

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2010

May 11, 2010

Note: The following is an abridged English translation of Financial Report (*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
 Corporate headquarters: Tokyo, Japan
 Representative: Shuji Maeda, President and Representative Director
 For inquiries: Katsuhisa Kuwahara, Executive Director Phone (03) 5775-8100
 Scheduled date of General Shareholders' Meeting: June 25, 2010
 Scheduled date of dividend payout: June 28, 2010
 Scheduled date of filing Securities Report: June 25, 2010

1. Consolidated financial results for the fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

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

	Years ended March 31	
	2009	2010
Revenue	678,400 (0.6%)	654,678 (3.5%)
Operating profit	87,634 (16.3%)	98,539 12.4%
Ordinary profit	90,924 (20.4%)	98,327 8.1%
Net income	21,502 (65.0%)	47,611 121.4%
Basic net income per share (in yen)	96.69	218.37
Net income / Equity	4.0%	8.8%
Ordinary profit / Total assets	7.9%	9.1%
Operating profit / Revenue	12.9%	15.1%

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

Year ended March 31, 2010: JPY 2,977 million

Year ended March 31, 2009: JPY 4,626 million

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

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

	March 31, 2009	March 31, 2010
Total assets	1,090,483	1,081,679
Net assets	582,608	625,153
Equity ratio	47.6%	51.6%
Net assets per share (in yen)	2,380.12	2,561.94

Note: Equity as of:

March 31, 2010: JPY 558,591 million

March 31, 2009: JPY 518,954 million

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

	Years ended March 31	
	2009	2010
Cash flows from operating activities	105,123	90,359
Cash flows from investing activities	(52,434)	(12,201)
Cash flows from financing activities	(105,112)	(57,912)
Cash and cash equivalents at end of the period	158,184	178,781

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

	Years ended March 31		
	2009	2010	2011 (projected)
1 st quarter dividends per share (in yen)	–	–	–
2 nd quarter dividends per share (in yen)	–	–	–
3 rd quarter dividends per share (in yen)	–	–	–
Year-end dividends per share (in yen)	85.00	85.00	90.00
Annual dividends per share (in yen)	85.00	85.00	90.00
Total annual dividend payout	18,533	18,532	
Dividend payout ratio (consolidated)	87.9%	38.9%	33.0%
Total dividends / Net assets (consolidated)	3.5%	3.4%	

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2011 (April 1, 2010 – March 31, 2011) and the six-month period ending September 30, 2010 (April 1, 2010 – September 30, 2010) (In millions of yen)

	Six-month period ending September 30, 2010	Year ending March 31, 2011
Projected revenue	322,600 3.1%	683,300 4.4%
Projected operating profit	49,600 1.3%	106,300 7.9%
Projected ordinary profit	52,300 8.3%	109,800 11.7%
Projected net income	27,900 6.7%	59,500 25.0%
Projected basic net income per share (in yen)	127.96	272.89

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

4. Others

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries accompanied with changes in scope of consolidation): None
- (2) Changes in accounting principles, procedure and/or presentation with regard to preparation of consolidated financial statements:
 - ① Changes associated with amendment of accounting standards: Applicable
 - ② Other changes: None

(3) Number of common shares outstanding:

① Number of common shares outstanding, including treasury stock, as of:

March 31, 2010: 233,288,717 shares

March 31, 2009: 233,288,717 shares

② Number of shares of treasury stock as of:

March 31, 2010: 15,254,334 shares

March 31, 2009: 15,251,520 shares

[Reference] Summary of nonconsolidated results

1. Nonconsolidated financial results for the fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

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

	Years ended March 31	
	2009	2010
Revenue	336,893 (0.2%)	328,773 (2.4%)
Operating profit	72,616 (2.1%)	71,527 (1.5%)
Ordinary profit	78,346 (1.1%)	77,462 (1.1%)
Net income	32,414 (35.2%)	45,806 41.3%
Basic net income per share (in yen)	145.76	210.09

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

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

	March 31, 2009	March 31, 2010
Total assets	679,858	668,207
Net assets	504,932	532,931
Equity ratio	74.3%	79.8%
Net assets per share (in yen)	2,315.81	2,444.25

Note: Equity as of:

March 31, 2010: JPY 532,931 million

March 31, 2009: JPY 504,932 million

2. Projections for the nonconsolidated financial results for the fiscal year ending March 31, 2011 (April 1, 2010 – March 31, 2011) and the six-month period ending September 30, 2010 (April 1, 2010 – September 30, 2010)

(In millions of yen)

	Six-month period ending September 30, 2010	Year ending March 31, 2011
Projected revenue	166,900 1.7%	336,000 2.2%
Projected operating profit	36,500 0.3%	72,500 1.4%
Projected ordinary profit	41,500 1.0%	78,500 1.3%
Projected net income	25,700 8.6%	48,200 5.2%
Projected basic net income per share (in yen)	117.87	221.07

Note: Percentage figures represent changes 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.

