

August 19, 2003

## (3) Consolidated cash flows

(Figures rounded down to the nearest million)

	Three months ended June 30, 2003	Year ended March 31, 2003
Cash flows from operating activities	JPY 20,909 million	JPY 91,992 million
Cash flows from investing activities	JPY (20,352) million	JPY (87,682) million
Cash flows from financing activities	JPY (20,260) million	JPY (38,409) million
Cash and cash equivalents at end of the period	JPY 150,317 million	JPY 170,033 million

3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2004 (April 1, 2003 – March 31, 2004) and the six-month period ending September 30, 2003 (April 1, 2003 – September 30, 2003)

	Six-month period ending September 30, 2003	Year ending March 31, 2004
Expected revenue	JPY 255,622 million	JPY 545,481 million
Expected ordinary income	JPY 35,627 million	JPY 80,611 million
Expected net income	JPY 17,806 million	JPY 40,536 million
Expected basic net income per share	JPY 79.11	JPY 178.87

\*Forecast statements above include estimates based on current plans, assumptions and prospects and may differ from actual performance because of risks and uncertainties.

## Consolidated Balance Sheets

(In millions of yen)

	June 30, 2003		March 31, 2003	
	Amount	% of total assets	Amount	% of total assets
<b>ASSETS:</b>				
Current assets:	376,617	35.6%	420,903	38.6%
Cash on hand and in banks	199,577		175,776	
Call loan	-		30,000	
Notes and accounts receivable, trade	19,523		43,922	
Due from subscribers	16,886		16,336	
Marketable securities	30,299		36,402	
Inventories	46,051		41,339	
Deferred income taxes	8,247		7,678	
Short-term loans	43,319		51,355	
Other current assets	14,978		19,650	
Allowance for doubtful accounts	(2,266)		(1,558)	
Fixed assets:	682,049	64.4%	669,034	61.4%
Tangible assets:	261,925	24.7%	261,017	23.9%
Buildings and improvements	90,343		90,823	
Security equipment and control stations	66,602		65,026	
Land	87,368		87,853	
Other tangible assets	17,610		17,313	
Intangible assets	31,524	3.0%	34,544	3.2%
Investments and others:	388,599	36.7%	373,473	34.3%
Investment securities	206,892		188,880	
Long-term loans receivable	104,006		102,448	
Deferred income taxes	33,163		38,056	
Other investments	51,858		52,098	
Allowance for doubtful accounts	(7,322)		(8,010)	
Deferred assets:	231	0.0%	192	0.0%
<b>Total assets</b>	<b>1,058,898</b>	<b>100.0%</b>	<b>1,090,131</b>	<b>100.0%</b>

## Consolidated Balance Sheets (Contd.)

	June 30, 2003		March 31, 2003	
	Amount	% of total assets	Amount	% of total assets
<b>LIABILITIES:</b>				
Current liabilities:	233,045	22.0%	259,531	23.8%
Notes and accounts payable, trade	9,689		15,529	
Bank loans	129,791		135,540	
Payables - other	15,708		19,580	
Income taxes payable	6,020		10,756	
Consumption taxes payable	2,775		3,444	
Accrued expenses	1,872		1,837	
Deferred revenue - service charges	30,497		28,851	
Accrued bonus	3,138		8,852	
Other current liabilities	33,553		35,140	
Fixed liabilities:	425,558	40.2%	432,803	39.7%
Straight bonds	32,000		32,000	
Convertible bonds	18		18	
Long-term loans	43,693		48,301	
Guarantee deposits received from subscribers	28,454		28,304	
Deferred income taxes	460		459	
Accrued pension and severance costs	41,822		45,210	
Investment deposits by policyholders, unearned premiums and other insurance liabilities	274,935		274,476	
Other fixed liabilities	4,173		4,033	
<b>Total liabilities</b>	<b>658,604</b>	<b>62.2%</b>	<b>692,335</b>	<b>63.5%</b>
Minority shareholders' interest in subsidiaries:	27,810	2.6%	28,042	2.6%
<b>SHAREHOLDERS' EQUITY:</b>				
Common stock	66,368	6.3%	66,368	6.1%
Capital surplus	82,544	7.8%	82,544	7.6%
Earned surplus	275,528	26.0%	276,397	25.3%
Net unrealized gain in debt and equity securities	2,876	0.3%	116	0.0%
Foreign currency translation adjustments	(10,535)	(1.0%)	(11,386)	(1.0%)
Common stock in treasury, at cost	(44,300)	(4.2%)	(44,287)	(4.1%)
<b>Total shareholders' equity</b>	<b>372,483</b>	<b>35.2%</b>	<b>369,753</b>	<b>33.9%</b>
<b>Total liabilities, minority shareholders' interest in subsidiaries and shareholders' equity</b>	<b>1,058,898</b>	<b>100.0%</b>	<b>1,090,131</b>	<b>100.0%</b>

