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QUARTERLY FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2014

(Based on JAPANESE GAAP) (Consolidated)

November 10, 2014

Company name: SECOM CO., LTD. (URL: <http://www.secom.co.jp/>)
 Code number: 9735 Tokyo Stock Exchange ----- First Section
 Representative: Hiroshi Ito, President and Representative Director
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 Scheduled date of filing Quarterly Securities Report: November 14, 2014
 Scheduled date of dividend payout: December 8, 2014
 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, 2014 (April 1, 2014–September 30, 2014)

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

	Six-month Period Ended September 30	
	2013	2014
Revenue	392,319 8.3%	393,380 0.3%
Operating profit	56,799 12.8%	59,611 4.9%
Ordinary profit	62,403 16.3%	70,251 12.6%
Net income	35,445 11.8%	41,181 16.2%
Basic net income per share (in yen)	162.39	188.68
Diluted net income per share (in yen)	-	-

Note 1: Comprehensive income:

Six-month period ended September 30, 2014: JPY 48,679 million ((3.8%))

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

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, 2014	September 30, 2014
Total assets	1,328,226	1,319,445
Net assets	830,369	850,709
Equity ratio	55.0%	56.7%
Net assets per share (in yen)	3,345.06	3,424.85

Note 1: Equity as of:

September 30, 2014 : JPY 747,527 million

March 31, 2014 : JPY 730,115 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		
	2014	2015	2015 (projected)
1 st quarter dividends per share (in yen)	–	–	
2 nd quarter dividends per share (in yen)	–	60.00	
3 rd quarter dividends per share (in yen)	–		–
Year-end dividends per share (in yen)	115.00		65.00
Annual dividends per share (in yen)	115.00		125.00

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, 2015 (April 1, 2014 – March 31, 2015)

(In millions of yen)

	Year ending March 31, 2015
Projected revenue	851,500 3.6%
Projected operating profit	122,700 2.2%
Projected ordinary profit	126,800 0.1%
Projected net income	77,600 11.1%
Projected basic net income per share (in yen)	355.53

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, 2015 is calculated based on the number of average common shares outstanding over the six-month period ended September 30, 2014, assuming that it remains the same until March 31, 2015.

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, 2014 (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: Applicable
 - Other changes in accounting policies: Applicable

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, 2014 : 233,288,717 shares

March 31, 2014 : 233,288,717 shares

Number of shares of treasury stock, as of:

September 30, 2014 : 15,023,274 shares

March 31, 2014 : 15,022,012 shares

Number of average common shares outstanding over:

The six-month period ended September 30, 2014: 218,266,016 shares

The six-month period ended September 30, 2013: 218,269,022 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, 2014 (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, 2014

(1) Qualitative Information Regarding Consolidated Financial Results

During the six-month period ended September 30, 2014, despite of the improved employment environment, Japanese economy has slightly been at a standstill mainly due to slow recovery in consumer spending attributed to remaining backlash of last-minute demand prior to the consumption tax rising and impacts affected by unseasonable weather. In regard to the outlook in Japanese economy, gradual improvement is expected as a consequence of various policies, although there are still some downward risks ascribed to the uncertainty of overseas economy.

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. Furthermore, preparing for future Japanese society, we promote the effort to develop innovative services through ALL SECOM concept, in terms of key themes: super-aged society and disaster preparedness/business continuity planning (BCP)/environmental preservation, based on a foundation of our security services.

From the end of fiscal year ended March 31, 2014, construction and installation services, previously included in security services segment, was reclassified to real estate and other services segment (refer to page 12 to 14). Revenue, profit or loss for each reportable segment of the six-month period ended September 30, 2013, were reclassified to conform to this change.

Consolidated revenue for the six-month period ended September 30, 2014 increased by 0.3% to 393.3 billion yen. Consolidated operating profit increased by 4.9% to 59.6 billion yen. Consolidated ordinary profit increased by 12.6% to 70.2 billion yen, mainly due to contribution by 8.2 billion yen of net gains on private equity investment in the U.S., improving from 3.5 billion yen in the previous corresponding period. Consolidated net income increased by 16.2% to 41.1 billion yen. For the six-month period ended September 30, 2014, consolidated revenue, consolidated operating profit, consolidated ordinary profit and consolidated net income have reached a record-high, respectively.

Segment information is as follows.