For matters regarding the projection mentioned above, please refer to “1. Operating results (1) Analysis on financial results” on page 5 to 7.

1. Operating Results

(1) Analysis on financial results

During the fiscal year ended March 31, 2010 (“the current fiscal year”), Japanese economy has not fully recovered due to severe unemployment continuing and recession risk led by overseas economy, domestic deflation and so forth, although there are some signs of recovery of business earnings and bottoming out of flagging capital investments through overseas economic recovery and Japan’s emergency economic stimulus packages.

In this environment, we continued to respond to the increasing diverse and sophisticated needs of customers for security and peace of mind with the aim of establishing our Social System Industry vision, which realizes a society that provides “security and peace of mind for people whenever and wherever necessary.” To this end, we stepped up efforts to provide high-grade products and services suited to customer needs in our core security services business, as well as in our fire protection services, medical services, insurance services, geographic information services, real estate development and sales, and information and communication related and other services businesses.

In the security services business, we provided safety and peace of mind to customers by capitalizing on commercial and residential security services (on-line security systems), static guard services, armored car services and sales of merchandises as comprehensive security services. In the current fiscal year, we strived to tailor our services to customers’ needs through more vigorous visiting activities, along with enriching our services by improving system capability and usability, enhancing business foundation of lifestyle support services for Secom Home Security subscribers, and so forth. Outside Japan, we amplified our business foundation in People’s Republic of China, Southeast Asia, etc., and expanded sales of “SECOM-style” on-line security services by exploiting our accumulated experiences and expertise in Japan.

Revenue fell by 3.1% to 414.6 billion yen and operating profit decreased by 3.0% to 100.3 billion yen. These results were attributable to a decrease in construction revenue owing to decreases in large-scale constructions and scale-down of constructions, decrease of sales of merchandise and decrease of revenue of overseas subsidiaries due to foreign currency fluctuations.

In the fire protection services business, we provided a broad range of fire protection systems such as high-quality fire alarm systems and fire extinguishing systems along with customers’ needs to a wide variety of facilities such as office buildings, production facilities, tunnels, cultural properties, ships and residences. Also, we marketed renovations in fire protection systems along with building renovations and the like by making the most use of solid trust of customers and good track records over the years, and strengthened business foundations.

Revenue decreased by 4.8% to 80.1 billion yen and operating profit decreased by 21.8% to 4.4 billion yen. These results reflected decreased sales of fire alarm systems for residences.

In the medical services business, we enhanced our core home medical services, including home nursing services and pharmaceutical dispensing and home delivery services, operation of residences for seniors, sales of electronic medical report systems, sales of medical equipments, personal care services, and the leasing of real estate for medical institutions.

Revenue increased by 7.1% to 37.7 billion yen and operating profit increased by 48.3% to 2.4 billion yen. These results were attributable to brisk revenue from home medical services and contribution of a newly-consolidated subsidiary and the opening of residences for seniors in Rokko, Kobe City.

In the insurance services business, we expanded marketing efforts for our unique non-life insurance offerings, including Security Discount Fire Policy for commercial facilities and the comprehensive fire insurance policy, SECOM *Anshin My Home*, for residences, that offer discounts on premiums to customers who have installed on-line security systems, recognizing such systems as a risk-mitigating factor; New SECOM *Anshin My Car*, a comprehensive automobile insurance policy that offers on-site support services provided by our emergency response personnel in the event of an accident; and MEDCOM, an unrestricted cancer treatment policy aiming at helping patients overcome cancer by giving access to the best treatments. Revenue rose by 4.2% to 31.6 billion yen due to increase in net premiums written following brisk sales of unrestricted cancer treatment policy MEDCOM and improvements of investment income. Operating loss was 30 million yen, from operating loss of 300 million yen in the previous fiscal year, owing to decrease in provision for reserve for natural disasters and decrease in selling, general and administrative expenses.

In the geographic information services business, we provided geospatial data services for domestic national and local governmental agencies, GIS (Geographic Information System) –based operation support services for private sectors and geospatial data services for foreign governmental agencies, including developing countries’.

Revenue increased by 4.3% to 41.9 billion yen and operating profit increased by 34.0% to 2.4 billion yen owing to strict process management and cost-cutting efforts.

In the real estate development and sales business, we made the best efforts to develop and sell condominiums equipped with advanced security and disaster prevention systems. Amid a slump in the market for condominiums, we developed well-selected condominiums, further devoted sales promotions and reduced real estate inventories in line with future market projections by appropriate price revision along the market the same as the previous fiscal year.

Revenue downed by 39.9% to 13.2 billion yen. Operating loss was 3.1 billion yen, from operating loss of 16.7 billion yen due to write-down of real estate inventories, including working in process for real estate inventories, of 8.3 billion yen recorded in the previous fiscal year (1.2 billion yen in the current fiscal year), in addition to sales of condominiums in the current fiscal year whose prices were drastically revised in the previous fiscal year.

