

# Supplemental Nonconsolidated Financial Data

(Based on Japanese GAAP)

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Supplemental Nonconsolidated Financial Data  
(Based on Japanese GAAP)

**CONDENSED NONCONSOLIDATED BALANCE SHEETS** (Based on Japanese GAAP)

SECOM CO., LTD.  
As of March 31

In millions of yen

| ASSETS   | 2007     | 2006     | 2005     | 2004     | 2003     | 2002     |
|--|----------|----------|----------|----------|----------|----------|
| <b>Current assets:</b>                                       |          |          |          |          |          |          |
| Cash on hand and in banks.....                               | ¥ 71,818 | ¥167,097 | ¥135,400 | ¥117,302 | ¥ 93,044 | ¥101,946 |
| Cash deposits for armored car services .....                 | 67,799   | —        | —        | —        | —        | —        |
| Notes receivable .....                                       | 667      | 476      | 552      | 292      | 365      | 741      |
| Due from subscribers.....                                    | 10,972   | 9,475    | 9,008    | 8,856    | 8,311    | 7,726    |
| Accounts receivable, trade.....                              | 6,952    | 6,447    | 6,228    | 5,372    | 4,695    | 6,719    |
| Receivables—other.....                                       | 2,218    | 3,876    | 5,822    | 5,680    | 3,047    | 3,536    |
| Short-term investments .....                                 | 452      | 451      | 451      | 451      | 7,951    | 1,479    |
| Merchandise.....   | 5,991    | 5,928    | 6,740    | 5,673    | 6,738    | 9,563    |
| Supplies.....  | 1,024    | 950      | 1,056    | 1,123    | 1,420    | 1,649    |
| Prepaid expenses.....  | 2,014    | 1,798    | 1,728    | 1,610    | 1,507    | 1,857    |
| Deferred income taxes .....                                  | 4,750    | 4,531    | 4,629    | 5,890    | 4,642    | 4,096    |
| Short-term loans receivable .....                            | 14,374   | 12,885   | 41,897   | 38,398   | 53,111   | 40,659   |
| Other .....  | 2,615    | 2,314    | 2,614    | 2,526    | 2,367    | 2,458    |
| Allowance for doubtful accounts .....                        | (541)    | (604)    | (2,299)  | (5,216)  | (3,602)  | (2,959)  |
| Total current assets .....                                   | 191,111  | 215,630  | 213,831  | 187,961  | 183,602  | 179,475  |
| <b>Fixed assets:</b>   |          |          |          |          |          |          |
| Tangible assets:   |          |          |          |          |          |          |
| Buildings and improvements.....                              | 22,124   | 22,811   | 23,943   | 25,836   | 28,777   | 20,576   |
| Automobiles .....  | 136      | 166      | 132      | 145      | 525      | 634      |
| Security equipment and control stations.....                 | 60,284   | 59,442   | 59,836   | 60,684   | 60,220   | 75,216   |
| Machinery and equipment .....                                | 1,364    | 1,467    | 1,423    | 1,427    | 1,501    | 3,571    |
| Tools, furniture and fixtures.....                           | 4,216    | 4,379    | 4,514    | 3,990    | 3,678    | 3,383    |
| Land.....  | 32,092   | 32,200   | 35,179   | 36,439   | 42,197   | 37,907   |
| Construction in progress .....                               | 2,980    | 1,919    | 1,692    | 2,862    | 1,463    | 2,011    |
| Other .....  | 22       | 32       | 47       | 72       | 18       | 25       |
| Intangible assets:   |          |          |          |          |          |          |
| Telephone rights .....                                       | —        | 0        | 1,946    | 2,134    | 2,033    | 1,997    |
| Telephone and telegraph utility rights.....                  | 83       | 112      | 147      | 207      | 540      | 634      |
| Software.....  | 4,755    | 6,420    | 6,401    | 8,935    | 10,957   | 10,535   |
| Other .....  | 3,419    | 83       | 84       | 457      | 800      | 1,605    |
| Investments and others:                                      |          |          |          |          |          |          |
| Investment securities.....                                   | 43,165   | 46,166   | 27,654   | 23,874   | 20,796   | 23,578   |
| Investments in subsidiaries and<br>affiliated companies..... | 167,914  | 150,509  | 160,440  | 158,279  | 159,901  | 160,870  |
| Long-term loans receivable.....                              | 71,262   | 58,740   | 17,305   | 23,385   | 10,059   | 9,748    |
| Lease deposits.....  | 8,973    | 9,006    | 8,816    | 8,533    | 8,489    | 8,504    |
| Long-term prepaid expenses .....                             | 24,855   | 22,175   | 20,335   | 19,889   | 19,709   | 1,025    |
| Prepaid pension and severance costs .....                    | 12,213   | 8,670    | 1,257    | —        | —        | —        |
| Deferred income taxes.....                                   | 5,139    | 6,206    | 10,450   | 13,728   | 18,379   | 19,223   |
| Fund for insurance .....                                     | 4,893    | 4,893    | 5,153    | 5,761    | 5,761    | 5,406    |
| Other .....  | 983      | 955      | 2,877    | 7,245    | 4,889    | 6,149    |
| Allowance for doubtful accounts.....                         | (7,200)  | (7,998)  | (4,760)  | (11,306) | (1,596)  | (1,311)  |
| Total fixed assets .....                                     | 463,680  | 428,359  | 384,880  | 392,586  | 399,104  | 391,293  |
| Total assets .....   | ¥654,791 | ¥643,990 | ¥598,711 | ¥580,547 | ¥582,707 | ¥570,769 |

