

**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2008**

May 8, 2008

Company name: SECOM Co., Ltd. (URL: <http://www.secom.co.jp>)  
 Code number: 9735 Tokyo Stock Exchange ----- First Section  
 Osaka Securities Exchange ----- First Section  
 Corporate headquarters: Tokyo, Japan  
 Representative: Kanemasa Haraguchi, President and Representative Director  
 For inquiries: Katsuhisa Kuwahara, Executive Director Phone (03) 5775-8100  
 Scheduled date of General Shareholders' Meeting: June 26, 2008  
 Scheduled date of dividend payout: June 27, 2008  
 Scheduled date of filing Audited Financial Statements: June 26, 2008

1. Consolidated financial statements for the fiscal year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(1) Consolidated operating results (In millions of yen, figures rounded down)

	Years ended March 31	
	2008	2007
Revenue	682,619 11.2%	613,976 8.2%
Operating profit	104,706 7.0%	97,840 4.0%
Ordinary profit	114,278 11.3%	102,720 6.3%
Net income	61,506 5.5%	58,299 10.0%
Basic net income per share (in yen)	273.40	259.14
Net income / Equity	11.1%	11.3%
Ordinary profit / Total assets	9.6%	8.9%
Operating profit / Revenue	15.3%	15.9%

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

Year ended March 31, 2008: JPY 6,146 million

Year ended March 31, 2007: JPY 4,475 million

Note 2. Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the previous year.

(2) Consolidated financial conditions (In millions of yen, figures rounded down)

	March 31, 2008	March 31, 2007
Total assets	1,202,840	1,169,182
Net assets	630,274	601,116
Equity ratio	47.2%	46.2%
Net assets per share (in yen)	2,521.45	2,400.91

Note: Equity as of:

March 31, 2008: JPY 567,238 million

March 31, 2007: JPY 540,132 million

## (3) Consolidated cash flows (In millions of yen, figures rounded down)

	Years ended March 31	
	2008	2007
Cash flows from operating activities	89,768	(20,987)
Cash flows from investing activities	(60,121)	14,496
Cash flows from financing activities	(8,813)	(30,495)
Cash and cash equivalents at end of the period	213,366	192,378

## 2. Dividends (In millions of yen, figures rounded down)

	Years ended March 31		
	2009 (projected)	2008	2007
Interim dividends per share (in yen)	–	–	–
Term-end dividends per share (in yen)	85.00 – 90.00	85.00	80.00
Annual dividends per share (in yen)	85.00 – 90.00	85.00	80.00
Total annual dividend payout	–	19,122	17,997
Dividend payout ratio (consolidated)	28.33 – 30.00%	31.1%	30.9%
Total dividends / Net assets (consolidated)	–	3.5%	3.5%

## 3. Projections for the consolidated financial results for the fiscal year ending March 31, 2009 (April 1, 2008 – March 31, 2009) and the six-month period ending September 30, 2008 (April 1, 2008 – September 30, 2008) (In millions of yen)

	Six-month period ending September 30, 2008	Year ending March 31, 2009
Projected revenue	339,600 4.9%	716,900 5.0%
Projected operating profit	52,000 5.5%	110,900 5.9%
Projected ordinary profit	54,500 3.0%	119,700 4.7%
Projected net income	31,600 7.4%	67,500 9.7%
Projected basic net income per share (in yen)	140.47	300.05

Note: Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the corresponding periods of the previous year.

## 4. Other

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

(2) Changes in accounting policy, 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:

March 31, 2008: 233,288,717 shares

March 31, 2007: 233,288,717 shares

Number of shares of treasury stock as of:

March 31, 2008: 8,323,599 shares

March 31, 2007: 8,318,910 shares

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

1. Nonconsolidated financial statements for the fiscal year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(1) Nonconsolidated operating results (In millions of yen, figures rounded down)

	Years ended March 31	
	2008	2007
Revenue	337,611 3.5%	326,076 4.1%
Operating profit	74,155 1.0%	73,404 1.7%
Ordinary profit	79,187 3.4%	76,583 7.9%
Net income	50,046 5.9%	47,245 7.7%
Basic net income per share (in yen)	222.46	210.00

Note: Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the previous year.