The information and communication related and other services business covers information and communication related services and real estate leasing, etc. In the information and communication related services, we strived to provide comprehensive information network services, focusing on information security, development and management of business systems and major-disaster response services.

Revenue decreased by 7.8% to 35.3 billion yen and operating profit decreased by 10.3% to 3.9 billion yen.

Also, looking at revenues by geographical segments, in Japan, revenue decreased by 3.5% to 634.9 billion yen, and operating profit increased by 10.1% to 108.2 billion yen. In other countries and regions, revenue decreased by 3.0% to 19.7 billion yen and operating profit decreased by 6.0% to 1.0 billion yen due to the appreciation of yen, although revenue of overseas subsidiaries providing security services increased at the local currency level as a result of strengthening business foundation in countries and regions such as

Southeast Asia and China, whose economies are continuously developing.

As a result, consolidated revenue for the current fiscal year decreased by 3.5% to 654.6 billion yen, compared with the previous fiscal year. However, consolidated operating profit increased by 12.4% to 98.5 billion yen and consolidated ordinary profit increased by 8.1% to 98.3 billion yen, due to 8.3 billion yen write-down on real estate inventories, including working in process for real estate inventories, in the previous fiscal year (1.2 billion yen in the current fiscal year). Consolidated net income increased by 121.4% to 47.6 billion yen. This was attributable to reversal or recognition of those assets after carefully judging collectability of each part of deferred income taxes for operating loss carryforwards and losses on revaluation of investment securities, in addition to 20.6 billion yen loss on revaluation of investment securities held by SECOM Co., Ltd., Secom General Insurance Co., Ltd. and Nohmi Bosai Ltd., etc. in the previous fiscal year.

(Projections for the fiscal year ending March 31, 2011)

Japanese economy is expected to still remain uncertain due to risks of worsening employment situation and recession, while it is expected to be on the recovery trend along with continuous improvement of business earnings. In this business situation, we will create new services and markets by using core unique technologies and promote research and developments, considering changes of social infrastructures as our opportunities. Additionally, we are planning to increase overseas security services subsidiaries' revenue by 20% through expanding their businesses, especially in People's Republic of China whose economy is drastically developing.

In projections for the consolidated financial results for the fiscal year ending March 31, 2011, it is expected to record 3.1% increase to 427.5 billion yen in the security services segment, 0.7% decrease to 79.6 billion yen in the fire protection services, 2.6% increase to 38.7 billion yen in the medical services, 6.4% increase to 33.7 billion yen in the insurance services, 1.6% increase to 42.6 billion yen in the geographic information services, 97.5% increase to 26.2 billion yen in the real estate development and sales and 0.9% decrease to 35.0 billion yen in the information and communication related services and others.

The consolidated operating profit is expected to increase 7.9% to 106.3 billion yen, consolidated ordinary profit 11.7% to 109.8 billion yen, and consolidated net income 25.0% to 59.5 billion yen.

(Consolidated financial results)

	Year ended March 31, 2009	Year ended March 31, 2010	Year ending March 31, 2011
Revenue	6,784	6,546	6,833
Change from the previous year	(0.6%)	(3.5%)	+4.4%
Operating profit	876	985	1,063
Change from the previous year	(16.3%)	12.4%	+7.9%
Ordinary profit	909	983	1,098
Change from the previous year	(20.4%)	8.1%	+11.7%
Net income	215	476	595
Change from the previous year	(65.0%)	121.4%	+25.0%
Basic net income per share	96.69	218.37	272.89

Consolidated Financial Statements

Consolidated Balance Sheets

(In millions of yen)

	March 31, 2009	March 31, 2010
	Amount	Amount
ASSETS:		
Current assets:	473,445	483,600
Cash on hand and in banks	127,476	146,929
Cash deposits for armored car services	56,667	48,861
Call loans	36,500	36,500
Notes and accounts receivable, trade	77,398	73,844
Due from subscribers	20,139	20,824
Short-term investments	16,786	15,989
Lease receivables and investment in leased assets	14,993	14,742
Merchandises and products	10,730	10,987
Real estate inventories	6,177	18,493
Work in process	2,174	1,427
Costs on uncompleted construction contracts	9,534	5,312
Work in process for real estate inventories	60,950	55,916
Raw materials and supplies	5,840	5,932
Deferred income taxes	11,135	11,684
Short-term loans receivable	4,125	3,088
Other	15,578	15,275
Allowance for doubtful accounts	(2,762)	(2,207)
Fixed assets:	616,698	597,864
Tangible assets:	263,267	273,020
Buildings and improvements	85,415	97,692
Security equipment and control stations	65,631	63,034
Land	89,297	93,424
Other	22,923	18,869
Intangible assets	21,331	21,885
Investments and others:	332,099	302,959
Investment securities	201,923	187,777
Long-term loans receivable	59,880	50,488
Prepaid pension and severance costs	18,876	18,618
Deferred income taxes	24,413	19,848
Other	46,129	44,630
Allowance for doubtful accounts	(19,122)	(18,403)
Deferred assets	338	213
Total assets	1,090,483	1,081,679

