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**QUARTERLY FINANCIAL REPORT  
FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2013**

(Based on JAPANESE GAAP) ( Consolidated )

November 6, 2013

Company name: SECOM CO., LTD. (URL: <http://www.secom.co.jp/>)  
 Code number: 9735 Tokyo Stock Exchange ----- First Section  
 Representative: Shuji Maeda, President and Representative Director  
 For inquiries: Junzo Nakayama, Director Phone (03) 5775-8100  
 Scheduled date of filing Quarterly Securities Report: November 14, 2013  
 Scheduled date of dividend payout: -  
 Preparation of quarterly supplementary materials: Applicable  
 Holding of quarterly results information meeting: Applicable (for institutional investors and analysts)

**1. Consolidated financial results for the six-month period ended September 30, 2013 (April 1, 2013– September 30, 2013)**

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

	Six-month Period Ended September 30	
	2012	2013
Revenue	362,175 13.5%	392,319 8.3%
Operating profit	50,355 2.9%	56,799 12.8%
Ordinary profit	53,647 3.8%	62,403 16.3%
Net income	31,713 13.3%	35,445 11.8%
Basic net income per share (in yen)	145.29	162.39
Diluted net income per share (in yen)	-	-

Note 1: Comprehensive income:

Six-month period ended September 30, 2013: JPY 50,612 million (57.4%)

Six-month period ended September 30, 2012: JPY 32,161 million ( 8.2%)

Note 2: There is no diluted net income per share as there are no shares with dilutive effect.

Note 3: Percentage figures represent changes from the results of the corresponding period of the previous year.

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

	March 31, 2013	September 30, 2013
Total assets	1,249,110	1,244,098
Net assets	764,139	790,295
Equity ratio	53.6%	55.6%
Net assets per share (in yen)	3,065.13	3,168.49

Note 1: Equity as of:

September 30, 2013 : JPY 691,581 million

March 31, 2013 : JPY 669,024 million

Note 2: Equity is calculated by deducting minority interests in subsidiaries from net assets. Net assets per share is calculated by dividing equity by the number of common shares outstanding, excluding treasury stock, as of each period-end.

## 2. Dividends

	Years ended March 31		
	2013	2014	2014 (projected)
1 <sup>st</sup> quarter dividends per share (in yen)	–	–	
2 <sup>nd</sup> quarter dividends per share (in yen)	–	–	
3 <sup>rd</sup> quarter dividends per share (in yen)	–		–
Year-end dividends per share (in yen)	105.00		115.00
Annual dividends per share (in yen)	105.00		115.00

Note: Revision of projected dividends from that most recently disclosed: None

## 3. Projections for the consolidated financial results for the fiscal year ending March 31, 2014 (April 1, 2013 – March 31, 2014)

	(In millions of yen)
	Year ending March 31, 2014
Projected revenue	809,400 5.7%
Projected operating profit	112,800 4.1%
Projected ordinary profit	115,900 2.0%
Projected net income	66,100 3.8%
Projected basic net income per share (in yen)	302.84

Note 1: Revision of projections for the consolidated financial results from those most recently disclosed: None

Note 2: Projected basic net income per share for the fiscal year ending March 31, 2014 is calculated based on the number of average common shares outstanding over the six-month period ended September 30, 2013, assuming that it remains the same until March 31, 2014.

Note 3: Percentage figures represent changes from the results of the corresponding period of the previous year.

### Note

1. Significant changes in subsidiaries during the six-month period ended September 30, 2013 (changes in specified subsidiaries accompanied with changes in scope of consolidation): None
2. Adoption of unique accounting treatment for preparation of consolidated quarterly financial statements: None
3. Changes in accounting policies, accounting estimates and/or restatements:
  - Changes in accounting policies associated with amendment of accounting standards: None
  - Other changes in accounting policies: None

Changes in accounting estimates: None

Restatements: None

4. Number of common shares outstanding :

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

September 30, 2013 : 233,288,717 shares

March 31, 2013 : 233,288,717 shares

Number of shares of treasury stock, as of:

September 30, 2013 : 15,020,351 shares

March 31, 2013 : 15,018,951 shares

Number of average common shares outstanding over:

The six-month period ended September 30, 2013: 218,269,022 shares

The six-month period ended September 30, 2012: 218,270,911 shares

**Note on status of quarterly review procedures**

This report is excluded from the scope of quarterly review procedures pursuant to the Financial Instruments and Exchange Act. Review procedures for quarterly financial statements have not been completed at the time of disclosure of this report.