(2) Nonconsolidated financial conditions (In millions of yen, figures rounded down)

	March 31, 2008	March 31, 2007
Total assets	673,043	654,791
Net assets	521,529	494,154
Equity ratio	77.5%	75.5%
Net assets per share (in yen)	2,318.27	2,196.54

Note: Equity as of:

March 31, 2008: JPY 521,529 million

March 31, 2007: JPY 494,154 million

2. Projections for the nonconsolidated financial results for the fiscal year ending March 31, 2009 (April 1, 2008 – March 31, 2009) and the six-month period ending September 30, 2008 (April 1, 2008 – September 30, 2008)

	Six-month period ending September 30, 2008	Year ending March 31, 2009
Projected revenue	172,400 1.9%	348,800 3.3%
Projected operating profit	38,600 2.1%	76,300 2.9%
Projected ordinary profit	43,600 2.7%	81,900 3.4%
Projected net income	27,700 2.2%	50,700 1.3%
Projected basic net income per share (in yen)	123.13	225.37

Note: Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the corresponding periods of the previous year.

\* Note on forward-looking statements:

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

Note: Major change in accounting policies

SECOM Co., Ltd. and its consolidated subsidiaries (the Group) had previously amortized actuarial gains or losses in the year of occurrence. However, from the fiscal year ended March 31, 2008, the Group has changed its accounting policies and amortized actuarial gains or losses based on the straight line method over the certain years below average remaining service period (mainly 10 years) from the subsequent year of occurrence.

As a result of this change, the Group has not recognized any actuarial gains or losses in the fiscal year ended March 31, 2008, although it would have recognized operating expenses of ¥10 billion if amortized under the former method.

## Consolidated Balance Sheets

(In millions of yen)

	March 31, 2008		March 31, 2007		Change
	Amount	% of total assets	Amount	% of total assets	Amount
<b>ASSETS:</b>					
Current assets:	<b>547,538</b>	<b>45.5%</b>	<b>524,484</b>	<b>44.9%</b>	<b>23,054</b>
Cash on hand and in banks	200,403		181,266		19,136
Cash deposits for armored car services	63,696		75,328		(11,631)
Call loans	19,000		15,000		4,000
Notes and accounts receivable, trade	85,595		83,397		2,197
Due from subscribers	21,125		19,217		1,907
Short-term investments	9,306		18,171		(8,865)
Inventories	27,080		25,945		1,135
Inventories for real estate for sales	90,230		71,724		18,505
Deferred income taxes	11,840		11,597		243
Short-term loans receivable	7,246		5,097		2,148
Other	13,827		19,660		(5,833)
Allowance for doubtful accounts	(1,813)		(1,923)		110
Fixed assets:	<b>654,936</b>	<b>54.5%</b>	<b>644,478</b>	<b>55.1%</b>	<b>10,457</b>
Tangible assets:	<b>265,348</b>	<b>22.1%</b>	<b>260,809</b>	<b>22.3%</b>	<b>4,538</b>
Buildings and improvements	84,545		87,306		(2,761)
Security equipment and control stations	65,450		63,675		1,774
Land	81,716		80,341		1,374
Other	33,636		29,485		4,150
Intangible assets	<b>22,332</b>	<b>1.9%</b>	<b>23,294</b>	<b>2.0%</b>	<b>(961)</b>
Investments and others:	<b>367,255</b>	<b>30.5%</b>	<b>360,374</b>	<b>30.8%</b>	<b>6,880</b>
Investment securities	241,957		243,148		(1,190)
Long-term loans receivable	54,599		55,223		(623)
Prepaid pension and severance costs	17,834		15,817		2,016
Deferred income taxes	22,740		15,654		7,086
Other	47,579		45,692		1,886
Allowance for doubtful accounts	(17,455)		(15,161)		(2,293)
Deferred assets	<b>365</b>	<b>0.0%</b>	<b>219</b>	<b>0.0%</b>	<b>145</b>
Total assets	1,202,840	100.0%	1,169,182	100.0%	33,657

**Consolidated Balance Sheets (Contd.)**

(In millions of yen)