In the security services segment, revenue increased by 3.0% to 229.6 billion yen and operating profit went up by 3.6% to 54.6 billion yen, mainly due to brisk sales of on-line security systems for commercial and residential use and the increase in revenue from large-scale security systems.

In the fire protection services segment, revenue decreased by 0.4% to 49.3 billion yen. Operating profit was up by 68.1% to 3.5 billion yen, mainly owing to decrease in cost of revenue and selling, general and administrative expenses ascribed to the improvement of business efficiency. Revenue tends to increase

toward the end of the fiscal year, due to the fact that this segment is greatly affected by the construction industry.

In the medical services segment, revenue increased by 1.6% to 28.3 billion yen, mainly owing to the increase in sales of pharmaceutical products. Operating profit increased by 4.0% to 2.3 billion yen.

In the insurance services segment, revenue increased by 4.5% to 17.9 billion yen, mainly due to the firm increase in sales of MEDCOM, an unrestricted cancer treatment policy, and fire insurance policy provided by Secom General Insurance Co., Ltd. Operating profit amounted to 1.3 billion yen, increased from an operating profit of 50 million yen in the previous corresponding period, mainly owing to the decrease in losses incurred from damage of natural disasters, etc.

In the geographic information services segment, revenue decreased by 0.8% to 23.5 billion yen, reflecting the decrease in revenue in international division, despite the increase in revenue in domestic division. Operating profit decreased by 61.2% to 0.4 billion yen, mainly due to the increase in cost ratio. Income tends to concentrate toward the end of the fiscal year, due to the fact that deliveries of public-sector contracts, which is the primary market for this segment, are mainly made at the end of March.

In the information and communication related services segment, revenue increased by 2.5% to 23.8 billion yen. Operating profit decreased by 8.4% to 2.5 billion yen, chiefly owing to increase in operation costs relating to data center facilities.

In the real estate and other services segment, revenue decreased by 25.2% to 20.7 billion yen, chiefly due to the decrease in revenue in real estate development and sales business ascribed to the release of large-scale condominiums in the previous corresponding period. Operating profit went down by 36.6% to 1.9 billion yen.

(2) Qualitative Information Regarding Consolidated Financial Position

(i) Consolidated Balance Sheets

Total assets as of September 30, 2014 amounted to 1,319.4 billion yen, 0.7% or 8.7 billion yen lower than that at the end of the previous fiscal year. Total current assets, at 556.3 billion yen, were down 0.4% or 2.1 billion yen. This was largely attributable to increases in short-term investments by 138.4% or 17.9 billion yen to 30.8 billion yen, and cash on hand and in bank by 5.6% or 11.7 billion yen to 222.2 billion yen, despite the decreases in notes and accounts receivable, trade by 27.6% or 31.8 billion yen to 83.4 billion yen. Total fixed assets, at 763.0 billion yen, were down 0.9% or 6.5 billion yen. This was mainly attributable to decreases in deferred income taxes by 50.3% or 6.8 billion yen to 6.7 billion yen, and tangible assets by 1.5% or 5.5 billion yen to 355.2 billion yen, despite the increase in net defined benefit asset by 32.1% or 5.6 billion yen to 23.2 billion yen.

Total liabilities amounted to 468.7 billion yen, 5.8% or 29.1 billion yen lower than that at the end of the previous fiscal year. Total current liabilities amounted to 220.6 billion yen, down 14.0% or 36.0 billion yen, owing to decreases in accrued income taxes by 25.0% or 6.9 billion yen to 20.8 billion yen, notes and accounts payable, trade by 25.8% or 12.7 billion yen to 36.6 billion yen, and bank loans by 33.6% or 17.4 billion yen to 34.6 billion yen. Long-term liabilities increased by 2.9% or 6.9 billion yen to 248.0 billion yen,

compared to that at the end of the previous fiscal year. This was mainly attributable to the increases in long-term loans by 29.9% or 5.1 billion yen to 22.4 billion yen, and investment deposits by policyholders, unearned premiums and other insurance liabilities by 2.0% or 2.8 billion yen to 143.9 billion yen, despite the decreases in guarantee deposits received by 1.8% or 0.6 billion yen to 35.8 billion yen, and straight bonds by 8.0% or 0.6 billion yen to 7.1 billion yen.

