

**FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007**

November 8, 2007

Note: The following is an abridged English translation of the Interim Financial Report (*Chukan Kessan Tanshin*) of SECOM Co., Ltd. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.

Company name: SECOM Co., Ltd. (URL: <http://www.secom.co.jp>)  
 Code number: 9735 Tokyo Stock Exchange ----- First Section  
 Osaka Securities Exchange ----- First Section  
 Representative: Kanemasa Haraguchi, President and Representative Director  
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 Scheduled date of filing Audited Financial Statements (“*Hanki Hokoku-sho*”): December 21, 2007

(In millions of yen, figures rounded down)

1. Summary of the consolidated financial information for the six months ended September 30, 2007  
 (April 1, 2007 – September 30, 2007)

(1) Consolidated operating results

	Six months ended September 30		Year ended March 31, 2007
	2007	2006	
Revenue	323,609 20.9%	267,666 2.5%	613,976
Operating profit	49,274 16.7%	42,206 2.9%	97,840
Ordinary profit	52,918 17.0%	45,242 8.2%	102,720
Net income	29,421 12.5%	26,158 12.0%	58,299
Basic net income per share (in yen)	130.78	116.27	259.14

Note 1. Net gains from investment in affiliated companies accounted for under the equity method:

Six months ended September 30, 2007: JPY 2,745 million  
 Six months ended September 30, 2006: JPY 2,373 million  
 Year ended March 31, 2007: JPY 4,475 million

Note 2. Percentage figures represent changes from the results of the corresponding period of the previous year.

(2) Consolidated financial conditions

	September 30, 2007	September 30, 2006	March 31, 2007
Total assets	1,157,704	1,081,296	1,169,182
Net assets	610,442	538,657	601,116
Equity ratio	47.5%	46.6%	46.2%
Net assets per share (in yen)	2,443.61	2,237.82	2,400.91

Note: Equity as of:

September 30, 2007: JPY 549,733 million      September 30, 2006: JPY 503,447 million  
 March 31, 2007: JPY 540,132 million

(3) Consolidated cash flows

	Six months ended September 30		Year ended March 31, 2007
	2007	2006	
Cash flows from operating activities	53,336	(26,774)	(20,987)
Cash flows from investing activities	(40,991)	22,232	14,496
Cash flows from financing activities	(23,574)	(36,377)	(30,495)
Cash and cash equivalents at end of the period	181,829	187,879	192,378

2. Dividends

	Years ended March 31		
	2008 (projected)	2008 (actual)	2007
Interim dividends per share (in yen)	–	–	–
Year-end dividends per share (in yen)	80.00 – 85.00	–	80.00
Annual dividends per share (in yen)	80.00 – 85.00		80.00

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2008 (April 1, 2007 – March 31, 2008)

	Year ending March 31, 2008
Projected revenue	704,000 14.7%
Projected operating profit	108,600 11.0%
Projected ordinary profit	112,500 9.5%
Projected net income	63,300 8.6%
Projected basic net income per share (in yen)	281.37

Note: Percentage figures represent changes from the results of the corresponding period of the previous year.

4. Others

(1) Significant changes in subsidiaries during the period: None

(2) Changes in accounting principles, procedure and/or presentation with regard to preparation of consolidated financial statements:

Changes associated with amendment of accounting standard: Applicable

Other changes: Applicable

(3) Number of common shares outstanding:

Number of common shares outstanding, including treasury stock, as of:

September 30, 2007: 233,288,717 shares      September 30, 2006: 233,288,717 shares  
 March 31, 2007: 233,288,717 shares

Number of shares of treasury stock as of:

September 30, 2007: 8,321,134 shares      September 30, 2006: 8,316,303 shares  
 March 31, 2007: 8,318,910 shares

**[Reference] Summary of the nonconsolidated results**

1. Nonconsolidated financial information for the six months ended September 30, 2007 (April 1, 2007 – September 30, 2007)

## (1) Nonconsolidated operating results

	Six months ended September 30		Year ended March 31, 2007
	2007	2006	
Revenue	169,230 6.1%	159,477 4.0%	326,076
Operating profit	37,793 3.0%	36,706 1.2%	73,404
Ordinary profit	42,445 6.0%	40,030 5.8%	76,583
Net income	27,101 7.7%	25,156 5.5%	47,245
Basic net income per share (in yen)	120.47	111.82	210.00

Note: Percentage figures represent changes from the results of the corresponding period of the previous year.

