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## QUARTERLY FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2015

(Based on JAPANESE GAAP) (Consolidated)

November 9, 2015

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  
 For inquiries: Junzo Nakayama, Executive Director Phone (03) 5775-8100  
 Scheduled date of filing Quarterly Securities Report: November 13, 2015  
 Scheduled date of dividend payout: December 7, 2015  
 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, 2015 (April 1, 2015–September 30, 2015)

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

	Six-month Period Ended September 30	
	2014	2015
Revenue	393,380 0.3%	408,890 3.9%
Operating profit	59,611 4.9%	60,206 1.0%
Ordinary profit	70,251 12.6%	63,062 (10.2%)
Net income attributable to owners of the parent	41,181 16.2%	40,045 (2.8%)
Basic net income per share (in yen)	188.68	183.47
Diluted net income per share (in yen)	—	—

Note 1: Comprehensive income:

Six-month period ended September 30, 2015: JPY 43,351 million [(10.9%)]

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

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, 2015	September 30, 2015
Total assets	1,410,715	1,415,638
Net assets	907,341	934,902
Equity ratio	56.7%	58.4%
Net assets per share (in yen)	3,667.33	3,785.08

Note 1: Equity as of:

September 30, 2015 : JPY 826,141 million

March 31, 2015 : JPY 800,445 million

Note 2: Equity is calculated by deducting noncontrolling 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		
	2015	2016	2016 (projected)
1 <sup>st</sup> quarter dividends per share (in yen)	–	–	
2 <sup>nd</sup> quarter dividends per share (in yen)	60.00	65.00	
3 <sup>rd</sup> quarter dividends per share (in yen)	–		–
Year-end dividends per share (in yen)	65.00		70.00
Annual dividends per share (in yen)	125.00		135.00

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, 2016 (April 1, 2015 – March 31, 2016)

(In millions of yen)

	Year ending March 31, 2016
Projected revenue	866,000 3.0%
Projected operating profit	126,100 2.0%
Projected ordinary profit	131,100 (4.1%)
Projected net income attributable to owners of the parent	80,200 6.4%
Projected basic net income per share (in yen)	367.45

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, 2016 is calculated based on the number of average common shares outstanding over the six-month period ended September 30, 2015, assuming that it remains the same until March 31, 2016.

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, 2015 (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:
  - ① Changes in accounting policies associated with amendment of accounting standards: None
  - ② Other changes in accounting policies: None

- ③ Changes in accounting estimates: None
- ④ Restatements: None
- 4. Number of common shares outstanding :
  - ① Number of common shares outstanding, including treasury stock, as of:

September 30, 2015 :	233,288,717 shares
March 31, 2015 :	233,288,717 shares
  - ② Number of shares of treasury stock, as of:

September 30, 2015 :	15,025,922 shares
March 31, 2015 :	15,024,812 shares
  - ③ Number of average common shares outstanding over:

The six-month period ended September 30, 2015:	218,263,294 shares
The six-month period ended September 30, 2014:	218,266,016 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, 2015 (3) Qualitative Information Regarding Consolidated Financial Projections” on page 4 in the appendices.

**Contents for the Appendices**

- 1. Qualitative Information Regarding the Six-month Period Ended September 30, 2015 .....- 2 -
  - (1) Qualitative Information Regarding Consolidated Financial Results .....- 2 -
  - (2) Qualitative Information Regarding Consolidated Financial Position .....- 3 -
  - (3) Qualitative Information Regarding Consolidated Financial Projections .....- 4 -
- 2. Items Regarding the Summary Information (Other) .....- 5 -
  - (1) Significant Changes in Subsidiaries in the Six-month Period Ended September 30, 2015 .....- 5 -
  - (2) Adoption of Unique Accounting Treatment for Preparation of Consolidated Quarterly Financial Statements  
.....- 5 -
  - (3) Changes in Accounting Policies, Accounting Estimates and/or Restatements .....- 5 -
  - (4) Additional Information .....- 5 -
- 3. Consolidated Quarterly Financial Statements .....- 6 -
  - (1) Consolidated Balance Sheets .....- 6 -
  - (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....- 8 -
  - (3) Consolidated Statements of Cash Flows.....- 10 -
  - (4) Notes Regarding the Consolidated Quarterly Financial Statement .....- 11 -
  - (5) Segment Information, etc. ....- 11 -
  - (6) Significant Subsequent Events .....- 13 -