**Note on appropriate use of projections for the financial results; other special items**

The forward-looking statements including the future performance described in this document are provided based on both all information available at this moment and certain assumptions considered reasonable. Actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred. For matters regarding assumptions on financial projections and notes for the use of financial projections, please refer to “1. Qualitative Information Regarding the Six-month Period Ended September 30, 2013 (3) Qualitative Information Regarding Consolidated Financial Projections” on page 4 in the appendices.

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## **1. Qualitative Information Regarding the Six-month Period Ended September 30, 2013**

### **(1) Qualitative Information Regarding Consolidated Financial Results**

During the six-month period ended September 30, 2013, Japanese economy has been gradually improving as shown in the improvement of the corporate earnings, the some signs of recovery in the employment situation, and robust consumer spending ascribed to the positive effects of various policies.

In this environment, we have been continuously trying to satisfy the increasingly diversified and sophisticated needs of our customers for their safety and peace of mind, with the aim of realizing our vision for the future, “Social System Industry,” a society where everyone can live safe and secure anytime and anywhere. To this end, we have made efforts to develop and provide high-quality products and services suited to customer needs in our security services segment, as well as in our fire protection services, medical services, insurance services, geographic information services, information and communication related services, and real estate and other services segments. We also pressed forward with efforts to apply the ALL SECOM concept, which emphasizes cooperation among our various independent businesses to strengthen the bond of the Group as a whole with a view to hastening our advance to growth.

From the three-month period ended June 30, 2013, information and communication related services segment, formerly included in information and communication related and other services segment, is separately reported. Also, real estate development and sales segment, previously reported separately, was included in real estate and other services segment accompanying with change of its name from information and communication related and other services segment (refer to page11 to 13). Revenue, profit or loss for each reportable segment of the six-month period ended September 30, 2012, were reclassified to conform to this change.

Consolidated revenue for the six-month period ended September 30, 2013 increased by 8.3% to 392.3 billion yen. Consolidated operating profit increased by 12.8% to 56.7 billion yen. Consolidated ordinary profit increased by 16.3% to 62.4 billion yen, mainly due to contribution by 3.5 billion yen of net gains on private equity investment in the U.S., improving from 1.4 billion yen in the previous corresponding period. Consolidated net income increased by 11.8% to 35.4 billion yen. Consolidated revenue, consolidated operating profit, consolidated ordinary profit and consolidated net income for the six-month period ended September 30, 2013 have reached a record-high, respectively.

Segment information is as follows.

In the security services segment, revenue increased by 6.7% to 228.1 billion yen and operating profit went up by 3.7% to 53.0 billion yen, mainly due to brisk sales of centralized systems (on-line security systems) for commercial and residential use and of security products including CCTV surveillance systems.

In the fire protection services segment, revenue increased by 1.5% to 49.5 billion yen. Operating profit was up by 129.2% to 2.1 billion yen, mainly owing to the cost reduction. Revenue tends to increase toward the end of the period, due to the fact that this segment is greatly affected by the construction industry.

In the medical services segment, revenue increased by 35.7% to 27.8 billion yen, mainly owing to the firm increase in sales of pharmaceutical products and medical equipment. Operating profit increased by 13.7% to 2.2 billion yen.