## (2) Nonconsolidated financial conditions

	September 30, 2007	September 30, 2006	March 31, 2007
Total assets	657,848	621,512	654,791
Net assets	501,477	470,039	494,154
Equity ratio	76.2%	75.6%	75.5%
Net assets per share (in yen)	2,229.11	2,089.32	2,196.54

Note: Equity as of:

September 30, 2007: JPY 501,477 million      September 30, 2006: JPY 470,039 million  
 March 31, 2007:      JPY 494,154 million

2. Projections for the nonconsolidated financial results for the fiscal year ending March 31, 2008 (April 1, 2007 – March 31, 2008)

	Year ending March 31, 2008
Projected revenue	340,600 4.5%
Projected operating profit	75,700 3.1%
Projected ordinary profit	79,500 3.8%
Projected net income	48,700 3.1%
Projected basic net income per share (in yen)	216.48

Note: Percentage figures represent changes from the results of the corresponding period of the previous year.

## \* Note on forward-looking statements:

The forward-looking statements about the future performance described in this document are based on information available as of the release date. Actual performance may differ from the forward-looking statements due to various factors.

## Consolidated Balance Sheets

(In millions of yen)

	September 30, 2007		September 30, 2006		March 31, 2007	
	Amount	% of total assets	Amount	% of total assets	Amount	% of total assets
<b>ASSETS:</b>						
Current assets:	<b>486,924</b>	<b>42.1%</b>	<b>482,017</b>	<b>44.6%</b>	<b>524,484</b>	<b>44.9%</b>
Cash on hand and in banks	188,703		229,718		181,266	
Cash deposits for armored car services	66,936		-		75,328	
Call loans	-		30,000		15,000	
Notes and accounts receivable, trade	60,098		39,131		83,397	
Due from subscribers	20,230		18,415		19,217	
Short-term investments	10,568		49,694		18,171	
Inventories	32,981		13,415		25,945	
Real estate for sale	77,373		69,689		71,724	
Deferred income taxes	11,113		10,597		11,597	
Short-term loans receivable	5,767		6,346		5,097	
Other	15,029		16,454		19,660	
Allowance for doubtful accounts	(1,878)		(1,446)		(1,923)	
Fixed assets:	<b>670,423</b>	<b>57.9%</b>	<b>599,015</b>	<b>55.4%</b>	<b>644,478</b>	<b>55.1%</b>
Tangible assets:	<b>268,122</b>	<b>23.2%</b>	<b>247,987</b>	<b>22.9%</b>	<b>260,809</b>	<b>22.3%</b>
Buildings and improvements	87,306		78,512		87,306	
Security equipment and control stations	66,415		66,009		63,675	
Land	82,065		73,164		80,341	
Other	32,335		30,301		29,485	
Intangible assets	<b>22,626</b>	<b>1.9%</b>	<b>24,587</b>	<b>2.3%</b>	<b>23,294</b>	<b>2.0%</b>
Investments and others:	<b>379,675</b>	<b>32.8%</b>	<b>326,441</b>	<b>30.2%</b>	<b>360,374</b>	<b>30.8%</b>
Investment securities	256,505		217,554		243,148	
Long-term loans receivable	55,305		52,044		55,223	
Prepaid pension and severance costs	16,804		12,096		15,817	
Deferred income taxes	19,810		16,127		15,654	
Other	46,666		42,027		45,692	
Allowance for doubtful accounts	(15,416)		(13,409)		(15,161)	
Deferred assets	<b>356</b>	<b>0.0%</b>	<b>263</b>	<b>0.0%</b>	<b>219</b>	<b>0.0%</b>
Total assets	1,157,704	100.0%	1,081,296	100.0%	1,169,182	100.0%

**Consolidated Balance Sheets (Contd.)**

(In millions of yen)