## **1. Qualitative Information Regarding the Six-month Period Ended September 30, 2015**

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

During the six-month period ended September 30, 2015, despite of the favorable tendency in corporate earnings and employment environment, Japanese economy has slightly been at a standstill mainly due to weaker exports reflecting a deceleration in emerging economies including China and slow recovery in consumer spending.

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 as well as comfort and convenient, 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.

Consolidated revenue for the six-month period ended September 30, 2015 increased by 3.9% to 408.8 billion yen. Consolidated operating profit increased by 1.0% to 60.2 billion yen. Consolidated ordinary profit decreased by 10.2% or 7.1 billion yen to 63.0 billion yen, mainly due to the decrease in net gains/ (loss) on private equity investment in the U.S. in the previous period (15/9:  $\Delta$ 0.1 billion yen, 14/9: 8.2 billion yen). Consolidated net income attributable to owners of the parent decreased by 2.8% or 1.1 billion yen to 40.0 billion yen. For the six-month period ended September 30, 2015, consolidated revenue and consolidated operating profit have reached a record-high, respectively.

Segment information is as follows.

In the security services segment, revenue increased by 2.2% to 234.7 billion yen and operating profit went up by 2.9% to 56.2 billion yen, mainly due to brisk sales of on-line security systems for commercial and residential use and security merchandise including security camera systems.

In the fire protection services segment, revenue increased by 15.8% to 57.1 billion yen, mainly due to the active marketing efforts and the contribution of large-scale projects. Operating profit was up by 28.1% to 4.5 billion yen. 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 7.7% to 30.5 billion yen, mainly due to firm increase in sales of pharmaceutical products and medical equipment. Operating profit increased by 18.2% to 2.7 billion yen, chiefly owing to the improvement of cost ratio.

In the insurance services segment, revenue increased by 8.2% to 19.4 billion yen, mainly due to the firm increase in sales of fire insurance policy and MEDCOM, an unrestricted cancer treatment policy, provided by Secom General Insurance Co., Ltd. Operating profit decreased by 69.0% to 0.4 billion yen, mainly owing to the increase in losses incurred from damage of typhoons.

In the geographic information services segment, revenue decreased by 3.0% to 22.8 billion yen, chiefly owing to the decrease in revenue in public division as a result of the decrease in the order backlog at the end of previous fiscal year and delay in receiving fixed orders in this fiscal year. Operating loss amounted to 0.6 billion yen, decreased from an operating profit of 0.4 billion yen in the previous corresponding period, mainly due to the increases in cost ratio and selling, general and administrative expenses. Revenue 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 decreased by 2.2% to 23.3 billion yen. Operating profit increased by 1.8% to 2.5 billion yen, chiefly owing to the decrease in selling, general and administrative expenses.

In the real estate and other services segment, revenue increased by 0.6% to 20.9 billion yen, mainly due to the increase in revenue in the real estate development and sales business. Operating profit went up by 12.0% to 2.2 billion yen, chiefly owing to the decrease in selling, general and administrative expenses.

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

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

Total assets as of September 30, 2015 amounted to 1,415.6 billion yen, 0.3% or 4.9 billion yen higher than that at the end of the previous fiscal year. Total current assets, at 612.6 billion yen, were up 2.1% or 12.5 billion yen. This was largely attributable to increase in cash on hand and in banks by 8.3% or 19.2 billion yen to 251.5 billion yen, call loans by 90.3% or 14.0 billion yen to 29.5 billion yen and work in process for real estate inventories by 22.9% or 4.8 billion yen to 25.8 billion yen, despite the decrease in notes and accounts receivable, trade by 23.2% or 26.5 billion yen to 87.5 billion yen. Total fixed assets, at 802.9 billion yen, were down 0.9% or 7.6 billion yen. This was mainly attributable to increase in tangible assets by 0.7% or 2.4 billion yen to 364.6 billion yen, despite the decrease in investment securities by 4.9% or 13.9 billion yen to 270.3 billion yen.