In millions of yen

| LIABILITIES  | 2007     | 2006     | 2005     | 2004     | 2003     | 2002     |
|--|----------|----------|----------|----------|----------|----------|
| <b>Current liabilities:</b>  |          |          |          |          |          |          |
| Accounts payable .....   | ¥ 2,573  | ¥ 3,168  | ¥ 2,113  | ¥ 2,160  | ¥ 2,121  | ¥ 1,813  |
| Bank loans .....   | 27,667   | 26,069   | 31,473   | 35,663   | 53,503   | 15,234   |
| Current portion of straight and convertible bonds .....                | —        | 30,000   | —        | 18       | —        | 33       |
| Payables—other .....   | 12,596   | 12,987   | 10,201   | 10,358   | 9,605    | 10,167   |
| Payables—construction .....  | 3,825    | 3,634    | 3,113    | 4,666    | 3,535    | 3,514    |
| Accrued income taxes .....   | 15,775   | 15,312   | 10,279   | 10,570   | 6,806    | 18,163   |
| Accrued consumption taxes .....  | 2,029    | 1,509    | 1,306    | 2,232    | 2,157    | 1,839    |
| Accrued expenses .....   | 639      | 651      | 599      | 634      | 576      | 619      |
| Deposits received .....  | 41,603   | 34,442   | 31,146   | 33,958   | 24,749   | 20,867   |
| Deferred revenue .....   | 22,735   | 22,371   | 21,727   | 21,247   | 21,048   | 20,108   |
| Accrued bonuses .....  | 5,207    | 5,232    | 4,967    | 4,710    | 4,920    | 4,939    |
| Other .....  | 895      | 1,938    | 1,764    | 1,797    | 1,679    | 933      |
| Total current liabilities .....  | 135,548  | 157,317  | 118,694  | 128,019  | 130,706  | 98,234   |
| <b>Long-term liabilities:</b>  |          |          |          |          |          |          |
| Straight and convertible bonds .....                                   | —        | —        | 30,000   | 30,000   | 30,018   | 30,018   |
| Long-term loans .....  | —        | —        | —        | 2,300    | 3,700    | —        |
| Guarantee deposits received .....                                      | 18,449   | 18,244   | 18,014   | 17,009   | 16,721   | 16,445   |
| Accrued pension and severance costs .....                              | 5,370    | 5,581    | 5,713    | 5,356    | 30,378   | 31,341   |
| Accrued retirement benefits for directors and corporate auditors ..... | 1,268    | 1,201    | —        | —        | —        | —        |
| Total long-term liabilities .....                                      | 25,088   | 25,027   | 53,728   | 54,665   | 80,818   | 77,805   |
| Total liabilities .....  | 160,637  | 182,344  | 172,423  | 182,684  | 211,524  | 176,039  |
| <b>SHAREHOLDERS' EQUITY</b>  |          |          |          |          |          |          |
| Common stock .....   | —        | 66,377   | 66,377   | 66,368   | 66,368   | 66,360   |
| Capital surplus:   |          |          |          |          |          |          |
| Additional paid-in capital .....                                       | —        | 83,054   | 82,553   | 82,544   | 82,544   | 82,536   |
| Total capital surplus .....  | —        | 83,054   | 82,553   | 82,544   | 82,544   | 82,536   |
| Retained earnings:   |          |          |          |          |          |          |
| Legal reserve .....  | —        | 9,028    | 9,028    | 9,028    | 9,028    | 9,028    |
| Voluntary reserve:   |          |          |          |          |          |          |
| Reserve for systems development .....                                  | —        | 800      | 800      | 800      | 800      | 800      |