	September 30, 2007		September 30, 2006		March 31, 2007	
	Amount	% of total assets	Amount	% of total assets	Amount	% of total assets
<b>LIABILITIES:</b>						
Current liabilities:	<b>300,308</b>	<b>25.9%</b>	<b>271,903</b>	<b>25.1%</b>	<b>323,766</b>	<b>27.7%</b>
Notes and accounts payable, trade	26,496		16,208		28,469	
Bank loans	119,141		119,532		129,169	
Current portion of straight bonds	3,436		2,635		3,356	
Payables - other	22,527		17,279		29,888	
Accrued income taxes	21,766		19,451		24,973	
Accrued consumption taxes	3,372		2,890		3,366	
Accrued expenses	2,939		2,004		3,198	
Deferred revenue	32,014		33,041		31,188	
Accrued bonuses	12,002		10,045		11,409	
Accrued bonuses to directors and corporate auditors	95		96		80	
Allowance for compensation	-		600		-	
Other	56,515		48,118		58,665	
Long-term liabilities:	<b>246,953</b>	<b>21.4%</b>	<b>270,735</b>	<b>25.1%</b>	<b>244,299</b>	<b>20.9%</b>
Straight bonds	14,492		15,050		13,941	
Long-term loans	19,501		11,274		14,363	
Guarantee deposits received	31,869		29,920		32,164	
Deferred income taxes	2,983		2,899		2,717	
Accrued pension and severance costs	16,876		11,123		17,596	
Accrued retirement benefits for directors and corporate auditors	2,030		1,640		2,300	
Investment deposits by policyholders, unearned premiums and other insurance liabilities	158,376		197,816		160,142	
Other	823		1,011		1,073	
Total liabilities	547,262	47.3%	542,639	50.2%	568,065	48.6%
<b>NET ASSETS:</b>						
Shareholders' equity:	<b>548,473</b>	<b>47.4%</b>	<b>505,167</b>	<b>46.7%</b>	<b>537,279</b>	<b>46.0%</b>
Common stock	66,377	5.7%	66,377	6.1%	66,377	5.7%
Capital surplus	83,056	7.2%	83,055	7.7%	83,056	7.1%
Retained earnings	443,902	38.3%	400,568	37.0%	432,696	37.0%
Common stock in treasury, at cost	(44,862)	(3.8%)	(44,833)	(4.1%)	(44,850)	(3.8%)
Valuation, translation adjustments and others:	<b>1,260</b>	<b>0.1%</b>	<b>(1,719)</b>	<b>(0.2%)</b>	<b>2,853</b>	<b>0.2%</b>
Unrealized gains (losses) on securities	5,405	0.5%	8,803	0.8%	10,157	0.9%
Deferred gains (losses) on hedges	(41)	(0.0%)	(39)	(0.0%)	(51)	(0.0%)
Foreign currency translation adjustments	(4,104)	(0.4%)	(10,483)	(1.0%)	(7,253)	(0.6%)
Minority interest in subsidiaries	<b>60,708</b>	<b>5.2%</b>	<b>35,209</b>	<b>3.3%</b>	<b>60,983</b>	<b>5.2%</b>
Total net assets	610,442	52.7%	538,657	49.8%	601,116	51.4%
Total liabilities and net assets	1,157,704	100.0%	1,081,296	100.0%	1,169,182	100.0%

## Consolidated Statements of Income

(In millions of yen)

	Six months ended September 30, 2007		Six months ended September 30, 2006		Change		Year ended March 31, 2007	
	Amount	% of revenue	Amount	% of revenue	Amount	%	Amount	% of revenue
Revenue	323,609	100.0%	267,666	100.0%	55,942	20.9%	613,976	100.0%
Costs of revenue	202,121	62.5%	164,181	61.3%	37,939	23.1%	388,787	63.3%
Gross profit	121,488	37.5%	103,484	38.7%	18,003	17.4%	225,189	36.7%
Selling, general and administrative expenses	72,213	22.3%	61,277	22.9%	10,935	17.8%	127,348	20.7%
Operating profit	49,274	15.2%	42,206	15.8%	7,067	16.7%	97,840	15.9%
Non-operating income	7,854	2.5%	7,291	2.7%	562	7.7%	15,087	2.5%
Non-operating expenses	4,210	1.3%	4,255	1.6%	(44)	(1.1%)	10,207	1.7%
Ordinary profit	52,918	16.4%	45,242	16.9%	7,675	17.0%	102,720	16.7%
Extraordinary profit	744	0.2%	17	0.0%	727	-	2,601	0.4%
Extraordinary loss	1,626	0.5%	850	0.3%	776	91.2%	3,317	0.5%
Income before income taxes	52,036	16.1%	44,409	16.6%	7,627	17.2%	102,005	16.6%
Income taxes - current	21,382	6.6%	18,788	7.0%	2,593	13.8%	39,961	6.5%
Income taxes - deferred	(156)	(0.0%)	(1,729)	(0.6%)	1,572	90.9%	(660)	(0.1%)
Minority interest in subsidiaries	1,389	0.4%	1,191	0.4%	197	16.6%	4,404	0.7%
Net income	29,421	9.1%	26,158	9.8%	3,263	12.5%	58,299	9.5%

## Consolidated Statements of Changes in Net Assets

Six months ended September 30, 2007

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Common stock in treasury, at cost	Total shareholders' equity
Balance as of March 31, 2007	66,377	83,056	432,696	(44,850)	537,279
Changes during the period:					
Cash dividends			(17,997)		(17,997)
Changes in scope of consolidation of affiliated companies accounted for under the equity method			(217)		(217)
Net income			29,421		29,421
Purchase of treasury stock				(16)	(16)
Disposal of treasury stock		0		4	4
Net changes of items other than shareholders' equity					-
Total changes during the period	-	0	11,206	(12)	11,193
Balance as of September 30, 2007	66,377	83,056	443,902	(44,862)	548,473