Total liabilities amounted to 480.7 billion yen, 4.5% or 22.6 billion yen lower than that at the end of the previous fiscal year. Total current liabilities amounted to 219.3 billion yen, down 11.5% or 28.4 billion yen, owing to decreases in bank loans by 19.0% or 8.5 billion yen to 36.4 billion yen, accrued consumption taxes by 64.6% or 8.3 billion yen to 4.5 billion yen, payables - other by 15.8% or 5.3 billion yen to 28.4 billion yen and notes and accounts payable, trade by 11.4% or 4.9 billion yen to 38.2 billion yen. Long-term liabilities increased by 2.3% or 5.8 billion yen to 261.4 billion yen, compared to that at the end of the previous fiscal year. This was mainly attributable to the increase in investment deposits by policyholders, unearned premiums and other insurance liabilities by 5.0% or 7.5 billion yen to 157.6 billion yen, despite the decreases in long-term loans by 3.8% or 0.7 billion yen to 19.8 billion yen and straight bonds by 9.1% or 0.7 billion yen to 7.6 billion yen.

Total net assets amounted to 934.9 billion yen, 3.0% or 27.5 billion yen higher than that at the end of the previous fiscal year, mainly due to the increase in retained earnings by 3.7% or 25.8 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, 2015 amounted to 79.2 billion yen; 75.4 billion yen in the previous corresponding period. The major factors of cash increase were income before income taxes of 63.6 billion yen, decrease in notes and accounts receivable, trade, and due from subscribers of 28.2 billion yen, and depreciation and amortization of 22.9 billion yen. The major factors of cash decrease were income taxes paid of 21.1 billion yen, and decrease in accounts payable of 11.2 billion yen.

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

Net cash used in investing activities amounted to 19.4 billion yen; 24.9 billion yen in the previous corresponding period. The major factors of cash decrease were payments for purchases of tangible assets, including security equipment and control stations, of 24.5 billion yen, payments for purchases of investment securities of 15.9 billion yen, payments for purchases of intangible assets of 3.5 billion yen, and acquisitions of subsidiaries accompanied with changes in scope of consolidation of 3.3 billion yen. The major factor of cash increase was proceeds from sales and redemptions of investment securities of 30.0 billion yen.

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

Net cash used in financing activities amounted to 26.2 billion yen; 40.3 billion yen in the previous corresponding period. The major factors of cash decrease were dividends paid of 14.1 billion yen and decrease in bank loans, net of 8.6 billion yen.

As a result, cash and cash equivalents at the end of the six-month period ended September 30, 2015 was 275.3 billion yen, 33.6 billion yen higher than the end of the previous fiscal year.

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

The financial results for the six-month period ended September 30, 2015 were generally within our projections. Accordingly, projections for the consolidated financial results for the fiscal year ending March 31, 2016 have not been changed from those disclosed on May 11, 2015.

As disclosed in “Notification concerning the Acquisition of Asahi Security Co., Ltd. Shares” on October 30, 2015, Asahi Security Co., Ltd. will become our consolidated subsidiary. Detailed effects of this acquisition on projections for the consolidated financial results are under scrutiny.

### **(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, recalls of products sold 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, 2015**

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.

### **(4) Additional Information**

The Company adopted the provision in the section 39 of the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), and changed the presentation of net income, etc. as well as the presentation of minority interests to noncontrolling interests. To reflect these changes in the presentations, the quarterly consolidated financial statements for the six-month period ended September 30 of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been reclassified.



### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2015	September 30, 2015
<b>ASSETS:</b>		
<b>Current assets:</b>	<b>600,146</b>	<b>612,696</b>
Cash on hand and in banks	232,221	251,515
Cash deposits for armored car services	50,395	47,903
Call loans	15,500	29,500
Notes and accounts receivable, trade	114,071	87,561
Due from subscribers	26,316	25,498
Short-term investments	28,517	31,414
Lease receivables and investment in leased assets	39,242	37,300
Merchandises and products	14,163	14,823
Real estate inventories	3,063	1,662
Work in process	4,031	6,848
Costs on uncompleted construction contracts	9,460	10,685
Work in process for real estate inventories	21,058	25,876
Raw materials and supplies	7,913	9,125
Deferred income taxes	12,808	12,927
Short-term loans receivable	2,268	2,730
Other	21,111	19,150
Allowance for doubtful accounts	(1,997)	(1,829)
<b>Fixed assets:</b>	<b>810,541</b>	<b>802,917</b>
<b>Tangible assets:</b>	<b>362,161</b>	<b>364,625</b>
Buildings and improvements	148,375	147,943
Security equipment and control stations	70,478	73,366
Land	119,604	119,809
Other	23,702	23,506
<b>Intangible assets</b>	<b>49,411</b>	<b>49,957</b>
<b>Investments and others:</b>	<b>398,969</b>	<b>388,334</b>
Investment securities	284,322	270,399
Long-term loans receivable	42,904	42,033
Net defined benefit asset	35,010	36,192
Deferred income taxes	4,874	5,320
Other	49,382	49,720
Allowance for doubtful accounts	(17,525)	(15,332)
<b>Deferred assets</b>	<b>26</b>	<b>24</b>
<b>Total assets</b>	<b>1,410,715</b>	<b>1,415,638</b>

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

(In millions of yen)

	March 31, 2015	September 30, 2015
<b>LIABILITIES :</b>		
<b>Current liabilities:</b>	<b>247,755</b>	<b>219,310</b>
Notes and accounts payable, trade	43,160	38,258
Bank loans	44,965	36,406
Current portion of straight bonds	1,414	1,422
Lease obligations	503	489
Payables - other	33,849	28,490
Accrued income taxes	21,063	19,063
Accrued consumption taxes	12,878	4,561
Accrued expenses	4,653	4,360
Deferred revenue	31,348	32,017
Accrued bonuses	14,652	14,613
Provision for loss on construction contracts	1,612	1,584
Other	37,653	38,043
<b>Long-term liabilities:</b>	<b>255,618</b>	<b>261,424</b>
Straight bonds	8,413	7,648
Long-term loans	20,602	19,810
Lease obligations	3,712	3,621
Guarantee deposits received	36,000	35,523
Deferred income taxes	13,554	14,045
Accrued retirement benefits for directors and corporate auditors	1,415	1,254
Net defined benefit liability	18,504	18,495
Investment deposits by policyholders, unearned premiums and other insurance liabilities	150,119	157,665
Other	3,295	3,359
<b>Total liabilities</b>	<b>503,374</b>	<b>480,735</b>
<b>NET ASSETS :</b>		
<b>Shareholders' equity:</b>	<b>767,630</b>	<b>793,559</b>
Common stock	66,377	66,377
Capital surplus	80,265	80,345
Retained earnings	694,688	720,546
Common stock in treasury, at cost	(73,701)	(73,710)
<b>Accumulated other comprehensive income:</b>	<b>32,815</b>	<b>32,581</b>
Unrealized gains on securities	26,981	25,051
Deferred losses on hedges	(34)	(34)
Foreign currency translation adjustments	1,477	2,924
Remeasurements of defined benefit plans, net of taxes	4,390	4,640
<b>Noncontrolling Interests</b>	<b>106,895</b>	<b>108,760</b>
<b>Total net assets</b>	<b>907,341</b>	<b>934,902</b>
<b>Total liabilities and net assets</b>	<b>1,410,715</b>	<b>1,415,638</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, 2014	Six-month period ended September 30, 2015
<b>Revenue</b>	<b>393,380</b>	<b>408,890</b>
Costs of revenue	256,405	269,909
<b>Gross profit</b>	<b>136,975</b>	<b>138,980</b>
Selling, general and administrative expenses	77,363	78,774
<b>Operating profit</b>	<b>59,611</b>	<b>60,206</b>
Non-operating income	12,393	4,877
Non-operating expenses	1,753	2,021
<b>Ordinary profit</b>	<b>70,251</b>	<b>63,062</b>
Extraordinary profit	1,843	886
Extraordinary losses	2,241	277
<b>Income before income taxes</b>	<b>69,852</b>	<b>63,672</b>
Income taxes - current	20,899	19,002
Income taxes - deferred	3,136	999
Total income taxes	24,036	20,001
<b>Net income</b>	<b>45,816</b>	<b>43,670</b>
<b>Net income attributable to noncontrolling interests</b>	<b>4,634</b>	<b>3,625</b>
<b>Net income attributable to owners of the parent</b>	<b>41,181</b>	<b>40,045</b>