| Reserve for tax deferral on asset replacement .....                    | —        | 24       | 25       | 26       | 27       | 28       |
| General reserve .....  | —        | 2,212    | 2,212    | 2,212    | 2,212    | 2,212    |
| Total voluntary reserve .....  | —        | 3,036    | 3,037    | 3,038    | 3,039    | 3,040    |
| Unappropriated retained earnings .....                                 | —        | 339,293  | 306,766  | 279,338  | 254,364  | 233,263  |
| Total retained earnings .....  | —        | 351,358  | 318,832  | 291,405  | 266,431  | 245,332  |
| Unrealized gains on securities .....                                   | —        | 5,604    | 3,082    | 1,944    | 124      | 642      |
| Common stock in treasury, at cost .....                                | —        | (44,749) | (44,558) | (44,400) | (44,287) | (141)    |
| Total shareholders' equity .....                                       | —        | 461,646  | 426,288  | 397,862  | 371,182  | 394,729  |
| Total liabilities and shareholders' equity .....                       | ¥ —      | ¥643,990 | ¥598,711 | ¥580,547 | ¥582,707 | ¥570,769 |
| <b>NET ASSETS</b>  |          |          |          |          |          |          |
| <b>Shareholders' equity:</b>   |          |          |          |          |          |          |
| Common stock .....   | ¥ 66,377 | ¥ —      | ¥ —      | ¥ —      | ¥ —      | ¥ —      |
| Capital surplus:   |          |          |          |          |          |          |
| Additional paid-in capital .....                                       | 83,054   | —        | —        | —        | —        | —        |
| Other capital surplus .....  | 1        | —        | —        | —        | —        | —        |
| Total capital surplus .....  | 83,056   | —        | —        | —        | —        | —        |
| Retained earnings:   |          |          |          |          |          |          |
| Legal reserve .....  | 9,028    | —        | —        | —        | —        | —        |
| Other retained earnings:   |          |          |          |          |          |          |
| Reserve for systems development .....                                  | 800      | —        | —        | —        | —        | —        |
| General reserve .....  | 2,212    | —        | —        | —        | —        | —        |
| Accumulated earnings carried forward .....                             | 372,966  | —        | —        | —        | —        | —        |
| Total retained earnings .....  | 385,006  | —        | —        | —        | —        | —        |
| Common stock in treasury, at cost .....                                | (44,850) | —        | —        | —        | —        | —        |
| Total shareholders' equity .....                                       | 489,590  | —        | —        | —        | —        | —        |
| <b>Valuation, translation adjustments and others:</b>                  |          |          |          |          |          |          |
| Unrealized gains on securities .....                                   | 4,564    | —        | —        | —        | —        | —        |
| Total valuation, translation adjustments and others .....              | 4,564    | —        | —        | —        | —        | —        |
| Total net assets .....   | 494,154  | —        | —        | —        | —        | —        |
| Total liabilities and net assets .....                                 | ¥654,791 | ¥ —      | ¥ —      | ¥ —      | ¥ —      | ¥ —      |

Supplemental Nonconsolidated Financial Data  
(Based on Japanese GAAP)