Consolidated Balance Sheets (Continued)

(In millions of yen)

	March 31, 2009	March 31, 2010
	Amount	Amount
LIABILITIES:		
Current liabilities:	256,655	210,353
Notes and accounts payable, trade	28,374	24,774
Bank loans	85,383	48,094
Current portion of straight bonds	5,036	1,761
Lease obligations	202	247
Payables - other	23,195	23,359
Accrued income taxes	18,983	20,907
Accrued consumption taxes	2,932	3,302
Accrued expenses	3,534	3,633
Deferred revenue	31,298	33,554
Accrued bonuses	12,741	12,139
Reserve for litigation losses	2,415	1,770
Reserve for losses on construction contracts	—	145
Other	42,558	36,660
Long-term liabilities:	251,218	246,171
Straight bonds	12,673	17,006
Long-term loans	15,338	16,085
Lease obligations	571	501
Guarantee deposits received	34,210	36,777
Deferred income taxes	3,740	8,399
Accrued pension and severance costs	13,807	13,264
Accrued retirement benefits for directors and corporate auditors	2,244	2,398
Investment deposits by policyholders, unearned premiums and other insurance liabilities	167,011	150,180
Other	1,621	1,557
Total liabilities	507,874	456,525
NET ASSETS:		
Shareholders' equity:	552,891	581,959
Common stock	66,377	66,377
Capital surplus	83,054	83,054
Retained earnings	478,355	507,434
Common stock in treasury, at cost	(74,896)	(74,907)
Valuation, translation adjustments and others:	(33,937)	(23,367)
Unrealized gains (losses) on securities	(3,901)	4,521
Deferred gains (losses) on hedges	(27)	(17)
Foreign currency translation adjustments	(30,008)	(27,871)
Minority interests in subsidiaries	63,654	66,562
Total net assets	582,608	625,153
Total liabilities and net assets	1,090,483	1,081,679

Consolidated Statements of Income

(In millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Revenue	678,400	654,678
Costs of revenue	444,771	415,390
Gross profit	233,628	239,288
Selling, general and administrative expenses	145,994	140,749
Operating profit	87,634	98,539
Non-operating income	12,957	9,158
Non-operating expenses	9,666	9,371
Ordinary profit	90,924	98,327
Extraordinary profit	482	3,370
Extraordinary losses	27,875	5,463
Income before income taxes	63,531	96,233
Income taxes - current	41,768	38,172
Income taxes - deferred	(3,244)	4,944
Total income taxes	38,523	43,116
Minority interests in subsidiaries	3,504	5,505
Net income	21,502	47,611

Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Common stock:		
Balance at the end of the previous period	66,377	66,377
Changes during the current period:		
Total changes during the current period	—	—
Balance at the end of the current period	66,377	66,377
Capital surplus:		
Balance at the end of the previous period	83,056	83,054
Changes during the current period:		
Disposal of treasury stock	(2)	(0)
Transfer of losses on disposal of treasury stock	0	0
Total changes during the current period	(1)	—
Balance at the end of the current period	83,054	83,054
Retained earnings:		
Balance at the end of the previous period	475,987	478,355
Effect of application of the Practical Issues Task Force No. 18	(11)	—
Changes during the current period:		
Cash dividends	(19,122)	(18,533)
Net income	21,502	47,611
Transfer of losses on disposal of treasury stock	(0)	(0)
Total changes during the current period	2,379	29,078
Balance at the end of the current period	478,355	507,434
Common stock in treasury, at cost:		
Balance at the end of the previous period	(44,877)	(74,896)
Changes during the current period:		
Purchase of treasury stock	(30,031)	(12)
Disposal of treasury stock	12	0
Total changes during the current period	(30,018)	(11)
Balance at the end of the current period	(74,896)	(74,907)
Total shareholders' equity:		
Balance at the end of the previous period	580,543	552,891
Effect of application of the Practical Issues Task Force No. 18	(11)	—
Changes during the current period:		
Cash dividends	(19,122)	(18,533)
Net income	21,502	47,611
Purchase of treasury stock	(30,031)	(12)
Disposal of treasury stock	9	0
Transfer of losses on disposal of treasury stock	—	—
Total changes during the current period	(27,640)	29,067
Balance at the end of the current period	552,891	581,959

Consolidated Statements of Changes in Net Assets (Continued)