In the insurance services segment, revenue decreased by 1.9% to 17.1 billion yen. This result reflected revenue decline mainly due to the decrease in a reversal of unearned premiums and other insurance liabilities for the new type insurance, despite firm increase in sales of MEDCOM, an unrestricted cancer treatment policy, and fire insurance policy provided by Secom General Insurance Co., Ltd. Operating profit was 50 million yen, improving from operating loss of 1.6 billion yen in the previous corresponding period, mainly owing to the decrease in insurance underwriting expenses reflecting the decrease in the provision of reserve for natural disasters.

In the geographic information services segment, revenue increased by 2.8% to 23.7 billion yen, mainly owing to the firm sales in public division. Operating profit was up by 12.7% to 1.0 billion yen, mainly due to the cost reduction. Revenue tends to increase toward the end of the period, due to the concentration of deliveries of public-sector contracts, which is the primary market for this segment.

In the information and communication related services segment, revenue increased by 163.8% to 23.2 billion yen and operating profit went up by 135.5% to 2.7 billion yen, chiefly owing to contribution by At Tokyo Corporation, newly consolidated on October 31, 2012.

In the real estate and other services segment, revenue decreased by 23.6% to 22.6 billion yen, chiefly due to the decrease in sales of condominiums in the real estate development and sales business. Operating profit went down by 22.6% to 2.8 billion yen.

## **(2) Qualitative Information Regarding Consolidated Financial Position**

### **(i) Consolidated Balance Sheets**

Total assets as of September 30, 2013 amounted to 1,244.0 billion yen, 0.4% or 5.0 billion yen lower than that at the end of the previous fiscal year. Total current assets, at 479.8 billion yen, were down 11.6% or 62.9 billion yen. This was largely attributable to decreases in notes and accounts receivable, trade by 25.5% or 27.1 billion yen to 79.4 billion yen, and call loans by 50.5% or 23.5 billion yen to 23.0 billion yen, and real estate inventories by 65.6% or 8.4 billion yen to 4.4 billion yen. Total fixed assets, at 764.2 billion yen, were up 8.2% or 57.9 billion yen. This was mainly attributable to increases in tangible assets by 0.8% or 3.0 billion yen to 364.5 billion yen, and investment securities by 28.8% or 54.4 billion yen to 243.5 billion yen.

Total liabilities amounted to 453.8 billion yen, 6.4% or 31.1 billion yen lower than that at the end of the previous fiscal year. Total current liabilities amounted to 211.1 billion yen, down 14.8% or 36.7 billion yen, owing to decreases in notes and accounts payable, trade by 24.5% or 10.7 billion yen to 32.9 billion yen, other payables by 21.1% or 6.6 billion yen to 24.7 billion yen, other current liabilities, including deposits received by 15.3% or 6.2 billion yen to 34.3 billion yen, accrued income taxes by 20.4% or 5.9 billion yen to 23.3 billion yen, bank loans by 8.6% or 3.6 billion yen to 38.7 billion yen, and current portion of straight bonds by 68.6% or 3.0 billion yen to 1.4 billion. Long-term liabilities

increased by 2.4% or 5.5 billion yen to 242.6 billion yen, compared to that at the end of the previous fiscal year. This was mainly attributable to the increases in investment deposits by policy holders, unearned premiums and other insurance liabilities by 2.9% or 3.9 billion yen to 137.5 billion yen, and straight bonds by 30.3% or 2.6 billion yen to 11.5 billion yen, despite the decrease in accrued retirement benefits for directors and audit & supervisory board members by 38.5% or 0.9 billion yen to 1.5 billion yen.

Total net assets amounted to 790.2 billion yen, 3.4% or 26.1 billion yen higher than that at the end of the previous fiscal year, due to the increase in retained earnings by 2.1% or 12.5 billion yen, the decrease in losses in foreign currency translation adjustments by 30.7% or 8.5 billion yen, and the increase in minority interests in subsidiaries by 3.8% or 3.5 billion yen.

## **(ii) Consolidated Cash Flows**

### **(Cash flows from operating activities)**

Net cash provided by operating activities for the six-month period ended September 30, 2013 amounted to 70.3 billion yen, compared to 89.8 billion yen in the previous corresponding period. The major factors of cash increase were income before income taxes of 62.4 billion yen, decrease in notes and accounts receivable, trade, and due from subscribers of 28.1 billion yen, and depreciation and amortization of 21.6 billion yen. The major factors of cash decrease were income taxes paid of 28.9 billion yen and decrease in accounts payable of 17.6 billion yen.