**CONDENSED NONCONSOLIDATED STATEMENTS OF INCOME** (Based on Japanese GAAP)

SECOM CO., LTD.  
Years ended March 31

|   | In millions of yen |          |          |          |          |          |
|---|--------------------|----------|----------|----------|----------|----------|
|   | 2007               | 2006     | 2005     | 2004     | 2003     | 2002     |
| Revenue .....                                     | <b>¥326,076</b>    | ¥313,096 | ¥297,782 | ¥288,493 | ¥278,610 | ¥274,669 |
| <i>Percentage change from prior year.....</i>     | <i>4.1%</i>        | 5.1%     | 3.2%     | 3.5%     | 1.4%     | 6.9%     |
| Service charges.....                              | <b>282,247</b>     | 272,876  | 261,918  | 256,883  | 250,237  | 244,014  |
| <i>Percentage change from prior year.....</i>     | <i>3.4</i>         | 4.2      | 2.0      | 2.7      | 2.5      | 5.8      |
| Sales of merchandise.....                         | <b>43,829</b>      | 40,220   | 35,863   | 31,610   | 28,373   | 30,654   |
| <i>Percentage change from prior year.....</i>     | <i>9.0</i>         | 12.1     | 13.5     | 11.4     | (7.4)    | 16.6     |
| Costs .....                                       | <b>183,341</b>     | 171,803  | 164,518  | 159,018  | 155,499  | 162,427  |
| <i>As a percentage of revenue .....</i>           | <i>56.2</i>        | 54.9     | 55.2     | 55.1     | 55.8     | 59.1     |
| Cost of service.....                              | <b>151,532</b>     | 142,473  | 138,298  | 136,144  | 135,315  | 140,000  |
| <i>As a percentage of service charges.....</i>    | <i>53.7</i>        | 52.2     | 52.8     | 53.0     | 54.1     | 57.4     |
| Cost of sales.....                                | <b>31,809</b>      | 29,329   | 26,219   | 22,873   | 20,184   | 22,427   |
| <i>As a percentage of merchandise sales.....</i>  | <i>72.6</i>        | 72.9     | 73.1     | 72.4     | 71.1     | 73.2     |
| Gross profit .....                                | <b>142,734</b>     | 141,293  | 133,263  | 129,475  | 123,111  | 112,241  |
| <i>As a percentage of revenue .....</i>           | <i>43.8</i>        | 45.1     | 44.8     | 44.9     | 44.2     | 40.9     |
| Gross profit on service .....                     | <b>130,715</b>     | 130,402  | 123,620  | 120,738  | 114,921  | 104,013  |
| <i>As a percentage of service charges.....</i>    | <i>46.3</i>        | 47.8     | 47.2     | 47.0     | 45.9     | 42.6     |
| Gross profit on sales .....                       | <b>12,019</b>      | 10,890   | 9,643    | 8,736    | 8,189    | 8,227    |
| <i>As a percentage of merchandise sales.....</i>  | <i>27.4</i>        | 27.1     | 26.9     | 27.6     | 28.9     | 26.8     |
| Selling, general and administrative expenses..... | <b>69,330</b>      | 69,121   | 67,232   | 65,244   | 68,943   | 73,339   |
| <i>As a percentage of revenue .....</i>           | <i>21.3</i>        | 22.0     | 22.6     | 22.6     | 24.8     | 26.7     |
| Operating profit.....                             | <b>73,404</b>      | 72,172   | 66,031   | 64,231   | 54,167   | 38,901   |
| <i>As a percentage of revenue .....</i>           | <i>22.5</i>        | 23.1     | 22.2     | 22.3     | 19.4     | 14.2     |
| Non-operating income.....                         | <b>7,942</b>       | 6,299    | 6,241    | 4,817    | 4,288    | 4,661    |
| Non-operating expenses .....                      | <b>4,763</b>       | 7,506    | 6,052    | 6,892    | 4,942    | 4,671    |
| Ordinary profit.....                              | <b>76,583</b>      | 70,964   | 66,219   | 62,156   | 53,513   | 38,891   |
| <i>As a percentage of revenue .....</i>           | <i>23.5</i>        | 22.7     | 22.2     | 21.5     | 19.2     | 14.2     |
| Extraordinary profit.....                         | <b>1,246</b>       | 6,147    | 1,083    | 25,462   | 6,543    | 28,211   |
| Extraordinary loss .....                          | <b>1,141</b>       | 5,615    | 5,915    | 29,860   | 7,535    | 38,712   |
| Income before income taxes.....                   | <b>76,688</b>      | 71,496   | 61,388   | 57,758   | 52,521   | 28,390   |
| <i>As a percentage of revenue .....</i>           | <i>23.5</i>        | 22.8     | 20.6     | 20.0     | 18.9     | 10.3     |
| Income taxes.....                                 | <b>29,443</b>      | 27,617   | 23,684   | 23,475   | 21,736   | 11,441   |
| <i>Effective tax rate.....</i>                    | <i>38.4</i>        | 38.6     | 38.6     | 40.6     | 41.4     | 40.3     |
| Net income.....                                   | <b>47,245</b>      | 43,879   | 37,704   | 34,282   | 30,784   | 16,948   |
| <i>As a percentage of revenue .....</i>           | <i>14.5</i>        | 14.0     | 12.7     | 11.9     | 11.0     | 6.2      |
| <i>Percentage change from prior year.....</i>     | <i>7.7</i>         | 16.4     | 10.0     | 11.4     | 81.6     | (44.6)   |