	Valuation, translation adjustments and others				Minority interest in subsidiaries	Total net assets
	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Total valuation, translation adjustments and others		
Balance as of March 31, 2007	10,157	(51)	(7,253)	2,853	60,983	601,116
Changes during the period:						
Cash dividends						(17,997)
Changes in scope of consolidation of affiliated companies accounted for under the equity method						(217)
Net income						29,421
Purchase of treasury stock						(16)
Disposal of treasury stock						4
Net changes of items other than shareholders' equity	(4,751)	10	3,149	(1,592)	(275)	(1,867)
Total changes during the period	(4,751)	10	3,149	(1,592)	(275)	9,325
Balance as of September 30, 2007	5,405	(41)	(4,104)	1,260	60,708	610,442

## Consolidated Statements of Changes in Net Assets (Contd.)

Six months ended September 30, 2006

(In millions of yen)

	Shareholders' equity					Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Common stock in treasury, at cost		
Balance as of March 31, 2006	66,377	83,054	388,077	(44,749)		492,760
Changes during the period:						
Cash dividends			(13,499)			(13,499)
Bonuses to directors and corporate auditors			(168)			(168)
Net income			26,158			26,158
Purchase of treasury stock				(101)		(101)
Disposal of treasury stock		1		16		17
Net changes of items other than shareholders' equity						-
Total changes during the period	-	1	12,490	(84)		12,407
Balance as of September 30, 2006	66,377	83,055	400,568	(44,833)		505,167

	Valuation, translation adjustments and others					Minority interest in subsidiaries	Total net assets
	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Total valuation, translation adjustments and others			
Balance as of March 31, 2006	13,230	-	(9,825)	3,404		35,469	531,634
Changes during the period:							
Cash dividends							(13,499)
Bonuses to directors and corporate auditors							(168)
Net income							26,158
Purchase of treasury stock							(101)
Disposal of treasury stock							17
Net changes of items other than shareholders' equity	(4,427)	(39)	(657)	(5,124)	(259)		(5,383)
Total changes during the period	(4,427)	(39)	(657)	(5,124)	(259)		7,023
Balance as of September 30, 2006	8,803	(39)	(10,483)	(1,719)		35,209	538,657



## Consolidated Statements of Changes in Net Assets (Contd.)

Year ended March 31, 2007

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Common stock in treasury, at cost	Total shareholders' equity
Balance as of March 31, 2006	66,377	83,054	388,077	(44,749)	492,760
Changes during the period:					
Cash dividends *			(13,499)		(13,499)
Bonuses to directors and corporate auditors *			(168)		(168)
Reversal of reserve for tax deferral on asset replacement *					-
Changes in scope of consolidation			(13)		(13)
Net income			58,299		58,299
Purchase of treasury stock				(124)	(124)
Disposal of treasury stock		1		24	25
Net changes of items other than shareholders' equity					-
Total changes during the period	-	1	44,618	(100)	44,519
Balance as of March 31, 2007	66,377	83,056	432,696	(44,850)	537,279

	Valuation, translation adjustments and others				Minority interest in subsidiaries	Total net assets
	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Total valuation, translation adjustments and others		
Balance as of March 31, 2006	13,230	-	(9,825)	3,404	35,469	531,634
Changes during the period:						
Cash dividends *						(13,499)
Bonuses to directors and corporate auditors *						(168)
Reversal of reserve for tax deferral on asset replacement *						-
Changes in scope of consolidation						(13)
Net income						58,299
Purchase of treasury stock						(124)
Disposal of treasury stock						25
Net changes of items other than shareholders' equity	(3,072)	(51)	2,572	(551)	25,514	24,962
Total changes during the period	(3,072)	(51)	2,572	(551)	25,514	69,482
Balance as of March 31, 2007	10,157	(51)	(7,253)	2,853	60,983	601,116

The items marked with \* derive from profit appropriation resolved at the general shareholders' meetings for the previous fiscal year.

**Consolidated Statements of Cash Flows**

(In millions of yen)

