

NONCONSOLIDATED FINANCIAL DATA

(BASED ON JAPANESE GAAP) [REFERENCE]

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Condensed Nonconsolidated Balance Sheets (Based on Japanese GAAP)

SECOM CO., LTD.
As of March 31

	In millions of yen					
ASSETS	2017	2016	2015	2014	2013	2012
Current assets:						
Cash on hand and in banks.....	¥ 87,387	¥ 45,433	¥ 93,569	¥ 80,908	¥ 54,136	¥ 82,631
Cash deposits for armored car services	37,869	40,877	48,396	56,818	53,551	52,386
Notes receivable	621	592	640	683	700	720
Due from subscribers.....	16,480	16,229	16,066	14,991	14,856	14,324
Accounts receivable, trade.....	10,650	10,996	11,202	9,960	9,691	10,039
Receivables—other.....	3,088	4,454	3,054	2,699	2,528	2,159
Short-term investments	—	3,444	437	437	1,048	456
Merchandise	5,312	6,453	6,694	5,489	5,585	5,152
Supplies	1,722	1,676	1,379	1,303	1,012	1,470
Prepaid expenses.....	2,323	2,172	2,210	2,109	2,332	2,253
Deferred income taxes.....	3,710	3,736	4,415	4,382	5,268	4,269
Short-term loans receivable	27,539	22,255	20,423	20,653	19,237	15,574
Other	1,804	1,698	1,772	2,031	4,819	1,632
Allowance for doubtful accounts.....	(117)	(152)	(216)	(221)	(248)	(268)
Total current assets.....	198,394	159,867	210,048	202,248	174,521	192,804
Fixed assets:						
Tangible assets:						
Buildings and improvements, net.....	16,282	16,572	16,458	17,466	17,059	16,409
Automobiles, net.....	709	795	824	865	521	231
Security equipment and control stations, net	65,997	67,624	67,715	66,683	65,329	65,341
Machinery and equipment, net.....	179	170	192	232	288	361
Tools, furniture and fixtures, net	3,173	3,424	3,326	2,922	2,979	3,301
Land	21,978	22,015	28,303	29,520	29,802	28,555
Construction in progress.....	2,195	1,564	1,714	1,848	1,719	1,710
Other, net.....	69	18	12	105	235	374
Total tangible assets.....	110,585	112,187	118,548	119,644	117,936	116,286
Intangible assets:						
Goodwill.....	—	—	—	2,607	2,978	3,350
Software.....	6,125	5,794	4,644	3,910	4,269	5,487
Other.....	400	574	730	1,768	2,061	1,586
Total intangible assets.....	6,526	6,369	5,375	8,286	9,308	10,424
Investments and others:						
Investment securities.....	23,083	20,588	29,725	23,789	21,583	23,906
Investment securities in subsidiaries and affiliated companies.....	323,993	325,104	239,120	239,008	236,309	190,305
Investments in subsidiaries and affiliated companies.....	2,098	1,938	1,938	1,827	1,827	1,883
Long-term loans receivable	134,796	146,716	150,955	143,741	155,813	128,074
Lease deposits	7,559	7,642	7,526	7,553	7,747	8,147
Long-term prepaid expenses.....	20,847	21,244	22,126	20,780	21,594	24,013
Prepaid pension and severance costs.....	21,643	23,177	21,530	16,962	16,263	15,903
Deferred income taxes.....	—	—	—	—	—	130
Insurance funds	4,294	4,294	4,294	3,988	3,991	4,181
Other.....	2,560	2,545	2,534	2,777	2,728	2,713
Allowance for doubtful accounts	(5,532)	(5,551)	(17,946)	(17,698)	(20,307)	(19,326)
Total investments and others	535,344	547,700	461,806	442,730	447,551	379,933
Total fixed assets.....	652,456	666,256	585,730	570,662	574,796	506,643
Total assets.....	¥850,851	¥826,124	¥795,778	¥772,910	¥749,317	¥699,448

In millions of yen

LIABILITIES	2017	2016	2015	2014	2013	2012
Current liabilities:						
Accounts payable.....	¥ 3,604	¥ 3,641	¥ 3,172	¥ 3,429	¥ 3,044	¥ 2,400
Bank loans.....	22,703	36,923	29,416	36,703	26,598	27,659
Lease obligations.....	215	198	185	176	121	80
Payables—other.....	14,476	15,698	15,675	14,546	15,042	13,756
Payables—construction.....	4,018	3,980	4,480	4,218	4,333	4,343
Accrued income taxes.....	14,345	9,479	10,826	12,366	19,510	3,938
Accrued consumption taxes.....	2,883	2,718	7,088	1,478	2,538	2,062
Accrued expenses.....	697	737	800	802	726	716
Deposits received for armored car services.....	15,187	13,975	15,124	16,175	22,554	20,453
Deferred revenue.....	20,629	20,923	21,269	21,301	21,671	22,340
Accrued bonuses.....	6,278	6,246	6,296	6,246	6,089	6,116
Other.....	4,014	4,177	4,311	3,530	1,942	2,253
Total current liabilities.....	109,053	118,699	118,647	120,976	124,174	106,121
Long-term liabilities:						
Lease obligations.....	2,477	2,601	2,661	2,747	2,449	2,217
Guarantee deposits received.....	16,804	17,038	17,286	17,622	17,859	18,099
Deferred income taxes.....	6,642	6,213	3,400	307	788	—
Accrued pension and severance costs.....	2,506	2,835	3,241	3,555	4,051	3,945
Accrued retirement benefits for directors and audit and supervisory board members.....	—	—	—	—	857	1,294
Other.....	103	378	408	459	25	10
Total long-term liabilities.....	28,533	29,068	26,998	24,692	26,031	25,568
Total liabilities.....	137,587	147,768	145,646	145,668	150,205	131,689