### **(Cash flows from investing activities)**

Net cash used in investing activities amounted to 57.0 billion yen compared to 26.6 billion yen in the previous corresponding period. The major factors of cash decrease were payments for purchases of investment securities of 47.0 billion yen, and payments for purchase of tangible assets, including security equipment and control stations, of 24.4 billion yen. The major factor of cash increase was proceeds from sales and redemptions of investment securities of 16.5 billion yen.

### **(Cash flows from financing activities)**

Net cash used in financing activities amounted to 29.4 billion yen compared to 32.1 billion yen in the previous corresponding period. The major factors of cash decrease were dividends paid of 22.9 billion yen and repayments of long-term loans of 5.4 billion yen.

As a result, cash and cash equivalents at the end of the six-month period ended September 30, 2013 was 201.5 billion yen, 15.0 billion yen lower than the end of the previous fiscal year.

## **(3) Qualitative Information Regarding Consolidated Financial Projections**

According to the financial results for the six-month period ended September 30, 2013, consolidated revenue, consolidated operating profit, consolidated ordinary profit and consolidated net income exceeded our projections for the period, mainly due to the robust performance in security services segment.

Since the market situation remains uncertain, projections for the consolidated financial results for the

fiscal year ending March 31, 2014 have not been changed from those disclosed on May 9, 2013.

Furthermore, the financial projections included in this document are based on both all information available at the time of the announcement and certain assumptions considered reasonable. Actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred.

## **2. Items Regarding the Summary Information (Other)**

### **(1) Significant Changes in Subsidiaries in the Six-month Period Ended September 30, 2013**

Not applicable.

### **(2) Adoption of Unique Accounting Treatment for Preparation of Consolidated Quarterly Financial Statements**

Not applicable.

### **(3) Changes in Accounting Policies, Accounting Estimates and/or Restatements**

Not applicable.



### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2013	September 30, 2013
<b>ASSETS:</b>		
<b>Current assets:</b>	<b>542,836</b>	<b>479,846</b>
Cash on hand and in banks	175,427	185,368
Cash deposits for armored car services	56,089	52,206
Call loans	46,500	23,000
Notes and accounts receivable, trade	106,638	79,448
Due from subscribers	24,059	23,841
Short-term investments	14,723	8,038
Lease receivables and investment in leased assets	27,569	27,094
Merchandises and products	12,321	12,806
Real estate inventories	12,944	4,456
Work in process	4,526	4,328
Costs on uncompleted construction contracts	7,563	9,786
Work in process for real estate inventories	13,348	13,878
Raw materials and supplies	6,430	6,720
Deferred income taxes	14,384	13,785
Short-term loans receivable	4,158	2,656
Other	18,453	14,150
Allowance for doubtful accounts	(2,302)	(1,719)
<b>Fixed assets:</b>	<b>706,241</b>	<b>764,225</b>
<b>Tangible assets:</b>	<b>361,532</b>	<b>364,549</b>
Buildings and improvements, net	155,839	155,694
Security equipment and control stations, net	67,200	69,716
Land	115,652	114,969
Other, net	22,839	24,169
<b>Intangible assets</b>	<b>55,079</b>	<b>54,020</b>
<b>Investments and others:</b>	<b>289,629</b>	<b>345,655</b>
Investment securities	189,042	243,502
Long-term loans receivable	42,338	44,077
Prepaid pension and severance costs	19,572	19,997
Deferred income taxes	11,711	10,348
Other	43,706	44,394
Allowance for doubtful accounts	(16,742)	(16,664)
<b>Deferred assets</b>	<b>32</b>	<b>26</b>
<b>Total assets</b>	<b>1,249,110</b>	<b>1,244,098</b>