	Six months ended September 30, 2007	Six months ended September 30, 2006	Year ended March 31, 2007
<b>Cash flows from operating activities:</b>			
Income before income taxes	52,036	44,409	102,005
Depreciation	19,334	17,616	41,503
Amortization of goodwill	817	689	1,499
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(2,745)	(2,373)	(4,475)
Increase (decrease) in allowance for doubtful accounts	401	(184)	1,279
Increase/decrease in accrued/prepaid pension and severance costs	(1,713)	(1,155)	(5,235)
Interest and dividend income	(3,511)	(2,876)	(6,242)
Interest expenses	1,145	797	1,801
Exchange (gains) losses	(18)	94	(75)
Net (gain) loss on sales and disposal of tangible assets	777	690	938
(Gain) loss on return of guarantee deposits	(669)	-	-
Impairment loss on fixed assets	1	139	173
Gain on sales of investment securities	(1,324)	(1,472)	(4,337)
Loss on revaluation of investment securities	1,084	95	1,103
(Gain) loss on sales of subsidiaries' and affiliates' securities	-	(0)	(1,171)
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	22,524	13,168	(12,537)
(Increase) decrease in inventories	(11,714)	(19,586)	(17,259)
Increase (decrease) in accounts payable	(9,436)	(11,622)	(105)
Increase (decrease) in deferred revenue	693	-	-
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	(1,766)	(47,828)	(85,501)
Other	7,992	488	(3,069)
Subtotal	73,910	(8,908)	10,290
Interest and dividend received	5,130	4,342	8,596
Interest paid	(1,133)	(836)	(1,850)
Income taxes paid	(24,571)	(21,372)	(38,024)
Net cash provided by (used in) operating activities	53,336	(26,774)	(20,987)
<b>Cash flows from investing activities:</b>			
(Increase) decrease in time deposits, net	(2,712)	(1,113)	(2,423)
(Increase) decrease in short-term investments, net	6,455	5,630	32,548
Payments for purchases of tangible assets	(24,859)	(24,484)	(52,242)
Proceeds from sales of tangible assets	1,358	1,787	3,765
Payments for purchases of investment securities	(59,863)	(29,762)	(108,400)
Proceeds from sales of investment securities	42,023	64,324	132,923
Payments for purchases of subsidiaries' securities	(86)	(96)	(96)
(Increase) decrease in short-term loans receivable, net	(1,135)	(546)	(474)
Payments for long-term loans receivable	(3,006)	(3,688)	(9,258)
Proceeds from long-term loans receivable	3,191	12,130	16,347
Acquisitions of subsidiaries accompanied with change in scope of consolidation	(79)	334	4,998
Divestitures of subsidiaries accompanied with change in scope of consolidation	-	-	729
Other	(2,276)	(2,283)	(3,921)
Net cash provided by (used in) investing activities	(40,991)	22,232	14,496
<b>Cash flows from financing activities:</b>			
Increase (decrease) in bank loans, net	(10,626)	8,749	20,687
Proceeds from long-term loans	7,965	260	5,549
Repayments of long-term loans	(2,239)	(4,981)	(10,012)
Proceeds from straight bonds	1,574	4,807	6,222
Payments for redemption of straight bonds	(968)	(30,605)	(38,422)
Dividends paid	(17,997)	(13,499)	(13,499)
Dividends paid for minority shareholders	(1,252)	(1,020)	(899)
Increase in treasury stock, net	(12)	(84)	(100)
Increase in treasury stock of subsidiaries, net	(17)	(5)	(21)
Net cash provided by (used in) financing activities	(23,574)	(36,377)	(30,495)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	680	54	620
<b>Net increase (decrease) in cash and cash equivalents</b>	(10,549)	(40,866)	(36,367)
<b>Cash and cash equivalents at beginning of the period</b>	192,378	228,745	228,745
<b>Cash and cash equivalents at end of the period</b>	181,829	187,879	192,378

## Segment Information

### 1. Business segment information

(In millions of yen)

	Six months ended September 30, 2007								
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:									
Customers	209,974	32,712	17,407	14,618	14,008	34,886	323,609	-	323,609
Intersegment	4,996	1,745	63	1,465	251	4,091	12,614	(12,614)	-
Subtotal	214,971	34,458	17,470	16,084	14,260	38,978	336,224	(12,614)	323,609
Operating costs and expenses	161,691	33,277	16,583	16,462	16,478	35,882	280,376	(6,041)	274,334
Operating profit (loss)	53,279	1,181	887	(378)	(2,217)	3,096	55,848	(6,573)	49,274

(In millions of yen)

	Six months ended September 30, 2006							
	Security services	Medical services	Insurance services	Geographic information services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:								
Customers	198,214	14,541	13,105	13,537	28,268	267,666	-	267,666
Intersegment	5,222	115	1,453	36	3,929	10,757	(10,757)	-
Subtotal	203,436	14,656	14,558	13,573	32,198	278,424	(10,757)	267,666
Operating costs and expenses	152,221	14,035	16,701	15,878	30,600	229,437	(3,977)	225,459
Operating profit (loss)	51,215	620	(2,142)	(2,304)	1,597	48,986	(6,779)	42,206

(In millions of yen)

	Year ended March 31, 2007								
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:									
Customers	408,078	27,447	30,850	26,669	36,437	84,492	613,976	-	613,976
Intersegment	10,295	944	232	2,702	138	9,096	23,408	(23,408)	-
Subtotal	418,374	28,392	31,082	29,371	36,576	93,588	637,385	(23,408)	613,976
Operating costs and expenses	315,037	26,326	29,757	32,886	36,113	86,321	526,442	(10,306)	516,135
Operating profit (loss)	103,336	2,066	1,325	(3,515)	462	7,267	110,942	(13,102)	97,840

(Note)

The SECOM Group had formerly categorized its business into five business segments: Security Services, Medical Services, Insurance Services, Geographic Information Services, and Information and Communication Related and Other Services. However, the Company set up a new business segment, Fire Protection Services, in the previous fiscal year as the Company made Nohmi Bosai Ltd. its consolidated subsidiary on December 8, 2006.