Total net assets amounted to 850.7 billion yen, 2.4% or 20.3 billion yen higher than that at the end of the previous fiscal year, mainly due to the increase in retained earnings by 2.6% or 17.2 billion yen, and unrealized gains on securities by 40.2% or 5.0 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, 2014 amounted to 75.4 billion yen; 70.3 billion yen in the previous corresponding period. The major factors of cash increase were income before income taxes of 69.8 billion yen, decrease in notes and accounts receivable, trade, and due from subscribers of 31.7 billion yen, and depreciation and amortization of 22.5 billion yen. The major factors of cash decrease were income taxes paid of 27.5 billion yen, decrease in accounts payable of 17.0 billion yen, and increase in inventories of 11.4 billion yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 24.9 billion yen; 57.0 billion yen in the previous corresponding period. The major factors of cash decrease were payments for purchases of investment securities of 21.3 billion yen, and payments for purchase of tangible assets, including security equipment and control stations, of 20.5 billion yen. The major factor of cash increase was proceeds from sales and redemptions of investment securities of 17.5 billion yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 40.3 billion yen; 29.4 billion yen in the previous corresponding period. The major factors of cash decrease were dividends paid of 25.1 billion yen and decrease in bank loans, net of 16.8 billion yen.

As a result, cash and cash equivalents at the end of the six-month period ended September 30, 2014 was 234.2 billion yen, 9.8 billion yen higher 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, 2014, mainly due to the robust performance in the security services segment and the fire protection segment, for the six-month period ended September 30, 2014, consolidated revenue, consolidated operating profit, consolidated ordinary profit and consolidated net income have reached a record-high, respectively.

Since the market situation remains uncertain, projections for the consolidated financial results for the fiscal year ending March 31, 2015 have not been changed from those disclosed on May 8, 2014.

(Notes for financial projections)

Projections for the consolidated financial results for the fiscal year ending March 31, 2015, are based on management's assumptions in light of information currently available. As actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred, you should refrain from making an investment decision by solely relying on these projections. Such factors include, but are not limited to, changes in economic conditions affecting our group's operations, market trends, legislative changes, occurrences of natural disasters and the results of contingency.

2. Items Regarding the Summary Information (Other)

(1) Significant Changes in Subsidiaries in the Six-month Period Ended September 30, 2014

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

Change in Accounting Policies

[Application of the Accounting Standard for Business Combinations, etc.]

The "Accounting Standard for Business Combinations" (ASBJ Statement No.21, September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Combinations"), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, September 13, 2013, hereinafter referred to as the "Accounting Standard for Consolidated Financial Statements"), and "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Divestitures") could be applied from the fiscal year beginning after April 1, 2014. Accordingly, we applied these accounting standards (excluding the section 39 of the Accounting Standard for Consolidated Financial Statements) from the three-month period ended June 30, 2014. Under these accounting standards, we recorded the differences caused by changes in our equity shares in subsidiaries in which we continue to control as capital surplus. In addition, we recorded acquisition-related costs as expenses in the three-month period in which the costs were incurred. Regarding business combinations that occur from the beginning of the three-month period ended June 30, 2014, acquisition costs based on provisional estimates shall be reflected in the quarterly consolidated financial statements for the quarter of the fiscal year in which the date of the business combination falls.

In accordance with transitional treatment based on the section 58-2(3) of the Accounting Standard for Business Combinations, the section 44-5(3) of the Accounting Standard for Consolidated Financial Statements, and the section 57-4(3) of the Accounting Standard for Business Divestitures, which stipulates transitional treatment of the new standards, at the beginning of the six-month period ended September 30, 2014, the cumulative effects of retrospective application of these standards to all past fiscal years were adjusted to the capital surplus and the retained earnings.

As a result, at the beginning of the six-month period ended September 30, 2014, goodwill decreased by 4,100 million yen, capital surplus decreased by 2,762 million yen, and retained earnings decreased by 1,336 million

yen. During the six-month period ended September 30, 2014, consolidated operating profit increased by 329 million yen, consolidated ordinary profit increased by 263 million yen and consolidated income before income taxes increased by 260 million yen, respectively.

[Application of the Accounting Standard for Retirement Benefits, etc.]