	March 31, 2008		March 31, 2007		Change
	Amount	% of total assets	Amount	% of total assets	Amount
<b>LIABILITIES:</b>					
Current liabilities:	<b>319,737</b>	<b>26.6%</b>	<b>323,766</b>	<b>27.7%</b>	<b>(4,029)</b>
Notes and accounts payable, trade	30,459		28,469		1,989
Bank loans	136,034		129,169		6,864
Current portion of straight bonds	1,936		3,356		(1,420)
Payables - other	28,988		29,888		(899)
Accrued income taxes	24,610		24,973		(362)
Accrued consumption taxes	3,456		3,366		89
Accrued expenses	3,641		3,198		443
Deferred revenue	32,061		31,188		872
Accrued bonuses	12,210		11,409		801
Accrued bonuses to directors and corporate auditors	-		80		(80)
Other	46,337		58,665		(12,327)
Long-term liabilities:	<b>252,828</b>	<b>21.0%</b>	<b>244,299</b>	<b>20.9%</b>	<b>8,529</b>
Straight bonds	13,524		13,941		(416)
Long-term loans	20,024		14,363		5,660
Guarantee deposits received	32,532		32,164		368
Deferred income taxes	5,042		2,717		2,325
Accrued pension and severance costs	16,096		17,596		(1,500)
Accrued retirement benefits for directors and corporate auditors	2,220		2,300		(79)
Investment deposits by policyholders, unearned premiums and other insurance liabilities	162,329		160,142		2,187
Other	1,057		1,073		(15)
Total liabilities	572,565	47.6%	568,065	48.6%	4,500
<b>NET ASSETS:</b>					
Shareholders' equity:	<b>580,543</b>	<b>48.3%</b>	<b>537,279</b>	<b>46.0%</b>	43,264
Common stock	66,377	5.5%	66,377	5.7%	0
Capital surplus	83,056	6.9%	83,056	7.1%	0
Retained earnings	475,987	39.6%	432,696	37.0%	43,291
Common stock in treasury, at cost	(44,877)	(3.7%)	(44,850)	(3.8%)	(26)
Valuation, translation adjustments and others:	<b>(13,304)</b>	<b>(1.1%)</b>	<b>2,853</b>	<b>0.2%</b>	(16,158)
Unrealized gains (losses) on securities	(3,306)	(0.3%)	10,157	0.9%	(13,464)
Deferred gains (losses) on hedges	(90)	(0.0%)	(51)	(0.0%)	(39)
Foreign currency translation adjustments	(9,907)	(0.8%)	(7,253)	(0.6%)	(2,654)
Minority interest in subsidiaries	<b>63,035</b>	<b>5.2%</b>	<b>60,983</b>	<b>5.2%</b>	2,051
Total net assets	630,274	52.4%	601,116	51.4%	29,157
Total liabilities and net assets	1,202,840	100.0%	1,169,182	100.0%	33,657

**Consolidated Statements of Income**

(In millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2007		Change	
	Amount	% of revenue	Amount	% of revenue	Amount	%
Revenue	682,619	100.0%	613,976	100.0%	68,643	11.2%
Costs of revenue	433,030	63.4%	388,787	63.3%	44,243	11.4%
Gross profit	249,589	36.6%	225,189	36.7%	24,399	10.8%
Selling, general and administrative expenses	144,883	21.3%	127,348	20.8%	17,534	13.8%
Operating profit	104,706	15.3%	97,840	15.9%	6,865	7.0%
Non-operating income	20,125	2.9%	15,087	2.5%	5,037	33.4%
Non-operating expenses	10,552	1.5%	10,207	1.7%	345	3.4%
Ordinary profit	114,278	16.7%	102,720	16.7%	11,558	11.3%
Extraordinary profit	2,748	0.4%	2,601	0.4%	146	5.6%
Extraordinary loss	4,984	0.7%	3,317	0.5%	1,666	50.2%
Income before income taxes	112,043	16.4%	102,005	16.6%	10,038	9.8%
Income taxes - current	42,602	6.2%	39,961	6.5%	2,640	6.6%
Income taxes - deferred	2,656	0.4%	(660)	(0.1%)	3,316	502.1%
Minority interest in subsidiaries	5,278	0.8%	4,404	0.7%	873	19.8%
Net income	61,506	9.0%	58,299	9.5%	3,206	5.5%