The business segment information for the six months ended September 30, 2006, is restated as shown below, to conform to the presentation used for the six months ended September 30, 2007.

(In millions of yen)

	Six months ended September 30, 2006								
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:									
Customers	198,214	-	14,541	13,105	13,537	28,268	267,666	-	267,666
Intersegment	5,222	-	115	1,453	36	3,929	10,757	(10,757)	-
Subtotal	203,436	-	14,656	14,558	13,573	32,198	278,424	(10,757)	267,666
Operating costs and expenses	152,221	-	14,035	16,701	15,878	30,600	229,437	(3,977)	225,459
Operating profit (loss)	51,215	-	620	(2,142)	(2,304)	1,597	48,986	(6,779)	42,206

## 2. Geographic segment information

(In millions of yen)

	Six months ended September 30, 2007				
	Japan	Others	Total	Eliminations or corporate items	Consolidated
Revenue:					
Customers	313,656	9,953	323,609	-	323,609
Intersegment	203	356	559	(559)	-
Subtotal	313,859	10,309	324,169	(559)	323,609
Operating costs and expenses	258,782	9,968	268,750	5,584	274,334
Operating profit (loss)	55,077	341	55,419	(6,144)	49,274

(In millions of yen)

	Six months ended September 30, 2006				
	Japan	Others	Total	Eliminations or corporate items	Consolidated
Revenue:					
Customers	260,223	7,443	267,666	-	267,666
Intersegment	142	-	142	(142)	-
Subtotal	260,365	7,443	267,809	(142)	267,666
Operating costs and expenses	212,525	6,972	219,497	5,962	225,459
Operating profit (loss)	47,840	471	48,311	(6,104)	42,206

(In millions of yen)

	Year ended March 31, 2007				
	Japan	Others	Total	Eliminations or corporate items	Consolidated
Revenue:					
Customers	597,733	16,242	613,976	-	613,976
Intersegment	416	185	601	(601)	-
Subtotal	598,149	16,428	614,578	(601)	613,976
Operating costs and expenses	489,550	15,292	504,842	11,292	516,135
Operating profit (loss)	108,599	1,135	109,735	(11,894)	97,840

## 3. Revenue from overseas

(In millions of yen)

	Six months ended September 30, 2007	Six months ended September 30, 2006	Year ended March 31, 2007
Revenue from overseas	11,446	8,140	18,079
Consolidated revenue	323,609	267,666	613,976
% of consolidated revenue	3.5%	3.0%	2.9%

## Nonconsolidated Balance Sheets

(In millions of yen)

	September 30, 2007		September 30, 2006		March 31, 2007	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets
<b>ASSETS:</b>						
Current assets:						
Cash on hand and in banks	74,793		130,125		71,818	
Cash deposits for armored car services	63,369		-		67,799	
Notes receivable	533		420		667	
Due from subscribers	11,744		10,413		10,972	
Accounts receivable, trade	5,493		6,088		6,952	
Short-term investments	453		451		452	
Inventories	7,293		7,118		7,016	
Short-term loans receivable to subsidiaries and affiliates	12,188		13,608		13,910	
Other	12,930		11,781		12,062	
Allowance for doubtful accounts	(526)		(1,414)		(541)	
Total current assets	188,273	28.6%	178,593	28.7%	191,111	29.2%
Fixed assets:						
Tangible assets:						
Buildings and improvements	22,158		22,606		22,124	
Security equipment and control stations	63,201		62,483		60,284	
Land	32,392		32,207		32,092	
Other	7,576		8,600		8,719	
Total tangible assets	125,328	19.1%	125,897	20.3%	123,220	18.8%
Intangible assets:						
Telephone and telegraph utility rights	-		96		83	
Software	4,361		5,103		4,755	
Other	3,661		2,748		3,419	
Total intangible assets	8,022	1.2%	7,948	1.3%	8,258	1.3%
Investments and others:						
Investment securities	33,928		41,719		43,165	
Investment securities in subsidiaries and affiliates	172,100		150,055		166,839	
Investments in capital of subsidiaries and affiliates	1,874		1,074		1,074	
Long-term loans receivable to subsidiaries and affiliates	57,899		49,520		52,929	
Other	77,424		73,857		75,392	
Allowance for doubtful accounts	(7,002)		(7,153)		(7,200)	
Total investments and others	336,223	51.1%	309,073	49.7%	332,200	50.7%
Total fixed assets	469,575	71.4%	442,919	71.3%	463,680	70.8%
<b>Total Assets</b>	<b>657,848</b>	<b>100.0%</b>	<b>621,512</b>	<b>100.0%</b>	<b>654,791</b>	<b>100.0%</b>