(In millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Valuation, translation adjustments and others		
Unrealized gains (losses) on securities:		
Balance at the end of the previous period	(3,306)	(3,901)
Changes during the current period:		
Net changes of items other than shareholders' equity	(595)	8,423
Total changes during the current period	(595)	8,423
Balance at the end of the current period	(3,901)	4,521
Deferred gains (losses) on hedges:		
Balance at the end of the previous period	(90)	(27)
Changes during the current period:		
Net changes of items other than shareholders' equity	63	9
Total changes during the current period	63	9
Balance at the end of the current period	(27)	(17)
Foreign currency translation adjustments:		
Balance at the end of previous period	(9,907)	(30,008)
Changes during the current period:		
Net changes of items other than shareholders' equity	(20,101)	2,137
Total changes during the current period	(20,101)	2,137
Balance at the end of the current period	(30,008)	(27,871)
Total valuation, translation adjustments and others:		
Balance at the end of the previous period	(13,304)	(33,937)
Changes during the current period:		
Net changes of items other than shareholders' equity	(20,632)	10,569
Total changes during the current period	(20,632)	10,569
Balance at the end of the current period	(33,937)	(23,367)
Minority interests in subsidiaries:		
Balance at the end of the previous period	63,035	63,654
Changes during the current period:		
Net changes of items other than shareholders' equity	619	2,908
Total changes during the current period	619	2,908
Balance at the end of the current period	63,654	66,562
Total net assets:		
Balance at the end of the previous period	630,274	582,608
Effect of application of the Practical Issues Task Force No. 18	(11)	—
Changes during the current period:		
Cash dividends	(19,122)	(18,533)
Net income	21,502	47,611
Purchase of treasury stock	(30,031)	(12)
Disposal of treasury stock	9	0
Transfer of losses on disposal of treasury stock	—	—
Net changes of items other than shareholders' equity	(20,013)	13,477
Total changes during the current period	(47,654)	42,545
Balance at the end of the current period	582,608	625,153

Consolidated Statements of Cash Flows

(In millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from operating activities:		
Income before income taxes	63,531	96,233
Depreciation	37,286	37,896
Amortization of goodwill	1,773	1,717
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(4,626)	(2,977)
Increase (decrease) in allowance for doubtful accounts	3,609	742
Increase/decrease in accrued/prepaid pension and severance costs	(3,372)	(303)
Reversal of reserve for litigation losses	—	(780)
Provision for reserve for litigation losses	2,415	—
Interest and dividend income	(5,332)	(4,598)
Interest expenses	2,080	1,331
Exchange (gains) losses	1,564	(533)
Net losses (gains) on sales and disposal of tangible assets	1,973	1,476
Impairment losses on fixed assets	76	291
Net (gains) losses on sales of investment securities	(388)	(1,171)
Net (gains) losses on revaluation of investment securities	20,639	2,653
Net (gains) losses on sales of investment securities in subsidiaries and affiliates	18	(2,164)
Net (gains) losses on liquidation of subsidiaries and affiliates	31	—
Write-down of real estate inventories	8,366	1,285
Net (gains) losses on private equity investment	(3,099)	3,063
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	7,931	2,685
(Increase) decrease in lease receivables and investment in leased assets	(1,018)	251
(Increase) decrease in inventories	9,952	(4,181)
Increase (decrease) in accounts payable	(7,472)	(3,133)
Increase (decrease) in deferred revenue	24	2,139
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	4,681	(16,831)
Other	4,844	5,633
Subtotal	145,489	120,726
Interest and dividend received	8,930	7,462
Interest paid	(2,039)	(1,354)
Income taxes paid	(47,257)	(36,474)
Net cash provided by (used in) operating activities	105,123	90,359
Cash flows from investing activities:		
(Increase) decrease in time deposits, net	(1)	1,412
(Increase) decrease in short-term investments, net	(3,316)	3,776
Payments for purchases of tangible assets	(44,471)	(37,884)
Proceeds from sales of tangible assets	205	1,765
Payments for purchases of investment securities	(57,132)	(24,585)
Proceeds from sales and redemptions of investment securities	60,118	44,857
Payments for acquisitions of subsidiaries	(517)	(399)
(Increase) decrease in short-term loans receivable, net	99	238
Payments for long-term loans receivable	(8,528)	(6,236)
Proceeds from long-term loans receivable	6,097	5,290
Acquisitions of subsidiaries accompanied with changes in scope of consolidation	(980)	995
Divestitures of subsidiaries accompanied with changes in scope of consolidation	(74)	5,184
Other	(3,931)	(6,617)
Net cash provided by (used in) investing activities	(52,434)	(12,201)
Cash flows from financing activities:		
Increase (decrease) in bank loans, net	(55,160)	(35,156)
Proceeds from long-term loans	4,181	619
Repayments of long-term loans	(4,689)	(3,839)
Repayments of lease obligations	(53)	(163)
Proceeds from issuance of straight bonds	7,215	5,972
Payments for redemption of straight bonds	(5,051)	(5,036)
Dividends paid	(19,122)	(18,533)
Dividends paid for minority shareholders	(2,412)	(1,765)
(Increase) decrease in treasury stock, net	(30,018)	(11)
Net cash provided by (used in) financing activities	(105,112)	(57,912)
Effect of exchange rate changes on cash and cash equivalents	(2,758)	351
Net increase (decrease) in cash and cash equivalents	(55,181)	20,596
Cash and cash equivalents at beginning of the period	213,366	158,184
Cash and cash equivalents at end of the period	158,184	178,781