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 2008

(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, 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			(217)		(217)
Net income			61,506		61,506
Purchase of treasury stock				(31)	(31)
Disposal of treasury stock		0		5	5
Net changes of items other than shareholders' equity					-
Total changes during the period	-	0	43,291	(26)	43,264
Balance as of March 31, 2008	66,377	83,056	475,987	(44,877)	580,543

	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						(217)
Net income						61,506
Purchase of treasury stock						(31)
Disposal of treasury stock						5
Net changes of items other than shareholders' equity	(13,464)	(39)	(2,654)	(16,158)	2,051	(14,107)
Total changes during the period	(13,464)	(39)	(2,654)	(16,158)	2,051	29,157
Balance as of March 31, 2008	(3,306)	(90)	(9,907)	(13,304)	63,035	630,274



Year ended March 31, 2007

(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)
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' Meeting for the previous fiscal year.

**Consolidated Statements of Cash Flows**

(In millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2007
<b>Cash flows from operating activities:</b>		
Income before income taxes	112,043	102,005
Depreciation	42,518	41,503
Amortization of goodwill	1,637	1,499
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(6,146)	(4,475)
Increase (decrease) in allowance for doubtful accounts	2,378	1,279
Increase/decrease in accrued/prepaid pension and severance costs	(3,558)	(5,235)
Interest and dividend income	(6,774)	(6,242)
Interest expenses	2,351	1,801
Exchange (gains) losses	825	(75)
Net loss (gain) on sales and disposal of tangible assets	1,208	938
Gain on refund of lease deposits	(669)	-
Impairment loss on fixed assets	20	173
Gain on sales of investment securities	(4,339)	(4,337)
Loss on revaluation of investment securities	1,421	1,103
(Gain) loss on sales of subsidiaries' and affiliates' securities	-	(1,171)
Loss on liquidation of subsidiaries	485	-
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	(4,071)	(12,537)
(Increase) decrease in inventories	(18,803)	(17,259)
Increase (decrease) in accounts payable	1,088	(105)
Increase in deferred revenue	891	-
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	2,187	(85,501)
Other	894	(3,069)
<b>Subtotal</b>	<b>125,589</b>	<b>10,290</b>
Interest and dividend received	9,452	8,596
Interest paid	(2,339)	(1,850)
Income taxes paid	(42,933)	(38,024)
<b>Net cash provided by (used in) operating activities</b>	<b>89,768</b>	<b>(20,987)</b>
<b>Cash flows from investing activities:</b>		
(Increase) decrease in time deposits, net	(1,623)	(2,423)
(Increase) decrease in short-term investments, net	6,397	32,548
Payments for purchases of tangible assets	(49,918)	(52,242)
Proceeds from sales of tangible assets	4,146	3,765
Payments for purchases of investment securities	(101,002)	(108,400)
Proceeds from sales of investment securities	87,439	132,923
Payments for purchases of subsidiaries' securities	(93)	(96)
(Increase) decrease in short-term loans receivable, net	(1,167)	(474)
Payments for long-term loans receivable	(6,767)	(9,258)
Proceeds from long-term loans receivable	6,228	16,347
Acquisitions of subsidiaries accompanied with change in scope of consolidation	(155)	4,998
Divestitures of subsidiaries accompanied with change in scope of consolidation	-	729
Other	(3,604)	(3,921)
<b>Net cash provided by (used in) investing activities</b>	<b>(60,121)</b>	<b>14,496</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in bank loans, net	6,075	20,687
Proceeds from long-term loans	11,379	5,549
Repayments of long-term loans	(4,952)	(10,012)
Proceeds from straight bonds	1,574	6,222
Payments for redemption of straight bonds	(3,436)	(38,422)
Proceeds from capital contribution of minority shareholders	10	-
Dividends paid	(17,997)	(13,499)
Dividends paid for minority shareholders	(1,415)	(899)
Increase in treasury stock, net	(26)	(100)
Increase in treasury stock of subsidiaries, net	(25)	(21)
<b>Net cash provided by (used in) financing activities</b>	<b>(8,813)</b>	<b>(30,495)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>222</b>	<b>620</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>21,055</b>	<b>(36,367)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>192,378</b>	<b>228,745</b>
<b>(Decrease in) cash and cash equivalents due to exclusion from consolidation</b>	<b>(67)</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period</b>	<b>213,366</b>	<b>192,378</b>