NET ASSETS**Shareholders' equity:**

Common stock.....	¥ 66,377	¥ 66,377	¥ 66,377	¥ 66,377	¥ 66,377	¥ 66,377
Capital surplus:						
Additional paid-in capital.....	83,054	83,054	83,054	83,054	83,054	83,054
Other capital surplus.....	0	0	0	0	—	—
Total capital surplus.....	83,054	83,054	83,054	83,054	83,054	83,054
Retained earnings:						
Legal reserve.....	9,028	9,028	9,028	9,028	9,028	9,028
Other retained earnings:						
Reserve for system developments.....	800	800	800	800	800	800
General reserve.....	2,212	2,212	2,212	2,212	2,212	2,212
Accumulated earnings carried forward.....	618,887	586,082	556,013	536,978	508,398	478,914
Total retained earnings.....	630,927	598,122	568,053	549,018	520,439	490,954
Common stock in treasury, at cost.....	(73,731)	(73,717)	(73,701)	(73,682)	(73,664)	(73,659)
Total shareholders' equity.....	706,629	673,836	643,784	624,768	596,206	566,727

Valuation, translation adjustments and others:

Unrealized gains (losses) on securities.....	6,634	4,518	6,347	2,473	2,905	1,031
Total valuation, translation adjustments and others.....	6,634	4,518	6,347	2,473	2,905	1,031
Total net assets.....	713,263	678,355	650,132	627,242	599,112	567,758
Total liabilities and net assets.....	¥850,851	¥826,124	¥795,778	¥772,910	¥749,317	¥699,448

Condensed Nonconsolidated Statements of Income (Based on Japanese GAAP)

SECOM CO., LTD.

Years ended March 31

	In millions of yen					
	2017	2016	2015	2014	2013	2012
Revenue	¥382,476	¥376,044	¥370,663	¥364,280	¥355,393	¥345,476
<i>Percentage change from prior year</i>	1.7%	1.5%	1.8%	2.5%	2.9%	4.9%
Service charges.....	322,338	317,764	314,068	309,499	305,300	299,523
<i>Percentage change from prior year</i>	1.4	1.2	1.5	1.4	1.9	3.2
Sales of merchandise.....	60,137	58,280	56,594	54,781	50,092	45,952
<i>Percentage change from prior year</i>	3.2	3.0	3.3	9.4	9.0	17.7
Costs	227,204	223,189	221,441	215,849	210,790	203,386
<i>As a percentage of revenue</i>	59.4	59.4	59.7	59.3	59.3	58.9
Costs of service	184,225	181,597	180,850	177,339	174,331	169,928
<i>As a percentage of service charges</i>	57.2	57.1	57.6	57.3	57.1	56.7
Costs of sales	42,978	41,591	40,590	38,509	36,458	33,458
<i>As a percentage of merchandise sales</i>	71.5	71.4	71.7	70.3	72.8	72.8
Gross profit.....	155,271	152,855	149,221	148,431	144,603	142,089
<i>As a percentage of revenue</i>	40.6	40.6	40.3	40.7	40.7	41.1
Gross profit on service.....	138,112	136,166	133,217	132,159	130,969	129,595
<i>As a percentage of service charges</i>	42.8	42.9	42.4	42.7	42.9	43.3
Gross profit on sales.....	17,159	16,688	16,003	16,272	13,634	12,494
<i>As a percentage of merchandise sales</i>	28.5	28.6	28.3	29.7	27.2	27.2
Selling, general and administrative expenses	78,988	77,191	76,046	75,521	74,651	71,893
<i>As a percentage of revenue</i>	20.7	20.5	20.5	20.7	21.0	20.8
Operating profit.....	76,283	75,664	73,174	72,909	69,952	70,196
<i>As a percentage of revenue</i>	19.9	20.1	19.8	20.0	19.7	20.3
Non-operating income	13,389	13,639	11,714	10,269	10,173	8,048
Non-operating expenses	3,130	2,691	3,316	4,295	3,789	3,032
Ordinary profit	86,543	86,612	81,572	78,884	76,336	75,212
<i>As a percentage of revenue</i>	22.6	23.0	22.0	21.7	21.5	21.8
Extraordinary profit	651	3,064	1,670	491	1,219	23,001
Extraordinary losses.....	100	6,733	2,805	1,604	1,052	40,695
Income before income taxes	87,094	82,943	80,437	77,771	76,502	57,518
<i>As a percentage of revenue</i>	22.8	22.1	21.7	21.3	21.5	16.6
Income taxes.....	23,833	24,500	22,945	26,273	27,374	30,699
<i>Effective tax rate</i>	27.4	29.5	28.5	33.8	35.8	53.4
Net income	63,260	58,442	57,492	51,497	49,128	26,818
<i>As a percentage of revenue</i>	16.5	15.5	15.5	14.1	13.8	7.8
<i>Percentage change from prior year</i>	8.2	1.7	11.6	4.8	83.2	(40.4)