# Consolidated Statements of Income

(In millions of yen)

	Three months ended June 30, 2003		Year ended March 31, 2003	
	Amount	% of revenue	Amount	% of revenue
Revenue	119,385	100.0%	523,271	100.0%
Costs of revenue	72,270	60.5%	325,952	62.3%
Gross profit	47,114	39.5%	197,319	37.7%
Selling, general and administrative expenses	30,095	25.2%	124,416	23.8%
Operating income	17,018	14.3%	72,902	13.9%
Non-operating income	1,755	1.4%	8,672	1.7%
Non-operating expenses	2,785	2.3%	11,512	2.2%
Ordinary income	15,988	13.4%	70,063	13.4%
Extraordinary income	2,673	2.2%	13,587	2.6%
Extraordinary losses	2,060	1.7%	15,728	3.0%
Income before income taxes	16,602	13.9%	67,921	13.0%
Income taxes - current	5,443	4.5%	27,808	5.3%
Income taxes - deferred	2,460	2.1%	2,171	0.4%
Minority interest in consolidated subsidiaries	327	0.3%	2,358	0.5%
Net income	8,370	7.0%	35,583	6.8%

## Consolidated Statements of Cash Flows

(In millions of yen)

	Three months ended June 30, 2003	Year ended March 31, 2003
<b>Cash flows from operating activities:</b>		
Income before income taxes	16,602	67,921
Depreciation	8,239	36,572
Amortization of goodwill	930	3,877
Equity in net (gains) losses of affiliated companies	301	(1,323)
Increase (decrease) in allowance for doubtful accounts	19	(4,271)
Increase (decrease) in accrued pension and severance costs	(3,388)	(4,411)
Interest and dividend income	(1,108)	(10,768)
Interest expenses	642	3,104
Loss on revaluation of investment securities	48	10,639
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	31,853	(97)
(Increase) decrease in inventories	(3,926)	10,097
Decrease in accounts payable	(9,703)	(893)
Increase in investment deposit by policyholders, unearned premiums and other insurance liabilities	459	5,956
Other	(10,072)	7,058
Subtotal	30,896	123,462
Interest and dividend received	836	11,627
Interest paid	(637)	(2,903)
Income taxes paid	(10,185)	(40,195)
Net cash provided by operating activities	20,909	91,992
<b>Cash flows from investing activities:</b>		
Decrease (Increase) in marketable securities	(1,026)	10,291
Payments for purchases of tangible assets	(10,284)	(41,890)
Proceeds from sales of tangible assets	1,146	2,009
Payments for investments in securities	(17,063)	(80,131)
Proceeds from sales of investment in securities	2,431	16,491
(Increase) decrease in short-term loans receivable	1,100	4,537
Payments for long-term loans receivable	(1,798)	(45,113)
Proceeds from long-term loans receivable	7,176	47,934
Other	(2,034)	(1,810)
Net cash used in investing activities	(20,352)	(87,682)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in bank loans	(7,772)	57,103
Proceeds from long-term loans	163	6,311
Repayments of long-term loans	(2,710)	(43,144)
Payments for redemption of straight bonds	-	(5,016)
Dividends paid	(9,003)	(9,330)
Dividends paid for minority shareholders	(765)	(666)
Increase in treasury stock	(12)	(44,145)
Other	(159)	478
Net cash provided by (used in) financing activities	(20,260)	(38,409)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	37	(421)
<b>Net increase (decrease) in cash and cash equivalents</b>	(19,666)	(34,520)
<b>Cash and cash equivalents at beginning of year</b>	170,033	205,494
<b>Decrease in cash and cash equivalents due to decrease in scope of consolidation</b>	(50)	(940)
<b>Cash and cash equivalents at end of year</b>	150,317	170,033

## Segment Information

(In millions of yen)

	Three months ended June 30, 2003						
	Security services	Medical services	Insurance services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:							
Customers	87,935	5,009	8,901	17,538	119,385	-	119,385
Intersegment	1,061	58	846	613	2,581	(2,581)	-
Sub total	88,997	5,068	9,748	18,151	121,966	(2,581)	119,385
Operating costs and expenses	66,505	4,846	9,238	20,907	101,497	868	102,366
Operating income (loss)	22,492	222	509	(2,755)	20,468	(3,499)	17,018

(In millions of yen)

	Year ended March 31, 2003						
	Security services	Medical services	Insurance services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:							
Customers	351,997	19,980	38,149	113,143	523,271	-	523,271
Intersegment	4,134	170	2,524	2,987	9,817	(9,817)	-
Sub total	356,132	20,151	40,673	116,131	533,088	(9,817)	523,271
Operating costs and expenses	275,623	18,937	38,844	111,886	445,292	5,076	450,368
Operating income (loss)	80,508	1,213	1,829	4,244	87,796	(14,893)	72,902