## Segment Information

### 1. Business segment information

(In millions of yen)

	Year ended March 31, 2008								
	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	425,958	82,571	34,848	28,231	39,375	71,632	682,619	-	682,619
Intersegment	9,975	4,046	126	2,894	321	8,968	26,332	(26,332)	-
Subtotal	435,934	86,617	34,975	31,125	39,697	80,600	708,951	(26,332)	682,619
Operating costs and expenses	329,035	81,537	33,412	33,551	38,393	75,533	591,464	(13,551)	577,913
Operating profit (loss)	106,898	5,080	1,563	(2,426)	1,303	5,067	117,486	(12,780)	104,706
Assets	542,393	79,025	107,058	185,702	53,817	205,708	1,173,706	29,134	1,202,840
Depreciation and amortization	30,737	977	2,178	1,212	1,213	8,127	44,446	(1,865)	42,581
Impairment loss on fixed assets	-	15	-	-	-	4	20	-	20
Capital expenditures	34,565	1,784	4,062	1,747	2,219	13,703	58,083	(3,004)	55,079

(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
Assets	516,139	76,316	93,353	188,230	51,414	185,860	1,111,313	57,868	1,169,182
Depreciation and amortization	31,845	211	1,884	1,049	1,119	6,813	42,924	(1,318)	41,606
Impairment loss on fixed assets	-	31	26	-	10	104	173	-	173
Capital expenditures	38,934	276	5,813	711	2,386	14,837	62,959	(3,008)	59,951

#### (Note)

Nohmi Bosai's balance sheet (BS) has been consolidated since the end of the third quarter, and the income statement (IS) since the fourth quarter in fiscal year ended March 31, 2007 because SECOM Co. Ltd., acquired shares of Nohmi Bosai on December 8, 2006 and thereby made Nohmi Bosai a consolidated subsidiary. Consequently, Nohmi Bosai and its subsidiaries are included in the new "fire protection services" business segment, which was established at the beginning of the fourth quarter.

Following the acquisition, Nohmi Bosai's BS and IS in fiscal year ended March 31, 2008 are fully consolidated.

## 2. Geographic segment information

(In millions of yen)

	Year ended March 31, 2008				
	Japan	Others	Total	Eliminations or corporate items	Consolidated
Revenue:					
Customers	660,833	21,785	682,619	-	682,619
Intersegment	430	912	1,342	(1,342)	-
Subtotal	661,264	22,697	683,961	(1,342)	682,619
Operating costs and expenses	545,582	21,690	567,273	10,640	577,913
Operating profit (loss)	115,681	1,006	116,688	(11,982)	104,706
Assets	1,025,435	25,053	1,050,488	152,351	1,202,840

(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
Assets	984,224	23,999	1,008,224	160,958	1,169,182

## 3. Revenue from overseas

(In millions of yen)

	Years ended March 31	
	2008	2007
Revenue from overseas	25,022	18,079
Consolidated revenue	682,619	613,976
% of consolidated revenue	3.7%	2.9%

## Nonconsolidated Balance Sheets

(in millions of yen)