## Consolidated Statements of Comprehensive Income

(In millions of yen)

	Six-month period ended September 30, 2014	Six-month period ended September 30, 2015
<b>Net income</b>	<b>45,816</b>	<b>43,670</b>
<b>Other comprehensive income (losses):</b>	<b>2,863</b>	<b>(318)</b>
Unrealized gains (losses) on securities	5,193	(1,975)
Foreign currency translation adjustments	(2,549)	1,061
Remeasurements of defined benefit plans, net of taxes	410	161
Share of other comprehensive income (losses) of affiliated companies accounted for under the equity method	(191)	433
<b>Comprehensive income</b>	<b>48,679</b>	<b>43,351</b>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent company	44,080	39,811
Comprehensive income attributable to noncontrolling interests	4,598	3,539

### (3) Consolidated Statements of Cash Flows

(In millions of yen)

	Six-month period ended September 30, 2014	Six-month period ended September 30, 2015
<b>Cash flows from operating activities:</b>		
Income before income taxes	69,852	63,672
Depreciation and amortization	22,580	22,980
Amortization of goodwill	755	765
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(2,233)	(2,603)
Increase (decrease) in allowance for doubtful accounts	(224)	(222)
Increase/decrease in net defined benefit liability and asset	(543)	(985)
Interest and dividend income	(1,747)	(1,981)
Interest expenses	481	419
Exchange (gains) losses	(197)	215
Net (gains) losses on sales and disposal of fixed assets	(1,105)	143
Impairment losses on fixed assets	1,397	102
Net (gains) losses on sales of investment securities	(61)	(1,037)
Net (gains) losses on revaluation of investment securities	18	0
Write-down on real estate inventories	64	246
Net (gains) losses on private equity investment	(8,270)	168
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	31,719	28,270
(Increase) decrease in inventories	(11,468)	(8,234)
Increase (decrease) in accounts payable	(17,073)	(11,232)
Increase (decrease) in accrued consumption taxes	3,554	(8,411)
Increase (decrease) in deferred revenue	1,500	484
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	2,813	7,545
Increase/decrease in cash deposits/deposits received for armored car services	8,997	3,500
Other	(572)	1,357
<b>Subtotal</b>	<b>100,235</b>	<b>95,165</b>
Interest and dividend received	3,282	5,691
Interest paid	(483)	(421)
Income taxes paid	(27,568)	(21,192)
<b>Net cash provided by (used in) operating activities</b>	<b>75,466</b>	<b>79,242</b>
<b>Cash flows from investing activities:</b>		
(Increase) decrease in time deposits, net	280	(800)
(Increase) decrease in short-term investments, net	(955)	(1,807)
Payments for purchases of tangible assets	(20,574)	(24,568)
Proceeds from sales of tangible assets	2,357	2,542
Payments for purchases of intangible assets	(2,858)	(3,521)
Payments for purchases of investment securities	(21,369)	(15,998)
Proceeds from sales and redemptions of investment securities	17,512	30,021
Payments for acquisitions of affiliates	-	(1)
(Increase) decrease in short-term loans receivable, net	54	11
Payments for long-term loans receivable	(1,834)	(2,882)
Proceeds from long-term loans receivable	3,302	1,081
Acquisitions of subsidiaries accompanied with changes in scope of consolidation	-	(3,385)
Other	(904)	(153)
<b>Net cash provided by (used in) investing activities</b>	<b>(24,990)</b>	<b>(19,462)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in bank loans, net	(16,824)	(8,695)
Proceeds from long-term loans	7,000	1,600
Repayments of long-term loans	(2,487)	(2,225)
Payments for redemption of straight bonds	(705)	(757)
Proceeds from stock issuance to noncontrolling shareholders	4	8
Dividends paid	(25,100)	(14,187)
Dividends paid for noncontrolling shareholders	(1,537)	(1,616)
(Increase) decrease in treasury stocks, net	(7)	(9)
Acquisitions of subsidiaries accompanied without changes in scope of consolidation	(369)	(68)
Other	(306)	(264)
<b>Net cash provided by (used in) financing activities</b>	<b>(40,334)</b>	<b>(26,215)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(299)</b>	<b>99</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,841</b>	<b>33,663</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>224,443</b>	<b>241,716</b>
<b>Cash and cash equivalents at end of the period</b>	<b>234,284</b>	<b>275,380</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.