**(1) Consolidated Balance Sheets (Continued)**

(In millions of yen)

	March 31, 2013	September 30, 2013
<b>LIABILITIES:</b>		
<b>Current liabilities:</b>	<b>247,879</b>	<b>211,139</b>
Notes and accounts payable, trade	43,684	32,960
Bank loans	42,350	38,704
Current portion of straight bonds	4,487	1,410
Lease obligations	537	573
Payables - other	31,406	24,764
Accrued income taxes	29,282	23,320
Accrued consumption taxes	4,377	3,096
Accrued expenses	4,571	4,619
Deferred revenue	30,880	31,875
Accrued bonuses	14,031	14,140
Provision for losses on construction contracts	1,714	1,324
Other	40,554	34,350
<b>Long-term liabilities:</b>	<b>237,091</b>	<b>242,664</b>
Straight bonds	8,847	11,531
Long-term loans	19,828	19,282
Lease obligations	3,438	3,583
Guarantee deposits received	36,125	36,514
Deferred income taxes	13,400	12,898
Accrued pension and severance costs	17,137	17,025
Accrued retirement benefits for directors and audit & supervisory board members	2,443	1,503
Investment deposits by policyholders, unearned premiums and other insurance liabilities	133,627	137,563
Other	2,242	2,760
<b>Total liabilities</b>	<b>484,970</b>	<b>453,803</b>
<b>NET ASSETS:</b>		
<b>Shareholders' equity:</b>	<b>685,042</b>	<b>697,562</b>
Common stock	66,377	66,377
Capital surplus	83,054	83,054
Retained earnings	609,275	621,802
Common stock in treasury, at cost	(73,664)	(73,672)
<b>Accumulated other comprehensive income:</b>	<b>(16,018)</b>	<b>(5,980)</b>
Unrealized gains (losses) on securities	11,783	13,297
Deferred gains (losses) on hedges	(41)	(34)
Foreign currency translation adjustments	(27,760)	(19,244)
<b>Minority interests in subsidiaries</b>	<b>95,114</b>	<b>98,713</b>
<b>Total net assets</b>	<b>764,139</b>	<b>790,295</b>
<b>Total liabilities and net assets</b>	<b>1,249,110</b>	<b>1,244,098</b>

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Consolidated Statements of Income

(In millions of yen)

	Six-month period ended September 30, 2012	Six-month period ended September 30, 2013
<b>Revenue</b>	<b>362,175</b>	<b>392,319</b>
Costs of revenue	237,330	258,236
Gross profit	124,845	134,083
Selling, general and administrative expenses	74,490	77,283
<b>Operating profit</b>	<b>50,355</b>	<b>56,799</b>
Non-operating income	5,971	7,815
Non-operating expenses	2,679	2,211
<b>Ordinary profit</b>	<b>53,647</b>	<b>62,403</b>
Extraordinary profit	258	172
Extraordinary losses	768	127
<b>Income before income taxes</b>	<b>53,137</b>	<b>62,448</b>
Income taxes - current	20,142	22,929
Income taxes - deferred	(368)	7
Total income taxes	19,774	22,937
Net income before minority interests in subsidiaries	33,363	39,510
Minority interests in subsidiaries	1,649	4,064
<b>Net income</b>	<b>31,713</b>	<b>35,445</b>

## Consolidated Statements of Comprehensive Income

(In millions of yen)

	Six-month period ended September 30, 2012	Six-month period ended September 30, 2013
<b>Net income before minority interests in subsidiaries</b>	<b>33,363</b>	<b>39,510</b>
<b>Other comprehensive income:</b>	<b>(1,201)</b>	<b>11,102</b>
Unrealized gains (losses) on securities	(2,334)	1,490
Foreign currency translation adjustments	665	7,333
Share of other comprehensive income of affiliated companies accounted for under the equity method	467	2,278
<b>Comprehensive income</b>	<b>32,161</b>	<b>50,612</b>
Comprehensive income attributable to:		
Owners of the parent company	30,544	45,482
Minority interests	1,616	5,129