From the three-month period ended June 30, 2014, the section 35 of “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26, May 17, 2012, hereinafter referred to as the “Accounting Standard for Retirement Benefits”) and the section 67 of “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012, hereinafter referred to as the “Guidance on Retirement Benefits”) have been applied. Accordingly, we reviewed the calculation method of retirement benefit liabilities and service costs and changed the method of attribution period for estimated amount of retirement benefits from the straight-line basis to the benefit formula basis, and changed the method of determining the discount rate, regarding the bond interest rate which is the basis of determining discount rate, from a method using the discount rate based on the average remaining service period of employees to a method using the weighted average discount rate which reflects the estimate number of years of benefit payment and its amount in each year.

In accordance with the section 37 in the Accounting Standard for Retirement Benefits, which stipulates transitional treatment of the new standard, at the beginning of the six-month period ended September 30, 2014, the effect of changes in calculation method for the retirement benefit liabilities and service costs were adjusted to the retained earnings.

As a result, at the beginning of the six-month period ended September 30, 2014, net defined benefit asset increased by 4,456 million yen, net defined benefit liability increased by 750 million yen, and retained earnings increased by 2,542 million yen. During the six-month period ended September 30, 2014, consolidated operating profit, consolidated ordinary profit, and consolidated income before income taxes decreased by 118 million yen, respectively.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2014	September 30, 2014
ASSETS:		
Current assets:	558,574	556,376
Cash on hand and in banks	210,514	222,241
Cash deposits for armored car services	58,597	49,755
Call loans	20,500	15,500
Notes and accounts receivable, trade	115,318	83,466
Due from subscribers	25,174	25,183
Short-term investments	12,955	30,890
Lease receivables and investment in leased assets	33,188	35,973
Merchandises and products	14,186	14,936
Real estate inventories	33	33
Work in process	4,602	3,837
Costs on uncompleted construction contracts	8,983	11,811
Work in process for real estate inventories	15,396	22,863
Raw materials and supplies	7,573	7,594
Deferred income taxes	13,254	13,250
Short-term loans receivable	2,699	2,735
Other	17,623	18,135
Allowance for doubtful accounts	(2,026)	(1,834)
Fixed assets:	769,633	763,058
Tangible assets:	360,833	355,292
Buildings and improvements	153,278	148,699
Security equipment and control stations	68,759	70,099
Land	113,946	112,293
Other	24,849	24,200
Intangible assets	53,596	48,566
Investments and others:	355,203	359,198
Investment securities	246,233	251,067
Long-term loans receivable	45,701	43,973
Net defined benefit asset	17,612	23,262
Deferred income taxes	13,521	6,716
Other	48,486	51,251
Allowance for doubtful accounts	(16,352)	(17,073)
Deferred assets	17	11
Total assets	1,328,226	1,319,445

(1) Consolidated Balance Sheets (Continued)

(In millions of yen)

	March 31, 2014	September 30, 2014
LIABILITIES:		
Current liabilities:	256,684	220,662
Notes and accounts payable, trade	49,409	36,648
Bank loans	52,120	34,621
Current portion of straight bonds	4,640	4,562
Lease obligations	579	525
Payables - other	31,316	26,483
Accrued income taxes	27,744	20,805
Accrued consumption taxes	4,151	7,700
Accrued expenses	4,625	4,209
Deferred revenue	31,027	32,460
Accrued bonuses	14,437	14,290
Provision for loss on construction contracts	1,981	1,576
Other	34,649	36,778
Long-term liabilities:	241,171	248,073
Straight bonds	7,796	7,168
Long-term loans	17,256	22,424
Lease obligations	4,183	3,843
Guarantee deposits received	36,542	35,874
Deferred income taxes	11,169	11,500
Accrued retirement benefits for directors and corporate auditors	1,635	1,377
Net defined benefit liability	18,569	19,271
Investment deposits by policyholders, unearned premiums and other insurance liabilities	141,099	143,912
Other	2,918	2,700
Total liabilities	497,856	468,736
NET ASSETS:		
Shareholders' equity:	732,036	746,549
Common stock	66,377	66,377
Capital surplus	83,054	80,288
Retained earnings	656,286	673,573
Common stock in treasury, at cost	(73,682)	(73,690)
Accumulated other comprehensive income:	(1,921)	977
Unrealized gains (losses) on securities	12,504	17,527
Deferred gains (losses) on hedges	(33)	(36)
Foreign currency translation adjustments	(10,885)	(13,503)
Remeasurements of defined benefit plans, net of taxes	(3,506)	(3,008)
Minority interests in subsidiaries	100,253	103,182
Total net assets	830,369	850,709
Total liabilities and net assets	1,328,226	1,319,445