[Segment Information]

##### I. 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 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 is adjusted to operating profit in the consolidated statements of income.

##### 2. 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, 2015.

## II. Six-month Period Ended September 30, 2015

### 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	234,747	57,114	30,509	19,425	22,868
Intersegment	5,946	2,160	87	1,503	45
Subtotal	240,694	59,274	30,596	20,929	22,913
Segment profit (loss)	56,226	4,556	2,757	431	(689)

	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	23,304	387,970	20,920	408,890	-	408,890
Intersegment	3,839	13,582	978	14,560	(14,560)	-
Subtotal	27,143	401,552	21,898	423,451	(14,560)	408,890
Segment profit (loss)	2,577	65,859	2,201	68,060	(7,854)	60,206

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, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of  $\Delta 0$  million yen and corporate expenses not allocated to each reportable segment of 7,854 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.

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

SECOM CO., LTD. ("SECOM") entered into the share purchase agreement with Toyota Industries Corporation on October 30, 2015 to acquire 100%, or 101,764 shares of the common shares outstanding of Asahi Security Co., Ltd. ("Asahi Security") on December 1, 2015.

### 1. Purpose of Acquisition

Asahi Security has developed diversified clients network, service infrastructure and operating knowhow through provision of cash collection and delivery services and operation of 24-hour cash collection and delivery centers for its broad range of clients such as retailers and restaurants.

With Asahi Security's participation to the business infrastructure of SECOM group, SECOM believes that we provide high-quality services to broader range of customers and enhance corporate value.

### 2. Counterparty of Acquisition

Toyota Industries Corporation

### 3. Outline of a Subsidiary to be Acquired (Affiliated)

- a. Name: Asahi Security Co., Ltd.
- b. Business: Cash collection and delivery and On-line security services
- c. Size: Capital 516 million yen

### 4. Schedule for Acquisition

- a. Execution of Share Purchase Agreement : October 30, 2015
- b. Closing Date : December 1, 2015 (Planned)

### 5. Number of Shares to be Acquired and Conditions of Shares Held before and after the Acquisition

- a. Number of shares held before the acquisition: - (Ownership ratio: - %)
- b. Number of shares to be acquired: 101,764 (Purchase Price: 81,000 million yen)
- c. Number of shares to be held after the acquisition: 101,764 (Ownership ratio: 100%)

### 6. Funding Method

Fund on hand (planned)