	March 31, 2008		March 31, 2007		Change
	Amount	% of Total Assets	Amount	% of Total Assets	Amount
<b>ASSETS:</b>					
Current assets:					
Cash on hand and in banks	77,130		71,818		5,311
Cash deposits for cash collection and deposit services	60,821		67,799		(6,977)
Notes receivable	534		667		(133)
Due from subscribers	11,661		10,972		688
Accounts receivable, trade	6,760		6,952		(191)
Receivables - other	2,921		2,218		703
Short-term investments	454		452		1
Merchandise	6,298		5,991		307
Supplies	952		1,024		(72)
Prepaid expenses	1,913		2,014		(100)
Deferred income taxes	4,714		4,750		(36)
Short-term loans receivable	236		463		(227)
Short-term loans receivable to subsidiaries and affiliates	17,782		13,910		3,871
Other	2,720		2,615		105
Allowance for doubtful accounts	(568)		(541)		(26)
Total current assets	194,333	28.9%	191,111	29.2%	3,221
Fixed assets:					
Tangible assets:					
Buildings and improvements	48,119		46,787		1,332
Accumulated depreciation of buildings and improvements	26,149	21,969	24,662	22,124	(1,557)
Automobiles	532		497		35
Accumulated depreciation of automobiles	409	122	361	136	(47)
Security equipment and control stations	220,490		209,563		10,927
Accumulated depreciation of security equipment and control stations	158,071	62,419	149,278	60,284	2,134
Machinery and equipment	8,711		8,552		159
Accumulated depreciation of machinery and equipment	7,443	1,267	7,188	1,364	(97)
Tools, furniture and fixtures	17,661		18,354		(693)
Accumulated depreciation of tools, furniture and fixtures	14,422	3,239	14,137	4,216	(976)
Land		25,913		32,092	(6,179)
Construction in progress		1,961		2,980	(1,019)
Other	162		162		
Accumulated depreciation of other	147	14	140	22	(7)
Total tangible assets		116,906		123,220	(6,313)
Intangible assets:					
Telephone and telegraph utility rights	-		83		(83)
Software	7,184		4,755		2,428
Other	516		3,419		(2,903)
Total intangible assets		7,700		8,258	(558)
Investments and others:					
Investment securities	28,668		43,165		(14,496)
Investment securities in subsidiaries and affiliates	194,110		166,839		27,270
Investments in subsidiaries and affiliates	1,874		1,074		800
Long-term loans receivable	8,453		18,308		(9,855)
Long-term loans receivable to employees	31		24		7
Long-term loans receivable to subsidiaries and affiliates	66,354		52,929		13,424
Lease deposits	8,859		8,973		(114)
Long-term prepaid expenses	26,165		24,855		1,310
Prepaid pension and severance costs	13,769		12,213		1,555
Deferred income taxes	6,760		5,139		1,621
Fund for insurance	4,893		4,893		0
Other	975		983		(8)
Allowance for doubtful accounts	(6,812)		(7,200)		388
Total investments and others	354,102	52.6%	332,200	50.7%	21,901
Total fixed assets	478,710	71.1%	463,680	70.8%	15,029
Total Assets	673,043	100.0%	654,791	100.0%	18,251

**Nonconsolidated Balance Sheets (Contd.)**

(in millions of yen)

	March 31, 2008		March 31, 2007		Change
	Amount	% of Total Assets	Amount	% of Total Assets	Amount
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	2,757		2,573		183
Bank loans	30,401		27,667		2,734
Payables – other	10,838		12,596		(1,757)
Payables – construction	3,607		3,825		(217)
Accrued income taxes	15,834		15,775		59
Accrued consumption taxes	1,566		2,029		(462)
Accrued expenses	640		639		1
Deposits received	31,299		41,603		(10,303)
Deferred revenue	22,903		22,735		167
Accrued bonuses	5,372		5,207		164
Other	1,958		895		1,062
Total current liabilities	127,180	18.9%	135,548	20.7%	(8,368)
Long-term liabilities:					
Guarantee deposits received	18,174		18,449		(275)
Accrued pension and severance costs	5,087		5,370		(282)
Accrued retirement benefits for directors and corporate auditors	1,070		1,268		(197)
Total long-term liabilities	24,333	3.6%	25,088	3.8%	(755)
Total liabilities	151,513	22.5%	160,637	24.5%	(9,123)
<b>NET ASSETS:</b>					
Shareholders' equity:					
Common stock	66,377	9.9%	66,377	10.1%	-
Capital surplus:					
Additional paid-in capital	83,054		83,054		
Other capital surplus	1		1		
Total capital surplus	83,056	12.3%	83,056	12.7%	0
Retained earnings:					
Legal reserve	9,028		9,028		
Other retained earnings:					
Reserve for systems development	800		800		
General reserve	2,212		2,212		
Accumulated earnings carried forward	405,015		372,966		
Total retained earnings	417,055	62.0%	385,006	58.8%	32,048
Common stock in treasury, at cost	(44,877)	(6.7%)	(44,850)	(6.8%)	(26)
Total shareholders' equity	521,612	77.5%	489,590	74.8%	32,022
Valuation, translation adjustments and others:					
Unrealized gains (losses) on securities	(82)	0.0%	4,564	0.7%	(4,647)
Total valuation, translation adjustments and others	(82)	0.0%	4,564	0.7%	(4,647)
Total net assets	521,529	77.5%	494,154	75.5%	27,375
Total liabilities and net assets	673,043	100.0%	654,791	100.0%	18,251