(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, 2013	Six-month period ended September 30, 2014
Revenue	392,319	393,380
Costs of revenue	258,236	256,405
Gross profit	134,083	136,975
Selling, general and administrative expenses	77,283	77,363
Operating profit	56,799	59,611
Non-operating income	7,815	12,393
Non-operating expenses	2,211	1,753
Ordinary profit	62,403	70,251
Extraordinary profit	172	1,843
Extraordinary losses	127	2,241
Income before income taxes	62,448	69,852
Income taxes - current	22,929	20,899
Income taxes - deferred	7	3,136
Total income taxes	22,937	24,036
Net income before minority interests in subsidiaries	39,510	45,816
Minority interests in subsidiaries	4,064	4,634
Net income	35,445	41,181

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Six-month period ended September 30, 2013	Six-month period ended September 30, 2014
Net income before minority interests in subsidiaries	39,510	45,816
Other comprehensive income:	11,102	2,863
Unrealized gains (losses) on securities	1,490	5,193
Foreign currency translation adjustments	7,333	(2,549)
Remeasurements of defined benefit plans, net of taxes	-	410
Share of other comprehensive income of affiliated companies accounted for under the equity method	2,278	(191)
Comprehensive income	50,612	48,679
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent company	45,482	44,080
Comprehensive income attributable to minority interests	5,129	4,598

(3) Consolidated Statements of Cash Flows

(In millions of yen)

	Six-month period ended September 30, 2013	Six-month period ended September 30, 2014
Cash flows from operating activities:		
Income before income taxes	62,448	69,852
Depreciation and amortization	21,627	22,580
Amortization of goodwill	1,190	755
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(2,089)	(2,233)
Increase (decrease) in allowance for doubtful accounts	(221)	(224)
Increase/decrease in accrued/prepaid pension and severance costs	(435)	-
Increase/decrease in net defined benefit liability and asset	-	(543)
Interest and dividend income	(1,473)	(1,747)
Interest expenses	502	481
Exchange (gains) losses	(242)	(197)
Net (gains) losses on sales and disposal of tangible assets	549	(1,105)
Impairment losses on fixed assets	53	1,397
Net (gains) losses on sales of investment securities	(219)	(61)
Net (gains) losses on revaluation of investment securities	2	18
Write-down on real estate inventories	620	64
Net (gains) losses on private equity investment	(3,506)	(8,270)
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	28,113	31,719
(Increase) decrease in inventories	6,774	(11,468)
Increase (decrease) in accounts payable	(17,682)	(17,073)
Increase (decrease) in deferred revenue	853	1,500
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	3,935	2,813
Increase/decrease in cash deposits/deposits received for armored car services	(3,616)	8,997
Other	(1,610)	2,981
Subtotal	95,572	100,235
Interest and dividend received	4,204	3,282
Interest paid	(525)	(483)
Income taxes paid	(28,915)	(27,568)
Net cash provided by (used in) operating activities	70,335	75,466
Cash flows from investing activities:		
(Increase) decrease in time deposits, net	(1,528)	280
(Increase) decrease in short-term investments, net	525	(955)
Payments for purchases of tangible assets	(24,437)	(20,574)
Proceeds from sales of tangible assets	880	2,357
Payments for purchases of intangible assets	(2,382)	(2,858)
Payments for purchases of investment securities	(47,057)	(21,369)
Proceeds from sales and redemptions of investment securities	16,560	17,512
Payments for acquisitions of affiliates	(2,222)	-
(Increase) decrease in short-term loans receivable, net	26	54
Payments for long-term loans receivable	(3,317)	(1,834)
Proceeds from long-term loans receivable	3,144	3,302
Acquisitions of subsidiaries accompanied with changes in scope of consolidation	(49)	-
Other	2,798	(904)
Net cash provided by (used in) investing activities	(57,060)	(24,990)
Cash flows from financing activities:		
Increase (decrease) in bank loans, net	(1,194)	(16,824)
Proceeds from long-term loans	2,338	7,000
Repayments of long-term loans	(5,425)	(2,487)
Proceeds from issuance of straight bonds	3,474	-
Payments for redemption of straight bonds	(3,940)	(705)
Proceeds from stock issuance to minority shareholders	10	4
Dividends paid	(22,918)	(25,100)
Dividends paid for minority shareholders	(1,468)	(1,537)
(Increase) decrease in treasury stocks, net	(7)	(7)
Acquisitions of subsidiaries accompanied without changes in scope of consolidation	-	(369)
Other	(321)	(306)
Net cash provided by (used in) financing activities	(29,451)	(40,334)
Effect of exchange rate changes on cash and cash equivalents	1,139	(299)
Net increase (decrease) in cash and cash equivalents	(15,036)	9,841
Cash and cash equivalents at beginning of the period	216,580	224,443
Cash and cash equivalents at end of the period	201,543	234,284

(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.