### (3) Consolidated Statements of Cash Flows

(In millions of yen)

	Six-month period ended September 30, 2012	Six-month period ended September 30, 2013
<b>Cash flows from operating activities:</b>		
Income before income taxes	53,137	62,448
Depreciation and amortization	18,336	21,627
Amortization of goodwill	723	1,190
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(2,245)	(2,089)
Increase (decrease) in allowance for doubtful accounts	(6)	(221)
Increase/decrease in accrued/prepaid pension and severance costs	(371)	(435)
Interest and dividend income	(1,498)	(1,473)
Interest expenses	530	502
Exchange (gains) losses	345	(242)
Net (gains) losses on sales and disposal of tangible assets	732	549
Net (gains) losses on sales of investment securities	(344)	(219)
Net (gains) losses on revaluation of investment securities	604	2
Write-down on real estate inventories	683	620
Net (gains) losses on private equity investment	(1,487)	(3,506)
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	27,843	28,113
(Increase) decrease in inventories	15,083	6,774
Increase (decrease) in accounts payable	(11,581)	(17,682)
Increase (decrease) in deferred revenue	(661)	853
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	2,954	3,935
Other	(1,721)	(5,173)
Subtotal	101,058	95,572
Interest and dividend received	4,200	4,204
Interest paid	(536)	(525)
Income taxes paid	(14,921)	(28,915)
<b>Net cash provided by (used in) operating activities</b>	<b>89,800</b>	<b>70,335</b>
<b>Cash flows from investing activities:</b>		
(Increase) decrease in time deposits, net	(237)	(1,528)
(Increase) decrease in short-term investments, net	3,968	525
Payments for purchases of tangible assets	(23,157)	(24,437)
Proceeds from sales of tangible assets	29	880
Payments for purchases of intangible assets	(2,151)	(2,382)
Payments for purchases of investment securities	(15,820)	(47,057)
Proceeds from sales and redemptions of investment securities	18,336	16,560
Payments for acquisition of affiliate	(770)	(2,222)
(Increase) decrease in short-term loans receivable, net	86	26
Payments for long-term loans receivable	(238)	(3,317)
Proceeds from long-term loans receivable	1,608	3,144
Acquisitions of subsidiaries accompanied with changes in scope of consolidation	(8,915)	(49)
Other	620	2,798
<b>Net cash provided by (used in) investing activities</b>	<b>(26,639)</b>	<b>(57,060)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in bank loans, net	(3,913)	(1,194)
Proceeds from long-term loans	110	2,338
Repayments of long-term loans	(6,523)	(5,425)
Proceeds from issuance of straight bonds	2,054	3,474
Payments for redemption of straight bonds	(2,796)	(3,940)
Proceeds from stock issuance to minority shareholders	48	10
Dividends paid	(19,644)	(22,918)
Dividends paid for minority shareholders	(1,183)	(1,468)
(Increase) decrease in treasury stocks, net	(1)	(7)
Other	(273)	(321)
<b>Net cash provided by (used in) financing activities</b>	<b>(32,123)</b>	<b>(29,451)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>22</b>	<b>1,139</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>31,060</b>	<b>(15,036)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>205,362</b>	<b>216,580</b>
<b>Cash and cash equivalents at end of the period</b>	<b>236,423</b>	<b>201,543</b>

**(4) Notes Regarding the Consolidated Quarterly Financial Statement****[Notes Regarding the Assumption of Going Concern]**

Not applicable.

**[Notes Regarding Significant Changes in Shareholders' Equity]**

Not applicable.