Segment Information

1. Business segment information

(In millions of yen)

	Year ended March 31, 2009									
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services	Real estate development and sales	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:										
Customers	427,989	84,174	35,226	30,396	40,206	22,072	38,333	678,400	-	678,400
Intersegment	9,077	5,658	123	2,919	117	2,360	8,863	29,119	(29,119)	-
Subtotal	437,067	89,833	35,349	33,315	40,323	24,432	47,197	707,520	(29,119)	678,400
Operating costs and expenses	333,550	84,127	33,695	33,648	38,507	41,142	42,770	607,442	(16,676)	590,766
Operating profit (loss)	103,517	5,706	1,654	(333)	1,816	(16,709)	4,426	100,077	(12,443)	87,634
Assets	572,542	79,305	110,370	190,415	54,087	76,264	137,883	1,220,869	(130,385)	1,090,483
Depreciation and amortization	29,665	1,091	1,577	1,651	1,317	47	2,033	37,384	(97)	37,286
Impairment losses on fixed assets	33	-	-	-	42	-	-	76	-	76
Capital expenditures	33,920	1,784	1,959	1,993	1,037	25	10,850	51,570	(2,883)	48,687

(In millions of yen)

	Year ended March 31, 2010									
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services	Real estate development and sales	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:										
Customers	414,637	80,132	37,730	31,659	41,917	13,267	35,334	654,678	-	654,678
Intersegment	9,173	4,297	122	2,982	140	188	8,124	25,030	(25,030)	-
Subtotal	423,811	84,429	37,853	34,641	42,058	13,456	43,458	679,708	(25,030)	654,678
Operating costs and expenses	323,449	79,968	35,399	34,677	39,624	16,626	39,486	569,232	(13,093)	556,139
Operating profit (loss)	100,361	4,460	2,454	(36)	2,433	(3,169)	3,972	110,476	(11,936)	98,539
Assets	567,072	77,794	120,327	184,198	51,916	78,359	137,353	1,217,023	(135,343)	1,081,679
Depreciation and amortization	29,546	1,220	2,235	1,748	1,461	40	2,121	38,374	(477)	37,896
Impairment losses on fixed assets	82	15	-	-	148	-	45	291	-	291
Capital expenditures	30,846	2,197	3,783	3,342	1,644	3	4,848	46,667	(1,116)	45,550

2. Geographical segment information

(In millions of yen)

	Year ended March 31, 2009				
	Japan	Others	Total	Eliminations or corporate items	Consolidated
Revenue:					
Customers	658,080	20,320	678,400	—	678,400
Intersegment	553	1,508	2,061	(2,061)	—
Subtotal	658,633	21,829	680,462	(2,061)	678,400
Operating costs and expenses	560,352	20,665	581,017	9,748	590,766
Operating profit	98,281	1,163	99,444	(11,810)	87,634
Assets	956,536	21,113	977,650	112,833	1,090,483

(In millions of yen)

	Year ended March 31, 2010				
	Japan	Others	Total	Eliminations or corporate items	Consolidated
Revenue:					
Customers	634,963	19,715	654,678	—	654,678
Intersegment	378	1,768	2,167	(2,167)	—
Subtotal	635,342	21,504	656,846	(2,167)	654,678
Operating costs and expenses	527,119	20,410	547,530	8,608	556,139
Operating profit	108,222	1,093	109,316	(10,776)	98,539
Assets	946,610	22,485	969,095	112,584	1,081,679

3. Revenue from overseas

(In millions of yen)

	Years ended March 31	
	2009	2010
Revenue from overseas	23,085	21,353
Consolidated revenue	678,400	654,678
% of consolidated revenue	3.4%	3.3%

Nonconsolidated Financial Statements

Nonconsolidated Balance Sheets

(In millions of yen)