**Nonconsolidated Balance Sheets (Contd.)**

(In millions of yen)

	September 30, 2007		September 30, 2006		March 31, 2007	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	3,048		2,781		2,573	
Bank loans	26,107		26,102		27,667	
Payables – other	11,859		11,374		12,596	
Accrued income taxes	15,404		14,750		15,775	
Accrued consumption taxes	2,138		1,908		2,029	
Accrued expenses	529		464		639	
Deposits received	39,047		35,033		41,603	
Deferred revenue	23,163		22,839		22,735	
Accrued bonuses	5,904		5,740		5,207	
Accrued bonuses to directors	49		49		-	
Other	4,687		5,335		4,720	
Total current liabilities	131,939	20.1%	126,379	20.3%	135,548	20.7%
Long-term liabilities:						
Guarantee deposits received	18,094		18,354		18,449	
Accrued pension and severance costs	5,286		5,504		5,370	
Accrued retirement benefits for directors and corporate auditors	1,049		1,235		1,268	
Total long-term liabilities	24,431	3.7%	25,094	4.1%	25,088	3.8%
Total liabilities	156,370	23.8%	151,473	24.4%	160,637	24.5%
<b>NET ASSETS:</b>						
Shareholders' equity:						
Common stock	66,377	10.1%	66,377	10.7%	66,377	10.1%
Capital surplus:						
Additional paid-in capital	83,054		83,054		83,054	
Other capital surplus	1		1		1	
Total capital surplus	83,056	12.6%	83,055	13.3%	83,056	12.7%
Retained earnings:						
Legal reserve	9,028		9,028		9,028	
Other retained earnings:						
Reserve for systems development	800		800		800	
General reserve	2,212		2,212		2,212	
Accumulated earnings carried forward	382,070		350,877		372,966	
Total retained earnings	394,110	59.9%	362,917	58.4%	385,006	58.8%
Common stock in treasury, at cost	(44,862)	(6.8%)	(44,833)	(7.2%)	(44,850)	(6.8%)
Total shareholders' equity	498,681	75.8%	467,516	75.2%	489,590	74.8%
Valuation, translation adjustments and others:						
Unrealized gains (losses) on securities	2,795		2,522		4,564	
Total valuation, translation adjustments and others	2,795	0.4%	2,522	0.4%	4,564	0.7%
Total net assets	501,477	76.2%	470,039	75.6%	494,154	75.5%
Total liabilities and net assets	657,848	100.0%	621,512	100.0%	654,791	100.0%

## Nonconsolidated Statements of Income

(In millions of yen)

	Six months ended September 30, 2007		Six months ended September 30, 2006		Change		Year ended March 31, 2007	
	Amount	% of Revenue	Amount	% of Revenue	Amount	%	Amount	% of Revenue
Service charges and sales of merchandise	169,230	100.0%	159,477	100.0%	9,752	6.1%	326,076	100.0%
Cost of service and sales	95,229	56.3%	87,585	54.9%	7,644	8.7%	183,341	56.2%
Gross profit	74,000	43.7%	71,892	45.1%	2,108	2.9%	142,734	43.8%
Selling, general and administrative expenses	36,206	21.4%	35,185	22.1%	1,020	2.9%	69,330	21.3%
Operating profit	37,793	22.3%	36,706	23.0%	1,087	3.0%	73,404	22.5%
Non-operating income	6,907	4.1%	5,740	3.6%	1,166	20.3%	7,942	2.4%
Non-operating expenses	2,255	1.3%	2,416	1.5%	(160)	(6.7%)	4,763	1.4%
Ordinary profit	42,445	25.1%	40,030	25.1%	2,414	6.0%	76,583	23.5%
Extraordinary profit	726	0.4%	64	0.0%	661	1021.3%	1,246	0.4%
Extraordinary loss	520	0.3%	55	0.0%	465	841.5%	1,141	0.4%
Income before income taxes	42,651	25.2%	40,040	25.1%	2,611	6.5%	76,688	23.5%
Income taxes - current	15,385	9.1%	14,480	9.1%	905	6.3%	27,887	8.5%
Income taxes - deferred	164	0.1%	403	0.2%	(239)	(59.2%)	1,555	0.5%
Net income	27,101	16.0%	25,156	15.8%	1,945	7.7%	47,245	14.5%



## Nonconsolidated Statements of Changes in Net Assets

Six months ended September 30, 2007

(In millions of yen)

	Shareholders' equity								Total retained earnings
	Common stock	Capital surplus			Legal reserve	Retained earnings			
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings			
						Reserve for systems development	General reserve	Accumulated earnings carried forward	
Balance as of March 31, 2007	66,377	83,054	1	83,056	9,028	800	2,212	372,966	385,006
Changes during the period:									
Cash dividends								(17,997)	(17,997)
Net income								27,101	27,101
Purchase of treasury stock									
Disposal of treasury stock			0	0					
Net changes of items other than shareholders' equity									
Total changes during the period	-	-	0	0	-	-	-	9,104	9,104
Balance as of September 30, 2007	66,377	83,054	1	83,056	9,028	800	2,212	382,070	394,110