**(5) Segment Information, etc.****I. Six-month Period Ended September 30, 2012****1. Information About Amounts of Revenue and Profit or Loss by Reportable Segments**

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services
Revenue:					
Customers	213,781	48,757	20,550	17,502	23,112
Intersegment	5,445	2,133	80	1,444	55
Subtotal	219,226	50,891	20,631	18,947	23,168
Segment profit (loss)	51,156	923	1,973	(1,649)	950

	Reportable segments		Real estate and other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	Information and communication related services	Subtotal				
Revenue:						
Customers	8,813	332,518	29,657	362,175	-	362,175
Intersegment	2,111	11,271	2,567	13,838	(13,838)	-
Subtotal	10,925	343,789	32,224	376,014	(13,838)	362,175
Segment profit (loss)	1,173	54,528	3,636	58,165	(7,809)	50,355

Note 1: Real estate and other services is an operating segment not designated as a reportable segment, and comprises real estate development and sales, real estate leasing, hotel businesses, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 469 million yen and corporate expenses not allocated to each reportable segment of 7,340 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter, etc.

Note 3: Segment profit/loss is adjusted to operating profit in the consolidated statements of income.

## 2. Information About Assets by Reportable Segments

There were significant changes in the amount of assets by reportable segment in the six-month period ended September 30, 2012 compared to the amount at the end of the previous fiscal year. The summary information is as follows:

In the fire protection services segment, the amount of segment assets increased by 20,474 million yen, arising from the acquisition of Nittan Co., Ltd. in the six-month period ended September 30, 2012.

## 3. Information About Impairment Loss on Fixed Assets and Goodwill by Reportable Segments

(Significant Changes in Goodwill)

In the fire protection services segment, goodwill increased due to the acquisition of Nittan Co., Ltd. in the six-month period ended September 30, 2012.

The amount of goodwill increased by 1,391 million yen in the six-month period ended September 30, 2012.

## II. Six-month Period Ended September 30, 2013

### 1. Information About Amounts of Revenue and Profit or Loss by Reportable Segments

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services
Revenue:					
Customers	228,110	49,500	27,883	17,178	23,749
Intersegment	6,654	2,323	77	1,536	36
Subtotal	234,765	51,823	27,960	18,714	23,786
Segment profit	53,034	2,116	2,244	52	1,070

	Reportable segments		Real estate and other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	Information and communication related services	Subtotal				
Revenue:						
Customers	23,252	369,674	22,644	392,319	-	392,319
Intersegment	2,735	13,364	945	14,309	(14,309)	-
Subtotal	25,987	383,038	23,590	406,629	(14,309)	392,319
Segment profit	2,764	61,283	2,815	64,098	(7,298)	56,799

Note 1: Real estate and other services is an operating segment not designated as a reportable segment, and comprises real estate development and sales, real estate leasing, hotel businesses, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 614 million yen and corporate expenses not allocated to each reportable segment of 6,684 million yen. Major components of corporate expenses are expenses regarding planning, personnel and

administrative departments of the Company's headquarter, etc.

Note 3: Segment profit/loss is adjusted to operating profit in the consolidated statements of income.

## **2. Information About Changes in Reportable Segments**

Until the previous fiscal year, security services, fire protection services, medical services, insurance services, geographic information services, and real estate development and sales had been designated as our reportable segments, and information and communication related and other services had been an operating segment not designated as reportable segments. We have been positioning information and communication related services as one of our core business, and now we recognize the significance of information and communication related services is increasing, resulting from the acquisition of At Tokyo Corporation, a subsidiary newly consolidated from the end of October 2012. Therefore, from the three-month period ended June 30, 2013, information and communication related services, formerly included in information and communication related and other services segments, is separately reported as a reportable segment to disclose business activities more adequately and improve the effectiveness of segment information.

Real estate development and sales segment had been reported as a reportable segment, due to the fact that the absolute value of operating losses of real estate development and sales business incurred in the fiscal year ended March 31, 2009 exceeded 10% of the total amount of operating profits from segments incurring operating profits. Since the significance to disclose real estate development and sales segment as a reportable segment has decreased, its name was changed to real estate and other services segment, which is an operating segment not designated as reportable segments.

From the three-month period ended June 30, 2013, our reportable segments include security services, fire protection services, medical services, insurance services, geographic information services, and information and communication related services.

Segment information in six-month period ended September 30, 2012, was reclassified to conform to this change.

## **(6) Significant Subsequent Events**

Not applicable.