079
Unappropriated earned surplus	181,875	164,308	148,191	132,143	117,332	104,229
Total shareholders' equity	338,729	316,336	299,357	271,948	253,273	236,694
Total liabilities and shareholders' equity	¥453,745	¥414,308	¥399,308	¥384,102	¥351,210	¥342,294

NONCONSOLIDATED STATEMENTS OF INCOME

SECOM CO., LTD.
Years ended March 31

	In millions of yen, %					
	1999	1998	1997	1996	1995	1994
Revenue:	¥231,505	¥222,541	¥212,887	¥200,165	¥186,562	¥178,311
<i>Percent change from prior year</i>	4.0%	4.5%	6.4%	7.3%	4.6%	7.5%
Service charges	210,239	201,929	191,465	179,902	171,460	163,922
<i>Percent change from prior year</i>	4.1	5.5	6.4	4.9	4.6	6.7
Sales of merchandise	21,266	20,612	21,422	20,263	15,102	14,389
<i>Percent change from prior year</i>	3.2	(3.8)	5.7	34.2	4.9	17.1
Costs:	123,180	117,801	113,495	105,153	97,376	91,693
<i>As a percent of revenue</i>	53.2	52.9	53.3	52.5	52.2	51.4
Cost of service	108,349	103,887	98,381	91,157	86,574	82,378
<i>As a percent of service charges</i>	51.5	51.4	51.4	50.7	50.5	50.3
Cost of sales	14,831	13,914	15,114	13,996	10,802	9,315
<i>As a percent of merchandise sales</i>	69.7	67.5	70.6	69.1	71.5	64.7
Gross profit:	108,325	104,740	99,392	95,012	89,186	86,618
<i>As a percent of revenue</i>	46.8	47.1	46.7	47.5	47.8	48.6
Gross profit on service	101,890	98,042	93,084	88,745	84,886	81,544
<i>As a percent of service charges</i>	48.5	48.6	48.6	49.3	49.5	49.7
Gross profit on sales	6,435	6,698	6,308	6,267	4,300	5,074
<i>As a percent of merchandise sales</i>	30.3	32.5	29.4	30.9	28.5	35.3
Selling, general and administrative expenses	58,186	61,572	58,627	57,115	54,289	54,053
<i>As a percent of revenue</i>	25.1	27.7	27.6	28.6	29.1	30.3
Operating profit	50,139	43,168	40,765	37,897	34,897	32,565
<i>As a percent of revenue</i>	21.7	19.4	19.1	18.9	18.7	18.3
Other income (expenses):						
Interest, dividends and other income	5,198	4,230	3,731	3,653	4,426	4,539
Interest expense	(18)	(36)	(101)	(606)	(794)	(1,046)
Other expense	(4,804)	(3,887)	(3,091)	(2,215)	(2,850)	(2,999)
Ordinary profit	50,515	43,475	41,304	38,729	35,679	33,059
<i>As a percent of revenue</i>	21.8	19.5	19.4	19.3	19.1	18.6
Extraordinary profit	12,073	—	—	7,036	—	535
Extraordinary loss	(12,168)	—	—	(7,040)	—	(375)
Income before income taxes	50,420	43,475	41,304	38,725	35,679	33,219
<i>As a percent of revenue</i>	21.8	19.5	19.4	19.3	19.1	18.6
Provision for income taxes	24,343	19,491	18,773	17,710	16,386	15,758
<i>Effective tax rate</i>	48.3	44.8	45.5	45.7	45.9	47.4
Net income	26,007	23,984	22,531	21,015	19,293	17,461
<i>As a percent of revenue</i>	11.3	10.8	10.6	10.5	10.3	9.8
<i>Percent change from prior year</i>	8.4	6.4	7.2	8.9	10.5	13.2