[Segment Information]

I. 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	222,946	49,500	27,883	17,178	23,749
Intersegment	6,649	2,323	77	1,536	36
Subtotal	229,596	51,823	27,960	18,714	23,786
Segment profit	52,748	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	364,510	27,808	392,319	-	392,319
Intersegment	2,735	13,359	1,080	14,439	(14,439)	-
Subtotal	25,987	377,869	28,889	406,759	(14,439)	392,319
Segment profit	2,764	60,997	3,100	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, construction and installation services, 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.

II. Six-month Period Ended September 30, 2014

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	229,602	49,310	28,331	17,947	23,565
Intersegment	6,590	2,592	71	1,509	114
Subtotal	236,193	51,903	28,403	19,456	23,679
Segment profit	54,635	3,557	2,333	1,390	415

	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	23,824	372,582	20,798	393,380	-	393,380
Intersegment	2,722	13,600	1,117	14,718	(14,718)	-
Subtotal	26,547	386,183	21,916	408,099	(14,718)	393,380
Segment profit	2,530	64,863	1,966	66,829	(7,218)	59,611

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, construction and installation services, hotel businesses, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 277 million yen and corporate expenses not allocated to each reportable segment of 6,941 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

We recognize the significance of construction and installation services is increasing, resulting from the acquisition of Toko Create Co., Ltd., a subsidiary newly consolidated at the end of March 2014. Therefore, from the end of previous fiscal year, construction and installation services, formerly included in security services segment, was reclassified to real estate and other services segment, which is an operating segment not designated as reportable segments to disclose business activities more adequately and improve the effectiveness of segment information.

Segment information in six-month period ended September 30, 2013, was reclassified to conform to this change.

[Application of the Accounting Standard for Business Combinations, etc.]

As described in “Changes in Accounting Policies, Accounting Estimates and/or Restatements” on page 5 in the appendices, from the three-month period ended June 30, 2014, we recorded the differences caused by changes in our equity shares in subsidiaries in which we continues to control as capital surplus. In addition, we recorded acquisition-related costs as expenses in the fiscal periods in which the costs were incurred.

Due to these changes, during the six-month period ended September 30, 2014, segment profit in the security services segment increased by 291 million yen, segment profit in the fire protection services segment increased by 3 million yen, segment profit in the insurance services segment increased by 23 million yen, segment profit in the geographic information services segment increased by 5 million yen, and segment profit in the information and communication related services segment increased by 7 million yen.

[Application of the Accounting Standard for Retirement Benefits, etc.]

As described in “Changes in Accounting Policies, Accounting Estimates and/or Restatements” on page 6 in the appendices, from the three-month period ended June 30, 2014, we changed the calculation method of retirement benefit liabilities and service costs.

Due to these changes, during the six-month period ended September 30, 2014, segment profit in the security services segment decreased by 73 million yen, segment profit in the fire protection services segment decreased by 21 million yen, segment profit in the insurance services segment decreased by 4 million yen, segment profit in the geographic information services segment decreased by 13 million yen, segment profit in the information and communication related services segment decreased by 3 million yen, and segment profit in the real estate and other services segment decreased by 1 million yen.

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

(Significant Changes in Goodwill)

Goodwill decreased due to the application of the Accounting Standard for Business Combinations (ASBJ Statement No.21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, September 13, 2013), and Accounting Standard for Business Divestitures (ASBJ Statement No.7, September 13, 2013) from the three-month period ended June 30, 2014.

The amount of goodwill decreased by 3,675 million yen in the security services segment, 10 million yen in the fire protection services segment, 219 million yen in the insurance services segment, 1 million yen in the geographic information services segment, and 192 million yen in the information and communication related services segment for the six-month period ended September 30, 2014.

(5) Significant Subsequent Events

Not applicable.