	March 31, 2009	March 31, 2010
	Amount	Amount
ASSETS:		
Current assets:		
Cash on hand and in banks	31,149	44,607
Cash deposits for armored car services	54,258	46,957
Notes receivable	389	248
Due from subscribers	11,630	11,434
Accounts receivable, trade	6,732	6,484
Receivables - other	2,415	2,556
Short-term investments	455	2,429
Merchandise	5,652	6,574
Supplies	1,101	1,082
Prepaid expenses	2,034	2,016
Deferred income taxes	4,446	4,720
Short-term loans receivable	173	171
Short-term loans receivable to subsidiaries and affiliates	11,471	3,669
Other	3,457	2,129
Allowance for doubtful accounts	(567)	(450)
Total current assets	134,801	134,634
Fixed assets:		
Tangible assets:		
Buildings and improvements	50,226	50,578
Accumulated depreciation of buildings and improvements	(27,171)	(28,217)
Buildings and improvements, net	23,055	22,360
Automobiles	757	799
Accumulated depreciation of automobiles	(371)	(431)
Automobiles, net	386	368
Security equipment and control stations	229,467	235,647
Accumulated depreciation of security equipment and control stations	(166,402)	(174,786)
Security equipment and control stations, net	63,064	60,860
Machinery and equipment	8,727	8,728
Accumulated depreciation of machinery and equipment	(7,655)	(7,900)
Machinery and equipment, net	1,071	828
Tools, furniture and fixtures	18,619	19,232
Accumulated depreciation of tools, furniture and fixtures	(14,902)	(15,712)
Tools, furniture and fixtures, net	3,717	3,519
Land	28,306	28,352
Construction in progress	1,588	1,203
Other	854	854
Accumulated depreciation of other	(219)	(199)
Other, net	634	654
Total tangible assets	121,825	118,147
Intangible assets:		
Software	6,578	7,580
Other	542	975
Total intangible assets	7,121	8,555
Investments and others:		
Investment securities	21,267	21,769
Investment securities in subsidiaries and affiliates	192,775	193,899
Investments in subsidiaries and affiliates	1,874	1,874
Long-term loans receivable	8,468	5,088
Long-term loans receivable to employees	40	55
Long-term loans receivable to subsidiaries and affiliates	134,636	128,727
Lease deposits	8,702	8,583
Long-term prepaid expenses	26,412	25,816
Prepaid pension and severance costs	14,561	14,364
Deferred income taxes	14,763	14,099
Insurance funds	4,896	4,334
Other	1,065	800
Allowance for doubtful accounts	(13,354)	(12,544)
Total investments and others	416,110	406,869
Total fixed assets	545,056	533,572
Total Assets	679,858	668,207

Nonconsolidated Balance Sheets (Continued)

	March 31, 2009	March 31, 2010
	Amount	Amount
LIABILITIES:		
Current liabilities:		
Accounts payable	2,319	2,009
Bank loans	60,893	24,492
Lease obligations	43	51
Payables – other	10,981	10,811
Payables – construction	3,742	3,425
Accrued income taxes	11,849	14,637
Accrued consumption taxes	1,622	1,491
Accrued expenses	597	555
Deposits received	28,451	23,625
Deferred revenue	22,735	22,558
Accrued bonuses	5,537	5,493
Other	1,928	2,133
Total current liabilities	150,704	111,287
Long-term liabilities:		
Lease obligations	192	182
Guarantee deposits received	18,146	17,965
Accrued pension and severance costs	4,766	4,394
Accrued retirement benefits for directors and corporate auditors	1,104	1,174
Other	12	272
Total long-term liabilities	24,221	23,989
Total liabilities	174,926	135,276
NET ASSETS:		
Shareholders' equity:		
Common stock	66,377	66,377
Capital surplus:		
Additional paid-in capital	83,054	83,054
Total capital surplus	83,054	83,054
Retained earnings:		
Legal reserve	9,028	9,028
Other retained earnings:		
Reserve for system developments	800	800
General reserve	2,212	2,212
Accumulated earnings carried forward	418,306	445,579
Total retained earnings	430,347	457,620
Common stock in treasury, at cost	(74,896)	(74,907)
Total shareholders' equity	504,883	532,145
Valuation, translation adjustments and others:		
Unrealized gains (losses) on securities	48	786
Total valuation, translation adjustments and others	48	786
Total net assets	504,932	532,931
Total liabilities and net assets	679,858	668,207

Nonconsolidated Statements of Income

(In millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Revenue:		
Service charges	294,386	291,325
Sales of merchandise	42,506	37,447
Total revenue	336,893	328,773
Costs:		
Costs of service	161,548	160,349
Costs of sales	32,294	28,352
Total costs	193,842	188,701
Gross profit	143,050	140,072
Selling, general and administrative expenses:		
Advertisement	3,576	3,325
Salaries	27,912	27,280
Bonuses	4,201	4,256
Provision for accrued bonuses	2,036	2,014
Pension and severance costs	1,412	1,867
Provision for retirement benefits for directors and corporate auditors	49	75
Welfare expenses	4,364	4,389
Depreciation and amortization	1,746	1,722
Rent expenses	5,637	5,396
Travel expenses	1,251	1,101
Communication expenses	1,391	1,338
Office supply expenses	1,058	838
Taxes and public imposts	1,358	1,389
Provision for allowance for doubtful accounts	2	8
Business consignment expenses	5,162	4,920
Research and development expenses	3,853	3,713
Other	5,418	4,903
Total selling, general and administrative expenses	70,434	68,544
Operating profit	72,616	71,527
Non-operating income:		
Interest income	2,437	2,131
Dividends income	6,712	6,260
Other	571	832
Total non-operating income	9,721	9,225
Non-operating expenses:		
Interest expenses	673	427
Loss on sales and disposal of fixed assets	1,622	1,143
Write-off of long-term prepaid expenses	902	910
Other	792	809
Total non-operating expenses	3,990	3,290
Ordinary profit	78,346	77,462
Extraordinary profit:		
Reversal of allowance for doubtful accounts	—	312
Penalty charge income	—	240
Gain on sales of investment securities in subsidiaries and affiliates	44	—
Gain on sales of fixed assets	21	—
Other	0	8
Total extraordinary profit	67	561
Extraordinary losses:		
Losses related to spectrum allocation	—	1,253
Loss on sales of investment securities in subsidiaries and affiliates	—	1,172
Loss on revaluation of investment securities in subsidiaries and affiliates	14,188	1,165
Loss on revaluation of investment securities	6,312	704
Provision for allowance for doubtful accounts	6,520	—
Other	46	342
Total extraordinary losses	27,068	4,639
Income before income taxes	51,345	73,384
Income taxes - current	26,756	27,688
Income taxes - deferred	(7,825)	(110)
Total income taxes	18,931	27,578
Net income	32,414	45,806