**Nonconsolidated Statements of Income**

(in millions of yen)

	Year ended March 31, 2008			Year ended March 31, 2007			Change
	Amount		% of Revenue	Amount		% of Revenue	Amount
Revenue:							
Service charges	291,350			282,247			
Sales of merchandise	46,261	337,611	100.0%	43,829	326,076	100.0%	11,534
Costs:							
Cost of service	158,031			151,532			
Cost of sales	34,386	192,417	57.0%	31,809	183,341	56.2%	9,076
Gross Profit		145,193	43.0%		142,734	43.8%	2,458
Selling, general and administrative expenses:							
Advertisement	4,491			3,773			
Salaries	27,215			26,398			
Bonuses	4,067			3,927			
Provision for accrued bonuses	1,980			1,954			
Pension and severance costs	1,074			214			
Provision for retirement benefits for directors and corporate auditors	98			66			
Welfare expenses	4,180			4,127			
Depreciation expenses	2,358			2,750			
Rent expenses	5,757			5,796			
Travel expenses	1,245			1,254			
Communication expenses	1,410			1,453			
Office supply expenses	1,064			1,030			
Taxes and public imposts	1,368			1,426			
Provision for allowance for doubtful accounts	36			-			
Commission expenses	5,241			5,719			
Research and development expenses	3,805			3,740			
Other	5,641	71,038	21.0%	5,692	69,330	21.3%	1,707
Operating profit		74,155	22.0%		73,404	22.5%	750
Non-operating income:							
Interest income	1,749			1,370			
Dividends income	7,042			5,659			
Other	815	9,607	2.9%	912	7,942	2.4%	1,665
Non-operating expenses:							
Interest expenses	431			350			
Interest expenses - bonds	-			37			
Provision for allowance for doubtful accounts	-			286			
Loss on disposal of inventories	899			949			
Loss on disposal of fixed assets	1,202			1,016			
Loss from write-off of prepaid installation cost	863			765			
Other	1,179	4,575	1.4%	1,356	4,763	1.4%	(187)
Ordinary profit		79,187	23.5%		76,583	23.5%	2,603
Extraordinary profit:							
Gain on sales of investment securities	1,547			92			
Gain on refund of lease deposits	669			-			
Gain on sales of subsidiaries' and affiliates' securities	-			1,151			
Gain on sales of fixed assets	-			2			
Other	4	2,221	0.6%	-	1,246	0.4%	975
Extraordinary loss:							
Loss on revaluation of investment securities	558			430			
Loss on sales of subsidiaries' and affiliates' securities	-			606			
Loss on sales of fixed assets	-			1			
Other	8	566	0.2%	103	1,141	0.4%	(574)
Income before income taxes		80,842	23.9%		76,688	23.5%	4,153
Income taxes - current	29,217			27,887			
Income taxes - deferred	1,578	30,795	9.1%	1,555	29,443	9.0%	1,352
Net income		50,046	14.8%		47,245	14.5%	2,801

## Nonconsolidated Statement of Changes in Net Assets

Year ended March 31, 2008

(In millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings				
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings			Total 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								50,046	50,046
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	-	-	-	32,048	32,048
Balance as of March 31, 2008	66,377	83,054	1	83,056	9,028	800	2,212	405,015	417,055

	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		50,046			50,046
Purchase of treasury stock	(31)	(31)			(31)
Disposal of treasury stock	5	5			5
Net changes of items other than shareholders' equity			(4,647)	(4,647)	(4,647)
Total changes during the period	(26)	32,022	(4,647)	(4,647)	27,375
Balance as of March 31, 2008	(44,877)	521,612	(82)	(82)	521,529



	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings					Total retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	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' Meetings in June 2006.