	Shareholders' equity		Valuation, translation adjustments and others		Total net assets
	Common stock in treasury, at cost	Total shareholders' equity	Unrealized gains (losses) on securities	Total valuation, translation adjustments and others	
Balance as of March 31, 2007	(44,850)	489,590	4,564	4,564	494,154
Changes during the period:					
Cash dividends		(17,997)			(17,997)
Net income		27,101			27,101
Purchase of treasury stock	(16)	(16)			(16)
Disposal of treasury stock	4	4			4
Net changes of items other than shareholders' equity			(1,769)	(1,769)	(1,769)
Total changes during the period	(12)	9,091	(1,769)	(1,769)	7,322
Balance as of September 30, 2007	(44,862)	498,681	2,795	2,795	501,477

## Nonconsolidated Statements of Changes in Net Assets (Contd.)

Six months ended September 30, 2006

(In millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Legal reserve	Retained earnings				Total retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings				
						Reserve for systems development	Reserve for tax deferral on asset replacement	General reserve	Accumulated earnings carried forward	
Balance as of March 31, 2006	66,377	83,054	-	83,054	9,028	800	24	2,212	339,293	351,358
Changes during the period:										
Cash dividends									(13,499)	(13,499)
Bonuses to directors									(98)	(98)
Reversal of reserve for tax deferral on asset replacement							(24)		24	-
Net income									25,156	25,156
Purchase of treasury stock										
Disposal of treasury stock			1	1						
Net changes of items other than shareholders' equity										
Total changes during the period	-	-	1	1	-	-	(24)	-	11,583	11,558
Balance as of September 30, 2006	66,377	83,054	1	83,055	9,028	800	-	2,212	350,877	362,917

	Shareholders' equity		Valuation, translation adjustments and others		Total net assets
	Common stock in treasury, at cost	Total shareholders' equity	Unrealized gains (losses) on securities	Total valuation, translation adjustments and others	
Balance as of March 31, 2006	(44,749)	456,041	5,604	5,604	461,646
Changes during the period:					
Cash dividends		(13,499)			(13,499)
Bonuses to directors		(98)			(98)
Reversal of reserve for tax deferral on asset replacement		-			-
Net income		25,156			25,156
Purchase of treasury stock	(101)	(101)			(101)
Disposal of treasury stock	16	17			17
Net changes of items other than shareholders' equity			(3,082)	(3,082)	(3,082)
Total changes during the period	(84)	11,475	(3,082)	(3,082)	8,392
Balance as of September 30, 2006	(44,833)	467,516	2,522	2,522	470,039

## Nonconsolidated Statements of Changes in Net Assets (Contd.)

Year ended March 31, 2007

(In millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Legal reserve	Retained earnings				Total retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings				
						Reserve for systems development	Reserve for tax deferral on asset replacement	General reserve	Accumulated earnings carried forward	
Balance as of March 31, 2006	66,377	83,054	-	83,054	9,028	800	24	2,212	339,293	351,358
Changes during the period:										
Cash dividends *									(13,499)	(13,499)
Bonuses to directors *									(98)	(98)
Reversal of reserve for tax deferral on asset replacement *							(24)		24	-
Net income									47,245	47,245
Purchase of treasury stock										
Disposal of treasury stock			1	1						
Net changes of items other than shareholders' equity										
Total changes during the period	-	-	1	1	-	-	(24)	-	33,672	33,648
Balance as of March 31, 2007	66,377	83,054	1	83,056	9,028	800	-	2,212	372,966	385,006

	Shareholders' equity		Valuation, translation adjustments and others		Total net assets
	Common stock in treasury, at cost	Total shareholders' equity	Unrealized gains (losses) on securities	Total valuation, translation adjustments and others	
Balance as of March 31, 2006	(44,749)	456,041	5,604	5,604	461,646
Changes during the period:					
Cash dividends *		(13,499)			(13,499)
Bonuses to directors *		(98)			(98)
Reversal of reserve for tax deferral on asset replacement *		-			-
Net income		47,245			47,245
Purchase of treasury stock	(124)	(124)			(124)
Disposal of treasury stock	24	25			25
Net changes of items other than shareholders' equity			(1,040)	(1,040)	(1,040)
Total changes during the period	(100)	33,549	(1,040)	(1,040)	32,508
Balance as of March 31, 2007	(44,850)	489,590	4,564	4,564	494,154

The items marked with \* derive from profit appropriation resolved at the General Shareholders' Meeting on June 27, 2006.