Nonconsolidated Statements of Changes in Net Assets

(In millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Common stock:		
Balance at the end of the previous period	66,377	66,377
Changes during the current period:		
Total changes during the current period	—	—
Balance at the end of the current period	66,377	66,377
Capital surplus:		
Additional paid-in capital:		
Balance at the end of the previous period	83,054	83,054
Changes during the current period:		
Total changes during the current period	—	—
Balance at the end of the current period	83,054	83,054
Other capital surplus:		
Balance at the end of the previous period	1	—
Changes during the current period:		
Disposal of treasury stock	(2)	(0)
Transfer of loss on disposal of treasury stock	0	0
Total changes during the current period	(1)	—
Balance at the end of the current period	—	—
Total capital surplus:		
Balance at the end of the previous period	83,056	83,054
Changes during the current period:		
Disposal of treasury stock	(2)	(0)
Transfer of loss on disposal of treasury stock	0	0
Total changes during the current period	(1)	—
Balance at the end of the current period	83,054	83,054
Retained earnings:		
Legal reserve:		
Balance at the end of the previous period	9,028	9,028
Changes during the current period:		
Total changes during the current period	—	—
Balance at the end of the current period	9,028	9,028
Other retained earnings:		
Reserve for system developments:		
Balance at the end of the previous period	800	800
Changes during the current period:		
Total changes during the current period	—	—
Balance at the end of the current period	800	800
General reserve:		
Balance at the end of the previous period	2,212	2,212
Changes during the current period:		
Total changes during the current period	—	—
Balance at the end of the current period	2,212	2,212
Accumulated earnings carried forward:		
Balance at the end of the previous period	405,015	418,306
Changes during the current period:		
Cash dividends	(19,122)	(18,533)
Net income	32,414	45,806
Transfer of losses on disposal of treasury stock	(0)	(0)
Total changes during the current period	13,291	27,273
Balance at the end of the current period	418,306	445,579
Total retained earnings:		
Balance at the end of the previous period	417,055	430,347
Changes during the current period:		
Cash dividends	(19,122)	(18,533)
Net income	32,414	45,806
Transfer of losses on disposal of treasury stock	(0)	(0)
Total changes during the current period	13,291	27,273
Balance at the end of the current period	430,347	457,620

Nonconsolidated Statements of Changes in Net Assets (Continued)

(In millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Common stock in treasury, at cost:		
Balance at the end of the previous period	(44,877)	(74,896)
Changes during the current period:		
Purchase of treasury stock	(30,031)	(12)
Disposal of treasury stock	12	0
Total Changes during the current period	(30,018)	(11)
Balance at the end of the current period	(74,896)	(74,907)
Total shareholders' equity:		
Balance at the end of the previous period	521,612	504,883
Changes during the current period:		
Cash dividends	(19,122)	(18,533)
Net income	32,414	45,806
Purchase of treasury stock	(30,031)	(12)
Disposal of treasury stock	9	0
Transfer of losses on disposal of treasury stock	—	—
Total changes during the current period	(16,729)	27,261
Balance at the end of the current period	504,883	532,145
Valuation, translation adjustments and others:		
Unrealized gains (losses) on securities:		
Balance at the end of the previous period	(82)	48
Changes during the current period:		
Net changes of items other than shareholders' equity	131	737
Total changes during Term in Review	131	737
Balance at the end of the current period	48	786
Total valuation, translation adjustments and others:		
Balance at the end of the previous period	(82)	48
Changes during the current period:		
Net changes of items other than shareholders' equity	131	737
Total changes during the current period	131	737
Balance at the end of the current period	48	786
Total net assets:		
Balance at the end of the previous period	521,529	504,932
Changes during the current period:		
Cash Dividends	(19,122)	(18,533)
Net income	32,414	45,806
Purchase of treasury stock	(30,031)	(12)
Disposal of treasury stock	9	0
Net changes of items other than shareholders' equity	131	737
Total changes during the current period	(16,597)	27,999
Balance at the end of the current period	504,932	532,931